

**REPORT ON THE WORK OF THE PMU WORKING GROUP
FOR RESTRUCTURING THE PMU**

Working Group Composed of:

Fatmir Kopellaj, Myzafere Kallapbaku, Ejup Hamza, Dritan Hoti, Kristaq Qirko, Merita Qato, Edmond Leka,

**Coordinated by Mark Marquardt,
with the assistance of Romeo Sherko**

Tirana, 31 October, 2002, from a draft presented 10 July, 2002

Executive Summary

Report on the Work of the PMU Working Group For Restructuring the PMU

Annexes

Annex A. Minutes of Working Group Meetings

26 June Meeting
28 June Meeting
04 July Meeting
06 July Meeting
10 July Meeting
12 July Meeting
25 July Meeting
30 August Meeting

Annex B Individual submissions

Cost Treatment on Global Contracts in Rural Cadastral Zones
by Fatmir Kopella

Thoughts about the Global Contract Cost by Vladimir Sala

Extension of Coordinator's Role by Myzafere Kallabaku and
Ejup Hamza

On PMU Staff Salaries by Vladimir Sala

Proposal for Bonus Calculations by Romeo Sherko

Thoughts about Performance Indicators of PMU Staff
by Vladimir Sala

Legal Thoughts on the Global Contract by Merita Qato and
Dritan Hoti

Proposal for the Organization of First Registration Work with a
Global Contract by Fatmri Kopella and Romeo Sherko

Thoughts on the Points of the Working Group Program
by Romeo Sherko

Thoughts on Completion of Technical Specification of the Immovable

Property First Registration Process in Rural Zones by Edmond Leka

Quality Control Procedures by Edmond Leka

The Global Contract Price by Edmond Leka

Thoughts on Materials on Coordinator's Role by Dritan Hoti

Work Performance Through Global Contracting
by Kristaq Qirko

Juridical Thoughts about the Global Contract by Dritan Hoti

Thoughts about the Global Contract of the Urban Zones
by Dritan Hoti

Evaluation of the Interim Report of the PMU Working Group
by Bardhi Qilimi

Thoughts about the Interim Draft Report of the Working Group
by Albert Dubali

Comparison of Quality of First Registration between the Existing
Methodology and the Global Contracting Methodology
by Fatmir Kopella

Proposal for Preparing for Global Contracting by David Stanfield

Annex C. Draft Contracts for Global Contract

Immovable Property First Registration in Urban Cadastral Zones

Immovable Property First Registration in Rural Cadastral Zones

Annex D. Organizational Charts

Existing PMU Organization Chart

Proposal A (Rural, Urban, and Administrative)

Proposal B (Global Contracting Rural, Global Contracting Urban,
Public Education, and Administration)

EXECUTIVE SUMMARY

This summary presents in a concise way the conclusions that came out of the meetings of the working group, initiated in June, with the purpose of analyzing the current methods used by the PMU in dealing with the first registration process and planning of the actual proposals for continuation of the work in the future. This summary includes three parts:

- 1) Description of the present work analyzing methodology of PMU and the methodology of Global Contracting.
- 2) Presentation of a work plan prioritizing those areas where the PMU should focus its efforts.
- 3) Recommendations for the continuation of work:
 - a) Accept the Global Contracting methodology
 - b) Starting in Durres
 - c) Monitoring of the Process

For a more detailed information about the work of the working group, a complete set of the minutes of each meeting of the working group is included as Annex A. Annex B presents all of the submissions to the working group to aid in its deliberations. Annex C presents draft contracts for urban and rural first registration. Annex D presents alternative organizational charts for the PMU.

Analysis of the Current Methodology

The current methodology used by the PMU does not insure the **unification of the data bases** generated, because a part of the first registration processes is contracted and done in the districts (e.g. filling of the kartela, printing, etc.), while at the same time another part of first registration processes has been contracted in Tirana and coordinated by the staff of the PMU (e.g. digitalization of maps). Often the Tirana information does not match with the information in the districts.

- 1) The current methodology used by the PMU to conduct first registration has resulted in generating information that often **has been associated with mistakes**. It is very difficult to identify these mistakes and find the persons responsible for them, knowing that the processes included in first registration have been contracted to different individuals and companies. Correcting those mistakes has resulted in **additional costs** for the PMU.
- 2) The current methodology used by the PMU also requires the undertaking of a **large number** of individual contracts and ordered contracts. An estimation of 500 contracts are signed by the District Coordinators and staff of the PMU monthly. This has resulted in an inefficient use of the coordinators' time in the districts, who have to oversee a large number of contracts each month. Managing this large number of contracts results in delays and in the increase of costs for the PMU.

- 3) The current methodology used by the PMU uses a **set price** for the individual and ordered contracts and does not create the opportunity **for competition** between the contractors and companies which would lead to a lower cost for the PMU in first registration.
- 4) The PMU contracting for a series of individual processes of first registration does not stimulate potential growth for the individuals and the companies, that will create an army of companies to support the work of the District Registration Office in the future.
- 5) The current methodology used by the PMU has resulted in **not fulfilling the deadlines** for the finalization of first registration.
- 6) The current methodology used by the PMU **does not stimulate the District Coordinators** to finish the process of the first registration as soon as possible, because they are interested for the process to last as long as possible in their district, so that they can continue to get paid even if there is a single cadastral zone left to register.

Analysis of the Global Contracting Method.

- 1) Global Contracting **enables the unification of the information data bases** of the kartela and index map. This is a key element for the future of the Registration Office, as it is the same entity contracted to conduct the processes of first registration. At present PMU does not have the possibilities to require the unification of the data bases in the case of the first registration process, while in the case of the Global Contracting the PMU legitimately can include the unification standard in the contracts.
- 2) Global Contracting will help **to eliminate the mistakes** that presently occur, as the processes of first registration is based on the information (starting from the Printing I) generated from the preparation of the maps and parcel book. The elimination of these mistakes obviously reduces the current costs being incurred spent in correcting these mistakes.
- 3) Global Contracting also leads to the **reduction of the processes** needed for the first registration, e.g. reduction of the printing I process, and also the reduction of the cost.
- 4) Global Contracting is not more complicated because it would use **the same technical standards** that PMU uses at present. At the same time, it eases the communication for the PMU, because it would have to contact only a few companies rather having to deal with 500 contractors.
- 5) Global Contracting method makes possible a more accurate **quality control** from the PMU standpoint since the PMU staff, instead of working with the management and oversight of a large volume of contracts, they will only have to strictly quality control the work done by a few contractors.

- 6) Global Contracting will **motivate the contracted companies to include more activities into their services** than they currently do for the registration of the properties. For example, surveying companies that are currently contracted by the PMU will be forced to deal with legal issues of first registration as well , thus building that capacity in these companies which the IPRS will be able to draw upon in the future.
- 7) Global Contracting will bring **technology advancements** in supporting the first registration. The companies will be interested to invest in technology as they will want to provide a faster service at a lower cost.
- 8) Global Contracting will bring shorten the time it takes for first registration, as the companies, in contrast to the coordinators, are more interested to finish their work quicker and submit their work, get paid and pass to another contract. A reduction of time in 20% is estimated, and some thoughts are included in the material attached to this report.
- 9) Global Contracting will bring a reduction of 16% **of the direct cost**. Also based on the tendering experience , a further reduction of cost as a result of competitiveness between different companies participating in the tender process should be expected. A detailed analysis of this cost is included in the material attached to the report.
- 10) Global Contracting brings the reduction of **indirect costs**. There is a proposal to reduce the number of the coordinators in the districts from 35 to 19. This is based on the fact that the number of the cadastral zones remaining to be overseen by the coordinator in a district decreases constantly. It is thought that presently many coordinators could oversee his or her district and one or two neighboring districts. Therefore costs will be reduced by paying fewer coordinators and also by reducing the first registration costs related to transport, per diems, salary of drivers, etc. A detailed analysis of these costs is presented in the attached material to this Report.

Setting up the Priorities of the Work

Based on the situation where the funding of the PMU is insecure for the coming year, the working group considered as very crucial setting up the priorities of the PMU work, that will aid in the best management of the remaining funds. The working group prepared a list of all the priority activities to be followed by the PMU in order to make a better planning of the work. The criteria on which the priority activities where set are:

- 1) Priority on finalizing and improvement of the first registration information for the urban cadastral zones of the main cities before cadastral urban zones in other cities.
- 2) Priority on the finalizing and improvement of the first registration information for the urban cadastral zones before the rural zones.
- 3) Priority on finalizing and improvement work for the rural zones where are there are existing or planned infrastructural investments before other rural zones.

- 4) Priority on finalizing and improvement work of rural zones geographically situated near urban centers before the distant rural zones.

The working group thinks that every decision of the PMU for any other work contract in the future should be subject to a detailed analysis and have appropriate arguments for the use of the funds.

Recommendations for the Continuation of Work

At the end of its work the working group has come to the following conclusions:

- 1) Accept as soon as possible to the method of Global Contracting.
- 2) Start immediately implementation of the Global Contracting for some cadastral Zones of the Durres District. Attached is presented a detailed description of the proposal.
- 3) Creating of a clear procedure to monitor the process of the first registration of immovable properties. Attached is presented a detailed description of the proposal.

REPORT ON THE WORK OF THE PMU WORKING GROUP FOR RESTRUCTURING THE PMU

The working group was created to consider the PMU contracting methods on first registration processes. It held a series of meetings and prepared a set of materials to address the issues for which the group was created.

At the first meeting of the group the agenda of discussion was prepared and the persons were appointed to prepare the materials according to the defined tasks.

Task	Responsible person	Date of the first draft
1. Improvement of First Registration Methods		21 June
Analysis of the Current Process	Myzafere, Fatmir, Kristaq	
Proposal on Methodology Improvement	Edmond, Myzafere, Fatmir	
Specification of contracts	Edmond, Fatmir, Myzafere	
Price	Myzafere, Fatmir, Kristaq	
Tendering Procedures	Ladi, Dritan, Fatmir, Mark	
Procedures of Quality Control	Edmond, Myzafere, Fatmir, Kristaq	
Financial Accounting for EU/UW	Mark, Ladi, Dritan	
Implementation of Plans on inclusion of WP7	Myzafere, Fatmir, Kristaq, Mark	
2. Extension of Coordinator's Role		
Public Education Activity	Myzafere, Ejup	
Training and materials on Public Education	Myzafere, Ejup	
3. Proposals on improvement of PMU Structures and Procedures	Mark, Myzafere, Dritan, Ejup	
4. Staff Positions in the PMU Improved Structure	Mark, Myzafere, Dritan, Ejup	
5. Recommendations on Executive Council Modification	The entire group	
6. Creation of the Advisory Council for replacing the Coordinative working groups	Merita, Mark	
7. PMU-IPRS Relationships	Merita, Ejup, Dritan	
8. Performance Indicators for the PMU Staff Collectively	Myzafere, Fatmir, Kristaq	
9. Relation of PMU Salaries with the Experience.	Ladi, Ejup	
10. Preparation of WP#7	Ladi, Mark	

The group members reached a full consensus on starting the work by collecting the materials with the necessary information about the procedures and prices with which the PMU is currently operating. Also, in principle, the group discussed about the global contract concept, its positive and negative effects as well as the possible difficulties for its realization.

In this report, we are not going to discuss in details about those technical issues, which are treated in the materials prepared. These materials will be attached to this report, in order to give all the data and information that the working group had in its disposal.

1. Improvement of First Registration Methods.

The improvement of first registration methods concentrated mostly on the discussion of the idea about the global contract application by the PMU. In principle this consists of the replacement of many contracts by order to a single one, from the beginning up to the end of the immovable property first registration process.

Regarding the global contract, in general the working group discussed a series of positive effects that it would bring, concerning the quality of works and also concerning the time for realizing first registration. But in the first meetings the working group did not discuss about the comparison of costs between different ways of contracting. Since the first meeting, the group realized that this point of agenda would be the most discussable. The working group members have been divided in two parts. The problems raised by people who supported that idea were: the increase of quality, speed of works, PMU easement from the management works in the contracts by order and technological development. People, who have not supported that idea, mainly raised legal problems, difficulties of realization because of the remaining time, etc.

In the first meeting, the working group also discussed and reached a consensus about the fact that the global contract would be separately treated for the Urban and Rural Zones. While, for the Rural Zones, the working group thought that it would be a simple transfer of the current methodology, while for the Urban Zones it would be more difficult. However, the Head of First Registration Department insisted to consider with precedence the possibility of applying the global contract methodology even in the Urban Zones. She thinks and is convinced that this methodology, apart from the difficulties that might be faced at the beginning, will accelerate the first registration process in the cities, which is a process that needs to be pushed, in order to be realized in the predicted time. She mentioned also that if the PMU continued with the existing way, it would be too difficult to realize the planned volumes, especially in the big cities.

The tasks appointed at the end of the meeting were: the collection of materials with the necessary information about the contracts and prices with which all the PMU departments are currently operating. Another task was to discuss with the PMU specialists the technical possibilities and mechanisms for realizing the global contract, with respect to the realization of the technical specifications in the field of maps as well as that of the database and indispensable technical procedures that will be followed by companies in case of such a contracting. Based on this information, it was predicted to prepare a draft contract and to define also the measures that should be taken further regarding the technical specifications and procedures of control.

In the successive meeting, the working group members appointed to study and prepare the draft contract, had prepared all the necessary documentation for discussion. Included in this documentation were the draft contract and two papers explaining the measures and decisions that should be made regarding the realization of more complete technical specifications, procedures of control and a model for calculating the limit price that will serve as the ceiling price in the tendering process. This draft contract and other papers deal with the global contract for the Rural Zones.

The opinion of specialists related to this type of contract automatically considers the use of new technologies as a large advantage with the purpose of increasing the productivity as well as the quality of work. Without excluding the methodology that this type of contract requires, the companies are not prevented from working with the existing technologies and methodologies they have. The specialists see the introduction of new technologies on data elaboration as a mutual advantage: for the PMU, which always requires a better quality of map-kartela information and kartela and for the companies, which will increase the productivity of work and their professional level.

In order to make the understanding of the entire registration process through a global contract simpler, the specialists clarified briefly how they predict the companies to perform for all the phases of work in order to realize that type of contract.

- *The **first phase** will be that of studying the existing maps and all the legal materials, Tapi, form 6, etc. In this phase, all the data referred to a tapi will be entered in an excel file. Before starting the fieldwork, there will be a consultation about the accuracy of the data such as the owner name, number of tapis, if there is any deficiencies, etc.*
- *The **second phase** will be the field work, measurements, completion of sketches with the tapi information. (The number of owners, codes of property types, surface areas according to tapi, etc.). In this phase the company is obliged to be careful on defining the owners and boundaries (in comparison with the current regime of work), because now the same company will be responsible for following the problems of display.*
- *The **third phase** will be that of office work. Currently, all the companies are using computers for preparing the property index map. The difference in what they will do in this phase of works is that the data on owners, property types, surface area according to tapi, etc. will be entered as text within the file of the digitized map.*
- *The **fourth phase** will be the preparation of the Parcel Book automatically with more information than the existing Parcel Book, the control and correction of errors, the generation of digital kartela, control and correction of errors (currently this is the first printing and correction of errors) and then the second printing and display of lists*
- *The **fifth phase** is that of following and correcting errors that will be encountered during and after display and third printing and the printing of all the other materials, and ultimate delivery of materials to the IPRS.*

Technical Standards

One of the important clarifications done by the specialists involved in the preparation of the draft contract was the problem of standards. They argued that the global contract can be realized completely based on the existing technical specifications and there is no obstacle in the way of realizing that contract because of the technical specifications. But they clarified that the companies will likely develop different procedures and applications for a better automation and control of the information elaboration. Under these conditions, it will be good for the PMU and the IPRS to standardize the procedures that the companies will follow on performing first registration.

It is the time for the Project and IPRS to think seriously about the preparation and approval of the final standards of the digital files. The realization of a global contract will be finished when the maps, parcel books and kartelas will be delivered (manually and digitally). Information will be ready and the IPRS will have the possibility, without making other operations, to utilize them in the process of transactions and updating in both forms (digitally and manually). Therefore, it would be better to realize the global contract and work at the same time on the quick realization of standards.

Note: So far, we have realized standards for the intermediate files (DFX for the maps and DBF for the kartelas). Even though their linkage has been addressed, it has not been written and approved as a technical document, which is an obligatory standard for all.

Printing or kartela writing

At the beginning of the discussions, the specialists who recommended even some changes on the method for realizing first registration, required at the same time the clarification of some points in that contract, for not having legal constraints during the realization of that methodology. The most important problem presented by the lawyer was that of kartela printing: the specialists suggest that IF all the legal problems will be studied since the period of parcel book preparation and the parcel book will be completed with additional information, which it lacks in comparison with the final kartela, then it can be passed directly to the second printing without making the first one. This is expressed based on reasoning that the information entered the digital parcel book could be controlled automatically in the same way the first printing is controlled now.

With simple words, the completion of kartela information in this way is proposed to be done in another way, which in principle consists on the fact of entering those data while the immovable property index map is being prepared. As the result of hesitations and doubts presented by some group members the specialists explained that currently the private companies operate in this way for preparing the parcel book, i.e. they realize a GIS system at the beginning in order to create an automatic linkage of the parcel book and the graphical parcel, in order to create the parcel book. Then they go back to create an excel file of the Parcel Book, because this is what the current PMU standards require. The companies currently do this, not because it is obligatory by the PMU, but because it is convenient for them to use the GIS methods.

They create the parcel book automatically with a controlled quality, they measure automatically the parcel surface area, control automatically the information that deals with the property type, owner, etc. As the result of the use of this methodology, it is possible to enter the property kartela first digitally and at the end of first registration process, after the correction of third printing, they can be printed out. The fact that the kartelas will be printed out this way and will not be written by hand opened many discussions. The working group lawyers studied the regulations and laws and suggested that according to the way they are formulated it is understandable that kartela has to be clearly written by hand, using ink. The response of specialists who prepared the draft contract to this constraint was the handwriting instead of printing. This is easy to be done at the end of process, where directly from the monitor the kartela can be written by hand. But they expressed their technical dissatisfaction regarding this process realized by hand, which would be accompanied by errors done by the person who would write them. The result is that the kartela will have a coefficient of uncertainty on the accuracy of information.

Other defects observed in the draft contract presented, dealt with the legal ways on treating the procedures. The discussions concluded that these defects were correctable and the working group lawyers undertook to correct the draft contract in order to use more precise expressions and that are according to law for different chapters of that contract.

Another point of doubt regarding the application of the global contract was whether the private companies would be technically able to treat the process of kartela monitoring or not. This remark was the reason of organizing a consultative meeting with the private companies that are working with the PMU. (The clarifications resulting from consultations with the companies will be given in the following pages of this report).

Divided funds

Another problem that has been continuously raised during the discussions was that of fund division. I.e. the global contracting would create difficulties in payments. In general the specialists argued that it was possible to make a division of work processes when the costs would be calculated, referring to the existing costs for each item of work. Even in the global contract, it is possible to divide the activities in the same way, apart from the fact that there is just one contractor, but they emphasized the fact that the process of first registration is a higher priority than the resolution of payments and donor relationships. I.e. the financial problems should be resolved in relation to the best option for first registration. First registration is a technical procedure and cannot be conditioned by the financial solutions.

Responsibility on receiving the work

Another principle problem discussed was that of receiving the work. Considering that a company, after making the contract and receiving all the necessary materials for beginning the work, will have the obligation to send the first registration process up to the delivery of kartelas, their binding and third printing. At this moment the working group discussed where the companies should deliver the information: to the Registration Office or to the PMU coordinator. In principle, who will be responsible for receiving the work the Coordinator, i.e. the PMU or the Registrar, or the IPRS?

From the discussions there was some disagreement. The PMU responsibility for the quality of works is not excluded. The draft contract predicts that during the period of contract realization the Coordinator has the right and obligation to do a continuous control about the quality of work, methodologies used, etc. He has the right to suspend the works when he sees that the works are not done with the quality predicted before. Another argument in favor of this decision was the fear that the district Registrar is not responsible about the time and quality control. From our practice there are bitter experiences of delays on delivery of documentation, because of the limited time that the registration offices have to control the first registration documents.

As a result, the working group agreed to suggest that the company should have relations with the PMU and PMU with the registration office.

Term of works

(Note: This section talks about the terms for the realization of contracts by tender, not for the comparison of times between the contract by order and the global contract).

Another point discussed, has been that of time for the completion of the work. The positive fact for the global contract is that the PMU now is able to monitor the terms of contracts for all the cadastral zones. Actually, it is able to monitor only the works that are done by the companies. The contracts by order have been and are under the monitoring of coordinators, because their number is much larger to be monitored by the PMU center.

As regards this point, the working group discussed that the historic experience related to the time for contract realization has not been good. The delay of companies when they deliver the work is a result of many factors:

- because of the company (incapability or negligence of the contract with the PMU because of another more interesting contract)
- delays caused by the PMU itself because of the impossibility to provide the initial necessary documentation and in some cases the technical solutions for the difficult legal cases.

Considering the up-to-date experience, even though mutual penalties have been included in the contract for non-realization of contracts in time, there is no experience of their application. This comes as the result of non-documentation of the reasons of delays in each case. Have they been because of the PMU fault or company fault?

In the material presented on the global contract, it is mentioned that the time of work realization, considering the nature of first registration, becomes a mutual responsibility of PMU and company. Through the contract, it is required to monitor the dates of respect of mutual obligations in order to make possible the application of penalties in case when the contract terms are not respected. However, this phenomenon can be defined later in the process of tendering, making contracts and the contract realization.

Calculation of volumes

The calculation of volumes was another point of discussion, which had been discussed years ago. While many processes such as kartela monitoring, measurement of surface area and parcel book are calculated through the number of properties, the calculation of urban hectares, agricultural land, etc. has always been related to a subjective factor. This means that the coordinator or the PMU quality controller has had the responsibility to put the line that divides the dwelling center and agricultural land. During the first years this was not a problem, because in the villages where the work is done there had been a clear dividing line between the field and the collective. In the mountain areas where the PMU is currently working, the dividing line is not clear, the village houses are distant from each other and as the result, the evaluation of work volumes has been always a point of dispute between the companies and the PMU. There were some suggestions about the regularization of this problem, but the complete solution has to be given after the approval of the global contract and through some statistics, which have to be done with some cadastral zones of this type that are already finished and delivered. The statistics will be done in order to be at the existing level of costs. (The idea is that the prices have to be expressed in agricultural hectares, road and channel hectares, site hectares, etc.), i.e. according to property type and the volume calculations done directly from the parcel book.

Global Contract Types

The global contract was conceived and its draft was prepared for the cadastral zones that have not started the first registration process. However, from the discussions done related to the status in which the cadastral zones are as regards different phases of first registration, it was said that there was no reason for the global contract to be unsuccessful for those cadastral zones that are in different phases of first registration. For example, it is important for the private companies that are finishing about 175 cadastral zones for the phase up to the preparation of maps and parcel book, to accept to finish the zones that they have prepared by themselves until the end of first registration process. These contracts will be part of the global contract as regards the conditions and definition of costs. (See the attached document regarding this point).

Payment

One important point seen in the presented draft contract is the method of payments. Even in the past, the PMU has followed a policy of payment in relation to its own guaranty about the quality of work. In this draft it was proposed that when the first printing will be realized, after making all the predicted controls, to pay 70% of the contract and the other 30% will be paid when all the materials will be delivered. This proposal was justified by the weight of the work expenses up to the phase of first printing, leaving more reserves with the PMU to ensure the quality of work. From the discussions of the working group members in general it was thought to change that ratio to 60% to 40%, instead of 70% to 30%.

Control Procedures

The procedures of control for the quality of work were discussed for the best part of the working group meetings. A special paper was presented to clarify this point. This paper is

attached to this report. In general, from the discussions it was concluded that the global contracting will increase the work quality control, the certainty about the quality and perhaps it will reduce the cost of the control (depending on the way it will be organized).

Private companies' view

As the result of discussions made in the working group related to the reactions that the private companies might have against the global contract, a meeting was held with the main companies that are working with the PMU and with other specialists and lawyers, who were members of the working group. After that meeting, the reaction of private companies was reported in the working group.

- First, it was said that the companies did not present any apprehension about realizing the work processes that they have done so far. Their strongest hesitation was related to the provision of the necessary documentation. It is a fact that these companies are all equipped with computers and they have experience enough to do such a contract. Considering that the process of the kartela data entry currently being done by many companies and individuals, who have less experience than those companies that have worked for years with the immovable properties, they did not express any sign of pessimism regarding their professional capabilities for realizing the global contract.
- Another point of discussion with the companies was the process of display. Some of them expressed their fear with the collaboration with the local authorities for the assistance they should give both in the process of display and before in the processes of defining the boundaries during the process of boundary measuring. This discussion discovered another defect of the work in first registration. The companies measure the owners' boundaries with less responsibility when there is no cooperation with the local authorities, thinking that they will be regulated during the process of display. This phenomenon also explains another advantage of the global contract, which will force the companies to be responsible up to the end about the accuracy of property boundary measurement, without having any other successor company or individual on to whom pass this responsibility.
- The process of display with the existing methodology is estimated to be Lek 17,000 in total. The companies that have correct knowledge on the costs of work reacted about that sum and required to appraise more that process of work. The reaction of our specialists was that this work is already afforded by that sum, while the companies responded that as far as they knew this item of work is neglected and is not done according to the PMU instructions. The travel expenses (six times in field for collecting the complaints during the three-month period) and the necessary corrections cannot be realized with that sum and as the result, they do not follow all the procedures according to instructions, while the companies, different from coordinators will be obliged to make these processes correctly based on instructions.
- Companies expressed interest about the global contract in the dwelling center. They also were interested to cooperate with the registration offices of the big cities with the

perspective of opening a new object of work, that of supporting citizens with the necessary documentation of transactions, having their personnel, qualified lawyers in the field of properties. Currently, this work is done only by licensed topographers and the companies have not had the possibility to compete in this object of work.

Advantages of Global Contracting

- Technological development

The first registration contracting for all its phases and for the regions with large surface areas as well, will give to the companies a possibility and reason to see with priority the use of new technologies and methods on information processing. As it is mentioned above, the companies will profit with such a contract because they will use GIS methods for realizing the works. From the current experiences with the companies that have had the obligation to realize the parcel book digitally, the working group has seen that they have invested in the training of their staff and investment in technology as well.

The introduction of database treatment in the contract offered by the PMU will be one reason more to continue their technological progress by using the GIS methods. For the PMU and the IPRS the companies will be strong supporters on realizing the perspective purposes on land market. If one sees the PMU activity since the beginning it can be said that the biggest project achievement has been the stimulation of private activity. It is also clear that the PMU has been the project, which made a gift to our country's economy and private companies in the field of mapping.

In considering the need that Albania has for maps on land policy development, land use information, LIS, etc. then we can say that these companies will be a strong support in the country for producing land information. It is a fact that the number of companies and individuals that are currently working with the GIS technologies is smaller than what is needed. The global contract will considerably influence the increase of the number of GIS producers

The 10-year experience of the market economy has clearly shown that the country should have development policies for private activities on a professional level. During this period the state agencies either have moved backward or stopped. Their movement towards technological renovation has been slower than that of the private companies. The trend to reach the western levels of development clearly belongs to the Albanian private companies.

- Better quality of first registration

The private companies have completed the parcel books by computer. This development is already confirmed and proved and in about two years it has significantly increased the quality of first registration. In this way, the ownership of parcels, the measurement and balances of surface areas, etc. are 100% secured and

controlled. But the process of automatic control finishes here and then it is the turn of kartela filling, monitoring and all the other processes, which bypass the automatic control of first registration information as a sole one. Here, the controls on the kartelas are done separately by the index map. If we continue this way we'll never be sure and we'll never know what to say about the state of information we have on immovable properties. For years we have talked about the linkage between the maps and kartelas. The global contract is a good beginning. The cadastral zones that will have the fortune to be realized by global contracts will be free of operator errors in all the phases.

Considering that the quality of first registration is an important aspect related to the cost of the work it is good to present clear details that compare the current first registration process and the global contract that is proposed.

The PMU is currently working in two ways:

- a. Contract by order: from the mapping process and parcel book preparation up to the end of the process.
- b. The tender up to the preparation of maps and parcel books and followed by contracts by order.

Methodology a – all the quality controls are done manually (not automatically), except the control of kartela monitoring. There is no moment of control and there is no security on the linkage of the map with the property data. Through this way of contracting, we have never had control on

- repetition of property numbers on the map
- linkage of map parcels with those of kartelas
- the measured surface areas have always been with errors and there is always a need to rewrite the new surface area after the map digitalization.

Additionally, the process of kartela digitalization and monitoring is done by different departments. In these circumstances, there is no unification of the data base in any phases of the first registration process. ***As the result, at the moment when the cadastral zone is delivered to the Registration Office, we have different situations in four forms of property registration data, (manual map - digital map – manual kartela – digital kartela). This means that we never have a date where the data are unified and error free.***

Methodology b – There is an automatic control up to the preparation of the parcel book. Even the measurement of surface areas is done automatically and there is no error. The maps with this methodology are first done digitally and then the hard copy is produced. Then we have the correction processes that comes from the kartela filling and display process. The reflection of changes in the map and kartela is out of control in the phase where the contracts by order begin. As a result, even though we have a better quality of works by using the computer methods, which links the map with the parcel book, again we move to a system of non-controlling the linkage between the map and kartela data. ***Although the work quality is***

better than in methodology “a”, again we do not have a unique data base in the phase of documentation delivery to the Registration Office, the same as in methodology “a”.

As the result: this process will continue to enrich the list of 300 000 errors that currently exist in the database because of the previous process of data entry. Except those kinds of errors, there are about 3-5% errors in the linkage between the digital map and kartela (property without kartela, kartela without property in the map, difference in surface areas because of different methods used in manual and digital measurements).

We see: The cost for correcting an error is **Lek19** (the total is about **USD 390,000**) excluding correction of linkage errors that might require field work.

Global Contract: - It is possible to completely eliminate the errors (associated with the necessary costs and time of correction) above mentioned, through the global contracting, because:

First, the process of second printing, proposed to be realized (directly from the digital parcel book) is a direct result of the index map. We cannot have subjective errors in this process.

Second, the changes resulting of the display process will be followed by the same company that does the survey, parcel book and second printing, and in this way they will be reflected in the digital files of the index map and kartela (manual as well).

Third, because it is very simple for the companies to realize a unique database at any moment, because at any time the company can realize the index map-kartela linkage, it can find the errors and correct them.

Fourth, because the PMU staff specialists can easily realize the digital control of one (or more) cadastral zone (s) and can report to the company the errors that might occur, and can require their correction without making other payments as we do with the correction of the up-to-date errors.

Fifth, there will be no problem with the surface areas and their measurement. The control of the surface area in the index map and surface area in the “tapi” will be automatic and will be done at the moment of the parcel book preparation and it will be eliminated before the kartela filling.

Through this methodology, the Registration Office will have unification of digital and manual information and a higher quality of documentation. There will be no cost for correcting the errors.

There will be a date where the data base will be linked digitally and manually and the updating process will be easier because of transactions.

However, comparing these two methodologies, we can say that the global contract application will bring a **UNIQUE DATABASE** and **MUCH BETTER QUALITY** of work..

- Enrichment of legal company experience.

So far, the PMU and the IPRS have been continuously obliged to handle the first registration processes separated into two aspects, legal and mapping. This has happened because there has been no professional education in Albania for both aspects and in general there are no people who have complete knowledge in these two aspects. This situation does not work in a certain way, because the law on immovable properties has decided by itself to have just only one registration office to deal with the two aspects of immovable property treatment.

The private companies have not been interested so far to know the legal aspect when dealing with the properties. The global contract will help these companies to be enriched by personnel with knowledge in the field of laws. After realizing the first contracts, we'll have companies, which will know how to realize first registration as a single process.

- Further stimulation to increase private activity.

There are about 15-20 companies, which are already working for the PMU. This number has been conditioned by the quantity of work that the PMU has tendered. In many districts of Albania, the topographic specialists have been satisfied with the contracts by order and have not tried to create private companies. The application of a global contract is thought to stimulate the creation of new companies in the districts and at the same time it will increase of level of competition as regards the work quality and prices.

- Easing of PMU work

From the discussions in the working group, it became known that the number of contracts by order that the PMU staff manages is very large going beyond one thousand. It is clear that the district coordinators pass the best part of their time managing contracts by order, which still constitute the largest volume of the PMU work in the field of first registration. The global contract of course would facilitate a lot the PMU work and at the same time it would create the possibility for better monitoring of the work.

- Speeding up the First Registration

The influence of global contracting on the speed of first registration was discussed in some cases, in cases of cities and villages as well. As we know, the project has been extended because of the impossibility of realizing first registration activities as scheduled. The specialists who support global contracting think that the time of first registration will be speeded up in case of its application. Too many times it is required to have specialists giving a valuation about the time that will be reduced. This was treated as an important element, which deals not only with the accomplishment of registration in the planned terms, but also with the costs of the work. Some specialists gave a 20% of reduction in comparison with the contract by order, and explained that the factor of time is not related only to the technical procedures.

In fact, the use of computers, total stations, and other technologies accelerates considerably the process. However, there are some other factors that impede the work (legal

problems, constraints by the local government and cadastre office, etc.) that cannot be calculated by the specialists. The elimination of contracting procedures and payment procedures will also influence the acceleration in time. A simple and approximate calculation was done. A global contract for a zone that has 10 villages replaces about 40 contracts by order. It is natural that making and following these contracts by order instead of one has time effects.

Difficulties brought by global contracting

- The introduction of the global contract application results in a change of many organizational routines that are established in PMU over the years. It will also require the change of relationships between specialists that work on the application of contracts by order and who use to work with the project coordinators. Now they will establish another relationships with the private companies that will win in their zones. The group had the opinion that the specialists that are already expert in first registration work would be lost. A lot of training has been done during these years for the preparation of these specialists. Some other opinions are that this process would enable a better selection of specialists and increase the requirements for their professional level.
- Another difficulty of the global contracting application is that it will require an accurate monitoring of the documentation situation for all of the cadastral zones that have not started the first registration process or they are in the phase where they can be included in the global contracting.
- The global contract application will be followed by a significant elimination of the need for as many coordinators in the PMU staff structure (at least for the first registration process). The elimination of these coordinators and their dissatisfaction can result to uncompleted inventories and inaccurate documents delivered (maps and kartelas), the lost of which has had costs to the PMU too many times in the past.
- Another difficulty of this discussion is that the global contract has created poor relations with the PMU staff, because of different views that they have had regarding the application or not of the global contract.

Discussion about first registration costs

During all the meetings, in which the working group has discussed the global contract, the problem of cost has also been a factor. Even in this point the working group had many debates. The argument that the global contract will create the possibility of applying computerized methods results in the idea that this will reduce the cost of work. Since the first day the discussion for the global contract draft, the specialists requested to see the problem of costs in more detail. They mentioned in particular that the elements of “work quality” and “time of work” should be attached to the discussion on the economical advantage that the global contract would bring.

They insisted that the comparison of costs between the global contract and contracts by order will be right only if we include in the calculation of two methodologies the cost of error correction, which results in the existing materials of first registration with the methods of contracts by order in addition to the indirect costs that should be calculated in this comparison.

In the continuing debates the specialists insisted that this technological innovation, i.e. the delivery to the PMU of hard copy materials and digital files will result in a database that also has the linkage and correction of all errors at the final moment of first registration. This is a big savings for the PMU and the IPRS. They also mentioned that this advantage will be better seen by the PMU, IPRS, and the Technical Assistance when this work will be done for the cadastral zones that are not digitized and linked (map + dbf).

Also, it was mentioned that the effect of linkage and error correction is not an aspect of work that will require only office work (i.e. low cost). The correction of errors for the existing cadastral zones in the future will require even the verification in the field, which will result in a considerable cost. Staying in this point, i.e. “the good quality of works that the global contract brings” the specialists considered this aspect as a significant cost reduction. They also mentioned that many procedures such as the creation of the parcel book, measurement of surface area, etc., and increases in the speed of work, will only happen if the companies invest in technology and training, which are costs that PMU has not included in its calculations.

The following table gives the calculation done on first registration costs with the existing methodology and the prediction of the global contracting.

Method ‘a’ - is that methodology where first registration is done only through the contracts by order.

Method ‘b’ – is the methodology where the surveying and PB are done by tender and then by contracts by order.

Global Contract – Method proposed where first registration will be done by a sole contract.

Note:

- 1- Considering that in the future the ratio between updating and surveying will be in advantage of surveyings, in following we are comparing the costs only for the surveying. We have not included the VAT, because it is reimbursed.
- 2- In order to compare the costs with different methods, we have supposed that the ratio of urban hectares to rural hectares is 1 to 10. There are about 5 properties in one hectare and a cadastral zone has about 1000 properties. This supposition is significant only for comparing the different methods. We are making this notice because the calculation of limit cost cannot be done in the future, based on these suppositions, but based on the concrete data on each cadastral zone.

- 3- In some calculations we have considered the fact that the project registers 400 000 properties in one year.
- 4- We could not calculate the effect that will have the cost reduction in the first registration time through the application of the global contract.

We have calculated also the influence of the indirect cost based on the annual budget of 2002 and projections about the future PMU structure in case the global contract methodology is applied. In the approximate calculations, we think that the coordinators' number will be reduced at 40% and:

the PMU central staff at 20%.

20 % of the PMU Administration, only salaries are \$47,600

40 % of Coordinators, only salaries are \$ 62,900

40% reduction of transport, per diems of drivers and coordinators is \$17,177

30% reduction of car rent, fuel, insurance, and vehicle repairs is \$124,990

The work equipment and instruments have their effect in the indirect cost, but they were not included in that cost.

The sum of the indirect cost is \$251,444. This indirect cost is distributed in methods 'a' and 'b'. According to the approximate assessments, it is thought that 70 % of it goes to method 'a' and 30% to method 'b'. In total, the indirect cost influence a property: \$251,444 : 400000 properties = \$0.62 per property, this cost influences both the methods 'a' and 'b'.

Comparison of Costs for Each Method

No	Description	Method "a"	Method "b"	Global Contract
1	(Rural) IM Preparation	1500 lek/ha	1500 lek/ha	1500 lek/ha
	a. field work			
	b. mapping			
	c. planning			
	d. designing			
	e. PB preparation			
	(Urban) IM Preparation (urbane)	6500	6500	6500
Total per ha	90 % rural + 10% urban	2000 lek/ha	2000 lek/ha	2000 lek/ha
Total per property	(it is approx. Calculated to have 5 properties per one ha)	400 lek/property	400 lek/property	400 lek/property
	Reduction because of the individual contract (15%)		340 lek/prop.	340 lek/prop.
	Cost structure (10 %)		34 lek/prop.	
	Planned profit (15%)		51 lek/prop.	
	Total 1	400 lek/prop.	425 lek/prop.	340 lek/prop.
2	Rural Property Digitalization	12.00 lek/prop	12.00 lek/prop	12.00 lek/prop
3	Fix Payment per Digitalization per CZ.	11.20 lek/prop	11.20 lek/prop	11.20 lek/prop
4	Correction of errors per digitalization	1.2lek/pas	1.2lek/pas	
5	Printing 1 + 2	20.00lek/prop	20.00lek/prop	14.00 lek/prop
6	CZ Display	17.00lek/prop	17.00lek/prop	17.00 lek/prop
7	Payment for the village Eldest person	3.50 lek/prop	3.50 lek/prop	3.50 lek/prop
8	Correction of linkage IM - Kartela	3.38 lek/prop	3.38 lek/prop	1.00 lek/prop
9	Printing 3	10.00 lek/prop	10.00 lek/prop	10.00 lek/prop
10	Kartela Filling	35.00 lek/prop	35.00 lek/prop	20.00 lek/prop
11	Property Book Binding	4.00 lek/prop	4.00 lek/prop	4.00 lek/prop
	Total (2 to 11)	117.28 lek/prop	117.28 lek/prop	92.7 lek/prop
	Reduction because of the individual contract (from point 2 to 11) 15%	17.59lek/prop	17.59lek/prop	13.9 lek/prop
	Sum 2	99.69 lek/prop	99.69 lek/prop	78.8 lek/prop
	Total 1 + Total 2	499.69 lek/prop	524.69 lek/prop	418.80 lek/prop
	Cost structure (8 %)			33.5
	Planned profit (11%)			46.07
	Total of direct cost in lek	499.87 lek/prop	524.87 lek/prop	498.37 lek/prop
	Total in USD (rate 145 lek = 1\$)	3.45 USD/prop	3.62 USD/prop	3.44USD/prop
12	Influence of indirect cost to general cost (that will be reduced)	0.62 USD/prop	0.62 USD/prop	
	Final total	4.07 USD/prop	4.22USD/prop	3.44 USD/prop
	60% method 'a' + 40 method 'b' : 2	4.13 USD/prop		3.44 USD/prop

The difference in the predicted cost is 16.31 % lower in the global contracting method than in methods 'a' and 'b'

Care has been taken in this calculation not to change the prices significantly because of the effect of productivity increase, which comes from computer use and reduction of some phases because we are not able to calculate the effect of computer and training cost that the companies should do for applying the global contract. We think that computer use will allow companies to reduce the cost and increase the productivity of their work and they will reflect that reduction in their bids for tender.

The time of first registration realization as we have mentioned above will be reduced as the result of the global contract application. This will also be as the result of reduction of the bureaucratic procedures and because of the largest motive that the company has in comparison with the coordinator; to finish the work sooner. The time effect will also influence the indirect cost reduction and as a result, the general cost. Considering that a precise calculation of the time effect cannot be made, this has not been included in the above comparison, but it is clear that the cost balance because of "time" is evident in the global contracting methodology.

A large part of the discussions was about the problem of the 15% increase instituted by the PMU from February 2001 and on, which was applied in all the prices with which the PMU operates. Many discussions were done about that 15%, which dealt with the reasons of that increase, the way how this 15% is applied in the contracts by order and contracts by tender. In that discussion, papers, calculations and Executive Council decisions were presented and the opinion of each working group member was taken about this issue. We have had more discussions and objections perhaps in this point than in other points of discussions. As it is mentioned above in this report, during the discussions there have been two groups with different stands about the global contract application and the advantages of its application.

Global Contract in the City

The application of the global contract in the city was treated by the working group separately by the global contract in rural zones because of the specifics that this process has. The working group discussed and made the respective suggestions about the draft global contract presented...These changes were made and are reflected in the material attached to this report.

Many problems were raised from the discussions on registration in the city. For the small cities, where the process of property registration in urban zones is actually at 50%, the group thought not to apply the global contract, but to continue with the same procedure as now. For the large cities such as Tirana, Durrës, Vlora, Elbasan, Shkodra, Fier, etc. the group thought that it is reasonable to apply the global contract.

In case if the global contract will be applied in those zones, it is indispensable that the PMU-IPRS should provide the legal documentation based on which the property registration process will be done. (This has been predicted even in the type contract). At the same time it is indispensable for the companies that will perform this process to work within the registration office spaces or in other spaces approved by the Registration Offices (this aspect is predicted in contract as well).

The discussion on global contract in the city has continued even out of working group meetings with the specialists who lead this work in the PMU. For the cities of that category it is thought to apply it first in one city for example in Durres in 8 CZ. Very soon (about 2 months after making the contract) we'll see the results and then we can continue with other cities. The working group thinks that in two month's time they will be able to see all the contract organizational problems and be able to present options for their resolution. But, the PMU should not wait longer as regards the extension into other zones, because there is not much time. First registration speed in the cities should be increased as soon as possible.

2. Role of the coordinators:

Summary of discussions:

A proposal was submitted suggesting both that the number of coordinators be reduced from their present level of 35 to 19 and that their role be expanded to have a greater responsibility for public education. This proposal was based on the consideration that the level of first registration is nearing completion in some districts and, with the move to global contracting for the remaining work, the existing level of coordinators can be reduced.

At the same time there is a recognition that there has to be a greater level of public awareness of the first registration process than there has been in the past. An agreement has already been reached with the Chief Registrar to begin public ceremonies when cadastral zones are completed and the first registration documents are formally handed over to the Registrar. Certificates will be distributed at that time.

Next steps:

An assessment of the level of work remaining on a district by district basis should be made by the PMU following the inventory and classification of outstanding cadastral zones. This should be the basis for reviewing each of these positions.

Develop a comprehensive public education campaign including the hiring of appropriately trained media specialists for the PMU to undertake this work.

3. Proposals for PMU Structure and Procedures:

Summary of discussions:

A number of organizational charts were presented for consideration by the working group. An historical problem in the PMU has been its ability to control the flow of first registration activities across different departments. Presently the PMU has a hierarchical organizational chart (see attached chart 1) with three departments; cartography, registration, and geomantic. When the maps are completed in a cadastral zone they are handed over to the registration department and responsibility for that cadastral zone passes there. Similarly, when the registration department completes its task the cadastral zone documents pass to the

geomatic department. At some point the registration department is waiting for the cartography department to finish its work before it can begin, and at the same time the geomatic department is waiting for these two departments to finish their work before its can begin. Once the cartography department has completed its work and passed it on to the registration department it no longer has any interest in that cadastral zone. If errors are later discovered corrections have to be coordinated across department lines of authority.

A more logical structure, which would fit well with the global contracting methodology is that of a functional or operational organization chart that would have only two departments, one for rural first registration and the second for urban first registration (see attached chart 2). All registration activities from mapping through kartela filling to completion of first registration would be handled within one department. This would improve the coordination and efficiency with which a cadastral zone will move through the system.

The second proposal was vetted over two years ago, but was not adopted because of contracting procedures in place at that time. By moving to a global contract methodology this structure makes much more sense from an administrative point of view. However, given the number of cadastral zones which are in the final stages of first registration, it is felt appropriate to retain the current organizational structure format for the next 3-4 months.

No discussion occurred on the PMU procedures manual pending the design of the global contracting methodology.

Next steps

The restructuring of the PMU into an operational rather than hierarchical structure should occur without delay as more cadastral zones move into the global contracting format and as fewer remain to be completed as existing contracts and more experience is gained in the design, implementation and management of the global contract.

Continue existing work on the revision of the procedures manual and integrate the global contracting procedures into the new manual as they are developed.

4. Staff Positions under the Improved PMU Structure

Summary of discussions

Preliminary recommendations were made in the last meeting of the working group for modification of the existing staff structure of the PMU by the heads of the registration and geomatic departments. These included the elimination of the vice manager position in the current organizational chart, giving the existing department heads direct access to the general manager. No concrete proposals were made given the shortage of time for this item. Departmental heads were requested to submit detailed job descriptions of the staff in their departments. A further request was made to have each staff person write a short description of their daily work activity for comparison.

Next Steps:

Prepare and submit a concrete proposal for reorganization. Review and modify position job descriptions as necessary.

5. Recommendations for Modification of the Executive Council

Summary of discussions

Discussions on this topic are pending the review of the organizational structure. Arguments were made by Mr. Hoti that the Executive Council is appointed by the Minister of Agriculture and Food and recommendations for the change could only be made to the Minister. This is a misinterpretation of Decision 505.

Next steps:

To be addressed as the staff structure is agreed upon and staff position reviews have been completed.

6. Formation of Advisory Council to Replace Coordinative working group

Summary of discussions

No discussions on this topic were held

Next steps:

This topic needs to be addressed as the concept of the global contracting methodology is being finalized. It is essential that this group be identified and begin to function to ensure that the first registration exercise is completed on schedule.

7. Relationship of PMU to IPRS

Summary of discussions

No proposals were submitted for this topic. Concerns were raised about the ability to undertake an urban global contracting methodology while still having access to documents for ongoing property transactions. It is not clear how documents will be systematized and made available to a company which would contract to do urban first registration. At the same time these documents have to be available to the registration offices to handle daily requests for them as transactions occur.

Next steps:

Develop clear guideline and procedures to undertake contracting of first registration activities in an urban setting. Close consultation with the Chief Registrar will be necessary for this methodology to be implemented.

8. Performance Indicators for PMU Staff:

Summary of discussion:

Discussions on this topic were integrated into the discussion of the revised PMU staff structure. It was recognized that basic performance indicators exist for departments in the PMU that are directly linked to the first registration process. However, other sectors such as the finance and logistics perform less quantifiable tasks. A proposal for bonus payments is presented in the attached report. It was proposed that a commission for the evaluation of employees similar to that of the Enterprise fund be appointed by the Executive Council.

Next steps:

Complete the review of job descriptions and staff activity reports. Appointment of job evaluation commission which will review duties of employees, evaluate job performance, and set the criteria for bonus payments.

9. Linking Salaries to experience

Summary of discussion:

Two proposals were submitted concerning this issue. Both felt that experience prior to joining the PMU should be considered as well as that gained within the PMU. Both also indicated that work experience within the PMU has a higher value than work experience outside the PMU

Next steps:

Finalize salary structure.

10. Preparation of Work Program No 7

Summary of discussion:

As stated earlier Work Program Number 7 will be linked to development of the global contracting methodology. As that is not in place yet a further one month extension of Work Program Number 6 to cover August should be prepared. The August budget can be either a further one month extension of Work Program Number 6 or form a part of Work Program No. 7.

Process-verbal

Meeting of Working Group on PMU Restructuring – date 26.06.2001.

Participants: Mr. Mark Marquardt, Mr. Malcolm Childress, Mr. Romeo Sherko, Mr. Fatmir Kopella, Mr. Ejup Hamza, Mr. Dritan Hoti, Mr. Vladimir Sala,

(Mrs. Myzafere Kallabaku and Mr. Kristaq Qirko are abroad in Ankara).

The meeting was opened by Mr. Mark Marquardt, head of working group

M. Marquardt. Before starting with discussions, I would like Malcolm to make a short presentation of what is done so far by the Working Group.

M. Childress. The first meeting was more an organizational discussion. In the second meeting we discussed about the proposals done by David and created some groups that would be responsible on preparation of materials for example Edmond Leka would prepare the materials on improvement of work methodology, M. Kallabaku and E. Hamza the material on the work of coordinators in field, Merita the material on the linkage between PMU and other institutions. The heads of departments the material on performance indicators in this period, V. Sala the material on salaries, etc.

We thought that the other problems would be discussed step by step.

M. Marquardt. Anything to add? Then I would like Mondri to present the material prepared about the improvement of work technology.

E. Leka. My proposal consists on three main points that should be discussed. First, the idea on completion of processes and for more the idea on some reductions of processes. Second, is there any conflict to the existing law as regards the change of some processes, such as the direct printing of kartelas from the computer instead of their manual filling out and third the elimination of some processes after the preparation of Index Map and Parcel Book (PB). Concretely, I do propose the change of PB in order to prepare it digitally and to enter all the necessary information, which is the same to the one that is in the kartelas, so the company that makes the field work, controls both the legal and registration aspect since the phase of elaboration of the PB and then the coordinator or those who will work with the kartelas, will control it once again. As the result of that the errors will be reduced and the quality of work will be increased, because the kartelas will be directly printed by the computer. I have written all these things being concerned about any legal restriction and the lawyers can give clear opinions on that.

F. Kopella. We are talking about the rural zones.

E. Leka. Yes, and we pass directly to the First Printing (PI), then after the correction we can make the second printing (PII) and kartela will be printed and not filled by hand. This way reduces the time, I have not done calculations about the cost. From the technical point is

completely realizable. I have discussed with Elton and he thinks that it can be done, but there is a need for some programs.

D. Hoti. Will these programs be paid by us?

V. Sala. I would suggest to clarify the funds. Some processes are paid by the EU/PHARE funds and some by the UW funds, how are we going to operate with this combination of funds?

E. Hamza. This is resolvable.

R. Sherko. This is an important point, which has solution. In the contracts proposed by Mondi, the problem about the way of payment if the last one. The companies that will perform the work do not care where the sources come from, therefore Mondi did not consider that aspect, but lets see first the technical aspect of the problem and then the funds.

M. Marquardt. Yes, we have to see whether this proposal is realizable or not and then we can discuss about the changes in the PMU structure, which would correspond to that new methodology of work.

E. Leka. I want to have an opinion from the legal point of view, do we have legal restrictions, can we make the kartela filling digitally and the direct printing and from this we can reduce the time, especially from the administrative aspect, which consists on the exchange of information. I cannot extend this idea further without having the legal opinion. Technically there is no problem and it is fully realizable. Even the control as a process will be more guaranteed. It will remain the problem of the field control, in order to verify the accuracy of measurements. If everything is ok, the PMU will make the payment for the work done, if not penalties should be put for that person to whom the work has been handed over, which is not applied in the current methodology of work. The person to whom the work is handed over, actually is not responsible for the accuracy of works. This deficiency has to be eliminated.

E. Hamza. I have something to say. As regards the PB, it has all the information that kartela has, except Section D. Before starting the PII, a field control has to be done, because the operator can make errors during the data entry.

E. Leka. The PII will be done automatically from the PB, i.e. the errors will be limited during the phase of map preparation. Then a program has to be done in order to automatically transfer all the PB information into kartela. The errors might occur during the process of map preparation and then they can be eliminated. I am not concerned about this, because as I said technically it is realizable, I have just the legal problem, do we have restrictions?

R. Sherko. For this we can ask Merita or Mira Laha in order to get the right answer. As far as I know the existing law does mention anything about the way how to fill a kartela, manually or digitally. I am not sure if there is any order or any other restriction, but as far as I know there is no compulsory definition, however we have to ask the lawyers. I wanted to add something about the physical (technical) realization.

D. Hoti. There is an order that defines that, where it is stated that kartela has to be filled by hand (in written).

E. Hamza. There is no special order on that, but in the inner regulation of the Registration Office it is stated to fill the kartela in technical written.

F. Kopella. M. Laha can give any idea on that because she has been dealing with the compilation of that regulation.

E. Leka. As regards the technical aspect I have asked even the specialists and this is realizable, so the direct printing of kartela by the computer has no difficulty to be done.

R. Sherko. I know that because the current program generates the kartela but in an A4 format.

E. Leka. It can be passed to a A3 format through a programming.

R. Sherko. We have to define the physical specifications, for example the type of paper that has to be used, it should be a special paper, etc.

F. Kopella. There is no problem up to the PB content. No matter how it works as a line of payment and this is not a problem, I think that even we shall not reduce directly the cost, which means to continue to operate with these prices we have, some processes will be reduced such as PI and the errors in PII would be eliminated, so there is a space on cost reduction. For the apartment buildings that exist in the rural zones we can open new kartelas. We can give recommendations about the type of paper that will be used, so we have to give some specifications how it should be. The First Registration will be clearly printed. The Registration Offices can make notices by hand on the kartela. The Registrar has no problem if he takes the kartela printed or written by hand, for more the kartela would be much clearer if it would be printed. The law does not define any obligation about the way of kartela filling. The law just states that the kartela and map should be in paper and does not give other determinations. The errors that might be occurred by the operator are eliminable. Then we can pass to the display process, which lasts three months and then to the PII control. The payment has to be done after the control is done, or a part of payment can be done after the PB preparation and the other part at the end. In point 7, perhaps it would be better to clarify that the changes in the PB will be controlled once again. Technically, there is no problem and financially it can be resolved. This is always for the rural zones. Following this idea, the Global Contract will be conceived even for the cities. There is a fact in the cities: there are parts in the first registration that cannot be realized, because the owners do not come to make the registration of their properties and we cannot compel them. Thus we can do the 80% of the First Registration in the cities, leaving so the other part. We should have the right to send all the documents to the Registration Office. We can make projections about the volumes, time, funds and property type in the cities, for example we can say that the zone 8150 in Tirana will finish at the end of December, in this way we put a limit time, because otherwise we will never finish. Besides the global contracts we can introduce the global maps for the cities. When the global contract will be applied, the city coordinators will be supervisors. I think the accomplishment of the work volumes should not depend on coordinators; they postpone the delivery of work, because they are interested to continue more and more. Using

the global contract, the PMU work will be facilitated from the registration in village, control and we can have more time to deal with the registration in city where we have more difficulties. Myzafere can help us more in this regard, because she is dealing with the cities and knows the problems better. There will be no problem for the payment in the cities, because they are covered by the UW, except some items covered by the EU/PHARE.

M. Childress. Myzafere gave us some sketches in the last meeting, which presume the work organization for the registration in the cities. Each of the boxes has a contract. By using the global contract, PMU will manage the processes with a single contract and not with many mini contracts, so the idea is to perform the work in a cheaper, faster way and more efficiently.

R. Sherko. Fatmir has the same idea. The work in the cities is difficult but not impossible.

E. Leka. I have not written anything about the global contracts in the city, but I have ideas. More or less it is the same to the one proposed for the rural zones, but it will have different specifications, because we deal with the same steps, the processes are the same, only the specifications will be different, as well as the prices and the contract organization, but the process is the same.

F. Kopella. There is no difficulty on work organization, the important thing is the organization of control, which is closely related to the new PMU organization. The role that the lawyer will play is of a great importance in the city registration. The group in the cities should be 4+1, instead of 2+1 and the lawyer will be responsible to sign the documents, to review them legally. As regards the quality control, I see the coordinator as a supervisor and this leads to a big reduction of cost, because the number of errors will be reduced and the zones, which require extra money will not be repeated.

R. Sherko. Lets go back to Mondi's discussion. I think, as Fatmir said, to clearly define the digital idea in the specifications. After the data entry, how the data will pass to the PI?

E. Leka. We can attach different specifications to the contract according to our requirements.

R. Sherko. The dbf files are part of this process and a point should be added to say that the data will be generated even in dbf.

E. Leka. The quality control is the most important thing to me. When the companies deliver the work, they do not make a digital control. In case of the global contracts, when the companies will finish the work, they have to deliver the zones digitally, without printing anything. Then the work will be subdued to a logical control and if we are convinced that everything is ok, we can allow the field control. If the company will pass the phase of the field control, it will have the permission to make the display. To say the truth, we actually control a small part of the work done, and this is the reason that we spend a lot on error correction. If we strengthen the control we'll have work without errors, and the work quality will be increased.

M. Childress. How the lack of work quality is related to the fact that we have many small contracts? Would the situation change, if the global contract would be applied?

E. Leka. By applying the global contract the work will be qualitative, because if we'll do the digital control, we'll be able to control more volumes of work faster and better. In this way we also can eliminate the manipulations and dealings that the coordinator might do with the private companies, that are actually happening.

R. Sherko. It is too important for the working group to decide about the penalty use in the contracts. I would also want to discuss the idea whether the field control can be done or not by the private company specialized for such controls.

E. Leka. I support the idea of putting penalties in the contracts. We have also to work on the specifications in order to have them clearer. I think to make the final control after the PIII.

F. Kopella. The registrar can help in this point, because he/she makes a control for him/herself when he/she takes the work from the coordinator.

E. Leka. Even the payment has to be done after the final control. Another point to discuss is the definition of the work volume, which is actually too subjective. This should be clarified and perhaps it is difficult because it cannot be defined in the contract.

D. Hoti. This cannot be done in the contract, because we cannot define the precise volumes.

E. Leka. We make the calculation for the work volumes in scale 1:10 000 and at the end the percentage might be higher or lower.

M. Childress. Can we give an approximate number of properties per CZ?

E. Hamza. This has been one of my problems when I worked in the sector of control. I have had many debates with the private companies and I have given ideas, which are not implemented. I think to have a X payment for the private properties, while for the state properties the payment has to be lower, because the amount of work is smaller. For this I have presented some approximate prices. The work in the urban zones can be measured by autocad, or by houses and the price has to be increased. This is more accurate.

E. Leka. In general the measurement is done by hectares and there is always space for different interpretations, there is no special criterion. If the idea of payment per property would be applied, then we'll be near to reality. Adding the property as item, we eliminate different problems, thus we must combine the hectares with properties, because the company can divide even the forest in properties thereby increasing the cost. The preparation on giving the work should precede this interpretation, which creates spaces of speculation.

M. Marquardt. We have done the same work for seven years, how have we operated and how this problem was resolved?

F. Kopella. The sector of control has the competence to make the verifications.

M. Marquardt. How is it operated?

F. Kopella. The payment is done by hectares, because the number of properties resulted higher than what was predicted and the additional contract has been applied. In the mountain villages, the work indicators have been better with the properties.

R. Sherko. What Fatmir is saying is that there is space for agreement between the control people and private companies. A linkage between the property calculation and the time of work has to be done. Edmond is asking that who will have the responsibility on specifications.

D. Hoti. I have a question. Will the global contracts have limit price?

E. Leka. The prices will be calculated per unit and for the last point the price will be per hectare.

D. Hoti. In the contracts that we actually do, when we organize tenders we put a limit price which is considered as the maximum one. The question is whether there will be such a limit price for the global contracts.

E. Leka. We can define a limit price, because it is an approximate one, then the liquidations can be done with situations as we actually do.

D. Hoti. No, we operate with the additional contracts.

E. Hamza. We have to be careful about the way of price defining, because there are two processes that are liquidated with two different funds, EU/PHARE and UW.

M. Childress. I would like a specification of the work items and then we can find the limits for each component and after we can define the cost per unit. Thus we need to have an idea about the cost and then to consider the contract specifications, which will clarify everything. Who can prepare that by Thursday for the next meeting?

D. Hoti. Will the globalization of contracts influence the cost reduction? Because this is one of the main purposes of Mr. David's proposal.

F. Kopella. We cannot say this today.

M. Marquardt. I propose to create a group with three people, which will deal with the definitions and specifications of the global contracts.

E. Leka. I will elaborate once again the contract and make the linkage with the specifications.

R. Sherko. I have a concern. I am concerned about the Dritan's idea, because it is the second time I hear him saying that the only purpose of this working group is the cost reduction. I say that Dritan should be clarified in this point and he has to see carefully David's proposals that are in front of him. I have not been present at the Saturday meeting, but when I see David's recommendations I see that starting from the second point and so on the cost reduction is

Annex A: Minutes of Meetings of the Working Group

mentioned nowhere. I see here the work improvement, PMU restructuring and other recommendations that are not related to the cost reduction.

D. Hoti. The key point of David's recommendations is the cost reduction and he gives a comparison with Georgia. The idea of global contract was raised in order to reduce the cost and based on that to make the restructuring and so on.

M. Childress. I think that there is no contradiction here. We are trying to realize the Action Plan objectives faster, cheaper and in a more effective way, all these recommendations are interrelated to each other.

D. Hoti. What will happen if the global contract will not be realized?

M. Childress. This is contract that is taking form.

E. Leka. I cannot say that the global contract reduces the cost. The processes are the same, but grouped in the work done by a private company. I am not saying the prices will change, perhaps the cost reduction will come as the result of the velocity of work, increase of quality, reductions, which will derive from that and so on.

R. Sherko. A clarification for the group members as regards what will happen if the global contract will not be realized. I say that we'll continue with the other points even if the global contract will not be realized, because they are not directly related to the global contract. If the GC is not worthy, the other things will continue.

M. Childress. The Working Group has a work plan wider than the GC. We have to find the ways for a faster, cheaper work. In some of these points we have to deal with the global contract and in other with other organizational issues. I would like to mention the tasks left in the last meeting and we are waiting to have the materials, because I still have nothing on the staff positions, salaries, etc.

E. Hamza. As regards the tasks defined in the last meeting, for the point two, together with Myzafere I have prepared a material about the improvement of coordinators' work. The material presents the reduction of their number, of 36 we actually have to 19. For the point three about the improvement of the structure, considering that Mondi cannot cover that point, I think to have another person replacing him, because this is an important point and I cannot do it by myself. As regards the point four, I want to be clarified.

M. Marquardt. What we have thought is to make the restructuring of PMU and to define the duties of specialists that will work on the new structure. Who are the specialists needed, what kind of works they will perform? If we'll work with global contracts, do we need mapping sector, or digitalization sector and so on.

F. Kopella. This restructuring is supposed to cause the cost reduction, because the number of heads of departments will not be four, there will be no correction of errors, the staff of coordinators will be reduced etc. All these separate items will cause the cost reduction even if the price of work with the global contract will be increased (we are including here the % of profit for the private companies). So the cost will be reduced.

Annex A: Minutes of Meetings of the Working Group

M. Marquardt. Then the next meeting will be on Thursday at 1.30. Ejup, Fatmir and Edmond will work together in order to present the specifications of the global contract for the urban zones. Lets work as hard as we can.

Process-verbal

Meeting of Working Group on PMU Restructuring – date 28.06.2001

Participants: Mr. Mark Marquardt, Mr. Malcolm Childress, Mr. Romeo Sherko, Mr. Fatmir Kopella, Mr. Ejup Hamza, Mr. Dritan Hoti, Mr. Vladimir Sala.

(Mrs. Myzafere Kallabaku, Mr. Kristaq Qirko and Mrs. Merita Qato are abroad in Ankara).

The meeting was opened by Mr. Mark Marquardt, head of the Working Group.

Before starting the meeting I would like to ask if there is anything about the process-verbal of the last meeting. I think that you all have a copy of it in front of you, is there any correction you want to make? I suppose that everything is ok, then we can start.

Today, we'll discuss about the Global Contract in the rural and urban zones. In the previous meeting a group of three people was established and I think they have a material ready to discuss. Also, we'll discuss about how many global contracts we should have. I think that we have to discuss also the material on the improvement of the coordinators' work.

D. Hoti. In the previous meeting Edmond Leka made a question if the kartela should be filled by hand or printed out, and if there is any legal restriction, because we have an ordinance of the IPRS Central Office signed by the Chief Registrar, which states that kartela has to be filled by writing with capital letters. Based on the Albanian law, this can be considered as an sub-ordinance of the existing law, therefore if we decide to print the kartela, we can propose a change in that ordinance of the IPRS Central Office and this can be done in cooperation with the latter.

F. Kopella. This is not a restriction, because it does not state expressively by hand. The writhing in capitals can be done either by the computer or by the type machine.

M. Marquardt. If this Central Office ordinance has to change, I think that this is a useful example related to other changes that might be necessary to make in cooperation with the CO. Thinking about the GC, we have to see the changes that derive from the GC application. People should be informed about those things and included in the cooperation. Lets start with the discussion on GC, Mondi has prepared a draft for this purpose.

E. Leka. I have worked with Ejup and I tried to reflect all those changes proposed in the previous meeting. Apart from the draft on GC, we have prepared also information about the prices, which can be discussed after. As regards the kartela filling, we can continue to fill it by hand, in case of a failure of consensus with CO. This has positive and negative sides. The positive is that we implement the rules decided by the CO and the negative is that the quality will be decreased and filling the kartelas by hand will last the time of the work process. All the things predicted in this GC minimize the errors that might occur, ex. On writing the name of a person, if he/she will be registered once, later the name can be written wrongly and this would be automatically corrected. Whatever we decide about the way of filling out a kartela, this is not a problem for the GC, only it increases the cost and time of completion. Even for the division of funds there is no problem, the way how the GC is conceived does create

Annex A: Minutes of Meetings of the Working Group

contradictions with the way of payment with EU/PHARE or UW funds. Another important thing is the point of specifications. There is a point in the GC titled “Contract Specifications”. The Group should be clear that this is a very important point and its further completion needs work and perhaps this work must be done out of this group meeting. Another point is the work delivery. We discussed a lot with other specialists and thought that the best way for the work is to be delivered to the coordinator, in this way he/she will continue to be responsible on the work quality, because the registrar can drag that operation.

R. Sherko. I have the same opinion. The best idea is to have a GC made between PMU and the private company and PMU then can deliver the work to the Registration Office.

E. Leka. The same thing for the payment, it finishes when the work is handed over.

M. Marquardt. The coordinators can review once again the work done, so we have a preliminary work acceptance by the coordinator and the registrar will have the final work.

R. Sherko. I think that the coordinator should be responsible for the quality of work that he/she has accepted by the private companies. If the quality of work is not at the required level then there must be a penalty for the coordinator. So the contract has to be done between the PMU and the Private company. PMU is represented by the coordinator, who must be interested to have a best quality work, because in contrary he/she will pay for the corrections needed.

E. Leka. This is not so simple, because the quality of base maps given to the private companies is poor and it is difficult to eliminate some errors. So, the coordinator should sign on the work delivery and after the work will be passed to the registrar the final payments can be done to the private company.

M. Marquardt. How do we actually operate?

E. Leka. The payment is done after the coordinator signs.

M. Marquardt. Then why do we have to change the procedure?

E.Leka. No, there is not any big change. Even in this new model of contract, it is predicted that the work will be delivered to the coordinator. The changes can be done in the standards of digitalization. Ex. there is a series of information that loose when enter the digitalization process such as the number of tapis or the owners’ names. If we make some changes in the standards of digitalization we’ll be able to keep that initial information.

D. Hoti. As regards the point on delivery of work in the draft of GC, I have something to clarify. According to the Albanian law, the director of works should control the work, to see if the required standards are properly realized, but he/she has not the right to receive the work.

M. Marquardt. How has been operated so far?

D. Hoti. In the contracts we make for services, the coordinator is the work director, while in the contracts by order he/she does not perform such a role. I think that we have to change the concept presented in the draft of GC.

M. Marquardt. Where is the difference here. The Global Contract that is proposed to be done in order to realize the same works that PMU has done so far, but the work will be full and not fragmented, it includes all the processes. There is no difference in the way of conceiving it.

D. Hoti. But based on the Albanian law, the coordinator has no right to control the work and to receive it.

F. Kopella. We have two types of contracts with individuals and companies and in both cases we have left coordinator to control and receive the work.

D. Hoti. No, the Albanian law does not permit such a thing.

R. Sherko. What Dritan is saying has no meaning and it should not be like that.

D. Hoti. A new concept about coordinator has to be created, because he/she should not be both the supervisor or technical director and the person who will receive the work.

E. Leka. The coordinator will not be 100% responsible, but the entire PMU will be responsible and I do conceive the coordinator as a director of works that has the right to control the work time after time, to block it if he/she finds any errors and at the end he/she can sign without creating obstacles.

R. Sherko. There is no disagreement in this point of the contract. It is meaningless to say that he/she has the right to control, but he/she has the right of control. The coordinator is assigned by the PMU as a supervisor, so he/she is dressed by the authority given by PMU in order to follow the works and he/she can organize the works as he/she likes, will make by him/herself or will assign someone else. At the end he/she will receive the work that he/she has controlled step by step and up to here there is no contradiction and I do not think that it is in opposition with the Albanian law.

E. Leka. The contract will have some dead lines. Based on the experience we have, the responsibility for realizing the works in time is jointly. The company is not always guilty for the works dragging. Some times there are delays by the PMU side on giving of documentation, in payments, etc. All those things have to be clearly defined in the new contract. A penalty is predicted both in the existing and new contract in case of errors. If the company is guilty and the coordinator does not accept to receive the work, it is predicted a time term for their correction and the cost that has to be paid on realization of the second control should be reviewed.

R. Sherko. When the errors are found for the first time, the company does not pay any penalty, is it so?

E. Leka. For the first time no, but when the second control is done, the company has to pay the cost in order to realize the second control and if there will be errors again, the company will pay the penalty. Another concern has been the calculation of the limit cost for the GC. For this Fatmir and Ejup have worked and found out some figures.

D. Hoti. Article 7 of the GC states that 70% of the payment has to be done according to the phases of work. my question is: which are these phases?

E. Leka. The phases where the work passes through and the payment parallel also are those with numbers 1, 2, 3.

D. Hoti, Ok, I'm clear now.

F. Kopella. It is a table where it is stated the date of work beginning. This is very important, the date of beginning has to be clearly determined and this will be the day when the private companies will have in their disposal all the necessary documentation. The practice has shown that there are delays in this regard. By determining clearly the date of work beginning, we'll be able to put terms for the displays and deliveries and after that, based on the schedule prepared by us, we can say them that the zones will be delivered according to our request, for this month two zones, for the next month three zones and so on.

D. Hoti. We have terms for the coordinators in the tenders we organize.

F. Kopella. Yes, but using the method that I mentioned above, we can better control the delivery of zones and we prepare the schedule according to the needs we have.

E. Leka. I agree with Fatmir. So far the terms have been a duty of contractors, while we have moved in time in order to have the term as a fruit of the joint work.

F. Kopella. For the point 7, which mentions the 70% of payment I think to add even the fund resources, ex. we can say 70% of the EU funds, which means 60% of the total payment.

D. Hoti. He will take the value not based on the fund division EU or UW.

F. Kopella. I say to put a small % in payment, because in this way he can keep the pace of work and will be stimulated to finish the work as soon as possible, so I think to pay 60%.

D. Hoti. We have to calculate even the 10% that they get at the beginning of works plus 70% that is proposed here, this means that he will get almost the complete payment.

F. Kopella. We have to stress that the companies freeze 10% as a guaranty for the offer, plus a 5% of payment that is kept for the technical control that might be needed at the end of the work, etc. However, what I am saying is to keep that 70% as a number, but we can add the words ... from the EU funds, then it will be lower by itself at 60% of payment and this is too normal for the private companies.

V. Sala. We have three heads of departments and I think to add a clause in that GC, which states that the work will be paid after being signed by the three heads of departments.

F. Kopella. We do not know how many heads will remain after the PMU restructuring, therefore it is not necessary to add that in the contract. It is an excessive link in a work contract.

M. Marquardt. I think that it would be better not to lose time discussing in details about the percentages. We know that the private companies want to get much more money from the Project, while we are interested to give less money, in order to have incentives for the work continuity and to realize it faster and with a higher quality. We can move forward with the percentages and there are many mechanisms that we can use for this purpose, but let's continue with the main problems.

Here in the contract there is a 0.2% penalty for the private companies that they have to pay for each day of delay in the work delivery. Is it sufficient?

E. Leka. With a preliminary calculation it is more than enough.

M. Marquardt. I do not know if there will be a place to include a mechanism of rewarding there, for those companies that will deliver the work before the term. This might accelerate the work paces and can serve as incentives for the companies. The contract should not have restrictions, but other clauses, which stimulate the work.

R. Sherko. This cannot be done, because we have to clearly define the terms of delivery. This creates spaces for misinterpretations.

D. Hoti. We have only a technical draft and we need to work in order to complete it by the juridical aspect with other specifications.

E. Leka. This contract does not have many differences from the existing one.

D. Hoti. This has changes because it is a global contract and has other parameters.

F. Kopella. With other words this draft will be completed with other specifications and the time of control will be predicted and defined there. The lawyers will work on that in order to give us the final version.

V. Sala. What about the obligations?

D. Hoti. This will be regulated by the final draft, which will be completed and wider.

M. Marquardt. So, work must be done on that draft, it will be reviewed by the legal point of view and Merita will give her opinions as well. The obligations, terms etc. will be defined. In the next meeting we'll have a complete draft, where the juridical changes will be reflected.

M. Childress. The plan is that this contract will be applied in the zones where the work has not started yet or in those, which are in the process?

F. Kopella. This is explained in the second material that we have prepared and we'll discuss later.

R. Sherko. Before passing to the discussion of the other material I have two questions related to the global contracts. First, how will be operated with this kind of contract. In the previous meeting we discussed that we have two types of global contracts, one for the rural zones and one for the urban ones. Is it still this idea or is it abandoned?

F. Kopella. When Myzafere will be here, we'll work on the GC of the urban zones.

R. Sherko. The second thing I had was about the volumes.

F. Kopella. This material is ready and we'll discuss it now.

R. Sherko. In the part of the contract object I think to stress the products that will get, the files, digital maps and their linkage. This can be defined at the contract specifications, but I think that we can put it there, considering that it is a product and object of the contract.

E. Leka. This will be clear at the contract specifications.

F. Kopella. What Romeo is saying can be regulated in the contract.

D. Hoti. We can add another point in the contract object and clarify what Romeo said.

E. Hamza. We have all the process-verbal and we can get the details.

D. Hoti. That is another thing, which can be clarified in the specifications, while those what Romeo said are important and I think to add them in the contract object in a separate point.

M. Marquardt. Lets pass to the second material prepared by Fatmir and Ejup.

F. Kopella. We have worked on the definition of limits that we can define in the GC. We have prepared a material and presented all the things in details and there are 422 new Cadastral Zones where I think we can start with the GC. I think that in the zones where the work has started (here there is the answer to the Malcolm's question), it exists the possibility that for the processes that have not started we can add some elements in the new contract. It is understandable that this will be done in cooperation with the private companies that have the work and concretely we can add the second and third printing, book binding in the existing contract. For 175 CZ they are obliged to make the digitalization. In 422 CZ that have started, the best part of 90% is surveying, while 10% is updating. 830CZ included even the cities that are in the process. More or less this is the PMU situation. So we can start with the GC in 422 CZ, for 175 CZ that are in the process we can continue with the additional requests. I clarify that the prices defined in this information are without VAT, these are the prices that we actually apply.

D. Hoti. I have information from Kiço and I see that the figures are not the same in comparison with your information.

F. Kopella. I do not have that information from Kiço, but I can say that the figures given by him are not those, because he has calculated the percentage of profit or VAT. So based on the

Annex A: Minutes of Meetings of the Working Group

prices we have today, we can decide on the limit price of the GC. We have also the prices for the index map digitalization, for the second and third printing, which is 10 lek/property. We pay 6 lek for the printing of a property. We have reduced the costs of the first and second printing, because the first printing will not be made any more. Then we continue with the display, corrections, linkage between the map and kartela, then the final correction and third printing. It remains to be clarified the issue of kartela filling, if it will be made by hand or directly printed by the computer. We have to calculate the cost of manual filling, which of course is higher than the direct printing. The kartela printing is 35 lek, I think to reduce it in 25lek because the work will be facilitated.

D. Hoti. In case when the printing will be done directly by the computer, will the cost be more than 20lek?

E. Leka. This should be seen. This price is established this way because there have been verification of documents, but it can be changed, if it would be easier to be done.

V. Sala. Sometimes ago we have done an increase of prices for all the works, because the income tax was increased at 15%, which is the tax that individuals pay to the state. This was done according to the KPMG recommendations, which mention this 15% according to the Albanian law. In order not to affect the payments that the individual got, we increased the prices by 15%. Now I ask that these prices we have today are based on that 15% of increase of the last times, or without it.

D. Hoti. If we continue with this logic, using the global contract we'll have to deal with companies that are taxed with 20% and not with 15%, so we have to increase another 5%.

V. Sala. In case when the 20% is applied there is no problem, because that money is reimbursed by the state, we pay that money now, but it will be returned to use later.

F. Kopella. Ladi is saying to apply 15% a price lower than these we have. The fact is that in the updating contracts we have a x price where 41% is included for the insurance guaranty. Calculating these prices we add 15% of the company profit and eliminate 41% of the insurance guaranty, which is not our duty to cover it, but the private company's.

E. Leka. I think not to reduce these prices, because this can have negative consequences in the quality. The quality improvement influences a lot the prices we have put. If we'll have a high quality of works we can eliminate the repetition of errors, so we make the correction costs lower.

M. Marquardt. What Mondi means by not playing with these prices. We have companies that work with contracts by order and individual contracts. Our proposal is to change the work method, why cannot we change the prices when our requests are changing?

E. Leka. The costs are more or less the same, with just some reductions of processes, which are not necessary to be done. Accelerating the process, we avoid the cost loss, the quality will be increased and if we want high quality it is in a direct proportion to the cost. So we win in quality and we'll not pay more on the correction of errors.

V. Sala. I will insist on the prices. If we make a global contract with the existing prices, then there will be an increase of cost, because we calculate the 15% of the company profit. Where will we find the money? We cannot affect the state budget we have, if it is necessary to be done, we have to calculate all the things in the budget.

R. Sherko. I have a comment for Mondi. I feel the fear he says for the reduction of prices. But with the concept of the global contract we introduce a new concept, that one of taking the work in large quantity and therefore the prices will be lower. Second, the prices that are calculated here are the maximal prices, and the tender will work on them, in order to reduce them, so there will be lower prices because of the tender.

E. Leka. This is un-discussable that the tender makes the prices lower and not higher.

V. Sala. There are some elements that lead to the increase of price, the profit percentage of the private companies, income tax, etc.

D. Hoti. This is right. The private companies have a norm on the profit and based on that they pay the taxes. This profit norm varies from 7% to 15%. We are obliged to consider the maximal norm, because we cannot predict how the profit norm will be for the companies. All those influence the prices.

M. Marquardt. Once again lets concentrate on the main factor. These things can be broadly discussed later. We have to agree in principle and then we can pass into the details.

F. Kopella. 15% added recently has been done in order to support the companies and not the individuals. Lets make an approximate calculation and change the values if necessary. Even if we keep the same prices, we win in time and quality. Plus, there will be reductions that in reality will reduce the cost obviously and much more. If we predict the reduction of price, which will come as a result of tenders, we'll see that we'll have cost reduction. But I stress that if we keep the existing prices, the effect in cost will be smaller because we'll have advantages in time and quality. Here we can discuss to reduce the prices for the state properties in the village, because the registration here is too simple. Implementing these two schemes we'll have advantages. This is the objective of PMU work. we have 1094 CZ digitized, 1966 CZ that should be digitized, 175 CZ contracted and 422 that will be contracted and then we add the database correction or third printing.

V. Sala. I have the idea that in the next meeting we can discuss about some concrete figures and to make a balance. I would like to correct Fatmir when he talked about the open tenders. These are works that we have been obliged to make with open tenders as we have done so far.

F. Kopella. I said to increase the competition, not to make 5 CZ by tender and to have 6 private companies to take them. To increase the competition in a way that we can have a big number of private companies, which want to take that work. This will reduce the price much more.

M. Marquardt. Let's pass to Ejup's proposal.

Annex A: Minutes of Meetings of the Working Group

R. Sherko. I have a question about this proposal. Which is the meaning of an information agency?

E. Hamza. This idea is in the frame work of thoughts we have to extend the work activity for the coordinators.

R. Sherko. This is a very good idea, but the long term idea is to create in time private agencies of information.

E. Hamza. This is raised as an idea, just to introduce the coordinator as a person that provides information.

F. Kopella. The Registrar has that information and no one has the right to use it.

R. Sherko. This is an idea for the future work of coordinator, in this way he/she can have the possibility to open a private activity.

M. Marquardt. Lets the instructions for the group work until Tuesday, when we'll meet again. Then Dritan will deal with the global contract in order to complete the juridical aspects. Fatmir and Ejup will work on the final definition of prices and Mondi will work in specifications of the GC. We are working for a global contract and it is necessary to have clear specifications for it.

E. Leka. This is not so easy, it requires too much work.

M. Childress. Someone should write all these things discussed here and to make a summary, because we have to deal with some concepts.

F. Kopella. We have another object for the zones that are in the process. Together with Romeo I will prepare a material for the next meeting how the work will continue on the cadastral zones that are in the process.

M. Marquardt. The next meeting is on Tuesday, 3/7/2001, at 1.30.

Process Verbal

Meeting of Working Group on PMU Restructuring, date 04.07.2001

Participants: Mr. Mark Marquardt, Mr. Romeo Sherko, Mr. Fatmir Kopella, Mr. Vladimir Sala, Mr. Kristaq Qirko, Mr. Ejup Hamza, Mrs. Myzafere Kallabaku, Mrs. Merita Qato, Mr. Edmond Leka, Mr. Dritan Hoti.

The meeting was opened by Mr. Mark Marquardt the head of Working Group

M. Marquardt: We have a lot of work to do. Last Thursday we assigned a duty to Dritan to present a material about the legal aspects of the global contract, Ejup, Fatmir and Mondri presented some materials.

D. Hoti: With respect to Global Contract, we think that if we want to realize that GC, it is essential to reach an agreement between the donors. So far, the donors have given funds separately for separate works and if we want to apply the global contract we have to take the opinion of EU. After reaching the agreement, then we have to think about the procurement form. PMU is a unit that operates according to the Albanian legislation and follows also the rules and requirement of donors. The draft contract presented by Mondri is an undertaking contract and there is no standard contract in the Albanian legislation about the procurement, thus we have to see the Civil Code. I think that there is a contradiction between the definition of the contract of undertaking in the civil code and the object of this global contract, because the civil code allows contracts with one service, while here we have the case of a contract with many services. This can be resolved only in case if the company has all those services in its object.

There are obligations and percentages of penalties for the PMU contractors. In a special chapter we have to describe the obligations in updating, which have to be clear. In another chapter we have to clearly describe the problem of control and I think that Merita can explain better the other points that follows. But for the problem of kartela filling, I think that there is a need to change the Instruction of the Chief Registrar in order to allow the filling of kartela by printing. There is a problem also in the display process, because this process is actually followed by the registrar and our coordinator, while according to this contract it should be followed by the registrar and private company. Another problem is the delivery of legal documentation from the registration office to the company, because by law the registration office is obliged to deliver the legal documents only to the state institutions and not to a private company.

M. Marquardt: I don't understand this, the registration office or coordinator?

D. Hoti: The Registration Office should give the legal documentation only to those institutions, which are created by a Decision of Government such as PMU and not to the private companies. If this contract will be applied, the way of liquidation has to be clearly expressed, but without reaching an agreement between the two donors all this work that we are doing will be useless.

Annex A: Minutes of Meetings of the Working Group

R. Sherko: I do not understand the point 7 and 8. I think that Merita has wrongly understood the concept of the global contract we have discussed in the first four meetings. The global contract will not be done between the registrar and the private company, because the Registrar follows the display process, but does not make the contract and the coordinator cooperates with the registrar in order to resolve the problems raised by the owners.

D. Hoti: The Registrar follows the display process.

M. Marquardt: All what is proposed by the global contract is the same and there is no difference, the process of collecting the documentation is the same. Where is the difference?

D. Hoti: The difference is that actually the work is done by one single person, who is a physical person and not a juridical one.

M. Kallabaku: I saw the global contract just today, and I think that we have to add some specifications in it. We have to say that the company should follow the display period not less than once a week and during these meetings the coordinator should be present.

E. Leka: The technical specifications will be attached to the contracts along with the procedures of control. PMU should organize the coordination.

M. Kallabaku: The principle is that the coordinator should be present along with the technician when the company delivers the work.

M. Marquardt: We want to have those specifications, in order to put them in the contract, we have to change the idea how the work has to be done, the details etc.

R. Sherko: I agree with Myzafere, but I want to go back to the point 7, 8 and 9, which are based on the misunderstanding of what we have discussed, and I think that this is the opinion of all the group, not only mine.

- The contract will be with the coordinator, point 1: I totally agree, while I do not agree on the second highlighting. I agree on point 2, as regards the point 3 I think that we have to discuss a lot about the services, I do not see the point 4 as a separate point, point 5 expresses the way of payment and it is a part of the contract, point 6- Merita perhaps is concerned about the kartela filling by hand.

M. Marquardt: Point 6 should be changed, because the Registration System will have a computerized system of data.

M. Kallabaku: The process of kartela filling has to be discussed, lets continue in the manual way, because this is a process that has not caused errors.

R. Sherko: Lets turn to point 7, 8 and 9, as I see you have understood the global contract made between the private company and the registrar.

M. Qato. I just saw today the form of the global contract. In the first paragraph, there is included the property display, which is followed by the registrar together with the

Annex A: Minutes of Meetings of the Working Group

coordinator. The registrar should do all the works that he/she has done. The coordinator has been responsible for the display so far.

M. Kallabaku: The position of coordinator is not clearly expressed.

M. Qato: As the representative of the Registration Office I am authorized to give all these materials to the Chief Registrar.

R. Sherko: No, this should not have happened, when the work of this group will be finished, the materials will be given to the Manager and Chief Registrar.

M. Qato: The way I understood this contract is that it will be applied in a way that will include the parcel book, updating up to delivery to the coordinator, this has to be done just in the rural zones, according to the minutes I have written from the previous meetings. I want to discuss also the cost and the velocity of works as the main issues.

F. Kopella: First as regards the problem of funds unification, I do not see any difficulty, there is no problem in point 2, point 3- if we call all the process first registration then there is no need for a license, because such kind of license does not exist.

I do not see any difference between point 4 and 9, for point 5 we have discussed how the payment will be done, for point 6- there is no problem using the global contract, while point there is no change for the points 7, 8, and 9. The important thing that the company will give the work to the coordinator and he will deliver it to the PMU. The PMU duty is to make the contract, because the coordinator does not make global contracts. The Registrar follows the process from the updating, while for the city I think that we have to discuss later.

M. Qato: The important thing is the registration in the city, because this is the most difficult in the first registration.

E. Leka: Is the contract applicable?

F. Kopella: The global contract can be applied for the cities, I just want to raise the problem legally: why a coordinator is more credible than a private company? PMU makes contract with a coordinator (now we'll make contract with the private company). Once again Can a company be more credible than an individual? Who is more credible?

M. Qato: The coordinator is a person that represents PMU, you should not be in opposition to your inner regulation. I am asking you what are the duties that a coordinator has in your regulation?

D. Hoti: The difference is between the company and coordinator. The coordinator is part of this Unit. The Registrar should deliver the materials to the company.

M. Marquardt: Then where is the difference?

M. Kallabaku: I have two problems as regards the registration in the city: First: Is it necessary to have a special point in the license of company for covering the legal assessment of properties?

Second: The cadastral zones in the small cities do not present any problem, the problems are in the big cities, where we operate with the daily practices, I think the global contracts can be applied in these cities in a second phase, after we'll take the results in the rural zones, then we can introduce it in the cities.

V. Sala: As regards the license that the companies take from the Ministry of Construction, they have a certificate for all the works they do. We make the legal qualification based on these licenses.

M. Kallabaku: In the city we make a separate contract with an engineer and another contract with the lawyer, who make the first registration of all the properties and assess the Ipoteka documents, while for the village there is no problem. This is the peculiar thing for the city in comparison with the rural zones where it does not matter what profession the specialist that deals with the kartela filling has.

M. Marquardt: This can be done for the rural zones. The individual can be registered as a juridical person. Then where is the difficulty? Why the company is impeded to do so?

D. Hoti: What kind of license we need to require from the companies? The companies should specify in the license that fact that they can do this process of work.

F. Kopella: The legal aspect of this process is the preparation of the parcel book, but the company can do it, here we'll add the kartela filling, printing, display and the control done by the registrar (I am talking about the village) and if there is any problem with the funds, then this is another thing.

V. Sala: There is a certain value for the second part of the Global Contract, for the works paid by the University of Wisconsin funds. Based on the Albanian legislation there is a 30% income tax for the companies. We have to evidence the types of activities that the company exercises, because they are taxed. Can all these processes be called topographic works?

F. Kopella: I have a question, why is it allowed for an individual to prepare the parcel book, while for the companies not, this is not a geodesic process. Which is the type of license that has to be taken?

D. Hoti: For the point one we agree to reach an agreement on funds unification and after resolving this we can continue the discussion about this issue.

M. Marquardt: I think that this has to be done backward. At the beginning we have to discuss about the global contract. We have to discuss about the cost, specifications, proposals on reducing the number of coordinators, etc. and then we can discuss with the donors about the problem of funds. We cannot resolve this problem without finishing the draft of the global contract, if you say that we cannot apply that contract, then I want a response from you for tomorrow.

M. Qato: I think that we all are clear that this work is difficult, I am not against that contract, but the main point remains the velocity of property registration, a problems which exists for the urban zones. What can we do? Can this global contract be extended in the cities? Where is the obstacle, can it be adapted to the urban zones? We all are agree that there are legal constraints.

M. Marquardt: Where are these constraints, procedures, ways how we have to surpass them? How can we act with the global contract? People will put the details in the contract in order to have a selection of that contract. How will we address all those problems and procedures in a form of a draft by the end of this week. Merita should work with Dritan on that, Myzaferre has to identify the problems giving solutions about the global contract, some cases perhaps can be done even in the cities, etc. Next time I want to see all these materials prepared about these constraints. How we should resolve them? This is what will be reported in the next meeting.

K. Qirko: I know the procedure of this work and I think that there is a problem with the PHARE funds. With the AL-98 Program there were predicted about 140000 ha surveying and updating. In the discussions we have had with the European Community representatives Llazar, Philip Woodcock, Ladi and Spiro, we have done a presentation of the achievements realized with the European Community funds. So far we have realized about 72.000 ha surveying + updating. We have actually about 464.000 Euro and there is a possibility to have other 640 000 euro, which will be available because of the shift of money from one time to another. This amount of money will cover about 205 cadastral zones, of these 175 with tender and 30 CZ with contracts by order.

While 422 cadastral zones are not covered yet, which is 14% of zones and they are in the remote zones or have legal problems and they do not present any interests for transactions, even though all the zones have to be obligatorily completed. I think that we are late as regards the global contract because 20% of rural zones are still out of first registration. We know that the urban zone is the most problematic. In the discussions I have had with Mr. Vladimir Pellumbi, there is an emergent need for a re-updating of the Tirana district as well as other districts such as Durres, Kavaj, Fier, Lushnja etc. Therefore the global contract would be more efficient in the urban zones where we there is an interest on the quality. The problem of costs is more or less clarified and it can not be reduced.

As regards the public education I agree that Romeo's proposal gives a breath to the coordinator's activities, but I think there is a contradiction between his thoughts and the opinions that Ejup has given about the coordinator's role.

R. Sherko: In the first meeting we discussed about the documentation systematization. For the urban zones, PMU can do that work and the global contract can do the successive processes.

M. Qato: The urban zone remains the main problem.

K. Qirko: We have discussed with Mark and David as regards the future of this project and we had defined some possible directions and we did an evaluation of the current situation. I

do not know in which phase that idea is stopped by David's side, i.e. for the future of the project. Many tables were made, prepared by the departments, but I do not know in what phase this situation is.

F. Kopella: Our duty is to apply it. The global contract in the village is simple for those 422, 175 zones of them will be covered by the USAID funds. The PMU problem is the city. These are divided in some groups. The private companies work much better, we are not going to have errors in the database.

M. Qato: What about the errors when the work is delivered?

F. Kopella: A percentage can be kept up the delivery to IPRS.

M. Marquardt: These are the details we have discussed and we can talk also about the payment, salaries, etc.

M. Kallabaku: This global contract can work for the rural zones with some slight changes (422 rural zones), it is acceptable, we have to compile that contract. We have 205 cadastral zones, of which 30 with direct contracts and for 175 we have to put conditions on continuing the further processes. We have to tender even those 30 zones and for this, it is necessary to compile the contract for continuing the work.

M. Marquardt: There are different activities that we have to do. Some activities can continue the way they are contracted. We can make identifications on some cadastral zones. The final thing is to have a global contract. We have to stress first the efforts that we should make.

R, Sherko: I have written something on point 2, 8 and 10, point 2- extension of coordinator's role (I hope that you have read the material), the essence is that we did less on public education and this should be included in the work program no. 7. As regards the department that covers the public education, I think that we have to multiply the basic materials prepared for the training and distribute them.

Point 8- the collective performance indicators I propose a way of payment structure and bonus system.

Point 10 stresses once again the idea to include more budget on public education for having more activities. The public education deals with the registration strengthening. Bashkim Koci has to increase the level of public education to inform people more and more. We have to think that coordinator will not always be in that position, therefore I think to add other people. The coordinator should be oriented towards the public education through the private sector.

M. Kallabaku: Bashkim manages the funds available for public education, the coordinators does not have any defined budget and he makes just some direct discussions through the local TV or radio with the people and I think this is a way of communication for which the budget has to be increased.

Annex A: Minutes of Meetings of the Working Group

M. Marquardt: As regards the point 3, 4 these are related to how we conceive the global contract.

Actually we have a structure with some departments. If this global contract will be applied, then perhaps it would be necessary to have just two department: rural first registration and urban first registration and all the other sectors will be underneath. After that we have to think how many people we need, what kind of specialists, which will be the staff level, etc.

In the next meeting we have to present a draft. In Friday we can discuss about the specifics of the global contract, coordinator's role, salary structure and we need to have two-three alternative organizational structures for the PMU.

This draft will be presented to the stakeholders: IPRS Central Office, Ministry of Agriculture and Food, PMU Executive Council. The outcome of Friday will be presentation of specifications for the rural global contract, Dritan should present the ways how to resolve the legal problems, while Mark, Myzafere and Romeo will work on the organizational structure. Myzafere will work on the urban contract.

The materials have to be prepared and distributed in Thursday, in order to be able to read them before Friday meeting and to discuss something concretely.

Then the next meeting is on Friday, at 9:00 am.

(NOTE: As the translator I feel that I have to say something about the minutes of this meeting. The Albanian version was difficult to be understood and that's why perhaps the English version seems strange, but I tried to be faithful to the original text)

PROCESS – VERBAL

Meeting of the Working Group on the PMU Restructuring, date 06.07.2001

Participants: M. Marquardt, Romeo Sherko, Vladimir Sala, Myzafere Kallabaku, Fatmir Kopella, Kristaq Qirko, Dritan Hoti, Ejup Hamza, Merita Qato, Edmond Leka.

The meeting was opened by Mr. Mark Marquardt.

In the last meeting we decided that Dritan would prepare the comments about the legal issues of the global contract draft, in order to resolve the problems, to present the findings, etc. Kico was supposed to prepare the material on the work performance with the global contracting model and Myzafere was supposed to work on the urban global contract. We have also a material prepared by Ladi about the financial aspects of the global contract. The second thing we have to discuss is the organizational structure. The salary issue will be discussed together with it and we have a proposal from Rome about the structure, bonus, etc. so lets continue.

D. Hoti. I am not going to be focused on the first two points, because I still have no answer about them, I will discuss about the global contract. Point 3, the problem with the global contract is the way how we conceive it, it is not a process separated, but a consequence of a process, the result of which is the global contract. This is much more important than the completion that will be done to the global contract at the end starting from the updating to the end. The open tender can be done only when the limit value is defined, and after that the procurement form can be chosen. According to the rules of the Albanian Public Procurement, the tenders for the updating and surveying are open tenders. In order to realize an open tender based on the Procurement Law, there is a need to have at least 3 bidders for opening the procedures. For developing a tender with less than 3 bidders, it is necessary to have the approval from the Public Procurement Agency. I am not a mathematician, but from a simple calculation that I have done it results that for the procurement of 422 cadastral zones we need to have 50 companies to be presented to the tender. I think that the first problem is to find the bidders to be presented to the tender and to open it.

M. Marquardt. I have a question. I do not understand why should we need 50 companies?

D. Hoti. Because we need to have at least 3 companies to open the procurement procedures based on the Albanian Legislation. The tender has to be done with an open notification. The companies in a tender are qualified based on the legal documentation, so this remains the biggest problem.

R. Sherko. Its not only mathematics, but logic also (although he did the correction by himself), I say that we have to pass this point and I think that the concern you have is where we can find those companies?

D. Hoti. I think that each updating has problems, let's be focused on the companies we have to engage and to put in front of the responsibilities. The process cannot be done separated and simply, the problem of companies remains and I think that there is another problem: to find them.

R. Sherko. I think that your calculation is wrong and I am advising you not to share it with other people.

D. Hoti. Another problem is that we make a legal qualification, two important documents, which are related to the global contract – the professional license on exertion of the profession, specifics for the tax problem, court decision where the company object is expressed and the license of the tax bodies, which expresses the type of private activity that the company realizes. The first is related to the process of display, the second expresses the object with which the company works. The union of different companies in case of the global contract in the urban zones creates cannot cover the activity of the legal interpreter. While in case of the global contract in the rural zones we are in front of the union of companies or sub-contracting of services. But in both the cases we are in front of realization of a procurement with many services, which means a procurement with different objects, which presents a legal difficulty and I think that this is irresolvable. If we do not realize the procurement, the global contract cannot be signed. Another defect is that our law on public procurement does not give definitions on making the contracts of service, there is no fix type of the contracts. In the civil legislation there are two types of contracts: the contract of undertaking and the contract by order. The second allows the possibility of contracting with many services, but in our case they are not included, because the order deals with the juridical operations and none of the contracts by order is a juridical operation, but a service. While in the case of the contract of undertaking, through which a company performs a service for us, it is predicted just one service and not two. The resolution of these problems could be the agreement between the donors, who would define a procurement procedure different from the Albanian law and then there would be no problem for making the contract. If we would be in front of such an agreement between the two donors, as I was expressed in the last meeting, then the Government of Albania has to be obligatorily involved, in order to make the necessary changes in the sub-legal acts with which the PMU operates. This is because the PMU is a person that operates according to the Albanian legislation. Of all above, I do not think that the idea of such a procurement and global contracting is not unrealizable, those were shortly what I have to say.

M. Marquardt. I there any comment?

K. Qirko. I have a question. Is there any perspective for any solution from the legal point of view?

D. Hoti. In the form presented as a union of many different services, it can be done by dividing them in two parts. This can be done by the specialists, but the other thing is that if the agreement between the donors including also the Government of Albania will be realized then it can be organized.

M. Marquardt. I think that the lawyers make it more difficult. The contract here is to make the first registration.

F. Kopella. I think that there is no license from the legal aspect.

R. Sherko. I want to say two words as regards the licenses. Dritan is saying that even for the digitalization there is no license issued by the competent bodies.

Annex A: Minutes of Meetings of the Working Group

I will be focused on another point – the problem of cost analysis. Mark mentioned yesterday and I want to repeat again that the cost analysis according to my opinion has four elements: It is a direct cost for making the first registration process, administrative cost, which includes all the costs that deal with the management and the coordinators are included here, the third is the work quality, we can have a map that can be done with 1 dollar or 100 dollars. The first can have 100 errors and the second no error and the PMU Executive Council has approved the costs for correcting the errors in the kartela. Another thing is the time, because if we have actually 500 people contracted as individuals, we lose time just from exchanging the works, from the technical aspect with the global contract we hope to reduce the time, and I would be happy if all the members think the same way. These are the four points that I classified in the cost analysis. Let's consider the first point – we still do not have clear points for making the comparison. As far as I know, we have a first reduction. A cost reduction is proposed in the kartela filling and the other is related to the direct cost, if so far we have contracted the individual, this cost serves as the lowest limit paid and if we tender it, the companies will decrease that, so there will be a direct cost reduction because of the competition in the tender, I think that the cost calculation is important to be understood by all the group members, and considering the discussions in the group I think that nothing has to be discussed outside, this is the work of the group, and in case if it is discussed, it is better to calculate the cost.

D. Hoti. In fact the idea is to consider the direct and indirect cost. With this calculation the first is divided in two parts: updating part + parcel book updating and after the parcel book to the end. These kinds of services are done by tenders, the cost is dressed with the structure of the Albanian legislation, the other cost – with the contract by order is not dressed with any structures. If we put them together, a structure increase will be included obligatorily. I have expressed the idea that there is cost increase considering the estimate increase that will be added to it.

R. Sherko. You are not saying that I think there will be a cost increase, for this it has been discussed, while the second is to reduce the price of kartela filling from 35 to 20 lek.

M. Marquardt. I think we have to be concentrated in the contract. The direct cost is kept, except the reduction that might occur. The cost will not be increased because of the tender, we will have the biggest profit in time, quality, I am talking about the village, but in a certain way we are entering some paths of these items, then we should stop the work today, because there is no license for binding the books. The companies make the field updating where the condition is the volume, which is 20% of addition, for the village there is no juridical problem, while we have to find out the number of companies in a district if the Kico's problem about the funds will be resolved.

D. Hoti. I have a point to clarify about the companies, which have the license for the surveying works. How difficult is for those companies to go to the court, if the company will extend the activity.

E. Leka. I clarified the problem that those two are different services.

M. Marquardt. I think that you have misunderstood the question.

E. Hamza. I have a question – Is it possible for the companies to hire different specialists with the work contracts? Is this considered legal?

D. Hoti. If the companies have their object of activity, they obligatorily have to hire the staff, the contrary is if the company can hire with temporary contracts such employees by paying all the obligations.

M. Marquardt. Another clarification – you said that we have had 2 types of activities; the others do not have documents from the court. If we'll make a combination of these activities, we'll look for those companies, which have the license. This is the complicated part that you have raised. You said that it is easy for the companies to go to the court. When we'll prepare the new contract we'll say that the companies should have licenses in order to be able to exercise other activities. We can give them a period of time for finding the documentation and then they will be ready for the tender. The company is allowed to tender just because of the license it has, if it will bid for the updating activity, this is not allowed by the Procurement Law.

R. Sherko. I have a question – Do you create all these things?

D. Hoti. I think that they are two different services.

R. Sherko. They are done together, where is it written?

D. Hoti. This is in the Procurement Law. First is not allowed, it is talked about only one service, because it is no licensed, in case of two services the law does not allow such a thing.

R. Sherko. I want a copy of this Procurement Law

F. Kopella. A simple solution – We can tender a zone with 50 villages and we can make a contract with the company.

E. Hamza. I have a question – I think to organize a meeting of the working group with the companies.

M. Marquardt. I think that it is useful to meet with 2-3 companies, to organize a meeting on Monday, now I would like to pass to Kico's discussion.

K. Qirko. I have a suggestion as regards the companies, I think we can prepare some questions in order to be more rational and to save time. As regards the global contract, I think that the debate is getting compromised and it seems that we have entered an unknown way and we are discussing based on suppositions. I have the impression that we have to deal with the realization and not with the organization or with experiments, which will not have the power of arguments for the failure of realization. One argument that makes this initiative suspicious is the fact that this problem is discussed before (2 years ago) and it was not thought reasonable and no initiative was taken, even experimentally. It has been discussed more for the global contract in the rural zones (422 remaining zones), while it has been discussed with reserves for the urban zones. this is because it is not clear how to operate with them, how to make the respective documentation available and many

Annex A: Minutes of Meetings of the Working Group

other legal norms and inner regulations, in order to avoid the confrontation of the registration office with the initiative in case. (see the attached material).

M. Marquardt. Is this all you have?

K. Qirko. For the urban zones – point 5. In this context I am a bit suspicious.

M. Marquardt. Is there anyone against this?

E. Hamza. Point 4 – my comment is on the role of coordinator in the public education. The reduction of the coordinators number will be done when we'll pass to the global contracting phase for the zones, which are in the process of kartela filling, while the coordinator will continue his/her process up to the delivery to the Central Office.

R. Sherko. The University of Wisconsin will pay and not PMU. Kico has expressed his concerns, these have to be compared between the two versions, to continue this way or to make the global contract. My intention is to propose something that has really positive sides, comparing them with the negative ones. My comment is that there is no comparison between the global and individual contract.

K. Qirko. It is not considered or seen reasonable by the PMU side.

F. Kopella. The number of zones is not 422, but 175 that can be added to that contract.

M. Marquardt. 15 minute break.

M. Kallabaku. I have prepared the contract but I could not contact Merita yesterday. Based on the global contract for the rural zones, I have adopted it and I have added the registration of properties, apartments together with the transactions and index maps preparation for the other part of the work delivery. These will be done in 3 phases: in the obligation part, the procurement entity the PMU as a project is not included. Point 4 changes, where the process of providing the documents will be covered by the PMU. The point 5 is added – the PMU should provide other office spaces. This point will be added because the Ipoteka documentation, without the registrar recommendation, cannot be substituted by other points. I have changed the percentage of salaries in relation with the work. considering Romeo's remark, I think the last point should be in order of the contract cancellation. In the contractor part (point 4) I think there is a change, during the display process they should be there at least two times a week. The integral part of the global contract is the section of specifications and some forms. This is the draft of the global contract.

M. Marquardt. Is there any comment?

M. Qato. What kind of work processes these companies can do?

M. Kallabaku. We have had debates and discussions with Fatmir. For the city updating, the Mapping Department gives the base maps and the respective calculations depend by the zone.

M. Qato. What is the percentage of map updating?

M. Kallabaku. The first processes are not included. The processes of map digitalization in different cities are in different phases. I think that this needs many changes.

M. Qato. Do the firms have the right to make contract of undertaking and to hire other employees (point 3)?

F. Kopella. I propose to hear the lawyers about the legal aspects

E. Hamza. Actually there is no such a practice here in the PMU.

M. Marquardt. Question – Can we put into a contract, a subcontract where the companies can have the right to hire people?

D. Hoti. It is not necessary to put the current practice in the contract, this might be the part of the specifications, there is no need for a separate part.

M. Marquardt. From my experience, I know that the contract can clearly express that a subcontract can be done. The PMU for example can contracted a company, which can make a contract to realize the work, we are not interested how the tasks are realized.

D. Hoti. The Albanian Procurement Legislation allows the union of companies and subcontracting of contractors for the effect of tender qualification. Being or not being is part of the legal qualification, because a company that will be presented will have no lawyer, then it will not be qualified. Point 3 I think should not exist.

M. Kallabaku. This contract is based on the rural global contract.

D. Hoti. You said that this is a technical draft and when the decision on the global contract will be made, it will be completed with the rights and obligations of the parties according to the civil legislation.

K. Qirko. Whom this contract is made to, PMU or Registration Office. Where is the work object?

M. Kallabaku. The work object is taken from the Registration Office.

K. Qirko. Where are the urban zones, which we have to survey?

F. Kopella. The index map is the one sends to the registration office.

K. Qirko. Question – Is this contract for the transactions also.

M. Kallabaku. The private company will prepare the index map according to the regulation. I think we should be coauthors in that contract, because it does not have the financial analysis.

M. Marquardt. What are the constrains for these companies to hire people, because the companies will participate in the tender. Merita's concern – the PMU has spent a lot of time for training the groups.

E. Leka. Who can make the works better in the rural zone? Which is the best way to give high quality work the contract with the companies or the contract by order (I do not have experience for the city).

K. Qirko. I think that there are many changes, the work quality is increased both by tender and by order.

F. Kopella. The PMU problem is the first registration in the city. Is there any juridical problem regarding the implementation of the global contract. If it works in the village, then it will be a great progress for the city. The reasons are that people who work in the 2+1 groups cannot work more than the official timetable, while the situation in the company is different, people can work in the extra hours. This has to be done in a certain time. So far I do not see any legal constraint in both sides, while the coordinator will be transformed into a supervisor in both the cases.

E. Leka. I know that the city has been a problem. Is there any proposal from the Registration Office how to speed up this work?

M. Qato. The Registration Office has been related to the project.

F. Kopella. Is there any proposal how to speed up this? Merita can bring any drafts next time.

M. Kallabaku. We have been obliged to discuss the things with the Central Office step by step, and for more all the contracts are signed by the Chief Registrar.

E. Leka. Is there any other solution or we have to continue this way?

M. Marquardt. Our interest is to have the urban global contract, because there the property market is dynamic. We have also made investments on staff training. What are the results? Considering the big volume of work we have to think for an alternative in order to speed up the work processes. We need to have from Myzafere a draft for the urban global contract, for this she can work with Merita on the second version of the urban contract, in order to put the specifications in the contract and we can discuss it next time.

D. Hoti. We need another material expressing better the contract effects, except the juridical aspects, in order to create any idea about its implementation. We have not discussed yet the cost and time to be reduced. Having all these materials, we can give clear thoughts.

F. Kopella. No one but Myzafere can discuss about the technical aspect and the time. I do not see any reason to discuss about the time.

D. Hoti. How much will it be reduced? What have you considered?

F. Kopella. It will be reduced at 21.22% of time.

V. Sala. Another problem is that of time. Is there any company that has delivered before time the contracts made so far for surveying-updating? For this I have a list presented by the Mapping Department, where there are companies, which have not delivered the works yet, even though the dead line is terminated.

F. Kopella. I think to apply the penalty for this kind of companies.

V. Sala. There are some zones, which are not delivered. There is not any profit in time so far.

R. Sherko. It is the PMU fault for this.

M. Marquardt. Is there any other comment about the first draft of the urban contract?

R. Sherko. For the point 9, it seems that in other cases the final product is not the PMU property, I think it should remain as a separate point.

M. Marquardt. I think the issues have to remain the same both for the rural and urban contract.

M. Qato. Are you sure that the companies will finish the work in time?

R. Sherko. I have to repeat, in case of urban zones – it is said that the coordinator has to do it.

M. Kallabaku. Another point has to be added in the contract, in the part related to the contractor obligations.

M. Marquardt. I think we have to define a schedule or program, considering the daily flux of work in the Tirana office.

E. Leka. All these changes would not be made immediately, but the idea is that the work there, should not be abandoned because they have many daily requests.

M. Marquardt. Next time we'll see the second version of the urban global contract.

V. Sala. Considering the global contract, we have made a division in 2 items: EU and UW. With the EU funds we operate with the tenders, while with the UW funds – considering the introduction of the global contract – I have done an estimate, which leads to a 30% increase of expenditures realized through the contracts by order made by the coordinators. The total funds (from USAID and EU) spent so far (31.05.2001) is \$10,833,491. The cost per property should go to 6.11\$/property. During the consideration of the global contract, it is talked about the extension of the coordinator's role in the framework of the public education, obligatorily we'll have a cost increase, which is discussed the last time.

Finally, the global contract application leads for sure to a cost increase,

R. Sherko. How do you distinguish the direct cost from the indirect cost?

V.Sala. The direct cost is that which does not include the general expenditures, while the indirect cost is that which includes the general expenditures.

R. Sherko. I said how the total cost is calculated and which are the cost elements.

V. Sala. I cannot give an accurate opinion about the quality, whether we will profit or not. Considering the practice I can say that none of the companies has delivered the works before the term. From the EU practice also, the profit has been minimal. I agree on what Fatmir said that for the activities that will be raised, we'll have a cost change (see the material attached).

K. Qirko. The problem is that the cost is the same both with the contract by order and the global contract, which is predicted to be applied. We have to be clear about the time and quality, because our experience shows that these have been problematic.

E. Leka. I do not considered it delayed.

M. Marquardt. Let us discuss about the organizational and salary structure. We have a proposal from Romeo.

R. Sherko. The basic idea of these scheme is the fact that if we are going to move to the global contract then we need to have departments as today, but they will be the department of rural, urban, public education and administrative (see the material attached). There will be other 3 sectors that will have accountability in those 3 departments, while the departments will have accountability to the General Manager.

M. Marquardt. The other structure is more traditional, but presents more or less the same thing. With the rural contract everything has to be done from the beginning up to the end, and a person will be responsible for these 3 sectors.

M. Kallabaku. I have a problem related to the scheme presented in both versions. In the registration sector the groups are doubled, we have engineers, lawyers who control or receive the work and they go together in the districts.

M. Marquardt. What do we think about this scheme?

E. Leka. I have a remark – the fact that it is said village-city is not good, if this scheme will function, then we have to clarify it especially for the main cities.

M. Kallabaku. I think to have 3 departments:

- Mapping Department – it will cover the rural, urban and map digitalization sector, and the map-kartela linkage has to be put here.
- Registration and Public Education Department – will have the registration sector, kartela computerization and public education sector.
- Economic-Administrative Department – will have the finance sector and logistic one. I have a question mark about the Statistics specialist, I think to include that position in the First or Second Department.

D. Hoti. What is the position of the Land Policy Sector?

M. Kallabaku. I have not predicted it, but I think to include it to the Public Education Department.

M. Marquardt. We had predicted all what is here, most of them will be contracted out of PMU.

F. Kopella. When the work of this Department finishes? Where this process will be made and delivered?

M. Kallabaku. As regards the Mapping Department, it finishes the work for first, while the other departments will be responsible for the other processes. The change of the structure is realized each year, therefore this cannot be seen related to the global contract.

K. Qirko. What are the advantages of this way of contracting in comparison with the existing one?

R. Sherko. I have a question – considering Myzafere’s question mark as regards the statistics specialist, this could be part of the Public Education sector.

K. Qirko. Mondri’s idea is that the existing structure for the moment does not have any obstacle. The Mapping Department will breath even for 2 years, the Geomatic department will have the priority and it seems that with this scheme its value is vanished. Therefore the scheme presented by Myzafere is a little bit simplified and not motivated. I think that the existing scheme is more optimal. I agree on Mondri’s idea.

M. Marquardt. Then we have – the First Registration Department – which includes all the specialists, Economic-Administrative Department – which includes all the staff underneath and Public Education Department. We do not need to be concerned about the positions or salaries, but first to work on the Global Contract concept. How to restructure the PMU in order to be able to operate, and then to think about the staff we need.

This is the way how people will function in this organizational way. How the organizational structure will be? How shall we work? We have another structure that describes 3 departments and all the other people will be underneath. So we are not reached any concrete conclusion.

V. Sala. As regards the PMU salaries. (see the material attached). I have three concrete proposals: the profit from seniority should be at 100 lek per each year of work and not more than 2500 lek for each monthly salary, the profit from the PMU seniority should be at 150 lek for each year of work and not more than 1500 lek per each monthly salary and the last is related to the finance sector (considering that this sector deals with a big volume of work and difficulties) I think to give an addition of 5% on the monthly salary for each month.

F. Kopella. I have a question. Where is the difficulty?

V. Sala. Based on the Albanian Legislation, the budgetary system applies an increase for the difficulty in the finance sector. This is a proposal, the group can decide on it.

F. Kopella. The profit from the general seniority and PMU seniority should be different, I agree on point 1 and 2. I do not understand the point 3. I have to add that the Informatics specialist (whoever is) has to be paid more, I see that the existing salary for the secretary is 50000 lek, while the technical specialist has a salary of 45000 lek, I think we have to see this difference.

E. Hamza. I agree with the points, but I think there should be no restriction as regards the number of years, the work experience, for the informatics specialists I think their salary should be 10% lower than the head of department's.

F. Kopella. I agree with Ejup.

M. Marquardt. I think the bonus has to be increased 3% for all the people.

V. Sala. With your proposal, there will be a great change, I am talking about the PMU. What about the general seniority?

M. Marquardt. There are few people with that seniority level. First we have to think about the concept, then the budget. The material presented should be referred to the 100% plan realization. The plan never has been realized at that level. This non-realization happens because of the objective factors, which are not related to the PMU, but even because of other subjective factors.

At the beginning of the year, people declare the figures and bonus has to be given in those cases when the figures will be exceeded, but there are cases where people are not evaluated for the work they do. Therefore, we have to find a mechanism to review the work evaluation.

V. Sala. Last year we gave a bonus for all the people at the same level, based on the proposal of the heads of departments.

M. Marquardt. Historically all the people have taken bonus. In the next meeting we'll discuss about some alternatives of the organizational structure, we'll contact the companies, which are activated, in order to have their opinions about the global contracting. All the materials have to be prepared and distributed up to Monday in order to be more efficient in the next meeting discussions.

(NOTE: As the translator I feel that I have to say something about the minutes of this meeting. The Albanian version was difficult to be understood and that's why perhaps the English version seems strange, but I tried to be faithful to the original text)

PROCESS – VERBAL

Meeting of the Working Group on the PMU Restructuring, date 10.07.2001

Participants: M. Marquardt, F. Kopella, K. Qirko, V. Sala, D. Hoti, M. Kallabaku, M. Qato, E. Hamza, E. Leka.

Invited: R. Sherko

The meeting was opened by Mr. Mark Marquardt.

M. Marquardt. In the last conversation we said that we had to finish the discussion about the global contract. Myzafere had to work on the global contract. Today, if possible, we should finish the idea on the global contract. Let us suppose that the Working Group will work on the role, structure modifications of the Executive Council, performance indicators, salaries and preparation of the WP no. 7, so we have to present a recommendation in this regard. It would be better if the group would give recommendations about the best way of contracting. I do not expect the working group members to present final drafts, but in general I think to create a small committee for preparing the final draft.

If this would be achieved by consensus, then there are 3 ways: the draft with the existing contracting structure, including the fact that the contract will have a lower cost, time reduction, a wider and more open contracting way. In this way all the work results would be reflected.

As regards the PMU structure, this issues needs more time and then after fixing it we have to see the staff needs. Point 3 – what are the proposals about the structure, point 4- positions, point 8- performance indicators, which is related to the point 9 on PMU salary structure, while the points 3-4 and 8-9 are related to each other. When this will be applied, then we'll be at the position to see our proposals. I want to finish today the global contract, based on the version presented by Myzafere. I know that a meeting with the companies was realized, then we'll discuss about the organizational structure related to the new way of contracting, and where do we need to be focused on. Reformation of the Coordinative Working Group and the relationships between the PMU and other institutions is something that will be included in the report, but at the moment these are not priorities, they can be discussed in a further phase. I think we have to finish this work on Friday.

In the Thursday meeting we should finish the draft in order to distribute it to the persons who were present at the Saturday meeting of 16th of June such as: the Deputy Minister of Agriculture, Chief Registrar of Republic, PMU General Manager and USAID representatives, showing that this material will be given them for review rather than giving it to the Executive Council. This group will review not only the PMU work, but also the Executive Council work. It has to be given to the Chief Registrar for reviewing it, therefore the draft has to be distributed because I want to have their suggestions about this model.

M. Kallabaku. Considering that the participants have already a copy of the material, I think that there is no need to make changes. In the contractor part- point 3 I think it would be more reasonable to pass it to the specifications, which are added by the work receiving, obligations,

Annex A: Minutes of Meetings of the Working Group

forms of control. I have also made a calculation of the cost reduction, and I think that the average cost for the city is 2\$ with the existing prices, while for the updating process it is 6\$ and the total is 8\$.

M. Qato. So the total direct cost for registering a property is 8\$.

F. Kopella. It will be 8% higher.

M. Marquardt. Why the cost will be higher, if we are using a certain type of contract?

F. Kopella. If the current price will be kept, we have to add the cost structure, because it is in the company profit, so it will be increased 8-13%.

M. Kallabaku. For our project, this cost will be applied even in the public property law, because we have transactions.

F. Kopella. In this way the transaction effect will be added, this happens because of transfer from the central government to the local one.

M. Marquardt. So the registration as state property is one more transaction that we have to register. Is there any comment?

V. Sala. I have a comment as regards the cost. It is not the same with the 15% that the companies get. With the contract by order the profit is different.

F. Kopella. I know that the companies are taxed by 15%.

R. Sherko. Why the company profit is 15%?

V. Sala. All the tenders, which have been developed, have had that 15%.

E. Leka. Why is it 15%, ex. a constructing company and a topographic company are different, the percentage of profit on the work is lower, I think that 15% is too small.

M. Marquardt. So this 15% is something that is guaranteed. This depends by the company efficiency. I think that we should try more at least to make a calculation – to say that this is the cost according to the current situation. Which is the direct cost – we do not see any cost increase in the new situation, and then we have to see the indirect cost or the opposite. The cost can be reduced, or the administrative expenditures, but in total there will be the same thing.

F. Kopella. I think that the discussion on the direct cost can be closed today.

V. Sala. With the contract by order, the direct cost per property is 122.7 lek/property.

E. Leka. What is the effect of the direct and indirect cost?

R. Sherko. In case if the global contract would be implemented, what are the process?

M. Marquardt. I want preferably the material to be distributed before Thursday, and then we can discuss about the real costs (direct and indirect), I also want you to bring all the materials you have prepared in order to have two copies (English-Albanian), both in disk and paper. As regards the direct cost I want to have a material and I think that Kico, Ladi, Myzafere and Fatmir can do that.

This will be the first topic for the next meeting. The second, I want to have a short summary about the meeting of today with the companies. What do the companies feel about this new concept. I think that there were 6 companies. What do you think?

E. Leka. From all the discussions, in general none of the companies expressed the fear of applying it technically. I.e. the companies believe that they can realize that. They expressed some tends in their discussions about the increase of prices, raised some general technical concerns and I think that it would be worse for them if the global contract would be applied.

R. Sherko. The current prices include even that 15% of increase. In the future, wont make the contract with the individual (we have discussed this at least 3 times so far), these individuals have been given a 15% more than the companies.

V. Sala. The change of prices was done according to the proposal of the 3 heads of departments. There is no idea according to the proposal of Myzafere and Fatmir.

M. Kallabaku. It has not been written that the increase of 15% is because of the tax effect. From the controls, it has been observed that all the people left the work. The tenders should not have been calculated based on the direct contract price, they should be calculated – 15%.

D. Hoti. We have the contracts with the current prices, and we need an Executive Council decision on the change of prices, in order to have these prices at the previous level. All the decisions on the previous prices have been abrogated. We need an Executive Council decision in order to contract with the 100 lek prices and to have this price legalized and to put in action the other prices for the direct contract.

M. Marquardt. I propose to have a draft for tomorrow after 12 o'clock – Kico, Myzafere and Fatmir.

So, it was said that the companies were positive on this way of contracting, the work quality is better and the control higher. I want to know how fast can be done this? And is there any opinion how this way of contracting can speed up the process? So, technically, it is realizable and there is no fear. I have a question: have you discussed about the urban contract?

E. Leka. We were focused on the rural contract, but I like the idea of working in the cities. We did not discuss so much about the technical and legal possibility. They have passed too many barriers, they did not express any big concern whether they can or not, they are conscious that they will profit professionally. They raised the problem of money, because their responsibility will be lifted. In this way they will be obliged to work better, while the coordinator is not afraid form the technical point of view.

F. Kopella. They had more questions about the display.

K. Qirko. The companies are not so informed, they did not understand the technical terms (such as first, second and third printing). They were not very enthusiastic. I have the impression that we are not going to impose.

R. Sherko. There is no problem, we need to have our job, therefore we wont give the 80%, but less than 60%. In your discussions I see the tendency to present the difficulties, we have to discuss the comparison between the existing way and the future one.

F. Kopella. The companies are not very interested about the 20% of the work that might be added.

R. Sherko. The PMU interest is how to receive a better and cheaper work.

M. Marquardt. The same thing that is done, the company will work with the other processes. So do you think that perhaps the companies that participated are not qualified? These are standard things that we can put in the contract.

E. Hamza. Another request presented by the companies, which was not mentioned is that they wanted to cover the transactions.

M. Marquardt. We did not discuss about the PMU organizational structure. If we move to the global contract – which are the proper structures? Did anyone see them, do you have any alternative, because we have to conclude to the PMU structure, then later we can think about the staff, how many people we want in each department etc. This was one my reasons. The existing contract finishes on 30th of June, people will have a one-month contract up to 31st of July. Which are the staff needs in the new structure, perhaps it would result that we could have less staff in the departments. But now, we cannot say that the existing contract has to be extended, the same for the coordinators. Therefore, in the next meeting we have to finalize the number of persons, the salary structure, job description for each staff member. For the next time I would also like to resolve the issue of the salary structure. The problem of cost and organizational structure remains unresolved.

What we can do is to see the structure schemes until Friday and I think to start the meeting on Thursday, at 9.30.

(NOTE: As the translator I feel that I have to say something about the minutes of this meeting. The Albanian version was difficult to be understood and that's why perhaps the English version seems strange, but I tried to be faithful to the original text)

PROCESS – VERBAL

Meeting of the Working Group on the PMU Restructuring, date 12.07.2001

Participants: M. Marquardt, F. Kopella, K. Qirko, V. Sala, D. Hoti, M. Kallabaku, M. Qato, E. Hamza, E. Leka.

Adviser to M. Marquardt: R. Sherko

The meeting was opened by Mr. Mark Marquardt.

I would like to make a review of what we have discussed in principle, to have an idea about what we still have to do. We are in delay of one week as regards the reporting on Saturday. Before I leave, I have made a summary of 10 indicators, which we have prepared with Malcolm. At the beginning, we have to pass through these points, we should to clarify them in order to know what kind of information we need.

Is there any question about this?

First item – it is about the improvement of the first registration methodology. There have been different proposals on the improvement of the contracting methodology, where we have to adapt a methodology for the global contract. People have to prepare a complete and detailed inventory of the zones, which are in the process, or which have not started yet. Which are these districts, which are the zones where the digitalization has started and which are the zones where the work is finished – index map, parcel book, etc. So we will make a division of zones in a clear way comparing this to the existing one. I think that the reason of this is related to 2 things:

First: Will people be able to understand what the global contracting is? I think that the zones that are at the end can continue with the existing contracts. Moving to the global contracting, the processes will be stopped, the existing activities will be finished and there will be no increase or significant influence, because the cadastral zones in process will continue. The global contract does not impede us to finish the cadastral zones that are towards the end. So for the first point we need to have a complete inventory.

E. Leka. I think that it will be a long process. The reason is that we do not know the status of works for the cadastral zones, we do not know the quality, so for the companies this is not clear.

R. Sherko. This is an important point. Fatmir's material explains this part. We do not know the quality of work and the idea of global contracting means that this work will be done with 100\$ with a company. The change is if we want to compare them.

E. Leka. I am afraid that the companies will hesitate.

M. Kallabaku. There are 352 zones with direct contracts.

M. Marquardt. I do not have the cost table. Does this influence or not? And the save id 15-25%. With the existing prices there is not reason to reduce the cost.

F. Kopella. If the existing price will be kept, even though there is an increase, there is no cost oscillation, it will be the same. But we'll profit in time and quality.

V. Sala. It is not my duty to change the prices.

F. Kopella. I did not say that you proposed the increase of prices. When I presented the list of prices I was based on the prices we currently operate. With the reductions, the price will be the same. According to my opinion the price can remain the same, and it has to be kept as the direct cost. There are 422 cadastral zones, in which there has been done nothing on surveying and 175 zones, which are in the process of contracting with the companies. In fact, about 350 zones are in the process. After the parcel book, it is proposed that on 29th of June to continue with the same methodology, which guaranties the plan of this year. Nobody is scared about this, while they will be divided in this 6-month period. So we can continue with 2 methods, and based on this I do argue that the PMU structure has to be kept with some changes. Till the next change (January 2002) we have to see the 6-month experience then we can make another modification.

M. Marquardt. Do you think we'll have a qualification for eliminating the two processes? Will there be any cost reduction?

F. Kopella. Yes, we have a cost reduction, but we do not have the addition to the company profit.

V. Sala. The cost structure that is multiplied by the profit has not been calculated. The cost structure is not a cost increase that is 13% multiplied by the estimate value + the profit. What I want to add is a clear presentation of the current situation of the cost, how it is and how it will be.

F. Kopella. It is so easy to make a table – I think there are 2 tends, here we have 3 facts, someone wants to reduce it, someone to increase it, I thought that the direct cost does not change.

E. Leka. In order to compare the global contract with the indirect contract we have to add to the direct contract the time of coordination, because the coordinator makes direct contracts.

M. Qato. The coordinator controls the work of the company.

F. Kopella. I am not talking about the coordinator, but about the management of companies, where we can compare the cost of the direct contract with that of the global one.

R. Sherko. I propose to vote what the group thinks, lets consider it 15% of increase added since February 2001 and then this 15% has to be reduced if the global contract would be applied.

V. Sala. My proposal is not 15% but 30%.

R. Sherko. We have discussed this too many times.

M. Kallabaku. I agree that the Working Group has to propose to the Executive Council, where the 15% of price increase can be included in the global contract.

K. Qirko. I am afraid that we are in contradiction with the Decision of the Executive Council. I think that if the 15% will be taken off, then the price basis will be lower. We have to make a clarification – is it reasonable to keep or to take off that 15%?

M. Qato. I cannot give any opinion, because I am not familiar with the documents.

E. Hamza. I think we have to keep it, because we did not predict the social insurance for the employees.

M. Kallabaku. There are different employees for different phases.

M. Marquardt. These are not direct costs, we do not know what the company will do, we know what the costs are based on the methodology. What is the reason for keeping it? We have to think about any other mechanism, although these companies should pass through a tender. This is not a decision, but a proposal.

D. Hoti. The social insurance is included in the calculation of the price. The contract by order is undressed by these structures. The price calculation for the tender includes also the service value, while the other one includes just the service value and not other calculations. If the company will hire a person the obligation of the social insurance of 41.6% should be included within the price. The obligation of the social insurance is not depended by the number of persons, this 41.6% is multiplied by 10 = to the price.

R. Sherko. I want to vote the point I raised.

M. Marquardt. Who is favor of 15%?

From the voting it results that:	K. Qirko, E. Leka, E. Hamza, D. Hoti	= pro
	M. Marquardt, M. Kallabaku, F. Kopella	= against
	V. Sala	thinks 30%
	M. Qato	abstains

The result: 4 votes pro
3 votes against
2 votes abstention

We finished with this issue.

I would like to see a cost table with comprehensible, simple terms, with explanations and justifications as well as modifications in this regard.
So we have to work on the inventory, to think about the documentation for moving to tender.

F. Kopella. We have to appoint who is going to make the inventory – for this I think one person from each department, for each zone, one from my department, one from Myzafere's lets say Spiro, Spartak and Myzafere.

M. Marquardt. I think to include the statistics specialist. Lets move to point 2 – the extension of the coordinator's role in the field. We talked about a reduction of their number, based on a proposal presented about the role of coordinators on public education. If we move to the global contracting, there will be an extension of the coordinator's role. Is this the right summary of this point? For now there is nothing we can do in this point, but in the future we'll think more about it.

Lets move to point 3 – improvement of the PMU structure and procedures.

D. Hoti. We all agree that the coordinators number will be reduced if the global contract will be applied.

M. Marquardt. This is a right question. Considering the executive role of coordinators, Mr. Ejup presented a proposal to reduce that number.

K. Qirko. I want to be clear when I apply the contract. I think to discuss Ejup's proposal. It seems to contradictory and radical to me as regards the new breath we want to give to the coordinators on public education.

D. Hoti. I agree. When the global contract will be designed, the reduction of their number has to be considered. As regards the second proposal – the duties of coordinators have to be added as a separate point.

M. Marquardt. I think we all are agreed in principle. When it will be applied, it will lead to the reduction of the coordinators number. Lets move to point 3 – we have had proposals on redesign of the PMU Procedure Manual, we have to deal with the contracting problems. So far we have started the modifications of the Manual and I want you to present your thoughts about the organizational structure.

F. Kopella. I think that if we continue to finish the direct contract and if we think to continue with the global contract and mix, I propose only some changes:

- first, to not have a vice manager, the 3 departments have to be directly related to the General Manager

- second, to have 3 engineers in the sector of control of the Mapping Department, because the level of control in the contracts by order is lower than the level of controls by the companies. This is even Myzafere's opinion. The chiefs of sectors have to deal with the contract control and administration. The second sector will remain as it is. The Mapping Department – Photogrammetric sector I think should not have the current chief, i.e. the head of department should not be the chief of sector. In the Department of First Registration, the registration sector should have 4 people together with the chief of sector and it must be an engineer, so 2 engineers and 2 lawyers. It would be better to be a geodetic engineer. In the second sector –

Annex A: Minutes of Meetings of the Working Group

land policy – we have to add the word public education and I think to have 4 people there, including the statistics specialist. The background of the chief is not defined.

The Geomatics Department will be composed by 3 sectors – 7 employees divided for the preparation of the database in the 6 main cities (these are included in this department). The sector of map digitalization, sector of kartela digitalization and the sector of control of the archive and linkage. I consider here not only the work that will be done in the global contract but also the work in 1600 zones that are in the process. In the sector of kartela digitalization I think to have 2 people. Third sector – 10 people (3 existing employees + 7 in the districts), one engineer, one operator and one informatics specialist. First sector 2+1 people.

D. Hoti. I have a question – Why do you think to take off the position of the Vice manager?

F. Kopella. I think that position is excessive. There has not been any changes since Ladi is working as chief of finance.

D. Hoti. Our administrate currently has a head and a vice, even though he has his own functions, he has another position at the moment when the Manager leaves, the vice has to substitute him in order to assure the work continuity.

F. Kopella. One of the heads of departments can be assigned for continuing the work. The head has the right to assign someone in the structure and we can see how it works till the end of the year. I think that at the beginning of the next year there will be another review.

M. Marquardt. According to my opinion, we want to apply the global contract as soon as possible, I would like to start at the end of August or early September. Is there any mechanism how to administrate the global contract?

F. Kopella. In order to complete the global contract, to have all the specifications, we have to establish a working group with people from 3 departments.

M. Marquardt. Who is going to take the responsibility for managing the global contract?

F. Kopella. We have to appoint 3 people from each department.

D. Hoti. This structure exists since 1994.

E. Hamza. I have a question – for the Economic- Administrative Department I think to have 2 sectors. Is there any chief of sector?

F. Kopella. It is something imposed, to have 2 sectors, a chief of sector and a head of department.

M. Marquardt. Lets move to point 4 – staff position in the structure. What Fatmir presented gave me an idea what to do. Lets think about the staff position – heads of departments will review the activity under each department related to the continuity of the existing contract and then we can have a clear description – how much people we need in each department, job description, clear criteria and work evaluation for everyone.

Annex A: Minutes of Meetings of the Working Group

How do you evaluate the performance of each position (for this I want to have a short description with some paragraphs). This exercise serves for two purposes – first allows you to have a clear job description and second, it makes clear what are the needs for the new staff. Lets see the details and we'll use this to evaluate the performance in order to pay the bonus. We need to have clear criteria on work evaluation in order to give the bonus on objective and not subjective basis, the heads of departments should work on this – this is related to point 8 – Performance indicators of the PMU staff.

Lets move to point 5 – Recommendations on Executive Council modifications. Is the Fatmir's version acceptable or do you want to work with Romeo's version, or any combination of both?

R. Sherko. My opinion is expressed in the scheme presented; it is difficult because it is not traditional. My concern is that the 3 departments will be responsible for the processes of first registration, this is the idea added on the scheme proposed by Fatmir. PMU has to appoint responsible people for this work – First Registration.

F. Kopella. The problem is the coordination of work for designing the global contract, while the Geomatics Department can control the steps of all these contracts with that structure. Everything depends by the global contract application in the city.

M. Marquardt. It seems logical to me to have the Geomatics Department as the third in this process, because in a certain moment this might control the flow of work with the contracts, in this way some persons can be appointed for controlling the work.

Is it possible? What do you think about this structure having all the heads of departments related to the work and to make modifications for the staff.

D. Hoti. As regards the problem of vice manager. The order of the Minister of Agriculture No. 368, date 15.02.1993 states that the PMU organizational structure has to be done according to linkage No. 1 (point 2 of the order).

M. Marquardt. It is not necessary to have a vice director in the organizational structure. We should have just one leading head and all the other heads will be under him. There are structures where the head is called president and he has a vice. In case of absence he will be substituted by his vice. But there are also some cases such as the USAID, where there is no vice position, therefore I think that this should not influence the preparation on the organizational structure. The PMU is a legal and independent entity. The Ministry controls the management work, while the Manager prepares the organizational structure of the PMU and the appointment of the vice-manager is the responsibility of the Manager as well.

D. Hoti. According to the Decision of the Council of Ministers No. 505, date 26.10.1993, the PMU is under the direct dependency of the Ministry of Agriculture, there is another order issued, which states that the PMU is independent for realizing the Action Plan of the Immovable Property Registration System.

“We are not fully independent” because we have indirect relations with the Ministry of Agriculture.

M. Marquardt. Then according to you the Ministry decides on the level of the PMU salaries?

R. Sherko. I have the impression that the Linkage No.1 is from 1993 and the PMU structure has changed 3-4 times.

M. Marquardt. Lets eliminate the vice manager and say that the head of the Economic-Administrative Department will be the vice manager and each of heads of departments will be directly related to the Manager.

Lets move to point 6, which talks about the creation of an advisory council for replacing the Coordinative Working Group that has not been met. Lets discuss the 6, 7. I think that when the global contract will be applied, it will be clear which are the relations of PMU for exchanging information with the IPRS. After formulating the global contract methodology the group will be reformed or a new advisory council will be established and I think to consider this point later.

Point 8 was discussed in point 4. Is there any other comment?

D. Hoti. By the decision of the Executive Council I think to establish a working group for evaluating the work and this can be done within the PMU structure. (the same with the Albanian Development Fund. (ADF)

M. Marquardt. Dritan's idea is a very good one, but this is premature, because we do not have job description, or evaluation criteria. I think it would be useful to have such a commission, to have a mechanism for evaluating the work. Lets make an independent evaluation from the PMU hierarchy.

R. Sherko. I think that we need to work on clarification of the criteria. The work has to start by collecting the job descriptions.

M. Marquardt. I think to discuss this with the Executive Council. This group has to collect the job descriptions from the departments and if ADF has such an experience, then it will be useful to make the evaluation and I think it would be better to have people out of PMU for making the work evaluation.

For point 9 – we have a proposal by Ladi and Romeo related to the bonus, salary structure. Is there any discussions, perhaps we should have some criteria based on the PMU seniority or the general seniority. Ladi's proposal is based on the experience inside and outside PMU.

For point 10 – the work about the Work Program 7. We all have been concerned about the project continuity. We will continue to work with the Work Program 6 (extended) till the end of July. The program 6 will be extended for one or two months, the activities will not be stopped, we'll create the budget for WP7, we do not know what the structures will be.

V. Sala. I think that this is important. We have a total blockage. There is a risk regarding the salaries of 16th of July. We hope the funds will be here from US. Another problem we have is that we are in 12th of July and we are continuing to work with the program 6. We need to

Annex A: Minutes of Meetings of the Working Group

know what is required to us in order to start to work on it, because people will go in vacations.

M. Marquardt. You know all the documents to prepare for the contracts, because it will be the same thing, we know the contracts that should be paid, it is the same documentation to be prepared.

V. Sala. Should I prepare the program 6 now?

M. Marquardt. I want it at the end of the month. There are 15 days of work, if the extension will be made we'll be informed. You have to prepare the budget for August to pass as soon as possible to program 7. If this activity will be finished, David thinks to start with the global contract before the end of August, so we need to start the work program 7 in September. We have to work on the extension of work program 6 till the end of August. If this will not be achieved, then we have to work for two months. We need to know the expenditures within a month.

V. Sala. It is not the same work. The preparation for the Work program 7 was easier.

M. Marquardt. It is the same, the old one will not be used any more. When we'll work with the global contract, we'll not have so many people, therefore we need that documentation both for program 6 and 7.

V. Sala. Are we going to work with two programs?

M. Marquardt. I want to have a budget for August, I am not interested on the work program you are working with. Is there any other discussions?

D. Hoti. How long the program 7 will last? When program 7 will finish, is there any program 8 after?

M. Marquardt. I think you got the answers. The original idea was that the program 7 would start in June and finish in November. We do not want to finish a work program in December. The program 8 will follow the program 7. As in the past, we have had problems with the budget, but having the alpha program we are in a position for monitoring better all the expenditures.

Finally, we have done progress. Lets fix a meeting for Saturday morning or Friday afternoon. I will try to talk to the Deputy Minister of Agriculture, Chief Registrar and PMU General Manager, in order to present a draft, in which I will describe the work done by the Working Group according to the issues.

(NOTE: As the translator I feel that I have to say something about the minutes of this meeting. The Albanian version was difficult to be understood and that's why perhaps the English version seems strange, but I tried to be faithful to the original text)

MEETING'S NOTES

Done on July 25, 2001 during the meeting of the PMU/IPRS Executive council.
The notes were taken by the PMU administrative secretor Mrs. Migena Hoxha

The Item : **The discussion about the PMU Working Group report, prepared by Mr. Mark Marquardt, The head of the Working group and in the same time the representative of the University of Wisconsin in PMU.**

Participants: The Executive Council Members: Ndoc VATA (General Manager of PMU), Vladimir SALA (Vice Manager of PMU), Kristaq QIRKO (Chief of updating and cartography department), Myzafere KALLABAKU (Chief of First Registration Department), Fatmir KOPELLA (Chief of geometric department), Nora MARKU (Lawyer on the Registration and Legitimization Department), Ejup HAMZA (Chief of the digitalization department in G.D.)

Present : Mr. Robert POSNER (USAID), Mr. Harvey JACOBS (LTC Director), Mr. Albert DUBALI (Chief registrar in the Central Offices of IPRS), Mr. Arben MOLLA (Director of APO in the Ministry of Agriculture and food), Mr. Bardhi QILIMI (Director in the Land Department in the Ministry of Agriculture and Food).

The meeting was opened from Mr. Ndoc VATA, General Manager of PMU (at the beginning he introduced the participants)

N. Vata . Seeing that every body is present I declare the meeting open. I would like to thank Mr. Robert POSNER, from USAID, Mr. Arben MOLLA, Mr. Fatbardh QILIMI, from the Ministry of Agriculture and Food and Mr. Albert DUBALI, from the central offices of IPRS for taking part in this meeting.

We have a decision from the PMU Executive Council dated June 16,2001 that define the deadline July 16, for discussing the working group material, even though this deadline has passed we are gathered today to discus about the opinions and to decide about the proposals done from the W.G.

Everybody has the material and I think to begin the discussion. Let start with the questions about the material if there is any one.

A. Dubali. I would request to be the first to open the meeting because I should leave for another one. My opinions are even written, so if you permit?

H. Jacobs . I know that you have even other work to do and that you should leave, but I would like to ask if it is possible to discus again with Mr. POSNER about the memo that the USAID has prepared and given to you for opinion?

A. Dubali . I didn't know that today we would have discussed even about the memo, because I have a lot of things to say about this issue. I have contacts even with Mr. David Stanfield about this problem and I have a lot of things to clarify, because I have noticed that there are

Annex A: Minutes of Meetings of the Working Group

same misunderstanding and misinterpretation about the First Registration process. I think that we should talk another time for the memo..

R. Posner . The purpose of my presence here is to assist in this meeting where will be discussed the work done by the PMU working group. The memo is an agreement between the Ministry of Agriculture and Food and USAID to assure the finishing of First Registration for Immovable Property till December 2003 and to find the way to assure the funds for the process financing. The final draft has been finished and it will be given to the Ministry of Agriculture and Food for opinions as an agreement part and then after we gone have a larger discussion about the memo. I think that the meeting for the memo, with Mr.Dubali, should take place next week, maybe after Monday and Tuesday so that the memo will be discussed with the ministry first.

The purpose of my presence here is to see how will be developed the Executive Council discussion and to make a report for the \$ 5 million that we think to accord for this process. We have many requests for funds from different projects that are very important as the electricity problem is. To make decisions is becoming very hard in our mission, because the requests are increasing, and I feel like a father of many children.

A. Dubali. I'm sure that as the father of many children you want to assure their properties. There is nothing more important than this one.

H. Jacobs . I have noticed that the USAID knows very well the importance of Immovable Property Registration, they have always searched to accomplish the requests for funds for finishing this process. I want to be apologized for the interruption that I did before about the memo. This belongs to another stage.

N. Vata . Thank you Mr. Posner, as you said we are gathered today to discuss about the final draft from the Working Group. the draft was given even to the Central Offices and to the Ministry of Agriculture for opinions. Mr. Dubali you can make the opening.

A. Dubali . I will present my opinions about the material in hand and then the Executive Council will decide. From the material prepared and from the report also it result to me that:

The purpose of the working group is to pass from the Direct Contract to the Global Contract that will reduce the working cost, the time needed for first registration and will increase the working quality. Based on these ideas I asked the Working Group to present a comparative analysis for the two contracts before to start working on the proposals done from Mr. Stanfield. This was very important before going through other issues as the PMU restructuring etc. With regret I notice that my request wasn't taken in consideration and it result that the costs for both ways is the same, furthermore for the Global Contract the cost will be even higher if we don't cut down some working process. Even if we cut some process in the current contracting manner, we can get a decrease of costs, i.e. the elimination of First Printing, the accomplishment of the Libri i Ngastrave with supportive information etc. So, in a conclusion I can say:

First . The Global Contract has no advantages in costs reduction

Second . There is no analyze for the advantages and disadvantages for the two other aspects, reduction of time for accomplishing the First Registration and to increase the work quality. To the question, if the practice should be change in order to reduce working time and to increase working quality my answer is no, because of some confusions and questions that I have regarding the Global Contract , i.e. How can we be sure that there are private company that will take the responsibility to apply the Global Contract in the whole country.?

We needed 5-6 years to create firms and to induce them in doing the process that they are doing right now. Would it be better to destroy all the work done until now only for some experiments.? I say no for two reasons:

1. For the Work done until now and for the energy spent on it
- 2.
3. For what we had got until now(we should take in consideration that right now we are working on some difficult areas as the urban areas are)

Third . How can we be sure that with this globalization we will reduce the costs and that we will have a better quality? Even for this question I say that at least in the first stage we will not get time reduction and higher quality because the existing companies have gained a reasonable experience in realizing their duties and correcting their errors. How can we pretend that the work done by only one company is gone have more advantages, when the experience has shown that some specific process, like the data inputting, were centralized and that they had delays and bureaucratic steps so we did the decentralization. I agreed with this in principle but because of some specifics arguments. Following this logic (Theoretically) how can we get higher results in the F.R. process when is pretended to cut down the coordinators in districts. It is thought maybe that this number will be added to the PMU? If yeas there is no reduction of costs and if no then the work will not gone have the due control. In cooperation with the registration offices we thought to cut down the coordinators even in the existing method.

It result to me, from the material, that the Global Contract will be used mainly in rural areas. This fact disturbs me and therefor I answer no again. Continuously and with a plan in cooperation with the PMU we were focused on the areas with development priority and with high habitants density. Hence the work of PMU was focused on the urban areas. It doesn't disturb the fact that an area of Dajt is not registered but it does disturb the fact that areas that passes through many transaction aren't registered. I think that are many elements that should be analyzed before taking a decision. I will suggest to the E.C to verify practically in one or two pilot areas the advantages that aren't verified theoretically and so to have a correct conclusion about the works accomplishments not only in first registration but even in other PMU structures. I will also suggest that this material should never become an obstacle for the work continuity and for preparing Work Program No.7

This are the main issues that I wanted to discuss today in the E.C. I am open for discussion, other points of views or proposals that can be done.

N. Vata. Thank you Mr. Dubali. Mr. Posner do you have any questions?

Annex A: Minutes of Meetings of the Working Group

R. Posner . I know very few things about first registration. As I understood The lack of a good analyze about the costs is making a difficult disputation and here was raised the idea for two pilot areas.

N. Vata . Any opinion from the E.C. members.

M. Kallabaku. Is it recommended to have a pilot area in urban areas?

A. Dubali . This is our main request.

N. Vata . I think now to listen the opinions of Mr. Bardhi Qilimi about the draft, as a person that has direct relationship with first registration.

Mr. Bardhi you can go forward.

B. Qilimi . The Ministry of agriculture has considered this project as the most important one and is liable for the work done. We have been interested to analyze each of the proposals done from the technical assistance of the U.W. and in the issue in hand our interest has been even bigger because it deals directly with the costs and time reduction that will bring the accomplishment of first registration. This was the reason for the deputy minister presence Mrs. Vjollca Ibro in the meeting of June 16, 2001. We requested to have a full study, because the proposal from Mr. David was very interesting and concrete for reducing the first registration cost from \$8 in to \$1. Based on this idea we accepted the material that was given, although late, and we have tried to induce this initiative not to obstacle the work but to go forward.

Unfortunately, analyzing this material, it seems that the working group didn't understood their duty or they didn't give the due importance to the work, because the material is incomplete and it does not clarify the problems. We should justify even details so to make the changes proposed. In the material is not shown the existing situation of first registration and it is said " there was no data from the districts ". I think from the experience that this should have been the base of the study. It result from the material that the global contract should be applied in 383 kadastral areas or 12% of the project. Seeing the cost reduction around 16% I raise some questions:

First. Which are the positive and negative aspects of this idea and does it worth to make this changes even if we have positive aspects? So let take the best case.

Second. It is not treated the Albanian legislation. Does the Albanian legislation permit such thing? What are the legal responsibility that this private firms gone have? How will you gone get the information from the Privatization Agency and from the central offices? How will be the cooperation with the Ministry of Agriculture? From the current practice we see that are many properties conflicts. How we gone act in this cases? Does it need time to make changes in the Albanian legislation and if yes how much? Even though the idea of costs reduction is very good to us, in the material is not presented a clear justification. The reduction is realized by cutting down some steps from the process. Even for this issue there are no justifications. Also the Albanian Government has international treatments as with IMF where the first registration issue and the land market are very important questions. So we need guarantee

Annex A: Minutes of Meetings of the Working Group

that this will not obstruct the accomplishment of the duties that comes out from this treatments. In the material such think is not treated at all.

N. Vata can you focus on your ideas?

B. Qilimi. I notice since from the way the material is done that there is no concrete analyze for this kind of contract. It is said that is applied even in other countries but it doesn't say why? Analyzing all the sections it seems that they have tried to compare the costs of both ways and the reduction result to be 16,7%. This is not the result of the organization improvement but the result of cutting down some invoice like the first Printing, filling the kartela with data assuming the elimination of mistakes. Those are not connected to each other. If from the technical aspect this are acceptable then why is not done the same thing to the old procedure?! It is taken as justification the changing with 15 % to the costs of direct contract that is insert in the Global contract account. If we see the current practice we can notice that the direct contract has lower prices and this is a problem that was discussed even before. In the material is not given any justification but is taken the fact as real. So the reduction is not 16,7% any more, but lower. The tendencies to reduce the indirect costs are not justified So we have a working volume that we should control in the best way possible. The argument is not the numbers of contracts but the working volume.

My opinion is that the working group has not done the work that he was charged to. It would have been better to have had here even Mark and David because they are the initiators of this idea. The Working Group should continue the work and they should present a real study and not information. The capacity that the districts have to make the changes should be specified, because we have objectives from GoA and IMF. There is nothing wrong to have two pilot areas and to see the continuity

The material has 10 sections, and structure changes . I think that this frequent changes are not positive , because they eliminate the responsibilities, and in the same time they justify the insufficiency etc. The changes in the structure take place when the current process is becoming an obstacle in going forward. The land policy is not valued as much as it should be. In the first years it was done a god job regarding this issue but now it has been eliminated. We need the work of the T.A. here but we need different improvement. A strong department with lawyers and with the help of the T.A. will be useful for the Ministry of Agriculture.

The other section are not so important.

N. Vata . thank you Mr.Bardhi. Do you have any question, or opinion Mr.Posner?

R. Posner. I would ask what you gone do further more

N. Vata. The materials prepared from Mr. Dubali and from Mr. Bardhi will be send to you.

R. Posner. I am far away from this field. The material should be given to David ,Mark and Harvey because I can't judge about it. In my life I have done a lot of things but I have never done first registration.

Annex A: Minutes of Meetings of the Working Group

N. Vata. As it is shown from the materials there are a lot of critics about the work done from the working group. I would suggest to give some time to the working group to go further, is there any opinion from the members of the executive council?

M. Kallabaku . I will say something briefly. I get the material just today and I have my critics about it because in the material are not expressed all the conclusions that the working group has richen. I would proposed to give a short time to the working group in order to come up with a report that will be more clear about the study.

N. Vata . Why is requested this time? The material was presented with a delay, we have give you time even before.

M. Kallabaku . as a member of the working group I had my specific duties and I have tried to accomplished them in time. There were presented a lot of analyzes and we have richen conclusions but non of them is presented here. The reason why we haven't done the final report was because we couldn't meet for the two lasts meetings. The need only one meeting to make everything clear.

A. Molla . I would like to say something. The proposal to apply the global contract is an indicator that the technical assistance is in the due level, is working hard and is coming up with more new ideas. For the GoA each idea that leads to the costs reduction and the increasing the work quality is accepted. Although the result, I don't want to prejudice, positive or negative, the proposal has got something good.

For not to stop any process I would like to ask for the continuity of the working group work and to issue a material all together. To continue the work with the current manner and to work on the Working Program no.7. There is no reason to delay the First Registration in the kadastral areas. About the memo that USAID and the M.A have prepared, it gone be discussed and will be taken the opinion of the proper structures. I would propose a middle way to not interrupt the work.

GoA, USAID, EU are very interested on this project and even the responsibilities are very high.

R. Posner. I would like to thank you for letting me participate in this meeting. I appreciate your initiative to rich in conclusions. I hope that the working group will continue its job and will give a clear proposal. Thank you

N. Vata Let continue with the discussion . You should accept the fact that I have requested time by time from you to raise your responsibility, because here has been discussed that there is lack of responsibility and lack of time. I'm disappointed from this work because in the beginning you said that you needed only two weeks to accomplish this idea. You should be more responsible.

F. Kopella . I say that the working group has done a good job. I can't accept when you say that was lack of responsibility. We have worked even over the working time. We have done a big job and we have done concrete analyzes. The job of W.P. is finished , and it just need a

Annex A: Minutes of Meetings of the Working Group

last meeting to do the so called final report. I don't agree with the idea to move the deadline till September.

B. Qilimi. I know that when a study is done, the positive and negative aspects are analyzed and the conclusion comes from the one that has more volume.

F. Kopella . You are right when you say that there are no clear conclusion, because They aren't reflected in this draft. There are three elements that are not mentioned here.

N. Vata . Who has obstruct you? You requested another deadline and it was approved. You want an other deadline now? You should not forget that we have a plan to accomplish.

F. Kopella . The obstacles were different. Some meetings wasn't done because of the absence of some WG members, they were in Turkey , but although everything is justified but is not expressed in this material.

M. Kallabaku . We couldn't gathered for the last meeting. I insist to have another deadline and to have an other chief from the T.A. because Mark is not here and to have this last meeting .

My problem is that my department make approximately 1500 direct contracts per month. Part of my department is engaged in taking this information because this is the last request for the payment. I don't know how to find an other way to not charge my people with this work

V. Sala . I would say that the WG has worked a lot, but in this material I see things I haven't seen before.

N. Vata . Do you think that inside there are even personal opinions from Mr.Mark Marquardt?

V. Sala . I don't know. But although I'm facing a problem regarding the funds that should cover the PMU. According to the requests done by the TA together with the departments we have prepared a list of expenses and we requested 300'000'000 Leke. Today at our account were transferred only 130'000'000 Leke. This means that at the end of July we gone be again zero, in balance. I have always said that the preparation of WPNo.7 should not be connected with the WG. We agree to prepare the financial reports, but it is said that if this reports are not ready then there is no financing. I have given even to Mr. Harvey a memo for some changes in the IMB program. I think that even with the help from Mr. Sotiraq Dhamo we gone stop this problems regarding the reports. I suggest to have a meeting with IMB, PMU,TA and Mr. Sotiraq Dhamo to finish this financial reports and to open the way to the financing. I emphasize again the importance of WPno.7 to not obstruct the work till September. Mark told me to continue the work with this reports even in August. Together with departments chiefs we have prepared a list for the expenditure for August, but I don't know what will happened. From the EU we don't have this kind of problems for financial things, we have them only with the U.W. I'm warred even for the bills .TA of UW has requested to see this bills and we have done this but they are delaying the response for the liquidation. We are controlled by the KPMG that should communicate with the TA of UW, I request to have the procedures done faster.

H. Jacobs. I agree with Ladi that the people here are willing to cooperate. I have worked with Ladi and Mr. Ndoc and we have shared together opinions for many, many things. I came here to work for the registration of suburban areas but I have worked on that very little, because the problem of cooperation between PMU, LTC and UW is more important. This project has been one of the best that LTC has had. I can't blame any one and I don't know the reasons of this misunderstanding during this last time. We should solved this financing problem. I have learned a lot from Mark and David about the administration obstacles. I understand even Ndoc for his wary in his point of view. Mr. Bop Posner think that if the PMU and LTC don't find a way of understanding for solving this problems then he will transfer the \$5'000'000 to another AID project

I want to talk for two different things .

I have listen the opinions of both sides for the WG. The material that is circulating here is a draft and based on this draft some critical point of views are justified. But on the other side I know that it has been done a big work. I don't know the difference between the G.C and the direct contract, but to take a decision on which of them to apply it need a very good analyze. It is easy to say that is fine to act as before and that it doesn't need any changes, but as Mr. Posner said is nice to discuss for costs reduction. I think that Myzafere and Fatmir should work together with the other persons for the material.

For the financing problem, The banks were willing to help for not to delay the transfers. As I explained to Ndoc and to Ladi before LTC is under the UW control. The decision to give 132 million Leke out of 300 million Leke requested is not taken even from Mark or David, but by the University.

I apologize for the difficulties and I hope to go through them as soon as possible. David couldn't be here today because he couldn't get the plane in Zurich. He will come today and we will discuss even tomorrow after the meeting with Mr. Bob Posner. After my departure I will request some things to be done and one of them is even the financing.

B. Qilimi. We appreciate the way you raised the issue . For the MA the first registration is one of most important . Even the prime minister himself requires information each month for this process. We will do our best to eliminate the problems. I agree with your opinion that there is something wrong going on with the relationship between the PMU and LTC(UW) and I appreciate your effort to solve this problems.

N. Vata . any other opinion ?

K. Qirko . I don't have any concrete proposal.

N. Vata . I want to express my consideration for Mr. Harvey that is engaged with the problems and is trying to figure out how to solve them. I suggest to take a decision that the WG should meet urgently and should come up with a conclusion . I propose PMU to go forward in this direction and to prepare the WP no 7 together with the TA so that we will not continue with the monthly lists. The preparation of this WP is in accordance with the budget approved in the beginning of the year. Each improvement will be done during the work of

Annex A: Minutes of Meetings of the Working Group

WP no7 This are the proposal for the EC if there is any suggestions or critics from the members...?

Then do you agree for another deadline for the WG.?

F. Kopella. This material should be done this week or in September because peoples are going in vacations.

N. Vata . Do we agree for September ?

M. Kallabaku . We don't have the chief to be gathered

N. Vata. Marks came August 14

F. Kopella. If we can't gathered this week, then the meeting should be leave for September.

N. Vata. Let leave the deadline on September 20.

(The members of the Executive Council agreed for this deadline.)

For the second proposal ,EC agreed for continuing the work in the existing structure until a second decision.

It was agreed even for preparing the Working Program No.7

Was Charged the Administrative secretor for verifying the decision.

Process- Verbal

Meeting of the Working Group on the PMU Restructuring, date 30.08.2001.

Participants: Mr. Mark Marquardt, Mr. Romeo Sherko, Mr. Fatmir Kopella, Mr. Dritan Hoti, Mr. Vladimir Sala, Mr. Edmond Leka, Mrs. Myzafere Kallabaku.

Missing: Mr. Kristaq Qirko, Mrs. Merita Qato.

The meeting was opened by Mr. Mark Marquardt – Head of the Working Group.

Mr. Marquardt. I would like to complete this meeting as correct as possible. In the mid of July, in the last meeting of the WG, we decided to make an inventory of all the CZ in order to see how many of them have remained.

In August, Mr. David Stanfield had a meeting with you and at the same time Mr. Fatmir Kopella has worked in order to put on the paper some of the ideas that in fact are the summary of what we have said and this material was distributed to all of you. Mr. Edmond Leka has prepared a clear report on how we can operate with the new proposed method, including here a study on a pilot Project in the district of Durres. I would like to have a clear idea about the current situation of work, in order to continue further first registration (FR). The floor to Edmond Leka.

E. Leka. In August, when the best part of the WG members was in vacation, we have discussed how to enable the calculation for realizing this process. After some discussions, Mr. David Stanfield prepared a list with priorities about what we need to do, in order to have an order when actions will be undertaken. I have tried to systemize his ideas and collect information from the Project offices in order to make the respective calculations. The method I have used at the moment is the most accurate. The prices can change and many other things can change, but the methodology remains. This method that I propose seems to be the fastest. I have some data on kartela monitoring, tables on CZ digitalization, tables on the zones where the digitalization is controlled, I have taken documents and tables on those works that the private companies are doing in the field works. I have tried not to lose any data and I prepared a summarizing table with 16 columns where the content is explained.

F. Kopella. Is this table in the Database?

E. Leka. Yes. It is as an Excel table with data on CZ. The purpose of that table in database is that we would be able to define the priorities by linking the maps with the data on works advancement. The deficiencies in these tables are that the No. of properties does not exist for all the CZ and there is no data for the cities, for the moment.

F. Kopella. There is no precise data, but approximate ones yes.

E. Leka. They exist as tables, but they are separated from the economical data. I have done some practical calculations for the CZ that have started the process of first printing up to the moment when the second printing is done. I have categorized the CZ and there are six cases of contracting for the CZ. There are six formulas explained from the first to the last and I

have given the respective explanations, I have done the calculations of a formula that I have applied for the database. I have taken from the coordinators some data for the number of properties, but not for all the CZ. I think that it is worthless to continue the debate on prices, because we have discussed it hundred times, but I would like to mention that I have put 1011 as an approximate or average number for the zones, for which we do not have data. Based on these data we can produce many maps, as the one attached, we can prepare maps for the CZ that have remained out of the process and if we see the mountain areas that have not been considered interesting, we can find some mountain areas that are in the coast line, for example in Saranda. The map of CZ division can also be regulated and prepared with a higher level of accuracy. We can also prepare maps for the forest properties or maps for the CZ that are in the process or which have been digitized, etc. etc.

F. Kopella. It seems that $\frac{1}{2}$ of the territory is uncovered.

E. Leka. I have taken some data from Ejup and Adriana. With this database we can prepare many statistics. For example we can prepare a more precise ration than property/ha and price per property. I could prepare other versions, but the reason why I did not is that the data should be regulated. If we link 3000 CZ or less, in 60CZ there are big changes in names, numbers, etc. I have calculated two tables and these are explained in the material in front of you. I would suggest something apart from the fact that it is out of the topic of this meeting, which I am concerned about. I am concerned because the data are not accurate. We should work more on the data accuracy.

F. Kopella. At the end of the work we have accurate data. The accuracy cannot be reached since the beginning.

E. Leka. I think to add another column for the name of the company that has performed the work, as well as the name of the topographer, if we have it and the data of work termination.

M. Marquardt. I did not have data for the cities and I did not make calculations for this, but Myzaferre made an interesting proposal to tender 8 zones of Durres and to see the advancement of work during the first two months. I believe that two months are enough to see the advancement of work.

M. Kallabaku. We will follow the process step by step, therefore I chose Durres as the nearest city.

F. Kopella. Another factor that influences the cost calculation is the inaccurate number of properties.

E. Leka. This is very important. I think it would be better not to have errors with big numbers as 1000 properties, while for the small numbers such as 40 or 50, this is not so important.

F. Kopella. We have had difficulties with the payments of mapping works for the properties.

E. Leka. If the information maintenance is not related to the finance, we cannot pretend to have accurate data.

F. Kopella. We want to have a work report and more or less the data are accurate. We can make a calculation per property, this is a way of correction, while another way is the statistical calculation and we are near to reality by the estimate.

E. Leka. In this way we increase the % of flexibility by $\pm 5\%$.

M. Marquardt. What we need to do is to calculate a good price for the cities and then we can proceed in order for the others.

E. Leka. In case if the tenders will be done, then it is necessary to define the CZ that will be tendered and then I can make the calculation of prices without difficulty.

F. Kopella. Myzafere and I should make the corrections for the number of properties for the forests and pastures.

M. Marquardt. I would like to pass the proposals on priorities that David has done. As regards point a), this is a priority for starting the work in the CZ within the yellow line. The second priority will be for the urban zones, for which the parcel book has been already prepared. After, the rural zones for which the parcel book is prepared, will be considered, but those zones that are not along the road corridors and other priorities are the rural zones where the Index Maps have been digitized, but the parcel book is not completed. The last priority is for the zones where the work has not started yet.

Do you think this prioritization is right in this way?

In the meeting with the Chief Registrar, his concern is on the work in the populated urban zones where there are huge possibilities and requests for transactions. Is there any question?

E. Leka. I have a question. As priorities, these are right, but I have a problem with the time. We cannot say we cannot start the work on the second without finishing the first.

M. Marquardt. We can discuss this. We can make district-based contracts, based on the CZ that have priorities or we can make combinations. We'll see the way how the things work and based on the priorities we'll be able to deal with the specifications.

F. Kopella. I think that the priorities can be grouped in three main groups. For example, the points 1 and 2 compose a priority, because the urban zones are the most important to the PMU. Points 3, 4 and 5 compose the second priority and the others the third, which can depend or not from each other.

As regards the first priority for the cities we need other additional money for making some updating, while the other things can be done. Thus, we cannot say to the company that this village has more priorities than the neighboring one, because otherwise the situation can be complicated.

R. Sherko. I would like to clarify the question why the priorities were raised. This is because we do not know if there will be any money after 2001 from the EU or USAID. The purpose is to better use the remaining money in those zones that have more importance, priority, or those that are prior. The PMU should make a plan on the zones that have to be done in Durres, in order to divide them in those of the first or second priority, so to think more

Annex A: Minutes of Meetings of the Working Group

reasonably. I do not know how much money is left from the AL98, lets say x lek. Ladi perhaps can help us with any figures.

V. Sala. There are EURO 450 000.

R. Sherko. Ok, so we have EURO 450 000, which have to be used in the zones that have a great importance, a higher priority.

V. Sala. These are procured funds.

R. Sherko. What does procured mean? Is there any money from the EU for making new work is?

M. Marquardt. The EU funds are used even for the coordinators' salaries. How they are going to be paid if there is no fund?

V. Sala. There are some operative costs calculated up to the end of 2001. There is no other money. The money that is, is procured.

F. Kopella. On Sunday there was an announcement about some new zones, which have been tendered.

R. Sherko. What money they will be paid with?

V. Sala. These are funds from a funding that is expected.

M. Marquardt. We have to be careful and the PMU should be more serious in order not to put the remaining money on the zones with low priority.

R. Sherko. It seems a scandal to me. At the time while the Working Group is met to better organize the work, it is known that some tenders have been organized. Mark's proposal on being more careful with these money is not enough. The working group should make a decision on the remaining EU money. We have spent time on work improvement and the others are tendering the zones in Puka. I do propose to the WG to make a decision on the cancellation of these tenders.

M. Kallabaku. We'll spend time, because we do not have that power as a Working Group to make such a decision. We can present our remarks.

R. Sherko. I would like to have Kristaq here today in this meeting and to clarify better this decision on tendering of these zones.

V. Sala. I consider the registration process as a whole. I do not know that now there are some priorities and this does not mean that the WG will decide about the continuity or interruption of work. The work should normally continue.

F. Kopella. It is not a correct thing that while we are discussing about the Global Contract, a routine is tendered. It is ridicules.

Annex A: Minutes of Meetings of the Working Group

M. Marquardt. In the last two months we have talked about the concept of the new way of work through GC. We are discussing about it and we are ready for a final conclusion, while this action ignores the work done since June. It's a scandal and ridicules, completely irresponsible. I think we have an inventory of the CZ, a category of priorities and we need to integrate these structures in order to make a direct contract.

R. Sherko. I am afraid that at a certain point we'll have no money to pay the coordinators' salary. Will this money be used for these tenders?

M. Kallabaku. Is it the duty of the WG to define if money will be spent or not? I think that we do not have competencies for such a thing.

M. Marquardt. It is said that there will be no new contract up to the completion of the WG work. The continuity of contracting in this time is not a right action. We should have no new contract.

V. Sala. We have to add something else. The Working Group has had terms of work, and we are out of these terms.

M. Marquardt. Ladi you should be more careful. The dead line is September 20th according to the decision of the PMU Executive Council.

F. Kopella. This situation is becoming ridicules. If we see the reports of all the meetings, it results that Kristaq has not participated in half of them, and we have said not to make any new contracts. This is both comic and tragic.

M. Marquardt. OK. As you know this was the last WG meeting and soon we'll have the final report. There will also be a short 3-4 page summary report. Fatmir has prepared a short material explaining why the GC method has sense, while Mondri's report presents the GC advantages by the financial point of view. There is a paragraph saying that Durres will be a pilot district for the GC. This will be the basic WG report that will be distributed to the Central Office, Manager, USAID, etc. There will be a second and more extended report, which will include other components from the Working Group meeting from the beginning. Any other comments?

Then, I declare the meeting closed.

Process-Verbal was kept by

Migena Hoxha.

Annex B: Individual Submissions to the Working Group

By Eng. Fatmir Kopella

Cost treatment. On the Global Contract for the Immovable Property First registration in the Rural Cadastral Zones.

Preparation of the Index Map and Parcel Book of the Immovable Properties. (EU funds)

General data: (At Republic level)

Total number of the Cadastral Zones	3062
Total number of the Urban Cadastral Zones	136
Total number of the Rural Cadastral Zones	2926
Number of Cadastral Zones delivered to IPRS	1810 (6 Cities)
Number of Cadastral Zones in the process	830
Number of Cadastral Zones where the companies are working	175
Number of Cadastral Zone to be started	422
Number of rural hectares to be surveyed (for 422 Cadastral Zones and a part of 830 Cadastral Zones)	134249
Number of urban village hectares to be surveyed (for 422 Cadastral Zones and a part of 830 Cadastral Zones)	9483

Data on process

Survey of rural zone	1518 Lek/Ha
Survey of urban village zone	6575 Lek/Ha
Measurement of surface area (properties) think to take it off	20 Lek/Property (I
Preparation of Parcel Book	20 Lek/Property

Digitalization of Index Map, Second Printing.

Annex B: Individual Submissions to the Working Group

General data (At Republic level):

Number of Cadastral Zones where the Companies are working **175**

Number of Cadastral Zones, which will enter the process **422**

Data on prices

Digitalization of rural properties **12 Lek/Property**

Fix payment on digitalization per Cadastral Zone **11200 Lek/CZ**

Second Printing **14 Lek/Property**
(printing cost that is 6 Lek/Property is eliminated)

Display, Correction, IM-Kartela Linkage (database), Final Correction, Third Printing, Printing of Kartelas (or kartela filling), Book Binding, Delivery to IPRS>

General data (At Republic level):

Number of Cadastral Zones where the Companies are working **175**

Number of Cadastral Zones, which will enter the process **422**

Data on prices

Display of Cadastral Zone **17000 Lek/CZ**

Payment for the village eldest person **3500 Lek/CZ**

Correction, IM-Kartela linkage (database)
Final Correction (not more than 10% of number of properties) **10 Lek/Property**

Third Printing **10 Lek/Property**

Printing of Kartelas (or Kartela filling) **35Lek/Property**
(I think to be 20 Lek/Property)

Property Book Binding **4 Lek /Property**

To: Technical Working Group

From: Vladimir Sala

Thoughts about the global contract cost

According to the material presented in the working group about the global contract cost and prices that will be used for its implementation, the situation is as following:

- There will be no cost increase for the item of surveying-updating because together with the prices defined there have been set some elements given by the procurement law as a planned profit, cost structure, reserve fund and VAT. This is all for the EU funds.
- The other items that the global contract estimate will content are those paid by the UW funds through the contracts by order. The value of these prices together with the standard elements, which will be included in the estimate is:

1. Digitalization of rural properties	12 lek/property
2. Fix payment for digitalization per CZ	11200 lek/CZ
3. Printing I + II	14 lek/property
4. Display of CZ	17000 lek/CZ
5. Payment for the village eldest person	3500 lek/CZ
6. Correction of IM – Kartela linkage	10 lek/property
7. Printing III	10 lek/property
8. Kartela Printing	20 lek/property
9. Property Book binding	4 lek/property

SUM	31770
Planned profit 15%	4765
SUM	36535
Cost Structure 8%	2923
SUM	39458
Reserve fund 5%	1873
SUM	41431
VAT 20%	8286
TOTAL SUM	49717lek

Subtracting the VAT value from that total, which is reimbursed, we'll have a total of 41431 lek. There is an increase in absolute value of 9661 lek or 30.4% of expenditures realized today through the contracts by order made by the coordinators.

- The funds spent so far (31.05.2001) from the USAID funds according to the work programs 1-6 are at a value of \$3,479,675. The EU funds spent so far are \$7,353,834 (converted by rate 1 EURO = 0.9\$). The total of expenditures from the two donors is \$10,833,491.

The number of properties registered up to 31.05.2001 with that amount of money spent is 2,309,821, according to the bulletin.

The average cost which we are working with is \$4.96/property.

Comparing the current cost with the cost proposed by the global contract, there will be an increase, which might go to \$6.11/property.

- Including in the cost the proposal done about the extension of the coordinator's role, the financial situation is:
 1. The reduction of the coordinators number in appearance will influence the reduction of expenditures in this budget item. But this reduction in number, considering the idea that he will cover two districts and we want also a more qualitative and voluminous work to be done by him, will cause the increase of these items:
 - Increase of their salaries
 - Increase of per diems
 - Increase of expenditures for the rented vehicles
 - Increase of fuel expenditures
 - Increase of expenditures on vehicle maintenance
 2. The extension of coordinator's role in the public education framework, according to the idea proposed, will lead to an increase of employees number contracted by the PMU, increase of expenditures and obligatorily increase of cost.
 3. The increase of expenditures in the public education framework, without denying its important for the project, I think that in reality cannot be implemented. As it is explained above, there will be an increase of the best part of the Work Program No. 7 items because of the global contract.

Finally, according to the above explanations, the global contract application leads without fail to a cost increase.

This cost increase is in opposition to the material presented to the Executive Council from the UW representatives on cost reduction with the global contract.

DRAFT

From: Eng. Myzafere Kallabaku
Eng. Ejup Hamza

To: Working Group

EXTENSION OF THE COORDINATOR'S ROLE

I Considering that the work on first registration in some district is towards finishing and thinking to introduce the global contract of the immovable property first registration, we think that some of the biggest districts can cover the work in some smaller districts, eliminating the coordinators in those districts:

1. Coordinator of Shkodra can cover the district of Malesia e Madhe
2. Coordinator of Kukes can cover the district of Hasi
3. Coordinator of Tropoja will remain in the current position because of the long distance
4. Coordinator of Lezha can cover the district of Puka
5. The district of Mati and Mirdita can have the same coordinator
6. The district of Dibra and Bulqiza can have a coordinator
7. The district of Kruja can cover that of Laci
8. The coordinator of Tirana will be in the current position, because of the work volume in this district.
9. The district of Durres can cover that of Kavaj
10. The district of Elbasan can cover that of Peqin and Gramshi
11. The district of Pogradec can cover that of Librazhd.
12. The district of Lushnja will remain in the same position
13. The district of Fieri can cover that of Mallakastra
14. The district of Gjirokastra can cover that of Tepelena
15. The district of Berat can cover that of Kuçova
16. The district of Permet can cover that of Skrapar
17. The district of Korça can cover that of Kolonja and Devoll
18. The district of Vlora will remain in the same position
19. The district of Saranda can cover that of Delvina

II. The extension of the coordinator's role in these districts we think can be done by opening the information Agencies on the immovable properties and their valuation. For this, it is necessary to organize a specific training especially on the immovable property valuation.

To: Technical Working Group

From: Vladimir Sala

ON PMU STAFF SALARIES

A. The existing salaries by categories

1. General Manager	lek 85 000
2. Vice GM	lek 70 000
3. Head of Department	lek 65 000
4. Chief of Sector	lek 60 000
5. High specialist	lek 40 000, 45 000, 46 000, 47 000, 51 000
6. Mid specialist	lek 40 000, 45 000
7. Secretary	lek 50 000
8. Storage	lek 39 000
9. Driver	lek 35 000, 29 000
10. Worker	lek 29 000
11. Cleaner	lek 23 000

These salaries have been defined considering some factors such as the work difficulty, and concretely the sector of control, the PMU seniority, paying two specialists by lek 51 000 (Spiro Lamani and Mirvjena Laha), education, etc. Also the Executive Council Members profit 5% addition on the salary.

B. Based on the idea of the material presented to the Working Group as regards the linkage between the salary and experience, I agree with that and I think to apply it as follows considering that no lower salary surpasses a higher salary

1. The profit from the general seniority should be 100 lek per each year of work but not more than 2500 lek per each monthly salary.
2. The profit from the PMU seniority should be 150 lek per each year of work but not more than 1500 lek per each monthly salary.
3. I also think that considering the volume and difficulty of work in the finance sector, an addition of 5% over the monthly salary has to be given each month.

I think that for the above mentioned points, the working group can propose to the PMU Executive Council to make the proper changes.

Proposal for Bonus Calculations

Idea:

The 13th salary continues to be paid the same way as before.

The bonus calculated below is given when the plan is realized more than 100%.

1. Departments are classified in those:
 - a. Having direct relation with the realization of the plan;
 - b. Having less direct relation to the realization of the plan;
 - c. Having less and less direct relation to the realization of the plan.
2. For these departments are determined the percentages of the bonus that are given because of the realization of the plan and the percentage because of quality of work of individuals.
 - a. Direct relation: $p_a=75\%$ dependent on plan, $i_a=25\%$ individual
 - b. Less direct relation: $p_a=50\%$ dependent on plan, $i_a=50\%$ individual
 - c. Less and less direct relation: $p_a=25\%$ dependent on plan, $i_a=75\%$ individual.
3. The total sum for the bonus is calculated.
 - a. Take the total of salaries paid for the period in question which is normally paid to the employees, assuming the plan is realized 100%, ex. 100,000 Lek.
 - b. Calculate the realization of plan, ex. 120%.
 - c. Calculate the amount of money to be paid for this level of realization of the plan, ex. 120,000 Lek.
 - d. Calculate the bonus for this period, i.e. 20,000 Lek.
 - e. If it is decided that the amount of the bonus does not increase proportionally, rather it is increased using a coefficient of reduction, this sum has to be divided by this coefficient. Ex. If coefficient=2, we would have Bonus=10,000 Lek.
 - f. So, note the amount of bonus with $S = 10,000$ Lek
4. This sum of bonus is divided proportionally to departments
 - a. Total number of employees $N=n_1+n_2+n_3+n_4$
 - b. Department 1 has n_1 persons, takes $S_1=n_1*S/N$
 - c. Department 2 has n_2 persons, takes $S_2=n_2*S/N$
 - d. Department 3 has n_3 persons, takes $S_3=n_3*S/N$
 - e. Department 4 has n_4 persons, takes $S_4=n_4*S/N$
5. The sum of bonus that each department takes has two parts:
 - a. The part 1 from the realization of the plan. Ex. Department 1, which is a department whose work is directly related to the realization of the plan, takes $X_{11}=75\%*S_1$. Each employee of the department takes the sum that the department has as bonus for the realization of the plan divided by the number of the employees in the department. Ex. At Department 1, the sum that each employee takes is $p_1=X_{11}/n_1$.

Annex B: Individual Submissions to the Working Group

- b. The part 2 dependent of the quality of the work by the individual. Ex. Department 1 takes $X_{12}=25\% * S_1$ as total. Within the department each member evaluates the other members of the department for their quality of the work with points from 1 to 100. Each employee according to the evaluation that his colleagues have given him takes his/her part from the total of the department. Ex. Assume that employee Ramazan has taken on average an evaluation of his/her colleagues at 87% of points. This means that the employee Ramazan takes as bonus for his individual performance at $p_2=87\% * (X_{12}/n_1)$.
 - c. So, each employee takes as bonus the sum of p_1+p_2 .
 6. If the total of the bonus determined to go to each department is not used, the remaining part could be distributed to the employees that have performed best during the period in question.

For: Technical Working Group

From: Vladimir Sala

Thoughts about the Performance Indicators of the PMU Staff

If we refer only to the realization of the plan, historically the plan has never been 100% realized, therefore the material falls down, but I think that we have to consider the PMU reality and following I have expressed some ideas about the material presented and some new ideas:

1. I agree on points 1 and 2 of the material
2. As regards the bonus calculation, we have to consider not only the plan accomplishment, but also the objective factors that have influenced the failure of the realization if there is any, therefore I think that in cases when the plan is not realized not because of the employees fault, the Executive Council can define the amount of bonus in its meeting.
3. I agree on point 4 of the material
4. While for the point 5, I think that the head of department has to calculate the bonus amount at 100% after the approval of the Executive Council.

To: Technical Working Group

From: Merita Qato and Dritan Hoti

Legal thoughts on the “Global Contract”

The contract presented by Mondi has some legal problems and difficulties in its realization. Thus:

1. It is thought to realize a global contract for the work processes in the immovable property first registration. This process actually is done by PMU, separated in different processes, by using the donors’ funds: USAID and EU, as well as the State Budget funds for supporting the local cost.

In front of all these donors, PMU is an independent unit, established by a decision of the Council of Ministers and it has signed the respective agreement on the object of its work in first registration and on the use of their funds. Thus, there is an agreement with the PHARE Program on realizing the updating and surveying of cadastral zones and with UW for other process of work up to delivery of kartelas to the Registrar.

The use of these funds in a global contract requires a unification of these funds, because we are not realizing the work process separately, but it is thought to realize it as a single process through the global contract. For this, first we need to have an agreement between the two donors USAID and EU and to unify the funds for realizing this global contract and for the ways to proceed with those funds in PMU. Without this agreement any other discussion about this contract, even though technical, we think is worthless. This is because that agreement would open the way to many other legal problems that are related to the beginning of tendering procedures, the way of funds transferring, their control, the control of work done and implementation of this contract in practice.

2. After the agreement on funds unification or their joint use, we have to pass to the definition of the procurement rules that have to be followed. After that definition, we have to work on the form of the contract, the rights of parties and respective obligations. This will be done if we’ll agree to implement the procurement procedures according to the Albanian legislation, then the contract will be done according to our legislation. But, if the donors do not agree to use the Albanian legislation then we are in front of a big problem, not because of the contract compilation, but because of the impossibility of the PMU to act as a unit that operates according to the Albanian legislation.
3. The contract presented, as a model, is a contract of undertaking according to the meaning of the procurement law and the Civil Code. Being such, the contract should have just an object. Article 850 of the Civil Code of the Republic of Albania states: “The undertaking is the contract through which one party (the contractor) is obliged to assume the risk with his own tools, in order to do the work or to make a service or an independent implementation of works, while the other party is obliged to accept that against a price defined in the contract”. Thus, we have a contradiction here that should

Annex B: Individual Submissions to the Working Group

be better discussed, about the object of that contract with many services and the civil legislation, which allows contracts with just one service.

This contract also has many objects and the definition of obligations for all the items of the contract object presents many difficulties. This is because each item of the contract object is specific and the obligation for its non-realization depends by different factors of another item, for example, the item updating/surveying of the zone is different from the display item, etc. The definition of obligations of the contracted party for all the items expressed in the contract object is specific and it cannot be done in a block, ex. 0.2% of the contract value.

4. There should exist special parts in the contract presented, if it will be realized, in order to express the way of work control for all its items (as it is defined for the updating).
5. Also there have to be expressed here the ways of payment for the work done by the contractor, stressing the time when the payment will be done.
6. This global contract presents a new form of kartela, the printed one. This is against the definition done by the Chief Registrar, who de facto accepts the kartela filling by hand, manually. This new type of kartela, the printed one, requires the change of that Instruction and its adoption for its printing.
7. The contract has a problem with the display process. This is related to the fact that the law defines a 90-day period of display, and even to the fact that this process is followed by the registrar and our coordinator. We have to find a solution here, because now the relations are between the registrar and the private company and not between the coordinator and the private company.
8. The delivery of documentation from the registration office to the company is also a problem. The registration office has the right to deliver these documentations to the state institutions in charge for the first registration and not to the private companies. The guaranties that this office has on the well administration of that documentation by the private companies have to be clarified.

Here we have also the problem on delivery of documentation to the registration office. Actually this delivery is done according to the agreement between the Chief Registrar and General Manager. If this global contract will be applied, even that agreement has to be revised.

9. Another problem is the work control processes and processes of receiving the work. This is because of the fact that actually the relations are between the registrar, private company and our coordinator. For this we have to clearly define their phases, the way of control, acceptance, etc., by clearly defining the parties rights in this case.

According to our opinion the most important thing as we mentioned above is to reach an agreement between the USAID and EU.

Annex B: Individual Submissions to the Working Group

Without that agreement any other discussion would lead to the loss of time and would realize none of the issues raised for discussion by the UW representatives.

29 June 2001

To: Working Group

From: Fatmir Kopella, Romeo Sherko

Ref: Proposal on the Organization of First Registration Work with a Global Contract

A presentation of the situation on first registration for a district would be as follows:

- a. The cadastral zones finished and delivered to the IPRS (as part of 1810 CZ of the Republic).
- b. The cadastral zones where the private companies are working on surveying works (as part of 175 CZ of the Republic)
- c. The cadastral zones where the individuals are working, which might be through all the phases (as part of 830 CZ of the Republic).
- d. The cadastral zones where the work has not started yet (as part of 422 CZ of the Republic).

The sum $a + b + c + d$ should be equal to the total number of CZ of the district.

After the discussion in the Working Group, date 28 June 2001, a summary proposal how to continue the work with the remaining cadastral zones is presenting as follows:

B. First Registration has not started yet in 422 Cadastral Zones (CZ)

When the Global Contract will take its final form, it will be applied for 422 cadastral zones, for which the first registration has not started yet, by organizing the open tenders with the companies.

C. First Registration is in the mapping phase in 175 CZ

We'll *discuss* with the private companies that are actually working on mapping of 175 cadastral zones, in order that they can continue the work by contract even for the other phases of first registration, following the PMU Global Contract model.

In case if these companies will not accept to continue the work according to the global contract model, the district Coordinator should rigorously accept the documentation delivered from these companies, in order to be able to have another company continuing the work according to the global contract model. Then, the remaining work on first registration will be tendered through other companies, excluding the company that did the mapping activity and which did not accept to continue the work.

D. First Registration where the individuals are working in 700 Rural CZ

These CZs can be in one of each first registration phases (see the PMU Bulletin tables about the advancement of first registration work):

Annex B: Individual Submissions to the Working Group

- a. Preparation of Property Index Map and Parcel Book
- b. Kartela Filling
- c. Kartela Computerization (Printing I, Printing II, Display, Printing III, Delivery)

For the cadastral zones that are in the phases a or b:

The same methodology will be followed for other remaining phases of first registration, as it is done so far. But, the work on the remaining phases (not-contracted yet) will not be individually contracted. The work will be contracted by *companies*, which will perform *all* the remaining phases of first registration. In the contract with the winning company, there will be added the digitalization of property index maps, automatic linkage Kartela – IM after the display and the respective corrections.

The district coordinator is required to control rigorously the work delivered by the contracted individuals, to systemize all the documentation that is needed for continuing the other phases of first registration.

The PMU Executive Council should make a decision, the content of which would be similar to the following:

“Starting from date dd/mm/2001, the District Coordinators do not have the right to make any contracts with separate individuals for performing the remaining phases of first registration. For each cadastral zone, the Coordinator makes the systematization of documentation up to the current phase of first registration. Based on this documentation, the tendering will be prepared for the remaining phases of first registration up to delivery. This full documentation will be given to the winning company that will be contracted to perform *all* the first registration phases that have remained for that cadastral zone. In the contract with the winning company, there will be added the digitalization of property index maps, automatic linkage Kartala-Index Map after the display and respective corrections. The coordinator should control the realization of these phases strictly in order to provide the quality and velocity of work performance.”

According to the figures reported in the May Bulletin 2001, there are about 350 CZ in the a +b phase.

For the cadastral zones that have started the phase c:

This will mean that the Coordinator has already contracted the Printing I. For these cadastral zones, the work will continue in the same way as it has been done so far, so the coordinators will continue to make individual contracts. This proposal is based on the fact that it would be too difficult to require from companies to take the documentation for the cadastral zones, which have passed the Printing I or II and to continue with the remaining phases. This could cause delays on plan realization.

According to the figures reported in the May Bulletin 2001, there are about 350 CZ in the phase c.

E. First Registration in 130 Urban CZ in the Cities.

These Cadastral Zones will be later treated after the consultation with the specialists.

The way of “Global Packet Contracting”:

The coordinator should collect all the documentation for the phases of works, which are finished and paid up to the finalization of phase b (i.e. the kartela filling is finished and the Printing I is not contracted). All this documentation will be used to estimate the tendering on realizing the remaining phases of first registration. The open tender will be organized for the packet of cadastral zones, which might be in different phases.

02 July 2001

To: Working Group

From: Romeo Sherko

Ref: Some thoughts on the points of the Working Group Program

2. Extension of Coordinator's Role

I think that one of the most important points, for which less has been done in this project, is the public education. For this, I think that immediately, there have to be included in the Work Program No. 7 the activities and respective budgets, in order to increase the amount of work that the coordinators do on public education. For this, I have the following thoughts:

- 2.1 To evidence the districts, which have good experiences on public education.
- 2.2. To collect these good experiences and summarize them in a written material that will be distributed to all the districts.
- 2.3. To calculate the costs that these districts with good experience have, in order to plan the budget for other districts.
- 2.4. At the mean time I agree on Ejup' s thought on creation of the immovable property information centers, I would like to stress that this idea has to be based on the private sector support, in order to be involved in such services. At the end, the coordinators could be in that position for a short time, while we want the information service to the public to be continuous. So far, the coordinator should support the creation of these specialized groups on information services with all the means.
- 2.5. A very important point on public education: coordinator, himself or though the private contractors, should work on clarifying the public that the immovable property registration office is an open system to the public. This means that the public has the right (Registration Law, article 30, Controls and Copies) "to see, consult or control each kartela and can require a certified copy of it, any part of the registration index map, any ownership documents or surveying plan deposited to the registration office, presenting a written request and against a certain fee."
- 2.6. I appreciate the fact that we have organized various training in the districts. Perhaps, what I am proposing is already done, but I think that it would be better to multiply the basic materials of all the training (i.e. in more copies) and to distribute them not only to the coordinators, but also to all those people that we think have a relation with the registration system (lawyers, topographers, geodets, notaries, economists, consultants, real estate agents, privatization commissions, restitution commissions, etc.). Many copies should also be distributed to the public. This will be associated with the respective costs, but I think we all agree that the public cannot be educated without cost.

8. Performance Indicators for the PMU Staff Collectively

I think that this point should be discussed in details, in order to elaborate the best methods of awarding those people who work and achieve results. An important point would be the compilation of “job description” for each PMU position.

- 8.1 The Heads of Departments should write in details the job description for each position they have in their department.
- 8.2 A bonus should be given for the good work and a scheme for calculating the bonus in relation with the plan realization is presented as follows. It is understandable that the scheme is illustrative and it is the duty of the Executive Council to decide about the coefficients or percentages proposed, when the final scheme will be approved. The proposal has some formula, but those are easy to understand if associated by respective examples.

Idea:

The 13th salary continues to be paid the same way as before. The bonus calculated below is given when the plan is realized more than 100%.

1. Departments are classified in those:
 - a. Having direct relation with the realization of the plan;
 - b. Having less direct relation to the realization of the plan;
 - c. Having less and less direct relation to the realization of the plan.
2. For these departments are determined the percentages of the bonus that are given because of the realization of the plan and the percentage because of quality of work of individuals.
 - a. Direct relation: $p_a=75\%$ dependent on plan, $i_a=25\%$ individual
 - b. Less direct relation: $p_a=50\%$ dependent on plan, $i_a=50\%$ individual
 - c. Less and less direct relation: $p_a=25\%$ dependent on plan, $i_a=75\%$ individual.
3. The total sum for the bonus is calculated.
 - a. Take the total of salaries paid for the period in question which is normally paid to the employees, assuming the plan is realized 100%, ex. 100,000 Lek.
 - b. Calculate the realization of plan, ex. 120%.
 - c. Calculate the amount of money to be paid for this level of realization of the plan, ex. 120,000 Lek.
 - d. Calculate the bonus for this period, i.e. 20,000 Lek.

Annex B: Individual Submissions to the Working Group

e. If it is decided that the amount of the bonus does not increase proportionally, rather it is increased using a coefficient of reduction, this sum has to be divided by this coefficient. Ex. If coefficient=2, we would have Bonus=10,000 Lek.

f. So, note the amount of bonus with $S = 10,000$ Lek

4. This sum of bonus is divided proportionally to departments

a. Total number of employees $N=n_1+n_2+n_3+n_4$

b. Department 1 has n_1 persons, takes $S_1=n_1*S/N$

c. Department 2 has n_2 persons, takes $S_2=n_2*S/N$

d. Department 3 has n_3 persons, takes $S_3=n_3*S/N$

e. Department 4 has n_4 persons, takes $S_4=n_4*S/N$

5. The sum of bonus that each department takes has two parts:

a. The part 1 from the realization of the plan. Ex. Department 1, which is a department whose work is directly related to the realization of the plan, takes $X_{11}=75%*S_1$. Each employee of the department takes the sum that the department has as bonus for the realization of the plan divided by the number of the employees in the department. Ex. At Department 1, the sum that each employee takes is $p_1=X_{11}/n_1$.

b. The part 2 dependent of the quality of the work by the individual. Ex. Department 1 takes $X_{12}=25%*S_1$ as total. Within the department each member evaluates the other members of the department for their quality of the work with points from 1 to 100. Each employee according to the evaluation that his colleagues have given him takes his/her part from the total of the department. Ex. Assume that employee Ramazan has taken on average an evaluation of his/her colleagues at 87% of points. This means that the employee Ramazan takes as bonus for his individual performance at $p_2=87%*(X_{12}/n_1)$.

c. So, each employee takes as bonus the sum of p_1+p_2 .

6. If the total of the bonus determined to go to each department is not used, the remaining part could be distributed to the employees that have performed best during the period in question.

9. Linkage of Salaries with the Experience.

I think that it would be reasonable to include even the seniority in PMU in the definition of salaries.

However, I still see this point related to the definition of “job description” for each PMU position. As long as no clear description of jobs that are supposed to be performed by the individual exists, even the definition of salaries will not be at the same level.

The way how to define the salaries, I think can be as follows:

1. To define the salary for the PMU director

Annex B: Individual Submissions to the Working Group

2. To define the categories of work positions (ex. head of department, head of sector, specialist, etc.)
3. To define the salaries for these positions as a percentage of the director's salary
4. For two persons that keep the same positions, the person who has a longer experience in that work process (even in other places) will have a higher salary. The percentages about the difference because of the total seniority will be defined by the Executive Council.
5. For two persons that keep the same positions, the person who has a longer time in PMU will have a higher salary. The percentages about the difference because of the seniority in PMU will be defined by the Executive Council.

10. Preparation of WP#7

For this point, we have been reported that there is a work program with the respective items according to the Action Plan objectives. I would like to stress once again that more activities and budget has to be included on public education.

3 July 2001
Edmond Leka

Thoughts on completion of technical specifications of the immovable property first registration process in the rural zones.

In a certain way the implementation of the global contract will pass the technical responsibility of the first registration to the private companies. While so far the presence of the project specialists (coordinator in particular) has been in all the phases of property registration, now this registration will be completely passed to the private company administration. In these conditions, it will be necessary to probably re-design all the technical specifications of the first registration before making the first contracts, in order to be sure of the quality of first registration.

Besides the regrouping of technical documents, it would be better to complete parts, which will be necessary because of the change that will be done in the process of kartela and printing registration. In many aspects of the first registration there are still different ways of treating the technical aspect on different problems in different districts of Albania. In these cases, the cooperation of companies with the coordinators will be more than necessary for resolving these problems. But there are moments of registration for which it will be necessary to review and redesign the technical specifications in order to be sure of the uniformity of information in the entire Republic.

Aspects of the technical specifications that will be reviewed:

1. The technical specifications of the digital maps
2. The structure of the kartela database in the intermediate phase between the PB and final structure.
3. The final digital product that will be delivered by the companies.
4.

1. Technical specifications of the digital maps

The current technical specifications of the digitized maps are realized in order to pass to a GIS system of maps that have been done with manual methods and actually are in the original form in paper.

In the current conditions, where almost all the companies are using the digital technology on preparation of property index maps, and GIS methods as well on preparation of the Parcel Books, the project has the chance to make such slight changes in the technical specifications in order to profit the information that actually goes for nothing. Concretely, the companies enter a lot of information on the digital maps, which deals with the owner, property type, tapi references, property number according to the tapi and in the future we'll have the property surface area according to the tapi. In the current phase, the project is losing such information from the maps, while the companies have it in their archives.

The second reason for the required changes is: The companies are actually realizing the linkage between the map and the Parcel Book (PB), digitally, but not in a standardized way.

The methods they use are a little bit different from each other, even though they result in a final type. They have organized the intermediate data in different forms. Some of those intermediate data will be products in the future that will be delivered to the PMU; therefore it is necessary to standardize them. (I am talking about the initial table (xls) that has information about the tapi).

2. The kartela database structure in the phase between the PB and the final structure.

As we already know the existing PB (manual or digital) does not content all the information that exists in the kartela database. In case of a global contract, considering the steps predicted in the technology, it is necessary to modify the digital PB. It will have more information in relation with the parcel surface area according to the tapi as well as some technical solutions that deal with the co-ownerships and other sections of the kartela.

!! It is necessary to have PMU defining the structure of that information (digital PB). The resolution of that technical problem is closely related to the necessary program of conversion of the digital PB in to the final structure of database.

3. The final digital product that will be delivered by the companies

The technical specifications of the digital maps have been realized and approved by the project in the current phase. The final standards that the digital information on immovable property will have are still to be realized and approved. It is clear that actually we cannot pretend that we'll have a final technical GIS document for the IPRS. The final specifications will be a product of a process that at the same time will predict the management and updating of the IPRS digital information.

However, since it is predicted to create the GIS in the global contract during the registration process, it is necessary to define the standards about those products by the project. The materials that the company will deliver will not only be DXF and DBF, but the SHP will be added (or any other form). In this aspect, it would be better to archive those products in a standard way. Even though they cannot be conform to the future standard, they will have inside the work that will be repeated in the future.

Edmond Leka
3 July 2001

Quality Control Procedures (First Registration Global Contract)

Even though the global contract predicts that the company will realize all the first registration process, however the PMU will have the responsibility on the final product. The draft contract presented in the group, predicts these quality controls:

1. The continuous control of coordinator during the development of works
2. The specialized control of the digital information in PMU
3. The field control
4. The final control of the digital and manual information

The ways of realizing these controls will be closely related to the technical specifications that will be prepared. In order to create a clearer impression, in general the controls are thought to include:

1. The continuous control of coordinator during the development of works.

The coordinator, who will be even the technical director of works, will be facilitated from the routine work as regards the organization and following of the contracts by order. He will be facilitated from the bureaucracies on following small contracts, payments, exchanging of materials, etc. But it is not thought to eliminate the role of coordinator in case of the global contract. During the preparation of the draft contract, we have considered the coordinator as the person who will continuously follow the works on first registration. His work will be directed in two main aspects:

a. Technical control

As before, he will control the company, if its is properly implementing the technical methodology, which leads to a reliable result of the first registration. According to the contract he has the authority to suspend the work, if he observes technical defects that cannot be tolerated. In this way, the authority that the coordinator has is fully justified and will be accompanied with his responsibility on the final product quality.

b. Technical assistance

In the current situation, the coordinator gives solution to many problems that impede the first registration, consulting the central staff of PMU. (Especially as regards the juridical-technical treatment of the first registration in special cases.) Under the global contract conditions this function will again belong to the coordinator. It will be necessary for the PMU to inform the coordinator about the cooperation and assistance with the companies through a special instruction on resolving the special problems that the companies will not be able to resolve.

Annex B: Individual Submissions to the Working Group

In this framework, another duty for the coordinator will be the presentation by documents or directly to the company representative with the local government authorities (whose assistance is important).

2. Specialized control of the digital information in PMU

In the current situation of the first registration, the digital control of information is done in two moments:

- a. Control of the digital map as separated by the database.
- b. Control of database as separated by the digital map.
 - Too many time is consumed on the manual controls of maps and parcel books, while many of those controls, or all of them, can be done easier and more reliable through the control of the digital information.
 - The map digitalization and its control is done in the phase before the completion of all the first registration process and it is not related to the kartela database at the moment when the documentation is delivered to the registration office.
 - Etc.

In the conditions of the global contract, there exists the possibility to eliminate many of those defects. But it is necessary to define, write and approve both the technical requirements and the procedures of control.

It is worthy to mention here that it would be better for the private companies to possess the procedures of control, in order to control the first registration information before delivering the work to the PMU. This would facilitate the PMU work and would create the transparency as regards the product quality.

3. The field control

In comparison with the previous years, the control of field work by the PMU is done in a bigger volume and with a better quality. I think that the reason for this increase of field control percentage by the PMU is the lack of credibility in coordinators. The experience brings facts of cooperation among coordinators on defining the zones or parcels completed in the form of control. With the application of the global contract and the PMU technical control on the digital information a possibility will be created to find the forms of control that exclude somehow the subjective factor in the evaluation of the work quality. I think that this has to be considered while proposing the new PMU structure.

I would also suggest seeing the possibility to improve the document “Procedures of control and tolerances of acceptance” because of the existing experience.

4. The final control of the manual and digital information

Annex B: Individual Submissions to the Working Group

According to the formulation of the draft global contract, it is predicted that at the end of the first registration process, there will be delivered a series of products, which need to be clearly defined before making the contract:

These products will be:

1. -----
2. -----
3. -----
4. -----

Notice: (A group has to define the final products that the company has to deliver. I do not know everything!!)

However, they will be in two main forms a. digital b. manual.

It is important to say that since the beginning the digital control of information will be done and then there will be given the permission for their printing. This means that this control will be done at the PMU first, while the control of manual documents (with the respective inventory) can be done both in the PMU (center) and by the coordinator, or in the presence of three parties, PMU specialist – coordinator – private company.

3 July 2001
Edmond Leka

The Global Contract Price

In the discussion about the technical and financial elements of the global contract, we concluded that the price of first registration in total has not changed as the result of the global contract.

I would like to consider as follows:

For all the existing information on first registration that PMU or IPRS has in disposal, some day in the future they will be linked and organized in a GIS information system. This process will include:

1. The cost of linkage
2. The cost of errors correction (office, field) that in most of cases will be considerable.

This above mentioned cost will be eliminated for those cadastral zones that will be realized through the global contract.

Annex B: Individual Submissions to the Working Group

Tirana, 06/07/2001

To: Technical Working Group

From: Dritan Hoti

Ref: Thought on the material presented by Romeo and Ejup on the coordinators' role

In his proposal, Mr. Ejup presents a material titled the extension of coordinator's role, which in fact is just a reduction of their number. This reduction does not come as a consequence of a study or reasoning why is done, what consequences has as regards the work, what criteria have been followed for regrouping the districts, is it affordable for the big districts to cover the work even in the small districts.

The main idea here on reducing the number comes because of the introduction of the global contract. I think by introducing the gc and giving a new role to the coordinator, it will be unaffordable for the addition of work in the big because of small districts. This idea is discussed in the PMU Executive Council and we agreed not to change that number for the moment, but to eliminate the position of vice coordinator. Their reduction will come step by step, when the first registration in these districts will finish. We have to consider also the fact that PMU did not have a good experience in their replacement and imagine their leaving.

Also, the idea of Mr. Romeo on public education is very important in the frame work of public information. Indeed the activity has to be increased both in the budget item and in the specter of activities that should be developed. But I think that its realization by adding people that will deal directly with this education would lead to the increase of the number of contracted persons by PMU (point 2.5).

I think that its realization with just multiplying the training materials and distributing them for the wide mass of public would not bring any big effect. This is because here it is not introduced the idea of informing by reading voluminous materials. People actually want to be informed through simple, easy ways, such as television, radio, announcement in local, state TV and mass media, posters, leaflets, etc and the information through internet is just in infantile steps.

For the point that deals with the creation of the immovable property information centers, I think that the Central Office and real estate agencies are actually playing that role. The involvement of coordinators in this role is a bit difficult, because according to law he has no right to give information about the properties registered and only the Central Office has such a right. Also, it is impossible for the PMU to support the private sector for realizing such a service. But in this frame work PMU can cooperate more with the immovable property agents and agencies created, by organizing more training or seminars clarifying the first registration. Their realization I think can be done much better by the current coordinators. For this it is sufficient to add a point in the duties they have, or better to add that point in the main duties.

Annex B: Individual Submissions to the Working Group

To: Working Group

Date. 06.07.2001

From: Kristaq Qirko

As regards the treatment of work performance through the global contract, I would like to make some comments, which I think are important for the well going of works.

In the essence of all those ideas and proposals that we are discussing, I think that we have to be focused on the final objective that we have as a project, realization of about 500 cadastral zones, which have to be delivered to the Registration Office. From the experience of all these years, especially from the experience of the last year, it results that there is a unit with an optimal organization and with a good experience and this gives chances for a better future. I have always seen the cost of works, time of realization and their quality from this point of view.

But lastly, we must not forget or take in consideration the fact that most of employees both in the center and in the districts is temporary and the donations have been calculated up to the end of 2001, which is influencing more and more the mobilization for accomplishing the objectives and contracts that the employees have.

Finally, considering the delayed requests of the UW TA at the end of the contractual works in relation with the improvement of the remaining works, I think that it has created a confusion of the situation and the demoralization of the personnel.

1. Conditioning the WP 7 by a Global Contract, the debate is going to be compromised and it seems that we are going towards an unknown path and we are discussing with suppositions. We really have experience in this work, but if we change the contracting procedures in such a short time, I think that the PMU staff will be unprepared and without doubt it will reflect in the non-realization of the objective. For more, at the end the results will be required and not the organization and experiments, which will not have the power of arguments for the non-realization. One argument that makes this initiative more suspicious is the fact that this problem has been discussed before (2 years ago) and it was not seen reasonable and no initiative was undertaken, even experimentally.
2. The global contract is discussed just for the rural zones, 422 remaining zones, while there have been discussions with reserves for the urban zones. This is because of the simple reason that it is not clear how to operate with them, how to make the respective documentation available as well as other legal normatives and inner regulations that the registration offices have, which is against to the initiative in case. If we refer to point 4 of the draft contract, it is stated that PMU provides all the necessary information and official support to the contractees. For some people this is too simple and can be realized without problems and with words they see it realizable, thinking that everything is in their hands. But the reality is completely different.

Annex B: Individual Submissions to the Working Group

Lets consider the work of companies in the field works (Preparation of index maps and parcel book). In 95% of cases they have postponed the term because of different problems, social, technical, subjective (the work is not interesting) etc. Lets think that for a moment the contract rules (penalties) will be applied, which means that even that 10-15% of profit is suspicious, or to remake another tender, which is loss of time, loss of cost, etc. And then you think to have the company finishing the process up to the delivery to the registrar. I think that it has to be better argued and with high responsibility. Perhaps this is the reality of the Albanian companies.

3. As I have said in the previous meeting, the most important part of the global contract that is thought to be applied, will be the field works, which will have the main burden in the cost. This part is supported by the European Community funds.

We actually operate with the funds of AL-98 program, which covers 205 contracted cadastral zones, of which 175 by tender and 30 by contracts of order. Thus the other 422 cadastral zones are uncovered by funds.

We have to stress that these are mountain zones, some of them were programmed to be tendered in February 2001, but because of the above-mentioned reason they were annulled and most of them have different legal problems, which are still unresolved. But in general there is no interest in those zones for the registration office because of the low level of transactions, but obligatorily they have to be completed. The other program from the European Community has not supported those zones. Then the question is where is the object of the global contract?

I think that the Government of Albania will support this project, because it is a part of its strategic priorities and obligations that has with the international organizations, and even the contractual conditions will change.

4. Another concern of mine is the reduction of coordinators' number, that is proposed in the name of extension of coordinator's role in the districts. This means a big mistake for the PMU and Registration Office itself. Many zones are in the process, about 830 CZ are in different phases and if we think that 34 coordinators will be halfly reduced by leaving in middle these processes, the simplest specialist would understand the consequences that this revolution would bring, under the motto of reduction. Does this revolution really reduce the cost???? I fully support Mr. Romeo's ideas on a realistic role of coordinator from a new perspective, which would serve to the consolidation of property registration mechanization and in particular to the necessary components of the land market, where the financial effect have to be considered in the WP 7.
5. Another problem that should be discussed with responsibility is the giving of priorities that the cadastral zones have. Many big districts are becoming metropols with a big dynamics of developments and changes, which have to be followed with priority. There are many transactions there and now we know their amount, which has to be under control. The discussion on the improvement of works in quality, cost and time have to be focused on these zones. We are facing a lot and we are not able to respond them because the information has to be up-to-date one in order to correspond to the reality. Therefore, all of us should think about the possibilities of improvement

Annex B: Individual Submissions to the Working Group

and especially for the financial support. There are about 7500 ha of suburban city zone that has to be re-updated.

Finally, for the above mentioned reasons and many legal problems that the specialists have raised, personally I am skeptical as regards the unmotivated and unproved initiatives.

Annex B: Individual Submissions to the Working Group

Tirana, 06/07/2001

To: Technical Working Group

From: Dritan Hoti

Ref: Juridical thoughts about the Global Contract

The current draft presented does not have any defect or unresolved problem, except some additions and improvements by adding the legal basis of its application, with a clearer definition of the rights and obligations of the parties, with other additional chapters. This requires time and full completion and nothing more.

But the problem, which I am concerned about, is not the finalization of the idea on realization of a global contract only by presenting its draft. The problems are in finding the ways that we have to follow in order to reach a final draft, legal and practical difficulties that come from that, the constraints, which may be faced during its practical application, delays in time during its practical application (delays that block the PMU funding and the non-realizations of its plan).

The clarification of all above mentioned, that for me personally is a serious professional concern, is related to some questions, which constitute the solution of problems, which are related to the GC application.

These questions, general and professional, are:

- Is it possible to really realize a cost reduction in the first registration?
(Problem raised by Mr. David and USAID and the Government of Albania, and which is the reason of the working group creation).
- Is this idea acceptable for the other donor? (The non-approval of which would mean loss of time and work done by this working group).
- Is it possible to find such companies, which before making the contract, should fulfill all the requirements required by the Albanian legislation on procurement for their legal qualification?
- Is it possible to realize such a process of procurement and what will happen in case of its failure?
- Can the realization of procurement for many services and contracts for many object be allowed?

I will give answer to all these questions.

1. I have repeated that if there is no cost reduction, why should we continue further. The main point, for which the Technical Working Group was created was the high cost, with which the work is done in Albania in comparison with other countries (ex. Georgia and Moldova). It is thought to operate with the global contract for reducing the cost, which was accepted that will not happen, because there is no price decrease, with which the PMU works. Although the opinion is that we might have reduction in the number of people and expenditures, with the new proposals that are done (increase the number of people on public education, increase of expenditures for the coordinators, etc), for sure there will be an increase in the PMU budget, so a cost increase.

Annex B: Individual Submissions to the Working Group

Also, in relation with the GC realization, it was thought to make the PMU restructuring, procedure manual review, redefinition of staff salaries, a new Executive Council, etc. The technical and economical disapproval of the cost reduction (at least so far) makes the review of all the above point unnecessary, because PMU actually has its own bodies, capabilities and the right desire to realize the points of the above paragraph.

2. As regards the donor approval: at least in principle, for the discussion we are doing, I think that we have to take that opinion now about the possibility to apply the global contract, without discussing the point 2 and others of the plan prepared by the technical working group. This is because there are people that have worked for realizing this contract, who could prepare a material, not a complete one, but just to create the idea that what is intended to achieve by the GC, how and why. (We actually have just a draft contract, and the material should be presented to us in a more completed and detailed way, in order to save time).

On this material, the other donor EU could give its opinion, which would facilitate a lot the work on completion of that draft contract and realization of point 2 and further.

Presentation of the material at the end, puts the donor in front of a fact done, something already done in reality and does not allow it to have a right and independent stand. (In this way it is created the idea that we are applying for another project to the donor, while it is the co-funder of this project and we are not for a sincere cooperation with it).

3. The most important problem for realizing this contract is to find the bidders for the tender and to make the contracts.

Actually the tenders of updating and surveying, according to the definitions done in the rules of the Albanian Public Procurement, are open tenders.

The open tenders are realized through announcing it in the big-run newspapers. From this announcement the bidders are presented, so we can be in front of unknown bidders, for which we do not have the guaranty for realizing the procurement object. I say this because the announcement might attract the interest of companies both in the field of updating-surveying and digitalization-computerization.

We have to give to the bidders (companies that are presented to withdraw the tender documentation) all the complete and detailed documentation on the object that is required to be procured and the contract that will be made. (Here there are included the Technical Specifications that have to be prepared later).

According to the number of bidders presented, the procurement procedure will be opened. This is because of the latest change done to the procurement law, which is the case when at least three companies are presented, the procedure will be opened by the Public Procurement Agency approval. No matter how 422 cadastral zones will be grouped, a minimum of 25 procurements is needed, which means that we need to have about 75 companies and about 25 winners (Where can we find 25 companies???)

Annex B: Individual Submissions to the Working Group

After withdrawing the standard documentation of a tender, the companies have 30 days up to the tender opening to complete the legal and economical documentation. In a tender, the companies are qualified based on the legal documentation. This is the biggest problem.

In the procurement law, article 12, point 1, letter a states “the bidders should have the proper professional, technical and organizational capabilities, the personnel, financial resources.... for implementing the contract”; letter b “they should have done similar contracts ...”, letter d “they should have fulfilled their obligations on payment of taxes and social insurance...”

Implementing all these points in the contract implementation, there are other things which the bidders are required for: license of the profession exerision, court decision, where it is described the object of the company and the license of the tax bodies, which expresses among other things the type of the private activity realized by the company. Then there are some other documents, which do not present any problem to the bidders.

The fulfilling of these three documents is the practical difficulty for realizing the GC. This is because it's too difficult to find practically a company, which can realize all the points of the contract object its private activity. The union of different companies is the case of the global contract in the urban zones, where the activity is not covered by the juridical interpretor. While in the rural zones, we are in front of the union of association or sub-contracting of services.

In both the cases we are in front of the realization of a procurement with many services, cases which are not considered and explained by the procurement legislation. In many cases, when it is talked about the services, it is talked just for one service and not for many services of different kinds. The idea that they can be grouped in one name, bidding the services that will be realized, leads to the non-realization of the GC, because there is no company with that grouping to be presented in the tender.

Thus, the realization of a procurement with many different objects, presents a legal difficulty. I think that this is an unresolvable point. As I have expressed, the same is in case of the contract with many different services instead of a service, which is in opposition to the civil legislation, which recognizes and allows only the contract of undertaking for realizing one service and not many. (IN reality, we have at least two opposite services updating and digitalization).

The realization of other points is not a problem and it is acceptable for the global contract. The solution to this problem in the Albanian law would be to realize procurement practices according to the procedures of one of the donors (realization of the agreement before, would resolve this node). This would be both for the realization of the procurement and for making the contract. But this also puts the PMU in the impossibility of action, because it operates according to the Albanian legislation. This requires a change in the word “according to the Albanian legislation”.

Annex B: Individual Submissions to the Working Group

The problem here is the realization of procedures of procurement in cases when the bidders do not show up or in cases of their qualification. This would lead to a repetition of tenders and delays in time.

The conclusion is that the realization of the procurement and GC presents legal difficulties, for which I think that there cannot be any solution in the frame work of this globalization. This might have an advantage by the technical aspect, but I think that practically it is unrealizable in the form it is presented.

Annex B: Individual Submissions to the Working Group

From: Dritan Hoti

To: Technical Working Group

Date: 09.07.2001

Ref: Thoughts about the GC of the urban zones

The draft contract presented has these small problems:

- Point 5 of the parts, which talks about providing the office spaces within the IPRS is a problem that has to be clarified by the Central Office itself, because the office spaces belong to it. If this will be resolved between the PMU and IPRS Central Office then there is no need to keep this point in the contract.
- Point 3 in the Contractor paragraph should be taken off, because having qualified people in staff is not a contract object, but a criterion on legal qualification of the bidding companies in a tender.

This contract should be completed with the rights and obligations of the parties according to the definition of the civil provisions. This can be done after resolving the problem of this process tendering.

An other problem with this contract is that according to the civil legislation we have the right to make an undertaking contract of service only for one service.

The tendering of this process has these problems:

- First problem is whether is allowed to procure many different services with just one tender. This is because I think that we have many services, where a part of which is licensed and another part not and for more we do not have a service which is licensed as a whole.
- The minimal number of three bidders for opening the tender. The non completion of that number requires the intervention of the Public Procurement Agency for developing the tender with two companies and the other case is the repetition of the tender since the number is completed for its opening.
- Legal qualification of candidates, who should have among other things:
 - a) License for exercising the activity in case. The question is that do all the companies have license for all the services we want to realize with this global contract?
 - b) They should have staff, hired or temporarily contracted, for realizing the procurement object, because processes of legal interpretation are required to be realized.

Annex B: Individual Submissions to the Working Group

- c) They have to prove that they have done other similar works in order convince the Procurement Entity that the bidders have the capability to realize the contract object. This is very important for the quality of service that will be realized.

These are the problems of the tendering process, which present difficulties for its beginning, termination and the service contracting in the framework of the global contract application (realizing the process with one company through the tendering).

The solution for both the global contracts (rural and urban) is to give to the PMU the right to make direct contracts, without tender, with a sole company in order to realize the entire process, by improving the PMU Status and changing the order no. 368, date 15.12.1993 of the Minister of Agriculture.

It is understandable that the company will submit the documentation for its qualification, but the most important thing here is that there is no qualification process of many companies, which might lead to the procurement blockage.

EVALUATION OF THE INTERIM REPORT OF THE PMU WORKING GROUP

Since the beginning I want to stress the evaluation of the MOAF regarding the technical assistance idea on the PMU restructuring, improvement of the first registration procedures, the reduction of the work and project costs, etc.

Based on this evaluation, in the meeting of 16th of June, it was decided to have a working group, which would present a detailed study, arguing the superiorities of the new idea of the PMU organization and the way of the global contracting in order to improve the quality of works, to increase the speed of works, to eliminate some excessive links, which increase the project cost, and in particular to reduce the cost of works up to 1 dollar per property, considering the experience of some eastern countries.

After studying the material presented, unfortunately, I see that the working group either has not understood the task it had or has not evaluate properly, even though it has worked in an advanced period of time. This is because of the reason that the material presented seems to be more such kind of information than a study. In order to pretend to make such changes with economical and social effects, one should have arguments up to the detailed elements.

First, the existing situation of first registration is not clear presented in the material. I think that this should be the basis on which other options could be raised. Out of the figures in total that are given, it results that that global contracts should be extended in 383 cadastral zones or 12.5% of the project. Since the beginning a question is raised and an argument is required, which are the positive and negative effects of the proposed change. The material does not give any response.

Second, in no case the material treats the legislation on the immovable property registration. I raise the question: does the legislation allow us to realize the proposed form? And for arguing the question I raise the problem how the ownership documentation will be collected from the cadastre offices, what is the legal responsibility that the private companies will have in order to accurately reflect the ownership, what about the procedures for collecting the documentation from the housing entity, privatization Agency, how the cooperation between the private individuals and the Ministry of Agriculture and the Land Commissions in “Qarku” and Commune will be realized, how the conflicts will be managed and resolved?

Third, although the idea on cost reduction is acceptable and desirable, the arguments on its achievement (will be analyzed following) have not been justified. If we pretend to reduce the cost through the elimination of some processes, which till yesterday have been considered necessary by us and if we do not argued technically why, we are not convincing.

Four, you are informed from about some agreements that the Government of Albania has with the international institutions, such as the Memorandum with the IMF, the Compact of Investments, etc. in which the problems of first registration and land market development have a very important place. In this framework, it is necessary for the Ministry of Agriculture to have the guaranty (and this by arguments) of realizing these obligations of our government. In this material, this problem is not treated at all.

In following, I am treating each point in details:

1. Improvement of the First Registration methods

No advantage of the global contracting is given in this point, but an expression saying that “This methodology is used in other Eastern European countries leading to a cost reduction” is a priori accepted.

Attempts have been made to compare the costs according to the types of contracts, which results to a cost reduction of 16.75%. This cost reduction is not the result of the organizational improvement, but as the result of the elimination of some processes such as the first printing, reduction of information on kartela filling, as well as an unclear calculation of the map-kartela linkage information, supposing the elimination of errors from the augmentation of control.

These cost reductions are not related to the way of contracting. If these reductions are technically acceptable, these can be implemented even in the existing contracts. While the cost reduction because of the control augmentation is not justified, because the process of control augmentation itself gives a cost increase.

The expenses of 15% that are paid for the direct contracts and not for the tenders, seem that can reduce the costs, but these cannot be effective or factual cost reductions because the price for the tendered contracts has been always higher than the price of the contracts by order and by the other side the supplementary expenses of the global contract have not been presented.

Even the tendencies presented for the reduction of the indirect costs are not argued. The reduction of the number of contracts does not bring fall of control, which will be done in fewer contracts, but at the same level, in the same processes, for the same volumes. If we reduce the control expenses, obligatorily, we would accept a lower quality of work.

The immovable property first registration is a relatively new process, which has its specifics, therefore, in the districts there is not company with specialized employees that can do it rapidly and free of errors. A lot has been invested for a long time on preparation of the PMU staff in order to create these capacities we have today.

For this point, the group has:

- To present the positive and negative sides of each contracting way
- To make the comparison of costs with other Eastern European countries and to show the reasons of change.
- To define the capacities for each district where the global contracting can be done
- To experiment this way in two-three districts.

2. Role of Coordinators.

Annex B: Individual Submissions to the Working Group

The role of coordinators is important, if we consider the general situation and the problems that the country and district have, the low level of cooperation between the institutions, etc. But although the best part of the cadastral zones is finished, the possibility of their number reduction can be considered. The public information is part of their work. We think that it is not necessary for the PMU to increase the number of the media employees, because these problems are covered by the existing specialist.

3. PMU Structure and Procedures

The PMU structure is changed time after time. Sometimes it is changes based on not so strong and stable motives. The frequent changes are not positive, they eliminate the responsibilities, justify the deficiencies and non-realizations. The structural changes should be done when the existing structure presents an obstacle for going forward. We think that the PMU can make changes in its structure in order to better harmonize the works and responsibilities.

One of the main PMU objectives is the development of the land and market policies. From the structural point of view this objective remains bed. The Land Policy Department was dissolved and the completely destroyed sector without a lawyer was attached to the First Registration Department. The PMU has given a worth contribution through the Land Policy Department with the studies done, with the draft decisions to the Council of Ministers and draft laws to the Parliament. Actually, we have big needs on studies, legal and sub-legal acts in the field of Land and Territory Administration, Land Valuation, compensation of the ex-owners, land reform and market, etc. for which we require the PMU contribution, therefore it is necessary for the land Policies to have the place they deserve.

4. Staff positions according to the approved structure

In this point the position of Vice Manager is eliminated. This proposal can be right, but we think that not only the heads of department but also the specialists can and should contact directly the General Manager. The existence of Vice Manager must not impede these contacts.

The request on describing daily activities is not an indicator that has to be evaluated. The personnel should be evaluated based on the objectives that has and what it realizes, this shows better its effectiveness.

5. Executive Council Modification

The Executive Council should be modified. The Executive Council should have representatives from the IPRS Central Office, Ministry of Agriculture (Land Directory) and from one district Registration Office. The practice of having the Executive Council just with the heads of departments is not right and has to be changed. By the other side, even the Ministry has to better consider this issue when the Executive Council is to be approved.

6. Advisory Council

Nothing is given about this issue. The group should work and given different options.

7. PMU – IPRS relationship

The PMU should cooperate and be closely related to the IPRS. This cooperation can be strengthened from the participation of the IPRS representatives in the PMU Executive Council. The IPRS should help the PMU more on the problems it has especially those related to the state administration, by having the joint working groups on different problems, or joint groups for the district controls.

8. Performance indicators for the PMU staff

The PMU should have clear objectives and measurable indicators of its staff. Based on the achievements of each one the supplementary bonus has to be given, which should be approved by the Executive Council.

9. Linkage of salaries with the experience.

When defining the salary, first it should be considered the completion of the objectives and other tasks and then the experience can be evaluated both in and out of the PMU.

10. Preparation of the Work Program No. 7

More seriously has to be worked on the preparation of the Work Program No.7 and it has to be presented as soon as possible.

Finally, I think that the material presented does not realize the purpose for which it was done. The PMU Executive Council should consider this problem with responsibility and it has to take measures for realizing it sooner, in order to judge about the necessity of possible changes and to guaranty the accomplishment of the project duties based on the program of Government.

**LAND DIRECTOR
Dr. Bardhyl QILIMI**

Tirana, 24.07.2001

No. 425. prot Tirana 25.07.2001

Subject: Thoughts about the interim draft of the Working Group established after the meeting of 16.06.2001.

Based on the good desire and atmosphere of the discussions of all the participants in the meeting developed in the PMU about the proposals presented by Mr. David Stanfield on the improvement of work in the immovable property first registration, from the material presented by the Working Group, as well as from the reports on the discussions, it results that:

First:

The main purpose of changing the existing work practice from individual contract and contract by activities, with individuals and/or companies to the Global Contract (GC) – the integration of first registration in to a sole contract would intent: **the cost reduction** (from USD 8 to about USD 1), **the significant reduction of time** for finishing the First Registration (FR) and **the increase of work quality**. In function to these ideas, in that meeting before the creation of the working group, I required that before starting the analysis of other problems mentioned in that proposal presented by Mr. Stanfield, absolutely the group should analyze preliminarily the respective costs between the two ways. I required this, because all the other steps, which would follow the analysis of that proposal such as the coordinators role, PMU structure and procedures, staff positions according to the improved structure, recommendations on modification of the Executive Council etc. were closely related to the fact that whether the change of the existing work practice for the FR would be accepted or not.

Seeing the preliminary material presented by the working group, with regret I see that this fundamental request has not been taken so much in consideration. However, irrespectively from the qualitative level of the comparing costs, it results that the figures are almost at the same level and for more the cost of the global contract would result to be higher if there will be no reduction in the work procedures that are currently done through the existing method. Their reduction even in the current practice, for sure would bring the cost reduction, such as the elimination of first printing and Parcel Book completion only with the necessary information for filling the kartelas.

As a conclusion, I can say that the Global Contract does not have any advantage as regards the cost reduction.

Second:

Seeing and analyzing the FR procedures, as regards the other two aspects of the proposal: time reduction and increase of work quality, the material does not present any kind of the GC advantage versus the existing practice. Rightly, we should make the logical analysis of the advantages and disadvantages that both the two ways of first registration have. The first question we can rightly raise is if we have to change the existing practice only because of the work quality and velocity. The answer I could give through the material presented is NO. This is because of some unclear things and question marks that I found for the GC.

Annex B: Individual Submissions to the Working Group

1. How sure are we that we have many companies that will undertake the work on FR according to the GC in all the country? When the project started, in 5-6 years we were able to incite and create the companies for undertaking the works according to the defined activities. Should we destroy all this practice and experience just because of some ideas and thoughts, which are not studied well and unproved for more? Again I say NO. And this is for two reasons:
 - a. The expenditures and energy on establishment and qualification of the FR structures.
 - b. The on-going achievements of the volumes of work realized and clearly expressed in the first 6-month of this year. if we consider the fact that we are actually working in the most difficult zones, they are significant.
2. How sure are we that through the grouping of all these processes and activities in to a sole company, we'll have higher quality and time reduction on the work performance? Here, treating the problem logically, I am convinced when I say that at least for the first phase in no way we'll have a shorter time and higher quality. This is because the existing individuals and companies have already gained the necessary experience on the performance of works as well as on correction of errors that might be caught during the FR procedures.
3. How can we pretend and believe that the performance of all the FR works from on company has advantages, when from the existing practice we have cases that we or PMU have decentralized some processes such as the digital data entry, which had been done by one company, and they were decentralized just because of the quality and time. In principle, I personally did not agree, even though I accepted it just because of the arguments presented. From this point of view, we are realizing a centralization process, where just times ago we did the opposite of what we are requiring now. Following this logic, again I say NO.
4. How can we pretend, always theoretically, that we'll have a higher level of control by the PMU during the FR process, when it is proposed to significantly reduce the number of coordinators? Is it thought to increase that number in the PMU? If so, there will be no cost reduction in the works; if no, we cannot pretend to have a higher level control. With the reorganization of the structures in the districts and with a better coordination by the registration offices it is completely possible to have a reduction of the coordinators number in the districts even with the existing practice of work.
5. From the material, even though not clearly expressed, it results that the GC will be mainly implemented in the rural zones. Only this fact, for me that I am responsible for speeding up the first registration in front of the Government of Albania, obliges me to say again NO to the GC application only in the rural zones. Continuously, verbally and through the joint planning with the PMU, priority is given to the zones with the high intensity of transactions or development priority. So, we cannot accept to interrupt or impede the work in the urban zones, for more now that a considerable experience of work is created as regards the use and exploitation of the documentation that is in the registration offices and serves to the FR.

Annex B: Individual Submissions to the Working Group

There are other elements, which can and should be analyzed to define the work methodology in the future, that I think should be the objective of the PMU and working group work that is established for this purpose. Finally, I would suggest the Executive Council to implement the GC in one or two pilot zones in order to verify concretely, the theoretically unverified priorities of the GC application. At the end, the group will conclude with some concrete proposals both for the FR procedures and reorganization and further improvement of the PMU structures in relation with the method that will be priority. In no way this material has to be an obstacle for the continuity of work with the existing practice and the Work Program 7 preparation.

CHIEF REGISTRAR

Dr. Albert Dubali

Annex B: Individual Submissions to the Working Group

To: Working Group on Global Contracting

From: Fatmir Kopella

Date: 30.07.2001

Ref: **Comparison of quality of First Registration between the existing methodology and the global contracting methodology.**

Since the beginning of First Registration and on, the procedures of preparation of the Index Maps and Immovable Property Kartela have been and continue to be 2 separated processes, which leads to a fact, the errors done during the work process are not completely corrected, even in cases when they are corrected, and in this way we do not have a Unique Database of the IPRS.

What is happening with the existing methodology?

In the first phase, the Index Map is created together with the Parcel Book for a Cadastral Zone. Exactly after that process, we do not have uniqueness of the Database any more, because by one side we have the continuity of procedures on Kartela filling, which is based on the Parcel Book and the original mat films of the Index Maps, process that is done with the individuals contracted by the district coordinator and by the other side the process of the Index Maps digitalization begins, which is done by geodetic companies contracted by the PMU/IPRS with direct contracting. These two processes (kartela filling and IM digitalization) are organized, followed and controlled by different PMU departments.

In the second phase, the work continues on the data entry process (printings), which is a process that includes the moments of control and correction and the quality is increased since the moment of decentralization, but the corrections of the digital Kartela database in cases when they result even with the corrections on the IM, they (corrections) are done only on the manual IM (the original mat films), these corrections are done in the districts. These corrections (changes) do not (and cannot be) reflected in the digital files of the IM that are in the digital archive of the PMU/IPRS. Usually, these are corrections because of errors and because of problems encountered during the display process. At the mean time, it is impossible to have the IM digitalization process without “invisible” errors, for example the operator has to write the parcel number “134” and because of speed he writes “1134” and in case when the Cadastral Zone has for example 700 properties, this error can not be caught by the control on duplication of property number, control which is done automatically.

While the Cadastral Zone enters the Registration System, the transactions, which are manually updated, are not reflected digitally in the IM and Kartela. This is another problem more complicated in the city, where there are many transactions.

I considered these errors (above mentioned) as errors of methodology or “normal errors”, and there are about 300 000 other errors added to those, carried from the previous process of Data entry (printings), which have their cost of correction (cost of correction for an error is 19 lek).

Annex B: Individual Submissions to the Working Group

Of the errors above mentioned, even after the correction of errors included in the group of 300 000 at the moment of realization of the digital linkage between the IM and Kartela, it results an amount of 3-5% errors (properties without Kartela, kartela without property (polygon) as well as differences in surface area because of different methods of measuring the manual and digital surface areas). Even for these errors, it is required a process of Final Correction, which has its own cost and time. Only after that Final Correction and the digital reflection of transactions, we can say that we have a Unique Database.

It is completely possible to eliminate the errors (associated with the necessary costs and time of correction) above mentioned, through the global contracting, because:

First, the process of second printing, proposed to be realized (directly from the digital Parcel Book) is a direct result of the IM. We cannot have subjective errors in this process.

Second, the changes because of the display process will be followed by the same company that realizes the survey, Parcel Book and second printing, and in this way they will be reflected in the digital files of the IM and Kartela (manual as well).

Third, because it is too easy for the companies to realize a Unique database at any moments, because at any time the company can realize the IM-Kartela linkage, can find the errors and correct them.

Four, because the PMU staff specialists can realize easily the digital control of one (or more) cadastral zone (s) and can report to the company the errors that might occur, can require their correction, without making other payments as we do with the correction of the up-to-date errors.

Five, there will be no difference in the parcel (property) surface areas, which come as a result of different ways of their measuring. (With the standards of digitalization, the surface area is an attribute to the figure (parcel)).

Six, even the process of field control will be facilitated and automated, in some cases for example when we want to calculate the number and surface area of a parcel under 1 ha, or the number and surface area of the forest parcels, which is a process that deals with the payments to the companies.

Seven, the volume of control by the PMU side will be increased because the coordinators will not deal with the management of the entire process (following the contracts of surveying, kartela filling, first printing (as it is now), second printing, display, correction, third printing, book binding, etc.), but they will deal with the preparation of the materials, which have to be given to the companies, they will assist the companies and control the works, especially in the field work control because they are not prepared for the control of the digital processes.

Considering that the intention of companies is to profit, it is more than understandable that the time intervals for the surveying process, the Parcel Book preparation, Second Printing, Third Printing, Book binding, delivery to the PMU etc. will be reduced, different

Annex B: Individual Submissions to the Working Group

from the coordinator's work that in many districts and especially in the small districts will never end, because they want to extend the time of their employment.

However, with the Global Contracting a **UNIQUE DATABASE** will be created with a **MUCH BETTER QUALITY**.

Annex B: Individual Submissions to the Working Group

12 August, 2001

D. Stanfield

Proposal for Preparing for Global Contracting

A. Prioritizing Cadastral Zones for doing global contracts

We should divide all C.Z. into different levels of priority for the PMU, and make lists of each priority level's C.Z.'s:

1. Urban, within yellow line, where the LN (Parcel Book) has been completed= 126 C.Z.
2. Urban, within yellow line, where LN is in process = 10 C.Z.
3. Rural, with LN done, along the road improvement corridors
= 557 C.Z.
4. Rural, with LN done, not along road corridors
5. Rural, with updating begun, but LN not completed, along road corridors
= 290 C.Z.
6. Rural, with updating begun, but LN not completed, not along road corridors
7. Rural, where no updating has been done = 383 C.Z.

B. Then organize each list of C.Z. according to Qark and District, and for each C.Z. provide the following information (1=yes, 0=no), except for number of properties, to enable companies to bid on each C.Z.

1. For rural zones, are the tapi's distributed? 1 or 0 (Yes or No)
2. How many properties are in the C.Z.?
3. Is the LN completed (meaning also that a physical map at least is also done)?
4. Have all kartelas been filled out?
5. Is the data entry of kartelas completed?
6. Are the Index Maps digitized?
7. Has the linkage between kartela and index map digital files been done?
8. Have the errors identified in this linkage been corrected in the data bases and in the physical kartelas and maps?
9. Has the printing for display been done?
10. Has the display been completed?

Annex B: Individual Submissions to the Working Group

11. Have the errors identified in the display been corrected in the data bases?
12. Have the physical kartelas and maps been corrected?
13. Have the corrected kartela and map data bases been given to the PMU?

CONTRACT
ON
IMMOVABLE PROPERTY FIRST REGISTRATION IN THE URBAN CADASTRAL
ZONES -----
DISTRICT -----IN -----HA

Contracted today in -----2001

PROCUREMENT ENTITY: **PROJECT MANAGEMENT UNIT (PMU- IPRS)**
Address: Rruga Duresit/Laprake, Instituti i Tokave,
Kati III
Tirana – Tel & Fax. 00 355 4 223 296

CONTRACTOR:-----

CONTRACT OBJECT:

1. Registration of apartment properties, other non-apartment properties and public properties together with the transactions.
2. Preparation of the immovable property index map and the final parcel book.
3. Digitalization of immovable property index map and monitoring of kartela information.
4. Printing of the immovable property lists, maps and display process.
5. Final printing of all the documentation prepared that will be delivered.

The parties, after finishing the procedures of tender _____, which is organized in date ____2001, and _____ is proclaimed is the winner, according to the report of the bid evaluation commission and the announcement done by the Head of Procurement Entity, with a value of ____ lek _____) in a surface area of ____ ha, they agree to assume:

To realize the services and works according to the winning conditions in the tender, with the value and quality defined in the invitation for tender and in this contract. The date for the beginning of work is:

Beginning date _____ 2001
Termination date _____ 2001

according to the following calendar of work delivery.

Cadastral Zones	Phases 1, 2 and 3 of the contract object		Phase 4, 5 of the contract object
	Beginning date	Display date	

PROCUREMENT ENTITY – PROJECT MANAGEMENT UNIT PMU/IPRS

1. Puts in the disposal of the contractor the sum of _____ lek, which has proclaimed the tender winner _____, according to the consideration and approval done in date _____ 2001 by the Bid Evaluation Commission.
2. The work situation will be partially and progressively done based on each Cadastral Zone and finally for all the contract.
3. The PMU assigns Mr. _____ to follow the works for implementing this contract, who is the Director of works and services that will be done after the contract is made between the parties.
4. It provides all the necessary information (base maps, legal ownership documents, etc.) in conformity to the dates predicted in the calendar of works. It provides the official support to the contractor in the relations that he/she will have with the local authorities.
5. It provides the work spaces within the Registration Office or other spaces recommended by the Registration Office.
6. The Director of works has the right of a continuous documented control on all the types of work that this contract includes, he/she will inform the contractor for any defects that he/she observes during the performance of work and services and takes measures for their elimination.
7. He/she will pay a sum of _____ lek in advance, which has a value equal to 10% of the contract sum. The contractor uses this sum to cover the initial expenses of the contracted works and services.
8. He/she makes the payment at 40% at the moment when he/she considers the works finished from the first phase up to the end of the third phase and 20% at the end of the fourth phase and 30% at the end of the fifth phase. In both the cases, the payment will be realized in a 30 calendar day term from the date of documents withdrawing.
9. In case when the contract is cancelled between the parties, all the works and services done up to that moment are considered and are PMU property.

CONTRACTOR _____

1. Will make the contract assurance according to the form defined in the tender documents with a value of _____ lek, which together with the offer guaranty constitute the 10% of the contract price.

Annex D: Organizational Structures

2. The contractors will assign Mr. _____ as the Director, who will follow the services and works and who will be responsible for terminating the works and services.
3. For realizing this contract, the contractor will hire employees and specialists with technical and professional capabilities, who correspond to the technical condition put in the offer. In case when the Director of work observes violations, he requires from the contractor to replace those people with other qualified ones.
4. To perform all the immovable property registration procedures according to the Law No. 7843, date 13.07.1994 “On Registration of the Immovable Property”, Regulation “On the work of the Immovable Property Registration Office”, Methodical Instruction “On completion of the immovable property kartela” as well as the Instruction “On first registration in urban zones”.
5. To realize the immovable property registration that is required by the work Director, in order to afford the daily volume according to the procedures and terms defined in the regulations and instructions of the Registration Office.
6. To realize the contract in the office spaces provided by the employer.
7. To administrate the documentation, which is made available by the employer.
8. He should not give or use the information of the institution which he has contracted with.
9. He has to go to the cadastral zone at least two times to collect the complaints during the display period and to clarify there the problems raised (All the complaints will be kept in the “Book of Complaints”).
10. After clarifying the remarks, he will make the necessary corrections in all the documentation, consulting the coordinator, when he thinks it is necessary.
11. After the work termination, the contractor presents to the PMU Director the respective documentation on the final calculation of works. For each defect caught at the moment of receiving the service done, the contractor will repair it with his own expenses.
12. For any defects caught at the moment of receiving the work done by the contractor, he will undertake the correction by his own expenses.

SPECIFICATIONS

They are defined in the technical conditions and approved by the contractor and they are part of this contract.

WORK RECEIVING

Annex D: Organizational Structures

The work receiving will be done in these phases.

1. The control of all the digital information (map + kartela digital database) form 4
2. The technical-legal control of documents based on which the property registration is done (form 3)
3. The technical-legal control of the property documents, which cannot be registered (for which an act of verification is filled, form 1)
4. Field control of works before the Printing II.(form 2)
5. Final control of all the digital and manual documentation.

The control procedures will be done according to the technical document "Document Evaluation" (form 1 to 4) attached to this contract.

Based on this contract the PMU is obliged to perform just once the control procedure. In cases when the contractor does not realize the "Document Evaluation" and he is obliged to make the necessary corrections, the PMU representative makes any other control against the fee of 10 000 (ten thousand) lek. The penalty will be kept by the payment, which will be paid to the contractor for the work done.

By signing the contract, the contractor has accepted at the same time the procedures of the technical control that will be done by the PMU representative and the work "Document Evaluation".

The PMU is obliged to perform the control procedure through its representative in a term of 30 workdays from the date of material delivery.

OBLIGATIONS

1. For each unjustified delay on payment of the situation of works and services presented by the contractor after the 8 day term from his signing, PMU will be responsible and obliged to pay a penalty of 0.01 % of the payment sum for each day of delay.
2. When the contractor unjustifiably does not realize the works and services in time according to the conditions defined in the contract, he is obliged to pay 0.2% of the unfinished work sum for each day of delay.
3. The parties can suspend the implementation of this contract, in case that fundamental violations of the conditions predicted in contracted have occurred during its implementation.
 - The contractor interrupts the work and services for 2 successive days.
 - When the instructions of work Director are not implemented by the contractor
 - When the contractor goes into bankruptcy
 - When the contractor delays the work and services for a time, where the maximal sum of indemnities exceeds the sum of the contract price.

GENERAL PROVISIONS

All the data on immovable property index maps are and remain PMU property. It has the right to authorize the use of those maps by different subjects. Each use of index maps without

Annex D: Organizational Structures

the authorization of the PMU General Manager constitutes a serious violation of the contracting obligations and the copyright, and the contractor will be punished by a penalty that will up to the amount of money spent for producing those maps.

1. The language in which the contract will be compiled is the Albanian language.
2. The communication between the parties on different problems that will be raised during the contract implementation will be done by written.
3. The PMU and the contractor do not assume the legal obligations that the parties might face against the state and the third party.
4. All the rights and duties that will be raised during the contract implementation, will be resolved according to the Albanian legislation.
5. In case when the disagreements raised cannot be resolved by discussions, they will be considered in the District Court of Tirana.

This contract is made in Tirana, in _____2001.

CONTRACTING PARTIES

**PMU
GENERAL MANAGER
NDOC VATA**

CONTRACT

ON
IMMOVABLE PROPERTY FIRST REGISTRATION IN THE RURAL CADASTRAL
ZONES -----
DISTRICT -----IN -----HA

Contracted today in -----2001

PROCUREMENT ENTITY: **PROJECT MANAGEMENT UNIT (PMU- IPRS)**
 Address: Rruga Durrësit/Laprake, Instituti i Tokave,
 Kati III
Tirana – Tel & Fax. 00 355 4 223 296

CONTRACTOR:-----

CONTRACT OBJECT:

6. Preparation of the immovable property index map and the parcel book.
7. Registration of properties, digitalization of immovable property index map and monitoring of kartela information.
8. Printing of the immovable property lists, maps and display process.
9. Final printing of all the documentation, delivery.

The parties, after finishing the procedures of tender _____, which is organized in date ____2001, and _____ is proclaimed is the winner, according to the report of the bid evaluation commission and the announcement done by the Head of Procurement Entity, with a value of ____ lek _____) in a surface area of ____ ha, they agree to assume:

To realize the services and works according to the winning conditions in the tender, with the value and quality defined in the invitation for tender and in this contract. The date for the beginning of work is:

Beginning date _____ 2001
 Termination date _____ 2001

according to the following calendar of work delivery.

Cadastral Zones	Phases 1, 2 and 3 of the contract object		Phase 4 of the contract object
	Beginning date	Display date	

PROCUREMENT ENTITY – PROJECT MANAGEMENT UNIT PMU/IPRS

10. Puts in the disposal of the contractor the sum of _____ lek, which has proclaimed the tender winner _____, according to the consideration and approval done in date _____ 2001 by the Bid Evaluation Commission.
11. The work situation will be partially and progressively done based on each Cadastral Zone and finally for all the contract.
12. The PMU assigns Mr. _____ to follow the works for implementing this contract, who is the Director of works and services that will be done after the contract is made between the parties.
13. It provides all the necessary information (base maps, legal ownership documents, etc.) in conformity to the dates predicted in the calendar of works. It provides the official support to the contractor in the relations that he/she will have with the local authorities.
14. The Director of works has the right of a continuous documented control on all the types of work that this contract includes, he/she will inform the contractor for any
15. Defects that he/she observes during the performance of work and services and takes measures for their elimination.
16. He/she will pay a sum of _____ lek in advance, which has a value equal to 10% of the contract sum. The contractor uses this sum to cover the initial expenses of the contracted works and services.
17. He/she makes the payment at 70% at the moment when he/she considers the works finished from the first phase up to the end of the third phase and 30% at the end of the fourth phase. In both the cases, the payment will be realized in a 30 calendar day term from the date of documents withdrawing.
18. In case when the contract is cancelled between the parties, all the works and services done up to that moment are considered and are PMU property.

WORK RECEIVING

The work receiving will be done in three phases.

6. The control of all the digital information (map + kartela digital database)
7. Field control of works before the Printing II.
8. Final control of all the digital and manual documentation.

The control procedures will be done according to the technical document “PROCEDURES OF WORK CONTROL AND THE ACCEPTANCE TOLERANCES” that is attached to this contract.

Annex D: Organizational Structures

Based on this contract the PMU is obliged to perform just once the control procedure. In cases when the contractor does not realize the “ACCEPTANCE TOLERANCES” and he is obliged to make the necessary corrections, the PMU representative makes any other control against the fee of 10 000 (ten thousand) lek. The penalty will be kept by the payment, which will be paid to the contractor for the work done.

By signing the contract, the contractor has accepted at the same time the procedures of the technical control that will be done by the PMU representative and the work “ACCEPTANCE TOLERANCES”.

The PMU is obliged to perform the control procedure through its representative in a term from ? to ? workdays from the date of material delivery.

OBLIGATIONS

4. For each unjustified delay on payment of the situation of works and services presented by the contractor after the 8 day term from his signing, PMU will be responsible and obliged to pay a penalty of 0.01 % of the payment sum for each day of delay.
5. When the contractor unjustifiably does not realize the works and services in time according to the conditions defined in the contract, he is obliged to pay 0.2% of the unfinished work sum for each day of delay.
6. The parties can suspend the implementation of this contract, in case that fundamental violations of the conditions predicted in contracted have occurred during its implementation.
 - The contractor interrupts the work and services for 15 successive days.
 - When the instructions of work Director are not implemented by the contractor
 - When the contractor goes into bankruptcy
 - When the contractor delays the work and services for a time, where the maximal sum of indemnities exceeds the sum of the contract price.

CONTRACTOR_____

13. Will make the contract assurance according to the form defined in the tender documents with a value of _____ lek, which together with the offer guaranty constitute the 10% of the contract price.
14. The contractors will assign Mr. _____ as the Director, who will follow the services and works and who will be responsible for terminating the works and services.
15. For realizing this contract, the contractor will hire employees and specialists with technical and professional capabilities, who correspond to the technical condition put in the offer. In case when the Director of work observes violations, he requires from the contractor to replace those people with other qualified ones.

Annex D: Organizational Structures

16. He has to go to the cadastral zone at least six times to collect the complaints during the display period and to clarify there the problems raised (All the complaints will be kept in the “Book of Complaints”).
17. After clarifying the remarks, he will make the necessary corrections in all the documentation, consulting the coordinator, when he thinks it is necessary.
18. He will follow the xxxx process of denomination list of owners of sites and buildings by the owners, village eldest person and the Head of Commune. The completion of this information will be done according to form “Denomination list of site owners”, attached to this contract.
19. After the work termination, the contractor presents to the PMU Director the respective documentation on the final calculation of works. For each defect caught at the moment of receiving the service done, the contractor will repair it with his own expenses.

SPECIFICATIONS

They are defined in the technical conditions and approved by the contractor and they are part of this contract.

GENERAL PROVISIONS

All the data on immovable property index maps are and remain PMU property. It has the right to authorize the use of those maps by different subjects. Each use of index maps without the authorization of the PMU General Manager constitutes a serious violation of the contracting obligations and the copyright, and the contractor will be punished by a penalty that will up to the amount of money spent for producing those maps.

6. The language in which the contract will be compiled is the Albanian language.
7. The communication between the parties on different problems that will be raised during the contract implementation will be done by written.
8. The PMU and the contractor do not assume the legal obligations that the parties might face against the state and the third party.
9. All the rights and duties that will be raised during the contract implementation, will be resolved according to the Albanian legislation.
10. In case when the disagreements raised cannot be resolved by discussions, they will be considered in the District Court of Tirana.

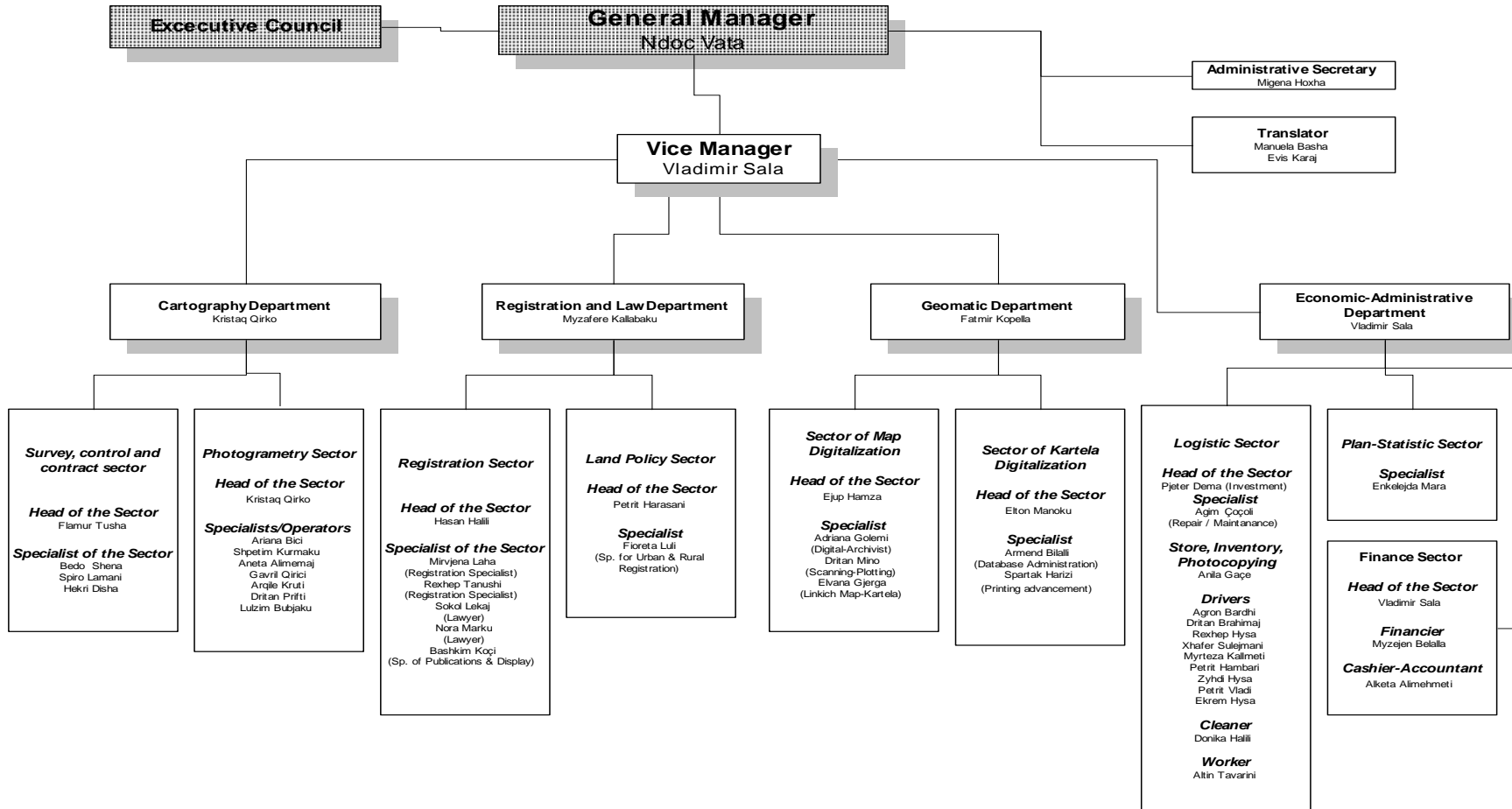
This contract is made in Tirana, in _____2001.

CONTRACTING PARTIES

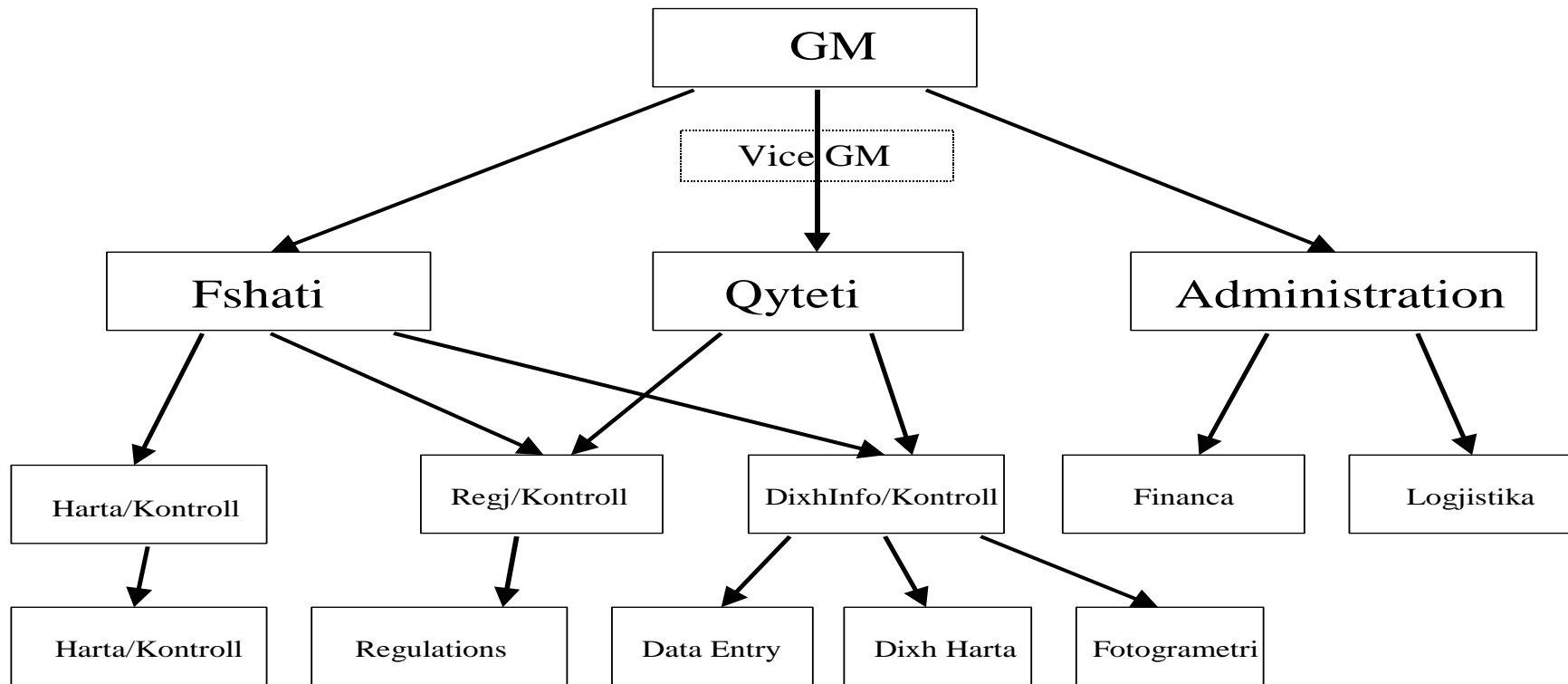
**PMU
GENERAL MANAGER
NDOC VATA**

Existing PMU Organization Structure

ORGANIZATIVE STRUCTURE CHART OF PMU/IPRS



Proposal 1



Proposal 2

