

Sida's Support to the Land Reform Related Activities in Poland

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**Department for Central and
Eastern Europe**

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Sida Evaluation 01/29

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Eastern Europe**

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Notice to Readers

This report has been generated as part of the overall evaluation of Sida's support to the Land Reform related activities in Estonia, Latvia, Lithuania and Poland. A series comprising following Sida evaluation reports:

Sida Evaluation 01/29 "Poland"

Sida Evaluation 01/30 "Lithuania"

Sida Evaluation 01/31 "Latvia"

Sida Evaluation 01/38 "Estonia"

The Terms of Reference required that a separate report be generated for each of the countries where projects were reviewed. Each report includes an analysis, per the Terms of Reference, for the projects executed within the countries as follows:

Estonia	Öst-1996-235	Latvia	Öst-1995-008
	Öst-1996-280		LVA-0691
	Öst-1998-227		Öst-1997-177
	Öst-1999-180		Öst-1999-179
	Öst-1996-214		
	Öst-1999-138	Lithuania	Öst-1998-465
			Öst-1997 217
			Öst-1998-45
Poland	Öst-1995-150516		Öst-1998-186

The project team was also requested to review the project proposal that has been submitted by Lithuania for consideration by Sida. This is project Lithuania Öst-2000. This assessment is included in the Lithuanian country report.

For additional information concerning the other reports please contact the following:

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Executive Summary

The Swedish International Development Cooperation Agency, Sida, issued a Request-for-Proposals (RFP) in January 2001 to perform an Evaluation of Swedesurvey projects in the Baltic States and Poland. The Terms of Reference (TOR) requested an assessment of some 16 projects that had been conducted by Swedesurvey and Mr. Jim Widmark and a review of a proposal submitted by the Lithuanian Government for funding to continue some ongoing work in that country. Sida has funded all of the work. WaterMark submitted a proposal that included an assessment of the existing project paperwork, discussions with project personnel (Swedesurvey, Sida and in-country officials) and then a field visit to the actual projects sites; WaterMark Industries was awarded the project. This report summarizes the findings of WaterMark's investigations in Poland and offers recommendations for future activities in Poland.

The objective of the project was to evaluate the Sida funded land administration initiatives in each of the four (4) countries where projects were being reviewed. There were a number of key factors that were identified and analyzed from an institutional perspective, that relate to the economic development of the land market. WaterMark also attempted to determine the main remaining weaknesses of the administrations and how these weaknesses and limitations affect the delivery of the respective authority's mandate.

WaterMark executed the plan outlined in the response to the Request for Proposals. The general approach was to conduct the review in three (3) phases:

- Phase 1 Project preparation including initial field visit plan
- Phase 2 Field visits for the purpose of information collection
 - review of institutions and current situations within the countries
 - evaluation of Sida projects
- Phase 3 Analysis and report preparation

WaterMark received a number of documents related to the projects that Sida wanted assessed. WaterMark reviewed the documentation to evaluate all of the projects in each of the countries involved. This task included reviewing numerous types of project related material where it was available.

The WaterMark team then visited Swedesurvey AB in Gävle, and met with the Swedesurvey personnel involved with the projects. WaterMark also received and reviewed additional project documentation relating to project contracts, reports, work plans and expenditures.

WaterMark met in Stockholm with the Sida task manager Hans Lundquist and other members of Sida responsible for projects in the individual countries.

The WaterMark evaluation team left for the field work portion of the project on April 28, 2001 by departing for Estonia to complete assessments of seven projects. The team then proceeded to Latvia and conducted assessments of four projects. The team then proceeded to Lithuania and conducted assessments of five projects and then to Poland where it conducted an assessment of the Project Öst-1995-150516. The team then returned to Stockholm where we met with Sida and provided them with an overview of the project findings.

This report was prepared by WaterMark, in the performance of this contract and submitted to Estonia, Latvian, Lithuanian and Polish officials, Swedesurvey and Sida for review and approval. The report includes an analysis of the various findings and recommendations from the interviews and project documents.

WaterMark Industries Inc. visited the Head Office of Geodesy and Cartography in Warsaw, Poland (GuGiK) where a general understanding of the land administration situation in Poland was developed and an assessment of the capacity of the GuGiK was made. WaterMark asked questions in an attempt to determine the degree to which GuGiK interacts with major players and stakeholders in land administration, considering both existing government bureaucracy and relevant legislation.

WaterMark also visited the City of Pabianice where the pilot project implementation of the property assessment system was reviewed and the knowledge transfer from Swedesurvey to their Polish counterparts was assessed. A short meeting also took place with Professor André Hopfer, formerly of the Institute of Regional Planning Olsztyn University of Agriculture and Technology and now teaching valuation at three other institutions.

WaterMark found that currently the responsibility for land management in Poland is divided between three (3) government ministries:

- *Ministry of Justice* is responsible to register rights to real estate;
- *Ministry of Finance* is responsible for taxation; and
- *Ministry of Regional Development and Construction* is responsible for physical cadastre and valuation.

The Ministry of Justice is responsible for the land register for rights that are kept and maintained by 320 local courts throughout the country. The interaction between the Ministry of Justice and the other Ministries involved in land management issues has been limited.

The Ministry of Finance is responsible for taxation. There is no tax on the value of land in Poland. Polish law currently in effect dictates that the base of tax is based on the area of the real estate. A new law on real estate taxation was passed on Jan 1, 1998 and includes provision for mass valuation. However, the law can only be enacted when supporting regulations are passed. Elections were scheduled for September 2001 and Polish politicians were not keen to address the regulation requirement until after the elections, as there is a public impression that market-based values will increase property values and hence the tax burden. Because of this concern, the regulation has not been passed.

The Head Office of Geodesy and Cartography is responsible for both mapping and the land cadastre in Poland. The GuGiK is involved with other international agencies working in the land management field. The GuGiK administers Poland through three levels (3) of government:

- Headquarters (located in Warsaw)
- Provincial representation (the country is divided into 16 provinces)
- District (there are 373 districts in Poland.)

Transaction prices used by the Office of Geodesy and Cartography are obtained from notarial records. The notaries copy deeds that they process prior to submitting them to the land cadastre.

The Sida real property valuation project provided training in valuation methods.

Valuers in Poland must take post-graduate courses according to the *Act of Real Estate Management*. The Office of Housing and City Development gives licenses to private valuers.

The objectives of the Real Property Valuation for Taxation track of the project have been achieved. Specific project findings are included in the report.

The objectives of the Digital technology and topographic mapping track of the project have not been achieved. Specific project findings are included in the report.

From the valuation and taxation side, Swedesurvey had identified an individual to be responsible for project delivery. Project management for the valuation and taxation track of this project was evident; reports were generated, there were elements of cost control, each report generated by the project manager for Swedesurvey was signed by the Polish counterpart, the deliverables have been received by the Polish side, a final report has been written and the Polish counter-parts indicate that they are satisfied.

There was no one involved from Swedesurvey side that assumed the responsibility of the digital technology and topographic mapping component of the project and because there was no single individual involved in the overall management of the project, there was no one to notice. Evidence provided to WaterMark from the Polish counter-part side indicates that Swedesurvey ‘dropped the ball’. Swedesurvey believes that there was a lack of action on behalf of the Polish counter-part side.

There was little financial management documentation provided to WaterMark. Sida has indicated to WaterMark that this information is provided elsewhere and that a financial review of the project is outside of the WaterMark scope of work.

The major limitation of this report is the lack of documentation provided for the mapping.

Lessons learned on this project include the need for better reporting and review, reinforcement of the need for project champions for successful projects and the benefits of pilot projects as a mechanism to transfer knowledge and technology.

1 WaterMark Project Background

The Swedish International Development Cooperation Agency, Sida, issued a Request-for-Proposals (RFP) in January 2001 to perform an Evaluation of Swedesurvey projects in the Baltic States and Poland. (Sida registration number 2000-0036085). The Terms of Reference (TOR) requested an assessment of some 16 projects that had been conducted by Swedesurvey and Mr. Jim Widmark¹ and a review of a proposal submitted by the Lithuanian Government for funding to continue some ongoing work in that country. Sida has funded all of the work. (The complete Terms of Reference for the project are included in Appendix A).

WaterMark submitted a proposal that included an assessment of the existing project paperwork, discussions with project personnel (Swedesurvey, Sida and in-country officials) and then a field visit to the actual projects sites; WaterMark Industries was awarded the project.

The Terms of Reference for the WaterMark assessment project require that a report for each country be submitted individually. This report summarizes the findings of WaterMark's investigations in Poland and offers recommendations for future activities in Poland.

¹ WaterMark was informed when visiting Sida before commencing the field work that Mr. Widmark's projects would be reviewed. Mr. Widmark is an individual that was retained as a management consultant to provide advice and council to in-country senior management. Sida funded Mr. Widmark's work.

2 Evaluation Methodology

The objective of the project was to evaluate the Sida funded land administration initiatives in each of the four (4) countries where projects were being reviewed. Among the key factors that were identified and analyzed from an institutional perspective were:

- state of economic development, land and housing markets, land restitution/privatization and property taxation
- programs related to the allocation, adjudication, and registration of rights (including documenting the present status of the land registration system/land book)
- progress of legislation as it relates to property
- organizational structure and inter-ministry cooperation (including defining the responsibilities of the central, regional and local governments)
- the financial situation within government (including determining the level of support government agencies receive to fulfill their tasks)
- client satisfaction (e.g., with the systems used when banks need collateral, selling and buying of real estate, municipal planning needs)
- relation to other projects (e.g., World Bank and EU/PHARE)
- environmental issues related to property
- gender issues related to property and administration

WaterMark also attempted to determine the main remaining weaknesses of the administrations and how these weaknesses and limitations affect the delivery of the respective authority's mandate.

WaterMark evaluated the performance and results attained by the Sida supported projects, listed in the Terms of Reference, in the fields of aerial photography, mapping, transfer of know-how and technology, and the development of land information and land management systems for the purposes of taxation. For each project, the project relevance, impact, cost-effectiveness and sustainability were evaluated.

On contract award, WaterMark executed the plan outlined in the response to the Request for Proposals. The general approach was to conduct the review in three (3) phases:

- | | |
|---------|---|
| Phase 1 | Project preparation including initial field visit plan |
| Phase 2 | Field visits for the purpose of information collection <ul style="list-style-type: none">• review of institutions and current situations within the countries• evaluation of Sida projects |
| Phase 3 | Analysis and report preparation |

2.1 Project Preparation

WaterMark requested and received a number of documents related to the 16 projects that Sida wanted assessed. WaterMark reviewed the documentation to evaluate all of the projects in each of the countries involved. This task included reviewing the following types of information, where it was available:

- initial contracts and amendments outlining objectives, terms of reference, and budgets and any subsequent amendments to the contracts;
- all quarterly and annual reports from Swedesurvey to Sida, including any budget or methodological changes;
- project work plans;
- consultancy reports;
- final reports and expenditures, if the project was completed

This analysis, including the institutional and economic review, provided the background for both the evaluation of existing Sida projects and for determining the relevance of future projects. Criteria developed for the evaluation was modified as required during the course of the analysis.

The documentation review assisted WaterMark in the identification of those personnel who were integral to the projects being assessed. WaterMark, with Sida's assistance, contacted those individuals to determine schedules and time commitments and then revised the originally proposed project schedule. A list of people interviewed is included in Appendix B.

The WaterMark team then visited Swedesurvey AB in Gävle, and met with as many of the Swedesurvey personnel² involved with the projects as possible. WaterMark also received and reviewed additional project documentation relating to project contracts, reports, work plans and expenditures.

WaterMark also met in Stockholm with the Sida task manager Hans Lundquist and other members of Sida responsible for projects in the individual countries³. After including Sida specific issues to be investigated while on mission, the WaterMark plan was modified and accepted.

2.2 Field Visits to collect Information

The WaterMark evaluation team left for the fieldwork portion of the project on April 28, 2001 by departing for Estonia to complete assessments of the following projects:

Öst-1996-235
Öst-1999-180

Öst-1996-280
Öst-1996-214

Öst-1998-227
Öst-1999-138

² Those Swedesurvey personnel that were seen as important to the project review but who could not be interviewed in person were communicated with via email.

³ WaterMark met with Ms Marie Larsson responsible for Estonia and Mr. Erik Wallin responsible for Poland. WaterMark was provided contact details for Ms. Helén Nilsson who was responsible for Lithuania and who was on mission in Lithuania. WaterMark met with Ms. Nilsson in Lithuania.

The Team then proceeded to Latvia and conducted assessments of the following projects:

Öst-1995-008
Öst-1999-179

LVA-0691

Öst-1997-177

The Team then proceeded to Lithuania and conducted assessments of the following projects:

Öst-1998-465
Öst-1998-186

Öst-1997 217
Öst-2000-0036085

Öst-1998-45

The Team then proceeded to Poland and conducted an assessment of the following project:

Öst-1995-150516

The Team then returned to Stockholm where we met with Sida and provided them with an overview of the project findings.

2.3 Analysis and report preparation

This report was prepared by WaterMark, in the performance of this contract and submitted to Estonia, Latvian, Lithuanian and Polish officials, Swedesurvey and Sida for review and approval. The report addresses

- the efficiency of the project delivery,
- the effectiveness of the project approach and deliverables, and
- the ability of the projects to support Sida's development goals.

The report includes an analysis of the various findings and recommendations from the interviews and project documents and offers the following documentation:

- findings of the project evaluations
- recommendations related to the findings
- considerations for future strategies for Sida.

3 Project Background

WaterMark Industries Inc. visited the Head Office of Geodesy and Cartography in Warsaw, Poland (GuGiK) where a general understanding of the land administration situation in Poland was developed and an assessment of the capacity of the GuGiK was made. WaterMark asked questions in an attempt to determine the degree to which GuGiK interacts with major players and stakeholders in land administration, considering both existing government bureaucracy and relevant legislation.

WaterMark also visited the City of Pabianice where the pilot project implementation of the property assessment system was reviewed and the knowledge transfer from Swedesurvey to their Polish counterparts was assessed. A short meeting also took place with Professor André Hopfer, formerly of the Institute of Regional Planning Olsztyn University of Agriculture and Technology and now teaching valuation at three other institutions.

3.1 Program Context

As per the document “Country Strategy for Development Cooperation for Poland⁴” the Swedish Government established a country strategy for development cooperation with Poland to guide the direction of Swedish development cooperation with Poland during the period 1999 to 2001. The strategy sees Poland as an important partner in most fields, from both bilateral and regional perspectives, not least within the framework of Baltic Sea policies. Sweden is interested in deepening Swedish-Polish relations in various areas of society.

A strategic goal for Sweden is that relations with Poland should develop in such a way that they become comparable with Sweden’s relations with other neighboring countries that are members of the European Union (EU). It is therefore predicted that development cooperation will continue to decrease and largely be phased out at the end of the current three-year period. However, support for EU integration will continue until Poland has become a member of the EU.

Of the overall objectives of Swedish cooperation with Poland, at least two are addressed by the project being reviewed:

- to deepen the culture of democracy
- to support a socially sustainable economic transition

The project focus was to assist Poland in establishing a basis for the mass assessment of land parcels for the purpose of taxation. This goal directly promotes a socially sustainable economic transition by supporting, within public administration, the development of property inventories, and tax administration. By doing this it also intuitively supports the deepening of the culture of democracy. These systems are also essential to the efficiency and security of the institution of private property that is part of the economic transition in Poland.

⁴ Country Strategy for Development Cooperation for Poland, January 1, 1999 – December 31, 2001, Ministry of Foreign Affairs, November 1, 1999.

3.2 The Project History

Project Öst–1995–150516 was originally initiated sometime prior to July 1992 as a “Pilot Implementation of LIS (land information system) in Poland”.⁵ It was temporarily suspended in July of 1992 and re-initiated in the December 94 – January 95 timeframe. The following table summarizes significant dates in the project's history:

Date	Activity
Before 1992	Project initiated
July 1992	Project suspended
Jan 1995	Project re-instituted by Swedesurvey
3-1996 to 4-2001	Project activities in valuation
2-1999 to 6-1999	Project activities in mapping
Nov-99	Swedesurvey submitted proposal to Poland for comments and approval ⁶

3.3 Scope of Work for the Project

Project Öst–1995–150516 was valued at SEK 3,969,000 and consisted of two (2) tracks. The first track was based in valuation and taxation and the second track was based in digital technology and topographic mapping.

The main players involved in the project were as follows:

From Swedish side	Swedesurvey
From Polish side	Head Office of Geodesy and Cartography, GuGiK in Warsaw, PPU Geobid – a Polish private company City of Pabianice

Deliverables of the Supplementary Agreement include the following:

1. To present brief information on the Swedish system of general valuation and its connection with the assessment of taxes on real estate and cadastre,
2. To work out detailed principles of carrying out in Poland general (official) valuation of real estate, connect with cadastre of real estate as closely as possible,
3. To enable a Polish group of experts to become fully acquainted with the Swedish general valuation of real estate; a group of 4 to 6 people should pay a 7-day visit,
4. To ensure that Swedish consultants will offer their direct help and advice during the pilot implementation of general valuation in a selected district in Łódź province; one expert should pay two or three 5 – day visits,

⁵ The project history is at best vague. The documentation assessed during this review was based on the “Supplementary Agreement to the Project of the Pilot Implementation of the LIS in Poland - Öst–1995–150516” The original agreement was never provided to WaterMark and is not part of this review.

⁶ As per letter from Tommy Osterberg to WaterMark dated 2001-06-28.

5. To ensure the participation of 2 or 3 Swedish experts in a 2 – 3 day scientific and technical conference organized by the Surveyor General of Poland,
6. To hand over to the Polish national geodetic and cartographic service digital technology (GIS) for making topographic maps in the scale of 1:10 000 and 1:50 000, adapted to the Polish requirements of map editing,
7. To ensure advice and direct assistance of Swedish consultants in implementing the digital topographic map.

4 WaterMark Findings

The WaterMark team made assessments of:

- the institutional arrangements related to land administration existing in Poland, from a general perspective and
- the output and results of the specific project funded by Sida.

Sections that follow offer details of the findings.

4.1 Institutions

The findings outlined in this section relate to government activities as a whole and how the assistance provided to Poland, by Sweden, has made an impact on the Polish government's approach to land management issues.

With reference to institutions, WaterMark conducted our review based on the “staircase model” and its three indicators:

- Does the organization deliver expected output?
- Does the organization carry out internal changes on its own?
- Does the organization work actively with its clients?

4.1.1 National Operations

Currently the responsibility for land management in Poland is divided between three (3) government ministries:

- *Ministry of Justice* is responsible to register rights to real estate;
- *Ministry of Finance* is responsible for taxation; and
- *Ministry of Regional Development and Construction* is responsible for physical cadastre and valuation.

The WaterMark Team met exclusively with the Ministry of Regional Development and Construction – the Head Office of Geodesy and Cartography⁷. Scheduling difficulties with the Polish side did not provide for any additional interviews

4.1.1.1 Ministry of Justice

The Ministry of Justice is responsible for the land register for rights that are kept and maintained by 320 local courts throughout the country. The interaction between the Ministry of Justice and the other Ministries involved in land management issues has been limited.

4.1.1.2 Ministry of Finance

The Ministry of Finance is responsible for taxation. There is no tax on the value of land in Poland. Polish law currently in effect dictates that the tax is based on the area of the land parcel.

⁷ Information included in this report on the other ministries was provided during the interviews with GuGiK.

A new law on real estate taxation was passed on Jan 1, 1998 and includes provision for mass valuation. The principles of the law⁸ are as follows:

- the cadastral value should equal market value as much as possible;
- for mass valuation of land, taxation maps should include value zoning; and
- a factor should be used for buildings that refers to building location.

However, the law can only be enacted when supporting regulations are passed. Elections were scheduled for September 2001 and Polish politicians were not keen to address the regulation requirement until after the elections, as there is a public impression that market-based values will increase property values and hence the tax burden. Because of this concern, the regulation has not been passed.

The Polish government is preparing for mass valuation, but in most cases, the cadastre does not have information on real estate values.

Information provided by the Ministry of Finance is made accessible to the public at no charge.

4.1.1.3 Ministry of Regional Development and Construction – Head Office of Geodesy and Cartography

The Head Office of Geodesy and Cartography is responsible for both mapping and the land cadastre in Poland. The GuGiK administers Poland through three levels (3) of government:

- Headquarters (located in Warsaw)
- Provincial representation (the country is divided into 16 provinces)
- District (there are 373 districts in Poland.)

Figure 1 provides an overview of the administrative boundaries in Poland.

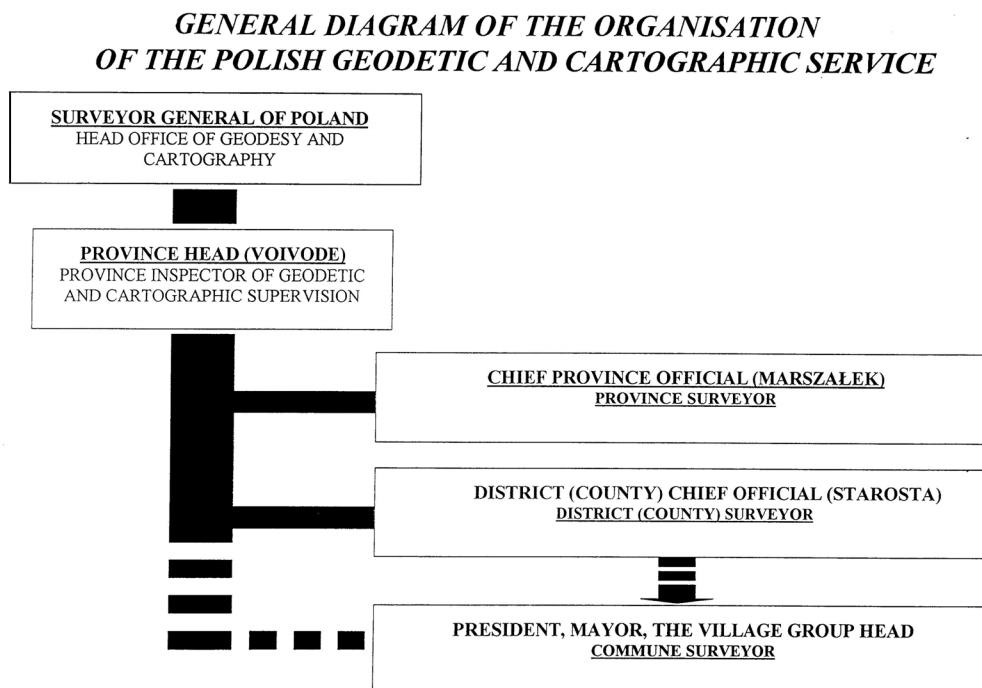
⁸ Swedish expertise was used to develop the law in Poland and it is fashioned after the Swedish law.

Figure 1 - Overview of Administrative Boundaries of Poland



There are nine (9) individuals at headquarters in Warsaw who are responsible for setting guidelines and rules (technical standards) for the administration of the real estate registry and for setting guidelines, technical standards and pricing for mapping. In each province, an inspector supervises all of the districts. The operations and maintenance of the cadastre registry is conducted at the district level. In every district there are representatives for both land cadastre and the maintenance of surveying and geodetic and cartographic resources. Figure 2 provides an overview of the Organization of the GuGiK.

Figure 2 – General Organization of the GuGiK



Valuations used by the Office of Geodesy and Cartography are obtained from notarial records. The notaries copy deeds that they process prior to submitting them to the land cadastre. The GuGiK also gets information from valuers who gather information in the district offices.

The Headquarters of the GuGiK is funded from the national budget. The district offices are funded from three (3) sources:

- Subsidies from the regions
- A dedicated fund for the management of Geodetic and Cartographic Resources
- Budgets of the municipalities (a municipality can be a district – e.g., Krakow)

In the year 2000 the budget for subsidies from the regions was 42 000 000 zlotys, (SEK~ 112 000 000). In the year 2000, districts also had money from the fund for Geodesy and Cartography (100,000,000 zlotys – SEK~ 267 000 000) but only a small percentage was used for the real estate cadastre.

4.1.2 International Activities

The GuGiK has examined land valuation systems in Holland, France, Germany and Austria. During conferences held in Warsaw they were also made aware of systems in Belarus, Russia, Canada and the USA.

GuGiK is currently preparing for a PHARE project that is to include valuation and will include experts from Saxony, France and Holland.

GuGiK has had two (2) PHARE projects in the past. There was another PHARE project for the Modernization of the Real Estate Cadastre using photogrammetry to produce maps in the Ministry of Agriculture.⁹

Foreign aid and experience related to valuation has also included the following:

- Dutch aid for work on the cadastre to streamline it and the rules required to access the database
- USAid in Krakow with a private company (not with GuGiK)
- A World Bank grant being explored by a Governmental Team for Development and Coordination of Real Estate Information System
- In PHARE presentations where other EU countries gave presentations to GuGiK;
- Through participation in MOLA (now the UNECE Working Party on Land Administration) and hosting the conference in Poland in 1997.

4.1.3 Education Infrastructure

Valuers in Poland must take post-graduate courses according to the *Act of Real Estate Management*. The Office of Housing and City Development gives licenses to private valuers. To receive a license one must sit examinations, complete 250 hours of study and have professional experience. There are 3 500 private valuers in Poland.

Standards used by valuers in Poland are certified by TEGOVA¹⁰.

4.2 Projects

The project review includes comments from a strategic perspective, from a technical perspective and from a management perspective. The strategic review addresses issues from a Swedish perspective vis-à-vis the funding program. The technical review addresses the content of the project. The management review addresses how Swedesurvey implemented the content.

4.2.1 Strategic Perspective

Polish EU Accession is currently planned for the 2004 timeframe. The project being reviewed by WaterMark addresses the following criteria in support of the basic EU entrance requirement of the existence of a functioning market economy;

1. Establishment of a real property administration system
2. Creation of favorable conditions for the development of real property and credit markets
3. Ensuring the registration of all real properties and the rights held in them
4. Ensuring the development of the real property cadastre and register information system
5. Establishment of a real property valuation system for taxation

⁹ Very little was known about any of these projects by those individuals currently administering GuGiK.

¹⁰ TEGOVA is The European Group of Valuers of Fixed Assets

While the land management project supports the above, Poland continues to have issues meeting the EU requirements¹¹.

In reviewing program progress, Sida may wish to consider the following areas.

4.2.1.1 Environmental Impact

These projects do not have a direct impact on environmental issues. However, good mapping information and the capability to portray that information can assist in very dramatic ways to environmental issues and protection. For example:

- Maps are used in contingency planning and response to environmental accidents;
- Property data is an important source of information for identification of high stress areas where new development may be compromising the local environment;
- Zoning, using property and other map data, is used to appropriately plan the development of cities and facilities to manage environmentally sensitive areas in municipalities and rural areas;
- Emergency response capabilities provided by the integration of accurate positioning and graphic maps can facilitate a more appropriate response to an emergency, either environmental or otherwise.

4.2.1.2 Gender Issues

There appear to be few issues in this project with respect to gender. These can be divided into two components:

- **Participation in the Project and Land-related Agencies:** The Sida practice of ensuring women, as well as men, participate in study visits and training helps to ensure that women are given opportunities to become directly involved with the project. As found in Sida land administration projects in other countries, this should assist Polish women in competing for project-related positions. The GuGiK has women in management positions who are directly involved with project implementation. It was noted to the Watermark team, that traditionally men dominated the geodesy and field surveys sections while there were more women than men in cartography, cadastre, and valuation. This balance is consistent with other former Soviet nations and actually shows a greater role of women in some fields than exists in many western countries such as Britain and its former colonies. The question of whether women will be able to assume top positions in the agency will have to be answered over time, but projects such as those supported by Sida will certainly enhance the chances of active participation.
- **Access to Property:** WaterMark was told that the law protects the rights of men and women equally with respect to access to real property, including provisions for divorce and inheritance. As in other countries however, to make this access effective, people also need access to financial resources, information, and legal recourse. In this respect the Sida project in land valuation may help in building the property markets and access to credit.

4.2.2 Technical Perspective

The technical review addresses the technical content of track 1 – real property valuation for taxation purposes and track 2 – digital technology and topographic mapping.

¹¹ *The Economist*, "A survey of European Union enlargement", May 19, 2001

4.2.2.1 Real Property Valuation for Taxation

The objectives of this track of the project *have been achieved*. Specific project findings are as follows;

1. The transfer of knowledge concerning general valuation and its connection with the assessment of taxes on real estate and cadastre has been completed. There have been a number of training sessions both in Sweden and in Poland and experts from both countries have been involved in various levels of training.
2. The Polish side has a good understanding of how and what information and systems must be established in Poland to install and operate a Polish valuation and assessment system of taxes on real estate and cadastre. A Manual for Valuation and Assessment based on Swedish practice has been prepared and translated into Polish during the project. It has been modified to reflect the Polish environment, and is designed to assist not only in the valuation of real estate, but also in connecting valuation to other cadastral systems as closely as possible.
3. A pilot project has been conducted in the City of Pabianice¹² in Łódź province for the purpose of implementing a general valuation system. Swedish consultants offered their direct help and advice during the pilot. The pilot project does represent an installed general valuation system, based on the Swedish model.
4. From the Polish side, the pilot project in Pabianice was very important because it represented the first work on mass valuation by GuGiK. It was suggested by the Swedish consultant that it would take another 10–15 years to develop a fully functional national mass appraisal system due to institutional and data constraints. This was a practical exercise that the Polish counterpart should be able to build on. The pilot project results included:
 - An increase in the estimated value of real estate;
 - An increase in the rates for perpetual use properties;
 - Information on the value of real estate for the municipalities where the pilot projects were conducted;
 - Assistance to the municipalities in fulfilling their tasks (They find it very advisable to change the taxation values, but can't because new regulations are required).
5. The pilot project's mass valuation is not used by the Polish government to determine taxes at the present time, but the results from the project have been shared with at least four other municipalities and discussed at conferences sponsored by the project and attended by many senior Polish technocrats. The new regulations on land and building registration have noted the need for a cadastral value when available.
6. Unfortunately, the mass valuation pilot was unable to gather sufficient data to make accurate estimates of the value of real estate, because there were very few officially reported transactions in the city of Pabianice, especially of land parcels and one or two family houses. Furthermore, the Swedish model is apparently inappropriate for valuing apartments, on which there were sufficient numbers of transactions to make a good estimate of values. This has led the city to make assumptions based on values that are very likely inaccurate.¹³

¹² The Pilot Project was in the municipality of Pabianice (not the district of Pabianice)

¹³ For example, the value per square meter of larger one or two family houses was found to be significantly lower than that of smaller houses, a result which makes little economic sense unless size is negatively correlated with age or some other variable.

The only remaining task to be completed under the Terms of Reference for the assessment and valuation component is a final scientific and technical seminar to be organized by the Surveyor General of Poland and with participation of Swedish experts. While it was proposed that this seminar be conducted in the spring of 2001, Polish officials have requested that the seminar be postponed until the November/December 2001 timeframe. There was an election in Poland in September 2001 and it was felt that the delay would be prudent.

4.2.2.2 Digital technology and topographic mapping

The objectives of this track of the project *have not been achieved*.

Very little was known about the mapping portion of the project anywhere – in Swedesurvey or in Poland. The only information obtained from the Swedish side for the mapping was a report received from Sida. The report was written in 1999 and was accompanied by an associated invoice.

The only individual that was able to provide information above the mapping track in Poland was Mrs. Ewa Malaanowicz. She was involved in the mapping portions of the project from the Polish side when it was being considered in 1998 and in 1999, during some of the study tours.

The following is a summary of the findings of the mapping track of this project as it could best be constructed given the information provided to WaterMark:

1. A project involving digital mapping was originally conceived in the mid-1990s when BITS was involved. However it was not until September 1998 that the Swedish side actually delivered a proposal to Poland concerning a project valued at 520 000 SEK. The aim of the proposal was initial cooperation in mapping and it was to begin in 1999.
2. There were some visits to Poland in early February 1999 and also a meeting with three (3) private sector firms Polish firms. (Warsaw Geodetic Enterprise, KPG Krakow, OPGK Krakow). This visit resulted in a report being written about the state of digital map production in Poland at the time.
3. In late Feb 1999 there was a study tour to Gävle. This study tour was designed to provide an opportunity for the Polish counterparts to get familiar with the structure of the topographic database in Sweden and study how much of the database management system could be applicable to Poland. In June of 1999 there was a seminar in Warsaw¹⁴ that resulted in the Swedish side generating a proposal for further cooperation between Poland and Sweden. The proposal prepared by the Swedish side was not acceptable to the Polish side. No one understands the reasons behind the disagreement between the Polish organization and Swedesurvey. The only explanation given was that Swedesurvey wanted to provide their training programs and the GuGiK wanted to have Swedesurvey audit their mapping system to provide an assessment of its strengths and weaknesses. The last Swedesurvey representative to manage this component of the project did not apparently have the required mapping background. Due to this disagreement on objectives a contract was never signed.
4. The next contact with Sweden was with a Sida representative in December 2000. Mr. Wallin was briefed on the situation.

¹⁴ Attending the seminar from the Swedish side were Thomas Norlin, Irena Otto and Anders Ekengren

4.2.3 Management Perspective

The management aspects of the project were reviewed from a task management perspective. Comments are made on the financial management aspects of the project as information was encountered. Sida has informed WaterMark that the financial review of these projects is outside of the scope of the WaterMark review.

4.2.3.1 Project Management

Swedesurvey considered this project to have only one track – valuation. However, the documentation provided to WaterMark, indicates that there were two tracks to this project; one on taxation and valuation and the other on digital technology and topographic mapping.

From the valuation and taxation side, Swedesurvey had identified an individual to be responsible for project delivery.¹⁵ Project management for the valuation and taxation track of this project was evident;

- reports were generated,
- there were elements of cost control,
- each report generated by the project manager for Swedesurvey was signed by the Polish counterpart,
- the deliverables have been received by the Polish side,¹⁶
- a final report has been written and
- the Polish counter-parts indicate that they are satisfied.

There was no one involved from Swedesurvey side that assumed the responsibility of the digital technology and topographic mapping component of the project. Because there was no single individual involved in the overall management of the project, there was no one to notice that this portion of the project was stopped. Evidence provided to WaterMark from the Polish counter-part side indicates that Swedesurvey ‘dropped the ball’. Correspondence received from Swedesurvey after the draft report was submitted offered some perspective from the Polish side.¹⁷

4.2.3.2 Financial Management

The documentation supporting financial management of the land management project was limited. Comments made here are intended only to provide an indication of information encountered during the review. Sida has indicated to WaterMark that financial reporting is covered elsewhere and is outside of the scope of the WaterMark mandate.

There was evidence of financial management in track 1. Each report generated for the reporting period indicated the following:

- what the costs for the period were,
- whether or not there were any divergences from the plan and
- provided a forecast for the next period.

¹⁵ Swedesurvey had Mr. Arne Sunquist as their lead individual for the valuation and taxation.

¹⁶ The only remaining task to be completed under the Terms of Reference for the assessment and valuation component is a final scientific and technical seminar.

¹⁷ As per letter from Tommy Osterberg to WaterMark dated 2001-06-28.

5 Conclusions/Recommendations

The conclusions/recommendations of the WaterMark team are divided into the following:

- Institutions
- Projects

Each of the conclusions and recommendations address the findings in Section 4.

5.1 Institutions

5.1.1 National Operations

The WaterMark Team concludes from our review that at the national level, the institutional environment in which the technology transfer was made for land information systems and valuation processes was less than ideal¹⁸. There are three government agencies¹⁹ responsible for the individual processes involved in land management for valuation and taxation and there appears to be little coordination among them²⁰.

With respect to the *Staircase Model*, those parts of the government responsible for land information management infrastructure have been exposed to what is expected in a land management system and they have participated in a pilot project that ‘proved the concepts’. However, the government has not accepted the findings of pilot project in that it has not adopted similar processes countrywide. While the information has been shared with other communities, the difficult step of implementing the processes has not been made. To that end, the government has not been able to adapt to changes dictated by internal and external demands. WaterMark saw little indication that the government was actively marketing their services to clients and that they were ‘customer oriented’ outside of the pilot project work. Whether or not the yet-to-be-held seminar on taxation would further encourage senior Polish government officials to accept the pilot project valuation concepts is unknown.

The separation of responsibilities for the registration of property rights, the management of the real estate cadastre and property taxation, introduces a level of complexity into any system that manages land. For this system to be effective, the level of communication and information must be very high.²¹

¹⁸ It must be noted that in the pilot project there was good cooperation between the city, the county, the national agency and the private sector.

¹⁹ Ministry of Regional Development and Construction, Ministry of Finance and Ministry of Justice

²⁰ It was noted by the Arne Sundquist that cooperation did eventually improve between the Ministry of Justice and the Ministry of Internal Affairs.

²¹ It should be noted that the valuation expert from Swedesurvey, Mr. Arne Sundquist, made a number of attempts during his visits to meet with and include representatives of all three agencies.

1. *WaterMark recommends that in future Sida should be more aware of the existing and continually evolving arrangements between government departments, which can impact on the project²². Specific actions, such as contract conditions, could be considered to establish and encourage this cooperation. In-country Swedish Embassy and Sida representatives could also be briefed as to the importance to projects of interdepartmental co-ordination.*

5.1.2 International Activities

WaterMark concludes that the Polish government is examining any and all options to fund its efforts to address the requirements to enter the EU. (e.g. the World Bank Grant / PHARE Projects)

2. *WaterMark recommends that **if Sida should decide** to continue to fund projects in Poland, Sida should endeavor to track Poland's efforts to secure international funding for projects so that Sweden can both compliment those efforts, should it desire to do so and ensure that Swedish funding is not redundant.*

5.1.3 Education Infrastructure

The WaterMark Team concludes that the land valuation concept is well established in the education and training infrastructure. One of the better methods to determine the degree of acceptance of a technology, methodology, or ideology in society is to review its penetration into the education system. An established training infrastructure with certification and rules for admission usually bodes well for the longer-term survival of the 'new' ideas.

5.1.4 Environmental and Gender Issues

The evaluation found that there were no negative environmental impacts caused by the projects. Instead it should be noted that the mapping and real property information management projects provide a critical basis for many kinds of land use planning and monitoring activities.

Gender equity related to access to property are addressed in the legislation and property restitution procedures. However, there is also a need for financial and legal resources to make that access is effective. In this review there were no specific barriers discovered.

In former Soviet countries, there is a general division of labour where cartography, valuation, and cadastral activities are female dominated and geodesy and field surveying are male dominated, yet in most cases there are few women in senior management. Sida policies for gender inclusion in study visits and training help to ensure that women actively participate in the projects, providing a foundation for future promotion and advancement. With the emphasis on gender inclusion and support of education and new technologies, Sida funded projects should help to lessen any gender inequalities in the workplace but this will be a long-term transformation.

5.2 Projects

The land management portion of the project was conducted in an efficient manner and with the appropriate resources from the Swedish side. It is WaterMark's assessment that the land management portion of the project was conducted in a cost effective manner in that the services provided for the fees paid did result in the project being completed.

²² While this is true even in the case of bureaucracies within an environment of long standing democratic government, it is even more the case in government organizations where departments are scrambling for a larger part of the bureaucracy.

5.2.1 Technical Recommendations

5.2.1.1 Real Property Valuation for Taxation

The WaterMark Team concludes that before Poland can institute a truly market based valuation system it will need to address some of its data deficiencies. It will need to consider how a transaction register can be developed and maintained in conjunction with the Land Book and the land register, including mechanisms to verify sales prices given by notaries.²³ Since there are relatively few transactions for many types of land, e.g. rural, and buildings, the development of a reliable transaction register is probably years away.²⁴

The selection of Pabianice as the site for the introduction of mass valuation procedures offered a well-defined area for the pilot project. However, the real estate market is not very active and there have not been very many transactions. This lack of market information forces the establishment of derived adjustment factors that may or may not be appropriate.

3. *WaterMark recommends that efforts be redirected towards the gathering of market information from all sources (banks, brokers, notaries, private valuers), and towards some means of verifying the accuracy with which the value of transactions is reported to the notaries.*

The WaterMark team concludes that this project, for all intents and purposes, is complete and should be formally concluded.

4. *Watermark recommends that Sida consider the following:*
 - *Formally close the project off*
 - *Monitor the results of the election with regard to taxation*
 - *If appropriate open another project that would include the seminar as well as the development of an information campaign to show that in the long term mass evaluation may be more equitable.*

5.2.1.2 Digital technology and topographic mapping

The WaterMark Team concludes that the mapping portion of this project has failed.

5. *WaterMark recommends that the mapping portion of this project be formally closed. If it is deemed appropriate to re-initiate mapping, \ GIS, or database activities with the GuGiK, WaterMark recommends that the project be outside the scope of the current project.*

5.2.2 Management Recommendations

5.2.2.1 Project Management

The project management of the project was not to the level one would expect for an international project with a value of SEK 3 969 000. This is partly because of the discontinuity caused by a number of individuals being involved over the timeframe of the project, and partly because of a lack of an overall coordinator, from Swedesurvey.

6. *WaterMark recommends that Sida require timelier reporting from Swedesurvey. This would result in Sida receiving information in time to effect the necessary changes in project implementation*
7. *WaterMark recommends that Sida implement a policy of periodic face-to-face meetings between Swedesurvey and Sida, on each of their projects. This would increase the accountability for both Sida and Swedesurvey.*

²³ In many transition countries, it has been discovered that the parties to real estate transactions systematically understate the price at which the real estate object was transferred, in order to avoid some of the property tax liability. Therefore there must be some independent capacity to estimate the market value.

5.2.2.2 Financial Management

WaterMark comments on financial issues are intended to indicate that some documentation was encountered during the review. Sida has informed WaterMark that financial control is addressed in other systems and is outside the scope of this review.

Figure 3 summarizes the WaterMark recommendations.

Figure 3 - Summary of Recommendations

Project Aspect	Review Area	Recommendation
Institutional	National Operations	1. WaterMark recommends that in future Sida should be more aware of the existing and continually evolving arrangements between government departments, which can impact on the project. Specific actions, such as contract conditions, could be considered to establish and encourage this cooperation. In-country Swedish Embassy and Sida representatives could also be briefed as to the importance to projects of interdepartmental co-ordination.
Institutional	International Activities	2. WaterMark recommends that Sida endeavor to track Poland's efforts to secure international funding for projects so that Sweden can both compliment those efforts, should it desire to do so and ensure that Swedish funding is not redundant.
Project Specific	Technical – Valuation	3. WaterMark recommends that efforts be redirected towards the gathering of market information from all sources (banks, brokers, notaries, private valuers), and towards some means of verifying the accuracy with which the value of transactions is reported to the notaries.
Project Specific	Technical – Valuation	4. Watermark recommends that Sida consider the following: <ul style="list-style-type: none"> Formally close the project off Monitor the results of the election with regard to taxation If appropriate, open another project that would include the seminar as well as the development of an information campaign to show that in the long term mass evaluation may be more equitable.
Project Specific	Technical – Mapping	5. WaterMark recommends that the mapping portion of this project be formally closed ²⁴ . If it is deemed appropriate to re-initiate mapping, GIS, database activities with the GuGiK, WaterMark recommends that the project be outside the scope of the current project.
Project Specific	Project Management	6. WaterMark recommends that Sida require timelier reporting from Swedesurvey. This would result in Sida receiving information in time to effect the necessary changes in project implementation
Project Specific	Project Management	7. WaterMark recommends that Sida implement a policy of periodic face-to-face meetings between Swedesurvey and Sida, on each of their projects. This would increase the accountability for both Sida and Swedesurvey.

²⁴ Arne Sundquist suggests 15-20 years would be needed.

²⁵ This recommendation should only be considered in if Recommendation 4 is not adopted.

5.3 Limitations of the Review

The limitations of this review and their respective impacts are provided below;

1. Lack of documentation and information from Swedesurvey and the Polish counterpart on the mapping project limits the completeness of this portion of the review. Information was only received from the Polish side and the best source of information from the Polish side was unavailable for WaterMark to interview.²⁶
2. The WaterMark Team was only able to schedule meetings with the central government agency responsible for the registry due to problems in firming up Polish schedule. This is a very complex institutional setting that would have required a much greater involvement on the part of WaterMark and as the project is winding down, this would not be a good use of Sida money.

²⁶ Mr. Petroski was sick both days that The WaterMark Team attempted to see him

6 Lessons Learned

1. Sida requires a better system to track project progress and reporting. Inadequate and untimely reporting leads to projects being delivered out of scope and over budget.
2. Sida should review projects routinely during project execution and directly after projects are completed. Failure to review projects in a timely fashion leads to the continuation of undesirable practices over subsequent projects. Projects that are not reviewed for some years after a project is completed and individuals have moved on provide very little information about project activities. They only provide some assurances that the project was executed in some fashion.
3. Successful projects require a project champions on both the Swedesurvey side and the counterpart side. If people are interested and committed, the work gets done, even when things happen to impede the work. The taxation side of the project was completed because of the Swedesurvey champion. The mapping side of the project had no champion; hence there was not the same level of effort expended to get the project completed.
4. As countries move towards democracy internal politics will play a greater role in how and why project results are implemented.
5. The pilot project concept is a good one as it provides a good forum for Swedish experts to perform and for their counterparts to learn. It also no doubt strengthens the long-term relationships between corresponding government agencies.
6. Land reform projects are long term and require long term support if the eventual goals are to be realized. In the 1990s, western nations have expected change in the former Soviet world to be accomplished in a decade, when the same changes and system development took centuries at home. Donors should be more cognizant of the need for long-term support and more patient with the institutional structures that are reacting to rapid change.
7. There is a need in land administration to pay more attention to the medium and long term affects on the operation of the property markets of such policies creating self-financing agencies, privatization, and fee and pricing strategies. Too often a short-term revenue generation scheme can undermine the initial development of reliable systems because people in any society will always find a way around regulations with which they cannot or will not comply.
8. The manual drafted by Arne Sundquist for use by Swedish valuers and subsequently translated into Polish appears to have provided an excellent basis for the technology and knowledge transfer concerning mass valuations for the Polish counterparts. This same manual *might provide* an excellent tool to other countries that Sweden is working with in their efforts to establish a mass valuation system.

Appendix A

Terms of Reference for the evaluation of Sida's support to the Land Reform related activities in Estonia, Latvia, Lithuania and Poland

Description of Sida

The Swedish International Development Cooperation Agency, Sida, is responsible for Swedish bilateral development and disaster aid. Sida also handles most of the co-operation with countries in Africa, Asia, Latin America as well as Central and Eastern Europe. Sida has approximately 650 employees – including expertise (of whom approx. 100 in the field) in economics, technology, agriculture, healthcare, education and environmental protection.

For more information, please see Sida's homepage: www.sida.se

1. BACKGROUND

Aims and objectives of the Swedish co-operation with Central and Eastern Europe

The overall objective of the Swedish co-operation with Central and Eastern Europe is to support the transformation towards democracy and market economy. The Swedish Parliament has defined four goals for this assistance and co-operation:

- Promote common security
- Deepen the culture of democracy
- Support socially sustainable economic transition
- Support environmentally sustainable development

To guide the directions of the Swedish development co-operation with Estonia, Latvia, Lithuania and Poland, the Swedish Government has approved the establishment of a country strategy. (See Country Strategies for Estonia, Latvia, Lithuania and Poland, Annex E).

EU integration is an overall objective for the Swedish co-operation programme. The emphasis should be on supporting efforts to comply with the obligations stipulated by EU legislation and regulations, the *acquis*. Therefore the support to the land reforms also mean adjustments to one of the EU criteria, the one for a functioning market economy. The support should according to the strategy and Sida's policy primarily be provided in the form of technical co-operation, transfer of Swedish knowledge focusing on strategic measures chiefly designed to enhance the development of expertise and institutions.

Moreover, Swedish programmes of development co-operation shall be permeated by a perspective of equality between women and men.

Support to the land reform in Estonia, Latvia, Lithuania and Poland

Sweden has provided support to activities related to the land reform in the Baltic States and Poland since 1992, mostly through Swedesurvey AB. So far within this field, approximately MSEK 21,5 have been allocated to projects in Estonia, MSEK 24 to projects in Latvia, MSEK 20,7 to projects in Lithuania and MSEK 4,1 to projects in Poland. The projects have mainly concerned to develop and implement the Land Information System, orthophoto mapping and to

develop the Land Administrations in the Baltic States into modern land surveying administrations. With the new PHARE guidelines EU has considerably decreased its support in this field. A complete list of Sida financed projects is found below. In view of the relatively extensive support in this field, Sida has decided to undertake an evaluation of the achievements to date and to review the needs for and relevance of possible further support in this field to the Baltic Countries and Poland. To undertake this evaluation, Sida intends to procure an independent consultant team (the Consultants). These Terms of Reference will guide the work to be done by the Consultants.

Evaluations regarding land reforms in Estonia, Latvia and Lithuania was previously undertaken in 1996 (See Annex D for further information).

2. PURPOSE

The purpose of the evaluation is to briefly describe the present situation and evaluate the relevance, effects, impact, cost-effectiveness and sustainability of the Swedish support so far provided by Swedesurvey in activities related to the land reform process in Estonia, Latvia, Lithuania and Poland. The purpose is also to review the capacity of the institutions, institutional development, satisfaction of stakeholders and the needs for and relevance of possible further support.

Furthermore the Consultant shall assess the relevance of one new project proposal in the field of Land Market Development in Lithuania. It is expected that the evaluation will provide background information for decisions on further support to this sector in Lithuania.

3. SCOPE OF WORK (ISSUES TO BE COVERED IN THE EVALUATION)

The consultant shall:

3.1 Institutions

Make an overall assessment of the current situation in each country and briefly describe the present capacity of the four administrations and their interaction with major actors and stakeholders considering both central and local level as well as relevant legislation.

The assessment shall i.a. include:

- responsibility between central, regional and local level
- present status of the land registration system including land book
- Clients satisfaction i.e. to which extent can the system be used when banks need collateral's, selling and buying of real estate, municipal planning needs etc.
- The administrations' relations and support by their respective Governments enabling them to fulfil their tasks, coherence with other authorities, resources etc.
- financing possibilities in addition to government allocations
- brief description of other major donors and their activities

Assess the institutions according to the "staircase model" and its three indicators:

- "the organisation delivers expected output"
- "the organisation carries out internal changes on its own"
- "the organisation works actively with its clients"

Which are the main remaining weaknesses of the administrations?

3.2 Evaluation of Sida's projects

The consultant shall:

Evaluate the performance and results attained by the Sida supported projects, listed on pages 5–6, in the field of aerial photography, mapping, transfer of know-how and technology and the development of land information systems. Its relevance, effects, impact, cost-effectiveness and sustainability shall be evaluated.

- Have objectives and goals of the projects been achieved? Reasons for low or high achievement as per organisational, administrative, technological factors both related to recipient organisation and Swedish support.
- Do the Administrations have capacity enough with sufficient quality to further process aerial photos to good and adequate product for end-users within a reasonable period of time?
- Performance as to project implementation by the respective Administrations as well as by Swedesurvey
- Have the reporting routines and reports been satisfactory?
- Have the projects been cost-effective? Could the same results have been achieved with less resources?

Discuss the project effects on both women and men in planning and implementation of the projects.

3.3 Specific project proposal on continued support to Lithuania

The consultant shall:

- Assess the new project proposal as to its relevance, development effects, cost effectiveness and relation to other external support and give recommendation to Sida.

4. METHODOLOGY, EVALUATION TEAM AND TIME SCHEDULE

Method of work

A suggested method of work could be as follows:

- Study project related and other relevant documentation at Sida. Make a visit to Swedesurvey before and after the field trips to Estonia, Latvia, Lithuania and Poland.
- The Consultant should visit relevant institutions including the counterparts, the National Land Board in Estonia, the State Land Service in Latvia (SLS), the State Land Cadastre and Register in Lithuania (SLCR) and the Head Office of Geodesy and Cartography in Poland (GuGiK). The Consultants should also make a selection of main users of material and services furnished by the Land Surveying Administrations and select local offices of the land administration authorities for interviews.

Undertakings

The Consultant will be responsible for practical arrangements in conjunction with missions to Estonia, Latvia, Lithuania and Poland and other visits. Sida will make available or cause to make available all written material (reports, project preparation documents, project completion reports, etc.) deemed to be of relevance to the evaluation by the Consultants and Sida. Respective Area Manager at Sida will inform the counterparts of the forth-coming evaluation. Responsible officer for the evaluation at Sida will inform Swedesurvey.

Evaluation team

At least one of the members of the evaluation team should have skills and experience in the area of land administration and land management. Knowledge in real estate economics, banking and land code issue is also needed. It is preferable that the project co-ordinator is a senior economist. The members of the evaluation team are expected not to have been involved in previous projects or in other way impartial.

A binding list of staff (including signed CV's) should be part of the tender (see Instructions to Tenders)

5. REPORTING

All reports should be written in English. The reports should be outlined in accordance with Sida Evaluation Report – A Standardised Format (see Annex A) The final report shall be written separately for Estonia, Latvia, Lithuania and Poland.

After the visits to Estonia, Latvia, Lithuania and Poland, the Consultant will submit first draft report to the Estonian, Latvian, Lithuanian and Polish counterparts concerned and Swedesurvey for their review. After having received the counterparts' and Swedesurvey's comments, 5 copies of final reports for each country separately, will be submitted to Sida. Within two weeks after receiving Sidas comments on the draft report, a final version in 5 copies and on diskette shall be submitted to Sida. Subject to decision by Sida, the report will be published and distributed as a publication within Sida Evaluation series. The evaluation report shall be written in Word 6.0 for Windows (or compatible format) and should be presented in a way that enables publication without further editing.

The following enclosures shall be attached to the final report:

- Terms of Reference
- List of persons interviewed
- List of documentation

The evaluation assignment includes the production of a Newsletter following the guidelines in *Sida Evaluations Newsletter – Guidelines for Evaluation Managers and Consultants* (Annex B) and also the completion of *Sida Evaluation Data Worksheet* (Annex C). The separate summary and a completed Data Work Sheet shall be submitted to Sida along with the (final) draft report.

6. LIST OF PROJECTS TO BE EVALUATED

- (R) = Requested project
(C) = Completed project
(O) = Ongoing project
(I) = interrupted project

Estonia:

Öst-1996-235	SEK 2 911 000	Decision 1996-09-11	(I)
Öst-1996-280	SEK 5 000 000	Decision 1996-11-06	(C)
Öst-1998-227	SEK 3 745 500	Decision 1998-05-06	(O)
Öst-1999-180	SEK 798 699	Decision 1999-04-20	(O)
Öst-1996-214	SEK 395 000	Decision 1996-08-19	(C)
Öst-1996-138	SEK 664 000	Decision 1999-03-23	(C)

Projects reviewed in the previous evaluation:

Latvia:

Öst-1997-177	SEK 5 860 000	Decision 1997-06-11	(O)
Öst-1999-179	SEK 4 133 608	Decision 1999-04-09	(O)
LVA-0691	SEK 5 314 000	Decision 1994-05-27	(C)
Öst-1995-008	SEK 1 690 400	Decision 1995-07-18	(C)

Projects reviewed in the previous evaluation:

LVA0531	SEK 1 100 000	Decision 1992-01-20	(C)
LVA0151	SEK 134 000	Decision 1991-09-30	(C)
LVA0531	SEK 2 202 000	Decision 1993-02-04	(C)
LVA0532	SEK 3 776 000	Decision 1995-03-31	(C)
LVA0691	SEK 5 314 000	Decision 1995-07-18	(C)
LVA0692	SEK 1 690 400	Decision 1995-07-18	(C)

Lithuania:

Öst-2000	SEK	-	(R)
Öst-1997-217	SEK 2 550 000	Decision 1997-07-10	(C)
Öst-1998-465	SEK 3 800 000	Decision 1998-10-09	(C)*
Öst-1998-45	SEK 1 400 000	Decision 1998-02-16	(C)
Öst-1998-186	SEK 2 900 000	Decision 1998-04-29	(C)

Projects reviewed in the previous evaluation:

LTU0161	SEK 1 050 000	Decision 1992-01-20	(C)
LTU0162	SEK 2 996 000	Decision 1993-01-21	(C)
LTU0163	SEK 2 816 000	Decision 1995-02-24	(C)
LTU0164	SEK 3 163 000	Decision 1995-02-24	(C)

Poland:

Öst-1995-150516	SEK 3 969 000	Decision 1995-04-05	(C)*
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* Under completion. At present Sida has not received the final report

7. SPECIFICATION OF QUALIFICATIONS

7.1 The following compulsory qualifications shall be met by the tenderer:

Quality in performance of the Assignment

- The tenderer shall account for his/her understanding of the assignment in his/her own words.
- The tenderer shall clearly and concretely specify and motivate the *approach and methods* to be applied in performing the assignment, including those employed in the various task of the assignment.
- The tenderer shall provide a detailed *time and work plan* for fulfilment the assignment, including *a)* a manning schedule that specifies the tasks performed by and the time allocated to each of the team members, and *b)* estimates of the time required for the different tasks of the assignment. Account for how the team plans to organise the work to be carried out at the Sida headquarters in Stockholm and the amount of time the team wants to allocate to it.

- Final reports including findings and conclusive assessments shall be presented to Sida. (see also Reporting, page 5).
- The tenderer shall account for how the team wants to *organise the co-operation* with both UTV and the reference group.

Staff Resources for Performance of the Service

- The tenderer shall possess *documented knowledge, relevant professional background and experience* of similar assignments in a suitable combination within the requested areas of expertise, in addition to the analytical, linguistic and other skills. The tenderer shall further specify the qualifications of each member of the team and attach their signed individual Curricula Vitae (including name, address, education, professional experience, experience of work abroad and in developing and/or transition countries), and shall state reference persons with telephone numbers and e-mail addresses.

Price and Other Commercial Conditions

- The tenderer shall present a budget, which differentiates between and proposes ceilings for *fees and reimbursable costs*, specified for the different elements of the assignment and for the different staff categories. *Total cost/price* shall be stated. All fees shall be stated hourly. All costs shall be stated in SEK, exclusive of Swedish VAT, but including all other taxes and levies. Individuals however shall state their fee exclusive of Swedish social contributions
- The tenderer shall state and specify any minor reservations as to the draft contract and Sida's General Conditions and propose alternative wordings, which shall however not lead to material changes of the present draft contract and conditions.

7.2 Preferred Qualifications

- At least one of the members of the evaluation team should have skills and experience in the area of land administration and land management. Knowledge in real estate economics, banking and land code issue is also needed. It is preferable that the project co-ordinator is a senior economist.

Annex A: Sida Evaluation Report – A Standardised Format

Annex B: Sida Evaluation Newsletter – Guidelines For Evaluation Managers and Consultants

Annex C: Evaluation Data Worksheet

Annex D: Earlier Evaluations on Estonian, Latvian, Lithuanian
– Swedish land reform co-operation

Annex E: Country Strategy for Development Cooperation with Estonia, Latvia, Lithuania and Poland 1999–2001

Appendix B

List of Interviewees for Poland

Interviewees for Poland

Name	Title	Address
Krzysztof Maczewski	Vice President Deputy Surveyor General of Poland	Head Office of Geodesy and Cartography 2 Wspólna Street 00-926 Warsaw, Poland
inz. Grzegorz Janczak	Starosta Pabianicki	Starostwo Powiatowe W Pabianicach 95-200 Pabianice ul. Piłsudskiego 2
Zbigniew Baranowski Eng.	Vice Director	Head office of Geodesy and Cartography Department of Real Estate Cadastre 2, Wspólna Street 00-926 Warsaw, Poland
Mirosław Zalewski	Konsultant	Doradca Consultants Ltd. Ul. Wolności 18a 81-327 GDYNIA ODDZIAŁ Al. Niepodległości 217/7 02-087 Warszawa
Kazimierz Bujakowski Ph.D.Eng.	Surveyor General of Poland	Head Office of Geodesy and Cartography 2 Wspólna Street 00-926 Warsaw, Poland
Jarosław Wysocki	Inspector	Head Office of Geodesy and Cartography Department of Real Estate Cadastre 2 Wspólna Street 00-926 Warsaw, Poland
Witold Radzio	Director	Head Office of Geodesy and Cartography Department of Real Estate Cadastre 2 Wspólna Street 00-926 Warsaw, Poland
Krzysztof Borys M.Sc. Eng. Of Informatics	Manager of Programmers	Geobid Ltd. 40-860 Kat 41-500 Chorzów, ul. Urbanowicza 37
Arne Sundquist	Valuation Expert Project Manager	Swedesurvey AB, The Overseas Agency of the National Land Survey, S-801 82 Gävle, Sweden

Appendix C

List of Documentation

2nd Annual Conference. "Property taxes in transitional economies. June 30–July 2/99"

Contact listing

"Country Strategy for Development Cooperation. Period January 1, 1999–December 31, 2001. 01/11/99"

"Discussion Subject - Preparation for project proposal." 06/99

"Minutes on the results of Mr. Arne Sundquist's activities in Poland within the SIDA Project." 10/05/01

Norlin, Thomas. Dahlberg, Mats. Otto, Irena. "Technical achievements in a world perspective – Report from a visit to Poland 23-25/2-99. 05/03/99"

Project progress report

selected pages of a document explaining valuation model, 1998.

"Supplementary agreement to the project of the pilot implementation of LIS in Poland. 06/10/95"

Sundquist, Arne. "Development of an information system for property and land in Lodz county. 06/03/01."

Sundquist, Arne. "Development of an information system for property and land in Lodz county – final report. 06/03/01."

Sundquist, Arne. "Project Progress Report 1. Period 01/01/96 – 30/06/96."

Sundquist, Arne. "Project Progress Report 2. Period 01/07/96 – 30/09/96"

Sundquist, Arne. "Project Progress Report 3. Period 01/10/96 – 31/12/96. 31/01/97"

Sundquist, Arne. "Project Progress Report 4. Period 01/01/97 - 31/03/97. 30/04/97"

Sundquist, Arne. "Project Progress Report 5. Period 01/04/97 – 30/09/97. 20/11/97"

Sundquist, Arne. "Project Progress Report 6. Period 01/10/97 – 31/12/97."

Sundquist, Arne. "Project Progress Report 7. Period 01/01/98 – 30/06/98."

Sundquist, Arne. "Project Progress Report 8. Period 01/07/98 – 31/12/98."

Sundquist, Arne. "Project Progress Report 9. Period 01/01/99 – 30/06/99"

Sundquist, Arne. "Project Progress Report 10. Period 01/07/99 – 31/12/00"

Sundquist, Arne. "Real Property Assessment in Sweden."

Sundquist, Arne. Scientific - Technical Conference. "The Aggregated LIS in the Reformed Administration. Sept 17-19/98"

Sundquist, Arne. "Use of tax values in Sweden. 18/05/00"

Appendix D

Statistical Information

Pilot Project Statistics

The Land Information System in Pabianice district has been in development since 1994. The coordinates of land parcels and buildings were entered by 1995 in Pabianice City (19,000 parcels) and the other municipalities of the district (40,000 parcels).

The attributes in the Buildings Register include:

- basic function (e.g. warehouse)
- number of buildings
- number of apartments
- number of floors
- living area
- garages
- other types of use
- year of construction
- usable area
- utilities installed

These are used to develop the model for mass valuation, but only implemented in Pabianice City to date. Thus far the LIS has obtained copies of 2,327 notarial deeds to capture price data. Of these transactions:

- 75 are 1–2 family houses,
- 466 are parcels with buildings,
- 337 are vacant building lots,
- 323 are other parcels without buildings,
- 759 are apartments, and
- the remainder are non-market transactions such as inheritances.

The Land Information System in Pabianice district has been in development since 1994. The coordinates of land parcels and buildings were entered by 1995 in Pabianice City (19,000 parcels) and the other municipalities of the district (40,000 parcels). In 1995–96, the district established a Buildings Register as well, the first in Poland; it includes a transactions register as an experiment.

For buildings, only 1–2 family houses could be studied using the adapted Swedish model.²⁷ The small number of transactions did not permit zoning. Since the notaries, do not differentiate between buildings and the land on which they sit, the project had to use the model to separate them. The principal factor differentiating building values was the year of construction; a nonlinear relationship appeared, with a negative relationship between age and value. The other

²⁷ In most countries, rental rates are used as additional information on property values. This cannot be done in Pabianice, however, because rents are controlled, probably at a rate about one-third of what the market would signal. In addition the Swedish model is not designed to value apartments.

factor was the size of the building, where there was, somewhat surprisingly, a negative relationship between size and value per square metre.²⁸

²⁸ The scatterplot shown to WaterMark shows a roughly proportional relationship between size and value per m2 until about 200 m2, and then it appears to drop substantially. There are two possible explanations for this: 1) older buildings are larger (see the correlation between age and value), or 2) the transactors of larger buildings (possibly richer or more influential people) underreport the value of the sales contract by more than those of smaller ones. The still-significant transactions tax of 2% could make this a factor; our interlocutors acknowledged that there was such a problem when the transactions tax was higher in the past.

Recent Sida Evaluations

- 01/14 Approach and Organisation of Sida Support to Private Sector Development.** Sunil Sinha, Julia Hawkins, Anja Beijer och Åsa Teglund
Department for Evaluation and Internal Audit
- 01/15 Follow-up to Social Sector Support to Moldova.** Nils Öström.
Department for Central and Eastern Europe
- 01/16 Human Rights Training in Vietnam.** Carl-Johan Groth, Simia Ahmadi-Thosten, Clifford Wang, Tran van Nam
Department for Democracy and Social Development
- 01/17 Swedish-Danish Fund for the Promotion of Gender Equality in Vietnam.** Shashi R. Pandey, Darunee Tantiwiranmanond, Ngo Thi Tuan Dung
Asia Department
- 01/18 Flood Relief Assistance to the Water and Wastewater Services in Raciborz, Nysa and Klodzko, Southern Poland.** Olle Colling
Department for Central and Eastern Europe
- 01/19 Sewer Pipe Network Renovation Project in Sopot, Poland.** Olle Colling
Department for Central and Eastern Europe
- 01/20 Sida Supported Municipal Twinning Cooperation with Central and Eastern Europe, 1996–2001.** Gunnar Olesen, Peter Rekve, Henrik Permin
Department for Central and Eastern Europe
- 01/21 Swedish Support to the Power Sector in Mozambique.** Arne Disch, Trond Westernen, Anders Ellegård, Alexandra Silfverstolpe
Department for Infrastructure and Economic Cooperation
- 01/22 Expanded Support to the International Sciences Programme (ISP) in Uppsala University.** David Wield
Department for Research Cooperation
- 01/23 Sida Support County Twinning Programme in the Baltic Countries 1996–2001.** Gunnar Olesen, Peter Rekve, Henrik Permin
Department for Central and Eastern Europe
- 01/24 Formative Evaluation of Uganda Land Management Project.** Jan Erikson, James Reinier Scheele, Sebina Nalwanda
Department for Natural Resources and the Environment
- 01/25 Sida Support to the Social Rehabilitation Project in Bosnia and Herzegovina (SweBiH).** Nils Öström
Department for Central and Eastern Europe
- 01/26 Swedish Support to the Agriculture Sector in Zambia.** A.R. James, M. Davelid, T. Breinholt, D. Chitundu, T. Lundström
Department for Natural Resources and the Environment
- 01/27 Sida's Support to NUSESA – Network of Users of Scientific Equipment in Eastern and Southern Africa.** Eva Selin Lindgren
Department for Research Cooperation
- 01/28 Cambodian Human Rights and Democracy Organisations: Towards the Future.** John L. Vijghen
Department for Democracy and Social Development

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A complete backlist of earlier evaluation reports may be ordered from:

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