

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

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**Department for Central and
Eastern Europe**

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Sida Evaluation 01/31

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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-2000-0036085. 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 Latvia and offers recommendations for future activities in Latvia.

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 fieldwork 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, Öst-1998-465, Öst-1997 217, Öst-1998-45, Öst-1998-186 and Öst-2000. From Lithuania the team moved to Poland where it conducted an assessment of a Polish Project. One member of the team returned to Lithuania and Latvia to deepen the assessment of the system of mass valuation for taxation. 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 Industries Inc. (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 State Land Service of Latvia (SLSL) where brief presentations on the organization of the enterprise and the general operation of land administration in Latvia were provided. WaterMark asked questions to determine the degree to which SLSL interacts with major players and stakeholders in land administration, considering both existing government bureaucracy and relevant legislation.

WaterMark also visited a number of public and private entities in and near Riga in an attempt to gather information to assess the knowledge transfer from Swedesurvey to their Latvian counterparts.

WaterMark found that the State Land Service of Latvia is attempting to embrace the concept of the “one-stop-shop” for its information and services. However, some key components, such as the Land Book (register of rights) are outside the SLSL.

The SLSL interfaces with a number of different government agencies, departments and ministries of the Latvian government through the course of executing its mandate. A number of different government agencies utilize the products generated by the SLSL.

The technical aspects of all of the mapping projects have been achieved. Project deliverables have been met and there is ample evidence that the Latvians have been able to translate the Swedish assistance into functioning entities in their own country.

The technical aspects of the land management project have been achieved. Project deliverables have been met and there is ample evidence that from a land management perspective that the Latvians have been able to translate the Swedish assistance into functioning entities in their own country.

The project management aspects for the mapping projects could be improved. Documentation in the form of project reporting was limited for the mapping projects. For the land management projects the reporting was good. There was no financial management documentation provided to WaterMark that indicated a comparison was made of the projected expenditure to the actual expenditures and there did not seem to be any ongoing measure of the costs expended versus budget. Sida has indicated to WaterMark that this information is provided elsewhere and that a financial review of the projects is outside of the WaterMark scope of work.

The major limitations of this report are that the information and conclusions offered lack information from and about the following:

- documentation for the mapping projects,
- access to facilities outside of the central government infrastructure and
- lack of access to senior officials in the SLSL.

Lessons learned on this project include the need for better reporting and auditing from the field and from the office, 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 Industries Inc. (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 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 Latvia and offers recommendations for future activities in Latvia.

¹ 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 including information required for real property taxation)
- 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 those 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 were available. 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 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.

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-1996-280	Öst-1998-227
Öst-1999-180	Öst-1996-214	Öst-1999-138

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

Öst-1995-008	LVA-0691	Öst-1997-177
Öst-1999-179		

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

Öst-1998-465	Öst-1997-217	Öst-1998-45
Öst-1998-186	Öst-2000-0036085	

The team then proceeded to Poland and conducted an assessment of the project Öst-1995-150516. One member of the team went to Lithuania and Latvia subsequent to the Poland assessment to deepen the evaluation of the projects' contribution to the development of real estate markets and the system of valuation for taxation.

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 State Land Service of Latvia in Riga (SLSL) where a brief review was provided on the organization of the enterprise and the general operation of land administration in Latvia. WaterMark asked questions to determine the degree to which SLSL interacts with major players and stakeholders in land administration, considering both existing government bureaucracy and relevant legislation.

WaterMark also visited a number of public entities in Riga to gather information to assess the knowledge transfer from Swedesurvey to their Latvian counterparts.

3.1 Program Context

As per the document “Country Strategy for Development Cooperation for Latvia⁴”, the Swedish Government established a country strategy for development cooperation with Latvia to guide the direction of Swedish development cooperation with Latvia during the period 1999 to 2001. The strategy sees Latvia 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-Latvian relations in various areas of society.

A strategic goal for Sweden is that relations with Latvia 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 predicted that system building and institutional support will be phased out over the next 4–6 years⁵. Capacity building will continue until Latvia has become a member of the EU.

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

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

The projects being reviewed during this audit focused on two specific areas:

- Developing the institutional capacity to make maps from aerial photography to support the development of a land management system including the capability for mass valuation of real estate for the purpose of taxation.
- Developing a land management system including the capability for mass valuation of real estate and the capacity for land registration.

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

⁵ As of the date of the above report – September 8, 1999.

The goals of these projects directly promote 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 Latvia.

3.2 The Mapping Projects

There were three (3) mapping projects conducted during this period that were reviewed by WaterMark: LVA-0691 which focused on the acquisition of aerial photography and creation of orthophotomaps; Öst-1995-008 that focused on acquiring aerial photography; and Öst-1997-177 which focused on continuing the acquisition of aerial photography and the production of orthophotomaps in support of land reform in Latvia.

3.2.1 LVA – 0691 – aerial photography and orthophotomap production.

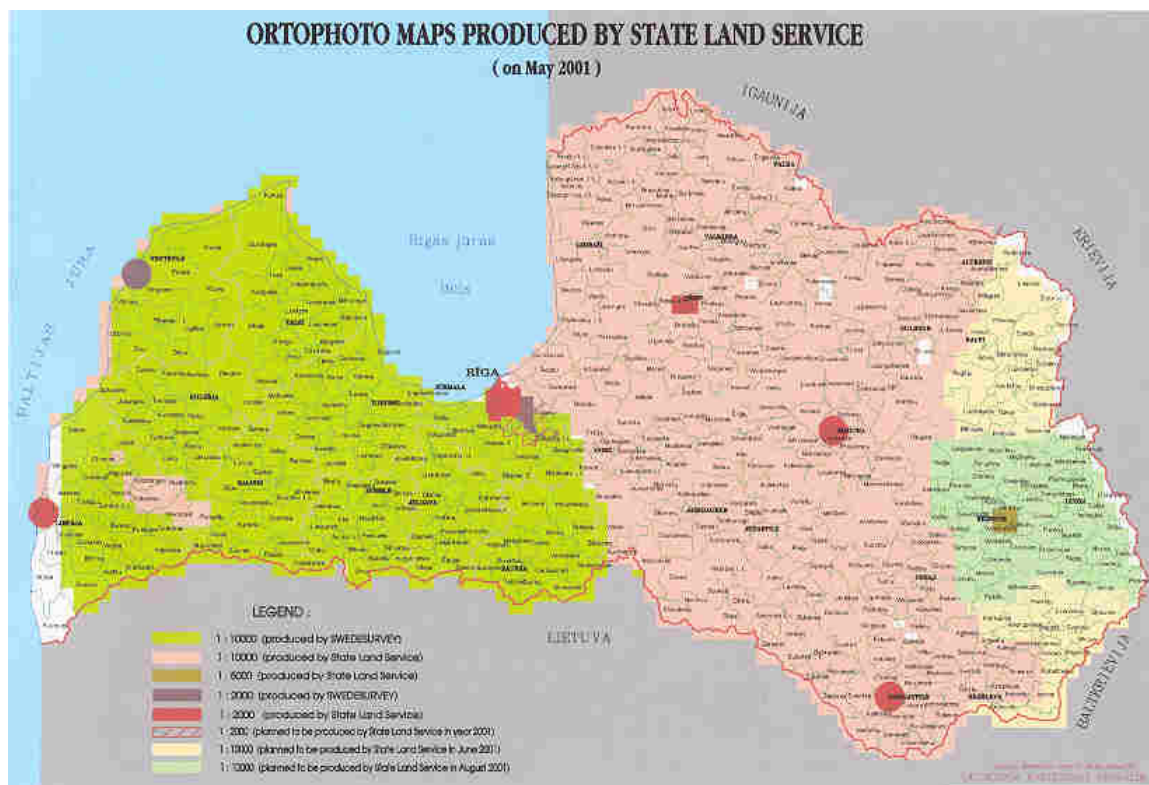
This project for the acquisition of aerial photography and the subsequent production of orthophotomaps for Latvia was initiated in June 1994 between Swedesurvey and the State Land Service of Latvia (SLSL). The project value was SEK 5 314 000. The primary purpose of the project was to carry out aerial photography, orthophoto mapping, train SLSL staff in aerial photo planning, digital mapping and photogrammetry and to transfer technology from Swedesurvey to the SLSL.

Production was as follows:

- Kurzeme
 - negatives,
 - contact prints
 - diapositives,
 - block adjustment results
 - 437 orthophotomap sheets at 1: 10 000 (negatives and paper copies)
 - 437 orthophotomap files on 22 CD-R
- Riga
 - negatives,
 - contact prints
 - diapositives,
 - block adjustment results
 - 111 orthophotomap sheets at 1: 2 000 (negatives and paper copies)
 - 111 orthophotomap files on 5 CD-R
- Liepaja
 - negatives,
 - contact prints and
 - diapositives,

See Figure 1 for a breakdown of sheets produced from project LVA 0691.

Figure 1 – Map of Orthophoto Production



3.2.2 Öst-1995-008 aerial photograph collection

This project for the collection of aerial photography in Latvia was initiated in November 1995⁶ between Swedesurvey and the State Land Service of Latvia. The project value was SEK 1 690 400. The contract involved the acquisition of black and white aerial photography at a scale of 1: 30 000 covering an area of approximately 11 200 square km in the Zemgale region of the country. The purpose of collecting the aerial photographs was to provide the base map data to support the production of orthophotomaps.

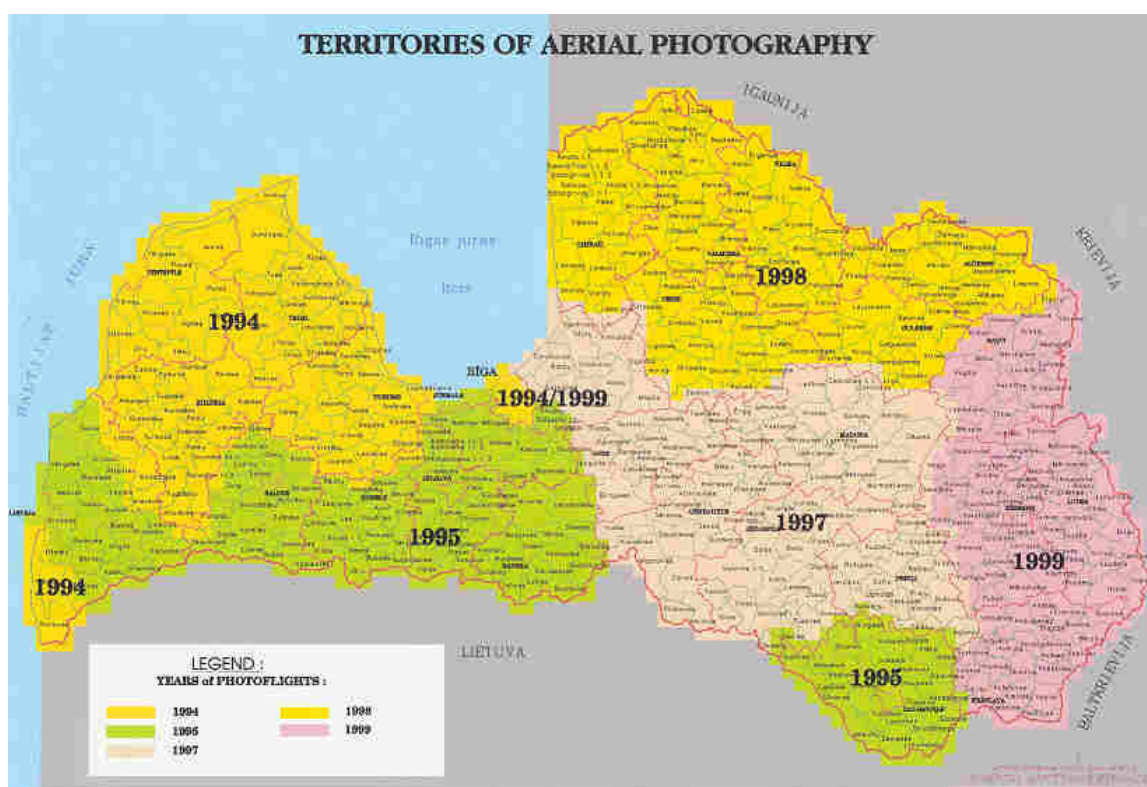
The project was conducted during the summer of 1995. Swedesurvey delivered aerial negatives, contact prints, diapositives and a list of adjusted coordinates from the block adjustment, to the Latvian counterparts as per the requirements of the contract.

Refer to Figure 2 for a graphic showing areas flown.

⁶ It should be noted that the dates for this project are somewhat confusing:

- Report on deliverables indicates that flying started in July 1995 and finished in Sept 1995
- The contract Clause addressing deliverables indicates that the initial delivery is Oct 1995
- The contract was not signed until November 1995

Figure 2 - Map of Aerial Photography 1995



3.2.3 Öst-1997-177 aerial photograph collection and map production

This project was for the collection of aerial photography and production of orthophotomaps in Latvia. The project was conducted from August 1997 until 1999, between Swedesurvey and the State Land Service of Latvia and was for a value of SEK 5 860 000.

The contract involved delivery of the following in 1997:

- Aerial Photography: Vidzeme 14 687 sq km at a scale of 1: 30 000
- Scanning of previously acquired aerial photography as follows:
 - Zemgale 11 222 sq km
 - Vidzene 14 687 sq km
- Orthophoto production using the Zemgale photography 11 222 sq km
- Training in Sweden
 - University level – 2 persons for 2 weeks
 - Photogrammetry – 3 persons for 1 week
 - Project coordination

The contract involved delivery of the following in 1998/99:

- Aerial photography 1998 for Ziemeļvidzeme which is an area of 14 744 sq km at a scale of 1:30 000
- Aerial photography 1999 for the rest of the country at a scale of 1:30 000

The purpose of collecting the aerial photographs was to provide the base map data to support the production of orthophotomaps.

3.3 The Land Management Project

There was one (1) land management project conducted in Latvia that was reviewed by WaterMark: Öst-1999-179

3.3.1 Öst-1999-179

Project Öst-1999-179 is to be conducted between 1999 and 2002. The overall objective of this project is to develop and facilitate the following:

- the finalization of the land reform,
- the continuous registration of real property (urban and rural) in the emerging land market,
- the land administration organizations in their new role in the land market, and
- the emergence of a property market in Latvia.

The project is divided into six (6) subprojects and will be implemented over 36 months, with reviews after each nine (9) month period. The first financing period covered 18 months.

The six (6) sub-projects are as follows:

- *Project Coordination* – This component involved the overall project management by Swedesurvey and SLSL.
- *Legislative Support* – The overall objective of this phase is to assist SLSL with legal expertise in its elaboration of a proposal for a cadastre law, cadastre, registration law and supporting by-laws, taking into account both legal and fiscal needs. There is a need to elaborate a general law on data exchange between government agencies and municipalities. The technological base for the Land Book also needs to be regulated.
- *Cadastre and Land Registration – Multi Purpose LIS*. The overall objective of this phase is to support the development of a multi-purpose Land Information System in Latvia based on the Real Property Registration System at SLSL. The system should provide relevant, accurate, easy to access and up-to-date land related information to various categories of users in the society, e.g., provide for the needs of the land market, and governmental and private organizations, as well as for society in general.
- *National Cadastre Maps* – The overall objective of this phase is to develop SLSL's own capacity in photogrammetry and to establish a digital data base containing orthophoto data adapted to produce orthophoto maps in scales 1: 10 000 in rural areas and 1:2 000 in urban areas.
- *Mass Valuation for Taxation* – The overall objective of this phase is to develop a unified model for mass appraisal that can support the introduction of a real property taxation system. This phase would also assist in the introduction of market value principles in valuation of real property (land and buildings) for taxation and other purposes and create a link for data exchange between the cadastral register and the flat register. Increased knowledge in market value principles would be gained through training of staff and introduction of market value principles.

- *Organization and management* – The overall objective of this phase of the project is to support the organizational and institutional development of the SLSL by advising the top management of SLSL – on request – on strategic issues concerning organization, management, training, financing and marketing.

The expected results are as follows:

- The final system design of the Central Data Bank of the Real Property Register is to be established;
- The properties registered in the manual and semi computerized Land Book have been converted to the computerized system;
- The central, regional and local systems for Real Property Registration are developed and improved;
- The Central Data Base for the Land Cadastre is designed;
- The integration of attributive and graphical data will be continued;
- The model for real property mass valuation for taxation has been established;
- The transfer of “know-how” and strengthening of the institutional capacity of the SLSL is continued through training in various land administration matters like real property valuation, marketing, market development issues with regard to the European Union standards, etc. and through specialized high level courses on system development and the introduction of new technologies;
- The Law on Real Property Cadastre is prepared;
- Data Exchange between different agencies and recommendations on by-laws regarding the implementation of the real property registration system is completed.

The main players involved in the project are Swedesurvey and the State Land Service of Latvia.

4 WaterMark Findings

The WaterMark team made assessments of:

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

The 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 Latvia by Sweden has made an impact on the Latvian government's approach to land management issues and thus its eventual acceptance as an EU member state.

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 Government Operations

Latvian Real Property Reform has had as its centerpiece the restitution of real estate to its pre-Soviet owners or to those who were renting property, especially apartments, at the time of independence. Restitution of apartments is 80% complete, and land, with the exception of land under buildings, is about 50% in private hands. Much of the remainder of the state-owned land is in forests, but a good deal of that will be restituted or privatized as well. In Latvia, any citizen can apply for unclaimed land.

The principal issue, a holdover from the Soviet period, is that land under buildings is considered as a separate real estate object and is registered and valued separately. Some of it is being restituted, but generally only when the building existed in the pre-Soviet era. In that case, and in some others, the building owners pay rent to the landowner.

Local elected Land Commissions were established in 1993 to decide which applications for land would be accepted. Only the Land Commissions can establish property rights and boundaries (surveyors are technical, not legal professionals in Latvia). The State Land Service acts as advisors to the Land Commissions. Today approximately 44% of land is in private ownership, but only about 80% of these rights are registered since registration is only compulsory on subsequent sales.

4.1.1.1 Ministry of Justice

Within the Ministry of Justice there are two agencies involved with the management of land rights: the Office of the Land Book and the SLSL. The Office of the Land Book is responsible for registering legal rights pertaining to land and buildings. The SLSL is responsible for maintaining the information about the property unit (i.e., parcel, apartment). Both agencies require and maintain sets of data that have a high degree of overlap. In most countries it is recognized as a benefit to merge these two (2) databases because of their close dependency (i.e., reduction of

duplication) and to facilitate easier access to complete information by system users such as notaries or tax authorities. The following paragraphs offer additional details on the two systems in Latvia.

Land Book

The WaterMark Team met with Mr. Ints Lukss, Statistician. The Land Book is a non-compulsory title registry, so it “only protects those who want to be protected.” Registration is only compulsory when a transaction occurs or when an owner is responsible for property taxes. The Land Book is moving towards a central database from its previous 28 local-office databases. This central database will not have cartographic information, only information about legal rights, restrictions and the people/organizations who hold those interests.

The Land Book sends information on all registration activity to the SLSL on a monthly basis via email. The Land Book is now located in the same building as the headquarters of the SLSL which could be useful in future co-ordination activities.

While property holders have to have a survey and register their property when there is a transfer (e.g., conveyance or inheritance), there is currently a low rate of registration in the Land Book. This could be attributed to:

- the high cost of surveying and registration which deters property holders from officially declaring their ownership or their transfer of ownership;
- the fact that some people do not believe that their property rights are insecure without registration;
- continued mistrust of the state built up during the Soviet period.

The WaterMark team observed long line-ups outside the Land Book office most of the day. These lines could indicate a lack of efficient procedures, staff and or infrastructure.

State Land Service of Latvia

The SLSL has approximately 3000 staff, with 300 at headquarters in Riga. This number is very large in comparison to neighboring states. In Latvia the valuation staff from the Soviet Bureau of Technical Inventory are also within the SLSL. Various attempts are being made to reorganize the service but it would appear that the growth of the private sector has not necessarily affected the staffing within government.

The aim of the SLSL is to provide technical support for land reform and provision of data (mainly for valuation) for all real estate.

The main principles of the SLSL are as follows:

- to provide national coverage of services
- to ensure legal standardization
- to provide public data
- to ensure all properties are registered through compulsory registration
- to provide timely data (e.g., up-to-date)
- to reduce expenses

The functions of the SLSL are:

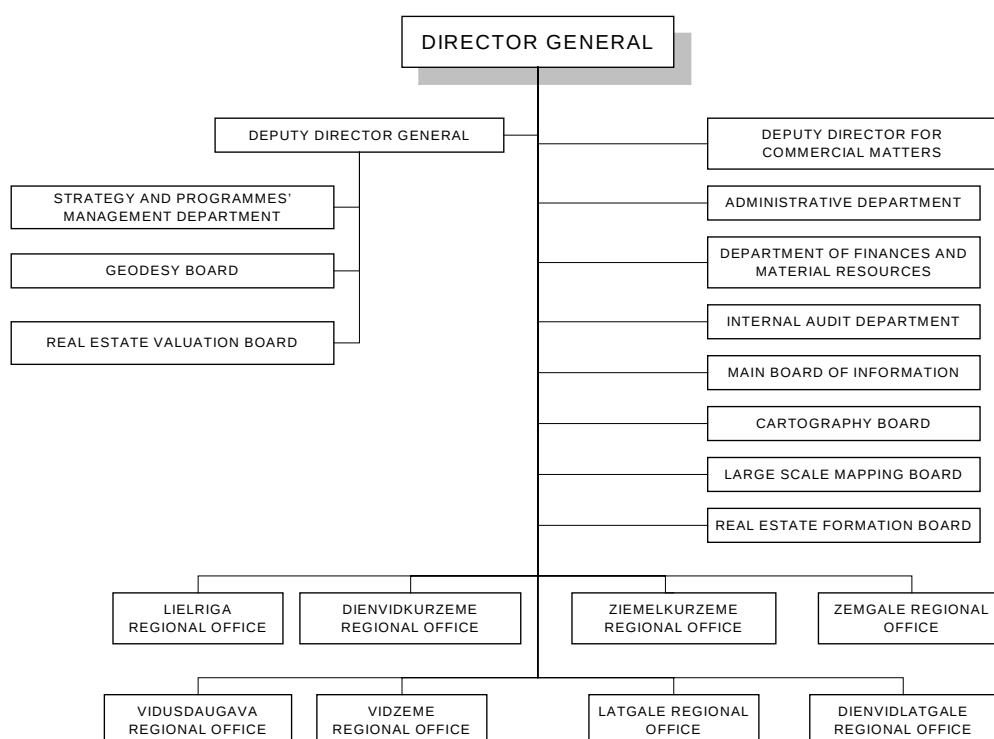
- Fiscal – SLSL provides the basis for taxation
- Juridical – SLSL provides legal data for real estate transactions

- Economic – SLSL promotes effective land management and planning through providing of land-related information
- Documentation – SLSL provides references to documentation of land transactions
- Technical – SLSL provides spatial information about real estate and to support the Ministry on Disasters.

The SLSL receives only approximately 1/3 of its funding from the state budget. The remainder must be financed through sales of information and services.

The organization consists of a central headquarters and eight regional offices as well as 28 district offices that are the main centres for day-to-day customer service. The SLSL is organized as per Figure 3. The main divisions responsible for the implementation of the Sida funded projects are described briefly below. There is also a new department of Commercialization that illustrates that the SLSL recognizes the need to improve client relations and market services and data.

Figure 3 – SLSL Organization



State Land Service – Real Estate Valuation Board

The WaterMark Team met with Mr. Gatis Kalnins, Director, and his staff, including Mrs. Sarmite Barvika, Methodology Expert. The purpose of this Board is to develop the procedures and databases required for the valuation of land and buildings for taxation. Mass valuation is due to begin only in 2004. Currently the system involves:

- land value zoning based on estimated market values (except in Riga, which has proven difficult and where valuation is still conducted by “theoretical market simulation models”), and
- buildings assessed at cadastral values based on construction data from the Soviet Technical Inventory.

The Land Book Office is required to send registration data, including declared sale values, to the SLSL monthly. This information as a source of value is often unreliable because a) not all transactions are registered and b) there is serious doubt as to the accuracy of the transactions prices supplied by the notaries. For agricultural land, there is a weak market, and therefore, little data on which to estimate sale values. Assessments are still based on soil fertility.

There are three principal reasons why the recorded values are not reliable estimates of the market:

- people sometimes sell their property in parts, say one-half now and one-half later, partly to avoid the municipality's right of first refusal (see below)
- it is necessary to furnish a receipt for payment of the transfer tax. The rate of 2% (reduced in the mid-nineties from 10%) may still provide an incentive to underreport the value
- gifts and inheritances are taxed at a lower rate, but declared value may also not reflect the market value

The Real Estate Valuation Board now uses the method of land value zoning similar to Sweden and some other countries. By 1999, there were 76 cities covered by zoning and in 2002 the maps and values will be updated. The Board has started to add buildings to its valuation database and from 2002 commercial buildings will have a tax value. Residential buildings will be added later.

Value information is collected at the local level and there are four (4) valuation specialists in each of the eight (8) regional offices. Currently the transaction register (record of sales) is separate from the cadastral database but linkages have been in development.

State Land Service – Main Board of Information

WaterMark met with Mr. Aldus Rausis, Director; Ms. Iluta Larsena, Head of the Cadastral Methodology Division; Velta Parsova, Advisor on Cadastre; Ms. Liga Kravale, from Riga City Office, and Normands Abols, Director of Technology. This Department is responsible for collecting and managing the cadastral/real property information (textual and graphical) for the agency. The Cadastral and Building Registers are self-financing. An Address Registry is currently under development.

Cadastral Methodology

A Cadastral Law is in progress (a draft law in 1993 was rejected) and now with the Ministry of Justice. Swedish and Finnish consultants advised on the drafting of the new law. The State Lands Act is also expected to be revised in another year. Because these laws and laws associated with government organization (e.g., self-financing proposals) are interdependent there may be substantial changes as the legislation moves forward.

Cadastral Registry

The Cadastral Registry (land and buildings) manages property information to support land reform and land valuation. The Registry has been developing for over a decade with assistance from Swedesurvey as well as PHARE projects. In 1995 there was a centralized database and cadastral maps were available in paper format. By August 2000 the cadastral registry had been decentralized to 28 districts, buildings, apartments, and leases were added; and digital mapping had begun. The emphasis now is on

- linking valuation databases,
- centralizing the systems at the regional level,

- completion of the digital mapping, and
- improving the linkages between the graphics and textual databases.

A link to the Land Book had begun under the second PHARE project but this no longer functions and will need to be examined. Currently quality control checking is completed by hand. Improved quality control standards and procedures are designed for the next stage of system development.

The SLSL recognizes three (3) units of real property: land, buildings (e.g., houses) and apartments. This split is a holdover from Soviet times when land and buildings were managed by separate government agencies. The following figures provide examples of the registration forms for each type of property unit.

Figure 4 – Apartments

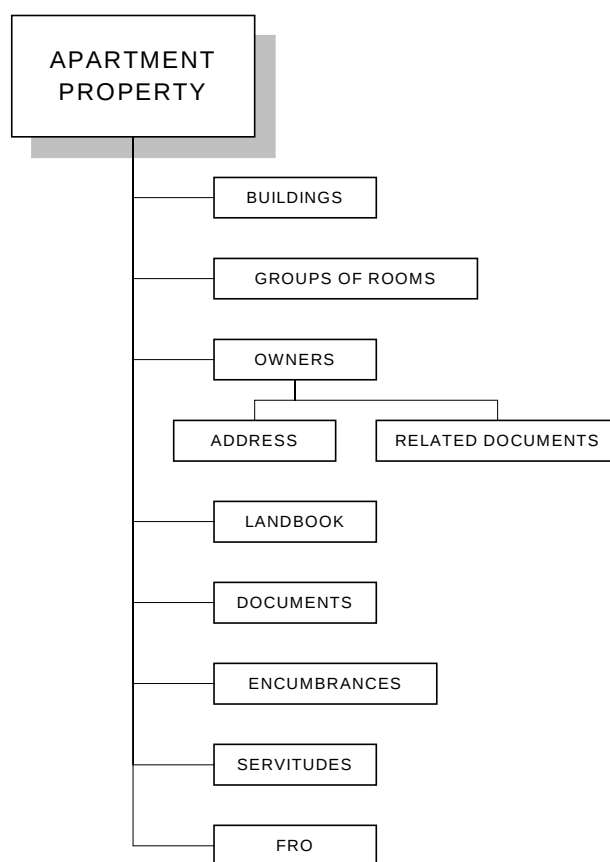


Figure 5 – Buildings

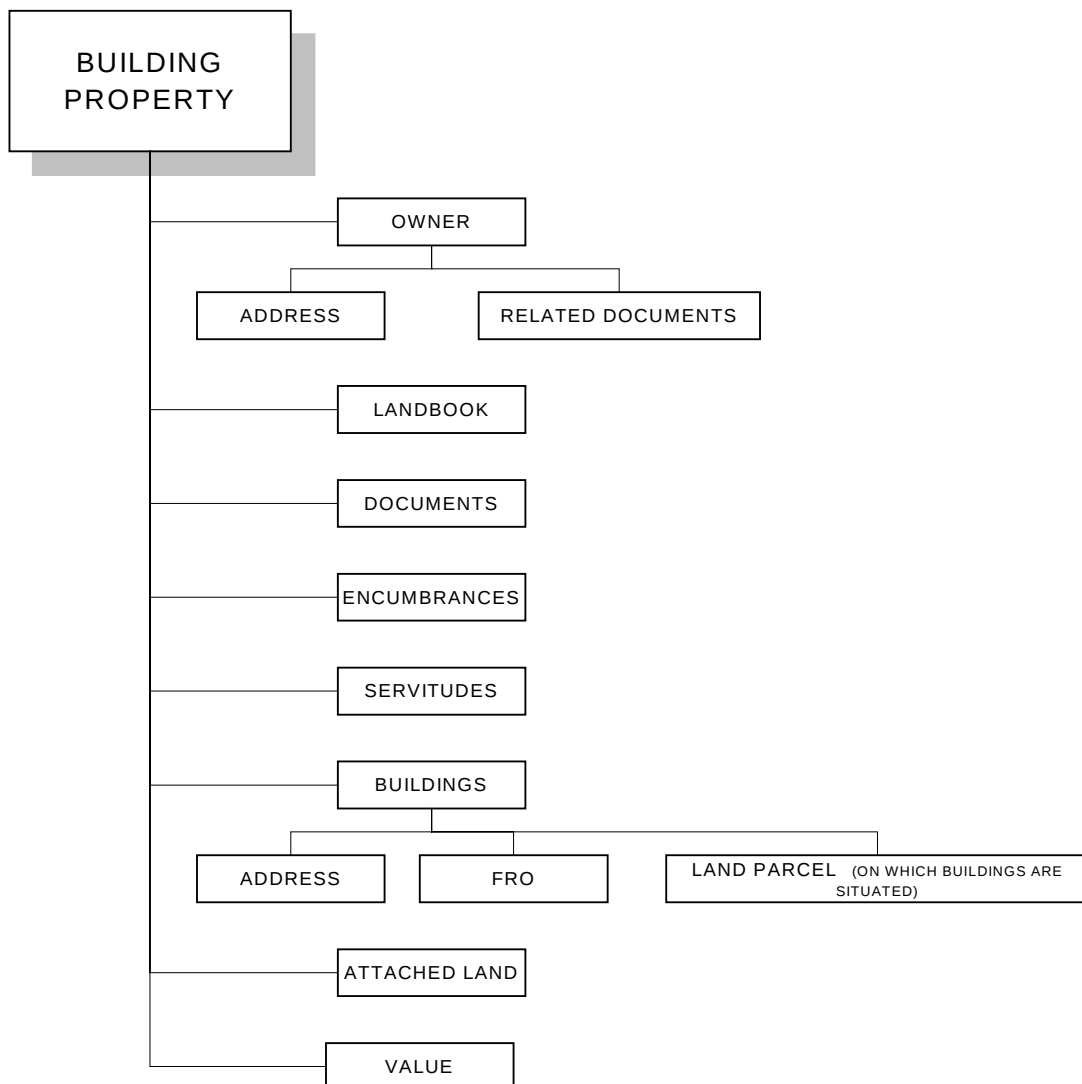
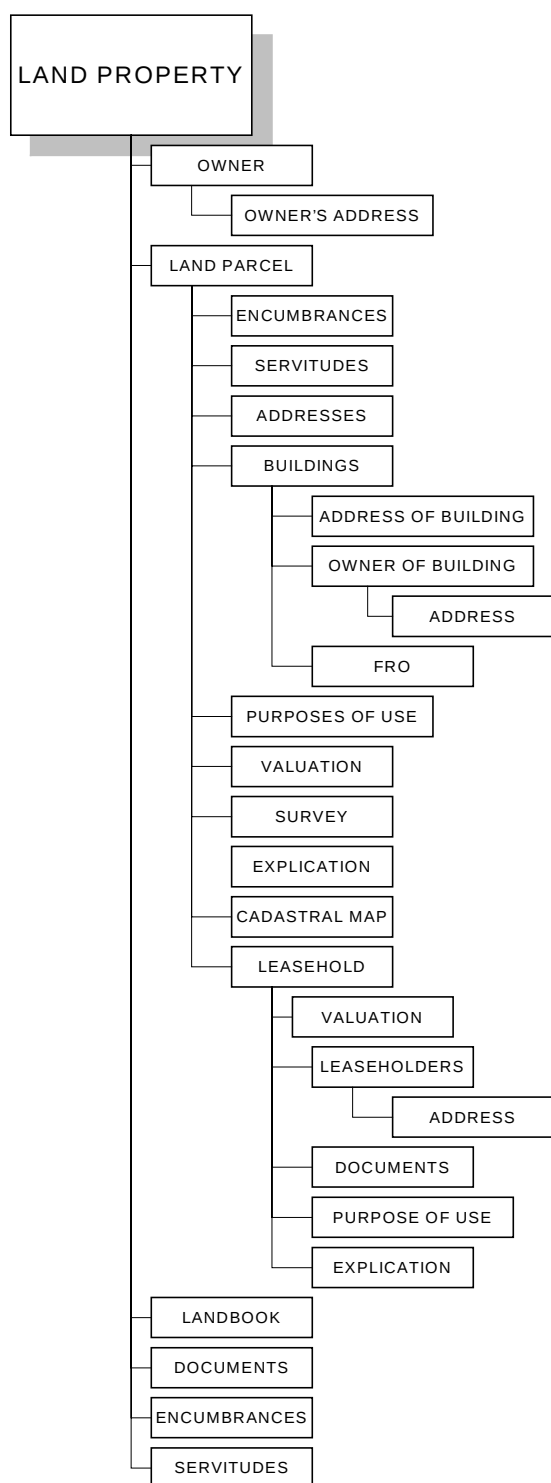


Figure 6 – Land



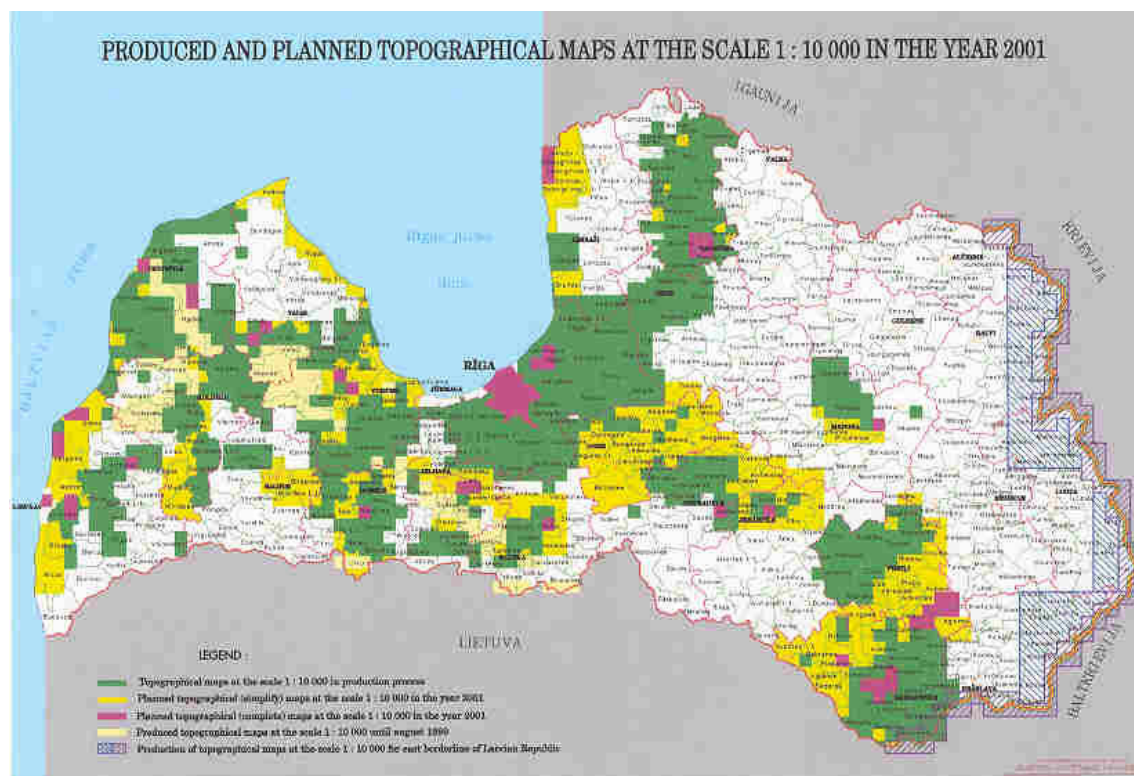
IT Support

The IT support for the Main Board of Information includes development and maintenance of various software systems. Some of this work is contracted to a growing private sector industry, in part spun off from the SLSL. A number of graphic software packages are supported for specific purposes and MICRO Station (through assistance provided by Denmark) is used by most for the Cadastral Mapping⁷. Textual software was developed in house with support from Swedesurvey and others. The graphics and text for the Cadastral Registry have been linked for approximately 25% of the country. The next phase of system development will be completing the links with valuation and development of a fully functional Geographical Information System (GIS). Training by Swedesurvey is viewed as practical and very good.

Large Scale Mapping

WaterMark met with Arvids Ozols, the Director of the Large Scale Mapping Board and was briefed on the country's progress with respect to large-scale mapping. Figure 7 offers the current status.

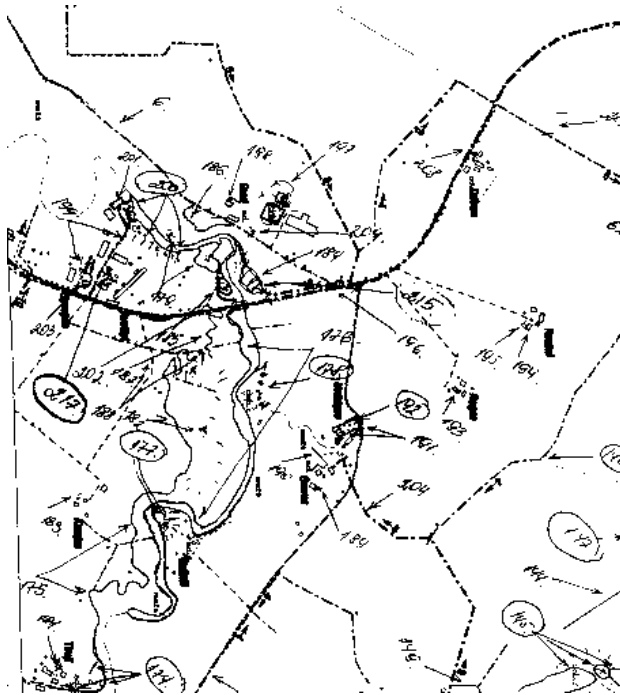
Figure 7 – Large Scale Mapping



The mapping process is well established and the Board has established manual processes for quality control and checking. (See Figure 8)

⁷ Other systems used within the government include MapInfo, ArcInfo, ArcView, AutoCad, Geomedia

Figure 8 – Large Scale Mapping Checking



KOREKTŪRAS LAPA

Kartes lapas Nr. 4361 - 33

Korektūras veikta 2001 gada aprīlī

Korektors Rīta Čestovs

N.p.k.	Korektora piezīmes	Citas piezīmes
152+	Pašreizējais karte.	✓
153+	Pašreizējais karte.	✓
154+	Pašreizējais karte.	✓
155+	Pašreizējais karte.	✓
156+	Pašreizējais karte.	✓
157+	Pašreizējais karte.	✓
158+	Pašreizējais karte.	✓
159+	Pašreizējais karte.	✓
160+	Pašreizējais karte.	✓
161+	Pašreizējais karte.	✓
162+	Pašreizējais karte.	✓
163+	Pašreizējais karte.	✓
164+	Pašreizējais karte.	✓
165+	Pašreizējais karte.	✓
166+	Pašreizējais karte.	✓
167+	Pašreizējais karte.	✓
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180+	Pašreizējais karte.	✓
181+	Pašreizējais karte.	✓
182+	Pašreizējais karte.	✓
183+	Pašreizējais karte.	✓
184+	Pašreizējais karte.	✓
185+	Pašreizējais karte.	✓

WaterMark was able to confirm that the Board did receive the A-8 stereo-plotters delivered under contract to Latvia. The computers delivered under the same contract were reportedly no longer in use due to significant advancements in technology.⁸

4.1.1.2 State Real Estate Agency

The WaterMark Team met with Mr. Kalvis Bricis, Chairman and CEO. The agency's role is the management and registration of state real property, not all of which is registered in the Land Book. About 50 per cent of the land is still owned by the state or municipalities, but the intention is to privatize all but natural reserves and the land within a yet undetermined distance from the national borders. In fact, the agency does not actively manage rural land, but has delegated that responsibility to the municipalities. Its principal activity is the management of land under private buildings (which should be mostly be privatized within the next two years).

The agency's perspective on institutional problems includes the following:

- There is a low demand for real property, especially rural land, because of Latvia's small size and low per capita income, and because of its vulnerability to external macroeconomic shocks. For example, most of the land claims have been near the middle Riga region. This low demand may change after EU accession.

⁸ It should be noted that 1 of the 2 plotters delivered was being used as a 'the way we used to do it' unit while the other was not being used at all.

- The SLSL are not doing fair market valuation of buildings, because it relies on cadastral values computed from construction costs which are unrelated to the real market supply and demand;
- The real estate tax system is distorted by income inequality, especially in Jurmala – a seaside town near Riga where rich people who live in Riga have driven up real estate prices by a factor of five during the last few years. This creates problems for pensioners and other low-income residents, who are often forced to sell their residences and move because the tax burden is too great.⁹

4.1.1.3 Department of Transportation

The WaterMark Team met with Mr. Alberts Luke of the Latvian Transportation Directorate. This directorate is responsible for state highways including state and municipal roads and public streets to houses and communities. They are a main user of the SLSL mapping data.

They have implemented a low level GIS system micro station. They use orthophotomaps at a scale of 1: 10 000 which allows them to zoom to 1: 2 000. By 2003 they will have all 190 orthophotomaps digitized for roads.

Mr. Luke noted that there needed to be connections to other databases to realize the potential of this road management and planning system. In particular, he noted the need for servitude information and the fact that the property mapping layer and the cadastre database do not necessarily have all the servitude information. In addition, the Directorate needs information on constructions and better topographic data. As a user, the Directorate gets its information from all levels of the SLSL. Mr. Luke also noted the following issues with SLSL data are as follows:

- Lack of servitude data
- Errors in matching digital data from different sets
- No process to report errors and be assured of corrections
- No marketing of data available at SLSL (this appears to be addressed by the new division)

It was indicated to the WaterMark team by the SLSL that the Department of Forestry also uses SLSL data, information and products.

4.1.1.4 Interface with Private Sector

Real Estate Market

Except for agricultural land, the property markets are quite active. Official data show that there were approximately 23 000 purchase-sale agreements, 18 000 mortgages, and 6 000 gifts, registered in the Land Book in 2000. Of the purchase-sale agreements, nearly 8 000, or more than one-third, occurred in Riga or its region. Still, in 2000 nearly two-thirds of all registrations were first registrations, mostly apartments. According to market participants, there are no serious impediments to land market operations, although improvements can be made in several areas.

One unusual provision of property law is that the municipality where the real estate is located has the right of first refusal in a transaction; if the price is considered too low, the municipality may decide to buy it. This apparently happens rarely, but it has two consequences for property markets: a) it may offer an opportunity for bribery of municipal officials; b) on the other hand, for “honest” citizens it may keep them from underreporting the transaction price to the notaries to some extent.

⁹ The fact that real estate taxation is not based on ability to pay is a major problem in any city or country where market prices increase rapidly.

These characteristics make the Land Book inadequate as a data source for analysis of market activity or for the development of mass valuation. Private valuers do not use it, or certainly not the recorded transactions prices.

Marupe Municipality

The WaterMark team met with Mrs. Inga Kemere, Cadastral Inspector. Marupe is a suburban municipality, adjoining Riga essentially on the West. There is a substantial amount of real estate development under way with residential subdivisions dominating.

The municipality is responsible for planning for land development based on the parish development plan (handled by the Chief Architect's office), issuing new addresses and cadastral numbers, and effectively approving transactions through the first right of refusal. In Marupe at least, transactors have the right to change their contract if the municipality expresses an interest in buying the property at the stated price. In any event, the municipality has very rarely exercised its right (2–3 times per year), because it is under funded, has little need for property, and does not think of itself as a real estate market participant. On the other hand, the municipality does see itself as protecting the sellers from themselves, because in the current state of ignorance about property (abetted by the separation of land and buildings in the Land Book) they might think that the transaction is about land without the buildings, or buildings without the land, or both together when it in fact is one or the other.

Banks – Mortgage Bank

The WaterMark team met with Mr. Sigurds Strujevics, Chief of the Privatization Department. This department is primarily in charge of privatization of apartments, dealing with credit and valuation issues. The activities of the department are coming to an end, since 80% of apartments have been privatized since the process began in 1995. The original staff of 14 has been reduced to seven (7).

Briefly, the procedure requires the apartment occupant, who has the first right to purchase the property, to apply to the municipality for a mortgage. After a favorable decision, the municipality values the apartment, and sends information about it to the Mortgage Bank. The owner goes to the Bank with privatization vouchers and – in some cases – cash beyond the value of the vouchers (legal persons are required to pay 20% of the value in cash), and a purchase agreement is issued. This is then (optionally) taken to the Land Book Office for registration. The proceeds from the sale go into the Privatization Funds of the state (40%) and municipalities (60%).

Real Estate Agency – Balsts Real Estate Company

The WaterMark Team met with Mr. Aigars Zarins, President. The company was founded in 1992, and its staff has grown from three people to 32 now, and is one of the top three agencies along with OberHaus and Latio. It has both individual and corporate clients, the latter including multinational companies, and operates only in Riga and its environs. The largest number of transactions are for apartments. It also performs valuation services for banks.

4.1.2 International Activities

The following information was obtained from discussions with Mr. Edvins Kāpostins - Deputy-Director of Strategy and Program Management for the Latvian government as well as others. These discussions were supplemented with information on the Web at the Latvian government Web Site as follows: <http://www.vzd.gov.lv/en/co-operation/>.

The SLSL participates in the UN Working Party on Land Administration (Former Meeting of officials on Land Administration or MOLA), which began its activities in February 1996. The organization has a permanent status in the Committee of Human Settlements of the ECE at the UN. The SLSL also participates in CERCOC (Comité Européen des Responsables de la Cartographie Officielle) – Cartographic Committee of European States, which co-operates with the Council of Europe and the European Union. The SLSL represents Latvia in this organisation in accordance with the Cabinet of Ministers' decision "On entering of the Republic of Latvia in European Cartography Committee" of 24, March 1993. In 2000 this organization became the Euro Mapping Association.

Other international organizations that the SLSL participates in include: the ICA (International Cartographic Association); the FIG (Fédération Internationale des Géomètres) – International Federation of Surveyors; ISPRS (International Society for Photogrammetry and Remote Sensing); and UNGEGN (United Nations Group of Experts on Geographical Names). Latvia has been represented in this organization since 1991, when the Baltic Division of UNGEGN was established.

From a project perspective, the SLSL has participated in the creation of the Baltic Sea Region digital map in scale 1:1 000 000 (Map BSR). The Land Service of Finland leads the project, which covers the whole drainage basin of the Baltic Sea. In 1993, the SLSL began working with the Defense Mapping Agency (DMA) of USA, now the National Imagery and Mapping Agency (NIMA) on topographical mapping, sea and air space mapping, geodesy and geophysics, digital data and materials connected with geodesy and mapping. Today the topographical map at a scale of 1:50 000 is being created in co-operation with NIMA. The specialists of NIMA have controlled map sheets and conformity to the demands of NATO. The work at aeronautical map in scale 1:250 000 has begun.

The State Land Service has close contacts with similar organisations in Lithuania and Estonia. The Senior Officials Committee of Geodesy, Cartography and Land Reform was established by the Baltic Ministry Council in 1998 with following subcommittees: Geodesy and Cartography Board, Land Reform Board, Real Estate Board. There is also an agreement between the State Land Service and the State Committee of Land Resources, Geodesy and Cartography of the Republic of Belarus on co-operation in the geodesy, cartography, cadastre and land valuation field since 1999.

Sweden, Denmark, and Finland have been the main technical advisors with the SLSL. Denmark has provided early support in mapping and geodesy. Finland, together with Sweden, advised on legislation.. Norway has been involved in the Land Book and is currently providing funding to re-fly aerial photography of Riga.

In 1994 the World Bank provided funds for major equipment. (1 000 000 USD).

PHARE was involved in a project with SLSL from 1995 to 1999. In the project Denmark and Britain were involved in computerizing the Land Book and Swedish BITS supported the transfer of technology in photogrammetry and the mapping to SLSL. A PHARE II project linking the cadastral database and the Land Book was unsuccessful.

4.1.3 Professional and Education Infrastructure

In Latvia there are 80 chartered valuers in public and private practice that do individual property valuations (all mass assessment is done by the SLSL). The association is also involved in training in the universities.

There are 40 firms involved in licensed surveying in Latvia and there are 100 chartered surveyors in the Latvian Surveying Association. The Vice-President of the Latvian Surveying Association is a professor at the Latvian Technical College.

The SLSL together with Riga Technical University and other partners are involved in TEMPUS project “Geomatic Education in Latvia” with contractor Mikkeli Politechnicum in Finland. This is in addition to an educational program “Master Degree on Land Administration” conducted in co-operation with the Latvian University of Agriculture, Swedesurvey and Sweden's Royal Institute of Technology.

4.2 Projects

This 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 projects. The management review addresses how Swedesurvey implemented the content of the projects.

4.2.1 Strategic Perspective

The Latvian EU Accession Program is planned for 2004, at the earliest¹⁰. The projects being reviewed by WaterMark address 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
6. Progress has been made on these during the projects supported by Sida

Project funding by Sweden has resulted in skills being developed in the public sector that can be sustained and that should be expected to continue to provide results. Turnover in government seems to be relatively low resulting in a maintenance of the capability in the public sector¹¹.

However, consideration should also be given to ‘out sourcing’ the acquisition of these same skills to enable the private sector to develop and grow. As long as the expertise remains in the government, it will not have the opportunity to contribute to a growing economy.

In reviewing program progress, Sida may wish to address the following areas:

4.2.1.1 Increasing Functionality through System Integration

While much work has been done in Latvia for survey/cartographic operations and the establishment of a land survey and property register system, there still remains the connecting of the individual systems into a “functioning whole.” Currently in Latvia, there is not a linkage between the Land Book and the property register. There have been some attempts to rectify this but this

¹⁰ *The Economist* (2001), “The Baltic States Knocking at the clubhouse door”, re-print from Aug 30th 2001

¹¹ It should be noted that one of the possible reasons for the turnover being low in the government is that there are few places to go – there is a very small private sector. An exception is in computer technologies where some staff have left for the private sector. However, the SLSL is attempting to develop a strategy of decentralization to address this situation.

issue still needs to be addressed in the near future to have a fully functioning land registration system for EU membership.

Work also remains to migrate the mapping products into useful backdrops for various applications that would prove to be more useful other agencies and the private sector. Two examples would be more integrated highway planning and design applications and emergency planning applications that require address matching. In the current plan it is envisaged that the need for this 'type of support will decline, as Latvia will be receiving EU support in this area.' Future initiatives call for close consultation with the EU/Phare program.

4.2.1.2 Environmental Impact

These Sida 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.

4.2.1.3 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 Latvian women in competing for project-related positions. The SLSL has several women in management positions (e.g., Head of Cadastral Methodology, Riga City Bureau Head, and experts on valuation and cadastre) 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 the ones reviewed here will certainly enhance the chances of active participation. One former female senior management employee is now started a private high technology company.
- *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. Both women and men submitted claims for and acquired restituted property. Latvia participated in a 1994 workshop sponsored by Sida on women's access to land to develop an agenda for habitat.

As in other countries, however, to make access effective, people also need access to financial resources, information, and legal recourse. In this respect the Sida project in land administration helps to ensure that rights are documented, recognized in law, and given security. However it will be necessary to merge the Cadastral and Land Book Registries for effective security of rights and efficiency of access to information.

4.2.2 Technical Perspective

4.2.2.1 Mapping projects

The technical aspects of the mapping projects *seem to have been achieved*. Project deliverables have been met and there is ample evidence that the Latvians have been able to translate the Swedish assistance into functioning entities in their own country. Specific findings are as follows:

1. The SLSL is satisfied with the assistance provided.
2. The transfer of knowledge concerning mapping production has been completed and has resulted in Latvia acquiring and being able to reproduce orthomapping products.
3. The Latvians now produce orthophotomaps and line-maps and have the ability to maintain what is produced.

4.2.2.2 Land management project

The technical aspects of the land management project *seem to have been achieved* as project deliverables for Phase 1 have been met. The Latvians are in the process of successfully completing Phase 1 of the project and barring any significant project disruption, should proceed with Phase 2.

There is ample evidence that the Latvians have been able to translate the Swedish assistance with respect to land management, into functioning, sustainable systems in their own country. Specific findings are as follows:

1. The Latvians are satisfied with the assistance provided but, in future, they would like to have more assistance in training and project/process auditing, rather than consultancies.
2. The Swedish assistance has provided practical examples in valuation as well as valuation theory. Latvia has adapted a zoning method similar to that used in Sweden. There have been a number of training sessions both in Sweden and in Latvia and experts from both countries have been involved in various levels of training.
3. The Latvian side has a good understanding of how and what information and systems must be established in Latvia to install and operate a Latvian valuation and assessment system of taxes on real estate and cadastre.
4. Management training conducted by Jim Widmark was deemed to be excellent.
5. Assistance in software development from Swedesurvey for the cadastral registry has also been considered very important to the development of the system and its potential expansion and refinement.

4.2.3 Management Perspective

The management aspects of the projects were reviewed from a task management perspective and from a financial management perspective.

4.2.3.1 Mapping projects

Project Management

Documentation in the form of project reporting is limited for all of the mapping projects (LVA – 0691 had a total of 7 documents¹², Öst-1995-008 had a total of 4 documents and Öst-1997 – 177 had a total of 11 documents)¹³. Figure 9 summaries the documentation provided for these three projects.¹⁴

Figure 9 – Documentation Summary for Mapping Projects

REPORTING ISSUE	LVA – 0691	ÖST-1995-008	ÖST-1997-177
Budget	SEK 5 314 000	SEK 1 690 400	SEK 5 860 000
Project Duration	Jun 94 – Mar 96 22 months	July 95 – Sep 95 2 months	Aug 97 – Mar 00
# of documents	7	4	11
# of progress reports	1	0	1
Final report	Yes	Yes	Yes ¹⁵

For project LVA 0691 the original agreement refers to a period from June 1994 to March 1996. In May 1997, a letter was written from SLSL to Sida, referring to this same project that requested use of the remaining project funds. WaterMark assumes from this that the project was not closed off when the final project delivery was made.

For project ÖST-1995-008 it looks as if the fieldwork was completed prior to contract signature. The fieldwork portion of this project was only some two (2) months long. There is no indication as to when the deliverables were sent to the client.

For project ÖST-1997-177 there were a number of reports written on project deliverables and processes. In the single progress report provided for review, there were references made to a schedule and budget that were never provided to WaterMark.

Financial Management

The documentation supporting financial management of the mapping projects 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.

For project LVA 0691 a detailed budget was provided in the project proposal.

For project ÖST-1995-008 there were no financial records, comparison to budget or financial summaries.

¹² Of these 7 documents only 3 were used for the review, the proposal, the contract and the final report, which included the progress report.

¹³ In both cases there was one additional 1 page document provided in Swedish.

¹⁴ This refers to the documentation provided to WaterMark for review.

¹⁵ The project documentation for this project contained final reports for a number of the different project components. E.g. Aerial Photography, Digital Orthophotos and Scanning, Block Triangulation

For project ÖST-1997-177 there was a detailed budget provided in the proposal (in Swedish) and costs estimates in a program overview. There were no financial reports included in any of the project documentation.

4.2.3.2 Land management projects

Project Management

The project management for Öst-1999-179 is the best seen in any project during this review; it is adequate to monitor the project progress. There is evidence that there was and is, active intervention at the management level to regularly monitor project activities and report on project progress. Documentation reviewed by WaterMark included the following:

A Project Inception Report that is designed to review the project description attached to the original Contract of June 1999¹⁶ and to update it according to activities that have taken place since the contract signing. It also updates the specific project tasks and revises the budget. This Project Inception Report is the basis for all project monitoring for the project during its lifetime.

Regular Quarterly Progress Reports that summarize project progress in the quarter, measured against the sub-projects outlined in the Project Inception Report.

Project documentation provides a ‘story’ of the project progress and includes documented breaks between sub-projects and project phases.

Financial Management

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.

Project Öst-1999-179 has a detailed budget by project phase, included in the project proposal. In each quarterly report there is an economic report as follows:

Figure 10 – Sample of Budget reporting

Item	Project Budget	Invoiced during the period	Total Invoiced	Invoiced %
Fees				
Reimbursable				
Contingencies				
Total				

For variations to budget, explanations are provided.

¹⁶ It is noted that Sida signed this contract, which is different than other contracts reviewed during this project.

A tabulation is also provided that reports on the amount of the budget being spent on each phase of the project as proposed in the original budget.¹⁷ A sample of the information included in this portion of the financial report is provided below.

The rate of total expenditures in the sub-projects is as follows:

Figure 11 - Rate of Expenditure by Sub-task

Sub-Project	% of Total Budget Expended
Project Co-ordination	64 %
Legislation	42 %
Cadastral Register and other Basic Land Information	50 %
National Cadastral Mapping	24 %
Valuation for Taxation	52 %
Organisation, Management, Financing, Marketing	83 %

¹⁷ It was assumed that these percentages were measured against the budget. Insufficient information was provided in the report to verify this statement.

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 that the Latvian side has considered and implemented many ideas and issues of land administration implemented and practiced in Sweden or in other countries.

With specific respect to the *Staircase Model*, those parts of the government responsible for land information management infrastructure are delivering services that are applicable to land management in Latvia. However, they are just beginning to understand the process required to adapt to changes dictated by internal and external demands on their system. This understanding is being driven by the fact that through increased emphasis on self-financing, they are now becoming aware of the need to become more sensitive to the demands of their customers.

Latvia has chosen a path that has not encouraged the development of a private sector in the mapping and surveying business to the same degree as other Baltic States. This is not consistent with the Country Strategy for Development Cooperation¹⁸ and results in the State organization, responsible for mapping and surveying, remaining very large. As with any government organization, the SLSL will not be as sensitive to the needs of customers as would an organization forced to interface with private sector entities on a daily basis. Care should be taken to ensure that the organization, as large as it is, does not develop a supply driven focus as opposed to a demand (customer) driven focus. This will enable the government of Latvia to more efficiently allocate scarce financial resources.

Although the real property markets are functioning in Latvia, the institutional infrastructure within the country most likely will impede optimal operation. The reasons for this conclusion include:

- the costs of transactions, including title registration and the transfer tax, are high;
- the non-compulsory nature of title registration except on transactions, means that complete information is not publicly available;
- the separation of title and cadastral (parcel) registration introduces unnecessary transactions costs, both within the Ministry of Justice and for market participants;
- the municipalities' right of first refusal to purchase a property may encourage informal market activities;
- there is a lack of a cadastral law (although many provisions are incorporated in regulations).

¹⁸ "Country Development Strategy for Development Cooperation Latvia, January 1, 1999 – December 31, 2001", Ministry of Foreign Affairs, p 11. Other activities to promote the private sector

On the positive side, Latvia is doing the following:

- actively working with its Baltic State neighbours to share land information that is of benefit to them all;
- adopting and amending the relevant legal acts regulating restitution of ownership rights to land, forest, water bodies, and the land reform: the Law on the Land Reform, The Law on the Restitution of Ownership Rights of Citizens to the Existing Real Property, the Law on the Land Lease, etc.
- examining such institutional changes as commercialization of products and services to improve customer service and generate revenue and re-centralization at the eight (8) regional offices to provide some local services yet reduce costs.

1. *WaterMark recommends that in-country Swedish Embassy and Sida representatives be briefed as to the progress and implications of the mapping and land management projects supported by Sweden.*

5.1.2 International Activities

WaterMark concludes that the Latvian 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 Sida endeavor to track Latvia's efforts to secure international funding for projects so that Sweden can both complement 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 management 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. In Latvia, training and education has been very successful in land valuation, surveying, and mapping and these programs have been interfaced with the existing educational institutions.

5.1.4 Environmental Impact 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

In general, the assistance provided by Sida through Swedesurvey has had positive results in Latvia. Employees noted that the Swedish assistance helped the SLSL to set more realistic goals and to look at the organization and its functions in a systematic fashion.

WaterMark believes that the projects were conducted in an efficient manner and with the appropriate resources from the Swedish side. It is WaterMark's assessment that the projects were conducted in a cost effective manner in that the services provided for the fees paid did result in the projects being completed. Swedesurvey drew on specialist resources when needed and still maintained continuity in the project management and implementation.

5.2.1 Technical Recommendations

5.2.1.1 Mapping projects

The WaterMark Team concludes that the mapping support provided by Sweden has been an essential component in building the land administration systems that Latvia needs to achieve economic development, security of tenure, and sustainable democracy.

5.2.1.2 Land Management

The WaterMark team concludes that the land management project designed to assist in developing the legislation, land administration, and information systems required for land allocation, transactions, and taxation have been successful to date. There have, however, been a few aspects that still need attention if the systems are to provide maximum benefits to Latvian citizens and governments at all levels. These include:

- broadening the sources of market-value information;
 - developing better methods for valuing agricultural land;
 - providing incentives to encourage registration of all properties,
 - further emphasizing client liaison to
 - improve services,
 - increase revenue, and
 - provide procedures to improve data quality.
3. *WaterMark recommends that efforts be directed 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. In this respect, future work should ensure that mass valuation is based on as wide a range as possible of market information and should verify the accuracy of value data being collected by the Land Book Office.*
 4. *WaterMark recommends that future work emphasize the integration of the databases (and potentially the organization and procedures) of the Land Book Office and the SLSL so that information can flow seamlessly and be more complete and so that the Ministry of Justice's information management costs can be reduced substantially.*
 5. *WaterMark recommends that the SLSL and Swedesurvey investigate the reasons why properties are not being registered and develop incentives for people to register their properties, such as amnesty for non-registrants, income-based rather than market-value based fees, etc.*

6. *WaterMark recommends that the SLSL consider alternatives to the municipalities' approval of transactions and right of first refusal to purchase, such as mass valuation-based indicators which would signal likely underreporting of transaction prices and thereby remove the opportunity for municipal corruption, or transaction taxes and fees that are not based on value (at least until the market information system is well established).*
7. *WaterMark further recommends that SIDA, Swedesurvey, and the SLSL carefully monitor the potential negative impact of establishing a fully self-financing land service in Latvia while the property market is growing and while much of the activity is on initial system development and data collection.*
8. *WaterMark recommends that future Sida projects further evaluate existing procedures and help to develop new methods for valuation as required, particularly for agricultural land and buildings. A feasibility study of the mass appraisal process is recommended to assist the SLSL in overcoming political resistance to the implementation of an equitable real property taxation system.*
9. *WaterMark recommends, based on user feedback and observations, that the SLSL in its current study of client services should ensure issues such as the following are addressed, if they have not previously been included:*
 - *marketing campaigns for information and services,*
 - *targeting of potential user and critical system support, such as banks and the Ministry of Disasters,*
 - *providing training support for users both on technologies and on the appropriate use of the data,*
 - *appropriate pricing strategies that will not cause undesirable results in the property markets and land administration,*
 - *feedback mechanisms to report and address systems and data problems such as the mismatch of datasets, lack of required data (e.g. on servitudes), areas of duplication within government, and data errors; and*
 - *evaluation of local and regional service provision.*
 - *Tracking impediments to gender, age and/or income*
10. *WaterMark also recommends that future projects funded by Sida should begin to look at the potential need for land consolidation procedures and for new land use designation systems that may be required for EU membership.*
11. *WaterMark further recommends that Sida and Swedesurvey should emphasize development of the Address Register required for Latvia as this will be a very important and potentially marketable enhancement of the system and information services.*

5.2.2 Management Recommendations

5.2.2.1 Project Management

The project management of the mapping projects was not to the level one would expect for international projects with large values. The lack of documentation for the mapping projects is limited. The project management of the land management project was to the level one would expect for international projects with large values. The documentation is complete, concise and contains the type of information that is consistent with good project management practice.

12. *WaterMark recommends that Sida proceed with the project proposal for additional support (Phase 2 of Öst-1999-179) to Latvia. The project proposal, complete with LFA matrix offers a good understanding of what is to be done and how it is to be measured. It should be noted that a copy of the Phase 2 budget was not included in the version of the Phase 2 proposal reviewed by WaterMark.*

WaterMark strongly suggests to Sida that the recommendations concerning project management be implemented as conditions of any contract with Swedesurvey to manage/supervise this project.

- 13. WaterMark recommends that Sida require project reporting similar to the reporting furnished in the land management project¹⁹. This would result in Sida receiving information in time to effect the necessary changes in project implementation.*
- 14. 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.*

5.2.2.2 Financial Management

WaterMark concludes that the information provided concerning the financial management of these projects was less than necessary to make recommendations. This is not an issue as Sida has indicated to WaterMark that a review of these issues is outside of the WaterMark mandate.

Figure 12 summarizes the WaterMark recommendations.

¹⁹ WaterMark notes that the Swedesurvey project manager involved in Latvia is retired and is working on a part time basis only (which apparently often actually results in full time work).

Figure 12 - Summary of Recommendations

Project Aspect	Review Area	Recommendation
Institutional	National Operations	1. <i>WaterMark recommends that in-country Swedish Embassy and Sida representatives be briefed as to the progress and implications of the mapping and land management projects supported by Sweden.</i>
Institutional	International Operations	2. <i>WaterMark recommends that Sida endeavor to track Latvia's efforts to secure international funding for projects so that Sweden can both complement those efforts, should it desire to do so, and ensure that Swedish funding is not redundant.</i>
Project specific	Technical – Land Management	3. <i>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. In this respect, future work should ensure that mass valuation is based on as wide a range as possible of market information and should verify the accuracy of value data being collected by the Land Book Office.</i>
Project specific	Technical – Land Management	4. <i>WaterMark recommends that future work emphasize the integration of the databases (and potentially the organization and procedures) of the Land Book Office and the SLSL so that information can flow seamlessly and be more complete and so that the Ministry of Justice's information management costs can be reduced substantially.</i>
Project specific	Technical – Land Management	5. <i>WaterMark recommends that the SLSL and Swedesurvey investigate the reasons why properties are not being registered and develop incentives for people to register their properties, such as amnesty for non-registrants, income-based rather than market-value based fees, etc.</i>
Project specific	Technical – Land Management	6. <i>WaterMark recommends that the SLSL consider alternatives to the municipalities' approval of transactions and right of first refusal to purchase, such as mass valuation-based indicators which would signal likely underreporting of transaction prices and thereby remove the opportunity for municipal corruption, or transaction taxes and fees that are not based on value (at least until the market information system is well established).</i>
Project specific	Technical – Land Management	7. <i>WaterMark further recommends that SIDA, Swedesurvey, and the SLSL carefully monitor the potential negative impact of establishing a fully self-financing land service in Latvia while the property market is growing and while much of the activity is in initial system development and data collection.</i>
Project specific	Technical – Land Management	8. <i>WaterMark recommends that future Sida projects further evaluate existing procedures and help to develop new methods for valuation as required, particularly for agricultural land and buildings. A feasibility study of the mass appraisal process is recommended to assist the SLSL in overcoming political resistance to the implementation of an equitable real property taxation system.</i>

Project specific	Technical – Land Management	9. WaterMark recommends, based on user feedback and observations, that the SLSL, in its current study of client services, should ensure issues such as the following are addressed, if they have not previously been included: • marketing campaigns for information and services, • targeting of potential user and critical system support, such as banks and the Ministry of Disasters, • providing training support for users both on technologies and on the appropriate use of the data, • appropriate pricing strategies that will not cause undesirable results in the property markets and land administration, • feedback mechanisms to report and address systems and data problems such as the mismatch of datasets, lack of required data (e.g. on servitudes), areas of duplication within government, and data errors • evaluation of local and regional service provision. • tracking of service delivery
Project specific	Technical – Land Management	10. WaterMark recommends that future projects funded by Sida should begin to look at the potential need for land consolidation procedures and for new land use designation systems that may be required for EU membership.
Project specific	Technical – Land Management	11. WaterMark recommends that Sida and Swedesurvey should emphasize development of the Address Register required for Latvia as this will be a very important and potentially marketable enhancement of the system and information services.
Project specific	Technical – Land Management	12. WaterMark recommends that Sida proceed with the project proposal for additional support (Phase 2 of Öst-1999-179) to Latvia. The project proposal, complete with LFA matrix offers a good understanding of what is to be done and how it is to be measured. It should be noted that a copy of the Phase 2 budget was not included in the version of the Phase 2 proposal reviewed by WaterMark.
Project specific	Project Management	13. WaterMark recommends that Sida require project reporting similar to the reporting furnished in the land management project. This would result in Sida receiving information in time to effect the necessary changes in project implementation.
Project specific	Project Management	14. 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.

5.3 Limitations of the Review

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

1. Although WaterMark was able to visit some agencies outside the Ministry of Justice and at the local level, the conclusions and recommendations may not be representative of comments from all clients and in municipalities further from Riga.
2. As WaterMark was unable to meet with the Director-General of the SLSL, the information in this report is gained from staff members who may or may not understand the overall institutional goals, constraints, and achievements.

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 Swedish side and the counterpart side. If people are interested and committed, the work gets done, even when things happen to impede the work.
4. As countries move towards democracy, internal politics will play a greater role in how and why project results are implemented.
5. 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.
6. There is a need to approach the development of land administration systematically, examining how the parts fit into a larger picture, and there is a need for realistic achievable and measurable goals.
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 Swedish government has made significant inroads with the aid provided to Latvia to this point. Latvia is moving towards development of a full land administration system to support land markets and secure property holding. The assistance from Sweden has targeted on technical aspects such as procedures, technologies, and system management but all of these are fundamental components that need to be in place to achieve the greater goals of economic development and democracy.

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 in Latvia

Name	Title	Address
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Aigars Azrins	President	Balsts Real Estate Company

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