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WORKSHOP ON REAL PROPERTY ADMINISTRATION IN DEVELOPING THE INFORMATION SOCIETY

Report prepared by the secretariat in cooperation with the delegation of Lithuania

Introduction

1.   The workshop on real property administration in developing the information society took place in Vilnius (Lithuania) from 23 to 24 September 2004. It was organized by the State Enterprise Centre of Registers with the support of the Ministry of Justice and in cooperation with the United Nations Economic Commission for Europe (UNECE).

2.   Representatives of the following countries participated: Armenia, Austria, Belarus, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Iceland, Ireland, Latvia, Lithuania, Netherlands, Norway, Poland, Republic of Moldova, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, United Kingdom and Ukraine.

3.   Representatives of the UNECE secretariat, the United States Agency for International Development (USAID) and EuroGeographics also took part in the workshop.

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4.   Mr. P. KOVEROVAS, State Secretary of the Ministry of Justice, opened the workshop and welcomed the participants. He reported that some strategic documents such as the National Long-term Development Strategy, the E-Government Concept, the National Information Society Development Concept had been drafted to regulate the legal aspects of the development of the information society. This year Lithuania had become a member of the European Union (EU). It had made special efforts to harmonize its legal acts with those of the EU, creating favourable conditions for social and economic progress, developing a real property and credit market by establishing competitive conditions and promoting access to Europe's technological and digital environment. With regard to the UNECE real property administration review implemented in Lithuania, he expressed the hope that the assessments, recommendations and proposals would improve the real property administration system in the country, create better conditions for the development of the real property and credit market, improve the services provided for the population in the country and abroad.

5.   Mr. B. KJELLSON, Chairman of the UNECE Working Party on Land Administration, reported on its recent activities. He stressed the importance of real property administration in developing an information society. The rapidly changing environment put pressure on all people to meet the new challenges created by information technology (IT), e-society and globalization. The State Enterprise Centre of Registers had much to show the participants of the workshop in the area of IT development, defining tasks and organizational set-up. The recent land administration review on Lithuania would also be showcased during the workshop.

6.   Mr. G. VINOGRADOV, UNECE secretariat, made reference to the World Summit on the Information Society (Geneva, December 2003) which had adopted a Declaration of Principles and a Plan of Action. Partnerships in this area, in particular between developed countries and countries with economies in transition, were crucial for promoting capacity-building and global participation in the information society. This workshop was an important event in shaping the focus on the role and responsibilities of land administration in the development of the information society. The experience of Lithuania constituted an interesting case study in that respect. He thanked the host authorities for the warm hospitality extended to the participants and for the first-rate working conditions provided.

7.   The following themes were discussed:

Theme I: Public registers: integration and e-services

Chairperson: Mr. P. VAN DER MOLEN (Netherlands); Moderator: Mr. T. BEARDSALL (United Kingdom)

Presentations:

"Authentic Registers and Good Governance" by Mr. P. VAN DER MOLEN and Mr. K. WELTER (Netherlands);

"Overview of the Development and Delivery of Information and Registration Services in Registers of Scotland" by Ms. A. ROBERTSON (United Kingdom);

"Cadastral Information Systems – Important Part of E-Government Development in Slovenia" by Mr. A. KUPIC and Mr. U. MLADENOVIC (Slovenia);

"Real Property Information, Integration and e-Services – the Swedish Experiences" by Mr. H.-E. WIBERG (Sweden); and

"Integrated State Registers System in Lithuania" by Mr. K. ANDRIJAUSKAS (Lithuania).

Theme II: Information and communication technology (ICT) in real property administration

Chairperson: Mr. J. RATIA (Finland); Moderator: Mr. A. OVERCHUK (Russian Federation)

Presentations:

"Impact of e-Technology on the Cadastre and Registration Organizations" by Mr. A. KWITOWSKI (Netherlands);

"Developing Vision and Strategy" by Mr. J. ATKEY and Mr. T. BEARDSALL (United Kingdom);

"Real Property Data as Part of e-Government in a Federal State – the German Example" by Mr. H. BRUGGEMANN (Germany);

"Establishing the Immovable Property Cadastre in the Russian Federation" by Mr. A. OVERCHUK;

"Renewing the Land Register Systems in Norway" by Mr. T. INGEBRIGTSEN (Norway); and

"Development of Land Information System in Latvia" by Mr. A. RAUSIS (Latvia).

Theme III: Real property administration review in Lithuania

Chairperson: Mr. B. KJELLSON (Sweden); Moderator: Mr. P. CREUZER (Germany)

Presentations by the members of the international experts team for the Review:

"Real Property Administration Review in Lithuania: Information Society, State Registers and Property Market" by Mr. B. KJELLSON;

"Real Property Administration Review in Lithuania: Real Property Register and Cadastre" by Mr. P. VAN DER MOLEN;

"Real Property Administration Review in Lithuania: International Cooperation" by Mr. P. CREUZER; and

"Real Property Administration Review in Lithuania: Land Reform and Land Development" by Mr. R. MERTEN (Germany).

I. MAIN ASPECTS OF THE DISCUSSION

A. Public registers: integration and e-services

8.   The basic idea behind data infrastructures is that they provide easy access to many databases for people who need those data for their own decision-making processes. Although data infrastructures have a substantial component of information technology, their most fundamental asset is their data. During the past decade it has been understood that the development of data infrastructures provides not only easy access to databases, but also good opportunities for rethinking the role of information supply for the performance of governments. In some UNECE countries, the shift from isolated information systems to a data infrastructure concept took place in the mid-1990s, due to:

- The modernization of the government's provision of services, which in comparison with the innovations being introduced in the business community was very slow and certainly not across the board;
- The inability of the government agencies to cooperate effectively to overcome growing problems, such as fraud, petty crime, organized crime;
- Frequent bickering among the authorities during policy discussions as to the extent to which the data were complete, correct and up to date.

9.   Many Government tasks involve collecting, processing and disseminating information (about persons, legal entities, vehicles, ownership, rents, leases, land use, housing construction, etc.) as part of the decision-making process. Government bodies pursue these activities for their own purposes and in many instances it creates duplication of efforts. Data about persons are collected by municipalities, for instance for their welfare policies, employment policies, land-use planning, land-use control, social housing, local taxes and land-market control. Regional departments collect the same data, for example for overall spatial planning, environmental policies or water management. Central government bodies do likewise for national taxes, construction of transport infrastructure, census, land consolidation, land reform, etc. In fact, this is an ongoing duplication of efforts that is expensive for the government on the one hand and puts a financial and administrative burden on citizens on the other.

10.   In order to combat the negative effects of multiple data collection, storage and dissemination, data sharing is a solution. This means that government bodies at all levels use data collected by one organization and that they do not spend money collecting the same data themselves. In fact, this is the main challenge of the concept of data infrastructures. Regarding the spatial component of data, this concept is specified as a 'geo-spatial data infrastructure', which encompasses networked spatial databases and data-handling facilities, the complex of institutional, organizational, technological, human and economic resources which interact with one another and underpin the design, implementation and maintenance of mechanisms facilitating the sharing of access to, and responsible use of geo-spatial data at an affordable cost for a specific application or enterprise.

B. Information and communication technology (ICT) in real property administration

11.   The development of the information society and knowledge economy comprises many different processes in the lives of the UNECE member States and their citizens. As knowledge plays an increasingly important role in the economic development of the modern world, human skills are becoming the most important factor of production. The challenge for UNECE countries, and particularly countries in transition, is to develop new engines of growth and to diversify economic activities. The key to improving competitiveness is the systematic generation, use and communication of knowledge throughout society, not just in high-tech sectors but also in all other areas, and not only among the educated elite but among the general population. Cadastre and land registry services are increasingly based on digital data, and related information is increasingly provided by electronic means.

12.   E-government is the transformation of the public sector's internal and external relation through Internet-enabled operations, and information and communication technologies to optimize government service delivery, constituency participation and internal government processes. The infrastructure is usually available, but the organizations are not yet ready for it. ICT is not only an additional operational tool, it also requires a change in business philosophy. It is, therefore, difficult to introduce in a short time period.

13.   Users believe that e-government is becoming more useful as it moves from the basic supply of information to online transactions and then to more complex multi-agency transactions and data integration. In order to improve the cost/benefit ratio, e-government needs increased product and service maturity. People expect to interact with government in a way that makes agency boundaries transparent and integrated, with cross-agency data more readily available. They also expect their privacy and security to be protected.

14.   The benefits of ICT and e-government could be summed up as:
- Improved efficiency of the organizations involved;
- Cost savings;
- Better consumer services;
- Faster processes;
- Opportunities for preventing data duplication;
- Better standardization within organizations involved; and
- New products and services.

C. Real property administration review in Lithuania

15.   In 2003, the delegation of Lithuania expressed its interest in carrying out a land administration review. Following a formal request by the Government of Lithuania, the UNECE secretariat in consultation with the Bureau of the Working Party established a team of international experts: Mr. Martti Hautala (Finland); Mr. Paul van der Molen (Netherlands); Mr. Peter Creuzer and Mr. Ralph Merten (Germany); Mr. Bengt Kjellson (Sweden); Ms. Dorothee Müller (United Kingdom); and Mr. Guennadi Vinogradov (UNECE secretariat).

16.   Their mission was prepared by the Lithuanian land administration authorities in consultation with the UNECE secretariat. It took place from 28 February to 6 March 2004. During the mission the international experts had meetings in the Office of the Prime Minister of Lithuania, the <u>Seimas</u> (Parliament), the Ministry of Justice, the Ministry of Finance, the Ministry of Agriculture, the Ministry of the Environment, the Information Society Development Committee, the World Bank office, the Chamber of Notaries, the Central Mortgage Office, banks and private companies. Extensive discussions were held with the staff of the Central Office of the State Enterprise Centre of Registers.

II. CONCLUSIONS

A. <u>Public registers: integration and e-services</u>

17.   Many countries try to capitalize on the opportunities provided by data infrastructures by implementing a policy of data sharing and data integration of government data in such a way that it will result in:
- A lower of administrative burden;
- Better government services;
- Efficiency gains;
- More transparency;
- Service delivery in accordance with public expectations;
- Better policy analysis and implementation; and
- Legitimate government operations.

18.   However, there is a need for:
- Amending and harmonizing the legal framework regulating public registers, their integration and e-services;
- Cooperation and coordination on infrastructure policies and interoperability, data integration and data sharing in day-to-day practice;
- Overall strategy, modern IT policies and effective work processes;
- E-services to become the norm;
- Integrated information as required by customers;
- Cost-effective information infrastructures with effective pricing policy;
- Public-private partnership (PPP);
- Organizational improvements;
- Join efforts to develop a common overall policy on a system of basic registers that allow for availability of, access to, and sharing of distributed data, without problems;
- Permanent organizational review to make organizations fit for the challenges ahead.

B. <u>Information and communication technology (ICT) in real property administration</u>

19.   It was noted that:
- The success of e-government depends on political support, ICT development and knowledge, meeting of the customer needs and requirements;
- Land administration agencies that use information and communication technologies

to deliver new services and are reorganizing the way in which they work get higher appreciation ratings from citizens and the business community;

- Effective use of ICT increases productivity, supports efficient services to customers, improves the working environment for staff and reduces costs;
- The practical results for the public and for business are fewer visits to agencies and other organizations, which makes services faster, cheaper, more accessible and efficient.

20. An agency can ensure successful implementation of e-government programmes when:
- Executive-level support has been obtained;
- Its staff are committed to the concept of e-government;
- Awareness is supported by the availability of online programmes to citizens;
- Legislation and authentication issues are resolved to increase the number of real property transactions;
- Models for effective inter-agency collaboration are built.

21. However, there is a the need for:
- Consistent methods of value assessment and an approach that responds to nation wide needs;
- Methods for assessing agency value and return on investment;
- Nation wide e-service architecture;
- Inter-agency cooperation;
- Models of funding that satisfy both the beneficiary and the end-users;
- Development of national e-government strategies and action plans and good coordination during the implementation;
- Re-engineering of ICT to meet customer demands.

C. Real property administration review in Lithuania

22. Lithuania took a modern approach to the development of its real property (land) administration system. The system has successfully been developed step by step, in accordance with the UNECE Guidelines on Land Administration.

23. The registration of real property rights in Lithuania is quite different from the prevailing practice in other countries: mortgage rights are registered separately from other real property rights.

24. A new legal and institutional infrastructure and business environment have been developed. These developments have created new possibilities for Lithuania and made a great impact on its economy, society and public life.

25. At the government level, there is a clear vision of IT development and of the one-stop-shop concept. There are no international standards and data specifications in digital geographic information system (GIS) data exchange, which hinders the effective use and delivery of data.

26.   Real property cadastre and register data are collected in a central databank, which contains information about more than 5 million real properties and related rights. Information from the central databank is available to domestic customers and international users. The system is based on cost recovery, which helps to generate income to improve of its products and services as its response to customer needs.

27.   It should be noted that registration of transactions is not compulsory and, thus, the register does not reflect the real situation.

28.   Progress has been made in geodesy and mapping. The cadastral map is based on survey data of land parcels and uses new geographic information (GI) technologies.

29.   The current situation, with normative values used for taxation, is not sustainable. Most experts agree that it is necessary to switch to a market-value-based taxation of real property and computer-assisted mass valuation to establish the taxable values.

30.   It is expected that about 500,000 ha of agricultural land will remain State-owned after the restitution process is completed. Restitution has led to land fragmentation. The consolidation of land can be used to create competitive farms and contribute to environmental protection.

31.   The slow progress in spatial planning in counties and municipalities means that important decisions on the use of land (sale, leasing, building) and future territorial development may be made without the necessary overview, without the participation of all the authorities concerned and the general public. This may lead to non-sustainable patterns of development and land use.

32.   The Lithuanian land administration authorities have successfully used donor assistance from the very beginning of the transition. Further assistance should be focused on the efficient use of EU structural funds with regard to the priorities specified in the Single Programme Document.

33.   The key conclusions are that:
   •   Electronic interaction between State registers should be established, including the use of geo-reference data, enabling the provision of e-services to the public administration, the general public and e-business;
   •   A market-value-based taxation of land and constructions should be introduced as soon as possible to create a fair and more transparent taxation system;
   •   The Civil Code should be amended to make the registration of real property compulsory;
   •   Taking the example of the real property register models used in many market economies, all information related to real property, property rights and encumbrances, including mortgages, should be placed in one, uniform public register;
   •   A national strategy on land consolidation should be developed and adopted;
   •   The Government should take practical measures to facilitate territorial planning especially in counties and municipalities;
   •   The land administration authorities and institutions (the State Enterprise Centre of

Registers and the National Land Service) should continue to seek international experience and knowledge through collaboration with national and international organizations dealing with land-related problems;

- Land administration tasks which fit in the priorities specified in the Single Programme Document should be clearly identified so that adequate funding from the EU structural funds can be ensured for further development;

- Publicly accessible electronic service systems within the framework of the programme for e-government and the information society should be developed; and

- International standards and data specifications in digital GIS data exchange should be created.