1. **Basic Information**

1.1 **CRIS number**: 2003/004-379/01.11  
1.2 **Title**: Integrated Cadastral System – Phase III  
1.3 **Sector**: Public Administration  
1.4 **Location**: Poland

2. **Objectives**

2.1. **Overall objective**  
Improving efficiency of public bodies in the field of registration of real estate property rights and providing complex information about real property for commercial and fiscal purposes.

2.2. **Project purpose/immediate objectives**  
Developing of the organisational and technical solutions of the Integrated Cadastral System being a synchronised mechanism and electronic connection of the following autonomous subsystems: **land and building register** (supervised by the National General Land Surveyor subordinated to the Minister of Infrastructure), **land and mortgage register** (operated by land and mortgage register divisions of district courts subordinated to the Minister of Justice), and modernised **real estate tax register** aimed to implement the tax based on real estate property value (carried out by local tax administration and supervised by the Ministry of Finance). Adjusting the land and building register to requirements associated with creating the mechanisms of the Integrated Cadastral System. Improved process of issuing of cadastral data for the purposes of IACS system and other users of cadastral information. Improved operation of land and mortgage registers through implementation of the electronic land and mortgage register software in further divisions.

2.3. **Accession Partnership and NPAA priorities**  
The objectives are in compliance with the 2001 priority of the AP concerning Economic Criteria, i.e.: “continue improving the functioning of the land and market and complete development of property register”. The wider objective is also in compliance with the priorities contained in the NPPM 2001: “Creating of Integrated Cadastral System” (point 30.8) and “Improvement of functioning of the system of common courts in Poland” (point 30.9).

2.4. **Reference to Preliminary National Development Plan**  
N/A

2.5. **Cross border effect**  
N/A

3. **Description**

3.1. **Background and justification**  
The project continues and develops the PHARE 2000 project ‘Establishing the Integrated Cadastral System (ICS)’ as well as its continuation - PHARE 2001 project. The situation in the sector as well as the detailed information justifying the need to perform proposed activities is contained in the documentation of the above projects. Since the actions to be completed under PHARE 2000 and PHARE 2001 project constitute only a small part of the whole undertaking devoted to the creation of ICS, it is necessary to continue it with this project.

The present project is a set of two components concerning developing the standard database of the land and building register integrated with databases of the land and mortgage register (Component 1) and further introducing of electronic land and mortgage register to the land and mortgage register division of the courts (Component 2). Projects implemented within the framework of PHARE programme are elements of actions in this regard.

Component 1 is aimed at support of efforts of the Government concerning creation of modern National Cadastral System, ensuring improvement of property rights registration, revitalisation of real estate market, increase of effectiveness of real estate taxation and stimulation of activity of capitals residing in real estate. Component 1 will be implemented on the basis of present legal acts.

Works aimed at adjusting of existing databases of Land and Building Register to ICS needs is an essential part of the project. It will be done by means of data conversion to a uniform standard and...
format described in regulation of Minister of Regional Development and Construction (regulation concerning land and building register from the 29th of March 2001). It is expected that as a result of these works, the process of transformation of analogous maps into digital ones will be completed in administrative districts taking part in the project. Descriptive part of Land and Building Register is entirely kept in IT technology.

As far as the Component 2 is concerned, the project enables extension of the ICS system on further locations.

The component of the Ministry of Finance (the Component 3 in the previous Phare 2000 and Phare 2001 projects) is not present in this project. The Ministry of Finance stated that activities that will be completed within the framework of the previous two Phare projects are sufficient at the present stage of the reorganisation of real property tax system. Component 3 of Phare 2000 project provides for elaboration and implementation of an IT system enabling access to land and building register data and their comparison with data of real property tax register. According to the project realisation schedule this software should be worked out till 30.04.2003 and implemented in 7 pilot locations till 31.08.2003. Starting in 2004 this system could be implemented throughout the whole country by local authorities.

On the basis of the legal act passed on 30.10.2002 by the Polish Parliament, concerning the local payments and taxes, all local authorities will keep real property tax registers using IT, not later than 01.01.2005. In a future regulation the Ministry of Finance will specify the standards for running these registers, standards for their communication with the land and building register and the scope of relevant data. The scope of information on real property as well as detailed technical solutions will be derived as a result of the system implemented in pilot locations under Phare 2000 project.

According to the Geodetic and Cartographic Law the land and building register data are the basis for tax assessment. Free of charge direct access to this register is guaranteed for local authorities, with the restriction that no information is passed over to the third parties. Thus the communes are interested in the access to the L&BR. The software developed within the Component 3 of the Phare 2000 project should, by using IT techniques, make this access easier. Moreover, this system software will be distributed free of charge.

The staff of local tax administration will be trained within the Component 3 of Phare 2001 project (about 2500 persons - at least one per commune). During the training courses the selected employees will learn how to use the software developed within the Phare 2000 project and how to implement the above-mentioned future regulation of the Minister of Finance.

All this should encourage local authorities to implement the elaborated software. In the first stage access to the Integrated Cadastral System will be available only for communes connected to the Integrating Electronic Platform, which is under development within the Component 1 of Phare 2000.

National General Land Surveyor is responsible for elaboration of principles of organisational and technical preparation of cadastre as well as for issuing instructions of real estate mass appraisal. It needs to be stressed (as it has already been done in the PHARE 2000 and PHARE 2001 project) that the project doesn’t neglect the needs of IACS system to be implemented in Poland nor overlaps the latter. To the contrary: in works within the first Component of the project concerning access to the ICS data bases (especially the data basis of land and building register), the interface between ICS and IACS will be secured. The presence of the representative of the Ministry of Agriculture and Rural Development in the structures responsible for implementation of the project will facilitate the co-ordination of both projects.

Co-ordination of common issues concerning activities of particular components as well as overall supervising of the project execution is a task of the interministerial Team for Elaboration and Co-ordination of the Governmental Programme of the Real Estate Information System Development. The Polish Prime Minister has appointed this Team on December 2nd 2002.

3.2. Linked activities

3.2.1. Linked activities common for two components

PHARE 2000 project “Establishing the Integrated Cadastral System (ICS)"

The project comprises three components that assume: developing interfaces that facilitate access to selected existing databases of the land and building register and interconnection for data access from other registers (land and mortgage register and real estate tax register); developing procedures for data exchange between the land and building register, the land and mortgage register, and the real estate tax register; developing the electronic land and mortgage register and testing it in simulated environment; implementing the system in 24 land and mortgage register divisions of the common courts; developing
the software for running local tax records; developing instructions for the conversion of data from tax records to fiscal cadastre and the procedure of verifying data and information contained in tax returns and tax information provided by local tax payers against data contained in the land and building register; developing system of training for employees of municipalities.

The details on how the ICS should be linked with and support the IACS will be considered and elaborated under PHARE 2000 project, as provided for in the documentation to that project. The implementation of PHARE 2000 project started on the 1st of June 2001. Up to now the tender procedures have been completed, all contracts have already been signed and are now in the realisation phase. Within the Component 1 the software for Integrating Electronic Platform should be elaborated, tested and implemented in 6 pilot implementation centres till the end of August 2003. The necessary adaptation of rooms, purchase of appropriate IT communication hardware and connection of the centres to the PESEL-NET network are financed from national funds. All this will be completed till the end of 2002.

Within the Component 2 the pilot phase simulations in land and mortgage register divisions in 6 pilot centres will begin on 01.01.03. On 01.07.2002 the implementation of the ICS system in all 24 locations covered by the project will start.

The national co-financing has already amounted to more than agreed in the project fiche, although the project is still running. From national funds, i.e. from the budgets of the interested ministries as well as from the budget reserve, among other things the following are financed: analytical and designing works as well as preparation of functional specifications for software relating to adjusting of IT software and databases according to requirements of ICS, elaboration of principles of access to the land and building register databases and procedures of data exchange between land and mortgage register and property tax register as well as real estate mass appraisal; analytical works on development of functional specification of software for land and mortgage register court divisions; development of software for verification of the compatibility of existing data files with the adopted SWDE format, for file authorisation and for graphic and text files merging; R&D activities concerning principles of migration of land and mortgage books; connection of the ICS pilot centres to the governmental PESEL-NET network; expertises; necessary adaptation and repair works in land and mortgage register court divisions covered by the project, wiring up, IT hardware purchase, staff training. Much of this has already been realised. The Phare 2000 project will be completed till the end of 2003.

Activities leading to necessary legislative changes have been undertaken. The act on the amendments to the act on land and mortgage register and mortgage, to the Code of civil proceedings, to the act on court costs in civil cases and to the Law on notary public was adopted by Polish Parliament on 11th of May 2001 and came into force on 23rd of September 2001. Changes introduced by the above act simplified the land and mortgage register proceedings but they are still not sufficient to implement ICS system. Draft of the act on migration of perpetual book contents to the structure of perpetual book being kept in IT system together with further relevant drafts are subject of parliaments work.

The necessary changes in the Geodetic and Cartographic Law have already been agreed upon in the relevant ministries. The bill of the amendment of this act entitles the National General Land Surveyor to create and run an IT system, which enables the integration of the property cadaster with other public records and registers, in particular with the land and mortgage register system, tax records, the system of farm and farm animals records as well as with other public systems and registers. Till 15.12.2002 a draft of the regulation of the Minister of Infrastructure will be elaborated (the so-called technical Instruction G-5/G-8 „Land and Building Register”, which will specify technical conditions for adjusting and running of the L&BR with respect to requirements of the ICS). All legal acts, which are necessary for running of the ICS system, should be in force beginning from 01.07.2003.

PHARE 2001 project “Establishing the Integrated Cadastral System (ICS) - phase II”

The project continues and develops the above-mentioned PHARE 2000 project. Within this phase of the whole undertaking the Integrated Cadastral System will be implemented in next centres enabling its extension over wider part of the country. The relevant tender documentation is now under preparation. Within the framework of the Component 1 the Integrating Electronic Platform will be implemented in further centres and the data bases will be adjusted to the formal requirements of the ICS system (from the IV quarter of 2003 till end of 2004). The necessary adaptation of rooms, supply of appropriate IT communication hardware and connection of the centres to the PESEL-NET network, financed from national funds, will be finished till the end of the III quarter of 2003. Hardware bought from Phare funds will be supplied in the second half of 2003. Within the Component 2 further migration centres will start till 01.01.2004. On 01.07.2004 the implementation of the system will begin in next 34 land and mortgage register divisions of courts. The completion of the Phare 2001 project is planned for the end of 2004.
3.2.2. Other linked activities concerning individual components

For Component 1
Results of the Phare 2003 project will be helpful in implementation of "Establishing Farm Register System" (IACS). The Project MATRA 99/PL/9/1 "Elaboration of model of land and building register database" financed by the Dutch government within the framework of pre-accession support. It comprises elaboration of the concept of concentration of land and building register databases at regional level as well as other corresponding activities. Results of the project will allow for assessment of possibilities and finance justification of the concentration. Positive result should enable reduction of source databases for IPE system, eliminating sources of disturbances for IPE system.

The project of State Committee for Scientific Research (KBN) "Developing the new technological methods for the national cadastral system" based on the concept of creation local ICS databases containing updated replicated databases of land and building register, land and mortgage register and property tax register.

For Component 2
PHARE COP 98, Improving the efficiency of the system of Justice (3M€). This comprehensive project provides for numerous actions (delivering expertise, preparing and conducting training programmes, introducing IT) in various areas of the justice system, designed to set up a new level of common courts in Poland (borough courts), improve the efficiency of judicial bodies responsible for the collection of court dues, improve the international legal co-operation, etc. In limited extend it also touches upon problems connected with the operation of the land and mortgage register. The project started in spring 1999 and is being implemented under the twinning agreement with the French Ministry of Justice.

The French Ministry of Justice. The agreement of February 1997 provides for mutual co-operation including exchange of information on legal provisions, both national and European, assistance by drafting new legislation, strengthening of bilateral legal co-operation, common training activities and study visits. Under this agreement the new programme of training for judiciary in EU law was developed, covering acquis communautaire in the four principal branches of court law (civil, labour, commercial and criminal) and the methodology of processing cases which involve EU law. The programme started in December 1997. Until now, during several seminars held throughout the country, several hundreds of judges were trained.

The German Foundation for International Legal Co-operation, affiliated with the Federal Ministry of Justice. The Foundation was deeply involved in the initial activities of the Ministry of Justice in the field of training for judiciary in EU law. The co-operation was focused i.e. on land and mortgage registers problems and involved one more partner, namely the Ministry of Justice of the Land Saxony. It aimed at verifying the concept and all relevant documentation concerning an introduction of IT land and mortgage register system in Poland that was elaborated in the Polish Ministry of Justice. The experiences of Bavaria and Saxony which recently introduced an efficient and modern IT land and mortgage register system, were the point of reference. The common actions touched upon all the aspects of undertaking, i.e. technical, organisational and legislative, and had a form of delivering of expert’s opinions, experts’ meetings and study visits. They were completed in the year 2000.

Ministry of Justice together with Geodesy and Cartography Institute, implements a project of transformation of perpetual books into electronic form, financed by State Committee for Scientific Research. Within the framework of that project, the following will be tested: procedures of migration of paper books into electronic form, possibilities of semiautomatic transfer of FENIKS system data (which is functioning in some Land and Mortgage Register divisions) to structured form as well as functional arrangement of migration centres.

Common for both components
Within the framework of a project realised under World Bank grant No. 027427, entitled „Strengthening of the processes of Land Administration and Registration in Poland”, an analysis of possible ways of financing the ICS implementation as well as cost-benefits analysis of the implementation of this system will be conducted. The Business Plan for the ICS, as elaborated for purposes of the project Phare 2000, will be used as a basis for these studies. The experience gained during the realisation of this project and other pilot projects concerning property cadastre in Poland as well as experience gained in this field by other countries will be taken into account. The task should be realised in 2003 by Polish and foreign experts.
3.3. **Results**

**Component 1**
- Unified data of different format, kept at present in various databases of land and building register
- Direct data exchange between land and building register, land and mortgage as well as possibility of use unified registration data for the purposes of tax register and IACS system
- Easy access to Cadastral System for various users from government, local authorities and commercial users
- Shortening of time of transaction in real estate trade and greater safety of these transactions

**Component 2**
- Applying the IT land and mortgage register system in at least 50 other land and mortgage divisions of the courts and creation of other migration centres
- Shortening of time of proceedings in the land and mortgage register divisions and further elimination of existing backlogs
- Access to real estate data collected in the existing databases and stimulation of real estate trade and improvement of its safety

3.4. **Activities**

**Twinning**
Twinning will cover two components of the project and shall include:

- long-term expert (PAA) for complex co-ordination of the venture progress within the component of the Head Office of Geodesy and Cartography and the component of the Ministry of Justice. The following will be the task of the PAA: to assist in preparing documentation needed for tender procedures, to assure IT experts experienced in elaboration and implementation of IT systems (if desired), to prepare periodical reports and final report as well as to assist the Geodesy and Cartography and the Ministry of Justice in monitoring work in centres covered by the project. The expert should have IT or legal background and sufficient professional experience in designing, implementation and operation of IT real estates registers systems as well as experience in supervising such projects. He/she is expected to possess strong managerial skills, should be fluent in English (working knowledge of Polish would be an advantage) and willing to stay in Poland for the period of the project execution. The PAA will be situated in the Head Office of Geodesy and Cartography.

- participation of short- and medium-term experts

It is assumed that the following number of foreign experts’ missions and expertises will be needed within individual components of the project:

**1st Component**

- elaboration of the following expertises:
  - concept of the structure of central database system of Cadastre
  - detailed procedures concerning updating of land and building register document (polish: operat ewidencyjny) and sharing land and building register data with institutional and commercial users
  - system and training organisation for employees of geodesy and cartography service and executors of geodesic and cartographic works according to experience of EU countries

- participation of short-term experts concerning:
  - participation in preparation of specifications for contracts – 4 missions of 2 experts
  - concept of the structure of central database system of Cadastre, - 2 mission of 2 experts
  - detailed procedures concerning updating of land and building register document (polish: operat ewidencyjny) and sharing land and building register data with institutional and commercial users – 1 mission of 2 experts
  - system and training organisation for employees of geodesy and cartography service and executors of geodesic and cartographic works according to experience of EU countries – 1 mission of 2 experts

**2nd Component**
Participation of short-term experts concerning:

- monitoring procedure of implementation of the system in selected district courts – ten 5-day missions of 4 experts
monitoring procedure of implementation of the system in selected migration centre – one 5-day mission of 1 expert

Other Activities

Component 1
Works started by PHARE 2000 and PHARE 2001 projects will be continued. It comprises:

- conversion of databases of land and building register (run in various IT systems) to obligatory IT standard, verification of results of the conversion and adaptation and completion of land and building register data (also graphical data from cadastral maps vectorisation) according to the needs of ICS on the basis of principles and tools elaborated within the framework of Phare 2000 and 2001 projects
- installation of specialized software (Integrating Electronic Platform-IPE) developed within the framework of Phare 2000 and 2001 project; enabling access to database for tax registers, IACS system and land and mortgage register system
- elaboration and implementation of software enabling data sharing from IPE system for commercial users

Based on the above mentioned principles and tools, it is necessary to adopt relevant standards in further 185 district administrations, including regions covered by pilot implementation of IACS system.

The activities described above will be carried out with use of the following means:

- Twinning (described above)
- Technical assistance: Organisation and carrying out of 5-day training courses for ca. 925 employees dealing with operating of real property cadastral
- Investment contracts: Data conversion of land and building register to required data format and standard, verification of results of the conversion, completing databases as well as inclusion of land and building register databases from about 185 district administrations to IPE system – Phare contribution with national joint co-financing
- Purchase of appropriate hardware for implementation locations – Phare contribution
- Elaboration of software enabling sharing of data of the IPE system with commercial users – Phare contribution with national joint co-financing
- Adaptation of premises in implementation locations and modification of their telecommunication infrastructure (purchase of IT communication equipment), their connection to the PESEL-NET network– Polish contribution. These tasks are necessary for the project realisation. Due to their character and the way they are conducted it is impossible to combine them with any of the contracts financed from Phare funds. Thus the procedure of joint co-financing could not be applied to this cost item of the project. The Municipal Offices and Administrative District Offices, participating in the project, will receive an aim subsidy from the Head Office of Geodesy and Cartography to perform the works concerning adaptation of premises. The subsidies will be spent by the pilot centres themselves in accordance with the specification prepared by the Head Office of Geodesy and Cartography.

Component 2
Implementation of electronic land and mortgage register in at least 50 successive land and mortgage register divisions of the courts. This task constitutes the forth stage of the whole undertaking. The first two, namely the development of the IT system and its verification in simulated environment (testing phase) and the implementation of the system in 24 of the most strategic and overloaded (having the largest backlogs, i.e. exceeding 6 months) land and mortgage register divisions (stage 2), are now implemented under the PHARE 2000 project. They will be completed till the end of 2003. The third stage (the implementation of the system in further 34 land and mortgage register divisions, mainly in the cities that were the seats of regional authorities (voivodship) before the administration reorganisation in 1999) will be implemented under the PHARE 2001 project. Its completion is planned for December 2004. The present project will cover at least next 50 land and mortgage register divisions of the district courts (and include activities similar to these of the phase 2 and 3, i.e.: preparatory works that facilitate implementing the system in selected divisions – such as construction works, structural cabling, non-IT appointments; purchase of hardware; system implementation works; training of the system users) as well as creation of further migration centres. Those locations are similar to each other in terms of their size (they employ no more than 2 or 3 judges) and the implementation of the system there will not have an strategic consequences, while it will allow to expand the territory covered by the system (further 7% of the land & mortgage register resources). The locations are not specified by the address in the present document because their selection should depend on the location and effectiveness of the migration centres to be
established during execution of the two previous PHARE projects. The cost of the system implementation in every location is similar. After completing the PHARE 2001 project, there will be still about 220 land and mortgage register divisions waiting for the implementation of the system (it comprises about 65% of the land & mortgage register resources).

**Technical assistance** contract for carrying out the following tasks:

- 24 units of two-week training courses for judges and senior clerks of justice in land and mortgage register divisions where the system will be implemented (each for 10-15 persons)
- 67 units of two-week training courses for administrative personnel of land and mortgage register divisions where the system will be implemented (each for 10-15 persons)
- Supervision over the land and mortgage register system implementation

**Investment contracts**

Phare contribution: Purchase of computer hardware (with system software) to be implemented in at least 50 selected land and mortgage register divisions and migration centres (the specification of the hardware will be based on the specification of the hardware purchased within the framework of PHARE 2000 and PHARE 2001 project) as well as for central office of land and mortgage register in case of necessity;

Polish contribution: Necessary adaptation of premises and development of telecommunication infrastructure in the selected land and mortgage register divisions and migration centres involved in the project (construction works, structural wiring, telecommunication equipment, office furnishings, etc.)

These adaptation works are an essential part of the project, as they are indispensable for establishing proper infra-structural conditions for implementation and running the ICS system. The Land and mortgage court divisions, which participate in the project, obtain the funds for these works from the Ministry of Justice. These funds are spent by the courts themselves. Thus it is not possible in this case to meet the formal requirement of joint co-financing. The needed telecommunication equipment, due to the specific architecture of the existing governmental PESEL-NET network, has to meet very unique requirements. Since such equipment currently offered on the market originates neither from EU Member States nor from the beneficiary countries, it is impossible to buy it under joint co-financed contract.

3.5. **Lessons learned**

No EMS reports for Phare 2000 projects available yet. If in the near future the recommendations concerning the implementation process of cadastral projects are formulated, they will be taken into account.

4. **INSTITUTIONAL FRAMEWORK**

It will be a co-ordinated venture of two components: Component 1, within responsibility of National General Land Surveyor (subordinated to the Minister of Infrastructure) who is in charge of land and building register; Component 2, within the responsibility of Minister of Justice who is in charge of land and mortgage register.

Twinning agreement will have no influence on institutional framework changes.

5. **DETAILED BUDGET**

<table>
<thead>
<tr>
<th></th>
<th>Investment support</th>
<th>Institutional Building</th>
<th>Total PHARE</th>
<th>National co-financing</th>
<th>International &amp; Financial Institutions</th>
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<tr>
<td>1 Twinning contract (PAA, short term experts)</td>
<td>840 000</td>
<td>490 000</td>
<td>840 000</td>
<td>50 000</td>
<td>890 000</td>
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<td>2 Contract for Hardware (Includes hardware for Component 1 and 2)</td>
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<td>1 720 000</td>
<td>6 320 000</td>
<td>6 320 000</td>
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<tr>
<td>2a Purchase of routers and network elements (Ministry of Justice)</td>
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<td>2b Adaptation of premises, office furnishings (Ministry of Justice)</td>
<td>2 850 000</td>
<td>2 850 000</td>
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3. Purchase of additional applications enabling sharing of IPE system data with commercial users (component 1) (GUGiK)

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<td>3.3</td>
<td>60 000</td>
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4. Data conversion and inclusion of land and building register databases to IPE system (Component 1)

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<td>930 000</td>
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<td>3 710 000</td>
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4a. Adaptation premises in implementation locations, purchase and installation of IT communication equipment (GUGiK)

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<tr>
<td>4a</td>
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5. TA contract (component 1)

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6. TA contract (component 2)

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The co-financing funds for the project implementation will be available from the state budget and from local authorities budgets.

### IMPLEMENTATION ARRANGEMENTS

#### 6.1. Implementing Agency

- **Programme Authorising Officer (PAO):** Ms Krystyna Gurbiel, Under secretary of State at the Office of the Committee for European Integration, 14 Bagatela St., Warsaw. Tel.: 4822 455 52 40. Fax: 4822 455 52 43.
- **CFCU Foundation "Co-operation Fund", Mr Piotr Zaprzalek**, acting Director, 4a Górnoslaska Street, 00-444 Warsaw. Tel. 4822 622 00 31: Fax: 4822 622 95 69. CFCU is responsible for handling tendering, contraction and payments of contracts on behalf of the Head Office of Geodesy and Cartography and the Ministry of Justice.

#### 6.2. Twinning

Implementation of Institution Building part of the project will take place within the framework of twinning cooperation and technical assistance.

It is planned to sign a twinning agreement with an institution responsible for national registers from one of EU member countries. Twinning cooperation will cover two components and will ensure:

- long-term expert (PAA) for complex co-ordination of the venture progress within two components
- short term experts
- elaboration of expertises

Senior Programme Officer (SPO) of the project: Mr Ryszard Preuss, Vice-president of the Head Office of Geodesy and Cartography, 2/4 Wspólna Street, 00-926 Warsaw, Tel. 4822 661 82 66, Fax 4822 621 64 39, e-mail wiceprezes@gugik.gov.pl.

#### 6.3. Non standard aspects

All components of the project will be implemented in compliance with the DIS manual and PRAG (Practical Guide).

#### 6.4. Contracts

- Twinning agreement: 0.84 M€ (Phare funds); Polish co-financing: 0.05 M€
- Purchase of hardware for both Components: 6.32 M€ (Phare funds); Polish co-financing:
  - 2a. Purchase of routers and network elements – 0.55 M€
  - 2b. Contracts for adaptation of premises, office furnishings – 2.85 M€
- Purchase of additional applications enabling sharing of IPE system data with commercial users (Component 1) – 0.24 M€ - joint co-financing
- Data conversion and inclusion of land and building register databases to IPE system (Component 1) – 3.71 M€ - joint co-financing; Polish co-financing:
  - 4a. Contracts for adaptation of premises in implementation locations, purchase and installation of IT communication equipment – 0.92 M€;
Technical assistance contract for Component 1 (organisation and execution of training for employees) – 0.83 M€ (Phare funds)

Technical Assistance contract for Component 2 (training courses and supervision over the land and mortgage register system implementation) - 1.05 M€ (Phare funds)

National co-financing funds will be spent on activities described in more detail in point 3.4. Where feasible, joint co-financing principle has been applied (investment contracts No. 3 and No. 4). Moreover in contract 4 additional Polish co-financing has been added (4a).

In one of the investment contracts (contract No. 2) it has not been possible, for reasons given under 3.4 (description of investment contracts for Component 1 and Component 2), to apply joint-co-financing.

**7. IMPLEMENTATION SCHEDULE**

- Start of tendering proceedings: third quarter of 2003
- Start of project activity: third quarter of 2004
- Project completion: end of 2005

**8. EQUAL OPPORTUNITIES**

Women constitute the majority of employees in the judicial and geodesy systems. The benefits from implementation of this project will effect all employees of the bodies involved, regardless of their sex. The same applies to citizens. Also participation in the project is tied with individual professional skills and experience only.

**9. ENVIRONMENTAL IMPACT**  
N/A

**10. RATES OF RETURN**  
N/A

**11. INVESTMENT CRITERIA**  
N/A

**12. CONDITIONALITIES AND SEQUENCING**

Cadastral System prepared as agreed for PHARE 2000 Project. PHARE 2000 and PHARE 2001 project launched and being implemented according to time schedule;

Adequate funds in the national budget secured for co-financing the project as well as for further implementation and completion of the whole undertaking – Cadastral System;

Securing by the National General Land Surveyor appropriate funds for project co-financing on the basis of agreements with individual local authorities.

Implementation of recommendations of the inter-ministerial co-ordination team.

Adoption of relevant legal acts (i.e. Act on transfer (migration) of Land and Mortgage register into electronic form; Regulation on execution of provisions of the Act on perpetual books transfer into electronic form; Minister of Justice Instruction on determination of persons responsible for perpetual books, office works carrying out principles and perpetual books protection principles during migration process.

Once the Integrated Cadastral System will be finalised and fully operational, all three pillars of the ICS, i.e. Land&Building Register, Land&Mortgage Register and modernised real estate tax register aimed to implement the tax based on real estate property value will be capable to use the System as planned.

The Business Plan for the ICS (version 1.01) has to be revised and updated before the implementation of this project. This revised version should clearly indicate what has already been done and by whom it was financed.

A detailed Master plan for the future implementation of the Integrated Cadastral System in Poland should be developed and adopted by the Polish Authorities before the implementation of this PHARE 2003 project (Institution Building and investment) will be launched. The Master Plan should at least cover the following details: It should contain a concrete and precise time table for the implementation and setting into operation of the ICS in Poland, identifying the budgetary allocations needed and clearly attribute responsibilities of the institutions in charge. Issues like, staffing, buildings, training, equipment shall be covered in the Master Plan as well. Additionally it should include information concerning the financial sustainability of the ICS in the long term.
**ANNEX 1 - PROJECT LOGICAL FRAMEWORK MATRIX**

**PROJECT TITLE: INTEGRATED CADAstral SYSTEM – PHASE III**

<table>
<thead>
<tr>
<th>Programme number</th>
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<tbody>
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</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving efficiency of public bodies in the field of registration of real estate property rights and providing complex information about real property for commercial and fiscal purposes.</td>
<td>Better access to the data bases on real property; Improved safety of legal and economic turnover; Development of real property market;</td>
<td>Government policy papers; Governmental bodies’ reports; National and international surveys; Court statistics; Statistics operated by communes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose (Immediate Objectives)</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing and testing of organisational and technical solutions of ICS; Adjusting land and building register to requirements associated with creating the mechanisms of the ICS; Improved process of issuing of cadastral data for the purposes of IACS system and other users of cadastral information. Improved operation of land and mortgage registers through implementation of electronic land and mortgage register software;</td>
<td>Land and building register databases complying with standards. Automatic data flow between subsystems of ICS. Speeding up proceedings in the land and mortgage register divisions of the courts as well as liquidation of existing case backlogs;</td>
<td>Government policy papers; Governmental bodies’ and expert’s reports; Court statistics; Reports of Beneficiaries and Contractors</td>
<td>High qualified experts (legal and on IT) available; Necessary funds available; Individual elements of ICS developed to the similar technological level; Stabilisation of staff responsible for running ICS and individual registers. Access to source codes and database structure of running land and building register systems</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unified data in various databases of land and building register in centres covered by the project; Direct data exchange between land and building register and land and mortgage register in centres covered by the project and possibility to share necessary geodesic data with IACS system; Easier access to ICS for users form governmental sector and for commercial users; Improvement of real estate market transactions and improved security of that transactions; Electronic land and mortgage register in operation in at least next 50 Land and Mortgage Register Divisions of the courts;</td>
<td>Easier data flow between various land and building register systems, land and mortgage register and IACS system. Shortening time of transaction in real estate trade and greater safety; Shortening time proceeding in land and mortgage register divisions; Elimination of existing discrepancies between data gathered in land and building registers and in land and mortgage registers; Set up of technical infrastructure required for operation of ICS and individual registers; Relevant staff in administration and courts trained to run ICS and individual registers.</td>
<td>Government policy papers; Governmental bodies’ reports; Reports of Beneficiaries and Contractors; Court statistics; Statistics operated by communes; Reports on implementation of the project (by institutions involved in its implementation)</td>
<td>High qualified experts (legal and on IT) available; Sufficient financial means available; Individual elements of ICS developed to the similar technological level; Stabilisation of staff responsible for running ICS and individual registers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of standards unifying data of different IT systems, conversion of land and building register databases covered by</td>
<td>Agreed and carried out twinning agreement; Purchase of relevant computer hardware for land and building register to be implemented</td>
<td>Government policy papers; Governmental bodies’ reports; Reports of Beneficiaries and Contractors; Court statistics; Statistics</td>
<td>High qualified experts (legal and on IT) available; Sufficient financial means available; Launching and implementing</td>
</tr>
</tbody>
</table>
Installing the specialised software (IPE) enabling exchange of data between land and building register between Land and Mortgage register and real estate tax register in centres covered by the project and IACS system; Implementation of electronic land and mortgage register to at least 50 successive land and mortgage register divisions of the courts; Elaboration and implementation of software enabling sharing data with commercial users.

In the centres covered by project; Purchase of relevant computer hardware; Development and purchase of additional software to facilitate sharing data of land and building register with commercial users; Organising and delivery of training courses for personnel of geodesic and cartographic service, employees of land and mortgage register divisions. Proper back office and logistics ensured.

Operated by communes; Reports on implementation of the project (by institutions involved in its implementation).

Preconditions
Continuation of governmental policy regarding EU accession; Implementing PHARE 2000 and PHARE 2001 project; Continuation of the reform of judicial system; Securing sufficient funds in national budget.

ANNEXES 2-3-4: DETAILED IMPLEMENTATION CHART, CONTRACTING AND DISBURSEMENT SCHEDULE OF THE PROJECT

PROJECT TITLE: INTEGRATED CADASTRAL SYSTEM – PHASE III

| Date of Drafting | 08.12.2002 |

<table>
<thead>
<tr>
<th>PLANNED IMPLEMENTATION SCHEDULE PER QUARTERS</th>
<th>Budget allocation</th>
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<tr>
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<td>Cost estimate</td>
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<td>IMPLEMENTATION</td>
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<tr>
<td>DISBURSEMENT (PAYMENT)</td>
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</tr>
</tbody>
</table>

Legend: D = design of sub-projects; C = tendering and contracting; I = contract implementation and payment.