



Executive summary of the public audit report

MAINTENANCE OF STATE-OWNED LAND RECLAMATION FACILITIES

29 September 2014 No. VA-P-60-15-11



Full audit report in Lithuanian is available on the website
of the National Audit Office: www.vkontrole.lt

DEFINITIONS

Land reclamation means the improvement of the soil by employing hydraulic, cultural-technical, agro-reclamation, and other measures in order to adjust the water, heat and air regime of the soil, to create more favourable opportunities for agriculture, to retain and increase the fertility of the soil, and to form rational land management¹.

Land reclamation system means a group of land reclamation facilities that are functionally interrelated and located in a specific area of the reclaimed land².

Reclamation facilities means various facilities used for land reclamation (ditches, overfalls, races, culverts, collector drains and laterals, pump houses, pond embankments, dams, irrigation pipes, manholes, surface inlets, etc.)³.

Reclaimed land means land with an implemented and functioning land reclamation system and implemented cultural-technical, agro-reclamation, and other measures that create favourable conditions for the development of agriculture⁴.

Vectorisation means conversion of scanned reclamation archive material into digital maps.

¹ Law of the Republic of Lithuania on Land Reclamation No. I-323, 9/12/1993 (as amended on 21/02/2004), Art. 2(2)

² Ibid, Art. 2(4)

³ Ibid, Art. 2(5)

⁴ Ibid, Art. 2(6)

EXECUTIVE SUMMARY

Lithuania is situated in an area of excessive humidity because precipitation exceeds the amount of evaporated water by around 1.48 times; therefore, favourable conditions for agriculture can be created only by way of land reclamation. Utilised agricultural land accounts for 3.46 million ha; 2.5 million ha of it (72 per cent) are subject to reclamation. About 90 per cent of all agricultural products are grown on reclaimed land, so land reclamation is a very important element of agricultural production and rural infrastructure in Lithuania.

The assessment of the condition of reclaimed land and land reclamation facilities carried out in 2007 showed⁵ that 9 per cent of the reclaimed land is in poor condition from the technical and agro-technical point of view. The condition of many state-owned land reclamation facilities – 24 per cent of dikes, 41 per cent of culverts, 51 per cent of bridges and passageways, 54 per cent of trunk reclamation ditches – was also poor. Trunk reclamation ditches are the main reclamation facilities the condition of which determines the performance of the entire land reclamation system. However, more than half of them are in poor condition because the riverbed is overgrown with trees and shrubs and covered with sedimentation, as well as due to dams, washouts, and sliding slopes, all of which is the result of improper maintenance, so about 39 per cent of ditches in poor condition need rehabilitation.

The objective of the audit was to assess the efficiency of the maintenance of state-owned land reclamation facilities:

- whether the Ministry of Agriculture properly performs its functions in the field of land reclamation;
- whether municipalities adequately maintain state-owned land reclamation facilities.

The audit was conducted at the Ministry of Agriculture, the state enterprise State Land Fund, and the municipalities of Alytus, Pasvalys, Šilutė, and Vilkauskis districts. Information was also collected from other state institutions; the interviewed persons included a representative of the Association of Local Authorities in Lithuania, scientists of Aleksandras Stulginskis University working in the field of land reclamation, and the Chairman of the Lithuanian Association of Land Reclamation Enterprises.

The audit covered the period 2011–2013. Some data from the subsequent period was also used for analysing changes.

The following public audit conclusions and recommendations were drawn upon the assessment of the audit findings.

CONCLUSIONS

The Ministry of Agriculture is responsible for shaping the state's policy in the fields of land reclamation and land improvement investment, as well as for organising, coordinating and monitoring the implementation of this policy⁶; however, the Ministry has not been properly performing all the functions assigned thereto in the field of land reclamation:

⁵ Key data on the condition of reclaimed land and land reclamation facilities as on 1 January 2007, approved by Order No. 3D-309 of the Minister of Agriculture of the Republic of Lithuania of 22 June 2007.

⁶ Regulations of the Ministry of Agriculture approved by the Government of the Republic of Lithuania Resolution No. 1120 of 15 September.

1. The Reclamation Facilities Privatisation Plan provided for in the Long-Term Development Strategy of the State will not be implemented by 2015, because the Ministry of Agriculture has not drafted the necessary legislation allowing land owners to privatise state-owned reclamation facilities. As a result, the state carries an additional burden of taking care of the property, the benefits of which are derived by the owners of the reclaimed land.
2. The Land Reclamation Programme 2012-2014 developed by the Ministry of Agriculture is not in line with a number of the provisions of the Strategic Planning Methodology: the assessment criteria given in the Programme are abstract, not clearly defined, and developed without observing the principle of hierarchy. Since no annual Programme implementation reports are prepared, it is not possible to evaluate the achievement of the Programme objectives.
3. The Ministry of Agriculture, which is responsible for coordinating the inventory of reclaimed land and reclamation facilities, failed to ensure the establishment and operation of a graphic database of the inventory of reclaimed land and reclamation facilities from 2004:
 - the Ministry failed to fix a time limit for the creation of the inventory database;
 - the Ministry failed to ensure that municipalities provide information on vectorisation works completed and changes in the condition of reclaimed land and reclamation facilities to the State Land Fund, which is responsible for performing the function of the central data bank of the inventory data of reclaimed land and reclamation facilities.
 As a result, the status of all state-owned land reclamation facilities is not known and so land reclamation works cannot be efficiently planned.
4. The exact amount of funds required for the proper maintenance of state-owned reclamation facilities is not known either, because the amount of funds requested by municipalities for performing the reclamation function is lower than the amount required for the maintenance of the assets managed thereby. The Ministry of Agriculture did not assess whether municipalities estimate the demand for funds for carrying out the reclamation function according to the Methodology for calculating the funds allocated for performing the state function (transferred by the state to municipalities) of the maintenance of reclamation and hydraulic engineering facilities approved by the Minister of Agriculture. The maintenance of state-owned land reclamation facilities falls within the responsibility of municipalities. In order to properly maintain this property, municipalities have to meet the maintenance requirements for land reclamation facilities laid down in the Land Reclamation Technical Regulation⁷.
5. The audited municipalities of Alytus, Pasvalys, Šilutė, and Vilkaviškis districts were not meeting all maintenance requirements for land reclamation facilities:
 - 5.1. reclamation specialists inspect and evaluate the condition of less than 7 per cent of drained land per year, meanwhile the share of reclamation ditches inspected in these municipalities is less than 9 per cent; therefore, the condition and changes in the condition of all reclaimed land and reclamation facilities is not known and thus reclamation works cannot be effectively planned;
 - 5.2. the main part of the land reclamation system is reclamation ditches; the annual share of the ditches mowed is not higher than 5 per cent, so their condition is continuously deteriorating and the efficiency of the reclamation system is decreasing.

⁷ Land Reclamation Technical Regulation MTR 1.12.01:2008 "Technical Maintenance Regulations for Reclamation Facilities", approved by Order No. 3D-218 of the Minister of Agriculture of the Republic of Lithuania of 16 April 2008.

RECOMMENDATIONS

To the Ministry of Agriculture:

1. In order to implement the restructuring of land reclamation facilities provided for in the Long Term Development Strategy of the State and to reduce the burden of maintaining land reclamation facilities borne by the state, the Ministry should prepare a plan of measures for privatising state-owned land reclamation facilities.
2. The Ministry should lay down control measures to ensure that the Land Reclamation Programme is developed in line with the provisions of the Strategic Planning Methodology.
3. The Ministry should ensure the completion of the graphic database of the inventory of reclaimed land and reclamation facilities. This will help shape the state policy in the field of land reclamation and use the allocated funds more effectively.
4. In order to establish the exact demand for funds needed for the proper maintenance of state-owned land reclamation facilities, the Ministry should ensure that municipalities estimate the demand for the funds for carrying out the reclamation function according to the Methodology for calculating the funds allocated for performing the state function (transferred by the state to municipalities) of the maintenance of reclamation and hydraulic engineering facilities approved by the Minister of Agriculture.

The Action Plan for Implementing the Recommendations specifying the measures and deadlines given in Annex 3.