

The objective of this component is to ensure the introduction of appropriate business process changes consistent with the Project's development objective of improved quality of services to the population, and enhanced institutional capacity consistent with this goal.

## 1. Business Process Improvement:

Manually maintained, the land revenue records are complex and scattered in different books, locations and registers. The long-term goal of the land administration modernization effort in Punjab is to have all the information available and easily accessible as a single electronic database where:

- ✓ land-use right holders and land owners access their record easily
- ✓ rights to land are recorded efficiently
- ✓ rights to land are transferred and mutated smoothly
- ✓ rights to land are verified in a definitive and conclusive manner
- ✓ changes in land rights are recorded and known
- ✓ scope for fraud is dramatically reduced
- ✓ effective and easy monitoring of activity is in place.

**The current Project represents the first phase in this program** and will introduce important changes in the existing business processes. The BPR study carried out during project preparation reviewed existing procedures at two levels, with a view to the future changes. The first level is concerned with the re-engineering of key existing procedures. The second is a broader level looking at issues that would involve the integration of procedures and/or the development of new procedures.

At the first level, two key changes have been identified:

- i. **Issuance of fards:** Fards are to be issued solely at the Service Centres (or through licensed vendors- this approach will be piloted). Issuance of fards by patwaris would be discontinued.
- ii. **Mutations:** Mutations will be initiated by application to the Service Centres. On this basis, patwaris will be authorized to conduct necessary field work. After going through existing clearance procedures ending with the approval of the mutation by the Revenue Officer, the computer records would be updated

These changes will bring greater transparency to land records management and improve the quality of services being provided to the population. It has been decided that a transition period would be observed to allow the parties involved to adjust to these new procedures. From the time that a Service Centre is authorized to begin operation of the digital data base, a maximum transition period of one year will be allowed for continued issuance of fards by the patwaris. Similarly a maximum transition period of one year will be observed with respect to mutations, during which mutations may be initiated either by application to the Service Centres or directly with the patwaris. During the transition period, the patwaris will be responsible for getting the digital records updated for changes occurring in the paper-based system. The Board of Revenue may opt for a shorter transition period but it will not exceed one year in any case. Prior to full conversion to the automated system, the patwaris will be required to review and certify the digital records.

During project implementation, further changes in business processes will be introduced. These may deal with the process of verification of mutations, the practice of allowing oral mutations, dispute resolution mechanisms, and the extent and nature of information collected by the land records system and how it is managed.

Furthermore, the Project will be testing and proving on a pilot basis a direct linkage between the land records system and the system of registration of deeds, both of which are under the responsibility of the BOR. This will lay the basis for a Province-wide linkage of the two systems during the second phase of the Land Records Improvement Program. This effort will be part of the process of developing a unified database of land records in the rural and urban areas.

The Project will, in addition, be testing on a pilot basis the full integration of spatial data in digital format linked with the text data in the automated land records system. In the initial phase the pilot will include digitization of the existing spatial information contained in the maps held by Patwaris and their linkage with the textual data in his registers. In the second phase this may include development of a GIS for the entire province where geo-referenced maps are replaced with the current maps. This area of work will be greatly expanded in the second phase of the long-term program.

As part of the financial sustainability analysis for the Project, Public-Private Partnership (PPP) models will be developed under the project to be ready for use before the Service Centre Infrastructure is established. It is anticipated that the Service Centres will evolve over time to

provide a broader set of public services to the population which will both rationalize and improve service delivery and enhance the financial sustainability of the Centres.

Under this sub-component, the Project will finance work on the question of business process improvement, drawing upon experience with early implementation of the Project and additional field work to assess successful change strategies. The Project will finance the preparation of necessary legislative and regulatory amendments to allow the business process improvements to be put into practice, including any legal or policy changes required with respect to operation of the Service Centres, the use of PPPs as identified, the effective linkage of the land records and deeds registration systems, and the legal use of digital data.

### **1.1: Legal Business Process Improvement/Changes**

Success of project for computerization of land revenue record - issuance of digitized fard and initiation of automated mutation - heavily hinges on the creation of an appropriate legal framework. The legal framework will legitimize changes in the revenue record and provide wider recognition among public and private institutions. Ordinary people will readily accept the change once it gains legal recognition as a valid instrument for various transactions.

The Government of Punjab has already amended the Land Revenue Act, 1967 in order to align it with changes introduced by computerization of records.

PMU BOR will get legal studies conducted to analyze legal/ business processes at various stages of project. At project initiation stage studies will be conducted i) to suggest improvements in the role of Patwari, Girdawar and Revenue Officers in mutations, ii) possibilities of linkages with Registration of Deeds System, iii) processes of oral mutations, common assemblies and iv) partitions. Comprehensive input will also be sought on v) revision of land records manual. In the middle of the project, PMU BOR will seek consultancy services on issues such as vi) role of Girdawari in the records system; vii) GIS and Spatial framework for LRMIS; viii) processes of settlement to align land records to situation on the ground; review of Settlement Manual; ix) processes of consolidation of holdings and x) systems of land records in urban areas. PMU BOR will solicit consultancy advice xi) to explore possibilities of movement toward a title registration system towards the end of the project.

## **2. Policy**

### **2.1: Empirical Studies for Policy Formulation**

Computerization Project seeks to re-engineer processes and re-structure roles and responsibilities of revenue officials. It aims at delivering land records services through well- educated adequately skilled and trained kiosk officials. It also seeks to target attitudes, mind sets and old work habits

of revenue officials across the board. It will also launch information and communication campaign to help people cast of their social hesitation in interfacing with a modern computerized system and obtaining services with ease and comfort.

Policy formulation on above mentioned areas will require a range of empirical studies. Variety of qualitative and quantitative tools will be employed to collect data from across the province to provide support to PMU officials including HR specialist, sociologist, economist and revenue specialist. Data for empirical studies will be collected through consulting firm and will be analyzed and used by PMU specialists in their areas of expertise in the process of developing advice on policy formulation.

Empirical data will be collected at various stages of project. In the initial stages of project, base line data will be collected on range of policy issues while middle of the project will provide adequate lead time to seek feedback from different stakeholders and accordingly align policies closely to ground realities. Towards end of the project, PMU BOR will be interested to collect data from evaluation perspective so as to analyze policies in term of efficiency, economy and effectiveness. Moreover, during the course of the project empirical data will be required to assist the government in policy formulation. The subjects/titles of such empirical studies will be decided as the need arises but tentatively empirical studies will be conducted on topics such as: i) cost and time associated with getting a mutation recorded and a copy of record issued, ii) improvements in the price of land on account of project interventions, iii) number of pending cases as well as duration for settlement of cases in revenue courts and improvements on account of the project interventions, iv) case study of one or more project locations in the districts where service delivery starts first, v) nature of registration deeds and problems associated with deed registration and vi) impacts on the economy of a district as a result of project interventions.

## **2.2: Study on Settlement Process**

The process of settlement is critically linked to the land records. The process was originally meant to provide fresh assessments of land revenue and for this purpose, fresh preparation of new records including fresh maps. With abolition of land revenue the assessment of land revenue is no longer required. The only purpose of the process now is preparation of new records including maps. The capacities of the settlement staff and quality of their work have been deteriorating rapidly over the last few decades. Moreover, a fresh assessment of the process is required to determine if modern technology can be introduced in the process and how the process can help in improving the quality of land records. This will be critically important in view of the fact that the project aims to pilot the process of preparation of digital cadastral maps in a limited jurisdiction with the objective of replicating it for the whole province and also later linking it with the ownership and tenancy records in LRMIS.

### **2.3: Study on Consolidation Process**

The process of consolidation will be studied to recommend improvements and to suggest alternatives.

### **2.4: Policy Studies**

Computerization project seeks a major shift in policy areas ranging from land record maintenance, delivery and updating to re-arranging institutional and legal instruments. It seeks to re-create land revenue administration which is likely to have far reaching impact on rural and urban economy and may affect significantly lending instruments real estate and income generation opportunities.

PMU BOR will commission range of studies in order to suggest policy changes in the Land Records system. It will use these studies to advice and assist senior policy makers in the provincial government. Policy studies will seek to deepen the impact of project intervention on poverty alleviation and better income generating opportunities. The titles of these policy studies will be finalized during the course of the project. Tentatively policy studies will be conducted on issues like i) fee structure associated with land records and exploring options for cost recovery, ii) restructuring of the Board of Revenue and its subordinate offices in the districts, iii) institutional framework for development of a unified land titling system comprising urban as well as rural properties, iv) taxation structure related to land record and transactions in the urban and rural areas.

### **2.5: Dispute Resolution**

PMU BOR will also formulate new policy and allied procedures on better dispute resolution processes to provide adequate support to the new system. The Revenue Administration in Punjab relies on the Land Revenue Act 1967 for Dispute Resolution at various levels of revenue hierarchy. The Act, however, is a purely legal instrument and does not necessarily encourage recourse to various other options mostly referred as Alternative Dispute Resolution (ADR). The deficiency in the existing Dispute Resolution process can be addressed at this stage and a comprehensive package mapping out various processes of Alternative Dispute Resolution could become part of policy changes to be undertaken under the project.

PMU BOR will utilize the services of consulting firm/individual to analyze current dispute resolution mechanisms, identify procedural and institutional deficiencies and suggest better dispute resolution processes in the changed environment.

### **3. Institutional Capacity Enhancement**

The Project will require a change in how institutions involved with the land records system function. This will be tied to: (i) the changes in procedures associated with land records; (ii) development of a business model for operation of the Service Centres; and (iii) elaboration of the roles and relationships among the kanungo, tehsil, and district levels, as well as the working relations between the Provincial and district levels.

#### **3.1: Board of Revenue**

Board of Revenue (BOR) is the apex body in all matters relating to the administration of land and preparation of land records. It is the highest revenue court in the Province with appellate and revisional jurisdiction against orders of subordinate revenue officers and revenue courts. All revenue officers and revenue courts are subject to the general superintendence and control of the Board of Revenue.

BOR is thus entrusted with a complex dual role. It ensures record maintenance through subordinate offices while stepping in to resolve land disputes arising out of various processes employed to maintain and update land records. These processes and procedures serve as dispute resolution mechanisms within the system and their efficiency is critical to the trust of the ultimate users in the system.

The consultancy will be geared to analyzing BOR processes and organizational structure to identify redundancies, overlaps and institutional inefficiencies. It will also analyze current organizational effectiveness and produce a set of recommendations aimed at recreating a lean, customer- focused and forward looking organization.

##### **3.1.1 Analysis of BOR Processes**

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### **3.1.2 Follow -up Capacity Improvements Actions in BOR**

Capacity improvements actions in BOR will flow from reports of consulting firms in sub component 3.1.1. PMU BOR will share these reports, its findings and recommendations with senior management of BOR and its supervisory and lower staff through a series of workshops. These reports will be discussed and debated in workshops to build broader support and ownership for proposed changes among BOR employees.

BOR will implement the recommendations on BOR restructuring and improvement of organizational processes in the Board. A plan of actions will be prepared by the Board of Revenue and adequate resources will be made available through this sub-component of the project for the implementation of this plan.

PMU BOR will chalk out action matrix to strengthen and reinforce newly implemented process changes. It will build mechanisms based on regular and institutionalized process audit to ensure continuity and help identify, build and generate resources for sustainability.

### **3.1.3 HR Policy in BOR & Change Management**

The Computerization of Land Revenue Records entails significant changes .It will lead to re-definition of roles and responsibilities of public servants in BOR and its subordinate offices in the districts and will require new knowledge, skills and abilities for effective and efficient performance.

PMU BOR will build on initial consultants report on process analysis and follow- up improvement initiatives and formulate a comprehensive HR policy in areas such as new management practices, recruitment and selection, career planning, training and development, compensation and benefits and management- employees' relationships. H.R policy will aim at enhanced and efficient job performance on the one hand and personal and professional growth for BOR employees on the other.

P.M.U BOR will involve both its in house resources and a competitively selected external consulting firm for developing H.R policy in areas identified above.

## **3.2: Capacity Building**

Vast international experience in similar projects shows resistance to change and institutional impediments to pursue objectives such as the ones posed by this operation. It will be important to ensure that personnel of the BOR and other institutions involved (e.g. District Government officials) receive information/training about the design and objectives of the Project, and are technically skilled to carry out their roles in its implementation. Information will be provided on changed business processes and operation of the Service Centres, roles of the respective administrative levels in project implementation, and for relevant staff, aspects of the ICT system. An initial program of dissemination/training for these internal stakeholders will be offered in each district as it comes into the Project i.e. before data entry operations in the district

commence. This will be done through holding project workshops through a consultant in accordance with the Dissemination Strategy of the Project described in Component 3.

### **3.3: Public-Private Partnership**

A study will be outsourced under this component to design a model of Public Private Partnership which can be used to operate the service centres in an efficient, effective and secure manner.

The intention will be to develop a public-private partnership model in the early phases of roll out (before the completion of infrastructure for the first Service Centres) to ensure reductions in costs and improvements in efficiency of project interventions as well as service delivery, and to explore various possibilities and modes of PPPs and identify profitable avenues for public private sector partnerships.

Possible PPP models include the option where the private sector partner maintains the Service Centres at the District and Tehsil level and the option where the private partner also provides infrastructure inputs in terms of infrastructure.

The possible arrangements would be underpinned by contract arrangements where the private partner would undertake to provide an agreed standard of service quality in lieu of a fixed fee per transaction.

The budgeting in the sub-components of Components 2 and 3 has been done on the assumptions of business requirements in each service centre but the study will also link these requirements to the actual business needs while recommending the models to be used for service delivery through public private partnership arrangements.

This analysis will also identify appropriate changes in the fee structure, staffing levels, information flows, channeling of revenue, monitoring and management arrangements. The study will also indicate any policy or regulatory issues that would need to be addressed to allow the arrangements to work smoothly.

The results of the study will be considered by the government in consultation with the World Bank for appropriate decisions.