

# **APPENDIX 19**

*(FAKALAH 19)*

*Final – 7 March 2011*

**A PROPOSAL (Revised)**

**to the IFC (International Finance  
Corporation)**

***from* the MINISTRY OF LANDS TONGA**

***for* SUPPORT to IMPLEMENT**

**THE LAND ADMINISTRATION PROJECT**

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## EXECUTIVE SUMMARY

This a proposal revised from that submitted by the Royal Land Commission (RLC). The thrust for the revision is:- the necessity to put in place, and have operating efficiently, a number of building blocks, before full computerisation of the land registry; to involve all Land Ministry work units involved in processing land applications, not just the land registry; to adopt a computer assisted approach.

The **identified prime needs** are:-

1. Improving the security of key record storage, together with an effective records management system
2. Achieving significant improvements in documentation, and in the efficiency of processing all types of land transactions, and developing the documentation as SOPs (Standard Operating procedures).[Part of this improvement process would be the progressive computerisation of key land information to support the processing.
3. A system which allows the regular tracking and the generation of progress/status reports on the processing of all land applications, currently in the system and being processed. [This information would be available regularly, or on query to individual processers, to Ministry management, and to customers]
4. Improved provision of, and access to, consolidated key information about a parcel of land or a particular deed, lease/sublease etc. [This information would be available regularly or on query to individual processers, to Ministry management, and to customers]
5. To improve service to the Government and customers, and to hence raise the standing of the Ministry.

These needs cover the root causes of the problems identified by the RLC.

The **Project Objectives** are:-

1. To improve the processing of land applications, such that designated time targets are achieved
2. To ensure that the key land records are accurate, secure and protected by backup in the event of a disaster
3. To be able to answer queries relating to a parcel of land or a deed/lease/ sublease

### *Indicative Time Targets*

For Objective #1, indicative targets are:

- 95% of routine transactions, that do not require survey, are completed within 1 month
- 90% of routine transactions that require survey, that are not large and that are on the main island, are completed within 2 months
- 90% of routine transactions that require survey, that are large or not on the main island, are completed within 4 Months
- 99% of transactions that do not involve a dispute are completed within 3 months

For Objective #2 – information provided within 1 day

The **achievements sought** from the project are:-

- 1) *The land record management system is accurate, workable and efficient* - is physically secure against natural disasters, and has safeguards against unauthorised access
- 2) *The processing of land applications is efficient and transparent* - that meet the expectations of the government and customers
- 3) *Land information is readily available* - re land parcels and land deeds/leases/subleases

- 4) *Public and clients are well informed* - re the procedures and fees involved with processing land applications
- 5) *A ministry team capable of managing and sustaining the above achievements*

A project **duration** of 3 years has been adopted together with a **phased approach**. The phases are:-

- 1) Establish the base and test approaches
- 2) Carry out priority work to achieve improvements
- 3) Carry out remaining designated work
- 4) Deal with unforeseen or leftover aspects

Major tasks, sub tasks and activities have been identified, and dependencies shown, together with suggested scheduling.

The areas of **economic and financial impact** have been identified and are:

- Improving Tonga's ranking for registering property, in the World Bank Doing Business Indicators
- Reducing the time taken to register mortgages
- Reducing the time taken to process applications for land grants, leases/subleases and the range of other land applications
- Improving the integrity and transparency of processing, with associated public client and investor confidence
- Increasing the % who pay land rents on time to the government

This project is **aligned with Government and Land Ministry objectives**. The Ministry has already started on two important activities and has reduced the backlog by 50% (10,000 to 5,000). Ministry line managers, as well as senior managers have indicated **strong support** to the project.

Projects cost is estimated at TOPS2,850,000 over 3 years. Funding sources may comprise: - the IFC, AusAID, the Government of Tonga. It is assumed that IFC will lead discussions with the Lands Ministry and AusAID to determine the funding contributions for specific areas, arrangements and conditions.

It is anticipated that the **project management** arrangements will be agreed between the Lands Ministry and IFC.

**The critical success factors (CSFs) are: -**

- 1) The commitment and tenacity of the Minister, CEO, and a dedicated Tongan Project Leader to drive and manage the detail of this improvement project
- 2) The willingness of staff in the various sections to change work procedures and practices, and to display the tenacity to conduct the detailed work necessary to build the basic building blocks
- 3) The Lands Ministry obtaining from the Ministry of Finance adequate earmarked annual budget provision for maintenance and consumables

## 1.0 BACKGROUND

In May 2010 the Royal Tongan Land Commission (RTLCL) submitted a proposal to the International Finance Corporation (IFC) for assistance to computerise the Land Registry in the Ministry of Lands.

In January 2011 the IFC provided a consultant, Dr Ken Lyons, to engage with stakeholders, assess the proposal, and further develop the proposal as necessary.

## 2.0 THE PURPOSE OF THIS DOCUMENT

The purpose of this document is to provide a revised project proposal to IFC from the Lands Ministry.

## 3.0 THE PROBLEMS TO BE ADDRESSED AND THEIR ROOT CAUSES

### The Problems

The phase 1 report of the Tongan Royal Land Commission and the latter's proposal to the International Finance Corporation (IFC) lists the following as the key problems with the Land Registry:-

- Often impossible to locate files
- The current system gives rise to poor service delivery
- The paper system is replete with tedious official processes
- There are delays in obtaining information
- Customers express continual dissatisfaction
- Officials of the Land Registration Division (of the Ministry) experience continual frustration in attempting to locate files
- Official procedures are opaque

### The Root Causes

It is considered the root causes of these problems are:-

- 1) The absence of SOP (standard operating procedures), ie standard workflow procedures, checks list, etc., for the processing of land applications. Such SOPs need to meet the criteria of:- well documented, understood, adhered to, inherently efficient, include integrity, transparency and anti corruption measures
- 2) The absence of a well structured land records management system , that is also secure and safeguarded
- 3) The lack of a tracking system which provides regular reports to managers on the status of applications being processed, thus enabling managers to holistically manage work progress
- 4) A lack of recognition of the necessity to manage the land application process as a department whole process, and proactively, rather than as a series of largely independent work units

### Addressing the Root Causes

To overcome the problems above, the root causes need to be addressed. The procedures for processing land applications needs to be addressed and improved, as a whole. Many different units within the Ministry are work nodes on the processing chain. Computerising one element in the processing chain, ie the Land Registry will not by itself overcome all, or even some of the problems.

Before undertaking the computerisation of a land registry, or the computerisation of the legally allowable land transactions, there are generally a number of pre-requisite building blocks; these are covered in Section 4.

#### **Other Issues raised in the Phase 1 Report of the Royal Land Commission (RLC)**

The report comments on *allegations* made of “under the table” cash payments, for which the Commission could find no proof. It is not uncommon in situations where there are very large backlogs of applications awaiting processing for “speed fees” paid to be paid to jump the queue.

In this design there are several references to improving the integrity and transparency of processing and embedding these in the SOPs (standard operating procedures) for each of ~50 legally allowable land transactions – SOPs formally include checklists, verifications, sign offs, random spot checks etc. These are all anticorruption measures. Eliminating the backlog (1/2 gone at Jan 2011), will remove a major potential incentive for speed fees. Bringing strong order to the normal processing, together with SOP’s, checklists, and the more stringent checking etc is also an anticorruption measure.

The report also commented on perceived *vested interests of certain staffing groups*. If this does exist, no manifestation was seen during the very short time on site, it may be a byproduct of not operating as an integrated team and silo operations. Again introducing and following SOPs should reduce this, coupled with the effort to get the process managed as a whole, and to get the various heads of group operating as a management team.

*The issues of skill levels and duty statements were raised.* The impression is that there is probably enough individual technical skills but that because there was little order or control in the processing and work flow, the end result was a little chaotic. Achieving order and clear processing, via SOPs, and a staged approach as suggested in Section 14, will then allow a better determination of skills required, and skills existing, to be made.

There are no duty statements and a skills audit was not part of the assignment. In the HR (human resource) area of the Lands Department there is an AusAID youth ambassador who has HR qualifications. Her intention is to try and get preliminary duties statements done for all staff. This was encouraged as it would be useful to have this in place before the IFC project gets into full swing. She was briefed on the scope of the land administration project and how duty statements would be an essential part.

It was envisaged that the formulation/revision of duty statements would be undertaken once the first cut of the process mapping for the priority one land application processes was done. Only then could a clear idea be obtained of “who does what, when”, and in an orderly system, “who would be best to do what, thus leading to a probable revision of work flow, processing teams, duties, and duty statements.

The Land Commission Report *suggests outsourcing of surveying and drafting*. The idea of outsourcing surveying and drafting probably came from the Commission's visits to Australia, New Zealand and Singapore where this has been standard practice for a long time. The CEO of Lands indicated that this issue has not been raised with Lands by the Government. There was some comment that a report (not seen) by the Public Service Commission indicated that Lands should have more staff, quite contrary to the view of the RLC which thought they had too many staff.

It is understood that the fee the public pays to the Lands Department to get a survey done is very low and has remained unchanged for decades. Lands senior management indicated an intention to have a look at this, as at the moment it could be considered that surveying enjoys a large government subsidy.

Experience in a variety of places indicates that there is merit and benefits in examining privatisation of some functions - indeed it could probably go wider than just surveying and drafting. If privatisation were to be seriously considered, experience indicates that the transition can be most successful where assistance is given to the sections moving to the private sector, in how run a successful business. Technical skills are generally sufficient, but business skills tend to be non-existent at commencement. This was an aspect considered more appropriate for a later time, if it developed some momentum in the future

It is noted that the RLC is currently conducting Phase 3, consulting with citizens, in USA, NZ and Australia, as well as throughout Tonga. The final report is anticipated by the end of 2011. The final report is likely to give a much fuller considered view with recommendations; this may lead the way for further aspect to be considered.

#### **4.0 THE PREREQUISITE BUILDING BLOCKS FOR A COMPUTERISED LAND REGISTRY**

##### **Prerequisite Building Blocks**

Commencing the implementation of a fully computerised land registry is generally the last stage in an overall improvement process aimed at:- improving the overall efficiency and integrity of processing of legally allowable land transactions, and delivering a better service to customers.

The building blocks, which are put in place BEFORE overall computerisation, are:-

- 1) A clear and agreed list on what constitutes "legally allowable land transactions"
- 2) Very clear authorised SOPs, work procedure diagrams, checklists, etc. for the processing of each and every type of the legally allowable land transactions
- 3) A well organised file and records management system
- 4) Clear knowledge on what the key land records, indices, etc. are, and what is the key information contained within each different type of record, and on the "searching keys" which allow particular records to be easily found, and that allow for efficient searching, cross tabulation and integration of records
- 5) Any existing backlog of applications has been brought reasonably under control
- 6) A conducive physical work environment
- 7) Very strong ongoing top management support, together with a dedicated competent manager for the overall project
- 8) A customer/stakeholder working/advisory committee

Table 1 provides a listing with comments and the status within the Lands Ministry as at January 2011.

##### **The Magnitude of the Task and Numbers of land Records**

As indicated in Table 1 the land records are not well organized. At August 2011 there were 10,500 pieces of work in a backlog which by January 2011 has been reduced by 51%. The banks have



indicated that the numbers of outstanding mortgages has been reduced very considerably, which they see as very positive.

This makes it difficult to form a base of statistics. An order of magnitude guesstimate is that there are probably about 25,000 to 35,000 active deeds/leases/subleases and that the number of new applications that come in is probably about 30-50 per month. If this order of magnitude estimate is in the correct ballpark, the base numbers themselves are not large. The challenge lies in:- eliminating the huge backlog and ensuring it does not reappear; establishing operational procedures and systems, including records management; reducing the time taken to process applications.

#### **Existing digital data sets**

There are 4 discrete digital stand alone data sets at various degrees of completion and all developed independently by individual staff. The most complete is the GIS (ESRI ArcGIS) data comprising a number of layers of which one is a vector data set of the property boundaries of deeds, leases and subleases. The next most complete, in MS Access & Visual Basic, is the 7,000 leases. Small data sets, mostly for work tracking, are in Land Registration and Drafting. No validation checking between these data sets has been carried out.

The GIS/Mapping Unit has a good idea of what spatial data they hold - they hold little attribute data. Tonga does not have a separate mapping agency. The GIS Mapping group mainly handles non cadastral data. On its own initiative it has captured some cadastral data. Most of the cadastral data used is standalone plans done by the drafting group. This is a valuable data set on which to build.

Some textual lease data is held in stand-alone, largely person dependent small databases. It is not systematic, updated, integrated or checked for integrity. They are initiatives by keen single staff.

In the project plan it is indicated where these data sets would be investigated in detail and where it is planned to identify and capture the key data.

It appears that most software has probably been licensed once but this has not been maintained and there appears to be no current maintenance agreements. There is no inventory of hardware platforms, network backbones etc. The value of making annual budget allowance for maintenance was raised times with Lands senior management.

Table 1 - pre-requisite building blocks.

Building block	Comment	Status in Tonga Land Ministry – Jan 2011
A clear and agreed list on what constitutes “legally allowable land transactions”	<ul style="list-style-type: none"> <li>• Derived from the Land Act</li> <li>• A necessary base to compile workflow diagrams for each type of transaction</li> </ul>	<ul style="list-style-type: none"> <li>• Exists – is undergoing finalisation</li> <li>• There are ~50 legally allowable land transactions in six main classes.</li> </ul>
Very clear <u>authorised</u> SOPs for the processing of <u>each and every one</u> of the legally allowable land transactions.	<ul style="list-style-type: none"> <li>• The development of these procedures has the aim firstly to document the existing process, fully understand the steps, the time taken at each step, where backlogs occur, etc; and then to begin a process of improving the efficiency of the processing with the aim of reducing the time taken and increasing the integrity of processing.</li> <li>• Time needs to be devoted to training staff in the improved processes.</li> <li>• Staff are normally fully involved in the improvement process as they are the ones who have the knowledge and need to “buy in” to the improved processes if they are to be successful.</li> <li>• These flow diagrams and the list of legally allowable transactions constitute the “business processes and rules” which are the first elements that those implementing a fully computerised land registry would require.</li> <li>• It is vital that the current transaction processors be documented and then improved for efficiency - if the improvement step is not carried out, then in the worst case all the computer will do is computerised an inefficient process, which will still remain inherently inefficient.</li> </ul>	<ul style="list-style-type: none"> <li>• A generic single composite flow diagram exists.</li> <li>• This aspect will require considerable work.</li> <li>• It is highly likely that considerable changes to existing procedures will be necessary to gain the increase in efficiency, and time reductions the Ministry wishes to achieve</li> </ul>
A reasonably well organised file and	<ul style="list-style-type: none"> <li>• Allows records to be relatively easily found</li> </ul>	<ul style="list-style-type: none"> <li>• The current land record system is quite</li> </ul>

record management system.		<p>messy, not well understood, and does not operate as a coherent integrated system.</p> <ul style="list-style-type: none"> <li>• This aspect will require considerable work.</li> </ul>
<p>Clear knowledge on what the key land records, indices, etc are, and what is the key information contained within each different type of record, and the "searching keys" which allow particular records to be easily found, and that allows for efficient searching, cross tabulation and integration of records.</p>	<ul style="list-style-type: none"> <li>• This ensures that:- the record system is fully understood; the correct records categories for data conversion from paper to digits are identified; the correct elements within each of the record categories are converted to digital form. This also provides a basis for the safe storage and disaster recovery of key records.</li> <li>• Failure to do this can result in the conversion to digital form of a lot of records that are not required</li> <li>• There are many different types of registers and record books currently in use</li> <li>• it is not uncommon for working databases to be established at this stage to achieve the consolidation of key player from disparate sources, to carry out data integrity testing and "data cleansing" to improve land data reliability and to assist normal operational processing</li> </ul>	<ul style="list-style-type: none"> <li>• This aspect will require considerable work as there is nothing in place</li> </ul>
<p>Any existing backlog of applications has been brought reasonably under control</p>	<ul style="list-style-type: none"> <li>• This "clears the decks", and as well as satisfying waiting customers, allows a concentration on improving the efficiency of the various procedures for processing transactions, so that the backlog does not reappear.</li> <li>• Experience indicates that backlogs can repeatedly reappear if fundamental and sustainable gains in processing efficiency are not achieved.</li> </ul>	<ul style="list-style-type: none"> <li>• The backlog reported by the Royal Land Commission has been considerably reduced due to the effort of a special Government approved short-term project which provided extra funding.</li> <li>• The current backlog stands at 5,000 Applications</li> <li>• The Ministry advises that the initial backlog</li> </ul>

		<p>was in the order of 10,000 applications. This is considerably less than the backlog of 17,000 identified by the Royal Commission. It is thought that the latter counted elements of work to be done at several work areas. A single application would have a number of individual work elements.</p>
A conducive physical work environment	The physical layout and fitout of a work area can have a considerable influence on efficiency and morale.	<p>The physical amenity of the different work areas where the processing of land applications occur, varies considerably.</p> <p>Changes to physical layout in many cases, as well as improving the physical work environment would enhance work flow and efficiency.</p> <p>The physical layout and ambience of one of the prime processing areas, the Registration Unit, could be considerably improved.</p>
Very strong, ongoing top management support, together with a dedicated competent manager for the overall project.	This aspect is essential to success.	<p>The Minister and CEO have indicated strong support.</p> <p>Ms Bing, who is managing the backlog reduction has achieved very good results, but currently is only in the Ministry for a limited duration. An extension is anticipated.</p>
A customer/ stakeholder working/ advisory committee	Allows the customers to bring experience to bear. This can be particularly valuable where customers have specialised knowledge, such as lawyers specialising in land and banks processing mortgages.	Such a group does not exist at the moment.

## 5.0 THE DIFFERENCE BETWEEN FULL COMPUTERISATION AND COMPUTER ASSISTED

Full computerisation occurs when the computer system, with its specialised lands software is central to the whole operation. As indicated in Sec 4.0, a series of pre-requisite building blocks should be in place before full computerisation commences.

Computer assisted processing occurs when computers are judiciously used to support key business processes, such as the processing of land applications.

Full computerisation should not be undertaken lightly as its sustainability depends in no small measure on the reliability of significant funds for annual maintenance, upgrades, specialised expertise in programming, etc. Such funds are not currently in place.

### The role of the Land Registry

The Land Registry is but one work node, albeit a vital one, in the processing of land applications. To overcome the problems and to address root causes, the processing of land transactions needs to be treated as a whole, and involve all necessary work nodes within the Ministry.

### Recommendation

- *That a "whole of processing land applications" approach be taken, together with the judicious use of computers, and that effort be directed to putting in place the pre-requisite building blocks.*

## 6.0 THE PRIME CURRENT NEEDS

### Needs

Noting the root causes, and the aspects that constitute the building blocks, the following are seen to be the prime current needs:-

- 1) Improving the security of key record storage, together with an effective records management system
- 2) Achieving significant improvements in documentation, and in the efficiency of processing all types of land transactions and developing the documentation as SOPs. [part of this improvement process would be the progressive computerisation of key land information to support the processing]
- 3) A system which allows the regular tracking and the generation of progress/status reports on the processing of all land applications currently in the system and being processed. [This information would be available regularly or on query to individual processers, to Ministry management, and to customers]
- 4) Improved provision of, and access to, consolidated key information about a parcel of land or a particular deed/lease/sublease etc. [This information would be available regularly or on query to individual processers, to Ministry management, and to customers]
- 5) To improve the service to the Government and customers and hence to raise the standing of the Ministry.

Computers and specialised software would need to be developed and then used to support the above, and to support the normal ongoing processing of land applications. This could be thought of as computer-assisted land application processing, rather than the computerisation of the land registry section as a stand-alone operation.

### Legally allowable land transactions

Annex A list the ~50 so far identified legally allowable land transactions. These can be grouped into the following general categories:-

<ul style="list-style-type: none"> <li>• Lease &amp; sublease</li> <li>• Allotment s(tax or town)</li> <li>• Mortgages</li> </ul>	<ul style="list-style-type: none"> <li>• Caveats</li> <li>• Resumptions &amp; Easements</li> <li>• Use of natural resources</li> </ul>	<ul style="list-style-type: none"> <li>• Other</li> <li>• Collection of rents</li> </ul>
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## 7.0 PROJECT NAME AND OBJECTIVES

### Project Name

The Land Administration Project

### Project Objectives

1. To improve the processing of land applications such that designated targets are achieved
2. To ensure that the key land records are accurate, secure, and protected by backup in the event of disaster
3. To be able to answer queries relating to a parcel of land or a deed/lease/ sublease

### Indicative Time Targets

For Objective #1, indicative targets are:

- 95% of routine transactions that do not require survey are completed within 1 month
- 90% of routine transactions that require survey, that are not large and that are on the main island, are completed within 2 months
- 90% of routine transactions that require survey, that are large or not on the main island, are completed within 4 Months
- 99% of transactions that do not involve a dispute are completed within 3 months

For Objective #2 – information provided within 1 day

## 8.0 ACHIEVEMENTS SOUGHT FROM THE PROJECT

The following achievements are sought from the project:-

- 1) *The land record management system is accurate, workable and efficient* - is physically secure against natural disasters, and has safeguards against unauthorised access
- 2) *The processing of land applications is efficient and transparent* - that meet the expectations of the government and customers
- 3) *Land information is readily available* - re land parcels and land deeds/leases/subleases
- 4) *Public and clients are well informed* - re the procedures and fees involved with processing land applications
- 5) *A ministry team capable of managing and sustaining the above achievements*

## 9.0 ECONOMIC AND FINANCIAL IMPACTS OF THE PROJECT – in brief

### Economic

The impacts can be summarised as follows: --

- Improving Tonga's ranking for registering property, in the World Bank Doing Business Indicators
- Reducing the time taken to register mortgages

- Reducing the time taken to process applications for land grants, leases/subleases and the range of other land applications
- Improving the integrity and transparency of processing, with associated public client and investor confidence

The relationship between the above and economic improvement is well understood and is not commented on further.

#### **Financial**

The Government will gain an annual increase from the payments of land lease rents on government land. This will occur due to the improvement of procedures. The Ministry recently turned its attention to the backlog in rent payments, and reported retrieving TOPS1m. The fees payable on land transaction have been unchanged for decades, and there is an intention to review and increase charges.

#### **Social**

Eliminating the backlog and processing land applications much more quickly will provide applicants with access to land (for dealing that relate to that aspect), and the social and family benefits that accompany access to land. Also public confidence and social harmony is contributed to when the public perceive that land applications are processed quickly, impartially and with integrity.

## **10.0 ALIGNMENT WITH MINISTRY OF LANDS AND GOVERNMENT OBJECTIVES**

#### **Alignment**

This proposal aligns well with Government of Tonga Objectives. The Royal Land Commission has identified areas of concern and the Government has responded by allocating special funds and personnel to reduce the back log. Since August 2011 the back log has been reduced by 51% to 5,000 elements.

The new Lands Minister has set as a priority, achieving improvements. The Ministry has recognised the importance of having documented procedures and has just started on this.

This proposal fully support and assists Government and Ministry Objectives.

#### **Commitment**

The Government, Minister, CEO, and Legal Administrator are strongly committed as shown by the special allocation of Government funds, the reduction achieved in the backlog, and the commencement of mapping the procedures.

## **11.0 THE STRATEGY FOR EXECUTION**

#### **The Strategy**

The strategy for execution is based on:-

- Putting in place the basic building blocks
- Adopting a phased approach based on:-
  - the inherent sequencing necessary, based on the relationships between the elements of the building blocks
  - priority of need and urgency, and magnitude of improvement that can be obtained
  - ensuring that the just cleared backlog does not reappear
  - finish one stage successfully and review, before proceeding to the next stage

- achieving effective operation in the ministry's main office before considering offices in other islands
- Proceeding at a pace that the Ministry is comfortable with and supports, together with building capability, and sustainability
- Keeping in mind the amount for annual maintenance that is likely to be available in the Ministry's forward annual budgets
- Taking into account the various elements that will affect sustainability
- Adopting a computer assisted approach ,and use computers judiciously
- Using international technical advisers only where their specific expertise is required



## 12.0 PROJECT TASKS AND ACTIVITIES

### 12.1 Tasks required for achievement

Section 8.0 listed the five achievements to be delivered from the project. The following outlines the tasks that need to be executed.

<b>1.0 The land record management system is workable and efficient</b>	
	1.1 Increase the physical security of the strong room in the Ministry HQ to be able to withstand potential disaster such as fire, flood and the like, and to use it operationally, coordinating with Tasks 1.2, and Tasks 1.3
	1.2 Design and implementing an integrated and more secure file and land records management system
	1.3 Identify key land records/ registers etc. computerise, and integrate the elements necessary to create databases of reliable information, to support:- the processing of land transactions; the provision of information about land parcels and/or land rights/interests documents such as deeds, leases, sub leases, etc. records management
<b>2.0 The processing of land applications is efficient and transparent</b>	
	2.1 Design and implement significantly improved procedures for the processing of all of the ~50 different types of legal land transactions
	2.2 Design, build and deploy a system that allows the tracking, querying, and report generation of the progress of all land applications submitted for processing
	2.3 Design, build, train and deploy computer based applications (based on the data from Task 1.3 above)
	2.4 Plan and execute minor works, fittings and equipment necessary to provide an effective work environment, and the IT necessary to provide an effective and secure internal lands network to support the improved processing of land applications and the provision of information/queries about land
<b>3.0 Land information is readily available</b>	
	3.1 An information service based on the achievement of Tasks 1.3, 2.2 and 2.3
<b>4.0 Public and clients are well informed</b>	
	4.1 Communication and engagement with customers and the public
<b>5.0 A ministry team capable of managing and sustaining the above achievements</b>	
	5.1 Increase the capability of individual processors where necessary, and also the skills or section heads/ managers to work as a management team to regularly examine the routine processing status reports and to plan and manage necessary adjustments

### 12.2 Logical Dependencies, Sequencing and Likely Critical Path

Figure 1 is a diagram depicting the sequencing and interrelationship of the main elements of the project. This depicts the logical structure and sequencing of the project. The diagram also shows areas where the Ministry can be active, before IFC funding commences, and also where it is anticipated that computers will assist.

The red coloured arrows and boxes in Figure 2 depicts by red coloured arrows and boxes what is likely to be the critical path, ie. the sequence of activities which will take the longest amount of time, and determine how long the overall project will take.

Figure 1 – Dependencies

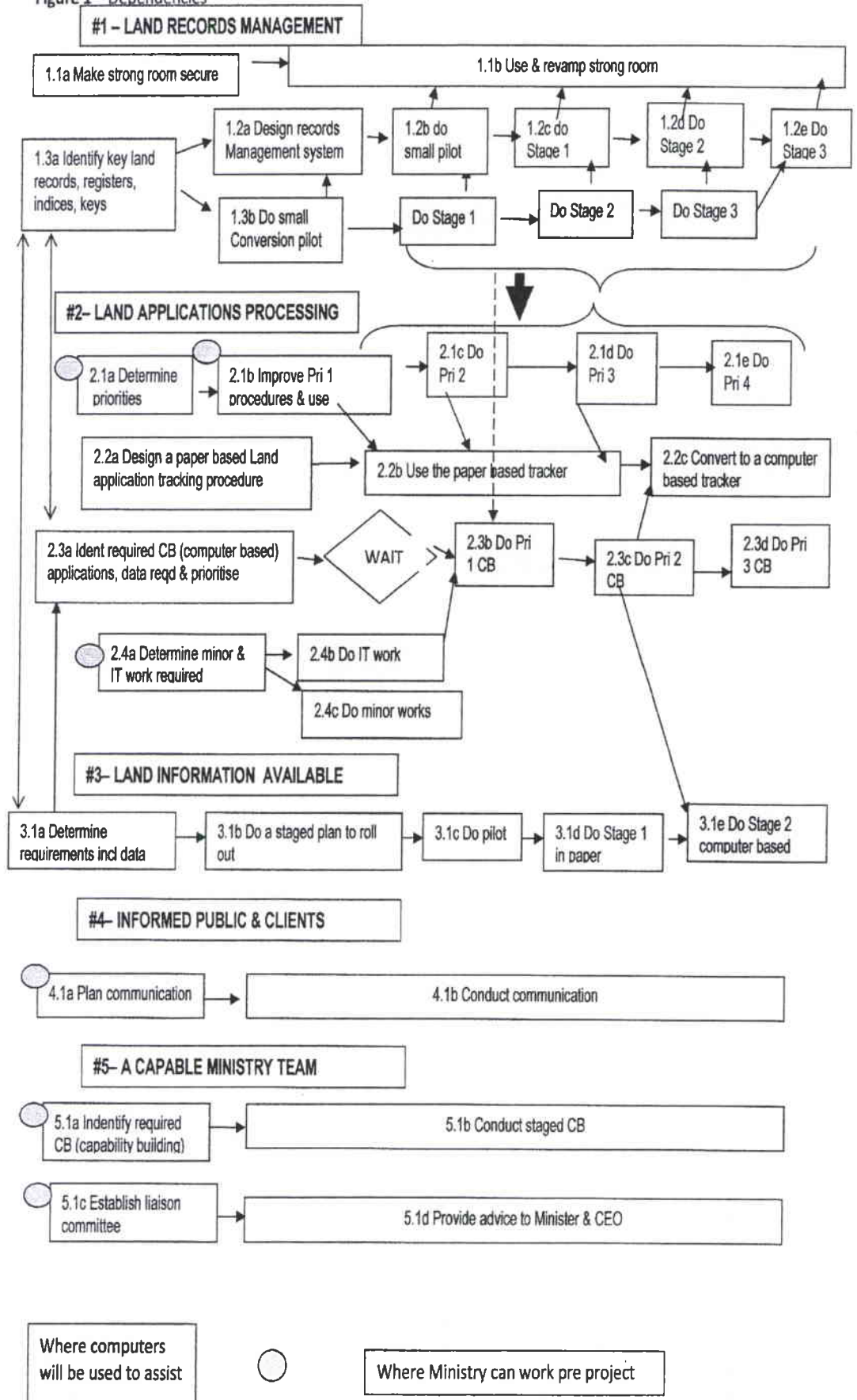
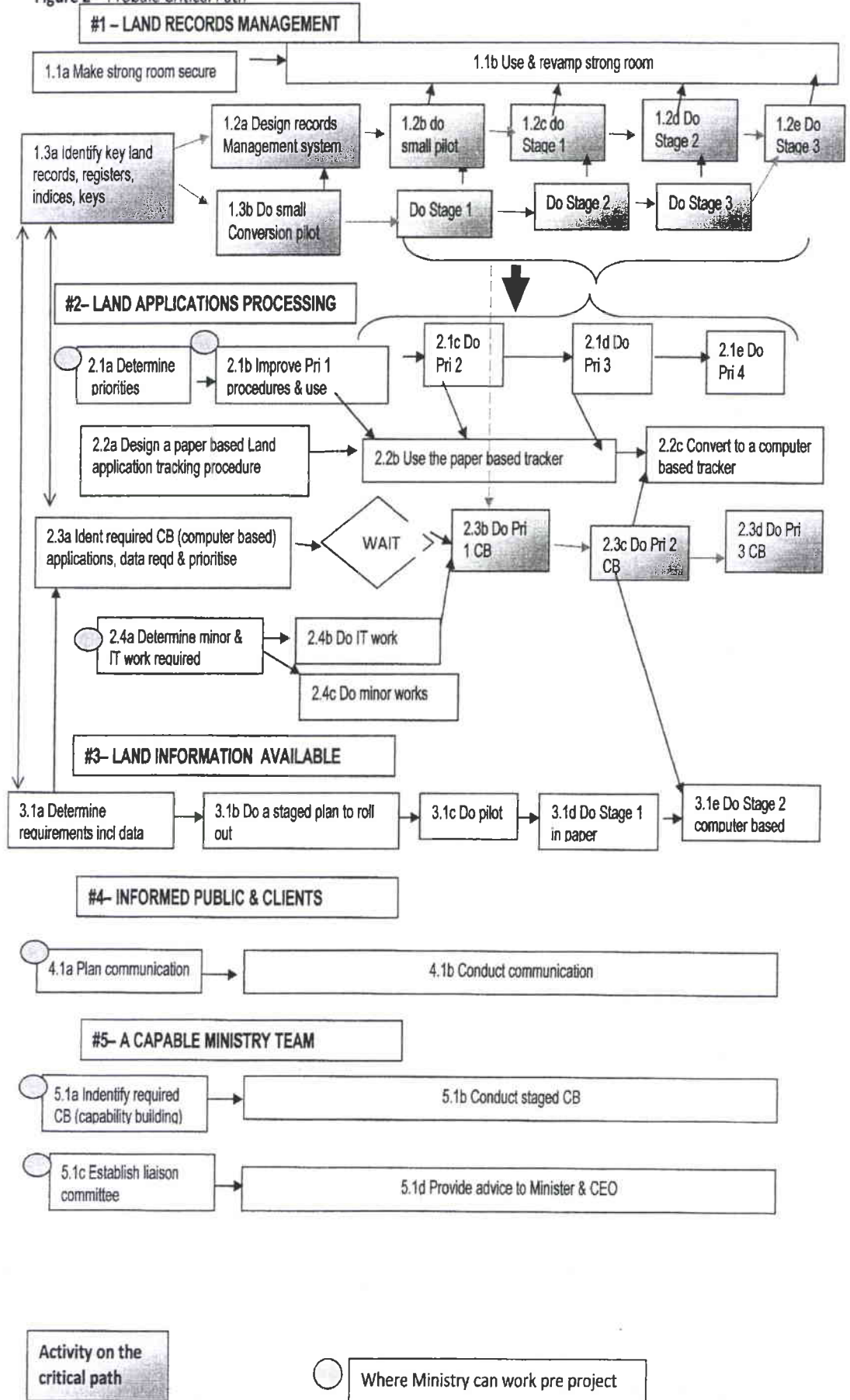




Figure 2 – Probable Critical Path





### 13.0 ACTIVITIES WITHIN EACH TASK

Within each tasks there are a number of activities that need to be done. These activities are shown in the table below. The purpose of the detail below is to indicate the detail involved in execution.

These activities can be disaggregated after the project has been approved, and when more detailed planning for execution occurs.

<b><i>ACHIEVEMENT #1 – The land record management system is workable and efficient</i></b>	
<b>1.1 Increase the physical security of the strong room in the Ministry HQ to be able to withstand potential disaster such as fire, flood and the like.</b>	
	1.1.1 - plan, cost, gain approval subject to funding, secure funding
	1.1.2 - construct and sign off
	1.1.3 - use the above as part of Task 1.2
<b>1.2 Design and implementing an integrated and more secure file and land records management system</b>	
	1.2.1 - Review current, determine key features of new, do outline plan and stages, coord plan with task 1.3, cost, gain approval, gain funding
	1.2.2 - Do Stage 1, test, refine, revise plans
	1.2.3 - Do remaining stages
<b>1.3 Identify key land records/ registers etc. computerise, and integrate the elements necessary to create databases of reliable information, to support:- the processing of land transactions; the provision of information about land parcels and/or land rights/interests documents such as deeds, leases, sub leases, etc. records management</b>	
	1.3.1 - identify key records, registers, indices, and necessary data elements in each; identify priorities and a strategy to make these records more secure (relate to Task 1.2) and determine the feasibility to extract, and enter into a database, and necessary data elements to provide an information source that is more operationally user friendly, able to support tasks 2.3, & 3.1 and can be made more secure; determine the integration keys
	1.3.2 - carrying out a small pilot including the necessary data conversion and assess workability, data cleansing required , feasibility; develop a staged plan to execute
	1.3.3 - carrying out Stage 1, review, learn, refine; deploy the results operationally
	1.3.4 - do sequentially for all remaining stages
<b><i>ACHIEVEMENT #2 - The processing of land applications is efficient and transparent</i></b>	
<b>2.1 Design and implement significantly improved procedures for the processing of all of the ~37) different types of legal land transactions</b>	
	2.1.1 - establish external user group, establish priorities of transaction types, establish working group with one representative from each processing node
	2.2.2 – for Pri 1 transactions -- Chart complete process (from customer back to customer); identify time normally spent at each transaction node
	2.2.3 – for Pri 1 – develop improved procedures and likely times; refine, identify land information required to support processing, Liaise with task 1.3; when final gain approval of CEO/Minister;
	2.2.4 - prepare documentation and checklists, train staff, trial, refine
	2.2.5 - communicate new procedures widely to the public and clients

	2.2.6. - commence operational use or priority 1 applications
	2.2.7 - repeat above for Priority 2 applications
	2.2.8 - repeat above for Priority 3 applications
	2.2.9 refine procedures when computer-based applications from 2.3 become available
<b>2.2 Design, build and deploy a system that allows the tracking, querying, and report generation of the progress of all land applications submitted for processing</b>	
	2.2.1 - agree on objectives of tracking system and key information elements and advise Tasks 1.3, 2.1 & 2.3 of information needs
	2.2.2 - design and implement a simple Stage 1 paper-based tracking system and train staff in its use, trial and refine
	2.2.3 use and refine a system until satisfied with it and it is being used operationally to holistically manage the land application process
	2.2.4 move to a computer assisted tracking system when deemed appropriate
<b>2.3 Design, build, train and deploy computer based applications (based on the data from Task 1.3 above)</b>	
	2.3.1 - identify and prioritise needed applications; initial determination; of user needs; determine what digital data sets would be required; follow the KIS (keep it simple) principle; coordinate with tasks 1.3 & 2.1
	2.3.2 - determine if the timing is right to start writing and deploying computer-based applications
	2.3.3 – For the top priority application, refine user requirements; write application; test, refine, document, train users, deploy, monitor the effectiveness; improve as required
	2.3.4 - repeat all the above tasks, in turn for each application in order of priority
<b>2.4 Plan and execute minor works, fittings and equipment necessary to provide an effective work environment, and the IT network necessary to provide an effective and secure internal lands network to support the improved processing of land applications and the provision of information/queries about land</b>	
	2.4.1 - determine what minor works and IT works are necessary and prioritise; determine costs, seek approval and funding
	2.4.2 - execute according to priorities and funding available
<b><i>ACHIEVEMENT #3 - Land information is readily available</i></b>	
<b>3.1 An information service based on the achievement of Tasks 1.3, 2.2 and 2.3</b>	
	3.1.1 - liaise with a wide cross-section of ministry users, customers, other government agencies etc. to identify needs and priorities; advise tasks 1.3 & 2.3 of information needs
	3.1.2 - determine a staged plan to provide, bearing in mind progress in task 1.3
	3.1.3 - design and deploy Stage 1 pilot, gain user and customer feedback; refine; deploy and advise users and customers (this stage will probably be paper-based only)
	3.1.4 - design and deploy remaining stages (at some point a computer-based application may be implemented)
<b><i>ACHIEVEMENT #4 – The public and clients are well informed</i></b>	
<b>4.1 Communication and engagement with customers and the public</b>	
	4.1.1 - design an engagement and communication plan

	4.1.2 - execute the plan, determine its effectiveness, refine
<b>ACHIEVEMENT #5 - a ministry team capable of managing and sustaining the above achievements</b>	
<b>5.1 Increase the capability of individual processers where necessary, and also the skills or section heads/ managers to work as a management team to regularly examine the routine processing status reports and to plan and manage necessary adjustments</b>	
	5.1.1 - determine the necessary capability building; develop a plan to implement by stages and to measure achievement
	5.1.2 - conduct the capability building, measure achievements, refine the execution
	5.1.3 – Establish a customer liaison committee

## 14.0 PROJECT PHASES AND TIMINGS

### The Phases

As indicated in Section 11 a phased approach is to be adopted. At this proposal stage, Jan 2011, four (4) Phases are envisaged.

No	Name	Purpose
1	Establish the base and test approaches	<ul style="list-style-type: none"> <li>a) To improve the processing of Pri 1 type land transactions</li> <li>b) To establish a procedure (paper based) to track (weekly?) the status of all land transaction undergoing processing, and for Lands Ministry management staff to use the results.</li> <li>c) To understand the land records and <u>test approaches</u> as a basis for:- (a) establishing an efficient land records system; (b) supporting land transaction processing; (c) supporting the provision of land information</li> <li>d) To lay the basis and direction for the next stage</li> </ul>
2	Carry out Priority work to achieve improvements	<ul style="list-style-type: none"> <li>a) To apply what has been learnt from Phase 1</li> <li>b) To implement the first stage of the records management system</li> <li>c) To implement the first stage of the digital conversion and integration of key land records</li> <li>d) To improve the processing of Pri 2, 3 and 4 type land transactions</li> <li>e) To conduct a pilot for providing land information</li> </ul>
3	Carry out remaining designated work	To carry out the remainder of the work foreseen when the proposal was drafted.
4	Deal with unforeseen or leftover aspects	To carry out work unforeseen when the proposal was drafted or remaining work, within budgetary limits

Figure 3 shows the Phases superimposed on Figure 1, task sequencing. The table below outlines the purpose of each phase.



### Timings

Timings to a large extent will depend on:- what is found in the land records once detailed examination starts; the resources dedicated; the rates of progress that can be made; the strategy of completing one phase before proceeding to the next.

The Table below outlines 3 sets of timings for each phase: - not likely to be less than; probable; probably won't be exceeded.

Phase	not likely to be less than	probable	probably won't be exceeded
1	4 months	6 months	12 months
2	9 months	18 months	2 years
3	9 months	1 year	18 months
4	0	6 months	1 year

Figure 4 provides an indicative bar chart of timings. When the project detail is finalised and a start date for IFC is determined, a calendar time line can be developed.

### When Improvements should be seen

The phasing is designed so that improvements will be achieved in each phase and be seen. The major improvements will be achieved in phases 2 and 3. However some improvements will be seen in Phase 1, as improvements to Priority 1 and 2 type land transactions will be sought.

### Work that can be undertaken by the Ministry of Lands before the project commences

The ministry has and is conducting important preparatory work. A backlog of land applications undergoing processing has been reduced from 10,500 to 5,100 (as at mid Jan 2011) using a special government funding allocation, and it is anticipated that further funding will shortly be made available to further reduce the backlog.

Also the Minister has directed that all internal processing procedures be "mapped". The first pass of this has just been completed. The ministry intends to continue and refine this work which will be very valuable to the project when it commences.

The green dots in Figure 1 indicate tasks that the Ministry could work on before support from the project becomes available.

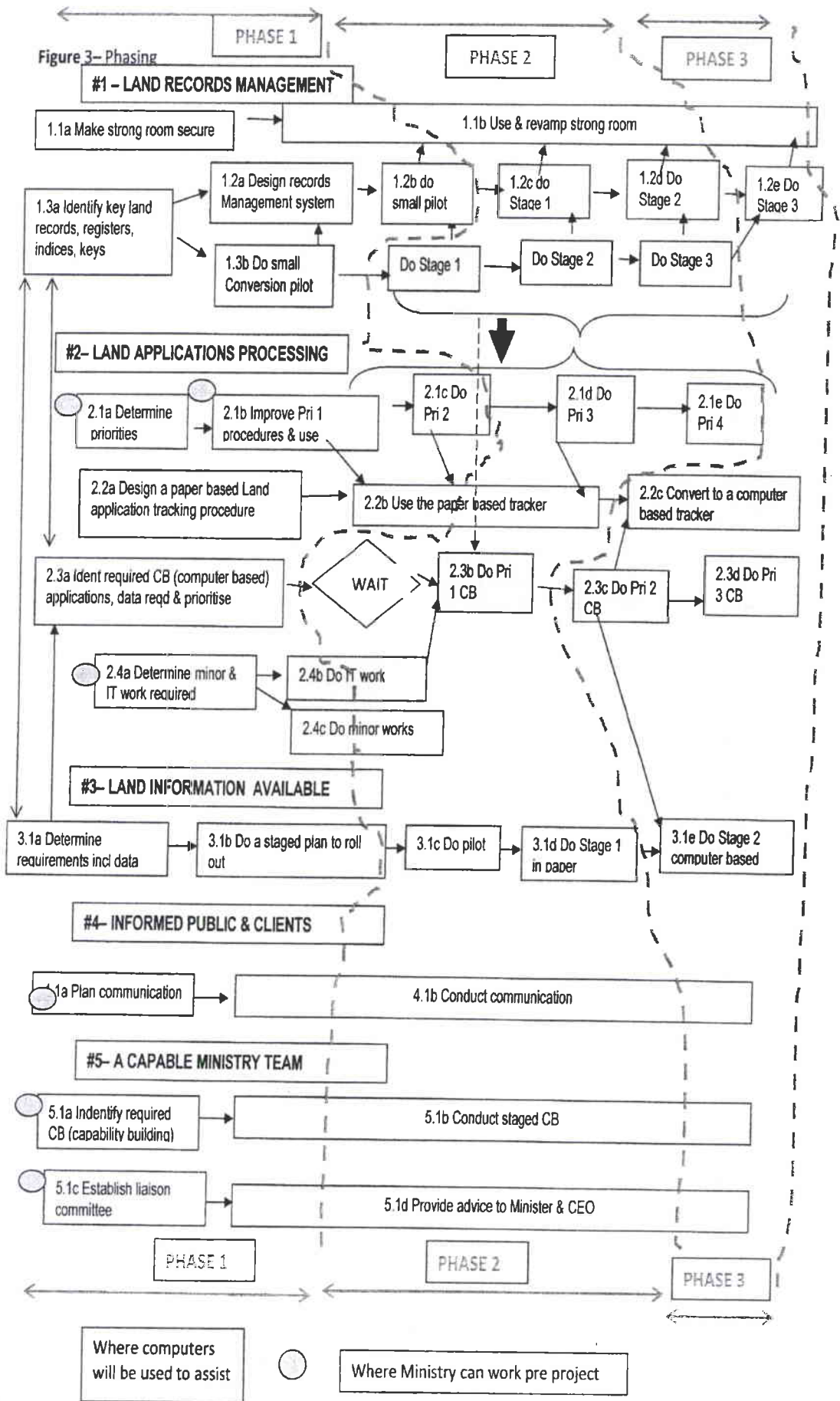


Figure 3- INDICATIVE TIMINGS [NB- precedencies are not shown]

Task No	Task Name	Pre project work by Ministr	Phase 1				Phase 2				Phase 3			
			Project Year 1				Project Year 2				Project Year 3			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

**Achievement #1 - Land Records Management**

**Task 1.1 - Increase the physical security of the strong room**

- 1.1a Make strong room secure
- 1.1b use it

**Task 1.2 - Implement a land records management system**

- 1.2a design
- 1.2b do a pilot
- 1.2c do Stage 1
- 1.2d do Stage 2
- 1.2e do Stage 3

**Task 1.3 - Integrate key land records & computerise**

- 1.3a identify & analyse records
- 1.3b do a small conversion & integration pilot
- 1.3c do Stage 1
- 1.3d do Stage 2
- 1.3e do Stage 3

**Achievement #2 - Improved land application processing**

**Task 2.1 - Implement improved procedures**

- 2.1a determine the priorities
- 2.1b improve priority 1 processes
- 2.1c improve priority 2 processes
- 2.1d improve priority 3 processes
- 2.1e improve priority 4 processes

**Task 2.2 - Implement an application tracking system**

- 2.2a design a simple paper based system
- 2.2b Implement the paper based system
- 2.2c change to a CB system when appropriate

**Task 2.3 - Design, develop & deploy CB (computer based) applications**

- 2.3a determine requirements
- 2.3b do priority 1 CB applications
- 2.3c do priority 2 CB applications
- 2.3d do priority 3 CB applications

**Task 2.4 - Do minor & IT works**

- 2.4a determine requirements
- 2.4b do IT work
- 2.4c do minor works



**Achievement #3 - Provide land information**

**Task 3.1 - Land information available**

3.1a	determine info required & priorities	X	—
3.1b	do a staked roll out plan		—
3.1c	do a pilot		—
3.1d	Do Stage 1 (paper based)		—
3.1e	Do Stage 2 computer based when appropriate		—

**Achievement #4 - Public & clients well informed**

**Task 4.1 - Communicate with customers & clients**

4.1a	Plan Communication	X	—
4.1b	conduct communication		—

**Achievement #5 - A capable Ministry management team**

**Task 5.1 - A capable ministry team**

5.1a	Identify required capability building	X	—
5.1b	conduct staged capability building		—
5.1c	establish steering/advisory committee		—
5.1d	committee provides advice		—

## 15.0 RESOURCES REQUIRED, COSTS, FUNDING

### Resources and Costings

Annex B, (a separate spreadsheet) contains an estimate of resources required and their costs.

The cost of the project is estimated at TOPS2,850,000 over a 3 year period.

#### *Comments*

- The unit of currency is the TOPS
- The amount of international TA is based on the assumption that the current strong management team of Minister, Legal Administrator and CEO are likely to largely stay in place for the first two years of the project, and if there is any change there will be equally experienced replacements. If there is a significant change in the senior management team more time for the international TA may be necessary
- That the Lands Ministry contribution will be the provision of the staff numbers and types identified. These contributions have not been converted into TOPS
- These estimates will need to be reviewed on completion of Phase 1.
- International TA costs may need to be adjusted based on fee rates that IFC anticipate will be paid
- Estimates for minor works and IT upgrades etc are based on likely estimates from local firms given a general outline. They are not the result of a detailed assessment of current state and what is required. They were compiled for the determination of a budget. The detailed requirements cannot be determined until some progress into the detail of the project has been made
- Allowance has been made for a variety of Tonga based temporary staff and TA. The temporary staffs are to allow designated Ministry staff to work for periods on the project and to provide replacements for them, and to provide staff to work on records sorting and conversion from paper to digital.
- Discussions with a builder indicate that it will probably be very difficult to make the records room completely disaster proof. Costing allowance has been made for a significant improvement. When this is considered in more detail it would be prudent to examine the structure, costs and ongoing maintenance requirements of the new Tonga National Archive.
- An allowance has been made for improvement to the physical amenity and work area layout of the building containing the customer service centre, the Land Registry and associated areas. There is some talk of the Land Department moving to another building. And this will need to be borne in mind.
- It is assumed that flexibility will be allowed for transfer between budget line items and categories as necessary

#### **Funding Sources**

Funding sources may comprise: - the IFC, AusAID, the Government of Tonga. It is assumed that IFC will lead discussions with the Lands Ministry and AusAID to determine the funding contributions for specific areas, arrangements and conditions.

## 16.0 PROJECT MANAGEMENT

It is anticipated that the project management arrangements will be agreed between the Lands Ministry and IFC. The following may well be addressed.

**Implementing Agency** - the Tongan Ministry of Lands, Survey and Natural Resources.

**Projector Director/Manager** - Anticipated to be the Ministry Legal Administrator.

**Project Steering Committee** – Anticipated that this would be established and include members from Government and business.

**Customer Liaison Committee** - The Ministry has indicated that it is considering establishing a Liaison Committee comprising representatives of internal and external major customer groups.

## 17.0 THE MAIN SUSTAINABILITY FACTORS

The following are considered to be the main factors that will affect sustainability:-

- 1) The project achieving what it sets out to do, thus indicating what is possible and how it can be done
- 2) Keeping the backlog down over the long term
- 3) Positive feedback from customers to the Ministry processing staff , on the improvements obtained, thus indicating their appreciation of the work of the Ministry processing staff
- 4) Acceptance by the ministry processing staff of the changed and improved procedures, and their long-term adherence to them
- 5) The gaining of earmarked adequate annual budget for maintenance and consumables
- 6) The retention (or replacement with similar) of key staff who are providing leadership and drive

## 18.0 CRITICAL SUCCESS FACTORS (CSF)

The following are considered to be the CSFs:-

- 1) The commitment and tenacity of the Minister, CEO, and a dedicated Tongan Project Leader to drive and manage the detail of this improvement project
- 2) The willingness of staff in the various sections to change work procedures and practices, and to display the tenacity to conduct the detailed work necessary to build the basic building blocks
- 3) The Lands Ministry obtaining from the Ministry of Finance adequate earmarked annual budget provision for maintenance and consumables

### Discussion

*The commitment and tenacity of the Lands Minister and his key staff.* The Lands Minister, Lord Ma'afu, has recently been appointed to the Lands Ministry. He has indicated a strong desire to see a wide range of improvements. His prior military background will bring focus and tenacity to this task. Ms Bing is a temporary appointment to the Ministry to oversee the reduction in the application backlog. This has been achieved admirably, together with the initial process mapping. This team, together with the CEO, would be an excellent team to lead the project, provided there was stability in the appointments during the life of the project. The minister and his key staff strongly support this project proposal.

*The willingness of staff.* Unit and Division Heads have indicated support for the revised proposal and staff seem to recognise the need for change to overcome the problems identified by the Royal Land Commission. This aspect will need constant attention during the project.

*The provision of adequate annual maintenance funds* - This is of some concern. The Ministry has insufficient annual maintenance funds at the present time for its existing IT and equipment. Some equipment is not working and has not worked for some time. Much equipment is getting to be quite old and is anticipated that it will soon require more

maintenance. The GIS area, which holds land parcel and lease boundaries, is reasonably well equipped thanks to a previous World Bank project; however that equipment is now ageing. Any further purchasing of new equipment by this proposed project will add to the burden. Replacement/upgrading of some existing equipment will be necessary.

## **19.0 RISKS**

The main risks to the project are not being able to adequately achieve the critical success factors and /or address the sustainability factors.



## ANNEX A

## LEGALLY ALLOWABLE LAND TRANSACTIONS

	Application Category & type	Sec of Land Act	Approx N/month	Pri to Improve
<b>LEASE OR SUBLEASE RELATED</b>				
	<ul style="list-style-type: none"> <li>• Lease</li> <li>• Lease Application by Religious Bodies, Charitable &amp; Social Organisations</li> <li>• Sublease</li> <li>• Tongan leases</li> <li>• Renewal of a lease</li> <li>• ?? Rent review</li> <li>• Cancellation / Surrender of Lease</li> <li>• Transfer of a Lease</li> <li>• ?subdivision of a lease</li> <li>• Termination of a lease – abandonment, neglect or failure to use for 3 yrs</li> <li>• Termination of a lease – use or permit to use for a different purpose</li> <li>• Termination of a lease – receiving money or payment other than annual rental</li> <li>• Nonpayment of lease renewal</li> </ul>			
<b>AN ALLOTMENT (TAX OR TOWN) RELATED</b>				
	<ul style="list-style-type: none"> <li>• Application for Town Allotment – to Hereditary Estate-Holder (Tofi'a)</li> <li>• Application for Tax Allotment – to Hereditary Estate-Holder (Tofi'a)</li> <li>• Application for Town Allotment – to Minister of Lands (Government Estates)</li> <li>• Application for Tax Allotment – to Minister of Lands (Government Estates)</li> <li>• Application by Heir to Allotment</li> <li>• Application by Widow to Allotment</li> <li>• Surrender of Town Allotment</li> <li>• Surrender of Tax Allotment</li> <li>• Exchange of an allotment</li> </ul>			
<b>MORTGAGE RELATED</b>				
	<ul style="list-style-type: none"> <li>• Application to be a Mortgagee</li> <li>• Mortgages</li> <li>• Variation of Mortgage</li> <li>• Assignment of Mortgage – by Sub-Lease</li> <li>• Discharge of Mortgage</li> <li>• Default of Mortgage / Mortgagee in Possession</li> <li>• Mortgagee in Possession – Sublease (of mortgaged</li> </ul>			

	registered town or tax allotment) <ul style="list-style-type: none"> <li>• Mortgagee in Possession – Sale of Lease (of mortgaged leasehold)</li> <li>• Mortgagee in Possession - Sale of Sub Lease (of mortgaged leasehold)</li> </ul>			
<b>RESUMPTION OF LAND &amp; EASEMENTS</b>				
	<ul style="list-style-type: none"> <li>• Resumption of Land for a Public Purpose</li> <li>• Easements</li> </ul>			
<b>CAVEATS</b>				
	Caveats			
<b>SEARCHES/ REQUESTS FOR INFORMATION/ADMIN</b>				
	<ul style="list-style-type: none"> <li>• Inspection of any Plan, Charts, Map or Survey in Land Office</li> <li>• Application to Search Register</li> <li>• Application for new deed or original signed copy of title deed – lost or destroyed title deeds</li> <li>• Letters of Administration</li> <li>• Appointment of Trustee</li> <li>• Registration of Documents affecting leaseholds</li> <li>• Registration of Documents affecting mortgages</li> </ul>			
<b>USE OF NATURAL RESOURCES</b>				
	<ul style="list-style-type: none"> <li>• Permit to cut stone</li> <li>• Permit to Remove Sand from Foreshore or Any Government Property</li> <li>• Permit to Remove Shingle or Other Material Other than Stone Blocks</li> <li>• Permit to Cut Timber</li> </ul>			
<b>OTHER</b>				
	<ul style="list-style-type: none"> <li>• Permit for Alien to Hold, or to Reside Upon or to Occupy Land</li> <li>• Ejectment</li> </ul>			