

PC-1

CITY DISTRICT GOVERNMENT LAHORE



PUNJAB JOBS AND COMPETITIVENESS MISSION PROGRAM FOR RESULTS (PforR) REFORMS TO CONSTRUCTION PERMITS

(Estimated Cost PKR: 336 Million)

(Estimated Cost USD: 3.2 Million)

Approval Forum: PDWP

Gestation Period: 5 Years

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| | | |
|----|---|---|
| 1. | Name of the Project: | Reforms of Construction Permits as part of World Bank's Jobs and Competitiveness Mission (J&C) Program for Results (PforR) |
| 2. | Location: | Lahore |
| 3. | Authority Responsible for: | |
| | i. Sponsoring | Planning and Development Department, Government of the Punjab. |
| | ii. Execution | City District Government Lahore (CDGL) |
| | iii. Operation and maintenance: | City District Government Lahore |
| | iv. a. Total Estimated Cost | PKR 335 Million |
| | b. Duration of the Project | 60 Months |
| 4. | a) Plan Provision: | |
| | i) Included in If the project is the current medium term plan, specify actual allocation. | N/A |
| | ii) If not included in the current plan, what warrants its inclusion and how is it now proposed to be accommodated? | Agreed component of World Bank loan |
| | iii) If the project is proposed to be financed out of block provision for a program, indicate: | N/A |
| | b) Provision in the Current Year ADP: | |

Table 1: Project Synopsis

5. Project objectives and its relationship with Sectoral Objectives

The project aims to achieve the following objectives:

- i. Business-friendly improvements in aspects of the current construction permits arrangements which will be reflected in the World Bank's Ease of Doing Business (DB) indicator related to 'Construction Permits' (CP)

- ii. Improvements in service delivery
- iii. Improved transparency of the construction permits system.

i. Improvement in DB Indicators

In the context of the Punjab Growth Strategy (2014), the Government of Punjab has recently signed a Jobs & Competitiveness Program for Results loan with the World Bank. A component of this loan is based on improving the business environment in areas over which the provincial government has jurisdiction and which are measured by four of the Ease of Doing Business indicators. One of these indicators is 'Dealing with Construction Permits'. While Pakistan's ranking for 'Dealing with Construction Permits' has improved from 109 in 2014 to 61 (out of 189 economies) in 2016, the score achieved in this area remains well below international best practice, indicating substantial scope for improvement.

The scores for the DB indicators not only allow international rankings to be developed but also measures of a country's position relative to international best practice. This is available for each of the ten indicators, as well as the average of all indicators, and is expressed as the Distance to Frontier (DTF). DTF is based on a 1 to 100 scale with the 'Frontier' being international best practice and, in effect, measures (as a percentage) the distance the economy has come towards that frontier. Hence, Pakistan's current DTF for Dealing with Construction Permits of 72.62 indicates that the country is more than 27 percentage points behind international best practice.

Pakistan's DB indicator is based on two sub-national indices, those of Karachi and Lahore and the sub-national indices for Lahore are the basis for the targets which have been established in the WB loan. As the list below indicates, the Punjab (Lahore) DTF scores for the four DB indices for regulatory areas over which the provincial government has jurisdiction average 61.08.

| | |
|----------------------|--------------|
| Starting a Business | 80.94 |
| Construction Permits | 71.49 |
| Registering Property | 50.81 |
| Enforcing Contracts | 41.09 |
| Average | 61.08 |

The five year target for improvement in these four indicators which has been set is that the average should rise from 61.08 to 75. No targets have been set for individual indicators, although it is expected that improvements will occur in all four areas.

For each of the indicators, the DTF is calculated by measuring a number of elements, including, in each case, time taken and cost. For the 'Dealing with Construction Permits' indicator, the elements are as follows, with the current Punjab scores also shown:

- i. Number of procedures required: 10
- ii. Time taken (in days): 251
- iii. Cost incurred (as % of income per capita): 3.2
- iv. Building quality control index (Scale 1-15): 13

The project is thus oriented towards making improvements – through a range of interventions – in the scores shown above.

ii. Improved Service Delivery

An improvement in DB rankings will only be possible if there is tangible progress in the ground. As one of the agency responsible for issuing construction permits in the city of Lahore, CDGL's role, which handles 55% of the land area, is pivotal in attracting investment in the construction and real estate sector.

Improved service delivery will be a consequence of proposed reforms. In order to gauge improved service delivery, CDGL has identified three key variables. These are:

- i.** Days taken for issuance of CP
- ii.** Cost for issuance of CP
- iii.** Number of procedures

A reduction in these three key variables will translate into better service delivery for CDGL's constituents and will be reflected in the Punjab CP indicator, resulting in an improvement in the composite indicator for the four targeted areas, as well as in the overall DB indicators for Punjab and Pakistan.

iii. Improved Transparency and Monitoring

As part of the reform proposal, the WB in consultation with CDGL, has proposed a number of changes that will lead to increased transparency and openness on the organization's part. Additionally, mechanisms are proposed to improve monitoring of the CP process, with a special emphasis on field inspections.

6. Description, Justification and Technical Parameters

Project Description

The project will be undertaken in close cooperation with the LDA in the expectation that the automated systems proposed will be parallel and fully compatible. In this context, this PC-1 is based largely on the PC-1 previously submitted by LDA to ensure that the approaches taken to the reform process will be consistent. CDGL and LDA will consult on a regular basis during the implementation of their respective projects to ensure that this consistency of reforms is ensured.

Constituted of 9 Town Municipal Administrations, CDGL will, interalia, be responsible for the following functions, under the Punjab Local Governments Ordinance, 2013:

- ▶ approve spatial plans, master plans, zoning, land use plans, including classification and reclassification of land, environment control, urban design, urban renewal and ecological balances;
- ▶ implement rules and bye-laws governing land use, housing, markets, zoning, environment, roads, traffic, tax, infrastructure and public utilities;
- ▶ execute and manage development plans;

- ▶ exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- ▶ environmental control, including control of air, water and soil pollution in accordance with Federal and Provincial laws and standards;
- ▶ undertake urban design and urban renewal programmes;
- ▶ maintain a comprehensive data base and information system and provide public access to it on nominal charges;
- ▶ approve taxes and fees;
- ▶ develop and manage schemes, including site development;
- ▶ maintain municipal records and archives.

Keeping that in view, the CDGL, currently, lacks the manpower, equipment and technological endowment to perform its functions efficiently and effectively. These issues result in unnecessary delays in the issuance of documents related to the construction permits process. Resultantly, due to these delays, investment in the province is below optimal levels, as investors prefer investing in other areas of the economy rather than face procedural delays and issues that might tie up large chunks of their investment.

Thus, in order to ensure increased investment levels in the construction and real estate industry in areas under the CDGL’s jurisdiction, the CDGL, in conjunction with the World Bank, suggests a number of reforms that will result in increased transparency, reduced time and costs and reduced regulatory issues in the construction permits process. Upon achieving its aims, the CDGL hopes to provide for a better environment for doing business in Lahore.

Broadly, the CDGL proposes the following interventions as part of its reform program:

- i. Streamlining of process and linkages across CDGL and peripheral organizations, including related regulatory reforms to enact the revised processes
- ii. Automation of current processes related to the issuance of construction permits
- iii. Linking of GIS database of LRMIS with CDGL
- iv. Upgrading of inspection services
- v. Capacity building
- vi. Integrated public facilitation counters
- vii. Communication and community engagement
- viii. Complaints’ management and resolution

| Proposed Reform | Impact on |
|--|------------------------|
| Building project management team | - |
| Process streamlining and regulatory reform | Time, Procedures, Cost |
| Automation of Processes | Time, Procedures |
| Link up with GIS record of LRMIS | Time |
| Integrated Public Facilitation Counters | Time, Procedures, Cost |

| Upgrading of Inspection Services | Time, Cost, Building Control |
|---|---|
| Security featured paper for printing of CP and CC | - |
| Capacity Building | - |
| Communication and Community Engagement | Costs |
| Complaints Management and Resolution | Time |
| Business Continuity / Disaster Recovery Plan | Business Continuity / Record Management |

Table 2: Proposed reforms and expected course of impact

Justification and Objective

Each of these reforms is expected to help CDGL in achieving its goals of providing a business friendly environment by facilitating the public at large and curtailment of time for obtaining the construction permit.

i. Building project management team

With rapid urbanization, cities are expanding particularly big metropolis like Lahore. CDGL is looking to build its capacity to be able to deliver on the future requirements. With this in perspective, handling the tasks in hand requires coordination with 9 Town Municipal Administrations and across peripheral organizations, like TEPA, WASA, utilities etc. CDGL will be hiring experts both in technical and project management domains to undertake the complete improvement project. Expertise to be hired includes engineers, surveyors, project managers, human resource and information technology.

ii. Process streamlining and regulatory reform

The current construction permit process is complex, time consuming and generates unnecessary cost and burden to obtain the permit. The whole process is based on ex-ante requirements and imposes an equal amount of paper work / procedures to all kind of investors irrespective of the size of investment and the particular risks associated to the business activity. Further, the requirements and inspection surveys are not clear and prone to corruption and discretion with no clear value to protect the public interest.

Current permit processes will be re-engineered/ streamlined with a view to improve efficiency and effectiveness of the operations, reduce use of judgment and the identification and elimination of redundant steps that act as a bottleneck in the permit process. This will include developing and streamlining linkages with the peripheral agencies/ organizations which are involved in issuing the CP. The whole process within CDGL, including coordination and follow up mechanism with will be simplified to remove inefficiencies and will result in saving of excess time and procedures.

Further, regulations should be mapped against each process / procedure to ensure the legal requirements of procedures and documents. This may also result in highlighting of legal requirements that do not add any value for the permit process or are otherwise onerous which would then be required to be amended.

As a necessary part of the process, CDGL propose to hold consultation sessions with the private stakeholders to identify the actual grey areas and redundancies in the permit process. Efforts will be made by CDGL to eliminate the redundancies and to address the concerns of private stakeholders by simplifying the permit process.

iii. Automation of processes

The current process related to the construction permit process is based on the manual movement of files from department to department and does not involve the use of computer technology. Efforts need to be made for the utilization of computer technology to have a system with end to end automation for the permit applications, including submitting online application.

Absence of error free land ownership record, excessive delays in processing and approval of cases, weak institutional set-up, lack of coordination among concerned departments and lack of dissemination plans result in operational issues that impede CDGL's ability to perform at an optimal level. These operational issues at the CDGL's end result in a plethora of issues faced by the general public. Lack of easy and correct information often leads to unnecessary delays in the CP approval process, with the consequence that the general public views CP process with a certain amount of apprehension.

The current business processes and system can be improved by building an efficient, error free, integrated computerized application reflecting the streamlined processes, and linking all standalone procedures where application from one department can be electronically forwarded to the other; resulting in electronic processing, digital approvals and issuance of construction permit.

Standard days will be defined in the computer application against each procedure and the system will be able to identify the delays in processing at each step for timely and corrective action by the management.

Introduction of the computer application and end to end automation will be a significant step towards reducing the number of days required for application processing. Once computer application and automation is successfully implemented and transitioned, efforts will be made for the submission of web based applications and provision of tracking number to the applicants which can be used to track the application at any given time. Further, the system will also be able to trigger a SMS notification at the applicant's registered contact number, once application moves a step forward and on the successful approval of construction permit as well.

The implementation of this process will allow for lower turnaround times for the issuance of completion certificates.

An automated system will also allow for better oversight and monitoring of the process. Data generated through the CP process will allow managers to identify with clarity areas which might be causing issues and delays in the issuance of permits. Additionally, the data generated will provide empirical evidence necessary to guide and improve public perceptions in this area.

iv. Link up with GIS record of LRMIS

Land ownership of the applicant is currently being verified by using the Fard (title document) and no computer database exist through which the ownership can be verified, nor is any database describing the constructions with or without CP or CC.

CDGL proposes to integrate with Land Record Management Information System - LRMIS (Board of Revenue) which is in the process of creating Geographic Information System (GIS) maps and ownership record for Lahore. LRMIS database will be utilised to verify the ownership and status of the land which help CDGL in reducing the number of days required for the verification of the title document and will also result in increased reliability of the verification process.

Additionally, linking the inspections with the GIS database would also be used during inspection and supervision.

v. Integrated public facilitation counters

The current CP process requires approvals / NOCs from a number of different agencies (WASA, TEPA, EPA etc). Without any established coordination or information sharing mechanisms, individuals seeking CP approval have to essentially coordinate between approving agencies on their own. As a consequence of having external agencies involved in the process, clients find themselves going back and forth between different agencies. This adds to both temporal and monetary costs for clients.

In order to increase the information sharing and to facilitate the public in coordinating between involved external agencies, CDGL proposes the establishment of facilitation counters for the representatives of WASA, TEPA and EPA at the central office to allow for information sharing through a common platform. The counters at each TMA shall be connected with the central one window facility where applications will be routed and coordination will take place.

Representatives of external agencies from the relevant department will accept the application and communicate electronically to their respective head offices through a common information sharing platform.

After completing the requisite process, the external agency will communicate its decision and information back to each OWC electronically whilst allowing for time tracking of its process. While information sharing will be electronically done on a common platform, back-end processes for external agencies will remain unchanged.

This will be the first step in the establishment of fully operational OSS (One Stop Shop) for CP process and once, one window operation and facilitation counters are implemented, efforts will be made for the requirement of a single application for obtaining a construction permit, approvals / NOCs from the relevant departments and obtaining of utilities connections such as LESCO, WASA and SNGPL. Additional efforts will also be made to unify the payment process for all participating agencies.

This will result in a saving of time and cost for individuals seeking CP approval and consequently lead to improved perceptions amongst CDGL's core constituency.

vi. Timely inspection and transparency in site surveys

Currently, inspection services at TMAs are understaffed and under-equipped. With a large area (55% of Lahore) under its jurisdiction, TMAs inspection staff is unable to cope with the workload placed upon it. This results in a bottleneck being created in the CP process at TMAs, as inspection staff are unable to keep up with new developments.

Resultantly, without requisite resources the inspections' process results in a bottleneck that leads to unnecessary delays for the public and large work backlogs at TMAs. Even when inspections have been carried out correctly and on time negative perceptions regarding the inspections process result in lack of confidence in the procedure. The process is seen as lacking requisite transparency leading to instances where the system might be prone to manipulation through corruption.

Part of the upgrading of inspection services revolves around providing adequate equipment to the inspection staff. Thus, in order to ensure that inspection services are dispensed with in a timely and efficient manner, more resources will be required.

Additionally, the incorporation of an IT based module will be part of the upgrading project. The idea is to ensure staff visits to the inspection sites by incorporating digital signatures based on the GPS coordinates of the concerned land as tagged through GIS and communicate the same through android phones operating a customised application. Any objections arising from the visit will be noted on the android application and communicated back to a central database maintained by CDGL. The digital signature will be paired up with the relevant file being processed for approval of CP, both maintained at CDGL's central database.

Further, timelines will also be defined for the visits during the construction phase and individuals will be made responsible and held accountable rather than the department as a whole, for the field visits and in case a violation is observed in the future which was not reported by the staff earlier.

The IT module will also allow for increased transparency, planning and oversight of inspection services, allowing managers to ensure site visits in a timely manner.

Thus, in order to improve the inspection services, CDGL proposed a two-pronged strategy to tackle the situation. First through strengthening staff resources and second through improving the process efficiency by incorporating technology in the inspection process and making individuals responsible for site visits.

Additionally, PPP modes shall also be explored for conducting the surveys and reporting status with strong monitoring mechanisms in place at CDGL.

vii. Introduction of security featured paper for printing of CP and CC

In order to enhance the legitimacy and to avoid forging of the sanctioned permits and completion certificates, CDGL will use security featured paper for the printing of construction permits and completion certificates and introduce modern security features, like bar codes.

viii. Capacity building of staff

As already stated, World Bank's DB rankings are primarily based on perceptions of organizations and their processes. As the first port-of-call in the CP process, OWC staff are an important cornerstone in the public's perception of the organization. CDGL proposes providing customer servicing trainings to OWC staff in order to better equip OWC staff to deal effectively with individuals seeking approval of CP process. Improvement of staff attitudes towards the public will consequently lead to a general improvement in perceptions of the organization which will eventually translate into improved DTF scores and higher rankings.

Further, the human resource and other facility requirements will be evaluated having regard to the work load and operational requirements at all staff levels.

ix. Communication and community engagement

An independent study commissioned by the World Bank identified lack of readily available information as a major impediment in improving public perceptions. It indicated that current mechanism for information dissemination is not robust and information is often unavailable and unreliable. This leads to rent seeking and involvement of third party service providers.

In order to improve the dissemination of information, CDGL will design a website which will act as a medium for providing an easy access and insight on the construction permit process and will include by-laws, application forms, application requirements, brief overview of the permit process, checklist for the documents required, fee calculator to calculate the fee for construction permit on the basis of the square feet of the covered area, call centre details and detailing the complaints lodging mechanism. Further, a sample filled application form can also be uploaded for each application type (residential, commercial and industrial).

Additionally, CDGL will prepare brochures, pamphlets and printouts detailing the fees schedule, construction permits process, expected time-lines and focal persons. Information regarding complaints resolution will also be provided in these materials. Printed materials will be placed at OWC and be available for all persons involved.

Visible signs and directions will also be placed at each TMA and town hall office to direct the applicant to the One Window Cell.

x. Complaints' management and resolution

CDGL will develop a robust complaint management and resolution system where all the complaints will be logged in a computer system with unique tracking number provided to the applicants to track their complaints and to know the status and outcome of their complaint at any given time.

The aim of the complaints management system is to increase the transparency in the complaints' management process and to facilitate the public in resolving complaints related to the construction permit process. This will also include the activation of UAN numbers (to be managed by external operator).

Additionally, CDGL's website will also provide the option for online submission of complaints which will be routed to CDGL through the external operator.

xi. Business Continuity / Disaster recovery plan

Currently there is no practice of taking backups of the available record and no process in place to ensure the successful continuity of business operations in case of unforeseen adverse circumstances.

CDGL will carry out an extensive exercise for the development, implementation and periodic testing of Business Continuity Plan / Disaster Recovery Plan to ensure the continuity or resumption of operations in case of any natural or man-made disaster and recovery of

important data / information – both manually maintained as well as in computerized form.

Staffing Requirements

Staffing requirements may be viewed in **Annex A** of this document

Hardware Requirements

Staffing requirements may be viewed in **Section 13.b** of this document

7. Capital Cost Estimates

| S. No | Activities | Cost Estimates PKR | Results by 2020 |
|-------|---|-----------------------|---|
| 01 | Building Project Management Capacity This would entail hiring experts in project management, engineering and surveys and information technology to facilitate and coordinate the reform program. | 2,668,210 | Completion of project with its intended objectives achieved. |
| 02 | Process streamlining and regulatory reform This would require redesigning the processes and regulations for CP and CC through CDGL and streamlining the coordination mechanism with the peripheral agencies, like LDA, WASA, TEPA, EPA etc. | 20,000,000 | Streamlined processes and coordination mechanism across the value chain. Redundant processes, activities and requirements removed from the regulations. |
| 03 | Automation Automation of internal processes at CDGL regarding CP processes, including provision of online application form. This entails development of software, procurement for hardware and digitisation of manual record. This would also entail developing uplink facility with the GIS record of LRMIS. | 113,033,711 | Reduced time and increased transparency by minimized dependency on human interventions, manual handling and paperwork. Reduced time appropriately (targets to be fixed at the project initiation stage) and cost with the help of online submission and verification of fee challan. |
| 04 | IT based module for Inspections: Capacity building of inspections services along with development of IT based system for increasing efficiency of inspection services | 9,882,850 | IT module developed to receive input from mobile-based applications at time of inspection. Improved and centralized recording daily site inspections with help of transport facilities |
| 05 | Capacity building at OWC Focus on development of soft skills of staff, especially those staff who are responsible for interacting with the public in order to improve current perceptions regarding the CDGL amongst the public. | 15,649,797 | Increased efficiency results in reduction in time and less complaints. |
| 06 | Integrated Public facilitation Counters: Separate counters for the representatives of TEPA, EPA, WASA etc. to be created at OWC along with development of information sharing platform to allow for seamless information sharing, saving time and monetary costs for customers. | 13,863,316 | Reduced overall time by up to 50% along with increased efficiency. |
| 07 | Creating awareness and dissemination of information: Increased awareness and transparency to make process effective and mitigate the possibilities of corruption / unofficial activities as noted through stakeholder analysis. a) Availability of application forms at OWC b) Availability of fee schedule for the construction permit on the website, | 8,626,250 | Reduced time by 3-4 days with the help of well-function, well-furnished, and well-equipped OWC making available all CP forms with serial numbers and fixed rates to avoid the sale of forms by vendors outside. Reduced time up to 3-4 days with the help of proper display of signs giving full information online/leaflets to the public about OWC as well as about CP procedures. |

| | | | |
|----|--|--------------------|---|
| | <p>along with other relevant information to the process, such as complaints/dispute lodging, call centres details.</p> <p>c) Visible signs and directions to be placed to direct applicants to the public counter at the CDGL</p> <p>d) Publication (such as brochures) of the fees schedule and procedure to be followed, would help enhance the understanding of the process for users and would bring transparency into the process.</p> <p>e) Awareness campaigns can be initiated for general public awareness.</p> <p>f) Redesign and reorganization of CDGL's website to allow for easier access to information.</p> <p>g) Setting up of computer kiosks at OWC to allow for easy and ready access to CP related information.</p> | | |
| 08 | <p>Complaints management and dispute resolution mechanism: Outsourcing of CDGL's complaint management system.</p> | 2,245,914 | Increased efficiency in management of complaints. Better perceptions of CDGL as public friendly organization. |
| 09 | <p>Disaster recovery plan: Preparation of a plan to safeguard data (both hard and soft) in case of a disaster and ensure availability of services to the public without disruption.</p> | 2,500,000 | Increased reliability of availability of services in a timely manner. |
| | Capital Expenditure | 188,470,048 | |

Table 3: Capital costs for project components

Detail of capital costs may be viewed in **Annex A**.

In respect of Automation, it has been assumed that the software of LDA developed in respect of Construction Permits shall be used with due customization by the CDGL.

8. Annual operating and maintenance cost after completion of the project

| <i>Project Management Capacity</i> | | | | | | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
| <i>Salaries and Remuneration</i> | | | | | | |
| <i>Project Manager</i> | 1,800,000 | 1,980,000 | 2,178,000 | 2,395,800 | 2,635,380 | 10,989,180 |

| | | | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|------------|
| <i>Sub-Engineer (2)</i> | 1,800,000 | 1,980,000 | 2,178,000 | 2,395,800 | 2,635,380 | 10,989,180 |
| <i>InformationTechnology expert</i> | 1,800,000 | 1,980,000 | 2,178,000 | 2,395,800 | 2,635,380 | 10,989,180 |
| <i>IT resource</i> | 900,000 | 990,000 | 1,089,000 | 1,197,900 | 1,317,690 | 5,494,590 |
| <i>Peon</i> | 252,000 | 277,200 | 304,920 | 335,412 | 368,953 | 1,538,485 |

Rendering Services

| | | | | | | |
|--------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <i>POL Expense</i> | 824,670 | 865,904 | 909,199 | 954,659 | 1,002,392 | 4,556,822 |
| <i>Fleet Maintenance</i> | 945,000 | 992,250 | 1,041,863 | 1,093,956 | 1,148,653 | 5,221,722 |
| <i>Stationary</i> | 1,260,000 | 1,323,000 | 1,389,150 | 1,458,608 | 1,531,538 | 6,962,295 |
| <i>Miscellaneous</i> | 63,000 | 66,150 | 69,458 | 72,930 | 76,577 | 348,115 |
| <i>Grand Total</i> | 9,644,670 | 10,454,504 | 11,337,589 | 12,300,864 | 13,351,943 | 57,089,569 |

Inspections' Module

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|---------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| <i>Rendering Services</i> | | | | | | |
| <i>Mobile Internet</i> | 504,000 | 529,200 | 555,660 | 583,443 | 612,615 | 2,784,918 |
| <i>Mobile Internet</i> | 1,386,000 | 1,455,300 | 1,528,065 | 1,604,468 | 1,684,692 | 7,658,525 |
| <i>Fleet Maintenance</i> | 1,386,000 | 1,455,300 | 1,528,065 | 1,604,468 | 1,684,692 | 7,658,525 |
| <i>Fleet POL Expense</i> | 2,263,800 | 2,376,990 | 2,495,840 | 2,620,631 | 2,751,663 | 12,508,924 |
| <i>Grant Total</i> | 5,539,800 | 5,816,790 | 6,107,630 | 6,413,011 | 6,733,662 | 30,610,892 |

Capacity Building at OWC

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|
| <i>Consultancy Services</i> | | | | | | |
| <i>Half Yearly Customer Service Trainings for OWC staff</i> | 1,260,000 | 1,323,000 | 1,389,150 | 1,458,608 | 1,531,538 | 6,962,295 |
| <i>Rendering Service</i> | | | | | | |
| <i>Hall Rentals</i> | 945,000 | 992,250 | 1,041,863 | 1,093,956 | 1,148,653 | 5,221,722 |
| <i>Refreshments</i> | 126,000 | 132,300 | 138,915 | 145,861 | 153,154 | 696,230 |
| <i>Transport</i> | 105,000 | 110,250 | 115,763 | 121,551 | 127,628 | 580,191 |
| <i>Sub-Office</i> | 2,079,000 | 2,182,950 | 2,292,098 | 2,406,702 | 2,527,037 | 11,487,787 |
| <i>OWC</i> | 277,200 | 291,060 | 305,613 | 320,894 | 336,938 | 1,531,705 |
| <i>Grand Total</i> | 4,792,200 | 5,031,810 | 5,283,401 | 5,547,571 | 5,824,949 | 26,479,930 |

Public Facilitation Counters

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|
| <i>Salaries and Remuneration</i> | | | | | | |
| <i>Assistant Director (WASA)</i> | 737,100 | 773,955 | 812,653 | 853,285 | 895,950 | 4,072,943 |
| <i>Sub-Engineer</i> | 378,000 | 396,900 | 416,745 | 437,582 | 459,461 | 2,088,689 |
| <i>Computer Operator</i> | 491,400 | 515,970 | 541,769 | 568,857 | 597,300 | 2,715,295 |
| <i>Data Entry Operator</i> | 409,501 | 429,976 | 451,475 | 474,048 | 497,751 | 2,262,751 |

| | | | | | | |
|---------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Peon | 252,000 | 264,600 | 277,830 | 291,722 | 306,308 | 1,392,459 |
| <i>Rendering Services</i> | | | | | | |
| <i>POL Expense</i> | 824,670 | 865,904 | 909,199 | 954,659 | 1,002,392 | 4,556,822 |
| <i>Fleet Maintenance</i> | 1,039,500 | 1,091,475 | 1,146,049 | 1,203,351 | 1,263,519 | 5,743,894 |
| <i>Stationary</i> | 1,386,000 | 1,455,300 | 1,528,065 | 1,604,468 | 1,684,692 | 7,658,525 |
| | 63,000 | 66,150 | 69,458 | 72,930 | 76,577 | 348,115 |
| Grand Total | 3,001,321 | 3,151,387 | 3,308,956 | 3,474,404 | 3,648,124 | 16,584,193 |

Creating awareness and dissemination of information

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <i>Salaries and Remuneration</i> | | | | | | |
| <i>Rendering Service</i> | | | | | | |
| <i>VPS Hosting</i> | 240,000 | 240,000 | 240,000 | 240,000 | 240,000 | 1,200,000 |
| <i>Printed Material</i> | 1,070,667 | 1,124,200 | 1,180,410 | 1,239,431 | 1,301,402 | 5,916,109 |
| Grand Total | 1,310,667 | 1,364,200 | 1,420,410 | 1,479,431 | 1,541,402 | 7,116,109 |

Complaints Management

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <i>Salaries and Remuneration</i> | | | | | | |
| <i>Project Coordinator</i> | 567,000 | 595,350 | 625,118 | 656,373 | 689,192 | 3,133,033 |
| <i>Data Entry Operator</i> | 315,000 | 330,750 | 347,288 | 364,652 | 382,884 | 1,740,574 |
| <i>Consulting / Outsourcing</i> | | | | | | |
| <i>Call Centre Payments</i> | 756,000 | 793,800 | 833,490 | 875,165 | 918,923 | 4,177,378 |
| <i>Rendering Services</i> | | | | | | |
| <i>Stationary</i> | 70,938 | 74,485 | 78,209 | 82,120 | 86,226 | 391,978 |
| Grand Total | 1,708,938 | 1,794,385 | 1,884,105 | 1,978,310 | 2,077,225 | 9,442,963 |

The following component(s) in this PC-1 will **not** require post implementation operational funding:

- i. Automation of CP Process
- ii. Counters for Industrial and Commercial Buildings

9. Demand and Supply Analysis

N/A

10. Financial plan and mode of financing

The project is to be financed through PC-1 funding.

11. Project benefit and analysis

a. Financial

The project will benefit the CDGL financially through an indirect method of action. By fostering investment in the real estate sector, the CDGL will be able to increase receipts from fees accruing from the construction permits process. It is expected that there will be a positive correlation between the implementation of this project and financial benefits accruing to CDGL.

b. Social benefit with indicators

The social benefits accruing from this project will be from the amount of time and cost saved due to this implementation of this project. It is hoped that the implementation of this project will save the citizens of Lahore both time and energy during the CP process. Additionally, a streamlined system will save the general public the hassle that is systemic to manual systems. It is expected that automation of CDGL's CP process and integration of the proposed Inspections module will allow for smoother execution of CP process.

c. Employment generation

The construction sector is one of the most important sectors of the economy. With linkages to upwards of 80 industries and services, the construction sector is pivotal to any country's economic wellbeing.

According to the Economic Survey of Pakistan the construction sector in Pakistan contributes nearly 2.6% to the country's GDP and 12% to the industries sector. Additionally, while have a direct impact on the economy, the construction sector is seen as an important indicator for the overall health of the economy, given that the sector is particularly sensitive to changes in the economic landscape.

Given these above mentioned points regarding the importance of the construction and real estate sectors, it may be assumed that large benefits will accrue from actions that serve to increase investment levels in this sector. The main focus of the reform program as proposed by the CDGL is to improve the current CP process, thereby allowing better access to investment opportunities for the investing public. By time and cost required for procedures, turnaround times in the sector should be decreased, leading to more transactions and a resultantly higher level of investment in the sector.

This increased level of investment, a consequence of CDGL's reforms, will lead to job creation across a number of sectors. While there are no reports at present that could quantify the number of jobs, according to estimates by the BLS (Bureau of Labour Statistics), Rs. 1 Billion increase in investment spending in the construction sector results in 24,000 jobs being created in economy. This number is for the U.S economy and could very well be higher for the Pakistani economy, given the low price level and lower level of automation and mechanization.

The DB indicators are seen by foreign investors as an important tool for making investment decisions. The main crux of CDGL's proposed reforms is to improve service delivery to the public with in turn will also improve Pakistan's ranking in the DB indicator. By improving Pakistan's standing in the DB indicators, foreign investors will be getting a positive signal regarding Pakistan as an investment destination.

Direct employment accruing from the project itself has been recorded in staffing requirements as

mentioned in section 6.

d. Environment impact

N/A

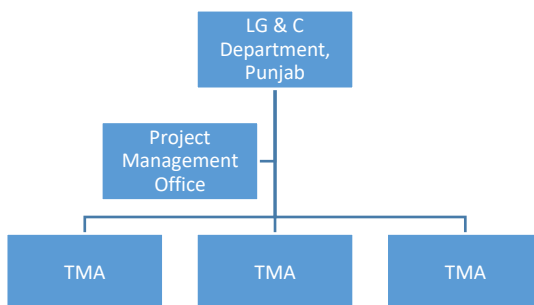
e. Impact of details on cost and viability

12. Implementation schedule

Implementation schedule may be viewed as **Annex B** of this report

13. Management structure and manpower requirements

Management Structure



HR Requirements

The following personnel will be required for the execution of this project:

| Position Title | Position Description | Eligibility | No. |
|----------------------------------|--|--|-----|
| Project Management Office | | | |
| Director | Manage the overall reform project, including coordinating, facilitation and organizing resources. | Minimum Masters' degree from an HEC recognized university with 10 years of work experience in a relevant role. | 1 |
| Sub Engineer | Provide support in understanding, coordinating and facilitating reform effort relating to technical areas of survey and engineering. | Minimum Bachelors' degree from an HEC recognized university with 10 years of work experience in a relevant role. | 2 |
| Information Technology expert | Provide support in understanding, coordinating and facilitating reform effort relating to IT implementation. | Minimum Masters' degree from an HEC recognized university with 10 years of work experience in a relevant role. | 1 |

| | | | |
|--|---|---|---|
| Information Technology resource | Provide support in understanding, coordinating and facilitating reform effort relating to IT implementation. | Minimum Bachelors' degree from an HEC recognized university with 5 years of work experience in a relevant role. | 1 |
| Automation of CP Process | | | |
| Director | Lead Record Sifting Cell (RSC) at CDGL, part of automation of CDGL records. | Minimum Masters' degree from an HEC recognized university with 5 years of work experience in a relevant role. | 1 |
| Deputy Director | Assist Director (RSC) in the sifting and digitization of CDGL Land records | Minimum Masters' degree from an HEC recognized university with 5 years of work experience in a relevant role. | 3 |
| Assistant Director | Assist Director (RSC) in the sifting and digitization of CDGL records | Minimum 4 years Bachelors' degree from an HEC recognized university in Town Planning or Urban Planning. | 3 |
| Naib Tehsildar | Provide support to Director (RSC) in record sifting | Minimum qualification Matric with 10 years' experience in a similar role | 3 |
| Assistant Director (IT) | Provide IT support for sifting and digitization of CDGL records. Responsible for keeping all equipment in working order. | Minimum 4 years Bachelors' degree from an HEC recognized university in Computer Sciences. | 1 |
| Integrated Public Facilitation Counters | | | |
| Assistant Director (WASA) | The Assistant Director WASA (PHS) will be responsible for scrutinising documents presented by applicants and processing the same for issuance of demand notice by Deputy Director. The Additional Director will | Minimum MBA or M.Com an HEC recognized university. | 1 |

| | | | |
|----------------------|--|---|-----------------|
| | <p>also be responsible for ensuring completion of documents.</p> <p>Additionally, the officials will field queries as directed by the relevant Deputy Director.</p> | | |
| Sub Engineers (WASA) | <p>Sub Engineers shall be responsible for assisting the Assistant Director (WASA) in preparing augmentation charges. Additionally, the Sub Engineers shall be responsible for conducting site visits when so required.</p> | <p>Minimum 2 years' Diploma in Civil Engineering.</p> | <p>1</p> |
| Computer Operator | <p>A Computer Operator will be present at each of the participating agencies' head offices. The official will be responsible for ensuring that data received electronically from Public Facilitation Counters at CDGL is forwarded to relevant directorates within each agency. The official will also be responsible for communicating decisions and/or notes to relevant official at facilitation counters</p> | <p>Minimum 4 years Bachelors' degree from an HEC recognized university in Computer Sciences or other IT related fields.</p> | <p>1</p> |
| Data Entry Operator | <p>The Data Entry Operator shall be responsible for the entry and transmission of data across the platform to the relevant agency. Additionally, each DEO shall be responsible for the manual relay of files and data between relevant offices.</p> <p>All participating agencies' Assistant Directors shall be assigned 1 Data Entry Operator.</p> | <p>Minimum 2 Year Diploma in Computer Sciences or related field.</p> | <p>1</p> |

| | | | |
|---|--|--|---|
| Peon | The peon shall be responsible for waiting on staff as and when required | Minimum Matriculation | 1 |
| Complaints Management and Dispute Resolution | | | |
| Project Coordinator | The Project Coordinator will act as liaison between third party call centre and departments at CDGL. The Project Coordinator shall receive all data related to complaints and assign these to relevant departments. The official will also follow up on complaints, ensuring resolution. The official will also conduct data analytics to pinpoint operational issues at CDGL. | Minimum 4-Year Bachelors' degree in Social sciences, Engineering or physical sciences. | 1 |
| Data Entry Operator | The Data Entry Operator shall be responsible for the entry and transmission of data across the platform to the relevant department. The DEO shall ensure that data forwarded to relevant department is complete and correct in all respects. | Minimum 2 Year Diploma in Computer Sciences or related field. | 1 |

Table 4: Project personnel requirements component wise

14. Additional projects/decisions required to maximize social benefits of proposed project

Reference to Umbrella PC-1 issued by Planning and Development Department titled 'Punjab Jobs and Competitiveness Mission Program for Results (PforR' issued in November 2015).

The abovementioned PC-1 is part of World Bank's Jobs and Competitiveness Mission for Pakistan.

15. Certificate

Certified that the project proposal has been prepared on the basis of instructions provided by the Planning Commission for the preparation of PC-I for Social projects.

| | | |
|--------------------|--|--|
| Prepared by | | |
| | | |
| Checked by | | |
| Approved by | | |

List of Annexes

| | |
|---|--|
| Annex A (Capital Costs) | |
| Annex B (Implementation Schedule) | |
| Annex C (P&D Observations/CDGL Reply) | |
| Annex D (Economic Analysis) | |
| Annex E (Breakdown of Automation Costs Incurred) | |

Annexure A Capital Cost

Automation Process

Process streamlining and regulatory reform 20,000,000

Automation Process

| Head/Item | Quantity | Duration | Cost | Total Cost |
|---|-----------|----------|------------|-------------------|
| <i>Consultancy and Development of Software</i> | | | | |
| Analysis, Standard Operating Procedure (SOP), Updates in software as per BPR, integration of already developed software | | | | |
| GIS for entire schemes of CDGL for (Database will be attached with GIS and information at plot level of all the relevant details have to be available as entered in customized software of LRMS) | 1 | | 20,666,667 | 20,666,667 |
| ERP Solution Implementation (Finance, Human Resource, Revenue, Inventory and Asset Management) | | | | |
| Microsoft Office (Licence) | 4 | | 46,200 | 184,800 |
| <i>Sub Total (A)</i> | | | | 20,851,467 |
| <i>Data Entry, Scanning and Indexing of CDGL Property Files and relevant record of all schemes of CDGL</i> | | | | |
| Scanning & Indexing of Files (Total 250,000 files and relevant records with 20 pages per file approximately) | 5,000,000 | 10 | 10 | 50,000,000 |
| <i>Sub Total (B)</i> | | | | 50,000,000 |
| <i>Hardware and Networks</i> | | | | |
| Laptop i5 OS & Antivirus | 4 | 1 | 150,000 | 600,000 |
| High End Servers required for ERP Implementation | 1 | 1 | 1,200,000 | 1,200,000 |
| SAN with 50TB space (Expandable) | 1 | 1 | 12,000,000 | 12,000,000 |
| External Storage 10TB | 11 | 1 | 200,000 | 2,200,000 |
| USB Drives 64GB | 40 | 1 | 4,000 | 160,000 |
| USP8KVA 220V | 2 | 1 | 400,000 | 800,000 |
| Desktop Computer System i5 with OS & Antivirus | 5 | 1 | 120,000 | 600,000 |
| Printers Heavy Duty | 1 | 1 | 50,000 | 50,000 |
| Scanner Flatbed with ADF | 1 | 1 | 300,000 | 300,000 |
| USP 8KVA 220V | 1 | 1 | 400,000 | 400,000 |
| Biometric Reader | 1 | 1 | 100,000 | 100,000 |
| Networking (Cabling, Ducting, I/O, Labor etc) | 1 | 1 | 700,000 | 700,000 |

| | | | | |
|--|-----|----|---------|-------------------|
| Layer 2 Switch 48 port | 1 | 1 | 150,000 | 150,000 |
| Wireless Access Point | 1 | 1 | 18,000 | 18,000 |
| Patch Cables | 150 | 1 | 300 | 45,000 |
| Network Tool Kits | 3 | 1 | 15,000 | 45,000 |
| RJ-45 Connectors | 10 | 1 | 200 | 2,000 |
| CAT6 UTP Cable | 1 | 1 | 10,000 | 10,000 |
| Cabinet AC 4 Ton | 2 | 1 | 350,000 | 700,000 |
| Furniture and Requisite Fixtures | 1 | 1 | 550,000 | 550,000 |
| Miscellaneous (Toners, Stationary, etc) | 1 | 12 | 100,000 | 1,200,000 |
| Sub Total (C) | | | | 21,830,000 |

HR Requirements (Sifting Team)

| | | | | |
|-------------------------------------|----|----|---------|-----------|
| Team Leader Allowance | 1 | 10 | 100,000 | 1,000,000 |
| Director Allowance | 2 | 10 | 50,000 | 1,000,000 |
| Deputy Director Allowance | 4 | 6 | 30,000 | 720,000 |
| Assistant Director Allowance | 10 | 6 | 20,000 | 1,200,000 |

| | | | | |
|--------------------------------|----|---|--------|------------------|
| Surveyors / Patwari etc | 10 | 6 | 10,000 | 600,000 |
| Sub Total (D) | | | | 4,520,000 |

Contractual Staff Hiring

| | | | | |
|---|----|----|---------|-------------------|
| Revenue Officer/ Officials - Contractual (salary negotiable with Experience) | 1 | 12 | 100,000 | 7,200,000 |
| Software Engineers | 1 | 12 | 85,000 | 1,020,000 |
| Data Analyst | 2 | 12 | 60,000 | 720,000 |
| Data Entry Operator / Network Technicians | 10 | 12 | 30,000 | 3,600,000 |
| Sub Total (E) | | | | 12,540,000 |

| | | | | |
|-----------------------------|--|--|--|--------------------|
| Total (A+B+C+D+E) | | | | 109,741,467 |
| Contingencies @ 3.0% | | | | 3,292,244 |
| Grand Total | | | | 113,033,711 |

IT Based Inspections Module

| Item | Quantity | Duration | Rate | Total |
|---|-----------------|-----------------|-------------|------------------|
| <i>Consultancy services</i> | | | | |
| Android Application Development for Inspection and Linking with Automation Software and Training | 1 | | 1,000,000 | 1,000,000 |
| Sub Total (A) | | | | 1,000,000 |
| <i>Hardware Requirements</i> | | | | |
| High End Server | 0 | | 2,000,000 | 0 |

| | | | |
|--|-----|-----------|------------------|
| Laptop Ci7 | 2 | 200,000 | 400,000 |
| UPS 10 KVA | 1 | 1,000,000 | 1,000,000 |
| Smart Mobiles | 100 | 15,000 | 1,500,000 |
| 4 TB Drives | 11 | 50,000 | 550,000 |
| Printers Heavy Duty | 1 | 300,000 | 300,000 |
| Scanner Flatbed With ADF | 1 | 300,000 | 300,000 |
| Networking and Internet | 1 | 1,500,000 | 1,500,000 |
| Sub Total (B) | | | 5,550,000 |
| <i>Software Licences</i> | | | |
| Windows Server Professional | 2 | 300,000 | 600,000 |
| Windows 10 OS | 1 | 30,000 | 30,000 |
| Antivirus | 1 | 15,000 | 15,000 |
| Sub Total (C) | | | 645,000 |
| <i>Trainings of Inspections' Staff</i> | | | |
| Training | 1 | | 750,000 |
| <i>Vehicle Requirements</i> | | | |
| Motorcycle (70CC) | 22 | 75,000 | 1,650,000 |
| Sub Total (D) | | | 1,650,000 |
| Total (A+B+C+D) | | | 9,595,000 |
| Contingencies | | | 287,850 |
| Grand Total | | | 9,882,850 |

Creating awareness and dissemination of information

| <i>Requirements for Activity</i> | | | | |
|---|-----------------|-----------------|-------------|-------------------|
| <i>Head/Item</i> | Quantity | Duration | Cost | Total Cost |
| <i>Consultancy services</i> | | | | |
| Brochure Design | 1 | | 50,000 | 50,000 |
| Pamphlets design | 1 | | 50,000 | 50,000 |
| Signboards design | 1 | | 50,000 | 50,000 |
| Publicity campaign | 1 | | 500,000 | 500,000 |
| Sub Total (A) | | | | 650,000 |
| <i>Information Availability at OWC (Website Redesign)</i> | | | | |
| <i>Head/Item</i> | Quantity | Duration | Cost | Total Cost |
| <i>Consultancy services</i> | | | | |

| | | | | |
|---|----|---|---------|------------------|
| Redesigning and Development of Website | 1 | 1 | 500,000 | 500,000 |
| <i>Sub Total (B)</i> | | | | 500,000 |
| <i>Hardware Requirements</i> | | | | |
| Laptop Ci7 with OS & Antivirus | 11 | | 200,000 | 2,200,000 |
| Printer | 11 | | 35,000 | 385,000 |
| Scanner | 11 | | 50,000 | 550,000 |
| Android Smartphone | 11 | | 15,000 | 165,000 |
| <i>Sub Total (C)</i> | | | | 3,300,000 |
| <i>Vehicle Requirements</i> | | | | |
| Motorcycle (70 CC) | 1 | | 75,000 | 75,000 |
| <i>Sub Total (D)</i> | | | | 75,000 |
| <i>Public Computer Kiosks at OWC</i> | | | | |
| <i>Hardware Requirements</i> | | | | |
| Desktop PC | 44 | | 70,000 | 3,080,000 |
| Computer Monitor | 44 | | 15,000 | 660,000 |
| Networking | 11 | | 10,000 | 110,000 |
| <i>Sub Total (F)</i> | | | | 3,850,000 |
| <i>Total (A+B+C+D+E)</i> | | | | 8,375,000 |
| <i>Contingencies</i> | | | | 251,250 |
| <i>Grand Total</i> | | | | 8,626,250 |

Complaints Management System

| <i>Head/Item</i> | Quantity | Duration | Cost | Total Cost |
|--|-----------------|-----------------|-------------|-------------------|
| <i>Consultancy Services</i> | | | | |
| Development of software for call center interface | 1 | | 750,000 | 750,000 |
| Online complaint management (Website) | 1 | | 1,000,000 | 1,000,000 |
| <i>Sub Total (A)</i> | | | | 1,750,000 |
| <i>Office Fixtures</i> | | | | |
| Table (AM Office Table Q2592T1) | 1 | | 31,999 | 31,999 |
| <i>Sub Total (B)</i> | | | | 31,999 |
| <i>Hardware Requirements</i> | | | | |
| Desktop PC | 1 | | 70,000 | 70,000 |
| Landline Phones | 1 | | 3,500 | 3,500 |
| Office Networking | 1 | | 10,000 | 10,000 |
| Computer Monitor | 1 | | 15,000 | 15,000 |

| | | | |
|---------------------------|---|---------|------------------|
| Heavy Duty Printer | 1 | 300,000 | 300,000 |
| <i>Sub Total (C)</i> | | | 398,500 |
| <i>Total (A+B+C)</i> | | | 2,180,499 |
| <i>Contingencies</i> | | | 65,415 |
| <i>Grand Total</i> | | | 2,245,914 |

Public Facilitation Counters

| <i>Head/Item</i> | Quantity | Duration | Cost | Total Cost |
|---|-----------------|-----------------|-------------|-------------------|
| <i>Consultancy Service</i> | | | | |
| Development of information sharing platform for Integrated Public Facilitation counters at CDG's OWC | 1 | | 1,000,000 | 1,000,000 |
| <i>Sub Total (A)</i> | | | | 1,000,000 |
| <i>Setting up Public Facilitation Counters</i> | | | | |
| Office Fixtures | | | | |
| Renovation Requirements | 11 | | 750,000 | 8,250,000 |
| Sub Total (C) | | | | 8,250,000 |
| <i>Office Fixtures</i> | | | | |
| Counter | 33 | | 31,999 | 95,997 |
| Office Chair | 11 | | 8,000 | 8,000 |
| <i>Sub Total (B)</i> | | | | 103,997 |
| <i>Hardware Requirements</i> | | | | |
| Desktop PC | 33 | | 70,000 | 2,310,000 |
| Landline Phones | 33 | | 3,500 | 10,500 |
| Office Networking | 11 | | 50,000 | 50,000 |
| Printer Heavy Duty | 11 | | 300,000 | 300,000 |
| Scanner | 11 | | 30,000 | 30,000 |
| Computer Monitor | 22 | | 15,000 | 75,000 |
| UPS/Inverter with Batteries | 33 | | 50,000 | 250,000 |
| Android Smartphones | 33 | | 15,000 | 75,000 |
| <i>Sub Total (C)</i> | | | | 3,100,500 |
| <i>Software Licences</i> | | | | |
| Windows 10 OS | 33 | | 30,000 | 990,000 |
| Antivirus | 33 | | 15,000 | 15,033 |
| <i>Sub Total (D)</i> | | | | 1,005,033 |

| | |
|-----------------------------|-------------------|
| <i>Total (A+B+C+D+E)</i> | 13,459,530 |
| <i>Contingencies @ 3.0%</i> | 403,786 |
| <i>Grand Total</i> | 13,863,316 |

Capacity Building of OWC

| Head/Item | Quantity | Duration | Cost | Total Cost |
|--|----------|----------|--------------------------------|-------------------|
| Consultancy Services | | | | |
| Consultancy services to advise on reorganization and renovation of OWC | 1 | | 200,000 | 200,000 |
| Queue management software | 1 | | 4,000,000 | 4,000,000 |
| Sub Total (A) | | | | 5,000,000 |
| Hardware Requirements | | | | |
| Queue management hardware requirements | | | Covered under consultancy head | |
| Sub Total (B) | | | | |
| Office Fixtures | | | | |
| Renovation Requirements | 1 | | 1,000,000 | 1,000,000 |
| Sub Total (C) | | | | 1,000,000 |
| Establishment of OWC Sub-Office | | | | |
| Civil Works | | | | |
| Civil Works and renovation of premises for establishment of OWC Sub-Office | 1 | | 2,000,000 | 2,000,000 |
| Sub Total (D) | | | | 2,000,000 |
| Hardware Requirements | | | | |
| Desktop PC | 22 | | 70,000 | 1,540,000 |
| Landline Phones | 22 | | 3,500 | 77,000 |
| Office Networking | 11 | | 100,000 | 1,100,000 |
| Printer Heavy Duty | 11 | | 35,000 | 385,000 |
| Scanner | 11 | | 30,000 | 330,000 |
| Computer Monitor | 22 | | 15,000 | 330,000 |
| UPS/Inverter with Batteries | 22 | | 50,000 | 1,100,000 |
| Sub Total (E) | | | | 4,862,000 |
| Office Fixtures | | | | |
| Counter | 22 | | 31,999 | 703,978 |
| Office Chair | 11 | | 8,000 | 88,000 |
| Air Conditioners 1.5 Tons | 22 | | 70,000 | 1,540,000 |
| Sub Total (F) | | | | 2,331,978 |
| Total (A+B+C+D+E+F) | | | | 15,193,978 |
| Contingencies @ 3.0% | | | | 455,819 |
| Grand Total | | | | 15,649,797 |

Establishment of Project Management Office

Civil Works

Civil Works and renovation of premises for establishment of PMO 1 1,000,000 1,000,000

Sub Total (A) 1,000,000

Hardware Requirements

Desktop PC 5 70,000 350,000

Landline Phones 3 3,500 10,500

Office Networking 1 100,000 100,000

Printer 4 50,000 200,000

Scanner 4 30,000 120,000

UPS/Inverter with Batteries 5 50,000 250,000

Sub Total (B) 1,030,500

Office Fixtures

Tables 5 31,999 159,995

Office Chair 15 8,000 120,000

Air Conditioners 1.5 Tons 4 70,000 280,000

Sub Total (C) 559,995

Total (A+B+C+D+E+F) 2,590,495

Contingencies @ 3.0% 77,715

Grand Total 2,668,210

Total Project Cost

| <i>Initiative</i> | <i>Capital cost</i> | <i>Operational Expense with Escalation</i> | <i>Grand Total</i> |
|--|---------------------|--|--------------------|
| <i>Project Management Capacity</i> | 2,668,210 | 57,089,569 | 70,133,831 |
| <i>Process streamlining and regulatory reform</i> | 25,000,000 | - | 25,000,000 |
| <i>Automation</i> | 105,840,877 | - | 105,840,877 |
| <i>Inspections</i> | 15,882,600 | 30,610,892 | 46,493,492 |
| <i>Capacity Building</i> | 18,652,247 | 26,479,930 | 48,447,556 |
| <i>Facilitation Counters</i> | 13,863,316 | 16,584,193 | 30,447,509 |
| <i>Disaster recovery plan</i> | 2,500,000 | - | 2,500,000 |
| <i>Creating awareness and dissemination of information</i> | 9,424,500 | 7,116,109 | 16,540,609 |
| <i>Complaints Management</i> | 2,245,914 | 9,442,963 | 11,688,877 |
| | | | |
| <i>Total</i> | 188,470,048 | 147,323,656 | 335,793,704 |

Annex B

| Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---|---|---|--------|
| Building project management team | | | | |
| Hiring of staff | | | | |
| Creating coordination protocols and linkages | | | | |
| Detailing project plan with roles, responsibilities, accountabilities and timelines | | | | |
| Process streamlining and regulatory reform | | | | |
| Identification of reform areas | | | | |
| Hiring of consultants to carry out process, capacity and regulatory analysis and identify specific reform initiatives and implementation plan | | | | |
| Carrying out stakeholder consultation and onboarding | | | | |
| Automation of CP Process | | | | |
| Mapping of LDA LRMS software with streamlined CDGL CP processes | Sifting of property files | Sifting of property files | Sifting of property files | |
| Customization and implementation of LRMS software | Scanning and data entry of property files as part of digitization | Scanning and data entry of property files as part of digitization | Scanning and data entry of property files as part of digitization | |
| Training for usage of LRMS software including workshops on reengineered processes | Commencement of operations in some field units | Commencement of operations in some field units | Commencement of operations in some field units | |
| Sifting of property files | | | | |
| Scanning and data entry of property files as part of digitization | | | | |
| | | | | |
| Link up with GIS records of LRMIS | | | | |
| Mapping of CDGL requirements with LRMIS database | | | | |
| Creating inter-linkages | Creating inter-linkages | | | |
| Synchronizing LRMIS database with inspection and monitoring | Synchronizing LRMIS database with inspection and monitoring | | | |

| Capacity building and staff training | Capacity building and staff training | Capacity building and staff training | | |
|---|---|---|---------------------------------------|---------------------------------------|
| Upgrading of inspection service | | | | |
| Hiring of requisite staff for upgrading/improving inspection services | | | | |
| Hiring of consultant to advise CDGL on integration of Inspections Module with Automated CP process | | | | |
| Development of software for Inspections Module | Development of software for Inspections Module | | | |
| Training of field officers on how to effectively use android based inspections module | Training of field officers on how to effectively use android based inspections module | Training of field officers on how to effectively use android based inspections module | | |
| Information Availability at OWC | | | | |
| Design and print of forms, brochures and pamphlets for submission at OWC | | | | |
| Design and dissemination of awareness campaign | | | | |
| Setting up of public computer kiosks at OWC | | | | |
| Consultant to redesign and reorganize CDGL's website | Periodical Update of CDGL's website | | | |
| Provisioning of documents at OWC | | | | |
| | | | | |
| Capacity building of CDGL | | | | |
| Hiring of HR consultant to conduct in depth capacity assessment at OWC and provide solution for improving Customer Service. | Baseline survey to assess current attitudes. | Survey to assess changes in attitudes Course correction if no change seen. | Survey to assess changes in attitudes | Survey to assess changes in attitudes |
| | Bi-Yearly customer service training of staff at OWC | | | |
| Setting up of sub-office for OWC | | | | |
| Integrated Public Facilitation Counters | | | | |
| Sign agreement with participating agencies for delegation of participating agency staff at OWC | | Considerations on methods to increase level of integration amongst | | |

| | | | | |
|--|---|--|--|--|
| Integration of participating agency staff at OWC | | | | |
| Procurement of requisite hardware through competitive bidding | | | | |
| Training of OWC officials and participating agency staff on operational changes | | | | |
| Complaints' Management System | | | | |
| Design of CDGL's customised Complaints Management application interface | <p>Periodical review of complaints lodged by CDGL. Data analytics used to analyse patterns in complaints.</p> <p>Corrective measures discussed and proposed</p> | | | |
| Information dissemination campaign to inform public of complaints' management system | | | | |
| Activation of CDGL's outsourced Complaints Management System | | | | |

Annex C

| Sr.No. | P&D Observation | CDGL Reply |
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Annex D

Economic Analysis

Each year, the World Bank publishes a report on current regulatory practices for 198 countries around the World. The published report provides an overview of regulator practices for each country whilst also ranking countries on 10 indicators. These are:

| | |
|---------------------|-----------------------------------|
| Starting a business | Dealing with construction permits |
| Getting electricity | Registering Property |
| Getting credit | Protecting minority investors |
| Paying taxes | Trading across borders |
| Enforcing contracts | Resolving insolvency |

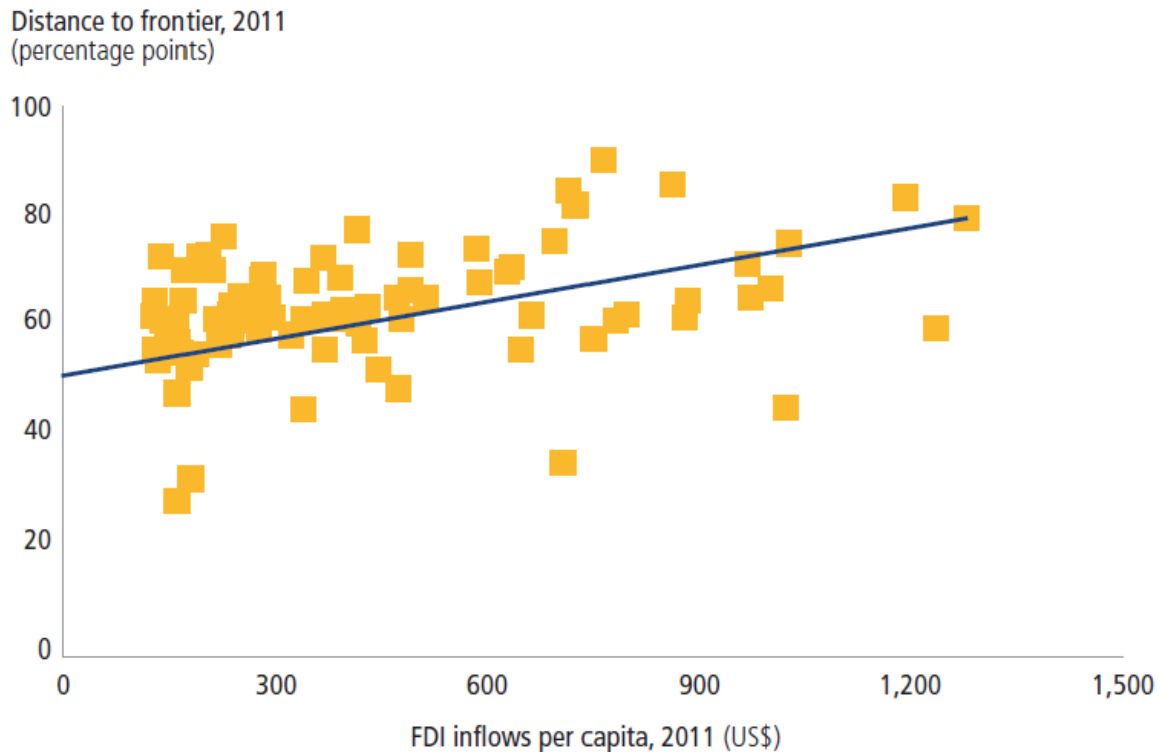
Rankings are based on Distance to Frontier (DTF) score calculated through data collected by the World Bank. Higher DTF scores relative to other countries lead to higher rankings on Doing Business Rankings.

With the financial crisis of 2008 and the following tremors in the global investment climate, investors have become wary of incurring losses through investing in countries with volatile political environs or in countries with loose, lop-sided regulator regimes. While there is a plethora of reports that provide a holistic analysis on political environs, the Doing Business report has little competition in way of reports that provide a comprehensive overview of countries' regulatory regimes. Apart from OECD's yearly report on regulations and World Economic Forum's Competitiveness Index, few other publications cover regulatory environments. Consequently, World Bank's Ease of Doing Business report has gained in prominence over the past decade.

While in no way perfect or without flaws, the Ease of Doing Business Report nonetheless provides a comprehensive overview of a country's regulatory regime, aiding investors in their investment decisions. The Doing Business does not measure equality, health, education or economic growth. The purpose of the ranking is to provide policy makers and investors with an overview of a country's regulatory environment. Countries could be experiencing fast economic growth yet still be ranked low on the Doing Business rank.

The rankings' focus provides us with a clear view of a country's regulatory regime. This allows investors to gauge a country's risk profile as far as regulations go. A research paper titled 'Foreign Direct Investment and The Ease of Doing Business' bears testament to the importance of the Doing Business rankings to investors. The paper points towards a correlation between Doing Business rankings and Foreign Direct Investment.

The scatterplot graph below, taken from World Bank's Ease of Doing Business 2013 report, highlights a trend in FDI flows and countries' DTF scores. It is evident from the scatterplot below that increases in DTF scores lead to higher FDI flows per capita. Hence, it may be assumed that an improvement in Pakistan's DTF score will lead to increased per capita FDI flows.



Further reinforcing the point stated above, an econometric model developed by the World Bank showed significant results when comparing DTF scores to investment levels, after controlling for income, inflation, population size, governance measures and openness to trade. In order to ensure that the impact is a result of higher rankings leading to increased investments and not the other way round, the model uses a 1-year lag between improvement in rankings and an increase in investment. Rankings are for T-0 whereas investment values are for T-1, where T denotes year of data point.

Additionally, the World Bank estimates that a country moving 1 percentage point closer to the frontier regulatory environment in the aggregate rankings results in increased FDI of \$250-500 Million. Another

study found that for economies in the top quartile of business regulation as measured by Doing Business, the difference in business regulation with those in the worst quartile is associated with a 2.3 percentage point increase in annual growth rates. Consequently, an improvement in Pakistan's ranking is likely to yield substantial increases in FDI and a higher rate of economic growth.

Extensive research, conducted independently and from the World Bank's end, suggests a strong link between increases in FDI investment levels and economic growth and an increase in countries' rankings in the Ease of Doing Business indicator. Additionally, the index is widely regarded in the international investment community as a reference point for information regarding a country's regulatory regime. An improvement in Pakistan's Doing Business rankings will benefit the country greatly on both accounts, especially when the country is headed towards fiscal and economic stabilisation and is being increasingly seen as a potential investment destination. An improvement in rankings will help burnish Pakistan's credentials as a viable investment destination.