

VARs NEWSLETTER

Ministry of Lands & Natural Resources – Vanuatu Affordable and Resilient Settlements Project Weekly Newsletter



THE WORLD BANK



MOLNR LMIS & REVENUE CONSULTATION

STRENGTHENING INSTITUTIONAL CAPACITY: LMIS AND REVENUE GROWTH IN MOLNR

CONTEXT AND CHALLENGES

The Ministry of Lands & Natural Resources (MoLNR) is central to Vanuatu's development agenda, as land is both a social and economic asset. However, the Ministry has faced long-standing challenges:

- **Fragmented and unreliable data** across multiple, unintegrated systems (LBS, SmartStream, TIS) leading to billing errors and revenue leakages.
- **Outdated land rental rates**, unchanged for over 40 years, eroding the real value of revenues collected.
- **Weak compliance and enforcement**, with invoices often undelivered, misaddressed, or not systematically followed up.
- **Capacity constraints**, with a small enforcement team struggling to process thousands of invoices.

These issues collectively undermined trust, efficiency, and the Ministry's ability to mobilize domestic resources.

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PROGRESS THROUGH LMIS STRENGTHENING

With VARS project support, the Ministry has taken decisive steps to modernize its Land Management Information System (LMIS). This is starting to create a strong institutional foundation for better revenue performance:

1. Improved Data Quality

- A nationwide data cleansing exercise is underway, validating lease records, standardizing addresses, and removing duplicates
- Reliable data now will help with ensuring more accurate invoicing and minimizes disputes.

2. Integration of Systems

- Work is progressing on linking LMIS with SmartStream (Ministry of Finance), enabling seamless receipting and reconciliation
- Future integration with online payment gateways will allow for card, bank, and mobile transactions, supported by a self-service web portal.

3. Increased Transparency and Accountability

- LMIS upgrades will allow for better monitoring through dashboards and KPIs, embedding accountability in day-to-day operations
- A move toward legal recognition of e-records and e-receipts will further institutionalize digital processes.

TANGIBLE REVENUE GAINS

The results of LMIS modernization are already visible:

- **Invoices generated and delivered** have increased by **18.9%**, with **1,568 additional titles added since 2024**.
- **Revenue collection has grown by 5.04%**, translating to an additional **VT 9,676,457**.

This shows that improved institutional systems are directly translating into more revenue for government services.

LINKING LMIS AND REVENUE SUSTAINABILITY

The link between LMIS strengthening and improved revenue is clear:

- **Reliable Data » Accurate Invoicing** Clean, digitized data ensures that all leaseholders are billed correctly and promptly.
- **Integrated Systems » Faster Collections** LMIS-SmartStream integration will reduce reconciliation delays, making collections more efficient.
- **Enforcement & Compliance Tools » Higher Compliance** Digital notices, penalties for arrears, and incentives for early payment ensure fairness and encourage timely payment
- **Institutional Capacity » Sustainable Results** Training, governance reforms, and the establishment of specialized units (Revenue Operations, IT & Systems, Compliance) ensure that improvements are not just project-driven but embedded within MoLNR structures.

CONCLUSION

The LMIS is more than a technical tool—it is a strategic enabler of institutional reform and financial sustainability for MoLNR. By ensuring reliable data, integrated processes, and enhanced accountability, the Ministry has already unlocked new revenue streams and strengthened trust with the public. With continued investment in institutional capacity and governance, MoLNR is positioning itself as a model of digital transformation and sustainable revenue management in Vanuatu.

FEEDBACK & CONTRIBUTIONS:

We want your input!
Send your updates, suggestions, or stories to de@vars.vu by Thursday 3 PM for inclusion in next week's issue.