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REGIONAL AFGHAN MUNICIPALITIES PROGRAM FOR URBAN POPULATIONS (RAMP UP) – SOUTH

MUNICIPAL CAPACITY INDEX (MCI) 2012

CONTRACT NO. 306-C-00-10-00527-00

January 9, 2013

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the U.S. Agency for International Development or the United States Government.

Background

The objective of the Regional Afghan Municipalities Program for Urban Populations (RAMP UP) – South is to create effective, responsive, democratic, transparent, accountable, and gender sensitive municipal governance in targeted municipalities throughout the country. RAMP UP-South is working to: 1) Increase the capacity of the Government of the Islamic Republic of Afghanistan's (GIROA) municipal officials; 2) Improve the delivery of municipal services to citizens in target municipalities; and, 3) Increase municipal capacity to enable, support, and sustain economic growth.

RAMP UP-South activities support the municipalities of the capital cities of six provinces in southern Afghanistan: Kandahar City municipality in Kandahar Province, Lashkar Gah municipality in Helmand province, Zaranj municipality in Nimroz province, Tirin Kot municipality in Uruzgan province, Qalat municipality in Zabul province, and Nili municipality in Daikundi province. With RAMP UP-South assistance the targeted municipalities will develop the sustainable capacity to plan, fund, manage and deliver essential services required and prioritized by its citizens. RAMP UP-South's work is in the background, putting municipal officials out front in the planning and implementation of visible accomplishments. As a result, citizens should gain satisfaction with and trust in their municipal government.

This document provides key findings, conclusions, and recommendations resulting from a second, mid-term Municipal Capacity Index (MCI) assessment completed under the RAMP UP-South project. The MCI is an index that measures municipal capacity to perform government duties. It measures capacity in municipality procedures, knowledge, and skills in key functional areas and gauges the availability of service delivery systems and the presence of qualified staff in each municipality by presenting a quantitative score. This index measures municipal capacity in four categories: (1) municipal service delivery; (2) municipal internal budgeting and financial management; (3) capacity of municipalities to manage service delivery projects; and (4) municipal transparency and accountability. The MCI converts a complex set of qualitative data within these four categories into a single municipality score in the range of 0 to 85. The MCI is not a needs analysis but rather a snapshot of institutional capability at a given time. A copy of the MCI instrument is attached in Annex I.

An initial MCI assessment was conducted in October 2010 to provide a snapshot of each municipality's capacity at the beginning of the RAMP UP-South project and to establish a baseline by which to measure change in demonstrated municipal capacity over time. Data from the year one MCI assessment was used to identify key structural weaknesses in each municipality, which subsequently allowed the project to design targeted interventions in the areas most needing support. In August 2012, RAMP UP-South conducted a second MCI assessment to gauge progress among the target municipalities as a result of project interventions over the past two years. The MCI was redesigned in year two to more accurately measure the state of local government in the four key areas that comprise the RAMP UP-South scope of work. These changes facilitated the use of the MCI as both a management tool and a formal reporting indicator under the project's results framework.

Methodology

The MCI provides a realistic, objective evaluation of the improvements made by project municipalities in four key areas:

1. Municipal service delivery
2. Municipal internal budgeting and financial management

3. Capacity of municipalities to manage service delivery projects
4. Municipal transparency and accountability

The MCI is a weighted index that converts a set of qualitative data and presents it as a quantitative measurement. Within each of the four categories between four to six indicators or questions have been established, each valued at a maximum of five points, which measure the presence or absence of contributions to strengthening municipal capacity. Each indicator has levels indicating the elements or capabilities found, numbered 0 to 5, ranging from nonexistent to fully-developed. Depending on the elements found to be present, a score between 0 and 5 is assigned. A municipality must meet all the criteria assigned to points 1, 2, 3 and 4 before it can be considered for a 5 point rating. The final score reflects the local interview teams' best assessment of the appropriate scoring based on re-review and cross-checking of responses against municipality records. There are a total of 17 indicators in the MCI; therefore, the maximum score possible for each surveyed municipality is 85. The complete MCI instrument, with the component scoring, is found in Annex I.

Scoring is the result of on-site interviews and data confirmation in participating municipalities. Embedded RAMP UP-South Municipal Program Coordinators (MPCs) interviewed the mayor and other municipal officials in each target municipality utilizing questionnaires to obtain feedback on the functionality of different systems and processes in their municipality. A range of questions were asked across the four categories of the MCI noted above and responses were evaluated to determine a numeric score between 0 and 5 for each question or indicator. Senior RAMP UP-South staff, including component Team Leaders and Deputy Team Leaders, also provided their assessments of each municipality's capacity. Scores were subsequently tallied and thoroughly cross-checked before an average score for each municipality was confirmed.

Besides providing a timed series of results for each municipality, the MCI allows for cross-municipality comparisons and lends consistency and coherence to RAMP UP-South interventions and progress reports across provinces. The overall score for each municipality provides a measure of the impact of project interventions on municipal capacity and service delivery in each municipality and is helpful in determining and adjusting the pace of program activities. Comparisons can also be made across municipalities served by the same program. The MCI moreover serves as a tool for mayors and other municipal officials to identify the respective strengths and weaknesses of their municipal governance structures and to in turn, redirect their attention to address major areas for improvement. MCI data may also be compared to citizen focus group results (though not combined) to see if objectively measured municipal capacity changes have any impact on subjective citizen perceptions.

Findings

The below table summarizes findings from the first two MCI assessments. The scores demonstrate an average percentage increase in municipal capacity of 29 percentage points from initial baseline scores. RAMP UP-South will use MCI results to further tailor training and technical assistance to target municipalities in year three, with the aim of meeting a 50 percentage point increase in municipal capacity over the baseline. By the end of the third year, the objective is for municipal employees to have mastered the skills required to maintain initiatives put in place with the support of RAMP UP-South. The MCI will be performed again at the end of year three, and any subsequent years of implementation.

Table 1: Increase over Baseline MCI Scores by Municipality

Municipality	Baseline MCI Score	Baseline Percentage* (85 total points)	Year 2 Target Increase	Year 2 Score	Year 2 Percentage	Year 2 Percentage Point Increase over baseline
Kandahar	18	21%	25%	43	51%	30%
Nili	5	6%	25%	25	29%	24%
Qalat	6	7%	25%	38	45%	38%
Lashkar Gah	19	22%	25%	40	47%	25%
Tirin Kot	8	9%	25%	25	29%	20%
Zaranj	5	6%	25%	34	40%	34%
Average Increase Over Baseline						29%
*Scores out of a total of 85 points – see calculation methodology below						

*Calculation of targets: Following each MCI, we set a target for percentage increase over the baseline, which estimates an overall increase in percentage points over original baseline percentage. For example, the baseline MCI score for Kandahar was 18 over 85 (or 21% of the total possible score). In August 2012, Kandahar scored 43/85 (or 51%), representing an increase of 30 percentage points over the baseline.

The MCI score index found in Table 2 outlines the indicators used to assess municipal capacity and the numerical scores representing the capabilities found under each indicator. It can be used as a roadmap when reviewing the subsequent section, which summarizes the findings from the MCI assessment, beginning with the largest municipality, Kandahar, and ending with the smallest, Nili. The analysis is broken down by the four overarching categories and within them the relevant indicators. We find that the most significant improvements were in the municipal ability to deliver services and the correlation between municipal service delivery and revenue management. This report concludes with a discussion of key successes and improvements from the last MCI assessment as well as some of the remaining challenges facing the municipalities moving forward.

Table 2: MCI Score Index

Municipal Service Delivery			
1.1	Citizens services	0	Municipality has no mechanism for responding to citizen requests for information about services. If there a mechanism, it is not accessible and/or adequate
		1	Municipality has a basic citizen service mechanism with staff providing limited information about services and has manual document tracking
		2	Municipality has dedicated a person/persons to provide information to citizens about services and are able respond to some questions about permits and licensing applications and procedures
		3	Municipality has a fairly operational Citizen Service Desk (or other type of service center), and has the potential to receive fees for licenses and permits applications; has an accurate document tracking system; and has a complaints mechanism
		4	Municipality has an operational Citizen Service Desk whose manual records are ready to migrate to a database matched with competent staff to handle the system. There is signage and/or written materials with explanations to citizens
		5	Municipality continuously improves internal procedures and updates database for eventual computerization of records and has competent staff providing complete, accurate and updated information to customers including information concerning external institutions involved in licensing and permits procedures
1.2	Policies, procedures, processes for provision of citizen services	0	Municipality has no defined policies, procedures or processes for the provision of municipal services to citizens
		1	Municipality has some defined and documented policies, procedures and processes
		2	Customers are aware of the municipal services provided by their municipality and know where to obtain information about them
		3	Municipality has updated and improved the permits and licensing procedures and has made these services available at each municipality
		4	Municipality has started to develop a Citizens Service Desk that provides information to customers about municipal services
		5	Municipality has established ongoing evaluation and improvement of internal and external municipal services procedures
1.3	Parcel registration	0	Municipality has no systems and procedures for registering parcels
		1	Municipality has established a manual system and procedures for surveying parcels and collecting taxes on surveyed parcels.
		2	Municipality is in the process of registering municipal parcels

		3	Municipality has initiated collecting taxes for each surveyed parcel
		4	Municipality is in the process of both registering parcels and collecting taxes on all registered parcels
		5	All parcels are registered and taxes collected from parcel registration represent an increase in overall municipal revenue
1.4	Manual records & systems for permit & licensing system	0	Municipality keeps its permits and licensing records and data in manual form and information on processes and procedures are incomplete and/or out of date
		1	Municipality is updating some licensing and permits documentation and procedures in preparation for eventual migration to data-based systems; while document tracking, archiving and recording of data are still in manual form -- with parts of the permitting procedures are performed in external organization
		2	Municipality makes permit and licensing application forms freely available to citizens/customers and has the potential for internal electronic document tracking of applications for licenses and permits
		3	Municipality has started preparing all forms, procedures and processes for all permit and licensing services to enable them to migrate to database application system
		4	Municipality has efficient manual systems and procedures for internal document tracking and for municipal-specific records of permits and licenses but is incapable of efficiently tracking procedures that are performed in external organizations
		5	Municipality is ready to migrate all permit and licensing forms, records, documents and procedures for all services to database records
1.5	Access to waste management system, latrines, other essential services	0	No solid waste management services, public latrines, or beautification projects are available to citizens
		1	The municipality has made steps to implement SWM, latrines or beautification projects, such as route planning and financial and human resource management training in budgeting and procuring and maintaining waste handling equipment
		2	SWM equipment such as bins, skips, and dump trucks have been provided, and laborers are being trained in SWM activities, plans have been developed for the construction of latrines
		3	Solid waste is being regularly collected from community metal skips, static bins, and other disposal points, latrines are accessed by community
		4	SWM collection and latrines are regularly accessed and citizen and municipality official feedback is being collected to continuously improve processes

		5	SWM collection is regularly implemented in every district in the municipality, and continuous improvements are made to equipment and processes. Other essential services such as latrines and beautification projects are implemented in every district in the municipality. Municipality is beginning to make programs sustainable through revenue collection
1.6	Municipality service orientation toward individual citizens	0	Municipality has no organizational and citizen relations programs and activities
		1	Municipality has a feedback-gathering mechanism for collecting suggestions and complaints from citizens
		2	Municipality has administration's policies and procedures for handling complaints and suggestions, and takes steps to address complaints and suggestions from citizens
		3	Municipality conducts citizens' surveys and communicates with the citizens
		4	Municipality adopts measures to assess and improve its performance and works towards a citizen service-oriented administration
		5	Municipality adopts professional development plan for staff and continuously takes steps to improve its performance to become perceived as a citizen service-oriented municipality
Municipal Internal Budgeting and Financial Management			
2.1	Budget system	0	Municipal administration does not have any budget process and demonstrates no understanding of the importance of compliance with the provisions for budget adoption
		1	Municipal administration has a budget process. The administration demonstrates basic understanding of the importance of compliance with budget process with the provisions and the timelines and deadlines set by IDLG but fails to adopt the annual budget plan by the deadline set by IDLG
		2	Municipal administration has a good budget process and demonstrates good understanding of the importance of compliance with the provisions, timelines and deadlines set by IDLG and adopt the annual budget plan by the deadline set by IDLG
		3	The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets (i.e., Operations and Maintenance Costs)
		4	Municipality demonstrates good understanding of all the relevant laws that influence revenue collection and has transparent expenditure reporting procedure. The municipality administration promotes community involvement in prioritizing the initiatives to be funded by the municipal funding

		5	Municipality has implemented automated budgeting system to streamline the budget process. The municipal budget appropriations, expenditures, available balances and all revenue information are readily available to promote great level of efficiency, accountability and transparency. The municipality administration demonstrates excellent understanding of the importance of compliance with all the provisions and the timelines and deadlines set by IDLG and adopt the annual budget in time
2.2	Accounting system	0	Municipality has no financial mechanism in the accounting function. Accounting activities are recorded manually
		1	Municipality has basic manual accounting function (such as but not limited to General Ledger, Payroll, Fixed Asset...). The modules in use are not integrated
		2	Electronic spreadsheet is being used (such as excel, lotus...) but is not customized to meet municipality's needs. General Ledger cannot generate reports based on all required classifications (economic, organizational, functional, fund). The accounting records and reports are not accurate
		3	Municipality has basic financial accounting system with modules in the accounting functions (General Ledger, Payroll, Fixed Asset...). The modules in use are integrated. Software can be customized to meet municipality's needs. Some staff have the basic accounting skills for posting accounting records and transactions to the General Ledger. The accounting records and reports are not accurate
		4	Finance department with responsibility for managing municipal revenues utilize Accounting Modules to post most financial transactions directly to the General Ledger in the integrated financial system. Accounting records and reports are accurate
		5	Municipality uses integrated software-based programs that are recognized as an essential tool that enables improving the way in which the accounting function works, the municipality plans and executes budgets, monitors the collection of local taxes and other revenues. Entered financial transactions enable cost accounting methodology. The municipality has generally reliable and timely financial information and can usually generate reports on a regular basis that are reasonably complete and accurate. Financial reports are beginning to be useful in decision making process
2.3	Internal audit system	0	Municipality collects own-revenues but has no mechanism for monitoring revenue collection
		1	Municipality collects revenues from more than two major sources and has basic manual mechanism (spreadsheet, log...) but still fails to monitor the actual execution of the planned revenues, resulting in poor execution of planned revenue collection
		2	Municipality responsibly collects more than 50 percent of the municipal own-revenues that are available according to the municipality's decisions but still fails to collect some revenues due to lack of proper decisions by the municipality in accordance with the higher level regulations
		3	Municipality responsibly collects most municipal own-revenues that are available according to the municipality's decisions and has basic software database to help manage the collection process. Collection is monitored in a transparent manner but still there is space for improvement in this segment as no rulebook defining the roles and responsibilities of the different municipal departments/staff is in place

		4	Municipality responsibly collects revenues from most available municipal own-revenue sources. The data is effectively managed through the use of integrated financial management system. Collection is monitored in a very transparent manner, adequate rulebooks are in place, but are not followed at all times, as there are some exceptions to the rules, resulting in a failure to meet planned target sums
		5	Municipality responsibly collects revenues from most available municipal own-revenue sources. The data is effectively managed through the use of integrated financial system. Through effective use of various tools and reports, the collection of the revenues is monitored in a very transparent manner; adequate rulebooks are in place and are followed at all times. All planned revenues are collected or exceeded in accordance with the plan
2.4	Own-revenue collection along annual budget plan	0	Municipality collects less than 10% of the overall planned municipal own-revenues or if municipality uses planning methods that result in unrealistic budgets and revenue collection targets
		1	Municipality collects at least 50% of the overall planned municipal own-revenues
		2	Municipality collects between 51% and 75% of the overall planned municipal own-revenues
		3	Municipality collects between 76% and 99% of the overall planned municipal own-revenues, and this can be reasonably attributed to having realistic budget planning methods that permit establishing realistic revenue collecting targets
		4	Municipality collects 100% of the overall planned municipal own-revenues, and this can be reasonably attributed to having realistic budget planning methods that permit establishing realistic revenue collecting targets. The municipality most of the time follows internal policies, procedures that regulate the revenue collection
		5	Municipality collects 100+% of the overall planned municipal own-revenues, or exceeds the budget plan and this can be reasonably attributed to having realistic budget planning methods that permit establishing realistic revenue collection targets. The municipality always follows internal policies and procedures that regulate the revenue collection. Revenues are being expended, following legal requirements and all policies and procedures
Capacity of Municipalities to Manage Service Delivery Projects			
3.1	Technical trainings in service delivery	0	No technical trainings are available from the municipality
		1	The municipality has started basic technical trainings such as SWM skills and other manual labor. Trainees are using the technical skills gained through these trainings in their daily work
		2	The municipality has started to implement more advanced technical trainings, both in the classroom and on the job, such as vehicle maintenance, management, and finance and project management. Trainees are using skills gained from these trainings in their daily work
		3	The municipality has developed municipal training centers capable of providing technical trainings. These training centers are providing training which is utilized daily in on-the-job work

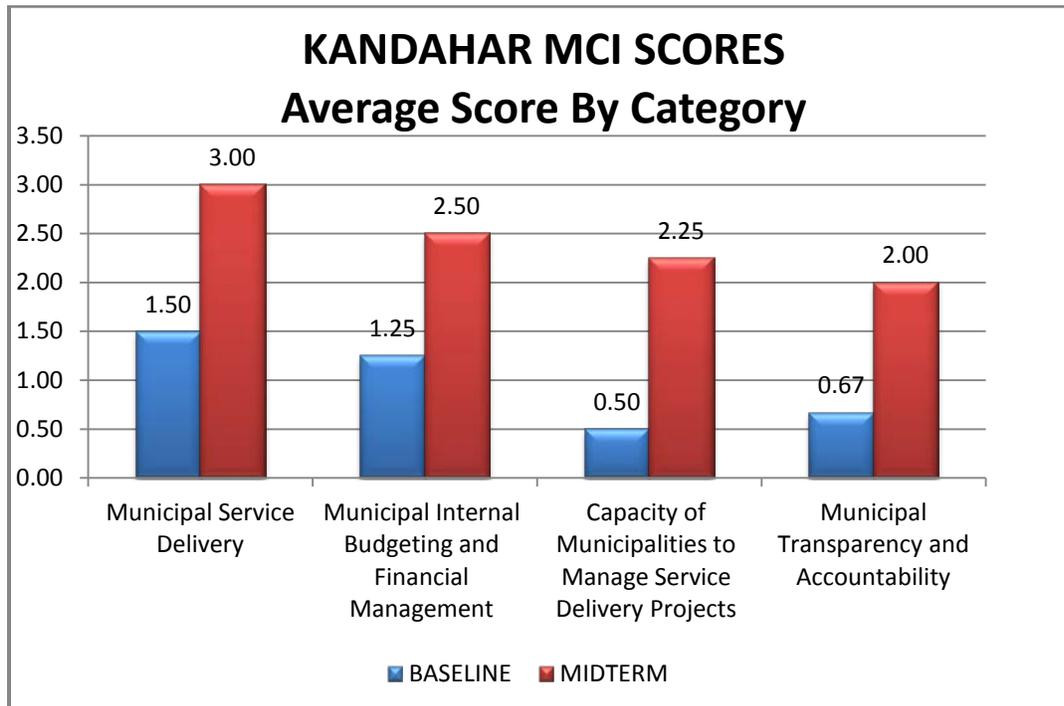
		4	The municipality is offering advanced technical trainings; including trainings project design, total station, structure analysis, cost estimation, and technical proposal writing. Trainees are using these skills in their daily work, and are showing continual progress
		5	The municipality is offering advanced trainings without the assistance of RU-S trainers. These trainings directly improve the technical knowledge of municipality staff, and improve their on-the-job performance
3.2	Participation of citizens & business community in identifying citizens needs	0	Municipality does not conduct citizen participation and/or similar activities, to learn about citizen and business needs
		1	Municipality occasionally conducts citizen participation and/or similar activities, to learn about citizen and business needs
		2	Municipality conducts citizen participation and/or similar activities, that are scheduled and the citizens and business community are aware of them
		3	Municipality has formal admin systems and procedures in place for capturing citizen and business community expression of n
		4	Municipality concretely addresses at least one citizen and/or community need
		5	Municipality not only has an effective process in place, and concretely addresses at least one citizen and/or community need, but municipality also has empowered some citizens' and business community representatives as task forces to liaise directly with municipal administration in the design, planning and execution of activities agreed on during the participation activities
3.3	Capacity to manage capital projects (Municipal Improvement Plan [MIP])	0	Municipality does not have a municipal improvement plan outlining municipal and citizen priority projects, and there is no function in the organization to manage these projects
		1	Administration has initiated creating and staffing up an administration that could competently manage municipal improvement projects
		2	Municipality is in the process of creating policies, procedures, and systems for managing MIPs, and if there are some staff members in place, they are receiving training in MIP planning and implementation
		3	Municipality has started implementation of at least one municipal improvement project and municipal staff are managing implementation, BUT without a fully and officially approved MIP.
		4	Municipality's MIP has contributed to improved services and increased revenue
		5	Municipality has an officially approved MIP.
3.4	New and improved work processes	0	Municipality has no staff familiar and/or knowledgeable in work processes analysis
		1	Municipality staff have a few key staff members in the organization who have the basic skills sets, knowledge and background experience required to be good candidates to receive training in work processes analysis/improvement

		2	Municipality has staff (either existing or newly-hired) who are receiving training on at least one new or improved work process
		3	Municipality staff have learned process mapping and have begun to map out the process of at least one key work process
		4	Selected staff have identified how to improve at least one key work process and have mapped (or developed written guidelines) the improved work process
		5	Municipality has improved at least one key work process, and staff are following the new, improved work process
Municipal Transparency and Accountability			
4.1	Policy coordination with GDMA and municipal officials	0	No coordination between municipal officials and GDMA/IDLG on development of municipal policy, systems, or procedures
		1	Occasional coordination between municipal officials on development of systems to enhance municipal management processes
		2	Some systems have been developed to enhance municipal financial management, revenue generation, and provision of services, in coordination with IDLG/GDMA
		3	Concrete GDMA/IDLG approved systems are in the process of being rolled out to enhance municipal financial management, revenue generation, and provision of services
		4	Systems are in place to streamline coordination between municipality and IDLG/GDMA
		5	Systems have been fully adopted by the municipality
4.2	Municipal Staff capacity for basic management skills	0	No management skill training is provided by the municipality
		1	The municipality has started basic administrative trainings such as computer skills, how to run a meeting, meeting agendas, filing systems, and supervisory skills. Trainees are using skills from these trainings daily on-the-job
		2	The municipality has started to implement management trainings (ie. project management, HR management financial management, procurement, general management, policy and strategy). Trainees are using skills from these trainings daily on-the-job
		3	The municipality has developed municipal training centers capable of providing administrative, management, and technical trainings to the community and Citizens Service Desks which serve as an outreach mechanism to the public. Trainees are using skills from municipal training center trainings daily on-the-job
		4	Municipal training integrates citizen outreach and participatory methods and gender mainstreaming. Municipality offers additional targeted training such as gender sensitivity training, networking opportunities, and trainings specifically for women. Trainees are using skills from these trainings daily on the job.

		5	The municipality is using trainings to serve the citizens of the municipality, providing timely and improved customer service, are responsive to citizen requests, and all processes are transparent. Citizen-government advisory bodies (e.g., municipal networks, SWM committees) and mayors are managing the municipal affairs jointly. Trainees are using skills from these trainings daily on-the-job
4.3	Policies, procedures for public procurement compliance	0	Municipality does not have Public Procurement policies, procedures and its laws and by-laws. Municipality has no internal guidelines or policies and procedures on public procurement. The staff conducting public procurement are not trained for conducting public procurement. The municipality has no specific procurement function. Procurement plans and reports are not being created
		1	Municipality minimally complies with Public Procurement policies, procedures and its laws and by-laws. Municipality's functions/roles in the process are not defined and employees are not clear as to who prepares tender documents and public procurement notices and what is the role of an evaluation committee
		2	Municipality has begun to develop internal guidelines, policies and procedures for public procurement. Staff have received initial, basic training on public procurement
		3	Municipality is aware of standard tender documentation and is in the process of preparing internal guidelines on direct agreement implementation, as required by the laws and by-laws for Public Procurement
		4	Municipality is beginning to comply regularly with policies and procedures on Public Procurement. The public procurement process itself is beginning to get mapped out, and all the roles and functions in the process are in the process of being defined. Staff are beginning to be given assignments to prepare tender documents and public procurement notices. Municipality is developing a procedure for creating a neutral evaluation committee
		5	All procurements are conducted according to regulations. The Municipality is aware of and applies practices of standard tender documentation and has internal guidelines on direct agreement implementation as required by Law. The municipality's organizational structure has been adapted for and now includes a public procurement function, which is being set up in the administration. The committee mandate has been written up in compliance with standard Law, policies and procedures

Kandahar

Kandahar City scored 43 out of 85 points with an average of about 2.5 out of 5 points. This represents an increase of 25 points, or 30 percent, over the baseline assessment of 18 points. Kandahar made considerable improvements in all areas of municipal capacity and service delivery, most noticeably in its policies and procedures, in developing a consultative process for decision making, and in municipal service implementation.



1. Municipal Service Delivery

1.1 Citizens Services

In the baseline assessment, Kandahar municipality received a score of 1. With a basic and informal citizen service mechanism, municipal staff were able to provide very limited information on municipal services. In the second assessment, the municipality received a score of 2. The municipality now has established a fully furnished, equipped, and staffed citizen service desk (CSD), which provides information on various municipal services as well as refers and directs citizens to the appropriate municipal departments for further assistance. However, given the recent establishment of the service desk, not all information pertaining to ongoing and planned municipal projects is yet provided. With no consistent record-keeping system in place few applications are properly recorded.

1.2 Policies, Procedures, Processes for Provision of Citizen Services

In the baseline assessment Kandahar municipality received a score of 1.5, having some policies and procedures for the provision of citizen services in place. In the second assessment, the municipality received a score of 3. The municipality has improved permits and licensing procedures and has made these services available to citizens. Customers are for the most part aware of the general services provided by the municipality; however, the municipality will need to continually evaluate and improve upon internal and external municipal services procedures.

1.3 Parcel Registration

At the time of the baseline assessment, the municipality had surveyed some parcels, but did not have a system to register parcels or collect taxes, thus receiving a score of 2. The municipality is now in the process of both registering parcels in a revenue management database that forms part of a comprehensive integrated financial management system (IFMS) and issuing business licenses, and is also billing and collecting taxes, thus receiving a score of 4 in the second MCI assessment.

1.4 Manual Records and Systems for Permit and Licensing

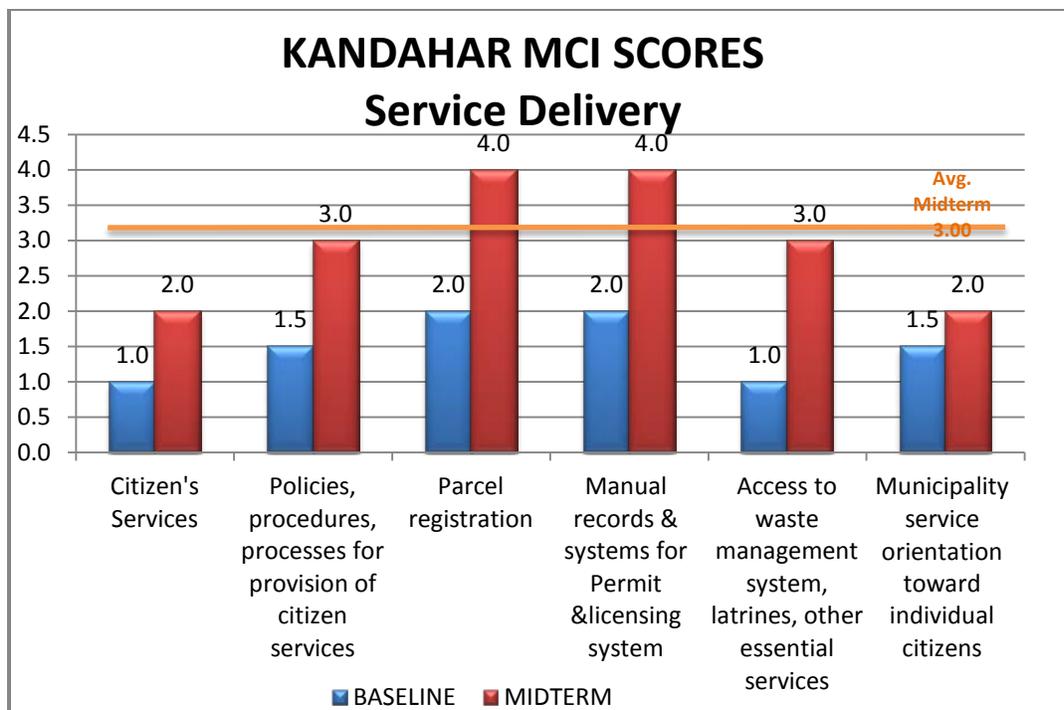
At the time of the baseline assessment, the municipality made permit and licensing application forms freely available to citizens, and though manual, had the potential for internal electronic document tracking of applications, thus receiving a score of 2. Currently, Kandahar maintains accurate manual systems for permit and licensing records, and has also begun migrating licenses and permits from a manual to an automated system, thus receiving a score of 4 in the second assessment. Implementation of the IFMS will automate business licensing and parcel registration processes further, thus increasing transparency and efficiency and deterring corruption.

1.5 Access to Waste Management System, Latrines, and Other Services

With a baseline score of 1, the municipality had taken steps to begin implementing SWM and other key services as well as initiated necessary trainings for staff. Now, an effective and systematic solid waste management (SWM) system is in place and waste is collected regularly from community metal skips, static concrete bins, and other disposal points utilizing dump trucks provided by the RAMP UP-South project. RAMP UP-South and municipal resources are used collaboratively to ensure citywide access to SWM services. While RAMP UP-South still funds the transportation costs of the waste collection trucks, revenue to be generated through the *safayi* tax, which is now collected due to the parcel registration initiative, is planned to sustainably fund municipal solid waste collection. RAMP UP-South has begun transitioning all operation and maintenance of SWM to the municipality. With these improvements, Kandahar received a score of 3 in the second MCI assessment. Unlike solid waste collection, latrines and other municipal beautification projects are not currently implemented in all districts of the city.

1.6 Municipality Service Orientation Toward Individual Citizens

In the baseline assessment, the municipality received a score of 1.5, as a feedback-gathering mechanism did exist in order to receive citizen suggestions and complaints. The municipality has taken steps to address those complaints, thus receiving a score of 2 in the second MCI assessment. Currently, the municipality holds a number of meetings and forums with citizen representatives and community elders to solicit feedback and to engage them in the decision making process on various municipal activities. While municipal complaint and suggestion boxes are now stationed throughout the city, they are rarely used by citizens, and the municipality has yet to systematically address citizen complaints and suggestions. However, the citizen service desk (CSD) has provided a mechanism for citizens to officially record complaints and RAMP UP-South is working with municipal outreach staff to develop an appropriate mechanism to collect and process citizen complaints and suggestions in year three.



2. Internal Administrative, Budgeting and Financial Management

2.1 Budget System

The Kandahar municipality received a baseline score of 2, as a budget process was in place and municipal staff understood the laws and timelines set by IDLG. Now a comprehensive annual budgeting process is in place which plans for the provision of services and capital assets, thus earning the municipality a score of 3 in the second assessment. At the initial stage, all ongoing projects are added to the new fiscal year's budget. Through a consultative process the mayor determines priority programs and the net amounts needed for funding. Finally, fixed and non-fixed revenues are added to the development and administrative budgets. Ultimately, and after approvals from the Provincial Development Committee and Governor, the budget is sent to IDLG and the Ministry of Finance for approval. Extensive budgeting and accounting trainings by RAMP UP-South embedded advisors were provided to municipal staff throughout the year, and municipal staff are now oriented to the process and plan municipal expenses accordingly. However, there is no formal citizen feedback mechanism during the budget process, and the municipality needs to further promote community involvement in prioritizing the initiatives to be funded by the municipality. With support from RAMP UP-South, in year three the municipality will establish participatory budget meetings and other initiatives to encourage citizen feedback on the budget process and in prioritizing municipal activities.

2.2 Accounting System

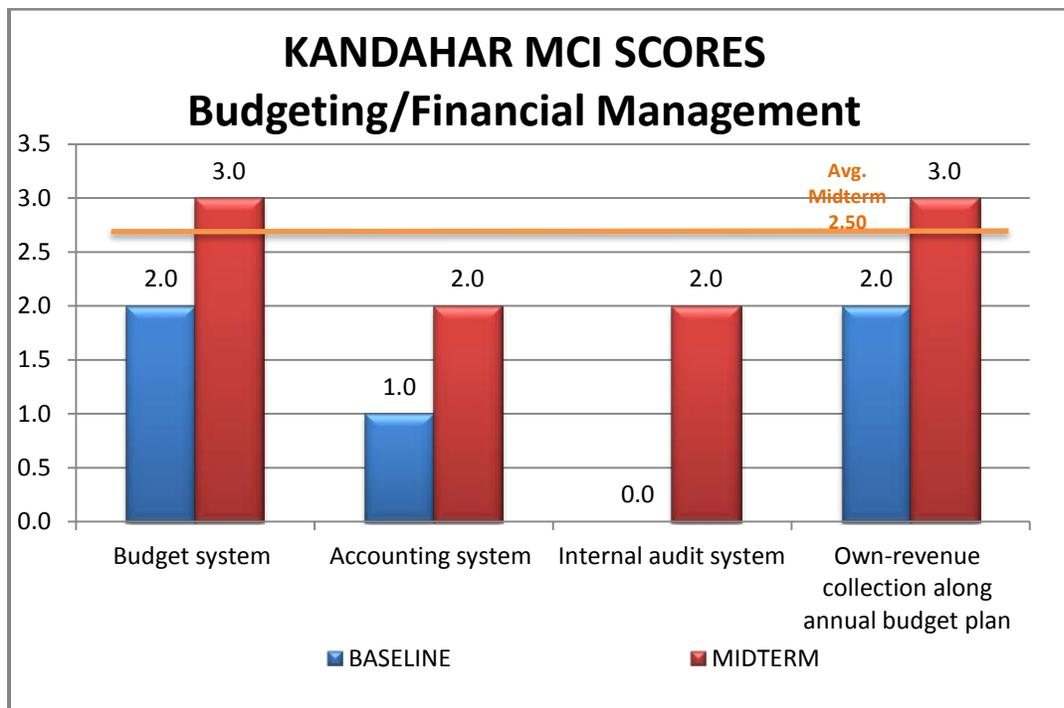
With a baseline assessment of 1 all municipal accounting functions were basic and manual. Presently, revenue generation reporting and accounting systems, except payroll, are still done manually; however, through excel trainings municipal staff now use basic spreadsheets for accounting functions. Municipal employees understand and follow a set of mechanisms designed for manual bookkeeping and reporting, earning a second MCI score of 2.

2.3 Internal Audit System

In the baseline assessment the municipality was able to collect its own revenue but did not have a mechanism for monitoring revenue collection in place, thus received a score of zero. In the second assessment the municipality received a score of 2 as it collects more than 50 percent of the municipal own-revenues that are available but still fails to collect a large portion of revenues due to the ad hoc nature of revenue collection mechanisms. Revenue reporting and the budgeting functions although manual, remain highly transparent as they go through multiple internal departments for review. Overall, a functioning manual record-keeping process is in place and municipal employees understand and adhere to the laws pertaining to budgeting while preparing municipal development plans. The general audit department periodically goes through accounting records to check for any possible discrepancies.

2.4 Own-revenue Collection Along Annual Budget Plan

In the baseline assessment the municipality was unable to collect at least 75 percent of its planned revenue, thus earning a score of 2. In the second assessment the municipality was able to collect 91 percent of its own overall revenues and achieved more than 100 percent of its IDLG-set target for revenue generation, thus receiving a second assessment score of 3. Some revenue sources out of the 50 identified sources, including parcel registration and business licensing, have been integrated into the IFMS system.



3. Capacity of municipality to manage service delivery

3.1 Technical Trainings in Service Delivery

With a baseline score of zero, the municipality was unable to deliver any technical trainings to its staff. Now the municipality has begun providing technical trainings, with a number of critical trainings in service delivery and revenue generation already conducted. Similarly, tailored project management trainings to municipal technical staff will begin in year 3. The municipality and RAMP UP-South are in the process of establishing the Kandahar city training center which will become the focal point for municipal employees

and newly recruited staff to develop and maintain their skills base. Training will be provided by RAMP UP-South technical specialists, as well as by experts from other organizations, including the municipality itself. The training centers will also provide a forum for employees to gather and exchange best practices and devise solutions to common problems they face in their day-to-day work. These improvements earned the municipality a score of 2 in the second MCI assessment.

3.2 Participation of Citizens and Business Community in Identifying Citizen Needs

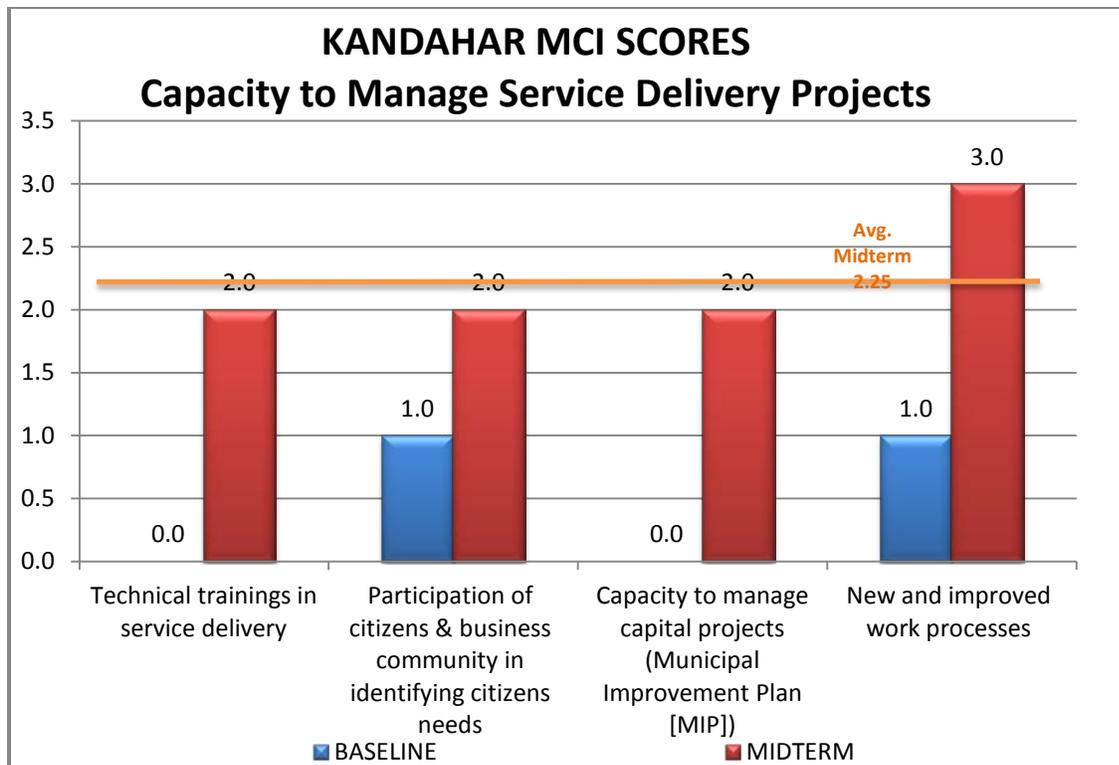
In the baseline assessment the municipality received a score of 1, as it occasionally conducted citizen participation meetings. Now while it prepares for its annual municipal improvement plans, the municipality has put a planned, consultative process in place where citizens and representatives from the business community take part, improving the MCI score to 2. Although wide participation among citizens to define priorities takes place, this does not always lead to the municipality addressing them, as a more formal administrative system to capture citizens' and business community needs is lacking.

3.3 Capacity to Manage Capital Projects (Municipal Improvement Plan [MIP])

At the time of the baseline score, the municipality did not have a municipal improvement plan outlining municipal and citizen priority projects, thus receiving a score of zero. Now, an annual municipal improvement plan addressing municipal development needs is consultatively formulated by all municipal departments, with systems in place to manage the MIP; therefore, Kandahar has improved to a score of 2 in the second assessment. The engineering department is charged with both implementation and management of this plan for capital projects. However, the municipality still needs to develop a system for the independent management of SWM activities. Thus far, RAMP UP-South has provided funding while the municipality has managed the operations such as route planning, labor planning, attendance sheets, etc. A full transition of the SWM system to the municipality is planned for year 3.

3.4 New and Improved Work Processes

Previously, municipal staff had few key members with the basic skills sets, knowledge and experience required to receive training in work processes analysis and improvement, thus receiving a baseline score of 1. With a second MCI score of 3, the municipality has begun improving certain work processes, particularly in the case of citizen service desk activities. Furthermore, parcel registration and payroll systems are entirely new processes that the municipality fully implements and is developing process maps.



4. Transparency and Accountability

4.1 Policy Coordination with GDMA and Municipal Officials

With a baseline score of 1, the Kandahar municipality occasionally coordinated with government officials on the development of systems to enhance municipal management processes. An effective coordination mechanism now exists between the municipality and GDMA. The policy decision making process usually takes place in Kabul, with participation and input of Kandahar municipal officials. The municipality has maintained a collaborative working relationship with other provincial GIRoA agencies and departments including the Governor's office, the Directorate of Urban Development, and the Ministry of Finance. The mayor participates in the weekly coordination meeting among GIRoA agencies with the governor, where updates are shared and proposed plans are discussed and coordinated among the stakeholders. This improved level of policy coordination earned the municipality a score of 2 in the second MCI assessment.

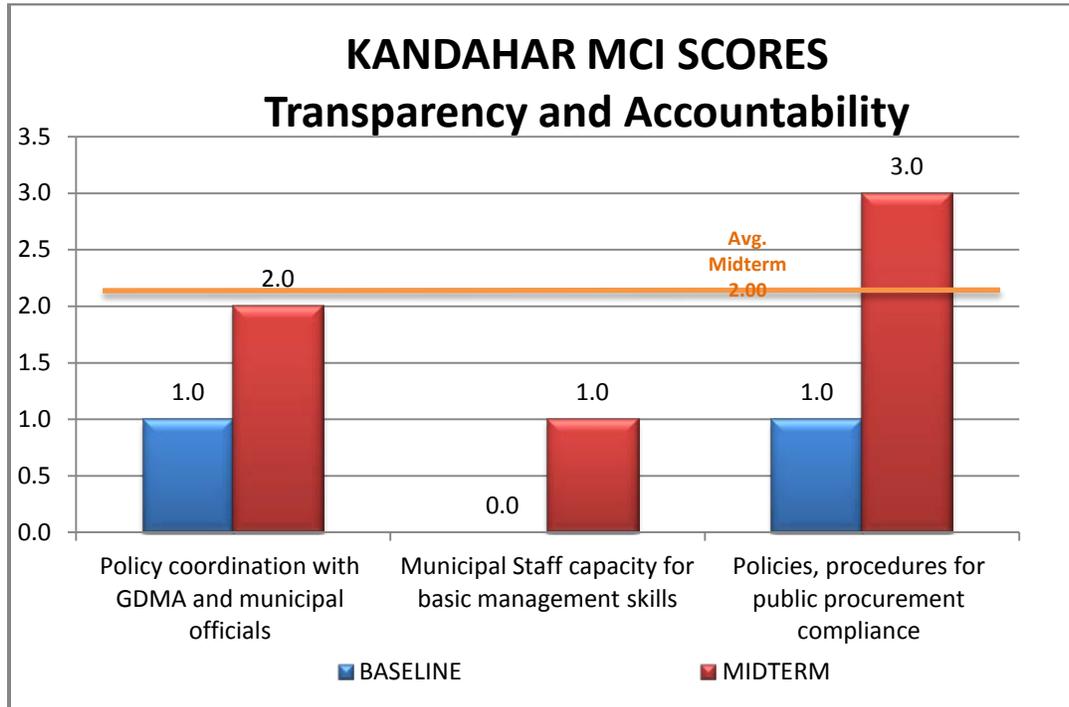
4.2 Municipal Staff Capacity for Basic Management Skills

During the baseline assessment, the municipality provided no management skills training to staff, thus starting at a score of zero. Municipal officials have since received basic trainings in areas such as administration, computer skills, technical supervision, filing, and bookkeeping. However, core management trainings including human resources and procurement have yet to take place, so the current assessment score is 1.

4.3 Policies, Procedures, for Public Procurement Compliance

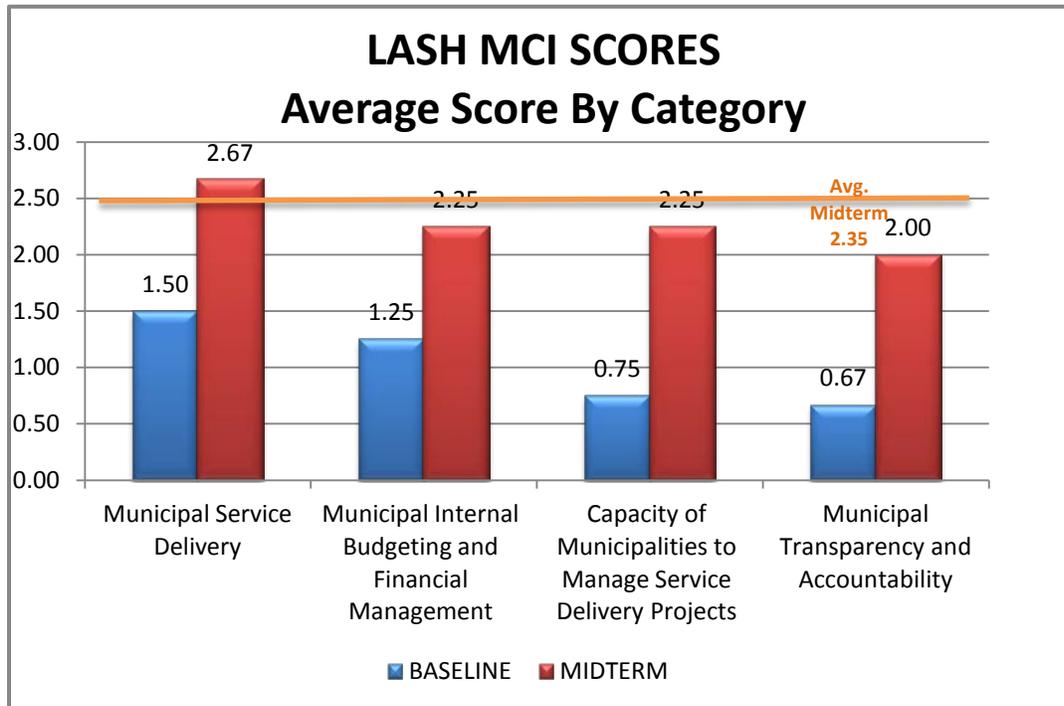
With a baseline score of 1, the municipality minimally complied with procurement regulations, with no systematic procedure or clear roles and responsibilities for staff in the tendering process. Knowledge and understanding of the public procurement process has improved, and municipal staff charged with procurement and tendering documentation are aware of and follow standard procedures as defined in the

GIRoA public procurement law, thus earned the municipality a second MCI score of 3. Nonetheless, there is a further need to develop internal guidelines and training for staff on the details of the process.



Lashkar Gah

The municipality of Lashkar Gah made considerable improvement on the MCI index since the baseline assessment, scoring 40 out of 85 points, denoting an increase of 21 points, or 25 percentage points, over the baseline score. Improved work processes and budgeting functions, the establishment of a Municipal Improvement Plan, improved responsiveness towards soliciting and incorporating public opinion, and the implementation of a transparent procurement process are some areas where Lashkar Gah made significant progress. Lashkar Gah also made improvements in the establishment of a more consultative process for decision making on municipal activities.



1. Municipal Service Delivery

1.1 Citizens Services

The municipality previously had no mechanism for responding to citizen requests for information about services, earning a baseline score of zero. Since the baseline assessment, a fully equipped citizen service desk was established in the Lashkar Gah municipality, with one dedicated full time service desk clerk. The clerk is still undergoing basic administrative and computer trainings and bookkeeping is done manually with log sheets. In addition to receiving and directing applications and providing information on municipal activities and permits, the service desk is also charged with receiving complaints and ensuring they are directed to the appropriate municipal departments. This improvement in access to citizen services earned the municipality a second MCI score of 2.

1.2 Policies, Procedures, Processes for Provision of Citizen Services

In the baseline assessment, Lashkar Gah municipality received a score of 1 as some policies and procedures for the provision of citizen services were in place. The municipality earned a score of 2 in the midterm assessment reflecting that defined policies and procedures are now in place for licensing and

permit issuance and the municipal licensing and permit department follows these procedures. Moreover, customers are for the most part aware of the general services provided by the municipality and know to obtain more information regarding the services through the CSD.

1.3 Parcel Registration

The municipality was in the process of registering municipal parcels at the time of the first assessment, earning a score of 2. The municipality now enters surveyed parcels into the IFMS database and has issued *safayi* notebooks to parcel owners, and is now in the process of collecting taxes from citizens, thus earning a score of 4.

1.4 Manual Records and Systems for Permit and Licensing

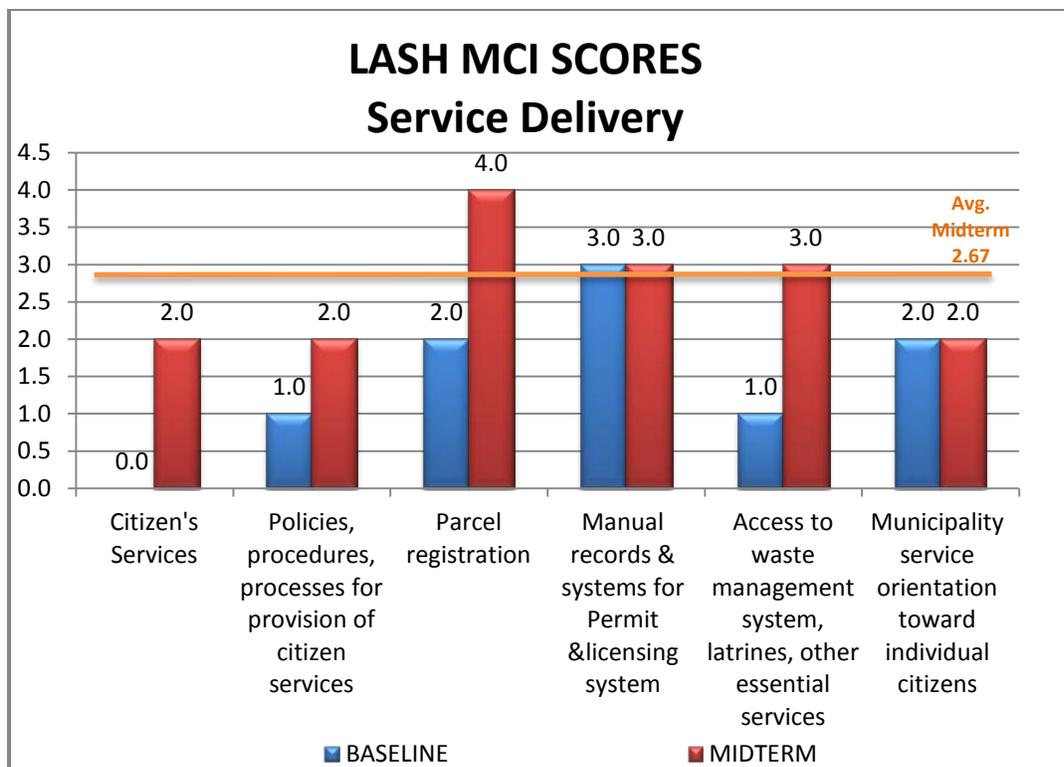
The municipality maintained its MCI score of 3 in the second assessment. While overall bookkeeping and document tracking are still conducted manually, the municipality is updating some procedures for permit and licensing services in anticipation of transitioning to the IFMS. Implementation of the IFMS in year three will help to fully automate business licensing and parcel registration processes and thus increase transparency and reduce opportunities for corruption.

1.5 Access to Waste Management System, Latrines, and Other Services

With a baseline score of 1 the municipality had taken steps to begin implementation of SWM and other key services as well as initiate necessary trainings for staff. Now, an effective and systematic SWM system is in place in Lashkar Gah municipality and waste is being collected regularly from community metal skips, static concrete bins, and other disposal points utilizing dump trucks provided by the RAMP UP-South project. RAMP UP-South and municipal resources are used collaboratively to ensure citywide access to SWM services. A number of trainings have been provided to municipal SWM employees to build their capacity on basic SWM concepts. Additionally, RAMP UP-South supported the construction of a 40-stall public latrine facility at the E-Millie bus station, one of the most densely populated commercial areas in the city. These improvements in access to waste management systems and other key citizen services led the municipality to receive a second MCI score of 3.

1.6 Municipality Service Orientation Toward Individual Citizens

The MCI score under this indicator remained constant at 2 in the midterm assessment. The municipality has several forums to solicit feedback and directly involve citizens in the municipal decision making process. There are monthly municipal assembly meetings with the shura council, where citizens and business owners provide feedback and share concerns directly with municipal staff. There is also a systematic process to file complaints through the citizen service desk, or complaints are brought directly to the mayor who in turn issues instructions to municipal line departments for settlement. The municipality has not yet conducted any specific citizen surveys to formally solicit feedback on the effectiveness of municipal activities.



2. Internal administrative, budgeting and financial management

2.1 Budget System

The Lashkar Gah municipality received a baseline score of 2, as a budget process was in place and municipal staff understood the laws and timelines as set by IDLG. Now, a comprehensive annual budgeting process is in place which plans for the provision of services and capital assets, thus earning the municipality a score of 3 in the second assessment. The municipality now undergoes a comprehensive annual budgeting process. A number of municipal staff in the budget and finance offices underwent extensive trainings on the budgeting process, including how to accurately project operational and maintenance costs as well as plan for city-wide development expenses, which ensured a smooth budgeting approval process. Municipal employees demonstrate a basic understanding of the laws with regard to the budget process and adhere to these policies accordingly. However, the solicitation of citizen feedback during the budget process is lacking and the municipality needs to take steps to include citizens prior to budget finalization.

2.2 Accounting System

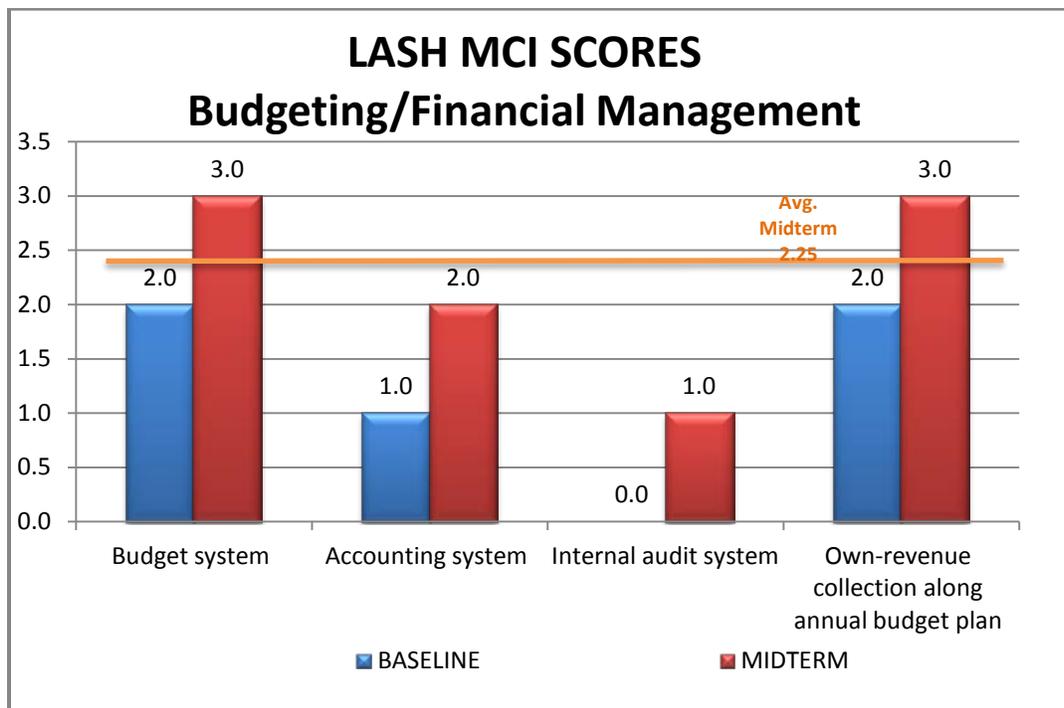
With a baseline assessment of 1 all municipal accounting functions were basic, manual, and disjointed. With a second assessment score of 2, while all accounting functions except payroll are still done manually, municipal staff now use basic spreadsheets for accounting functions with the help of excel trainings. Municipal employees understand and follow a set of mechanisms designed for manual bookkeeping and reporting but have yet to develop the basic accounting skills for posting accounting records and transactions in an integrated electronic system. Staff often use multiple log books in accounting process, often leading to reporting inaccuracies.

2.3 Internal Audit System

In the baseline assessment, the municipality was able to collect its own revenue; however it did not have a mechanism for monitoring revenue collection, and thus received a score of zero. In the second assessment, the municipality received a score of 1, reflecting that it collects revenues from more than two major sources, but still fails to monitor the actual execution of the planned revenues. With the exception of parcel registration and business licensing, which are tracked through the automated IFMS, other revenue streams are tracked manually leading to significant gaps in the municipal revenue tracking system. With the full implementation of the IFMS municipal revenue sources will begin to be tracked through an integrated system, promoting greater transparency and more comprehensive and timely collection of revenues.

2.4 Own-revenue Collection Along Annual Budget Plan

In the baseline assessment, the municipality was unable to collect at least 75 percent of its planned revenue, thus earning a score of 2. In the second assessment, with the hiring of various *tashkeel* positions Lashkar Gah has been able to increase its revenue collection to more than 50 percent, in large part from land parcel sales, earning the municipality a score of 3. In year three it is anticipated that all revenue sources will be integrated into the IFMS, helping ensure a more reliable and effective system for revenue collection and realistic budgeting.



3. Capacity of municipality to manage service delivery

3.1 Technical Trainings in Service Delivery

With a baseline score of zero the municipality was previously unable to deliver any technical trainings to its staff. While a municipal training center is currently being constructed and equipped, the municipality has begun providing basic on-the-job technical trainings to staff in areas such as supervision, SWM, parcel registration, payroll, business licensing. Trainees are using the technical skills gained through

these trainings in their daily work. In general, the municipality has reached a point where it can independently provide certain basic trainings to its staff, thus earning a second MCI score of 2.

3.2 Participation of Citizens and Business Community in Identifying Citizen Needs

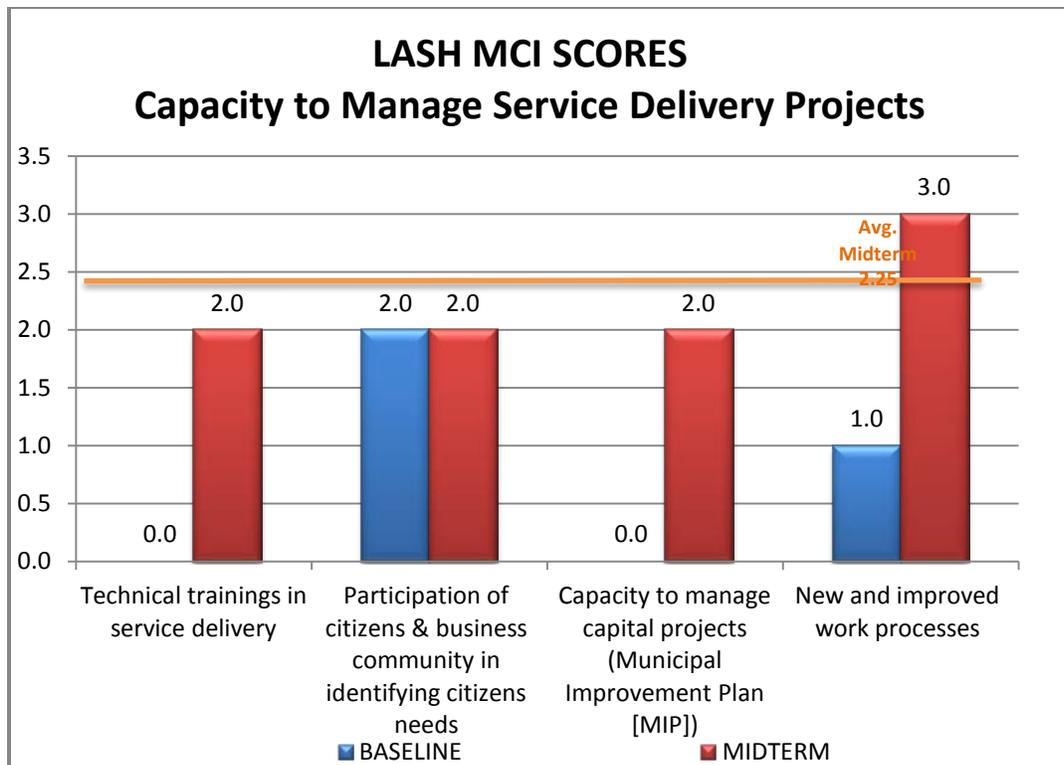
Maintaining a MCI score of 2, the municipality continues to conduct scheduled meetings with citizens and the business community, including budget awareness meetings, women's day events, and municipal law workshops. However, there are no formal systems and procedures in place to capture citizen and business community concerns. More formal types of feedback mechanisms have not been established but will be an area of focus in year three.

3.3 Capacity to Manage Capital Projects (Municipal Improvement Plan [MIP])

At the time of the baseline score the municipality did not have a municipal improvement plan outlining municipal and citizen priority projects, thus receiving a zero score. Now, the municipality is in the process of creating policies, procedures, and systems for managing MIPs, thus improving to a score of 2. The municipality has managed to fund the construction of a number of roads through its own budget. The municipal engineering department specifically, is charged with both management and implementation of all items within the MIP. Although the engineering department lacks targeted technical trainings related to their daily scope of work, they have demonstrated the ability to execute and monitor certain municipal-funded projects. Long-term training programs, specifically in project management, are crucial to ensuring the sustainable provision of municipal services in Lashkar Gah.

3.4 New and Improved Work Processes

Previously, municipal staff had few key members with the basic skills sets, knowledge and experience required to receive training in work processes analysis and improvement, thus receiving a baseline score of 1. With the introduction of an automated payroll system and after extensive trainings in the payroll process, municipal employees are now able to fully manage this system and have begun process mapping, earning the municipality as second assessment score of 3. In addition, Lashkar Gah consistently follows the work processes formulated by GDMA/IDLG.



4. Transparency and accountability

4.1 Policy Coordination with GDMA and Municipal Officials

With a baseline score of 1, the Lashkar Gah municipality occasionally coordinated with government officials on the development of systems to enhance municipal management processes. Effective coordination between the municipality and GDMA on newly developed systems and processes now exists through regular communication between the mayor and the GDMA director and frequent visits to and from Kabul to discuss such processes and provide feedback. The municipality continues to follow the policies, procedures, and work processes that GDMA approves as well as all related forms and standards, thus improving to a score of 2.

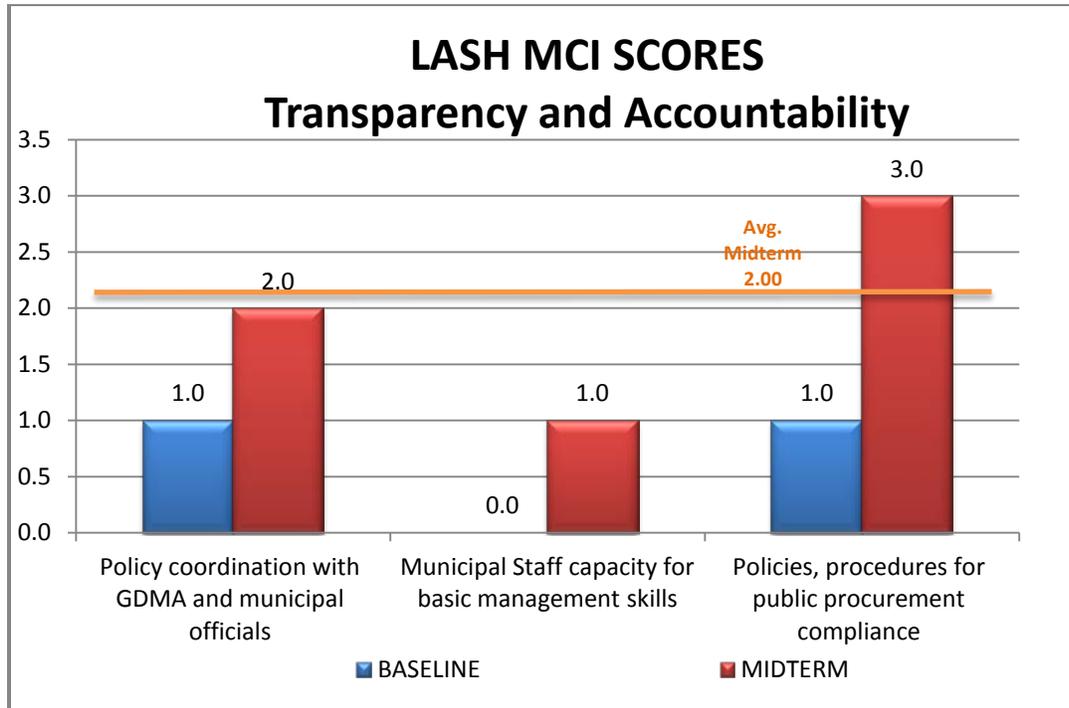
4.2 Municipal Staff Capacity for Basic Management Skills

During the baseline assessment the municipality provided no management skills training to staff, thus starting at a zero score. With a second MCI score of 1, municipal officials have received a number of basic administrative trainings including trainings on basic computer skills, file management systems, and on taking meeting minutes. Trainees are using skills from these trainings daily in their job. Advanced administrative and technical trainings on topics such as project management and financial management are still needed and are planned for year three.

4.3 Policies, Procedures, for Public Procurement Compliance

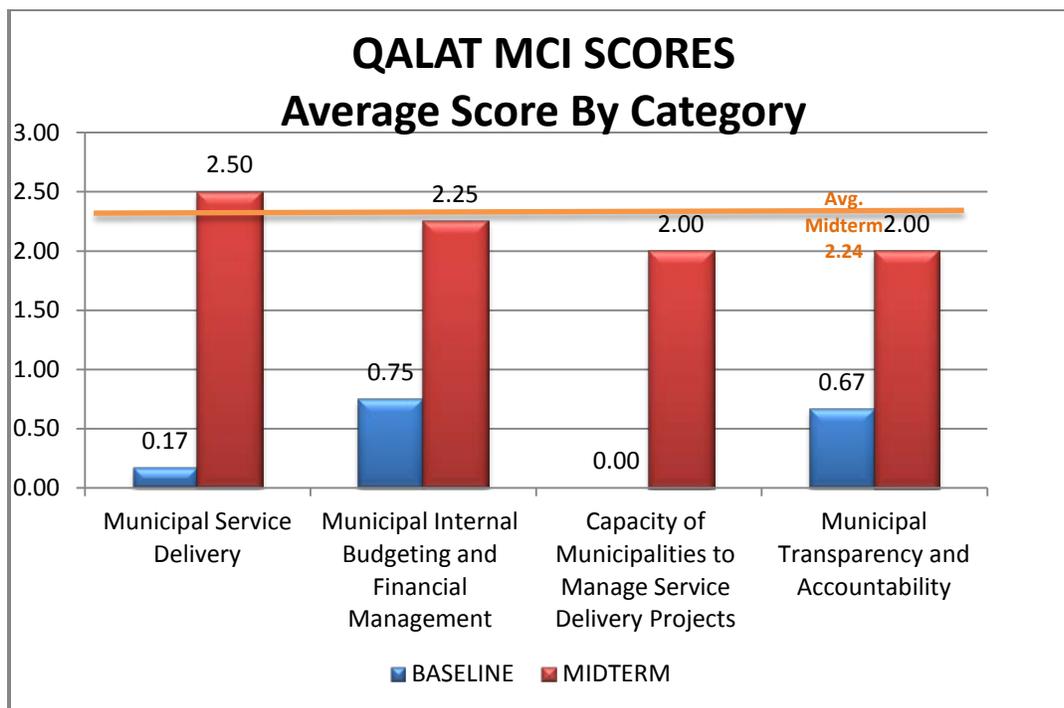
With a baseline score of 1, the municipality minimally complied with procurement regulations and did not have any systematic procedures or defined roles and responsibilities for staff in the tendering process in place. Knowledge and understanding of the public procurement process has improved and Lashkar Gah continued to systematically implement GIRoA public procurement rules and procedures in accordance with national guidelines, thus earning the municipality a second MCI score of 3. The municipal procurement department is staffed with three *tashkeel* positions including a director, a deputy, and an

assistant, all of whom have been extensively trained in GIRA procurement laws and procedures. For procurements above AFA 500,000, all bids are publically solicited and the mayor establishes a procurement committee to review quotes and select a bidder.



Qalat

In all dimensions of municipal capacity and service delivery, Qalat made significant progress in year two. While scoring only 6 out of 85 on the 2010 baseline survey, in year two, Qalat scored 38 points, constituting an increase of 38 percentage points over the baseline. This exceeds the target percentage by 13% and the average province percentage point increase by 9%. Qalat's significant progress can be attributed to a number of considerable improvements in each dimension of municipal capacity and service delivery. The most notable improvements were in the provision of service delivery, including solid waste management, public private partnership implementation, and gathering citizen feedback. Additionally, Qalat has advanced its budgeting process by employing business licensing and parcel registration to increase revenues and improving the systematic tracking of expenditures and tax collection to enable more accurate financial projections.



1. Municipal Service Delivery

1.1 Citizens Services

In the baseline assessment, Qalat municipality received a score of zero for citizen's services, as there was no mechanism for responding to citizen requests for information about municipal services. There have been slight improvements and an increase in informal mechanisms for citizens to access municipal staff and information; therefore in the second assessment, the municipality's score increased to 1. However, Qalat municipality is in need of a citizens service desk (CSD) or other formal mechanism to enable citizens to access information on municipal services or to file petitions. Without this service mechanism, the burden of the mayor's time is currently spent directing walk-ins to the concerned municipal departments. Likewise, few systematic processes are in place and municipal officials deviate from established standards. In many cases citizen complaints are discussed verbally before a written complaint is formally filed, and these complaints are not yet systematically tracked. RAMP UP-South, with the support of the mayor, expects to establish a CSD in Qalat in year three in order to increase the

municipality's capacity to respond effectively to citizen requests and expand citizen access to local government services.

1.2 Policies, Procedures, Processes for Provision of Citizen Services

With no policies, procedures, and processes in place for the provision of citizen services, Qalat's baseline score for this indicator was zero. Since the first assessment, the municipality has developed some defined policies and procedures for business licensing and parcel registration, which municipal employees are aware of and actively implement. Therefore, in the second assessment Qalat received a score of 1. Moreover, information on parcel registration and business licensing has been in part transmitted to local business and land parcel owners. However, the municipality has yet to reach the stage where a majority of customers are fully aware of municipal services and know where to obtain information regarding these services. The municipality plans to establish a citizen service desk in year three to address this issue. Additionally, it is developing a work plan for a radio campaign to raise awareness among the populace about ongoing and planned municipal services. The municipality will also need to focus on updating and improving permitting and licensing procedures so that these services are more widely available to local residents. Additionally, the issue of pricing for business licenses is yet to get resolved and still requires input and approval from IDLG.

1.3 Parcel Registration

In the baseline assessment, Qalat municipality received a score of zero for parcel registration, as the municipality had no systems and procedures for registering parcels. Municipal capacity to both register and collect taxes on registered parcels has since increased greatly, earning the municipality a score of 4 in the second assessment. Qalat is in the process of registering and recording parcel registration data into the IFMS database. For those parcels already entered into the database, parcel owners have been issued *safayi* notebooks and the municipality has begun to collect taxes on the registered parcels.

1.4 Manual Records and Systems for Permit and Licensing

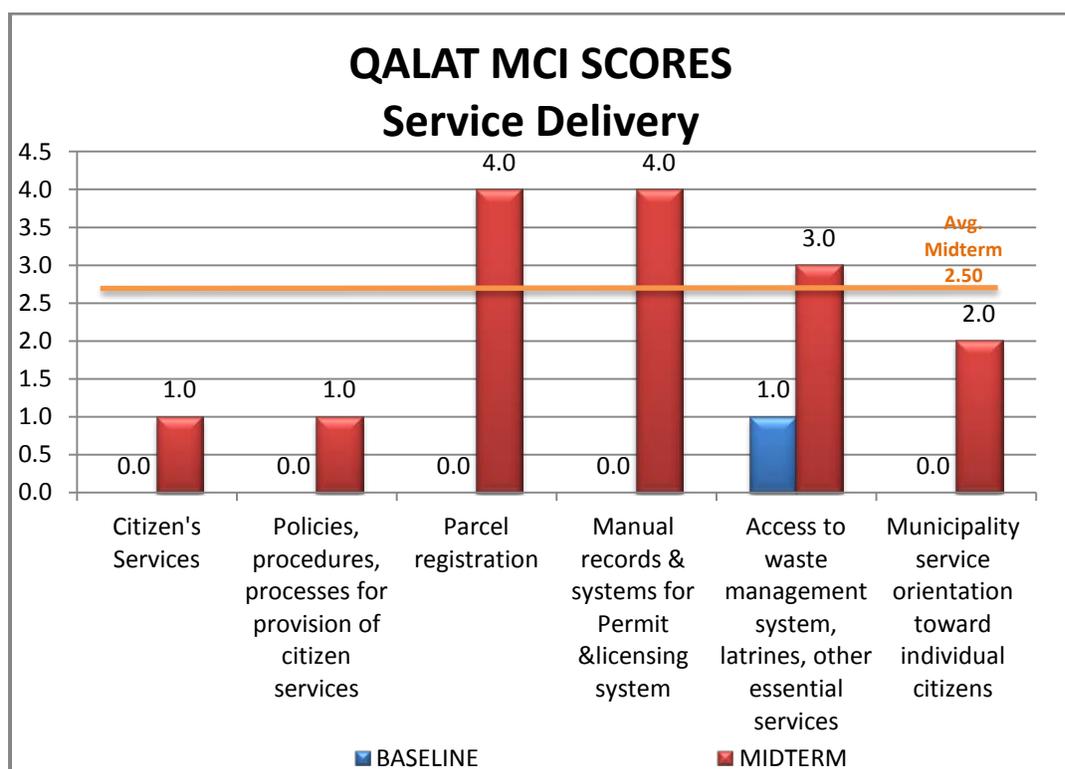
Qalat municipality initially received a baseline score of zero reflecting that it did not have the capacity to maintain proper records and systems for permits and licensing. Systems for document tracking, archiving, and data recording in Qalat municipality are still manual; however, with an improved and effective filing and tracking system in place for business licensing and the issuing of permits, Qalat received a score of 4 in the second assessment. Municipal employees understand and follow an established set of procedures to track and locate internal documents. However, the recording and tracking of correspondence with other provincial and municipal departments still require streamlining and better organization.

1.5 Access to Waste Management System, Latrines, and Other Services

In the baseline assessment, Qalat municipality received a score of 1 due to its limited capacity in providing a waste management system. In the second assessment, Qalat received a score of 3. Qalat now has a regular and reliable solid waste management (SWM) system in place. The SWM process is still entirely managed by RAMP UP-South; however RAMP UP-South is providing technical and on-the-job training to municipal staff, which are poised to take over management of the system very soon. Overall, both the populace and municipal staff have responded positively to SWM services. The municipality has also taken steps to implement other service delivery projects by constructing a public latrine in the town center. This project is ongoing with three more latrines budgeted in the municipal improvement plan. Additionally, the municipality has invested in planting hundreds of trees in an initiative to beautify the city and instill civic pride.

1.6 Municipality Service Orientation Toward Individual Citizens

At the time the baseline assessment was conducted, Qalat had no organizational and citizen relations programs in place, earning it a baseline score of zero. In the second assessment, the municipality received a score of 2 due to an increased capacity to manage individual citizens' complaints and suggestions. The municipality has held a number of community events including two consultative workshops on the drafting of a new municipal law as well as the annual municipal budget. These are in addition to six monthly public meetings in which the mayor presents planned and ongoing municipal activities and citizens are given the opportunity to ask questions. While these events represent a positive step toward municipal service orientation, no formal feedback-gathering mechanisms are yet in place for collecting citizens' suggestions and complaints. Therefore citizen feedback does not always translate into tangible improvements or modifications of activities.



2. Internal administrative, budgeting and financial management

2.1 Budget System

In the baseline assessment, Qalat initially scored 1 for budgeting systems. A comprehensive and fairly inclusive annual budgeting process is now in place within the municipality earning the municipality a score of 3 in the second assessment. At the initial stage of the budgeting process all ongoing projects are added to the new fiscal year's budget. Then, through a consultative process the mayor decides which planned programs are a priority and determines the total funding needed for their operation. Finally, fixed and non-fixed revenue are added. After the Provincial Development Committee and Governor formally approve the budget, it is sent to IDLG and the Ministry of Finance for final approval. Municipal employees demonstrate a basic understanding of the importance of compliance with the budget process and adhere to these policies accordingly. The Revenue Generation Officer completed extensive budgeting and accounting trainings and played an instrumental role in formulating the 1391 municipal budget. However,

the solicitation of citizen feedback during the budget process is weak, with only one awareness campaign which took place after the budget was finalized and approved.

2.2 Accounting System

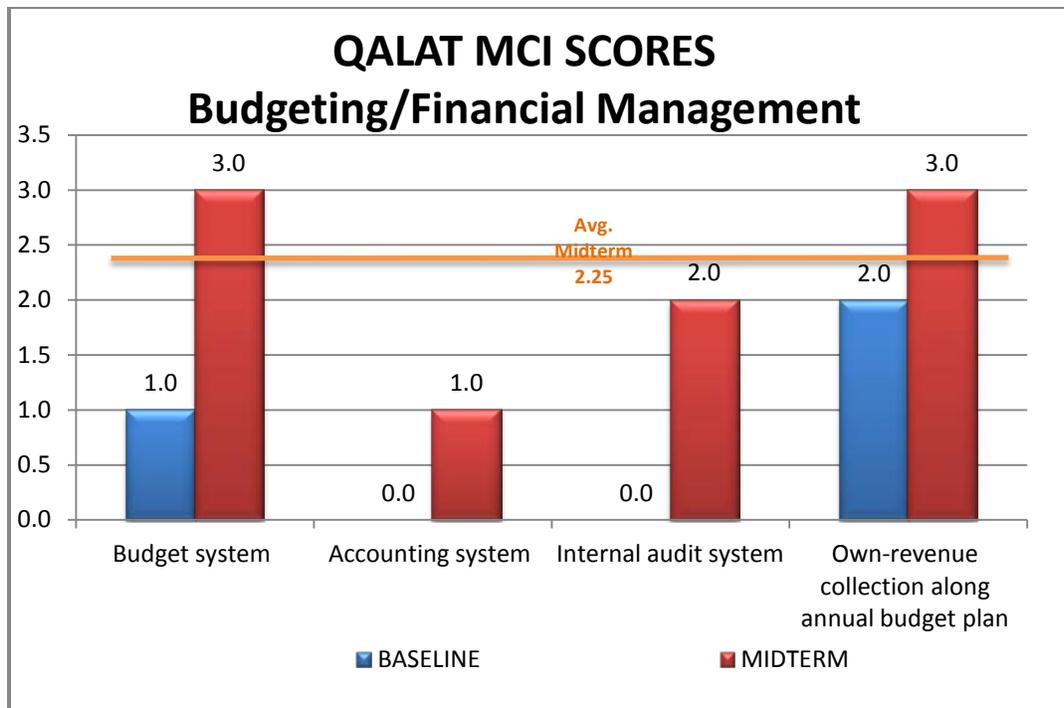
Qalat municipality initially received a baseline score of zero for accounting systems, having little to no capacity or mechanism for formal accounting. Due to slight improvements in accounting functions the municipality scored 1 in the second assessment. A basic accounting system that can produce periodic reports is in place; however, all accounting functions with the exception of the automated payroll system are still manual. Nevertheless, municipal employees understand and follow a set of mechanisms designed for manual bookkeeping and reporting.

2.3 Internal Audit System

At the time the baseline assessment was conducted, Qalat collected own-revenues but had no mechanism in place for monitoring the collection of revenue. Therefore, the baseline score for internal audit systems was zero. In the second assessment Qalat received a score of 2. Systems for tracking and reporting revenue are highly transparent. In addition, a procedure is now in place for withdrawing municipal funds which is overseen by the Department of Finance, whereby the mayor has sole authority to withdraw municipal funds exclusively for programs approved in the municipal budget. A detailed justification is required to obtain the release of funds and periodic audits ensure adherence to these established procedures. With this system in place the municipality can better project expected revenue, enabling the development of more realistic revenue collection targets.

2.4 Own-revenue Collection Along Annual Budget Plan

In the baseline assessment, Qalat municipality received a score of 2 for own-revenue collection capacity. More than 50 percent of Qalat's revenues are derived from parcel registration, business licensing, and property taxes; however, payments are not always timely and there is room for improvement in the collection process. Due to improvements in revenue collection ability and an increased capacity to budget planning methods and establish revenue collecting targets, Qalat municipality received a score of 3 in the second assessment. However, while the municipality has a log book to monitor bank receipts from collections, effective monitoring and management of the utilization of planned revenues is limited. At this time the only source of revenue integrated into the IFMS is parcel registration. In year three, it is anticipated that all revenue sources will be integrated into the IFMS, which will be handed over to the municipality, helping ensure transparent and sustainable procedures for revenue collection and budgeting.



3. Capacity of municipality to manage service delivery

3.1 Technical Trainings in Service Delivery

Qalat municipality initially received a baseline score of zero in technical trainings for service delivery. Since the baseline assessment, a fully-equipped and furnished municipal training center has been established in Qalat, and municipal capacity to develop and provide trainings has improved. Therefore, Qalat municipality received a score of 3 in the second assessment. Municipal staff have completed a number of trainings in topics such as computer literacy, filing management, and taking meeting minutes, and trainees are using these technical skills in their daily work. Additionally, 22 individuals selected by the municipality are receiving trainings at the center, and will be considered for municipal *tashkeel* positions once training is complete. A number of highly effective on-the-job trainings, specifically in computer literacy, were provided to six municipal employees. All correspondence is now typed, saved, and printed through a computer rather than handwritten. There is still a need for more advanced technical trainings, particularly in SWM.

3.2 Participation of Citizens and Business Community in Identifying Citizen Needs

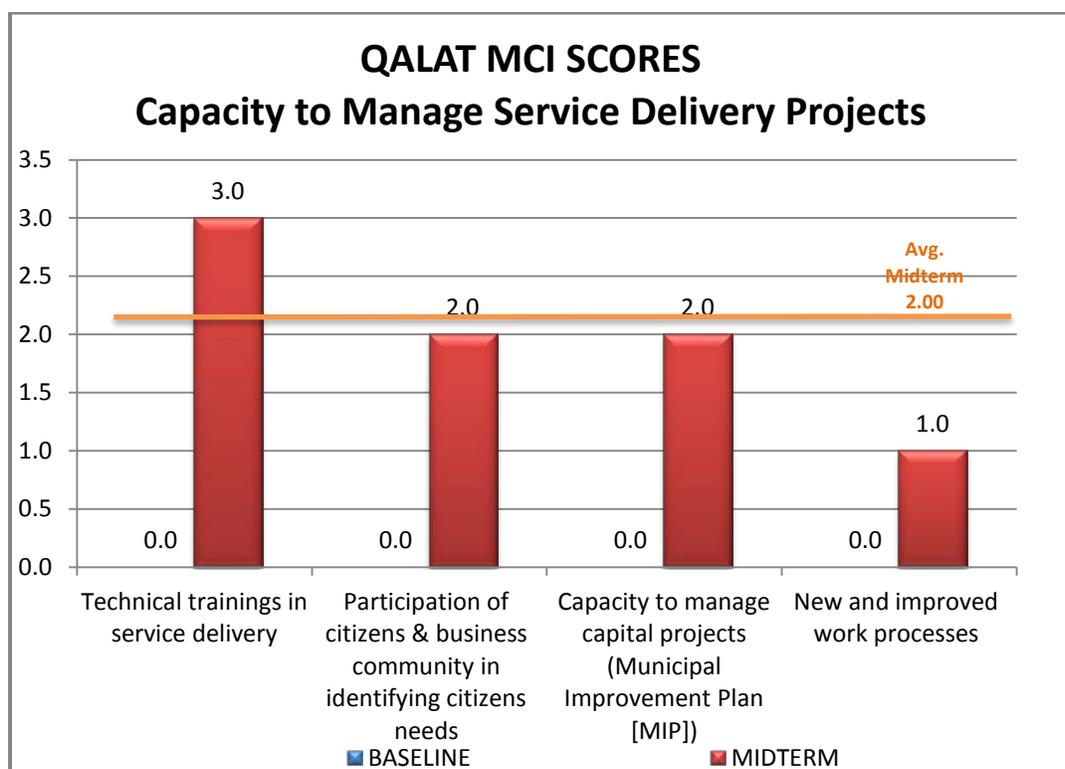
In the baseline assessment, Qalat municipality received a score of zero for not conducting citizen participation and other similar activities to learn about citizen and business needs. In the second assessment, the score increased to 2 as the municipality began to engage citizens in identifying local citizen and business needs. The municipality has held a number of events and consultative workshops to orient, share, and relay messages to citizens and the local business community. Nevertheless, formal systems and procedures for capturing and addressing citizen and business community interests are yet lacking. Citizen surveys or other more formal types of feedback mechanisms have yet to be established and will be an area of focus in year three.

3.3 Capacity to Manage Capital Projects (Municipal Improvement Plan [MIP])

Qalat municipality's score increased from zero to 2 under this indicator due to improvements in creating policies, procedures and systems for managing MIPs. Detailed municipal improvement plans covering periods of a year, two years, and five years have been formulated and approved by the mayor. The two-year and five-year MIPs are created and managed directly by the municipality and were approved by the Provincial Development Committee. Some projects in the MIP are already under implementation and others have been budgeted including repairs of city squares, tiling footpaths, and city beautification initiatives. Long-term training programs, particularly in project management, remain key to sustained municipal service delivery process.

3.4 New and Improved Work Processes

Qalat municipality initially scored zero for new and improved work processes. In the second assessment, with slight improvements in maintaining work processes and organizing staff, Qalat received a score of 1. The inability to fill *tashkeel* positions remains an obstacle for the municipality - with only 6 out of 19 positions currently filled. The 13 remaining vacancies are primarily due to a combination of low pay and the difficulty identifying candidates with the basic skill set, knowledge and experience to fill these posts. The recently established Qalat Training Center will however, help the municipality identify qualified resources for vacant *tashkeel* positions moving forward.



4. Transparency and accountability

4.1 Policy Coordination with GDMA and Municipal Officials

In the baseline assessment, Qalat received a score of 1 under this indicator due to its ability to occasionally coordinate between municipal officials and GDMA. In the second assessment, Qalat received a score of 2. Coordination improved with GDMA in the development of municipal financial

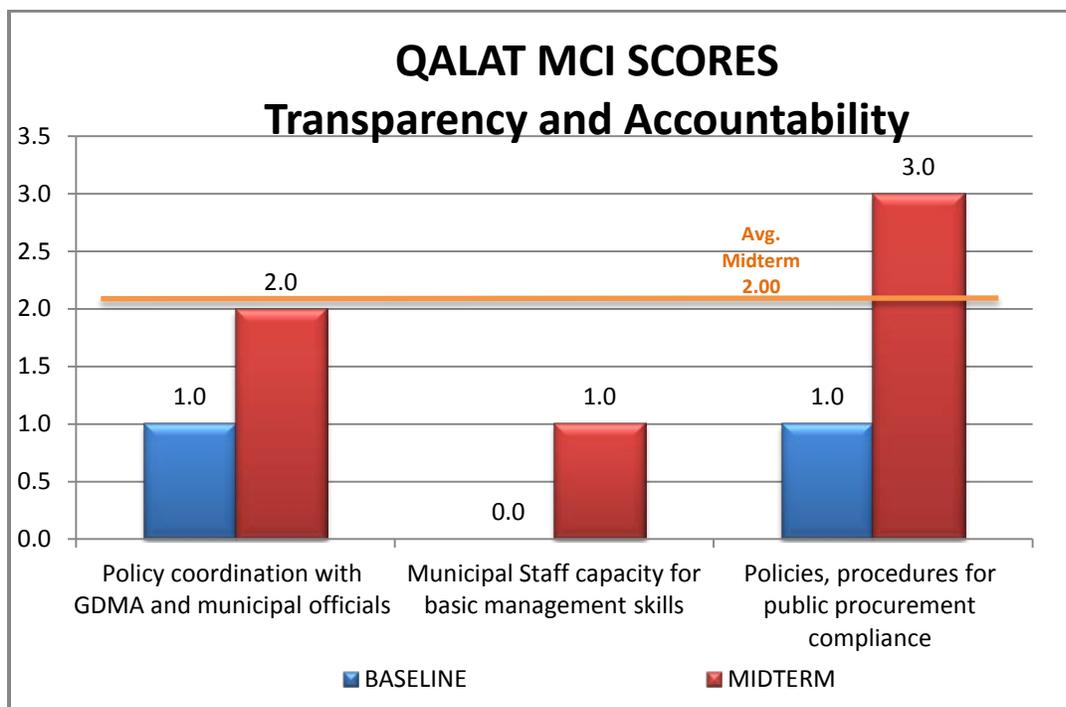
management structures, revenue generation processes, and the provision of services, and the mayor now maintains a collaborative relationship with GDMA by keeping a direct line of contact via frequent emails, phone calls, and periodic visits to Kabul. The mayor moreover actively participates in administration meetings with the provincial governor and line ministry directors. Municipal financial management staff have a working familiarity with GDMA/IDLG processes, including budget submission, and adhere to outlined guidelines.

4.2 Municipal Staff Capacity for Basic Management Skills

In the baseline assessment, Qalat municipality received a score of zero in municipal staff capacity for basic management skills. With the introduction of basic administrative trainings, the score increased to 1 in the second assessment. Municipal employees have taken part in a number of basic administrative trainings on a variety of topics, including MS Word, MS Excel, filing management, supervisory training, and taking meeting minutes. Trainees are using the skills gained from these trainings to complete their daily work. More advanced administrative trainings on topics such as project management and financial management have not yet taken place but are anticipated in year three.

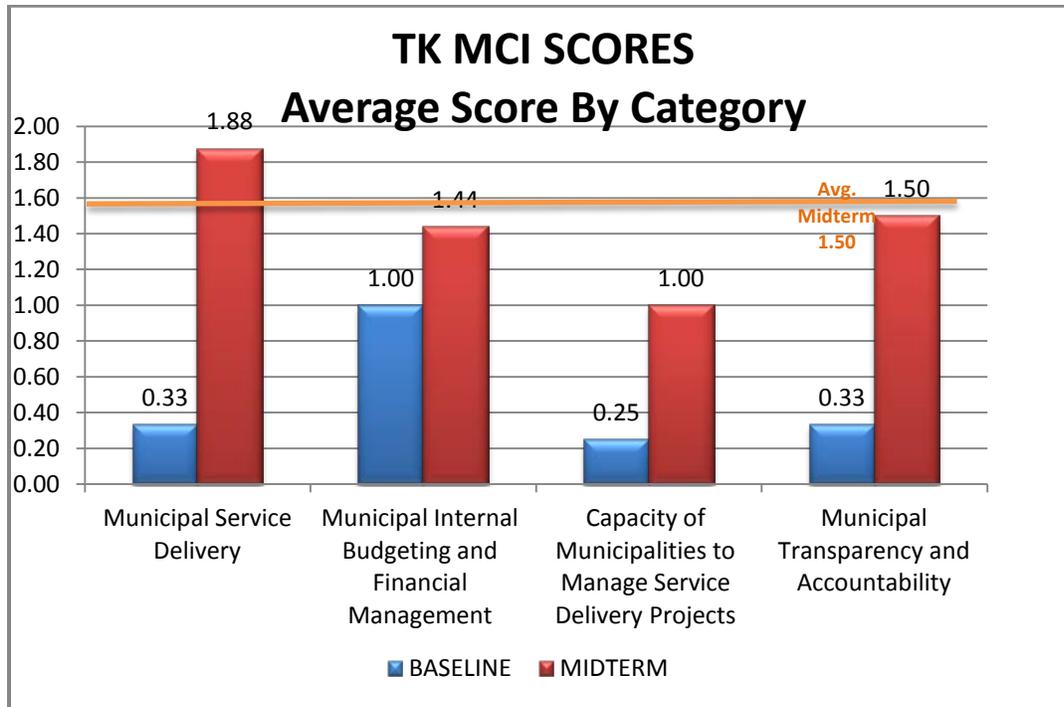
4.3 Policies, Procedures, for Public Procurement Compliance

At the time the baseline assessment was conducted, the Qalat municipality had minimal capacity and understanding of public procurement policies, therefore earning a score of 1. In the second assessment, Qalat received a score of 3 due to increased awareness and improved processes. A public procurement system in line with GDMA guidelines is in place and actively implemented in most areas. However, municipal employees still require substantial capacity building in procurement processes and core management, in addition to the basic management and computer skills they have acquired. Furthermore, a desire exists among personnel to develop expertise in specific technical areas, but the strategy for meeting this request has yet to be mapped out.



Tirin Kot

Tirin Kot, the capital of Uruzgan Province, emerged with a total score of 25.5 points, with an average score per indicator of 1.5 out of 5. This reflects an increase of about 1 point over the average baseline assessment, which stood at just over 0.5 points, and a total increase of 17 points or 20% above the aggregate baseline score. Tirin Kot witnessed considerable improvements across all four dimensions; notable achievements include an enhanced SWM system, implementation of the city master plan, improved internal accounting and budgeting process, increased revenue generation potential, and more-developed processes for soliciting and involving citizens in the municipal decision making process.



1. Municipal Service Delivery

1.1 Citizens Services

In the baseline assessment, the municipality received a score of zero since it did not have an adequate mechanism in place for responding to citizen requests for information about services. In the second MCI assessment, the municipality received a score of 1.5. While the Tirin Kot municipality does not have an information service desk or other formal mechanism yet in place for citizens to obtain information on municipal services or to file petitions, a basic, informal citizen service mechanism does exist for sharing information on municipal services with business owners and other citizens. The municipality has distributed a price list for goods to local shopkeepers to promote greater transparency in commerce and increased information is available to citizens on the type of services provided by the municipality and how citizens can access these services, particularly city permits and business licenses. Despite these advances, very few systematic processes are in place and at times municipal officials deviate from following established standards. It is anticipated that an information service desk will be established in year three of the project with support from the mayor, which will expand the municipality's ability to respond to citizen requests and improve citizen access to local government services.

1.2 Policies, Procedures, Processes for Provision of Citizen Services

The Tirin Kot municipality did not improve upon its baseline score of 1 for this indicator. There are some defined policies and procedures in place for business licensing and parcel registration in Tirin Kot and municipal employees are aware of and implement these policies. Moreover, information on parcel registration and business licensing has in part been effectively transmitted to local business and land parcel owners. The municipality has yet to reach the stage however where a majority of customers are aware of municipal services and know where to obtain information on these services. As discussed, the municipality plans to establish a citizen service desk in year three of the RAMP UP-South program to address this issue. The municipality will also need to focus on updating and improving permitting and licensing procedures so that these services are more widely available to local residents.

1.3 Parcel Registration

At the time of the first assessment, the municipality did not have any systems and procedures in place for registering parcels, earning it a score of zero for this indicator. Since that time, substantial progress has been made and the municipality was able to improve its score, earning an impressive rating of 4. With assistance from RAMP UP-South, the municipality has engaged in both surveying and registering parcels of land and is now in the position to collect revenue through parcel registration and business licensing activities. Parcel registration is ongoing while the entry of business licensing data is pending an updated list of fees according to categories of businesses from GDMA.

1.4 Manual Records and Systems for Permit and Licensing

In the baseline assessment, the municipality received a score of zero reflecting that the municipality still retained its permit and licensing records in manual form and that information on processes and procedures for permitting and licensing were incomplete. While document tracking archiving, and data recording are still in manual form, the municipality is updating some licensing and permit documentation and procedures in preparation for transitioning to the IFMS (Integrated Financial Management System), which earned the municipality a score of 1.25 in the second MCI assessment. Implementation of the IFMS in year three will help automate business licensing and parcel registration processes and thus increase transparency and reduce opportunities for corruption. In the absence of *tashkeel* staff to manage the parcel registration and business licensing data entry process, RAMP UP-South employees principally engage in registering parcels and collecting taxes at this time.

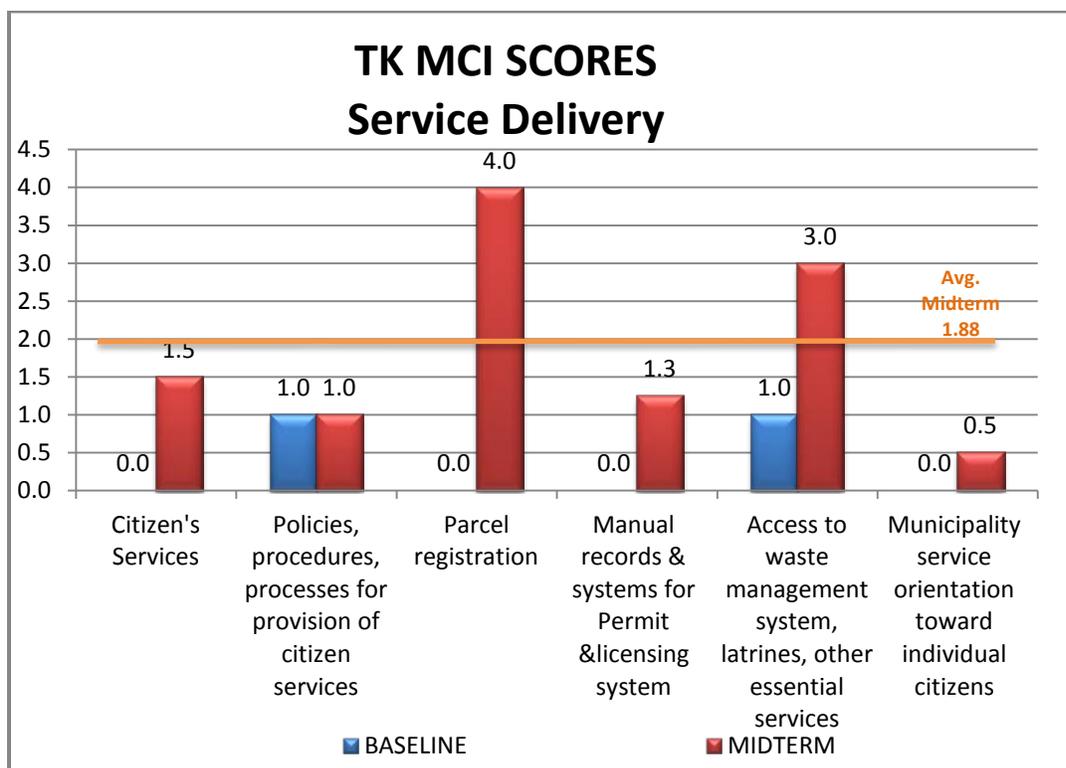
1.5 Access to Waste Management System, Latrines, and Other Services

With a baseline score of 1, the municipality had taken steps to begin implementing SWM and other key services and had initiated necessary trainings for staff. Now, a regular and reliable SWM system is in place in all four districts of Tirin Kot municipality, which earned the municipality a score of 3 in the second assessment. Local solid waste management laborers work daily, utilizing crane trucks and a wheeled loader procured by RAMP UP-South to collect waste from skips and bins and deliver it to the local landfill site. With the implementation of the city master plan and expansion of district boundaries, an additional 100 skips will be procured for the municipality in year three. Moreover, the municipality has also taken steps to implement other service delivery projects. Notably, a latrine was recently constructed at the heart of the city near the governor's compound and is currently accessible to citizens.

1.6 Municipality Service Orientation Toward Individual Citizens

The municipality increased its score from zero to 0.5 in the second assessment, reflecting its progress from not having any organizational and citizens' relations programs to having some informal, feedback-gathering mechanisms for collecting citizens' suggestions and complaints. While the municipality holds a number of community events to solicit feedback from citizens, these events have not been

institutionalized. To encourage citizen participation and feedback on municipal affairs, a 20-member citizens committee was established, regular meetings with religious elders were held, and the municipality held two community-outreach meetings in addition to two consultative workshops on the drafting of a new municipal law and the annual municipal budget. While these events represent a positive step toward municipal service orientation, the municipality has not yet conducted tailored surveys that solicit feedback from citizens. There is a process in place for settling land disputes before they are referred to the courts, which is mandated by the municipality and Department of Agriculture; however, in the absence of clear policies and procedures, citizens' complaints and disputes are often handled on ad hoc basis. RAMP UP-South will work with municipal outreach staff to develop an appropriate mechanism to collect and process citizen suggestions in year three.



2. Internal administrative, budgeting and financial management

2.1 Budget System

The municipality increased its score by .25 points over its baseline assessment of 1. This reflects that the municipality has a budget process in place and municipal officials demonstrate a basic understanding of the importance of compliance with the budget process and with the provisions and deadlines set by IDLG. The municipality is working however to better understand the process of budgeting for expenditures, including costs associated with operations and maintenance, and to submit timely and accurate budgets. A number of municipal personnel have completed budgeting trainings to facilitate the process. The municipal *tashkeel* positions of Revenue Manager and Finance Manager have also been filled.

2.2 Accounting System

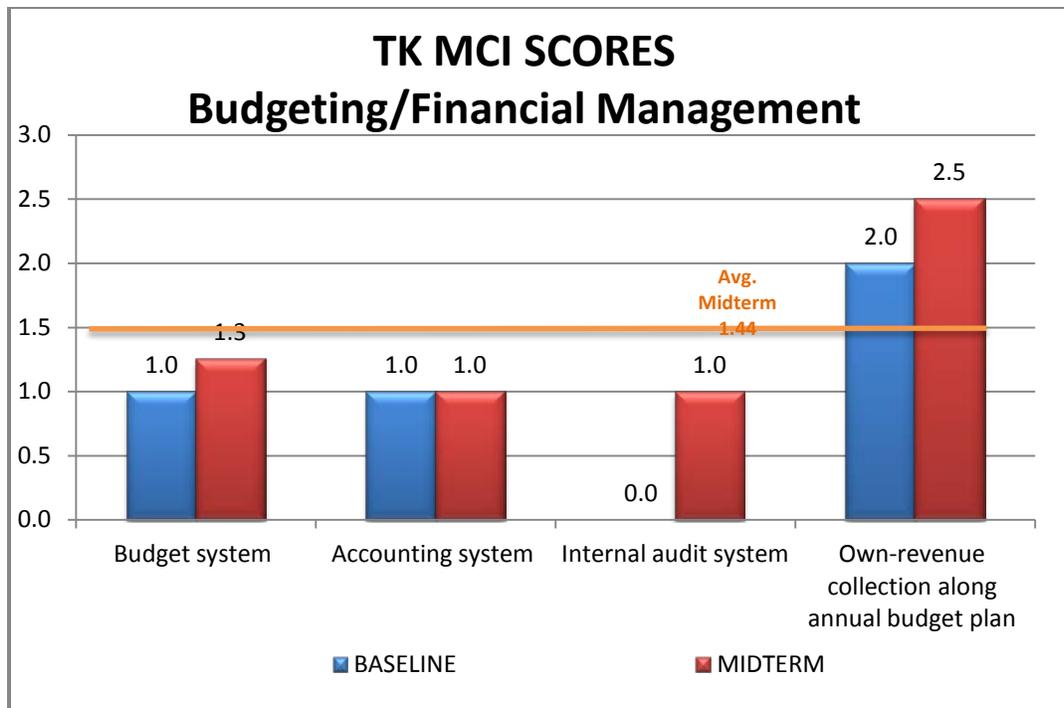
The Tirin Kot municipality did not improve its score over the baseline assessment of 1 point. The municipality continues to maintain a basic accounting system that can produce periodic reports is in place, however, with the exception of the payroll system, all other accounting functions are still conducted manually. Municipal employees understand and follow a set of mechanisms designed for manual bookkeeping and reporting but have yet to develop the basic accounting skills for posting accounting records and transactions in an integrated electronic system. Reports cannot yet be generated on all required classifications and this remains an issue in verifying that the municipality's accounting records and reports are accurate.

2.3 Internal Audit System

In the baseline assessment, the municipality received a score of zero due to its lack of mechanisms for monitoring revenue collection. In the second assessment, the municipality received a score of 1 reflecting that systems for collecting and tracking revenue now exist, although they remain in large part manual. Moreover, these systems are to some extent transparent due to the multiple checks conducted by internal departments and intergovernmental agencies. Municipal employees, moreover, are oriented to the laws pertaining to manual accounting and budgeting processes. However, given the nature of the manual system, the municipality fails to monitor the actual execution of planned revenues, resulting in poor execution of planned revenue collection. With the full implementation of the IFMS, municipal revenue sources will be tracked through an integrated financial system as opposed to log books, promoting greater transparency and more full and timely collection of revenues.

2.4 Own-revenue Collection Along Annual Budget Plan

The municipality received a score of 2.5 as a result of the second MCI assessment, improving by .5 points over its baseline score due to a small but significant increase in its collection rate of municipal own-revenues. Over 50 percent of Tirin Kot's revenues are derived primarily from parcel registration, business licensing, and property taxes, in addition to some 30 additional sources of revenue. By more systematically tapping into these sources of revenue, the municipality can increase the percentage of own-source revenue it collects. One of the main issues the municipality faces in this regard is its ability to establish realistic budgets and revenue collection targets. The municipality has yet to reach the stage where it can independently estimate projections for revenue collection. While the municipality has a log book to monitor bank receipts from collections, effective monitoring and management of how to utilize the planned revenue is limited at best. In year three, it is anticipated that all revenue sources will be integrated into the IFMS, helping ensure that appropriate policies and procedures for revenue collection and budgeting are followed.



3. Capacity of municipality to manage service delivery

3.1 Technical Trainings in Service Delivery

In the baseline assessment, the municipality received a score of zero as the municipality was not offering technical trainings at that stage. The new score of 1 reflects the fact that a number of municipal officials have completed some basic technical training courses, such as parcel registration and waste accumulation site management, and trainees are using the technical skills gained through these trainings in their daily work. Only two of 15 open *tashkeel* positions are currently filled so there is still work to be done in preparing the municipality to take over training functions without the assistance of RAMP UP-South. More advanced technical trainings are anticipated in year three across a range of topics, including SWM, budgeting, parcel registration, and business licensing.

3.2 Participation of Citizens and Business Community in Identifying Citizen Needs

The municipality increased its score over the baseline assessment by .5 points from 1 to 1.5. This reflects a slight improvement in the frequency with which the municipality engages citizens in identifying local citizen and business needs. It should be noted however, that there are still no formal administrative systems or procedures in place for capturing and addressing citizen and business community interests. The municipality has held a number of events and consultative workshops to orient, share, and relay messages to citizens and the local business community. More formal types of feedback mechanisms have yet to be established however, and will be an area of focus in year three.

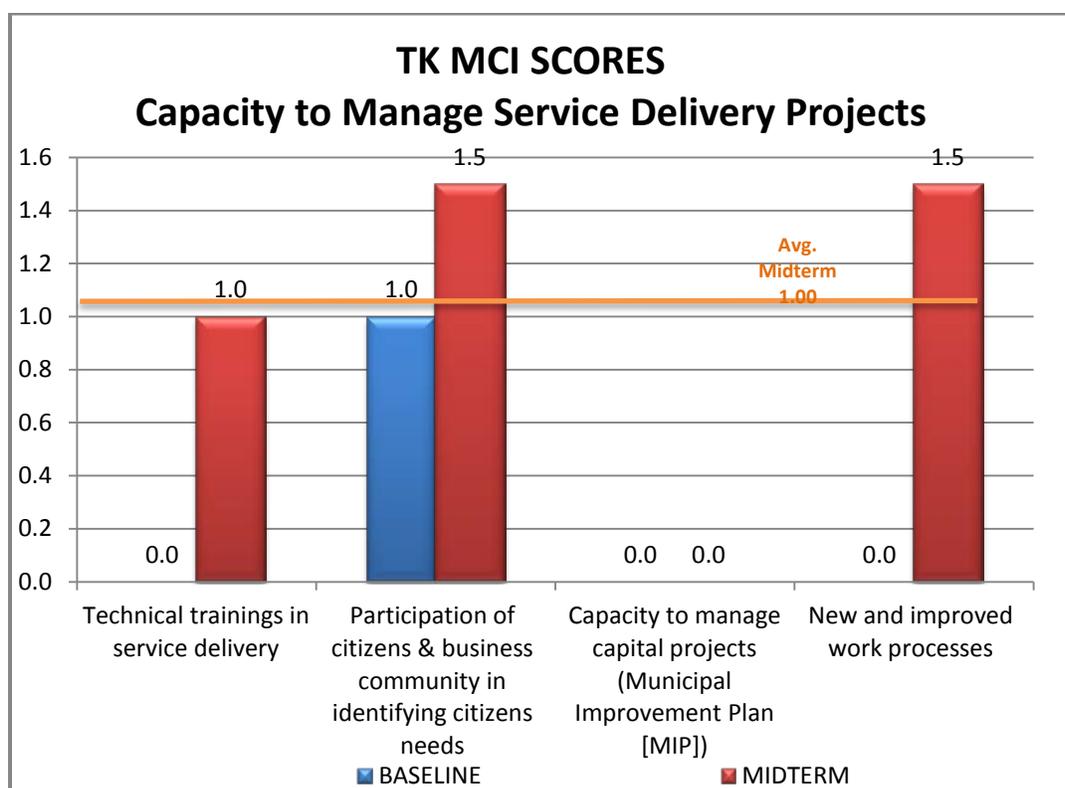
3.3 Capacity to Manage Capital Projects (Municipal Improvement Plan [MIP])

The municipality maintained its score of zero from the baseline assessment for this indicator. Although infrastructure projects are funded through the municipal budget, the municipality is not managing its own municipal improvement plan. Provincial development plans do exist, however these are not managed by the municipality. The municipality has demonstrated a limited capacity to monitor and implement projects

due to a lack of engineering staff. Nascent efforts are underway to fill relevant vacant *tashkeel* positions so as to increase the capacity of the municipality to fund and manage capital-intensive projects.

3.4 New and Improved Work Processes

The municipality was able to increase its score over the baseline from zero to 1.5 under this indicator. The Tirin Kot municipality still has relatively few staff members who have the basic skill set, knowledge and experience to be candidates for trainings on work processes analysis and improvement, although this has significantly improved from the time of the first assessment, when it did not have any staff members familiar or knowledgeable in work processes analysis. The municipality has announced a number of internal vacancies and appropriate candidates for the positions of solid waste manager and revenue officer have been identified and are pending IDLG's final approval. This is significant as it will mean two additional permanent staff members in the municipality. While trainings in payroll have been provided to the district and finance managers, trainings on new and improved work processes have not yet been instituted but are anticipated in year three.



4. Transparency and accountability

4.1 Policy Coordination with GDMA and Municipal Officials

The municipality received a score of 2 in the second MCI assessment, which was a significant improvement over its baseline score of zero. At the time of the initial assessment, little to no coordination between municipal officials and GDMA/IDLG on the development of municipal policy, systems, or procedures was apparent. Now, the mayor participates in and raises issues of concern in weekly administration meetings with the provincial governor and line directors. The municipality also has a process for sharing and taking suggestions from other line departments. The mayor moreover, enjoys a direct line of contact with GDMA and IDLG representatives and receives guidance on urgent matters over

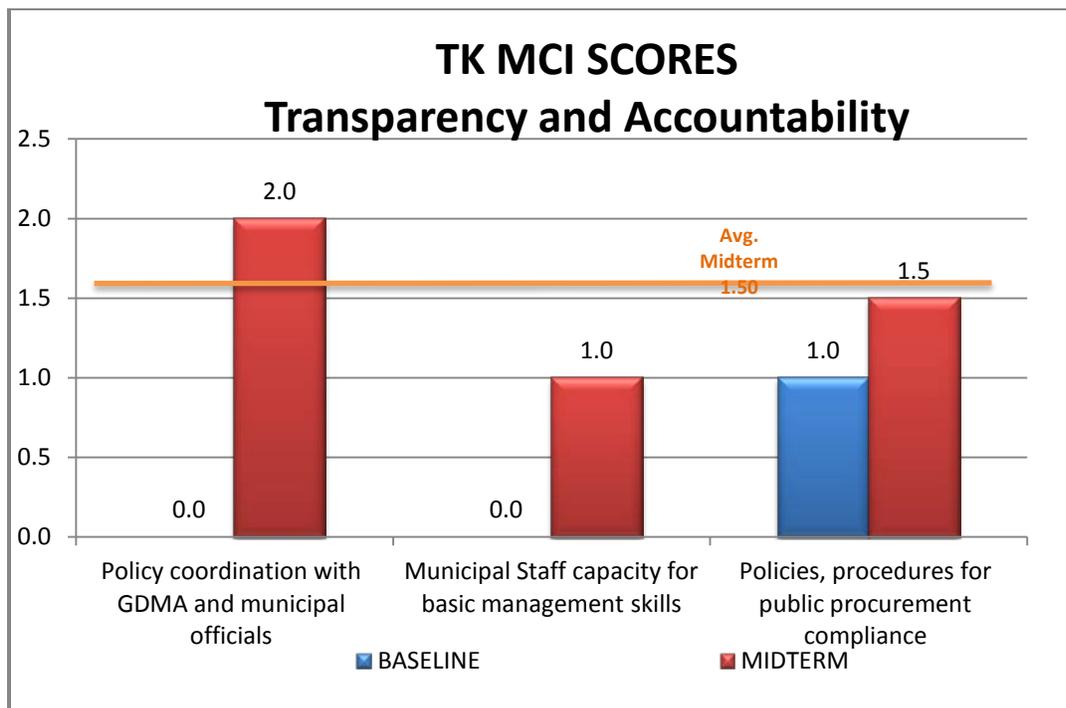
the phone on a regular basis. Furthermore, both parcel registration and business licensing in addition to the budget approval process are coordinated with the GDMA and IDLG.

4.2 Municipal Staff Capacity for Basic Management Skills

The municipality scored zero under this indicator in the baseline assessment reflecting that the municipality was providing little to no management skills training for municipal staff. Municipal employees have now taken part in a number of basic administrative trainings on a variety of topics, including MS Word, MS Excel, filing management, supervisory training, and on taking meeting minutes, which is indicated in their improved score of 1. Trainees are moreover using the skills gained from these trainings to complete their day-to-day work. More advanced administrative trainings on topics such as project management and financial management have not yet taken place but are anticipated in year three.

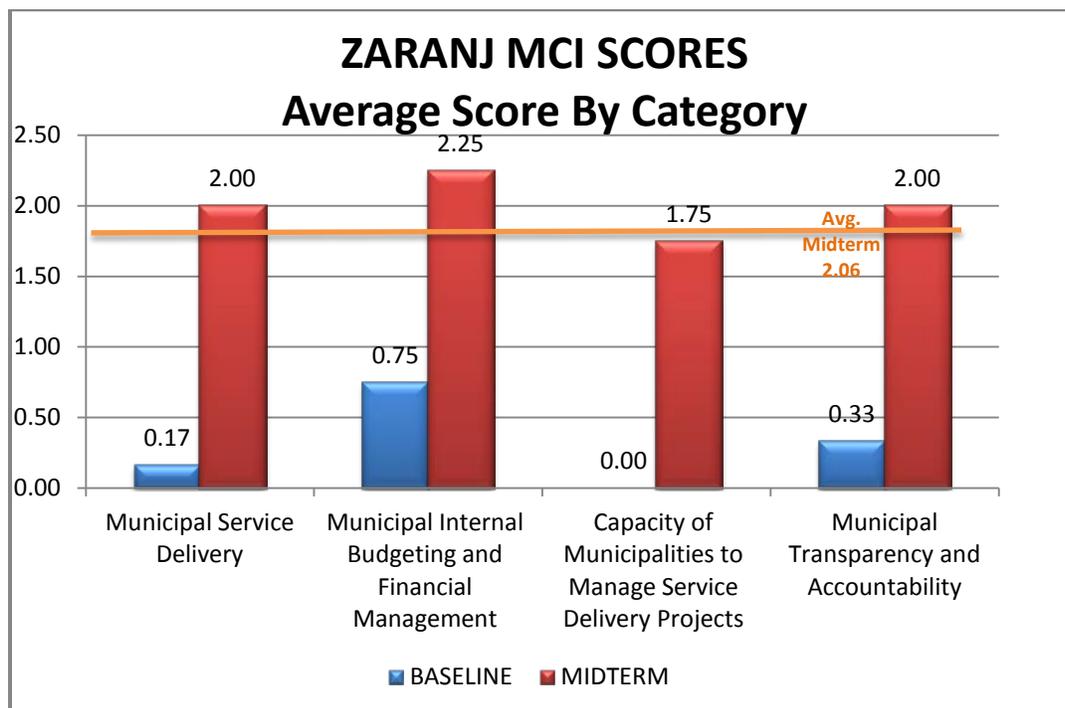
4.3 Policies, Procedures, for Public Procurement Compliance

The Tirin Kot municipality improved its score by 0.5 over the baseline assessment of 1 point, reflecting an improvement in compliance with the public procurement system. A public procurement system is in place and actively implemented at a minimal level. Municipal employees are clear on GIRoA procurement policies and procedures, although they have not yet been formally trained by GDMA. An annual audit takes place by GDMA when the budget for the new fiscal year is prepared. At this stage, the municipality's functions and roles in the procurement process are not clearly defined and employees are not clear as to who prepares tender documents and public procurement notices and what the role of an evaluation committee is. There are no formalized, internal guidelines and policies in place for public procurement.



Zaranj

Zaranj municipality witnessed considerable improvements along all four dimensions of the MCI index, particularly in the areas of municipality policies, procedures, and processes for the provision of citizen services, and in parcel registration, budgeting, and own-revenue collection. Zaranj emerged with a solid score of 34, with an average score per indicator of 2 out of 5. This represents an increase of 29 points over the baseline score, or an increase of 34 percentage points.



1. Municipal Service Delivery

1.1 Citizens Services

In the baseline assessment, the municipality received a score of zero since it did not have an adequate mechanism in place for responding to citizen requests for information about services. In the second MCI assessment, the municipality received a score of 1 as basic mechanisms for sharing information on municipal services are now in place, particularly with respect to business owners. The local business community is represented by an elected member who shares the concerns of the business community and advocates for shopkeepers vis-à-vis the mayor and general public. The municipality also hired a contract messenger or announcer (called a *Jarchi*) who disseminates messages on behalf of the municipality to the populace. These are positive advances. However, in the absence of a formal citizen feedback and response mechanism, it is often difficult for the public to obtain specific information on municipal services. Moreover, although a log book for documenting citizen concerns exists, there is no systematic process for tracking and resolving these concerns. It is anticipated that a citizen service desk tasked with providing citizens with information on municipal services and responding to petitions will be established in year three of the project with support from the mayor.

1.2 Policies, Procedures, Processes for Provision of Citizen Services

The municipality was able to significantly improve its score under this indicator from zero to 2 points as defined policies and procedures are now in place for licensing and permit issuance and the municipal licensing and permit department follows these procedures. Moreover, customers are for the most part aware of the general services provided by the municipality. With the hiring of two new *tashkeel* employees, it is expected that the licensing and permit department will further enhance its ability to streamline existing procedures. Moving forward, the municipality will need to focus on updating and improving permitting and licensing procedures so that these services are more widely available to local residents.

1.3 Parcel Registration

The Zaranj municipality did not have any systems and procedures in place for registering parcels at the time of the first assessment, earning it a score of zero for this indicator. Since that time, substantial progress has been made and the municipality was able to improve its score to 4. The municipality is in the process of both registering parcels and collecting taxes on registered parcels. A coordinated effort between the municipality and the department of electricity led to more stringent enforcement of an ordinance specifying a 15-day grace period for submitting *safayi* taxes before electricity provisions would be terminated. This resulted in increased and timelier *safayi* payments. Proceeds from *safayi* taxes are deposited directly into the municipality's bank account. Business licensing has also begun in Zaranj with some licenses already issued. The municipality assesses businesses annually for licensing purposes in which the *Kalantar* acts as an intermediary between shopkeepers and the municipality.

1.4 Manual Records and Systems for Permit and Licensing

The municipality received a score of zero under this indicator in the baseline MCI assessment, which reflected that the municipality still retained its permit and licensing records in manual form and that information on processes and procedures for permitting and licensing were incomplete. While overall bookkeeping and document tracking are still conducted manually, the municipality is updating some procedures for permit and licensing services in anticipation for transitioning to the IFMS (Integrated Financial Management System), which earned the municipality a score of 1 in the second MCI assessment. Implementation of the IFMS in year three will help to fully automate business licensing and parcel registration processes and thus increase transparency and reduce opportunities for corruption.

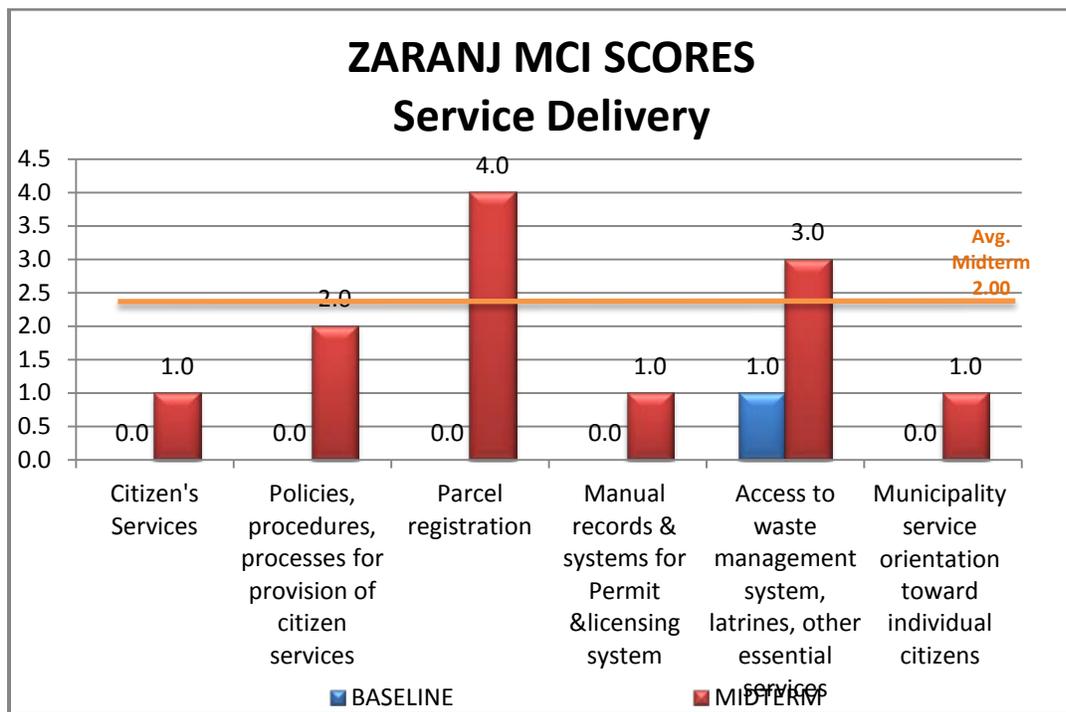
1.5 Access to Waste Management System, Latrines, and Other Services

With a baseline score of 1, the municipality had taken steps to begin implementing SWM and other key services and had initiated necessary trainings for staff. Now, an effective and systematic SWM system is in place in Zaranj municipality and waste is being collected regularly from community metal skips, static concrete bins, and other disposal points utilizing dump trucks provided by the RAMP UP-South project and the municipality. The regularization of services is reflected in the municipality's updated score of 3 in the second assessment. RAMP UP-South and municipal resources are moreover, used collaboratively to ensure citywide access to SWM services. Fifty concrete bins were erected across the city and a number of skips will be procured to further facilitate SWM. The municipality also constructed a new latrine in the city center, which will complement three existing public latrines to help improve sanitary conditions in the city. A number of trainings were also provided to municipal SWM employees to further educate them on basic SWM concepts and how to fund, manage, and deliver SWM services throughout the municipality.

1.6 Municipality Service Orientation Toward Individual Citizens

The municipality increased its score from zero to 1 in the second assessment, reflecting its progress from not having any organizational and citizens' relations programs to having some informal, feedback-gathering mechanisms. The municipality holds a number of community events to solicit feedback from

citizens. To encourage citizen participation and feedback on municipal affairs, the municipality holds monthly meetings with local *Kalantars*, who serve as intermediaries between shopkeepers and the municipality. At these meetings information on municipal services such as business licensing is shared and issues or conflicts are addressed. In the event that issues are not resolved through the local *Kalantars*, public town hall meetings are held. These events however, have not been institutionalized. RAMP UP-South will work with municipal outreach staff to develop an appropriate mechanism to collect and process citizen suggestions in year three.



2. Internal administrative, budgeting and financial management

2.1 Budget System

The municipality earned a score of 1 under this indicator in the baseline assessment as a budget process was in place but the municipality had failed to adopt an annual budget plan by the deadline set by IDLG. In the second assessment, Zaranj municipality's score improved to 3, reflecting that a sound budgeting process is in place, which encompasses operational and maintenance costs, and municipal employees demonstrate a good understanding of the importance of compliance with the budget process and with the provisions and deadlines set by IDLG. Moreover, a number of municipal staff in the budget and finance offices have undergone extensive trainings on the budgeting process, including how to accurately project operational and maintenance costs, as well as plan for city-wide development expenses. The skills and knowledge gained from these trainings were used by the staff to formulate a more accurate and timely 1391 municipal budget. As a result, the 1391 budget contained limited errors and was approved by the IDLG in record time – just 20 days as opposed to the six months it took to get the previous year's budget approved. The municipality still needs to improve its citizen feedback processes in order to more effectively promote community involvement in prioritizing municipality-funded initiatives. The municipality has also not yet implemented an automated budgeting system to streamline the budget process.

2.2 Accounting System

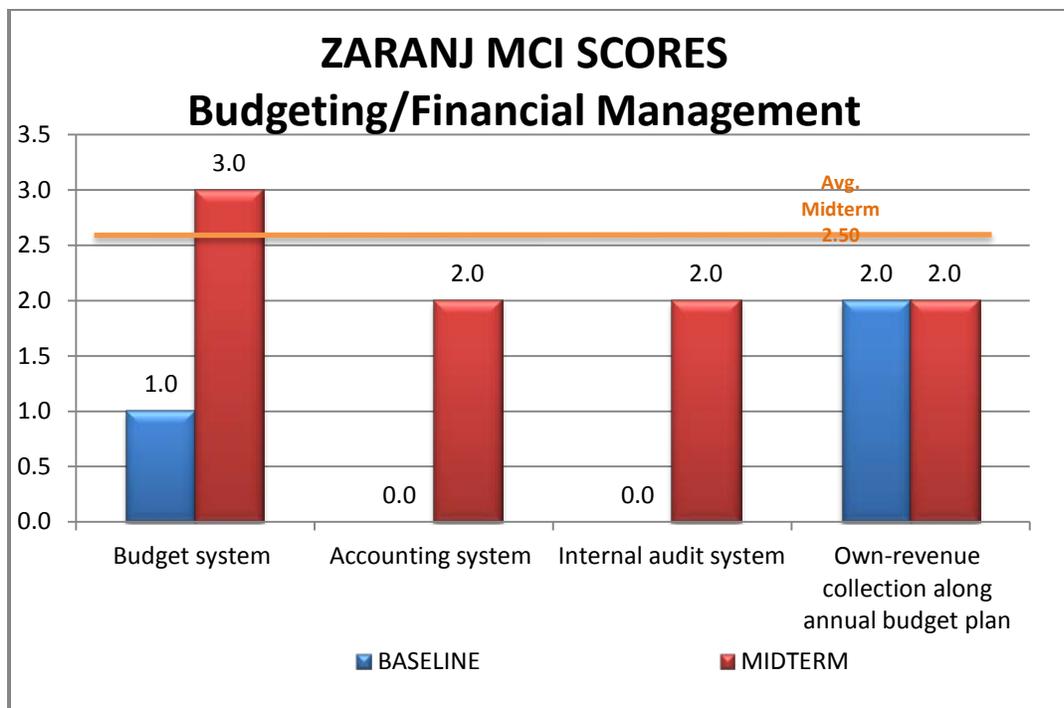
In the baseline assessment, the municipality received a score of zero reflecting that it did not have a functional financial mechanism in place to perform accounting functions. Now the municipal accounting system is fully functional; however, automated procedures have not yet been put into place in Zaranj, which earned the municipality a score of 2 in the second assessment. Payroll and other functions are carried out manually using excel spreadsheets and municipal log books. Little computer literacy exists among the municipality's older managers and many automated functions are carried out by hired contractors who tend to be younger in age. Extensive MS Excel trainings have been provided to municipal employees who manage payroll and other functions, which has helped contribute to more accurate (although not error-free) accounting.

2.3 Internal Audit System

The Zaranj municipality received a score of zero in the baseline assessment since the municipality did not have a mechanism in place for monitoring revenue collection at that time. In the second assessment, the municipality received a score of 2 reflecting not only that systems for collecting and tracking revenue now exist, but that the municipality responsibly collects more than 50 percent of the municipal own-revenues that are available. Its inability to collect a greater portion of revenues derives primarily from inefficiencies and opportunities for corruption. Formalized guidelines for documenting and tracking revenue collection, as well as greater auditing functions are needed to address this issue. With the full implementation of the IFMS, municipal revenue sources will begin to be tracked through an integrated financial system, promoting greater transparency and more full and timely collection of revenues.

2.4 Own-revenue Collection Along Annual Budget Plan

Zaranj municipality maintained its score of 2 in the second assessment, as it continued to collect between 51% and 75% of its planned revenue. While the municipality currently collects about 50 percent of its overall estimated revenues, the municipality has made considerable progress in its collection of revenues through parcel registration and business licensing with a collection rate of almost 90 percent. By more systematically tapping into all sources of revenue, the municipality can increase the percentage of own-source revenue it collects. Moreover, extensive budgeting training has helped the municipality to establish more realistic budgets and revenue collection targets, which will improve collection rates in the mid-to-long term.



3. Capacity of municipality to manage service delivery

3.1 Technical Trainings in Service Delivery

In the baseline assessment, the municipality received a score of zero as the municipality was not offering technical trainings at that stage. The new score of 1 reflects the fact that a number of municipal officials have completed some basic technical training in SWM, budgeting, parcel registration, and business licensing and more advanced trainings are planned to take place during year three of the RAMP UP-South program. The Zaranj municipality has begun mapping training needs among municipal officials to better prioritize trainings moving forward. Considerable progress has been made as a result of these trainings in helping, among other things, to automate payroll functions and mechanize the municipality's filing management system. RAMP UP-South has increasingly invested in both equipping and training municipal employees to build municipal capacity to deliver services to citizens.

3.2 Participation of Citizens and Business Community in Identifying Citizen Needs

The municipality received a score of zero in the baseline assessment as the municipality did not conduct any citizen participation activities to learn about citizen and business needs. The municipality has now held a number of events and workshops to orient, share, and relay messages to citizens, including budget awareness meetings, women's day events, and municipal law workshops, which earned it a score of 2 in the second assessment. However, most events are not open to the public at large, which limits the extent to which they capture citizen and business community input. More formal types of feedback mechanisms have also not been established and will be an area of focus in year three.

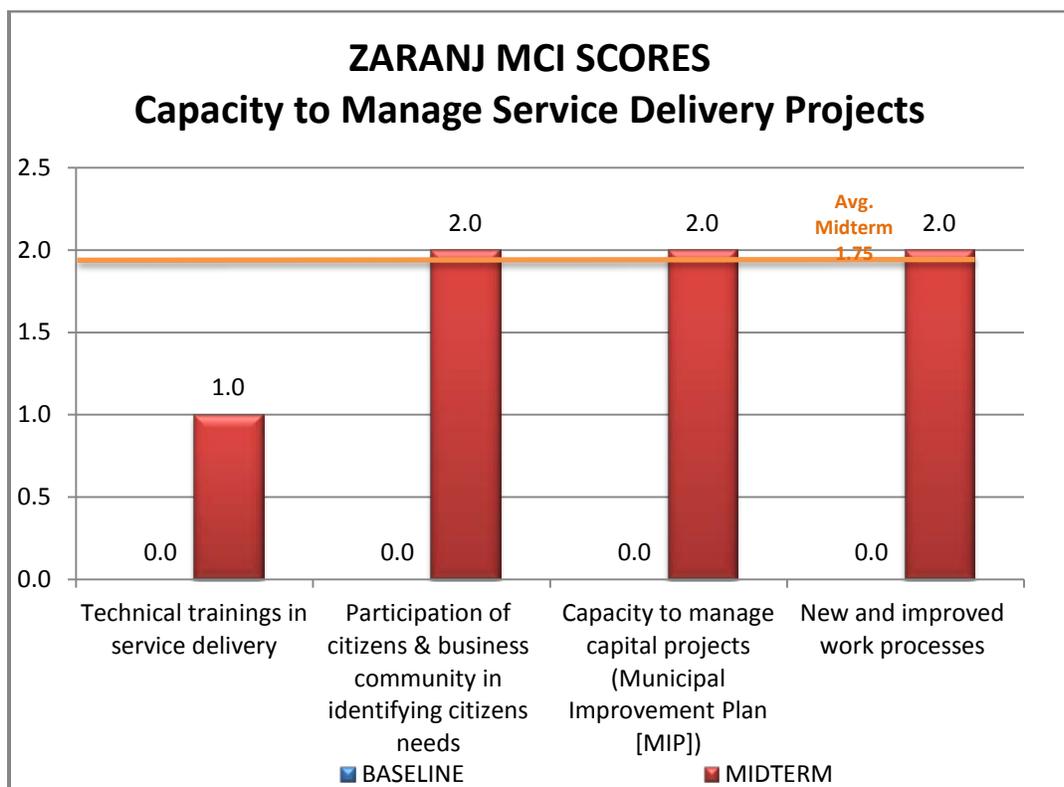
3.3 Capacity to Manage Capital Projects (Municipal Improvement Plan [MIP])

The municipality received a score of zero in the baseline assessment as it did not have a municipal improvement plan, or the ability to manage such a plan. The Zaranj municipality now has an approved municipal improvement plan and is working to establish concrete policies, procedures, and systems for managing the MIP. This is reflected in an improved score of 2 in the second assessment. A lack of

technical knowledge and an inability to independently manage activities under the MIP, as well as to procure appropriate equipment for activities, however, remain hurdles to effective implementation of approved MIP initiatives. Long-term training programs, specifically in project management, are crucial to ensuring the sustainable provision of municipal services in Zaranj.

3.4 New and Improved Work Processes

The municipality was able to increase its score over the baseline from zero to 2 under this indicator, as there are now municipal staff who are receiving training on at least one new or improved work process. The Zaranj municipality is working to improve work processes, notably in the establishment of a citizen service desk. As with the other municipalities, Zaranj follows the guidelines, processes, and procedures formulated by GDMA and IDLG and any modifications or enhancements to work processes are typically approved in Kabul.



4. Transparency and accountability

4.1 Policy Coordination with GDMA and Municipal Officials

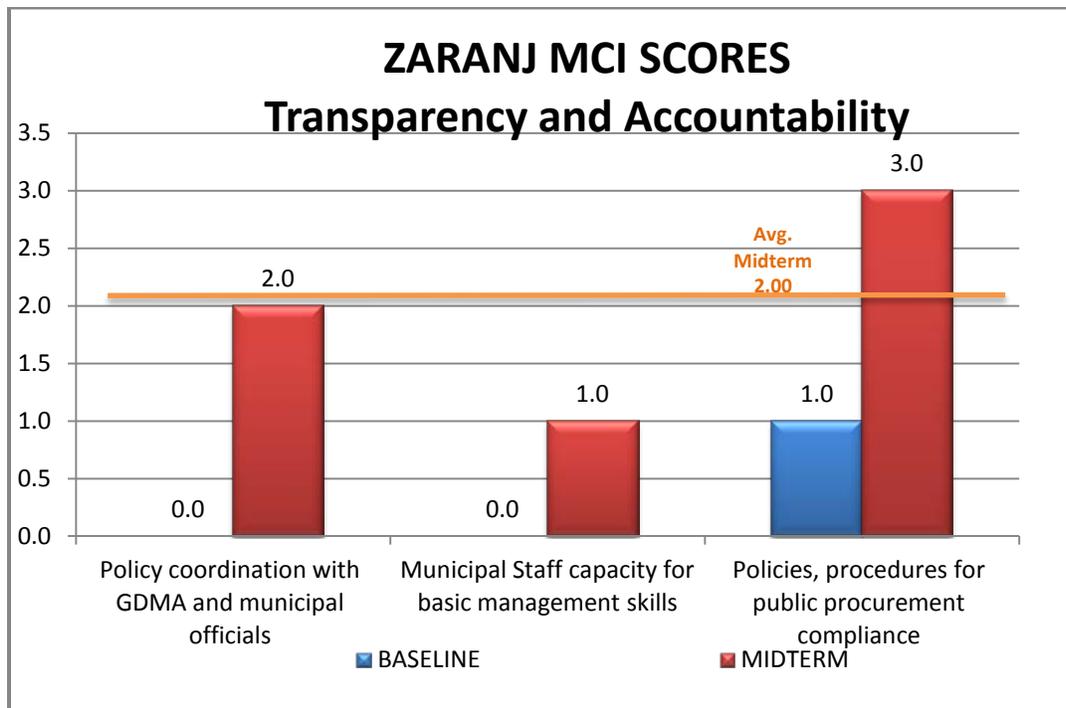
The municipality received a score of 2 in the second MCI assessment, which was a significant improvement over its baseline score of zero. At the time of the initial assessment, little to no coordination between municipal officials and GDMA/IDLG on the development of municipal policy, systems, or procedures was apparent. Now, effective communication channels are in place between the mayor and GDMA/IDLG. The mayor typically speaks directly to the director general of the GDMA to resolve municipal issues that involve directives from Kabul. At the provincial level, the mayor participates and raises issues or concerns at weekly meetings with the provincial heads of department, in addition to directly communicating with the governor. Moreover, the Zaranj municipality follows the general policies, procedures, and work processes set out by GDMA, including all relevant forms and systems.

4.2 Municipal Staff Capacity for Basic Management Skills

The municipality scored zero under this indicator in the baseline assessment reflecting that the municipality was providing little to no management skills training for municipal staff. Municipal employees have now completed a number of basic administrative on-the-job trainings covering topics such as computer skills, managing meetings, setting agendas, establishing filing systems, and developing supervisory skills, which earned the municipality a score of 1 in the second assessment. Trainees are moreover using the skills gained from these trainings to complete their day-to-day work. The municipality is looking to offer its staff more advanced administrative trainings on topics such as project management and financial management and these trainings are anticipated in year three.

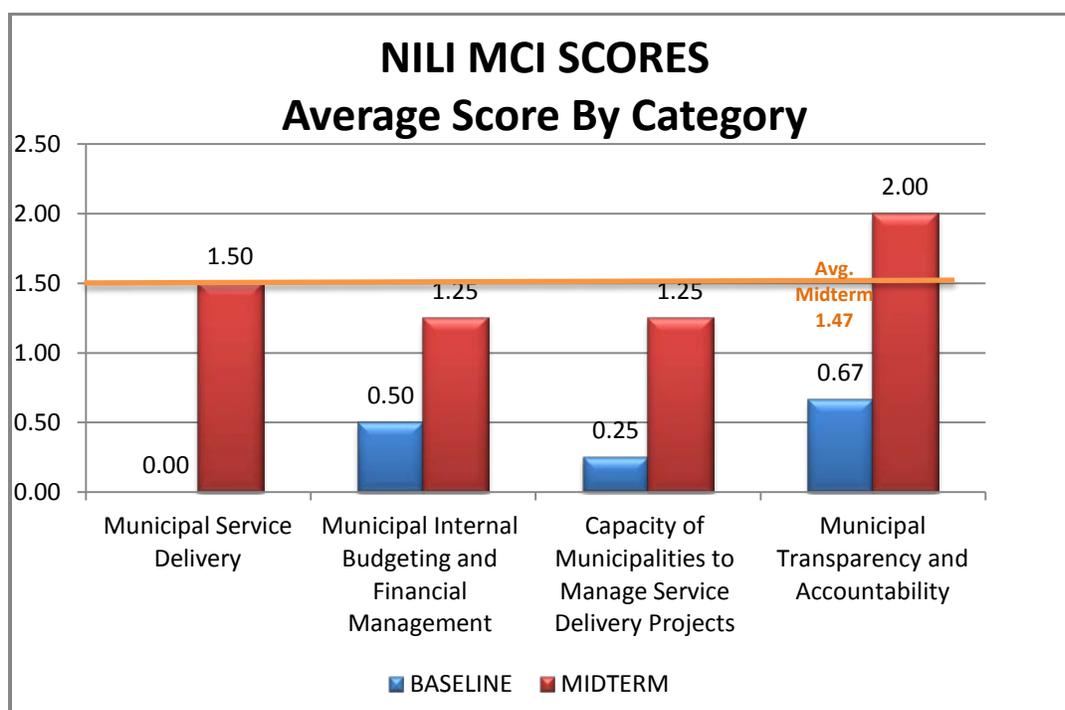
4.3 Policies, Procedures, for Public Procurement Compliance

At the time of the initial assessment, the municipality minimally complied with public procurement policies and procedures, earning it a score of 1 point. The municipality improved its score to 3 in the second assessment, as municipal officials are now aware of standard tender documentation and are in the process of preparing internal guidelines on direct agreement implementation. The Zaranj municipality continues to follow the rules and procedures defined in the GIRoA public procurement laws. The municipal administrative department is responsible for all purchases and follows the established quotation and purchase standards in GIRoA procurement law. While a new procurement policy has been developed and distributed to the municipality by IDLG, municipal staff have not yet taken trainings on how to implement the revised guidelines. There is still a need to formalize internal guidelines and to more effectively train staff in public procurement processes.



Nili

Nili, the capital of Daykundi Province, is the least accessible and most remote provincial capital among all of the target municipalities; therefore, service delivery and revenue collection to sustain municipal activities to the populace remain a challenge. Despite these challenges the Nili municipality made considerable progress across all four dimensions of the MCI. Performance improved in the provision of citizen services as well as soliciting and engaging citizens in service delivery and the decision making process. Consequently, Nili scored 25 out of 85 points, with an average score of about 1.5 out of 5. This score represents an increase of 20 points over the baseline score of 5, or an increase of 24 percentage points.



1. Municipal Service Delivery

1.1 Citizens Services

The initial baseline score in Nili under this indicator was 0. It has increased to 1 as a basic mechanism of information-sharing regarding municipal services, specifically with business owners, is now in place. The Nili business community is represented by an elected member (*Kalantar*) who advocates for shopkeepers in meetings with the mayor and the general public. Although a log book for citizen complaints exists, the municipality still does not have a formal system to track such applications to address citizen complaints or resolve citizen concerns. Meanwhile, a municipal information service desk has not yet been established, thus there is no formal mechanism in place for citizens to obtain information on municipal services or to file petitions.

1.2 Policies, Procedures, Processes for Provision of Citizen Services

The initial baseline score for Nili was 0 as there were no defined policies, procedures, or processes for the provision of municipal services to citizens. In the second assessment, Nili received a score of 1. The municipality has initiated a business licensing process, with some licenses already issued. The municipal

licensing and permits department follows basic manual procedures for licenses and permits and the municipality is in the process of updating documentation to eventually migrate to an electronic database. The municipality annually assesses businesses in the city to be licensed.

1.3 Parcel Registration

Nili's baseline score was 0 as the municipality had no systems or procedures for registering parcels. It has now jumped to a score of 3. The municipality has begun the process of parcel registration and as a result will be in a position to collect *safayi* taxes on registered parcels.

1.4 Manual Records and Systems for Permit and Licensing

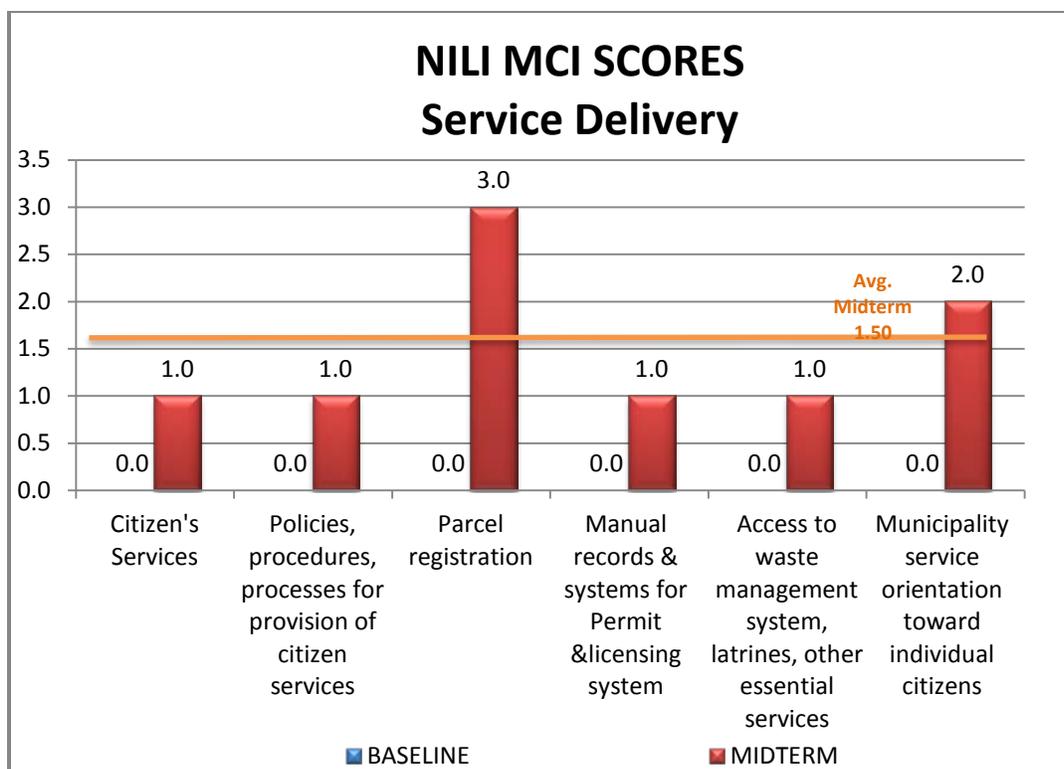
Nili scored 0 in the baseline assessment as it kept its permits and licensing records in manual form and information on processes and procedures were incomplete or out of date. Nili earned a score of 1 following the second assessment as the municipality is now in a transitional stage where bookkeeping and document tracking systems continue to be handled manually but efforts have been made in preparation for the eventual migration to data-based systems. RAMP UP-South is providing assistance to ultimately move the municipality towards an automated system, thus increasing transparency and deterring corruption.

1.5 Access to Waste Management System, Latrines, and Other Services

Nili's baseline score for this indicator was 0 as there were no solid waste management systems, latrines, or beautification projects available to citizens at the time of the first assessment. The municipality's current score of 1 reflects the steps the municipality has taken to implement waste management programs. RAMP UP-South provided the municipality with two tractors equipped with waste collection and water tanker trailers. This is in addition to a one month pilot cleaning program in the business district, in which hundreds of trash bins were distributed throughout the city. RAMP UP-South will support the municipality to implement a holistic 6 month long city cleaning project in year 3 to cover the entire municipal area of responsibility. In addition, construction of a latrine adjacent to the city and near the planned bus terminal is underway.

1.6 Municipality Service Orientation Toward Individual Citizens

Lacking organized citizen relations program, Nili's baseline score was 0. Currently, with a score of 1, Nili has administration policies and procedures for handling complaints and suggestions and also takes steps to address those complaints and suggestions. Although not formally institutionalized, the municipality now holds a number of community events to both solicit feedback from citizens and involve them in the decision making process. The feedback process from business owners is usually led through *Kalantars*. There are regular municipal-*Kalantar* meetings where information is shared and issues or conflicts are resolved. If and when issues could not be settled through representatives, then public town hall meetings are held.



2. Internal administrative, budgeting and financial management

2.1 Budget System

In the baseline assessment, Nili scored 0 as there was no budget process or demonstrated understanding of the importance of compliance with the provisions for budget adoption. The municipal *tashkeel* positions of revenue manager and finance/administration manager are now filled and both individuals demonstrate a basic understanding of the importance of compliance with budget processes and with the provisions, timelines, and deadlines set by IDLG, earning the municipality as score of 1 in the midterm assessment. Throughout the year, embedded Component 3 revenue generation advisors provided trainings on budget preparation, including operations and maintenance cost projections as well as planning specific development expenses, to ensure a firm understanding of budgeting processes.

2.2 Accounting System

Nili's baseline score for this indicator was 0 as the municipality had no capacity or mechanisms to perform accounting functions. The municipality scored 1 in the midterm assessment given that a basic accounting system that can produce periodic reports is now in place. With the exception of an automated payroll system, all accounting functions remain manual. With the implementation of IFMS in year 3, automated accounting functions will be introduced.

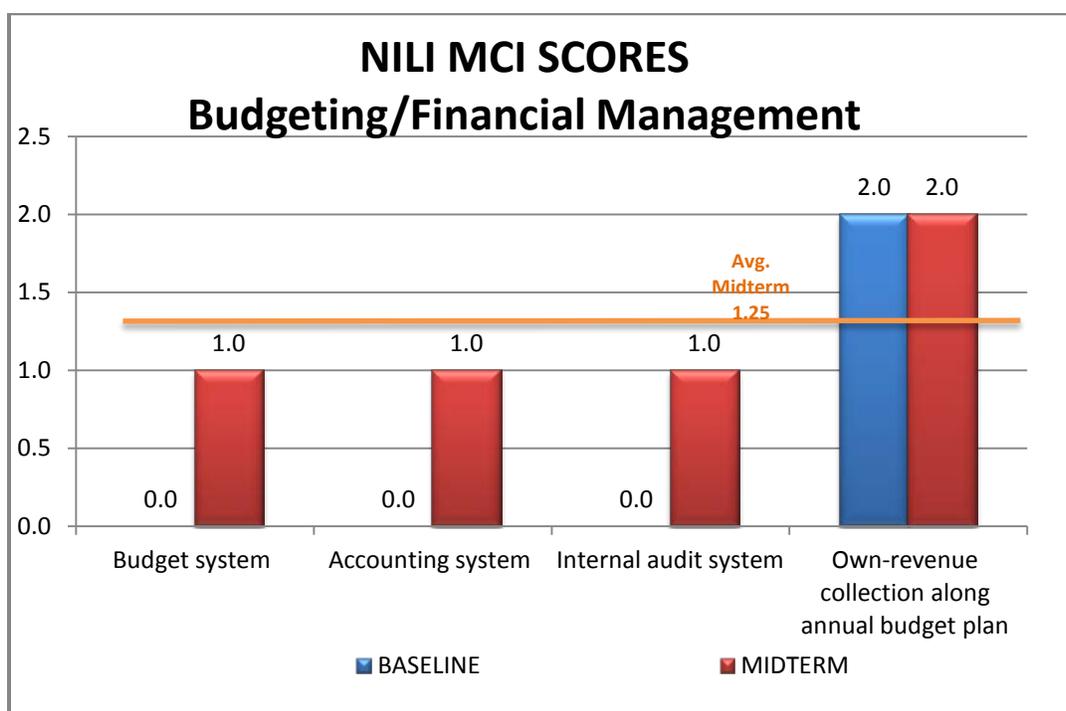
2.3 Internal Audit System

With no mechanism for monitoring revenue collection, Nili received a baseline score of 0 for this indicator. The municipality's latest assessment score is a 1. Revenues are collected from more than two major sources however the municipality still fails to adequately monitor the actual execution of the planned revenues, resulting in poor execution of planned revenue collection. The revenue reporting and budgeting mechanisms, although manual, remain fairly transparent as they go through multiple internal departments and intergovernmental agencies for review. Municipal employees understand and adhere to the laws

pertaining to budgeting while preparing municipal development plans. Overall, a fair manual record keeping process is in place. Nili will see improvement in this score with the roll out of IFMS, which includes a revenue management database.

2.4 Own-revenue Collection Along Annual Budget Plan

Nili's baseline score for this indicator was 2. Nili primarily collects most of its revenues from business licensing and land sales, in addition to other sources of revenue. Compared to the other municipalities, there are fewer sources of revenue from which the municipality can systematically tap into. The municipality has a log book to monitor bank receipts from collections, but monitoring the execution process of projected revenue is still a challenge. The municipality is not yet able to independently estimate projections for revenue collection. All revenue sources will ultimately be integrated into the IFMS system, which will ultimately allow for a more comprehensive and timely collection of revenues. Thus Nili's current score remains a 2



3. Capacity of municipality to manage service delivery

3.1 Technical Trainings in Service Delivery

Under the baseline assessment Nili received a 0 as there were no technical trainings available through the municipality. Currently, the municipality has been assessed a score of 1 as some basic technical trainings are now available. Given that few technical *tashkeel* positions are filled, the municipality is not in a position to independently provide technical trainings to its personnel. However, a few technical *tashkeel* staff received basic technical trainings such as parcel registration and waste accumulation site management. Meanwhile, a number of trainings on various key aspects of the SWM process have also been provided to SWM employees.

3.2 Participation of Citizens and Business Community in Identifying Citizen Needs

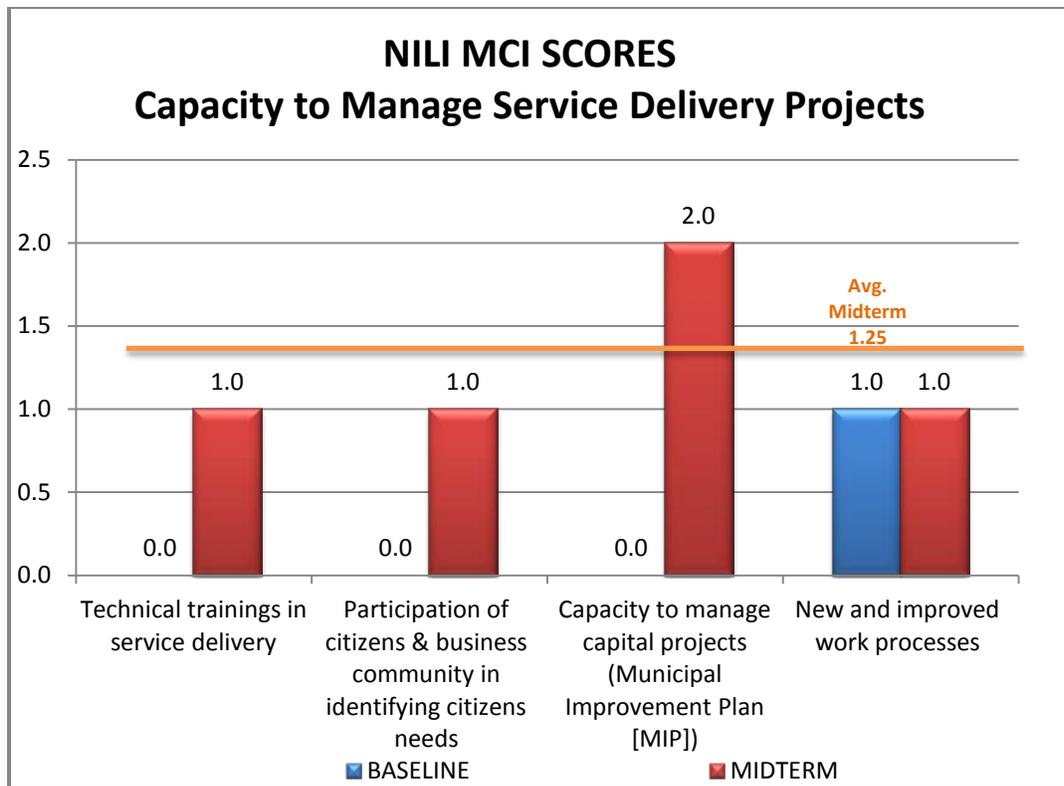
At the time of the baseline assessment, Nili did not have a mechanism in place to collect citizen feedback and learn about citizen or business needs. Thus the municipality's baseline score was 0. The municipality has now held a number of events and workshops to orient, share, and relay messages to the citizens on various municipal initiatives, including citizen budget awareness and parcel registration campaigns, a number of events targeted at women, and municipal law workshops. However, it is yet to conduct community or citizen surveys to solicit feedback from citizens on municipal functions and programs and their impact and efficiency. The municipality therefore received a midterm assessment score of 1.

3.3 Capacity to Manage Capital Projects (Municipal Improvement Plan [MIP])

Nili did not have a municipal improvement plan outlining municipal and citizen priority projects, and there was no ability in the organization to manage these types of projects, therefore Nili's baseline assessment score was 0. In the midterm assessment, Nili received a score of 1. Some infrastructure projects are funded through the municipal budget; moreover, provincial development plans exist, although the municipality is not part of their development. The municipality has a very limited capacity to monitor and implement capital projects mainly due to a lack of engineering staff. Nonetheless, efforts are made to fill these *tashkeel* positions.

3.4 New and Improved Work Processes

Nili's baseline score was 1 as there were a few staff members with the basic skills, knowledge, and background experience required to be candidates for training in work processes analysis and improvement. Although Nili has begun the process of mapping out training needs for *tashkeel* positions in work process improvement, and has already shown improved capacity in automating payroll, computerizing formal correspondence, and systematizing file management, more work is needed in this regard and the municipality maintained a score of 1. RAMP UP-South plans to invest in training municipal employees in office automation to ensure effective work processes are in place and are implemented.



4. Transparency and accountability

4.1 Policy Coordination with GDMA and Municipal Officials

As there was occasional coordination between municipal officials on the development of systems to enhance municipal management processes, Nili's baseline score was 1. The municipality's current score has been raised to 2 as some systems have been developed in coordination with IDLG/GDMA to enhance municipal financial management, revenue generation, and the provision of services. The mayor maintains a collaborative and effective working relationship with GDMA and shares and collects information by phone and email as well as through periodic visits to Kabul. In general, municipal financial management staff are familiar with GDMA/IDLG budget submission processes and follows all outlined guidelines. Regular reporting and local coordination mechanisms are in place, and the mayor participates in all provincial coordination and decision-making forums.

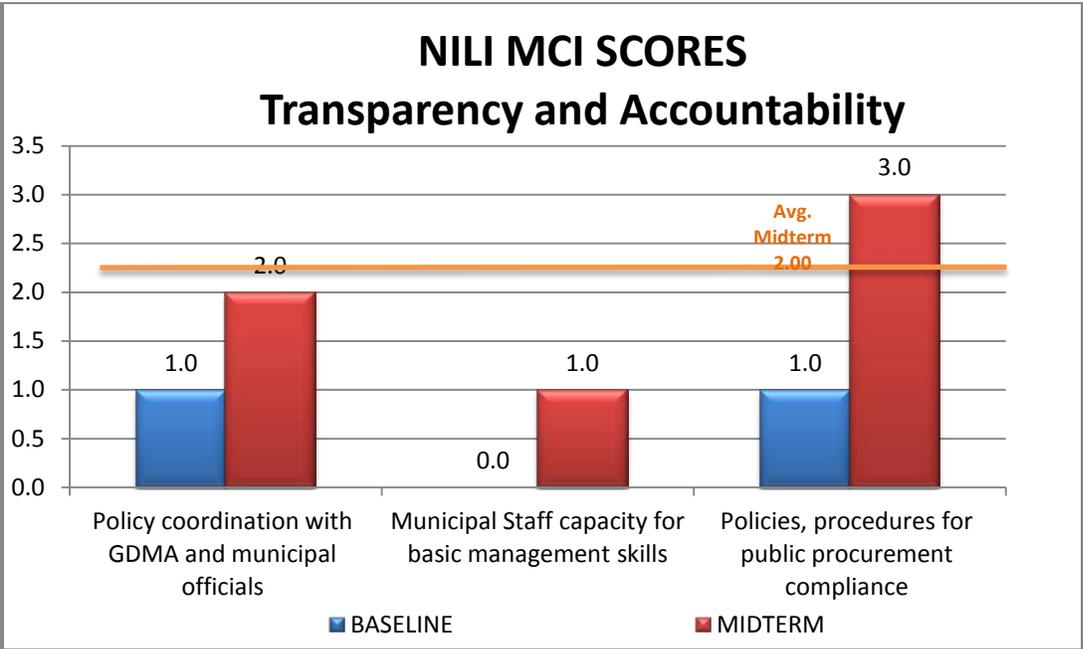
4.2 Municipal Staff Capacity for Basic Management Skills

Nili's baseline score for this indicator was 0 as the municipality did not provide any management skill trainings. The municipality has begun basic administrative trainings such as computer skills, meeting agendas, filing systems, and supervisory skills, thus earning a score of 1. Trainees are using the skills from these trainings daily in their job. The municipality is looking to offer its staff more advanced administrative trainings on topics such as project management and financial management in year three.

4.3 Policies, Procedures, for Public Procurement Compliance

Nili minimally complied with public procurement policies, procedures and its laws and by-laws at the time of the first assessment. The municipality's functions/roles in the process were not defined and employees were not clear as to who prepared tender documents and public procurement notices and were also unfamiliar with the role of an evaluation committee. Nili therefore received a baseline score of 1. The midterm assessment score of 3 reflects that GDMA procurement guidelines are now for the most part

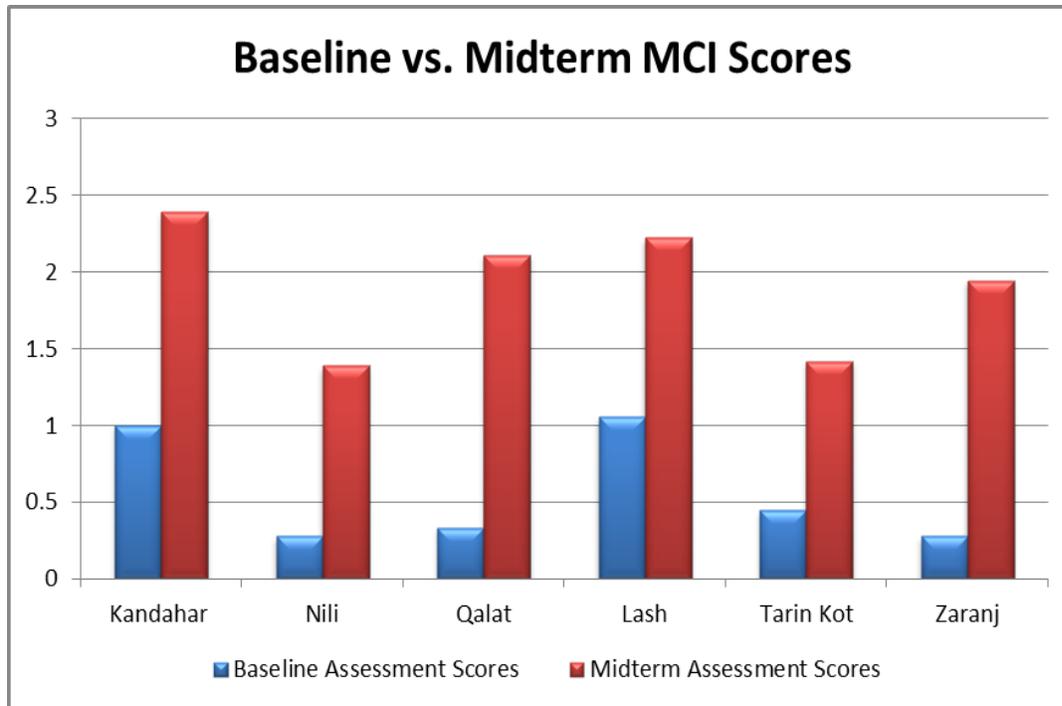
implemented. Although municipal employees still require procurement and core management trainings in addition to the basic management and computer skills they have acquired, they are now aware of standard tender documentation.



Conclusion

The municipalities of southern Afghanistan have reached a number of tangible milestones since the baseline assessment, and improvements in municipal capacity are evident in each of the four areas assessed through the MCI: municipal service delivery; municipal internal budgeting and financial management; capacity of municipalities to manage service delivery projects; and municipal transparency and accountability. Increased knowledge and enhanced administrative capabilities enabled critical improvements in service delivery by facilitating the establishment and implementation of sound municipal policies and processes in all RAMP UP-South municipalities. Better service delivery, in turn, bolstered the legitimacy of the municipal governments, enabling them to broaden their local tax bases and increase their mobilization of own-source revenues. These achievements have allowed RAMP UP-South's supported municipalities to become better able to design, implement, and administer local programs, while also increasing their revenue independence.

All municipalities receiving RAMP UP-South assistance progressed by at least 20 percentage points across all four dimensions. Enhanced budgeting processes and an automated payroll system, systematic land-parcel registration and business-licensing processes, effective solid-waste management, better-defined mechanisms for citizen engagement and increasingly robust municipal trainings are among the key achievements made by RAMP UP-South municipalities since the program was launched in 2010.



Kandahar municipality made notable improvements in establishing municipal policies and procedures for the provision of citizen services, and in improving citizen access to essential waste management services through the expansion of its SWM management program. Improved work processes and budgeting functions, better responsiveness towards soliciting and incorporating public opinion in municipal decision making, and the implementation of a more-transparent procurement process are some areas where Lashkar Gah made significant progress. Qalat municipality has made great strides in almost every dimension assessed by the MCI, most notably in budgeting, own-revenue collection, and processes for managing and tracking parcel registration, permitting, and licensing activities. Tirin Kot also witnessed considerable improvements including increased revenue generation potential and more-developed processes for soliciting and involving citizens in the municipal decision-making process. Zaranj municipality witnessed growth in a number of areas, including improved policies, procedures, and processes for the provision of citizen services, and in parcel registration, budgeting, and own-revenue collection. Nili municipality improved performance in the provision of citizen services and in soliciting and engaging citizens in service delivery and the decision making process, among other areas.

Yet despite this impressive progress serious challenges remain. The municipalities will continue to require sustained support in almost all program areas until a comprehensive transition to municipal ownership and accountability can be completed. This process is complicated by the inability of many municipal governments to attract and retain critical staff. The hiring process continues to be unnecessarily cumbersome, and is slowed by multiple layers of bureaucracy at both the provincial and national levels. Qualified staff are essential to ensure adequate technical capacity to sustain high-quality service provision and to both generate and manage revenues locally. Moreover, many of RAMP-UP South's supported municipalities are not yet able to identify their own capacity gaps and respond effectively without external mentorship and assistance. In addition, municipal governments often neglect cross-cutting issues such as gender, youth, and anti-corruption efforts in both long-term planning and as a matter of day-to-day administration, which may dampen the near and long-term effect of municipal programs aimed at promoting growth and stability.

Several themes stand out as areas for improvement and further attention among the municipalities: the need for better interaction between the municipality and citizens, including systematic collection and prioritization of service requests and dissemination of information about city policies; need for broader public participation in prioritizing municipal activities and decision-making; need for computerization of manual processes in order to increase efficiency, improve accountability and reduce accounting errors; need for better integration of revenue and budget information; need for increased fairness and transparency in the collection of taxes and fees, and the need for better working conditions and career development opportunities for municipal workers. Over the past two years, the RAMP UP-South project has helped the municipalities take concrete steps to address these needs and will continue to provide targeted support to ensure continued progress across all four dimensions of the MCI throughout the third year of the project. A key focus in year three of the program will be sustainability and skills transfer, ensuring that the municipal governments have the necessary resources to maintain the initiatives put in place, while promoting citizen engagement in government initiatives.