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

**ZARANJ CITY:
Municipal Capacity Index (MCI)
and Initial Management
Assessment**

May 2011

Contract No. 306-C-00-10-00527-00

Background

The Municipal Capacity Index (MCI) is a technology that was developed by Chemonics International in the Bosnian local governance context to conduct municipal capacity assessments. It was subsequently adapted to the Afghan environment as part of the RAMP UP-South project in the provincial capitals of southern Afghanistan. The methodology converts a complex set of qualitative data and presents it in a quantitative measurement for each municipality surveyed. The MCI surveys municipality capacity across the following four dimensions:

- 1 Municipal service delivery
- 2 Internal administrative, budgeting and financial management
- 3 Capacity of municipality to manage service delivery
- 4 Transparency and accountability.

Within each of the four categories, each question is graded on a five point scale. Most of the questions, unless otherwise stated, are following the same scoring progression:

- Zero point: The municipality is not in compliance with the law or ideas espoused by the program;
- One point: The municipality is compliant with laws or has reached a minimum standard;
- Two points: Some additional steps have been taken to improve;
- Three points: Further steps have been taken, or better integrated, or taken with a view toward longer term planning;
- Four points: Citizen feedback is incorporated into the change or a more formal and comprehensive procedures have been adopted;
- Five points: The municipality has reached the ideal level, impact is clearly recognized, and institutionalization is assured.

Scores are progressive. A municipality must meet all the criteria assigned to points 1, 2, 3 and 4 before it can be considered for 5 points. There were 18 questions used, so the maximum overall score for each municipality surveyed would be 90.

The tabulated data appears in Annex B and follows the rather jumpy approach of the original MCI questionnaire. For example, section 1, with the heading, “Municipal service delivery,” overlaps with section 3 which is entitled, “Capacity of municipality to manage service delivery projects.” Also, section 4, entitled “Policy and accountability,” misses some important developments for governance in the Afghan context that could have been added in this brief text. For purposes of comparison with cities elsewhere in Afghanistan, it was decided neither to redraft the questionnaire nor to rearrange the order in which points were made.

MCI Data will be made available and discussed with mayors to spearhead the reform process in the form of Municipal Management Improvement Plans (MMIPs) in their respective municipalities. MMIPs will be a blend of two elements tailored to each municipality. The first will be in infrastructure and service delivery interventions through the funding of physical investments. The second will promote institutional development and policy reform through technical assistance and training for municipalities in support of service delivery interventions.

Consequently, the MCI has a dual function: To highlight for the mayors the respective strengths and weaknesses identified in their municipal government which, in turn, will redirect the planning process to address previous shortcomings. For RAMP UP-South, the MCI is a tool to develop procedures for carefully monitoring and evaluating (M&E) project activities and for determining the pace and kind of results achieved by the project. As a tool to measure project performance, the MCI is expected to be conducted every six months to meet M&E requirements. As RAMP-UP South gains a greater understanding of the Afghan context, the MCI assessment will become more comprehensive.

Methodology

Component 1 team leader dispatched local staff on March 29, 2011 from Lashkar Gah on a bus journey which crossed two insecure districts, Delaram and Ghorghori. The latter is the old capital of Nimroz province. For two days, local staff remained in the vicinity of the city hall to conduct round of interviews with Mayor Mohammed Sarwar Nazari, the municipal staff and provincial council members. Subsequently, Component 1 expatriate staff verified the validity of the original findings with the newly appointed RAMP UP-South Municipal Program Coordinator who then became the project single point of contact and a reliable source of information.

City Profiling

Zaranj is the capital of Nimroz, a province located in the south-west of the country lying on the borders of Iran and Pakistan. It is linked by highways with Lashkar Gah to the east, Farah to the north, and Zabul in Iran to the west. Zaranj is situated in the border crossing between Afghanistan and Iran, a significant trading route between Central Asia and the Middle East. The city is now connected to the Afghan ring road thanks to a 215-km road between Zaranj and Delaram, a good example of Indian developmental work in a war-torn country, handed over to the Afghan government in 2009 despite the fierce opposition from the Taliban. The province is one of the several key provinces where the Taliban has been recently regrouping.

Nimroz province covers 41,000 km², a substantial part of which is desert area making it the most sparsely populated of the country. Like in the rest of Afghanistan, population estimates vary considerably depending on information sources. There are approximately 200,000 inhabitants in the province living mostly in rural areas and 60,000 inhabitants in the two city districts. Zaranj attracts a large number of Internally Displaced People (IDPs) coming from the rest of the 34 provinces of Afghanistan who seeks refuge in a more secure area of the country. It is considered as the fastest growing city in Afghanistan. Ethnically, only 27 percent are of Pashtun origin; the majority belongs to the Baloch group of tribes, traditionally and culturally regarded as secular. Women drive their own cars in Zaranj city, a rare sight in Afghanistan.

The city is currently wrestling with the inheritance of severe urban planning issues. Out of the seven urban plans, five have been implemented during the tenure of the last Soviet-backed president of the Republic Najibullah (1986-1992). During the interim and transitional government appointed in 2001, local land owners made use of new opportunities to sell their land at staggeringly high prices, assisted by opium lords and land mafias, without due consideration for the city plans. The city developed and widened anarchically towards the east and south, causing great congestion. Today 98 percent of the land is constructed without proper allocation of spaces for parks, roads and clinics.

ZARANJ CITY: MUNICIPAL CAPACITY INDEX (MCI) AND INITIAL MANAGEMENT ASSESSMENT

Key Findings

Zaranj city stands out among the crowd of Afghan cities, having all the defining traits of a typical border town. The proximity with Iran grants the city with a privileged access to electricity provision (24/7) and plentiful water resources.

The mayor of Zaranj, Mohammed Sarwar Nazari, is from a local wealthy trading family. A teacher training college graduate, his reputation is that of an incorruptible man and as a result he claims a wide popular support in the city. Hardworking and highly committed to improving the city, he practices an open door policy in the municipality, attending to citizens personally with their grievances. The mayor also adopts a highly consultative approach with his key staff. Only 13 positions are filled for the municipal office against the 90 envisioned in the manpower allocation or *Tashkeel* (74 temporary staff and 16 permanent staff).

The municipality still operates in a building that was designed by its own engineering unit and funded from its own budget back in 1385 (2006). In the near future, it will move into a new two-storey building located in District 1 with state of the art technology, some of which provided by RAMP UP-South.

Out of all its municipal responsibilities, Zaranj municipality performs relatively well on two accounts. First, municipality procedures and processes are driven by the centrally-controlled Independent Directorate for Local Governance (IDLG) in Kabul, some of them generating small revenue such as permits and licenses, which constitutes a positive step. Second, the municipality does misleadingly well in revenue collection and therefore attracts a high score. It regularly collects more revenue than previously anticipated due to its inability to plan effectively.

The Zaranj mayor is keen to attract further donor assistance. To start with, the municipality has no ability to buy vehicles intended for a garbage collection service and entirely depends on donors to fulfill such mission. In the recent past, donors have left small marks in Zaranj City. UN-Habitat has helped with a small garbage collection service in five pick-up points in the city. Last year, IRD constructed ditches and secondary roads and provided seeds as part of a small agricultural project. DAI assisted in setting up latrines in some selected crowded areas of Zaranj. However, no land registration project has been launched which would have assisted the municipality in expanding its tax base and raising its revenue.

Conclusions

Zaranj's municipal environment offers real scope for fruitful partnership with RAMP UP-South provided that the projects delivered will support in making Zaranj a cleaner, greener place to live. The forthcoming Municipal Management Improvement Plan or MMIP will crystallize as practically as possible how RAMP UP-South envisions its assistance to build the capacity of this institution.

ANNEXES

- A. Municipal Capacity Index Spreadsheet
- B. Graphs

Annex A Municipal Capacity Index Spreadsheet

<i>n.</i>	<i>Municipality capacity index Section / Question</i>	<i>Points</i>	<i>Answer</i>	<i>points</i>	<i>total</i>
		90			11
1	Service delivery	30	Municipal service delivery		0
1.1	Citizens services desk		<p>Municipality has Services Desk that is Accessible and Convenient</p> <p>0 Municipality has no Citizens’ Services Desk. If there is, the Desk is not accessible and/or inadequate</p> <p>1 Municipality has a basic Service Desk with staff providing limited information about services and has manual document tracking</p> <p>2 Municipality has an operational Service Desk staffed by persons who provide information about many services and are able respond to some questions about permits and licensing applications and procedures</p> <p>3 Municipality has a fairly complete operational Service Desk that has the potential of receiving fees for licenses and permits applications; has an accurate document tracking system; and, has a complaints mechanism in place</p> <p>4 Municipality has a completely operational Service Desk whose manual records are ready to migrate to database matched with a competent staff to handle the system. There is signage and/or written materials with explanations to citizens</p> <p>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</p>	0	0
1.2	Citizens services system policies, procedures, processes		<p>Municipality has Policies, Procedures and Processes for Attending to Requests for Services</p> <p>0 Municipality has no defined policies, procedures or processes</p> <p>1 Municipality has some defined and documented policies, procedures and processes</p> <p>2 Customers are aware of the municipal services and know where to obtain information about them</p> <p>3 Municipality has established ongoing evaluation and improvement of internal and external municipal services procedures</p> <p>4 Municipality has updated and improved the permits and licensing procedures and has made these services available in customers’ service desk</p> <p>5 Municipality has started to develop a 1-stop municipal service desk supported by information to customers through brochures, pamphlets, and process flow charts</p>	0	0
1.3	Permits & licensing system with processes		<p>Municipality has Functional Permits & Licensing System, with Established Processes</p> <p>0 Municipality has no systems and procedures created for all permits and licenses of which the municipality is responsible</p> <p>1 Municipality has established a functional systems and procedures for applying for and obtaining some permits and licenses</p> <p>2 Municipality has a customer service desk attended by competent staff able to give necessary information on relevant procedures and application documentation concerning permits and licensing</p> <p>3 Municipality has a dedicated customer service desk with improved permits and licensing system and has mainstreamed mechanisms for transparency to reduce the possibility of corruption and graft</p>	0	0

		<p>4 Municipality has an accessible, dedicated customer service desk attended by staff who are able to address legal and administrative issues concerning permits and licenses services and needs; with established fees for services visibly posted in the vicinity; and, a complaint box for customers</p> <p>5 Municipality efficiently operates a one-stop-shop operation for the whole system of permits and licensing procedures run by competent personnel and has an active mechanism for anti-corruption and graft in place</p>		
1.4	Manual records & systems for Permit & licencing system	<p>Municipality has up-to-date and Complete Manual Records and Systems that can be Migrated to Data-based Records Systems that Support Permits & Licensing Applications Procedures & Processes</p>	0	
		<p>0 Municipality keeps its records and data in manual form and information on processes and procedures are incomplete and/or out of date</p> <p>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 organizations</p> <p>2 Municipality permits photocopying of forms for customers and has the potential for internal electronic document tracking of applications for licenses and permits</p> <p>3 Municipality has started preparing all forms, procedures and processes for all services to enable them to migrate to data based application systems</p> <p>4 Municipality has efficient manual systems and procedures for internal document tracking and for municipal-specific records but is incapable of efficiently tracking procedures that are performed in external organizations</p> <p>5 Municipality is ready to migrate all forms, records, documents and procedures for all services to data based records</p>	0	
1.5	City zoning office	<p>Municipality has City Zoning Office and how effective it is</p>	0	
		<p>0 Municipality does not have any zoning regulation. The residential and commercial entities can build or rehabilitate any structure within the City boundaries without any prior approval by the local government</p> <p>1 Every property in the city has zoning classification that determines how the property can be used (permitted uses). Municipal zoning officials should be consulted for any information regarding interpretation of zoning district boundaries, ordinance text, or hard copy maps if they exist</p> <p>2 A permit is required for any use of land or structures other than a single family dwelling (for example, a commercial business, a multi-unit dwelling structure, etc.). Zoning approval is required for all new construction and for any changes in use of the property, including extensions/additions, garages, parking pads, fences, decks, signs, etc.</p> <p>3 Zoning office utilizes Geographical Information System (GIS) to convert the official paper maps on file in the Planning Office to a digital format using Geographic Information Systems (GIS)</p> <p>4 Assuming that zoning regulations are established and fully administered by the municipality, the municipal staffs are integrally involved in the development of these maps to ensure they are accurate. The maps are provided in PDF format</p> <p>5 The municipality offers customer service center where public/customers can come look at any public files. Municipal contact numbers have been listed for this purpose. The zoning office has established set operating hours. The municipality has established “Frequently Asked Questions” (FAQ)</p>	0	

1.6	Municipality service orientation toward individual citizens	Municipality is Service-Oriented toward the Individual Citizen		0	
		0	Municipality has no organizational and citizen relations programs and activities	0	
		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 & 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 becoming perceived as a citizen service-oriented municipality. There is publicity about the service desk that informs citizens about the services municipality provides for individual citizens		
2	Internal budgeting and financial management	20	Municipal Internal Budgeting and Financial Management		6
2.1	Budget system	Municipality has Budget Process, Budget Calendar and Complies with the Provisions and the Timelines Set in the Budget Rules and Regulations		1	
		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	
		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 in the budget laws but fails to adopt the annual budget plan by the deadline set in the budget law		
		2	Municipal administration have good budget process and demonstrates good understanding of the importance of compliance with the provisions, timelines and deadlines set in the budget laws and adopt the annual budget plan by the deadline set in the budget law. The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets		
		3	Municipal council is involved in the budget process. The governing body demonstrates understanding of the importance of compliance with all the provisions, timelines and deadlines set in the budget laws. The budget proposal is submitted by the administration to the municipal council for review and adoption		
		4	Municipality demonstrates good understanding of all the relevant laws that influence revenue collection and has transparent expenditure reporting procedure. The governing body and the administration promote 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 municipal administration and the municipal council demonstrate excellent understanding of the importance of compliance with all the provisions and the timelines and deadlines set in the budget laws and adopt the annual budget in time		

2.2	Accounting system	Municipality has Accounting Process, Accounting Calendar and Complies with the Provisions and the Timelines Set in Accounting Rules and Regulations	0	
		<p>0 Municipality has no financial mechanism in the accounting function. Accounting activities are recorded manually</p> <p>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</p> <p>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</p> <p>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</p> <p>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</p> <p>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</p>	0	
2.3	Internal audit system	Municipality has Internal Audit Process, Audit Calendar and Complies with the Provisions and the Timelines Set in Audit Rules and Regulations	0	
		<p>0 Municipality collects own-revenues but has no mechanism for monitoring revenue collection</p> <p>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</p> <p>2 Municipality responsibly collects more than 50 percent of the municipal own-revenues that are available according to the MC/MAs decisions but still fails to collect some revenues due to lack of proper decisions by MC/MAs in accordance with the higher level regulations</p> <p>3 Municipality responsibly collects most municipal own-revenues that are available according to the MC/MAs decisions and has basic software database to help manage the collection process. Municipal Councils have adopted all relevant decisions so that revenues from all possible sources can be collected by the municipality. 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</p> <p>4 Municipality responsibly collects revenues from most available municipal own-revenue sources. The data is effectively managed through the use of integrated financial 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</p>	0	

		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	Municipality Executes its Own-Revenue Collection in Accordance with the Annual Budget Plan		5	
		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 between 11-25% of the overall planned municipal own-revenues		
		2	Municipality collects between 26-50% of the overall planned municipal own-revenues		
		3	Municipality collects between 51-70% of the overall planned municipal own-revenues, and this can be reasonably attributed to having realistic budget planning methods that permit establishing realistic revenue collection targets		
		4	Municipality collects between 71-90% of the overall planned municipal own-revenues, and this can be reasonably attributed to having realistic budget planning methods that permit establishing realistic revenue collection targets. The municipality most of the time follows internal policies, procedures that regulate the revenue collection		
		5	Municipality collects between 91-100+% 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	5	
3	Capacity to manage service delivery projects	20	Capacity of Municipality to Manage Service Delivery Projects		0
3.1	Municipal grants	Municipal grants		0	
		0	There are no activities in developing grant-funding application skills	0	
		1	A person has been trained in grant-funding-related skills (i.e proposal writing and project management modules)		
		2	Trained person is successful in identification of at least one new source of grants funding during a given calendar year		
		3	Municipality submitted at least one completed proposal for potential grants funding during a given calendar year		
		4	Municipality submitted more than one completed proposal for potential funding during a given calendar year		
		5	At least one proposal has been approved for funding by potential donors during a given calendar year		
3.2	Participation of citizens & business community in identifying citizens needs	Participation of Citizens & Business Community in Identifying Citizen Needs		0	
		0	Municipality does not conduct citizen participation and/or similar activities, to learn about citizen and business needs	0	
		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		

		<p>3 Municipality has formal admin systems and procedures in place for capturing citizen and business community expression of needs</p> <p>4 Municipality concretely addresses at least one citizen and/or community need from each citizen and/or business community participation activity</p> <p>5 Municipality not only has an effective process in place, and concretely addresses at least one citizen and/or community need from each citizen and/or business community participation activity, 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</p>		
3.3	Capacity in managing Capital improvement projects (CIP)	<p>Municipalities' Capacity in Managing Capital Improvement Projects (CIP)</p> <p>0 Municipality has no personnel knowledgeable in how to conduct CIPs, and if municipality has showed no interest in creating a function in the organization for managing CIPs</p> <p>1 Administration has initiated creating and staffing up an administration that will could competently manage CIPs</p> <p>2 Municipality has created the policies and procedures and systems required for managing CIPs, and if there are some staff members in place, who are receiving up-skilling in multi-year financial forecasting and other related CIP-specific subjects</p> <p>3 Municipality staff have learned how to and have actually drafted a CIP plan, but was never adopted</p> <p>4 Municipality staff have adopted a CIP plan and have started implementation of at least one plan of CIPs; and have established an assessment procedure for gathering evidence of its expected results</p> <p>5 Municipality's CIP plan has contributed to increase of capital budget vs. operational budget</p>	0	
3.4	New and improved work processes	<p>New and/or Improved Work Processes in Place & Functioning</p> <p>0 Municipality has no staff familiar and/or knowledgeable in work processes analysis and work flow mapping</p> <p>1 Municipally 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 and mapping</p> <p>2 Municipality has staff (either existing or newly-hired) who are learning process mapping (flow charting) and who are learning to distinguish between key and support work processes in the administration</p> <p>3 Municipality staff have learned process mapping and have begun to map out the "as is" work process of at least one key work process</p> <p>4 Selected staff have identified how to improve at least one key work process and have produced a mapping of the improved work process</p> <p>5 Upper management has received and approved an Action Plan for improving at least one key work process, and if the work process is being improved (and new work procedures are being written up), staff are following the new, improved work process</p>	0	
4	Policy and accountability	20	Policy and accountability	5
4.1	Participation in process of policy reform	<p>Municipality has no staff in place who have the skills sets and knowledge and background experience required to undertake steps/actions in the area of policy reform</p> <p>0 Municipality is taking concrete actions to employ staff with the skills sets, knowledge and background experience required to work in the area of policy reform</p>	0	

		<ol style="list-style-type: none"> 1 Municipality has the staff on board who are beginning to participate in data gathering for identifying specific policy changes/proposals; and, if required, are taking focused up-skilling programs to bolster their capacity in this area 2 Municipality has begun identifying what critical areas of policy change and / or formulation they need to work on, and have initiated work on that (those) priority policies 3 Municipality has formulated proposals for policy change, legislation change, and the like 4 Municipality actively promotes and/or advocates policy/legislation change and reform critical to their interests 5 Policy/legislation active promotion 		
4.2	Involvement in information sharing with IDLG or other cities	<p>Municipality is Actively Involved in Information Sharing with IDLG or Other Cities</p> <ol style="list-style-type: none"> 0 Municipality has taken no steps to develop relationships or learn from the work of other municipalities, or from the work of IDLG, in the past year 1 Municipality attend IDLG events to learn about success or other issues 2 Municipality occasionally take lessons learned from IDLG or other municipalities and try to implement in their own municipality 3 Municipality regularly communicates information about their own programs, issues and successful experiences with IDLG and other municipalities 4 Municipality routinely is involved in two-way communications with IDLG and other municipalities, to share information about programs, issues and successful experiences 5 Municipality actively participates in strategy- and information-sharing, and uses information for developing new policies, projects, services and so forth 	3	
4.3	Role in improving intergovernmental communication	<p>Municipality's Role in Improving Intergovernmental Communication</p> <ol style="list-style-type: none"> 0 Municipality takes no steps to help improve intergovernmental communication 1 Municipality takes steps/actions to define community or municipal needs for potential intergovernmental communication of those needs 2 Municipality takes initiatives to communicate directly with other levels and entities of government 3 Municipality share information with other government entities in an organized and ongoing manner 4 Municipality actively engages in joint efforts with other levels and entities of government, to solve problems; make legal reviews; or implement projects and programs 5 Municipality actively participates with other levels and entities of government in joint work groups for problem solving; legal reviews; or implementing projects and programs 	2	
4.4	Policies, procedures for public procurement compliance	<p>Policies, Procedures for Public Procurement in Compliance with the Public Procurement Laws, Policies & Procedures</p> <ol style="list-style-type: none"> 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 	0	

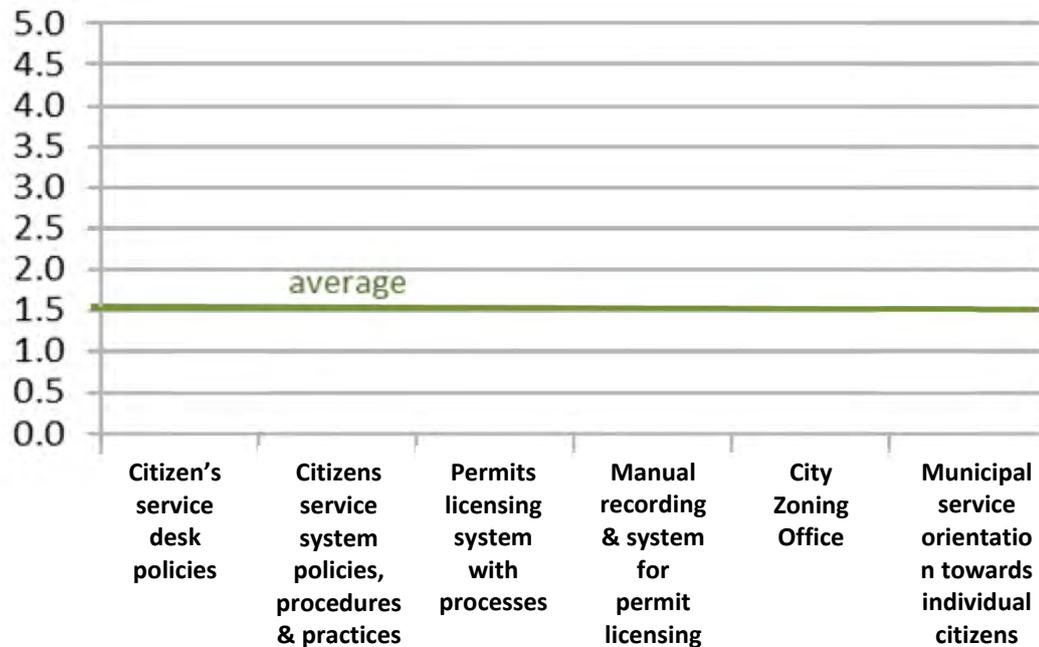
		<p>1 Municipality minimally complies with Public Procurement policies, procedures and its laws and by-laws. Municipality's functions/roles in the process are not defined and employees are not clear as to who prepares tender documents and public procurement notices and whether it is a role of the evaluation committee. There may be an Evaluation Committee, but the mandate and tasks of the evaluation committee are not specified and/or updated</p> <p>2 Municipality has begun to develop internal guidelines, policies and procedures on public procurement. Functions/roles in the process are beginning to get defined and staff have received initial, basic training on public procurement and staff are beginning to be given individual roles and proper assignments to prepare tender documents and public procurement notices. Municipality has a procedure for creating a neutral evaluation committee</p> <p>3 Municipality is aware of and uses standard tender documentation and has written up its internal guidelines on direct agreement implementation, as required by the laws and by-laws for Public Procurement. Municipality is beginning to comply regularly with Law, policies and procedures on Public Procurement. Indicated staff have a desire for additional training. The public procurement process itself is beginning to get mapped out, and all the roles and functions in the process are beginning to get defined. The committee mandate has been written up in compliance with standard Law, policies and procedures</p> <p>4 All procurements are conducted according to regulations. The Municipality is aware of and applies practices of standard tender documentation and has its 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 municipality is reviewing and updating all internal policies and procedures for public procurement. The Municipality has created an annual procurement plan and has begun to implement it in accordance with the administration budget. Evaluation committee now has a mandate and description of roles and responsibility of committee members, including the rotation requirements for members, to ensure technical competency for reviewing specific procurement; committee includes permanent members who are highly knowledgeable on the law; and has begun to hire external technical experts as required for specific procurements</p> <p>5 Municipality fully complies with Law on Public Procurement and accompanying by-laws; and if all of the following conditions are met:</p> <ul style="list-style-type: none"> - The Municipality staff have initiated and/or received training on public procurement implementation and the law, and the municipality HR department has ongoing plans for training employees as the law changes - The municipality has an established process for planning annual public procurement activities, and does not deviate from the adopted budget for procurement 		
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		<ul style="list-style-type: none"> - The evaluation committee members' duties and their terms of reference are clearly defined by the Mayor on a regular basis, in accordance with the committee mandate and policies. The committee operates as an effective review and oversight function, in addition to providing all technical and/or legal support that ensures that all procurement activities and decisions obey Law - The evaluation committee members change in accordance with the specific procurement but the committee always includes some of the evaluation committee members knowledgeable on the law as well as technical experts for specific procurements. As need be, the municipality hires external experts. The procurement reports are being sent to the Agency for Public Procurement on a regular basis and within the time frame set out in the law - Procurement activities are conducted according to Law and regulations. Internal and external audits show that procurement function (both systems and procedures) is operating correctly and according to Law, policy and procedure 		
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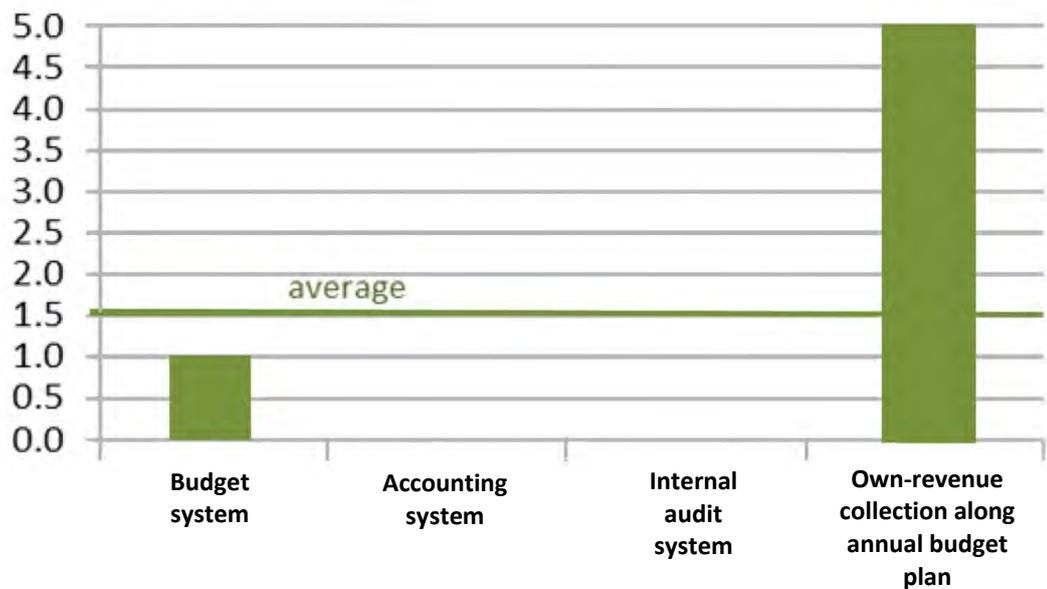
Annex B

Graphs

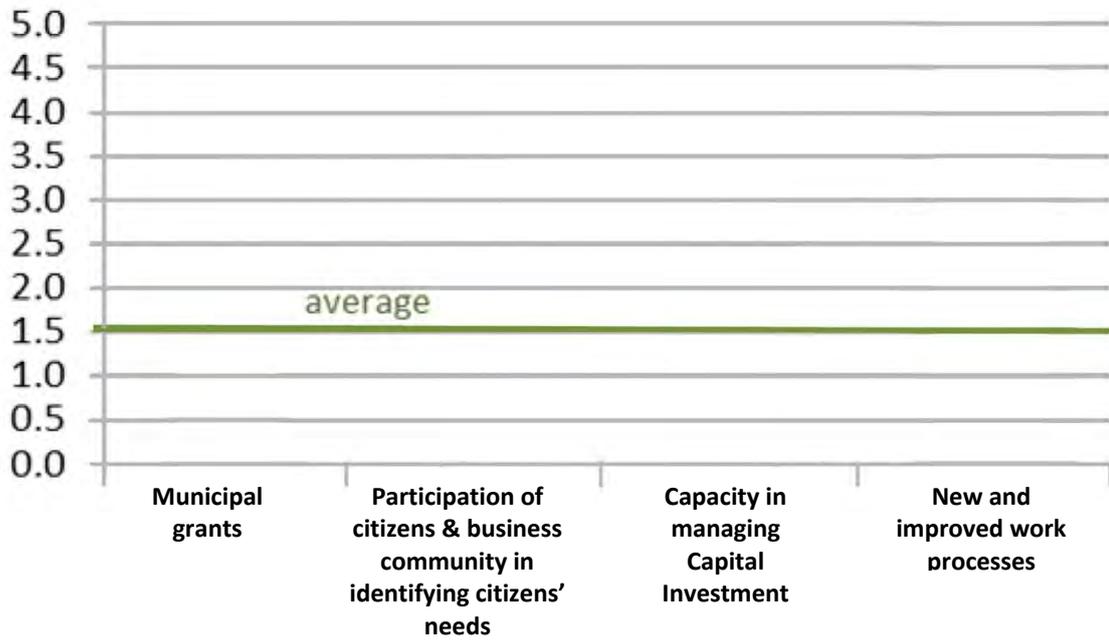
Section 1.
Municipal service delivery



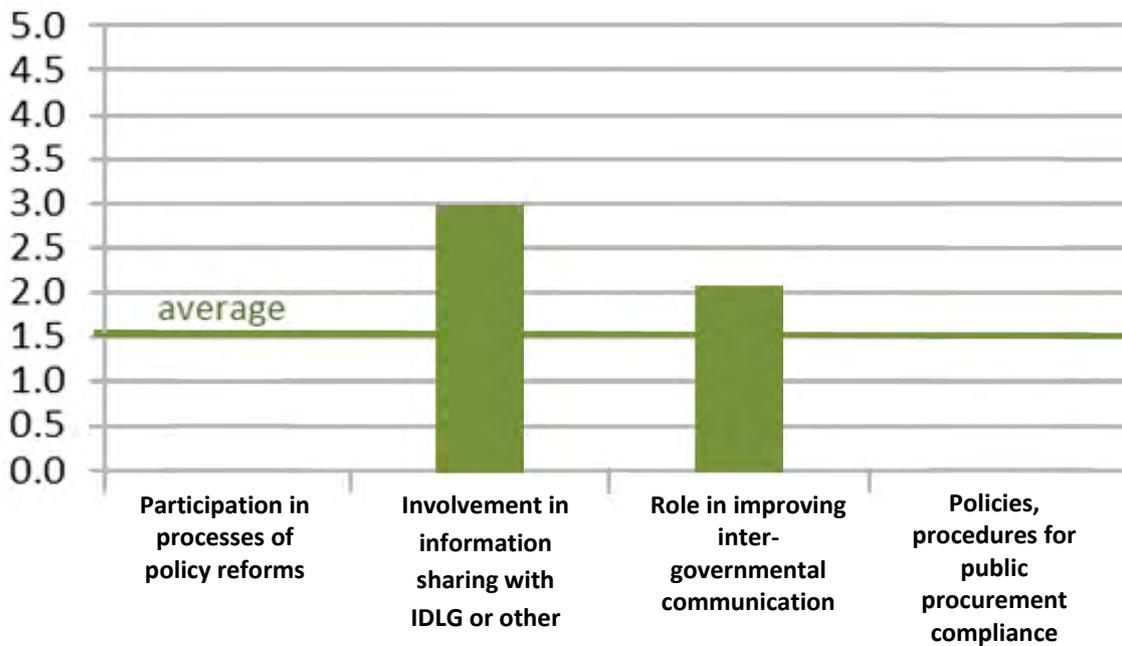
Section 2.
Municipal internal budgeting & financial management



Section 3.
Capacity of municipality to manage service delivery projects



Section 4.
Policy and accountability



Overall Score

