Municipalities in Afghanistan finance 100% of their budget from their own sources. Improving collections and finding new sources remains critical to long-term sustainability. USAID’s RAMP UP West (RU-W) Project, building on previous USAID programming, provides hands-on assistance to its partner municipalities of Chaghcharan, Farah, Herat and Qala-e-Naw in western Afghanistan. RU-W places an embedded Municipal Finance Advisor in each municipality to work daily, offering guidance and support to officials.

Assistance started with a comprehensive review of municipal expenditures and revenues over the previous three years, to better understand how a municipality collects and spends funds. RU-W helped each municipality analyze their revenue collection process, identifying bottlenecks and weak points. It also examined under-reported and uncollected sources. This led to strategies focused specifically on increasing revenues in ways that made sense to each municipality.

Municipalities worked on better recording of revenues, including computerized entries. This allowed better reporting of revenues to the Mayor, GIRoA and citizens. As a result, the mayor and the community can follow revenue collection and hold the municipality and individual officials accountable. These steps increase transparency and minimize corruption, ensuring more revenues reach the municipal bank account and not simply disappear.

Results speak for themselves. Chaghcharan, a poor mountain community with few resource options, saw revenue increase 21% last year. Farah revenues grew by 109%, increasing faster than already robust growth in the previous year. Herat experienced a significant jump in revenues of 264% after moderate growth in previous years. And Qala-e-Naw revenues rose 45% to accelerate their growth trend.

1391 (2012) revenues look flatter as GIRoA shortened the current fiscal year to 9 months, but they show sustained growth, particularly when compared to the previous 12 month fiscal year.

Improved collection processes, finding new and under-reported sources and greater transparency mean increased municipal revenues. Citizens also show more willingness to pay based on these improvements. Collections can still improve but Chaghcharan, Farah, Herat and Qala-e-Naw and their communities appear resolved on sustainable revenue improvements to make their municipalities better.

Municipal officials and citizens alike credit USAID assistance for making it happen. The new fiscal year shows continued promise.