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KYRGYZ REPUBLIC

SNAPSHOT

Improved Transparency in Local Governance

Municipal database maximizes transparency and increases budget revenues

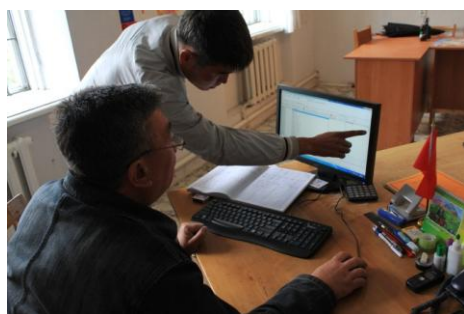


Photo: USAID Local Development Program

A Local Development Program trainer provides technical assistance to Karakol city administration employee on how to enter data from paper records into the municipal database.

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–Mayor Kubanychbek Abduvaliev

Telling Our Story

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Transparency is essential for economic development and the USAID-supported Automated Municipal Database project has brought increased transparency to Karakol city. The project has made it possible for the city to detect mistakes in its residents' utility payments. Previously unnoticed, these mistakes resulted in large revenue losses in the municipal budget. "We did not have a reliable record of customers. Our utility companies and the mayor's office didn't have a database of residents," explained Karakol city Mayor Kubanychbek Abduvaliev. "As a result, we were losing about 50% of the city's revenue – real money that the budget needed. For example, the solid waste disposal utility had approximately 30,000 customers, whereas the city's population, according to official data, is about 70,000." More than half the population was not being billed for municipal services because of inaccurate information.

The database integrated the mayor's office's database with two municipal services' billing systems: a water company's and the solid waste disposal utility. The USAID Automated Municipal Database project provided new equipment for the database, installed software and trained database operators. The result was improved resident registration, which meant adjustments to the registration of service payments, including capturing customers who were not yet in the system and, ultimately, increased revenues from municipal service delivery.

The system also brought unintended benefits to the city. Providing information on residents that aren't paying for utility services, promotes transparency by minimizing opportunities for corruption. After the system was installed in Karakol, the mayor reported that five employees resigned because the new system provides no opportunity for tax revenue theft during collection.

Now Karakol plans to expand the database to include all utility services and users to ensure maximum transparency of fee calculation and payment, and to improve the quality of municipal services provided to city residents. Ensuring the city's budget doesn't lose revenue means a bigger budget for the city to invest in improvements, such as to its deteriorating post-Soviet infrastructure. This is critical in view of the many renovations the city needs to make.