

# Municipal Governance

A vital piece of the sub-national governance puzzle

## Discussion Paper #7, February 2015

This discussion paper examines the situation, challenges and opportunities facing Afghanistan's cities in terms of municipal governance. It shows that the 33 Provincial Municipalities<sup>1</sup> are a key sub-national governance element that are, more than ever, vital to achieve the Government's vision of a self-reliant Afghanistan. As Afghanistan rapidly urbanises, their importance will only continue to increase. The coming five years are therefore essential to lay solid governance foundations for managing Afghanistan's urbanisation patterns and systems.

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### Municipalities on the frontline

Municipalities are on the frontline of many of Afghanistan's most pressing challenges. In urban areas national, provincial, and district challenges intersect, such as Internally Displaced Persons (IDPs) seeking improved security; economic stagnation and rising unemployment; land grabbing; rising food insecurity; more frequent and spectacular attacks by Anti-Government Elements (AGEs); rising rates of drug addiction, particularly among youth; and increasing inequality and social exclusion.

While municipalities face these challenges, they are also vital in the sub-national government system due to the opportunities they provide for advancing national goals and priorities, in several key ways. First, municipalities are 'proximate to the people': closest to communities and able to engage citizens in improved state-society relations through stronger participation and partnerships.<sup>2</sup>

Second, an increasing proportion of Afghans are residing in urban areas meaning municipalities encompass a large percentage of the Afghan population – currently over a quarter of the Afghan population reside within a relatively small land area – thus providing an enormous opportunity to cost-effectively and quickly demonstrate effective public service delivery. Third, because urban areas are increasingly contributing to a larger share of Afghanistan's Gross Domestic Product (GDP), municipalities will have an even greater role to play in promoting Local Economic Development (LED) and contributing to economic self-reliance. Fourth, municipalities are the only sub-national governance entity mandated to collect local revenues, essential for the Transformation Decade.<sup>3</sup> And fifth, municipalities must play a key role in leading and coordinating development, and initiating security and peacebuilding interventions at the local level to maximise development interventions and investments.

Given the reality that by 2060 half of the Afghan population will live in cities, the importance of municipalities will only continue to increase in the future. Stronger municipalities are therefore vital to achieving the vision of a self-reliant Afghanistan.<sup>4</sup>

### The basis of municipalities

The national frameworks guiding Afghan municipalities set a vision for a devolved local governance tier that sees mayors and municipal councils democratically elected, accountable to the people, delivering services to their constituents, and leading the development and sustainable management of cities. The Afghan Constitution (2004) covers municipalities in Article #141: "To administer city affairs, municipalities shall be established. The mayor and members of municipal councils

shall be elected through free, general, secret and direct elections."<sup>5</sup> The Sub-National Governance Policy (2010) (SNG Policy) mandates that municipalities will assume responsibility over public services that are best planned, produced, and delivered at the local level"; lead public participation by "linking bottom-up and top-down planning"; and raise and spend own-source revenues for service delivery. The current Municipal Law (2000) dates from the Islamic Emirate of Afghanistan and sets municipalities as public legal and juristic entities but is contrary to the Constitution and SNG Policy. Therefore, a new Municipal Law that supports a decentralised system of governance in line with the SNG Policy has been drafted and is awaiting approval from the Cabinet.

*"We will make sure that within two years the capacity of the municipalities' management reaches a level that ... municipalities become the obvious face of good governance."*

H.E. Ashraf Ghani Ahmadzai

Ghani Ahmadzai, A. Manifesto of Change and Continuity Team. March 2014, p.79.

### Structuring urban engagement



1. This Paper focuses on the 33 Provincial Municipalities (not Kabul, or the 120+ District Municipalities). An upcoming Discussion Paper will focus exclusively on Kabul City given its special status as the nation's capital and different administrative structure compared to other Municipalities.

2. See for example the New Deal for Engagement in Fragile States which prioritizes five interdependent Peacebuilding and Statebuilding Goals (PSGs), two of which municipal governance directly reflects: (i) 'Legitimate politics: Foster inclusive political settlements

and conflict resolution'; and (ii) 'Revenues & Services: Manage revenue and build capacity for accountable and fair service delivery.' <http://www.newdeal4peace.org/>

3. UN-Habitat (2015) Managing Land, Mobilising Revenue. Discussion Paper #3, UN-Habitat: Kabul.

4. The London Conference on Afghanistan (2014) London Communiqué.

5. Afghanistan Constitution (2004). <http://moj.gov.af/en/page/1684>,

## Municipal governance structures

Under the Independent Directorate for Local Governance (IDLG), the General Directorate of Municipal Affairs (GDMA) is responsible for all municipalities in Afghanistan (33 provincial municipalities and over 120 district municipalities (urban centres of rural districts)).<sup>6</sup> Kabul, as the nation's capital, is distinct, and reports directly to the President. Each of the 33 provincial municipalities has a mayor who is directly appointed by IDLG and approved by the President.<sup>7</sup> Municipal elections have not been held to date, yet the new government's stated timeframe is to hold municipal elections (council and mayoral) within the first two years in office.<sup>8</sup> Municipalities do not receive any central government transfers and must raise all their own revenue (see: Discussion Paper #3).

Each municipality is divided into *Nahias* (City Districts) that are headed by a district manager, who is appointed by the mayor. In principle each *Nahia* has an office, located in the *Nahia* geographical area, and includes various departments (e.g. revenue department, engineering department), though in practice some *Nahias* are without office buildings and share with the municipality. *Nahias* are generally the first point of contact between citizens and the municipality. They are responsible for administering various tasks, including collecting *safayi* (sanitation) taxes; issuing building licenses; and supporting local census/population registries.

Each *Nahia* is divided into *Gozars*, headed by a *Wakili Gozar* (similar to a *Malik* in rural areas) who is usually an elder of the area. The *Wakili Gozar* is identified by the residents of the area and introduced to the municipality, and is therefore considered part of the municipal governance structure although they are not paid. *Gozars* vary in size, but they usually include 1,000-1,250 adjacent households. Recent programmes have formalised the *Gozar* structure through supporting the establishment of mixed-gender *Gozar Assemblies* (GAs) through local area-based elections, and linked with Community Development Councils (CDCs).

Each *Gozar Assembly* is divided into Community Development Councils (CDCs).<sup>9</sup> In essence, CDCs are a cluster of between 200-250 households that democratically elect male and female councils (with between 10-15 members each), develop action plans, implement sub-projects and broadly support increased community cohesion, solidarity, and linkages with their municipalities. In some cases mixed-gender CDCs have been formed.

## Current mandate of municipalities

In contrast to a transformative decentralised governance structure envisaged in the guiding frameworks mentioned above, in practice municipalities tend to follow traditions/habits and focus on only a few activities. These include: (i) the construction of roads, streets, drainage, culverts and pavements; (ii) construction and maintenance of public parks and green areas; (iii) collection and removal of solid waste; and (iv) provision of recreational facilities.<sup>10</sup> Line departments take the leading role in planning, budgeting and service delivery of their respective

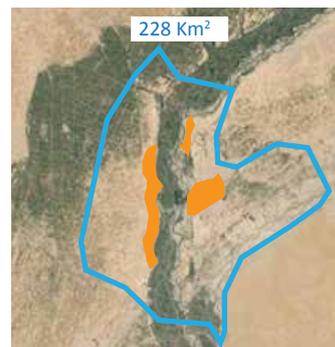
mandates (e.g. Ministry of Public Health and Ministry of Education) unfortunately often without coordination with municipalities and without alignment to municipal urban plans.

## Chi tor hasti? (How are you doing?)

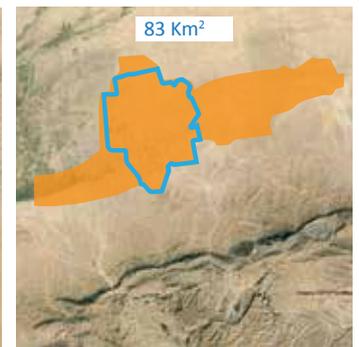
So how are municipalities currently performing? Are they meeting their obligations and successfully managing cities in terms of two core areas of intervention: (i) representation, accountability and citizen engagement; and (ii) service delivery and effective urban management?

## Size matters

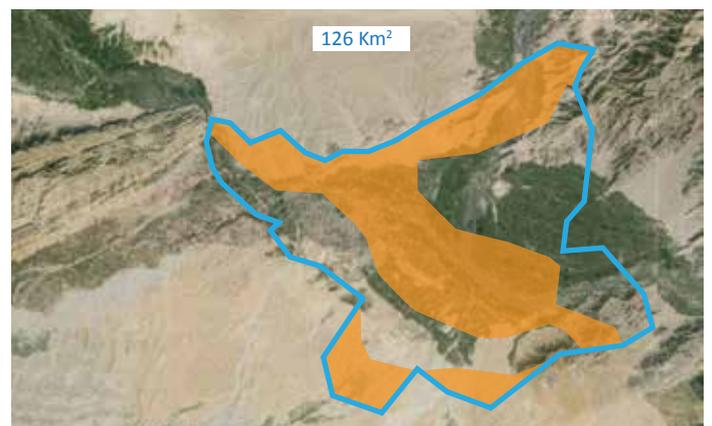
The 22 municipal boundaries that have been demarcated to date vary widely in terms of their relationship to the actual ground realities. In principle, *municipal boundaries* (blue lines) should include the existing *built-up area* (orange shaded areas), existing social and economic functional relationships of the city 'ecosystem', plus allow room for urban expansion over the next ten years.



Lashkar Gah City,  
Helmand Province  
*Boundary too big*



Mazar-i-Sharif City,  
Balkh Province  
*Boundary too small*



Jalalabad City,  
Nangahar Province  
*Just about right* - includes the existing built up area, functional relationships (e.g. Bishud District over the river); and room for urban growth along infrastructure routes.<sup>11</sup>

6. Presidential Decree 73 of 30 August 2007

7. Appointed by IDLG/GDMA for 85% of municipalities, 11% by the Provincial Governor; and remaining hired by District Governor or pending. Popal, A. B. (2014)

8. Ghani Ahmadzai, A. (2014) Manifesto of Change and Continuity Team. March 2014

9. Paper #2, 'Urban Solidarity', explained these in depth, highlighting their similarity to rural CDCs in the National Solidarity Programme (NSP) and how they have been implemented at scale in the largest cities over the past decade.

10. The current law lists 44 functions of municipalities. For the full list see: Popal, A. B. (2014) Municipalities in Afghanistan. IDLG/GDMA, pgs. 18-20.

11. We say 'just about' right because unfortunately Sheik Mesri, a Land Allocation Scheme which has a strong functional relationship to Jalalabad city, has not been included within the municipal boundary.

12. GIROA – Terms of Reference (ToR), Municipal Advisory Boards.

## 1. Representation, accountability and citizen engagement

While some progress is being made, the performance of the vast majority of municipalities in this area is weak. Limited accountability, transparency, and lack of citizen engagement in municipal operations are all too common. Elections have been repeatedly postponed and no municipal councils exist. Regrettably it is very difficult to find an example of a clear pro-poor agenda and concrete actions towards fostering inclusive cities.

However progress has been made in some areas, and this justifies optimism for improved municipal governance. Municipal Advisory Boards (MABs) have been established in over 30 provincial municipalities to act as 'interim municipal councils'. "Municipal Advisory Boards can give advice and make recommendations to the mayor and to the municipal administration. They have no decision-making authority and cannot veto any municipal plans, activities or the budget."<sup>12</sup> The functions and responsibilities of MABs include; (i) citizen representation and engagement; (ii) supporting monitoring mechanism for citizen complaints; (iii) monitor municipal service delivery; (iv) review of municipal budget, development plans and contracts; (v) review of municipal fees and charges; and (vi) accountability monitoring of the municipal administration.<sup>13</sup>

The number of MAB members reflect the number of *Nahias* in each city. Members are selected from existing representative groups (e.g. urban CDCs, *Gozars*, and *Nahia* Councils (NCs), and/or chosen at the mosque level, from each *Masjid Jame*, *Takia Khana* or other religious centres. In addition, one member is selected from each of the following groups: women, youth, civil society, media, martyrs/disabled, religious scholar (*Ulema*) and one representative from the private sector (traders or craftsmen). Ten percent of seats are allocated to women, though the long-term target is 25%.

Other notable advancements over the last few years include: (i) greater acceptance and municipal engagement with urban Community Development Councils (CDCs) and *Gozar* Assemblies (GAs) as democratically elected governance units at the community level, including improved planning linkages between these and municipal operations;<sup>14</sup> and (ii) installation of 'Citizen Service Centres' that aim to provide a more transparent 'one-stop-shop' for citizens to engage with municipal departments to pay bills, process documents, etc.<sup>15</sup>

## 2. Service delivery and urban management

An area where municipalities are performing better is infrastructure development and greenery, though supporting the implementation of donor-funded street/roading projects and planting and watering trees is relatively easy. Much more difficult, however, is solid waste management (SWM), which is a core responsibility of municipalities and should be funded through local revenues.<sup>16</sup> Yet only a fraction of solid waste is collected, and even a smaller percentage is disposed of in a sustainable manner. For many citizens, piles of uncollected, rotting waste is symbolic of a poorly functioning municipality. Efforts have been made in some municipalities with Public

Private Partnerships (PPPs) (e.g. Ghazni, Herat, and Khost) to improve SWM, yet these are constrained by an unsupportive legal framework for PPPs, and without sufficient oversight can be prone to corruption. At the horizontal level, inter-municipal cooperation could be a way to pool resources between two or more municipalities (e.g. provincial and district municipalities) and consider service delivery on a functional (rather than just administrative) basis.

## Key challenges facing improved municipal governance and management

1. *Unclear/poorly delineated municipal boundaries which limit effective urban management and governance.* Boundaries are essential for municipal elections (a governance issue), and gathering reliable population/ census data on urbanisation and delivering services to the eligible population (management issues). Until recently, boundaries were not clearly demarcated. Since 2012, GDMA, in conjunction with relevant authorities, has facilitated the demarcation of 22 boundaries; 11 cities remain.<sup>17</sup> Challenges to improved governance and management persist, including (i) boundaries often overlap (e.g. village and district municipal boundaries); (ii) inconsistency in approach has meant some boundaries do not reflect the existing built-up area and functional relationships; and (iii) lack of awareness at both central and municipal levels of approved boundaries (e.g. ministries, municipal staff, line departments, and non-government actors).

2. *Capacity limitations of municipalities* are well known and documented. Human capacities are low (e.g. municipalities are understaffed, and low education and skill levels of *Tashkeel* (government civil service) staff), as are institutional capacities (e.g. under-equipped municipal and *Nahia* buildings and offices, and weak national guidance, systems, and monitoring/oversight). Parallel structures/capacity substitution has dominated the past decade, especially in planning and budgeting and service delivery. This has further undermined national and *tashkeel* staff capabilities. Few municipalities have as many as 10% or more female staff, and most women are generally employed in low-level positions.<sup>18</sup>

3. *Institutional issues:* Overlapping mandates and poor coordination of interventions in urban areas, including line departments, security and safety, and donor projects that have been implemented piecemeal and without meaningful municipal involvement. For example, the National Solidarity Programme (NSP) is being implemented in several municipalities, but without sufficient engagement with municipal authorities.<sup>19</sup>

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*We will define the duties of municipalities anew and a number of offices that are currently not under the control of the municipalities will be added to the administrative remit of municipalities.”*

H.E. Ashraf Ghani Ahmadzai

Ghani Ahmadzai, A. Manifesto of Change and Continuity Team. March 2014, p. 79.

13. GfRoa - ToR, Municipal Advisory Boards; Article 6.

14. See: UN-Habitat (2014) Urban Solidarity. Discussion Paper #2. UN-Habitat: Kabul.

15. These have been principally supported by UNDP's Afghanistan Sub-National Governance Programme (ASGP) and the United States Agency for International Development (USAID) previous Regional Afghanistan Municipal Program for Urban Populations (RAMP-UP).

16. See: UN-Habitat (2015) Managing Land, Mobilizing Revenue. Discussion Paper #3. UN-Habitat: Kabul.

17. Remaining cities include: Nili, Khost, Zaranj, Parun, Gardez, Shran, Qala-i-Naw, Tarinkowt, Farah, Cheghcharan, Sar-i-Pol

18. Efforts are being made to mainstream gender in all Municipalities through the Gender Mainstreaming Guidelines and institutionalising Gender focal points in each Municipality. See: GfRoa (2014) Gender Mainstreaming Guidelines. GDMA/IDLG

19. For example, almost all of Bamyan City is covered by NSP CDCs.

4. *Municipal finance*: Municipalities have a large mandate in service delivery but very limited resources. They do not receive any central fiscal transfers, and only rely on own-source revenues. Municipal financial systems are generally under-developed, and alignment with planning and budgeting activities is weak.

5. *Weak legal and regulatory framework that does not empower local governance*: It does not provide a sufficient legal basis for decentralised municipal operations, including such aspects as (PPP) and Municipal Service Providers (MSPs). The responsibilities and relationships between central government, municipalities, MSPs, and urban community development

councils are not clearly defined and not empowering for decentralised decision-making. In the absence of a standardized framework for municipal operations, different operational practices prevail across the 33 municipalities.

6. *Poor citizen-municipal relations*, including (i) a lack of awareness of the municipal mandate by local citizens; (ii) a vicious cycle of limited services being provided and therefore limited local taxes paid by citizens (e.g. *Safayi*); (iii) citizens lack trust in municipal officials and systems; (iv) insufficient citizen outreach by municipalities; and (v) limited transparency and accountability in municipal operations.

## Ways forward

- Improve the **legal and regulatory framework** so as to progress toward the underlying vision of the Constitution. Stop 'tinkering at the edges' and ensure a strong new Municipal Law adequately empowers municipalities to meet the challenges of urbanization;
- Strengthen the **General Directorate of Municipal Affairs (GDMA)** to effectively support municipalities. GDMA already has a significant mandate and responsibility (150+ municipalities) – which will only increase given continued urbanization – but currently has low capacities and insufficient authority;
- Continue to build the planning and management **capacities** of municipalities but with greater focus on building national *tashkeel* capacities, implementing the Public Administration Reform in municipalities, and adopting a 'learning by doing' approach for planning, participation, and service delivery rather than capacity substitution from donor-driven projects;
- Pilot basic **inter-municipal collaboration** to improve local capacities, set-up a pooling of a portion of local revenue and showcase cost-efficient service delivery at the local level;
- Strengthen **citizen participation and engagement** by instituting systemic mechanisms for participation, including through existing mechanisms such as Municipal Advisory Boards and urban Community Development Councils;
- Lay the foundations for **municipal elections** through updating and finalizing all provincial municipal boundaries;
- Improve **municipal financial management** to scale up service delivery; including (i) increasing revenue (e.g. taxes, charges, fiscal transfers and consider a potential 'Municipal Development Fund'); (ii) improving financial management of service delivery and local assets; (iii) increasing accountability and participation in municipal finances; and (iv) improving donor coordination for urban development;
- **Improve urban data collection and monitoring** – good urban governance and management requires reliable data upon which to make decisions on the management of public services, determining and collecting taxes, and planning;
- Commit to **gender empowerment** in municipal operations and MABs to reach the 25% participation target by 2020;
- Mainstream all **programming through Nahia, Gozar and CDCs** to build governance capacity and legitimacy, clarify responsibilities between different levels, and improve urban management.



The State of Afghan Cities 2014/15 Programme is a one-year initiative supported by the Government of Australia and implemented in conjunction with the Government of Afghanistan that aims to improve knowledge and information on urbanization in Afghanistan by undertaking a detailed review of all 34 provincial capitals. A detailed State of Afghan Cities 2014/15 Report will be published mid-2015.

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