



On September 7, Naqib Jan, the Business Licensing Officer of Jalalabad Municipality while processing a Business License through Integrated Financial Management System (IFMS).

The Integrated Financial Management System (IFMS) Improves Municipal Affairs and Strengthens Trust in Jalalabad

Moh. Asif Brid, Deputy Mayor of Jalalabad City says: *"I am very satisfied with the IFMS Implementation. BL revenue has significantly improved. The system has unexpectedly expedited the issuance process, as well."*

Mr. Naqib, a Business Licensing Officer with 15 years' experience in Jalalabad Municipality, is a dedicated civil servant with great hopes for his city. Unfortunately, he has also faced frustration and disappointment in his work. Lately though, he has some reason for optimism.

Jalalabad, the capital of Nangarhar province is a bustling economic hub with many businesses and commercial resources that make it one of the highest-revenue generating cities in Afghanistan. The city's revenues come from taxes, leases on commercial markets and shops, payment of residential and business fees, among other sources. In his different roles, Mr. Naqib has had the opportunity to interact with citizens on a regular basis and has witnessed their befuddlement with the bureaucratic hoops that citizens must jump through to make these payments using processes that do not inspire confidence or trust in the system. Traditional bureaucratic methods including hand written receipts and physical log books are not efficient, provide too much opportunity for fraud, and are often not trusted by citizens. According to Mr. Naqib, *"The old system that we inherited many years ago has always been a problem. Customers distrust the traditional manual system. They think that with such a worn-out system all the taxes they pay are going into the personal pocket of the municipal staff,"*

The desire for Jalalabad to have a modern, computerized system for collecting and accounting for taxes, fees and other payments was not Mr. Naqib's alone. In 2016, The Deputy Ministry of Municipalities (DMM) launched the Integrated Financial Management System (IFMS) with assistance from USAID's Strong Hubs for Afghan Hope and Resilience (SHAHAR) project. After consultations between Jalalabad Municipality, DMM and SHAHAR in late 2018, the municipality prioritized the installation of two essential IFMS modules – business licensing and other revenues. Since then, the business licensing module has helped the municipality harmonize processes, and reduced the time to receive a business license from 7 days to 2. Now, municipal officials like Mr. Naqib are based at Citizen Service Centers to work with customers to complete the procedure. They enter data, register payments via municipal banking, and issue printed licenses and receipts. With the installation of the updated system, customers demand for business licenses as well as their trust in fast-moving urban services have increased. *"Today, I am proud that I am a municipal employee where citizens previously had little trust. The [IFMS] system provides transparency and advancement that have made the municipality an example for all the government entities in Jalalabad. The [IFMS] system for business licensing is more efficient. Now we issue from 4 to 6 licenses per day. In the past, that was not possible in a week,"* extolled Mr. Naqib.

The business licensing module, configured by SHAHAR for the IFMS national Hub at DMM in 2016, is installed in SHAHAR's partner municipalities with the aim of improving their capacity to respond to citizens' needs, manage municipal service delivery, and operate in an efficient and transparent manner. Since the activation of the business licensing module, Jalalabad Municipality has issued more than 4,620 licenses, an increase of 32% over the previous fiscal year. The Municipality is planning to expand the system to nine other *Nahyas*' starting early October 2019.

Telling Our Story