

# Modernizing Municipal Finances and Operations

Highlights from FCM's international programming experience



This case study highlights FCM's international program experience building capacity of local governments in modernizing municipal finances and operations. It is one in a series of thematic case studies that help inform FCM's cooperation activities and support knowledge sharing among municipal practitioners.

# FCM

Federation of Canadian Municipalities

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## Overview

The Federation of Canadian Municipalities (FCM) is the national voice of municipal government in Canada. With more than 1,750 members, FCM represents the interests of municipalities on policy and program matters that fall within federal jurisdiction. Members include Canada's largest cities, small urban and rural communities, and 18 provincial and territorial municipal associations.

With its strong municipal network, FCM implements programs to strengthen municipal capacity in over 20 countries in Asia, Africa and the Middle East, Latin America and the Caribbean. Funded mainly by the Canadian International Development Agency (CIDA), FCM's international programs support decentralization, foster governance and strengthen municipal management and the delivery of municipal services.

Since FCM was first established in 1987, over 200 Canadian municipalities and municipal associations and 1,500 experts from the Canadian municipal sector have taken part in FCM's international programs. Adapting Canadian municipal expertise in developing countries through cooperation activities is a powerful tool for development. Through peer-to-peer exchange, Canadian municipalities share their expertise and practical experience with their overseas counterparts, contributing to staff training and improved municipal service delivery, governance and management.

Over the years, FCM has developed a body of knowledge on innovative management practices and methods of transferring knowledge in a number of thematic areas. This case study highlights some of the good practices emerging from FCM's experience in strengthening local public finance management capacity.

## Part 1: Introduction

FCM's approach to modernizing municipal finances and operations is based primarily on establishing partnerships with municipal and government stakeholders in the countries it supports. Within those partnerships, it focuses on the tools, mechanisms and methods that make local budgets and municipal management as complete, accurate and transparent as possible. For example, municipalities in developing countries still commonly keep handwritten books in their financial management systems. Those systems are inefficient, as well as costlier than they seem, because of the enormous amount of time municipal employees invest in document control, with a higher risk of error and far more cumbersome bureaucracy. Moreover, systems like these significantly increase the risk of non-compliance with legislation, and particularly the risk of fraud. It then becomes difficult for municipal governments to guarantee budget credibility and increase citizens' willingness to pay taxes. The OECD<sup>1</sup> defines budget

transparency as "the full disclosure of all relevant fiscal information in a timely and systematic manner." FCM thus helps municipalities implement modern technologies and the long-term change management methods that make it possible to enhance budget transparency.



Galle municipality prior to renovations and conversion to an automated accounting system.

By means of modern technologies and improved management methods, municipalities can improve their accounting, land management, licensing and other systems, all of which are operational activities extremely important to sound and transparent financial management. Land management is one of the most difficult municipal operations to manage, in developed and developing countries alike. Property rights in developing countries are often ambiguous and conflicting, with the official and unofficial real property markets constantly at odds. Canadian expertise in this area can be extremely useful to municipalities seeking to develop land management policies, regulations and information tools.

The following sections highlight a series of projects that aimed to modernize local public finances and land management in developing countries, with the main goal of achieving transparency and integrity. The case studies are of five projects where FCM, in cooperation with its partners, was a driving force in modernizing municipal public finance management. In Ho, Ghana, FCM and its partners are developing modern management systems to arrive at better tools to manage revenue and control land titles. In Sri Lanka, the partners helped generate higher municipal revenue by establishing an improved accounting system and bringing financial management systems up to date. In Indonesia, with the help of a Canadian municipality, the Aceh Jaya District was able to develop project and information management tools that made it easier for the local authorities to make informed and effective decisions and advance local development. In San Salvador, the partners contributed to the installation of a land

<sup>1</sup> *OECD Best Practices for Budget Transparency*, OECD 2002  
<http://www.oecd.org/dataoecd/33/13/1905258.pdf>

registry and geomatic system. And in Vietnam, the partners made it possible to develop a variety of administrative systems to control land use and foster the growth of municipal revenue.

## Part 2: Case Studies from FCM's Experience



Ghana

### Establishment of fiscal management support and revenue generation systems: The experience of Ho, Ghana

This project is the product of a municipal partnership between Victoria Capital Regional District (CRD) in British Columbia, Canada, the National Association of Local Authorities of Ghana (NALAG), and the Ho Municipal Assembly (HMA), Ghana. It was developed under the auspices of FCM's

Municipal Partnership Program.<sup>2</sup> Still ongoing, its objectives are to provide a modern and effective mechanism to produce a taxpayer census and property assessments, to collect revenue and create a reliable invoicing system, and produce a city plan and land management plan.

To date, initial practical achievements have included naming streets that were still nameless, preparing a property inventory, starting a property value assessment process, and creating a registry of taxpayers who are not property owners. Professionals from CRD have also trained their HMA colleagues on mapping techniques and land management.

Following a needs analysis and examination of the options, the project partners decided that Microsoft Excel would be the best software to use. Training on Excel was therefore provided to key HMA staff, and six new computers were installed. The partners were then able to transfer taxpayer data – including data on property owners and non-owners – to Excel. In the process, 7,000 registries were created, thousands of roads were recorded and 77 civic interest sites were identified. Administrative procedure manuals to document tax payment procedures were also prepared.

Next, focusing on property registration and invoicing, project participants assessed the fiscal revenue collection process, the database and the property assessment process. They also developed a land invoicing method that should result in higher revenues by the end of 2008, and established a computerized invoicing system. ArcView software and suitable computer equipment were made available to the municipality, and key people were trained on both the hardware and software.

<sup>2</sup> All projects described in this publication were supported by the Government of Canada through the Canadian International Development Agency.



Ho municipal staff receive training in the software program ARCVIEW.

When completed, the project will have a positive impact on revenue generation and tax control. Before the project began, HMA staff wrote registers and ledgers by hand. With the help of the CRD team, they have now computerized their database. The next step will be to use the data collected and the management methods implemented to improve the invoicing system, and in the near future significantly increase the municipal revenues generated. Given the innovative nature of this Ghanaian project, it could become a model that is duplicated in other Ghanaian municipalities.

### Modernizing financial management to generate higher municipal revenue: Examples from four Sri-Lankan municipalities

After the tsunami disaster in 2004, municipal accounting systems had to be modernized in order to enhance Sri Lanka's financial management systems. Projects in four Sri Lankan municipalities were designed to enable them to regain control of their finances and modernize their management systems.



Sri Lanka

Under the auspices of FCM's Canada/Sri Lanka Municipal Cooperation Program (MCP), volunteers from 5 Canadian municipalities, including the City of Kitchener, Ontario; Halifax Regional Municipality, Nova Scotia; Mount Pearl, Newfoundland; and Nelson, British Columbia, took part in the initiative. Sri Lankan partners included Ministry of Local Government and Provincial Councils, the Trincomalee Urban Council, and the Batticaloa, Galle and Kalmunai municipal councils.

The projects and their phases were implemented at the same time in the four participating Sri Lankan communities. FCM sent a number of missions to the communities to train Sri Lankan municipal staff. The Sri Lankans were also invited to Canada as part of one project phase to help them gain a better understanding of Canadian municipal management systems.

The project partners identified weaknesses in existing financial systems and agreed on an approach to foster sustainable change in how they are managed. They concluded that client service training would be crucial if the Sri Lankan municipalities were to attain the new client satisfaction targets they set. The Canadian team also provided practical examples of client satisfaction surveys carried out in Canada, to serve as benchmarks for the Batticaloa and Trincomalee teams. The teams were also able to develop a basic client satisfaction survey method to identify benchmarks and targets for future surveys.

The Sri Lankan partners themselves defined priorities and timeframes for buying and installing computer equipment, training, acquiring office furniture and even making needed building renovations. The computer equipment was then purchased and training was provided, mainly on MS Office, and particularly Excel. The Canadian team helped convert the paper accounting documents traditionally used in Sri Lanka into electronic documents.

During their visit to Canada the Sri Lankans learned the importance of converting documents to an electronic format and for files to be protected against viruses. They also learned about the benefits of conducting customer service surveys as a means to improve services to clients. During the mission, the Sri Lankans took advantage of the unique opportunity the mission gave them to work with teams from other Sri Lankan municipalities. This collaboration gave them a chance to discuss the challenges and problems facing their individual communities, as well as the solutions envisaged. In particular, Batticaloa and Trincomalee shared information on best practices for updated systems, especially those used in financial reporting, property assessment and invoicing.

To date, the team has obtained concrete results in Galle and Kalmunai. The Canadian team has provided computer and client service training, and this has contributed to enhancing financial and tax management systems, basic assessment systems, tax collection, and employees' skills in dealing with the public. The project focus has been on enhancing citizens' willingness to pay taxes through greater public awareness and improved client service. Team members held training sessions on means to encourage citizens to pay taxes. During the sessions, they had an opportunity to examine why citizens do not pay their taxes, the messages citizens need to hear to change attitudes, and effective ways to deliver those messages.



Improved customer service in Kalmunai, Sri Lanka.

The project will be completed by late 2008 in the Sri Lankan municipalities. Surveys in the communities show there has been a significant improvement in management, tax revenue collection, and client service.

### **Implement project and information management systems to enable reconstruction and local development: Case study – Aceh Jaya**



Indonesia

Indonesia's Aceh province was located closest to the earthquake epicentre and was hit particularly hard by the tsunami that swept through Southeast Asia in December 2004. The region was already devastated by almost 30 years of armed conflict between the national authorities and rebels seeking independence. Even before the tsunami – which led to a peace agreement between the factions, signed in Helsinki in the summer of 2005 – Aceh was almost completely closed to the rest of the world. In that difficult environment, doubts about the relevance, and even the possibility, of “modernizing” municipal finances and operations are to be expected.

Yet in Aceh, municipal organization is pivotal – as it is elsewhere – in ensuring that everyone pulls in the same direction to encourage local development, and is critical in delivering at least some basic services to the community, including health care, education, construction, road maintenance, drainage, and sewage system maintenance. In fact, it is through municipal administrations that government transfers reach communities. When those administrations are dysfunctional and inoperative, communities are deprived of those essential services. This is especially true in developing countries like Indonesia, where local governments often derive over 90 per cent of their transfer revenue from national and provincial sources.

Under FCM's Canada/Aceh Local Government Assistance Program (CALGAP), a partnership was established between the City of Saguenay, itself the victim of a natural disaster when a flood swept through the area ten years ago, and the Aceh Jaya District. Aceh Jaya bore the brunt of the tsunami's devastating force; all six sub-districts were affected and 24 per cent of the population – some 20,075 people – perished. In Calang, the district's main town, not a single building remained standing. The impact on infrastructure and equipment, including roads, electric power, telephone systems and other services, was shattering. The local administration was annihilated. After the first mission, the team leader reported that local organizations were in deplorable condition, with few staff, very few skills, very little means, almost no offices to speak of and no apparent structured organization.



Training session on information management tools in Calang, Aceh Jaya.

That is the challenge that the volunteer team from Saguenay tackled: In September 2006, a first technical mission was deployed to assess the situation and identify the local administration's needs. A project was established to strengthen the leadership, management and activities of the district government and administration, in order to support local development and municipal services.

As part of a complex web of humanitarian intervention and reconstruction activities, this initiative had an advantage: it was the

only project designed to make a serious commitment to support the development of a structured municipal administration, on a partnership basis and over a 30-month period. The following goals were set: improve the management of infrastructure construction projects with the public works department; improve the management of municipal structures, particularly project-related decision-making, with the regional planning agency; and support the internal affairs division in setting up a new asset management system. For those activities, databases were developed and managed using FileMaker Pro.

In its current state of development, the project management system comprises three modules: the annual project budget, with a budget sheet for each individual project; call for tender documents; and call for tender reports. Those three modules combine to form a rational system that once in place will considerably streamline the many clerical tasks now performed by hand. It also establishes a structure crucial in strengthening the principles of transparency and accountability when sending out calls for tender to contractors. To manage decision-making, three applications have been developed. The first involves processing census data to compile reports on populations and their socioeconomic conditions, so that funds can be allocated and services delivered appropriately. The second involves generating a business inventory so that reports on employment and the nature of existing businesses can be compiled; this enables the local authorities to submit funding applications to the central government so that they can make improvements in both areas. The third involves automating payment requests and their processing to the payment stage, so that operations can be made more efficient, rigorous and transparent.

To enable more efficient asset management, an asset inventory – which as yet still excludes infrastructure – has been prepared, and the data have been compiled in the central government's system. That system makes it possible to generate reports giving assets' main features and location, by type of asset. Each report also contains a budget distribution number and a sequential number. The assets enumerated include land, buildings, heavy equipment, vehicles, furniture and medical equipment. The partnership's main goal is now to integrate asset quality and value assessments, as well as to determine acquisition dates, so that assets can be linked to maintenance and investment budgets.

Establishing these databases also makes it possible to organize office work more effectively, reflect upon the existing management system, and provide a rational basis for making the administrators accountable to the political executive. At the end of the process, Aceh Jaya District could become a management model for Aceh Province. The District must be helped to progress from its bottom ranking towards the national average.



San Salvador

**Development of a land registry system to strengthen municipal finances: Case study – San Salvador**

The capital of El Salvador, San Salvador, had an outdated land registry system that made it impossible to maximize tax revenue. As a result, a project was established to generate significantly higher tax revenue for the municipality by updating the land registry system.

Through FCM’s Municipal Partnership Program, a partnership was forged between the City of Laval and the Municipality of San Salvador, to strengthen San Salvador’s capacity to generate higher revenues and deliver improved services to the community. It was agreed this long-term aim would be achieved by meeting two goals: first, to increase the capacity of San Salvador to develop a computerized geographic information system for its territory; and second, to enhance San Salvador’s capacity to generate local sources of revenue and administer them more efficiently. Improving the quality of land registry information by implementing a geomatic system was therefore a first step on the road to improving San Salvador’s municipal finances.

San Salvador’s municipal staff were very skilled in maintaining a paper-based land registry system, its computer systems were fairly well maintained and its accounting system was well established. This made a geomatic system easier to set up, and San Salvador’s municipal council and executive supported the establishment of a geomatic environment. The project was made possible by the ongoing participation of the Mayor of San Salvador, staff responsible for maintaining the land registry database, and staff responsible for maintaining the municipality’s computer systems.



San Salvador put in place a geographic information system through its partnership with Laval, Quebec.

Salvadorian professionals were invited to Canada, where they received intensive technical training on the geomatic environment and ArcGIS software. They were given online courses on ArcGIS in Spanish to initiate and facilitate the learning process.

It was decided that a procedure for the two municipalities to communicate and exchange information was needed. The terms “remote desktop” to access the software development environment and “electronic mail” for communication were selected. As needed, a more precise translation of the terms was provided by a bilingual City of Laval employee during the exchanges. This approach enabled the communication between San Salvador and Laval to flow smoothly.

During the fourth project mission, the Laval and San Salvador team physically installed the geomatic server and one workstation. They also installed two ArcGIS (ArcEditor) licences, one standard Oracle licence and one Windows Server 2003 licence. San Salvador municipal employees were then given a course on geomatic database management, as well as a course on ArcSDE administration for Oracle. With help from the San Salvador partners, the Laval partners performed a technology transfer of system functionalities. A final technical exchange mission in San Salvador in November 2007 enabled the Laval team to provide technical assistance for users during their initial months on the geomatic system. Most of the problems they encountered were solved.

On the whole, the project achieved its goals. The geomatic server has made it possible to administer revenue and control the territory more effectively. Since the partnership was initiated, participation by elected officials, managers and technical staff in both municipalities has fostered quality exchanges leading to excellent cooperation. And since the Laval technical team comprised both men and women, the project set a good example with respect to promoting gender equality in the two municipalities.

**Strengthening administrative capacity to control land use and generate higher municipal revenue: Case study – Nam Dinh, Vietnam**

The purpose of this project was to strengthen the City of Nam Dinh’s capacity in the areas of municipal development planning and control by creating a land use registry. Once in place, the registry would make it possible to substantially modernize municipal management and improve the fiscal system.



Vietnam

The project involved establishing a Land Information Centre, a municipal management system that manages land registry, licence and tax data, and improved land use planning. It also included developing a local computer network and setting up a Web server to hold databases accessible to municipal employees and local residents.

The project was made possible through a partnership between the City of Saguenay and the City of Nam Dinh under the auspices of FCM's Municipal Partnership Program, and was also part of a broader initiative that included the Swiss Agency for Development and Cooperation (SDC) and the World Bank.

During the series of technical exchange missions between partners, the Saguenay and Nam Dinh team determined how to support the project and decided on approaches for designing an information management and tax system.

The information management and tax system the team established includes four principal components:

- The land use registry, which includes the main data and information useful in issuing permits and in taxation, such as addresses and data on the use of buildings and premises;
- The “red book” registry, which comprises all land registry data;
- The licence registry, which hosts exclusive information such as permit/licence numbers and dates; and
- The taxation registry, an administrative registry able to generate annual tax rolls by retrieving data from the land use and red book registries.

The four registries, which use FileMaker software, were linked to one another to facilitate operations and prevent data capture errors. As a result, data now need to be entered into the system only once, and the other linked databanks are synchronized automatically.

The Saguenay team installed FileMaker Pro on the server and ten dedicated terminals. On-site employees were given enough basic training to use the program. The computer room was enlarged and air conditioned, and high-performance computers were installed. Large volumes of data were collected, digitized, and made available to the



Saguenay supported Nam Dinh in developing information systems related to land registry, taxation and permits.

residents of Nam Dinh, even though the data were not always completely accurate at the outset.

Nam Dinh staff also received training on AutoCAD, Internet management and office automation. The project made it possible to set up software to manage land use, construction, land development and property tax collection.

Thanks to the partnership, Nam Dinh was able to set up its Land Information Centre, and is now the only municipality of its size in Vietnam to have one. The Centre, which specializes in managing land information, should do much to prevent corruption by enhancing transparency.

Overall, the project also contributed to achieving the following results:

- Better capacity for the municipality to develop a land information system;
- Better capacity for the municipality to generate and administer local revenue sources;
- Better capacity for the municipality and its neighbourhoods to define and apply regulations.

The project led to a significant increase in Nam Dinh's annual tax revenue – which rose to CAD \$170,000 between 2005 and 2007. A property management system with updated data is now in place, and the system linked to the land use registry, enabling the authorities to manage land use certificates more effectively. Nam Dinh has also improved its capacity to issue permits and property titles. For example, the software has led to a substantial increase in the number of construction permits delivered. Local residents are also more likely to pay taxes and declare their property, because they know the municipality has a reliable and transparent management system.

Since the project was completed, many other Vietnamese municipalities have expressed interest in it and are keeping themselves regularly informed. The Association of Cites of Vietnam is now directing initiatives to make the project results and methods available nationally, indicating that the project targeted a strategic aspect of municipal management in Vietnam.

## Part 3: Implementation Challenges

Regardless of the municipality or country involved, modernizing municipal finances and operations is always a considerable challenge. This section describes three significant challenges encountered in the implementation process in the various projects:

- Staff shortages and staff mobility;
- Weakness of municipal institutions;
- Lack of infrastructure and public utilities.

### Staff shortages and staff mobility

Developing countries generally have a shortage of qualified staff and the technical capacity required to deliver adequate public services. But when municipalities are hit by natural disasters, like those in Indonesia and Sri Lanka, the problem becomes even worse. In both of those countries, municipal officials were not necessarily focusing on their work when the Canadian volunteers arrived. The psychological impact of natural disasters has undeniable repercussions on productivity. Some people lost their loved ones and property, and had to cope with severe personal problems before they could even begin to think about work. Even in countries that are spared natural disasters, municipalities cannot always count on having a workforce large enough or skilled enough to do the work required. For example, municipalities on the outskirts of major cities do not always manage to attract enough talent.

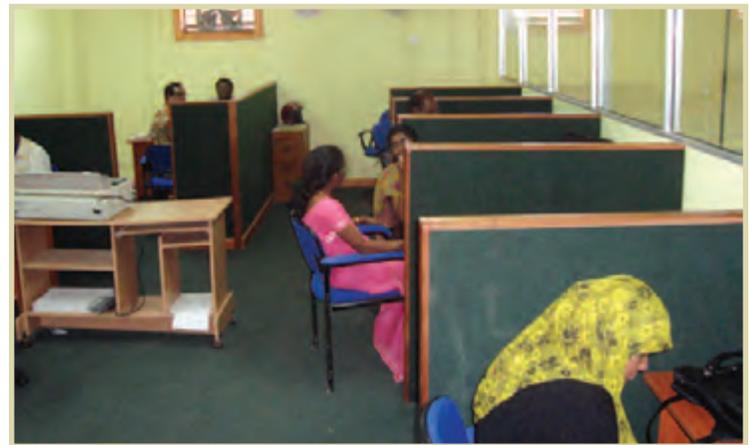
In addition to staff shortages, staff mobility is also a considerable barrier to project stability. When professional volunteers have to deal with different people from one mission to the next, the progress achievable in a project's life cycle suffers accordingly. This is particularly evident in highly centralized countries, where decisions are handed down from the top and human resource decisions are made not at the municipal level but at higher echelons of government. Whatever the reasons for it, the result is always the same: staff mobility leads to significant efficiency losses in project implementation.

### Weakness of municipal institutions

In many developing countries, where decentralization is a recent phenomenon, municipalities are still young administrations, and easily become dysfunctional. Their main problems are often rooted in their weak management systems, which are often affected by arbitrary political and administrative decisions. The inadequate control mechanisms found in most of these countries, coupled with arbitrary behaviour by leaders, leads directly to manifestations of corruption. The initial stages of project implementation have often been the most difficult. Procedures and forms, as well as training on information technologies and translation, need to be provided.

### Lack of infrastructure and public utilities

Information technologies require a stable electric power supply and a work environment suitable for computer operation. Municipal staff often encounter inadequate infrastructure and public utilities in the course of their work, and this has a direct impact on productivity and work organization. Obviously, in post-tsunami Indonesia and Sri Lanka, infrastructure and public utilities needed to be rebuilt at the same time as new financial and property tax management systems were being established. That represented an additional challenge that had to be taken into account in the project management process. However, similar issues came up in other municipalities as well, especially in Ho, Ghana, where municipal employees' office premises are obsolete and basic public utilities, such as water and electric power, are often inadequate. Renovating offices can do a great deal to change employees' and the public's behaviour, as well as increase productivity.



The newly renovated office space in Kalmunai, Sri Lanka offers an open and client-friendly work environment.

## Part 4: Sustainability

In spite of constraints, the projects studied have achieved, or are on the way to achieving, their goals. However, the real impact of action to modernize municipal finances and operations can only be measured in the long term. The three factors below will contribute to project sustainability:

- Political support for change management;
- A medium-term and a long-term vision;
- An integrated approach incorporating a variety of management sectors.

### **Political support for change management**

In order to successfully take up the challenges involved in changing the management of municipal finances and operations, decision-makers must subscribe unconditionally to the new principles. If decision-makers – including members of the municipal assembly, mayors and municipal leaders – fail to support the initiative consistently, then support from municipal staff and technicians alone will prove inadequate in ensuring the initiative's long-term viability. Ideally, the initiative should have a champion or leader, an influential person who supports it unswervingly and who takes care of everything that needs to be done to bring together the conditions for success. This consideration must be taken into account from the outset. An interesting example of an approach to win decision-makers over to the cause was a friendship protocol signed by the Mayor of Laval and the Mayor of San Salvador. With a protocol of this kind, the honour of both cities was at stake, and bilateral relations between the two municipalities were made official politically. But the risk remains with this type of agreement that if a different political authority is voted in or if different municipal leaders are appointed by the national government, priorities could shift. Thus, it is important that the project be in line with a broader desire and will – manifested throughout the country and in the higher echelons of government – to reform public management and make it more efficient, effective and transparent. In addition, the general public and the media must be made more aware of the need to champion the sound management of municipal finances and activities..

Local government associations are well placed to share knowledge across the nation on the usefulness of modernized taxation, land registry systems, accounting and other systems, and can facilitate other municipalities' implementation of those systems.

### **Medium-term and long-term visions**

One of the main risks inherent in projects like those included above is that they are not part of a long-term development vision. For example, setting up a land registry involves substantial basic investment in time and resources, and thus requires the unconditional commitment of the authorities to keep it going. Moving from a paper-based handwritten system to a digitized electronic system presupposes that commitment, because – once the change is made – going back could have disastrous consequences. Investment in new technologies and enhancing human resource capacity will achieve nothing unless it is part of an overarching medium- and long-term vision. In developing countries, that risk is ever-present because human resources are scarce and institutions are fragile. Local governments are often under pressure, managing daily crises that divert municipal employees' attention away from these projects and could jeopardize ambitious reform initiatives. Projects must therefore be allocated sufficient human and financial resources to provide long-term support. It is essential that higher levels of government be encouraged to support the reformed systems, if their survival at the municipal level is to be guaranteed over the long term.



Local elected officials from Laval and San Salvador sign protocol d'amitié to indicate their commitment to the partnership.

### **An integrated approach incorporating a variety of management sectors**

Modernizing municipal finances and operations involves a host of complex issues, with many factors entering into account and many municipal actors and services coming into play. Projects must thus be approached by integrating all the management involved. All too often, municipal departments and divisions act in isolation, each of them dealing with its own small part of the project. In the end, it becomes impossible for them to come together. Yet serious municipal reform cannot be considered unless all the sectors approach it in a coordinated fashion. For example, Finance must coordinate its actions with those of Planning, Planning needs to work with Geomatics, and Geomatics must work in concert with Land Management, Property Assessment, and so on. The sectors are linked to one another in many different ways, and from the outset it must be ensured that initiatives are well integrated. Pilot projects like those described above can be useful in fostering cooperation among municipal departments because they act as rallying points for collaboration.

# HIGHLIGHTS OF PROJECTS

## PARTNERS

## OBJECTIVES

### GHANA

National Association of Local Authorities of Ghana (NALAG); Ho Municipal Assembly (HMA), Ghana; Victoria Capital Regional District, British Columbia

The main objective of the project was to maximize internal revenue to improve municipal public services.

### SRI LANKA

Ministry of Local Government and Provincial Councils; Kalmunai Municipal Council; Galle Municipal Council; City of Mount Pearl, Newfoundland; Halifax Regional Municipality, Nova Scotia; City of Nelson, British Columbia

The main objective of the project was to increase the resources available to the Kalmunai and Galle municipal councils through improved financial management.

Ministry of Local Government and Provincial Councils; Trincomalee Urban Council; Batticaloa Municipal Council; City of Kitchener and Halifax Regional Municipality

The main objectives of the project were to help the Trincomalee Urban Council and Batticaloa Municipal Council to produce reports on annual fiscal years, to modernize financial management systems, and to improve client service and streamline operations.

### INDONESIA

Government of Indonesia; Aceh and Nias Rehabilitation and Reconstruction Agency; Municipal Government of Aceh Jaya; Ville de Saguenay

The main objectives of the project were to:

- Provide post-tsunami support for reconstruction in Aceh Province;
- Support local governments and promote inter-governmental cooperation
- Strengthen local governance in Aceh Jaya District;
- Support the development of local plans and budgets to improve public services in Aceh Jaya.

### SAN SALVADOR

Municipality of San Salvador and City of Laval

The main objective of the project was to strengthen municipal capacity in the area of municipal finances.

### VIETNAM

City of Nam Dinh and City of Saguenay

The main objective of the project was to improve the City of Nam Dinh's capacity in municipal development planning and control by creating a land use registry with a view to modernizing municipal management.

## USEFUL RESULTS

- Creation of a reliable and accurate database
  - Establishment of modern and effective mechanisms to produce taxpayer census and property assessments
  - Establishment of effective revenue collection system
  - Establishment of invoicing system
  - Stronger technical mapping capacity to enhance land use and planning
- Improved revenue collection procedures and practices in the Kalmunai and Galle municipal councils
  - Improved management practices and procedures in the assessment branch and revenue inspection branch
  - Improved effectiveness and efficiency among finance department staff, achieved by providing state-of-the-art technological equipment and training
  - Greater awareness among citizens and improved client service to help citizens understand and accept the need to pay taxes
- Conversion of all paper-based accounting documents into electronic documents
  - New computer equipment and software acquired and installed
  - Training for client service staff
  - Office furniture purchased and office premises renovated
  - Enhanced communication between the Trincomalee Urban Council and Batticaloa Municipal Council
- Establishment of an interdepartmental project team
  - Training on database and system development for two municipal staff members, and training on information technology utilization for four others
  - Establishment of a computerized system for the public works department to manage calls for tender
  - Better capacity for local administration to manage and analyze information relating to its development, including the annual budget, demographic and socioeconomic data, and municipal assets
  - Greater awareness among local decision-makers of issues and potential advantages of instituting information management systems in their municipalities to support decision-making and accountability, among other things
- Improved urban development planning and control capacity, by training municipal staff
  - Development of a geographic information system on the territory, a geomatic system and a digitized land registry
  - Generation of local revenue sources and better administration of revenue centres, through the implementation of information technology and an efficient accounting system
- Establishment of Centre for Land Information
  - Establishment of a municipal management – red book licence and tax management – and planning system
  - Development of a local network and Web server to host databases available to municipality residents

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*This publication was undertaken with the financial support of the Government of Canada provided through the Canadian International Development Agency (CIDA).*

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