City For All
In Association with
UN-HABITAT
UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME

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EXECUTIVE SUMMARY

This presentation is intended to explain the current condition and the existing issues on the Kabul Municipality (KM) procedures. Here, we will specifically outline: (1) legislation, (2) KM financial system Revenue Collection Model, (3) land valuation, and (4) services of KM.

Currently, KM suffering various issues in its legislation, which is almost outdated and is not will responsive for managing urban issues. The municipal law package consist of the followings; (1) different laws, (2) regulations, and (3) decrees. These sections have different articles of matter, which some of the specific articles faces serious problems.

The second issue with KM is the revenue collection model. Currently, KM collects revenue manually from some 40 different small and large revenue sources through the following four methods; (1) Revenue Collection through contractors, (2) Revenue collection through tax payers, (3) revenue collection through KM staff, and (4) revenue collection through other government entities. These methods are vulnerable to corruption, which is almost arbitrary to the KM official for embezzlement.

The current land valuation system is based 41 areas that are grouped into six land value zones which is further explained in (annex #2). For each of these areas, coefficients are used to determine land prices for the purpose of calculating property taxes. According to law, these coefficients have to be revised every three years.

Therefore, recently KM has prepared proposal using GIS software on land valuation. In this valuation each district based on the land value divided into different zones. Then each zone is divided into categories. The categories includes; (1) Main roads, (2) Subway roads, (3) streets and (4) sub-streets.

And, the final issue is the servicing of Kabul Municipality. According to article 3 of Safa'I regulation KM have to spent the collected revenues into the (14) different types of urban services. Therefore, we also considered the quick win projects and WB, Doing Business Indicators, which are services and ranks Afghanistan below the par.

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MUNICIPALITIES LEGAL FRAMEWORK IN AFGHANISTAN

The first legal source for a municipality in Afghanistan is the Municipal Law package (OG. # 794). The contents of the law have been approved & published in 2000, which has fourteen chapters. Each chapter has articles on various topics. It remains in force subject to the provision in the constitution that invalidates prior laws and decrees inconsistent with its provisions (Article 162).

#	Law/Regulation	Brief	Page
1	Municipal Law	This law has been enacted to manage the functions of municipalities and municipal districts activities.	1-16
2	Urban Services Law	To regulate the affairs regarding determination of types, circumstances and the amount of urban service charges.	17-27
3	Acquisition Law	The project acquisition are followed with this law	28-40
4	Anti-Hording Law	Speculation in this law means the collection and holding of foodstuffs in excess of ordinary needs and not for sale, but for the purpose of raising the prices of such materials in an unnatural way.	41-57
5	Cleaning Regulation (TANZIF)	This regulation is aimed at regulating the cleaning and greening of the cities.	68-73
6	SAFA'I Regulation	to determine the amount of the municipal cleaning charge to ensure public welfare.	74-89
7	Regulation for Non-urban Passenger Vehicles' Parking Fees	to regulate affairs related to the bus/taxi stands for passenger vehicles from Kabul's suburbs and provinces and clarify the nature of collection of parking tax from such vehicles.	90-98
8	Regulation for Determining the Municipal Properties Rent	Law to regulate the affairs regarding determination of lease for municipal properties.	99-113
9	Regulation on Kabul City's 25 Year Plan for Urban Residence Projects	implementation of the Kabul City Master Plan, observation of construction conditions, determining the obligations of individuals, agencies and the master plan implementing office.	114-129
10	Regulation for Implementation of Kabul City's Master Plan	Regulates the Kabul city master plan	130-142
11	High Rise Plots of Residential & Commercial lands Distribution	better arrangement of affairs regarding the method of distribution and sales of Emirate plats according to the Kabul City Master Plan for the construction of residential houses, commercial and civil buildings.	143

MUNICIPAL LAW LIMITAIONS PROPOSED AMENDMENTS

The municipal law package, OG. 794, consist of a number of limitation & shortcoming, which are countered as barriers and avoid municipalities from progress. In the table below, we outlined a number of them by providing recommendations.

Limitations	Recommendations
❑ The new revenue sources, are not mentioned in this law.	❑ A section or an article for such case should be predicted as annex to law
❑ In article 11, budget is constrained into 45:55 for ordinary development proposes	❑ This ration should be 20:80, ordinary & development
❑ Acquisitive land values in law are in previous currency and are not visible	❑ In new law the value prices should be in annex to update over the time period
❑ Article 6 & 9, the mayor & council are elective	❑ In practice they are appointed & council unavailable
❑ Municipalities lacks the enforcement forces, while art. 7.2, is to take help from MoI	❑ Now, municipalities are supervised by IDLG*. Therefore, they enforcement forces
❑ Penalties for delay payments are not predicted	❑ Penalties for all sorts of violations should be predicted in new law
❑ Municipalities do not have autonomy to set their own tax rates for their areas	❑ Lack of technical staffs in the provinces. IDLG, MOF sets rates for municipalities
❑ IDLG updates the outdated prices in separate regulations, which are problematic for implementation and monitoring.	❑ Better is to involve any relevant municipality in the decision makings
❑ The municipal law of 2000, is very general and needs specification	❑ The expertise from KM, IDLG, MOF, MOJ shall work on a draft based considering the environmental sensitivity

*Note: *IDLG = Independent Directorates of Local Governance, MOI = Ministry of Interior, MOF = Ministry of finance, MOJ = Ministry of Justice, and KM = Kabul Municipality*

DLA PIPER (INTERNATIONAL COMPARATIVE REVIEW OF MUNICIPAL LAWS)

The GoIRA is looking for support to analyse, revise and update the municipal legal framework to reflect the needs of modern cities and their citizens across Afghanistan. H.E has tasked the KM to lead efforts in developing this new framework. DLA Piper is pleased to propose to the Office of the President and the KM a proposal for six below deliverables, and the estimated cost and time are given in (Annex #1).

1. IDENTIFICATION OF SUITABLE COMPARATORS

- ❑ DLA Piper will collaborate with Sasaki, for developing the methodology to identify the suitable comparator jurisdictions.
- ❑ This methodology will consider legal systems, demographics, cultural similarities, levels of economic development, delivery of infrastructure and physical urban for the propose of making shortlist of jurisdictions
- ❑ Once suitable jurisdictions have been identified, GOIRA / the Kabul Municipality will be invited to select from the shortlist those jurisdictions which they wish to be included in the comparative review.
- ❑ We anticipate delivering the shortlist of jurisdictions within 7 days of being formally instructed and commencing work on the project.

2. DESIGN & DEVELOPMENT OF QUESTIONNAIRE

- ❑ This will result in the preparation of a template questionnaire which will be used to capture the key features of the municipal law framework in the selected comparative jurisdictions
- ❑ Identifying the foundational to the development of fit-for-purpose municipal regulation of particular contextual relevance for Afghanistan
- ❑ The subject matter or policy areas covered may include
  - specific powers in relation to spending, income generation, public procurement & contracting
  - attracting inward investment, including the use of PPP
  - autonomy over land use and the buying/selling of property
  - accountability and reporting lines
  - delivery of critical public services

3. COMPLETION OF QUESTIONNAIRE

- ❑ This deliverable will involve detailed research and analysis resulting in the completion of the questionnaire for each of the selected jurisdictions.
- ❑ In respect of the selected comparative jurisdictions, the work will involve desk-based research conducted by the DLA Piper team in the UK, as well as input and analysis from DLA Piper's network of offices and relationship firms in the target jurisdictions and internationally.
- ❑ Kakar Advocates will conduct analysis of, and complete the questionnaire with respect to, Afghanistan's Municipality Law & regulations. This preliminary assessment of the existing Afghan legislation will create the baseline for the comparative analysis with other jurisdictions.

*Note: *The estimated budget is for the completion of the questionnaire for each jurisdiction (excluding Afghanistan). The budget for the Kakar Advocates team to review the relevant Afghan Municipal Legislation and regulations is $9,000 - $12,000.*

DLA PIPER (Deliverables 4-6)

In this slide we will present a summary of the DLA – Piper deliverables. Deputy Mayor of Kabul, GOIRA/KM have decided to opt for a review of five comparative jurisdictions in addition to the Afghanistan analysis.

4. COMPARATIVE REPORT

- ❑ This deliverable will draw together the completed questionnaires and supporting research into one comparative report. The report will detail the different models or options which the GOIRA may wish to adopt.
- ❑ The report will display these conclusions and recommendations in a clear and user-friendly format (using visuals and graphics as appropriate), and include the detail of the research in annexes.
- ❑ We will send the report to you in draft, providing GOIRA with the opportunity to provide comments or amendments before the report is finalised.
- ❑ We anticipate delivering the first draft of the comparative report to GOIRA /Kabul Municipality within 30 days of commencing work on the project.

5. VIDEOCONFERENCE

- ❑ This deliverable provides an opportunity for the DLA Piper team to formally present the conclusions of its research and analysis to GOIRA / Kabul Municipality, and for GOIRA / Municipality to ask questions and request any clarifications.
- ❑ The estimated budget includes the time for the videoconference as well as preparation time for the participants to prepare the presentation and responses to likely questions.

6. RESPONDING TO THE PRESIDENT'S RECOMMENDATIONS

- ❑ Once the comparative report has been finalised as between the Kabul Municipality and DLA Piper, it will be presented to the President's Office. It is expected that the President and his advisors will provide detailed comments and recommendations in respect of the findings in the comparative report.
- ❑ DLA Piper will work with the Municipality to make appropriate revisions to the comparative report to reflect the President's recommendations.
- ❑ The estimated budget assumes we will make two rounds of revisions as a result of feedback provided by the President and his office.

*Note: *The estimated budget is for the completion of the questionnaire for each jurisdiction (excluding Afghanistan). The budget for the Kakar Advocates team to review the relevant Afghan Municipal Legislation and regulations is $9,000 - $12,000.*

PROPOSED AMENDMENTS IN KM LAW

Currently there are varies main challenges ahead of KM in terms of law. We found the following fields problematic, which needs amendments: (1) municipality Scope of Authority and Service provisions, (2) Revenue Sources, (3) Land Use, (4) Investment, and (5) Implementation Rules and Regulations. The table below provides a summary of the fields, which needs amendments.

Current Challenges	Recommendations
Municipality Scope of Authority and Service provisions	The municipality's scope of authority within the city is very minimal in comparison to other city governments. For example we do not manage city electricity, water, transportation, investment and such services are managed by other entities. This has resulted poor coordination and service delivery. By consideration of our countries realities, KM proposes the to be amended.
Revenue Sources	The law limits the authority of the City to determine revenue sources and their rates and has a bureaucratic process in place. Amending the law would allow Municipalities to adapt to each city's realities based on their revenue sources and ensure higher revenue.
Land Use	There is a strong overlap and problematic issue between Municipalities and the Ministry of Urban Development (MUDA) regarding the approval of the Detailed Design across the city within the Master Plan
Investment	The city has extremely limited authority in attracting investment across the city and the Public Private Partnership law does not give the city government a sufficiently free hand to utilize the available land in the city. Studying how this is done across various cities and using successful examples will allow municipalities to attract much needed private investment to rebuild and renovate the city.
Implementing Rules and Regulations	Municipalities do not have a force to implement the city rules and regulations and are completely dependent on local police slowing down implementation as well as opening up the channel for corruption and misuse. Studying successful models in other cities would help us understand which mechanism best works for city governments in terms of implementation of the rule of law. Thus we will also work with IDLG.

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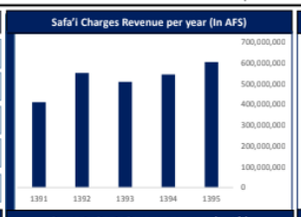
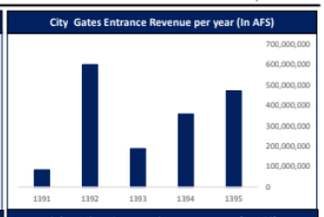
KM MAIN REVENUE SOURCES

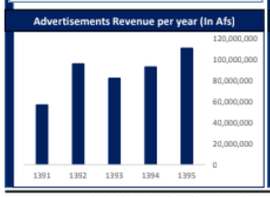
The revenue collection of KM is originated from 40 different revenue sources such as: SAFA'i Charges, city entrance gates, High Tonnage Transportation, KM property taxes, ETC. below table and charts illustrate the top five revenue sources in terms of Amount and year.

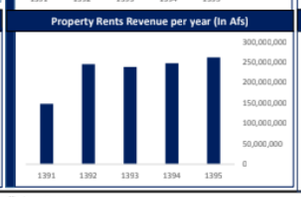
5 Main Revenue Sources of KM

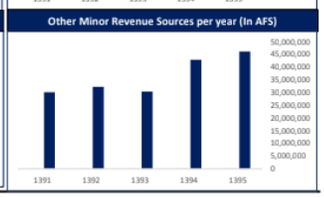
- ❑ Safa'i Charges
- ❑ City Gates Entrance Fees
- ❑ Advertisements
- ❑ Property Rents
- ❑ Other Minor Revenue*











Note: Non-tax on vehicles (this tax is collected by Kabul Police Traffic Department
**Other Minor Revenue Sources are: like, city park, cattle market, cinema and Kabul zoo*

KM REVENUE GENERATING DIRECTORATES

The current revenue sources of Kabul Municipality and their contribution/share to the overall KM budget, the below table shows the revenue share to the total budget in terms of Amount in percentage per annum.

#	Directorates	Directorates Share (%)	Revenue Sources being collecting by the directorate
1	KM 22 districts	33	Safa'i Charges, Business licenses, Rentals, Shop small boards..
2	Property Directorate	27	Land Prices, 1% Title Deed Tax, City services fees
3	Market Management Directorate	21	City entrance gates, Business licenses per annum
4	Revenue Directorate	12	Vehicles city services tax collected by police traffic, melon & water melon market, cattle market revenue
5	Cultural Affairs Directorate	5	Bill boards, advertisements, Some rentals, city park, cinema revenue, Parking, zoo, Hearse Vehicle, & Mourning halls
6	Sanitation Directorate	1	Public toilets, Septic tankers user fees, Pollution fines
7	City Planning & Implementation Dir	1	Urban services fees, Map Price, engineers fees, Map Cherokee
	TOTAL	100	

METHODS OF KM REVENUE COLLECTION

In KM the revenues are collected by following four methods, these methods are given in the followings; (1) Revenue collection from tenants, (2) revenue collected from tax payers, (3) revenues collected by KM employees, and (4) revenue collection through other government entities.

Revenue From Tenants	Revenue from Taxpayers	Revenue collected by KM staff	Revenue collected by other government entities
1. KM properties are rented by individual in accordance to procurement law 2. The property is formally announce through the published media only 3. Through the bidding process the property is given to contract 4. The highest price provider is the winner 5. This has been happen for now	1. The Safa'i charges calculated by KM district staffs 2. A Safai booklet is provided with the calculation of charges. There are three different types of Safai booklets 3. A houses yard (m2) + building volume (m3) x Safai coefficient = Safai Charges 4. The calculated amount is deposited into KM account by the owner	1. KM staffs are hired in the entrance doors of the five city gates to collect revenues 2. From the high tonnage trucks user charges are collected 3. Then the collected amounts are deposited to the KM account on the next day morning	1. Update driving license, the traffic department deducts the KM portion as well. 2. The deducted portion transferred by the end of each month to KM account 3. KM treasury management unit makes sure, if the amounts are transferred

**Note: KM enacts short-term contracts with individuals, for the properties, which are not used at the moment by KM, for the aim of temporary construction permit of any building like; Booths, Containers, A floor shops without iron reinforcements, until plan implementation by city master plan.*

ISSUES IN THE CURRENT MODEL

The current revenue model faces some problems, which are divided into three; (1) legal, (2) structural, and (3) system, which they are summarize in the table below:

Legal Issues in Revenue	Structural Issues related in to revenue	System & Capacity Issues in Revenue
1. Current Safa'i tariff rates does not make enough revenue (is very low) 2. Current property rent regulation is completely a disaster. Extremely low prices. i.e.* 3. Many revenue sources are difficult to collect, and there are some other revenue sources that need to add it to our law	1. Some revenue sources are being collecting by two or three directorates. Not effective 2. Cross structure in KM 3. The current structure is not enough (specially on the collection of Safay'i charges 4. Some of KM directorates intervening to the revenue collection. But, due to contrast of interest, they are doing it.	1. After every sided complete and comprehensive audit the computerized accounting system should be deployed, which can track even a single penny. 2. Financial system should be based on standard municipality charts of accounts to cover each single penny of revenues & expenses. 3. New system will track revenues and will regularly alert the responsible to collect and audit the district wise.

**The property rent regulation prices are very low. i.e. Determined rent for any KM property are lower than the actual market value of the same property. Then, in most cases the same property is given by lesser to third party in a higher rent, based on the market values.*

PROPOSED REVENUE MODEL

In order to solve the previously stated issues, here we propose the followings specifically addressing the mentioned three issues, which are summarize in the table below

Tackling legal issues in Revenue	Restructure the revenue staff	System & Capacity Changes
1. To renew municipal law. Specifically define and regulate main revenue sources. NO need for 42 revenue sources we just need 10 to 15. 2. The new land valuation will help on capturing a property's exact value. Specifically by considering m2 for all dimensions of the land use zoning.	1. Restructuring revenue staff as per today's need. 2. To Transfer revenue collecting related structure from 3 central directorate to districts and revenue directorate. 3. To Increase revenue staff at lease by double across KM	1. To implement new proposed land valuation of system in KM 2. The new system deployment with standard municipality chart of accounts, can help us to generate different reports to know the current financial situation of the organization 3. Education level of the current employees should be increased to accept the changes or regular trainings to be conducted in this capacity.

FINANCIAL SYSTEM

In this section of this presentation, we will illustrate the current text of KM financial system. In 1395 KM budget was more than AFN4b, the amount is sub-divided into the following figures.

Budget Allocation

Development Budget

Allocated Amount: 55%
AFN 2,205,500,000

Operational Budget

Allocated Amount: 45%
AFN 180,500,000

Development Budget Allocation

- Road Construction
- Lakes
- Greenery
- Sanitation
- Sidewalks
- Recreational Parks
- Street Lights
- Canals

Operational Budget Allocation

HR Costs

Salaries
AFN 1,019,000,000

Admin Costs

Procurement of Vehicles, stationaries, fuels, food, cultural etc.
AFN 785,500,000

Unexpected costs

Burial of unknown death bodies

ACCOUNTING AND FINANCIAL MANAGEMENT SYSTEM

In this section of this presentation, we will give proposed financial system for KM. As per the below comparison below tools of ERP*, we found out SAP and Microsoft GP suitable for managing KM admin and finance.

Features	SAP Business One	Micro Soft Dynamics AX 365
Financial Management	1. Accounting 2. Controlling 3. Simplified 4. Banking & reconciliation 5. Financial Report & Analysis	1. Accounting 2. Controlling 3. Banking & banking reconciliation 4. Management
Sales & Customer Management	1. Sales & opportunity management 2. Marketing campaign management 3. Customer management 4. Service management 5. Reporting and analysis 6. Mobilize your sales team	Customer Relations management
Affordable	**Total cost of ownership:** ($50,000 -$55,000 on premises) on clouds $31,000 **Back-up/ Maintenance cost:** (17%of$24,000) **Industry Solutions:** Tailored to your needs **Implementation Time:** Max 3 month	**Total cost of ownership cost on side: 228,000 USD** **Back-up/ maintenance cost (**16% of license fee (36,000) not applicable if on cloud.**)** **On Cloud: USD 170/**User, monthly-20 users must be. **Industry Solutions:** Tailored to your needs **Implementation Time:** 40 weeks

*Note: *ERP = Enterprise Resource Planning*

PROPOSED REVENUE MODEL

Features	SAP	Microsoft GP
Purchase & inventory control	1. Procurement 2. Master Data Management 3. Warehouse & Accounting integration 4. Process accounts payable invoices	
Production Planning	1. Warehouse & Inventory management 2. Good receipt & issue control 3. Production & material requirements 4. Efficient Reporting	Production Solutions – Manufacturing, Bill of Materials, Manufacturing Order Processing, Master Production Scheduling, Materials Requirements Planning
Deployment	1. Cloud 2. Mobile	1. Cloud 2. On premise
Supply Chain Management	Selection inventory controls manages the supply chain control	Manages the Supply – Invoicing, Sales Order Process
Human Resource Management		Manages the HR – Unlimited Employees, Payroll Direct Deposit, Federal Magnetic Media, Payroll Connect, Position Control, Employee Pay
Project Management	Project, Project Stages Planning & Milestone Management and Project Financial & Progress Summary	During project initiation, several key processes occur. A project quotation to communicate the estimated labor, expenses, and materials to the customer to record the billing terms, limits, and agreements in a project contract
Transportation Management	We can buy it as Add-up package. (waits for cost)	In-bound-Out bound and load building, vehicles, time management

SAFA'I CHARGES: CURRENT & PROPOSED PRACTICES

In this section of the presentation, we will explain SAFA'I charges. As mentioned in the previous slides, it is collected to provide 16 different urban service. SAFA'I charges faces problems for the existing short-falls in collection process and the meaning. Therefore, we have two recommendations; (1) namely change this charge to urban services fees, (2) and include it to the electricity bill.

CURRENT KM SAFA'I PRACTICES	CURRENT DABS ELECTRICITY BILL PRACTICES	CHALLENGES
Tech. Team including members; (1) Engineer, (2) Revenue, (3) land valuation, calculated SAFA'I annually	Tech. Team including DABS local representative & local technical staff read electric meters by monthly	According to SAFA'I regulation, Safa'i shall be paid by the owner of the property. Meanwhile, the renters avoid the payments
The KM staff measure each property door to door for SAFA'I calculation, then the amount shall be paid by the owner	DABs also visited its customers door to door to calculate the amounts & transfer to system. The payment also paid by renter	Practically is impossible to visit door to door with no transportation and human resources
The KM staff measure properties size (m2) and its building (m3), then apply the SAFA'I coefficient.	The system generates the electricity bill	Districts have no authority to enforce the payment
The owner is provided with a SAFA'I-booklet (A, B or C) types, delay in payments aren't predicted	Delay in payments, DABs applies penalties & have authority to cut electricity connection	The method is highly vulnerable to corruption
The final amount will deposit into KM account in the PASHTANY BANK	The electricity bill can be deposit into DABS account in different BANKs	The staffs with great performances in revenue collection shall be appraised by giving incentives

CALCULATION OF SAFA'I CHARGES

The KM proposed scheme for Safa'i charges along with the electricity bill is completed. Based on a random sample size of 54 electricity bill a co-efficient for Safa'i calculation equivalent to existing Safa'i regulations is considered. The calculated coefficient of 7.72% or almost 0.08, will be multiplied to electricity bill charges of each property to get the Safa'i charge.

Existing Safa'i coefficients & the formula

Property Usage Purposes	Coefficient (%)
Residential	0.387
Commercial	0.774
Governmental Properties	0.968
Industrial Properties	1.290

Existing Safa'i charges calculation Formula

1. Land Area (m2) + Building Area (m3) = **Property Area**
2. **Property Area** x coefficient % = **Safa'i charges**

Steps followed for determination of Safa'i coefficient through electricity bill

- As a sample size of 1000 customers electricity bill provided by DABS;
- The sample size of 1000 sent to 22nd KM districts for confirmation
- Due to time constrain, KM was able to re-collect only 54 of them
- Based on the collected samples, the coefficient of 7.72 or equivalent 8% is identified
- Similar procedures followed up, but instead of considering the property value, electricity bill is considered
- Similar procedures followed up, but instead of considering the property value, electricity bill is considered

Electricity bill cost x coefficient = Safa'i charges

Note: The proposed Safa'i coefficient is not acceptable to Kabul municipality, due to the following reasons;

1. *The sample size of the bills selected by DABS not randomly*
2. *Thus, the coefficient 0.08 is not a desire coefficient. In case , if we consider DABS 1394 total sell (AFN 900M), KM will revenue by AFN 200M, we believe that the real SAFA'I revenue will be AFN3B*
3. *The collection of Safa'i charges through electricity is feasible for residential properties, but the commercial properties are will covered by KM and the electricity bill is not a desirable method*

URBAN SERVICES

In this section of the presentation, we will illustrate the current text of municipal servicing, while the upcoming slides we will illustrate the DBI, Quick win projects, and sanitation directorate KM. In the below table, we will start with article 3, of Safa'i regulation about 14 different types of services, which should KM provide.

#	Categories	Activity details
1	Construction	Asphalt, cover, repair, mend, gravel
2	Streets	Street lightening, side walks and ditches cleaning
3	Parking	Create parking places for urban & non-urban vehicles
4	Greenery	Build recreational places, zoo, watering the green spaces of the city
5	Sanitation	Cleaning and transfer Solid & liquid wastes out of the city, build public toilets,
6	Market management	Evacuate the sidewalks, public gardens, roads and stations from the venders
7	Social services	Ambulance services for dead bodies, build mortuaries for washing dead bodies,
8	River Management	To construct the walls adjacent to the rivers and streams running within the city
9	Bridges	Construction bridges over the river, small bridges, and side walks
10	Cultural services	Managing the appearance and sound pollution, to make the city attrative

RECOMMENDATIONS

Addressing the mentioned issues in the previous slide, KM recommends the recommendations given in the below table for improving, it is revenues.

#	Fields	Description
1.	Land Rental Regulation	By bringing change in this regulation, our revenue from this source will increase from AFN 250M to AFN1b
2.	Transfer cultural management unit from cultural directorate to revenue directorate	By transferring, the mentioned unit from the cultural directorate to revenue directorate, will make able revenue directorate to directly take under control revenues from this source. Currently, we collect AFN120M and will increase to AFN 400M
3.	Cross structure	The revenue collection activities of whole KM should be transferred to revenue directorate of KM. Currently, various departments of KM is engaged with revenue collection parallel to the revenue directorate. For instance: (1) market management directorate has the responsibility to only organize the markets, but they also collect revenue: i.e. Four side city entrance gates, also (2) cultural directorate is responsible for cultural affairs, but in practice they also collect revenue from different sources: i.e. billboards, lease/rent etc.

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PURPOSE OF LAND VALUATION IN KM

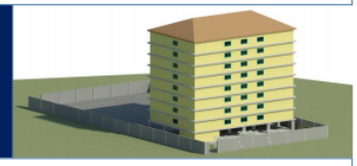
Land Valuation process is done by valuation of building and land, this process can help KM to tackle on varies aspects such as, SAFA'I charges, Property Transfer Charges (Deeds, Municipality, and Mustofiat), and Acquisition (To restore rights). A sample is given in (Annex #2).

Usages of property Valuation in KM

- **1- SAFA'I Charges**
- **2- Property Transfer Charges (Deeds, Municipality, and Mustofiat)**
- **3. Acquisition (to restore rights acquisition)**

The value of property is based on:

- **1- The Value of Building**



- **2- The Value of Land**

CURRENT CHALLENGES

Currently there are varies challenges exists ahead land valuation in Kabul. The main challenges have been originated from eight main sources.

Challenges for Land Valuation in Kabul Zones

1. The land valuation currently is not in accordance with the recent rates and actual situation on ground
2. Land pricing boundaries on the map doesn't include all classified areas of Kabul. According to the name of the classified areas which causes inaccuracies in real value of the area.
3. Failure to update the pricing table over the last decade led to unrealistic situation for property pricing.
4. Pricing the property is not in accordance with the current rate, the percentage obtained in accordance with the objectives pricing has been adjusted.
5. The Rules, Regulations, and Procedures must be adjusted If the pricing to be based on the actual rates.
6. The existence of varies factors affecting the price of land, which makes complexity of the system and facilitate field for corruption
7. Safai Charges are not appropriately collected with the current legal and administrative capacity/mechanisms
8. Varies prices of properties for varies purposes (Acquisitions, Safa'i Charges, Buying and Selling of property

CASES STUDIES - ALBANIA

In 1990 after the collapse of communist regime in Albania the local municipalities were facing critical challenges ahead of survey and registration of properties, valuation of Land, and collection of property taxes. As result, In 2014 the government of ALBANIA in order to tackle the challenges has taken several initiatives.

Past Situation (1990-2013) Post Communist era	*Initiatives (2014-Present)*
❑ Only 10% of the properties were registered	❑ Recruited 12,000 temporary employees for survey and registration of 1.1M properties
❑ The prices of properties and Lands were equivalent to Communist era	❑ 3,000 Zones established and the actual value of per square meters land in accordance to the market rates Identified.
❑ From 65M Annual Revenue Plan, only 30% was collectable.	❑ Cadastral Agency for the purpose of properties management and pricing of land has been created.
❑ Land Tariffs were 0.13% contributor to the Government's Domestic Gross Revenue.	❑ After the reforms in revenue collection system, Revenue from properties tariff increased from 0.13% to 0.7% to the Government's domestic Gross Revenue.

CASES STUDIES - COLUMBIA

In 1981, DACD has been established for survey, registration, Land valuation and properties. However, duo to challenges until 1991 the authority were not completely active. In 2008, the total revenue collected from properties tariff were 20% contributor to Bogota Municipality. As result, in 2009 the government in order to tackle the challenges updated and reformed the system related to building volume, space, and land pricing.

Past Situation (1981-2009)	*Updated system (2009-Present)*
❑ Absence of realistic regulatory body	❑ 2.1M properties registered
❑ Absence of Digital system	❑ Municipalities created homogenous zones based on accessibility to Streets, general services, Topography, usage of land and also the prices of land in all the areas within the zone were made equal.
❑ Lack of Administrative and Technical Capacity	❑ The valuation of land per square meter is done by using the relevant zone's prices, while the valuation of building is done based on the updated construction cost of the building.
❑ Land Tariffs were 20% contributor to the Bogota Municipality's Total Revenue.	❑ Bogota Municipality's revenue increased by 147% (US$ 98BN)
	❑ Land Tariffs contribution to Bogota Municipality's Total Revenue increased from 20% to 40%.

PROPOSED METHODS

In order to tackle the challenges ahead of Land valuation in Kabul City, KM proposes the establishment of leadership and working committee, zoning guideline, and classification of zones.

Proposed Methods

- Establish price evaluation committee under the direct supervision of KM admin/finance deputy
- Establish a team working committee of land valuation on each district consist of; (1) district director, (2) leader of district, and (3) representative of real estate property dealers
- Sketching zoning guideline for the initial phase by using the existing information of KM
- **Zone:** Classification of each districts to varies areas based on the specific property type and usages, and equal valuation of all lands within each zones.
- **Category:** is the specific area of a zone in a district. Which identifies the geographic boundaries of an area based on the obtained value of an area.

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WORLD BANK, DOING BUSINESS INDICATORS

Doing Business Indicators identified ten by WB. In two of then KM is involved; (1) Dealing with construction permit, and (2) Registering properties. For creating ease in business, reformatics team provided a set of recommendations. In order to implement the recommendations, we divided them into two; (1) through administrative order, and (2) through executive orders.

Administrative Orders

Changes in internal guidelines and procedures → This is possible through the head of any organization → This is possible by the approval of head of ministry → Considering the scenario, we so far wrote a Maktub for solving the issues on "Dealing with Construction Permit" to KM. In the Maktub three issues were stated; (1) online access to law and regulation, (2) hiring technical staff, and (3) hiring inspectors

Executive Orders

Required change in law and regulation → Change in law and regulation from the authority of cabinet, parliament → And, finally approval of H.E. President → Currently, this portion remains unchanged

RECOMMENDATIONS FOR BOTH DBI AND QUICK WIN SCHEMES

In order to improve Afghanistan DBI global ranking. We, first started to implement, the reformatics recommendations, which are possible to implement through sending Maktubs to the relevant ministries. So far, we sent a Maktub to KM on bringing changes in internal guidelines. Next, we provide recommendations for improving KM servicing through Quick Win projects.

Dealing with Construction Permit, DBI

1. KM should publish all, its relevant laws and regulations in websites
2. KM should approve and implement the newly developed guideline for the hiring process of inspectors
3. KM should approve and implement the updated procedure on the number of inspections.

Recommendation for Quick Win projects

1. The KM performances must be monitored by a third-party, including; the community & media
2. The quick win scheme must be considered in all sorts of urban services,
3. KM must increase citizens' awareness, through conducting programs using various sorts of media
4. KM should increase citizens' awareness, through conducting programs using various sorts of media

Quick Win projects

In short-term KM need to implement quick win projects to overcome the existing shortfall. Therefore, from our observations, we selected a number of issues in the city. Then we took and locate on the map. These issues shared with KM and on daily basis they solve and report to us. In the below table samples for different issues selected

#	Problems	Dist	Offices	Locations	Remarks	# Persons # Hours
1	Garbage	11	11th district, Sanitation sub-directorate	Near to Arya Pump Station	The garbage's are thrown on a portion of the airport high way, and there is park for child, which is now used for storage of trashes.	5 People, 1 hours
2	Road	11	11th district, Sanitation sub-directorate	Between Lab-Jar and Arya Pump Station	Along the airport road, a length of 2KM, the trashes are thrown and mainly creating problems for vehicles, thereafter resulting traffics.	10People 5 hours
3	Street	8	KM have to reconstruct it through district 8th	The expansion part of Rahman- Mena	In this portion, the streets needs to be concrete, which are highlighted in the map below. The wide of these streets are 12m, 14m, & 16m, which totally will make a 1.5 km project in length.	Small project
4	Lakes	10	Can be Open by Maintenance & Work dir.	Salim Karwan square toward Qalai Fathullah	The lakes are narrow and blocked. During rainy season, water flows to the road.	
5	Sewerage Canal	15	The canal requires a small project	Between labjar square and 500 family	The is filled with the trashes, which block the sewerage direction	
6	Side Walks	4	Maintenance & Work directorate	Opposite to Salim Karwan towers	This portion needs to be concreted, through citizens engagements and or construct through KM fund	Side Walks
7	Stray Dogs	3	Sanitation directorate	All districts of Kabul city	The stray dogs are visible all over the city, KM have prevent them by launching a vaccine	Vacciene

By following the below process, we observed and recorded a number of Quick Win Projects

SANITATION DEPARTMENT OF KM

Kabul is one of the most populated cities in the region, with a 4M population across 22 districts. The population generates 5.5 tons of solid wastes on a daily basis. According to CSO Kabul city has a 4% annual population growth rate. The directorate operates with totally 3,805 personnel, 406 equipment, of which only 260 are active and suffering bad condition with the capacity. As a result, KM is only able to collect 47% (3.1K MT) of the total 5.5K MT of generated wastes (Annex #4).

Challenges

- Considering the international standards, the machineries of sanitation directorate are depreciated. In addition, the number of these machineries are limited, which hinders high performance
- Lack of Transfer stations in the city causes accumulation of trashes in the city
- Currently, all waste collecting vehicles of sanitation directorate transports solid waste to Gazak 2 dumping site located in district 21 of Kabul city. The average return distance is 100 Km and every vehicle can only transport twice. This practice is not financially feasible and we lack transfer stations in the city
- Lack of valid data & information from the daily solid waste amounts generation

Recommendations

- It is recommended to shift the AFN672M from previous years projects to purchasing machineries for sanitation directorate. KM has full authority on the allocation of funds amongst the projects. With this the city will be clean up to 90%.
- We recommend sanitation directorate to build transfer stations in four different locations of the city (1) north (2) south, (3) east, & (4) west of Kabul city, as proposed in annex # 2. This will help to collect the solid waste from the city quickly
- We recommend KM to build standard sanitary landfill in the west of Kabul. The estimated budget for building this facility is nearly $5M - $8M. Currently, Kabul city has only one dumping site in the east side of Kabul.
- Kabul city requires a comprehensive feasibility study of SWM, which is one of the most important factors for bringing tangible changes in the city. After knowing the exact amount of trashes being generated in the city. Then, planning for the future of solid waste, recycling programs and energy extraction initiatives can be facilitate

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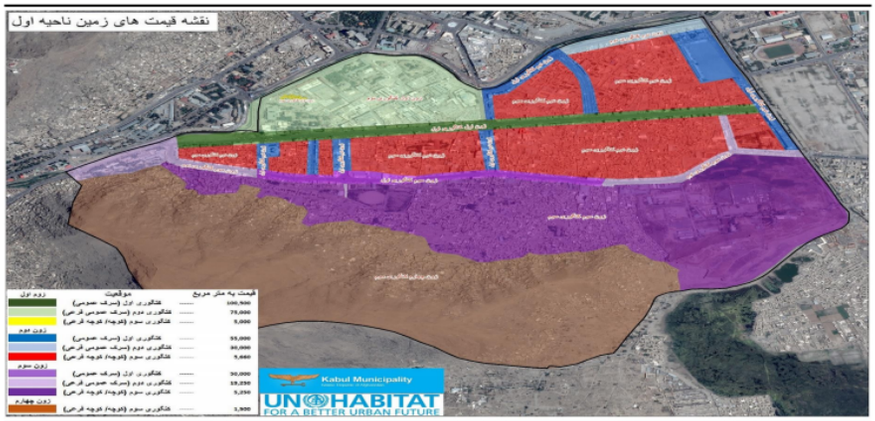
ANNEX #1: DLA PIPER (ESTIMATED BUDGET AND TIME)

The estimated budget and completion time period for each deliverable is provided in below table. The amounts includes jurisdiction shortlist, delivering the initial draft of questionnaire, budget and time the report will send to GoIRA's comments and etc.

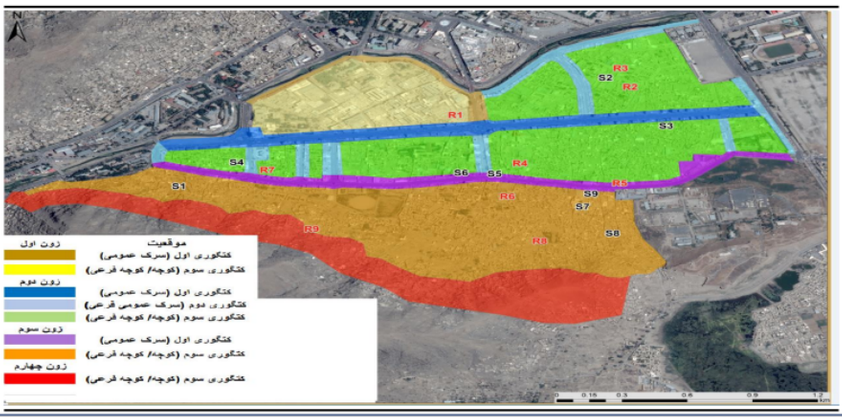
ESTIMATED TIME PERIOD AND COSTS FOR EACH DELIVERABLES

Grade	Partner/ Senior Consultant		Associate		Trainee		Total
	Time (hrs)	Budget ($)	Time (hrs)	Budget ($)	Time (hrs)	Budget ($)	
Deliverable 1	1	689	2.5	750	5	1,010	2,449
Deliverable 2	3	2,067	5	1,500	4	808	4,375
Deliverable 3	4	2,756	10	3,000	20	4,040	9,796
Deliverable 4	5	3,445	20	6,000	12	2,424	11,869
Deliverable 5	5	3,445	5	1,500	5	1,010	5,955
Deliverable 6	4	2,756	8	2,400	10	2,020	7,176
Total							41,620

ANNEX #2: ZONING MAP AND 1ST DISTRICT'S FINAL



PRELIMINARY ZONING MAP AND 1ST DISTRICT'S GUIDELINE



ANNEX #3: – DATA COLLECTION FORMS FOR LAND VALUATION

ناحیه چهارم زون اول

املاک فروخته شده

S.a1	تاریخ فروش		
	قیمت فروش		
	مساحت زمین به متر مربع		
	موقعیت		

S.a2	تاریخ فروش		
	قیمت فروش		
	مساحت زمین به متر مربع		
	موقعیت		

S.a3	تاریخ فروش		
	قیمت فروش		
	مساحت زمین به متر مربع		
	موقعیت		

S.a4	تاریخ فروش		
	قیمت فروش		
	مساحت زمین به متر مربع		
	موقعیت		

ناحیه چهارم زون اول

املاک برای فروش

R.a1	تاریخ ثبت		
	قیمت فروش		
	مساحت زمین به متر مربع		
	موقعیت		

R.a2	تاریخ ثبت		
	قیمت فروش		
	مساحت زمین به متر مربع		
	موقعیت		

R.a3	تاریخ ثبت		
	قیمت فروش		
	مساحت زمین به متر مربع		
	موقعیت		

R.a4	تاریخ ثبت		
	قیمت فروش		
	مساحت زمین به متر مربع		
	موقعیت		

ناحیه اول، زون اول

دریافت ارزش زمین از طریق مردم

شماره	موقعیت	ارزش زمین فی متر مربع	منبع
A1			
A2			
A3			

LAND VALUATION TABLE

جدول قیمت های زمین شهر کابل

ناحیه اول

شماره	زون	کتگوری	موقعیت ساحه	قیمت زمین فی متر مربع به افغانی
1	زون اول	کتگوری اول	ساحات بلند منزل دو طرفی جاده میوند (از پل مقابل سرک باغ قاضی الی اخیر جاده میوند)	۱۰۰۵۰۰
		کتگوری دوم	ساحات تجارتی تیمورشاهی و مندوی (شمال دریای کابل جلویا سرک عمومی جاده میوند)	۷۵۰۰۰
		کتگوری سوم	منازل رهایشی ساحه مندوی کابل	۵۰۰۰
2	زون دوم	کتگوری اول	• دوطرفه سرک فرعی سیلمای پامیر الی سرک باغ قاضی • دو طرفه سرک چنداول • دو طرفه سرک شاهچه • دو طرفه سرک جاده میوند الی سنگ تراشی • دوطرفه سرک چهل متر (باغ علی مردان – الی دریا کابل – مسجد پل خشتی – یک طرفه سرک پل خشتی جاده میوند)	۵۵۰۰۰
		کتگوری دوم	دو طرفه سرک از سرک باغ علی مردان الی پل محمود خان	۳۰۰۰۰
		کتگوری سوم	• ساحات جلویی جاده میوند الی سرک باغ قاضی بدون سرک های عمومی و فرعی، از اخیر شرقی شفاخانه ابن سینا الی عقب بلاک های تجارتی مقابل چمن حضوری • ساحات رهایشی باغ علی مردان، رکا خانه و بوریا فروشی	۵۴۴۰
3	زون سوم	کتگوری اول	دو طرفه سرک باغ قاضی از سرک سیلما پامیر الی شروع ساحه بالای حصار	۵۰۰۰۰
		کتگوری دوم	• دو طرفه سرک باغ قاضی از سرک سیلما پامیر الی پل آرتل • دو طرفه سرک باغ قاضی از شروع ساحه بالا حصار الی سرک کابل لوگر • دو طرفه سرک فرعی غرب شفاخانه جرمن ها برای افغانستان الی سرک جاده میوند	۱۶۲۵۰
		کتگوری سوم	ساحات غوریانی جلوب سرک باغ قاضی الی دامنه پی ساحات کوهی	۵۲۵۰
4	زون چهارم	کتگوری سوم	ساحات کوهی شهدای صالحین	۱۵۰۰

ANNEX #4: AVAILABLE MACHINERIES IN KM SANITATION