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**KYRGYZ REPUBLIC**

## CASE STUDY

# Data Moves at the Speed of Light

**An electronic database helps local governments modernize administrative procedures and tax administration**



Mira Jamankulova, municipal secretary of Luxemburg rural municipality, works on the new database. Photo: Urban Institute

***USAID's Decentralization and Local Government Program helps streamline local governments' administrative procedures and enable them to meet citizens' needs more quickly.***

### **Challenge**

"The long process of getting certificates of sale from the local government really inhibited my business," says Azamat Asanaliev, a livestock trader living in Luxemburg rural municipality who needs to update his livestock data four times a month – each time he goes to the local market. Unfortunately for Asanaliev and other residents, all records in Luxemburg rural municipality were until recently kept in 39 huge paper ledgers. Municipal secretary would spend hours leafing through these ledgers each time she needed information about the municipality's residents and their land and livestock. Even though the municipality's ability to find and provide such information in a timely fashion was critical for the community's daily business, every search took enormous amounts of time. Even something as simple as selling a cow would be drawn out by the time consumed changing the property ledger, inhibiting business and leading to black market transactions.

### **Initiative**

To address this inefficient and error-prone process, the USAID Decentralization and Local Government Program trained 21 Kyrgyzstan's rural municipalities, including Luxemburg, to use the electronic database Berkut. The database allows speedy search and updates of information, enabling the municipalities to provide faster services to their residents. A second module designed for the municipal finance department calculates local taxes representing 60% of revenues in a typical rural municipality. Using Berkut, local governments have updated their tax base data and made it more complete, thus contributing to improved revenue collections. Also, the finance department can easily track arrears; when a resident comes for a form, the municipal secretary can check whether he has paid his taxes.

### **Results**

Life in Luxemburg has changed significantly since Berkut was installed. The local governments are more cost effective in gathering the revenues they need to function properly and deliver services to citizens. The residents, in turn, are benefiting from the increased expediency. Obtaining data that once took hours or days now happens in minutes, making business transactions much easier. Much less time is required for providing data, issuing forms, and calculating tax obligations. Moreover, the potential for human error has been reduced, and transparency has increased as a taxpayer can receive a print-out explaining how his tax bill was calculated. "With Berkut, everything is much faster, and my business runs much smoother," says Asanaliev.