

Success Story

A Municipality Learns the Value of Transparent Government

With support from the Civil Society Project, the Azerbaijani municipality of Piral opens its budgeting process to public scrutiny and builds trust with local taxpayers



Piral municipality citizens and officials participate in a public budget hearing

“Fifteen citizens who had owed taxes for over six years have now paid their taxes (following an open budget process). An elderly man who had previously refused to ever visit the town hall to pay his taxes did so this year for the first time.”

*Nasrulla Nasrullayev,
Chairman of Piral Municipality*

Few people enjoy paying taxes, particularly if they do not know where their money is going. Nasrulla Nasrullayev, Chairman of the small Azerbaijani municipality of Piral, learned this lesson the hard way. “In the past,” Mr. Nasrullayev laments, “we had to visit the houses of our citizens several times to try to collect tax payments. Sometimes, we had to appeal to the courts for assistance in collecting debts or taxes from people who refused to pay.”

Like many municipalities in Azerbaijan, municipal councilors in Piral traditionally have not shared official information such as budget plans with local citizens. As a result, taxpayers were unaware of where their money was directed, breeding distrust and cynicism toward municipal officials.

In the fall of 2006, the USAID Civil Society Project began assisting the municipal council and citizens of Piral in engaging each other in more productive ways. The Civil Society Project’s grantees, the Economic Research Center (ERC) and Potential, collaborated with Piral municipal officials and civic leaders to improve the municipal budgeting process and open up budget deliberations to the public.

ERC budget experts installed a computer with budgeting and database software in the Piral municipal offices and provided training on the budget process. In November and December of 2006, Piral held a budget roundtable for civic leaders and an open budget hearing for citizens to learn about previous municipal activities and to provide their input on the 2007 budget. Clean drinking water was a major concern voiced at the hearings and prompted municipal officials to include funding for repairs to damaged water pipes in the municipal budget. For the first time for Piral, the finalized budget was posted at the municipal office for public viewing, thereby reflecting an unusual degree of disclosure by authorities in Azerbaijani municipalities.

Therefore, in addition to helping the municipality improve the allocation of its budget funds, the budget hearings increased the level of trust and goodwill between citizens and municipal officials. According to Chairman Nasrullayev, 97% of households have paid their taxes following the open budget process. “Sixteen citizens who had owed taxes for over six years have now paid their taxes. An elderly man who had previously refused to ever visit the town hall to pay his taxes did so this year for the first time,” said Mr. Nasrullayev.