



## Puntland State of Somalia Bosaso District

**Subject: LOCAL REVENUE ENHANCEMENT PLAN  
(2015-2017)**



**PREPARED BY:  
DEPARTMENT OF REVENUE**

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## **I. Background:**

Bosaso district locates in the north eastern part of Bari province of Somalia. It serves as the region's commercial capital where the major seaport of autonomous Puntland State locates.

The district consists of or is subdivided into sixteen administrative villages. Each of the city's various official subdivisions possesses its own unique system. According to the estimates undertaken by local authorities and some international agencies such as UN-Habitat, the population of Bosaso town is estimated in the range of 700,000 to 800,000.

Bosaso is the main port and the largest city of the semi-autonomous region of Puntland. Population has increased dramatically during recent decades due to influx of refugees from the match troubled southern region. Also Bosaso has Bender Qassim International airport which is the country's third busiest airport serving both the domestic flights and the international flights. Furthermore, Bosaso is second home of central government institutions, International NGOs, and the UN agencies. Large of parts of the communication companies got their HQs there in Bossaso.

The main economic activities and income opportunities in the district include: Export, import and slaughtering of livestock; Import of foodstuffs and other commodities; Wholesale, retail and distribution of imported foods and other goods; Remittances from the Somali Diaspora; Energy (petrol imports and distribution); Telecommunication services; The Khat market; A wide range of services offered by small-scale enterprises.

Bosaso has trade relations with Yemen, United Arab Emirates, Saudi Arabia, Djibouti and Oman. Bosaso exports to those countries livestock, frankincense, myrrh, gums, fish and animal products (hides, butter, etc) and imports from them such food products, clothes, machines and other essential communities. The social business sector benefits the city's increasing population and trade activities which the district is endowed due to its strategic location. The private sector controls most of the services and infrastructure, such as the postal and telecommunication services, the energy sector (petroleum and electricity) and other income generating activities.

In 2015, UNCDF with the help of International Revenue Consultant developed Revenue Manual which supports all levels of LGs in acquiring new skills in revenue mobilization processes and to acquaint themselves with the best practices in revenue mobilization. MOI Consultants were trained as TOTs to train Local Governments in using and adopting the manual and develop Local Revenue Mobilization Action Plan. The overall goal of the Revenue Mobilization Initiative is to improve revenue generation at the local level and promote better service delivery and local development through a more effective and efficient revenue administration.

In November 2015, a team of MOI and UNCDF embarked a mission to help local governments develop LRMAP. The mission covered Bossaso, Garowe, Gardo, Bayla, Eyl, Jerib and Galkacayo districts. In a consultation process led by the district revenue and finance department, the LRMAP were developed presented to districts' executive committee. The new LRAMP will be endorsed by the district councillors for their adoption.

## **II. Acknowledgement**

Bosaso Administration is pompous to be a part of this exercise to enhance the districts revenues and develop Local Revenue Mobilization Plan (LRMAP). We believe this opportunity will help the district increase revenue and effectively manage in order to channel more funds to the service delivery sector. The target accessible revenues to be focused in 2016-2017 include; Business license, property taxes, livestock tax, fine or penalties tax and public transport. These sources presently generate almost \$ 187,699 USD according District Budget, Subsequent to this plan, we will expect to make around \$348,223 USD which will increase the revenue of district by 46% that indicates the increase of overall district budget.

The Newly elected mayor and his vice mayor together with the councilors and District staff plans to set off new sources of revenue and improving idle ones such as fine, property tax, waste and sanitation revenue through public awareness programs, accountability, district facilities and infrastructural development, this strategy will create revenue of 20%- in 2016/2017 with the aim of increase the overall revenue of the district budget around 10%.

Within this context, the JPLG will address legal and regulatory issues, provides support to establishment of legitimate regional and district councils; provided support to capacity development and service delivery; provide support to the strengthening of civil society and the private sector in delivering services; and strengthen community monitoring of district activities.

On behalf of the District Administration, I want to extend my sincere appreciation for their tireless efforts in bringing this work to accomplishment, let me express my gratitude to MOI and UNCDF team those supported the district develop Revenue Mobilization Action Plan.

I finally extend my request to UNCDF to assist the district implement the plan

Best Regards

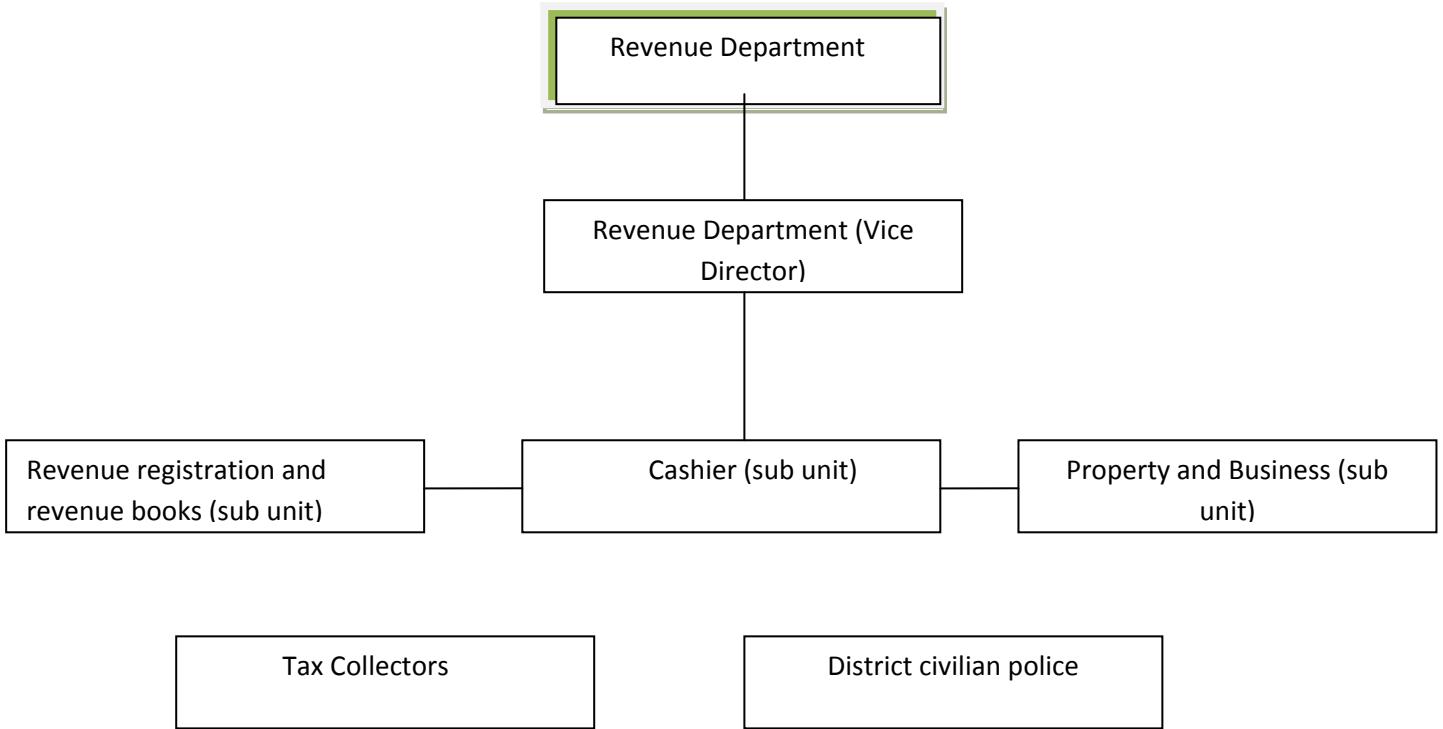
Eng, Yasin Mire Mohamoud  
Bosaso District Mayor

### III. Revenue sources collection:

Revenue Resources	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2017 Forecast
the sale of live stock	782,358,000	1,002,857,000	1,128,426,000	1,117,357,000	1,229,092,700
Business licensing	2,031,392,000	2,4911,765,000	2,632,278,000	2,650,000,000	2,915,000,000
Service tax – electricity	Nil	3,800,000	Nil	200,080,000	220,088,000
Service tax - telecom	Nil	200,000,000	Nil	250,000,000	275,000,000
The sale of Khat	1,871,236,000	1,296,982,000	1,467,722,000	2,100,000,000	2,310,000,000
Property tax - houses	Nil	679,607,000	848,729,000	1,200,000,000	1,320,000,000
Land registration	625,234,000	615,627,000	564,800,000	650,000,000	715,000,000
Indirect tax	N/A	N/A	N/A	N/A	N/A
Fines/Penalties	31,074,000	46,198,000	16,980,000	180,000,000	198,000,000
Rental value of LG building	33,206,000	38,061,000	33,530,000	280,000,000	308,000,000
Building Permit fees	772,080,000	1,008,180,000	813,961,000	1,100,000,000	1,210,000,000
Market duties	1,546,232,000	2,024,049,000	2,119,522,000		

				3,060,000,000	3,366,000,000
Transit/development fees	N/A	N/A	N/A	N/A	N/A
Lorry fees	13,070,753,000	13,382,759,000	13,640,826,000	15,500,000,000	17,050,000,000
Unloading fees	167,790,000	245,060,000	231,746,000	350,000,000	385,000,000
Slaughter houses	267,201,000	201,338,000	303,206,000	424,800,000	467,280,000
Waste collection fees	N/A	N/A	N/A	N/A	N/A
Public transport premiums	90,484,000	108,971,000	127,848,000	150,000,000	165,000,000
Registration fees (civil)	64,564,000	115,000,000	462,024,000	650,000,000	715,000,000
Revenue from Port & Airport	Nil	Nil	Nil	1,049,158,000	1,154,073,800
Frankincense	26,307,000	162,615,000	50,935,000	250,000,000	275,000,000
Shark & Fish Tax	202,687,000	136,000,000	112,248,000	250,000,000	275,000,000
Production & Business Signboard	13,090,000	113,077,000	210,000,000	280,000,000	308,000,000
<b>Total in somali shilling</b>	<b>21,595,688,000</b>	<b>23,871,946,000</b>	<b>24,016,052,000</b>	<b>31,691,395,000</b>	<b>34,860,534,500</b>

#### IV. Bosaso LG Revenue Department



#### V. Challenges of Revenue Collection:

The current revenue structure in Bosaso town is not yielding much due to the inherent weaknesses of the revenue collection system and management. This is mainly due to inadequate tax assessment mechanism, classification and coverage. In order to widen the revenue base and stabilize the revenue of the municipality, Bosaso municipality needs to focus on issues of strengthening its data collection and information management such as examination of revenue sources, business classifications, identification and examination of existing revenue sources, and identification of potential sources of revenue.

Registration of businesses with the Municipality should be a pre-requisite for the establishment of all kinds of businesses. The legal framework (that is regulations and by-laws) supporting district businesses must be in place and taxation policy should be made clear and available to all business owners.

Another issue which is needed to be considered is a limited knowledge and skills of the tax collectors in addition there is no proper incentives towards their activities to be taken, and also such inadequate facilities and equipments are major challenges of revenue collection.

There are numerous challenges hindering the effective collection and administration of revenue at district level. To mention but a few, there is widespread tax avoidance from the part of the public as well as low capacity of tax collection authority and law enforcement institutions.

Following are the major challenges of the revenue collection system and as follows:-

- District's tax collectors be deficient in technical and professional capacity as well as necessary facilities to effectively collect and administer revenues.
- Finance and revenue department is limited equipped and operates inappropriate rooms.
- The ordinary citizens have less knowledge and understanding of their civic responsibilities including payment of taxes.
- Business becomes less returnable which reduces the taxes payer credibility. .
- Such revenues heads are not effectively operate.
- Limited consideration of budgetary system.
- Incomplete registration of all sectors of which required to pay taxes.
- Payment or salary of the department staff are not equivalent expected output.
- lack of law enforcement institutions
- Lack of municipal land policy
- Insufficient funds to facilitate revenue mobilization & collection
- Central Government overtake of district generated revenue
- Extensive tax avoidance due to limited consultation and presentation of the district stakeholders.
- Payment or salary of the department staff are not equivalent expected output.

### **Summary of the challenges**

No	Challenges	Causes	Solutions
1	Limited logistical facilities	Inadequate fund	Availability of logistical support
2	Limited Technical capacity of the revenue staff	Very low staff payment	There should be given adequate incentives and salaries.
3	Citizens have less knowledge and understanding of their civic responsibilities including payment of taxes.	Lack of awareness programs and civil workshops	Awareness programs through public media and notice boards and forums
4	lack of law enforcement institutions	Limited knowledge of the district civil police - partial consultation among district officials and citizens Particularly budget preparation and financial statement presentation.	- Proper consideration of rule of law and enforcement - information sharing and consultations towards district stakeholders e,g Business people and citizens

5	Lack of municipal land policy	Collapse of the central government caused lack of written reference policies	Initiation of land policy draft
6	Central Government overtake of district mandated revenue	Lack of proper clarification among central government mandated revenue sources and LG mandated revenue sources	Initiation of clear procedures of mandated revenue sources among LGs and central government
7	Such revenues heads are not effectively operates	Limited facilities, incentives, monitoring, and skills of the tax collectors	Allocation of proper incentives for tax collectors and arrangement of required facilities and effective monitoring system

## VI. Special Focus for 2016:

This plan focuses on improvement for collection and administration of a few selected sources of local revenue, meanwhile strengthening the existing revenue sources and ensures to raise the revenue sources that have been unable to operate. For 2016/17, the district will focus on setting up policies, systems, procedures and logistics for improved revenue collection of the following sources of revenue:-

1. Business licence
2. Property tax
3. market tax (Livestock/ slaughter house revenue tax)
4. Fine/Penalties (fines imposed due to business tax payers disobedience)
5. Public transport and stations.

The District expectation towards these initiatives it will increase gradually for the next two years, since we are planning to activate the existing sources and creating new sources of revenue, the district revenue will increase 25-30% in 2016 and 10% in 2017. The proposed district revenue enhancement plan will increase district revenues in the following specific target areas:-

- ✓ **Business license:** it will increase 0.67% by 2016 and 10% increase by 2017.
- ✓ **Property tax:** it will increase district revenue in 41% by 2016 and 10% increase by 2017.
- ✓ **Markets and Livestock/ slaughter house tax:** is expected to increase 44.37% by 2016 and also increment of 10% by 2017.

- ✓ **Fine and penalties:** is potential revenue source that while enforced will generated So, Sh 180,000,000 by the year of 2016 as well as will increment of 10% by 2017.
- ✓ **Public transport and station source:** the projection of this source is gradually improved and estimated an increment of 17.33%. And it will increase 10% in 2017.

## BOSASO DISTRICT

### VII. LOCAL REVENUE ENHANCEMENT MATRIX

#### Summary of Proposed Activities

Results Area	Detailed Activity Description	Expected Outputs	Activity Time Frame				Responsible	Remarks
			Short-term	2016				
			Nov-Dec 2015	Quarter1	Quarter2	Quarter3	Quarter4	
<b>A. ADMIN, POLICY, LOGISTICS &amp; CAPACITY BUILDING PLAN</b>								
<b>1- Local Revenue performance Reviewed</b>	<ul style="list-style-type: none"> <li>• Undertake review of local revenue performance per source</li> <li>• Carryout dissemination of local revenue performance report to key district stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed local revenue performance report</li> <li>• Report disseminated to key stakeholders</li> <li>• Follow up actions taken to implement assessment recommendations to improve revenue planning, collection and administration</li> </ul>	x	x	x		Joint committee made of monitoring and auditing sub-committee of district council and technical experts	The committee analyzes local revenue performance for the previous FY (2014). The analysis should indicate shortcomings within revenue generation and administration and should come up with concrete recommendations to improve revenue performance
<b>2-Local revenue enhancement strategy</b>	<ul style="list-style-type: none"> <li>• Draft a Local Revenue Enhancement Strategy for the</li> </ul>	<ul style="list-style-type: none"> <li>• Local Revenue Enhancement Strategy for the</li> </ul>		x	x		Revenue Dep't	Political supervision required by DEC

Results Area	Detailed Activity Description	Expected Outputs	Activity Time Frame					Responsible	Remarks
			Short-term	2016					
	<p>Strategy which focuses on business and property tax, imposition of penalties and</p> <ul style="list-style-type: none"> <li>• Consult key stakeholders on the LRES</li> <li>• Present the LRES to Standing Committee and Council for approval</li> </ul>	succeeding Financial Years in place							
<b>3. restructure revenue Department</b>	<ul style="list-style-type: none"> <li>• Establishing revenue monitoring team</li> <li>• Tax collectors assigned specific areas for individuals</li> </ul>	Revenue dep't restructure established and functional			X	X		District Executive Committee	Technical support provided by District consultants
<b>4-updating business register data bases, initially developed</b>	<ul style="list-style-type: none"> <li>• Re correct and remapping previous business data</li> <li>• Registering new business and insert to the business register</li> <li>• Conduct periodic monitoring of local revenue enhancement activities</li> <li>• Establish Enumeration and Registration committees</li> </ul>	Re correct business data and register new ones as well as regularly updated				X		Director of revenue	Updating of business and property registers data

Results Area	Detailed Activity Description	Expected Outputs	Activity Time Frame					Responsible	Remarks
			Short-term	2016					
<b>5-Conduct Local revenue enhancement awareness campaign</b>	<ul style="list-style-type: none"> <li>Conduct consultation meetings to the revenue stakeholders</li> <li>Hold community local revenue sensitization meetings</li> <li>Carryout local revenue awareness campaigns through mass media ( Radios and SMS)</li> </ul>	<ul style="list-style-type: none"> <li>Revenue generation increased</li> </ul>		X	X	X	X	Director of revenue Department plus DEC	This activities is aimed to stimulate revenue generation and to strength information sharing between District council and tax payers
<b>6- Local Revenue improvement Plan Developed</b>	<ul style="list-style-type: none"> <li>Assess local revenue sources</li> <li>Prepare local revenue data</li> <li>Establish local revenue monitoring committee to.</li> <li>Presentation for the collected data to validate and use it.</li> </ul>	<ul style="list-style-type: none"> <li>Developed local revenue improvement plan</li> </ul> <p>Reliable and accuracy business data will be generated</p>				X		Director of revenue Dep't	Comprehensive LREP produced through consultative process
<b>7- promote small business initiatives</b>	<ul style="list-style-type: none"> <li>Establish public business centres to lease and receive revenue from business people.</li> </ul>	Increased revenue from business			X	X		Director of plus DEC	This activities encourages financing for small business to promote sustainability and to improve the income of small businesses to create a better revenue collection

Results Area	Detailed Activity Description	Expected Outputs	Activity Time Frame					Responsible	Remarks
			Short-term	2016					
	<ul style="list-style-type: none"> <li>Initiate revolve fund scheme (targeting mainly women)</li> <li>Provide Training on business management</li> </ul>								
<b>8-improving on Local Revenue sources</b>	<ul style="list-style-type: none"> <li>Update local revenue register</li> <li>Identifying sources required for improvement</li> <li>Carryout revenue assessment.</li> <li>Produce quarterly and annual local revenue performance reports.</li> <li>To determine the actual revenue from the revenue source.</li> </ul>	. Increase in local revenue collection			X	X		Director of revenue	<ul style="list-style-type: none"> <li>This activities is to identify non-functional sources and other sources needed further support</li> </ul>
<b>9-Redesign and planning markets exist in the district</b>	<ul style="list-style-type: none"> <li>Carryout market planning and divide market spaces and assigned each space for specific commodities</li> <li>Replace for Women</li> </ul>	Identifying the number of vendors, Improves tax collection system.			X			Director of revenue	Clearly identify the number of vendors to find the exact number of taxpayers, as well as make it easier to market to distinguish themselves as they have with the goods sold

Results Area	Detailed Activity Description	Expected Outputs	Activity Time Frame					Responsible	Remarks
			Short-term	2016					
	selling at sun to the markets buildings,								
<b>10. Central government to refrain from collecting tax that LG owned.</b>	<ul style="list-style-type: none"> <li>MOI to facilitate conducting a dialogue between MoF and LGs about tax allegation.</li> <li>Parts to sign agreement.</li> <li></li> </ul>	LGs own tax collected and revenue generation enhanced				X		Dc, Mol, MoF.	This activity is important to identify expected revenue from potential sources of the Local Government
<b>11-Improved information management of revenue data</b>	<ul style="list-style-type: none"> <li>Improve/upgrade existing local revenue management information</li> <li>Train revenue staff and tax collectors in property/business tax collection and the use of revenue information system.</li> </ul>	AMIS/BIMS periodically updated.				X	X	Director of revenue	The information generated should inform decision making.

Results Area	Detailed Activity Description	Expected Outputs	Activity Time Frame					Responsible	Remarks
			Short-term	2016					
<b>12. Trained for Revenue Department staff</b>	<ul style="list-style-type: none"> <li>upgrade local government staff</li> <li>Identifying capacity gaps</li> <li>Carryout proper training materials and guidelines</li> <li>To determine the expected outcome of the training</li> </ul>	. Increase in local revenue collection			X	X		Director of HR and RD	<ul style="list-style-type: none"> <li>This activities is to improve the capacity of the revenue staff</li> </ul>

## VIII. Revenue Specific Action Plan.

B. REVENUE SOURCE SPECIFIC ACTION PLAN								
Revenue Item	Objective	Activity	Target	Location	Projection 2015 (,000)	Projection 2016 (,000)	Projection 2017 (,000)	Remarks
1. Business license	To Increase revenue from business and property sources.	<ul style="list-style-type: none"> <li>Rectifying the initial developed data on property and business.</li> <li>Recording new businesses and properties.</li> <li>Recruiting enumerators.</li> </ul>	Businesses divide into zones	Bosaso town	Sh,so 2,632,278,000	Sh,so 2,650,000,000	Sh,so 2,915,000,000	Projection to be worked on 2015/2016/2017
2. property tax	To increase revenue from land taxes.	<ul style="list-style-type: none"> <li>Improving land permit fees.</li> <li>Promoting Annual land tax.</li> <li>Improving Land registration fees.</li> <li>Initiate collecting Land exchange fees</li> </ul>	Landlords.	Bosaso town	Sh,so 848,729,000	Sh,so 1,200,000,000	Sh,so 1,320,000,000	Projection to be worked on 2015/2016/2017
3. market and Livestock / tax	To enhance livestock tax collection	<ul style="list-style-type: none"> <li>Constructing shedding place and water basket in existing livestock market. (By using LG own revenue).</li> <li>Registering brokers and provide license to</li> </ul>	Buyers, sellers and brokers.	Bosaso district	Sh,so 3,247,948,000	Shso 4,177,357,000	Sh,so 3,488,092,700	Projection to be worked on 2015/2016/2017 .

		<p>brokers.</p> <ul style="list-style-type: none"> <li>• Prohibition black market for livestock.</li> <li>• Awareness for livestock slaughterers to pay tax.</li> </ul>						
4. Fine/Penalties (New)	To Initiate this revenue source based on penalties enforcement plan.	<ul style="list-style-type: none"> <li>• Develop penalties regulation and fee charges.</li> <li>• Awareness raising about penalties and fines.</li> </ul>	All kind of businesses, residents	Bosaso town	Sh, so 16,980,000	Sh,so 180,000,000	Sh,so 198,000,000	Projection to be worked on 2015/2016/2017
5. Public transport	To initiate the public transport collection revenue	<ul style="list-style-type: none"> <li>• Public transport to issue license.</li> <li>• Daily collection tax from public transport stations.</li> <li>•</li> </ul>	Bus owners.	Bosaso town	Sh,so 127,848,000	Sh,so 150,000,000	Sh,so 165,000,000	Projection to be worked on 2015/2016/2017

## IX. Immediate Intervention Requirement in 2016

Priority Area	Activities	Target Group	Timeline	Budget Estimate
			Nov 2015	USD 5280
1. Awareness	<ul style="list-style-type: none"> <li>- Public forums with stakeholders to enhance district revenue</li> <li>- Formulation short massages of paying tax through Golis SMS system ( once per month), as well as mobilization campaign by using microphones and media</li> <li>- Development IEC material (pamphlets, billboards, banners and stickers)</li> <li>- Awareness massage speeches in the district villages for 4 weeks through Radio FM</li> </ul>	100 Business Owners Whole district population Main business facilities Whole district population		
2. Review and updating	<ul style="list-style-type: none"> <li>- Revise business data generated in the Aims/BIMS system.</li> <li>- Pack up and protection software</li> </ul>	Business and property data	Nov – Dec 2015	USD 2500
3. Office equipment or revenue department.	- Procure office equipments	Revenue Department	Nov – Dec 2015	USD 5850
4. Revenue Enhancement Training using UNCDF Developed Manual	- Professional trainings for tax collectors and given segregation zones. Using LRM manuals	17 tax collectors	Nov – Dec 2015	USD 1370

**X. Detailed Budget: needs to be detailed per item, cost and amount and total**

<b>Sn.</b>	<b>Activity</b>	<b>Description</b>	<b>QTY</b>	<b>Cost \$ USD</b>	<b>Total \$ USD</b>	
1.	Awareness	Public forum with stakeholders to enhance district revenue	100 business people	3	300	
		Formulation short massages of paying TAX by using Golis SMS	Once per three months	300	900	
		Social mobilization campaign by using circulating microphones to district villages and business centers	8 days	100	800	
		Develop of IEC material ( pamphlets, billboards, banners, and stickers	1	2180	2,180	
		Awareness massage speeches through radio FM	3 months	300	900	
		Procure amplifier	Two sets	100	200	
<b>Sub total</b>					<b>5280</b>	
2.	System development Review and updating, Revise business data generated in the AIMS/ BIMS	Stationery	Lamsum	600	600	
		supervisor	1 supervisor * 50 days	10	500	
		data entry	1 data entry * 50 days	10	500	
		Enumerators	30 enumerator * 30 days	300	900	
<b>Sub total</b>					<b>2500.00</b>	
3.	Office equipment	Outfit	35 person	50	1750	
		Printer	3	120	360	
		Scan	3	160	480	
		Desktop computer	4	300	1200	
		L shape work station	2	230	460	
		Visit chairs	10	50	500	
		Photo copy machine	1	900	900	
		Metal cupboard	1	200	200	
<b>Sub total</b>					<b>5850</b>	
4.	Staff Development Professional training for tax collectors	Refreshment for 20 person	20 person * 5 days,	5	500	
		Facilitator fee	2	50	500	
		Stationery	Lumbsum	370	370	
<b>Sub total</b>					<b>1370.00</b>	
<b>Grand total</b>					<b>USD 15000.00</b>	

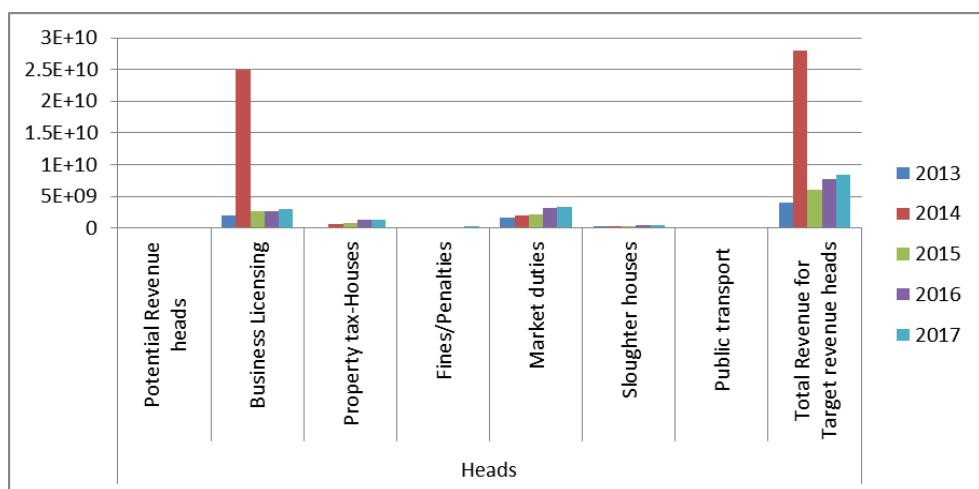
*Annexure I : Revenue performance monitoring tool*

**BOSASO LOCAL GOVERNEMENT**  
**LOCAL REVENUE PEFORMANCE MONITORING TOOL IN 2016 and 2017**

No. of registered tax payers	2016	Expected Quarterly Inflow				2017	Cumulative received as at .....	Variance shs	Causes for under/over performance
	Expected Annual Inflows \$	Q1	Q 2	Q3	Q4	Expected Annual Inflows \$			
Business licensing	126,190	31,548	31,548	31,548	31,548	138,810			
Property tax - houses	57,143	14,286	14,286	14,286	14,286	62,857			
Fines/Penalties	8,571	2,143	2,143	2,143	2,143	9,429			
Market duties	145,714	36,429	36,429	36,429	36,429	160,286			
Slaughter houses	20,229	5,057	5,057	5,057	5,057	22,251			
Public transport premiums	7,143	1,786	1,786	1,786	1,786	7,857			
<b>TOTAL</b>	<b>364,990</b>	<b>91,248</b>	<b>91,248</b>	<b>91,248</b>	<b>91,248</b>	<b>401,490</b>			

Annex II Bosaso Targeted revenue heads for 2016/17

Potential Revenue heads	2013	2014	2015	2016	2017	2016	2017		
	Actual	Actual	Actual	Projection	Projection				
Business Licensing	2,031,392,000	24,911,765,000	2,632,278,000	2,650,000,000	2,915,000,000	17,722,000.00	0.67	265,000,000.00	10
Property tax-Houses	0	679,607,000	848,729,000	1,200,000,000	1,320,000,000	351,271,000.00	41.39	120,000,000.00	10
Fines/Penalties	31,074,000	46,198,000	16,980,000	180,000,000	198,000,000	163,020,000.00	960.07	18,000,000.00	10
Market duties	1,546,232,000	2,024,049,000	2,119,522,000	3,060,000,000	3,366,000,000	940,478,000.00	44.37	306,000,000.00	10
Sloughter houses	267,201,000	201,338,000	303,206,000	424,800,000	467,280,000	121,594,000.00	40.10	42,480,000.00	10
Public transport	90,484,000	108,971,000	127,848,000	150,000,000	165,000,000	22,152,000.00	17.33	15,000,000.00	10
<b>Total Revenue for Target revenue heads</b>	<b>3,966,383,000</b>	<b>27,971,928,000</b>	<b>6,048,563,000</b>	<b>7,664,800,000</b>	<b>8,431,280,000</b>	<b>1,616,237,000.00</b>	<b>26.72</b>	<b>766,480,000.00</b>	<b>10</b>



### *Annex III Minutes of Bosaso district's revenue mobilization preliminary meeting*

Date:

12/11/2015

#### **Agendas**

- Discussion on the preparation of the Bosaso district's revenue mobilization plan for 2016- 2017
- Discussion on what are causes Bosaso's poor performance in 2014
- Update about Bosaso district's existing revenue sources , initiated or re-activated sources
- Challenges of revenue collection and possible support from UNCDF to support district's revenue enhancement

#### **Participant list**

#	Name	Title	Organization
1	Said Abdirahman	Vice Mayor	Bosaso district
2	Abdirizak Ahmed Geldon	Executive secretary	Bosaso district
3	Muna Dahir Dahir Dalmar	DG	MOI
4	Mohamed Ali Nor	Director of Planning	MOI
5	Mohamed Yusuf	Consultant	MOI
6	Hawo	Intern	MOI
7	Ahmed Noah	Head of Puntland sub office	UNCDF
8	Mohamed Mahad Isse	Consultant	District admin & Finance Dept.
9	Shukri Mohamud Farah	Consultant	District Planning Dept.

<b>10</b>	Abdinor Galeyr	Coouncil	Bosaso district
<b>11</b>	Mohamed Abdi Dahir	Head unit of Planning Dept.	Bosaso district
<b>12</b>	Said Sheik Mohamud	Municipality	Bosaso district
<b>13</b>	Ahmed Said Yusuf	Director of revenue Dept.	Bosaso district
<b>14</b>	Mohamud Said Hassan	Deputy director RD	Bosaso district
<b>15</b>	Mohamed Mohamud Da'ar	Procurement Officer	Bosaso district

### **Opening remarks**

The mayor of Bosaso at his remarks gave the mission team comprising MOI DG, other MOI officials and UNCDF Puntland head of sub-office a briefing about the current situation of the district, he mentioned that Bosaso enjoys full security and delivering mandated services to its population and he pointed out that they are waiting from as a delegation officials from Garowe to tell us what your mission is all about thereafter gave the speech to the MOI DG to say about meeting and mission purposes and to open the meeting.

MOI DG Muna Dahir appreciated the district officials to the warm welcome and told the meeting participants that this meeting concerns /relates about how the Bosaso district develop revenue mobilization plan for 2016 and 2017 as well as develop revenue enhancement strategy and declared that the meeting is opened .

### **Discussions on Bosaso district's revenue mobilization preparation Plan**

Juba saluted the participants of the meeting and pointed out the importance of the mission is that Bosaso district to prepare revenue enhancement plan which covers to the coming two years (2016- 2017), mentioning that district's officials have more information about the district's sources of revenue (those which are inactive and need activation or improvement, those need initialization/ creation) more than we know as a mission team therefore , suggested that the officials come up with a plan to boost revenue collection.

Ahmed Noah saluted the participants of the meeting and requested from the mayor to nominate technical committee from the district and MOI to add members of our delegation and this committee to draft revenue mobilization for 2016 and 2017 by using guideline that MOI to provide to the team/or technical committee and this technical committee to review / diagnose the existing revenue sources, reveal the those sources that are not functioning well, those standing and need initialization and then coming up with an effective plan that eases the district to boost its revenue , since the Puntland government approved the decentralization policy and decided to implement it , thus the districts to enhance their revenue to receive devolved services from the central government.

The vice mayor pointed out that the sources of revenue of Bosaso are taken by the central government arguing that the central government left the district garbage of oil and cartoons, and mentioned that Bosaso local government needs re-gaining the revenue sources mandated to Bosaso municipality which now lies in the hands of central government (MOF) and others .

### **Discussion on what are causes Bosaso's limited performance in 2014**

Ahmed Noah mentioned that Bosaso district is a big city that got remarkable capacity building from UN –JPLG agencies and MOI and has been running this programme nearly 10 years but it has performed lower than Eyl district in 2014, though performed well in 2013 performance assessment 97%, so it surprises Bosaso to score this low performance to last assessment therefore, you as a district officials have to get a solution to this problem.

Juba mentioned that the district failed to put its LDF account to its contribution of 2016 as well as the district has not yet started 2015 projects though the year coming to end, thus Juba suggested that district to make progress and upgrade its capacity in regard of paying the contribution soonest , also the officials to speed up the implementation Of 2015 project by pushing the successful contractors to start the project implementation earlier without waiting the first installment tranche to complete these projects before the end of this year.

Bosaso vice mayor mentioned that this reduced performance was caused by the president's dissolving of the council and mentioning that as a district official they get solution to this issue, thereafter the vice mayor stated that the district has already put \$10,000 in the LDF account, and will put other \$2,000 into the coming days and promised that they will put complete LDF contribution of the district before the end of this month.

Juba remanded to the district officials that MOI team will soon began the preparation of 2016 AWP&B into the coming days and repeated requesting from the officials speeding up the 2015 projects implementation process.

### **Update about Bosaso district's existing revenue sources, initiated or re-activated sources**

The executive secretaries mentioned the existing revenue sources which are very inactive and need improvements are below heads:

- ❖ Livestock tax and this need activation
- ❖ Property tax needs improvement
- ❖ Business license revenue needs improvement
- ❖ Fines and penalty charge fees (needs improvements)

The executive secretary also mentioned that there are taxes need initiation and is as below:

- ❖ Fines and penalty charge fees

### **Challenges of revenue collection and possible support from UNCDF to support district's revenue enhancement**

The executive secretary and mayor talked about there are challenges facing

- ✓ Business license revenue collection is not effectively operating
- ✓ Property tax is not active
- ✓ market tax (Livestock/ slaughter house revenue tax) are not very active
- ✓ Fine/Penalties (fines imposed due to business tax payer's disobedience) this revenue source is not working now and there are revenues that Bosaso district is missing from its absence
- ✓ Public transport and stations this source of revenue is inactive need enhancement.

## **Action points**

During the meeting the participants agreed below action points

- ✓ District Mayor to nominate technical committee for the preparation of revenue mobilization plan which covers 2016- 2017 and MOI to add members to strengthen them
- ✓ MOI to provide guideline on how the district technical committee develop the revenue mobilization plan
- ✓ Bosaso district nominated technical committee for revenue mobilization development plan to come up with draft plan and present to the mission team and district officials within tomorrow for review and finalization.
- ✓ MOI to advocate on how districts have the ability or re-gaining the mandate of collecting utility tax and others that central collects.
- ✓ District to push the successful contractors of 2015 projects to start the projects' implementation without waiting the first instalments tranches.
- ✓ The officials of Bosaso district to put their 2016 LDF contribution to the district LDF Dahabshil account as soon as possible before the end of this month.

### **Annex III. The signed participant list**

