



Qardho
District Administration
Xafiiska Maamulka Deg-
Qardho



Puntland State Of Somalia
Dawladda Puntland Ee Soomaaliya

DISTRICT PARTICIPATORY PLANNING AND BUDGETING PROCESS

REVENUE FORECAST AND BUDGET ASSESSMENT

GARDO DISTRICT

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INTRODUCTION

Gardo is the regional capital of Karkaar region and before it used to be one of the districts of Bari region.

It is one of the most important districts in Puntland due to its geographic location, climate, and good pastoral landscape etc.

A Gardo settlement started centuries ago but became a town at the end of the 19th century and was officially considered as a district in 1930.

Gardo had played an important role in the ancient Somali culture and history; therefore it has a valuable asset of the Somali literature vis-à-vis poetry and bards before the independence.

Gardo's economy is based on the live stock since Gardo does not have port and earoport therefore pastrolists take a vital role to the district economy like wise, there are small business that add values to district revenue.

Resource forecasting and budget is adocument prepared by the Gardo district council with help of MOI and JPLG and it dissemminates a picture relating to district sources of revenue and the area where the district expends that revenue and also it points the forecasting of revenues and expenditures of the district for the comming years.

Gardo distrct resource forecating and budgeting is a general view which indicates the actual budgeted amount available for the development and the delivery of the community services, this enables the distrctit to know the workplan of the selected projects, and when and how possible is the implemetation of the of the projects

This document contains all the district revenue information and their sources, the expenditure and how and where the revenue will be spent, the district planned activites and their related costs.

It also summarises the actual and budgeted revenue , planned development projects and services to make sure whether the plan includes the prioritized projects, and the expenditure for each projec .

It is a table that indicates each the revenue and planned and unplanned expediture items, and the expenses the distrctit is free to spend in any activity they see as appropriate. Also attached to this document is the possibility of realizing all the expected revenue as indicated in the table.

Projects that can be funded during the year are included in the Annual Work Plan and Budget

With the availabilty of the forecasted revenue and expenditure the district will be able to implement projects that the district is capable of in the coming year

This will facilitate for the district to identify the affordable projects in the upcoming years based on the revenue forecast.

Revenue sources are mainly from:

- local transfers such as livestock sales tax, business license, Indirect tax and Donations and loan from central government
- Property taxes such building, land, property transfer
- Penalties such fines
- Various taxes such as market tax, checkpoint taxes, Qat taxes, hide and skin taxes, Companies taxes, Electricity taxes, Slaughter house taxes and Population and birth certificates.

Expenditure mainly goes to:

- To the human resources, such as the salaries, Permanent committee bonus' Regional coordinator bonus', Guardians' bonus and councilors allowances
- Administration expenses such stationary, uniforms, fuel and lubricants, Publication of documents, Pitty cash and office equipment expenses.
- Emergences, such as unforeseen expenses
- Development expenses such as maintenance, city plantation and road clearances.
- Communications such as advertisements and notices, vehicle hire for announcements, DSAs, house rents.
- projects such as Sanitation and projects
- Grants and social welfare, for poor people, mosques, education support, health, service and benefits for district officials, and security.
- Other expenses such as hosting for delegations and sports

Debt payments

- Such as loan repayments

Gardo Revenue Resource Forecasting

REVENUE		Years					Rate of Incremental			
Head	Description	2009 Actual	2010 Budgeted	2011 Forecast	2012 Forecast	2013 Forecast	2010	2011	2012	2013
Local transfer										
1.2.1	Livestock tax	147,180,000	210,000,000	233,100,000	261,072,000	295,011,360	42.7%	11%	12%	13%
1.2.2.B	Business licence tax	108,878,000	192,000,000	213,120,000	238,694,400	269,724,672	76.3%	11%	12%	13%
1.2.3	Indirect tax	4,106,788	4,800,000	5,328,000	5,967,360	6,743,117	16.9%	11%	12%	13%
1.2.4	Donations and loan of central Government	300,000,000	507,192,000	562,983,120	630,541,094	712,511,437	69.1%	11%	12%	13%
Subtotal		560,164,788	913,992,000	1,014,531,120	1,136,274,854	1,283,990,585	63.2%	11%	12%	13%
Property tax										
2.2.1	Property tax	145,731,500	132,000,000	146,520,000	164,102,400	185,435,712	-9.4%	11%	12%	13%
2.2.2	Land cost tax	132,580,000	168,000,000	186,480,000	208,857,600	236,009,088	26.7%	11%	12%	13%
4.2.2	Land transfer	36,804,000	144,000,000	159,840,000	179,020,800	202,293,504	291%	11%	12%	13%
Subtotal		315,115,500	444,000,000	492,840,000	551,980,800	623,738,304	40.9%	11%	12%	13%
Penalties										
3.2.1	Fine	64,800,000	0	0	0	0	-100%	0.00%	0.00%	0.00%
Subtotal		64,800,000	0	0	0	0	-100%	0.00%	0.00%	0.00%
Market tax										
5.2.1.	Qat tax	259,600,000	312,000,000	346,320,000	387,878,400	438,302,592	20.2%	11%	12%	13%
5.2.1.J	Milk tax	0	30,000,000	33,300,000	37,296,000	42,144,480	0.00%	11%	12%	13%
5.2.1.X	hide and skin tax	0	12,000,000	13,320,000	14,918,400	16,857,792	0.00%	11%	12%	13%
5.2.1.KH	Porter tax	0	15,600,000	17,316,000	19,393,920	21,915,130	0.00%	11%	12%	13%
5.2.1.D	Bread Porter tax	0	6,000,000	6,660,000	7,459,200	8,428,896	0.00%	11%	12%	13%
5.2.1.R	Used clothes tax	0	18,000,000	19,980,000	22,377,600	25,286,688	0.00%	11%	12%	13%
5.2.1.S	Bagaash tax	0	24,000,000	26,640,000	29,836,800	33,715,584	0.00%	11%	12%	13%
5.2.1.SH	shoe makers tax	0	9,600,000	10,656,000	11,934,720	13,486,234	0.00%	11%	12%	13%
5.2.1.DH	Tailors tax	0	8,400,000	9,324,000	10,442,880	11,800,454	0.00%	11%	12%	13%
5.2.1.C	Renting meeting hall	0	54,000,000	59,940,000	67,132,800	75,860,064	0.00%	11%	12%	13%
5.2.1.G	Vegetable tax	0	19,200,000	21,312,000	23,869,440	26,972,467	0.00%	11%	12%	13%
5.2.1.F	charcoal tax	0	0	0	0	0	0.00%	0.00%	0.00%	0.00%
5.2.1.Q	fire woods tax	0	18,000,000	19,980,000	22,377,600	25,286,688	0.00%	11%	12%	13%
5.2.1.K	Stone and sand tax	0	36,000,000	39,960,000	44,755,200	50,573,376	0.00%	11%	12%	13%
5.2.2	Slaughter house tax	26,480,000	210,000,000	233,100,000	261,072,000	295,011,360	693	11%	12%	13%
5.2.4.B	Water carrion tax	0	7,200,000	7,992,000	8,951,040	10,114,675	0.00%	11%	12%	13%
5.2.4.T	Water tanker tax	486,458,000	24,000,000	26,640,000	29,836,800	33,715,584	-95%	11%	12%	13%
5.2.8	Population registration	5,034,000	24,000,000	26,640,000	29,836,800	33,715,584	377%	11%	12%	13%
5.2.9.B	Milk Factory	0	0	0	0	0	0.00%	0.00%	0.00%	0.00%
5.2.9.T	Electricity factory		48,000,000	53,280,000	59,673,600	67,431,168	0.00%	11%	12%	13%

5.2.9.J	Companies tax	244,348,000	75,600,000	83,916,000	93,985,920	106,204,090
5.2.16.B	Elay village checkpoint tax	417,740,000	948,000,000	1,052,280,000	1,178,553,600	1,331,765,568
5.2.16.T	City checkpoint tax	1,203,358,000	564,000,000	626,040,000	701,164,800	792,316,224
Subtotal		2,643,018,000	2,463,600,000	2,734,596,000	3,062,747,520	3,460,904,698
Grand total		3,583,098,288	3,821,592,000	4,241,967,120	4,751,003,174	5,368,633,587

-69%	11%	12%	13%
127%	11%	12%	13%
-53%	11%	12%	13%
-6.8%	11%	12%	13%
6.66	11%	12%	13%

Gardo Expenditure Forecasting

EXPENDITURE		Years				
Head	Description	2009 Actual	2010 Budgeted	2011 Forecast	2012 Forecast	2013 Forecast
Man power cost						
1.1.1	Salaries	724,105,500	881,280,000	978,220,800	1,095,607,296	1,238,036,244
1.1.2	Permanent Committee bonus	166,030,000	205,200,000	227,772,000	255,104,640	288,268,243
1.1.3	Councillors' bonus	6,050,000	109,200,000	121,212,000	135,757,440	153,405,907
1.1.4	Regional coordinator LG	12,750,000	18,000,000	19,980,000	22,377,600	25,286,688
1.2.5	Guardians' bonus	0	24,000,000	26,640,000	29,836,800	33,715,584
Subtotal		908,935,500	1,237,680,000	1,373,824,800	1,538,683,776	1,738,712,667
Emergences						
1.6.0	Unforeseen expenses	15,515,589	283,359,360	283,359,360	283,359,360	283,359,360
Subtotal		15,515,589	283,359,360	283,359,360	283,359,360	283,359,360
Admin Expenses						
1.2.1.B	Publication of Documents	110,500,000	156,000,000	173,160,000	193,939,200	219,151,296
1.2.1.T	Stationary	9,860,000	30,000,000	33,300,000	37,296,000	42,144,480
1.2.1.J	Fuel and Lubricants	493,857,000	623,635,200	692,235,072	775,303,281	876,092,707
1.2.1.X	Petty cash	22,610,000	21,600,000	23,976,000	26,853,120	30,344,026
1.2.1Kh	Staff Uniform	3,776,000	0	31,169,530	34,003,123	36,836,117
1.2.2	Office equipments	7,506,000	22,800,000	25,308,000	28,344,960	32,029,805
Subtotal		648,109,000	854,035,200	979,148,602	1,095,739,684	1,236,598,431
Development Expenses						
1.2.3.B	maintenance	0	18,000,000	19,980,000	22,377,600	25,286,688
1.2.3.T	City plantation and road clearance	0	21,600,000	23,976,000	26,853,120	30,344,026
Subtotal		0	39,600,000	43,956,000	49,230,720	55,630,714
Communication Expenses						
1.2.4	Advert/announcement	7,350,000	12,000,000	13,320,000	14,918,400	16,857,792

Rate of Incremental			
2010	2011	2012	2013
21.7%	11%	12%	13%
23.6%	11%	12%	13%
1705%	11%	12%	13%
41.2%	11%	12%	13%
0.00%	11%	12%	13%
36.2%	11%	12%	13%
1726%	0.00%	0.00%	0.00%
1726%	0.00%	0.00%	0.00%
41.2%	11%	12%	13%
204%	11%	12%	13%
26.3%	11%	12%	13%
-4.5%	11%	12%	13%
-100%	0.00%	9.09%	8.3%
204%	11%	12%	13%
31.8%	14.6%	11.9%	13%
0.00%	11%	12%	13%
0.00%	11%	12%	13%
0.00%	11%	12%	13%
63.3%	11%	12%	13%

1.2.5.B	Car rent	51,717,500	60,000,000	66,600,000	74,592,000	84,288,960	16%	11%	12%	13%
1.2.5T	House rents	8,250,000	9,000,000	9,990,000	11,188,800	12,643,344	9.09%	11%	12%	13%
1.2.5.J	Ministry of finance	5,340,000	0	0	0	0	-100%	0.00%	0.00%	0.00%
1.2.6	Internal travel Allowances	44,800,000	120,000,000	133,200,000	149,184,000	168,577,920	168%	11%	12%	13%
1.2.7B	Communication Expenses	13,475,000	18,000,000	19,980,000	22,377,600	25,286,688	33.6%	11%	12%	13%
1.2.7T	Water and Electricity	5,364,000	51,600,000	57,276,000	64,149,120	72,488,506	862%	11%	12%	13%
Subtotal		136,296,500	270,600,000	300,366,000	336,409,920	380,143,210	98.5%	11%	12%	13%
Other Expenses										
1.2.8.B	hosting Expenses	24,940,000	30,000,000	33,300,000	37,296,000	42,144,480	20.3%	11%	12%	13%
1.2.8.T	Sports	700,000	12,000,000	13,320,000	14,918,400	16,857,792	1614%	11%	12%	13%
Subtotal		25,640,000	42,000,000	46,620,000	52,214,400	59,002,272	63.8%	11%	12%	13%
Grants										
1.4.1B	Poor	55,320,000	18,000,000	19,980,000	22,377,600	25,286,688	-67%	11%	12%	13%
1.4.1 T	Health	0	24,000,000	26,640,000	29,836,800	33,715,584	0.00%	11%	12%	13%
1.4.1.J	Mosques	2,600,000	18,000,000	19,980,000	22,377,600	25,286,688	592%	11%	12%	13%
1.4.2	District Admin Bonus	90,240,000	120,000,000	133,200,000	149,184,000	168,577,920	33%	11%	12%	13%
2.1.1.B	Security	852,782,000	247,939,440	275,212,778	308,238,312	348,309,292	-71%	11%	12%	13%
2.1.1T	Educations	26,340,000	36,000,000	39,960,000	44,755,200	50,573,376	36.7%	11%	12%	13%
Subtotal		1,027,282,000	463,939,440	514,972,778	576,769,512	651,749,548	-55%	11%	12%	13%
Projects										
2.2.1.B	Sanitation	94,288,500	108,000,000	119,880,000	134,265,600	151,720,128	14.5%	11%	12%	13%
2.2.1.T	Projects LG	33,630,000	342,378,000	380,039,580	425,644,330	480,978,092	918%	11%	12%	13%
2.1.1.J	Check point guard bonus	380,070,000	0	0	0	0	-100%	0.00%	0.00%	0.00%
Subtotal		507,988,500	450,378,000	499,919,580	559,909,930	632,698,220	-11%	11%	12%	13%
Credits										
3.2.1.B	Loan Repayment	192,872,992	180,000,000	199,800,000	223,776,000	252,866,880	18.6%	11%	12%	13%
3.2.1.T	Loan for bank	135,000,000	0	0	0	0	-100%	0.00%	0.00%	0.00%
Subtotal		327,787,992	180,000,000	199,800,000	223,776,000	252,866,880	-45%	11%	12%	13%
Grand total		3,597,555,081	3,821,592,000	4,241,967,120	4,716,093,301	5,290,761,301	6.23%	11%	11.2%	12%

ASSUMPTIONS

- Hide and skin tax did not be collected in 2009, because slaughter house building is uncompleted and there no is place where hides and skins are brought for sales
- The average growth rate of forecasting years are expected to be 11%,12%13% respectively due volume of livestock trade
- Not all properties of the district are taxed, property registration process is under way and growth rate of 11% from next year is expected.
- Fine revenue collected was 64M in 2009 , but in 2010 budget it was excluded in it, because the fines were used to collect mostly from charcoal, however, in this years the district administration decided not to fine those sell it and instead to send them to the jail.
- Collecting charcoal tax was fully forbidden by the district administration for the environmental protection and that is why the district did not budgeted and forecasted that head
- Indirect tax is supposed to increase due to the boost of economy from the livestock trade.
- Land transfer income was planned to be increased this year because more land sales are supposed to take place and the buildings are increasing to nowadays
- Electricity tax and stones and tax were not collected last year. The plan of this year is to collect this tax.
- Population registration fee is increased this year due to encouraging student to take birth certificates.
- Water tankers' tax is over reduced in this year because water pipelines are fixed to more households
- Balance from previous years and there is a potential to increase.
- There are going to be promotions and recruitment of new staff, thus the salary expense will increase.
- The expenses and budgets of local governments are usual growing gradually and the increments in the budget are re-allocated to the forecast

RISKS

- Fear of livestock ban re-introduced and/or restrictions on livestock export
- Severe prolonged drought and livestock disease
- Delay of fiscal transfer
- Under paid municipal staff
- Limited skills of municipality staff
- Widespread corruption
- Poor transparency and accountability
- District boundaries conflict among old districts and newly appointed districts there is no district demarcation.
- Conflict due to expansion of revenue sources.
- Inadequate law re-enforcement.