



# Puntland State of Somalia Bayla District



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



**PREPARED BY:**  
**DEPARTMENT OF ADMIN AND FINANCE**

## Table of Contents;

I. Background: .....	3
II. Acknowledgement. ....	4
III. Revenue sources and Forecast. ....	5
IV. Bayla LG Administration & Finance Department Structure.....	6
V. Challenges of Revenue Collection:.....	7
VI. Special Focus for 2016:.....	8
VII. LOCAL REVENUE ENHANCEMENT MATRIX.....	10
VIII. REVENUE SOURCE SPECIFIC ACTION PLAN.....	16
IX. Immediate Intervention Requirement in 2016. ....	18
X. Detailed Budget: needs to be detailed per item, cost and amount and total. ....	19
Annexure 1: revenue performance monitoring tool .....	21
Annex II. Bayla Targeted revenue heads for 2016/17 .....	22
Annex II: Minutes of Bayla revenue mobilization preliminary meeting .....	23

## **I. Background:**

Bander Bayla is located in the south eastern of Bari Region of Somalia which lies around 240 km east of Gardo and 250 km south east of Iskushuban District in Bari Region of State of Puntland, Somalia. Bander Bayla District occupies area of approximately 14,400 square km.

Bander Bayla is a coastal community primary inhabited by the Cisman Mahmoud and Amaanle, sub-clans of the Majerteen and Leelkase branches of the Somali Darod clan also there are some various minor clans in the districts.

The estimate of Ministry of Planning and International Cooperation (MoPIC) shows that Bander Bayla District has population of around 120,000 people in 2007, almost two third of which is nomadic and only 26 per cent lives in the permanent villages and the town of Bander Bayla.

The primary economic sector (fishery and livestock) is by far the most dominant economic sector in Bander Bayla followed by the tertiary sector (services); however, the secondary sector does not exist, as there is no manufacturing or industrial production.

The economy of the district largely depends on fishery and livestock sector. It is estimated that around 90 per cent of family income comes from two sectors, fishery and livestock as primary and secondary respectively.

A district has limited resources in terms of revenue collection and insufficient allocation of central government accompanied by inefficiency staffing and absence of law enforcement system in the district level such as police and court of justice, which collectively hinders tax collection and revenue generation.

Banderbayla district is one of the seven districts that receives support from Joint Program on Local Governance and Decentralized Service Delivery, likewise Bayla district have been implementing LDF projects since 2012, ever since from that period Bayla district have been contributing 5% of LDF co-funding every year from its own revenue.

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 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, Jeriban 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.

Banderbayla district being remote district with limited resource is very keen to execute Local Revenue Mobilization Plan (LRMAP) to improve district's revenue performance in the areas of collection and administration and efficiency in order to utilize and efficiently collect the limited resource available. In this initiative, the district plans to reactivate existing revenue sources while in the same time initiate revenue sources and put much input to utilized a targeted existing revenue sources to be triggered in 2016-2017 will include; Business and Property tax, Khat Tax, Fishing tax and Livestock tax These sources currently generate Sh,So 509,300,000, according to Bayla municipality budget. After this initiative, these sources are expected to generate Sh,So 875,900,000 in 2016 and Sh,So. 939,000,000 in 2017, which will increase 71.8% in 2016 and 79% in 2017 respectively.

Municipality of Bayla appreciates the perfect initiative from Ministry of Interior and UNCDF. Bayla district is also thanks to Mr. Mohamed Abdulkadir and Mohamed Faras in the formulation of the district Revenue Mobilization Plan and calls JPLG agencies in General and particularly for UNCDF to provide the immediate support required to implement district revenue mobilization plan.

The table will emphasise the revenues that Bayla district wants to focus on 2016. The number of heads can be increased within 2016 depends on the capacity of the district and the success of the piloted heads in the table. For all heads of the district revenues please refer the annex attached here with.

Revenue resource for potential and non-potential	Actual 2014	Actual 2015	Forecast 2016	Forecast2017
the sale of live stock	3,28,000,000	224,200,000	331,800,000	350,000,000
The sale of Khat	29,450,000	14,000,000	40,000,000	45,000,000
Fish Tax	352,200,000	225,100,000	413,600,000	434,000,000
Business licensing	23,800,000	42,000,000	55,000,000	65,000,000
Property tax - houses	48,000,000	48,000,000	60,000,000	70,000,000
<b>Total in somali shilling</b>	<b>453,450,000</b>	<b>553,300,000</b>	<b>900,400,000</b>	<b>964,000,000</b>

Best Wishes

Said Aden Ali

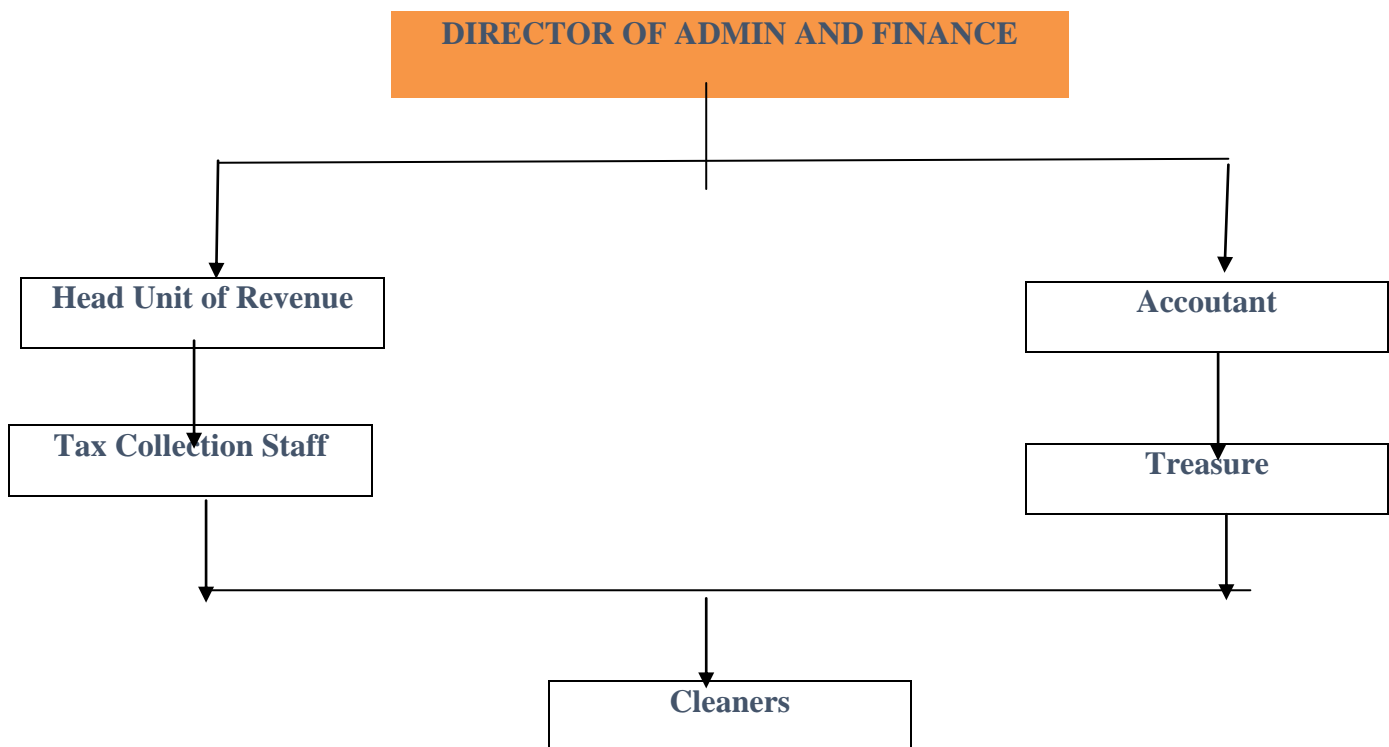
Bayla District Mayor.

### III. Revenue sources and Forecast.

<b>Revenue Resources</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Forecast</b>	<b>2017 Forecast</b>
the sale of live stock	3,28,000,000	224,200,000	331,800,000	350,000,000
Business licensing	23,800,000	42,000,000	55,000,000	65,000,000
Service tax – electricity	132,000	4,000,000	20,000,000	25,000,000
Service tax - telecom	14,400,000	14,400,000	15,500,000	20,000,000
The sale of Khat	29,450,000	14,000,000	40,000,000	45,000,000
Property tax - houses	48,000,000	48,000,000	60,000,000	70,000,000
Land registration	24,000,000	24,000,000	24,000,000	30000000
Indirect tax	N/A	N/A	N/A	N/A
Fines/Penalties	6,000,000	6,000,000	6,000,000	6000000
Rental value of LG building	24,000,000	24,000,000	30,000,000	35,000,000
Building Permit fees				
Market duties	180,000,000	190,000,000	200,000,000	220,000,000
Transit/development fees	N/A	N/A	N/A	N/A
Building Fees	24,000,000	24,000,000	30,000,000	35,000,000
Slaughter houses	26,268,000	26,268,000	31,000,000	37,500,000
Waste collection fees	N/A	N/A	N/A	N/A

transport premiums	36,000,000	36,000,000	36,000,000	36,000,000
Registration fees (civil)	4,800,000	4,800,000	4,800,000	4,800,000
Central Government Transfer LDF.	470,588,000	467,537,000	467,537,000	467,537,000
Agriculture Tax	24,000,000	24,000,000	24,000,000	24,000,000
Shark & Fish Tax	352,200,000	225,100,000	413,600,000	434,000,000
<b>Total in somali shilling</b>	<b>1,287,638,000</b>	<b>1,398,305,000</b>	<b>1,789,237,000</b>	<b>1,904,837,000</b>

#### IV. Bayla LG Administration & Finance Department Structure



## **V. Challenges of Revenue Collection:**

Bayla district being remote district is always faced by limited resource and low revenue potentiality; this is due to its remoteness and far from main inland. However, the district collects more than half of revenue comes from trade tax, which accounts for 57 per cent of the total revenue in Bander Bayla District, which is mainly generated by fishery sector. This is followed by revenue generated from land tax, civic registration, and property tax and business licenses.

- ❖ There are several challenges of revenue collection that is faced in Bayla district including the following;
- ❖ Limited capacity of district tax collection staff, this is due the fact that most of the staffs that collect the revenue are not trained, they do not have the capacity to collect the tax and hence they collect less than expected.
- ❖ Another remarkable challenge that faces Banderbayla district is that district has got many scattered villages and due to limited accessibility in some villages especially the coastal villages where most of fishing companies are located have resulted the district to miss allot of revenue income through taxation of fish sector.
- ❖ Absence of tax collection police also known as “Tropotaria” that helps or enforce the tax collectors to smoothly collect the taxes, hence due to this reason many tax is avoided in Bayla district annually.
- ❖ Low population size in the district have resulted limited capital accumulation and limited source of revenue in the district, compared to the districts with same grade B, that is located alongside the tarmac road.
- ❖ One of the main challenges that district has pointed out that illegal fishing has discouraged local fishing industries that led to poor revenue income from fishing sector in Bandaerbayla and its shores.

## **VI. Special Focus for 2016:**

in This plan it will mainly focuses on enhancing collection and administration of a few select sources of local revenue, whilst continuing to collect from all available sources. 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) Livestock Export tax.**
- 2) Khat tax.**
- 3) Fishing Revenue and**
- 4) Bussiness and Property Tax.**

On the other hand, additional revenue sources are to be added to the above list for enhancement during following years or as and when the capability is enhanced. This plan is divided into two main sections.

**Livestock Export tax:** this head is one of the most potential sources of revenue in Banderbayla and it was supposed to increase 47.9% in 2016 and it will increase addition 5.4% increase.

**Khat tax:** Khat like livestock export tax it was also regarded as one of most important source of revenue in Banderbayla, this head is supposed to increase in 2016 **185%** which is from **Sh.So 14,000,000** to **Sh.So 40,000,000**, also in 2017 it will increase additional **13%** which is from **Sh.So 40,000,000** to **Sh.So 45,000,000**

**Fishing Revenue:** Bayla district is located a coastal area and it has got a large sea and shores used to be collected fishing by local industries; however, this initiative is supposed to increase in 2015 **83.7%** which is from **Sh.So 225,100,000** to 413,600,000 and hence in 2017 it was supposed to increase an additional **5.04%** which is from **Sh.So 413,600,000** to **Sh.So 434,000,000**.

**Business License:** Bayla district have got more business than any other remote district as the team have identified during the revenue enhancement plan, this source is supposed to increase in 2016 **30 %** which is **Sh.So 42,000,000** to **Sh,So 55,000,000** and in 2017 it estimated to increase additional **18.1%** which is from **Sh,So 55,000,000** to **Sh,So 65,000,000**.

**Property Tax:** this revenue heads expecting to increase **25%** by 2016 which is **Sh.so 48,000,000** and in 2017 it estimated to increase addition **17%** which is from **Sh.so 60,000,000** to **Sh.so 70,000,000**

**BANDER BAYLA 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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
<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</li> </ul>	x	x				<p>Joint committee made of monitoring and auditing sub-committee of district council and technical</p> <p>The committee analyzes local revenue performance for the previous FY (2014/15). The analysis should indicate shortcomings within revenue generation and administration and should come up with concrete recommendations to improve revenue performance</p>

Results Area	Detailed Activity Description	Expected Outputs	Activity Time Frame				Responsible	Remarks	
			Short-term	2016					
		revenue planning, collection and administration		x				experts	
<b>2-Local revenue enhancement strategy</b>	<ul style="list-style-type: none"> <li>• Draft a Local Revenue Enhancement Strategy which focuses on business and property tax, Khat tax, fishing tax and Livestock tax.</li> <li>• Consult key stakeholders on the LRES</li> <li>• Present the LRES to Standing Committee and Council for approval</li> </ul>	<ul style="list-style-type: none"> <li>• Local Revenue Enhancement Strategy for the succeeding Financial Years in place</li> </ul>		x	X			Revenue Unit	Political supervision required by DEC
<b>3-Local revenue administrative structures</b>	<ul style="list-style-type: none"> <li>• Establish Revenue mobilization team.</li> <li>• Establish LR Monitoring team</li> </ul>	LR Structures established and functional			x	x		District Executive Committee	MoI involvement is important at this stage.

Results Area	Detailed Activity Description	Expected Outputs	Activity Time Frame				Responsible	Remarks	
			Short-term	2016					
established									
<b>4-Update registers /data bases developed</b>	<ul style="list-style-type: none"> <li>update data base/revenue registers for each category<sup>1</sup></li> </ul>	A number of registers compiled and regularly updated				X		Head of Finance/revenue	
<b>5-Revenue targets established</b>	<ul style="list-style-type: none"> <li>Establish realistic revenue target for each revenue source</li> </ul>	<ul style="list-style-type: none"> <li>Targets established</li> <li>Collection mechanisms established</li> </ul>						Head of Finance/revenue	This is vital for management to determine how much should be expected from each source
<b>6-Comprehensive Local Revenue Enhancement Plan Developed</b>	<ul style="list-style-type: none"> <li>Collect data for preparation of Local Revenue Enhancement Action Plan</li> <li>Hold consultations meetings with key stakeholders to provide input into the Local Revenue Enhancement Action Plan</li> <li>Produce draft LREP to be</li> </ul>	Comprehensive Local Revenue Enhancement Plan produced				X		Head of Finance/revenue	Comprehensive LREP produced through consultative process

<sup>1</sup> These include registers for business licenses, respective market registers containing stall numbers, and Property related revenues.

Results Area	Detailed Activity Description	Expected Outputs	Activity Time Frame				Responsible	Remarks	
			Short-term	2016					
	validated by the district executive committee and local council								
<b>7- Increased participation of key stakeholders in Local Revenue Enhancement activities</b>	<ul style="list-style-type: none"> <li>Carryout local revenue awareness campaigns through mass media</li> <li>Hold community local revenue sensitization meetings</li> <li>Hold local revenue sensitization with political and traditional leaders at all levels</li> <li>Developed and disseminate IEC materials</li> <li>Hold local revenue awareness week and reward best revenue performers</li> </ul>	Increased knowledge and awareness of key stakeholders about Local Revenue		✓	✓	✓	✓	Head of Finance/revenue in conjunction with DEC	These activities are intended to increase community, political leaders and tax payers' awareness and participation in local revenue generation.
<b>8-Increased Local Revenue generation</b>	<ul style="list-style-type: none"> <li>Update local revenue register</li> <li>Carryout revenue assessment and</li> </ul>	Percentage increase in local revenue.			✓	✓	✓	Head of Finance/revenue	<ul style="list-style-type: none"> <li>Timely undertaking of these activities is very important, the processes should be competitive and transparent</li> </ul>

Results Area	Detailed Activity Description	Expected Outputs	Activity Time Frame				Responsible	Remarks	
			Short-term	2016					
	<ul style="list-style-type: none"> <li>• numeration</li> <li>• Provide incentives and other motivation rewards to best performing collectors (Reward performance).</li> </ul>							<ul style="list-style-type: none"> <li>• Management should devise ways of rewarding good performance</li> </ul>	
<b>9-Local revenue enhancement activities monitored</b>	<ul style="list-style-type: none"> <li>• Carryout periodic monitoring of local revenue enhancement activities</li> <li>• Produce quarterly and annual local revenue performance reports</li> <li>• Hold quarterly meetings with key stakeholders to review local revenue performance</li> </ul>	Improved monitoring and reporting		✓	✓	✓	✓	Head of Finance/revenue	<p>Documentation of best practices, lessons learnt and challenges should be done here.</p> <p>The district should ensure that issues agreed upon during periodic meetings are implemented and reported on in the ensuing meeting.</p>
<b>10-Improved management of revenue information/data</b>	<ul style="list-style-type: none"> <li>• Develop/upgrade existing local revenue management information</li> <li>• Train revenue staff</li> </ul>	Revenue MIS developed and updated periodically				✓	✓	Head of Finance/revenue	The information generated should inform decision making.

Results Area	Detailed Activity Description	Expected Outputs	Activity Time Frame				Responsible	Remarks
			Short-term	2016				
	<p>and tax collectors in proper tax collection and the use of revenue information system</p> <ul style="list-style-type: none"> <li>• Carryout periodic update of local revenue information</li> </ul>							

### VIII. REVENUE SOURCE SPECIFIC ACTION PLAN

Revenue Item	Objective	Activity	Target	Location	Projection 2015 (,000)	Projection 2016 (,000)	Projection 2017 (,000)	Remarks
Livestock Export tax	To Increase revenue from Livestock tax.	<ul style="list-style-type: none"> <li>Registering brokers and provide license to brokers to easily track market activities.</li> <li>Recruiting additional three tax collectors during months of July and August.</li> <li>Awareness in livestock selling market in Bayla to pay taxes.</li> </ul>	Livestock markets in Bayla	Bayla, and Dhuudo	Sh. So. 224,200,000	Sh. So. 331,800,000	Sh. So. 350,000,000	Projection to be worked on 2015/2016/2017
Khat tax	To increase Khat Tax.	<ul style="list-style-type: none"> <li>Registration of Khat sellers in all major villages.</li> <li>Establishment of Check points in the main roads.</li> <li>Making awareness of Khat sellers on tax paying.</li> </ul>	Khat Cheweres, Sellers and Cars for the companies	Bayla town, Dhudhub, Dhuudo, Kulule, Meygaag, Durdura, Qoton, Ceeldhidar	Sh.So. 14,000,000	Sh.So. 40,000,000	Sh.So. 45,000,000	Projection to be worked on 2015/2016/2017

Fishing Revenue	To enhance Fishing Sector Revenue	<ul style="list-style-type: none"> <li>• Registration of Fishing companies in Coastal areas.</li> <li>• Awareness rising during fishing season.</li> <li>• Deployment of additional tax collectors during fishing season.</li> <li>• Contraction of coordination office in Coastal areas.</li> </ul>	Fishing Companies, Coastal villages.	Bayl Town and other coastal villages	Sh. So. 225,100,000	Sh. So. 413,600,000	Sh. So. 434,000,000	Projection to be worked on 2015/2016/2017
Business license	To increase business and property tax	<ul style="list-style-type: none"> <li>• Update of BIMS and Use of GIS.</li> <li>• Awareness rising.</li> <li>• Initiation of quarterly property tax (Every Six Months).</li> <li>• Buy uniform for tax collectors and provide capacity building trainings.</li> </ul>	Bus owners.	Bayla town	Sh. So. 42,000,000	Sh. So. 55,000,000	Sh. So. 65,000,000	Projection to be worked on 2015/2016/2017

Property Tax		<ul style="list-style-type: none"> <li>Registration of property tax</li> </ul>	Property owners	Bayla town	Sh.so 48,000,000	Sh.so. 60,000,000	Sh.so 70,000,00	Projection to be worked on 2015/2016/2017
--------------	--	--	-----------------	------------	------------------	-------------------	-----------------	---

### IX. Immediate Intervention Requirement in 2016.

Priority Area	Timeline	Target Group	Cost Estimate	Remark
<b>Revenue Mobilization awareness; in 7 potential villages in Banderbayla district.</b>	Nov 2015	Tax Payers in the Bussiness sector	5,180 USD	Banderbayla district will send a team using its own vehicle to promote revenue awareness in seven potential areas in the district.
<b>Training for the LG Revenue Mobilization Manual to the districts.</b>	Nov – Dec 2015	Tax Collectors and Business owners	4,150 USD	This training will improve capacity of LG tax and revenue management.

<b>Tax collection staff including Uniform.</b>	Nov – Dec 2015	Tax Collectors	1,000 USD	This uniform will reduce the problem of lack of trust to the tax collectors by the business people and other tax payers.
<b>Equipment for LG Admin and Finance Department.</b>	Nov – Dec 2015	LG Admin and Finance Department	2,900 USD	Recurrent and office infrastructure of Bayla district Improved.

**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 messages 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	7 days	100	700
		Develop of IEC material ( pamphlets, billboards, banners, and stickers	1	2180	2,180
		Awareness message speeches through radio FM	3 months	300	900
		Procure amplifier	Two sets	100	200
<b>Sub total</b>					<b>5,180</b>
2.	<u>Training on the Local</u>	Stationery	Lamsum	1,000	1,000

	<u>Revenue</u>	2 Facilitators	2 facilitators * 7 days	50	700
	<u>Mobilization Manual.</u>	Refreshment	70 participants * 7 days	5	2,450
<b>Sub total</b>					<b>4,150.00</b>
3.	Office equipment	L shape work station	2	230	460
		Printer	3	120	360
		Scan	3	160	480
		Photo copy machine	1	900	900
		Metal cupboard	1	200	200
		Visit chairs	10	50	500
<b>Sub total</b>					<b>2,900.00</b>
4.	STAFF UNIFORM	Uniform for Tax Collectors	20 tax collectors	20 person * 5 days,	1,000
<b>Sub total</b>					<b>1,000.00</b>
<b>Grand total</b>					<b>USD \$ 13,230.00</b>

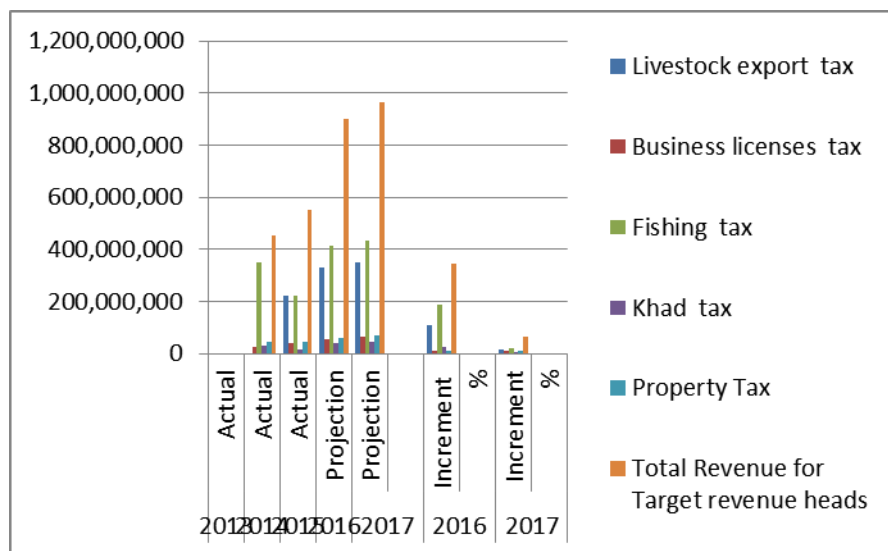
**Annexure 1: revenue performance monitoring tool**

**BAYLA LOCAL GOVERNEMENT  
LOCAL REVENUE PERFORMANCE 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 \$			
Livestock tax	15,800	3,950	3,950	3,950	3,950	16,667			
Khad tax	1,905	476	476	476	476	2,143			
Fishing tax	19,695	4,924	4,924	4,924	4,924	20,667			
Business licenses tax	2,619	655	655	655	655	3,095			
Property tax	2,857	714	714	714	714	3,333			
<b>TOTAL</b>	<b>42,877</b>	<b>10,719</b>	<b>10,719</b>	<b>10,719</b>	<b>10,719</b>	<b>45,905</b>			

Annex II. Bayla Targeted revenue heads for 2016/17

Potential Revenue heads	2013	2014	2015	2016	2017	2016		2017	
	Actual	Actual	Actual	Projection	Projection	Increment	%	Increment	%
Livestock export tax		3,280,000,000	224,200,000	331,800,000	350,000,000	107,600,000	47.99	18,200,000	5
Business licenses tax		23,800,000	42,000,000	55,000,000	65,000,000	13,000,000	30.95	10,000,000	18
Fishing tax		352,200,000	225,100,000	413,600,000	434,000,000	188,500,000	83.74	20,400,000	5
Khad tax		29,450,000	14,000,000	40,000,000	45,000,000	26,000,000	185.71	5,000,000	13
Property Tax		48,000,000	48,000,000	60,000,000	70,000,000	12,000,000	25.00	10,000,000	17
<b>Total Revenue for Target revenue heads</b>	<b>0</b>	<b>453,450,000</b>	<b>553,300,000</b>	<b>900,400,000</b>	<b>964,000,000</b>	<b>347,100,000</b>	<b>62.73</b>	<b>63,600,000</b>	<b>7</b>



## Annex II: Minutes of Bayla revenue mobilization preliminary meeting

Date:

06/11/2015

### Agendas

- Discussion on the preparation of the Bayla district's revenue mobilization plan for 2016- 2017.
- Payment Status of 2014/15 LDF payment.
- Challenges of revenue collection and possible support from UNCDF to support district's revenue enhancement.
- AOB.

### Participant list

#	Name	Title	Location
1	Said Aden Ali	Mayor of Bayla	Bayla
2	Liban Jama Caaqil	Revenue	Bayla
3	Ali Said Mahad	IT Intern	Bayla
4	Mohamud Omar Mohamed	Director of admin and Finance	Bayla
5	Omar Mohamed Salat	District Engineer	Bayla
6	Mohamud Ali Farah	Punlic Works	Bayla
7	Najmo Mohamed	Procurement	Bayla
8	Suufi Hassan Muse	Social affairs	Bayla
9	Bile Nor Farah	Tax	Bayla
10	Ahmed Mohamud Jama	Planning	Bayla
11	Mursal Mohamud samantar	Admin and finance	Bayla

### Opening Remarks.

The meeting was opened by Mayor of Banderbayla, in his remarks mayor welcomed the teams form MOI and UNCDF to Banderbayla district, later on the deputy mayor have deeply explained the agenda of the meeting and outcome needed from each of the agenda items, the

importance of LREP was also mentioned and this was due to fact that Bayla district is among the least performing districts when it comes to revenue mobilization, while concluding his speech the D. Mayor, said that this is an opportunity for Bayla district to benefit from the initiative in order to increase the revenue mobilization and eventually increase service delivery at district level that could contributed to decentralized service delivery that is needed by Puntland government, and he officially opened the meeting.

**Agenda Item 1. Discussion on the preparation of the Bayla district's revenue mobilization plan for 2016- 2017.**

The session started with discussion of certain burning issue on how to mobilize the revenue enhancement, there were discussions made by first differentiating the potential heads that needed to be mobilized in order to increase the revenues, there were discussions on what kind of heads and activities that needed to be first agreed on, basing on that the district have selected a certain head that they were previously discussed including the following; the district will focus on setting up policies, systems, procedures and logistics for improved revenue collection of the following sources of revenue:

- 1) Livestock Export tax.
- 2) Khat tax.
- 3) Fishing Revenue and
- 4) Business and Property Tax.

On the other hand, additional revenue to be added as the heads starts to improve, such additional heads will help district to collect more revenue and provide more service delivery.

**Agenda Item 2. Payment Status of 2014/15 LDF payment.**

2014, payment status of LDF projects in Banderbayla was also discussed, the issue was mainly focusing all the components of the projects; however, in Bander Bayla district all the tranche of Bayla access road, and there is only one tranche missing for Bayla access road additional which is the fourth tranche, the team from UNCDF committed that this will be followed up and ensure that it is released. Also it was mentioned that 2014 CB and Admin funds were received by the district.

In 2015 LDF projects the team also agreed with the districts to start speeding up the construction works for the projects in order to request the second tranche and try to finalize the projects of 2015 as soon as possible.

### **Agenda Item 3. Challenges of Revenue collection in Bander Bayla district.**

- ❖ There are several challenges of revenue collection that is faced in Bayla district including the following;
- ❖ Limited capacity of district tax collection staff, this is due the fact that most of the staffs that collect the revenue are not trained, they do not have the capacity to collect the tax and hence they collect less than expected.
- ❖ Another remarkable challenge that faces Banderbayla district is that district has got many scattered villages and due to limited accessibility in some villages especially the coastal villages where most of fishing companies are located have resulted the district to miss allot of revenue income through taxation of fish sector.
- ❖ Absence of tax collection police also known as “Tropotaria” that helps or enforce the tax collectors to smoothly collect the taxes, hence due to this reason many tax is avoided in Bayla district annually.
- ❖ Low population size in the district have resulted limited capital accumulation and limited source of revenue in the district, compared to the districts with same grade B, that is located alongside the tarmac road.
- ❖ One of the main challenges that district has pointed out that illegal fishing has discouraged local fishing industries that led to poor revenue income from fishing sector in Bandaerbayla and its shores.

### **Action Points.**

- ✓ Bayla district have selected 4 target heads in 2016, this heads are, fishing, livestock, business license, property tax, it was also agreed that heads to be increases as the selected four heads improves in the coming years.
- ✓ Bander bayla district have also selected immediate action plans in Nov-Dec to ensure that it has the basic safeguards in order to kick off the implementation of revenue mobilization plans in 2016.
- ✓ Regular monitoring and supervision to be played by MOI in order to back stop district in any unforeseen challenges during the REP.

- ✓ MOI to advocate the district on the CG transfer that are not currently playing by MOF.
- ✓ District Admin and Finance Consultant and Finance department director to play vital role in implementation of the plans prepared during the mission.
- ✓ Use of first tranche received in 2015 to be speeded up in order the district to request the second tranche of the 2015 projects.

..... **END** .....