



**Ministry of Finance
Hargeisa
Republic of Somaliland**



Somaliland PFM Reform Programmer

DMS/PFM/15.0.2015

PRESENTATION OUTLINE

- ***PFM Reform Programme-An overview***
- ***Report on:***
 - 1. PFM DRAFT BILLS***
 - 2. DFID supported Revenue Project***
 - 3. World Bank Supported PFM capacity strengthening Project***
 - 4. Using Somaliland country system***
 - 5. Status of PFM funding arrangement***

PFM REFORM PILLARS AND COMPONENTS

ECONOMIC AND BUDGET MANAGEMENT	RESOURCE MOBILIZATION	FINANCIAL MANAGEMENT AND REPORTING	PUBLIC PROCUREMENT	OVERSIGHT AND EVALUATION
1. Economic Management 2. Budget Formulation and Preparation	3. Domestic Revenue Generation	4. Accounting and reporting 5. Treasury and Expenditure Management	6. Procurement	7. External audit 8. Internal audit. 9. Parliamentary oversight
CROSSCUTTING				
10. PFM Legislation 11. Fiscal Decentralization 12. PFM Systems and Processes 13. PFM Capacity Development 14. PFM Program Management				

PFM STRATEGY

Purpose: “ensure efficient, effective and accountable use of public resources as a basis for economic development and poverty eradication through improved services delivery”

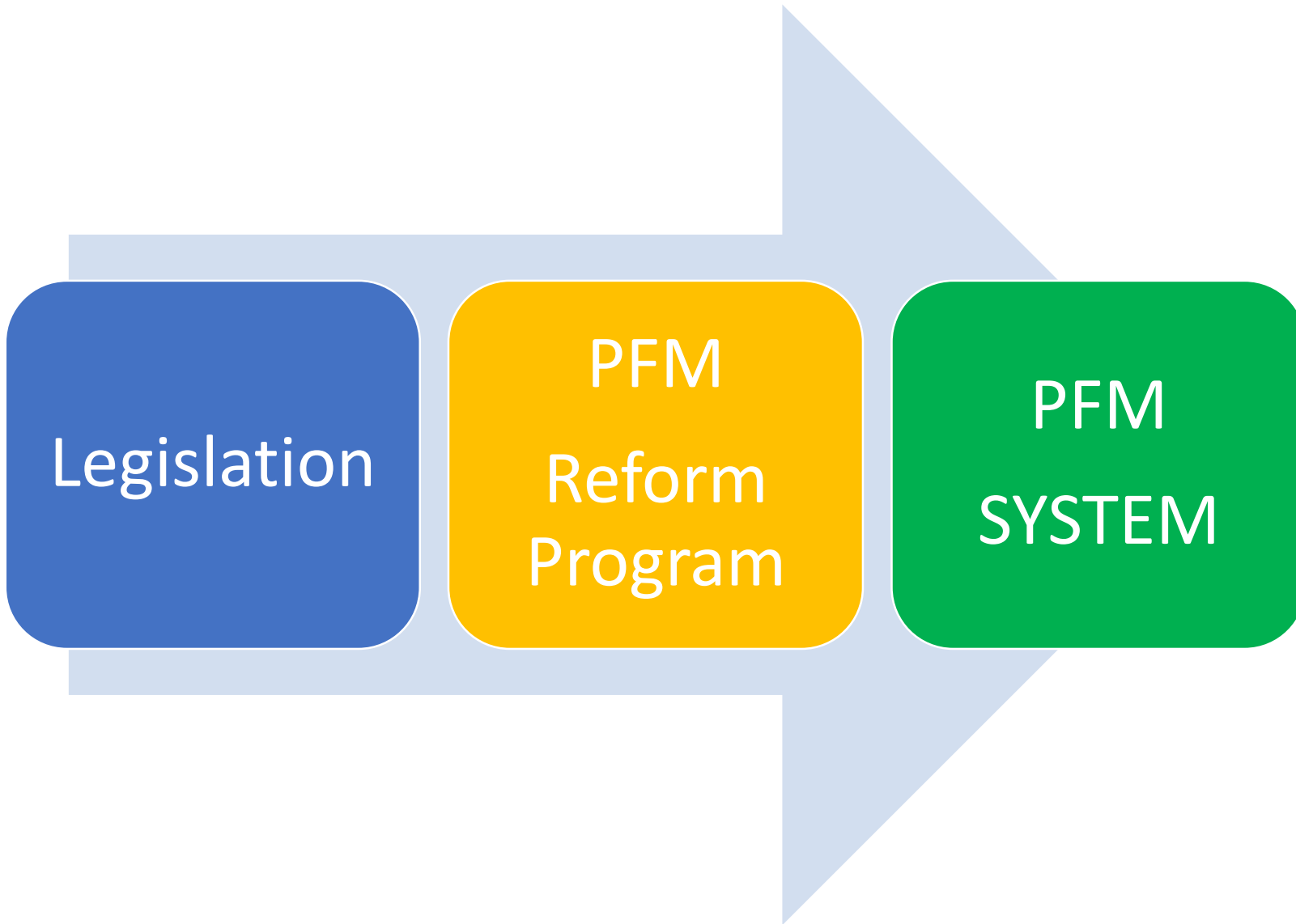
- Bring All Resources **“On Budget”**
- Ensure **Transparency**
- Regulate and Enforce **Accountability**
- Achieve **Development Outcomes**
- Achieve **Aid-Effectiveness**
- Our PFM systems will Inspire confidence to **attract more DP Funding**

OUTCOMES

The following outcomes are selected which are both realistic and consistent with the strategic objective.

The implementation of the PFM strategy will be expected to produce by 2017 the following major outcomes:

- Appropriate laws, rules, and systems are in place throughout the GoSL and are observed and enforced to produce greater **fiscal discipline** and **integrity** with closer link of resource allocation to government policy, and improvement in operational efficiency.
- The capacity of the **line ministries, Public agencies** and **local governments** for financial management is significantly improved; and
- The **national audit office and Parliament oversight function** is able to provide the guidance and advice through their independence, authority and ability, under the law.



Foundation of our PFM System are our PFM Bills

PFM DRAFT BILLS

1. PFM ACCOUNTABILITY BILL
2. REVENUE BILL
3. CUSTOMS BILL
4. PROCUREMENT BILL
5. AUDIT BILL

CURRENT STATUS

1. All five draft bills were cleared by Council of Ministers (13.09.2015)
2. Preparing submission to House of Representatives

DFID SUPPORTED REVENUE PROJECT

Project Scope:

1. Road Map for Establishing Somaliland Revenue Authority

1. Tax Administration/ strengthen tax administration
 - ✓ Setting LTO
 - ✓ Tax education and move to self-compliance
 - ✓ Reviewing customs evaluation system
 - ✓ IT support system
2. Tax Reform Policy
 - ✓ Establish Revenue forecasting model
 - ✓ Streamlining tax system
 - ✓ Enlargement of tax base
3. Change management and capacity building

Project Status:

Under Implementation

PUBLIC FINANCIAL MANAGEMENT CAPACITY STRENGTHENING PROJECT

Financed by Multi-Partner Fund (MPF)

PROJEC SCOPE:

Component 1: Treasury management, budget execution, procurement, accounting and financial reporting

Component 2: Strengthening the integrity pillars

Component 3: PFM Professionalization

Component 4: Project oversight, coordination and management

Project Status:

- ✓ Appraised
- ✓ Negotiated
- ✓ Bank Approved
- ✓ Ready to sign **Grant Agreement** , subject to submission of PFM Bills to House of Representatives

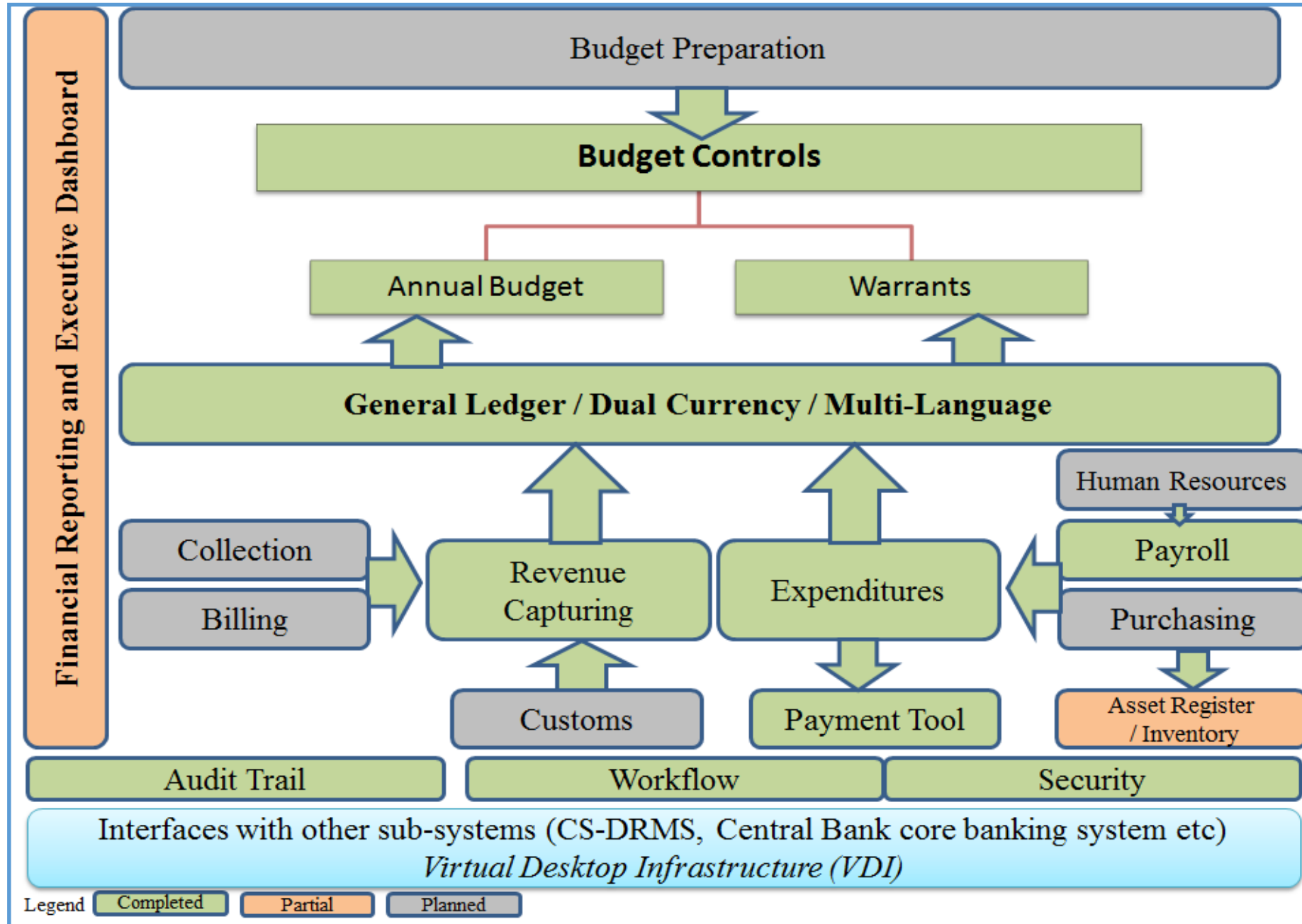
USING SOMALILAND SYSTEMS FOR EXTERNALLY ASSISTED PROJECTS

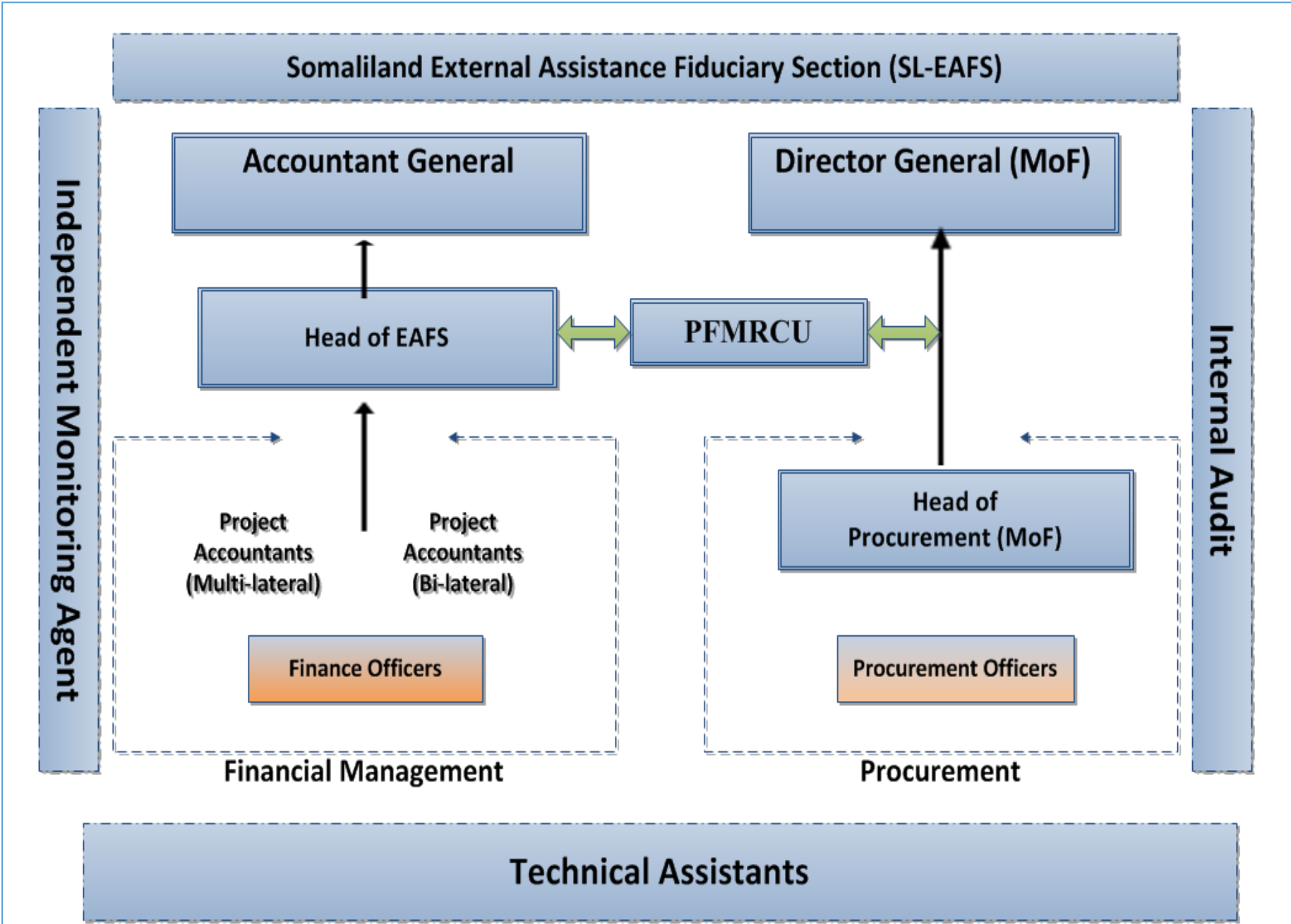
- SCOA adopted**
- Budget Classification adopted**
- Roll out SL FMIS**
- Establish External Assistance Fiduciary Section + Capacitation**

New COA Structure



Simplified high-level presentation of SL-FMIS Architecture





FUNDING ARRANGEMENTS (As per DL)

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FUNDING ARRANGEMENTS (cont.)

US AID

- Did project Assessment
- Waiting response

AFRICAN DEVELOPMENT BANK

- Planned appraisal mission July 2015
- That did not materialize

THANK YOU