



Ministry of Finance

S O M A L I L A N D

STRATEGIC PLAN

2019 - 2023

The Ministry of Finance continues to pursue a transparent, Citizen-focused and participatory fiscal approach that makes no compromise in fiscal discipline in-line with its principles of responsibility and accountability.

Table of Contents

LIST OF ACRONYMS	3
FOREWORD	4
MINISTER OF FINANCE	4
DIRECTOR GENERAL.....	5
ORGANOGRAM OF THE MINISTRY OF FINANCE DEVELOPMENT	6
CHAPTER 1: INTRODUCTION	7
1.1. HIGH-LEVEL STATEMENTS	7
1.1.1. Mandate	7
1.1.2. Vision	7
1.1.3. Mission	8
1.1.4. Core Values.....	8
1.1.5. Legal and Policy Context.....	8
1.2. PURPOSE AND OBJECTIVES OF THE STRATEGIC PLAN.....	9
1.3. LINK OF THE STRATEGIC PLAN TO THE NPDII	9
CHAPTER 2: SITUATIONAL ANALYSIS.....	11
2.1. SWOT ANALYSIS	11
2.2. PESTEL ANALYSIS.....	12
2.3. LESSONS LEARNT.....	13
CHAPTER 3: STRATEGIC DIRECTION, GOALS AND OBJECTIVES.....	14
3.1. STRATEGIC DIRECTIONS	14
3.2. STRATEGIC GOALS AND OBJECTIVES	14
CHAPTER 4: MATRIX OF THE STRATEGIC PLAN	17
CHAPTER 5: MONITORING AND EVALUATION.....	20
5.1. RISK ANALYSIS.....	20
5.2. MONITORING AND EVALUATION	20
CHAPTER 6: DEPARTMENTAL PLANS	22
6.1. PUBLIC FINANCIAL MANAGEMENT (PFM)	22
6.2. ACCOUNTANT GENERAL OFFICE	25
6.3. PRIVATE SECTOR AND FINANCIAL SERVICES DEPARTMENT.....	29
6.4. MACROECONOMIC AFFAIRS & STATISTICS DEPARTMENT	31
6.5. INTERNAL AUDIT DEPARTMENT.....	34
6.6. BUDGET AND PLANNING DEPARTMENT	36
6.7. PROCUREMENT DEPARTMENT	40
6.8. HUMAN RESOURCE DEPARTMENT	42
6.9. ADMINISTRATIVE SERVICES AND FINANCE DEPARTMENT.....	45
6.10. INTEGRATED FINANCIAL MANAGEMENT & INFORMATION SYSTEMS	47
6.11. CUSTOMS DEPARTMENT.....	51
6.12. LEGAL SERVICES DEPARTMENT.....	54
6.13. PUBLIC RELATIONS & INFORMATION DEPARTMENT	56
6.14. INLAND REVENUE DEPARTMENT.....	58

List of Acronyms

AG	Accountant General
GDP	Gross Domestic Product
GoSL	Government of Somaliland
GST	Goods and Services Tax
ICT	Information and Communication Technology
KPI's	Key Performance Indicators
MDG	Millennium Development Goals
MoFD	Ministry of Finance Development
NDP II	Second National Development Plan
PDMS	Public Debt Management Strategy
PESTEL	Political, Economic, Social, Technological, Environment, Legal
PFM	Public Finance Management
SDG	Sustainable Development Goals
SLFMIS	Somaliland Financial Management Information System
SP	Strategic Plan
SWOT	Strengths, Weaknesses, Opportunities and Treats/Challenges

Foreword

Minister of Finance

This strategic plan covers the period of 2019 – 2023 and maps out the vision, mission, mandate and core values of the Ministry of Finance Development. The aim is to enhance the operational performance of the Ministry, ensure the prudent management of the public's resources, deliver fundamental regulatory oversight and diligently manage the government's liabilities. This will allow the government to fulfill its commitment to lift Somaliland out of poverty, maintain stability and democracy in line with Vision 2030.



The formulation of the 2019 - 2023 Strategic Plan is done at a time when the Ministry of Finance Development has adopted a new dynamic performance management system to improve service delivery and accountability to the public. The groundwork of this plan followed a comprehensive process in which all key stakeholders were consulted. The purpose was to nurture a common understanding of the Strategic Plan to enhance commitment and instill a sense ownership for its successful implementation.

I am therefore pleased to introduce this five year (2019-2023) Strategic Plan of the Ministry of Finance Development to all partners. I take this opportunity to reiterate my commitment to provide the necessary support for the successful implementation of the plan. I also expect every department of the Ministry to work towards our strategic goals and objectives, and believe in our ability to successfully implement our strategic goals.

Dr. Saad Ali Shire
Minister of Finance Development

Director General

The Ministry of Finance Development (MoFD) derives its mandate from the Constitution of the Republic of Somaliland, the Public Financial Management Act, and other Revenue and Expenditure Acts and Regulations. The Ministry plays an essential role in the management of the country's economy through the formulation and implementation of efficient and effective public finance policies that will promote sustainable growth.

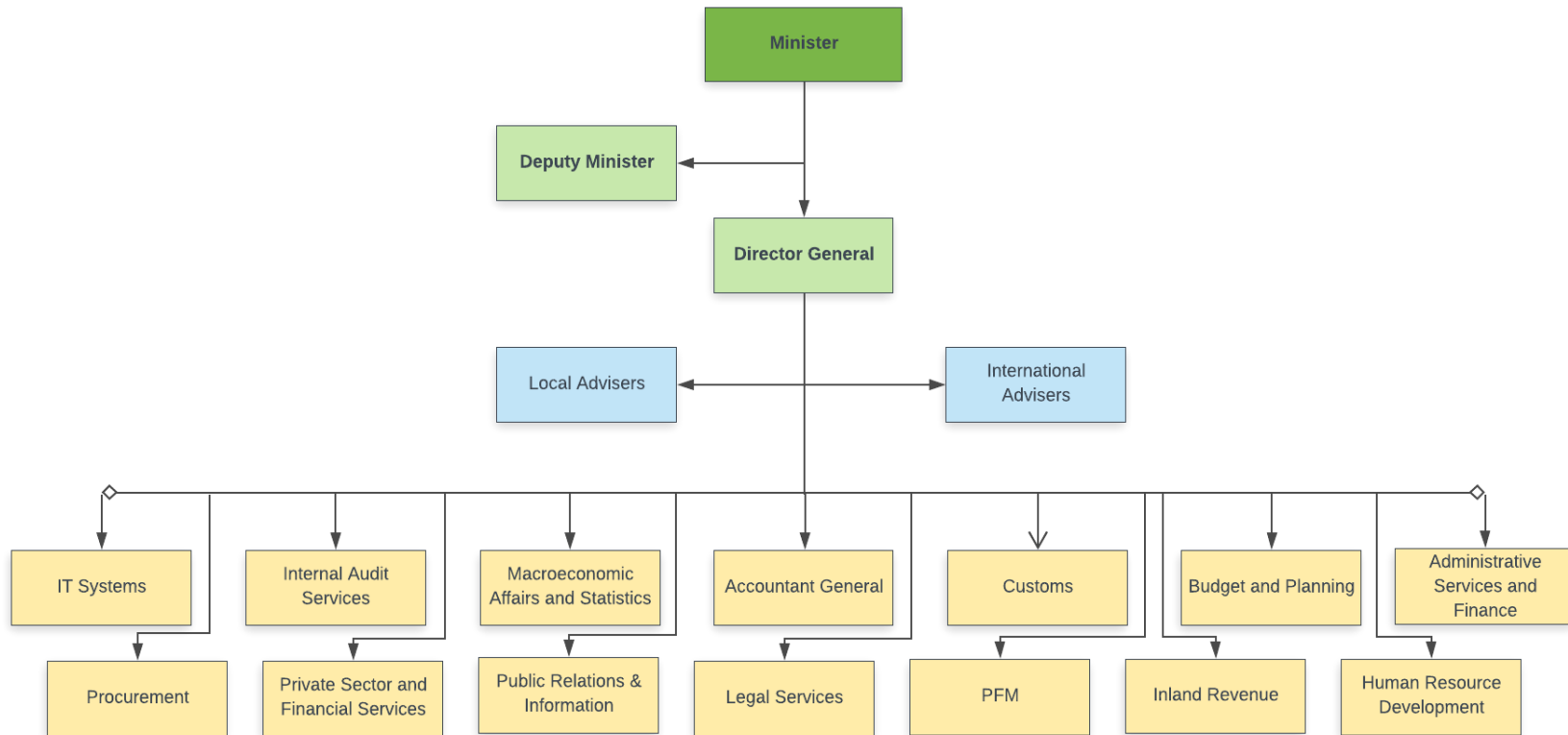


For the first time, the Ministry has developed a five-year strategic plan (2019 – 2023) to help guide our efforts and make us effective custodians of the public's finances. The plan redefines the core functions and priorities of the Ministry in line with our mandate, the National Development Plan II and the first pillar of Somaliland's National Vision 2030. It aims to deliver a useful framework that will catalyze a positive transformation of the country's economy—including job creation and improved wellbeing for every citizen.

I would like to thank the Minister of Finance Dr. Saad Ali Shire, for taking the lead to develop this 5-year Strategic Plan. I would also like to thank every Staff member, consultant and partner who contributed to its development. I expect all of us to work diligently to make sure that we succeed in meeting the strategic targets and objectives highlighted in this plan.

Maxamed Cabdi Gurxan
Director General

Organogram of the Ministry of Finance Development



Chapter 1: Introduction

As mandated by the Constitution of Somaliland, the Ministry of Finance Development is responsible for economic policy making and for the general management of the public's financial resources. The ministry plays an important role in the mobilization of resources for the whole Government, and consequently in catalyzing sustainable growth—on par with emerging economies. The following strategic plan has been designed to help guide the ministry in the next 5 years to make sure that identified capacity gaps are addressed and that the right systems are in place to facilitate service delivery.

Over the past few years, the Ministry of Finance Development has introduced several reforms aimed at improving the performance of the ministry—namely reforms to Public Financial Management (PFM) systems and processes. The objective of the PFM reforms, as highlighted in the PFM reform strategy, is “to have in place a holistic, country-led PFM reform strategy”. This aims to provide a broad strategic framework, establish priorities and sequencing of tasks and provide an actionable plan for short, medium and long-term sustainable changes. The ultimate goal is to ensure efficient, effective and accountable use of public resources as a basis for economic development and poverty eradication. In other words, the reform program is needed to improve the government's capabilities to efficiently direct public financial resources towards meeting the NDPII targets and the broader goals of Vision 2030.

1.1. High-level Statements

1.1.1. Mandate

The ministry is mandated to:

- Formulate sound economic and fiscal policies that mobilize internal and external financial resources for public expenditure.
- Enhance national economic stability, by focusing on socio-economic development as a tool of poverty reduction.
- Regulate financial management, oversee national planning, ensure effectiveness and efficiency of revenue collection and expenditure, and set the directions of the strategic development initiatives for economic growth.
- Manage budget planning, formulation of the macroeconomic policy, State assets, liabilities, and revenue fund and debt management.

1.1.2. Vision

The Ministry of Finance Development is a catalyst institution that promotes sustainable economic development and is the custodian of the nation's financial resources. We (the Ministry of Finance) hold ourselves accountable to the nation to discharge our responsibilities professionally and with humility, with the aim of promoting growth and prosperity for all. We aspire to excellence in the quality of our analysis, our advice and the execution of our financial management responsibilities. We aim to realize the full potential of GoSL's economy and of its people.

1.1.3. Mission

- Improve Revenue mobilization by efficiently and equitably administering revenue instruments
- Prepare a sound and sustainable National Budget
- Set the country's macroeconomic and fiscal policy direction
- Formulate effective policies for sustainable development
- Instill transparency and accountability in the management of public resources

1.1.4. Core Values

As custodians of the nation's financial resources, the Ministry acknowledges the authority of the Parliament through which we are accountable to the nation. We value teamwork, sound planning and enthusiasm, and we strive to continually improve the quality, accuracy and reliability of our service delivery. The following standards of behavior encompass the Ministry's core values in fulfilling its mandate:

Standard: Clear level of quality services within the private and the public sector.

Professionalism: A high level of competency and strict adherence to courtesy, honesty and responsibility when dealing with government institutions, internal members as well as external stakeholders.

Integrity: High character, respect, fairness, open communication that fosters collaboration.

Accessibility: Accommodation of service users.

Accountability: Obligation of the ministry to accept its responsibility, transparently disclosing the results.

Transparency: The ministry is obliged to conduct activities honestly and ethically. All individual members conduct business with honesty, fairness, respect and high character.

Efficiency and Effectiveness: To continuously seek excellence in the delivery of services while ensuring fiscal discipline.

Teamwork: Create successful operational relationships with team members by treating others justly, upholding and preserving an amicable atmosphere, sustaining and nourishing honest and open two-way communications.

1.1.5. Legal and Policy Context

The highlighted policy, legal and regulatory frameworks below are the existing ruling principles of the Ministry of Finance Development:

1. The 2001 Constitution of the Republic of Somaliland.
2. The Act of Delineation of Trade Bill – Law No. 26/2004.
3. Foreign Investment Law No 29/2008.
4. Somaliland National Budget Law No 44/2010.
5. Central Bank Law No 54/2012.
6. Islamic Bank Law No. 55/2012.
7. Law on the Delineation of the Organization of the Government and the Independent Public Bodies – Law No. 71/2015.

8. Revenue Act – Law No. 72/2016.
9. Customs Act – Law No. 73/2016.
10. National Audit Act X/L 74 /2016.
11. Public Financial Management & Accountability Act: 75/2016.
12. Somaliland Auditor General Law No. 76/2016.vi.
13. The Code of Conduct Bill 01/2018.
14. Somaliland Company Law No. 80/2018.
15. The Public Procurement Law – Law No. 82/2018.
16. Registration Tax, Law No. 83/96.
17. Stamp Duty Act, Law No. 85/96.

1.2. Purpose and Objectives of the Strategic Plan

The purpose and objectives of the Strategic Plan are to shape the roadmap of strategic actions required to be undertaken by the ministry towards achieving a common goal. This is to underpin the main objectives of the Somaliland National Vision 2030 and the NDPII. Therefore, the Strategy Plan sets;

- The five-year strategic direction to fulfill the ministry’s mandate, vision and mission while adhering to its core values.
- Prepare the annual fiscal policy together with the required regulations for its implementation.
- Participate in the negotiation of international and regional trade and financial agreements.
- Deliver a method for monitoring improvement towards the attainment of the set objectives.

This strategic plan will embrace the following guiding principles.

- Sound, consistent and credible policy formation and implementation.
- Legal and regulatory reform for financial accountability and management to advocate PFM laws.
- Accelerate the pace of sustainable development.
- Technological advancement to boost productivity.
- Promote sustainable development that upholds environmental protection while maintaining resource utilization.
- Strong institutional building and human resource development to sustain growth

1.3. Link of the Strategic Plan to the NPDII

As stated by the Somaliland National Development Plan II, Somaliland has been consolidating peace and development through locally tailored reconciliation within its borders. Despite enduring several internal conflicts, Somaliland continued to unite as a young nation. Through the period of 1997-2006 Somaliland moved from conflict to humanitarian and recovery status, where international aid organizations directly implemented programs and projects based upon primarily broad humanitarian and recovery needs. After one decade of relative stability, the Government of Somaliland and its international partners agreed to move Somaliland from a humanitarian and recovery status towards reconstruction and development. This culminated into a joint Government, World Bank and United Nations “Joint Needs Assessment” (JNA) in 2006—Somaliland’s

first needs assessment focusing purely on future development.

In January 2007, a consultative workshop was held in Hargeisa to bring together the executive and the legislative branches of the government, as well as non-state actors to discuss and draw recommendations from the JNA findings. Based on these findings and recommendations, the Somaliland Reconstruction and Development Program (RDP), 2007-2011, was produced. The RDP was designed to further the achievements of restoring law and order, re-establishing public institutions for good governance and social services delivery, and reviving the private sector. It built on the unique experiences of Somaliland in reconciliation, peacebuilding, recovery, reconstruction, and renewed development. According to Somaliland's RDP document, future development efforts would focus on the following pillars.

1. Investing in people through improved social services (especially education, health, water and sanitation) to save lives and to raise human skills, and actions to address the needs of specific vulnerable groups such as women, children and the disabled.
2. Establishing an enabling environment for a sustained poverty reduction
3. Growth by expanding opportunities for employment and improving food security through better infrastructure, policies and actions to overcome constraints facing productive sectors, and ensuring the protection of the environment and sustainable use of natural resources.
4. Deepening peace, improving security, and establishing good governance through the strengthening of core public and private sector institutions and conflict preventing and resolving mechanisms.

According to the Somaliland National Vision 2030, Somaliland should be a nation whose citizens enjoy sustained economic growth and reduced poverty levels. The Somaliland National Vision 2030 identifies six priority areas of its economic agenda:

- Agriculture, livestock and fisheries
- Trade and financial services
- Tourism – Manufacturing
- Mining and extractives
- Private sector and investment
- Diaspora

These areas are critical for unlocking the potential economic growth of the country. As for the first cycle of development in Somaliland, the NDP focused on creating a better environment for businesses. During the NDP (2012-2016) cycle, the Government of Somaliland produced in partnership with other organizations, several studies focused on the private sector, SMEs, informal economy, among others. These studies helped government institutions better understand how to improve conditions for businesses to thrive. Based on these studies the government targeted critical areas of legal reforms as well as other more interventionist activities. Although the sector has been relatively successful in pushing forward some fundamental regulatory reforms, its efforts in promoting industrialization in the country were very timid. Most of the interventions proposed in the NDP related to industrialization (i.e., policies, industrial zones and incubators) were never fully supported. However, such performance also raises questions about whether a strong industrial policy is something that the country should envisage, or a somewhat more service-based economy would be a better fit for Somaliland.

The Central Bank of the Republic of Somaliland together with the Ministry of Finance Development are still learning how to effectively use their monetary and fiscal instruments to promote macroeconomic stability—an essential characteristic of a healthy economy. The main objective of the plan is to deliver a useful framework that brings about positive economic transformation, helps create jobs and improves the wellbeing of the Somaliland people. The ministry will address the economic development pillar of the Somaliland National Vision 2030, which is to “pursue macroeconomic policies that promote accelerated growth, job creation and poverty reduction”. The Strategic Plan will also help accelerate the realization of the Second National Development (NDPII) and all other Presidential directives in line with economic growth and social wellbeing. The critical role of the MoFD in the implementation of the National Development Plan include the:

- Formulation and implementation of Sound Macroeconomic Policy for Economic Stability and Growth.
- Domestic financing and revenue mobilization, including tax and non-tax revenue to increase the low base of GDP growth over the medium-term.
- External finance mobilization to service the public debt, public-private-partnership, and future concessional and non-concessional loans to support Somaliland economic development sector.
- Public Investment Management as a catalyst for economic growth.
- Enhancing the implementation model of the Ministry of Finance Development.

Chapter 2: Situational Analysis

This chapter highlights the current internal strengths and weaknesses as well as the external opportunities and challenges facing the Ministry of Finance Development. Some trained and professional internal and external members of the MoFD carried out an assessment of SWOC analysis (Strengths, Weaknesses, Opportunities and Challenges) and PESTEL analysis (Political, Economic, Social, Technological, Environmental and Legal). The undertaken environmental scan allowed the identification of the issues that will either accelerate or obstruct the process of implementing this strategic plan. While at the same time, focuses on subjects that impact and influence on the acknowledged key result areas, or themes of the ministry.

2.1. SWOT Analysis

The undertaken SWOC Analysis during the formulation of the Strategic Plan delivered an insight into the existing internal strengths and weaknesses as well as the current external opportunities and challenges of the ministry. As a result of this, the plan puts forward ways to mitigate the internal weaknesses and external challenges for the benefit of economic development. On the other hand, the SWOC analysis highlights the factors that influence the duties and functions of the ministry to realize its strategies and objectives from internal and external perspectives. The center of interest of the analysis is on the technical capacity, management, communication, financial and human resources and the pertinent factors of the ministry. The SWOC analysis is discussed below:

Strengths		Weaknesses	
1	Strong support for reforms and improving financial management systems.	1	Lack of capacity building.
2	Positive trends in tax collection.	2	Unskilled staff.
3	Debt information management.	3	Poor technology and ICT scarcity.

4	Strong Tax Policy.	4	Poor transportation.
5	Public Procurement oversight	5	Insufficient space.
6	Policy and Legal framework availability.	6	Lack of information sharing.
7	International technical expertise.	7	Lack of cooperation.
8	Financing annual national budget.	8	Tax tribunal.
9	Reform arising from PFM Act.	9	Lack of awareness.
10	Tax Laws Reform	10	Poor implementation.
11	Financial Management Reporting.	11	Low salary.
		12	Lack of good leadership

Opportunities		Challenges	
1	Government's commitment to economic growth and poverty reduction.	1	Higher Unemployment.
2	Discovery of natural resource.	2	Lack of International Comm. recognition.
3	Regional trade and economic cooperation.	3	Least foreign aid.
4	Structural reform and good implementation strategy.	4	Low domestic revenue.
5	Fiscal Policy Formulation.	5	Low export.
6	Increase of production.	6	Strong foreign currency.
7	Political stability of the region.	7	Depreciation of local currency.
8	Training and capacity building.	9	Climate change.
		9	Poor remuneration
		10	Lack of public awareness.

The SWOT analysis was conducted to determine the Ministry's strengths, weaknesses, opportunities and threats, based on a participatory approach. The strategic planning work continued with the identification of the mission, vision and policy priorities of the Ministry. In this direction, information was first obtained from the units regarding the activities carried out within the preceding Plan period aimed at meeting the strategic objectives and targets. In light of the information collected, draft versions of the main components of the Plan were developed and shared with the units for feedback. Within this process, meetings with broad-based working groups were held in accordance with the work schedule, a draft document was drawn up and the progress was assessed.

2.2. PESTEL Analysis

During the formulation of the Strategic Plan, a broad Political, Economic, Social, Technological, Environmental and Legal (PESTEL) analysis was undertaken. This PESTEL Analysis allowed the ministry to candidly portray and depict the environment in which it operates, and therefore be able to understand the dynamics that will either upkeep or hinder the implementing process of the strategic plan. The table below shows the PESTEL Analysis.

PESTEL ANALYSIS	
POLITICAL FACTORS	IMPLICATIONS
Relative Peace and Stability	Positive local investment and optimum revenue collection.
ECONOMIC FACTORS	IMPLICATIONS
Regional Integration	Poverty rates reduction, lower food prices and real income rises.
Global and Regional Economic Growth	Positive or negative fiscal outcomes (depends)

SOCIAL FACTORS	IMPLICATIONS
Negative perception of government expenditure	Decline of domestic revenue mobilization
TECHNOLOGICAL FACTORS	IMPLICATIONS
Poor information System	Lack of Integration of public ICT Systems.
ENVIRONMENTAL FACTORS	IMPLICATIONS
Natural Disasters, Climate Change, Droughts, Famine, Flooding, Covid 19 Pandemic.	Decrease of tax collection and negative impact to the wellbeing of the economy
LEGAL FACTORS	IMPLICATIONS
Legal procedures and PFM Legal Frameworks	Enforcement constraints and lack of implementation strategy

2.3. Lessons Learnt

The process of documenting lessons learnt helped the ministry's performance team discover both internal strengths and weaknesses as well as external opportunities and challenges. It provided an opportunity for team members and/or partners to discuss successes during decision-making, policy development, administrative project plan, unintended outcomes, and recommendations for others involved in similar future projects. It also allowed the ministry at high-level statements to discuss things that might have been done differently, the root causes of problems that occurred, and ways to avoid those problems in later implementation stages. Use of lessons learnt is a principal component of an organizational culture committed to continuous improvement and adaptive management. Lessons learnt mechanisms communicate acquired knowledge more effectively and ensure that beneficial information is factored into planning, work processes, and activities.

Therefore, the forthcoming lessons, which the ministry will learn from the implementation of its mandate in the coming five years, will improve the implementation of the next Strategic Plans and policies:

- Effective implementation of the ministry's mandate requires a commitment to management at all levels.
- Empowered financial and human resources enable better achievements, and it is critical for the successful implementation of the ministry's mandate.
- Use of technology improves efficiency and effectiveness in service delivery.
- Compliance to PFM reforms increases accountability and management of public resources.
- Availability of data is crucial for monitoring progress in the implementation of the plan.
- To achieve set targets in this strategic plan, there is a need for regular monitoring and evaluation, preferably at pre-set intervals.

Chapter 3: Strategic Direction, Goals and Objectives

3.1. Strategic Directions

A strategic direction is one of the most important forces that the ministry requires to implement. The strategic direction will establish the structure for internal responsibilities that each department of the Ministry of Finance Development and its staff takes on. A clear vision allows each department to know the ministry's purpose and objectives. Through comprehensive examination and analysis of: the ministry's mandate, vision, mission, the environmental scan, PESTEL analysis and the country's National Vision and Development Agenda, the MoFD has identified five essential outcomes:

1. The prospective yearly GDP growth of 4% to 6% per annum which is currently around 2%.
2. Raise the tax-to-GDP ratio from 8% to the 15% recommended by the IMF.
3. Poverty reduction to 10%
4. Maintaining the inflation rate at 4% in the coming five years. Also maintain sufficient foreign exchange reserves.
5. Global competitiveness ranking to 184 out of 192 countries.

To attain the above institutional key outcomes, the ministry will focus its efforts towards eight strategic core areas to be implemented over the plan period. These include;

- Economic development and macroeconomic stability.
- Improvement of Public financial management system.
- Effective management and resource mobilization.
- Strategic development and national planning.
- Regional integration and trade cooperation development.
- International investment and private sector development.
- Financial sector development.
- Strengthen institutional capacity.

A number of goals have also been identified for each of the strategic areas above. For each goal, a set of SMART objectives has been proposed along with their strategies. This is to prioritize, strengthen operations, focus energy and resources to ensure that employees and other stakeholders are working toward common goals.

3.2. Strategic Goals and Objectives

First Strategic Direction: Economic Development and Macroeconomic Stability.

Strategic Goal: Avoiding Economic and Financial Crisis.

Broad Objective: Low Inflation and Fiscal Stability.

- To sustain low inflation, the Ministry of Finance Development should use proper methods to control inflation, whilst at the same time creating employment and poverty reduction to lift people out of poverty.

Specific Objectives:

- Supply-side policies and increasing long-term market competitiveness.
- Advise BOSL on monetary policy that controls the money supply.
- Advise on exchange Rate Policy that refers to the Ministry of Finance Development incorporation with the Central Bank to manage local currency with respect to foreign currencies. In formulating exchange rate policy, a balance should be found between local and foreign currencies.
- Design and implement tight Fiscal Policy, which is to balance needs for generating government revenue and levels of government spend in order to support a stable inflation rate and manage the fiscal deficit.

Second Strategic Direction: Improvement of Public Financial Management System.

Strategic Goal: Ensure efficient, effective and accountable use of public resources as a basis for economic development and poverty eradication through improved service delivery.

Broad Objective:

- The principal objective is to have in place a country-led PFM reform system that supports improved service delivery.

Specific Objectives:

- To provide a broad strategic framework, establish priorities and sequencing of tasks and provide an actionable plan for short, medium and long-term phases.
- The Ministry of Finance Development and other stakeholders to actively participate and be fully empowered to shape the strategy with concrete actions to transform the Somaliland PFM Reform architecture.

Third Strategic Direction: Effective Expenditure Management and Resource Mobilization

Strategic Goal: Improving Budget Credibility and Revenue Increase Efforts

Broad Objective: To enhance the ability of the government, the Ministry of Finance Development should meet its expenditure and revenue targets.

Specific Objectives:

- The government should uphold its budgeting commitment.
- Implement the budget as planned to avoid shifts in spending priorities.
- To prevent the government deficit from being unsustainable.
- To avoid erosion of public trust.

Fourth Strategic Direction: Strategic Development and National Planning

Strategic Goal: empowering the relationships between planning, policy formulation and budgeting at all levels.

Broad Objective: Strengthening the link between policy formation and implementation, national planning and budgeting.

Specific Objectives:

- Review, evaluate, analyze and initiate formulation of policies of cross-cutting budgetary issues.
- Allocate resources in line with national development priorities.
- Coordinate the analysis, monitoring and evaluation of budget performance.
- Analyze and advise on annual budget policy options.

Fifth Strategic Direction: Regional integration and trade cooperation development

Strategic Goal: Harmonize regional economic policies, regulations and procedures in the preferential trading areas

Broad Objective:

- Economic coordination with external partners.
- Establishment of free duty zones.

Sixth Strategic Direction: International Investment and Private Sector Development

Strategic Goal: Introducing business and investment attraction

Broad Objective: Encouraging expansion of the existing local businesses as well as attracting foreign investors.

Specific Objectives:

- Expansion of the local capability and skills.
- Increase export opportunities.
- Increase investment opportunities.
- To obtain stronger and resilient national economy.

Seventh Strategic Direction: Financial Sector Development

Strategic Goal: Financial sector that supports the overall economic growth and social development

Broad Objective: Establish financial policies, improve regulation and supervision of the financial sector

Specific Objectives:

- Approval of Somaliland Banking Law.
- Develop policies and frameworks to enforce compliance with international standards.

Eight Strategic Direction: Strengthen Institutional Capacity

Strategic Goal: Effective and efficient ministry that achieves required results

Broad Objective: Develop human resource policies, conduct training and capacity building to develop training and skills plan for the ministry.

Specific Objectives:

- Formal rules and procedures that dictate how certain matters should be addressed in the workplace.
- Employee rights and duties, including an increase of remuneration.
- Building the ability of the ministry staff and its units to perform functions effectively, efficiently and sustainably.
- Improving the working environment by building new offices.

Chapter 4: Matrix of the Strategic Plan

This chapter considers the identified strategic matters that the ministry needs to adopt so as to commendably accomplish its mission, while delivering the headship necessary to make the strategy implementation happen sooner. This is the realization of the Second National Development Plan and the Somaliland National Vision 2030 aspirations. The strategic objectives and initiatives to be pursued in addressing the issues are also presented. A matrix for the strategic plan was developed to make sure that there is a clear direction and successful implementation of the strategies identified. To enhance economic growth and sustainability, the following strategic objectives have been prioritized for the period of the Strategic Plan, 2019 – 2023.

Strategic Plan Matrix

NDPII	Strategies	Objectives	Indicators	Time-Frame in Years					Responsibility
				Y1	Y2	Y3	Y4	Y5	
NDPII Economic Pillar	Economic development & macroeconomic stability	To sustain low inflation, the MoFD should use good methods to control inflation.	Measuring and evaluating the effectiveness of the existing policies and consequently adopting the current policies or designing new ones.	10%	50%	80%	100%	X	Office of the Minister
			Measuring the leadership and managerial guidance to staff.	X	50%	80%	100%	X	DG Office
			Current policies include: <ul style="list-style-type: none"> • Revenue Policy • Electronically stored Information Policy • Records Management Governance Policy • Records Retention and Destruction Policy • Cash Management Policy 	X	30%	60%	100%	X	macroeconomic and Statistics Dept.
	Improvement PFM System	The principal objectives is to have in place a holistic, country-led PFM strategy	Measuring the established country-led PFM reform Acs.	20%	50%	80%	90%	100%	Office of the Minister
			Measuring the new Reform Acts of Revenue, Expenditure, Auditing, Procurement and Customs Acts to strengthen Public Financial Management System of Somaliland. It also includes other laws, regulations and amended Acts.	10%	20%	50%	80%	100%	Customs, Inland Revenue, Internal Audit Services, Accountant General Office & legal Services Dpts.
	Effective Management & Resource mobilization	In order to enhance the ability of the government, the Ministry of Finance Development should meet its expenditure and revenue targets.	Measuring, monitoring and evaluating existing laws and regulations, including Public Financial Law, FDI Law and Customs Law.	20%	40%	70%	80%	100%	Customs, IR, AGO, Legal Service & Admin Service & Finance Dpts.
	Effective Tax Reform	To develop a tax system through predictable revenue policies that are	To avoid enforcing unannounced tax regulations without obtaining stakeholder feedback over the short and medium term, to allow a reasonable time for transition to new tax	10%	50%	80%	90%	100%	PFM

		sensitive to global developments, increasing the competitiveness of the national economy and ensuring fairness in the distribution of the tax burden.	regulations.							
	Effective approach to manage resource mobilization and distribution	To strengthen and monitor fiscal management and internal control systems in public administrations.	To develop a guide for strengthening the pre-fiscal control practices of Public Administrations.	X	20%	50%	80%	100%		Inland Revenue
	To ensure that the accounting services are managed more effectively	To fully Implement the Integrated Financial Management Information Systems	To conduct training to enhance the skills and ability of the Accountant General Office to produce a sound Financial Statements. And to increase the level of compliance with accounting regulations with the Government Accounting Standards	10%	50%	80%	100%	X		IAGO
	To implement the Integrated Public Financial Management Information System	To increase the level of integration of the banking system regarding payment and collection transactions performed by accounting units	To increase the level of compliance with accounting regulations with the Government Accounting Standards	10%	50%	80%	100%	X		IFMIS
	To fight against the corruption	To carry out an effective combat based on laundering of proceeds of crime, preventing the financing of terrorism, and providing an economic security	To increase legal, administrative and technical capacity and competences in fighting against the financing of terrorism and laundering of proceeds of crime	10%	50%	80%	100%	X		Legal Depts
	To increase institutional capacity	To increase and improve the quality and quantity of personnel of the Ministry in accordance with the HRM perspective.	To establish and ensure the use of common rules and services defining the roles and functions of the central and provincial organizations of the Ministry	10%	50%	80%	90%	100%		HRM

Chapter 5: Monitoring and Evaluation

5.1. Risk Analysis

In order to identify where the Ministry of Finance Development and its Departments might be vulnerable, a risk analysis and mitigation strategy is outlined below. This will enable the Ministry to understand the possible risks ahead in order to identify mitigation measures to reduce the severity and seriousness of the assessed risks.

Potential Risks	Operational Risks	Financial Risks	Technological Risks	Mitigation Strategy
Lacking commitment of the Departments to ensure implementation of the Strategic Plan.	High possibility of the proposed activities may confront administrative obstacles.	Incompetence to increase revenue to finance planned operations.	Ministry of Finance Development may not keep pace with rapid ICT developments.	To mitigate the effects of the above risks on this plan, The Department of Planning and Statistics implements the following measures: i. Enhancing M&E for early detection of all potential risks; ii. Carrying out suitable discussion with stakeholders; iii. Enhancing MoFD management capacities; iv. Fostering optimal utilization of available resources;
Failure to implement the Strategic Plan due to inability of Management.	The reality of inadequately skilled staff in key departments is likely to affect delivery of services in Technical and IT function. Shortage of space, office tools and equipment. Inadequate budgeting and lack of implementation may make difficult to implement the planned activities. Inappropriate attitude and culture in the governance and operations.	A national economic crisis may disturb the implementation of the planned activities.	Staff may find it difficult to adapt to new technological changes. Inadequacy of the current software to match the required operations.	

5.2. Monitoring and Evaluation

The Strategic Plan monitoring and evaluation model refers to the process in which the realization status of the performance indicators is determined within the scope of the performance programs which are the annual application stages of the plan, the results are analyzed at the end of each year, the necessary measures are taken and all of these stages are reported.

The Ministry of Finance Development will make monitoring and evaluation an integral part through the process of the execution of the strategic plan. The aim and purpose of measuring and assessing Strategic Plan performance are to illustrate lessons from the implementation experience. The results of the monitoring and evaluation framework will notify the decision-making processes. The system will mostly use the strategic objectives and indicators that have been incorporated into the strategic plan detailed implementation matrix. It is therefore important to measure the performance result against the strategic plan throughout the monitoring period meetings to take actions and to come up with corrective solutions to potential deviations.

To control the process will enable us to monitor and evaluate reports on the for the fulfilment of strategic objectives and targets, the results of the measurement of performance indicators against the target, the sources of data, the reasons for any deviations from the target, the actions planned to be taken to address such deviations and the problems encountered in performance management will be assessed at the period meeting.

Each Department of the ministry will conduct series input and output analysis. The departments will also organize and perform first assessments, which will include cost analysis as well as the monitoring, which is the first part of the process, will be based on the following guidelines:

- All Departments will monitor all accomplishments and activities based on their jurisdiction and responsibility.
- Directors will be in charge of their department's monitoring and evaluation processes falling under their responsibility. This will include accounting for activities, inputs and outputs.
- Directors of each Departments will be responsible for preparing Annual Work Plans (AWPs) for each year of implementation, and all individuals prepare Individual Operational Plans (IOPs). This is based on the Departmental implementation plans.
- Departments and their directorates will monitor areas of performance, ways of utilization of resources, and institutional capacity. The monitoring process will involve regular progress of the strategic plan implementation.



Evaluation will be done to examine and investigate the medium and long-term effects of trends in specific objectives of the Strategic Plan. The evaluation activities will timely be arranged in three different terms: -

1. **Mid-term Evaluation:** This is to examine the implementation progress of all departments. The mid-term evaluation will ensure all strategic goals and objectives are to be achieved within the planned time set by the Strategic Plan.
2. **End Term Evaluation:** at the end of the Strategic Plan, a final evaluation will be conducted by the ministry to measure achievements and re-design the next Strategic Plan.
3. **Ad-hoc Evaluation:** In order to inform the implementation strategy and whether goals and objectives are to be achieved the ministry will conduct an ad hoc evaluation based on need.

Therefore, it is important to monitor through the identified performance indicators progress against the planned outputs.

Chapter 6: Departmental Plans

6.1. Public Financial Management (PFM)

Mission


The PFM Department coordinates and harmonies the public financial management reforms to strengthen public finance management systems in order to enhance effectiveness, efficiency and improve transparency and accountability in the use and management of public funds.

Objectives

The broad objective of the PFM is to achieve overall fiscal discipline, allocation of resources to priority needs, and efficient and effective delivery of public services. A solid and strong PFM system is a tool to minimize fiscal waste and support the effective and efficient use of taxpayers' money. Without proper management of public funds, the macro economy will be negatively affected. Weak PFM means that scarce resources are wasted through poor allocations and inefficient management. Corruption also thrives where PFM is weak and limits possibilities for growth.

PUBLIC FINANCIAL MANAGEMENT (PFM) DEPARTMENT

Goal	Objective	Strategy	Performance indicator	Time-Frame in Year					Responsible
				2019	2020	2021	2022	2023	
Goal 1: To develop Transparency, Accountability and Compliance of Public Financial Management.	Objective 1: To develop a macroeconomic framework linking the growth of national income, savings, investment, and balance of payment to public expenditure & revenues.	Assist MoFD to Maintain advanced key models & database system to analyst assumption of economic parameters.	Comprehensiveness of information included in the budget documentation. Produce information data that estimates tax and nontax revenues, domestic & external borrowings, etc.	■	■	30%	60%	100%	PFMDRM & Macro and statistics Dep.
	Objective 2: To prepare comprehensive budget indicating Economic prospects, broad policy objectives, and sectoral allocation /ceilings consistent with macroeconomic framework. (Cross cutting).	-Assist budget department and parliamentary economic committee how to Prepare reliable budget; -Develop budget preparation module applicable all the feature crucial to budget preparation process.	Aggregate revenue outturn compared original approved budget; Aggregate expenditure outturn compared to original approved budget. Civil society budget participation; Multi-year in fiscal expenditure and budgeting.	■	30%	70%	100%	■	PFMDRM & Budget and planning Dep.
	Objective 3: To develop execution process, accounting and reporting system.	Set of processes cover the functions associated implementing the budget, including procurement in accordance with the budget estimates, recording and accounting of all government transactions; -developing periodic reports to monitor the overall use	-Budget classification report Public access to key fiscal Information with timely manner. -Quality and timelines of annual financial statements; Quality and timelines in-year budget reports. -Efficient and effective use of public resources	■	30%	60%	100%	■	PFMDRM & Budget and planning and Accountant General office.

		appropriations, over the course of the year; - set information systems for budget execution, accounting & fiscal reporting.							
	Objective 4 : To develop cash management system assists the Government in maintaining an up-to-date picture of the Government's liquidity position and cash requirement.	Assist the MoFD to implement cash management policy developed by PWC.	-Set up cash management section in the accounting general office; -Monthly forecast development; -Compared data actual verses original budget.		10%	40%	70%	100%	PFMDRM and Accountant General.
	Objective 5: To improve revenue administration system.	-Assist the MoFD to develop and implement of tax and tariffs polies; - develop the process of collection tax and nontax revenues; - develop several modules uses to revenue management system.	-Taxpayer registration with tax identification number; -Merging IRD and customs in to one agency; -Aggregate revenue collected compared verses budget. -Revenue collection Modules -Mobile collection.	10%	30%	60%	80%	100%	PFMDRM and inland Revenue Dep.
	Objective 6: to revise and develop country PFM act to support auditing effectiveness and efficiencies. (cross cutting)	Help internal audit department, external audit, and public accounts committees in their functions.	-Effective and efficiency internal control system -Scope, nature and follow up of external audit; -Legislative scrutiny of external audit report; -Legislative scrutiny of national budget report.	10%	30%	50%	70%	85%	Cross cutting

6.2. Accountant General Office

Objective



















































Subject to the PFM Law, the mandate of the Office of the Accountant General is as outlined below;

1. The Office is mainly responsible for: -
 - Compilation and management of the accounts of the Government,
 - Custody and safety of public money,
 - Resources of the Government, and
2. The Office will give general instructions to all accounting officers which are consistent with the PFM Law, or any regulations or instructions issued under it.
3. Specify for every government ministry, department, fund, agency or other reporting unit required to produce accounts under the PFM Law:
 - The basis of the accounting to be adopted after obtaining advice from the Accounting Standards Board.
 - The classification system to be used.
4. Ensure that an appropriate system of account is established in each government ministry, department, fund, agency, or reporting unit which is compatible with the requirements of the PFM Law and which ensures that all money received and paid by the Government is brought promptly and properly to account.
5. Ensure that the system of internal control in every government ministry, department, fund, agency or other reporting unit required to produce accounts is appropriate to the needs of the organizations concerned and conforms to internationally recognized standards;
6. Refuse payment of any voucher which is wrong or deficient in content, or that contravenes the provisions of Constitution or any regulations, directives or instructions properly made under this or any other law for the management of public money, or that is in any way unacceptable in support of a charge on public funds.
7. Ensure, so far as practicable, that adequate provisions exist for the safe custody of public money, property, securities and accountable documents; and
8. Take precautions, by the maintenance of efficient checks, including surprise inspections, against the occurrence of fraud, embezzlement or mismanagement.
9. The Accountant General shall inspect all offices of the government and shall be given;
 - Access at all times to those offices; and
 - All available information he/she may require or consider necessary for the purpose of enforcing compliance of article 20
10. Coordinate & manage the regional accountants & sub accountants as may be required.
11. Oversees, supervises and monitors the daily, weekly, monthly and yearly performance of all the sections of the office and the regional accountants.
12. Formulating policies and instructions for the preparation of government accounts, controlling government expenditure and revenues.

SWOT ANALYSIS

Strength:	Weaknesses:
A mix of young, qualified and experienced staff capable of adapting emerging tech and reforms.	Limited funds for trainings and capacity building on recent financial management and reporting issues.
Proper transaction recording, accounting and timely preparation of financial reports.	Limited professional certified accountants
Smooth collaboration with other public entities.	Office space of the employee
Opportunities:	Threats:
Willingness and political commitment of reforms from the new government	Limited office space (regional and headquarter)
PFM Reforms and technical assistance from the World Bank	Lack of clarity of the office's independence
Some of the office staff have access to CIPFA trainings	Late or not receiving updates and information about new tariffs and other instructions from the MoF
New laws and regulations	Too much dependence on IT and SLFMIS teams outside the office
SLFMIS (when fully operational)	Inappropriate appointments of Admin and Finance directors and accountants of MDAs
	Limited operational resources.
	Poor budget estimates and lack of cash forecasting (release of warrants without fund availability)
	Mismatch of new laws and regulations
	Dependent on manual system as SLFMIS is not yet fully operational in fulfilling all requirements
	Poor internal control system most of MDAs

ACCOUNTANT GENERAL OFFICE

Strategic Goal	Strategic Objective	Strategy	Output Indicators	Performance Indicator (%)					Responsible				
				Time-Frame in Years									
				2019	2020	2021	2022	2023					
Goal 1: to enhance accounting and financial reporting	Objective 1: To improve the application of international standards and modernize preparation of financial reports	Preparation of IPSAS Implementation Roadmap	The Roadmap is completed and validated	100%					AGO				
		Implementation of IPSAS Roadmap	Implementation of IPSAS Cash Basis part 1	20%		100%				AGO			
		Implementation of IPSAS Roadmap	Implementation of IPSAS Cash Basis part 2			30%		50%		70%		100%	AGO
		Implementation of IPSAS Roadmap	Capacity building and trainings	10%		50%		80%		90%		100%	AGO
		SL-FMIS Implementation	Automation of wider government financial transactions and reporting through SLFMIS	10%		50%		70%		90%		100%	AGO
Goal 2: To strengthen financial controls	Objective 1: To simplify payment processing	Preparation of expenditure guiding manual and payment checklist	The manual is drafted a	20%					AGO				
			The guiding manual is completed and validated		100%					AGO			
			Implementation of the guiding manual (checklist)			60%		80%		100%	AGO		
		Approval of COAPM and Financial Regulation	Implementation of COAPM and Financial Regulation	50%		60%		90%	100%			100%	AGO
Goal 3: to enhance fixed asset management	Objective 1: To improve the management of government Fixed asset Mgt	Preparation of Fixed Asset Management Policy	Finalization of Fixed Asset Management Policy and translation	80%		100%				AGO			
			Pilot asset registration		100%					AGO			
			Wider public asset registration			50%		70%		100%	AGO		

Goal 4: to unify structure of government bank accounts and optimize utilization of cash resources	Objective 1: To implement the treasury single account (TSA) and cash management	Consolidate government cash resources	finalizing the TSA concept note and Drafting Terms of Reference(TOR) for TSA TA	80%	100%				AGO
			Hiring the TSA-TA and preparatory activities		20%				AGO
			Establishment of Cash Mgt Unit		100%				
			Validation and Finalization of Cash Management Policy	100%					
Goal 5: Managing the need to borrow at lowest possible time	Objective 5: To ensure that the government meets its financing needs and repayments at the lowest possible time	Preparation of Debt Management Policy	Draft, Validation and Finalization of Debt Management Policy			50%	80%	100%	
			Preparation of debt data and reports			30%	60%	100%	

6.3. Private Sector And Financial Services Department

Objective

- Foster close partnership between the private sector and the public sector
- Facilitate the development of legal, regulatory and operational framework conducive to the growth of the private sector and financial institutions
- Provide technical support for the development of the financial sector
- Promote investment in the financial sector
- Develop framework for public private partnership (PPP) initiatives
- Oversee the nationalization process of public entities

SWOT ANALYSIS

Strength:	Weaknesses:
Strong Leadership and Commitment	Lack of office equipment
Skilled Staff	Poor internet
New Financial and Private Sector Acts are in place	Few Staff members
Opportunities:	Threats:
Political and Leadership Commitment	Poor resourceful Information with the private and financial sector
New Financial Sector Bills are ready to pass	Absence of very crucial finance acts
Positive economic growth and investment	private sector policies and regulations are still on the process and others missing
New Private Sector Bills are ready to pass	

PRIVATE SECTOR & FINANCIAL SERVICES DEPARTMENT

Strategic Goal	Objective	Strategy	Performance indicator	Time-Frame in Years					Responsible
				2019	2020	2021	2022	2023	
Goal 1: Provide technical support to the development of the financial sector.	Objective 1: To strengthen the capacity of domestic financial institutions to expand access to banking, insurance, Credit union, credit agency, micro finance and financial services for all the businesses and people	Establish Database for financial service institutions	Measures Number of financial institutions in the country with number of branches providing credit Working closely in relation to their credit policies	30%	50%	65%	80%	100%	Financial and Private Sector
goal 2 Develop Strategic plan for the Financial Sector in collaboration with Central Bank	to establish a strategysystem for developing Financial Institutions	Creating committees working together to prepare Financial Strategy	Arranging regular meetings to create Financial Sector Strategy, Organize a Yearly conference and Exhibition of financial Institutions	25%	55%	65%	90%	100%	Financial and Private Sector
goal 3 preventing financial illicit flows	To have a legal framework to manage money inflows and out flows	Application and Implementation of Anti-money laundry laws in the financial institutions	Reduction of the total value of inward and outward of illicit financial flows	30%	50%	65%	80%	100%	Financial and Private Sector
goal 4 Facilitate the development of legal, regulatory and operational framework for conducive growth of the financial institutions and Business Private Sector	To Follow up the financial laws that have not yet been approved, including commercial banking law. Insurance Law. Trade Lenience Law	Developing procedures and guidelines related to the missing role of the financial sectors	The number of outstanding laws to be approved by the Parliament	40%	50%	65%	75%	100%	Financial and Private Sector
goal 5 To foster close partnership between the private sector and the public sector	To Prepare stakeholder engagement for the expansion of the existing local businesses, as well as attracting foreign investors.	Organizing quarterly round table meetings between businesses and government	Develop trust between the public and the private sector	15%	30%	60%	80%	100%	Financial and Private Sector
goal 6 Strengthen and promote effective public-private partnerships (PPP) Programs	To find PPP that contributes to national development	Supporting PPP dialogues	measuring the PPP's contribution to the country development	15%	30%	50%	80%	100%	Financial and Private Sector

6.4. Macroeconomic Affairs & Statistics Department

Objective

- To collect primary and secondary macroeconomic data for policy formulation,
- To formulate sound economic and fiscal policies that mobilize internal and external financial resources for public expenditure,
- To enhance national economic stability, by focusing on socio-economic development as a tool of poverty reduction,
- To provide realistic revenue forecasts, since the budget being the most compelling instrument of the government for carrying out its policies.

SWOT ANALYSIS

Strengths	Weaknesses
Strong economic parameters data analysis.	Limited staff capacity
Policy and Legal framework availability.	Limited ICT infrastructure
Support from international technical expertise.	Insufficient transportation.
Strong leadership and commitment.	Insufficient office space.
	Lack of information sharing.
	Lack of data analysis capacity.
	Lack of reliable data.

Opportunities	Challenges
Regional trade and economic cooperation.	Poor coordination and cooperation among MDAs.
Structural reform and good implementation strategy in place.	Lack of reliable census data.
Political stability of the region.	

MACROECONOMIC AFFAIRS & STATISTICS DEPARTMENT

Strategic Goal	Objective	Strategy	Output Indicator	Time-Frame in Years					Responsibilities
				2019	2020	2021	2022	2023	
Goal 1: To Produce and Publish Economic Statistics Reports;	Objective 1: To produce and share with the stakeholders the macroeconomics and Statistics reports like Economic Performances, Trade Statistics, Fiscal Analysis and External Aids	. To collect related primary and secondary data	Production of monthly, quarterly and yearly reports	100%					Macroeconomics affairs and Statistics Department
Goal 2: To Put In Place Sound Macroeconomic Policies;	Objective 2: To Develop Macroeconomic Policies and Models	To establish and create macroeconomic Policies, models and databases	Production of economic performance reports including the great needed measurement economic indicators like GDP, Unemployment rate, inflation etc	10%	30%	50%	70%	100%	Macroeconomics affairs and Statistics Department
Goal 3: To Establish Platforms For An Exchanging Ideas And Information;	Objective 3: To improve collaboration and networking of Economic associations	To Conduct Semi-annual and annual economic analysis conferences	Stimulating and supervising the economic projects and associations like <ul style="list-style-type: none"> ✓ Berbera Corridor Project (Trade and Transit Agreement), ✓ Somaliland Economic Association (SEA), ✓ Somaliland Public Accountants Association, etc. 	20%	40%	60%	80%	100%	Macroeconomics affairs and Statistics Department
Goal 4: To Prepare a Credible And Realistic Government Budget;	Objective 4: To produce Yearly Budget Outlook paper	To Collect, analyse and interpret reliable data to produce budget outlook paper document.	The production of the yearly budget outlook paper to display the overall macroeconomic situation of the country.	100%					Macroeconomics affairs and Statistics Department , Budget and Planning

<p>Goal 5: To Prepare Decision Making Help Tools;</p> <p>Goal 6: To Measure the strategic Priorities of the Government Expenditure;</p> <p>Goal 7: To Conduct Fiscal Analysis;</p> <p>Goal 8: To Conduct Required Fiscal Researches;</p> <p>Goal 9: To Improve the knowledge and the skills of the staff.</p>	<p>Objective 5: To develop Macroeconomic Fiscal Framework (MFF).</p> <p>Objective 6: to Develop Medium-Term Expenditure Framework (MTEF)</p> <p>Objective 7: To analyse and produce decision making help reports of the planned revenue sources and expenditure priorities</p> <p>Objective 8: To produce needed fiscal researches to help decision makings.</p> <p>Objective 9: To build staff capacity.</p>	To collect , analyse and interpret reliable data to produce MTEF document	The production of complete and referable Macroeconomic Fiscal Framework (MFF) document	100 %					100 %	Macroeconomics affairs and Statistics Department
		To collect , analyse and interpret reliable data to produce MTEF document	The production of complete and referable Develop Medium-Term Expenditure Framework (MTEF) document.	10%					100 %	Macroeconomics affairs and Statistics Department
		To track and monitor government revenue and expenditure trend	The production of complete and referable semi-annual and yearly revenue and expenditure analysis reports.	100 %					100 %	Macroeconomics affairs and Statistics Department
		To collect and analyse primary and secondary data and produce helpful reports	The production of at least 4 to 6 yearly fiscal researches and their reports.	20%					100 %	Macroeconomic and Statistics Department.
		To review and evaluate the needed staff trainings and study tours	The production of at least 4 yearly staff trainings and one directors study tour.	20%					100 %	Macroeconomics affairs and Statistics Department

6.5. Internal Audit Department

Objectives

The role of the Internal Audit Department is to determine whether the respective Government Ministries, Agencies or Departments' risk management, control and governance processes, as designed and operated by management, are adequate and functioning in a manner to confirm that;

1. Risks are appropriately identified and managed;
2. Significant financial, managerial and operating information is accurate, reliable and timely;
3. Employees' actions are in line with policies, procedures and the applicable laws and regulations of the Government of Somaliland (GOSL):
4. Resources are acquired economically, used efficiently, and protected adequately to achieve the intended objectives;
5. Programs, plans and objectives are achieved;
6. Staff adhere to established ethics and values system; and
7. Quality and continuous improvement are fostered in the MDAs' control processes.

Opportunities for improving management control and performance identified during audits will be communicated to the appropriate level of management for prompt action.

SWOT ANALYSIS

Strengths	Weaknesses
Availability of all financial rules and regulations.	Lack of manuals and guidelines for the facilitation of the duties and obligations of the department
Operationalization of the Public Financial Management Reform program transforms departmental functions	Lack of proper analysis of the actual expenditure needed
Strong leadership and team spirit of the department's staff	Lack of automated Asset Registration system
Centralized Ministry payment system	Lack of Vehicles Control (Log Book)
Well managed and smooth running of the department's responsibilities	Insufficient budget allocation according to the ministry's huge responsibility.
Quick responses to inquires	Lack of staff training and career development,

Opportunities	Treats
Access to Departments and Regional Coordinators	Currency depreciation (Effects by purchasing goods and Rent expenses)
Implementation of SLFMIS to standardize systems, procedures and reports	Lack of manuals and guidelines for simplification of the duties
Supportive TAs	Loopholes in the laws and regulations.
	Lack of adequate resources (offices and staff)
	Lack of centralized procurement system

INTERNAL AUDIT DEPARTMENT

Strategic Goal	Objective	Strategy	Performance indicator	Time-Frame in Years					Responsible
				2019	2020	2021	2022	2023	
Goal 1: Enhance the independence of the Internal Audit Directorate (IAD)	Objective1: Strengthened institutional capacity of the IAD Enhanced Independence of the IAD Enhanced and effective oversight of the Internal Audit Directorate	Improved service delivery of the IAD to the needs of management in the various MDAs	Endorsed GoSL Internal Audit Charter Endorsed GoSL Audit Committee charter Amended PFM Act Implemented charters and PFM Act within GoSL		100%				Director of Department and PFM Coordinator
Goal 2: Build and strengthen the professional capacity of the IAD	Objective2: Efficient and effective implementation of the internal audit Improved staff technical competences Improved quality of audit deliverables Improved accountability and transparency of MDAs Increase the use of IT in the audit process	Conducting audits conducted as per internal audit standards And Increased IT audit coverage	Number of staff enrolled for/ undertaking the Certified Internal Auditor (CIA) certification No. of quarterly technical trainings conducted % of staff attending quarterly technical trainings Automation of the audit process		30%	60%	90%	100%	Director of Department, and PFM Coordinator
Goal 3: Build the IAD's capacity to effectively engage stakeholders	Objective3: Enhanced positive image of the IAD Improved stakeholder understanding of the work and role of internal audit Better working relationship with stakeholders (like OAG and others)	Changes successfully implemented within the GoSL Internal Audit	No. of forums conducted by the IAD per year No. of audit reports published No. of forums/meetings jointly conducted/ attended		20%	40%	60%	100%	Director of the Department

6.6. Budget And Planning Department

Strategic Objectives And Priorities

The Budget and Planning department responsibilities include:

- Planning and controlling the overall objectives of MoFD
- Planning and preparing fiscal budgetary framework
- Preparing a consolidated national budget
- Develop a comprehensive and reliable budget
- Budget execution management

Strategic Goal: Improved efficiency in the preparation of the budget and effectiveness in its execution.

Objective 1: To state overall objectives of MoFD

Objective 2: To develop standardized fiscal policy documents

Objective 3: To ensure that the system of accounting and classification is appropriate and aligned with standard of chart of accounts:

Objective 4: To ensure efficient management and accountability of Government Funds





























Objective 5: To enhance financial information system to improve budget preparation and budget execution









SWOT ANALYSIS




















Strengths	Weaknesses
Rolling out the SLFMIS budget preparation and execution modules in place	Inadequate Monitoring and Evaluation of Budget funded projects
Strong Leadership and Commitment	Inadequate office space and IT equipment
Some professional skilled staff	Poor internet connectivity
Better communication with other Depts.	Lack of system transformation strategy
Control mechanism in place	Employee resistance
	Lack of budget manual to be followed

Opportunities	Threats
Political and Leadership Commitment	Lack of Information about the projects funded by the external aid to the MDAs
Public Financial Management act	Resistance to the implementation of PFMA Act
Positive economic growth and investment	Poor Information Sharing with other Departments
TA recruited to develop the departmental policy and procedures	Inadequate budgetary skills of some admin & Finance Directorates in the MDAs.

BUDGET AND PLANNING DEPARTMENT

Strategy Goal	Strategies	Objective	Indicator	Time-Frame in Years					Responsibilities		
				2019	2020	2021	2022	2023			
Goal 1: Economic development and resource mobilization	Improved efficiency in the preparation and its execution	1) To develop standardized fiscal policy documents	Budget calendar published	100%					Budget & Planning		
			Budget outlook paper published	90%	100%						
			MFF & MTBF Published	100%							
			Budget book standardised	70%	80%	90%	100%				
			Citizen budget book published		100%						
			Budget policy update		10%	30%	60%	100%			
			Capacity building								
			Equipment and furniture		100%						
			Training Progress	10%	30%	50%	70%	100%			
		Objective 1: Describes fiscal policy documents produced or renewed each year. Two new documents will be produced by 2021, such as: budget manual and templates. Performance indicator will be at least 2 tangible documents produced or renewed each year. Training will be measured by number of staff have been trained followed by certificates and training event photo. Equipment and furniture will be feasible and quantifiable.									
		2) To improve standard chart of accounts.	Adoption GFS through application classification of government accounts (COFOG)								
			Administration classification	100%					Budget & Planning		
			Economic classification		50%	75%	100%				
			Functional classification		50%	75%	100%				
			Budget segment update	10%	30%	50%	75%	100%			
			Objective: 2 describes budget classification and chart of accounts. There will be improvement each year whether budget segment or revised chart of accounts. In 2020 will be started budget classification, expanding to chart of accounts to local governments and public enterprise will be included 2021 budget. Also, program, regional segments and modernized								

			functional classification will be commenced 2021 budget. The performance indicator will be measured by printed documents generated by the SLFMIS.					
	3) To adapt public expenditure and financial accountability	Budget reliability						Budget & Planning
		I. Compared budget target versus actual		25%	70%	85%	100%	
		Transparency of public finance						
		I. Available Public Budget reports to users both revenue and expenditure		50%	75%	100%		
		Policy based fiscal strategy						
		II. Budget prepared with due regard to government fiscal policy priorities (sector allocation)	25%	50%	75%	100%		
		Predictability and control budget execution						
		I. Economy Effective and efficient use of public funds		25%	60%	100%		
		I. Adapt programed Based budget			25%	35%	50%	
	Objective: 3 PEFA assessment will be done by the TA, preparing training needs, conducting training then implementing the PEFA tools guidelines. The indicators will be described by TA within the inception report. The measurement depends how the TA planned the adoption pillars of PEFA tools to follow.							
	4) To enhance financial information system to improve budget preparation and budget execution	I. Budget preparation module	10%	50%	75%	100%		Budget & Planning
		II. Budget execution module	20%	50%	100%			
		III. Reporting	10%	50%	80%	90%	100%	
		Objective: 4 describes how to adopt SLFMIS and implementing financial information system. There will be difference modules will be used to improve financial information system.						

			Performance indicator will be from 2021 to 2023 for the improvement reports generated by the system year after year. Also, how the system will be in place the accurate budget versus actual and provide reliable financial statements						
	5. To plan the overall objectives of MoFD	I. Coordinate work Plan MoFD		100%					
II. Set suitable guidelines to be Followed by strategic plan					100%				
III. Set performance indicators tools to the strategic plan					100%				
IV. Bench mark assessment technics					100%				
IIV. Prepare five year strategic plan								100%	

6.7. Procurement Department

Objective

The mandate of the procurement Department is to develop, manage and issue guidelines regarding the procurement of goods and services to ensure proper management and implementation of procurement regulations and procedures. The procurement Department discharges its mandate through the following functions:

1. **Purchasing:** the department is responsible for tendering and contract management to facilitate goods and services for the ministry and also plays an advisory role to departments in all procurement related matters.
2. **Stock control:** the department is responsible for projecting demand and consolidating user requirements for new tender.
3. **Warehouse management:** the department is responsible for warehousing of goods for departments.
4. **Office equipment:** the department provides technical advice on the type and model of office equipment required by ministry departments, it is also responsible for the maintenance and repair of office equipment.

The procurement Department exists to efficiently and effectively provide goods to stakeholders achieved through.

- Proper custody and safety of department of the ministry
- Transparency of tendering procedures and procurement
- Maintenance of proper supplies records and adherence to supplies regulations and procedures.

SWOT ANALYSIS

Strengths	Weaknesses
Quick respond to all applications	Lack of staff training
Strong Delivery System	Inadequate monitoring and evaluation of tasks
weekly staff meetings	Lack of storage in which we would have stored the types of equipment
Good staff communication	The separation of procurement and logistics is a barrier of segregation of duties.

Opportunities	Threats
A good relationship with ministry of public works and housing	Lack of finding the right tools and equipment according to their quality
Well skilled workers who can fulfil the job duties	having long-term contracts without review to the contractors and it looks like monopoly contracts
	lack of Professional consultants

PROCUREMENT DEPARTMENT

Strategic Goal	Objective	Strategy	Performance Indicator	Time-Frame in Years					Responsible	
				2019	2020	2021	2022	2023		
Goal 1: Improve effectiveness and efficiency of procurement system	Objective 1: To purchase quality goods and services at reasonable prices	achieve best value for money	<ul style="list-style-type: none"> Engagement of list of different suppliers and collect quotations monitor goods and services price fluctuations on regular basis Annual Cost reduction report from the procuring of items/contract services receive requisitions from the departments using the SLFMIS Procurement module 		60%	70%	90%	100%	Procurement Department	
	Objective 2: To meet departmental needs on time and to prevent delays	Just in time process orders with the Suppliers at the right time	<ul style="list-style-type: none"> Reduced storage cost Storing emergency supplies 		60%	70%	100%	100%		Procurement Department
	Objective 3: To reduce recurring and unnecessary demands from the departments	Reduce costs and wastage while ensuring the needs of MOFD departments are met.	<ul style="list-style-type: none"> Constant Monitoring and evaluation (M & E). Sharing or reallocating equipment such as furniture to other departments. 		40%	90%	95%	100%		Procurement Department
	Objective 4: To ensure the quality of constructions and maintain the buildings	deliver quality buildings for MoFD	<ul style="list-style-type: none"> qualitative bill of quantity with detailed specifications and calculations Cooperate the Ministry of Public Work and Housing 		60%	80%	90%	100%		Procurement Department
	Objective 5: Staff training	Establish annual staff training plan	Staff equipped with profession and skills		20%	50%	75%	100%		
	Objective 6: Establish Procedures and Documentation	Consistency of procurement operations	<ul style="list-style-type: none"> Standardised Manuals & Guidelines and procedures 		60%	80%	90%	100%		
	Objective 7: To apply SLFMIS procurement Module Systems	Brings efficiency and effectiveness	Instant and reliable reports		30%	70%	90%	100%		

6.8. Human Resource Department

Mission

To exhibit and express a high level of commitment in areas of recruitment, selection, motivation, equal opportunity employment and training to attract and retain highly qualified and competent employees.

Objectives

- Driving productivity
- Human resource development department strives to realize competence and drive efficiency in the ministry's work. Therefore, its chief objective remains accomplishing institutional goals, by outlining clearly defined aims and achieving them.
- Build Coordination between institutional Departments
- The Human Resources Development Department is responsible for the coordination and harmonious functionality within and between different departments, to ensure resources are organized to achieve objectives of the ministry.




SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none">• Well defined Staff grades	<ul style="list-style-type: none">• Lack of capacity to conduct trainings
<ul style="list-style-type: none">• Staff promotion system	<ul style="list-style-type: none">• Limited capacity to supervise all MoFD sites
<ul style="list-style-type: none">• Weekly staff meetings	<ul style="list-style-type: none">• Lack of Job Descriptions and Specifications for all positions
<ul style="list-style-type: none">• Maintaining attendance system	<ul style="list-style-type: none">• Lack of HR development policy
<ul style="list-style-type: none">• Clear staff disciplinary procedures (Code of Conduct)	<ul style="list-style-type: none">• Lack of HR computerized system (HRIS)
<ul style="list-style-type: none">• Good staff communication	<ul style="list-style-type: none">• Lack of HR Adviser

Opportunities	Threats
<ul style="list-style-type: none">• Good working relations with the CSC	<ul style="list-style-type: none">• Shortage of Staff
<ul style="list-style-type: none">• Strong Support From the Ministry's senior management team.	<ul style="list-style-type: none">• Lack of HR policy
<ul style="list-style-type: none">• Good support from consultants	<ul style="list-style-type: none">• Inadequate budget

HUMAN RESOURCE DEPARTMENT

Strategy Goal	Objective	Strategies	Performance Indicator	Time-Frame in Years					Responsibilities
				2019	2020	2021	2022	2023	
Goal 1: Enhance human resources policies and procedures.	Objective1: To conduct staff data collection.	Organize, list Staff emails, phone numbers and other contact details.	Captured data base information system collecting all details required.	10%	40%	100%			HR
	Objective2: To establish performance appraisal system	.Establish Staff Reward policy and procedures.	Performance reward event. Appointed rewarded employees. Staff promotions		20%	60%	80%	100%	HR
	Objective3: Capacity building to the staffs.	Conduct training needs assessment for all staff at MoFD; Identify the staff will be trained; Implement the training.	.Evaluate trained staff to ensure effectiveness of the training program. Improved employee performance. Skills improvement attained. Staff experience status. And improved yearly numbers.		40%	60%	80%	100%	HR
	Objective 4: To improve staff Attendance	Implement harmonized computerized finger print machine system	Produce attendance report generated by finger machine		60%	80%	90%	100%	HR
	Objective5: To develop employee internal communications	Set up communication channel such emails, land line telephone and walk talk.	Departmental emails, land lines and WhatsApp groups. Easy shared information system exist. Fiber internet exist.	40%	60%	80%	90%	100%	HR
	Objective 6: To ensure	Designing effective	Set up automation payroll						

	Staff payroll system	remuneration method.	system Developed pay grade system Established internal control procedure.	20%	70%	80%	90%	100%	HR
	Objective 7: To safeguard and manage equipment	Asset register track, barcode of each item of equipment.	Recorded and physical of Equipment. Fixed asset management report. Audit verification.		30%	40%	70%	100%	HR
	Objective 8: To improve accountability	Implement code of conduct orientation.	Appointed Discipline committee members Practiced rules and regulation. Adopted System		30%	70%	80%	100%	HR
	Objective 9: To improve Collaboration with CSC on staff Affairs	Close relationship with the CSC.	Participated workshops during developed new guidelines by the CSC. Negotiation with CSC about staff recruitment, promotion and rewards Pension affairs		30%	70%	80%	100%	HR
	Objective 10: To prepare annual work plan.	Prepare yearly work plan	Produce weekly, monthly and annual work plan report. Yearly-employee recruitment plan.	30%	70%	80%	90%	100%	HR
				3%	5%	10%	3%	3%	

6.9. Administrative Services And Finance Department

Objectives

- Provide clear administrative support to all departments;
- Implement all financial regulations and policy guidance to support the goals and objectives of the Ministry;
- Develop and manage the departmental budget;
- Promote efficient use of departmental resources;
- Assist the internal controls and provide all documents needed with consultation of the Ministers and the Director General;
- Promote a culture of openness, trust, diversity, and equality within the Department;
- Improve communication and collaboration with customers and build a support relationship;
- Provide employees with a work environment where teamwork is paramount, ideas are rewarded, creativity and risk-taking are encouraged, and successes are celebrated.

SWOT ANALYSIS

Strengths	Weaknesses
Availability of all financial rules and regulations.	Lack of manuals and guidelines for the facilitation of the duties and obligations of the department
Operationalization of the Public Financial Management Reform program transforms departmental functions	Lack of proper analysis of the actual expenditure needed
Strong leadership and team spirit of the department's staff	Lack of automated Asset Registration system
Centralized Ministry payment system	Lack of Vehicles Control (Log Book)
Well managed and smooth running of the department's responsibilities	Insufficient budget allocation according to the ministry's huge responsibility.
Quick responses to inquires	Lack of staff training and career development

Opportunities	Threats
Access to Departments and Regional Coordinators	Currency depreciation (Effects by purchasing goods and Rent expenses)
Implementation of SLFMIS to standardize systems, procedures and reports	Lack of manuals and guidelines for simplification of the duties
	Loopholes in the laws and regulations.
	Lack of adequate resources-offices and staff
	Lack of centralized procurement system
	Weak coordination among departments within the ministry (lack of team spirit)

ADMINISTRATIVE SERVICES AND FINANCE DEPARTMENT

Strategic Goal	Objective	Strategy	Performance Indicator	Time-Frame in Years					Responsible
				2019	2020	2021	2022	2023	
Goal 1: <i>advance Transparent budget of MOF</i>	Objective 1: <i>To improve financial management</i>	To implement Financial regulations and COAPM	Quarterly Expenditure plan preparation or cash flow plan of MOFD.	20%	40%	60%	80%	100%	Accountant
Goal 2: minimization of payments period	Objective 2: To implement FMIS System	To Automate Day to day tasks	<ul style="list-style-type: none"> ✓ Rolling out Payroll preparation Module ✓ Rolling out Budget preparation Module ✓ Rolling out Asset registration Module ✓ Rolling out Purchase Module ✓ Rolling out Contract Management Module ✓ Rolling out Debt Management Module ✓ Financial reporting of FMIS system ✓ fleet system 	20%	40%	60%	80%	100%	Accountant Head of Logistics'
Goal 3: <i>Capacity building of Staff</i>	Objective 3: To get experienced and creative employee	<i>Needs Training assessment of Employee</i>	<ul style="list-style-type: none"> ✓ Skilled and professional employee thorough study tour ✓ Effective and efficiency performance 	20%	80%	100%	—	—	Director
Goal 4: <i>identified and record the amount of national debts</i>	Objective 4: <i>To improve management of Public Debts.</i>	Allocate the amount of debt to be Disbursed each year.	<ul style="list-style-type: none"> ✓ Reduction of past and current national debt in manner. 	20%	40%	60%	80%	100%	Head of Debts.
Goal 5: <i>Promote efficient and communication of the department</i>	Objective 5: <i>To improve structure and Job description of the department</i>	<i>To apply best practices</i>	<ul style="list-style-type: none"> ✓ Improved brand structure of the department. ✓ Customer care and satisfaction 	20%	40%	60%	80%	100%	Director

6.10. Integrated Financial Management & Information Systems

Mission

To ensure a fully integrated, secure and robust financial management information system that facilitates policy-based budget formulation, execution and timely reporting across the Government of Somaliland.” To create an environment in which the Government of Somaliland can utilize IT systems in planning, budgeting, managing, accounting and reporting of public finances within all Line Ministries, Donor Funded Projects (DFPs) and Regions.”

Objectives

The objectives of the IT Systems Department are as follows:










































- To implement a modern up-to-date and integrated financial system that facilitates efficient transaction processing, reporting and oversight.
- To provide a platform for budgeting and strengthening accountability in the public sector, and the integration of all PFM stakeholder information needs in treasury, revenue, expenditure, debt, aid and asset management.
- To provide a foundation for the use of applications and technology for PFM across government.
- To provide a framework for capacity building and knowledge management of the IFMIS for core staff and end users across government.
- To provide a framework for continuous support and maintenance of applications and technologies deployed for IFMIS usage.
- To ensure sustainability of the IFMIS on an on-going basis

SWOT ANALYSIS




















Strengths	Weaknesses
Strong support for reform and improve financial management system	Lack integration of public ICT system
International technical expert system	Lack of specific budget line item to fun SFMIS system
Implementation IFMIS throughout Somaliland	Lack of information sharing
Best service delivery and lower transection cost	Shortage ICT skilled employee

Opportunities	Threats
Technological advance of the public institution	Client resist to change system
Adaption of the latest technological tools	Poor technology efficient and effectiveness
sustainability and reliability of IFMIS	Inherent risk cyber security breaches associated web based system

INTEGRATED FINANCIAL MANAGEMENT & INFORMATION SYSTEMS

Strategies Goal	Objective	Strategies	Indicator	Time-Frame in Years					Responsibilities
				2019	2020	2021	2022	2023	
Goal 1: Integrated financial management information system	Objective1: Development and Implementation of SLFMIS, ITAS and Customs System Modules	Development of SLFMIS Modules	SLFMIS Modules Developed	30%	80%	100%			
		Implementation SLFMIS Modules - Hargeisa District	Fully Operational SLFMIS Modules in Hargeisa			100%			
		Implementation SLFMIS Modules - Regions District	Fully Operational SLFMIS Modules in the Regions			100%			
		Development of SLFMIS for Public Enterprises and LGs	SLFMIS Public Enterprises Developed and Ready			50%	100%		
		Implementations of SLFMIS for Public Enterprises and LGs	Fully Operational SLFMIS for Public Enterprises and Local Government				100%		
		Development of ITAS Modules	ITAS Modules are developed and ready				50%	100%	
		Implementation of ITAS Modules for Entire IRD Offices	ITAS Fully Operational for all IRD offices			100%			
		Development of Customs System Modules	Custom System Modules are developed and ready			30%	80%	100%	
		Implementation of Customs System Modules	Custom System Fully Operational for all IRD offices		50%			100%	
		MOF Systems Integrations (SLFMIS, Banking System, ITAS, Customs Systems)	Fully linked all MOF systems		50%	100%			
	Objective2: Improving the ICT Infrastructure	Conduct comprehensive IFMIS ICT Infrastructure Needs Assessment	Detailed specifications of ICT Infrastructure requirements & BoQ	75%	25%	100%			
		Train ICT staff in the new IFMIS technologies	ICT Support staff capacitated to support upgraded IFMIS ICT environment		50%	100%			
		Procure ICT Infrastructure for Disaster Recovery site	Fully commissioned IFMIS DR site		100%				

		Build or upgrade Intranet for all MDAs	Capable of handling IFMIS traffic at both Central and LGs without Internet				50%	100%	
		Establishment of Disaster Recovery site	Prepared DR site			100%			
		Preparatory work for Data Centre Upgrade	Prepared DR site			30%	70%	100%	
		Replace Copper Cable with Fiber network in the Data Centre	Fully commissioned IFMIS DR site		10%	50	100%		
		Develop Disaster Recovery & Business Continuity Plan	Policies to ensure rapid recovery and continuity of the IFMIS in the event of unforeseen or foreseeable disasters					100%	
		Replace Copper Cable with Fiber network in the Data Centre	More reliable and secure WAN					100%	
		Develop Disaster Recovery & Business Continuity Plan	Policies to ensure rapid recovery and continuity of the IFMIS in the event of unforeseen or foreseeable disasters			70%	100%		
	Objective3:	Task IFMIS vendor to strengthen local support	Enhanced in-country IFMIS vendor support			50%	100%		
	Ensuring Robust Support and Maintenance Framework	Renegotiate SLA with IFMIS vendor, incorporating clearly defined KPIs	Improved Application support response	40%	100%				
		Review and strengthen the KPIs of ICT Infrastructure SLAs	Improved Infrastructure support response				50%	100%	
		Implement and monitor quarterly preventive maintenance for ICT Infrastructure	Ensuring systems availability			100%			
		Carryout annual reviews of the support and maintenance contracts	Ensuring value for money on support contracts	30%		40%		30%	
		Implement SLAs and MoUs with MDAs & Regions	Ensuring effective utilization of IFMIS and financing of post-implementation costs			40%	40%	100%	

	Objective4: Strengthening System Users Capacity	Review and update Training and capacity building plan	Effective and needs-based capacity building plan	60%	100%				
		Train Functional Application Support staff	Strengthened IFMIS Support capacity		100%				
		Train Technical IT Support staff	Strengthened IFMIS Support capacity		20%	40%	60%	100%	
		Train Application End Users in use of IFMIS Modules	Strengthened IFMIS end user capacity	40%		80%		100%	
		Train AOG, Internal Audit & other oversight bodies in the IFMIS business processes	Improved IFMIS oversight role		50%	100%			
		develop staff motivation and retention policies for IFMIS Support personnel	Greater staff retention and morale			100%			
	Objective5: Facilitating Stakeholder BUY-IN	Establishment of Change Agent Section	Proper awareness of the IFMIS and its benefits to the Reforms			100%			
		Regularly update stakeholders on the impacts and progress of the IFMIS rollout	Better appreciation of the IFMIS and motives of Top Management	40%	80%	100%			

6.11. Customs Department

Mission

Our mission is to encourage and strengthen trade, the rule of law and increasing domestic revenues based on improved technical expertise and knowledge and adherence to international laws and conventions.

Objectives

The main objectives of Customs Department are:

- Development of effective, efficient and uniform revenue collection systems and procedures
- Improvement of staff professionalism through clear understanding and application of the law
- Implementation of full declaration requirement by traders
- Work in partnership with the business community and other stakeholders through education and awareness programmes.

SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Stable political environment; • Government commitment to custom reform; • Committed Customs leadership, willing to change and create a modern, efficient and professional Customs Service; • Creation of Customs Reform and Modernisation Committee to recommend and monitor implementation of reforms in line with international standards; • Customs presence along international borders to enforce Customs regulations; supported by internal checkpoints at key locations; • Modern Customs Legislation to provide a legal basis for Customs operations; • Information Technology; new systems at key Customs locations to automate revenue collection, reporting functions and control of transit procedures along the Berbera Corridor; • Well-built core customs • Structure with flexibility to expand. 	<ul style="list-style-type: none"> • Poor internal communication and lack of uniformity in reporting; • Inadequate Customs enforcement to target smuggling and evasion of duty; • Lack of Risk Management policy or practises to identify high risk areas/compliant trade; • Customs collection of duties and taxes through a cash only process rather than through a more advanced, secure banking system; • Absence of research and development capacity for customs improvement; • Lack of sufficient budget allocated to Custom to perform its core functions; • Legislation relating to many Customs functions has not been enforced and needs to be implemented in conformity with the working conditions in Somaliland; • Customs staff has not been trained in the legislation and lack knowledge of the laws. The translation of the legislation into Somali is poor and may leave Customs open to legal challenge; • There is a lack of modern facilities and resources at most Customs Offices. The poor physical conditions of offices and the lack of secure goods examination areas and inspection tools/equipment (including scanners) impact on the ability to enforce Customs controls.

OPPORTUNITIES	THREATS
Political will to modernise Customs; Donor/international support for the implementation of reforms.	High inflation in Somaliland may deter increases in goods importation/international investment in Somaliland;
Availability of Modern technology to improve Customs IT systems.	Lack of cooperation from trade/stakeholders;
Investment by DP World in Berbera Corridor initiative to improve Customs facilities in Somaliland and bring transit procedures into line with international standards.	Budget shortages/poor finances;
Trade and Transit Agreement with Ethiopia; will give Customs greater chances to improve procedures and exchange of information.	Withdrawal of donor/international support;
Somaliland geographical location in the Horn of Africa.	Lack of internal communication to ensure legislation is applied uniformly;
	Lack of international recognition of Somaliland affects opportunity.

CUSTOMS DEPARTMENT

Goal	Objective	Strategy	Performance indicator	Time-Frame in Years					Responsible
				2019	2020	2021	2022	2023	
Goal 1: Harmonize regulations and procedures in the preferential trading areas	Objective 1: To Improve Revenue Collection and Compliance	To uniform customs procedure	<ul style="list-style-type: none"> ✓ Develop Import procedure. ✓ Develop Export procedure. ✓ Develop Transit and transhipment procedure ✓ Auction procedure 	—	100%	—	—	—	Custom
		To adapt international standards	<ul style="list-style-type: none"> ✓ Produce invoices with all goods declaration 	—	15%	40%	70%	100%	
Goal 2: Strength institutional capacity	Objective 2: To build staff capacity	To increase Customs staff skills	<ul style="list-style-type: none"> ✓ Conduct staff training needs assessment. ✓ Organize and conduct training based on identified needs 	20%	40%	70%	80%	100%	
Goal 3: fostering Financial sector that supports economic growth.	Objective 3: To improve Trade Facilitation	To expand use of developed procedures	<ul style="list-style-type: none"> ▪ Implement simplified, standardized and harmonized customs procedure ex: PAD, GDF and Risk management 	20%	50%	70%	90%	100%	
Goal 4: Prevention of smuggling and contraband	Objective 4 : To tackle illegal trade and human Trafficking	To mechanize illegal traffic	<ul style="list-style-type: none"> ▪ Develop Anti-smuggling Act ▪ Develop risk management 	—	15%	50%	80%	100%	

6.12. Legal Services Department

Mission

To undertake a course of actions to produce all laws and regulation needed to effectively implement the Ministry policies, strategies and plans that promote economic growth, sound financial systems and national development.

Objectives

The main objective is to strengthen the regulatory framework through amendments/review to the existing financial laws and formulation of new legislation to ensure effective regulatory framework and compliance.

- To provide relevant information and legal opinion to Minister Office on finance matters.
- To draft news legislation regulations/ MOUs, partnerships agreement, Ministerial decree, contracts and etc and undertake revision tasks of existing laws
- To engage in stakeholder consultation, dialogue and assessment to contribute towards legal formulation and application.
- To provide support to other Departments on legal matters and ensure law compliance
- To handle cases in courts in cooperation with Attorney General and establish an appropriate internal mechanism to settle tax issues.

SWOT ANALYSIS

Strengths	Threat
Well established legal and Enforcement Department	Legislative implementation delays – PFM
Offices and equipment.	Some confused roles and responsibilities among Departments/other external institutions.
Strong leadership and strategic direction	Outdated and complex laws
Office in good building	Inconsistency in the application of laws and regulations

Weakness	Opportunities
Less Capacity Building and trainings especially employee of the department	Donor fund Support to Regulatory reforms
Loopholes in some laws and regulation that can be obstacle legal reform	Political commitment and strong leadership by Hon. Minister to strengthen intuitional capacity of MOFD.
	Support for training and capacity building.

LEGAL SERVICES DEPARTMENT

Strategy Goal	Objective	Strategy	Performance Indicator	Time-Frame in Years					Responsible
				2019	2020	2021	2022	2023	
Goal:1 Full Implementation for Laws & Regulation	Objective 1: To Implement for all Financial Laws & Regulations.	1: improve acts and regulations through activity theory of the departments.	Number of laws and regulations implemented	25%	55%	65%	90%	100%	LEGAL SERVICES
	Objective 2: To Formulate legal requirements, based on needs for the Ministry of Finance Development.	2: enhance legal approach processes smoothly.	2: guidelines, procedures, regulations and decrees produced	30%	50%	65%	80%	100%	LEGAL SERVICES
	Objective 3. To mentor all Employee should have knowledge to the relevant existing Laws.	3: build and motivate Employee legal capacity.	3: effective employee performance.	15%	25%	50%	75%	100%	LEGAL SERVICES
	Objective 4. To Cover all Financial legal gaps in Ministry of Finance.	4: legal assessment for compliance active regulations.	4: completed all legal financial documents	20%	25%	50%	80%	100%	LEGAL SERVICE
	Objective 5: Preparation policy and procedures guideline through acts.	5: Upgrading existing legal documents	5: proposed policies and procedures	15%	30%	55%	70%	100%	
	Objective 6: Amendment five acts as per needed.	6: articulate and translate all necessary legal documents.	6: General application and legal compliance in Departmental level.	25%	40%	70%	90%	100%	

6.13. Public Relations & Information Department

Mission

To promote citizen awareness on payment of due taxes, encourage voluntary compliance, inform and educate about government service delivery and development priorities

Objectives





- Inform the citizens the activities of the MoF
- Increase the citizen's trust in MoF and build positive image
- Educate taxpayers/traders in compliance with Inland Revenue and customs laws and make awareness campaigns
- Increase the accountability and transparency of MoF to build trust and partnership
- Build good relations with the public

SWOT ANALYSIS

Strengthens	Weaknesses
Committed Staff.	Lack of equipment (Lack of Cameras, Computers and others);
Readiness of all the templates needed for the job (campaign management and measurement, media coverage analysis, working progress report templates)	Limited skilled staff; and Lack of transport;
	Limited office space and Poor internet connection.
	Head sections are not appointed yet;
	Lack of incentives.

Opportunities	Threat
Political Will	Lack of team work.
Professional Consultants (OPM-International)	Biased mass media.
Public receptiveness to tax education.	Attitude Problem.
	Lack of TOR for departments which leads to conflict on activities and insufficient funding.
	Lack of awareness and tax education among the public.
	Poor public perception of the MoF.

PUBLIC RELATIONS & INFORMATION DEPARTMENT

Strategic Goal	Objective	Strategy	Performance indicator	Time-Frame in Years					Responsible
				2019	2020	2021	2022	2023	
Goal 1 Creating, maintaining and presenting the favourable image of the Ministry.	Objective 1: To promote transparency and improve citizen engagement	Conduct seminars and public hearings Organize public outreach and dialogues to engage with the general public and taxpayers. Carry out researches about taxpayer perception. Inform and involve the public about relevant information and progress of the various activities as they happen. Promote achievements of capital projects funded from the budget. Identifying compliance taxpayers to be awarded ones a year.	Preparation of 20 seminars and 10 events of public hearing to grow customer satisfaction Quarterly event basis, minimum 2 events in each year. Doing researches ones a year. Production of video clips about the projects funded from the budget; it may consist of series of episodes.	20%	40%	60%	80%	100%	Public Relation
		Enhancing the public trust in the Ministry.	Increasing customer satisfaction around.	30%	35%	50%	55%	65%	Public Relation
	Objective 2: To Promote the communication mechanisms of MoFD.	Print Business Cards for Directors, DG, Vice Minister and the Minister. Print and publish MoFD branded calendar, Note Books and Pens with the Ministry's Logo.	Making yearly business cards for the senior managers, and the heads of the departments. Dairy branded books, pens, calendars and brand tables. Organizing quarterly press releases to showcase achievements and progress.	20%	40%	60%	80%	100%	Public Relation
	Objective 3: To identify fake news and react	Analyse daily news and articles of all media related to the MoF. And then prepare a report on the findings.	Preparation of daily and weekly reports.	20%	40%	60%	80%	100%	Public Relation
	Objective 4: To organize information and publicize events.	Identifying number of existing ministry/sector policies, bills and drafts bylaws. Producing MoFD magazine	Regular basis.	100%					

6.14. Inland Revenue Department

Mission

Foster tax compliance with all tax laws through efficient collection of tax and non- tax revenues while providing quality services to taxpayers.

Objectives

The key objectives of IRD are to:

- Expand the tax base;
- Achieve revenue targets by ensuring on-time filing and on-time payment of the correct amount by taxpayers;
- Foster taxpaying culture through tax awareness and education programs;
- Improve the quality of service to taxpayers;
- Restructure IRD to better achieving its mission.


SWOT ANALYSIS



Strengths	Weaknesses
Existence of modern Revenue Act and Regulations offering powers that are needed to administer tax;	Incomplete IRD taxpayer database. Large number of taxpayers not registered with IRD
Committed leadership and IRD management team;	Filing compliance rate very low. Many taxpayers are not filing tax returns: Payroll, Income Tax, etc.
Presence of IRD offices at decentralized levels: Regions, Districts and villages	IRD staff not trained on New Revenue Act and regulations;
	Incomplete and low reliability of tax records;
	Poor quality of statistics and reporting tools;
	Absence of taxpayer education function;
	Delay of taxpayer account management system;
	Actual stock of tax arrears not known;
	Inadequate IT infrastructure
	Limited staff capacity

Opportunities	Threats
Strong political support from President Office and Ministry of Finance;	Rampant tax avoidance culture. Tax evasion, corruption and resistance to pay tax deeply rooted in the community;
Committed Donor Support;	Lack of willingness to fight corruption and external interferences by some senior officials in tax administration
Good working relationship with Chamber of Commerce, Association of Accountants, Ministry of Investment, Port Authority, etc.	Limited literacy level of taxpayers that affects their fiscal citizenship;
International donor's support.	Limited collaboration between IRD and key stakeholders on tax matters;
	Depreciation of Somaliland shilling hampers economic growth.
	Frequent changes, transfers and high turnover of senior managers within IRD

INLAND REVENUE

Strategies Goal	Objective	Strategies	Performance Indicator	Time-Frame in Years					Responsibilities
				2019	2020	2021	2022	2023	
Goal 1: Strengthening Domestic Revenue collection in an efficiency and fairness	Objective 1: To improve domestic revenue mobilization	developing and expanding Somaliland Taxpayers	-Taxpayer head count and registration -Finalization of Taxpayer Segments/Categories -Provision of TIN by IFMIS to each employee categories (public, private, NGOs etc	20%	60%	70%	80%	100%	Inland Revenue
	Objective 2. To automate revenue Collection								
	Objective 3: To increase Tax base	Development and Improving core function activities	-Improve, updating and simplifying taxpayer return filings in Hargeisa Districts (IRD take over responsibility) -Improving deb management and taxpayer compliance systems -Introducing IFMIS generated TINs - Use of IFMIS in revenue Collection Use IFMIS in Revenue Reporting in all regions		25%	50%	80%	100%	Inland Revenue
Objective 4: To Increase country's Inland Revenue share to	Under SLFMIS And other data base	-Introducing itax (automation of IRD) -Modernization and renovation of tax centers		30%	70%	90%	100%	Inland Revenue	

	the National Revenue	Efficiency and effectiveness, of revenue collection.	<ul style="list-style-type: none"> -Implement CIT and provisional income tax -Optimize stakeholder relations in revenue mobilization -Operationalizing and fully functioning of LTO at the HQ and S&MO at tax centers - Implementation of Withholding Taxes - Introduction of GST machines (EFD) - Conducting and approving tax audit cases 	14%	40%	60%	85%	100%	Inland Revenue
	Objective5: To Enhance taxpayer knowledge								
	Objective6: To deliver best service to Taxpayers								
	Objective7: To establish Somaliland Revenue Authority	Development and Implementation of acts, regulations and polies.	<ul style="list-style-type: none"> -Establish Tax Tribunal -Eliminate the collection of illegal fees by MDAs -Simplification of tax Tariffs and payment schedule -Implementing GST machines (EFD) Regulation 	10%	70%	80%	100%		Inland Revenue
		foster taxpaying culture through tax awareness and education programs;	Improved taxpayer knowledge about laws, their rights and obligations through effective outreach and accessible information (taxpayer education and awareness)	20%	40%	60%	80%	100%	Inland Revenue

		improve the quality of service to taxpayers;	<ul style="list-style-type: none"> -Operationalizing and fully functioning of taxpayer help and information desk -Official extension of working hours Introduction of E-cashier -Introduction of E-tax (E- registration, E-filing, electronic tax cash registers, etc) -Payment and collection of tax methods through commercial banks -Introducing of Tax Disputes/Appeals within IRD -Introducing Taxpayers National Day 	10%	50%	70%	80%	100%	Inland Revenue	
		Restructure IRD to better achieving its mission.	<ul style="list-style-type: none"> -Implementation of SLRA -Transforming IRD structure with Functions -IRD staff specialization/Core Tax Specialization. 		30%	70%	80%	100%	Inland Revenue	
	Objective8: To carry out Research and development.	IRD Research and development	<ul style="list-style-type: none"> -Conducting research on factors affecting the performance of IRD (experimental) -Conducting tax surveys -Study Tours -Conducting the TADAT assessment for IRD -IRD Institute of Taxation 		10%	30%	50%	100%	Inland Revenue	