

# Examining Benadir Regional Administration (BRA) Tax Revenue: Types, Legal Frameworks, Collection Methods, and Service Provision

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Copyright © Top Image: The front view of the Benadir Regional Administration and the Mogadishu Municipality Headquarters.

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## Executive Summary

Establishing governance in general—and fiscal governance mechanisms in particular—has been the mainstay of state-building efforts in Somalia. This has been backed and championed by the donor community since the country transitioned to a permanent government in 2012 under a federal model, following years of transitional governments from 2000 to 2012. Though these efforts were incremental in nature, they yielded commendable results, as they led to the enactment of legal frameworks and systems pertinent to public financial management at both federal and federal member state levels, enhancing revenue generation and accountability.

However, the Benadir Regional Administration (BRA)—which is home to the largest population in the country (over 2 million people), the seat of the federal government, and the main service destination for people from different parts of the country—has remained aloof from efforts to establish governance, particularly fiscal governance. The large population and concentration of economic activities present enormous revenue potential for the BRA, and it has been involved in revenue generation—gradually increasing—since the installation of the Transitional Federal Government led by the late Col. Abdullahi Yusuf Ahmed. However, there is limited transparency around the revenues that the region collects, no tangible public services delivered in return for the taxes paid, and, strikingly, no accountability for where the money is being spent.

Despite this, there is very limited public discussion about the lack of governance in BRA, and few calls for an administration accountable to the local people. Discourse and advocacy have instead focused on expediting the determination of the status of the Benadir region, which remains under the auspices of the federal government until both houses of the federal parliament decide its status. However, this status-focused interest is sporadic, allegedly politically motivated, and dismisses the imperative of governance—fiscal or otherwise. The current situation does not preclude establishing governance mechanisms in BRA, even without a settled status. It merely requires awareness and mobilisation of local taxpayers to demand accountability for the money earned through their labour.

Against this backdrop, Somali Public Agenda undertook this in-depth study to investigate BRA revenue generation, with particular focus on the types and sources of BRA revenue, legal frameworks justifying revenue collection, BRA tax communication patterns, the behaviour of BRA tax collectors and public perceptions, tax payment dynamics and methods, challenges to BRA tax collection, and sources of BRA revenue expenditure.

The study has arrived at many notable findings on the issues examined, including, but not limited to:

- BRA began introducing revenue collection in the region in 2007 when the Transitional Federal Government relocated from Baidoa to the capital, Mogadishu. Since then, revenue generation under successive BRA mayors and governors has seen a steady increase in both scope and size, relative to the security situation in the capital.
- There are thirteen sources of tax revenue in the region. Interestingly, the study found that seven different offices within the BRA are tasked with collecting taxes from these sources. However, BRA departments/offices do not collect all tax

revenues directly. Two privately owned companies were contracted to collect land management services and property taxes, respectively, and they receive a specific percentage of the revenue they collect.

- BRA mobilised USD 47 million in 2023 and USD 58.5 million in 2024 in revenue, excluding grants, and it projects the doubling of this figure in the 2025 fiscal year.
- BRA operated in 2024 on an annual budget estimated at approximately USD 68 million, of which 85% was allocated to operational expenses—particularly to cover the salaries of BRA personnel, estimated at between 3,000 and 3,400 employees, who cost USD 1.3 million monthly (a total of USD 15.6 million annually).
- The study found that the BRA does not operate under any legal framework—either from previous governments or from the federal parliament—that provides a legal basis for its tax revenue collection. Instead, BRA relies on directives issued by the sitting mayor and governor.
- Local people are unaware of the existence of any legislation permitting BRA to collect the current taxes it raises from the region. They are also unaware of the types of taxes BRA collects, and they cannot distinguish whether the BRA or the Federal Ministry of Finance is responsible for collecting the taxes. This is mainly due to the lack of publicly accessible tax-related information.
- Local residents voiced strong concerns about mistreatment at the hands of tax collectors and accompanying police. They shared distressing accounts, including tenants being forcibly removed from their homes to compel them to pay annual property taxes that they did not owe. They also reported having nowhere to lodge complaints about ongoing mistreatment.
- The study identified several challenges impeding BRA revenue collection. These include, but are not limited to: the lack of legislation guiding BRA tax collection; competition for revenue collection from other federal government entities, such as the National Intelligence and Security Agency (NISA) and the police; low public awareness; the lack of a public financial management (PFM) system; the lack of a unified office responsible for tax collection; and disruptions due to intermittent road closures by FGS security forces.

Henceforth, the study recommends, inter alia, that:

- **BRA should publicize finance information** for public access. This includes details on the types of taxes and their corresponding rates, who is responsible for paying, payment frequency, and accepted payment methods. BRA should also disclose monthly and annual tax revenue collection figures, how the money is spent, and the rationale for its allocation.
- **BRA should establish a Public Financial Management (PFM) system** to institutionalise its revenue collection and expenditure processes. This will increase

both the volume of revenue and accountability by enabling effective tracking of funds raised and disbursed.

- **BRA should create a single, centralized office** responsible for tax revenue collection, replacing the current fragmented structure of multiple uncoordinated departments and outsourced companies.
- **BRA should address complaints of mistreatment** from local people by tax collectors and accompanying police. The administration should assign carefully recruited and trained personnel to ensure professional conduct during tax collection. A dedicated complaints office should be established, and disciplinary measures should be taken against offenders. These individuals harm not only the citizens but also the reputation of the administration.
- **BRA should launch effective public outreach and awareness campaigns** targeting local residents who suffer from extremely low levels of tax-related knowledge. This will reduce the information gap and limit opportunities for tax collectors to exploit the situation. It will also help build bridges between the public and the administration.

## Introduction

Benadir region is one of the eighteen pre-1991 regions; it is also synonymous with Mogadishu, the capital city of Somalia and the seat of the Federal Government of Somalia (FGS). Benadir region was split into three regions in June 1974 through Law No. 23, which came into effect in January 1975 when the military regime created the Middle Shabelle and Lower Shabelle regions. The geographic location that was known as Mogadishu became the Benadir region. In that regard, Benadir—despite being the most populous region in Somalia, with a population of over two million—is the smallest of the pre-1991 eighteen regions of Somalia.

When the military regime collapsed in January 1991, the Benadir region had 16 districts. The number increased to 17 after district status was granted to Kaxda in 2012. Currently, the Benadir region administratively consists of 20 districts, three of which—Gubadleey, Darusalaam, and Garasbaaleey—were the latest additions, elevated to full district status on 20 May 2024 through a decree from by the Federal President, Hassan Sheikh Mohamud (VOA, 2024). These newly promoted districts are peripheral settlements of the Benadir region. Their recognition came through a proposal from the Federal Government's Ministry of Interior, Federal Affairs, and Reconciliation (MoIFAR) to the President's Office for approval.

In addition to the increase in the number of districts, the region has also experienced steady population growth. It is the single most populous region in Somalia. Although there is no official population census, conservative estimates put the population of the Benadir region at around two million (Elmi & Ali, 2024). This is despite claims by the regional authority that the region has a population of over [3.5 million](#), which is higher (though not unlike the claims made by other political administrations across the country).

This discrepancy is a source of much interest and controversy. Regardless of the exact population, the large concentration of people in the region translates into greater economic activity and a substantial revenue advantage compared to other federal member states with smaller populations.

However, the Benadir Regional Administration (BRA) remains the only entity outside the federal dispensation—excluding Somaliland, which has unilaterally declared itself a breakaway republic. This is due to the provisional federal constitution, which ties the determination of the region's status to separate legislation to be passed by both houses of the federal parliament, legislation that has not yet materialized. This has enabled the Federal Government of Somalia (FGS), particularly successive federal presidents, to appoint key administrative positions—such as governor & mayor, and deputies—by handpicking individuals without regard for the interests of the local population. Furthermore, the region's pending status has allowed the FGS greater leeway in administering key policy decisions in sectors like health and education, compared to other FMSs that have jurisdiction over such areas.

Similarly, this continued status quo has benefited the FGS in maintaining control over significant revenue sources in the region—namely the Mogadishu Port and Airport. These are the major domestic sources of revenue for the FGS, considering the absence of federal access to



domestic revenue sources that are, for the most part, under the control of central governments within federal member states. This limited access is largely due to endemic disputes between the federal government and the peripheries, which have hindered opportunities to reach a consensual agreement on delineating fiscal powers between levels of government.

The FGS's extended dominance over the Benadir region is purportedly explained by political and fiscal rationales—two critical factors that make the FGS particularly vulnerable if it relinquishes control of the region without resolving outstanding fiscal federalism issues and gaining recognition of legitimate federal powers by FMS leaders. At present though, the region is still perceived as the only physical space where the FGS exercises direct authority and collects domestic revenue, which is a lifeline for its budget.

However, this persistent status quo has deprived the regional administration of autonomy in policymaking, especially in the absence of local-level elections where leaders could be chosen by citizen votes rather than being appointed by the federal government. More importantly, the regional administration is accountable only to the federal government, particularly sitting presidents who appoint its leadership.

Another consequence of this situation has been—and continues to be—the region's lag in establishing governance structures, such as fiscal governance, which are supported by the donor community at both the FGS and FMS levels. These efforts aim to lay the foundations for key legal frameworks and systems critical for Public Financial Management (PFM).

Despite this, unlike the FGS and FMSs, the BRA engages in revenue collection without such supporting infrastructure. Furthermore, there is little to no publicly accessible information about the types and amounts of revenue the BRA collects, the legal basis for these taxes, the systems used for collection, or how this revenue is spent.

Meanwhile, there is minimal public demand from local constituencies for the establishment of fiscal governance within the BRA under the current circumstances. Likewise, there is limited to no local media attention on the BRA's fiscal governance and accountability. The public discourse surrounding the BRA primarily revolves around politics rather than governance, as specific groups within the local population—such as politicians, elders, and intellectuals—focus on determining the region's political status. However, these efforts are often spontaneous, politically motivated, and lack concerted commitment.

This has partly contributed to the unfettered continuation of the status quo, which benefits only the FGS and its appointed BRA leadership. These individuals manage the Benadir region's revenues at their discretion, facing little to no accountability.

Against this background, this study was undertaken to examine BRA revenue, with particular emphasis on the types and sources of revenue, the legal frameworks used to justify revenue collection, BRA tax communication practices, the behaviour of tax collectors and how the public perceives them, tax payment dynamics and methods, challenges in tax collection, and the allocation of BRA revenue. This study aims to support efforts to establish effective fiscal governance in the BRA by offering recommendations grounded in carefully collected primary

data. Moreover, it contributes to the literature on taxation in Somalia by providing evidence-based insights on BRA taxes—an area that, to the best of our knowledge, has not yet been the subject of dedicated research based on publicly accessible data.

## Methodology

This study employed a qualitative methodology and utilized key informant interviews (KIIs) and focus group discussions (FGDs) as data collection tools. The study's objectives and main research questions guided the choice of methodology and data collection tools. Since the study was geographically limited to the Benadir Regional Administration (BRA), five out of the 20 districts were selected as sample locations: Hodan, Howlwadaag, Hamar Weyne, Waaberi, and Yaaqshiid. Data collection took place between 17 November 2024 and 26 February 2025.

The rationale for selecting these districts as sample sites was that they are major centers of economic activity in Benadir, hosting important markets such as Suuq Ba'aad in Yaaqshiid, Barkaara Market in Howlwadaag, and Hamar Weyne Market in Hamar Weyne. These districts also feature high population densities, serve as hubs for health and education services, have booming real estate sectors, and enjoy relative security.

Prior to the data collection phase, we organized a 90-minute preliminary FGD on 25 August 2024 in Mogadishu, bringing together 10 participants representing public finance academics, fiscal experts/practitioners, legal experts, and the business community. The aim was to help identify key issues in BRA tax collection. Based on this input, we developed tailored FGD and KII guide questions to capture relevant insights. Semi-structured interview guides were created for each target stakeholder group, and seven questions were extracted for use in the FGDs.

To facilitate data collection, we identified and recruited local fixers from each district who were reputable, well-networked, and familiar with the community. These fixers assisted in inviting FGD participants and arranging KIIs. Data collection was then carried out in the five districts in a sequential manner.

During the data collection phase, we engaged 146 respondents through FGDs in the five districts, of whom 72 were women. This total was just three short of the targeted 150 FGD participants. In parallel, we conducted 23 KIIs with individuals from the target districts, BRA representatives, and public finance academics and practitioners. Only two of the KII respondents were women. This is indicative of the over-representation of men in governance and academic positions.

All FGDs were audio-recorded by SPA researchers after participants were fully briefed on the study's objectives, the intended use of the data, and assurances of anonymity in transcription and reporting. Participants provided informed consent for the recordings. This enabled comprehensive documentation of their perspectives. Similarly, most KIIs were recorded, except for a few cases where the participants' roles or the sensitivity of the subject matter made audio recording inappropriate. All data—whether audio or interview notes—were securely stored online, accessible only to the research team involved in data collection and transcription.

After the data collection phase, all recordings were transcribed with careful attention to preserving the respondents' views and removing any identifying information. The data was then thematically analyzed.

The study faced several limitations. First, there was limited existing literature on BRA revenue, nor was there any publicly available data from BRA, which would have been valuable. Second, we were unable to secure interviews with the mayor and his deputies, preventing us from capturing their perspectives on key issues. Third, the representation of women among the KII participants was minimal, despite their participation in the FGDs was similar to that of men. Many women approached for interviews via our fixers declined to participate, and those who did take part were primarily from the private business sector or public institutions.

## A Brief Sketch of BRA Revenue Collection Evolution

The political, security, and administrative developments that have unfolded in the country over the past two and a half decades have impacted the resumption and revamping of revenue collection, albeit to varying degrees. The Benadir region was no exception; rather, it was at the center of these developments, as it hosts the national government institutions and was the main target of competing actors for power. As an official from BRA told us, the twists and turns in the political and security dynamics have been reflected in the evolution of BRA revenue in both scope and size. The development of BRA's revenue collection has been directly linked to the gradual improvement in the capacity of successive governments and the security environment since 2008.

The various mayors and governors who have held office contributed to reviving and expanding the administration's revenue streams in different ways. According to BRA sources interviewed for this study, the first mayor and governor to introduce revenue collection in the Benadir region was the late Mohamed Omar Habeeb, better known as "Mohamed Dhere," who governed the region between April 2007 and September 2008 under the Transitional Federal Government (TFG) led by the late President Col. Abdullahi Yusuf Ahmed (2004–2008). However, the region faced a complex security situation at the time, which was enough to hinder such an initiative, along with strong opposition to the TFG and its limited authority in the entire Benadir region.

The former mayor of Benadir, Mohamed Nur Tarzan (2010 to 27 February 2014), continued efforts to operationalize revenue collection. A BRA official explained that Tarzan levied and oversaw the collection of limited number of albeit meaningful taxes in Mogadishu, including on vehicles, livestock markets, and a small number of markets under government control at the time.<sup>1</sup> The modest improvement in tax collection reflected the government's limited but growing authority in parts of the region. However, the risk for tax collection personnel, including police, remained very high.

Subsequent administrations have since managed to increase revenue streams in both scope and size. For instance, Mayor Hassan Mohamed Hussein (Muungaab), who served from February 2014 to October 2015 and again more recently from May 2025 onwards, following Tarzan, began more effective collection of property taxes and introduced licensing and civic registry fees.<sup>2</sup>

As the following section will elaborate, BRA experienced an expansion in revenue streams, particularly tax revenues. This can be attributed to the relative improvement in security across Benadir, which enabled the administration to extend tax collection to districts that had previously been inaccessible due to insecurity.

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1 Interview with senior BRA official, Mogadishu, 19 January 2025.

2 Ibid.



# Types and Sources of BRA Revenue

Subsequent Benadir Regional Administrations have mobilised revenue in the region at varying scopes and volumes since the installation of national government institutions. They have seen a steady expansion of revenue collection in both scope and size, relative to the gradually improving security conditions. This is also true for the federal government, which has seen an increase in domestic revenue, mainly from the Benadir region. Yet, BRA does not publicly disclose its revenue sources, tax types, and tax rates—unlike the federal government, which publishes such information in the annual budget and other financial reports available on the Federal Government Ministry of Finance website.

Given the apparent lack of publicly available information in this critical area—information that should be accessible for transparency and accountability purposes—this section presents the sources and types of revenue that the BRA generates, the departments responsible for each revenue stream, and how much each department contributes. This section solely relies on the accounts of BRA officials interviewed for this study, as there is no secondary data to corroborate or fill the gaps.

Sources from the BRA familiar with revenue collection indicated that BRA revenue is categorized into three sources: taxes, revenue from services, and grants. For clarity and ease of reference, we present the types of taxes that BRA collects in the following table. This list is not exhaustive, as we did not have access to official documents containing such information, and the BRA sources did not share them with us.

**Table:** this table shows the sources of the BRA's own revenue, and examples of tax revenue for each of these sources

No	Own Revenue Sources	Examples of tax revenues for each source
1	Land management	Includes services such as issuing building permits, replacement of lost land titles, land transfers, new land registration, and land dispute resolutions.
2	Markets	Taxes are collected from livestock markets, street vendors, and slaughterhouses.
3	Properties	Collected from property owners and calculated based on the type and size of the properties.
4	Licenses	Fees required from businesses and companies.
5	Fines	Collected from those who do not comply with tax payments, dispose of waste on roads, and violate other city regulations.
6	Health certificate fees	Issued to employees of restaurants, hairdressers, and slaughterhouses.

No	Own Revenue Sources	Examples of tax revenues for each source
7	Port municipal tax	Collected from trucks transporting goods from the Mogadishu Port.
8	Billboards	Fees charged for advertising on BRA billboards across Mogadishu.
9	Excise on Khat	Collected from the Khat trade.
10	Customs duties from the Port	BRA receives 15% of the revenue from the Port, which is run and collected by the FGS through a Turkish company called Al Bayrak.
11	Road user tax	Collected from Bajaa (three-wheelers) and public transport.
12	Civic registry fees	Raised from services such as issuing birth certificates.
13	Education fees	Collected from services provided by the BRA Directorate of Education, including the issuance of primary school certificates.

Source: compilation by the author from the KIIs

BRA has departments responsible for collecting this revenue either through services or as direct taxes. These departments include:

1. **Transport and Fines Department** – Collects taxes from Bajaa, trucks, and regional transport; it operates collection points at customs.
2. **Land Management Services Department** – Handles taxes from land transfers, title deeds replacements, new registrations, dispute resolution, and building permits.
3. **Property Tax Department** – Collects taxes from all types of properties and is also responsible for billboard advertising and Khat excise.
4. **Apartment Services Department** – Issues permits for multi-story buildings.
5. **Market Services Department** – Collects taxes from street vendors; it is the only department that collects taxes in Somali Shillings.
6. **Drainage and Sewage Department** – Issues permits for companies to dig or repair roads for laying water pipes, electricity wires, or waste disposal.
7. **Civic Registry Department** – Collects fees for services like issuing birth certificates.
8. **Health Services Directorate** – Collects fees from medical examinations for restaurant workers, barbers, slaughterhouse workers, and drivers, and issues health certificates.
9. **Education Directorate** – Collects fees for services provided to schools and students in the Benadir region.

All BRA revenue is directly collected by these departments, except for two streams—property taxes and land management services—which have been contracted to two private companies.<sup>3</sup> A BRA source claimed that the awarding of these contracts did not follow proper procurement procedures.<sup>4</sup>

Key informants from BRA noted that certain departments—land services, property, transport, and fines—are the primary sources of BRA revenue.<sup>5</sup> One respondent estimated that the Transport and Fines Department collects roughly USD 600,000–750,000 monthly,<sup>6</sup> much of which comes from road taxes, particularly from Bajaaqs, which pay USD 15 per month.<sup>7</sup> The Land Management Services Department is estimated to generate around USD 300,000 monthly.<sup>8</sup>

Other significant revenue-generating departments include the Civic Registry and Services Departments. The Civic Registry, which provides services like issuing birth certificates, reportedly generates USD 240,000–250,000 monthly. The Services Department, responsible for business registration and license issuance, reportedly brought in about USD 3 million in 2024—an increase from the previous year. This respondent attributed the increase in revenue to intensified efforts against fake licenses, allegedly facilitated by some district-level officers. Regarding how they tackled the issue, the respondent stated:

*“We have distributed verification codes to banks and ports. Every morning, we track the number of expired licenses, and an employee is sent to them, or a phone call is made because we have their information.”<sup>9</sup>*

Due to these efforts, the department reportedly registered 90% of businesses in the city. Business licenses are charged based on size and range from USD 50 to 800.<sup>10</sup> On the other hand the registration fees for small businesses costs USD 500, while medium and large companies, charged USD 2,000–3,000, often evade from payments as they operate invisibly.<sup>11</sup>

Not only did this department see increased income, but other departments also experienced growth in revenue, partly due to the deployment of revenue-collecting officers across the districts.

With its currently operational revenue streams, BRA reportedly collected USD 47 million in 2023 and mobilized USD 58.5 million in 2024, excluding grants.<sup>12</sup> The administration projects to double that amount in 2025.<sup>13</sup>

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3 Interview with an official from revenue collection departments, Mogadishu, 16 February 2025

4 Interview with senior BRA official, Mogadishu, 19 January 2025.

5 Interview with an official from revenue collection departments, Mogadishu, 16 February 2025.

6 Ibid.

7 Ibid.

8 Ibid.

9 Interview with officials from revenue collection departments, Mogadishu, 16 February 2025.

10 Ibid.

11 Ibid.

12 Interview with the fiscal expert familiar with BRA revenue collection trends, Mogadishu.

13 Ibid.

## Main Sources of BRA Expenditure

After discussing BRA revenue, it is necessary to highlight where the BRA spends the revenue it collects from the region. However, there same secrecy that shrouds the BRA revenue generation also applies to its expenditures. An official from BRA interviewed for this study reported that the BRA spends its revenue on two main areas: operational expenses and capital expenditures.<sup>14</sup>

According to this source, operational expenses consume 85% of the BRA's annual budget. This is particularly due to the large number of BRA personnel—estimated to be between 3,000 and 3,400 employees—who consume USD 1.3 million monthly (a total of USD 15.6 million annually) from the BRA budget, which was estimated to be about USD 68 million in 2024.<sup>15</sup> The number of BRA personnel is said to be on the rise, as new staff are added to the administration's payroll without apparent responsibilities or needs justifying their recruitment.<sup>16</sup>

On the other hand, 15% of the annual budget is allocated to capital expenditure, which includes infrastructural development and public services such as education and health. The BRA was reported to contribute to road construction through capital expenditure allocations, alongside the Somalia Chamber of Commerce and Industry, as well as the specific district populations that benefit from such road construction.

One source argued that the BRA has a budget allocation for road maintenance, though there is no visible evidence of maintained roads. Most of the roads constructed in the past ten years suffer from potholes—some are washed away by rain—mainly due to poor construction quality and the lack of supervision of water and electricity companies that dig up roads to lay pipes and cables, leaving them unrepaired properly.

Health facilities—particularly those for maternal and childcare—are maintained through the support of international NGOs, while public hospitals are primarily run and financed by the federal government budget. Similarly, the FGS covers about 25 public schools in Benadir/Mogadishu from its annual budget.

When study respondents were asked whether they believed that the BRA delivered any services in return for the taxes they pay, the overwhelming majority said no. Some respondents mistakenly believed that BRA pays teachers' salaries and covers the running costs of public schools in Benadir, which are actually financed by the FGS budget. A minority also held the perception that BRA pays for security forces.

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14 Interview with senior BRA official, Mogadishu, 19 January 2025.

15 Ibid.

16 Ibid.

Although the BRA mobilises taxes from the region, there are no tangible public services to show for these taxes. Ironically, local residents pay separately for even the most basic services expected from a local administration, such as trash collection. Instead of delivering this service in return for the collected tax revenue, BRA contracted a local company, Ifi Waste Management, to collect waste from districts, with monthly charges ranging between USD 5–10 per household depending on the waste volume and collection frequency.

This raises a legitimate question in the minds of local residents: why do they pay taxes if they do not receive even the most basic public services from the BRA?



## Legal Frameworks for BRA Revenue Collection

Legal frameworks are preconditions for government authorities to engage in revenue mobilisation, as such legislation confers on them the necessary powers and legitimacy to raise revenue; determines which types of revenues are being collected and by which authority; and decides how much is being collected. Similarly, the legal framework encourages taxpayers to pay taxes to the rightful authorities, thus demanding accountability from the respective government on how their taxes are being spent. The absence of this raises significant questions about the legality of the revenue collection exercise, which could give concerned individuals enough reason to withhold their money and associate the process with other non-legally sanctioned forms of money extraction.

The BRA collects different types of tax revenue from the Benadir region despite having no legislative body in place to enact the essential laws for collecting various types and rates of taxes. In this context, key informants from BRA contended that BRA has no revenue collection-related legislation. This is because the FGS parliament has not enacted laws governing BRA revenue, as the BRA falls under the federal government's jurisdiction. These informants further argued that the BRA does not rely on or use legislation from the military regime era for local government revenues.

Despite this apparent lack of legislation guiding BRA tax revenue collection, sources from BRA claimed that the region relies on directives from the incumbent mayors. Mayors introduce new types of tax revenue based on the advice of a committee appointed to assess the feasibility of collecting certain types of revenue and determining appropriate rates.

Notwithstanding the lack of relevant legislation, most respondents demonstrated an outright lack of knowledge when asked to what extent they believe there is a legal framework regarding BRA revenue collection and its legality. However, some wrongly assumed that BRA has the right to collect tax revenue simply because the administration is in place. This illustrates how local people are often unaware that revenue collection requires enabling legislation and that an administration does not have the inherent right to raise revenue without a legal framework granting such powers.

Study participants who cast doubt on the legality of BRA revenue collection linked this to the coercive methods used, the arbitrariness of tax rates imposed by collectors, and the lack of transparency in the documents presented as justification for the tax collection.

One such respondent, who participated in a youth FGD held in Howl Wadaag district, stated:

*“The law under which taxes are collected is unclear, and we as citizens have never seen it. Taxes are taken in different ways, and there is no clear directive from the Benadir region informing us about the tax laws or parliamentary approval for them.”<sup>17</sup>*

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17 Male Participant in youth FGD held in Howl Wadaag district, Mogadishu, 12 January 2025

Another young respondent raised similar concerns regarding the legality of BRA-collected tax revenue. This participant questioned the arbitrariness of the taxes, the ability to negotiate with tax collectors, and the inconsistency among tax collection officers. Speaking about this, the participant said:

*“These taxes are not legal because they are not fixed and can be negotiated, or even discounts can be made through negotiations. Additionally, when you pay that money to the collectors, other collectors might ask for the same money even though you have already paid it.”<sup>18</sup>*

The existing lack of legislation on the types and rates of revenue BRA is authorised to collect gives local taxpayers room to protest against the current revenue collection practices—unless BRA introduces publicly available legislation specifying the types of taxes, their rates, payment methods, and responsible authorities. This development could compel BRA to seriously consider the matter and seek legislation from the relevant authority—the federal parliament—that grants it jurisdiction over which taxes it can legally collect.

The current *modus operandi* of revenue collection, based on directives from the sitting mayor and governor, is not sufficient to justify the process. Rather, it requires a legal framework that aligns with the context and conditions of the Benadir region and earns legitimacy from the local population. The latter can be achieved through transparency about the revenue being collected and accountability to the local population regarding how their tax money is spent—allowing citizens to evaluate whether their tax contributions are justified.

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18 Young female Participant in only youth FGD held Hodon district, Mogadishu, 01 December 2024

## Public Awareness of BRA Taxes

The level of taxpayers' awareness of the taxes being collected could be related to the relationship between citizens and the BRA and how much information on tax revenue is shared with the community. We asked in all our data collection sessions, either through FGDs or KIIs, how much the research participants knew about the tax revenues that BRA collects, the rates of each, and their legal justifications.

Unfortunately, almost all of the respondents, who represented different groups of society—except a few key informants from BRA and fiscal experts—demonstrated a lack of awareness and knowledge about the types of tax revenues BRA collects from their respective locations. However, they were able to mention property and rental income taxes, though they seemed confused about which authority—the FGS Ministry of Finance or BRA—collects such taxes. BRA collects property taxes, while the FGS Ministry of Finance collects rental income taxes.

Additionally, the majority of the respondents showed their lack of information about the exact rates of the taxes. Some claimed that tax rates are erratic and unpredictable and that they simply pay what the tax collectors tell them is due, with no information available to taxpayers to contradict these claims. This could be partly attributed to limited or absent communication from the BRA about the tax revenues and their rates to the respective taxpayers. Solving this issue could prevent attempts by tax collectors to manipulate the tax collection process and eliminate doubts among taxpayers about being deceived.

The alleged gap in tax information could benefit tax collectors, who may take advantage of uninformed taxpayers and dupe them into paying more than the due amount and/or paying through personal accounts or mobile payment methods. Thus, this further damages the already fragile trust relationship between the local people and the tax collectors. Furthermore, the notable lack of awareness among the local community seemingly provides BRA with continued cover from public criticism and demands for accountability for the taxes being collected. It also discourages engagement in critical reforms in revenue collection and the expenditure of these revenues on public services that local people urgently need.

## BRA Tax Communication Patterns

As highlighted in the above section, study participants displayed how little information they have about the different types of tax revenue and the particular type they pay. This relates to how BRA communicates relevant tax information to the local people, such as the rates of the respective taxes and payment methods.

In light of the apparent information gap, we asked respondents, in both FGDs and KIIs, how they receive information about the taxes that are required from them. The responses from the participants revealed that there is no uniform and systematic communication channel through which reliable tax revenue information is shared with the local people. With no such single source of communication, channels varied even among a single group of taxpayers.

Several property owners noted different mediums through which they receive the information. Some of these groups pointed out that they get short messages informing them to pay the tax. However, not all property dwellers receive messages; instead, tax officers go in person to neighborhoods with notices to pay taxes at the beginning of the year. Some stated that a three-day notice period is given until taxes are paid.

Meanwhile, others expressed that without prior notice of the due taxes, armed police come to their houses and sometimes detain one of the residents and take them to the respective district until the tax is cleared. Regarding this, a female participant echoed:

*“Police officers show up at your doorstep and storm in if you do not respond immediately. If you do not pay that much on the spot, they will take you to the police station by force.”<sup>19</sup>*

The inconsistency of the mediums used to deliver tax information to property owners most likely stems from the lack of a complete database with details of the properties in Benadir (such as the serial number of the property, name of the owner, district, neighborhood, type of property, and telephone number of the property owner) and their characteristics that determine the tax rate. Some properties in the city have rudimentary registration numbers sprayed on them by the respective BRA properties departments, but these are apparently not used for disseminating the due tax information.

Meanwhile, the experiences of businesspeople were quite similar to that of property owners. On their part, businesspeople required to pay annual business licenses reported receiving tax information through short messages from the BRA office responsible for issuing and collecting yearly business license fees. However, some other businesspeople underlined that tax officers come in person to their businesses with a notification message to renew their business license.

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19 Female Participant in women FGD held in Hodon district, Mogadishu, 02 December 2024

A businesswoman who owns a women's boutique described succinctly, and in a tone that expressed frustration, how she receives information regarding the renewal of her business license: *"I just see a police officer at my door looking for money!"*<sup>20</sup>

Despite this, a senior official from the service department of BRA, which is responsible for the issuance of business licenses and company registrations, said that the department maintains a register of all businesses in Benadir, constantly follows up on licenses that are due to expire, and sends notices to these businesses to renew their licenses on time.<sup>21</sup> This official explained that they then send tax officers to the particular businesses that did not respond to their messages on time.<sup>22</sup> However, some businesspeople interviewed for this study complained about having their businesses shuttered while serving customers.

In contrast, Bajaj owners are the single group of local taxpayers with access to a mobile application. They pay the \$15 monthly road use tax and receive notifications. Similarly, local police responsible for overseeing Bajaj drivers' compliance with this tax utilize this technology. They can easily identify if a Bajaj on the road has paid the tax by checking information such as the plate number.

Despite the inconsistencies and inadequacies noted by most respondents, a former district commissioner in BRA explained that BRA has mediums through which it conveys tax revenue-related information. He mentioned that such mediums include BRA Radio, which relays tax announcements; district officials who are instructed to inform their respective local communities about the types of taxes, rates, and the need to raise awareness among residents about their tax obligations; and door-to-door awareness campaigns undertaken through cooperation between district officials and community leaders to raise tax awareness.<sup>23</sup>

The lack of a single reliable source—and preferably an electronic medium—for disseminating tax messages to local taxpayers about due taxes and rates can give tax collectors an opportunity to manipulate the information in their favor, as the target taxpayers don't have access to an official source to contradict what the tax collector tells them. As a result, this deepens the already existing mistrust between the local administration and local people and could possibly give credence to the suspicion among local people that the taxes they pay don't reach the right treasury but are instead pocketed by the collectors and their immediate supervisors.

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20 Interview with businesswoman, Mogadishu, 19 December 2024.

21 Interview with an official from BRA, Mogadishu, 16 February 2025.

22 Ibid.

23 Interview with former district commissioner, Mogadishu, 12 January 2025.



## Behaviour of BRA Tax Collectors and Community Reaction

The disparate BRA departments that collect tax revenue have tax collection officers accompanied by men in police uniforms armed with AK-47 assault rifles. They are deployed to different districts and neighborhoods to collect taxes. The (mis)treatment by these tax collectors has been a major concern for the locals. As such, the discussion around tax collectors' interactions with local people aroused keen interest among study participants, who passionately engaged in the conversation, seeing it as an opportunity to express seemingly pent-up sentiments and experiences from their encounters, sometimes daily, with tax collectors.

Respondents from across the tax-paying groups unanimously expressed unreserved outrage towards the tax collectors' behaviour, which they described as "bad," "very harsh," "unacceptable," "inhumane," and "disrespectful," among other terms that reflect the severity of the (mis)treatment.

Furthermore, respondents characterized tax collectors and their accompanying police officers as untrained, undisciplined, and having inappropriate demeanor, rendering them unfit for the job. They criticized BRA for entrusting such duties to individuals lacking essential qualities like kindness, good judgment, and empathy.

The participants' accounts were largely similar. Property dwellers reported that tax collectors interacted with them in an aggressive manner. They explained that tax collectors arrived in neighborhoods and banged repeatedly on doors—sometimes using their guns—until someone opened. Once inside, they would ask residents whether they had paid the annual property tax. If the answer was no, they would demand that one of the residents accompany them to the respective district office. Participants claimed that if this demand was resisted, they forcefully took one of the residents.

Tax collectors were said to assemble these individuals and haul them into vans used for collecting residents who had not paid property taxes. They were then transported to district offices, where they were sometimes kept in open spaces without protection from the scorching sun until the taxes were paid.

Residents repeatedly voiced their unhappiness with the tax collectors' behaviour, recounting several instances of mistreatment. They complained that collectors often came without prior notice and sometimes arrived even before the notice deadline had expired. They claimed that tax collectors did not care about whether notice had been served, only that money or people were collected.

Participants also claimed that tax collectors sometimes removed house gates to force residents to comply. In other cases, collectors allegedly locked gates with keys after children told them their parents were not at home. However, neighbors reportedly helped victims in such situations.

Moreover, respondents expressed concern that tax collectors did not differentiate between elderly people, women, children, and men when taking residents to district offices. Alarming, they described instances where elderly people and postpartum women were forcibly taken and detained until the taxes were paid.

Reacting to this indiscriminate treatment, a woman who participated in a female-only FGD in Yaaqshiid district lamented, “...even postpartum mothers without their husbands present are not shown mercy; they are taken by force.”<sup>24</sup>

Respondents also emphasized that tax collectors showed no concern for whether residents could actually afford to pay. They recounted instances where poor families, reliant on neighborly support, were detained over unpaid property taxes. In such cases, neighbors reportedly pooled resources to pay the taxes and secure the release of their fellow residents.

A current senior district official interviewed acknowledged that tax collectors and district officials have no authority to exempt poor individuals from taxes; this power is reserved for the mayor, who is often inaccessible. As a result, low-income families suffer as they are unable to reach authorities to seek redress.

Tenants, in particular, expressed anger over being wrongly detained for property taxes they do not owe. They stated that property taxes are the responsibility of landlords, but tax collectors detain whoever is present in the house without verifying whether the person is a tenant or the property owner.

Similar experiences were reported by businesspeople, including small-scale traders in city markets. These taxpayers said they frequently faced harassment from tax collectors. For example, if a business license had just expired, tax collectors would shut down the business and detain the owner.

A businessman operating in Hamar Weyne market stated, “...during this process, any customers in your shop are chased away, and your shop is disrupted. This not only causes embarrassment but also damages your business operations.”<sup>25</sup>

Street vendors, who pay daily market fees in Somali Shillings to BRA tax collectors, also reported feeling mistreated. Some noted poor coordination among collectors, with several collectors demanding payment, leading to overpayment due to coercion. A woman vendor in Yaaqshiid district remarked, “We might end up paying taxes more than once because several officers are collecting the taxes with little coordination.”<sup>26</sup> However, she noted that recently only one collector has dealt with them and no longer uses threatening behaviour.<sup>27</sup>

24 Female Participant in women FGD held in Yaaqshiid district, Mogadishu, 26 December 2024.

25 Male Participant in youth FGD held in Hamar Weyne district, Mogadishu, 17 November 2024.

26 Female Participant in women FGD held in Hodon district, Mogadishu, 02 December 2024.

27 Ibid.

Nonetheless, other respondents claimed that daily fee collectors still misbehaved. A vendor in Hamar Weyne market accused the collectors of treating them inhumanely.<sup>28</sup> He said, “They drag your goods like trash and destroy them, especially those who sell small items.”<sup>29</sup>

Beyond complaints of mistreatment, some respondents suggested that financial incentives motivated tax collectors’ aggressive behaviour. They claimed that collectors received commissions either from the amount collected or from the number of people they brought to district offices to compel payment.

This unjustified mistreatment has, in some cases, led to tragic consequences, including the loss of innocent lives. On 10 January 2023, a BRA-affiliated policeman shot and killed a poor candy hawker in the Hamar Weyne district during a dispute over a 5,000 Somali Shilling tax (roughly 25 cents) (Dalsan Radio, 2023). The officer was quickly apprehended and sentenced to death by a military court in Mogadishu on 15 January 2023. However, it remains unclear whether the sentence has been enforced (BBC, 2023).

Bajaaj drivers have also experienced repeated harassment and occasional violence from tax collectors and traffic police. This occurs especially when drivers attempt to evade tax enforcement or are suspected of driving without a valid license. In some cases, collectors or police officers have opened fire on Bajaaj drivers, leading to fatalities.

The aforementioned inappropriate behaviour of tax collectors is not peculiar to the Benadir region. It persists in other major urban centers of the country, and local people are often fed up with such behaviour. For instance, representatives from CSOs in Bosaso, Puntland, who attended a workshop we organized recently to enhance scrutiny of the fiscal and financial accountability of the Bosaso local government, raised concerns similar to those of the people in Benadir about the incessant, aggressive and brutal behaviour of the tax collectors in the city during their tax collection activities.

Nevertheless, it is fair not to place all the blame solely on the BRA tax collection officers and their accompanying policemen. FGS tax collectors and accompanying police also share responsibility for the public anger, as they are likewise implicated in misbehaving with the target taxpayers in the Benadir region.

Some respondents attributed the tax collectors’ uninterrupted violent behaviour to the local people’s limited awareness of their rights. A businessman interviewed as a key informant said, “Unfortunately, many people mistakenly believe that this behaviour is justified because they think it’s normal for the government to act this way.”<sup>30</sup> He continued, “The public lacks awareness of their political rights, and this lack of knowledge makes it difficult to address the issue.”<sup>31</sup>

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28 Interview with businessman in Hamar Weyne district, Mogadishu, 21 November 2024.

29 Ibid.

30 Interview with businessman Yaaqshiid, Mogadishu, 09 December 2024.

31 Ibid.

Though different groups vociferously voiced their frustration with the relentless mistreatment by the tax collectors, an official from BRA, when informally approached about the behaviour of the tax collectors and the growing concerns from the local people, admitted that the tax collectors behave improperly with the people, and no concrete actions have been taken to stem this behaviour, which severely damages the image of the administration and taxes themselves.

Despite BRA already suffering from the aforementioned absence of a legal framework from the relevant authority to legitimise tax revenue collection, the mistreatment inflicted on the local people by the tax collectors further undermines the legitimacy of tax revenue collection in the eyes of concerned local taxpayers. Additionally, the unchecked behaviour of the tax collectors and accompanying policemen alienates the people from the administration and causes the population to believe that they are not citizens and that the money they pay is not tax but, at worst, could be equated with extortion.

## BRA Tax Payment Dynamics and Methods

This section briefly sheds light on whether taxes are paid fully or involve negotiations, whether receipts are given to taxpayers and whether those receipts (if any) match the amount paid, and lastly, the payment methods used to pay the tax revenue.

The study's respondents pointed out the existence of tax revenues that are fixed and not subject to negotiations, and other tax revenues that are not fixed and are amenable to negotiation between the payer and collector. The participants' conclusions were based on their experience and interactions with tax collectors.

The tax revenues that respondents described as fixed and not subject to negotiation are the registered property taxes. According to their accounts, landlords with registered properties are required to pay the due amount with no room for negotiation. However, they stressed that tax collectors provide landlords with unregistered properties with two alternatives: either to pay much less than the required amount and keep the property information unregistered with the property department, or register the property information and pay the due taxes.

Nevertheless, respondents cited the risks of giving property tax payments to individual tax collectors without proof, particularly in cases where another tax collector may come to the same property owner. However, as they said, during discussions, the collector promises the landlord that he (they are mostly men) is responsible for that particular neighborhood and, even if he is transferred to another place, will make arrangements with his replacement to take care of the landlord. Further, respondents, particularly businesspeople, reported that license fees are fixed, and they have to pay as required without wasting time negotiating the amount.

On the other hand, respondents claimed that certain types of tax revenues are subject to negotiations, namely building permits. These permits are issued to people intending to construct a building, install drainage, or store construction material outside of the construction site during the construction period. Participants involved in construction and seeking permits from relevant districts described how officers responsible for issuing building permits in certain districts may initially ask for, for example, USD 400, but agree to a negotiated amount of USD 250.

Pertinent to the payment of taxes, respondents discussed the methods they use to pay. According to the participants, fully paid and non-negotiated taxes are deposited in official BRA accounts at local banks, notably Salaam Somali Bank. They also noted that negotiated taxes are often paid in cash directly to tax collectors to avoid accountability. In that regard, a youth FGD participant in Hamar Weyne underscored:

*"The building permit taxes are usually collected in cash. When you ask the tax collector for an account to deposit the taxes, they insist that you pay in cash, claiming it must be handed over directly. They fear that if the payment is made into an account, it could be traced back for accountability. This is why they insist on cash payments, allowing them to take a portion of the money without leaving any record."<sup>32</sup>*

32 Male youth FGD participant held in Hamar Weyne district, Mogadishu, 17 November 2024.

Additionally, participants who trade as vendors in different markets said they pay daily market fees between 5,000 and 10,000 Somali Shillings, which is equivalent to about USD 0.25 and 0.42 respectively. Moreover, respondents stated that an additional USD 10 is paid along with the due property tax, which is sent to a particular district officer's mobile number. This money was dubbed the "district development allocation."

Equally important, the study found cases where taxpayers receive receipts for the money they pay and other cases where they do not. In the former case, respondents indicated that when taxpayers pay the full amount and do not engage in any negotiation—such as in most property tax cases and licenses—they receive receipts stamped by BRA that match the amount of money paid. On the contrary, for building permit taxes, which are mostly paid in cash, receipts are sometimes provided. However, respondents emphasized that there are instances where officers collecting building permit taxes issue receipts for amounts lower than what was actually paid. When asked to justify such discrepancies, officers reportedly responded—according to a study participant—that this would ensure no one would disrupt the permitted construction work, and that they were available to intervene if needed.

However, sources who had permits issued from building permit offices in respective districts reported that armed men came and ordered them to stop work and pay more money to continue construction. These sources explained that when they showed receipts to the armed men, the receipts were dismissed, forcing those responsible for the construction to make additional payments to resume the work.

Participants who dealt with permit officers expressed doubt about the authenticity of the receipts and whether the money went to the proper treasury or was pocketed by the collectors themselves. However, some taxpayers are believed to entice tax collectors into under-the-table transactions, assuming they are mutually beneficial to both parties involved in the murky dealings, which otherwise cost the regional authority significantly.

Despite the respondents' experiences, an official from BRA who was informally engaged on the issue of tax revenue collection expressed his view that tax collectors misuse their authority and divert revenues intended to be deposited in the administration's official accounts. This is due, in part, to loopholes inherent in BRA's tax revenue collection system, which tax collectors exploit as the process is handled by disparate departments that operate independently of each other. Furthermore, BRA lacks a central revenue authority or office to oversee and hold tax collectors accountable. Consequently, BRA loses some of the taxpayers' money through this corrupt scheme—a loss that could have contributed to public service delivery. This behaviour is ruinous to public trust in the administration and entrenches suspicion among locals toward the BRA's tax revenue collection.



## Challenges to BRA Tax Collection

According to key informants from BRA and public finance experts interviewed for this study, raising BRA tax revenue faces a range of challenges that undermine the full realisation of existing tax revenue streams. The following is a summary of these challenges.

First, as key informants interviewed for this study contended, BRA has no clear legislation in place other than mayoral directives to guide revenue mobilisation in the region. This situation arises from the fact that the status of the BRA still hangs in the balance, which consequently limits BRA's authority to collect revenue in the region. This remains a challenge to BRA, as illustrated in the legal frameworks section of this report on BRA revenue collection.

Second, authorities other than the federal government and the Ministry of Finance compete with BRA for the authority to collect tax revenue in Benadir. These alleged authorities include the National Intelligence and Security Agency (NISA), which collects clearance fees from tenants and landlords who sign tenancy agreements; and the police and district administrations, which collect fees described as district development contributions and, at times, building permit fees. A senior official in the BRA contended that the money collected by such authorities does not go to BRA. Additionally, armed groups extort money from the local people increasing tax burden on the local people and further complicating the governance environment.

Third, the mayor's authority sometimes does not apply in the city. As an official from BRA argued, this happens when, for example, the regional and district revenue departments compete over who has the right to collect certain taxes. The mayor is allegedly unable to decide who has the authority to collect these taxes.

Fourth, low public awareness poses a significant challenge to revenue mobilization across the country, and this was cited as a problem within the BRA as well. As discussed in the public awareness section of this report, local people do not understand the types of taxes, the applicable rates, and which authority—BRA or the Federal Government's Ministry of Finance—is entitled to collect them. This lack of awareness is partly due to BRA's inadequate communication with the public about taxes and the lack of publicly accessible documents on BRA tax types and rates.

Fifth, low trust in government is another challenge for the BRA and other levels of government, constraining revenue-generating efforts. People are skeptical about how the BRA spends the revenue it collects and perceive that tax money is not invested in service delivery but used for other purposes.

Sixth, BRA resorts to the use of armed forces to collect tax revenue, which has caused public anger due to the harassment and, at times, physical violence that tax collectors inflict on civilians. Officials from BRA explained the use of coercion in tax collection as a result of poor taxpayer compliance.

Seventh, intermittent road closures—part of the security protocols for the arrival and departure of the federal president or visiting high-profile foreign guests to the capital—disrupt revenue collection. For instance, an official from the service department that issues business licenses and company registrations claimed that the department loses up to USD 10,000 during such events.

Eighth, BRA suffers from a tax revenue enforcement gap as it cannot collect taxes from peripheral districts due to prevailing security challenges. Though security has relatively improved, sources from BRA argued that it remains a barrier to collecting taxes in peripheral districts compared to other areas. A source from BRA highlighted that tax officers were killed in the suburbs by armed groups, while others were attacked and injured by local residents using knives during tax collection.

Ninth, limited technical capacity was cited as a challenge that hinders BRA's ability to effectively collect the existing tax revenue streams. Sources pointed out that individuals involved in tax collection have limited technical skills for the task and do not receive the necessary capacity-building training to improve their performance.

Tenth, BRA has no Public Financial Management (PFM) system for revenue and expenditure, unlike the FGS and FMSs, to enhance fiscal accountability. The absence of a BRA PFM system is believed to be related to a lack of willingness from both FGS and BRA leadership at the time, who preferred to continue using BRA finances as a “slush fund” for patronage networks managed by the FGS leadership. Introducing a PFM system would have made such practices difficult due to potential oversight and accountability from donor institutions, particularly the World Bank and the International Monetary Fund (IMF). Likewise, BRA lacks a budget department to prepare an annual budget for the administration.

The combination of these challenges undermines effective tax revenue collection, accountability, and service delivery. These challenges are not newly emerged problems but have existed since revenue collection was reactivated by successive Benadir regional administrations. However, those administrations lacked genuine initiative and leadership to recognize the issues constraining revenue generation or to introduce practical solutions. The Benadir region has enormous revenue potential but is in dire need of leadership that can harness this potential by addressing the challenges without making this contingent on the determination of the region's status.

## Conclusion

This study has examined Benadir Regional Administration (BRA) revenue collection, with particular focus on the existing (or lacking) legal frameworks underpinning this revenue generation, the types and sources of BRA taxes, how this revenue is being collected, the behaviour of tax collectors, and the challenges to BRA revenue collection.

The study has found that the BRA lacks legal frameworks to justify its revenue collection undertakings. This is partly due to the continuing status quo of BRA and, consequently, the absence of parliamentary regulation from the FGS parliament to fill the legislative vacuum, as BRA remains under the authority of the FGS until its status is otherwise decided. Furthermore, the BRA currently collects several types of tax revenue, and different departments within BRA are responsible for their collection. At the same time, two privately owned companies have been contracted to collect property and land taxes.

The study revealed intense anger among local people towards the behaviour of tax collectors, and no complaint mechanism has yet been put in place. Despite the BRA collecting revenue, there are limited or no public services to show for the taxes being paid, which has made the local public increasingly frustrated. The study has also highlighted key challenges facing BRA's tax revenue system, which limit the administration's capacity to collect from existing tax revenue sources at full capacity.

## Policy Recommendations

Having discussed the relevant themes related to BRA revenue collection, we now present policy recommendations intended to inform and guide the regional authority and other relevant actors in their potential efforts to address issues with BRA's revenue generation which require serious attention. The region trails behind in efforts to institutionalize and enhance public financial management at both levels of government. The fiscal governance of BRA can be addressed despite its current status quo, which remains pending joint legislation from both houses of the federal parliament. Thus, the study presents the following policy recommendations:

- **Publicize Public Finance Information:** The BRA should publicize public finance information, including the list of revenue streams and corresponding rates, on its website, social media platforms, and through local media. This will protect taxpayers from being deceived by tax collectors and paying more than required. Equally, BRA should publicize the official accounts to which taxpayers are expected to send their payments, in order to limit the diversion of funds into personal accounts. Likewise, The BRA should communicate with the public about how their money is being spent. This can be achieved by making the annual budget accessible to the public, enabling citizens to track expenditures.
- **Competitive Tenders for BRA Procurement:** BRA has reportedly granted contracts to various companies providing services and implementing projects without proper procurement procedures. BRA should establish open and competitive procurement processes, allowing potential bidders to apply and secure contracts fairly, without needing to offer bribes. The lack of transparency in contract awards—especially for road construction—has resulted in poor-quality infrastructure that quickly deteriorates due to rain.
- **Rein in the Behaviour of Tax Collectors:** BRA should take concrete, practical measures to address the behaviour of tax collectors, whose conduct causes public frustration, fear and dissatisfaction. Given the current security landscape, BRA should minimize the use of armed police officers for tax collection, as they are reported to intimidate the public. Those who are involved should be carefully selected to build trust between the administration and the people. Civilian tax collectors should also be re-evaluated for their suitability. The administration should introduce clear disciplinary measures for those who mistreat citizens. Furthermore, BRA should assign tax collection duties to qualified university graduates already on its payroll—those who can engage positively with the public and improve the administration's image. This also requires a tailored capacity-building programme to strengthen their skills and address challenges arising during tax collection.
- **Establish a Hotline for Complaints:** Local people have significant grievances regarding the behaviour of tax collectors but lack a formal mechanism to file complaints. Establishing a hotline (and possibly an online complaint system) would

allow residents to express their concerns and ensure that proper disciplinary actions are taken against those responsible for harassment or abuse.

- **Raise Public Awareness of Taxes:** This study found that local people have limited knowledge about BRA taxes and the regulations governing them. BRA should engage the public through town hall meetings, think tanks, and media platforms to raise awareness about the taxes collected in the Benadir region.
- **Set Up a Reliable Property Database:** Developing a comprehensive property database will provide clear and consistent guidance to tax collectors. It will enable BRA to monitor which properties have paid taxes and reduce opportunities for manipulation and tax leakage. This measure will also help protect tenants from being wrongly targeted by tax collectors for taxes they are not responsible for.
- **Adopt a Public Financial Management System:** The BRA currently operates without the public financial management (PFM) systems used by the FGS and FMSs, which enhance transparency and accountability. BRA should adopt a PFM system for both revenue generation and expenditure. This would allow BRA to monitor how much it collects monthly or annually and how that revenue is spent.
- **Reform the Revenue Collection Structure:** BRA revenue is currently collected by multiple offices. It is necessary to restructure this system and establish a single revenue department/office responsible for collecting all types of BRA revenue. Additionally, BRA should reorganize the structure of its expenditure departments, establish a dedicated budget department, and implement a system for managing expenditures and accounts.
- **Establish Accountability Institutions:** To address accountability challenges in revenue collection and expenditure, BRA should establish institutions such as an independent Auditor's Office, an Internal Control Office, and an Accountant General. These bodies should ensure that revenue is collected and spent in accordance with regulations and that contracts are awarded properly. Such institutions must not be mere facades to appease the public or external actors but should genuinely fulfil their responsibilities. This will require strong political will from BRA leadership.
- **Explore E-Governance Platforms/Systems for Tax Collection:** BRA should consider integrating e-governance into its widely used services. This could potentially reduce red tape and alleged corruption, prevent revenue leakage, save time and money for citizens, increase satisfaction, and eliminate intermediaries who profiteer from bureaucratic inefficiencies. It would also be a step towards building trust with the public and increasing domestic revenue.
- **Prioritize Delivering Tangible Public Services:** As this study has found, the public largely believes that BRA does not invest revenue in public services such as health, education, and other basic needs. BRA should prioritize allocating a portion of its revenue to public services that are visible and beneficial to taxpayers. This would incentivise tax compliance and improve the administration's credibility.

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## About Somali Public Agenda

Somali Public Agenda is a non-profit public policy and administration research organization based in Mogadishu. Its aim is to advance understanding and improvement of public administration and public services in Somalia through evidence-based research and analysis.

At Somali Public Agenda, we believe that all Somalis deserve better public services including access to affordable education, healthcare, housing, security and justice delivered via transparent and accountable authorities.

### What We Do

**Research:** Somali Public Agenda contributes to the understanding and improvement of public administration in Somalia through research and analysis on various issues that affect public policies and the provision of public services. SPA regularly publishes research reports, governance briefs, and commentaries (always in both the Somali and English languages) on decentralization, public bureaucracy, and local administration; democratization and elections; financial governance; security, justice, and rule of law; urban planning and land administration; employment; and, education system and health services. These publications often inform citizens, policymakers, practitioners, and international actors on governance and public service issues in Somalia.

**Dialogue:** Public Agenda Forum is a platform and space for discussions on governance and public service issues in Somalia. The Forum (including Gaxwo & Gorfeyn monthly meet-ups) serves as an avenue for critical examinations of issues of public priorities. Different segments of society including researchers, policy-makers, and practitioners are invited to meet and discuss issues on equal terms. The Public Agenda Forum convenes dialogue with policy-makers and public figures and organizes workshops, policy design sessions, seminars, and book/report launches. Often the findings of the Forum discussions help inform Somali Public Agenda's governance briefs.

**Public Service Design:** Based on the findings and policy recommendations of our studies, we design public policies, programmes, and projects with the relevant authorities through our SPA Policy Lab. In collaboration with policymakers, public administrators, and the community, we design knowledge-based public services. Before the government invests resources in the policies, programmes, and projects designed, we envisage experimenting with the public service at a small-scale level to test the efficacy of the services designed.

**Training:** Based on the findings of our research and our co-designing work, Somali Public Agenda through its Center for Learning and Development offers short training courses to contribute to the building of administrative cadres that can deliver public policies and programmes to the community. The Center for Learning and Development's aim is to connect the civil servants, policymakers, and non-profit sector workers with communities and provide administrations with the technical skills necessary to formulate and implement solutions for public service challenges. Moreover, the center offers training to Somali professionals who have the desire and passion to join the public sector as well as professionals engaged in the civil service and non-profit sectors.

Better Governance, Brighter Somalia



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