



**Transparency
Efficiency
Results**

Somaliland Public Financial Management Reform Program



Statement by the Minister of Finance

Dear participants and colleagues,

Today we have come to inaugurate the first Somaliland Financial Management Information System (SLFMIS) Training and Deployment session. This is the latest activity in a line of reform measures being undertaken in the Public Financial Management sector. The Government of Somaliland (GoSL) approved the Ministry of Finance (MoF's) Somaliland's Public Financial Management (PFM) Reform Strategy (2013-2017), which was designed to strengthen the country's efficiency, transparency and results in managing public funds.

To this end Ministry of Finance in particular have:

- Developed new, relevant legal frameworks
- Strengthened the pillars of integrity in the Ministry, and
- Established autonomous oversight bodies such as the Auditor General, Accounting General, and the Somaliland Revenue Authority, among others.

The main expected outcomes of PFM reform are (1) Fiscal discipline; (2) the Strategic allocation and use of resources, and (3) Efficient service delivery. The MoF is now actively pursuing structural and system reforms in four key strategic areas:

- Economic and Budget Management –The MoF is developing a set of Medium Term Frameworks so that the government and our development partners are able to effectively plan and co-ordinate policy delivery.
- Resource Mobilization – We are establishing the Somaliland Revenue Authority (SLRA) to improve revenue administration, strengthen the tax administration system and increase the resource available for helping to achieving our national vision. Our revenue has grown at a rate of between 12% and 25% between 2012 and 2016 and we hope to continue our exemplary revenue collection efforts in the future. .
- Fiscal Management and Reporting – In order to prevent mismanagement of the country's fiscal resources, the PFM reforms aim to promote integrity, transparency and accountability when executing the national budget. To this end, the MoF has introduced of the Somaliland Financial Management System (SLFMIS), which will improve aggregate expenditure control, increase the predictability of financial flows, and allow the government to monitor all government expenditure in a transparent and automated manner.

Given the above, the SLFMIS is a critical support system for the whole PFM process. As a web-based application system designed to automate and communicate financial transactions in the public sector, it will transform various time-consuming, tedious and manual practices into instantaneous, automatic and accurate processes. This is especially beneficial for processes such as budget formulation, budget execution, accounting and financial reporting.

The SLFMIS will also ensure:

- Adequate management reporting
- Government-wide compliance to PFM strategic pillars and international standards



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- Transparency of budget preparation and support in executing the budgets
- Availability of complete audit trails of all financial transactions carried out.

Finally, it is the aim of the GoSL that the implementation of the SLFMIS will also result in capacity building for the Ministry of Finance and eventually all government institutions as we improve not only our practices, but also transparency and connectivity.

I congratulate all the participants of this and upcoming training and deployment sessions and I wish them every success in implementing this revolutionary step.

Thank you.