

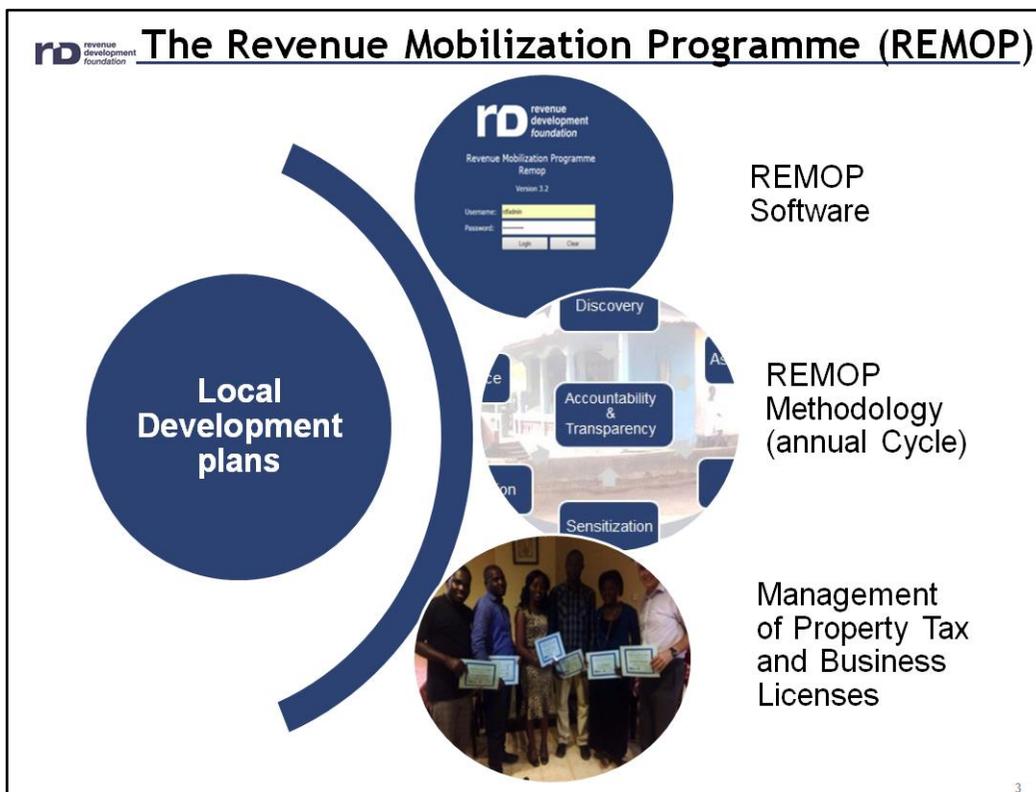
Strengthening Local Government Revenue Mobilization

The REMOP Experience in Mzuzu, Malawi

May 2018

REVENUE DEVELOPMENT FOUNDATION (RDF)

- RDF was established in 2009 as a **non-profit consultancy seeking to support governments to increase domestic revenues.**
- RDF provides advisory services and technical solutions to governments in Developing countries focused on improving revenue collection and management in two areas;
 - 1) Central government administration of natural resources, and
 - 2) Local Government Property Tax and Business Licences



•*Definition of the REMOP*

the Revenue Mobilization Programme (REMOP), a systematic and effective tax administration system and steps designed to support local governments in defining / implementing a viable and fair method in property valuation and mobilizing and managing revenues from property taxes and business licenses.

The programme follows a cycle and sequence of 6 steps required for a successful transparent and accountable revenue mobilization

The programme is based on two tools:

- The REMOP software : a system that records all properties, their evaluation, calculates the taxes, issues the Rate Demand Notices, manages appeals, records revenues, produces reports

- The REMOP methodology based on a cycle of 6 steps that is implemented every financial year.

Team :The REMOP Programme uses international specialist expertise and national trained staff to undertake implementation. The focus on community involvement and participation ensures ownership and sustainability.

Activities typically include an initial technical assessment, numbering of streets and houses, procurement of equipment and installation of the system, staffing, training on system usage and REMOP cycle methodology, support in implementation of the cycle, lighter support on the second annual cycle.

This approach can help municipalities build credit worthiness in the hope of benefiting loans from development banks.

Goal

Strengthening local government Revenue Mobilization to finance local development plans

Objectives

Introduce a systematic and effective program in selected councils for revenue mobilization from local property taxes and business licenses

Challenges

Benefits

Low revenue collection

Revenue Increase

Outdated valuation roll

Up to date valuation roll

High cost of valuation assessment

Economical

Poor revenue administration

Capacity building through training

Low taxpayer compliance

Increased compliance

Lack of mapping data and mapping skills

Teachable

Dependency on central Government Transfers

Aid dependence decreased

Broken social contract

Transparent collection process

Paper based and manual systems

Automated mass valuation

Unknown tax base potential

Broadened tax base

tech-challenged staff

User friendly system

- The programme's goal is to finance more structuring project from the local development plan, with the participation of the population, using the collected funds.
- The main objective is to introduce and train on a systematic and effective program to increase revenue collection from property taxes and business licenses in a sustainable and non-reversible manner.
- To improve administration efficiency through training and prolonged use of the system.
- *Boosting Transparency and Accountability* by keeping the public informed about the councils' ability to finance and prioritize development plan activities, increasing confidence.
- The programme also addresses key challenges faced by municipalities discussions with the MCC revealed low levels of tax collection rates in respect to the number of plots on the valuation roll.
- high administrative cost and restrictive legal requirements of valuation methods in Malawi.
- the inability for councils to provide adequate services that meet the expectations of taxpayers, which in turn exacerbates taxpayer's willingness to pay city rates.
- As you see on the table each challenge had a solution with the implementation of the REMOP.

What is Property Valuation

- **Property valuation** is the process which determines the economic value of real estate.

- A property's value can be estimated in three different ways:
 - ❖ **Market approach**
 - ❖ **Cost approach**
 - ❖ **Income approach**

- **Computer Assisted Mass Appraisal techniques**
 - ❖ **ReMoP Points approach**

Traditionally, A property's value can be estimated in three different ways:

Market approach

assessor compares property to similar properties that have recently sold typically used to value residential, vacant, and farm properties

Cost approach

assessor calculates the cost to replace a structure with a similar one using today's labor and material prices
subtract depreciation
add the market value of the land
used to value industrial, special purpose and utility properties

Income approach

assessor analyzes how much income a property (such as an apartment building) will produce if rented
takes into account:

- operating expenses
- insurance
- maintenance costs
- financing terms
- amount expected to be earned

-Assessors also use Computer Assisted Mass Appraisal techniques to analyze property sales and estimate values for multiple properties simultaneously.

- The REMOP Points approach is an example of automated mass valuation system. Which determines the value of a property based on a score of points attributed to features of a land or building.

RDF's POINTS BASED VALUATION APPROACH

- Points based valuation method assigns points to specific features of a building. It awards more points for attractive features or deducts points for poor features. This allows to bypass the complicated and expensive traditional valuation.
- This method is progressive in that higher-value buildings carry a higher burden than lower-valued buildings.
- Advantage in choosing the points based system is that minimal expertise is required, automation is straightforward with basic technology and inexpensive.
- Cost effective, Transparent, Accountable.

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- “points based” valuation method assigns points to specific features of a building. It awards more points for attractive features or deducts points for poor features. This allows to bypass the complicated and expensive traditional valuation. (The points-based approach is recommended in localities where the tax amounts are small, but property valuation is costly.)
- This method is progressive in that higher-value buildings carry a higher burden than lower-valued buildings.
- A major advantage in choosing the points based system is that minimal expertise is required, automation is straightforward with basic technology and inexpensive, transparency can be achieved.
- The system relies on non-subjective characteristics, which helps ensure that the valuations are perceived by taxpayers as being fair and equitable.
- **In Mzuzu** there was need for a cost effective method of mass valuation like the REMOP; a system for improving collection and management of locally generated revenues. So **the Point based system was voted by council and adopted for property assessment.**

RDF REMOP Software

<input type="button" value="Cancel"/> <input type="button" value="Save"/>	
Property Code	119098
Type	Domestic
01 Location Band	B (0.00) ▼
02 Road Frontage	Yes (0.00) ▼
03 Road Surface	Earth (0.00) ▼
<input type="button" value="Payment of 95000 saved successfully"/>	
Property: 2609	
<input type="button" value="Property 2609"/> <input type="button" value="Payment"/>	
General Information	
Code	2609
Status	Billing
Type	Dwelling
Address	Old Mabanta Road 64
Commercial Building Name	
Regions	<ul style="list-style-type: none"> • District: Bombali • Chiefdom: Makari Gbanti • Town: Makeni • Ward: 232
Owner	Tholley, Saffie
Tenant	
Balance	Tax Bill = 99,398.82; Outstanding = 4,000.00; Arrears = 0.00; Penalty = 0.00%
Collection	Chernor L. Koroma on 10 Oct 2015
Assessments	
Payments	

- **Powerful functionalities**
 - Assessment module
 - Payment module
 - Billing module
 - Appeals module
 - Automatic PDF reports
 - Bulk amendments
 - Rate Demand Notices Bulk Process
 - Archive and Rollover

- **Allows efficient data entry with restrictions to ensure accuracy**
 - Separate workspace for properties and licenses
 - Data management module

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- The Revenue mobilization software is not only a recording tool but also a compliance tool designed to help municipalities manage, track revenue collection and monitor taxpayers' compliance rate.

- **The system provides powerful functionalities such as:**
 - An assessment module which captures properties assessment and calculates points by which area and mill rate are multiplied to obtain tax bill.
 - A payment module, which tracks payment history and receipt numbers per property.
 - A billing module, which provides for Rate Demand Notices printing in bulk per neighbourhood, per street and per property.
 - An appeal module, which allows taxpayers to register an appeal for a reduction in tax bill.
 - An embedded scanning function for receipts, appeal letters and other documents linked to each property profile.
 - An automatic Excel and PDF report function to produce reports on all payments recorded on the system, all defaulters during the compliance stage, ratebooks and or on all properties that have been marked as 'Under Construction' during their assessments for the current tax year. These reports are grouped and sorted by owner and address.

- **Highly usable-** The system is easy-to-use and light weight. Allowing users to achieve their tasks easily and efficiently without frustration.

RDF's ReMoP Annual Cycle

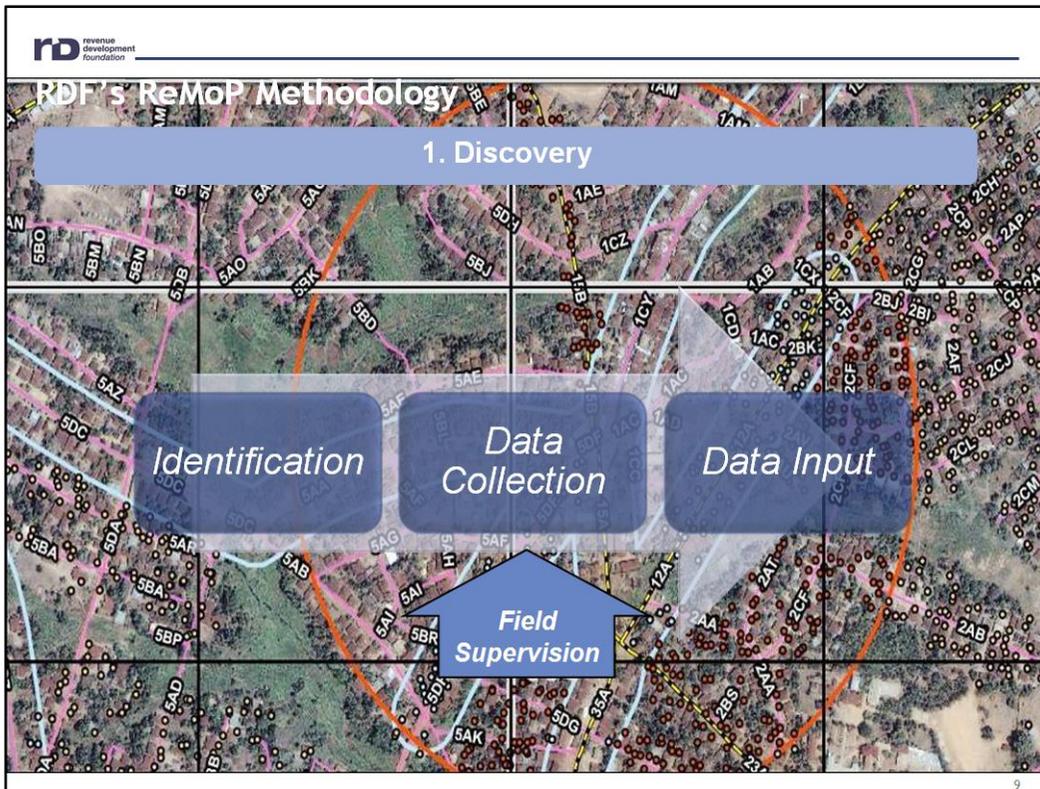


Standardized Methodology to ensure sustainability

ReMoP follows a **6 logical steps**:

1. **Discovery:** numbering and indexing all existing properties. Collection of properties characteristics.
2. **Assessment:** the software calculates each property value (points) and associated tax.
3. **Billing:** issuance and distribution of Rate Demand Notices
4. **Sensitization:** a broad campaign to publicise the tax and sensitize taxpayers, during the entire duration of the cycle
5. **Collection:** monitoring of incoming payments, processing appeals and settling disputes, reports
6. **Compliance:** collaboration with local judiciary system to ensure revenue mobilization

The steps follow the local tax year and are repeated for the second year of the implementation of the project, during which RDF's support is gradually reduced for the council to take over operations for ensuring sustainability of the system

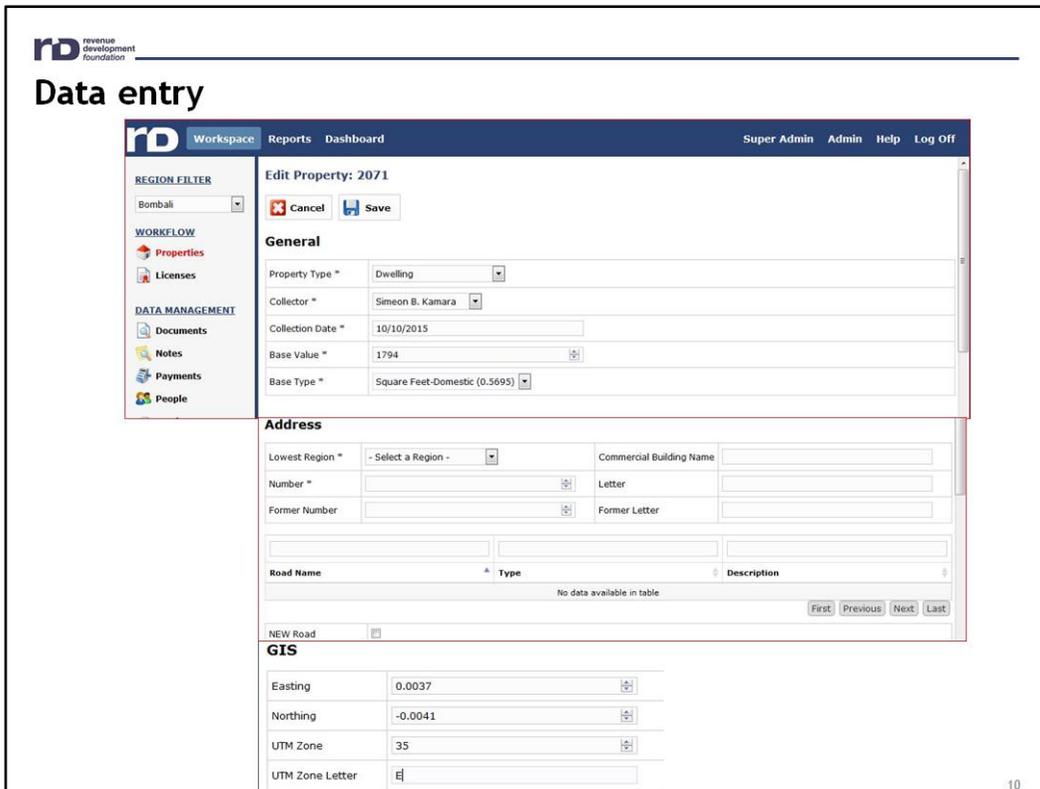


During discovery **A full Geographical Information Survey was undertaken for the City of Mzuzu to establish the boundaries of neighborhoods or wards as they call them over there, and to identify streets.**

- A thorough identification of each building by assigning numbers, coding the streets where the buildings are identified, then posting signage of streets names (names chosen by the communities) was done.
- Measurements of the building exterior, together with a GPS reading of the location of the buildings were collected and recorded onto the assessment form. This form is also used to evaluate the features of each building and land, whether commercial or residential.
- Field Supervision after data collection for quality assurance is required at this step to ensure correct data and measurements are recorded.

(Incorrect data or measurements will deter tax payer confidence and discourage payment. The method of supervision used in ReMoP is to check a sample of forms each day and of each team data, performed by a field supervisor .)

- Data Input: Then All the data collected is entered into the ReMoP Software. (Since this is a long task subject to errors it is usually done by two data entry clerks, with a supervision review.)



- This is an example of the data input or registration stage on the REMOP software

This is the registration stage where the data that was collected on the field is entered in the system. The data pertains to general information such as the property type, the name of the officer who collected the information, the collection data, the size, the address, and the names of owner and tenant if applicable.

- Each property is geo referenced and the GIS coordinates of each building is also entered at this stage and linked to owners profile with a map module for visualization.



During the assessment and appeal phase:

- The measurements of each building are recorded and multiplied by a factor that differs for commercial and residential building types to obtain the Initial Rateable Value.
- Adjustments*: Then the initial rateable value is adjusted for certain features of the building to create the Annual Rateable Value. (Council personnel are included in setting the extent of the points for each building feature.)
- Mill Rate*: The Council adopted Mill rate, is multiplied by the Annual Rateable value, to determine the tax bill. (The total tax calculated by the ReMoP software should be set against the budget and the Development Plan .)
- Note that the mill rate for domestic buildings is lower than the mill rate for commercial buildings. (Municipalities are encouraged to pay attention not to put too much pressure on the population.)
- Appeals are encouraged because the purpose of the REMOP is to be fair – so encouraging people to come to the valuation office is a priority and can be made through sensitization. Correct basis of assessment is important so that the tax payer is confident that the burden is fair

Assessment Module in the Software

Property: 306899

Edit
Assessments
Send to Assessed
Send to Billing

General Information

Code	306899
Status	Data Entry
Type	Domestic
Address	914 Road 52
Commercial Building Name	
Regions	<ul style="list-style-type: none"> • City: Mazuz • Ward: Chipitaka • Neighbourhood / Cluster: CL009/092
Owner	Makungwa, D
Tenant	
Balance	Tax Bill = 0.00; Outstanding = 0.00; Arrears = 0.00; Penalty = 0.00%
Collection	Lovness Namankhwa on 22 Oct 2013

Assessments

Base	2,184.00 Square Feet-Domestic (0.5695)
Assessments	<ul style="list-style-type: none"> • 01) Street Frontage: Yes (0.05) • 02) Street Paved (Dom): No (0.00) • 03) Location Band (Dom): A (0.15) • 04) Style: One Storey (0.00) • 05) Ground: Yes (0.00) • 06) Wall Construction: Concrete (0.20) • 07) Wall Condition: A (0.15) • 08) Roof Cover: CI Sheet (0.00) • 09) Roof Condition: A (0.15) • 10) Windows: Metal / Glazed (0.10) • 11) Verandah: Open (0.05) • 12) Balcony: No (0.00) • 13) Toilet Facilities: In and Out (0.20) • 14) Water Supply: Hand Pump Well (0.15) • 15) Water Tank: No (0.00) • 16) Compound (Dom): No (0.00) • 17) Electricity Supply: Yes (0.05) • 18) Garage: No (0.00)

Cancel
Save

Property Code	119098
Type	Domestic
01 Location Band	B (0.00) ▼
02 Road Frontage	Yes (0.00) ▼
03 Road Surface	Earth (0.00) ▼
04 Accessibility	Good (0.00) ▼
05 Expansion Potential	Some Potential (0.08) ▼
06 Drainage	Very Wet (-0.20) ▼
07 Sanitary	Septic Tank (0.02)

Payments	
Documents	
GIS	

- After the registration of a new property and owner in the system, a unique property code is generated.
- The land features and building features that are supplied on the assessment form are also entered at this stage in the system leading to the calculated points value of the property which are used to calculate the amount of the tax bill.

Taxpayers' Appeals Module in the software

FUNCTIONS

- Bulk Amendments
- RDN Bulk Process
- Modify Properties**
- Modify Licenses
- Archive & Rollover
- Delete

Appeal Properties in Mzuzu

Appeal **Arrears** **Penalty**

Cancel **Appeal**

Appeal Note - Property 119098

Cancel **Save**

Property Code: 119098

Note *
(max 255 characters)

change features;change location band from A to B,change sanitary from pit latrine to septic tank.

Appealed in Bombali

Data Entry **Assessed** **Billing** **Appealed**

New Property

Property Code	Address	Ward	Type	Owner	Tenant
VS&X 10028	Bandi Lane 4	Makani Gbanti	Dwelling	Kamara, Gbandah	
VS&X 100182	D- Line 4	Makani Gbanti	Dwelling	Tarawalla, Mohamed	
VS&X 100226	D- Line 1	Makani Gbanti	Dwelling	Koroma, Iatu	
VS&X 100154	Timbo (Car Wash) Drive 1	Makani Gbanti	Dwelling	Sesay, Andrew	
VS&X 100264	Mathonka Street 18A	Makani Gbanti	Dwelling	Koroma, Amadu	
VS&X 100240	Mathonka Street 13	Makani Gbanti	Dwelling	Turay, James	
VS&X 100426	Mathonka Street 20A	Makani Gbanti	Dwelling	Koroma, Amadu	
VS&X 100019	Timbo (Car Wash) Drive 11A	Makani Gbanti	Dwelling	Conteh, Abbas	
VS&X 100318	Mathonka Street 18	Makani Gbanti	Dwelling	Koroma, Amadu	
VS&X 100372	Mathonka Street 12	Makani Gbanti	Dwelling	Bangura, Samie	
VS&X 100299	Mathonka Street 14	Makani Gbanti	Dwelling	Fonah, John	
VS&X 100453	Mathonka Street 20	Makani Gbanti	Dwelling	Koroma, Amadu	

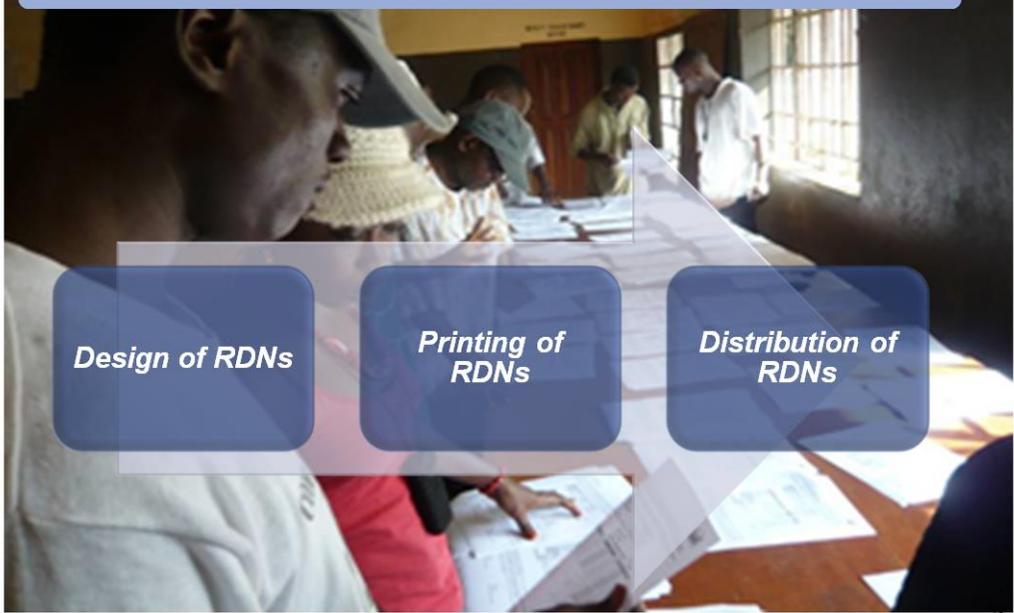
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- Taxpayers can lodge an appeal against the Valuation, if they feel that valuation is not fair.
- The appeals committee decides whether to reduce or maintain the tax bill amount.
- When the valuation is reviewed down, some of the building or land features are reassessed and modified for lower points in the assessment module.

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RDF's ReMoP Methodology

3. Billing



The Billing stage involves:

- Rate Demand Notices (RDNs) are designed and issued with a summary of the features evaluated against points given to each feature. The RDNs are labelled with an official logo of the Council, to ensure the receiver it is an official document of the Council.
- Two signatures are needed: the Mayor or Chairman and the Chief Administrator, to ensure that both the politicians and the administration are supporting the requirement to pay property tax and business licences.
- The printing of the RDNs is done in bulk directly through the REMOP system, sorted by address.
- Distribution of tax bill are done systematically to all tax payers, with a waybill (delivery) form filled out to ensure receipt.
- Distribution of RDNs is done by the field team who carried the initial assessments, since they would have already received training on map reading.

Billing Module in the software

Property successfully sent to Billing

Property: 2609

Property 2609 Payment

General Information	
Code	2609
Status	Billing
Type	Dwelling
Address	Old Mabanta Road 64
Commercial Building Name	
Regions	<ul style="list-style-type: none"> District: Bombali Chiefdom: Makari Gbanti Town: Makeni Ward: 232
Owner	Tholley, Saffie
Tenant	
Balance	Tax Bill = 99,398.82; Outstanding = 99,000.00; Arrears = 0.00; Penalty = 0.00%
Collection	Chernor L. Koroma on 10 Oct 2015
Assessments	
Payments	

- Once features of the property have been assessed, the form is sent to the billing stage to get the calculated figure of the amount to pay.
- The tax bill is obtained by multiplying the points value of each property by the mill rate..
- Tax bill is rounded down, meaning that the system will calculate a bill of MWK 9,800, but the owner will pay MWK 9,000 .
- The Rate Demand Notices (RDNs) are generated and printed for distribution.
- Trained officers prioritize distribution of RDNs to high value properties
- Note that the mill rate is defined by the council and entered in the system during configuration by an administrator.
- The minimum amount is agreed by the city council

Rate Demand Notice Form

Mzuzu City Council



Property Rate Demand Notice 2014
 You are hereby served this Demand Notice for the payment of the Mzuzu City Rates Property Tax for the year July 2014 to June 2015. This Notice is pursuant to Part VII of the Local Government Act 1998. Please read this Notice carefully. If you have any questions with respect to the information or with respect to the calculations of Tax, please contact the Valuator Officer at the Mzuzu City Office located at the stadium. This Officer will be pleased to assist you.

Property Code: 1512756 Address: 8 Sir Martin (913) Road
 Owner: Gondwe, Natasha Region: Neighbourhood / Cluster : KA002/002
 Tenant: Nsomba, Paul Ward : Katswa
 Property Type: Domestic City : Mzuzu

Base Measure:	Dwelling for residential use	Feature	Result	Adjustment
Base Value:	255.00	01 Location Band	A	25.00 %
Base Factor:	x 100.00 %	02 Flood Frontage	Yes	0.00 %
Initial Rateable Value:	255.00	03 Road Surface	Gravel	0.00 %
		04 Accessibility	Good	0.00 %
		05 Expansion Potential	Some Potential	8.00 %
		06 Drainage	Dry Fall	0.00 %
		07 Sanitary	Septic Tank	2.00 %
		08 Landscaping	Average	3.00 %
		09 Special View	Some Appeal	5.00 %
		10 Fence	Timber	5.00 %
		11 Electricity Mains	Yes	0.00 %
		12 Water Supply	Main Water	0.00 %
		13 Water Tank	Yes	12.00 %
		14 Type	None	0.00 %
		15 External Wall	Fixed Brick	5.00 %
		16 Wall Finish	None	0.00 %
		17 Wall Condition	A	15.00 %
		18 Benches / Boys Quarters	Yes	12.00 %
		19 Roof Cover	IBR	5.00 %
		20 Roof Guttering	Yes	12.00 %
		21 Roof Condition	A	15.00 %
		22 Air Conditioning	No	0.00 %
		23 Garage	Integral	20.00 %
		24 Verandah	None	-5.00 %
		25 Windows	Water / Glazed	7.00 %
		Sum of Value Adjustments:		-46.00 %

Sum of Value Adjustments:	146.00 %	372.30
Initial Rateable Value:	+	255.00
Annual Rateable Value:		627.30
Mill Rate:	x	165.00
Property Tax Payable:		103,504.50
Arrears:	+	0.00
Penalty: 0.00 %	+	0.00
Payment(s) Made:	-	0.00
Total Payable (rounded down to nearest 1,000)		103,000.00

You are required to make payment at Maikwe Savings Bank branch now at Civic Office. Payment is due on July 1st 2014. Payment will be accepted either in one sum or in 4 Quarterly payments commencing on 1st July. If payment is not made by October 31st 2014, the owner shall be deemed to have refused or neglected to pay and penalties or action described below will be implemented. Penalties: Take note that non-payment of Property Tax is subject to an Action through the Courts. Late payment charges are severe and applied at 25%. To secure occupancy for tenants a By-Law is being considered to oblige Tenants to pay and deduct the amount from the Rent paid to Owners. Tenants are thus encouraged to pay Property Tax.

Thomas Chirwa, Chief Executive Officer

Khumbo Masakhulu, Director of Finance

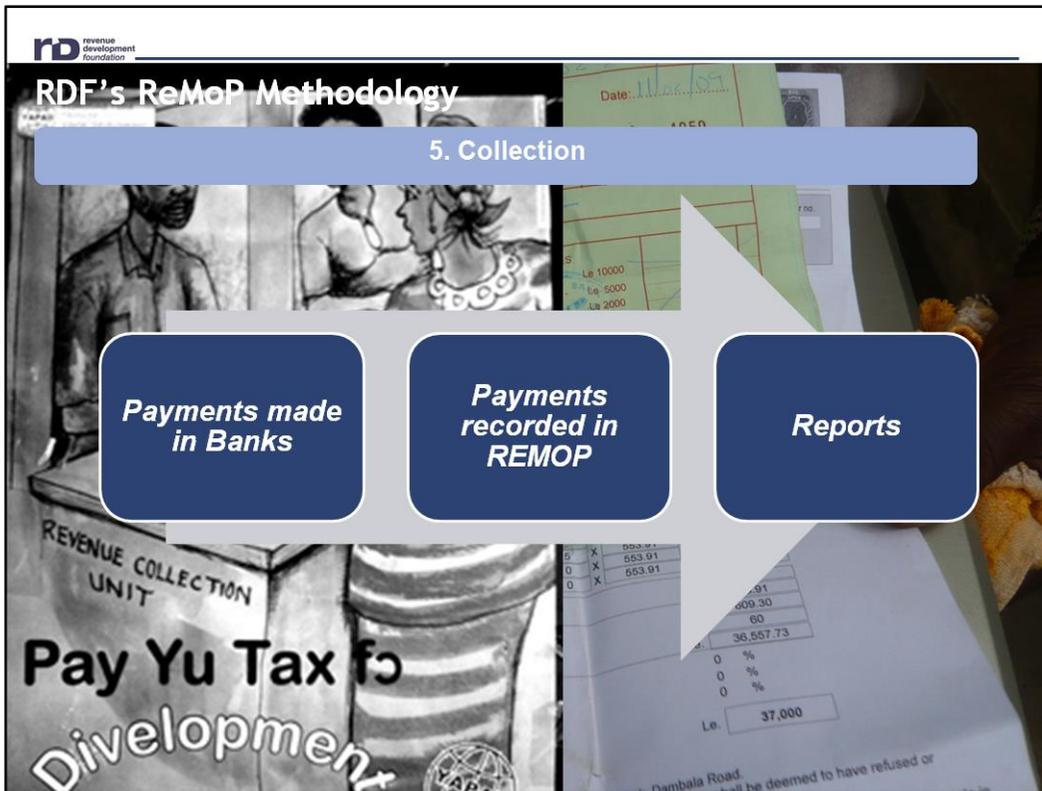
- This is an example of a Rate Demand Notice detailing the score for each criteria, the overall score, the mill rate, the total amount to pay.
- The format of the RDN is customizable on the system and adapted to match financial year.
- The text is adapted to fit each specific Council, with special emphasis made to the Bank name and the Bank address, and the appropriate year.

RDF's ReMoP Methodology

4. Sensitisation



- Sensitisation is conducted at the beginning of the project and is expected to continue throughout the programme. Its aim is to inform and sensitise tax payers on the needs and benefits of paying taxes to the local government.
- Sensitisation is a key feature of a successful ReMoP program. It is crucial to increase tax payers confidence and thus participation rate.
- An effective medium of communication is radio. Each locality is generally covered by at least one radio station and this programming can be linked or copied to other stations in the District.
- Banners, permanent signs, or mobile PA systems can also be effective, if displayed/used at strategic locations.
- Other methods that have had proven success in Sierra Leone include ward meeting; street theatre; announcements at local church; mosque or football match; vehicle signs; posters; newspapers; and signs on visible projects implemented using collected taxes.
- Local councils are also encouraged to share the results of the collection and discuss the development plan with the local population as well.
- Ward meeting to inform t



- Using revenue collectors gives rise to corruption opportunities, so it is strongly recommended that the payment of taxes and licences is done through a local bank.
- Sensitisation on the method of payment and the reasons for payment of tax is crucial.
- One or two banks are selected by the Chief Administrator and should be the bank with the most branches throughout the District.
- The payments are then recorded and receipts scanned directly in REMOP property profile
- And customized reports can be issued.

Payment Module in the Software

Payment of 95000 saved successfully

New Payment - Property 2609

Tax Bill	99,398.82
Arrears	0
Penalty	0
Payment History	
Total Paid	0
Outstanding	99,000
Amount *	95000
Date Paid *	21/06/2016
Receipt *	DemoPurpose

Property: 2609

General Information

Code	2609
Status	Billing
Type	Dwelling
Address	Old Mabanta Road 64
Commercial Building Name	
Regions	<ul style="list-style-type: none"> District: Bombali Chiefdom: Makari Gbanti Town: Makeni Ward: 232
Owner	Tholley, Saffie
Tenant	
Balance	Tax Bill = 99,398.82; Outstanding = 4,000.00; Arrears = 0.00; Penalty = 0.00%
Collection	Chernor L. Koroma on 10 Oct 2015

Assessments

Payments

Payments	<ul style="list-style-type: none"> 95,000.00 on 21 Jun 2016 for tax year 2016
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Documents

GIS

History

- Payments are collected and recorded directly into the system from the accounts office. Receipts of payments are also scanned
- At this stage if there is an outstanding balance, it will automatically show in the outstanding box. Similarly for penalties and arrears due to defaulting

RDF's ReMoP Methodology

6. Compliance



- This stage involves the Magistrates Court and will normally see the vast majority of summoned defaulters pay prior to the Court hearing.
- Only a few cases will reach Court.
- Taxes paid during first year voluntarily, will naturally be small, even with all of the sensitization, incentives and penalties.
- In the first year this stage is arduous and long but in future years it becomes easier as tax payers become more familiar with the programme.
- Solicitor, Magistrate and Court Clerk are closely involved in discussions and formulations of Plaintiff Notes
- Revenues collected from property taxes can be as low as 0 before the implementation of the project. Usual target is to reach 50% of compliance rate by the end of the first year and 70% by the end of the second year. It usually doesn't go much higher than 80% on the long run.

RDF's ReMoP Methodology

6. Compliance

CIVIL SUMMONS

STATEMENT OF CLAIM:

The Plaintiff claim against the defendant is for:

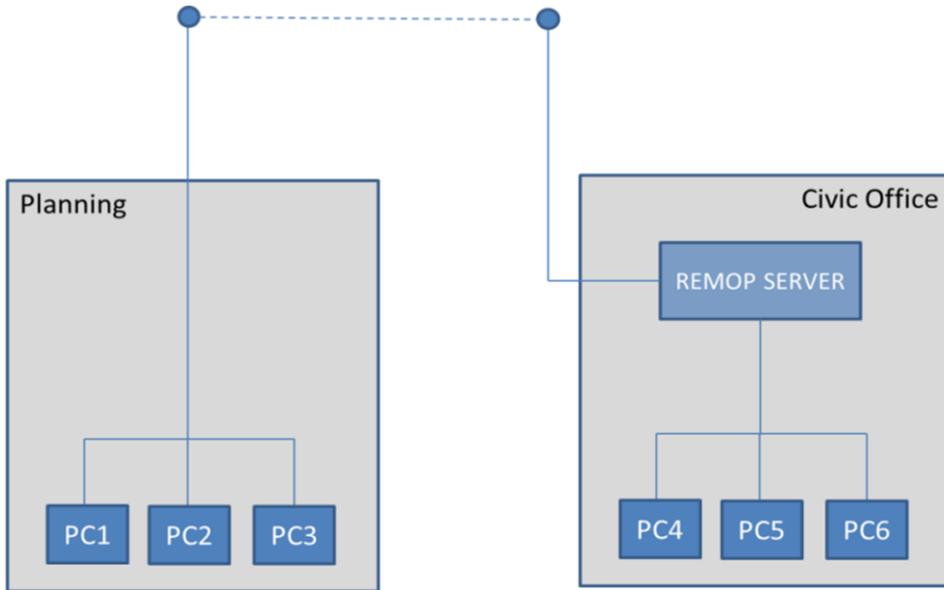
1. Recovery of the sum of L. 254,000
2. Penalty for late payment at 25% on (1) above for late payment
3. Interest of 15% per annum from the time the above became due and owing till the delivery of Judgment.
4. Cost

PARTICULARS OF CLAIM

1. The Plaintiff is at all material times of this Action a Chief Administrator of a Local Council under the Local Government Act 2004 and the Defendant is the purported owner of the building at **3 SANDI STREET, NEW YORK BO**
2. The Plaintiff has assessed a value for the building at **3 SANDI STREET, NEW YORK BO** and Bo District Council at its November 2011 meeting adopted a uniform annual rate for 2012 for the **DWELLING** class of building resulting in a calculation of a property rate tax, and in furtherance thereof the Plaintiff issued and delivered a Rate Demand Notice.

Magistrate reviewing defaulters files.

Network Set up



- The system was installed at the planning office in Mzuzu Malawi to facilitate the Discovery stage of Phase I and at the Finance department for the Billing and collection phase. During this stage three personal computers on a network were used to enter field survey information.
- The solution was designed to give the council an all-around access to the system across the main departments in charge of REMOP activities.

Results: Mzuzu City

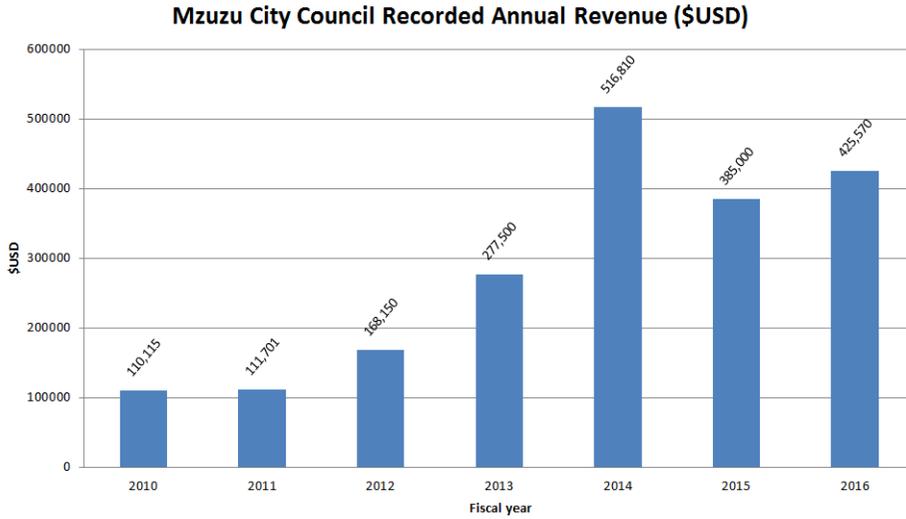
- 40,031 properties valued vs 10,037 before REMOP programme.

Location	Number of registered properties before REMOP	Number of Registered Properties after REMOP
Chibanja	1,009	1,557
Chibavi East	978	2,069
Chibavi West	719	1,247
Jombo and Kaning'ina	746	1,046
Chiputula	1,028	3,344
Katava	494	1,062
Lupaso- Nkhorongo	903	1,750
Luwinga	1,602	4,918
Masasa	606	3,296
Mchengautuwa West	181	643
Mchengautuwa East	619	8,785
Mzilawaingwe	59	548
Msongwe	495	1,421
Zolozolo West	392	4,446
Zolozolo East	206	1,458
Total	10,037	40,031

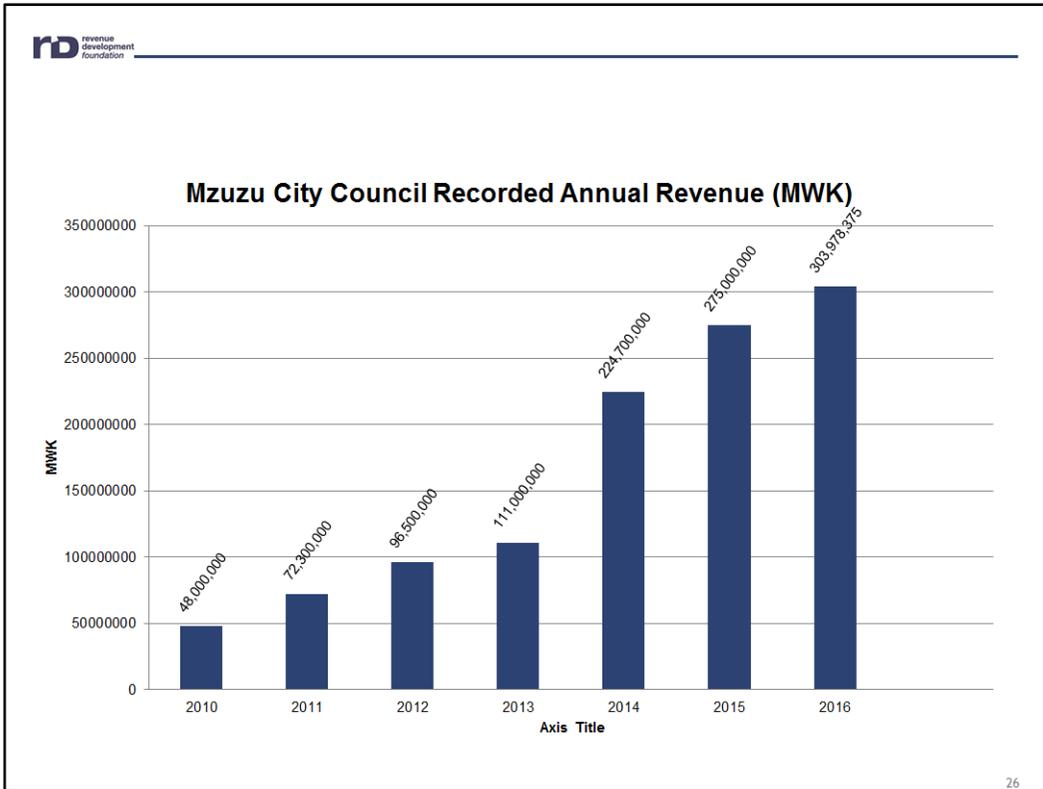
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- This table shows the number of properties valued per ward before the implementation of the REMOP methodology against the amount of properties registered in the system after the implementation of the REMOP.
- More properties captured in the REMOP system increased the tax base for the Mzuzu city council and led to revenue increase. As will be shown in the next slide.

Revenue increase before and after the implementation



This slide show the revenue increase in USD before, during and after the implementation of the REMOP. There is a decrease in 2015 fiscal year due to drastic changes in Exchange rate USD- MWK. The following slide will show a steady increase in Malawian Kwacha after the project.



- Revenues almost doubled in the fiscal year 2014/2015, during the second year of the REMOP implementation.

- The following fiscal year (2015/2016) revenues slightly increased and remained steady.

- This increase allowed the council to finance various services as will be shown in the next slide

Project Implemented Following the REMOP

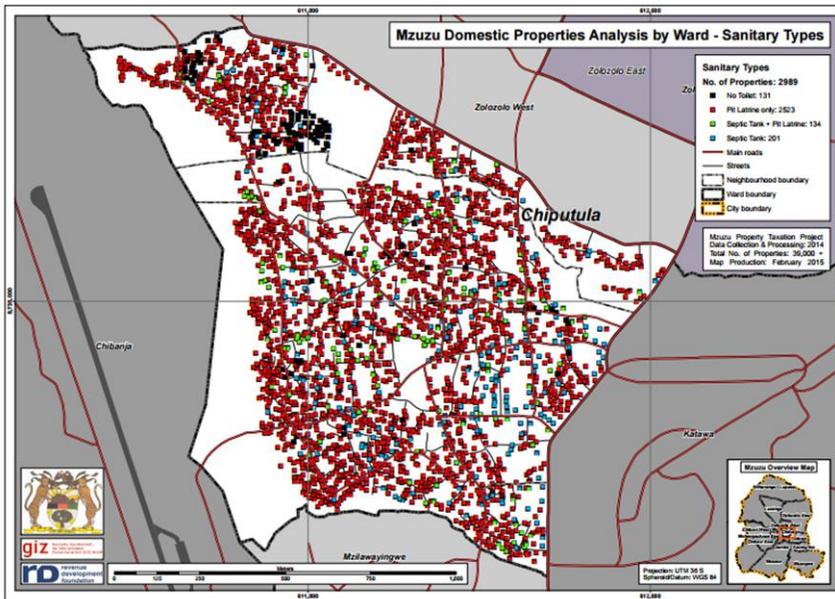
PROJECT ACTIVITY	MK	US\$
Mchengautuwa road upgrading	MK 2, 700,000.00	3,600
Ching'ambo bridge	MK 4,325,994.50	5,768
Zolozolo clinic ablution	MK 7,000,000	9,300
Stadium wall maintenance	MK 5,000,000	6,700
Car park at Town centre	MK15, 000, 000	20,000
Vehicle / Hearse purchase	Mk125,000,000	167,000

Source: Mzuzu City Council, Engineering department, June 2016



- Some projects implemented following the REMOP include classrooms, drainages structures, ablution blocks, staff houses and the improvement of roads condition.
- Many ward benefited from improvements as shown in the table.

Discovery



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- Based on Property Survey conducted by Mzuzu Council and Revenue Development Foundation in late 2014, 39,000 residential buildings were registered for property tax purposes.
- The survey conducted provided the planning office with detailed maps on details about quality of housing, Sanitary Types within each household. Other Ward maps include household water access, house building quality.
 - See <https://revenuedevelopment.org/page/maps>

Other achievements

- **58% Compliance rate increase for year 2014/2015 vs 10% at project start.**
- **Memorandum of understanding signed between council and civil society**
- **Streets named with the collaboration of residents and sign posts installed**
- **REMOP process training manual developed and shared with municipality**

Challenges Lessons Learned

- Increasing the compliance rate

- Local Government Act (LGA)

- Fairness-Progressiveness

- Street signage vandalism

- Enforcing compliance has been one of the most difficult steps of the REMOP to implement. The biggest challenge encountered in regards to compliance was the political will of the council to take action against defaulters, especially wealthy property owners.

- The act mandates that only registered Valuers can perform valuations. However there are limited numbers of registered Valuers in Malawi, which makes valuations costly and lengthy.

- The balance between fairness and progressiveness was a bit hard to attain (in my opinion). It was noted that retirees, having invested a lot of money into the construction of their homes were receiving high tax bill. Some complained they did not have high income generating activities and therefore would be reduced to poverty if they had to pay high amount of taxes.

- Vandalism of some street signs due to the fact that they were placed very low to the ground or because some street names had not received the approval of all members of the community.

Thank you for your attention!

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