WORKING WEEK 2025
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Geospatial Council of Australia
Collaboration, Innovation and Resilience: Championing a Digital Generation
Brisbane, Australia 6–10 April

Banding System for Property Taxation in Fragile Economies: Insights for Bosaso Municipality, Somalia

Authors
Victor OLONDE, Kenya,
John GITAU, Kenya,
Balqesa SHEIKH, Kenya,
Sophos SOPHIANOS, Kenya

Affilliation
UN-Habitat, Global Land Tool Network (GLTN)

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Introduction

Context & Problem

Property tax is vital for **local revenue**, **governance**, and **urban development**

In **Somalia**, municipalities face:

- Severe **resource constraints**
- **Lack of data** and weak **institutional capacity**
- Fragile **regulatory frameworks**
- **Political instability** and elite land market manipulation

Impacts

Poor tax collection limits **public engagement** and **service delivery**

Erodes **trust** and **legitimacy** of local governments

Entrenches inequality, particularly for **displaced** and **marginalized groups**

Overview of Bosaso

- **Rapid Urban Growth:** Significant urban and population expansion driven by the city's role in hosting displaced communities

- **Legislative Progress:** Introduction of forward-thinking policies focused on urban development, land administration, and conflict resolution

- **National Benchmarks:** Urban land management laws and regulatory frameworks established as leading models for the country

- **Economic Aspirations:** Efforts to boost economic growth led to reclaiming land originally designated for internally displaced persons (IDPs)

- **Service Improvement Priority:** Emphasis on enhancing urban services and integrating IDP communities into the city's development initiatives

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Study Focus

Explores the **banding system** as an alternative to the **ad valorem property tax**

Aims to assess **feasibility** and **equity outcomes** in Bosaso Municipality

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The Concept of Banding System

A banding system classifies properties into value bands with fixed tax rates

Shifts from ad valorem (value-based) to fixed-band taxation

Properties grouped into value bands (e.g. low, medium, high)

Simplifies assessment in data-scarce, capacity-constrained areas

Reduces dependence on precise property valuations and administrative burdens.

Examples: UK Council Tax (historical banding), Ireland, Kosovo, Sierra Leone

Proposed Banding System in Bosaso

Introduces a structured 6-band system (A–F) replacing area-based methods

Neighbourhoods zoned band ratings assigned per zone using proxy variables

Six valuation parameters include: land, infrastructure, services, demography, financials, and building features

Avoids costly individual valuations and suited for data-scarce environments

GIS-based spatial mapping for implementation & review every 4 years

Exemptions: low-value properties, IDP shelters, mosques, schools

Community consultations ensure local economic & social relevance

Potential Implementation Challenges

Inadequate land ownership data and weak registries hamper fair band allocation

Community consultation for baseline values may lead to bias and inconsistencies

Ambiguous scoring/weighting system lacks transparency and may misrepresent local realities

Risk of malpractice due to weak oversight mechanisms in fragile governance settings

No dynamic mechanism to adjust bands with market, social, or political changes

Public distrust in taxation could hinder compliance without strong engagement strategies

Complexity of system needs technology and training support for effective rollout

Lacks clarity on integration with tech solutions like CAMA for scalability and accuracy

Way Forward and Considerations for Bosaso

Strengthen data infrastructure: Develop property registration system; use tools like STDM for regular data management & audits

Refine scoring & weighting: Adjust parameters to reflect local realities; ensure transparency for taxpayer confidence

Raise public awareness: Conduct campaigns and stakeholder engagement to build trust and community participation

Leverage technology: Expand GIS, implement CAMA, and digitize property records and tax processes for efficiency

Build local capacity: Train tax administrators; establish oversight bodies; promote collaboration with communities

Enable periodic reviews: Use external audits and integrate market data with community input for dynamic band updates

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The most relevant SDGs related to the presentation and theme of this session

SDG 1: No Poverty

Property taxation helps finance local services that reduce poverty, especially for displaced or marginalized

SDG 10:Reduced Inequalities

A well-designed banding system promotes equity by taxing fairly across property bands, even in data-poor

SDG 11: Sustainable Cities and Communities

Property tax revenues support infrastructure, planning, and resilience-key for post-conflict urban areas like Bosaso

SDG 16: Peace, Justice and Strong Institutions

Transparent, fair tax systems enhance trust in government and strengthen governance structures

SDG 17: Partnerships for the Goals

Banding systems benefit from collaboration between communities, local governments, and development partners

International Federation of Surveyors supports the Sustainable Development Goals