

RDF Urban Tax Administration System – Results from Mzuzu City Council, Malawi.

With support from the Revenue Development Foundation (RDF) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the revenues from property taxation of Mzuzu City Council increased by 200% during 2014-2015 compared to the entire previous financial year, and the City Council are currently heading for another significant increase in revenues from property tax by the end of the financial year 2015-2016. The Revenue Mobilization Program (REMOP) in Mzuzu has assisted the City Council in discovering and billing nearly 40,000 properties.

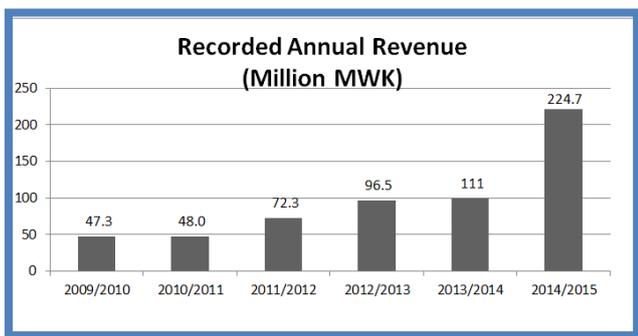
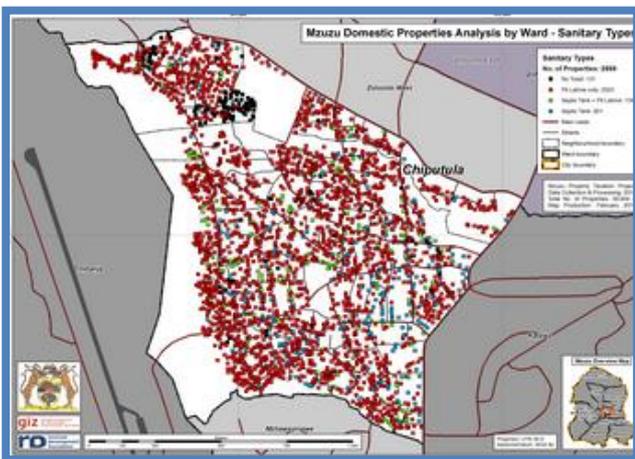


Figure 1: Mzuzu City Council doubled their revenues from property tax during 2014-2015, and are again heading for a significant increase for the financial year 2015-2016.

Figure 2: Based on Property Survey conducted by Mzuzu Council and Revenue Development Foundation in late 2014, nearly 40,000 residential buildings were registered for property tax purposes. The Ward Map below shows details on Sanitary Types within each household of chosen ward. Other Ward Maps, produced during REMOP implementation, include household water access, and house building quality.



Sensitization

A central element of the REMOP program is to strengthen the social contract between the City Council and its citizens as citizen engagement is viewed as critical to successful mobilization of local revenues from property rates. REMOP has a core sensitization component that brings the Local Council in front of the citizenry. The purpose is to discuss both charged rates and the benefits of services that the Council is to deliver in return. In Mzuzu, one of the many channels of sensitization has been the use of Ward meetings. These are small gatherings of 100 to 150 people usually at the weekends after prayers. A senior administrator and a Councillor plus the ward block leaders attend the gatherings together with Civil Society Organizations. Although brief initial introductory speeches are made, feedback from attendees is the most animated part of the meetings. The Council representatives hear frank and often outspoken views of society and its most urgent needs. Citizens can then hear from Council about the costs of the services and the need for individuals to make their tax payment contribution. The engagement through these types of interaction fosters a growing trust and a virtuous cycle of revenue mobilization leading to benefits for the local community

Figure 3 Mzuzu Ward Meeting

