FEDERAL GOVERNMENT OF SOMALIA
MINISTRY OF FINANCE

End-Year Budget Fiscal Performance Report
For Fiscal Year 2021

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Executive Summary

This report analyses the performance of the budget for the Federal Government of Somalia for financial year 2021. It particularly presents a brief discussion of the performance of the budget covering what was collected and spent relative to what was budgeted.

Government collected $376.5 million against a budget of $680.5 million, registering a performance of 55.3% and a -24% year on year growth. Domestic revenue performed at 85.1% while External Grants performed at 35.8%. This far lower-than-expected performance was largely attributed to the emergence of new COVID-19 variants and election-related political crisis which silently paralyzed the economic activities in the country and ended up lowering the domestic revenue base. Donors also suspended budget support to the country until elections are completed.

Expenditure amounted to $473.9 million against a budget of $666.5 million, registering a performance of 71.1% and -2% year-on-year growth. Compensation of employees claimed the lion's share of 53% compared to a share of 47% in 2020. There was a deficit of $97 million which was financed through withdrawals from the fiscal buffer, temporary advances from the Central Bank of Somalia (CBS), and proceeds from the IMF Special Drawing Rights (SDR) holdings distributed to the Ministry of Finance.

Fiscal year 2021 was the first year of NDP9 implementation. Due to insufficient revenues, Government only managed to spend 9% of the capital budget with which a number of projects were implemented such as installation of an oxygen plant at Martini Hospital to improve health care, construction of two prisons in Hirshabelle and Galmudug to contribute to strengthening of security, rehabilitation of Baledweyne/Bulokahin River embankment in Hirshabele, construction of six revenue centers and a taxation training institute in Mogadishu, construction of Ministries of Education buildings in Galmudug, Southwest State (SWS) and Banaadir, commenced rehabilitation and construction of 15 roads in the country, renovation of office buildings and the airport, and retooling government offices with ICT equipment to improve communication.

Key lessons learnt during the year are several. They include:

- Budget support was suspended, a reminder to Government to significantly improve domestic revenue mobilization to reduce reliance on grants. Budget support should not be counted on to last forever.
- Absorption of donor project funds continued to be low, with only 51.5% of the projects budget spent during the year, yet the projects do not suffer from revenue shortages like in the case for activities funded by government local funds. Government needs to thoroughly investigate the low absorption of project funds especially capex and use of goods and services (compensation of employees is doing well), and possibly consider introducing performance contracts for project coordinators.
- Continuous training of government officials in the application of the chart of accounts is needed. This will help in minimizing the wrong classification of revenue and expenditure objects and later improve fiscal analysis.
- Barriers between MDAs regarding sharing of performance information need to be removed. There may be need to sensitize government staff about the importance of working collectively for the betterment of Somalia.

Aggregate Spending and Revenue, Budget Balance and Financing

Aggregate Revenue

Government realized $376.5m in revenue in 2021, which was only 55.3% of the annual target and -24.2% lower than the collection for the last year although domestic revenue increased 8.7% year on year (see Table 1). Domestic revenue performed 85.1%, obstructed by weak performance of taxes on goods and services, customs and non-tax revenues which performed 78%, 85% and 77% respectively. On the other hand, income taxes and 'stamp duty and other axes' performed above target at 115% and 132% respectively. Effects of the COVID pandemic and election-related political crisis contributed to the weak performance in domestic revenue collection, having affected the normal flow of economic activities thereby lowering the revenue base. Grants performed far below expectations, at 35.8%. This was due to the suspension of budget support due to delays to complete parliamentary elections. The only budget support received came from the World Bank ($35.9m) and Turkey ($2.5m).

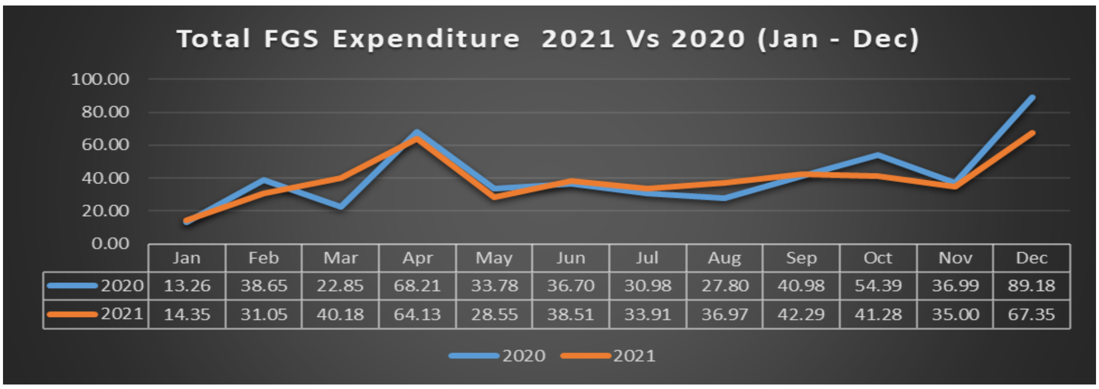
Table 1: Aggregate Revenue and Expenditure 2018-2021

Fiscal Variable	2019				2020				2021			
	Budget	Actual	Pfce	Y-t-Y%	Budget	Actual	Pfce	Y-t-Y%	Budget	Actual	Pfce	Y-t-Y%
Revenue	390.2	337.8	87.6%	22.3%	578.1	496.8	87.3%	47.1%	680.5	376.5	55.3%	-24.2%
Domestic Revenue	*221.4*	*229.7*	*103.8%*	*25.2%*	*167.5*	*211.2*	*130.1%*	*-8.0%*	*269.7*	*229.6*	*85.1%*	*8.7%*
Grants	*168.8*	*108.1*	*66.4%*	*16.4%*	*410.6*	*285.6*	*69.8%*	*164.2%*	*410.8*	*147.0*	*35.8%*	*-48.5%*
Expenditure	390.2	315.5	91.8%	17.9%	685.3	485.3	72.1%	53.8%	666.5	473.8	71.1%	-2.4%
Fiscal Balance	0.0	22.3			-107.2	11.5			14.0	-97.3		

Aggregate Expenditure

Government spent $473.9m in 2021, which was 71.1% of the annual budget and -2.4% lower than the expenditure for the last year. The underperformance was due to shortage of revenues. The largest expenditure went to compensation of employees, which accounted for 53% of total expenditure followed by goods and services 22%, transfers 10%, social benefits 8%, capital 3%, interest on debt 3% and subsidies 0.3%. As table 1 shows, expenditure was higher than the revenue during the year, leading to a fiscal balance worth $97.3m, which was financed through temporary advances from the Central Bank of Somalia, withdrawals from the fiscal buffer, and SDR drawings from the IMF. Most spending was recorded in the last quarter of the year (see Figure 1).

Figure 1: FGS Monthly Expenditure 2020-2021



Revenue Performance

Taxes on income, profits, and capital gains

A total of $ 15.21 million was collected against the target of $13.20 million in 2021, registering a performance of 115% and exceeding the collection for the previous year (2020) by 8.81%. This good performance was aided by income tax individuals which performed 122% compared to corporate tax which underperformed at 61.3%. The underperformance of corporate tax is attributed to low compliance. According to the Data obtained from SFMIS only a few companies paid corporate taxes in 2021 (**see table2**).

Table 2: Corporate Tax Revenue (2020 – 2021)

Tax Payers	2020	2021	Change
Hormuud	2,844,000	600,000	-78.90%
Amal Bank	1,372	668	-51.33%
Dah Bank	6,732	2,333	-65.34%
IBS Bank	1,612	1,876	16.35%
Premier Bank	48,644	259	-99.47%
R.A International	77,892	-	-100.00%
Other (Customs)	36,117	-	-100.00%
Other (Gadista)	96	-	-100.00%
Other (Macaashka)	165,305	314,412	90.20%
Total	**3,181,771**	**919,548**	**-71.10%**

Source: SFMIS

Taxes on property

This realized $0.58 million against the target of $0.60 million, registering a performance of 97% in 2021 and exceeding the collection for the previous year (2020) by 4.12%. All the revenue was realized from tax on immovable property as shown in annex 1.

Taxes on goods and services

A total of $23.43 million was collected from domestic excise tax in 2021 which is 78% of the annual budget and was 10.03% higher than the collection of the last year. Currently, 'domestic excise tax' is the only source of revenue of taxes on goods and services. The other sources namely Sales tax, Turnover tax on services (presumptive tax), Stamp Sales and Duty, Permission to use goods or perform activities, and Royalties are yet to be exploited.

Taxes on international trade and transactions

A total of $108.97 million was collected against the target of $128.04 million in 2021 which is 85% of the annual budget and was 19.66% higher than the collection for the previous year. The target would have been met if it was not for the poor performance of tax on Khat which performed 31% of target for revenue from khat whereas revenue from the rest of imports performed at 107%. The poor performance of khat was due to diplomatic misunderstanding in the region which led to a ban on khat imports from particular countries.

Other taxes (road tax, stamp sales, other stamp duty)

A total of $14.57 million was collected against the target of $11.01 million in 2021 which is 132% of the annual budget and was 30.64% higher than the collection for the previous year. There are four sources of revenue under this category i.e., Stamp duties of invoices and contracts (notary), road tax, other stamp duty, and stamp duty on customs. Apart from road tax which performed at 94% of annual target and -11.10% lower than last year's collection, the rest of the sources achieved and exceeded their annual targets as shown in annex1 (notary 236%, other stamp duty 137%, stamp duties on customs 103%). The target for notary appears to have been underestimated which led to the performance of 236% and year-to-year growth of 135%.

Non-Tax Revenue

Administrative charges

This source performed at 278% and registered 16.64% year-on-year growth. The high performance of 278% appears misleading. The information from the field shows the revenue from passport fees was lumped under administrative charges meanwhile the target for administrative charges remained unchanged hence the high achievement rate. When the targets for administrative charges ($2m) and passport fees ($4.66m) are combined the true performance becomes 83%. To enable good analysis there is a need to improve the classification of revenues in the chart of accounts at the collection points. That is, the recording for administrative charges and passport fees should be classified under the rightful codes (142201 and 142203 respectively) as it is done during budgeting.

Visa charges

Four million dollars was budgeted to this revenue source in 2021 and this target was far exceeded with the revenue worth $11.16 million registering a performance of 279% and exceeding the previous year's collection by 40.77%. The high performance is attributed to two factors 1) underestimation of the budget especially since 2019 as table 3shows, and 2) The change in policy for collection of visa fees which since 2019 visitors apply and pay for their visas before they travel to Somalia.

Table 3: Performance of Visa Charges 2015-2021

Visa Charges	2015	2016	2017	2018	2019	2020	2021
Budget	5.4	6.0	3.9	9.5	4.7	2.6	4.0
Actual	2.8	1.4	3.5	9.5	6.5	7.9	11.2
Performance	51%	23%	92%	100%	138%	315%	279%

Licence fees - Commerce and industry

This revenue source underperformed at 84% in 2021 unlike in 2020 when it overperformed at 185%. On the other hand, it exceeded the collection in 2020 by 6.63%. The observed underperformance could be addressed through the strengthening of revenue estimation for this source.

Harbor fees - Albayrak

This revenue source yielded $25.59 million in 2021 which was 90% of the annual budget and -18.37% lower than the collection in the last year. The under-performance and decline (year-to-year) could have been due to reduced cargo handled at the seaport as the result of election-related political tensions which paralyzed the economic activities in the country. The future analysis will need to benefit from the availability of in-bound and out-bound cargo data volume.

Work permits and other fees

A total of $0.68m was realized in 2021 which was 57% of target and -6.58% lower than the collection in the last year. This underperformance was partly caused by Covid19 and election-related political tensions which kept away several foreign workers from returning to Somalia in 2021.

Airport fees - Favori

This revenue source yielded $2.79 million in 2021 which was 85.6% of the annual budget and -14.8% lower than the collection in the last year. The weak performance of this revenue source is presumably attributed to diplomatic misunderstanding in the region during 2021 which reduced the number of flights in and out of Mogadishu (which affected the base for this revenue source).

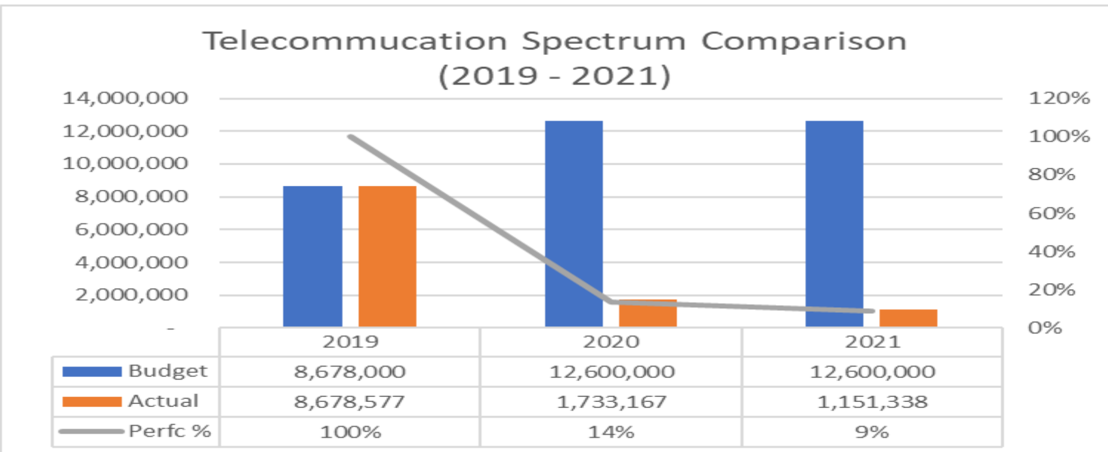
Fisheries license fees

A total of $2.61m was collected against the target of $2.10m thereby performing at 124.3% as well as exceeding last year's collection by 18.9%. Data relating to the number of licenses issued was not readily available, but licenses issued could have increased in 2021 compared to 2020, hence the observed good performance.

Telecommunication Spectrum fees

This revenue source yielded $1.15m against the target of $12.60m which was just 9.1% of the annual target and -33.6% lower than the collection of the last year. This is the second year where telecommunication spectrum fees underperform. In 2020 the performance was 14% unlike in 2019 when the performance was 100.01% (see figure1). Lack of enforcement and compliance appear to be responsible for the observed underperformance.

Figure 2: Revenue from Telecommunication Spectrum (2019 -2021)



Source: Revenue numbers downloaded from SFIMS

Overflight fees

Revenue from this source totaled $11.26 in 2021 against the target of $12.40m which was 90.8% of the annual target but -48.7% lower than the collection of the last year. The underperformance is presumably attributed to the reduction of flights using Somalia Airspace.

Harbor Fees

A total of $4.74m was collected from this revenue source against the target of $5m which was 94.8% of the annual target and 4.5% higher than the collection of the last year. The slight under-performance could have been due to reduced traffic of ships at the seaport as the result of election-related political tensions which paralyzed the economic activities in the country. The future analysis will need to benefit from the availability of in-bound and out-bound ship traffic data.

External Grants

A total of $146.95m was received during 2021 which was 36% of the annual target, however -49% lower than the grants received last fiscal year (see table4). This includes both budget and project support. Budget Support was received from only two sources namely Turkey ($2.5m, 8% of target) and World Bank ($35.85m, 33% of target). Project Support brought in $108.60m (40% of target, -18% year-to-year growth). The underperformance observed in budget support was partly due to suspension of budget support by bilateral donors due to delays in concluding elections. On part of the budget support from the World Bank, the underperformance was due to the government's inability to meet all the 2021 disbursement linked indicators (DLIs) under the RCRF Project as shown in table5 below. Also, the government expected to receive $100m from a World Bank Development Policy Operation (DPO) however, this DPO never materialized during the year.

The observed 40% underperformance for project support is largely attributed to projects' slow implementation of their project activities which leads to slow absorption of planned funds during the year hence the underperformance. However, as table4 shows, five out of 21 projects performed beyond 60% (*EFDP 87%, GPE 78%, SEAP 83%, Social Safety-net 63%), and Biyoole Project 64%*).

Table 4: Details of revenue from grants in 2021

Fiscal Variable	Budget 2021	Actual 2021						
		Q1	Q2	Q3	Q4	Total	Pfce	YTY %
Donor Revenue	**410.80**	**24.97**	**58.40**	**26.03**	**37.54**	**146.95**	**36%**	**-49%**
Budget support	**138.58**	**10.89**	**11.39**	**7.44**	**8.63**	**38.35**	**28%**	**-75%**
Bilateral - Budget Support	**30.00**	**0.00**	**0.00**	**0.00**	**2.50**	**2.50**	**8%**	**-83%**
Turkey	30.00	0.00	0.00	0.00	2.50	**2.50**	**8%**	**-83%**
Multilateral - Budget Support	**108.58**	**10.89**	**11.39**	**7.44**	**6.13**	**35.85**	**33%**	**-74%**
World Bank - RCRF	8.58	10.89	11.39	7.44	6.13	**35.85**	**418%**	**18%**
World Bank - DPO	100.00	0.00	0.00	0.00	0.00	**0.00**	**0%**	**-100%**
Project Support	**272.22**	**14.07**	**47.01**	**18.59**	**28.92**	**108.60**	**40%**	**-18%**
Current - multi-lateral Grants	**272.22**	**14.07**	**47.01**	**18.59**	**28.92**	**108.60**	**40%**	**-18%**
World Bank - Capacity Injection Project	4.13	0.44	0.36	0.38	0.75	**1.93**	**47%**	**54%**
World Bank - Public Financial management	10.37	0.49	1.05	0.85	1.59	**3.98**	**38%**	**24%**
World Bank - SOPTAP (Petroleum)	0.13	0.00	0.00	0.00	0.00	**0.00**	**0%**	**-100%**
AFDP - Economic and Financial Governance	2.81	0.27	0.73	0.35	1.08	**2.44**	**87%**	**-91%**
United Nations - Peace Building Fund (SFF)	3.19	0.00	0.00	0.00	0.00	**0.00**	**0%**	**-100%**
Urban Investment Planning Project (SUIIP)	1.83	0.22	0.00	0.18	0.66	**1.07**	**58%**	**-56%**
United Nations - District Rehabilitation Project (S2S)	1.93	0.00	0.00	0.00	0.00	**0.00**	**0%**	**-100%**
Global Partnership For Education	2.56	0.00	0.00	1.07	0.91	**1.98**	**78%**	**38%**
World Bank - SEAP	2.81	0.35	0.59	1.04	0.36	**2.34**	**83%**	**168%**
Somalia Shock-Responsive Social Safety Net Project	11.38	0.00	0.61	0.32	6.23	**7.15**	**63%**	**-86%**
WB - Recurrent Costs and Reform Financing Project	39.90	4.00	0.00	2.63	3.45	**10.08**	**25%**	
African Development Bank - Energy Sector Project	0.98	0.00	0.00	0.05	0.00	**0.05**	**6%**	
World Bank - "BIYOOLE" PROJECT	11.78	1.74	1.47	1.43	2.90	**7.54**	**64%**	**183%**
AFDB - Road Infrastructure Program	4.12	0.16	0.00	0.00	0.16	**0.32**	**8%**	**225%**
African Development Bank - SIEMID	3.32	0.17	0.41	0.26	0.63	**1.47**	**44%**	
World Bank - SCALED-UP PROJECT	24.79	1.77	1.68	1.49	2.73	**7.67**	**31%**	**47%**
World Bank - Somalia Urban Resilience Project PH2	29.49	0.46	0.63	4.18	0.69	**5.96**	**20%**	**126%**
World Bank - Somalia Crisis Recovery Project (SCRP)	71.41	4.00	8.18	3.22	5.36	**20.76**	**29%**	**7%**
UN - Maximum County Allocation (GPE-MCA) Project	3.29	0.00	0.00	0.00	0.00	**0.00**	**0%**	
WB - Somali Integrated Statistics & Economic Capacity Building Project	10.52	0.00	0.00	0.64	1.38	**2.02**	**19%**	**138%**
WB - Somalia Emergency Locust Response Project (SELRP)	31.49	0.00	31.30	0.50	0.03	**31.83**	**101%**	**313%**

Source: RCRF & SFMIS

Note: Total actual disbursement in 2021 was $35.9m which was higher than the plan of $20m. The reason is some of the disbursements for DLIs achieved in 2020 were disbursed in 2021.

Table 5: Budget Support from RCRF in 2021

Reform Areas	DLIs	Disbursement Plan (*US$ million*)				Disburse ment achieved	% Achieved
		Feb 2021	Apr 2021	Dec 2021	Total Planned Disburse ment		
Area 1: Strengthened human resource management policies and systems for enhanced performance, efficiency, and equity	HR regulations	2.0	1.5	1.0	4.5	2.0	44%
	Attendance monitoring	-	0.5	1.5	2.0	0.5	25%
	Women in civil service	1.0	-	0.5	1.5	1.0	67%
Area 2: Effective and transparent wage bill management for enhanced fiscal sustainability	Wage control	-	-	1.5	1.5	-	0%
	Pay and grading	-	-	1.0	1.0	-	0%
	Pensions	2.0	1.0	1.0	4.0	2.0	50%
Area 3: Enhanced FGS and FMS fiscal and financial reporting	Fiscal reporting	1.0	1.0	0.5	2.5	1.0	40%
Area 4: Enhanced health service delivery systems	Community Health	1.0	1.0	1.0	3.0	1.0	33%
Total (plan 2021)		**7.0**	**5.0**	**8.0**	**20.0**	**7.5**	**38%**
Total Actual Disbursement 2021					**35.9**		

Source: MOF (RCRF, SFMIS)

Expenditure Performance

Overall, government spent $473.9m against the target of $666.5m in 2021 which was 71.1% of the annual budget and -2.4% lower than the spending last year (see table6). Compensation of employee performed 97% and increased by 10% over the spending for 2020. Purchase of Goods performed 58% though it increased by 31% over previous year's spending. Capital Expenditure had the worst performance at 20% at the same time decreased by 13% compared to capital spending in 2020. Interest on public debt performed 100%. The amount of interest paid in 2021 ($14.6m) did not change much from what was paid in 2020 having registered just 1% year to year change. Subsidies performed 25% and decreased by 13% year to year. Transfers (which includes transfers to FMSs and International Organizations) performed 65% and increased by 2% year to year. Social Benefit performed 79% and registered an increase of 43% year to year. The sections below present a brief analysis of performance on each of these expenditure heads.

Table 6: summary expenditure for 2021 fiscal year

Code	Viscal Variable	Budget 2021	Actual 2021					Actual Vs Budget	Year to Year Growth
	Expenditure		Q1	Q2	Q3	Q4	Total	Pfce	YTY %
2	Total Expenditure	666.48	85.58	131.19	113.17	143.90	473.85	71.1%	-2.36%
21	Compensation of Employees	259.06	56.08	60.17	66.96	66.89	250.10	97%	10.17%
22	Purchase of Goods and Services	182.54	13.76	22.73	22.96	46.60	106.06	58%	31.43%
23	Capital Expenditure	82.55	1.78	5.09	4.09	5.15	16.10	20%	-13.22%
24	Interest and other charges	14.61	4.21	2.65	2.34	5.40	14.61	100%	1.11%
25	Subsidies	5.04	0.14	0.93	0.20	0.01	1.27	25%	-12.63%
26	Transfers (Grants)	70.94	9.62	8.32	14.21	13.70	45.85	65%	2.10%
27	Social benefits	50.72	0.00	31.30	2.42	6.15	39.86	79%	42.71%
28	Other expenses	1.04	0.00	0.00	0.00	0.00	0.00	0%	0.00%

Compensation of Employees

Table 7 shows compensation of employees performed well (97.4%) for only salaries paid by from the government consolidated fund. This performance should have reached 100% if all the staff numbers that had been budgeted for 2021 for materialized. As table 8shows, a total of 9,500 staffs were budgeted in 2021 however an average of 9,473 were paid monthly. On the other hand, compensation of employees paid by donor funded projects performed rather poorly at 72.4%. This underperformance is largely attributed to two factors—budget overestimation, and delays in implementation of planned project activities which in turn delays the recruitment of project staff.

Table 7: Summary expenditure by source of funds 2018-2021.

		2018			2019			2020			2021		
Code	**Description**	**Budget**	**Actual**	**PRFC**	**Budget**	**Actual**	**PRFC**	**Budget**	**Actual**	**PRFC**	**Budget**	**Actual**	**PRFC**
A	**Consolidated Fund**	**265.07**	**249.49**	**94.1%**	**328.31**	**277.99**	**84.7%**	**458.83**	**367.40**	**80.1%**	**403.16**	**344.88**	**85.5%**
21	Compensation of employees	145.74	142.43	**97.7%**	159.50	152.42	**95.6%**	222.84	216.61	**97.2%**	247.37	240.85	**97.4%**
22	Use of goods and services	78.51	69.84	**89.0%**	111.19	80.85	**72.7%**	88.34	62.19	**70.4%**	97.04	66.92	**69.0%**
23	Consumption of fixed capital	4.10	2.40	**58.5%**	18.03	8.23	**45.6%**	12.64	7.92	**62.6%**	31.56	2.85	**9.0%**
24	Interest and other charges	0.00	0.00	**0.0%**	0.00	0.00	**0.0%**	14.56	14.44	**99.2%**	14.61	14.61	**100.0%**
26	Grants	32.39	30.72	**94.9%**	39.03	36.08	**92.4%**	119.62	66.24	**55.4%**	22.94	19.66	**85.7%**
28	Other expenses	4.34	4.11	**94.7%**	0.56	0.41	**73.7%**	0.82	0.00	**0.0%**	1.74	0.00	**0.0%**
B	**Donor Fund**	**32.00**	**19.05**	**59.5%**	**61.85**	**37.48**	**60.6%**	**226.44**	**117.89**	**52.1%**	**248.97**	**128.36**	**51.6%**
21	Compensation of employees	145.74	142.43	**97.7%**	12.72	10.44	**82.1%**	12.42	10.41	**83.8%**	12.77	9.25	**72.4%**
22	Use of goods and services	78.51	69.84	**89.0%**	21.40	11.54	**53.9%**	65.67	18.51	**28.2%**	83.36	38.53	**46.2%**
23	Consumption of fixed capital	4.10	2.40	**58.5%**	18.36	6.57	**35.8%**	29.27	10.63	**36.3%**	50.56	13.25	**26.2%**
25	Subsidies	0.00	0.00	**0.0%**	0.36	0.00	**0.0%**	2.21	2.16	**97.8%**	5.04	1.27	**25.2%**
26	Grants	32.39	30.72	**94.9%**	9.02	8.92	**98.9%**	23.43	14.04	**59.9%**	46.52	26.19	**56.3%**
27	Social benefits	0.00	0.00		0.00	0.00	**0.0%**	93.44	62.14	**66.5%**	50.72	39.86	**78.6%**
C	**External Borrowing**	-	-	-	-	-	-	-	-	-	**0.61**	**0.61**	**100%**
22	Use of goods and services	0.00	0.00	**0.0%**	0.00	0.00	**0.0%**	0.00	0.00	**0.0%**	0.61	0.61	**100.0%**
	Total	**297.07**	**268.54**	**90.4%**	**390.16**	**315.47**	**80.9%**	**685.27**	**485.29**	**70.8%**	**666.48**	**473.85**	**71.1%**

Table 8: Number of paid government employees 2021

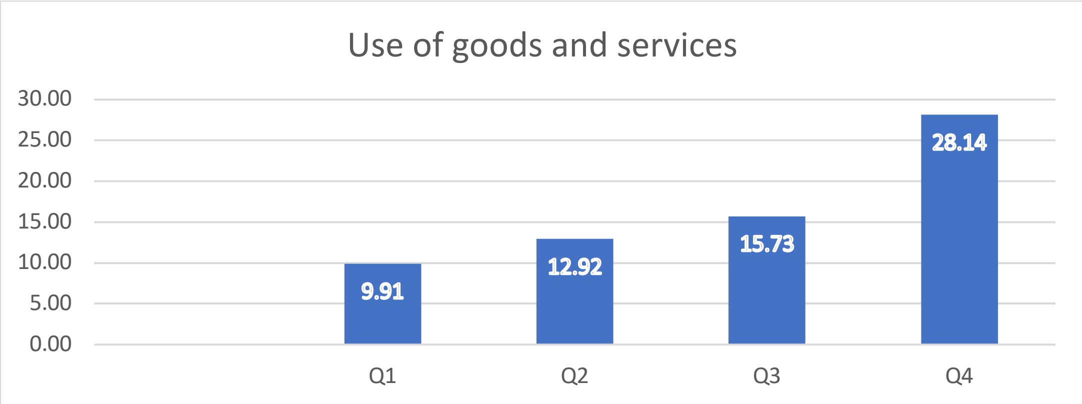
Description	**Q1**	**Q2**	**Q3**	**Q4**	**Aver No Staff Paid**	**No Budgeted**	**%**
Permanent	5,139	5,175	5,192	5,213	5,180	5,206	99.5%
Minister	71	71	71	71	71	71	100%
CIM Staff	89	85	88	87	87	87	100%
Teacher Gov Fund	848	843	839	841	843	843	100%
Teacher RCRF Fund	73	72	73	73	73	73	100%
Women Health Workers	224	224	224	224	224	224	100%
Sub-total (on payroll)	**6,444**	**6,470**	**6,487**	**6,509**	**6,478**	**6,504**	**99.6%**
No of staff non-payroll	2,845	2,901	3,118	3,118	2,996	2,996	100%
Total	**9,289**	**9,371**	**9,605**	**9,627**	**9,473**	**9,500**	**99.7%**

Source: MOF/SFMIS

Use of Goods and Services

Expenditure on goods and services under the government consolidated fund performed moderately at 69% largely due to the unavailability of sufficient revenue throughout the year which meant that goods and services had the last call on available resources as per sequestration rules (See Box1). On the other hand, data shows that government spent nearly half (44%) of total expenditure on goods and services in the last quarter of the year (see Figure 3). There are two factors that explain this trend; 1) Government did not want to accumulate arrears on running costs so it had to mobilize funds to clear the arrears in order not to breach the fiscal rules that does not allow accumulation of arrears, and 2) there was increased demand for more special security operations to support parliamentary elections. Government financed these expenditures using SDR funds borrowed from the IMF in the last quarter of the year.

Figure 3: Quarterly Expenditure on Goods and Services in 2021 (in $million)



Box1: Sequestration Rules

If cash balances are inadequate to meet expenditure commitments, the descending order of priority for fulfilling budget commitments is: 1) Non-civilian compensation of employees and associated rations 2) Finance Costs (Bank Commissions) 3) Civilian compensation of employees 4) Allowances for political appointees 5) Non-discretionary goods, services, and grants for regions 6) Discretionary expenditure, arrears, and advances

On the part of donor funded projects, expenditure on goods and services performed unsatisfactorily at just 46.2% of annual budget as Table 7shows, despite the fact that donor funded projects do not suffer from shortage of funds (like in the case of activities financed by government local funds which often suffer from insufficient funds due to revenue shortages). The observed weak performance is meanwhile attributed to delayed execution of project activities due to the disruptions brought about by the covid omicron variant, and the slowdown in government business following the delays in concluding the parliamentary elections during the year. This notwithstanding, for the last four years the performance of expenditure on goods and services for donor funded projects has not exceeded 55%, which suggests there could be an underlying factor within the management of projects that needs to be studied and addressed.

Capital Expenditure

Capital Expenditure performed at 20% in 2021 and -13% lower than the spending in the same period last year. Capital spending for FGS local funds performed 8.9% largely due to government's fiscal problems in collecting sufficient revenues as had been budgeted. The $2.85m expenditure on capital activities was incurred by 10 MDAs out of the 31 MDAs that were budgeted to receive capital expenditure in 2021. Table 9 summarises the key deliverables achieved from non-project capital spending by the MDAs that received capital allocations during 2021.

Table 9: Capital activities/deliverables during 2021 under government local funds

MDA	Budget	Allocation	Actual capex	Actual/ Budget%	Key deliverables
Office of the Prime Minister	488,000	488,000	188,000	39%	Various office furniture, equipment and other assets
Embassies	1,280,000	1,074,194	552,526	43%	Embassy vehicles, rehabilitation of embassy buildings, office furniture and equipment (Senegal, Canada, Indonesia, Russia, Uganda, New York, Burundi, Iraq, South Sudan, UK, Tanzania, Egypt, Sweden, OIC)
Ministry of Finance	780,563	102,046	102,046	13%	Renovation of MOF building
General Activities for the Government	1,414,610	1,127,712	818,007	58%	Rehabilitation and equipping of MOF and other government offices, air force building, Presidential guest house and MOF Training Centre; ICT equipment for National Telcom; Dry land/port construction; walkthrough scanners, air conditioners, office furniture, wall panels, TVs, curtains, sofas and other furniture and equipment
Attorney General	135,400	80,000	80,000	59%	2 vehicles
Ministry of Mineral	47,500	47,235	47,235	99%	Various office furniture and equipment
Civil Aviation and Meteo-Authority	3,388,648	1,356,333	810,934	24%	Rehabilitation of SCAA buildings, machinery, office furniture, ICT equipment and other properties
Ministry of Industry & Commerce	74,000	6,720	6,720	9%	Renovation of State Minister's Office
Ministry of Health	5,000,000	185,400	185,400	4%	
Intergovernmental Academy of Somali Language	1,000,000	58,870	58,660	6%	Office furniture and renovation
Total (MDAs that spent portion of capex)	**13,608,721**	**4,526,509**	**2,849,528**	**21%**	
Grand Total	**31,994,280**	**4,727,883**	**2,849,528**	**9%**	

Source: SFMIS/MOF

Capital expenditure for donor funded projects also performed very poorly, at 26.2% instead of at least 95% especially given that projects are not expected to suffer from revenue shortfalls as already observed above. Table 10 summarises the capital activities executed by projects during 2021. Like in the case of expenditure on goods and services, capital expenditure on donor funded projects has for the last four years performed poorly, at not more than 36% except in 2018 when the performance reached 67% as shown in Table 7. Like it has been observed in the in-year budget performance reports, donor funded projects incidentally perform well on the expenditure item for compensation of employees (*where it has performed at an average of 79.4% over the past four years*) but under executes when it comes to expenditure on other items. The MOF needs to study and address this phenomenon.

Table 10: Capital activities/deliverables during 2021 under donor funded projects

Code	Project Name	Source of Funds	Budget 2021	Capex 2021	Achieve-ment rate	Key Deliverables
70203	Domestic Revenue Mobilization and PFM Capacity Strengthening Project-AF (P166206)	World Bank	1,889,500	208,230	11%	2 computers, other office furniture and equipment
70208	Somalia Urban Resilience Project (SURP)	World Bank	1,600,000	1,184,388	74%	Survey for rehabilitation and construction of 15 roads in Mogadishu, road construction materials (30% completed)
70211	Somali Electricity Access Project (SEAP)	World Bank	87,500	79,187	90%	1 Car Landcruiser Prado [Min Energy & Water]
70216	Shock Responsive Safety Net for Human Capital Project	World Bank	1,930,000	120,745	6%	Office furniture & equipment for Ministry of Labor and Social Affairs
70218	Somalia Urban Resilience Project II	World Bank	7,480,000	1,226,155	16%	Road construction material (Mogadishu), 1 vehicle, and stationery
70220	Water for Agro-pastoral Productivity and Resilience or "BIYOOLE" Project	World Bank	267,400	199,375	75%	5 vehicles
70214	Somalia Capacity Advancement, Livelihoods and Entrepreneurship through Digital Uplift Project (SCALEUP)	World Bank	3,680,000	2,153,260	59%	Design and installation of website, OSS system, software training, cloudnet365, installation of 60-meter mast/tower, electronic management system, 2 vehicles, oracle software, other ICT equipment and furniture for Office of National Communication Authority
70221	Somalia Crisis Recovery Project (SCRP)	World Bank	27,295,200	5,680,537	21%	Oxygen plant installed at Martini Hospital, 3 Thermal Scanners for Screening Travelers, 10 Laptops, 1 Camera, 3 Printers, 3 Projectors, and other ICT Accessories, 2 vehicles, and rehabilitation of Baledweyne/Bulokahin River embankment in Hirshabele
70222	Somali Integrated Statistics and Economic Planning Capacity Building (SISEPCB Project)	World Bank	665,268	238,110	36%	2 vehicles, 1 generator, furniture and ICT equipment

Code	Project Name	Source of Funds	Budget 2021	Capex 2021	Achieve-ment rate	Key Deliverables
70225	Somalia Recurrent Cost and Reform Financing Project - Phase III	World Bank	421,300	337,299	80%	7 computers, server racks, 6 printers, 2 cameras, 2 air conditioners, 1 vehicle, other office furniture & equipment, call centre services
70202	Special Financing Facility (SFF)	UN	2,617,412	1,179,901	45%	Construction of 2 prisons in Galmudug (Galkacyo) and S.West State (Baidhabo)
70204	Economic and Financial G overnance (EFGP)	AfDB	606,182	498,739	82%	86 Computers, 15 Projectors, 3Conference System, 3 Smart Hub, 19 pieces of office furniture, construction of Taxation Training Institute, construction of revenue offices in four districts (Hamarweyn, Wadajir, Howlwadag, Hodan), construction of Police Customs building, 1 vehicle, other ICT equipment and office furniture
70223	Maximum County Allocation Project (MCA)	CARE	1,200,000	733,226	61%	Construction of Ministries of Education buildings in Galmudug, SWS, and Banaadir

Source: SFMIS/MOF

Interest payments

Government started servicing its public debt in 2020 after reaching HIPC decision point (in March 2020). During 2021, Government serviced its public debt to the tune of $14.61m, which was paid to two creditors (AfDB $2.6m, IDA $14.11m)[1]. Interest on debt accounted for 7.8% of the payments and the rest (92.2%) was repayment of principal. This expenditure item performed 100% of annual budget and just 1% higher than the debt service amount paid in the previous year.

Transfers

This expenditure item comprises transfers to FMSs accounting to 99% of total transfers and the rest were transfers to the Chamber of Commerce and Somali Development Bank. During 2021 a total of $45.9m was transferred against a target of $70.9m, which was 65% of annual target and -16% lower than the transfers made last year. Actual transfers made from the government local funds were $19.7m (80.5% of target, accounting for 43% of total transfers) whereas transfers made under donor funds (mainly from RCRF) amounted to $26.2m (56.3% of target, accounted for 57% of total transfers). At the planning/budgeting stage, transfers from the government local funds were expected to account for 34% and transfers from donor funds 66%. Reasons for the less than planned transfers include lower revenue collection during 2021

[1] There is a difference between debt service numbers in SFMIS and those published in quarterly debt bulletins.

(for the transfers from the government local fund), and failure to fulfil conditionalities that needed to be fulfilled to trigger the transfers (in the case of donor funded transfers). Table 11 provides amounts transferred to each FMS against target.

Table 11: Transfers 2020-2021

FMS	Actual 2020	Budget2021	Actual 2021	Pfce% (actual/target 2021)	Year-to-year growth%
Somaliland	396,550	400,000	18,000	4.5%	-95.5%
Puntland	17,825,991	12,477,276	7,822,910	62.7%	-56.1%
Jubaland	8,023,557	11,357,962	6,014,444	53.0%	-25.0%
Hirshabelle	9,559,908	5,911,515	3,232,734	54.7%	-66.2%
Southwest State	10,609,600	16,167,615	6,325,581	39.1%	-40.4%
Galmudug	12,340,274	7,885,606	4,329,093	54.9%	-64.9%
Benadir-Mogadishu City	20,094,824	13,650,000	15,852,993	116.1%	-21.1%
Chamber of commerce	384,241	455,000	528,434	116.1%	37.5%
Somali Development Bank	384,241	455,000	528,434	116.1%	37.5%
Total	**79,619,185**	**68,759,974**	**44,652,622**	**64.9%**	**-43.9%**

Source: SFMIS

Subsidies

Only $1.26m of the revised annual budget of $5.04m (compared to original budget of $11.9m) was absorbed during the year, registering a performance of 25.2% and a decrease of -41.2% over the subsidies provided in the previous year 2020. This expenditure category relates to subsidies administered by three World Bank funded projects. That is, Somalia Capacity Advancement, Livelihoods and Entrepreneurship, through Digital Uplift Program (SCALED-UP), Somali Electricity Access Project, and Domestic Revenue Mobilization and PFM capacity Strengthening Project. As it was noted in the mid-year review, significant policy measures are needed to improve coordination effectiveness of these projects given their importance in the rebuilding of Somalia's economy most especially the provision of start capital for the small and medium enterprises.

Social Benefits

Expenditure on this item comes from two projects namely Shock Responsive Safety Net for Human Capital (BAXNAANO phase 1) with a budget of $7m, and Somalia Emergency Locust Response Project Baxnaano phase 2 with a budget of $43.72M in 2021. The projects form part of the National Cash Transfer Program (NCTP) aimed at increasing resilience of poor and vulnerable households through income support. The program mainly provides nutrition-linked cash transfers as well as help to smooth consumption gaps even after the impacts of drought are no longer present. During 2021 the program provides social benefits worth $39.9m against a budget of $50.7m thereby performing at 78.6%. The lower-than-expected performance of 100% is largely attributed to difficulties in enrolling the poor and vulnerable households across Somalia due to security related problems. A total of 186,487 poor and vulnerable households across Somalia have so far benefited from the social benefits as at end November 2021.

Expenditure by Sector

Table 12: Expenditure by Sector FY2021, in Million USD

Sector	Actual 2020	Budget 2021	Q1	Q2	Q3	Q4	Actual 2021	Pfce%	YtY%	Share to total (actual)
Administration & General Services	225.1	311.6	38.2	38.1	53.5	63.3	**193.4**	62%	-14%	41%
Security	145.3	165.4	36.2	38.4	40.4	45.0	**160.0**	97%	10%	34%
Economic Services	31.9	79.5	6.2	9.8	12.1	11.8	**40.0**	50%	25%	8%
Social Services	81.6	110.0	4.9	44.9	7.1	23.5	**80.4**	73%	-1%	17%
Grand Total	**483.9**	**666.5**	**85.6**	**131.2**	**113.2**	**143.6**	**473.9**	**71%**	**-2%**	**100%**

Source: MOF

Administration and General Services

The sector absorbed $193.4m in 2021, which was 62% of the annual budget, -14% lower than what the sector spent in 2020 and accounted for 41% of total spending in 2021. Top spenders in this sector included General activities of the Government (29%) followed by Ministry of Finance 18%, Parliament 8% and the rest of the 34 MDAs in the sector accounted for 44% of the sector expenditure.

Security

The sector absorbed $159.9m in 2021, which was 97% of annual budget, 10% higher than the spending in 2020, and a share of 34% to total FGS spending in 2021. The increase in spending for this sector was largely driven by the increase in compensation of security forces (*increased from $145.3m in 2020 to $160.0 in 2021, a 10% increase*), and increase in price of food and other materials which ended up increasing expenditure on goods and services. The National Bureau of Statistics reported inflation increased from 4.8% in December 2020 to 5.7% in December 2021 with food inflation increasing from 1.2% to 7.4% over the same period.

Economic Sector

A total of $40.0m was spent in 2021 which was just 50% of annual target, 25% higher than the sector spending in 2020, and accounted for 8% of total spending. Of the 17 cost centers within the sector, the largest spender was Civil Aviation and Meteorology Authority (22%).

Social Services Sector

Expenditure for the sector totaled $80.4m in 2021, representing 73% of the annual budget, -1% lower than the sector spending in the last financial year, and a share of 17% to total FGS spending in 2021. Ministry of Labor and Social Affairs topped the sector MDAs with a share of 51%, Ministry of Health 26%, followed by Ministry of Education 12%, and Somali National University 8%. The sector has 9 cost centers.

Annex 1a: Fiscal Table Fiscal Year 2021 (Revenue)

Code	Fiscal Variable	Budget 2021	Actual					Actual Vs Budget	Year to Year Growth
			Q1	Q2	Q3	Q4	Total	Pfce	YTY %
1	Total Revenue	680.51	76.92	106.61	88.69	104.32	376.54	55%	-24.21%
2	Domestic Revenue	269.71	51.95	48.21	62.65	66.75	229.56	85%	8.68%
11	Tax Revenue	182.88	39.12	33.59	45.40	44.67	162.77	89%	16.65%
111	Taxes on income, profits, and capital gains	13.20	2.86	3.40	4.30	4.65	15.21	115%	-2.49%
1111	Income tax (individuals)	11.70	2.76	3.30	3.66	4.56	14.29	122%	15.10%
111101	Wages and salaries (Public Sector Payees)	5.20	1.26	1.44	1.88	1.94	6.53	126%	16.78%
111102	Wages and salaries (Private Sector Employees)	6.50	1.50	1.86	1.78	2.63	7.76	119%	13.72%
1112	Income tax (corporations)	1.50	0.09	0.10	0.64	0.09	0.92	61.3%	-71.10%
112101	Corporate profit tax	1.50	0.09	0.10	0.64	0.09	0.92	61%	-71.10%
113	Taxes on property	0.60	0.16	0.11	0.14	0.17	0.58	97%	4.12%
1131	Taxes on immovable property	0.60	0.16	0.11	0.14	0.17	0.58	97%	4.12%
113101	Rental income	0.60	0.16	0.11	0.14	0.17	0.58	97%	4.12%
114	Taxes on goods and services	30.03	5.81	5.74	6.34	5.55	23.43	78%	10.03%
1141	Excise taxes (domestic)	30.03	5.81	5.74	6.34	5.55	23.43	78%	10.03%
114101	Sales taxes - Hotels	0.93	0.36	0.22	0.23	0.29	1.10	119%	2.81%
114102	Sales taxes - Telecommunications	5.21	0.38	1.62	1.19	0.50	3.69	71%	124.10%
114103	Sales taxes - Electricity Companies	1.30	0.00	0.00	0.00	0.00	0.00	0%	-60.47%
114104	Sales taxes - on imported goods	18.00	4.87	3.72	4.69	4.39	17.66	98%	-2.10%
114105	Sales taxes - Airline tickets	1.32	0.20	0.19	0.22	0.37	0.97	74%	85.73%
114106	Sales taxes - Others (TV Cable Providers)	1.28	0.00	0.00	0.00	0.00	0.00	0%	-100.00%
114130	Turnover Taxes on Goods and Services	2.00	0.00	0.00	0.00	0.00	0.00	0%	0.00%
115	Taxes on international trade and transactions	128.04	26.52	21.67	30.92	29.86	108.97	85%	19.68%
1151	Customs and other import duty	91.00	25.46	19.55	26.74	25.61	97.37	107%	13.82%
115100	Customs and other Import duties	91.00	0.00	0.00	0.00	0.00	0.00	0%	0.00%
115101	Custom taxes on petroleum	0.00	4.50	3.35	4.76	4.19	16.81		33.78%
115102	Custom taxes on export goods	0.00	0.19	0.23	0.22	0.32	0.96		69.10%
115103	Road vehicles (salon cars)	0.00	2.35	1.85	2.26	2.12	8.58		17.37%
115104	Import tax on sugar	0.00	3.11	1.81	2.08	1.51	8.51		12.92%
115105	Crude vigetable materials	0.00	0.00	0.00	0.00	0.00	0.00		-39.48%
115106	Import tax on tobacco and matches	0.00	0.17	0.44	0.62	0.39	1.62		7.76%
115108	Flour	0.00	0.50	0.30	1.36	1.26	3.42		36.80%
115109	Construction of electronic materials	0.00	1.70	1.35	0.78	1.67	5.50		-12.07%
115111	Vigitable oils	0.00	0.65	0.39	1.35	0.64	3.04		15.47%
115112	Soap and cleaning products	0.00	0.59	0.35	0.55	0.73	2.22		5.17%
115113	Apparel, clothing, textile yarn	0.00	1.51	1.13	1.42	1.40	5.47		6.95%
115115	Tea	0.00	0.03	0.06	0.05	0.04	0.18		-12.40%
115116	Vigitables and fruits	0.00	0.02	0.03	0.04	0.02	0.11		-4.19%
115117	Plastic materials	0.00	0.10	0.05	0.06	0.09	0.30		-10.39%
115118	Rubber tyers	0.00	0.05	0.02	0.05	0.04	0.16		-13.79%
115119	Poultry and edible offals	0.00	0.13	0.15	0.19	0.22	0.70		61.24%
115120	Building materials	0.00	0.99	0.87	1.19	1.07	4.11		9.16%
115121	Electronic materials	0.00	1.42	1.44	1.45	1.37	5.68		1.89%
115122	Food items /rice, spaghetti. etc	0.00	1.38	1.21	2.96	2.92	8.48		70.60%
115123	Household materials	0.00	1.08	0.92	1.03	1.02	4.05		5.28%
115124	Cosmetics & perfume	0.00	0.11	0.05	0.06	0.08	0.30		-32.83%
115125	Others	0.00	3.33	2.25	2.99	3.34	11.91		-4.61%
115127	Shoes	0.00	0.37	0.37	0.31	0.27	1.31		-15.60%
115128	Beverarges	0.00	1.17	0.92	0.94	0.91	3.95		11.21%
1156	Import taxes on Khat	37.04	1.06	2.13	4.18	4.25	11.61	31%	110.79%
115601	Import tax on Khat	37.04	1.06	2.13	4.18	4.25	11.61	31%	110.79%
116	Other taxes (road tax, stamp sales, other stamp duty)	11.01	3.77	2.67	3.69	4.44	14.57	132%	32.16%
1161	Payable solely by business	11.01	3.77	2.67	3.69	4.44	14.57	132%	32.16%
116101	Stamp duties of invoices and contaracts (notary)	1.50	0.55	0.55	1.15	1.29	3.54	236%	134.56%
116102	Road tax	1.60	0.46	0.33	0.36	0.35	1.50	94%	-11.10%
116103	Other stamp duty	4.00	1.72	0.97	1.07	1.74	5.49	137%	36.38%
116109	stamp duty on cutoms	3.91	1.04	0.82	1.12	1.06	4.03	103%	6.20%

Code	Fiscal Variable	Budget 2021	Actual					Actual Vs Budget	Year to Year Growth
			Q1	Q2	Q3	Q4	Total	Pfce	YTY %
14	**Non Tax Revenue**	**86.83**	**12.83**	**14.62**	**17.26**	**22.08**	**66.79**	**77%**	**-6.85%**
142	**Sales of public goods and services**	**86.83**	**12.83**	**14.62**	**17.26**	**22.08**	**66.79**	77%	**-6.85%**
1421	**Administrative fees and charges**	**86.83**	**11.60**	**13.64**	**15.97**	**20.85**	**62.05**	71%	**-7.62%**
142201	Administrative charges	2.00	1.26	1.03	1.60	1.66	**5.55**	278%	**81.93%**
142202	Visa charges	4.00	2.02	2.16	2.82	4.16	**11.16**	279%	**40.77%**
142203	Passports fees	4.66	0.00	0.00	0.00	0.00	**0.00**	0%	**0.00%**
142204	Licence fees - Commerce and industry	1.50	0.24	0.22	0.43	0.36	**1.25**	84%	**6.63%**
142205	Work permits and other fees	1.20	0.19	0.14	0.13	0.22	**0.68**	57%	**-6.58%**
142206	Harbour fees - Albayrak	28.50	4.47	6.29	6.12	8.72	**25.59**	90%	**-18.37%**
142207	Airport fees - Favori	3.30	0.58	0.63	0.85	0.73	**2.79**	85%	**-14.79%**
142208	Fisheries licence fees	2.10	0.01	0.62	0.47	1.51	**2.61**	124%	**18.93%**
142210	Telecommunication Spectrum fees	12.60	0.36	0.01	0.68	0.10	**1.15**	9%	**-33.57%**
142211	Overflight fees	12.40	2.47	2.53	2.87	3.39	**11.26**	91%	**-28.43%**
142214	Customs harbour fees	5.00	0.00	0.00	0.00	0.00	**0.00**	0%	**0.00%**
142215	Election Registration Fee	9.58	0.00	0.00	0.00	0.00	**0.00**	0%	**0.00%**
1425	**Harbour Fees**	**0.00**	**1.23**	**0.98**	**1.28**	**1.24**	**4.74**		**4.54%**
142502	Customs Harbour fees	0.00	1.23	0.98	1.28	1.24	**4.74**		**4.54%**
13	**Grants**	**410.80**	**24.97**	**58.40**	**26.03**	**37.57**	**146.98**	**35.8%**	**-48.54%**
131	**Grants from foreign governments (bi-lateral)**	**30.00**	**0.00**	**0.00**	**0.00**	**2.50**	**2.50**	8%	**-83.33%**
1311	**Grants from foreign govts (current)**	**30.00**	**0.00**	**0.00**	**0.00**	**2.50**	**2.50**	8%	**-83.33%**
131101	Current (Turkey)	30.00	0.00	0.00	0.00	2.50	**2.50**	8%	**-83.33%**
132	**Grants from international organizations (multi-lateral)**	**380.80**	**24.97**	**58.40**	**26.03**	**35.07**	**109.41**	29%	**-59.57%**
1321	**Current - multi-lateral Grants (budget support-current)**	**380.80**	**24.97**	**58.40**	**26.03**	**35.07**	**144.48**	38%	**-46.61%**
132102	Current - World Bank - Capacity Injection Project	4.13	0.44	0.36	0.38	0.75	**1.93**	47%	**53.91%**
132103	Current - World Bank - Public Financial management	10.37	0.49	1.05	0.85	1.59	**3.98**	38%	**23.58%**
132106	Current - World Bank - RCRF - **Budget support**	8.58	10.89	11.39	7.44	6.13	**35.85**	418%	**18.06%**
132107	Current - World Bank - SOPTAP (Petroleum)	0.13	0.00	0.00	0.00	0.00	**0.00**	0%	**-100.00%**
132108	Current - African Development Bank - Economic and Fir	2.81	0.27	0.73	0.35	1.08	**2.44**	87%	**-91.20%**
132109	Current - United Nations - Peace Building Fund (SFF)	3.19	0.00	0.00	0.00	0.00	**0.00**	0%	**-100.00%**
132110	Current - Urban Investment Planning Project (SUIIP)	1.83	0.22	0.00	0.18	0.66	**1.07**	58%	**-55.55%**
132111	Current - United Nations - District Rehabilitation Projec	1.93	0.00	0.00	0.00	0.00	**0.00**	0%	**-100.00%**
132114	Global Partnership For Education	2.56	0.00	0.00	1.07	0.91	**1.98**	78%	**37.87%**
132115	Current - World Bank - SEAP	2.81	0.35	0.59	1.04	0.36	**2.34**	83%	**213.60%**
132116	Current Somalia Shock-Responsive Social Safety Net Pr	11.38	0.00	0.61	0.32	6.23	**7.15**	63%	**-85.87%**
132117	WB - Recurrent Costs and Reform Financing Project	39.90	4.00	0.00	2.63	3.45	**10.08**	25%	**0.00%**
132120	Current- African Development Bank - Energy Sector Pro	0.98	0.00	0.00	0.05	0.00	**0.05**	6%	**0.00%**
132121	Current- World Bank - "BIYOOLE" PROJECT	11.78	1.74	1.47	1.43	2.90	**7.54**	64%	**182.62%**
132122	Current - African Development Bank - Road Infurasture	4.12	0.16	0.00	0.00	0.16	**0.32**	8%	**224.70%**
132123	Current - African Development Bank - SIEMID	3.32	0.17	0.41	0.26	0.63	**1.47**	44%	**0.00%**
132124	Current- World Bank - SCALED-UP PROJECT	24.79	1.77	1.68	1.49	2.73	**7.67**	31%	**46.90%**
132125	Current - WB- Somali Urban Investment Planning Projec	0.00	0.00	0.00	0.00	0.00	**0.00**		**-100.00%**
132126	Current- World Bank - Somalia Urban Resilience Project	29.49	0.46	0.63	4.18	0.69	**5.97**	20%	**261.36%**
132127	Current- World Bank - DPO - **Budget Support**	100.00	0.00	0.00	0.00	0.00	**0.00**	0%	**-100.00%**
132129	Current -World Bank - Somalia Crisis Recovery Project (	71.41	4.00	8.18	3.22	5.36	**20.76**	29%	**7.25%**
132130	Current - Unitedd Nations - Maximum County Allocatio	3.29	0.00	0.00	0.00	0.00	**0.00**	0%	**0.00%**
132131	Current - WB - Somali Integrated Statistics and Econom	10.52	0.00	0.00	0.64	1.40	**2.05**	19%	**140.68%**
132132	Current - WB - Somalia Emergency Locust Response Pro	31.49	0.00	31.30	0.50	0.03	**31.83**	101%	**313.32%**

Annex 1b: Fiscal Table Fiscal Year 2021 (Expenditure)

Code	Fiscal Variable	Budget 2021	Actual					Actual Vs Budget	Year to Year Growth
	Expenditure		Q1	Q2	Q3	Q4	Total	Pfce	YTY %
2	**Total Expenditure**	**666.48**	**85.58**	**131.19**	**113.17**	**143.90**	**473.85**	**71.1%**	**-2.36%**
21	**Compensation of Employees**	**259.06**	**56.08**	**60.17**	**66.96**	**66.89**	**250.10**	**97%**	**10.17%**
211	**Wages & salaries**	**242.69**	**53.49**	**56.38**	**63.00**	**61.35**	**234.22**	**97%**	**9.93%**
2111	Wages and salaries	155.91	35.74	37.16	38.96	38.40	**150.27**	96%	**6.59%**
2112	Allowances	86.79	17.74	19.22	24.04	22.95	**83.95**	97%	**16.45%**
213	**Other employee costs**	**16.36**	**2.59**	**3.78**	**3.96**	**5.54**	**15.88**	97%	**13.88%**
2131	Other employee costs	16.36	2.59	3.78	3.96	5.54	**15.88**	97%	**13.88%**
22	**Purchase of Goods and Services**	**182.54**	**13.76**	**22.73**	**22.96**	**46.60**	**106.06**	**58%**	**31.43%**
221	**General expenses**	**47.53**	**2.42**	**4.72**	**5.98**	**10.98**	**24.09**	51%	**3.14%**
2211	Utilities	7.36	0.48	0.74	1.20	1.62	**4.04**	55%	**-6.68%**
2212	Rent	5.02	0.46	0.32	0.58	0.78	**2.14**	43%	**9.61%**
2213	Fuel and lubricants	8.00	0.57	1.38	1.54	2.35	**5.84**	73%	**10.79%**
2214	Repairs and maintenance	5.63	0.28	0.49	0.75	1.08	**2.60**	46%	**10.92%**
2215	Office materials and other consumables	7.22	0.39	0.84	0.92	1.70	**3.86**	53%	**25.90%**
2216	Travel expenses	14.29	0.25	0.94	0.98	3.43	**5.60**	39%	**-12.29%**
222	**Education and training expenses**	**16.81**	**0.22**	**1.85**	**0.83**	**1.02**	**3.92**	23%	**40.05%**
2221	Education expenses	6.42	0.04	0.12	0.58	0.40	**1.15**	18%	**-29.29%**
2222	Training expenses	10.38	0.18	1.73	0.25	0.61	**2.77**	27%	**136.18%**
223	**Consulting and professional fees**	**53.62**	**3.44**	**6.48**	**6.21**	**11.17**	**27.30**	51%	**105.68%**
2231	Consulting and professional fees	52.18	3.30	6.30	5.89	11.03	**26.52**	51%	**100.73%**
2232	Audit fees	1.06	0.13	0.18	0.32	0.14	**0.78**	74%	**1161.53%**
2233	Medical Fee	0.38	0.00	0.00	0.00	0.00	**0.00**	0%	**0.00%**
224	**Finance costs**	**6.64**	**1.10**	**0.92**	**1.31**	**1.91**	**5.24**	79%	**-17.86%**
2241	Bank commissions	6.59	1.10	0.92	1.31	1.91	**5.24**	79%	**-17.69%**
2243	Insurance charges/premium	0.05	0.00	0.00	0.00	0.00	**0.00**	5%	**-84.97%**
225	**Specialized materials and services**	**21.70**	**2.10**	**1.44**	**2.43**	**8.92**	**14.89**	69%	**41.90%**
2251	Health and hygiene materials and services	6.86	0.54	0.11	0.26	4.01	**4.92**	72%	**533.97%**
2253	Military materials, supplies and services	0.54	0.03	0.03	0.12	0.10	**0.27**	51%	**-56.64%**
2254	Police materials, supplies and services	0.30	0.03	0.03	0.08	0.18	**0.30**	100%	**0.00%**
2255	Other specialized materials and services	4.35	0.17	0.28	0.68	0.80	**1.94**	45%	**-1.71%**
2256	Special operational services	9.65	1.34	0.99	1.30	3.83	**7.46**	77%	**4.87%**
226	**Other expenses**	**36.24**	**4.48**	**7.33**	**6.20**	**12.61**	**30.62**	84%	**25.51%**
2261	Other General Expenses	36.24	4.48	7.33	6.20	12.61	**30.62**	84%	**25.51%**
227	**Arrears**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**		**0.00%**

Code	Fiscal Variable	Budget 2021	Actual					Actual Vs Budget	Year to Year Growth
	Expenditure		Q1	Q2	Q3	Q4	Total	Pfce	YTY %
23	Capital Expenditure	82.55	1.78	5.09	4.09	5.15	16.10	20%	-13.22%
231	Fixed assets acquisition	77.63	1.78	5.09	4.09	5.15	16.10	21%	-13.22%
2311	Acquisition of fixed assets - buildings and structures	26.25	0.00	0.00	1.29	0.83	2.12	8%	288.26%
2312	Acquisition of fixed assets - machinery, furniture & equip	11.87	0.05	3.78	0.15	0.33	4.30	36%	1473.07%
2313	Acquisition of fixed assets - ICT	13.51	0.18	0.92	0.86	0.78	2.73	20%	-60.01%
2314	Acquisition of other fixed assets	26.00	1.55	0.39	1.79	3.21	6.94	27%	-36.29%
232	Inventories	4.92	0.00	0.00	0.00	0.00	0.00	0%	0.00%
2322	Other Inventories	4.92	0.00	0.00	0.00	0.00	0.00	0%	0.00%
24	Interest and other charges	14.61	4.21	2.65	2.34	5.40	14.61	100%	1.11%
2411	Loan Interest and Commitment Charges (non residents)	14.61	4.21	2.65	2.34	5.40	14.61	100%	1.11%
25	Subsidies	5.04	0.14	0.93	0.20	0.01	1.27	25%	-12.63%
2521	Subsidies to non-financial private enterprises	5.04	0.14	0.93	0.20	0.01	1.27	25%	-12.63%
2522	Subsidies to financial private enterprises	0.00	0.00	0.00	0.00	0.00	0.00		0.00%
26	Transfers (Grants)	70.94	9.62	8.32	14.21	13.70	45.85	65%	2.10%
261/2	External Transfers (Grants)	1.60	0.36	0.00	0.33	0.51	1.20	75%	93.24%
2621	Grants to international organizations - current	1.60	0.36	0.00	0.33	0.51	1.20	75%	93.24%
263/4/6	Internal Transfers (Grants)	69.34	9.27	8.32	13.87	13.19	44.65	64%	0.83%
2631	Transfer to Subnational	69.34	9.27	8.32	13.87	13.19	44.65	64%	0.83%
1101	Somaliland	0.00	0.00	0.00	0.00	0.02	0.02		-94.73%
2101	Puntland	0.00	1.31	1.55	2.08	2.88	7.82		12.43%
3101	Jubaland	0.00	0.92	1.34	2.50	1.26	6.01		41.13%
4101	Hirshabelle	0.00	1.16	0.15	0.78	1.14	3.23		-46.55%
5101	South West State	0.00	0.86	1.02	2.50	1.95	6.33		1.51%
6101	Galmudug	0.00	0.59	0.86	1.38	1.50	4.33		-30.78%
7102	Benadir-Mogadishu City	0.00	4.15	3.19	4.35	4.16	15.85		16.02%
7201	Chamber of commerce	0.00	0.14	0.11	0.14	0.14	0.53		100.75%
7202	Somali Development Bank	0.00	0.14	0.11	0.14	0.14	0.53		100.75%
27	Social benefits	50.72	0.00	31.30	2.42	6.15	39.86	79%	42.71%
2711	Social Security benefits	7.00	0.00	0.00	0.00	6.15	6.15	88%	-69.78%
2721	Social Assistance Benefits	43.72	0.00	31.30	2.42	0.00	33.72	77%	344.55%
28	Other expenses	1.04	0.00	0.00	0.00	0.00	0.00	0%	0.00%
2821	Contingency - Operating and capital expenses	1.04	0.00	0.00	0.00	0.00	0.00	0%	0.00%
3	Balance	14.03	-8.67	-24.58	-24.49	-39.58	-97.31		

Annex 2: Expenditure by MDA FY2021

MDA-Codes	Sector/MDA	Budget 2021	Q1	Q2	Q3	Q4	Actual 2021	Pfce 100%	% YTY	Share to Total
	Administration and General Services	**311.65**	**38.21**	**38.08**	**53.55**	**63.56**	**193.40**	62.1%	-14.5%	40.8%
10101	Office of the Presidency	9.56	1.46	2.12	2.57	2.53	**8.68**	90.8%	4.1%	1.8%
10201	Office of the Parliament	5.94	0.99	1.23	1.30	1.29	**4.80**	80.9%	-13.2%	1.0%
10202	Members of Parliament (Allowance)	14.60	3.45	2.29	4.58	3.45	**13.77**	94.4%	-8.6%	2.9%
10203	Members of Parliament (Allowance) Senate	4.25	0.84	0.71	1.26	1.01	**3.82**	89.8%	1.1%	0.8%
10301	Office of the Prime Minister	22.60	2.17	3.35	3.14	7.61	**16.27**	72.0%	37.2%	3.4%
10401	Ministry of Foreign Affairs	3.72	0.52	0.66	1.23	1.06	**3.48**	93.5%	31.1%	0.7%
10402	Embassies	7.52	0.85	1.07	1.16	1.81	**4.90**	65.1%	-14.2%	1.0%
10501	Ministry of Finance	94.36	5.37	7.13	12.35	10.40	**35.26**	37.4%	-2.0%	7.4%
10502	Accountant General	1.99	0.43	0.48	0.48	0.59	**1.99**	100.0%	3.0%	0.4%
10503	General Activities for the Government	60.30	12.97	9.22	14.29	18.18	**54.66**	90.6%	-43.6%	11.5%
10504	Directoriate of Financial Reporting Center	0.97	0.11	0.19	0.20	0.30	**0.81**	82.9%	33.0%	0.2%
10505	Public Procurement Authority	0.50	0.00	0.00	0.00	0.00	**0.00**	0.0%	0.0%	0.0%
10601	Ministry of Planning	14.39	1.63	1.76	1.77	2.49	**7.65**	53.2%	76.1%	1.6%
10602	National Statistics Department	11.98	0.11	0.29	0.66	1.63	**2.68**	22.4%	2353.2%	0.6%
10701	Ministry of Interior and Federal Affairs	20.74	1.83	0.61	1.02	2.08	**5.54**	26.7%	-38.8%	1.2%
10702	Somali Refugee and IDPs Commission	0.73	0.14	0.16	0.17	0.21	**0.68**	92.9%	22.5%	0.1%
10703	National ID Authority DADSOM	0.70	0.02	0.03	0.05	0.06	**0.16**	23.1%	0.0%	0.0%
10801	Ministry of Religious Affairs	1.39	0.27	0.29	0.33	0.42	**1.32**	94.4%	30.6%	0.3%
10901	Ministry of Justice and Endowment	1.76	0.13	0.20	0.19	0.23	**0.75**	42.9%	19.2%	0.2%
10902	Custodian Corps	10.05	2.13	2.45	2.46	2.74	**9.79**	97.4%	6.2%	2.1%
11001	Supreme Court	4.43	0.31	0.47	0.51	0.71	**2.00**	45.0%	126.3%	0.4%
11002	Banadir Court	1.84	0.35	0.41	0.44	0.47	**1.67**	90.5%	28.0%	0.4%
11003	Appeal Court	1.04	0.12	0.18	0.23	0.25	**0.77**	74.3%	116.4%	0.2%
11005	Judiciary Service Committee	0.58	0.02	0.05	0.04	0.05	**0.16**	27.0%	20.3%	0.0%
11101	Attorney General	1.54	0.25	0.30	0.36	0.52	**1.43**	92.6%	23.0%	0.3%
11201	Solicitor General	0.65	0.10	0.10	0.12	0.18	**0.50**	77.6%	5.6%	0.1%
11301	Auditor General	2.52	0.43	0.60	0.75	0.71	**2.50**	99.2%	39.4%	0.5%
11401	Ministry of Humanitarian Affairs and Disaster Managem	1.36	0.31	0.24	0.27	0.38	**1.19**	87.1%	14.3%	0.3%
11501	Ministry of Constitution	2.17	0.07	0.24	0.26	0.31	**0.88**	40.6%	18.1%	0.2%
11601	Boundaries and Federation Commision	0.65	0.10	0.14	0.14	0.19	**0.57**	86.8%	-0.2%	0.1%
11602	National Reconciliation Commission	0.50	0.08	0.11	0.11	0.15	**0.45**	89.5%	-1.0%	0.1%
11603	National Independent Electoral Commission	3.56	0.30	0.45	0.50	0.75	**2.01**	56.4%	-7.2%	0.4%
11604	Human Rights Commision	0.10	0.00	0.00	0.00	0.00	**0.00**	0.0%	0.0%	0.0%
11605	Indep. Constitution Review and Imp. Commission	0.70	0.11	0.15	0.15	0.20	**0.62**	88.0%	-4.3%	0.1%
11606	National Civil Service Commission	1.53	0.25	0.26	0.32	0.42	**1.26**	82.0%	3.3%	0.3%
11607	The Independent Commission for Combating Corruptior	0.42	0.00	0.14	0.13	0.15	**0.41**	96.4%	0.0%	0.1%
	Security	**165.36**	**36.21**	**38.45**	**40.35**	**44.98**	**159.98**	96.8%	10.1%	33.8%
20101	Ministry of Defence	1.26	0.19	0.22	0.27	0.36	**1.04**	83.0%	0.5%	0.2%
20102	Armed Forces	92.90	21.12	21.97	22.88	23.67	**89.64**	96.5%	10.5%	18.9%
20103	Military Court	1.46	0.24	0.36	0.44	0.42	**1.46**	100.0%	0.8%	0.3%
20104	Disabled and Orphans Organization	0.12	0.01	0.02	0.02	0.03	**0.07**	60.1%	0.0%	0.0%
20201	Ministry of National Security	1.92	0.22	0.22	0.25	0.37	**1.06**	55.2%	-6.3%	0.2%
20202	Police Force	44.12	10.04	10.70	10.77	11.78	**43.29**	98.1%	4.6%	9.1%
20203	National Security Force	18.98	3.74	3.81	4.19	7.08	**18.82**	99.2%	30.2%	4.0%
20204	Immigration Department	4.61	0.65	1.15	1.54	1.27	**4.61**	100.0%	0.0%	1.0%

MDA-Codes	Sector/MDA	Budget 2021	Q1	Q2	Q3	Q4	Actual 2021	Pfce 100%	% YTY	Share to Total
	Economic Services	**79.53**	**6.23**	**9.78**	**12.15**	**11.87**	**40.03**	50.3%	25.1%	8.4%
30101	Ministry of Water and Energy	8.02	0.54	0.97	1.00	0.72	**3.22**	40.2%	81.6%	0.7%
30201	Ministry of Mineral	1.70	0.26	0.30	0.34	0.45	**1.34**	79.1%	14.1%	0.3%
30301	Ministry of Agriculture	1.74	0.32	0.32	0.36	0.40	**1.40**	80.1%	15.5%	0.3%
30401	Ministry of Livestock and Forestry	1.66	0.19	0.20	0.22	0.24	**0.85**	51.3%	3.5%	0.2%
30501	Ministry of Fishery and Marine Resource	1.92	0.27	0.31	0.31	0.41	**1.30**	67.7%	-21.0%	0.3%
30502	Somali Marine Research	0.60	0.11	0.13	0.14	0.18	**0.55**	91.7%	16.7%	0.1%
30503	Offshore and Fisheries Development Project	0.11	0.01	0.01	0.01	0.03	**0.07**	61.9%	-2.7%	0.0%
30601	Ministry of Information	6.68	0.97	1.27	1.42	1.69	**5.36**	80.2%	8.9%	1.1%
30701	Ministry of Post and Telecomuniction	1.73	0.31	0.33	0.37	0.46	**1.47**	85.4%	-29.2%	0.3%
30702	National Communication Agency	1.17	0.07	0.15	0.14	0.21	**0.57**	48.5%	-33.7%	0.1%
30801	Ministry of Public Work & Reconstruction	30.93	0.68	2.14	3.07	2.26	**8.15**	26.3%	493.2%	1.7%
30901	Ministry of Tranport and Aviation	2.34	0.39	0.49	0.57	0.65	**2.09**	89.4%	15.6%	0.4%
30902	Civil Aviation and Meteo-Authority	15.08	1.15	2.01	2.87	2.70	**8.74**	57.9%	-8.5%	1.8%
31001	Ministry of Transport and Ports	1.64	0.28	0.28	0.30	0.31	**1.17**	71.3%	5.0%	0.2%
31002	Hamar Port	1.02	0.15	0.23	0.31	0.23	**0.92**	89.8%	-4.0%	0.2%
31101	Ministry of Industry & Commerce	2.68	0.48	0.57	0.64	0.74	**2.43**	90.7%	11.0%	0.5%
31102	Somali Quality Assurance Agency	0.52	0.05	0.08	0.09	0.20	**0.41**	79.6%	0.0%	0.1%
	Social Services	**109.95**	**4.94**	**44.88**	**7.13**	**23.49**	**80.44**	73.2%	-1.6%	17.0%
40101	Ministry of Health	33.83	1.33	9.16	1.32	9.35	**21.16**	62.6%	239.4%	4.5%
40201	Ministry of Education and Higher Education	19.16	1.50	1.78	2.61	3.80	**9.70**	50.6%	9.6%	2.0%
40202	Somali National University	8.36	1.00	1.50	1.61	2.30	**6.42**	76.8%	33.0%	1.4%
40203	Somali Academy of Sciences and Arts	1.06	0.16	0.18	0.25	0.28	**0.86**	81.3%	46.6%	0.2%
40204	Intergovernmental Ackademy of Somali Language	1.36	0.04	0.06	0.06	0.16	**0.32**	23.5%	28.4%	0.1%
40301	Ministry of Labor and Social Affairs	44.59	0.59	31.97	0.87	7.22	**40.65**	91.2%	-31.8%	8.6%
40401	Ministry of Youth and Sport	0.65	0.14	0.09	0.18	0.16	**0.57**	87.5%	-4.2%	0.1%
40501	Ministry of Women and Human Rights Dev.	0.84	0.18	0.11	0.22	0.19	**0.70**	84.0%	-10.6%	0.1%
40502	Somali Disable Agency	0.10	0.00	0.02	0.01	0.02	**0.05**	51.0%	0.0%	0.0%
	Grand Total	**666.48**	**85.58**	**131.19**	**113.17**	**143.90**	**473.85**	**71.1%**	**-2.4%**	**100.0%**