FEDERAL GOVERNMENT OF SOMALIA
MINISTRY OF FINANCE

End-Year Budget Fiscal Performance Report
For Fiscal Year 2023

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Executive Summary

The End-Year Budget Fiscal Performance Report for Fiscal Year 2023 provides a comprehensive overview of Somalia's economic and fiscal performance, offering insights into revenue collection, expenditure management, and budget execution.

Macroeconomic Performance

Despite facing challenges such as external economic uncertainties and climate-related disasters, Somalia saw a projected GDP growth of 2.8% in 2023, reflecting a recovery from the previous year. Inflation increased to 4.2% due to various factors, including the residual effects of floods and the Russia-Ukraine war.

Imports and Exports

Import and export figures show growth in both sectors, driven by increased imports of construction materials, vehicles, and food items and higher exports of live animals, particularly to Saudi Arabia.

Revenue Performance

Total revenue collection reached $738.02 million, with domestic revenue surpassing targets at $329.49 million, driven by successful revenue administration strategies and increased tax compliance. However, grants received were lower than expected, attributed to delays and reduced contributions.

Expenditure Performance

Total government spending was $720.28 million, with recurrent spending dominating expenditures. While some sectors met or exceeded targets, capital spending fell short, highlighting the need for prioritization and improved project execution, particularly in donor-funded projects. Sector-wise Expenditure - the most significant spending sectors were Administration and General Services, Security, Economic Sector, and Social Services Sector, with varying levels of expenditure performance compared to targets.

Key Lessons Learned

Successful revenue administration strategies led to increased revenue, emphasizing the importance of studying and replicating effective practices. Challenges in donor-funded project execution underscore the need for reforms and improved coordination. Enhanced budget communication and increased capital spending are essential for showcasing government projects and fostering public trust.

This report emphasizes the importance of ongoing monitoring, evaluation, and reform efforts to strengthen fiscal management, promote transparency, and support sustainable economic development in Somalia. Through strategic reforms and concerted efforts, Somalia can overcome challenges and achieve its vision for a prosperous future.

Revenue Performance

Aggregate Revenue

The FGS collected $738.02 million in revenue in 2023, 80.5% of the annual target and 2.6% more than the previous year. Out of this, domestic revenue contributed $329.49 million, 116.3% of the target and 25.4% more than the amount collected last year (see Table 1). While falling short of the target, this still represents a substantial portion of the projected revenue. All revenue sources performed above the target, except 'other taxes,' which comprised stamp duties on invoices and road tax. Income taxes performed at 135.6%, taxes on goods and services 116.5%, taxes on international trade 125.1%, non-tax revenue 112.3%, and other taxes 50.5%. As Figure 4 shows, the performance was boosted by higher revenue collections in Quarter 4 (October-December), presumed to have resulted from the changes made within the revenue administration in June 2023. Although it was only in the Customs Department where changes were made, this positively affected the other revenue departments, incentivizing the departments to enhance revenue mobilization.

Domestic revenue contributed significantly, reaching $329.49 million, surpassing the target by 16.3%. This over-performance indicates a positive trend in revenue generation from within the Country, driven by improved tax compliance and effective revenue administration strategies. Income taxes, taxes on goods and services, and taxes on international trade all exceeded their respective targets, reflecting broad-based revenue growth across different sectors of the economy. However, 'other taxes,' which include stamp duties and road taxes, fell short of the target, indicating potential areas for improvement in revenue collection mechanisms.
The other factors that contributed to improved performance in the last quarter of the year included the new President's resolve to end insecurity in the Country and the involvement of other politicians (ministers and MPs) in revenue mobilization through their addresses to taxpayers in their constituents—which played a part in giving taxpayers hope and responded by enhancing compliance in the last quarter of the year. The momentum attained in the previous quarter of 2023 needs not be lost in 2024 and other future years.

Grants contributed $408.53 million against a target of $633.97 million, which was 64.4% of the target and -10.6 lower than the grants received in the previous year. The lower year-to-year decrease was primarily due to the number of grants for the budget support not being received as expected from the donors. Delays in expected contributions and reduced grants for budget support were cited as reasons for the underperformance in grant revenue.

The report highlights a significant boost in revenue collection during the fourth quarter of the fiscal year, attributed to changes in revenue administration and increased political involvement in revenue mobilization efforts. Sustaining this momentum in revenue collection throughout the year, especially in the fourth quarter, will be crucial for meeting future revenue targets.

The aggregate revenue performance indicates resilience and progress in revenue generation efforts despite economic uncertainties and climate-related disasters. The over-performance in domestic revenue underscores the effectiveness of revenue administration reforms and increased tax compliance. However, the shortfall in grant revenue highlights the importance of timely disbursement and reliable funding sources for sustaining government operations and development initiatives. In the future, continued efforts to strengthen revenue administration, enhance tax compliance, and diversify revenue sources will be essential for achieving fiscal sustainability and supporting Somalia's economic growth agenda.

Table 1: Aggregate Revenue and Expenditure 2021-2023

Fiscal Variable	2021				2022				2023			
	Budget	Actual	Pfce %	Y-t-Y %	Budget	Actual	Pfce %	Y-t-Y %	Budget	Actual	Pfce %	Y-t-Y %
Revenue	589.51	414.81	70.4%	0.0%	944.86	719.65	76.2%	73.5%	917.27	738.02	80.5%	2.6%
Domestic Revenue	178.71	229.56	128%	-18.1%	250.10	262.67	105%	14.4%	283.31	329.49	116%	25.4%
Grants	410.80	163.26	39.7%	36.4%	694.76	456.98	65.8%	179.9%	633.97	408.53	64.4%	-10.6%
Expenditure	660.52	473.90	71.7%	0.0%	929.92	729.04	78.4%	53.8%	917.38	720.28	78.5%	-1.2%
Fiscal Balance	-71.01	-59.09			14.94	-9.39			-0.11	17.74		

Revenue by Source

Taxes on income, profits, and capital gains

In 2023, $ 24.38 million was collected from income taxes compared to the target of $17.99 million, which was 135.6% of the target and was higher than the amount raised in 2022 by 35.2%. Individual income taxes, which did well at 143.7% in contrast to corporate taxes' performance of 101.3%, significantly contributed to this positive performance—the high praise of a segment of companies due to the excellent performance of tax collections of corporations.

Taxes on goods and services

Revenue from sales and excise taxes on local goods and services totaled $38.61 million in 2023, 116.5% of the target and 17.8% more than the collection in the previous year. The revenue base for this tax category 2023 entailed four sources—hotels, telecoms, airline tickets, and imported items. Of these, airline tickets, imported goods, other taxes on sales, and other imported goods performed above target at 459.6%, 129.5%, 126.5%, and 129.5%. The more than expected performance of airline tickets was mainly due to the increased travel in the third and fourth quarters, where several people travelled out of the Country due to uncertainty caused by the foreigners' vacations and other holidays and returned diasporas in the third quarter when the Winter session started. During the same period, several other people travelled into the Country in the third quarter to participate in the Country's investment observation or following. Hotels also performed mainly due to the increase in new numbers registered as taxpayers, but telecoms are still struggling with compliance issues, hence the lower-than-targeted performance. The use of electronic fiscal receipt and invoice system gadgets in these two sectors, if implemented in 2024, is expected to make a significant difference in revenue performance. The implementation of sales tax on electricity consumption and cable TV use failed to take off even in 2023, hence the 0.1% performance levels shown in Annex 1.

Taxes on international trade and transactions

Customs collected $154.08 million in 2023 against a target of $123.19 million, 125.1% of the target and 32.6% more than the amount collected in the previous year. The performance would have been higher than observed if it had not been for the underperformance of khat at 86.1%. Collections from non-khat imports performed at 124.2%. As mentioned above, the performance of customs also benefited from the significant increase in customs' collections tax rates at 50% in May 2023, which was reached by the Government Ministry of Finance Administration and probably distributed unexpected domestic revenue performance increases.

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

Against the target of $14.95 million in 2023, $7.55 million was collected from 'other taxes,' which was 50.5% of the target and -46.4% less than the amount collected in 2022. This category has four revenue sources: road tax, other stamp duty, stamp duty on customs, and Stamp duties of invoices and contracts (notary). Of these, only stamp duties on customs performed above the annual target at 119.5% but collected -33.1% lower than the previous year's collection. The remaining sources (road tax 6.9%, notary 36.1%, and another stamp duty 42.9%) underperformed. Road tax was affected by the increased roadblocks in Mogadishu (to curb insecurity), which results in too much traffic congestion and long delays to reach planned destinations—which incentivizes vehicle owners to park their vehicles and either walk or use public means. The underperformance of stamp duties was primarily due to an overestimation of the target.

Non-Tax Revenue

Administrative Fees: This category represents the fees charged for administrative purposes in 2023. The fees have increased steadily over the specified period, from the target of $93.40 million to the actual total of $101.66 million. The growth rate over the period is 108.8%, indicating a significant increase in administrative fees. The steady increase in administrative fees suggests an increase in the volume of administrative services provided. Such growth could indicate expanding administrative needs within the organization or adjusting pricing to reflect service value.

Passport fees

A total of $9.62 million was collected against a target of $7.97 million, which was 120.7% of target and 19.1% higher than the previous year's collection. This good performance resulted from increased demand for passports after lifting COVID-19 restrictions. Still, it was also triggered by the uncertainties that emanated from strengthening the tax collection reform while avoiding corruption, especially when some families travelled out of the Country.

Visa charges

The target for this revenue source amounted to $6.96 million, and at the end of the year, a total of $8.69 million was received, which was 124.9% of the target and 15.5% higher than the collection of the same period last year (2022). The reasons for this high performance are similar to those under sales tax from airline tickets; several people from the diaspora travelled into the Country to take part in the pacification of the Country through politics and participation in administrative functions, and several diaspora families visited their families in Somalia for their annual vacations from abroad. Underestimation could also have affected the observed high performance under this revenue source.

Business and Professional Licenses

A target total of $1.75 million was realized and received $1.83 million, representing 104.4% of the target. Enforcement of this revenue source was adversely affected by non-compliance coupled with the slowdown of business activities due to the long-term impact of the Russia and Ukraine war on the global economy, which has contributed to volatile and elevated commodity and energy prices, which exacerbated food shortages and stoked inflation in many regions across the world that affected much of Mogadishu Businesses particularity and whole Somali Country in general.

Harbor fees - Albayrak

In 2023, this source of revenue generated $30.29 million, which was 81.5% of the target and 3.3% more than what was received last year. Again, this revenue source was affected by the impact of the Russian and Ukrainian war on the global economy this year, which created uncertainty and a slowdown in business activities, including both inbound and outbound cargo. The observed increase in year-to-year growth was due to the relatively increased cargo handled at the harbour due to recovery from talent administration steps towards revenue collection and the effects of the Russia and Ukraine War impact and Read Sea conflicts. The change in customs administration also introduced new revenue collection and monitoring systems, which plugged some revenue leakages at the port, hence the nearly double increase in collections from this source in the last quarter of the year, three months after customs administration changed hands.

Work permits and other fees

$2.50 million was realized in 2023, 356.6% of the target and 474.5% higher than the previous year's collection. This higher performance was primarily caused by the underestimation of the target and the security situation, which prevented many foreign workers from returning to Somalia in 2023.

Airport fees - Favori

In 2023, this form of revenue generated $3.97 million against a target of $2.67 million, representing 148.7% of the budget and 27.7% more than the amount collected in the previous year. Building solid diplomatic ties in the region for new tax collection efforts by the Government in September 2023 is likely to be responsible for this revenue source's improved performance, which increased the number of flights into and out of Mogadishu, thereby expanding the base for this revenue source. As Annex 1 shows, it was in the second half of the year that increased collections were realized.

Telecommunication Spectrum fees

The revenue collected in 2023 for Telecommunication Spectrum Fees was $8.44 million, which exceeded the budgeted $6.00 million. Performance to budget indicates that the actual revenue achieved was 140.6% of the budgeted amount, implying an overachievement against the planned targets. Year-to-year growth, comparing revenue collected in 2023 to that of 2022, indicates a positive growth rate of 106.0%, suggesting a significant increase in revenue from the previous year. Overall, the telecommunications sector experienced robust revenue growth in 2023, with actual revenue surpassing budgeted targets and showing a healthy year-on-year increase.

Overflight fees

Revenue from this source totaled $20.48 in 2023 compared to the target of $14.47 million, which was 141.6% of the target but 35,5% more than the previous year's collection. The increase in planes using Somalia Airspace is responsible for the improved performance. Data is being collected from SCAA on the number of flights using Somalia space since Somalia took over the management of this revenue source.

Customs Harbor Fees

A total of $6.40 million was collected against a target of $4.80 million, 133.4% of target and 30.9% more than the previous year's collection. The third quarter of the year registered the highest collection from this source compared to the other three quarters; this is partly attributed to the new customs administration's management style.

Administrative Charges

receipts from this source were $3.25 million against a target of $5.20 million, which was 62.6% of the target and -28.4% lower than the receipts in the previous year. The low performance was caused by fees from services of other government agencies, which decreased in 2023, such as fees for low-rated high school diplomas.

External Grants

A total of $408.53 million was received against a target of $633.97 million, which was 64,4% of the target and -10.6% lower than the grants obtained in the previous fiscal year (see Table 2). This covers both grants from foreign governments and grants from international organizations. Grants from foreign Governments totaled $0.80 million against a target of $30.0 million, a performance of 2.7%. Grants came from China. This grants' underperformance (2.7%) was primarily caused by the delay to the expected governments, such as Turkey, which was one of the countries that provided the grants, which was hit by an earthquake that destroyed that Country and the other one was that the World Economy was reduced and affected by the long-running war between Russia and Ukraine. Grants from international organizations brought in $407.73m against a target of $603.97 million, which was 67.5% of the target. Most of the grants received in the Jan-Dec of the year are for current activities (nothing yet for capital activities).

Table 2: Details of revenue from grants in 2023

Fiscal Variable	Budget 2023	Actual 2023					Prfc 100%	Year to Year Growth
		Q1	Q2	Q3	Q4	Total		
Donor Grants	**633.97**	**15.98**	**16.45**	**167.41**	**208.69**	**408.53**	**64.4%**	**-10.6%**
Grants from foreign governments	30.00	0.00	0.80	0.00	0.00	0.80	2.7%	**-97.8%**
Current From Foreign Governments	30.00	0.00	0.80	0.00	0.00	0.80	2.7%	**-97.8%**
Current Grants in Cash	30.00	0.00	0.80	0.00	0.00	0.80	2.7%	-97.8%
Grants from international organizations	603.97	15.98	15.65	167.41	208.69	407.73	67.5%	**0.0%**
Current From International Originations	603.97	15.98	15.65	167.41	208.69	407.73	67.5%	**0.0%**
Current Grants in Cash	603.97	15.98	15.65	167.41	208.69	407.73	67.5%	0.0%

Source: RCRF & SFMIS

Expenditure Performance

Aggregate Expenditure

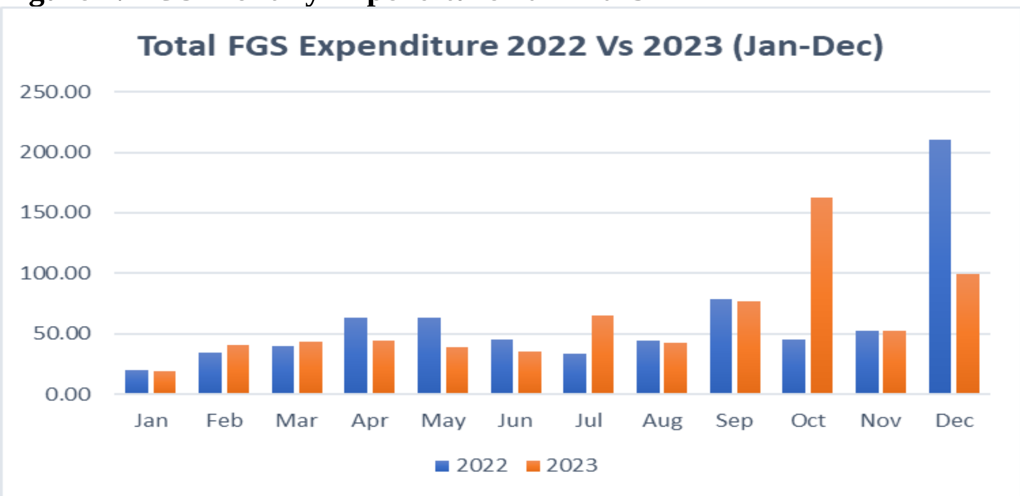
Overall, FGS spent $720.28m in 2023 against a target of $917.38 million, which was 78.5% of the target and -1.2% lower than total Expenditure for the previous year. While falling short of the target, this still represents a significant portion of the planned Expenditure. Recurrent spending accounted for most expenditures, focusing on routine operational expenses such as salaries, utilities, and administrative costs. Capital spending fell short of the planned share, suggesting limitations in funding for long-term investment projects aimed at infrastructure development and capacity building.

The budget is split into two spending funds—Donor Project Fund (DPF) and Government Local Fund (GLF). Regarding performance, under the GLF, Expenditure amounted to $471.34 million against a budget of $456.89 million, which was 103.2% of the target and 7% higher than the GLF spending in the same period of the previous fiscal year. Under the DPF, Expenditure in 2023 totaled 248.94 million against a target of $460.38 million, which was

54.1% of the target and 133.3% higher than the project expenditure of the same period of the last year (see Table 4). Compensation of employees accounted for 40.57% of total Expenditure, followed by the purchase of goods and services at 19.19%, transfers at 17.53%, social benefits at 18.12%, capital at 2.0%, interest on debt at 1.83% and subsidies at 0.75%. As Table 1 shows, revenue collected during the year was higher than the Expenditure spent, leading to a fiscal balance worth $17.74 million. The month of October 2023 recorded the highest spending, as shown in Figure 1; all the major expenditure categories recorded increased spending in the last quarter, e.g., a total of $130.55 million was recorded in Q4 for social benefits compared to an average of $18.34 million for the first three quarters; Goods and services recorded $51.68 million in Q4 compared to an average of $73.42 million for the first three quarters; whereas capital activities recorded $3.39 million in Q4 compared to an average of $10.35 million for the first three quarters of 2023—compensation of employees performed close to target, indicating timely payment of salaries and allowances to government workers. However, Expenditure on goods and services and capital expenditure fell short of expectations, reflecting challenges in project implementation and procurement processes.

The aggregate expenditure performance reflects the Government's prioritization of recurrent expenses to sustain day-to-day operations, often at the expense of capital investments needed for long-term development. While the surge in fourth-quarter spending suggests efforts to utilize available funds before year-end, it also highlights inefficiencies in budget execution and planning. Sector-wise expenditure patterns reveal areas of both strength and weakness, signaling the need for targeted interventions to address underspending in critical sectors while ensuring fiscal discipline and accountability. Enhancing expenditure management practices, improving project implementation capacity, and aligning spending priorities with national development goals will be essential for achieving sustainable economic growth and development in Somalia.

Figure 1: FGS Monthly Expenditure 2022-2023



In terms of execution achievement rates, compensation of employees performed at 97.0%, purchase of goods and services 68.8%, capital expenditure 35.3%, interest on public debt 100.0%, subsidies 100.0%, transfers including transfers to FMSs and International Organizations 72.9%, and social benefit 71.5%.

Table 3: Summary Expenditure Fiscal Year 2022

Fiscal Variable	Budget 2023	Actual 2023						
		Q1	Q2	Q3	Q4	Total	Prfc 100%	Year to Year Growth
Expenditure	**917.38**	**102.12**	**118.89**	**184.72**	**314.55**	**720.28**	**78.5%**	**-1.2%**
Compensation of Employees	301.15	64.23	67.85	73.20	86.96	292.24	97.0%	12.6%
Use of goods and services	200.96	19.65	30.17	36.70	51.68	138.20	68.8%	0.0%
Interest and other charges	13.20	1.77	4.51	3.45	3.47	13.20	100.0%	-25.9%
Subsidies	5.40	0.32	0.46	4.05	0.57	5.40	100.0%	0.0%
Grants	173.26	12.17	13.59	42.26	58.26	126.27	72.9%	13.5%
Social benefits	182.59	2.98	0.00	17.35	110.23	130.55	71.5%	-30.9%
Non Financial Assets	40.82	1.00	2.30	7.71	3.39	14.41	35.3%	9.1%

Expenditure Performance by Spending Category

Compensation of Employees

Overall, $292.24 million was spent on the compensation of employees in 2023, which was 97.0% of the target and 12.6% higher than the spending on compensation of employees in 2022. As Table 4 shows, the compensation of employees working in the civil service (paid through the government payroll system) performed at 100.7% (actual versus target) and increased year on year by 12%. Principally, all the money budgeted for salaries and allowances should have been paid, but not all staff that had been budgeted to be recruited during the year were recruited. On the other hand, the compensation of employees paid by donor-funded projects performed at 35.5% and increased 30% year on year. This underperformance is primarily attributed to budget overestimation and delays in implementation of planned project activities, which delays the recruitment of project staff.

Table 4: Summary expenditure by source of funds 2021-2023.

Code	Description	2021				2022				2023			
		Budget	Actual	Pfce100%	YtY%	Budget	Actual	Pfce100%	YtY%	Budget	Actual	Pfce75%	YtY%
A.	**Government Fund**	**404.31**	**344.83**	**85.3%**	**-6.1%**	**429.12**	**438.65**	**102.2%**	**27.2%**	**456.89**	**471.34**	**103.2%**	7%
21	Compensation of employees	246.28	240.83	97.8%	11.2%	259.71	257.94	99.3%	7.1%	288.11	290.11	**100.7%**	12%
22	Use of goods and services	99.11	66.92	67.5%	7.6%	96.29	93.54	97.1%	39.8%	98.37	95.71	**97.3%**	2%
23	Consumption of fixed capital	31.99	2.82	8.8%	-64.4%	12.03	7.76	64.5%	175.1%	12.37	5.22	**42.2%**	-33%
24	Interest and other charges	2.50	14.61	584.2%	1.1%	2.50	12.69	507.6%	-13.1%	5.80	13.20	**227.6%**	4%
26	Grants	24.42	19.66	80.5%	-70.3%	57.34	66.72	116.4%	239.5%	52.24	67.10	**128.4%**	1%
28	Other expenses	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	0.00	0.00	**0.0%**	0%
27	Social benefits	0.00	0.00			1.26	0.00	0.0%		0.00	0.00		0%
B.	**Donor Fund (Projects)**	**262.18**	**128.97**	**49.2%**	**9.4%**	**500.80**	**287.67**	**57.4%**	**123.1%**	**460.38**	**248.94**	**54.1%**	**133.3%**
21	Compensation of employees	12.77	9.25	72.4%	-11.1%	4.73	1.64	34.6%	-82.3%	6.01	2.13	**35.5%**	30%
22	Use of goods and services	83.56	39.14	46.8%	111.5%	131.99	47.10	35.7%	20.3%	108.77	42.49	**39.1%**	-10%
24	Interest and other charges	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	0.00	0.00	**0.0%**	0%
23	Consumption of fixed capital	50.56	13.25	26.2%	24.6%	28.66	5.45	19.0%	-58.9%	41.06	9.18	**22.4%**	69%
25	Subsidies	8.05	1.27	15.8%	-41.2%	7.55	0.00	0.0%	-100.0%	9.00	5.40	**60.0%**	0%
26	Grants	46.52	26.19	56.3%	86.5%	60.31	44.52	73.8%	70.0%	105.55	59.18	**56.1%**	33%
27	Social benefits	60.72	39.86	65.7%	-35.8%	267.56	188.94	70.6%	373.9%	189.98	130.55	**68.7%**	-31%
	Other expenses	0.00	0.00	0.0%	0.0%	0.00	0.03			0.00	0.00		-100%
	TOTAL	**666.48**	**473.80**	**71.1%**	**-2.4%**	**929.92**	**726.32**	**78.1%**	**53.3%**	**917.27**	**720.28**	**78.5%**	**-1.2%**

Use of Goods and Services

Overall, purchasing goods and services cost FGS $138.20 million in 2023 against a target of $200.96 million, representing 68.8% of the target and -0.03% lower than the Expenditure on goods and services in 2022. The most oversized expenditure item under goods and services was consulting and professional expenses, which cost the FGS a total of $45.61 million against a target of $75.77 million, followed by 'other general expenses' on which the Government spent $35.35 million against a target of $39.58 million during the year. The other oversized items included travel and conference expenses ($12.51m, 56.5% performance), financing costs ($8.17m, 85.6% performance), fuel and lubricants ($7.74m, 79.1% performance), materials and supplies ($6.03m, 68.2% performance), utilities ($4.92m, 86.4%), maintenance and repairs ($2.05m, 59.9% performance). Other details can be seen in Annex 1. In terms of GLF and donor project funds on goods and services, the government-consolidated fund's Expenditure on goods and services amounted to $95.71 million against a target of $98.37 million, which was 97.3% of target and 2% higher than Expenditure on goods and services in 2022. Donor-funded projects' Expenditure on goods and services totaled $42.49 million against a target of $108.77 million, 39.1% of the target and -10% lower than the Expenditure on goods and services in 2022.

Poor budget execution within donor-funded projects was attributed to the project activities' delayed execution because of the disruptions brought on by the slowdown in government business as a result of the delays in concluding the limitation of the FGS' Revenue since the Government's revenue was less than expected in the first quarters of the year and the fear of the weakening of the world economy which is based on the uncertainty of the impact of the wars in Ukraine and Palestine which could reduce the expected revenues. This notwithstanding, the performance of Expenditure on goods and services for donor-funded projects over the past three years has not exceeded 46.8%, suggesting there may be an underlying issue with project management that needs to be researched and solved.

Capital Expenditure

In 2023, overall capital expenditure totaled $14.41 million against a budget of $40.82 million, 35.3% of target and 9.1% higher than capital spending in 2022. A big chunk of this money ($10.07m, 39.2%) was spent on 'machinery and equipment' followed by 'other fixed assets' ($3.86m, 32.0% performance) and 'buildings and structures' that includes roads and bridges and construction of buildings ($0.48m, 15.5% performance). As indicated in the in-year reports, the FGS needs to prioritize capital spending in future budgets to generate economic growth for the Country. Of the $14.41m capital expenditure for 2023, 36.22% of these funds were channeled through the GLF, and the rest (63.7%) were channeled through the donor project fund. GLF capital expenditure performed at 42.2%, whereas the capital expenditure under the project fund performed far below expectations at 22.4%. Like spending on goods and services, capital expenditure on donor-funded projects has underperformed over the past three years.

Interest payments

During 2023, the Government serviced its public debt to $13.20 million against a target of $13.20 million. This expenditure item thus performed 100.0% of the target but registered a year-on-year decrease of -25.9% compared to debt servicing in the previous year, 2022. A good estimation of debt servicing was responsible for the otherwise out-of-the-normal performance level of 100.0%.

Transfers

This expenditure item comprises transfers to FMSs to the Chamber of Commerce and Somali Development Bank. During 2023, a total of $126.27m was transferred against a target of $173.26 million, which was 72.9% of the annual target and 13.5% higher than the transfers made the previous year. Transfers channeled through local government funds were $67.10 million (128.4% of target, 1% year-on-year, 53.25% share to total transfers). In contrast, transfers channeled through the donor project fund (mainly through RCRF) amounted to $59.18m (56.1% of target, 33% year-on-year, 46.87% share to total transfers). At the planning/budgeting stage, transfers from the Government's local funds were expected to account for 53% and transfers from donor funds 47%. Reasons for the less-than-planned transfers include lower revenue collection during 2023 (for the transfers from the government local fund) and failure to fulfill conditionalities that needed to be fulfilled to trigger the disbursement of transfers (in the case of donor-funded transfers). Table 5 provides amounts transferred to each FMS against the target.

Table 5: Transfers 2022-2023

FMS	Actual 2022	Budget 2023	Actual 2023	Pfce% (actual/target 2023)	Year-to-year growth%
Somaliland State of Somalia	13,816,190	28,000	28,000	100%	-100%
Puntland State of Somalia	20,588,798	11,253,888	6,528,636	58%	-68%
Jubaland State of Somalia	13,859,217	22,538,915	17,518,935	78%	26%
South West State of Somalia	18,027,674	24,074,028	15,659,062	65%	-13%
Galmudug State of Somalia	13,656,929	16,455,627	11,466,183	70%	-16%
Hirshabelle State of Somalia	10,383,632	16,592,545	10,902,089	66%	5%
Benadir Regional Administration and LG	18,218,593	32,215,374	28,853,784	90%	58%
Somali Development Bank	555,816	728,532	728,532	100%	0%
Chamber of commerce	555,816	728,532	728,532	100%	31%
Grand Total	**109,662,663**	**124,615,441**	**92,413,752**	**74%**	-16%

Source: SFMIS (MOF)

Subsidies

A total of $5.40 million was spent on subsidies in 2023 compared to the target of $5.40 million, which was 100.0% of the target. The excellent performance equals the expected 100 mark due to the work being done as intended. The subsidies are mostly extended to the energy sector.

Social Benefits

A total of $130.55 million was spent on social benefits in 2023 against a target of $182.59 million, representing 71.5% of the target. And a year-on-year growth of -30.9%. The social benefits program primarily offers nutrition-related cash transfers to the vulnerable communities in rural areas of Somalia that were mainly affected by the drought. The performance of less than the expected 100% mark is partly attributable to the challenges faced in enrolling/identifying Somalia's poor and vulnerable households, partly because of security-related issues and the delay in constructing the required registry.

Expenditure by Sector

Table 6: Expenditure by Sector FY2023, in Million USD

Sector/MDA	Budget 2023	Q1	Q2	Q3	Q4	Actual Total	Pfce 100%	YTY %
Administration and General Services	336.62	43.87	53.78	110.63	87.85	**296.13**	88.0%	-3.3%
Security	197.26	43.91	46.37	47.48	53.79	**191.55**	97.1%	14.3%
Economic Service	139.09	8.60	10.35	13.96	45.36	**78.27**	56.3%	37.4%
Social Service	244.40	5.74	8.39	12.65	127.55	**154.33**	63.1%	-22.1%
Total	**917.38**	**102.12**	**118.89**	**184.72**	**314.55**	**720.28**	**78.5%**	**-1.2%**

Source: MOF

Administration and General Services

The sector spent $296.13 million in 2023, 88.0% of the annual budget, -3.3% lower than sector spending in 2022, and a share of 41.1% of total government spending. The big spenders within the sector include General Government Activities, which accounted for 30.3% of total sector spending, Ministry of Finance 26.4%, and Parliament 7.4%. The remaining 34 MDAs in the sector accounted for the rest (35.9%) of the Expenditure.

Security

The sector consumed $191.55 million in 2023, 97.1% of the target and 14.3% more than the sector expenditure 2022. Security expenditure accounted for 26.6% of all FGS expenditures 2023, against the planned share of 21.5%. The rise in the price of food and other commodities, which led to an increase in the cost of goods and services, as well as the pay increase for security personnel (which went from $167.58 million in 2022 to $191.55 million in 2023, a 14% increase), were the main drivers of this sector's year-on-year expenditure growth.

Economic Sector

A total of $78.27m was spent in 2023 on the 18 MDAs that implement economic sector activities against a target of $139.09 million. Performance-wise, this was 56.3% of the target, 37.4% higher than the sector spending in 2022, and accounted for 10.87% of total FGS spending. Of the 18 cost centers within the sector, the largest spender was the Ministry of Public Work & Construction, which accounted for 49.47% of the sector's spending.

Social Services Sector

The sector's spending reached $154.33m in 2023, representing 63.1% of the annual budget, 22.1% lower than the previous sector expenditure, and 21.43% share of total FGS spending in 2023. The Ministry of Labor and Social Affairs led the nine sector MDAs with a share of 54.73% of all sector spending, followed by the Ministries of Health at 26.87%, Education at 10.53%, and Somali National University at 5.27%.

Conclusions

In conclusion, the End-Year Budget Fiscal Performance Report for Fiscal Year 2023 provides a comprehensive assessment of the financial performance of the Federal Government of Somalia. Despite facing external economic uncertainties, climate-related disasters, and security concerns, Somalia has made significant strides in revenue collection, expenditure management, and budget execution.

- The report highlights notable achievements in revenue mobilization, with domestic revenue surpassing targets due to successful revenue administration strategies and increased tax compliance. However, challenges remain, particularly in executing donor-funded projects and the need for improved budget communication to enhance public awareness and accountability.
- The report offers valuable insights and recommendations to address these challenges and build on achievements. Key recommendations include prioritizing successful revenue strategies, enhancing donor-funded project execution, improving budget communication, prioritizing capital spending, implementing program-based budgeting, and enhancing data exchange and integration.

Recommendations

Based on the thorough analysis provided in the End-Year Budget Fiscal Performance Report for Fiscal Year 2023 for the Federal Government of Somalia, several recommendations can be made to improve financial management and performance further:

1. Strengthen Revenue Strategies:
   - ✓ Prioritize studying successful revenue strategies and replicate them in areas where revenue collection fell short of targets.
   - ✓ Invest in capacity building for revenue administration to enhance efficiency and effectiveness in tax collection.
   - ✓ Explore innovative approaches, such as leveraging technology for tax compliance and implementing electronic fiscal receipting and invoicing systems.
2. Enhance Donor-Funded Project Execution:
   - ✓ Conduct detailed studies on factors affecting donor-funded project execution rates and implement necessary reforms to streamline processes and reduce delays.
   - ✓ Improve coordination and communication with donors to ensure timely disbursement of funds and adherence to project timelines.
   - ✓ Strengthen monitoring and evaluation mechanisms to track project progress and identify bottlenecks early for timely intervention.
3. Improve Budget Communication:
   - ✓ Enhance budget communication efforts to increase public awareness of government spending priorities and initiatives.
   - ✓ Utilize various communication channels, including traditional media and digital platforms, to engage with citizens and stakeholders on budgetary matters.
   - ✓ Provide clear and accessible information on capital projects to showcase tangible outcomes and promote accountability.
4. Prioritize Capital Spending:
   - ✓ Allocate sufficient resources to capital projects in future budgets to support economic growth and infrastructure development.
   - ✓ Ensure timely implementation of capital projects to maximize their impact on socioeconomic development.
   - ✓ Conduct rigorous project appraisal and prioritize investments that align with national development priorities and yield long-term benefits.
5. Implement Program-Based Budgeting:
   - ✓ Transition to program-based budgeting to improve performance monitoring and transparency across ministries and agencies.
   - ✓ Align budget allocations with strategic objectives and outcomes to enhance accountability and results-oriented budgeting.

- ✓ Establish clear performance indicators and targets for each program to facilitate monitoring and evaluation of program effectiveness.

6. Enhance Data Exchange and Integration:
   - ✓ Remove obstacles to data exchange among ministries and enhance collaboration to facilitate seamless information sharing.
   - ✓ Invest in integrated financial management information systems (IFMIS) to streamline budget processes and improve data accuracy and reliability.
   - ✓ Strengthen data governance frameworks to ensure data security, privacy, and compliance with regulatory requirements.
7. Continued Monitoring and Evaluation:
   - ✓ Establish a robust monitoring and evaluation framework to track the implementation of recommendations and assess their impact over time.
   - ✓ Conduct regular performance reviews and audits to identify areas for improvement and address emerging challenges proactively.
   - ✓ Foster a culture of accountability and continuous improvement within the Government through transparent reporting and accountability mechanisms.
   - ✓ By implementing these recommendations, the Federal Government of Somalia can enhance its fiscal management practices, strengthen financial accountability, and promote sustainable economic development for the benefit of its citizens.

Annex 1a: Fiscal Table Fiscal Year 2023 (Revenue)

Fiscal Variable	Budget 2023	Actual 2023					Prfc 100%	Year to Year Growth
		Q1	Q2	Q3	Q4	Total		
Total Revenue	**917.27**	**80.88**	**88.72**	**262.61**	**305.81**	**738.02**	**80.5%**	**2.6%**
Domestic Revenue	**283.31**	**64.90**	**72.27**	**95.20**	**97.12**	**329.49**	116.3%	25.4%
Taxes	**189.91**	**45.44**	**50.75**	**66.29**	**62.15**	**224.63**	118.3%	23.6%
Tax on income, profit and capital gain	17.99	3.99	5.96	7.20	7.24	24.38	135.6%	35.2%
Payable By individuals	14.53	3.88	4.44	5.90	6.67	20.88	143.7%	29.5%
Personal income Tax on Public Employee	6.53	1.63	1.94	2.32	2.97	8.86	135.7%	22.1%
Personal income Tax on on Private Employee	8.00	2.04	2.23	3.17	3.42	10.85	135.6%	22.3%
Personal income Tax on Property income	0.00	0.21	0.28	0.40	0.28	1.17		0.0%
Payable By Corporation and Other Enterprises	3.46	0.11	1.51	1.30	0.57	3.50	101.3%	83.7%
Payable By Corporations	3.46	0.11	1.51	1.30	0.57	3.50	101.3%	83.7%
Taxes on property	0.64	0.00	0.00	0.00	0.00	0.00	0.0%	-100.0%
Recurrent Taxes on Immovable Property	0.64	0.00	0.00	0.00	0.00	0.00	0.0%	-100.0%
Building	0.64	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%
Taxes on goods and services	33.14	6.70	9.15	12.33	10.43	38.61	116.5%	17.8%
General Taxes on Goods and Services	33.14	6.08	8.52	11.20	9.09	34.90	105.3%	35.4%
Sales Taxes - Hotels	1.24	0.29	0.49	0.53	0.51	1.81	145.8%	86.8%
Sales Taxes - Telecommunications	6.60	0.00	0.50	1.40	0.00	1.90	28.8%	-34.6%
Sales Taxes - Electricity and Electric Equipment (	2.00	0.00	0.00	0.00	0.06	0.06	2.8%	0.0%
Sales Taxes - Airline Tickets	1.32	1.11	1.88	1.55	1.52	6.07	459.6%	36.8%
Sales Taxes - Tv Cable Providers	2.75	0.00	0.00	0.00	0.00	0.00	0.1%	0.0%
Sales Taxes - Other Taxes on Sales	0.18	0.00	0.00	0.00	0.22	0.22	126.5%	0.0%
Sales Taxes - on Other Imported Goods	19.06	4.68	5.65	7.56	6.78	24.67	129.5%	41.3%
Turnover Tax	0.00	0.00	0.00	0.17	0.00	0.17		0.0%
Excise	0.00	0.01	0.00	0.00	0.00	0.02		0.0%
Soft Drinks	0.00	0.01	0.00	0.00	0.00	0.02		0.0%
Taxes on Use of Goods and on Permission to U	0.00	0.61	0.62	1.13	1.33	3.70		-47.2%
Urban Road Users Taxes (Tremistrale)	0.00	0.34	0.30	0.38	0.44	1.46		0.0%
Notary Collection Taxes.	0.00	0.28	0.33	0.75	0.89	2.24		0.0%
Taxes on international trade and transactions	123.19	33.52	33.51	44.58	42.48	154.08	125.1%	32.6%
Customs and Other Import Duty	123.19	33.28	33.28	44.29	42.20	153.05	124.2%	32.9%
Customs and Other Import Duties	103.19	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%
Consumption Goods	0.00	11.03	9.46	14.88	12.98	48.34		49.7%
Building Materials	0.00	4.51	4.16	4.28	6.26	19.21		340.2%
Electric and Electronics	0.00	1.54	1.72	2.15	2.55	7.97		-33.8%
Vehicle and Spare Parts	0.00	1.71	2.11	1.86	2.02	7.70		14.6%
Cosmetics and Perfumes	0.00	0.30	0.27	0.36	0.37	1.29		387.3%
Khat	20.00	4.15	4.23	4.47	4.37	17.21	86.1%	25.4%
Cigarate and tobacco Product	0.00	0.23	0.80	1.35	0.83	3.21		107.8%
Fuel and Lubricants	0.00	4.61	4.82	7.14	5.14	21.71		10.3%
Clothes and Shoes	0.00	2.04	2.35	3.42	2.86	10.67		72.5%
Detergents	0.00	0.60	0.65	0.67	0.84	2.76		38.3%
Plastic and Plastic Products	0.00	0.14	0.16	0.20	0.26	0.76		68.1%
Other Import Duty	0.00	0.07	0.04	0.09	0.06	0.26		-98.3%
Gold	0.00	0.00	0.00	0.01	0.00	0.02		360.7%
Household Materials	0.00	1.68	1.86	2.63	2.95	9.12		0.0%
Medicine & Health Equipment	0.00	0.50	0.52	0.60	0.61	2.23		0.0%
Office Supplies	0.00	0.17	0.12	0.18	0.10	0.58		0.0%
Taxes on Exports For All Levies That Become	0.00	0.24	0.23	0.29	0.28	1.04		1.2%
Livestock Products	0.00	0.02	0.01	0.01	0.02	0.06		0.0%
Agriculture Products	0.00	0.05	0.05	0.12	0.09	0.30		0.0%
Seafood Products	0.00	0.01	0.01	0.01	0.01	0.04		0.0%
Frankincense and Gums	0.00	0.01	0.01	0.01	0.00	0.02		0.0%
Other Export Duty	0.00	0.16	0.16	0.14	0.15	0.61		-40.2%
Other taxes	14.95	1.23	2.14	2.18	2.00	7.55	50.5%	-46.4%
Other Taxes Payable Solely By Business	14.95	1.23	2.14	2.18	2.00	7.55	50.5%	-46.4%
Stamp Duty on Customs	2.68	0.68	0.69	0.93	0.90	3.20	119.5%	-33.1%
Road Worthiness (Galawito)	1.33	0.00	0.00	0.00	0.09	0.09	6.9%	-92.5%
Stamp Duties on invoices and Contracts (notary)	6.40	0.01	0.40	1.02	0.88	2.31	36.1%	2.0%
Stamp Duties on Food Items	4.54	0.54	1.05	0.23	0.13	1.95	42.9%	-66.5%

Fiscal Variable	Budget 2023	Actual 2023					Prfc 100%	Year to Year Growth
		Q1	Q2	Q3	Q4	Total		
Grants	**633.97**	**15.98**	**16.45**	**167.41**	**208.69**	**408.53**	64.4%	-10.6%
Grants from foreign governments	30.00	0.00	0.80	0.00	0.00	0.80	2.7%	-97.8%
Current From Foreign Governments	30.00	0.00	0.80	0.00	0.00	0.80	2.7%	-97.8%
Current Grants in Cash	30.00	0.00	0.80	0.00	0.00	0.80	2.7%	-97.8%
Grants from international organizations	603.97	15.98	15.65	167.41	208.69	407.73	67.5%	0.0%
Current From International Originations	603.97	15.98	15.65	167.41	208.69	407.73	67.5%	0.0%
Current Grants in Cash	603.97	15.98	15.65	167.41	208.69	407.73	67.5%	0.0%
Non Taxes	**93.40**	**19.45**	**21.52**	**28.91**	**34.97**	**104.86**	112.3%	29.5%
Property Rent	0.00	0.04	0.09	0.13	2.87	3.13		1748.1%
Rent	0.00	0.04	0.09	0.13	2.87	3.13		1748.1%
Resources Lease on Land	0.00	0.00	0.00	0.00	2.67	2.67		0.0%
Rent of Land and Buildings	0.00	0.04	0.09	0.13	0.19	0.46		171.0%
Sales of goods and services	93.40	19.41	21.43	28.78	32.11	101.73	108.9%	25.9%
Administrative Fees	93.40	19.41	21.43	28.78	32.05	101.66	108.8%	25.8%
Visa Fees	6.96	1.82	1.88	2.42	2.56	8.69	124.9%	15.5%
Passport Fees	7.97	2.39	2.24	2.72	2.26	9.62	120.7%	19.1%
Work Permit Taxes	0.70	0.19	0.93	0.78	0.60	2.50	356.6%	474.5%
Airport Fees	2.67	0.79	1.03	1.23	0.92	3.97	148.7%	27.7%
Overflight Fees (Iata)	14.47	4.12	1.29	8.54	6.53	20.48	141.6%	35.5%
Business and Profession Licenses	1.75	0.45	0.37	0.64	0.36	1.83	104.4%	0.0%
Radio and Tv Licenses	0.00	0.00	0.00	0.02	0.00	0.03		0.0%
Local NGO'S Registrations.	0.00	0.07	0.06	0.10	0.10	0.34		0.0%
Local Company Registrations	0.00	0.03	0.07	0.06	0.07	0.23		0.0%
Agriculture Fees.	0.00	0.00	0.01	0.01	0.01	0.03		0.0%
Service Charges Fees	0.00	0.13	0.12	0.23	0.19	0.68		0.0%
Fishing Licenses Fees	5.00	0.00	0.01	0.01	0.00	0.03	0.5%	221.0%
Driving Licenses Fee	0.00	0.00	0.00	0.00	0.12	0.12		0.0%
Number Plate Registration Fees	0.00	0.50	0.92	0.68	0.44	2.54		0.0%
individual Id Fees	0.00	0.00	0.00	0.00	0.07	0.07		0.0%
Education Services Fees	0.00	0.05	0.05	0.07	0.05	0.22		0.0%
Security Company Fees	0.00	0.00	0.00	0.06	0.03	0.09		0.0%
Telecommunication Spectrum Fees	6.00	0.92	1.24	1.00	5.27	8.44	140.6%	106.0%
Other License Fees	0.70	0.00	0.02	0.04	0.03	0.09	12.5%	-93.5%
Election Registration Fee	0.00	0.04	0.00	0.00	0.00	0.04		-98.5%
Clearances Letter Fees	0.00	0.20	0.20	0.26	0.21	0.87		0.0%
Court Filing Fees	0.00	0.08	0.18	0.34	0.23	0.83		0.0%
Harbour Fees - Albayrak	37.18	5.62	8.46	6.83	9.38	30.29	81.5%	3.3%
Customs Harbour Fees	4.80	1.38	1.36	1.86	1.81	6.40	133.4%	30.9%
Administrative Charges	5.20	0.00	0.00	0.00	0.00	0.00	0.0%	-100.0%
Passenger Fee	0.00	0.40	0.67	0.57	0.50	2.13		0.0%
Air Waybill Fee	0.00	0.01	0.01	0.01	0.01	0.04		0.0%
Registration Fee of Arrival and Departure of Air	0.00	0.23	0.29	0.29	0.27	1.08		0.0%
Fines, Penalties	0.00	0.00	0.00	0.00	0.06	0.06		0.0%
Penalties	0.00	0.00	0.00	0.00	0.06	0.06		0.0%

Annex 1b: Fiscal Table Fiscal Year 2023 (Expenditure)

Fiscal Variable	Budget 2023	Actual 2023					Prfc 100%	Year to Year Growth
		Q1	Q2	Q3	Q4	Total		
Total Expenditure	**917.38**	**102.12**	**118.89**	**184.72**	**314.55**	**720.28**	**78.5%**	**-1.2%**
Compensation of Employees	**301.15**	**64.23**	**67.85**	**73.20**	**86.96**	**292.24**	**97.0%**	**12.6%**
Wages and Salaries	**301.15**	**64.23**	**67.85**	**73.20**	**86.96**	**292.24**	**97.0%**	**12.6%**
Wages and salaries in Cash	168.19	39.78	39.70	41.34	45.61	166.44	99.0%	7.8%
Allowances in cash	106.74	21.83	24.04	26.36	32.39	104.61	98.0%	16.7%
Other employees costs	26.23	2.62	4.11	5.51	8.96	21.19	80.8%	37.0%
Use of goods and services	**200.96**	**19.65**	**30.17**	**36.70**	**51.68**	**138.20**	**68.8%**	**-0.03%**
Travel and Conference	**22.16**	**1.43**	**2.98**	**2.36**	**5.75**	**12.51**	**56.5%**	**14.9%**
Travel and Conference Expenses	22.16	1.43	2.98	2.36	5.75	12.51	56.5%	14.9%
Operating Expenses	**30.27**	**3.19**	**5.44**	**5.93**	**6.77**	**21.33**	**70.5%**	**-22.9%**
Utilities	7.20	0.71	1.36	1.13	1.72	4.92	68.4%	-13.8%
Communications	1.03	0.03	0.09	0.19	0.28	0.59	57.9%	88.3%
Fuel and lubricants	9.79	1.11	2.09	2.21	2.32	7.74	79.1%	-3.1%
Materials and supplies	8.84	0.82	1.41	1.89	1.90	6.03	68.2%	-26.7%
Maintenance and repairs	3.42	0.51	0.48	0.50	0.55	2.05	59.9%	-62.3%
Rent	**4.21**	**0.48**	**0.42**	**0.96**	**0.80**	**2.66**	**63.2%**	**-1.8%**
Rent	4.21	0.48	0.42	0.96	0.80	2.66	63.2%	-1.8%
Finance costs	**97.16**	**6.98**	**10.88**	**17.00**	**24.67**	**59.53**	**61.3%**	**8.7%**
Education and training expense	8.12	0.19	0.66	0.96	0.58	2.39	29.5%	-19.4%
Consulting and professional expense	75.77	5.66	8.91	12.56	18.48	45.61	60.2%	4.8%
Financing costs	9.55	1.08	1.28	3.43	2.38	8.17	85.6%	1.0%
Advertisement and subscriptions	0.52	0.06	0.01	0.04	0.19	0.30	57.3%	74.1%
Insurances charges and premium	3.20	0.00	0.01	0.01	3.04	3.06	95.6%	0.0%
Specialized materials and services	**7.58**	**1.17**	**1.92**	**1.82**	**1.91**	**6.82**	**90.0%**	**266.5%**
Police - Materials, supplies and services	0.22	0.04	0.06	0.06	0.06	0.22	100.0%	-88.2%
National Security - Materials, supplies and services	5.92	0.89	1.50	1.40	1.49	5.28	89.2%	0.0%
Military - Materials, supplies and services	1.44	0.24	0.36	0.36	0.36	1.32	91.7%	0.0%
Other General expenses	**39.58**	**6.40**	**8.54**	**8.63**	**11.78**	**35.35**	**89.3%**	**-12.5%**
Other General Expenses in goods and services	39.58	6.40	8.54	8.63	11.78	35.35	89.3%	-12.5%

Fiscal Variable	Budget 2023	Actual 2023					Prfc 100%	Year to Year Growth
		Q1	Q2	Q3	Q4	Total		
Interest and other charges	**13.20**	**1.77**	**4.51**	**3.45**	**3.47**	**13.20**	**100.0%**	**-25.9%**
To non-residents	**13.20**	**1.77**	**4.51**	**3.45**	**3.47**	**13.20**	**100.0%**	**4.0%**
Interest payable to nonresidents	13.20	1.77	4.51	3.45	3.47	13.20	100.0%	4.0%
Subsidies	**5.40**	**0.32**	**0.46**	**4.05**	**0.57**	**5.40**	**100.0%**	**0.0%**
To private enterprises	**5.40**	**0.32**	**0.46**	**4.05**	**0.57**	**5.40**	**100.0%**	**0.0%**
Private non financial enterprises	5.40	0.32	0.46	4.05	0.57	5.40	100.0%	0.0%
Grants	**173.26**	**12.17**	**13.59**	**42.26**	**58.26**	**126.27**	**72.9%**	**13.5%**
To International Organizations	**46.83**	**1.30**	**0.30**	**0.50**	**31.76**	**33.86**	**72.3%**	**2421.8%**
Current grants to international organizations	46.83	1.30	0.30	0.50	31.76	33.86	72.3%	2421.8%
To other General Government Units	**126.43**	**10.87**	**13.29**	**41.76**	**26.50**	**92.41**	**73.1%**	**-15.9%**
Current grants to other general government unit	98.52	9.82	11.24	36.42	20.12	77.60	78.8%	-23.1%
Capital grants to other general government unit	27.91	1.05	2.05	5.34	6.38	14.81	53.1%	64.1%
Social benefits	**182.59**	**2.98**	**0.00**	**17.35**	**110.23**	**130.55**	**71.5%**	**-30.9%**
Social Security benefits	**142.28**	**2.98**	**0.00**	**17.35**	**84.23**	**104.55**	**73.5%**	**-13.7%**
Social security benefits in cash	115.00	0.00	0.00	0.00	78.71	78.71	68.4%	-18.8%
Social security benefits in kind	27.28	2.98	0.00	17.35	5.51	25.84	94.7%	6.6%
Social Assistance Benefits	**40.30**	**0.00**	**0.00**	**0.00**	**26.00**	**26.00**	**64.5%**	**-61.6%**
Social assistance benefit in kind	40.30	0.00	0.00	0.00	26.00	26.00	64.5%	333.3%
Non Financial Assets	**40.82**	**1.00**	**2.30**	**7.71**	**3.39**	**14.41**	**35.3%**	**9.1%**
Fixed Assets	**40.82**	**1.00**	**2.30**	**7.71**	**3.39**	**14.41**	**35.3%**	**9.1%**
Buildings and Structures	3.08	0.00	0.23	0.12	0.13	0.48	15.5%	-48.7%
Machinery and Equipment	25.68	0.05	0.18	7.49	2.35	10.07	39.2%	-18.0%
Other Fixed Assets	12.06	0.95	1.89	0.11	0.91	3.86	32.0%	0.0%

Annex 2: Expenditure by MDA FY2023

Sector/MDA	Budget 2023	Q1	Q2	Q3	Q4	Actual Total	Pfce 100%	YTY %
Administration and General Services	**336.62**	**43.87**	**53.78**	**110.63**	**87.85**	**296.13**	**88.0%**	**-3.3%**
Office of the Presidency	13.81	2.23	4.01	2.77	4.80	13.81	100.0%	11.5%
Office of the Parliament - Peoples' House	23.17	5.39	4.15	5.53	7.00	22.06	95.2%	-1.7%
Members of Parliament Senate	6.13	0.95	1.27	1.48	1.83	5.52	90.0%	25.7%
Office of the Prime Minister	11.12	1.99	2.36	2.85	3.92	11.12	100.0%	-34.1%
Ministry of Foreign Affairs	4.03	0.85	0.90	0.82	1.14	3.70	91.8%	-10.7%
Embassies	5.06	0.81	1.23	1.17	1.63	4.84	95.7%	-11.8%
Ministry of Finance	81.86	7.95	8.44	40.11	21.63	78.13	95.4%	18.7%
Accountant General	3.31	0.69	0.89	0.74	1.00	3.31	100.0%	31.9%
General Activities for the Government	89.85	11.27	16.78	40.31	21.20	89.56	99.7%	-15.6%
Directorate of Financial Reporting Center	0.94	0.11	0.19	0.18	0.25	0.74	77.9%	-29.2%
Ministry of Planning	29.39	3.67	3.17	3.22	3.68	13.74	46.8%	-22.1%
National Statistics Agency	9.38	0.48	0.80	1.32	3.13	5.73	61.1%	-37.2%
Ministry of Interior and Federal Affairs	13.48	1.01	0.89	1.01	1.50	4.41	32.7%	11.7%
Somali Refugee and IDPs Commission	0.80	0.16	0.20	0.20	0.23	0.79	99.1%	12.0%
National ID Authority DADSOM	1.54	0.07	0.14	0.18	0.46	0.84	54.5%	186.8%
Somali Disaster and Humanitarian Management Agency	7.70	0.41	1.07	1.31	4.91	7.70	100.0%	0.0%
Ministry of Religious Affairs and Endowment	3.71	0.38	0.46	0.60	1.55	2.99	80.5%	40.3%
Ministry of Justice	3.65	0.39	0.55	0.51	0.62	2.07	56.7%	93.3%
Custodian Corps	10.05	2.16	2.54	2.52	2.62	9.84	97.9%	-0.8%
Supreme Court	2.72	0.38	0.55	0.57	0.74	2.24	82.4%	-0.6%
Banadir Regional Court	1.90	0.42	0.49	0.48	0.52	1.90	100.0%	9.1%
Appeal Court	0.93	0.17	0.21	0.24	0.27	0.89	96.4%	4.0%
Judiciary Service Committee	0.23	0.03	0.04	0.04	0.05	0.16	69.1%	-29.3%
Attorney General	1.84	0.38	0.42	0.40	0.48	1.68	91.1%	11.7%
Solicitor General	0.68	0.14	0.16	0.15	0.16	0.61	90.2%	-3.1%
Auditor General	3.47	0.64	0.85	0.84	1.14	3.47	100.0%	9.8%
Boundaries and Federation Commission	0.72	0.06	0.07	0.08	0.10	0.32	44.2%	-46.6%
National Reconciliation Commission	0.48	0.08	0.11	0.11	0.14	0.44	91.6%	-5.0%
National Independent Electoral Commission	2.10	0.20	0.30	0.30	0.40	1.21	57.6%	-46.3%
Independence Constitution Review and Imp. Commission	0.92	0.09	0.15	0.21	0.27	0.71	77.6%	27.0%
National Civil Service Commission	1.50	0.27	0.36	0.36	0.46	1.44	96.3%	-0.8%
The Independent Commission for Combating Corruption	0.14	0.02	0.04	0.04	0.05	0.14	100.0%	-65.5%
Security	**197.26**	**43.91**	**46.37**	**47.48**	**53.79**	**191.55**	**97.1%**	**14.3%**
Ministry of Defense	4.18	0.67	0.45	0.35	0.57	2.03	48.7%	-5.8%
Armed Forces	113.24	25.53	26.48	26.92	32.25	111.18	98.2%	15.7%
Military Court	3.44	0.47	0.46	0.75	0.85	2.54	73.8%	73.8%
Disabled and Orphans Organization	0.09	0.01	0.02	0.02	0.02	0.06	64.5%	0.0%
Ministry of Internal Security	1.68	0.25	0.27	0.29	0.32	1.13	67.1%	-9.7%
Police Force	46.27	10.88	11.61	11.61	12.16	46.27	100.0%	2.9%
National Security Force	23.10	4.85	6.02	5.98	6.23	23.08	99.9%	40.0%
Immigration Department	5.26	1.25	1.06	1.55	1.39	5.26	100.0%	3.2%

Sector/MDA	Budget 2023	Q1	Q2	Q3	Q4	Actual Total	Pfce 100%	YTY %
Economic Service	**139.09**	**8.60**	**10.35**	**13.96**	**45.36**	**78.27**	**56.3%**	**37.4%**
Ministry of Water and Energy	16.14	0.60	0.72	1.42	2.77	5.52	34.2%	54.8%
Ministry of Mineral	2.02	0.26	0.25	0.34	0.34	1.19	58.9%	-22.0%
Somalia Patrol Authority	0.94	0.12	0.20	0.21	0.25	0.77	82.0%	61.4%
Ministry of Agriculture	4.58	0.34	0.38	0.73	1.18	2.64	57.5%	52.7%
Ministry of Livestock and Forestry	7.28	0.27	0.37	0.38	0.41	1.43	19.7%	32.8%
Ministry of Fishery and Marine Resource	2.45	0.32	0.34	0.37	0.60	1.62	66.2%	6.0%
Somali Marine Research	0.60	0.11	0.13	0.15	0.16	0.54	89.3%	-4.1%
Offshore and Fisheries Development Project	0.09	0.01	0.01	0.02	0.02	0.06	65.9%	-42.5%
Ministry of Information	6.25	1.18	1.32	1.32	1.29	5.11	81.8%	-14.3%
Ministry of Communications and Technology	4.55	0.40	0.48	0.46	0.54	1.88	41.3%	2.2%
National Communication Agency	0.85	0.10	0.13	0.18	0.19	0.60	70.9%	-34.2%
Ministry of Public Work & Reconstruction	69.39	1.51	1.49	3.80	31.92	38.72	55.8%	108.2%
Ministry of Transportation and Aviation	4.30	0.35	0.50	0.45	0.63	1.93	44.9%	-17.9%
Civil Aviation and Metro-Authority	9.97	1.67	2.23	2.23	2.73	8.86	88.9%	-21.0%
Ministry of Transport and Ports	2.42	0.29	0.34	0.36	0.46	1.45	60.2%	19.1%
Hamar Port Authority	1.01	0.15	0.23	0.23	0.31	0.92	90.9%	-4.6%
Ministry of Industry & Commerce	3.36	0.56	0.64	0.64	0.76	2.60	77.4%	4.5%
Somali Quality Assurance Agency	1.52	0.21	0.33	0.35	0.40	1.29	85.0%	49.8%
Ministry of Environment and Cilmate Change	1.37	0.15	0.27	0.32	0.40	1.14	82.8%	0.0%
Social Service	**244.40**	**5.74**	**8.39**	**12.65**	**127.55**	**154.33**	**63.1%**	**-22.1%**
Ministry of Health	67.54	0.93	1.64	3.38	35.52	41.47	61.4%	264.6%
Ministry of Education and Higher Education	31.21	1.61	2.53	4.89	7.23	16.26	52.1%	47.3%
Somali National University	8.14	1.44	2.00	2.05	2.65	8.14	100.0%	6.8%
Somali Academy of Sciences and Arts	1.27	0.24	0.29	0.30	0.38	1.22	96.4%	8.3%
Intergovernmental Academy of Somali Language	0.34	0.04	0.08	0.06	0.07	0.25	73.7%	-34.9%
Ministry of Labor and Social Affairs	132.02	0.96	1.31	1.34	80.85	84.46	64.0%	-48.8%
Ministry of Youth and Sport	1.00	0.20	0.19	0.24	0.32	0.95	94.3%	45.8%
Ministry of Women and Human Rights Development	2.32	0.23	0.19	0.25	0.34	1.02	44.0%	23.2%
Somali Disable Agency	0.56	0.09	0.15	0.14	0.18	0.56	100.0%	75.3%
Total	**917.38**	**102.12**	**118.89**	**184.72**	**314.55**	**720.28**	**78.5%**	**-1.2%**