



**Federal Government of Somalia**

**Ministry of Finance**

# **FY 2026 Budget Consultation Report**

**October 28, 2025**

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## ABBREVIATIONS AND ACRONYMS

| Acronym | Description                                            |
|---------|--------------------------------------------------------|
| CSO     | Civil Society Organization                             |
| CV2060  | Centennial Vision 2060                                 |
| FGS     | Federal Government of Somalia                          |
| FMFF    | Finance Ministers' Fiscal Forum                        |
| FMS     | Federal Member State                                   |
| FY      | Financial Year                                         |
| IDP     | Internally Displaced Person                            |
| IGFF-TC | Intergovernmental Fiscal Federalism Committee          |
| MDAs    | Ministries, Departments and Agencies                   |
| MoF     | Ministry of Finance                                    |
| MP      | Member of Parliament                                   |
| NTP     | National Transformation Plan                           |
| OECD    | Organisation for Economic Co-operation and Development |
| PBB     | Program-Based Budgeting                                |
| PFM     | Public Financial Management                            |
| PWD     | Person with Disability                                 |
| SOMCAS  | Somali Customs automated system                        |
| Q&A     | Question and Answer                                    |

## EXECUTIVE SUMMARY

The Fiscal Year (FY) 2026 Budget Consultations Report provides a detailed account of engagements conducted with the targeted stakeholders across the Country. These consultations were led by the Ministry of Finance through the Directorate of Budget and aimed to gather stakeholders' insights to inform the Federal Government of Somalia FY 2026 budget. The process emphasized inclusive and open participation, with diverse stakeholders.

The consultations sessions were held for three days i.e., from **01 – 04 October 2025 at DOORBIN HOTEL, Mogadishu, Somalia**. A total **123 in-person participants and more than 1,700 online participants** attended **Day One session** that targeted Federal Government and Federal Member States stakeholders. For **Day Two, 115 in person participants** attended the session targeting Civil Society Organizations (CSOs), marginalised and vulnerable groups, media, religious and traditional leaders. **Day Three** session was held with private sector and academia stakeholders with a total of **70 in-person participants**. There were no online participants for day two and three despite sharing of the livestream links to the registered participants. This was due to the following reasons: (i) non-attendance of the session by the registered stakeholders; and (ii) lack of public awareness on the importance of citizen participation in budget making; and majority of the registered stakeholders opted to attend the session in-person, thus foregoing virtual option.

The FY2026 Budget Consultations were designed using a **two-pronged hybrid approach**, combining **in-person workshops** with online participation through livestreaming, social media interaction for outreach and feedback collection.

A notable shift in this year's consultations was the inclusion of online participation through the livestream links. A presentation was made via big screens to in-person and online participants and thereafter an open forum. This approach fostered deeper engagement and allowed for more structured input compared to previous years' open-floor discussions. After the presentation was made, the floor was opened for stakeholders to respond to the posed questions as well as raise questions/input to the FY 2026 budget. The Ministry of Finance responded to all the questions coming from both in-person and online participants. Also appropriate recommendation/action to FY 2026 budget based on participants input was agreed.

Across the three categories of stakeholders, common aspirations emerged. These included the need for streamlining intergovernmental coordination, increase domestic revenue mobilization efforts, reducing wastage and corruption in the use of public funds, strengthen defence and security infrastructure and systems, support to the productive sectors of the economy and improve infrastructure and access to social services (health, education, labour – specifically youth unemployment).

Participants were informed of the initiated implementation of Program-Based Budgeting (PBB) for FY 2026 Budget, targeting 43 selected (pilot) Ministries, Departments, and Agencies (MDAs). The participants raised several questions on the issue of limited knowledge on Program-Based Budgeting, which the MoF clarified of the ongoing capacity building efforts to the relevant MDA staff.

The data were subsequently consolidated, and categorized by thematic areas - such as domestic revenue mobilization, social sector investment, gender-responsive budgeting, public-private partnership, and PFM reforms, to facilitate structured analysis. Stakeholder inputs were then validated by the MoF's Budget Directorate, and actionable recommendations were provided.

The below provides timeline aligned with the budget calendar for FY 2026:

| #  | Activity                                                                                      | Timeline              |
|----|-----------------------------------------------------------------------------------------------|-----------------------|
| 1. | Invitations & Public Notice                                                                   | 27 August, 2025       |
| 2. | Sharing prior information (briefing materials)                                                | 13 September, 2025    |
| 3. | Budget Consultations (Government, CSO, Women, Youth, Private sector, Academia, MVGs, media, ) | 01 - 04 October, 2025 |
| 4. | Submission of 2026 draft budget to Parliament                                                 | 31 October, 2025      |
| 5. | Finalization and publication of the Budget Consultation Report                                | 10 December, 2025     |
| 6. | Approval of 2026 budget by Parliament                                                         | 31 December, 2025     |

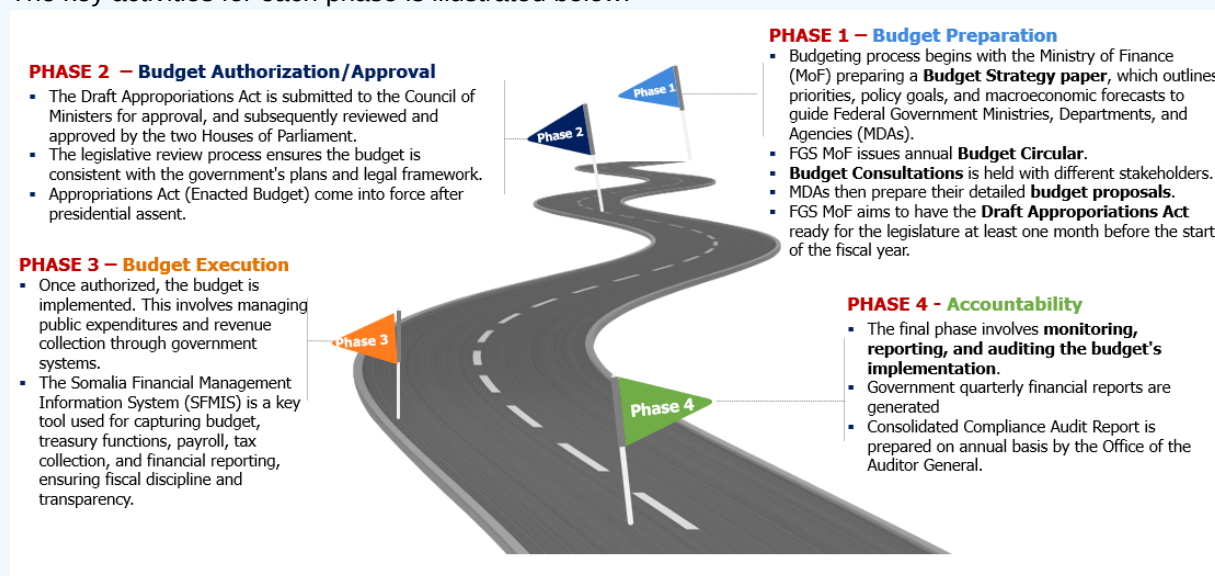
In conclusion, the feedback gathered through the two-way interaction with in-person participants and online questions during consultation sessions, reflects the diverse needs and aspirations of stakeholders, with strong emphasis on infrastructure, youth empowerment, and equitable resource distribution. The Ministry of Finance is committed to integrating these insights into the FY 2026 budget to promote inclusive growth and sustainable development.

## SECTION 1 - INTRODUCTION

### 1.1 – Overview of Somalia's Budgeting Landscape

Somalia's budget making process is anchored on the Provisional Constitution, 2012 and Public Financial Management Act, 2019. Somalia's federal government budgeting process follows the standard **four-phase cycle: preparation, authorization, execution, and accountability**. These phases are guided by the annual Budget Strategy Paper developed by the Ministry of Finance, Federal Government of Somalia .

The key activities for each phase is illustrated below:



### 1.2 – Budget Consultation Approach

Feedback was collected from in-person and online participants. The in-person participants were sent invitation letters by MoF while on-person participants registered using the registration link shared by MoF to the public. To enable effective consultation, the MoF shared with invited physical participants and registered online participants the briefing materials 2 weeks before the actual dates of consultation.

During the consultation sessions, the MoF shared a detailed brochure (See Annex 2 of this report) with three probing questions related to FY 2026 budget.

The online interactive session was held via Facebook and YouTube live. The links were shared to registered stakeholders prior to the date of budget consultation.

The MoF Budget Directorate circulated a brochure and made a brief presentation to the in-person and online participants. After the presentation by MoF Budget Directorate, the in-person participants were requested to raise their hand and respond to the 3 questions provided in the brochure as well as ask any questions relating to FY 2026 budget. The online participants were requested to type in the chat box or unmute to make their contribution. The online participants asked the questions which were also displayed on the screen and the MoF Deputy Minister and Director, Budget Directorate provided the response.

The MoF provided commitment on relevant action to be carried out from the questions raised in relation to FY 2026 budget. MoF respondents read out the committed action points for each question to the participants and requested participants to confirm their agreement to the proposed actions. Consensus from the participants was reached for all the MoF proposed actions regarding the asked questions.

The consolidated feedback from in-person and online participants as well as the agreed action for consideration in the FY 2026 Budget are presented in section 2.4 of this report.

The consulting firm in collaboration with MoF Budget Directorate developed an online registration platform for the targeted stakeholders to register their details and indicate the preferred mode of participation during the budget consultation session. The link for the registration platform is presented below:

#### Registration Link:

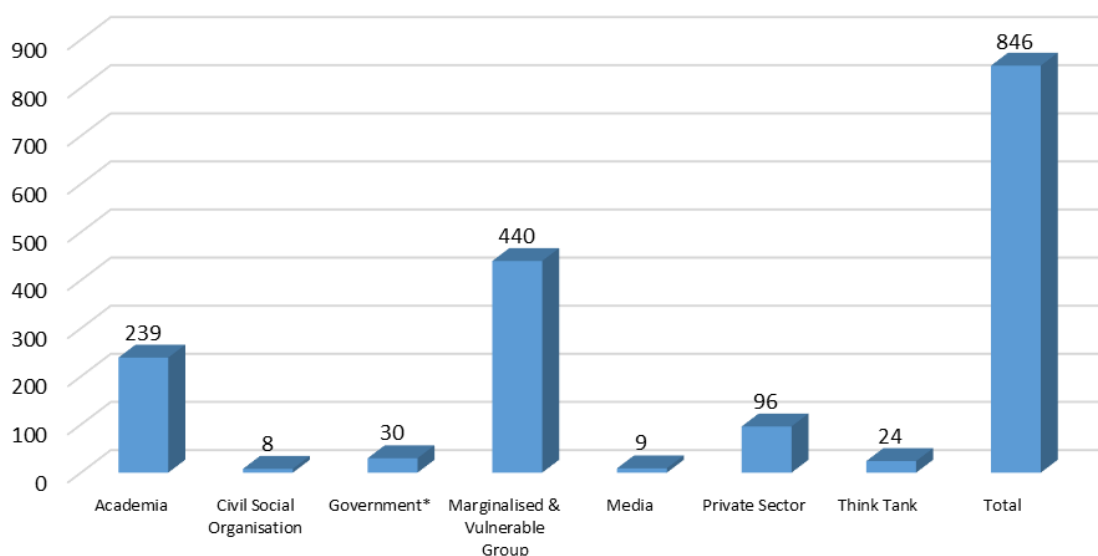
<https://forms.office.com/Pages/ResponsePage.aspx?id=DQSlkWsW0yxEjajBLZtrQAAAAAAAAAAMAAPug0DZURjUxTkJSloxWVcwUU1MWUNWM1FTM0tZMy4u>



A total of **933 participants** registered to participate in the FY 2026 budget consultation as presented in the table and figures below. The registration was exclusive to online participants. The number of online participation during the budget consultation session was 1,700 participants, exceeding the number of registered participants. This represented a participation rate of 182%.

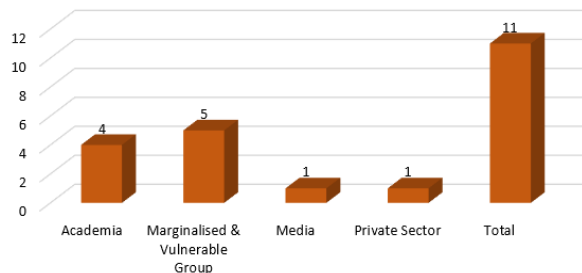
| Stakeholder Category            | Banaadir Regional Administration (BRA) | Galmudug state in Somalia | Hirshabelle State of Somalia | Jubbaland State of Somalia | Puntland State of Somalia | Somaliland | South West State of Somalia | Total      |
|---------------------------------|----------------------------------------|---------------------------|------------------------------|----------------------------|---------------------------|------------|-----------------------------|------------|
| Academia                        | 239                                    | 4                         | 1                            | 0                          | 5                         | 0          | 4                           | 253        |
| Civil Social Organisation       | 8                                      | 0                         | 0                            | 2                          | 0                         | 0          | 0                           | 10         |
| Government*                     | 30                                     | 0                         | 0                            | 1                          | 0                         | 0          | 1                           | 32         |
| Marginalised & Vulnerable Group | 440                                    | 5                         | 12                           | 8                          | 5                         | 2          | 17                          | 489        |
| Media                           | 9                                      | 1                         | 1                            | 1                          | 0                         | 0          | 1                           | 13         |
| Private Sector                  | 96                                     | 1                         | 4                            | 2                          | 1                         | 0          | 5                           | 109        |
| Think Tank                      | 24                                     | 0                         | 0                            | 1                          | 1                         | 0          | 1                           | 27         |
| <b>Total</b>                    | <b>846</b>                             | <b>11</b>                 | <b>18</b>                    | <b>15</b>                  | <b>12</b>                 | <b>2</b>   | <b>29</b>                   | <b>933</b> |

**Number of Registered Stakeholders from Banaadir Regional Administration (BRA)**

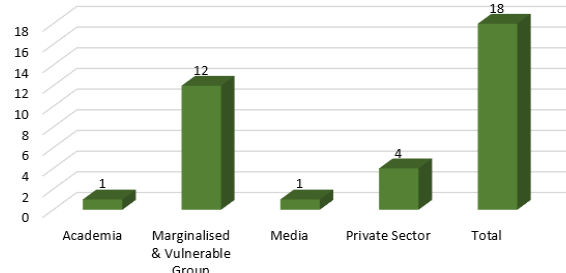


\*Government refers to employed staff of both FGS and FMS.

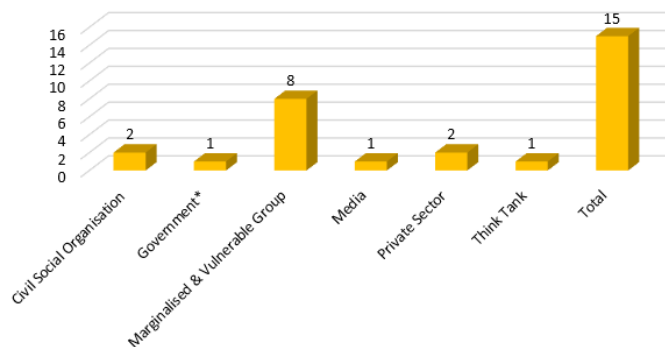
**Number of Registered Stakeholders from Galmudug state in Somalia**



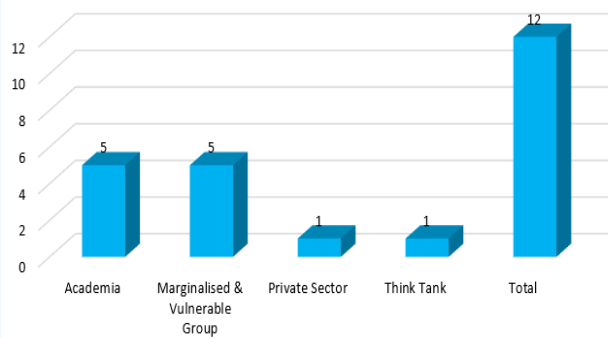
**Number of Registered Stakeholders from Hirshabelle State of Somalia**



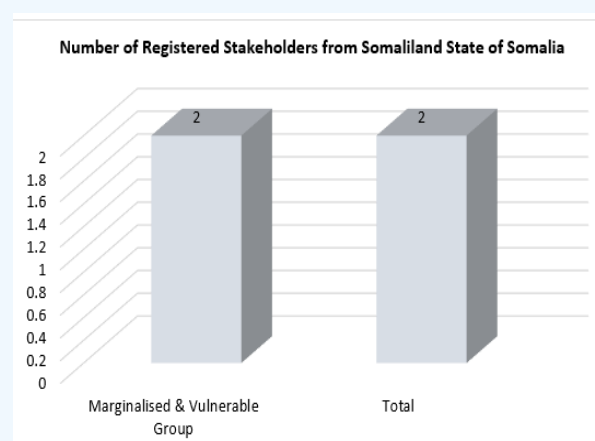
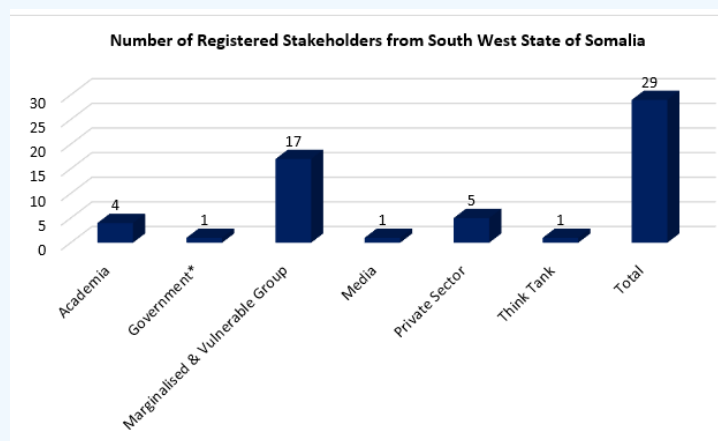
**Number of Registered Stakeholders from Jubbaland State of Somalia**



**Number of Registered Stakeholders from Puntland State of Somalia**



## Continuation of registered stakeholders by location:



**Physical participants** were invited directly by the FGS MoF. **A total of 308 people attended the physical sessions** with 123 physical participants on day 1 (FGS and FMS), 115 on Day 2 (marginalized and vulnerable groups, media, religious leaders and traditional elders stakeholders), and 71 on Day 3 (private sector and academia stakeholders). Majority of the physical participants (208 out of 308) came from Banaadir Regional Administration. The breakdown of the 308 physical participants per FMS is presented in the table below:

| Stakeholder Category                     | Banaadir Regional Administration (BRA) | Galmudug state in Somalia | Hirshabelle State of Somalia | Jubbalaan d State of Somalia | Puntland State of Somalia | South West State of Somalia | Total      |
|------------------------------------------|----------------------------------------|---------------------------|------------------------------|------------------------------|---------------------------|-----------------------------|------------|
| Academia                                 | 20                                     | -                         | -                            | -                            | -                         | -                           | 20         |
| Civil Social Organisation                | 13                                     | -                         | -                            | -                            | -                         | -                           | 13         |
| Government*                              | 113                                    | 2                         | 2                            | 2                            | 2                         | 2                           | 123        |
| Marginalised & Vulnerable Group          | 9                                      | -                         | -                            | -                            | -                         | -                           | 9          |
| Media                                    | 16                                     | -                         | -                            | -                            | -                         | -                           | 16         |
| Private Sector                           | 29                                     | -                         | -                            | -                            | -                         | -                           | 29         |
| Women                                    | 32                                     | -                         | -                            | -                            | -                         | -                           | 32         |
| Religious Leaders and Traditional Elders | 16                                     | -                         | -                            | -                            | -                         | -                           | 16         |
| Think Tank                               | 10                                     | -                         | -                            | -                            | -                         | -                           | 10         |
| Youth                                    | 40                                     | -                         | -                            | -                            | -                         | -                           | 40         |
| <b>Total</b>                             | <b>298</b>                             | <b>2</b>                  | <b>2</b>                     | <b>2</b>                     | <b>2</b>                  | <b>2</b>                    | <b>308</b> |

The FGS Ministry of Finance (MoF) Budget Directorate, RCRF PIU, with support of a consulting firm drafted the briefing materials and invitation letter (English and Somali versions) for FY 2026 budget consultation.

The FGS MoF, through the Budget Directorate sent out invitation letters and briefing materials to the registered participants. The invitation letter was also published at MoF website and social media platforms - **see below links:**



*In-person participants during day 1 session*

|                   |                                                                                                                                                                                                                                 |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MoF Website       | <a href="https://mof.gov.so/publications/martigaadka-kaqaybgalka-shirka-wadatashiga-miisaaniyadda-qaranka-ee-2026">https://mof.gov.so/publications/martigaadka-kaqaybgalka-shirka-wadatashiga-miisaaniyadda-qaranka-ee-2026</a> |
| MoF Facebook Page | <a href="https://www.facebook.com/share/1Aetg1gWfU/">https://www.facebook.com/share/1Aetg1gWfU/</a>                                                                                                                             |

In addition to sending invites a follow up phone call and email to all registered participants was done to remind them of the budget consultation date and their indicated mode of participation i.e. in-person or online.

For in-person participants, the briefing materials were printed and shared with participants. The briefing materials covered the following aspects; agenda, extracts of the Budget Strategy Paper, livestream links, and links for additional relevant reference materials. The materials were tailored to the three targeted groups stakeholders, namely: (i) Federal Government & Federal Member States stakeholders; (ii) civil society organizations, marginalised and vulnerable groups, media, religious and traditional leaders stakeholders; and (iii) private sector and academia stakeholders.

During the day of budget consultations, the MoF Budget Directorate made a brief presentation (**see Annex 1 of this report**) and circulated a brochure (**see Annex 2 of this report**) to in-person and online participants. In order to stimulate input, **MoF posed the following questions to the participants:**

- (i) Are the areas proposed by the Government where to implement in 2026 and medium term agreeable to you? Are there any other critical areas that you think should be prioritized?
- (ii) Revenue collection is still low, despite the potential to collect more from customs taxes. What can be done to increase customs revenue at Mogadishu, Kismayo, Bosaso and other ports? How can the tax base generally be expanded to provide more public services to Somalis?
- (iii) The government plans to start borrowing from international financial institutions to invest in infrastructure development. What is your view on this plan?

**The following principles were followed to ensure adequate participation the participants:**

**Principle 1: Broad participation among different audience segments in the country**

The targeted stakeholders were drawn from different segments to improve alignment between public interest and the budget, enhance legitimacy of the budget, and build trust in the government. The segments included; FGS, FMS, marginalized & vulnerable groups, academics, independent experts, policy think tanks, media and private sector.

**Principle 2: Two-way interaction**

The in-person and online participants were encouraged to freely provide input during the consultation sessions. After the presentation was made by the MoF Budget directorate, the question and answer session was opened to all participants. The Budget directorate and senior officials from MoF provided responses to all the questions from the participants.

### 1.3 – Dates of Budget Consultation



*FGS MoF Deputy Minister providing the opening remarks during day 1 of budget consultation session*

The FY 2026 budget consultation was held from 01 to 04 October 2025 at **DOORBIN HOTEL, Mogadishu, Somalia**. **Day One (01 October 2025)** targeted Federal Government and Federal Member States stakeholders. **Day Two (02 October 2025)** consultation targeted CSOs, marginalised and vulnerable groups, media, religious and traditional leaders stakeholders while **Day Three (04 October 2025)** was held with private sector and academia stakeholders.

### 1.4 – Proposed FY 2026 Budget Ceiling and Institutional Allocations

In line with the Budget Call Circular, the participants during the three day sessions were informed of the FY 2026 budget ceilings as well as proposed institutional allocations.

In order for the Federal Government of Somalia to implement the tasks planned for the fiscal year beginning January 1, 2026, and ending December 31, 2026, the revenue and other government funds, as defined in this schedule, have been allocated as stated below. The total budget allocated for the recurrent budget and the capital budget is as follows:

- Recurrent Expenditure US\$ 699,958,789
- Capital Expenditure US\$ 673,722,756

**The total proposed FY2026 budget is US\$ 1,373,681,545.**

## Summary FY 2026 Budget Ceiling

| FAAH-FAAHIN                             | 2024<br>Kutalgalka | 2024<br>Dhabta | 2025<br>Kutalagal | 2026<br>Kutalagal | Isbadalka<br>Tiro | Isbadalka<br>% | Wadaagga<br>% |
|-----------------------------------------|--------------------|----------------|-------------------|-------------------|-------------------|----------------|---------------|
| <b>1. DAKHLIGA GUDAHA &amp; DEEQAHA</b> | <b>1,040.8</b>     | <b>943.1</b>   | <b>1,332.0</b>    | <b>1,298.8</b>    | <b>-33.2</b>      | <b>-2.5%</b>   | <b>100%</b>   |
| <b>(A) DAKHLIGA GUDAHA</b>              | <b>346.2</b>       | <b>357.8</b>   | <b>430.3</b>      | <b>470.6</b>      | <b>40.3</b>       | <b>9.4%</b>    | <b>36.2%</b>  |
| Canshuuraha                             | 241.4              | 253.8          | 295.3             | 336.6             | 41.3              | 14.0%          | 25.9%         |
| Canshuurta Dakhliga & Faaidooyinka      | 23.2               | 27.6           | 38.0              | 54.0              | 15.9              | 41.9%          | 4.2%          |
| Canshuurta Hantida                      | -                  | 0.46           | -                 | -                 | -                 | 0.0%           | 0.0%          |
| Canshuurta Adeegga & Agabka             | 46.6               | 51.5           | 56.1              | 78.6              | 22.4              | 40.0%          | 6.0%          |
| Canshuurta Ganacsiga Dibadda            | 164.5              | 162.7          | 186.2             | 189.3             | 3.1               | 1.6%           | 14.6%         |
| Canshuuraha Kale                        | 7.0                | 11.6           | 14.9              | 14.8              | -0.1              | -1.0%          | 1.1%          |
| <b>Dakhliga aan Canshuuriga ahayn</b>   | <b>104.8</b>       | <b>104.0</b>   | <b>135.1</b>      | <b>134.0</b>      | <b>(1.02)</b>     | <b>-0.8%</b>   | <b>10.3%</b>  |
| <b>(B) DEEQAHA DIBADDA</b>              | <b>694.6</b>       | <b>585.2</b>   | <b>901.6</b>      | <b>828.1</b>      | <b>-73.5</b>      | <b>-8.2%</b>   | <b>63.8%</b>  |
| Taageeridda Miisaaniyadda               | 185.0              | 185.0          | 170.0             | 154.4             | -15.5             | -9.1%          | 11.9%         |
| Mashaariicda Deeq bixiyaasha            | 509.7              | 400.3          | 731.7             | 673.7             | -57.9             | -7.9%          | 51.9%         |
| <b>2. KHARASHKA GUUD</b>                | <b>1,079.3</b>     | <b>935.6</b>   | <b>1,359.7</b>    | <b>1,373.7</b>    | <b>14.0</b>       | <b>1.0%</b>    | <b>100%</b>   |
| <b>Kharashaadka Joogtadda</b>           | <b>569.7</b>       | <b>535.3</b>   | <b>628.1</b>      | <b>700.0</b>      | <b>71.9</b>       | <b>11.4%</b>   | <b>51.0%</b>  |
| Adeegga Shaqaalaha                      | 356.8              | 356.9          | 365.8             | 375.0             | 9.2               | 2.5%           | 27.3%         |
| Isticmaalka Agabka iyo Adeegga          | 115.5              | 103.1          | 134.6             | 154.5             | 19.9              | 14.8%          | 11.2%         |
| Isticmaalka Agabka Hantida              | 11.2               | 1.3            | 17.3              | 11.9              | -5.4              | -31.4%         | 0.9%          |
| Khidmadaha Qaamaha                      | 9.8                | 3.9            | 13.8              | 7.0               | -6.8              | -49.3%         | 0.5%          |
| Deeqaha Dowladda Dhexe                  | 73.3               | 70.1           | 91.6              | 90.1              | -1.5              | -1.6%          | 6.6%          |
| Kharashaadka Kale                       | 3.0                | -0             | 5.00              | 51.45             | 46.4              | 929.0%         | 3.7%          |
| <b>Kharashaadka Mashaariicda</b>        | <b>509.7</b>       | <b>400.3</b>   | <b>731.7</b>      | <b>673.7</b>      | <b>-57.9</b>      | <b>-8%</b>     | <b>49.0%</b>  |
| Adeegga Shaqaalaha                      | 4.1                | 3.3            | 4.2               | 3.5               | -0.7              | -17.2%         | 0.3%          |
| Isticmaalka Agabka iyo Adeegga          | 209.0              | 91.4           | 256.9             | 272.7             | 15.8              | 6.2%           | 19.9%         |
| Isticmaalka Agabka Hantida              | 52.6               | 27.2           | 164.8             | 198.1             | 33.2              | 20.2%          | 14.4%         |
| Dheef-korka & Dhulsaarka Kale           |                    | -0             | -0                | -0                | -                 | 0.0%           | 0.0%          |
| Kaalmooyinka/Kabka                      | 13.2               | 13.2           | 13.3              | 8.0               | -5.3              | -40.1%         | 0.6%          |
| Deeqaha Dowladda Dhexe                  | 145.2              | 109.6          | 147.0             | 135.3             | -11.7             | -8.0%          | 9.8%          |
| Fa'idada Bulshadda                      | 85.6               | 155.6          | 77.0              | 35.0              | -42.0             | -54.5%         | 2.5%          |
| Kharashaadka Kale                       | -                  | -0             | 68.4              | 21.2              | -47.2             | 0.0%           | 1.5%          |
| <b>3. Faraqa</b>                        | <b>-38.5</b>       | <b>7.5</b>     | <b>-27.7</b>      | <b>-74.9</b>      | <b>-47.2</b>      | <b>170.0%</b>  | <b>0.0%</b>   |
| Bixinta Qaamaha Dibadda                 | 1.4                | 1.4            | 1.4               | 4.4               | 3.0               | 214.3%         | 0.0%          |
| <b>4. Keydka (1)</b>                    | <b>-39.9</b>       | <b>6.1</b>     | <b>-29.1</b>      | <b>-79.3</b>      | <b>-50.2</b>      | <b>172.1%</b>  | <b>0.0%</b>   |

## Proposed FY 2026 Budget Ceilings

| Madax Xigi | FAAH-FAAHIN                                                                          | 2024 Dhabta | 2025 Kutalagal | 2026 Kutalagal |
|------------|--------------------------------------------------------------------------------------|-------------|----------------|----------------|
| 1          | WADARTA GUUD EE DAKHLIGA GUDAHA IYO DEEQAHA                                          | 943,083,438 | 1,331,969,583  | 1,298,765,329  |
| a          | DAKHLIGA GUDAHA                                                                      | 357,840,844 | 430,341,430    | 470,624,573    |
| 11         | Canshuuraha                                                                          | 253,835,341 | 295,289,259    | 336,587,507    |
| 111        | Canshuurta dakhliga, Faa'iidada iyo Faa'iidada Raasumaalka                           | 27,556,465  | 38,031,213     | 53,960,089     |
| 1111       | Canshuurta Shakhshiga                                                                | 23,358,805  | 30,882,838     | 39,764,507     |
| 111101     | Canshuurta Mushaarka Shaqaalaha Dawladda                                             | 8,858,805   | 9,839,906      | 9,456,782      |
| 111102     | Canshuurta Mushaarka Shaqaalaha Gaarka ah                                            | 12,500,000  | 16,159,302     | 20,664,725     |
| 111103     | Canshuurta Dakhliga Shakhshiga ahaaneed Ee Dakhliga Hantida                          | 2,000,000   | 4,883,630      | 9,643,000      |
| 1112       | Canshuurta Shirkadaha                                                                | 4,197,660   | 7,148,375      | 14,195,582     |
| 111201     | Canshuurta Faa'iidada Shirkadaha                                                     | 4,197,660   | 7,148,375      | 14,195,582     |
| 113        |                                                                                      | 459,677     | -              | -              |
| 1131       | Canshuuraha Joogtada ah ee Hantida Maguurtada ah                                     | 459,677     | -              | -              |
| 113102     | Canshuurta Dhismaha                                                                  | 459,677     | -              | -              |
| 114        | Canshuurta Agabka iyo Adeegga                                                        | 51,486,728  | 56,111,497     | 78,560,251     |
| 1141       |                                                                                      | 47,138,302  | 50,592,079     | 69,522,992     |
| 114121     | Canshuuraha libka - Hoteellada                                                       | 2,202,408   | 1,807,642      | 1,234,950      |
| 114122     | Canshuuraha libka - Isgaarsiinta                                                     | 8,000,000   | 9,000,000      | 8,612,975      |
| 114123     | Canshuuraha libka - Shirkadaha Qalabka Korontada Iyo Korontada                       | 1,440,000   | 720,000        | 382,642        |
| 114124     | Canshuuraha libka - Tigidhada Diyaaradda                                             | 7,895,894   | 8,290,689      | 7,579,061      |
| 114125     | Canshuuraha libka - Shirkadaha Adeegga Tv-Yada                                       | 1,000,000   | 1,000,000      | 1,648          |
| 114126     | Canshuuraha libka - Warshadaha Yaryar                                                |             |                | 12,547         |
| 114128     | Canshuuraha libka - Canshuuraha Kale Ee libka                                        | -           | 1,500,000      | 19,962,763     |
| 114129     | Canshuuraha libka - Alaabta Kale Ee Dibadda Laga Keeno                               | 26,400,000  | 27,973,749     | 31,736,406     |
| 114131     | Canshuurta Macaashka                                                                 | 200,000     | 300,000        | -              |
| 1142       | Canshuurta Wax Soo Saarka                                                            | 23,193      | 25,645         | 64             |
| 114201     | Canshuurta - Cabitaanada Fudud                                                       | 23,193      | 25,645         | 64             |
| 1145       | Canshuurta Isticmaalka Agabka iyo Ogolaanshaha Isticmaalka Agabka iyo Adeegyada      | 4,325,233   | 5,493,773      | 9,037,195      |
| 114526     | Canshuurta - Isticmaalka Waddo Marista (Tremistrale)                                 | 2,084,534   | 2,753,074      | 4,005,627      |
| 114529     | Canshuurta - Ururinta Nootayada                                                      | 2,240,699   | 2,740,699      | 1,673,759      |
| 114531     | Xidhmadda Saxiixa                                                                    |             |                | 3,357,808      |
| 115        | Canshuuraha Ganacsiga Caalamiga ah iyo wax kala libsiiga                             | 162,709,141 | 186,211,437    | 189,274,138    |
| 1151       | Canshuurta Furdooyinka iyo Canshuurtaha kale ee soo dajinta                          | 161,616,974 | 180,119,269    | 188,119,144    |
| 115100     | Canshuurta Furdooyinka Iyo Waajibaadka Kale Ee Soo Dajinta                           | 144,404,801 | 160,404,333    | 170,273,530    |
| 115106     | Canshuurta Qaadka                                                                    | 17,212,173  | 19,714,936     | 17,845,614     |
| 1152       | Canshuuraha Dhoofinta ee Dhammaan Canshuuraha Laga Qaado Badeecadaha Laga Dhoofiyo D | 1,092,167   | 6,092,168      | 1,154,994      |
| 115201     | Canshuurta Wax Soo Saarka Xoolaha                                                    | 70,271      | 2,370,272      | 67,662         |
| 115202     | Canshuurta Wax Soo Saarka Beeraha                                                    | 225,850     | 2,225,850      | 214,765        |
| 115203     | Canshuurta Cuntadda Badda                                                            | 38,552      | 438,552        | 16,285         |
| 115204     | Canshuurta Beey'ada Iyo Xabagta                                                      | 27,378      | 27,378         | 22,944         |
| 115205     | Canshuurta Alaabaha Kale Ee Dhoofinta                                                | 730,117     | 1,030,117      | 833,338        |
| 116        | Canshuuraha Kale                                                                     | 11,623,330  | 14,935,112     | 14,793,029     |
| 1161       | Canshuuraha kale ee Lagu Bixiyo Ganacsiga oo keliya                                  | 11,623,330  | 14,935,112     | 14,793,029     |
| 116101     | Canshuurta Farankaboolada Furdooyinka                                                | 3,199,745   | 4,032,035      | 5,427,600      |
| 116102     | Canshuurta Badqabka Baabuurta - Galawito                                             | 1,489,885   | 1,489,885      | 1,260,464      |
| 116103     | Farankaboolada Qaansheegyada Iyo Qandaraasyada                                       | 2,311,632   | 3,286,596      | 5,989,839      |
| 116104     | Canshuurta Shaabada Alaabta Cuntada                                                  | 1,947,336   | 3,002,762      | 2,115,126      |
| 114531     | Signature Bonus                                                                      | 2,674,732   | 3,123,833      | -              |
| 13         | Deeq                                                                                 | 585,242,594 | 901,628,154    | 828,140,756    |
| b          | Deeq Laba Dhinac ah                                                                  | 184,967,520 | 169,967,500    | 154,418,000    |
| 131        | Deeqaha Dowladaha Shisheeye                                                          | 68,121,168  | 42,000,000     | 27,000,000     |
| 1311       | Deeqaha Dowladaha Shisheeye - Joogtada ah                                            | 68,121,168  | 42,000,000     | 27,000,000     |
| 131101     | Deeqaha Joogtada ah Ee Lacag Caddaan ah                                              | 68,121,168  | 42,000,000     | 27,000,000     |
| 131101     | Deeqda Dawladda Turkiga                                                              | 30,000,000  | 30,000,000     | 15,000,000     |
| 131104     | Deeqda Dawladda UAE                                                                  | 38,121,168  | 12,000,000     | 12,000,000     |
| 132        | Deeqaha Hay'adaha Caalamiga                                                          | 517,121,426 | 859,628,154    | 801,140,756    |
| 1321       | Deeqaha Hay'adaha Caalamiga - joogtada ah                                            | 517,121,426 | 859,628,154    | 801,140,756    |
| 132101     | Deeqaha Joogtada Oo Lacag Caddaan ah                                                 | 517,121,426 | 859,628,154    | 801,140,756    |
|            | Deeqaha hay'adaha caalamiga ah                                                       | 116,846,352 | 127,967,500    | 127,418,000    |
| 132191     | Bangiga Adduunka - RCRF - Taageerada miisaaniyadda                                   | 34,846,352  | 29,467,500     | 25,000,000     |
| 132192     | Current – World Bank – Performance Based Fund                                        |             | 10,000,000     | -              |
| 132193     | Bangiga Aduunka - Development Policy Operation (DPO)                                 | 72,000,000  | 75,000,000     | 75,000,000     |
| 132195     | Midowga Yurub                                                                        | 10,000,000  | 10,000,000     | 10,000,000     |
| 132196     | AFRICAN DISASTER RISK FINANCING PROGRAMME (ADRFI)                                    |             | 500,000        |                |
| 132196     | OPEC                                                                                 |             | 3,000,000      |                |
| 132196     | European Investment Bank                                                             |             |                | 17,418,000     |

|        |                                                                                                                              |                    |                    |                    |
|--------|------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
|        | <b>Wadarta Miisaaniyadda Mashaariicda</b>                                                                                    | <b>400,275,074</b> | <b>731,660,654</b> | <b>673,722,756</b> |
|        | <b>World Bank (WB)</b>                                                                                                       | <b>400,275,074</b> | <b>630,365,157</b> | <b>559,656,452</b> |
| 132107 | Current - World Bank - Recurrent Costs and Reform Financing Project                                                          |                    | 10,118,260         | 9,005,110          |
| 132111 | Current - World Bank - Somalia Urban Resilience Project PH2(PCU)                                                             |                    | 65,362,636         | 47,680,186         |
| 132113 | Current - World Bank - SESRP                                                                                                 |                    | 65,797,660         | 72,494,907         |
| 132116 | Current - World Bank - SCALED-UP PROJECT                                                                                     |                    | 38,109,400         | 8,000,000          |
| 132114 | Current - World Bank - Somalia Shock-Responsive Social Safety Net Project                                                    |                    | 117,000,000        | 237,500            |
| 132117 | Current - World Bank - Somalia Crisis Recovery Project (SCR)                                                                 |                    | 27,899,263         | 8,616,000          |
| 132118 | Current - World Bank - Somali Integrated Statistics and Economic Capacity Building Project                                   |                    | 3,929,319          | 12,648,943         |
| 132120 | Current - World Bank - Damal Health Project                                                                                  |                    | 47,371,268         | 23,978,800         |
| 132121 | Current - World Bank - Somali Education Human Capital Project                                                                |                    | 17,142,030         | 18,667,570         |
| 132122 | Current - World Bank - Somali Horn of Africa Infrastructure Integration Project (SHIIP)                                      |                    | 32,650,000         | 40,000,000         |
| 132123 | Current - World Bank - Ground Water for Resilience Project (GW4R)                                                            |                    | 6,269,091          | 10,369,543         |
| 132125 | Current - World Bank - DE-RISKING, INCLUSION AND VALUE ENHANCEMENT OF PASTORAL ECONOMIES IN THE                              |                    | 9,025,000          | 13,000,000         |
| 132126 | Current - World Bank - SOMALIA COVID-19 EMERGENCY VACCINATION PROJECT                                                        |                    | 34,896,600         | 4,377,311          |
| 132127 | Current - World Bank - SOMALIA EMPOWERING WOMEN THROUGH EDUCATION AND SKILLS PROJECT - "RAJO K                               |                    | 21,830,574         | 26,727,623         |
| 132128 | Current - World Bank - SOMALIA WATER FOR RURAL RESILIENCE PROJECT Biyoole 2                                                  |                    | 17,255,367         | 20,730,732         |
| 132129 | Current - World Bank - Somalia Enhancing Public Resource Management Project                                                  |                    | 21,422,000         | 21,357,800         |
| 132130 | Current - World Bank - Eastern Africa Regional Digital Integration Project (EA-RDIP) Project                                 |                    | 11,786,120         | 13,601,690         |
| 132131 | Current - World Bank - Somali Food Systems Resilience Project                                                                |                    | 50,347,552         | 54,669,552         |
| 132132 | Current - World Bank - Somali Sustainable Fisheries Development Project                                                      |                    | 15,169,900         | 16,877,000         |
| 132133 | Current - World Bank - Accelerating Sustainable and Clean Energy Access Transformation in Somalia (ASCENT)                   |                    | 16,983,117         | 46,597,792         |
| 132134 | Current - World Bank - Somalia productive resilient and inclusive growth (SPRING) Project                                    |                    |                    | 17,000,000         |
| 132135 | Current - World Bank - BULSHO: Strengthening Community and Local Institutions for Social Cohesion, Inclusion, and Resilience |                    |                    | 6,552,893          |
| 13213  | Current - World Bank - Building Opportunities and Outcomes in Social Protection and Youth Employment in Somalia              |                    |                    | 66,465,500         |
|        | <b>African Development Bank (AfDB)</b>                                                                                       | <b>-</b>           | <b>67,898,493</b>  | <b>70,244,981</b>  |
| 132151 | Current - African Development Bank - Economic and Financial Governance                                                       |                    |                    | 2,292,000          |
| 132152 | Current - African Development Bank - Road Infrastructure Program                                                             |                    | 31,981,055         | 22,211,081         |
| 132153 | Current - African Development Bank - SIEMID                                                                                  |                    | 497,500            | -                  |
| 132154 | Current - African Development Bank - Energy Sector Project                                                                   |                    | 237,700            | -                  |
| 132155 | Current - African Development Bank - Somali Strengthening Accountability and Debt Management Project (SAD                    |                    | 926,600            | 468,000            |
| 132156 | Current - African Development Bank - Statistics Development Support Project for Somalia                                      |                    | 619,564            | -                  |
| 132157 | Current - African Development Bank - Program To Build Resilience For Food And Nutrition Security In The Horn                 |                    | 12,431,641         | 19,912,847         |
| 132158 | Current - African Development Bank - Technologies                                                                            |                    | 1,897,938          | 6,017,503          |
| 132159 | Current - African Development Bank - Skill, Employability, Inclusion and Productivity PROJECT                                |                    | 4,648,045          | 3,787,510          |
| 132160 | Current - African Development Bank - INSTITUTIONAL SUPPORT FOR ECONOMIC GOVERNANCE PROJECT (ISEGP                            |                    | 6,535,259          | 5,794,271          |
| 132161 | Current - African Development Bank - Financial Sector Development Project (FSDP)                                             |                    | 4,636,160          | 4,332,830          |
| 132162 | Current - African Disaster Risk Financing (ADRFi)                                                                            |                    | 3,487,030          | 4,035,000          |
| 132163 | Strengthening Energy Sector Institutions (ESPSEI)                                                                            |                    |                    | 1,393,940          |
|        | <b>United Nations (UN)</b>                                                                                                   | <b>-</b>           | <b>4,783,492</b>   | <b>6,505,611</b>   |
| 132183 | Current - United Nations - Rural Livelihoods Resilience Programme (RLRP)                                                     |                    | 4,783,492          | 6,505,611          |
|        | <b>European Union (EU)</b>                                                                                                   | <b>-</b>           | <b>28,613,512</b>  | <b>36,000,712</b>  |
| 132183 | Current - SAGAL Project                                                                                                      |                    |                    | 319,200            |
| 132185 | Current - GPE System Capacity Grant (SCG)                                                                                    |                    | 730,500            | 673,500            |
| 132186 | Current - GPE Girls Education Accelerator (GEA)                                                                              |                    | 9,372,764          | 7,972,764          |
| 132187 | Current - GPE - System transformation grants (STG) Project                                                                   |                    | 18,510,248         | 27,035,248         |
|        | <b>The Organization of Petroleum Exporting Countries</b>                                                                     | <b>-</b>           | <b>-</b>           | <b>1,315,000</b>   |
| 132188 | SMART Clean Cooking Somalia                                                                                                  |                    |                    | 1,315,000          |
| 14     | <b>Dakhliga Kale</b>                                                                                                         | <b>104,005,503</b> | <b>135,052,170</b> | <b>134,037,066</b> |
| 141    | <b>Dakhliga Hantida</b>                                                                                                      | <b>-</b>           | <b>-</b>           | <b>2,180,158</b>   |
| 1412   | <b>Wadaaqaada Hantida</b>                                                                                                    | <b>-</b>           | <b>-</b>           | <b>1,444,397</b>   |
| 141211 | Wadaaqaada Hantida Kuwa Aan Daganayn Dalka                                                                                   |                    |                    | 1,444,397          |
| 1415   | <b>Dakhliga Hantida - Kiro</b>                                                                                               | <b>-</b>           | <b>-</b>           | <b>735,761</b>     |
| 141504 | Kireynta Dhulka Iyo Dhismoooyinka                                                                                            |                    |                    | 735,761            |
| 142    | <b>Dakhliga Iibka Agabka iyo Adeegga</b>                                                                                     | <b>104,005,503</b> | <b>135,052,170</b> | <b>128,512,219</b> |
| 1421   | <b>Iibka Aasaaska Suuqyo Cusub</b>                                                                                           | <b>-</b>           | <b>-</b>           | <b>6,198,000</b>   |
| 142104 |                                                                                                                              |                    |                    | 6,198,000          |
| 1422   | <b>Khidmadaha Maamulka</b>                                                                                                   | <b>104,005,503</b> | <b>135,052,170</b> | <b>122,314,219</b> |
| 142201 | Khidmada Fiisaha                                                                                                             | 7,715,494          | 13,640,712         | 8,940,060          |
| 142202 | Khidmada Baasaboorka                                                                                                         | 10,533,616         | 12,507,102         | 9,826,627          |
| 142203 | Canshuurta Ogolaanshaha Shaqada                                                                                              | 2,496,361          | 3,120,451          | 2,755,387          |
| 142204 | Khidmada Garoonka                                                                                                            | 3,853,537          | 4,518,154          | 4,020,679          |
| 142205 | Khidmada Duulimaadka (IATA)                                                                                                  | 20,111,048         | 27,494,262         | 24,469,685         |
| 142207 | Shatiyada Ganacsiga Iyo Warshadaha                                                                                           | 1,952,514          | 2,384,314          | 1,097,131          |
| 142208 | Shatiyada Raadiyaha Iyo Tv-Ga                                                                                                | -                  | -                  | 4,649              |
| 142212 | Khidmada Diwaangelinta Ngo-Yada Gudaha                                                                                       | -                  | -                  | 337,992            |
| 142214 | Khidmada Diwaangelinta Shirkadaha Gudaha                                                                                     | -                  | -                  | 458,497            |
| 142217 | Khidmada Beeraha                                                                                                             | -                  | -                  | 42,627             |
| 142221 | Khidmada Adeegga                                                                                                             | -                  | 2,070,000          | 3,555,353          |
| 142227 | Khidmada Shatiga Kalluumeysiga                                                                                               | 5,586,402          | 6,586,402          | 6,803,753          |
| 142229 | Khidmada Shatiga Wadidda Gawaarida                                                                                           | -                  | -                  | 1,456,876          |
| 142231 | Khidmada Diwaangelinta Taargada                                                                                              | -                  | -                  | 2,789,091          |
| 142233 | Khidmada Agoonsiga Shaqsiga                                                                                                  | -                  | -                  | 23                 |
| 142240 | Khidmada Adeegyada Waxbarashada                                                                                              | -                  | -                  | 205,613            |
| 142243 | Khidmada Shirkadda Amniga                                                                                                    | -                  | -                  | 7,562              |
| 142245 | Khidmada Isgaarsiinta                                                                                                        | 7,820,963          | 9,435,277          | 5,871,303          |
| 142247 | Khidmada Shatiyada Kale                                                                                                      | 28,437             | 28,437             | 18,183             |
| 142250 | Khidmada Diwaangelinta Doorashada                                                                                            | -                  | -                  | 185,940            |
| 142256 | Khidmada Warqadda Dembi La Aanta                                                                                             | -                  | -                  | 969,212            |
| 142257 | Khidmada Galka Xareynta Codsiga Maxkamadda                                                                                   | -                  | -                  | 997,719            |
| 142259 | Khidmada Dekedda - Albayrak                                                                                                  | 29,629,252         | 35,344,069         | 32,610,562         |
| 142260 | Khidmada Dekedda - Furdada                                                                                                   | 6,213,665          | 6,724,879          | 6,746,132          |
| 142261 | Khidmada Maamulka                                                                                                            | 6,933,890          | 10,043,522         | 4,327,386          |
| 142262 | Khidmada Rakaabka Diyaaradaha                                                                                                | -                  | -                  | 2,878,336          |
| 142263 | Kidmadda Air Waybill                                                                                                         | -                  | -                  | 30,764             |
| 142264 | Diwaangelinta Soo degayaasha iyo Dhoofayaasha                                                                                | 1,130,324          | 1,154,589          | 907,077            |
| 143    | <b>Ganaaxa, Cigaabta iyo Luminta Dacwadaha</b>                                                                               | <b>-</b>           | <b>-</b>           | <b>1,089,067</b>   |
| 1431   | <b>Ganaaxa iyo Cigaabaha</b>                                                                                                 | <b>-</b>           | <b>-</b>           | <b>1,089,067</b>   |
| 143102 | Cigaabaha                                                                                                                    | -                  | -                  | 1,089,067          |
| 145    | <b>Kharashka, Khidmadaha, iyo Sheeqashooyinka hadda jira aynu lee nahay</b>                                                  | <b>-</b>           | <b>-</b>           | <b>2,255,623</b>   |
| 1451   | <b>Kharashka, Khidmadaha, iyo Sheeqashooyinka hadda jira aynu lee nahay</b>                                                  | <b>-</b>           | <b>-</b>           | <b>2,255,623</b>   |
| 145131 | Caymiska Hadda Jira Ee Caymiska Nolasha Iyo Qorsheynta                                                                       |                    |                    | 2,255,623          |

## Proposed FY 2026 Institutional Allocations

|    | Madax | Madax Xige | HAY'ADAHA                                                | 2024<br>Kutalagalka | 2024<br>Dhabta | 2025<br>Kutalagalka | 2026<br>Kutalagalka |
|----|-------|------------|----------------------------------------------------------|---------------------|----------------|---------------------|---------------------|
| A  |       |            | WADARTA GUUD EE KHARASHKA MIISAANIYADDA 2024             | 1,022,886,678       | 935,581,555    | 1,359,714,328       | 1,373,681,545       |
| 01 | 01    |            | HAY'ADAHA ADEEGGA MAAMULKA                               | 381,118,327         | 336,752,240    | 438,607,446         | 471,286,134         |
|    | 0101  |            | Xafiiska Madaxtooyada                                    | 11,527,780          | 11,741,779     | 12,529,086          | 12,371,046          |
|    |       | 010100     | Xafiiska Madaxtooyada                                    | 11,527,780          | 11,741,779     | 12,529,086          | 12,371,046          |
|    | 0102  |            | Baarlamaanka                                             | 34,886,661          | 34,172,573     | 35,866,877          | 35,941,397          |
|    |       | 010201     | Xafiiska Golaha Shacabka                                 | 27,831,101          | 27,147,367     | 27,893,681          | 27,968,201          |
|    |       | 010202     | Xafiiska Aqalka Sare                                     | 7,055,560           | 7,025,206      | 7,973,196           | 7,973,196           |
|    | 0103  |            | Xafiiska Ra'iisul Wasaaraha                              | 9,056,897           | 9,812,272      | 10,610,236          | 10,742,956          |
|    |       | 010300     | Xafiiska Ra'iisul Wasaaraha                              | 9,056,897           | 9,812,272      | 10,610,236          | 10,742,956          |
|    | 0104  |            | Arrimaha Dibedda                                         | 9,327,232           | 8,239,156      | 9,410,332           | 9,632,992           |
|    |       | 010400     | Wasaaradda Arrimaha Dibedda                              | 3,893,903           | 3,477,629      | 4,028,603           | 4,421,303           |
|    |       | 010401     | Safaaradaha                                              | 5,433,329           | 4,761,527      | 5,381,729           | 5,211,689           |
|    | 0105  |            | Maaliyadda iyo Mashaariicda                              | 224,514,455         | 201,269,808    | 257,964,773         | 277,363,052         |
|    |       | 010500     | Wasaaradda Maaliyadda                                    | 128,913,123         | 114,819,461    | 128,224,184         | 103,485,803         |
|    |       | 010501     | Xisaabiyaha Guud                                         | 3,357,124           | 3,291,590      | 3,413,164           | 3,710,644           |
|    |       | 010502     | Adeega Guud ee Dowladda                                  | 91,299,756          | 82,399,021     | 125,322,973         | 169,170,973         |
|    |       | 010503     | Agaasinka Xarunta Warbixnada Maaliyadda                  | 944,452             | 759,736        | 1,004,452           | 995,632             |
|    |       | 010504     | Hay'adda Iibka iyo Qandaraasyada                         | -                   | -              | -                   | -                   |
|    | 0106  |            | Qorsheynta iyo Isk. Caalamiga                            | 34,170,328          | 28,932,646     | 25,866,277          | 37,506,202          |
|    |       | 010600     | Wasaaradda Qorsheynta iyo Isk. Caalamiga                 | 21,653,879          | 20,218,023     | 20,013,365          | 23,538,590          |
|    |       | 010601     | Hay'adda Tirabikoobka Qaranka                            | 12,516,450          | 8,714,623      | 5,852,912           | 13,967,612          |
|    | 0107  |            | Arrimaha Gudaha, Fadaraalka & Mashaariicda               | 23,286,530          | 10,547,137     | 50,908,556          | 32,438,259          |
|    |       | 010700     | Wasaaradda Arrimaha Gudaha iyo Fadaraalka                | 17,305,752          | 4,285,338      | 30,731,068          | 22,356,061          |
|    |       | 010701     | Guddiga Qaxootiga Qaranka iyo Barakacayasha              | 856,840             | 793,484        | 843,040             | 834,640             |
|    |       | 010702     | Hay'adda Diiwaangalinta Dadweynaha                       | 1,959,240           | 1,176,028      | 2,025,660           | 2,030,640           |
|    |       | 010703     | Hay'adda Maareynta Musiibooyinka iyo Masiibooyinka Sooma | 3,164,698           | 4,292,286      | 17,308,788          | 7,216,918           |
|    | 0108  |            | Arrimaha Diinta iyo Awqaafka                             | 3,363,497           | 3,270,307      | 3,383,537           | 3,391,457           |
|    |       | 010800     | Wasaaradda Arrimaha Diinta iyo Awqaafka                  | 3,363,497           | 3,270,307      | 3,383,537           | 3,391,457           |
|    | 0109  |            | Cadaaladda                                               | 13,904,355          | 13,018,475     | 13,839,235          | 13,917,175          |
|    |       | 010900     | Wasaaradda Cadaaladda & Dastuurka                        | 2,474,915           | 2,168,502      | 2,409,795           | 2,487,735           |
|    |       | 010901     | Ciidanka Asluubta                                        | 11,429,440          | 10,849,973     | 11,429,440          | 11,429,440          |
|    | 0110  |            | Maxkamadaha                                              | 5,990,452           | 5,146,364      | 6,429,232           | 6,385,132           |
|    |       | 011001     | Maxkamadda Sare                                          | 2,715,177           | 2,330,029      | 2,727,537           | 2,709,897           |
|    |       | 011002     | Maxkamadda Gobolka Banaadir                              | 2,110,504           | 1,888,781      | 2,312,104           | 2,294,464           |
|    |       | 011003     | Maxkamadda Racfaanka                                     | 937,179             | 791,057        | 1,194,399           | 1,194,399           |
|    |       | 011005     | Guddiga Adeegga Garsoorka                                | 227,592             | 136,497        | 195,192             | 186,372             |
|    | 0111  |            | Xeer-ilaaliyaha Guud                                     | 1,809,548           | 1,608,862      | 2,162,528           | 2,144,108           |
|    |       | 011100     | Xeer-ilaaliyaha Guud                                     | 1,809,548           | 1,608,862      | 2,162,528           | 2,144,108           |
|    | 0112  |            | Garyaqaanka Guud                                         | 706,400             | 614,622        | 706,400             | 720,020             |
|    |       | 011200     | Garyaqaanka Guud                                         | 706,400             | 614,622        | 706,400             | 720,020             |
|    | 0113  |            | Hanti-dhowrka Guud                                       | 3,716,171           | 3,894,261      | 4,022,894           | 4,022,894           |
|    |       | 011300     | Hanti-dhowrka Guud                                       | 3,716,171           | 3,894,261      | 4,022,894           | 4,022,894           |
|    | 0120  |            | Guddiyada                                                | 4,858,022           | 4,483,978      | 4,907,482           | 24,709,444          |
|    |       | 012100     | Guddiga M. Banaan Ee Xududaha & Federalka                | 400,360             | 337,724        | 329,280             | -                   |
|    |       | 012200     | Guddiga M. Banaan Ee Dib Heshiisiinta Q.                 | 482,972             | 454,985        | 496,772             | 496,772             |
|    |       | 012300     | Guddiga Madaxa Banaan ee Dorashoyinka Q.                 | 1,320,560           | 1,214,500      | 1,207,560           | 20,842,422          |
|    |       | 012400     | Guddiga M. Banaan Ee Xuquuqul Adanaha                    | -                   | -              | -                   | 474,000             |
|    |       | 012500     | Guddiga M. Banaan Ee Dib Heshiisiinta iyo Hir. Dasturka  | 947,836             | 874,880        | 1,033,636           | 1,063,636           |
|    |       | 012600     | Guddiga Madaxa Banaan Ee Shaqalaha Rayidka               | 1,562,174           | 1,457,768      | 1,696,114           | 1,688,494           |
|    |       | 012700     | Guddiga Madaxa Banaan Ee la dagaalanka Musuqmaasuqa      | 144,120             | 144,120        | 144,120             | 144,120             |

|    | Madax | Madax Xige | HAY'ADAHA                                      | 2024 Kutalagalka | 2024 Dhabta | 2025 Kutalagalka | 2026 Kutalagalka |
|----|-------|------------|------------------------------------------------|------------------|-------------|------------------|------------------|
| 02 | 02    |            | HAY'ADAHA ADEEGGA DIFAACA IYO AMNIGA           | 255,626,335      | 247,628,124 | 257,147,965      | 264,789,394      |
|    | 0201  |            | Difaaca                                        | 178,142,410      | 170,981,500 | 171,002,350      | 178,646,359      |
|    |       | 020100     | Wasaaradda Gaashaandhiga                       | 3,768,855        | 1,244,017   | 3,732,795        | 3,752,835        |
|    |       | 020101     | Taliska Ciidanka Xooga Dalka                   | 170,540,555      | 165,950,325 | 163,436,555      | 171,080,524      |
|    |       | 020102     | Maxkamadda Ciidamadda                          | 3,740,000        | 3,727,159   | 3,740,000        | 3,740,000        |
|    |       | 020103     | Hay'adda Naafada iyo Agoonta C. Qalabka Sida   | 93,000           | 60,000      | 93,000           | 93,000           |
|    | 0202  |            | Amniga Gudaha                                  | 77,483,925       | 76,646,624  | 86,145,615       | 86,143,035       |
|    |       | 020200     | Wasaaradda Amniga Qaranka                      | 1,614,089        | 1,182,807   | 1,581,289        | 1,578,889        |
|    |       | 020201     | Taliska Ciidanka Booliska                      | 46,741,988       | 46,355,941  | 49,681,988       | 49,681,988       |
|    |       | 020202     | Hay'adda Nabadsugidda Qaranka                  | 23,712,210       | 23,712,210  | 28,466,720       | 28,466,720       |
|    |       | 020203     | Hay'adda Socdaalka & Jinsiyadaha               | 5,415,640        | 5,395,865   | 6,415,640        | 6,415,640        |
| 03 | 03    |            | HAY'ADAHA ADEEGGA DHAQAALAH                    | 177,466,868      | 123,318,256 | 334,633,565      | 390,747,646      |
|    | 0301  |            | Tamarta & Biyaha                               | 9,758,427        | 9,758,427   | 92,610,638       | 138,539,361      |
|    |       | 030100     | Wasaaradda Tamarta & Biyaha                    | 9,758,427        | 9,758,427   | 92,610,638       | 138,539,361      |
|    | 0302  |            | Macdanta                                       | 3,250,504        | 2,581,680   | 3,318,604        | 3,604,876        |
|    |       | 030200     | Wasaaradda Macdanta                            | 2,205,884        | 1,739,109   | 2,238,344        | 2,499,266        |
|    |       | 030202     | Hay'adda Batroolka Soomaaliyeed                | 1,044,620        | 842,571     | 1,080,260        | 1,105,580        |
|    | 0303  |            | Beeraha                                        | 50,162,069       | 32,077,578  | 57,019,584       | 63,133,063       |
|    |       | 030300     | Wasaaradda Beeraha                             | 50,162,069       | 32,077,578  | 57,019,584       | 63,133,063       |
|    | 0304  |            | Xanaanadda Xoolaha, Dhirta & Daaqa             | 8,219,352        | 1,838,961   | 13,924,693       | 21,390,995       |
|    |       | 030400     | Wasaaradda Xanaanadda Xoolaha, Dhirta & Daaqa  | 8,219,352        | 1,838,961   | 13,924,693       | 21,390,995       |
|    | 0305  |            | Kallumaysiga & Khey. Badda                     | 10,314,654       | 2,959,934   | 17,505,744       | 19,113,364       |
|    |       | 030500     | Wasaaradda Kallumaysiga & Khey. Badda          | 9,579,910        | 2,334,833   | 16,752,220       | 18,406,040       |
|    |       | 030501     | Hay'adda Cilmi Baadhista Badda Soomaaliyeed    | 621,968          | 561,324     | 640,746          | 594,548          |
|    |       | 030502     | Mashruuca Horumarinta Xeebaha iyo Kallumeysiga | 112,776          | 63,777      | 112,776          | 112,776          |
|    | 0306  |            | Warfaafinta                                    | 6,308,974        | 4,605,382   | 6,319,714        | 6,292,834        |
|    |       | 030600     | Wasaaradda Warfaafinta                         | 6,308,974        | 4,605,382   | 6,319,714        | 6,292,834        |
|    | 0307  |            | Boostada & Isgaadhisiinta                      | 12,229,231       | 3,034,266   | 16,583,511       | 16,610,557       |
|    |       | 030700     | Wasaaradda Boostada & Isgaadhisiinta           | 11,357,347       | 2,329,184   | 13,736,167       | 15,596,033       |
|    |       | 030701     | Hay'adda Isgaadhisiinta Qaranka                | 871,884          | 705,082     | 859,284          | 841,644          |
|    |       | 030702     | Hay'adda Dhawrista Xogta                       | -                | -           | 1,988,060        | 170,880          |
|    | 0308  |            | Howlaha Guud iyo Dib-u-dhiska                  | 54,471,107       | 48,259,639  | 104,248,983      | 99,042,355       |
|    |       | 030800     | Wasaaradda Howlaha Guud iyo Dib-u-dhiska       | 54,471,107       | 48,259,639  | 104,248,983      | 99,042,355       |
|    | 0309  |            | Gaadiidka & Duulista Hawadda                   | 12,981,660       | 10,704,544  | 13,899,300       | 13,929,816       |
|    |       | 030900     | Wasaaradda Gaadiidka & Duulista Hawadda        | 3,319,376        | 1,919,716   | 4,237,016        | 4,293,919        |
|    |       | 030901     | Hay'adda Saadaasha iyo Duulista Hawadda        | 9,662,284        | 8,784,828   | 9,662,284        | 9,635,897        |
|    | 0310  |            | Dekadaha & Gaadiidka Badda                     | 3,575,004        | 2,428,011   | 3,577,044        | 3,619,440        |
|    |       | 031000     | Wasaaradda Dekadaha & Gaadiidka Badda          | 2,542,804        | 1,496,811   | 2,544,844        | 2,567,240        |
|    |       | 031001     | Dekadda Xamar                                  | 1,032,200        | 931,200     | 1,032,200        | 1,032,200        |
|    | 0311  |            | Ganaacsiga iyo Warshadaha                      | 4,731,630        | 3,858,653   | 4,162,634        | 3,990,230        |
|    |       | 031100     | Wasaaradda Ganaacsiga iyo Warshadaha           | 2,724,054        | 2,575,107   | 2,683,878        | 2,539,014        |
|    |       | 031101     | Hay'adda Tayo Dhowrka Soomaaliyeed             | 2,007,576        | 1,283,546   | 1,478,756        | 1,451,216        |
|    | 312   |            | Wasaaradda Biil'ada iyo isbadalada Cimilada    | 1,464,256        | 1,211,179   | 1,463,116        | 1,480,756        |
|    |       | 031200     | Wasaaradda Biil'ada iyo isbadalada Cimilada    | 1,464,256        | 1,211,179   | 1,463,116        | 1,480,756        |
| 04 | 04    |            | HAY'ADAHA ADEEGGA BULSHADA                     | 208,675,147      | 227,882,935 | 329,325,352      | 246,858,370      |
|    | 0401  |            | Caafimaadka                                    | 52,369,912       | 61,191,909  | 92,094,620       | 42,299,752       |
|    |       | 040100     | Wasaaradda Caafimaadka                         | 52,369,912       | 61,191,909  | 92,094,620       | 42,299,752       |
|    | 0402  |            | Waxbarashadda & Tacliinta Sare                 | 75,072,323       | 39,834,566  | 110,417,499      | 128,483,568      |
|    |       | 040200     | Wasaaradda Waxbarashadda & Tacliinta Sare      | 65,146,035       | 30,167,936  | 100,488,691      | 118,590,820      |
|    |       | 040201     | Jaamacadda Umadda                              | 8,272,680        | 6,191,380   | 8,272,680        | 8,272,680        |
|    |       | 040202     | Akadeemiyada Fanka, Cilmi iyo Suugaanta        | 1,311,352        | 1,210,509   | 1,313,872        | 1,277,812        |
|    |       | 040203     | Akadeemiya Goboleedka Afka Soomaaliga          | 342,256          | 264,741     | 342,256          | 342,256          |
|    | 0403  |            | Shaqada & Arrimaha Bulshada                    | 78,387,265       | 124,106,500 | 123,931,465      | 73,115,294       |
|    |       | 040300     | Wasaaradda Shaqada & Arrimaha Bulshada         | 78,387,265       | 124,106,500 | 123,931,465      | 73,115,294       |
|    | 0404  |            | Isboortiga & Dhalinyarada                      | 1,050,948        | 1,182,564   | 1,079,448        | 1,134,276        |
|    |       | 040400     | Wasaaradda Isboortiga & Dhalinyarada           | 1,050,948        | 1,182,564   | 1,079,448        | 1,134,276        |
|    | 0405  |            | Qoyska & Xuq. Adanaha                          | 1,794,700        | 1,567,396   | 1,802,320        | 1,825,480        |
|    |       | 040500     | Wasaaradda Qoyska & Hor. Xuq. Adanaha          | 1,152,684        | 1,018,150   | 1,160,304        | 1,186,444        |
|    |       | 040501     | Hay'adda Naafada Soomaaliyeed                  | 642,016          | 549,247     | 642,016          | 637,036          |

## SECTION 2 – OUTCOME OF THE BUDGET CONSULTATION

### Section Overview

This section presents the input from the different stakeholders, links for the recorded online participation. FY2026 marks the first year for implementing Somalia's Centennial Vision 2060 (CV2060). Thus, the budget for 2026 will thus focus on priorities in CV2060 and National Transformation Plan.

### 2.1 – Day One Session with Federal Government & Federal Member States

#### Day One Session Overview

Day One of the FY 2026 Budget Consultation Workshop that was convened by the Ministry of Finance of the Federal Government of Somalia (FGS) was held on **Wednesday, 1<sup>st</sup> October 2025 at the DOORBIN HOTEL, Mogadishu, Somalia**. This inaugural day of consultation targeted stakeholders from the Federal Government and the Federal Member States (FMS), emphasizing the high priority placed on inter-governmental consensus for the upcoming fiscal cycle.

The session was opened by **Mr. Sheikh Ali Wajis**, renowned Islamic Scholar. Sheikh Ali provided an introductory statement on the importance of tax in raising revenue to support government reforms as well as economic development. Thereafter, the Deputy Minister, Ministry of Finance FGS, **Mr. Abdulkadir Elmi Haange** made his introductory remarks and emphasized the importance of achieving the goals of Somalia's Centennial Vision 2060 and National Transformation Plan (NTP) for 2025-2029.

The session brought together relevant budget and planning officials across the FGS and FMSs. The primary objective of the consultation was to ensure transparency and inclusivity in the budgeting process. The event saw the participation of **123 physical attendees**, with virtual participants of 420 people via YouTube and more than 1,300 on Facebook live.



Screen shot of the livestream day 1 livestream session



*Physical FGS MDAs and FMSs in-person participants following the presentations*

### Strategic Framing of the Consultation

The prioritization of FGS and FMS stakeholders on the first day underscores the recognition that the 2026 budget is fundamentally a tool for achieving fiscal federalism and national stability. Historically, Public Financial Management (PFM) implementation in Somalia has been undermined by political risks, particularly those stemming from the lack of full consensus regarding the federal system and challenging intergovernmental relations. By securing high-level FGS/FMS attendance and participation at the initiation of the budget cycle, the Ministry of Finance aims to reaffirm foundational agreements made through key coordination platforms, such as the Finance Ministers' Fiscal Forum (FMFF), and Intergovernmental Fiscal Federalism Committee (IGFF-TC). This political prioritization is designed to mitigate potential conflicts and ensure a harmonized approach across the federation before technical preparation begins.

### Link of recording of the session

The online interactive session was held via Facebook and YouTube live. The links were shared to stakeholders prior to the date of budget consultation.

Below Facebook and YouTube live links of Day 1 recording, which are to be uploaded to MoF website and social media handles:



<https://youtu.be/t9slpmAz5Lo>

<https://www.youtube.com/live/xeUVywuNtys?si=1wizeU31arp0rE8r>

<https://www.youtube.com/watch?v=r-f0euuAAI4>



facebook

<https://www.facebook.com/share/v/1BNoNEL6cd/?mibextid=wwXlfr>

## Topics covered

After welcoming remarks and introductory statements, the MoF Budget Directorate made the presentation covering the following aspects:

- Macroeconomic issues, and key fiscal challenges faced by governments;
- Revenue forecasts, policies and administration;
- Government policy on taxes and expenditure (fiscal policy) and planned reforms for 2026 and medium term;
- Priority interventions for each sector that are aligned to Somalia Centennial Vision 2060 and National Transformation Plan for 2025-2029;
- Intergovernmental fiscal relations
- Pilot of Program Based Budgeting (PBB). Note: The Federal Government is initiating the implementation of PBB with the preparation of the FY 2026 Budget, targeting 43 selected Ministries, Departments, and Agencies (MDAs);
- Proposed FY 2026 budget ceilings and institutional allocations; and
- Questions and answers session.

## Input, Questions, and Responses from Online and In-person Participants

The MoF Budget Directorate circulated a brochure and made a brief presentation to the in-person and online participants. After the presentation by MoF Budget Directorate, the in-person participants were requested to raise their hand and respond to the 3 questions provided in the brochure as well as ask any questions relating to FY 2026 budget. The online participants were requested to type in the chat box or unmute to make their contribution.

**Below is the summary feedback from participants to the 3 posed questions:**

| Question                                                                                                                                                                                                                                                                         | Extract of the Participants Response to the 3 Posed Questions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) Are the areas proposed by the Government where to implement in 2026 and medium term agreeable to you? Are there any other critical areas that you think should be prioritized?                                                                                                | <ul style="list-style-type: none"><li>• The proposed areas are okay, though the budget for defence should start coming down as security is stabilized.</li><li>• The FMS needs to be sensitized to ensure their draft budget proposals are aligned to CV2060 and National Transformation Plan for 2025-2029.</li><li>• MoF in collaboration with the Ministry of Planning should create a dashboard to track in-year budget activities implementing of the priority projects of CV2060 and NTP 2025-2029</li></ul>                                                                                                                                                                                                                                                                  |
| 2) Revenue collection is still low, despite the potential to collect more from customs taxes. What can be done to increase customs revenue at Mogadishu, Kismayo, Bosaso and other ports? How can the tax base generally be expanded to provide more public services to Somalis? | <ul style="list-style-type: none"><li>• Streamline intergovernmental coordination</li><li>• Full execution of mandate and functioning of the Intergovernmental Fiscal Federalism Committee.</li><li>• Use of data analytics, Artificial Intelligence (AI) in revenue collections systems to catch the tax cheats.</li><li>• Automate the process of generating and transmitting tax invoices.</li><li>• Demonstrate transparency and accountability in how tax revenues are used to fund public services (e.g., infrastructure, health, education) can improve voluntary compliance.</li><li>• Conduct regular public awareness campaigns and provide support services.</li><li>• Combat corruption within the tax system to build public trust and encourage compliance.</li></ul> |
| 3) The government plans to start borrowing from international financial institutions to invest in infrastructure development. What is your view on this plan?                                                                                                                    | <ul style="list-style-type: none"><li>• Good initiative, though we need to ensure prudence utilization of available resources before taking loans.</li><li>• Explore other alternatives to international financial institutions that offer competitive packages.</li><li>• Consider government to government borrowing options.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                           |

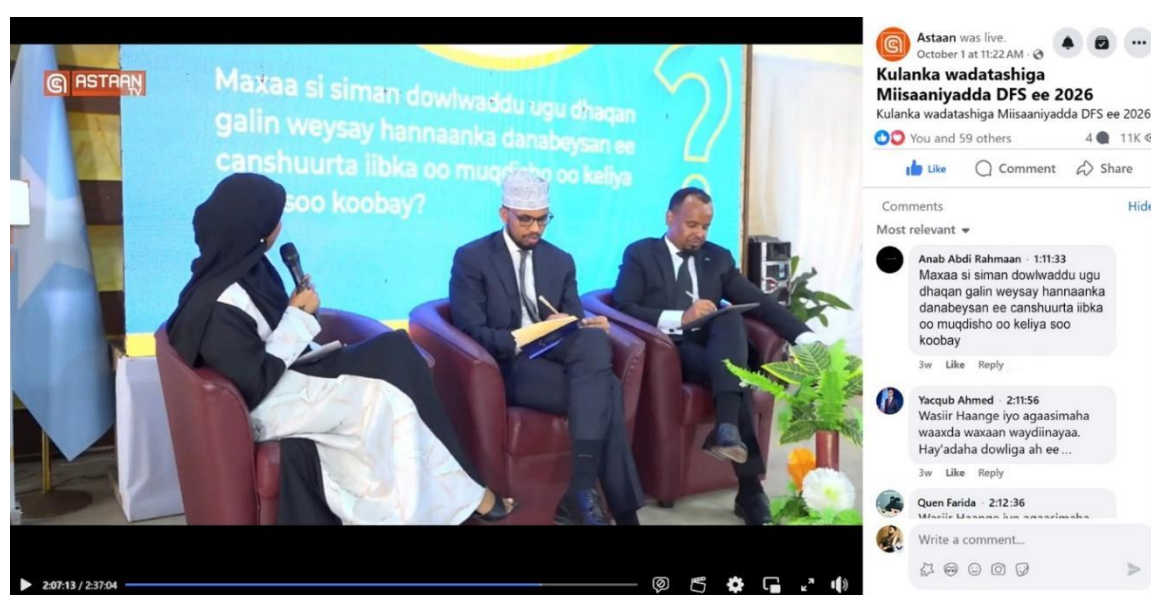
The online participants asked the questions which were also displayed on the screen and the MoF Deputy Minister and Director, Budget Directorate provided the response as demonstrated below:

**Screen shot 1: Question - If the debt has been relieved, domestic revenue has increased, and a sales tax has been introduced, why do we still rely on grants?**



**MoF response to question 1:** *The government's vision is to achieve 100% domestic revenue reliance. The total projected budget for 2026 is \$1.3 Billion, and domestic revenue is projected at \$460 million, which is still low. The remainder is for development projects funded by grants. The government is working hard to overcome reliance on grants for both recurring costs and development projects.*

**Screen shot 2: Question - 2. Why hasn't the government implemented the electronic sales tax uniformly across the country, instead of limiting it to Mogadishu?**



**MoF response to question 2:** *The federal system is not functioning well in all states, and the fiscal federalization policy has not yet been fully agreed upon by all states. This forces the government to focus on functioning parts and reach the other states gradually. Federal Member States still collect and use tax revenue to manage their recurring costs.*

**Screen shot 3: Question – Why does government expenditure continue to rise instead of efforts being focused on increasing revenue?**



**MoF response to question 3:** *The expenditure continues to rise primarily due to the prioritization of security and administration in a post-conflict environment, which are crucial for stability. While efforts are focused on increasing domestic revenue, significant challenges remain, leading to continued reliance on external funding and a persistent gap between spending needs and domestic revenue capacity.*



Presenter during day 1 of budget consultation

**Additional photos of Day One Session with FMG and FMS stakeholders:**



**Refer to Annex 3.1 of this report for the day one attendance register and session minutes.**

## 2.2 – Day Two Session with the Civil Society Organizations, Marginalized and Vulnerable Groups, Media, Religious Leaders and Traditional Elders Stakeholders

### Day Two Session Overview

**Day Two** of the budget public consultations was held on **Thursday, 02 October 2025 at the DOORBIN HOTEL**. The consultation session was held with the civil society organizations, marginalized and vulnerable groups, media, religious leaders and traditional elders stakeholders. The session was opened and presided over by the Director, MoF Budget Directorate, **Mr. Ahmed Abdi Iraad**.

A total of 115 number of in-person participants attended day 2 consultation session. The breakdown of the participants is as follows:

- 13 in-person CSO participants
- 32 in-person women participants;
- 40 in-person youth participants;
- 16 in-person religious leaders and traditional elders participants;
- 9 in-person participants from the disadvantaged & vulnerable groups category; and
- 5 Media stakeholders (*attended sessions across the 3 days*).

### Live streaming during day two of budget consultation

There were no online participants for day two of the public consultations despite the MoF sharing via email the livestream links to the registered stakeholders prior to the budget consultations.



*An in-person participant asking a question during day 2 session*

### Topics covered

After welcoming remarks and introductory statements, the MoF Budget Directorate made the presentation covering the following aspects:

- Macroeconomic issues;
- Revenue forecasts, policies and administration, and implications for service delivery
- Government policy on taxes and expenditure (fiscal policy) and planned reforms for 2026 and medium term;
- Priority interventions for social sectors (Education, Health, social protection, youth employment etc) that are aligned to Somalia Centennial Vision 2060 and National Transformation Plan for 2025-2029;
- Proposed Budget Ceilings for 2026, including sectoral allocations; and
- Questions and answers session.

## Input, Questions, and Responses from In-person Participants

The MoF Budget Directorate circulated a brochure and made a brief presentation to the in-person participants. After the presentation by MoF Budget Directorate, the in-person participants were requested to raise their hand and respond to the 3 questions provided in the brochure as well as ask any questions relating to FY 2026 budget.

Below is the summary feedback from participants to the 3 posed questions:

| Question                                                                                                                                                                                                                                                                         | Extract of the Participants Response to the 3 Posed Questions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) Are the areas proposed by the Government where to implement in 2026 and medium term agreeable to you? Are there any other critical areas that you think should be prioritized?                                                                                                | <ul style="list-style-type: none"> <li>• Increase budget allocations for education and health.</li> <li>• The proposed priorities should be implemented for the citizens to see benefits.</li> <li>• More budget should be placed on social development – including building new classrooms, hospitals, buying drugs.</li> <li>• Government to make public status of implementation of the budgeted priority projects.</li> </ul>                                                                                                                                                                                                                                                                  |
| 2) Revenue collection is still low, despite the potential to collect more from customs taxes. What can be done to increase customs revenue at Mogadishu, Kismayo, Bosaso and other ports? How can the tax base generally be expanded to provide more public services to Somalis? | <ul style="list-style-type: none"> <li>• Regular sensitization of the public on the importance of paying tax.</li> <li>• Promote good governance and transparency to increase compliance and tax base.</li> <li>• Increased job creation and business expansion that will ultimately lead to more potential tax base.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                   |
| 3) The government plans to start borrowing from international financial institutions to invest in infrastructure development. What is your view on this plan?                                                                                                                    | <ul style="list-style-type: none"> <li>• The government should prudently use domestic revenue first before considering loans.</li> <li>• Build capacity of government teams to ensure they have capacity to negotiate good deals for the country.</li> <li>• The government should consider exploring all available natural resources and use revenue generated from them before taking loans.</li> <li>• Involve the public on the infrastructure projects to be developed.</li> <li>• Choose financial institutions with low interest rates and favourable repayment periods.</li> <li>• Consider amenities for the disabled persons for the infrastructure projects to be developed.</li> </ul> |

A few of the participants raised questions that MoF responded to and made a commitment to consider the feedback to the FY 2026 budget. See below table for the few questions that were asked and MoF response:

| Participants Question/Comment                                                                                                                                                                                                                         | MoF Response                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| How does the new Program-Based Budgeting (PBB) structure guarantee that social investments (like salaries for 12,000 teachers and female health workers) are protected from budget cuts and tracked via a Gender-Responsive Budgeting (GRB) approach? | The MoF affirmed that PBB mandates specific measurable outputs linked to CV2060 Pillar 3 (Human Capital), which includes these salaries as a priority. The PBB system ensures that these specific, tracked activities are maintained as a priority outcome.                                                     |
| How will the MoF ensure the Grants Fiscal Transfer Formula mandates Federal Member States (FMS) to allocate funds for services and infrastructure accessibility for People with Disabilities (PWD) and marginalized communities?                      | The MoF clarified that the Grants Fiscal Transfer Formula and the Unified Chart of Accounts (UCoA) are standardized tools designed to ensure equitable distribution. The use of the PBB system requires FMS to report outcomes aligned with national priorities, which include inclusive governance (Pillar 1). |

## Additional Photos for Day 2 session



Refer to Annex 3.2 of this report for the day 1 attendance register and session minutes

## 2.3 – Day 3 Session with the Private Sector and Academia Stakeholders

### Day Three Session Overview

**Day three** of the budget public consultations was held on **Saturday, 04 October 2025 at the DOORBIN HOTEL**. The consultation session was held with the private sector and academia stakeholders. The session was opened and presided over by the Director, MoF Budget Directorate, **Mr. Ahmed Abdi Iraad**.

A total of **70** number of in-person participants attended day 3 session. The breakdown of the participants is as follows:

- **20** in-person participants from academia.
- **29** in-person participants from the private sector;
- **10** in-person participants from the Think-tank organizations; and
- **11** in-person participants from Media stakeholder.

The private sector stakeholders come from diverse sectors of the economy; including agriculture, fisheries, livestock, banking, hotel industry, health, retail, professional service, among others.

### Topics covered

After welcoming remarks and introductory statements, the MoF Budget Directorate made the presentation covering the following aspects:

- Macroeconomic issues, and economic development;
- Fiscal and investment challenges;
- Revenue forecasts, policies and administration in relation to economic growth rate;
- Government policy on taxes and expenditure (fiscal policy) and planned reforms for 2026 and medium term;
- Priority interventions for key sectors (trade, agriculture, livestock, fisheries, energy, etc) that are aligned to Somalia Centennial Vision 2060 and National Transformation Plan for 2025-2029;
- Proposed budget ceilings for 2026 and public investment priorities; and
- Question and answer session.



*In-person participant asking a question during day 3 of the budget consultation*

### Live streaming during day 3 of budget consultation

There were no online participants for day 3 of the public consultations despite the MoF sharing via email the livestream links to the registered stakeholders prior to the budget consultations.

## Input, Questions, and Responses from the In-person Participants

The MoF Budget Directorate made a brief presentation and circulated a brochure to the in-person participants. After the presentation by MoF Budget Directorate, the in-person participants were requested to raise their hand and respond to the 3 questions provided in the brochure as well as ask any questions relating to FY 2026 budget.

Below is the summary feedback from participants to the 3 posed questions:

| Question                                                                                                                                                                                                                                                                         | Extract of the Participants Response to the 3 Posed Questions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) Are the areas proposed by the Government where to implement in 2026 and medium term agreeable to you? Are there any other critical areas that you think should be prioritized?                                                                                                | <ul style="list-style-type: none"> <li>We understand that the priorities are aligned with Somalia's Centennial Vision 2060 (CV2060) and National Transformation Plan (NTP) for 2025-2029, will the budget funds available, both domestic and grants be able to implement the priorities projects? The government should explore other funding options including PPPs, green financing, bonds etc in financing these key priorities projects.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                   |
| 2) Revenue collection is still low, despite the potential to collect more from customs taxes. What can be done to increase customs revenue at Mogadishu, Kismayo, Bosaso and other ports? How can the tax base generally be expanded to provide more public services to Somalis? | <ul style="list-style-type: none"> <li>Ensure prudent utilisation of collected funds to stimulate the public to make full tax declarations and pay the tax.</li> <li>Ensure efficiency at the ports to stimulate more imports to the country.</li> <li>Seal the existing loopholes at the ports resulting in revenue leaks.</li> <li>Capacity building of custom port staff to ensure performance of their roles effectively.</li> <li>Full implementation of SOMCAS system.</li> <li>Expand the application of existing taxes to cover a wider range of goods, services, or income sources</li> <li>Introduce new types of taxes or better leveraging underused tax instruments to spread the tax burden across different areas of the economy.</li> <li>Create a favourable business environment for more trade and imports.</li> </ul> |
| 3) The government plans to start borrowing from international financial institutions to invest in infrastructure development. What is your view on this plan?                                                                                                                    | <ul style="list-style-type: none"> <li>Consider exploring Public-Private Partnerships (PPPs) as part of infrastructure development.</li> <li>Select international financial institutions with favourable rates and terms of repayment.</li> <li>Good for the government to show what the revenue generated has done before going to get international loans.</li> <li>Will the private sector be involved in infrastructure development?</li> <li>Government to ensure the infrastructure projects are aligned with Somalia's Centennial Vision 2060 (CV2060) and National Transformation Plan (NTP1) for 2025-2029.</li> </ul>                                                                                                                                                                                                           |

A few of the participants raised questions that MoF responded to and made commitment to consideration of the feedback to the FY 2026 budget. See below table for the few questions that were asked and MoF response:

| Participants Question/Comment                                                                                                                                                                                                             | MoF Response                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| People believe that the tax collected from the public does not fully reach the MoF, suggesting leakage or corruption due to capacity issues. How will the MoF fill that gap and capacitate its team to reduce corruption?                 | The Budget Directorate noted the government is like "building blocks" with institutions working together (Development Bank, MOC, MOF, National Investment Agency). The government also transferred the Public Private Partnership (PPP) Act to Parliament for approval. The revenue collection is working well in recent years, with all collected revenue going to the Central Bank.                                 |
| Traders import small agricultural products like garlic. The government increased inland tax (sales tax), increasing challenges for local businesses. What is the MoF's role to increase import tax to support local business and farmers? | The Budget Directorate responded that the government's focus is to reduce export tax to support local farmers. The current tax focus is on Inland Tax. He noted that poor people, hospitals, and educational institutions were exempted from the VAT tax after public consultation. Somalia's tax-to-GDP ratio (2-3%) is the lowest compared to neighbouring countries.                                               |
| Urged streamlining/harmonizing multiple taxes/fees; establish institutionalized Public-Private Dialogue (PPD) structure.                                                                                                                  | MoF aims to reduce customs tax to attract investors, focusing mainly on Inland Tax. Emphasized that VAT exemptions and low personal income tax followed public consultation.                                                                                                                                                                                                                                          |
| What are the planned initiatives for growth of the key productive sectors of the economy for FY 2026?                                                                                                                                     | The Deputy Minister indicated that the Federal Government is currently running several investment projects in the key productive sectors of the economy with support from Development Partners. There is a need to increase publicity of such projects to ensure wider reach and beneficiaries. Such projects are Gargaara MSMEs Financing Facility targeting the productive sectors and supported by the World Bank. |
| What is the specific budget allocation for the Productive sectors of the economy i.e. Agriculture, Livestock, Fisheries, Renewable Energy                                                                                                 | The Director, Budget Directorate noted that the 2026 budget ceiling for the specific line ministries in the productive sectors have been retained the same as 2026 despite decline in Donor funding . The ceilings for the Ministry of Agriculture and Irrigation, Ministry of Livestock, Forestry & Range and Ministry of Energy & Water is \$1,925,980; \$1,481,874 and \$1,646,080 respectively                    |

**Refer to Annex 3.3 of this report for the day 3 attendance register and session minutes.**

### Additional Photos for Day 3 Session



## 2.4 – Consolidated Input to FY 2026 Budget from Physical and Online Participants

During the consultation sessions, the participants aired a number of questions that were responded to by the MoF Deputy Minister and Director, Budget Directorate. The moderator guided the participants to restrict their questions to FY 2026 budget and avoid asking non-related questions. The respondents from MoF only responded to FY 2026 budget related questions tabulated below.

For every question and response, the moderator asked the MoF respondents to provide commitment on action by MoF in relation to FY 2026 budget. MoF respondents read out the committed action points for each question to the participants and requested participants to confirm their agreement to the proposed actions. Consensus from the participants was reached for all the MoF proposed actions regarding the asked questions.

| Theme                        | Stakeholder Category | Participant (Online or Physical) | Stakeholder Feedback/ Input                                              | MoF Response (Deputy Minister of Finance / Budget Directorate)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Agreed Action by MoF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------|----------------------|----------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Budget Importance & Strategy | FGS MDA              | Physical                         | What is the importance of the Budget Consultation Workshop event?        | The Deputy Minister noted that the budget consultation is an annual event and part of the progress toward budget preparation, aimed at consulting with and including input from civil society and government institutions. The main goal of the budget is to reach financial freedom and stop reliance on international grants, ensuring domestic revenue is sufficient for government running costs and assigning adequate funds for development.                                                                                                                                                                                         | Formal institutionalization of the annual Budget Consultation Workshop as a mandated component of the official budget preparation cycle.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Budget Transparency          | FMS                  | Physical                         | Will the 2026 Budget prioritize employment creation for youth and women? | <p>The Deputy Minister acknowledged the persistent challenge of high unemployment rate especially for youth, women and other marginalised groups.</p> <p>To address the disparities in wealth and unequal access to resources, the Deputy Minister indicated that the Government is implementing policies that promote equitable economic growth, improve access to education and employment opportunities, and create social safety nets that support vulnerable populations. Thus, the proposed FY2026 budget and future budgets will ensure the interventions provided in CV2060 on employment and wealth creation are factored in.</p> | <p>The FY 2026 budget to include the interventions provided in CV2060 on employment and wealth creation.</p> <p><b>The interventions for the youth include:</b></p> <ul style="list-style-type: none"> <li>• Ensure a healthy and well-equipped youthful population by improving access to quality health care;</li> <li>• Promote inclusive governance that recognizes the potential and challenges of youth, ensuring their active participation in national development;</li> <li>• Achieve a higher youth employment rate through targeted job creation initiatives and entrepreneurship support; and</li> <li>• Foster a generation of motivated, entrepreneurial, and ethical youth through enhanced education, mentorship, and skill development programs.</li> </ul> <p><b>The interventions on women include:</b></p> <ul style="list-style-type: none"> <li>• Strengthening institutional frameworks for mainstreaming gender considerations into national development</li> </ul> |

| Theme                                              | Stakeholder Category | Participant (Online or Physical) | Stakeholder Feedback/ Input                                                                                                                                                                                                      | MoF Response (Deputy Minister of Finance / Budget Directorate)                                                                                                                                                                                                                                                                                                                                   | Agreed Action by MoF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------|----------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                    |                      |                                  |                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                  | <p>policies and programs at all levels;</p> <ul style="list-style-type: none"> <li>Promoting greater participation of women in decision-making roles in political, economic, and social spheres;</li> <li>Supporting women's economic empowerment by expanding access to financial resources, entrepreneurial opportunities, and capacity-building programs; and</li> <li>Enforcing legal measures to combat gender-based violence and protect women and girls from all forms of discrimination and harm.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                    | Academia             | Physical                         | <p>People believe that the tax collected from the public does not fully reach the MoF, suggesting leakage or corruption due to capacity issues. How will the MoF fill that gap and capacitate its team to reduce corruption?</p> | <p>The Director, Budget Directorate noted combating tax revenue leakage requires a multi-faceted approach involving digitalization of tax administration, robust anti-corruption measures, clear tax policies, and strong enforcement and audit programs.</p> <p>He indicated, the revenue collection is working well in recent years, with all collected revenue going to the Central Bank.</p> | <p>Enhance anti-corruption measures and hold all culprits accountable.</p> <p>FY 2026 to include initiatives of strengthening revenue collection and ensuring accountability and transparency of collected revenue. Some of the initiatives include:</p> <ul style="list-style-type: none"> <li>Modernizing Somalia's tax systems – such as Implementation of Integrated Tax Administration System (ITAS) for Somalia</li> <li>Improving tax administration and enforcement capacity to mobilize more revenues from income tax, sales tax and road tax.</li> <li>Revenue staff capacity development.</li> <li>Effectively communicating and educating taxpayers</li> <li>Use of technology for real-time tracking and auditing of revenue collected.</li> <li>Promoting staff integrity.</li> <li>Annual audit of tax payments.</li> <li>Strengthen post-clearance customs audit and risk management.</li> <li>Use public-facing tools like suggestion boxes.</li> </ul> |
| Budget Format/ Reform - Program-Based Budget (PBB) | FGS MDA              | Physical                         | <p>What is the main difference between the 2026 budget and previous ones?</p>                                                                                                                                                    | <p>The Budget Directorate explained that the 2026 budget is prepared using a Program-Based Budget (PBB) system. Previous budgets used a line-item approach (e.g. utility, procurement). PBB links expenditure to specific activities (e.g., number of schools opened, teachers hired). Additionally, the 2026 government budget includes funds specifically for elections and security.</p>      | <p>Official adoption and commitment to the immediate and phased implementation of the Program-Based Budgeting (PBB) system for Fiscal Year 2026 and beyond.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                    | FGS MDA              | Online                           | <p>The MoF started training ministry staff on the new</p>                                                                                                                                                                        | <p>The MoF has assigned \$27 million for PBB activity implementation. \$10 million</p>                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Theme                               | Stakeholder Category | Participant (Online or Physical) | Stakeholder Feedback/ Input                                                                                                                                                                                                                           | MoF Response (Deputy Minister of Finance / Budget Directorate)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Agreed Action by MoF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------|----------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     |                      |                                  | Program-Based Budget (PBB) system, but the current budget ceiling intended for it is not specific. We need a clear understanding.                                                                                                                     | is specifically for the social sector (Health and education), and the remaining \$17 million will be divided among the government ministries and agencies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                     | Women /CSO Groups    | Physical                         | How does the new Program-Based Budgeting (PBB) structure guarantee that social investments (like salaries for 12,000 teachers and female health workers) are protected from budget cuts and tracked via a Gender-Responsive Budgeting (GRB) approach? | The MoF affirmed that PBB mandates specific measurable outputs linked to CV2060 Pillar 3 (Human Capital), which includes these salaries as a priority. The PBB system ensures that these specific, tracked activities are maintained as a priority outcome.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Commitment to institutionalize Gender-Responsive Budgeting (GRB) methodologies within the PBB structure for FY 2026 to ensure transparent allocation and tracking of funds for social sector investments (education, health workers).                                                                                                                                                                                                                                                                                                                                                                      |
| Tax Policy & Related Reforms        | Private sector       | Physical                         | Traders import small agricultural products like garlic. The government increased inland tax (sales tax), increasing challenges for local businesses. What is the MoF's role to increase import tax to support local business and farmers?             | The Budget Directorate responded that the government's focus is to reduce export tax to support local farmers. The current tax focus is on Inland Tax. He noted that poor people, hospitals, and educational institutions were exempted from the VAT tax after public consultation. Somalia's tax-to-GDP ratio (2-3%) is the lowest compared to neighbouring countries.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Maintain the policy of reducing export taxes to stimulate local economic activity, while sustaining social exemptions (poor, education, health) from the inland VAT tax, following public consultation.                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                     | FMS                  | Online                           | Why did the government not distribute the sales tax to the Federal Member States (FMS) and regions and implement it only in the capital, Mogadishu?                                                                                                   | The federal system is not functioning well in all states, and the fiscal federalization policy has not yet been fully agreed upon by all states. This forces the government to focus on functioning parts and reach the other states gradually. Federal Member States still collect and use tax revenue to manage their recurring costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | FGS MoF to lead in harmonizing of fiscal federalism                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                     | Private sector       | Physical                         | Urged streamlining/harmonizing multiple taxes/fees; establish institutionalized Public-Private Dialogue (PPD) structure.                                                                                                                              | MoF aims to reduce customs tax to attract investors, focusing mainly on Inland Tax. Emphasized that VAT exemptions and low personal income tax followed public consultation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Commitment to formalize the Public-Private Dialogue (PPD) mechanism and commence a comprehensive review aimed at streamlining multiple tax/fee layers and harmonizing business registration processes nationwide.                                                                                                                                                                                                                                                                                                                                                                                          |
| Domestic Revenue Mobilization (DRM) | FMS                  | Physical                         | How will the domestic revenue increase happen and how will the economy change?                                                                                                                                                                        | Budget Directorate: A three-year midterm strategy has been developed to create new revenue sources and maintain existing ones. The MoF is digitalizing the revenue collection systems. This includes making services efficient with low cost/time and lowering corruption through online payments for business licenses, visas, work permits, and various certificates connected to the MoF system. The "No payment no delivery system" initiative, digitalization, and integration are key to increasing domestic revenue. The implementation of the Somali Customs Automated System (SOMCAS) at ports and airports allows traders to generate and pay tax, reducing corruption and leakage. Additionally, the MoF will start the sales tax after drilling the first sea oil offshore in the coming months, which will increase domestic revenue and the economy. | Continued and accelerated implementation of the Somali Medium-Term Revenue Roadmap 2024-2027. The roadmap focuses on 2 key reforms, namely, (a) Tax policy and legal reforms; and (b) Revenue administration reforms, that are briefly described below:<br><br><b>Tax policy and legal reforms include the following:</b> <ul style="list-style-type: none"> <li>Finalization and effective implementation of income tax law;</li> <li>Adopting customs valuation and EAC tariffs;</li> <li>Reforming consumption taxes;</li> <li>Completing policy and legal framework of extractive industry;</li> </ul> |

| Theme                    | Stakeholder Category | Participant (Online or Physical) | Stakeholder Feedback/ Input                                                                                                                                                                                                                                     | MoF Response (Deputy Minister of Finance / Budget Directorate)                                                                                                                                                                                                                                                                                                                   | Agreed Action by MoF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------|----------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          |                      |                                  |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• Simplification of the tax system; and</li> <li>• Agreeing on a clear framework with FMS on fiscal federalism.</li> </ul> <p><b>Revenue administration reforms in the following areas:</b></p> <ul style="list-style-type: none"> <li>• Income tax administration;</li> <li>• Sales tax administration;</li> <li>• Road tax administration;</li> <li>• Integrated Tax Administration System (ITAS);</li> <li>• Taxpayer services;</li> <li>• Audit and enforcement;</li> <li>• Revenue administration;</li> <li>• Harmonizing tax administration;</li> <li>• Modernizing customs administration; and</li> <li>• Staff capacity development.</li> </ul> |
|                          | FGS MDA              | Online                           | If debt was relieved and sales tax and other taxes are implemented, why do we still rely on grants and international aid?                                                                                                                                       | The government's vision is to achieve 100% domestic revenue reliance. The total projected budget for 2026 is \$1.3 Billion, and domestic revenue is projected at \$460 million, which is still low. The remainder is for development projects funded by grants. The government is working hard to overcome reliance on grants for both recurring costs and development projects. | Strengthen domestic revenue generation by empowering/training the relevant staff and optimization of revenue collection systems.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Digital PFM & Compliance | Media                | Physical                         | If the PFM system is being fully automated (digital signatures) and using online payment systems, what is the strategy to ensure universal compliance and adoption by remote regions and small businesses?                                                      | The MoF is committed to digitalizing the revenue service system via PBB, which makes services efficient, lowers cost/time, and reduces corruption through online payments for business licenses, visas, and permits, connected to the MoF system.                                                                                                                                | Accelerated implementation and expansion of digitalization efforts (e.g., SOMCAS, online payment systems) and integration across all revenue collection points to enforce the 'No payment no delivery' principle.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Youth Employment         | Think Tanks/Youth    | Physical                         | Given the need for \$56 million in additional domestic revenue to achieve 4.0% growth, what concrete fiscal incentives or budget allocations are included in the 2026 budget to rapidly create jobs for the large youth population, leveraging the PFM reforms? | The MoF noted that increased domestic revenue (\$56M target) and economic growth (4.0%) are fundamental for expanding the tax base and creating private sector jobs. Public Investment Management (PIM) reforms prioritize capital spending which is necessary for employment generation.                                                                                        | Initiate development of targeted fiscal incentive programs for businesses that meet youth employment benchmarks, to be coordinated through Public Investment Management (PIM) reforms for FY 2026.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| EAC Integration          | FMS                  | Online                           | One of the focus pillars of the 2026 budget include integration. Since we have joined the East Africa Community (EAC), how could Somali traders collaborate, and what is the government's plan?                                                                 | <b>Deputy Minister response</b> - Joining the EAC was a significant step forward aimed at economic integration and the movement of people and goods. The government is currently working on the next stages, such as visa and travel restrictions, and will finalize a roadmap to help Somali traders travel and trade with other East African communities.                      | Government to harmonize/revise/develop policies and align them with EAC protocols to realise the full benefits of membership. The policies will include trade, immigration, customs among others.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Trade                    | FMS                  | Online                           | Traders import agricultural products like garlic, and the government's implementation of sales tax/VAT has increased                                                                                                                                            | It is unfortunate that the country imports products like garlic. The government's principle is to reduce export tax to support local farmers in exporting their products. Customs tax (airport/port) is reduced to attract investors, with tax now mostly                                                                                                                        | Review the existing tax policy on importation of agricultural products to protect and boost domestic agricultural production.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Theme                                                                                            | Stakeholder Category    | Participant (Online or Physical) | Stakeholder Feedback/ Input                                                                                                                                                                                                      | MoF Response (Deputy Minister of Finance / Budget Directorate)                                                                                                                                                                                                                                                                                                                                                        | Agreed Action by MoF                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------|-------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                  |                         |                                  | challenges for local businesses. What role will the MoF play in increasing import tax to support local business and farmers to produce more?                                                                                     | coming from Inland tax. The government consulted the public before implementation, and poor people, hospitals, and educational institutions were exempted from VAT. Somalia's tax-to-GDP ratio is currently 2-3%, which is the lowest compared to neighbouring countries.                                                                                                                                             |                                                                                                                                                                                                                            |
| Inclusion & Equitable Access (PWD)                                                               | PWD/ Marginalized Group | Physical                         | How will the MoF ensure the Grants Fiscal Transfer Formula Mandates Federal Member States (FMS) to allocate funds for services and infrastructure accessibility for People with Disabilities (PWD) and marginalized communities? | The MoF clarified that the Grants Fiscal Transfer Formula and the Unified Chart of Accounts (UCoA) are standardized tools designed to ensure equitable distribution. The use of the PBB system requires FMS to report outcomes aligned with national priorities, which include inclusive governance (Pillar 1).                                                                                                       | Mandate the inclusion of specific PWD inclusion and accessibility metrics within the Program-Based Budgeting (PBB) outcomes tracked for funds transferred via the Grants Fiscal Transfer Formula to Federal Member States. |
| Productive sectors of the economy – i.e. Agriculture, Livestock, Fisheries, Renewable Energy etc | Private Sector          | Physical                         | What are the planned initiatives for growth of the key productive sectors of the economy for FY 2026?                                                                                                                            | The Deputy Minister indicated that the Federal Government is currently running several investment projects in the key productive sectors of the economy with support from Development Partners. There is a need to increase publicity of such projects to ensure wider reach and beneficiaries. Such projects are Gargaara MSMEs Financing Facility targeting the productive sectors and supported by the World Bank. | Liaise with all beneficiary line MDAs of projects in productive sectors to include budget on publicity and advocacy to ensure wider beneficiary reach.                                                                     |
|                                                                                                  | Private Sector          | Physical                         | What is the specific budget allocation for the Productive sectors of the economy i.e. Agriculture, Livestock, Fisheries, Renewable Energy                                                                                        | The Director, Budget Directorate noted that the 2026 budget ceiling for the specific line ministries in the productive sectors have been retained the same as 2026 despite decline in Donor funding . The ceilings for the Ministry of Agriculture and Irrigation, Ministry of Livestock, Forestry & Range and Ministry of Energy & Water is \$1,925,980; \$1,481,874 and \$1,646,080 respectively                    | Line ministries in the productive sectors to align the FY 2026 budget to the proposed budget ceilings.<br><br>MoF to engage partners for support on enabling infrastructure such as roads etc                              |
| National Development Bank Proposal                                                               | Private sector          | Physical                         | Proposed establishing a Development Bank to collect citizen contributions (domestic and diaspora) for national development projects, with anticipated returns for contributors.                                                  | The budget directorate referenced the collaborative effort of various institutions, including the Development Bank, in the "building blocks" of government                                                                                                                                                                                                                                                            | Initiate feasibility assessment and preliminary institutional planning for the proposed National Development Bank to mobilize domestic and diaspora financial contributions for critical infrastructure development.       |
| Diaspora Direct Investment (DDI) Plan                                                            | Physical from Academia  | Physical                         | Urged MoF to develop a clear and actionable plan for Diaspora Direct Investment (DDI), moving beyond a sole focus on remittances, and streamline cooperation for diaspora investors.                                             | The MoF is committed to institutions working together (Development Bank, MOC, MOF, National Investment Agency) as "building blocks" of government.                                                                                                                                                                                                                                                                    | Commitment to develop and articulate a dedicated strategy for Diaspora Direct Investment (DDI) to formalize its inclusion in the DRM Roadmap and facilitate inter-ministerial cooperation with diaspora investors.         |

## 2.5 – Media Coverage of the FY 2026 Budget Consultation Sessions

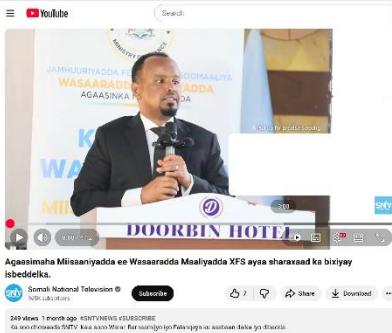
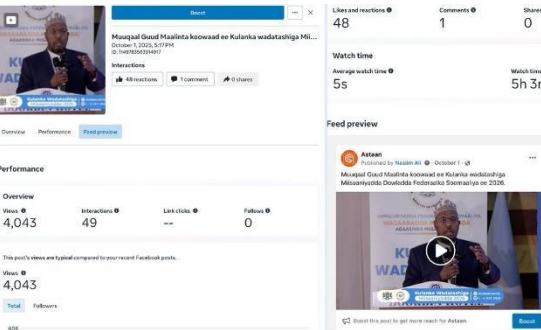
In addition to social media reach via livestream links (Facebook and YouTube), this year's consultation was featured by several media (both TV and Radio) companies over the three-day FY 2026 budget consultation session. **Astaan TV** was the main media platform engaged to support the livestreaming of the event and ensuring there is an interactive platform for online participants (i.e. chat box/ comments).

Media coverage for the budget consultation sessions aimed at informing the public about the government's budget priorities, and promoting transparency and accountability in the budgeting process for FY 2026.

A total of five (5) media companies produced news items detailing the proceedings over the three-day consultation period. A total of eleven (11) media stakeholders were formally invited and participated physically in the 3 days' workshop, ensuring media input and representation in the budget consultation.

The consultation session featured in news bulletins at TV and Radio stations as demonstrated through below media coverage extracts:

| Media Name | Coverage Type | Content Link                                                                                                                                                                                                                                                                                                                                                                                                                                                     | News Item Extract, including number of viewers                                        |
|------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Astaan TV  | Livestreaming | <b>Facebook:</b> <a href="https://www.facebook.com/share/v/1BNoNEL6cd/?mibextid=wwXlfr">https://www.facebook.com/share/v/1BNoNEL6cd/?mibextid=wwXlfr</a>                                                                                                                                                                                                                                                                                                         |   |
|            |               | <b>YouTube:</b><br><a href="https://www.youtube.com/watch?v=t9slpmAz5Lo&amp;feature=youtu.be">https://www.youtube.com/watch?v=t9slpmAz5Lo&amp;feature=youtu.be</a><br><a href="https://www.youtube.com/live/xeUVywuNtys?si=1wizeU31arp0rE8r">https://www.youtube.com/live/xeUVywuNtys?si=1wizeU31arp0rE8r</a><br><a href="https://www.youtube.com/watch?v=r-f0euuAAI4&amp;feature=youtu.be">https://www.youtube.com/watch?v=r-f0euuAAI4&amp;feature=youtu.be</a> |                                                                                       |
| Dalsan TV  | News Item     | <a href="https://youtu.be/N9kz971VMv8?si=7muy9txbHn_B4Bwa">https://youtu.be/N9kz971VMv8?si=7muy9txbHn_B4Bwa</a>                                                                                                                                                                                                                                                                                                                                                  |  |

|                           |                  |                                                                                                                                         |                                                                                      |
|---------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Arlaadi Media             | News Item        | <a href="https://youtu.be/FSFd-xqoYM4?si=zflNlecHwTbI4sn">https://youtu.be/FSFd-xqoYM4?si=zflNlecHwTbI4sn</a>                           |   |
| Somali National TV (SNTV) | News Item        | <a href="https://youtu.be/wyZ56arM79k?si=Qaww-PWYTe4Q6xPx">https://youtu.be/wyZ56arM79k?si=Qaww-PWYTe4Q6xPx</a>                         |   |
| Astaan TV                 | Event Highlights | <a href="https://www.facebook.com/share/v/1BY3h7Nz3K/?mibextid=wwXlfr">https://www.facebook.com/share/v/1BY3h7Nz3K/?mibextid=wwXlfr</a> |  |

In addition to the media coverage, the Budget Strategy Paper for FY 2026 and invitation letter notice was published on MoF website and its social media channels.

## 2.6 – Challenges Encountered Prior and During the Budget Consultations

Some of the key challenges encountered are as follows:

| No | Challenges                                                                                                                                                                                                                                                                                                                                  | Mitigation measure                                                                                                                                                                   |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | <p>There were no online participants for days 2 and 3 session despite MoF sharing via email the livestream links to the registered stakeholders.</p> <p>This could be attributed to the perception that they need to be paid allowance for data in order to attend the online session.</p>                                                  | The Consultant in collaboration with the MoF Budget Department made reminder/follow up calls to the registered stakeholders to attend the sessions either in-person or online.       |
| 2  | Late attendance of participants for consultation sessions (both physical and online). The sessions were planned to start from 9:00 am and end at 5:00 pm. However, for the 3 days, the starting time was 10:00 am.                                                                                                                          | The Consultant in collaboration with the MoF Budget Department made reminder/follow up calls to the registered stakeholders to attend the sessions either in-person or online.       |
| 3  | Low/limited understanding and participation by some stakeholders to participate in the budget consultation. This is largely due to limited knowledge of some stakeholders on their role in budget making.                                                                                                                                   | During the phone calls, the Consultant in collaboration with the MoF Budget Department tried to explain to the stakeholders the importance of public participation in budget making. |
| 4  | Incomplete or inconsistent data from FMS on budget ceilings and estimates, leading to difficulties in aligning national and state-level priorities.                                                                                                                                                                                         | The Ministry committed to strengthen the Unified Chart of Accounts (UCoA) and enforce Program Based Budgeting (PBB) templates for all MDAs and FMS.                                  |
| 5  | <p>Capacity gaps among some MDAs and FMS representatives in understanding Program-Based Budgeting (PBB).</p> <p><i>Note: The Federal Government is initiating the implementation of Program-Based Budgeting (PBB) with the preparation of the 2026 Budget, targeting 43 selected pilot Ministries, Departments, and Agencies (MDAs)</i></p> | MoF will Conduct PBB piloting and will distribute the briefing materials on Program-Based Budgeting to strengthen institutional understanding.                                       |
| 6  | Delayed submission of sectoral updates/budget estimates from line ministries prior to consultation.                                                                                                                                                                                                                                         | MoF extended submission deadlines and integrated late inputs into the presentation and briefing materials                                                                            |

## ANNEXURES



## Overview of FGS Budget Priorities for Financial Year 2026



1



### Budget strategy goal

- Major goal the budget strategy is to achieve the forecasted economic growth rate of **at least 4.0% in 2026 and 4.1% over the medium term.**
- Envisaged growth to be pursued through—
  - **Commence implementation of priority initiatives in 2060 Somalia Centennial Vision, and NTP1 2025-2029**
  - **Consolidate gains made in improving security** in Somalia to allow the private sector to thrive and eventually transform the economy.
  - **Increase investment spending** to generate growth, create job opportunities, expand the tax base, and improve Somalis' livelihoods among other outcomes.

2



## Presentation Outline

1. How the economy has performed in past period
2. How the economy is expected to perform in 2026 and medium-term
3. Government policy on taxes and expenditure (fiscal policy) and planned reforms for 2026 and medium term
4. Expected revenues and how Government plans to spend that money in 2026 and medium term
5. Planned strategies to achieve growth objectives

3

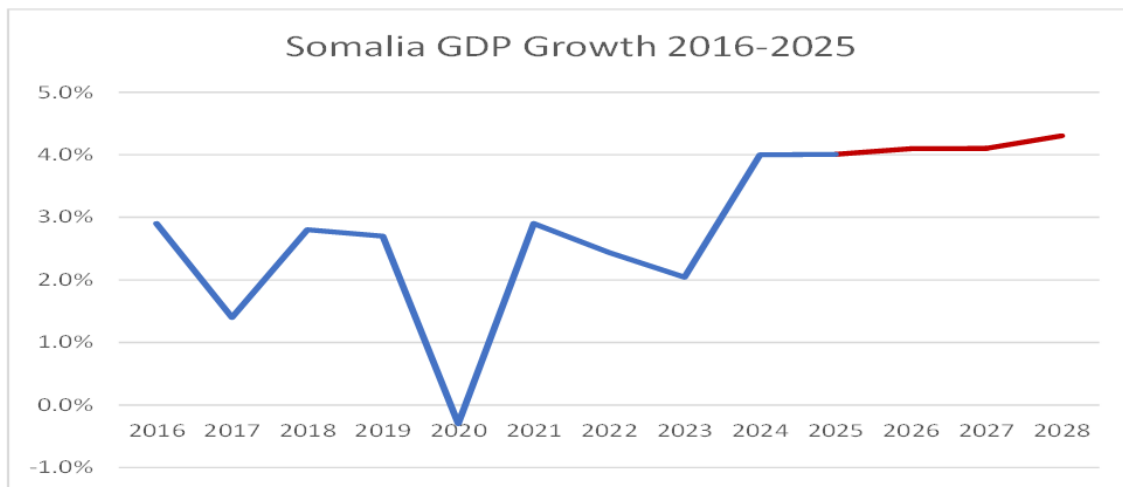


## Global Vs Somalia Growth Rates

| Economy                          | GDP Growth |      |      |             |      |
|----------------------------------|------------|------|------|-------------|------|
|                                  | Actual     |      |      | Projections |      |
|                                  | 2022       | 2023 | 2024 | 2025        | 2026 |
| World                            | 3.5%       | 3.3% | 3.3% | 2.8%        | 3.0% |
| Advanced Economies               | 2.6%       | 1.7% | 1.8% | 1.4%        | 1.5% |
| - o/w USA                        | 1.9%       | 2.9% | 2.8% | 1.8%        | 1.7% |
| - o/w Euro Area                  | 3.4%       | 0.4% | 0.9% | 0.8%        | 1.2% |
| Emerging & Developing Economies  | 4.1%       | 4.4% | 4.3% | 3.7%        | 3.9% |
| - o/w China                      | 3.0%       | 5.2% | 5.0% | 4.0%        | 4.0% |
| - o/w India                      | 7.0%       | 8.2% | 6.5% | 6.2%        | 6.3% |
| - o/w Middle East & Central Asia | 5.5%       | 2.2% | 2.4% | 3.0%        | 3.5% |
| Sub-Sahara Africa                | 4.0%       | 3.6% | 4.0% | 3.8%        | 4.2% |
| - o/w Somalia                    | 2.7%       | 4.2% | 4.0% | 4.0%        | 4.1% |

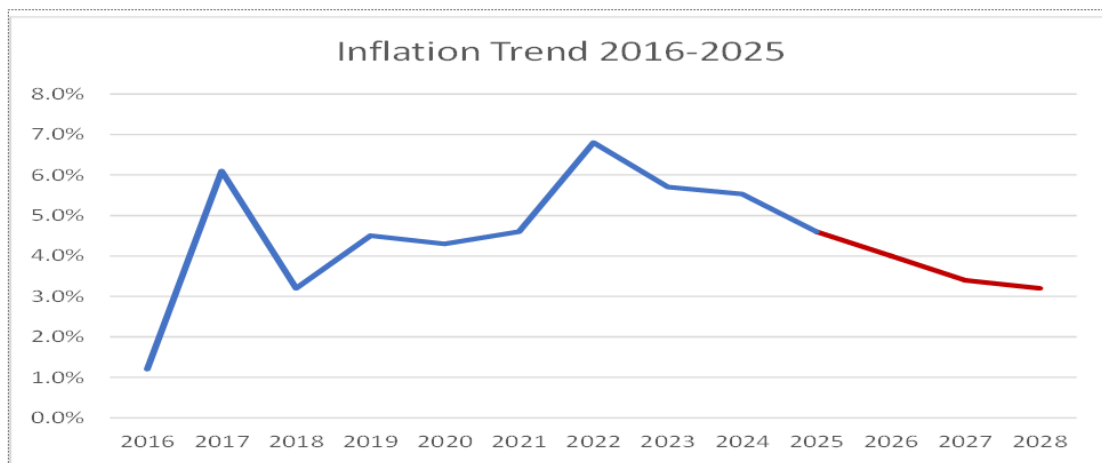
4

*....growth rates projected to continue expanding in 2026 and medium term*



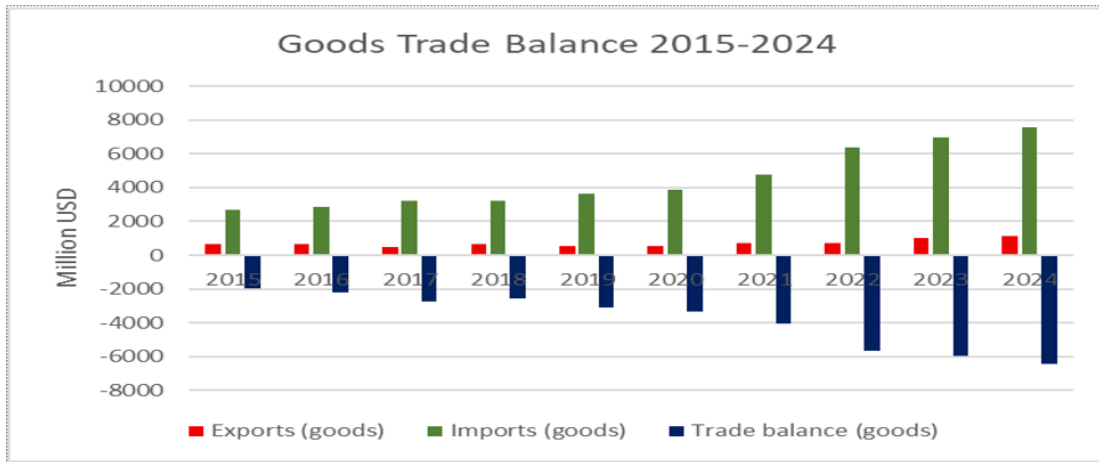
5

*...inflation expected to continue dropping in 2026 and medium term, though it could increase if conflict in Middle East are not controlled*



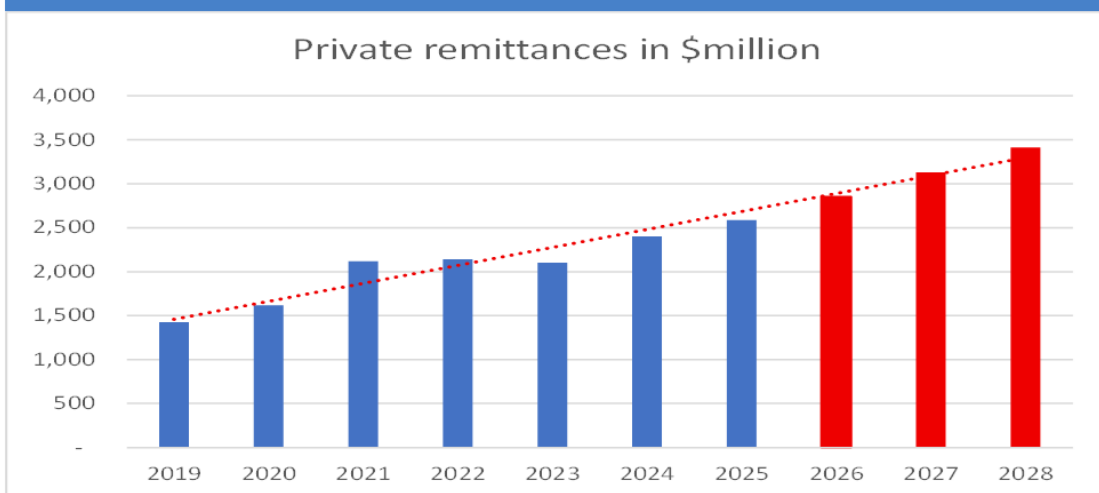
6

*...both imports and exports are growing, but imports are far more than exports, largely driven by construction materials, food and household articles.*



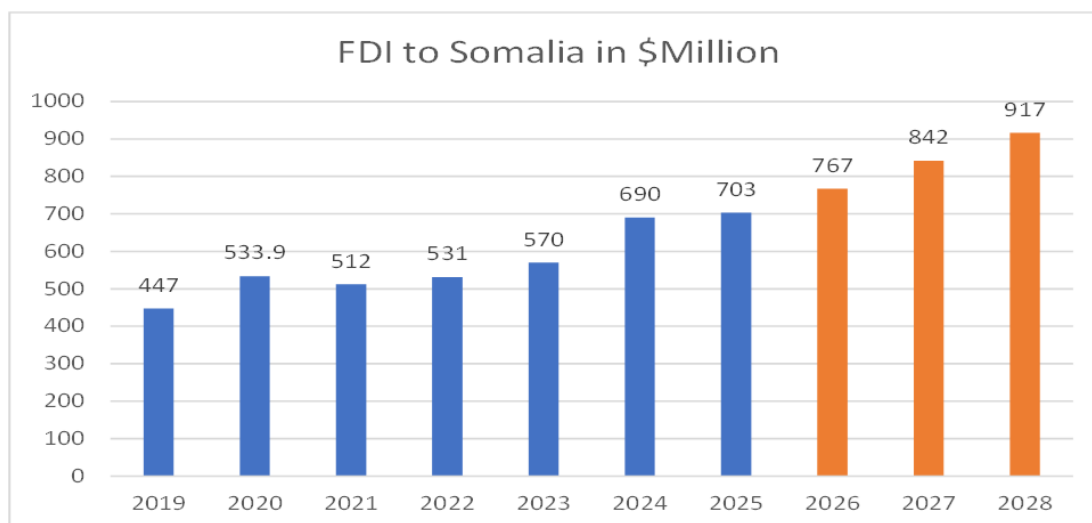
8

*...remittances are also projected to continue growing, though they could be affected by recent immigration policy in the US*



9

....FDI projected to further increase, as investor confidence slowly grows, and also due to prospects in petroleum sector



10

Somalia's trade in \$million...as tariff wars emerge, we need to focus more on EAC and AfCFTA

| Region            | Exports (fob) |               |               |                 | Imports (cif)   |                 |                 |                 |
|-------------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                   | 2021          | 2022          | 2023          | 2024            | 2021            | 2022            | 2023            | 2024            |
| <b>World</b>      | <b>502.24</b> | <b>733.26</b> | <b>992.81</b> | <b>1,169.35</b> | <b>3,838.40</b> | <b>4,154.83</b> | <b>4,020.25</b> | <b>4,006.40</b> |
| - o/w USA         | 1.09          | 1.08          | 3.00          | 2.34            | 55.45           | 90.21           | 56.25           | 52.07           |
| - o/w Europe      | 24.59         | 23.98         | 2.71          | 22.93           | 382.49          | 280.81          | 150.69          | 164.21          |
| - o/w Turkey      | 7.47          | 2.52          | 0.96          | 19.98           | 376.21          | 409.49          | 450.44          | 384.37          |
| - o/w UK          | -             | -             | -             | -               | 22.00           | 19.84           | 19.73           | 37.79           |
| - o/w China       | 10.39         | 6.97          | 6.32          | 2.94            | 1,060.18        | 1,111.42        | 1,098.16        | 1,027.28        |
| - o/w Middle East | 388.27        | 619.65        | 821.25        | 1,023.81        | 393.60          | 373.88          | 382.14          | 488.96          |
| - o/w India       | 15.81         | 14.69         | 27.42         | 29.15           | 739.75          | 966.31          | 826.24          | 866.85          |
| - o/w Africa      | 19.18         | 32.27         | 89.03         | 71.19           | 655.44          | 560.17          | 470.26          | 553.78          |
| ❖ <b>EAC</b>      | <b>0.85</b>   | <b>0.77</b>   | <b>0.39</b>   | <b>0.20</b>     | <b>132.40</b>   | <b>142.69</b>   | <b>168.04</b>   | <b>188.24</b>   |
| ❖ <b>Ethiopia</b> | <b>0.40</b>   | <b>0.01</b>   | <b>1.02</b>   | <b>0.99</b>     | <b>382.49</b>   | <b>280.81</b>   | <b>150.69</b>   | <b>164.21</b>   |
| ❖ <b>Egypt</b>    | <b>1.11</b>   | <b>1.12</b>   | <b>2.23</b>   | <b>4.55</b>     | <b>70.12</b>    | <b>41.49</b>    | <b>56.83</b>    | <b>130.30</b>   |
| ❖ <b>Djibouti</b> | <b>7.31</b>   | <b>24.24</b>  | <b>79.43</b>  | <b>59.84</b>    | <b>29.05</b>    | <b>57.38</b>    | <b>57.22</b>    | <b>33.85</b>    |

Source: IMF Trade Database (downloaded 9 Jul 2025)

11

*Somalia's trade with EAC...there is need to export more to EAC to narrow the trade balance with EAC*



| Country      | Exports (\$m, fob) |             |             |             | Imports (\$m, cif) |               |               |               |
|--------------|--------------------|-------------|-------------|-------------|--------------------|---------------|---------------|---------------|
|              | 2021               | 2022        | 2023        | 2024        | 2021               | 2022          | 2023          | 2024          |
| Kenya        | 0.84               | 0.74        | 0.33        | 0.20        | 129.93             | 137.30        | 164.53        | 180.58        |
| Uganda       | -                  | -           | -           | -           | 1.54               | 3.47          | 1.90          | 5.75          |
| Burundi      | -                  | -           | -           | -           | -                  | -             | -             | -             |
| Tanzania     | 0.002              | 0.028       | 0.060       | -           | 0.59               | 1.13          | 1.09          | 1.39          |
| Rwanda       | 0.00151            | 0.00150     | -           | -           | 0.33               | 0.79          | 0.52          | 0.52          |
| D.R. Congo   | -                  | -           | -           | -           | -                  | -             | -             | -             |
| South Sudan  | -                  | -           | -           | -           | -                  | -             | -             | -             |
| <b>Total</b> | <b>0.85</b>        | <b>0.77</b> | <b>0.39</b> | <b>0.20</b> | <b>132.40</b>      | <b>142.69</b> | <b>168.04</b> | <b>188.24</b> |

Source: IMF Trade Database (downloaded 9 Jul 2025)

12

## Fiscal Performance at half-year (Jan-Jun 2025)



| Fiscal Variable             | 2022   | 2023   | 2024   | 2025     |                 |                               |                                         |  |  |  |
|-----------------------------|--------|--------|--------|----------|-----------------|-------------------------------|-----------------------------------------|--|--|--|
|                             | Actual | Actual | Actual | Budget   | Outturn Jan-Jun | Jan-Jun as % of annual budget |                                         |  |  |  |
| Total Revenue & Grants      | 719.65 | 738.02 | 912.72 | 1,331.97 | 321.34          | 24.1%                         |                                         |  |  |  |
| Domestic Revenue            | 262.67 | 329.49 | 369.35 | 430.34   | 179.46          | 41.7%                         | << not so bad, though below expectation |  |  |  |
| Grants                      | 456.98 | 408.53 | 543.36 | 901.63   | 141.88          | 15.7%                         | << problem is here                      |  |  |  |
| Expenditure                 | 731.43 | 720.17 | 905.20 | 1,359.71 | 376.98          | 27.7%                         |                                         |  |  |  |
| Government Local Fund (GLF) | 456.46 | 468.09 | 537.27 | 628.11   | 257.49          | 41.0%                         |                                         |  |  |  |
| Donor Fund (Projects)       | 274.97 | 252.08 | 367.93 | 731.60   | 119.48          | 16.3%                         | << far below halfyear expectation       |  |  |  |
| Fiscal balance              | -11.79 | 17.86  | 7.51   | -27.74   | -55.63          |                               |                                         |  |  |  |

13

## What has been achieved (services delivered) with the appropriations in 2024 and 2025?

- GOVERNMENT HAS BEEN ABLE TO DELIVER A LOT WITH THE FUNDS APPROVED BY PARLIAMENT IN 2024 AND 2025
- KEY ACHIEVEMENTS ARE SUMMARIZED IN THE BROCHURE DISTRIBUTED TO EVERY STAKEHOLDER
- BROCHURE WILL ALSO BE POSTED ON THE MOF WEBSITE

14

## FGS policy on tax and spending (fiscal policy) and planned reforms for 2026 and medium term

- Fiscal Policy
  1. Increase domestic revenue by 0.3 percentage points annually (e.g., in 2026 this will mean collecting \$56 million as additional revenue)
  2. Domestic revenue to cover FGS operating expenditure (salaries and running costs) by 2027
- Key PFM Reforms
  1. Continue implementing Medium Term Revenue Roadmap 2024-2027
  2. Further strengthen tax administration to increase tax compliance
  3. Reduce tax exemptions
  4. Implement digital signatures to improve cash management among others
  5. Implement program-based budgeting (PBB) to link MDA expenditures to results, and to priorities in 2060 centennial vision and NTP1
  6. Implement Public Investment Management (PIM) Reforms and increase capital spending to generate growth

15

## Fiscal Framework 2026-2028 (in \$m)

| Fiscal Variable                 | Actuals       |              |              | Budget         | Projection     |                |                |
|---------------------------------|---------------|--------------|--------------|----------------|----------------|----------------|----------------|
|                                 | 2022          | 2023         | 2024         | 2025           | 2026           | 2027           | 2028           |
| <b>Revenue and Grants</b>       | <b>719.6</b>  | <b>738.0</b> | <b>912.7</b> | <b>1,331.7</b> | <b>1,189.9</b> | <b>1,225.6</b> | <b>1,175.4</b> |
| <b>Domestic revenue</b>         | <b>262.7</b>  | <b>329.5</b> | <b>369.3</b> | <b>430.0</b>   | <b>513.7</b>   | <b>603.7</b>   | <b>680.8</b>   |
| Income taxes                    | 18.7          | 24.6         | 36.2         | 38.0           | 47.2           | 55.7           | 64.2           |
| Taxes on local trade            | 25.8          | 34.8         | 46.8         | 50.3           | 66.2           | 80.0           | 93.5           |
| Taxes on international trade    | 158.3         | 201.2        | 215.1        | 238.0          | 277.8          | 328.9          | 371.4          |
| Non-tax revenue                 | 59.9          | 69.0         | 71.2         | 103.7          | 122.5          | 139.2          | 151.6          |
| <b>Grants</b>                   | <b>457.0</b>  | <b>408.5</b> | <b>543.4</b> | <b>901.6</b>   | <b>676.2</b>   | <b>621.9</b>   | <b>494.6</b>   |
| Multilateral                    | 419.9         | 407.7        | 513.5        | 859.6          | 644.7          | 591.9          | 464.6          |
| Bilateral                       | 37.1          | 0.8          | 29.9         | 42.0           | 31.5           | 30.0           | 30.0           |
| <b>Expenditure</b>              | <b>731.4</b>  | <b>720.3</b> | <b>905.2</b> | <b>1,359.7</b> | <b>1,333.0</b> | <b>1,410.7</b> | <b>1,439.3</b> |
| <b>Government Local Fund</b>    | <b>456.5</b>  | <b>471.3</b> | <b>537.3</b> | <b>628.1</b>   | <b>665.2</b>   | <b>728.3</b>   | <b>802.2</b>   |
| Compensation of employees       | 257.9         | 290.1        | 338.2        | 365.8          | 370.3          | 372.2          | 374.1          |
| Use of goods and services       | 93.5          | 95.7         | 110.2        | 134.6          | 135.1          | 147.9          | 161.9          |
| Consumption of fixed capital    | 7.8           | 5.2          | 2.4          | 17.3           | 50.0           | 72.1           | 94.4           |
| Interest and other charges      | 12.7          | 13.2         | 7.5          | 13.8           | 14.4           | 13.8           | 13.2           |
| Subsidies                       | -             | -            | -            | -              | -              | -              | -              |
| Grants                          | 84.5          | 67.1         | 79.0         | 91.6           | 95.4           | 122.3          | 158.6          |
| Social benefits                 | -             | -            | -            | -              | -              | -              | -              |
| Other expenses                  | -             | -            | -            | 5.0            | -              | -              | -              |
| <b>Development Partner Fund</b> | <b>275.0</b>  | <b>248.9</b> | <b>367.9</b> | <b>731.7</b>   | <b>667.8</b>   | <b>682.3</b>   | <b>637.0</b>   |
| Compensation of employees       | 1.6           | 2.1          | 3.4          | 4.2            | 1.7            | 1.8            | 2.0            |
| Use of goods and services       | 47.1          | 42.5         | 94.3         | 256.9          | 267.4          | 278.4          | 290.3          |
| Consumption of fixed capital    | 5.4           | 9.2          | 26.1         | 164.8          | 171.6          | 187.5          | 205.7          |
| Interest and other charges      | 5.1           | -            | -            | -              | -              | -              | -              |
| Subsidies                       | -             | 5.4          | 9.0          | 13.3           | 13.8           | 14.4           | 15.1           |
| Grants                          | 26.7          | 59.2         | 81.4         | 147.0          | 153.0          | 153.0          | 87.4           |
| Social benefits                 | 188.9         | 130.6        | 153.8        | 77.0           | 60.3           | 47.2           | 36.5           |
| Other expenses                  | 0.0           | -            | -            | 68.4           | -              | -              | -              |
| <b>Fiscal Balance</b>           | <b>(11.8)</b> | <b>17.7</b>  | <b>7.5</b>   | <b>(28.0)</b>  | <b>(143.1)</b> | <b>(185.0)</b> | <b>(263.9)</b> |

16

## Fiscal Framework 2026-2028 (Ratios)

| Fiscal Variable                                         | Actuals       |              |              | Budget         | Projection     |                |                |
|---------------------------------------------------------|---------------|--------------|--------------|----------------|----------------|----------------|----------------|
|                                                         | 2022          | 2023         | 2024         | 2025           | 2026           | 2027           | 2028           |
| <b>Revenue and Grants</b>                               | <b>719.6</b>  | <b>738.0</b> | <b>912.7</b> | <b>1,331.7</b> | <b>1,189.9</b> | <b>1,225.6</b> | <b>1,175.4</b> |
| <b>Domestic revenue</b>                                 | <b>262.7</b>  | <b>329.5</b> | <b>369.3</b> | <b>430.0</b>   | <b>513.7</b>   | <b>603.7</b>   | <b>680.8</b>   |
| <b>Grants</b>                                           | <b>457.0</b>  | <b>408.5</b> | <b>543.4</b> | <b>901.6</b>   | <b>676.2</b>   | <b>621.9</b>   | <b>494.6</b>   |
| <b>Expenditure</b>                                      | <b>731.4</b>  | <b>720.3</b> | <b>905.2</b> | <b>1,359.7</b> | <b>1,333.0</b> | <b>1,410.7</b> | <b>1,439.3</b> |
| <b>Government Local Fund</b>                            | <b>456.5</b>  | <b>471.3</b> | <b>537.3</b> | <b>628.1</b>   | <b>665.2</b>   | <b>728.3</b>   | <b>802.2</b>   |
| <b>Development Partner Fund</b>                         | <b>275.0</b>  | <b>248.9</b> | <b>367.9</b> | <b>731.7</b>   | <b>667.8</b>   | <b>682.3</b>   | <b>637.0</b>   |
| <b>Fiscal Balance</b>                                   | <b>(11.8)</b> | <b>17.7</b>  | <b>7.5</b>   | <b>(28.0)</b>  | <b>(143.1)</b> | <b>(185.0)</b> | <b>(263.9)</b> |
| Supplementary information:                              |               |              |              |                |                |                |                |
| Nominal GDP (in million\$)                              | 10,420        | 10,969       | 12,111       | 13,018         | 14,197         | 15,584         | 16,973         |
| Fiscal balance as % of GDP                              | -0.1%         | 0.2%         | 0.1%         | -0.2%          | -1.0%          | -1.2%          | -1.6%          |
| Revenue and Grants as % of GDP                          | 6.9%          | 6.7%         | 7.5%         | 10.2%          | 8.4%           | 7.9%           | 6.9%           |
| <b>Domestic revenue as % of GDP</b>                     | <b>2.5%</b>   | <b>3.0%</b>  | <b>3.0%</b>  | <b>3.3%</b>    | <b>3.6%</b>    | <b>3.9%</b>    | <b>4.0%</b>    |
| Donor grants as % of GDP                                | 4.4%          | 3.7%         | 4.5%         | 6.9%           | 4.8%           | 4.0%           | 2.9%           |
| Expenditure as % of GDP                                 | 7.0%          | 6.6%         | 7.5%         | 10.4%          | 9.4%           | 9.1%           | 8.5%           |
| GLF expenditure as % of GDP                             | 4.4%          | 4.3%         | 4.4%         | 4.8%           | 4.7%           | 4.7%           | 4.7%           |
| <b>GLF operating expenditure as % of GDP</b>            | <b>3.5%</b>   | <b>3.6%</b>  | <b>3.8%</b>  | <b>3.9%</b>    | <b>3.7%</b>    | <b>3.4%</b>    | <b>3.2%</b>    |
| Donor projects expenditure as % of GDP                  | 2.6%          | 2.3%         | 3.0%         | 5.6%           | 4.7%           | 4.4%           | 3.8%           |
| <b>GLF capital expenditure as % of domestic revenue</b> | <b>1.7%</b>   | <b>1.1%</b>  | <b>0.4%</b>  | <b>2.7%</b>    | <b>7.5%</b>    | <b>9.9%</b>    | <b>11.8%</b>   |

17

.....budget strategy focuses on implementation of priority initiatives in *Centennial Vision 2060 and NTP1*



- Six pillars:
- Pillar 1—Inclusive Governance
- Pillar 2—Capable State
- Pillar 3—Human Capital Development
- Pillar 4—Harnessing the Productive Sector and Natural Resources
- Pillar 5—Infrastructure Development
- Pillar 6—Regional and Economic Integration
- **A SUMMARY OF KEY ACTIONS UNDER EACH OF THESE PILLARS IS PROVIDED IN THE BROCHURE DISTRIBUTED TO EACH STAKEHOLDER**

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## Inclusive Governance



- Focus for 2026 and medium term is on:
  - 1) Building national unity and fostering reconciliation
  - 2) Deepening democratic governance
  - 3) Gender mainstreaming and empowering marginalized groups

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## Building a Capable State

- (a) Constitutional Reforms to protect civil liberties, freedom of expression, and the right to assembly
- (b) Strengthen federalism through supporting FMSs with necessary resources to deliver services that address community needs
- (c) Undertake Public Sector Reforms to ensure complete alignment of MDAs with Somalia's centennial vision and NTP
- (d) Reform the Justice system to modernize outdated laws, enhance judiciary's efficiency, strengthen enforcement of contracts and property rights

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## Human Capital Development

- **Education**—ensure that every child, regardless of their background, can receive a comprehensive education. Focus will be on:
  - a. Building more schools
  - b. Training qualified teachers
  - c. Providing necessary learning materials to create an environment where students can thrive
  - d. Strengthening skills development through vocational and higher education to enhance employability and economic productivity
- **Health**—ensure that all individuals have access to essential health services without financial hardship. Focus will be on:
  - a. Improving healthcare infrastructure
  - b. Increasing the availability of medical supplies
  - c. Training healthcare professionals.

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## Human Capital Development (2)



- **Social welfare**—ensure individuals and families especially from vulnerable communities are protected from economic shocks and assisted to graduate from poverty. Focus will be on:
  - a. Skills training programs for vulnerable communities
  - b. Income generating activities for vulnerable communities
- **Water, sanitation and hygiene**—ensure access to safe drinking water, adequate sanitation, and proper hygiene practices. Focus will be on:
  - a. Construction and rehabilitation of water supply systems
  - b. Promotion of community-led sanitation and hygiene education campaigns to create a healthier living environment.

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## Pillar 4—Harnessing the Productive Sector and Natural Resources



- **Agriculture**—aim is to increase the agriculture sector's contribution to GDP by implementing improvements in productivity and adoption of advanced agricultural practices. Focus will be on:
  - a. Activating flood control, irrigation, and transport infrastructure
  - b. Establish extension services
  - c. Strengthen vocation education to produce agronomists and scientists
  - d. Establish Agricultural Research Institutions focusing on dry land agriculture
  - e. Promote value addition through modernization and mechanization of agriculture
  - f. Supporting agricultural industrialization for both small- and large-scale manufacturing
  - g. Promote sustainable rangeland resource management.

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## Productive Sector & Natural Resources (2)

- **Manufacturing**—aim is to promote local manufacturing. Focus will be on:
  - a. Supporting businesses to transition from informal arrangements towards a more formal and regulated arrangement.
  - b. Promote agro-industrialization through establishment of marketing outlets and storage facilities for livestock, fisheries and crops products
  - c. Opening new export channels.
- **Natural resources**—ensure efficient and effective management of natural resources. Focus will be on:
  - a. Build MDA capacity to manage license portfolio
  - b. Undertake comprehensive geological mapping of mineral resources for investment possibilities.

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## Pillar 5—Infrastructure Development

- The pillar focuses on energy, transport, water and sanitation, clean cities, ICT, and oil and gas infrastructure development.
- **Energy**—focus is on
  - a. Implementing the power master plan to increase electricity generation from 539 GWH/year in 2024 to 10,676 by 2034
  - b. Increase access to electricity from 40% in 2024 to 61% in 2024
  - c. Reduce population using charcoal and biomass from 85% in 2024 to 32% in 2024.
- **Transport**—focus of 2026 and the medium term is on
  - a. Rehabilitation and expansion of existing roads especially main roads connecting regions and feeder roads.
    - Aim is to increase paved roads from 2,860km in 2024 to 6,532 km in 2034.

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## Infrastructure Development (2)



- **Seaports and airports**

- a. Invest in capacity building to accelerate ongoing and future ports rehabilitation and expansion across the country, upgrading and resourcing of the ports in Mogadishu (thru PPP arrangement)
- b. Establish a maritime training institution.

- **Railway and petroleum pipeline**

- a. Undertake feasibility studies of rail line to intensify exploitation of mineral resources in Somalia. Aim is to have at least 583 km of rail line by 2034.
- b. Undertake feasibility studies for petroleum pipeline

- **ICT**

- a. Promote accessibility of citizens to digital education
- b. Facilitate collaboration on cybersecurity initiatives
- c. Retain control of FGS over digital infrastructure and data
- d. Establish regulations to manage foreign technology providers and safeguard against digital colonization.

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## Infrastructure Development (3)



- **Water and sanitation**

- a. Implement Somalia's water and sanitation master plan
- b. Construct dykes in Southern Somalia to manage flooding in riverine areas along Jubba and Shabelle rivers
- c. Invest in water engineering and procurement of appropriate equipment for harnessing the available surface and groundwater potential.

- **Building clean cities**

- a. Partner with real estate developers to demolish structures in urban areas that were destroyed in the war and are no longer useful, to make it easy for the private sector to provide affordable housing for low-income households and internally displaced persons, and to boost tourism.

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## Pillar 6: Regional and Economic Integration

- Focus in 2026 and medium term will be on:
  - a. Fostering stronger ties with neighbors (Kenya and Ethiopia) and EAC regional countries.
  - b. Increasing participation in economic corridors to facilitate movement of goods, services, and people across borders to boost economic activities and create new opportunities for trade and investment.
    - ❖ *Priority will be given to Kismayo-Lamu-Mogadishu corridor, Berbera and Djibouti corridor, Mogadishu, Berbera and Bosaso corridor.*
  - c. Fasttrack Somalia's accession to the World Trade Organization.

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See section 4 of this report for the draft budget proposal.

## Proposed FY 2026 Budget Ceiling and Institutional Allocations

Summary FY 2026 Budget Ceiling

| FAAH-FAAHIN                              | 2024<br>Kutalgalka | 2024<br>Dhabta | 2025<br>Kutalagal | 2026<br>Kutalagal | Isbadalka<br>Tiro | Isbadalka<br>% | Wadaagga<br>% |
|------------------------------------------|--------------------|----------------|-------------------|-------------------|-------------------|----------------|---------------|
| <b>1. DAKHLIGA GUDAAHA &amp; DEEQAHA</b> | <b>1,040.8</b>     | <b>943.1</b>   | <b>1,332.0</b>    | <b>1,298.8</b>    | <b>-33.2</b>      | <b>-2.5%</b>   | <b>100%</b>   |
| <b>(A) DAKHLIGA GUDAAHA</b>              | <b>346.2</b>       | <b>357.8</b>   | <b>430.3</b>      | <b>470.6</b>      | <b>40.3</b>       | <b>9.4%</b>    | <b>36.2%</b>  |
| <b>Canshuuraha</b>                       | <b>241.4</b>       | <b>253.8</b>   | <b>295.3</b>      | <b>336.6</b>      | <b>41.3</b>       | <b>14.0%</b>   | <b>25.9%</b>  |
| Canshuurta Dakhliga & Faaiidooyinka      | 23.2               | 27.6           | 38.0              | 54.0              | 15.9              | 41.9%          | 4.2%          |
| Canshuurta Hantida                       | -                  | 0.46           | -                 | -                 | -                 | 0.0%           | 0.0%          |
| Canshuurta Adeegga & Agabka              | 46.6               | 51.5           | 56.1              | 78.6              | 22.4              | 40.0%          | 6.0%          |
| Canshuurta Ganacsiga Dibadda             | 164.5              | 162.7          | 186.2             | 189.3             | 3.1               | 1.6%           | 14.6%         |
| Canshuuraha Kale                         | 7.0                | 11.6           | 14.9              | 14.8              | -0.1              | -1.0%          | 1.1%          |
| <b>Dakhliga aan Canshuuriga ahayn</b>    | <b>104.8</b>       | <b>104.0</b>   | <b>135.1</b>      | <b>134.0</b>      | <b>(1.02)</b>     | <b>-0.8%</b>   | <b>10.3%</b>  |
| <b>(B) DEEQAHA DIBADDA</b>               | <b>694.6</b>       | <b>585.2</b>   | <b>901.6</b>      | <b>828.1</b>      | <b>-73.5</b>      | <b>-8.2%</b>   | <b>63.8%</b>  |
| Taageeridda Miisaaniyadda                | 185.0              | 185.0          | 170.0             | 154.4             | -15.5             | -9.1%          | 11.9%         |
| Mashaariicda Deeq bixiyaasha             | 509.7              | 400.3          | 731.7             | 673.7             | -57.9             | -7.9%          | 51.9%         |
| <b>2. KHARASHKA GUUD</b>                 | <b>1,079.3</b>     | <b>935.6</b>   | <b>1,359.7</b>    | <b>1,373.7</b>    | <b>14.0</b>       | <b>1.0%</b>    | <b>100%</b>   |
| <b>Kharashaadka Joogtadda</b>            | <b>569.7</b>       | <b>535.3</b>   | <b>628.1</b>      | <b>700.0</b>      | <b>71.9</b>       | <b>11.4%</b>   | <b>51.0%</b>  |
| Adeegga Shaqaalaha                       | 356.8              | 356.9          | 365.8             | 375.0             | 9.2               | 2.5%           | 27.3%         |
| Isticmaalka Agabka iyo Adeegga           | 115.5              | 103.1          | 134.6             | 154.5             | 19.9              | 14.8%          | 11.2%         |
| Isticmaalka Agabka Hantida               | 11.2               | 1.3            | 17.3              | 11.9              | -5.4              | -31.4%         | 0.9%          |
| Khidmadaha Qaamaha                       | 9.8                | 3.9            | 13.8              | 7.0               | -6.8              | -49.3%         | 0.5%          |
| Deeqaha Dowladda Dhexe                   | 73.3               | 70.1           | 91.6              | 90.1              | -1.5              | -1.6%          | 6.6%          |
| Kharashaadka Kale                        | 3.0                | -0             | 5.00              | 51.45             | 46.4              | 929.0%         | 3.7%          |

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# Proposed FY 2026 Budget Ceiling and Institutional Allocations



Summary FY 2026 Budget Ceiling...Continued

| FAAH-FAAHIN                      | 2024<br>Kutalagalka | 2024<br>Dhabta | 2025<br>Kutalagal | 2026<br>Kutalagal | Isbadalka<br>Tiro | Isbadalka<br>% | Wadaagga<br>% |
|----------------------------------|---------------------|----------------|-------------------|-------------------|-------------------|----------------|---------------|
| <b>Kharashaadka Mashaariicda</b> | <b>509.7</b>        | <b>400.3</b>   | <b>731.7</b>      | <b>673.7</b>      | <b>-57.9</b>      | <b>-8%</b>     | <b>49.0%</b>  |
| Adeegga Shaqaalaha               | 4.1                 | 3.3            | 4.2               | 3.5               | -0.7              | -17.2%         | 0.3%          |
| Isticmaalka Agabka iyo Adeegga   | 209.0               | 91.4           | 256.9             | 272.7             | 15.8              | 6.2%           | 19.9%         |
| Isticmaalka Agabka Hantida       | 52.6                | 27.2           | 164.8             | 198.1             | 33.2              | 20.2%          | 14.4%         |
| Dheef-korka & Dhulsaarka Kale    |                     | -0             | -0                | -0                | -                 | 0.0%           | 0.0%          |
| Kaalmooyinka/Kabka               | 13.2                | 13.2           | 13.3              | 8.0               | -5.3              | -40.1%         | 0.6%          |
| Deeqaha Dowladda Dhexe           | 145.2               | 109.6          | 147.0             | 135.3             | -11.7             | -8.0%          | 9.8%          |
| Fa'idada Bulshadda               | 85.6                | 155.6          | 77.0              | 35.0              | -42.0             | -54.5%         | 2.5%          |
| Kharashaadka Kale                | -                   | -0             | 68.4              | 21.2              | -47.2             | 0.0%           | 1.5%          |
| <b>3. Faraqa</b>                 | <b>-38.5</b>        | <b>7.5</b>     | <b>-27.7</b>      | <b>-74.9</b>      | <b>-47.2</b>      | <b>170.0%</b>  | <b>0.0%</b>   |
| Bixinta Qaamaha Dibadda          | 1.4                 | 1.4            | 1.4               | 4.4               | 3.0               | 214.3%         | 0.0%          |
| <b>4. Keydka (1)</b>             | <b>-39.9</b>        | <b>6.1</b>     | <b>-29.1</b>      | <b>-79.3</b>      | <b>-50.2</b>      | <b>172.1%</b>  | <b>0.0%</b>   |

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# Proposed FY 2026 Budget Ceiling and Institutional Allocations



Proposed FY 2026 Budget Ceilings

| Madax<br>Xig | FAAH-FAAHIN                                                                     | 2024<br>Dhabta | 2025<br>Kutalagal | 2026<br>Kutalagal |
|--------------|---------------------------------------------------------------------------------|----------------|-------------------|-------------------|
| 1            | WADARTA GUUD EE DAKHLIGA GUDAHA IYO DEEGAHA                                     | 943,083,438    | 1,331,969,583     | 1,298,765,329     |
| a            | DAKHLIGA GUDAHA                                                                 | 357,840,844    | 430,341,430       | 470,624,573       |
| 11           | Canshuuraha                                                                     | 253,835,341    | 295,289,259       | 336,587,507       |
| 111          | Canshuurta dakhliga, Faalidada iyo Faalidada Raasumaalka                        | 27,556,465     | 38,031,213        | 53,960,089        |
| 1111         | Canshuurta Shakhliga                                                            | 23,358,805     | 30,882,838        | 39,764,507        |
| 111101       | Canshuurta Mushaarka Shaqaalaha Dawladda                                        | 8,858,805      | 9,839,906         | 9,456,782         |
| 111102       | Canshuurta Mushaarka Shaqaalaha Gaarka ah                                       | 12,500,000     | 16,159,302        | 20,664,725        |
| 111103       | Canshuurta Dakhliga Shakhsi ahaaneed Ee Dakhliga Hantida                        | 2,000,000      | 4,883,630         | 9,643,000         |
| 1112         | Canshuurta Shirkadaha                                                           | 4,197,660      | 7,148,375         | 14,195,582        |
| 111201       | Canshuurta Faalidada Shirkadaha                                                 | 4,197,660      | 7,148,375         | 14,195,582        |
| 113          |                                                                                 | 459,677        | -                 | -                 |
| 1131         | Canshuuraha Joogtada ah ee Hantida Maguurtada ah                                | 459,677        | -                 | -                 |
| 113102       | Canshuurta Dhismaha                                                             | 459,677        | -                 | -                 |
| 114          | Canshuurta Agabka iyo Adeegga                                                   | 51,486,728     | 56,111,497        | 78,560,251        |
| 1141         |                                                                                 | 47,138,302     | 50,592,079        | 69,522,992        |
| 114121       | Canshuuraha Iibka - Hoteelada                                                   | 2,202,408      | 1,807,642         | 1,234,950         |
| 114122       | Canshuuraha Iibka - Isgaarsiinta                                                | 8,000,000      | 9,000,000         | 8,612,975         |
| 114123       | Canshuuraha Iibka - Shirkadaha Qalabka Korontada iyo Korontada                  | 1,440,000      | 720,000           | 382,642           |
| 114124       | Canshuuraha Iibka - Tigidhada Diyaaradda                                        | 7,895,894      | 8,290,689         | 7,579,061         |
| 114125       | Canshuuraha Iibka - Shirkadaha Adeegga Tv-Yada                                  | 1,000,000      | 1,000,000         | 1,648             |
| 114126       | Canshuuraha Iibka - Warshadaha Yaryar                                           |                |                   | 12,547            |
| 114128       | Canshuuraha Iibka - Canshuuraha Kale Ee Iibka                                   | -              | 1,500,000         | 19,962,763        |
| 114129       | Canshuuraha Iibka - Alaabta Kale Ee Dibadda Laga Keeno                          | 26,400,000     | 27,973,749        | 31,736,406        |
| 114131       | Canshuurta Macaashka                                                            | 200,000        | 300,000           | -                 |
| 1142         | Canshuurta Wax Soo Saarka                                                       | 23,193         | 25,645            | 64                |
| 114201       | Canshuurta - Cabitaanada Fudud                                                  | 23,193         | 25,645            | 64                |
| 1145         | Canshuurta Isticmaalka Agabka iyo Ogolaanshaha Isticmaalka Agabka iyo Adeegyada | 4,325,233      | 5,493,773         | 9,037,195         |
| 114526       | Canshuurta - Isticmaalka Waddo Marista (Tremistrale)                            | 2,084,534      | 2,753,074         | 4,005,627         |
| 114529       | Canshuurta - Ururinta Noolayada                                                 | 2,240,699      | 2,740,699         | 1,673,759         |
| 114531       | Khidmadda Saxiixa                                                               |                |                   | 3,357,808         |

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# Proposed FY 2026 Budget Ceiling and Institutional Allocations



Proposed FY 2026 Budget Ceilings ..Continued

|        |                                                                                    |             |             |             |
|--------|------------------------------------------------------------------------------------|-------------|-------------|-------------|
| 115    | Canshuuraha Ganacsiga Caalamiga ah iyo wax kala iibsiga                            | 162,709,141 | 186,211,437 | 189,274,138 |
| 1151   | Canshuurta Fardooyinka iyo Canshuurtaha kale ee soo dajinta                        | 161,616,974 | 180,119,269 | 188,119,144 |
| 115100 | Canshuurta Fardooyinka iyo Waajibaadka Kale Ee Soo Dajinta                         | 144,404,801 | 160,404,333 | 170,273,530 |
| 115106 | Canshuurta Gaadka                                                                  | 17,212,173  | 19,714,936  | 17,845,614  |
| 1152   | Canshuuraha Dhoofinta ee Dhammaan Canshuuraha Laga Gaado Badeecadaha Laga Dhoofiyo | 1,092,147   | 4,092,168   | 1,154,994   |
| 115201 | Canshuurta Wax Soo Saarka Xoolaha                                                  | 70,271      | 2,370,272   | 67,662      |
| 115202 | Canshuurta Wax Soo Saarka Beeraha                                                  | 225,850     | 2,225,850   | 214,765     |
| 115203 | Canshuurta Cuntadda Badda                                                          | 38,552      | 438,552     | 16,285      |
| 115204 | Canshuurta Beey/Ada iyo Xabagta                                                    | 27,378      | 27,378      | 22,944      |
| 115205 | Canshuurta Alaabaha Kale Ee Dhoofinta                                              | 730,117     | 1,030,117   | 833,338     |
| 116    | Canshuuraha Kale                                                                   | 11,623,330  | 14,935,112  | 14,793,029  |
| 1161   | Canshuuraha kale ee Lagu Biyo Ganacsiga oo keliya                                  | 11,623,330  | 14,935,112  | 14,793,029  |
| 116101 | Canshuurta Farankaboolada Fardooyinka                                              | 3,199,745   | 4,032,035   | 5,427,600   |
| 116102 | Canshuurta Badqabka Baabuurta - Galawlo                                            | 1,489,885   | 1,489,885   | 1,260,464   |
| 116103 | Farankaboolada Qaansheegyada iyo Qandaraasyada                                     | 2,311,632   | 3,286,596   | 5,989,839   |
| 116104 | Canshuurta Shaabada Alaabta Cuntada                                                | 1,947,336   | 3,002,762   | 2,115,126   |
| 114531 | Signature Bonus                                                                    | 2,674,732   | 3,123,833   | -           |
| 13     | Deeq                                                                               | 585,242,594 | 901,628,154 | 828,140,756 |
| 131    | Deeq Laba Dhinac ah                                                                | 184,967,520 | 169,967,500 | 154,418,000 |
| 1311   | Deeqaha Dawladaha Shisheeye                                                        | 68,121,168  | 42,000,000  | 27,000,000  |
| 13111  | Deeqaha Dawladaha Shisheeye - Joogtada ah                                          | 68,121,168  | 42,000,000  | 27,000,000  |
| 131101 | Deeqaha Joogtada ah Ee Lacag Caddaan ah                                            | 68,121,168  | 42,000,000  | 27,000,000  |
| 131101 | Deeqda Dawladda Turkiga                                                            | 30,000,000  | 30,000,000  | 15,000,000  |
| 131104 | Deeqda Dawladda UAE                                                                | 38,121,168  | 12,000,000  | 12,000,000  |
| 132    | Deeqaha Hay'adaha Caalamiga                                                        | 517,121,426 | 859,628,154 | 801,140,756 |
| 1321   | Deeqaha Hay'adaha Caalamiga - Joogtada ah                                          | 517,121,426 | 859,628,154 | 801,140,756 |
| 132101 | Deeqaha Joogtada Oo Lacag Caddaan ah                                               | 517,121,426 | 859,628,154 | 801,140,756 |
|        | Deeqaha hay'adaha caalamiga ah                                                     | 116,846,352 | 127,967,500 | 127,418,000 |
| 132191 | Bangiga Adduunka - RCRF - Taageerada Miisaaniyadda                                 | 34,846,352  | 29,467,500  | 25,000,000  |
| 132192 | Current - World Bank - Performance Based Fund                                      |             | 10,000,000  | -           |
| 132193 | Bangiga Adduunka - Development Policy Operation (DPO)                              | 72,000,000  | 75,000,000  | 75,000,000  |
| 132195 | Midowga Yurub                                                                      | 10,000,000  | 10,000,000  | 10,000,000  |
| 132196 | AFRICAN DISASTER RISK FINANCING PROGRAMME (ADRFI)                                  |             | 500,000     |             |
| 132196 | OPEC                                                                               |             | 3,000,000   |             |
| 132196 | European Investment Bank                                                           |             |             | 17,418,000  |

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# Proposed FY 2026 Budget Ceiling and Institutional Allocations



Proposed FY 2026 Budget Ceilings ..Continued

|        |                                                                                                                              |             |             |             |
|--------|------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|
|        | Wadarta Miisaaniyadda Mashaaricda                                                                                            | 400,275,074 | 731,660,654 | 673,722,756 |
|        | World Bank (WB)                                                                                                              | 400,275,074 | 630,365,157 | 559,656,452 |
| 132107 | Current - World Bank - Recurrent Costs and Reform Financing Project                                                          |             | 10,118,260  | 9,005,110   |
| 132111 | Current - World Bank - Somalia Urban Resilience Project PH2(PCU)                                                             |             | 65,362,636  | 47,680,186  |
| 132113 | Current - World Bank - SESRP                                                                                                 |             | 65,797,660  | 72,494,907  |
| 132116 | Current - World Bank - SCALED-UP PROJECT                                                                                     |             | 38,109,400  | 8,000,000   |
| 132114 | Current - World Bank - Somalia Shock-Responsive Social Safety Net Project                                                    |             | 117,000,000 | 237,500     |
| 132117 | Current - World Bank - Somalia Crisis Recovery Project (SCRIP)                                                               |             | 27,899,263  | 8,616,000   |
| 132118 | Current - World Bank - Somali Integrated Statistics and Economic Capacity Building Project                                   |             | 3,929,319   | 12,648,943  |
| 132120 | Current - World Bank - Damal Health Project                                                                                  |             | 47,371,268  | 23,978,800  |
| 132121 | Current - World Bank - Somali Education Human Capital Project                                                                |             | 17,142,030  | 18,667,570  |
| 132122 | Current - World Bank - Somali Horn of Africa Infrastructure Integration Project (SHIIP)                                      |             | 32,650,000  | 40,000,000  |
| 132123 | Current - World Bank - Ground Water for Resilience Project (GW4R)                                                            |             | 6,269,091   | 10,369,543  |
| 132125 | Current - World Bank - DE-RISKING, INCLUSION AND VALUE ENHANCEMENT OF PASTORAL ECONOMIES IN THE                              |             | 9,025,000   | 13,000,000  |
| 132126 | Current - World Bank - SOMALIA COVID-19 EMERGENCY VACCINATION PROJECT                                                        |             | 34,896,600  | 4,377,311   |
| 132127 | Current - World Bank - SOMALIA EMPOWERING WOMEN THROUGH EDUCATION AND SKILLS PROJECT - "RAJO K                               |             | 21,830,574  | 26,727,623  |
| 132128 | Current - World Bank - SOMALIA WATER FOR RURAL RESILIENCE PROJECT Biyoole 2                                                  |             | 17,255,367  | 20,730,732  |
| 132129 | Current - World Bank - Somalia Enhancing Public Resource Management Project                                                  |             | 21,422,000  | 21,357,800  |
| 132130 | Current - World Bank - Eastern Africa Regional Digital Integration Project (EA-RDIP) Project                                 |             | 11,786,120  | 13,601,690  |
| 132131 | Current - World Bank - Somali Food Systems Resilience Project                                                                |             | 50,347,552  | 54,669,552  |
| 132132 | Current - World Bank - Somali Sustainable Fisheries Development Project                                                      |             | 15,169,900  | 16,877,000  |
| 132133 | Current - World Bank - Accelerating Sustainable and Clean Energy Access Transformation in Somalia (ASCENT)                   |             | 16,983,117  | 46,597,792  |
| 132134 | Current - World Bank - Somalia productive resilient and inclusive growth (SPRING) Project                                    |             |             | 17,000,000  |
| 132135 | Current - World Bank - BULSHO: Strengthening Community and Local Institutions for Social Cohesion, Inclusion, and Resilience |             |             | 6,552,893   |
| 13213  | Current - World Bank - Building Opportunities and Outcomes in Social Protection and Youth Employment in Somalia              |             |             | 66,465,500  |

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# Proposed FY 2026 Budget Ceiling and Institutional Allocations



Proposed FY 2026 Budget Ceilings ..Continued

|        |                                                                                                              |   |                   |                   |
|--------|--------------------------------------------------------------------------------------------------------------|---|-------------------|-------------------|
|        | <b>African Development Bank (AfDB)</b>                                                                       | - | <b>67,898,493</b> | <b>70,244,981</b> |
| 132151 | Current - African Development Bank - Economic and Financial Governance                                       |   | -                 | 2,292,000         |
| 132152 | Current - African Development Bank - Road Infrastructure Program                                             |   | 31,981,055        | 22,211,081        |
| 132153 | Current - African Development Bank - SIEMID                                                                  |   | 497,500           | -                 |
| 132154 | Current - African Development Bank - Energy Sector Project                                                   |   | 237,700           | -                 |
| 132155 | Current - African Development Bank - Somali Strengthening Accountability and Debt Management Project (SADMP) |   | 926,600           | 468,000           |
| 132156 | Current - African Development Bank - Statistics Development Support Project for Somalia                      |   | 619,564           | -                 |
| 132157 | Current - African Development Bank - Program To Build Resilience For Food And Nutrition Security In The Horn |   | 12,431,641        | 19,912,847        |
| 132158 | Current - African Development Bank -Technologies                                                             |   | 1,897,938         | 6,017,503         |
| 132159 | Current - African Development Bank -Skill, Employability, Inclusion and Productivity PROJECT                 |   | 4,648,045         | 3,787,510         |
| 132160 | Current - African Development Bank -INSTITUTIONAL SUPPORT FOR ECONOMIC GOVERNANCE PROJECT (ISEGP)            |   | 6,535,259         | 5,794,271         |
| 132161 | Current - African Development Bank -Financial Sector Development Project (FSDP)                              |   | 4,636,160         | 4,332,830         |
| 132162 | Current -African Disaster Risk Financing (ADRFI)                                                             |   | 3,487,030         | 4,035,000         |
| 132163 | Strengthening Energy Sector Institutions (ESPSEI)                                                            |   | -                 | 1,393,940         |
|        | <b>United Nations (UN)</b>                                                                                   | - | <b>4,783,492</b>  | <b>6,505,611</b>  |
| 132183 | Current - United Nations - Rural Livelihoods Resilience Programme (RLRP)                                     |   | 4,783,492         | 6,505,611         |
|        | <b>European Union (EU)</b>                                                                                   | - | <b>28,613,512</b> | <b>36,000,712</b> |
| 132183 | Current - SAGAL Project                                                                                      |   | -                 | 319,200           |
| 132185 | Current - GPE System Capacity Grant (SCG)                                                                    |   | 730,500           | 673,500           |
| 132186 | Current - GPE Girls Education Accelerator (GEA)                                                              |   | 9,372,764         | 7,972,764         |
| 132187 | Current - GPE - System transformation grants (STG) Project                                                   |   | 18,510,248        | 27,035,248        |
|        | <b>The Organization of Petroleum Exporting Countries</b>                                                     | - | -                 | <b>1,315,000</b>  |
| 132188 | SMART Clean Cooking Somalia                                                                                  |   | -                 | 1,315,000         |

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# Proposed FY 2026 Budget Ceiling and Institutional Allocations



Proposed FY 2026 Budget Ceilings ..Continued

|        |                                                                       |             |             |             |
|--------|-----------------------------------------------------------------------|-------------|-------------|-------------|
| 14     | Dakhiga Kale                                                          | 104,005,503 | 135,052,170 | 134,037,066 |
| 141    | Dakhiga Hantida                                                       | -           | -           | 2,180,155   |
| 1412   | Wadaagayada Hantida                                                   | -           | -           | 1,444,397   |
| 141211 | Wadaagayada Hantida Kuwa Aan Daganayn Dalka                           | -           | -           | 1,444,397   |
| 1418   | Dakhiga Hantida - Kiro                                                | -           | -           | 735,761     |
| 141504 | Kireynta Dhulka Iyo Chismocayinka                                     | -           | -           | 735,761     |
| 142    | Dakhiga Iibka Agabka Iyo Adeegga                                      | 104,005,503 | 135,052,170 | 128,512,219 |
| 1421   | Iibka Aasaaska Suuqyo Cusub                                           | -           | -           | 6,198,000   |
| 142104 |                                                                       | -           | -           | 6,198,000   |
| 1422   | Khidmadaha Maamulka                                                   | 104,005,503 | 135,052,170 | 122,314,219 |
| 142201 | Khidmada Firsaha                                                      | 7,715,494   | 13,640,712  | 8,940,060   |
| 142202 | Khidmada Basasaboorka                                                 | 10,533,616  | 12,507,102  | 9,826,627   |
| 142203 | Canshuurta Ogolaanshaha Shaqada                                       | 2,496,361   | 3,120,451   | 2,755,387   |
| 142204 | Khidmadaha Garoonka                                                   | 3,853,537   | 4,518,154   | 4,020,679   |
| 142205 | Khidmadaha Duulimaadka (IATA)                                         | 20,111,048  | 27,494,262  | 24,469,685  |
| 142207 | Shatiga Ganaasiga Iyo Warshadaha                                      | 1,952,514   | 2,384,314   | 1,097,131   |
| 142208 | Shatiga Raadiyaha Iyo Tv-Ga                                           | -           | -           | 4,649       |
| 142212 | Khidmada Diwaangalinta Ngo-Yada Gudaha                                | -           | -           | 337,992     |
| 142214 | Khidmada Diwaangalinta Shirkadaha Gudaha                              | -           | -           | 458,497     |
| 142217 | Khidmada Beeraha                                                      | -           | -           | 42,627      |
| 142221 | Khidmada Adeegga                                                      | -           | 2,070,000   | 3,555,353   |
| 142227 | Khidmada Shatiga Kalluumaysiga                                        | 5,586,402   | 6,586,402   | 6,803,753   |
| 142229 | Khidmada Shatiga Waddada Gawaarida                                    | -           | -           | 1,456,876   |
| 142231 | Khidmada Diwaangalinta Taaradaha                                      | -           | -           | 2,789,091   |
| 142233 | Khidmada Aqoonsiga Shaqiga                                            | -           | -           | 23          |
| 142240 | Khidmada Adeegyada Waxbarashada                                       | -           | -           | 205,613     |
| 142243 | Khidmada Shirkadda Anniga                                             | -           | -           | 7,562       |
| 142246 | Khidmada Isgaarsinta                                                  | 7,820,963   | 9,435,277   | 5,871,303   |
| 142247 | Khidmada Shatiga Kale                                                 | 28,437      | 28,437      | 18,183      |
| 142250 | Khidmada Diwaangalinta Doorashada                                     | -           | -           | 185,940     |
| 142256 | Khidmada Warqadda Dembi La Aanta                                      | -           | -           | 969,212     |
| 142257 | Khidmada Galxa Xareynta Codsiga Maxkamadda                            | -           | -           | 997,719     |
| 142259 | Khidmadaha Dekedda - Albayrak                                         | 29,629,252  | 35,344,069  | 32,610,562  |
| 142260 | Khidmadaha Dekedda - Furdada                                          | 6,213,665   | 6,724,879   | 6,746,132   |
| 142261 | Khidmada Maamulka                                                     | 6,933,890   | 10,043,522  | 4,327,386   |
| 142262 | Khidmadaha Rakaabka Diyaaradaha                                       | -           | -           | 2,878,336   |
| 142263 | Khidmada Air Waybill                                                  | -           | -           | 30,764      |
| 142264 | Diwaangalinta Soo degayaasha Iyo Dhoofayaasha                         | 1,130,324   | 1,154,589   | 907,077     |
| 143    | Ganaaxa, Cigaabaha Iyo Luminfa Dacwadaha                              | -           | -           | 1,089,067   |
| 1431   | Ganaaxa Iyo Cigaabaha                                                 | -           | -           | 1,089,067   |
| 143102 | Cigaabaha                                                             | -           | -           | 1,089,067   |
| 144    | Khidmadaha, Khidmadaha, Iyo Sheegashooyinka Hadda Jira ayuu Ise Nahay | -           | -           | 2,255,623   |
| 145    | Khidmadaha, Khidmadaha, Iyo Sheegashooyinka Hadda Jira ayuu Ise Nahay | -           | -           | 2,255,623   |
| 145131 | Caymiska Hadda Jira Ee Caymiska Nolasha Iyo Gorsheynta                | -           | -           | 2,255,623   |

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# Proposed FY 2026 Budget Ceiling and Institutional Allocations



Proposed FY 2026 Institutional Allocations

|    | Madax  | Madax Xige | HAY'ADAHA                                              | 2024 Kotalagalka | 2024 Dhabta | 2025 Kotalagalka | 2026 Kotalagalka |
|----|--------|------------|--------------------------------------------------------|------------------|-------------|------------------|------------------|
| A  |        |            | WADARTA GUUD EE KHARASHKA MIISAANIYADDA 2024           | 1,022,886,678    | 935,561,555 | 1,359,714,328    | 1,373,681,545    |
| 01 | 01     |            | HAY'ADAHA ADEEGGA MAAMULKA                             | 381,118,327      | 336,752,240 | 438,607,446      | 471,286,134      |
|    | 0101   |            | Xafiiska Madaxtooyada                                  | 11,527,780       | 11,741,779  | 12,529,086       | 12,371,046       |
|    | 010100 |            | Xafiiska Madaxtooyada                                  | 11,527,780       | 11,741,779  | 12,529,086       | 12,371,046       |
|    | 0102   |            | Baarlamaanka                                           | 34,886,661       | 34,172,673  | 35,866,877       | 35,941,397       |
|    | 010201 |            | Xafiiska Golaha Shacabka                               | 27,831,101       | 27,147,367  | 27,893,681       | 27,968,201       |
|    | 010202 |            | Xafiiska Aqalka Sare                                   | 7,055,560        | 7,025,306   | 7,973,196        | 7,973,196        |
|    | 0103   |            | Xafiiska Raiisul Wasaaraha                             | 9,056,897        | 9,812,272   | 10,610,236       | 10,742,956       |
|    | 010300 |            | Xafiiska Raiisul Wasaaraha                             | 9,056,897        | 9,812,272   | 10,610,236       | 10,742,956       |
|    | 0104   |            | Arrimaha Dibedda                                       | 9,327,232        | 8,239,156   | 9,410,332        | 9,632,992        |
|    | 010400 |            | Wasaaradda Arrimaha Dibedda                            | 3,893,903        | 3,477,629   | 4,028,603        | 4,421,303        |
|    | 010401 |            | Safaaradaha                                            | 5,433,329        | 4,761,527   | 5,381,729        | 5,211,689        |
|    | 0105   |            | Maaliyadda iyo Mashaariicda                            | 224,514,455      | 201,269,808 | 257,964,773      | 277,363,052      |
|    | 010500 |            | Wasaaradda Maaliyadda                                  | 128,913,123      | 114,819,461 | 128,224,184      | 103,485,803      |
|    | 010501 |            | Xisaabiyaha Guud                                       | 3,357,124        | 3,291,590   | 3,413,164        | 3,710,644        |
|    | 010502 |            | Adeega Guud ee Dowladda                                | 91,299,756       | 82,399,021  | 125,322,973      | 169,170,973      |
|    | 010503 |            | Agasinko Xarunta Warbixinnada Maaliyadda               | 944,452          | 759,736     | 1,004,452        | 995,632          |
|    | 010504 |            | Hay'adda Iibka iyo Qandaraasyada                       | -                | -           | -                | -                |
|    | 0106   |            | Qorsheynta iyo Isk. Caalamiga                          | 34,170,328       | 28,932,646  | 25,866,277       | 37,506,202       |
|    | 010600 |            | Wasaaradda Qorsheynta iyo Isk. Caalamiga               | 21,653,879       | 20,218,023  | 20,013,365       | 23,538,590       |
|    | 010601 |            | Hay'adda Tirakoobka Qaranka                            | 12,516,450       | 8,714,623   | 5,852,912        | 13,967,612       |
|    | 0107   |            | Arrimaha Gudaha, Faderaalka & Mashaariicda             | 23,286,530       | 10,547,137  | 50,908,556       | 32,438,259       |
|    | 010700 |            | Wasaaradda Arrimaha Gudaha iyo Faderaalka              | 17,305,752       | 4,265,338   | 30,731,068       | 22,356,061       |
|    | 010701 |            | Guddiga Dawladda Qaranka iyo Barakacayasha             | 856,840          | 793,484     | 843,040          | 834,640          |
|    | 010702 |            | Hay'adda Dirwaangelinta Dadweynaha                     | 1,959,240        | 1,176,028   | 2,025,660        | 2,030,640        |
|    | 010703 |            | Hay'adda Maareynta Musibooyinka iyo Masibooyinka Sooma | 3,164,698        | 4,292,266   | 17,308,788       | 7,216,918        |

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# Proposed FY 2026 Budget Ceiling and Institutional Allocations



Proposed FY 2026 Institutional Allocations...Continued

|      |        |                                                     |            |            |            |            |
|------|--------|-----------------------------------------------------|------------|------------|------------|------------|
| 0108 |        | Arrimaha Diinta iyo Awqafta                         | 3,363,497  | 3,270,307  | 3,383,537  | 3,391,457  |
|      | 010800 | Wasaaradda Arrimaha Diinta iyo Awqafta              | 3,363,497  | 3,270,307  | 3,383,537  | 3,391,457  |
| 0109 |        | Cadaaladda                                          | 13,904,355 | 13,018,475 | 13,839,235 | 13,917,175 |
|      | 010900 | Wasaaradda Cadaaladda & Dastuurka                   | 2,474,915  | 2,168,502  | 2,409,795  | 2,487,735  |
|      | 010901 | Ciidanka Asluubta                                   | 11,429,440 | 10,849,973 | 11,429,440 | 11,429,440 |
| 0110 |        | Maxkamadaha                                         | 5,990,452  | 5,146,364  | 6,429,232  | 6,385,132  |
|      | 011001 | Maxkamadda Sare                                     | 2,715,177  | 2,330,029  | 2,727,537  | 2,709,897  |
|      | 011002 | Maxkamadda Gobolka Banaadir                         | 2,110,504  | 1,888,781  | 2,312,104  | 2,294,464  |
|      | 011003 | Maxkamadda Racfaanka                                | 937,179    | 791,057    | 1,194,399  | 1,194,399  |
|      | 011005 | Guddiga Adeegga Garsoorka                           | 227,592    | 136,497    | 195,192    | 186,372    |
| 0111 |        | Xeer-ilaaliyaha Guud                                | 1,809,548  | 1,608,862  | 2,162,528  | 2,144,108  |
|      | 011100 | Xeer-ilaaliyaha Guud                                | 1,809,548  | 1,608,862  | 2,162,528  | 2,144,108  |
| 0112 |        | Garyaqaanka Guud                                    | 706,400    | 614,622    | 706,400    | 720,020    |
|      | 011200 | Garyaqaanka Guud                                    | 706,400    | 614,622    | 706,400    | 720,020    |
| 0113 |        | Hanti-dhowrka Guud                                  | 3,716,171  | 3,894,261  | 4,022,894  | 4,022,894  |
|      | 011300 | Hanti-dhowrka Guud                                  | 3,716,171  | 3,894,261  | 4,022,894  | 4,022,894  |
| 0120 |        | Guddiyada                                           | 4,858,022  | 4,483,978  | 4,907,482  | 24,709,444 |
|      | 012100 | Guddiga M. Banaan Ee Xududaha & Faderaalka          | 400,360    | 337,724    | 329,280    | -          |
|      | 012200 | Guddiga M. Banaan Ee Dibu Heshiisiinta Q.           | 482,972    | 454,985    | 496,772    | 496,772    |
|      | 012300 | Guddiga Madaxa Banaan ee Dorshoyinka Q.             | 1,320,560  | 1,214,500  | 1,207,560  | 20,842,422 |
|      | 012400 | Guddiga M. Banaan Ee Xuquuqul Adanaha               | -          | -          | -          | 474,000    |
|      | 012500 | Guddiga M. Banaan Ee Dibu Eegista iyo Hir. Dasturka | 947,836    | 874,880    | 1,033,636  | 1,063,636  |
|      | 012600 | Guddiga Madaxa Banaan Ee Shagalahay Rayidka         | 1,562,174  | 1,457,768  | 1,696,114  | 1,688,494  |
|      | 012700 | Guddiga Madaxa Banaan Ee la dagaalanka Musuqmaasuqa | 144,120    | 144,120    | 144,120    | 144,120    |

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# Proposed FY 2026 Budget Ceiling and Institutional Allocations



Proposed FY 2026 Institutional Allocations...Continued

|    | Madax | Madax Xige | HAY'ADAHA                                    | 2024 Kutalagalka | 2024 Dhabta | 2025 Kutalagalka | 2026 Kutalagalka |
|----|-------|------------|----------------------------------------------|------------------|-------------|------------------|------------------|
| 02 | 02    |            | HAY'ADAHA ADEEGGA DIFAACA IYO AMNIGA         | 255,626,335      | 247,628,124 | 257,147,965      | 264,789,394      |
|    | 0201  |            | Difaaca                                      | 178,142,410      | 170,981,500 | 171,002,350      | 178,646,359      |
|    |       | 020100     | Wasaaradda Gaashaandhiga                     | 3,768,855        | 1,244,017   | 3,732,795        | 3,752,835        |
|    |       | 020101     | Taliska Ciidanka Xooga Dalka                 | 170,540,555      | 165,950,325 | 163,436,555      | 171,060,524      |
|    |       | 020102     | Maxkamadda Ciidamadda                        | 3,740,000        | 3,727,159   | 3,740,000        | 3,740,000        |
|    |       | 020103     | Hay'adda Naafada iyo Aqoonta C. Qalabka Sida | 93,000           | 60,000      | 93,000           | 93,000           |
|    | 0202  |            | Amniga Gudaha                                | 77,483,925       | 76,646,624  | 86,145,615       | 86,143,035       |
|    |       | 020200     | Wasaaradda Amniga Qaranka                    | 1,614,089        | 1,182,807   | 1,581,269        | 1,578,689        |
|    |       | 020201     | Taliska Ciidanka Booliska                    | 46,741,986       | 46,355,941  | 49,681,986       | 49,681,986       |
|    |       | 020202     | Hay'adda Nabadsugidda Qaranka                | 23,712,210       | 23,712,210  | 28,466,720       | 28,466,720       |
|    |       | 020203     | Hay'adda Socdaalka & Jinsiyadaha             | 5,415,640        | 5,395,665   | 6,415,640        | 6,415,640        |

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# Proposed FY 2026 Budget Ceiling and Institutional Allocations



Proposed FY 2026 Institutional Allocations...Continued

|    |      |        |                                                 |             |             |             |             |
|----|------|--------|-------------------------------------------------|-------------|-------------|-------------|-------------|
| 03 | 03   |        | HAY'ADAHA ADEEGGA DHAAQAALAH                    | 177,466,868 | 123,318,256 | 334,633,565 | 390,747,646 |
|    | 0301 |        | Tamarta & Biyaha                                | 9,758,427   | 9,758,427   | 92,610,638  | 138,539,361 |
|    |      | 030100 | Wasaaradda Tamarta & Biyaha                     | 9,758,427   | 9,758,427   | 92,610,638  | 138,539,361 |
|    | 0302 |        | Macdanta                                        | 3,250,504   | 2,581,680   | 3,318,604   | 3,604,876   |
|    |      | 030200 | Wasaaradda Macdanta                             | 2,205,884   | 1,739,109   | 2,238,344   | 2,499,296   |
|    |      | 030202 | Hay'adda Batroolka Soomaaliyeed                 | 1,044,620   | 842,571     | 1,080,260   | 1,105,580   |
|    | 0303 |        | Beeraha                                         | 50,162,069  | 32,077,578  | 57,019,584  | 63,133,063  |
|    |      | 030300 | Wasaaradda Beeraha                              | 50,162,069  | 32,077,578  | 57,019,584  | 63,133,063  |
|    | 0304 |        | Xanaanaadda Xoolaha, Dhirta & Daaqa             | 8,219,352   | 1,838,961   | 13,924,693  | 21,390,995  |
|    |      | 030400 | Wasaaradda Xanaanaadda Xoolaha, Dhirta & Daaqa  | 8,219,352   | 1,838,961   | 13,924,693  | 21,390,995  |
|    | 0305 |        | Kallumaysiga & Khey, Badda                      | 10,314,654  | 2,989,934   | 17,505,744  | 19,113,364  |
|    |      | 030500 | Wasaaradda Kallumaysiga & Khey, Badda           | 9,579,510   | 2,334,833   | 16,752,220  | 18,406,040  |
|    |      | 030501 | Hay'adda Cilmi Baadhistada Badda Soomaaliyeed   | 621,968     | 561,324     | 640,748     | 594,548     |
|    |      | 030502 | Mashruuca Horumarinta Xeebaha iyo Kalluumeysiga | 112,776     | 63,777      | 112,776     | 112,776     |
|    | 0306 |        | Warfaafinta                                     | 6,308,974   | 4,605,382   | 6,319,714   | 6,292,834   |
|    |      | 030600 | Wasaaradda Warfaafinta                          | 6,308,974   | 4,605,382   | 6,319,714   | 6,292,834   |
|    | 0307 |        | Boostada & Isgaadhsiinta                        | 12,229,231  | 3,034,266   | 16,583,511  | 16,610,557  |
|    |      | 030700 | Wasaaradda Boostada & Isgaadhsiinta             | 11,357,347  | 2,329,184   | 13,736,167  | 15,598,033  |
|    |      | 030701 | Hay'adda Isgaadhsiinta Qaranka                  | 871,884     | 705,082     | 859,284     | 841,644     |
|    |      | 030702 | Hay'adda Dhawrista Xogta                        | -           | -           | 1,988,060   | 170,880     |
|    | 0308 |        | Howlaha Guud iyo Dib-u-dhiska                   | 54,471,107  | 48,259,639  | 104,248,983 | 99,042,355  |
|    |      | 030800 | Wasaaradda Howlaha Guud iyo Dib-u-dhiska        | 54,471,107  | 48,259,639  | 104,248,983 | 99,042,355  |
|    | 0309 |        | Gaadiidka & Duulista Hawadda                    | 12,981,660  | 10,704,544  | 13,899,300  | 13,929,816  |
|    |      | 030900 | Wasaaradda Gaadiidka & Duulista Hawadda         | 3,319,376   | 1,919,716   | 4,237,016   | 4,293,919   |
|    |      | 030901 | Hay'adda Saadaasha iyo Duulista Hawadda         | 9,662,284   | 8,784,828   | 9,662,284   | 9,635,897   |
|    | 0310 |        | Dekadaha & Gaadiidka Badda                      | 3,575,004   | 2,428,011   | 3,577,044   | 3,619,440   |
|    |      | 031000 | Wasaaradda Dekadaha & Gaadiidka Badda           | 2,542,804   | 1,496,811   | 2,544,844   | 2,587,240   |
|    |      | 031001 | Dekadda Xamar                                   | 1,032,200   | 931,200     | 1,032,200   | 1,032,200   |
|    | 0311 |        | Ganacsiga iyo Warshadaha                        | 4,731,630   | 3,858,653   | 4,162,634   | 3,990,230   |
|    |      | 031100 | Wasaaradda Ganacsiga iyo Warshadaha             | 2,724,054   | 2,575,107   | 2,683,878   | 2,539,014   |
|    |      | 031101 | Hay'adda Tayo Dhowrka Soomaaliyeed              | 2,007,576   | 1,283,546   | 1,478,756   | 1,451,216   |
|    | 312  |        | Wasaaradda Bil'ada iyo isbadalada Cimilada      | 1,464,256   | 1,211,179   | 1,463,116   | 1,480,756   |
|    |      | 031200 | Wasaaradda Bil'ada iyo isbadalada Cimilada      | 1,464,256   | 1,211,179   | 1,463,116   | 1,480,756   |

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# Proposed FY 2026 Budget Ceiling and Institutional Allocations



Proposed FY 2026 Institutional Allocations...Continued

|    |        |                                           |             |             |             |             |
|----|--------|-------------------------------------------|-------------|-------------|-------------|-------------|
| 04 | 04     | HAY'ADAHA ADEEGGA BULSHADA                | 208,675,147 | 227,882,935 | 329,325,352 | 246,858,370 |
|    | 0401   | Caafimaadka                               | 52,369,912  | 61,191,909  | 92,094,620  | 42,299,752  |
|    | 040100 | Wasaaradda Caafimaadka                    | 52,369,912  | 61,191,909  | 92,094,620  | 42,299,752  |
|    | 0402   | Waxbarashadda & Tacliinta Sare            | 75,072,323  | 39,834,566  | 110,417,499 | 128,483,568 |
|    | 040200 | Wasaaradda Waxbarashadda & Tacliinta Sare | 65,146,035  | 30,167,936  | 100,488,691 | 118,590,820 |
|    | 040201 | Jaamacadda Umadda                         | 8,272,680   | 8,191,380   | 8,272,680   | 8,272,680   |
|    | 040202 | Akadeemiyada Fanka, Cilmiya iyo Suugaanta | 1,311,352   | 1,210,509   | 1,313,872   | 1,277,812   |
|    | 040203 | Akadeemiya Goboleedka Afka Soomaaliga     | 342,256     | 264,741     | 342,256     | 342,256     |
|    | 0403   | Shaqada & Arrimaha Bulshada               | 78,387,265  | 124,106,500 | 123,931,465 | 73,115,294  |
|    | 040300 | Wasaaradda Shaqada & Arrimaha Bulshada    | 78,387,265  | 124,106,500 | 123,931,465 | 73,115,294  |
|    | 0404   | Isboortiga & Dhalinyarada                 | 1,050,948   | 1,182,564   | 1,079,448   | 1,134,276   |
|    | 040400 | Wasaaradda Isboortiga & Dhalinyarada      | 1,050,948   | 1,182,564   | 1,079,448   | 1,134,276   |
|    | 0405   | Qoyska & Xuq, Adanaha                     | 1,794,700   | 1,567,396   | 1,802,320   | 1,825,480   |
|    | 040500 | Wasaaradda Qoyska & Hor. Xuq. Adanaha     | 1,152,684   | 1,018,150   | 1,160,304   | 1,188,444   |
|    | 040501 | Hay'adda Naafada Soomaaliyeed             | 642,016     | 549,247     | 642,016     | 637,036     |

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## We need your views on the following....

- 1. Are the areas proposed by Government where to implement in 2026 and medium term agreeable to you? Are there any other critical areas that you think should be prioritized?**
- 2. Revenue collection is still low, despite the potential to collect more from customs taxes. What can be done to increase customs revenue at Mogadishu, Kismayo, Bosaso and other ports? How can the tax base generally be expanded to provide more public services to Somalis?**
- 3. Government plans to start borrowing from international financial institutions to invest in infrastructure development. What is your view on this plan?**

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### Federal Government of Somalia Ministry of Finance

#### Fiscal Year 2026 Budget Consultation Information Brochure

The Federal Ministry of Finance consults its esteemed stakeholders every year to solicit their views, contributions and inputs into the Federal Government of Somalia's Budget for the next financial year. Like in the past year, this year's consultations have been preceded by the issuance of a budget strategy and mid-year budget performance report for fiscal year 2025, which provide the stakeholders with information on performance of the FGS budget and the plans for the next fiscal year.

To make life easy for the stakeholders, the Ministry of Finance has designed a short brochure which provides answers to three key questions that can help the stakeholders to think through and bring forth their views on the priority areas the next year's budget (for 2026) should focus on. The three questions are:

- (i) What did Government achieve with budget funds in previous year?
- (ii) How big will the total budget be next year?
- (iii) Where does Government intend to spend the budget money?

#### What did Government achieve with budget funds in previous year?

**Legislature**—approved 49 laws e.g., anti-money laundering law, financial institutions law, income tax law, insurance law, political parties law, national elections law, national electoral and border commission law, etc. Issued 13 parliamentary resolutions. Constructed new offices and improved infrastructure at Villa Hargeisa.

**Foreign affairs**—made efforts to build Somalia's image on global stage. Negotiated Somalia's seat on UN Security Council. Strengthened bilateral ties with China, Uganda, Azerbaijan, Kuwait.

**Interior and federal affairs**—formed over 30 local councils across the country, strengthening local governance. Developed the National Reconciliation Framework (NRF) to guide peace and unity efforts. Clarified responsibilities for federal government and federal member states, promoting clear governance structures at all levels of government.

**Islamic affairs**—built headquarters of the Ministry of Endowments and Islamic Affairs. Facilitated Hajj and Umrah for 2025. Opened Institute of Da'wah and Islamic Studies. Organized Quranic competitions.

**Justice**—drafted over 50 international agreements. Repatriated 24 criminals. Provided vocational training for carpentry, tailoring, and mechanics at Baidoa prison. Trained justice professionals. Increased prosecution success rates in criminal cases. Strengthened co-ordination with federal member states to decentralize justice Service delivery to Somali people at state level. Supported initiatives on anti-corruption, resulting in improved transparency measures.

**Elections**—finalized all electoral regulations and procedures. Registered close to one million citizens in the Banadir Region as voters for the upcoming elections, marking a historic step towards inclusive participation.

**Petroleum and mineral development**—launched exploration of petroleum in Somali waters which estimated Somalia's oil reserves at over 80 billion barrels. Continued building institutional and legal framework for oil management.

**Livestock management**—treated and vaccinated 20.5 million livestock across Banadir, Jubaland, South West, Galmudug and Hirshabelle States, including 6.4 million heads of livestock in 2024. Trained 184 livestock producers and pastoralist groups across five federal states in market-oriented livestock production. Commenced construction and rehabilitation of six livestock markets across key pastoral hubs including Bahdo, Baidoa, Dhuusamareeb.

**Education**—constructed 6 early childhood education centers in Baidoa, Kismayo, Adado, Balcad, and Banadir. Primary school enrolment increased to 33.8%

compared to GER of 24% in 2021. Constructed 101 primary classrooms in Jubbaland (71), Hirshabele (16), SWS (14). Constructed 11 new secondary schools (1 in Banadir, 2 in Galmudug, 3 in Hirshabelle, 4 in Jubbaland and 1 in Southwest). Rehabilitated 474 and constructed 306 classrooms including 225 Temporary Learning Spaces (TLS) across all States to promote alternative basic education. Eight (8) TVET institutes/colleges were constructed and operationalized. Over 326 scholarships were provided for students to support their studies (224 domestic, 102 international).

**Environment**—initiated a nationwide ban on single-use plastic bags, reflecting its commitment to reducing pollution and promoting sustainable practices. Embraced ambitious projects such as the presidential initiative, Somalia Green, which aims to plant 10 million trees across the country.

**Disaster management**—delivered food assistance to 5,467 households struggling with prolonged drought and ongoing armed conflicts. Continued releasing updated projection on population estimates that are likely to face crisis-level food insecurity (e.g., 4.6 million people — approximately 24% of Somalia's population in April 2025). Provided ambulances to help transport wounded individuals from the battlefield to hospitals.

**Energy**—Energy installed capacity is now at 539 GWH/year, in 2024. Population accessing electricity now at 45% (57% urban, 19% rural).

**Development planning**—delivered National Transformation Plan 2025-2029 and Centennial Vision 2060. Launched YEPS2 project to support youth employment and entrepreneurship expected to impact 1500 young people annually.

**Public finance management**—domestic revenue mobilization has increased to 3.3% of GDP compared to 3% in 2024. Economy remained resilient, GDP estimated to grow at 3%. Inflation moderated between 4.5% and 6.5%. Somalia's first Financial Action Task Force (FATF) Mutual Evaluation was done to prevent cases of anti-money laundering and financing terrorist activities, signaling Somalia's integration into the global financial system.

**Support to labor and vulnerable**—supported 200,000 vulnerable households through Baxnaano program. 536,052 vulnerable households so far registered on

the Unified Social Registry (USR). General Procedures for Overseas Employment for Somali Workers were delivered. Continued enforcing foreign employment law. Civil Servants Pension Law was enacted.

**Health**—expanded rollout of the Essential Package of Health Services (EPHS) across multiple regions thereby improving access to primary healthcare in underserved and hard-to-reach areas. Launched digital registries for immunization and antenatal care in select regions. Trained over 500 health workers, including midwives, nurses, and community health workers. Rehabilitated and equipped 15 health facilities across six regions.

**Public works**—continued construction of roads e.g., Mogadisu- Balcad- jowhar Road (90km), Dhusamareb- Adaado Road (65km), Mogadishu- Afgoye Road (30km), Galkacyo- Harfo (Garowe) Road (67km), Luuq-Dolow-Beledhawo (120km), Lowyacade-Fardaha-Borame Road (280km). Created a policy environment that has enabled Somalia's real estate construction to boom.

**Agriculture**—sector continued providing livelihoods to more than 3% of Somalia's population. Conducted surveys in coastal, subcoastal, and inland areas of the locust breeding zones in the northwest regions with a view to prevent locust attacks. Provided extension services on how to improve farming practices and maximize production of various crops such as papaya, lemon, etc. Compiled and disseminated retail and farm gate price trends for key agricultural commodities across Somalia.

#### How big will the total budget be next year?

| In Million USD           | FY2024 Actual | FY2025 Budget  | FY2026 Budget  |
|--------------------------|---------------|----------------|----------------|
| <b>Revenue</b>           | <b>912.7</b>  | <b>1,331.9</b> | <b>1,189.9</b> |
| - Domestic revenue       | 369.4         | 430.3          | 513.7          |
| - Grants                 | 543.4         | 901.6          | 676.2          |
| <b>Expenditure</b>       | <b>905.2</b>  | <b>1,359.7</b> | <b>1,333.0</b> |
| - Government local funds | 537.3         | 628.1          | 665.2          |
| - Donor projects         | 367.9         | 731.6          | 667.8          |

### Where does Government intend to spend the budget money?

FY2026 marks the first year for implementing Somalia's Centennial Vision 2060 (CV2060) and National Transformation Plan (NTP1) for 2025-2029. **The Budget for 2026 and the medium term** will thus focus on priorities in these documents, arranged under the following six pillars:

**Pillar 1—Inclusive Governance:** Goal of this pillar is to “establish and sustain an inclusive and democratic governance system that engages citizens in decision-making to sustain development, peace, and unity”.

**Key actions for 2026-2030:** Build national unity and fostering reconciliation. Deepen democratic governance. Promote gender mainstreaming and empowering marginalized groups.

**Pillar 2—Capable State:** Goal is to develop efficient and accountable state institutions that are transparent, respect rule of law, promote human rights, and capable of delivering resilient socio-economic transformation.

**Key actions for 2026-2030:** undertake constitutional Reforms to protect civil liberties, freedom of expression, and the right to assembly. Strengthen federalism through supporting FMSs with necessary resources to deliver services that address community needs. Undertake Public Sector Reforms to ensure complete alignment of MDAs with Somalia's centennial vision and NTP. Reform the Justice system to modernize outdated laws, enhance judiciary's efficiency, strengthen enforcement of contracts and property rights.

**Pillar 3—Human Capital Development:** Goal is to ensure Somalia's productive population equitably accesses inclusive rights-based quality education, health, social welfare and water, sanitation and hygiene systems adhering to Islam and Somali culture.

**Key actions for 2026-2030:**

- i) **Education**—build more schools, train qualified teachers, provide necessary learning materials to create an environment where students can thrive; strengthen skills development through vocational and higher

education to enhance employability and economic productivity and in so doing address the evolving needs of the labor market.

- ii) **Health**—improve healthcare infrastructure, increase availability of medical supplies, train healthcare professionals.
- iii) **Social welfare**—provide skills training programs for vulnerable communities; sponsor income generating activities for vulnerable communities through Baxnaano and other programs.
- iv) **Water, sanitation and hygiene**—ensure access to safe drinking water, adequate sanitation, and proper hygiene practices through construction and rehabilitation of water supply systems, and promotion of community-led sanitation and hygiene education campaigns to create a healthier living environment.

**Pillar 4—Harnessing the Productive Sector and Natural Resources:** Goal is to improve the livelihoods of all people in Somalia through competitive, diversified and resilient economic growth that promotes sustainable production and consumption.

**Key actions for 2026-2030:**

- i) **Agriculture**—Activating flood control, irrigation, and transport infrastructure. Establish extension services; strengthen vocation education to produce agronomists and scientists. Establish Agricultural Research Institutions focusing on dry land agriculture. Promote value addition through modernization and mechanization of agriculture. Support agricultural industrialization for both small- and large-scale manufacturing; promote sustainable rangeland resource management.
- ii) **Manufacturing**—promote local manufacturing by supporting businesses to transition from informal arrangements towards a more formal and regulated arrangement. Promote agro-industrialization through establishment of marketing outlets and storage facilities for livestock, fisheries and crops products. Opening new export channels.
- iii) **Natural resources**—ensure efficient and effective management of natural resources. Build MDA capacity to manage natural resources license

portfolio. Undertake comprehensive geological mapping of mineral resources for investment possibilities.

**Pillar 5—Infrastructure Development:** Goal is to build a modern and resilient economic infrastructure to catalyze and sustain inclusive economic growth in Somalia.

**Key actions for 2026-2030:**

**Energy**—continue implementing the power master plan to increase electricity generation from 539 GWH/year in 2024 to 10,676 by 2034, increase access to electricity from 45% in 2024 to 61% in 2024, and reduce population using charcoal and biomass from 85% in 2024 to 32% in 2024.

**Transport**—rehabilitate and expand existing roads especially main roads connecting regions and feeder roads. Aim is to increase paved roads from 2,860km in 2024 to 6,532 km in 2034.

**Seaports and airports**—invest in capacity building to accelerate ongoing and future ports rehabilitation and expansion across the country, upgrading and resourcing of the ports in Mogadishu, and establishment of a maritime training institution.

**Railway and petroleum pipeline**—undertake feasibility studies for possible construction of rail line to intensify exploitation of mineral resources in Somalia. Aim is to have at least 583 km of rail line by 2034. Feasibility studies for petroleum pipeline will also be prioritized.

**Water and sanitation**—continue implementation of Somalia's water and sanitation master plan. Planned infrastructure activities include management of flooding in riverine areas along Jubba and Shabelle rivers including construction of dykes in Southern Somalia.

**ICT**—continue promoting accessibility of citizens to digital education, facilitating collaboration on cybersecurity initiatives, retaining control of FGS over digital infrastructure and data, and establishing regulations to manage foreign technology providers and safeguard against digital colonization.

**Building clean cities**—partner with real estate developers to demolish structures in urban areas that were destroyed in the war and are no longer useful, to make it

easy for the private sector to provide affordable housing for low-income households and internally displaced persons.

**Pillar 6: Regional and Economic Integration:** Goal is to strengthen Somalia's institutional frameworks that are essential for enhancing economic integration.

**Key actions for 2026-2030:**

- i) Foster stronger ties with neighbors (Kenya and Ethiopia) and EAC regional countries.
- ii) Increase participation in economic corridors to facilitate movement of goods, services, and people across borders to boost economic activities and create new opportunities for trade and investment. Priority will be given to Kismayo-Lamu-Mogadishu corridor, Berbera and Djibouti corridor, Mogadishu, Berbera and Bosaso corridor.
- iii) Fast track Somalia's accession to the World Trade Organization.

**Key Specific Questions for Stakeholders**

- 1) *Are the areas proposed by Government where to implement in 2026 and medium term agreeable to you? Are there any other critical areas that you think should be prioritized?*
- 2) *Revenue collection is still low, despite the potential to collect more from customs taxes. What can be done to increase customs revenue at Mogadishu, Kismayo, Bosaso and other ports? How can the tax base generally be expanded to provide more public services to Somalis?*
- 3) *Government plans to start borrowing from international financial institutions to invest in infrastructure development. What is your view on this plan?*

*Prepared by the Budget Directorate, Federal Ministry of Finance, Federal Government of Somalia, Shengeni District, Mogadishu.*

*Email: .....; Telephone: .....*

## Annex 3 – Minutes of the Consultation Sessions Held



## Day One session minutes

### Meeting Minutes for the 2026 Budget Consultation Workshop – DAY ONE

|                                  |                                                                        |
|----------------------------------|------------------------------------------------------------------------|
| <b>Organizer:</b>                | Ministry of Finance, Federal Government of Somalia                     |
| <b>Venue:</b>                    | DOORBIN Hotel, Mogadishu Somalia.                                      |
| <b>Category of Participants:</b> | Federal Government and Federal Member States Stakeholders              |
| <b>Number of Attendants:</b>     | 123 in-person and more than 1,700 online participants                  |
| <b>Meeting mode:</b>             | <b>Physical</b> - Mogadishu <b>Virtual</b> – Facebook Live and YouTube |
| <b>Date:</b>                     | Wednesday - October 01, 2025                                           |
| <b>Time:</b>                     | <b>Start time:</b> 10:02 AM <b>End Time:</b> 2:00PM                    |

**Meeting Called To Order By: \_\_\_\_ Faiza Ibrahim Abdullahi, Moderator**

#### Agenda items:

- (i) Welcome remarks
- (ii) Introduction and event context
- (iii) Presentation on below aspects:
  - Macroeconomic issues, and key fiscal challenges faced by governments;
  - Revenue forecasts, policies and administration;
  - Government policy on taxes and expenditure (fiscal policy) and planned reforms for 2026 and medium term;
  - Priority interventions for each sector that are aligned to Somalia Centennial Vision 2060 and National Transformation Plan for 2025-2029;
  - Intergovernmental fiscal relations;
  - Pilot of Program Based Budgeting (PBB); and
  - Proposed FY 2026 budget ceilings and institutional allocations
- (iv) Open forum session – discussions, questions and responses

#### Minutes

##### MINUTE 1: Welcome Remarks

**Presenter:** *Faiza Ibrahim Abdullahi*

**Time:** 10:00 a.m. – 10:05 a.m.

The session was officially called to order shortly after the scheduled start time, commencing at 10:02 AM, and featured a comprehensive structure encompassing physical and virtual participation. The scale of engagement was notably high, with 123 stakeholders attending in person in Mogadishu. Crucially, the virtual audience was extensive, recording over 1,700 participants who joined the proceedings remotely via the official channels on Facebook Live and YouTube. The high attendance underscored

the broad national interest and the commitment of inter-governmental entities to the fiscal planning process.

Event Moderator **Faiza Ibrahim Abdullahi** initiated the session by delivering formal welcoming remarks and extending gratitude to all participants for their involvement in the crucial process. The Moderator provided a concise overview of the structure and objectives of the workshop. The comprehensive agenda included high-level presentations covering Macroeconomic issues, detailed Revenue forecasts and policies, the Government's Fiscal Policy on taxes and expenditure, planned Public Financial Management (PFM) reforms for 2026, intergovernmental fiscal relations, and priority interventions explicitly aligned with the long-term national planning frameworks, specifically the Somalia Centennial Vision 2060 (CV2060) and the National Transformation Plan for 2025-2029. The session was scheduled to conclude following an Open Forum segment dedicated to substantive discussions, questions, and official responses from the designated panel, which included technical experts and policy officials.

## **MINUTE 2: Introduction and event context**

**Speaker:** *Sheikh Ali Wajis*

**Time:** 10:07 a.m. – 11:20 a.m.

### **2.1 Commencement and Islamic Imperative for Economic Governance (10:02 a.m. – 10:14 a.m.)**

The session was formally initiated at 11:02 a.m. by Sheikh Ali Wajis, who provided a strategic address that anchored the modern PFM reforms within a profound theological and historical context. Sheikh Wajis stressed that the effective management of income and custom revenue constitutes the basic and indispensable foundation of economic management.

He reinforced this principle by drawing a parallel to the early history of the Islamic Caliphate, noting that systematic revenue collection, derived from government services, was established under the Caliphate of the Prophet. This historical reference serves to grant moral weight and religious legitimacy to the Ministry of Finance's technical modernization agenda. By framing rigorous fiscal responsibility as a core, long-established religious and governance principle, the Ministry strengthens the basis for compliance and accountability across governmental levels. In a recovering state grappling with weak institutional capacity and challenges posed by vested interests exploiting local resources, this authoritative endorsement is critical for ensuring broader adherence to new PFM standards.

### **2.2 The Mandate for Prosperity: Achieving the Six Pillars of Somalia's Centennial Vision 2060 (CV2060)**

Sheikh Wajis provided a clear strategic mandate for the Federal Government, instructing that the 2026 budget must be meticulously planned to ensure the achievement of the six strategic pillars of Somalia's Centennial Vision 2060. He declared that the successful attainment of these six pillars of Somalia's Centennial Vision 2060 is the prerequisite for Somalia to realize prosperity and vast national development.

This emphasis on predefined national objectives confirms the government's commitment to shifting its expenditure framework towards a more structured, outcome-oriented model. The budget is intended to operationalize the strategic guidance derived from long-term national plans, mitigating the risk that funding decisions become fragmented or lack prioritization.

## **MINUTE 3: Presentation of technical macroeconomic and social aspects, including budget proposal**

**Presenter:** Ahmed Abdi Iraad, Budget Director, MoF

**Time:** 10:25 a.m. – 11:00 a.m.

### **3.1 - Presentation Overview, Revenue Sources, and Shift to Program-Based Budgeting**

Ahmed Abdi Iraad, the Budget Director of the Ministry of Finance, delivered a detailed presentation outlining the framework for budget formation, collection, and strategic planning for the Fiscal Year 2026. The Director clarified that the Federal Government of Somalia (FGS) budget is fundamentally financed by a combination of domestic revenue and international aid.

#### **3.1.1 - Revenue Stream: Hydrocarbon Exploration**

The Director announced a major impending development: the government of Somalia, with the assistance of the Turkish government, will soon drill Somalia's first oil offshore. This initiative is expected to generate significant economic growth, create job opportunities, expand the tax base, and improve Somalis' livelihoods. Current government projections anticipate the first offshore oil drilling will target a launch date of January 2026, leveraging Turkish technology. Collaboration with the Turkish Petroleum Corporation (TPAO) includes conducting extensive 3D seismic surveys on offshore blocks.

#### **3.1.2 - Fiscal Policy and Planned Reforms for 2026**

The Director detailed the FGS policy on tax and spending (Fiscal Policy) for 2026, which is designed to achieve the following major goals:

1. **Domestic Revenue Growth:** The budget strategy is intended to achieve a forecasted economic growth rate of at least 4.0% in 2026 and 4.1% over the medium term. Achieving this growth will necessitate collecting \$56 million in addition to the current \$430 million domestic revenue.
2. **Fiscal Self-Sufficiency:** A major goal is for domestic revenue to increase sufficiently to cover the FGS operating expenditure (salaries and running costs) by 2027. This shift will overcome the long-standing reliance on international grants to pay for salaries and running costs, aiming to cover the projected \$630 million of government expenditure by 2027.

#### **3.1.3 - Key PFM Reforms and Modernization**

The presentation focused on implementing key Public Financial Management (PFM) reforms and the implementation of the six pillars of Somalia's Centennial Vision 2060.

- **Domestic Revenue Mobilization (DRM) Roadmap:** The FGS will continue implementing the Medium-Term Domestic Revenue Roadmap (2024-2027), aiming to increase government revenue and reduce reliance on international grants and support. By the end of this year (2025), domestic revenue is projected to reach \$430 million.
- **Tax Administration and Compliance:** Measures will be taken to further strengthen tax administration to increase tax compliance and reduce tax exemptions.
- **Digital PFM and Cash Management:** The implementation of digital signatures is planned to improve cash management. This initiative, which has been approved by the Cabinet, means the government PFM will be fully automated, making government institutions paperless and allowing for better tracking of financial transactions.
- **Program-Based Budgeting (PBB):** The central theme remains the transition to Program-Based Budgeting, which links Ministerial Department and Agency (MDA) expenditures directly to results and to the national priorities outlined in the 2060 Centennial Vision and National Transformation Plan 1 (NTP1).
- **Public Investment Management (PIM):** Implementation of Public Investment Management (PIM) Reforms is essential to increase capital spending, which is necessary to generate economic growth.

#### **3.1.4 - Macroeconomic Issues**

The presentation provided the following economic projections for the medium term:

- Inflation Rate: The inflation rate is expected to drop down to less than 3% by the year 2028.
- Credit to Private Sector: Credit to the private sector is projected to reach \$1 billion by 2028, driven by increased demand for working capital and improved market conditions.
- Remittances: Remittances are projected to continue growing to \$3 billion annually in the coming years.

### **3.1.5 - The Six Pillars of the Somalia's Centennial Vision 2060 (CV2060) Guiding the Budget**

The strategy focuses on the implementation of priority initiatives outlined in Somalia's Centennial Vision 2060, encapsulated by the following six pillars.

- Pillar 1—Inclusive Governance
- Pillar 2—Capable State
- Pillar 3—Human Capital Development: This pillar includes key social sector investments. The government, for example, currently pays the salaries of 12,000 teachers across the country. The Global Partnership for Education (GPE) also supports building and repairing thousands of schools. Furthermore, the government pays female health workers across the regions of the country, including those at Banadir hospital.
- Pillar 4—Harnessing the Productive Sector and Natural Resources
- Pillar 5—Infrastructure Development
- Pillar 6—Regional and Economic Integration

## **3.2 - Budget Formation and Inter-Governmental Fiscal Relations**

Director Iraad's presentation acknowledged that strategic pillars guidance for Public Investment Management (PIM) and budget formation has historically faced challenges, including a lack of full policy prioritization and an absence of comprehensive costing aligned with the respective fiscal frameworks of both the FGS and the FMS. The operationalizing of the 2026 budget framework is designed specifically to mitigate these planning deficiencies and the external risks posed by insecurity and political fragmentation.

A major component of the 2026 budget preparation is the institutionalization of robust inter-governmental fiscal relations. The successful preparation and implementation of the budget across the country relies heavily on structured cooperation between the Federal Government and the Federal Member States.

The operational strategy for FGS-FMS fiscal coordination relies on several formalized mechanisms:

### **3.2.1 - The Finance Ministers' Fiscal Forum (FMFF)**

The FMFF, composed of Finance Ministers and representatives from the MoF and the FMS Ministries of Finance (FMS-MoFs), is the principal policy-level institution for coordinating fiscal federalism. The role of the FMFF is critical for reaching and sustaining agreement on resource sharing, external assistance, and the grants fiscal transfer formula. Institutionalizing the FMFF, including its secretariat, is paramount to ensuring political buy-in from the federal member states, thereby minimizing the political risks associated with inter-governmental tensions.

### **3.2.2 - Standardized Financial Tools: UCoA and Transfer Formula**

The MoF confirmed continued progress on adopting and implementing standardized PFM tools:

- Unified Chart of Accounts (UCoA): The UCoA provides a standardized classification system for all revenues and expenditures across FGS and FMS entities. The use of the UCoA is essential for harmonizing financial reporting and consolidating the national budget, which demonstrably improves budget transparency indicators.
- Grants Fiscal Transfer Formula: The FMFF adopted the grants fiscal transfer formula in January 2023. This formula is a crucial mechanism for ensuring equitable and transparent distribution

of financial grants from the FGS to the FMSs. Its existence and adherence reduce the potential for politically motivated conflict over resource sharing and functional assignments, which are often loosely defined in the provisional constitution.

### **3.2.3 - PFM Tools as Instruments of Internal Peace**

The strategic reliance on technical PFM instruments—such as the PBB, the UCoA, and the FMFF framework—functions as a sophisticated mechanism for managing political friction within the federation. Since the Provisional Constitution reserves certain exclusive jurisdictions to the federal government (foreign affairs, defense, monetary policy) but mandates discussion regarding public finance principals and administration of key sectors like health and education, the potential for discord is high. By implementing standardized, rules-based systems, such as the UCoA and the transparent grants formula, the Ministry of Finance effectively depoliticizes resource allocation decisions. This technical stabilization is a direct fiscal mechanism for supporting Pillar 3: Somalia at Peace with Itself, ensuring that the necessary coordination for public expenditure management across the country is not undermined by challenging intergovernmental relations.

## **3.3 - Domestic Revenue Collection and Mobilization Strategy (DRM)**

The Director's presentation provided a candid assessment of revenue collection performance and the strategy for the 2026 fiscal year, emphasizing the self-sufficiency model.

### **3.3.1- Revenue Performance and Donor Reliance**

While Somalia has made significant strides in enhancing local revenue collection, the presentation highlighted the persistent challenge of financial fragility.

- The total planned expenditure for the 2026 Federal Budget amounted to \$1.32 billion.
- Domestic revenue for 2026 projected at \$460 million, representing a substantial 24% increase from the planned domestic revenue of 2025. \$56 million increase
- Despite this impressive growth, the majority of the budget—67%—around \$860 million will still be projected to be funded by donors, confirming the heavy, continuing reliance on external budgetary support.

The DRM strategy for 2026 is fundamentally a national sovereignty exercise, designed to achieve Pillar 4: Economic Growth Based on the Self-Sufficiency Model. The acceleration of domestic revenue growth is a direct strategic response to the heavy reliance on off-budget donor support and the associated risks this dependence poses to the implementation of the National Development Plan (NDP-9).

## **MINUTE 4: Open Forum Session – Discussions, Questions and Responses**

**Moderator:** *Faiza Ibrahim Abdullahi*

**Respondents:** *Ahmed Abdi Iraad, Budget Director, MoF*

**Time:** 11:14 a.m. – 2:00 a.m.

### **4.1 - Marine Research Perspective (Admiral Gaas, Prof. Faarax Farah Omar: 10:54 a.m. – 11:20 p.m.)**

Admiral Gaas, accompanied by Prof. Faarax Farah Omar, the Head of the Somali Marine Research Institute – HCBS, addressed the workshop. Prof. Farah expressed his appreciation, stating that the presentation and materials provided by the Ministry of Finance's budget team constitute a clear roadmap for Somalia's long-term financial success. He specifically emphasized the importance of the Six Pillars, affirming that these pillars will define the nation's future, security, and development trajectory. He concluded by stressing the necessity for the Institute to actively collaborate with the Ministry of Finance and the government to ensure the achievement of these strategic pillars.

## 4.2 - Agricultural Sector Input (Prof. Mohamoud Mohamed, Director General: Commencing 12:30 p.m.)

Prof. Mohamoud Mohamed, Director General of the Ministry of Agriculture, began his address by extending gratitude to the Ministry of Finance for their dedicated effort in budget preparation and for outlining the nation's "2028 vision".

## 4.3 - Strategy for Tax Exemption Management

Addressing a key concern for the agricultural sector, Prof. Mohamoud detailed the Ministry's plan for managing tax exemptions, particularly in light of planned limits on the 2026 budget tax exemptions. While acknowledging the challenges faced by Somalia's small farmers and the existing government provision of tax exemptions (including duty-free imports on farm inputs), the Ministry's focus for exemption requests will be procedural. The Ministry will require quotations from farmers for goods or equipment (such as tractors, trucks, and farm equipment) before the purchase and before the equipment reaches customs. This measure is intended to ensure the Ministry of Agriculture is aware of incoming equipment, allowing it to align requests with the Federal Government's tax exemption protocols and grant prior clearance for the applicable exemptions.

## 4.4 - Call for Inter-Agency Collaboration

The Director General reinforced the principle of collective responsibility, stating that all government staff are accountable for helping the government achieve its goals and national visions. He called upon other government agencies to actively collaborate with the Ministry of Finance to ensure the successful realization of the strategic goals and Six Pillars.

## 4.5 - Questions, Responses, and Stakeholder Feedback

The moderator opened the session for the in-person and online participants to raise questions or areas of clarification. For the online feedback, the participants were told to put their comments in the chat/comment section of the livestream link while the in-person participants were requested to raise their hand for the mic to be given to them. Several online participants raised their queries via comment/chat box which were displayed on the screen and responded to by the **Deputy Minister , Ministry of Finance, Abdulkadir Elmi Haange**, and the Director, Budget Directorate. Likewise, the comments/questions raised by in-person stakeholders were responded to by the **Deputy Minister , Ministry of Finance, Abdulkadir Elmi Haange**, and the Director, Budget Directorate

## 4.5 - Questions, Responses, and Stakeholder Feedback

### Consolidated input to FY 2026 budget from physical and online participants

| Theme                        | Participant (Online or Physical) | Stakeholder Feedback/ Input                                              | MoF Response (Deputy Minister of Finance / Budget Directorate)                                                                                                                                                                                                                                                                                                                                                                                             | Agreed Action by MoF                                                                                                                     |
|------------------------------|----------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Budget Importance & Strategy | Physical                         | What is the importance of the Budget Consultation Workshop event?        | The Deputy Minister noted that the budget consultation is an annual event and part of the progress toward budget preparation, aimed at consulting with and including input from civil society and government institutions. The main goal of the budget is to reach financial freedom and stop reliance on international grants, ensuring domestic revenue is sufficient for government running costs and assigning adequate funds for development.         | Formal institutionalization of the annual Budget Consultation Workshop as a mandated component of the official budget preparation cycle. |
| Budget Transparency          | Physical                         | Will the 2026 Budget prioritize employment creation for youth and women? | <p>The Deputy Minister acknowledged the persistent challenge of high unemployment rate especially for youth, women and other marginalised groups.</p> <p>To address the disparities in wealth and unequal access to resources, the Deputy Minister indicated that the Government is implementing policies that promote equitable economic growth, improve access to education and employment opportunities, and create social safety nets that support</p> | The FY 2026 budget to include the interventions provided in CV2060 on employment and wealth creation.                                    |

| Theme                                   | Participant (Online or Physical) | Stakeholder Feedback/ Input                                                                                                                                                                     | MoF Response (Deputy Minister of Finance / Budget Directorate)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Agreed Action by MoF                                                                                                                                                                                  |
|-----------------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         |                                  |                                                                                                                                                                                                 | vulnerable populations. Thus, the proposed FY2026 budget and future budgets will ensure the interventions provided in CV2060 on employment and wealth creation are factored in.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                       |
| Budget Format/ Reform                   | Physical                         | What is the main difference between the 2026 budget and previous ones?                                                                                                                          | The Budget Directorate explained that the 2026 budget is prepared using a Program-Based Budget (PBB) system. Previous budgets used a line-item approach (e.g., utility, procurement). PBB links expenditure to specific activities (e.g., number of schools opened, teachers hired). Additionally, the 2026 government budget includes funds specifically for elections and security.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Official adoption and commitment to the immediate and full implementation of the Program-Based Budgeting (PBB) system for Fiscal Year 2026 and beyond.                                                |
| Domestic Revenue Mobilization & Economy | Physical                         | How will the domestic revenue increase happen and how will the economy change?                                                                                                                  | Budget Directorate: A three-year midterm strategy has been developed to create new revenue sources and maintain existing ones. The MoF is digitalizing the revenue service system via PBB. This includes making services efficient with low cost/time and lowering corruption through online payments for business licenses, visas, work permits, and various certificates connected to the MoF system. The "No payment no delivery system" initiative, digitalization, and integration are key to increasing domestic revenue. The implementation of the Somali Customs Automated System (SOMCAS) at ports and airports allows traders to generate and pay tax, reducing corruption and leakage. Additionally, the MoF will start the sales tax after drilling the first sea oil offshore in the coming months, which will increase domestic revenue and the economy. | Continued and accelerated implementation of the DRM Roadmap initiatives, namely; expanding digitalization and integration efforts, alongside advancing strategic hydrocarbon exploration initiatives. |
| EAC Integration                         | Online                           | One of the focus pillars of the 2026 budget include integration. Since we have joined the East Africa Community (EAC), how could Somali traders collaborate, and what is the government's plan? | <b>Deputy Minister response</b> - Joining the EAC was a significant step forward aimed at economic integration and the movement of people and goods. The government is currently working on the next stages, such as visa and travel restrictions, and will finalize a roadmap to help Somali traders travel and trade with other East African communities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Government to harmonize/revise/develop policies and align them with EAC protocols to realise the full benefits of membership. The policies will include trade, immigration, customs among others.     |

## Closing remarks

The Budget Consultation Workshop concluded with formal closing remarks delivered by the **deputy minister** at 2:00 PM. These remarks served to formally acknowledge the conclusion of the Day 1 proceedings and to synthesize the strategic outcomes established during the highly productive session.

The deputy minister conveyed sincere appreciation to all attendees, including representatives from the FGS, Federal Member States, civil society organizations, and media stakeholders, for their comprehensive and valuable contributions to the dialogue. A key concluding mandate was the formal confirmation that the diverse inputs and constructive feedback gathered during the session, sourced from both physical and virtual participants, would be meticulously integrated into the final preparations for the 2026 Federal Budget. This final confirmation reinforced the consultative, inclusive nature of the entire process, establishing a clear link between stakeholder engagement and the finalized financial framework.

**The meeting ended at 2:00 PM.**



## Day 2 session minutes

### Meeting Minutes for the 2026 Budget Consultation Workshop – DAY 2

|                                  |                                                                                                                               |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>Organizer:</b>                | Ministry of Finance, Federal Government of Somalia                                                                            |
| <b>Venue:</b>                    | DOORBIN Hotel, Mogadishu Somalia.                                                                                             |
| <b>Category of Participants:</b> | Civil Society Organizations, Marginalized and Vulnerable Groups, Media, Religious Leaders and Traditional Elders stakeholders |
| <b>Number of Attendants:</b>     | 115 in-person participants                                                                                                    |
| <b>Meeting mode:</b>             | <b>Physical</b> - Mogadishu                                                                                                   |
| <b>Date:</b>                     | Thursday - October 02, 2025                                                                                                   |
| <b>Time:</b>                     | <b>Start time:</b> 10:02 AM <b>End Time:</b> 1:40PM                                                                           |

**Meeting Called To Order By:** Faiza Ibrahim Abdullahi, **Moderator**

#### Agenda items:

- (i) Welcome remarks
- (ii) Introduction and event context
- (iii) Presentation on below aspects:
  - Macroeconomic issues
  - Revenue forecasts, policies and administration
  - Government policy on taxes and expenditure (fiscal policy) and planned reforms for 2026 and medium term
  - Priority interventions for each sector that are aligned to Somalia Centennial Vision 2060 and National Transformation Plan for 2025-2029
  - Proposed FY 2026 budget ceilings, including sectoral allocations.
- (iv) Open forum session – discussions, questions and responses

#### Minutes

##### MINUTE 1: Welcome Remarks

**Presenter:** Faiza Ibrahim Abdullahi

**Time:** 10:30 a.m. – 10:40 a.m.

Mr Faiza, the event moderator, provided welcoming remarks.

##### MINUTE 2: Introduction and event context

**Speaker:** *Mr. Sheikh Ali Wajis, renowned Islamic Scholar*

**Time:** 10:40 a.m. – 11:00 a.m.

**2.1 Commencement and Islamic Imperative for Economic Governance (10:02 a.m. – 10:14 a.m.)**

The session was formally initiated at 11:02 a.m. by Sheikh Ali Wajis, who provided a strategic address that anchored the modern PFM reforms within a profound theological and historical context. Sheikh Wajis stressed that the effective management of income and custom revenue constitutes the basic and indispensable foundation of economic management.

He reinforced this principle by drawing a parallel to the early history of the Islamic Caliphate, noting that systematic revenue collection, derived from government services, was established under the Caliphate of the Prophet. This historical reference serves to grant moral weight and religious legitimacy to the Ministry of Finance's technical modernization agenda. By framing rigorous fiscal responsibility as a core, long-established religious and governance principle, the Ministry strengthens the basis for compliance and accountability across governmental levels. In a recovering state grappling with weak institutional capacity and challenges posed by vested interests exploiting local resources, this authoritative endorsement is critical for ensuring broader adherence to new PFM standards.

## **2.2 The Mandate for Prosperity: Achieving the Six Pillars of Somalia's Centennial Vision 2060 (CV2060)**

Sheikh Wajis provided a clear strategic mandate for the Federal Government, instructing that the 2026 budget must be meticulously planned to ensure the achievement of the six strategic pillars of Somalia's Centennial Vision 2060. He declared that the successful attainment of these six pillars of Somalia's Centennial Vision 2060 is the prerequisite for Somalia to realize prosperity and vast national development.

This emphasis on predefined national objectives confirms the government's commitment to shifting its expenditure framework towards a more structured, outcome-oriented model. The budget is intended to operationalize the strategic guidance derived from long-term national plans, mitigating the risk that funding decisions become fragmented or lack prioritization.

### **MINUTE 3: Presentation of technical macroeconomic and social aspects, including budget proposal**

**Presenter:** *Ahmed Abdi Iraad, Budget Director, MoF*

**Time:** 11:02 a.m. – 11:40 a.m.

#### **3.1 - Presentation Overview, Revenue Sources, and Shift to Program-Based Budgeting**

Ahmed Abdi Iraad, the Budget Director of the Ministry of Finance, delivered a detailed presentation outlining the framework for budget formation, collection, and strategic planning for the Fiscal Year 2026. The Director clarified that the Federal Government of Somalia (FGS) budget is fundamentally financed by a combination of domestic revenue and international aid.

##### **3.1.1 - Revenue Stream: Hydrocarbon Exploration**

The Director announced a major impending development: the government of Somalia, with the assistance of the Turkish government, will soon drill Somalia's first oil offshore. This initiative is expected to generate significant economic growth, create job opportunities, expand the tax base, and improve Somalis' livelihoods. Current government projections anticipate the first offshore oil drilling will target a launch date of January 2026, leveraging Turkish technology. Collaboration with the Turkish Petroleum Corporation (TPAO) includes conducting extensive 3D seismic surveys on offshore blocks.

##### **3.1.2 - Fiscal Policy and Planned Reforms for 2026**

The Director detailed the FGS policy on tax and spending (Fiscal Policy) for 2026, which is designed to achieve the following major goals:

3. Domestic Revenue Growth: The budget strategy is intended to achieve a forecasted economic growth rate of at least 4.0% in 2026 and 4.1% over the medium term. Achieving this growth will necessitate collecting \$56 million in addition to the current \$430 million domestic revenue.
4. Fiscal Self-Sufficiency: A major goal is for domestic revenue to increase sufficiently to cover the FGS operating expenditure (salaries and running costs) by 2027. This shift will overcome the long-standing reliance on international grants to pay for salaries and running costs, aiming to cover the projected \$630 million of government expenditure by 2027.

### **3.1.3 - Key PFM Reforms and Modernization**

The presentation focused on implementing key Public Financial Management (PFM) reforms and the implementation of the six pillars of Somalia's Centennial Vision 2060 (CV2060).

- Domestic Revenue Mobilization (DRM) Roadmap: The FGS will continue implementing the Medium-Term Domestic Revenue Roadmap (2024-2027), aiming to increase government revenue and reduce reliance on international grants and support. By the end of this year (2025), domestic revenue is projected to reach \$430 million.
- Tax Administration and Compliance: Measures will be taken to further strengthen tax administration to increase tax compliance and reduce tax exemptions.
- Digital PFM and Cash Management: The implementation of digital signatures is planned to improve cash management. This initiative, which has been approved by the Cabinet, means the government PFM will be fully automated, making government institutions paperless and allowing for better tracking of financial transactions.
- Program-Based Budgeting (PBB): The central theme remains the transition to Program-Based Budgeting, which links Ministerial Department and Agency (MDA) expenditures directly to results and to the national priorities outlined in the 2060 Centennial Vision and National Transformation Plan 1 (NTP1).
- Public Investment Management (PIM): Implementation of Public Investment Management (PIM) Reforms is essential to increase capital spending, which is necessary to generate economic growth.

### **3.1.4 - Economic Projections**

The presentation provided the following economic projections for the medium term:

- Inflation Rate: The inflation rate is expected to drop down to less than 3% by the year 2028.
- Credit to Private Sector: Credit to the private sector is projected to reach \$1 billion by 2028, driven by increased demand for working capital and improved market conditions.
- Remittances: Remittances are projected to continue growing to \$3 billion annually in the coming years.

### **3.1.5 - The Six Pillars of the Somalia's Centennial Vision 2060 (CV2060) Guiding the Budget**

The strategy focuses on the implementation of priority initiatives outlined in Somalia's Centennial Vision 2060, encapsulated by the following six pillars.

- Pillar 1—Inclusive Governance
- Pillar 2—Capable State
- Pillar 3—Human Capital Development: This pillar includes key social sector investments. The government, for example, currently pays the salaries of 12,000 teachers across the country. The Global Partnership for Education (GPE) also supports building and repairing thousands of schools. Furthermore, the government pays female health workers across the regions of the country, including those at Banadir hospital.
- Pillar 4—Harnessing the Productive Sector and Natural Resources
- Pillar 5—Infrastructure Development

- Pillar 6—Regional and Economic Integration

### **3.2 - Budget Formation and Inter-Governmental Fiscal Relations**

Director Iraad's presentation acknowledged that strategic pillars guidance for Public Investment Management (PIM) and budget formation has historically faced challenges, including a lack of full policy prioritization and an absence of comprehensive costing aligned with the respective fiscal frameworks of both the FGS and the FMS. The operationalizing of the 2026 budget framework is designed specifically to mitigate these planning deficiencies and the external risks posed by insecurity and political fragmentation.

A major component of the 2026 budget preparation is the institutionalization of robust inter-governmental fiscal relations. The successful preparation and implementation of the budget across the country relies heavily on structured cooperation between the Federal Government and the Federal Member States.

The operational strategy for FGS-FMS fiscal coordination relies on several formalized mechanisms:

#### **3.2.1 - The Finance Ministers' Fiscal Forum (FMFF)**

The FMFF, composed of Finance Ministers and representatives from the MoF and the FMS Ministries of Finance (FMS-MoFs), is the principal policy-level institution for coordinating fiscal federalism. The role of the FMFF is critical for reaching and sustaining agreement on resource sharing, external assistance, and the grants fiscal transfer formula. Institutionalizing the FMFF, including its secretariat, is paramount to ensuring political buy-in from the federal member states, thereby minimizing the political risks associated with inter-governmental tensions.

#### **3.2.2 - Standardized Financial Tools: UCoA and Transfer Formula**

The MoF confirmed continued progress on adopting and implementing standardized PFM tools:

- Unified Chart of Accounts (UCoA): The UCoA provides a standardized classification system for all revenues and expenditures across FGS and FMS entities. The use of the UCoA is essential for harmonizing financial reporting and consolidating the national budget, which demonstrably improves budget transparency indicators.
- Grants Fiscal Transfer Formula: The FMFF adopted the grants fiscal transfer formula in January 2023. This formula is a crucial mechanism for ensuring equitable and transparent distribution of financial grants from the FGS to the FMSs. Its existence and adherence reduce the potential for politically motivated conflict over resource sharing and functional assignments, which are often loosely defined in the provisional constitution.

#### **3.2.3 - PFM Tools as Instruments of Internal Peace**

The strategic reliance on technical PFM instruments—such as the PBB, the UCoA, and the FMFF framework—functions as a sophisticated mechanism for managing political friction within the federation. Since the Provisional Constitution reserves certain exclusive jurisdictions to the federal government (foreign affairs, defense, monetary policy) but mandates discussion regarding public finance principals and administration of key sectors like health and education, the potential for discord is high. By implementing standardized, rules-based systems, such as the UCoA and the transparent grants formula, the Ministry of Finance effectively depoliticizes resource allocation decisions. This technical stabilization is a direct fiscal mechanism for supporting Pillar 3: Somalia at Peace with Itself, ensuring that the necessary coordination for public expenditure management across the country is not undermined by challenging intergovernmental relations.

### **3.3 - Domestic Revenue Collection and Mobilization Strategy (DRM)**

The Director's presentation provided a candid assessment of revenue collection performance and the strategy for the 2026 fiscal year, emphasizing the self-sufficiency model.

### **3.3.1- Revenue Performance and Donor Reliance**

While Somalia has made significant strides in enhancing local revenue collection, the presentation highlighted the persistent challenge of financial fragility.

- The total planned expenditure for the 2026 Federal Budget amounted to \$1.32 billion.
- Domestic revenue for 2026 projected at \$460 million, representing a substantial 24% increase from the planned domestic revenue of 2025. \$56 million increase
- Despite this impressive growth, the majority of the budget—67%—around \$860 million will still be projected to be funded by donors, confirming the heavy, continuing reliance on external budgetary support.

The DRM strategy for 2026 is fundamentally a national sovereignty exercise, designed to achieve Pillar 4: Economic Growth Based on the Self-Sufficiency Model. The acceleration of domestic revenue growth is a direct strategic response to the heavy reliance on off-budget donor support and the associated risks this dependence poses to the implementation of the National Development Plan (NDP-9).

## **3.4 – Strengthening of the Health, Education and Social Sectors**

### **Health Sector:**

The Budget Director informed the participants of the fragility of the Country's health sector influenced by decades of conflict, leading to a large private sector and weak public infrastructure. The health care system faces challenges with underfunding, a critical shortage of health workers, and poor access to essential services, particularly in rural areas. In response to the challenges, the stakeholders were informed that the government is implementing plans such as National Health Policy and Health Sector Strategic Plan III (2022-2026) to rebuild and strengthen the system through public-private partnerships and a focus on the Essential Package of Health Services.

### **Education Sector:**

Government interventions in Somalia's education sector include increasing school enrollment through new construction, hiring and training more teachers, and implementing the National Education Sector Strategic Plan (ESSP). The government is also focused on improving quality through teacher training and curriculum development, strengthening governance, and ensuring inclusive education for vulnerable children, including those in emergencies and with disabilities.

### **Social Sector Development:**

The government aspires for all Somali citizens to have equal education, health, water, and economic growth opportunities. The government focuses on the equitable provision of essential services to the people, especially the most vulnerable, including the underprivileged, mothers, children, and people with special needs.

The Government will duly address issues about internally displaced persons and migrants who are scattered across Somalia and beyond so that they benefit from plans developed for the stabilization and rebuilding of the country's regions and districts.

In conclusion, the Director informed participants that the government is focusing on the following priority interventions:

- 1) Harmonization efforts geared towards Disaster Management Humanitarian Affairs.

- 2) Creation of national job creation initiatives.
- 3) Investing in significant higher education and
- 4) Investing in the provision of public health services.
- 5) Protecting the environment and mitigating climate change
- 6) Building human resources capacity and raising public awareness
- 7) Fostering social protection and development
- 8) Safeguarding human rights

### 3.5 – Environmental issues

The Government aims to manage recurrent droughts efficiently and other natural disasters to handle recurrent droughts and other natural disasters. Environmental protection is vital for our communal livelihoods and national development. Somalia's environment faces numerous challenges, including deforestation, land degradation, soil erosion, climate change, biodiversity loss, and mass extinction. The Government is determined to prioritize issues relating to environmental conservation, including deforestation, waste management, marine waste dumping, and addressing the impacts of climate change (floods and droughts).

The Government will operationalize the National Emergency Operation Centre tasked with coordinating the implementation of disaster and humanitarian response programs. The Centre will support the government's response management capacity regarding natural disaster risk.

### MINUTE 4: Open Forum Session – Discussions, Questions and Responses

**Moderator:** Faiza Ibrahim Abdullahi

**Respondents:** Ahmed Abdi Iraad, Budget Director, MoF

**Time:** 12:00 a.m. – 1:40 a.m.

### 4.1 - Questions, Responses, and Stakeholder Feedback

The moderator opened the session for the participants to raise questions or areas of clarification. The MoF response panel, the Budget Directorate, provided official responses to the inputs. The following table formalizes these institutional commitments for FY 2026 budget implementation, consolidating inputs from all stakeholder categories.

| Theme                                       | Participant Category | Stakeholder Feedback/ Input                                                                                                                                                                                                                           | Response (Deputy Minister of Finance / Budget Directorate)                                                                                                                                                                                                  | Agreed Action by MoF                                                                                                                                                                                                                  |
|---------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Social Sector Investment & Gender Budgeting | Women/CSO Groups     | How does the new Program-Based Budgeting (PBB) structure guarantee that social investments (like salaries for 12,000 teachers and female health workers) are protected from budget cuts and tracked via a Gender-Responsive Budgeting (GRB) approach? | The MoF affirmed that PBB mandates specific measurable outputs linked to CV2060 Pillar 3 (Human Capital), which includes these salaries as a priority. The PBB system ensures that these specific, tracked activities are maintained as a priority outcome. | Commitment to institutionalize Gender-Responsive Budgeting (GRB) methodologies within the PBB structure for FY 2026 to ensure transparent allocation and tracking of funds for social sector investments (education, health workers). |

| Theme                              | Participant Category   | Stakeholder Feedback/ Input                                                                                                                                                                                                                                     | Response (Deputy Minister of Finance / Budget Directorate)                                                                                                                                                                                                                                                      | Agreed Action by MoF                                                                                                                                                                                                       |
|------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inclusion & Equitable Access (PWD) | PWD/Marginalized Group | How will the MoF ensure the Grants Fiscal Transfer Formula mandates Federal Member States (FMS) to allocate funds for services and infrastructure accessibility for People with Disabilities (PWD) and marginalized communities?                                | The MoF clarified that the Grants Fiscal Transfer Formula and the Unified Chart of Accounts (UCoA) are standardized tools designed to ensure equitable distribution. The use of the PBB system requires FMS to report outcomes aligned with national priorities, which include inclusive governance (Pillar 1). | Mandate the inclusion of specific PWD inclusion and accessibility metrics within the Program-Based Budgeting (PBB) outcomes tracked for funds transferred via the Grants Fiscal Transfer Formula to Federal Member States. |
| PFM and Youth Employment           | Think Tanks            | Given the need for \$56 million in additional domestic revenue to achieve 4.0% growth, what concrete fiscal incentives or budget allocations are included in the 2026 budget to rapidly create jobs for the large youth population, leveraging the PFM reforms? | The MoF noted that increased domestic revenue (\$56M target) and economic growth (4.0%) are fundamental for expanding the tax base and creating private sector jobs. Public Investment Management (PIM) reforms prioritize capital spending which is necessary for employment generation.                       | Initiate development of targeted fiscal incentive programs for businesses that meet youth employment benchmarks, to be coordinated through Public Investment Management (PIM) reforms for FY 2026.                         |

### Closing remarks

The Budget Directorate conveyed sincere appreciation to all attendees for their valuable contributions to the dialogue. A key concluding mandate was the formal confirmation that the diverse inputs and constructive feedback gathered during the session would be meticulously integrated into the final preparations for the 2026 Federal Budget. This final confirmation reinforced the consultative, inclusive nature of the entire process.

**The meeting ended at 1:40 PM.**



## **Day 3 session minutes**

### **Meeting Minutes for the 2026 Budget Consultation Workshop – DAY 3**

|                                  |                                                    |                                            |
|----------------------------------|----------------------------------------------------|--------------------------------------------|
| <b>Organizer:</b>                | Ministry of Finance, Federal Government of Somalia |                                            |
| <b>Venue:</b>                    | DOORBIN Hotel, Mogadishu Somalia.                  |                                            |
| <b>Category of Participants:</b> | Private Sector and Academia Stakeholders           |                                            |
| <b>Number of Attendants:</b>     | 70 in-person participants                          |                                            |
| <b>Meeting mode:</b>             | <b>Physical</b> - Mogadishu                        | <b>Virtual</b> – Facebook Live and YouTube |
| <b>Date:</b>                     | Saturday - October 04, 2025                        |                                            |
| <b>Time:</b>                     | <b>Start time:</b> 10:02 AM                        | <b>End Time:</b> 2:00PM                    |

### **Meeting Called To Order By: Faiza Ibrahim Abdullahi title: Moderator**

#### **Agenda items:**

- (i) Welcome remarks
- (ii) Introduction and event context
- (iii) Presentation on below aspects:
  - Macroeconomic issues, and economic development;
  - Fiscal and investment challenges;
  - Revenue forecasts, policies and administration in relation to economic growth rate;
  - Government policy on taxes and expenditure (fiscal policy) and planned reforms for 2026 and medium term;
  - Priority interventions for key sectors (trade, agriculture, livestock, fisheries, energy, etc) that are aligned to Somalia Centennial Vision 2060 and National Transformation Plan for 2025-2029; and
  - Proposed Budget Ceilings for 2026 and public investment priorities.
- (iv) Open forum session – discussions, questions and responses

#### **Minutes**

##### **MINUTE 1: Welcome Remarks**

**Presenter:** Faiza Ibrahim Abdullahi

**Time:** 10:30 a.m. – 10:37 a.m.

Day 3 session of the 2026 Budget Consultation Workshop, organized by the Ministry of Finance (MoF), Federal Government of Somalia (FGS), was officially convened at the DOORBIN Hotel in Mogadishu on October 04, 2025.

The session was officially called to order, commencing at 10:30 AM, and featured a comprehensive structure encompassing physical and virtual participation. The in-person attendance comprised participants representing the private sector and academic institutions.

Event Moderator Faiza Ibrahim Abdullahi initiated the session by delivering formal welcoming remarks and extending gratitude to all participants for their involvement in the crucial process. The Moderator provided a concise overview of the structure and objectives of the workshop. The comprehensive agenda included high-level presentations covering Macroeconomic issues, detailed Revenue forecasts and policies, the Government's Fiscal Policy on taxes and expenditure, planned Public Financial Management (PFM) reforms for 2026, and priority interventions explicitly aligned with the long-term national planning frameworks, specifically the Somalia Centennial Vision 2060 (CV2060) and the National Transformation Plan for 2025-2029. The session was scheduled to conclude following an Open Forum segment dedicated to substantive discussions, questions, and official responses from the designated panel, which included technical experts and policy officials.

## **MINUTE 2: Introduction and event context**

**Speaker:** Sheikh Ali Wajis

**Time:** 10:40 a.m. – 11:01 a.m.

### **2.1 Commencement and Islamic Imperative for Economic Governance (10:02 a.m. – 10:14 a.m.)**

The session was formally initiated at 11:02 a.m. by Sheikh Ali Wajis, who delivered a foundational address that rooted the Ministry of Finance's (MoF) modern Public Financial Management (PFM) reforms within a deep theological and historical tradition. He asserted that the diligent oversight of income and custom revenue represents the indispensable bedrock of sound economic governance. To reinforce the moral legitimacy of the MoF's technical modernization agenda, he referenced the systematic revenue collection established during the early Islamic Caliphate. By elevating rigorous fiscal responsibility to a core religious and governance principle, the Ministry aims to foster greater compliance and accountability across all governmental tiers, a measure critical for a recovering nation facing institutional capacity weaknesses and resistance from vested interests.

## **MINUTE 3: Presentation of technical macroeconomic and social aspects, including budget proposal**

**Presenter:** Ahmed Abdi Iraad, Budget Director, MoF

**Time:** 11:02 a.m. – 11:56 a.m.

### **3.1 - Presentation Overview, Revenue Sources, and Shift to Program-Based Budgeting**

Ahmed Abdi Iraad, the Budget Director of the Ministry of Finance, delivered a detailed presentation outlining the framework for budget formation, collection, and strategic planning for the Fiscal Year 2026. The Director clarified that the Federal Government of Somalia (FGS) budget is fundamentally financed by a combination of domestic revenue and international aid.

#### **3.1.1 - Revenue Stream: Hydrocarbon Exploration**

The Director announced a major impending development: the government of Somalia, with the assistance of the Turkish government, will soon drill Somalia's first oil offshore. This initiative is expected to generate significant economic growth, create job opportunities, expand the tax base, and improve Somalis' livelihoods. Current government projections anticipate the first offshore oil drilling will target a launch date of January 2026, leveraging Turkish technology. Collaboration with the Turkish Petroleum Corporation (TPAO) includes conducting extensive 3D seismic surveys on offshore blocks.

#### **3.1.2 - Fiscal Policy and Planned Reforms for 2026**

The Director detailed the FGS policy on tax and spending (Fiscal Policy) for 2026, which is designed to achieve the following major goals:

5. Domestic Revenue Growth: The budget strategy is intended to achieve a forecasted economic growth rate of at least 4.0% in 2026 and 4.1% over the medium term. Achieving this growth will necessitate collecting \$56 million in addition to the current \$430 million domestic revenue.
6. Fiscal Self-Sufficiency: A major goal is for domestic revenue to increase sufficiently to cover the FGS operating expenditure (salaries and running costs) by 2027. This shift will overcome the long-standing reliance on international grants to pay for salaries and running costs, aiming to cover the projected \$630 million of government expenditure by 2027.

### **3.1.3 - Key PFM Reforms and Modernization**

The presentation focused on implementing key Public Financial Management (PFM) reforms and the implementation of the six pillars of Somalia's Centennial Vision 2060 (CV2060).

- Domestic Revenue Mobilization (DRM) Roadmap: The FGS will continue implementing the Medium-Term Domestic Revenue Roadmap (2024-2027), aiming to increase government revenue and reduce reliance on international grants and support. By the end of this year (2025), domestic revenue is projected to reach \$430 million.
- Tax Administration and Compliance: Measures will be taken to further strengthen tax administration to increase tax compliance and reduce tax exemptions.
- Digital PFM and Cash Management: The implementation of digital signatures is planned to improve cash management. This initiative, which has been approved by the Cabinet, means the government PFM will be fully automated, making government institutions paperless and allowing for better tracking of financial transactions.
- Program-Based Budgeting (PBB): The central theme remains the transition to Program-Based Budgeting, which links Ministerial Department and Agency (MDA) expenditures directly to results and to the national priorities outlined in the 2060 Centennial Vision and National Transformation Plan 1 (NTP1).
- Public Investment Management (PIM): Implementation of Public Investment Management (PIM) Reforms is essential to increase capital spending, which is necessary to generate economic growth.

### **3.1.4 - Economic Projections**

The presentation provided the following economic projections for the medium term:

- Inflation Rate: The inflation rate is expected to drop down to less than 3% by the year 2028.
- Credit to Private Sector: Credit to the private sector is projected to reach \$1 billion by 2028, driven by increased demand for working capital and improved market conditions.
- Remittances: Remittances are projected to continue growing to \$3 billion annually in the coming years.

### **3.1.5 - The Six Pillars of the Somalia's Centennial Vision 2060 (CV2060) Guiding the Budget**

The strategy focuses on the implementation of priority initiatives outlined in Somalia's Centennial Vision 2060, encapsulated by the following six pillars.

- Pillar 1—Inclusive Governance
- Pillar 2—Capable State
- Pillar 3—Human Capital Development: This pillar includes key social sector investments. The government, for example, currently pays the salaries of 12,000 teachers across the country. The Global Partnership for Education (GPE) also supports building and repairing thousands of schools. Furthermore, the government pays female health workers across the regions of the country, including those at Banadir hospital.
- Pillar 4—Harnessing the Productive Sector and Natural Resources
- Pillar 5—Infrastructure Development
- Pillar 6—Regional and Economic Integration

### **3.2 - Budget Formation and Inter-Governmental Fiscal Relations**

Director Iraad's presentation acknowledged that strategic pillars guidance for Public Investment Management (PIM) and budget formation has historically faced challenges, including a lack of full policy prioritization and an absence of comprehensive costing aligned with the respective fiscal frameworks of both the FGS and the FMS. The operationalizing of the 2026 budget framework is designed specifically to mitigate these planning deficiencies and the external risks posed by insecurity and political fragmentation.

A major component of the 2026 budget preparation is the institutionalization of robust inter-governmental fiscal relations. The successful preparation and implementation of the budget across the country relies heavily on structured cooperation between the Federal Government and the Federal Member States.

The operational strategy for FGS-FMS fiscal coordination relies on several formalized mechanisms:

#### **3.2.1 - The Finance Ministers' Fiscal Forum (FMFF)**

The FMFF, composed of Finance Ministers and representatives from the MoF and the FMS Ministries of Finance (FMS-MoFs), is the principal policy-level institution for coordinating fiscal federalism. The role of the FMFF is critical for reaching and sustaining agreement on resource sharing, external assistance, and the grants fiscal transfer formula. Institutionalizing the FMFF, including its secretariat, is paramount to ensuring political buy-in from the federal member states, thereby minimizing the political risks associated with inter-governmental tensions.

#### **3.2.2 - Standardized Financial Tools: UCoA and Transfer Formula**

The MoF confirmed continued progress on adopting and implementing standardized PFM tools:

- **Unified Chart of Accounts (UCoA):** The UCoA provides a standardized classification system for all revenues and expenditures across FGS and FMS entities. The use of the UCoA is essential for harmonizing financial reporting and consolidating the national budget, which demonstrably improves budget transparency indicators.
- **Grants Fiscal Transfer Formula:** The FMFF adopted the grants fiscal transfer formula in January 2023. This formula is a crucial mechanism for ensuring equitable and transparent distribution of financial grants from the FGS to the FMSs. Its existence and adherence reduce the potential for politically motivated conflict over resource sharing and functional assignments, which are often loosely defined in the provisional constitution.

#### **3.2.3 - PFM Tools as Instruments of Internal Peace**

The strategic reliance on technical PFM instruments—such as the PBB, the UCoA, and the FMFF framework—functions as a sophisticated mechanism for managing political friction within the federation. Since the Provisional Constitution reserves certain exclusive jurisdictions to the federal government (foreign affairs, defense, monetary policy) but mandates discussion regarding public finance principals and administration of key sectors like health and education, the potential for discord is high. By implementing standardized, rules-based systems, such as the UCoA and the transparent grants formula, the Ministry of Finance effectively depoliticizes resource allocation decisions. This technical stabilization is a direct fiscal mechanism for supporting Pillar 3: Somalia at Peace with Itself, ensuring that the necessary coordination for public expenditure management across the country is not undermined by challenging intergovernmental relations.

### **3.3 - Domestic Revenue Collection and Mobilization Strategy (DRM)**

The Director's presentation provided a candid assessment of revenue collection performance and the strategy for the 2026 fiscal year, emphasizing the self-sufficiency model.

### **3.3.1- Revenue Performance and Donor Reliance**

While Somalia has made significant strides in enhancing local revenue collection, the presentation highlighted the persistent challenge of financial fragility.

- The total planned expenditure for the 2026 Federal Budget amounted to \$1.32 billion.
- Domestic revenue for 2026 projected at \$460 million, representing a substantial 24% increase from the planned domestic revenue of 2025. \$56 million increase
- Despite this impressive growth, the majority of the budget—67%—around \$860 million projected to be funded by donors, confirming the heavy, continuing reliance on external budgetary support.

The DRM strategy for 2026 is fundamentally a national sovereignty exercise, designed to achieve Pillar 4: Economic Growth Based on the Self-Sufficiency Model. The acceleration of domestic revenue growth is a direct strategic response to the heavy reliance on off-budget donor support and the associated risks this dependence poses to the implementation of the National Development Plan (NDP-9).

### **3.4 Stakeholder Inputs and Policy Recommendations**

Following the detailed presentation by Director Iraad, representatives from the private sector, and academic institutions were invited to provide their insights and recommendations.

#### **A. Academia Input (Plasma University)**

Ali Ahmed Abtidoon, representing Plasma University, presented the academic perspective. He highlighted the university's collaborative efforts with the Ministry of Foreign Affairs (MoFA) diaspora unit on the Diaspora Investment Act, noting its preparation and subsequent transfer for parliamentary approval. Mr. Abtidoon emphasized that diaspora investments have predominantly focused on critical sectors such as water and clean energy.

A significant concern raised was the challenges faced by the diaspora in effectively collaborating with relevant ministries. This prompted a direct inquiry to the MoF regarding their plans to facilitate and streamline this cooperation process.

Furthermore, the academic representative observed that while the MoF's presentation adequately covered Foreign Direct Investment (FDI), it notably omitted Diaspora Direct Investment (DDI) from the 2026 budget fiscal plan. Given the anticipated positive impact of the MoFA-prepared DDI Act on increasing domestic revenue and creating opportunities, the representative urged the MoF to develop a clear and actionable plan for DDI, moving beyond a sole focus on remittances from the diaspora.

#### **B. Private Sector Input and Economic Development Strategy.**

The private sector representative underscored the fundamental principle that community investment is indispensable for a recovering nation, asserting that government revenue alone is insufficient to meet the extensive national development needs.

##### **1. Mobilization of National Capital**

The private sector proposed an innovative strategic mechanism for mobilizing national capital. They suggested that the government establish a dedicated institution, such as a Development Bank, specifically tasked with collecting financial contributions from Somali citizens, both domestically and from the diaspora. Under this proposed model, a designated percentage of the collected funds would be allocated to national development projects, while the remainder would function as a citizen investment, designed to yield returns for contributors. This community contribution initiative, facilitated by a Development Bank, was cited as a successful model implemented in other nations, including Khartoum, Sudan. The primary objective of this initiative is to foster community ownership and capital contribution to enable large-scale infrastructure and development projects, which, in turn, are expected to attract international investors to Somalia.

## 2. Regulatory and Fiscal Environment Concerns

The private sector, which is estimated to account for 95% of total jobs and serves as the primary provider of essential services typically delivered by the state (including energy, ICT, and water), articulated several concerns regarding the 2026 fiscal environment. They specifically noted that the current regulatory landscape is impeding Somalia's inclusive growth. Key negative impacts highlighted included:

**Multiple Tax Levels:** Private entities are burdened by multiple layers of taxes and fees, further complicated which collectively escalates the overall tax burden.

**Need for Streamlining:** There is an urgent imperative to streamline and harmonize trade processes and to implement a unified system for business registration and licensing across the entire country.

**Public-Private Dialogue (PPD):** Representatives strongly urged the government to formalize and establish an institutionalized, inclusive national PPD structure. This would facilitate efficient regulatory reforms, acknowledging that a persistent lack of trust between stakeholders remains a significant challenge.

## 3.5 – Strengthening of the Education and Social Sectors

### Education Sector:

Government interventions in Somalia's education sector include increasing school enrollment through new construction, hiring and training more teachers, and implementing the National Education Sector Strategic Plan (ESSP). The government is also focused on improving quality through teacher training and curriculum development, strengthening governance, and ensuring inclusive education for vulnerable children, including those in emergencies and with disabilities.

### Social Sector Development:

The government aspires for all Somali citizens to have equal education, health, water, and economic growth opportunities. The government focuses on the equitable provision of essential services to the people, especially the most vulnerable, including the underprivileged, mothers, children, and people with special needs.

The Government will duly address issues about internally displaced persons and migrants who are scattered across Somalia and beyond so that they benefit from plans developed for the stabilization and rebuilding of the country's regions and districts.

In conclusion, the Director informed participants that the government is focusing on the following priority interventions:

- 1) Harmonization efforts geared towards Disaster Management Humanitarian Affairs.
- 2) Creation of national job creation initiatives.
- 3) Investing in significant higher education and
- 4) Investing in the provision of public health services.
- 5) Protecting the environment and mitigating climate change
- 6) Building human resources capacity and raising public awareness
- 7) Fostering social protection and development
- 8) Safeguarding human rights

## MINUTE 4: Open Forum Session – Discussions, Questions and Responses

**Moderator:** Faiza Ibrahim Abdullahi Astaan TV Deputy director.

**Respondents:** Ahmed Abdi Iraad, Budget Director, MoF

**Time:** 11:14 a.m. – 11:52 a.m.

## 4.1 - Questions, Responses, and Stakeholder Feedback

The moderator opened the session for the participants to raise questions or areas of clarification. The MoF response panel, the Budget Directorate, provided official responses to the inputs. The following table formalizes these institutional commitments for FY 2026 budget implementation, consolidating inputs from all stakeholder categories.

| Theme                                 | Participant Category             | Stakeholder Feedback/ Input                                                                                                                                                                                                                   | Response (Deputy Minister of Finance / Budget Directorate)                                                                                                                                                                                                                                                                                                                                        | Agreed Action by MoF                                                                                                                                                                                                 |
|---------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corruption                            | Physical from academia           | The public believes tax collected doesn't fully reach the MoF due to leakage/corruption and the low capacity of the Ministry. How will the MoF fill that gap and capacitate their team?                                                       | The Budget Directorate noted the government is like "building blocks" with institutions working together (Development Bank, MOC, MOF, National Investment Agency). The government also transferred the Public Private Partnership (PPP) Act to Parliament for approval. The revenue collection is working well in recent years, with all collected revenue going effectively to the Central Bank. | Commitment to enhance anti-corruption measures by accelerating the parliamentary approval of the Public Private Partnership (PPP) Act to strengthen investment governance and transparency.                          |
| Domestic Revenue Mobilisation         | Physical from Private sector     | Urged streamlining/harmonizing multiple taxes/fees; establish institutionalized Public-Private Dialogue (PPD) structure.                                                                                                                      | MoF aims to reduce customs tax to attract investors, focusing mainly on Inland Tax. Emphasized that VAT exemptions and low personal income tax followed public consultation.                                                                                                                                                                                                                      | Commitment to formalize the Public-Private Dialogue (PPD) mechanism and commence a comprehensive review aimed at streamlining multiple tax/fee layers and harmonizing business registration processes nationwide.    |
|                                       | Physical from private sector     | Traders import small agricultural products like garlic. The government increased inland tax (sales tax/VAT), increasing challenges for local businesses. What is the MoF's role to increase import tax to support local business and farmers? | The Budget Directorate responded that the government's principal is to reduce export tax to support local farmers. The current tax focus is on Inland Tax. He noted that poor people, hospitals, and educational institutions were exempted from the VAT tax after public consultation. Somalia's tax-to-GDP ratio (2-3%) is the lowest compared to neighbouring countries.                       | Maintain the policy of reducing export taxes to stimulate local economic activity, while sustaining social exemptions (poor, education, health) from the inland VAT tax, following public consultation.              |
| Diaspora Direct Investment (DDI) Plan | Physical from Academia           | Urged MoF to develop a clear and actionable plan for Diaspora Direct Investment (DDI), moving beyond a sole focus on remittances, and streamline cooperation for diaspora investors.                                                          | The MoF is committed to institutions working together (Development Bank, MOC, MOF, National Investment Agency) as "building blocks" of government.                                                                                                                                                                                                                                                | Commitment to develop and articulate a dedicated strategy for Diaspora Direct Investment (DDI) to formalize its inclusion in the DRM Roadmap and facilitate inter-ministerial cooperation with diaspora investors.   |
| National Development Bank Proposal    | Physical from Private sector     | Proposed establishing a Development Bank to collect citizen contributions (domestic and diaspora) for national development projects, with anticipated returns for contributors.                                                               | The budget directorate referenced the collaborative effort of various institutions, including the Development Bank, in the "building blocks" of government                                                                                                                                                                                                                                        | Initiate feasibility assessment and preliminary institutional planning for the proposed National Development Bank to mobilize domestic and diaspora financial contributions for critical infrastructure development. |
| Digital PFM & Compliance              | Physical from media stakeholders | If the PFM system is being fully automated (digital signatures) and using online payment systems, what is the strategy to ensure universal compliance and adoption by remote                                                                  | The MoF is committed to digitalizing the revenue service system via PBB, which makes services efficient, lowers cost/time, and reduces corruption through online payments for business licenses, visas, and permits, connected to the MoF system.                                                                                                                                                 | Accelerated implementation and expansion of digitalization efforts (e.g., SOMCAS, online payment systems) and integration across all revenue collection points to enforce the 'No payment no delivery' principle.    |

| Theme | Participant Category | Stakeholder Feedback/ Input   | Response (Deputy Minister of Finance / Budget Directorate) | Agreed Action by MoF |
|-------|----------------------|-------------------------------|------------------------------------------------------------|----------------------|
|       |                      | regions and small businesses? |                                                            |                      |

### Closing remarks

The Budget Directorate conveyed sincere appreciation to all attendees for their valuable contributions to the dialogue. A key concluding mandate was the formal confirmation that the diverse inputs and constructive feedback gathered during the session would be meticulously integrated into the final preparations for the 2026 Federal Budget. This final confirmation reinforced the consultative, inclusive nature of the entire process.

**The meeting ended at 2:00 PM.**