# ANNUAL REPORT 2024

## Fiscal Progress, Economic Resilience and Reform Achievements

Federal Government of Somalia

Ministry of Finance


Ministry of Finance

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# Annual Report

2024



Federal Government of Somalia
Ministry of Finance
Mogadishu -  Somalia

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# Tables and Figures

## ABBREVIATIONS

| | |
|---|---|
| AfDB | African Development Bank |
| AML/CFT | Anti-Money Laundering/Combating the Financing of Terrorism |
| CBA | Currency Board Arrangement |
| CPI | Consumer Price Index |
| DSA | Debt Sustainability Analysis |
| EAC | East African Community |
| ECF | Extended Credit Facility |
| ETAS | Electronic Tax Administration System |
| FCDO | Foreign Commonwealth Development Office |
| FGS | Federal Government of Somalia |
| FMSs | Federal Member States |
| GDP | Gross Domestic Product |
| HIPC | Highly Indebted Poor Countries |
| IGFF/FMFF | Intergovernmental Fiscal Federalism/Finance Ministers Fiscal Forum |
| IMF | International Monetary Fund |
| MDAs | Ministries, Departments and Agencies |

| | |
|---|---|
| MENAFATF | Middle East and North Africa Financial Action Task Force |
| MSMEs | Micro, Small and Medium-sized Enterprises |
| MTDS | Medium-Term Debt Strategy |
| NAMLC | National Anti-Money Laundering Committee |
| NTP | National Transformation Plan |
| NTRP | Non-tax Revenue Portal |
| OBI | Open Budget Initiative |
| PBB | Performance Based Budget |
| PFM | Public Financial management |
| PPP | Public Private Partnership |
| SFMIS | Somalia Financial management Information System |
| TSA | Treasury Single Account |
| USR | Unified Social Registry |

# FOREWORD

## A successful 2024 concludes for the Ministry of Finance

The Ministry of Finance concludes 2024 having achieved steady progress across key areas of economic and fiscal management. The Ministry has demonstrated strong macroeconomic prudence, policy coherence and a continued effort to build on the successes of previous years. Continuing off the heels of the HIPC Completion Point in the end of 2023, Somalia secured further debt relief from major creditors, most notably the Paris Club. This contributed to broader fiscal space, strengthened institutional capacity and greater domestic resource mobilization.

At the macroeconomic level, Somalia was able to sustain stable economic growth at 4%, driven by robust output by the agricultural sector, steady remittance flows from Somalis abroad and a surge in livestock exports. Moreover, inflation remained stable and is expected to decline further in 2025.

Somalia's fiscal performance also underscored the fruits of a strengthened public financial management system. Domestic revenues reached historic highs of US$ 369.4 million, exceeding our targets for revenue both in absolute terms and as a percentage of our GDP. Moreover, the federal budget was executed without revisions, achieving an execution rate of nearly 84% for the first time. These results reflect continued improvements in public financial management and a commitment to fiscal discipline.

Our outlook for the coming year is one of continued progress. Revenues and grants are expected to increase by 27%, reaching US$ 1.32 billion, with capital expenditure expected to triple. We also envision a more diversified tax income stream achieved from further reforms to promote business activity while expanding the tax base. These plans for 2025 are aligned with the goals of the Somalia National Transformation Plan, a blueprint for economic development between 2025 and 2029. Nevertheless, while remaining determined to shepherd further gains for our country, we are guided by an even broader vision: transform Somalia to a resilient and prosperous economy guided by capable institutions, less reliant on grant assistance and more capable of delivering essential services to its people.

In conclusion, as we look forward to another successful year ahead, I welcome all our citizens, stakeholders and partners to read the highlights of 2024 and join us in realizing our goals for 2025.

Yours Sincerely,

H.E. Bihi Iman Egeh
Somalia's Minister of Finance

# EXECUTIVE SUMMARY

In 2024, Somalia achieved substantial progress in economic recovery, public financial management, and institutional reform. Building on the momentum of post-HIPC debt relief, the government maintained strong macroeconomic fundamentals while advancing critical reforms that support inclusive growth, domestic revenue mobilization, and improved service delivery. The Ministry of Finance has, furthermore, supported financial sector development, MSME growth, development financing and institutional building across key public sector institutions including the Central Bank and line ministries.

The economy remained resilient in 2024 with real GDP growth rate of 4.1%, keeping in trend with 2023 figure of 4.2%. This performance was driven by increased agricultural production, strong remittance-fueled consumption, and rising exports—particularly livestock to Gulf markets. Inflation moderated slightly over the course of the year, ranging between 4.5% and 6.5%, and is projected to decline further in 2025. Despite trade disruptions through northern ports due to the Red Sea crisis, exports held up, while imports surged past $6.5 billion, largely due to increased demand for food, construction materials, and essential goods.

Revenue mobilization and economic governance saw significant improvements in 2024. Total revenue collections reached $369.4 million, reflecting a 12% increase from 2023, an increase of 0.36% of revenue to GDP ratio surpassing the annual revenue target. This growth was mainly driven by income tax revenue nearly doubling, sales tax revenue increasing by over 13%, and a 10 percentage point increase in the customs revenue in addition to the performance of other taxes. Key enablers included the digitalization of tax systems and enhanced tax compliance efforts and legal policy reforms paving the way for broader tax administration reforms.

Budget execution also improved significantly, reaching nearly 84% of appropriations. For the first time since the formation of the federal government, there were no revisions to the original budget, highlighting improved credibility and planning discipline. The 2025 budget was prepared and submitted on time, with broader stakeholder consultations, a public facing citizen budget, and the reintroduction of program-based budgeting for 12 pilot entities. Project fund absorption increased to 75%, and payroll integrity was strengthened through full integration of compensation data into the national payroll system. A shortfall of about 40% unpaid external grant effected the budget utilization, which was partially financed by the revenue windfalls. The 2024 budget was spent on compensation of employees (38%), purchase of goods and services (23%), fiscal transfer to the FMSs (18%), social benefits (17%), acquisition of fixed capital (3%), and subsidies (1%). Total expenditure is about 8% of the GDP, a significant government consumption that contributed to the economic growth. Governance enhancements were also reflected in improved budgetary systems, transparency, and fiscal accountability.

Significant progress was made in legal and regulatory frameworks. Legislative milestones included the preparation of key bills such as the AML/CFT Amendments, Income Tax Bill, and National Payment System Bill to modernize Somalia's legal framework. On the international front, Somalia's first FATF Mutual Evaluation underscored efforts in combating money laundering and terrorist financing, signaling the country's deeper integration into the global financial system.

Infrastructure and human capital development remained priorities in 2024. In the education and health sectors, 2,600 teachers were recruited, and 300 health facilities were renovated, enhancing commitment to human capital development. Social safety nets supported 200,000 vulnerable households, while scholarships enabled university access for 2,000 girls. Urban development projects across six major cities have improved living conditions through infrastructure enhancements, including road construction, drainage systems, and streetlights. Notably, over 31 kilometres of new roads were constructed in three of these cities, greatly enhancing urban infrastructure and accessibility.

Looking ahead to 2025, Somalia’s outlook remains positive. Growth is projected to remain s teady at 4%, supported by continued investment in agriculture, trade recovery, improved donor engagement, and rising remittances. Domestic revenues are expected to increase by over 24%, while total revenues and grants are projected to reach $1.32 billion. Capital expenditure is set to triple, with a strong emphasis on infrastructure, human development, and security.

Although challenges remain, including global uncertainties and climate risks, Somalia enters 2025 with renewed fiscal discipline, stronger institutions, and an increasingly credible macroeconomic framework. These gains provide a solid foundation for long-term development, resilience, and inclusive growth.

CHAPTER 01

# MACROECONOMIC OVERVIEW

# 1.1 Economic Growth

Somalia's economy maintained a positive trajectory, achieving 4.2% growth in 2023, an improvement from the 2.7% recorded in 2022. This growth was primarily driven by a rebound in agricultural output and livestock export, alongside robust household consumption supported by substantial remittance inflows. In 2024, Somalia's economy demonstrated resilience, posting real GDP growth of 4.1% — surpassing the medium-term projection of 3.7%.

The renewed growth outlook is complemented by favourable climatic conditions, which have improved agricultural production and food security. This resurgence not only supported domestic consumption but also strengthened the export sector, particularly in livestock. As a result, the economy is poised for continued growth, with expectations for positive trends in remittances further supporting this trajectory.

# 1.2 Trade Performance

In 2023 and 2024 import and export volumes increased, with Somalia gradually taking over part of Sudan's livestock exports to the Gulf countries. Total imports in 2024 were over $9.2 billion, up from $8.2 billion in 2023, representing a 12% increase. Key import categories included food, medical products, construction materials, clothing and footwear, oil and gas, vehicles and accessories, personal care products and electronics, which together accounted for about 85% of imports.

More importantly, Somalia exported approximately $1.6 billion in goods in 2024, mainly, livestock, crops, vegetable oil and fish. The increase in exports which has risen from $1 billion in 2023, reflects improved agricultural productivity broadly covering crop production and fishery sectors with livestock exports playing a central role as Somalia captured a larger share of Gulf markets previously served by Sudan. However, trade disruptions linked to the Red Sea crisis and the Middle East conflict led to shipment delays, increased insurance costs, and slightly elevated commodity prices in the northern regions, while southern ports were less affected.

Somalia is still projected to remain in a current account deficit. Though an improvement from 2023 figure of 11% of GDP, the current account deficit is projected to be 8.9% of GDP in 2024. This deficit persists despite increase in livestock export. Sustained remittance levels from the Diaspora, high household consumption and construction are the main drivers of Somalia's current account deficit. Given that livestock and agricultural crops are Somalia's primary exports, boosting productivity in these sectors remains critical to improving the trade balance.

1 Central Bank of Somalia Annual Report 2023
2 Somalia: 2024 Article IV Consultation and 2nd Review
3 The complete trade data set will be published in the upcoming annual report of the Central Bank of Somalia.
4 Quarterly Economic Review (2024Q3) – Central Bank of Somalia

# 1.3 Inflation

The Consumer Price Index (CPI) in Somalia illustrate strong price level increases. While IMF projected an annual inflation rate of 5% for 2024, data from the Somalia Bureau of Statistics shows a relative cooling off of monthly inflation rates. Nevertheless, annualized inflation rates for each month of 2024 ranged between 4.5% and 6.5%.

Key factors contributing to inflation include rising costs in health services, food, transportation, housing, utilities, and gas. Furthermore, global price changes are also to fuel the domestic CPI via a trade passthrough. Initial projections for 2025 see a tapering off of annual inflation to 4.5% according to the IMF. This decline is attributed to increased agricultural output and food supply in Somalia. This outlook, nevertheless, will have to contend with climate shock risks, pass through from price dynamics of food imports, the domestic security situation, and fluctuations of remittance levels in Somalia (AfDB 2024).

*Table 1: Inflation in Somalia (2024)* [10]

| Month | Consumer Price Index | Monthly change in CPI (percent) | Annual Inflation Rate (percent) |
|---|---|---|---|
| January | 142.28 | -0.90 | 6.19 |
| February | 142.14 | -0.10 | 5.65 |
| March | 145.34 | 2.25 | 5.86 |
| April | 148.42 | 2.12 | 5.21 |
| May | 150.64 | 1.50 | 4.80 |
| June | 151.35 | 0.47 | 5.31 |
| July | 152.92 | 1.04 | 5.54 |
| August | 151.04 | -1.23 | 5.93 |
| September | 151.39 | 0.22 | 5.33 |
| October | 151.96 | 0.38 | 5.83 |
| November | 152.46 | 0.33 | 5.20 |
| December | 151.57 | -0.58 | 5.57 |

5 2024 Somalia Country Report by the International Monetary Fund.
6 Somalia: 2024 Article IV Consultations and 2nd Review Under the ECF (IMF Press Release)
7 Ibid.
8 Consumer Price Index, Somalia Bureau of Statistics
9 Somalia Country Report by the African Development Bank.
10 2024 Monthly CPI Report by Somalia National Bureau of Statistics.

# 1.4 Fiscal Balance

Somalia's fiscal deficit widened to 0.4% of GDP in 2024, financed by cash reserves held by the government. However, it is projected to shrink to 0.21% in 2025. This deficit has been driven by relatively high government expenditure compared to the available domestic revenue and grants.

The gap would have been wider without several tax policy and administration measures, established to finance the upcoming deficit highlighted in the mid-year fiscal review. These measures included strengthening of tax enforcement, digitalization of revenue collection and introduction of sales tax collection from the local markets in Banadir region.

Despite the challenges, the government achieved three important fiscal rules which are to:

1) Avoid accumulating domestic arrears throughout the fiscal year.
2) Maintain a budget deficit of less than 2% of the GDP and ,
3) Cover the compensation expenditure of all government employees for the first time in Somalia’s post conflict history. These achieved fiscal rules stem from Somalia’s post -HIPC fiscal sustainability, medium-term revenue roadmap and annual budgetary rules.

# 1.5 Financial Sector

The Central Bank of Somalia (CBS) continues to advance financial sector reforms and oversight. As of December 2024, Somalia’s financial sector comprised thirteen domestic commercial banks, one international bank branch, fifteen money transfer businesses (MTB), and five mobile money operators (MMO), representing over 90% of the mobile money market. All commercial banks, MTBs and MMOs have been subject to regular monitoring and supervision.

However, several financial institutions currently remain outside the regulatory scope of the CBS, these include 12 non-life insurance companies, 22 non-deposits taking microfinance institutions, and six money exchange bureaus.

In line with CBS's efforts to enhance financial system stability and integrity, the following sector data were recorded:

- Banking sector deposits stood at US$2.2 billion in 2024.

- In 2024, total inward transfers to Somalia amounted to $6.2 billion with $2.7 billion being remittance and held by households. According to the 2022 Somalia Household Budget Survey, 20.7% of households received remittances from abroad.

- The total value of reported mobile money transactions was US$12.7 billion. The same survey indicates that nearly 85% of individuals aged 15 and above own a mobile phone, reflecting strong market penetration.

CBS is also reinforcing the national payment infrastructure. The National Payment System (NPS), launched in Q2 2021, facilitates electronic interbank transactions through a CBS-managed clearing and settlement platform. By Q4 2024, over US$5.4 billion in transactions had been processed through NPS.

Currency reform remains a national priority, alongside efforts to sustain and deepen financial sector efficiency and inclusion. The reintroduction of the Somali Shilling aims to support the poorest segments of the Somali society, who have been largely excluded from the dollarized economy. Proposed amendments to the CBS Act will authorize the CBS to adopt currency board arrangement (CBA), supported by IMF program. The CBA aims to create a stable and predictable currency exchange policy framework to support confidence in the new Somali Shilling while safeguarding the purchasing power of vulnerable populations reliant on the Somali Shilling and ensuring the credibility of the new national currency.

# 1.6 Regional and Global Integration

Somalia's accession to the East African Community (EAC) in 2024, marks a significant milestone in its journey toward regional integration and economic development. This membership is expected to enhance the country's opportunities for trade, investment, and cooperation with neighboring countries, facilitating access to broader markets and improving investment and trade relations. As Somalia aligns its economic policies with EAC standards, it can benefit from the macroeconomic convergence, elimination of trade tariffs and increased foreign direct investment, which is crucial for infrastructure development and industrial growth. Although the current trade volume between Somalia and EAC member states remain limited- except with Kenya- removal of tariff is theoretically and practically expected to stimulate intra-regional trade. This would allow Somalia and its partners to leverage their respective comparative and competitive advantages.

Furthermore, enhanced trade relations within the EAC framework may lead to improved supply chain efficiencies and reduced costs for businesses, ultimately fostering a more competitive economic environment. It also presents an opportunity for both the broader East African market and the and the Somali business community in particularly, which currently faces barriers to regional trade. This regional integration not only supports Somalia's immediate economic objectives but also positions the country as a vital player in the East African economic landscape, enhancing its resilience against external shocks and promoting sustainable economic growth in the long term.

On the global trade front, the government of Somalia has made notable progress toward accession to the World Trade Organization (WTO). One key milestone was the updating of the Memorandum on the Foreign Trade Regime (MFTR), which now reflects the latest developments in the country's trade policies. The revised MFTR highlights the interconnectedness of trade facilitation with critical supporting elements such as customs procedures, standardization policies, and trade in goods and services.

These efforts are set to culminate in the first Working Party Meeting scheduled for early 2025—an anticipated step forward in Somalia's WTO accession process. This progress reflects extensive collaboration across various government institutions, ensuring the MFTR accurately represents Somalia's current economic and trade regime.

In addition, the Somali government presented the Legislative Action Plan (LAP), a comprehensive roadmap detailing the anticipated legal and regulatory frameworks necessary for the future implementation of WTO rules and standards. Somalia's progress in aligning with both WTO and East African Community (EAC) trade and customs requirements demonstrates a coordinated approach, as many of the legal and policy reforms are designed to promote shared objectives.

# 1.7 Somalia’s National Transformation Plan (2025-2029) – Macroeconomic Implications

Somalia has articulated its vision and development aspirations in the National Transformation Plan 2025-2029, with the Somalia National Development Plan 9 having reached the end of term. The document lays out a roadmap for improvements in public financial management (PFM), revenue mobilization and financial sector development, these being key priorities with macroeconomic and fiscal implications for Somalia. Below are major components relevant to Somalia’s macroeconomic fundamentals.

## Fiscal Management & Revenue Mobilization

Part and parcel of this component is the expansion of the tax base, the establishment of digital revenue collection and modernized tariffs in conjunction with the setting up of National Zakat and Waqf system. Increasing the revenue to 10% of GDP stands as Somalia’s ambitious goal towards realizing greater self-sufficiency. This will be undertaken in tandem with formalizing 20% of informal business and enacting robust PFM reform vis-à-vis intergovernmental fiscal coordination and public expenditure efficiency.

## Monetary Policy & Financial Sector Development

The concerted effort to mainstream use of the Somali Shilling, strengthening financial regulations and modernizing financial markets will be a cornerstone of the NTP’s goals as it relates to monetary policy and the financial sector, broadly.

# Enabling Environment for Investment and Private Sector Growth

The NTP has underscored the focus on private sector-driven economic growth through a multipronged approach:

1. Utilizing Somalia's extant endowments and comparative advantages, i.e. fisheries, agriculture & livestock.
2. Strengthen credit information databases and facilitate greater financial inclusion.
3. Leveraging PPP for infrastructure investment.

CHAPTER 02

# RESOURCE MOBILIZATION

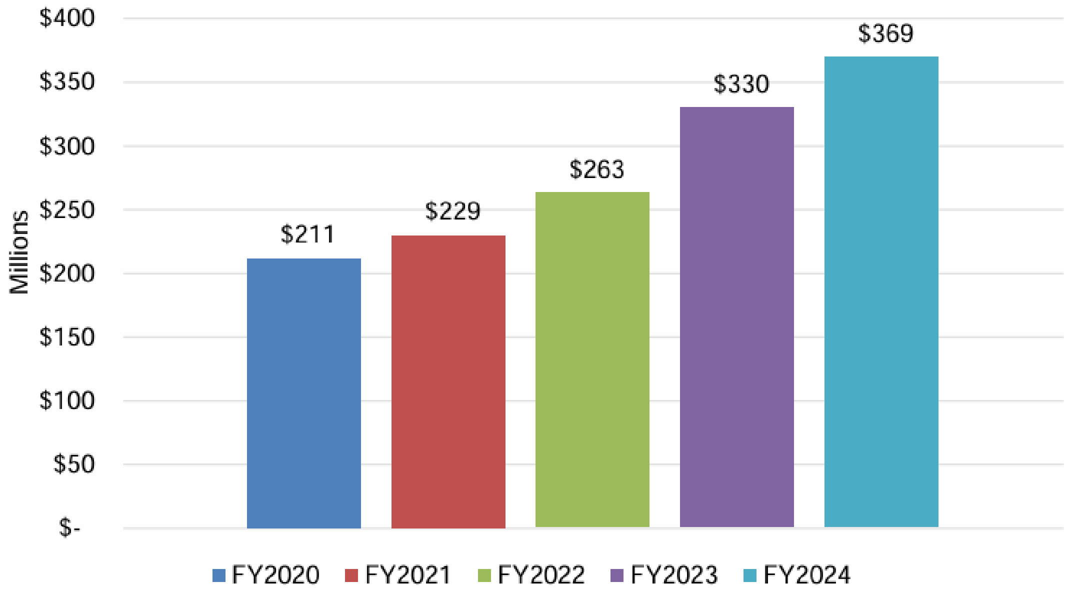
# 2.1. Overview of Domestic Revenue Performance

The federal government of Somalia registered the strongest performance in domestic revenue collection in 2024, collecting a revenue of $369.4 million, which by far has been the highest increase in the history of post-conflict era. This is up from $330 million in 2023, a 12% year-to-year increase, meaning an additional $40 million in revenues was raised. The Government surpassed its target of increasing domestic revenue by at least 0.3% of GDP annually, as the additional $40 million collected is equivalent to 0.36% of the estimated GDP for 2024. In terms of meeting set targets for the year, the revenue collections exceeded the 2024 target by 6.7% or by $23.35 million.

Notably, inland revenues outpaced customs revenues for the first time, with collections reaching approximately $200 million compared to $169 million from the customs. Key contributors to this success included a 48% growth in income tax driven by expanded taxpayer registration and digitization efforts, alongside a 13.3% increase in sales tax revenue facilitated by technology integration in sales made through mobile money transactions. Customs revenue also saw a 10% rise due to reforms and modernization initiatives. Additionally, other revenue sources, including stamp duties and road tax, increased by over 25%. While non-tax revenue collections remained stable, the Ministry is developing a non-tax revenue portal to boost future collections.

These achievements were also supported by a set of policy reforms, including strengthened legislative frameworks and regulations which helped to accelerate the implementation of tax policy instruments. In 2024, several critical bills aimed at modernizing and strengthening the country's revenue systems were either introduced or amended (expanded). Part of these legislative frameworks that were approved by the cabinet include: Income Tax Bill, the expansion of Sales Tax Act (1984), 2023, in addition to general Customs Regulations and Revenue Administration Regulations in 2024. The following figure shows the revenue trend over the past five years.

*Figue 1: Domestic Revenue (2020-2024)*

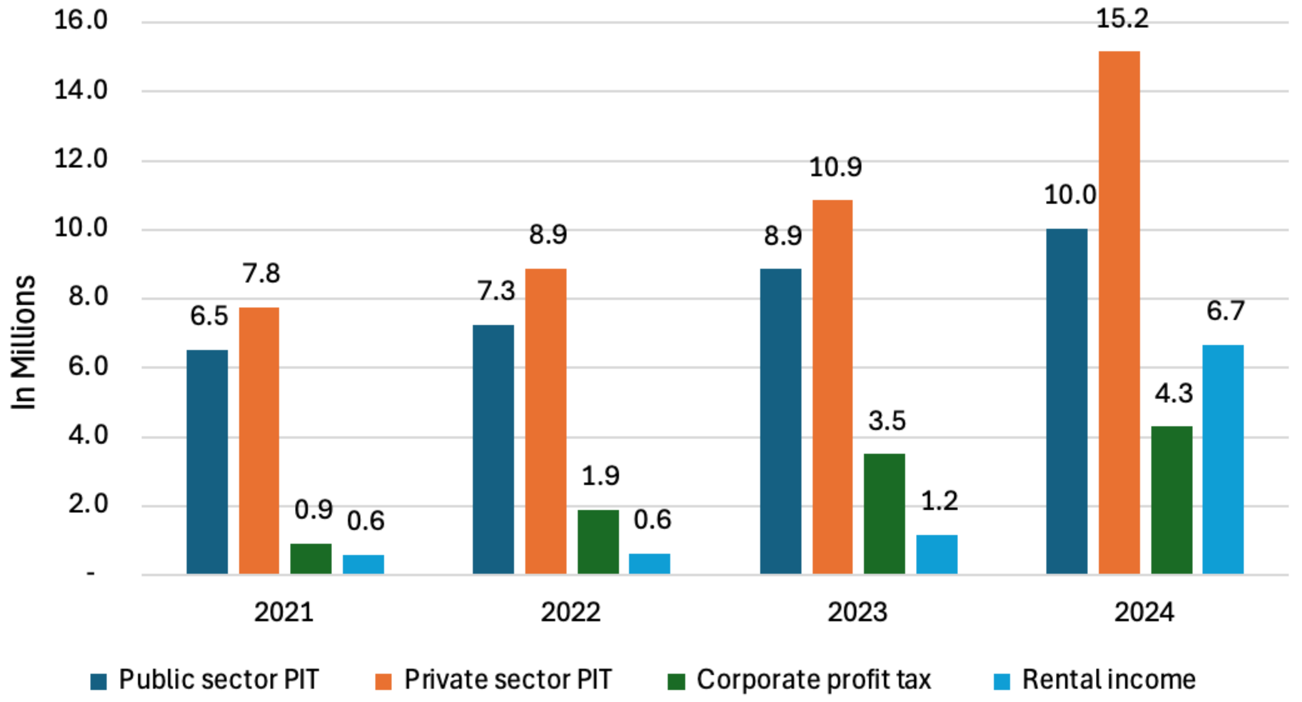



# 2.2. Detailed Discussion on Domestic Revenue Mobilization

## 2.2.1. Income Tax

The total income tax collections have increased from $24.4 million in 2023 to $36.2 million in 2024, which is a 48% growth. This total comes from individual income tax from both public and private sectors, taxes on the profit of corporations and rental income taxes from the rented business buildings and real estate businesses in the capital city. The increase was driven by improving the level of compliance resulting from two factors: (i) expansion of the income tax base through the registration of new individual and corporate taxpayers particularly from health and education sectors; and (ii) digitization of rental income tax collection which brought previously untaxed segment into the tax net. The rental income tax reform was an interlinked policy measure to digitize and expand the tax base at the same time, accelerating the collection from this revenue stream. The following figure presents the collections of personal income tax (PIT) from public and private sectors and income tax from corporate profits and rental buildings.

**Figure 2: Income Tax Collection by Category (2020-2024)**




## 2.2.2. Sales Tax

Sales tax revenue grew from $41.3 million in 2023 to $46.8 million in 2024, a 13.3% increase driven by the collections from imports. This strong performance was driven by efficiency in the collection of sales taxes at the port, the digitization of sales tax collection from Mogadishu local markets, and improvements in enforcement of sales taxes from airline tickets, telecommunication services and albeit modestly, collections from the electricity companies. Sales tax collection from the local markets has been significantly enhanced by technology, specifically through the ETAS system which has streamlined sales tax collection by applying the 5% tax deduction from the businesses utilizing merchant accounts on mobile payment platforms, thus enhancing compliance and increase in revenue collection.

11 This is the collection of sales taxes from the imports at the point of entry (Mogadishu port and airport).

Figure 3: Total Sales Tax Collected (in USD millions)

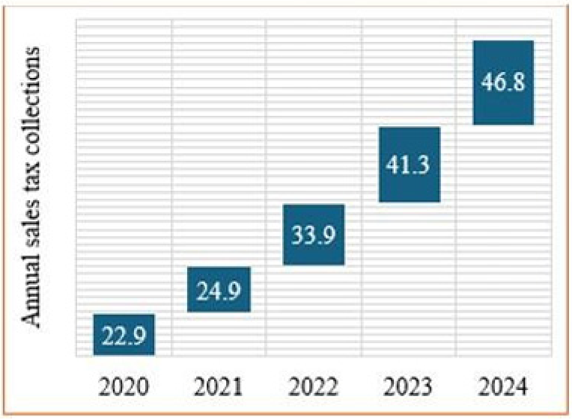
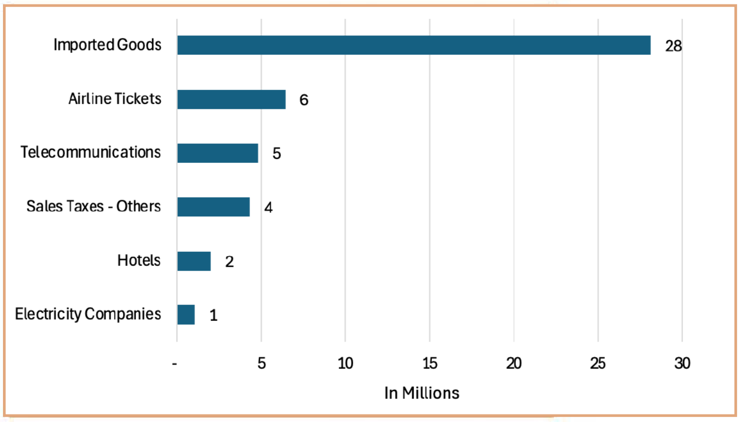



Figure 4: Primary Sources of Sales - 2024 (in USD millions)



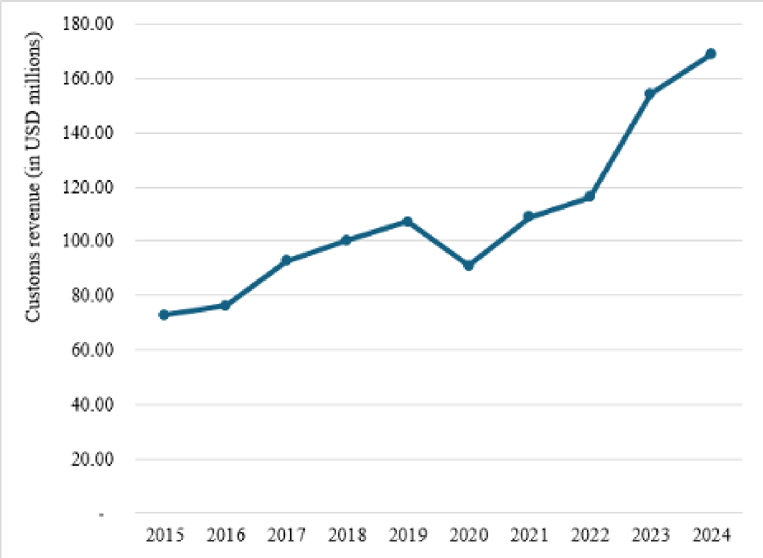

*Source: Ministry of Finance.*

## 2.2.3. Customs Revenue

Customs revenue increased from $154.1 million in 2023 to $169.2 million in 2024, a 10% increase. The increase stems from implementation of customs reforms and modernization measures, and continuation of customs automation efforts through SOMCAS. Most revenues are generated from food imports ($53 million), fuel ($25.9 million), construction materials ($20 million), Khat ($17 million), clothing and footwear (12.4 million), home appliances ($11.2 million), electronics ($9 million) and vehicles and their accessories ($7.3 million). These eight commodities dominate Mogadishu imports and account for more than 90% of customs revenues.

Customs operations have been slightly affected by the trade disruptions and supply chain disturbances linked to the Red Sea crises in 2024, following the conflict in Israel and Gaza. The impact was felt more acutely at Somalia's northern ports of Berbera and Bossaso more than at Mogadishu and Kismayo. Although overall customs revenue increased, these disruptions led to monthly fluctuations in the customs revenues due to delays of Red-Sea routed shipments from Brazil, Egypt and Turkey who are among the biggest trade partners of Somalia.

*Figure 7: Customs Revenue (2015-2024)*




*Source: Ministry of Finance.*

## 2.2.4. Non-tax Revenues

Non-tax revenues (NTRs) amounted to $102.6 million in 2024, a slight decrease compared to $104.8 million collected in 2023. The decline was primarily driven by a 7% drop in harbor fees due to reduction in ship arrivals at Mogadishu port, a 35.4% decline in telecom spectrum fees, a 5% decrease in visa fees, and 17.3% reduction from vehicle number plate registrations. Non-tax revenues are generally collected from user charges, as well as administrative and regulatory fees collected in collaboration with other MDAs. In 2024, the Ministry of Finance started developing a non-tax revenue portal (NTRP) which will be piloted and become operational in 2025. This will digitalize the payment process of user fees and regulatory charges, which is expected to enhance collections from Non-tax revenues.

### 2.2.5. Other Sources of Revenue

Other sources of revenue, including stamp duties, road tax, notary (property transfer taxes) and rents from public lands and buildings, increased from $11.7 million in 2023 to $14.6 million in 2024, reflecting an increase of 25%. This strong performance was primarily driven by improved compliance and digitization of road tax collection.

## 2.3. Essential Tax Reforms in 2024

The observed good performance in revenue collection stems largely from the development, adoption and implementation of the Medium-term Revenue Roadmap for 2024-2027. The roadmap was launched in June 2024. Key elements of the roadmap that emerged as key success factors in 2024 include the following:

- **Digitalization in domestic taxes:** This was an essential tax reform in 2024. This covers two main fronts. On the inland revenue fronts, key revenue streams, including sales tax, taxation for road use, and rental income tax have been automated, while the establishment of a non-tax revenue portal was started. FGS introduced a digital system for the collection of the sales tax in late 2024, which facilitated real-time sales reporting and automatic tax deductions from purchases through mobile money services. Moreover, two new but all integrated into tax systems for rental income and road taxes have been operationalized yielding significant revenue increases in the respective tax sources and strengthened tax administration processes. In the two latter systems all data of rental properties and vehicles in the capital city of Mogadishu were made available for the tax administration to use and enforce for collection.

- **SOMCAS – Somalia's Customs Automated System:** A customs history started with manual operations and evolved through Excel spreadsheets and a local area network (LAN) which developed into a simple database of Port Customs Management Information System (PCMIS) has finally turned into SOMCAS. In 2024, the federal government of Somalia has undertaken the most significant works of this system including completion of vital modules, training of the customs officials and traders, data migration from PCMIS and readying the system for full operation. SOMCAS introduces several crucial digital features and processes to support comprehensive customs clearance, including handling of cargo and goods declarations, assessment of duties, taxes, and fees, streamlined payment and accounting procedures, risk management, valuation tools, uploading ability and data capture and reporting module (SCSP 2024) . Beyond technical solution, SOMCAS is a symbol of Somalia's commitment to effective digital governance, trade facilitation, and regional integration through technology interface.

- **Tax and customs administration:** Enforcing new regulations on tax penalties for non-compliance, particularly tax underreporting and provision of misleading information in tax returns. This work partly demanded partnering with regulatory authorities including fiscal police to combat tax non-compliance. Hence, our tax administrators have been enabled to detect many tax evasion trials upon which, wrongdoings of the taxpayers have been faced with taxpayer assistance and education, while intentionally tax avoiders have been penalized after verifying their misleading and underreporting. It's the enforcement that assisted the Ministry to commence the sales tax expansion, reach out to the rented properties across Mogadishu, ensure vehicles pay the road taxes, and deploy the new tax systems. Furthermore, taxpayer education has been intensified through provision of direct assistance to taxpayers while paying taxes, publication of key legal and information documents on the Ministry website, providing guiding video clips (through social and traditional media) on how to file returns and pay taxes. Furthermore, the government utilized public-private dialogue to engage taxpayers and has particularly been instrumental in rolling out sales tax to the local markets in Mogadishu, finalization of the income tax bill, and validation of medium-term revenue roadmap.

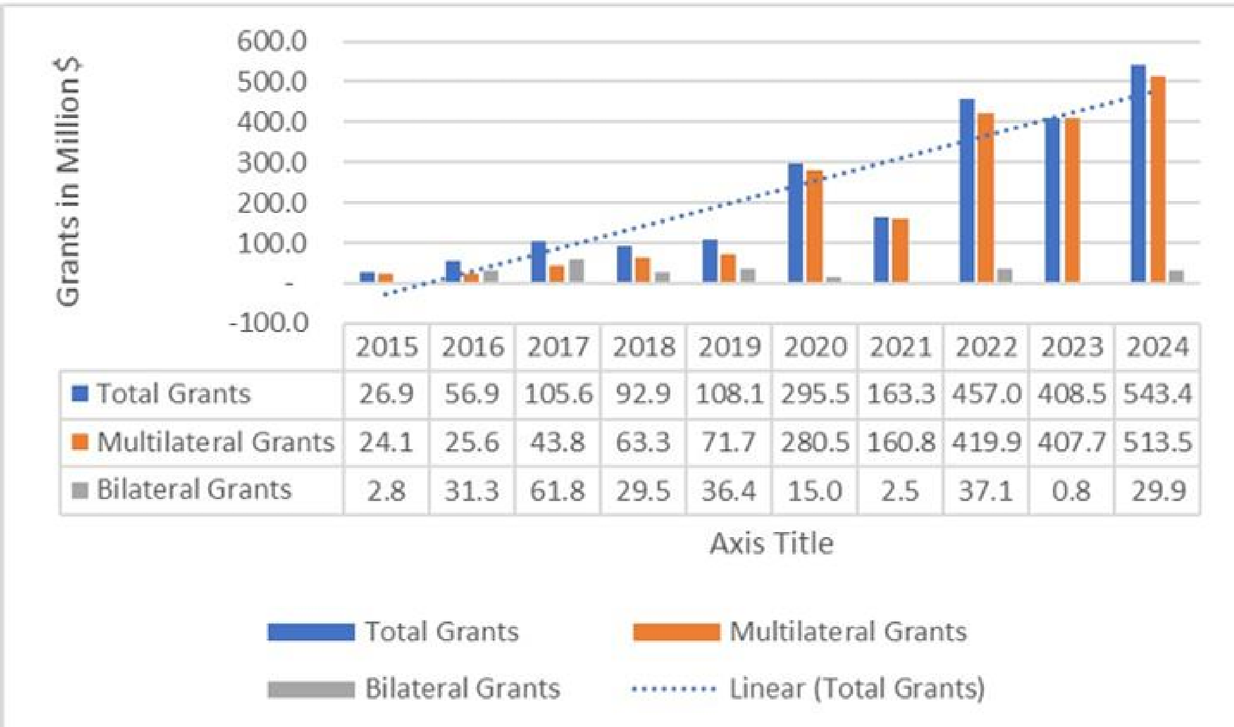
- **Legislation reforms:** the federal government of Somalia has introduced amendments to the sales tax law to expand the sales tax base to the local markets (as an attempt to tax the legally exempted business transactions). The goal of this policy and legal reform was revoking concessions arranged to a wide range of businesses, most of which were mainly operated by the by the state enterprises between 1970 and 1980s, the time most of Somalia tax laws were enacted. Beyond this, FGS has issued regulations regarding revenue administration, and customs enabling the tax administrator's further enforcement power. Moreover, extractive industry fiscal regime regulation was issued to complete the fiscal legal framework for the petroleum sector. Ultimately, the completion of a new income tax bill and tabling to Parliament in mid-2024 was another legislative milestone after engaging the business community. The bill was enacted in early 2025.

# 2.4. External Resource Mobilization

The government of Somalia mobilized a total of $543.36 million from external sources to supplement the financing of the 2024 budget. This represents 78.2% of the resources that were targeted to be received from external sources such as the EU and World Bank in 2024. While external grants fell short of the expected amount in 2024, it still marked a significant 33.0% increase compared to the grants received in the previous year. Bilateral grants amounted $29.86 million (43.8% of target) whereas multilateral grants (project support) amounted to $513.5 million (82% of target).

This increase is attributed to the Ministry's efforts to ensure timely follow-up on both bilateral and multilateral donors to expedite the disbursement of committed on-budget support. In the case of multi-lateral donors, particularly the World Bank and African Development Bank, this involved close coordination with beneficiary MDAs to ensure the implementation of triggers/actions agreed with the donors for the funds to be released. In 2024, the rate at which we received bilateral donor support for budget assistance increased to 40% up from just 3% in 2023. This notwithstanding, there is more that needs to be done to improve project planning and management to be able to increase disbursement and impact of donor supported projects.

*Figure 8: External Grants Allocated by Category (2015-2024)*




| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Grants | 26.9 | 56.9 | 105.6 | 92.9 | 108.1 | 295.5 | 163.3 | 457.0 | 408.5 | 543.4 |
| Multilateral Grants | 24.1 | 25.6 | 43.8 | 63.3 | 71.7 | 280.5 | 160.8 | 419.9 | 407.7 | 513.5 |
| Bilateral Grants | 2.8 | 31.3 | 61.8 | 29.5 | 36.4 | 15.0 | 2.5 | 37.1 | 0.8 | 29.9 |

*Source: Ministry of Finance.*

CHAPTER 03

# BUDGET PREPARATION AND EXECUTION

# 3.1 Overview

Significant strides were made in 2024 to strengthen Somalia's fiscal management and enhance public financial accountability. Through key reforms and targeted initiatives, the government has improved both budget execution and transparency. Project fund absorption rates increased from 54% in 2023 to 75% in 2024, injecting an additional $61.2 million into the Somali economy and generating $1.84 million in tax revenue. Progress was also noted in improving budget transparency, with Somalia's Open Budget Index score increasing from 3% in 2019 to 37% in 2023.

# 3.2 Key Achievements

## 3.2.1 Budget Preparation

The Ministry successfully prepared the 2025 Federal Government of Somalia (FGS) budget on time. Budget preparation is one of the Ministry's core responsibilities and is carried out in close coordination with government Ministries, Departments, and Agencies (MDAs). This process involves providing guidance on resource allocation to ensure that effective and impactful budgets are developed. The 2025 budget was finalized and approved by Parliament on 7 November 2024—three weeks ahead of the deadline set by the Public Financial Management (PFM) Act.

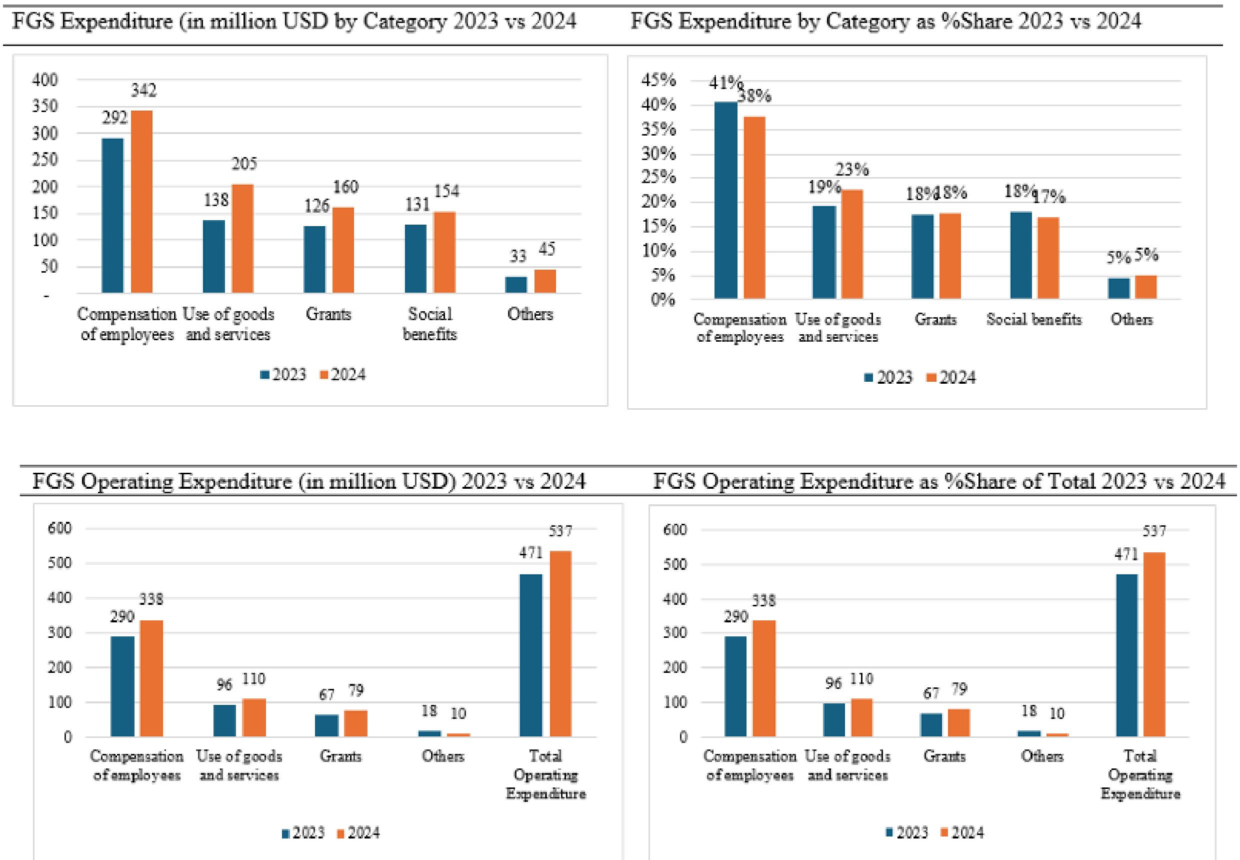
In compliance with the PFM Law, all three mandatory budget documents were produced and published on the Ministry of Finance (MOF) website. These included the 2025 Budget Strategy which outlined the Government's plans for revenue collection and expenditure and how these could influence growth of Somalia's economy in 2025 and the medium term; the 2025 Budget Framework Paper (BFP) which provided the background to the 2025 budget indicating how the resources were allocated to the various areas and sectors to help achieve the growth targets; and the Citizens' Budget Bulletin which presented a shortened version of the 2025 budget in a simple, jargon-free user-friendly language that can best be understood by all categories of citizens.

The Ministry also enhanced budget transparency through inclusive stakeholder consultations during the budget formulation phase. A total of 507 participants took part in these discussions, representing FGS and Federal Member State (FMS) MDAs, the private sector, civil society organizations (including youth and women's groups), and academia. This inclusive approach is expected to improve Somalia's standing in the Open Budget Index (OBI), particularly in the area of public participation. For the past six years, Somalia has scored zero in this category—not due to the absence of public involvement, but due to poor timing of consultations. In 2024, this issue was addressed, and the upcoming OBI scores are anticipated to reflect this progress.

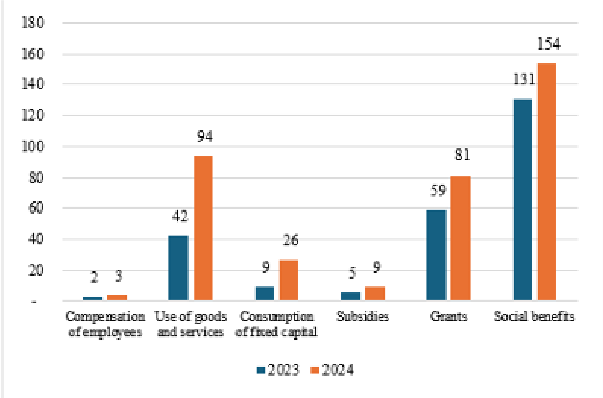
# 3.2.2 Budget Execution

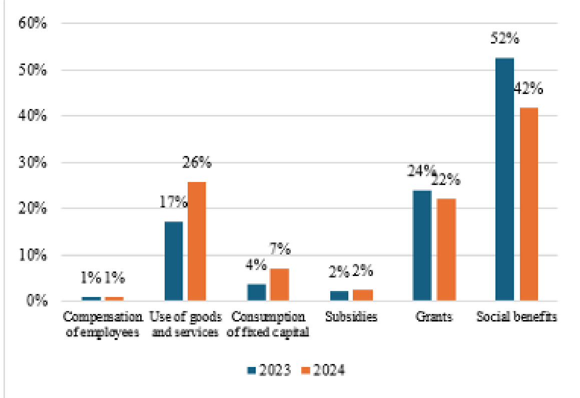
Overall budget execution improved from 78.5% in 2023 to 83.9% in 2024. The FGS expenditure outturn was $905.2 million representing 83.9% of the appropriation for 2024. In 2023, actual expenditure was $720.2 million which was 78.5% of the revised appropriations. Budget execution for local FGS funds (that is, expenses financed from domestic revenue and budget support) was 91.2% compared to 93.7% in 2023. In the case of donor projects, budget execution was 75.1% in 2024 compared to 54% in 2023.

*Figure 9: Public Expenditure by Category (2023-2024)*



| Composition of Donor Projects Expenditure (in million USD), 2023 vs 2024 | Composition of Donor Projects Expenditure as %Share), 2023 vs 2024 |
|---|---|




*Source: Ministry of Finance.*

The Ministry continued to support MDAs in delivering their planned services throughout 2024. This facilitation included several key actions:

i. Processing a total of 3425 expenditure warrants amounting to $895 million (an average of about 285 warrants a month) to enable MDAs access funds to undertake their planned activities.
ii. Processed payments amounting to $744.86 million to enable MDAs procure their approved goods, works and services.
iii. Provided information to MDAs on funds available to them for spending (allotments and commitment ceilings) every quarter to guide and enable them plan properly the delivery of their mandates. These achievements reflect the Ministry’s improvements in inter departmental coordination within the Ministry of Finance. They also reflect the Ministry’s commitment to achieving effective cash flow planning, monitoring and man agement to facilitate MDAs’ planning of activities and procurement of inputs for effec tive service delivery and to avoid disruption in implementation of MDAs’ plans once they have been started.

In 2024, the Ministry re-introduced program-based budgeting (PBB) methodology to improve productivity of public expenditure (both recurrent and capital) by linking budget allocations to planned results. PBB is also expected to assist in identifying the likely budget needs of MDAs in a manner which supports the efficient allocation of resources and on a basis which reflects FGS priorities. Additionally, PBB will also strengthen budget transparency by making public spending, its objectives and results clearer to the public. The FGS first piloted program-based budgeting (PBB) in 2020, but the trial was partially successful. The lessons learnt during the first trial were embraced and used to inform the plans to reintroduce the reform in 2024. PBB is now being reintroduced in the 2025 budget process, which is a key milestone. As announced in the (Budget Framework Paper) BFP for 2025, the plan is to present a revised budget in 2025 with PBB-based appropriations for 12 pilot entities.

12 This number excludes payments to FMSs in form of transfers/grants

The Ministry also provided strong support to donor-funded projects in 2024 to enhance both the execution of planned activities and the absorption of allocated funds. Beyond processing expenditure warrants to facilitate project spending, the Ministry closely monitored the projects' budget execution rates. This included regular reviews of quarterly expenditures against annual budgets and recommending adjustments to improve delivery and fund utilization. In terms of impact, projects' funds burn rate has improved from 54%  in 2023 to 75% in 2024, which has enabled about an additional $61.2 million to be injected in the Somali economy and about $1.84 million received as tax revenue from this improved project spending.

For the first time since the establishment of the Federal Government of Somalia there was no revision of the annual budget appropriations. This reflects the commitment and resolute of the FGS and the Ministry of Finance to improve budget planning, execution and credibility across all Government MDAs and in protecting the integrity of original budget allocations. This notwithstanding, a total of 57 MDAs (out of the 70 MDAs) were supported in effecting minor expenditure reallocations (with little impact on expenditure composition) to enable the 57 MDAs seamless implementation of their activities and ensure operational flexibility without compromising the structure or intent of the original budget.

## 3.2.3 Payroll Management

In 2024, the Ministry of Finance ensured the timely payment of all civil servant salaries, marking a significant achievement in public sector financial management. This success was supported by a comprehensive personnel database that provides an updated and verified list of staff across all Government Ministries, Departments, and Agencies (MDAs) for each pay cycle.

To further strengthen payroll integrity, the Ministry conducted regular payroll audits aimed at eliminating ghost workers and identifying potential weaknesses in payroll control systems. These efforts contributed to enhanced efficiency, transparency, and accountability in public sector compensation.

## 3.2.4 Procurement

The Ministry of Finance continued rolling out and ensuring the implementation of the Procurement Act across all Government MDAs. This has contributed to the ongoing improvements in contracting practices in MDAs and improving value for money in public procurement. The Procurement Department of the Ministry provided hands-on support to MDAs throughout the procurement cycle—including the preparation of bid documents, issuance of tenders, and ensuring bid evaluations were conducted in full compliance with the Procurement Act. These efforts have strengthened procurement capacity and promoted consistency in procurement standards across government entities. The Ministry of Finance is advocating for and has also registered improvements in enforcing competitive tendering for large procurement contracts to improve value for money and to reduce Government expenditure. The Inter-Ministerial Concessions Committee (IMCC) has played an active oversight role, ensuring adherence to due process and advocating for full compliance with the Procurement Act. Key procurement information also continued being made available to the public through the Ministry website.

13 This is based on assumption that about 3% of donor funds injected/spent in the economy is extracted as tax (paye, sales tax on supplies paid from donor funds, etc).

## 3.2.5 Accounting

In line with the requirements of the Public Financial Management (PFM) Act, the Ministry of Finance—through the Office of the Accountant General—compiled and submitted the Federal Government of Somalia's (FGS) unaudited financial statements for the fiscal year ending 2023 on time. The statements were officially submitted to the Office of the Auditor General on 15 April 2024, meeting the legal deadline of four months after the close of the fiscal year.

This timely submission reflects the Ministry's ongoing commitment to strengthening financial accountability, transparency, and compliance with statutory reporting obligations.

## 3.2.6 Fiscal Reporting

In 2024, the government prepared and published a comprehensive set of fiscal and budget performance reports, all in a timely manner and in accordance with transparency standards. These included: the end-2023 budget performance report, a mid-year budget review report, and four in-year fiscal and budget performance reports. The reports essentially provide a snapshot of the budget's implementation during the year. Budget performance reports were published on the Ministry website, whereas the fiscal reports were published on the Accountant General's website. These reports are expected to further improve Somalia's s tanding on the international scene, increasing its visibility and governance scores as measured by the Open Budget Index (OBI). The OBI scores are assessed every two years, and the 2024 report indicated Somalia had improved from 3% in 2019 to 20% in 2021 and to 37% in 2023. These gains reflect the government's ongoing efforts to strengthen public financial management and increase accountability.

## 3.2.7 Asset Management

In 2024, significant progress was made in strengthening Somalia's asset management framework. The Ministry prepared and implemented national asset management guidelines and regulations, ensuring standardized practices across government entities. Training sessions on national asset management processes were conducted for project implementation units within the Somali government.

Additionally, the asset management module of the Somalia Financial Management Information System (SFMIS) was reformed, leading to the accurate recording of government-held assets. To enhance financial oversight, the public asset management system was integrated with the payment system to ensure proper expenditure tracking for fixed assets.

The Ministry implemented a reform that mandates tagging and registration of government-imported vehicles by the National Assets Department prior to customs clearance. This system has significantly improved asset visibility and accountability mechanisms.

The Ministry also initiated the development of a comprehensive register of FGS fixed assets, including land, to document their usage and age. The register is expected to be completed in 2025, after which it will be updated annually and published on the Ministry's website.

CHAPTER 04

# PUBLIC FINANCE MANAGEMENT

# 4.1 Overview

Key reforms under PFM aimed at strengthening fiscal responsibility and improving governance structures. In 2024, several critical bills aimed at modernizing and strengthening the country's financial systems were introduced. Part of these legislative frameworks that were approved by the cabinet include: Amendment to Part Six of the Public Procurement Act, 2016 (Public-Private Partnership Framework), AML/CFT Amendments Bill, Insurance Bill, Financial Institutions Amendment Bill, PFM Regulation on Debt Policy Parameters and Procedures for Borrowing and Issuance of Guarantees, 2024, Audit Act Regulation, 2024.

# 4.2 Key Achievements

## 4.2.1 Public Investment Management

The Ministry of Finance is actively enhancing the government's capacity to improve the identification, appraisal, selection, budgeting, implementation, and impact evaluation of public investment projects. These efforts aim to facilitate a gradual increase in public investment over time, especially as the Federal Government of Somalia (FGS) scales up spending on public investments to spur economic growth and improve the delivery of public goods and services.

To support this initiative, the Ministry is working towards creating a systematic structure and defined mandate for managing the public investment project cycle. This includes revising the Public Financial Management (PFM) Regulations to strengthen the framework for public investment management processes. The revisions focus on enhancing procedures for identifying, appraising, prioritizing, selecting, budgeting, implementing, and monitoring and evaluating investment projects funded by the national budget.

Additionally, a new decree has been issued that outlines key parameters for debt policy. The PFM Regulation on Debt Policy Parameters and Procedures for Borrowing and Issuance of Guarantees, 2024, establishes comprehensive guidelines for public debt management, including borrowing policies and the issuance of guarantees. This robust framework is designed to ensure responsible management of public resources and enhance the government's ability to undertake significant investment projects.

### 4.2.1 Public-Private Partnership Framework

The Ministry of Finance is working to enhance its public investment management capacity, particularly regarding the assessment and management of projects funded through public private partnerships (PPPs). The Ministry is committed to establishing a strong legal and institutional framework to ensure that these projects are executed effectively while minimizing fiscal risks. Amendment to Part Six of the Public Procurement Act, 2016 (Public-Private Partnership Framework) establishes a legal framework for public-private partnerships to promote infrastructure development, improve service delivery, and enhance resource efficiency. The Ministry is working to facilitate the adoption of the Regulation for Managing Public-Private Partnership (PPP) projects following the enactment of the Public Private Partnership Framework under the Public Procurement Act, and work on its implementation.

### 4.2.2 Integration of Payroll Management

Significant progress has been made in payroll management, with the full integration of all compensation of employees into the SFMIS payroll module. This integration has effectively reduced the ratio of non-payroll compensation payments to total compensation, thereby s trengthening payroll integrity and expenditure controls.

### 4.2.3 Fiscal Reporting and Transparency

The Ministry has made strides in fiscal reporting by regularly publishing the annual financial s tatements of the Federal Government of Somalia since 2019. This practice has been expanded to include aggregated fiscal reports that incorporate the budgets of Federal Member States, reinforcing the commitment to fiscal transparency.

### 4.2.4 Tax Exemption Reform Initiative

In 2024, the Ministry of Finance launched significant reforms aimed at enhancing transparency, accountability, and efficiency in the administration of tax exemptions. These reforms introduced a robust reporting framework that institutionalizes oversight at various levels of government:

- Weekly Tax Exemption Reports disseminated to the Cabinet
- Monthly Reports submitted to the Auditor General
- Quarterly Reports presented to the Federal Parliament

To promote transparency and public accountability, all quarterly reports for both 2023 and 2024 were published on the Ministry's official website, ensuring open access to fiscal data. In accordance with the Public Finance Management Act, the Ministry oversaw tax exemptions amounting to $17,542,314. in 2024, driven in part by the scale of humanitarian assistance required in response to severe climatic shocks, prolonged droughts, and heightened security needs resulting from intensified operations against Al-Shabaab

Looking ahead, the Ministry plans to introduce a Tax Exemptions Manual in 2025. This manual will provide clear procedural guidelines, standardize exemption processes across institutions, and further strengthen governance and consistency in the application of tax exemptions.

## 4.2.5 Intergovernmental Fiscal Federalism

The Government has continued the intergovernmental fiscal federalism forum discussions that brings together Finance Ministers from the FGS and FMS and Deputy Governor responsible for finance at the Banadir Administration. These forum discussions are aimed at strengthening the financial cooperation and coordination, facilitate discussions and agreements on the sharing of shared resources, public finance management, and harmonization of revenues and taxes to ensure equitable resource allocation and improved fiscal management. In 2024, the federal government and member states have agreed on various elements of fiscal federalism. On the revenue front, the Intergovernmental Fiscal Federalism (IGFF) committee completed the policy paper regarding the operationalization of NCC agreement, agreed on sharing mechanisms of performance-based grants, and adopted a policy to unify Taxpayer Identification Number TIN structure. The forum furthermore agreed to implement the sales taxes at the state level.

The forum has established mechanisms to improve public sector accounting and reporting by implementing unified charts of accounts and adoption of a harmonized fiscal reporting format. Both FGS and FMS Ministries of Finance and Banadir Regional Administration have improved compliance with participation of eligibility criteria by submitting fiscal reports in line with disaggregated requirements for consolidation and ensuring their publication online.

More importantly, the federal government has begun to work towards rolling out the successful reform initiatives to the FMS(s) and started sharing the experience of tax administration and auditing at the FGS level. In addition, the forum agreed giving priority to building the local governments’ fiscal capacity building and inclusion of such discussions into the forum.

Somali Customs Automated System is extended to Jubaland's two major ports of entry; the seaport and airport of Kismayo. This sets up the first comprehensive automation achievement of its type in Jubaland. In Puntland, customs officials were trained for duty assessment, manifest uploads, data capture and reporting, and physical examination. Once the possibility is provided, SOMCAS will be immediately launched in Puntland and other federal member states accordingly.

This fiscal year, the FGS made fiscal transfers to the FMS government based on the agreed grant formula which is a big milestone in further advancing transfers based on reform priorities. These fiscal federalism discussions, agreements and decisions have come through the 17th intergovernmental fiscal federalism technical committee (IGFF-TC) and 22nd Finance Ministers Fiscal Forum (FMFF) meetings.

# 4.2.6 Mutual Evaluation

Somalia has made notable strides in aligning its financial regulations with international s tandards, particularly through its first FATF Mutual Evaluation, which began in February 2024. The evaluation included a Technical Compliance Assessment conducted by MENAFATF, highlighting areas of compliance as well as those requiring improvement. These findings were incorporated into the revised AML/CFT Act, which has been submitted to Parliament for review. Additionally, the most recent National Risk Assessment (NRA) helped inform updates to the AML/CFT Act, further strengthening Somalia's compliance framework and addressing systemic vulnerabilities.

The mutual evaluations are significant in that the exercise enables Somalia to align with International Standards and demonstrate its commitment to global financial integration by adhering to FATF guidelines, enhancing its reputation in the international financial community. This progress also positions Somalia to attract correspondent banking relationships by showcasing its compliance, transparency, and strong governance. This will also strengthen partnerships with MENAFATF member states, fostering mutual legal assistance and greater cooperation in combating financial crimes. These advancements open avenues for enhanced cross-border collaboration on financial disruption strategies and asset recovery.

The National Anti-Money Laundering Committee (NAMLC) continues to meet regularly to track updates on the Mutual Evaluation and to monitor the Financial Disruption Strategy. Somalia is also in the process of undergoing its first National Terrorist Financing Risk Assessment led by Financial Reporting Centre (FRC). The assessment uses a methodology developed by the World Bank to better understand the country's risk profile for Terrorist Financing, as well as to implement recommended actions to improve the government's s trategy on Terrorist Financing.

## 4.2.7 Targeted Financial Sanctions

In accordance with United Nations Security Council Resolution 1373, Somalia established its first targeted financial sanctions regime in 2024. The Targeted Financial Sanctions Act of 2023 empowers the National Anti-Money Laundering and Counter-Terrorism Financing Committee (NAMLC) to impose targeted financial sanctions against individuals and entities suspected of financing terrorism. In 2024, the NAMLC disseminated a list identifying seventeen individuals suspected of financing Al-Shabaab.

Somalia's Targeted Financial Sanctions aim to disrupt terrorism financing by freezing assets, restricting transactions, and banning individuals and entities suspected of supporting groups like Al-Shabaab from using the financial system. Enforced under the Somali Targeted Financial Sanctions Act and overseen by the National Anti-Money Laundering and Counter-Terrorism Financing Committee (NAMLC), the measures align with international standards, including those of the Financial Action Task Force (FATF). The sanctions list, designated individuals and organizations face travel bans and financial restrictions, with the goal of weakening the operational capacity of terror networks and enhancing national and regional security.

CHAPTER 05

# DEBT MANAGEMENT AND SUSTAINABILITY

# 5.1 Overview

Somalia has faced significant challenges with external debt, which totaled USD 5.3 billion over the years. In 2023, the nation successfully reached the Completion Point of the Heavily Indebted Poor Countries (HIPC) debt relief initiative. Through various reforms, Somalia attained the status of debt forgiveness. This Completion Point marked a pivotal moment for the country, alleviating US$ 4.5 billion of debt and reducing the debt-to-GDP ratio from 64% to under 6% by the end of 2023.

In 2024, the Ministry was focused on working on the cancellation and negotiations with external creditors building on the successes from the last few years. The Ministry continues its efforts to finalize agreements with remaining Paris club members and multilateral and bi-lateral non-Paris Club creditors, aiming for comprehensive debt resolution.

# 5.2 Debt Relief Process

In 2024, the Ministry has accomplished significant achievements, specifically in debt relief negotiations and the execution of the ‘Paris Club Agreed Minutes’ dated March 13, 2024, and as well as the common reduction factor outlined in the Decision and Completion Point Document. Key milestones reached during this period include.

## 5.2.1 Engagements with Paris Club Creditor Nations

Following the attainment of the HIPC Completion Point on December 13, 2023, the Ministry of Finance proactively engaged with the Paris Club Secretariat and the respective creditor countries of Paris Club members to address the remaining outstanding debt owed to Paris Club creditors. After extensive negotiations, a consensus was reached on March 13, 2024, whereby these creditor nations agreed not only to provide full HIPC debt cancellation but also to offer additional debt relief beyond HIPC treatment. It is important to highlight that Somalia's debt to the Paris Club amounted to over $3.1 billion.

## 5.2.2 Implementation of the Paris Club Agreed Minutes of March 13, 2024

In line with the Paris Club Agreed Minutes of March 13, 2024, the Ministry has finalized and signed debt cancellation agreements with all Paris Club creditor countries, with the exception of Spain, where discussions are still ongoing.

The table below provides a summary of the current progress regarding the implementation of Articles II and IV of the Paris Club Agreed Minutes dated 13 March 2024.

| S/N | Creditor | Date of Contact | Implementation of Paris Club Agreed Minutes | Current Status |
|---|---|---|---|---|
| 1. | UK | June 19, 2024 | The British Embassy in Somalia formally shared a Note Verbal dated April 7, 2024 to cancel all outstanding debts to Somalia. | Completed. |
| 2. | USA | June 19, 2024 | Bilateral agreement was signed on August 24, 2024. | Completed. |
| 3. | Norway | June 19, 2024 | The Ministry of Foreign Affairs of the Royal Norwegian Government formally shared with us a letter dated August 28, 2024, decision to cancel all outstanding debts to Somalia. | Completed. |
| 4. | Netherlands | June 19, 2024 | Bilateral agreement was signed on August 30, 2024. | Completed. |
| 5. | Denmark | June 19, 2024 | Bilateral agreement was signed on September 14 2024. | Completed. |
| 6. | Japan | June 19, 2024 | Bilateral agreement was signed on November 7, 2024. | Completed. |
| 7. | France | June 19, 2024 | Bilateral agreement was signed on December 2, 2024. | Completed. |
| 8. | Russia | June 19, 2024 | Bilateral agreement was signed on December 10, 2024. | Completed. |
| 9. | Spain | June 19, 2024 | Terms of the agreement remain unresolved. The Spanish Government proposes to cancel up to 60% of the outstanding debt and the remaining 40% allocated to provide through a debt swap program. On August 4, 2024, the Ministry of Finance wrote to the Spanish government requesting the full cancellation of the debt in accordance with the terms set forth with other Paris Club creditors. No response as of now. | Ongoing.. |

### 5.2.3 Debt relief Agreements with Non-Paris Club and Multilateral Creditors

On June 25, 2024, during the OPEC Fund Development Forum held in Vienna, Austria, the Ministry signed a debt relief agreement with the OPEC Fund, amounting to $36 million, facilitated by a bridge loan from the Kingdom of Saudi Arabia. Similarly, on July 16, 2024, a debt relief agreement was successfully concluded with the Islamic Development Bank, settling a $28 million debt stock.

### 5.2.4 Coherent Debt Negotiation Strategy

In accordance with Article III of the Paris Club Agreed Minutes of March 13, 2024, the Federal Government of Somalia continues to engage, in good faith, with the remaining Non-Paris Club and multilateral creditors.

To advance this objective, the government has developed a formal debt negotiation strategy focused on:

- To ensure implementation of the principle of comparability of treatment, securing equivalent debt reduction from remaining bilateral non-Paris Club, multilateral, and commercial creditors.
- Aligning terms with the relief already extended by Paris Club participants under the Enhanced HIPC framework.
- Strengthening Somalia's fiscal sustainability through equitable burden-sharing across all creditor categories.

### 5.2.5 Timely Debt Servicing and Arrears Prevention

The Ministry ensured that all scheduled payments in 2024 were made on time, with no arrears incurred. The government remains resolute in its commitment to meeting debt obligations as they become due.

### 5.2.6 Debt Reporting and Transparency

Publication of the Quarterly Public Debt Bulletin: The Ministry continued to publish the quarterly Public Debt Bulletin on its website, fulfilling an IMF requirement and reinforcing transparency and accountability.

## 5.2.7 Planned Activities for 2025 and Beyond

1. Negotiations with remaining creditors: The Ministry's Debt Management Unit (DMU) will continue discussions with outstanding creditors to settle arrears and reach final agreements.
2. Development of a Medium-Term Debt Management Strategy (MTDS): To implement the recent debt management reforms and strengthen the key debt policy framework, the Ministry will develop a Medium-Term Debt Management Strategy (MTDS) for the years 2025–2029. Once finalized, the MTDS will be submitted to Cabinet for approval. These efforts will help mitigate risks, reduce macro-financial vulnerabilities and support the development of a robust government securities market.
3. Development of the Annual Borrowing Plan (ABP): A draft Annual Borrowing Plan will be prepared and coordinated with the MTDS to ensure strategic and coordinated borrowing.
4. Development of the Annual Debt Management Report (ADMR): DMU will prepare and publish an Annual Debt Management Report on the Ministry's website in line with IMF recommendations, as this is a structural requirement agreed with the IMF and is due to be published on April 30, 2025.
5. Preparation of the Debt Sustainability Analysis (DSA): The DMU will prepare the DSA in collaboration with other MOF departments to assess the country's debt sustainability.

# 5.3 Extended Credit Facility Program

The Extended Credit Facility (ECF) program envisages to support the Government's post-HIPC reform strategy to further strengthen key economic institutions and promote macroeconomic stability and inclusive and sustainable growth, in line with Somalia's national transformational plan and the government's long-term vision. The ECF program initially supported the Government's effort to gain debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. This program was significant as it marked a milestone in Somalia's efforts to stabilize its economy and pursue debt relief. A new 3-year program was approved in December 2023 to build on progress so far and seek to advance reforms to strengthen key economic institutions and promote inclusive growth.

As a result of the Government's commitment to advancing key reforms under the IMF-supported program, all structural benchmarks due for the first and second review in 2024 have been implemented and met all quantitative performance criteria and indicative targets. The Government's reform momentum has been sustained and performance under the Fund-supported Extended Credit Facility arrangement has been strong, despite difficult domestic and regional conditions. Key fiscal targets were met, with steady progress on legislation and reforms to raise domestic revenues, enhance public financial management, and build debt management capacity. Continuing fiscal reforms, including to strengthen domestic revenue mobilization, is important, especially given the prospects of declining external grants and the large social and development spending needs.









CHAPTER 06

# DEVELOPMENT FINANCE

# 6.1 Overview

In recent years, Somalia has made notable progress in rebuilding its economy and strengthening core institutions, despite persistent challenges such as climate shocks, widespread poverty, and fragile infrastructure. This progress reflects a whole of government approach, with various ministries, departments, and agencies (MDAs) playing a crucial role in advancing sector specific programs aligned with national development goals.

Government ministries and agencies including those responsible for health, education, labor and social affairs, planning, energy and water resources, agriculture, and livestock among others are working collectively to drive sectoral progress and national development. At the heart of these efforts, the Ministry of Finance plays a central role in the coordination, and fiduciary oversight of development financing, ensuring that resources are aligned with national priorities, effectively delivered through government systems, and implemented in a way that promotes policy coherence and cross sectoral impact.

Development finance in this context primarily refers to grants and financial support provided by bilateral and multilateral partners, which are managed through government institutions. At the same time, significant development assistance continues to be delivered outside government systems, particularly through the United Nations and other international organizations. These parallel financing channels remain an important complement to government led efforts, contributing to broader development objectives in Somalia.

Somalia's two largest multilateral partners, the World Bank and the African Development Bank (AfDB), play a central role in supporting national priorities. The overall development finance portfolio stands at around 2.9 billion dollars, and has developed over time. Together, the AfDB and World Bank finance more than 40 active projects across key sectors, including governance, resilience, infrastructure, energy, health, education, social protection, and job creation. The AfDB's support includes initiatives aimed at improving public financial management, enhancing domestic revenue mobilization, strengthening institutional capacity, and investing in critical infrastructure and employment programs.

The World Bank's portfolio adopts a similarly comprehensive approach that encompasses human capital development, economic and financial inclusion, infrastructure, disaster preparedness, and public sector reform. These investments have contributed to tangible gains in service delivery, especially in education, healthcare, and social safety nets, while also supporting long-term institutional resilience.

In addition to the World Bank and AfDB, other key partners such as the European Union, Norway, Sweden, and the United Kingdom provide essential development financing, often through multi-donor trust funds that promote alignment, coordination, and harmonization with national systems.

This chapter highlights the key focus areas and achievements in Somalia's development finance landscape in 2024, underscoring the collective impact of government leadership, sectoral implementation, and partner support in advancing the country's path toward stability, resilience, and inclusive growth.

# 6.2 Human Development and Social Protection

Human development and social protection remain at the heart of Somalia's development strategy, with investments targeting health, education, and safety nets. These initiatives aim to empower youth, nurture a skilled workforce, and break cycles of poverty.

## 6.2.1 Health

The health sector achieved major milestones in 2024, including the renovation of more than 300 facilities across the Federal Member States, equipped with essential supplies. The Essential Package of Health Services (EPHS) was expanded to district hospitals and maternal and child health centers, strengthening the delivery of primary healthcare and improving health outcomes nationwide.

To complement these infrastructure upgrades, the sector has focused on capacity building for healthcare workers. Through the Marwo Caafimaad program, 1,370 female health workers were recruited and trained, delivering community-based care to more than 75,000 households with children under five. The program is on track to reach 1,500 trained workers by year's end, significantly reinforcing the frontline health workforce.

Emergency response capacity has also been bolstered. Seven Critical Care Units were upgraded across key regional hospitals in Banadir, Martini, Kismayo, Garowe, Adado, Baidoa, and Jowhar. Four oxygen plants and three CT scan machines were installed in Banadir, Martini, and Garowe hospitals, while ten fully equipped ambulances were deployed to regional facilities. Nine emergency health centers, including cholera and maternal/child units, were rehabilitated, and specialized training programs were rolled out for emergency and critical care staff. Together, these efforts are transforming the country's ability to respond to both routine needs and crises.

Digital health systems have advanced in parallel, with the introduction of tools such as ODK and e-learning platforms with plans to transition to the Health Management Information System (HMIS), creating a stronger framework for data-driven health planning and oversight.

## 6.2.2 Education

Education reforms in 2024 prioritized access, equity, and quality. More than 2,000 young women were awarded higher education scholarships in fields ranging from health and education to business and public administration, directly addressing gender disparities in higher education and the workforce. At the same time, 52,000 students benefitted from school grants designed to reduce financial barriers, supporting retention and completion rates.

Decentralization reforms advanced with the establishment of five National Secondary School Certificate centers, bringing essential services closer to communities. Intergovernmental coordination forums helped solidify collaboration between the federal and state levels, producing three functional assignments that clarified roles and responsibilities in education delivery.

Improving instruction quality remains a cornerstone of the Government's reform. In 2024, the recruitment and training of 2,600 teachers began, a critical investment in raising teaching standards. Collectively, by focusing on both access and quality, these measures are laying the groundwork for a more educated and skilled workforce, which is essential for Somalia's long-term development.

## 6.2.3 Social Safety Nets

The Baxnaano program continued to serve as Somalia's flagship social safety net initiative, delivering sustained support to 200,000 poor and vulnerable households with children under five for more than three years. The cash transfers have eased extreme poverty while also enabling household to meet their basic needs and uptake of essential health and nutrition services.

In 2024, the program broadened its scope, initiating linkages with health, education, and employment to address the structural drivers of poverty and vulnerability. Preparations began for a health and nutrition conditional cash transfer and an economic inclusion pilot in Banadir, marking an important shift toward integrated, long-term poverty reduction.

The Unified Social Registry (USR) also expanded, registering more than 106,000 new households in 2024 to reach a total of 536,000 nationwide. Plans are underway for a nationwide scale-up to 2.2 million households, ensuring social protection programs are targeted more precisely and can deliver timely support during crises.

# 6.3 Economic Growth and Livelihoods

Stimulating inclusive economic growth and expanding livelihoods are essential to Somalia's poverty reduction strategy. In 2024, progress focused on strengthening MSMEs, augmenting priority economic sectors of Somalia, namely livestock and fisheries sector, by mobilizing support for livestock and fisheries businesses.

## 6.3.1 Financial Inclusion and MSME Support

The Gargaara loan facility has been pivotal in providing credit to MSMEs, creating employment opportunities and supporting their growth. The facility disbursed nearly $20 million in financing to 1,171 MSMEs, including 567 female-led enterprises, generating approximately 15,000 jobs. By providing access to affordable capital, this initiative is not only expanding business activity but also advancing gender equality, with women increasingly contributing to enterprise growth and job creation.

## 6.3.2 Livestock and Fisheries Sector Development

In 2024, there has been notable strides in strengthening the livestock sector which is one of the country's most vital economic pillars. Key interventions focused on improving animal health, expanding market infrastructure, and enhancing the resilience of pastoral communities. More than 160,000 animals benefitted from veterinary care through nationwide programs aimed at improving livestock health and increasing the commercial value of herds.

To support trade and market access, a modern livestock market was established in Galmudug State, providing pastoralists with better facilities to enhance market access and trade opportunities. In a parallel effort to build climate resilience, nearly 12,000 pastoralists were insured against drought in the DRIVE project in 2024, while also facilitating their access to bank accounts, embedding resilience and financial inclusion in pastoralist communities.

The fisheries sector under the SCRP realized significant progress as well, with more than 3,400 coastal households being equipped with fishing kits across Puntland, Galmudug, Hirshabelle, Benadir, and Southwest State, revitalizing household-level production. A national registry also documented 10,884 individual fishers and 2,627 vessels, which is a crucial step toward licensing, traceability, and safety at sea.

Investments also strengthened the cold chain: 11 refrigerated trucks, 40 mobile kiosks, solar-powered ice-making units, and other preservation equipment were supplied to cooperatives, reducing post-harvest losses and improving market competitiveness.

# 6.4 Infrastructure and Digital Transformation

## 6.4.1 Urban Infrastructure

Urban infrastructure and resilience advanced through the Somali Urban Resilience Project (SURP), with 31.4 kilometers of roads completed in Garowe, Kismayo, and Baidoa, and an additional 157 kilometers underway under the SURP and AFDB funded projects. In Garowe and Baidoa, 2,150 housing units were built and title deeds issued to internally displaced households, anchoring long-term security and dignity for vulnerable communities. Other pipeline projects including public parks, sewage systems, and solar-powered street lighting will further enhance urban livability and resilience.

## 6.4.2 Digital Transformation

The Ministry of Commerce and Industry developed a business e-registration platform, which has registered 5,020 companies to date. This platform streamlines business registration, promotes entrepreneurship, and helps create a more conducive environment for business and investment by simplifying the process of starting and formalizing businesses.

In parallel, the National ID Authority registered more than 97,000 citizens, with plans for a nationwide rollout in 2025. This is a milestone in building a national digital identity system that aims to improve governance and service delivery. To further safeguard the country’s ongoing digital transformation, Somalia established and launched the Data Protection Authority (DPA), a key institution designed to strengthen trust, ensure responsible data governance, and reinforce confidence in the nation’s emerging digital ecosystem.

# 6.5 Resilience and Climate Adaptation

## 6.5.1 Water Access and Drought Mitigation

In response to recurrent droughts and chronic water scarcity, Somalia has scaled up investments in water infrastructure to expand access and strengthen resilience. In 2024, eight new hafir dams were constructed and ten rehabilitated, providing clean water to more than 71,000 people in drought-affected rural communities. Building on this progress, irrigation systems covering 27,000 hectares of farmland were restored in Jowhar, Baidoa, Afgoye, and Kismayo boosting agricultural productivity and resilience in drought-prone areas.

Looking ahead, the groundwork has been laid for groundwater-based supply schemes, combining the rehabilitation of existing water points with the construction of new deep boreholes. These projects also include training on water management and conservation, helping communities to make the most of their resources. By promoting su ainable water use, these initiatives are helping to build resilience to future droughts and climate shocks. Additionally, the projects are being implemented with a focus on community involvement, ensuring that local populations are actively engaged in the planning and management of water resources.

## 6.5.2 Flood Response and Agriculture Recovery

Flood resilience measures were scaled up, with 17.4 kilometers of river breakages rehabilitated across Hirshabelle, South West State, and Jubaland, significantly reducing the risk of flooding and displacement for tens of thousands of households along the Shabelle and Juba rivers. Institutional preparedness was improved through strengthened hydrometeorological services and the development of a regulatory framework for early warning systems. Community-Based Disaster Risk Management was also advanced, embedding local ownership and early action capacity.

On recovery, more than 39,000 farmers received seeds, tools, and irrigation equipment, while 78,000 households benefitted from livestock vaccination and feed distribution. Rehabilitation of water supply and sanitation systems reached 52,000 people, reducing exposure to drought and waterborne disease during crises.

# 6.6 Governance and Institutional Strengthening

## 6.6.1 Public Financial Management

Public financial management reforms deepened in 2024. The Ongoing reforms are focused on strengthening and supporting the government's management of public resources. This includes improving public financial management, domestic revenue mobilization, and public service management. A scholarship program supported 23 civil servants to pursue Master's degrees in Malaysia, Kenya, Uganda, and Ghana, building expertise in revenue mobilization and fiscal policy was introduced in 2024. Additionally, integrated financial systems including ITAS, HRMIS, and expansion of the Somalia Financial Management Information System (SFMIS) to the state level are also under development, laying the groundwork for more transparent, accountable, and efficient governance.

## 6.6.2 National Statistical System

The national statistical system has been significantly strengthened, leading to enhanced production of national data which is essential for informed policymaking and evidence-based governance. The countyr's statistical capacity has improved markedly, with the World Bank's Statistical Performance Indicators score rising from 19.6 in 2019 to 49.7 in 2023. A notable achievement in 2024 was the completion of the Somali Integrated Business Establishment Survey, producing high quality data for national accounts and economic planning. Institutional and technical capacity within the National Bureau of Statistics (NBS) has continued to improve, supported by enhanced digitalization and training which expanded the availability of key socioeconomic and poverty data, underpinning evidence-based decision-making across government.

# 6.7 Energy Sector Developments

## 6.7.1 Energy Sector Development

The government is working on revitalizing the energy sector to expand access to affordable and sustainable electricity. Sub-transmission and distribution networks are being upgraded in Mogadishu and Hargeisa, while renewable energy solar and battery storage is being integrated to reduce reliance on diesel. Efforts are also underway to merge electricity distributors, improving efficiency and affordability. Public institutions, particularly schools and health centers, are being prioritized for electrification, ensuring that essential services are resilient and communities benefit directly from cleaner power sources.

# Conclusion

Somalia's development finance strategy reflects a coordinated, whole-of-government approach that links human development, social protection, economic growth, infrastructure, resilience, governance, and clean energy into a single framework for inclusive progress. Supported by the World Bank, AfDB, and other key partners, these investments are transforming institutions, strengthening communities, and positioning Somalia on a path toward sustainable growth, stability, and improved quality of life for all citizens.

CHAPTER 07

# OUTLOOK FOR 2025

# 7.1. Macroeconomic Outlook

The growth trend is expected to maintain its momentum in 2025. It is expected to reach 4% driven by a rebound in agricultural production and exports, anticipated increase in domestic consumption, increased foreign direct investment in the post-Heavily Indebted Poor Countries (HIPC) period and a projected rise in remittances due to easing global inflation.

Inflation is projected to moderate to 3.9% in 2025, down from 4.1% in 2024, following global trends of reduced inflationary pressures. The trade volume is expected to go back to normal, expecting the Red Sea crises to be resolved due to ceasefire agreements in the Middle East. This will mitigate the supply chain disruptions that was experienced in Somalia's north trade corridors in 2024. As part of macroeconomic stability, the expected increase in revenues and grants will fuel an increase in government and private sector consumption.

# 7.2. Fiscal Policy

Fiscal policy in FY2025 will be guided by the National Transformation Plan (NTP), Centennial Vision economic agenda, Medium-Term Fiscal Framework and Medium-Term Revenue Roadmap. Particularly, the fiscal policy will be guided the following fiscal rules with objectives to:

- Digitalization of sales tax, road tax and rental income tax revenue collections
- Increase domestic revenue to cover operating expenditures of the FGS by 2027
- Increase domestic revenue to GDP ratio by 0.3 percentage points annually over the medium term.
- Prioritize expenditure interventions that are expected to have high multiplier effects on economic growth.

Another front is working towards complying with the macroeconomic convergence criteria for the East African Community, starting with the criteria of (1) fiscal deficit ceiling of 3% of GDP and ceiling on gross public debt of 50% of GDP in net present value terms. The fiscal deficit is projected at 0.21% of GDP, down from 0.31% in 2024. This aligns with country's fiscal rules and commitment to keep the fiscal deficit low compared to the GDP.

## 7.3. Revenue Projections

Total government revenue and grants is expected to increase by jumping from 1.04 billion in 2024 to $1.32 billion in 2025. This represents 27% of year-on-year growth and 9.84% of GDP. This growth will be driven by:

- Domestic revenue growth of 24.3% to $430.3 million, coming from tax revenue increases from $241.4 million in 2024 to $295.3 million and non-tax revenue growth of 28.9%.
- Grants from international donors will contribute $903 million, consisting of $167.9 million in direct budget support and $735.1 million for project-based funding. These grants mainly come from multilateral organizations with considerable amount bilaterally anticipated.

Domestic revenue mobilization efforts in 2025 will be pioneered by improved tax enforcement and compliance, introduction of digital systems for revenue collection e.g., POS gadgets, non-tax revenue portal (NTRP), modernization of tax and customs administration and implementing various tax measures introduced in the Medium-Term Revenue Roadmap (MTRR) for 2024-2027.

## 7.4. Government Expenditure

Total government spending is projected at $1.36 billion, a 25.9% increase from $1.08 billion in 2024. Key areas of spending include as shown below.

Financing security and stability: the budget prioritizes defense and security to eliminate the armed terrorist groups opposing Somalia's complete stability and recovery. This priority is not only seen as foundation for economic growth but also as an opportunity to expand the tax base by making ease of reaching out to new businesses and taxpayers.

Public sector reforms: in 2025, the Federal government of Somalia will undertake various measures to improve efficiency, coordination, and fiscal transparency. The federal budget earmarks a significant portion of the allocation to finance the public administration reforms outlined in the NTP and other sectoral strategies and plans.

Social safety net: there is about $77 million earmarked for social safety net. This program will continue to assist more vulnerable families in their struggle to secure their daily living and necessities. The program is financed through Baxnaano, which is a government-led cash transfer program aimed at supporting vulnerable families.

Human capital development: Somalia has increased spending on education by 47% (including hiring 3,000 new teachers) and healthcare by about 75% . This stems from the national transformation plan, centennial vision and various interlinked economic, social and development policies owned by the respective ministries.

Infrastructure financing: in 2025, capital expenditure (CAPEX) is set to triple to $164.8 million, with a hybrid financing; significant share funded by donor projects and supported by the government contribution. This is part of a policy initiative to focus public investment in the near future.

# 7.5. FGS Fiscal Framework FY2025

Below is a snapshot of the federal government's fiscal outlook in 2025:

*Table 2: Fiscal Outlook 2025*

| In US$ Million | 2022 Actual | 2023 Actual | 2024 Actual | 2025 Budget | Change in Amount | Change % | Share % |
|---|---|---|---|---|---|---|---|
| **1. Revenue and grants** | **721.9** | **737.2** | **912.8** | **1,333.4** | **292.5** | **28.1%** | **100%** |
| **Domestic Revenue** | **262.7** | **329.5** | **369.4** | **430.3** | **84.1** | **24.3%** | **32.3%** |
| **Taxes** | **181.7** | **224.6** | **266.8** | **295.3** | **53.9** | **22.3%** | **22.1%** |
| Tax on income, profit and capital gain | 18.7 | 24.4 | 36.2 | 38.0 | 14.8 | 63.8% | 2.9% |
| Taxes on goods and services | 25.8 | 38.6 | 46.8 | 56.1 | 9.5 | 20.3% | 4.2% |
| Taxes on international trade and transactions | 116.2 | 154.1 | 168.9 | 186.2 | 21.7 | 13.2% | 14.0% |
| Other taxes | 21.1 | 7.6 | 14.6 | 14.9 | 7.9 | 111.9% | 1.1% |
| **Other revenue** | **81.0** | **104.9** | **102.5** | **135.1** | **30.26** | **28.9%** | **10.1%** |
| **Donor revenue** | **459.2** | **407.7** | **543.4** | **903.0** | **208.4** | **30.0%** | **67.7%** |
| Budget support | 177.9 | 130.5 | 513.5 | 167.9 | -17.1 | -9.2% | 12.6% |
| Project support | 281.3 | 277.2 | 29.9 | 735.1 | 225.5 | 44.2% | 55.1% |
| **2. Expenditure** | **731.4** | **720.3** | **905.2** | **1,358.7** | **279.4** | **25.9%** | **100%** |
| **Operating expenditure** | **456.5** | **468.2** | **537.3** | **623.6** | **53.9** | **9.5%** | **45.9%** |
| Compensation of employees | 257.9 | 290.1 | 338.2 | 364.3 | 7.5 | 2.1% | 26.8% |
| Use of goods and services | 93.6 | 92.6 | 110.2 | 132.7 | 17.2 | 14.9% | 9.8% |
| Consumption of fixed capital | 7.8 | 5.2 | 2.4 | 15.2 | 4.0 | 35.8% | 1.1% |
| Interest and other charges | 12.7 | 13.2 | 7.5 | 13.8 | 4.0 | 40.8% | 1.0% |
| Grants | 84.5 | 67.1 | 67.1 | 92.5 | 19.3 | 26.3% | 6.8% |
| Other expense (Contingency) | - | -.0 | - | 5.00 | 2.0 | 66.7% | 0.4% |
| **Donor-funded Special projects** | **274.9** | **252.1** | **367.9** | **735.1** | **225.5** | **44%** | **54.1%** |
| Compensation of employees | 1.6 | 2.1 | 3.4 | 5.3 | 1.2 | 30.0% | 0.4% |
| Use of goods and services | 47.1 | 45.6 | 94.3 | 259.2 | 50.3 | 24.1% | 19.1% |
| Consumption of fixed capital | 5.4 | 9.2 | 26.1 | 164.8 | 112.2 | 213.3% | 12.1% |
| Interest and other charges | -.0 | -.0 | - | -.0 | - | 0.0% | 0.0% |
| Subsidies | 5.1 | 5.4 | 9.0 | 13.3 | 0.1 | 0.9% | 1.0% |
| Grants | 26.7 | 59.2 | 81.4 | 147.0 | 1.8 | 1.2% | 10.8% |
| Social benefits | 188.9 | 130.6 | 153.8 | 77.0 | -8.6 | -10.0% | 5.7% |
| Other expense | -.0 | | - | 68.4 | 68.4 | 0.0% | 5.0% |
| **3. Balance** | **-9.5** | **16.9** | **7.6** | **-25.4** | **13.1** | **-34.1%** | **0.0%** |

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