Federal Government of Somalia Macro-economic Working Group (FGS MWG)

The Federal Government of Somalia (FGS) has received support from the World Bank to build capacity of the Macro-economic Working Group (MWG) under the Somali Integrated Statistics and Economic Planning Capacity Building Project. The main objective of establishing the MWG is to ensure that Somali Civil Servants have the required capacity to prepare critical documentation and policies within the next two years (by end of 2023) and to ensure that such capacity is developed in a sustainable way.

The establishment of the MWG will also ensure close collaboration between the key economic agencies of the FGS in conducting economic analysis, formulation of policies, and in preparation and production of key policy and planning documents such as the Budget Strategy Paper and the National Development Plan.

Official Launch of the Macro-Economic Working Group

The Macro-economic Working Group (MWG) was officially inaugurated in September 2021 at Decale Hotel Mogadishu, Somalia by the Vice-Minister for Finance Dr Abdullahi Sheikh. The MWG brings together the Government's Macroeconomic and Fiscal Programming Agencies namely: The Ministry of Finance; the Ministry of Planning, Investment and Economic Development; Central Bank of Somalia; and Somalia National Bureau of Statistics.

The MWG Terms of Reference include:

- Capacity development for key personnel within FGS and FMS line ministries in economic analysis
- Establishing a framework for data compilation for use in economic analysis and forecasting
- Identifying and carrying out research activities on various economic, fiscal, trade, financial, global, and regional topics to improve economic analysis and provide policy recommendations and advice
- Facilitating knowledge sharing, exchange best practices and experience between MWG, MDAs and FMS
- Participate in the development of medium-term macroeconomic models and other forecasting tools
- Production of Quarterly and Annual Reports on the State of the Economy
- Contribute to the preparation and production medium term macro fiscal framework, Budget Review and Outlook Paper (BROP) and Budget Strategy Paper (BSP)
- Contribute to the preparation of National Development Plan (NDP)
- Liaising with Development Partners in reviewing and aligning Country Assistance Strategies with national priorities outlined in the national development plan and other government policy documents

MWG Capacity Building Activities and Accomplishments

Since its inauguration, various training, and capacity building activities for the MWG have been undertaken including:

Macro-Economic Working Group Training Workshop Held in Nairobi 13th -17th December at the Royal Tulip Canaan Hotel

A total of 23 participants representing different FGS MWG institutions attended the training workshop. The workshop's main objective was to build capacity of the MWG to prepare key policy documents such as economic outlook and budget strategy papers. Participants were provided with training materials in both hard and soft copies at the start of the workshop. The training workshop covered several areas and topics including:

- Overview the of the macroeconomy and key macroeconomic variables and concepts
- Data requirements of the MWG and macro-economic models and forecasting tools
- Medium Term Expenditure Framework (MTEF) budget preparation process and preparation of the Annual Budget
- Preparation of Budget Review and Outlook Paper (BROP) and Budget Policy Paper (BPS)

The training methodology and workshop activities included:

- Presentations and Q&A sessions conducted by consultants and resource persons
- Group working sessions and exercises and
- Presentations of Group Assignments by the MWG members
- Plenary discussions

During the workshop MWG members produced the following documents:

- Reviewed and finalized the MWG Terms of Reference
- The Key MWG outputs and deliverables
- Outline of the State of the Economy Paper


SISEPCBP
Macro Economic Working Group Training Workshop
THE WORLD BANK
13th - 17th December 2021, at Royal Tulip Canaan, Nairobi

Macro-Economic Working Group Workshop Decale Hotel, Mogadishu
29th March 2022

The workshop was officially opened by Dr Abdullahi Sheikh Vice Minister of Finance. At total of 22 participants from different MWG institutions attended the workshop. The senior officials who present were the Director General Ministry of Planning, Investment and Economic Development (MoPIED); Director Economic Affairs and Planning Ministry of Finance; Director of Planning (MoPIED); Director Monitoring and Evaluation (MoPIED); and Director Research Department Central Bank of Somalia.

The workshop provided a forum for MWG members and institutions to review the first draft of the FY 2021 Budget Review Outlook Paper (BROP) during a plenary session where participants had an opportunity to provide comments on the draft paper. Among the key issues discussed were:

- Challenges relating to availability of data required for analysis of recent economic and fiscal performance
- The need to ensure uniformity of data used by different MWG institutions
- Low Absorption of donor project funds in for some projects and the factors explaining the low absorption
- Evaluation of the performance of the MWG since its inception
- The need to ensure closer and better coordination between the different MWG institutions
- Way forward in finalization of the FY 2021 BROP


Face to face

Other MWG Training and Capacity Building Activities

The following MWG training and capacity building activities were also undertaken on different occasions over the February to July 2022 period through meetings, workshops, and online training:

- Training on forecasting real and nominal GDP for Ministry of Finance and Central Bank of Somalia
- Training on improvement and forecasting of Balance of Payments for Research Department Staff of the Central Bank of Somali
- Updating recent economic performance using administrative and Leading Economic Indicators for Ministry of Finance, Central Bank of Somalia, and Somalia National Bureau of Statistics
- The Role of Budget Execution Institutions in preparation of the Budget for staff of the Office of the Accountant General, Ministry of Finance
- Data requirements for production of State of the Economy Paper, BROP, BSP and other policy documents for staff of all MWG intuitions