Quartley Public Debt Bulletin
(Quarter I, 2025)

Debt Management Unit
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Contents

1. Quarter I, 2025. Progress in Debt Management issues:

In this quarter, from January to March 2025, the Government of Somalia remained committed in implementing its debt relief strategy and engaging with its remaining bilateral and multilateral creditors to secure the appropriate debt relief within the frameworks of the Paris Club Agreed Minutes of March 2024 and the Enhanced HIPC Initiative.

Status of Negotiations:

Since the last quarter, the Debt Management Unit (DMU) has continued its efforts to conclude debt relief agreements aimed at settling the outstanding arrears with the remaining non-Paris Club bilateral creditors and other multilateral creditors, as well as Spain's outstanding debt in accordance with the Paris Club Protocol of March 13, 2024 and the enhanced Heavily Indebted Poor Countries (HIPC) framework. The ongoing engagement and discussions with various creditors have yielded significant progress and report the key milestones achieved during this period:

a) On February 11, 2025, during the World Government Summit and Arab Fiscal Forum held in Dubai, United Arab Emirates (UAE), the Ministry signed a debt relief agreement with the Abu Dhabi Fund for Development. This agreement features a 40-year repayment schedule, including a 16-year grace period, with deferred interest on the rescheduling agreement for five years, with the first deferred interest payment scheduled for February 1, 2029.
b) In the meantime, a technical virtual meeting involving the DMU and the Spanish team took place on April 10, 2025, where discussions focused on the potential for reaching an agreement regarding the debt swap proposal. During this meeting, a preliminary suggestion was made by the Somali officials for a grace period of no less than five years, accompanied by a longer maturity period and token payments following the grace period. The Spanish

team expressed a willingness to consider our proposal but recommended that an official request be submitted by the Government to the Spanish authorities.

c) Furthermore, follow-up communication was sent with the remaining multilateral and bilateral non-Paris Club creditors to settle the outstanding arrears; no response was yet received from these creditors. However, we are committed to continue our efforts to settle the outstanding arrears with the remaining creditors.

d) The Debt Management Unit (DMU) finalized an agreement with the Arab Monetary Fund (AMF) to secure debt relief aligned with the Heavily Indebted Poor Countries (HIPC) Initiative. After extensive engagement and technical discussions, the agreement terms were brought into conformity with the HIPC framework and existing agreements with similarly ranked creditors. The agreement was signed.

It is important to note that the data presented in this bulletin pertains exclusively to the Federal Government's external Debt. At present, Somalia has not issued domestic securities, undertaken domestic borrowing, or provided any government guarantees.

2. Somalia’s stock and flow data, QI, 2025

Stock of debt at end of Quarter I, 2025:

Somalia's current debt portfolio consists solely of external debt, which is categorized into multilateral and bilateral creditors, along with a single loan from a commercial lender in Serbia. The largest group of creditors for Somalia is comprised of bilateral creditors.

The total debt portfolio amounted to USD 1.4 billion at the end of the first quarter of 2025. Of the existing debt portfolio, multilateral creditors accounted for 46 percent of the total at USD 585.05 million. The largest creditors in this category are the Arab Fund for Economic and Social Development (AFESD), Arab Monetary Fund (AMF), and International Monetary Fund (IMF), in that order. Debt to bilateral creditors amounted to USD 827.32 million, with non-Paris Club creditors accounting for almost 94 percent of bilateral debt. The main non-Paris Club creditors include mainly Arab creditors such as the Abu Dhabi Fund, Government of Iraq, Kuwait and the Saudi Fund. The ONLY remaining Paris Club creditors are Spain and Russia (blocked funds and short-term debt). The commercial loan to a Serbian company amounted to USD 2.70 million.

Somalia’s debt portfolio is still characterized by a sizeable amount of debt in arrears. There are remaining arrears mainly with non-Paris Club and one multilateral creditor which represented approximately 34 percent of the total outstanding debt of the country. The Government is committed to engaging its non-Paris Club and remaining multilateral creditors in order to secure comparable debt relief treatment and the Common Reduction Factor outlined in the HIPC Decision Point Document. There is one claim considered commercial debt which was originally contracted with a SOE in the former Yugoslavia. The Central Bank of Serbia, however, notified the Debt Management Unit that it is in the hands of a commercial company. A comprehensive overview of the debt stock as of the end of Quarter I, 2025, is presented in Table 1, while Table 2 outlines the arrears stock at the same date.

Table 1. Somalia Stock of debt at the end of Q I, 2025.

Creditor Category / Creditor Name	2025 - Q1			
	Face Value	Interest Arrears	Other Fee Arrears	Total Debt Stock
GRAND TOTAL	**1,067.07**	**235.67**	**112.37**	**1,415.11**
Commercial	**1.51**	**1.19**	**-**	**2.70**
Government of Serbia	1.51	1.19	-	2.70
Multilateral	**457.10**	**127.94**	**0.05**	**585.09**
Arab Fund for Economic and Social Dev.	74.45	127.94	0.05	202.44
Arab Monetary Fund	201.51	-	-	201.51
Int. Fund for Agricultural Development	1.97	-	-	1.97
International Monetary Fund	115.60	-	-	115.60
Islamic Development Bank	27.18	-	-	27.18
OPEC Fund for Int. Dev.	36.39	-	-	36.39
Non-Paris Club	**561.09**	**106.54**	**112.32**	**779.95**
Abu Dhabi Fund for Developement	267.81	-	-	267.81
Government of Algeria	0.90	0.66	-	1.56
Government of Bulgaria	5.53	5.96	-	11.49
Government Of Iraq	31.22	69.52	112.32	213.06
Government of Libya	11.75	30.15	-	41.90
Government of Romania	2.27	0.25	-	2.52
Kuwait Fund for Econ. Dev	123.52	-	-	123.52
Saudi Fund for Development	118.09	-	-	118.09
Paris Club	**47.37**	**-**	**-**	**47.37**
Government of Russia	6.15	-	-	6.15
Government of Spain	41.22	-	-	41.22

Source: *DMU, Ministry of Finance, FGS.*

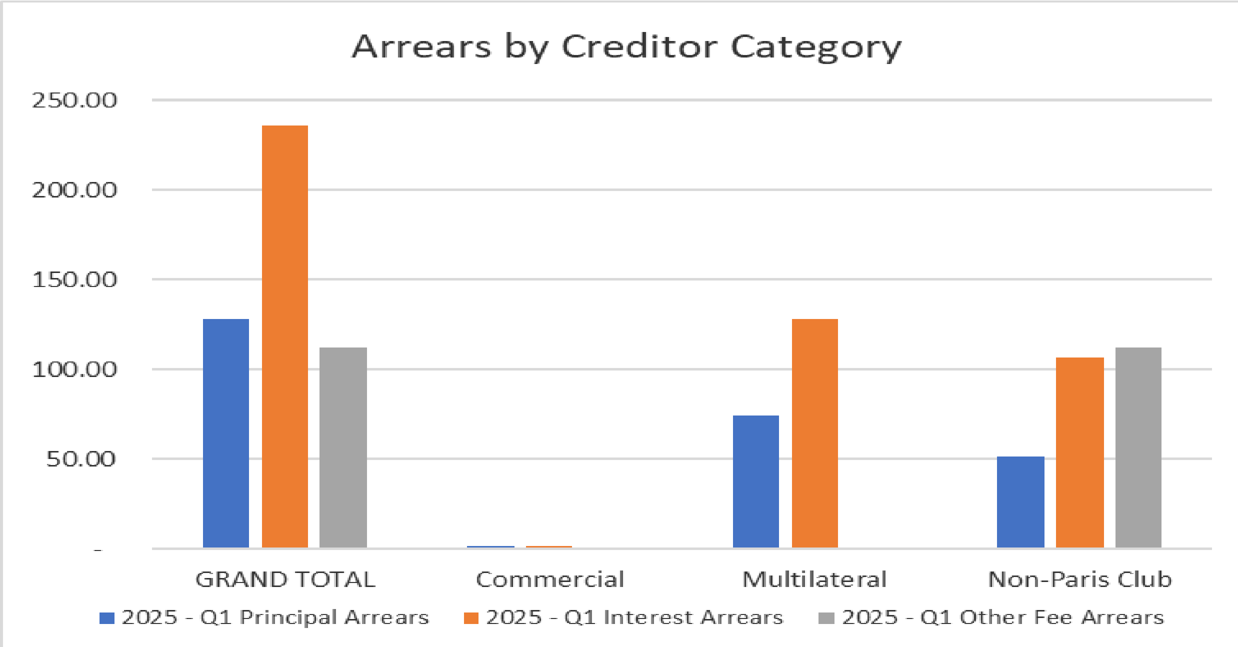
Table 2. **Somalia, Stock of arrears at the end of QI, 2025**

Period: Calendar Quarter (01/01/2025 - 31/03/2025)Currency Units: Millions of US Dollars

Creditor Category	2025 - Q1			
	Principal Arrears	Interest Arrears	Other Fee Arrears	Total Arrears
GRAND TOTAL	**127.63**	**235.67**	**112.37**	**475.67**
Commercial	1.51	1.19	-	2.70
Multilateral	74.45	127.94	0.05	202.44
Non-Paris Club	51.67	106.54	112.32	270.53

Source: *DMU, Ministry of Finance, FGS.*

Figure 1. **Somalia, Arrears by creditor category**



Source: *DMU, Ministry of Finance, FGS.*

Timely debt servicing and arrears prevention during Q1, 2025:

The Ministry ensured that all scheduled payments in Q1, 2025 were made on time, with no arrears incurred. The government remains resolute in its commitment to meeting debt obligations as they become due. Table 3 details the debt service payments for the first quarter of 2025 categorized by creditor (in millions of USD).

Table 3. Somalia, debt service payment in QI, 2025, by creditor. (In millions USD).

Total Debt Service Paid By Creditor (January-March, 2025)				In USD million
	Principal	**Interest**	**Other fees**	**Total**
Total Debt Service (October-December, 2024)	**0.76**	**0.21**	**0.07**	**1.04**
Kuwait Fund for Development	-	-	-	-
Saudi Fund for Development	-	-	-	-
Islamic Development Bank (IsDB)	-	-	-	-
Russia (Blocked Funds)	0.63	0.10	0.04	0.76
Russia (Short-Term Debt)	0.14	0.01	0.02	0.17
OPEC Fund for International Development	-	0.10	-	0.10

Table 4: Somalia, scheduled monthly debt service for the next 12-months, by creditor.

Period: Calendar Month (01/04/2025 31/03/2026)Currency Units: Millions of US Dollars

Creditor Category / Creditor Name	Total Debt Service Due											
	2025 APR	2025 MAY	2025 JUN	2025 JUL	2025 AUG	2025 SEP	2025 OCT	2025 NOV	2025 DEC	2026 JAN	2026 FEB	2026 MAR
GRAND TOTAL	8.34	0.19	1.94	1.55	1.00	-	-	0.20	1.09	1.64	0.99	-
Multilateral	**0.00**	**0.19**	**0.19**	**-**	**0.29**	**-**	**-**	**0.20**	**0.19**	**0.09**	**0.29**	**-**
Arab Monetary Fund	-	-	0.13	-	-	-	-	-	0.13	-	-	-
Int. Fund for Agricultural Development	-	-	-	-	-	-	-	-	-	0.09	-	-
International Monetary Fund	0.00	0.19	-	-	0.20	-	-	0.20	-	-	0.20	-
Islamic Development Bank	-	-	0.07	-	-	-	-	-	0.07	-	-	-
OPEC Fund for Int. Dev.	-	-	-	-	0.09	-	-	-	-	-	0.09	-
NonParis Club	-	-	1.74	1.55	-	-	-	-	0.90	1.55	-	-
Abu Dhabi Fund for Developement	-	-	-	-	-	-	-	-	-	-	-	-
Kuwait Fund for Econ. Dev	-	-	1.74	-	-	-	-	-	0.90	-	-	-
Saudi Fund for Development	-	-	-	1.55	-	-	-	-	-	1.55	-	-
Paris Club	8.34	-	-	-	0.71	-	-	-	-	-	0.70	-
Government of Russia	-	-	-	-	0.71	-	-	-	-	-	0.70	-
Government of Spain	8.34	-	-	-	-	-	-	-	-	-	-	-

Source: *DMU, Ministry of Finance, FGS.*

3. Risks of the Debt Portfolio

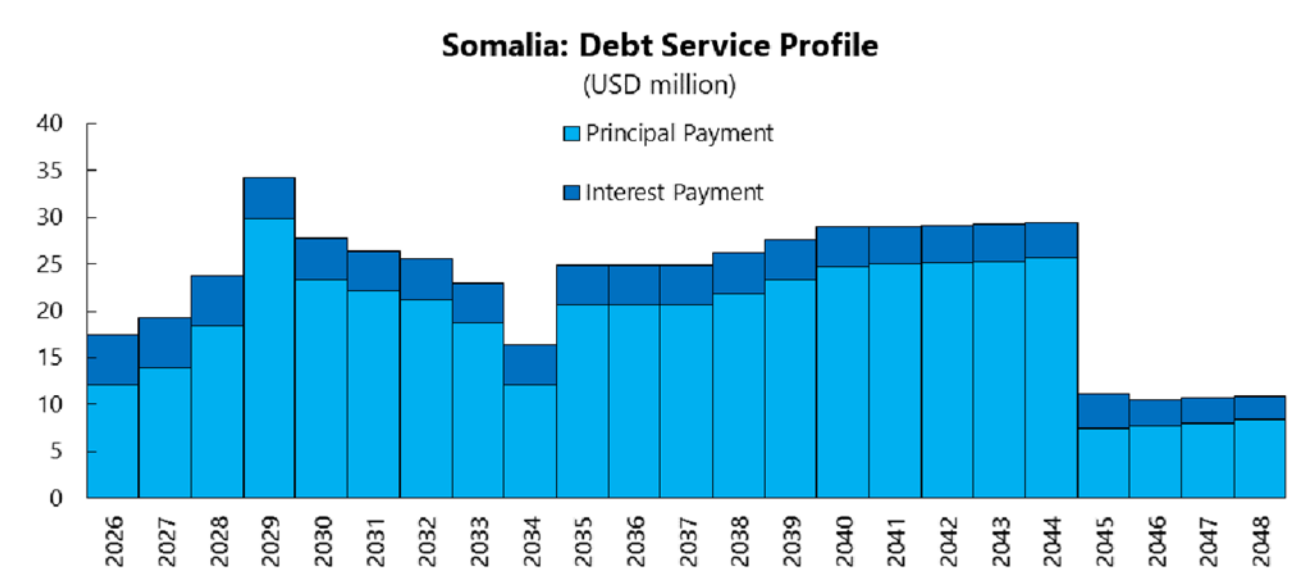
a. Interest rate risk indicators

Most of Somalia’s outstanding current debt portfolio has been contracted with fixed interest rate. However, when taking into account the existing stock of arrears, there are loans that were originally contracted with variable interest rates. Debt with variable interest rate is limited to loans from Iraq and Libya amounting to USD 11.49 million. Out of the total Face Value of debt, including arrears, only 1 percent had been contracted with variable interest rates

b. Refinancing risk

The total amortization payments due within a year to multilateral and official creditors amount to 1.08 percent of the overall debt. The subsequent profile demonstrates a significant concentration of payments scheduled between 2025 to 2048, primarily resulting from the planned repayment of restructured debt agreements with creditors. It is crucial to note that the repayment profile has escalated from 2026 to 2033 due to the incorporation of debt service obligations to Spain, for which negotiations are ongoing as efforts continue to finalize the bilateral agreement in line with the Paris Club Agreed Minutes of March 2024, in addition to a Poverty Reduction and Growth Trust (PRGT) loan from the IMF that has been allocated to the government for budgetary support. Moreover, the rise in high debt servicing for the periods from 2035 to 2044 is linked to the AMF's normalization of payments. With an average maturity period of 19.5 years, Somalia's debt portfolio reflects a low refinancing risk.

Fig. 2: Somalia repayment profile. 2026 – 2048. Million USD

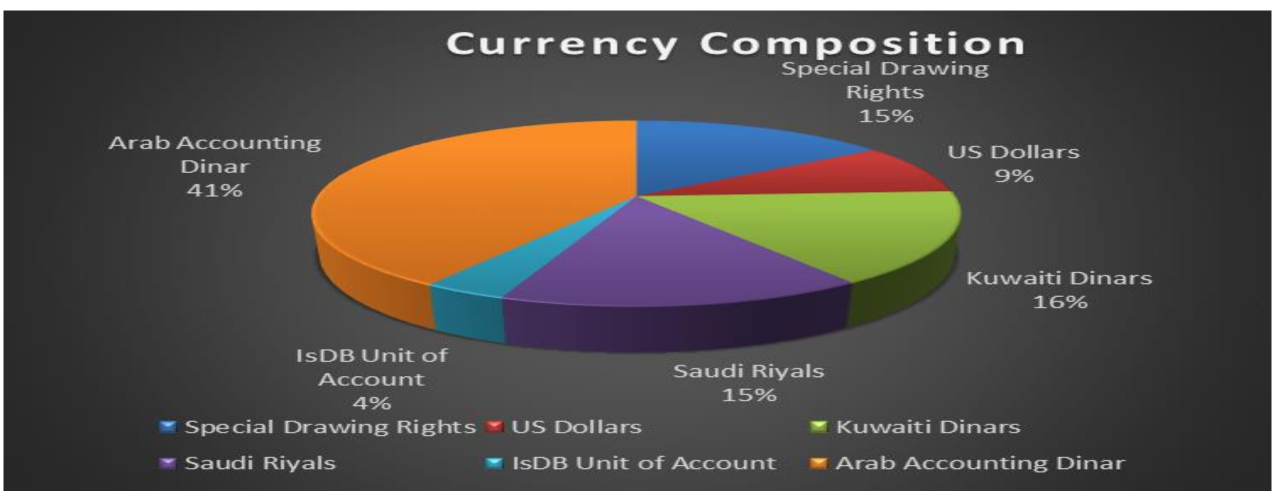


Source: *DMU, Ministry of Finance, FGS.*

c. Foreign exchange rate risk

As mentioned in the previous section, all of Somalia's debts are denominated in foreign currency. The breakdown of debt by currency shows that 41 percent is in Arab Accounting Dinars, followed by 16 percent in Kuwaiti dinars, 15 percent in Saudi riyals, 15 percent in Special Drawing Rights (SDRs), 9 percent in USD and 4 percent in Islamic dinars.

Figure 3: Somalia, total debt stock at the end of Q1, 2025 by currency.



Source: *DMU, Ministry of Finance, FGS*

d. Summary of Somalia's cost and risk indicators at end of 2024[1]

Table 5 below provides an overview of existing cost and risk indicators for Somalia's debt portfolio as of end of 2024. The indicators show a relatively long ATM (and ATR as all the current debt is in fixed interest rates) of over 19 years with a small percentage falling due in the next year (2.1 percent of total debt).

Table 5: Summary of cost and risk indicators at the end of 2024

Risk Indicators		Total debt
Refinancing risk	ATM (years)	19.5
	Debt maturing in 1yr (% of total)	2.1%
Interest rate risk	ATR (years)	19.5
	Debt refixing in 1yr (% of total)	2.1%
	Fixed rate debt (% of total)	100.0%
FX risk	FX debt (% of total debt)	100.0%

Source: *DMU, Ministry of Finance, FGS.*

[1] Includes all restructured debts. Excludes existing debt in arrears.

e. Debt ratios

Projected debt service ratios in terms of revenues (including grants) and exports of goods and services show similar ranges. Table 6 below shows the projected debt service ratios.

Table 62. Somalia, Debt service ratios 2025-2029, (In USD millions)

(All amounts in $US, otherwise noted)										
	2025		2026		2027		2028		2029	
IFIs & Multilateral	**P**	**I**	**P**	**I**	**P**	**I**	**P**	**I**	**P**	**I**
International Monetary Fund (IMF)	-	0.59	1.86	0.78	3.72	0.78	8.37	0.78	20.13	0.78
International Fund for Agricultural Development (IFAD)	-	-	0.44	0.01	0.44	0.01	0.44	0.01	0.32	0.00
OPEC Fund for International Development (OFID)	-	0.09	-	0.18	-	0.19	-	0.18	-	0.18
Islamic Development Bank (IsDB)	0.13	-	0.13	-	0.13	-	0.13	-	0.17	-
Arab Mpnetray Fund (AMF)	0.25	-	0.25	-	0.25	-	0.25	-	0.25	-
Paris Club Creditors										
Russia (Blocked funds)	0.63	0.08	1.25	0.14	1.25	0.10	1.25	0.07	1.25	0.03
Russia (Short-term debt)	-	-	0.14	0.01	0.14	0.01	0.14	0.00	-	-
Non-Paris Club Creditors										
Saudi Fund for Development	-	1.55	-	3.10	-	3.10	-	3.10	-	3.10
Kuwait Fund for Arab Economic Development	-	2.65	-	2.65	-	2.65	-	2.65		1.80
Abu Dhabi Fund for Development	-	-	-	-	-	-	-	-	-	3.99
Principal & Interest	1.01	4.96	4.07	6.88	5.93	6.83	10.58	6.79	22.12	9.89
Total debt service		**5.97**		**10.95**		**12.76**		**17.37**		**32.01**
Projected debt Stock		**1,514.65**		**1,508.68**		**1,497.74**		**1,484.97**		**1,467.60**
Debt Service as percentage of Revenues		0.7%		1.5%		1.8%		2.2%		3.7%
Debt Service % of Export of Goods & Service		0.2%		0.4%		0.4%		0.0%		0.8%
Debt Stock as percentage of GDP		11.6%		10.6%		9.4%		8.7%		8.1%
Memo items:										
Revenues 1/		885.22		724.05		716.86		780.76		855.64
Exports of goods & services 2/		2,746.80		3,094.95		3,506.40		3,869.84		4,205.36
GDP 3/		13,018.00		14,197.00		15,973.00		16,973.00		18,205.00
Source:										
1/ MF Article IV data, December 2024, Ref:24/462										
1/ MF Article IV data, December 2024, Ref:24/462										
1/ MF Article IV data, December 2024, Ref:24/462										

4. Upcoming Activities for Q2, 2025

The government remains steadfast in its commitment to execute a comprehensive strategy aimed at engaging with non-Paris Club members and other multilateral entities to secure the envisioned HIPC debt relief within the HIPC Initiative. To achieve this crucial objective, the Debt Management Unit (DMU) has strategically devised plans to facilitate discussions with a diverse group of creditors. These discussions will serve as essential platforms for consensus-building, with the goal of determining the most effective approach to delivering the remaining HIPC debt relief.

This proactive approach underscores the Government's unwavering commitment to navigating its debt challenges through collaborative engagements with international creditors. By actively participating in these crucial discussions, Somalia aims to secure full debt relief that support its economic recovery and long-term development objective.

[2] Projected debt stock excludes potential future debt relief

Abbreviations

ADF	Abu Dhabi Fund for Development
AfDB	African Development Bank
AFESD	Arab Fund for Economic and Social Development
AMF	Arab Monetary Fund
CP	Completion Point
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
DMU	Debt Management Unit
DOD	Disbursed Outstanding Debt
DP	Decision Point
ECF	Extended Credit Facility
FV	Face Value – outstanding stock of debt, including principal arrears
GDP	Gross Domestic Product
HIPC	Heavily Indebted Poor Countries
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
IsDB	Islamic Development Bank
KFAED	Kuwait Fund for Arab Economic Development
OFID	OPEC Fund for International Development
MOF	Ministry of Finance
PC	Paris Club
PPG	Public & Publicly Guaranteed Debt
SFD	Saudi Fund for Development
UK	United Kingdom
USA	United States of America
USD	United States Dollar
WB	The World Bank