DEBT MANAGEMENT UNIT
MINISTRY OF FINANCE
FEDERAL GOVERNMENT OF SOMALIA

Quartley Public Debt Bulletin
(Quarter II, 2025)

Debt Management Unit
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Contents

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

In this quarter, from April to June 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 only multilateral creditor, 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 with the following key milestones achieved during this period:

a) On May 1st, 2025, a technical virtual meeting was held between the Debt Management Unit (DMU) and the Arab Fund for Economic and Social Development (AFESD) to discuss the possibility of restructuring Somalia’s outstanding debt. During the meeting, Somali officials proposed a grace period of no less than five years, followed by a longer maturity period and token payments thereafter. The AFESD team expressed openness to the proposal but advised that an official request be formally submitted by the Government. The Government is currently working to prepare and submit this request to initiate formal engagement with AFESD authorities.
b) In addition, follow-up communications were sent to the remaining multilateral and bilateral non-Paris Club creditors regarding the settlement of outstanding arrears. While no

responses have been received to date, the Government remains committed to sustained engagement and will continue its efforts to secure debt resolution with these creditors.

2. Somalia's stock and flow data, QII, 2025

Stock of debt at end of Quarter II, 2025:

Somalia's current debt portfolio consists solely of external debt, which is categorized into multilateral and bilateral creditors, except 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 second quarter of 2025. Of the existing debt portfolio, multilateral creditors accounted for 42 percent of the total at USD 592.85 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 820.25 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 Fund 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 State-Owned Enterprise (SOE) in the former Yugoslavia. The Central Bank of Serbia, however, notified the Debt Management Unit of Ministry of Finance of Somalia that it is in the hands of a commercial company. A comprehensive overview of the debt stock as of the end of Quarter 2, 2025, is presented in Table 1, while Table 2 outlines the arrears stock at the same date.

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.

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

Period: Calendar Quarter (01/04/2025 - 30/06/2025)Currency Units: Millions of US Dollars					
Creditor Category / Creditor Name	**2025 - Q2**				
	Face Value	**Principal Arrears**	**Interest Arrears**	**Other Fee Arrears**	**Total Debt Stock**
GRAND TOTAL	**1,062.74**	**125.38**	**268.43**	**84.63**	**1,415.80**
Commercial					
Government of Serbia	1.51	1.51	1.19	-	2.70
SUBTOTAL	**1.51**	**1.51**	**1.19**	**-**	**2.70**
Multilateral					
Arab Fund for Economic and Social Dev.	75.20	75.20	129.61	0.05	204.86
Arab Monetary Fund	202.09	-	-	-	202.09
Int. Fund for Agricultural Development	1.93	-	-	-	1.93
International Monetary Fund	119.54	-	-	-	119.54
Islamic Development Bank	28.04	-	-	-	28.04
OPEC Fund for Int. Dev.	36.39	-	-	-	36.39
SUBTOTAL	**463.19**	**75.20**	**129.61**	**0.05**	**592.85**
Non-Paris Club					-
Abu Dhabi Fund for Developement	267.81	-	-	-	267.81
Government of Algeria	0.90	0.90	0.66	-	1.56
Government of Bulgaria	5.53	5.53	6.02	-	11.55
Government Of Iraq	28.22	28.22	97.98	84.58	210.78
Government of Libya	11.75	11.75	32.72	-	44.47
Government of Romania	2.27	2.27	0.25	-	2.52
Kuwait Fund for Econ. Dev	123.92	-	-	-	123.92
Saudi Fund for Development	111.11	-	-	-	111.11
SUBTOTAL	**551.51**	**48.67**	**137.63**	**84.58**	**773.72**
Paris Club					-
Government of Russia	6.04	-	-	-	6.04
Government of Spain	40.49	-	-	-	40.49
SUBTOTAL	**46.53**	**-**	**-**	**-**	**46.53**

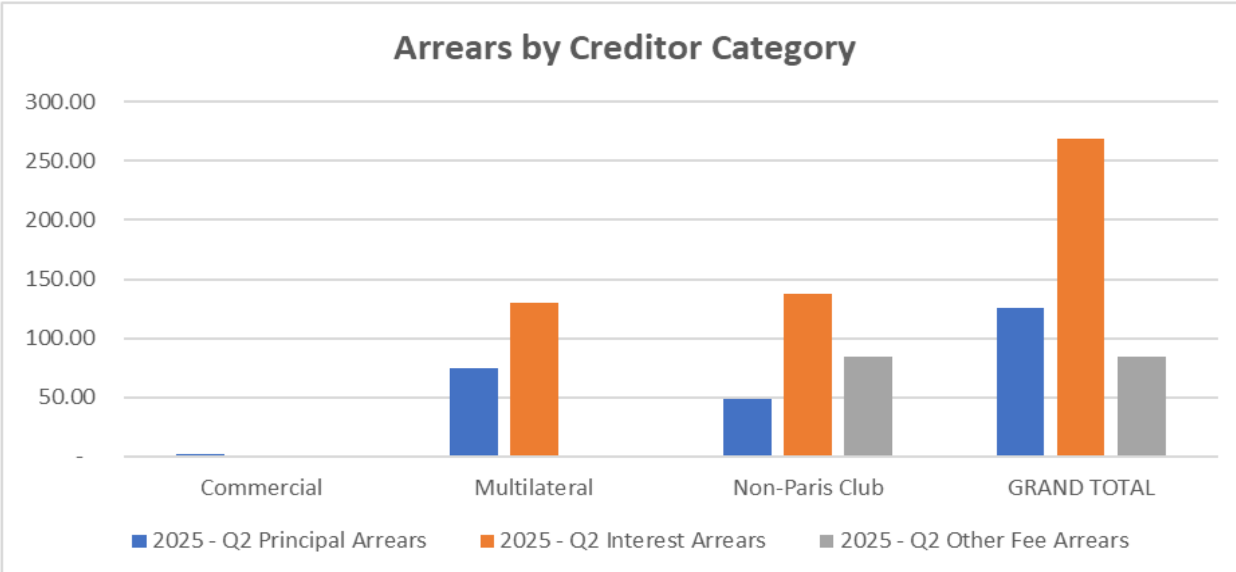
Source: *DMU, Ministry of Finance, FGS.*

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

Period: Calendar Quarter (01/04/2025 - 30/06/2025)Currency Units: Millions of US Dollars				
Creditor Category	**2025 - Q2**			
	Principal Arrears	**Interest Arrears**	**Other Fee Arrears**	**Total Arrears**
Commercial	1.51	1.19	-	2.70
Multilateral	75.20	129.61	0.05	204.86
Non-Paris Club	48.68	137.63	84.58	270.89
GRAND TOTAL	**125.39**	**268.43**	**84.63**	**478.45**

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 QII, 2025:

The Ministry ensured that all scheduled payments in QII, 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 second quarter of 2025 categorized by creditor (in millions of USD).

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

Total Debt Service Paid By Creditor (April-June, 2025)			In USD million
	Principal	**Interest**	**Total**
Total Debt Service (October-December, 2024)	**0.07**	**1.75**	**1.82**
Kuwait Fund for Development	-	1.75	1.75
Saudi Fund for Development	-	-	-
Islamic Development Bank (IsDB)	0.07	-	0.07
Russia (Blocked Funds)	-	-	-
Russia (Short-term debt)	-	-	-
OPEC Fund for International Development	-	-	-
IMF SDR Charges	-	-	-

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

Creditor Category / Creditor Name	Monthly Debt Service Due (in million US Dollars)																							
	2025 JUL		2025 AUG		2025 SEP		2025 OCT		2025 NOV		2025 DEC		2026 JAN		2026 FEB		2026 MAR		2026 APR		2026 MAY		2026 JUNE	
GRAND TOTAL		1.55		1.00		-	-			0.19		1.10		1.67		0.99		-		8.45		1.15		2.07
SUB TOTAL	-	1.55	0.63	0.37	-	-	-	-	-	0.19	0.19	0.91	0.12	1.55	0.63	0.36	-	-	8.32	0.13	0.96	0.19	0.30	1.77
	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.
Multilateral	-	-	-	0.29	-	-	-	-	-	0.19	0.19	-	0.12	-	-	0.29	-	-	-	0.00	0.96	0.19	0.30	0.00
Arab Monetary Fund	-		-		-		-		-		0.13		-		-		-		-		-		0.13	
Int. Fund for Agricultural Development	-	-	-	-	-	-	-	-	-	-	-	-	0.12	-	-	-	-	-	-	-	-	-	0.11	0.00
International Monetary Fund (ECF arrangement)	-		-	0.20	-	-	-	-	-	0.19	-	-	-	-	-	0.19	-	-	-	0.00	0.96	0.19	-	-
Islamic Development Bank	-	-	-	-	-	-	-	-	-	-	0.07	-	-	-	-		-	-	-	-	-	-	0.07	-
OPEC Fund for Int. Dev.	-	-	-	0.09	-	-	-	-	-	-	-	-	-	-	-	0.09	-	-	-	-	-	-	-	-
Non Paris Club	-	1.55	-	-	-	-	-	-	-	-	-	0.91	-	1.55	-	-	-	-	-	-	-	-	-	1.76
Abu Dhabi Fund for Developement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kuwait Fund for Econ. Dev	-	-	-	-	-	-	-	-	-	-	-	0.91	-	-	-	-	-	-	-	-	-	-	-	1.76
Saudi Fund for Development	-	1.55	-	-	-	-	-	-	-	-	-	-	-	1.55	-	-	-	-	-	-	-	-	-	-
Paris Club	-	-	0.63	0.08	-	-	-	-	-	-	-	-	-	-	0.63	0.08	-	-	8.32	0.13	-	-	-	-
Government of Russia	-	-	0.63	0.08	-	-	-	-	-	-	-	-	-	-	0.63	0.08	-	-	0.14	0.01	-	-	-	-
Government of Spain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.18	0.12	-	-	-	-

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

3. Risks of the Debt Portfolio

a. Interest rate risk indicators

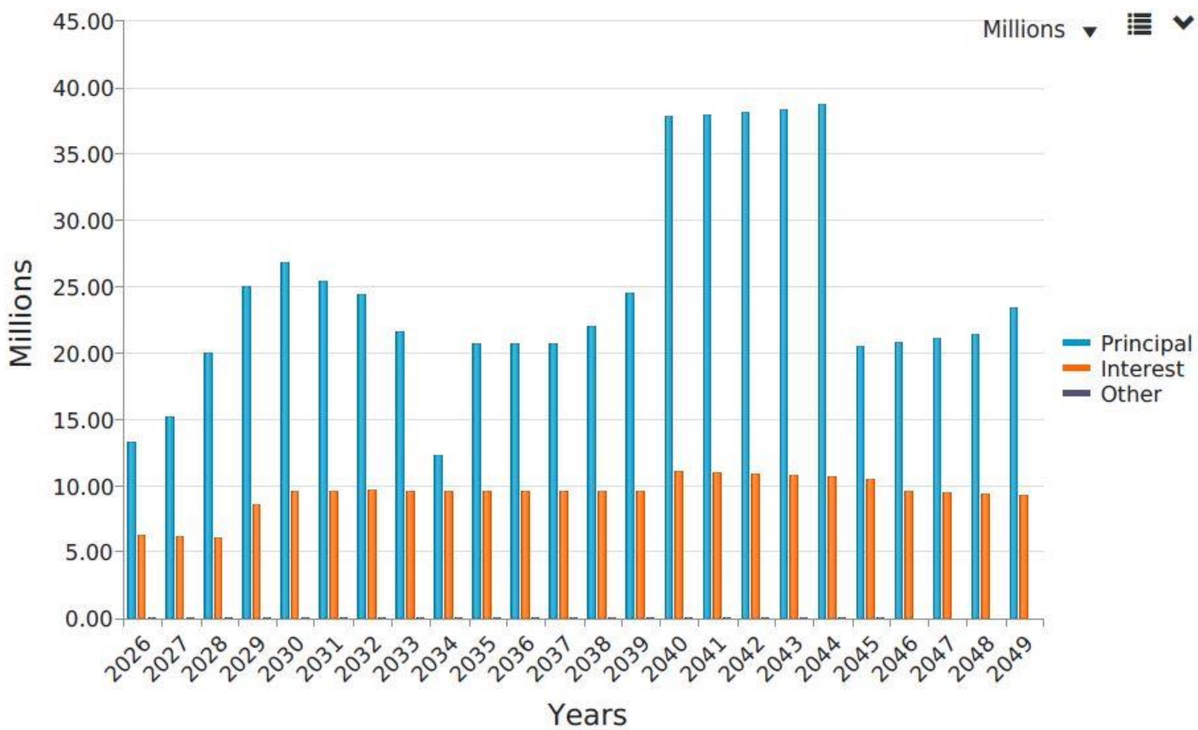
Most of Somalia's outstanding current debt portfolio has been contracted with fixed interest rate and denominated in foreign currency. However, when taking into account the existing stock of arrears, there are few loans that were originally contracted with variable interest rates. Debt with variable interest rate is limited to loans from Iraq and Libya amounting to USD 11.75 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 scheduled within one year is limited to multilateral and official creditors. The following profile illustrates a concentration of payments occurring between 2026 and 2049, due to the scheduled repayment of restructured debt agreements with creditors. It is important to highlight that the repayment profile has increased from 2026 to 2033 due to the inclusion of debt service obligations to Spain, for which negotiations are still in progress as efforts persist to finalize the bilateral agreement in accordance with the Paris Club Agreed Minutes of March 2024, alongside a Poverty Reduction and Growth Trust (PRGT) loan from the International

Monetary Fund (IMF) that was made available to the government for budgetary support. Furthermore, the increase in high debt servicing for the periods from 2035 to 2044 is associated with the AMF normalization of payments. With an average maturity period of 19.5 years, Somalia's debt portfolio exhibits a low refinancing risk.

Fig. 2: Somalia repayment profile. 2026 – 2049. Million USD

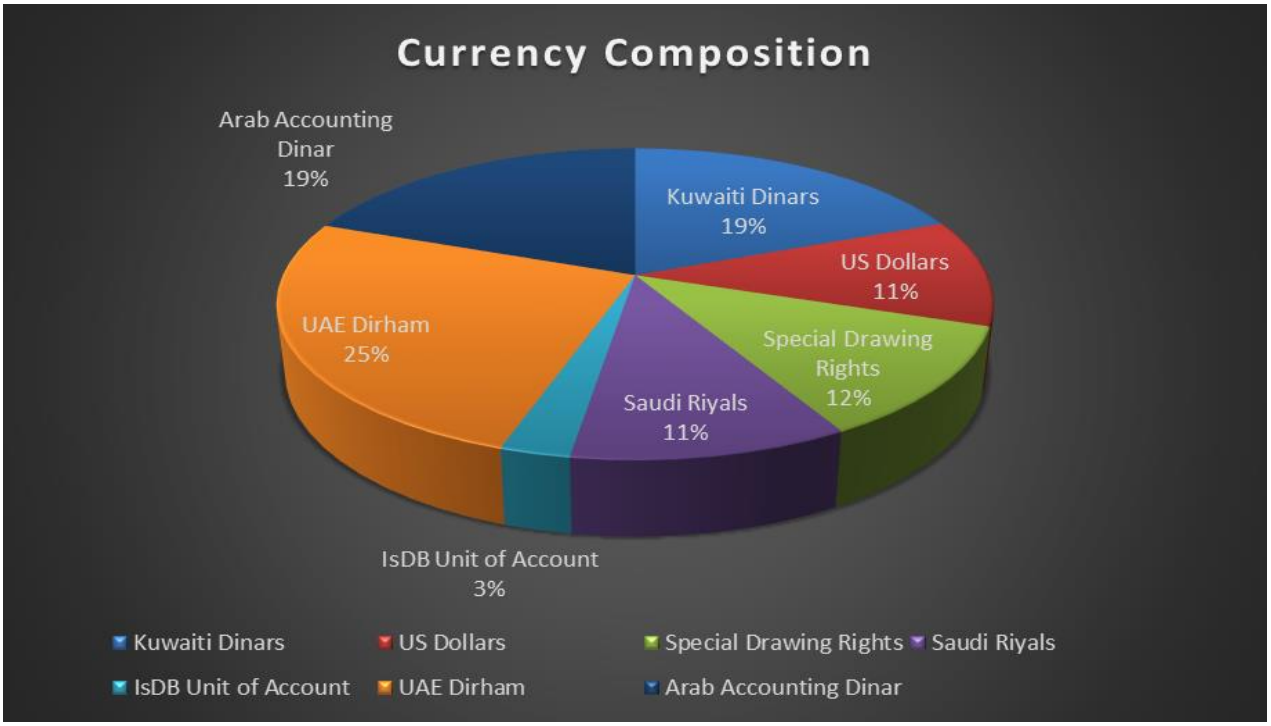


Source: *DMU, Ministry of Finance, FGS.*

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 25 percent is in Arab Emirates Dirham (AED), followed by 19 percent in Kuwaiti dinars, 19 percent in Arab Accounting Dinar (AAD), 12 percent in Special Drawing Rights (SDRs), 11 percent in USD, 11 percent in Saudi Arabia Riyals (SAR), and 3 percent in Islamic Dinars (ID).

Figure 3: Somalia, total debt stock at the end of QII, 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

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

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.*

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 6. 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)	-	0.40	1.92	0.78	3.85	0.78	8.66	0.79	20.82	0.78
International Fund for Agricultural Development (IFAD)	-	-	0.46	0.01	0.46	0.01	0.46	0.00	0.33	0.00
OPEC Fund for International Development (OFID)	-	0.09	-	0.18	-	0.18	-	0.18	-	0.18
Islamic Development Bank (IsDB)	0.07	-	0.14	-	0.14	-	0.14	-	0.14	-
Arab Mpnetray Fund (AMF)	0.25	-	0.25	-	0.25	-	0.25	-	0.25	-
Paris Club Creditors										
Government of Russia (Blocked Funds & Short-term Debt)	0.63	0.08	1.39	0.15	1.39	0.11	1.39	0.07	1.25	0.03
Government of Spain	8.18	0.16	8.18	0.12	8.18	0.08	8.18	0.04	-	-
Non-Paris Club Creditors										
Saudi Fund for Development	-	1.55	-	3.10	-	3.10	-	3.10	-	3.10
Kuwait Fund for Arab Economic Development	-	0.91	-	2.67	-	2.67	-	2.67		1.82
Abu Dhabi Fund for Development	-	-	-	-	-	-	-	-	-	4.69
Principal & Interest	9.12	3.20	12.34	7.02	14.27	6.93	19.08	6.86	22.79	10.61
Total debt service		***12.32***		***19.36***		***21.20***		***25.94***		***33.40***
Projected debt Stock		***1,514.65***		***1,502.33***		***1,482.97***		***1,461.76***		***1,435.83***
Debt Service as percentage of Revenues		*1.4%*		*2.1%*		*2.2%*		*2.7%*		*3.6%*
Debt Service % of Export of Goods & Service		*0.5%*		*0.6%*		*0.6%*		*0.0%*		*0.9%*
Debt Stock as percentage of GDP		*11.5%*		*10.6%*		*9.7%*		*8.8%*		*8.1%*
Memo items:										
Revenues 1/		*884.30*		*933.30*		*958.60*		*965.30*		940.50
Exports of goods & services 2/		*2,691.04*		*2,995.57*		*3,301.54*		*3,593.09*		3,899.73
GDP 3/		*13,127.00*		*14,197.00*		*15,356.00*		*16,558.00*		*17,807.00*

Source:
1/ MF Country report data, July 2025, Ref:25/191
2/ MF Country report data, July 2025, Ref:25/191
3/ MF Country report data, July 2025, Ref:25/191

4. Upcoming Activities for QIII, 2025

The Government remains firmly committed to implementing a comprehensive strategy to engage with non-Paris Club members and remaining multilateral creditors to secure the full debt relief envisioned under the HIPC Initiative. To advance this objective, the Debt Management Unit (DMU) has developed targeted plans to initiate and facilitate discussions with a broad range of creditors. These engagements are intended to serve as critical platforms for consensus-building, aimed at identifying the most effective modalities for delivering the remaining HIPC debt relief.

This proactive and coordinated approach reflects the Government's steadfast dedication to addressing its debt challenges through constructive and sustained dialogue with international partners. By actively participating in these engagements, Somalia seeks to secure comprehensive debt relief that will support its economic recovery and advance its long-term development goals.

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
SOE	State Owned Enterprise
UK	United Kingdom
USA	United States of America
USD	United States Dollar
WB	The World Bank