Federal Government of Somalia

OFFICE OF THE ACCOUNTANT GENERAL

QUARTERLY REPORT

QUARTER II

2021FY

Introduction and Background

The Office of the Accountant General (OAG) is responsible for the preparation of accounts and financial reports to provide such information as may be necessary to show the results of the management of the national budget that include a comparison between the estimated and actual revenue and expenditure and any other information prescribed in the Public Finance Management Act of 2019 and the Public Finance Management Regulation of 2020.

In this summary report, the Office of the Accountant General (OAG) accordingly presents the fiscal performance of the Federal Government of Somalia for the period at the end of the quarter two of the Fiscal Year (FY) 2021. Areas included in the report are;

- Dashboards for a commentary on FGS fiscal performance for the period;
- Fiscal Summary report of FGS revenue and expenditure;
- Revenue performance for the details of the revenues collected by the revenue collection authorities;

The table below shows main sources of revenues and types of expenditure of the Federal Government of Somalia in line with the Budget Appropriation Act of 2021

Table: FGS sources of revenue and types of expenditure.

Sources of Revenue

- Domestic Revenue in the form of Taxes and Non – tax revenue
- Grants (External Donor Funds) both Bilateral and Multilateral sources

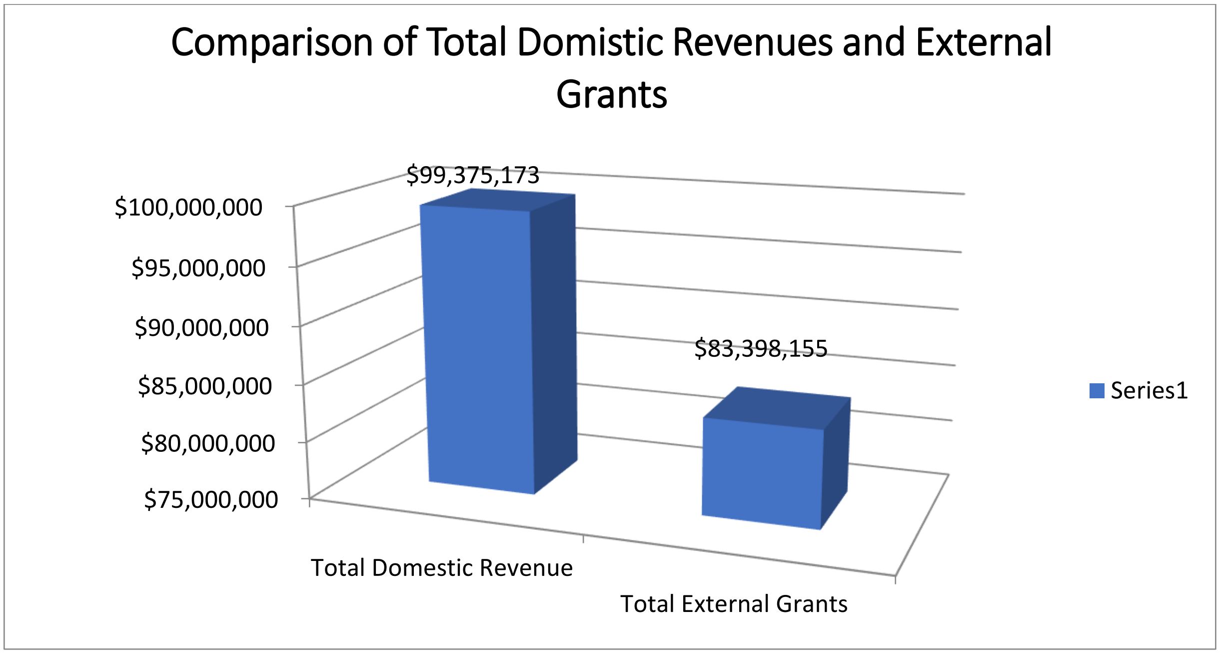
Types of Expenditure

- Compensation to employees (salary and allowances)
- Use of Goods and Services
- Grants (Transfers to Federal Member States)
- Capital Expenditure and
- Other expenses (Contingency)

It is important to note that following the implementation of the Somali Financial Management Information System (SFMIS) in 2014 by the FGS in order to enhance accountability and transparency in the management of the public money and to increase the level of accuracy of financial data and information, all financial reports and data included in this report are extracted directly from the SFMIS.

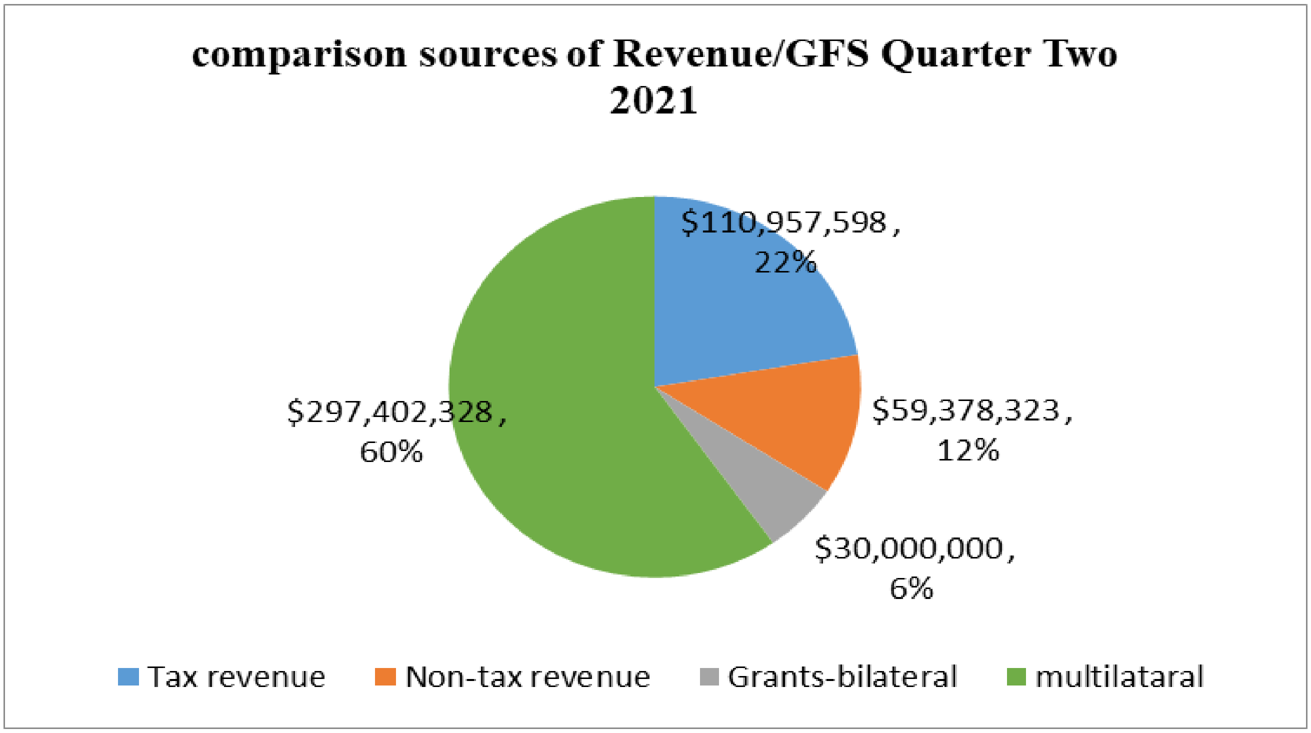
Comparison between FGSs' main revenue source Categories.

Figure COMPARISON OF DOMESTIC REVENUE AND EXTERNAL GRANTS QUARTER TWO 2021



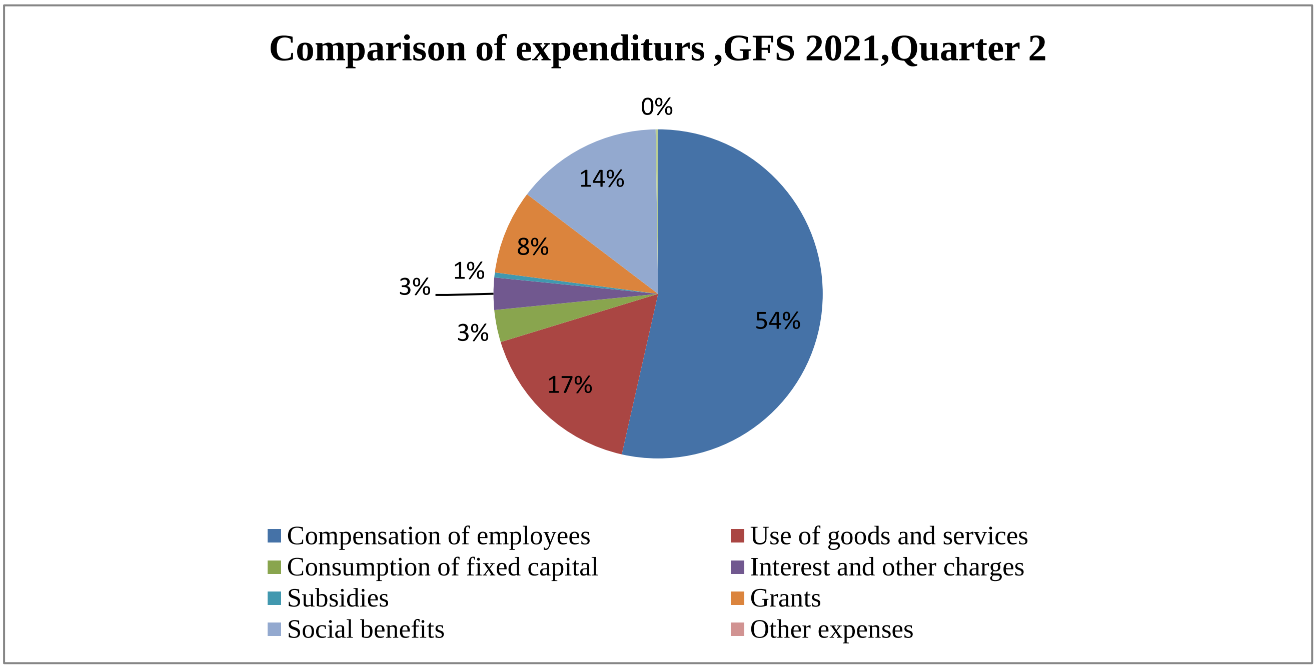
- Domestic revenue accounted for 54% of the total revenue collected by the Federal Government of Somalia.
- While the external grants accounted for the remaining portion of 46%.

Figure 1 simple ***COMPARISON OF TAX REVENUE, NON-TAX REVENUE AN EXTERNAL GRANTS QUARTER TWO, 2021***



- Tax revenue amounted **22%** out of the total government revenue; non-tax revenue with **12 %** followed by external grants which is multilateral amounted **6%** and bilateral grants received by the Government during the same period accounted for **60%**

*Figure 2 : **Comparison between FGSs" Categories Expenditure Quarter Two, 2021***



- From the Budget Appropriations Act of 2021, FGS expenditure is classified under the following categories;
  - **Compensation of Employees**: which is payments of salary and allowances for the benefit of the civil servants? This category remains the highest with **54%** of the total expenditure as per the chartabove.
  - **Use of Goods and Service:** this category turned out as the second most incurred expenditure category after employees' cost and accounted for **17%** of the total expenditure.
  - **Grants** (Transfers to the Federal Member States) (TFMSs): as the name suggests this category is used by the FGS to make Government budgetary support to the Federal Member States; Puntland State, Jubbaland state, Southwest state, Galmudug State, Hirshabelle State and Benadir region. This category represented the third highest percentage of **8%** of the total Quarter three expenditure.
  - **Capital Expenditure**: is used to fund FGSs' National Development Plans and as shownin the **3%**
  - **Social benefits 14%** of the total expenditure was incurred during the period.
  - **Other expenses** (Contingency expenditure): during this quarter there were no expenditure incurred out of the contingency account as the 0% of the above chart shows.
  - **Interest and other charge** during this quarter there were expenditure incurred out of the interest account as the **3%** of the above chart shows

Following are statements extracted from the Somali Financial Information Management System [SFMIS]

Federal Government of Somalia

Revenue Performance Report from April, 2021 to June, 2021

Code	Description	Original Estimate	Virements	Revised Estimate	YTD Actuals	Variance
1111	**Payable by individuals**	**11,697,121**		**11,697,121**	**2,889,127**	**8,807,994**
111101	Wages and salaries (Public Sector Payees)	5,197,121		5,197,121	1,032,046	4,165,075
111102	Wages and salaries (Private Sector Employees)	6,500,000		6,500,000	1,857,081	4,642,919
1112	**Payable by corporations**	**1,500,000**		**1,500,000**	**95,399**	**1,404,601**
112101	Corporate profit tax	1,500,000		1,500,000	95,399	1,404,601
1131	**Other taxes - on Income**	**600,000**		**600,000**	**113,138**	**486,862**
113101	Rental income	600,000		600,000	113,138	486,862
1141	**General taxes on goods and services**	**30,032,357**		**30,032,357**	**5,737,577**	**24,294,780**
114101	Sales taxes - Hotels	926,000		926,000	215,114	710,886
114102	Sales taxes - Telecommunications	5,209,557		5,209,557	1,619,553	3,590,004
114103	Sales taxes - Electricity Companies	1,300,000		1,300,000		1,300,000
114104	Sales taxes - on imported goods	18,000,000		18,000,000	3,716,555	14,283,445
114105	Sales taxes - Airline tickets	1,320,000		1,320,000	186,355	1,133,645
114106	Sales taxes - Others (TV Cable Providers)	1,276,800		1,276,800		1,276,800
114130	Turnover Taxes on Goods and Services	2,000,000		2,000,000		2,000,000
1151	**Customs and other import duty**	**91,000,000**		**91,000,000**	**19,546,814**	**71,453,186**
115100	Customs and other Import duties	91,000,000		91,000,000		91,000,000
115101	Custom taxes on petroleum				3,347,039	-3,347,039
115102	Custom taxes on export goods				230,585	-230,585
115103	Road vehicles (salon cars)				1,851,369	-1,851,369
115104	Import tax on sugar				1,807,428	-1,807,428
115105	Crude vegitable materials					
115106	Import tax on tobacco and matches				439,536	-439,536
115108	Flour				298,025	-298,025
115109	Construction of electronic materials				1,349,092	-1,349,092
115110	Cereal products, spagheti etc				302	-302
115111	Vegitable oils				390,756	-390,756
115112	Soap and cleaning products				350,647	-350,647
115113	Apparel, clothing, textile yarn				1,133,573	-1,133,573
115114	Footwear				3,744	-3,744
115115	Tea				62,321	-62,321

115116	Vegitables and fruits			32,186	-32,186
115117	Plastic materials			50,756	-50,756
115118	Rubber tyers			20,757	-20,757
115119	Poultry and edible offals			153,251	-153,251
115120	Building materials			869,671	-869,671
115121	Electronic materials			1,440,144	-1,440,144
115122	Food items /rice, spaghetti. etc			1,207,526	-1,207,526
115123	Household materials			920,213	-920,213
115124	Cosmetics & perfume			49,506	-49,506
115125	Others			2,248,676	-2,248,676
115126	Gold				
115127	Shoes			365,136	-365,136
115128	Beverarges			924,575	-924,575
1156	**Other taxes on int. trade and transactions**	**37,040,062**	**37,040,062**	**2,125,620**	**34,914,442**
115601	Import tax on Khat	37,040,062	37,040,062	2,125,620	34,914,442
1161	**Payable solely by business**	**11,010,001**	**11,010,001**	**2,688,060**	**8,321,941**
116101	Stamp duties of invoices and contaracts (notary)	1,500,000	1,500,000	548,726	951,274
116102	Road tax	1,600,000	1,600,000	331,529	1,268,471
116103	Other stamp duty	4,000,000	4,000,000	991,038	3,008,962
116108	Stamp duties of other invoices				
116109	stamp duty on cutoms	3,910,001	3,910,001	816,766	3,093,235
1311	**Current - Grants Bailateral**	**30,000,000**	**30,000,000**		**30,000,000**
131101	Current (Turkey)	30,000,000	30,000,000		30,000,000
1321	**Current - Grants - Multilateral**	**380,800,483**	**380,800,483**	**58,427,680**	**322,372,803**
132102	Current - World Bank - Capacity Injection Project	4,127,080	4,127,080	363,417	3,763,663
132103	Current - World Bank - Public Financial management	10,365,062	10,365,062	1,053,845	9,311,217
132106	Current - World Bank - RCRF - Budget support	8,581,929	8,581,929	11,389,399	-2,807,470
132107	Current - World Bank - SOPTAP (Petroleum)	132,000	132,000		132,000
132108	Current - African Development Bank - Economic and Financial Governence	2,806,912	2,806,912	758,153	2,048,759
132109	Current - United Nations - Peace Building Fund (SFF)	3,189,655	3,189,655		3,189,655
132110	Current - Urban Investment Planning Project (SUIIP)	1,830,000	1,830,000		1,830,000
132111	Current - United Nations - District Rehabilitation Project (S2S)	1,930,500	1,930,500		1,930,500
132113	Current - European Union - Budget support				

132114	Global Partnership For Education	2,555,504	2,555,504		2,555,504
132115	Current - World Bank - SEAP	2,809,285	2,809,285	589,645	2,219,640
132116	Current Somalia Shock-Responsive Social Safety Net Project Project	11,380,000	11,380,000	609,188	10,770,812
132117	WB - Recurrent Costs and Reform Financing Project	39,898,977	39,898,977	2,118	39,896,859
132120	Current- African Development Bank - Energy Sector Project	981,205	981,205		981,205
132121	Current- World Bank - "BIYOOLE" PROJECT	11,780,079	11,780,079	1,468,955	10,311,124
132122	Current - African Development Bank - Road Infurasturecture Program	4,123,247	4,123,247		4,123,247
132123	Current - African Development Bank - SIEMID	3,321,165	3,321,165	405,482	2,915,683
132124	Current- World Bank - SCALED-UP PROJECT	24,787,200	24,787,200	1,679,976	23,107,224
132125	Current - WB- Somali Urban Investment Planning Project - Additional Financing				
132126	Current- World Bank - Somalia Urban Resilience Project PH2	29,493,484	29,493,484	632,510	28,860,974
132127	Current- World Bank - DPO	100,000,000	100,000,000		100,000,000
132129	Current -World Bank - Somalia Crisis Recovery Project (SCRP)	71,408,702	71,408,702	8,175,120	63,233,582
132130	Current - Unitedd Nations - Maximum County Allocation (GPE-MCA) Project	3,291,720	3,291,720		3,291,720
132131	Current - WB - Somali Integrated Statistics and Economic Capacity Building Project	10,517,720	10,517,720		10,517,720
132132	Current - WB - Somalia Emergency Locust Response Project (SELRP)	31,489,057	31,489,057	31,299,873	189,184
1331	**Current (Multi-lateral)**				
133101	Inter-entity transfers:Salaries				

1421	**Administrative fees and charges**	**86,831,552**	**86,831,552**	**13,639,465**	**73,192,087**
142201	Administrative charges	2,000,000	2,000,000	1,034,800	965,200
142202	Visa charges	4,000,000	4,000,000	2,163,627	1,836,373
142203	Passports fees	4,656,552	4,656,552		4,656,552
142204	Licence fees - Commerce and industry	1,500,000	1,500,000	222,009	1,277,991
142205	Work permits and other fees	1,200,000	1,200,000	142,290	1,057,710
142206	Harbour fees - Albayrak	28,500,000	28,500,000	6,285,727	22,214,273
142207	Airport fees - Favori	3,300,000	3,300,000	625,335	2,674,665
142208	Fisheries licence fees	2,100,000	2,100,000	622,958	1,477,042
142210	Telecommunication Spectrum fees	12,600,000	12,600,000	10,000	12,590,000
142211	Overflight fees	12,400,000	12,400,000	2,532,719	9,867,281
142214	Customs harbour fees	5,000,000	5,000,000		5,000,000
142215	Election Registration Fee	9,575,000	9,575,000		9,575,000
1425	**Harbour Fees**			**982,383**	**-982,383**
142502	Customs Harbour fees			982,383	-982,383
	Grand Total	**680,511,575**	**680,511,575**	**106,245,263**	**574,266,313**

Expenditures Report as of June, 2021

		Description	Budget / Estimate	For the Month of June, 2021	YTD Actuals	Variance
21		**Compensation of employees**	255,256,273	19,880,237	116,245,751	46%
	2111	Wages and salaries in cash	156,131,584	11,916,342	72,908,686	47%
	2112	Allowances	84,260,133	6,773,355	36,962,080	44%
	2131	Other employee costs	14,864,556	1,190,540	6,374,985	43%
22		**Use of goods and services**	182,369,570	11,012,259	36,315,152	20%
	2211	Utilities	7,243,764	390,281	1,220,998	17%
	2212	Rent	4,840,750	110,895	779,814	16%
	2213	Fuel and lubricants	7,866,308	427,345	1,948,936	25%
	2214	Repairs and maintenance	5,485,540	180,411	769,286	14%
	2215	Office materials and other consumables	7,030,091	431,711	1,227,674	17%
	2216	Travel expenses	13,367,927	565,069	1,192,710	9%
	2221	Education expenses	6,913,203	115,492	163,187	2%
	2222	Training expenses	10,374,449	1,676,195	1,907,901	18%
	2231	Consulting and professional fees	53,223,283	3,078,032	9,623,797	18%
	2232	Audit fees	985,689		316,770	32%
	2233	Medical fees	384,768			0%
	2241	Bank commissions	5,541,569	327,129	2,016,464	36%
	2243	Insurance charges/premium	55,000			0%
	2251	Health and hygiene	8,083,248	10,000	651,593	8%
	2253	Military materials, supplies and services	635,944		58,560	9%
	2254	Police materials, supplies and services	300,000		50,000	17%
	2255	Other specialized materials and services	4,388,964	84,033	452,151	10%
	2256	Special operational services	9,896,810	87,120	2,327,635	24%
	2261	Other General Expenses	35,752,264	3,528,546	11,607,677	32%
23		**Consumption of fixed capital**	81,910,601	4,492,848	6,866,970	8%
	2311	Buildings and structures	26,252,035			0%
	2312	Machinery, furniture and equipment	11,908,067	3,755,092	3,827,339	32%
	2313	Information and Communication Technology (ICT)	13,693,693	636,042	1,092,406	8%
	2314	Other fixed assets	25,132,665	101,715	1,947,225	8%
	2322	Other Inventories	4,924,141			0%
24		**Interest and other charges**	2,500,000	1,146,824	6,862,404	274%
	2411	Loan Interest and Commitment Charges	2,500,000	1,146,824	6,862,404	274%
25		**Subsidies**	11,900,000	276,269	1,061,497	9%
	2521	To non-financial private enterprises	11,900,000	276,269	1,061,497	9%

26		**Grants**	70,431,231	1,703,049	17,946,171	25%
	2621	Current	1,091,257		357,230	33%
	2631	Transfers to Sub National	69,339,974	1,703,049	17,588,941	25%
27		**Social benefits**	60,715,682		31,299,873	52%
	2711	Social Security benefits	7,000,000			0%
	2721	Social Assistance Benefits	53,715,682		31,299,873	58%
28		**Other expenses**	1,801,300			0%
	2821	Contigency Items - Operating & Capital Expenses	1,801,300			0%
31		**Assets**		-253,232	512,628	#NUM!
	3151	Advances		-253,232	512,628	
		Grand Total	**666,884,657**	**38,258,253**	**217,110,446**	**33%**

Federal Government of Somalia

Summary of Government Revenue and Expenditure as of June, 2021

Description	Budget / Estimate	For the Month of June, 2021	YTD Actuals	Variance
Total Domestic Revenue	**269,711,093**	**14,332,568**	**99,375,173**	**170,335,920**
Tax revenue	182,879,541	9,773,789	71,921,943	110,957,598
Non-tax revenue	86,831,552	4,558,779	27,453,229	59,378,323
Total External Grants	**410,800,483**	**16,332,413**	**83,398,155**	**327,402,328**
Current - Grants Bailateral	30,000,000			30,000,000
Current - Grants - Multilateral	380,800,483	16,332,413	83,398,155	297,402,328
Current (Multi-lateral)				
Total Revenue and Grants	**680,511,575**	**30,664,982**	**182,773,327**	**497,738,248**
Total Recurrent Expenditure	**589,898,197**	**34,018,637**	**209,730,848**	**380,167,349**
Compensation of employees	255,256,273	19,880,237	116,245,751	139,010,522
Use of goods and services	182,369,570	11,012,259	36,315,152	146,054,418
Consumption of fixed capital	4,924,141			4,924,141
Interest and other charges	2,500,000	1,146,824	6,862,404	-4,362,404
Subsidies	11,900,000	276,269	1,061,497	10,838,504
Grants	70,431,231	1,703,049	17,946,171	52,485,060
Social benefits	60,715,682		31,299,873	29,415,809
Other expenses	1,801,300			1,801,300
Total Capital Expenditure	**76,986,460**	**4,492,848**	**6,866,970**	**70,119,490**
Consumption of fixed capital	76,986,460	4,492,848	6,866,970	70,119,490
Total Expenditure	**666,884,657**	**38,511,485**	**216,597,818**	**450,286,839**
Financing Gap / Surplus (-) or (+)	**13,626,918**	**-7,846,504**	**-33,824,491**	**47,451,409**

Items of Cash Balance	**Balance b/f**	**Changes During the Period**	**Balance**
Government Main Account	$523,221.66	$119,751.66	$642,973.32
SCALED-UP	$192,729.56	$367,358.53	$560,088.09
GARGAARA Co. LTD	$1,329,457.12	($124,757.54)	$1,204,699.58
Civil Aviation external	($0.49)	$0.00	($0.49)
Road Infrastructure Programme (ADF Grant)	$27,703.74	($26,988.00)	$715.74
Road Infrastructure Programme (TSF Grant)	$68,920.45	$0.00	$68,920.45
Shock Responsive Safety Net for Human Capital	$289,809.44	$16,109.69	$305,919.13
SCAA	$186.63	$95,330.05	$95,516.68
Fishing Revenue	$0.00	$31,882.80	$31,882.80
Water For Agro-Pastoral Productivity and Resilience (Biyoole) - B	$0.00	$684,301.24	$684,301.24
Water For Agro-Pastoral Productivity and Resilience (Biyoole) - A	$129,786.56	($26,641.37)	$103,145.19
DPO	$17,726,874.80	($5,715,579.93)	$12,011,294.87
Buffer Acc.	$13,500,000.00	($13,500,000.00)	$0.00
Somalia Crisis Recovery Project-DA-A	$9,610,858.07	$2,897,613.18	$12,508,471.25
SISEPCB Project	$800,642.15	($277,978.83)	$522,663.32
Somali Urban Resilience Proj- Ph-2	$3,366.67	$165,884.78	$169,251.45
TSF - Crisis Response Programme For National And Regional Mitigation Of Covid-19 Impact	$2,241,780.44	($2,067,275.62)	$174,504.82
ADF - Crisis Response Programme For National And Regional Mitigation Of Covid-19 Impact	$12,725,238.57	($9,706,941.00)	$3,018,297.57
Somalia Shock Responsive safety net for locust responsive project (SNLRP)	$0.00	$0.00	$0.00
SURP PHASE II FMS	$1,213,460.89	($1,213,460.88)	$0.01