

FEDERAL GOVERNMENT OF SOMALIA



2025 MID-YEAR BUDGET PERFORMANCE REPORT

**Prepared by the Budget Directorate
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1. Summary Highlights

- Government mobilized a total of \$326.90 million in revenue at mid-year point, which was only 24.5% of the annual budget target (25.5 percentage points below the 50% mid-year pro-rata benchmark). This was driven mainly by weak donor grant inflows, which stood at just 16.4% of the annual target. Domestic revenue performed better (41.7%) but still lagged behind the 50% mid-year benchmark.
- On the expenditure side, actual spending reached only 27.9% of the budget, largely because of shortages in revenue.
- Capital spending registered an 8-fold increase (705% year-on-year growth) in comparison to capital spending in the first half of 2024. This is very good for economic growth and trend should be maintained.
- There was a fiscal deficit of \$52.27 million by June—nearly double the full-year forecast, which was financed from cash balances brought forward from fy2024, and the use of IMF SDRs.

2. Review of Macroeconomic Assumptions

The Somali economy is projected to grow modestly in 2025, with GDP reaching \$13.13 billion—a slight increase from \$12.15 billion in 2024. However, recent data shows growth is slowing, with the real GDP growth rate projected at 3.0% compared to the 4.1% forecast at the time of formulating the fy2025 budget. According to the IMF, the projected slowdown in GDP is primarily driven by a decline in donor grants, which is expected to adversely affect key sectors reliant on external funding, including agriculture, health, and education. Humanitarian spending is also projected to decline, dampening household consumption. Also, climate-related shocks, such as below-average rainfall in some regions and flooding in others are likely to weigh on agricultural output, which will affect growth. Inflation is expected to edge up slightly to 4.9%, suggesting due to domestic food price pressures. Exports, remittance flows and FDI are projected to grow at a rather slower rate relative to fy2024, meanwhile the imports are projected to increase somewhat faster in 2025 although not to the levels that had been anticipated at the time of formulating the budget. These conditions necessitate caution in planning and stronger fiscal discipline in the remainder of the year, as it is unlikely that the original fiscal targets for the year will be reached.

Table 1: Macroeconomic indicators

Indicator	2022	2023	2024	2025	
				Forecast	Projected
GDP (\$m)	10,203	10,969	12,149	13,018	13,127
Real GDP growth rate	2.7%	4.2%	4.0%	4.1%	3.0%
Inflation rate	6.8%	6.2%	5.3%	4.2%	4.9%
Exports of goods (\$m)	704	1,009	1,148	1,257	1,248
Imports of goods (\$m)	-6,380	-6,955	-7,616	-8,190	-7,766
Private remittances (\$m)	2,142	2,102	2,409	2,588	2,525
FDI (\$m)	531	570	692	703	686

Source: IMF ECF Report July 2025

3. Revenue performance

By the end of June 2025, half-way through the fiscal year 2025, the Government had generated a total of \$326.90 million in revenue, which comprised \$179.46 million from domestic sources and \$147.44 million from donor grants (see Table 2). Overall, this represents only 24.5% of the annual revenue target—significantly below the expected 50% performance level for the mid-year point, and 12.6% below the performance of total revenue for the same period in the previous fiscal year 2024. The shortfall was largely due to underperformance in donor grants, which reached just 16.4% of their annual target. In contrast, domestic revenue performed relatively better, achieving 41.7% of its annual goal by mid-year, although the performance was 0.9% below what was collected from domestic revenue in the same period of the previous fiscal year. Most major domestic revenue categories fell short of the 50% mid-year benchmark, except for income taxes, which achieved 65.0%.

Table 2: Revenue and Expenditure Performance at end June 2025

Fiscal Variable	Actual 2022	Actual 2023	Actual 2024	2025			
				Budget 2025	Actual 2025	Jan-Jun as % of Annual Budget	Y-to-Y %
Total Revenue	719.65	738.02	912.72	1331.97	326.90	24.5%	-12.6%
Domestic Revenue	262.67	329.49	369.35	430.34	179.46	41.7%	-0.9%
Taxes	181.69	224.63	266.76	295.29	130.18	44.1%	1.3%
Tax on income, profit and capital gain	18.03	24.38	36.17	38.03	24.72	65.0%	39.5%
Taxes on goods and services	32.78	38.61	51.42	59.24	26.49	44.7%	10.2%
Taxes on international trade and transactions	116.17	154.08	168.88	186.21	74.74	40.1%	-8.6%
Other taxes	14.08	7.55	10.30	11.81	4.23	35.8%	-15.1%
Non Taxes	80.98	104.86	102.59	135.05	49.28	36.5%	-6.2%
Sales of goods and services	80.81	101.73	101.90	135.05	49.00	36.3%	-6.2%
Grants	456.98	408.53	543.36	901.63	147.44	16.4%	-23.6%
Grants from foreign governments	37.10	0.80	29.86	42.00	13.06	31.1%	-21.5%
Grants from international organizations	0.00	407.73	513.50	859.63	134.38	15.6%	-23.8%

3.1. Taxes On Income and Profit

In the first half of 2025, taxes on income and profit generated \$24.72 million, equivalent to 65.0% of the annual target and marking a 39.5% increase compared to the collection in the same period in 2024. The higher than the expected performance (at half-year) was largely due to enhanced efforts from the Revenue Department, which focused on strengthening tax compliance through audits and actively identifying and registering previously non-compliant taxpayers. As shown in *Annex 1*, there was a 17.9% year-on-year increase for personal income taxes collected from private sector employees, and 122.0% year-on-year increase from property income taxes, due to an increase in number of private sector employees and rental properties. Details on number of registered taxpayers for the various sources of income tax will be provided in the next reports.

3.2. Taxes on goods and services

Taxes on local goods and services brought in \$26.49 million during the first half of 2025, achieving 44.7% of the annual budget target, which was 5.3 percentage points below the 50% expected mid-year level. However, this still reflects a 10.2% increase compared to the collection in the same period in 2024. As indicated in *Annex 1*, this performance was mainly supported by strong collections from three areas: (i) sales tax on general goods and services which performed 401.4% at half year (suggesting under estimation or mis-posting of transactions on the revenue system), (ii) sales tax on imported goods which performed 44.8% of the annual target although this was below the 50% pro-rata expectation, and (iii) urban roads users tax which performed 60% at midyear. Like income taxes, this growth was largely driven by enhanced tax administration, including strengthened audits and enforcement measures. The rest of the items from which sales tax and service user taxes are collected performed quite below the 50% pro-rata expectation i.e., sales tax on hotels 14.4%, telecoms 28.4%, electricity 21.4%, airline tickets 30.7%, TV cable providers 0.1%, and notary collection taxes 27.5%. The underperformance of these items could be attributed to over estimation and non-compliance.

3.3. Taxes on international trade

Customs revenue for the first half of 2025 totaled \$74.74 million, reaching 40.1% of the annual target—slightly below the expected 50% mid-year mark and reflecting an 8.6% decline compared to the collections in the same period in 2024. Customs revenue made up 22.9% of total revenue and grants but 41.2% of total domestic revenue. The largest contributors to customs revenue in the first half of the fiscal year included consumption goods (\$24.42 million, accounting for 32.7% of customs revenue), followed by building materials (\$8.67 million or a share of 11.6%), fuel and lubricants (\$7.84 million or 10.5%), khat (\$8.08 million or 10.8%), clothes and shoes (\$6.33 million or 8.5%), and household materials (\$4.53 million or 6.1%). Other imported goods contributed \$3.16 million (4.2%), as detailed in *Annex 1*. Export taxes brought in \$0.52 million, representing 8.6% of the annual target, and -4.9% lower than what was collected in the same period last year. Performance of customs revenue is expected to pick up in the second half of the fiscal year following a change in customs top leadership with effect from July 2025.

3.4. Non-tax revenue

Non-tax revenue (NTR) collection in the first half of 2025 was below the 50% prorated expectation, with a total of \$49 million collected—equivalent to 36.3% of the annual target and 6.2% lower than the same period in 2024. Out of 31 different NTR sources, only one exceeded the 50% pro-rata expectation, while the remaining 30 sources underperformed (see *Annex 1* for details). The best-performing source was service charge fees at 62.9%, followed by airline overflight fees (37.1%), telecom spectrum fees (37.4%), customs harbor fees (46.9%), Albayrak harbor fees (37.5%)—which alone contributed 26.9% of total NTR—work permit fees (34.5%), passport fees (34.5%), and business and professional licenses (23.3%). Fishing license fees recorded the weakest performance at just 6.3% of the annual target. However, improvements are expected in the second half of the year, especially after the digitalized NTR portal gets launched.

3.5. *Other taxes*

This revenue source yielded \$4.23 million which was 35.8% of the annual target, -15.1% lower than the collection from the same period last year, and contributed 1.3% to total revenue and grants at half-year. Of the four revenue sources for this broad tax item, only stamp duty on invoices and contracts performed exceptionally well, reaching 77.6% of the item annual budget at half-year, and registering 36.6% year-on-year increase, which was attributed to improved tax enforcement and sensitization of taxpayers about the need to secure their documents with official stamps. The rest of the items performed below the 50% pro-rata expectation at half-year, stamp duty on customs documents (\$1.57m, 39% of annual target at half-year, road worthiness (\$0.11m, 7.3% performance), and zero collections from stamp duties on food items. Over-estimation and non-compliance are partially responsible for the observed underperformance for the three underperformed items.

3.6. *Grants*

The Government realized a total of \$147.44 million from grants at half-year, which was 16.4% of the annual target (far below the 50% prorata expectation) and 23.6% lower than the grants that were realized during the same period in the previous year 2024.

a. Grants from bilateral partners

Grants from bilateral governments totaled \$13.06 million at half-year, which was 31.1% of annual target. The lower-than-expected performance in budget support grants from bilateral governments is somewhat normal, as most budget support disbursements tend to be made in the second half of the financial year.

b. Grants from multilateral agencies

Grants from multilateral institutions totaled \$134.38 million at half-year, which represented 15.6% of annual target, far below the 50% pro-rata expectation at half-year. All these grants are project grants, channeled through 38 projects funded by the World bank, AfDB, EU and UN. The underperformance of multilateral grants has continued to be attributed to challenges faced by projects in planning and implementing the project activities that are meant to trigger the release of disbursements by the financers (multilateral agencies). One of the key challenges often cited relates to projects adapting to financers' procurement procedures. Improving project management so far remains the key intervention to improve project disbursement rates.

4. Expenditure performance

The actual expenditure during the first half of 2025 was only \$379.17M, representing 27.9% of the total annual budget, and 1% higher than the expenditure incurred in the same period last year (see Table 3). The half-year total expenditure was far below the expected 50% mark, largely because of shortfalls in revenue and grants. Expenditure executed through the FGS local fund amounted \$259.6 million, which was 41.1% of the annual budget at half-year, and 14.1% higher than the spending in the same period last fiscal year (2024). Grants to FMSs and interest on debt were the worst performers at 24.5% and 21.1% respectively (see Table 3). Revenue

shortages are largely responsible for the underperformance especially in the purchase of goods and services and capital spending.

Donor projects spending was \$119.6 million which, at half-year, was 16.4% of the annual budget and 19.1% lower than the spending incurred during the same period in the previous fiscal year. Project management issues and difficulties encountered by projects in adapting to the donor procurement procedures are largely responsible for the observed underperformance in donor projects spending. .

Table 3: Expenditure Performance as at end June 2025

Code	Description	Annual Budget 2025	Q1	Q2	Actual Jan-Jun 2025	Pfce cf 50%	YtY Growth %	% Share on Total
A	Government Fund	631.47	136.03	123.60	259.62	41.1%	14.1%	100.0%
21	Compensation of Employees	366.12	89.85	83.84	173.69	47.4%	7.6%	66.9%
22	Use of Goods and Services	137.91	23.51	27.22	50.73	36.8%	15.9%	19.5%
24	Interest	13.80	1.09	1.83	2.92	21.1%	57.9%	1.1%
26	Grants	89.61	12.00	9.97	21.97	24.5%	8.8%	8.5%
31	Nonfinancial Assets	24.04	9.57	0.74	10.32	42.9%	2751.7%	4.0%
B	Donor Projects	728.24	50.64	68.91	119.55	16.4%	-19.1%	100.0%
21	Compensation of Employees	5.04	0.81	0.99	1.80	35.7%	29.9%	1.5%
22	Use of Goods and Services	259.79	18.86	18.14	37.00	14.2%	30.5%	30.9%
25	Subsidies	13.47	0.08	0.91	1.00	7.4%	-68.6%	0.8%
26	Grants	141.01	13.17	19.63	32.81	23.3%	12.0%	27.4%
27	Social Benefits	76.82	0.00	0.00	0.00	0.0%	-100.0%	0.0%
28	Other Expense	64.44	11.73	17.54	29.27	45.4%	0.0%	24.5%
31	Nonfinancial Assets	167.66	5.99	11.70	17.68	10.5%	467.6%	4.7%
C	Total Expenditure	1359.71	186.67	192.50	379.17	27.9%	1.0%	100.0%
21	Compensation of Employees	371.17	90.65	84.84	175.49	47.3%	7.8%	46.3%
22	Use of Goods and Services	397.70	42.37	45.35	87.73	22.1%	21.6%	23.1%
24	Interest	13.80	1.09	1.83	2.92	21.1%	57.9%	0.8%
25	Subsidies	13.47	0.08	0.91	1.00	7.4%	-68.6%	0.3%
26	Grants	230.62	25.18	29.60	54.78	23.8%	10.7%	14.4%
27	Social Benefits	76.82	0.00	0.00	0.00	0.0%	-100.0%	0.0%
28	Other Expense	64.44	11.73	17.54	29.27	45.4%	0.0%	7.7%
31	Nonfinancial Assets	191.70	15.56	12.44	28.00	14.6%	705.2%	7.4%

4.1. Compensation of employees

A total of \$175.5 million was spent on compensation of employees at half-year in 2025, which represented 47.3% of the annual budget (2.7 percentage points below the 50% pro-rata expectation), and 7.8% higher than the spending on the same item in the same period last fiscal year. As shown in Table 3, the larger part of this spending (\$173.7m) went to civil servants, whereas \$1.8m was spent on donor projects staff. Table 3 further shows that donor projects salaries underspent at 35.7% at half-year, partly due to delays to recruit project staff as planned, as well as delay to implement some project activities.

4.2. Use of goods and services

A total of \$87.73 million was spent on purchase of goods and services (running costs) by mid-year, which represented 22.1% of the annual budget, though 21.6% higher than similar spending in the same period last year. Of the \$87.73 million, \$50.73 million was spent from the FGS local fund (which was 36.8% of annual budget at mid-year), whereas \$37.0 million

was spent from donor projects funds (which represented 14.2% of annual budget at mid-year). The rather low execution rate for funds spent from the FGS local fund was attributed to revenue shortages during the half-year period, which may attract the need for adjusting the budget for the item. On the other hand, the dismal execution rate for goods and services funded through donor projects reflects the project planning and management challenges that continue to persist almost in all projects that are funded by different donors.

4.3. Capital expenditure (Capex)

A total of \$28 million was spent on capital activities by mid-year at the end of June 2025. This represented 14.6% of the annual budget, which was far below the 50% pro-rata expectation. In comparison to spending on capital activities in the previous year, the figures show a 705.2% year-on-year increase (i.e., 8-fold increase)—which reflects the increased emphasis Government is now placing on capital activities given the role they play in generating economic growth. Capex execution rate for funds spent from the FGS local fund (funded through domestic revenue and budget support) was 42.9% compared to the execution rate of 10.5% for donor projects. This again highlights the need for the Government to balance its efforts to ensure efficiency is not only attained for expenditure executed from the FGS local funds but also for the donor projects.

4.4. Subsidies

Of the \$13.47 million subsidy allocation for 2025, only \$1.00 million was disbursed at half-year, representing 7.4% of the annual budget, and 68.6% lower than in the same period last year. Subsidies are generally funded through donor projects. Reasons for such a low execution rate are yet to be fully analyzed and concluded upon, but they rotate around persistent challenges in project planning, management and supervision, which the present MOF leadership is currently addressing.

4.5 Interests and Debt Charges

A total of \$2.92 million was disbursed by half-year at the end of June 2025, representing 21.1% of the annual budget, and an increase of 57.9% in comparison to interest disbursements executed in the same period in 2024. The increase is due to growing debt servicing obligations especially for interest on debt for creditors that are yet to grant debt relief to Somalia in addition to the recent borrowings from the IMF to cover short-term liquidity challenges of the Government (see Table 4).

Table 4: Planned debt servicing in 2025 by creditor as at end June 2025 (in \$million)

Creditor	Principal	Interest	Total	%share
IMF	-	0.40	0.40	3.2%
OPEC Fund	-	0.09	0.09	0.7%
Islamic Development Fund	0.07	-	0.07	0.6%
Arab Monetary Fund	0.25	-	0.25	2.0%
Russia	0.63	0.08	0.71	5.8%
Spain	8.18	0.16	8.34	67.7%
Saudi Fund for Development	-	1.55	1.55	12.6%
Kuwait Fund for Arab Economic Development	-	0.91	0.91	7.4%
Total debt service	9.13	3.19	12.32	100%

4.5. Transfers to FMS and other entities

Grants to FMS and other entities totaled \$54.78 million at half-year, which represented 23.7% of the annual budget (\$230.62m) and 10.7% higher than the grants disbursed in the same period last fiscal year. Grants disbursed from the FGS local fund totaled \$21.97 million (24.5% of annual budget and 8.8% higher than in same period in 2024), whereas grants executed from donor projects totaled \$32.81 million (23.3% of annual budget and 12% year-to-year increase). Lower than expected revenue in the first half of the year explain the rather low execution rate for grants funded through the FGS local fund, which means adjustments in the budget for grants may be needed. On the part of grants funded through donor projects, three reasons have so far been forwarded for the relatively low execution rate of 23.3% at half year (instead of at least 50%)—challenges experienced by FMSs to fulfil the requirements for accessing the grant funds e.g., availability of work plans; challenges related to communication/coordination between project PIUs and the beneficiaries (FMSs); and political impasses between FGS and some FMSs. Table 5 provides more details on transfers to each FMS and other entities during the first half of fy2025.

Information obtained from FMSs that had higher disbursement rates indicate that the relatively improved performance was driven by prioritization of infrastructure projects, faster procurement, and direct donor supervision. Galmudug and South West State achieved higher absorption due to active implementation of projects, whereas Hirshabelle and Jubaland faced delays from procurement and technical capacity issues. To improve outcomes, stronger federal oversight, better project readiness, enhanced coordination, and capacity-building support for lagging states are needed.

Table 5: Transfers to FMSs and other entities January to June 2025

2025 FMSs Budget Vs Actual		Budget 2025	2025 Actual				
Description			Q1	Q2	Total	PRFC 50%	Y-Y%
2631	Current Grants to Other General Government Unit	128.83	13.62	13.59	27.21	21.1%	9.8%
1000	Federal Government of Somalia	0.65				0.0%	0.0%
1001	Development Bank of Somalia	0.64	0.18	0.18	0.36	55.8%	-9.0%
1002	Chamber of Commerce	0.64	0.18	0.18	0.36	55.8%	-9.0%
3000	Puntland State of Somalia	15.54	1.09	1.21	2.29	14.8%	173.0%
4000	Jubaland State of Somalia	21.43	2.07	1.94	4.01	18.7%	78.9%
5000	South West State of Somalia	20.41	1.64	1.21	2.85	14.0%	-3.7%
6000	Galmudug State of Somalia	20.54	1.54	1.77	3.32	16.1%	-9.2%
7000	Hirshabelle State of Somalia	20.32	1.27	1.58	2.85	14.0%	36.7%
8000	Benadir Regional Administration and	28.67	5.66	5.52	11.18	39.0%	-8.6%
2632	Capital Grants to Other General Government Unit	93.16	7.69	15.70	23.39	25.1%	207.0%
3000	Puntland State of Somalia	2.19	0.09	0.06	0.16	7.2%	0.0%
4000	Jubaland State of Somalia	18.46	0.86	3.43	4.30	23.3%	50.7%
5000	South West State of Somalia	19.80	2.46	3.59	6.05	30.6%	142.5%
6000	Galmudug State of Somalia	10.99	0.61	1.95	2.56	23.3%	383.0%
7000	Hirshabelle State of Somalia	15.09	1.05	1.81	2.86	18.9%	198.4%
8000	Benadir Regional Administration and	26.62	2.61	4.86	7.47	28.1%	849.4%
Grand Total		221.99	21.32	29.29	50.61	22.8%	56.1%

4.6.Social benefits

As Table 3 shows, there was ZERO spending for this spending item during the first half of the year. The annual budget for the item is \$76.82 million, aimed at supporting welfare and support programs for vulnerable populations under the Shock Responsive Safety Net for Human Capital Project (Banaano) funded by the World Bank. It so happened that the project spent the entire budget in December 2024 once the funds had been appropriated by Parliament. The 2025 budget happened to be approved by Parliament in November 2024, a month before the end of fy2024 and start of the fy2025. For purposes of expediency, the Ministry of Labour and Social Affairs (under which the Banaano project falls), intervened faster to ensure the beneficiaries of the social benefits received them at the appropriate time. Having spent the funds during 2024, and since Somalia uses cash IPSAS approach, the funds were therefore accounted for under fy2024, which makes a clear case for need to adjust the budget for fy2025 to clean out such issues.

4.7.Other expenses

This newly introduced category in 2025 received \$64.44 million, with A total of \$29.27 million was spent at half year representing 45.4% of the annual budget. The entire budget for this item (worth \$64.44m) is under the Ministry of Health to finance specific project activities to improve access to healthcare in the country.

4.8.Expenditure by sector

Table 6: Expenditure Performance by Sector as at end June 2025

Sector/MDA	2022 Actual	2023 Actual	2024 Actual	2025			
				Budget	Actual Jan-June	Pfce 50%	YTY %
Administration and General Services	74.39	296.13	321.17	438.48	141.26	32.2%	22.1%
Security	52.99	191.55	235.28	257.18	123.07	47.9%	7.4%
Economic Service	12.50	78.27	129.33	334.70	54.58	16.3%	11.7%
Social Service	21.65	154.33	219.43	329.36	60.26	18.3%	-37.4%
Total	161.52	720.28	905.20	1359.71	379.17	27.9%	1.0%

The FGS budget continues to be structured around four sectors—administration and general services, security, economic and social sectors. In terms of spending at half-year for fy2025, the **Security sector** has shown the strongest execution rate at **47.9%**, spending \$123.07m out of its \$257.18m budget (see Table 6). This suggests a prioritized and disciplined focus on maintaining stability in the country.

Administration and General Services also performed relatively well, executing **32.2%** of its allocation at half-year and recording the **highest year-on-year growth (22.1%)**. This sector comprises spending entities such the Parliament, Ministries and agencies responsible for finance, planning, interior, justice, etc as can be seen in Annex 2.

The **Economic Service sector**, despite its significantly expanded budget in 2025 (from \$\$334.70m), only executed **16.3%** of its annual budget by half-year, though with a year-on-year growth of **11.7%**.

The **Social Services sector**, critical for education, health, and welfare, shows even more concerning performance with **only 18.3% execution** at half-year, and a **-37.4% decline** compared to sector spending in the same period in 2024. Reasons for the weak absorptive capacity in the economic and social sectors are various e.g., social benefits worth \$76.8m funds appropriated for 2025 were actually spent in the last month of 2024 as already mentioned above, yet this continues to show in the sector budget, delays in implementing donor-funded project activities due to various reasons as already mentioned in the sections above, etc.

4.9. Donor Projects Expenditure

Project expenditure totaled \$119.55 million at half-year for fy2025, representing 16.4% of the annual budget and a decline of 19.1% when compared to project spending in the same period last year (2024). As Table 7 shows, World Bank projects exhibited the highest execution rate of 18.3% at half year, whereas the single project funded by the EU registered the lowest execution rate of 0.4% at half-year. The last column of the table highlights how the low execution rates for projects are denying funds being injected into Somalia's economy to the tune of \$244.6 million in the first half of fy2025 (*although this figure should be discounted to \$167.75m after subtracting the 'Banaano \$76.82m budget which was spent in December 2024 as mentioned in section 4.6 above.'*) Details of spending per project are provided in Annex 4.

Table 7: Projects spending at half-year for fy2025, by source of funds

Description	Budget For 2025	Q1 Outturn	Q2 Outturn	Total	PRFC %	Y-Y%	Fund That Missed to Injected into the Economy@ halfyear
World Bank Grants	626,827,963	48,453,971	66,082,266	114,536,236	18.3%	-21.3%	198,877,745.43
African Development Bank	67,838,493	1,369,433	1,569,504	2,938,938	4.3%	67.0%	30,980,308.54
United Nations Agencies (UN)	4,783,492	166,921	187,039	353,960	7.4%		2,037,786.43
Global Partnership for Education	28,613,512	649,465	1,067,402	1,716,867	6.0%	3967.5%	12,589,888.82
European Union	176,000	-	745	745	0.4%	-99.9%	87,255.17
TOTAL	728,239,460	50,639,790	68,906,955	119,546,746	16.4%	-19.1%	244,572,984.39

The key issues responsible for the low execution rates include back-loaded disbursement designs, lengthy procurement processes, weak PIU capacity, and strict donor conditionalities. Specific issues per donor are summarized below:

- **World Bank Grants:** challenges related to tranche-based releases, safeguard clearances, and procurement delays.
- **AfDB:** issues to do with early-stage procurement and delayed approvals.
- **UN Agencies:** affected by off-TSA flows, MoUs, and cost-recovery mechanisms delaying on-budget recording.
- **GPE:** low disbursements due to calendar mis-alignments between FGS and donor, and procurement lead times.

As way forward to improve the execution rates for the second half of the fiscal year, there will be need to consider the following actions:

- i) Hold **portfolio reviews** with all partners to unblock delays.
- ii) **Pre-clear bidding documents** and bundle procurements to speed up implementation.
- iii) Establish **quarterly disbursement amounts** tied to delivery of agreed milestones.
- iv) Deploy **technical assistance teams** to strengthen weak PIUs.
- v) Align donor **agency-implemented activities** with on-budget recording and TSA schedules.
- vi) Introduce a system of performance contracts for all PIUs and all project staff.

5. Fiscal balance

There was a fiscal deficit of \$52.27 million at half-year, which was higher than the estimated deficit of \$27.74m (for entire fy2025) at the time of formulating the budget. The deficit was financed from cash balances brought forward from fy2024 and short-term borrowing using SDRs from the IMF. To reduce the size of the deficit, the Government plans to enhance revenue mobilization in the second half of the year, and to cut some operating expenditures.

6. Specific policy developments during January-June 2025

- The National Transformation Plan (NTP) and Centennial Vision 2060 were launched in March 2025. The two strategic documents will henceforth guide the budget allocations for the various spending entities of Government and for priority areas.
- The Ministry of Religious Affairs and Endowments was renamed the Ministry of Islamic Affairs and Endowments.
- The Office of the Prime Minister embarked on an exercise to rationalize government agencies which will include providing new organizational structures for all MDAs by the end of the fiscal year.
- There was a change in customs leadership, which was aimed at improving revenue collections from taxes on international trade. This is expected to lead to improved revenue collections in the second half of the fiscal year and eventually to improved availability of funds for spending by MDAs.
- Government commissioned a Public Investment Management Assessment (PIMA) carried out by the IMF together with FGS staff, which is aimed at improving the planning and implementation of capital spending.

7. Intergovernmental mid-year budget performance

Table 8: FGS and FMS revenue and expenditure performance January-June 2025

A. BUDGET	FGS	Jubbaland	Hirshabelle	Galmudug	SWS	BRA	Total
Revenue and Grants	1,331,969,583	68,762,524	42,012,383	53,310,328	40,350,371	77,451,615	1,296,337,541
Domestic Revenue	430,341,430	34,011,449	8,026,024	13,062,282	6,699,293	49,274,078	541,414,556
Income tax	38,031,213	2,312,623	906,550	1,300,000	4,573,063	24,000	47,147,449
Tax on goods & services	59,235,331	5,059,219	4,762,384	7,956,658	980,768	21,450,543	99,444,902
Taxes on international trade	186,211,437	17,568,493	442,246	2,440,384	517,356	2,177,537	209,357,453
Taxes on Property	-	-	14,000	-	94,500	11,003,200	11,111,700
Non-tax revenue	135,052,170	8,921,114	552,520	1,365,240	518,006	14,618,798	161,027,848
Other taxes	11,811,278	150,000	1,348,325		15,600		13,325,203
Grants	901,628,154	34,751,075	33,986,359	40,248,046	33,651,078	28,177,537	754,922,985
From Foreign governments	42,000,000	-	-	-			42,000,000
From international organizations	859,628,154	4,644,706	1,189,680	1,607,785	4,612,292		871,682,617
From other general government units	-	30,106,368	32,796,679	38,640,262	29,038,786	28,177,537	(158,759,632)
Expenditure	1,346,244,328	68,762,524	41,924,383	53,310,327	40,350,370	101,274,078	1,420,695,844
Compensation of Employees	370,823,825	27,484,668	12,343,327	14,487,179	12,864,269	26,878,357	464,881,625
Use of Goods and Services	397,613,123	24,542,859	15,882,269	19,280,060	18,813,919	35,426,742	511,558,972
Grants	231,170,167	100,000	1,150,040	490,500	100,000		233,010,707
Social Benefits	76,824,000	19,187			1,200	4,065,518	80,909,905
interest on debt	13,800,000	-	-				13,800,000
Subsidies	-	-	-	-	-	-	-
Other Expenses	64,439,668	4,591,312	800,375	1,190,486	5,500	1,298,367	72,325,708
Nonfinancial assets	191,573,544	12,024,497	11,748,373	17,862,102	8,565,482	33,605,094	275,379,093
Fiscal Balance	(14,274,745)	-	88,000	1	1	(23,822,463)	(124,358,303)
B. OUTTURN	FGS	Jubbaland	Hirshabelle	Galmudug	SWS	BRA	Total
Revenue and Grants	326,899,124	26,540,357	6,907,790	9,950,497	7,436,509	24,864,684	374,963,267
Domestic Revenue	179,460,429	19,262,422	3,403,140	5,570,705	2,696,898	24,864,684	235,258,277
Income tax	24,723,829	894,956	453,514.37	703,841.55	1,483,871	4,030	28,264,042
Tax on goods & services	26,485,996	3,581,556	2,277,834.20	4,209,541.50	804,533	6,865,783	44,225,245
Taxes on international trade	74,737,725	9,914,803	239,728.80	15,624.20	190,225	10,715,575	95,813,680
Taxes on Property						3,430,792	3,430,792
Non-tax revenue	49,281,383	4,807,738	237,198.06	641,697.37	172,450	3,848,504	58,988,971
Other taxes	4,231,496	63,369	194,864.24		45,818		4,535,548
Grants	147,438,695	7,277,935	3,504,650	4,379,792	4,739,611	-	139,704,990
From Foreign government	13,061,806						13,061,806
From international organizations	134,376,889	3,104,868	659,111.48	981,169.97	1,338,991		140,461,030
From other general government units		4,173,067	2,845,538.50	3,398,622.14	3,400,619		(13,817,847)
Expenditure	380,168,488	26,511,367	6,526,466	10,263,023	8,311,725	25,859,270	402,861,435
Compensation of Employees	175,489,807	15,528,149	3,296,982.28	4,850,440.44	4,024,176	12,729,891	215,919,446
Use of Goods and Services	87,727,418	6,551,968	2,477,159.75	4,233,747.02	3,002,747	8,239,694	112,232,733
Grants	54,778,903	-	279,928.00	130,153.00	49,990		55,238,974
Social Benefits	997,129	-				455,001	1,452,130
interest on debt	2,915,443						2,915,443
Subsidies	997,129						997,129
Other Expenses	29,265,103	3,463,267		108,472.50			32,836,842
Nonfinancial assets	27,997,557	967,983	472,395.60	940,209.65	1,234,812	443,4683.72	36,047,642
Fiscal Balance	(53,269,364)	28,990	381,324	(312,526)	(875,216)	(994,586)	(27,898,168)
C. PERFORMANCE	FGS	Jubbaland	Hirshabelle	Galmudug	SWS	BRA	Total
Revenue and Grants	24.5%	38.6%	16.4%	18.7%	18.4%	32.1%	28.9%
Domestic Revenue	41.7%	56.6%	42.4%	42.6%	40.3%	50.5%	43.5%
Income tax	65.0%	38.7%	50.0%	54.1%	32.4%	16.8%	59.9%
Tax on goods & services	44.7%	70.8%	47.8%	52.9%	82.0%	32.0%	44.5%
Taxes on international trade	40.1%	56.4%	54.2%	0.6%	36.8%	492.1%	45.8%
Taxes on Property	0.0%	0.0%	0.0%	0.0%	100.0%	200.0%	30.9%
Non-tax revenue	36.5%	53.9%	42.9%	47.0%	33.3%	26.3%	36.6%
Other taxes	35.8%	42.2%	14.5%	0.0%	100.0%	200.0%	34.0%
Grants	16.4%	20.9%	10.3%	10.9%	14.1%	0.0%	18.5%
From Foreign government	31.1%	0.0%	0.0%	0.0%	0.0%	0.0%	31.1%
From international organizations	15.6%	66.8%	55.4%	61.0%	29.0%	0.0%	16.1%
From other general government units	0.0%	13.9%	8.7%	8.8%	11.7%	0.0%	8.7%
Expenditure	28.2%	38.6%	15.6%	19.3%	20.6%	25.5%	28.4%
Compensation of Employees	47.3%	56.5%	26.7%	33.5%	31.3%	47.4%	46.4%
Use of Goods and Services	22.1%	26.7%	15.6%	22.0%	16.0%	23.3%	21.9%
Grants	23.7%	0.0%	24.3%	26.5%	50.0%	0.0%	23.7%
Social Benefits	1.3%	0.0%	0.0%	100.0%	200.0%	300.0%	500.0%
interest on debt	21.1%	0.0%	0.0%	100.0%	200.0%	300.0%	500.0%
Subsidies	0.0%	0.0%	0.0%	100.0%	200.0%	300.0%	500.0%
Other Expenses	45.4%	75.4%	0.0%	9.1%	0.0%	0.0%	45.4%
Nonfinancial assets	14.6%	8.1%	4.0%	5.3%	14.4%	13.2%	13.1%

Table 8 shows that it was not only the FGS that was characterized by low execution rates for both revenue and spending, but also all FMSs faced a similar situation during the first half of fy2025. In the case of revenue mobilization, Jubbaland had the highest execution rate of 38.6% at half year, followed by BRA (32.1%) and FGS 24.5%. This notwithstanding, even the highest execution rate was several percentage points below the 50% pro-rata expectation at half-year. In the case of spending execution frates at half-year, again Jubbaland had the highest rate at 38.6%, followed by FGS at 28.2% and BRA 25.5%. the rest of the FMSs had execution rates of about 20% and below. This highlights the need to enhance both domestic revenue mobilization (DRM) and public financial management (PFM) and at both the federal and state levels to improve budget credibility and service delivery.

8. Conclusion and Recommendations

The mid-year fiscal review reveals low spending execution rates due to revenue shortfalls both for domestic revenue and donor grants. The review also reveals persistent challenges in project planning, management and supervision which end up preventing substantial amounts of donor funds from being injected into the economy to accelerate growth and poverty reduction. The review recommends to adjust downwards the budget through a supplementary budget for some of the underspending MDAs—in the case of the budgets financed from the FGS local fund (financed through domestic revenue and budget support). It also recommends to strengthen project planning, management and supervision to improve donor projects spending by considering to implement the following actions:

- i) Hold portfolio sprint reviews with all partners to unblock delays.
- ii) Pre-clear bidding documents and bundle procurements to speed up implementation.
- iii) Establish quarterly disbursement amounts compacts tied to delivery of agreed milestones delivery.
- iv) Deploy technical assistance teams to strengthen weak PIUs.
- v) Align donor agency-implemented activities with on-budget recording and TSA schedules.
- vi) Introduce a system of performance contracts for all PIUs and all project staff.

Annexes

Annex 1: Revenue performance in detail January-June 2025

Fiscal Variable	Budget 2025	Actual 2025			Expected Prfc (50%)	Year to Year Growth	% share to total
		Q1	Q2	Total			
Total Revenue	1331.97	159.02	167.88	326.90	24.5%	-12.6%	100.0%
Domestic Revenue	430.34	93.89	85.57	179.46	41.7%	-0.9%	54.9%
Taxes	295.29	67.96	62.22	130.18	44.1%	1.3%	39.8%
Tax on income, profit and capital gain	38.03	16.12	8.60	24.72	65.0%	39.5%	7.6%
Payable By individuals	30.88	8.41	8.15	16.56	53.6%	17.9%	5.1%
Personal income Tax on Public Employee	9.84	2.36	2.17	4.53	46.0%	4.4%	1.4%
Personal income Tax on on Private Employee	16.16	4.26	3.94	8.20	50.8%	18.4%	2.5%
Personal income Tax on Property income	4.88	1.79	2.04	3.83	78.5%	37.8%	1.2%
Payable By Corporation and Other Enterprises	7.15	7.71	0.45	8.16	114.1%	122.0%	2.5%
Payable By Corporations	7.15	7.71	0.45	8.16	114.1%	122.0%	2.5%
Taxes on goods and services	59.24	12.29	14.20	26.49	44.7%	10.2%	8.1%
General Taxes on Goods and Services	50.59	11.02	13.06	24.08	47.6%	10.9%	7.4%
Sales Taxes - Hotels	1.81	0.14	0.12	0.26	14.4%	-71.6%	0.1%
Sales Taxes - Telecommunications	9.00	1.15	1.40	2.55	28.4%	-2.8%	0.8%
Sales Taxes - Electricity and Electric Equipment C	0.72	0.15	0.00	0.15	21.4%	-67.2%	0.0%
Sales Taxes - Airlne Tickets	8.29	1.15	1.40	2.54	30.7%	-24.3%	0.8%
Sales Taxes - Tv Cable Providers	1.00	0.00	0.00	0.00	0.1%	-61.8%	0.0%
Sales Taxes - Other Taxes on Sales	1.50	2.26	3.76	6.02	401.4%	1486.6%	1.8%
Sales Taxes - on Other Imported Goods	27.97	6.16	6.38	12.54	44.8%	-10.1%	3.8%
Turnover Tax	0.30	0.00	0.00	0.00	0.0%	0.0%	0.0%
Excise	0.03	0.00	0.00	0.00	0.0%	-100.0%	0.0%
Soft Drinks	0.03	0.00	0.00	0.00	0.0%	-100.0%	0.0%
Taxes on Use of Goods and on Permission to Use Go	8.62	1.26	1.14	2.41	27.9%	4.2%	0.7%
Urban Road Users Taxes (Tremistrale)	2.75	0.84	0.81	1.65	60.0%	42.1%	0.5%
Notary Collection Taxes.	2.74	0.42	0.33	0.75	27.5%	-34.2%	0.2%
Signature Bonus	3.12	0.00	0.00	0.00	0.0%	0.0%	0.0%
Taxes on international trade and transactions	186.21	37.43	37.31	74.74	40.1%	-8.6%	22.9%
Customs and Other Import Duty	180.12	37.14	37.08	74.21	41.2%	-8.6%	22.7%
Customs and Other Import Duties	160.40	0.00	0.00	0.00	0.0%	0.0%	0.0%
Consumption Goods	0.00	13.05	11.36	24.42		-3.9%	7.5%
Building Materials	0.00	3.84	4.83	8.67		1.8%	2.7%
Electric and Electronics	0.00	2.27	1.19	3.46		-19.7%	1.1%
Vehicle and Spare Parts	0.00	1.72	1.36	3.07		-17.0%	0.9%
Cosmetics and Perfumes	0.00	0.40	0.36	0.76		0.1%	0.2%
Khat	19.71	3.66	4.42	8.08	41.0%	-3.4%	2.5%
Cigarete and tobacco Product	0.00	0.36	0.53	0.89		-33.9%	0.3%
Fuel and Lubricants	0.00	4.22	3.62	7.84		-43.9%	2.4%
Clothes and Shoes	0.00	3.39	2.94	6.33		6.8%	1.9%
Leather and Leather Products	0.00	0.00	0.06	0.06		0.0%	0.0%
Detergents	0.00	0.50	0.81	1.31		-12.7%	0.4%
Plastic and Plastic Products	0.00	0.22	0.26	0.48		30.3%	0.1%
Other Import Duty	0.00	0.07	1.08	1.15		742.7%	0.4%
Gold	0.00	0.00	0.02	0.02		580.2%	0.0%
Household Materials	0.00	2.62	1.92	4.53		-15.6%	1.4%
Medicine & Health Equipment	0.00	0.65	0.62	1.27		4.8%	0.4%
Office Supplies	0.00	0.19	0.18	0.37		13.4%	0.1%
Machinery & Equipment	0.00	0.00	0.20	0.20		0.0%	0.1%
Entertainment & Sports Material	0.00	0.00	0.03	0.03		0.0%	0.0%
Livestock and livestok Products	0.00	0.00	0.38	0.38		0.0%	0.1%
Agriculture Products	0.00	0.00	0.09	0.09		0.0%	0.0%
Seafood Products	0.00	0.00	0.01	0.01		0.0%	0.0%
Frankincense, Gums and chemicals	0.00	0.00	0.01	0.01		0.0%	0.0%
FGS Consumption Tax	0.00	0.00	0.80	0.80		0.0%	0.2%
Taxes on Exports For All Levies That Become Paya	6.09	0.29	0.23	0.52	8.6%	-4.9%	0.2%
Livestock Products	2.37	0.02	0.01	0.03	1.4%	-43.0%	0.0%
Agriculture Products	2.23	0.07	0.03	0.10	4.5%	-53.7%	0.0%
Seafood Products	0.44	0.00	0.00	0.01	1.7%	-33.4%	0.0%
Frankincense and Gums	0.03	0.01	0.00	0.01	38.8%	4.0%	0.0%
Other Export Duty	1.03	0.18	0.19	0.37	36.0%	46.4%	0.1%

Fiscal Variable	Budget 2025	Actual 2025			Expected Prfc (50%)	Year to Year Growth	% share to tot...
		Q1	Q2	Total			
Other taxes	11.81	2.12	2.11	4.23	35.8%	-15.1%	1.3%
Other Taxes Payable Solely By Business	11.81	2.12	2.11	4.23	35.8%	-15.1%	1.3%
Stamp Duty on Customs	4.03	0.80	0.77	1.57	39.0%	-7.9%	0.5%
Road Worthiness (Galawito)	1.49	0.05	0.06	0.11	7.3%	-10.9%	0.0%
Stamp Duties on invoices and Contracts (notary)	3.29	1.28	1.27	2.55	77.6%	36.6%	0.8%
Stamp Duties on Food Items	3.00	0.00	0.00	0.00	0.0%	-100.0%	0.0%
Grants	901.63	65.13	82.31	147.44	16.4%	-23.6%	45.1%
Grants from foreign governments	42.00	10.29	2.77	13.06	31.1%	-21.5%	4.0%
Current From Foreign Governments	42.00	10.29	2.77	13.06	31.1%	-21.5%	4.0%
Current Grants in Cash	42.00	10.29	2.77	13.06	31.1%	-21.5%	4.0%
Capital From Foreign Governments	0.00	0.00	0.00	0.00		0.0%	0.0%
Capital Grants in Kind	0.00	0.00	0.00	0.00		0.0%	0.0%
Grants from international organizations	859.63	54.84	79.53	134.38	15.6%	-23.8%	41.1%
Current From International Originations	859.63	54.84	79.53	134.38	15.6%	-23.8%	41.1%
Current Grants in Cash	859.63	54.84	79.53	134.38	15.6%	-23.8%	41.1%
Non Taxes	135.05	25.75	23.25	49.00	36.3%	-6.2%	15.1%
Property Rent	0.00	0.18	0.10	0.28		-18.0%	0.1%
Rent	0.00	0.18	0.10	0.28		-18.0%	0.1%
Rent of Land and Buildings	0.00	0.18	0.10	0.28		-18.0%	0.1%
Sales of goods and services	135.05	25.75	23.25	49.00	36.3%	-6.2%	15.0%
Administrative Fees	135.05	25.54	22.97	48.51	35.9%	-6.9%	14.8%
Visa Fees	13.64	1.82	1.99	3.81	27.9%	-6.9%	1.2%
Passport Fees	12.51	2.24	2.08	4.32	34.5%	-7.3%	1.3%
Work Permit Taxes	3.12	0.65	0.50	1.15	36.8%	-6.8%	0.4%
Airport Fees	4.52	1.11	0.45	1.55	34.4%	7.1%	0.5%
Overflight Fees (Iata)	27.49	5.40	4.81	10.21	37.1%	-16.3%	3.1%
Business and Profession Licenses	2.38	0.38	0.18	0.56	23.3%	-6.1%	0.2%
Radio and Tv Licenses	0.00	0.00	0.00	0.00		-28.6%	0.0%
Local NGO'S Registrations.	0.00	0.10	0.08	0.18		-0.3%	0.1%
Local Company Registrations	0.00	0.08	0.14	0.22		63.8%	0.1%
Agriculture Fees.	0.00	0.02	0.01	0.02		-22.9%	0.0%
Service Charges Fees	2.07	0.10	1.21	1.30	62.9%	413.2%	0.4%
Fishing Licenses Fees	6.59	0.24	0.17	0.41	6.3%	-60.3%	0.1%
Driving Licenses Fee	0.00	0.53	0.22	0.75		65.1%	0.2%
Number Plate Registration Fees	0.00	0.55	0.63	1.17		10.9%	0.4%
Education Services Fees	0.00	0.06	0.04	0.11		10.5%	0.0%
Security Company Fees	0.00	0.00	0.00	0.00		-86.6%	0.0%
Telecommunication Spectrum Fees	9.44	2.38	1.15	3.53	37.4%	-28.0%	1.1%
Other License Fees	0.03	0.01	0.00	0.01	29.8%	-83.4%	0.0%
Election Registration Fee	0.00	0.02	0.09	0.11		0.0%	0.0%
Clearances Letter Fees	0.00	0.26	0.20	0.47		9.5%	0.1%
Court Filing Fees	0.00	0.26	0.21	0.47		-9.1%	0.1%
Harbour Fees - Albayrak	35.34	7.00	6.26	13.27	37.5%	-1.3%	4.1%
Customs Harbour Fees	6.72	1.60	1.55	3.16	46.9%	-6.8%	1.0%
Administrative Charges	10.04	0.00	0.00	0.00	0.0%	0.0%	0.0%
Passenger Fee	0.00	0.52	0.77	1.29		10.7%	0.4%
Air Waybill Fee	0.00	0.01	0.01	0.01		-21.4%	0.0%
Registration Fee of Arrival and Departure of Air	1.15	0.21	0.21	0.42	36.0%	-26.0%	0.1%
Fines, Penalties	0.00	0.21	0.28	0.49		292.8%	0.2%
Penalties	0.00	0.21	0.28	0.49		292.8%	0.2%

Annex 2: Expenditure performance in detail January-June 2025 (by object)

Fiscal Variable	Budget 2025	Actual 2025			Expected Prfc (50%)	Year to Year Growth	% share to total
		Q1	Q2	Total			
Expenditure	1359.71	186.67	192.50	379.17	27.9%	1.0%	100.0%
Compensation of Employees	370.82	90.65	84.84	175.49	47.3%	7.8%	46.3%
Wages and Salaries	370.82	90.65	84.84	175.49	47.3%	7.8%	46.3%
Wages and salaries in Cash	204.91	50.14	49.51	99.64	48.6%	1.8%	26.3%
Allowances in cash	126.07	31.73	29.23	60.96	48.4%	13.1%	16.1%
Other employees costs	39.84	8.79	6.10	14.88	37.4%	35.2%	3.9%
Use of goods and services	397.61	42.37	45.35	87.73	22.1%	21.6%	23.1%
Travel and Conference	33.23	2.23	2.98	5.20	15.7%	9.6%	1.4%
Travel and Conference Expenses	33.23	2.23	2.98	5.20	15.7%	9.6%	1.4%
Operating Expenses	44.82	5.02	6.64	11.66	26.0%	15.2%	3.1%
Utilities	9.28	0.94	1.63	2.58	27.8%	25.7%	0.7%
Communications	2.70	0.04	0.30	0.34	12.4%	-28.6%	0.1%
Fuel and lubricants	12.80	1.86	2.39	4.26	33.3%	1.2%	1.1%
Materials and supplies	13.74	1.34	1.65	3.00	21.8%	28.6%	0.8%
Maintenance and repairs	6.31	0.83	0.66	1.49	23.6%	40.3%	0.4%
Rent	9.12	1.70	0.73	2.43	26.7%	14.8%	0.6%
Rent	9.12	1.70	0.73	2.43	26.7%	14.8%	0.6%
Finance costs	246.77	22.25	22.95	45.20	18.3%	32.7%	11.9%
Education and training expense	38.55	0.14	0.70	0.84	2.2%	39.7%	0.2%
Consulting and professional expense	181.66	18.75	19.56	38.31	21.1%	33.0%	10.1%
Financing costs	20.99	3.18	2.56	5.74	27.4%	30.6%	1.5%
Advertisement and subscriptions	1.52	0.15	0.05	0.20	13.2%	-20.6%	0.1%
Insurances charges and premium	4.06	0.03	0.08	0.10	2.6%	849.3%	0.0%
Specialized materials and services	6.97	1.25	1.59	2.84	40.7%	11.9%	0.7%
Police - Materials, supplies and services	0.42	0.04	0.07	0.11	25.0%	-12.5%	0.0%
National Security - Materials, supplies and service	3.99	0.79	0.88	1.67	41.8%	-8.1%	0.4%
Military - Materials, supplies and services	2.56	0.43	0.64	1.07	41.7%	77.5%	0.3%
Other General expenses	55.21	9.93	10.47	20.39	36.9%	9.9%	5.4%
Other General Expenses in goods and services	55.21	9.93	10.47	20.39	36.9%	9.9%	5.4%
Contingency	1.49	0.00	0.00	0.00	0.0%	0.0%	0.0%
Contingency	1.49	0.00	0.00	0.00	0.0%	0.0%	0.0%
Interest and other charges	13.80	1.09	1.83	2.92	21.1%	57.9%	0.8%
To non-residents	13.80	1.09	1.83	2.92	21.1%	57.9%	0.8%
Interest payable to nonresidents	13.80	1.09	1.83	2.92	21.1%	57.9%	0.8%
Subsidies	13.47	0.08	0.91	1.00	7.4%	-68.6%	0.3%
To private enterprises	8.19	0.08	0.17	0.25	3.1%	-92.0%	0.1%
Private non financial enterprises	8.19	0.08	0.17	0.25	3.1%	-92.0%	0.1%
To private enterprises	5.28	0.00	0.74	0.74	14.1%	0.0%	0.2%
Subsidies Payable to Other General Government Units	5.28	0.00	0.74	0.74	14.1%	0.0%	0.2%
Grants	231.17	25.18	29.60	54.78	23.7%	10.7%	14.4%
To International Organizations	8.63	3.86	0.31	4.17	48.4%	-75.6%	1.1%
Current grants to international organizations	8.63	3.86	0.31	4.17	48.4%	-75.6%	1.1%
To other General Government Units	222.54	21.32	29.29	50.61	22.7%	56.1%	13.3%
Current grants to other general government unit	128.31	13.62	13.59	27.21	21.2%	9.8%	7.2%
Capital grants to other general government unit	94.23	7.69	15.70	23.39	24.8%	207.0%	6.2%
Social benefits	76.82	0.00	0.00	0.00	0.0%	-100.0%	0.0%
Social Security benefits	76.82	0.00	0.00	0.00	0.0%	-100.0%	0.0%
Social security benefits in cash	76.82	0.00	0.00	0.00	0.0%	-100.0%	0.0%
Other expenses	64.44	11.73	17.54	29.27	45.4%	0.0%	7.7%
Transfers not elsewhere classified	64.43	11.73	17.54	29.27	45.4%	0.0%	7.7%
Current transfers not elsewhere classified	64.43	11.73	17.54	29.27	45.4%	0.0%	7.7%
Non Financial Assets	191.57	15.56	12.44	28.00	14.6%	705.2%	7.4%
Fixed Assets	191.57	15.56	12.44	28.00	14.6%	705.2%	7.4%
Buildings and Structures	52.83	0.00	0.78	0.78	1.5%	0.0%	0.2%
Machinery and Equipment	124.05	13.85	11.04	24.89	20.1%	905.1%	6.6%
Other Fixed Assets	14.29	1.71	0.61	2.32	16.2%	132.0%	0.6%
Fiscal Balance	-27.74	-27.65	-24.63	-52.27	0.00	0.00	0.00

Annex 3: Expenditure performance in detail January-June 2025 (by cost center/MDA)

Sector/MDA	Budget 2025	Q1	Q2	Actual Total	Pfce 25%	YTY %
Administration and General Services	438.48	75.74	65.52	141.26	32.2%	22.1%
Office of the Presidency	12.42	2.68	2.56	5.25	42.3%	126.4%
Office of the Parliament - Peoples' House	27.99	6.79	6.46	13.25	47.3%	114.3%
Members of Parliament Senate	8.02	1.57	1.66	3.24	40.4%	125.9%
Office of the Prime Minister	11.69	2.19	3.13	5.32	45.5%	218.3%
Ministry of Foreign Affairs	4.22	0.83	0.86	1.68	39.8%	120.7%
Embassies	5.39	1.40	0.88	2.28	42.3%	183.5%
Ministry of Finance	125.41	17.76	16.44	34.20	27.3%	242.9%
Accountant General	3.43	0.78	0.85	1.63	47.5%	139.0%
General Activities for the Government	120.52	15.87	14.44	30.31	25.1%	152.3%
Directorate of Financial Reporting Center	1.00	0.20	0.15	0.35	35.1%	128.1%
Ministry of Planning	20.05	3.04	2.30	5.34	26.6%	104.4%
National Statistics Agency	5.86	1.11	1.57	2.68	45.8%	43.8%
Ministry of Interior and Federal Affairs	30.72	3.41	5.51	8.92	29.0%	1206.5%
Somali Refugee and IDPs Commission	0.83	0.16	0.19	0.35	42.5%	84.8%
National ID Authority DADSOM	2.02	0.29	0.25	0.54	26.6%	166.1%
Somali Disaster and Humanitarian Manager	12.31	0.54	0.57	1.11	9.0%	-4.7%
Ministry of Religious Affairs and Endowme	3.36	0.54	0.81	1.35	40.0%	193.3%
Ministry of Justice	2.44	0.50	0.47	0.97	39.8%	101.9%
Custodian Corps	11.43	2.60	2.83	5.43	47.5%	118.6%
Supreme Court	2.72	0.54	0.45	0.98	36.1%	123.6%
Banadir Regional Court	2.30	0.50	0.48	0.97	42.4%	116.8%
Appeal Court	1.19	0.23	0.20	0.44	36.5%	168.1%
Judiciary Service Committee	0.20	0.03	0.02	0.06	28.7%	56.3%
Attorney General	2.16	0.49	0.40	0.88	41.0%	148.5%
Solicitor General	0.71	0.13	0.13	0.27	37.8%	107.3%
Auditor General	4.02	0.93	0.75	1.68	41.9%	135.4%
National Reconciliation Commission	0.50	0.11	0.09	0.20	40.4%	83.4%
National Independent Electoral Commission	12.72	9.89	0.60	10.49	82.5%	3516.2%
Independence Constitution Review and Imp	1.03	0.22	0.17	0.39	37.9%	133.2%
National Civil Service Commission	1.69	0.36	0.28	0.65	38.3%	89.2%
The Independent Commission for Combatin	0.14	0.04	0.02	0.06	41.6%	66.7%
Security	257.18	60.60	62.47	123.07	47.9%	7.4%
Ministry of Defense	3.73	0.35	0.29	0.64	17.2%	148.9%
Armed Forces	163.44	39.50	40.12	79.62	48.7%	114.4%
Military Court	3.74	0.76	0.93	1.69	45.1%	136.1%
Disabled and Orphans Organization	0.09	0.02	0.02	0.03	32.3%	200.0%
Ministry of Internal Security	1.56	0.30	0.27	0.56	36.2%	119.8%
Police Force	49.73	11.69	12.15	23.84	47.9%	117.4%
National Security Force	28.47	6.70	7.12	13.81	48.5%	151.7%
Immigration Department	6.42	1.29	1.59	2.88	44.9%	134.5%

Sector/MDA	Budget 2025	Q1	Q2	Actual Total	Pfce 25%	YTY %
Economic Service	334.70	23.19	31.39	54.58	16.3%	11.7%
Ministry of Water and Energy	92.59	2.59	8.02	10.61	11.5%	1140.6%
Ministry of Mineral	2.28	0.42	0.37	0.79	34.5%	166.4%
Somalia Patrol Authority	1.08	0.21	0.17	0.38	35.1%	127.2%
Ministry of Agriculture	57.06	7.97	5.57	13.55	23.7%	759.1%
Ministry of Livestock and Forestry	13.91	0.43	0.32	0.75	5.4%	107.5%
Ministry of Fishery and Marine Resource	16.75	1.05	0.94	1.99	11.9%	449.2%
Somali Marine Research	0.61	0.14	0.11	0.25	40.9%	101.6%
Offshore and Fisheries Development Project	0.11	0.01	0.01	0.03	25.8%	151.7%
Ministry of Information	6.30	1.03	1.13	2.17	34.4%	119.4%
Ministry of Communications and Technology	13.75	0.86	0.68	1.54	11.2%	225.2%
National Communication Agency	0.85	0.13	0.14	0.28	32.6%	205.9%
Data Protection Authority	1.99	0.00	0.04	0.04	1.8%	0.0%
Ministry of Public Work & Reconstruction	104.23	3.95	10.25	14.21	13.6%	350.1%
Ministry of Transportation and Aviation	4.44	0.52	0.53	1.05	23.7%	152.1%
Civil Aviation and Metro-Authority	9.63	2.04	1.65	3.69	38.4%	100.0%
Ministry of Transport and Ports	2.55	0.35	0.34	0.69	27.3%	95.5%
Hamar Port Authority	1.03	0.23	0.15	0.38	37.2%	66.3%
Ministry of Industry & Commerce	2.59	0.64	0.51	1.15	44.4%	114.7%
Somali Quality Assurance Agency	1.46	0.31	0.21	0.52	35.3%	139.7%
Ministry of Environment and Climate Change	1.48	0.29	0.23	0.52	35.4%	140.1%
Social Service	329.36	27.14	33.12	60.26	18.3%	-37.4%
Ministry of Health	92.17	14.65	21.38	36.03	39.1%	1945.9%
Ministry of Education and Higher Education	100.41	8.13	6.80	14.93	14.9%	325.6%
Somali National University	8.27	2.02	1.39	3.41	41.2%	157.1%
Somali Academy of Sciences and Arts	1.29	0.30	0.22	0.51	39.9%	94.4%
Intergovernmental Academy of Somali Language	0.34	0.06	0.04	0.10	29.7%	81.5%
Ministry of Labor and Social Affairs	123.96	1.35	2.73	4.08	3.3%	254.0%
Ministry of Youth and Sport	1.11	0.24	0.23	0.47	42.6%	146.0%
Ministry of Women and Human Rights Development	1.17	0.25	0.23	0.48	41.3%	109.4%
Somali Disabled Agency	0.64	0.14	0.10	0.23	36.7%	76.7%
Total	1359.71	186.67	192.50	379.17	27.9%	1.0%

Annex 4: Spending per project during January-June 2025

Code	Description	Budget For 2025	Q1 Outturn	Q2 Outturn	Total	PRFC 50%	Missed Fund @ halfyear
12904	World Bank Grants	626,827,963	48,453,971	66,082,266	114,536,236	18.3%	198,877,745
70214	SOMALIA CAPACITY ADVANCEMENT, LIVELIHOODS	36,276,873	3,315,894	4,031,257	7,347,151	20.3%	10,791,286
70218	Somalia Urban Resilience Project II	65,362,636	5,683,048	14,304,595	19,987,643	30.6%	12,693,675
70225	Somalia Recurrent Cost and Reform Financing Project - Phas	10,118,260	779,517	2,936,839	3,716,356	36.7%	1,342,774
70227	Damal Caafimad Project	47,371,268	6,726,905	6,462,898	13,189,803	27.8%	10,495,831
70233	SOMALIA EMPOWERING WOMEN THROUGH EDUCAT	21,830,574	51,854	106,568	158,422	0.7%	10,756,865
70246	Somali Sustainable Fisheries Development Project	15,169,900	698,970	606,646	1,305,616	8.6%	6,279,334
70216	Shock Responsive Safety Net for Human Capital Project	116,824,000	619,516	1,948,621	2,568,136	2.2%	55,843,864
70221	Somalia Crisis Recovery Project (SCRIP)	32,711,301	7,501,263	4,744,665	12,245,928	37.4%	4,109,723
70222	Somali Integrated Statistics and Economic Planning Capacity	3,929,319	773,580	1,269,544	2,043,124	52.0%	(78,465)
70226	Somalia Education for Human Capital Development Project	17,142,030	935,568	719,164	1,654,732	9.7%	6,916,283
70228	SOMALIA COVID-19 EMERGENCY VACCINATION PRO	34,896,600	6,902,186	12,112,568	19,014,754	54.5%	(1,566,454)
70229	Somalia - Horn of Africa Infrastructure Integration Project (SI	32,650,000	422,454	316,074	738,529	2.3%	15,586,471
70230	DE-RISKING, INCLUSION AND VALUE ENHANCEMENT	9,025,000	679,115	659,329	1,338,444	14.8%	3,174,056
70231	Somali Electricity Sector Recovery Project (SESRP)	65,797,660	1,619,889	7,347,302	8,967,191	13.6%	23,931,639
70232	Ground Water for Resilience Project (GW4R)	6,269,091	518,842	188,851	707,694	11.3%	2,426,852
70238	Somalia Enhancing Public Resource Management Project	15,081,294	1,004,196	1,228,186	2,232,383	14.8%	5,308,264
70239	SOMALIA WATER FOR RURAL RESILIENCE PROJECT	17,255,367	2,441,753	1,802,556	4,244,309	24.6%	4,383,374
70241	Eastern Africa Regional Digital Integration Project (EA-RDIP)	11,786,120	410,932	292,981	703,914	6.0%	5,189,146
70245	Somali Food Systems Resilience Project	50,347,552	7,368,488	4,982,554	12,351,041	24.5%	12,822,734
70250	ASCENT	16,983,117	-	21,066	21,066	0.1%	8,470,493
12913	African Development Bank	67,838,493	1,369,433	1,569,504	2,938,938	4.3%	30,980,309
70215	Somalia Strengthening Inst. for Economic Policy Mgmt and Inf	497,500	158,600	320	158,920	31.9%	89,830
70217	Road Infrastructure Programme (RIP)	31,921,055	212,594	269,053	481,647	1.5%	15,478,881
70219	Deepening Dialogue, Technical Assistance and Capacity Bui	267,700	30,066	33,374	63,440	23.7%	70,410
70234	Somalia Strengthening Accountability and Debt Management	926,600	37,790	42,948	80,738	8.7%	382,562
70235	Program To Build Resilience For Food And Nutrition Securit	12,431,641	100,868	43,000	143,868	1.2%	6,071,953
70236	Statistics Development Support Project for Somalia	619,564	81,199	118,330	199,529	32.2%	110,253
70242	HOUSEHOLDS ACCESS TO RENEWABLE ENERGY AN	1,897,938	80,139	192,263	272,402	14.4%	676,567
70243	Somalia - Skill, Employability, Inclusion and Productivity Pro	4,648,045	180,619	267,571	448,189	9.6%	1,875,833
70247	Somalia - Institutional Support for Economic Governance Pro	6,505,259	371,059	384,811	755,870	11.6%	2,496,760
70251	Financial Sector Development Project (FSDP)	4,636,160	116,500	64,836	181,336	3.9%	2,136,744
70252	African Disaster Risk Financing (ADRiFi)	3,487,030	-	153,000	153,000	4.4%	1,590,515
12997	Global Partnership for Education	28,613,512	649,465	1,067,402	1,716,867	6.0%	12,589,889
70244	GPE System Capacity Grant (SCG)	730,500	27,128	173,335	200,463	27.4%	164,787
70248	GPE Girls Education Accelerator (GEA)	9,372,764	144,399	64,860	209,259	2.2%	4,477,123
70249	GPE - System transformation grants (STG) Project	18,510,248	477,938	829,207	1,307,145	7.1%	7,947,979
12997	European union	176,000	-	745	745	0.4%	87,255
70237	SAGAL Project	176,000	-	745	745	0.4%	87,255
12992	United Nations Agencies (UN)	4,783,492	166,921	187,039	353,960	7.4%	2,037,786
70296	IFAD-Rural Livelihoods Resilience Programme (RLRP)	4,783,492	166,921	187,039	353,960	7.4%	2,037,786
		728,239,460	50,639,790	68,906,955	119,546,746	16.4%	244,572,984