



FEDERAL GOVERNMENT OF SOMALIA
MINISTRY OF FINANCE

Mid-Year Budget Review Report
Fiscal Year (Jan-June) 2023

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Executive Summary

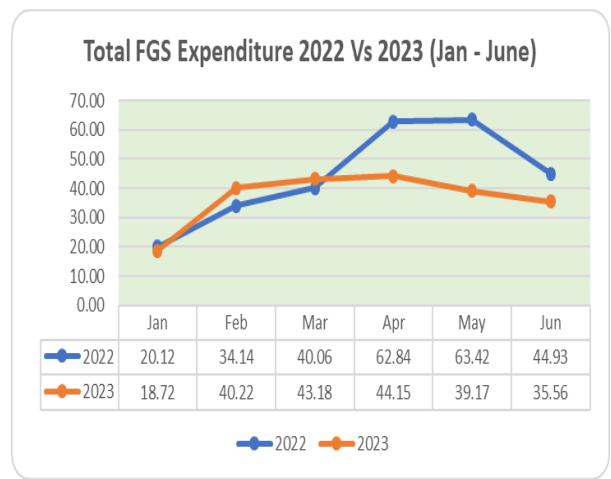
The Budget Performance Report assesses the fiscal performance of the Federal Government of Somalia during the second half of the fiscal year 2023. This report examines budget allocations, revenue collection, expenditures, and the impact of the budget on national debt. The findings and recommendations aim to support informed decision-making.

Introduction

During the reporting period, the economy of Federal Government of Somalia has been weighed down by the drought and slowing global growth, and risks remain elevated. The GDP growth estimate for 2022 and projections for 2023 were downgraded by ¼ percent to 1.7 percent and 2.8 percent, respectively, due to the prolonged drought, insecurity, and food and fuel inflation triggered by Russia's invasion of Ukraine. Average inflation reached 6.8 percent in 2022 due to high food and fuel prices and is expected to decline to 4.2 percent in 2023 as commodity prices recede. Near-term risks are elevated, including a worsening of the food crisis if healthy rains do not resume in 2023 or if commodity prices rise further. The government's budget for this period was \$950 million, with key allocations in inclusive politics, security, economic development, and social development.

A total of \$169.59 million in revenue was collected during the first six months of 2023, which is -28.4% less than the amount that was received during the same time last year and 17.8% of the annual budget. On prorata expectations, it ought to have been 50%, hence the collection for the moment quarters are considered as having failed to meet expectations, generally. Domestic revenue brought in \$137.16 million which was 48.4% of the yearly budget (still less than the 50% prorata desire), and increased by 19% compared to the collection within the same period last year. Donor grants, which were modified to contribute 70% of the 2023 FGS budget, brought in \$32.43 million within the to begin with six months of the year, representing to 4.9% of the annual budget (far below the 50% prorata expectations), and -73.3% lower than the collections within the same period final year. The current grant receipts of \$31.63m came from multilateral institutions and \$0.80m came from bilateral governments (China). Over the past a long time, the performance of donor grants within the to begin with six months has taken after more or less a comparative trend. See figure 1 and Table 1.

- \$221.01 million was spent overall in the first half of 2023, which was 22.6% of the annual budget and -16.8% lower than total expenditure in the same period last year. Wages and salaries amounted \$132.08 million, 45.9% of annual budget, 5.8% year on year growth, purchase of goods and services \$49.82 million, which was 21.7% of annual budget, 10.1% year on year growth, public debt service \$6.28 million 108.3% of annual budget, -16.8% year on year growth, subsidies to the energy sector were \$0.78 million 8.7% of annual budget, 0% year on year growth, transfers to FMS totaled \$25.75 million 13.6% of annual budget, -36.8% year on year growth, capital spending \$3.30 million 6.2% of annual budget, 46.2% year on year growth, and social security benefits \$2.98 million, 1.5% of annual budget and -93.3% year on year growth. Short-term advances from the Central Bank funded the Q2 deficit of \$51.42 million. Due to the reasons listed below (temporary suspension of budget assistance and poor project activity execution), the low total absorption of expenditures (22.6%) was mostly caused by slow donor money absorption. Check out Table 1 and Figure 2.



As above figure-1 illustrates the comparison between the budgeted revenue and actual revenue collected. The government achieved 17.8% of its revenue target. Other side, the monthly comparison between two years shows the increase and decline between those two period and we see the May 2022 and February 2023 are the highest revenue collection and January 2022 and 2023 are the lowest months of revenue collection for both years. On the other hand, it appears that there is no consistent monthly revenue growth as the line shows, but there are different fluctuations of decreasing and increasing. Therefore, additional domestic revenue collection efforts are needed.

Summary Table 1: Revenue and Expenditure Jan-June 2023

Fiscal Variable	Budget 2023	Actual 2023			Pfce 50% 6 Month	YTY%
		Q1	Q2	Actual 2023		
Total Revenue	950.66	80.88	88.71	169.59	17.8%	-28.4%
Domestic Revenue	283.31	64.90	72.26	137.16	48.4%	19.0%
Taxes	189.91	45.44	50.75	96.20	50.7%	18.5%
Non Taxes	93.40	19.45	21.51	40.96	43.9%	20.1%
Grants	667.36	15.98	16.45	32.43	4.9%	-73.3%
Expenditure	977.22	102.12	118.89	221.01	22.6%	-16.8%
Compensation of Employees	287.69	64.23	67.86	132.08	45.9%	5.8%
Use of goods and services	229.84	19.65	30.17	49.82	21.7%	10.1%
Interest and other charges	5.80	1.77	4.51	6.28	108.3%	-16.8%
Subsidies	9.00	0.32	0.46	0.78	8.7%	54.3%
Grants	190.05	12.17	13.59	25.75	13.6%	-63.3%
Social benefits	201.28	2.98	0.00	2.98	1.5%	-80.0%
Non Financial Assets	53.55	1.00	2.30	3.30	6.2%	0.0%

REVENUE PERFORMANCE

- In the first half of 2023, **tax revenue** collections totaled \$96.20 million, which is 18.5% more than they were during the same period in 2022 and 50.7% of the annual budget. Taxes on income yielded \$9.95 million during the period under review, which was 55.3% of annual target and 24.6% higher than the collection from the same period last year. Performance of income taxes would have been on target if it were not for the weak performance of corporate taxes, which only yielded \$1.63 million performing at 47.1% of the annual target for corporate taxes. Companies often pay corporate taxes twice each year. Consequently, by the end of Q3, this tax's performance should improve. Property tax collections were also NIL, which also contributed to the subpar performance of income taxes in Q2.

- **Taxes on goods and services** brought in \$15.85 million, which was merely 31.4% more than the amount collected during the same period last year and 47.8% of the annual budget. Nearly 65.2% of taxes on goods and services came from sales tax on imported goods, and the rest (34.8%) came from sales tax on hotels and airline tickets, and excise duty from soft drinks. Given that many other local goods and services are subject to sales tax, the fact that the data presents only four items from which sales tax/excise duty is collected needs to be thoroughly investigated to establish whether the inland tax administration is doing enough to maximize revenue from the existing and identifiable inland tax base, or whether there was a mistake in how the receipts were sent to the SFMIS.
- \$67.03 million in **customs taxes** was collected, which is 23.5% more than the same period last year's collection and 54.4% of the annual budget. With a 54.4% of the first two Quarters achievement rate, customs is the only major revenue head that surpassed the Q2 50% prorata expectation mark. This is largely attributed to the policy intervention in January 2023 which increased tariff rates for the majority of imported items. The other contributing factor is the increased construction activities in Mogadishu, which has seen customs duties on building materials, increase almost threefold (298.0%) in comparison to the collection from building materials in the same period last year (2022). Revenue from Khat has also increased year on year though it performed at 41.9%, which is below the 50% prorata expectation. Export levies brought in \$0.47 million though this was 5.3% higher the collections from export levies in the same period last year (Q2 2022). The decline should be a reminder to the Ministry of Industry and Commerce to prioritize interventions that facilitate increase in exports. There may also be need to undertake an impact analysis of the new tariff rates on revenue and business activities, and to include a comparative study to assess what the impact should have been if ad valorem rates had been applied instead of specific rates. The research would need to be conducted in all of Mogadishu's major ports, and all of the FMSs would need to discuss it.
- **None tax revenue** was \$40.96 million, which was 20.1% greater than the same-period previous year's collection and 43.9% of the annual budget (therefore falling short of the prorata forecast of 50% for Q2). Whereas most of the major NTR sources performed beyond the prorata expectation (visa fees, passports, work permits, airport fees, business licenses, customs harbor fees), four of the major sources performed far below the 50% prorata expectation which contributed to failure of NTRs to reach the Q2 50% prorata expectation. These include administrative charges 30.8%, telecom spectrum fees 36.0%, Overflight fees (Iata) 37.4% and Albayrak harbor fees 37.9%. The underlying causes of this below-expectation performance are apparently unknown given the apparent lack of administrative data on telecom and harbor activities. There is need for MOF to engage the National Bureau of Statistics to take interest in collecting and providing such administrative data. A close examination of Annex 1 also suggests there could be mis-posting of NTR sources to other revenue heads, e.g., notary taxes and road taxes which previously were categorized as NTRs are now being reported as 'taxes on use of goods.' This needs to be studied and the chart of accounts cleaned up to improve the administration and accounting of such taxes.
- **External Grants** amounted to \$32.43 million in Q2 of 2023, which was just 4.9% of the annual target. On a year-to-year basis, external grants in Q2 declined by 73.3% when compared to the grants received during the same period last fiscal year. The observed grant receipts of \$31.63m came from multilateral institutions and \$0.80m came from bilateral governments (China). Given the relative reliability of grants from multilateral institutions, there will be need to enhance monitoring of these sources to ensure all the programmed funds are obtained. In particular, MOF needs to ensure that all the

Performance Based Conditions (PBCs) agreed under the RCRF project are fulfilled to be able to have the budget support pegged on the PBCs obtained.

EXPENDITURE PERFORMANCE

- Compensation of employees** - A total of \$129.26 million was spent on compensation of government employees during Jan-Jun 2023. This represented 45.8% of the annual budget and fell short of the 50% prorata expectation by 4.2% percentage points. In comparison to spending in the same period during 2022, the government wage bill increased by 7.6%. This expenditure item is made up of three sub items—wages and salaries in cash, allowances, and other employee costs. As shown in Annex 2, wages and salaries performed 45.9% and increased 5.8% year on year, allowances performed slightly lower than salaries, at 47.1% but registered a higher year-on-year growth of 4.8%, whereas ‘other employee costs’ registered the weakest performance at 34.2% (and -2.4% year on year growth).

On part of donor-funded projects, compensation of employees performed 48.8% but registered a lower year on year growth of -41.1%. The performance of 48.8% was quite below the 50% prorata expected spending at half year, largely due to delays to implement various project activities because of poor performance and management capacity resulting in long procurement procedures, which meant that planned recruitment of project staff did not take place hence the observed slow absorption of funds for salaries of project staff.

Table 2: FGS Expenditure by Fund, January-June 2023

GFS 2 (Government Fund)	2022				2023 (Jan-Jun)			
	Annual Budget	Actual	Pfce%	YTY%	Annual Budget	Actual	Pfce%	YTY%
FGS Local Funds	416.28	424.55	102.0%	23.1%	480.63	188.47	39.2%	4.9%
Compensation of Employees	253.78	251.95	99.3%	4.6%	282.24	129.26	45.8%	7.6%
Use of Goods and Services	92.38	88.44	95.7%	28.0%	127.96	38.11	29.8%	29.1%
Interest	2.50	12.69	507.6%	-13.1%	5.80	6.28	108.3%	-1.7%
Grants	54.34	63.72	117.3%	224.2%	49.49	11.59	23.4%	-49.5%
Social Benefits	1.26	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%
Nonfinancial Assets	12.03	7.76	64.5%	912.6%	15.15	3.23	21.3%	403.1%
FGS 2 (Donor Fund)	513.64	306.85	59.7%	137.9%	496.58	32.52	6.5%	-62.2%
Compensation of Employees	10.66	7.63	71.6%	-17.5%	5.78	2.82	48.8%	-41.1%
Use of Goods and Services	135.90	52.20	38.4%	21.0%	103.41	11.72	11.3%	-25.6%
Interest	0.00	5.12	0.0%	302.2%	0.00	0.00	0.0%	-100.0%
Subsidies	7.55	0.00	0.0%	0.0%	9.00	0.78	8.7%	0.0%
Grants	63.31	47.52	75.1%	81.4%	139.65	14.14	10.1%	-20.5%
Social Benefits	267.56	188.94	70.6%	373.9%	201.28	2.98	1.5%	-93.3%
Nonfinancial Assets	28.66	5.45	19.0%	-41.1%	37.46	0.07	0.2%	-95.5%
Total	929.92	731.40	78.7%	54.3%	977.22	221.0	22.6%	-16.8%



As above figure-3 shows as the monthly expenditure comparisons between two years (2022 and 2023) the increase and decline of salaries and allowances lines indicate that there is not consistent monthly pay increase or straight situation, but there are different fluctuations of decreasing and increasing. The February 2023 is the highest pay for both year. This weak performance of staff pay caused by the revenue shortfalls and a strong domestic revenue collection stream is needed to meet this challenge.

- Use of goods and services** - A total of \$38.11 million was spent on purchase of goods and services consumed by FGS MDAs (excluding donor projects) by June 2023, which was 29.8% of the annual budget and 29.1% higher than the spending on goods and services during Jan-Jun 2022. The slow absorption of this budget item was due to shortage of funds (effect of delay of budget support caused the spending to be significantly lower than planned in the case of the spending through the Government Donor Fund (refer to Table 2). The observed year on year increase of 29.1% was largely due to lower spending in the same period in 2023 and running costs were minimal. Generally, all expenditure sub items under goods and services performed poorly—travel and conferences 18.2% (*101.9% year on year growth*), operating expenses (running costs such as utilities) 25.6% (*9.3% increase*), rent 20.2% (*36.3% increase*), finance costs 15.9% (*4.3% increase*), specialized materials for security 25.3% (*782.8% increase*), and other expenses 36.7% (*-12.4% decrease*).

The absorption of funds budgeted for goods and services for donor projects was very weak, at 11.3%, which was even worse than for government non-project spending. The reasons for this weak performance were largely three—the delayed implementation of planned project activities due to uncertainties capacities that affected government operations in the first half of the year, long procurement processes, and budget over estimation for this item. Absorption of these funds is expected to improve in the second half of the year; nonetheless, the expenditure item would have been candidate for downward revision of the budget if the national budget were to be revised.

- Capital Expenditure** - Government budgeted to spend \$15.15 million on investment (capital) activities in 2023 however, halfway through the fiscal year only \$3.23 million had been spent, which was 21.3% of the annual budget and 403.1% higher than what was spent on capital activities in the same period last year. Shortage of funds was the

explanation for this observed low spending. Given the importance of capital spending in generation of economic growth in countries, it is hoped that the item will receive priority in the second half of the fiscal year as more budget support funding becomes available. Nonetheless, to ensure credibility of the budget, the expenditure item would have qualified for substantial downward revision of its annual budget if the national budget was to be revised.

Capital spending for donor funded projects also performed poorly at 0.2% of the annual budget halfway through the fiscal year despite registering a -95.5% year on year growth in comparison to capital spending during Jan-Jun 2022. The poor performance was attributed to similar reasons observed under section for purchase of goods and services, i.e., delayed implementation of project activities due to poor uncertainties capacity/management that slowed down much of the work in government in the first half of the year, and due to long procurement processes (*although this should not be a factor if proper procurement planning and execution were being done*). This spending item too would have been recommended for downward revision of the budget if the national budget was to be revised.

- **Interest payments** - a total of \$6.28 million was paid in debt service, which was 108.3% of budget and -1.7% lower than the same period last year. On a prorata basis, the debt service payments should have been expected to account for 50% of the annual target. However, the Q2 spending on this item was far higher than the prorata expectation. This is due to the posting of both interest on debt and the repayment of the principal onto the same code meanwhile the budgeted appropriation was for interest payments only as the repayment of the principal is meant to be treated as a below-line item. This notwithstanding, the debt service figures extracted from the Debt Management System (see Table 3) suggest that a reconciliation between figures in the SFMIS and the Debt Management System (meridian) needs to be undertaken. According to the Meridian system, debt service during Q2 was \$4.22 million, which is lower than the \$6.28 million reported in the SFMIS.

Table 3: Debt service Q1 as per data in Meridian Debt Management System

Debt service paid in Q 2, 2023, (In millions USD)

Total Debt Service Paid By Creditor (April-June, 2023)		In USD million		
	Principal	Interest	Credits	Total
Total Debt Service (April-June, 2023)	3.99	0.28	(0.05)	4.22
IFIs & Multilateral	3.99	0.28	(0.05)	4.22
IMF	-	-	-	-
AfDB	-	-	-	-
IDA	3.99	0.28	(0.05)	4.22

Grants - Government budgeted to transfer in 2023 a total of \$49.49 million to Federal Member States (*this excludes transfers from donor funds*). Halfway through the fiscal year a total of \$11.59 million was transferred, which was 23.4% of the annual budget (higher than prorata expectation by 26.6 percentage points), and -49.5% lower than the transfers made to FMS in the same period last year. The lower year on year decrease was due to the less than amount of the budget for transfers from \$54.34 million in 2022 to \$21.69 million in 2023. The lower-than-expected performance (23.4% instead of 50%) was due to higher-than-expected performance in domestic revenues (which performed 48.4% Jan-Jun 2023) which was better than the collection of the last year.

The observed lower-than-expected performance for grants from FGS local funds notwithstanding, **donor-fund based grants also performed far below expectations**, at 10.1% of the annual budget at halfway point of the fiscal year, which was far below the prorata expectation of 50%. This was largely due to delayed fulfilment of the requirements for disbursing the transfers on part of the Federal Member States. On the other hand, like in the case of transfers from the FGS local funds, donor-funded transfers also significantly decreased year on year, with an increase of -20.5%. This was also due to the amount of remittance was very small based on the amount received and much higher than expected. However, this is not reliable and should be encouraged for domestic revenue.

- **Subsidies** – Only \$0.78 million was spent on subsidies during Q2 of 2023, which was 8.7% of the annual target. Similar amounts were spent in the same period last year. The entire budget for subsidies is administered under the Donor Fund (see Table 4) and mostly benefits the energy sector.

EXPENDITURE BY SECTOR

Table 4: FGS Expenditure by Sector January-June 2023, in Million\$

Sector	Budget 2023	Actual					
		Q1	Q2	Total	Pfce 50%	YTY %	Share to Total
Administration and General Services	345.45	43.87	53.78	97.65	28.3%	-8.4%	44.2%
Security	197.95	43.91	46.37	90.29	45.6%	13.5%	40.9%
Economic Service	172.98	8.60	10.35	18.96	11.0%	-8.2%	8.6%
Social Service	260.84	5.74	8.39	14.13	5.4%	-76.0%	6.4%
Total	977.22	102.12	118.89	221.01	22.6%	-16.8%	100.0%

- **Administration and General Services**
The sector absorbed \$97.65 million as at end Jan-June 2023, which was 28.3% of the annual budget and -8.4% lower than what the sector spent in the same period last year. Sector took the lion's share of 42.2% of the total cumulative expenditure. The largest share of **administration** expenditure went to the **General Activities** for the Government 28.74% followed by members of the Ministry of Finance 16.78%. The rest of the spending (54.48%) was shared amongst the other 34 cost centers in the sector.
- **Security** spent a total of \$90.29 million as at end Jan-June, representing 45.6% of the annual budget, and 13.5% higher than what the sector spent during the same period last financial year. The sector accounted for 40.9% of total cumulative expenditure. The largest share of **security** expenditure went to the **armed forces** 57.60% followed by **Police** 24.91% and **National Security Force** 12.04% and. The rather rapid growth in spending in this sector is largely driven by the increase in number of forces.
- The **Economic Services** Sector absorbed \$18.96 million during Jan-June 2023, which was 11.0% of the annual budget and -8.2% lower than what the sector spent in the same period last year. The largest spender under this sector was the **Civil Aviation and Meteorology Authority** 20.62%, followed by **Ministry of Information** 15.77%. The sector has the lowest share of just 8.6% of total expenditure. The sector consists of 17 cost centers.
- Expenditure for the **Social Services Sector** was \$14.13 million as at end Jan-June, representing 5.4% of the annual budget, and -76.0% lower than what the sector spent in the same period last financial year. **Ministry of Education** topped the sector MDAs with a

share of 29.23%, followed by the **Somali National University** 24.35%, **Ministry of Health** 18.19% and Ministry of Labor and Social Affairs 16.06%. This sector accounted for 6.4% of total expenditure. The sector has 9 cost centers.

Conclusions

The budget performance analysis for the second half of 2023 indicates strong fiscal management, with near-complete budget execution and healthy revenue collection. The government should continue to make informed fiscal decisions and maintain a balanced approach to budgeting.

Recommendations

- 1) According to SFMIS data, just four local goods and services had sales tax collected in the second quarter, despite the fact that many more should have. This most likely played a role in the observed poor performance of revenue from this source. There is need to investigate this weak performance including to establish whether the inland tax administration is doing enough to maximize revenue from the existing and identifiable inland tax base, and whether there was some kind of mis-posting of receipts onto the SFMIS.
- 2) Customs collection performance for Q2 exceeded expectations by 8.5 percentage points, or 50% prorata. This was most likely caused by the increase in tariff rates that took place in January 2023. It might be necessary to conduct an impact analysis to verify this hypothesis, but also to research how the new prices are affecting the commercial sector, and to assess what the impact should have been if ad valorem rates had been applied instead of specific rates. The research would need to be undertaken in all of Mogadishu's major ports, and all of the FMSs would need to discuss it.
- 3) The absence of administrative data pertaining to the various revenue sources now poses a challenge to the analysis of revenue performance. Data on collections is available but data on the revenue base e.g., number of visas issued, volume of fuel sold, number of air tickets sold, number of ships docked in a quarter, etc. is lacking. The National Bureau of Statistics must be persuaded by MOF to take an interest in gathering and distributing such administrative data.
- 4) During Q2, multilateral institutions' performance in providing budget support was poor. Disbursements of this money are often based on FGS' effectiveness in meeting the conditions set forth by the donors for the money's disbursement, such as needing to meet Performance Based Conditions (PBCs) in the case of budget assistance from the World Bank via the RCRF Project. To guarantee that all of the programmed budget support funds are collected on time, it might be necessary to closely monitor the implementing agencies in charge of completing the PBCs.

Annex 1: Revenue - FGS Summary Fiscal Operations as at end June 2023

Fiscal Variable	Budget 2023	Actual 2023			Pfce50% 6Month	YTY%
		Q1	Q2	Actual 2023		
Total Revenue	950.66	80.88	88.71	169.59	17.8%	-28.4%
Domestic Revenue	283.31	64.90	72.26	137.16	48.4%	19.0%
Taxes	189.91	45.44	50.75	96.20	50.7%	18.5%
Tax on income, profit and capital gain	17.99	3.99	5.96	9.95	55.3%	24.6%
Payable By individuals	14.53	3.88	4.44	8.32	57.3%	16.3%
Personal income Tax on Public Employee	6.53	1.63	1.94	3.57	54.6%	6.4%
Personal income Tax on on Private Employee	8.00	2.04	2.23	4.27	53.3%	12.3%
Personal income Tax on Property income	0.00	0.21	0.28	0.49		0.0%
Payable By Corporation and Other Enterprises	3.46	0.11	1.51	1.63	47.1%	94.7%
Payable By Corporations	3.46	0.11	1.51	1.63	47.1%	94.7%
Taxes on property	0.64	0.00	0.00	0.00	0.0%	-100.0%
Recurrent Taxes on Immovable Property	0.64	0.00	0.00	0.00	0.0%	-100.0%
Building	0.64	0.00	0.00	0.00	0.0%	0.0%
Taxes on goods and services	33.14	6.70	9.15	15.85	47.8%	31.4%
General Taxes on Goods and Services	33.14	6.08	8.52	14.60	44.1%	21.0%
Sales Taxes - Hotels	1.24	0.29	0.49	0.77	62.2%	52.1%
Sales Taxes - Telecommunications	6.60	0.00	0.50	0.50	7.6%	-58.5%
Sales Taxes - Electricity and Electric Equipment Co	2.00	0.00	0.00	0.00	0.0%	0.0%
Sales Taxes - Airline Tickets	1.32	1.11	1.88	3.00	227.0%	47.3%
Sales Taxes - Tv Cable Providers	2.75	0.00	0.00	0.00	0.0%	0.0%
Sales Taxes - Other Taxes on Sales	0.18	0.00	0.00	0.00	0.0%	0.0%
Sales Taxes - on Other Imported Goods	19.06	4.68	5.65	10.33	54.2%	24.2%
Excise	0.00	0.01	0.00	0.01		0.0%
Soft Drinks	0.00	0.01	0.00	0.01		0.0%
Taxes on Use of Goods and on Permission to Use Go	0.00	0.61	0.62	1.24		0.0%
Urban Road Users Taxes (Tremistrale)	0.00	0.34	0.30	0.64		0.0%
Notary Collection Taxes.	0.00	0.28	0.33	0.60		0.0%
Taxes on international trade and transactions	123.19	33.52	33.51	67.03	54.4%	23.5%
Customs and Other Import Duty	123.19	33.28	33.28	66.56	54.0%	23.7%
Customs and Other Import Duties	103.19	0.00	0.00	0.00	0.0%	0.0%
Consumption Goods	0.00	11.03	9.46	20.48		36.9%
Building Materials	0.00	4.51	4.16	8.67		298.0%
Electric and Electronics	0.00	1.54	1.72	3.26		-42.1%
Vehicle and Spare Parts	0.00	1.71	2.11	3.83		3.6%
Cosmetics and Perfumes	0.00	0.30	0.27	0.56		408.8%
Khat	20.00	4.15	4.23	8.38	41.9%	48.8%
Cigarette and tobacco Product	0.00	0.23	0.80	1.03		88.4%
Fuel and Lubricants	0.00	4.61	4.82	9.43		2.9%
Clothes and Shoes	0.00	2.04	2.35	4.40		46.9%
Detergents	0.00	0.60	0.65	1.25		16.5%
Plastic and Plastic Products	0.00	0.14	0.16	0.30		28.8%
Other Import Duty	0.00	0.07	0.04	0.11		-98.5%
Gold	0.00	0.00	0.00	0.00		-71.5%
Household Materials	0.00	1.68	1.86	3.54		0.0%
Medicine & Health Equipment	0.00	0.50	0.52	1.02		0.0%
Office Supplies	0.00	0.17	0.12	0.29		0.0%
Taxes on Exports For All Levies That Become Paya	0.00	0.24	0.23	0.47		5.3%
Livestock Products	0.00	0.02	0.01	0.03		0.0%
Agriculture Products	0.00	0.05	0.05	0.10		0.0%
Seafood Products	0.00	0.01	0.01	0.02		0.0%
Frankincense and Gums	0.00	0.01	0.01	0.01		0.0%
Other Export Duty	0.00	0.16	0.16	0.32		-28.5%
Other taxes	14.95	1.23	2.14	3.37	22.6%	-48.5%
Other Taxes Payable Solely By Business	14.95	1.23	2.14	3.37	22.6%	-48.5%
Stamp Duty on Customs	2.68	0.68	0.69	1.37	51.1%	-40.7%
Road Worthiness (Galawito)	1.33	0.00	0.00	0.00	0.0%	-100.0%
Stamp Duties on invoices and Contracts	6.40	0.01	0.40	0.41	6.4%	-65.9%
Stamp Duties on Food Items	4.54	0.54	1.05	1.59	35.0%	-34.8%

Fiscal Variable	Budget 2023	Actual 2023			Pfce50% 6Month	YTY%
		Q1	Q2	Actual 2023		
Grants	667.36	15.98	16.45	32.43	4.9%	-73.3%
Grants from foreign governments	30.00	0.00	0.80	0.80	2.7%	-97.3%
Current From Foreign Governments	30.00	0.00	0.80	0.80	2.7%	-97.3%
Current Grants in Cash	30.00	0.00	0.80	0.80	2.7%	-97.3%
Grants from international organizations	637.36	15.98	15.65	31.63	5.0%	0.0%
Current From International Originations	637.36	15.98	15.65	31.63	5.0%	0.0%
Current Grants in Cash	637.36	15.98	15.65	31.63	5.0%	0.0%
Non Taxes	93.40	19.45	21.51	40.96	43.9%	20.1%
Property Rent	0.00	0.04	0.09	0.14		-14.0%
Rent	0.00	0.04	0.09	0.14		-14.0%
Rent of Land and Buildings	0.00	0.04	0.09	0.14		-14.0%
Sales of goods and services	93.40	19.41	21.41	40.82	43.7%	20.3%
Administrative Fees	93.40	19.41	21.41	40.82	43.7%	20.3%
Visa Fees	6.96	1.82	1.87	3.69	53.1%	14.4%
Passport Fees	7.97	2.39	2.24	4.63	58.1%	24.0%
Work Permit Taxes	0.70	0.19	0.93	1.12	159.9%	387.3%
Airport Fees	2.67	0.79	1.03	1.83	68.4%	37.6%
Overflight Fees (Iata)	14.47	4.12	1.29	5.41	37.4%	-23.0%
Business and Profession Licenses	1.75	0.45	0.37	0.83	47.4%	0.0%
Local NGO'S Registrations.	0.00	0.07	0.06	0.14		0.0%
Local Company Registrations	0.00	0.03	0.07	0.10		0.0%
Agriculture Fees.	0.00	0.00	0.01	0.01		0.0%
Service Charges Fees	0.00	0.13	0.12	0.25		0.0%
Fishing Licenses Fees	5.00	0.00	0.01	0.01	0.2%	475.0%
Number Plate Registration Fees	0.00	0.50	0.92	1.42		0.0%
Education Services Fees	0.00	0.05	0.05	0.09		0.0%
Telecommunication Spectrum Fees	6.00	0.92	1.24	2.16	36.0%	817.9%
Other License Fees	0.70	0.00	0.02	0.02	2.9%	-96.0%
Election Registration Fee	0.00	0.04	0.00	0.04		-98.5%
Clearances Letter Fees	0.00	0.20	0.20	0.40		0.0%
Court Filing Fees	0.00	0.08	0.18	0.26		0.0%
Harbour Fees - Albayrak	37.18	5.62	8.46	14.08	37.9%	32.2%
Customs Harbour Fees	4.80	1.38	1.36	2.74	57.0%	16.7%
Administrative Charges	5.20	0.64	0.96	1.60	30.8%	-30.9%
Passenger Fee	0.00	0.40	0.67	1.06		0.0%
Air Waybill Fee	0.00	0.01	0.01	0.02		0.0%
Registration Fee of Arrival and Departure of Air	0.00	0.23	0.29	0.52		0.0%

Annex 2: Expenditure

Fiscal Variable	Budget 2023	Actual 2023			Pfce50% 6Month	YTY%
		Q1	Q2	Actual 2023		
Expenditure	977.22	102.12	118.89	221.01	22.6%	-16.8%
Compensation of Employees	287.69	64.23	67.86	132.08	45.9%	5.8%
Wages and Salaries	287.69	64.23	67.86	132.08	45.9%	5.8%
Wages and salaries in Cash	168.67	39.78	39.71	79.49	47.1%	4.8%
Allowances in cash	99.36	21.83	24.04	45.87	46.2%	8.8%
Other employees costs	19.66	2.62	4.11	6.73	34.2%	-2.4%
Use of goods and services	229.84	19.65	30.17	49.82	21.7%	10.1%
Travel and Conference	24.16	1.43	2.97	4.40	18.2%	101.9%
Travel and Conference Expenses	24.16	1.43	2.97	4.40	18.2%	101.9%
Operating Expenses	33.71	3.19	5.44	8.63	25.6%	9.3%
Utilities	8.70	0.71	1.36	2.08	23.9%	19.4%
Communications	0.75	0.03	0.09	0.13	16.9%	0.0%
Fuel and lubricants	9.57	1.11	2.09	3.20	33.5%	11.1%
Materials and supplies	9.46	0.82	1.41	2.24	23.6%	3.9%
Maintenance and repairs	5.24	0.51	0.48	0.99	18.9%	-12.0%
Rent	4.44	0.48	0.42	0.90	20.2%	36.3%
Rent	4.44	0.48	0.42	0.90	20.2%	36.3%
Finance costs	112.27	6.98	10.88	17.86	15.9%	4.3%
Education and training expense	11.17	0.19	0.66	0.85	7.6%	-33.4%
Consulting and professional expense	92.99	5.66	8.91	14.56	15.7%	16.0%
Financing costs	7.61	1.08	1.28	2.36	31.0%	-28.0%
Advertisement and subscriptions	0.34	0.06	0.01	0.07	21.1%	0.0%
Insurances charges and premium	0.16	0.00	0.01	0.01	6.8%	0.0%
Specialized materials and services	12.23	1.17	1.92	3.09	25.3%	782.8%
Police - Materials, supplies and services	0.12	0.04	0.06	0.10	83.3%	0.0%
National Security - Materials, supplies and services	7.97	0.89	1.50	2.39	30.0%	1811.8%
Military - Materials, supplies and services	4.14	0.24	0.36	0.60	14.5%	166.7%
Other General expenses	40.70	6.40	8.54	14.94	36.7%	-12.4%
Other General Expenses in goods and services	40.70	6.40	8.54	14.94	36.7%	-12.4%
Contingency	2.33	0.00	0.00	0.00	0.0%	0.0%
Contingency	2.33	0.00	0.00	0.00	0.0%	0.0%
Interest and other charges	5.80	1.77	4.51	6.28	108.3%	-16.8%
To non-residents	5.80	1.77	4.51	6.28	108.3%	-1.7%
Interest payable to nonresidents	5.80	1.77	4.51	6.28	108.3%	-1.7%
To residents other than General Government	0.00	0.00	0.00	0.00		-100.0%
Subsidies	9.00	0.32	0.46	0.78	8.7%	54.3%
To private enterprises	9.00	0.32	0.46	0.78	8.7%	54.3%
Private non financial enterprises	9.00	0.32	0.46	0.78	8.7%	54.3%
Grants	190.05	12.17	13.59	25.75	13.6%	-63.3%
To International Organizations	63.26	1.30	0.30	1.60	2.5%	-95.5%
Current grants to international organizations	60.26	1.30	0.30	1.60	2.7%	-95.5%
Capital Grants to International organizations	3.00	0.00	0.00	0.00	0.0%	0.0%
To other General Government Units	126.79	10.87	13.29	24.15	19.1%	-29.5%
Current grants to other general government unit	83.70	9.82	11.24	21.06	25.2%	377.6%
Capital grants to other general government unit	43.09	1.05	2.05	3.09	7.2%	-89.7%
Social benefits	201.28	2.98	0.00	2.98	1.5%	-80.0%
Social Security benefits	142.28	2.98	0.00	2.98	2.1%	-80.0%
Social security benefits in cash	115.00	0.00	0.00	0.00	0.0%	-100.0%
Social security benefits in kind	27.28	2.98	0.00	2.98	10.9%	-79.9%
Social Assistance Benefits	59.00	0.00	0.00	0.00	0.0%	0.0%
Social assistance benefit in kind	59.00	0.00	0.00	0.00	0.0%	0.0%
Non Financial Assets	53.55	1.00	2.30	3.30	6.2%	0.0%
Fixed Assets	53.55	1.00	2.30	3.30	6.2%	0.0%
Buildings and Structures	8.30	0.00	0.23	0.23	2.8%	0.0%
Machinery and Equipment	27.17	0.05	0.18	0.23	0.8%	0.0%
Other Fixed Assets	17.87	0.95	1.89	2.84	15.9%	0.0%
Weapons Systems	0.20	0.00	0.00	0.00	0.0%	0.0%

Annex 3: Expenditure by Sector/MDA as at end of June 2023

Sector/MDA	Budget 2023	Q1	Q2	Actual Total	Pfce 50%	YTY %
Administration and General Services	345.45	43.87	53.78	97.65	28.3%	-8.4%
Office of the Presidency	10.67	2.23	4.01	6.24	58.5%	43.5%
Office of the Parliament - Peoples' House	23.23	5.39	4.15	9.54	41.0%	-1.4%
Members of Parliament Senate	6.17	0.95	1.27	2.21	35.9%	19.8%
Office of the Prime Minister	10.06	1.99	2.36	4.35	43.3%	-27.4%
Ministry of Foreign Affairs	3.80	0.85	0.90	1.75	46.0%	29.9%
Embassies	7.22	0.81	1.23	2.04	28.3%	-14.2%
Ministry of Finance	114.86	7.95	8.44	16.39	14.3%	4.5%
Accountant General	2.95	0.69	0.89	1.57	53.3%	45.7%
General Activities for the Government	60.48	11.27	16.78	28.06	46.4%	-27.3%
Directorate of Financial Reporting Center	0.97	0.11	0.19	0.31	31.5%	-26.0%
Public Procurement Authority	0.50	0.00	0.00	0.00	0.0%	0.0%
Ministry of Planning	31.74	3.67	3.17	6.85	21.6%	7.6%
National Statistics Agency	10.55	0.48	0.80	1.28	12.1%	-58.2%
Ministry of Interior and Federal Affairs	16.50	1.01	0.89	1.90	11.5%	0.1%
Somali Refugee and IDPs Commission	0.81	0.16	0.20	0.36	44.0%	7.4%
National ID Authority DADSOM	1.23	0.07	0.14	0.20	16.7%	111.4%
Somali Disaster and Humanitarian Management Agency	5.31	0.41	1.07	1.48	27.9%	0.0%
Ministry of Religious Affairs and Endowment	3.22	0.38	0.46	0.84	26.1%	41.7%
Ministry of Justice	4.80	0.39	0.55	0.94	19.6%	170.4%
Custodian Corps	10.05	2.16	2.54	4.70	46.8%	-0.9%
Supreme Court	2.83	0.38	0.55	0.93	33.0%	-3.8%
Banadir Regional Court	2.02	0.42	0.49	0.90	44.8%	9.4%
Appeal Court	1.09	0.17	0.21	0.38	35.1%	5.0%
Judiciary Service Committee	0.25	0.03	0.04	0.07	28.6%	-28.0%
Attorney General	1.89	0.38	0.42	0.80	42.3%	30.4%
Solicitor General	0.71	0.14	0.16	0.30	42.4%	23.7%
Auditor General	3.36	0.64	0.85	1.49	44.4%	15.9%
Ministry of Humanitarian Affairs and Disaster Management	0.00	0.00	0.00	0.00		-100.0%
Ministry of Constitution	0.00	0.00	0.00	0.00		-100.0%
Boundaries and Federation Commission	0.76	0.06	0.07	0.14	17.9%	-51.6%
National Reconciliation Commission	0.50	0.08	0.11	0.19	37.8%	-14.6%
National Independent Electoral Commission	3.34	0.20	0.30	0.51	15.2%	-47.2%
Human Rights Commission	0.10	0.00	0.00	0.00	0.0%	0.0%
Independence Constitution Review and Imp. Commission	0.70	0.09	0.15	0.24	34.4%	-12.8%
National Civil Service Commission	1.51	0.27	0.36	0.63	41.5%	1.0%
The Independent Commission for Combating Corruption	1.27	0.02	0.04	0.06	4.7%	-68.7%
Security	197.95	43.91	46.37	90.29	45.6%	13.5%
Ministry of Defense	5.22	0.67	0.45	1.11	21.3%	144.9%
Armed Forces	113.24	25.53	26.48	52.01	45.9%	13.2%
Military Court	2.60	0.47	0.46	0.94	36.0%	37.0%
Disabled and Orphans Organization	0.12	0.01	0.02	0.03	21.7%	-16.7%
Ministry of Internal Security	2.36	0.25	0.27	0.52	22.1%	-10.4%
Police Force	45.84	10.88	11.61	22.49	49.1%	5.9%
National Security Force	23.10	4.85	6.02	10.87	47.1%	29.2%
Immigration Department	5.48	1.25	1.06	2.32	42.3%	5.8%

Sector/MDA	Budget 2023	Q1	Q2	Actual Total	Pfce 50%	YTY %
Economic Service	172.98	8.60	10.35	18.96	11.0%	-8.2%
Ministry of Water and Energy	20.73	0.60	0.72	1.33	6.4%	5.1%
Ministry of Mineral	2.14	0.26	0.25	0.50	23.6%	-14.9%
Somalia Patrol Authority	1.01	0.12	0.20	0.32	31.9%	0.0%
Ministry of Agriculture	1.96	0.34	0.38	0.72	36.5%	6.8%
Ministry of Livestock and Forestry	6.32	0.27	0.37	0.65	10.2%	54.3%
Ministry of Fishery and Marine Resource	1.94	0.32	0.34	0.66	33.9%	-7.3%
Somali Marine Research	0.62	0.11	0.13	0.24	38.5%	-5.9%
Offshore and Fisheries Development Project	0.11	0.01	0.01	0.02	21.0%	-20.3%
Ministry of Information	6.21	1.18	1.32	2.50	40.3%	-3.7%
Ministry of Communications and Technology	4.87	0.40	0.48	0.88	18.0%	26.0%
National Communication Agency	1.16	0.10	0.13	0.23	19.4%	-22.2%
Ministry of Public Work & Reconstruction	96.67	1.51	1.49	2.99	3.1%	-44.5%
Ministry of Transportation and Aviation	4.62	0.35	0.50	0.85	18.4%	-17.5%
Civil Aviation and Metro-Authority	13.84	1.67	2.23	3.91	28.2%	-11.1%
Ministry of Transport and Ports	2.53	0.29	0.34	0.63	24.8%	8.5%
Hamar Port Authority	1.12	0.15	0.23	0.37	33.4%	-18.6%
Ministry of Industry & Commerce	3.57	0.56	0.64	1.20	33.6%	8.4%
Somali Quality Assurance Agency	1.63	0.21	0.33	0.55	33.6%	246.0%
Ministry of Environment and Cilmate Change	1.94	0.15	0.27	0.42	21.5%	0.0%
Social Service	260.84	5.74	8.39	14.13	5.4%	-76.0%
Ministry of Health	83.62	0.93	1.64	2.57	3.1%	-35.0%
Ministry of Education and Higher Education	34.86	1.61	2.53	4.14	11.9%	-4.5%
Somali National University	7.22	1.44	2.00	3.44	47.7%	13.3%
Somali Academy of Sciences and Arts	1.42	0.24	0.29	0.53	37.7%	16.6%
Intergovernmental Academy of Somali Language	1.36	0.04	0.08	0.12	9.1%	0.9%
Ministry of Labor and Social Affairs	128.41	0.96	1.31	2.27	1.8%	-95.1%
Ministry of Youth and Sport	1.03	0.20	0.19	0.39	37.3%	35.1%
Ministry of Women and Human Rights Development	2.38	0.23	0.19	0.42	17.9%	22.9%
Somali Disable Agency	0.55	0.09	0.15	0.24	43.6%	756.3%
Total	977.22	102.12	118.89	221.01	22.6%	-16.8%