



Federal Government of Somalia

Office of the Accountant General

Government Quarterly Financial Report Quarter ONE 2021



Introduction and Background

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

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

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

The table below shows main sources of revenues and types of expenditure of the Federal Government of Somalia in line with the Budget Appropriation Act of 2020

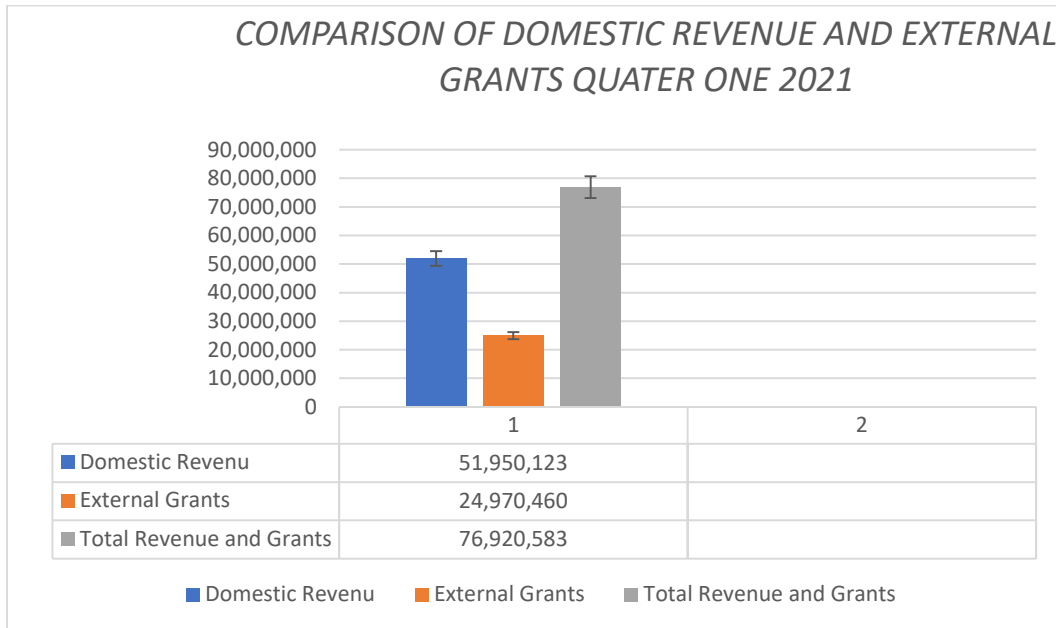
Table: FGS sources of revenue and types of expenditure.

Sources of Revenue
<ul style="list-style-type: none">• Domestic Revenue in the form of Taxes and Non – tax revenue• Grants (External Donor Funds)
Types of Expenditure
<ul style="list-style-type: none">• Compensation to employees (salary and allowances)• Use of Goods and Services• Grants (Transfers to Federal Member States)• Capital Expenditure and• Other expenses (Contingency)

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

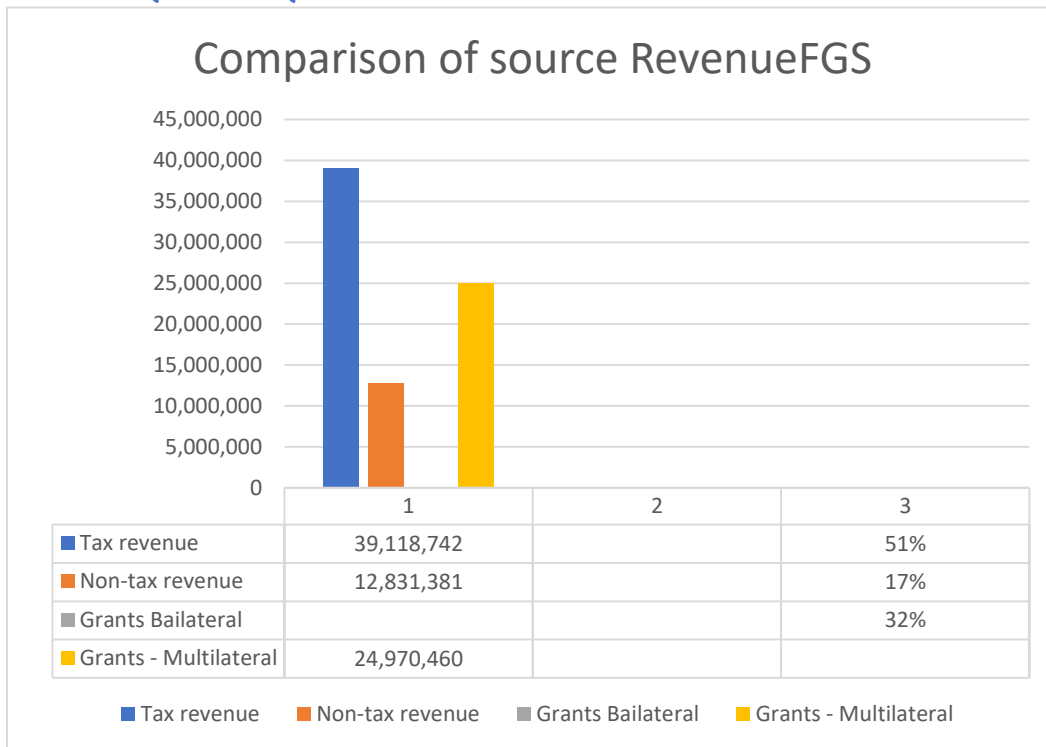
Comparison between FGSs’ main revenue source Categories.

Figure COMPARISON OF DOMESTIC REVENUE AND EXTERNAL GRANTS QUATER ONE 2021



- Domestic revenue accounted for 68% of the total revenue collected by the Federal Government of Somalia. Taxes from customs were much lower than the first and second quarters of this year, and this is mainly due to the lower activities of the main port of Mogadishu and thus lower imported goods.
- While the external grants accounted for the remaining portion of 32%. This is because of the expected amount was not received from by Grants Bilateral during this quarter.

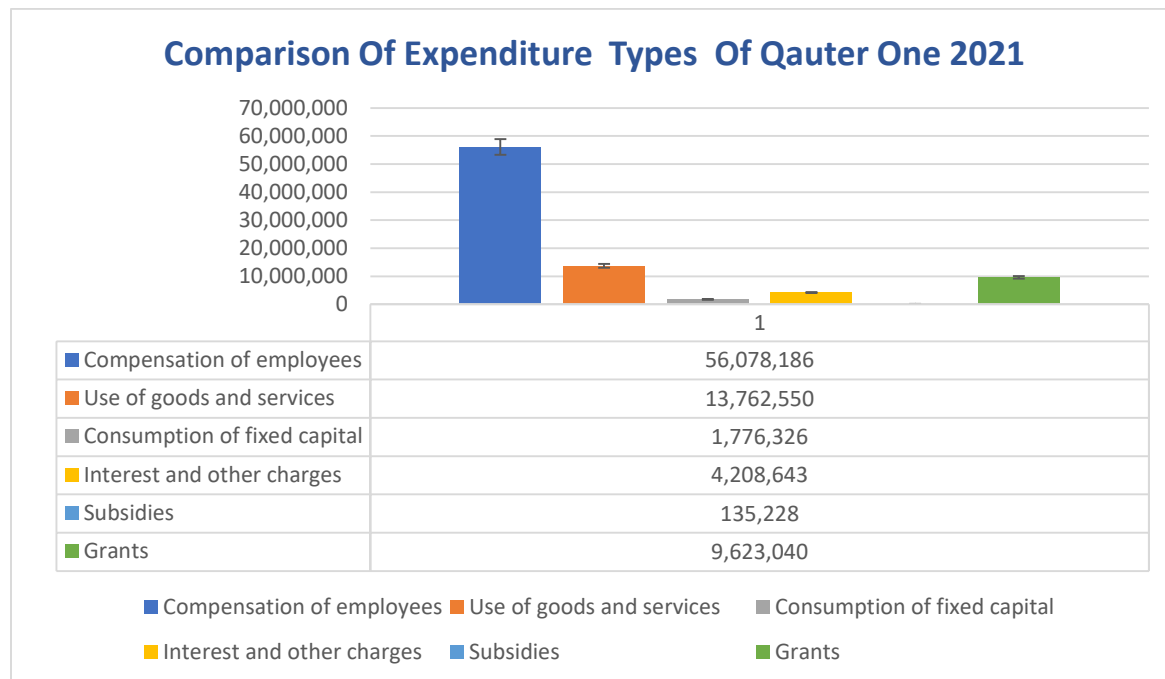
Figure 1 simple COMPARISON OF TAX REVENUE, NON-TAX REVENUE AND EXTERNAL GRANTS QUARTER QUATER ONE 2021



- Tax revenue amounted 51% out of the total government revenue; non-tax revenue with 17% followed by external grants which is multilateral and bilateral grants received by the Government during the same period accounted for 32%.

Comparison between FGSs' Categories of Expenditure

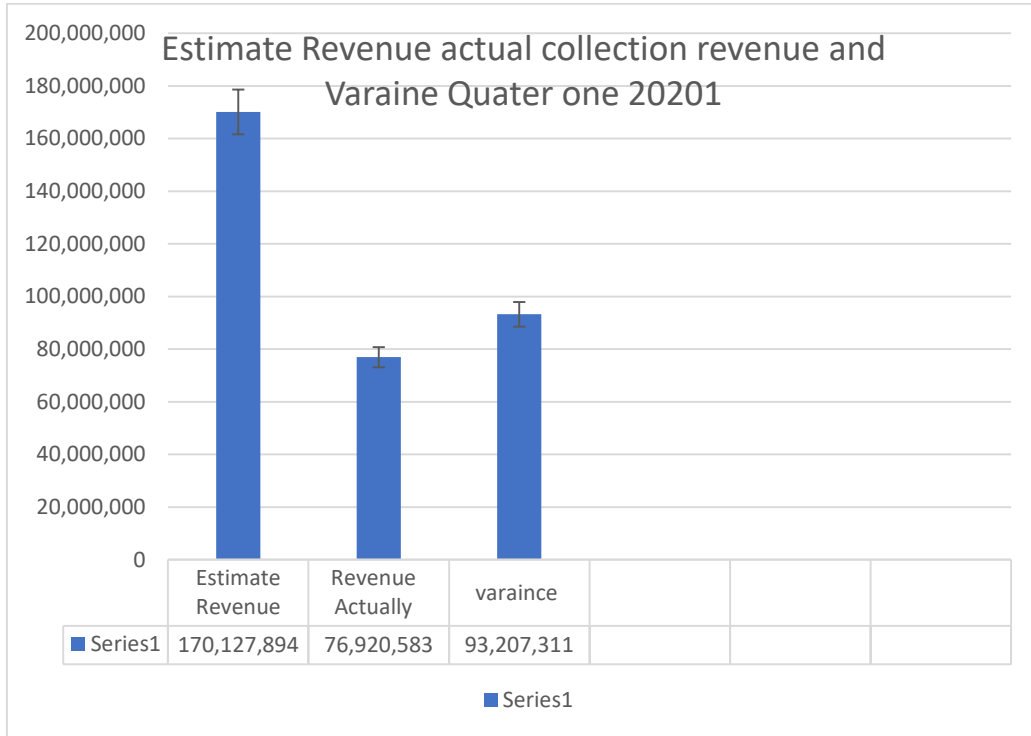
Figure 2 *Comparison between FGSs' Categories Expenditure Quarter three 2021*



- From the Budget Appropriations Act of 2019, FGS expenditure is classified under the following categories;
 - **Compensation of Employees:** which is payments of salary and allowances for the benefit of the civil servants. This category remains the highest with **66 %** of the total expenditure as per the chart above.
 - **Use of Goods and Service:** this category turned out as the second most incurred expenditure category after employees' cost and accounted for **16%** of the total expenditure.
 - **Grants (Transfers to the Federal Member States) (TFMSs):** as the name suggests this category is used by the FGS to make Government budgetary support to the Federal Member States; Puntland State, Jubbaland state, Southwest state, Galmudug State, Hirshabelle State and Benadir region. This category represented the third highest percentage of **11%** of the total Quarter three expenditure.
 - **Capital Expenditure:** is used to fund FGSs' National Development Plans and as shown in the chart above, only **2%** of the total expenditure was incurred during the period.
 - **Other expenses (Contingency expenditure):** during this quarter there were no expenditure incurred out of the contingency account as the **0%** of the above chart shows.
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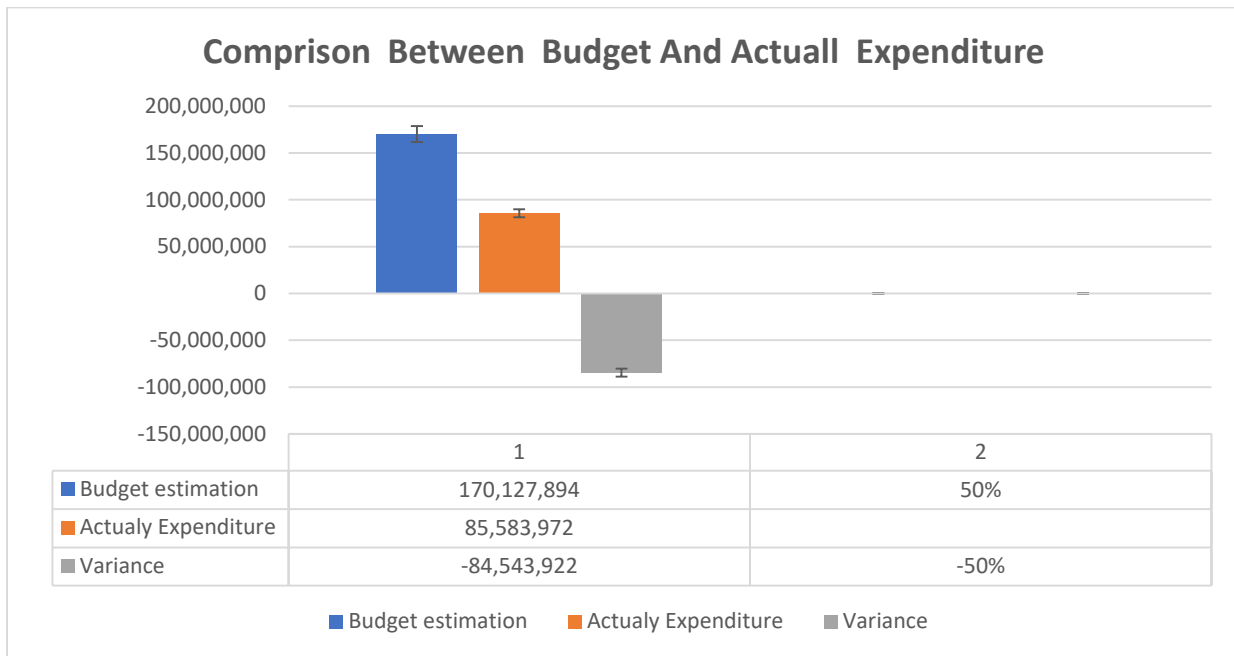
Actual and Budgeted Revenue in Comparison

Figure 5 Budgeted **Versus** Actual revenue, Quarter One 2021



- Above graph depicts the comparison between budgeted revenues (pro-rata basis) planned for collection in the Quarter one of the 2021FY, against the actual outturn for the same period (Quarter one 2021FY).
- The actual amount collected represents **45%** of the budgeted amount, indicating a short fall of **55%**.

Comparison between Budgeted and Actual Expenditure



- The above graph compares the amounts of expenditure budgeted for spending during Quarter one of the 2021 FY and actual expenditure was 50% against the budgeted amount during the reporting period.
- Actual expenditure was therefore 50% lower than the budgeted amount representing a significantly lower level of budget utilization during the third quarter; this was mainly due to expenditure that could not be incurred during the period because of delays in the disbursement of some of the expected external grants.

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



Federal Government of Somalia

Summary of Government Revenue and Expenditure as of March, 2021

Description	Budget / Estimate	For the Month of March, 2021	YTD Actuals	Variance
Total Domestic Revenue	269,711,093	21,893,639	51,950,123	217,760,970
Tax revenue	182,879,541	15,610,584	39,118,742	143,760,799
Non-tax revenue	86,831,552	6,283,055	12,831,381	74,000,171
Total External Grants	410,800,483	9,938,813	24,970,460	385,830,023
Current - Grants Bailateral	30,000,000			30,000,000
Current - Grants - Multilateral	380,800,483	9,938,813	24,970,460	355,830,023
Current (Multi-lateral)				
Total Revenue and Grants	680,511,575	31,832,451	76,920,583	603,590,992
Total Recurrent Expenditure	589,128,197	38,795,039	83,807,647	505,320,550
Compensation of employees	254,946,073	22,982,551	56,078,186	198,867,887
Use of goods and services	181,884,770	7,803,643	13,762,550	168,122,220
Consumption of fixed capital	4,924,141			4,924,141
Interest and other charges	2,500,000	3,493,771	4,208,643	-1,708,643
Subsidies	11,900,000	135,228	135,228	11,764,773
Grants	70,276,974	4,379,847	9,623,040	60,653,934
Social benefits	60,715,682			60,715,682
Other expenses	1,980,557			1,980,557
Total Capital Expenditure	77,356,460	1,387,793	1,776,326	75,580,134
Consumption of fixed capital	77,356,460	1,387,793	1,776,326	75,580,134
Total Expenditure	666,484,657	40,182,832	85,583,972	580,900,685
Financing Gap / Surplus (-) or (+)	14,026,918	-8,350,381	-8,663,389	22,690,308

Revenue performance comprehensive



Federal Government of Somalia

Revenue Performance Report as of March, 2021

Code	Description	Original Estimate	Virements	Revised Estimate	YTD Actuals	Variance
1111	Payable by individuals	11,697,121		11,697,121	2,760,907	8,936,214
111101	Wages and salaries (Public Sector Payees)	5,197,121		5,197,121	1,263,540	3,933,581
111102	Wages and salaries (Private Sector Employees)	6,500,000		6,500,000	1,497,367	5,002,633
1112	Payable by corporations	1,500,000		1,500,000	94,708	1,405,292
112101	Corporate profit tax	1,500,000		1,500,000	94,708	1,405,292
1131	Other taxes - on Income	600,000		600,000	161,537	438,464
113101	Rental income	600,000		600,000	161,537	438,464
1141	General taxes on goods and services	30,032,357		30,032,357	5,809,206	24,223,151
114101	Sales taxes - Hotels	926,000		926,000	360,490	565,510
114102	Sales taxes - Telecommunications	5,209,557		5,209,557	377,996	4,831,561
114103	Sales taxes - Electricity Companies	1,300,000		1,300,000		1,300,000
114104	Sales taxes - on imported goods	18,000,000		18,000,000	4,871,273	13,128,727
114105	Sales taxes - Airline tickets	1,320,000		1,320,000	199,447	1,120,553
114106	Sales taxes - Others (TV Cable Providers)	1,276,800		1,276,800		1,276,800
114130	Turnover Taxes on Goods and Services	2,000,000		2,000,000		2,000,000

1151	Customs and other import duty	91,000,000	91,000,000	25,464,870	65,535,130
115100	Customs and other Import duties	91,000,000	91,000,000		91,000,000
115101	Custom taxes on petroleum			4,504,604	-4,504,604
115102	Custom taxes on export goods			189,393	-189,393
115103	Road vehicles (salon cars)			2,347,060	-2,347,060
115104	Import tax on sugar			3,110,966	-3,110,966
115105	Crude vegetable materials			1,170	-1,170
115106	Import tax on tobacco and matches			174,749	-174,749
115108	Flour			500,020	-500,020
115109	Construction of electronic materials			1,700,501	-1,700,501
115110	Cereal products, spaghetti etc			207	-207
115111	Vegetable oils			654,308	-654,308
115112	Soap and cleaning products			586,213	-586,213
115113	Apparel, clothing, textile yarn			1,507,311	-1,507,311
115114	Footwear			12,528	-12,528
115115	Tea			33,878	-33,878
115116	Vegetables and fruits			19,406	-19,406
115117	Plastic materials			95,096	-95,096
115118	Rubber tyers			52,209	-52,209
✓ 115119	Poultry and edible offals			132,848	-132,848
✓ 115120	Building materials			986,355	-986,355
✓ 115121	Electronic materials			1,421,452	-1,421,452
✓ 115122	Food items /rice, spaghetti. etc			1,384,931	-1,384,931
✓ 115123	Household materials			1,079,317	-1,079,317
✓ 115124	Cosmetics & perfume			110,506	-110,506
✓ 115125	Others			3,326,428	-3,326,428
✓ 115126	Gold				
✓ 115127	Shoes			365,115	-365,115
✓ 115128	Beverages			1,168,299	-1,168,299
✓ 1156	Other taxes on int. trade and transactions	37,040,062	37,040,062	1,056,110	35,983,952
✓ 115601	Import tax on Khat	37,040,062	37,040,062	1,056,110	35,983,952

1161	Payable solely by business	11,010,001	11,010,001	3,771,404	7,238,597
116101	Stamp duties of invoices and contracts (notary)	1,500,000	1,500,000	553,057	946,943
116102	Road tax	1,600,000	1,600,000	461,182	1,138,818
116103	Other stamp duty	4,000,000	4,000,000	1,716,211	2,283,789
116108	Stamp duties of other invoices				
116109	stamp duty on customs	3,910,001	3,910,001	1,040,953	2,869,048
1311	Current - Grants Bilateral	30,000,000	30,000,000		30,000,000
131101	Current (Turkey)	30,000,000	30,000,000		30,000,000
1321	Current - Grants - Multilateral	380,800,483	380,800,483	24,970,460	355,830,023
132102	Current - World Bank - Capacity Injection Project	4,127,080	4,127,080	438,502	3,688,578
132103	Current - World Bank - Public Financial management	10,365,062	10,365,062	490,922	9,874,140
132106	Current - World Bank - RCRF - Budget support	8,581,929	8,581,929	10,893,745	-2,311,815
132107	Current - World Bank - SOPTAP (Petroleum)	132,000	132,000		132,000
132108	Current - African Development Bank - Economic and Financial Governance	2,806,912	2,806,912	275,619	2,531,292
132109	Current - United Nations - Peace Building Fund (SFF)	3,189,655	3,189,655		3,189,655
132110	Current - Urban Investment Planning Project (SUIIP)	1,830,000	1,830,000	220,978	1,609,022
132111	Current - United Nations - District Rehabilitation Project (S2S)	1,930,500	1,930,500		1,930,500
132113	Current - European Union - Budget support				
132114	Global Partnership For Education	2,555,504	2,555,504		2,555,504
132115	Current - World Bank - SEAP	2,809,285	2,809,285	350,378	2,458,907
132116	Current Somalia Shock-Responsive Social Safety Net Project	11,380,000	11,380,000		11,380,000
132117	WB - Recurrent Costs and Reform Financing Project	39,898,977	39,898,977	4,000,000	35,898,977
132120	Current- African Development Bank - Energy Sector Project	981,205	981,205		981,205
132121	Current- World Bank - "BIYOOLE" PROJECT	11,780,079	11,780,079	1,736,473	10,043,606
132122	Current - African Development Bank - Road Infrastructure Program	4,123,247	4,123,247	161,224	3,962,023
132123	Current - African Development Bank - SIEMID	3,321,165	3,321,165	173,954	3,147,211
132124	Current- World Bank - SCALED-UP PROJECT	24,787,200	24,787,200	1,772,475	23,014,725
132125	Current - WB- Somali Urban Investment Planning Project - Additional Financing				
132126	Current- World Bank - Somalia Urban Resilience Project PH2	29,493,484	29,493,484	456,190	29,037,294
132127	Current- World Bank - DPO	100,000,000	100,000,000		100,000,000
132129	Current -World Bank - Somalia Crisis Recovery Project (SCRIP)	71,408,702	71,408,702	4,000,000	67,408,702
132130	Current - United Nations - Maximum County Allocation (GPE-MCA) Project	3,291,720	3,291,720		3,291,720
132131	Current - WB - Somali Integrated Statistics and Economic Capacity Building Project	10,517,720	10,517,720		10,517,720
132132	Current - WB - Somalia Emergency Locust Response Project (SELRP)	31,489,057	31,489,057		31,489,057

1421	Administrative fees and charges	86,831,552	86,831,552	11,596,567	75,234,985
142201	Administrative charges	2,000,000	2,000,000	1,263,275	736,726
142202	Visa charges	4,000,000	4,000,000	2,021,502	1,978,498
142203	Passports fees	4,656,552	4,656,552		4,656,552
142204	Licence fees - Commerce and industry	1,500,000	1,500,000	237,461	1,262,539
142205	Work permits and other fees	1,200,000	1,200,000	187,730	1,012,270
142206	Harbour fees - Albayrak	28,500,000	28,500,000	4,468,801	24,031,199
142207	Airport fees - Favori	3,300,000	3,300,000	584,495	2,715,505
142208	Fisheries licence fees	2,100,000	2,100,000	5,500	2,094,500
142210	Telecommunication Spectrum fees	12,600,000	12,600,000	357,143	12,242,857
142211	Overflight fees	12,400,000	12,400,000	2,470,661	9,929,339
142214	Customs harbour fees	5,000,000	5,000,000		5,000,000
142215	Election Registration Fee	9,575,000	9,575,000		9,575,000
1425	Harbour Fees			1,234,814	-1,234,814
142502	Customs Harbour fees			1,234,814	-1,234,814
Grand Total		680,511,575	680,511,575	76,920,583	603,590,992



Federal Government of Somalia

Expenditures Report as of March, 2021

	Description	Budget / Estimate	For the Month of March, 2021	YTD Actuals	Variance
21	Compensation of employees	254,946,073	22,982,551	56,078,186	22%
2111	Wages and salaries in cash	156,089,374	12,804,263	35,744,058	23%
2112	Allowances	83,992,143	8,636,265	17,743,067	21%
2131	Other employee costs	14,864,556	1,542,023	2,591,062	17%
22	Use of goods and services	181,884,770	7,803,643	13,762,550	8%
2211	Utilities	7,411,764	373,793	478,674	6%
2212	Rent	4,809,100	283,773	455,268	9%
2213	Fuel and lubricants	7,761,308	413,267	572,290	7%
2214	Repairs and maintenance	4,660,540	203,394	275,532	6%
2215	Office materials and other consumables	6,743,591	268,662	389,195	6%
2216	Travel expenses	14,735,593	174,252	253,452	2%
2221	Education expenses	6,590,303	42,295	42,295	1%
2222	Training expenses	9,534,634	116,584	177,626	2%
2231	Consulting and professional fees	52,829,783	1,583,628	3,302,513	6%
2232	Audit fees	730,689	133,091	133,091	18%
2233	Medical fees	384,768			0%
2241	Bank commissions	5,591,569	598,328	1,098,034	20%
2243	Insurance charges/premium	55,000			0%
2251	Health and hygiene	8,083,248	501,833	537,833	7%
2253	Military materials, supplies and services	635,944	29,280	29,280	5%
2254	Police materials, supplies and services	300,000	25,000	25,000	8%
2255	Other specialized materials and services	6,972,804	164,750	172,250	2%
2256	Special operational services	10,196,810	425,569	1,339,218	13%
2261	Other General Expenses	33,857,323	2,466,143	4,480,999	13%

23	Consumption of fixed capital	82,280,601	1,387,793	1,776,326	2%
2311	Buildings and structures	26,432,035			0%
2312	Machinery, furniture and equipment	11,708,067	45,800	45,800	0%
2313	Information and Communication Technology (ICT)	14,203,693	176,834	176,834	1%
2314	Other fixed assets	25,012,665	1,165,160	1,553,692	6%
2322	Other Inventories	4,924,141			0%
24	Interest and other charges	2,500,000	3,493,771	4,208,643	168%
2411	Loan Interest and Commitment Charges	2,500,000	3,493,771	4,208,643	168%
25	Subsidies	11,900,000	135,228	135,228	1%
2521	To non-financial private enterprises	11,900,000	135,228	135,228	1%
26	Grants	70,276,974	4,379,847	9,623,040	14%
2621	Current	937,000	55,230	357,230	38%
2631	Transfers to Sub National	69,339,974	4,324,617	9,265,810	13%
27	Social benefits	60,715,682			0%
2711	Social Security benefits	7,000,000			0%
2721	Social Assistance Benefits	53,715,682			0%
28	Other expenses	1,980,557			0%
2821	Contingency Items - Operating & Capital Expenses	1,980,557			0%
31	Assets		289,760	684,500	#NUM!
3151	Advances		289,760	684,500	
Grand Total		666,484,657	40,472,592	86,268,472	13%

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