



Citizens Budget 2024



Southwest State of Somalia
Ministry of Finance



Ministry of Finance
Wasaaradda Maaliyadda KGS

The 2024 State Budget

The Southwest State government is mandated to publish a citizen's budget each year to ensure that citizens are informed of the state budget in an accessible format. It is designed by the Macro-Fiscal Unit and seeks to inform citizens of the relevant aspects of the state budget, including forecast revenues and details of expenditures to be made. The State Government of the Southwest's policies, guided by the Strategic Development Plan, are laid out in the Annual State Budget, with the objective of becoming a citizen-accountable state.

What is the State Budget?

The State Budget is a document that includes forecasts of revenue and fixed expenditures for the upcoming year. It is based on government priorities. The Ministry of Finance organizes a workshop with members of the government to discuss state priorities and fiscal scenarios for the upcoming year. After the distribution of individual fiscal ceilings, line ministries and other agencies submit their proposals to the Ministry of Finance. The proposals are discussed by the Budget Review Committee and sent to Parliament for discussion and approval. After this, the budget is sent to the President for promulgation, and this is the final enacted budget for the upcoming year.

Investing in SWS People

The SWS government is committed to strengthening the social capital sector. And based on the fact that **19% (\$7,7 million)** of the SWSS total budget is allocated for health, while the education sector received a total share of 15% (\$66 million) of the FY2024 budget, the SWSS government is committed to providing free education for all primary schools and creating a free health care system for the people of SWSS.

Investing in Economic Development and Institutional Building

34.3% (\$27,2) of the recurrent and capital budgets will target state economic development and the infrastructure development sector; this is considered the second largest budget allocation after the accumulation of the health and education budgets.

Strengthening Institution

20.47% (\$16 million) of the total budget was allocated for state building and state administration to increase the capacity of the state administration and state efficiency.

Social Security

6.36% (\$5 million) of the total budget was allocated for social security and public safety, as it's a major state priority.

Classification of Function of Government

COFOG	Total of Budgeted
Economic Affairs	34.28%
Education	15.20%
Environmental Protection	1.51%
General Public Services	20.47%
Health	19.22%
Housing and community amenities	1.23%
Public Order and Safety	6.36%
Social Protection	1.72%
Grand Total	100.00%

REVENUE

The total revenue for the year 2024 was estimated to **39,835,730.73** of which total domestic revenues are forecasted to reach **\$5.9 million** by the end of 2024, an increase of 54% on 2023/22. As shown below table.

Grants for the year 2024 are estimated to **\$33,934,737.73** while actually collection in 2023 was **\$15,887,950.67** an increase of 53%

	2022 Actuals	FINAL PROJECTIONS 2023	Final Collections 2023	% Difference
Tax revenue	2,977,145	4586557	4,532,828	-1%
Non-Tax Revenue	401,571	522043	426,366	-18%

Total	3,378,717	5108600	4,959,194	-3%
Budget 2023		46,556,383	32,543,586	-30%

The Actual own source tax and non-tax revenue in FY 2023 was USD 4,959,194 compared to the projection for 2023 which was USD 5.1 million. Tax collection in 2023 outperformed compared to the previous year and there is on 1% difference.

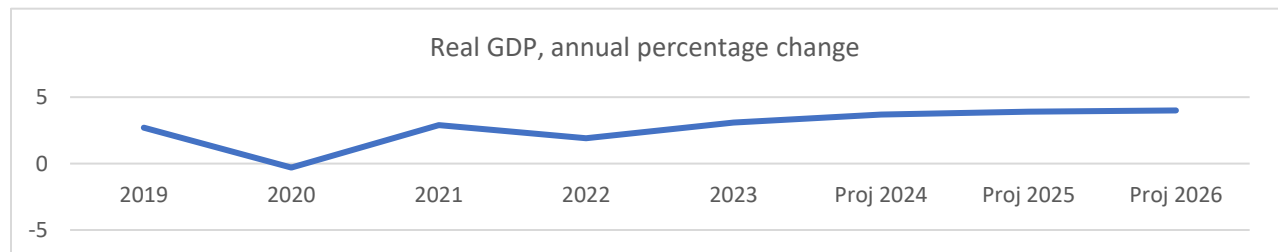
Macroeconomic assumptions

Table 1 Details key macroeconomic assumptions underlying the Macroeconomic framework for FY2024-2025, covering Gross Domestic Product (GDP), and Consumer Prices.

Table 1 – National Macroeconomic Assumptions

	2019	2020	2021	2022	2023	Proj 2024	Proj 2025	Proj 2026
National income and prices Nominal GDP in millions of U.S. dollars	6,485	6,883	7,628	8,414	9,009	9,806	10,687	11,633
Real GDP, annual percentage change	2.7	-0.3	2.9	1.9	3.1	3.7	3.9	4
Real GDP per capita in U.S. dollars	416	403	404	400	401	405	409	414
CPI (period average, percent change)	4.5	4.3	4.6	9	3.9	4	3.6	3.3
Current account balance	-10.4	-10.8	-17.1	-15.9	-13.6	-14.8	-15.3	-15.1

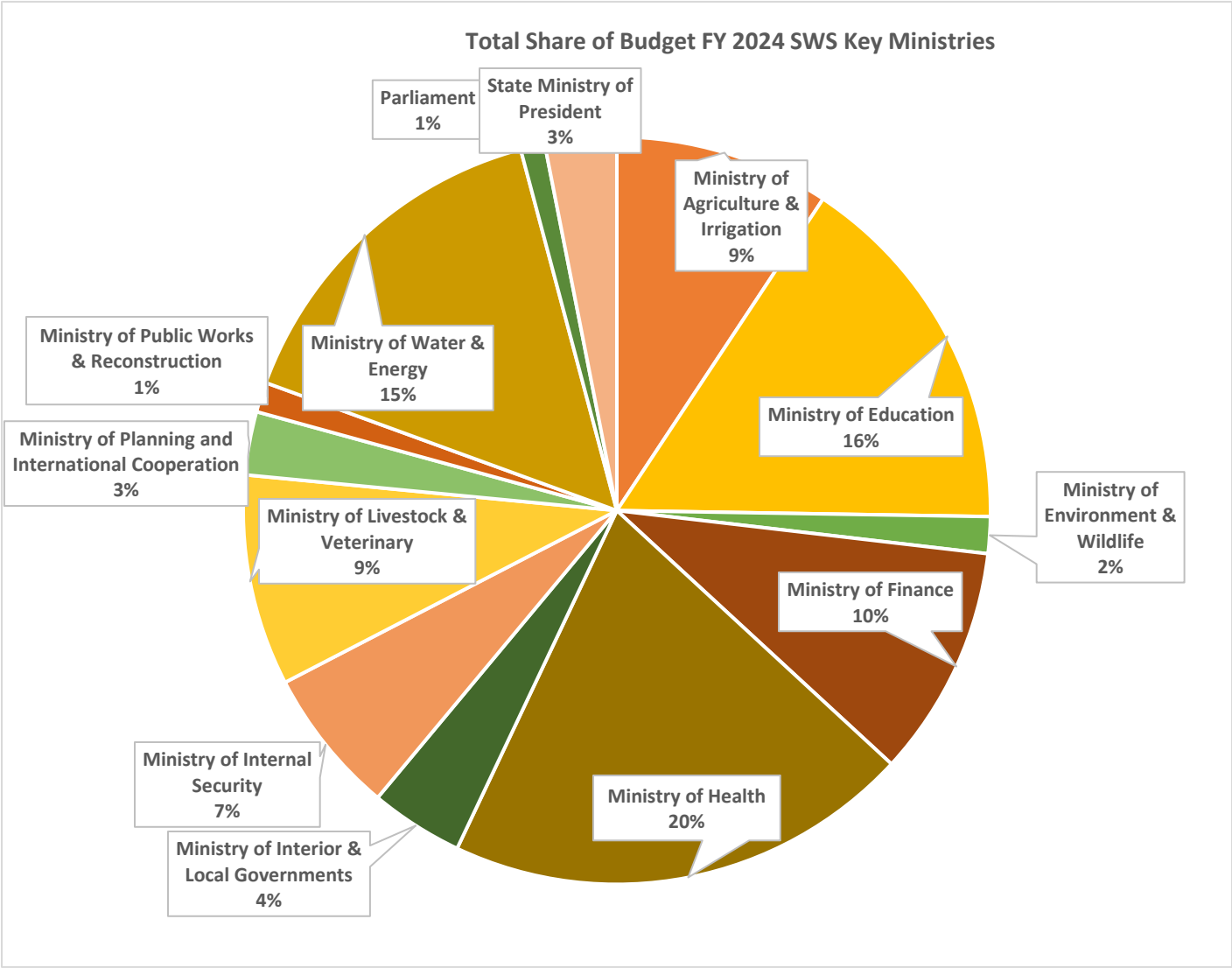
Source: IMF October 2022, Article IV report



Real GDP was hurt by the COVID-19 downturn, with a mild recovery in 2021. The price inflation due to the Russia-Ukraine war, internal conflict, and the 2020–2023 drought and floods resulting rod blocks and limited access and deliver commodities in the affected areas led to a food price crisis and drove down growth again in 2022, with a 1 percentage point (pp) increase in 2023. Low labor force participation (30% of the population), food insecurity, internal displacement, prolonged drought, and a decline in merchandise exports present continued downside risks. In 2024, a moderate increase in real GDP growth is expected as Somalia attained HIPC debt relief. More loans may increase investor confidence. At the same time, the change in financing from grants to

loans will necessitate a robust domestic revenue mobilization plan for a sustainable debt-to-GDP ratio. Private remittances, which finance the trade deficit, are expected to remain at similar levels as in previous years. The World Bank expects that the harmonization exercise between the FGS and FMSs could increase political stability and boost investor confidence.

Budget on a page



Expenditure

The total expenditure for the year 2024 was estimated to \$ **39,835,730.73** compared with the 2023 actual collection which was **20,726,899.84**.

The compensation of employees was estimated to 13,451,701.33 (34%), of the total expenditure, where as the use of goods and services is projected to **20,527,060.57(52%)** the highest expenditure projected in 2024.

Total Share of Expenditure by MDA

MDA Names	Total of Budgeted	% of Total Budgeted
Accountant General Office	\$ 8,900.00	0.01%
Civil Service Commission	\$ 93,870.00	0.19%
High Court	\$ 204,000.00	0.26%
Ministry of Agriculture & Irrigation	\$ 3,525,735.99	8.87%
Ministry of Aid & Disaster Management	\$ 316,580.00	0.77%
Ministry of Education	\$ 6,042,492.00	15.20%
Ministry of Environment & Wildlife	\$ 609,747.00	1.51%
Ministry of Finance	\$ 1,314,603.63	9.54%
Ministry of Fisheries & Sea Minerals	\$ 220,713.00	0.53%
Ministry of Health	\$ 7,683,176.00	19.22%
Ministry of Industry & Commerce	\$ 40,744.00	0.08%
Ministry of Information	\$ 167,856.00	0.24%
Ministry of Interior & Local Governments	\$ 1,586,032.97	3.83%
Ministry of Internal Security	\$ 2,976,264.33	6.04%
Ministry of Islamic Affairs & Endowments	\$ 34,620.00	0.06%
Ministry of Justice & Judiciary	\$ 58,116.00	0.12%
Ministry of Labour & Employment	\$ 271,872.00	0.69%
Ministry of Livestock & Veterinary	\$ 3,460,169.58	8.70%

Ministry of Petroleum and Mineral Resource	\$ 32,820.00	0.06%
Ministry of Planning and International Cooperation	\$ 1,043,604.69	2.61%
Ministry of Posts & Communications	\$ 34,620.00	0.06%
Ministry of Public Works & Reconstruction	\$ 499,280.00	1.23%
Ministry of Reconciliation & Constitutional Affairs	\$ 44,256.00	0.09%
Ministry of Seaports & Sea Transportation	\$ 32,820.00	0.06%
Ministry of Transportation & Airports	\$ 50,280.00	0.42%
Ministry of Water & Energy	\$ 5,790,534.11	14.57%
Ministry of Women & Human Rights	\$ 319,345.00	0.78%
Ministry of Youth & Sports	\$ 77,265.00	0.17%
Office for Auditor General	\$ 61,584.00	0.13%
Parliament	\$ 761,320.00	1.00%
State Ministry of President	\$ 2,309,420.00	2.95%
Grand Total	\$ 39,672,641.30	100.00%

Total Share of Revenue by MDA

MDA Names	Total of Budgeted	% of Total Budgeted
Civil Service Commission	\$ 54,270.00	0.14%
High Court	\$ 744.00	0.00%
Ministry of Agriculture & Irrigation	\$ 3,508,335.99	8.84%
Ministry of Aid & Disaster Management	\$ 297,380.00	0.75%
Ministry of Education	\$ 6,014,380.00	15.16%
Ministry of Environment & Wildlife	\$ 590,547.00	1.49%
Ministry of Finance	\$ 6,254,596.00	15.77%

Ministry of Fisheries & Sea Minerals	\$ 201,913.00	0.51%
Ministry of Health	\$ 7,563,976.00	19.07%
Ministry of Industry & Commerce	\$ 21,444.00	0.05%
Ministry of Information	\$ 25,056.00	0.06%
Ministry of Interior & Local Governments	\$ 1,456,778.97	3.67%
Ministry of Internal Security	\$ 1,814,600.96	4.57%
Ministry of Islamic Affairs & Endowments	\$ 15,420.00	0.04%
Ministry of Justice & Judiciary	\$ 40,716.00	0.10%
Ministry of Labour & Employment	\$ 277,328.00	0.70%
Ministry of Livestock & Veterinary	\$ 3,440,969.58	8.67%
Ministry of Petroleum and Mineral Resource	\$ 15,420.00	0.04%
Ministry of Planning and International Cooperation	\$ 1,024,404.69	2.58%
Ministry of Posts & Communications	\$ 15,420.00	0.04%
Ministry of Public Works & Reconstruction	\$ 480,080.00	1.21%
Ministry of Reconciliation & Constitutional Affairs	\$ 25,056.00	0.06%
Ministry of Seaports & Sea Transportation	\$ 15,420.00	0.04%
Ministry of Transportation & Airports	\$ 282,717.00	0.71%
Ministry of Water & Energy	\$ 5,771,334.11	14.55%
Ministry of Women & Human Rights	\$ 300,045.00	0.76%
Ministry of Youth & Sports	\$ 58,065.00	0.15%
Office for Auditor General	\$ 43,584.00	0.11%
Parliament	\$ 31,320.00	0.08%
State Ministry of President	\$ 31,320.00	0.08%
Grand Total	\$ 39,672,641.30	100.00%