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Tax collection Y-O-Y has decreased by 46% - and Taxes on Payroll and workforce saw a substantial decrease on last Quarter 1, 2023 (-45%); and Sale of goods and services revenues saw a significant decrease (-71%).

Performance this year's Quarter one was weakened by slow grant outturn from the Federal Government. Y-O-Y there has been a decrease of 45% in grants received.



Southwest State Fiscal Outturn Analysis Quarter 1 Report 2024

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Abbreviations

AMISOM	African Union Mission in Somalia
BFP	Budget Framework Paper
EPHS	Essential Package of Health Services
FGS	Federal Government of Somalia
FMIS	Financial Management Information System
GDP	Gross Domestic Product
IMF	International Monetary Fund
MDA	Ministries, Departments and Agencies
MoF	Ministry of Finance
MoPIC	Ministry of Planning and International Cooperation
NDP	National Development Plan
PFM	Public Financial Management
RHMT	Regional Health Management Teams
RMS	Revenue Management System

Executive Summary

The total current revenue budget for SWSS is 39.8 million and in Q1, 2024 only **8%** of it has been executed. For the same expenditure budget, in Q1 only **9%** has been executed, which is short of the quarterly target of 25%.

Tax collection Y-O-Y has decreased by **46%** - and Taxes on Payroll and workforce saw a substantial decrease on last Quarter 1, 2023 **(-45%)**; and Sale of goods and services revenues saw a significant decrease **(-71%)**.

Performance this year's Quarter one was weakened by slow grant outturn from the Federal Government. Y-O-Y there has been a decrease of 45% in grants received.

For other revenue, Y-O-Y there has been a decrease of 65%.

As a result of this slow performance of revenue outturn, all expenditure lines had decreased on last year and the state had struggled to manage and ensure good execution of the Budget, overall Revenue of Q1 2024 had decreased **(-46%)** compared to the Q1 2023.

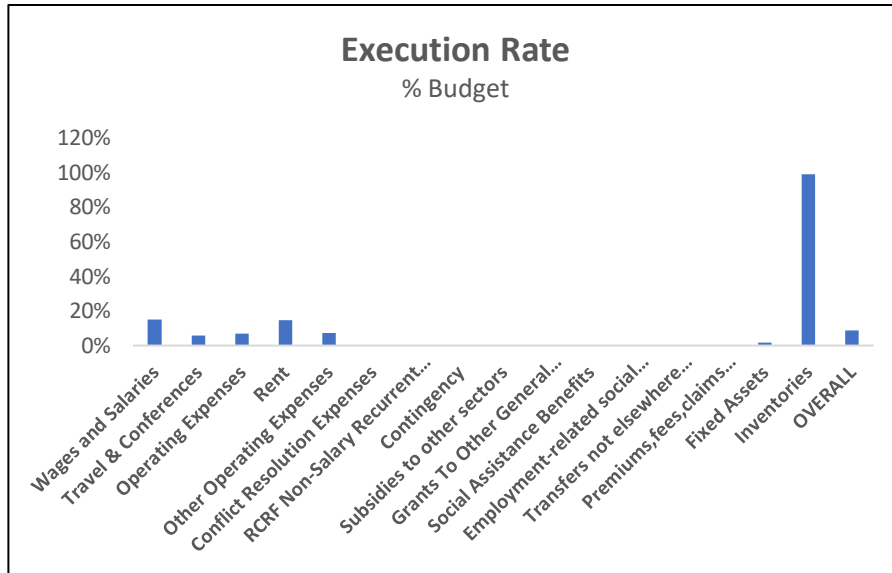
Expenditure of all major subheads is 15% or under. Inventories budget which increased 4300% Y-O-Y has already been executed nearly 100%.

Table 1. Summary Revenue and Expenditure

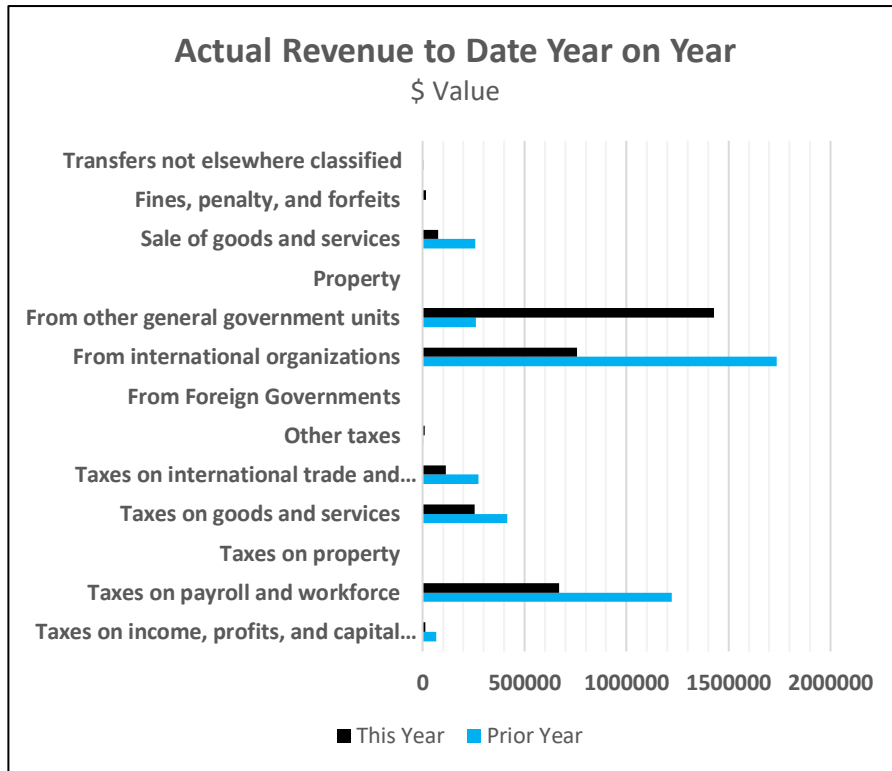
	Q1 2023	Original Budget at Q1	Current Budget 2024	Share	Transfers	Q4 2023	Q1 2024	Share	Change Y-O-Y	Change Q-O-Q	Budget Execution
REVENUES	6,206,912	39,792,431	39,792,431	100%	0	20,464,434	3,341,719	100%	-46%	-78%	8%
Taxes	1,978,312	5,299,737	5,299,737	13%	0	4,532,828	1,060,947	32%	-46%	-68%	20%
Taxes on income, profits, and capital gains	66,338	135,988	135,988	0%	0	104,002	12,407	0%	-81%	-86%	9%
Taxes on payroll and workforce	1,220,171	3,084,975	3,084,975	8%	0	2,847,798	670,672	20%	-45%	-65%	22%
Taxes on property	-	220,134	220,134	1%	0	59,457	-	0%		-100%	0%
Taxes on goods and services	415,520	1,239,611	1,239,611	3%	0	949,945	254,120	8%	-39%	-68%	20%
Taxes on international trade and transactions	274,022	584,572	584,572	1%	0	532,228	113,971	3%	-58%	-72%	19%
Other taxes	2,261	34,457	34,457	0%	0	39,397	9,777	0%	332%	-60%	28%
Grants	3,966,067	33,891,438	33,891,438	85%	0	15,505,240	2,188,906	66%	-45%	-81%	6%
From Foreign Governments	-	-	-	0%	0	-	-	0%			
From international organizations	1,735,181	9,621,944	9,621,944	24%	0	5,090,425	758,692	23%	-56%	-75%	8%
From other general government units	2,230,886	24,269,493	24,269,493	61%	0	10,414,815	1,430,214	43%	445%	-82%	6%
Other Revenue	262,533	601,256	601,256	2%	0	426,366	91,866	3%		-74%	15%
Property	-	-	-	0%	0	-	-	0%		-100%	
Sale of goods and services	257,533	601,256	601,256	2%	0	415,366	75,866	2%	-71%	-78%	13%

Fines, penalty, and forfeits	-	-	-	0%	0	6,000	16,000	0%		167%	
Transfers not elsewhere classified	5,000	-	-			5,000	-	0%	-100%		
EXPENDITURES	6,526,239	39,792,431	39,792,431	100%	0	20,726,900	3,440,466	100%	-47%	-70%	9%
Compensation of Employees	4,087,395	13,447,701	13,447,701	34%	0	11,717,282	2,021,436	59%	-51%	-71%	15%
Wages and Salaries	4,087,395	13,447,701	13,447,701	34%	0	11,717,282	2,021,436	59%	-51%	-71%	15%
Use of Goods and Services	1,981,560	20,487,761	20,487,761	51%	0	8,015,381	1,266,928	37%	-36%	-68%	6%
Travel & Conferences	313,214	3,399,715	3,399,715	9%	0	1,826,016	190,829	6%	-39%	-74%	6%
Operating Expenses	865,820	5,527,249	5,527,249	14%	0	3,219,243	378,716	11%	-56%	-80%	7%
Rent	223,408	1,060,595	1,060,595	3%	0	572,586	153,921	4%	-31%	-62%	15%
Other Operating Expenses	579,118	7,407,297	7,407,297	19%	0	2,397,536	543,462	16%	-6%	-43%	7%
Conflict Resolution Expenses	-	-	-	0%		-	-	0%			
RCRF Non-Salary Recurrent Cost	-	2,769,255	2,769,255	7%	0	-	-	0%			0%
Contingency	-	323,650	323,650	1%	0	-	-	0%			0%
Subsidies	-	-	-	0%	0	-	-	0%			
Subsidies to other sectors	-	-	-	0%	0	-	-	0%			
Grants	-	-	-	0%	0	-	-	0%			
Grants To Other General Government Units	-	-	-	0%	0	-	-	0%			
Social Benefits	-	12,000	12,000	0%	0	-	-	0%			0%
Social Assistance Benefits	-	12,000	12,000			-	-				0%
Employment-related social benefits	-	-	-	0%	0	-	-	0%			
Other Expenses	-	5,500	5,500	0%	0	5,500	-	0%			0%
Transfers not elsewhere classified	-	-	-	0%	0	-	-	0%			
Premiums, fees, claims related to non-life insurance	-	5,500	5,500			5,500	-				0%
Acquisition of Nonfinancial Assets	457,283	5,839,469	5,839,469	15%	0	988,737	152,102	4%	-67%	-73%	3%
Fixed Assets	456,283	5,796,119	5,796,119	15%	0	986,817	109,102	3%	-76%	-81%	2%
Inventories	1,000	43,350	43,350	0%	0	1,920	43,000	1%	4200%	3995%	99%
						-					
BALANCE	(319,326)	-	-			(262,466)	(98,747)		-69%	-103%	

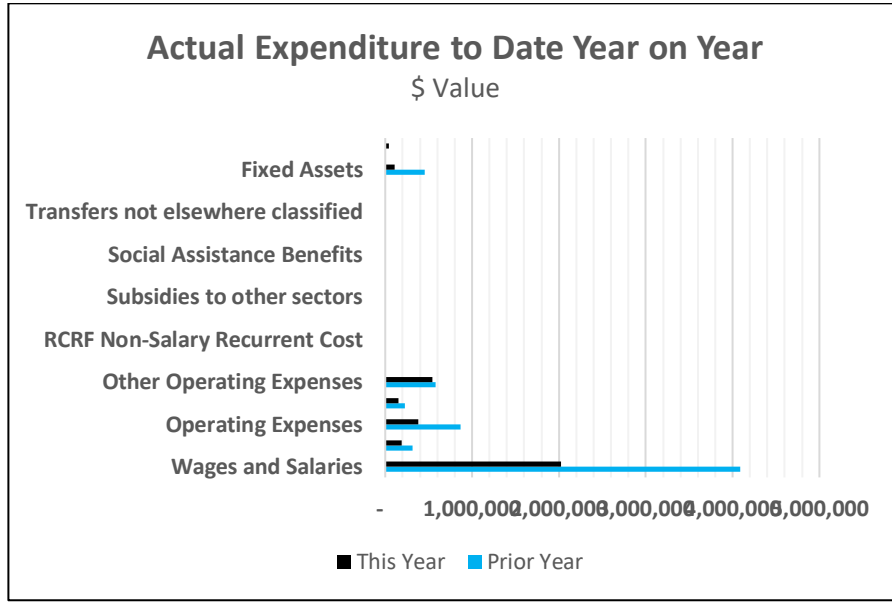
Key Charts



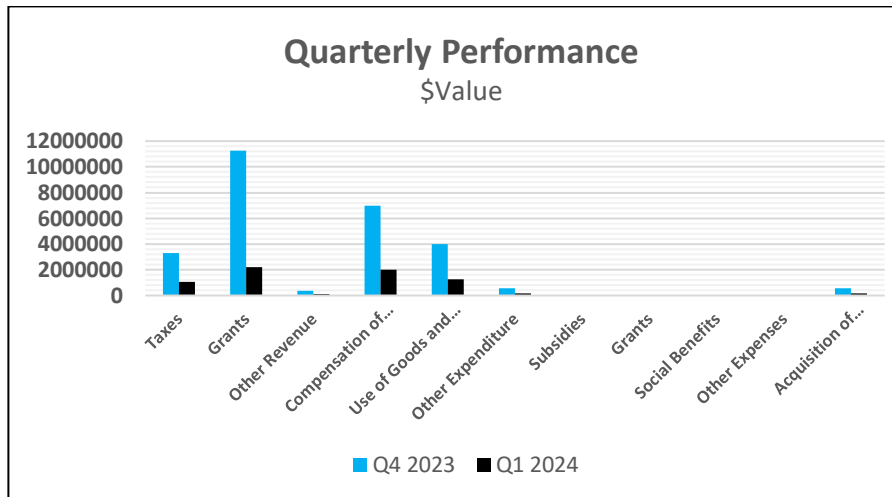
Budget Execution is low in Q1 2024 at 8%, FY2024 had seen a downfall of (-46%) in year to year.



Diversification of Revenue Sources had seen a downfall in Q1 2024, compared to Q1 2023 the government's main revenue was driven by Taxes on Payroll and workforce, Taxes on goods and services, and sales of goods and service had decreased noticeably.



Governments expenditure on wages and salaries had decreased noticeably of the total expenditure in Q1 2023, and expenditure on Fixed asset and operating expenses. this will compromise the state Building by funds towards and social sectors development like Health and Education.



Domestic Revenue collection had fallen in Q1 2024, and it is a sign to do more on what had caused this downfall, and emphasis on Domestic revenue collection so that budget deficit can be reduce and dependency of Grants from international organization.

Table 2. Expenditure by MDA

	Budget	%Budgeted	Actual	%Execution
Ministry of Agriculture & Irrigation	3,525,736	8.86%	24,064	1%
Ministry of Fisheries & Sea Minerals	230,713	0.58%	82,370	36%
Ministry of Industry & Commerce	40,744	0.10%	3,574	9%
Ministry of Information	167,856	0.42%	17,630	11%
Ministry of Labour & Employment	271,872	0.68%	37,087	14%

Ministry of Livestock & Veterinary	3,478,670	8.74%	77,770	2%
Ministry of Petroleum and Mineral Resource	32,820	0.08%	2,570	8%
Ministry of Posts & Communications	34,620	0.09%	2,570	7%
Ministry of Seaports & Sea Transportation	32,820	0.08%	6,120	19%
Ministry of Transportation & Airports	50,280	0.13%	5,180	10%
Ministry of Water & Energy	5,790,934	14.55%	184,553	3%
Ministry of Education	6,048,492	15.20%	156,324	3%
Ministry of Environment & Wildlife	609,747	1.53%	101,914	17%
Accountant General Office	8,900	0.02%		0%
Civil Service Commission	93,870	0.24%	7,265	8%
Ministry of Finance	1,314,604	3.30%	138,096	11%
Ministry of Interior & Local Governments	1,670,922	4.20%	239,913	14%
Ministry of Justice & Judiciary	58,116	0.15%	6,786	12%
Ministry of Planning and International Cooperation	1,043,605	2.62%	178,811	17%
Ministry of Reconciliation & Constitutional Affairs	44,256	0.11%	4,176	9%
Office for Auditor General	61,584	0.15%	5,310	9%
Parliament	761,320	1.91%	5,220	1%
State Ministry of President	2,309,420	5.80%	601,768	26%
Ministry of Health	7,683,176	19.31%	751,697	10%
Ministry of Public Works & Reconstruction	499,280	1.25%	11,040	2%
High Court	204,000	0.51%		0%
Ministry of Internal Security	2,976,264	7.48%	556,934	19%
Ministry of Islamic Affairs & Endowments	34,620	0.09%	2,570	7%
Ministry of Aid & Disaster Management	316,580	0.80%	118,740	38%
Ministry of Women & Human Rights	319,345	0.80%	87,485	27%
Ministry of Youth & Sports	77,265	0.19%	22,930	30%
	39,792,431	100.00%	3,440,466	9%

Expenditure of government is accumulated on State Ministry of President, Ministry of internal Security, Ministry of Finance, and Ministry of Youth & Sports, this will mean that SWS will need to give a priority to finance on social benefits and improve the livelihood of the people.

Table 3. Expenditure by Projects

	Sum of Budgeted	Sum of Paid	Sum of Execution
Care International	6,000	6000	100%
Education in Emergency	6,000	6000	100%
Danish Refugee Council	104,036	6000	6%
Implementation of the Pump & Water Quality Testing	1,420		0%
Social Transfer to Vulnerable Somali People	102,616	6000	6%
Diakonia	21,000		0%
Somali Democracy and Human Right program	21,000		0%
FAO	326,853	111952	34%
ILED/RAAISE	80,520	23012	29%
RAAISE	95,460		0%
TSMPI/Cash Plus fisheries	45,470	29257	64%
Weakly Monitoring of Selected Strategic water sources in SWSS	54,864	9144	17%
Somali Crisis Recovery Project	1,000	1000	100%
SCRP	49,539	49539	100%
Federal Government of Somalia	26,388,453	1211428.47	5%
Act 2.1.3 Non Salary Recurrent Costs	35,772		0%
Act 2.2 FMS Level Gov & Service Delivery	950,000	240000	25%
Act 2.3 EAFS Remuneration	89,160	13620	15%
Act 3.1.1: Financing core government func. in FMS	1,251,288	202202.72	16%
Act 3.2.1 Teacher Assessment & Salary	672,960	61396.56	9%
Act 3.2.2: School supervision	14,800		0%
Act 3.2.3: Education sector recurrent costs	4,000	1093.2	2%
Act 3.2.4: Education system strengthening	60,240	10040	17%
Act 3.3.1: Developing female health worker cadre	375,040	11200	3%
Act 4.1.1-Project Management and Coordination	200,000	36267.6	18%
Act3.3.2: StrengthGovCapabi4cntrct mngt,moni&coord	187,360	10080	5%
Budget Support	2,000,000		0%
Budget support ministry of education	2,000,000		0%
Comp.1.1 : Construction of new water points	1,462,953	28600	2%
Comp.1.2 : Rehabilitation of water points	550,000		0%
Comp.1.3 : Institutional and capacity development	665,774	187949	28%
Comp.2.1 : Increased sustainable agricultural production and deve	249,900		0%
Comp.2.2 : Increased sustainable livestock production and develop	163,017	31300	19%

Comp.3.1 : Environmental restoration	299,103		0%
Comp.4.1 :Project management	340,680	62685	18%
Comp.4.2 :Community Driven Development Planning	186,100	27600	15%
Comp.4.3 :M&E, Knowledge Management, and Learning	247,769	40387	16%
Education in Emergency	33,835		0%
FGS-Budget Support	1,777,497		0%
GPE-Maximum Country Allocation	156,115		0%
Horn of Africa ground water resilience	495,975	35558	7%
Improving Healthcare Services in Somalia Project (Damal Caafimad)	672,160	41144.46	6%
Somali Education for Human Capital development project	2,279,960	60803.8	3%
Somali Electricity recovery project	2,000,000		0%
Somalia Urban resilience project 2 (SURP2)	782,881	109501.13	14%
Comp. 1: Rebuilding Resilient Agricultural Production Capacity	1,275,000		0%
Comp. 2: Supporting the sustainable development of natural resour	1,147,000		0%
Comp 3: Getting to markets	1,019,000		0%
Comp. 4: Promoting a greater focus on food systems resilience in	255,000		0%
Comp. 5: Project Coordination and Management	2,428,115		0%
GIZ	202,825	38170.4	19%
Empowering & capacitating government Staff	102,825	28292.4	28%
Strengthening Resilience of IDPs (SHIR)	100,000	9878	10%
International Labour Organization	368,000		0%
Creating Decent Work Opportunities for Somali IDPs	164,000		0%
Joint Program on Local Government	128,000		0%
Joint Programme on Local Governance (JPLG) SOM/18/	76,000		0%
Population Service International	12,000	2000	17%
Female Health Workers	12,000	2000	17%
Save the Children International In Somalia	98,140	6750	7%
Beirut Humanitarian Agency	45,000	4750	11%
Coordination of Drought Response	35,800		0%
NGO Coordination Meeting	12,300		0%
SOWASDIP	3,040		0%
Capacity Building of Ministry of Environment and Climate Change	2,000	2000	100%
Treasury Single Account - Regular Budget	5,900,993	1232754.72	21%
Unassigned	5,900,993	1232754.72	21%
UN HABITAT	218,985	23610	11%
Joint Program on Local Government	82,000		0%
Saameynta Scaling-Up Solutions to Displacement in Somalia.	75,000	5860	8%
Strengthening capacity of local government leaders	35,000		0%
Youth and Urban Regeneration Somalia Project	26,985	17750	66%

UNCDF	379,289	89389.43	24%
Construction Dinsor District offices	50,000		0%
Construction of Berdalle District council offices	50,000		0%
Joint Programme on Local Governance (JPLG) SOM/18/	129,289	89389.43	69%
Rehabilitation of Baidoa District municipality	100,000		0%
Rehabilitation of Hudur District Office	50,000		0%
UNICEF	5,338,295	556926.4	10%
Child Sensitive Social Protection Programme	25,000	17033	68%
Cholera Emergency Health Response Support	166,000		0%
COVID-19 Related Hygiene and Sanitation	107,000		0%
Effective and Efficient Program Implementation.	1,066,394	51830	5%
Emergency Preparedness.	61,500	10000	16%
Enabling Environment for Women and Children in SWS	181,965	41895	23%
Global alliance for vaccines & immunization	100,000		0%
Joint Programme on Local Governance (JPLG) SOM/18/	154,600	8630	6%
Rolling Work Plan	103,650	14666.75	14%
Rolling Work Plan	3,372,186	412871.65	12%
UNSOM	82,500	35910	44%
international women's Day	2,500		0%
Somalia Joint Programme on Human Rights-Phase 4	80,000	35910	45%
WFP	283,996	103560	36%
Education in Emergency	114,996		0%
Humanitarian Response	169,000	103560	61%
World Vision International	56,165	11115	20%
Baidoa-world water Day	3,070		0%
Beirut Humantarian Agency	13,000	3600	28%
Global Affairs Canada	3,600		0%
Global Fund	35,000	7515	21%
Global Hand washing Day	1,495		0%
GREDO	400	400	100%
Baidoa-world water Day	400	400	100%
Albany Associates	4,500	4500	100%
conducting Awareness and advocacy Activities	4,500	4500	100%
Grand Total	39,792,431	3,440,466	9%

Table 4: Expenditure by Donor

	Budget	Actual	%Execution
Care International	6,000	6,000	100%
Danish Refugee Council	104,036	6,000	6%
Diakonia	21,000		0%
FAO	326,853	111,952	34%
Federal Government of Somalia	26,388,453	1,211,428	5%
GIZ	202,825	38,170	19%
International Labour Organization	368,000		0%
Population Service International	12,000	2,000	17%
Save the Children International In Somalia	98,140	6,750	7%
Treasury Single Account - Regular Budget	5,900,993	1,232,755	21%
UN HABITAT	218,985	23,610	11%
UNCDF	379,289	89,389	24%
UNICEF	5,338,295	556,926	10%
UNSOM	82,500	35,910	44%
WFP	283,996	103,560	36%
World Vision International	56,165	11,115	20%
GREDO	400	400	100%
Albany Associates	4,500	4,500	100%
Grand Total	39,792,431	3,440,466	9%

Table 5. Performance Matrix

	Performance
REVENUES	
Taxes	
Taxes on income, profits, and capital gains	
Taxes on payroll and workforce	
Taxes on property	
Taxes on goods and services	
Taxes on international trade and transactions	
Other taxes	
Grants	
From Foreign Governments	
From international organizations	
From other general government units	
Other Revenue	
Property	
Sale of goods and services	
Fines, penalty, and forfeits	
EXPENDITURES	
Compensation of Employees	
Wages and Salaries	
Use of Goods and Services	
Travel & Conferences	
Operating Expenses	
Rent	
Other Operating Expenses	
Conflict Resolution Expenses	
RCRF Non-Salary Recurrent Cost	
Contingency	
Subsidies	
Subsidies to other sectors	
Grants	
Grants To Other General Government Units	
Social Benefits	
Social Assistance Benefits	
Employment-related social benefits	
Other Expenses	
Transfers not elsewhere classified	

Revenue Performance was lower than the expected level, the government shall improve in meeting the Revenue forecast by making a reliable forecast, however the revenue is driven by Taxes on income, profits, and capital gains, Taxes on payroll and workforce and Taxes on international trade and transactions.

With all these unmet revenue forecasts, the government's expenditure on social benefits will be impossible, as Shortage in revenue always costs the government to limit its activities and prioritize its activities to the imminent needs like Expenditure on Salaries, Rent and other operations.

Premiums,fees,claims related to non-life insurance

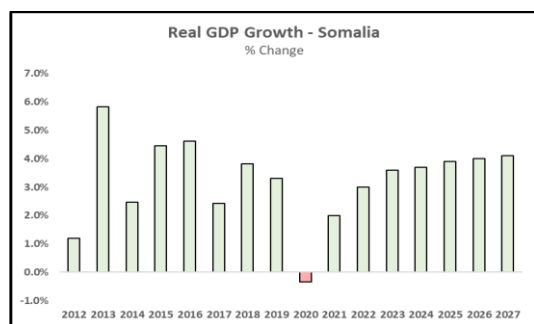
Acquisition of Nonfinancial Assets

Fixed Assets

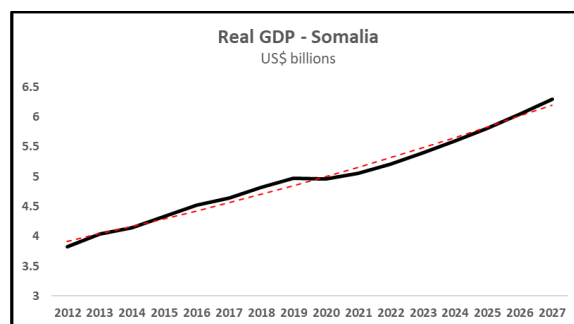
Inventories

Macro-economic Situation

<p>The price of Sorghum has decreased noticeably in January 2024, and the prices has continued to fall in February.</p>	<p>The price of maize had seen an increase through the Q4 2023 and Q1 2024 on the beginning of the year due to increase in local demand and People are moving to consume the locally produced grains. And the heavy rains that had submerged the crop land in Lower Shabelle.</p>
<p>the Prices of Maize had sharply fallen in Baidoa at the end of las year 2023, and continued to fall slightly in the Q1 2024, since the majority of the population in Baidoa prefer Sorghum over maize the price is expected to continue to fall as the upcoming harvesting season get well.</p>	<p>The price of Cowpea had remained steady through the end on the last year to the Q1 2024, and it is expected to remain flat through the other quarters in this year.</p>
<p>Source: These charts are draw from FEWSNet Selected Somalia Price Reports</p>	



Real GDP growth fell in 2020 due to COVID, and started to recover in 2021 but only to a limited amount.



GDP is expected to have a recovery from COVID and actually grow above the previous trend.

Somalia saw historically higher growth, but is expected to recover more slowly

Annex Table A. Revenue and Expenditure by Donor

	Budget	Actual	%Execution
Care International	6,000	6,000	100%
Danish Refugee Council	104,036	6,000	6%
Diakonia	21,000		0%
FAO	326,853	111,952	34%
Federal Government of Somalia	26,388,453	1,211,428	5%
GIZ	202,825	38,170	19%
International Labour Organization	368,000		0%
Population Service International	12,000	2,000	17%
Save the Children International In Somalia	98,140	6,750	7%
Treasury Single Account - Regular Budget	5,900,993	1,232,755	21%
UN HABITAT	218,985	23,610	11%
UNCDF	379,289	89,389	24%
UNICEF	5,338,295	556,926	10%
UNSOM	82,500	35,910	44%
WFP	283,996	103,560	36%
World Vision International	56,165	11,115	20%
GREDO	400	400	100%
Albany Associates	4,500	4,500	100%
Grand Total	39,792,431	3,440,466	9%