



# Citizens Budget

## 2025



**Southwest State of Somalia**  
**Ministry of Finance**



**Ministry of Finance**  
**Wasaaradda Maaliyadda KGS**

## The 2025 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 **22.5% (\$8,5 million)** of the SWSS total budget is allocated for Education, while the health sector received a total share of **8.7% (\$3.3 million)** of the FY2025 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

**31.44% (\$12 Million)** 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

**23.37% (\$8.9 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

**10.45% (\$4 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

<b>COFOG</b>	<b>Total of Budgeted</b>
<b>Economic Affairs</b>	<b>31.38%</b>
<b>Education</b>	<b>22.71%</b>
<b>General Public Services</b>	<b>23.37%</b>
<b>Health</b>	<b>8.22%</b>
<b>Housing and community amenities</b>	<b>0.59%</b>
<b>Public Order and Safety</b>	<b>10.45%</b>
<b>Social Protection</b>	<b>2.15%</b>
<b>Environmental Protection</b>	<b>1.14%</b>
<b>Grand Total</b>	<b>100.00%</b>

## REVENUE

The total revenue for the year 2025 was estimated to USD **38,080,766** of which total domestic revenues are forecasted to reach **\$6.7** million by the end of 2025, Grants for the year **2025** are estimated to \$ **31,381,473** while actually collection in 2024 was **\$22,319,499.71**.

	2023 Actuals	FINAL PROJECTIONS 2024	Increase 2023/24	FINAL PROJECTIONS 2025	Increase 2024/25
Tax reveue	4,536,549	6,073,338	34%	6,181,287	2%
Non Tax Revenue	846,732	662,234	-22%	518,006	-22%
<b>Total</b>	<b>5,383,281</b>	<b>6,735,572</b>	<b>25%</b>	<b>6,699,293</b>	<b>-1%</b>

The Actual own source tax and non-tax revenue in FY 2024 was USD **5,926,390.17** compared to the projection for 2024 which was USD **6 million**. Tax collection in 2024 had the lost difference between the estimate and the actual revenue that was collected.

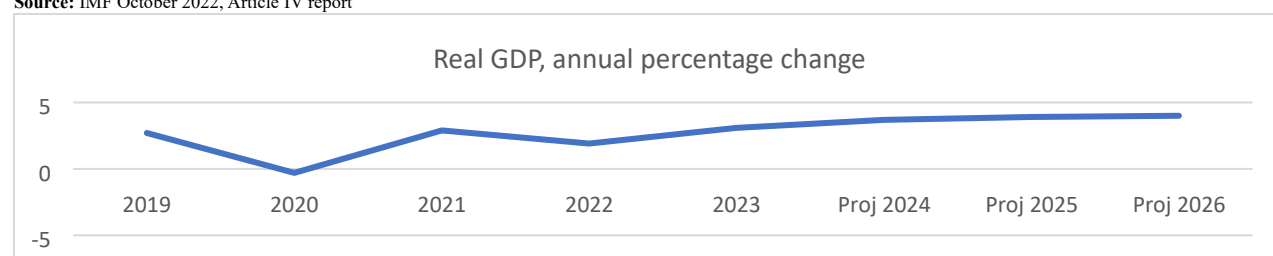
## Macroeconomic assumptions

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

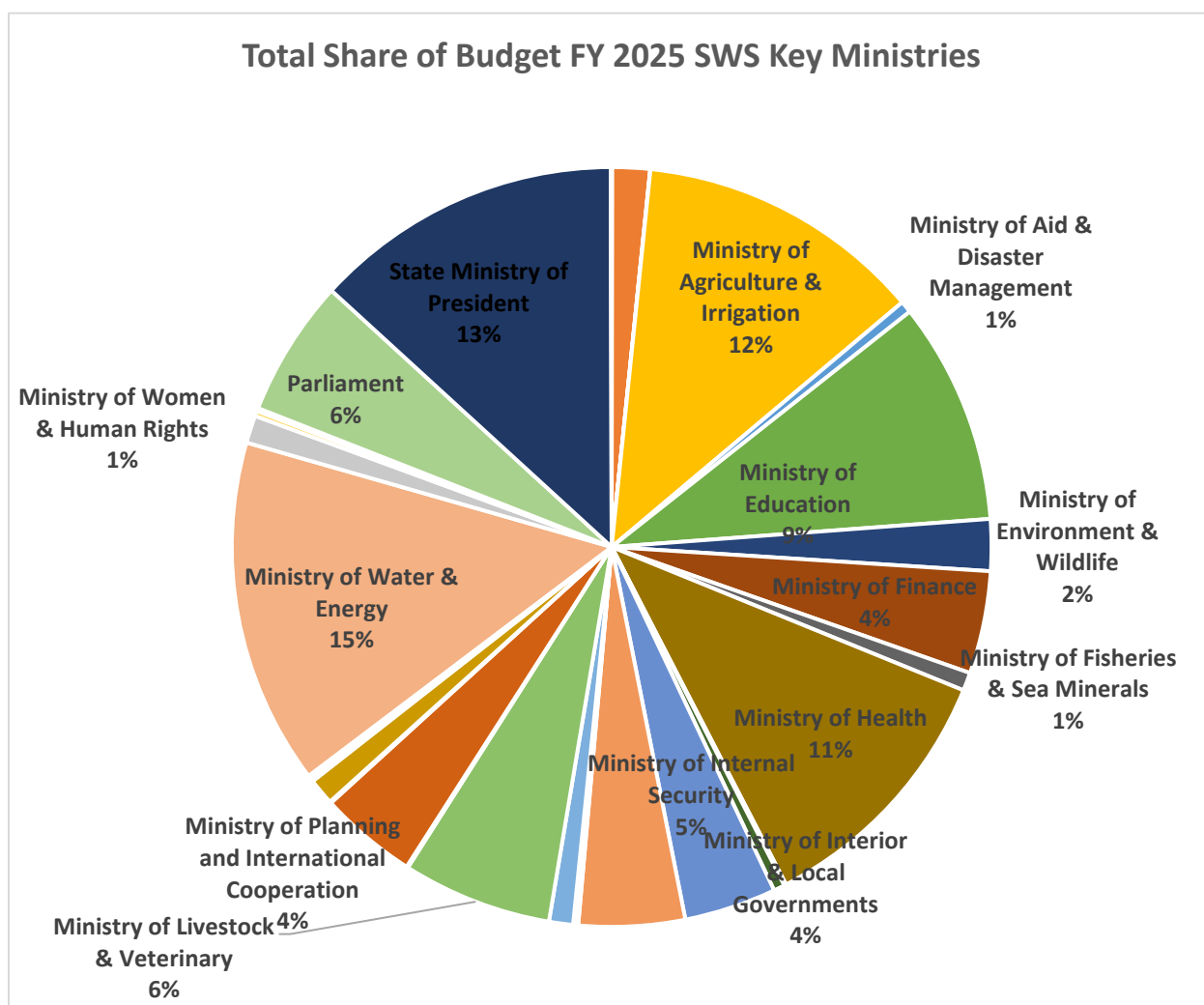
Source: IMF October 2022, Article IV report



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 2025, 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 2025 was estimated to \$ **38,070,366.35** compared with the 2024 actual collection which was **20,726,899.84**.

### Total Share of Expenditure by MDA

MDA	Sum of Total Budgeted	% of Budgeted
Accountant General Office	\$ -	0.00%
Civil Service Commission	\$ 457,350.00	1.20%
High Court	\$ 96,000.00	0.25%
Ministry of Agriculture & Irrigation	\$ 3,709,529.57	9.74%
Ministry of Aid & Disaster Management	\$ 387,660.00	1.02%
Ministry of Education	\$ 8,645,953.00	22.71%
Ministry of Environment & Wildlife	\$ 434,360.00	1.14%
Ministry of Finance	\$ 2,134,891.33	5.61%
Ministry of Fisheries & Sea Minerals	\$ 136,404.00	0.36%
Ministry of Health	\$ 3,127,537.00	8.22%
Ministry of Industry & Commerce	\$ 40,244.00	0.11%
Ministry of Information	\$ 167,056.00	0.44%
Ministry of Interior & Local Governments	\$ 1,148,342.75	3.02%
Ministry of Internal Security	\$ 3,790,171.00	9.96%
Ministry of Islamic Affairs & Endowments	\$ 34,220.00	0.09%
Ministry of Justice & Judiciary	\$ 57,516.00	0.15%
Ministry of Labour & Employment	\$ 194,256.00	0.51%
Ministry of Livestock & Veterinary	\$ 3,400,841.76	8.93%
Ministry of Petroleum and Mineral Resource	\$ 34,220.00	0.09%
Ministry of Planning and International Cooperation	\$ 867,555.40	2.28%
Ministry of Posts & Communications	\$ 34,220.00	0.09%
Ministry of Public Works & Reconstruction	\$ 223,680.00	0.59%
Ministry of Reconciliation & Constitutional Affairs	\$ 43,856.00	0.12%
Ministry of Ruler Development and Resilience	\$ 16,800.00	0.04%
Ministry of Seaports & Sea Transportation	\$ 34,620.00	0.09%
Ministry of Transportation & Airports	\$ 50,880.00	0.13%
Ministry of Water & Energy	\$ 4,143,551.04	10.88%
Ministry of Women & Human Rights	\$ 380,736.50	1.00%
Ministry of Youth & Sports	\$ 49,880.00	0.13%
Office for Auditor General	\$ 61,784.00	0.16%
Parliament	\$ 961,320.00	2.53%
State Ministry of President	\$ 3,204,931.00	8.42%

<b>Grand Total</b>	<b>\$ 38,070,366.35</b>	<b>100.00%</b>
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### Total Share of Revenue by MDA

<b>MDA</b>	<b>Sum of Total Budgeted</b>	<b>% of Budgeted</b>
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