



Medium-Term Fiscal Framework for FY2022

**BUDGET & PLANNING DEPARTMENT
MINISTRY OF FINANCE DEVELOPMENT**

JULY, 2021

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Executive Summary

The main objective of the current Macroeconomic and Fiscal Framework is to lay out the government's fiscal policies and priorities over the medium-term. It starts off by providing an overview and assessment of recent macroeconomic developments and a medium-term outlook of key macroeconomic indicators. It subsequently provides three-year forecasts of revenue collections before concluding with the government's expenditure guidelines and priorities for fiscal year 2022 and the medium-term along with ceilings for each major spending category.

Following an unprecedented 2020 fiscal year that was marred with uncertainty, the MOFD has made an upward revision to its estimates of GDP growth for 2020 based on the performance of key macro indicators (e.g., livestock exports, government revenue lines). The latest estimates suggest that growth of the Somaliland economy significantly slowed to between 0 and 2% compared to the 6.5% growth rate in 2019. This new estimate, however, represent an upward revision from the -2% contraction forecast during the height of the COVID-19 pandemic last year. The upward revision, for example, can be attributed to exports which were not as badly impacted as initially forecast. While the volume of livestock exports significantly decreased in 2020 (-33%) compared to 2019, the volume of camel exports—which are of much higher value than cattle and Sheep/Goat—increased by 17%. Using livestock exports as a proxy for Somaliland's total exports therefore suggest a lower impact on exports than initially forecast. However, the significantly lower export of cattle and sheep/goat means that a lot of herders were deprived of their income source and had less disposable income for consumption. Lower consumption levels in turn helps explain the decrease in average prices in 2020 to 3.5%, down from the 4.6% recorded in 2019. Following the recent cancelation of the 2021 Hajj—to non-Saudi residents—, livestock exports are unlikely to return to normalcy this year. However, the livestock sector is expected to grow in size following continued good rainfall levels, with exports expected to bounce back very strongly as soon as the Hajj is restored to its pre-pandemic state.

The Government of Somaliland has in recent years seen steady improvement in the collection of revenues and expenditure—with year-on-year growth averaging at 6% since 2014. Due to these increases, Government has consistently come closer to meeting its budgeted revenue collection targets. In relation to meeting revenue targets, overall revenue collections—excluding grants—were 2,010 billion SLSh in 2020. This is only 36 billion SLSh (-1.8%) below target, and an impressive performance given the effects of the COVID-19 pandemic. On the expenditure side however, spending has been slightly below target—especially in 2017 and 2018 with an 8.4% and 9.3% underspend respectively. In 2020, the government spent 2.017 trillion SLSh from a 2.101 trillion Budget (excl. WB projects), representing a 2.4% underspend. More specifically, 1.962 trillion SLSh was spent from the 2020 annual budget (excl. WB projects) and 55.6 billion SLSh from a supplementary budget approved during the year to support efforts to mitigate the impact of the COVID-19 pandemic.

The resilience of government revenue collections has continued in the first half of 2021 and is projected to result in a 3.3% (approx. 68 billion SLSh) surplus over the current budget estimate. Between January and June 2021, domestic revenue collection amounted to 1.064 trillion SLSh—a 2% surplus compared to target and a 17% increase from the amount collected in the same period in 2020. Based on these collection outturns, the MoFD has updated its estimates for revenue collections for the current fiscal year. Updated estimates indicate a possible surplus of up to 68 billion SLSh for the year, equal to approx. 3.3% of the budget estimates. **On the expenditure side however, overall performance continues to follow past year trends.** Spending in the first half of the year was 918 billion SLSh excluding grants—representing a significant 12% underspend (or -126 billion SLSh below target) and only 44% of the Annual Budget.

However, with a 65.5 billion SLSH supplementary budget and a better execution rate on development projects compared to the same period last year, the government is set to see a significant uptick in spending in the second half of the year. This uptick in spending—on development projects in particular—will help support the continued recovery of the economy from the impact of the COVID-19 pandemic.

The Ministry has taken an optimistic outlook in drawing up the initial forecasts for Government revenue collections over the medium term. The optimistic scenario assumes a strong and sustained recovery in the near term, with most economic indicators returning close to levels forecast prior to the pandemic. **Forecasted collections for 2022 are 2,360 billion SLSH—approximately 9.0% higher than estimated collections for the current fiscal year.** The ministry furthermore expects revenue collections to continue growing steadily across the medium-term, as per table 2 below. The ministry will continue to monitor current trends and update assumptions based on how the key macro indicators for Somaliland evolve in the second half of the year.

Table 1: Selected macroeconomic indicators for MFF 2022-24

	2022 forecast	2023 forecast	2024 forecast
GDP (% annual growth, constant prices)	2.6%	2.6%	2.6%
Inflation (% CPI growth)	5.4%	6.5%	6.5%
Import growth (% increase in total value of imports)	7.6%	5.0%	5.0%
Exports (% growth in no. of livestock exported)	9.0%	7.0%	7.0%

Table 2: Medium-term government collections by revenue category, optimistic scenario, in SLSH

Revenue category	2021 Revised estimates	2022 forecast	2023 forecast	2024 forecast
Income and profits	67,408,383,108	79,513,603,220	86,947,970,416	95,078,083,297
Payroll and workforce	124,108,215,337	127,385,298,365	130,748,912,919	134,201,343,866
Goods and Services	768,068,135,712	829,204,214,525	890,919,564,303	957,921,550,612
International Trade	914,709,869,349	1,010,131,644,195	1,095,448,024,655	1,187,973,241,256
Other Taxes	103,034,179,566	113,598,148,920	123,281,042,818	133,789,990,029
Other Revenue	189,224,070,077	200,817,990,857	211,563,820,652	223,053,758,371
Sum of All Revenue*	2,166,552,853,149	2,360,650,900,081	2,538,909,335,763	2,732,017,967,431
YoY Growth (%)	7.8%	9.0%	7.6%	7.6%

Based on the Budget Policy Committee’s guidelines on the recurrent budget and the budget for development projects, the Budget and planning department has prepared the following ceilings for the 2022 Budget and indicative estimates for the 2023 and 2024 Budget for each major spending category. Compared to last year’s budget, the ceilings for the 2022 Budget highlight a noticeable increase in the share of the budget allocated to capital and development projects which is set to increase from 13.07% in 2021 to 16.54% in 2022, equivalent to a 115.8 billion SLSH increase.

Table 3: Proposed Budget ceilings by Spend category, SLSh

Spend Category	2021 Budget	2022 Budget Ceilings	2023 Budget Estimates	2024 Budget Estimates
<i>Compensation of Employees</i>	1,080,737,049,340	1,205,319,005,404	1,296,923,249,815	1,395,489,416,801
<i>Use of goods and services</i>	596,416,233,339	608,344,558,006	620,511,449,166	632,921,678,149
<i>Grants and Subsidy</i>	67,879,083,949	67,879,083,949	67,879,083,949	67,879,083,949
<i>Loan Repayment</i>	76,854,596,000	76,854,596,000	76,854,596,000	76,854,596,000
<i>National Reserve*</i>	5,000,000,000	11,803,254,500	19,041,820,018	27,320,179,674
<i>Capital and Development Projects**</i>	274,613,037,372	390,450,402,222	457,699,136,815	531,553,012,858
Total Budget	2,101,500,000,000	2,360,650,900,081	2,538,909,335,763	2,732,017,967,431
YoY (%)	17.9%	12.3%	7.6%	7.6%

*The Ministry plans on gradually increasing the share of the budget allocated to the National Reserve.

1. Introduction

Following the various social and economic response measures that preceded the recent peaceful and successful elections, the government of Somaliland is forging a credible and reassuring path out of the domestic contraction brought about by the COVID-19 pandemic. However, with a myriad of development challenges to address, the Ministry of Finance Development is conscious that the demands for resources will likely outstrip what the government can finance in the short-term. The following macroeconomic and fiscal framework is designed to help efficiently prioritize objectives in the coming fiscal year and the medium-term based on projected resources.

The main objectives of the Macroeconomic and Fiscal Framework are;

- ⇒ To lay out the government's fiscal policies and priorities over the medium-term (i.e., FY2022-2024)
- ⇒ To provide an overview and outlook of macroeconomic and fiscal indicators for the next three years
- ⇒ To ensure that domestic revenues are adequate to finance the government's recurrent spending and development priorities
- ⇒ To ensure that priorities are aligned with NDPII
- ⇒ To translate the government's priorities into the Budgets and ensure conformity of actual expenditures
- ⇒ To allow the public to monitor the implementation of the government's policies

The government's fiscal targets are guided by three thematic indicators: fiscal position, fiscal sustainability and vulnerability. They consider the fact that there needs to be enough cash inflow to finance—in a non-inflationary way—any budget deficit while reducing public debt. In addition to this, the government's fiscal policies (i.e., spending, taxes) needs to be sustainable in the medium to long-term without having to default on expenditure commitments. Finally, the government's fiscal position needs to be resilient during downturns to avoid failing to meet fiscal policy objectives.

The remainder of the document is divided into three main sections. The first provides an overview and assessment of recent macroeconomic developments. The second part provides a medium-term outlook of key macroeconomic indicators, while the third part provides three-year forecasts of revenue collections, government expenditure guidelines and priorities along with ceilings for each major spending category for FY2022-2024.

2. Macro-fiscal Performance

2.1. Domestic Economy

The Ministry of Finance Development has revised its estimate of GDP growth for 2020 based on the performance of key macro indicators and the upward growth revisions from international institutions (e.g., World Bank and IMF). The latest estimates, as shown in figure 1, suggest that growth of the Somaliland economy significantly slowed to between 0 and 2% compared to the 6.5% growth rate recorded in 2019. This new estimate, however, represents an improvement from the -2% contraction forecast during the height of the COVID-19 pandemic last year. Key indicators that lead to this upward revision include livestock exports, which performed better than initially forecast. While the volume of livestock exports significantly decreased in 2020 (-33%) compared to 2019 as shown in figure 2, the volume of camel exports—which are of much higher value than cattle and Sheep/Goat—increased by 17%. Using livestock exports as a proxy for Somaliland’s total exports therefore suggest a lower impact on exports than initially forecast. However, the significantly lower export of cattle and sheep/goat means that a lot of herders were deprived of their income source and had less disposable income for consumption. Lower consumption levels likely help explain the decrease in average prices in 2020 to 3.5%, down from the 4.6% recorded in 2019. The recent cancelation of the 2021 Hajj means that livestock exports are unlikely to return to their 2019 level this year. However, the livestock sector is expected to grow in size following continued good rainfall levels, with exports expected to bounce back very strongly as soon as the Hajj is restored to its pre-pandemic state.

With respect to Remittances, both inflows and outflows increased in 2020 compared to 2019—despite the unprecedented impact of the COVID-19 pandemic on business operations around the world. Inward remittances saw a significant 15% increase, while outward remittances only increased by 0.12%. Despite this, outward remittances continue to be much higher than inflows. In 2020, outward remittances were 20% higher than inward remittances, while in the first three months of 2021, they were 63% higher. The profile of these outflows and inflows is needed to ascertain the full implication of remittances on the growth and wellbeing of Somalilanders. Identifying the profile of remittances will allow the government to design policy interventions that will ensure a net benefit from the flow of remittances in the long-term.

Business registration is increasing steadily, with the trade sector accounting for most of the new ventures. This, coupled with the expansion of the Berbera port and corridor, is a significant positive development to the long-term outlook for the domestic economy. However, to fully maximize the future benefits of the port expansion and corridor, the government should create an environment that will support domestic businesses/entrepreneurs (e.g., through laws and regulations, trade agreements) while ensuring that Somaliland—through the Berbera Port—succeeds in becoming a gateway and regional economic hub.

While the contribution of government spending to GDP growth is currently low according to the latest GDP report from the Ministry of Planning, this is expected to increase in the medium-term. Total government expenditure has been steadily increasing since 2014, averaging around 6% year-on-year.

Moreover, the share of spending directed towards development initiatives has increased in the past few years and is expected to continue in the next fiscal years as further Public Financial Management reforms ensures spending is directed towards initiatives with the highest social and economic return.

Figure 1: GDP growth between 2013 and 2020, constant prices (million USD)

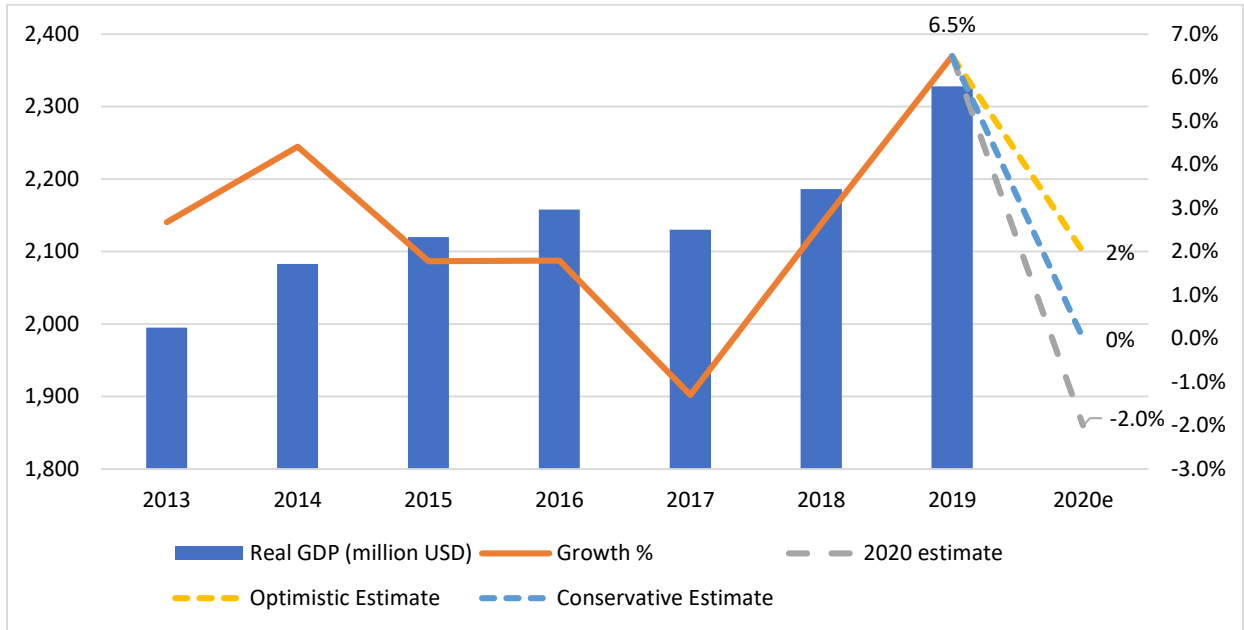


Figure 2: Total livestock heads exported per month between Jan 2019 and June 2021 (left) and share of camel, cattle and sheep/goat in total 2019 and 2020 exports (right)

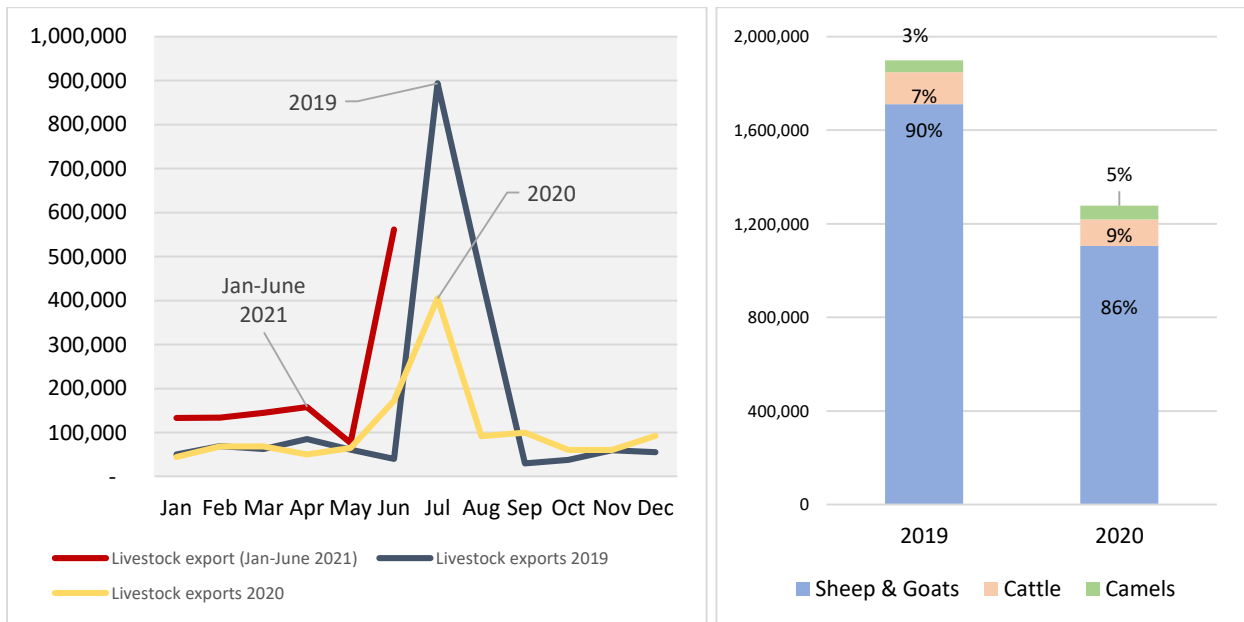
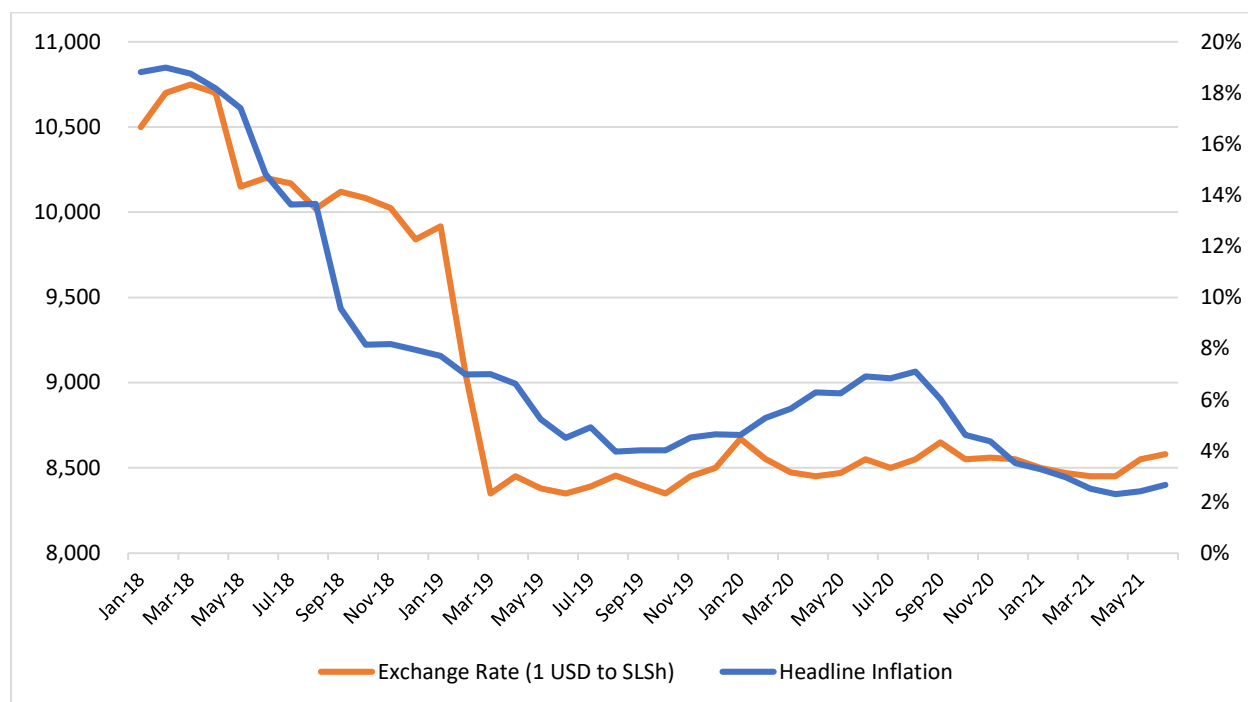


Figure 3: Somaliland shilling exchange rate against the USD dollar, Jan 2018 - June 2021



2.2. Fiscal Performance up to 2020

As mentioned above, the Government of Somaliland has in recent years seen steady improvement in the collection of revenues. As demonstrated in Figure 4, actual collections have increased consistently year-on-year. Year-on-year real revenue growth since 2014 has on average been 6%. Due to these increases, Government has consistently come closer to meeting its budgeted revenue collections target. In relation to meeting revenue targets, overall revenue collections—excluding grants¹—were 2,010 billion SLSh in 2020. This is only 36 billion SLSh (-1.8%) below target, and an impressive performance given the effects of the COVID-19 pandemic.

During this period of consistent revenue growth over the last decade, however, **the profile of revenues has remained very steady** as shown in Figure 5 below. Revenue collections in Somaliland are largely from custom duties and a significant number of fees and levies that are collected by the Customs Department at the moment of importation – these on average comprise over 70% of revenue collections. The Inland Revenue Department collects a broad range of inland taxes and fees, which amount to 20-30% of revenue collections.

¹ However, this includes the grant received for the Talent Management Program which is directly managed by the government and is not part of the three World Bank funded projects (i.e., DRM&PFM, CSSP and SEAP)

Figure 4: Revenue Performance 2014-20 – Budget Execution and Trend

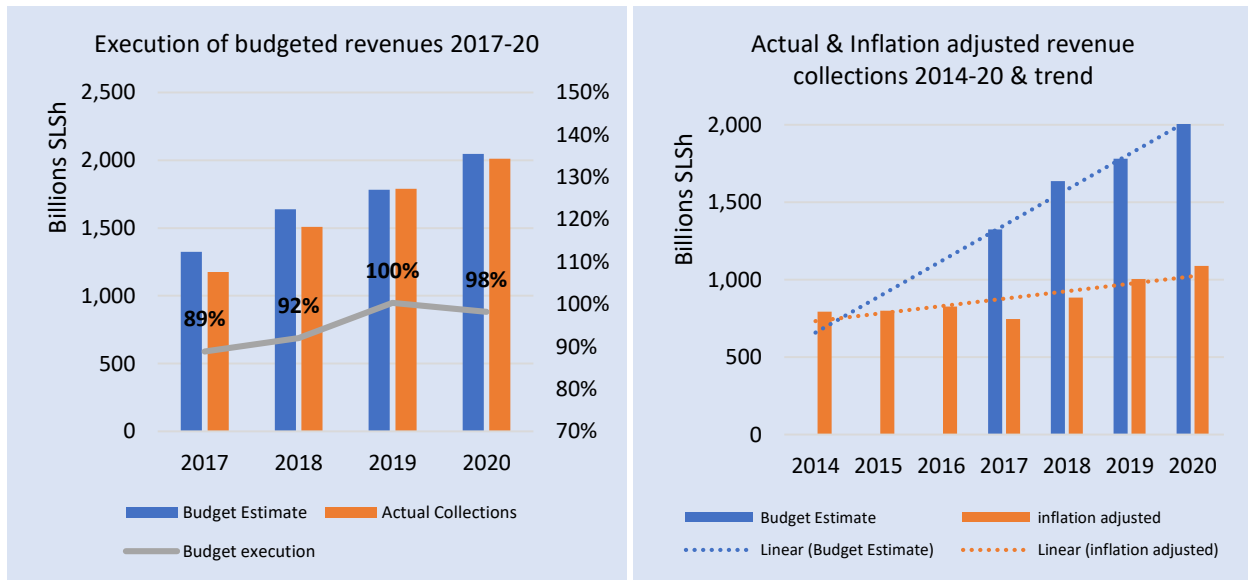
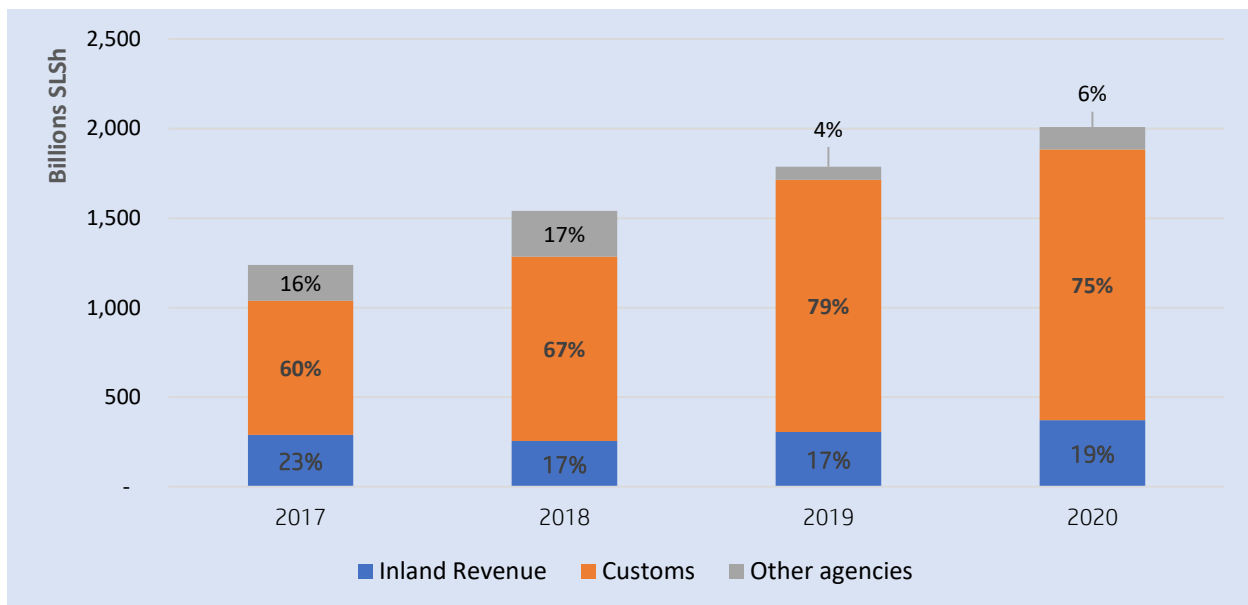


Figure 5: Share of collections of IRD, Customs and other GOSL agencies, 2017-2020, SLSh billions



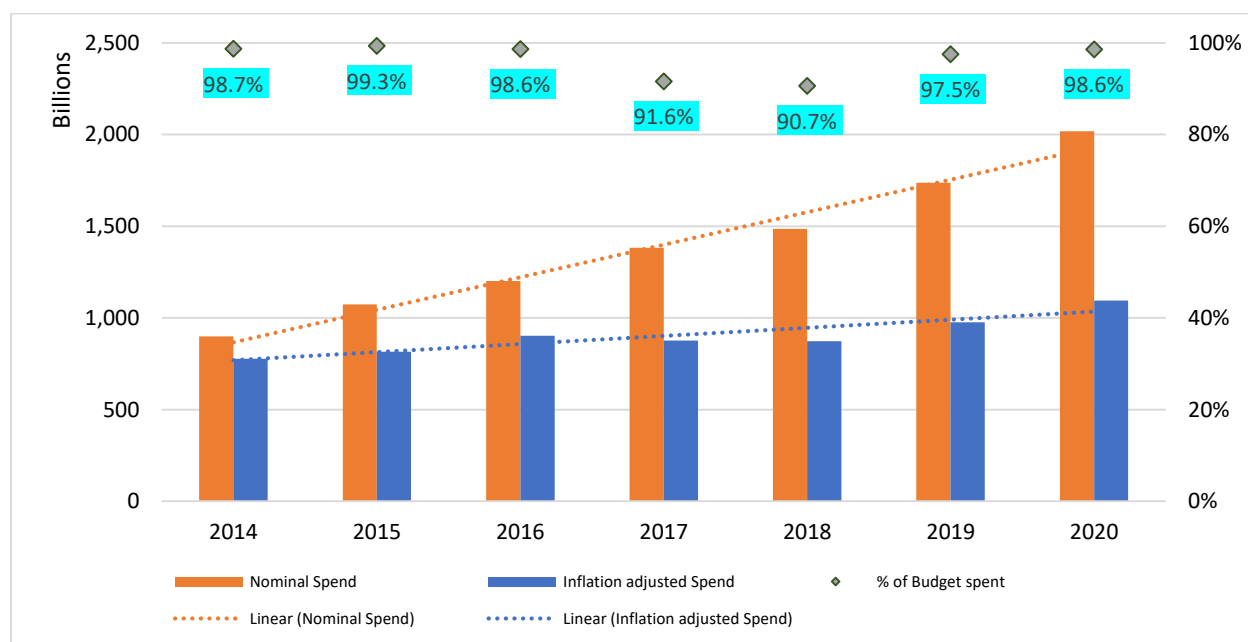
Just like the government’s domestic revenue collection, spending from the general government fund has steadily increased over the years—also averaging at about 6%—as shown in figure 6 below. With respect to performance against the Parliament approved budget, spending has been slightly below target—especially in 2017 and 2018 with an 8.4% and 9.3% underspend respectively. In 2020, the government spent 2.017 trillion SLSh from a 2.101 trillion Budget (excl. WB projects), representing a 2.4% underspend. More specifically, 1.962 trillion SLSh was spent from the 2020 annual budget (excl. WB

projects) and 55.6 billion SLSh from a supplementary budget approved² during the year to support efforts to mitigate the impact of the COVID-19 pandemic.

The government’s annual spending pattern has remained fairly consistent in the past few years. Spending in the first half of the year—especially in the first quarter—tends to be very low. In 2020, 61% of the government’s spend took place in the second half of the year. The main reason for this is that procurement processes take a long time. Furthermore, this is usually accentuated by the government’s prudent approach to spending in which a few capital spending items are restricted in the first half of the year in order to safeguard the state’s fiscal health. Underspending that results from long procurement delays needs to be evaluated in order to identify tangible solutions that would facilitate the timely delivery of planned services to citizens during the year.

Moreover, a fairly large amount of underspend comes from the late recruitment of new staff (i.e., new staff budgeted for 2020 were not recruited in the first quarter or first half of the year). Better planning at the MDA level would therefore enable the government to reallocate some of these salary allocations towards other development priorities such as infrastructure and education.

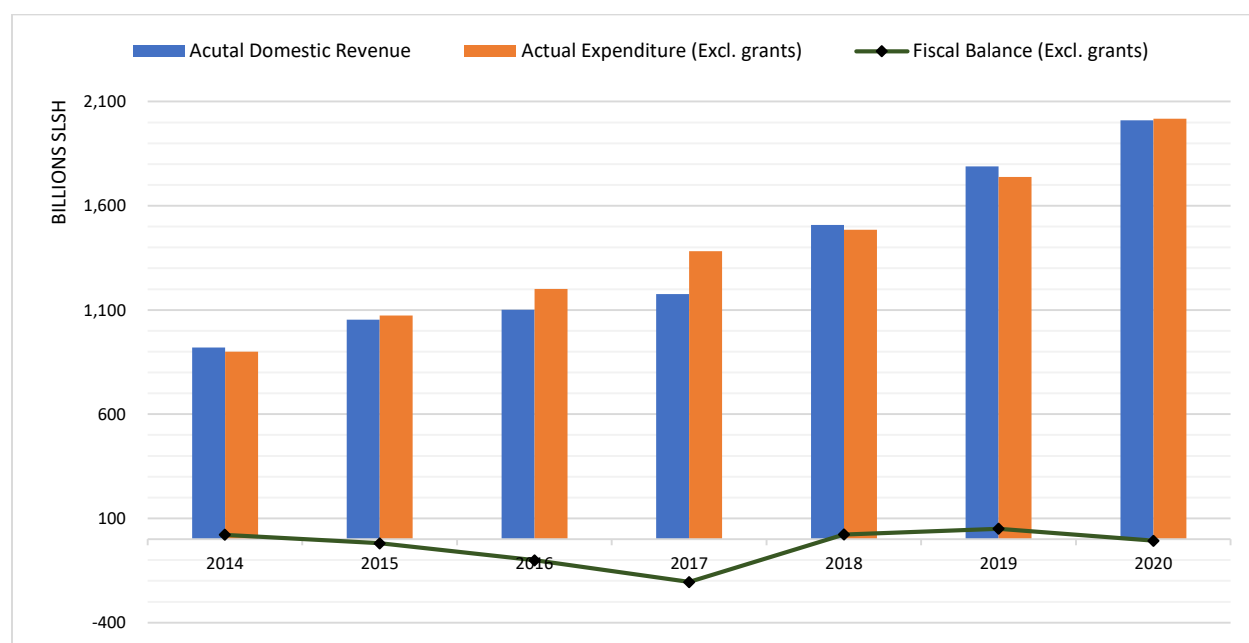
Figure 6: Annual Spend from the General Gvt Fund from 2014 to 2020, nominal and inflation adjusted billion SLSh (base year=2012)



*The 2020 expenditure figure includes spend from the supplementary budget

² The supplementary budget was financed with carry forward amounts (i.e., fiscal balances) from previous fiscal year budgets.

Figure 7: Annual Fiscal summary 2014 to 2020, Billions SLSh



**Note: expenditure in 2020 includes the supplementary budget while revenue does not since the fiscal balance from previous years was used for the supplementary budget.*

2.3. Fiscal Performance (Jan – June 2021)

2.3.1. Domestic Revenue

The resilience of government revenue collections has continued in the first half of 2021. Domestic collections between January and June were 1.064 trillion SLSh—a 17% increase from the amount collected in the same period in 2020. Compared to forecast, this represents a 2% surplus. At the item level, Registration tax on contracts, Business income tax, tax on public services payroll and stump duty were the biggest over-performers against their respective targets; while import tax, 2% tax in eastern regions, excise tax on goods and services and GST were the biggest underperformers as shown in figure 8 below.

The Customs Department and IRD together collected 95% of the total revenue to date—with the Customs Department alone accounting for the collection of 74% of the total. Nevertheless, Customs’ collections underperformed its target by 19.4 billion SLSh or 2% lower than target. IRD on the other hand collected 37.2 billion SLSh more than forecast in Q2 (a 20% surplus).

Table 4: Actual Revenue Collection vs Budget Forecast in SLSHs, Jan-June 2021

DESCRIPTION	Budget Forecast (annual)	Budget Forecast (to date)	Actual revenue collection (to date)	Difference	%
Taxes	1,989,210,638,441	994,605,319,220	1,012,416,791,399	17,811,472,179	2%
Income and profits	38,597,928,345	19,298,964,172	31,071,524,726	11,772,560,554	61%
Payroll and workforce	104,627,873,889	52,313,936,944	58,737,026,903	6,423,089,959	12%
Goods and Services	693,653,695,275	346,826,847,638	366,720,735,855	19,893,888,217	6%
Sales tax	283,206,571,401	141,603,285,701	138,946,466,591	-2,656,819,110	-2%
Excise	22,986,356,931	11,493,178,465	6,967,016,981	-4,526,161,484	-39%
Registration taxes	54,273,536,980	27,136,768,490	45,778,910,253	18,642,141,763	69%
Other taxes on G&S	333,187,229,964	166,593,614,982	175,028,342,030	8,434,727,048	5%

International Trade	1,060,064,260,762	530,032,130,381	514,899,662,887	-15,132,467,494	-3%
Taxes on imports	898,232,053,322	449,116,026,661	436,813,672,914	-12,302,353,747	-3%
Taxes on exports	65,047,134,764	32,523,567,382	31,688,703,230	-834,864,152	-3%
Port taxes	96,785,072,675	48,392,536,337	46,397,286,743	-1,995,249,594	-4%
Other Taxes	92,266,880,171	46,133,440,085	40,987,841,028	-5,145,599,057	-11%
2% tax in Eastern Regions	91,622,171,648	45,811,085,824	40,940,165,128	-4,870,920,696	-11%
Other	644,708,523	322,354,261	47,675,900	-274,678,361	-85%
Other Revenue	108,789,361,559	54,394,680,780	52,492,423,194	-1,902,257,586	-3%
Property Income	38,754,388,656	19,377,194,328	18,022,131,317	-1,355,063,011	-7%
Sales of Goods and Services	60,777,729,668	30,388,864,834	30,567,313,164	178,448,330	1%
Fines and Voluntary Transfers	9,257,243,235	4,628,621,617	3,902,978,713	-725,642,904	-16%
TOTAL	2,098,000,000,000	1,049,000,000,000	1,064,909,214,593	15,909,214,593	2%

Figure 8: Top 4 over and underperforming revenue items against forecast in SLSHs, Jan—June 2021

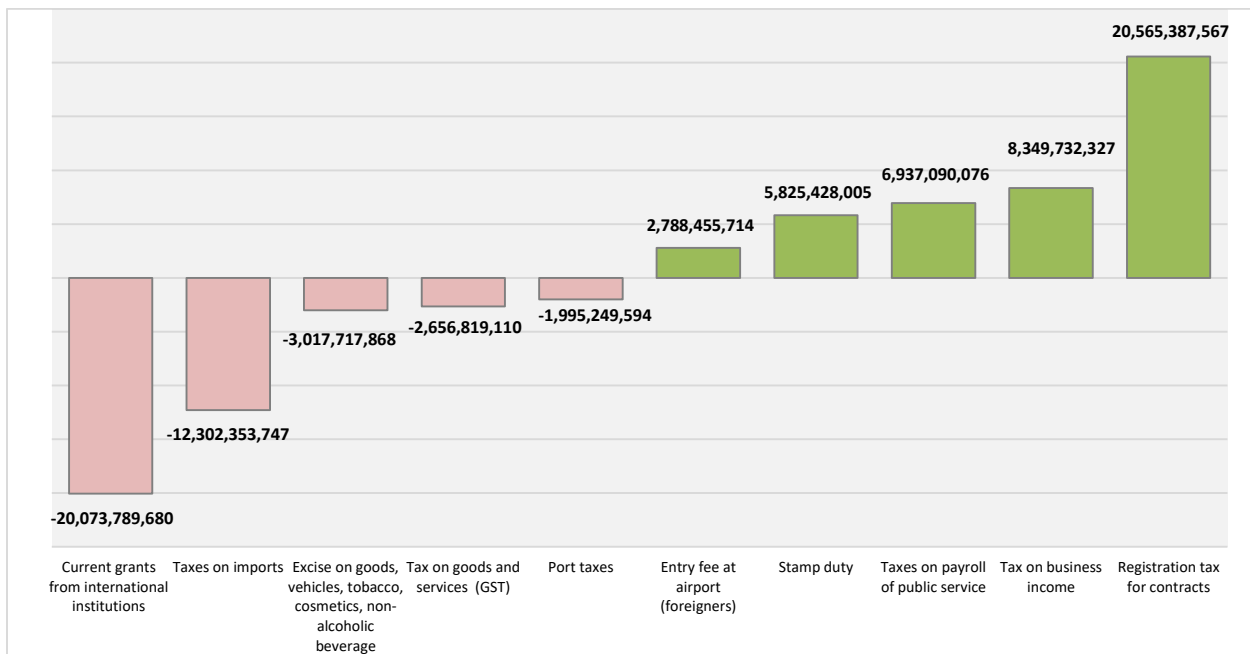


Figure 9: Total revenue collection by responsible agency (bn SLSHs), Jan—June 2021

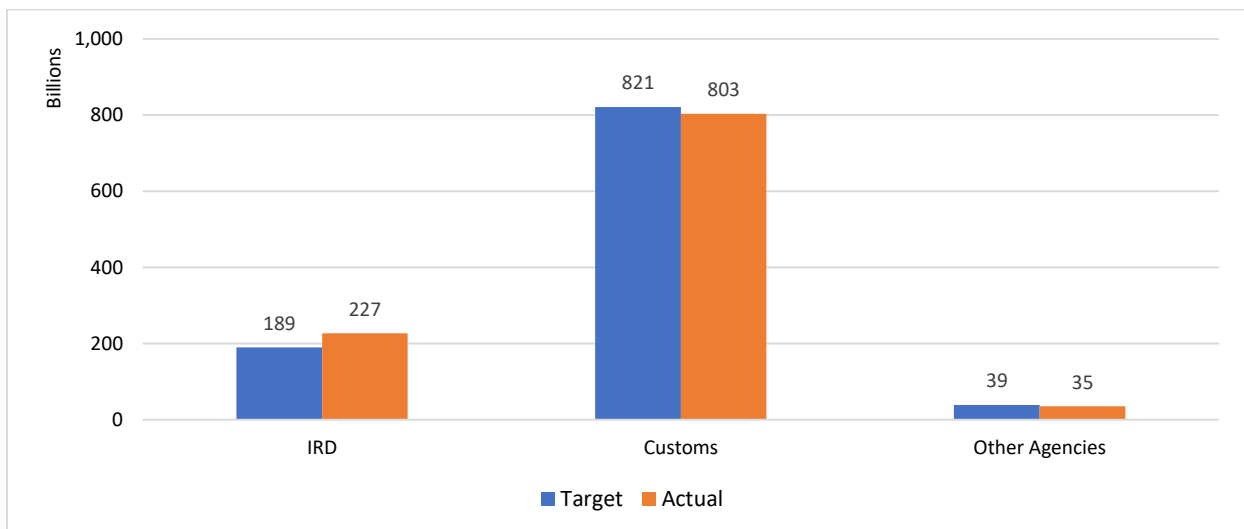
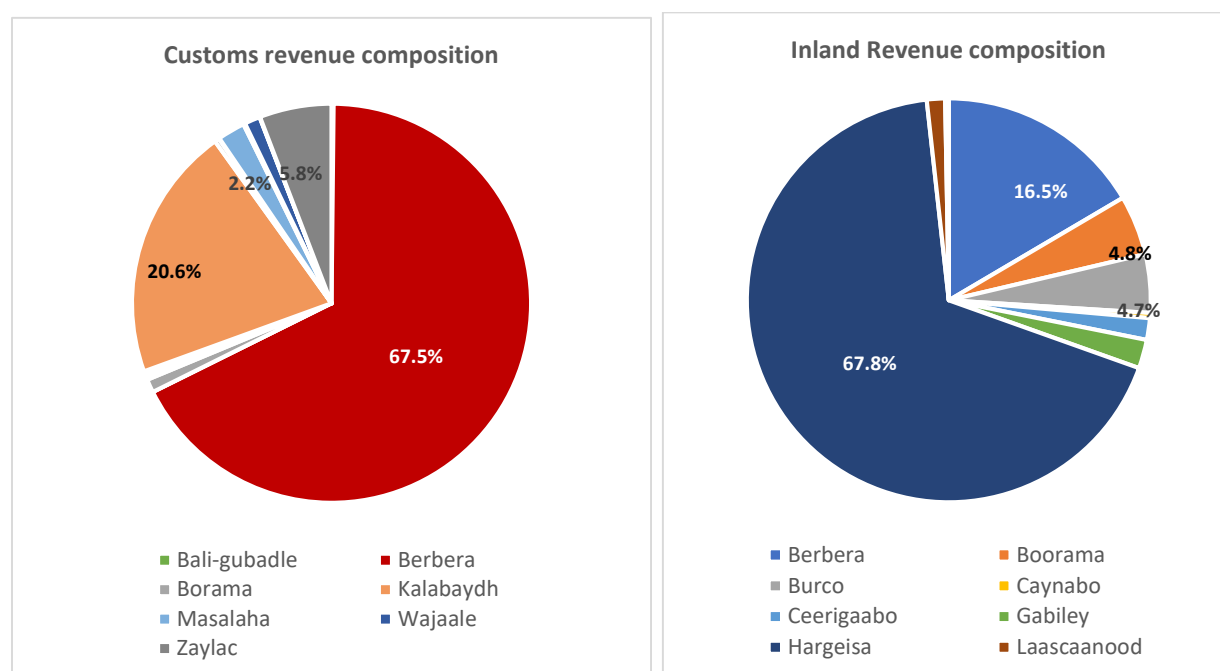


Figure 10: Customs and IRD revenue composition by station and office, Jan—June 2021



2.3.2. Revised 2021 Revenue Forecast

The Ministry of Finance Development has updated its estimates for revenue collections for the current fiscal year, based on collections to end of June. Updated estimates indicate a possible revenue surplus of up to SLSH 68 billion for 2021, equal to approximately 3.3% of the budget estimates. The Ministry expects an increase in gross government revenue collections of up to 8% as compared to the previous financial year.

Table 5: Estimated 2021 government revenue collections by major type, based on Jan-June actuals

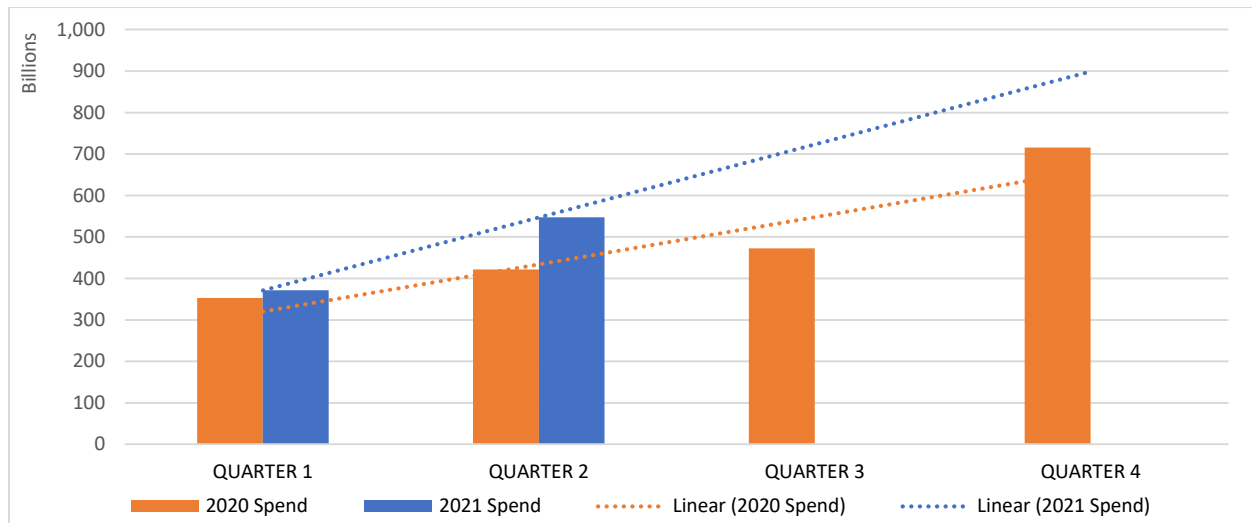
Tax/revenue types	2020 Actual collections	2021 approved budget estimates	Jan-June 2021 actuals	2021 full-year estimate
Income and profits	50,257,066,552	38,597,928,345	31,071,524,726	67,408,383,108
Payroll & workforce	105,681,955,835	104,627,873,889	58,737,026,903	124,108,215,337
Goods & services	670,908,835,574	693,653,695,275	366,720,735,855	768,068,135,712
International trade	826,604,782,159	1,060,064,260,762	514,899,662,887	914,709,869,349
Other taxes	95,312,952,890	92,266,880,171	40,987,841,028	103,034,179,566
Other revenue	260,313,107,505	108,789,361,559	52,492,423,194	189,224,070,077
Total w/o grants	2,009,078,700,515	2,098,000,000,001	1,064,909,214,593	2,166,552,853,149
Talent Management Program Grants*	1,050,000,000	3,500,000,000	761,502,000	3,500,000,000
TOTAL REVENUE	2,010,128,700,515	2,101,500,000,001	1,065,670,716,593	2,170,052,853,149

*Excludes World Bank grants for the DRM&PFM, CSSP and SEAP projects. This amount is directly managed by the government.

2.3.3. Expenditure

In the first half of 2021, the government spent 918 billion SLSh from the general government fund. Compared to the allocated amount for the period (i.e., amounts requested and approved to be spent), this represents a 12% underspend (or -126 billion SLSh). Moreover, this was 44% of the 2.1 trillion SLSh Parliament approved Annual Budget. At the quarterly level, the government significantly ramped up spending in the second quarter of the year compared to the first quarter as shown in figure 11 below. In the second quarter, spending increased by 47% compared to the first. This increase was significantly higher than the 19% recorded in the same period of last year.

Figure 11: Total spending per quarter in 2020 and 2021, Billion SLSh



With respect to performance against allocation in the first half of the current year, spending was significantly below target across all major spending categories, with the exception of Loan repayment and Subsidy, as shown in figure 12 below. These underperformances can be attributed to: late recruitment of new employees, a few MDA's operating at less than full capacity in the second quarter to mitigate the spread of COVID-19, long procurement processes, etc. Spending at the sector level, as shown in figure 13, mirrored the performance at the chapter level—with spending from the WASH, Energy and Production sectors particularly low against their respective targets.

Compared to the same period in 2020, spend performance (i.e., % of budget spent) on loan repayment significantly improved in the first half of 2021 as shown in figure 14. In addition to this, spending on government projects, Assets, Subsidies and National Reserve performed much better. While this improvement in spending is noticeable, it is worth noting that government fiscal operations in 2020 were significantly disrupted by the COVID-19 pandemic which included the postponement of several spending lines (e.g., government projects and Assets in particular). On the other hand, the difference in the performance of spending on Subsidies was due to the fact that the 2021 Subsidy budget was decreased by 70% through virements in the first quarter. As for spending from the National Reserve Fund, the

significant uptick in spending in the first half of 2021 compared to 2020 was due to an emergency spending requirement to support COVID-19 vaccinations in the first quarter of 2021.

Following past year trends, the government is set to see a significant uptick in spending in the second half of the current year and a much better budget execution rate. This projected uptick in spending—on development projects in particular—will help support the recovery of the Somaliland economy from the impact of the COVID-19 pandemic.

Figure 12: Expenditure performance (excl. WB grants) by Chapter between Jan-June 2021, Billions SLSh

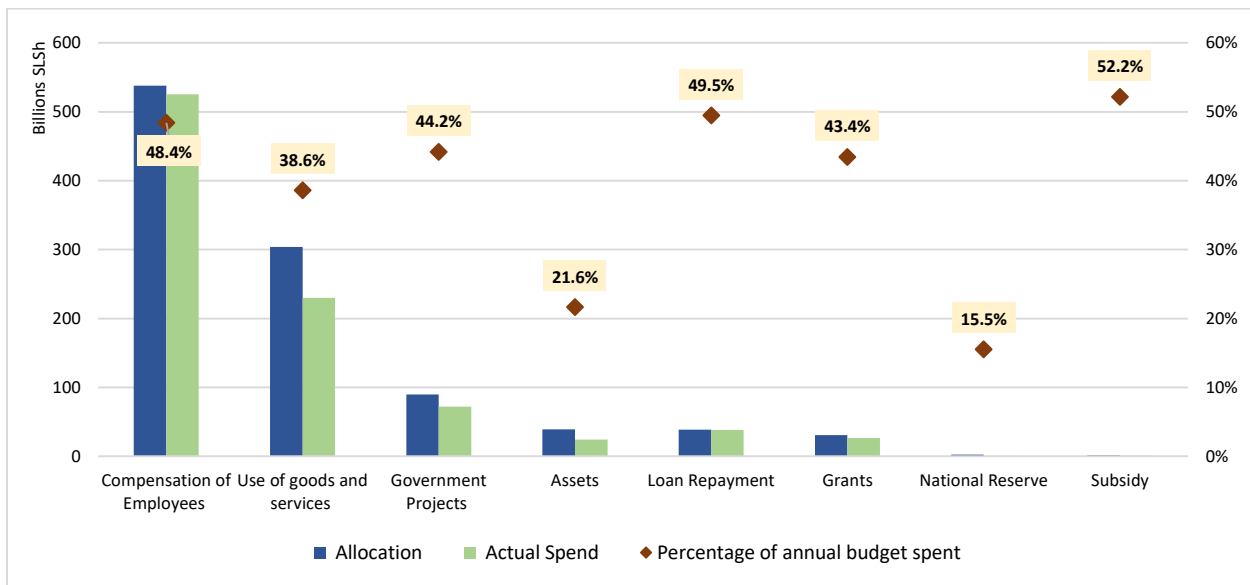


Figure 13: Expenditure performance (excl. WB grants) by Sector between Jan-June 2021, Billion SLSh

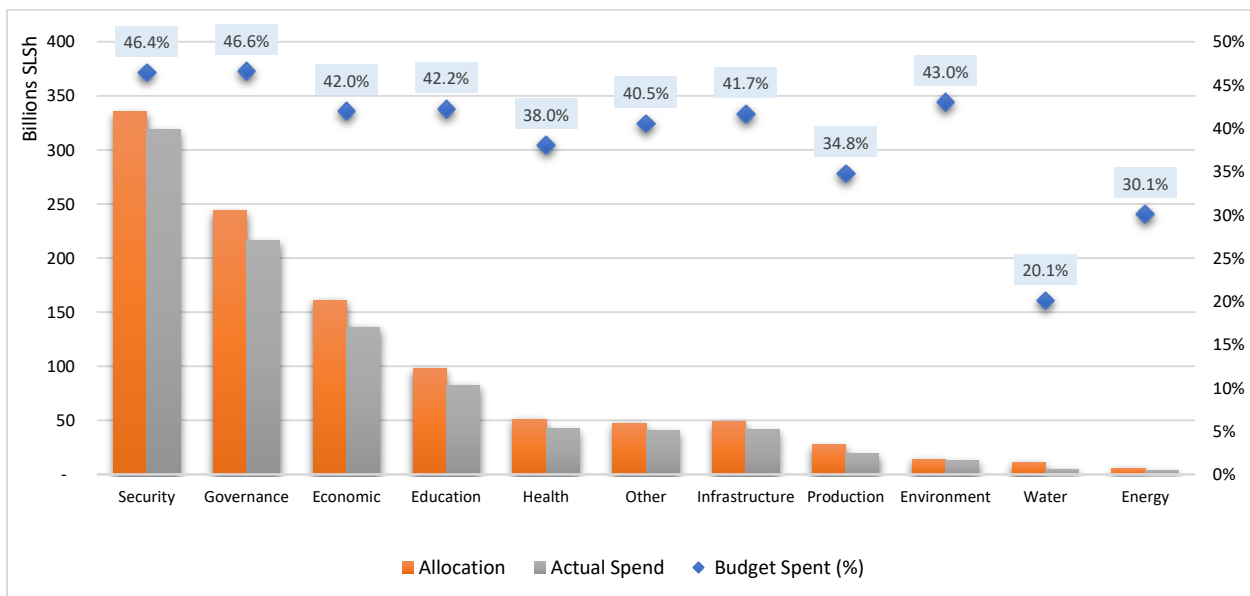
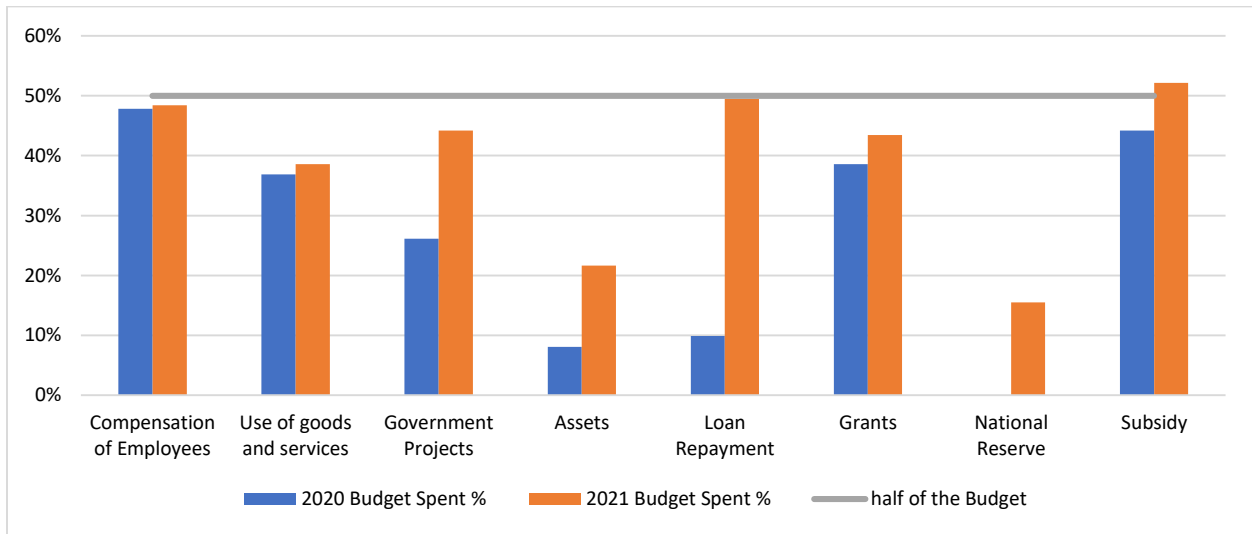


Figure 14: Spending as % of budget by chapter in the first half of 2020 and 2021



2.3.4. World Bank Funded Projects

While domestic revenue mobilization and actual expenditure from the general government fund have seen significant improvements in the past few years, budget execution on the three World Bank funded projects has remained well below target. In the first half of 2021, the government spent 10.4 billion SLSh on the DRM&PFM, CSSP and SEAP projects, representing a significant -68% underspend from the allocated amount and only 16% of the 63.9 billion SLSh annual budget. The current expenditure trend indicate spending performance on these projects at the end of the year is set to be well below expectation—as shown in figures 15 and 16 below. In 2020, the government only spent 44% of the 55.6 billion SLSh approved budget. High value assets and services which takes time to procure, continue to be the biggest stumbling block on these projects. The government will continue to address these challenges in order to improve the budget execution and in the process accomplish each project’s goal of supporting the growth of the country.

Figure 15: Expenditure on the World Bank funded projects between Jan-June 2021, Billion SLSh

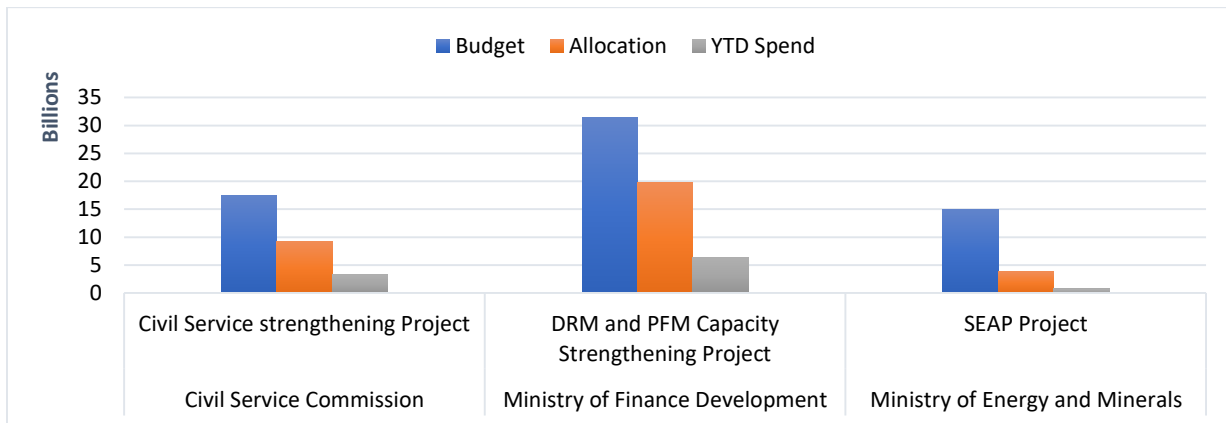
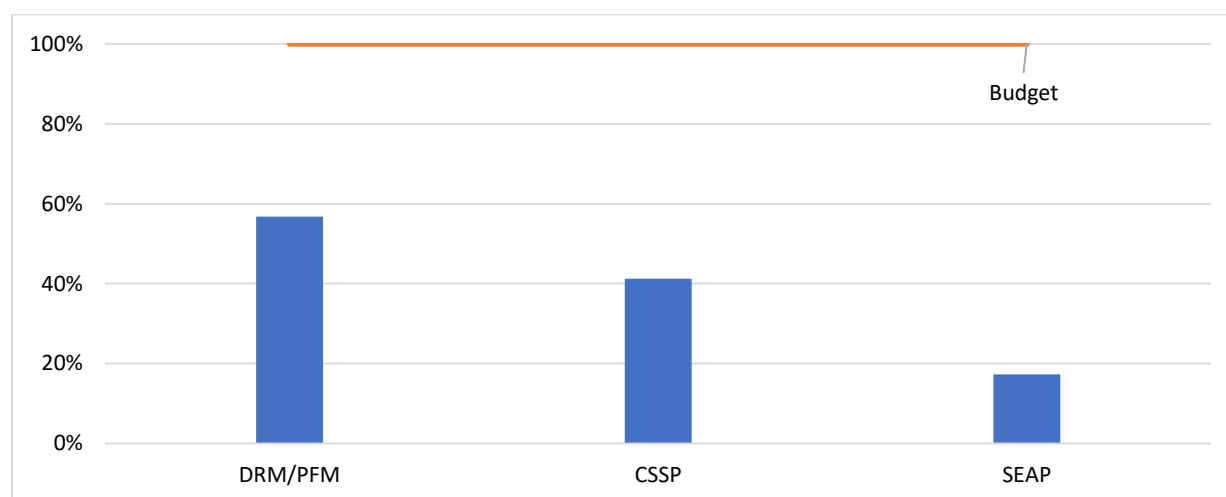


Figure 16: Expenditure as a % of approved annual 2020 budget



2.4. 2021 Supplementary Budget

A supplementary budget amounting to 65.5 billion SLSH was approved in 2021 to respond (mainly) to unexpected expenses that arose during the recent Parliamentary and local government elections. The income for the supplementary budget came from revenue collected from this year's election candidates and from balances from previous fiscal year budgets. Table 6 below provides a fiscal summary of the 2021 supplementary budget.

Table 6: 2021 Supplementary Budget, SLSH

DESCRIPTION	BUDGET
REVENUE	65,500,464,800
Fiscal balance from previous budgets	49,934,473,800
Parliament candidate fees	15,565,991,000
EXPENDITURE	65,500,464,800
Allowances for frontline and costal area army officers	10,351,000,000
Wages of new recruits in the army	4,909,626,000
Medical laboratory for food investigation	707,730,910
Covid-19 Vaccination	6,216,449,647
Election Security	6,216,449,647
Repayment to the Bank of Somaliland	20,045,494,621
Minority and female candidate election fees	943,323,975
Loan repayment	8,500,000,000
Unexpected election and security expenses	7,610,390,000

3. Medium-Term Macroeconomic Outlook

Somaliland's revenue collections have been relatively shielded from the worst effects of the global pandemic so far, with revenues largely performing on-target across 2020. Underperformance of some trade taxes was balanced out by improvements in inland revenue collections. In forecasting government revenue over the medium-term, the Ministry of Finance Development considers the trend, recent

developments and outlook in the next three years for a set of core macroeconomic indicators for Somaliland.

Given continued uncertainty, policymakers in Somaliland will continue to consider scenarios rather than linear forecasts. In order to facilitate informed planning and budgeting decisions in the near term, this section considers two scenarios for each of the key macroeconomic indicators used to forecast revenues in Somaliland. The two scenarios are defined as follows:

- An **optimistic outlook**, reflecting a strong and sustained recovery in the near term, with most economic indicators returning close to levels forecast prior to the pandemic. In this scenario, further waves of COVID-19 infections are contained as vaccination continues, meaning no need for new Government response measures. Trade with neighboring countries bounces back as economies open up again. Domestic production in and exports from Somaliland increase.
- A **conservative outlook**, suggesting a slower recovery in line with other economies in the region, who continue to face effects of the pandemic. Economic indicators returning to levels forecast prior to the pandemic in the medium-term. In this scenario, continued pandemic effects and uncertainty in neighboring countries limits trade and growth. Domestic production and exports from Somaliland do not significantly increase.

The following sub-sections review how key macroeconomic indicators develop over the medium term in light of these two scenarios.

3.1. Gross domestic product (GDP)

International organizations have continued to update their estimates for the growth of economies across Sub-Saharan Africa in the short term, as the initial signs of recovery from the pandemic materialize. Whereas the World Bank, UNECA and the IMF estimates vary to some degree, they are consistent in their expectation that African economies will see recovery and a resumption of growth following a short, sharp economic contraction in 2020 – as shown in Table 7 below. GDP estimates for most countries are still to be confirmed, with the international organizations expecting a downturn anywhere between 2 and 4.5%. Estimates for the speed of recovery range from 3.4% economic growth in 2021 estimated by the IMF, to 2.5%, by the World Bank.

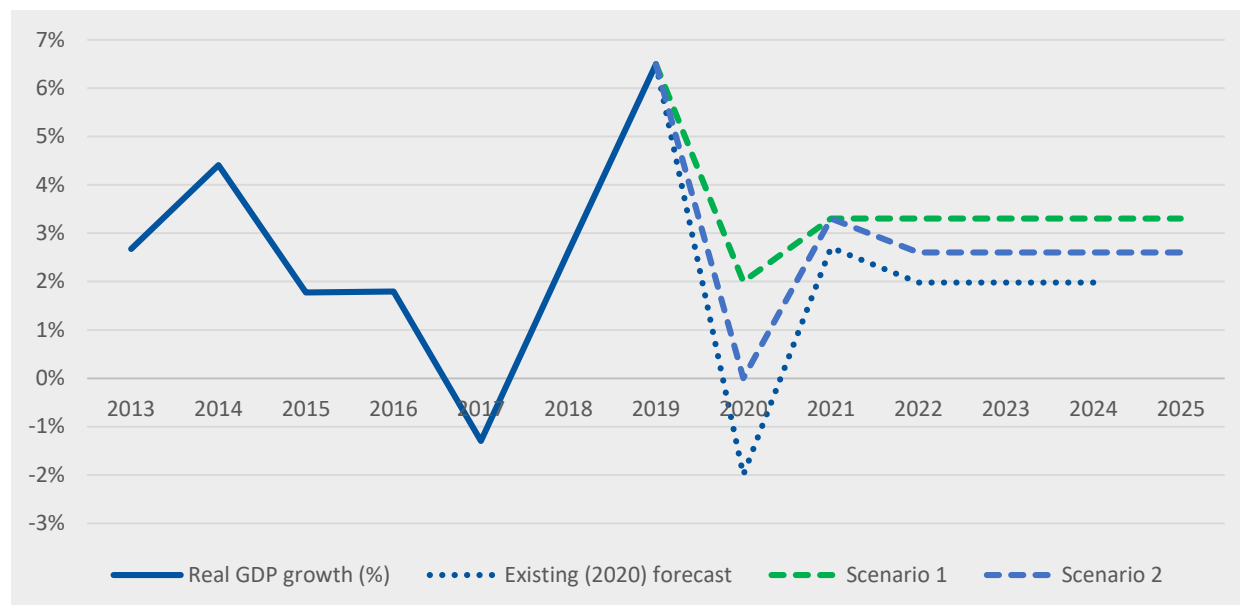
Table 7: Range of short-term growth forecasts for Sub-Saharan Africa from World Bank, UNECA and IMF

	2020	2021	2022
Optimistic Scenario	-1.9% → -3.2%	3.4% → 5%	4%
Conservative Scenario	-2.7% → -4.5%*	2.5%	3.3%

*-4.5% refers to the World Bank's East Africa estimate, rather than Sub-Saharan Africa

Somaliland continues to lack recent, comprehensive GDP data. The latest figures produced by the Ministry of National Planning & Development date from 2019, with growth in 2019 estimated at over 6%. Average GDP growth from 2013 to 2019, based on these estimates, is 3.3%. These and previous figures are reflected in Figure 17 and Table 8 below.

Figure 17: GDP growth trend and medium-term scenarios (constant prices)



Based on these estimates, two scenarios are defined for Somaliland’s GDP growth. The optimistic scenario assumes a lower but not negative growth in 2020, followed by steady growth from 2022 onwards on track with growth estimates prior to 2019. The conservative scenario meanwhile expects a small recession in 2020, followed by a slower recovery from 2022 onwards. Medium-term growth for Somaliland consequently remains around the existing trend.

Table 8: Medium-term scenarios for Somaliland’s economic growth

Scenarios		2018a	2019a	2020f	2021f	2022f	2023f	2024f
Existing forecast				-2.0%	2.7%	2.0%	2.0%	2.0%
Scenario 1 (optimistic)	GDP (USD m)	2,186	2,328	2,375	2,453	2,534	2,618	2,704
	GDP growth (%)	2.6%	6.5%	2.0%	3.3%	3.3%	3.3%	3.3%
Scenario 2 (conservative)	GDP (USD m)	2,186	2,328	2,328	2,405	2,468	2,532	2,598
	GDP growth (%)	2.6%	6.5%	0.0%	3.3%	2.6%	2.6%	2.6%

Source: MONPD data, MOFD estimates

3.2. Inflation

Price levels in Somaliland have stabilized in the past year, with inflation averaging at around 5% year-on-year, and continuing to gradually decline as shown in Figure 18 to a recent level of only 2.4%. While specific prices spiked for a short period during the pandemic (e.g. for health services and a few key commodities), overall price levels have continued to remain stable across 2020 and into the first months of 2021.

Figure 18: Inflation rate trend

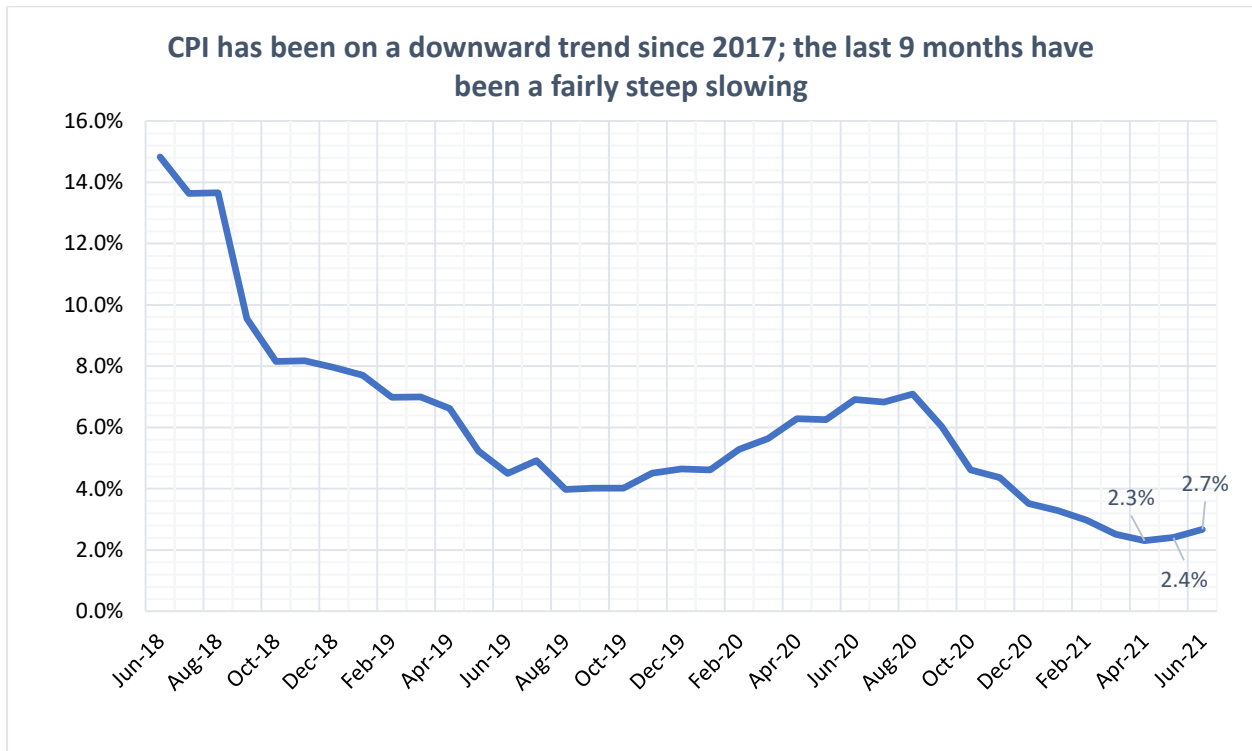
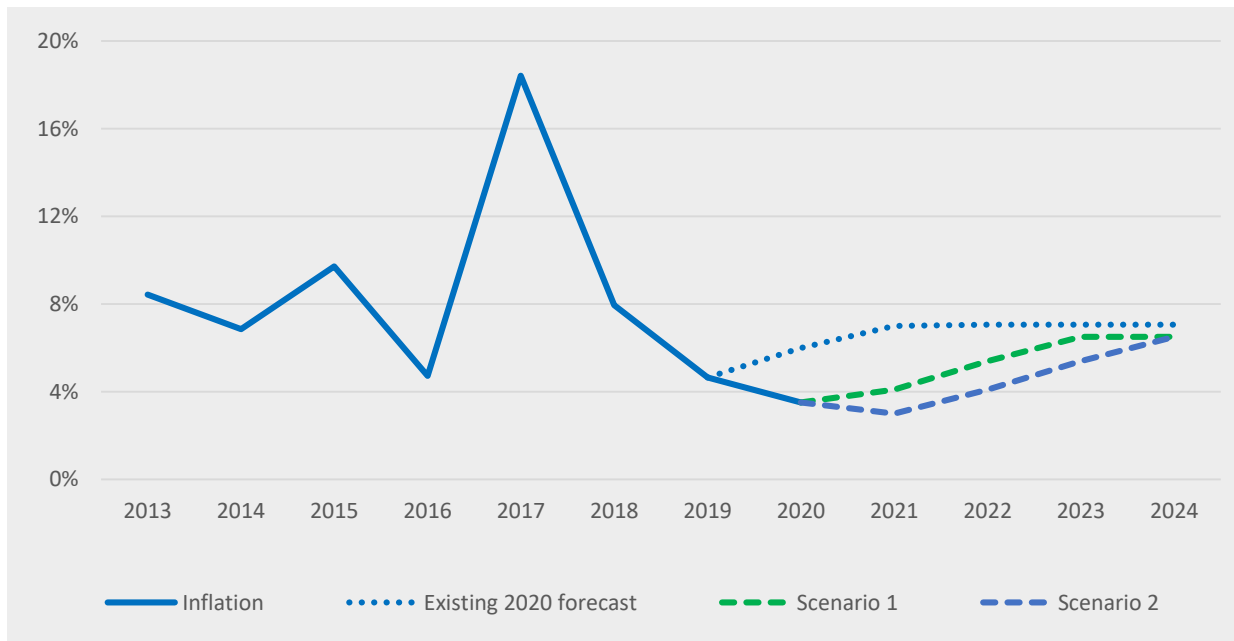


Figure 19: Inflation rate trend and medium-term scenarios



Both increases and decreases in price levels are likely in the current context in Somaliland, reflecting global uncertainty: inflation could increase rapidly as a result of intermittent supply chain disruptions and shortages of key commodities owing to instabilities in neighboring countries and further resurgences of

the pandemic. Meanwhile, price levels may decrease given weaker demand from consumer and potential increases in trade and domestic production.

The Ministry expects the latter effect to be greater than the former in both scenarios, as show in figure 19 and table 9. In the optimistic scenario, the Ministry expects pressure on demand and Government spending to increase moderately in 2021, before returning to trend levels as of 2023. Meanwhile, the conservative scenario expects greater downward pressure on prices in 2022 and 2023, before returning to trend in 2024.

Table 9: Medium-term scenarios for price levels in Somaliland

Scenarios	2020a*	2021f	2022f	2023f	2024f
Existing forecast	6.0%	7.0%	7.1%	7.1%	7.1%
Scenario 1 (optimistic)	3.5%	4.1%	5.4%	6.5%	6.5%
Scenario 2 (conservative)	3.5%	3.0%	4.1%	5.4%	6.5%

* a = actual, f = forecasted

3.3. Exchange Rate

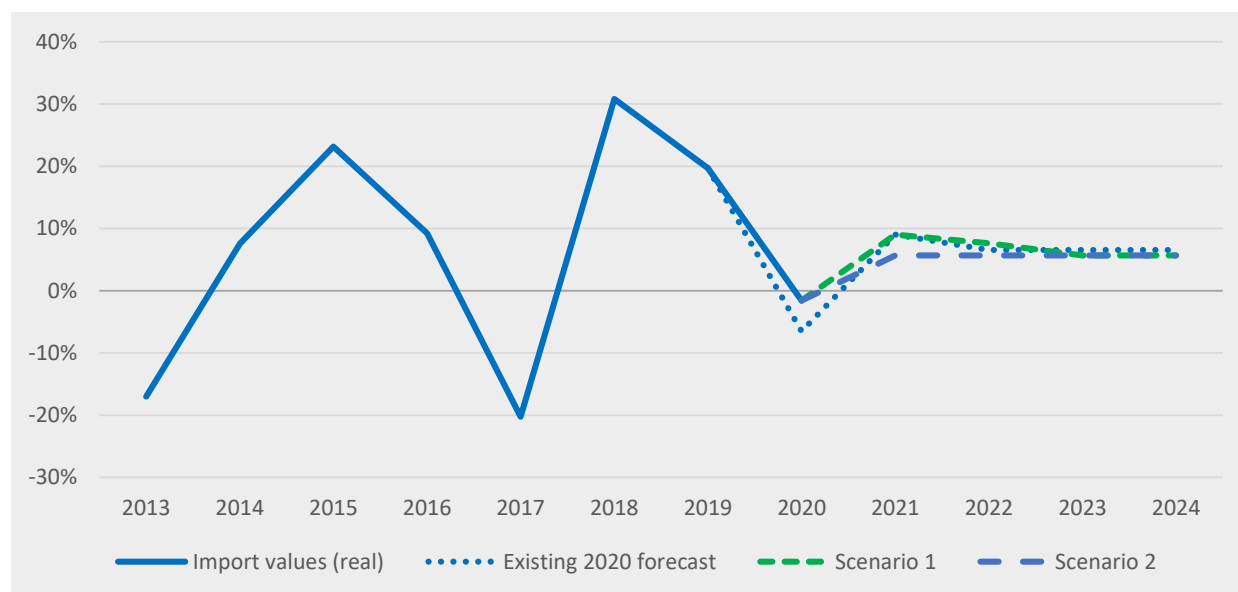
Though the exchange rate of the Somaliland Shilling (SLSh) to the United States dollar (USD) has remained remarkably stable since early 2018, there continues to be a difference between the rate used by the Government to develop the budget and convert various prices (currently at SLSh 7000 to USD 1), and the market exchange rate (currently at approximately SLSh 8500 to USD 1). In recent years, the Government and Bank of Somaliland have not only successfully appreciated the currency, but sought to gradually close the gap between the official and parallel market rates. The exchange rate continues to have a close relationship with the inflation rate: a higher target or ‘budget’ rate set by the Government or Bank will likely lead to higher price levels. The market exchange rate is currently forecast at 8,500 SLSh/USD as set by the Bank of Somaliland.

3.4. Trade

3.4.1. Import

Trade flows reduced globally in 2020, with not only supply chain disruptions lowering imports, but equally limited spend on government development projects, reduced levels of business activity, as well as greater net remittance outflows all driving lower volumes and values of imports. Each of these factors has contributed to a slight lowering of the volume of imports by -1.6% compared to 2019. The overall trend level of import growth has reduced as a result of the global pandemic.

Figure 20: Trend and medium-term scenarios for the growth in the value of imports into Somaliland



Developing suitable estimates for the growth of imports is however not straightforward: the quality and availability of trade statistics in Somaliland is still low. The Ministry expects that the reported value of total imports to Somaliland will recover in the short term. In the optimistic scenario, the demand for imports will bounce back significantly in 2021 and return to trend levels by 2023, whereas in the conservative scenario the continued effects of the pandemic will mean that the growth in imports will remain at trend from 2021 onwards.

Table 10: Medium-term scenarios for the growth in the total value of imports to Somaliland

Scenario	2020a*	2021f	2022f	2023f	2024f
Existing forecast	-6.5%	9.0%	6.6%	6.6%	6.6%
Scenario 1 (optimistic)	-1.6%	9.0%	7.6%	5.7%	5.7%
Scenario 2 (conservative)	-1.6%	5.7%	5.7%	5.7%	5.7%

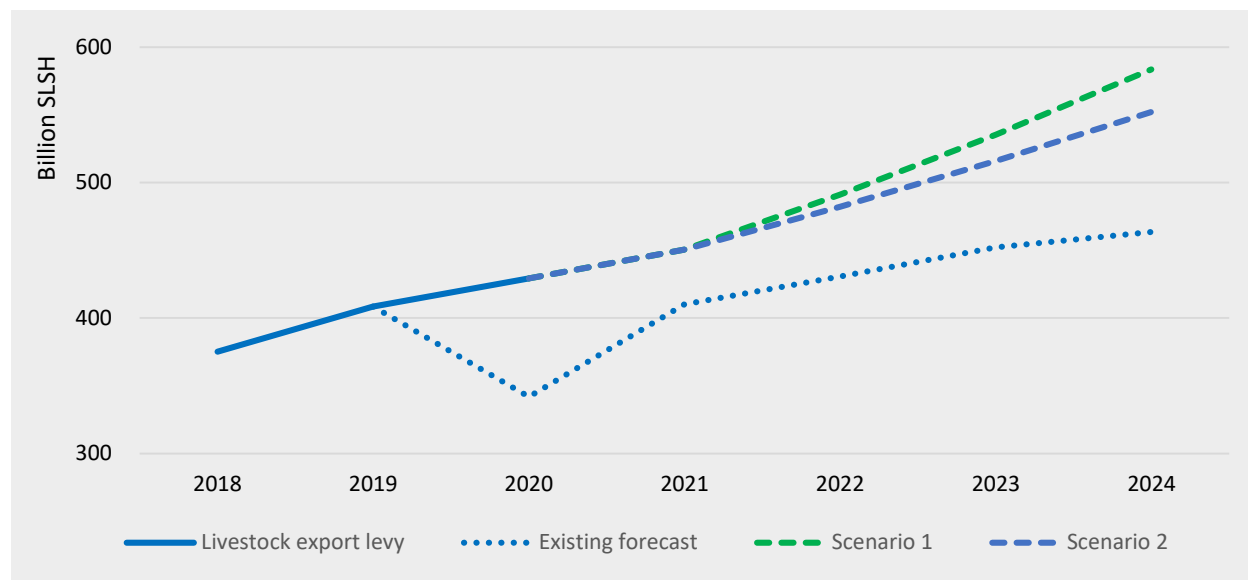
* a = actual, f = forecasted

3.4.2. Livestock export

Somaliland has long been expecting a rapid recovery in the demand for livestock from key markets in the Gulf, to supply the annual Hajj. Whereas the livestock ban has at present been largely lifted, the Hajj (in its normal form) was cancelled in 2020. Nevertheless, exports grew at a moderate rate in 2020, with collections of the livestock export levy increasing by 5%³. Collections from the livestock export levy are used as an indicator for livestock exports, as per the figure below.

³ Note that this increase in the livestock export levy reflects the increase in camel exports in 2020 which went a long way in making up for the significant decrease in cattle and sheep/goat exports. Moreover, the increase in the budget exchange rate from 6,000 SLSh/USD in 2019 to 7,000 SLSh/USD in 2020 helps explain this increase.

Figure 21: Medium-term scenarios for livestock export levy collections in Somaliland



Given that export performance in 2020 was better than anticipated, the Ministry is adjusting its forecast for this indicator. For this, it is assumed that the Hajj will go back to normalcy in 2022, but again not in 2021. The optimistic scenario assumes exports grow above the average growth rate of the livestock export levy in 2022 (at 9% above the trend rate of 7%) as the Hajj resumes, after a slower year in 2021 (no Hajj) before returning to the trend rate. The conservative scenario assumes exports grow at the same rate as in 2019 out to 2024.

Table 11: Medium-term scenarios for the growth of livestock export levy collections

Scenario	2020a*	2021f	2022f	2023f	2024f
Existing forecast	-16%	20%	5%	5%	2.5%
Scenario 1 (optimistic)	5%	5%	9%	7%	7%
Scenario 2 (conservative)	5%	5%	7%	7%	7%

4. Fiscal Outlook over the Medium-term

4.1. Initial Revenue estimates for FY2022-2024

The Ministry has taken an optimistic outlook in drawing up the initial forecasts for Government revenue collections over the medium term. Officials have largely used the indicators under Scenario 1 outlined in Section 3 above. The macroeconomic indicators selected for the 2022-24 Medium-term Fiscal Framework are summarized in Table 12 below.

Table 12: Selected macroeconomic indicators for MFF 2022-24

	2022 forecast	2023 forecast	2024 forecast
GDP (% annual growth, constant prices)	2.6%	2.6%	2.6%
Inflation (% CPI growth)	5.4%	6.5%	6.5%
Import growth (% increase in total value of imports)	7.6%	5.0%	5.0%
Exports (% growth in no. of livestock exported)	9.0%	7.0%	7.0%

Based on the selected macroeconomic parameters above, forecasted collections for 2022 are 2,360 billion SLSh, as per the table below. This is approximately 9.0% higher than estimated collections for the current fiscal year, and reflects that the Government of Somaliland will continue its impressive year-on-year increases in revenue collections.

Table 13: Total government collections over the medium term, optimistic scenario, in SLSh billions

	2020 actuals	2021 Revised est'd	2022 forecast	2023 forecast	2024 forecast
Total government revenues*	2,009	2,166	2,360	2,539	2,732
% Growth compared to previous year	12.7%	7.8%	9.0%	7.6%	7.6%

*Excludes grants from the World Bank for the talent management program and the DRM&PFM, CSSP and SEAP projects

Total revenue collections for 2021 are expected to be only a little higher compared to 2020, and for continued year-on-year revenue growth to be about 8% on average. This optimistic forecast assumes that Somaliland will not be affected by further adverse effects of the pandemic, and that its neighbors and trading partners similarly stabilize and witness rapid macro-economic recovery.

Table 14: Medium-term government collections by revenue category, optimistic scenario, in SLSh

Revenue category	2021 Revised estimates	2022 forecast	2023 forecast	2024 forecast
Income and profits	67,408,383,108	79,513,603,220	86,947,970,416	95,078,083,297
Payroll and workforce	124,108,215,337	127,385,298,365	130,748,912,919	134,201,343,866
Goods and Services	768,068,135,712	829,204,214,525	890,919,564,303	957,921,550,612
International Trade	914,709,869,349	1,010,131,644,195	1,095,448,024,655	1,187,973,241,256
Other Taxes	103,034,179,566	113,598,148,920	123,281,042,818	133,789,990,029
Other Revenue	189,224,070,077	200,817,990,857	211,563,820,652	223,053,758,371
Sum of All Revenue*	2,166,552,853,149	2,360,650,900,081	2,538,909,335,763	2,732,017,967,431
YoY Growth (%)	7.8%	9.0%	7.6%	7.6%

*Excludes grants from the World Bank.

Current trends and scenarios will continue to be monitored, and assumptions updated based on how the key macro indicators for Somaliland evolve during 2021. Notably, the two scenarios will be reviewed in detail following the reporting of August trade and revenue data – this will indicate the extent to which livestock exports have or have not materialized, and give a clearer picture of estimated revenues for 2021 as well as prospects for 2022 and beyond.

4.1.1. Additional Revenue raising measures for the Medium-Term

The Ministry of Finance Development is opting for a largely stable fiscal policy for 2022. A very broad ranges of taxes is already being collected in Somaliland, both at national and local level: almost all major tax types included in the Revenue Act 2016 have been introduced and are being collected. Government

revenue collections meanwhile have withstood the effects of the pandemic, in line with Somaliland's economy. The Ministry is conscious that the opportunities for expanding the tax base is limited: introducing broader coverage of taxes, or adjusting rates, is likely to increase the tax burden on the poorest and most vulnerable citizens and small businesses.

Two targeted measures are proposed to raise additional revenues in the medium-term, and introduce necessary improvements to the tax legislation and practices. These measures support the Ministry's current priorities in revenue reform, notably to ensure that recent administrative reforms are successfully implemented. These are:

1. **Expanding the excise tax on local production**, which supports the Ministry's current priorities in revenue reform, is proposed to raise additional revenue in the medium-term.
2. **Expanding the scope of the goods and service tax (GST) with new services**. This is largely to include services that are being taxed under the former Sales Tax Act, but are not covered in the Revenue Act 2016. The Ministry has tabled this proposal to the Parliament and is currently estimated to raise approximately 4.6 billion SLSh in revenues.

These proposed measures will be complemented by targeted compliance initiatives to improve the efficiency and effectiveness of revenue administration. These initiatives will include:

1. Promoting electronic and digital filing and payment of taxes and customs declarations.
2. Extending customs branches in Eastern Regions
3. Combating the smuggling of goods (contraband) at the Borders
4. Regular monitoring to ensure the appropriate tax rates are being used at collection sites

The Ministry is conscious that the greatest scope for revenue gains – and the greatest benefits for taxpayers – lie with improvements in compliance. The Ministry will consider and estimate the potential effects of such compliance initiatives in later stages of the budget planning and preparation process.

4.2. Expenditure Priority guidelines for 2022 Budget

As part of the budgeting process, the Budget Policy Committee (BPC) was presented with the Budget Outlook Paper in May 2021 to enable them to set clear guidelines for the 2022 budget and that of the medium-term. These guidelines will allow the Budget & Planning department to set expenditure ceilings for each major spending category. Tables 15 summarizes the committee's guidelines on the recurrent budget. In addition to this, the BPC has identified key expenditure priorities according to the NDPII sectors for the next fiscal year. These priorities—listed in table 16—were selected to ensure a continued improvement in the quality and level of public service delivery. Moreover, these priorities will ensure sustained progress towards achieving the NDPII goals and Vision 2030, while being mindful of the fiscal space projected over the medium-term.

Table 15: Guidelines on the recurrent expenditure budget for FY2022

Expenditure Guideline
Increase the salaries of the Army forces
Provide the outgoing Parliament members with a lump sum payment equal to their 2020 salaries and allowances.
Continue the National Service program
Staff upgrading
Increase the Use of Goods & Services budget to accommodate potential increases in government activities
Increase the share of the government’s contribution to the National Reserve fund.

Table 16: Government development projects to be funded in FY2022

Sector and Project Description
Economy
National Service Program (MoFD)
Support For JPLG
Strengthen the statistical capacity of government institutions to support policy decision-making and promote effectiveness and efficiency of government service delivery.
Education
National Service Program (MoE)
Support for Dayaxa and Lasanood Schools
Contribute to the JPLG program to develop primary education
Education—Technical education, literacy campaign
Energy
Oil and Minerals research project
Environment
Reforestation Costs
Seasonal Range reserves Project
Wildlife protection project
Funding for rangers to ensure the seasonal closure of grasslands
Construction of Headquarter office for the Ministry of rural development
Governance
Support For the Development of Eastern regions
2022 Elections: The political parties, presidential and House of Elders elections are scheduled to be held in 2022.
Health
Contribute to the Erigavo & Lasanood Hospital Project
Mental Hospitals Support Project
Contribute to the JPLG program for local health service provision
Upgrading regional hospitals, Hargeisa referral hospital
Infrastructure
Airports development
Communication infrastructure
Road development
Managing Government Assets
Hargeisa Radio broadcasting equipment purchase
Other
Expenditure Support for Youth Development
Recreational & Sports Expenses
Production
Agriculture research and extension project
Beer, Wajaale & Oodwayne Project
Dates Project
Expenditure for Agriculture data collection

Livestock Vaccination & medication
Plant protection project
Restocking Project
Seed Replication
Testing of livestock breeding
Purchase medical inspection machinery (i.e., Medical testing)
Food security—Aburiin research station, agricultural extension, livestock laboratory, blue economy project (feasibility study)
Procurement of a fishing boat for the Berbera Fishing institute
Qool Caday & Aroori Project
Wash
Water—construction of regional hafiir dams
Contribute to the expansion of the Hargeisa water project alongside donor partners.

4.3. Additional Priorities Envisaged in the Medium-Term

The new development and capital expenditure priorities highlighted above for the 2022 budget were selected based on the national development priorities and on their effectiveness in drawing the country closer to vision 2030. Other priorities for 2022 and the medium-term include:

- ⇒ **Recognition**
- ⇒ **Extending governance and Government institutions to Sool and Sanaag**
- ⇒ **Rule of law (justice and enforcement)**
- ⇒ **Youth Development Fund**
- ⇒ Contributing to a Research fund that will be managed by the Commission for Higher Education to **promote research into sectors of the Somaliland economy.**
- ⇒ Manufacturing—promote the development of regional industrial zones
- ⇒ Operationalizing a pension system
- ⇒ Invest in the Cement Factory
- ⇒ Financing a legal team to work on Transit and trade agreements with Ethiopia
- ⇒ Investing in the Wajaale by-pass
- ⇒ Nationalizing the Energy Grid
- ⇒ Financing the construction of low-cost housing units
- ⇒ Renovating the Burao airport
- ⇒ Continuation of road development

4.4. Ceilings for the 2022 Budget and Tentative Estimates for the Medium-Term

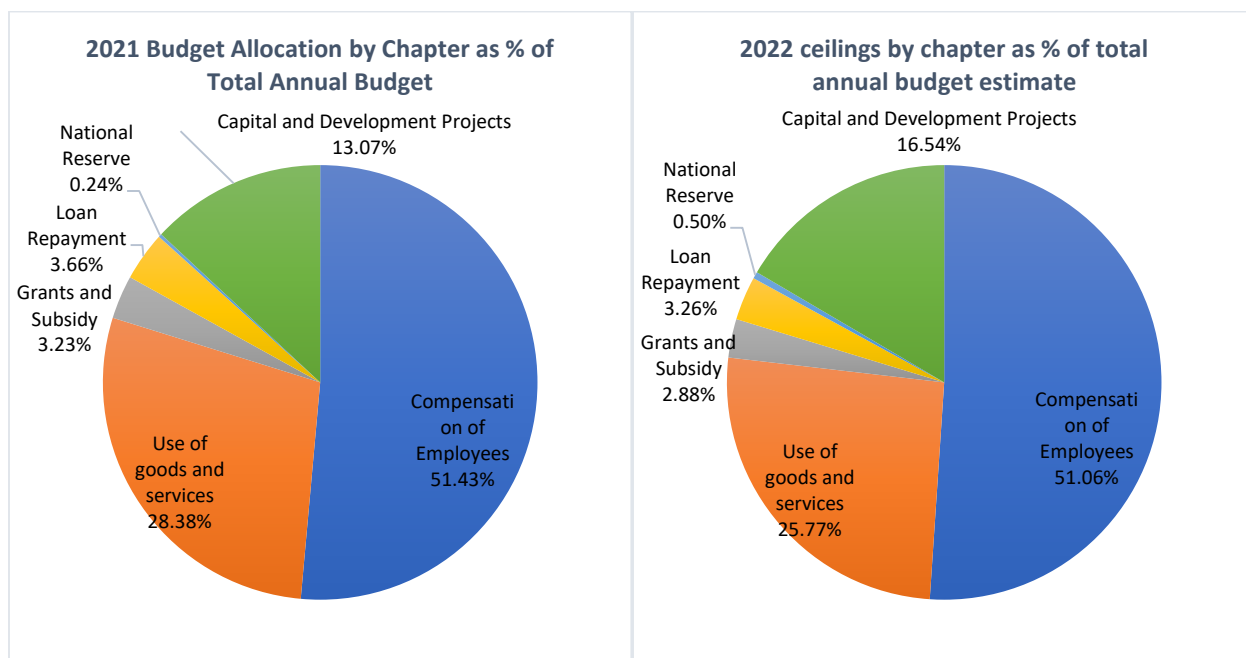
Based on the Budget Policy Committee’s guidelines, the Budget and planning department has prepared the following ceilings for each major spending category for the 2022 Budget and initial estimates for 2023 and 2024. Compared to last year’s budget, as shown in table 17 and figure 22 below, these ceilings for FY2022 highlight a noticeable increase in the share of the budget allocated to capital and development projects which is set to increase from 13.07% in 2021 to 16.54% in 2022, equivalent to a 115.8 billion SLSH increase.

Table 17: Proposed Budget ceilings by Spend category, SLSh

Spend Category	2021 Budget	2022 Budget Ceilings	2023 Budget Estimates	2024 Budget Estimates
Compensation of Employees	1,080,737,049,340	1,205,319,005,404	1,296,923,249,815	1,395,489,416,801
Use of goods and services	596,416,233,339	608,344,558,006	620,511,449,166	632,921,678,149
Grants and Subsidy	67,879,083,949	67,879,083,949	67,879,083,949	67,879,083,949
Loan Repayment	76,854,596,000	76,854,596,000	76,854,596,000	76,854,596,000
National Reserve*	5,000,000,000	11,803,254,500	19,041,820,018	27,320,179,674
Capital and Development Projects	274,613,037,372	390,450,402,222	457,699,136,815	531,553,012,858
Total Budget	2,101,500,000,000	2,360,650,900,081	2,538,909,335,763	2,732,017,967,431
YoY (%)	17.9%	12.3%	7.6%	7.6%

*The Ministry plans to gradually increase the share of the budget allocated to the National Reserve Fund.

Figure 22: 2021 Budget Allocation (right) and 2022 Ceilings (left) as % of Annual Budgets by Spend Category, SLSh



4.5. Measures to improve fiscal management and/or enhance service delivery in the next three years

The Ministry of Finance Development has reformed several financial management processes in the first six months of 2021 and has also laid the groundwork for further reforms in the next three years that will be catalytic in improving fiscal management and government service delivery. These include;

a) Reducing the processing time of departmental warrants

In past fiscal years, funds needed for the delivery of services usually took a long time to reach regional offices due in large part to a lack of automation in processing of expenditure warrants and in delivering vouchers. Starting in 2021, the MoFD has taken steps to reduce the processing time of departmental warrants. These include:

1. Preparing, processing and approving expenditure warrants by the 1st day of each quarter—starting on the 20th of the last month of the previous quarter
2. Requiring sub-warrants to be prepared and approved within 8-days of expenditure warrants
3. Electronically delivering approved sub-warrants to regional departments by the Central Bank of Somaliland

b) Cash Management Policy (CMP) and the Treasury single account (TSA)

A TSA framework has been conceptualized and designed by the Accountant General's Office that will be operationalized alongside the Cash Management Policy in the next three years. The Cash Management policy and the TSA are complementary in that they help the government efficiently manage financial inflows and outflows. The CMP will ensure that the MoFD is using the most economical and effective cash flow techniques in financing government operations. The TSA on the other will consolidate all the government's cash balances into a single account at the Bank of Somaliland. This will allow the ministry to have a clear view and understanding of the government's cash inflows and outflows and in the process, help minimize the volume of idle balances in the banking system.

c) Introducing Performance and Program-Based Budgeting (PPBB)

The MoFD is currently laying the groundwork for the gradual transition to program and performance-based budgeting. Performance and program-based budgeting will ensure that budget information and decisions are structured around the objectives that the government wants to achieve rather than for line item—as is currently the case. Furthermore, spending allocations will be made based on the results that can/should be achieved, using performance data and information to track this. Introducing PPBB will help decision makers allocate resources to priority objectives (e.g., based on key NDPII sectors) and compare costs and benefits of funding different priorities. This will ensure that funding is directed towards programs that will generate the highest social-economic return to investment; it will improve the effectiveness and efficiency of service delivery and will enhance project ownership and accountability.

d) Full implementation of Somaliland’s Integrated Financial Management Information system (IFMIS)

The Integrated Financial Management Information system is an IT-based budgeting and accounting system that allows the government to conveniently manage all its financial operations and reporting activities (e.g., spending, payment processing, procurement, etc.). A lot of progress has been made to date to ensure a sustained implementation of the system at all levels of government. Presently, the budget preparation and payment process modules of the system have been fully implemented for all central government agencies. This has resulted in significant improvements in the planning, preparation, monitoring and execution of the parliament approved budgets. However, there are still a few modules remaining (e.g., the procurement module). The procurement module for example would allow government agencies to acquire in a transparent and cost-effective manner inputs needed for the timely delivery of planned public services. While progress has been substantial at the central government level, the implementation of the system is still at the early stages for local governments and public enterprises. The MoFD will therefore continue rolling out and implementing all modules of the IFMIS to all government institutions in the next three years.

e) Operationalizing a Pension Fund

The National Civil Service Commission in collaboration with the Ministry of Finance Development and relevant stakeholders are working on a pension policy and a pension plan for civil servants. The absence of a pension system for example, is currently preventing a lot of elderly workers from retiring and allowing younger and more dynamically able civil servants from taking over crucial aspects of government service delivery. As a result of this, the government—through the National Civil Service Commission and MoFD—aim to introduce a pension policy within the next three years that will provide a roadmap for the successful implementation of a pension system.

5. Appendix

Appendix 1: Forecasted Government Revenue for 2022 – 2024, S/gh

2020 Codes	2021 Codes		2020	2021	2022	2023	2024
			actual	estimate	forecast	forecast	forecast
1110105	1110105	Tax on housing benefits tax on rental income	14,018,835,427	14,976,654,132	20,895,487,289	22,851,708,162	24,991,069,063
1110201	1110201	Tax on business income	36,202,444,539	52,291,987,936	58,474,685,022	63,949,044,045	69,935,908,723
1110203	1110203	Withholding Tax (corporations & other enterprises)	35,786,586	139,741,040	143,430,908	147,218,208	151,105,512
1120101	1120101	Taxes on payroll of private employees	42,089,639,315	46,992,754,852	48,233,600,665	49,507,211,068	50,814,451,211
1120102	1120102	Taxes on payroll of public service	63,592,316,520	77,115,460,485	79,151,697,700	81,241,701,851	83,386,892,656
1140301	1140301	Tax on goods and services (GST)	266,269,730,785	280,419,915,297	307,843,009,558	336,663,056,328	368,181,215,674
1140501	1140501	Excise on goods, vehicles, tobacco, cosmetics, non-alcoholic beverage	10,924,338,820	16,950,921,194	21,130,369,730	22,915,913,259	24,852,337,521
1140804	1140804	Landing fees	2,979,900,000	3,929,450,000	4,033,207,305	4,139,704,326	4,249,013,405
1140805	1140805	Airport service charges	372,288,000	664,356,000	681,898,350	699,903,907	718,384,901
1140806	1140806	Advertisement income	715,538,270	78,767,994	80,847,866	82,982,658	85,173,819
1140807	1140807	Other income from Posts & Telecom.	4,038,679,284	7,216,020,000	7,406,559,334	7,602,129,867	7,802,864,450
1140808	1140808	Business licenses & permits	18,362,159,780	20,113,722,490	23,014,439,396	23,622,136,707	24,245,880,293
0	1140809	Work Permits (for foreigners)	-	2,726,360,000	2,798,349,659	2,872,240,208	2,948,081,840
1140813	1140813	Agricultural licenses	153,500,180	260,854,150	267,742,016	274,811,756	282,068,172
1140814	1140814	Fisheries licences/fees	2,324,534,950	2,557,685,000	2,625,220,788	2,694,539,861	2,765,689,308
1140815	1140815	Mining licenses/permits	615,273,600	1,111,539,400	1,140,889,648	1,171,014,891	1,201,935,592
1140816	1140816	Property registration tax	17,281,100,137	19,342,039,256	20,919,449,567	22,877,913,772	25,019,728,022
1140817	1140817	Registration tax in ships and boats	177,120,000	215,000,000	232,533,995	254,303,664	278,111,395
1140818	1140818	Registration tax for contracts	38,406,391,515	54,000,390,625	58,404,309,562	63,872,080,084	69,851,739,450
1140819	1140819	Income permits for use of coastal waters	-	-	-	-	-
1140820	1140820	Livestock holding ground fees	756,622,573	355,091,740	384,050,702	420,005,259	459,325,857
1140821	1140821	Administration tax	99,972,677,184	110,293,015,663	119,047,427,890	130,192,564,642	142,381,101,284
1140822	1140822	Ports royalty fees/income	36,160,734,156	34,845,634,582	35,765,735,136	36,710,130,987	37,679,463,652
1140902	1140902	Stamp duty	89,479,380,127	101,215,823,535	103,806,194,951	106,547,202,215	109,360,585,898
1140903	1140903	Income from stamps	1,799,714,418	1,650,184,956	1,693,758,164	1,738,481,925	1,784,386,619
1140904	1140904	Road tax	6,006,149,044	8,394,765,710	8,616,429,878	8,843,947,097	9,077,471,920
1140905	1140905	Road Development tax	15,454,909,530	18,986,081,502	19,487,409,841	20,001,975,778	20,530,128,851
1140906	1140906	Fuel tax (levy)	25,538,633,941	27,492,307,016	29,734,399,899	32,518,113,575	35,562,436,574
1140907	1140907	Road tax / levy	876,992,600	1,320,758,866	1,355,633,563	1,391,429,129	1,428,169,878
1140908	1140908	Levy on fuel (entering the country overland)	244,650,000	732,347,000	751,684,656	771,532,923	791,905,285
1140910	1140910	Other tax arrears	689,482,697	315,295,468	323,620,859	332,166,082	340,936,943
1140911	1140911	Livestock export levy	42,922,155,500	53,195,103,736	57,982,663,072	62,041,449,487	66,384,350,951
1140912	1140912	Tax on transport licenses	948,732,177	516,712,984	530,356,814	544,360,909	558,734,784
0	1140913	Levy on khat imports	-	8,616,537,108	9,516,205,503	10,320,337,157	11,192,418,974

1150101	1150101	Taxes on imports	823,937,974,067	904,392,804,947	998,822,111,456	1,083,223,869,697	1,174,757,685,500
1150201	1150201	Taxes on exports	1,028,593,218	868,518,842	939,349,563	1,027,290,810	1,123,465,056
1150202	1150202	Livestock Export taxes	7,674,763,944	8,487,822,618	9,180,033,958	10,039,462,302	10,979,349,726
1150601	1150601	Port taxes	87,638,188,946	94,546,356,948	104,418,114,962	113,241,580,515	122,810,640,303
1160101	1160101	Miscellaneous taxes	230,837,423	95,351,800	103,128,070	112,782,847	123,341,498
1160201	1160201	2% tax in Eastern Regions	86,703,672,851	84,143,871,889	92,929,487,416	100,782,149,106	109,298,370,850
1310101	1310101	Current grants from foreign governments	-	-	-	-	-
1320101	1320101	Current grants from international institutions	-	-	-	-	-
1330201	1330201	Income from local government supplement	62,469,717,718	-	-	-	-
1415001	1415001	Port rental fee	34,986,861,000	35,000,000,000	35,924,176,580	36,872,756,084	37,846,382,873
1415002	1415002	Income from rent-houses \$ stores	496,884,035	446,942,394	483,392,095	528,646,924	578,138,478
1415004	1415004	Berbera oil terminal rent	-	-	-	-	-
1420104	1420104	Income from sales of national resources	327,269,587	529,300,000	543,276,190	557,621,423	572,345,442
1420105	1420105	Income from sale of real estate	217,083,300	68,020,240	73,567,526	80,454,866	87,986,995
1420201	1420201	Court earnings	3,560,860,716	4,102,649,802	4,210,980,455	4,322,171,584	4,436,298,720
1420202	1420202	Income from public Notaries	248,215,262	458,426,062	470,530,823	482,955,210	495,707,665
1420206	1420206	Passport sales fee	1,025,388,500	1,487,640,000	1,526,921,201	1,567,239,625	1,608,622,658
1420207	1420207	Entry fee at airport (foreigners)	11,899,704,500	21,076,664,000	21,633,194,264	22,204,419,735	22,790,728,441
1420209	1420209	Transit tax	5,898,333,000	5,132,484,000	5,268,007,472	5,407,109,447	5,549,884,416
1420210	1420210	Income from vehicles license plate No.	12,401,963,329	14,402,370,114	14,782,665,347	15,173,002,293	15,573,646,103
1420211	1420211	Driving licenses	4,374,017,296	3,092,313,016	3,173,965,681	3,257,774,388	3,343,796,068
1420213	1420213	Entrance/exit fee for national passport	67,478,361	14,400,000	14,780,233	15,170,505	15,571,083
1420214	1420214	Visas for foreign passports	5,079,683,000	2,883,322,000	2,959,456,248	3,037,600,823	3,117,808,810
1420215	1420215	Airport parking	-	-	-	-	-
1420216	1420216	Vehicle registration	5,907,268,440	6,925,387,334	7,108,252,499	7,295,946,227	7,488,596,017
1420217	1420217	Embarcation fees for foreigners	270,900,000	254,380,000	261,096,915	267,991,191	275,067,511
1420218	1420218	Navigation fee	2,247,700,000	1,304,590,000	1,339,037,758	1,374,395,110	1,410,686,075
1430101	1430101	Prison sentences buying	636,239,569	533,290,200	547,371,752	561,825,128	576,660,145
1430102	1430102	Penalties	10,338,690,798	7,272,667,226	7,464,702,332	7,661,808,134	7,864,118,524
Sum of All Revenue			2,009,078,700,515	2,166,552,853,149	2,360,650,900,081	2,538,909,335,763	2,732,017,967,431
% Growth compared to previous year				7.8%	9.0%	7.6%	7.6%