



Citizens Budget 2024

HIRSHABELLE STATE OF SOMALIA



The 2024 State Budget



Hirshabelle State of Somalia publishes a citizen's budget version each year to make the citizens informed of the state budget in an accessible format. It is prepared by the Budget Department in collaboration with Macro-Fiscal Department of the Ministry of Finance and the objective is to inform citizens of the relevant aspects of the state budget, including forecast revenues and details of expenditure to be made. The Government of Timor-Leste's policies guided by the Strategic Development Plan are laid out in the Annual State Budget, with the objective to become an upper middle income country by 2030.

What is the State Budget?

The State Budget is a document that includes forecasts of public revenue and expenditure for the upcoming year. It is based on state priorities set by the State Government. The Ministry of Finance organizes a work-shop with members of Government to discuss national priorities and fiscal scenarios for the upcoming year. After distribution of individual fiscal ceilings, line ministries and other agencies submit their proposals to the Ministry of Finance which are compiled into one document and the Ministry issues a draft budget which is submitted to the State Cabinet. The Council of Ministers reviews the proposed budget and approves it. The proposed budget is 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.

Key Sector Allocations of 2024 Budget

Investing in People

The government is committed to strengthening the social capital sector.

Education: \$3.5 million (17% of the State Budget) is budgeted for the Ministry of Education and Tertiary.

\$2.3 million was budgeted for Somali Education for Human Capital Development project. This project intends to increase access to education by the citizens of the state.

Healthcare: 8% of the total budget, \$1.6 million was budgeted for the Ministry of Health and Social Care. \$480,000 to Health Service delivery. \$307,200 to DAMAL CAAFIMAAD project.

\$280,671 to health system strengthening. \$200, 000 to HSS COVID19 Emergence Preparedness response.

Investing in Infrastructure and Economic Development

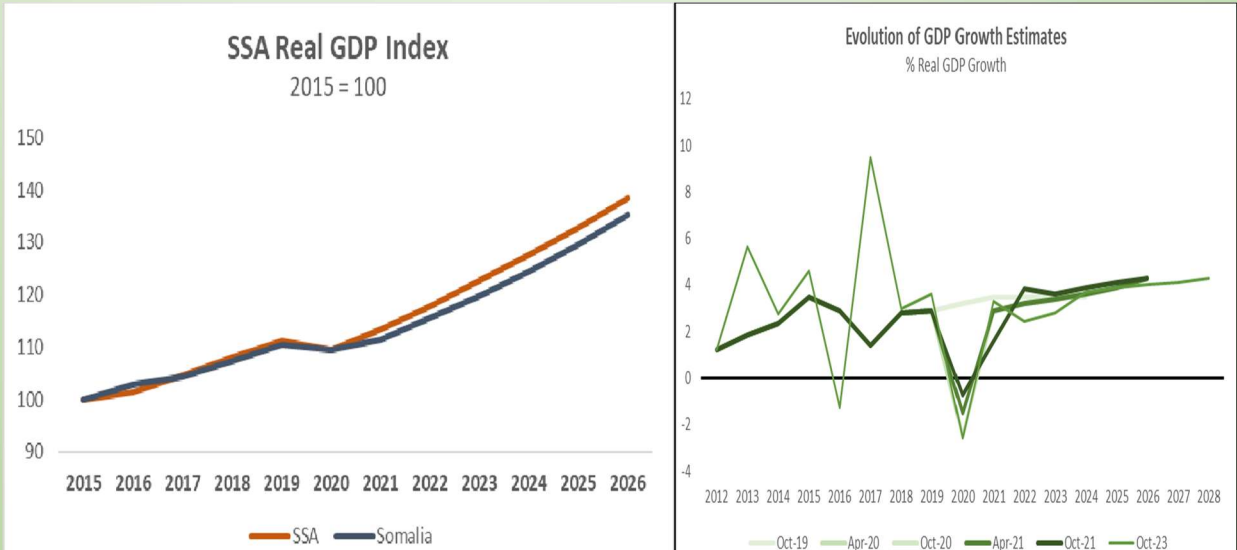
- ❖ 2024 Budget finances the rehabilitation and building state infrastructure including airports, roads, dams and irrigation system.
- ❖ 2024 State Budget will also finance flood control programs in both Hiran and Middle Shabelle regions to prevent as well as mitigate the impact of recurrent floods in the State.
- ❖ \$1.9 million to the Ministry of Water to implement water project that will enable citizens access to clean and safe drinking water.
- ❖ \$703,128.43 to the Ministry of Agriculture and Irrigation Systems to provide the farmers inputs such as fertilizers, seeds and other agricultural tools to increase farm production.
- ❖ \$348,529.29 to the Ministry of Livestock: The purpose is to improve the livelihood of pastoralists and assist them in dealing with climate change impact on livestock production.

Strengthening Institutions

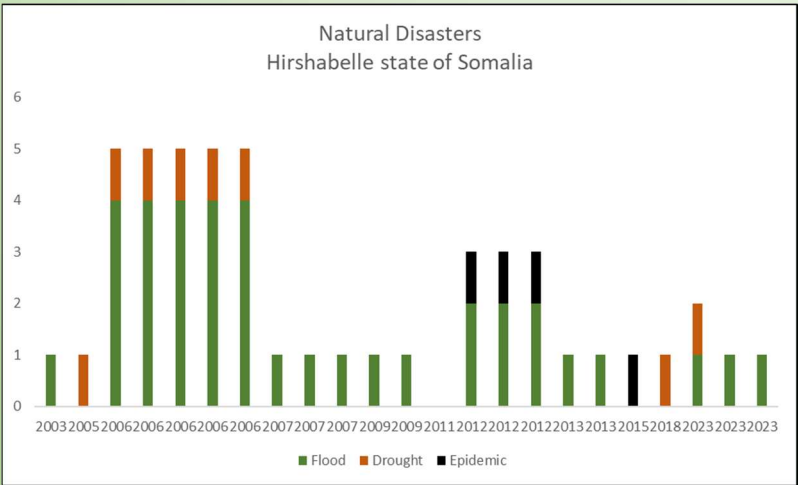
- ❖ \$74,040 to the Ministry of Justice to establish local courts in the newly liberated areas in both Hiran and Middle Shabelle regions.
- ❖ \$1,250,040 million to the Ministry of Security and Rehabilitation to recruit security personnel to restore law and order in the newly liberated areas.
- ❖ 2024 Budget allocated \$3,977,018 (% of the total budget) to the Interior Ministry to form city council in the remaining towns of the state and organize city council elections to enhance good governance.

Macroeconomic assumptions of the State Budget

Medium-term recovery is projected to be modest as risks remain significant. Real GDP growth is projected to expand to 3.5 percent in 2024 and 3.8 percent in 2025, slightly outpacing the estimated population growth of 2.8 percent. Economic reforms and post HIPC investor confidence should attract FDI and encourage increased broad based private sector activity, which will gradually boost the low domestic productive capacity. The growth projections are also anchored on a gradual recovery of the agriculture sector and continued easing of the global commodity prices. Nonetheless, the outlook is subject to significant risks including climatic shocks, security threats, and global economic shocks. The poverty rate is projected to remain at around 73 percent between 2023 and 2025. Accelerating the pace of poverty reduction will require policy interventions and public investments that raise productivity, strengthen resilience, create jobs, and expand pro-poor programs that focus on women and youth.

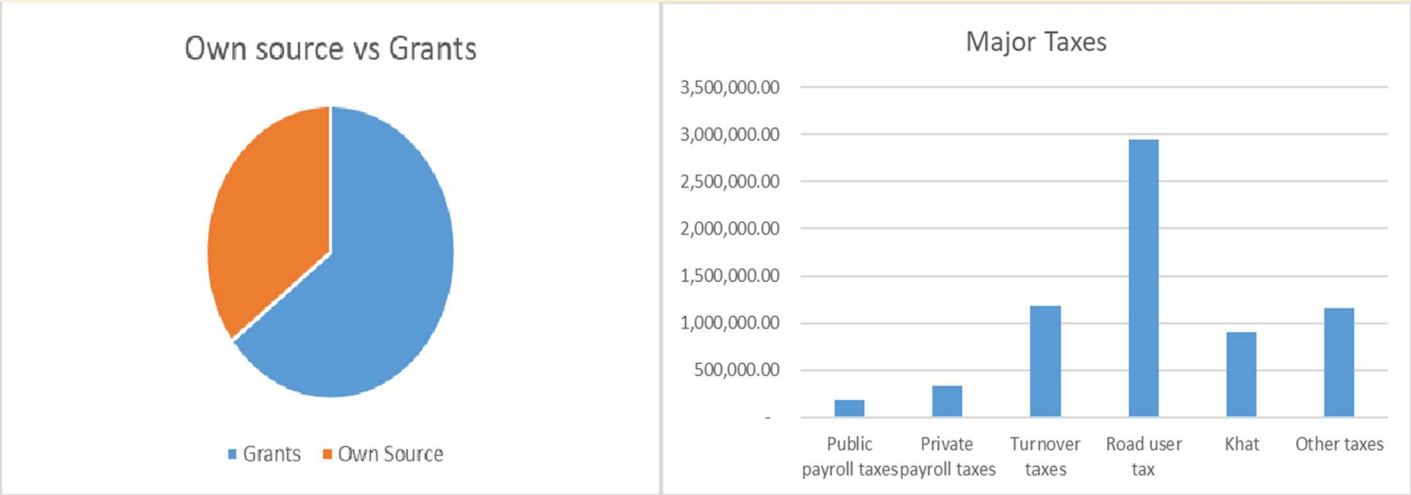


The state often faces natural disasters including recurrent floods due to the recently El Nino rains in the state during 2023. The state is also expected to face droughts and rain failure during 2024.



Revenue

Own source revenues are expected to account 26% of the total revenues of 2024 budget while the grants account for the remaining 64%. Total own source revenues are forecasted to reach \$7 million in 2024 a decrease of more than 50% in an effort to increase the budget credibility in the state. Tax revenues consistently comprise the largest source of domestic revenue, estimated to total \$6791220. Taxes revenues are predicted to increase compared to the previous year due to the newly adopted harmonized progressive income tax.



Expenditure

Total expenditure for 2024 budget is \$20,013,662.99 million (including donor funding activities). As the figure below illustrates government’s public expenditures are planned for the security, improving education and health services and investing in key economic infrastructures of the state.

