

Technical Assistance to Strengthen Capabilities (TASC) Project

Somalia nutrition budget analysis

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SUBMITTED BY DAI IN ASSOCIATION WITH



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Executive summary

Malnutrition is a key impediment to the social and economic development and the wellbeing of Somalia's population. Accordingly, strengthening investment in nutrition interventions at the national and sub-national level is a key development priority in Somalia. This analysis focuses on budgetary allocations at the federal level, to ministries, departments and agencies (MDAs) that implement nutrition related interventions. The analysis covers the period 2018 to 2021 and is based on the SUN Nutrition Budget Analysis methodology. Due to data limitations, a detailed analysis at programme or sub-programme level was not possible.

Key findings

A total budget of US\$3 billion was allocated to the MDAs that are responsible for nutrition interventions, between FY2018 and FY2021. These funds went to 12 MDAs in various thematic sectors, including agriculture, health, social protection, and WASH.

Budget allocations increased significantly from US\$302 million in the pre-Covid-19 period (FY2018 and FY2019) to US\$2.7 billion during the pandemic (FY2020 and FY2021). The increase mainly went to the social protection and health sectors.

Overall, the increase in budgetary allocations in FY2020 is attributed to the Covid-19 pandemic, the adoption of the ninth Somalia Development Plan and ongoing Public Finance Management reforms, particularly reaching the Heavily Indebted Poor Countries decision point, which facilitated access to more external resources.

In the pre-Covid-19 period (FY2018 and FY2019), budgetary allocations to MDAs that are responsible for nutrition related interventions accounted for less than 5% of the total budget of the federal government. However, the proportion of the budget allocated to nutrition relevant MDAs increased to 19.6% in FY2020, but reduced to 14% in FY2021.

There has been a notable shift in sectoral nutrition spending between FY2018 and FY2021. Pre-Covid-19 (FY2018 and FY2019), nutrition-related budgetary allocations mainly went to the health, social protection, and agriculture sectors, which accounted for 27.6%, 25.1% and 23.4% of the annual allocations respectively, on average. However, in FY2020 and FY2021, 60.5% of the budget allocations were earmarked under the social protection sector, while 29.5% went to the health sector.

The significant increase in allocations to the social protection sector, particularly in FY2020, is attributed, in part to the establishment of the Safety Net for Human Capital Project to provide income support to households living in poverty.

There is a significant shift away from nutrition-relevant spending on wages, salaries, and allowances between FY2018 and FY2021. In the pre-Covid-19 pandemic period (FY2018 and FY2019), 80.4% of the budget allocated to nutrition-relevant MDAs, on average, was earmarked for payment of wages, salaries and allowances. However, during the Covid-19 pandemic (FY2020 and FY2021), the proportion of the budget that went to wages and salaries reduced significantly to an average of 9.6%.

A key challenge that impedes effective tracking of budgetary allocations to nutrition in Somalia is limited access to financial data that is disaggregated by programme, sub-programme or projects. There is also limited access to data that is disaggregated by source of funding. While actual expenditure data was available, it was excluded from the analysis because its accuracy could not be verified.

Recommendations

The federal and state governments should collaborate to improve the quality of financial data by disaggregating it by programme, sub-programme or project, and by source of funding.

The federal government should consider establishing an integrated open data platform that contains standardised financial data for the federal and state governments. This will enhance access to and utilisation of quality data to track nutrition budget allocations and expenditures.

The improved budgetary allocation, especially in FY2020 should be sustained over the medium term to ensure continued availability or access to nutrition related interventions.

The federal government should increase budgetary allocations to cross-cutting sectors such as gender that are key to the realisation of nutrition outcomes. The analysis showed a decrease in budget allocation to MDAs that are responsible for women and youth affairs. Improved budgetary allocations to these MDAs is critical for ensuring empowerment of women to access food and services such as health and WASH to ensure nutrition security.

In future, detailed analysis should be conducted to determine the level of investment in nutrition-specific and nutrition-sensitive interventions at national and sub-national levels.

Analysis of off-budget resource allocations and actual expenditures to nutrition related interventions should be conducted in future to provide a more accurate picture of the level of investment in nutrition in Somalia.

Introduction

Malnutrition is a major public health concern in Somalia, affecting the survival and wellbeing of the country's population. Children, women of reproductive age, and adolescents from poor and marginalised communities bear the greatest burden of malnutrition in Somalia.ⁱ Malnutrition is strongly associated with increased morbidity, mortality, poor/delays in cognitive development, disability, and poor health. The long-term negative impacts of malnutrition on health, learning ability and productivity impede socio-economic development, leading to a vicious cycle of poverty, especially among vulnerable and marginalised communities.ⁱⁱ

Malnutrition in Somalia is caused by a wide range of challenges that are linked to food insecurity, morbidity, and poor caring practices. Inadequate infant feeding and child and maternal care; poor hygiene and sanitation; limited access to healthcare; and low dietary diversity, are identified as key drivers of malnutrition in Somalia.ⁱⁱⁱ

Nutrition is a key development priority in Somalia, as evidenced by the establishment of a supportive policy framework. The Somalia Nutrition Strategy 2020-2025 is aimed at enhancing access to essential nutrition specific and sensitive services for all Somalis, especially among vulnerable groups such as children and women. The Somalia National Food Fortification Strategic Plan 2019-2024 is designed to facilitate improvement of the nutritional status of Somalis by addressing micronutrient deficiencies through national food fortification. The Somalia National Development Plan integrates key interventions aimed at improving nutrition outcomes. Also, nutrition has been included in sectoral plans and policies in key sectors such as health, agriculture and social protection. In Parliament, a Nutrition Security Sub-Committee has been established to lead advocacy on nutrition issues, including improved resource allocation and institutionalisation of the nutrition agenda across the government. The 2020 Joint Assessment by the Multi-stakeholder Platform for Somalia showed that between 2019 and 2020, budget allocations to nutrition in the ministries responsible for agriculture, livestock and health increased by an estimated 3%, in part due to advocacy at Parliament level.^{iv}

Adopting a multi-sectoral approach to address malnutrition relies, in part, on the extent to which the government can mobilise adequate resources and make optimal investments in nutrition programmes in relevant sectors. However, a key challenge that policymakers struggle with in Somalia and other developing countries is a dearth of evidence and data to support planning and investment in impactful nutrition interventions.

This analysis is a continuation of a previous nutrition budget tracking exercise for Somalia, which was conducted in 2019 and covered planned spending in fiscal years 2016 and 2017. The previous analysis, showed that allocations to nutrition-relevant ministries in 2016 and 2017 were a small proportion of the overall budget, which was dominated by spending on security.

The key objective of this analysis is to estimate the budgetary allocations to nutrition by the Federal Government of Somalia from both domestic and external sources. The domestic public resources include all tax and non-tax revenues collected by the federal government, while external resources include on-budget^v donor support provided to the government.

The tracking exercise also identifies sectors with nutrition budgets. The key outcome is to provide evidence for advocacy to strengthen budgetary allocations to nutrition interventions. However, due to data limitations (see Annex) the analysis does not provide a breakdown of the planned spending by source of funding and actual nutrition-related expenditures. Also, the analysis does not include subnational planned spending earmarked for nutrition due to data constraints.

The data available for this analysis is aggregated at the ministry level with no breakdown of planned spending by programme or sub-programme which would facilitate a detailed analysis. This is explained in the methodology section (see annex). Due to the high level of data aggregation, the analysis is likely to be an overestimate of nutrition-relevant budgetary allocations. The analysis covers the fiscal years 2018 to 2021 (FY2018-FY2021). This makes it possible to compare budgetary allocations/planned spending in the pre-Covid-19 pandemic (FY2018 and FY2019) with those during the Covid-19 period (FY2020 and FY2021). The analysis adopts a multisectoral approach, reviewing the budgets for all ministries, departments and agencies (MDAs) that have a mandate/role in the implementation of nutrition interventions. The analysis is based on the Scaling Up Nutrition (SUN) Movement budget analysis methodology^{vi}, which is discussed in the Annex of this report.

Budget analysis process

This analysis was conducted during the 7th Round of Scaling Up Nutrition Budget Analysis in 2021. The process was initiated in June of 2021 by the SUN Somalia team, which is under the Office of the Prime Minister, through a formal request to SMS for technical support to complete a budget analysis exercise. The SMS then communicated the request to the TASC Consulting Team for consideration. Next, a scoping meeting was organised by SMS to enable the TASC, SMS, and Somalia Country Team to discuss and agree on the nature of the technical support that was needed, the scope of the analysis, the timeline for the analysis, availability of financial data, and the roles and key contact persons involved in the analysis. Apart from technical support for budget analysis, the Somalia Country Team requested for capacity building support to equip them with the skills and knowledge to conduct future budget analyses on their own. This request was incorporated in the budget analysis process and the support was provided primarily through training of two key country representatives and workshops with the broader national team.

The financial data was collected by the Somalia Country Team and sent to the TASC Consulting Team for an initial review to determine if it was adequate for conducting the requested analysis. As discussed in the methodology, the data lacked adequate disaggregation to facilitate a detailed analysis of nutrition budget allocation (*see methodology section for data challenges*). Accordingly, the TASC Consulting Team proposed three options to the Somalia Country Team regarding the approach that could be taken for the analysis:

1. Collect more data that is disaggregated by programme or sub-programme to facilitate a detailed analysis.
2. Involve/consult all relevant MDAs in the analysis to provide more information on their programming and relevant budget lines to be included in the analysis.
3. Conduct a basic analysis, focusing on budgetary allocations to MDAs that implement nutrition-related interventions. As stated earlier, this approach was likely to overestimate budgetary allocations to nutrition.

The first two options were not possible because the Somalia Country Team was not able to access data that is sufficiently disaggregated for a detailed analysis and consulting MDAs was not possible due to the limited time that was available for the analysis and the Covid-19 restrictions. After consultations, the Somalia Country Team agreed to proceed with the basic analysis due to data and time constraints. The following steps were then followed to complete the budget tracking exercise:

1. The Somalia Country Team was trained on the SUN Nutrition Budget Analysis approach and how it was to be applied in this analysis, as part of the capacity building process.
2. A list of key terms was developed to facilitate identification of the relevant budget line items based on a review of national nutrition policy/planning documents, the list of key terms provided in the SUN Guidance Note, the list used for the previous Somalia budget analysis and the budget data. The list of key terms was reviewed, discussed and validated by the country team.
3. An initial data analysis was conducted to provide preliminary findings on nutrition budget allocations.
4. The preliminary findings were presented to the Somalia Country Team for discussion and feedback, including identification of areas that required consulting government officials to access additional information through interviews.
5. A draft report, highlighting the preliminary findings was then prepared, reviewed by TASC's technical leads for quality assurance, and sent to the Somalia Country Team to review and provide their feedback.
6. Given the data constraints, a questionnaire was prepared to collect additional qualitative/quantitative information on the budgetary allocations. The questionnaire was completed by the government Economic Advisor.
7. A final report and a slide deck, highlighting the key findings from the analysis was prepared.
8. A presentation of the findings was made to the Somalia Country Team and the Somalia Nutrition Cluster as part of the broad dissemination process.

Findings

Overall budget allocations to MDAs that are responsible for nutrition interventions

The ministries, departments and agencies (MDAs) that are responsible for nutrition interventions had a total/combined budget of **US\$3 billion** between FY2018 and FY2021. These funds were allocated to 12 MDAs in five thematic sectors (Table 1).

Table 1: Recipients of nutrition-relevant budget, FY2018 to FY2021

Ministry, department, agency (MDA)	Thematic sector
Environmental Directorate	Agriculture
Ministry of Fishery and Marine Resource	Agriculture

Ministry of Livestock and Forestry	Agriculture
Offshore and Fisheries Development Project	Agriculture
Ministry of Women and Human Rights Development	Enabling environment/cross-cutting
Ministry of Youth and Sport	Enabling environment/cross-cutting
Ministry of Health	Health
Ministry of Humanitarian Affairs and Disaster Management	Social protection
Somali Refugee and IDPs Commission	Social protection
Disabled and Orphans Organisation	Social protection
Ministry of Labour and Social Affairs	Social protection
Ministry of Water and Energy	WASH

Budget allocations increased ninefold, that is, from US\$302 million in the pre-Covid-19 period (FY2018 and FY2019) to US\$2.7 billion during the pandemic (FY2020 and FY2021). The main beneficiaries of this increase are the social protection and health sectors, which are leading the response to the health and socio-economic impacts of Covid-19, including on food insecurity and malnutrition.^{vii}

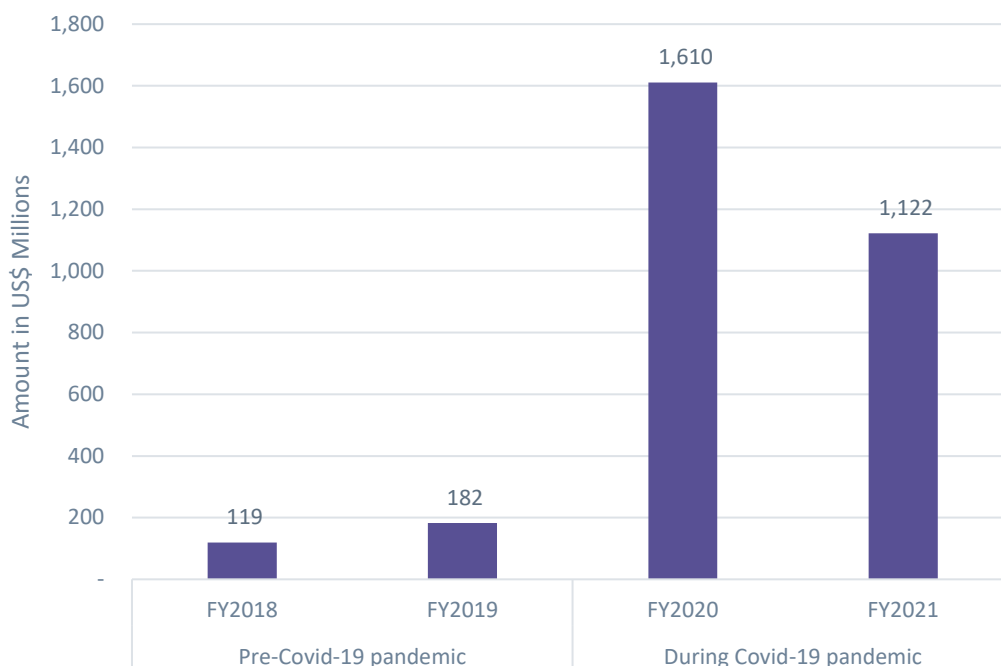
The significant increase in budgetary allocations from FY2020 is attributed to several factors. First, it is attributed to the ongoing public finance management reforms in Somalia. In March 2020, Somalia qualified for the Heavily Indebted Poor Countries (HIPC) Initiative^{viii}, allowing the country to access regular concessional financing from a number of development partners/international financial institutions such as World Bank/IDA, and initiating the debt relief process.^{ix} Also, the country continues to strengthen its fiscal management capacity^x leading to improved financial reporting and more access to grants from donors.^{xi} These reforms have facilitated improved planning and allocation of more resources to development priorities such as nutrition.

Second, the Covid-19 pandemic contributed to the increase in the budgetary allocations, particularly in sectors such as health and social protection, to respond to the health, social and economic impacts of the pandemic. Qualitative data collected for this analysis indicated that budgetary support provided to the Federal Government of Somalia by donors/development partners enabled increased allocation of resources to sectors such as health and WASH which are critical for the response to the Covid-19 pandemic and thus indirectly impacting nutrition security.

Third, the adoption of the ninth Somalia National Development Plan, 2020-2024 contributed to the increased budgetary allocations. The plan outlines several development priorities, including nutrition^{xii}, which were given specific budgets to facilitate their implementation in various sectors in FY2020 and FY2021.

While budget allocations in FY2020 and FY2021 were higher than the pre-Covid-19 period, the general planned nutrition budget was less by 30% in FY2021, compared with FY2020, due to reductions in social protection earmarked budgets in FY2021, (Figure 1).

Figure 1: Budget allocations to MDAs that are responsible for nutrition interventions, FY2018-FY2021

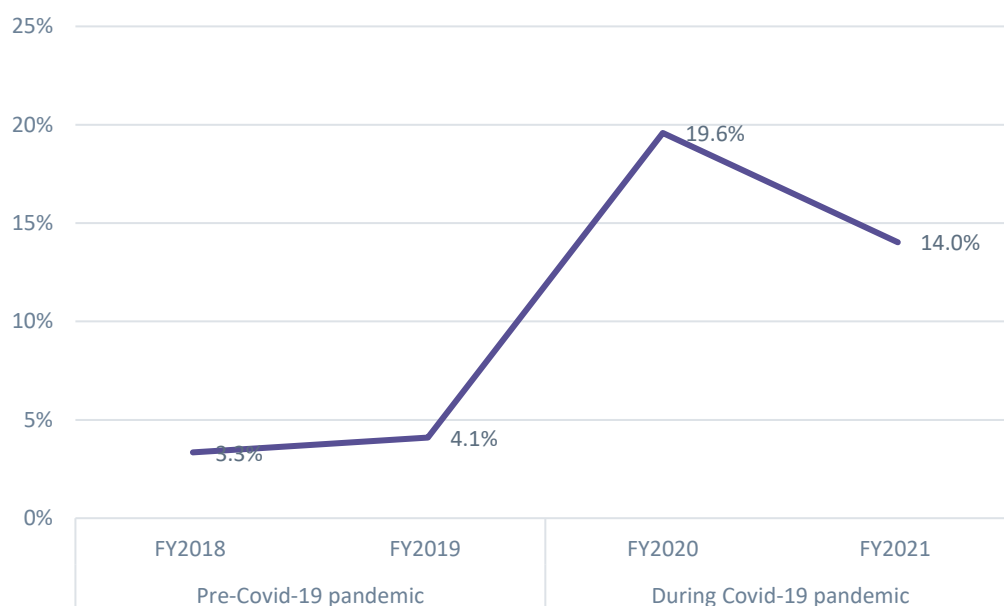


Source: Development Initiatives based on Federal Government of Somalia’s budget data

Overall budget allocations as a percentage of the total Federal Government’s budget

Budget data during the Covid-19 pandemic period shows a clear shift in spending priorities in favour of MDAs that are nutrition-relevant. In the pre-Covid-19 period (FY2018 and FY2019), the total budget allocated to MDAs that are responsible for nutrition interventions were a small proportion (less than 5%) of the overall budget of the Federal Government of Somalia (Figure 2). In FY2020, allocations to MDAs that are responsible for nutrition interventions accounted for nearly 20% of the overall budget, but this reduced to 14% in FY2021. Sustaining the improved prioritisation of MDAs with a nutrition mandate in annual budgetary allocations is critical for ensuring effective implementation of interventions aimed at addressing malnutrition over the medium and long terms.

Figure 2: Budget allocations to MDAs that are responsible for nutrition interventions as a % of the overall budget, FY2018-FY2021



Source: Development Initiatives based on Federal Government of Somalia's budget data

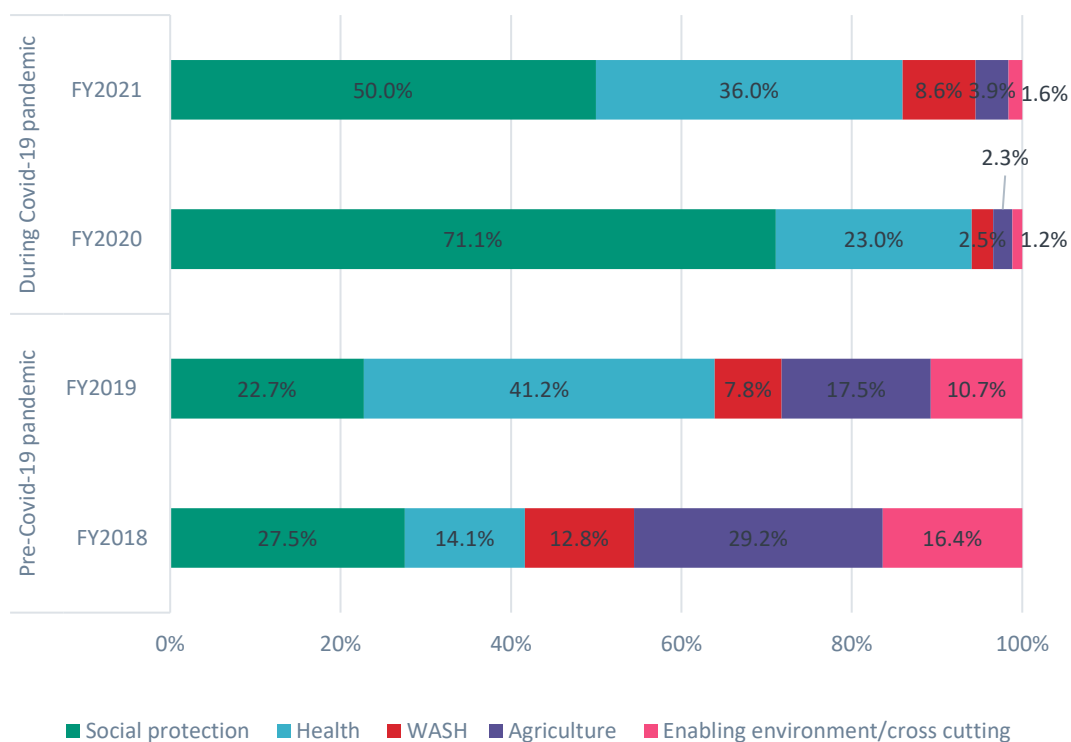
Budget allocations by thematic sector

In the period FY2018 to FY2021, the thematic sectors that had nutrition relevant budgets include, agriculture, health, social protection, WASH and cross-cutting (women and youth), see table 1 above. There has been a notable shift in sectoral nutrition spending between FY2018 and FY2021, with more than three-quarters of nutrition spending, pre-COVID-19, going to three sectors. In FY2018 and FY2019, nutrition-related budgetary allocations mainly went to the health sector, which accounted for 27.6% of the annual allocations, on average. This was followed by the social protection sector at 25.1% and agriculture at 23.4% of the annual budget allocations to MDAs that implement nutrition programmes. However, from FY2020, 90% of nutrition budget was earmarked by two sectors (Figure 3). Specifically, in FY2020 and FY2021, 60.5% of the budget allocations was earmarked under the social protection sector and 29.5% of nutrition budget planned by the health sector. The significant proportion of the budget allocated to the social protection sector is consistent with the Somalia Common Results Framework (CRF) which shows that social protection is the main nutrition cost driver in Somalia. Specifically, the CRF shows that 50.9% of the US\$3.8 billion required to implement nutrition interventions between 2019 and 2023, is earmarked for social protection interventions, including unconditional food and/or cash-based food assistance, specialised nutritious foods and gender-transformative nutrition messaging.

The significant increase in allocations to the social protection sector is attributed, in part, to the establishment of the national safety net programme. In 2019, the Federal Government of Somalia developed the first Social Protection Policy, through the Ministry of Labour and Social Protection, to facilitate implementation of a national social protection system. Accordingly, in 2020 the Federal Government of Somalia, with assistance from World Bank, UNICEF, and WFP launched the Safety Net for Human Capital Project (SNHCP) to provide income support to

households living in poverty.^{xiii,xiv} The SNHCP is a national cash transfer programme that provides nutrition-linked unconditional cash assistance to vulnerable households. Qualitative data collected for this analysis indicates that the SNHCP provided income support to vulnerable groups such as women, Internally Displaced Persons (IDPs) and marginalised communities to cope with the socio-economic impacts of Covid-19 pandemic in FY2020 and FY2021.

Figure 3: Proportion of the nutrition-related MDA budget going to various thematic sectors, FY2018-FY2021

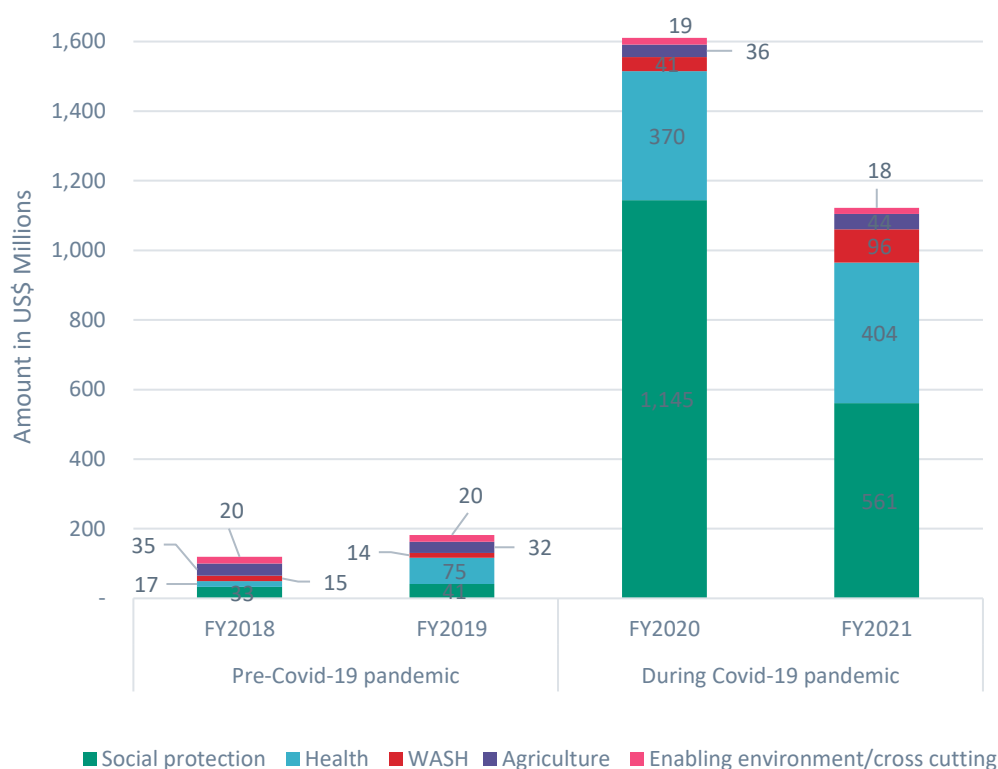


Source: Development Initiatives based on Federal Government of Somalia’s budget data

The increase in planned spending on use of goods and services contributed in part to the increase in the budget for the health sector during the Covid-19 pandemic (Figure 4). These were mainly goods and services aimed at supporting programme and/or general Ministry of Health’s operations including drugs, specialised medical supplies, and utilities.

Overall, only the enabling environment/cross-cutting sector had a lower budget (a reduction of 6.3%) during the Covid-19 pandemic, compared with the pre-pandemic period. This reduction is attributed to a cut in the planned spending in the ministries responsible for women and youth affairs.

Figure 4: Nutrition-related MDA budget allocations by thematic sector, FY2018-FY2021



Source: Development Initiatives based on Federal Government of Somalia's budget data

Budget allocation by economic classification

A budget classification system is an important aspect of budget management, as it determines the way budget/financial data is recorded, presented, and reported to ensure transparency and coherence of the budget. Classifying expenditures and revenues facilitates policy formulation, monitoring of performance, efficient allocation of resources, compliance with budgetary allocations approved by the legislature, and effective budget administration. In Somalia, budget classification is guided by the Budget Appropriation Act, which defines the manner in which revenues and expenditures are classified and reported in each fiscal year. The Somalia budget data is organised based on the administrative classification and economic classification systems. The administrative classification identifies the ministries, departments and agencies (MDAs) that are responsible for managing or spending the public funds allocated to various functions in each fiscal year. The economic classification provides details on the type of expenditure incurred, for instance, payment of wages, to facilitate identification of the nature of transactions made by various MDAs. The Somalia budget classifies expenditures under eight categories, in line with the IMF Government Finance Statistics Manual 2014.^{xv} These are:

- Compensation of employees – includes wages, salaries, and allowances paid to government employees.
- Goods and services – general expenses such as rent and utilities, training expenses, and consumables such as health/medical supplies.

- Consumption of fixed capital/nonfinancial assets – expenses related to acquisition of fixed assets such as buildings, machinery, equipment and furniture.
- Subsidies – funds earmarked for subsidising the cost of certain services such as water to enhance access.
- Grants – transfers to government units, including subnational governments for a specific purpose.
- Social benefits – include social security and social assistance to vulnerable groups.
- Interests – interests paid on loans.
- Other expenses – transfers/expenditures not classified in any other category.

Every ministry, department or agency is required to report their expenditure based on the above classifications.

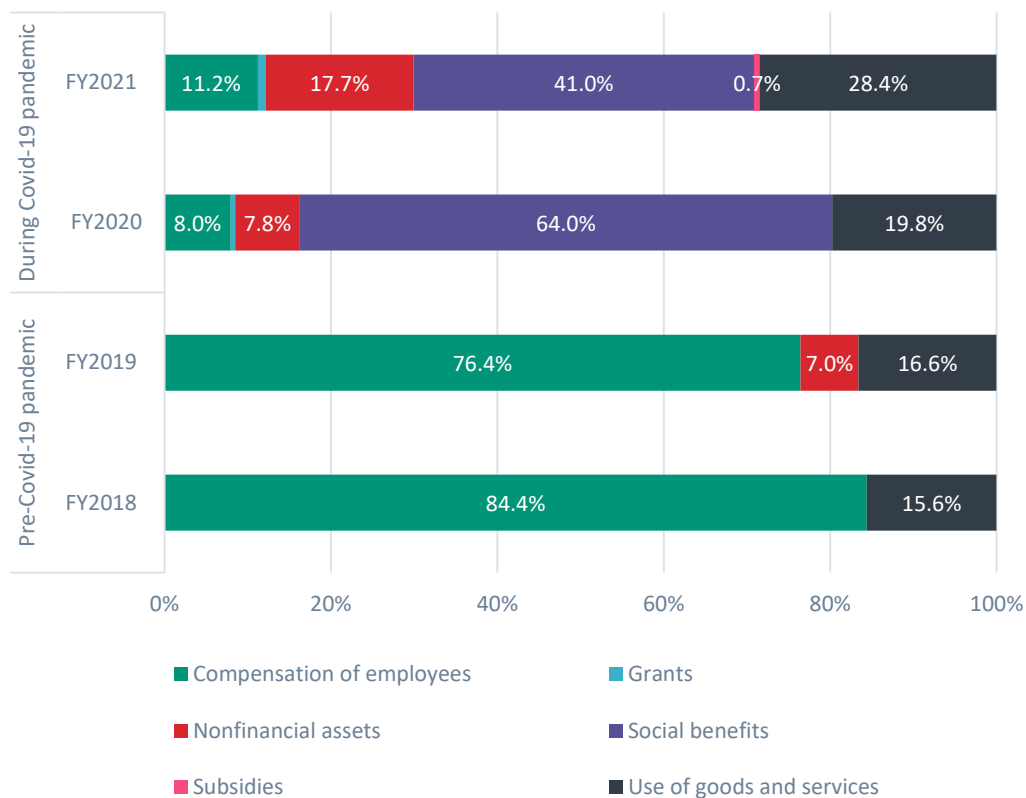
There is a remarkable shift away from nutrition-relevant spending on wages, salaries, and allowances between FY2018 and FY2021 (Figure 5). In the pre-Covid-19 pandemic period (FY2018 and FY2019), 80.4% of the budget allocated to nutrition-relevant MDAs, on average, was earmarked for compensation of employees, that is, payment of wages, salaries and allowances. However, during the Covid-19 pandemic (FY2020 and FY2021), the proportion of the budget that went to compensation of employees reduced significantly to an average of 9.6%. Overall, compensation of employees accounted for 45%, on average, of the budget allocated to nutrition-relevant MDAs between FY2018 and FY2021. This was followed by social security benefits/safety nets at 26.2% and use of goods and services at 20.1%.

While social security benefits/safety nets did not have a budget allocation in the pre-Covid-19 period, they accounted for 52.5% of the budget during the pandemic. Furthermore, the proportion of the budget earmarked for acquisition of non-financial assets increased from 3.5% in the pre-pandemic period to 12.8% during the pandemic. The non-financial assets include general equipment, office space/buildings, vehicles and machineries that facilitate implementation of programmes by various MDAs in nutrition-relevant thematic sectors such as health, agriculture, and WASH.

Planned spending on subsidies was allocated a budget only in FY2021 in the WASH sector, particularly for the Ministry of Water and Energy (Figure 5). The subsidies were earmarked for non-financial private enterprises, which include several service providers that work with the government to provide water and electricity to households. The government has established partnerships with private service providers to deliver free or subsidised water and electricity to vulnerable groups such as Internally Displaced Persons (IDP) and poor IDP host communities. The funds allocated to subsidies were, therefore, earmarked for compensating private service providers for the services provided to vulnerable groups at free or below market prices.

Grants which accounted for 0.5% and 1% of the budget in FY2020 and FY2021 respectively were earmarked for various government units and international organisations at the subnational level in the health sector. Qualitative data showed that the Federal Ministry of Health received grants from donors, which were incorporated in the government budget in FY2020 and FY2021. The grants were not only used at the federal level, but were also disbursed to other government units, particularly the Federal Member State ministries of health to support subnational provision of health services. Furthermore, part of the donor support (grants), for activities such as Covid-19 response was earmarked for international organisations such as WHO and UNICEF which are working with the government to deliver services based on their experience and capacity. The grants were mainly used for health-related activities such as procuring medicines, vaccinations, purchase of personal protective equipment including gloves and masks, and procurement of medical equipment.

Figure 5: Nutrition-related MDA budget allocations by economic classification, FY2018-FY2021



Source: Development Initiatives based on Federal Government of Somalia’s budget data

Nutrition interventions in Somalia are mainly funded by external resources, both on-budget and off-budget. Donor funding accounts for an estimated 90% of nutrition related spending, while domestic public resources account for 10%.^{xvi} Also, several non-governmental organisations are investing in nutrition related programmes in Somalia, but these are not always captured in government financial documents or records. Estimating the amount of off-budget resources allocated to nutrition in Somalia, therefore, requires collecting data from reputable databases such as the Organisation for Economic Cooperation and Development’s (OECD) Development Assistance Committee’s (DAC) Creditor Reporting System (CRS). While on-budget and off-budget donor funding is critical for implementation of nutrition programmes in Somalia, access to such funding is not always predictable due to the rising humanitarian needs that donors/development partners have to address in Somalia and other fragile countries.

Conclusion

Alongside commitments in national policies and strategies, nutrition budgetary allocations to MDAs is an important indicator of the government's commitment to address malnutrition. The Federal Government of Somalia has made significant progress in prioritising and increasing budgetary allocations to nutrition-relevant MDAs/sectors, particularly during the Covid-19 pandemic. The social protection and health sectors have particularly benefited from increased funding during the Covid-19 pandemic. Sustaining the improved budgetary allocations over the medium term is necessary to ensure continued access to nutrition interventions.

However, the absence of disaggregated financial data by programme, sub-programme and/or activities/projects makes it difficult to precisely estimate the nutrition investment efforts by the Federal Government of Somalia. Moreover, while progress is being made by the government to report *actual spending* or expenditures in various sectors, the accuracy of the data, as explained in the methodology, remains questionable, limiting understanding of the extent of budget utilisation. Therefore, it is not possible to analyse whether the allocated resources are going towards planned interventions to address nutrition needs.

Access to data is crucial for planning and budgeting. Improving availability, access and utilisation of quality financial data, should therefore be considered a priority policy area that requires urgent attention in the short-term. Improved utilisation of quality data for planning and budgeting is expected to facilitate optimal investment in appropriate nutrition interventions by both the government and development partners.

Recommendations

The federal and member state governments should collaborate and improve the quality of financial data. Specifically, the budget and actual spending data should be disaggregated by programme, sub-programme or project, and by source of funding. This will facilitate effective tracking of funds allocated to nutrition interventions.

To enhance access to and utilisation of quality data to track nutrition budget/spending, the federal government should consider establishing an integrated open data platform that contains standardised financial data for the federal and state governments. Improved access to quality data will ensure transparency in public resource utilisation and support advocacy for improved allocation of resources to nutrition interventions.

The improved budgetary allocation, especially in FY2020 should be sustained over the medium term. This will ensure continued availability or access to nutrition related interventions, especially social safety nets which had a budget cut in FY2021.

The federal government should improve budgetary allocations to cross cutting sectors such as gender that are key to realisation of nutrition outcomes. The analysis showed a decrease in budget allocation to MDAs that are responsible for women and youth affairs. Improved budgetary allocations to these MDAs is critical for ensuring empowerment of women to access food and services such as health and WASH to ensure nutrition security.

In future, detailed analysis should be conducted to determine the level of investment in nutrition-specific and nutrition-sensitive interventions at the federal and federal member state levels. This should include analysis of actual nutrition expenditure.

Analysis of off-budget resource allocations to nutrition related interventions should also be conducted in future to provide a more accurate picture of the total level of investment in nutrition in Somalia. This will require dedication of enough time and resources to collect and analyse data from reputable sources including the DAC-CRS database.

Annex: Methodology

The analysis is based on the SUN's budget analysis approach,^{xvii} which has three sequential steps. These are:

1. Identify nutrition budget line items
2. Categorise the identified budget line items as nutrition-specific, nutrition-sensitive or potentially nutrition-sensitive
3. Analyse the budget data

To identify the budget line items, we began with a review of relevant national policies/strategies/plans. This enabled us to understand the nutrition priorities of the country and the MDAs that are responsible for the implementation of nutrition-relevant interventions. The documents reviewed include the Somalia Nutrition Strategy 2020-2025 and its predecessor the Somalia Nutrition Strategy 2011-2013, the SUN Social Mobilisation, Advocacy and Communications Strategy 2019-2021 and the Somalia National Food Fortification Strategic Plan 2019-2024.

Building on this initial review, a list of key terms was developed to facilitate identification of the relevant budget line items. The list of key terms draws from the list provided in the SUN Guidance Note,^{xviii} the reviewed policy/planning documents, the list used for the previous Somalia budget analysis and the budget data. The list of key terms was reviewed and validated by the country team before the analysis.

The SUN nutrition budget analysis methodology provides the following criteria for evaluating and consideration of budget line items for inclusion in the analysis:

- The budget line item clearly reflects a sectoral priority that is included in multisectoral planning efforts for nutrition
- It is possible to identify the target population in terms of direct and indirect beneficiaries
- It is possible to define a measurable outcome, recognise where this outcome stands within the nutrition impact pathways and monitor this outcome using existing information systems.

However, detailed evaluation of the budget lines, including their categorisation as nutrition-specific or nutrition-sensitive was not possible due to inadequate data disaggregation.

Data and data challenges

Lack of disaggregated financial data was the main challenge encountered. The financial data that was available for this analysis included budgetary allocations and actual expenditure for four fiscal years, that is, FY2018 to FY2021. The data was obtained from the Ministry of Finance. The data was reviewed, cleaned, and organised for analysis. The review, however, revealed significant data gaps, which limited the extent to which a detailed analysis could be done. Specifically, there were no details about the programmes, sub-programmes, projects, or activities implemented by various MDAs between FY2018 and FY2021. The budget data was organised by broad economic classifications such as use of goods and services, compensation of employees and acquisition of non-financial assets and included budget allocations for all MDAs at the federal level. The description of the budget line items was very basic, providing only information on the funds allocated to wages and salaries, utilities, repairs and maintenance, etc. The implication of this challenge is that it was difficult to evaluate the extent to which the budget line items were relevant for nutrition. A detailed analysis at programme, sub-programme or

project level was, therefore, not possible using the available data. Also, the budget data is not disaggregated by source of funding. Accordingly, it was not possible to identify the components of the budget that were funded by domestic public resources and those funded by external resources.

Analysis

Given the above data challenges, a basic analysis was conducted at the MDA level (see table 1 for included MDAs). Building on the previous analysis for Somalia, the current analysis focused on budgetary allocations to MDAs that are responsible for implementation of nutrition interventions. The MDAs were identified using the keyword search methodology. The mandates and programmes of the identified MDAs were then reviewed based on the information available on their websites and sectoral policy documents to determine how they contribute to achievement of improved nutrition outcomes.

It is likely that the findings are an overestimation of the Federal Government of Somalia's investment commitments towards nutrition. Since the budgetary allocation details are only disaggregated at the ministry level, with no detail of projects and programmes within them, all allocations (100% of the budget) to MDAs that have components of nutrition-relevant spending were tagged as such. However, some MDAs have mandates that include other aspects not relevant to nutrition, such as the Ministry of Water and Energy. This means that the total amount of nutrition-relevant budget allocations outlined in this analysis are an overestimate. This caveat should be considered while interpreting the results of the analysis.

Also, the actual spending data has been excluded from this analysis since its accuracy appeared to be questionable. The analysis based on the available data indicated that the overall rate of utilisation of the budgets allocated to various nutrition-sensitive MDAs was **5.9%** between FY2018 and FY2020. This level of budget utilisation appears to be too low and requires further verification of the dataset before consideration for analysis.

The analysis was augmented by qualitative/quantitative data collected based on the following questions.

1. During the Covid-19 pandemic (FY2020 and FY2021) there was a significant increase (about ninefold) in the budget for MDAs that implement nutrition-related interventions, compared with pre-Covid-19 period (FY2018 and FY2019). What are some of the factors that led to this significant increase?
2. The budget for the Ministry of Labour and Social Affairs increased significantly from US\$38m in FY2018 to US\$1b in FY2020, but reduced to US\$459m in FY2021. What are the drivers of the sudden increase in FY2020 and reduction in FY2021?
3. The Ministry of labour and Social Affairs had a budget for social security benefits in FY2020 and FY2021. What was the purpose for these funds? (*Are these funds that were earmarked for the national cash transfer programme (SNHC)?*)
4. Most ministries have a budget for acquisition of nonfinancial assets? Kindly provide examples that are related to nutrition interventions e.g., in health, agriculture, social protection, WASH sectors.

5. The Ministry of Health had a budget for grants earmarked for 'other government units' and international organisations. Which government units received these grants? (Kindly give examples). Which international organisations received these grants? (Kindly give examples). What were the specific activities/projects that were supported by these grants?
6. The Ministry of Water and Energy had a budget for subsidies in FY2021 which was earmarked for nonfinancial private enterprises. Are these enterprises service suppliers that are working with the government e.g., to provide water? What specific activities or projects were supported by the subsidies? *For instance, were the subsidies aimed at improving access to water among households?*
7. The budget is organised by broad economic classifications such as use of goods and services, compensation of employees, subsidies, grants, nonfinancial assets and social benefits. Kindly explain how this classification is done/works?
8. The analysis shows that budget utilisation rate was very low (about 5.9% on average. What could be the reason for the low utilisation rate? *(Is this a reporting issue e.g., incomplete data on actual expenditure or does it reflect the actual situation? Is there better data that can be used to track actual spending in nutrition-related MDAs?)*
9. What proportion of the budget was funded by domestic public resources (taxes and other revenues) and what proportion was funded by external resources e.g., grants etc? Are you able to provide a breakdown by ministry? *(Ask for the data if they have it).*

Notes

- ⁱ Ministry of Health and Human Services, Federal Republic of Somalia, 2020. Somalia Nutrition Strategy 2020-2025. Available at: <https://www.unicef.org/somalia/media/1756/file/Somalia-nutrition-strategy-2020-2025.pdf>
- ⁱⁱ Federal Republic of Somalia, 2019. Somalia National Food Fortification Strategic Plan 2019-2024. Available at: <https://reliefweb.int/report/somalia/somalia-national-food-fortification-strategic-plan-2019-2024>
- ⁱⁱⁱ Martin-Canavate et al. 2016. Malnutrition and morbidity trends in Somalia between 2007 and 2016: Results from 291 cross-sectional surveys. Available at: <https://bmjopen.bmj.com/content/10/2/e033148>
- ^{iv} SUN Secretariat, Somalia. 2020 Joint-Assessment by the multi-stakeholder platform.
- ^v On-budget financial flows are allocations/expenditures that are reported in official government finance documents.
- ^{vi} Fracassi P., et al 2020. Budget analysis for nutrition: Guidance note for countries (update 2020). Available at: <https://scalingupnutrition.org/wp-content/uploads/2020/05/2020-Guidance-for-Budget-Analysis.pdf>
- ^{vii} World Bank 2020. Somalia Economic Update June 2020, Edition No. 5. Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/34239/Somalia-Economic-Update-Impact-of-COVID-19-Policies-to-Manage-the-Crisis-and-Strengthen-Economic-Recovery.pdf?sequence=6&isAllowed=y>
- ^{viii} HIPIC is an initiative established by the IMF and World Bank in which all creditors provide debt relief to the poorest and heavily indebted countries. The aim of the initiative is to reduce constraints on economic growth and poverty alleviation, stemming from debt-service burden.
- ^{ix} World Bank 2020. Somalia re-engagement and reform supplement development policy financing. Available at: <https://documents1.worldbank.org/curated/en/839191593223511618/pdf/Somalia-Re-engagement-and-Reform-Supplemental-Development-Policy-Financing.pdf>
- ^x World Bank 2021. Building the State of Somalia: Financing, financial management, and federalism. Available at: <https://www.worldbank.org/en/results/2021/01/14/helping-build-the-state-in-somalia-financing-financial-management-and-federalism>
- ^{xi} European Commission 2020. Budget support: Trends and results. Available at: https://ec.europa.eu/international-partnerships/system/files/budget-support-trends-and-results_en.pdf
- ^{xii} Ministry of Planning, Investment and Economic Development 2020. Somalia National Development Plan 2020 to 2024. Available at: <https://mop.gov.so/wp-content/uploads/2019/12/NDP-9-2020-2024.pdf>
- ^{xiii} World Bank 2020. Somalia economic update. Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/34239/Somalia-Economic-Update-Impact-of-COVID-19-Policies-to-Manage-the-Crisis-and-Strengthen-Economic-Recovery.pdf?sequence=6&isAllowed=y>
- ^{xiv} European Commission and European Commission Trust Fund 2020. Social transfers – Technical support to the donor working group and to the government of Somalia. Available at: https://www.dai.com/uploads/DAI_financial_flows_STPs_s_12_2_21.pdf
- ^{xv} IMF 2014. Government Finance Statistics Manual 2014. Available at: <https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf>
- ^{xvi} Somalia Costed Common Results Framework summary report 2019-2024.
- ^{xvii} Fracassi P., et al 2020. Budget analysis for nutrition: Guidance note for countries (update 2020). Available at: <https://scalingupnutrition.org/wp-content/uploads/2020/05/2020-Guidance-for-Budget-Analysis.pdf>
- ^{xviii} Fracassi P., et al 2020. Budget analysis for nutrition: Guidance note for countries (update 2020). Available at: <https://scalingupnutrition.org/wp-content/uploads/2020/05/2020-Guidance-for-Budget-Analysis.pdf>