

Document of
The World Bank

Report No: ICR00003962

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(TF-16181)

ON A

GRANT

IN THE AMOUNT OF US\$4.50 MILLION

TO

THE FEDERAL GOVERNMENT OF SOMALIA

FOR THE

SOMALIA PUBLIC FINANCIAL MANAGEMENT CAPACITY STRENGTHENING
PROJECT

November 29, 2016

Governance Global Practice
Country Department Eastern Africa 1
Africa Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective October 20, 2016)

Currency Unit = Somali Shilling (SOS)
SOS58.5 = US\$1
US\$1 = SOS0.017

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AfDB	Africa Development Bank
AGD	Accountant General's Department
BECPAR	Budgeting, Expenditure Control, Procurement, Accounting and Reporting
CBS	Central Bank of Somalia
CIT	Component Implementation Teams
COPM	Comprehensive Operating Procedures Manuals
DPKO	Department of Peace Keeping Organization
FATF	Financial Action Task Force
FMIS	Financial Management Information System
FRS	Federal Republic of Somalia
GoSL	Government of Somaliland
ICT	Information and Communication
ICR	Implementation completion Report
IDA	International Development Association
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISN	Interim Strategy Note
JNA	Joint Needs Assessment
MDTF	Multi-Donor Trust Fund
MoFP	Ministry of Finance and Planning
PCU	Project Coordination Unit
PDO	Project Development Objective
PFM	Public Financial Management
PFMRCU	Public Financial Management Reform Coordinating Unit
PFMRO	Public Financial Management Reform Oversight
PFMU	Public Financial Management Unit
PMI	Project Management Institute
SPF	State and Peace-Building Fund
TSC	Technical Steering Committee

Senior Global Practice Director:	Deborah L. Wetzel
Sector Manager:	George Larbi
Project Team Leader:	Winston Percy Onipede Cole
ICR Team Leader:	David Waigwa Wachira

SOMALIA
Public Financial Management Capacity Strengthening Project

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MAP

A. Basic Information				
Country:	Somalia	Project Name:	Somalia PFM Capacity Strengthening Project	
Project ID:	P146006	L/C/TF Number(s):	TF-16181	
ICR Date:	10/15/2016	ICR Type:	Core ICR	
Lending Instrument:	IPF	Grantee:	Ministry of Finance and Planning	
Original Total Commitment:	US\$4.50 Million	Disbursed Amount:	US\$4.50 Million	
Revised Amount:	US\$4.50 Million			
Environmental Category: C				
Implementing Agencies: Public Financial Management Reform Coordinating Unit within the Ministry of Finance and Planning				
Co-financiers and Other External Partners: N/A				
B. Key Dates				
Process	Date	Process	Original Date	Revised/Actual Date(s)
Concept Review:	04/17/2013	Effectiveness:	12/31/2013	01/17/2014
Appraisal:		Restructuring(s):		
Approval:	12/04/2013	Mid-term Review:	10/14/2014	10/14/2014
		Closing:	03/31/2016	03/31/2016
C. Ratings Summary				
C.1 Performance Rating by ICR				
Outcomes:		Satisfactory		
Risk to Development Outcome:		Moderate		
Bank Performance:		Satisfactory		
Grantee Performance:		Satisfactory		
C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)				
Bank	Ratings	Borrower	Ratings	
Quality at Entry:	Satisfactory	Government:	Satisfactory	
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Satisfactory	
Overall Bank Performance:	Satisfactory	Overall Borrower Performance:	Satisfactory	
C.3 Quality at Entry and Implementation Performance Indicators				
Implementation Performance	Indicators	QAG Assessments (if any)	Rating	
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None	
Problem Project at any time	No	Quality of	None	

(Yes/No):		Supervision (QSA):	
DO rating before Closing/Inactive status:	Moderately Satisfactory		
D. Sector and Theme Codes			
		Original	Actual
Sector Code (as % of total Bank financing)			
General public administration sector		100	100
Theme Code (as % of total Bank financing)			
Other public sector governance		10	10
Public expenditure, financial management and procurement		90	90
E. Bank Staff			
Positions	At ICR	At Approval	
Vice President:	Makhtar Diop	Makhtar Diop	
Country Director:	Bella Bird	Bella Bird	
Sr. Global Practice Director:	Deborah L. Wetzel		
Practice Manager:	George Larbi	Patricia McKenzie	
Project Team Leader:	Winston Percy Onipede Cole	Winston Percy Onipede Cole	
ICR Team Leader:	David W. Wachira		
ICR Primary Authors:	David W. Wachira; Sati Achath		

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The Project Development Objective (PDO) was to establish systems for more transparent and accountable management and use of public funds in Somalia.

Revised Project Development Objectives (as approved by original approving authority)

The objective was not revised.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years																				
Indicator 1:	Time taken to publish annual financial statements (months)																							
Value quantitative or Qualitative)	12	3	-	3																				
Date achieved	Dec. 31, 2013			March 31, 2016																				
Comments	<p>Fully achieved. Annual Financial Statements for 2013, 2014 and 2015 were submitted for audit on March 28, 2014; April 30, 2015; and March 30, 2016 respectively, to the Auditor General. In accordance with Article 26 of the Financial and Accounting procedure of the State 1961, the Minister of Finance shall prepare the annual accounts and shall have the accounts submitted to the Magistrate of Accounts for audit in accordance with Article 90 of the Constitution, not later than the 30th of April of the year following that to which the said Annual Accounts relate. The financial statements were prepared using International Public Sector Accounting Standards format as opposed to the one-pager receipts and payments produced in the past.</p>																							
Indicator 2:	% decrease in difference between budgeted and actual aggregate expenditure																							
Value quantitative or qualitative)	70%	25%	10%	-45%																				
Date achieved	Dec. 31, 2013			March 31, 2016																				
Comments	<p>PEFA PI 1 methodology to calculate actual result.</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Target decrease</th> <th>Actual variance</th> <th>% Decrease</th> </tr> </thead> <tbody> <tr> <td>FY 12 (Baseline)</td> <td></td> <td>70%</td> <td></td> </tr> <tr> <td>FY 13</td> <td>25%</td> <td>5%</td> <td>94%</td> </tr> <tr> <td>FY14</td> <td>15%</td> <td>30%</td> <td>-566%</td> </tr> <tr> <td>FY15</td> <td>10%</td> <td>44%</td> <td>-45%</td> </tr> </tbody> </table> <p>Not achieved. Comparison of actual revenues and expenditure with the original approved budget over the past two years, reveal significant variances which demonstrate concerns about the realism of the budget. The shortfall in revenue targets has led to daily cash rationing that affects credibility of the budget. However, revenue forecasting skills were strengthened and the SFMIS was deployed at the sea and airports to ensure that revenue collections are recorded and later traced to the Central Bank. Also, revenue performance reports by revenue types are published in the MoF website to improve transparency of revenue collection.</p>				Fiscal Year	Target decrease	Actual variance	% Decrease	FY 12 (Baseline)		70%		FY 13	25%	5%	94%	FY14	15%	30%	-566%	FY15	10%	44%	-45%
Fiscal Year	Target decrease	Actual variance	% Decrease																					
FY 12 (Baseline)		70%																						
FY 13	25%	5%	94%																					
FY14	15%	30%	-566%																					
FY15	10%	44%	-45%																					

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Component 1: Public Financial Management Reform Oversight				
Increased capacity for a structured approach to PFM institutional capacity strengthening				
Indicator 1:	Annual Work Plan on track			
Value (quantitative or qualitative)	N/A	75%	90%	95%
Date achieved	Dec. 31, 2013			March 31, 2016
Comments	Fully achieved. Work plan implemented with full disbursement. The Public Financial Management Reform Coordinating Unit (PFMRCU) is operational with Reform Oversight Committee (ROC); Technical Steering Committee (TSC); and Component Implementation Team (CIT) meetings held periodically as per the Project Implementation Manual (PIM).			
Indicator 2:	Comprehensive Operating Procedures Manual (COPM)			
Value (quantitative or qualitative)	Inadequate guidelines on PFM business procedures			Ministerial Orders and Treasury Circulars issued.
Date achieved	Dec. 31, 2013			March 31, 2016
Comments	Partially achieved. PFM Bill passed by Parliament but not yet assented to by the President. Therefore, Ministerial Orders and Treasury Circulars are issued to regulate the current PFM systems and processes. With the non-passage of the PFM Law, the COPM will need to be concluded under the phase II project.			
Indicator 3:	Number of PFM accredited staff (Number)			
Value (quantitative or qualitative)	0	50	-	37
Date achieved	Dec. 31, 2013			March 31, 2016
Comments	Partially achieved. The delivery of this outcome was hampered because of late start of the course due to country's security situation which also affected student attendance. The target was therefore reduced to 40 students passing the Certificate Stage of which 37 passed (93 percent of the revised target) and are now eligible for the Diploma stage.			
Component 2: Somalia Financial Management Information System				
Improved the technical capacity to handle PFM processes in an efficient manner				
Indicator 1:	Timeliness of bank reconciliation (Days,)			
Value (quantitative or qualitative)	90	7	-	7
Date achieved	Dec. 31, 2013			December 31, 2015
Comments	Fully achieved. Central Bank of Somalia (CBS) provides Ministry of Finance (MoF) with monthly bank statements. Bank auto-reconciliation functionality has been introduced in the SFMIS and un-reconciled items are resolved within a month.			
Indicator 2:	Multi-dimensional chart of accounts produced and used for planning, budget execution, accounting and reporting (Text)			
Value (quantitative or qualitative)	Organization and economic segments only	Function (program) segment implemented	-	Chart of Accounts (CoA) expanded from two segments

				(organization and economic) to a multi-dimensional Standard Chart of Accounts (SCoA)
Date achieved	Dec. 31, 2013			December 31, 2014
Comments	Fully achieved. The CoA structure included: (i) organization; (ii) fund; (iii) programs/projects; (iv) economic; and (v) geographic locations			
Indicator 3:	% value of central government budget executed through SFMIS (Percentage.)			
Value (quantitative or qualitative)	0%	100%	-	100%
Date achieved	Dec. 31, 2013			December 31, 2015
Comments	Fully achieved. All transactions for the approved budget including civil service payroll and donor-funded projects using country systems are processed through the SFMIS. The web-based SFMIS went live in April 2015 with real-time end-to-end process flow with approval hierarchy, in-built audit trails and drill-down reporting functionality. SFMIS has been rolled out to 61 out of 70 budgeting entities. The 9 entities are in temporary facility.			
Component 3: Expenditure Control, Procurement, Accounting and Reporting				
Strengthen controls for fiscal discipline, transparency and accountability				
Indicator 1:	Treasury Single Account (Yes/No)			
Value (quantitative or qualitative)	N	Y	-	Y
Date achieved	Dec. 31, 2013			March 31, 2016
Comments	Partially achieved. Treasury Single Account (TSA) concept introduced in the Central Bank of Somalia (CBS) and tracked through Vendor Payment Report. MoF has daily access to consolidated cash balance before authorizing payments. However, some payments are made from ministries sub-bank accounts that are not directly under the control of the Accountant General.			
Indicator 2:	Transparency, comprehensiveness and competition in the legal and regulatory framework			
Value (quantitative or qualitative)	Low access to reliable and timely procurement opportunities and award information	Simplified procurement processed adopted		Simplified procurement processed adopted
Date achieved	Dec. 31, 2013			December 31, 2015
Comments	Fully achieved. Request for Proposals (RFPs) posted on government website which has been upgraded to also post procurement opportunities and awards.			
Indicator 3:	Time taken to publish quarterly unaudited reports (days)			
Value (quantitative or qualitative)	90	7	-	7
Date achieved	Dec. 31, 2013			March 31, 2014
Comments	Fully achieved. In-year budget performance reports by various SCoA segments and dimensions and published on the MoF website. http://mof.gov.so/			

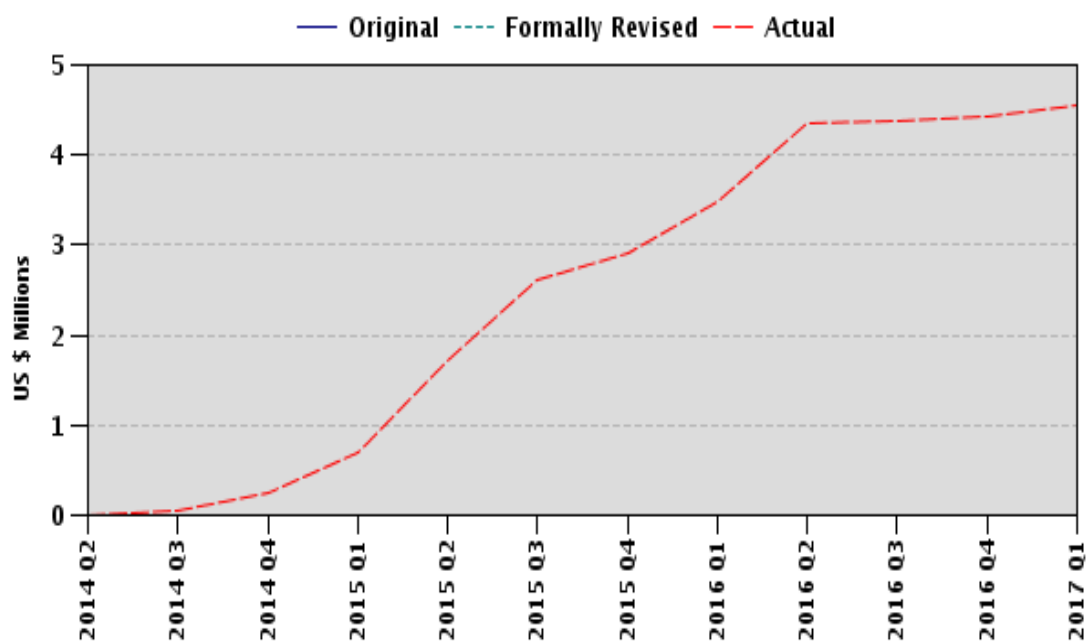
G. Ratings of Project Performance in ISRs

	Date ISR Archived	DO	IP	Actual Disbursements (US\$ Million)
1	12/10/2014	Satisfactory	Satisfactory	1.67
2	11/19/2015	Moderately Satisfactory	Moderately Satisfactory	3.73
3	03/31/2016	Satisfactory	Satisfactory	4.49

H. Restructuring (if any)

Not Applicable

I. Disbursement Profile



ICR Abstract

This was the first project after almost two decades of non-engagement and became effective on January 17, 2014, within one month after being approved by the World Bank on December 12, 2013 and was implemented within a short timeframe of two years, three months with 99.95 per cent disbursement of the \$4.5m with a satisfactory overall outcome. The in-built budget controls and audit trails in addition to the reporting capability of the Somalia Financial Management Information System (SFMIS) has provided the basic foundations for improving budget management and making key public finance information readily available to the public to increase transparency and accountability. The strengthened controls, especially for payroll, has provided the assurance framework for the Recurrent Cost and Reform Financing (RCRF) project.

The Public Financial Management Education and Training program is gradually building a critical mass of PFM professionals with a good mix of skills to perform a broad range of PFM tasks with additional built in sustainability arrangement for the qualification to be part of the civil service scheme of service for the PFM job family to create a cohort of competent PFM practitioners. PFM Academies are being established in the participating universities to ensure sustainability of the training program. Whilst the small number of female students limit the statistical significance of any conclusions, the figures do indicate that female students are performing better than male students.

The State and Peacebuilding Fund (SPF) as a catalytic fund was instrumental in establishing the basic PFM foundation and was useful to pool more donors through the Multi-Partner Fund (MPF) to scale up the reforms to other regions of Somalia and to also embark on other reform initiatives such as tax administration and external audit now that timely and good quality financial statements are available.

The use and strengthening of country systems with this catalytic fund demonstrated real commitment to the Paris Declaration and reinforced the ‘TRUST¹’ principles of the ‘New Deal’.

¹ **T**: Transparency, **R**: Risk-sharing, **U**: Use and strengthen country systems, **S**: Strengthen capacities, **T**: Timely and predictable aid.

1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

At appraisal in 2013, for the first time since the collapse of the state in 1991, Somalia had a sovereign, federal government in place in Mogadishu and a leadership committed to inclusive governance, reconciliation, and peace based on a provisional constitution. Many observers hailed the transition as a genuine break with the past, and the best opportunity for stability the fragmented country had in the last 25 years. In early consultations with the World Bank, the new Somali President stressed the normalization of relations and resumption of International Development Association (IDA) financing as key priorities for his government, and sought World Bank technical support for a program of institutional and economic governance reform focusing on immediate support in public finance management.

The last 20 years had seen numerous failed attempts to establish peace and undertake national reconciliation – prospects for the new dispensation though promising depended on a sensitive process of political negotiation. State-building had always been a problematic conceptual framework for Somalia and had in the past resulted in the establishment of extractive, non-inclusive and Mogadishu-centric politics and institutions. Consensus on a national vision, incorporating settlements relating to political representation, power and wealth sharing, had never been reached. Somalia was likely to face continued instability, as new stresses emerge, mainly resulting from the process of political negotiation between federal authorities in Mogadishu and regional administrations. The country in reality is divided into three different operational environments^{2/} which are:

- (i) Puntland, in the northeast, is a semi-autonomous administration since 1998 with a zonal government that has limited control over localized conflicts, militia groups, and piracy.
- (ii) Somaliland, in the northwest, is an area of gradual improvement and stability governed by a democratically-elected government that claimed independence in 1991 but without international recognition. It has an elected central government and a weak but functioning system of local government. In June 2010 it held presidential elections for the second time and power was peacefully transferred to the opposition. Local elections were held in November 2012.
- (iii) South-Central is an area of prolonged crisis. The mandate of the Transitional Federal Government (TFG) ended in August 2012 and a new Parliament was established. The Parliament elected President Hassan Sheikh Mohamud as the new President of the Federal Republic of Somalia (FRS). Security in Mogadishu has improved markedly since 2011 after Africa Union (AU) and Somali government troops pushed Al-Shabaab insurgents out of the capital. The Government was committed to hold democratic elections in October 2016, but election officials announced they were pushing back elections from October to November due to security issues and administrative problems.

^{2/} Galmudug State is an autonomous region in central Somalia. It is bordered to the north by the Puntland region, to the west by Ethiopia, and to the south by other regions of Somalia

The political and security context for re-engagement in southern Somalia remained fluid and its trajectory was the key determinant of the scope and depth of the Bank's work over the Interim Strategy Note (ISN) period. The Bank continued to expand its engagement in the northern regions of the country where there was relative stability and where the Bank already had a program in place.

Emergency Operation: Under the aforementioned exceptional circumstances of acute institutional capacity constraints, the project was processed as an emergency operation pursuant to OP/BP 10.0. The State and Peace Building Fund (SPF) was expected to catalyze the Public Financial Management (PFM) strengthening efforts during project implementation while a longer-term Multi-Donor Trust Fund was being developed.

Rationale for Bank Involvement

The rationale for the Bank to re-engage in southern Somalia was based on the assessment that southern Somalia's political and security conditions had changed sufficiently in the preceding two years to give the country an opportunity for peace and state building. The new government had prioritized security, justice, and public financial management integrity at the top of the country's development agenda. Rationale for the Bank's involvement was also driven by improved security, regaining of political legitimacy, and the need to build citizens' confidence and relationship with the development partners that public funds will be managed in a transparent, equitable and accountable manner.

1.2 Original Project Development Objectives (PDO) and Key Indicators:

The Project Development Objective was to establish systems for more transparent and accountable management and use of public funds in Somalia.

PDO Level Results Indicators: The project had two PDO level results indicators:

- (i) Time taken to publish annual financial statements; and
- (ii) % decrease in difference between budgeted and actual aggregate expenditure

The project had three key components:

- (i) Increased capacity for a structured approach to PFM institutional capacity strengthening
- (ii) Improved technical capacity to handle PFM processes in an efficient manner
- (iii) Strengthened controls for fiscal discipline, transparency and accountability

1.3 Revised PDO and Key Indicators, and Reasons/Justifications:

The PDO and the key Indicators remained the same during implementation period.

1.4 Main Beneficiaries:

While the main beneficiaries included the Ministry of Finance and Planning (MoFP) and the Somali people, the project also benefited other key stakeholders with different interests, power and influence as described below:

Table 1: Stakeholder interest, power and influence

Stakeholders	Interest	Power and influence
Citizens/taxpayers	Effectiveness and efficiency in service delivery	The Ballot
The Executive: The President; the Prime Minister; and the Council of Ministers; especially the MoFP	Political Legitimacy: Sound PFM system that enables efficient and effective allocation of resources for service delivery in a transparent manner.	Significant legitimate power Reward power
The Legislature	Citizen representation Political Legitimacy	Budget appropriation Oversight and sanctions
The Civil Service	Administrative compliance Service delivery	Managerial control Work to rule: passive aggression
Chamber of Commerce, Labor Unions	Clear and fair business environment Fair and transparent tax regime	Private sector growth Increased revenue from Taxation Job creation Strikes
Non-state Actors	Transparency and accountability	Advocacy
Development Partners	Poverty reduction, transparency and accountability	Convening power, technical advice and aid

1.5 Original Components (as approved)

The project consisted of three components as follows:

Component 1: Public Financial Management Reform Oversight: The following activities were aimed at producing qualified PFM practitioners to improve PFM performance. The training program was designed to demonstrate good practice principles to ensure sustainability by putting in place a mechanism to build internal capacity to take over functional responsibility from expatriate consultants.

Sub-component 1.1: Public Financial Management Reform Coordinating Unit: A Public Financial Management Reform Coordinating Unit in the Ministry of Finance and Planning to anchor the reform and capacity building efforts. A Government PFM Reform Coordinator would be trained on project management and made responsible for day-to-day coordination of the reform activities and serve as the key interlocutor for the Component Implementation Teams (CIT) and ensuring proper sequencing of activities expected to be funded by various donors. This structure would substantially reduce program implementation units per institution and coordinate use of external technical assistance, to ensure that they report through the relevant national authorities. The PFM Subject Matter Experts would be provided technical assistance with a clear capacity building and exit strategy with skills transfer

arrangements (handholding approach) by embedding the arrangements within the government structures to work closely with the CITs that was to be led by the Heads of the key PFM institutions. Annual public PFM Forums were planned to solicit a change of mindset and garner support for the PFM reforms to be transformative.

Sub-component 1.2: PFM Education and Training Program: This sub-component was to build capacity at the individual level to obtain the required capability, knowledge, skills, abilities and other characteristics (values, integrity etc.). To portray the right public service ethos, change management efforts encompassing attitudinal and behavioral change were required to complement the main output of a cohort of technically skilled PFM practitioners to achieve the expected outcome of improved PFM performance. The main targeted participants were planning and budget officials, procurement officers, accountants and internal and external auditors.

Component 2: Somalia Financial Management Information System: This component aimed at improving technical capacity to handle PFM processes in an efficient manner. The component sought to provide a system with adequate audit trails to identify administrative accountability in processing transactions. Improved timeliness and accuracy of transaction processing together with comprehensiveness of financial reports with the adoption of Treasury Single Account (TSA) was to improve management decision making and key fiscal data available to the public to hold government accountable for the use of public funds. Somalia Financial Management Information System (SFMIS) aimed to provide a system with adequate audit trails to identify administrative accountability in processing transactions. Improved timeliness and accuracy of transaction processing together with comprehensiveness of financial reports and the adoption of TSA would also improve management decision making and make key fiscal data available to the public funds.

Component 3: Expenditure Control, Procurement, Accounting and Reporting: This component aimed to strengthen controls needed for the fiscal discipline, transparency and accountability to improve fiscal discipline and predictability in availability of funds to undertake service delivery functions and promote transparency and accountability.

Sub-component 3.1: Strengthening Expenditure Controls, Procurement Systems and Practices: Business processes would be re-engineered to strengthen existing processes such as budget controls, requisitioning, purchase orders, invoicing, payment authorization/approval, accounting and reporting. Improved business processes were to increase total tax revenue without necessarily increasing the tax rate by collecting actual tax payable efficiently. The mix of forms in Italian, English and Somali would be reviewed and consolidated to prepare a revised standardized set of budgeting/accounting documents to support the new business processes. Controls including policies, procedures and practices (tasks and activities) would be to provide reasonable assurance of achieving the specific ministerial objectives. The evolving business processes for planning, budget execution, commitment controls, procurement, internal controls, internal audit, accounting would initially be issued as Treasury Circulars or Ministerial Orders and later codified in the Financial Regulations and a Comprehensive Operating Procedures Manuals (COPM) to translate the PFM laws, financial policies and standards into actual practice. This sub-component aimed specifically to fund the following activities:

- (i) issuing interim instruction as a base for regulating public procurement until a procurement law is in place and providing orientation and training to the users;
- (ii) drafting a public procurement bill that meets international best practice based on the UNCITRAL^{3/} model law and development of regulations; and
- (iii) hiring a procurement consultant to provide technical assistance for bid documents preparation, bid evaluation, contract management, reporting and capacity building.

Sub-component 3.2: Accounting and Financial Reporting: This sub-component sought to provide a system of accounting that reflected accurately, and in accordance with internationally acceptable accounting standards, the flow of transactions and the year-end position of financial resources in a timely manner and serves as a key instrument for management decision making. Simple accounting procedures manual would be prepared to guide the preparation of annual financial statements in accordance with the '*Financial Reporting under the Cash Basis of Accounting*' standard issued by the International Public Sector Accounting Standards Board. Practical training was aimed for recognition and measurement of elements of financial statements and preparation of prescribed financial statements and the relevant disclosure notes. The tools would be prepared to support the upload of in-year budget reports and annual financial statements in government websites in a format that is user-friendly for public consumption. To ensure consistency in arriving at correct tax obligations and weighing the costs/benefits of applying International Financial Reporting Standards and considering the number of owner-managed business, the Ministry of Finance and Planning (MoFP) would be to adopt the Small and Medium-sized Entities Guidelines on Accounting issued by the United Nations Conference on Trade and Development.

Table 2: Summary of Project Cost

Project Components	Grant Amount Allocated (US\$)	Percentage of Expenditure to be Financed (inclusive of Taxes)
<u>Component 1</u> : Public Financial Management Reform Oversight (goods, works and consultants' services)	3,450,000	100%
<u>Component 2</u> : Somalia Financial Management Information System (goods, works and consultants' services)	540,000	100%
<u>Component 3</u> : Expenditure Control, Procurement, Accounting and Reporting (goods, works & consultants' services)	510,000	100%
Total Project Costs State and Peace-Building Fund (SPF)	4,500,000 4,500,000	100%

³ United Nations Commission on International Trade Law - Model Law on International Commercial Arbitration was adopted by the United Nations Commission on International Trade Law on 21 June 1985.

Revised Components:

The components were not revised during implementation.

Other significant changes:

No significant changes were introduced during implementation.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

Quality at Entry: There was no formal Quality at Entry Review because of the emergency nature of the operation. However, in retrospect, *the project is rated satisfactory* as the design was underpinned by the Public Financial Management self-assessment report and proposed Public Financial Management Strengthening Initiative (2013-2016). The project responded to the government's pressing need to establish a transparent and accountable public expenditure management system. The design was prepared based on the OECD^{4/} Principles for Good International Engagement in Fragile States, during which developing partners actively engaged to have consensus on practical coordination mechanisms. The project preparation team, in close consultation with the fiduciary and safeguards colleagues, took advantage of the flexibility provided to the fragile and capacity-constrained countries, like Somalia, and deferred the fiduciary, environmental, and social safeguards assessments to the first year of implementation of the Project, as per Bank's OP/BP 10 guidelines. The project was designed to ensure ownership and sustainability.

2.2 Lessons Learned from Previous Bank-Assisted Projects

The design of the project applied a number of lessons drawn from experience in PFM and public sector management reforms in other countries that had emerged from conflict and fragility at the time. For example, cognizant of the Somalia context and to avoid the 'big-bang' IFMIS implementation, the conceptual model for the *Somalia Financial Management Information System (SFMIS)* architecture established a low cost *'fit-for-purpose' bespoke solution* based on a *proof of concept* for the required secured Information and Communication Technology (ICT) and the various basic applications before roll-out after proper testing and training. This approach draws from the Liberia Expenditure Control and Accounting Program (LECAP) system that provided an opportunity to gradually introduce IFMIS and immediately allowed the government of Liberia to prepare useful management reports and online posting of revenue collection⁵. Lessons from the Financial Management Training School that was established in the Liberia Ministry of Finance was used to establish the PFM Education and Training Program but anchored in the Somalia participating

⁴ Organization for Economic Co-operation and Development - endorsed in 2007 by OECD ministers

⁵ http://www.gemap-liberia.org/doc/success_stories/National%20Budget%20Process%20Reformed%20at%20the%20Ministry%20of%20Finance.pdf

universities to ensure sustainability through the PFM Academies that will be established in the participating universities.

Other lessons were incorporated from the findings of the 2008 Independent Evaluation Group’s Evaluation of the World Bank’s experience in Public Sector Reform⁶. Additionally, the project also incorporated lessons from the *World Development Report 2011*: (i) considering the absence of security, institutional capacity, and fully competitive markets in Somalia, consultants with proven track record who had earlier worked effectively in fragile states, were directly shortlisted and evaluated for deployment as Technical Assistants to work with the government officials; (ii) diaspora Somalis were encouraged to join the government reform implementation team; (iii) technical assistants were required to smooth transfer of skills over the medium-term; and (iv) joint reform oversight mechanism including broad government stakeholders and development partners was established to encourage mutual accountability where funding was tracked through government reporting and accountability systems using a common set of performance indicators.

Table 3: Lessons learnt from PFM reforms in Fragile and Conflict-Affected States

Implications and recommendations	Related SPF design features
Consider country context (and existing incentives for local stakeholders) systematically in deciding if and how to intervene on strengthening PFM systems	The political class and civil servants are desirous of embarking on PFM reforms, which is a top priority in the President’s six pillar policy ⁷ .
Development partners have an opportunity to use aid allocations and aid modalities in ways that incentivize sustained PFM improvements and can also make a fundamental contribution to reducing fragmentation of public finances	The Special Financing Facility (SFF) funded by Norway and the Somaliland Development Fund (SDF) funded by DFID and DANIDA both provide opportunities to incentivize PFM reforms. Other sector specific aid could also be released by tranches linked to progress in PFM reforms.
Developing clear reform plans based on emerging analysis and periodic updating of such plans will help ensure that approaches to PFM reforms and the provision of support are strategic and focused	Both South-Central and Somaliland embarked on a PFM self-assessment and developed a country-owned PFM reform strategy and action that underpins this project. In South-Central, the Council of Ministers deliberated on and endorsed the PFM reform action plan on May 2nd, 2013; the plan was also submitted to the Parliamentary Financial Treasury Committee of the Parliament for their attention.
There are distinct reform challenges and opportunities across the three key phases of the budget cycle (budget planning, execution, and accountability).	The project activities respond distinctively to the specific challenges identified in the budget cycle during the self-assessments. The stakeholder analysis also identifies the major entry points and the change path.
Legal and institutional reforms are an integral part of strengthening PFM systems in post-conflict environments, but there is less of a need to front-load these reforms than has been suggested by previous analysis.	Somaliland and South Central have PFM Bills in place and this project will assist in securing their enactment. In the interim assistance will be provided in issuing Ministerial Orders or Treasury Circulars.

⁶ Independent Evaluation Group. 2008. Public Sector Reform: What Works and Why? An IEG Evaluation of World Bank Support, Washington, DC

⁷ The President’s Foundations of New Beginning: “Six Pillar Policy”, particularly pillar one that deals with good governance.

<p>Strengthening capacity development requires a phased and layered approach that includes addressing capacity constraints in the short term as well as pursuing longer-term improvements.</p>	<p>The reform action plan follows a platform approach with specific objectives of each phase in an incremental manner. ‘Quick-wins’ are identified to be implemented to demonstrate the benefits of the reforms. The PFM Education and Training Component are deliberately included to address the human resource capability issues.</p>
<p>Development partners and governments should consider monitoring tools that complement PEFA reports to provide a stronger focus on results chains and on the impact of strengthened PFM systems on service delivery and state building.</p>	<p>PEFA is planned as part of the mid-term review of the action plans. The ‘New Deal’ Peace-building and State-building Goals (PSGs) particularly goal 5 are aligned with the overall government recovery agenda. Criteria for debt relief will also be aligned with the PFM reform indicators.</p>

2.3 Key Risks and Mitigation Measures

Taking into account Somalia’s institutional challenges, the overall risk rating for the project was high. The government was unfamiliar with the World Bank fiduciary requirements and had weak capacity to manage projects. The risk of bad governance and corruption was also high. The project design took into account risks that were mitigated by the phased incremental approach allowing adaptation during implementation. In addition, because of lack of competitive markets it was challenging to ensure clan^{8/} balance during resource allocation. This was mitigated by requiring the Expenditure Control, Cash Management and Accounting TA to *ex ante* review and endorse vouchers before payment to provide reasonable assurance that the project funds are used for the intended purposes.

2.4 Adequacy of government commitment

The government demonstrated strong commitment to the PFM reform initiative. The following excerpt from the Somali President’s^{9/} speech, made on January 23, 2013, to the international donors highlights strong government commitment to the PFM reform agenda:

*“Our state institutions have been destroyed by war and neglect. Our payments systems are entirely ad hoc. Our Central Bank has no electronic capacity, and can only handle hard cash. There is no longer any functioning public procurement process. There is no recent tradition of sharing information on financial management with the public. Most of our civil servants lack training and relevant experience -- indeed, they lack the offices, chairs, computers and transport facilities that all of you [donors] consider essential to your work. We are committed to building up all these systems – but it will take time, and there will be setbacks and mistakes. What has been destroyed in a generation cannot be rebuilt overnight. In return for our commitment to transparency, we ask you for your patience, your flexibility and your realism. **Creating a new PFM system is an intensely political process, at a time when the nation is still very fragile. Compromises will be needed. Perfection will not be achieved. But we will, I can promise you, do a much better job than anyone who has come before us in recent memory”.***

⁸ The Transitional Federal Government tried to give fair representation to each of Somalia’s clans through the so-called ‘4.5 formula’. The four major clans Darood, Hawiye, Dir, and Digil-Mirifle - all received sixty-one parliament seats, while the remaining groups together received thirty-one seats. For the new Parliament, lawmakers were chosen by a group of 135 traditional elders ratified by a "technical selection committee"

⁹ Hassan Sheikh Mohamud

2.5 Implementation

The project became effective on January 17, 2013, within one month after being approved by the World Bank on December 12, 2013.

Project Readiness: There was no policy exception. The project was ready for implementation, subject to the fulfillment of the effectiveness condition listed below.

Conditions and Covenants: The project had only one legal covenant which was to finalize the Project Implementation Manual by January 31, 2013. The covenant was met on time.

Project Implementation: The project implementation continued to be satisfactory throughout the duration of the project. The project teams successfully overcame the country's challenging environment and maintained good operational performance. The work programs were implemented with 96 percent disbursement at project closure and all project funds were expected to be fully utilized by the grace period for payments. The Public Financial Management Reform Coordinating Unit (PFMRCU) is fully operational with Reform Oversight Committee (ROC); Technical Steering Committee (TSC); and Component Implementation Team (CIT). Meetings are held periodically as per the Project Implementation Manual (PIM). The fiduciary performance using country systems through the External Assistance Fiduciary Sections (EAFS) has been satisfactory with timely submission of interim financial reports, annual financial statements, and audit reports. Project assets are maintained in a Fixed Asset Register. Post procurement reviews were also satisfactory. The PFMRCU regularly submitted progress/M&E report against project targets. Implementation support and supervision was carried out regularly including hand-holding of the project team. The project team reflected achievements, and constraints, in a timely manner through Bank's aide-memoirs and Implementation Status Reports (ISRs).

Mid Term Review (MTR): The MTR was carried out in October 2014 at which time the project was found to be on track with cautious optimism that the PFM reform was getting a foothold in key central finance agencies. The MTR revealed that the project was contributing measurably to the Education and Training Program and will soon be able to produce suitably qualified PFM practitioners with necessary knowledge and skills to manage public funds. The MTR alerted the Bank management of the late start of the training course, and that target of 50 students reaching the professional stage may not be achieved, hence a moderate target of 40 for Certificate Stage was set. Because of the project's generally satisfactory status, even though a summary of MTR findings were prepared, with recommendations, nothing major was proposed that was not already being implemented – most recommendations only encouraged closer monitoring of activities and effective communications with the key stakeholders, especially the line ministries; legislatures and the public in general, in the reform process.

Project at Risk Status: Throughout its life, the project team adequately highlighted in the ISRs, the overall risk status as 'high'. This rating was given because the government was unfamiliar with the World Bank fiduciary requirements and had weak capacity to manage project. In addition, Somalia being a fragile state, the governance environment poses significant risks.

2.6 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

The project M&E occurred at two levels: The PFM Reform Oversight relied on the progress reports from the PFM Reform Coordinating Unit (PFMRU). The periodic PFM forum PSG V PFM sub-committee also provided opportunities to obtain feedback on PFM performance. At the second level, the Bank's supervision teams monitored the project throughout the implementation period and also relied on the independent fiduciary agents, recruited for closer oversight.

2.7 Safeguard and Fiduciary Compliance

Environmental and social safeguards

Because of its emergency nature, the project was exempted from any formal environmental assessment, and also because the anticipated impacts were considered negligible. The only physical activities foreseen were the procurement of electronic hardware and small scale indoor works to refurbish office space and server rooms. Nevertheless, to sensitize the counterpart towards good practice, and to create an example for subsequent projects with potentially more significant impacts, a short, checklist type 'Environmental Management Plan' was prepared during implementation period. Also, since the project did not involve any land acquisition, or an area that was disputed between two or more Bank members, no formal social assessment was considered necessary.

Overall, the safeguard compliance is rated **Satisfactory**.

Financial Management: The Project Financial Management function was executed in accordance with the project design and the legal agreement. The project maintained satisfactory financial management arrangements and the required unaudited Interim Financial Reports (IFRs) were prepared and submitted to the Bank for review and cleared on timely basis. Although the grant agreement stipulated semi-annual IFR submission, in practice the project instituted internal arrangements through which SFMIS generated IFRs were submitted on a more frequent periodicity (quarterly). The foundation laid out by the project has subsequently further offered a scalable window into strengthening the Use of Country Systems (UCS). Subsequently as a result of this project led initiative, the follow up projects funded through the Bank administered Somalia Multi-Partner Fund (MPF), as well as part of the UN- MPF, are mainstreamed into full Country Systems. Accounts were reconciled periodically and formal audits were conducted on annual basis. Annual Financial Statements were prepared and audited by the Federal Government of Somalia (FGS) Supreme Audit Institution (SAI) with technical assistance from externally recruited regional audit firm.

Procurement: The Project Coordination Unit applied the Bank's procurement guidelines and managed the procurement tasks adequately. The procurement team consisted of one qualified national consultant as well as one international consultant. Additional technical assistance was also provided through the new PFM II scaled-up project^{10/}.

¹⁰ Second Public Financial Management Capacity Strengthening (P151492) – became effective Sep. 9, 2015

Overall, the fiduciary compliance is rated **Satisfactory**.

2.8 Post-completion Operation/Next Phase

Transition arrangements and follow-on project: The transition arrangements for continuing future operation is demonstrated by the measures adopted by the government including, the follow-on Second Public Financial Management Capacity Strengthening Project, currently under implementation. Sustainability of the reforms will require that sufficient funds should be allocated to the project to support the government as it transitions from (re)establishing government structures and payment of salaries towards pursuing the Social Agenda through the National Development Plan (NDP).

3. Assessment of Outcomes

3.1 Relevance of Objectives and Design

Relevance of objectives: Rating: High

The objectives of the project remain highly relevant to the country’s public expenditure management needs today as it was during appraisal. With limited budget of only US\$4.5 million, to be implemented over two and half years, the team was aware of the existing human resource capacity challenges and was therefore selective in focusing support to discrete aspects of the PFM reform Action Plan: i.e.: “Platform I: Instituting PFM fundamentals for budget credibility: the objective of this platform was to build strong PFM fundamentals. This was done by strengthening the PFM systems and institutions and improving PFM knowledge base of key participants by providing training to the cadre of civil servants and PFM participants on the fundamentals of public financial management”; and “Platform IV: Institutional structures, Strategic Human Resource Management (SHRM); Financial Management Information System (FMIS) and cross-cutting issues. The objective of this platform was to align all organizations within the public sector and to enhance employee skills and competencies”. The project thus laid the PFM foundations to establish track record for future projects/programs. The strengthened controls, especially for payroll, has provided the assurance framework for the Recurrent Cost and Reform Financing (RCRF) project. With further improvement in the control environment and introduction of internal audit function, more reliance can be placed on the country fiduciary arrangements as part of the New Deal^{11/} instead of reliance on Independent Fiduciary Agents. Furthermore, the project is relevant to the recently approved National Development Plan (NDP) 2017-2019 which notes that effective Public Financial Management (PFM) in Somalia, just like for other states recovering from situations of Fragility is an especially critical foundation for basic economic governance and in establishing the performance, legitimacy and accountability of the State. Accordingly, the government has prepared a PFM Action Plan setting out how, over the next three years; improvements will be made to the PFM system that focuses on three priority areas: (i)

¹¹ The ‘New Deal’ Peace-building and State-building Goals (PSGs) particularly goal 5 are aligned with the overall government recovery agenda. Criteria for debt relief will also be aligned with the PFM reform indicators.

Expenditure Management and Reporting; (ii) Revenue Generation; and (iii) External Financial Audit and Control by the Auditor-General - strengthen regularity and financial audit capability in the Supreme Audit Institution. The project has laid a sound foundation to support the government development plan in a transparent and accountable manner.

Relevance of design: Rating: High

The core design of the project and implementation arrangements is rated high. The project design and the objective are squarely in line with the findings of Somalia's Joint Needs Assessment (JNA), carried out by the UNDP, DFID and the World Bank in 2006-2007. The Assessment highlighted the need to strengthen government systems that manage public resources. The project is also fully aligned with the World Bank's Interim Strategy Note (ISN)^{12/} for Somalia, which stressed the need to establish foundations for peace, national reconciliation and development in the context of a new national government. Furthermore, the project directly responds to the Public Financial Management self-assessment report and proposed Public Financial Management Strengthening Initiative (2013-2016). The project is also relevant in the context of The World Development Report 2011 on Conflict, Security and Development, which stresses the need to build coalitions and confidence-building measures including good governance.

The project had clear alignment with the country's priority for PFM reform backed-up with strong political commitment, especially leading up to the Brussels Conference in September 2013, where the *Somalia New Deal Compact* was endorsed with strong emphasis on governance and PFM reforms. Paragraph 9 of the communiqué noted that "*We commended the Federal Government's Commitment to good public financial management and welcomed its draft Economic Recovery Plan (ERP) as a basis for prioritising flagship projects for social and economic development . Somalia's re-engagement with the International Financial Institutions will be crucial in achieving these goals. It will be based on continued progress in establishing systems to provide transparency and accountability of revenues and natural resources*". Likewise, implementation process of the project had also turned out to be effective and efficient for achieving the project objective.

Rating: Considering the above factors, the relevance of objective and design is rated as **High**.

3.2 Achievement of Project Development Objectives

The PDO achievement is rated Substantial. The project was successful in achieving its PDO, and in some cases, even exceeding the targets^{13/} as noted above in the status of Results Framework, in Section F of the Data Sheet.

Initially, the country's budget system was highly centralized but improvements were introduced which made it possible for every budget holding office to easily interact and access budget from their offices. The entire Federal Government is now linked to the system.

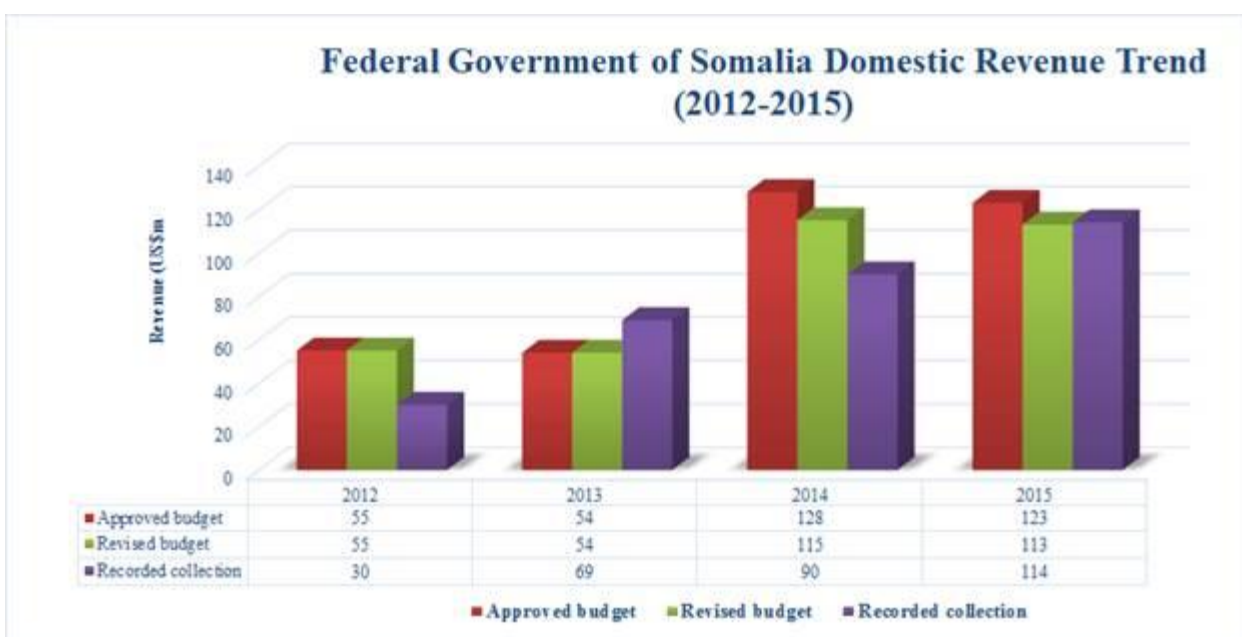
¹² Report No. 75212 – SO (FY14-FY16)

¹³ For example, time taken to publish annual financial statements was reduced to 3 months (at project inception it took 12 months); similarly, the Annual Work Plan is 95% on track at the time of writing this ICR vs. 90% envisaged.

Anything that is in the government today has to be managed within the system, without exception. The donor community is also reaping the fruits of this project and using the system successfully. Major achievements of the PDO are summarized below:

The first PDO level result for “*time taken to publish annual financial statements*” is considered **Satisfactory**. The annual financial statements for years 2013, 2014 and 2015 were submitted for audit on March 28, 2014; April 30, 2015; and March 30, 2016 respectively, respectively, to the country's Auditor General. The annual financial statements were prepared using International Public Sector Accounting Standards (IPSAS) format as opposed to the one-pager receipts produced previously. The yearly budget utilization reports, including donor-funded projects using country systems, are published regularly on the MoF website.

The second PDO level result for “*% difference between budgeted and actual aggregate expenditure*” was not met. Comparison between the actual revenues and expenditure with the original approved budget over the past three years, has revealed significant variances which demonstrates concerns in the realism of the budget. Tax policy was supported by the IMF who also supported budget preparation. However, the revenue forecasting skills were strengthened, although they can be further developed to improve budget credibility. The first in a series of practical training workshops under the PFM Education and Training Program was focused on enabling participants to better forecast fiscal resources, leading ultimately to the preparation of a Fiscal Strategy Paper. Also, the SFMIS was deployed at the sea and airport to ensure that revenue collections are recorded and later traced to the bank (TSA). It is important to note that most revenue leakages occur at the point of assessment and this area was not covered by the project. Whereas the tax revenue fell short of targets during the past three years leading to daily cash rationing; non-tax revenue collection has consistently exceeded the target and total domestic revenue collection has been increasing on a yearly basis between 2013 and 2015. Revenue performance reports disaggregated by revenue type are published in the MoF website to improve transparency of tax collection.

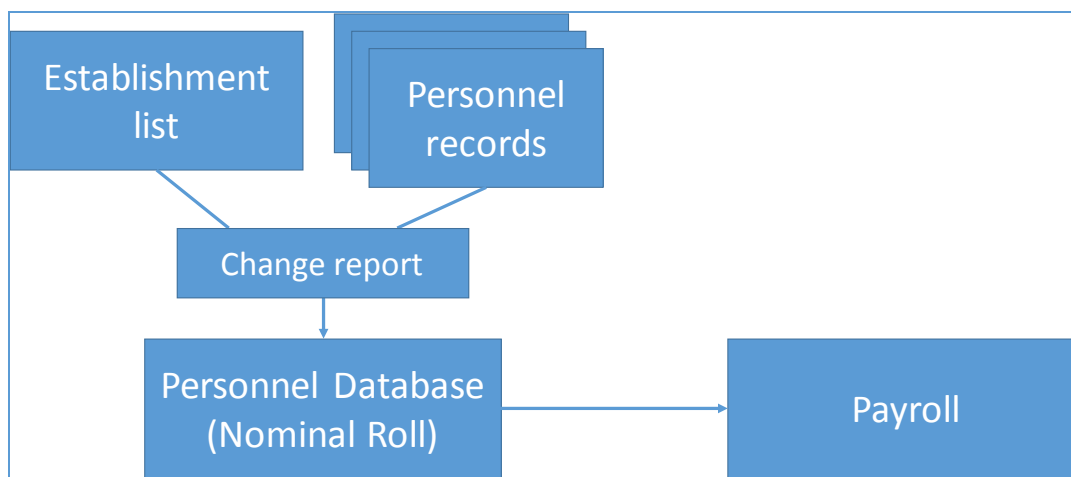


It is expected that in the Second PFM project, sub-components related to strengthening budget planning, revenue mobilization, and tax administration activities, will provide the necessary tools to further build capacity to improve the realism of the budget.

3.3 Efficiency

Because of the emergency nature of the project, it was exempt from economic analysis, hence no economic analysis was carried out during appraisal. The project nevertheless contributed significantly to improving country's fiscal environment, where more transparent and accountable public financial management systems are expected to yield significant economic benefits over medium to long-term period providing more fiscal space to direct scarce resources more strategically.

The payroll control measures that have been introduced provide potential savings by lowering the risk of ghost workers. Payroll costs account for a huge proportion of the budget and it is therefore important that only valid employees are paid and at the correct grade, pay and location. The SFMIS payroll has established robust controls through integration of the National Civil Service Commission (NCSC) approved employee list and the payroll to enable verification and validation of employees against the establishment and individual payroll records.



Amendments to the employee list and payroll records follow a pre-defined workflow based on approval authority and results in an audit trail with a **Change Report** that is validated by the Monitoring Agent before seeking reimbursement from the Recurrent Cost and Reform Facility Project.

IFMIS implementation time on average takes 7.9 years and 80 percent of the Bank projects financing IFMIS were extended¹⁴. Within 2 years 3 months, the benefits and achievements (as

¹⁴ Financial management information systems: 25 years of World Bank experience on what works and what doesn't - Dener, Cem; Watkins, Joanna Alexandra; Dorotinsky, William Leslie (World Bank, Apr 2011)

explained in section 3.1 and 3.12) demonstrate that operational and administrative efficiencies were derived as a result of a user-friendly, robust and low cost ‘fit-for-purpose’ SFMIS designed based on absorptive capacity and tailor-made training-of-trainers implementation approaches with a well-documented user manual.

SFMIS cost to date is US\$1.6 (DANIDA \$420K for 3 servers, connectivity, backup, end-user devices; DFID \$350k for Statement of User Requirements (SOUR), Conceptual Design, and interim solution¹⁵; and \$816m spent under this project). This SFMIS is cost effective with unlimited concurrent users with no annual license fees. Currently there are 250 registered users with 30% of users connected to the system daily. Ongoing telecommunications usage costs are approximately \$9,000 for internet and phone per month. As a bespoke system, the functionalities are developed as business processes are gradually re-engineered and new reporting requirements emerge especially by the IMF Staff Monitoring Program (SMP). The adaptive approach has eliminated the huge costs for change requests¹⁶ as normally seen in implementing Computer of the shelf (COTS) applications with long lead time for customization and licenses renewal fees. Identification of 24 ‘Super Users’ with Training-of-Trainers (ToT) approach resulted in low cost of deployment and support for the system. An online Help Desk (<https://somalipfm.freshdesk.com/support/home>) has been established to provide end-user support with the Super Users as first level support before escalating to the Developers.

Cross country example - to reduce the cost and associated risk of working in Iraq for the “Modernization of Public Financial Management Systems Project” (P151357), the Government of Iraq agreed that IFMIS IT development be carried out offshore, with appropriate channels of communication and coordination with the team assigned by the MoF. As such, the vendor’s team will not need to spend significant periods of time working in Iraq until 2018, when the development of the IFMIS solution is completed. In addition, the IFMIS contract will include security-related provisions. The hiring of a limited number of international consultants will be done on a very selective basis in order to obtain the necessary commitment for their interventions in Iraq. Similarly, for Somalia, most of the design was done off-shore after the initial user requirements gathering that was done on the ground. Configuration and hands-on training of Super Users was conducted at the Kenya School of Government e-Learning and Development Institute (eLDI). This reduced security cost and the overall cost of implementation.

It is important to factor the security cost of doing business in FCV. The overall project oversight, coordination and administration cost was 30 per cent of the project amount. In addition to the premium rates for individual consultants and firms; the security cost

¹⁵ vb.net development language; MS Windows operating system; and MS Access

¹⁶ Example - Systems Integrator for the Kenya IFMIS upgrade of chart of accounts requested for additional **US \$ 1,488,000.00** to cater for the requisite set ups, configuration, data migration and testing. The estimated costs for implementing the Funds Request to Exchequer Release, Cash Flow Forecast, and the Treasury Single Account are **US \$ \$ 6,691,850.**

(especially movement in armored vehicles) outweighed the cost of the intellectual inputs. Also, deterioration in the security situation slowed down the pace of implementation.

The project has within a very short period of time, after almost two decades of non-engagement between the government and the Bank on PFM reforms, improved budget execution through the provision of comprehensive, reliable, timely, and accurate data for informed decision-making and transparency through publication of reports. International donors are also cautiously optimistic about Somalia's future, where much needed groundwork has been laid for further engagement.

3.4 Justification of Overall Outcome Rating

Relevance: The project directly responded to the government-led PFM self-assessment and reform initiative. Based on these factors, the relevance of the objective and design is rated **High**.

Achievement of PDOs / Efficacy: **The achievement of the PDO is rated Satisfactory.** As noted above from the Results Framework, the project has met its PDO. It has either exceeded or met all PDO indicators, except one.

The PDO was clearly defined and the project activities were closely linked with the achievement of these objectives. Further unpacking of the PDO for the purpose of this review as shown below demonstrates the project's major outcomes.

- i. Establish systems – a 'fit-for-purpose' SFMIS was established and used for end-to-end business processes with inbuilt budget controls and hierarchical authorization with clear user guides. Reports by various chart of accounts dimensions are available for management decision-making and accountability. The SFMIS coverage, functionality, and External Assistance Fiduciary Section (EAFS), setup as part of Accountant General's Department structure to manage donor-funded projects as part of using and strengthening country systems. In absence of detailed government procedures manual, EAFS manual was used as foundation to improve overall government procedures. Payroll system improved from manual process that was prone to error and ghost workers to an automated system with integrity checks for monthly changes with segregation of duties for human resource elements handled by National Civil Service Commission and payroll calculation and payment done by Accountant General's department. Organizational system/structure - the PFM Reform Oversight Committee (ROC), Technical Steering Committee (TSC), Component Implementation Teams (CITs), PFM Reform Coordinating Unit, and the EAFS provide the enabling environment for Federal Government of Somalia to plan for and monitor a government-led PFM reform agenda.
- ii. More transparent – from one-page annual reports to full publication of approved budget, in-year budget out-turn reports, and timely annual financial statements posted on MoF website. Revenue performance reports disaggregated by revenue types are published in the MoF website to improve transparency of revenue collection. Procurement opportunities and contract awards are also published on MoF website. (*See sample reports in annex 6*)
- iii. Accountable management use of public funds – transaction process flow with drill-down audit trail available to hold individuals accountable for each transaction; Fixed Assets

register available to track use of government assets; multi-dimensional chart of accounts (CoA) allows determination of source of funds, which organizational used the funds, for what (object or economic code, where it was spent (geo-code), and for what (program/project code). Donor-funds and government budget based on commitment to Peace and State Building Goals (PSGs), Economic Recovery Plan (ERP) and classification of functions of government (COFOG) also provide a strategic view on use of public funds in Somalia.

- iv. Human resource capacity - critical mass of PFM professionals with a good mix of skills to perform a broad range of PFM tasks. At the time of ICR writing, the project had produced 37 qualified practitioners (93% of the revised target of 40), who had received the Chartered Institute of Public Finance and Accountancy (CIPFA) Certificates and eligible to start the Diploma stage. This provides a good exit strategy from reliance of technical assistants.

Efficiency: Identifying and quantifying direct and indirect financial, economic and social benefits, and attributing outcomes to interventions such as this project, is not straightforward and it is difficult to carry out credible and rigorous cost-benefit and financial analyses. On the other hand, the benefits of such reforms are widely agreed to be large, for example: Somalia benefiting from the improved budget credibility, better internal controls, enhanced oversight and increased transparency in its fiscal and budget management. Furthermore, SFMIS has been implemented at a reasonable cost within a relatively short time with good coverage and features compared to other IFMIS implementation – see annex 4. With this consideration, the project’s efficiency is rated **Substantial**.

Based on the above factors and discussion in sections 3.1 through 3.4, the overall achievement of outcomes is rated **Satisfactory**.

Outcome Rating

Relevance		Efficacy				Efficiency	Overall Outcome
Objective	Design	Objective1	Objective 2	Objective 3	Objective 4		
		<i>(Transparency)</i>	<i>(Accountability)</i>	<i>(Systems)</i>	<i>(Human resource)</i>		
High	High	Substantial	Substantial	Substantial	Substantial	Substantial	Satisfactory

3.5 Overarching Themes, Other Outcomes and Impacts

Poverty Impacts/Gender Aspects/Social Development: During appraisal, direct impact of the project on general population was not taken into account nor was a poverty analysis conducted. Likewise, the project did not have any impact on social development. Similarly, gender issues were neither reflected at appraisal nor impact monitored during implementation.

Whilst the small number of female students limit the statistical significance of any conclusions, the figures do indicate that female students are performing better than male students.

Gender analysis of June 2016 CIPFA IPFM results

University	Gender of registered students					Individual module passes by gender					Certificate completed by gender				
	Male	Female	Total	Male %	Female %	Male	Female	Total	Male pass rate	Female pass rate	Male	Female	Total	Male pass	Female pass
MU	45	5	50	90%	10 %	26	4	30	58%	80%	17	2	19	38%	40%
SIMAD	51	3	54	94%	6%	34	3	37	67%	100%	23	3	26	45%	100 %
PSU	47	6	53	89%	11 %	36	5	41	77%	83%	22	2	24	47%	33%
EAU	62	6	68	91%	9%	35	3	38	56%	50%	26	3	29	42%	50%
TOTAL	205	20	225	91%	9%	131	15	146	64%	75%	88	10	98	43%	50%

Institutional Change/Strengthening: The project has resulted in a substantial institutional development impact. By using and strengthening country systems instead of bypassing them, the project has been instrumental in establishing the building blocks of a well-functioning PFM system with particular emphasis on PFM professionalization through the qualification program and the PFM cadre scheme of services. The PFM Bills, once approved, will strengthen the enabling environment by codifying the Ministerial Orders/Treasury Circulars in the Financial Regulations and COPM. This will also support the sustainability of the reforms.

The project has laid the PFM foundations to establish a track record for the envisaged International Monetary Fund (IMF) Staff Monitoring Program (SMP) and debt relief. The SPF as a catalytic fund has supported the government to demonstrate transparency and has crowded in the Multi-partner Fund (MPF) to build on the initial success registered so far in implementing the next generation of PFM reforms. The strengthened controls especially for payroll has provided the assurance framework for the Recurrent Cost and Reform Financing (RCRF) project. With further improvement in the control environment and introduction of internal audit function, more reliance can be placed on the country fiduciary arrangements as part of the New Deal instead of sole reliance on Independent Fiduciary Agents.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

The Course Provider used the Donald Kirkpatrick¹⁷ evaluation model to obtain feedback from students and their organizations and the summary results are shown below.

IPFM Training: There is good evidence of the successful impact of the training at Kirkpatrick levels 1 and 2, Reaction and Learning. The strongest evidence is provided by the pass rates. There is also good evidence of the impact of the training at Level 3 Behaviour, with numerous

¹⁷ Kirkpatrick, D.L., & Kirkpatrick, J.D. (1994). Evaluating Training Programs, Berrett-Koehler Publishers - (i) *Reaction*: what participant thinks of training (ii) *Learning*: improvements to knowledge and capability; (iii) *Behavior*: improvements to work performance; and (iv) *Results*: impact on the organization.

examples by students to confirm this impact. There is limited evidence of impact at Level 4 Results. At this early stage in the training such impact is likely to be limited.

Budget training: There is strong evidence that the budget training has provided new and middle level budget staff with expertise in budget forecasting, budget preparation and budget execution. The impact of the training has been limited by the fact that top level budget staff have not attended and the role of external agencies in budget preparation. The PEFA assessments prepared by course participants provides a road map for future budget reforms.

PFM for Managers: No structured analysis of the impact of this training has been conducted because the marginal cost of the course is so small that any gains are sufficient to justify the course. Employers are not aware of who participates in the course and hence there is no means of assessing their impact on the organisation where they work. With some 300 students on the course, this indicates a per student cost of approximately \$30. Furthermore, this course can be continued indefinitely. The only ongoing costs are the need to periodically refresh the test questions.

4. Assessment of Risk to Development Outcomes

Rating: **Moderate**

The likelihood that changes may occur that would be detrimental to the ultimate achievement of project's outcome is considered moderate. The transparency of making key public finance data available to the public has set the stage for accountability in the use of public funds. Website publication provide space for social accountability and Open Government Data. This agenda will continue to be supported under the PFM phase II project, which became effect in in September 2015 and expands on professionalization of PFM.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: **Satisfactory**

During project preparation, and appraisal, the Bank took into account adequacy of project design and all major relevant aspects, such as technical, financial and institutional, including procurement and financial management. Major risk factors, and lessons learned from earlier projects in the general public administration sector were considered and incorporated into the project design. Because of the emergency nature of the project, alternatives were not considered mandatory for the project design. The project preparation was carried out with adequate number of specialists who provided the necessary technical skill mix to address sector concerns. The Bank provided adequate resources in terms of staff weeks and dollar amount to ensure quality appraisal work. The project was consistent with the ISN and government's sector priorities at the time. The Bank had good working relationship with the Recipient, during project preparation phase.

Based on the above, the Bank's performance in the identification, preparation, and appraisal of the project is considered **satisfactory**.

(b) Quality of Supervision

Rating: Satisfactory

The quality of Bank supervision is rated Satisfactory. The Bank's supervision teams continued their hands-on approach and remained close to the clients even during difficult internal country situations. The project did not solicit any extensions, in spite of country's political and security situation and more so, the design anticipated that the project will dovetail with the MPF scale-up activities. It is worth mentioning here that, in October 2014, following country's security concerns and subsequent to the cancellation of mission to Villa Somalia, the Financial Management supervision team conducted their three-day supervision mission at the Mogadishu International Airport, showing dedication and commitment to the client's needs.

The presence of the Bank supervision team in the field (Somalia), during the earlier years, was essential but not available. The presence could have helped maintain effective coordination with other donor partners, which looked for Bank's advice and direction.

Fiduciary policies were monitored closely and were addressed on a timely basis. Procurement for example, was constantly monitored with periodic post reviews and was made part of the supervision mission activities. The EAFS continued to maintain a satisfactory financial management system which generated periodic reports including the Bank required Interim Financial Reports (IFRs).

The responsibility of maintaining adequate financial management system to guarantee the project proceeds are used for the intended purposes lies with the Government (OP 10.0). The quarterly unaudited IFRs were prepared and submitted to the Bank for review and clearance on timely basis. Although the dated covenant (grant agreement) stipulated semi-annual IFRs submissions, in practice the project instituted internal arrangements through which IFRs were indeed submitted on a more frequent periodicity (quarterly). Leveraging on the initiatives the IFRs reporting function and Government-wide fiscal revenue and expenditure reports were generated through a single common window (SFMS). The foundation laid out by the project has subsequently further provided a scalable window into strengthening Use of Country Systems (UCS). Subsequently as a result of this project led initiative, the follow up projects funded through the Bank administered Somalia Multi-Partner Fund (MPF) as well as part of the UN- MPF are mainstreamed into full Country Systems.

The Aide Memoires were descriptive and well-written. Three ISRs were archived which were candid and adequately reflected situation on the ground with appropriate risk ratings.

(c) Justification of Rating for Overall Bank Performance

Rating: Satisfactory

With *satisfactory* rating, both, for quality at entry and quality of supervision, the overall Bank's performance is rated Satisfactory in accordance with IEG's harmonized rating criteria.

The design was based on country context and avoided the ‘big-bang’ approach by starting with the basics. Despite the security constraints for in-country supervision, frequent support was provided by the Task Team through phone calls and by leveraging on skype video conference. Furthermore, the notable commitment of the team is highlighted by the fact that it was the same team that prepared, implemented and completed the project, which is a rare case in the Bank.

5.2 Borrower Performance

(a) Government Performance

Rating: **Satisfactory**

In spite of the challenging political environment, the government continued providing its support during preparation and implementation by way of maintaining good dialogue, and affirmation of its top priority to establish a transparent and accountable financial management system^{18/}. At the time project closure, the PFM Bill that had been endorsed by the Council of Ministers in March 2016 for submission to Parliament was passed and went through two readings. However, Parliament’s tenure expired prior to the last reading. The Procurement Bill was passed by Parliament and assented by the president in early August 2016. The Audit Bill was also passed by the Parliament but has yet to be approved by the President. With the no-passage of the PFM Law, the COPM will now be concluded under the ongoing Phase II project.

(b) Implementing Agency or Agencies Performance

Rating: **Satisfactory**

The change management approach was gradual-incremental and involved active participation of the stakeholders by identifying the problems through the government-led PFM self-assessment and the PFM reform initiative. With a less threatening approaching and proof of concepts, the technical level staff were quick to embrace the reforms especially the SFMIS which allowed the Accountant General’s Department to start exercising strict budget controls and producing timely reconciled reports. Some business processes even though at variance with ‘good’ PFM practices were allowed to continue as they required a change in the Financial and Accounting procedure of the State 1961. For example, the Auditor General approves warrants and this is in addition to the paper-based approval by Budget Director and Accountant General. The inbuilt system budget controls have demonstrated that the warrant business process can be simplified and contained within the Budget Department and this will be done when codified in the Financial Regulation.

The implementing agency was effective in carrying out all operational aspects of the project management, including planning and budgeting, financial management, procurement, disbursement arrangements, reporting and audit compliance. With the use of country systems,

¹⁸ More specifically, the Minister of Finance was changed three times during implementation

the project was able to apply the rules in the Appropriation Act¹⁹ to direct project funds to areas that were receiving more traction and to also respond to emerging issues. For example, there were security concerns about frequency of visits to the process payment transactions at the Ministry of Finance. Therefore, funds were reallocated from the slow starting procurement stream of the education and training program to provide connectivity and end-user devices to rollout the system to line ministries.

Financial Management: The FM was carried out in accordance with the project design and the legal agreement. The implementing agency continued to maintain satisfactory FM arrangements in terms of human resources, computerized network and well defined segregation of duties between different departments. The accounting software was specifically designed and used to follow up on project accounts and to generate project IFRs. The Special Accounts were reconciled periodically producing timely bank statements. The project's chart of accounts provided required information about various Grant categories and other financial information needed for day-to-day activities. Formal audits were carried out on an annual basis in accordance with the International Standards on Auditing. The audits repeatedly confirmed the adequacy of the accounting system, the internal controls, the reliability of the statements of expenditure, and compliance with the legal covenants. However, there is need to improve timeliness of payments to suppliers and closer contract management. The project received unqualified audit opinion during the implementation period with emphasis of matter for the following weaknesses.

1. **Travel Advances:** concerns over non-compliance to the policies and procedures laid out in the External Assistance Fiduciary Section (EAFS) manual for completing Expense Report Form (ERF) and prolonged delays in refund of various unspent travel advances.
2. **Petty Cash:** lack segregation of duties, lack of frequent cash reconciliation as well as inadequate safe custody of the cash.
3. **Post balance sheet events.** We recognize the project final financial statements (as at end of the project) were prepared in accordance with the IPSAS- Cash Basis. However, the statements did not recognize the accrued obligations for the ITC-ILO invoices that were subsequently paid under PFM II.

Procurement Arrangement: The Project Coordination Unit (PCU) applied: (i) Bank's Guidelines for Procurement of Goods Works and non-consulting services under IBRD Loans and IDA Credits and Grants by World Bank Bank Borrowers; and (ii) Guidelines for Selection and Employment of Consultants IBRD Loans and IDA Credits and Grants by World Bank Borrowers. Procurement tasks were managed by the PCU, which consisted of qualified national as well as international consultants. During project implementation period, additional technical assistance was provided under the PFM project, as well as the new PFM II scaled-up project.

¹⁹ **Section 3.2 Budget Transfers within Public Bodies** - The Minister may within a Public Body: (a) Transfer funds within items of expenditure of the recurrent Budget; and (b) Transfer budget from one capital project to another.

(c) Justification of Rating for Overall Borrower Performance

Rating: **Satisfactory**

The Ministry of Finance and particularly the EAFS is commended for championing the use of country systems and for meeting the fiduciary requirements in the Grant Agreement. The project funds were disbursed in full with concrete results. To ensure that PFM process are well regulated, Procurement and Audit Laws were passed and the Executive submitted a PFM Bill to Parliament. The Ministry of Finance is commended for its innovation in using Ministerial Orders and Treasury Circulars to regulate the evolving PFM business processes in the new automated environment. Commitment to transparency was maintained by making the approved budget public and also periodically posting budget performance reports available on the website. Controls around payroll which account for a huge portion of total expenditure was strengthened by validation of payroll records and approved employee list. Audit trail was improved together with mandatory document attachment to improve record keeping. *Hence, overall Borrower's performance is rated Satisfactory.*

6. Lessons Learned

What are the implications for other FCV countries embarking on similar reforms? Necessary preconditions for successful reforms include:

(i) *The implementation of PFM reform must go hand in hand with advancement in civil service reform and capacity development.* PFM reform is central to the development of Somalia. Because of their interdependence, the long-term success of PFM reform depends on the progress in civil service reform. The implementation of PFM reform must go hand in hand with advancement in civil service reform and capacity development. In this regard, the PFM Education and Training program needs to be sustained to ensure that capacity development at the level of individuals is aligned with the organizational development. PFM professionalization as part of the scheme of service can lay the foundation for merit-based promotions and contribute to retention of key skills.

(ii) *Alignment of the project focus with the government reform is indispensable to ensure country ownership of the project; however, the question of 'who owns the reforms' needs to be assessed deeply in frequently changing political environment.* The PFM self-assessment and reform initiative provided the rallying point for donor support. The project was selected by focusing on distinct aspects of the government reform program and the project indicators were directly aligned with the government indicators. However, with frequent changes in the political leadership, new ministers had different priorities and new rounds of communication were needed to reinforce the reforms and address the question of 'who owns the reforms'?

(iii) *Design and implementation modality of the project should be tailored to institutional and absorptive capacity with basics first by starting with accounting and reporting from the center before IFMIS roll-out.* The initial primary focus was on accuracy of recording of transactions and timely comprehensive reporting before hierarchy process flow. The SFMIS started by recording transactions through a 'kiosk' setup at the Accountant General's Department for line ministries to post their transactions as part of the parallel run. This learning process boosted confidence to transit from the interim solution to the web-based

process flow after roll-out to the line ministries to process transactions from their desks and also attach relevant supporting documents for ease of review before payment and also made availability of records easier to retrieve for post audit. Availability of key fiscal reports for decision making, transparency and accountability are critical to sustain interest in IFMIS.

(iv) ***A paradigm shift is needed from the risk avoidance approach by citing ‘lack of capacity’ to manage donor funded projects to learning-by-doing instead of consultant led reforms through project implementation units (PIUs).*** Reliance on mainstream civil servants with support by individual technical assistants with proven track record is more developmental and sustainable as it avoids creating a ‘parallel public service’ with highly paid consultants that causes friction. Similarly, ***use of country systems*** for fiduciary arrangement for donor-funded projects provides an entry point to strengthen country systems. A cautious start with Designated Account (DA) ceiling of \$50,000 was later increased to \$500,000 after three quarters of successful documentation of project expenses and timely submission of interim financial reports (IFR) direct from the SFMIS as opposed to most ‘high capacity’ countries that have spent much more on IFMIS but yet using parallel systems to manage donor-funded projects.

(v) ***Realism of the design for FCV and Collaboration with other Development Partners (DPs) is more useful than DP competition and reduces the burden on the client.*** Level of ambition needs to be appropriate given amount of funding available. In this case, only \$4.5 million was made available and though the accomplishments were notable, the expectations were often unrealistic given the FCV context and small pool of funds. With the Bank’s technical support, DFID funded two individual consultants through their framework agreement to undertake the needs assessment, prepare the conceptual design and deployed the bespoke interim solution as proof of concept. DFID also funded the establishment of the External Assistance Fiduciary Section (EAFS) including preparation of manual and training. DANIDA provided the server, initial radio-link connectivity between Ministry of Finance and Central Bank of Somalia and end user devices for the central finance agencies. Learning from the successful collaboration, the UN Joint Programme on Local Governance (UN-JPLG) Somalia Programme is providing the connectivity, servers and end-user devices for Puntland and Somaliland. Also, the individual Technical Assistants for Procurement and Expenditure Control, CASH Management, Accounting and Reporting were shared by the AfDB and WB projects to ensure consistent approach. However, because of the interdependencies of the various PFM elements, it is important to properly manage the prioritization and sequencing of various support especially when there is reliance on another donor to support attainment of a specific project indicator.

(vi) ***Deployment of national managers is important for better results.*** The project was successful because it took a national management approach where the project was operated and managed by the national experts and management with international support only when needed. This approach had several advantages i.e.: (i) the nationals were not required to have security clearance as they were able to move around and visit any areas of the project without requiring additional security; (ii) the national staff did not have as many security concerns as internationals; (iii) there was no shortage of national capacity to manage the project in Somalia; and (iv); the nationals are more acceptable and available to the Government.

(vii) ***Independent Fiduciary Agents (IFA) can complement Bank supervision as part of the comprehensive fiduciary arrangement.*** However, it is important to draw the line

between providing advice to the Bank team and getting involved in the actual implementation of reform activities for which they are expected to monitor. Also, a clear exit strategy is needed to address the risk of using weaknesses to prolong presence of IFA as opposed to building country institutions such as robust and credible Internal Audit Function and Supreme Audit Institution (SAI) that could progressively be relied upon.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

The executive summary of the Borrower's report is reproduced in Annex 7, with the full report attached in the supporting documents.

(b) Co-financiers

The project was funded by the State and Peace-Building Fund (SPF).

(c) Other partners and stakeholders

Through an agreed division of labour by the PFM Sub-working Group (PFM-SWG); support was also provided by other Development Partners as a set of mutually reinforcing reform activities to achieve the overall objectives of the PFM Reform Initiative. Specifically, The AfDB and IMF support to the upstream fiscal policy, planning and budget preparation was expected to help in achieving the project indicator for budget credibility.

Division of labour by Development Partners

Thematic PFM reform area	Development Partner	Remarks
1. Policy analysis, economic planning and budget preparation	IMF AfDB UNDP- SIDP ²⁰ Sweden <u>World Bank-DFID</u> EC	Macro-fiscal framework to be led by IMF Statistical capacity led by AfDB Development Assistance Database (DAD) Aid coordination expert Classification of budget Support to Policy Unit (President's office), New Deal process (lead donor, support also via focal point and UNDP)
2. Resource mobilization	WCO UNDP-SIDP IMF	Customs diagnostics, UN container control, advice on improving valuation, advice on updating tax laws and training The IMF plans to provide technical assistance (TA) in the area of tax policy and tax administration
3. Budget execution, accounting, reporting, and Financial Management Information System	<u>World Bank-DFID</u> World Bank SPF DANIDA and Sweden IMF	FMIS Conceptual Design, CoA upgrade FMIS Proof of concept FMIS hardware and equipment Payment System - Treasury Single Account in Central Bank Public Expenditure Tracking Surveys (PETS) IMF TA in data compilation and reporting systems, including in fiscal area.
4. Central Bank	IMF AfDB UNDP-SIDP	Organizational structure, monetary policies Financial Institutions Bill, National Payment System; licensing and supervision of financial institutions; capacity development; research and statistic, compilation of macroeconomic and monitoring indicators and balance of payments
5. Procurement	UNDP-SIDP	<u>World Bank</u> will do the legal framework only
6. External scrutiny and audit, non-state actors	UNDP-SIDP USAID	Parliamentary strengthening DFID and EC support the UN on Parliament work
7. PFM Staff Capacity Development (PFM-SCD)	<u>World Bank-DFID</u> UNDP-SIDP	PFM Academy within a university
8. Legal framework	AfDB	Continuation of previous support by HESPI
9. PFM reform coordination, Monitoring and Evaluation	<u>World Bank-DFID</u> Norway SFF	Chair of PFM-DG PFM Technical Assistants in Subject Matter Expert roles Strategic communication, public outreach
10. Civil Service	UNDP-SIDP USAID	HR policies, functional reviews, training needs assessment, pay and grade, employee verifications (biometric), Anti-corruption
11. Sub-national PFM	UN-JPLG	Policy analysis, economic planning and budget preparation (development of decentralization policy roadmap with special focus on fiscal decentralization); budget execution, accounting reporting, and financial Management Information; developing and providing capacity development in public procurement at the district level to be coordinated with Nation procurement system; and local revenue generation

²⁰ Funded by EC and Sweden

Second Public Financial Management Capacity Strengthening Project

Financed by the Somalia Multi-Partner Fund (MPF) (TF072283)²¹. The Project Development Objective is to establish and strengthen institutional capacity for the management of public funds in central finance agencies and targeted sectors.

Component 1: Revenue mobilization, planning and budget preparation

Sub-component 1.1: Strengthening planning and budget preparation

Sub-component 1.2: Revenue mobilization and tax administration

Component 2: Treasury management, budget execution, procurement, accounting and financial reporting

Sub-component 2.1: Treasury management and budget execution

Sub-component 2.2: Accounting and financial reporting

Sub-component 2.3: Concessions, procurement and contract management

Sub-component 2.4: Bespoke Financial Management Information Systems (FMIS)

Sub-component 2.5: Modernizing Central Bank of Somalia banking operations and financial control environment

Component 3: Strengthening the integrity pillars

Sub-component 3.1: Foundations for Supreme Audit Institutions (SAI)

Sub-component 3.2: Planning, Finance and Public Accounts Committee (PAC)

Component 4: Public financial management professionalization

Component 5: Public financial management oversight, coordination and management

Component 6: Demand-driven Just-in-time services (Bank Executed)

Sub-component 6.1: Social Accountability and Open Government Data (OGD)

Sub-component 6.2: Governance/PFM reviews and advisory notes

International Monetary Fund (IMF): Somalia Trust Fund for Capacity Development in Macroeconomic Policies and Statistics

Five priority areas: (1) development of an integrated macroeconomic framework and policies; (2) establishment of a fully functional central bank; (3) modernization of tax and customs policy and administration; (4) strengthening of public financial management (PFM); and (5) building capacity for the production and dissemination of macroeconomic data.

²¹ Approved on July 7th 2015 and effective on September 9th 2015

African Development Bank (AfDB): Economic and Financial Governance Institutional Support Project (EFGISP) – Approval November 29, 2013 (UA 2,500,000 equivalent to US\$ 3,700,000). Approval date: December 15, 2013

Project Objectives: The overall development objective of the project is to strengthen macroeconomic and financial management in Somalia through improved macroeconomic framework and budget formulation. The specific objectives are to: (i) enhance macro-fiscal planning and economic analysis for sound and pro-poor macroeconomic policies; and (ii) strengthen the budget preparation process.

Impact: A stable macroeconomic environment conducive to improved livelihoods of Somalis.

Expected outcomes:

Outcome 1: Increased budget credibility

Outcome 2: Strengthened budget process and participation

Project Components:

Component 1: Enhancing macroeconomic management, policy and planning (US\$1.7m): USD 1.13 million

Sub-component 1.1: Support to macroeconomic and fiscal management

Sub-component 1.2 Support to arrears clearance and debt reconciliation process

Expected outputs	Actual outputs to date
Output 1.1: Preparation of a Macro-economic and fiscal framework underpinning resource allocation	Macro-fiscal expert has been recruited to build capacity of the department. Skills training are being undertaken for core staff of the macroeconomic policy department. Government has embraced and IMF-supported Staff Monitored Program (SMP), which will further build capacity in fiscal forecasting, management of fiscal operations and fiscal reporting.
Output 1.2 Drafting of costed gender sensitive sector strategies	This activity has been stalled, for now. Government has replaced it with capacity building in fiscal federalism area, which is considered more of a priority for Somalia in the medium-to long term. In this regard, a fiscal federalism expert has been recruited to support government in developing fiscal decentralization policy and strategy, propose revenue sharing mechanisms and develop intergovernmental fiscal relations framework.
Output 1.3 External debt reconciliation	70% reconciled, so far

Component 2: Strengthening effectiveness and inclusivity of the budget (US\$0.7m): USD 0.49 million

Sub-component 2.1 Strengthening the budget preparation process

Sub-component 2.2 Improving budget dissemination and transparency

Expected outputs	Actual outputs to date
Output 2.1 Establish a budget calendar	A long-term budget advisor has been recruited. A budget preparation calendar has been established
Output 2.2 Comprehensiveness of budget information	Most known revenues (both internal and external) are included in the budget and registered in the government's integrated financial management system. Some donor funding is still channeled outside of the budget. And some extra-budget expenditures still exist
Output 2.3 Inclusiveness and participation in budget process.	Participatory budgeting has been initiated and has characterized preparation of the 2017 budget

**Component 3: Support to capacity development and project management (US1.3m):
USD 0.88 million**

Sub-component 3.1 Provision of training to enhance macroeconomic management, policy planning and budget process

Sub-component 3.2 Provision of essential equipment

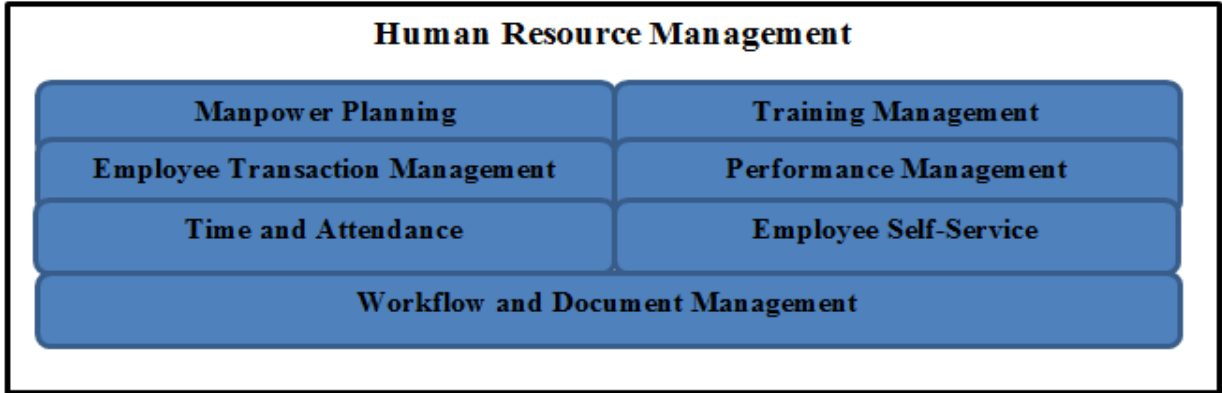
Sub-component 3.3 Project management

Expected outputs	Actual outputs to date
Output 3.1 Staff trained in specialist skills in budget and procurement	Being undertaken with support from resident budget and procurement experts
Output 3.2 Availability of self-sustainable training capabilities	Being undertaken, some notable progress, such as the in-house ability to develop an Expenditure Arrears Management Plan or PFM Self-Assessment Plan
Output 3.3 Documented approach to staffing supporting capacity enhancement	Job descriptions being prepared for budget department staff. Staffing needs assessment not yet undertaken.

Capacity Injection Project (CIP)

The project has established a robust foundation for periodic payroll audits to identify control weaknesses, weed out ghost workers and will be useful for the planned payroll parade that will be conducted by the Capacity Injection Project (CIP) which will also specify the human resource system requirements to further develop a unified system. The objective is to ensure consistency between nominal rolls and the payroll with seamless integration with the core SFMIS modules to enhance credibility of reported payroll costs. The HRM features of the SFMIS will include the following that will be gradually implemented: Manpower Planning; Employee Transaction Management; Time & Attendance; Training Management; Performance Management; and Other Features (Document management and Employee Self-Service).

SFMIS Human Resource Management Features



Annex 1. Project Costs and Financing

(a) Project Cost by Component (in US\$ Million equivalent)

Components	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Component 1: Public Financial Management Reform Oversight	3.45	3.45	
Component 2: Somalia Financial Management Information System	0.54	0.817	
Component 3: Expenditure Control, Procurement, Accounting and Reporting	0.51	0.236	
Total Baseline Cost	4.50	4.503	
Physical Contingencies	0.00	0.00	0.00
Price Contingencies	0.00	0.00	0.00
Total Project Costs	4.50	0.00	
Project Preparation Funds	0.00	0.00	0.00
Total Financing Required	4.50	4,497,940.44	

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (US\$ millions)	Actual/Latest Estimate (US\$ millions)	Percentage of Appraisal
Trust Funds	-	-	-	-
State & Peace Building Fund		4.50	4,497,940.44	99.95%

Annex 2. Outputs by Component

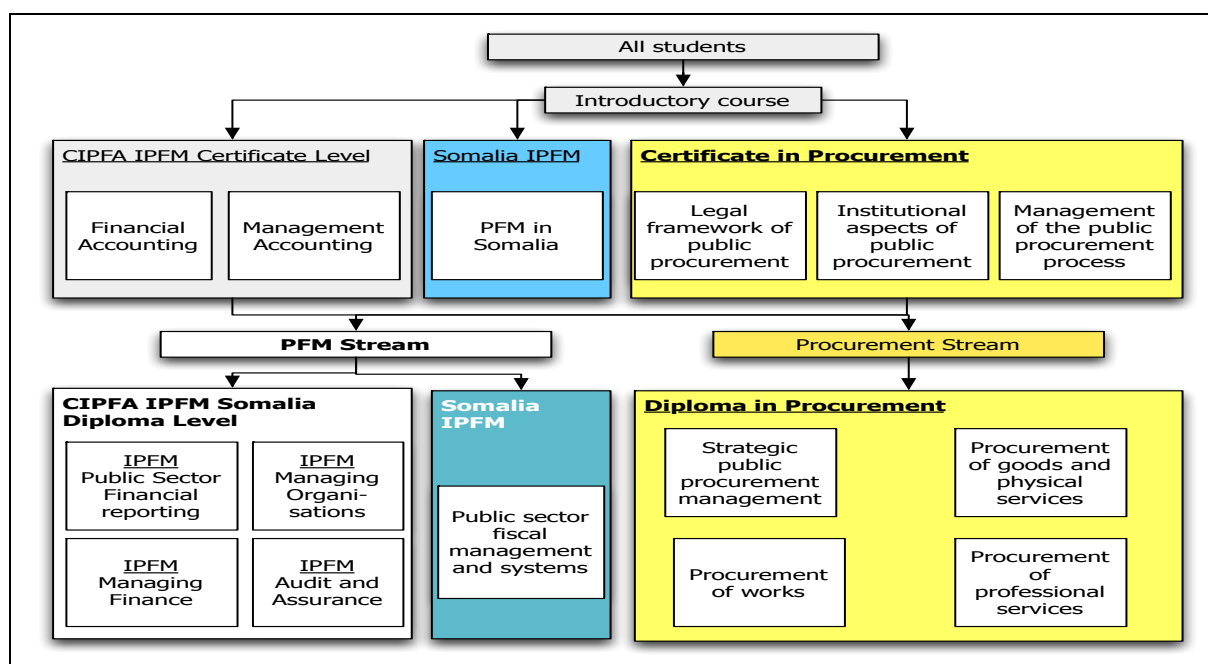
Component 1: Public Financial Management Reform Oversight: The objective of the component was to provide a mechanism for a structured approach to PFM institutional capacity strengthening.

Sub-component 1.1: Public Financial Management Reform Coordinating Unit: The following outputs were produced under this sub-component

- The PFM Reform Coordinating Unit was fully established
- Reform Oversight Committee (ROC) was fully established
- Technical Steering Committee (TSC) was fully established
- Treasury Circulars and Ministerial Orders issues in lieu of Comprehensive Operating Procedural Manual^{22/}

The reform oversight and implementation structure provided policy directions for strengthening the PFM systems and took periodic stock of progress by ensuring that key milestones in the PFM reform strategy and the underlying projects were on track and recommend corrective action where required. Pooling of all support within a unified PFM reform program will enhance coordination and provide a forum for structured dialogue with development partners.

Sub-component 1.2: PFM Education and Training Program: The program is innovative by including a procurement stream, a self-paced learning for non-financial managers, and hand-on training workshops. Examinations are set and marked by external body (CIPFA, ITC-ILO or Consortium).



²² PFM Law yet to be approved by the President - expected to be concluded under phase II of this project.

The following outputs were produced under this sub-component:

- Starting from a situation of no professional qualified Chartered Accountant in the civil service, thirty seven (37) students have received the Chartered Institute of Public Finance and Accountancy (CIPFA) Certificate^{23/}.
- A PFM cadre scheme of service based on the concept of the competencies required for roles within PFM in government has been developed. Puntland State has adopted a policy of only posting staff who are undertaking the examination to PFM functions.
- The “PFM for Managers” (PFMfM) is a web-based PFM learning programme for managers (including those in non-financial roles) across the public sector, including at local government level. As of March 14 some 284 participants were registered. Of these, 108 had actually commenced their studies (as indicated by their own record of progress on the website), and 25 had passed the Introductory Course test. A further 5 students have completed the whole of the Certificate level and have been provided with Certification of Completion for the Certificate Level. This is an internal course completed certificate and does not count towards the CIPFA IPFM, since the latter are externally examined. However, it does indicate that these successful students have gained significant PFM knowledge.
- Support to tutors and students through Webinars
- The first budget training workshop was held in Nairobi in September 2014. This was the first of a series of practical training workshops to enable participants to better forecast fiscal resources, leading ultimately to the preparation of a Fiscal Strategy Paper.
- The second budget workshop was held in Kampala in April 2015 and included a much wider range of participants (16 attended). The overall objective was to improve the quality of the budgets prepared at Federal and regional level. Training was provided on the following subject matter: Fiscal performance analysis for revenue and expenditure head; Sector expenditure performance; Forecasts preparation for 2015-2018; Structure & Functions of Macro-Economic Policy Department; Structure & Functions of Budget Policy & Evaluation Department; Uganda’s budget preparation process/calendar; and Structure and production of the Budget Framework Paper. The overall objective of the third in a series of practical training workshops (1-5 February 2016) was to improve the quality of the budgets prepared at Federal and regional level. The specific objective was to identify weaknesses in Budget Preparation based on PEFA criteria and propose short and medium term solutions to improve on poor scoring areas. Secondly, it was a practical application of fiscal performance analysis on 2012-2015 major revenue and expenditure items. And thirdly to create a revenue profiling model to assess revenue flows (both ex-ante and in-year). Target Audience (20 attended): Budget and Accounting staff of the Federal Government, Puntland Regional Government and Benadir Regional Administration (BRA), and Sector Line Ministries from FGS.
- The overall objective the fourth in a series of practical training workshops (8-12th February 2016) was to improve the quality of the budgets prepared at Federal and regional level. The objective of this fourth course was to relate current public financial management (PFM) practice and ongoing reforms in Somalia to the standards in the

²³ The students are now eligible to start the diploma stage. The professional stage was not achievable during the life of this project and is expected to be achieved under the ongoing second PFM project (P151492).

Public Expenditure and Financial Accountability (PEFA) Performance Measurement Framework, thereby raising awareness of the PEFA Framework amongst participants and stimulating ideas for PFM reform. The PFM areas covered were concerned with budget execution, internal control, accounting and auditing (budget preparation having been covered the previous workshop). The practices discussed were mainly those in the Federal Government of Somalia (FGS), but also covered Puntland State Government (PSG) and Benadir Regional Administration (BRA). *Target Audience* (20 attended).: Budget and Accounting staff of the Federal Government, Puntland Regional Government and Benadir Regional Administration (BRA), and Sector Line Ministries from FGS.

- The students under this education and training programme will provide a good home-base membership for the Professional Accountancy Organization (PAO): “*The Institute of Certified Public Accountants of Somalia (ICPAS)*” for which an Accountants Bill has been drafted for eventual operationalization and support to meet the International Federation of Accountants (IFAC) Statement of Membership Obligations (SMO) through the PFM II project.

Component 2: Somalia Financial Management Information System: The objective of the component was to progressively improve the technical capacity to handle PFM processes in an efficient manner.

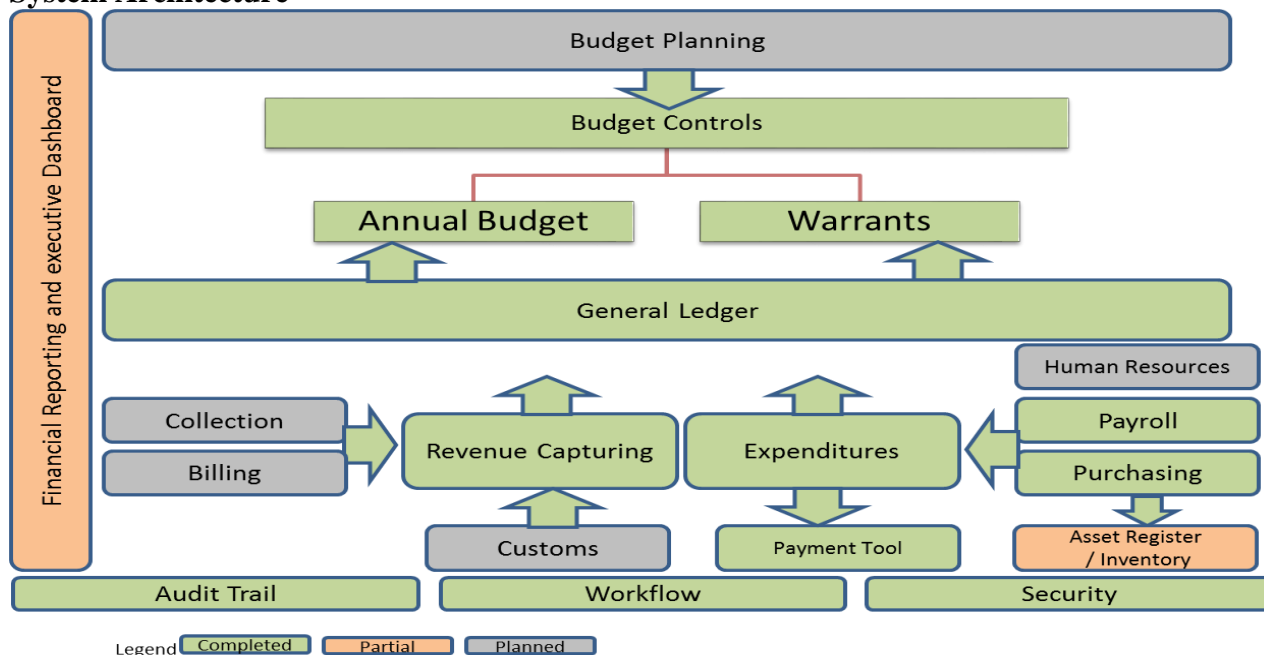
The Somalia Financial Management System (SFMIS) is a Bespoke system²⁴ developed to totally fit with the Somalia PFM re-engineered business processes and environment in alignment with international standards. The design is based on a Statement of User Requirements (SOUR) and signed-off Conceptual Design with process flows. The Conceptual Design Document provides a description for the architectural design of the SFMIS solution and the relationship among all modules. The document describes the detailed ‘as-is’ business processes and the impact on those processes when the system is implemented (‘to-be’ processes), accordingly, the document describes the list of roles and responsibilities for all user groups of the system.

In order to ensure the sustainability of SFMIS at the Federal Government of Somalia, an ESCROW agreement was signed with the system developer to deposit the source code of software with a third party escrow agent (Central Bank of Somalia). The Software Description Document (SDD) has also been provided.

The following outputs were produced under this activity:

²⁴ Development Technologies - ASP.NET framework v4.5 using VB.NET 2012 & DevExpress UI Controls and Reporting v14.2. Database Technology - Microsoft SQL Server 2014.

System Architecture



- (i) User-defined workflow based on approval hierarchy, restricted access rights based in user privileges and drill-down audit trail to source documents.
- (ii) Automatic double-entry with general ledger and extraction of Trial Balance by specific fund. Configured for multi-currency and the chart of accounts descriptions are in dual language (English and Somali).
- (iii) Bank auto-reconciliation functionality in the SFMIS - the reconciliation now takes place within 7 days after the month ends.
- (iv) The Standard Chart of Accounts have been upgraded to multi-dimensional chart of accounts, i.e.: from two segments (organization and economic) to a multi-dimensional structure including (i) organization; (ii) fund; (iii) programs/projects; (iv) economic; and (v) geographic locations.
- (v) 100% of central government budget is executed through SFMIS. The budget execution and payment process is documented in the SFMIS Conceptual Design and User Guide and includes step-by-step flow charts (the web-based SFMIS went live in April 2015 with real-time end-to-end process flow with approval hierarchy and in-built audit trails and drill-down functionality). SFMIS has been rolled out to 61 out of 70 budgeting entities. The 9 entities are in temporary facility.
- (vi) Barcoded payment instructions to central bank for direct payment to vendor has reduced opportunity for fraud and error.
- (vii) New inbuilt controls in payroll system was instrumental in resolving undefined position and providing consistency in allowance payment.
- (viii) Asset Register to track location, status and assigned user of various categories of assets.
- (ix) <https://somaliapfm.freshdesk.com/support/home> - An online Help Desk has been established to provide end-user support.

- (x) The HR/Payroll module has an approved staff list (personnel database) that is directly linked with the payroll to ensure budget control, data consistency, and monthly reconciliation. Monthly changes to the personnel records (addition; exit; promotion; transfer; and change of grade) are done by the National Civil Service Commission (NCSC) in time for the following month's payments with rare retroactive adjustments. The payroll provides the capability to support creating and maintaining of employee records and performing monthly payroll calculation and payment with seamless posting of financial information to the General Ledger. Authority to change records and payroll is restricted, results in an audit trail, and is adequate to ensure full integrity of personnel and payroll data through a monthly reconciliation change report. Also, access privileges can segregate the various categories of payroll (civil servants, security sector, teachers, nurses, legislature, advisers etc.) Central Bank of Somalia (CBS) maintains a separate civil service database with biometrics against which payments are made over the counter but new procedures have been piloted to make payments directly to employees' bank accounts held in approved financial institutions.

Component 3: Expenditure Control, Procurement, Accounting and Reporting: The objective of the component is to strengthen controls needed for fiscal discipline, transparency and accountability.

Sub-component 3.1: Strengthening Expenditure Controls, Procurement Systems and Practices:

The following outputs were produced under this sub-component:

- (i) Simplified Procurement Processes have been adopted. The EAFS manual has simplified procurement processes, forms and transparency requirements for advertising procurement opportunities and publishing awards. Request for Proposals (RfPs) are now posted on government website. The site has also been upgraded to post procurement opportunities and awards.
- (ii) The Procurement TA was attached to the EAFS to provide day-to-day support in processing procurement packages for the project and also providing procurement advisory services for the general budget. Apart from the donor-funded projects 'on-budget', capital expenditure over the past three was less than 5 per cent of the budget and limited to very few ministries.
- (iii) A Treasury Single Account (TSA) is in place at the Central Bank through which reported revenue collections are lodged and expenditure made. The context of the TSA in Somalia is that there were no formal banking arrangements other than the '*Hawalas*' that were unregulated. MoF has daily access to consolidated cash balance before authorizing payments as shown in the example Fiscal Summary Report below.



Federal Government of Somalia

Summary of Government Revenue and Expenditure as of December, 2015

Description	Budget / Estimate	For the Month of December, 2015	YTD Actuals	Variance
Total Domestic Revenue	113,877,955	12,343,271	114,280,010	-402,055
Tax revenue	85,741,755	8,435,628	82,375,417	3,366,337
Non-tax revenue	28,136,200	3,907,643	31,904,593	-3,768,393
Total External Grants	85,155,883	4,656,336	26,916,845	58,239,038
Current (Bi-lateral)	776,715	136,290	2,123,339	-1,346,624
Capital (Bi-lateral)	34,617,200		717,200	33,900,000
Current (Multi-lateral)	999,979		999,979	1
Capital (Multi-lateral)	48,761,989	4,520,046	23,076,328	25,685,661
Total Revenue and Grants	199,033,838	16,999,607	141,196,855	57,836,982
Total Recurrent Expenditure	184,279,838	13,740,008	133,126,878	51,152,960
Grants				
Compensation of employees	81,499,494	6,522,314	55,399,894	26,099,600
Use of goods and services	84,057,344	5,702,606	59,998,294	24,059,050
Grants	14,324,000	1,299,088	13,839,503	484,497
Other expenses	2,599,000	16,000	2,596,886	2,114
Net lending & repayment	1,800,000	200,000	1,292,300	507,700
Domestic				
Accumulated Reserves				
Total Capital Expenditure	14,754,000	661,969	2,293,673	12,460,327
Consumption of fixed capital	14,754,000	661,969	2,293,673	12,460,327
Total Expenditure	199,033,838	14,401,976	135,420,551	63,613,287
Financing Gap / Surplus (-) or (+)		2,597,631	5,776,305	-5,776,305

Items of Cash Balance	Balance b/f	Changes During the Period	Balance
African Development Bank	\$0.00	\$500,372.73	\$500,372.73
Capacity Injection Project	\$0.00	\$391,884.32	\$391,884.32
Government Main Account	\$2,169.92	\$110,851.63	\$113,021.55
ICT Phase 2	\$0.00	\$1,038,431.18	\$1,038,431.18
ICT Support	\$5,209.69	\$1,514.73	\$6,724.42
PFM Phase 2 Scale-Up	\$0.00	\$384,295.82	\$384,295.82
PFM Reform Bank A/c	\$252,609.71	\$90,822.99	\$343,432.70
RCRF Phase 2 FGS Bank A/c	\$0.00	\$2,523,737.42	\$2,523,737.42
RCRF Phase 2 Regions	\$0.00	\$733,738.82	\$733,738.82
Recurrent cost and reform facility Bank A/c	\$0.50	(\$0.50)	\$0.00
SFF Bank A/c	\$69.53	\$655.40	\$724.93
Bank Balance	\$260,059.35	\$5,776,304.53	\$6,036,363.88

Relevant expenditure control and TSA provisions from the Appropriation Act 2015


3.2 Deposit

1. The revenue of the Federal Government must be deposited to the Treasury Single Account (TSA) at the Central Bank of Somalia within two working day of collection.
2. The Central Bank shall accept deposits and effect payments for the account of the Federal Government.

3.3 Disbursements out of the Treasury Single Account

1. No disbursements shall be made out of the Treasury Single Account without the prior authorization of the Parliament.
2. No expenditure or commitment of expenditure can be incurred from the budget approved before a budget allotment is allocated and approved by the Ministry.
3. All payments are to be made directly from the TSA in the Central Bank, either directly from the main account or from one of the subsidiary expenditure accounts established by the Minister.
4. All revenue and payment transactions should be processed through the Somalia Financial Management Information System (SFMIS) and reconciled with the bank statement from the Central Bank.
5. All payments to traders must be processed through the SFMIS prior to payment, and payments made from the appropriate sub-account of the TSA at the

Direct Deposit to vendor's bank account in approved Financial Institution

	Federal Government of Somalia Office of the Accountant General Payment Instruction	Deposit		
Payment Number: 0000725-1	Payment Date: August 9, 2015	A/c Number: 000021		
Pay against this instruction to AL-KHEYR CONSTRUCTION COMPANY				
C/o AMAL EXPRESS		A/c 101114456		
The amount of USD 1,300.00	(One Thousand Three Hundred and No Cents)			
Batch Number	Expense Number	Description	Invoice Number	Invoice Date
0000725	0001892	Building Material		

Three part barcoded payment Instruction to Central Bank



Federal Government of Somalia

Ministry of Finance
Payment Instruction

Payment Number: 000027-1

Payment Date: October 31, 2014

A/c Number: 000000

Pay against this instruction to

The amount of USD 30,867.00

(Thirty Thousand Eight Hundred Sixty Seven and No Cents)

Batch Number	Expense Number	Description	Invoice Number	Invoice Date
000027	0002043	Purchase of new vehicle (Toyota Rav4 2014)	124458-90	15/10/2014



Federal Government of Somalia

Ministry of Finance
Payment Instruction

Payment Number: 000027-1

Payment Date: October 31, 2014

A/c Number: 000000

Pay against this instruction to

The amount of USD 30,867.00

(Thirty Thousand Eight Hundred Sixty Seven and No Cents)

Batch Number	Expense Number	Description	Invoice Number	Invoice Date
000027	0002043	Purchase of new vehicle (Toyota Rav4 2014)	124458-90	15/10/2014



Federal Government of Somalia

Ministry of Finance
Payment Instruction

Payment Number: 000027-1

Payment Date: October 31, 2014

A/c Number: 000000

Pay against this instruction to

The amount of USD 30,867.00

(Thirty Thousand Eight Hundred Sixty Seven and No Cents)

Batch Number	Expense Number	Description	Invoice Number	Invoice Date
000027	0002043	Purchase of new vehicle (Toyota Rav4 2014)	124458-90	15/10/2014

Accountant General: _____

Signature: _____

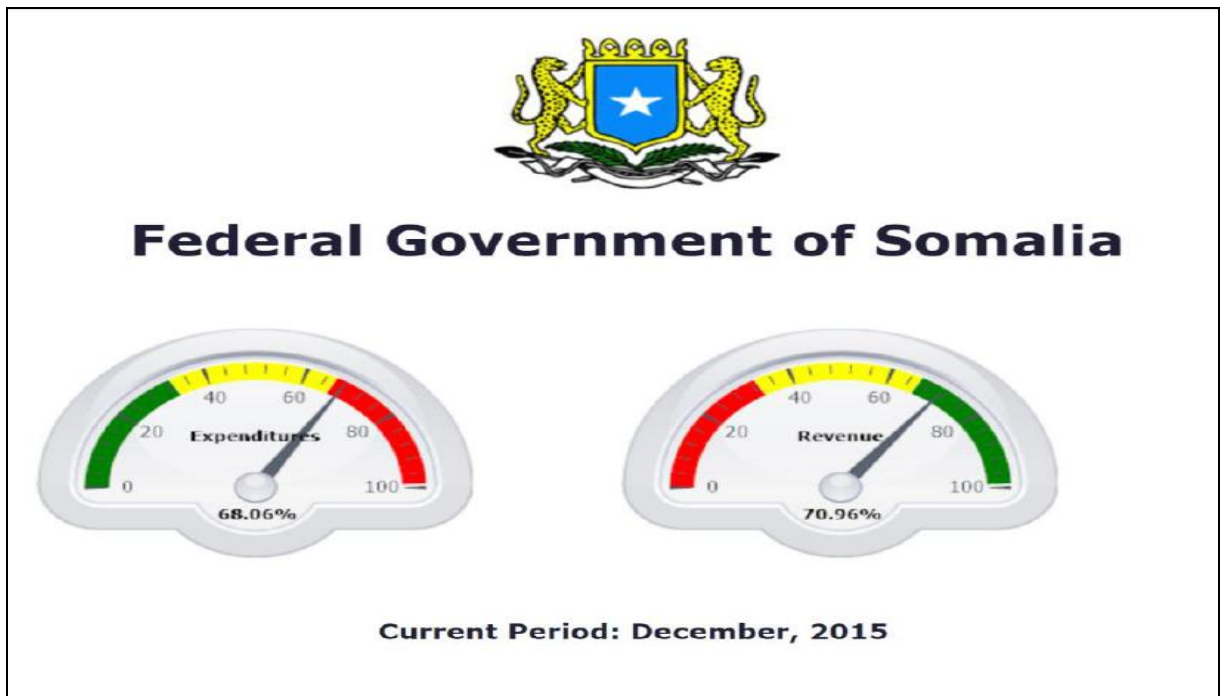
Date: _____



000027-1

Sub-component 3.2: Accounting and Financial Reporting: The following outcome was produced under this sub-component:

- (i) The website was successfully designed (<http://www.mof.gov.so/index.php/2015-04-01-17-36-20/financialreports>) but due to hacking was down for some time during 2015. Reports have been migrated to <http://mof.gov.so/2015-qtrly-reports/> and <http://mof.gov.so/2016-2/>.
- (ii) The 2015 Appropriation Act section 3.8²⁵ was passed which requires monthly and quarterly budget performance reports to be published on the MoF website within deadlines as per the specified Ministerial Decree or Treasury Circular. As a result, the MoF is now processing transactions in real-time through the SFMIS and publishing in-year budget performance reports by various chart of account dimensions^{26/}.
- (iii) Budget utilization reports are published by various chart of accounts segments and dimensions showing: original budget, virements/supplementary, total budget, allocation, available budget, commitment, actual and available budget. Executive Dashboard reports are also available directly from the SFMIS. See sample Revenue and Expenditure gauge below.



²⁵ **3.8 Reporting** (i) All Public Bodies are to provide revenue and expenditure reports to the Accountant General in Ministry within 7 working days after the end of each month in the format specified in Ministerial Decree or Treasury Circulars. (2) Monthly and quarterly budget performance reports are to be published on the Ministry website within deadlines to be specified in Ministerial Decree or Treasury Circular.

²⁶ Presently, the website is down because of a security breach. The MoF is expected to resolve this issue and re-start posting periodic budget performance reports to fulfill its legal obligation.

Annex 3. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team Members

Names	Title	Unit	Responsibility
Lending			
Winston Percy Onipede Cole	Sr. Financial Analyst	GGO24	TTL
Leonard Mutuku Matheka	FM Specialist	GGODR	FM
Ikechi B. Okorie	Sr. Operations Officer	GGODR	Project Support
Tesfaye Ayele	Senior Procurement Specialist	GGODR	Procurement
Stephen Mugendi Mukaindo	Counsel	LEGAM	Legal
Wolfhart Pohl	Advisor	GCFDR	Operations
Christiaan Johannes Nieuwoudt	Finance Office	WFALA	FM
Agnes Yvonne M. Masaka	E.T. Temporary	GGODR	Project Support
Caroline Nelima Wambugu	Team Member	AFCE2	Project Support
Geoff Handley	E.T. Consultant	GGODR	Project Support
John F. A Etidau	Consultant	GGODR	Project Support
Supervision			
Winston Percy Onipede Cole	Sr. Financial Analyst	GGO24	TTL
Leonard Mutuku Matheka	FM Specialist	GGODR	FM
Caroline Nelima Wambugu	Team Member	AFCE2	Project Support
Geoff Handley	E.T. Consultant	GGODR	Project Support
Salome Awuor Aganda	Team Member	AFMSO	Project Support

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	US\$ Thousands (including travel and consultant costs)
Lending		
FY14	10.64	75.82
FY15	8.51	43.12
FY16	0.00	0.00
Total:	19.15	118.94
Supervision/ICR		
FY14	0.00	0.00
FY15	1.2	9.34
FY16	11.62	62.77
Total:	12.82	72.10

**Federal Republic of Somalia
Ministry of Finance**

**Completion Implementation Report
Somalia Public Financial
Management Capacity Strengthening
Project**

March, 2016

Executive Summary

In accordance with the provisions contained in the project document, PFMCS is mandated to prepare a project completion report at the end of each phase, which is done to provide value for future activities and to offer findings on the extent to which the project met its objectives. Accordingly, a consultant with expertise in Public Financial Management Reforms was engaged by the project to prepare a project completion report. However, apart from the formal requirement to review the project, PFMCS embarked on this exercise to document the achievements and challenges the project faced and to draw the lessons for the implementation of the future project activities.

The PFMCS worked under great stress due to security conditions, weak institutions and constant changing of governments, and limited skilled staff and financial resources.

Despite being initially understaffed, and with limited resources, the project has been able to establish itself as PFM project which has provided support in a volatile security and governance environment in Somalia. The project significantly contributed to making the Office of the Auditor General, Accountant General and key integrity institutions that are now working in a reformed environment. The project has produced key PFM systems, procedures and policy strategy notes and guidelines requiring follow-up. There is a momentum towards overall institutional development for Public Financial Management in all the institutions.

This completion report for the Public Financial Management Capacity Strengthening Project considered at two main questions: (i) whether the project planned activities were implemented according to the design of the programs, and (ii) set objectives have been achieved.

The review as per the ToRs covered among others the following key aspects of the program, included:

- a) Reviewing expected activities under each component of the PFMCS project for the period considered under review, to examine what has been fully or partially implemented,
- b) Examine whether the outputs and deliverables under each individual component were achieved and whether they are likely to be sustainable beyond the project completion;
- c) The suitability of the implementation arrangements put in place for the project was the most appropriate;
- d) Analysis of what were the successfully implemented activities and what contributed to their success;
- e) The review also attempted to identify possible lessons that could be taken on board for future project of similar nature.

The conclusions of the review are summarized here below. The findings show that during the project period Somalia made significant strides in improving PFM systems and that these improvements can directly or indirectly be traced to PFMCS inputs as well as external pressure for reform. A key driver of improved PFM functionality in this period has been the successful implementation of SFMIS to control commitments and payments, coupled with the centralization of the payment and establishment of a Single Treasury Account system.

This was consolidated by substantial training both formal through universities and colleges training and training in and outside the country. Which build individual and institutional capacity needed to sustainably operate the newly established systems and procedures.

Other important key aspects of the PFMCSPP that were taken on board involved the Expenditure Control, Procurement, Accounting and Reporting, thereof. Here the project restructured and reorganized the Offices of the Auditor and Accountant General. Providing technical and skilled staff to operationalized the two offices. This combined with the development of Auditor General and Procurement Bills, which were passed the parliament and awaiting presidential assent.

The reform process provided impetus for effective coordination and sequencing. The Government leadership strengthened during the period of implementation. Yet, for most of the period pre-review, the PFM reform agenda in Somalia remained a smorgasbord of various reform priorities of individual donors and individual PFM institutions. The PFMCSPP succeeded to joint, coordinate and sequence reform plan and pool resources to bring focus to reforms, which is the step in the right direction as revealed by the results.

Remarks:

- **Achievement of goals:** it could be implied that the project has attainment of full, with the exception of where the activities are related to process, where the systems, procedures are developed and in the process of application;
- **Supply oriented product delivery:** too many of the project deliverables were supply oriented, and not even though tied into the existing systems, i.e. manuals were delivered which did not take into account the current status of the systems which were meant to be improved,
- **Project ownership:** the impression is wide-spread those reforms were PFMCSPP driven, and that the role of the various institutions was to adopt on to the initiatives designed by the project. However, as institutions strengthened so did the ownership;
- **Staffing recruitment and retention:** all required staff were deployed, retention was not an issue, but most of the skilled staff were retained under the project;
- **Capacity Development and training:** focus was on building both individual and institutional capacity. The strategy used was to provide formal training in and outside the country. Strengthening local university to provide formal training in all the specialized areas needed by various institutions. This worked well with combination with the on-job training and secondment of the staff to various PFIs in the neighbouring countries.

Recommendations

- **Project formulation, communications, refinements:** Invest in extensive communications, interaction, and continuous dialog to ensure that the project is/and remains demand oriented, with the involvement of key stakeholder institutions;
- **Donor coordination and communications:** develop synergies with other donors in *their* programs, establish and follow more formalized communication mechanisms;
- **Local alignment:** align the project with Somali Compact, New Deal, and the National Development Plans and state programs;

- **Public administration reform alignment:** stronger alignment with public administration reforms (those planned and underway locally);
- **Utilization of Somali expertise:** cultivate, invest in, and utilize Somali experts wherever possible; and
- **Improve quality of technical assistance experts:** develop a pool/roster of institutional development experts (invest in the experts, so that they may be called upon on repetitively),

These recommendations are elaborated in the main document. These are for the future direction of any project of support that may be designed under the PFM CSP.

IEG Working Paper 2016/NO.1: A Diagnostic Framework to Assess the Capacity of a Government's Financial Management Information System as a Budget Management Tool
Ali Hashim and Moritz Piatti - <http://ieg/Data/reports/IFMISDiagnosticFramework.pdf>

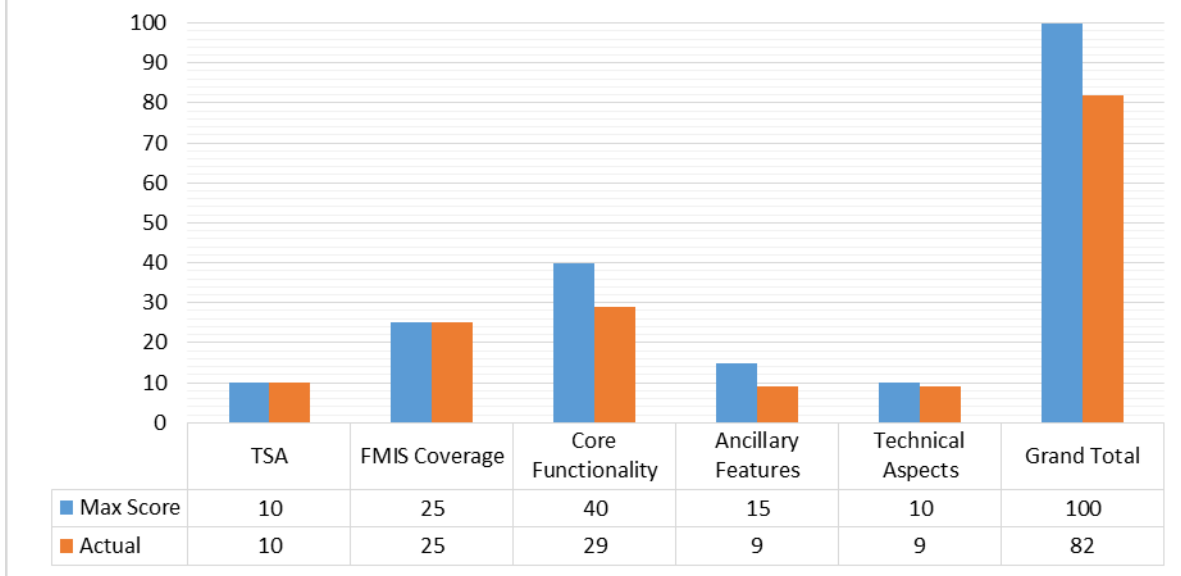
The purpose of this is threefold:

- (1) To provide a better understanding of how an FMIS can contribute to larger PFM objectives, such as improved use of resources or improved budget management.
- (2) To highlight areas that need attention and help develop a road map for further reform.
- (3) To allow for comparison across countries within specific dimensions.

A review of the system scores suggests that having a fully functional FMIS in place alone is not a sufficient condition for it to serve as a good budget management tool. Some countries with good scores in functionality and technical aspects such as Ghana, Sierra Leone, and Zambia, continue to have mediocre overall ratings owing to, for example, an insufficient underlying policy environment (as reflected by the TSA), the coverage of the system and therefore the extent of its use, or the application of its controls.

The chart below provides the overall score for a self-assessment undertaken by the Accountant General's Department and shows that FGS compares well against the top five assessed countries in the IEG report.

FGS Overall Self Assessment of SFMIS



Overall Assessment of FMIS in Sample Countries

Country	TSA Status	FMIS Coverage	Core Functionality	Ancillary Features	Technical Aspects	Total System Strength
Max score	10	25	40	15	10	100
Afghanistan	8	25	22	8	8	71
Bangladesh	6	15	9	5	3	38
Cambodia	5	10	25	4	7	51
Ghana	2	9	34	5	9	59
Indonesia	7	23	35	13	10	88
Kazakhstan	8	25	29	4	8	74
Lao PDR	6	11	18	3	7	45
Liberia	2	9	26	7	8	52
Malawi	7	11	16	4	5	43
Malaysia	7	23	39	14	9	92
Maldives	3	17	26	3	8	57
Mozambique	2	15	26	6	8	57
Myanmar	8	2	8	1	3	22
Nepal	7	19	18	5	6	55
Pakistan	7	15	26	9	9	66
Philippines	6	2	10	0	0	18
Russian Fed.	8	25	29	4	9	75
Sierra Leone	2	9	24	5	7	47
Thailand	7	23	39	11	10	90
Vietnam	7	23	34	3	8	75
Zambia	3	14	22	7	8	54
Zimbabwe	2	13	26	8	9	58

Annex 5. List of Supporting Documents

1. PFM self-assessment and Project Paper (Report No. 84958-SO)
2. Back to Office Reports/Aide-Memoires/Mission Notes (Dec. 2014 through Aug. 2016)
3. Implementation Status Reports (Dec. 2014 through Mar. 2016)
4. Mid Term Review Report (Oct. 14-16, 2016)
5. Financial Management Supervision Report (Oct. 2014)
6. PFM Strengthening Initiative Report (Apr. 2013)
7. Inception/Annual Progress Reports on PFM Education and Training Program (2014-2016)
8. Somalia Interim Strategy Note (Report No. 75212 – SO, dated November 11, 2013)

Annex 6 – Sample outputs of Financial Reports



Federal Government of Somalia

Summary of Government Revenue and Expenditure as of December, 2015

Description	Fiscal Year 2013		Fiscal Year 2014		Fiscal Year 2015	
	Budget / Estimate	Year End Actuals	Budget / Estimate	Year End Actuals	Budget / Estimate	YTD Actuals
Total Domestic Revenue	53,907,755	69,159,407	115,299,485	90,313,479	113,877,955	114,280,010
Tax revenue	51,363,755	65,051,204	108,023,272	73,818,455	85,741,755	82,375,417
Non-tax revenue	2,544,000	4,108,203	7,276,213	16,495,024	28,136,200	31,904,593
Total External Grants	60,379,000	48,281,492	73,187,000	60,962,285	85,155,883	26,949,145
Current (Bi-lateral)	5,000,000		17,000,000	50,352,567	776,715	2,123,339
Capital (Bi-lateral)	48,775,400	41,671,492	54,300,000	8,682,464	34,617,200	717,200
Current (Multi-lateral)					999,979	999,979
Capital (Multi-lateral)	6,603,600		1,887,000	1,927,254	48,761,989	23,108,628
Domestic Loan and grants		6,610,000				
Total Revenue and Grants	114,286,755	117,440,899	188,486,485	151,275,764	199,033,838	141,229,155
Total Recurrent Expenditure	136,742,174	116,727,276	203,827,032	150,917,882	184,279,838	133,159,231
Compensation of employees	70,412,368	53,910,852	112,162,084	79,435,905	81,499,494	55,406,893
Use of goods and services	62,729,806	46,669,983	71,776,399	57,618,239	84,057,344	60,023,648
Grants			10,088,549	10,087,694	14,324,000	13,839,503
Other expenses	3,600,000	16,146,441	3,800,000	3,776,044	2,599,000	2,596,886
Net lending & repayment			6,000,000		1,800,000	1,292,300
Total Capital Expenditure	7,181,760	712,800	12,403,012	162,065	14,754,000	2,293,673
Consumption of fixed capital	7,181,760	712,800	12,403,012	162,065	14,754,000	2,293,673
Total Expenditure	143,923,934	117,440,076	216,230,044	151,079,947	199,033,838	135,452,904
Financing Gap / Surplus (-) or (+)	-29,637,179	823	-27,743,559	195,816		5,776,252

Revenue Performance Report as of December, 2015

Code	Description	Original Estimate	Virements	Revised Estimate	YTD Actuals	Variance
1111	Payable by individuals	2,000,000	2,198,463	4,198,463	1,125,436	3,073,026
111101	Wages and salaries (Public Sector Payees)	1,000,000	2,198,463	3,198,463	707,500	2,490,963
111102	Wages and salaries (Private Sector Employees)	1,000,000		1,000,000	417,936	582,064
1112	Payable by corporations	2,567,000	-2,017,000	550,000	770,906	-220,906
111201	Corporate profit tax	2,000,000	-1,500,000	500,000	770,906	-270,906
111204	Rental income	567,000	-517,000	50,000		50,000
1141	Excise taxes (domestic)	1,000,000	-1,000,000			
114101	Mineral Water	500,000	-500,000			
114102	Mattresses	500,000	-500,000			
1142	Sales tax	481,000	-481,000			
114201	Petroleum and Its Products	150,000	-150,000			
114205	Textiles and Clothing	241,000	-241,000			
114209	Household Materials	90,000	-90,000			
1143	Turnover tax on services (presumptive tax)	21,100,000	-14,700,000	6,400,000	4,799,955	1,600,045
114301	Telecommunications	13,000,000	-8,200,000	4,800,000	4,799,955	45
114302	Money transfer companies	3,600,000	-2,800,000	800,000		800,000
114303	Consumer light industries	2,500,000	-2,000,000	500,000		500,000
114304	Consumer water industries	2,000,000	-1,700,000	300,000		300,000
1144	Stamp Sales and Duty	3,244,788	1,078,904	4,323,692	4,537,713	-214,021
114404	Road tax	2,680,000	989,807	3,669,807	3,085,787	584,020
114405	Other stamp duty	564,788	89,097	653,885	1,451,926	-798,041
1151	Customs and other import duty	72,724,000	-2,454,400	70,269,600	71,141,407	-871,807
115101	Custom taxes on petroleum	3,100,000	-104,624	2,995,376	7,149,243	-4,153,867
115102	Custom taxes on export goods	4,000,000	-134,998	3,865,002	553,138	3,311,864
115103	Road vehicles (salon cars)	4,600,000	-155,248	4,444,752	5,589,115	-1,144,363
115104	Import tax on sugar	2,200,000	-74,249	2,125,751	5,818,072	-3,692,321
115106	Import tax on tobacco and matches	1,800,000	-60,749	1,739,251	482,347	1,256,904
115107	Import tax on khat	9,600,000	-323,995	9,276,005	9,158,159	117,846
115108	Flour	3,000,000	-101,249	2,898,751	2,067,617	831,135
115109	Construction of electronic materials	3,200,000	-107,998	3,092,002	3,154,827	-62,825
115110	Cereal products, spaghetti etc.	2,000,000	-67,499	1,932,501	295,974	1,636,527
115111	Vegetable oils	3,000,000	-101,249	2,898,751	2,484,911	413,841
115112	Soap and cleaning products	3,400,000	-114,748	3,285,252	1,341,525	1,943,726
115113	Apparel, clothing, textile yarn	2,100,000	-70,874	2,029,126	2,347,514	-318,388
115114	Footwear	1,800,000	-60,749	1,739,251	953,899	785,352
115115	Tea	2,400,000	-80,999	2,319,001	175,757	2,143,244

Code	Description	Original Estimate	Virements	Revised Estimate	YTD Actuals	Variance
115116	Vegetables and fruits	2,000,000	-67,499	1,932,501	1,863,172	69,329
115117	Plastic materials	3,820,000	-128,923	3,691,077	61,360	3,629,717
115118	Rubber tyers	2,450,000	-82,686	2,367,314	230,818	2,136,496
115119	Poultry and edible offals	3,004,000	-101,384	2,902,616	37,418	2,865,198
115120	Building materials	2,600,000	-87,749	2,512,251	1,952,864	559,387
115121	Electronic materials	3,400,000	-114,748	3,285,252	2,734,352	550,900
115122	Food items /rice, spaghetti. etc.	3,200,000	-107,998	3,092,002	5,713,871	-2,621,870
115123	Household materials	2,000,000	-67,499	1,932,501	1,531,103	401,398
115124	Cosmetics & perfume	2,250,000	-75,936	2,174,064	860,087	1,313,977
115125	Others	1,800,000	-60,749	1,739,251	14,584,264	-12,845,014
1321	Current (Bi-lateral)	776,715		776,715	2,123,339	-1,346,624
132101	Current (Norway)	776,715		776,715	2,123,339	-1,346,624
1322	Capital (Bi-lateral)	39,100,000	-4,482,800	34,617,200	717,200	33,900,000
132201	Capital (Norway)	9,100,000		9,100,000		9,100,000
132205	Capital (Turkey)	30,000,000	-14,282,800	15,717,200	717,200	15,000,000
132210	UAE		9,800,000	9,800,000		9,800,000
1331	Current (Multi-lateral)	30,727,668	-29,727,689	999,979	999,979	1
133102	Current (Arab league)	30,727,668	-29,727,689	999,979	999,979	1
1332	Capital (Multi-lateral)	45,935,048	2,826,941	48,761,989	23,108,628	25,653,361
133201	Capital (World Bank)	43,259,000	939,441	44,198,441	22,312,882	21,885,559
133203	Capital (ADB Economic and Financial Governance)	2,676,048		2,676,048	795,746	1,880,302
133204	Capital (ADB UNDP Peace Build Fund)		1,887,500	1,887,500		1,887,500
1421	Administrative fees and charges	20,285,972	7,850,228	28,136,200	31,904,593	-3,768,393
142101	Administrative charges	1,000,000	275,800	1,275,800	500,988	774,812
142103	Airport and Harbour Fees	13,285,972	8,214,028	21,500,000	24,820,792	-3,320,792
142105	Visa Charges and Passports	6,000,000	-639,600	5,360,400	6,582,814	-1,222,414
Grand Total		239,942,191	-40,908,353	199,033,838	141,229,155	57,804,682

Classification of Functions of Government (COFOG)

Code	Description	Original Budget	Virements / Supplementary	Total Budget (1)	Allocation (2)	Available Budget (1) - (2)	Commitment (3)	YTD Actuals (4)	Available Allocation (2) - (3) - (4)
701	GENERAL PUBLIC SERVICES	114,189,202	-11,179,731	103,009,471	75,058,829	27,950,642	-42,712	70,388,314	4,713,227
10101	Office of the Presidency	4,955,688	-584,812	4,370,876	3,769,394	601,482		3,413,650	355,744
10201	Office of the Parliament	3,689,516	-384,409	3,305,107	2,935,394	369,713		2,598,042	337,353
10202	Members of Parliament (Allowance)	12,115,200	-441,488	11,673,712	10,700,400	973,312		10,700,400	
10301	Office of the Prime Minister	4,207,920	149,680	4,357,600	3,775,522	582,078		3,424,394	351,128
10302	Environmental Directorate		393,984	393,984	116,411	277,573		85,014	31,397
10303	Capacity Injection Project	3,139,441		3,139,441	108,116	3,031,325		108,116	
10401	Ministry of Foreign Affairs	3,393,668	-698,813	2,694,855	1,918,498	776,357		1,600,216	318,282
10402	Embassies	6,978,000	-1,744,400	5,233,600	3,974,112	1,259,488		3,312,258	661,854
10501	Ministry of Finance	5,175,588	770,204	5,945,792	4,907,239	1,038,553		4,383,683	523,556
10502	Accountant General	697,620	63,444	761,064	596,189	164,875	-42,712	545,531	93,370
10503	General Activities for the Government	39,670,600	-8,753,581	30,917,019	30,707,900	209,119		29,520,376	1,187,524
10504	Special Financing Facility (SFF)	9,876,715		9,876,715	1,972,685	7,904,030		1,972,684	1
10505	Public Finance Management (PFM)	7,359,000		7,359,000	2,466,982	4,892,018		2,368,770	98,212
10506	Economic and Financial Governance (EFGP)	2,676,048		2,676,048	411,458	2,264,590		295,373	116,085
10507	Recurrent Costs & Reform Financing Project (RCRF)	3,620,142		3,620,142	1,421,636	2,198,506		1,308,128	113,509
10601	Ministry of Planning	907,056	77,200	984,256	762,469	221,787		701,173	61,296
11101	Attorney General	1,045,728	-7,080	1,038,648	701,306	337,342		632,517	68,789
11201	Solicitor General	404,184	-2,820	401,364	318,753	82,611		283,006	35,747
11301	Auditor General	957,000	-56,760	900,240	735,818	164,422		695,081	40,737
30601	Ministry of Information	3,320,088	39,920	3,360,008	2,758,546	601,462		2,439,903	318,643
702	DEFENSE	60,808,268	-24,235,488	36,572,780	28,834,763	7,738,017		26,999,433	1,835,330
20101	Ministry of Defence	978,500	72,600	1,051,100	782,732	268,368		667,863	114,869

Code	Description	Original Budget	Virements / Supplementary	Total Budget (1)	Allocation (2)	Available Budget (1) - (2)	Commitment (3)	YTD Actuals (4)	Available Allocation (2) - (3) - (4)
20102	Armed Forces	58,821,768	-24,296,088	34,525,680	27,056,031	7,469,649		25,335,570	1,720,461
20103	Military Court	1,008,000	-12,000	996,000	996,000			996,000	
703	PUBLIC ORDER & SAFETY	38,485,840	-3,573,582	34,912,258	28,429,726	6,482,532		25,086,447	3,343,279
10701	Ministry of Interior and Federal Affairs	1,619,840	1,899,884	3,519,724	1,252,130	2,267,594		1,141,160	110,970
10901	Ministry of Justice and Endowment	776,400	-226,212	550,188	428,698	121,490		402,314	26,384
10902	Custodian Corps	4,331,592	408	4,332,000	4,278,390	53,610		2,914,344	1,364,046
10903	Banadir Court	1,231,212	-75,600	1,155,612	835,234	320,378		729,253	105,981
10904	Appeal Court	212,340	-8,196	204,144	130,793	73,351		116,496	14,297
10905	Judiciary Service Committee	172,992	-8,940	164,052	134,694	29,358		127,123	7,571
10906	Constitutional Court	222,000		222,000		222,000			
11001	Supreme Court	438,492	-18,888	419,604	343,968	75,636		324,736	19,232
11501	Ministry of Constitution		326,812	326,812	147,845	178,967		134,619	13,226
11601	Boundaries and Federation Commission	252,000		252,000	150,000	102,000		60,000	90,000
11602	National Reconciliation Commission	426,708		426,708	286,481	140,227		254,922	31,559
11603	National Independent Electoral Commission	250,000	151,050	401,050	309,600	91,450		143,400	166,200
11604	Human Rights Commission	241,200		241,200		241,200			
11605	Indep. Constitution Review and Imp. Commission	423,792	303,840	727,632	485,464	242,168		298,563	186,901
11606	National Civil Service Commission	421,416	8,940	430,356	311,982	118,374		276,669	35,313
20201	Ministry of National Security	2,526,256	-127,160	2,399,096	1,960,914	438,182		1,886,783	74,131
20202	Police Force	14,362,000	-7,000,000	7,362,000	6,847,500	514,500		6,357,500	490,000
20203	National Security Force	8,855,600	1,200,480	10,056,080	8,948,533	1,107,547		8,341,065	607,468
20204	Immigration Department	1,722,000		1,722,000	1,577,500	144,500		1,577,500	
704	ECONOMIC AFFAIRS	17,423,388	897,392	18,320,780	9,746,339	8,574,441		8,888,446	857,893

Code	Description	Original Budget	Virements / Supplementary	Total Budget (1)	Allocation (2)	Available Budget (1) - (2)	Commitment (3)	YTD Actuals (4)	Available Allocation (2) - (3) - (4)
30101	Ministry of Water and Energy	623,544	16,000	639,544	490,780	148,764		448,149	42,631
30201	Ministry of Mineral	654,540	425,840	1,080,380	922,237	158,143		872,074	50,163
30301	Ministry of Agriculture	978,100	-228,240	749,860	533,135	216,725		482,505	50,630
30401	Ministry of Livestock and Forestry	707,724	-23,364	684,360	499,441	184,919		428,057	71,384
30501	Ministry of Fishery and Marine Resource	813,000	-23,140	789,860	581,925	207,935		515,770	66,155
30502	Somali Marine Research	312,000	38,148	350,148	237,220	112,928		209,981	27,239
30701	Ministry of Post and Telecommunication	1,196,040	-10,912	1,185,128	878,401	306,727		794,817	83,584
30702	ICT Sector Support	5,900,000		5,900,000	859,849	5,040,151		856,849	3,000
30801	Ministry of Public Work & Reconstruction	632,760	27,340	660,100	477,729	182,371		432,847	44,882
30901	Ministry of Transport and Aviation	1,109,076	-166,900	942,176	708,916	233,260		623,468	85,448
30902	Civil Aviation and Meteo-Authority	680,556	100,740	781,296	481,712	299,584		416,294	65,418
31001	Ministry of Transport and Ports	1,024,092	23,112	1,047,204	776,828	270,376		696,106	80,722
31002	Hamar Port	1,009,320		1,009,320	914,330	94,990		914,330	
31101	Ministry of Industry & Commerce	1,022,520	380,420	1,402,940	727,220	675,720		641,842	85,378
40301	Ministry of Labor and Social Affairs	760,116	338,348	1,098,464	656,616	441,848		555,357	101,259
705	ENVIRONMENTAL PROTECTION	457,164	-457,164		156,402	-156,402		156,402	
30402	Environmental Directorate	457,164	-457,164		156,402	-156,402		156,402	
707	HEALTH	793,032	-11,100	781,932	569,949	211,983		457,808	112,141
40101	Ministry of Health	793,032	-11,100	781,932	569,949	211,983		457,808	112,141
708	RECREATION,CULTURE & RELIGION	1,447,896	-297,636	1,150,260	861,037	289,223		787,027	74,010
10801	Ministry of Religious Affairs	875,676	-296,616	579,060	442,995	136,065		410,670	32,325
40401	Ministry of Youth and Sport	572,220	-1,020	571,200	418,042	153,158		376,357	41,685

Code	Description	Original Budget	Virements / Supplementary	Total Budget (1)	Allocation (2)	Available (1) - (2)	Commitment (3)	YTD Actuals (4)	Available (2) - (3) -
709	EDUCATION	4,958,757	-2,130,224	2,828,533	2,162,371	666,163		1,903,726	258,644
40201	Ministry of Education and Higher Education	3,460,396	-2,125,388	1,335,008	929,040	405,968		849,716	79,324
40202	Somali National University	1,044,969	13,944	1,058,913	895,386	163,527		803,452	91,934
40203	Somali Academy of Sciences and	253,392	-12,780	240,612	150,144	90,468		126,658	23,486
40204	Intergovernmental Academy of Somali Language	200,000	-6,000	194,000	187,800	6,200		123,900	63,900
710	SOCIAL PROTECTIONSOCIAL	1,378,644	79,180	1,457,824	948,678	509,146		785,301	163,377
10702	Somali Refugee and IDPs	472,800		472,800	253,250	219,550		192,735	60,515
10703	Somali Disaster Management	252,000		252,000	159,755	92,245		119,825	39,930
40501	Ministry of Women and Human Rights Dev.	653,844	79,180	733,024	535,673	197,351		472,741	62,932
Grand Total		239,942,191	-40,908,353	199,033,838	146,768,094	52,265,744	-	135,452,904	11,357,902

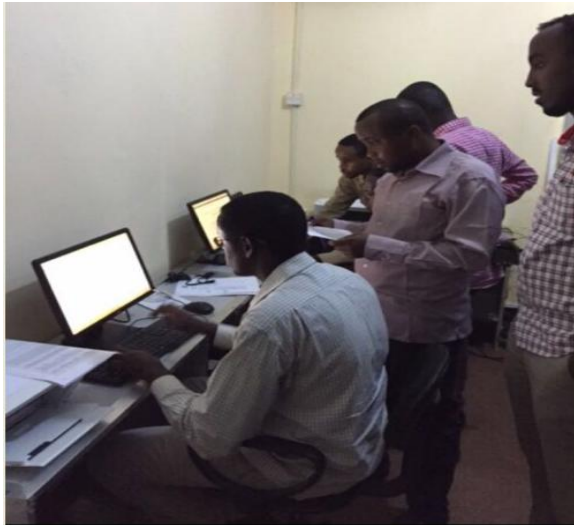
Selected training pictures
Budget training workshop on revenue forecasting



EAFS training by Ernst and Young (EY)



SFMIS training



Somalia Map

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