



JUNE 2021

Aid Flows in Somalia

Contents

Contents	1
1. OVERVIEW OF FLOWS	2
2. AID BY DONOR	5
3. USE OF SDRF FUNDS	9
4. AID BY NDP PILLAR	12
5. AID BY LOCATION	15
6. ON TREASURY AID	16
7. ABOUT THE AIMS	18

1. OVERVIEW OF FLOWS

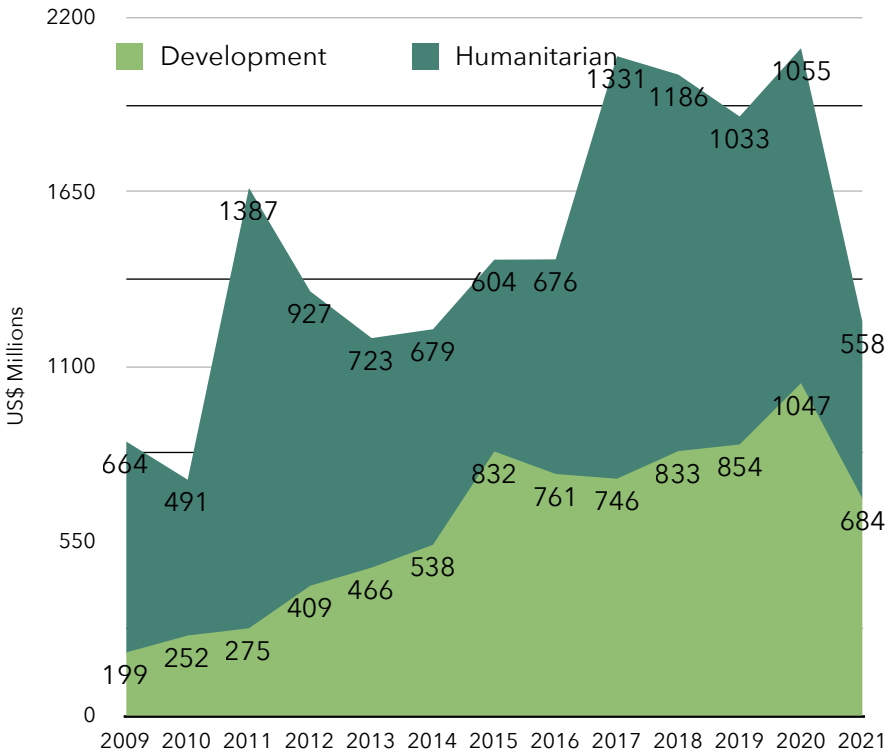
Somalia received US\$ 2 billion in official development assistance (ODA) in 2020, comprised of roughly equal volumes of humanitarian and development aid (Table 1).¹ Development-focused aid increased 23% in 2020 (US\$ 1 billion) relative to 2019 (US\$ 854 million), largely driven by significant increases in aid from the World Bank and Germany (Table 2).

Whereas humanitarian aid is expected to increase over the course of 2021, it is unclear if the same will be true for development aid. As of June 2021, donors reported US\$ 685 million in development aid, a 35% decrease from the high of US\$ 1 billion reported for the previous year. This may be due to declining budgets or simply a lack of reporting. The global economic downturn is already impacting some donors' aid envelopes. The impact on the overall volume of ODA is likely to be offset somewhat by the country's increased access to development financing from international financial institutions (IFIs). Somalia reached Decision Point under the Heavily Indebted Poor Countries (HIPC) Initiative and cleared its arrears to IFIs in March 2020, restoring access to important sources of development financing.

US\$ m	2019	2020	2021
Humanitarian	1,033	1,055	558
Development	854	1,047	684
Total ODA	1,887	2,102	1,243

¹ Humanitarian totals exported from OCHA FTS and development totals based on donor envelope reporting to the AIMS. Both datasets exported on 25 June 2021. For the latest figures, refer to <https://aims.mop.gov.so/envelope-report> and <https://fts.unocha.org/countries/206/summary/2021>.

Figure 1. Fluctuations in Aid for Somalia, 2009-2020²



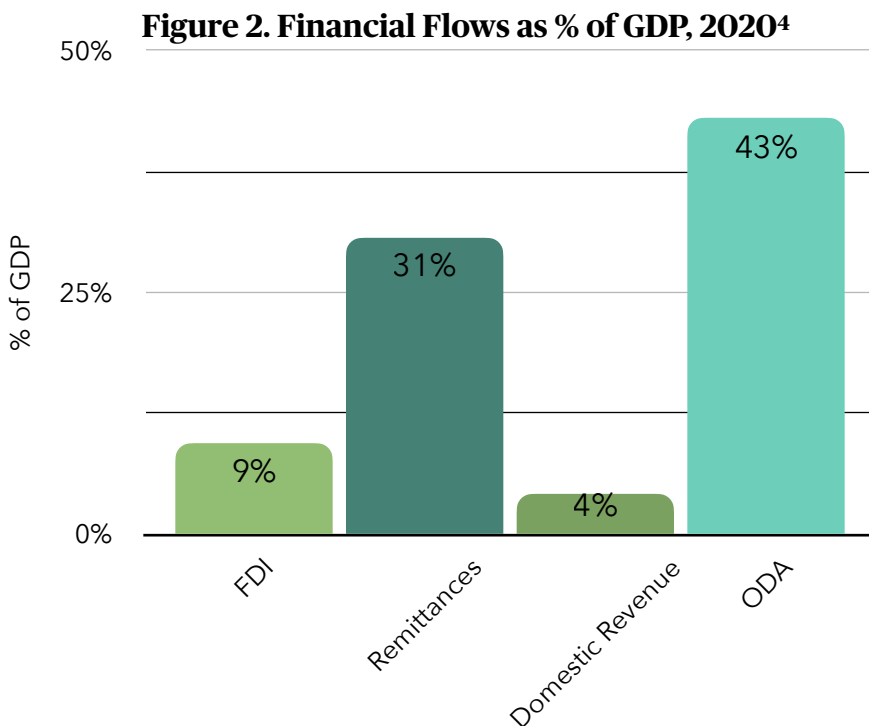
For the most up-to-date figures on development aid based on donor envelopes, check out the envelopes report on the **Somalia Aid Information Management System (AIMS)**

<https://aims.mop.gov.so/envelope-report>

Donors are encouraged to update envelope figures quarterly.

² Humanitarian totals for 2009-2020 drawn from OCHA FTS on 16 March 2021. Development totals are drawn donor envelope reporting of to the Somalia AIMS for 2019-2020 available at <https://bit.ly/2Q2tGQO> and from the OECD Dataset Aid (ODA) disbursements to countries and regions [DAC2a] for 2009-2018 available at <https://bit.ly/33m1IAz>.

Somalia remains highly dependent on aid and remittances. The ODA to GDP ratio in 2020 was 43%, whereas the remittances to GDP ratio was 31%. Relative to GDP, levels of Foreign Direct Investment (FDI)³ and domestic revenue remained low at 9% and 4% respectively in 2020 (Figure 2).



³ FDI refers to investments made by an individual or a firm into a business or sector in a different economy.

⁴ FDI, remittances and domestic revenue figures are estimates drawn from the IMF Country Report no. 21/69 (April 2021), available at <https://www.imf.org/en/Publications/CR/Issues/2021/04/01/Somalia-Enhanced-Heavily-Indebted-Poor-Countries-Initiative-Request-for-Additional-Interim-50330>. ODA figures drawn from donor envelope reporting to the AIMS for development aid and to the OCHA FTS for humanitarian aid. For the latest donor envelope figures, refer to <https://aims.mop.gov.so/envelope-report> and <https://fts.unocha.org/countries/206/summary/2021>.

2. AID BY DONOR

Beyond overall levels, the composition and channels through which aid is channeled evolve with the modalities, mandates and areas of interest of the country's largest donors. The World Bank, Germany, the EU, the United Kingdom, and Sweden were the largest providers of development aid in 2020, together providing nearly 75% (US\$ 790 million) of total development aid (Figure 3). Compared with previous years, fewer donors playing a relatively larger role in terms of financial contributions. In 2019, the top 6 providers of development aid made up 74% of the total (US\$ 633), with a more even breakdown across the largest donors.

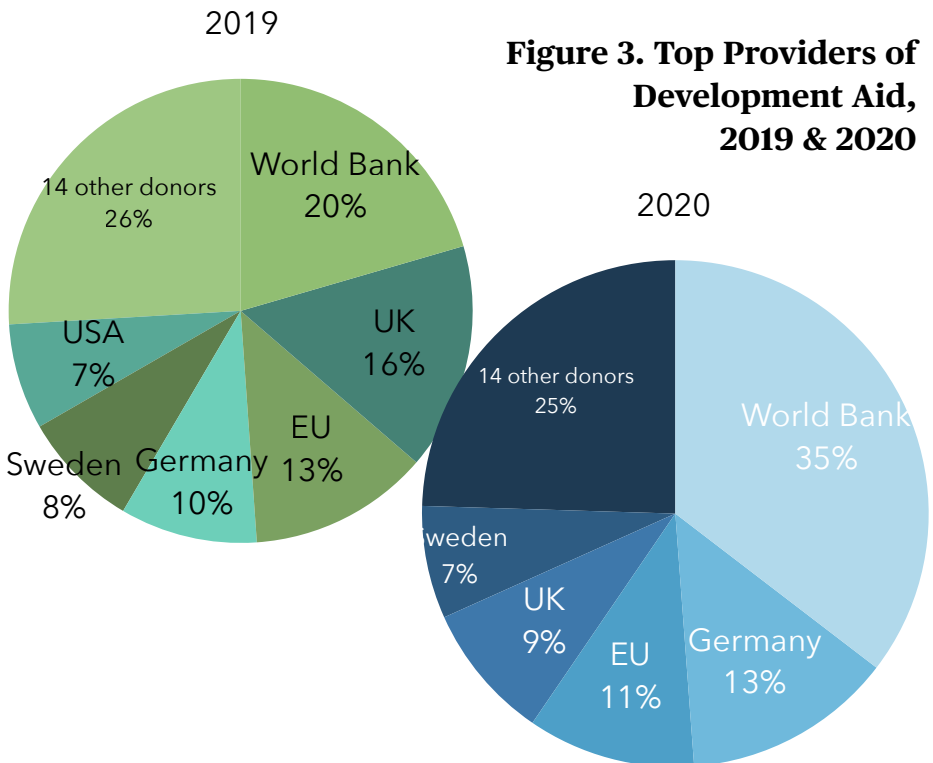


Figure 3. Top Providers of Development Aid, 2019 & 2020

Table 2. Development Aid by Partner, 2019-2021⁵

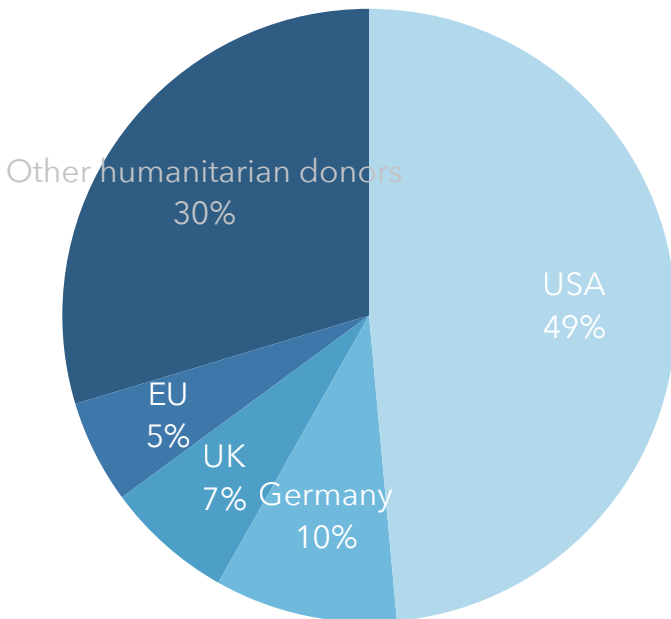
US\$ millions, listed in alphabetical order

	2019	2020	2021	Total
ADB	26.3	31.5	0.0	57.9
Canada	0.8	5.5	6.6	12.9
Denmark	11.9	19.9	23.0	54.9
EU	107.3	112.2	114.6	334.1
Finland	16.4	23.6	21.7	61.7
Germany	81.7	140.4	89.0	311.1
Global Fund	30.0	23.1	39.0	92.0
Italy	12.5	17.4	20.7	50.6
Japan	2.0	6.3	0.0	8.3
Netherlands	32.6	0.0	0.0	32.6
Norway	47.2	47.2	0.0	94.4
Sweden	70.3	75.3	82.8	228.5
Switzerland	17.9	15.0	13.3	46.3
UK	135.1	91.6	0.0	226.8
UN PBF	9.5	3.9	13.0	26.4
UNDP	12.0	12.0	12.0	36.1
UNFPA	2.2	2.7	0.0	5.0
UNIDO	0.0	2.3	5.5	7.7
USA	63.0	46.0	43.2	152.2
World Bank	175.0	370.5	200.0	745.5
Total	853.9	1046.6	684.5	2585.0

⁵ Based on donor envelope reporting to the AIMS, exported on 25 June 2021. For the latest figures, refer to <https://aims.mop.gov.so/envelope-report>.

The United States provided nearly half of all humanitarian aid in 2020 (US\$ 495.8 million). While aid fragmentation can pose challenges for coordination and effectiveness, over-reliance on a single donor can also be risky. Instead of diversifying supply, more effort needs to be placed on reducing the demand for humanitarian aid by investing in longer-term resilience to help Somalis be more prepared for and bounce back from increasingly recurrent shocks, such as floods and droughts.

Figure 4. Top Providers of Humanitarian Aid, 2020⁶



⁶ Data extracted from the OCHA FTS on 25 June 2021. The full breakdown of humanitarian contributions by donor is available at: <https://fts.unocha.org/countries/206/donors/2020>

Table 3. Humanitarian Aid by Partner, 2019-2021⁷

US\$ millions, listed in alphabetical order

	2019	2020	2021	Total
USA	458.0	495.8	298.8	1252.7
Germany	113.5	104.1	37.4	255.0
EU	90.3	58.9	60.2	209.4
UK	83.5	72.7	39.2	195.5
CERF	46.3	29.5	27.0	102.8
Sweden	29.3	25.5	17.2	72.0
Canada	17.9	18.5	26.7	63.1
Japan	13.1	18.4	15.5	47.0
Norway	16.8	15.9	11.8	44.5
Switzerland	19.0	9.7	7.5	36.2
Denmark	13.5	11.5	3.9	29.0
UNICEF	12.1	15.5	0.6	28.2
Netherlands	13.7	12.6		26.2
Saudi Arabia	11.6	10.3	3.5	25.5
Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund	1.8	17.0		18.8
Qatar	8.4	10.2		18.6
Italy	11.8	6.4		18.2
Ireland	6.6	6.3	2.2	15.1
Australia	6.5	3.7		10.3
Additional donors	59.3	112.9	6.6	178.8
Total	1033.2	1055.5	558.2	2646.9
USA	458.0	495.8	298.8	1252.7

⁷ Humanitarian totals exported from OCHA FTS on 25 June 2021. For the latest figures, including the breakdown for donors grouped under “additional donors” in Table 3, refer to: <https://fts.unocha.org/countries/206/summary/2021>.

3. USE OF SDRF FUNDS

The Somalia Development and Reconstruction Facility (SDRF) serves as both a coordination framework and a financing architecture for implementing the National Development Plan (NDP). It brings together three multi-partner trust funds under common governance arrangements to promote coordination, alignment with national priorities, and reduced transaction costs for government: the African Development Bank Somali Infrastructure Fund (ADB SIF), the United Nations Multi Partner Trust Fund (UN MPTF), and the World Bank Multi Partner Fund (WB MPF).

The share as well as the volume of development aid channeled through SDRF Funds declined in 2020 after record high contributions in 2019 (Figure 5). Contributions to the WB MPF declined 23% from US\$ 115 to US\$ 88.2 million. No donor contributions were made to the ADB SIF, which had received US\$ 30.2 million in 2019. Contributions to the UN MPTF remained relatively stable at US\$ 71.5 compared with US\$ 74.5 in 2019.

The European Union has been the largest contributor to the SDRF Funds since they were established, with US\$ 212 million in total contributions between 2014 and 2020 (Figure 6).

Figure 5. Share of Development Aid Channeled through SDRF Funds, 2014-20⁸

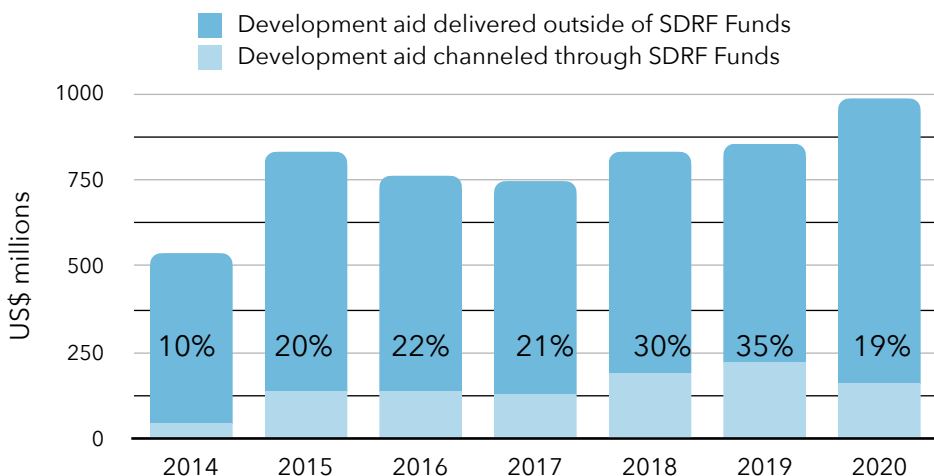
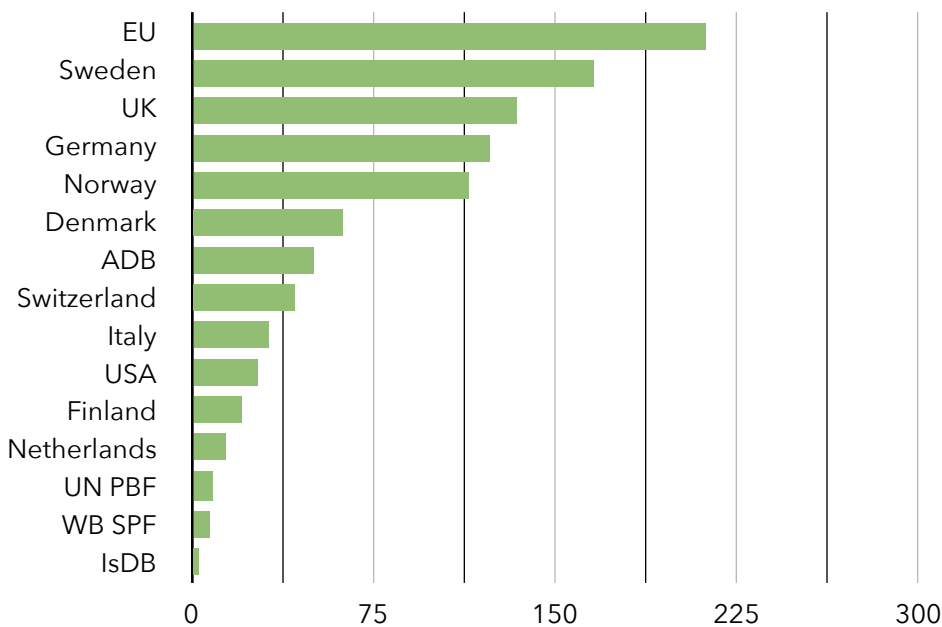


Figure 6. Contributions to SDRF Funds by Donor, 2014-20



⁸ Based on reporting of paid in contributions (2014-2020) as of February 2021, as reported by the three SDRF fund administrators: ADB, UN and World Bank.

Table 4. Donor Contributions by SDRF Fund, 2014-20⁹

<i>Fund</i>	<i>Donor</i>	2014	2015	2016	2017	2018	2019	2020	Total	
AfDB SIF	ADB			18.4		7.6	25.0		51.0	
	Italy				1.7	1.2	2.2		5.1	
	UK			1.9					1.9	
	IsDB						3.0		3.0	
	Sub-total			20.3	1.7	8.8	30.2	0.0	61.0	
UN MPTF	Denmark		2.5	9.7	5.5	2.8	7.4	6.9	34.9	
	EU		28.0	8.4	9.5	7.5	16.1	9.5	79.1	
	Finland					2.3	3.4	6.7	12.3	
	Germany			8.4	3.8	12.5	4.4	3.7	32.8	
	Italy		0.7	4.2	2.7	6.5	3.4	6.6	24.0	
	Netherland				2.4	4.6	2.6	5.1	14.6	
	Norway		4.7	5.3	3.7	9.2	8.6	7.4	39.0	
	Sweden		13.1	7.5	14.4	38.3	19.2	14.7	107.3	
	Switzerland		2.3	4.9	2.3	4.5	7.1	6.7	27.9	
	UK		10.8	14.1	8.2	0.6	1.3	0.9	36.0	
	UN PBF		4.1	2.1		0.7	1.0	0.7	8.6	
	USA			0.5			1.5		2.5	4.5
	Sub-total		66.2	65.0	52.5	91.1	74.5	71.5	420.8	
WB MPF	Denmark		4.1	2.6	3.8	3.4	7.5	6.1	27.5	
	EU	13.3	21.6	9.7	14.9	32.7	17.8	23.0	133.0	
	Finland			2.3		1.2	2.2	2.7	8.3	
	Germany				28.9	28.5	16.5	16.6	90.5	
	Italy		2.2						2.2	
	Norway		4.9	6.0	14.6		34.0	16.3	75.9	
	Sweden	9.5	8.1	4.3	6.0	8.3	10.4	12.5	59.1	
	Switzerland	1.0	5.2	1.9		1.5	4.2	1.1	15.0	
	UK	16.0	23.6	22.8	6.5	14.7	12.4		95.9	
	USA			3.0			10.0	9.9	22.9	
	WB SPF	8.0							8.0	
	Sub-total	47.8	69.6	52.6	74.8	90.3	115.0	88.2	538.4	
Total	47.8	135.8	137.9	129.1	190.2	219.7	159.7	1020.2		

⁹ *Ibid.*

4. AID BY NDP PILLAR

This section provides a breakdown of aid flows against the pillars of Somalia's ninth National Development Plan (NDP). The figures draw on actual and projected project-level disbursement data reported by both development and humanitarian partners to the Somalia Aid Information Management System (AIMS).

As the figures in this section draws on a different data source than in the previous section (project-level instead of envelope-level reporting), the totals for aid do not match. This is in part due to a lag between when funds are allocated by donors and disbursed by implementing partners; this is especially common in the case of multi-year projects. It is also due to underreporting of humanitarian projects. While many humanitarian partners report to the AIMS, it is not the primary platform for humanitarian reporting. The total envelopes included in this report include contributions reported to the OCHA FTS by agencies that do not report to the AIMS. As such, the corresponding project-level data for these funds is not always captured. MoPIED will continue to raise awareness of the AIMS within government, with donors and with implementing partners to encourage more frequent and up-to-date reporting.

To explore the underlying data through interactive charts, check out the sector report on the AIMS:

<https://aims.mop.gov.so/sectors-report>

To look up the details of specific projects, visit:

<https://aims.mop.gov.so/projects>

Reporting partners are encouraged to update data quarterly.

Figure 7. Breakdown of Reported Aid by NDP9 Pillars, 2019-21

Includes both development and humanitarian project-level disbursements, actual and planned

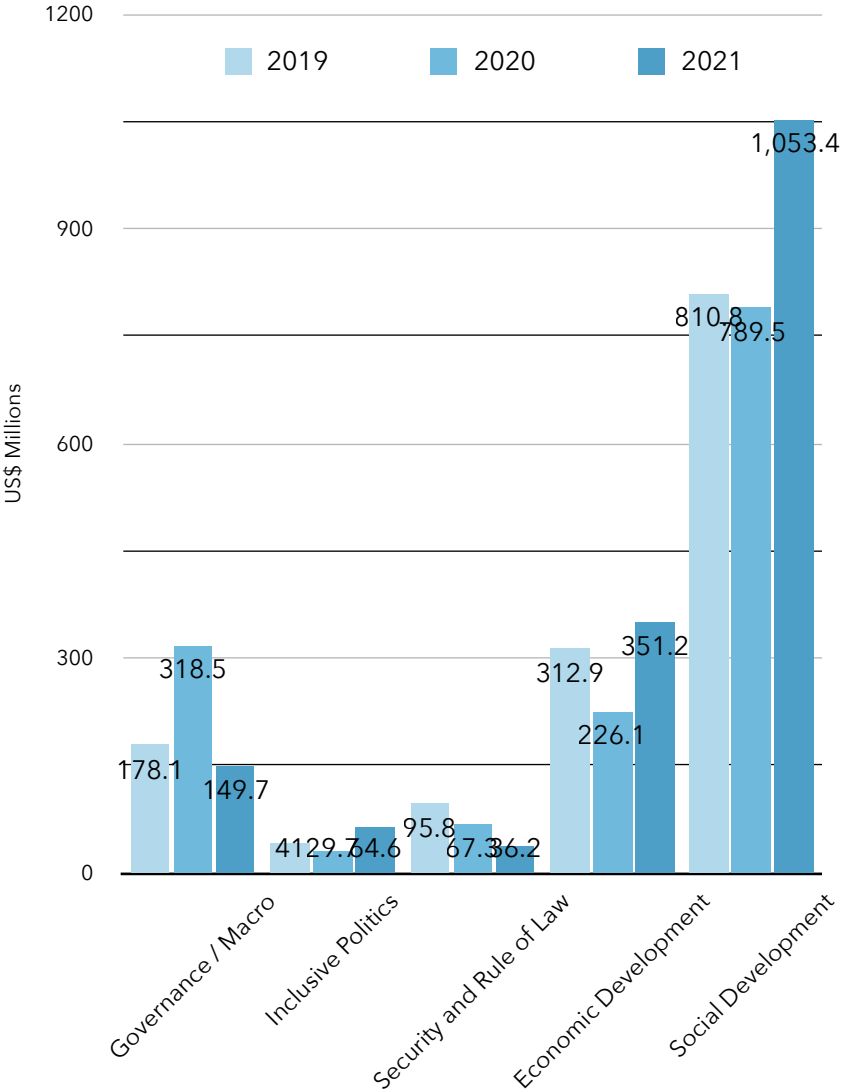


Table 5. Reported Aid by Pillars and Sectors, 2019-21¹⁰

Sector		2019	2020	2021
Governance / macro	Civil Service Reform / Public Admin	50.3	33.8	19.6
	Planning, M&E and Statistics	20.7	13.4	17.7
	Public Financial Management	60.6	17.6	77.8
	State and Local Governance	45.5	26.6	34.6
	Budget support	1.0	227.1	0.0
	Sub-total	178.1	318.5	149.7
Pillar 1	Inclusive politics	41.0	29.7	64.6
	Sub-total	41.0	29.7	64.6
Pillar 2	Rule of law	59.0	47.4	31.8
	Security (ODA)	36.7	19.9	4.3
	Sub-total	95.7	67.3	36.2
Pillar 3	Agriculture, livestock, fisheries	69.5	20.0	25.1
	Disaster Risk Reduction	23.3	18.5	14.9
	Employment and skills development	66.2	27.9	41.4
	Energy and ICT	5.7	8.5	19.3
	Environment & natural resources management	23.5	15.1	37.1
	Other infrastructure	25.8	18.3	47.6
	Private sector development	17.8	17.1	20.5
	Transport Infrastructure	36.5	24.3	67.9
	Water (rural)	2.2	5.4	21.4
	Water and sanitation (urban)	42.3	71.0	56.1
	Sub-total	312.9	226.1	351.2
Pillar 4	Education	63.4	27.0	87.0
	Food Security	358.7	269.2	642.0
	Gender & Human Rights	20.7	27.4	18.3
	Health	191.4	265.5	130.7
	Nutrition	64.3	63.2	67.4
	Migration, Displacement, Refugees and Durable Solutions	90.2	71.0	40.7
	Social protection & safety nets	22.0	66.3	67.3
	Sub-total	810.8	789.5	1053.4
Unattributed	32.2	15.1	15.2	
Sub-total	32.2	15.1	15.2	
		1470.8	1446.2	1670.2

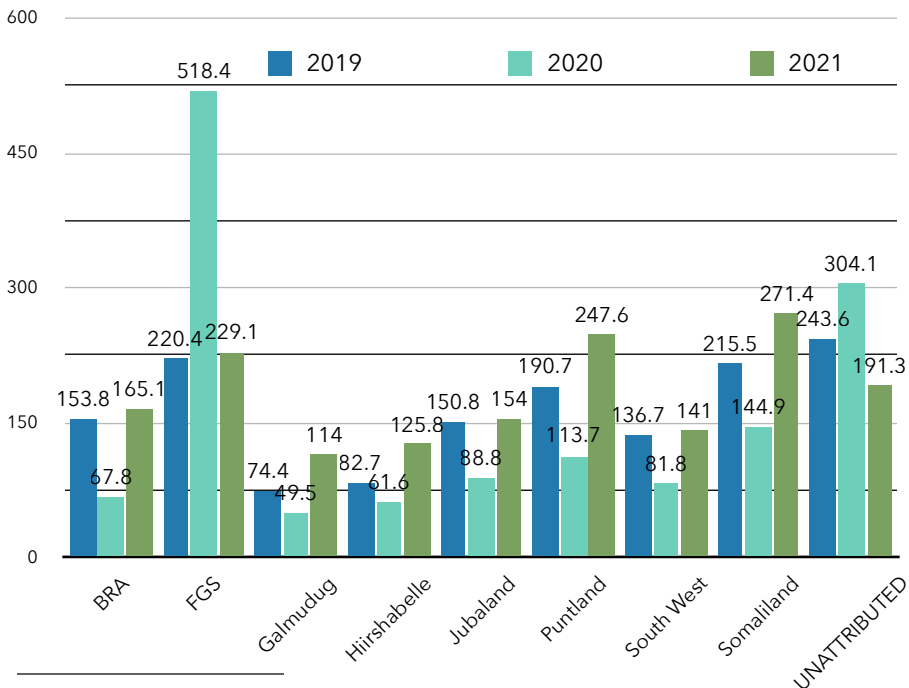
¹⁰ N.B. Security totals exclude activities financed through military aid or enforcement aspects of peacekeeping. Low levels of security support are to be expected, as they only capture aid that would qualify as ODA. Most activities related to gender are mainstreamed across the other sectors. Activities reported under the heading gender & human rights heading only include those that could not be classified elsewhere.

5. AID BY LOCATION

The AIMS provides interactive charts through which users can explore the reported projects by location. Figure 8 provides an overview of project disbursements reported across the Federal Government of Somalia (FGS), Federal Member States (FMS) and Somaliland. This does not mean that these administrations received all of these funds directly; rather, it is an approximation of which location or administrative level was targeted through the reported project, based on reporting by partners.

Figure 8. Breakdown of Reported Aid by Location, 2019-21¹¹

Includes both development and humanitarian project-level disbursements, actual and planned



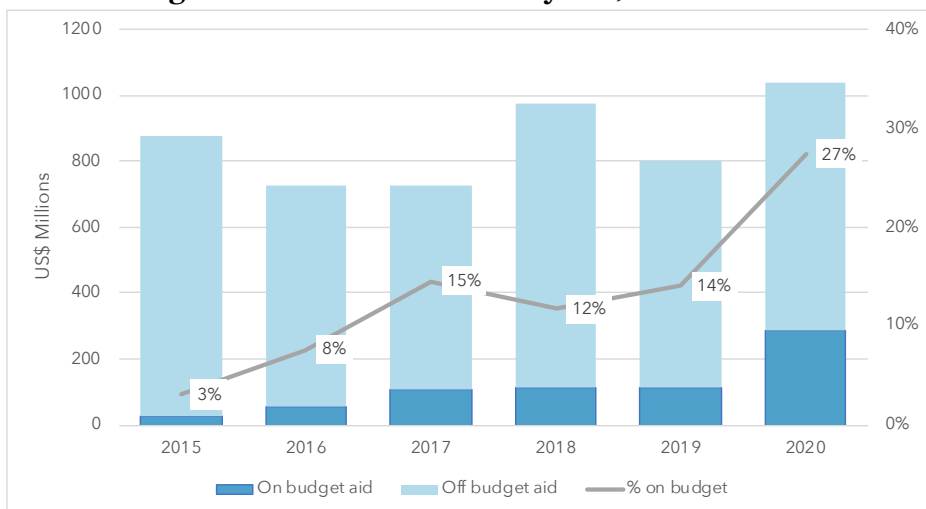
¹¹ To explore data across locations, use a location report: <https://aims.mop.gov.so/locations-report> To explore the data within a specific location, use a sector report and select a single location: <https://aims.mop.gov.so/sectors-report>.

6. ON TREASURY AID

The volume of aid delivered on budget and on treasury in Somalia has increased substantially, from just 26.9 million in 2015 to 284.3 million in 2020. The last year saw a substantial increase as Somalia reached Decision Point under the Heavily Indebted Poor Countries Initiative (HIPC), restoring access to a number of financial instruments from international financial institutions (IFIs).

The majority of on treasury aid in 2020 was financed by the World Bank and donors to the World Bank-administered Multi Partner Fund (MPF), which includes Denmark, the EU, Finland, Germany, Italy, Norway, Sweden, Switzerland, the United Kingdom, the United States and the State- and Peace-building Fund (SPF).

Figure 9. On and Off Treasury Aid, 2015-2020¹²



¹² Based on reporting by the FGS Ministry of Finance of foreign grants delivered on treasury. Share calculated as % of development aid. Humanitarian aid excluded.

Definitions for On Budget and On Treasury Aid

On budget and on treasury delivery go hand in hand in Somalia. Activities cannot be appropriated through the budget if they are not also channeled through the Treasury Single Account (TSA).



On Budget: Aid is integrated into the budgeting process and is reflected in the appropriation act. Only aid delivered on treasury in Somalia can also be reflected fully on budget, whereas aid channeled outside the treasury is considered off budget and is presented in a budget annex.



On Treasury: Aid is disbursed into the Treasury Single Account (TSA), recorded on the Somalia Financial Management Information System (SFMIS), and managed through government systems.

To learn more about the Use of Country Systems (UCS), check out the latest UCS Roadmap for 2021-2023 on the Ministry of Finance Website.

<https://mof.gov.so/ucs>

Table 5. On Treasury Aid by Channel / Donor, 2020

Donors / Channels	Foreign Grants / On Treasury Aid
World Bank & MPF Donors	230.0
African Development Bank	27.7
Turkey	15.0
European Union	7.7
United Nations	2.5
Global Partnership for Education	1.4
IGAD	0.1
Total	284.3

7. ABOUT THE AIMS

The Somali-led, Somali-owned Aid Information Management System - hosted by the Ministry of Planning, Investment and Economic Development (MOPIED) of the Federal Government of Somalia - was launched in April 2020. The system supports Somalia's government in monitoring and coordinating aid to ensure more transparent, accountable and effective use of assistance, and enables people to freely access aid flows information.

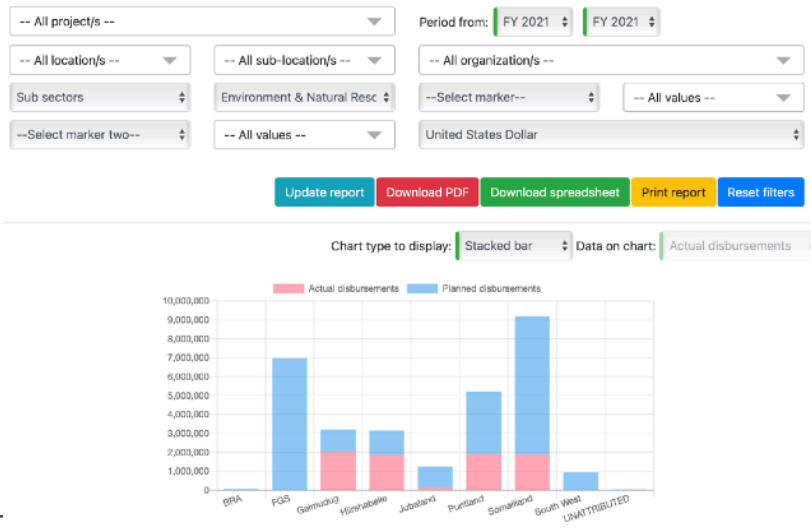
This web-based platform enables real-time reporting and sharing of data on specific projects and activities, as well as on overall donor envelopes. The data can be explored by pillar, sector, cross-cutting marker (e.g. gender, environment, COVID-19), location or even keyword, searching project descriptions to find matches. The AIMS features user-friendly interactive charts, easy-to-print project overview pages and data exporting for more in-depth analysis.

The accuracy of the data depends on the quality of inputs provided by Somalia's development and humanitarian partners, who are encouraged to update their data quarterly in the system. Government and partners alike are encouraged to use the AIMS more proactively to respond to their aid data needs and to avoid parallel exercises.

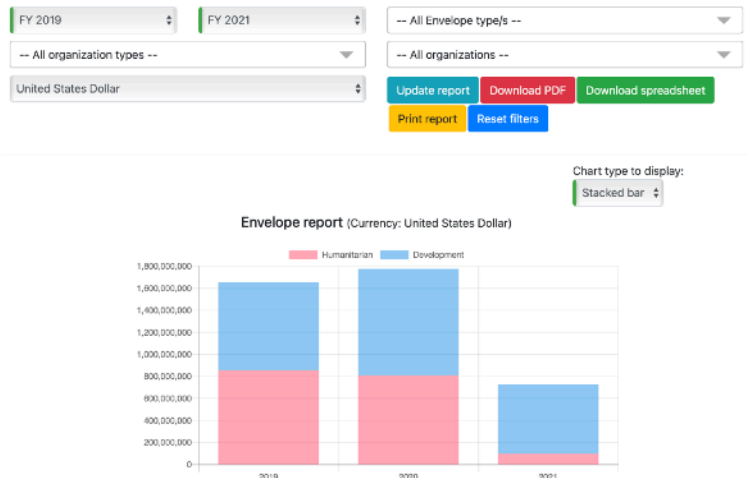
The system, which is already populated with nearly over 1000 projects, is aligned with the International Aid Transparency Initiative (IATI) standards and is publicly available.

Figure 9. Screenshots of Interactive Charts in AIMS

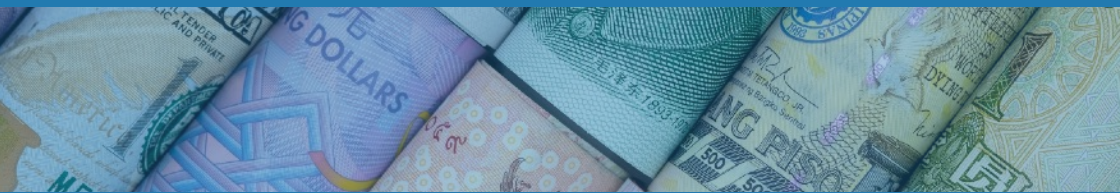
Sample location report, showing actual and planned disbursements related to the environment and natural resources management sub sector in 2021.



Sample envelope report, showing donor envelopes for development and humanitarian aid for 2019-2021. The humanitarian envelopes for this analytical report were taken from the OCHA FTS, as reporting of these figures to the AIMS is not yet as comprehensive.



**Developed with the support of the
United Nations and World Bank**



<https://aims.mop.gov.so>