

Somalia nutrition budget analysis brief

Background

This nutrition budget brief explores the extent to which the Federal Government of Somalia allocates resources to address nutrition needs in the country. The brief includes analysis of the size and composition of budgetary allocations to the ministries, departments and agencies (MDAs) that are responsible for implementing nutrition interventions. It covers fiscal years FY2018 to FY2021 and compares budgetary allocations in the pre-Covid-19 period (FY2018 and FY2019) with those during the pandemic (FY2020 and FY2021). The financial data used for this analysis was obtained from the Somalia Federal Ministry of Finance.

The brief is based on key findings of a nutrition budget tracking exercise conducted for Somalia. The review followed the Scaling Up Nutrition (SUN) Movement budget analysis methodology,ⁱ which involves three sequential steps; (1) identifying nutrition budget line items from budget documents; (2) categorising the identified budget line items as nutrition-specific, nutrition-sensitive or potentially nutrition-sensitive; and (3) analysing the budget data. The analysis was enriched with data/information collected through a review of literature on nutrition and Somalia's nutrition related policies; and consultation with government and stakeholders including the Prime Minister Office and the Somalia Nutrition Cluster.

Limited access to disaggregated budget data is the major challenge in tracking nutrition budgetary allocations for Somalia. Available financial data is aggregated at the ministry level, with no details on the programmes, sub-programmes or projects implemented by various MDAs and the source of funding. Accordingly, it was only possible to conduct basic analysis, focusing on budgetary allocations to MDAs that implement nutrition-related interventions. The findings, therefore, likely overestimate budgetary allocations to nutrition due to the high level of data aggregation.

In Somalia, malnutrition is a major public health concern, with children, women of reproductive age and adolescents from marginalised communities being the most affected.ⁱⁱ Malnutrition is strongly associated with increased morbidity, mortality, poor cognitive development, disability and poor health, thereby perpetuating a vicious cycle of poverty.ⁱⁱⁱ Inadequate infant feeding and child and maternal care; poor hygiene and sanitation; limited access to healthcare; and low dietary diversity, are key drivers of malnutrition in Somalia.^{iv}

Somalia has developed robust policy frameworks on nutrition, but their implementation requires greater effort by the government to mobilise adequate resources and make optimal investment in nutrition programmes in relevant sectors. The Somalia Nutrition Strategy 2020-2025 is aimed at enhancing access to essential nutrition specific and sensitive services for all Somalis, especially among vulnerable groups such as children and women. The Somalia National Food Fortification Strategic Plan 2019-2024 is designed to facilitate improvement of the nutritional status of Somalis by addressing micronutrient deficiencies through national food fortification. The Somalia National Development Plan integrates key interventions aimed at improving nutritional outcomes. Also, nutrition has been included in sectoral plans and policies in key sectors such as health, agriculture and social protection.

While the nutrition situation in Somalia is improving, faster progress is needed to achieve national nutritional outcome targets by 2025. The Somalia Micronutrient Survey 2019 shows that the level of stunting and wasting reduced from 23.2% and 13.9% respectively in 2009 to 17.8% and 10.5% respectively in 2019.^v However, achieving targets such as increasing the proportion of children aged 0-6 months who are exclusively breastfed from 33% to 53% by 2025 and increasing the proportion of children who are fed the minimum acceptable diet from 9% to 30%

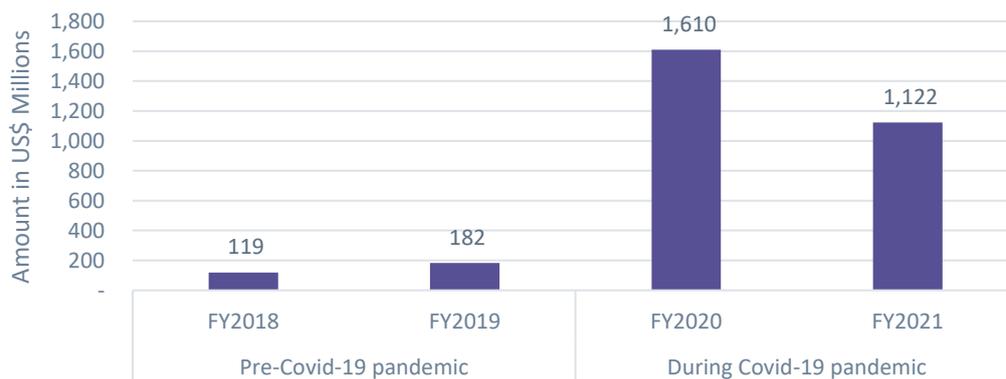
by 2025^{vi} requires the government to mobilise and allocate adequate resources to appropriate nutrition interventions over the medium-term.

Nutrition budgetary allocation trends

In the period FY2018 to FY2021, nutrition-relevant budget amounted to US\$3 billion. These funds were spread across 12 ministries, departments and agencies (MDAs) that are responsible for implementation of nutrition interventions in several thematic sectors including, agriculture, health, social protection, WASH and gender.

Nutrition relevant budget increased ninefold during the Covid-19 pandemic, compared with the pre-Covid-19 period (Figure 1). The total budgetary allocations to MDAs that are responsible for nutrition interventions amounted to US\$302 million in the pre-Covid-19 period (FY2018 and FY2019). However, the allocations increased significantly to US\$2.7 billion during the pandemic (FY2020 and FY2021). The social protection and health sectors are the main beneficiaries of the increase.

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



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

Three factors contributed to the sudden jump in Somalia's nutrition budget from FY2020. The Covid-19 pandemic, ongoing public finance management reforms and the launch of the National Development Plan explain the higher budgetary allocations in FY2020 and FY2021. The Covid-19 pandemic led to increased budgetary support to the government from various donors, which allowed the government to allocate more funding to critical sectors such as health, social protection and WASH. Somalia has been strengthening fiscal management capacity^{vii} and in March 2020, the country qualified for the Heavily Indebted Poor Countries (HIPC) Initiative^{viii}, allowing it to access regular concessional financing from various development partner^{ix} to implement development priorities such as nutrition interventions. In 2020, Somalia began implementation of its ninth National Development Plan (SNDP), 2020-2024. Improvement of nutritional outcomes^x is one of the key development priorities, which are included in the SNDP and allocated resources in FY2020 and FY2021.

There is a clear shift in spending priorities in favour of nutrition-relevant MDAs during the Covid-19 pandemic, but sustaining this over the medium term will require significant resource mobilisation by the government. In the pre-Covid-19 period (FY2018 and FY2019), the total budget allocated to MDAs that are responsible for nutrition interventions accounted for 3.7% of the overall budget of the Federal Government of Somalia. However, the proportion of the budget

going to nutrition relevant MDAs increased to 20% in FY2020, but this reduced to 14% in FY2021. Sustaining the government’s commitment to prioritise nutrition interventions in annual budgetary allocations will require adequate access to resources from both domestic and external sources to address malnutrition.

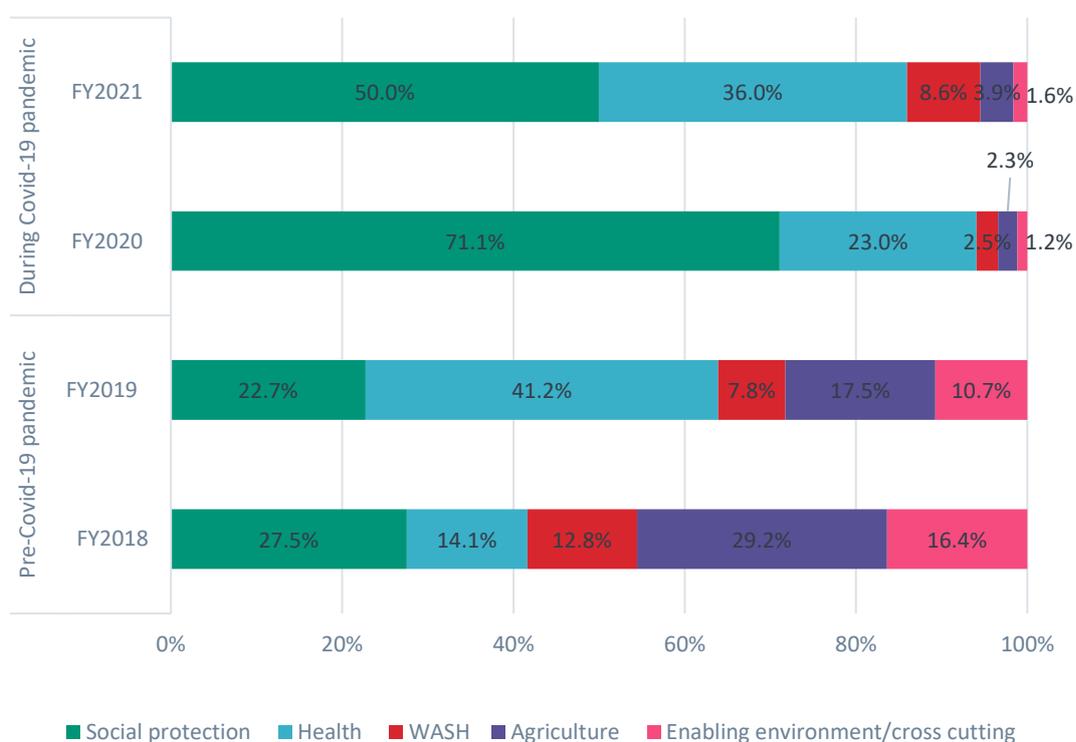
Sector allocations

During the Covid-19 pandemic, nutrition-related budgetary allocations went mainly to the social protection and health sectors (Figure 2). On average, pre-Covid-19 (FY2018 and FY2019), nutrition-related budget allocations were earmarked mainly under the health (27.6%), social protection (25.1%) and agriculture sectors (23.4%). However, during the pandemic the proportion of nutrition-relevant budget going to agriculture reduced to 3.1%, while the proportion going to social protection and health increased to 60.5% and 29.5%, respectively, on average.

Cross cutting sector

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

Figure 2: Proportion of the budget going to various thematic sectors, FY2018-FY2021



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

Social protection

The establishment of the Safety Net for Human Capital Project (SNHCP) in FY2020, contributed to the increase in the proportion of nutrition-relevant budget. The SNHCP is a national cash transfer programme that provides nutrition-linked unconditional cash assistance to vulnerable households, including Internally Displaced Persons and marginalised communities.

In Somalia, social protection is the main nutrition cost driver. In particular, the country's Common Results Framework shows that 50.9% of the US\$3.8 billion required to implement nutrition interventions between 2019 and 2023, is earmarked for social protection interventions, including unconditional food and/or cash-based food assistance and gender-transformative nutrition messaging.

Safety net

Planned nutrition-relevant spending shifted significantly away from compensation of employees to provision of social assistance between FY2018 and FY2021. In the pre-Covid-19 pandemic period (FY2018 and FY2019), 80.4% of the budget allocated to nutrition-relevant MDAs, on average, was earmarked for compensation of employees, that is, payment of wages, salaries and allowances, but this reduced to 9.6% during the pandemic (FY2020 and FY2021). However, safety nets which did not have an allocation in the pre-Covid-19 period, accounted for 52.5% of the nutrition-relevant budget during the pandemic.

Subsidies and grants

Unlike the pre-Covid-19 period, during Covid-19 the government allocated a budget for subsidies and grants, which were earmarked for the WASH and health sectors respectively. Subsidies were allocated a budget only in FY2021 and were earmarked for non-financial private enterprises, that is, service providers that work with the government to provide subsidised water and electricity to vulnerable groups such as IDPs and IDP host communities. Grants which accounted for 0.5% and 1% of the nutrition-relevant budget in FY2020 and FY2021 respectively were earmarked for the Federal Ministry of Health and Federal Member State ministries of health to support provision of health services. Furthermore, part of the grants was earmarked for international organisations such as WHO and UNICEF which are working with the government to deliver services, including response to Covid-19 based on their experience and capacity.

Recommendations

- **Funding sustainability:** The improved budgetary allocation, especially in FY2020 should be sustained over the medium term to ensure continued availability or access to nutrition related interventions. This will require improved mobilisation and allocation of resources to support nutrition interventions in relevant thematic sectors.
- **Crucial sectors:** The federal government should improve budgetary allocations to cross cutting sectors such as gender, which had a budget cut during the Covid-19 pandemic, to support the empowerment of women to access food and services such as health and WASH to ensure nutrition security.
- **Data disaggregation:** The federal and state governments should improve the quality of financial data by disaggregating it by programme, sub-programme or project, and by source of funding. This will facilitate effective tracking of planned and actual nutrition spending.

- **Data accessibility:** The federal government should consider establishing an integrated open data platform that contains standardised financial data for the federal and state governments. This will enhance access to and utilisation of quality data to track nutrition budget/spending.
- **Future analysis:** A detailed analysis should be conducted to determine the level of investment in nutrition specific and nutrition-sensitive interventions at national and sub-national levels.
- **Consideration of off-budget nutrition financing:** Analysis of off-budget resource allocations (financial flows not recorded in government budget documents) to nutrition related interventions should be conducted in future to provide a more accurate picture of the level of investment in nutrition in Somalia.

Notes

ⁱ Fracassi P., et al 2020. Budget analysis for nutrition: Guidance note for countries (update 2020).

Available at: <https://scalingupnutrition.org/wp-content/uploads/2020/05/2020-Guidance-for-Budget-Analysis.pdf>

ⁱⁱ Ministry of Health and Human Services, Federal Republic of Somalia, 2020. Somalia Nutrition Strategy 2020-2025. Available at: <https://www.unicef.org/somalia/media/1756/file/Somalia-nutrition-strategy-2020-2025.pdf>

ⁱⁱⁱ Federal Republic of Somalia, 2019. Somalia National Food Fortification Strategic Plan 2019-2024. Available at: <https://reliefweb.int/report/somalia/somalia-national-food-fortification-strategic-plan-2019-2024>

^{iv} Martin-Canavate et al. 2016. Malnutrition and morbidity trends in Somalia between 2007 and 2016: Results from 291 cross-sectional surveys. Available at: <https://bmjopen.bmj.com/content/10/2/e033148>

^v Ministry of Health, Federal Government of Somalia, Federal Member States, Somaliland, UNICEF, Brandpro, GroundWork 2020. Somalia Micronutrient Survey 2019. Available at: <https://www.unicef.org/somalia/media/1681/file/Somalia-Micronutrient-Survey-2019.pdf>

^{vi} Ministry of Health and Human Services, Federal Republic of Somalia, 2020. Somalia Nutrition Strategy 2020-2025. Available at: <https://www.unicef.org/somalia/media/1756/file/Somalia-nutrition-strategy-2020-2025.pdf>

^{vii} World Bank 2021. Building the State of Somalia: Financing, financial management, and federalism. Available at: <https://www.worldbank.org/en/results/2021/01/14/helping-build-the-state-in-somalia-financing-financial-management-and-federalism>

^{viii} HIPIC is an initiative established by the IMF and World Bank in which all creditors provide debt relief to the poorest and heavily indebted countries. The aim of the initiative is to reduce constraints on economic growth and poverty alleviation, stemming from debt-service burden.

^{ix} World Bank 2020. Somalia re-engagement and reform supplement development policy financing. Available at: <https://documents1.worldbank.org/curated/en/839191593223511618/pdf/Somalia-Re-engagement-and-Reform-Supplemental-Development-Policy-Financing.pdf>

^x Ministry of Planning, Investment and Economic Development 2020. Somalia National Development Plan 2020 to 2024. Available at: <https://mop.gov.so/wp-content/uploads/2019/12/NDP-9-2020-2024.pdf>