

ANNUAL REPORT 2024



**ADVANCING TRANSPARENCY, ACCOUNTABILITY,
AND GOOD GOVERNANCE IN PUBLIC FINANCIAL
MANAGEMENT**



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MESSAGE FROM THE CEO



Khalid Mohamed Mohamud
Chief Executive Officer (CEO)
Institute of Public Finance –
Somalia (IPFS)

Dear Stakeholders, Partners, and Friends of IPFS,

As we reflect on the year 2024, I am filled with immense pride and gratitude for the achievements of the Institute of Public Finance – Somalia (IPFS). It is with great pleasure that I present this comprehensive annual report, which highlights the remarkable strides we have made in promoting integrity, transparency, and accountability in public financial management (PFM) across Somalia.

This past year has been transformative for IPFS. We successfully completed Phase I of the BRA-PFM Reform Program, laying the groundwork for sustainable progress, and we have now embarked on the implementation of Phase II. These efforts, coupled with our newly established partnerships with esteemed organizations such as AARC Ltd and VNG International, have significantly advanced our mission. Through these collaborations, we are driving meaningful reforms and fostering a culture of accountability in public finance.

Furthermore, IPFS has taken a leading role in capacity-building initiatives by delivering targeted training programs aimed at strengthening institutional capabilities throughout Somalia. These programs are a testament to our commitment to empowering institutions and ensuring that public resources are managed effectively and equitably for the benefit of all Somalis.

I would like to extend my deepest appreciation to our Deputy CEO, Ismail Ali Abid, and the entire IPFS team. Their relentless dedication, professionalism, and shared vision have been instrumental in achieving our goals. Together, we will continue to work tirelessly to create a future where public resources serve the Somali people with fairness, efficiency, and transparency.



MESSAGE FROM THE DEPUTY CEO



Ismail Ali Abid
Deputy CEO
Institute of Public Finance–
Somalia (IPFS)

Dear Partners and Stakeholders,

As the Deputy CEO of the Institute of Public Finance – Somalia (IPFS), it is an honor to share the highlights of our journey and successes in 2024. This past year has been a pivotal one for IPFS, marked by our continued expansion, strengthened collaborations, and impactful initiatives in advancing Somalia’s public finance and governance sectors.

Our unwavering commitment to promoting accountability, building sustainable capacity, and driving systemic reforms has been at the heart of our work. The achievements detailed in this report are a testament to the collective efforts of our dedicated team, valued stakeholders, and esteemed partners. Together, we have made significant progress toward fostering a culture of integrity and transparency in the management of public financial resources.

As we look ahead to 2025, we remain steadfast in our mission to scale our impact and contribute to a brighter future for Somalia, where public financial resources are managed responsibly, equitably, and transparently for the benefit of all.

I would like to express my heartfelt gratitude to our CEO, Khalid Mohamed Mohamud, and the entire IPFS team for their unwavering dedication and collaborative spirit. It is through their efforts and our partnerships that we continue to drive meaningful change.

The year 2024 has been a transformative period for the Institute of Public Finance – Somalia (IPFS). Over the past year, IPFS has strengthened its position as a leading think tank and capacity-building institution, advancing public financial management (PFM) and public resource management (PRM) reforms across Somalia. Through strategic partnerships, innovative programs, and targeted capacity-building initiatives, IPFS has demonstrated its commitment to improving transparency, accountability, and efficiency in the management of public resources.

In 2024, IPFS completed Phase I of the BRA-PFM Reform Program, conducting a comprehensive assessment of the Banadir Regional Administration's PFM systems. This milestone laid the groundwork for systemic reforms by identifying strengths and areas for improvement and delivering actionable recommendations for enhancing governance and accountability. Building on this success, IPFS initiated Phase II of the program, focusing on implementing reforms to modernize financial systems, develop policies, and build capacity. These efforts have improved governance, service delivery, and public trust in regional administration. IPFS has expanded its impact through strengthened strategic partnerships, signing agreements with AARC Ltd and VNG International. These collaborations have enabled the delivery of robust PFM reforms and capacity-building programs while formalizing cooperation with federal and state ministries to address governance and fiscal challenges. Donor engagement has been a key focus, with IPFS increasing awareness through targeted communications, presentations, and follow-up engagements. The Institute expanded its donor network, securing sustained support for its initiatives.

Capacity-building initiatives were central to IPFS's activities in 2024. The Institute delivered training programs to over 500 public officials across government and non-government sectors, focusing on technical skills, financial oversight, and operational efficiency. Key institutions such as the National Health Professionals Council and the Directorate of Economic Policy and Planning at the Ministry of Finance benefited from these initiatives. Support to federal member states has been a critical area of focus. IPFS collaborated with the ministries of finance in Galmudug, Hirshabelle, Jubbaland, and Southwest states to strengthen PFM frameworks and improve tax administration systems. These efforts included assessments, technical assistance, and strategies to enhance revenue mobilization and accountability.

In 2024, IPFS addressed pressing issues in critical sectors such as health, education, and climate change. The Institute contributed to health sector reforms by supporting financial and operational management of the National Health Professionals Council. It promoted climate-sensitive budgeting and developed strategies for implementing green fiscal policies and carbon taxation. Gender equity and social inclusion remained at the forefront, ensuring that development initiatives benefit all segments of society.

Research and knowledge sharing played a pivotal role in advancing evidence-based decision-making and advocacy. IPFS published policy briefs, reports, and research papers, and organized peer-learning platforms to foster collaboration among Somali institutions.

Looking ahead to 2025, IPFS is expected to expand its reach and deepen its impact. Upcoming projects include completing Phase II of the BRA-PFM Reform Program, institutionalizing health sector reforms, and launching capacity-building programs for federal member states. Green economy initiatives, including circular economy strategies and green fiscal policies, will be expanded. IPFS will host its public finance platforms, strengthening dialogue among stakeholders on Somalia's public financial landscape. Efforts to strengthen local government PFM systems and expand research and publication outputs will also be prioritized. Enhanced donor engagement will ensure sustained support for IPFS's expanding portfolio.

In 2024, IPFS achieved significant milestones that have positioned the organization as a trusted leader in advancing PFM and PRM reforms in Somalia. Looking ahead to 2025, IPFS remains committed to driving transformative change, fostering collaboration, and building institutional resilience to ensure sustainable development and prosperity for Somalia.

ADVANCING TRANSPARENCY, ACCOUNTABILITY, AND GOOD GOVERNANCE IN PUBLIC FINANCIAL MANAGEMENT

The Institute of Public Finance – Somalia (IPFS) is a leading non-profit think tank dedicated to enhancing public financial management (PFM) and public resource management (PRM) practices in Somalia. Since its inception, IPFS has become a trusted platform for fostering peer learning and exchanging knowledge among Somali citizens, civil society organizations (CSOs), academic institutions, development partners and international organizations and key public institutions stakeholder.

At its core, IPFS seeks to answer critical questions:

- **What works in PFM and PRM?**
- **What doesn't work, and why?**
- **Under what circumstances can transformative change occur?**

IPFS's mission is grounded in the understanding that context matters. Somalia's unique socio-economic and political environment requires tailored approaches to reforming public finance systems. By serving as a catalyst for change, IPFS bridges the gap between evidence-based research and actionable policy solutions, driving systemic improvements across the nation.

03 | About IPFS

The Institute of Public Finance – Somalia (IPFS) is a non-political, independent think tank based in Mogadishu, dedicated to advancing public financial management (PFM) and public resource management (PRM) systems. Since its inception in 2015 and institutionalization in 2021, IPFS has established itself as the premier institution for research, training, and capacity-building in Somalia, focusing on governance, public policy, and financial systems.

IPFS plays a vital role in shaping Somalia's financial landscape by addressing systemic challenges, fostering collaboration among stakeholders, and promoting evidence-based decision-making. The Institute is governed by a seven-member executive board of directors, responsible for overseeing strategic objectives and operational efficiency. Leadership is provided by the CEO and Deputy CEO, who are supported by a team of dedicated professionals committed to achieving IPFS's vision and mission.



Mission

To enhance the abilities of organizations managing public resources, including government agencies, non-profits, academic institutions, and civil society, ensuring they effectively manage funds and deliver services in a sustainable and accountable manner.



Vision

To become the leading training and capacity-building institution in Somalia for excellence in macroeconomic management, public financial management, and policy research.

CORE OBJECTIVES

- Promote knowledge sharing and innovation in public financial management practices.
- Support evidence-based reforms that foster transparency and accountability.
- Build institutional capacity to improve governance and service delivery.
- Facilitate collaboration among diverse stakeholders to achieve sustainable development.

KEY FOCUS AREAS

IPFS operates across a range of critical sectors to address Somalia's development needs:

- ▶ **Public Administration and Governance:** Focused on civil society engagement, anti-corruption efforts, regulatory reforms, and public investment management.
- ▶ **Public Financial Management and Tax Administration:** Enhancing fiscal and budgetary policies, revenue mobilization, financial governance, and macroeconomic analysis.

- ▶ **Climate and Environment:** Advocating for green public finance, climate-sensitive budgeting, and sustainable development strategies.
- ▶ **Health, Education, Gender, and Social Services:** Supporting reforms to improve healthcare and education outcomes while promoting equity and inclusion.
- ▶ **Institutional Strengthening:** Providing training, peer learning platforms, and embedded technical assistance to key public institutions.
- ▶ **Research and Publications:** Delivering policy briefs, advocacy materials, and research findings to inform decision-making and promote accountability.

CHALLENGES AND OPPORTUNITIES

While Somalia has made strides in rebuilding its governance systems since 2012, the public sector continues to face significant challenges, including:

- **Fragmented policies and governance structures.**
- **Weak institutional capacity and delivery mechanisms.**
- **Lack of unified legal frameworks and standardized practices in PFM.**

In response, IPFS has positioned itself as a key driver of PFM reforms, aligning its efforts with the Federal Government of Somalia's vision to develop enhanced financial systems that adhere to international best practices.

IMPACT SINCE INCEPTION

While Somalia has made strides in rebuilding its governance systems since 2012, the public sector continues to face significant challenges, including:

- Supported federal and state governments in designing and implementing fiscal policies.
- Delivered capacity-building programs to enhance institutional resilience.
- Fostered dialogue among policymakers, academics, and practitioners through workshops and seminars.
- Played a pivotal role in advancing fiscal federalism, revenue mobilization, and governance reforms across the country.

Organizational Structure

The governance of IPFS reflects its commitment to accountability and operational excellence. The executive board provides strategic oversight, while the CEO, Deputy CEO, and specialized teams drive day-to-day operations. The organization's structure is aligned with its focus areas, ensuring expertise and efficiency in delivering impactful programs.

Commitment to Change

IPFS remains steadfast in its mission to transform Somalia's public financial systems. By building trust, fostering collaboration, and delivering sustainable solutions, IPFS continues to empower institutions and individuals to contribute to Somalia's development.



The year **2024** marked a period of significant progress and achievements for the Institute of Public Finance – Somalia (IPFS). As the organization entered its third year of institutionalization, IPFS successfully executed key initiatives, expanded its partnerships, and deepened its impact across Somalia’s public financial management (PFM) and public resource management (PRM) landscape. These accomplishments demonstrate IPFS’s unwavering commitment to fostering transparency, accountability, and efficiency in public finance.

STRATEGIC EXPANSION

IPFS expanded its footprint across Somalia, strengthening its presence in federal member states (FMS) and building relationships with key stakeholders. The Institute actively collaborated with national and sub-national institutions to support governance reforms and enhance PFM systems. This strategic expansion ensured that IPFS could effectively address the unique needs of diverse regions while aligning efforts with the national agenda for public finance reforms.

COMPLETION OF PHASE I: BRA-PFM REFORM PROGRAM

The successful conclusion of Phase I of the Banadir Regional Administration Public Financial Management (BRA-PFM) Reform Program was a cornerstone achievement in 2024. This phase involved:

- Conducting comprehensive assessments of the Banadir Regional Administration's financial systems.
- Identifying key strengths and areas for improvement.
- Producing detailed recommendations for enhancing governance, accountability, and service delivery. This milestone established a strong foundation for the next phase of reforms, highlighting IPFS’s role as a trusted advisor in advancing financial governance.

INITIATION OF PHASE II: BRA-PFM REFORM PROGRAM

- Building on the success of Phase I, IPFS launched Phase II of the BRA-PFM Reform Program, which focuses on implementing recommendations to strengthen financial management practices. Efforts included:
- Modernizing financial systems to improve efficiency and reliability.
- Training BRA staff to build capacity and foster ownership of reforms.
- Developing policies that promote fiscal discipline, transparency, and accountability.

PARTNERSHIP DEVELOPMENT

IPFS leveraged its expertise and credibility to forge strategic partnerships with leading organizations, including:

AARC Ltd: Collaborating on public finance and tax administration reforms, with a focus on strengthening local governance.

VNG International: Partnering to enhance local government financial systems and deliver capacity-building programs.

National Health Professionals Council: Supporting operational and financial management capabilities to improve healthcare service delivery.

These partnerships enabled IPFS to access global expertise, share best practices, and expand its impact across Somalia's public finance ecosystem.

CAPACITY-BUILDING INITIATIVES

Capacity building remained a core priority for IPFS in 2024. The Institute delivered a range of high-quality training programs to public officials, government institutions, and civil society organizations, focusing on:

- Public financial management best practices.
- Tax administration and revenue mobilization strategies.
- Operational efficiency and institutional strengthening.

Over 500 individuals participated in these programs, gaining skills and knowledge to drive reforms and improve service delivery in their respective institutions.

CAPACITY-BUILDING INITIATIVES

IPFS continued to work closely with federal member states, including Galmudug, Hirshabelle, Jubbaland, and Southwest, to enhance their public financial systems. Activities included:

- Conducting assessments of existing financial management processes.
- Providing technical assistance to improve tax administration and revenue collection.
- Training state officials to build capacity and implement reforms.

SECTORAL FOCUS

In addition to its core PFM activities, IPFS addressed critical issues in sectors such as health, education, and the environment.

Notable achievements included:

- Supporting health sector reforms by enhancing the financial systems of the National Health Professionals Council.
- Promoting climate-sensitive budgeting and advocating for green fiscal policies, such as carbon taxation and sustainable develop-
- Advancing gender equity and social inclusion to ensure that reforms benefit all segments of society.

RESEARCH AND KNOWLEDGE SHARING

As part of its commitment to evidence-based policymaking, IPFS published policy briefs, research papers, and advocacy materials in 2024. These publications provided insights into critical issues, informed decision-making, and fostered accountability. IPFS also organized peer-learning platforms to facilitate the exchange of ideas and experiences among Somali stakeholders.

DONOR ENGAGEMENT

Recognizing the importance of donor support, IPFS intensified its outreach efforts in 2024. Through targeted communications, presentations, and follow-ups, the Institute strengthened its relationships with existing donors and secured commitments from new funding partners. These efforts ensured the sustainability of IPFS's programs and expanded its capacity to deliver impactful initiatives.



FINANCE
FINANCE



KEY IMPACT AREAS

- ▶ Enhanced financial governance and service delivery systems in the Banadir Regional Administration.
- ▶ Improved fiscal discipline and tax administration across federal member states.
- ▶ Promoted evidence-based reforms through research and publications.
- ▶ Built institutional capacity through targeted training and technical assistance.

2024 was a year of remarkable growth and achievements for IPFS. The milestones achieved during this period have not only strengthened the organization's reputation but also laid the groundwork for future successes. As IPFS moves forward, it remains dedicated to transforming Somalia's public financial landscape and contributing to sustainable development and prosperity for all.



The successful completion of Phase I of the Banadir Regional Administration Public Financial Management (BRA-PFM) Reform Program was a defining achievement for IPFS in 2024. This phase represented a critical step toward improving financial governance and accountability in Somalia's capital region, setting the stage for transformative reforms within the Banadir Regional Administration (BRA).

BACKGROUND AND OBJECTIVES

Phase I of the BRA-PFM Reform Program was initiated in 2022 to address longstanding inefficiencies and gaps in the financial management systems of the BRA. The primary objectives of this phase included:

Conducting a thorough assessment of the BRA's existing public financial management (PFM) systems.

Identifying key challenges and opportunities for improvement in governance, fiscal discipline, and service delivery.

Providing actionable recommendations to enhance financial transparency, accountability, and operational efficiency.

IPFS was entrusted with the responsibility of designing and implementing this phase, leveraging its expertise in PFM and its deep understanding of Somalia's governance landscape.

I KEY ACTIVITIES

During Phase I, IPFS undertook a series of comprehensive activities to ensure a detailed and accurate assessment of the BRA's PFM systems:

Diagnostic Analysis:

IPFS conducted an in-depth evaluation of the BRA's financial processes, including budgeting, revenue collection, expenditure management, and auditing practices. This analysis identified critical bottlenecks and inefficiencies, as well as areas of potential improvement.

Stakeholder Engagement:

The Institute actively engaged with BRA officials, civil society organizations, and international partners to gather diverse perspectives and foster buy-in for the reform process. This inclusive approach ensured that the recommendations were context-specific and widely supported.

Capacity Assessment:

A focused assessment of the capacity of BRA personnel was carried out to identify skill gaps and training needs. This assessment informed the design of subsequent capacity-building initiatives to empower staff to implement reforms effectively.

Reporting & Recommendations:

IPFS developed a comprehensive report detailing the findings of the assessment. The report outlined specific recommendations for addressing identified challenges and provided a roadmap for implementing systemic reforms.

I OUTCOMES

The completion of Phase I delivered significant outcomes that have positioned the BRA for sustained improvements in financial governance:

Baseline Established:

A clear and detailed baseline of the BRA's PFM systems was established, providing a foundation for measuring progress and evaluating the impact of reforms in subsequent phases.

Informed Decision-Making:

The assessment findings enabled BRA officials and policymakers to make informed decisions regarding resource allocation, process improvements, and institutional strengthening.

Enhanced Stakeholder Collaboration:

The engagement of diverse stakeholders fostered a collaborative environment, ensuring shared ownership of the reform agenda and building trust among partners.

| CHALLENGES ADDRESSED

During Phase I, IPFS tackled several challenges that had historically undermined the effectiveness of the BRA's PFM systems:

- Weak financial oversight mechanisms that hindered accountability.
- Fragmented budgeting and revenue collection processes.
- Limited technical capacity among BRA personnel to manage complex financial systems.

The Institute's targeted interventions addressed these challenges, laying the groundwork for systemic change.

| STRATEGIC IMPORTANCE

The successful execution of Phase I underscored IPFS's role as a trusted partner in advancing PFM reforms in Somalia. This achievement not only demonstrated the Institute's technical expertise and leadership capabilities but also highlighted its ability to navigate complex governance environments and deliver impactful solutions.

| IMPACT

Phase I of the BRA-PFM Reform Program significantly improved the BRA's readiness to implement comprehensive reforms in subsequent phases. By identifying key gaps and opportunities, IPFS has enabled the BRA to prioritize resources, enhance efficiency, and deliver better services to the residents of Mogadishu.

The completion of this phase represents a critical milestone in Somalia's broader efforts to strengthen public financial systems. As IPFS transitions into Phase II of the program, the foundations established in Phase I will serve as a springboard for achieving even greater impact in the years ahead.





Building on the success and insights gained from Phase I, the Institute of Public Finance – Somalia (IPFS) embarked on Phase II of the Banadir Regional Administration Public Financial Management (BRA-PFM) Reform Program in 2023. This phase is designed to implement the recommendations from Phase I, with a focus on driving systemic reforms that enhance financial governance, improve service delivery, and foster accountability within the Banadir Regional Administration (BRA)

OBJECTIVES OF PHASE II

Phase II of the BRA-PFM Reform Program is a critical step toward operationalizing the findings and recommendations from Phase I. Its primary objectives include:

Modernizing Financial Management Systems: Upgrading financial processes, tools, and technologies to improve efficiency, transparency, and reliability.

Policy Development: Formulating and institutionalizing policies that promote fiscal discipline, transparency, and accountability.

Fostering Stakeholder Collaboration: Engaging with key stakeholders to ensure inclusivity, ownership, and alignment of reform efforts with broader governance priorities.

Capacity Building: Equipping BRA staff with the skills and knowledge necessary to implement and sustain reforms through targeted training and technical assistance.

Strengthening Revenue Mobilization: Enhancing the BRA's capacity to generate, manage, and allocate public revenue effectively.

KEY ACTIVITIES UNDERTAKEN

During the initial stages of Phase II, IPFS initiated several activities aimed at translating Phase I recommendations into actionable reforms:

Financial Systems Modernization:

IPFS worked with the BRA to implement semi-automated financial management information systems (FMIS). This involved upgrading existing tools and introducing new technologies to streamline budgeting, reporting, and auditing processes.

Capacity-Building Programs:

A series of training workshops were conducted for BRA staff, focusing on areas such as financial planning, revenue collection, expenditure management, and accountability mechanisms. These programs addressed skill gaps identified in Phase I and empowered staff to effectively manage complex financial systems.

Policy and Regulatory Development:

IPFS supported the drafting and implementation of policies related to fiscal responsibility, procurement processes, and public expenditure management. These policies are designed to ensure long-term financial sustainability and transparency.

Revenue Mobilization Strategies:

IPFS collaborated with BRA officials to develop innovative strategies for improving tax collection and broadening the revenue base. This included reviewing existing tax structures, identifying revenue leakages, and exploring new sources of income.

Monitoring and Evaluation Framework:

A robust framework for monitoring and evaluating the progress of reforms was established to ensure accountability and track the impact of initiatives implemented under Phase II.

ACHIEVEMENTS TO DATE

As of 2024, Phase II has achieved several notable milestones:

Improved Financial Efficiency:

The modernization of financial systems has reduced redundancies and improved the accuracy and timeliness of financial reporting.

Enhanced Staff Competencies:

Over 100 BRA staff members have undergone comprehensive training programs, resulting in improved operational capacity and a deeper understanding of PFM best practices.

Stronger Policy Frameworks:

The adoption of new policies has provided a clear direction for managing public resources and ensuring fiscal discipline.

Increased Revenue Collection:

Early results indicate an improvement in tax compliance and an increase in the BRA's overall revenue, which has enabled better funding for essential services.

CHALLENGES AND RESPONSES

Phase II faced several challenges, including:

Resistance to Change:

Some stakeholders were initially hesitant to embrace new systems and processes. IPFS addressed this by conducting stakeholder engagement sessions to build trust and foster buy-in.

Capacity Constraints:

Limited technical expertise within the BRA posed challenges to implementing reforms. IPFS mitigated this through targeted capacity-building programs and the deployment of technical advisors.

Resource Limitations:

Budgetary constraints occasionally slowed progress. IPFS leveraged its partnerships and donor relationships to secure additional funding and resources.

STRATEGIC IMPORTANCE

Phase II represents a pivotal phase in the transformation of the BRA's financial systems. By operationalizing the recommendations from Phase I, this phase not only strengthens the financial governance of Somalia's capital region but also serves as a model for similar reforms in other regions.

EXPECTED OUTCOMES BY 2025

The successful completion of Phase II is expected to yield several long-term benefits:

Sustainable Financial Governance: A robust financial management system that supports transparency, accountability, and efficiency.

Enhanced Service Delivery: Increased revenue and better resource allocation will enable the BRA to deliver higher-quality services to citizens.

Institutional Resilience: Strengthened institutional capacity to adapt to challenges and sustain reforms over the long term.

Public Trust: Greater transparency and accountability will enhance citizen confidence in the BRA's governance.

Phase II of the BRA-PFM Reform Program underscores IPFS's commitment to driving transformative change in Somalia's financial systems. Through its technical expertise, collaborative approach, and steadfast dedication, IPFS is paving the way for a more transparent, accountable, and efficient public financial management framework in the Banadir region. As this phase progresses toward its conclusion in 2025, IPFS remains focused on ensuring that these reforms deliver tangible benefits for both the administration and the citizens it serves.

07

STRATEGIC PARTNERSHIPS AND COLLABORATIONS

In 2024, the Institute of Public Finance – Somalia (IPFS) significantly expanded its network of strategic partnerships and collaborations, reinforcing its position as a leading organization in advancing public financial management (PFM) and public resource management (PRM) reforms in Somalia. These partnerships played a pivotal role in enabling IPFS to leverage global expertise, share best practices, and deliver impactful programs across various sectors.

AARC LTD PARTNERSHIP

IPFS formalized a strategic partnership with AARC Ltd, a global consulting firm specializing in governance and public financial management reforms. This collaboration focused on strengthening local governance systems in Somalia through targeted capacity-building programs and technical assistance. **Key aspects of this partnership included:**

Providing expertise in fiscal decentralization and domestic resource mobilization.

Developing frameworks to enhance tax administration and revenue collection at both federal and state levels.

Supporting the implementation of PFM systems that promote accountability and efficiency.

The partnership with AARC Ltd also enabled IPFS to align its initiatives with international standards and best practices, ensuring the long-term sustainability of reforms.

COLLABORATION WITH VNG INTERNATIONAL

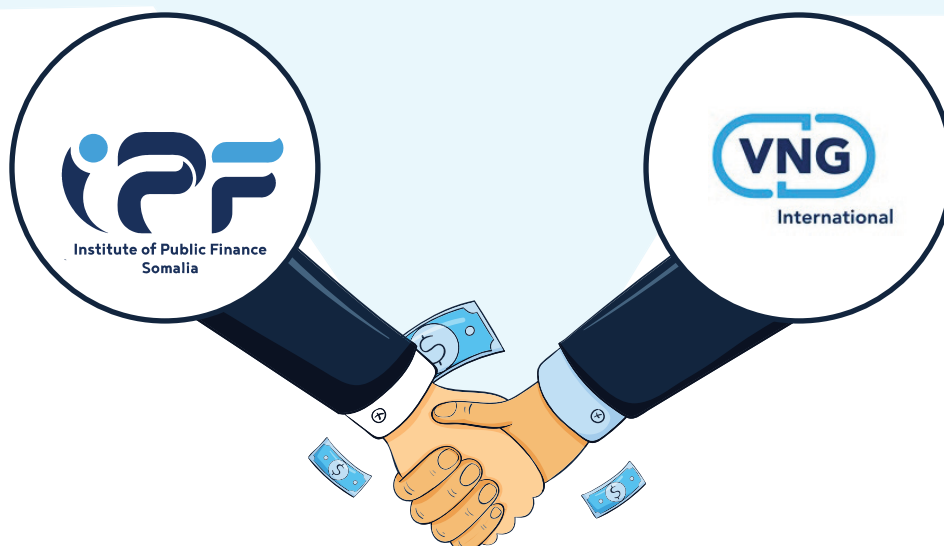
IPFS partnered with VNG International, the international cooperation agency of the Association of Netherlands Municipalities, to strengthen local government financial systems in Somalia. This collaboration aimed to:

Enhance the capacity of local governments to manage public finances effectively.

Promote fiscal decentralization by providing technical support and training to municipal finance officials.

Facilitate knowledge exchange between Somali institutions and international experts to adopt innovative solutions for local governance challenges.

This partnership underscored IPFS's commitment to empowering local governments to deliver better services and achieve sustainable development.





COOPERATION AGREEMENT WITH AARC LTD CONSULTING

In 2024, IPFS signed a cooperation agreement with AARC Ltd Consulting under the EU’s Framework Contract Services for External Action (2023 INTPA/2022/EA-OP/0102). This agreement positioned IPFS as a key local partner within AARC’s global network and focused on implementing projects in the following areas:

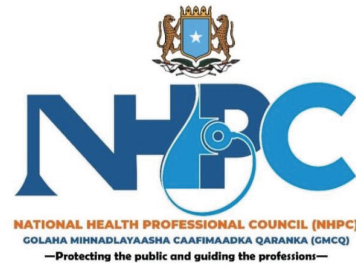
Public Financial Management (PFM):
Supporting the design and execution of comprehensive PFM reforms to improve fiscal discipline and governance.

Domestic Resource Mobilization (DRM):
Enhancing the capacity of Somali institutions to generate and manage domestic revenues effectively.

Sectoral Policy Development:
Developing strategies for health, education, and environmental sustainability aligned with Somalia’s development goals.

Through this agreement, IPFS gained access to additional resources, technical expertise, and international networks to amplify its impact.

PARTNERSHIP WITH THE NATIONAL HEALTH PROFESSIONALS COUNCIL



IPFS partnered with the National Health Professionals Council (NHPC) to strengthen its operational and financial management capabilities. This collaboration focused on improving the NHPC’s ability to manage resources, streamline operations, and deliver better health services. **Key initiatives included:**

- ▶ Conducting financial and operational capacity assessments.
- ▶ Developing standard operating procedures for financial management.
- ▶ Providing training on budgeting, financial planning, and reporting.

This partnership reflected IPFS’s commitment to supporting sector-specific reforms that enhance service delivery and promote equity.

ENGAGEMENT WITH FEDERAL MEMBER STATES

IPFS deepened its collaboration with the ministries of finance in Galmudug, Hirshabelle, Jubbaland, and Southwest federal member states. **These partnerships aimed to:**

- ▶ Strengthen public financial management frameworks at the state level.
- ▶ Improve tax administration systems and revenue mobilization strategies.
- ▶ Build the capacity of state officials through training and technical assistance.

By working closely with federal member states, IPFS facilitated the alignment of regional reforms with national development objectives, contributing to a more cohesive and integrated governance framework.

IMPACT OF STRATEGIC PARTNERSHIPS

The partnerships established in 2024 significantly enhanced IPFS’s ability to deliver on its mission. **Key impacts included:**

- ▶ Expanded access to technical expertise and resources through international collaborations.
- ▶ Strengthened institutional capacity across national and sub-national levels of government.
- ▶ Improved alignment of PFM reforms with global best practices and Somalia’s unique context.
- ▶ Increased donor confidence and funding support, enabling the scaling of impactful programs.

FUTURE COLLABORATION GOALS

Looking ahead, IPFS plans to deepen its existing partnerships and forge new alliances to expand its reach and impact. **Priority areas for future collaborations include:**

- **Strengthening local government systems to promote fiscal decentralization and accountability.**
- **Supporting green economy initiatives through partnerships focused on climate-sensitive budgeting and sustainable development.**
- **Enhancing health and education sector reforms in collaboration with national and international stakeholders**

Strategic partnerships and collaborations were a cornerstone of IPFS's success in 2024. By leveraging the expertise and resources of its partners, IPFS was able to deliver innovative and impactful programs that addressed critical governance and financial challenges in Somalia. These partnerships will continue to play a vital role in advancing the Institute's mission and achieving long-term sustainable development for the country.

CAPACITY-BUILDING INITIATIVES

In 2024, capacity-building emerged as a cornerstone of the Institute of Public Finance – Somalia (IPFS)'s strategy to advance public financial management (PFM) and public resource management (PRM) reforms across Somalia. Recognizing that strong institutions and skilled professionals are the foundation of effective governance, IPFS focused on delivering targeted training programs, technical assistance, and institutional support to enhance the operational efficiency and accountability of key stakeholders.

OBJECTIVE OF CAPACITY-BUILDING EFFORTS

IPFS's capacity-building initiatives were designed to address skill gaps, improve institutional resilience, and foster a culture of accountability. **These efforts aimed to:**

Empower public officials and practitioners with technical expertise in financial management, policy implementation, and governance.

Strengthen the operational capacity of government institutions, enabling them to manage public resources effectively.

Promote the adoption of best practices and innovative solutions tailored to Somalia's unique socio-economic context.



KEY CAPACITY-BUILDING PROGRAMS DELIVERED

Throughout 2024, IPFS implemented a wide range of capacity-building initiatives targeting both governmental and non-governmental stakeholders:

01

TRAINING FOR FEDERAL AND STATE MINISTRIES:

IPFS delivered specialized training sessions for officials from the ministries of finance in Galmudug, Hirshabelle, Jubbaland, and Southwest states. **These programs focused on:**

- ▶ Public financial management practices, including budgeting, expenditure control, and auditing.
- ▶ Tax administration and revenue mobilization strategies to enhance resource generation.
- ▶ Fiscal federalism and intergovernmental financial coordination.

02

SUPPORT FOR THE NATIONAL HEALTH PROFESSIONALS COUNCIL (NHPC):

IPFS partnered with the NHPC to strengthen its financial and operational management capabilities. **Key activities included:**

- ▶ Conducting capacity assessments to identify gaps and areas for improvement.
- ▶ Developing standard operating procedures for financial planning, budgeting, and reporting.
- ▶ Providing ongoing technical support to improve oversight and accountability mechanisms.

03

DIRECTORATE OF ECONOMIC POLICY AND PLANNING, MINISTRY OF FINANCE:

IPFS worked closely with the Directorate to enhance its macroeconomic analysis and forecasting capabilities. **Capacity-building efforts included:**

- ▶ Training the macroeconomic working group on multi-year budget planning and review
- ▶ Assisting in the development of budget review outlook papers to guide fiscal policy decisions.
- ▶ Providing advisory support to align macroeconomic policies with national development objectives.

04

TRAINING FOR LOCAL GOVERNMENTS AND MUNICIPALITIES:

IPFS extended its capacity-building efforts to local governments in the Banadir Regional Administration and other municipalities. **Training sessions addressed:**

- ▶ Operational efficiency and resource optimization processes.
- ▶ Transparency and accountability in service delivery.
- ▶ Digital tools for financial reporting and data management.

05

CROSS-SECTORAL TRAINING PROGRAMS:

IPFS conducted training programs for various stakeholders, including civil society organizations, academic institutions, and development partners. These sessions covered:

- ▶ Gender-responsive budgeting and social inclusion strategies.
- ▶ Climate-sensitive public finance and sustainable development planning.
- ▶ Evidence-based policymaking and advocacy.

IMPACT OF CAPACITY-BUILDING INITIATIVES

The capacity-building programs delivered by IPFS in 2024 had a transformative impact on participants and institutions:



Enhanced Skills and Knowledge:

Over **500** individuals, including public officials, practitioners, and civil society members, gained critical skills to manage public finances more effectively.

Improved Institutional Performance:

Government agencies reported increased efficiency, better compliance with financial regulations, and stronger accountability mechanisms.

Fostering a Culture of Learning:

Participants embraced a culture of continuous learning and collaboration, enabling them to adapt to evolving challenges and opportunities in governance.

I CHALLENGES ADDRESSED

Capacity-building initiatives were designed to address several challenges facing Somalia's governance and financial systems:

Skill Gaps:

Limited technical expertise among public officials often hindered the implementation of complex reforms. IPFS addressed this by tailoring training programs to the specific needs of participants.

Institutional Weaknesses:

Many institutions lacked the operational frameworks necessary for effective resource management. IPFS provided technical assistance to strengthen these frameworks.

Fragmented Knowledge Sharing:

A lack of coordination among stakeholders often resulted in duplication of efforts. IPFS facilitated peer-learning platforms to promote collaboration and knowledge exchange.

KEY ACHIEVEMENTS

National Health Professionals Council (NHPC):

Through IPFS's capacity-building support, the NHPC implemented streamlined financial management procedures, resulting in improved efficiency and transparency. New reporting standards reduced financial processing times, enabling the council to focus on enhancing healthcare delivery.

Banadir Regional Administration (BRA):

BRA successfully adopted semi-automated financial management information systems (FMIS), modernizing its financial processes. Staff training facilitated by IPFS improved budgeting accuracy and enhanced compliance with financial regulations.

FUTURE PLANS FOR CAPACITY BUILDING

Building on the successes of 2024, IPFS plans to expand its capacity-building initiatives in 2025. **Upcoming priorities include:**

Launching digital literacy programs for government officials to improve data management and reporting capabilities.

Expanding gender-focused training programs to ensure inclusive policy development and service delivery.

Introducing advanced training modules on climate-sensitive budgeting and green fiscal policies to support Somalia's transition to a sustainable economy.

IPFS's capacity-building initiatives in 2024 were instrumental in strengthening governance and improving public resource management across Somalia. By empowering individuals and institutions with the skills and tools needed to succeed, IPFS has laid the foundation for a more transparent, accountable, and effective public financial system. As the Institute continues to expand its reach, these programs will remain a critical pillar of its mission to drive sustainable development and good governance in Somalia.



In 2024, the Institute of Public Finance – Somalia (IPFS) continued its dedicated efforts to strengthen public financial management (PFM) frameworks and tax administration systems in Somalia’s Federal Member States (FMS). By collaborating with the ministries of finance in Galmudug, Hirshabelle, Jubbaland, and Southwest, IPFS played a pivotal role in enhancing fiscal capacity, promoting transparency, and fostering accountability at the sub-national level. These initiatives were integral to Somalia’s broader vision of building a unified and sustainable governance framework.

OBJECTIVE OF FMS SUPPORT

In 2024, the Institute of Public Finance – Somalia (IPFS) continued its dedicated efforts to strengthen public financial management (PFM) frameworks and tax administration systems in Somalia’s Federal Member States (FMS). By collaborating with the ministries of finance in Galmudug, Hirshabelle, Jubbaland, and Southwest, IPFS played a pivotal role in enhancing fiscal capacity, promoting transparency, and fostering accountability at the sub-national level. These initiatives were integral to Somalia’s broader vision of building a unified and sustainable governance framework.

Strengthening institutional capacity to improve the management of public resources.

Enhancing revenue mobilization to increase financial independence and reduce reliance on external funding.

Promoting fiscal accountability and transparency to build public trust in government institutions.

Aligning state-level PFM systems with national standards and international best practices.

KEY ACTIVITIES AND INITIATIVES

Throughout 2024, IPFS implemented a range of targeted activities to support FMS ministries of finance:

01 PFM SYSTEMS ASSESSMENTS:

IPFS conducted comprehensive assessments of existing PFM frameworks within Galmudug, Hirshabelle, Jubbaland, and Southwest. These assessments identified key gaps in budgeting, accounting, and auditing processes, providing a roadmap for reform.

02 TAX ADMINISTRATION REFORM:

IPFS supported FMS governments in overhauling their tax administration systems.

Key initiatives included:

- ▶ Streamlining tax collection processes to reduce leakages and improve efficiency.
- ▶ Introducing modern tools and technologies to digitize tax administration and enhance data management.
- ▶ Training tax officials to improve compliance monitoring and enforcement capabilities.

03

CAPACITY BUILDING FOR FINANCIAL PLANNING AND BUDGETING:

IPFS delivered targeted training sessions to state-level finance officials, **focusing on:**

- ▶ Budget preparation, execution, and monitoring techniques.
- ▶ Developing multi-year budgeting frameworks to align fiscal planning with development priorities.
- ▶ Strengthening expenditure management to ensure value for money in public

05

TECHNICAL ASSISTANCE FOR FISCAL FEDERALISM:

Recognizing the importance of intergovernmental coordination, IPFS facilitated discussions between FMS governments and the Federal Government of Somalia (FGS) to strengthen fiscal federalism. **These discussions focused on:**

- ▶ Defining clear roles and responsibilities for revenue collection and resource allocation.
- ▶ Establishing mechanisms for equitable sharing of national resources.
- ▶ Ensuring alignment of FMS reforms with the national PFM strategy.

04

REVENUE MOBILIZATION STRATEGIES:

The Institute worked closely with FMS governments to develop innovative revenue generation strategies. **These included:**

- ▶ Identifying untapped revenue sources, such as property taxes and user fees.
- ▶ Encouraging private sector engagement to expand the tax base.
- ▶ Promoting intergovernmental collaboration to harmonize tax policies and avoid duplications.

KEY ACHIEVEMENTS

IPFS's support to Federal Member States resulted in several notable achievements:

Improved Revenue Collection: In **Galmudug**, the introduction of digital tax collection systems led to a **20%** increase in tax revenues within six months. This additional revenue was allocated toward improving basic services.

Enhanced Budgeting Practices: **Jubbaland** successfully implemented a multi-year budgeting framework with IPFS's support, enabling more strategic allocation of resources for development projects.

Strengthened Institutional Capacity: Over **150** finance officials across FMS ministries participated in IPFS-led training programs, resulting in improved financial planning and expenditure management.

Increased Public Confidence: Transparent financial practices and improved service delivery contributed to increased trust between governments and citizens in several regions.

I CHALLENGES ADDRESSED

Supporting Federal Member States presented several challenges, including:

Limited Technical Capacity:

Many FMS governments lacked skilled personnel to implement and sustain PFM reforms. IPFS addressed this by deploying technical advisors and conducting extensive training programs.

Resource Constraints:

Budgetary limitations hindered the ability of some states to fully implement reforms. IPFS collaborated with donors to secure additional funding and provide technical resources.

Fragmented Knowledge Sharing:

Fragmented systems and varying levels of capacity across states made coordination complex. IPFS facilitated inter-state dialogues to promote consistency and knowledge sharing.

I FUTURE PLANS FOR FMS SUPPORT

Building on the successes of 2024, IPFS plans to deepen its engagement with Federal Member States in 2025. **Upcoming initiatives include:**

- ▶ Expanding digital transformation efforts to modernize financial systems and improve efficiency.
- ▶ Introducing gender-responsive budgeting to ensure inclusive resource allocation and service delivery.
- ▶ Strengthening collaboration between FMS and the Federal Government to enhance fiscal decentralization and resource-sharing mechanisms.
- ▶ Supporting climate-sensitive budgeting and green fiscal policies at the state level to address environmental challenges.

I STRATEGIC IMPORTANCE

The support provided by IPFS to Federal Member States is critical to Somalia's broader governance and development goals. By empowering sub-national governments with the tools and knowledge to manage their resources effectively, IPFS is contributing to the creation of a cohesive, transparent, and accountable governance framework.

IPFS's work with Federal Member States in 2024 demonstrated the transformative potential of targeted PFM reforms and capacity-building initiatives. The progress made in Galmudug, Hirshabelle, Jubbaland, and Southwest highlights the importance of sustained engagement and tailored support in strengthening Somalia's financial governance systems. As IPFS looks ahead to 2025, it remains committed to driving further improvements in the financial resilience and operational capacity of Federal Member States, ensuring sustainable development and prosperity for all Somali citizens.

In 2024, the Institute of Public Finance – Somalia (IPFS) strengthened its partnership with the Ministry of Planning, Investment, and Economic Development (MoPIED) to support the ministry's critical role in guiding Somalia's development agenda. This collaboration focused on enhancing the ministry's financial and operational management capabilities, optimizing project implementation, and aligning its strategic objectives with national and international development priorities.

OBJECTIVE OF THE COLLABORATION

The collaboration between IPFS and MoPIED was designed to address key operational challenges and build institutional resilience. The primary objectives included:

- ▶ Improving financial and administrative systems to enhance the efficiency of resource utilization.
- ▶ Strengthening the capacity of MoPIED staff to manage complex projects and budgets effectively.
- ▶ Developing and institutionalizing standardized operating procedures to optimize workflows.
- ▶ Supporting evidence-based decision-making through robust data collection and analysis frameworks.

KEY ACTIVITIES AND INITIATIVES

Throughout 2024, IPFS worked closely with MoPIED to implement a series of targeted initiatives that addressed the ministry's operational and strategic needs:

01

DEVELOPMENT OF OPERATIONS MANUALS:

IPFS collaborated with MoPIED to develop comprehensive operations manuals aimed at standardizing financial and non-financial processes. **These manuals provided clear guidelines for:**

- ▶ Budget preparation, allocation, and execution.
- ▶ Procurement and contract management to ensure transparency and compliance.
- ▶ Project planning, monitoring, and evaluation to align resources with outcomes.

03

DEVELOPMENT OF OPERATIONS MANUALS:

Recognizing the importance of effective project finance management in achieving development goals, IPFS provided technical assistance to enhance MoPIED's project delivery finance capabilities. Key initiatives included:

- ▶ Establishing a project finance tracking system to monitor progress, identify bottlenecks, and ensure timely completion.
- ▶ Training project managers on resource allocation and financial management, stakeholder engagement, and performance evaluation.
- ▶ Supporting the integration of sustainability principles into project design and execution.

02

CAPACITY BUILDING FOR FINANCIAL MANAGEMENT:

IPFS delivered tailored training programs for MoPIED staff, **focusing on:**

- ▶ Advanced financial planning and reporting techniques.
- ▶ Multi-year budget preparation and implementation strategies.
- ▶ Risk management and internal controls to mitigate financial irregularities.

KEY ACHIEVEMENTS

The collaboration between IPFS and MoPIED delivered significant outcomes that have enhanced the ministry's operational and strategic effectiveness:

Standardized Processes: The introduction of operations manuals streamlined financial and administrative workflows, reducing inefficiencies and ensuring compliance with national regulations.

Enhanced Financial Oversight: MoPIED staff gained advanced skills in financial management, leading to more accurate budgeting and improved accountability in resource utilization.

Improved Project Delivery: The establishment of a project tracking system enhanced the ministry's ability to deliver projects on time and within budget, contributing to better development outcomes.

Evidence-Based Planning: High-frequency data collection tools enabled MoPIED to make informed decisions, resulting in more targeted and impactful interventions.

Strategic Alignment: Advisory support from IPFS helped MoPIED align its activities with Somalia's broader development goals, fostering greater coordination with other government entities and development partners.

CHALLENGES ADDRESSED

The collaboration addressed several challenges that had previously hindered MoPIED's effectiveness:

Fragmented Processes:

A lack of standardized procedures led to inconsistencies in financial and administrative operations. IPFS's support helped establish uniform processes across the ministry.

Capacity Gaps:

Limited technical assistance among staff affected the ministry's ability to manage financial resources efficiently. Targeted training programs bridged these gaps and empowered staff with the necessary skills.

FUTURE PLANS FOR COLLABORATION

Building on the successes of 2024, IPFS plans to expand its collaboration with MoPIED in 2025. **Upcoming initiatives include:**

Supporting the institutionalization of digital tools for financial management and project tracking.

Expanding training programs to include advanced topics such as climate-sensitive budgeting and gender-responsive planning.

Assisting in the development of a national framework for public-private partnerships to mobilize additional resources for development.

Enhancing stakeholder engagement mechanisms to ensure greater participation of civil society and private sector actors in development planning.

I STRATEGIC IMPORTANCE

MoPIED plays a central role in shaping Somalia's development trajectory. By strengthening the ministry's financial, operational, and strategic capacities, IPFS is contributing to a more effective and coordinated approach to national development. This collaboration is vital for ensuring that public resources are managed efficiently and directed toward achieving sustainable economic growth and social progress.

The partnership between IPFS and MoPIED in 2024 highlights the transformative potential of targeted technical support and capacity building. Through this collaboration, MoPIED has strengthened its ability to plan, implement, and monitor development projects effectively, ensuring that resources are used to their fullest potential. As this partnership evolves in 2025, it will continue to play a crucial role in advancing Somalia's national development goals and driving progress toward a prosperous and sustainable future.

I TRAINING PROGRAMS DELIVERED

In 2024, the Institute of Public Finance – Somalia (IPFS) continued to prioritize capacity building and institutional strengthening by delivering high-quality training programs to a wide range of stakeholders. These programs were designed to equip government officials, civil society organizations, and academic institutions with the tools and knowledge necessary to drive reforms, enhance governance, and improve service delivery.

I OBJECTIVE OF TRAINING PROGRAMS

The training programs delivered by IPFS in 2024 aimed to:

Address technical and operational skill gaps within institutions responsible for public financial management (PFM) and public resource management (PRM).

Foster a culture of accountability, transparency, and efficiency across various sectors.

Build a network of competent professionals who can implement sustainable reforms in governance and financial systems.

I SCOPE OF TRAINING PROGRAMS

IPFS's training programs targeted key sectors and institutions, ensuring a comprehensive approach to capacity building. The beneficiaries included:

Federal and state ministries of finance.

Local governments and municipalities.

Civil society organizations (CSOs) and non-governmental organizations (NGOs).

Academic institutions, including the Somali National University.

Sector-specific entities, such as the National Health Professionals Council (NHPC). Somali National University.

TRAINING FOCUS AREAS

The training sessions were tailored to address the unique needs of each institution, covering a wide range of topics, including:



03

PUBLIC FINANCIAL MANAGEMENT (PFM) BEST PRACTICES:

Participants were trained on budgeting, financial reporting, expenditure control, and auditing. These sessions emphasized the importance of transparency and accountability in managing public funds.

03

TAX ADMINISTRATION AND REVENUE MOBILIZATION:

Training focused on modernizing tax collection systems, improving compliance, and broadening the revenue base. Participants were introduced to innovative strategies for identifying new revenue streams and minimizing leakages.

03

FISCAL FEDERALISM:

IPFS facilitated training on intergovernmental financial coordination, highlighting the roles and responsibilities of federal and state governments in resource allocation and revenue sharing.

03

GENDER-RESPONSIVE BUDGETING:

Participants were trained on integrating gender considerations into budget planning and execution, ensuring that financial decisions promote equity and inclusion.

03

CLIMATE-SENSITIVE PUBLIC FINANCE:

IPFS introduced concepts of green fiscal policies, climate budgeting, and sustainable development planning, preparing participants to address environmental challenges through financial governance.

03

DATA MANAGEMENT AND DIGITAL TRANSFORMATION:

Sessions focused on the use of digital tools for financial reporting, data analysis, and decision-making, enabling institutions to modernize their operations.

Participants learned how to use data and research to inform policy decisions and advocate for reforms. These sessions emphasized the importance of accurate data collection and analysis.

KEY ACHIEVEMENTS OF TRAINING PROGRAMS

The training programs delivered by IPFS in 2024 had a profound impact on the institutions and individuals involved:

- ▶ **Enhanced Skills and Knowledge:**
Over 500 individuals completed IPFS's training programs, gaining valuable expertise in public financial management, governance, and policy implementation.
- ▶ **Improved Institutional Capacity:**
Beneficiary institutions reported increased efficiency in financial operations, better compliance with regulations, and stronger accountability mechanisms.
- ▶ **Innovative Solutions Adopted:**
Participants implemented innovative practices learned during the training, such as digital tax collection systems and multi-year budget frameworks.
- ▶ **Fostered Collaboration:**
The training sessions facilitated knowledge sharing and networking among participants, fostering collaboration across sectors and regions.

SUCCESS STORIES

National Health Professionals Council (NHPC):

Following IPFS-led training, the NHPC implemented new **financial reporting** standards and streamlined operational processes, significantly improving efficiency and accountability.

Banadir Regional Administration:

Staff trained by IPFS successfully adopted a semi-automated financial management information system (FMIS), modernizing budgeting and financial reporting practices.

I CHALLENGES ADDRESSED

IPFS designed its training programs to overcome common challenges faced by Somali institutions, including:

- ▶ **Capacity Gaps:** Limited technical expertise among staff was addressed through targeted training modules tailored to their specific needs.
- ▶ **Resistance to Change:** Training sessions emphasized the benefits of adopting new systems and processes, building trust and acceptance among participants.
- ▶ **Resource Constraints:** IPFS provided resource-efficient training solutions, ensuring that institutions could implement improvements without overextending their budgets.

I FUTURE PLANS FOR TRAINING PROGRAMS

IPFS aims to build on the successes of its 2024 training programs by introducing advanced and specialized modules in 2025. Future plans include:

- ▶ Expanding digital literacy programs for public sector employees to enhance efficiency and data management.
- ▶ Expanding digital literacy programs for public sector employees to enhance efficiency and data management.
- ▶ Partnering with international institutions to provide certification programs in PFM and PRM.
- ▶ Scaling training programs to reach more institutions and regions, ensuring equitable access to capacity-building opportunities.

I STRATEGIC IMPORTANCE

Training programs are a cornerstone of IPFS's mission to drive sustainable reforms and improve governance in Somalia. By empowering individuals and institutions with the skills and tools they need, IPFS is contributing to a more transparent, accountable, and effective public financial system.

The training programs delivered by IPFS in 2024 highlight the Institute's commitment to fostering a skilled and resilient workforce capable of addressing Somalia's governance challenges. By equipping participants with the expertise to implement reforms and manage resources effectively, IPFS is laying the foundation for a brighter and more prosperous future.

These initiatives will continue to play a critical role as the Institute expands its reach and impact in the years ahead.

SUMMARY TRAINING PROGRAMS DELIVERED BY IPFS IN 2024

Training Focus Area	Key Activities	Key Achievements
Public Financial Management (PFM)	<ul style="list-style-type: none"> - Budget preparation and execution - Financial reporting and auditing - Expenditure control 	<ul style="list-style-type: none"> - Enhanced skills in budgeting and financial oversight - Strengthened compliance and accountability
Tax Administration and Revenue Mobilization	<ul style="list-style-type: none"> - Modernizing tax collection systems - Broadening the tax base - Strategies to reduce leakages 	<ul style="list-style-type: none"> - Improved compliance and revenue collection - Adoption of digital tax tools in federal and state institutions
Fiscal Federalism	<ul style="list-style-type: none"> - Intergovernmental coordination - Roles in resource allocation and revenue sharing 	<ul style="list-style-type: none"> - Improved fiscal coordination between federal and state governments
Gender-Responsive Budgeting	<ul style="list-style-type: none"> - Integrating gender considerations in budgeting - Promoting equity in financial planning 	<ul style="list-style-type: none"> - Increased focus on inclusive financial decisions benefiting marginalized groups
Climate-Sensitive Public Finance	<ul style="list-style-type: none"> - Green fiscal policies and climate budgeting - Strategies for sustainable development 	<ul style="list-style-type: none"> - Adoption of climate-sensitive budgeting practices in target institutions
Data Management and Digital Transformation	<ul style="list-style-type: none"> - Financial reporting tools - Data analysis and decision-making - Digital solutions for modernization 	<ul style="list-style-type: none"> - Implementation of digital financial systems and improved data-driven decision-making
Evidence-Based Policymaking	<ul style="list-style-type: none"> - Data collection and research techniques - Advocacy strategies for reforms 	<ul style="list-style-type: none"> - Improved capacity for data-driven policymaking and effective advocacy

KEY SUCCESS STORIES

Institution	Success
National Health Professionals Council (NHPC)	<ul style="list-style-type: none"> - Implemented new financial reporting standards - Streamlined operational processes for better efficiency
Banadir Regional Administration (BRA)	<ul style="list-style-type: none"> - Adopted a semi-automated financial management information system (FMIS) - Improved budgeting and reporting practices

As the Institute of Public Finance – Somalia (IPFS) enters 2025, it is poised to build on its 2024 successes by focusing on initiatives that enhance governance, strengthen public financial management (PFM), and promote sustainable development. The organization’s strategic priorities reflect its commitment to driving systemic reforms and creating lasting impact across Somalia.

I STRATEGIC PRIORITIES FOR 2025

Completion of Phase II: BRA-PFM Reform Program

IPFS will finalize the implementation of reforms initiated in Phase II of the Banadir Regional Administration PFM Reform Program. These include strengthening financial systems, institutionalizing best practices, and building staff capacity to ensure improved governance and accountability.

Advancing Research and Publications

IPFS will expand its research efforts, focusing on critical issues like VAT implementation, informal economy contributions, and green fiscal policies. Findings will be disseminated through policy briefs and reports to inform evidence-based policymaking.

Expansion of Capacity-Building Initiatives

IPFS will continue its robust training programs, introducing advanced modules in digital transformation, gender-responsive budgeting, and climate-sensitive public finance. These initiatives aim to equip stakeholders with innovative tools and knowledge to implement effective reforms.

Support for Climate-Sensitive Public Finance

The Institute will develop frameworks for climate-sensitive budgeting, carbon taxation, and sustainable development planning, promoting environmental sustainability across federal and state institutions.

Strengthening Partnerships and Donor Engagement

The Institute will deepen collaborations with existing partners such as AARC Ltd and VNG International while forging new alliances with international development agencies. Efforts will include co-developing initiatives and increasing funding support through targeted donor outreach.

Enhancing Governance at Federal Member States

IPFS will strengthen its engagement with federal member states, supporting reforms in tax administration, revenue mobilization, and fiscal coordination. Targeted training programs will ensure state institutions align with national priorities.

Digital Transformation of Financial Systems

To modernize Somalia’s financial management practices, IPFS will support the adoption of digital tools and technologies, including expanded use of financial management information systems (FMIS) and enhanced data analytics platforms.

I KEY OBJECTIVES FOR 2025

- ▶ Strengthen institutional resilience by enhancing the operational capacity of public institutions.
- ▶ Promote sustainable development through the integration of environmental, gender, and equity considerations into governance practices.
- ▶ Scale **IPFS's programs** to reach broader stakeholders and regions, contributing to national development goals.
- ▶ Build public trust in government institutions by fostering transparency and accountability.

In 2025, IPFS will focus on scaling its impact, fostering innovation, and building sustainable partnerships to advance Somalia's governance and development agenda. Through its strategic initiatives, the Institute remains committed to empowering institutions, strengthening financial systems, and creating a future of prosperity and equity for all Somali citizens.

11 | ACKNOWLEDGEMENTS

The achievements of the Institute of Public Finance – Somalia (IPFS) in 2024 would not have been possible without the unwavering support and collaboration of its partners, stakeholders, and dedicated team. This year's successes are a testament to the collective efforts of individuals and organizations committed to advancing public financial management (PFM) and public resource management (PRM) in Somalia.

I ACKNOWLEDGING OUR PARTNERS

IPFS extends its heartfelt gratitude to its strategic partners for their invaluable contributions and

AARC Ltd:

For their partnership in advancing PFM reforms and supporting innovative approaches to fiscal decentralization and domestic resource mobilization. Their technical expertise and resources were instrumental in the success of IPFS's initiatives.

National Health Professionals Council (NHPC):

For their openness to reform and commitment to enhancing financial and operational systems within the health sector, setting an example for sector-specific governance improvements.

VNG International:

For their collaboration in strengthening local government financial systems and promoting knowledge exchange between Somali institutions and international experts. Their commitment to empowering local governance has been a cornerstone of IPFS's work.

Development Partners and Donors:

For their trust in IPFS's mission and their generous financial and technical support, which enabled the Institute to expand its reach and impact across Somalia.

Federal and State Ministries of Finance:

Including those in Galmudug, Hirshabelle, Jubbaland, and Southwest states, for their dedication to implementing PFM reforms and their active participation in capacity-building programs.

I APPRECIATION FOR STAKEHOLDERS

IPFS acknowledges the role of stakeholders who contributed to the Institute's progress in 2024:

Government Officials:

At federal, state, and local levels, for their leadership and cooperation in driving PFM and governance reforms.

Civil Society Organizations (CSOs):

For their engagement in fostering accountability, transparency, and citizen participation in governance processes.

Academia:

For contributing to research, policy development, and capacity-building efforts that supported evidence-based decision-making.

I RECOGNIZING THE IPFS TEAM

The success of IPFS in 2024 is a direct result of the hard work, dedication, and expertise of its team members. Special recognition is given to:

Leadership Team:

For their strategic vision and guidance, ensuring that IPFS remains focused on its mission and delivers measurable results.

Staff and Technical Advisors:

For their commitment to excellence in delivering programs, conducting research, and providing technical assistance.

Consultants and Trainers:

For their invaluable contributions to capacity-building initiatives, empowering hundreds of individuals with new skills and knowledge.

I GRATITUDE TO BENEFICIARIES

IPFS is deeply grateful to the beneficiaries of its programs, including public officials, practitioners, and civil society members, for their active participation and dedication to learning. Their willingness to embrace change and implement reforms is driving meaningful progress across Somalia.

LOOKING FORWARD

As IPFS reflects on its achievements in 2024, it recognizes the vital role of collaboration and shared vision in its success. Moving into 2025, the Institute looks forward to strengthening its partnerships, deepening its engagement with stakeholders, and continuing its journey toward fostering transparent, accountable, and effective public financial management systems.

I CLOSING STATEMENT

The collective efforts of partners, stakeholders, and the IPFS team have laid the foundation for lasting impact in Somalia's governance and financial systems. IPFS remains committed to building on these achievements, empowering institutions, and creating a future of sustainable development and prosperity for all Somali citizens. Together, we can achieve more.



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