RESEARCH REPORT

THE ANALYSIS OF PUBLIC EXPENDITURE IN THE EDUCATION SECTOR

Version 3

Submitted by

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Executive Summary

Somalia's education sector has faced profound challenges over the past decade due to ongoing conflict, political instability, and limited resources. Recognizing education as crucial for socio-economic development and national stability, the Federal Government of Somalia, in collaboration with international partners, has prioritized improving access, quality, and equity in education. From 2021 to 2024, domestic education budget allocations increased from $15 million to $50.5 million, reflecting a strong governmental commitment. However, significant disparities persist in budget allocations among regions, with urban areas like Benadir receiving more funding than rural and underserved regions such as Hirshabelle and Galmudug. Moreover, underutilization of allocated funds remains a critical issue, with only 64% of the education budget utilized in 2021 due to institutional capacity challenges, disbursement delays, and insufficient planning.

Donor contributions from organizations like the Global Partnership for Education (GPE) and the World Bank have been instrumental but have shown varied impacts due to utilization inefficiencies. While primary education has been prioritized, receiving increased allocations from 50% to 55%, secondary education funding has remained stagnant, and higher education allocations have decreased from 20% to 15%, potentially limiting workforce development. Equity and inclusivity challenges are pronounced, with marginalized populations—including girls, children with disabilities, and internally displaced persons—facing significant barriers due to inadequate funding and socio-cultural factors. Data inaccuracies and lack of transparency in financial reporting further hinder effective management and assessment of education financing.

To address these challenges, the analysis recommends strengthening financial management capacity, streamlining fund disbursement processes, and enhancing monitoring and accountability mechanisms. Increasing allocations for marginalized populations, expanding funding for teacher training, and investing in gender-responsive infrastructure are essential steps. Leveraging public-private partnerships, innovating domestic resource mobilization, strengthening coordination with development partners, and benchmarking against regional peers like Uganda and South Sudan can also contribute to improvements.

In conclusion, while Somalia has made considerable progress in increasing education funding and demonstrating commitment to improving access and quality, significant challenges remain. Addressing inefficiencies in fund allocation, underutilization of budgets, and persistent disparities is crucial. A collective effort involving the government, development partners, private sector, civil society, and local communities is essential to build a robust and inclusive education system that empowers every child and contributes to national development.

Introduction

Education finance involves the allocation and management of resources for educational systems, encompassing aspects such as educator remuneration, institutional infrastructure, and student support. Countries invest in education to drive social and economic development, reduce poverty, and build a skilled workforce. Education plays a pivotal role in fostering equitable learning opportunities and advancing national stability and prosperity.

In Somalia, the education sector has faced significant challenges over the past decade, as outlined in the National Development Plan (NDP9). Persistent conflict, political instability, and resource constraints have hindered progress in the sector, which is considered crucial for socio-economic development and stability. Despite these challenges, efforts are being made to rebuild and enhance the education system as part of Somalia's national development agenda. The Federal Government of Somalia, in collaboration with federal member states and international partners, has prioritized improving access, quality, and equity in education to boost literacy rates, enrolment, and academic achievement. Recent fiscal policies have sought to align education expenditure with national development goals, addressing issues such as teacher quality, infrastructure gaps, and equitable access to education.

Purpose

The primary aim of this analysis is to assess how public resources are distributed, spent, and their impact on the education system. The specific objectives are as follows:

i. Examine trends in education sector funding over the past four fiscal years (FY2021, FY2022, FY2023, FY2024) to understand changes in priorities and distribution patterns.
ii. Evaluate the effective use of education resources, identifying instances of misallocation, inefficiencies, and areas for improvement in financial management.

iii. Assess whether public spending adequately reaches vulnerable populations, including rural communities, girls, and other disadvantaged groups, ensuring equitable access to educational opportunities.

iv. Analyze the relationship between public education spending and key outcomes such as literacy rates, student enrollment, and academic performance to measure the impact of financial investments.

v. Benchmark Somalia's national education expenditure against that of comparable countries or regional peers to provide context and identify areas for alignment with international best practices.

The Scope of the Analysis

This analysis focuses on budgetary allocations to the education sector from FY2021 to FY2024, using data from fiscal performance reports issued by the Federal Government of Somalia. Budget strategy documents from each fiscal year offer insights into education sector priorities over the four-year period.

The study encompasses all regions of Somalia, with particular emphasis on urban-rural disparities and socio-economic inequalities. Key stakeholders in this analysis include the Federal Government of Somalia, represented by the Ministry of Finance and the Ministry of Education, as well as civil society organizations, school administrators, and educators. The findings aim to inform policy decisions, ensuring more effective and equitable use of education resources.

Methodology

This consultancy research employs a mixed-methods approach, combining qualitative and quantitative data to comprehensively analyse public expenditure in Somalia's education sector. This method facilitates a thorough evaluation that encompasses several viewpoints, yielding a detailed comprehension of budget allocation, distribution, and overall efficacy within the school system.

The data collection utilised both primary and secondary sources to guarantee a comprehensive study. Primary data were collected via structured interviews and focus group discussions (FGDs) with essential stakeholders. Interviews encompassed representatives from the Ministry of Education, the Ministry of Finance, the Office of the Prime Minister, and the Social Service.

Committee of Parliament. Focus Group Discussions (FGDs) engaged civil society representatives, school administrators, and educators, providing community-level perspectives on the obstacles of educational financing. Quantitative data were collected from school principals and chosen instructors throughout Somalia using structured questionnaires, concentrating on the sufficiency and effects of funding allocations on schools, educators, and pupils. Secondary data sources included government fiscal documents, including the End-Year Budget Performance Report for financial years 2021 to 2024.

A wide array of stakeholders was engaged to obtain varied viewpoints on education financing. The stakeholders comprised representatives from the Federal Government (Ministry of Finance and Ministry of Education), civil society organisations, school administrators, and educators. Structured interviews with major decision-makers yielded insights on budgetary priorities, problems, and strategic objectives. Focus group discussions with community residents and educators illuminated the practical realities and issues associated with school funding.

The study encountered multiple restrictions, including restricted access to current financial data and practical difficulties in engaging some parties. To address these challenges, data triangulation was utilised, cross-referencing various sources to corroborate conclusions. Moreover, initiatives were undertaken to guarantee that interviews and focus groups encompassed participants from many locations and socio-economic strata, thereby providing a comprehensive perspective on the education sector throughout Somalia. Notwithstanding these constraints, the mixed-methods methodology enabled a thorough and exhaustive examination of education financing.

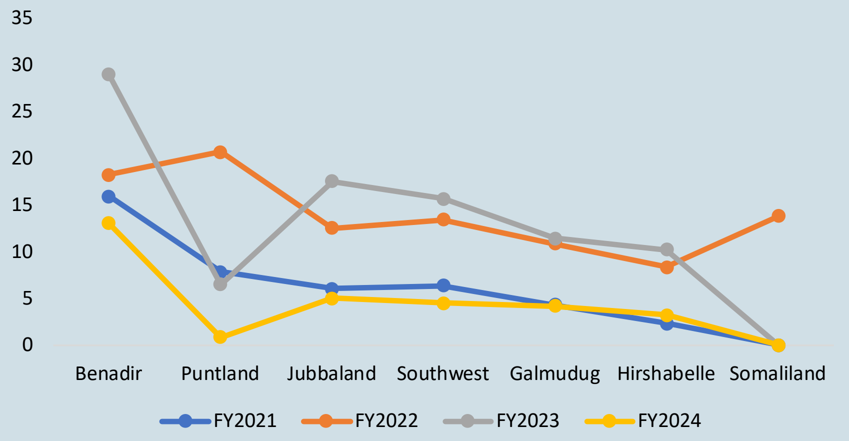
Main Findings

Budget Allocation to Federal Member States

The budget allocation to Somalia's Federal Member States (FMS) represents a critical component of the country's fiscal framework, aimed at fostering regional development and supporting public service delivery. These allocations are intended to address the diverse needs of regions with varying socio-economic contexts, population sizes, and governance capacities.

Federal Member State	2021 Allocations (USD Millions)	2022 Allocations (USD Millions)	2023 Allocations (USD Millions)	2024 Mid-Year Allocations (USD Millions)
Benadir	15.85	18.2	28.85	13
Puntland	7.82	20.6	6.5	0.839
Jubbaland	6.01	12.5	17.5	5
Southwest	6.32	13.4	15.6	4.5
Galmudug	4.33	10.8	11.4	4.18
Hirshabelle	2.33	8.3	10.2	3.2
Somaliland	0.018	13.8	0.028	0.02

Figure: Education Sector Government Funding to Federal Member States (in millions USD)



The budget allocations to Somalia's Federal Member States (FMS) between 2021 and 2024 reflect significant variations in funding levels across the regions. Benadir consistently received the highest allocations, highlighting its administrative and economic importance.

In contrast, rural and underserved regions such as Hirshabelle and Galmudug received lower allocations, underscoring persistent regional disparities. Puntland and Somaliland experienced notable fluctuations, with Somaliland receiving minimal allocations in 2021 but witnessing a sharp increase in 2022, only to decline again in subsequent years.

It is important to note that the budget allocations to FMS do not provide clear distinctions between sectors, such as education, health, or infrastructure. These funds are generally transferred as block grants, leaving the specific purpose and sectoral breakdown of the allocations ambiguous. This lack of clarity hinders precise tracking of how much funding is directed toward critical sectors like education, particularly in rural and conflict-affected areas where such resources are most needed. Addressing this issue through sector-specific allocations and transparent reporting would enable better analysis of financial priorities and impacts.

Education Funding Trends in Somalia (2021–2024)

Over the past four years, Somalia's education funding landscape has been significantly influenced by contributions from both domestic sources and international partners, notably the Global Partnership for Education (GPE) and the World Bank. These funding efforts have been crucial in addressing systemic challenges, improving access to quality education, and fostering inclusivity and sustainable development. GPE's focus was primarily on foundational improvements, such as increasing access to education, enhancing teacher training, and improving primary education quality. On the other hand, the World Bank adopted a broader strategy that integrated education investments with socio-economic objectives, aiming for long-term developmental impacts. This complementary approach underscored the critical role of education as both a standalone sector and a driver of national recovery and development.

The table below presents a comparative analysis of budgeting trends and donor-funded projects in Somalia's education sector from 2021 to 2024, emphasising the increase in domestic education budgets, the influence of significant donor efforts, and insights on allocation and utilisation patterns.

Year	Social Services Total Budget	Education-Specific Budget	Donor-Funded Initiatives (Education)	Key Observations
2021	$110.0M	$15.0M	$2.56M (GPE), $71.41M (SCRP), $3.29M (MCA)	High allocation for grants; moderate domestic budget.
2022	$323.81M	$19.43M	$1.44M (ESPIG), $1.51M (GPE)	Increment in domestic budget but underutilization of donor funds.
2023	$345.0M	$34.79M	$15.44M (World Bank SEHCP), $3.33M (Rajo Kaaba), $0.98M (MCA)	Substantial growth in education budget with sustained donor funding.
2024	$400.0M (est.)	$50.5M	$12.6M (World Bank SEHCP), $3.5M (GPE), $4.8M (Rajo Kaaba)	Continued growth in domestic and donor-funded education programs.

Somalia has significantly increased its domestic budget allocation for education, rising from $15.0 million in 2021 to $50.5 million in 2024. This sustained rise highlights the government's acknowledgement of education as a fundamental element of the nation's recovery and development strategy. Notwithstanding this commitment, a considerable difficulty endures due to underutilised budgets. In 2021, merely 64% of the budgeted education money was utilised. The trend of underperformance persisted in subsequent years, revealing systemic challenges including inadequate institutional capacity for effective project implementation, delays in fund disbursement that hinder the timely execution of educational programs, and insufficient planning and coordination among stakeholders. The underutilization signifies a squandered potential to maximise the allocated resources for enhancing educational infrastructure, teacher training, and access to excellent education.

In 2021, the total budget for social services was $110.0 million, with $15.0 million allocated specifically for education. Donor-funded initiatives included $2.56 million from GPE, $71.41 million under the Somali Crisis Recovery Program (SCRP), and $3.29 million through the Maximum County Allocation (MCA). While donor support was significant, only 64% of the allocated funds were utilized, reflecting inefficiencies in disbursement and project execution. By 2022, education funding peaked at $323.81 million, with domestic allocations rising to $19.43 million. This marked the highest allocation in the four-year period, driven by strong donor commitments, including $1.44 million under GPE's ESPIG[1] and $1.51 million for foundational projects. However, despite increased budgets, underutilization persisted, highlighting the need for improved execution and planning mechanisms.

In 2023, total education-specific funding grew to $34.79 million, supported by substantial donor contributions such as $15.44 million from the World Bank's SEHCP[2], $3.33 million from Rajo Kaaba, and $0.98 million through MCA. This year signaled a notable increase in domestic and donor funding, reflecting sustained commitment to the education sector. By 2024, the projected social services budget was $400.0 million, with $50.5 million allocated for education. Donor contributions included $12.6 million from SEHCP, $3.5 million from GPE, and $4.8 million under Rajo Kaaba. This steady increase in domestic funding underscored the government's growing recognition of education as a cornerstone of national recovery and development. Despite these funding efforts, Somalia's education sector faced persistent challenges in budget utilization.

GPE projects exhibited varied performance, achieving 78% utilization in 2021 and an exceptional 146.9% in 2022, driven by the use of unspent funds from prior years. However, utilization dropped sharply to 1.2% by mid-2024, reflecting delays in disbursement, insufficient planning, and limited institutional capacity. Conversely, World Bank programs maintained higher execution rates, supported by robust monitoring frameworks and localized implementation strategies. These disparities highlight the need for systemic reforms to optimize resource utilization and ensure impactful outcomes.

[1] Education Sector Program Implementation Grant (ESPIG)

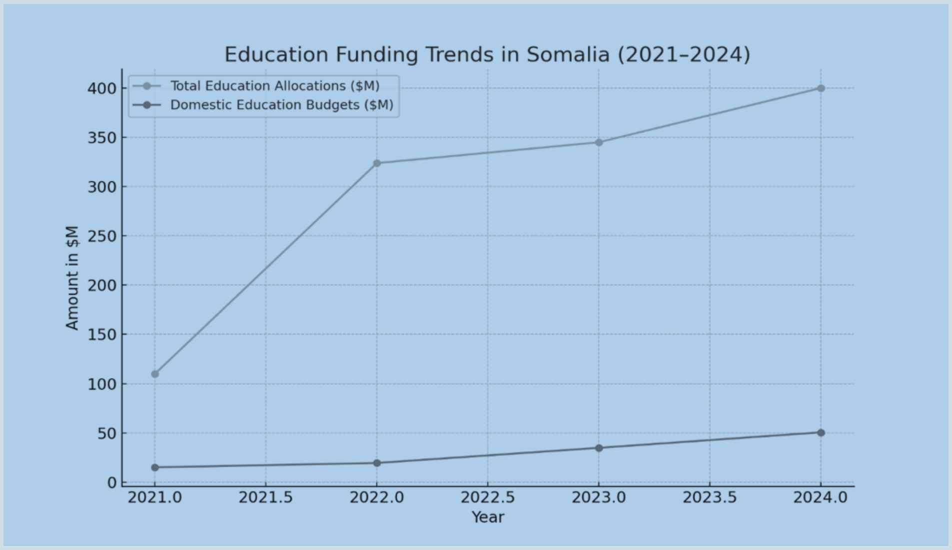
[2] Somali Education Human Capital Project (SEHCP)

Donor contributions have played a pivotal role in addressing financing gaps and supporting developmental initiatives. GPE focused on foundational improvements, including teacher training, provision of educational resources, and school infrastructure rehabilitation. By 2022, GPE-funded projects facilitated the enrollment of over 25,000 out-of-school children, significantly expanding access to primary education. Similarly, the World Bank's SEHCP, launched in 2023, emphasized infrastructure development, capacity creation, and skills training, with allocations exceeding $12 million. Another notable initiative was Rajo Kaaba, which advanced gender equity and inclusivity by prioritizing women's involvement in education and addressing equity disparities. However, challenges persisted, particularly with initiatives like MCA, which encountered execution delays due to constrained technical capacity and bureaucratic hurdles.

Somalia's education sector priorities evolved significantly during this period. Between 2021 and 2022, the focus was on rebuilding foundational components of the school system, including restoring infrastructure damaged by conflict, implementing teacher training programs, and expanding access to primary education in underserved regions. From 2023 onward, the emphasis shifted toward higher education, gender empowerment, and workforce development. The Somali National University received increased funding to enhance its facilities and academic offerings, while initiatives like Rajo Kaaba highlighted inclusivity and women's participation in education. This shift marked Somalia's transition from recovery to sustainable development, emphasizing the cultivation of a skilled and equitable workforce.

Somalia's education funding trends from 2021 to 2024 reflect a critical phase of recovery and development. While increased domestic investment and robust donor contributions have driven progress, challenges related to fund utilization and systemic inefficiencies remain. Addressing these issues through enhanced institutional capacity, streamlined processes, and better coordination among stakeholders is essential.

The sector's evolution—from rebuilding foundational systems to emphasizing higher education, gender equity, and workforce development—signals a promising trajectory toward a more resilient and equitable education system that meets the needs of its population. The following graph clearly illustrates the education funding trends in Somalia (2021 -2024)



Somalia's Trends in Grant Utilization (2021–2024)

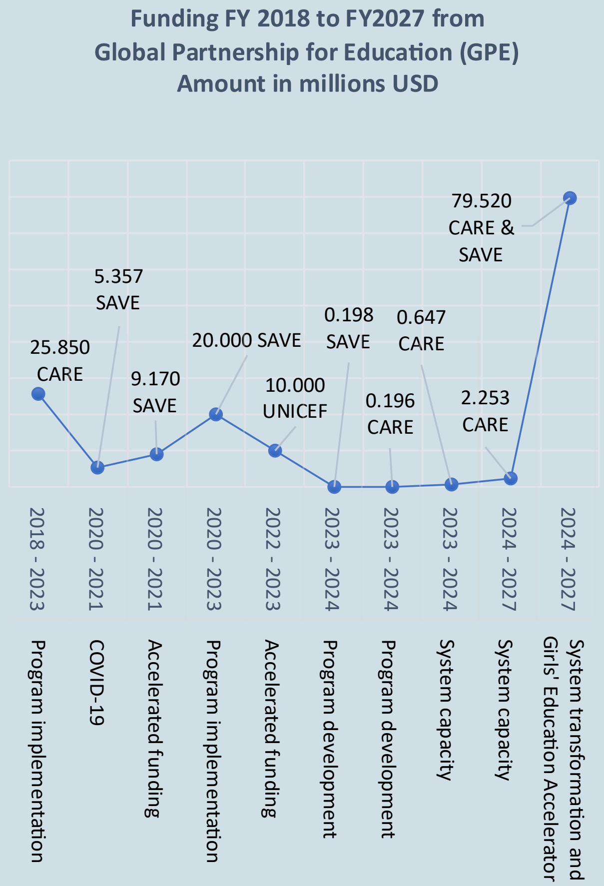
The trends in grant utilization in Somalia from 2021 to 2024 reveal significant disparities, reflecting both progress and persistent challenges in managing and implementing education-related funding. These trends highlight Somalia's evolving capacity to absorb international grants while facing systemic hurdles in fund allocation and execution.

A public primary school in Mogadishu, © EFASOM

Key Insights from Grant Utilization Trends

GPE Grants

The Global Partnership for Education (GPE) focused on improving primary education and teacher training, playing a crucial role in rebuilding Somalia's education sector. Earlier grants achieved high utilization rates, showcasing effective management. However, by mid-2024, utilization declined due to delays in procurement processes and security challenges in rural areas, which disrupted timely project execution.

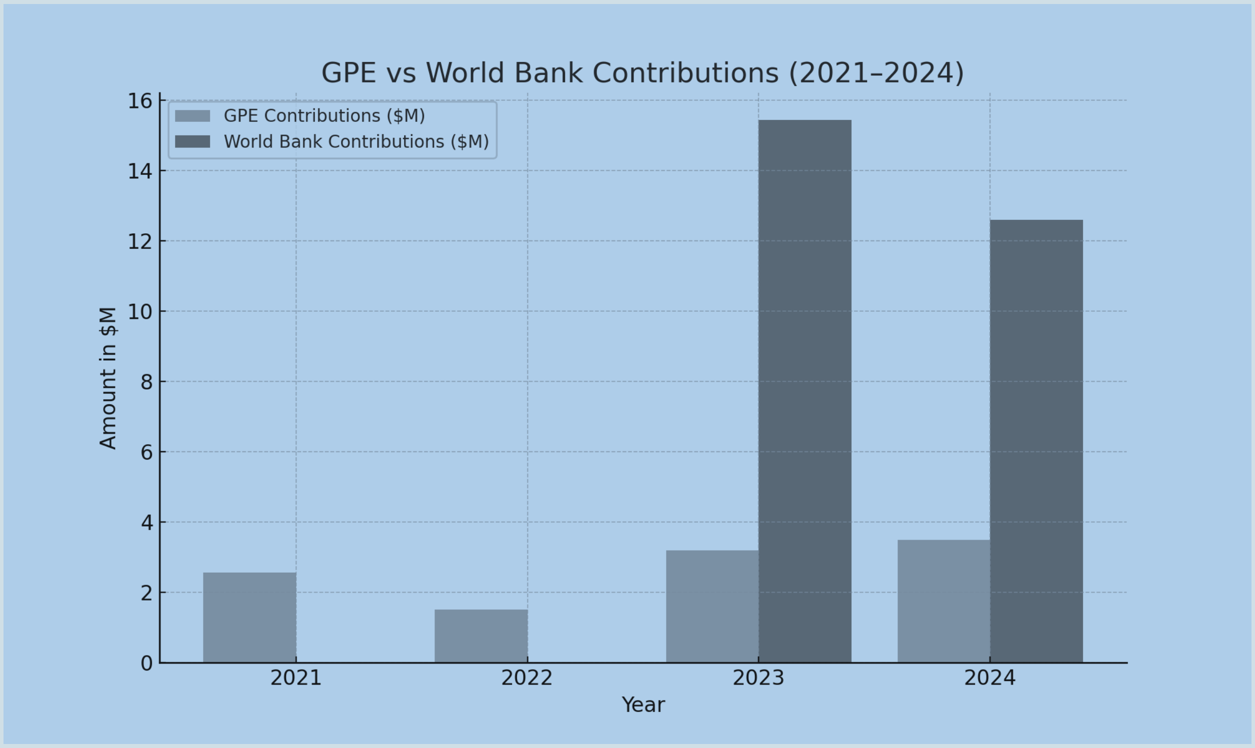


Source: Global Partnership for Education (GPE)

This figure shows a total of 153.2 USD funded by GPE for the years between 2018 to 2027 in different categories, administrated by grant agents of Care International, Save the Children, and UNICEF.

World Bank Grants

The World Bank integrated education funding into broader socio-economic programs, ensuring steady utilization rates. This approach emphasized inclusivity and localized implementation, enabling consistent progress despite operational challenges. The World Bank's focus on aligning education initiatives with economic goals supported effective fund usage across various regions. The graph below shows a comparison of Global partnership for education and world bank funded education programs



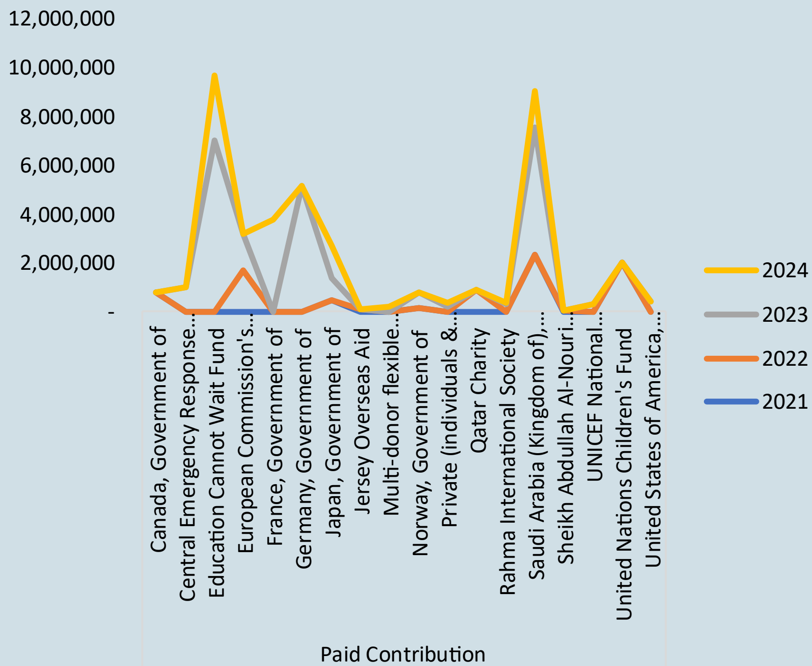
In addition to that, the World Bank supported over 1500 students from the local secondary schools to access Mobile STEM Lab[3]; and increased access to education and skills for 30 thousand girls and women to access STEM Sisters Initiative[4].

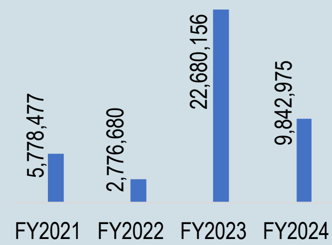
[3] MOBILE STEM LABORATORY
http://www.somalistemsociety.org

[4] STEM fields
http://www.somalistemsociety.org/mobile-stem-lab/

The International Community Grants

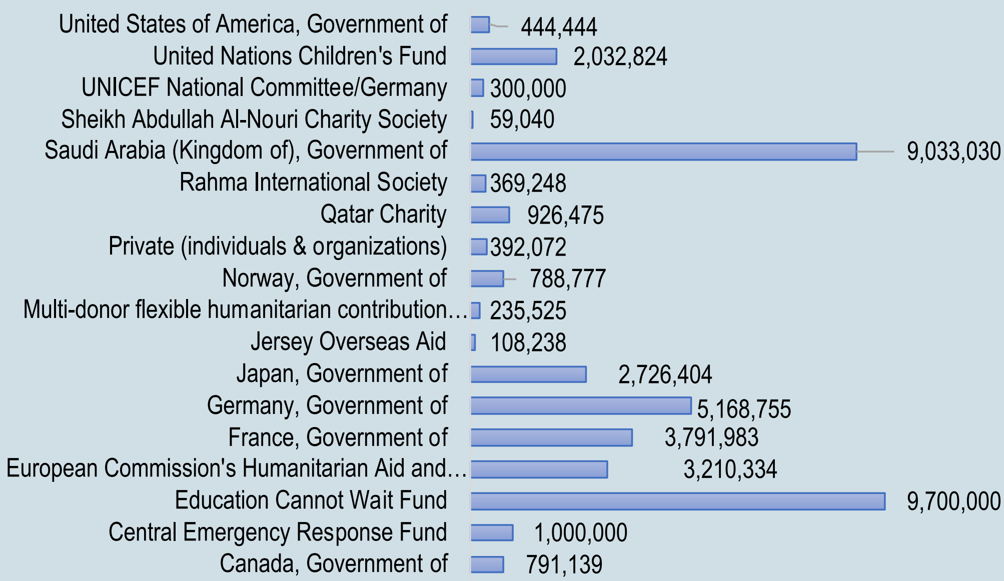
The below three figures show that the international community including USA, Canada, EU, Germany, France, Norway, Saudia, Qatar, Kuwait, and Japan, in addition to UNICEF, ECW, and the Central Emergency Response Fund had supported Somalia to increase access to Education.





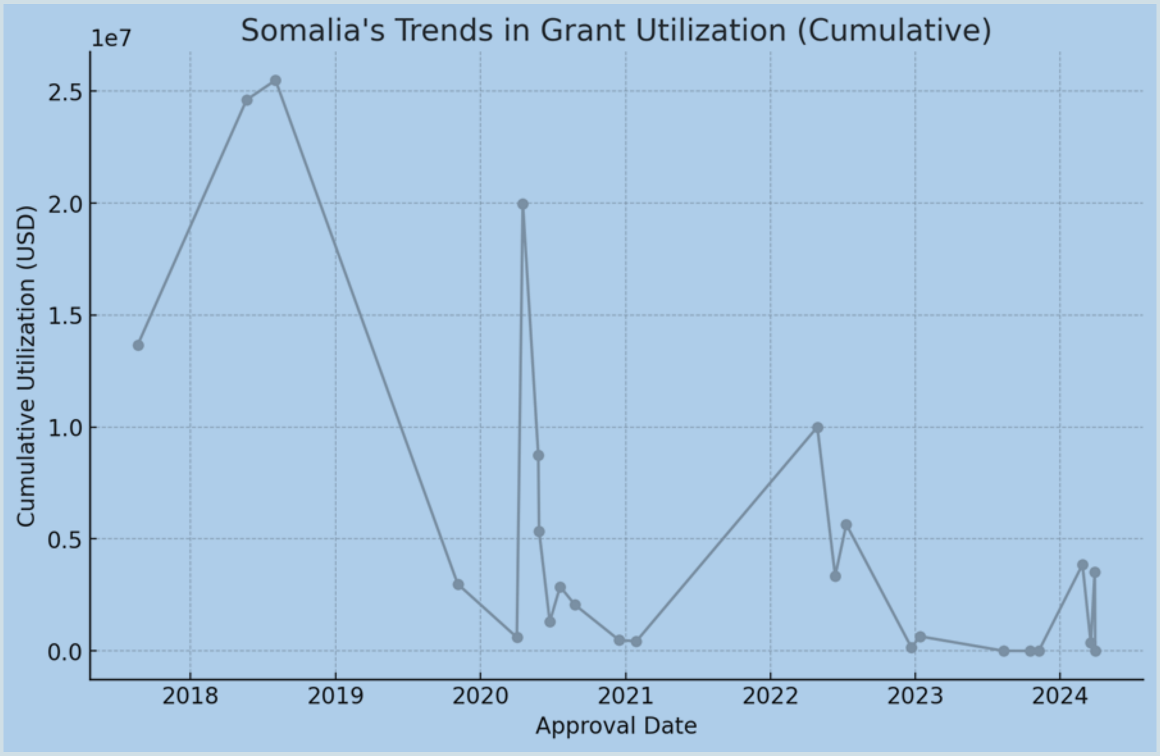
Figures: Four Years Aggregate Donor Funding to Education Sector not included GPE (Source: FTI)

Figure: Somalia Education Budget Support from the International Community (2021-2024)



Cumulative Grant Utilization Over Time

The analysis of cumulative grant utilization highlights both promising progress and areas of inefficiency. Grants approved around 2018 exhibited high utilization, with $25.49 million out of $25.85 million allocated and effectively utilized. This strong performance demonstrated Somalia’s capacity to execute projects effectively in the early stages of grant allocation, particularly during post-conflict rebuilding efforts.



From 2020 onward, cumulative grant utilization steadily increased, reflecting continued efforts to implement funded projects. However, variations in utilization rates became more pronounced. Some grants, such as those for COVID-19-related initiatives, achieved full or near-full utilization, while others, like a $20 million grant approved in 2020, showed significant underutilization. These discrepancies indicate delays in project execution, administrative bottlenecks, and external disruptions such as the pandemic and ongoing political instability.

Emerging Patterns in Utilization

The overall trend points to an improving capacity for grant utilization, with earlier years marked by strong fund absorption and more recent years revealing gaps in execution. Somalia's ability to effectively deploy international funding has grown, yet uneven progress in recent allocations underscores challenges in planning, coordination, and implementation. Despite these inconsistencies, the steady growth in cumulative utilization reflects a broader trajectory of progress in managing education-related funding.

Assessment of Fiscal Allocations to Various Educational Subsectors

Fiscal allocations to Somalia's education sector from 2021 to 2024 reveal strategic prioritization of primary education, consistent support for secondary education, and a shift in focus away from higher education. These trends highlight Somalia's efforts to address critical gaps while emphasizing foundational education as a key pillar for national recovery and human capital development.

Primary Education consistently received the highest share of fiscal allocations, beginning at 50% in 2021 and increasing to 55% by 2024. This prioritization reflects the government's focus on expanding access and improving quality in underserved rural regions, which are essential for post-conflict recovery. Investments in this subsector supported the construction of primary schools, recruitment and training of teachers, and the provision of learning materials. Primary education was also bolstered by GPE initiatives, which emphasized increased enrollment and teacher quality, laying the groundwork for long-term socio-economic progress.

Secondary Education maintained a steady allocation of 30% throughout the four years, underscoring its importance in bridging primary and higher education. However, the stagnation in funding highlights challenges in scaling infrastructure, addressing teacher shortages, and meeting the growing demand for secondary education.

This consistency in funding, while commendable, indicates a potential bottleneck in transitioning learners effectively from primary to higher education. The lack of increased investment in secondary education may limit opportunities for sustainable workforce development, calling for a reassessment of priorities to enhance capacity and accessibility.

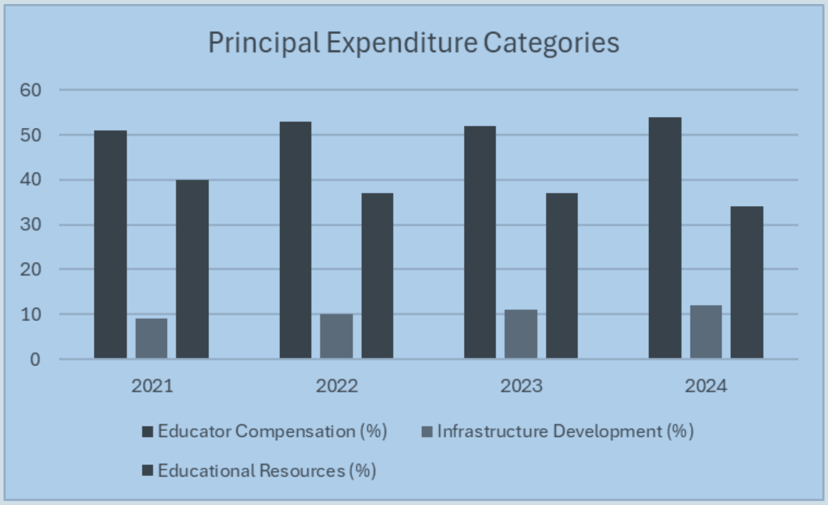
Higher Education experienced a decline in allocations, dropping from 20% in 2021 to 15% in 2024, signaling a strategic reallocation of resources toward foundational education. Despite this reduction, targeted investments were made in institutions like Somali National University to enhance infrastructure and academic programs. Additionally, donor-funded initiatives such as Rajo Kaaba focused on improving access for marginalized groups, including women, thereby addressing equity gaps in higher education. These efforts, while impactful, require sustained attention to ensure that higher education institutions continue to contribute to national development goals.

Across all subsectors, equity in allocation was a key theme. Both GPE and World Bank programs prioritized underserved regions and marginalized groups, addressing gender and geographic disparities in education access. This focus aligns with broader national and international commitments to inclusivity and equitable development.

The fiscal allocation trends emphasize Somalia’s commitment to inclusivity and access for younger demographics, particularly at the primary level. However, the stagnation in secondary education funding and the decrease in higher education allocations highlight the need for more balanced investments. Ensuring equitable funding across subsectors is critical for fostering a seamless flow of learners from primary to secondary and higher education, supporting sustainable workforce development, and achieving long-term socio-economic goals.

Principal Expenditure Categories

Expenditure in the education sector has focused on key areas such as educator remuneration, infrastructure enhancement, instructional resources, and educational initiatives, as shown in the figure below illustrating the principal expenditures in the sector.



Educator Compensation. Teacher remuneration has typically included over 50% of the educational budget, underscoring the necessity to stabilise and keep a quality staff. For instance, FY2022, 53% of educational expenditures were designated for teacher wages, underscoring the significance of attractive remuneration for workforce motivation and retention, especially in rural regions, as shown by interviews with officials from the Ministry of Finance and the Ministry of Education. This was corroborated with the findings of the focus group discussions that agreed the fact that ministry of education has prioritised in teacher recruitment to curb the teacher shortage in the country.

Infrastructure Advancement.

Investment in infrastructure has focused on building new schools and renovating existing buildings to accommodate enrolment needs. In FY2021, infrastructure projects constituted merely 9% of the capital budget, which encompassed non-educational initiatives such as the establishment of an oxygen plant at Martini Hospital and the construction of correctional facilities and revenue centres. By FY2022, capital expenditure on educational infrastructure experienced a modest rise, with supplementary funds designated for the construction of classrooms and the renovation of schools in underprivileged areas.

Educational Resources and Instructional Programs. Allocations for educational materials and activities have sought to elevate quality via enhanced resources and focused interventions. The budgeting emphasised the significance of equitable allocation, especially in rural and disadvantaged communities. Although these allocations are essential for mitigating regional differences, difficulties in budget utilisation have sometimes resulted in resource shortages at the school level. Data gathered from school principals and instructors via systematic surveys indicate persistent deficiencies in fundamental learning resources for both urban and rural schools, adversely affecting educational quality and student performance.

Teacher salaries constitute a significant portion of Somalia's education budget, consistently representing more than 50% of total expenditures. This allocation highlights the essential requirement to stabilise and maintain the teaching workforce, especially in rural and under-resourced regions. Efforts to address rural teacher shortages are commendable; however, enhancements in the efficiency of salary disbursements and benefits are necessary to mitigate regional disparities and promote workforce equity. Challenges such as procurement delays and inequitable distribution continue to exist, necessitating targeted efforts to ensure efficient and effective resource allocation across all regions.

Infrastructure development is crucial; however, it has garnered limited focus, with only 9%–12% of the capital budget designated for education infrastructure each year from 2021 to 2024. The limited investment hinders the development of new schools and the renovation of existing facilities, especially in underserved regions experiencing a steady rise in enrolment. Addressing these gaps necessitates increased funding for school infrastructure to support expanding student populations and enhance the overall learning environment. Allocations for educational resources, which constitute 38% of the budget, underscore their critical role in promoting equitable access to quality education. Investment in learning materials and educational programs is essential, especially for addressing disparities impacting rural and marginalised communities.

Between 2021 and 2024, expenditures in Somalia's education sector have primarily focused on stabilizing the teaching workforce, addressing infrastructure deficiencies, and enhancing access to quality learning resources. Despite observable progress in certain areas, systemic challenges including underfunding of infrastructure, inequitable distribution of resources, and implementation inefficiencies persist, obstructing the sector's growth. Strategies should prioritise enhancing investments in infrastructure, optimising budget utilisation processes, and ensuring equity across all regions to attain sustainable development in education.

Equity and Inclusivity Challenges in Budget Distribution

Equity and inclusion pose considerable obstacles in the allocation of education financing in Somalia. Fiscal records and stakeholder interviews highlight substantial budget disparities between urban and rural areas, often attributed to insecurity and the inaccessibility of certain regions.

Urban schools typically receive more resources, including better infrastructure and higher teacher salaries, while rural schools struggle with limited funding, inadequate facilities, and a lack of essential educational materials. Socio-economic disparities among regions have resulted in an inequitable distribution of resources, limiting access to decent education for marginalised people. For example, in Bakool and Gedo regions, schools in Bardhere were destroyed by floods, and bureaucratic delays have significantly hindered their reconstruction, leaving students without functional learning spaces.

Focus group discussions with school principals and educators indicate that rural schools encounter significant obstacles in obtaining funding for fundamental education. The issues in girls' education are particularly acute, as socio-cultural barriers and inadequate budget allocations result in low enrolment and retention rates. The budgets seek to mitigate these disparities by prioritising rural education and gender-responsive budgeting; however, execution is hindered by insufficient financial resources and logistical obstacles.

Data Accuracy and Transparency Issues in Financial Reporting

Ongoing challenges with data accuracy and transparency in financial reporting present substantial barriers to the effective management of education financing.

The absence of precise, up-to-date data on educational expenditures hinders the assessment of budgetary impacts and the identification of areas needing enhancement. Significant inconsistencies in financial data obstruct the evaluation of budgetary performance and spending patterns. Transparency in the administration of educational funds continues to be restricted. Consultations with stakeholders reveal a necessity for improved financial reporting systems, encompassing the prompt release of budget reports and comprehensive records of fund allocation. Present reporting practices provide inadequate specificity at the school level, resulting in accountability deficiencies. The government funded schools have no exact budget allotted for a specific schools and schools work under serious financial constraint.

The absence of openness undermines trust among stakeholders, such as funders and community members, who are essential for maintaining education funding in Somalia.

Analysis of Public Expenditure and Distribution

An analysis of education spending across Somalia's regions reveals significant disparities, with urban areas receiving a larger share of resources compared to rural areas. Data from the fiscal performance reports and interviews with Ministry of Finance officials indicate that urban regions such as Mogadishu benefit from greater budget allocations, primarily due to the concentration of population and infrastructure. In contrast, regions like Gedo and Bakool receive comparatively less funding, resulting in inadequate educational facilities and lower teacher-to-student ratios. The quantitative data collected from school principals and teachers further underscore the challenges faced by rural schools, where funding shortages lead to inadequate learning materials, poor infrastructure, and limited teacher training opportunities.

The regional disparities in budget allocations are further exacerbated by socio-economic differences, where wealthier regions with better access to political representation often receive preferential funding. This has resulted in unequal educational opportunities, with rural and marginalized communities having less access to quality education services.

Assessment of Funding Adequacy in Key Areas

The adequacy of funding in critical areas such as quality improvement, teacher training, and special programs has been inconsistent across the education sector. While teacher salaries have received substantial attention, with over 50% of the education budget allocated to compensation, other areas such as teacher training and quality improvement initiatives have been underfunded. The interviews with Ministry of Education officials and responses from school principals indicated that the lack of sufficient funding for teacher professional development remains a key barrier to improving the quality of education in Somalia.

Special programs, including initiatives aimed at improving girls' education and supporting children with disabilities, have also faced funding shortfalls. The questionnaires administered to school principals revealed that most schools lack the resources necessary to implement specialized programs, in both urban and rural areas with socio-cultural barriers further complicating access to education for vulnerable groups. The budget strategies recognized these gaps and outlined the need for targeted interventions, but the implementation of these initiatives remains dependent on the availability of external funding and effective resource mobilization.

Identifying Gaps Between Budget Allocations and Needs

The analysis of budget allocations versus actual needs highlights several critical gaps in Somalia's education financing. The current allocation structure heavily prioritizes teacher salaries and basic operational costs, leaving limited resources for infrastructure development, learning materials, and quality improvement programs. Interviews with stakeholders from the Ministry of Finance revealed that budget constraints often force difficult trade-offs, resulting in the underfunding of essential areas such as school infrastructure and educational programs aimed at enhancing learning outcomes.

The gap between budget allocations and the needs of rural schools is particularly pronounced. Quantitative data collected from school principals indicated a significant shortfall in the funding required to maintain and expand school infrastructure, provide adequate learning materials, and support teacher training. These shortfalls have led to a situation where many schools both in urban and rural area operate with insufficient resources, compromising the quality of education provided to students. Furthermore, the lack of targeted funding for marginalized and vulnerable populations has perpetuated disparities in educational access and outcomes, hindering efforts to achieve equitable education for all Somali children.

Impact of Education Financing on Sector Outcomes

The impact of education financing in Somalia from 2021 to 2024 has been significant, shaping various outcomes across enrollment, teacher capacity, and equity. Key areas of progress include increased student enrollment, teacher training, and economic empowerment through targeted projects, though persistent challenges highlight areas for improvement.

Increased Enrollment. Education financing, particularly from GPE, led to substantial improvements in enrollment rates. Over 25,000 out-of-school children were enrolled in primary education by 2022, reflecting the success of targeted programs. Increased funding for teacher salaries in government-aided schools also contributed to higher enrollment rates in urban and rural areas.

Teacher Training and Capacity Building. GPE and World Bank programs enhanced teacher quality and institutional capacity through professional development initiatives.

These efforts stabilized the teaching workforce and improved the quality of education delivery. However, gaps remain in providing continuous professional development, particularly in rural areas, limiting the overall impact on teaching outcomes.

Economic Empowerment. World Bank's Rajo Kaaba program integrated education financing with broader socio-economic objectives, promoting inclusivity and equity. By linking education with economic empowerment, this initiative fostered long-term improvements in marginalized communities.

Financing Impact on Enrollment, Retention, and Performance

The relationship between education financing and outcomes in student enrollment, retention, and performance has been evident over the past four years. Increased funding, particularly for primary education, improved enrollment rates. However, retention remains a challenge due to socio-economic barriers, inadequate school facilities, and the absence of support programs like school feeding initiatives. These issues are especially pronounced in underserved rural areas.

Interviews with school principals and teachers revealed that while enrollment has increased, student retention and performance are hindered by limited learning materials and trained teachers. This is reflected in lower academic outcomes, particularly in resource-constrained schools. The high dropout rates in urban and rural areas underline the need for more targeted support to vulnerable students.

Impact of Budget Allocations on Teachers and Classrooms

Budget allocations have had mixed effects on teacher quality and classroom environments. A significant portion of the budget has been directed toward teacher salaries, stabilizing the workforce and reducing turnover. However, insufficient funding for professional development programs has limited improvements in teacher quality. Teachers in rural areas reported a lack of access to training opportunities, impacting the effectiveness of teaching and learning.

The classroom environment remains a concern, particularly in rural areas. Overcrowded classrooms, inadequate facilities, and shortages of essential learning materials have been highlighted as critical challenges in interviews and focus group discussions with school principals and teachers. Poorly resourced schools in these areas struggle to provide a conducive learning environment, leading to lower student outcomes.

Case Studies of Successes and Challenges

Success Story in Mogadishu. In Mogadishu, targeted investments in infrastructure and learning materials have led to a 15% increase in primary school enrollment from FY2021 to 2024. The construction of new classrooms and distribution of essential learning resources created a supportive learning environment, improving student engagement and retention.

Challenges in Rural Regions. In rural areas, limited funding has hampered efforts to improve education outcomes. Many schools lack basic amenities like clean water, electricity, and adequate classroom space, as reported in interviews with stakeholders. A shortage of trained teachers and insufficient resources for teacher training further exacerbate these challenges, leading to lower retention rates and academic performance.

Gender Disparities.
Gender inequality remains a significant barrier. Socio-cultural norms and inadequate budget allocations for girls' education have led to low enrollment and retention rates for female students, particularly in rural areas. Focus group discussions emphasized the need for targeted interventions, including scholarships and awareness programs. Progress has been made through local and donor-supported initiatives, but gaps in funding for gender-responsive infrastructure, such as sanitation facilities, continue to hinder girls' participation in education.

Equity and Inclusivity Considerations

Somalia's education financing from 2021 to 2024 has demonstrated efforts to prioritize equity and inclusivity, with donor-funded projects playing a significant role in targeting marginalized populations. Gender equity has been a key focus, with the World Bank emphasizing the empowerment of women and girls through education programs designed to address systemic inequities. Similarly, geographic inclusivity was prioritized by GPE initiatives, which targeted rural and conflict-affected areas to ensure access for underserved communities. These interventions reflect a growing recognition of the need for inclusivity in addressing the country’s complex education challenges.

Despite these efforts, significant disparities persist in the allocation and utilization of education funds. Data from fiscal reports, stakeholder interviews, and questionnaires highlight that funding for marginalized groups remains insufficient. While overall budgetary allocations for education have increased, the specific needs of vulnerable populations.

Rural areas, where access to education is already limited, continue to receive less funding compared to urban centers, leaving many communities with inadequate educational opportunities. This inequity perpetuates the cycle of marginalization and limits progress toward inclusive education.

Children with disabilities, internally displaced persons (IDPs), and those from economically disadvantaged communities face the most significant barriers to accessing education. Focus group discussions with educators and community members revealed that these groups often lack targeted support programs, inclusive infrastructure, and learning resources. The absence of dedicated funding for inclusive education programs has further perpetuated these disparities, limiting the reach and impact of education services for marginalized populations. Socio-cultural factors, such as entrenched gender biases, exacerbate these challenges, particularly for girls in rural areas, who often face pressure to drop out due to early marriages, household responsibilities, or the undervaluation of female education.

Gender-responsive and inclusive education has not received sufficient attention in Somalia's education financing framework. Existing funding allocations fail to address the unique barriers faced by female students, particularly in regions with strong socio-cultural restrictions on girls' education. Interviews with Ministry of Education officials and school principals revealed that programs supporting girls' education are underfunded, leaving critical needs unaddressed. For instance, the lack of gender-sensitive infrastructure, such as separate and safe sanitation facilities for girls, has directly impacted enrollment and retention rates. Many girls in rural areas drop out of school as they reach puberty due to the absence of these basic facilities. Furthermore, the limited representation of female teachers in rural schools compounds these challenges.

Female teachers are essential role models for girls and contribute to creating a supportive learning environment. However, insufficient programs to recruit, train, and retain female teachers in rural areas have restricted their participation in the teaching workforce, negatively affecting girls' education outcomes.

The challenges faced by children with disabilities are equally pronounced. Most schools lack the infrastructure and specialized resources needed to accommodate these students. Without inclusive facilities, children with disabilities are often excluded from mainstream education, further entrenching social and economic marginalization. The absence of teacher training in special education further exacerbates this gap, leaving schools ill-equipped to support the diverse needs of their students.

Despite these challenges, opportunities exist to enhance equity in education financing. One approach is to increase budget allocations specifically targeted at marginalized and vulnerable populations, including children with disabilities, IDPs, and girls in rural areas. Setting aside dedicated funds for inclusive education programs can ensure that these priorities are not overlooked or redirected to other sectors.

Strengthening partnerships with international donors and NGOs that focus on equity and inclusion can also provide additional resources to address disparities. For example, external funding can be leveraged to develop gender-sensitive infrastructure, provide scholarships for female students, and support professional development opportunities for female teachers.

Implementing gender-responsive budgeting practices is another potential avenue for addressing these gaps. This includes systematically allocating resources to address the unique needs of girls and other vulnerable groups, such as building sanitation facilities, providing menstrual hygiene products, and creating safe transportation options for rural students.

Additionally, enhancing transparency and accountability in the allocation and utilization of education funds can contribute to more equitable distribution. Establishing robust monitoring and evaluation mechanisms, involving community stakeholders in budget planning, and ensuring timely disbursement of funds are critical steps to ensure that resources reach those who need them the most.

Conclusions

The analysis of Somalia's education sector financing reveals considerable progress in increasing budget allocations over the past four years, underscoring the government's growing commitment to improving access and quality. Donor contributions from partners like GPE and the World Bank have supported significant initiatives, particularly in expanding primary education and addressing systemic inequities. However, persistent challenges remain, including inefficiencies in fund allocation, insufficient financing for marginalized groups, and gaps in gender-responsive and inclusive education programs.

Rural areas and marginalized populations, including girls, children with disabilities, and internally displaced people IDPs, continue to face significant barriers due to inadequate funding and socio-cultural challenges. Limited investments in infrastructure, teacher training, and inclusive programs further exacerbate disparities in education, hindering equitable access to quality education. Despite these challenges, Somalia has numerous opportunities to strengthen its education system. By improving financial management, enhancing transparency, and prioritizing marginalized communities, Somalia can ensure that education financing translates into meaningful outcomes. Increased domestic resource mobilization and innovative funding strategies, such as public-private partnerships, can supplement existing efforts and reduce dependency on donor funding.

Investing in gender-responsive and equity-focused initiatives will be pivotal in addressing systemic disparities. Providing adequate support for female students, inclusive infrastructure, and teacher training in underserved areas will foster a more resilient education system. Somalia's education financing should aim to create an equitable learning environment that meets the needs of all learners, irrespective of their socio-economic background or geographic location.

Recommendations

Looking at the information gathered the study gives the following recommendations:

1. Strengthen Financial Management Capacity: Build the capacity of regional and school-level institutions to manage and utilize funds effectively. This includes training in budget planning, expenditure tracking, and financial reporting to enhance transparency and accountability at all levels.
2. Streamline Fund Disbursement Processes: Simplify bureaucratic procedures to ensure timely disbursement of education funds to schools and regional offices. Efficient fund flow will allow schools to plan and implement programs more effectively, reducing delays in delivering quality education.
3. Enhance Monitoring and Accountability Mechanisms: Establish robust monitoring systems to track the utilization of education funds, including regular audits, community-based oversight, and public reporting on expenditures. Strengthened accountability will ensure that resources are allocated and used efficiently.
4. Increase Allocations for Marginalized Populations: Dedicate funds for inclusive education programs targeting children with disabilities, internally displaced persons (IDPs), and girls in rural areas. Protect these allocations from reallocation to other sectors to guarantee that the needs of vulnerable groups are addressed.
5. Expand Funding for Teacher Training and Professional Development: Allocate greater resources for teacher training programs, particularly in underserved areas. Continuous professional development opportunities will improve teaching quality, enhance student outcomes, and support teacher retention.
6. Invest in Gender-Responsive Infrastructure: Prioritize the construction of gender-sensitive facilities, including separate sanitation blocks for girls, to promote their enrollment and retention. This investment is critical for addressing barriers that disproportionately affect female students.
7. Leverage Public-Private Partnerships (PPPs): Engage private sector partners to support school infrastructure projects, provide learning materials, and implement vocational

training programs. Partnerships with industries, such as telecommunications, can also promote digital learning initiatives in underserved areas.

8. Innovate Domestic Resource Mobilization: Introduce mechanisms like education levies, endowment funds, and community-driven initiatives to increase domestic funding for education. Mobilizing local resources will reduce dependence on donors and enhance financial sustainability.
9. Strengthen Coordination with Development Partners: Collaborate with international donors like GPE, UNICEF, and UNESCO to align funding priorities and integrate external resources into national education strategies. Coordinated efforts will maximize impact and reduce redundancy.
10. Benchmark Education Financing Against Peers: Use Uganda and South Sudan as benchmarks to identify best practices and areas for improvement. Gradually increase GDP allocation for education to align with UNESCO's recommended 4%–6%, focusing on improving per-student expenditure and addressing inequities in rural and marginalized regions.

Call to Action for Stakeholders

Achieving equitable and inclusive education in Somalia requires a collective effort from all stakeholders.

- The government must lead by prioritizing equitable education financing, ensuring resources are targeted toward underserved populations. Development partners should continue providing financial and technical assistance, focusing on equity and inclusion. Public-private partnerships offer an innovative avenue for mobilizing resources and introducing technology-driven solutions to underserved regions.
- Civil society and local communities play an essential role in advocating for transparency and holding the government accountable for fund utilization. By involving all stakeholders in planning, monitoring, and implementation, Somalia can build a robust and inclusive education system that empowers every child with the opportunity to learn and thrive.

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