



Social protection
landscape and
perspectives

Comprehensive
national review of
the system and
reforms of Somalia



Shared Prosperity Dignified Life



Ministry of Labour
and Social Affairs
Federal Republic of Somalia



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Preface

Social protection has become an increasingly important policy instrument in Somali efforts to reduce poverty, strengthen resilience, promote social cohesion, and support the country's broader State-building and development objectives. In a context characterized by recurrent climate shocks, displacement, food insecurity, conflict and widespread poverty, building an effective and sustainable social protection system is essential not only for protecting vulnerable populations, but also for fostering inclusive development and strengthening the social contract between citizens and the State.

Recognizing the relevance of effective social protection for the implementation of the Somalia National Transformation Plan 2025–2029, and progress achieved so far on various challenges, the Somali Ministry of Labour and Social Affairs, in partnership with the Economic and Social Commission for Western Asia (ESCWA), launched in May 2025 a comprehensive review of the Somali social protection system.

The review forms part of the broader ESCWA programme of supporting its member States in conducting comprehensive national reviews of social protection systems, and aims to inform national dialogue on the future direction of social protection reforms. Through a comprehensive assessment of policies, institutions, programmes, financing mechanisms and delivery systems, the review seeks to identify strategic priorities and practical options for strengthening social protection in Somalia.

The review was undertaken through an extensive process of evidence gathering and stakeholder consultations. It draws on national data and information complemented by international sources, legislation, policy documents, programme evaluations, and consultations with government institutions at the federal and State levels, development partners, United Nations agencies, civil society organizations, and other key stakeholders. The process benefited greatly from the knowledge, expertise and perspectives shared by all participants.

The findings set out in the present report highlight both the remarkable progress Somalia has achieved in a relatively short period and the importance of sustaining momentum in the years ahead. They underscore the need to consolidate existing gains, strengthen institutional and human capacities at all levels of government, deepen coordination and alignment across humanitarian and development actors, improve the sustainability of financing arrangements, and progressively expand access to social protection throughout the life course, including through more comprehensive social insurance coverage and economic inclusion policies for social assistance beneficiaries.

We hope that the present report will contribute to informed policy dialogue and support ongoing reform efforts aimed at building a more comprehensive, inclusive, resilient and nationally owned social protection system for all Somalis. We further hope that it will serve as a useful resource for policymakers, practitioners, development partners, researchers and all those committed to advancing social protection as a cornerstone of the Somali development and transformation agenda.



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National entities including, but not limited to: the Somali Ministry of Labour and Social Affairs, the Somali Ministry of Finance, the Somali Ministry of Planning, Investment and Economic Development, the Somali Ministry of Endowments and Religious Affairs, the Somali Ministry of Youth and Sports, the Somali Disaster Management Agency, federal member states, government departments responsible for internal displacement and durable solutions, and district administrations.

International organizations included the United Nations Children’s Fund (UNICEF), the World Bank, the Food and Agriculture Organization (FAO), the European Union and the World Food Programme (WFP).

Other contributing organizations and experts included the Somali Cash Consortium, Concern Worldwide, Tadamun Social Society, the Social Economic Development Organization (SEDO), GUHADO Organization, HILL Aid Organization, Somali Vulnerable Actors (SOVA), and the Marginalized Communities Advocacy Network (M-CAN), as well as other national and international non-governmental organizations, research and academic institutions, private sector actors (including Dahabshiil), donors and community-based groups (including women’s groups, youth groups, community representatives and programme implementers).

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Executive summary

The present report sets out a comprehensive review of the Somali social protection system and its reform needs and options. It assesses the country's policies, legal and institutional frameworks, financing arrangements, programme designs and delivery systems, while examining their effectiveness in addressing poverty, vulnerability and recurrent shocks. The report also analyses ongoing reforms and identifies options for building a comprehensive, inclusive, shock-responsive and nationally owned social protection system aligned with the country's Social Protection Policy and National Transformation Plan (2025–2029).

Somalia has made substantial progress in general security and economic development in recent years. Significant structural vulnerabilities nevertheless remain: more than half of the population lives below the national poverty line, multidimensional poverty affects roughly two thirds of the population, and recurrent droughts, floods, displacement and climate change continue to undermine livelihoods and resilience. These pressures are compounded by a rapidly growing population, widespread informality, limited access to health coverage, and a nascent social insurance environment.

Historically, Somali households have relied on informal support systems, including clan solidarity networks, religious giving and diaspora remittances. Since the mid-2010s, however, the Government has increasingly sought to establish a formal social protection system. Key milestones include the establishment of national coordination mechanisms, the adoption of the 2019 National Social Protection Policy, and the recognition of social protection as a central pillar of the National Transformation Plan.

Moreover, important progress has been achieved at the programme level: *Baxnaano*, the Somali flagship safety-net programme, has established the foundations of a government-led social protection system and demonstrated the potential of shock-responsive social assistance. The development of the Unified Social Registry and the Social Protection Delivery System represents major institutional achievements, creating the building blocks for beneficiary identification, targeting, payments and programme delivery. Complementary programmes, including the Climate-Resilient Social Protection Programme for Vulnerable Populations and the Child-sensitive Social Protection Programme, have expanded critical cash support to pregnant and lactating women, young children and other vulnerable groups.

The Somali social protection system has established important foundations, while significant scope remains to strengthen its reach, sustainability and effectiveness. Coverage remains limited relative to the scale of poverty and vulnerability, and social protection financing depends almost entirely on donor contributions, highlighting the importance of strengthening long-term financing sustainability. Institutional capacity, particularly at federal member state and district levels, could also be strengthened, alongside the accuracy of cash assistance targeting, the inclusion of marginalized populations, and access in insecure and hard-to-reach areas. Strengthening monitoring, evaluation and learning, and coordination across programmes could further support the effectiveness of the system.

The review identifies several priorities for the next phase of reforms, including strengthening decentralized implementation capacity, improving targeting approaches, enhancing the quality and governance of the Unified Social Registry, updating the Social Protection Policy, and further anchoring social protection through legislation. Greater integration between social protection, humanitarian action, and durable solutions initiatives would further strengthen the overall effectiveness and efficiency of the social protection system at large, notably across the humanitarian-development nexus. Moreover, national stakeholders could further expand economic inclusion, health, nutrition and education-linked interventions while gradually developing contributory mechanisms, including implementing the civil service pension scheme.

Somalia has successfully established many of the core foundations of a national social protection system under exceptionally challenging circumstances. The next stage of reform will require consolidating these gains and transforming existing programmes into a more integrated, sustainable and nationally owned system capable of reducing poverty, strengthening resilience, supporting human capital development, and contributing to social cohesion and State-building.

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List of acronyms

Baxnaano	Shock-Responsive Safety Net for Human Capital Project
CBPT	community based participatory targeting
CBT	community based targeting
CCT	co responsibility cash transfer
CRF	Common Registration Form
CRW	crisis response window
CSSP	Child sensitive Social Protection Programme
DESA	United Nations Department of Economic and Social Affairs
ECCT	education co responsibility cash transfer
ECT	emergency cash transfer
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization
FCAS	fragile and conflict affected situations
FMS	federal member state
GDP	gross domestic product
GRM	grievance redress mechanism
HDI	Human Development Index
HIPC	heavily indebted poor countries
IDA	International Development Association
IDP	internally displaced person
IFI	international financial institution
ILO	International Labour Organization
IMF	International Monetary Fund
IPC	Integrated Phase Classification
KfW	Kreditanstalt für Wiederaufbau (German development bank)
LDC	least developed country
LIC	low income country
MCH	maternal and child health
MIS	management information system
NCRDS	National Rural Development Strategy
NDP	National Development Plan
NGO	non governmental organization
NIMEF	National Integrated Monitoring and Evaluation Framework
NPL	national poverty line
NTP	National Transformation Plan

ODA	official development assistance
PIU	project implementation unit
PMT	proxy means testing
PPP	purchasing power parity
PREMIS	Public Resource Management in Somalia
PSNP	Productive Safety Net Programme
PSPH	Private Sector Partnerships in Health
SAGAL	Social Transfers to Vulnerable Somali People
SDG	Sustainable Development Goal
SIBEC	Somali Integrated Business Establishment Census
SNHCP	Shock Responsive Safety Net for Human Capital Project
SNLRP	Shock Responsive Safety Net for Locust Response Project
SOP	standard operating procedure
SPDS	Social Protection Delivery System
SPP	Social Protection Policy
TOR	terms of reference
TPI	third party implementer
TPM	third party monitoring
UCT	unconditional cash transfer
UHC	universal health coverage
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USR	Unified Social Registry
WFP	World Food Programme
WHO	World Health Organization

1

Country context



A. Geographical and political overview

Located in the Horn of Africa, Somalia encompasses a total area of approximately 637,657 square km.¹ Somalia experiences an arid to semi-arid climate, with the majority of regions receiving less than 200 millimetres of rainfall annually.² Approximately 61.4% of the country's land area is classified as dry, and widespread soil erosion further exacerbates environmental degradation. These conditions contribute to recurrent droughts and reduce agricultural productivity.³ Economically, Somalia is designated as a least developed country (LDC).

Somalia is administratively organized into several federal member states, in addition

to the Banadir Regional Administration (which includes the capital city, Mogadishu) and Somaliland. The current Government continues to operate within the framework of the Provisional Constitution adopted in August 2012.

Following decades of civil conflict and political fragmentation, the Government has been gradually strengthening its authority and extending governance across the country. However, progress remains challenged by persistent insecurity linked to armed groups such as Al-Shabaab, and by complex clan dynamics that continue to influence local governance and resource distribution.

B. Macroeconomic overview

Since the establishment of the Federal Republic in 2012, Somalia has been undergoing a prolonged and complex State-building process marked by persistent socioeconomic, political and security challenges that have constrained economic growth. These challenges were further exacerbated by the impact of the COVID-19 pandemic, during which economic activity slowed significantly,⁴ and recovery remained modest in subsequent years. Growth was about 2.7% in 2022, rising to around 4.2% in 2023 and 4.1% in 2024.⁵

For 2025, GDP growth was initially projected at 4%, but the forecast has since been revised downwards to 3%, primarily due to an expected reduction in foreign aid.⁶ In 2024, Somali GDP per capita was estimated at around \$737,⁷ reflecting limited progress compared with earlier projections, largely owing to conflict-related disruptions and institutional capacity constraints.

Table 1. Economic indicators of Somalia

Macroeconomic indicators	2019	2020	2021	2022	2023	2024
GDP per capita, current dollars ^a	612	594	635	664	694	737
GDP per capita, purchasing power parity (PPP) (constant 2021 in international dollars) ^b	1,491	1,396	1,392	1,388	1,402	1,408
Remittances as share of GDP (% of GDP) ^c	15.5%	19.0%	21.3%	21.1%	19.9%	23.2%
Annual inflation rate ^d	4.4	4.1	4.6	6.8	6.1	5.6

Source: ^a Somalia National Bureau of Statistics, n.d.b.
^b World Bank Group, 2026a.
^c Author's calculation based on Central Bank of Somalia, n.d.b.
^d Central Bank of Somalia, n.d.a; Central Bank of Somalia, n.d.b.

Somalia presents a GDP structure in which agriculture, including livestock, remains the dominant market activity. During the period 2004–2023, it stood for about 60.2% of the economy's gross value added, while services and industry represented 30% and 9.8%, respectively.⁸

Inflationary pressures in Somalia have eased, but overall price increases have remained persistent. The de facto dollarization of the economy continues to support relative price stability, as the Central Bank of Somalia strengthens its core functions. In 2024, overall inflation averaged 5.5%, down from 6.1% in 2023. Improvements in agricultural output contributed to a 1.2% contraction in food inflation in Mogadishu in 2024, compared with 0.7% growth in 2023.⁹ Nevertheless, supply-side constraints have

kept food prices elevated in regions such as Somaliland, where food-price inflation exceeded 10% in 2022.¹⁰

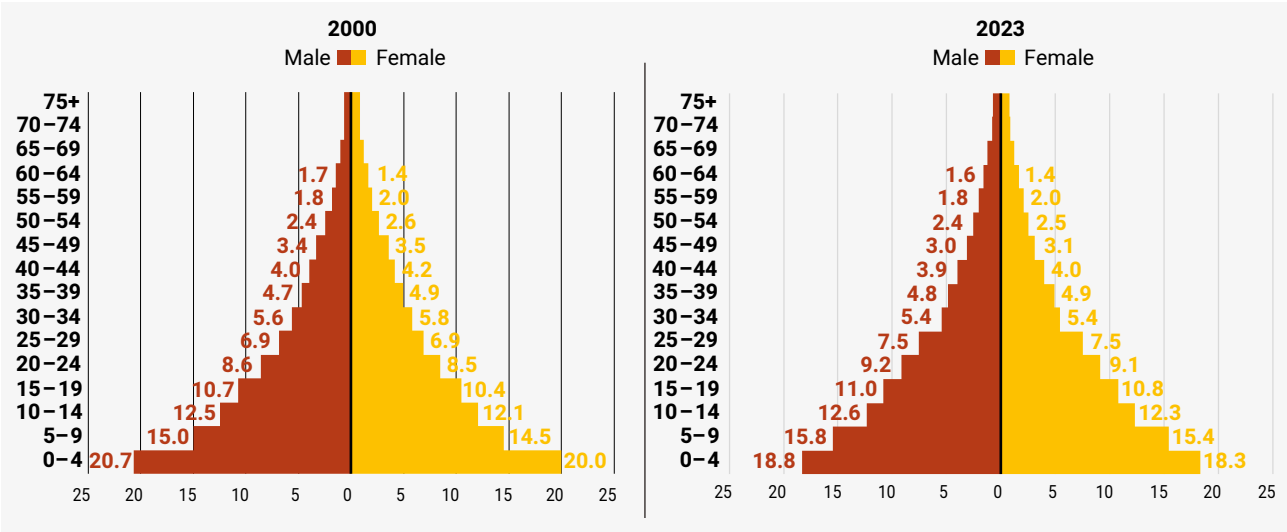
Debt relief under the Heavily Indebted Poor Countries (HIPC) Completion Point has eliminated almost all of Somali external debt. In March 2024, the Paris Club approved an HIPC exit treatment, cancelling 99% of the debt owed to its members. While this has improved debt sustainability, risks remain, and the country is still assessed to be at moderate risk of external and overall public debt distress.¹¹ Nonetheless, Somalia continues to rely heavily on donor assistance, reflecting both limited domestic revenue generation and the ongoing fragility of institutional capacity.¹²

C. Demographic overview

Somalia has experienced steady population growth over the past two decades, with the total population increasing from about 8.8 million in 2000 to an estimated 19.01 million in 2024,¹³ an increase of over 130% that has placed significant pressure on public services and infrastructure.

The country has a predominantly young demographic profile, driven by persistently high fertility rates estimated at around 7.6 children per woman in 2000 and gradually declining to 6.1 in 2023.¹⁴ Life expectancy has increased from approximately 51 years in 2000 to about 59 years in 2023.¹⁵

Figure 1. Population pyramids in Somalia, 2000 and 2023



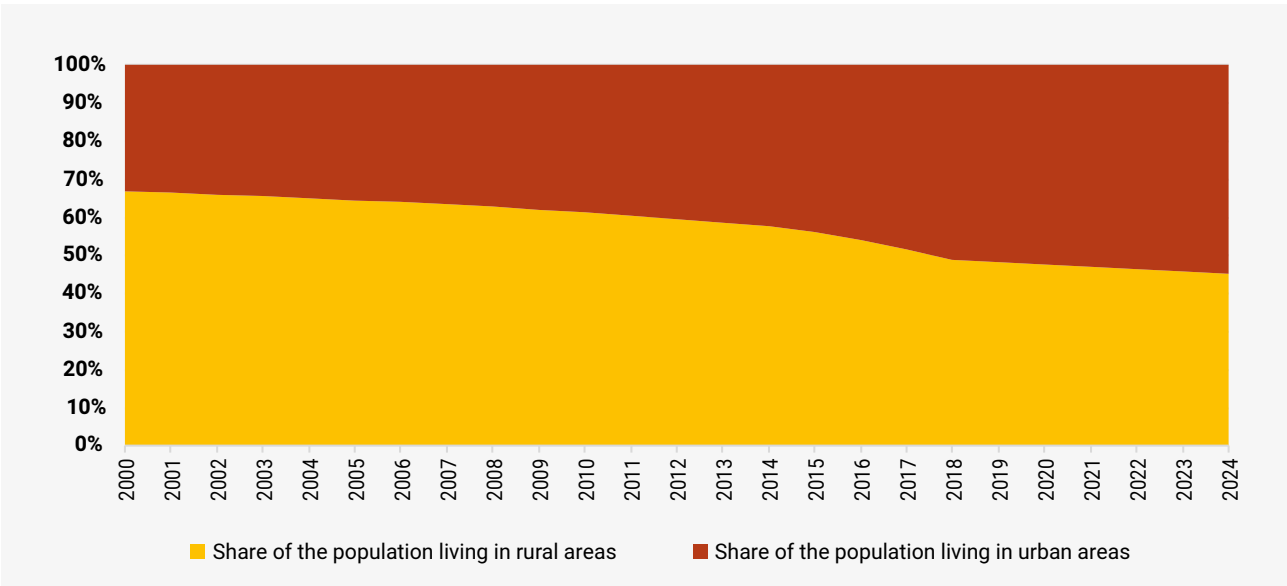
Source: United Nations Department of Economic and Social Affairs (DESA), 2024.

The Somali age dependency ratio was 100% in 2000 and 97% in 2024, which is significantly above the global average of 53.9% in 2023. This is almost entirely due to the high child dependency ratio, which reached 92% in 2024 compared with 38.5% at the global level, while the old-age dependency ratio stood at 5.1% compared with 15.4% at the global level.¹⁶

Since 2018, the majority of the population lives in urban areas, reaching 54.6% in 2024.

However, agriculture, pastoralism and rural livelihoods continue to be central to the country's socioeconomic fabric. Internally displaced persons (IDPs) and refugees remain a major driver of urban population growth. As at 2025, Somalia counted 3.4 million IDPs and almost 50,000 refugees and asylum seekers,¹⁷ the overwhelming majority of whom resided in urban areas.¹⁸

Figure 2. Proportion of the population living in rural-urban areas, 2000–2024



Source: DESA, 2025.

D. Labour market overview

Modelled estimates by the International Labour Organization (ILO) show that over the last 25 years, the labour force participation rate remained at around 34%. It is considerably higher among men (47.2% as at 2025) than among women (33.3%).

During the same period, unemployment stood at around 19%, with a slight increase between 2020 and 2021, reflecting the global economic downturn. The female unemployment rate reached 24.5% in 2025, compared with the male rate of 16.4%.

The employment rate has stagnated at around 28% since the turn of the millennium, with a light

decrease since 2020. Owing to the combination of low labour force participation and high unemployment, the female employment rate (15.6% in 2025) is 2.5 times lower than the male one (27.4%).

The Somali Integrated Business Establishment Census (2024) indicates that Somalia has 174,149 business establishments, of which 28% are formal, 25% are informal, and 47% are micro-establishments.¹⁹ Importantly, even workers in formal establishments may be informally employed. According to ILO, the informality rate reached 82.5% in 2019: 81.1% among men and 85.5% among women.²⁰

E. Poverty, inequality and vulnerability

The 2023 Somali Household Budget Survey indicates that more than 54.4% of the population lives below the national poverty line (NPL), while 20.9% experience extreme (food) poverty and are unable to meet minimum caloric needs. In addition, 11.6% of Somalis are vulnerable (measured as 20% above NPL), meaning that they remain just one shock away from falling into poverty.

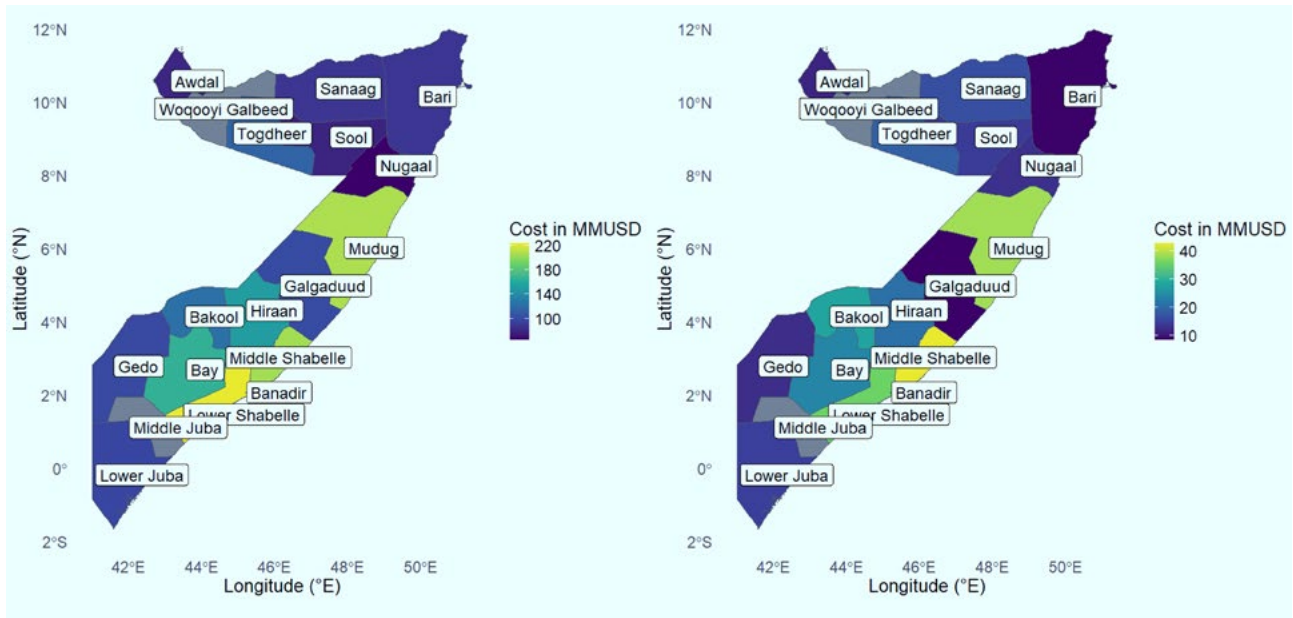
Nearly three quarters of the population (66.9%) are multidimensionally poor, experiencing overlapping deprivations in education, health and living standards, with an average deprivation intensity of 54.3%. Over 96% of the population experiences at least one significant deprivation. Poor living standards and low educational attainment are the dominant contributors.

Nomadic populations experience the most severe deprivation across all measures, with the highest

rates of monetary poverty, extreme poverty and multidimensional poverty, and the highest levels of inequality. Rural areas also show high poverty incidence, while urban areas experience lower poverty rates but relatively high poverty intensity among affected households. Poverty in Somalia is highly uneven across regions. Middle Shabelle, Hiraan and Bakool stand out as persistent hotspots, with monetary poverty exceeding 70–80% and multidimensional poverty near 85–97%, indicating severe and overlapping deprivations.

The resources required to eradicate monetary poverty in Somalia are substantial. Eliminating poverty at NPL would cost an estimated \$2.29 billion annually, while eliminating food poverty alone would require approximately \$354 million annually. Large population centres such as Banadir and Lower Shabelle account for a significant share of total costs.

Figure 3. Poverty gap cost across Somali governorates: national poverty line (left) versus food poverty lines (right)



Source: Elaborated by the authors.

Inequality in Somalia is moderate by international standards, with a Gini coefficient of 35.2, but highest among nomadic populations. Importantly, most inequality arises within

governorates rather than between them, indicating that poverty and inequality are primarily local challenges.

2

Social protection system overview and policy context



Key messages

- The Somali social protection system has historically relied on informal and community-based mechanisms rather than on a formal welfare State. While these mechanisms are often fast and trusted, they are unevenly distributed and tend to exclude marginalized groups with weaker social networks. Recurrent shocks have highlighted the limitations of informal systems and the need for a more structured government-led approach.
- Since the mid-2010s, Somalia has made gradual progress towards formalizing social protection. Key milestones include establishing coordination structures in 2016 and adopting the first National Social Protection Policy in 2019, which commits the State to building a comprehensive, inclusive and shock-responsive system by 2040. Early flagship programmes, such as the World Bank-supported *Baxnaano* safety net and the European Union-funded SAGAL project, mark an initial shift from humanitarian assistance towards government-linked social transfers. However, implementation remains phased, and capacity is constrained and heavily dependent on donor financing.
- More recently, the National Transformation Plan (NTP) 2025–2029 has reaffirmed social protection as a core pillar of national development, linking it to governance reform, economic transformation and climate resilience. The country's legal framework provides a constitutional basis for social protection and includes progress in areas such as refugee and IDP protection, but binding social insurance legislation and sustainable domestic financing mechanisms are still lacking.

A. Historical social protection pathways

The Somali social protection system has historically been rooted in informal and community-based mechanisms rather than a fully institutionalized welfare State. Traditional support structures, including clan-based assistance, religious giving such as *zakat* and remittances

from the diaspora, have long played a central role in supporting vulnerable populations.

In June 2016, the Government's draft national development plan set up the Social Protection Subcommittee and began shifting the country

towards a coordinated government-led approach to support vulnerable populations.²¹ A significant milestone occurred in September 2019, when the Government launched the country's first Social Protection Policy, formally committing the State to social protection as part of its broader

development agenda.²² This represents a clear institutional shift from purely humanitarian or local-led relief towards a longer-term, system-based approach to social protection. The implementation of the *Baxnaano* cash transfer programme in 2019 was also a key turning point.

Informal social protection systems and other initiatives

In times of crisis, Somali households primarily rely on traditional, community-based safety nets, including family, clan and religious support, to protect income and cope with shocks. Informal mechanisms such as *zakat*, *sadaqah* and remittances play a central role in supporting vulnerable populations.²³ While community-based networks are often the quickest to respond during crises, mechanisms to effectively link these informal structures with formal anticipatory action systems remain limited in practice.²⁴ In addition, minority and marginalized groups often have less well-established social networks and connections to some of these informal networks.

In Puntland, for example, contributions collected at the clan level through *qaaraan* are pooled to meet members' needs during emergencies. These contributions are coordinated by traditional elders, functioning as a form of social insurance in the absence of formal State mechanisms.²⁵

As stated by a humanitarian aid worker in Somalia:

“In Somalia, the primary form of social insurance is the clan system, led by traditional elders. Some clans even maintain accounts to collect contributions.”

(a) Clan-based and communal support

Key informants, interviewed in August and September 2025, indicated that clan-based systems remain the primary form of informal social protection in Somalia, providing essential safety nets for households during crises such as conflict, displacement or natural disaster. Stronger clans maintain networks that allow members to access support from relatives, mobilize livestock, or receive diaspora remittances. Examples of clan-based mutual aid include self-help groups and extended-kin mutual aid mechanisms. Informal channels of raising finance are preferred by poorer community members owing to their more favourable conditions. People rely on a range of systems such as *qaaraan*, a community-based fundraising and mutual assistance mechanism for families facing hardship, and religious ones like *zakat*.

Another community-based financing and support mechanism is a system known as *Ayuuto*, a traditional, interest-free rotating savings and credit scheme primarily run by women, often within poor or displaced communities. It is based on mutual trust and social cohesion, where members regularly contribute a fixed amount of money to a common fund. At the end, a lump sum is given to a single member on a rotating basis. *Ayuuto* is utilized especially by women to start small businesses and attend to basic needs. It is a vital informal financial mechanism in Somalia, especially in urban and peri-urban areas, helping communities cope with economic challenges and build resilience without relying on formal credit systems or interest-based loans. It is also often faster than waiting for aid. In addition to money, *Ayuuto* provides a space where women come together to support one another

emotionally, mentally and share their challenges, particularly during crisis.²⁶

Examples of other clan-based mutual aid include for example *diya*-paying groups that help displaced families. They are traditionally responsible for collective legal and social obligations, particularly the payment of *diya* (also known as *mag* in Somali), which is blood compensation for injury or death caused by a member of the group. However, they also act as a social security network, providing support not only in legal matters but also in cases of financial hardship among members. There are also traditional community-based financial mechanisms that contribute to resilience in climate-exposed areas. Some of these mechanisms include local governance and village savings and loan associations that are at times supported by United Nations agencies and non-governmental organizations (NGOs).²⁷

However, marginalized communities, including southern Bantu groups, often lack robust clan networks, leaving them disproportionately exposed to displacement and chronic poverty.²⁸ While clan support is a critical coping mechanism, it is largely individualized, unevenly distributed, and insufficient to address broader structural vulnerabilities across the population.²⁹

(b) Faith-based contributions

Faith-based giving, particularly *zakat*, also plays a significant role in the Somali social protection landscape. An estimated 40% of diaspora remittances are intended for *zakat* contributions, highlighting a substantial yet largely untapped resource for formal social protection financing.³⁰ Key informants noted that *zakat* is a significant but underutilized funding source in Somalia, with potential to formally support poverty reduction and emergency relief. Efforts are underway to integrate *zakat* into structured systems, including the development of a dedicated *zakat* fund. According to a representative from the Federal Ministry of Endowments and Religious Affairs:³¹

“In a 12-month year, *zakat* is collected every three months. During Ramadan, collections are made from businesses; during the Islamic month of Muharram, *zakat* is also collected, along with two other collection periods throughout the year. They also collect the *zakat-ul-fitr*, which is the alms paid at the end of Ramadan. The Ministry of Endowments and Religious Affairs aims to bring financial stability to the people and has therefore proposed a law in parliament to establish a *zakat* fund. The benefits of this fund would be that *zakat* is collected from all Muslims, who believe that paying it protects them from calamity and loss. If a calamity or loss befalls someone, it is often said that the person does not pay *zakat*.”

(c) Diaspora and remittance support

Remittances from the Somali diaspora play a critical role in household resilience and represent a substantial share of the national economy. Informal transfer systems, such as *Hawala*, enable funds to flow from abroad to vulnerable family members, supporting basic needs, education and recovery from shocks. While remittances are not formally categorized as social protection, as they constitute private transfers rather than structured safety nets, they closely interact with clan-based and community support systems.

Evidence suggests that remittances have a strong poverty-reducing effect: households receiving remittances experience poverty rates of around 35%, compared with 56% among non-recipient households. However, access to diaspora support is uneven, and households without such connections, particularly marginalized or displaced groups, remain highly vulnerable.³²

B. Social protection policy and legal and regulatory frameworks

The Somali legal and policy framework places increasing emphasis on protecting vulnerable groups, including children, women, persons with disabilities, older persons, IDPs and marginalized

communities. Embedding social protection and the right to health within national strategies underscores the Government's recognition of their importance for development and social cohesion.

1. Legal commitments based on international instruments

Somalia has made measurable progress in ratifying or acceding to international instruments related to social protection and human rights. Key ratifications, or accessions, include the Convention on the Elimination of All Forms of Racial Discrimination (1975), the Convention on the Rights of Persons with Disabilities (2019), the Convention Relating to the Status of Refugees (1978), the Convention on the Rights of the Child (2015), and the African Charter on the Rights and Welfare of the Child (2025). Somalia has

also adopted relevant provisions into national law, most notably in the 2012 Provisional Constitution, which enshrines human rights under chapter 2.

However, Somalia has not ratified key ILO social security conventions, including the Social Security (Minimum Standards) Convention 1952 (No. 102), the Employment Injury Benefits Convention 1964 (No. 121), and the Medical Care and Sickness Benefits Convention 1969 (No. 130).

2. Legal and regulatory frameworks for social protection

The Somali legal framework for social protection remains limited. The main regulatory instrument for social protection is the National Social Protection Policy for Somalia, adopted in March 2019, which establishes a strategic framework to progressively build a nationally owned social protection system. However, this remains a policy instrument rather than a binding law, which means that social protection entitlements and financing responsibilities are not yet codified.

The 2012 Provisional Constitution establishes the constitutional foundation for social protection by guaranteeing key economic and social rights, including access to healthcare, clean water, social security and protection for vulnerable groups such as women, children and older persons (articles 24, 27 and 28). However, while these articles provide a strong legal basis, they remain broadly declarative and require detailed legislation for practical implementation.

Recent legal developments signal gradual progress towards a more structured rights-based framework for social inclusion. The Labour Code of 1972 was modernized in 2024 to align with ILO standards and enhance worker protections, while recognizing social security rights.³³ Somalia has recently enacted the Civil Service Pension and Gratuity Act to establish a civil service pension scheme, though implementation has not yet started. Key institutional and governance foundations for *Baxnaano* and the Unified Social Registry (USR) were established through two ministerial decrees on 26 March 2025.³⁴ In addition, the Refugees and Asylum Seekers Law of 2023 introduces a dedicated legal framework for refugee protection and integration. It affirms the right of refugees and asylum seekers to access essential services, including education, healthcare and social welfare support.

Table 2. Key extracts from national social protection legal and regulatory frameworks

Legal instrument	Extract from or aim of the instrument
Constitution of Somalia	The Provisional Constitution of Somalia (2012) enshrines several socioeconomic rights. These provisions guarantee access to healthcare, clean water, social security, and protection and care for vulnerable groups such as women, children and older persons.
Law on Social Insurance and Salaries	The Civil Service Pension and Gratuity Act, yet to be implemented, lays the legal foundation of a civil service pension scheme.
Law on Universal Health Insurance	As per the regional analysis of the World Health Organization (WHO), there is no national health insurance scheme in Somalia.
Cabinet decree on establishing a Social Protection Programme and its governance and management arrangements	Formally embeds <i>Baxnaano</i> within the Ministry of Labour and Social Affairs as an implementation unit to coordinate social protection and ensure accountability.
Cabinet decree on adopting improved regulations, security measures, governance and management structures for data protection for USR	Establishes oversight and governance mechanisms for USR to ensure data protection, privacy and system integrity.
Ministerial decree on the conditions, situations, rules and mechanisms for distributing exceptional assistance in times of personal and public crises and disaster	The 2019 Social Protection Policy envisions a national system for crisis assistance but lacks a specific decree outlining benefit amounts or formal mechanisms for State-run exceptional assistance.
Somalia Refugees and Asylum Seekers Law (2023)	Establishes the legal framework for refugee protection, asylum procedures and rights in line with international conventions.
Somali Labour Code (2024)	The Revised National Labour Code of 2025 modernizes the law, aligning it with ILO standards. While the Labour Code recognizes the right to social security, Somalia has no operational State pension or social insurance system requiring payroll deductions.

Source: Compiled by authors.

3. Vision and strategy for the social protection system

The Somali Social Protection Policy, adopted in 2019, outlines a long-term vision for building a comprehensive, inclusive and sustainable social protection system by 2040. The vision is to progressively establish a functional government-led system that delivers predictable support throughout the life cycle, particularly for the most vulnerable individuals.

As per the Social Protection Policy, by 2040, the Somali social protection system will be protective, shielding people in poverty from its harshest effects; preventive, helping prevent people from falling into poverty; promotive, enabling individuals to invest in their future; and transformative, fostering inclusion of marginalized groups and enhancing social

cohesion. Special attention is given to vulnerable populations. The system will also be flexible, capable of scaling up to respond rapidly to shocks and emergencies.³⁵

Recognizing the country's fragility and limited institutional and financial capacities, the Policy adopts a phased approach to implementation. In the short to medium term (phase I, until 2024), the focus was on developing and piloting social transfer programmes, building political and citizen support, strengthening institutions, and learning from initial implementation. In the longer term (phase II, 5–20 years), efforts will expand to build a more inclusive and integrated social protection system that provides comprehensive coverage across all population groups.

Table 3. Social Protection Policy

Are there well-established..?	No	Partially	Yes	Relevant extract(s), if applicable/observations
Objectives/goals			X	"To progressively build a comprehensive and coherent social protection system that combats poverty and vulnerability in Somalia while contributing to economic growth, peace and security, human development, and equity through programmes which improve food security and nutrition, support access to basic social services, enhance livelihoods and assets, reduce negative coping, and protect at-risk populations from recurrent shocks."
Targets (or strategic objectives) and milestones			X	(1) "Establish and strengthen systems and capacities of the government of Somalia and other stakeholders to design, implement, and monitor coordinated and effective social protection programmes [...]" (2) "Progressively expand access to social assistance, especially social transfers [...]" (3) "Build the foundations for social insurance within the formal sector [...]" (4) "Combine income support with broader labour related policy measures [...]" (5) "Extend access to and coverage of quality social care services for poor and vulnerable households and individuals."

Are there well-established..?	No	Partially	Yes	Relevant extract(s), if applicable/observations
Action plan			X	The Transformational Approach to Social Assistance in Somalia serves as the implementation guide for the social transfers component of the Somalia Social Protection Policy (approved in 2020) and its implementation framework. It builds on the policy's preventive and protective pillars while outlining next steps to expand and strengthen social protection delivery.
Responsible actors			X	The Ministry of Labour and Social Affairs leads the coordination and implementation of the policy. The Social Protection Steering Committee provides inter-ministerial oversight, while state-level ministries manage delivery. Implementation is supported by the Ministry of Planning, Investment and Economic Development, the Ministry of Finance and development partners.
Timeline		X		Adopts a phased implementation approach: phase 1 (to 2024) focuses on pilots, capacity-building and short-term feasible actions, while phase 2 (5–20 years) outlines longer-term priorities for developing an inclusive national social protection system.
Financial requirements	X			No clear financial requirements mentioned, provides only policy framework.
Monitoring and evaluation requirements			X	Outlines monitoring roles and system requirements.

Source: Compiled by authors.

In January 2020, the Government released the Somalia National Development Plan (NDP) 2020–2024, which placed social protection firmly within its social development pillar, signalling its importance for development, poverty reduction and resilience.³⁶ In March 2025, Somalia launched the National Transformation Plan (NTP) 2025–2029, replacing the previous NDP. Drafted by the Ministry of Planning, Investment and Economic Development, it serves as the country's overarching development framework. The strategy outlines a long-term vision for national transformation anchored in four key pillars, one of which, namely social and human capital transformation, explicitly prioritizes social protection, human development and social inclusion as essential conditions for sustainable peace and resilience. Regarding

social protection, NTP outlines two key initiatives aimed at establishing a comprehensive, inclusive, sustainable and integrated government-led social protection system by 2029.

The first initiative entitled “Expand social assistance for vulnerable populations” focuses on strengthening support for the most vulnerable groups through cash transfers, livelihood investment support, and climate-adaptive shock-responsive safety nets targeting children, pregnant and lactating women, persons with disabilities, and older persons. The second initiative entitled “Establish a robust social security system” focuses on developing a comprehensive national framework to expand formal social protection coverage in Somalia.

Table 4. NDP 2020–2024 and NTP 2025–2029

In relation to social protection, is/are there well-established ..?	No	Partially	Yes	Relevant document(s), if applicable	Relevant extract(s), if applicable/observations
Definition of social protection		X		NDP-9 2020–2024	NDP-9 does not provide a formal definition of social protection but aligns with and incorporates the framework set out in the National Social Protection Policy 2019.
		X		NTP 2025–2029	NTP does not formally define social protection but recognizes it as part of social and human capital transformation (pillar 3).
Goals			X	NDP-9 2020–2024	NDP-9 was established with the overarching goal to reduce poverty through inclusive economic growth, improved security, rule of law, and strengthened political stability.
			X	NTP 2025–2029	NTP aims to consolidate peace and create sustainable economic growth and improved social well-being, in line with the Centennial Vision 2060.
Objectives			X	NDP-9 2020–2024	Objectives are broad but not always linked to specific social protection programmes.
			X	NTP 2025–2029	Objectives are broad but not always linked to specific social protection programmes.
Targets (or strategic objectives) and milestones		X		Mid-term review of NDP-9 (2020–2024) ^a	Some numerical targets for the coverage of vulnerable populations (households benefiting from cash transfers) are mentioned, but they are not comprehensive, indicating data limitations.
			X	NTP 2025–2029; Joint SDG Fund	NTP is a high-level strategic blueprint for national development centred around four pillars: Pillar 1: Transformational governance. Pillar 2: Sustainable economic transformation. Pillar 3: Social and human capital transformation. Pillar 4: Environment and climate resilience. The implementation of social protection targets is integrated within these pillars and operationalized through initiatives like “Transforming food systems via nutrition-sensitive and climate-adaptive social protection”. ^b

In relation to social protection, is/are there well-established ..?	No	Partially	Yes	Relevant document(s), if applicable	Relevant extract(s), if applicable/observations
Action plan			X	Mid-term review of NDP-9 (2020–2024)	A comprehensive 5-year action plan monitored through periodic reviews to evaluate progress, highlight challenges, and make recommendations for the remaining period of 2023–2024.
		X		NTP 2025–2029	Describes programmes and priorities but does not include fully detailed operational steps for every aspect including social protection.
Responsible actors			X	NDP-9 2020–2024	Government actors: Government, Ministry of Planning, Investment and Economic Development, FMS line ministries, ministries, departments and agencies, the Somali National Bureau of Statistics and the Office of the Prime Minister. Non-governmental and international actors: civil society organizations, the private sector. United Nations agencies: UNDP, the United Nations Assistance Mission in Somalia, UNICEF, FAO and WHO. International financial institutions: World Bank and International Monetary Fund (IMF).
		X		NTP 2025–2029	Ministry of Planning, Investment and Economic Development, sectoral ministries (labour, health, education), FMSs and development partners. Roles are broadly identified by institution, but no detailed activity-level responsibility matrix is provided.
Timeline			X	NDP-9 2020–2024; mid-term review of NDP-9 (2020–2024)	Launched 2020, with a mid-term review in 2023, and end in 2024.
	X			NTP 2025–2029	Plan covers 2025–2029, and no detailed social protection-specific timelines provided.

In relation to social protection, is/are there well-established ..?	No	Partially	Yes	Relevant document(s), if applicable	Relevant extract(s), if applicable/observations
Financial requirements		X		NDP-9 2020–2024; World Bank/IMF Joint Staff Advisory Note (JSAN)	NDP-9 does not provide a single overall financial figure or cost budget. Financial requirements are framed in pillar-specific strategies. Additionally, JSAN ^c indicates the need for improved costing of interventions.
		X		NTP 2025–2029	High-level budget allocations for social and human capital transformation are mentioned, but specific social protection programme financing or a single fully costed social protection budget is not included in the main plan document.
Monitoring and evaluation arrangements			X	National integrated monitoring and evaluation framework (NIMEF)	The Monitoring and Evaluation Department at the Ministry of Planning, Investment and Economic Development oversees monitoring and evaluation. NIMEF provides a standardized approach to track NDP-9 pillar priorities, including social protection, aligning with the SDGs. ^d
		X		NTP 2025–2029; NIMEF	The Monitoring and Evaluation Department at the Ministry of Planning, Investment and Economic Development oversees monitoring and evaluation. NIMEF provides a standardized approach to track NTP pillar priorities. There are no social protection-specific monitoring and evaluation frameworks included.

Source: Compiled by authors.

^a Ministry of Planning, Investment and Economic Development, 2023a.

^b Joint SDG Fund, 2025.

^c International Monetary Fund, 2023b.

^d Ministry of Planning, Investment and Economic Development, 2023b.

C. Monitoring and evaluation framework

While efforts have been made to establish monitoring and evaluation frameworks, most notably NIMEF developed by the Ministry of Planning, Investment and Economic Development

to strengthen oversight of NDP 2020–2024,³⁷ a similar framework has not yet been established for NTP 2025–2029, nor has it been fully integrated into the social protection sector.

Although Somalia has adopted the Social Protection Policy Implementation Framework (2020), which includes provisions related to monitoring and evaluation of social protection interventions, none of the key informants interviewed for the present study referred to it as a tool currently used to monitor or evaluate social protection programmes, suggesting limited awareness or application in practice.

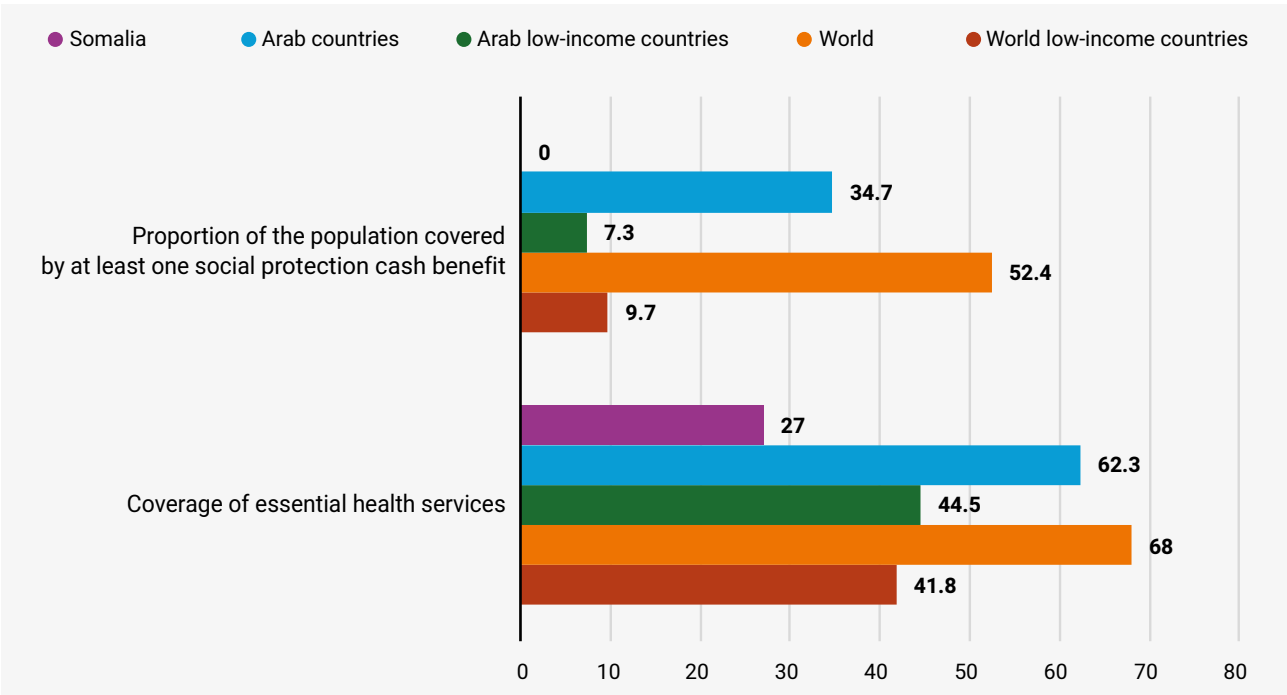
While third-party monitoring, carried out by the World Food Programme (WFP), UNICEF, the Somalia Cash Consortium and the Ministry of Labour and Social Affairs,³⁸ has been used to verify cash transfers and assess service delivery, the results have mainly been project-specific and not part of a comprehensive system-wide monitoring and evaluation mechanism. However, several evaluations of the first phases of the main programmes have been carried out.^{39,40}

D. Coverage by social protection function

Figure 4 illustrates the coverage provided by the main social protection functions in Somalia, compared with global, regional and income group averages, based on the latest available data from ILO. According to these data, the proportion of the Somali population covered by at least one social protection

cash benefit did not exceed 0% as at 2023. However, it is important to note that this does not account for households benefitting from *Baxnaano* and other internationally supported programmes, as these are not considered statutory according to the ILO categorization. The effective coverage rate is therefore

Figure 4. Proportion of the population covered by social protection



Source: Coverage data from ILO, 2026. Weighted averages for the Arab countries calculated using data from DESA, 2024.

considerably higher: by the end of 2025, *Baxnaano* alone had reached approximately 20% of the Somali population through additional financing for both its regular and shock-responsive programming.⁴¹

According to ILO data, the estimated proportion of the population covered by

essential health services reached 27% in 2021, considerably lower than the average for Arab countries (62.3%), Arab low-income countries (LICs) (44.5%), the global population (68%), and LICs worldwide (41.8%). Nonetheless, the estimated health coverage rate in Somalia has steadily increased since 2000, when it stood at only 11%.

E. Public financing and expenditure

Government expenditure reported in the budget includes both spending financed from domestic revenues and spending financed by

donors. In the case of social benefits, all such expenditure is donor-funded, with no contribution from domestic revenues.

1. Budget planning and shock responsiveness

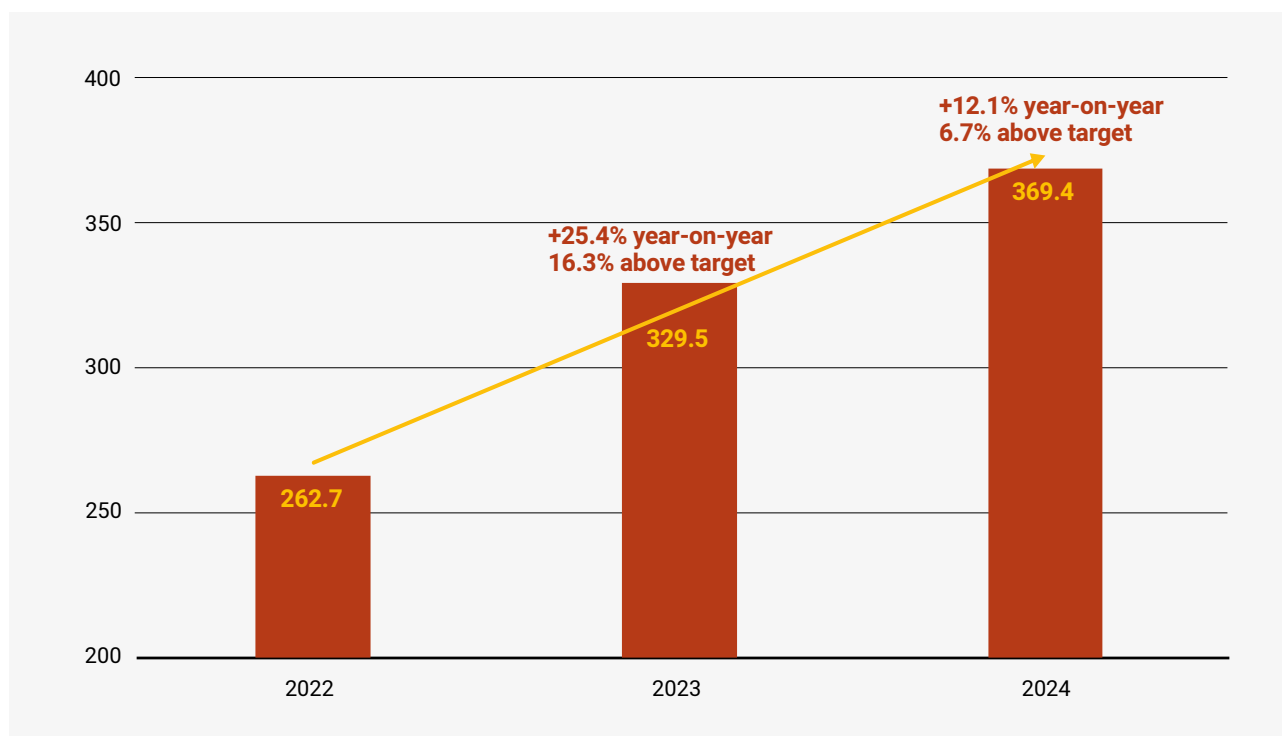
Financing for social protection and shock responsiveness relies heavily on donor grants and concessional funding. The World Bank has committed funds exceeding \$500 million to the *Baxnaano* programme (chapter 3). The system uses pre-arranged “last resort” crisis financing windows to enable rapid scale-up of assistance during acute shocks, improving timeliness and predictability. This crisis response window (CRW) allocates International Development Association (IDA) countries with additional

resources to respond to the impact of severe natural disasters, public health emergencies and economic crises, and supports early responses to slower-onset crises such as disease outbreaks or food insecurity. CRW complements the roles of other development partners and leverages the comparative advantage of IDA and its development mandate.⁴² However, public financing faces challenges due to low domestic revenues in Somalia, currency instability and limited institutional capacity.

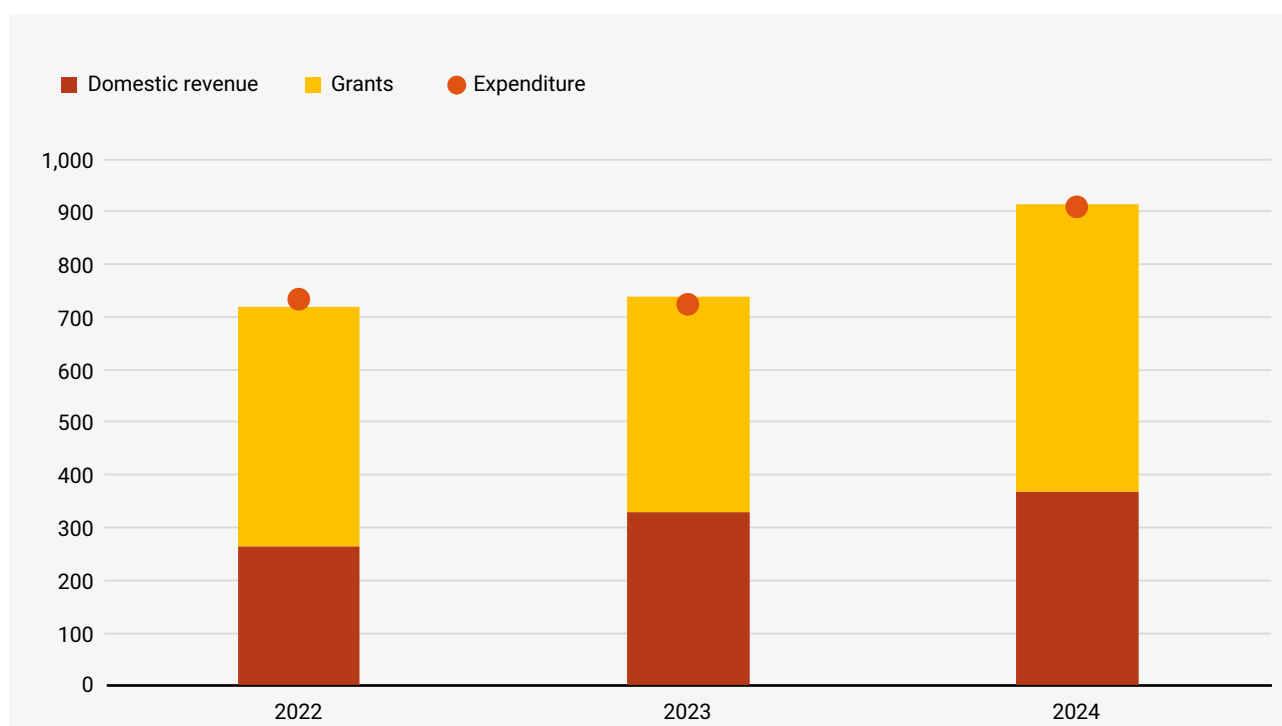
2. Sources of revenue

As shown in figure 5, domestic revenue increased from around \$263 million in 2022 to \$330 million in 2023 (an increase of 25.4%, and 16.3% above target), and then to \$369 million in 2024 (an increase of 12.1%, and 6.7% above target). Improvements in domestic revenue mobilization were largely driven by the ongoing implementation of reforms under the Medium-term Revenue Roadmap (2024–2027), particularly the digitalization of tax systems and strengthened tax enforcement. Higher-than-anticipated GDP growth also contributed.⁴³

However, as shown in figure 6, while domestic revenue contributed \$369 million in 2024, grants contributed \$543 million. External grants increased by 33% from \$408 million in 2023 to \$543 million in 2024. Nonetheless, the grants were below the 2024 programmed target by 22.8%. Most (94.5%) of the grants came from multilateral institutions. In total, around \$913 million was collected as domestic revenue and grants, which was 87.7% of the annual target and represented a significant increase of 23.7% from the previous year.⁴⁴

Figure 5. Domestic revenue, 2022–2024 (Millions of dollars)

Source: Ministry of Finance, 2025.

Figure 6. Revenue and expenditure, 2022–2024

Source: Ministry of Finance, 2025.

Table 5. Government revenue and receipts by source, 2022–2025 (Millions of dollars)

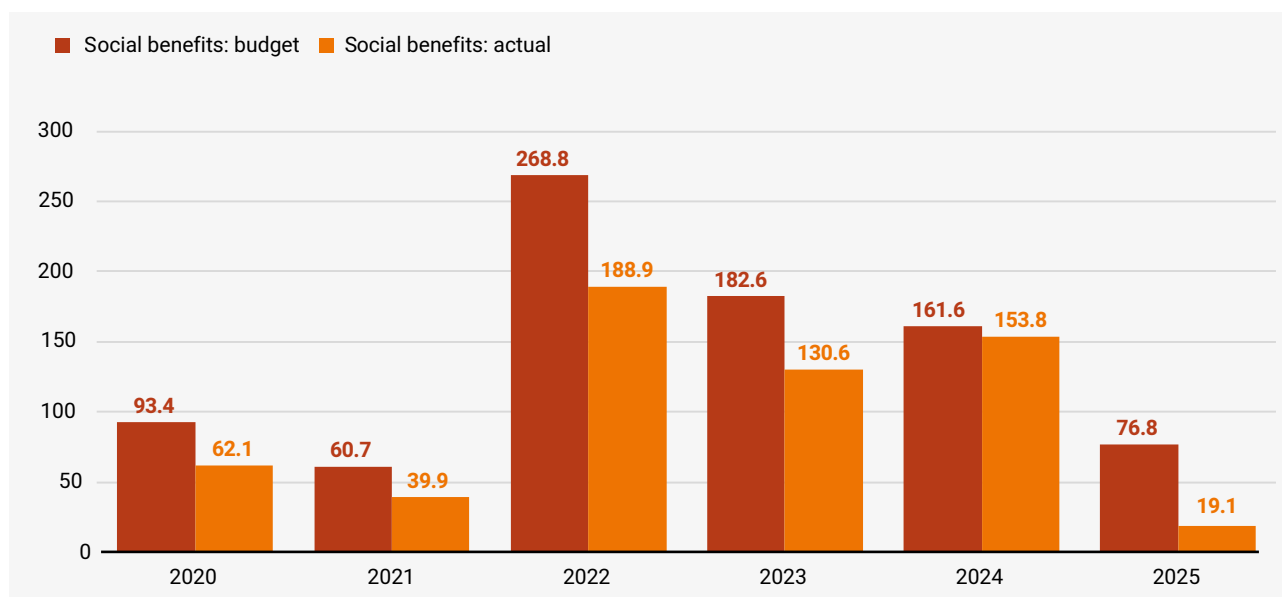
	2022 actual	2023 actual	2024 actual	2025 actual
Revenue and receipts	721.9	737.2	1040.3	1332.0
Domestic revenue	262.7	329.5	346.2	430.3
Taxes	181.7	224.6	241.4	295.3
Taxes on income, profit and capital gain	18.7	24.4	23.2	38.0
Taxes on property	-	-	-	-
Taxes on goods and services	25.8	38.6	46.6	56.1
Taxes on international trade and transactions	116.2	154.1	164.5	186.2
Other taxes	21.1	7.6	7.0	14.9
Other revenue	81.0	104.9	104.8	135.1
Donor revenue	459.2	407.7	694.6	903.0
Budget support	177.9	130.5	185.0	167.9
Project support	281.3	277.2	509.7	735.1

Sources: Ministry of Finance, 2025; 2026a.

3. Public expenditure on social protection

Government spending on social services increased from \$198 million in 2022 to \$219 million in 2024. In 2024, this represented 82.6% of the sector's annual budget, marking a 42.2% year-on-year increase compared with 2023. A significant portion of this spending was devoted

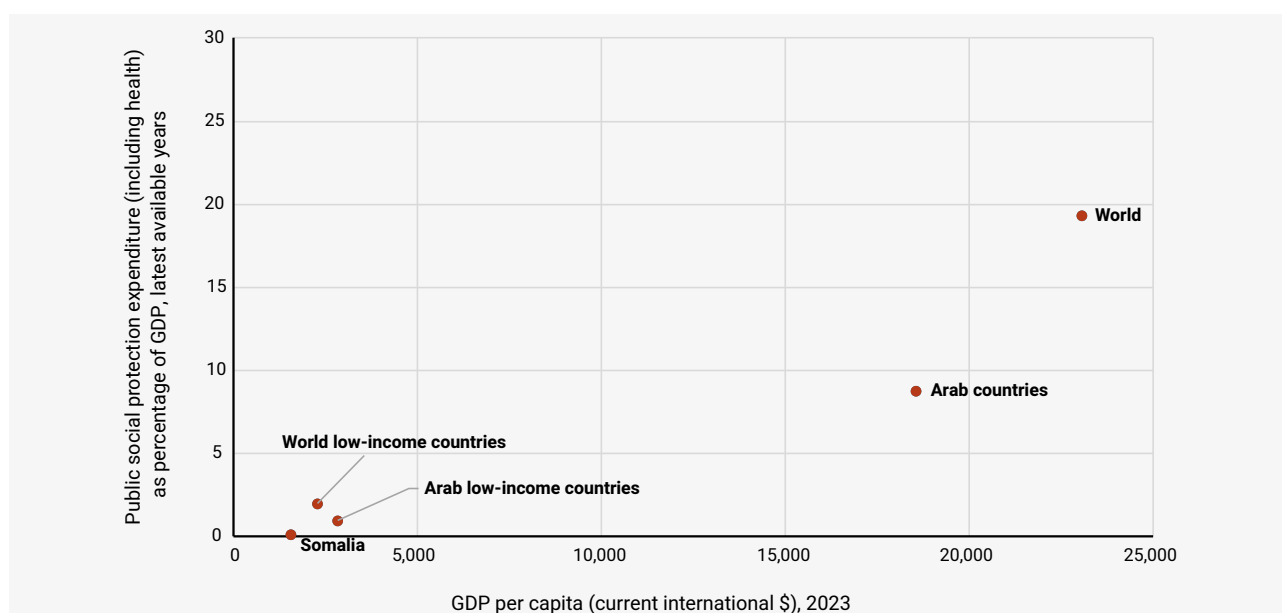
to social benefits, particularly cash transfers to vulnerable populations, managed predominantly by the Ministry of Labour and Social Affairs. However, all spending on social benefits reported in the budget derived from donor funding, with no domestic revenue allocated for this purpose.

Figure 7. Spending on social benefits: budget and actual (Millions of dollars)

Sources: Ministry of Finance, 2022; 2025; 2026a.

ILO data indicate that social protection spending in Somalia remains low compared with other countries. However, ILO uses data from 2019 which does not account for subsequent increases in the social services budget and does not include major donor-funded investments to

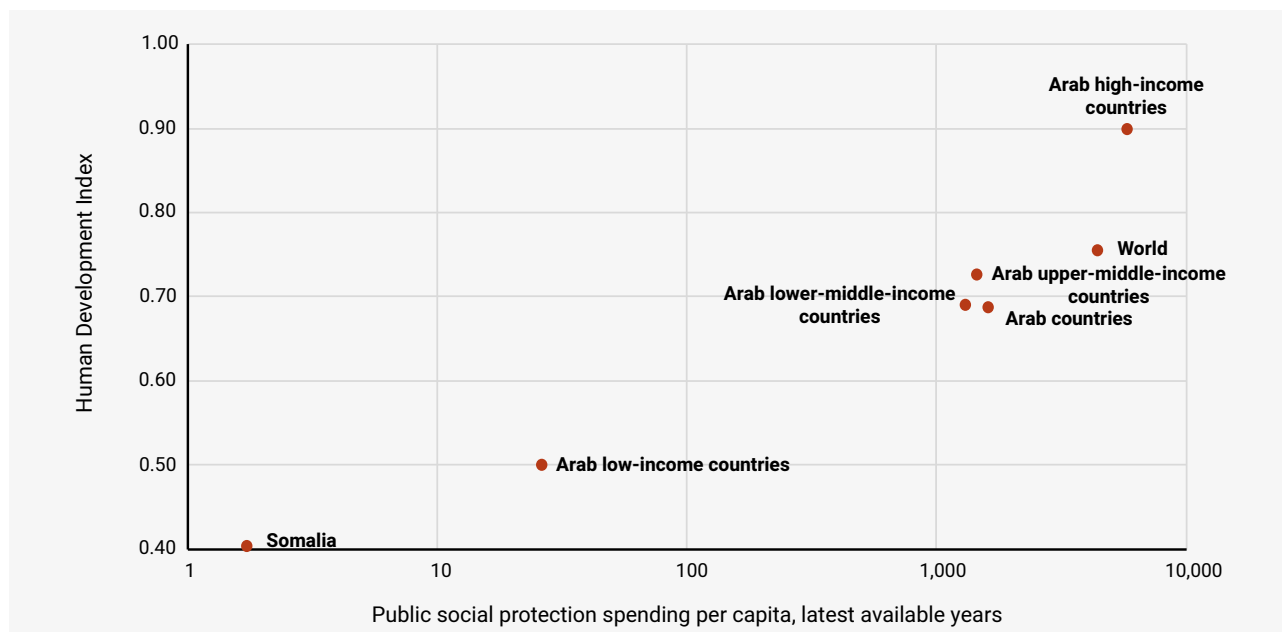
social protection, including *Baxnaano*, SAGAL and the Child-sensitive Social Protection Programme (CSSP). In 2024, actual spending on social services and on social benefits corresponded to around 1.8% and 1.4% of GDP, respectively.

Figure 8. Public social protection expenditure (including health) per capita versus GDP per capita (Current international dollars)

Source: Data on social protection expenditure retrieved from ILO, 2024. Data on GDP per capita retrieved from World Bank Group, 2026b.

Note: Data on social protection expenditure in Somalia is for 2019.

Figure 9. Human Development Index 2023 versus public expenditure per capita (Current international dollars)



Source: Human Development Index values retrieved from UNDP, 2026b. Public social protection spending per capita calculated by the authors using social protection expenditure data from ILO, 2024, GDP per capita data from World Bank, 2026b, and demographic data from DESA, 2024.

Note: The data on social protection expenditure in Somalia is for 2019.

F. Institutional structure

The Somali social protection system is gradually taking shape through the leadership of the Ministry of Labour and Social Affairs at federal and state levels, supported heavily by international partners. However, significant

institutional and capacity gaps persist, requiring strengthened coordination and clearer roles across Government, NGOs and humanitarian actors.

1. Roles and responsibilities of key actors

The Ministry of Labour and Social Affairs functions as the lead federal institution overseeing social protection policy, coordination and system development, in close collaboration with other key ministries, including those responsible for planning, humanitarian affairs and finance. Within the Ministry, specialized units and task forces operate under established terms of reference (ToRs) and standard operating procedures (SOPs). These mechanisms guide the implementation of cash-based

assistance and shock-responsive safety nets across FMS and district levels.⁴⁵ At the FMS and district levels, initiatives are in progress to build institutional platforms that align with the federal social protection framework, supporting programme implementation through development of social registers and a unified management information system (MIS).⁴⁶

The Ministry of Planning, Investment and Economic Development provides overall strategic

direction by anchoring social protection within national development plans, and coordinating alignment with broader poverty reduction and resilience frameworks.⁴⁷ Similarly, the Ministry of Finance plays a critical role in budgeting, public financial management, and engagement with development partners, particularly given the heavy reliance of social protection on external financing.⁴⁸ Humanitarian coordination bodies contribute to shock response and crisis coordination by leading national coordination mechanisms for humanitarian assistance and working with federal and state level partners to align emergency responses with broader system building efforts, including cash-assistance and social protection linkages.⁴⁹

Ongoing progress in strengthening institutional frameworks at both the federal and state levels provides a foundation for further building institutional capacity within the Ministry of Labour and Social Affairs. Of the Ministry's 140 employees, only 12 serve in the Social Affairs Department.⁵⁰ Given the Government's limited institutional capacity, the implementation of social protection programmes is largely undertaken in collaboration with international development partners and humanitarian actors.⁵¹ The Ministry is supported by structured units and procedures, including ToRs, SOPs and MIS development processes, while significant capacity gaps continue to constrain its ability to lead and deliver on these mandates.

A majority of respondents noted that a lack of capacity exists at all levels, namely individual, organization, coordination and systemic, highlighting a major barrier to effective implementation of social protection. They also pointed out that reliance on project-based staff rather than permanent civil servants, including in the project implementation units (PIUs), led to limited continuity, institutional memory and sustainability once projects ended or transitioned to new phases.

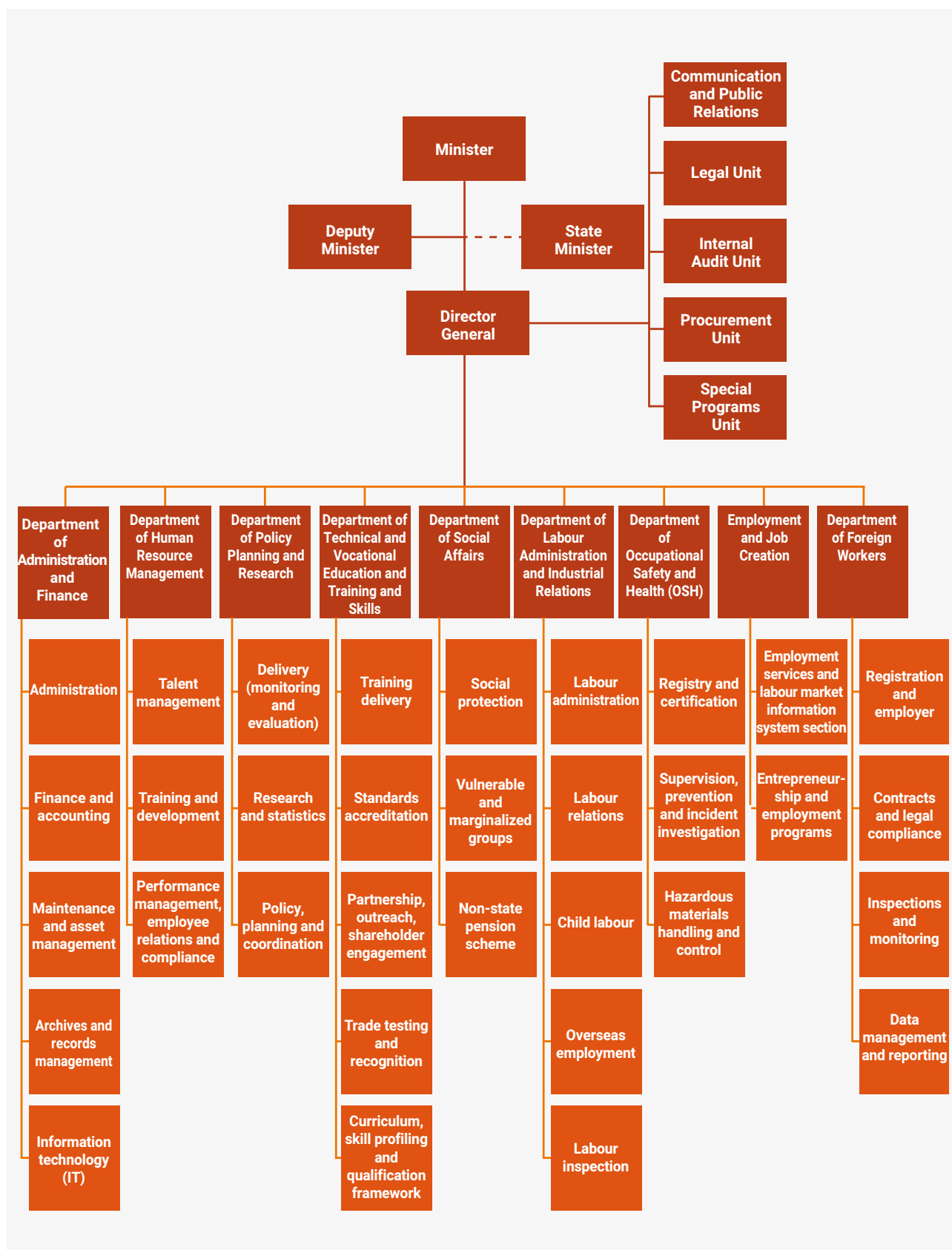
At the FMS level, the designation of social protection has advanced in Puntland, where it is a priority under the social services sector of the

strategic development plan, and falls under the mandate of the Ministry of Women Development and Family Affairs. This was further demonstrated by the establishment of the Puntland Agency for Social Welfare in 2009 to support the social care and social protection needs of orphans and vulnerable children.⁵² In Jubaland, the Ministry of Family and Human Rights Development has strengthened social protection initiatives.⁵³ UNICEF partners with the Ministry of Labour and Social Affairs, the Government, FMSs and the United Nations Joint Programme on Local Governance and Decentralized Service Delivery.⁵⁴

However, social protection policy development and system development continue to be centrally driven, which has contributed to tensions with FMSs, some of which perceive that they have limited opportunities to participate meaningfully in social protection policy and system development processes. As a government representative explained:

“The challenges largely stem from the fact that policies are mostly drafted by the Federal Government, with the federal member states invited to participate only at the approval stage. If a person or institution was not involved in the initial drafting process and did not have an opportunity to provide input, it can be difficult to secure their agreement, as they may not fully understand the objectives and intended outcomes of the policies.”

There reportedly continue to be gaps in the understanding and implementation of social protection programmes, including among staff members within the Ministry of Labour and Social Affairs, who have significant responsibilities in this area. This is partly a result of high government turnover, which means that trained officials are not retained and that there is limited institutional memory.⁵⁵

Figure 10. Organizational structure of the Ministry of Labour and Social Affairs

Source: Ministry of Labour and Social Affairs, 2025.

2. Coordination structures and implementation practices

The organizational landscape comprises various national and international actors. The Government has begun taking initial steps towards establishing a more coordinated approach.⁵⁶ WFP and UNICEF joined forces to support efforts by the Ministry of Labour and Social Affairs in *Baxnaano* phase 1, together laying the groundwork for a more coordinated and resilient social protection system.⁵⁷ *Baxnaano* implementation and delivery systems, such as digital payments and the development of USR, were strengthened through sustained technical assistance and policy dialogue facilitated by the World Bank, UNICEF and other partners.⁵⁸

A donor working group within the Ministry was established to enhance coordination and facilitate knowledge sharing among donors involved in social protection. Donors contributing to the Somalia Multi-partner Fund played a vital role in financing key activities that strengthen the social protection platform, including institutional development, operational support, system building, USR, delivery systems and policy dialogue.⁵⁹

The Government has formed a Social Protection Steering Committee chaired by the Office of the Prime Minister, which includes representatives from relevant ministries and FMSs. The committee provides oversight to advance the social protection policy, offers policy and institutional guidance, and ensures coordination and alignment across social protection programmes. Moreover, the Government-Development Partners Social Protection Working Group, led by the Ministry of Labour

and Social Affairs and co-chaired on a rotating basis by a donor representative, works to harmonize the Government's social protection agenda with donor-funded development and humanitarian activities.

As a result, *Baxnaano* has gained more visibility as the Government's flagship national cash transfer programme, with several development partners seeking to align their initiatives with *Baxnaano* design and delivery mechanisms.⁶⁰ For example, the Foreign, Commonwealth and Development Office channelled assistance to 30,000 flood affected households through *Baxnaano* targeting systems. This collaboration highlights the potential for further alignment between development and humanitarian efforts, using the social protection delivery systems that have been built.

Key informants provided mixed views on the effectiveness of coordination structures and implementation practices between the Government and FMSs. Several respondents noted that although the Government established policies and coordination frameworks, actual implementation depended heavily on FMS capacity and commitment. In many cases, limited staff, inadequate technical knowledge, and other constraints at the FMS level hindered effective coordination. Others, however, pointed to improving coordination practices, describing a gradual strengthening of communication and collaboration between the Government and FMSs, with more structured engagement and coordination.

3

Social protection programme mapping, design, implementation and organizational set-up



Key messages

- The Somali social protection landscape is dominated by non-contributory social assistance programmes, with *Baxnaano* as the flagship, complemented by SAGAL and CSSP. *Baxnaano* is the first government-led safety net in Somalia and marks a shift from humanitarian aid towards a State-anchored system. Initially focused on nutrition-linked unconditional cash transfers (UCTs) and shock response, *Baxnaano* has expanded in its second phase (BOOST-YOU, launched in 2025) to include human capital and economic inclusion interventions targeting youth employment, health, nutrition, education and skills development. SAGAL and CSSP operate alongside *Baxnaano* using categorical targeting, particularly supporting pregnant and lactating women and young children, and contribute to the gradual development of child-sensitive social protection systems.
- However, overall coverage remains limited. In 2022, only about 24% of the Somali population received any form of assistance, much of it humanitarian rather than formal social protection. *Baxnaano* phase 1 reached around 200,000 households through regular transfers and nearly 100,000 households through shock response (approximately 9% of the population), though regular payments were suspended in mid-2024 due to funding and implementation delays. Phase 2 targets approximately 123,000 households (around 5% of the population). SAGAL and CSSP together reach a smaller share of the population, with child-focused social protection coverage remaining below 10% nationally. Phase 2 focuses more on universal coverage in a smaller number of districts.
- Key challenges persist in inclusion, sustainability and system integration. Programmes have largely circumvented insecure and hard-to-reach areas, excluding some of the most vulnerable populations. Targeting approaches, particularly community-based methods, risk excluding marginalized and minority groups. While *Baxnaano* has invested heavily in national systems such as USR, tensions remain between federal and state levels over ownership and access, with current systems heavily centralized. All major programmes remain exclusively donor-funded, and limited domestic fiscal space raises concerns about long-term sustainability, underscoring the need for stronger national financing strategies and deeper integration and learning across programmes.

A. Social protection programmes: inventory, coverage, expenditure and integration

1. Inventory

Somalia hosts three main ongoing social protection initiatives, all non-contributory schemes aiming to provide social assistance to poor and vulnerable population segments. These operate in different locations and according to different targeting criteria. In addition, FAO has developed a concept for a productive safety net, alongside concepts for contributory social protection, including a pension scheme and social insurance scheme. However, these initiatives are not yet at an advanced stage.

(a) Non-contributory schemes

Baxnaano (meaning “uplifting” in Somali) is the country’s flagship social safety net programme, led by the Ministry of Labour and Social Affairs with support from WFP and UNICEF, and funded by the World Bank. Launched in 2019 under the Shock Responsive Safety Net for Human Capital Project (SNHCP), *Baxnaano* has the two-pronged objective of delivering regular and scalable nutrition-linked cash transfers to poor and vulnerable people while simultaneously strengthening national systems and institutions for long-term social protection.⁶¹ In addition to the *Baxnaano – Regular Window*, a shock responsive component, *Baxnaano – Shock Response*, was introduced in response to

the locust infestation under the World Bank-financed Shock Responsive Safety Net for Locust Response Project (SNLRP). This enabled *Baxnaano* to expand vertically and horizontally to strengthen the food security and livelihoods of locust-affected households (and later those affected by COVID-19 and floods) through a temporary \$40 top-up a month to existing *Baxnaano* regular beneficiaries, and a monthly flat benefit of \$60 to non-*Baxnaano* beneficiary households for up to six months.⁶²

The project notably focused on institutional development and capacity-building, mostly at the federal level, and included setting up USR to support poverty-based targeting and the development of delivery mechanisms. In December 2023, the SNHCP project initiated additional pilots to expand the programme, including a health and nutrition pilot involving conditional cash transfers, and a pilot skills development programme. A pilot on education is also planned. Due to funding shortfalls and a delay in the transition to full government implementation, the *Baxnaano* regular window has not delivered any cash transfers to people since June 2024. There is, however, an ongoing response through the shock responsive window.⁶³

Table 6. Four *Baxnaano* windows

<i>Baxnaano</i> window	Key focus
<i>Baxnaano – Regular</i>	Nutrition-linked UCTs to poor and vulnerable households, especially those with children under 5, to prevent negative coping strategies and support human capital.

Baxnaano – Shock	Temporary emergency cash transfers (ECTs) to households affected by crises, such as locust infestations, floods or COVID-19, to safeguard food security and livelihoods.
Baxnaano – Human capital	Co-responsibility cash transfers targeting uptake of health, nutrition and education services, especially for pregnant and lactating women and children under 2.
Baxnaano – Economic inclusion	Support for young people and women to access wage and self-employment opportunities, skill development and livelihood programmes, moving beneficiaries from protection to production.

Source: World Bank, 2025a.

A second phase of *Baxnaano*, introduced in May 2025, builds on phase 1 by expanding the programme's scope and introducing new interventions targeting youth employment, education, health, nutrition and skill development. This phase will be supported under the Building Opportunities and Outcomes in Social Protection and Youth Employment in Somalia (BOOST-YOU) programme, and builds on pilots conducted under SNHCP that tested the feasibility of co-responsibility cash transfers to promote the uptake of health, nutrition and education services and a new economic inclusion intervention.⁶⁴

It supports two new *Baxnaano* windows, namely the human capital window, seeking to strengthen human capital among poor and vulnerable beneficiaries through co-responsibility cash transfers; and the economic inclusion window, seeking to improve young people's access to labour market opportunities, using varied instruments tailored to specific entry barriers. Under component 3, it will notably support the expansion of USR through a nation-wide house-to-house survey using an updated version of the common registration form (CRF) to enhance accuracy and inclusivity for proxy means testing (PMT).⁶⁵

The SAGAL project, funded by the European Union Emergency Trust Fund for Africa, has similarly developed in two phases. SAGAL 1 was implemented from 2020–2024 by the Somalia Cash Consortium under the overall leadership

of the Ministry of Labour and Social Affairs. Additional implementing partners on the ground include Concern (lead agency), the Norwegian Refugee Council, the Danish Refugee Council and Save the Children International. SAGAL focuses on reducing poverty and improving the resilience of poor and marginalized people affected by climate and conflict-related shocks, in particular IDPs, returnees, host communities, women and girls, pregnant and lactating women, children under 2, young people (aged 15–21), persons with disabilities and older persons. The programme adopted a different approach from *Baxnaano* by providing cash-based social transfers using categorical targeting, complemented by efforts to strengthen delivery systems in collaboration with the Government.

SAGAL cash-based social transfers included two approaches, one focusing on human capital to improve nutrition and education, and a second on social capital to improve livelihoods and food security. Cash was not conditional on uptake of other services but rather included a “nudging approach”, which linked recipients to additional support structures and services, such as healthcare, through linkages with maternal and child health centres (MCHs) and nutrition, education, skills training and economic opportunities. Components included cash transfers, education support for young people, support for older persons and disability-inclusive livelihoods. The programme emphasized strengthening social cohesion and enhancing

resilience to shocks through predictable transfers, while protecting human and social capital.

SAGAL 2 (2024–2027) aims to build on the lessons learnt from SAGAL 1, particularly around avoidance of resource dispersal, ensuring higher coverage in fewer districts, and strengthening healthcare services and supporting social cohesion. It is a continuation of the previous two components of SAGAL 1, with less funding and coverage. The programme also integrates a shock-responsive mechanism for rapid scale-up during crises, such as droughts or floods, using an early warning system and pre-positioned funds. SAGAL 2 also emphasizes strengthening government systems for sustainable social protection implementation, aligning with NDP and SPP. Importantly, it strengthens district-level capacity by supporting one officer in each area where it operates.⁶⁶

CSSP is based on learning from SAGAL phase 1 and encompasses a similar design in terms of targeting approach and beneficiary selection. The project also aims to strengthen government institutions and systems at all levels to support child-sensitive social protection as part of its overall social protection institutional development. The aim of CSSP phase 1 (2023–2026) was to reduce the economic effects of drought and rising food prices on pregnant and lactating women and their families through the critical first 1,000 days of life through cash transfers and enhanced access to nutrition and health services. Having shown that MCHs were overwhelmed by the number of beneficiaries being referred to their services, SAGAL 1 enabled CSSP to integrate direct support to these facilities.⁶⁷

CSSP provides a regular cash transfer of \$20 a month, and a \$40 top-up to the regular social cash transfers for three months in times of shocks. The programme also provides various “cash plus” services focused on nutrition, health and protection, including birth registration and legal documentation, and information and

awareness raising. CSSP operates under the leadership of the Ministry of Labour and Social Affairs but provides off-budget support to CSSP via UNICEF as its main implementing partner and through the Somalia Cash Consortium for phase 1. UNICEF leverages existing social services in the selected districts and provides additional support to strengthen the delivery of essential health, nutrition and birth registration services. The aim is also to establish links with the *Baxnaano* project and capitalize on the decentralized institutional structures supported through other projects, such as the United Nations Joint Programme to support the building of cohesive social protection systems in Somalia.

In 2025, the programme expanded to a second phase (CSSP 2), which will last 32 months and now covers two additional and flood-prone districts. The project objectives remain the same though coverage is lower. The Cash Consortium is no longer part of the implementation in phase 2, but UNICEF remains the main implementing partner together with the Norwegian Refugee Council and the Danish Refugee Council.

Complementing child- and gender-focused initiatives, FAO piloted the Productive Safety Net Programme (PSNP) over the period 2020–2021, providing monthly cash transfers, livelihood inputs, savings groups and nutrition education to 2,140 vulnerable households to improve income and food security. On the back of this pilot, FAO conducted a feasibility study and produced technical guidelines for a productive safety net in conjunction with the Government. This included a programme for public works called the “Rural employment programme”, and they are currently working on a livelihood component of PSNP. Taken together, these elements are meant to lay the building blocks of a model for a nationally owned and implemented PSNP. However, so far funding has not been forthcoming for its implementation, so progress has stalled.⁶⁸

Table 7. Key characteristics of non-contributory social protection programmes

Social protection programmes	Baxnaano		SAGAL		CSSP	
	Phase I	Phase II	Phase I	Phase II	Phase I	Phase II
Timeframe	2019–2024	2025–2029	2020–2024	2024–2027	2023–2026	2025–2027
Donors	World Bank	World Bank	European Union	European Union	German Federal Ministry for Economic Cooperation and Development through the German development bank (KfW)	
Funding	\$533 million (\$418 million for SNHCP, \$115 million for SNLRP) through the Ministry of Finance	\$112 million on-budget through the Ministry of Finance	€27 million off-budget	€19 million off-budget	€30 million off-budget	€27 million off-budget
Implementing partners	WFP and UNICEF	Ministry of Labour and Social Affairs	Somalia Cash Consortium	Somalia Cash Consortium	UNICEF and Somalia Cash Consortium	UNICEF
Objectives	SNHCP: provide cash transfers to targeted poor and vulnerable households and establish the key building blocks of a national shock-responsive safety net system. SNLRP: protect food security and livelihoods of poor and vulnerable households affected by the locust outbreak.	BOOST-YOU: enhance economic opportunities and strengthen resilience of poor and vulnerable households.	- Improved resilience and poverty reduction of poor and marginalized households and communities. - Contribute to the implementation of the National Social Protection Policy by strengthening government capacity and enhancing social, economic and human capital among poor and extremely poor households.	- Contribute to improving the resilience of Somali communities to climate change, reducing inequalities, and improving health and nutrition outcomes in displacement-affected areas. - Improve the delivery of social transfers and basic services, and income-generating and livelihood opportunities, particularly for pregnant and lactating women and unemployed young people living in displacement-affected communities.	Reduce the economic effect of drought and rising food prices on pregnant and lactating women and children in their first 1,000 days of life through cash transfers and increased access to health and nutrition services.	

Social protection programmes	Baxnaano		SAGAL		CSSP	
	Phase I	Phase II	Phase I	Phase II	Phase I	Phase II
Timeframe	2019–2024	2025–2029	2020–2024	2024–2027	2023–2026	2025–2027
Coverage	220,000 households (regular transfers), 650,000 households (emergency transfers through SNHCP and SNLRP).	123,000 households in particularly climate-exposed areas, including 50,000 of the poorest households through UCTs under Baxnaano–Regular. 10,000 shock-affected poor and vulnerable households. 28,000 young people. 30,000 pregnant and lactating women with children under 2 years for co-responsibility cash transfers linked to health and nutrition. 5,000 children from the poorest and most climate-affected households.	44,221 households across 18 districts in 11 regions, with a particular focus on vulnerable populations, including women, pregnant and lactating women, children under 2, young people aged 15–21, poor and extremely poor households, older persons, IDPs, returnees, and host communities.	121,171 (directly targeting 17,100 households with pregnant and lactating women and children under 1 and 800 young people) households in four districts.	27,700 women and infants, and 138,500 indirect beneficiaries.	13,500 pregnant and lactating women and children under 1.
Geographical focus	Predominantly rural, 21 districts.	Predominantly rural in 21 districts, now expanding to urban areas. Under phase 2, a pilot youth employment initiative in Mogadishu and pilots on health and nutrition access in Daynile. An education pilot is also planned.	Predominantly urban and peri-urban, with four corridors: Juba River: Kismayo and Dolow; Shabelle Corridor: Afgooye to Beletweyne; Central North Corridor: Dushamareb to Bossaso; and Somaliland Corridor: Berbera-Burco-Hargeisa-Borama.	Sheikh/Burao (Somaliland), Qardho (Puntland), Caadado (Galmudug), and Hudur (Southwest State).	Dinsoor (SouthWest), Jariban (Puntland) Odweyne (Somaliland).	Baardheer district in Jubaland State and Jalalaqsi district in Hirshabelle State.

Social protection programmes	Baxnaano		SAGAL		CSSP	
	Phase I	Phase II	Phase I	Phase II	Phase I	Phase II
Timeframe	2019–2024	2025–2029	2020–2024	2024–2027	2023–2026	2025–2027
Targeting	Geographical and community-based targeting initially (poor with children under 5 prioritizing malnourishment, high dependency, female-headed households, persons with disabilities, or limited assets), later PMT based.	(1) District Distress Index selection; (2) PMT targeting through USR; (3) Categorical targeting through USR for nutrition, health and education pilots in urban areas.	Category-based targeting (pregnant and lactating women and children in the first 1,000 days of life, young people, older persons) complemented by community-based selection. Referral-based registration mechanism intended to improve access for women from minority clans, those outside main settlements, IDPs, and host community members. Some vulnerability-based targeting in districts where no universal targeting is possible due to budget constraints.		Multi-pronged approach includes direct cash transfers, “cash plus” services, and broader interventions like birth registration and health support.	
Delivery mechanisms	Mobile money	Mobile money	Mobile money	Mobile money	Mobile money	
Shock responsive mechanism	Yes	Yes	Yes	N/A	Yes	
System strengthening	Predominantly at the federal level.	Predominantly at the federal level.	Federal, state and district governments.	Federal level but increasing focus on state and district level.	Strengthening the capacity of the Government at all levels, including federal, state and district levels (especially phase 2).	

Source: Compiled by authors.

(b) Contributory schemes

In addition to non-contributory schemes, the Government has expressed interest in instituting a pension scheme for civil servants and universal health coverage. However, due to fiscal constraints, the implementation of universal health coverage has currently been postponed.

Regarding the pension scheme, a new Civil Service Pension and Gratuity Act was enacted. The drafting of the Act and the ensuing analysis were supported by the World Bank. The pension will benefit only civil servants and will be a pay-as-you-go financed, defined benefit scheme.

The scheme will cover old age, disability and survivor benefits. The contribution rate is stipulated at 10%, equally shared by employees and the Government.⁶⁹ The Act has the following three overall objectives:⁷⁰

- Enable the Government to mandate the retirement of federal government civil servants over age 65 and replace them with younger, more productive employees.

- Provide for consumption smoothing at retirement for civil servants.
- Act as an instrument of State-building by ensuring civil servants' lasting commitment to the rule of law and the effective operation of the Government.

Despite the enactment of the Act, implementation of this scheme has not yet begun.

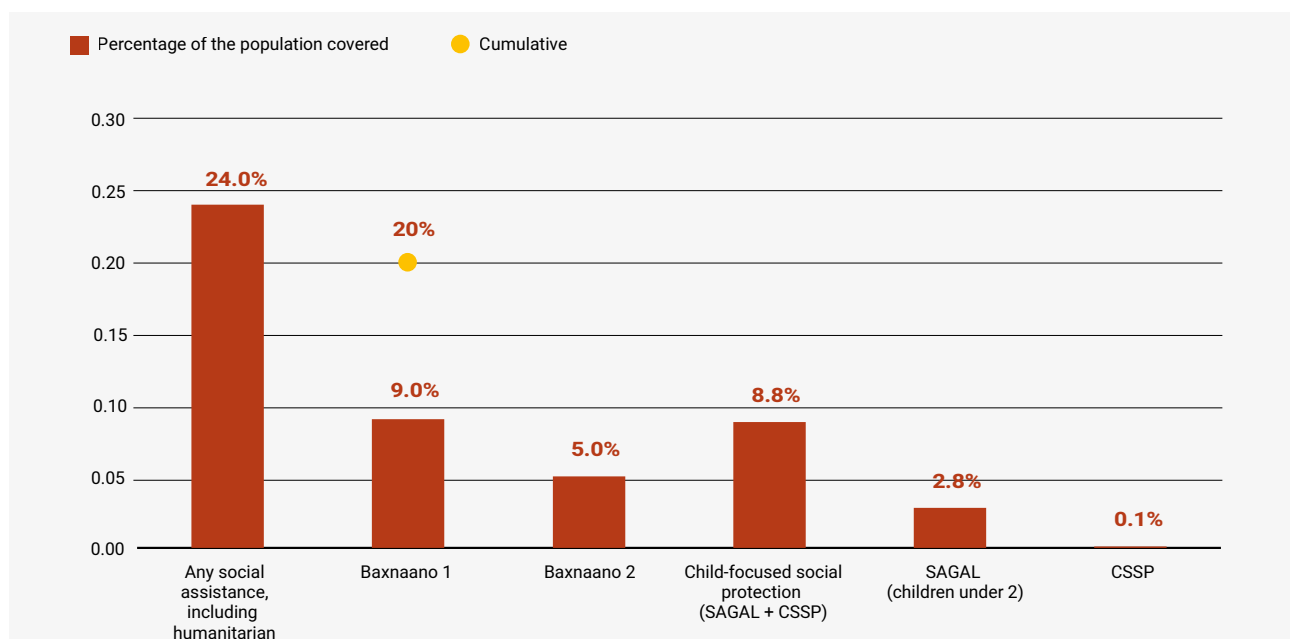
2. Coverage

In 2022, an estimated 24% of the Somali population were receiving some form of social assistance, but much of this was humanitarian.⁷¹ In 2022, *Baxnaano* covered only 9% of the population. However, through additional financing windows, it had reached around 20% of the population by the end of 2025 through a combination of regular and shock-responsive cash transfers delivered through its two programmes, SNHCP and SNLRP.⁷² Nevertheless, these are not necessarily regular transfers to all beneficiaries, but include short duration, shock-responsive transfers.

Baxnaano, CSSP and SAGAL initially opted to implement activities in relatively stable areas. While this is understandable considering security risks to staff and the importance of initial systems building, it does exclude many of the most vulnerable populations.^{73,74}

While social protection for children has been increasing, it remains relatively low at 8.81%.⁷⁵ SAGAL 1 initially targeted 44,221 households, or 265,326 individuals, across 18 districts in 11 regions, in particular vulnerable populations

Figure 11. Population coverage by type of social protection



Source: Save the Children, n.d.; World Bank Group, 2022a; World Bank, 2025b.

including women, pregnant and lactating women, children under 2, young people (aged 15–21), poor and extremely poor households, older persons, IDPs, returnees and host communities. Emphasis is also on households that are female headed or include persons with disabilities. SAGAL focuses on urban and peri-urban areas, along the four corridors where the project is being implemented: Juba River: Kismayo and Dolow; Shabelle Corridor: Afgooye to Beletweyne; Central North Corridor: Dushamareb to Bossaso; and Somaliland Corridor: Berbera-Burco-Hargeisa-Boroma. Locations were selected to maximize synergies with existing programmes, and to prioritize districts with high levels of poverty and vulnerability. Selection criteria included limited or non-functional informal market economies, food insecurity and malnutrition at Integrated Phase Classification (IPC) Crisis levels or worse, high levels of youth transnational migration, exposure to cyclical shocks, and the presence of crisis epicentres, such as areas affected by droughts and floods.

SAGAL also prioritized districts with high levels of IDPs, returnees and marginalized populations. SAGAL 2 prioritizes 4 out of the initial 18 districts, reflecting decreased funding and a desire to cover the target population more universally but in less districts. The districts are in

Somaliland, Puntland, Galmudug and Southwest. Across its three components, it targets 121,171 households, or 726,265 individuals, including 17,100 households with pregnant and lactating women and children under 1 and 800 young people directly. In terms of children covered by social protection, SAGAL currently covers 2.8% of children under 2.⁷⁶

In its first phase, CSSP targeted 27,700 women and infants and 138,500 indirect beneficiaries, reaching only 0.08% of the target population of children under 2.⁷⁷ The initial phase of the project covered three districts, Dinsoor in Southwest state, Jariban in Puntland and Odweyne in Somaliland.⁷⁸ The rationale for this approach was to ensure as universal a coverage of pregnant and lactating women as possible within the targeted geographical areas, so as to reduce the chance of marginalization and exclusion.⁷⁹

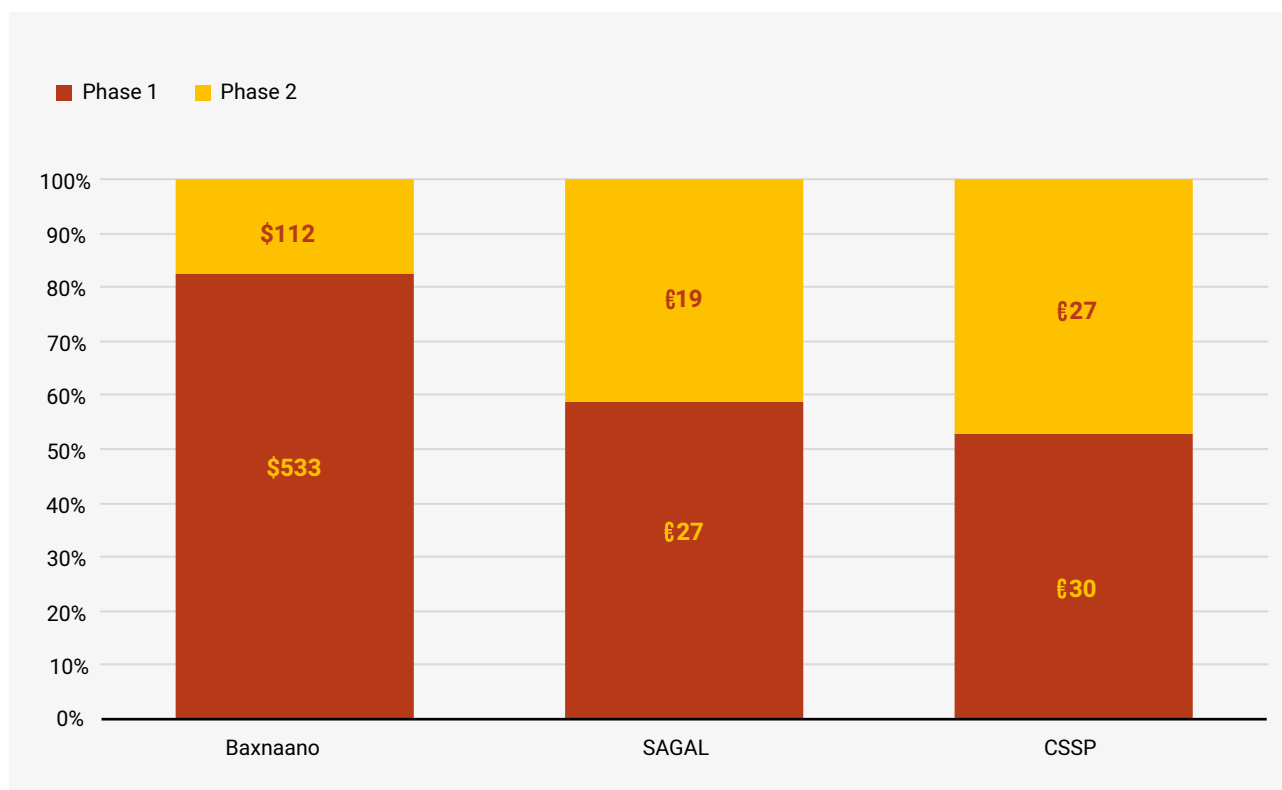
In 2025, the programme expanded into a second phase, and now covers two additional flood-prone districts, namely Baardheer district in Jubaland state and Jalalaqsi district in Hirshabelle state. The project objectives remain the same though coverage is lower, with an estimated 13,500 pregnant and lactating women with children under 1 to be reached, and an estimated 67,500 household members as indirect beneficiaries.⁸⁰

3. Expenditure

As noted in chapter 2, government spending on social services and social protection has increased between 2023 and 2024, with significant donor-funded programmes such as *Baxnaano* and SAGAL supporting vulnerable populations. Changes in the international funding landscape mean that donor support for social protection is declining – not year on year as reflected in the budget, but in terms of overall money available for the different project phases. While the World Bank allocated \$533 million of funding for phase 1 of *Baxnaano* (2019–2024) through SNHCP and SNLRP, funding for the new phase 2 (2025–2029) under the BOOST YOU project is only \$112 million.

Similarly, the European Union funded SAGAL 1 with €27 million in phase 1; however, for phase 2 only €19 million are available. Similarly, CSSP 1 had a budget allocation of €30 million from *Kreditanstalt für Wiederaufbau* (KfW) whereas the second phase of CSSP only has €27 million.

Due to a tighter funding environment, it is currently unclear whether donors will have funding available for social protection beyond what is already committed. Key informants highlighted that it was highly likely there would be much less or no further funding available once the current funding cycles end.

Figure 12. Funding per social protection programme (Millions)

Sources: Al-Ahmadi and Zampaglione, 2022; Project proposal submitted by UNICEF to the German Development Bank, consulted by the authors; SAGAL 2 grant contract, consulted by the authors; Save the Children, 2024; UNICEF, 2023; World Bank, 2025a; 2026.

4. Integration

(a) Integration between programmes

Integration between the three social protection programmes has proven challenging due to differing donor priorities, varying approaches to targeting, and coordination constraints. As donor funding and IDA allocations become more limited, sustaining parallel approaches is likely to become increasingly difficult.

Within the Ministry of Labour and Social Affairs, each social protection programme is managed through a dedicated PIU embedded within the Ministry's organizational structure and comprising programme-specific staff. Each PIU coordinator reports directly to the Director-General, who is the focal person for all social protection programmes within the

Ministry. Key informants noted that coordination and knowledge exchange within the Ministry and across programmes could be further strengthened, including through greater sharing of lessons learned. Similarly, the existence of separate PIUs means that capacity development initiatives are not always systematically shared across programmes, potentially limiting opportunities for institutional learning.

Key informants further noted that there had initially been an expectation that SAGAL and CSSP would gradually become more closely integrated with government systems, potentially as complementary programme windows under *Baxnaano*. However, differences in donor priorities and programme design limited progress towards greater harmonization.

According to key informants, differences in donor preferences regarding targeting approaches, particularly the World Bank's emphasis on PMT and the European Union and KfW preference for categorical targeting, limited the development of a shared understanding of how different methodologies could be combined within a common targeting framework. These differing perspectives also made it more difficult to establish a unified approach and closer collaboration across programmes.

Baxnaano under its phase 2 is now conducting a pilot on targeting pregnant and lactating women and children under 2 with linkages to health and nutrition, and an education pilot using categorical targeting based on USR and its PMT methodology. This arguably represents a missed opportunity to integrate and learn from aspects of SAGAL and CSSP under *Baxnaano*, and strengthen coordination and collaboration across all three existing social protection programmes.

Staff hiring processes also hinder the development of a more integrated structure. Most PIUs do not include Ministry staff, but rather consultants hired directly by individual programmes. In some cases, donor restrictions prevent programmes from supporting the Ministry to hire staff directly; instead, staff must be hired through an NGO and then seconded to the Ministry.

There is some convergence between programmes in that all programmes have now committed to using the USR and the Social Protection Delivery System (SPDS). SAGAL committed to using USR for its phase 2 as did CSSP for its phase 2. All programmes want to use the SPDS system eventually, but its limited operationalization has so far hindered this. Programmes also coordinate to the extent that they target different districts, helping to avoid overlap in coverage.

(b) Integration between the Government, FMSs and districts

Limited vertical integration of social protection systems between the Government, FMSs

and lower administrative levels is another key feature of the Somali social protection system. The World Bank's approach throughout *Baxnaano* 1 has been to focus on building centralized systems and capacities, at the expense of FMS and district level capacity. SAGAL and CSSP integrated decentralized capacity-building elements, with SAGAL 1 allocating resources to build implementation capacity at the state and district levels, and SAGAL 2 allocating more resources to the district level. SAGAL 2 is also supporting a social protection officer in each district that the programme works in, building their capacity for monitoring and joint implementation at the district level.

In Somaliland, the existing UNICEF relationship with the Somaliland authorities was leveraged to work more closely with local government actors on strengthening the social protection system at the local level, including the development of policies and institutional capacity, and the delivery of social protection and other cash transfer programmes.⁸¹

Political dynamics between the Government and FMSs also affect the level of coordination and integration of social protection programmes. Representatives from Puntland and Jubaland have not participated in meetings and activities held in Mogadishu, which has led to coordination challenges. In contrast, Somaliland, according to key informants, expressed a preference to maintain separate social protection systems and a separate USR that can be linked to the Somali USR. During *Baxnaano* phase 1, data collection reportedly did not proceed in Puntland and Somaliland as originally planned, with the affected districts subsequently reallocated to the Banadir region. In phase 2, some FMSs have continued to express concerns that the system is highly centralized, including perceptions of limited access to USR despite their intended role in programme implementation and monitoring.⁸²

(c) Unified Social Registry

USR is a comprehensive digital database designed to enhance the country's social protection system developed under *Baxnaano* 1. It consists of a centralized repository of socioeconomic data on poor and vulnerable households and was originally set up to improve targeting efforts. In principle, USR can be accessed by government, humanitarian, development and other agencies across the nexus to underpin their targeting efforts according to their individual criteria. The Somali Government passed a data protection law which made it possible for UNICEF to develop protocols for social protection data sharing in line with General Data Protection Regulation practices. USR data are currently collected through CRF, which focuses on social and economic characteristics of households and has an inbuilt informed consent element where households agree to data being shared and transferred to the Government.⁸³

A recent ministerial decree stipulated that USR is no longer institutionally under the *Baxnaano* programme but is now a standalone system with a department of its own. This means it no longer falls under any specific programme but is recognized institutionally as a government system that can support or receive data from any programme. Key informants highlighted that as a key achievement and a positive step for a more coordinated approach among the different social protection programmes. There are reportedly plans for a similar future move with SPDS.⁸⁴

Up to 534,000 households from 21 districts across Somalia are registered in USR at the time of writing. Some of these were still registered through community-based participatory targeting (CBPT) under *Baxnaano* phase 1, while other registrations have been updated using CRF. SAGAL and CSSP have also committed to using USR in phase 2 of their programmes, including CRF for data collection and feeding data into USR.⁸⁵ While CRF captures some basic data on displacement

status and duration, it does not include dynamic or short-term shocks and vulnerabilities often experienced by the highly mobile displaced population.⁸⁶ Some humanitarian organizations have started to link to USR and feed data into it, once concerns around informed consent for beneficiaries were resolved.⁸⁷

However, significant concerns remain about the data quality underpinning USR, in particular regarding important inclusion and exclusion errors. The data collected by WFP through sub-contractors using CBPT is widely seen by key informants as being of low quality. This is reportedly also because data collection was outsourced to other organizations and, in many areas, was not done house-to-house but relied on meetings with village leaders or other persons who act as gatekeepers, filtering information and excluding marginalized or less powerful individuals.⁸⁸

Such concerns are also substantiated by an evaluation of *Baxnaano* phase 1, which found significant problems around targeting and elite capture in its CBPT approach. The evaluation found that among SNHCP beneficiaries, 62% came from the poorest two quintiles of the population, while 37% belonged to the top three quintiles (inclusion error). Given the programme's modest overall coverage and targeting challenges, SNHCP succeeded in reaching just 24% of households in the poorest two quintiles, while 76% were excluded, highlighting significant gaps in coverage among the most vulnerable. SNHCP reached just 12% of households in the top three quintiles, showing some inclusion errors but overall confirming that the programme largely benefited poorer households.⁸⁹

There are also concerns about the geographical targeting, which is the first layer of targeting that is currently applied before PMT or the categorical targeting approach. While all programmes adopted the district fragility index tool⁹⁰ (now the District Distress Index in their respective second phases) that was developed by *Baxnaano*, it is unclear whether this sufficiently addresses

political economy concerns and undue influencing of targeting locations.⁹¹

To address some of these concerns around data quality, data collection for USR is set to be expanded through a nation-wide house-to-house data collection survey for socioeconomic information that will be linked to biometric data. The survey will be financed with \$30.5 million under the *Baxnaano* phase 2 BOOST-YOU programme, and is likely to collect information on 2 million accessible households (approximately 12 million individuals) across Somalia. Registration is then meant to enable targeting of poor and vulnerable households employing welfare scores and PMT. Geospatial analysis and house-to-house surveys are intended to support as inclusive a targeting process as possible and help guard against the risk of exclusion.⁹²

However, questions remain around the sustainability and cost of keeping the registry up to date. To minimize costs and reduce the need for expensive nation-wide surveys, the World Bank is currently designing a dynamic update mechanism. This could reportedly include an on-demand registration mechanism that can be integrated within government systems. This system will be tested and designed under BOOST YOU and is expected to necessitate some field-level presence of staff to manage updates and communication.⁹³ However, significant questions remain about how such an on-demand system would work in Somalia. Key informants highlighted serious concerns around feasibility and exclusion risks, particularly for minority and marginalized populations, who may be less likely to seek inclusion because they often lack information about available programmes or benefits and face various structural barriers to inclusion.

USR coverage may also be influenced by broader institutional and political dynamics. Ongoing discussions between the Government and FMSs may affect participation in the planned nationwide household survey. According to key informants, Puntland and Jubaland have

expressed reservations about participating in the survey, while Somaliland continues to advocate for a separate registry and social protection system. Key informants further suggested that these concerns were partly linked to perceptions among some FMSs that they have had limited involvement in the design and implementation of the social protection system, which has to date been coordinated primarily at the federal level with support from the World Bank. Some areas of Somalia, in particular south-central rural areas, are currently less accessible or inaccessible due to insecurity, including Al-Shabaab presence. Data collection for the survey, while planned to include the whole country, will initially not take place in some of those areas, meaning that some population groups, including those that are highly vulnerable, will remain excluded from the registry, at least initially. With an allocation of \$9.5 million, the World Bank has supported the development of a separate USR for Somaliland that can be linked to the Somali USR under its new BOOST-YOU programme.⁹⁴

Another challenge associated with USR and PMT-based targeting approach is that limited understanding of the targeting methodology may contribute to community tensions. Other studies have found that research participants in Somalia raised concerns about programmes that were designed behind closed doors and were difficult to understand.⁹⁵ Key informants in Somalia, and the SAGAL targeting evaluation, have suggested that categorical targeting is often better understood in Somalia, as there is broader agreement that pregnant and lactating women, persons with disabilities, or households with young children are more vulnerable than others.⁹⁶

(d) Social Protection Delivery System

SPDS was designed under *Baxnaano*. It aims to strengthen the broader social protection infrastructure by supporting beneficiary identification, eligibility verification, enrolment, payment delivery, monitoring and grievance redress across social protection programmes. SPDS replaces

USR and supports the delivery of payments to beneficiaries through mobile payment systems. Under *Baxnaano* phase 1, UNICEF assisted the Ministry of Labour and Social Affairs in developing operational manuals for USR and the national cash transfer programme, including operational guidelines for MIS and data protection.⁹⁷

According to key informants, MIS is also intended to link to the SAGAL and CSSP delivery systems by mapping available services and facilitating referrals to services within a given district. For example, for SAGAL, whose main objective is to link women and children to hospitals or MCH centres to receive medical, nutrition and other support, MIS is intended to show the types of services available at each MCH centre in a given district.

However, at the time of writing, SPDS was still being piloted and was processing the first batch of cash transfers under *Baxnaano* phase 2. As such, it was not yet ready for use by the different programmes, even though SAGAL and CSSP had committed to using the system.

Including digital systems throughout all stages of the delivery chain and using mobile phone transfers rather than earlier banking-based models were key advancements that have strengthened the mobility and portability of social protection assistance.⁹⁸ The Government is also updating MIS to include biometric data, and WFP will pilot the collection of all 10 fingerprints, although there is a need for further policy guidance from the Government on how to store and capture biometric data, including for minors, and to guard against potential data protection risks.⁹⁹

B. Design of *Baxnaano*

The present section examines the key design features of *Baxnaano*, the country's flagship social protection programme.

Baxnaano

(a) Design

Overall, the first phase of *Baxnaano* had three interlinked components:¹⁰⁰

- Providing nutrition-linked UCTs of \$20 a month per beneficiary household for a three-year cycle.
- Supporting the development of key social protection targeting and delivery systems, including USR and SPDS.
- Providing institutional capacity-building to relevant government institutions to manage and implement *Baxnaano*.

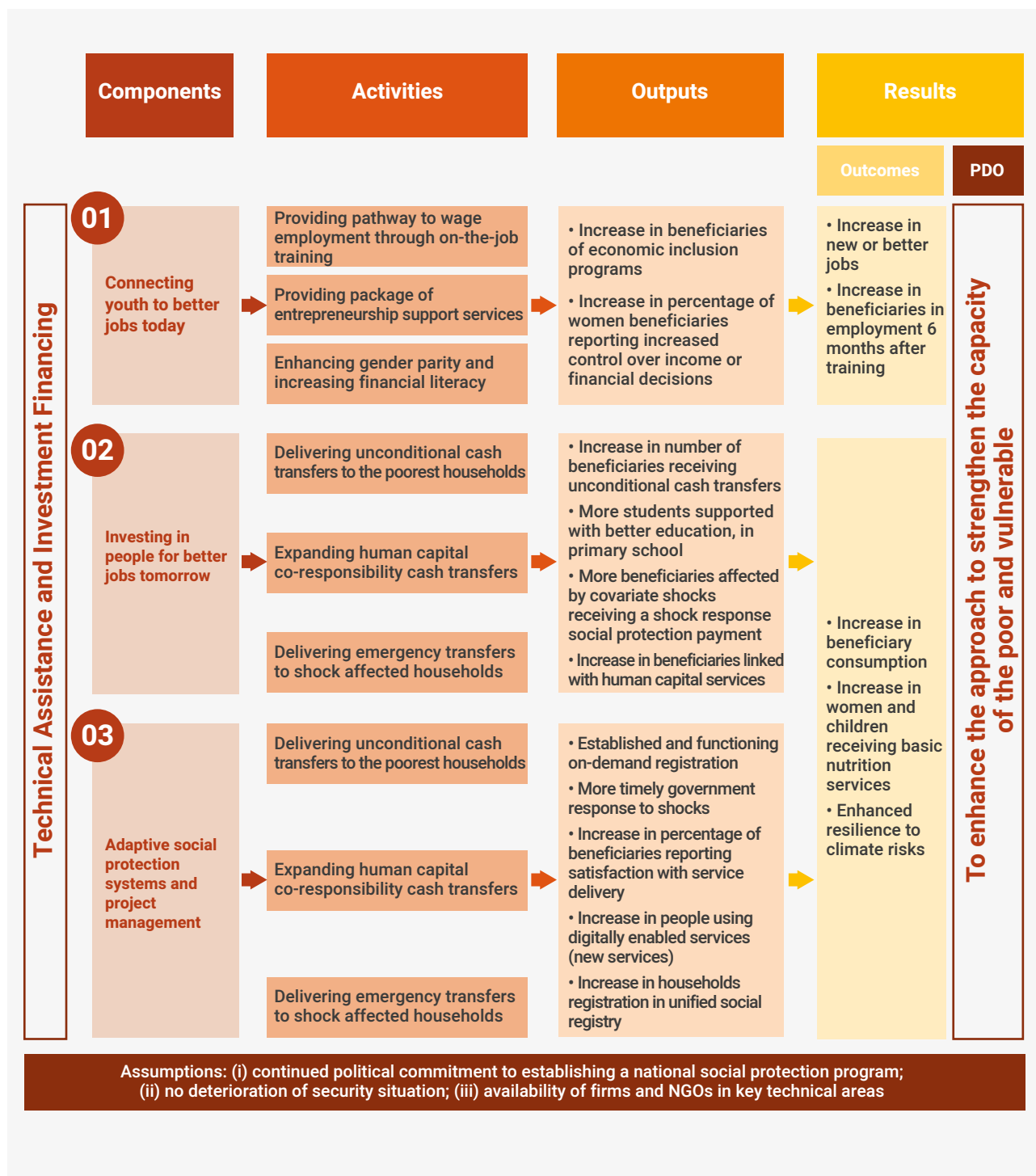
Phase 2 of *Baxnaano* has the following three components:¹⁰¹

- Connecting young people and women to better jobs today, which involves supporting 17,500 young people, particularly women with access to wage and self-employment, to directly support job creation.
- Investing in people for better jobs tomorrow, under which support continues to be provided to chronically poor households to promote human capital development and resilience, while also incorporating shock-responsive elements. In addition, this component introduces human capital co-responsibility cash transfers for health and nutrition, and a pilot education programme targeting pregnant and lactating women and households with children under 2.

- Adaptive social protection systems and project management, under which continued support will be provided for institutional strengthening and capacity development of the Government's Somalia

Social Protection Programme. This includes support for legal reforms and the continued strengthening of the social registry and social protection delivery systems, including in Somaliland.¹⁰²

Figure 13. Theory of change of Baxnaano Phase 2: BOOST-YOU



(i) Eligibility criteria and targeting

Baxnaano originally relied on a combination of geographical targeting and CBPT for beneficiary selection during its initial phase. Over time, the programme began incorporating PMT methods to complement and replace the more subjective aspects of community-based targeting. This shift aimed to enhance targeting accuracy and objectivity by using welfare ranking models and household data to reduce inclusion and exclusion errors. However, applying a PMT methodology in fragile contexts such as Somalia, where a large proportion of the population lives below the poverty line, presents significant challenges, particularly in terms of community acceptance and understanding.

For *Baxnaano* Phase 1, within each state, districts were selected based on a distress index, with food insecurity, as measured by the IPC classification, and child malnutrition¹⁰³ serving as key variables. The selection of rural districts was then adjusted by security considerations and local delivery capacity. A key criterion for prioritizing communities within selected districts is the presence of NGO implementing partners with adequate capacity and outreach, and the availability of nutrition services.^{104,105}

Baxnaano – Regular: Using the existing SCOPE database, WFP produced lists of households with women and children under 5 corresponding to the selected communities. The list of households in each community was obtained from community-based targeting (CBT) exercises conducted by WFP. All the households in the SCOPE database who met the project eligibility criteria were eligible for nutrition-linked cash transfers under component 1. Attention to disability and clan representation from across the community is factored in, particularly in community-based committees.¹⁰⁶

Women are the primary beneficiaries in *Baxnaano* (and in SAGAL and CSSP) in an effort to actively promote gender equality and reduce gender barriers.

Baxnaano – Shock: The targeting approach was adjusted to account for the impact of the locust crisis on household livelihood. Geographical targeting was based on data from FAO on locust-affected rural districts, complemented with data from WFP on where a significant gap existed in the coverage of humanitarian support. At the household level, SNLRP also used CBT to identify beneficiaries, guided by predetermined eligibility criteria related to households' dependence on agriculture and livestock for their livelihoods and the impact of locust infestations, alongside additional exclusion criteria.¹⁰⁷

For *Baxnaano* Phase 2, district selection is guided by the District Distress Index, which ranks districts based on three key factors:

- District level poverty rates.
- Absolute number of poor within a district.
- Frequency of food insecurity crises or emergencies since 2012.

The District Distress Index combines measures of chronic poverty with indicators of repeated exposure to climate-related shocks, enabling the programme to prioritize districts where persistent climate hazards intersect with high levels of poverty and fragility. The beneficiary selection process combines geographical targeting and proxy means testing using USR, alongside categorical targeting for the new pilots. USR is used to identify and reach the poorest and most vulnerable households.¹⁰⁸

While *Baxnaano* phase 1 was deliberately designed to focus on rural areas, the expansion of phase 2 includes pilots and support to additional social protection windows that will be carried out in urban and rural areas. This follows additional diagnostic work of the World Bank carried out in 2025 and a recognition of the scale of poverty in urban areas owing to a significant increase in displacement to urban areas, following repeated cyclical shocks in Somalia.¹⁰⁹ Originally, *Baxnaano* did not deliberately target displaced populations, given its rural focus,

but IDPs present in its project locations were included by default. More displaced populations will likely be included in the new pilots under the BOOST-YOU programme given their urban focus.

Nevertheless, the limited inclusion of displaced populations, including in the existing data of USR, remains a key concern given the significant scale of internal displacement within Somalia and the fact that many live in extremely precarious conditions in peri-urban and urban areas.¹¹⁰ Similarly, given the country's complex political economy, the community-based methodology on which much of the targeting data for *Baxnaano* phase 1 was based likely led to some exclusion errors, despite particular focus on representing minority and marginalized groups on the targeting committees.

(ii) Coverage and expenditure

During the first phase, *Baxnaano* covered 200,000 households, or over 1 million individuals, who benefitted from nutrition-linked UCTs from *Baxnaano* – Regular. Women accounted for 100% of *Baxnaano* – Regular UCT direct recipients, nearly 40% of whom accessed SIM cards for the first time, thereby supporting the financial inclusion of poor women in Somalia.¹¹¹ For UCTs, a new cohort was meant to be brought in; however, due to fiscal limitations, only 50,000 new households were enrolled. Nonetheless, owing to delays in the transition to full government implementation, these have not received regular UCTs since May 2024. Back payments are planned to those households, once UCT delivery restarts.¹¹²

Under the *Baxnaano* – Shock component (a combination of beneficiaries from SNHCP and SNLRP), nearly 650,000 households, approximately 3,900,000 individuals, received livelihood protection through monthly ECTs in response to the locust crisis, COVID-19 and other shocks. These beneficiaries include the same beneficiaries who also received regular UCTs and additional ones, as the shock responsive component was designed to build on regular

transfers. *Baxnaano* aimed to cover 21 districts across all FMSs and Somaliland, with an equal number of districts in each of the target states according to geographic vulnerability and stress indexes.¹¹³

Phase 2 of *Baxnaano* targets about 123,000 households in particularly climate-exposed areas, which is equivalent to roughly 738,000 individual beneficiaries and just under 5% of the population of Somalia and 8% of the poor.¹¹⁴ This includes 50,000 of the poorest households for UCTs under *Baxnaano* – Regular, and 10,000 shock affected poor and vulnerable households who will receive ECTs. In addition, 28,000 young people (at least 60% female) from the poorest 40% of households will benefit from economic inclusion activities and 30,000 pregnant and lactating women with children under 2 will be targeted with co-responsibility cash transfers (CCTs) linked to health and nutrition, and 5,000 children from the poorest and most climate-affected households will be supported with school enrolment and attendance.¹¹⁵ These additional elements are carried out under the *Baxnaano* phase 2 new windows, namely *Baxnaano* – Human Capital and *Baxnaano* – Economic inclusion. At the time of writing, pilots are being carried out in Daynile and Garasbaaley districts of Banadir for the health and nutrition CCTs. In September 2025, 11,402 pregnant and lactating women were enrolled receiving \$30 in quarterly payments, with a scale-up planned to reach additional households.¹¹⁶

(iii) Benefits and services

For *Baxnaano* regular: UCTs of \$20 a month per beneficiary household for a three-year cycle.

For shock-responsive component under SNLRP: a temporary \$40 top-up a month to existing *Baxnaano* – Regular beneficiaries and a monthly flat benefit of \$60 were extended to non-*Baxnaano* beneficiary households for up to 6 months. Benefits have not been adjusted and remain the same since 2019.

The Health and Nutrition Co-responsibility Cash Transfers will be provided through facilitation centres, established at existing health facilities where beneficiaries can access basic health services, receive cash, and update their information in USR. This component provides integrated social protection combining cash transfers with human capital development, climate resilience and future job readiness to support poor and vulnerable households.¹¹⁷

(iv) Incentives and conditionalities

The Education Co-responsibility Cash Transfer (ECCT) pilot aims at improving educational outcomes of children aged 4–12 years, specifically those from the bottom 20% of the poorest and most vulnerable households identified through USR. ECCT will use the social registry number of beneficiaries, verification of school admission slips and periodic attendance verifications.¹¹⁸

(v) Exit rules

The economic inclusion component of BOOST-You is designed to improve employment and income-generation outcomes to strengthen resilience, particularly among vulnerable young people and women. It forms part of a broader, multi-pronged strategy encompassing skills development, financial inclusion and climate-resilient livelihood interventions, so as to enhance household resilience, promote youth employment, and support sustainable pathways out of poverty.

(b) Delivery mechanisms

The development of two national delivery systems, namely USR and SPDS which is the management information system for social protection, are two major achievements of the *Baxnaano* project. *Baxnaano* is using USR for targeting purposes based on PMT methods for its phase 2 under the BOOST-YOU programme.

BOOST-You will retain and build on the implementation arrangements piloted under

SNHCP. Enrolment, payments and grievance redress will continue to be managed directly by the Government through SPDS. In addition, the Ministry of Labour and Social Affairs will continue engaging a payment service provider, a communications and beneficiary mobilization firm, and a third-party monitoring agency throughout implementation. Citizen feedback collected through the grievance redress mechanism (GRM) will be used to identify and address issues related to inclusion, access and service quality.¹¹⁹

(i) Eligibility verification

The project employs data analytics and digital payment systems to improve accuracy, timeliness and transparency of eligibility verification and cash transfer payments.

(ii) Monitoring and evaluation

The Ministry of Labour and Social Affairs is responsible for monitoring and supervising project activities, supported by WFP and UNICEF. A dedicated monitoring and evaluation officer sits in the Ministry's PIU to lead project monitoring and evaluation, and reports to the project manager. WFP and UNICEF support with timely and quality monitoring of activities and report on progress and challenges to the Ministry. In addition, the Ministry contracted a third-party monitoring firm to verify receipt of payments by beneficiaries after each payment cycle and assess compliance with agreed protocols.¹²⁰

Third party monitoring: the Ministry contracted a third-party monitoring (TPM) agency to conduct quarterly monitoring and verification of the cash transfer component. This included verification of targeting processes, beneficiary identity checks, compliance monitoring of payment delivery agents, and collection of beneficiary feedback. Quarterly TPM exercises were conducted on a sample of beneficiaries, with particular attention to high-risk areas, and included visits to payment sites and beneficiary households. In addition, a targeting evaluation was undertaken during the first year of implementation.¹²¹

Under phase 2, monitoring and evaluation is intended to align fully with the Government's Social Protection Policy's monitoring and evaluation framework to strengthen consistency, government ownership, and the long-term sustainability of results tracking. Project monitoring is expected to draw on core government delivery systems, including USR and SPDS, which together provide a platform for data collection, targeting and performance monitoring. USR, supported by enhanced geospatial functionality, is expected to play a central role in monitoring programme coverage and targeting accuracy, while SPDS will generate real-time operational data to support implementation oversight.¹²²

(iii) Grievance redress mechanism

As the project initially relied on WFP systems and procedures for cash transfer delivery, the GRM already used by WFP in Somalia was adopted. The WFP GRM operates at the local level and incorporates a comprehensive monitoring and reporting process to track complaint resolution timelines and ensure regular feedback to complainants on the status of their cases. The system includes multiple reporting channels beyond traditional community-based dispute resolution mechanisms, including dedicated call centres and confidential GRM pathways for reporting incidents of sexual exploitation and abuse and other forms of gender-based violence. These alternative channels are intended to mitigate barriers to reporting associated with stigma, sensitivity and social disincentives often present in community-based structures. In addition to enabling grievance registration at cash distribution points, the system uses a WFP hotline through which complaints are logged and followed up, with redress actions recorded and reported.¹²³

Alongside *Baxnaano* GRM channels managed through WFP, the Ministry also independently manages a GRM team. WFP regularly receives a list of the complaints relating to *Baxnaano* from the Ministry and reports back on the resolutions undertaken.

(c) Financing sources

Baxnaano is funded by the World Bank through various instruments: SNHCP was launched in September 2019 as a \$65 million operation financed through an IDA pre-arrears clearance grant. In 2020, SNLRP was approved with a \$40 million IDA grant to scale up *Baxnaano* in response to the locust crisis. In September 2021, the World Bank launched two companion \$185 million additional financing operations to support the continuation of SNHCP for two additional years (\$110 million) and the expansion of SNLRP (\$75 million). Financing for SNLRP was part of the regional Emergency Locust Response Programme using the multiphase programmatic approach approved in 2020.¹²⁴ A second additional financing grant was approved in 2023 for SNHCP comprising \$143 million, and a third in 2024 for \$100 million, bringing the total World Bank financing to the two programmes supporting *Baxnaano* phase 1 to \$533 million (\$418 million for SNHCP and \$115 million for SNLRP).¹²⁵ *Baxnaano* phase 2 under the BOOST-YOU programme has secured an additional investment of \$112 million from World Bank funds. World Bank support is provided on budget and through government systems, with funds channelled through the Ministry of Finance.

(d) Organizational set-up

Organizational structure of PIU at the federal level

The Ministry of Labour and Social Affairs is the lead institution responsible for the implementation of SNHCP through its existing structures, supported by PIU. Within the Ministry, the Social Protection Section is responsible for the day-to-day management of the project and reports to the Minister. Support for implementing phase 1 was provided through the signature of service contracts with WFP and UNICEF to support the Government in implementing cash transfers, and establishing the building blocks of a safety net delivery system and institutional capacity-building.

PIU at the federal level is headed by a project manager/coordinator and includes an operations officer, a communications officer, an MIS officer, a GRM and social specialist, a monitoring and evaluation officer, an FMS officer, and a procurement officer. Capacity-building at the FMS level was planned as a phased approach and was supposed to be determined in discussion with state governments. However, in practice, phase 1 extended most of its support to building up structures at the federal level.

For the BOOST-YOU programme, the existing SNHCP PIU in the Ministry continues to lead the project and leverages existing implementation arrangements and capacity established under SNHCP. Key positions from SNHCP PIU were transitioned to BOOST-You. PIU is headed by a programme manager, and key positions include an operations team leader, systems team leader, USR operations specialist, financial management specialist, procurement specialist and safeguards team leader.

UNICEF and WFP were contracted by the Government to support systems and capacity-building and targeting/implementation, respectively. UNICEF supported the Government with the development of operational manuals for USR and SPDS. It also supported key technical positions within the Ministry, and provided equipment, training and knowledge-enhancing interventions in the Ministry and several capacity enhancing measures around social protection in Somaliland.¹²⁶ WFP oversaw targeting and beneficiary registration through its SCOPE system. While the engagement of third-party implementers (TPIs) can help with implementation and capacity gaps in fragile and conflict settings, it can impact how assistance is seen by recipients. For example, there is some

evidence that recipients do not necessarily know social transfers come from the Government, given that they only engaged with WFP or their subcontractors on the ground.¹²⁷ However, phase 2 has transitioned to full government implementation, with partners expected to play a much smaller role.

Recent funding cuts for social protection and significantly lower availability of funding for the second phases of programmes have however meant that the number of Ministry staff working on social protection has reduced significantly (from 84 to 10 staff according to some key informants), leading to uncertainty within the Ministry on how important systems such as USR, SPDS and other supporting functions will be maintained in the future.¹²⁸

At the same time, key informants said that the use of PIUs attached to the Ministry structure, but not fully embedded and not staffed by civil servants but by consultants, have meant that permanent officials' capacity has not been built and nurtured. Other studies¹²⁹ have come to similar conclusions.

Finally, a lack of capacity at decentralized levels means that there is a highly centralized social protection organizational structure, with limited capacity and personnel at the state and district levels, where actual implementation and oversight is meant to be happening. *Baxnaano* deliberately focused capacity efforts at the central level during the system-building phase. However, SAGAL and CSSP in their new phases have included much more capacity-building at state and district levels, with SAGAL supporting district social protection officers in all districts where the programme is working.¹³⁰

4

Current and future reform trajectories and policy recommendations



A. Current reform trajectories

Efforts are currently underway to consolidate and expand the Somali social protection system. Most respondents recognized a deliberate policy direction towards scaling up existing programmes to better reach vulnerable groups,

indicating a sustained national commitment to expanding social protection coverage, including non-contributory schemes, and strengthening institutional capacity.

1. Pension schemes

Somalia lacks an established social insurance policy. The Somalia Social Protection Policy acknowledges the importance of developing formal social insurance mechanisms, including contributory pension and health schemes, as part of broader government-led protection systems. However, it positions these as medium- to long-term goals rather than immediate priorities.¹³¹ Major constraints include limited fiscal capacity and low domestic revenue mobilization, which constrain the Government's ability to finance contributory schemes; a highly informal labour market; and fragmented governance, with large areas remaining under the control of non-State actors. These factors also make broad-based contribution collection and portability difficult.^{132,133} Despite these challenges, Somalia has formally committed to developing functional national contributory schemes, including social pensions and social health insurance, as part of its broader social protection agenda.¹³⁴

The Government has recently initiated discussions on contributory schemes, particularly pensions for public sector employees. The enactment of the Civil Service Pension and Gratuity Act represents a significant policy milestone, though its implementation has not yet started. The pension is only aimed at civil servants in its initial

stage, with no plans to extend coverage beyond this group for at least five years.¹³⁵ The new civil service pension scheme is aimed to be a pay-as-you-go defined benefit scheme, with current revenues financing expenditures.¹³⁶ According to respondents, the pension system continues to face structural challenges, particularly owing to the predominance of informal employment. In this context, initiating the scheme with civil servants represents a pragmatic first step. However, this phase should be strategically leveraged to build institutional trust, generate evidence and develop clear policy frameworks for the gradual expansion of coverage. Respondents further emphasized that supporting older persons through social protection is both a moral and policy imperative, recognizing their past contributions as workers and taxpayers. Interviewees highlighted that effective implementation of pension provisions within labour and social protection policies, across both federal and state levels, was essential to uphold their dignity and ensure income security in old age. It would also represent a boost for the economy. Nearly all respondents emphasized the need to update the Somali Social Protection Policy, particularly to improve coordination with labour and insurance systems to ensure more comprehensive and sustainable coverage, and align with national reform processes.

2. Health insurance/coverage

Although Somalia lacks a formal social insurance system, both government commitments and private-sector initiatives are laying the

groundwork for expanded health coverage. The Government, through the Ministry of Health and Human Services, has developed a unified

national healthcare plan called the Health Sector Strategic Plan 2022–2026, which aims to expand access to affordable, equitable and quality services as part of the Universal Health Coverage (UHC) goal. However, according to key informants, progress towards this goal is on hold, as a government fiscal assessment revealed that there was no fiscal space to advance UHC. Key informants also highlighted that considerable groundwork was needed to build citizen-State trust before a national health insurance scheme could be enacted.

The private sector, however, has taken steps to expand healthcare coverage through its Private Sector Partnerships in Health (PSPH) programme that supports the growth of private health insurance in Somalia.¹³⁷ Working with commercial insurers in Mogadishu, PSPH helps develop affordable mass-market insurance products, including benefit design, pricing, co-pays, and integrated IT systems for policyholders, providers and insurers.¹³⁸ A key initiative is the PSPH partnership with *Baraka Takaful*, the country's first mass-market insurer, which is exploring how the Bajaj Kaabe model, where drivers pay an annual fee for discounted healthcare, could be developed into a prepaid insurance plan, using driver associations to expand access and affordability for low-income populations.¹³⁹ Nonetheless, respondents

emphasized that current social protection arrangements remained limited. As an informant from an inter-governmental organization noted:

“We don’t have social protection that addresses these specific life cycle contingencies. So, you want to have social protection programmes that address unemployment, old age benefits, health insurance and work injury. We just have one social protection programme that really focuses on poverty alleviation.”

Health system delivery, a core part of social protection, operates across primary units, health centres, referral centres and regional hospitals, overseen by the Federal Ministry of Health, though coordination with regional states and NGOs/United Nations agencies is hindered by communication gaps.¹⁴⁰ Similarly, the Somalia Health Sector Strategic Plan seeks to strengthen state ministries of health to plan and deliver essential services, aiming for UHC through centrally coordinated but state-level implementation, with continuous monitoring and collaboration with donors, partners and the private sector.¹⁴¹

3. Institutional reforms

(a) Decentralization

The decentralization of social protection systems was widely recognized as a critical trajectory for strengthening coordination and extending coverage to vulnerable populations. Yet existing practice reveals an ongoing tension between central oversight and local implementation, as limited delegation of planning, training and budgeting responsibilities continues to hinder system effectiveness. In this context, FMSs emerge as critical coordination hubs within the decentralization process, serving as the operational link between national institutions,

development partners and local communities. This trajectory is reinforced by the Policy Framework for Participatory Federalism and Decentralization,¹⁴² which mandates that the Government and FMSs collaboratively develop mechanisms for decentralization, including the devolution of responsibilities and the strengthening of institutional capacity at the state level.

In response to the recognition of the critical role of FMSs and the need for stronger decentralized systems, several initiatives are underway to

build capacity and strengthen coordination. For example, one of the ongoing projects in Somalia under the Foreign, Commonwealth and Development Office include Public Resource Management in Somalia (PREMIS) – Phase II, aimed at enhancing government capacity. It builds on the progress of the earlier PREMIS I, and a new phase focuses on strengthening systems for public finance management, civil services administration, and decentralized federalism across all government levels.¹⁴³ While these initiatives strengthen overall capacity, respondents emphasized that true effectiveness depended on empowering FMSs to adapt programmes to the specific needs and vulnerabilities of their local communities. According to a district councillor:

“There are examples of how their role could be further developed. Although the Government and states operate within the federal system, there is a strong case for further decentralizing the system to the district and village levels. Discussions are ongoing on how this decentralization could be implemented.”

(b) Debt relief for heavily indebted poor countries

Political developments in Somalia have supported a degree of economic rehabilitation.¹⁴⁴ After accumulating an unsustainable debt burden in the decades following independence, Somalia joined the Heavily Indebted Poor Countries (HIPC) Initiative in 2016 and successfully completed four consecutive Staff Monitored Programmes from 2016 to 2020. Clearance of arrears to international financial institutions subsequently enabled the HIPC Decision Point in March 2020, reducing the country’s external debt from \$5.2 billion in 2018 to \$3.7 billion in the net present value terms.¹⁴⁵ In December 2023, Somalia reached the HIPC Completion Point, resulting in an additional \$4.5 billion in debt service savings and reducing the external debt burden from 64% of GDP in 2018 to 6% of GDP by the end of 2023. This milestone is also expected to facilitate access to concessional financing for investment in economic development and essential services.¹⁴⁶ According to the IMF country report, meeting the HIPC Completion Point required progress on domestic revenue mobilization as a central reform trigger.¹⁴⁷ The IMF press release further highlighted the move towards a unified “single imports” as part of the reform agenda, to improve customs revenue administration.¹⁴⁸ Taken together, these reforms signal a transition towards greater fiscal sovereignty, enabling the State to progressively finance core development and social protection functions from domestic revenues.

B. Summary of appraisals and policy recommendations

1. Targeting

The three social assistance programmes in Somalia have been using different targeting

mechanisms, largely driven by donor preferences, generating new evidence and

learning that is still being analysed. While the World Bank-funded *Baxnaano* programme uses PMT targeting leveraging USR, the European Union-funded SAGAL programme and the KfW-funded CSSP programme use categorical approaches to target pregnant and lactating women with children under 2. More recently, *Baxnaano* has introduced pilot windows for health, nutrition and education through its human capital window, and skills and livelihoods support through its economic inclusion window. These pilots incorporate categorical targeting approaches, while first applying PMT-based targeting using USR.

While there is no perfect targeting method, and more evidence still needs to be generated, evidence from the wider literature on conflict-sensitive social protection in fragile and conflict-affected situations (FCAS) highlights that categorical targeting approaches do appear to bring benefits from a conflict sensitivity perspective, compared with data driven poverty targeting methods. Studies from Somalia, the Sudan, Yemen and the Sahel highlight that communities better understand more visible criteria, such as a focus on particular social groups (for example, pregnant and lactating women), and find these criteria more aligned with their own understanding of vulnerability than data-driven methods, which can appear

opaque and more difficult to understand.¹⁴⁹ This is particularly relevant in environments where a majority of the population lives below the poverty line, and where there are no stark differences between people's living circumstances. Evidence from the SAGAL programme's evaluation also highlights this as a key finding in the Somali context.¹⁵⁰

Recommendation: For Somalia, given the different targeting approaches already in use, and the need to generate more evidence, this would mean continuing with a mixed targeting approach, based on global best practices and emerging lessons from FCAS. As such, a suggested way forward could entail using categorical targeting (based on geographic and/or household demographic criteria, for example) in rural areas where poverty levels are relatively equal and where sophisticated approaches like PMT are difficult to justify given implementation costs, while using PMT approaches in urban areas where there are starker contrasts in poverty levels between different populations, including IDPs. Continued documentation and learning from across the different programmes and approaches under the Ministry of Labour and Social Affairs is important to generate a wider evidence base and thereby consolidate broad political buy-in for the mixed targeting approach.

2. Decentralization

The Somali social protection system and institutions are currently highly centralized. This was a deliberate decision by the World Bank to invest heavily in institution and system-building as a building block for a nation-wide social protection system. Even though SAGAL and CSSP have prioritized institutional investment and capacity-building for social protection at the state and particularly the district level, much more investment at decentralized levels is needed. This lack of investment means that not only is there limited capacity for social protection implementation and monitoring, but also for

coordination and involvement of FMSs. This has led to some reservations on the part of some FMSs and could affect the way in which data are collected for the nation-wide survey that forms the basis of USR.

Evidence from other fragile countries highlights that a decentralized social protection system is crucial in times of conflict. For example, in Ethiopia and Yemen, local institutions and workforces were the ones that proved resilient and allowed programming to continue, even during conflict.¹⁵¹ Similar findings are also

emerging from BASIC Research.¹⁵² At the same time, support to decentralized structures and institutions is crucial for building State legitimacy and enhancing the social contract between citizens and the State. The Secure Livelihoods Research Consortium's longitudinal research found that a social contract is more easily established between citizens and local governments or decentralized governmental structures rather than with the centre.¹⁵³ Given that the explicit goal of *Baxnaano* is to enhance the social contract between citizens and the State in Somalia, these findings are highly relevant to the Somali context.

Recommendation (a): Significantly scale up investment in decentralized institutions and people at the state and district level, where social protection implementation is supposed to happen. This is in line with guidance on social protection in the Somali Decentralization Policy. This would involve clarifying roles, responsibilities and procedures, specifically for social protection policy implementation at the subnational level, and enhancing human capacity

for social protection implementation within State and local government authorities. In terms of the latter, it is advised to arrange for a modified foundational TRANSFORM training, tailored to subnational entities, as conducted twice in Tunisia at the district level in 2024.

Recommendation (b): More investment is needed in effective coordination structures and mechanisms between FMSs and the Government. A UNICEF-supported study¹⁵⁴ has just been finalized and provides detailed recommendations in that regard.

Recommendation (c): Large parts of Somalia are currently inaccessible owing to insecurity and the presence of Al-Shabaab. While social protection programmes have been more cautious in their approach and focused more on stable and accessible areas in their initial roll out, there may be opportunities for more decentralized engagement that can result in more innovative and bold engagement with hard-to-reach areas, akin to what some humanitarian actors are already trying.

3. Building sustainable human capacity

Significant efforts have been directed towards capacity-building within the Ministry of Labour and Social Affairs, providing a foundation for further strengthening capacity for social protection implementation and coordination at individual and organizational levels. However, as donor budgets contract, staff positions supporting key centralized delivery and targeting systems have been cut, while limited additional support has been made available for decentralized capacity-building. Understanding of social protection also remains limited, including at senior levels of Government and across ministries, particularly those with critical responsibilities for resource allocation and budget planning. These capacity constraints continue to represent a challenge to the effective implementation of social protection and to domestic resource mobilization for social assistance programming.

Much of this is the result of an overreliance on PIUs within the Ministry, with donor-supported social assistance programmes relying heavily on project staff (such as contracted experts) rather than building the capacity of civil servants. This means Ministry staff lack and cannot retain institutional knowledge, as external consultants working on one of the three different social assistance programmes come and go. Furthermore, there is a lack of coordination between the different social assistance programmes, meaning there is limited knowledge sharing and learning across programmes and approaches, despite more recent attempts to change this. Similarly, knowledge and capacity are not shared between the Government and FMSs, with limited participation of FMS level officials in learning or coordination events.

At times, donors place significant restrictions on agencies' ability to hire or support government staff, forcing them instead to hire staff through international organizations and then seconding them to the Ministry. There have been some recent efforts through the World Bank-funded BOOST YOU programme to ensure PIUs are staffed half by project staff/consultants and half by civil servants. This is a step in the right direction but requires more creativity and dedication to ensure support and retention of government staff.

Recommendation (a): More sustained investment in, and a stronger focus on, institutional capacity-building and staff retention

are needed. This should include greater support for civil servants, rather than reliance on project-based staff through PIUs, alongside a more holistic approach to capacity-building that supports the sustainability of the social protection system within the Government and governance structure.

Recommendation (b): Support social protection knowledge sharing and understanding among senior Ministry staff and other key ministries linked to social protection support and resourcing, including through exchange visits and learning forums with other countries and regions. This could draw on innovative learning initiatives, such as TRANSFORM trainings.^{155,156}

4. USR areas of improvement

USR is a critical foundation of the Somali social protection system, and will be even more important as different actors across the nexus begin to increasingly feed into it and use it for their own targeting purposes. However, as all key informants for this study concurred, it currently contains highly inaccurate data, with high margins of error with regard to identifying the most vulnerable households in Somalia.¹⁵⁷

A nation-wide house-to-house survey is planned for early 2026, which aims to collect more accurate data to populate USR. Information is collected through CRF, which asks about socioeconomic characteristics but also contains basic questions on displacement status. Data collection will be led, contracted and monitored by the Government for the first time, not through TPIs. While a house-to-house design is in principle a significant step forward to ensure the integrity of data collection and its inclusivity, it is important to retain awareness of the country's political economy and possibilities for exclusion, in particular of minority and marginalized groups.

In Somalia, evidence¹⁵⁸ suggests even the best technical solutions will not be able to

prevent elites from attempting to capture the targeting process by excluding others that are more marginalized and less well connected to power structures. This has been the case with humanitarian and development aid, and is similarly a risk to be aware of in social protection programming. Elites or informal gatekeepers can influence social assistance programming and implementation at various points, including during geographical targeting and data collection for USR. It is therefore imperative to ensure that political economy analysis remains an integral part of any planned activities, and possibilities for exclusion of marginalized groups are closely monitored and addressed.

Recommendation (a): Ensure that political economy analysis, and consideration of its findings, remain integral to all activities undertaken as part of social protection and assistance programming, even where technical solutions appear robust. This will require close monitoring and continuous evaluation during the forthcoming nationwide house-to-house survey for USR to ensure that the data collected are accurate and inclusive, particularly with respect to minority and marginalized groups.

Recommendation (b): Support the USR unit within the Ministry, and Ministry staff at the federal and district levels involved in monitoring and evaluation, through capacity-building on applying political economy

analysis, understanding the risks of excluding vulnerable groups, particularly minorities and marginalized groups, and identifying ways to mitigate these risks.

5. Further legal anchoring of social protection architecture in Somalia

In early 2025, two ministerial decrees further institutionalized *Baxnaano* as the national social safety net programme under government leadership within the Ministry, and institutionalized USR as an independent directorate within the Ministry to serve all social assistance programmes, not just *Baxnaano*. The first decree also clarified governance arrangements at the federal and state levels, with the establishment of a governance committee (composed of different ministers at the FMS and federal levels) and an executive committee (composed of Director-General level officials) for *Baxnaano*.

While this is a positive step, key informants highlighted the need for stronger and more comprehensive legal anchoring of social protection in Somalia through an Act of Parliament. This would provide an opportunity to establish social protection not only as a federal-level institution, but also as a decentralized system spanning the federal, state and district levels. It could also provide a legal framework for the broad range of social protection approaches currently used in Somalia, while potentially introducing legally enshrined social insurance coverage for private-sector employees.

Recommendation (a): Revise the 2019 Somalia Social Protection Policy to align social protection governance, architecture and implementation arrangements with the NTP 2025–2029 and evolving circumstances, including the increasing frequency and severity of climate shocks and ongoing national and institutional reform processes. The revised policy should also guide the further legal anchoring of social protection and set out the scope of a potential Social Protection Act, including the roles, entitlements and responsibilities of social protection institutions at the federal, state and district levels.

Recommendation (b): Consider legal anchoring of social protection institutional architecture in Somalia through an Act of Parliament. Ensure the Act provides a broad legal framework under which the different social protection programmes under the Ministry fall, and accounts for decentralization and coordination. The Act should also allow for direct allocation of domestic funding to social protection programmes, even if nominal in the beginning.

6. Linkages between social protection and actors across the humanitarian-development nexus

Currently, social protection initiatives largely operate in silos from humanitarian, durable solutions and other development initiatives. Yet humanitarian initiatives provide a larger scale of cash transfers than social protection actors, often operating in the same or similar locations, in particular in urban areas.

Consequently, there are opportunities for more joined-up approaches between social protection actors, humanitarian agencies and other stakeholders. This could include greater data sharing, for example through USR, and improved coordination and, where appropriate, alignment between humanitarian assistance

and shock-responsive social protection to expand coverage. In Ethiopia, for example, social protection and humanitarian actors coordinate to meet people's needs through a combination of instruments, such as providing humanitarian assistance to IDPs while supporting host communities through PSNP.¹⁵⁹

Additionally, there are opportunities to leverage the portability of social protection through more intentional, joined-up programming between social protection actors, durable solutions initiatives, and other actors working in urban areas.

Recommendation: Ensure that humanitarian, social protection and durable solutions

programming is more closely aligned with national, development-oriented approaches and programmes to strengthen linkages between these areas. For example, stronger collaboration between social protection and durable solution actors in urban areas could promote greater complementarity and layering of interventions, while reducing fragmentation and costly parallel structures. Portable social assistance could provide a basic level of support that people carry with them throughout their mobility journey, onto which other organizations could layer additional interventions. The Cash Consortium and the Danwadaag Durable Solutions Consortium are already piloting more integrated approaches of this kind in Xudur.

7. Ensuring sustainability and government ownership of social protection

Social protection in Somalia continues to be exclusively donor funded. This is unlikely to change in the short term with the Government struggling to cover budgetary gaps. Existing budget priorities are reportedly focused on security, infrastructure and energy in the short to medium terms.

The High-level Panel on Social Protection in Fragile and Conflict-Affected Settings recommends that, given the fiscal challenges faced in many FCAS, international donors and international financial institutions (IFIs) need to be prepared to support a more patient transition towards domestic financing. It gives the example of Ethiopia, where it took the Government almost 20 years to properly finance PSNP.¹⁶⁰ A fiscal study conducted by the Cash Consortium in Somalia similarly shows that domestic resources that could be allocated in significant amounts to social protection may not free up until mid-2030.¹⁶¹ However, with IDA and ODA contracting, significant amounts of existing donor funding may not be available beyond current allocations. To maintain donor commitment and demonstrate national ownership, it will be crucial for the Government

to allocate domestic resources to social protection, even if initially only through a nominal commitment. IMF conditionalities already include a requirement for a certain proportion of government funding to be allocated to social services. However, according to key informants, this funding has largely been allocated to health rather than social protection. Allocating even a minimum level of government funding to social protection could also help address power imbalances within a sector that remains highly donor-dependent, and in which the Government has limited influence to set an independent social protection agenda.

Recommendation (a): The Government should prioritize allocating even a nominal amount to the social protection budget, with the allocation increasing over time as fiscal space allows. This would demonstrate that social protection is a government priority and help enable continued donor co-financing. In the longer term, developing sustainable fiscal strategies to ensure continued financing for an expanding, multidimensional social protection system will be crucial. Options could include earmarked taxation models, such as those used in Egypt.¹⁶²

Recommendation (b): In the short to medium terms, complementary funding opportunities for social protection could be explored, including through the formalization of *zakat* and diaspora or remittance-based contributions. This would likely require significant efforts to build trust between citizens, businesses and the Government to ensure feasibility and public acceptance. One potential opportunity, discussed in more detail in the following section, is to leverage businesses' *zakat* contributions to finance social protection.

This could involve formalizing and institutionalizing *zakat* contributions made by businesses, and allocating a defined proportion to a government-led social safety net. Although many large businesses currently channel *zakat* through their own foundations, there may be opportunities to coordinate and formalize a portion of these contributions for social protection. Another option under discussion is to formalize individual *zakat* contributions and allocate a proportion of these resources to financing social protection schemes.

8. Expansion of social protection approaches: economic inclusion and contributory aspects

Much of the social protection sector in Somalia focuses on social transfers for poor and vulnerable households to assist with immediate consumption support. Additional elements around human capital enhancement, in particular around health, nutrition and education and some skills training elements, have also been introduced. In the longer term, it is important to expand coverage of these basic social protection aspects and to layer on additional interventions that can help people graduate out of social transfers and build their livelihoods and self-reliance. Moreover, along with deepening economic development, introducing contributory aspects like pension or social insurance elements, as envisaged by the 2019 Social Protection Strategy, will be key.

One such expansion could involve economic inclusion and support to productive safety nets through the creation or transfer of productive assets that could support *Baxnaano* and other social assistance programme beneficiaries. Productive asset transfers and economic inclusion programmes can help vulnerable households move beyond immediate consumption support towards sustainable livelihoods and self-reliance through interventions that provide people with tools, skills or resources that help generate regular income and improve resilience against future shocks.

Evidence from other FCAS highlights that protection of and support to accumulation of human capital should consist of expanding opportunities for vulnerable populations to participate in social and economic development.¹⁶³ While social assistance programmes in Somalia are already being used as platforms to expand engagement with and access to education, health and nutrition services, linkages with complementary productive asset transfer components are largely missing. Moreover, FAO and the Government have developed a technical guideline note and conducted a feasibility study for a PSNP. However, at the time of publishing, funding has not been forthcoming to start implementation.

Additional aspects for expansion include contributory aspects, such as a pension scheme and social insurance. Key informants highlighted that starting with a pension scheme would be sensible given that the Government had already passed the pension law, and introducing a pension would also have economic benefits. However, the Government has made it clear that should a pension be introduced, it would initially only cover civil servants.

Recommendation: Given current fiscal constraints, continued expansion of coverage to pregnant and lactating women and children under 2, alongside stronger linkages to health,

nutrition and education services, is among the most feasible options. Layering climate-smart productive asset transfers onto regular cash assistance programmes could further strengthen this approach. Implementing a pension scheme for civil servants could similarly form part of this first phase of expansion towards a more multidimensional social protection system in Somalia. Consultations could also be initiated with the private sector to explore options for expanding legally mandated social insurance coverage to a larger share of the economically active population.

As shown in figure 14, a multidimensional social protection scheme should maintain a balanced focus on chronic poverty and seasonal shocks, be underpinned by both social transfer and social insurance mechanisms, incorporate flexible and scalable financing, and be linked to durable solutions and resilience agendas.

Figure 14. Requirements of a sustainable and efficient social protection system in Somalia



Source: Ministry of Labour and Social Affairs, 2019.

C. Costing policy recommendations and options: affordability and potential resource mobilization strategies

As discussed in the previous section, the Government continues to experience major fiscal challenges. Moreover, government priorities lie in funding infrastructure, energy investments and the security sector to support continued security operations against Al-Shabaab.¹⁶⁴

Revenue is expected to increase due to reforms instituted as part of the HIPC process and especially the benchmarks process for IMF. For example, in 2024, improvements were already seen in domestic revenue mobilization, driven by ongoing implementation of the reforms in the Medium-term Revenue Roadmap (2024–2027), in particular around digitalization of tax systems and increased tax enforcement. GDP also grew higher than anticipated at 4% in 2024.¹⁶⁵

However, in the short term, there is likely not much room for fiscal manoeuvre to significantly increase social protection spending through official government funds, despite rising spending allocations to social services. This is because much of this spending is currently allocated to health, rather than social protection.¹⁶⁶

A study by the Cash Consortium¹⁶⁷ suggests that fiscal space for government spending on social protection may open up by mid-2030 for meaningful government allocation, and some fully government social protection elements may be possible by 2040. As the High-level Panel on Social Protection notes, learning from other FCAS suggests that donors and IFIs may need to take a longer view in terms of supporting transitions to fully funded governmental social protection schemes.¹⁶⁸

Continued investment in repeated cycles of humanitarian assistance in Somalia takes up a large amount of ODA spending, and is crowding out investments in system strengthening initiatives. For example, an average \$1.4 billion was allocated per year over the past 6 years, mainly spent on cash and voucher assistance. This represents 5–6 times the funds available for the *Baxnaano* social protection programme.¹⁶⁹

The Cash Consortium's fiscal space study notes that even a small fraction of current humanitarian expenditure could fund a minimum package of a sustainable shock responsive safety net.¹⁷⁰

For effective social protection financing, there needs to be a common framework that positions social protection as a shared endeavour between national and subnational levels. One option, as suggested by the Cash Consortium's fiscal space study, could be to apply a funding formula at the federal level for costing and allocating resources based on population numbers and shock responsiveness.¹⁷¹

To bridge the fiscal gap until more substantive government financing becomes available, key informants suggested several options for mobilizing resources for social protection. The most prominent options centred on leveraging *zakat* and diaspora funds. In particular, they suggested institutionalizing the *zakat* paid by businesses and using these funds to support a government-led social safety net. Although potentially less feasible, similar proposals were made to formalize individual *zakat* contributions.

The Cash Consortium’s fiscal space study explores similar options. However, these approaches would require significant trust-building between citizens, businesses and the State, which would likely take time. Some larger

businesses, such as Hormuud and Dahabshiil, already have foundations through which they channel *zakat* and may therefore be reluctant to redirect these contributions.

D. Interlinkages with broader national reform efforts

Table 8. Summary of interlinkages with broader national reform efforts

National Transformation Plan	• Alignment with the National Transformation Plan (2025–2029): supports national goals on poverty reduction, inclusion and social welfare. • Core development lever: social protection strengthens human capital, inclusive growth and social stability. • Protection of the vulnerable: expands safety nets for children, women, displaced populations, persons with disabilities and older persons. • Enabler of reform and peace: complements governance and digital ID reforms and contributes to peace and stability.
Decentralization	• Policy alignment: social protection decentralization aligns with the national decentralization agenda. • Capacity gap: limited subnational capacity is the main constraint and must be strengthened for effective delivery. • Systems-led approach: the Ministry of Labour and Social Affairs is advancing decentralized social registries to anchor government-led social protection. • Trust and legitimacy: decentralized delivery strengthens State-citizen relations and social cohesion.

Durable solutions strategy and resilience initiatives	• Bridges aid and development: supports sustainable recovery for displacement-affected communities. • Aligned with NDP-9: links poverty reduction, social development and inclusive growth. • Enables coordinated solutions: builds on political commitment, land policy and private sector engagement. • Social protection integration: provides a base layer to complement durable solutions and resilience efforts.
National Rural Development Strategy (NCRDS)	• NCRDS role: leads rural development and livelihood support in underserved areas. • Aligned with NDP-9: promotes growth, agriculture and poverty reduction. • Durable solutions: integrates humanitarian returns with social protection and livelihoods. • Inclusion entry points: uses social protection and rural development platforms for long-term inclusion.
Heavily Indebted Poor Countries Initiative	• HIPC milestone: Somalia reached the HIPC Completion Point in December 2023, securing \$4.5 billion in debt relief and reducing external debt from 64% of GDP (2018) to under 6%. • Revenue and reform gains: domestic revenue rose by 12.1% (from \$329.5 million in 2023 to \$369.4 million in 2024) through fiscal reforms, tax enforcement and institutional strengthening. • Fiscal space for social protection: reduced debt and increased revenue enable expanded spending on social protection and resilience-building. • Sustaining growth: continued structural reforms and fiscal federalism, backed by World Bank support, are key for inclusive, resilient economic development.

Source: Compiled by authors.

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Over the past decade, Somalia has made important progress in establishing the foundations of a government-led social protection system. Key developments include the adoption of the National Social Protection Policy, the introduction of the *Baxnaano* flagship safety-net programme, and the development of core delivery infrastructure. Social protection has also become increasingly embedded in national development planning.

The present report provides an overview of the social protection system in Somalia and its main programmes, highlighting key achievements and reform needs. It outlines policy options for strengthening coverage, effectiveness, sustainability and national ownership, with a view to building a more integrated, inclusive and resilient social protection system.

