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Dr. Jim Yong Kim  
President, World Bank Group  
1818 H Street, NW  
Washington, DC 20433

Ms. Christine Lagarde  
Managing Director, the International Monetary Fund  
700 19<sup>th</sup> St NW, Washington, DC 20431

Dear Dr. Kim and Ms. Lagarde,

Subject: **Will debt relief bring devolution and accountability systems in Somalia?**

The efforts that were instituted by the international community towards the re-establishment of the Somali government were noble and worth of appreciation. Again, we are thankful for your efforts to scale up more financial resources to be channeled for reconstruction, development and to encourage more investments in Somalia.

The purpose of this open letter, however, is about devolution and accountability. According to Fartaag Research and Consulting, the World Bank and International Monetary Fund's representatives heavily rely on statistics (scanty information) provided by Western multilateral organizations and international non-state-actors. Your representatives' school of thinking that devolution and accountability is in progress is not supported by any tangible evidence. In a nutshell, Fartaag's upcoming report entitled "**The fantasy of Somalia progress: who constructed the myth and why?**" states that the current structures are neither for federal affiliation nor are they for centralised government. It means that there is no constitutional framework for an effective intra/inter-governance hierarchy structures that would promote inter-working relationships between them (federal institutions, capital city and the member states). Neither is there a guideline inter-working policy among them. The whole structure and without any constitutional provisions does not provide a conducive environment of managing the economy of the country. Therefore, the country cannot qualify for the IMF debt relief when its characterized by the following:

- The functions of the federal government executive are yet to be aligned with the member state's presidents.
- The functions of the federal government assembly are yet to be aligned with the member states assemblies.

- The functions of the federal government line ministries are yet to be aligned across all the member states. For instances, the Ministry of Finance (MoF) has no policy-guideline that inter-links with the member states respective ministries. Neither does it have defined policy guidelines on tax revenue and levies collection among all the member states.
- The central bank is not effectively structured as to being the chief custodian of the government monetary policies. The bank lacks the monetary capacity of advising foreign reserves held outside the country, the amount of currency in circulation, existing and projected inflationary trends, outside currency inflows into the country, etc.
- The hawala are yet to be removed from the member states' responsibility for the centralised licensing approvals and monitoring by the central bank.
- The national public security safeguards are yet to be removed from the member states responsibility and as a result being assigned to the federal government.
- The budget funding formulation for the federal government, capital city and the member states governments and their respective districts are yet to be fully spelled out.
- The country's primary sources of budget funding for transformation development - domestic revenues, Arab funding, Western and multilateral sources were however, not harmonised into a singular budget management.

At the very least, the Farmaajo government should explain why his administration lacks functioning federal governance structures. He should also explain why structures still remain on paper form and all are created conduits for public misappropriation of funds. Why the larger budget provision amounts are diverted through personalised interests (budget diversion for own investments, cash or chit money), under-table disbursements (to bribes for state leaders to support federal devolution, MPs (to support personalised motions/pre-empt impeachment of the executive), social media (to support the government in public pronouncements), hotel fees (to informers, religious leaders and consultants?) The lack of control structures proves that the government budget expenditures were largely incurred by leaders (Fahad Yasin, Farmaajo, Khaire, Baileh and Bashir Issa Ali), who were drawing cash payments from the central bank while capturing incorrect statistics.

Within this arena, the exploitation and abuse of the failed states' institutions by nationals and/or foreign actors, has not been addressed to ensure a sustainable governance reconstitution. The public is on intensive demand of knowing why Western donors spend time and unaccountable resources helping to establish an individual-based policy rather than institutionalized policy process to facilitate reconstitution? The public is also on intensive demand of knowing whether the international monetary fund and the world bank is seriously committed towards the country's reconstitution or not, in view of the cited lapses?

Thank you again for your unwavering support. We hope that you will continue to partner with Somali people in your commitment to prevent the spread of lies about how well everything is going in Somalia.

Most Sincerely,

Mahamad Caalim  
Former Diplomat, Chairman and Founder of the European Somali Association