

Ms. Federica Mogherini
High Representative of the European Union
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European External Action Service
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An Open Letter to Ms. Federica Mogherini - No Money Without Accountability

Ms. Mogherini,

We have been engaged and worked hard to promote transparency in spite of resistance from the highest levels of the Federal Government Institutions and the Donor Community. Fartaag, A. (2018, March 16) *White Elephant, White Feather - Pattern of Abuse of Western Aid in Somalia* [Video file]. Retrieved from <https://www.youtube.com/watch?v=p1EgK0YYYxM>. Today we are worried about the constitutional draft provision of 2008 has substantial lapses, which are not addressing the country's problems.

The draft constitution does not provide functional structures for the federal government. The federal government does not have the internal structures of operationalization guidelines nor does it have the moral authority given the clan balkanization. For the purpose of clarity, let me itemize them.

1. The president, Mohamed Abdullahi Mohamed "Farmaajo" lacks the political influence of driving federalization process but continues to control the aid from Arabian donors.
2. There is no cabinet discussion policy approval of the devolution process.
3. No useful and functional national assembly in legislating the federalization process (an Act of parliament to drive the process).
4. The office of the Attorney General (chief legal government advisor) lacks the technical capacity of formulating the management and the legislation of the federalization process.
5. No useful and functional constitutional commissions (independent federal constitutional commission, independent electoral commission, boundaries commission, and justice commissions) for undertaking the transformation process.
6. No useful and functional integrity institutions (OAG, and AGO) for driving the federalization process of public accountability.
7. The Central Bank of Somalia (CBS) is yet to be restructured as to being the government custodian advisor of the country's internal and external financial transactions of investment trading. For example, the Diaspora remittances are estimated at being US\$1.5 billion per year (WB report). However, the CBS does not register the expected payments. In the absence of the CBS branch, the transaction is done through hawala and who are not subjected to corporate taxation for their commercial investment. The hawala capitalized on the vacuum for their enhanced annual profits and possibly sharing the same with the leadership. **The international community together with the government has yet to come up with the strategy of developing institutional financial control systems.**

The federal government does not have the technical and financial capacities of driving the federalization process to a successful conclusion. It does not provide the affiliation process of the member states, and neither are there necessary provisions for policy workings guidelines. Indeed, as of to date federal member states appears to be autonomous given the fact that their leadership status is that of the president. Their working policies are also independent of the federal government, and neither of each member state is a replica of the other. As a result, this constitutional lapses had a direct effect on the country's economic growth as well as social community cohesiveness. **This requires urgent regularization, which should be anchored in the constitution.**

The most critical fiscal element for driving the devolution transformation is the budget factored for the process. However, the budget involvement by either the federal government, member states or the international community is not in the public domain knowledge. This is given the fact that the federal government does not have any budget provision for the process. The state's budget preparedness is yet to be formalized as the majority of them operates without it. **The budget provided by the international community is of their particular knowledge as they have not disclosed it.**

The international community appears to be micro driving the budget management of the programme at the expense of the local community. The bilateral and multilateral aid is generally directed to the intended beneficiaries and its recourse accountability by the central bank is not available for economic statistical computation. The trend has not been reversed for the country's inclusiveness interest of participants and thereby co-owning the transformation process. Because of this, it is not possible for us to vouch for the budget relationship with the federalization process. **There is a need for critical constitutional provisions as the country would not register useful federal/member state affiliation given the budget irregularities.**

In spite of the none-budget provision, the country currency remains dollarized and as such its national and international monetary value is yet to be identified. **A fraudulent debt clearance process in which there are a claims government financial performances when in fact there is none.**

The constitution does not comprehensively address the country's foreign investment assets inventory neither does it discuss the external banking accounts. This is in respect of the methodologies to be employed in mapping out the assets inventory quantification and foreign geographical locations. The same process should be applied in confirming the number of external accounts and the amounts. **In the absence of the draft constitutional lapse in the provision, the successive and the incumbent government has engaged foreign lawyers for the international assets identification and the recovery.**

The federal government controls the contracts natural resource agreements with the foreign investors. **The federal government is yet to develop the accounting structures for the devolution investment, which would be inclusive of all the member states.**

Draft constitution does not refine and regulate activities of the civil society. Nor does it provide their budget management in respect of accountable development programmes. During the successive governments transformation phases the civil society donor funding was direct and with no recourse to public accountability. This made some of the civil societies to undertake two objective roles, which were: 1) Government development partners; and 2) Pressure groups advocates. The registration of the two objectives was not visible in the view of conflict of interest. Indeed, their end objective realization was increased donor funding but for personalized benefits. **This requires urgent regularization of the sector through constitutional dispensation.**

As of to date, the federal government lacks the political will of driving the process, and this is because of the inconsistencies and omissions as well as lack of guiding structures in the on-going devolution. Effective coordination between the government, member states, AU, EU, IGAD, and the US would open up negotiations for documenting the transformation process as well as developing the process. **As the European Union continues to scale down its funding of AMISOM's military component; these funds should immediately become available to support the federal member states in driving ahead with its various reforms including devolution program.** The EU shall prepare together with the federal member states, prioritized development programmes, which shall trigger immediate social and economic benefit to the respective communities. **The point is of course that the EU bear the responsibility for such reform.**

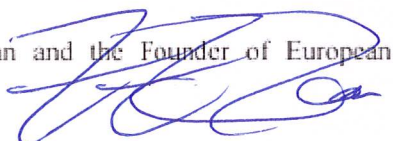
The country's transformation is on its 18th year and with minimum progress. **So far the donors have incurred substantial expenditures, which the country begs to knowing the actual amount.** The amount should be denominated into being either grants or loans. This would assist the country to gauge her external loan indebtedness, which should be inclusive of the amount borrowed prior to the anarchy. This would assist the Somali citizen to strategically plan for future loan engagements in view of avoiding the country being declared insolvent. Through the international community the current parliament should be empowered into legislative transformative Acts, which would pave the way for federal affiliation. Significant attention should be given to the draft constitutional lapses. As it is now the incumbent president Mohamed Abdullahi Mohamed "Farmaajo" and his Premier Hassan Ali Khayre are in control of all policies pertaining to the country, which to some extent are not in favor of the transformation. Their decision policies are neither anchored on cabinet approvals nor are they backed up by parliamentary legislations. Indeed, the policies are singular made and enforced to the country and their implications might slow down the federal affiliation as well as making it impossible to proceed, and this is under the watchful eye of the international community. **Ms. Mogherini, for how long would the country undergo this process of mis-advisory services from the EU end?**

We urge the European Union to use the Somalia Partnership Forum to address not only the above outstanding issues but the role of the EU ought to be to hold its field representatives accountable and transparent at this critical juncture. **Unless the EU shows a political willingness for financial accountability in Somalia, they cannot justify for their taxpayers continued expenditures in Somalia.**

Respectfully,

Abdirazak Fartaag, CEO, Fartaag Research & Consulting (FRC)

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



cc: President of Somalia, **H.E. Mohamed Abdullahi Mohamed "Farmaajo"**
Lower House Speaker, **Hon. Mohamed Mursal Abdirahman**
Upper House Speaker, **Hon. Abdi Hashi Abdullahi**
Prime Minister of Somalia, **H.E. Hassan Ali Khayre**
Chairperson of the African Union, **President of Rwanda, H.E. Paul Kagame**
Chairperson of the African Union Commission, **H.E. Moussa Faki**
IGAD Executive Secretary, **H.E. Amb (Eng) Mahboub Maalim**