

International Governance Institute- Somalia Presentation.

Annual General Meeting, 2014

Corruption.

The Somali government's corruption, lack of progress and extreme incompetence is not only due to insurgency attacks but lack of accountability coupled with legitimacy derived from outside actors and not earned from within. The government of Somalia has no incentive to show progress so far. There are no consequences from Federal Government in action and on there are no signs that show that the federal Government want to implement a fight against corruption.

Corruption in Somalia remains rampant despite the country's new leadership, with 80 percent of withdrawals from the Central Bank made for private purposes and at least 33 percent of monthly revenues from airport and port operations unaccounted.

In a report to the U.N. Security Council obtained, the panel of experts monitoring sanctions against Somalia said a key to irregularities has been the current governor of the Central Bank, where US\$12 million of US\$16.9 million transferred by PricewaterhouseCoopers could not be traced.

The report also said only 4 percent of the estimated revenue from issuing passports reaches government accounts.

Despite the good-faith efforts of Finance Minister, the panel said the system inherited by the new government "is in many ways beyond its control, while at times political decisions and appointments have exacerbated conditions of corruption."

Somalia had not had a functioning central government since 1991, when warlords overthrew a longtime dictator and turned on each other, plunging the impoverished East African nation into chaos. But since African Union forces ousted al-Shabab fighters from the war-battered capital, Mogadishu, in August 2011, a relative peace has returned, creating a new sense of hope and opportunity.

A new interim constitution was approved, a new parliament was seated, a new president was elected and a new government and Cabinet started work, replacing a weak and largely ineffective transitional government the year 2012.

The panel said the election of President Hassan Sheikh Mohamud "presented an opportunity for a new kind of leadership in the country," but he inherited a system in which he controls neither the flow of money nor security institutions.

While struggling to extend the government's reach, the panel said the president has had to seek external funds and arrange security relations inside and outside of government.

These limitations, along with events in past months, notably in southern Somalia which is controlled by al-Shabab militants, threaten to undermine the government "and the current peace and reconciliation process in the country," the panel said.

It said that "ferocious competition" for control of the new government at the end of the transition last summer contributed to the mismanagement of the country's finances. The efforts of donors to encourage the deposit of government revenues in the Central Bank may have been the right objective but it proved to be flawed,

"On average, some 80 percent of withdrawals from the Central Bank are made for private purposes and not for the running of government, representing a patronage system and a set of social relations that defy the institutionalization of the state,"

key leaders authorize individual payments from public funds, which contradicts national budgeting or structured spending for official bodies.

It is not a system that can be changed easily given the breadth of interests at stake at the center of power and has simply become the way of doing government business," the panel said. "However, without a legitimate repository for internal and external revenue, efforts to build an effective public financial management system will be undermined.

Income from the port of Mogadishu constitutes the government's largest internal revenue stream, these customs and port fees have historically been diverted at the source. Based on analysis of activity at Mogadishu port, the monthly revenue potential from import customs alone is in excess of US\$ 3.8 million per month," the panel said. "However, the average monthly deposit in the Central Bank from the port between August 2012 and March 2013 was US\$ 2.7 million in total."

(2) Restoring Basic Services:

The government has not notable institutions in education, health, security, roads or any other industry. The only credible service they have restored is renovating the old parliament building. The government ministers are not capable in running the offices they are being appointed. Their sole credentials are their tribal affiliation or their standing with the Prime Minister, the President, and Speaker of the Parliament or neighboring Ethiopia. The capable bureaucrats who could have run the organs of governments are simply not there and uninvited.

Ending corruption and bringing transparency:

Transparency International's Corruption Perception Index ranked Somalia among the most corrupt nation on earth. The corruption has reached a level where government ministers are travelling for government duty but in fact are smuggling people (whom they charge) to foreign countries. The Somali embassies are peddling and selling Somali passports to the highest bidder. The government ministers and officials are hiring their friends or relatives to critical areas or giving them contracts. Corruption is institutionalized in a level where Non governmental organizations are signing to have given Somalia millions but in fact the money is divided between the NGO's and the signing government official. No aid or benefit goes to the poor displaced millions stranded in outside the city while the paper trail shows, millions have been spent on their welfare.

Sovereignty:

This government was created and recognized by the international community including historical nemesis of Somalia. Power and recognition was given by outside actors rather than earned from within. This government came about, the Federal Government is very well aware that its power stems from outside and not from within. The Federal Government knows these outside actors will keep them afloat by all means necessary and as such have no accountability or will to seek support, reconciliation and legitimacy from within.

Achievements

Since the last year meeting IGI Somalia has carried out several important activities including:

- Implementation of several activities in Mogadishu
- Active membership of civil society organizations in Mogadishu

- Membership of local organizations
- Submission of proposal to Canadian Fund for Local Initiative in Nairobi
- Opening a voluntary membership book
- Create fundamental awareness on corruption in education system in Somalia.
- Media awareness campaign of ant-corruption in Somalia
- Youth training on the effects of corruption in the country.
- Another work shop was held at Kuwait hotel where youth, local elders, politicians and member of the current Somali parliament were invited, a group of Somali intellectuals were also participated. This was the first training of this kind held in Somalia.
- IGI Somalia has implemented in Mogadishu Anti-corruption awareness campaign in 4 schools in Mogadishu, two in primary schools and two in secondary schools and the students are highly participating.

Challenges:

- Small number of voluntary membership
- Lack of funds
- Lack of professional staff for training (because of this we can not hire professional staff)
- Lack of full office equipments in the office