

IGI -SOMALIA PRESENTATION ANNUAL GERNAL MEETING December,2015

Challenges of Somalia Government in curbing corruption

The government faces challenges in controlling financial flows in its treasury department and finance ministry. Also security institutions were divided between several principal power holders in the past, the new President inherited a system in which he controlled neither.

Despite the change in leadership in Mogadishu, the misappropriation of public resources continues in line with past practices. The campaign financing structure of the 2012 elections recycled funds derived from external and internal sources to distort the political system. Notably, public financial management efforts to redirect government revenues to the Central Bank proved to be serving a flawed objective.

On average, some 80 per cent 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.

In this context, the fiduciary agency managed by PricewaterhouseCoopers was reduced to a transfer agent that could not ensure accountability of funds once they reached the Government of Somalia. Indeed, of 16.9 million transferred by PricewaterhouseCoopers to the Central Bank, US\$ 12 million could not be traced.

In addition, the production of the national passport continues to be fraught with fraud and corruption, undermining the integrity of the national travel document. While more customs and port fee revenues from Mogadishu port have been deposited into the Central Bank, they are proportionally less than the increase in shipping traffic, and a monthly average of at least 33 per cent cannot be accounted for. At present, the emergence of significant oil interests in Somalia and the region risks exacerbating political tensions in Somalia, undermining coordination between federal and regional administrations and threatening peace and security in the country.

Despite improved access in certain areas of the country, access to vulnerable civilians remains a challenge for the humanitarian community, and all parties in Somalia continue to obstruct the provision of humanitarian assistance. Al-Shabaab maintained and expanded its ban on most aid agencies in areas under its control, while all actors in Somalia subjected humanitarian organizations to taxation, illegal roadblocks, intimidation and extortion. Moreover, as a consequence of both remote management by aid agencies in Nairobi and the culture of “gatekeepers”, diversion of humanitarian assistance by third parties, as well as by staff and partners of aid organizations, continues to undermine international efforts.

There are investigations surfaced indicating Kenyan forces and some leaders unilaterally begun exporting charcoal from Kismaayo in flagrant violation of the Security Council ban and the instructions of the President of Somalia. Thereafter, approximately 1 million sacks of charcoal have been exported from Kismaayo each year, in addition to exports from Al-Shabaab-controlled Barawe and other smaller ports. Overall, the charcoal exports have increased by 140 per cent in comparison to previous years. The charcoal business architecture and trade networks remain intact, with Al-Shabaab maintaining a central role and continuing to benefit significantly. This made effect of deforestation and climate violation adverse in the region.

Recently published report by Journalists for Justice BLACK AND WHITE on Kenyan Forces involvement on corruption in Somalia officials in the illicit export of charcoal and import of sugar. The report mentioned that Rather than taking the fight to al-Shabaab, the Kenya Defence Forces, who were under the African Mission in Somalia (AMISOM) after the capture of Kismayo, are sitting in bases while senior commanders are engaged in corrupt business practices with the Jubaland administration . High ranking military officials with connections to powerful politicians are estimated to collect up to Sh5 billion (\$50 million) a year in illicit taxes on charcoal and sugar

Public sector financial mismanagement and corruption

Despite the change in leadership in Mogadishu and the good-faith efforts of the Minister of Finance, the misappropriation of public resources continues according to past practices and patterns. 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. Ferocious competition for control of Government at the end of the transition process in the summer of 2015 entailed approaches to campaign financing that took the management of finances outside the public system or contributed to mismanagement through it

Passport production, corruption and fraud

An in-depth investigation into the fraudulent practices associated with the production of Somali passports was a major concern of local and international observer, for the last couple of years same practices have continued to undermine the integrity of the Somali passport as a legitimate travel document. Corruption still revolves around the e-Passport, with inflated fees charged by private businesses appointed to issue passports in places where Somalia does not have an embassy or consulate. The e-Passport programme continues to be controlled by Ambassador Abdulkadir Sheikhey Al-Hatimi, Consul General of the Federal Government of Somalia in Dubai, United Arab Emirates. The revenues generated from the issuance of passports remain unaccounted for. In the past, not one dollar reached the Central Bank. In the first three months of 2013, the Ministry of Immigration, still headed by General Abdullahi Gaafow Mohamud, did make some deposits in the Central Bank, but did not indicate if these were from passports, visas or another source of income. Regardless, the amount deposited constitutes only 4 per cent of the estimated revenue from the issuance of passports alone as reported Monitoring Group.

Mogadishu port

Income generated from the port of Mogadishu constitutes the largest internal revenue stream for the central Government, aside from bilateral donations from other Governments. However, port revenues, either customs or port fees, have historically been diverted at the source through a variety of practices that continue today.

IGI Somalia

Since the registration of IGI Somalia FITSOM had carried out several activities including meeting with Government officials and discussed about the corruption in the country, meetings with University students which is a growing number in the country specially in Mogadishu, the unemployment rate of the country and how to overcome those challenges, FIT-Som has also carried out media awareness campaign through local FMs in and outside Mogadishu,

FIT-Som has carried out several activities including open discussions with some willing government official, parliamentary committees, Police forces local community leaders, and public school teacher in order to participate the anti-corruption activities in the country.

IGI Somalia sometimes has much concern about the publicity of the photos for security concern.







