Cancel Somalia's debt - African Member States urge external creditors

Addis Ababa, Ethiopia 9th February 2019: The African Union Commission and other international partners have urged external creditors to cancel Somalia’s debt so as to allow the country to access financing to support its socio-economic advancement.

Speaking at the African Solidarity Conference for Somalia - debt cancellation as a means towards peace and security, stability, development and durable solutions for displaced Somalis, several speakers acknowledged that Somalia has made tremendous progress towards fiscal reforms and stability, however its external debt, accumulated over two decades ago, continues to be a huge burden and hinders the country from moving forward.

H. E. Prof Victor Harrison, the Commissioner for Economic Affairs of the African Union said, “We would like to urge international financial institutions and development partners present in the room to assist the country in its development interventions by managing climate change and cancelling its debt.” He further said, resolving the debt situation in 2019-2020 could restore investor confidence in the country and ensure economic recovery.

H. E Dr. Abdirahman Duale Beileh, Minister of Finance, Federal Republic of Somalia said Somalia’s debt burden is robbing poor Somali people of their right to access basic social services including clean drinking water, sanitation, education, health and non-existing job opportunities for young people. He said most development assistance from developed countries that Somalia receives is currently being spent on humanitarian needs and thus the country lacks investment for the long-term economic growth.

Meanwhile, Mr. Issouf Samake, Resident Representative of International Monetary Fund, Somalia, applauded the progress made by the country under the Staff-Monitored Programmes (SMP). He also indicated that successful completion of the current third SMP could eventually pave the way for Heavily Indebted poor Countries Initiative decision point, arrears clearances, and IMF financing program.

The meeting, hosted by the H.E. Ali Sharif Ahmed, Somali Permanent Representative to the African Union in collaboration with the Somalia NGO Consortium, aimed at raising awareness on the impact of Somalia debt and gaining support from African member states.

The current Federal Government of Somalia (FGS) inherited an external debt of US$ 4.6 billion (much of which is in arrears). The resolution of Somalia’s external debt problem is
made more glaring by the fact that the country has been mired in over two decades of conflict, resulting in the fact that the majority of the population (~67%) was born well after the civil war, receiving scant benefit from what Somalia’s US$ 4.6 billion external debt was spent on.

Speaking on behalf of Civil Society Organisations working in Somalia, Nasra Ismail, Acting Director of the Somalia NGO Consortium said that “the resolution of Somalia’s external debt problem will unlock critical financial resources that will deliver a lasting peace dividend through development projects geared towards poverty alleviation, sustainable development and durable solutions for displaced Somalis.”

“Expediting the debt cancellation for Somalia can unlock greater financial resources that could engender the inclusive and enabling environment required for the safe, voluntary and dignified return and reintegration of Somali refugees and IDPs,” she said.

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**Notes to the Editor:**

The Somalia NGO Consortium is a network of non-governmental organisations (NGOs) working together to improve international aid coordination and raise the presence and profile of NGO representation within the aid coordination structure for Somalia.
YouTube: https://www.youtube.com/AUCommission

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