



Discussion Forum on Debt Relief Communiqué

Preamble

The high-level debt relief discussion forum took place at the University of Hargeisa on 30th of December 2019, organised by Somaliland Non-State Actors Forum, and attended by representatives from the government and the civil society, including senior government officials, academics, independent researchers, private sector actors, opinion leaders and other distinguished guests from Somaliland's wider communities. The forum hosted a number of plenary sessions from keynote speakers and PowerPoint presentations to panel discussions.

The panel discussions were interactive and participatory with the audience being able to join the discussion. The breakout sessions allowed in-depth analyses of salient issues arising from the thematic focus of the conference, which include strengthening the knowledge on debt relief and the knock-on-effect that it has on Somaliland's peace and democratisation process. The forum was aimed at leading a participatory discussion in regards to Somalia's debt relief process. Such a deep analysis helps to make evidence-based decisions about the potential positive impact of the debt relief as well studying the wider ramifications it would potentially have to the public, private sector and overall civilians of Somaliland.

The discussion forum comes at a critical moment for Somaliland, after the recent wrangling over the disputed electoral commission, the delayed elections of the House of Representatives and local council. On the other hand, the Government in Mogadishu, the civil society in Somalia, the INGOs, the African Union and many other influential countries that hold the interest of Somalia at heart have been lobbying for the dialogue between Mogadishu administration and the International Monetary Fund (IMF) to take major steps to provide debt relief to Somalia, in order to support the country to access more credit and attract investment in infrastructure, schools, employment opportunities, and security with the absence of Somaliland.

In this regard, SONSAF understands that there is an opportunity to set out an ambitious agenda for Somaliland to analyse and study both the potential significance and consequences of debt relief for Somalia. Thus we emphasise the importance of maintaining the momentum of debt relief in all aspects, including the negative impact to Somaliland's great deal of effort to peace and democracy. To this effect SONSAF offered its support to advocate that both Somaliland and Somalia have the incentives to cooperate on sharing the benefits of debt relief packages under discussion with the bilateral creditors and the International Financial Institutions.



The Forum's Main Intention

The proposed debt relief forum aims to bring together the concerned stakeholders, including government officials, academics, business community, civil society, youth, women, elders and the wider community who have an interest and understanding on the topic and can add value.

The specific Intentions:

- To create awareness and bring on the agenda the issue of debt relief led by the IMF and the world bank, which is now in its final stages.
- To take stock on the work that civil society has been doing about deepening reflection amongst Civil Society Organizations on how they can better contribute to the development of Somaliland.
- To strengthen internal coordination and improve dialogue with the Somaliland government and other stakeholder groups, and capturing views of Somaliland Civil Society Organisations (CSOs) on the quality of public-private dialogue in the country in general.

Acknowledgement

1. The forum expresses its heartfelt gratitude to Somaliland Non-State Actors Forum (SONSAF) and the University of Hargeisa for the cordial reception they have extended to the Debt Relief Conference attendees on 30th of December 2019.
2. The forum acknowledges SONSAF's tangible provisions and participatory arrangement to the conference. The forum appeals to SONSAF for the continuation of such a crucial endeavor.
3. The forum also expresses its genuine gratitude to the Government of the Republic of Somaliland for its presence and membership to such an important gathering, and understanding the magnitude of Somalia's current debt cancellation, options and consequences as well as its historical context.

Security

4. The forum admits that the loan is contracted from the bilateral and the multilateral creditors in the name of Somali Republic, not Somalia, and that the significant portion of the external debt was used to finance the military expenditure during the civil war in the 1980s.



5. The forum expresses that Somaliland as a country has no hostile stance towards the debt cancellation for Somalia, however it alerts its negative impacts on peace and stability.
6. Cancelling debt and supplying pre-arrears grants unilaterally and without accountability to Somalia will disrupt Somaliland democracy and stability if the Government of Somalia succeed to secure the necessary funds to arm its forces. As a consequence, the regional federal states could be negatively impacted if thorough consideration and restriction are not in place. Thus, it's vital that all stakeholders are consulted and agreements are in place.
7. The forum remains deeply concerned the security risks that debt relief and pre-arrears arrangement would bring if the Government of Somalia unilaterally receive pre-arrears clearance grant.

Pre-Arrears Sharing

8. The Government of Somaliland fully depend on tax base budget with no direct budgetary support, and suffers through devastating drought and natural disaster regularly – to develop, Somaliland needs its fair share of the past, present and future pre-arrears grant. It's mandatory for Somaliland to request its fair share of all pre-arrear's grants.
9. Both the bilateral and multilateral creditors share great responsibility for creating bad will between the people of Somaliland and Somalia – they enabled Mogadishu to unilaterally succeed debt cancellation by expressing support for Somalia's efforts to secure debt relief through the lender's highly indebted poor countries programme.
10. The forum calls for the IMF and the World Bank to uphold the principles of '**do no harm**' and to not do anything to prejudice one side.

Civil Society Role

11. The forum understands that debt relief is a national issue. For this purpose, the forums welcome office for cooperation between all stakeholders to establish coherent, unified and consistent policy strategy on debt relief.
12. The forum defines the obliging role of the Government and Civil Society regarding Debt Relief in a cooperative manner.
13. CSOs should assist the Government in coordinating efforts and coalition-building in the area of Debt Relief. Thus, CSOs must play significant role to influence creditor governments, international financial institutions and commercial banks which are chiefly



responsible for the debt cancellation to monitor the use of resources released by debt/grant for the benefit of the impoverished Somalis both in Somaliland and Somalia.

Somaliland-Somalia Dialogue

14. The forum calls on Somaliland and Somalia dialogue going forward as endorsed in Article 6 of London Conference (2012) (two separate and equal entities, aimed at ‘clarifying future relations’). The forum also calls for both sides to demonstrate a commitment to fulfilling the agreement reached in previous rounds of the dialogue, and the international community members involved must endorse these previous agreements and call for their fulfillments.

Conclusion

- The forum notified to initiate a strategy process that sets out Somalia’s Debt Relief approach, and then outline the major debt relief concerns.
- Finally, the forum highlights the importance of the Civil Society to involve in carefully addressing the question of how Government and civil society work practically the prevention of the negative impact of Debt Relief.