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FRAGILE STATES IN AFRICA:
LESSONS FROM SOMALIA

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P R O C E E D I N G S

DR. COULIBALY: Good afternoon everyone. Thank you for joining us. I know it's a busy week in Washington and there are no shortages of events, and we appreciated you being here.

I'm Brahim Coulibaly, senior fellow in Global Economy and Development, and director of the Africa program. So, we are honored to have the Minister Abdirahman Beileh to share his country's experience on the issue of economic adjustment in conflict afflicted and fragile states in Africa. The state of progress and remaining obstacles, as far as the Somali experience is concerned, will be very much appreciated.

Let me mention that the event is being organized with the Doha Center, the Brookings Doha Center lead by my colleague Tarik Yousef.

So, in terms of the issue of fragility, I think what's important is that as we push forward on the No One Left Behind agenda, we have to be particularly attentive to the unique needs of the countries classified as fragile.

The reality is, increasingly, those being left behind concentrated in those states, and by our estimates, currently in Africa account for about one third of those living in extreme poverty, and that percentage is expected to rise to about 37% by 2030, or maybe 170 million people. So, clearly that's far from the zero target that is set by SDG Goal Number 1.

But I'm optimistic that said fragility can be addressed but it will require, will you rethink of the approach, "business as usual", I think would not be sufficient. And it will require, also, very strong will on the parts of both the authorities as well the development partners.

So, on the approach, some of the conventional ones at least have had a mixture of the following: first you have foreign troops that intervene to help keep the peace, and then elections are organized with the objective of bringing legitimacy to the authorities. And then in return, then, for foreign aid, the government has to commit to a long list of reforms.

But this has tended to ignore, really, some of the countries' dire initial conditions, including even, weakened state capacity.

In practice, however, what we tend to see, and this is not necessarily Somalia's case, but just in general, foreign troops quickly become viewed as intrusive, elections divide rather than solve the legitimacy issue, and the reforms are so ambitious that before they get implemented, it takes a long time, and the next crisis hits before anything gets a chance to get done. And then we think, oh, we've done all of this, but it hasn't yielded any outcomes.

So, in our annual publication, our Top Priority for Africa 2019, our experts have drawn attention to the need to rethink the approach to fixing state fragility, including greater emphasis on local solutions and on private sector development. We'll get to hear what the Minister thinks of those recommendations.

And in the case of Somalia in particular, the will I mentioned earlier is there. The government has shown great determination and political will through its roadmap map towards stabilization recovery and reconstruction.

The reform aimed, among others, to address the high and persistent unemployment through targeted investment in infrastructure and finance and attracting foreign investments and private flows.

Despite myriad challenges, the Somali authorities have made significant progress on the roadmap, but there are clearly obstacles that they cannot overcome alone, and it will require more support and cooperation from development partners.

So, this conversation today will be moderated by my colleague, Raj Desai, and by way of introduction, Raf is a Nonresident Senior Fellow with us in the Global Economy and Development and he's Associate Professor of International Development too, at Georgetown University.

He's currently working on a project in Somalia on how to provide access to credit for small scale entrepreneurs. And in that context, you were actually in Mogadishu not long ago, so, you can bring that fresh perspective to the conversation. So, with that, please join me in welcoming both to the podium.

MR. DESAI: Thank you. Thank you all for joining us, and we are very privileged

to have Dr. Beileh, who I think is, as far as I can tell, the first Somali official to visit Brookings in possibly over four decades. So, this is a pretty important event.

Dr. Beileh serves as the Minister of Finance for Somalia, which is a position he's held since March of 2017. He was Minister of Foreign Affairs and International Cooperation from January 2014 to 2015, and during his time with the Foreign Affairs Ministry, he oversaw the reestablishment of bilateral and multilateral cooperation, as well as Somalia's reengagement with international financial institutions; in some cases, for the first time in more than two decades.

Before serving in the Somali Cabinet for over three decades, Dr. Beileh worked as an economist, then a manager, and ultimately a director in the African Development Bank. His last appointment was as Head of the Department of Agriculture and Agro-Industry.

He is a Wisconsin Badger through and through (laughter), with an undergraduate degree, an MBA, and a Ph.D. in Economics from the University of Wisconsin, Madison. And finally, as proof of the saying that, in science there is truth, but in art there is honor, I would also like to point out that Dr. Beileh is an accomplished poet and an acclaimed songwriter (laughter). Dr. Beileh, welcome to the Brookings Institution.

DR. BEILEH: Thank you.

MR. DESAI: So, let me start with a very broad question, given what Dr. Coulibaly mentioned about Somalia's state fragility, and in terms of the challenges with regards to economic stability, rebuilding state institutions, what are some bright spots that you can point to in terms of recent developments that might demonstrate some progress that is being made?

DR. BEILEH: Thank you very much, Raj, and thank you very much Dr. Coulibaly, for your organizing this. I think this is very -- I'm very honored to be here, really; to be among individuals who are all interested in fragility, and I'm sure, given where we are, some of you have written about these issues.

Now, what is new in Somalia? I think everything is new is Somalia because Somalia is coming out of the dust, so to speak. I think we should be very candid, and very honest with ourselves.

Somalia, Somalia; there is no country that have experienced the fragility level that Somalia went into, and everybody knows that, I'm sure. If Somalia is -- ask anybody who -- fragility is associated with Somalia.

In fact, before I answer that question, the word Somalia has been associated with negative, negative things. Journalists would say when a country is falling apart, Somalization of that country. I hear mumbles of Somalization of Cote D'Ivoire when we were there, and there was an order, they said, Somalization; and I have heard many use that term, but no longer, no longer. I think we don't want to dwell on the history but make use of the experience that we had.

So, what is new? Everything that we have today is new. The fact that we are collecting taxes is new. The fact that we know who is working for the government, by name and by account number, is new. The fact that we have been able to register our armed forces, and we know who they are, and we know their age profile; that is new. All the armed forces. The fact that we are interfacing with Somali people, is new. And that they are trusting us, is new. I think everything that we have is new.

What else is new? The interfacing with the international community is new. Today, this afternoon we have the first meeting of roundtable for Somalia where a decision will be taken today as to when the decision point for debt relief is going to be. We're expecting the debt relief decision point to be February, next year. But today, 5 o'clock, in fact, when I leave here, that will be the date.

So, a lot of things are new, and most of these are positive. What is new, that question covers a lot of things, what is new? Diaspora coming back is new, with their skills and their money, is very new. The mobile money that Somalia is number one in the world is new. All the money, every transaction, is made through the telephone. If only brought by desperation, is now becoming an institution.

So, really, we have a lot of positive things that we have to say, **positive** things. Security is improving, the schools are improving. We are starting to build, people are going more and more -- but there are also issues, challenges, unemployment, things that are imposed by the

fact that we are on the roadmap now. Austerity program is challenging. So, we have challenges, positive, but more positive than negative.

MR. DESAI: Speaking of challenges, so you've mentioned increased domestic revenue, mobilization through rebuilding fiscal institutions. Obviously, a lot of the progress will depend on development assistance that Somalia will need.

DR. BEILEH: Yes.

MR. DESAI: So, can you say something about the process of reengaging with international financial institutions?

DR. BEILEH: Thank you, Raj. We are in arrears with with the international community. The Man-Paris Calob, the Paris Calob, and the IFIs; all of them. We are in arrears of about 5 billion.

It's not a lot when you see the size of the country but it's a lot when you see our economy and where we are. There were loans started, we took loans in 1965 to 1988, and that's a long time ago. So, we have to discuss with the international community on how to address that.

There is a roadmap called HIP Initiative. That HIP Initiative, the Highly Indebted Poor Countries Program, or Initiative. That's -- we're on that roadmap. That roadmap tells you what to do in order for you to be eligible for debt relief.

Now, we are on the fourth one, and that fourth one is upper (phonetic) career (phonetic) trans (phonetic) compatible. Upper career trans tells you that you have to have at least six months track record. The six months are going to end, end of December. So, we are examined and tested with their benchmarks.

It is just like taking a course, if I may say so. So, we are taking course and that course will have a mid-term exam. We had the mid-term exam in September; final exam is going to be December 5 to 11, and I attend all of them. I don't send anybody -- I send a lot of people but, I lead the mission to show the seriousness of this. Our Prime Minister is here today to also support social seriousness of Somalia on the roadmap we're in.

So, we are learning; we are learning a lot. And we have to graduate. We need

to graduate because four years is more than enough; four years more than enough, especially when you look at the challenges that we have in the country. Kids are graduating -- no employment, and therefore supply to terrorism. So, really, a lot of positive things, but we're not out of the woods yet.

MR. DESAI: So, this is a question that's related to the issue of rebuilding.

DR. BEILEH: Yes.

MR. DESAI: And it's a difficult question to ask because it has to do with the territorial integrity of the country.

DR. BEILEH: Yes.

MR. DESAI: To move to a system of fiscal federalism, which as I understand is the intention.

DR. BEILEH: Yes.

MR. DESAI: You have these issues with the provinces in the north.

DR. BEILEH: Yes.

MR. DESAI: As well as, obviously, issues of instability in the south. How is the government addressing --

DR. BEILEH: Let me talk about the south first. Okay, of course, we were south and north when we got our independence.

MR. DESAI: Yeah.

DR. BEILEH: North got the independence 26, June 1960, and four days later the south. South were Italian, the North was English, British. So, they combined, and problems happened, and now Somalia then seceded, they decided they would secede. And they are still saying they will secede.

Now, the south, there are states, just like here. There's a Federal government, and there are state governments, and there are always some frictions. You know, when do you see politics not having frictions. It's a teething (phonetic) problem, it's really the teething (phonetic).

We now -- it's new to us, you know, this federalism thing is new to us, particularly when also managed at the same, and you don't know what you are addressing when you are calling federalism. You know, the same language, you know all these things, the same language, the same religion, and same culture; everything is the same from corner to corner. So, you say federalism, on what basis?

You have to be addressing some differences; no differences. That is creating a problem, you know, and it is a politician's mind, to have small government somewhere. It is not with the public. I can assure you it's not.

Having said that, we have decided to do so. We are discussing the way to harmonize things on my side, fiscal side. The taxes will be harmonized, the rules and regulations that govern, their distribution of funding, distribution of wealth resources would be harmonized, and we are discussing those. But there will always be some friction here and there.

Now, coming to the issue of Somaliland, the view by the federal government is that we need to sit down together. We think that we cannot -- it's to the benefit of nobody for separation of these two states; Somaliland and Somalia. And therefore, we have to give dialogue and discussion a chance. I think that is what President Farmajo is working on; to discuss, to sit down together, and to heal wounds, whatever they are -- to heal wounds.

The world is combining; you have Eastern Europe -- I mean, Europe, and you have others all getting together. We are talking one of Africa combining, if that is possible. So, therefore, the issue of Somalia will not be -- it is an issue caused by a need for resources.

I'm sure if debt is relieved, if we start in the issue of development, if we start re-orchestrating the nation, if people can get employment, if kids can graduate and have aspirations and opportunities; those other issues, political issues, will be resolved.

MR. DESAI: Yes, frictions between the states and the federal government is something we are totally unfamiliar with (laughter) in the United States (laughter).

Now, Somalia faces some very severe security challenges obviously.

DR. BEILEH: Yes, yes.

MR. DESAI: Possibly some of the most severe in the world.

DR. BEILEH: Yes.

MR. DESAI: And in your own statements elsewhere, you've pointed out the need for Somalia, and for international authorities, international development community, to address the supply side -- what you call the supply side -- of the conflict. Can you explain what that means, and perhaps, discuss how some of the accomplishments in terms of debt relief to all the other fiscal reforms, as well as economic reforms, can help address this supply side issue.

DR. BEILEH: Now, the supply side issue, is supply to terrorism, is unemployment, and desperation by kids.

Those of you who have been to Mogadishu, you go around and you see throngs of kids not having had the opportunity to go to school, not having the opportunity to go work, they are all standing there. And therefore, you give them some money and they can do anything, and then most of them had the trauma of having seen their families, members of their families killed, or some problems like that.

So, if we can find investment in education, and investment in the private sector, and investment in productive sectors, and these kids are employed then there will be no supply to terrorism. No supply to terrorism, that's what I mean.

And therefore, building schools, putting a curriculum together, facilitating for them to have vocational training, vocational schools. Do you know, 70 percent of Somalia is now today younger than 30 years old? So, it's a youthful nation, and that youthful nation is full of energy.

You have to manage and channel that energy to positive; positive things. Otherwise, energy does not stay, like they say, in one spot, and that is why I say "supply". The supply side has to be addressed; the supply side of terrorism has to be addressed by managing the energy of youth.

MR. DESAI: Let me ask one more question, and then we can turn things over to the audience.

So, before your service in the cabinet, you spent three decades as an economist

in the African Development Bank at various levels where you provided advice, technical advice, technical solutions, to the problems of development, poverty, all over the continent, and of course, as a government official, you've seen on occasion how these technical solutions run up against political obstacles when it comes to implementation feasibility.

Now, there are some young people in our audience who may be considering careers in international development, or maybe starting out; if you could speak to your younger self (laughter), if Dr. Beileh the Finance Minister could speak to Dr. Beileh the young economist starting out, what advice would you give your younger self (laughter).

DR. BEILEH: That's a difficult one, right (laughter)? That's a difficult one. I would simply say that you don't have a shoe that fits all; one shoe does not fit all, that's how I would say it.

I would say that because you are dealing with many, many, many countries, and those many countries have different levels of needs, different capacities, different outlook in life, different rules and regulations. So, if you have the mentality of taking your appraisal (phonetic) report to Country X and expect to do it exactly like you have in Country Y yesterday, you will have issues, you will have problems.

So, what you need to do -- even though you are guided by the rules and regulations of the institution you are working for, these rules are an organized straitjacket sometimes, but you have to have that mindset. Don't be frustrated because this country is different than the other one.

They are all different. They all will tell you they don't want your money, sometimes they will tell you. Do not get frustrated like I did in the past, try to accommodate them in their own way. Try to be flexible with the institutions that you have, and banks always have some flexibility somewhere. So that's the advice I would give.

But I will also say that you are in a very rewarding venture, journey, I think, working for these institutions, and going and traveling to countries, and seeing the need for your resources. The need for your resources are also very important.

It is relieving when you come to a dusty place and you assist farmers or you assist schools to be built, you come back five years down the road, and it is thriving community. It is very rewarding, so I would also tell my young man to keep that in mind (laughter).

MR. DESAI: Very good. So why don't we turn things, open up for some questions from the audience. I will collect a few questions. I would ask you to please introduce yourselves and in the interest of time for everyone else, keep the questions relatively brief. Yes, why don't we start, please, go ahead. I believe there are some microphones there. This episode is being taped, so please speak into the mic.

MR. SCHWARTZ: My name is Steve Schwartz (phonetic), I'm a former U.S. Ambassador to Somalia, greetings Minister.

DR. BEILEH: Hi (laughter).

MR. SCHWARTZ: With federalism in Somalia being new and fragile, one of the shortcomings is a revenue base for the member states. Can you enlighten as to what the status is of revenue sharing right now between the federal government and the member states, and your relationship with the finance ministers of those states as well, thank you.

MR. DESAI: Behind, thank you.

MR. KENIMBAL: Good afternoon, my name is Patrick Kenimbal (phonetic), from the African Development Bank, and first of all, congratulations to the Minister for your post FDB role in Somalia.

You mentioned that Somalia has been used as a word with a negative connotation, but for me, I know Somalia as the place where Mo Farah, the best British athlete came from, Kaman (phonetic) the Canadian poet. So, Somalia has a lot of human resources in the diaspora, and my question to you is how, what are you doing to harness the diaspora community, the Somalian diaspora, to, first of all, rebrand Somalia, and to participate in this economic transformation. Thank you.

MR. DESAI: Let's take one more question in this round, Sir.

MR. MENDAR: I'm Elial (phonetic) Mendar (phonetic) from the U.N. Association,

formerly with The World Bank. In the 1980s I had the privilege of raising many millions of dollars for Somalia and its adjustment programs.

DR. BEILEH: Very, Very nice.

MR. MENDAR: My question now, it goes back to the introduction by Dr. Coulibaly, about the importance of local solutions.

As one who tended to bring external solutions, particularly to Somalia's problems, I wondered if you could expand, Mr. Minister, on the kinds of local solutions that you are looking for, and how that would change the dynamic of structural reforms, which you experienced previously, thank you.

DR. BEILEH: Okay, very good. So, Ambassador has asked me about the revenue sharing. This is an issue that we have been struggling with. We have different states and we have the federal government, and the federal government, as the Ambassador knows, is only in charge of the funds that come from the port and the airport, and Mogadishu.

Outside of Mogadishu, would be another state. It's like we are in Washington. So, everything outside Washington would be either Maryland, or Virginia, or some other place. That is also the same in Somalia. Therefore, the taxes outside the borders of Mogadishu is collected supposedly by another state, and we collect this.

We have not yet reached harmonization of the budget which will have total revenue of the nation and total expenditure of the nation. We are working on that. We have gone very far, to say that this year we will have a summary of the whole budget, attached to the budget of the federal government.

Next year, 2021, we will have the whole budget. This is what we are thinking, but we are still debating and discussing what we understand, and we realize the importance of that.

Now, sharing other resources that are not the local collections and the natural resource funds. For example, we know we have agreed on a formula to share whatever comes from petrol. We also agreed on how to share anything that comes from the ocean, the fisheries; we have agreed on that. The heads of all these institutions is shared by the president of the

federal government, have agreed that the formula -- and one point, in fact, we shared about a million or so that came from the fisheries.

So, natural resources, resources that are countrywide, we know how to do it. Taxation, we are waiting for the function, allocation of government activities. What should be done by, which state, at the state level, one is that it's done, and then you'll be in the conestution (phonetic), the conestution we're working. When it gets done, then we will know who collects what.

Diaspora is a very important positive element for us. Diaspora who was in the beginning refugees, right, but now are major resource for this country, for Somalia. Both the skills that they bring, all kinds of skills that they bring, and the funds that they transfer -- 2 to 3 billion dollars a year.

And, so harnessing for us, they are Somalis, just like us. They come and they are rebuilding. They are helping us rebuild the country. I am a diaspora, and most of the people working in the government, most of them are diaspora. No longer, we are inside now in the country, and our families, those who are willing, came back. Others are sending money; so, it's really a very important component of our rebuilding the nation.

Local solutions, yes, local solutions; we are very happy that we have one culture. We are very happy that before 1960, which is not very far back, before that, we have had our ways of resolving these things. We are also very happy that today we are together because of local solutions. We always say, under the shade, under the shade of a tree, we know how the elders would resolve issues. And we are doing that.

I am sure in the case of Somaliland and Somalia, there's always ways of resolving culture (inaudible), ways of resolving and we are using that to resolve some of the issues. In fact, what brought us together is cascading, what do you call, solutions that brought us to this. Thank you.

MR. DESAI: Yes, Sir. In the front, and then I'll come to you in the back, yes.

MR. DELBUONO: Thank you, my name is Michel Delbuono (phonetic). I've

been working on Somalia longer than many of you have been alive, and until recently I've done a few consultancies with U.N., the EU, the African Development Bank, on Somalia specifically.

I'd like to thank the Minister for his brief summary of the situation in Somalia, but maybe ask a couple of probing questions. A very specific one, and just because it was raised earlier, I wasn't aware that the government had reached an agreement with Puntland on the division of fishing permit revenues.

Anyway, two or three attempts that I know of over the past year or so failed, and that seemed to be a straightforward kind of argument. I mean, they even went abroad, once to the Seychelles to negotiate in peace and everything, and even there, they failed.

Anyway, what I meant to say though is that I believe the country is still in a lot of problems, especially on the security side because whenever the African Union forces liberate in some areas, government did not follow. I mean, nothing happened. The services of the federal government were long awaited, and in part, insecurity, in my opinion, stems from the lack of reconciliation at the local level.

I'm thinking, specifically, of the Shebelle River Valley where the farmers there are being tyrannized by armed people, let's not say who they are. But we know who they are, and unless and until there's reconciliation at the local level, how can you have a peaceful country overall.

Also, from what I understand, the mandate of the African Union forces may be on the exit side. I don't know whether Somalia will succeed in changing that.

Also, I would like to ask, maybe, a question on the monetary side. At one time I was an advisor to the Italian government on it's aid to Somalia, and I very strongly voted against them printing a new currency, but that was some time back. I'm willing to reconsider now to see whether things have -- at that time there was no central government and the new currency might have broken the Somali common market and monetary union, which is the reason I recommended against, and I'm pleased to see the Italians paid heed to my advice at the time.

I also would like maybe to give a quick contrast between the achievements of the

recently recognized government compared to the TNG, which was not internationally recognized. Thank you very much.

MR. DESAI: Thank you. Gentleman in the back row, and then I'll come forward.

MR. COLEMAN: Churney Coleman (phonetic), former member of the U.K. Parliament, and currently of the Columbia University Earth Institute. I'm very pleased that Hargeisa and Mogadishu are talking to each other. I have been to both places a number of times.

I would want to ask one question only, you'll be glad to know, which is the last time I was in Hargeisa, they were conducting a land survey on the basis of having land title agreed throughout the area that was under their control.

The government in Hargeisa felt this was very important in terms of a land tax, very important in terms of defensible space. It was moving away from, if you like, the tribal general ownership of the area, and it was moving forward, that area, into becoming a modern, successful state.

Is that something, perhaps, that the Mogadishu government might want to consider, if you like, as being something that they might want to consider, because certainly it was felt in Hargeisa as being very much the driving force to give stability?

MR. DESAI: We have one question up here, the second row. Can you take one more question?

DR. BEILEH: Yes, yes.

MS. PAINTING: Hello, my name is Sarah Painting (phonetic). I am a senior at Mount Holyoke College, and I'm actually here interning for the fall, here in Brookings, up in the Center for Universal Education in the Girls Education Initiative.

My question is, how is Somalia working to promote women's empowerment to help economic growth, and more specifically, what work needs to be done to promote girls' education, and is this a priority, thank you.

MR. DESAI: One more question; third row. Right here, yes.

MS. ISMAEL: Good afternoon, my name Natar Ismael (phonetic). I actually live in Mogadishu, spent quite a bit of time with Dr. Beileh in the team. I represent soma (phonetic) society, international and national.

Long before it was hip, Dr. Beileh, you did something that I think many of us on the ground know, was new to the whole government. You started having public media come to your office and actually brief them on all the policies and reforms that you're doing.

So, I just want to know if you will commit to continue to do that because it has meant that citizens are engaged, it has meant that people are aware of everything from debt relief, to taxation, and they actually hope that you would actually make that a known for the entire government, but we know that that was something that you had started, thank you.

DR. BEILEH: Very good. Good questions, good questions. Let me try. Okay, now the issue of Puntland, and the relation that we have at Puntland. I wouldn't say Puntland alone. We have five states, and the Banaadir region, and we are working together very closely to resolve whatever differences we have.

One good example would be now, all the ministers of finance met in (inaudible) with the IMF, The World Bank, and the EU. We have also met separately ourselves, and we have agreed that we have one country together. I mean, there was no question on that; there was no question on that. It was a question of resources and sharing the resources.

We have agreed on formula, on the base of which whatever comes from outside will be shared. We have earlier agreed -- I don't know if you knew that -- that some of the taxes will be harmonized, and we have agreed, and we have done that; three items harmonized. We met in Garowe, we have agreed, and those taxes are harmonized.

We have also agreed that at some point, all the customs will be harmonized, the taxes will be harmonized. We now agreed that the revenue bill will be **one** revenue bill, and that revenue bill agreed by everybody, including the Puntland that you have mentioned will be coming to the parliament. In fact, on the 19th it's going to the parliament; 19, with the agreement by everybody.

So, I wouldn't really inject too many issues into the small differences. We are one country. We are one nation. We have some issues and all these things will be resolved, what the resources of the international community will unlock. I can assure you that will be resolved. One country, one people, and we agree on the major issues. Minor issues, there is absolutely no (inaudible).

Now, security issue, yes, I mean, I would not claim that Somalia has control of everywhere. And I have not said that. We have challenges. We are a very poor country. We are very weak in terms of institutions. We are seeking help from the international community. That's why Amasone (phonetic) is there, and Amasone will not just move away, they are rationale people, where we look into it.

It is better that we replace them with our own armed forces. The international community is assisting that we have a strong Army, to keep the security of this nation. But I will not characterize it like the government is not doing this or that.

Government is not doing it because no capacity. I think that's the issue. And as soon as we build the capacity, we will be able to control our borders, just like any other country. Really, we had some issues.

Now printing money, anybody who advises Somalia not to print its own shilling, I don't know what the motive of that is, Sir, with all due respect. A shilling is very important for us.

As you know, Somalia has two currencies now, it has the dollar and the shilling, and the shilling is the lower denomination. The dollar is, anybody who has a lot of money will have a dollar, okay. But if you are going to buy potatoes and tomatoes and all these small things, you should have a shilling.

That shilling is disappearing. There is a shilling there; it's disappearing. We are printing it for inclusivity nation. Now, if you advised Italy not to print, I don't know what your motive was.

MR. DELBUONO: That was a new currency, Your Excellency. I didn't advise against printing the old shilling. That was being done prior --

DR. BEILEH: Even the new currency, if the country decides, and there is a justification for it, anyway, that's your view, but the view I should respectfully disagree. We are trying to print, the first phase, print renew the old shilling, so at least, people can be able to have shilling to buy the small, small things. Otherwise, you know, you will exclude 75 percent of the people not to buy anything.

Now, issue of land, that's the second issue, right? Land survey. I think the land ownership, if I'm not mistaken -- this is not my expertise -- land ownership is the same thing everywhere you go to Somalia. We have clans, and every clan lives in an area, and that area is normally for the clans. It's their grazing area. And then if they want farms, that's their farm, and so, it's individuals.

Mostly it's the head of the group, or the elder that will decide, or the elders that will normally decide. But modern methodology teaches us that we should (inaudible) just the people on their names and all that. And I think it's not only Somalia, everybody, is doing that.

Now, all girls' education is extremely important, young lady. Girls' education is important. Now, we are behind, we are very behind. We are very bad in centers, that we are behind, and in all the schools.

Most of our schools are managed by end-use (phonetic) because of the problems that Somalia had, we did not have the capacity to do that.

But, it's now that we started to repossessing the government schools. And then, part of that would be to encourage girls to enroll by making available the facilities that girls need. We normally don't separate them, but in some cases they are. So, it is that big problem, a big problem of not having the capacity to build schools.

I think the government has just taken over about 30 or so schools around Mogadishu, but everywhere, curriculum harmonization is the first thing the Minister was telling me, that's the first thing that we have to do, and we are working on that across the country.

Now, my media, I have a media discussion at the end of every month for transparency reasons. It is called Meet Your Minister Day. So, at the end of every month, the

whole media will come, and we will discuss what we did that month. How much money we collected? What we have done with it, both inside, outside, they have questions, so it is a great day. Everybody looks forward to it.

So, we still continue. As soon as I go back, I will have the media day, and if there is any special event, I also do my media day, Meet Your Minister Day.

So, it is something that other ministers also do. It is part of the transparency. It is part of bringing your people together with you. They have to travel with you. And if you want them to travel with you, and build the nation with you, they have to understand what you are doing, and they have to understand that they have to sign to it, that what you are doing is correct.

And we have a website. If you go to our website -- it's not one of the best ones, but we have tried for our website in the Minister of Finance to be interactive enough for people to respond.

So, I find that very, very useful, and other people also find it very useful.

MR. DESAI: So, I think we have time for two more extremely brief questions because the Minister has another meeting that he has to go to. This lady has been waiting very patiently up here, and then we'll give you the last word.

DR. BEILEH: Yes.

MS. ASHALOW: Hi, Andrea Ashalow, with Reuter's. I wanted to ask you a question about emerging markets and emerging economies in the context of the U.S./China trade war, in the context of this sort of uncertainty that's happening.

The IMF this week said that it's sees some kind of spillover affect from these trade wars into emerging economies. There has been a lot of jockeying for position, you know, especially by China and Africa as such.

Can you just say a word about your perspective from where you sit, on the state of the global economy and whether you think the leadership in advanced economies are behaving prudently with these kind of tariff wars that are hurting the global economy?

DR. BEILEH: Okay, very good.

MR. DESAI: And, it's the last word, thank you.

MS. LAPIN: My name is Jurdah Lapin (phonetic). I'm in international development expert and I was posted by the U.N. to Somalia for three and half years before the fall of Mogadishu.

DR. BEILEH: Okay.

MS. LAPIN: So, I have a question, given your emphasis on investment, and also your experience in agriculture. Some very successful areas of production in Somalia have been bananas and grapefruit, and also livestock marketing, and there's also been, on and off, well exploration in parts of the country. I wondered what your vision for those three areas of development might be.

DR. BEILEH: Okay, thank you very much. Now, let me start with the emerging markets and trade particularly, and what is happening in the world.

We are kind of in the horn of Africa, they are very far from where big things are happening. I am pleased to say that we have a major project with The World Bank now starting called Regional Integration and Economy Cooperation, and trade is part of it. A very important element.

And we have five countries, and we have a major project that will link, therefore, countries, trade to the ocean where they use our shores, and we will have the rules and all that, and being traders ourselves. We are looking forward to that.

I think it's about time that we started looking internally; trade internally. You know, we look at overseas outside the oceans, but now we are looking internally. I have not seen anything that is spilled over to us from major trade wars.

We are also signing into WTO ourselves, and the neighboring countries, they may have already done it. So, I think there'll be more trade in this world than less.

My view is that we should open our doors too; it should be demand driven, demand and supply should be the guide.

On the issue of investment, yes, investment in those areas are very important. I

can tell you, whatever you saw then -- we used to produce bananas and send it outside; also produce sugar, and we also send it to our neighboring countries -- those are now not functioning, dysfunctional.

The factories that you saw at that time are no longer working. So, it will be part of the rehabilitation of this -- and livestock, as you said, is also a very important component of our economy -- it is part of our emphasis when the debt is relieved. It's going to be part of our major projects that we are awaiting funding from the international community. Thank you very much.

MR. DESAI: Thank you. Please join me in thanking Dr. Beileh (applause) in the hope that he will be one of major future visitors from Somalia to our events.

DR. BEILEH: Yeah (laughter).

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