

July 15, 2024

Ajay Banga

President
World Bank

Kristalina Georgieva

Managing Director
The International Monetary Fund

**Re: Impending Genocide in Ethiopia:
The IMF and World Bank at a Cross Between Complicity and Culpability**

Dear Mr. Banga and Dr. Georgieva:

We, the undersigned organizations, write this both as American taxpayers and people of Ethiopian origin. We focus on two issues. First is our grave concern about an impending Genocide in Ethiopia and the role the World Bank and IMF are playing in financing the government's genocidal war.

Second is the World Bank's and IMF's data on Ethiopia's economy. In this regard, our letter is triggered by a 10-page document titled "Imminent Threat of Economic Collapse and Genocide in Ethiopia." The document is authored by Dr. Yonas Biru and Professor Abu Girma. Dr. Biru was the interim chair of PM Abiy Ahmed's economic advisory council and former Deputy Global Manager at the World Bank in charge of international economic comparison. Professor Girma is a prominent macro economist. Their under-the-hood economic analysis of Ethiopia's GDP growth shows that the World Bank and IMF publish are "demonstrably false and mathematically untenable."

Are the IMF and World Bank Financing an Impending Genocide?

International organizations are ringing alarm bells of an impending genocide. To name just a few:

- ["The UN Special Adviser on the Prevention of Genocide is sounding the alarm about the heightened risk of genocide](#) (October 2023).
- ["Active Genocide Alert in Amhara Region,"](#) The Lemkin Institute for Genocide Prevention: (December 2023).
- [The European Center for Law and Justice's appeal to the UN alarmed by Ethnic Violence against Amhara People](#) (October 2023)

More alarming is the fact that the government is spending the nation's meager resources to buy advanced weapons that are used against civilians. Dr. Biru and Professor Girma have succinctly captured the problem in the enclosed paper. Below we liberally borrow from it.

The government has been acquiring Chinese-built 155 mm SH15 wheeled, self-propelled howitzers, according to [The Defense Post](#) and [Military Africa](#). The international media is replete with stories of indiscriminate killings of civilians by drones with such titles as [“‘Horrific’ civilian toll as Ethiopia turns to combat drones to quell local insurgencies”](#) (The New Humanitarian); [“‘Collective punishment’: Ethiopia drone strikes target civilians in Amhara”](#) (Aljazeera); [“Aerial strike on Ethiopia church grounds kills eight”](#) (Reuters); and [“Witnesses: Drone strikes in Ethiopia's Oromia kill civilians”](#) (AP News).

The government made its priority clear when [it awarded Ethiopia’s Medal of Honor to the CEO of Turkish drone manufacturer](#), Baykar, praising the significant role his drones played in Ethiopia’s civil war. In the same week, the Ethiopian Field Marshal vowed to step up the drone operation. Days later, he made good of his words with intensified drone attacks. This is the same government that is currently in negotiation with the IMF and the World Bank for multi-billion loans from each institution.

This week [the Human Rights Watch issued a frightening document](#), highlighting: “the devastation of the healthcare system in 13 towns. [] The Ethiopian military has committed serious violations of international humanitarian law—the laws of war—which may amount to war crimes.”

The international community needs to be reminded of the World Bank’s and IMF’s complacency in financing the architects of the Rwanda genocide up to the onset of the 1994 genocide. There are reports detailing the [Rwandan government was using World Bank loans to increase its military expenditure by three-fold between 1990 and 1992](#). The World Bank and the IMF stopped funding the government in 1993, but it was too late.

Another area where Ethiopia’s meager resources are wasted is on the Prime Minister’s string of vanity projects. The PM is building a palace with an opulent environ at the cost of \$15.3 billion. *Le Monde* described the project as [“pharaonic taken by delusions of grandeur”](#) glamoured up with a waterfall, three artificial lakes, a zoo, and luxury villas. To top it off, the President of the Oromo region is spending \$1 billion on his expansive mansion, with artificial lakes, dancing fountains, underground parking, and meeting halls.

Furthermore, *Le Monde* noted that the PM “bypassed” the Parliament, stating: “I did not come to Parliament with the intention of asking you for money to build it.” He is supposedly mobilizing resources from both local and international sources. The terms and condition are known only to him. This stands in gross breach of one of the most important pillars of the Constitution encapsulated in [Article 50, Section 3](#): “Supreme power of the Federal Government shall reside in the Council of Peoples' Representatives which shall be accountable to the Ethiopian people.” This includes “Approving general economic, social development policies and strategies” (Article 55, Section 10).

In light of the above, we would be remiss if we fail to flag the following three issues.

First, as the IMF report notes, [“Aid, being fungible, may ultimately help support wasteful and nefarious expenditures.”](#) The World Bank’s [research findings concur](#). This means US taxpayers are indirectly financing the Prime Minister genocidal war through the IMF and the World Bank. We would be remiss not to wonder aloud if the the IMF and World Bank are derelictious of their fiduciary responsibility to US and other donor nations’ taxpayers.

Second, the pharaonic palace is a concealed line-item expenditure at the PM's exclusive discretion. Can the IMF and WB turn a blind eye when 13.5% of the nation's GDP is a discretionary spending of an autocratic PM? Would this not be a dereliction of your institution's duty to undertake a regular health check of the economic and financial policies of member countries?

Third, if the PM can afford to pay \$15.26 billion to build a pharaonic palace, why should American taxpayers be burdened to cover the cost of restructuring Ethiopia's debt? Why should American taxpayers finance new rounds of concessional loans at or near zero interest rate? Once again this raises the question of dereliction of institutional duty on the part of the World Bank and the IMF.

Are the IMF and the World Bank Fabricating Ethiopia's Data?

As noted above, Dr. Biru and Professor Girma's under the hood economic analysis shows the GDP growth figures that the IMF and World Bank are publishing conflict with the reality on the ground. Ethiopian economists at home and abroad are puzzled by the data the IMF and the World Bank are publishing.

Ethiopian Economists are not alone in taking exception to the IMF and World Bank rosy data. The latest UNDP country report stands in total contradiction to the World Bank's optimistic and propitious narrative. Some of the UNDP's highlights include: (1) "Key macroeconomic parameters are in the danger zone", (2) "external financing, especially, international aid has dropped off the cliff, contributing to a major squeeze in forex availability and reserves", and (3) "the nation's fiscal space has essentially disappeared, and the allocation of spending has become skewed to debt service and defense." The UNICEF's assessment is in line with the UNDP's somber outlook.

What we find disturbing is the evidence that Dr. Biru and Professor Girma presented, alleging the World Bank uses fabricated data. This has been reported in, [Financial Times](#) (2018), [the Washington Examiner](#) (2019), and [Center for Global Development](#) (2021). Dr. Biru's and Professor Getachew's 10-page document provides irrefutable evidence in great detail.

We agree with their conclusions and share their grave concerns as stated in their article. First, "The data misrepresents the truth to conceal a catastrophic economic crisis." Second, "the World Bank's and IMF's reproduction of the government's false data gives the government's credence and lulls the international community into inaction or spur it to the wrong action. Consequently, it will allow the crisis to fester beyond remedy." Third, "the fabricated data and its false portrayal of stable and growing economy allows the government to acquire loans to finance its destructive war endeavor." We also believe the World Bank's and IMF false data crowd out legitimate calls for action to avert the impending genocide.

It is also our believe that the current economic woe of Ethiopia is interwoven with the never-ending wars waged by the government since 2020. After the Pretoria agreement, PM Abiy did not waste time to wage full-scale war in the Amhara and Oromia regions with incalculable devastation. The IMF and World Bank economic rescue plan to Ethiopia without requiring an end to the arm conflict will not result in economic recovery.

We plead with you, as leader of the IMF and World Bank, not to repeat your mistake of the early 1990s in Rwanda. We urge you to reconsider your thoughts about financing the Ethiopian government's genocidal war and appoint an independent investigation of the IMF's and World Bank's Data on Ethiopia's real GDP growth.

Sincerely,

List of Signatory Organizations:

American Ethiopian Public Affairs Committee (AEPAC)

Ethiopian American Development Council (EADC)

Ethiopian American Civic Council (EACC)

Ethiopian Public Diplomacy Network (EPDN)

New York Tristate Hope for Ethiopia (H4E)

Ethio Canadian Network for Advocacy and Support (ECNAS)

etHUB

Ethiopiawinet

Network of Ethiopian Scholars (NESO)