

Financial Governance Committee: Summary of Meeting Discussions

45th Meeting – Remote meeting, 3rd June 2020

Public Financial Management (PFM), Budget: The Ministry of Finance (MoF) completed the 2020 budget revisions to cater for the impact of COVID-19 on Government revenues and expenditures, as well as the cost of elections and debt servicing. The Cabinet has approved the revised budget which has now been sent to the Federal Parliament for final approval.

Public Financial Management Policy: The MoF is working with the Ministry of Planning to address the issue of parallel flows of aid and ensure that all support to MDAs from international partners uses government systems and is shown on-budget as required by the PFM Act. Moving forward the FGS will work to ensure compliance of funding from bilateral donors, specialized UN agencies and NGOs.

Policy Paper on Agency Creation: The draft FGS Policy Paper on Agency Creation will be discussed at the Economic Committee which is planned to meet next week. The Committee will discuss provide recommendations before passing the paper to the Cabinet for consideration.

Fiscal Federalism, Fiscal Chapter of the Constitution: Due to COVID-19 movement restrictions, consultations with the FMS on the revised Constitution have been on hold. However, the process will resume in the FMS once COVID-19 movement restrictions are lifted. Cabinet discussions will follow once the FMS consultations are complete.

Contracts and Concessions. COVID-19 has increased the need for procurements conducted using emergency procedures. While there are provisions in the Procurement Act that recognize that procurement procedures may be modified during emergencies, it would be for FGS to develop more detailed operational guidance in support of these provisions. The MoF also reported on the status and follow-up on other contracts and concessions including the port, passports, and security sector rations.

Central Bank: In order to monitor the impact of COVID-19 on the financial sector, the CBS currently receives regular monthly updates from Money Transfer Businesses (MTBs) and Banks. The data shows that the MTBs are currently more affected by COVID disruptions than commercial banks.