

Financial Governance Committee: Summary of Meeting Discussions

43rd Meeting – Mogadishu, 10th March 2020

Public Financial Management (PFM), Policy and Legislation: The Customs Act Amendments and the Audit Bill are awaiting signature by the President. The Ministry of Finance (MoF) is currently preparing English translations of the Revenue Act and PFM Act, and a dual translation (Somali-English) of the Procurement Act, including its Amendments.

FGC presented three PFM related advisory notes. The first looked at on how to bring donor aid to FGS institutions on budget and on treasury through implementation of the 2019 PFM Act. The second was on the issue of agency creation. The advisory note explained that the PFM Act requires all FGS institutions who are preparing legislation to submit it to the MoF for a review of its budgetary implications, before it can be submitted to Cabinet. Finally, the FGC also presented an advisory note on the 2019 Corruptions Perception Index.

Public Financial Management, IATA Overflight Revenue: Overflight payments have now been regularized and arrive on a monthly basis.

Fiscal Federalism, Fiscal Chapter of the Constitution: The Ministry of Constitutional Affairs held discussions with FGS institutions to explore options for revenue sharing and functional assignments. Consultations are now taking place in the FMS and Cabinet discussions will take place once FMS consultations are complete.

Fiscal Federalism, Tuna licensing: The FGC was briefed about the revenue received from the 2019 tuna licensing round and the new licenses issued to the 2018 licensees.

Oil and gas: FGC presented an Advisory Note on alignment between the draft Extractives Industries Income Tax Bill and the draft Model PSA. The Bill is currently being translated and updated to align with the provisions of the 2019 Revenue Act. FGC also presented an Advisory Note on the revenue-sharing provisions of the 2015 seismic data agreement.

Contracts and Concessions: The meeting was briefed on the status of 16 contracts and concessions including progress on the rations contracts and port negotiation.

Central Bank: The Central Bank has continued follow up on recovery of assets from Swiss and Italian banks.