

## **Financial Governance Committee: Summary of Meeting Discussions**

42<sup>nd</sup> Meeting – Mogadishu, 28<sup>th</sup> January 2020

**Public Financial Management (PFM), Policies and Legislation:** The Revenue Act, PFM Act and Companies Act have been passed by both houses of Parliament, signed by the President and gazetted. Bills including the Customs Act Amendments, Procurement Act Amendments, Statistics Act, and Petroleum Act have been passed by both Houses of Parliament and await signature by the President. In addition, the Audit Bill is with the Upper House

**Public Financial Management:** The Ministry of Finance (MoF) reported that the second round of security sector registration is going well as of January 2020, and that the payroll for soldiers will include the \$70 increment awarded in the 2020 approved budget. Furthermore, MoF reported that FGS has received the outstanding balance of overflight revenues from ICAO.

**Fiscal Federalism, Tuna licensing:** The Ministry of Fisheries has received 12 applications for the 2019 licensing round, but most of them did not meet the required criteria, therefore the Ministry is planning to issue new licenses to existing vessels at a higher license fee.

**Fiscal Federalism, Fiscal Chapter of the Constitution:** The Ministry of Constitutional Affairs reported that it has drafted the fiscal chapter of the Constitution. Consultations will be held with the Federal Member States (FMS) following Cabinet agreement.

**Oil and Gas:** MoF informed the meeting that FGS's policy is to not open the licensing round without a Petroleum Act, Model PSA, and Extractives Industry Income Tax Act.

**Contracts and Concessions:** MoF provided updates on the rations contracts for the Somali National Army, Police, and the National Intelligence and Security Agency, and personnel registration with the Auditor General. Also, MoF updated the meeting on the status and follow-ups of ten other contracts and concessions.