

Financial Governance Committee: Summary of Meeting Discussions

50th Meeting – Remote meeting, 19th Jan 2021

2021 Budget Update: The 2021 budget has been approved by Parliament and has been signed by the President. The Ministry of Finance (MoF) is working to increase domestic revenue and to bring UN project funding to FGS institutions in 2021 into the supplementary budget later in the year.

Fiscal Policy: MoF has continued to raise the fiscal implications of new laws in cabinet discussions, stressing that the PFM Act requires all bills to pass through MoF before they are sent to the Cabinet/Parliament in order to address any adverse fiscal implications that they might have. FGC took note of the urgent legal capacity needs of the MoF to review the laws and their implications. The meeting discussed the status of the collection of overflight arrears and the translation of the Public Financial Management Act into English.

Oil and Gas Licensing: The meeting discussed the outcome of the FGS oil and gas meeting with stakeholders (IMF, World Bank, FGC delegates). FGC commended the Chair for his efforts in bringing together all stakeholders to discuss the developments in the Oil and Gas licensing and documentation. FGC provided an Advisory Note on the Oil and gas licensing round which provided a number of recommendations to make sure that awards follow due process and protect the financial interests of the FGS. The meeting discussed a number of key issues including updating the model draft Production Sharing Agreements (PSA) and the Tender Protocol, alignment with the Extractive Industries Income Tax Bill (EIIT Bill), the application of the Procurement Act to the petroleum sector and the role of the Inter-Ministerial Concessions Committee (IMCC) in the oil and gas licensing.

Concessions and Contracts: MoF has issued rations tenders for SNA, Police, NISA and Prisons which have been advertised and will close on 26th January 2021.