

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

52nd Meeting – Remote meeting, 08th June 2021

### **Central Bank and Financial Sector Issues**

The Governor of the Central Bank of Somalia (CBS) updated the meeting on the launching the National Payment System, which will commence with eight local banks in the first phase. The system is integral for interbank payments, clearance and allows the CBS to better regulate the sector. The Governor also briefed the meeting on efforts to recover the legacy assets held in Italy and the UK, and the preparations for the currency reform with the support of the World Bank and other partners.

**Oil and Gas Licensing:** The Minister of Petroleum H.E. Abdirashid Mohamed, the Acting Chair and CEO of Somali Petroleum Authority (SPA), and their technical teams attended the meeting. The Ministries of Finance (MoF) and Petroleum and Mineral Resources (MoPMR) are working closely towards resolving outstanding issues in the Production Sharing Agreement (PSA) and licensing round Tender Protocol and a Inter-Ministerial Concessions Committee (IMCC) meeting will be convened to finalize the process. The FGC continues to provide strategic guidance on the process and will provide high-level comments for IMCC on issues for consideration prior to finalization of the PSA and tender protocol.

**Fiscal Update:** MoF updated the meeting on the Government's efforts to increase the domestic revenue from Khat exports and the telecoms sector. The meeting also discussed progress towards issuing a tender for the collection of overflight revenue arrears.

**Concessions and Contracts:** The meeting discussed conventions for Government contracting during an election period. The meeting also discussed a number of FGS current contracts and concessions.

**Financial Governance Report (FGR) 2021:** FGS has started the process of drafting the 2021 FGR.