

Financial Governance Committee (FGC) Meeting Summary

67th Meeting – 24th February 2025, Mogadishu, Somalia

Overview

The Financial Governance Committee (FGC) held its 67th meeting on the 24th of February, 2025 in Mogadishu. Discussions focused on major financial governance priorities, including the 2024 Financial Governance Report, constitutional drafting on fiscal matters, petroleum sector management, revenue mobilization, and concessions and contract oversight. Members received updates on ongoing financial governance reforms and outlined next steps to enhance transparency and accountability.

Revenue Mobilization and Fiscal Coordination

FGC members received updates on efforts to strengthen domestic revenue collection, including improvements in tax administration, customs harmonization, and financial sector reforms. The Ministry of Finance is in the process of taking full responsibility for management of the Somalia Customs Automated System (SOMCAS), which is a key tool for delivery of customs modernisation reforms.

Constitution Drafting Process and Fiscal Federalism

Discussions covered the ongoing constitutional review process, particularly regarding the fiscal provisions and their implications for financial governance. Members highlighted the need for clarity in revenue-sharing mechanisms and emphasized the importance of ensuring consistency in the Constitution's fiscal provisions across all chapters. .

Petroleum Sector Management

The FGC received a presentation from the Minister of Petroleum in which he outlined ongoing reforms to improve sector management. The Ministry has issued a joint regulation with the Ministry of Finance setting out the process for awarding petroleum Production Sharing Agreements (PSAs). It is in the process of developing the regulations to the Petroleum Act. It is also taking steps to ensure that all existing contractors comply with PSA requirements. FGC members welcomed efforts to strengthen transparency and due process in petroleum sector contracting.

Concessions and Contract Oversight

The committee discussed updates on concessions and key procurement processes, including FGS's plans for development of a new Mogadishu port. FGC members reiterated the need for adequate due diligence, inter-governmental co-ordination, transparency, oversight, and adherence to procurement regulations to safeguard public resources.

Financial Governance Report 2024

The committee discussed on the first draft of the 2024 Financial Governance Report and reviewed critical content(s) on the report, including progress in public financial management, revenue mobilization, and institutional reforms. Members discussed the timeline for finalizing and publishing the report.

Conclusion

The FGC Chair, H.E Minister of Finance underlined the importance of sustained financial governance reforms in strengthening Somalia's economic resilience and institutional capacity. The committee reaffirmed its commitment to advancing reforms, fostering transparency, and ensuring practical public financial management. The next steps and meeting schedules were discussed, with members agreeing to maintain momentum on key governance issues.