

Financial Governance Committee (FGC) Meeting Summary

64th Meeting – 15th July 2024, Mogadishu Somalia

Overview

The Financial Governance Committee (FGC) convened for its 64th meeting on 15th July 2024. The meeting facilitated productive discussions on a number of financial governance issues and established several key action points.

Fiscal Reforms: FGC members noted the importance of the current Constitutional Review process in consolidating ongoing fiscal reforms and ensuring an equitable approach to natural resource sharing. Discussions focused on identifying key issues for consideration in the draft fiscal chapter..

Contract Management and Procurement: The FGC received an update from the Ministry of Petroleum on the status of oil and gas licensing in Somalia. It also discussed ongoing feasibility work for the development of a new port and received an update on the implementation of various ongoing contracts. Emphasis was placed on the need for appropriate oversight of tender processes and contract implementation. The committee stressed the importance of compliance with established procurement laws to ensure transparency and accountability.

Revenue Mobilization: FGC members reviewed recent progress towards enhancing domestic revenue mobilization. The committee reviewed strategies to increase domestic revenue through improved tax policy, better compliance mechanisms, and broadening the tax base. Discussions focused on leveraging technology and international best practices to boost efficiency in collection of customs duties and sales tax. The committee also noted the potential to increase non-tax revenue in the aviation sector. Technical assistance will be provided to the Somalia Civil Aviation Authority (SCAA) to develop appropriate plans in aiming to optimize overflight charges, enhance in provision of services and ensure sustainable management of the airspace.

Conclusion

The chair of the committee, H.E. Iman Bihi, the Minister of Finance underscored the FGC's commitment to continuous improvement in financial governance and regulatory practices. He appreciated the FGC's valuable role in supporting Somalia's economic development by ensuring robust financial governance. Follow-up on the agreed action points will be conducted in subsequent meetings to track progress and address emerging issues.