

Financial Governance Committee: Summary of Meeting Discussions

54th Meeting – Virtual meeting, 08 March 2022

Oil and Gas: The meeting discussed the latest developments in oil and gas. These included the approval of the model Petroleum Sharing Agreement by the Inter-Ministerial Coordination Committee in November 2021 and the award of seven PSAs signed to Coastline in February 2022, which was subsequently nullified by the President and Prime Minister. FGC continues to provide advice on the next steps for the Tendering, Negotiation, and Award of Production Sharing Agreements in the Petroleum Sector. The Director-General of the Ministry of Petroleum and Mineral Resources (MoPMR) attended the meeting and briefed about the steps taken towards nullifying the signed PSAs and he welcomed FGC's advice on the process of revising the tender protocol in line with the Procurement and Petroleum Laws. The Chair reiterated that the oil and gas licensing process will be guided by the rules and laws of the country.

Concessions and Contracts: The meeting noted the President and Prime Minister's decrees restricting the launching of major tenders during the election period. It advised that the new rations tender would need to await the commencement of the new administration. The meeting also discussed the next steps for refining the scope of the Pre-Export Verification of Conformity (PVoC) tender so that it is ready for issuance when the next administration is in place nt.

Financial Governance Report (FGR) 2022: The meeting discussed drafting the 2022 Financial Governance Report and agreed on a timeline and approach for the preparation of this annual report so that its release coincides with the change in administration.

Central Bank and Financial Sector Issues: The Central Bank of Somalia (CBS) continues to undertake financial sector reforms and the support of the country's financial sector. FGC congratulated CBS and its leadership on the recent achievement of awarding the third Mobile Money License to Somlink. The CBS has made substantial progress in developing the National Payment System and currently, the existing 13 licensed Banks in Somalia are connected to the system. The CBS continues to work in finalizing and launching the Somali Payment Switch which is a key component of the National Payment System. The CBS is working on working on a number

of important pieces of legislation including the insurance bill and the national payment bill which will be submitted to the next Parliament for approval.