

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

58th Meeting – 20 February 2023 – Ministry of Finance

**Fiscal Reforms and Budget:** The Minister of Finance and Central Bank Governor briefed the meeting on the Federal Government’s planned contribution to the Central Bank capitalization plan. An allocation is expected to be made in the 2023 Supplementary budget. The meeting also discussed the recent appointment of the new Auditor General and the status of the Audit Bill.

**Oil and Gas:** FGC international delegates presented a review of the oil Production Sharing Agreements (PSAs) signed between the Federal Government and Coastline Exploration Limited. The review assessed the extent to which the Coastline PSAs are consistent with the Model PSA approved by the Inter-Ministerial Concessions Committee (IMCC) and the Somali legal framework. The meeting agreed to share the findings with the senior leadership of the Federal Government.

**Public Procurement and Concessions:** The Director General of the Ministry of Fisheries briefed the FGC on the fisheries licensing MoU signed between Ministry of Fisheries and China Beijing Chaoyang Holding company. The Ministry is now conducting a due diligence on fishing vessels covered by the MoU to ensure they meet and comply with the standards set in Fisheries Law prior to the award of tuna fishing licenses. The revenue received from tuna licensing will be shared between the FGS and Federal member states in accordance with the 2019 fisheries revenue sharing agreement which is currently extended until October 2023.

The Acting Director General of Somali Bureau of Standards updated the meeting on the import conformity assessment services tender, which has been advertised. Progress is also being made in preparing of the local product certification services tender. FGC continues to assist the Bureau on accessing expert advice on the preparation and evaluation process of those tenders.

The meeting received an update on the security sector rations tender process, which has been successfully completed.

The meeting also reviewed an FGC advisory note on the institutional frameworks for Public Private Partnerships. The advisory note found that current institutional arrangements established in the Concessions section of the Procurement Act are consistent with good international practice. The meeting noted that the Act requires a Concessions Technical Unit to be established in the Ministry of Finance to support the work of the IMCC. It was agreed that until the Concessions Technical Unit is established, this support will be provided by the Procurement Directorate.