

Financial Governance Committee: Summary of Meeting Discussions

55th Meeting – Virtual meeting, 22 June 2022

Fiscal Reforms and Budget: The Chair briefed the meeting about the progress on approving the 2022 budget by the Federal Parliament. The meeting congratulated the budget team and all FGC members for their efforts in bringing aid to FGS institutions on-budget and on-treasury in accordance with the 2019 PFM Act, including a total of USD 16 million of projects funds from the UN. The meeting noted that a large percentage of the 2022 budget is comprised of externally funded projects & thus although the size of the budget has increased, there is limited scope for increased salaries or institutional expansion.

As part of the fiscal reform, the meeting noted the need for an explicit government policy to guide new agency creation. The FGC will provide advice to the new administration on this issue.

Oil and Gas: The Director General of the Ministry of Petroleum and Mineral Resources briefed the meeting about the progress of drafting the Tender Protocol for the oil and gas licensing round in line with the Procurement and Petroleum Laws, and status of the seven PSAs signed with Coastline in February 2022.

Concessions and Contracts: The meeting took a note of an FGC advisory note on priority actions for the new administration with respect to public procurement and concessions. It discussed the upcoming security sector rations tenders and Somali Bureau of Standards import conformity assessment services tender. The Director General of Immigration and Naturalization updated the meeting about the passport contract tendering process and welcomed FGC's support in acquiring the necessary technical expertise to develop the passport contract and to run the tender process. The meeting took a note of FGC advice on issuing a Circular on Emergency Procurement and incorporating Emergency Procurement Guidance into the procurement regulations.

Central Bank governance and financial sector reforms: The Central Bank of Somalia (CBS) Governor briefed the meeting about CBS's continued efforts to undertake financial sector reforms and the support of the country's financial sector including the development of the Somalia Payment Switch which supports the interoperability of local banks. The meeting took a note of CBS's work with the SWIFT to standardize Somali banking systems to establish IBAN system which will facilitate cross-border payments.

Extension of FGC mandate: The Chair of the FGC confirmed that the President, H.E. Hassan Sheikh Mohamud, has approved the extension of the FGC's mandate for a further twenty-four months.