

Financial Governance Committee: Summary of Meeting Discussions

59th Meeting – 29 March 2023 – Ministry of Finance

Oil and Gas: The FGC discussed an Advisory Note on Renegotiation Priorities for Coastline PSAs. The Advisory Note identified provisions in the Coastline PSAs which it is advisable to renegotiate. The Advisory Note recommended the establishment of a cross-government team to better coordinate the process going forward. Decisions on the way forward will be guided by feedback from discussions with the leadership and the Minister of Petroleum.

Public Procurement and Concessions: The Director General of the Somali Civil Aviation Authority (SCAA) briefed the FGC on SCAA's plans to increase Somalia's air navigation fees due to the upgrade of the Somali airspace from class G to class A. This revision will result a substantial increase in the FGS revenue from the aviation sector. FGC appreciated the improvement of the quality of the Somali airspace and reminded SCAA that all air navigation fees should be paid into the Treasury Single Account, as required by the PFM Act. FGC continues to review and provide to advice on the overflight debt service collection tender proposed by SCAA.

The FGC discussed the status of a number of contracts and tenders (SNA rations and fuel contract awards, import conformity assessment tender, visa services contract extension, passport services tender, electronic cargo tracking documentation services among others). The FGC noted that procurement due process is not being followed in all cases, and recommended that a circular be issued, reminding all Ministries of their obligations under the Procurement Act. The FGC also agreed to assist the Procurement Department in developing a standard operating procedure for the Inter-Ministerial Concessions Committee (IMCC).

Central Bank governance and financial sector reforms: The CBS Governor briefed the meeting on their plans to submit the National Payment bill, Insurance Bill, and Financial Institution Bill to the cabinet in coordination with the Ministry of Finance. FGC congratulated the CBS for Somalia joining the IBAN registry and upgrading the swift to latest to global transmission. FGC is working

on an advisory note on Central Bank and Financial Sector Reform to reflect on progress and lessons learned.