Financial Governance Committee (FGC) Meeting Summary
72nd Meeting – 12nd January 2026, Mogadishu, Somalia

Overview

The Financial Governance Committee (FGC) held its 72nd meeting on 12th of January 2026 in Mogadishu. The meeting reviewed key macro-fiscal developments, progress in financial governance reforms, the constitutional review process, natural resource management, corruption perceptions index, revenue mobilisation, and updates on major concessions and contracts. Discussions focused on reform momentum, emerging fiscal risks, and priorities for the way forward.

Macroeconomic and Financial Sector Developments

The Chair briefed members on recent national developments, noting continued reform momentum amidst global uncertainties and geopolitical tensions. He highlighted Parliamentary approval of the 2026 Budget, the successful completion of the IMF Fourth Review under the Extended Credit Facility and the first board meeting of the Somalia Development and Reconstruction Bank,, all of which are important milestones in Somalia's reform and financing framework. The 2026 Budget submission complied with the debt management requirements of the Public Financial Management (PFM) Act, and Parliament reviewed and approved Somalia's first new borrowing since debt relief.

The Governor of the Central Bank of Somalia (CBS) reported that the banking sector remainsstable, and the CBS continues to expand its regulatory coverage. Following, enactment of the Revised Financial Institutions Law and Insurance Law in May 2025, the CBS has issued licenses to 10 micro-finance institutions, and has started the licensing process for insurance companies. The Governor highlighted plans to strengthen IT systems, data security, and credit referencing, with the aim of increasing bank lending to the private sector.

Corruption Perceptions Index

The Committee discussed proposals on a strategy to improve Somalia's performance in the Corruption Perceptions Index. Proposed actions included improving Somalia's source data coverage, redoubling reform implementation efforts and strengthening national capacity for measurement of corruption. It was agreed that further work is needed, including broadening the discussion within Government and learning from experience of higher-scoring and fast-improving countries.

Natural Resource Management

The Committee reviewed developments in the petroleum sector. Members noted improvements in the management of existing Production Sharing Agreements, and were briefed on Turkiye's plans to drill an exploratory well in the first half of 2026, following positive seismic results.

Preparations for the launch of Somalia's first competitive licensing round and continued engagement with technical partners were also discussed. Updates were provided on the fisheries sector, including revenue sharing with Federal Member States and the recent establishment of the National Fishing Company, which has entered into a joint venture with Oyak, a Turkish firm, for fisheries management.

Revenue Mobilisation

Members reviewed progress in domestic revenue mobilisation and ongoing reforms, including system improvements and inter-agency coordination. Updates were provided on steps taken to regularise Mogadishu port fee deductions within the federal budget framework. The Committee also discussed revenue outturns for 2025. Improvements in sales tax, income tax and non-tax revenue collections as a result of ongoing reforms partially offset the fiscal impact of recent aid reductions on customs revenues.

Concessions and Contracts

The Committee reviewed key concession and procurement matters, including ongoing plans for the development of New Mogadishu Port. Members emphasized the importance of evaluating different financing options in terms of both their immediate and long-term benefit to Somalia while ensuring due process, transparency, and alignment with legal and institutional requirements. Progress on various ongoing tenders and evaluations was noted, alongside the need for continued IMCC engagement.

Conclusion

The Chair thanked members for their contributions and reaffirmed the Committee's commitment to strengthening fiscal discipline, transparency, and institutional coherence. Follow-up actions were agreed across agenda items, with progress to be reviewed at the next FGC meeting.