

Second Validation of Cameroon:

Final assessment by the EITI International Secretariat

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1. Executive summary

The EITI is of particular relevance to Cameroon, with the majority of requirements of the EITI Standard both applicable and of high relevance to public debate and policy making. EITI implementation could yield significant outcomes and impact in Cameroon in reducing the legacy of mistrust over the management of extractive revenues, increasing transparency on oil and gas revenues that are not transferred to the single Treasury account and in promoting the government's efforts to diversify the economy towards the mining sector.

The period since the first Validation (July 2017 – February 2020) was marked by upheaval both in the country's EITI implementation and in the broader political and economic spheres. In line with neighbours in the CEMAC (Economic Community of Central African States) region, Cameroon concluded an extended credit facility from the IMF in July 2017, and more recently support from the IMF's rapid credit facility in May 2020 to support its efforts in response to the Covid-19 crisis. The crisis in the southwest and northwest anglophone regions escalated in 2018, while the fight against Boko Haram in the north continued. Meanwhile presidential elections in October 2018 preoccupied most stakeholders in 2018.

The EITI faced a crisis in this period. The MSG met infrequently with its work continued mainly by ad hoc working groups. EITI Cameroon struggled to publish timely EITI Reports, having built up payment arrears towards past Independent Administrators. Following the renewal of MSG membership in mid-2019, EITI Cameroon has had to focus on capacity building and transfer of institutional memory between MSG members. There was some institutional memory with the renewal of the terms for some of the former MSG members had their terms renewed, including six of the eight civil society representatives. The MSG's oversight of EITI implementation appeared to weaken during the 2018-2020 period, with delays in agreeing annual EITI work plans, EITI Reports and annual progress reports. However, since 2020 there appear to have been improvements in the documentation of the MSG's oversight of implementation and its assessment of outcomes, with the publication of MSG meeting minutes and annual progress reports as well as the development of a new work plan for 2021-2023.

The pace of outreach and contribution to public debate appears to have declined in the period since the first Validation, with a limited number of workshops held in the capital Yaoundé. The use of EITI data appears limited to mining, rather than oil and gas issues.

At the same time, implementation of the EITI has yielded tangible outcomes and impacts in Cameroon. The government has enshrined key EITI Requirements into national legislation through the 2016 Mining Code and the 2018 Transparency Code. There have been delays in accompanying implementing Decrees for these laws. The EITI has drawn attention to arrears in subnational transfers, both of extractive and non-extractive revenues. There have been improvements in the government's systematic disclosures, including through the online mining cadastral system, and in financial disclosures by the national oil company SNH. There remains significant potential for EITI implementation to further progress in these areas.

There is evidence that the civil society constituency has broadened its outreach with the creation of a new civil society platform, OSCC-ITIECAM, and codified open, fair and transparent nominations procedures. Yet there is little evidence of the new constituency coordination mechanisms being used in practice to coordinate with the broader constituency, with some stakeholders' allegations of conflict of interest and co-optation against MSG members persisting. While the existence of self-censorship

cannot be conclusively ruled out given allegations of self-censorship on oil and gas issues generally by a minority of stakeholders consulted, there is little evidence that such self-censorship has constrained civil society's expression on all aspects of EITI implementation in practice, including related to SNH's security-related expenditures on behalf of government.

The Secretariat's assessment is that Cameroon has fully addressed three of the 14 corrective actions, that it has achieved "meaningful progress" in addressing another nine corrective actions and it has made "inadequate progress" with considerable improvements in addressing the other two corrective actions. The Secretariat has also reviewed progress on Requirements 2.5, 4.7 and 4.8, with assessments of "inadequate progress" for the first and "meaningful progress" for the subsequent two. The outstanding gaps relate to civil society engagement (Requirement 1.3), MSG oversight (Requirement 1.4), work plan (Requirement 1.5), contract and license allocations (Requirement 2.2), register of licenses (Requirement 2.3), contracts (Requirement 2.4), beneficial ownership (Requirement 2.5), state participation (Requirement 2.6), data timeliness (Requirement 4.8), distribution of revenues (Requirement 5.1), subnational transfers (Requirement 5.2), social expenditures (Requirement 6.1), quasi-fiscal expenditures (Requirement 6.2), public debate (Requirement 7.1) and review of outcomes and impacts of EITI implementation (Requirement 7.4).








The draft assessment was sent to the multi-stakeholder group (MSG) on 30 September 2020. Following comments from the MSG on 18 November 2020, the assessment was finalised for consideration by the EITI Board.

2. Scorecard

EITI Requirements		Level of progress					Direction of Progress
Cameroon second Validation scorecard		No progress	Inadequate	Meaningful	Satisfactory	Outstanding	
Categories	Requirements						
MSG oversight	Government engagement (#1.1)						=
	Industry engagement (#1.2)						=
	Civil society engagement (#1.3)						=
	MSG governance (#1.4)						→
	Work plan (#1.5)						←
Licenses and contracts	Legal framework (#2.1)						=
	Contract and license allocations (#2.2)						←
	License register (#2.3)						→
	Policy on contract disclosure (#2.4)						→
	Beneficial ownership (#2.5)						N/A
	State participation (#2.6)						→
Monitoring production	Exploration data (#3.1)						=
	Production data (#3.2)						→
	Export data (#3.3)						=
Revenue collection	Comprehensiveness (#4.1)						=
	In-kind revenues (#4.2)						→
	Barter agreements (#4.3)						=
	Transportation revenues (#4.4)						=
	SOE transactions (#4.5)						→
	Direct subnational payments (#4.6)						=
	Disaggregation (#4.7)						=
	Data timeliness (#4.8)						←
	Data quality (#4.9)						=
Revenue allocation	Distribution of revenues (#5.1)						→
	Subnational transfers (#5.2)						→
	Revenue management & expenditures (#5.3)						
Socio-economic contribution	Social & environmental expenditures (#6.1)						←
	SOE quasi-fiscal expenditures (#6.2)						→
	Economic contribution (#6.3)						=
	Environmental impact (#6.4)						
Outcomes and impact	Public debate (#7.1)						=
	Data accessibility and open data (#7.2)						N/A
	Recommendations from EITI (#7.3)						=
	Outcomes & impact (#7.4)						=

Commented [IS1]: Subject to the Board's consideration of new information published after the commencement of Validation.

Legend to the assessment card

	No progress. All or nearly all aspects of the requirement remain outstanding and the broader objective of the requirement is not fulfilled.
	Inadequate progress. Significant aspects of the requirement have not been implemented and the broader objective of the requirement is far from fulfilled.
	Meaningful progress. Significant aspects of the requirement have been implemented and the broader objective of the requirement is being fulfilled.
	Satisfactory progress. All aspects of the requirement have been implemented and the broader objective of the requirement has been fulfilled.
	Outstanding progress. The country has gone beyond the requirement.
	This requirement is only encouraged or recommended and should not be taken into account in assessing compliance.
	The MSG has demonstrated that this requirement is not applicable in the country.

3. Background

Cameroon joined the EITI in 2007 and became compliant with the EITI Rules in October 2013. Cameroon's first Validation under the EITI Standard concluded in June 2018, in which the EITI Board found that Cameroon had made 'meaningful progress' in implementing the EITI Standard.¹ Fourteen corrective actions were identified by the Board, to be assessed in a second Validation commencing on 29 December 2019.

In December 2019, the Cameroon EITI MSG submitted a request to the EITI Board for an extension to its reporting and Validation deadlines. On 13 February 2020, the Board ruled that Cameroon was ineligible for an extension to their Validation deadline.² Cameroon's Validation therefore started on 13 February 2020, with publicly accessible information up to 13 February 2020 taken into account in the assessment of progress.

The EITI International Secretariat has assessed the progress made in addressing the 14 corrective actions established by the EITI Board following Cameroon's first Validation in 2018.³ The 14 corrective actions relate to:

1. Civil society engagement (Requirement 1.3),
2. MSG governance (Requirement 1.4),
3. Work plan (Requirement 1.5),
4. License register (Requirement 2.3),
5. Policy on contract transparency (Requirement 2.4),
6. State-participation (Requirement 2.6),
7. Production data (Requirement 3.2),
8. In-kind revenues (Requirement 4.2),

¹ EITI (June 2018), 'Board decision 2018-32/BM-40/BP-40-6-A: The EITI Board agreed that Cameroon has made meaningful progress in implementing the 2016 EITI Standard', accessed [here](#) in March 2020.

² EITI (February 2020), 'Cameroon is ineligible for an extension of their Validation deadline', accessed [here](#) in March 2020.

³ LINK TO BOARD DECISION FROM FIRST VALIDATION

9. SOE transactions (Requirement 4.5),
10. Distribution of revenues (Requirement 5.1),
11. Subnational transfers (Requirement 5.2),
12. SOE quasi-fiscal expenditures (Requirement 6.2),
13. Public debate (Requirement 7.1),
14. Documentation of impact (Requirement 7.4).

Cameroon has undertaken a number of activities to address the corrective actions:

- The MSG met 6 times during the second half of 2017; 3 times in 2018 as well as in 2019 and, finally, 3 times between the 1st January 2020 and 13th February 2020, the start of the Validation;
- On 14 November 2017, the MSG adopted a dissemination timeline and an update of the communication strategy;
- On 28 December 2017, the MSG adopted the 2016 Annual Progress Report;
- On 8 February 2018, the MSG adopted the Independent Administrator's ToRs for the 2016-2017 Reports;
- On 17 May 2018, the MSG adopted the updated 2017-2019 work plan for 2018;
- On 17 July 2018, the government issued the Decree No. 2018/6026/PM of 17 July 2018 on the creation and organisation of the EITI Committee;
- On 10 August 2018, the MINFI issued an Order of 10 August 2018 appointing the National Coordinator of the EITI Cameroon;
- On 21 November 2018, the civil society constituency adopted an action plan and constituency guidelines codifying the coordination mechanisms and the process of designation of CSOs representatives on the MSG;
- On 18 December 2018, the MSG adopted the scoping studies for the 2016 and 2018 EITI Reports;
- On 5 February 2019, the Prime Minister's office issued the Order N° 025/CAB/PM of 05 February 2019 fixing the indemnities of the Committees and working groups;
- On 12 February 2019, the MSG adopted the 2017 annual progress report;
- On 22 February 2019, the MSG organised an event for the public launch of the 2016 Report;
- On 23 December 2019, the civil society constituency undertook a pre-Validation self-assessment of progress in addressing the corrective measures from the first Validation;
- On 26 December 2019, the MSG adopted an emergency action plan for preparing the second Validation;
- On 6 February 2020, the MSG adopted the 2017 EITI Report and conducted a public press event for its launch. The MSG also adopted the EITI Code of Conduct;
- On 12 February 2020, the MINFI issued Order No. 361(bis)/MINFI of 12 February 2020 institutionalising the composition of the new MSG.

The following section addresses progress on each of the corrective actions. The assessment covers the corrective actions established by the Board and the associated requirements in the EITI Standard. The assessment follows the guidance outlined in the Validation Guide.⁴ In the course of undertaking this assessment, the International Secretariat has also considered whether there is a need to review additional requirements, i.e. those assessed as "satisfactory progress" or "beyond" in the 2016 Validation. While these requirements have not been comprehensively assessed, in the Secretariat's

⁴ EITI (2019), 'EITI Validation Guide', available at: <https://eiti.org/document/eiti-validation-guide>

view there is no evidence to suggest progress has fallen below the required standard and no additional issues that warrant consideration by the EITI Board.

4. Effectiveness and impact of EITI implementation

Impact and effectiveness

Implementation objectives linked to national priorities: At the commencement of Validation, The latest publicly available EITI work plan was last updated in 2017, although draft updates to the three-year 2017-2019 EITI work plan were reviewed in May 2018 without being agreed by the MSG or published. The objectives last set for Cameroon's EITI implementation are partly in line with national priorities. The EITI-Cameroon aimed to reinforce transparency and governance in the extractive industries, with one of the four specific objectives in line with broader sector priorities. The second specific objective for the 2017-2019 work plan is to improve the comprehensiveness and reliability of extractive revenue flows to facilitate institutional and citizen oversight of the sector. The specific contribution that EITI implementation could provide to broader national priorities for the extractive industries are unclear from Cameroon's successive EITI work plans, however. In the absence of an updated EITI work plan, there is no evidence that the MSG has engaged in a strategic discussion about the alignment of objectives for EITI implementation with national priorities during the period under review in this Validation. It is worth noting however that, subsequent to the commencement of Validation, a work plan 2021-2023 shared with the International Secretariat and yet to be published as of 20 November 2020 indicates that the MSG has re-engaged in these discussions. The lack of timely annual progress report for the period 2018 – 2019 or an impact assessment has hindered stock-taking during the period validated of lessons learned from recent years of implementation. This represented a missed opportunity for EITI Cameroon to leverage on broader trends in the country's extractive industries and public finance management reform, including reforms of the regulatory framework for both mining and oil and gas, improvements in the effectiveness of subnational transfers, implementation of the Transparency Code and reforms agreed in the context of the IMF's extended credit facility, not least related to SNH's 'direct interventions' on security expenditures on behalf of the state. It is worth noting however that, subsequent to the commencement of Validation, annual progress reports for 2018 and 2019 were published.

Impact of EITI: There were widely divergent stakeholder views during consultations on the EITI's impact after 15 years of implementation. It is clear that public understanding of the extractive industries has clearly grown with EITI implementation. Data from EITI Reports is widely considered as credible and a significant improvement compared to what used to be in the public domain prior to EITI implementation, particularly in terms of data on the oil and gas sector. The oil and gas sector accounts for around 99% of the government's extractive revenues (in 2017) and there is evidence of at least one civil society statement critical of the management of the oil and gas sector. However, EITI disclosures on sensitive issues such as the use of oil revenues not transferred to the Treasury, through the national oil company SNH's "direct interventions", do not seem to have generated any public debate despite their relevance for Cameroon's ongoing reforms in accordance with the IMF's extended credit facility. The slow-down in outreach and dissemination activities in the 2017-2020 period appears to have compounded the lack of debate based on EITI data. EITI data has generated far more public debate on the mining sector.

Most stakeholders consulted considered that the MSG and its working groups had established a working relationship between the three constituencies that had led to emerging trust on extractive governance issues. However, there was a widespread recognition that the work of the MSG and its working groups had been interrupted in 2018, with presidential elections and the formation of a new

MSG. Yet while trust has gradually been built among stakeholders directly involved in EITI implementation, clear divisions have emerged within the civil society constituency between those directly involved in the MSG and Technical Secretariat on the one hand, and those outside on the other. Persistent allegations of conflict of interest and co-optation levelled by some members of the broader civil society constituency towards their EITI representatives are corrosive and weaken the impact of the fledgling trust built between representatives from the different constituencies on the MSG.

Implementation of the EITI, and in particular follow-up on recommendations from EITI reporting and Validation, has driven tangible reforms in government and the national oil company's systems as well as the broader regulatory framework for the extractive industries. There is evidence of certain recent legal reforms, including the 2016 Mining Code and the 2018 Code for Transparency and Accountability in Public Financial Management, enshrining provisions of the EITI Standard in national legislation, although their implementation is pending the enactment of their respective implementing Decrees.

With regards to the EITI's impact on reforms of government and company systems in the period since July 2017, opinions of different stakeholders were split although many stakeholders consulted considered that the EITI had had an impact on government systems in recent years. In particular, some stakeholders credited the EITI for improving the transparency of subnational transfers in terms of both policy and practice given the creation of an inter-ministerial committee to resolve bottlenecks in the executions of subnational transfers. Some stakeholders also attributed improvements in SNH's systematic disclosures on oil and gas to EITI implementation. However, other stakeholders questioned whether these reforms were concurrent with EITI implementation, rather than caused by the EITI.

Cameroon's EITI implementation has led to gradual improvements in trust among some stakeholders, public recognition and government reforms. However, there was consensus among all stakeholders consulted that further work was needed to achieve Cameroon EITI's single greatest objective, the alleviation of poverty and contribution to sustainable development. However, there was little clarity in stakeholder views about how the EITI might lead to these impacts in practice in Cameroon.

Prospects for greater EITI impact: There is clear scope to enhance the impact of EITI implementation in Cameroon. The MSG's attention to the detail of EITI reporting by an Independent Administrator has not been matched by commensurate attention to outreach and dissemination of key EITI findings and data to target stakeholder groups. A coherent and consistent approach to improving systematic disclosures of EITI data by government and extractive companies, building on general discussions on mainstreaming over the past two years, would allow the MSG to work with key government entities and extractive companies to improve timely disclosures, focusing on data of greatest demand by key constituencies. With 18 years of EITI data on extractive companies' payments to government, EITI Cameroon has an opportunity to leverage this data for research and analysis, with a view to informing public policy making and debate.

Innovations beyond EITI Requirements: Cameroon has innovated beyond the basic requirements of the EITI Standard in several areas, including extending the scope of EITI disclosures to the oil transportation sector. The MSG has also expanded the scope of EITI reporting to subnational transfers that are not exclusively related to extractive revenues, in light of significant demand for information from stakeholders at the local level.

Conclusions, lessons learnt and recommendations: Cameroon's 15 years of EITI implementation have yielded some tangible outcomes and impacts, even if it remains shy of its potential. In particular, there is little evidence of EITI impact in the areas that stakeholders consulted agreed should be the main priority, namely the alleviation of poverty and support for sustainable development. Should the MSG

wish to maintain this objective for EITI implementation, it may need to revisit the tools and outputs it plans in order to achieve these goals. A concerted and comprehensive analysis of the impact of EITI implementation to date could inform a reinvigoration of the process and feed into updates to the EITI Cameroon work plan, which are urgently required.

Sustainability

Institutionalisation: The Government has taken steps to institutionalise the EITI in national law, primarily through provisions in the 2016 Mining Code and the 2018 Transparency Code. The new Decree establishing the EITI in Cameroon, enacted in July 2018, provides a much-needed update to the institutionalisation of the EITI in the country, for the first time since 2005. Stakeholders consulted broadly considered that the EITI was sufficiently institutionalised in Cameroon, although several government and civil society representatives consulted considered that the further development of systematic disclosures in government systems would further improve the government's institutionalisation of the EITI.

Funding: The Government of Cameroon has been the main funder of EITI implementation for the past 15 years. However, stakeholder consultations revealed a decrease in government funding for EITI in the 2018-2020 period, which could not be confirmed through published EITI documents. It appears that a significant share of the EITI Cameroon budget is dedicated to the operations of the EITI Cameroon Secretariat and per diem payments to those attending meetings of the MSG and its working groups. Funding constraints appear to have caused arrears in payment for the Independent Administrator for the 2014-2015 EITI Reports and delays in the publication of the 2016 and 2017 EITI Reports. They also appear to have led to the delay or cancellation of outreach and dissemination activities. While the World Bank's Mining Sector Capacity Building Project (PRECASEM), which runs until December 2021, includes a grant for EITI implementation, stakeholder consultations confirmed that this line of funding had not been drawn down by EITI Cameroon to date.

5. Review of corrective actions

As set out in the Board decision on Cameroon's first Validation, the EITI Board agreed 14 corrective actions.⁵ The Secretariat's assessment below discusses whether the corrective actions have been sufficiently addressed. The assessments are based on the 2017-2019 EITI work plan and the December 2019 emergency action plan, the 2017 EITI Report, the 2017 annual progress report, alongside various documents submitted by the national secretariat to the International Secretariat, e-mail correspondence, and stakeholder consultations (via skype and conference calls). Minutes of the MSG's meetings from 2017 to 2020 were not made available to the International Secretariat prior to commencement of Validation.

5.1 Corrective action 1: Civil society engagement (#1.3)

In accordance with Requirement 1.3.a, civil society must be fully, actively and effectively engaged in the EITI process. To strengthen implementation, the civil society constituency should address the concerns regarding constituency representation, including potential conflicts of interest linked to per diems (see Requirement 1.4) and ensure more effective liaison between the CSO representatives and the broader constituency. The civil society constituency may wish to consider undertaking a capacity needs assessment and formulating actions to address capacity constraints. In accordance with requirement 8.3.c.i, the civil society constituency should develop and disclose an action plan for

⁵ LINK TO BOARD DECISION FROM FIRST VALIDATION

addressing the deficiencies in civil society engagement documented in the initial assessment and Validator's report within three months of the Board's decision, i.e. by 29 September 2018.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved meaningful progress in civil society engagement in EITI. There was no evidence of any legal, regulatory or practical barriers to civil society's ability to engage in EITI nor to their ability to freely operate, communicate and cooperate with the broader constituency in relation to extractives or public finance issues. The existence of press articles critical of the government's management of the oil and gas sector helped illustrate that self-censorship was not major concern. However, concerns over conflict of interest linked to *per diems* (see Requirement 1.4) appeared to hamper the broader constituency's full, active and effective engagement in EITI implementation. There was limited evidence of civil society actors directly represented in EITI Cameroon (the MSG and Technical Secretariat) liaising with their broader constituency. Some stakeholders also considered that capacity constraints had hindered civil society's ability to effectively use the EITI as an instrument to support public debate and reform in these critical sectors.

Methodology

The Civil Society Protocol focuses on: (1) 'civil society representatives', defined as "*civil society representatives who are substantively involved in the EITI process, including but not limited to members of the multi-stakeholder group*" and (2) the 'EITI process', defined as "*activities related to preparing for EITI sign-up; MSG meetings; CSO constituency side-meetings on EITI, including interactions with MSG representatives; producing EITI Reports; producing materials or conducting analysis on EITI Reports; expressing views related to EITI activities; and expressing views related to natural resource governance*".

The first Validation did not identify issues related to expression and self-censorship. The assessment of self-censorship is particularly challenging. In some case, stakeholders may report self-censorship as part of stakeholder consultations. However, in environments where freedom of expression is a concern, civil society representatives may face barriers in openly discussing these issues. Speaking about self-censorship may expose civil society representatives to harassment and repercussions. When exploring these issues, the Secretariat seeks to ensure that these issues are treated thoroughly, without contributing to or exacerbating potential risks to civil society representatives. The Secretariat meets with the MSG's constituent parts (government, companies and civil society) individually and in constituency groups. Requests for confidentiality are respected. When considering whether self-censorship is a concern, wider concerns about self-censorship and freedom of expression are noted. However, in accordance with the civil society protocol, the focus is on identifying specific examples or instances where civil society representatives who are substantively involved in the EITI process faces constraints in expressing themselves freely in relation to the EITI process. In cases where self-censorship is not identified by stakeholders directly, the Secretariat examines whether it is likely to be a significant factor. To do so, the Secretariat makes an assessment of the issues one would expect to see discussed in an environment where there is freedom of expression. Where there are gaps in expected engagement on issues related to EITI implementation, the Secretariat explores why this might be the case. This could be related to capacity constraints, to competing priorities, to self-censorship, or a combination of these factors.

Progress since Validation

The political and economic context in the Republic of Cameroon evolved in the period under review (July 2017 – February 2020), compared to the period reviewed in the first Validation. Much of 2018 was dominated by campaigning for presidential elections in October 2018 and the formation of the new government. There were escalations in violence both in the country's North due to the Boko Haram crisis and in the Southwest due to tensions in the Anglophone regions.

Cameroon's ranking in international NGO rankings of civic space has remained unchanged in the 2017-2019 period. Civicus describes the environment as "repressed", with restrictions on freedom of expression and of association in the context of the Boko Haram crisis in the north and the anglophone crisis in the southwest and northwest. The BTI Index 2020 suggests that authorities may use the legal coverage of the 2014 Anti-Terror Law to restrict freedom of expression through military courts and apply it beyond the Boko Haram activists or Anglophone armed groups. This has been illustrated by the sentencing of the RFI journalist Ahmed Abba to ten years of jail for "terrorist money-laundering", subsequently released by a military court after two years of detention in December 2017. The US State Department's 2019 human rights report describes some restrictions on editorial independence due to security concerns related to the fight against Boko Haram, the Anglophone crisis and the post electoral crisis, as well as practise of "self-censorship to avoid repercussions for criticizing the government, especially on security matters". According to the report, the self-censorship is more likely when the National Communication Council (NCC) has previously suspended the media. The report also documents cases of violence against journalists for their coverage of the Anglophone crisis.

The broader civic space environment in which the EITI is implemented remains challenging, although documentary evidence does not indicate that broader civic space constraints have affected civil society's ability to engage in all aspects of EITI implementation. In its comments on the draft assessment, the MSG stated categorically that it did not consider that there were any legal, regulatory or administrative barriers to civil society's ability to engage in all aspects of EITI implementation. However, similar weaknesses in the broader civil society constituency's engagement in EITI remain, despite the constituency's efforts to broaden CSO participation and establish robust coordination guidelines since the first Validation.

Expression: There have been no new legal, regulatory, administrative or practical barriers to freedom of expression on EITI-related or broader natural resource governance issues since the first Validation. All civil society representatives consulted considered that they could make critical statements on all EITI-related and extractive governance issues both within the MSG and publicly, in the national media. However, there is only one instance of civil society critical statement related in the national press related to oil and gas issues. CRADEC, a civil society organisation member of the Cameroon EITI wrote an article on the issue of oil project costs. Several CSOs noted that the management of the oil and gas sector was considered politically sensitive as it was perceived as connected to the politics and national security, yet many CSOs consulted considered that the lack of coverage of oil and gas issues by CSOs and the press was due to CSOs' technical and financial capacity constraints rather than self-censorship. Several CSOs also considered that host communities were less interested in oil and gas than in mining, which led CSOs to focus more on onshore mining projects given that they could more easily raise funding from donors and international NGOs.

In its comments on the draft assessment, the MSG categorically stated that there was no self-censorship by CSOs in Cameroon due to fears of reprisal. In particular, the MSG argued that there were no limits on CSOs' freedom of expression in practice during all MSG meetings. It highlighted robust criticisms by CSOs about the 2018 Decree on EITI and their proposals for improvements of the Decree, which were publicly-accessible.

While acknowledging capacity constraints and interests of communities, some CSOs and development partners considered that there was a tendency by civil society to self-censor on oil and gas issues in their public statements. They considered that criticising SNH's management of oil and gas revenues could be perceived as a criticism of the Presidency. Another CSO considered that public denunciation of any alleged case of corruption related to oil revenues could lead to accusations of high treason and support for the Anglophone separatist groups, particularly since the escalation of violence in the Anglophone regions since 2018. Another CSO referred to the alleged extra-judicial killing of news editor Bibi Ngota in 2010 as an example that public comments on SNH's security-related "direct interventions" funded by government oil revenues could lead to drastic consequences. One civil society stakeholder refuted these allegations and considered that SNH's 'direct interventions' were now openly discussed and disclosed in the 2017 EITI Report. Another CSO consulted considered that there was self-censorship on the issue of beneficial ownership in the mining sector, particularly in semi-industrial mining, because of fear of reprisal from politicians alleged to indirectly own or control license-holding companies in the sector. This had impeded the CSO's work on independent monitoring of social and environmental impact of mining activities, given that it could not hold the company accountable and had to publish its study anonymously.

The lack of meeting minutes of MSG, working group and CSO activities hinders a more comprehensive assessment of the quality of civil society's expression at EITI-related activities and events in the 2017-2020 period.

Operation: There is no evidence of any legal, regulatory, administrative or practical barriers to civil society's ability to freely operate in relation to EITI, including registration, fundraising and operations, since the first Validation.

Association: There is no indication of any legal, regulatory, administrative or practical barriers to civil society's freedom of association in relation to EITI in the period under review. Evidence suggests that civil society representatives on the MSG can generally seek input from other CSOs and are not restricted from engaging and coordinating other CSOs that are not part of the MSG. The MSG noted in its comments that there were no constraints on either official or unofficial communications between civil society MSG members and their broader constituency.

In response to the findings of the first Validation, PWYP Cameroon led a process of engaging the broader civil society constituency to develop an action plan for the constituency, in line with the EITI's corrective action. At a workshop on 21 November 2018, a group of two dozen CSOs adopted an action plan and a Constituency Code codifying coordination and the procedure for nominating representatives to the MSG. Central to the action plan was the creation of a new platform, the OSCC-ITIECAM, bringing together around 40 CSOs. The platform led the nominations process for the two (of eight) MSG seats open to election by the civil society constituency, which resulted in the selection of CRADEC and AGNR as the new MSG members in May 2019. The MSG's comments on the draft assessment confirm that the OSCC-ITIECAM platform was established and that minutes of its meetings are publicly-accessible. It also noted that the findings of the first Validation were addressed through the creation of this new platform and the broadening of the civil society constituency beyond organisations directly represented on the MSG. The MSG confirmed in its comments the principle that adherence to the platform is free.

However, while the OSCC-ITIECAM has established a robust governance framework, with redistribution of 25% of MSG members' per diems to the constituency, CSOs consulted noted that these provisions had yet to be implemented. Indeed, stakeholder consultations confirmed complaints of alleged conflict of interest due to per diem payments and lack of accountability of MSG members to the broader constituency persist. In its comments on the draft assessment, the MSG confirmed that the constituency's Code of Conduct required the contribution of 25% of the value of per diems received to

the platform. It noted that three CSO members of the MSG (from CRADEC, UJC and PWYP) contributed financially to the platform's operations and noted plans for the production and publication of documents demonstrating this practice on the EITI Cameroon website.

The OSCC-ITIECAM platform organised a limited number of EITI-related workshops for platform members in Yaoundé in January and December 2019 and participated in some dissemination activities organised by the MSG in the capital city. However, there is little evidence of outreach to CSOs beyond the capital city, particularly from extractives regions. There is some evidence of common analysis coordinated through OSCC-ITIECAM in the form of published notes on EITI.

PWYP published a 2019 guide for affected communities on their rights and obligations, while FODER held a workshop in Figuil as part of a four-year project focused on capacity building for mining-affected communities. The civil society constituency has planned to undertake other outreach to CSOs in extractive regions, but several stakeholders consulted explained that these plans were delayed due to funding constraints. In particular, the ToR of the OSCC-ITIECAM Platform encourage extractive community organisations to adhere and require that OSCC-ITIECAM organise at least one annual meeting with these CSOs to ensure that affected communities could be involved in EITI implementation and hold MSG members accountable. However, there is no documentation to date that such coordination meetings had yet taken place, as confirmed in stakeholder consultations.

In its comments on the draft assessment, the MSG noted that civil society MSG members communicated and worked with CSOs not directly represented on the MSG through the OSCC-ITIECAM platform, including in terms of sharing information, coordinating common positions and monitoring extractive activities.

Engagement: There is no indication of any legal, regulatory, administrative or practical barriers to civil society's ability to engage in all aspects of EITI implementation in the period under review. Evidence suggests that CSO MSG members have been effectively and proactively engaged some aspects of EITI implementation in the period under review, but not all aspects such as outreach and dissemination of EITI findings and data. Indeed, the EITI's overall outreach and dissemination efforts appear to have declined more generally over this period (see *Requirement 7.1*). Civil society representatives attend MSG meetings regularly and conduct some analysis of EITI Reports, but there is little evidence of communication materials and public events to inform citizens on EITI data and broader natural resource governance. CSOs appear to attend various activities organized by the MSG, such as working group meetings and the annual public launch of the EITI Report.

In its comments on the draft assessment, the MSG noted that CSOs published the conclusions of MSG meetings and regularly circulated official publications and press clippings to the MSG. The MSG also noted that civil society MSG members freely participated in advocacy in relation to MSG deliberations, as well as in the work of ad hoc working groups established by the MSG.

The lack of meeting minutes of MSG, working group and CSO activities at commencement of Validation hinders a more comprehensive assessment of the quality of civil society's engagement in EITI-related activities in the 2017-2020 period. Available documentation indicates that CSOs have been particularly focused and vocal on the functioning of the MSG, with two notes published on the issue and one workshop to assess the implementation of the first Validation's corrective measures. There have been a handful of capacity building workshops organized by CSOs, including an OSCC-ITIECAM workshop on the EITI Standard and the PWYP guide for reading EITI Reports on 25 January 2019. However, there is no further evidence of capacity-building for CSOs, despite their funding from donors including Norad, EU Delegation, Misereor, IIED, PWYP international, and the Global Green Fund. In its comments on the draft assessment, the MSG highlighted capacity-building activities

dedicated to all constituencies including civil society, which are reflected in successive EITI Cameroon work plans.

Access to decision-making: There do not appear to be any barriers to civil society using EITI information to contribute to public debate and influence policy making. Beyond the access to government officials in the EITI events, CSOs' influence on policy-making appears primarily through national media coverage of civil society studies on mining. There are only four documented examples of direct advocacy campaigns towards policymakers in the period under review organised, mainly around the local-level governance of the mining sector. Some CSOs consulted explained that the capacity to do advocacy was de facto limited by the lack of information disclosed by the government.

Secretariat's Assessment

The International Secretariat's assessment is that the corrective action on civil society engagement has been partly addressed and that Cameroon has made meaningful progress on Requirement 1.3. The International Secretariat recognizes that efforts have been made on the corrective action since the last validation. However, the improvements are not assessed as considerable. There continues to be no evidence of any legal, regulatory or practical barriers to civil society's ability to engage in EITI nor to their ability to freely operate, communicate and cooperate with the broader constituency in relation to extractives or public finance issues. Some stakeholders consulted considered that there was self-censorship by CSOs and the media on criticisms of SNH's 'direct interventions', due to fears of accusations of treason or sympathising with Anglophone insurgents. However, many of CSOs consulted considered that they could freely express themselves on any EITI-related or natural resource governance issues. There continues to be only sporadic coverage of oil and gas revenue issues in the national press, while CSOs are focused primarily on mining, not oil and gas. While the assessment of adherence to the civil society protocol requires a judgement call on the impact of broader civic space restrictions on civil society's ability to engage in EITI, the Secretariat's assessment is that the allegations around self-censorship on oil revenue management issues should be considered in the context of capacity constraints and different priorities of civil society organisations. Thus, the Secretariat's assessment is that there is no evidence of breaches of the civil society protocol.

While there is evidence that the civil society constituency has made efforts to structure its engagement and coordination in EITI, implementation of these constituency guidelines is still in process. The new OSCC-ITIECAM platform has held several meetings on EITI and issued common position notes, yet there is little evidence of the constituency's regular coordination on EITI matters nor participation in outreach and dissemination of EITI findings and data, even in a cost-efficient way. Moreover, there remain accusations of conflict of interest and retention of information levelled at CSOs members of the MSG and engaging in its working groups. Implementation of new provisions in the constituency code requiring the redistribution of a share of MSG members' per diems have yet to be demonstrated or documented. Planned capacity-building for the civil society constituency has yet to be implemented. Thus, while there is evidence of efforts by the civil society constituency to establish mechanisms for improving its coordination and engagement in EITI in accordance with the corrective action from the first Validation, the pending implementation of these new coordination mechanisms in practice implies that the improvements since the first Validation cannot yet be assessed as considerable. Thus, the Secretariat's assessment is that Cameroon has achieved meaningful progress in addressing Requirement 1.3, without yet considerable improvements to date.

The MSG's comments on the draft assessment stated categorically that there were no legal, regulatory or administrative constraints on civil society's ability to engage in all aspects of EITI implementation.

Consultations with civil society representatives in Cameroon who are not members of the MSG confirm the lack of government restrictions on civil society's engagement in EITI implementation. While the MSG comments highlighted the creation of the OSCC-ITIECAM platform and practices for coordination and communication within the broader constituency, the lack of documentation of the constituency's coordination in practice combined with concerns expressed by several civil society stakeholders regarding divisions within the broader constituency due to alleged conflicts of interest support the final assessment that the establishment of new coordination mechanisms for civil society have not yet yielded considerable improvements in the broader constituency's engagement in all aspects of EITI implementation.

In accordance with Requirement 1.3.a, civil society must be fully, actively and effectively engaged in all aspects of the EITI process. In accordance with Requirement 1.3.e.ii, Stakeholders, including but not limited to members of the multi-stakeholder group must be substantially engaged in the design, implementation, monitoring and evaluation of the EITI process, and ensure that it contributes to public debate. In accordance with civil society protocol 2.3, the civil society's MSG representatives should engage other CSOs that are not part of the MSG, including capturing their input for MSG deliberations and communicating the outcomes of MSG deliberations. The constituency could consider the extent to which implementation of its own Constituency Code and ToR for the OSCC-ITIECAM platform could help address concerns over conflict of interest and retention of information by MSG members. Civil society may wish to consider undertaking a capacity needs assessment and formulating actions to address civil society capacity constraints.

5.2 Corrective action 2: MSG oversight (#1.4)

In accordance with Requirement 1.4, the MSG should update its internal governance rules to cover all provisions of Requirement 1.4.b and publish procedures for nominating and changing MSG representatives, including the duration of mandates. In accordance with Requirement 1.4.b.vi, the MSG must clarify the practice of per diems for attending EITI meetings or other payments to MSG members to ensure that there is no conflict of interest. The MSG may wish to consider keeping public attendance records and posting MSG minutes online. The industry constituency may wish to consider establishing constituency guidelines and mechanisms to ensure coordination of mining, oil and gas companies as a constituency. The MSG may also wish to increase their engagement with Douala-based companies to ensure that their views are taken into account and that they are aware of the work of the MSG and the achievements of EITI Cameroon. The industry constituency could consider liaising with CCIMA or GICAM to ensure that the views and interests of quarries and artisanal and small-scale mining are better represented on the MSG, considering the important public interest on this sub-sector. The civil society constituency may wish to take steps towards broad and full civil society participation. This could be achieved by adopting a constituency-wide code of conduct, which could serve as a basis to set out a process for civil society nominations to the MSG and to clarify the roles and responsibilities of CSO representatives on the MSG and the Technical Secretariat.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved inadequate progress on MSG oversight. The statutory rules for the MSG's structure and membership were not clear and the lack of codification of nominations procedures and coordination mechanism for each constituency were a concern. There was little evidence that MSG members from civil society and industry sought to represent the views of their broader constituencies. There appeared to be a split within the civil society constituency, with certain CSOs not directly involved in EITI Cameroon considering that civil society represented on the MSG and the Technical Secretariat had been co-opted by the government

(see Requirement 1.3). These divisions appeared to hamper the broader constituency's full, active and effective engagement in EITI implementation. There was little evidence to suggest that companies or federations represented on the MSG coordinated among themselves and engaged with the broader industry constituency, particularly in the artisanal and small-scale mining sector. There also appeared to be little awareness of EITI objectives beyond companies represented on the MSG. The MSG's ToR were outdated and were not in line with Requirement 1.4.b, with significant deviations in practice. While there were no provisions for any two constituencies over-ruling the third in MSG decisions, there was no evidence of any MSG decision having been taken any other way than by consensus. The lack of clarity on the payment of per diems raised important concerns about the integrity of the MSG's oversight that needed to be addressed, particularly given stakeholder concerns over potential conflicts of interest caused by the per diem practice.

Progress since Validation

The July 2017 – February 2020 period was marked by a significant slow-down in the MSG activities, linked to both broader developments in Cameroon and factors specific to the country's EITI implementation. The period leading up to and following presidential elections in October 2018 was dominated by political campaigning and the constitution of a new government for most of the year. This led to distraction of outgoing MSG members, amidst delays in government processing of payments for the Independent Administrator for the 2014 and 2015 EITI Reports. A new government Decree institutionalising the EITI, Decree 2018/6026/PM on 17 July 2018, updated the MSG's composition and ToR. This was the first time that the Decree establishing the EITI in Cameroon was updated since its establishment in 2005. Nonetheless, Cameroon has maintained the dual MSG and Technical Secretariat structure for its EITI implementation, with participation by government and civil society (not industry) compensated with per diems that have now been codified.

MSG composition and membership: The July 2018 Decree codifies the composition of the MSG and term limits, of three years renewable once. The MSG comprises eight representatives from government, six from Parliament and local governments in extractive regions; eight from industry and eight from civil society and the media. The Decree provides for the self-appointment of six of the eight industry MSG members and two of the eight civil society MSG members by their respective constituencies but designates by function and organisation the other MSG members from the two constituencies. While none of the industry stakeholders consulted raised concerns over the government's designation of two of the eight industry MSG members, many CSOs consulted raised concerns over the government's designation of the majority of civil society MSG members. Some CSOs consulted explicitly considered that this represented a breach of Requirement 1.4.a.ii and thus considered that there had been government interference in the nomination of the majority of civil society's representation on the MSG. A PWYP Cameroon public note from 11 September 2018 on the July 2018 Decree raised concerns over the EITI Chair having committed at the MSG's 17 May 2018 meeting that civil society MSG seats would not be designated to specific organisations and that the draft Decree would be circulated for comment ahead of its adoption.

Following issuance of this Decree, the civil society constituency and the oil and gas sub-constituency codified their respective nominations procedures for the MSG seats that were open to the respective constituencies' nominations. There is evidence of efforts to consider gender in MSG nominations in the civil society Constituency Code which encourages consideration of a gender balanced representation. Only three of the 29 MSG members are women, two from government and one from industry.

Civil society representation: Decree 2018/6026/PM appoints six of the eight civil society MSG seats, five of which were already members of the previous MSG as of 2017. Following the enactment of the

Decree in July 2018, the civil society constituency started developing its Constituency Code for structuring both nominations to the MSG and broader coordination on EITI. To expand participation in the process, the constituency established the OSCC-ITIECAM platform in 2018, broadening participation of PWYP Cameroon's dozen members to over 40 CSOs (see *Requirement 1.3*). The platform agreed the civil society Constituency Code on 21 November 2018, which addresses all aspects of Requirement 1.4.a in codifying a nomination process that is open, transparent, independent and free from any suggestion of coercion. The process laid out would ensure that civil society MSG members are operationally, and in policy terms, independent of government and companies. However, of the six CSOs specifically named in the July 2018 decree, only three (PWYP Cameroon, SEP and Transparency International Cameroon) signed up to the Code. None of the three CSOs representing the three major religions of Cameroon (Catholicism, Protestantism and Islam) are parties to the Constituency Code. Following the November 2018 meeting, the OSCC-ITIECAM platform facilitated the election of two CSO representatives to the MSG on 31 May 2019.

Industry representation: Decree 2018/6026/PM allocates four seats for oil and gas companies, one for an oil transport company and one for a mining company, alongside two seats for industry associations (CCIMA, GICAM). While the oil and gas sub-constituency codified its own nominations and coordination procedures through a constituency Protocol, there is no indication that the mining constituency has organised itself in this way yet. A PWYP Cameroon note on 11 September 2018 raised concerns that the MSG did not reflect the diversity of the mining sector, focusing only on the industrial mining sector with a single seat for the industry association representing the industrial mining sector. Some government officials consulted highlighted the participation of CAPAM at MSG working group meetings, which represented the artisanal and small-scale mining sectors. However, there is no available evidence of outreach to the broader mining, oil and gas constituencies beyond the 17 November 2018 meeting to adopt the oil and gas sub-constituency Protocol on EITI nominations. Stakeholder consultations confirmed that SNH played the role of coordinator for the oil and gas sub-constituency on the MSG, despite being listed in the government constituency in the July 2018 Decree.

Government representation: The MSG includes the various ministries in charge of the oversight of the sector, as well as the Justice Ministry, the Local Development Ministry, the national anti-corruption commission and the national oil company SNH. There are also four seats available for MPs and two for local government mayors from extractive regions.

Terms of reference: Decree 2018/6026/PM of 17 July 2018 served as the MSG's ToR for most of the period under review. While the Decree covers many of the aspects of Requirement 1.4.b, it does not explicitly confirm the MSG's responsibility for undertaking outreach to their constituencies nor for supporting Validation. The Decree provides for the creation of ad hoc working groups, and it appears that some ten such working groups were created in the period under review. However, in its comments on the draft assessment, the MSG clarified that a total of seven ad hoc working groups had been established by the MSG, related to (1) beneficial ownership, (2) disclosure of licenses and contracts, (3) quasi-fiscal expenditures, (4) subnational transfers, (5) systematic disclosures, (6) drafting of non-financial sections of the EITI Report and (7) the MSG's Code of Conduct.

Yet there is little evidence of broader outreach within the industry and civil society constituencies on EITI implementation, beyond the creation of these working groups. While some stakeholders considered that the working groups helped improve MSG members' ownership of EITI implementation, others considered that the working groups slowed down work plan execution compared to a well-capacitated EITI Cameroon Secretariat. One stakeholder considered that the MSG's working groups contributed to the opacity of the MSG's work and undermined MSG members' accountability towards their respective constituencies, given the lack of available records of the working groups' work.

In the absence of minutes of MSG and working group meetings at the commencement of Validation, there is little information on which to base an assessment of actual practice of MSG oversight of implementation. Of the lists of MSG meeting attendees available for review, it appears that most MSG members generally attended meetings chaired by the MSG chair or vice-chair at a ministerial level. Yet it also appears that EITI implementation has been delayed, with late publication of the 2016 and 2017 EITI Reports beyond the “two-year rule”, publication of the annual progress reports for 2016 and 2017 but not 2018 or 2019, and the lack of approved update to the EITI Cameroon work plan since 2018. While this would seem to indicate weaknesses in the MSG’s oversight of implementation, Secretariat staff also explained that the procurement of the IA for the 2016 and 2017 EITI Reports were related to both delays in government procurement processes as well as delays in settling arrears in payment to the IA for the 2014-2015 EITI Reports, which was only paid in October 2019.

In its comments on the draft assessment, the MSG highlighted the recent publication of MSG meeting minutes and the 2018 and 2019 annual progress reports, which had been approved by the MSG on 16 November 2020.

Internal governance and procedures: Decree 2018/6026/PM codifies internal governance and procedures, including frequency of meetings, quorum, decision-making and the Secretariat. Despite the absence of documentary evidence, stakeholder consultations indicated significant deviations from the ToR in practice in the 2018-2020 period. The MSG appears to have met only once in 2018, three times in 2019 and three times in 2020 just before the start of Validation. While the Decree requires advance warning of meetings and circulation of documents at least five days ahead of meetings, some stakeholders consulted considered that this was not always respected, citing the example of the emergency work plan adopted on 26 December 2019 as an example given that it was circulated only shortly ahead of the meeting.

A pre-Validation note by the OSCC-ITIECAM platform on 23 December 2019 highlights the lack of internal governance documents for the MSG such as an organigram (e.g. of Technical Secretariat), internal rules or a procedure manual. Some stakeholders raised concerns over financial management of EITI Cameroon, by the Permanent Secretariat. The MSG adopted in February 2020 the EITI Cameroon’s Code of Conduct, which most MSG members had signed by March 2020. Some stakeholders raised concerns over conflicts of interest that they considered could be in breach of the Code of Conduct.

Record keeping: None of the MSG meetings minutes were publicly available online at commencement of Validation, nor shared as part of Validation consultations. The list of attendees at MSG meetings was provided as part of Validation consultations but is not published online. In its comments on the draft assessment, the MSG provided copies of the minutes of eight MSG meetings in the period from 2018 to the start of Validation (13 February 2020), as well as minutes of three additional MSG meetings after the start of Validation in 2020. These meeting minutes have then been published on the EITI Cameroon website as of 26 November 2020.

Decision making: The absence of MSG meeting minutes at commencement of Validation hinders an assessment of decision-making in practice, defined in the Decree as being by consensus or by voting. Quorum is defined as half of MSG members from each constituency.

Capacity of the MSG: While the MSG membership was renewed in Q4 2018 – Q1 2020, the majority of MSG members appear to have been reappointed (e.g. six of the eight CSO MSG members remained the same). Nonetheless, Secretariat staff highlighted the transition to the new MSG as a challenge in preserving the MSG’s institutional memory. The first objective on “Strengthening the governance of the MSG and of the Secretariat” in the 2017-2019 EITI work plan includes general plans for capacity-building of MSG members.

The OSCC-ITIECAM has publicly raised concerns over weaknesses in the MSG's oversight of implementation on several occasions, including through a note to the Minister of Finance on 15 May 2019 and through a pre-Validation press release on 23 December 2019. An unsolicited set of anonymous written comments alleged that the weaknesses in the MSG's oversight were linked to weaknesses in Secretariat staffing as well as the National Coordinator's dual role as a senior government official and EITI office-holder. However, some CSOs consulted did not consider weaknesses in Secretariat capacity to be linked to the National Coordinator's dual role.

Coordination with broader constituencies: The civil society constituency has made efforts to codify the requirement for MSG members to liaise with their broader constituency, both through the Constituency Code (Article 8) and the ToR for the new OSCC-ITIECAM platform (Article 11). However, there is no available evidence of coordination with the broader civil society constituency in 2018-2020, aside from meetings organised by OSCC-ITIECAM in the context of nominations to the MSG in December 2018 and March 2019.

There is evidence of sub-constituency guidelines for oil and gas industry sub-constituency, codifying procedures for coordination between MSG members and the broader sub-constituency. There is no evidence of such guidelines for the mining industry sub-constituency's engagement in EITI. An October 2018 meeting to select the new MSG members from oil and gas shows limited evidence of coordination within the industry constituency.

Per diem policy: Decree 2018/6026/PM (Article 8) confirms that MSG members are entitled to both per diems and reimbursement of costs, including for any working group duties as planned in the EITI work plan. The government's general per diem policy is codified in a Prime Ministerial Order (n. 025/CAB/PM) on 5 February 2019 that is published online. However, it is unclear from available documentation whether per diems paid by EITI Cameroon were in line with this per diem policy in the 2017-2020 period. Stakeholder consultations confirmed that per diems were paid in accordance with the broader policy in the period under review, including to some Secretariat staff but not to industry members. Some stakeholders consulted, particularly from civil society and development partners, considered that the allegedly high rate of per diems caused a conflict of interest, which disincentivised rotation of MSG membership within the constituency. Some stakeholders also alleged a conflict of interest whereby allegedly high per diems created an incentive for MSG members to assign more work to the MSG's working groups in which they participated, since attendance at these working groups was also eligible for per diem payments. While the OSCC-ITIECAM civil society platform established a system for redistributing part of these per diems to the broader constituency, there are diverging views on its implementation in practice in the period under review (see *Requirement 1.3*).

Secretariat's Assessment

The International Secretariat's assessment is that the corrective action on MSG oversight has not been addressed and that Cameroon has made inadequate progress with considerable improvements on Requirement 1.4. Since the first Validation, the MSG has renewed its membership and updated its statutory governance rules. However, the new Decree 2018/6026/PM institutionalising the EITI in July 2018 effectively designates by function six of the eight CSO MSG members and two of the eight industry MSG members. Stakeholder consultations confirmed that there had been no consultations with the constituencies ahead of enactment of the July 2018 Decree on EITI. Civil society has established a Constituency Code to codify MSG nominations procedures and broader coordination within the constituency, facilitated by a newly created platform OSCC-ITIECAM, while the oil and gas sub-constituency has agreed its own guidelines. There is no evidence that the mining sub-constituency has formalised its MSG nominations procedures, with the artisanal and small-scale mining and

quarrying sub-sectors not represented on the MSG. However, there is little evidence that the constituencies' coordination mechanisms have been implemented in practice. Decree 2018/6026/PM updates the MSG's ToR and covers most aspects of Requirement 1.4.b. However, there is a lack of provisions requiring MSG members to undertake outreach with their broader constituencies or to support Validation. Although the absence of minutes of MSG and working group meetings at the commencement of Validation hinders an assessment of deviations from the MSG's ToR in practice, there is evidence to suggest that the MSG only met infrequently in the 2018-2020 period, with delays in MSG approval of the annual work plans, annual progress reports and EITI Reports. There is also little evidence of MSG members participating proactively in outreach and dissemination in this period, aside from attendance at formal launch conferences for the annual EITI Report. The MSG's per diem policy has been formalised, with stakeholder consultations confirming that per diems were paid at the statutory rate in this period. However, there remain significant concerns about conflicts of interest linked to per diem payments on the part of several civil society representatives consulted. The MSG approved an EITI Cameroon Code of Conduct just ahead of the start of Validation, with most MSG members signing the code in March 2020.

The MSG's comments on the draft assessment highlight that several key documents had been finalised since the commencement of Validation, including minutes of eight MSG meetings in the December 2018-February 2020 period and the 2018 and 2019 annual progress reports. The final assessment recognises the MSG's recent activity to address shortcomings in the 2018-2020 period, but considers that the MSG's oversight of implementation in the period under review in this second Validation remained weak, with the objective of multi-stakeholder oversight of all aspects of implementation still far from being achieved. The final assessment welcomes the MSG's recent efforts and encourages sustained momentum in strengthening the MSG's oversight of all aspects of implementation.

In accordance with Requirement 1.4.a.ii, Cameroon should ensure that each stakeholder group must have the right to appoint its own representatives, bearing in mind the desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion. Civil society groups involved in the EITI as members of the multi-stakeholder group must be operationally, and in policy terms, independent of government and/or companies. The multi-stakeholder group and each constituency should consider gender balance in their representation to progress towards gender parity. In accordance with Requirement 1.4.b.ii, the MSG should undertake effective outreach activities with civil society groups and companies, including through communication such as media, websites and letters, informing stakeholders of the government's commitment to implement the EITI, and the central role of companies and civil society. The multi-stakeholder group should also widely disseminate the public information that results from the EITI process. In accordance with the Requirement 1.4.b.iii, all MSG members should establish mechanisms for coordination with their broader respective constituencies. In accordance with the Requirement 1.4.b.vi, the MSG should oversee the EITI reporting process and engage in Validation. To strengthen implementation, the MSG may wish to consider developing a capacity needs assessment and capacity-building action plan to ensure that all MSG members have adequate capacity to oversee all aspects of EITI implementation. In accordance with the Requirement 1.4.b.vii, Cameroon should ensure that its per diem practice does not give rise to allegations of conflict of interest. Cameroon may wish to consider the extent to which clarification of the actual per diem practice for all EITI officeholders could address allegations of conflict of interest. In accordance with the Requirement 1.4.b.ix, the MSG must keep written records of its discussions and decisions.

5.3 Corrective action 3: Work plan (#1.5)

In accordance with requirement 1.5, the MSG should agree work plan that is linked to national priorities and is revisited annually to take account of changing conditions and opportunities. Clearer links to national discussions and priorities will encourage more relevance of EITI information to popular demand and could help mobilise additional resources.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved meaningful progress in work planning. The MSG maintained a triannual EITI work plan, that was fully costed and aligned with the reporting and Validation deadlines established by the EITI Board. The 2017-2019 work plan included measurable and time-bound activities, identifies domestic and external sources of funding. However, while there was evidence of consultations in developing the triannual work plan, there was no evidence it was updated more than every three years, aside from the exceptional annual update for 2016. In addition, while the objectives of the EITI work plan were somewhat aligned with the EITI Principles, they did not seem to sufficiently reflect national priorities for the extractive industries given their focus on the practicalities of implementation.

Progress since Validation

In the period under review (2017-2020), the MSG undertook its work on the basis of the triennial 2017-2019 work plan, adopted on 31 May 2017. The MSG reviewed a revised version of this triennial work plan on 17 May 2018, although stakeholder consultations confirmed that the 2018 draft updates had never been adopted by the MSG nor published on the EITI Cameroon website. The triennial work plan has not been updated in 2019 although stakeholder consultations did highlight the existence of draft updates to the triennial work plan developed in 2019, even if this draft was not adopted. However, the MSG adopted an emergency action plan for preparing for the second Validation on 26 December 2019. There is no available evidence of consultations with the broader constituencies in the development of either draft 2019 updates to the 2017-2019 work plan or of the December 2019 emergency action plan. Neither the 2018 update to the 2017-2019 work plan nor the emergency action plan have been published online.

The 2018 update to the 2017-2019 work plan marks an improvement on the original 2017-2019 work plan. It was aligned with the EITI Principles, included measurable and time-bound activities, included activities related to extending the scope of EITI implementation and to follow-up on EITI recommendations. The updated work plan included data on costings (with around half of the estimated budget earmarked for operational costs) and government funding sources. Funding from other sources such as development partners is unclear in the document. However, the latest (2018) version of the 2017-2019 work plan includes objectives focused on EITI implementation and generally aligned with the EITI Principles. Further work is needed to align the work plan with broader national priorities for the extractive industries.

In its comments on the draft assessment, the MSG highlighted that a new triennial work plan for 2021-2023, which included coverage of the fourth quarter of 2020, had been approved by the MSG in November 2020. This updated triennial work plan was submitted to the International Secretariat but had not yet been published on the EITI Cameroon website as of 20 November 2020. The MSG's comments highlighted the consultations with the broader constituencies that had been undertaken in developing this new triennial work plan.

Secretariat's Assessment

The International Secretariat's assessment is that the corrective action on the work plan has not been addressed and considers that Cameroon has made inadequate progress with no improvement on Requirement 1.5. The MSG maintains a triannual EITI work plan, that is fully costed and aligned with the reporting and Validation deadlines established by the EITI Board. The 2018 update to the 2017-2019 work plan includes measurable and time-bound activities and identifies domestic sources of funding. However, there is no evidence of consultations in developing the update of the triannual work plan, and this version has not been published online. There is furthermore no evidence that it is updated more frequently than every three years, aside from the exceptional annual update in 2018 that was never approved by the MSG. In addition, while the objectives of the EITI work plan are somewhat aligned with the EITI Principles, they do not seem to sufficiently reflect national priorities for the extractive industries given the focus on the practicalities of implementation. While the MSG's comments on the draft assessment highlighted the MSG's approval of a new triennial work plan covering the period Q4 2020 – 2023, this final assessment finds that Cameroon EITI did not operate on the basis of a work plan that was updated annually in the period under review in this Validation (2018-2020). Several aspects of the requirement are thus not met, and Cameroon is far from the objective of annual work planning for its EITI implementation.

In accordance with Requirement 1.5, the MSG should agree a work plan that is linked to national priorities and is revised annually to take account of changing conditions and opportunities, based on input from the various constituencies. Cameroon should ensure that its annually updated EITI work plan be publicly available, of critical importance for enhancing MSG members' accountability towards their respective constituencies.

5.4 Corrective action 4: License register(s) (#2.3)

In accordance with Requirement 2.3, Cameroon is required to maintain a publicly available register or cadastre system(s) with timely and comprehensive information regarding each of the licenses pertaining to oil and gas companies. In the absence of a public register the MSG should ensure that dates of application and license coordinates are disclosed for all licenses held by material companies.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved meaningful progress in license registers. The 2014 EITI Report provided, for all mining production, quarrying, oil and gas licenses active at the end of 2014 as well as mining exploration licenses awarded in 2014, the names of license-holders, dates of award and expiry as well as the commodities covered. While Cameroon's new mining cadastre provided access to all required information for mining licenses, dates of application and coordinates were not publicly accessible for the 31 oil and gas licenses active in 2014. The five quarrying licenses for which dates of application were not publicly accessible were not held by material companies.

Progress since Validation

For **oil and gas**, a license register published on the MINMIDT website in early 2020 (and republished in the EITI Report) provides all information listed under Requirement 2.3.b for most active licenses, aside from specific gaps related to 11 licenses (five exploration and six production licenses). This information includes license name, identity of license-holder, dates of application, award and expiry,

coordinates and commodity(ies) covered. However, dates of application are missing for 11 licenses. Several of these licenses are held by material companies included in the scope of reconciliation in the 2017 EITI Report. While it is unclear whether a system has been developed to systematically update the license register periodically, the snapshot of license data published in early 2020 provides almost all information required of license registers.

For **mining**, the online cadastral portal launched in 2017 provides all information listed under Requirement 2.3.b for most active licenses, aside from certain gaps in information for specific licenses, some of which were held by material companies included in the scope of reconciliation in the 2017 EITI Report.

There are three mining and quarrying licenses listed in the 2017 EITI Report that are not accessible in the online cadastral system (the Ebaka license held by Camrail, the Djoungo license by Dangote Cement Cameroon, and the Bent license by Pantechniki). Thus, information on coordinates and dates of application are missing for these three licenses. Only one of these licenses (the Djoungo license by Dangote Cement Cameroon) however is held by a material company that was considered material but did not submit reporting templates for the 2017 EITI Report.

The 2017 EITI Report is transparent about gaps in information on dates of application for older mining and ASM licenses in the online cadastral portal. Thus, the online cadastral portal does not provide dates of application for the five industrial mining licenses, nor the dates of award and expiry for one quarrying license and two exploration licenses. One of the industrial mining licenses is held by a material company included in the scope of the 2017 EITI Report.

A development partner and several government officials highlighted the launch of the online cadastral portal as a significant step forward in transparency about mining licenses, providing information of high interest to both host communities and mining investors.

In its comments on the draft assessment, the MSG noted generally that license information was publicly accessible both for mining and, through the SNH's 'GeoSNH' portal, for oil and gas. However, the MSG's comments did not specify where missing dates of application and award as well as license coordinates could be accessed by the general public.

Secretariat's Assessment

The International Secretariat's assessment is that the corrective action on license registers has been partly addressed and considers that Cameroon has made meaningful progress with considerable improvements on Requirement 2.3. Cameroon has developed an online cadastral portal for mining in 2017 and published a comprehensive list of oil and gas licenses in early 2020 that provides all of the information listed under Requirement 2.3.b for most active licenses. There are only a handful of gaps on licenses held by companies making material payments to government, including missing dates of application for 11 oil and gas licenses, missing coordinates for a quarrying license, missing dates of application for five industrial mining licenses and missing dates of award and expiry for one quarrying and two mining exploration licenses.

In accordance with Requirement 2.3.b.ii-iii, Cameroon should ensure that coordinates and dates of application, award and expiry are publicly accessible for all active mining, oil and gas licenses. Cameroon is encouraged to use EITI reporting as an annual diagnostic of license data management systems with a view to strengthening the comprehensiveness of these disclosures.

5.5 Corrective action 5: Contracts (#2.4)

In accordance with Requirement 2.4, Cameroon should ensure that the government's policy on contract disclosure is clear and public, rather than commenting on the existence of specific contractual terms hindering the disclosure of contracts, and comment on actual practice of contract disclosure in the mining, oil and gas sectors.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved meaningful progress on contract disclosure. The 2014 EITI Report was clear on the government policy on non-disclosure of contracts in the oil and gas sector, it remained vague as regards to the mining sector, generally describing the availability of "some" mining contracts on certain companies' websites, without providing the exact number of contracts accessible to the public.

Progress since Validation

Cameroon has a strong legal backing for extractives contract disclosure through the 2018 Transparency Code, which clarifies the government's pro-disclosure stance. However, implementing regulations have yet to be issued. It is also unclear whether the provisions of the Transparency Code will be applied retroactively (i.e. with existing contracts).

Significant work remains to achieve the objective of systematically disclosing extractives contracts as the 1 January 2021 deadline approaches. In practice, only the model oil and gas production-sharing contract is published on the SNH website. While the MSG has established a working group on contract transparency as part of its emergency work plan, as of the start of Validation the working group had not yet developed a clear approach for the publication of contracts and amendments adopted from 1 January 2021. Plans for contract publication are not included in an updated 2020 work plan (see *Requirement 1.5*). Industry stakeholders consulted highlighted the sensitive nature of contract transparency and noted that the MSG had discussed the issue at almost every meeting for the past two years. The EITI Report summarizes the policy and practice of contract disclosure in Cameroon, i.e. that the government is pro-disclosure but that the practice has been a lack of disclosure to date.

In its comments on the draft assessment, the MSG noted generally that license information was publicly accessible both for mining and, through the SNH's 'GeoSNH' portal, for oil and gas. However, the MSG's comments did not clarify whether the MSG had formulated a clear plan for disclosing all new contracts, including amendments, and licenses from January 2021 onwards.

Secretariat's Assessment

The International Secretariat's assessment is that the corrective action on contracts has been partly addressed and considers that Cameroon has made meaningful progress with considerable improvements on Requirement 2.4. The government's policy on contract disclosure is clearly enshrined in the 2018 Transparency Code, which provides government policy despite the lack of implementing regulations to date. The 2017 EITI Report documents this pro-disclosure policy and confirms that no signed mining or oil and gas contract has been published to date, aside from model contracts. While the MSG has established a working group on contract transparency, it has yet to formulate a plan for disclosing all new contracts and amendments from January 2021 onwards.

In accordance with Requirement 2.4.b, Cameroon is expected to agree and publish a plan for disclosing contracts with a clear time frame for implementation and addressing any barriers to comprehensive disclosure. This plan will be integrated into work plans covering 2020 onwards. The MSG should agree a plan for disclosing contracts or integrate it in its workplan. In accordance with Requirement 2.4.a, Cameroon is required to disclose any contracts and licenses that are granted, entered into or amended from 1 January 2021. Cameroon is invited to consider the extent to which implementation of Article 6 of the July 2018 Transparency Code on contract disclosure would help meet these corrective actions.

5.6 Corrective action 6: State participation (#2.6)

In accordance with Requirement 2.6, Cameroon should ensure that there is a publicly available comprehensive list of extractives companies in which the government, or any SOE, holds equity and the specific level of government ownership (and any change in the year under review). It should also work with government stakeholders to clarify the rules and practice related to the financial relationship between SOEs such as the SNH and its subsidiaries and the government as well as the existence of any loans or loan guarantees from the state or any SOE to companies operating in the mining, oil and gas sectors. The MSG may wish to integrate its approach to addressing this corrective action with (Section C) Article 23 of its July 2017 IMF extended credit facility agreement related to the SNH.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved meaningful progress on state participation. The 2014 EITI Report covered state participation in the upstream mining, oil and gas sectors, listed upstream state participations in 2014 and provided an overview of financial relations, statutory and in practice, between SOEs and the government in the oil and gas sector, but neither in mining nor the mid- and downstream oil and gas sectors. While the report provided a general description of SNH's sovereign advances on behalf of government, withheld from the state's in-kind revenues, it did not provide sufficient detail on the allocation of specific expenditures to SNH. The report provided an overview of terms associated with state interests in mining, but not in upstream oil and gas. The financial relationship between the SONARA, SNH and the state was not described. Clarifying SNH's financial relations with its subsidiaries and joint ventures was key to understanding the basis for dividend payments from the SNH Group to government. The 2014 Report did not refer to any changes in state participation nor to any loans or guarantees by the government to SONARA.

Progress since Validation

For **mining**, the 2017 EITI Report demonstrates the lack of SOEs in the mining sector. While the SNI (*Société Nationale d'Investissement*) acts as the state's asset manager by holding its minority equity interests in mining companies, the report describes the MSG's rationale that it is not considered a SOE for EITI reporting purposes given that its primary activities are not in the upstream extractive industries, even if it is wholly-owned by government. Nonetheless, the MSG considered SNI a revenue-collecting government entity included in the scope of reconciliation, meaning that mining companies' dividends to SNI were comprehensively and reliably disclosed (see *Requirement 4.5*). The report nonetheless discloses the list of two mining companies in which the government holds an interest, including the terms attached with state equity in each.

For **oil and gas**, the 2017 EITI Report confirms that the only SOE for EITI reporting purposes in 2017 was SNH (*Société Nationale des Hydrocarbures*) and demonstrates the materiality of its revenue collections from extractives companies and payments/transfers to government.

The EITI Report describes the reform of SNH's statutes after the period under review, through Law 2017/010 of 12 July 2017 on the general statutes of public enterprises implemented through Decree 2019- 342 of 9 July 2019. In the period under review however, SNH was governed by Law 99/016 of 22 December 1999 on general statutes of public establishments implemented through Decree 2008/012 of 17 January 2008 that modified Decree 80/086 of 12 March 1980. In line with these laws and regulations, the EITI Report describes SNH's statutory financial relations with the government, including its Board of Directors' rights to agree the level of dividends to the state, retain earnings, reinvestments and third-party (debt) financing. The functions, operations and accounts of SNH are split between those undertaken on behalf of the state (*SNH-Mandat*) and those on its own commercial account (*SNH-Fonctionnement*). The separate accounts are subject to distinct independent audits on an annual basis.

With regards to the actual practice of SNH's financial relations with the state in 2017, both the summary of SNH's (accrual-based) audited 2017 financial statements and the (cash-based) 2017 EITI Report describe the value of dividends paid in 2017 and those recorded in 2017 (and paid the subsequent year). The value of retained earnings in 2017 can be calculated based on figures provided for net profits and dividend payments. While there are discrepancies between the value of retained earnings provided in the EITI Report and those in SNH's financial statements, these are likely explained by the different basis of accounting used in the two documents (accrual-based financial statements and cash-based EITI Report). The EITI Report, SNH's summarised audited financial statements and its 2017 statistics report provide the value of 2017 reinvestments, even if they do not provide detail on the allocation of these reinvestments. The 2017 EITI Report states that SNH did not have any outstanding third-party financing in 2017. Although SNH's summarised audited 2017 financial statements identify XAF 4.704bn (around USD 8.059m) in "other debt" extended by SNH-Fonctionnement, government officials consulted explained that this represented outstanding arrears in payment rather than loans.

The 2017 EITI Report lists the government's equity interest in SNH as well as SNH's equity interests in three upstream oil and gas companies, alongside its interests in two oil services companies, four downstream companies and three non-extractives companies. The terms attached with state and SNH equity in these companies are provided, including in those companies that do not operate in the upstream extractive industries. While the report also describes SNH's participating interests in 19 oil and gas projects, it does not describe the terms attached to SNH's participating interests in these oil and gas projects beyond the general review of the legal framework, which explicitly states that the terms of state participation are defined in the production-sharing contracts. While a government official considered that the terms attached with state participation in oil and gas projects had been adequately described in the 2017 EITI Report in general terms, based on a review of oil and gas contracts, the official did not clarify where a specific description of the contractually-set terms attached with state participation in each oil and gas project was publicly accessible. There is one discrepancy in the information on SNH's participating interest in one oil and gas project (the Mokoko Abana license) between data in the 2017 EITI Report and that in the SNH 2017 annual report.

The 2017 EITI Report confirms the lack of changes in state participation in 2017.

While the 2017 EITI Report describes the IA's "understanding" that SNH had not granted any subsidies or advances in 2017, it does not clarify whether the state had provided any loans or guarantees to extractives companies, nor whether SNH provided any loan guarantees, that were outstanding in 2017. A government official stated that SNH had not provided loans or guarantees to

any extractive company. A review of the summarised audited 2017 financial statements of SNH-Fonctionnement indicates a total of XAF 20.973bn (around USD 35.93m) in outstanding debt owed to SNH-Fonctionnement in 2017. However, a government official explained that the category of “other debt” in SNH-Fonctionnement’s summarised audited financial statements referred to costs incurred in 2017 for which payments had not yet been made by the end of the year.

Both SNH-Mandat and SNH-Fonctionnement publish four-page summaries of their audited financial statements on the SNH website, which include only a summary of the balance sheet, profit and loss statement and auditor’s report on the accounts.

There is some information on the SNH Board of Directors’ composition and mandate on the SNH website.

In its comments on the draft assessment, the MSG noted that production data for the Lokele project had been reconciled between disclosures by the operator Addax and the SNH. While the MSG’s comments argued for an upgrade in the assessment of Requirement 2.6 to “satisfactory progress”, it did not provide indications of the public accessibility of data points identified as missing from the public domain in the draft assessment, including the terms attached with SNH interests in oil and gas projects and the existence of any state loans or guarantees to extractive companies or projects.

Secretariat’s Assessment

The International Secretariat’s assessment is that the corrective action on state participation has been partly addressed and considers that Cameroon has made meaningful progress with considerable improvements on Requirement 2.6. In mining, the 2017 EITI Report confirms the lack of a state-owned company and describes the state’s minority equity interest in two mining companies (held directly and through SNI), including the terms attached with state equity in each. In oil and gas, the 2017 EITI Report confirms that the only SOE is SNH and describes the company’s roles, responsibility and statutory financial relations with government. The SNH’s financial relations with the government in practice in 2017 are described in the 2017 EITI Report and the summarised 2017 financial statements available on the SNH website. The segregation of accounts between SNH-Mandat (on behalf of the state) and SNH-Fonctionnement (on its commercial account) represents an example of best practice in SOE financial reporting, even though the full versions of the audited financial statements are not publicly disclosed. The 2017 EITI Report provides a list of companies and subsidiaries in which SNH holds equity and describes the terms attached to these equity interests. However, while the report provides a list of oil and gas projects in which SNH holds participating interests either on behalf of the state or its own account, it only describes the terms attached to these participating interests in general terms, noting that the detailed terms of SNH’s participation are described in the oil and gas contracts (which have not been publicly disclosed to date). The 2017 EITI report does confirm the lack of changes in state and SNH participations in the extractive industries in 2017. The report states that neither SNH nor material government entities had any outstanding loans or guarantees to extractive companies in 2017, with government officials confirming the lack of SNH loans or guarantees to extractive companies. However, the lack of state loans or guarantees to extractives companies outstanding in 2017 is not categorically confirmed in the 2017 EITI Report or other publicly accessible documents. It is notable that the SNH website publishes summaries of the audited financial statements of SNH-Mandat and SNH-Fonctionnement as well information on the composition and mandate of the Board of Directors as well as on procurement policies.

In accordance with Requirement 2.6.a.ii, Cameroon should ensure that the terms to state and SNH participation in oil and gas companies and projects are publicly disclosed, including their level of

responsibility for covering expenses at various phases of the project cycle. Where the government or SNH have provided loans or loan guarantees to mining, oil and gas companies operating within the country, details on these transactions should be disclosed, including loan tenor and terms (i.e. repayment schedule and interest rate). The MSG may wish to consider comparing loans terms with commercial lending terms. In accordance with Requirement 2.6.b, Cameroon is expected to publish the comprehensive version of SNH's audited financial statements or explain the barriers to such disclosures. Cameroon is invited to consider the extent to which progress against this corrective action would support broader implementation of Article 8 of the July 2018 Transparency Code on transparency in state participation.

5.7 Corrective action 7: Production data (#3.2)

In accordance with Requirement 3.2, Cameroon should ensure that the production value of each mineral commodity (particularly natural gas) produced in the year(s) under review is publicly available. The MSG may also wish to explore opportunities for publishing volumes, values and pricing data in a routine manner online, drawing on data from MINMIDT, CAPAM and SNH.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved meaningful progress on production data. The 2014 EITI Report provided production volumes for oil, gas, condensate and six mineral commodities produced in 2014, but did not provide production values for natural gas nor three quarrying products (used as construction materials). While quarrying materials were marginal, the lack of natural gas production values despite their availability in existing government systems (albeit not publicly accessible) was of concern given the strategic importance of natural gas to Cameroon's energy security.

Progress since Validation

The 2017 EITI Report discloses production volumes and values for crude oil and condensates, natural gas, artisanal-mined diamonds, artisanal-mined gold and the four quarrying commodities produced in 2017 (clay, limestone, pozzolana, sand and aggregates). The sources of this production data are provided, albeit without further information on the methodology for calculating production data. Nonetheless, the report provides data on oil and condensates, natural gas and quarrying commodities disaggregated by operator, from which the location of production can be estimated. For artisanal-mined diamonds and gold, the report provides a general overview of the location of artisanal mining of both types of commodities.

Secretariat's Assessment

The International Secretariat's assessment is that the corrective action on production data has been addressed and considers that Cameroon has made satisfactory progress on Requirement 3.2. The 2017 EITI Report provides production volumes and values for all extractive commodities produced in 2017, including oil, gas, quarrying and ASM gold and diamond, with some indication of the location of production.

To strengthen implementation, Cameroon may wish to consider additional disclosures on quality assurances underpinning the reliability of official government mineral, oil and gas production statistics.

5.8 Corrective action 8: Sale of the state's revenues collected in kind (#4.2)

In accordance with Requirement 4.2, Cameroon should ensure that information on volumes collected as the state's in-kind revenues, volumes sold and related revenues be publicly accessible and disaggregated by buyer for both oil, gas, condensate and gold received as the state's in-kind revenue.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved meaningful progress on the sale of the state's in-kind revenues. The 2014 EITI Report provided the volumes of the state's in-kind revenues of oil, gas, condensate and gold collected in 2014 and the proceeds of sales of the state's in-kind revenues but did not provide information on volumes sold nor disaggregate sales information by buyer.

Progress since Validation

While confirming the lack of government in-kind revenues in the mining sector, the 2017 EITI Report confirms the statutory requirement for in-kind revenues in crude oil and condensate, natural gas and artisanal-mined gold.

However, while the state is statutorily entitled to collect in-kind revenues of **natural gas**, the report confirms that neither the state nor SNH collected in-kind natural gas revenues in practice in 2017. In the first of the two gas producing projects (Sanaga Sud), the report confirms that the operator Perenco Cam handles the sales of the state's in-kind revenues entitlement and transfers the cash proceeds of the sales to the Treasury. These cash payments are thus covered as part of the reconciliation of cash payments to government (*under Requirement 4.1*). In the second of the two gas projects (Logbaga), the report explains that the operator Gaz du Cameroun has never paid the state's in-kind revenue entitlements (to SNH) because of an ongoing legal dispute. Thus, there were no government in-kind revenues of natural gas in practice in 2017.

With regards to the state's in-kind revenues of **crude oil and condensate**, the report confirms that the state is entitled to Profit Oil, which was collected by SNH in kind in 2017. The report distinguishes the state's in-kind revenues from SNH's equity oil revenues and demonstrates the materiality of these in-kind revenues in 2017. The 2017 EITI Report discloses collections and sales of government in-kind oil revenues with a de facto materiality threshold of zero. The report provides a reconciliation of the volumes of Profit Oil collected by SNH on behalf of the state, disaggregated by contract, as well as SNH's unilateral disclosures of the volumes sold and proceeds of the sales, disaggregated by buyer and cargo. Information on the sales of the state's in-kind oil and condensate revenues include the type of contract, type of product, price, and sales volumes.

With regards to the state's in-kind revenues of **artisanal-mined gold**, the report describes the three types of revenues collected in kind by CAPAM. It provides CAPAM's unilateral disclosures of the volumes collected for each of the three types of in-kind revenues. The report further explains that a share of the volumes collected for these three revenue streams is transferred to the Ministry of Finance, without any payment from the Ministry of Finance to CAPAM. The volumes transferred by CAPAM to the Ministry of Finance in 2017 (related to arrears in transfers in the 2012-2018 period) are provided, de facto disaggregated by recipient since all transfers were made to the Ministry of Finance. The quality assurances for these disclosures appear to be the same as for all company payments to government, with confirmation in the report that relevant reporting entities adhered to these quality assurances in practice.

There is no evidence of any swap agreements or resource-backed loans active in 2017.

While the 2017 EITI Report does not describe the process for the selection of buyers for SNH's sales of the state's in-kind oil and condensate sales, the SNH website provides information on the general buyer selection process, including the technical and financial criteria assessed in buyer selections.

Secretariat's Assessment

The International Secretariat's assessment is that the corrective action on the sale of the state's revenues collected in kind has been addressed and considers that Cameroon has made satisfactory progress on Requirement 4.2. The government is entitled to three types of in-kind revenues in Cameroon: crude oil, natural gas and artisanal-mined gold. In practice, it collects two in-kind (oil and gold). For oil, the 2017 EITI Report discloses and reconciles the volumes of the state's in-kind revenues that were collected, the volumes actually sold and the proceeds of the sales, disaggregated (but not reconciled) by buyer and by cargo. For gold, the report provides the volumes collected and volumes transferred to the Ministry of Finance, without the proceeds of sales given that there is no cash settlement for these transfers. It is encouraging that SNH has made efforts to disclose terms of the general statutory buyer selection process.

To strengthen implementation, Cameroon is encouraged to ensure public disclosure of the nature of the contracts for sale of the state's in-kind revenues (e.g. spot or term contracts). Cameroon may wish to disclose the list of selected buying companies for its crude oil, the related sales agreements and any material deviations from the applicable legal and regulatory framework governing the selection of buying companies. Companies buying oil and gas from the state are encouraged to disclose volumes received from the state through SNH and payments made for the purchase of oil and gas. Where there are concerns related to data reliability and where practically feasible, Cameroon should consider further efforts to address any gaps, inconsistencies and irregularities in the information disclosed.

5.9 Corrective action 9: Transactions related to state-owned enterprises (#4.5)

In accordance with Requirement 4.5, Cameroon must ensure that the role of SOEs, including transfers between SOEs and other government agencies, is comprehensively and publicly addressed. The MSG may wish to consider working with the Treasury and SNH to publish information on SNH's sovereign advances to other government entities in a routine manner.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved meaningful progress on SOE transactions. The 2014 EITI Report disclosed oil and gas company payments to SNH and SNH payments to the government, while confirming the lack of mining company payments to SNI. There was however insufficient information in the report to determine the value of transfers from SNH to other government entities as budgetary advances on behalf of the government. While stakeholders maintained that SNH's sovereign advances are budgeted spending, Validation understood that such advances included some transfers to other government entities, albeit reputedly small. This issue was discussed further in the assessment of quasi-fiscal expenditures (Requirement 6.2).

Progress since Validation

For **mining**, the 2017 EITI Report confirms that dividends from the two mining companies in which the state holds (direct or indirect) equity interests were included in the scope of reconciliation. The reconciliation of these company dividends to the Treasury are presented in the report and its annexes published separately on the EITI Cameroon website, disaggregated by company.

For **oil and gas**, the 2017 EITI Report confirms that all company payments to SNH and SNH transfers to the Treasury were included in the scope of reconciliation.

With regards to company payments to SNH, the 2017 EITI Report presents the reconciliation of company payments to SNH-Mandat both in-kind (Profit Oil - State) and in cash (proportional mining royalties, signature and production bonuses, additional petroleum deductions, training fees and SNH subsidiaries' dividend payments) and to SNH-Fonctionnement both in-kind (SNH equity oil). The results of reconciliation are presented disaggregated by company and revenue flow in the EITI Report and its annexes published separately on the EITI Cameroon website.

With regards to SNH transfers to the Treasury, the 2017 EITI Report and its annexes published separately on the EITI Cameroon website present the results of reconciliation of both SNH-Mandat's and SNH-Fonctionnement's payments to the Treasury, disaggregated by revenue flow. SNH-Fonctionnement's tax and non-tax payments to government have been comprehensively reconciled in accordance with Requirement 4.1. The reconciliation of SNH's dividend payments with Treasury receipts highlights a XAF 3.3bn (around USD 5.65m) discrepancy.

With regards to SNH's transfers to 13 other government entities as advances on budgeted expenditures (categorised as "SNH direct transfers" in the EITI Report), the 2017 EITI Report presents SNH's unilateral disclosures of SNH-Mandat's transfers to 13 different government entities at the direction of the Presidency, disaggregated by recipient government entity but not by type of expenditure covered. However, the report also provides the general break-down in expenditures between Account 2279 within the "investment" line (covering expenditures on "material, machinery, installations, technology and functioning services") and Account 6189 within the "operations" line (covering expenditures on "other external payment services"). However, the EITI Report compares SNH-Mandat's unilateral disclosures of its direct transfers (as budget advances) in aggregate with figures from the 2017 budget execution report, highlighting a XAF 5bn (around USD 8.57m) discrepancy.

With regards to government transfers to SNH, neither the 2017 EITI Report nor SNH's 2017 annual report and summarised financial statements indicate any transfer, subsidy or loan from the government to SNH in 2017.

Secretariat's Assessment

The International Secretariat's assessment is that the corrective action on transactions related to SOEs has been addressed and considers that Cameroon has made satisfactory progress on Requirement 4.5. In mining, the 2017 EITI Report discloses and reconciles the dividends to the government paid by the two companies in which the state holds a minority interest. In oil and gas, the report discloses and reconciles oil and gas company payments in cash and in kind to SNH and SNH's transfers to government (dividends and proceeds of oil and gas sales). While the SNH's transfers to other government entities as 'direct interventions' are only unilaterally disclosed by SNH and reconciled with the budget execution report, not with the recipient government entities, weaknesses in

disclosures of SNH's 'direct interventions' are covered more extensively under Requirements 5.1 and 6.2.

To strengthen implementation, Cameroon may wish to consider ways of systematically disclosing SNH's 'direct interventions' on behalf of the state.

5.10 Corrective action 10: Distribution of extractive industry revenues (#5.1)

In accordance with Requirement 5.1, Cameroon should ensure that there is a clear public indication of which extractive industry revenues, whether cash or in-kind, are recorded in the national budget and clarify the allocation of revenues not recorded in the national budget, providing links to relevant financial reports as applicable. The MSG may wish to explore opportunities together with the Treasury and IMF to use annual disclosures as a diagnostic tool for assessing the efficiency of SNH sovereign advances in relation to normal budgetary spending.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved meaningful progress on distribution of revenues. The MSG's position was that SNH's deductions from the state's in-kind revenues to pay sovereign advances on behalf of the Treasury represented a form of budgetary spending. The 2014 EITI Report explained how extractives revenues were recorded in the national budget and the allocation of the small share of extractives revenues retained by individual government entities such as CAPAM. However, the process for deciding SNH's sovereign advances for specific budgeted expenditure was not clearly explained. Validation took the view of other institutions like the IMF that SNH sovereign advances were not a normal form of budgeted expenditure and broke with the principle of a single Treasury account. In this view, the 2014 EITI Report did not sufficiently explain the types of expenditures covered as sovereign advances by the SNH, nor the process for delineating the expenditures to be covered by the SNH. Given the materiality of SNH sovereign advances, at roughly a quarter of total government extractives revenues in 2014, the broader objective of the requirement was not met.

Progress since Validation

The 2017 EITI Report describes the statutory framework for a single Treasury account, to which all government revenues should be transferred, but describes three "exceptions" to the operations of the single Treasury account in practice, which together accounted for 29.2% of total government extractive revenues in 2017. The three exceptions relate to SNH's retained earnings from the proceeds of the sale of the state's in-kind revenues, SNH-Mandat's direct transfers on behalf of the state as "budget advances", and CAPAM's deductions from artisanal gold mining payment transfers to the Treasury. There were differences of opinion across different stakeholders consulted over whether the three different exceptions from the single Treasury account principle represented forms of extra-budgetary revenues and expenditures, particularly with regards to SNH's 'direct interventions' in expenditures on security on behalf of the government.

With regards to SNH's retained earnings from the proceeds of the sale of the state's in-kind revenues, the 2017 EITI Report explains that SNH-Mandat's deductions from the revenues it collects on behalf of government to cover its share of the operational costs of oil and gas projects in which it holds the state's participating interests are not recorded in the national budget. The value of SNH-Mandat's retained earnings to cover the state's share of costs in oil and gas projects in 2017 is provided in the report. The report lists the oil and gas projects in which SNH-Mandat holds participating interests on

behalf of the state and provides a brief description of SNH-Mandat's responsibility to cover the state's share of costs in line with its participating interest. However, the report does not explicitly describe the state's share of oil and gas project costs that were covered by SNH-Mandat in 2017. A government official confirmed that SNH was financially autonomous from the state and did not receive budget transfers to cover the costs of state participation in oil and gas projects, but that SNH-Mandat retained a share of revenues in its "State current account" to cover these expenses. The summaries of SNH-Mandat's audited 2017 financial statements and the annual statistics bulletins published on the SNH website provide some information on SNH-Mandat's expenditures.

With regards to SNH's direct transfers on behalf of the state as "budget advances", the 2017 EITI Report explains that SNH can, at the direction of the Presidency, use deductions from its transfers of government oil and gas revenues to the Treasury to cover budgeted expenditures on behalf of six government entities. While there was consensus among MSG members consulted that these 'direct interventions' by the SNH were adequately recorded in the national budget, given the ex post regularisation of these revenues and expenditures in the government's fiscal reporting (TOFE) and national budget, several development partners and CSOs consulted considered that these retained revenues and related expenditures broke with traditional budgetary discipline and thus should not be considered conventional budgeted revenues and expenditures.

The report describes the decision-making process underpinning SNH "budget advances", explaining that the Ministry of Defence, the Ministry of Justice, the External Research General Directorate, the National Defence General Directorate, the Presidential Security Directorate and the Secretariat of State for Defence are eligible to request direct financing, via the Presidency of the Republic. Four government institutions, namely the SNH, Treasury (DGTFCM), the Tax Department (DGI) and the Budget Department (DGB), meet monthly to tally and compare expenditures. The meeting minutes are sent to the Treasury's General Director to offset SNH's advances against royalty and dividend liabilities. This system is justified by reference to the urgency and sensitivity of certain expenditures on security that are included in the national budget.

The report confirms that a total of 39.5% of the government's total oil and gas revenues in 2017 were deducted from SNH's transfers to Treasury and spent on such "budget advances" in 2017. The report presents a comparison of SNH's unilateral disclosures of its "budget advances" with the figures provided for these "direct interventions" in the 2017 budget execution report, highlighting a discrepancy of XAF 5bn (around USD 8.3m) (see *Requirement 4.5*). However, government officials consulted explained that this discrepancy was due to an error in reporting by the Treasury (DGTFCM) in the budget execution report, where one of SNH's financial transfers to the Treasury had been miscategorised as a 'direct intervention'. While they noted that this had been highlighted in feedback to the IA prior to publication of the 2017 EITI Report, the IA noted that it had not had sufficient time to investigate the sources of this discrepancy.

The report lists 13 government and public-sector entities that received SNH "budget advances" in 2017, with SNH's unilateral disclosures of the value of transfers to each, in aggregate. The top three beneficiaries by value were the Rapid intervention battalion (receiving the equivalent to USD 181m), the Ministry of Defence (equivalent to USD 50m), and the Civil cabinet / PRC (equivalent to USD 21.5m). While the report provides the two main types of expenditures undertaken through these SNH "budget advances", covering Account 2279 in the "Investment" line (covering "material, machinery, installations, technology and operational services") and Account 6189 in the "operations" line (covering "other external payment services"), but does not disaggregate the allocation funds per beneficiary nor in further detail. However, Annex 9 of the EITI Report presents transaction-level payments (unilaterally disclosed by the Treasury) for SNH's "budget advances", although it only provides the budget code and date for each transaction. Several development partners noted the

sensitive nature of security-related 'direct interventions' by SNH, as was highlighted by nearly all stakeholders consulted, but the partners considered that it was legitimate to ask for more disaggregation of SNH's transfers to the 13 government entities between 'investment' and 'operations' expenditures, as was already done for the aggregate SNH 'direct interventions'. They also expressed surprise at the fact that SNH had made transfers to the state-owned broadcast media company as 'direct interventions' in 2017, questioning whether those were also security-related.

The report notes that the government committed in June 2017 to the IMF to reduce the SNH's "budget advances" to half (50%) of the SNH's notional remittances to the Treasury in 2017 and to ensure that the full value of these advances be recorded in full in the national budget from 2018 onwards. The government also committed to record the full value of total oil and gas revenues and the full amount of SNH "budget advances" in the government's fiscal tables (TOFE). Figures from the 2017 EITI Report indicate that SNH's "budget advances" (at XAF 169.59bn, or 54% of the total) were higher than its conventional ("direct") transfers to the Treasury (XAF 146.51bn, 46% of the total) in 2017.

With regards to CAPAM's deductions from artisanal gold mining payment transfers to the Treasury, the 2017 EITI Report explains that CAPAM retains a share of the three types of in-kind revenues it collects from artisanal and small-scale miners, from its subsequent transfers (in-kind) to government. The revenue flow diagram in the report indicates that CAPAM is required to transfer 2.5% of its revenues to Treasury and 60% to the Ministry of Finance. The report notes that CAPAM made three transfers (covering backlog from the 2012-2018 period) totalling 276 193 grams of gold to the Ministry of Finance in 2017. The rest, retained revenues, are not recorded in the national budget. The 2017 budget and budget execution report do not list in-kind revenues collected by CAPAM. Government officials consulted confirmed that CAPAM's in-kind gold transfers to the Ministry of Finance (MINFI) are not recorded in the national budget given that they are not "monetised". There is no further information on CAPAM's management of these revenues in the 2017 EITI Report, nor any financial statements in the public domain. A development partner expressed concern over the alleged opaque nature of CAPAM's financial management. A government official confirmed that CAPAM prepared an annual financial report on its operations, but that this document was not publicly accessible.

The report refers to the national, but not international, revenue classification system.

Secretariat's Assessment

The International Secretariat's assessment is that the corrective action on distribution of revenues has been partly addressed and considers that Cameroon has made meaningful progress with considerable improvements on Requirement 5.1. The 2017 EITI Report confirms that there were three exceptions in 2017 to the single Treasury account principle for public financial management in Cameroon. The largest exception in value is comprised of deductions from government revenues by SNH-Mandat and spent on 'direct interventions' of security-related expenditures provided for in the national budget, on behalf of government and at the direction of the Presidency. Despite government stakeholders' opinion that these revenues and related expenditures were adequately recorded in the national budget due to their ex post regularisation, the Secretariat's view in line with that of development partners is that these do not represent conventional budget revenues and expenditures as they are not subject to the same audit and assurance procedures as conventional budget execution. While the 2017 EITI Report provides the breakdown in recipients of these 'direct interventions' in 2017, it only provides the general breakdown in the use of these funds in aggregate, not by recipient government entity. The other two types of extractive revenues that are not transferred to the single Treasury account are SNH-Mandat's deductions from its transfers to government to cover

the state's share of costs associated with its participation in oil and gas projects, as well as CAPAM's in-kind gold collections on behalf of the government, which are partly retained by CAPAM. While documents on the SNH website including summarised financial statements and annual statistics reports describe SNH-Mandat's retained earnings and coverage of the state's share of oil and gas project expenditures, there is no publicly-accessible financial report describing CAPAM's management of in-kind gold revenues it collects on behalf of government. Government officials consulted confirmed that CAPAM's in-kind gold transfers to the Ministry of Finance (MINFI) are not recorded in the national budget given that they are not "monetised".

In accordance with Requirement 5.1, Cameroon should ensure that a clear description of which extractive industry revenues, whether cash or in-kind, are recorded in the national budget is publicly disclosed. Where revenues are not recorded in the national budget, the allocation of these revenues must be publicly explained, with links provided to relevant financial reports as applicable.

5.11 Corrective action 11: Subnational transfers (#5.2)

In accordance with Requirement 5.2, Cameroon should undertake a more explicit assessment of the materiality of subnational transfers prior to data collection and ensure that the specific formula for calculating transfers to individual local governments be disclosed, to support an assessment of discrepancies between budgeted and executed subnational transfers. Given the high level of public interest in this issue, the MSG may wish to consider including extractives-hosting local government (communes) in the reporting process for subnational transfers in order to reconcile these transactions.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved inadequate progress on subnational transfers. The 2014 EITI Report described statutory subnational transfers linked to extractives revenues and provided the general formula for calculating transfers. However, the calculations of the value of subnational transfers according to the formula were provided in aggregate, not disaggregated by local government unit (LGU). It was unclear why the computations were not disaggregated by LGU, while the value of actual subnational transfers in 2014 was disaggregated by LGU. Given the significance of aggregate discrepancies and the potential for aggregates to net out discrepancies at a per-commune level, the broader objective of subnational transfer traceability was considered unmet.

Progress since Validation

While not applicable in the oil and gas sector, subnational transfers exist and are of high public interest in the mining sector. Several government officials consulted emphasised that the system for subnational transfers was in the process of being reformed, which was part of the rationale for the creation of the Ministry of Decentralisation and Local Development in 2018. One government official considered that the EITI had had an impact of drawing public attention to the uneven execution of subnational transfers in practice and the need for reform. The officials explained that the gaps in the 2017 EITI Report were primarily due to the fact that these reforms launched in 2017 had not yet been completed, which hindered the traceability of some subnational transfers. They highlighted the growing importance of FEICOM in strengthening oversight of subnational transfers.

There are two types of subnational transfers linked to extractives revenues and a third type related to common taxes, with the 2017 EITI Report providing the revenue-sharing formula for each.

The first type of subnational transfers covers subnational transfers of ad valorem tax, extraction tax and royalty on water production to host communes, with 25% to relevant local governments (communes). The report explains that only the Large Taxpayer Department (DGE) reported for companies under its jurisdiction, nine companies. Other relevant entities like the Tax Department (DGI), which handles smaller taxpayers, did not.

The report describes the lack of interconnection between the Treasury and Tax Department (DGI)'s IT systems and the aggregation of transfers to communes in a single account, which prevents tracking of the exact transfer values. As follow-up on a recommendation from the 2016 EITI Report, the report notes that a scoping study to connect the systems of the relevant government agencies (Treasury, Tax Department DGI and the MINMIDT) is in progress.

The report provides the value of subnational transfers to communes according to the revenue-sharing formula and in practice in 2017, albeit only disaggregated by each of the nine companies, not by commune (local government) of operations. Nonetheless, a government official confirmed that information on the identity of beneficiaries communes was available in government systems. However, a government official raised concerns over the reliability of data on subnational transfers provided in Annex 8 of the 2017 EITI Report, particularly related to payments by three companies (CCCCC, UTA and BUNS). Several CSOs raised concerns over the use of subnational transfers by communes, with allegations of misallocation of these funds at the local level.

The second type of subnational transfers is a subnational transfer to host local governments (communes) of one quarter (25%) of the state's share (12.8%) on gold production from artisanal and small-scale miners, of the ad valorem tax and of the tax on profits, collected by CAPAM. However, pending the implementing Decree for the 2016 Mining Code, the CAPAM did not execute the transfers to host local governments (communes). Several government officials explained that the lack of transfers of a share of the ad valorem tax to communes was due to the fact that the in-kind gold collected had not been "monetised" in 2017, nor recorded in national budget documents.

A joint commission of CAPAM and the Ministry of Finance was established in July 2018 to resolve arrears in these subnational transfers. The 2017 EITI Report describes the commission's work to unblock the arrears in transfers for the 2012-2018 period and its decision that transfers related to the ad valorem tax should be prioritised. The report provides the notional value of these ad valorem taxes for the 2012-2018 period, as well the value of transfers of the two other revenue types (in addition to ad valorem tax) for the same period. The data is provided disaggregated by commune.

The third type of subnational transfers is the 10% of Corporate Income Tax (IS) and Capital Gains Tax (IRCM-Impôt sur les revenus des capitaux mobiliers) to be transferred to the relevant local governments. While Corporate Income Tax and Capital Gains Tax are not revenue streams that are specific to the extractive industries, the MSG has decided to include it in the scope of reporting and calculated notional values on Corporate Income Tax and Capital Gains Tax from extractives and oil transport companies. One government official clarified that Capital Gains Tax (IRCM) was only applied to entities domiciled onshore in Cameroon, not on capital gains offshore/overseas. The IA noted that it had only calculated the share of Corporate Income Tax and Capital Gains Tax from extractives and oil transport companies, and thus considered that the calculations in the EITI Report represented subnational transfers of common taxes related only to extractives companies.

The report quotes the IA's interviews with the Tax Department (DGI) and Large Taxpayer Department (DGE) that explained that the 70% transfers applied to the communes where companies were headquartered, not communes hosting their extractives operations. The report provides the notional subnational transfers according to the revenue-sharing formula, but notes that data on the actual

transfers executed in 2017 were not provided to the IA. None of the stakeholders consulted could explain why data on actual transfers were not disclosed in the 2017 EITI Report.

In its comments on the draft assessment, the MSG highlighted the efforts undertaken both by the MSG and the government to ensure the implementation of statutory subnational transfer provisions in practice. The MSG noted the production of a report by one of its ad hoc working groups on the issue of subnational transfers, with several recommendations for the timelier disbursement of transfers to subnational government entities. The MSG also highlighted a new priority plan by the Ministry of Finance to ensure inter-operability between the Tax Office (DGI) and Treasury IT systems to establish more robust traceability of transfers. However, while the MSG argued for an upgrade of the assessment of Requirement 5.2 to “satisfactory progress”, the MSG’s comments did not highlight where information on subnational transfers identified as not publicly accessible in the draft assessment could be found.

Secretariat’s Assessment

The International Secretariat’s assessment is that the corrective action on subnational transfers has partly been addressed and considers that Cameroon has made meaningful progress on Requirement 5.2. The 2017 EITI Report covers three types of statutory subnational transfers, two of which are linked to the extractive revenues. It discloses the revenue-sharing formula for each and calculates the notional value of subnational transfers according to the formula, even if this data is not disaggregated by local government (*commune*). Reforms such as the creation of the Ministry of Decentralisation and Local Development and the joint commission of CAPAM and the Ministry of Finance have led to the identification of arrears in subnational transfers host local governments (*communes*) and disbursement of a first tranche of subnational transfers of extractive revenue. The report confirms the lack of effective transfer of one of the extractives-related subnational transfers but does not provide the value of transfers for the other two types of subnational transfers (one of which is extractives-related) disaggregated by local government (*commune*). Thus, it is only possible for readers to assess the discrepancy between rules and practices for one of the three types of subnational transfers.

In accordance with Requirement 5.2, Cameroon should ensure that material transfers are disclosed, including the revenue-sharing formula, as well as any discrepancies between the transfer amount calculated in accordance with the relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity. Cameroon is encouraged to agree a procedure to address data quality and assurance of information on subnational transfers, in accordance with Requirement 4.9. Cameroon may further wish to report on how extractive revenues earmarked for specific programmes or investments at the subnational level are managed, and actual disbursements.

5.12 Corrective action 12: Quasi-fiscal expenditures (#6.2)

In accordance with Requirement 6.2, Cameroon should consider the existence and materiality of any quasi-fiscal expenditures undertaken by extractives SOEs and their subsidiaries, ensuring that all material quasi-fiscal expenditures are publicly disclosed.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved inadequate progress on quasi-fiscal expenditures. There was insufficient information in the 2014 EITI Report to assess whether the

report's own assessment that there were no quasi-fiscal expenditures in 2014 was correct and reliable. Given the lack of clarity surrounding the types of government expenditures covered by SNH sovereign advances and the doubts raised under Requirement 5.1 related to the MSG's classification of this spending as budgeted spending, it was unclear whether Requirement 6.2 was applicable to Cameroon in the year under review. The MSG had clearly considered this issue and included questions related to quasi-fiscal expenditures in the reporting templates, although there was no description in the 2014 EITI Report of the basis for concluding this Requirement as not applicable. The lack of information on the structure of fuel subsidies involving SONARA, the financial relationship between SNH and its subsidiaries and the materiality of revenues withheld by the SNH to cover government expenditures supported the assessment.

Progress since Validation

The 2017 EITI Report states that SNH did not undertake any quasi-fiscal expenditures in 2017. However, the definition of quasi-fiscal expenditures provided in the EITI Report is narrower than that in the EITI Standard and in the IMF's Fiscal Transparency Manual, by focusing only on social expenditures undertaken outside of the national budgetary process. There is no reference in this definition to quasi-fiscal subsidies, public infrastructure, payments for national debt or others. Nonetheless, the report also refers to SNH's assurances that it did not undertake any financing of infrastructure works or servicing of national debt in 2017. In its comments on the draft assessment, the MSG confirmed that the IMF's definition of quasi-fiscal expenditures included operations related to public spending and that these could include forms of direct expenditures by SOEs.

Of the three types of extractives revenues that do not comply with the single Treasury account principle (see *Requirement 5.1*), two could potentially meet the definition of quasi-fiscal expenditures in the IMF's Fiscal Transparency Manual: SNH's "budget advances" for security and SNH-Mandat's coverage of the state's share of costs associated with the oil and gas projects in which it holds a participating interest (on behalf of the state). There was significant debate about the categorisation of quasi-fiscal expenditures during stakeholder consultations. Most stakeholders consulted, including the IA, government officials, and many CSOs stated categorically that SNH 'direct interventions' were not quasi-fiscal expenditures given that they were regularised ex post in the government's fiscal reports (TOFE) and the national budget. A minority of other CSOs and development partners considered that these revenues and expenditures were not a conventional form of budget execution.

With regards to SNH's "direct interventions", the 2017 EITI Report refers to assurances from the Treasury and Central Treasury Accountancy Agency (ACCT) that SNH's "direct interventions" for security are reflected in the government's budgetary revenues and expenditures and can thus not be considered forms of quasi-fiscal expenditures. However, the report demonstrates that there are discrepancies between the value of SNH's "budget advances" unilaterally disclosed by SNH and those recorded in the national budget and budget execution report, with discrepancies of XAF 5bn (around USD 8.3m) (see *Requirement 4.5*). A total of 39.5% of the government's total oil and gas revenues in 2017 were deducted from SNH's transfers to Treasury and spent on such "direct interventions" in 2017, which related to government security expenditures. Most stakeholders consulted highlighted the sensitive nature of the security spending involved, but many welcomed the disclosures in the 2017 EITI Report.

The report lists 13 government and public-sector entities that received SNH "direct interventions" in 2017, with SNH's unilateral disclosures of the value of transfers to each, in aggregate. While the report provides the two main types of expenditures undertaken through these SNH "budget advances", covering Account 2279 in the "Investment" line (covering "material, machinery, installations, technology and operational services") and Account 6189 in the "operations" line

(covering “other external payment services”), it does not disaggregate the allocation funds per beneficiary nor in further detail. However, Annex 9 of the EITI Report presents transaction-level payments (unilaterally disclosed by the Treasury) for SNH’s “direct interventions”, although it only provides the budget code and date for each transaction. A development partner consulted considered that the detail of SNH expenditures to the 13 government or public-sector entities was useful but considered that it was legitimate to require a breakdown between goods and services in the allocations to each entity, even if national security was involved.

The report notes that the government committed in June 2017 to the IMF to reduce the SNH’s “direct interventions” to half (50%) of the SNH’s notional remittances to the Treasury in 2017 and to ensure that the full value of these advances be recorded in full in the national budget from 2018 onwards. The government also committed to record the full value of total oil and gas revenues and the full amount of SNH “direct interventions” in the government’s fiscal tables (TOFE). Figures from the 2017 EITI Report indicate that SNH’s “direct interventions” (at XAF 169.59bn, or 54% of the total) were higher than its conventional transfers to the Treasury (XAF 146.51bn, 46% of the total) in 2017.

The 2017 budget discloses total budgeted expenditure on defence and security, but does not highlight the share of expenditures and items (by budget code) to be covered by SNH’s ‘direct interventions’. The 2017 budget execution report does include the aggregate value of SNH’s ‘direct interventions’, but without disaggregating transfers by recipient public-sector entity or by budget code. The 2017 EITI Report thus adds significantly more detail on SNH’s ‘direct interventions’ compared to budget documents.

Given that the SNH “direct interventions” are exclusively for public-sector security and that these expenditures are not considered fully recorded in the national budget in 2017 by the IMF, the International Secretariat concludes that they constitute off-budget government expenditures in accordance with the definition of quasi-fiscal expenditures in Requirement 6.2.

In its comments on the draft assessment, the MSG highlighted that it considered SNH’s ‘direct interventions’ to be forms of conventional budgetary expenditures, not quasi-fiscal expenditures. It argued that point 10 of the Technical Memorandum of Understanding for the IMF’s extended credit facility (ECF) in 2017 confirmed that SNH ‘direct interventions’ were forms of budgetary expenditures. The MSG considered that the Parliament exercised oversight of these expenditures through its review of the annual budget execution report.

However, the International Secretariat’s reading of point 10 is that “direct interventions” are government expenditures, which the International Secretariat’s assessment agrees with. However point 10 does not state that they are not quasi fiscal expenditures. Furthermore, the IMF’s 2017 extended credit facility agreement with Cameroun states: *“More problematic issues include the extensive use of treasury advances, payments by the treasury of previous year’s arrears, well beyond the (already long) 90-day complementary period, and direct spending by the national oil company (SNH), which is regularized ex-post in the budget and displaces regular budgeted spending.”*⁶ This implies that these “direct interventions” do not adhere to the conventional budgetary process.

With regards to SNH-Mandat’s coverage of the state’s share of costs associated with the oil and gas projects in which it holds a participating interest (on behalf of the state), the 2017 EITI Report does not mention any costs associated with state participation in oil and gas projects. The report lists the oil and gas projects in which SNH-Mandat holds participating interests on behalf of the state and provides a brief description of SNH-Mandat’s responsibility to cover the state’s share of costs in line with its participating interest. However, the report does not describe the state’s share of oil and gas

⁶ IMF (July 2017), “Cameroon: Request for a three-year arrangement under the extended credit facility”, accessible [here](#), p.21.

project costs that were covered by SNH-Mandat in 2017. However, SNH's 2017 annual report and statistics report highlight XAF 141bn (around USD 241.45m) in costs associated with state participation in oil and gas projects (categorised as "*dépenses associatives*").

SNH-Mandat's expenditures to cover the state's share of costs in line with its participating interests in oil and gas projects could be considered a form of government capital and operating expenditures, as distinct from the costs associated with SNH's participating interests in oil and gas projects held on its own account. Subject to this categorisation of state expenditures on its share of costs in oil and gas projects, these deductions by SNH-Mandat from the government's oil and gas revenues and related expenditures could be considered forms of quasi-fiscal expenditures. A government official consulted stated that SNH had full financial autonomy from the state and was tasked with covering the state's share of costs in oil and gas projects. The official highlighted the publication of summarised financial statements and statistics reports on the SNH website for additional information on these expenditures. However, other government officials maintained that the costs associated with state participation in oil and gas projects were part of SNH-Mandat's mandate on behalf of the state and should not be considered quasi-fiscal expenditures.

Secretariat's Assessment

The International Secretariat's assessment is that the corrective action on quasi-fiscal expenditures has been partly addressed and considers that Cameroon has made meaningful progress on Requirement 6.2. The 2017 EITI Report categorically states that the SNH did not undertake any quasi-fiscal expenditures in 2017, although the MSG's definition of quasi-fiscal expenditures is narrower than that in the EITI Standard and in the IMF's Fiscal Transparency Manual, by focusing only on social expenditures undertaken outside of the national budgetary process. Nonetheless, the report also refers to SNH's assurances that it did not undertake any financing of infrastructure works or servicing of national debt in 2017. However, there is evidence of at least one type of expenditures, funded by revenues that are not transferred to the single Treasury account, which could be considered forms of quasi-fiscal expenditures. This consists of SNH 'direct interventions' of security-related expenditures on behalf of government. In light of the assessment that these do not represent conventional forms of budget execution (see Requirement 5.1), the International Secretariat considers these to be quasi-fiscal expenditures. While the report provides the general breakdown in these 'direct interventions' between equipment and services, it does not provide this disaggregation for each of the 13 government entities that received such transfers from SNH in 2017.

The MSG's comments on the draft assessment argued that SNH's 'direct interventions' constituted forms of conventional budgetary expenditures, in part due to the fact that Parliament reviewed these expenditures since they were included in the budget execution report. While the MSG cites the IMF's view that these expenditures by SNH constitute forms of government spending, the IMF's 2017 extended credit facility agreement does categorise these expenditures as 'displacing regular budgetary spending'. Thus, the final assessment maintains that SNH's 'direct interventions' represent unconventional forms of government expenditures and should be categorised as quasi-fiscal expenditures for the purposes of EITI reporting. Regardless of the MSG's lack of categorisation of these expenditures as quasi-fiscal, it has nonetheless achieved considerable progress in clarifying the types of expenditures funded by SNH's 'direct interventions' and is closer to achieving the broader objective of the requirement than in the first Validation.

In accordance with Requirement 6.2, Cameroon should ensure public disclosures from SOEs on their quasi-fiscal expenditures, through a reporting process that achieves a level of transparency commensurate with other payments and revenue streams and includes SOE subsidiaries and joint

ventures. Cameroon may wish to take the IMF's definition of quasi-fiscal expenditures into account when considering whether expenditures are considered quasi-fiscal.

5.13 Corrective action 13: Public debate (#7.1)

In accordance with Requirement 7.1.e, Cameroon should ensure that outreach events, whether organised by government, civil society or companies, are undertaken to spread awareness of and facilitate dialogue about the EITI Report across the country. The MSG is encouraged to pursue its work in outreach and dissemination through a communication strategy, involving all three constituencies. The MSG might wish to foster public debate on the oil and gas sector through the use of specific data points and by building on its existing networks.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved meaningful progress on public debate. The MSG had worked towards making the EITI Reports comprehensible and accessible online. The MSG had agreed a policy on the access, release and reuse of EITI data. There was evidence that civil society organisations and the Technical and Permanent Secretariats were leading on efforts to disseminate the EITI Report and encourage public debate about the mining sector. However, lack of funding had limited outreach activities outside the capital in recent years, and there was only limited evidence of MSG attempts to promote the use of EITI data in public debate about the extractive industries.

Progress since Validation

The 2016 and 2017 Reports are published online and written in an accessible manner. However, they have not been presented in summarised format and were not translated in English, the second official language of Cameroon, in a timely manner to improve their accessibility to residents of the Anglophone oil-producing regions, despite previous EITI recommendations related to English translations. Secretariat staff and an industry representative explained that the English version of the 2016 EITI Report had belatedly been published on the EITI Cameroon website in Q2 2020 and that plans to publish the English version of the 2017 EITI Report had been delayed by the Covid-19 crisis.

In terms of dissemination, the MSG promoted both 2016 and 2017 EITI Reports through annual launch events in the capital city Yaoundé, that garnered national media coverage, and some extractive industry events (e.g. Cameroun SAGO in July 2017). The MSG decided to support stakeholders to undertake dissemination with some dedicated budget. One CSO, CAFAGB, used this opportunity to disseminate EITI data to a hundred of women in mining communities in October 2017. No indication of other dissemination activities led by CSOs were identified under the period of review, based on available documentation and stakeholder consultations. Secretariat staff indicated that the EITI Cameroon's practice of financing CSOs' dissemination of EITI data had ceased in order to avoid any allegation of conflict of interest. The fact that the mayors of the cities of Lomié, Abedimo and Figuil have been part of the MSG since 2014 does not appear to have contributed to more widespread promotion of EITI information at the subnational level, although the 18-month long nomination process for appointing the two local government officials (mayors) to the MSG was only completed on 12 February 2020. There is little evidence that the government and industry constituencies have played an active role in promoting and disseminating EITI data beyond their participation as observers in formal EITI Report launch events and the few industry events attended by EITI Cameroon. There was consensus among stakeholders consulted that outreach and dissemination activities had only taken place in the capital city Yaoundé during the period under review.

The lack of dissemination and outreach in extractive regions was explained by stakeholders consulted from various constituencies as being due to the security situation linked to the Boko Haram crisis in the Extreme North of the country and the Anglophone crisis in the Southwest and Northwest, as well as to the lack of available funding for dissemination and outreach. However, there is no available evidence of additional fundraising efforts for outreach and dissemination in the period under review. The 2017 annual progress report indicates that the communication budget accounted for 23% of the total executed budget in 2017. This appears to have been spent on clearing past arrears to the EITI Cameroon webmaster. The MSG appears to have focused on dissemination through events in the capital city in the period under review, rather than other planned activities such as an “awareness-raising caravan in extractive regions” or TV and radio broadcasts on the governance of the extractive industries. A brief review of the MSG’s Facebook page indicates posts related to specific events. While the MSG adopted a 2020-2022 Communication Strategy right before the start of Validation, on 6 February 2020, none of the planned activities had yet been implemented as of the start of Validation. The Communications Strategy appears to be a high-level institutional strategy that didn’t specify the types of dissemination activities or the development of key EITI messages for specific audiences. The EITI Cameroon Open Data portal has a function to create data visualisations (e.g. diagrams) that could facilitate comparison of revenue streams from the extractive industries to total revenues transferred to local governments in the future. There is no available evidence of MSG efforts to build the capacities of key constituencies like civil society or others (e.g. Parliamentarians, local government officials, etc) to make use of EITI data.

There is evidence that civil society organisations encouraged debate about the extractive sector, particularly the mining sector, and the use of EITI data. Civil society publications like the PWYP Cameroon newsletters focus on reform of the mining sector, the award of mining licenses (e.g. Geovic), environmental and social impacts of small-scale and artisanal mining, revenue management issues such as subnational transfers, contract transparency and the implementation of the EITI itself (see *Requirement 1.3*).

In its comments on the draft assessment, the MSG highlighted several activities undertaken by CSOs in 2018-2019, including a study by the CSO CRADEC on the domestication of the African Mining Vision, the PWYP Cameroon newsletter, several studies by the CSO DMJ, a data journalism capacity-building workshop by Code for Cameroon in December 2018, as well as a recent study on the mining value-chain in Cameroon by Transparency International and FODER. While the MSG argues for an upgrade in the assessment of Requirement 7.1 to “satisfactory progress”, its comments on the draft assessment did not address shortcomings related to EITI dissemination activities being focused only on the capital city and the lack of evidence of engagement by industry and government in EITI-related outreach and dissemination activities. Although the EITI Board has agreed that the Validation of Requirement 7.1 relating to public debate will take into account the constraints associated with the Covid-19 pandemic⁷, this decision does not apply to the 2018-2019 period under review during this assessment.

Secretariat's Assessment

The International Secretariat’s assessment is that the corrective action on public debate has not been addressed and that Cameroon has made meaningful progress on Requirement 7.1. Cameroon has made efforts to disseminate the full version of the 2016 and 2017 EITI Reports online, through the

⁷ Board decision 2020-75, accessible on <https://eiti.org/board-decision/2020-75>.

national EITI website and social media. There is evidence of efforts to proactively ensure the comprehensibility of EITI data through a number of infographics on the EITI Cameroon website homepage. English translation of the 2016 EITI Report was belatedly published online in 2020, while plans to publish an English version of the 2017 EITI Report appear delayed by the Covid-19 crisis. There is no evidence that EITI Cameroon has prepared summary or thematic EITI Reports to improve the public accessibility of EITI findings and data. There is evidence that the EITI Cameroon Technical and Permanent Secretariats led some efforts to disseminate the EITI Report in the period under review. However, these activities were limited to the capital city Yaoundé. The lack of available funding for outreach and the security situation in the Northwest and Southwest regions were cited by stakeholders consulted as key reasons for the lack of outreach and dissemination activities outside the capital in the past several years. There is evidence that CSOs contributed to the dissemination of EITI data and used the EITI data to contribute to public debate. However, there is no evidence that government and industry have participated in outreach and dissemination efforts, beyond attendance at annual EITI Report launch conferences. There is limited evidence of MSG attempts to promote the use of EITI data in public debate about the extractive industries. While there is anecdotal evidence of a slowdown in the MSG's outreach and dissemination activities in the period under review in this second Validation, there is insufficient evidence that weaknesses in the EITI's contribution to public debate have increased considerably since the first Validation. Thus, while the International Secretariat's assessment is that the corrective action from the first Validation has not been addressed, it does not consider the evidence of gaps to be sufficient to recommend a downgrade from the first Validation's assessment of "meaningful progress".

In accordance with Requirement 7.1.a.i-ii, Cameroon should ensure that EITI findings and data are widely accessible and distributed, in both official languages (French and English) and in formats that are more accessible than the comprehensive version of the EITI Report. Cameroon should ensure that EITI data and findings are comprehensible, including by considering access challenges and information needs of different genders and subgroups of citizens. In accordance with Requirement 7.1.a.iii, Cameroon should ensure that outreach events, whether organised by government, civil society or companies, are undertaken to spread awareness of and facilitate dialogue about governance of extractive resources, building on EITI disclosures across the country in a socially inclusive manner. In accordance with Requirement 7.1.b.iii, Cameroon is encouraged to organise capacity-building activities, especially with civil society and through civil society organisations, to improve understanding of the information and data from the reports and online disclosures and encourage use of the information by citizens, the media and others.

5.14 Corrective action 14: Review of the outcomes and impact of EITI implementation (#7.4)

In accordance with Requirement 7.4.a.iii, Cameroon should ensure that the APR includes an overview of the MSG's responses to and progress made in addressing the recommendations from reconciliation and Validation. Cameroon is required to list each recommendation and the corresponding activities that have been undertaken to address the recommendations and the level of progress in implementing each recommendation. Where the government or the MSG has decided not to implement a recommendation, it is requirement that the MSG documents the rationale in the APR. In accordance with Requirement 7.4.a.iv, the MSG should include an assessment of progress with achieving the objectives set out in its work plan, including the impact and outcomes of the stated objectives. To strengthen implementation, Cameroon is encouraged to provide a comprehensive overview of the impact of the implementation of the EITI in the APR. Cameroon might also wish to conduct a formalised impact assessment after twelve years of implementing the EITI.

Findings from the first Validation

The first Validation concluded that Cameroon had achieved meaningful progress on review of outcomes and impact of EITI implementation. The MSG had produced annual progress reports (APR) that provided a summary of activities conducted and presented the strengths and weaknesses of the EITI process. While the APR alone provided a fragmented assessment of the impact of the implementation of the EITI, it could be complemented by other MSG documents. However, the APR did not allow to measure progress against meeting work plan objectives, nor provide a clear picture of the MSG's efforts to follow-up on recommendations from reconciliation and Validation.

Progress since Validation

While Cameroon EITI continued to publish annual progress reports since the first Validation, it has done so with some delay. The 2016 annual progress report was published on 28 December 2017 and the 2017 annual progress report on 12 February 2019. While a 2018 annual progress report was drafted, at commencement of validation it was never published and production on a 2019 annual progress report had yet to commence according to stakeholder consultations. There is no review of EITI outcomes and impact in any other document.

Thus, the assessment is based on the 2017 annual progress report, which covers only the period July to December 2017. In comparison to the first Validation, the APR provides a clear assessment of the progresses made by the MSG to achieve the EITI requirements with two dedicated sections, including a self-assessment of the Requirements grid, as well as a table of the MSG responses to the EITI recommendations from the 2013 Validation and those of the 2011-2014 EITI Reports. The 2017 annual progress report described EITI process-related activities in 2017, with limited information on the substance of discussions or outputs of activities, which would be required for an assessment of implementation.

Compared to the first Validation, the 2017 annual progress report provides a detailed assessment of the implementation of the 2017-2019 work plan objectives, with an average of 38% of achieved objectives; 24% of work in progress and 38% of non-implemented activities. The 2017 annual progress report provides in its annex the details of the EITI budget execution, at 67% of the planned budget, funded by the government. Section 5 of the 2017 annual progress report provides a brief reference to the EITI's impact. In terms of general achievements, the annual progress report mentions the drafting of the 2017-2019 work plan and the strengthening of the reporting systems of some government entities, notably SNH. Yet the report also highlights data collection challenges by the IA, particularly in mining, and notes the importance of systematic disclosures without further elaboration of the idea.

The report refers to the stakeholders' engagement as a key strength of the EITI process in Cameroon. Support is offered to all constituencies for dissemination of EITI data, which was used by a single CSO in 2017. The report lists a comprehensive set of weaknesses of the EITI process in Cameroon, including internal governance issues and lack of systematic disclosures. The report mentions the working groups on subnational transfers and reconciliations gaps as key achievements of 2017 to further engage MSG's members. While it is noted that MSG members were consulted in the drafting of the 2017 annual progress report, there is no indication that the broader constituencies were given an opportunity to comment. The annual progress report does not mention any MSG's effort to consider in their activities gender and inclusiveness. The 2017 annual progress report does not refer to any MSG plans for a broader impact assessment.

In its comments on the draft assessment, the MSG highlighted the MSG's approval of the 2018 and 2019 annual progress reports on 16 November 2020 and listed the various types of impacts that the

MSG considered attributable to EITI implementation. The 2018 and 2019 annual progress reports were published on the EITI Cameroon website on 23 November 2020.

Secretariat's Assessment

At the commencement of Validation, the International Secretariat's assessment is that the corrective action on outcomes and impact of EITI implementation has not been addressed and considers that Cameroon has made inadequate progress on Requirement 7.4. Cameroon has published annual progress reports in accordance with Requirement 7.4 in the 2017-2019 period but covering old years (2016-2017) rather than timelier reporting. The latest MSG review of outcomes and impacts available at commencement of Validation is the 2017 annual progress report, which covers July to December 2017. That annual progress report was focused on the process of EITI implementation, activities, rather than an overview of the output, outcomes and impacts of MSG activities during the year. Thus, while the annual progress report technically meets most of the aspects of Requirement 7.4, it is both outdated and narrowly focused on EITI implementation. Several aspects of the requirement are thus not met and Cameroon is far from the objective of regular public monitoring and evaluation of implementation for the EITI's own public accountability.

The MSG's comments on the draft assessment highlighted the MSG's approval of the 2018 and 2019 annual progress reports on 16 November 2020. These reports were published on the EITI Cameroon website on 23 November 2020. While weaknesses in the MSG's review of the outcomes and impacts of EITI implementation on an annual basis in the period from 2017 to October 2020 remain, these recent publications have provided an overview of outcomes and impacts in this period, even if delayed. Thus, subject to the Board's consideration of new information published after Validation, the International Secretariat's assessment is that Cameroon continues to have made meaningful progress on Requirement 7.4.

In accordance with Requirement 7.4.a. Cameroon should undertake an annual review to document the results and impact of the EITI process in Cameroon. In accordance with Requirement 7.4.a.i-v, Cameroon's review of outcomes and impact should include progress against EITI Requirements, follow-up on EITI recommendations, progress towards work plan objectives, and a narrative account of efforts to strengthen the impact of EITI implementation on natural resource governance. In accordance with requirement 7.4.b, the MSG should ensure that all stakeholders are able to participate in the annual review of the impact of EITI implementation, including those not serving on the MSG. To strengthen implementation, Cameroon may wish to consider a formalised impact assessment after thirteen years of EITI implementation.

6. Other EITI Requirements

In the course of undertaking this assessment, the International Secretariat has also considered whether there is a need to review additional requirements, i.e. those assessed as "satisfactory progress" or "beyond" in the first Validation, or new aspects of the 2019 EITI Standard. In particular, the Secretariat reviewed progress in the 2017 EITI Report on requirements related to beneficial ownership (Requirement 2.5), environmental impact (Requirement 6.4) and data accessibility (Requirement 7.2). The Secretariat's view is that there is evidence to suggest progress has fallen below the required standard on Requirement 2.2, Requirement 4.8 and Requirement 6.1, which warrant consideration by the EITI Board for a downgrade to "meaningful progress".

6.1 Assessment of license allocations (#2.2)

Findings from the first Validation

The first Validation concluded that Cameroon had achieved satisfactory progress on Requirement 2.2. The 2014 EITI Report described the process for awarding and transferring licenses in mining, oil and gas. While its description of the statutory licensing process for mining appeared confusing (first come first served and best technical and financial criteria), all stakeholders consulted confirmed that this reflected current regulations and considered that this had never been an issue in practice (no concurrent applications). The report did not provide technical and financial criteria for licenses issued by direct negotiations in 2014 and did not highlight any non-trivial deviations from the license allocation procedures for licenses awarded in 2014. However, it was possible to access a list of the statutory technical and financial criteria from the government (upon request) and none of the stakeholders consulted raised any doubts about the way in which licenses awarded in 2014 were granted. While it was unclear whether there were any transfers of licenses in 2014 from the report, all stakeholders consulted confirmed the lack of transfers in this period.

Progress since Validation

For **oil and gas**, the 2017 EITI Report confirms the lack of new license awards but nonetheless describes the statutory procedure for awarding licenses in the oil and gas sector, including technical and financial criteria assessed. The report describes the one transfer of participating interests in an oil and gas license in 2017 and provides an overview of the statutory procedure for transferring such participating interests. However, the specific technical and financial criteria that are statutorily assessed in oil and gas license transfers are not clarified either in the EITI Report or in any documentation on the SNH website. None of the stakeholders consulted expressed any views on whether the same technical and financial criteria applied for transfers of participating interests in consortia operating oil and gas licenses as for the original awards. The report confirms the names of the companies involved in the license transfer. Based on assurances from SNH, the report confirms the lack of non-trivial deviations in this single transfer of participating interests in an oil and gas license in 2017. Despite the lack of explanation of the methodology underpinning SNH's assurances to the IA, available evidence suggests that the MSG endorsed this approach to assessing the existence of non-trivial deviations from statutory procedures in the transfer of oil and gas licenses in 2017.

For **mining**, there are inconsistencies in the 2017 EITI Report about the number of licenses awarded in 2017, with one section of the report providing the figure of 106 license awards while the annex lists only 100 license awards. The identities of licenses and license-holders are only provided for the 100 licenses in annex, hindering the ability to compare the two lists of license awards. An overview of the statutory license award procedures is provided both in the 2017 EITI Report and in the MINMIDT's user guide, which also describes the technical and financial criteria assessed for license awards. Based on assurances from MINMIDT, the report states that there were no non-trivial deviations in the 106 license awards in 2017. Despite the lack of explanation of the methodology underpinning the MINMIDT's assurances to the IA, available evidence suggests that the MSG endorsed this approach to assessing the existence of non-trivial deviations from statutory procedures in the award of mining licenses in 2017. The report confirms the lack of license transfers in 2017, but nonetheless describes the statutory license transfers procedures, even if it does not clarify the existence and nature of statutory technical and financial criteria assessed in license transfers. None of the stakeholders consulted clarified whether the technical and financial criteria for mining license transfers are the same as for awards.

None of the mining, oil and gas licenses awarded and transferred in 2017 were through competitive tender.

Secretariat's Assessment

The International Secretariat's assessment is that the requirement on license allocations has not been fully addressed and that Cameroon has made meaningful progress on Requirement 2.2. While most aspects of Requirement 2.2 have been addressed in the 2017 EITI Report, there are inconsistencies in the number of mining licenses awarded in 2017. While the report describes the process for awarding and transferring licenses in the mining, oil and gas sectors and confirms the lack of non-trivial deviations in mining license awards and oil and gas license transfers in 2017, it only describes the specific technical and financial criteria assessed for mining, oil and gas license awards, not for transfers.

In accordance with Requirement 2.2.a.ii, Cameroon should ensure that a description of the statutory process for transferring licenses in the mining, oil and gas sector is publicly disclosed, including the specific technical and financial criteria assessed and any weightings of these criteria. Cameroon should ensure that the number of mining, oil and gas licenses awarded and transferred annually is publicly disclosed.

6.2 Assessment of beneficial ownership (#2.5)

Findings from the first Validation

The first Validation only provided an update on Cameroon's efforts to address beneficial ownership transparency, although this was not taken into account in the overall assessment of progress in implementing the 2016 EITI Standard. The 2014 EITI Report clarified the MSG's definition of beneficial ownership and the government's policy on disclosure was enshrined in EITI Cameroon's beneficial ownership roadmap. The government had included beneficial ownership disclosure provisions in mining legislation. However, the 2014 Report did not disclose shareholders of four of the 20 material companies and information on legal ownership of companies in Cameroon was not publicly accessible.

Progress since Validation

Adherence to Requirement 2.5 on beneficial ownership is assessed in Validation as of 1 January 2020 as per the framework agreed by the Board in June 2019.⁸ The assessment consists of a technical assessment focusing on initial criteria and an assessment of effectiveness.

Technical assessment

The technical assessment is included in Annex A.

The MSG has agreed a definition of beneficial owner in line with international best practice by covering indirect ownership and non-equity ownership and control. While there is no explicit definition of politically-exposed persons (PEPs) in national legislation, stakeholders explained that the list of PEPs was in effect provided in the detailed list of office-holders in the 1996 Constitution (Article 66) that are

⁸ Board decision 2019-48/BM-43: <https://eiti.org/board-decision/2019-48>.

required to disclose their assets at the start and end of their mandates. This list includes only officeholders themselves, not other groups (e.g. families) typically covered by definitions of PEPs in other countries.

While the 2016 Mining Code requires public disclosure of beneficial owners of mining license-holders, there is no such legal backing in oil and gas. Moreover, an implementing Decree for the 2016 Mining Code with additional guidance on beneficial ownership disclosures has yet to be enacted, with MSG plans to provide input to the drafting of the implementing Decree still outstanding.

In its comments on the draft assessment, the MSG highlighted that the government's policy on beneficial ownership transparency was enshrined in the 2018 Transparency Code as well as in the asset disclosure requirements of Law 003/2006 on asset disclosures and Cameroon's ratification of the African Union Convention Against Corruption. The MSG also highlighted plans to upgrade the IT infrastructure of the company register (Registre du Commerce et du Crédit Mobilier – RCCM). However, the MSG noted that the implementing regulations for these various laws, including the 2018 Transparency Code, were still in the process of being drafted at this time.

There appears to have been little discussion of beneficial ownership transparency by the MSG since agreement of the three-year beneficial ownership roadmap. A working group on beneficial ownership was established, although there is no record of their work. The absence of available MSG meeting minutes at the commencement of this Validation has constrained the International Secretariat's ability to review the record of MSG discussions on beneficial ownership.

However, the MSG's comments on the draft assessment highlight the recent scoping study on beneficial ownership, approved by the MSG and published on the EITI Cameroon website in September 2020. The MSG highlighted a recent multi-stakeholder workshop to approve the scoping study, including approving a definition of beneficial ownership and mechanisms for operationalising beneficial ownership disclosures in future.

The MSG's concrete beneficial ownership work to date has focused on data collection from material companies for the EITI Report, a total of 17 companies in 2017. The MSG set a threshold of 5% of either equity or voting rights and requested management sign-off for reporting templates.

The 2017 EITI Report collated beneficial ownership information from 11 oil and gas companies and from three mining and quarrying companies. Data disclosed on beneficial owners includes country of citizenship, country of residence, date of birth, number of shares held, and number of voting rights held. While it provides the names of stock exchanges where subsidiaries of public companies are listed, it does not provide links to relevant securities filings. However, the report does not highlight any PEPs.

The 2017 EITI Report documents the gaps and weaknesses in BO reporting by material oil, gas, mining and quarrying companies, but does not include the MSG's assessment of comprehensiveness and reliability of disclosures from companies beyond the scope of EITI reconciliation. There is no evidence that the MSG has considered means of outreach and data collection from non-material companies holding, and applicants for, mining, oil and gas licenses.

The 2017 EITI Report discloses the legal ownership of all oil and gas companies and only five mining companies. No further guidance on accessing legal ownership information is provided in the EITI Report or on the EITI Cameroon website.

Assessment of effectiveness

There have been delays in implementing the government's commitment to beneficial ownership transparency in practice. Provisions of the 2016 Mining Code regarding beneficial ownership disclosure by all mining license-holders have only been implemented for the handful of mining companies included in the scope of reporting. The lack of implementing Decree for the Mining Code, combined with delays in the MSG's plans for a beneficial ownership study, have hindered the MSG and government's outreach to non-material mining, oil and gas companies beyond the companies directly included in EITI reporting. There appears to have been no attempt to date to request beneficial ownership information from companies applying for licenses in the mining, oil and gas sectors.

Although the 1996 Constitution requires public officeholders to disclose their assets at the start and end of their mandates, this information does not appear to be publicly accessible.

The MSG appears to have reviewed the level of beneficial ownership disclosures by material companies to date, in the 2017 EITI Report. However, this assessment by the MSG does not cover the full landscape of companies holding mining, oil and gas licenses and only covers the minority of extractive companies included in the scope of EITI reconciliation.

The most significant barriers to effective beneficial ownership disclosures appear to be the lack of a clear definition of PEP for beneficial ownership disclosures, the lack of implementing regulations for the legal provisions requiring beneficial ownership transparency, as well as the lack of outreach to companies beyond the scope of EITI reconciliations to date.

Several government stakeholders consulted highlighted plans for the IA for the 2017 and 2018 EITI Reports to undertake a beneficial ownership study in 2020. These representatives attributed delays in completing this study on the Covid-19 crisis in 2020 and considered that this should not penalise Cameroon in the assessment of its progress with beneficial ownership disclosures.

Secretariat's Assessment

The International Secretariat's assessment is that the requirement on beneficial ownership has not been fully addressed and that Cameroon has made inadequate progress on Requirement 2.5.

Cameroon has agreed an appropriate definition of "beneficial owner" and embedded it in national mining legislation, although it has yet to formalise the definition and list of politically-exposed persons (PEP) beyond the general (and narrow) list of public office-holders included in the 1996 Constitution's requirement for asset disclosures by public office-holders. Cameroon has requested and disclosed some legal and beneficial ownership information from material companies included in the scope of reconciliation in the three most recent EITI Reports, although there is no evidence to date of outreach or data collection from other extractive companies not included in EITI reconciliations. As of February 2020, beneficial ownership information had been disclosed for a total of only 11 oil and gas companies and three mining and quarrying companies included in the 2017 EITI Report. This data is published in the PDF-version of the EITI Report, not in open data format. The MSG has agreed quality assurances for beneficial ownership disclosures through EITI reporting, although it is unclear whether the same assurances would apply to disclosures from non-material companies. While the MSG appears to have reviewed the comprehensiveness and reliability of beneficial ownership disclosures by material companies in the 2017 EITI Report, it did not appear to have reviewed gaps in reporting by all extractive companies as of the commencement of Validation.

The MSG's comments on the draft assessment highlighted the legal and regulatory framework for beneficial ownership disclosure, while noting that the implementing regulations for key laws such as

the 2018 Transparency Code were still in the process of being drafted. The MSG highlighted the adoption and publication of a scoping study on beneficial ownership and the MSG's agreement on a clear definition of beneficial ownership, in September 2020. Nevertheless, the gaps described in this final assessment remain, both in terms of implementation of legal provisions and the launch of data collection, and the International Secretariat's view is that Cameroon is still far from achieving the objective of Requirement 2.5.

In accordance with Requirement 2.5 and the Board-agreed framework for assessing progress, Cameroon is required to disclose the beneficial owners of all companies holding or applying for extractive licenses by 31 December 2021. To achieve this target, the following measures are recommended:

- Cameroon is expected to request all companies holding oil, gas and mining licenses to disclose beneficial ownership information and provide adequate assurances for data reliability. The government is encouraged to establish a public register of beneficial owners.
- Cameroon is encouraged to require all applicants of oil, gas and mining licenses to disclose their beneficial owners at the application stage. An assessment of the comprehensiveness and reliability of this information should be undertaken by the MSG.
- Cameroon is encouraged to agree priorities for beneficial ownership disclosures and, based on these priorities, plan efforts to obtain this data. For example, Cameroon may prioritise disclosures by certain types of companies, companies holding a certain type of license or producing a certain commodity due to risks related to corruption, tax evasion or circumventing provisions for local participation. These priorities should guide outreach efforts to companies and provide them guidance.
- It is recommended that Cameroon considers using the EITI's model beneficial ownership declaration form⁹ to ensure that disclosures are published in open data format, comparable and easy to analyse
- Cameroon may wish to expand beneficial ownership disclosures to other segments of the upstream extractive value chain, for instance through collection and disclosure of beneficial ownership information from extractive-sector service providers, to enable monitoring of adherence to local content provisions and to manage corruption and tax evasion risks.

6.3 Assessment of timeliness (#4.8)

Findings from the first Validation

The first Validation concluded that Cameroon had achieved satisfactory progress on Requirement 4.8. Cameroon had published EITI Reports within two years of the end of the fiscal period covered by reporting.

Progress since Validation

The MSG published the 2017 Report on 11 February 2020, beyond the two-years' time lag. The 2016 Report was similarly published late on 22 February 2019. A request for an extension of the reporting deadline was not approved by the EITI Board. Delays were due to slow disbursement of payments for the 2014-2015 Reports and internal government procurement delays.

⁹ [Accessible here.](#)

Secretariat's Assessment

The International Secretariat's assessment is that the requirement on data timeliness has not been fully addressed and that Cameroon has made meaningful progress on Requirement 4.8. Cameroon published its two latest EITI Reports with data older than the second to last complete accounting period upon publication. The MSG approved the report period for EITI reporting.

In accordance with Requirement 4.8, Cameroon should publish regular and timely information in accordance with the EITI Standard and the agreed work plan (see *Requirement 1.5*) on an annual basis, with data no older than the second to last complete accounting period.

6.4 Assessment of social and environmental expenditures (#6.1)

Findings from the first Validation

The first Validation concluded that Cameroon had achieved satisfactory progress on Requirement 6.1, with efforts to go beyond the minimum requirements. The 2014 EITI Report confirmed the existence of mandatory social expenditures and disclosed the nature and value of mandatory social expenditures, including identifying the beneficiaries. Cameroon was considered to have gone beyond the minimum requirements by providing additional information on discretionary social expenditures as encouraged by the EITI Standard.

Progress since Validation

There are mandatory social expenditure requirements in both mining and oil and gas in Cameroon.

For **oil and gas**, the 2017 EITI Report explains that, despite the lack of reference to social expenditures in the Petroleum Code, there are requirements to mandatory social expenditures in the operating contracts (PSCs) of certain companies, according to the IA's "understanding". The example of contractual social expenditure requirements provided in the report relates to Dana Petroleum, although this was not considered a material company in the 2017 EITI Report. A government official noted that some oil and gas companies had social expenditure clauses in their contracts, although representatives of two smaller oil and gas companies stated that their contracts did not include such provisions. The lack of published oil and gas contracts to date (see *Requirement 2.4*) hinders independent and comprehensive verification of contractual provisions related to social expenditures. Stakeholders consulted confirmed that there had not been a comprehensive review of mining, oil and gas contracts in preparation of the EITI Report.

Reporting templates for oil and gas companies included lines for the disclosure of both mandatory and voluntary social expenditures. However, of the five oil and gas companies that reported any social expenditures, none reported mandatory expenditures. The report explicitly confirms the lack of any social expenditures by SNH in 2017. However, the comprehensiveness of these unilateral company disclosures is unclear, given that disclosures of mandatory social expenditures was left to the discretion of reporting companies.

A total of five oil and gas companies reported voluntary social expenditures, disaggregated between cash and in-kind, with the nature of some, but not all, in-kind expenditures provided, disaggregated by type of payment and with the identity of beneficiaries provided. While the report confirms the lack of social expenditures by SNH in 2017, SNH's 2017 annual report lists activities related to expenditures on the professional training of young Cameroonians, culture and sports. While the nature of these

social expenditures is not provided in SNH's annual report, they are likely voluntary social expenditures.

For **mining**, the 2017 EITI Report describes provisions of the Mining Code requiring companies to include social expenditure commitments in their operating contracts. A government official noted that all mining production license holders were required to undertake social expenditures according to their contracts. The lack of published mining contracts to date (see *Requirement 2.4*) hinders independent and comprehensive verification of contractual provisions related to social expenditures.

Reporting templates for mining companies included lines for the disclosure of both mandatory and voluntary social expenditures. Of the two mining companies that reported any social expenditures, only one (CAMINEX) reported any mandatory social expenditures. However, the company only disclosed the aggregate value of these mandatory social expenditures and confirms they were undertaken in kind but does not describe the nature of these expenditures nor the identity of any non-government beneficiaries. In addition, CAMINEX did not submit the required quality assurances for its reporting template (i.e. lack of management attestation for the reporting template). The comprehensiveness of this single unilateral company disclosure is unclear, given that disclosures of mandatory social expenditures was left to the discretion of reporting companies.

A second mining company reported voluntary social expenditures provided in kind, with the nature of expenditures and identity of the beneficiaries provided, disaggregated by type of expenditure.

It is unclear whether there are any mandatory environmental expenditure requirements in either mining or oil and gas in Cameroon. There is no evidence of MSG discussions of mandatory or voluntary environmental payments. However, the list of revenue flows applicable in the mining and oil and gas sectors in Annex 13 of the 2017 EITI Report does not identify any revenue flows that are related to environmental issues. It is thus unclear from the report whether such environmental payments existed in 2017 or whether the list of revenue flows in the EITI Report may have omitted environmental payments to government that were not considered material in 2017. A government official explained that all quarrying companies were required to apply for environmental conformity certificates. Mining companies on the other hand, under the 2016 Mining Code, were required to contribute to an environmental rehabilitation fund (an escrow account not yet established).

Secretariat's Assessment

The International Secretariat's assessment is that the requirement on social and environmental expenditures has not been fully addressed and that Cameroon has made meaningful progress on Requirement 6.1. The 2017 EITI Report describes in general terms mandatory social expenditures according to the terms of mining, oil and gas contracts, but does not provide a comprehensive review of contractual social expenditure provisions. Reliant on self-reporting by material companies, the EITI Report presents only one quarrying company's social expenditures categorised as mandatory. The other five oil and gas companies and one mining company that reported any type of social expenditures disclosed only voluntary social expenditures. The single company's mandatory social expenditures provide only the aggregate value of these mandatory social expenditures and confirms they were undertaken in kind but does not describe the nature of these expenditures nor the identity of any non-government beneficiaries. The report does not refer to any mandatory environmental payments to government. There is no evidence of MSG discussions of environmental payments, despite the fact that at least quarrying companies are required to pay for environmental conformity certificates.

In accordance with Requirement 6.1, Cameroon should undertake a comprehensive review of all mandatory social expenditures and environmental payments mandated by law or contract. Cameroon should ensure that public disclosures of mandatory social expenditures and environmental payments in future EITI reporting be disaggregated between cash and in-kind expenditures, by type of payment and beneficiary, clarifying the name and function of any non-government (third-party) beneficiaries. Cameroon may wish to ensure that mandatory social expenditure requirements are more clearly codified in mining contracts with set timeframes to ensure more efficient monitoring and oversight.

6.5 Assessment of environmental impact of extractive activities (#6.4)

Findings from the first Validation

Requirement 6.4 is a new provision of the 2019 EITI Standard, which was not assessed in Cameroon's first Validation, which was under the 2016 EITI Standard.

Progress since Validation

The 2017 EITI Report does not describe either the rules or practices related to the management and monitoring of the environmental impacts of the extractive industries. The report's description of the various authorities in charge of the governance of the oil, gas and mining sectors briefly explains the oversight role of the Mining Department (DM), but does not explicitly state whether the Mining Department's role covers the implementation of environmental rules, or whether this is the responsibility of another Ministry. In its description of the legal reforms in the mining sector, the report mentions briefly the new provision in the 2016 Mining Code for the creation of a fund for the rehabilitation and remediation of mine and quarrying sites upon closure. However, the report notes that the implementing Decree for the 2016 Mining Code had not yet been enacted in 2017.

Secretariat's Assessment

Implementing countries are not required to address environmental impact and progress with this requirement does not have any implications for a country's EITI status. It is encouraging that Cameroon has started to include some brief references to plans to establish rehabilitation funds in the mining sector.

To strengthen implementation, Cameroon may wish to publicly disclose information on the management and monitoring of the environmental impact of the extractive industries. This could include an overview of relevant legal provisions and administrative rules, actual practice related to environmental management and monitoring of extractive investments, information on regular environmental monitoring procedures, administrative and sanctioning processes of governments, as well as environmental liabilities, environmental rehabilitation and remediation programmes.

6.6 Assessment of data accessibility and open data (#7.2)

Findings from the first Validation

The first Validation only provided an update on Cameroon's efforts to address data accessibility, although this was not taken into account in the overall assessment of progress in implementing the 2016 EITI Standard. As of 1 July 2017, data from all of Cameroon's EITI Reports aside from the latest

covering 2014, was available in machine readable format through the EITI Cameroon country page of the EITI global website.

Progress since Validation

The MSG agreed EITI Cameroon's Open Data Policy in March 2017, which covered all aspects of Requirement 7.2.a and is in line with the EITI's Open Data Policy. EITI Cameroon data is published under a CCA BY Creative Commons license.

Cameroon has prepared summary data for all of the fiscal years covered by EITI reporting, i.e. 2000-2017. However, while the EITI Cameroon Secretariat submitted summary data for the 2017 EITI Report to the International Secretariat before the commencement of Validation, this data had yet to be finalised and published as of July 2020. While the summary data files for Cameroon's EITI Reports have not been published on the EITI Cameroon website, they are accessible from the global EITI website. The EITI Cameroon Open Data portal is based on EITI summary data for 2015-2016 and allows for downloads of some data in open format (.csv and .xls). Stakeholders consulted did not express any particular opinions about the availability of EITI data in open format.

Secretariat's Assessment

The International Secretariat's assessment is that the requirement on data accessibility and open data has been fully addressed and that Cameroon has made satisfactory progress on Requirement 7.2. Cameroon EITI has agreed and published an Open Data Policy. Data from Cameroon's EITI Reports has been published in open data format, based on summary data for all of Cameroon's EITI Reports to date accessible from the EITI global website.

To strengthen implementation in accordance with Requirement 7.2.a, government agencies and companies in Cameroon are expected to publish EITI data under an open license, and to make users aware that information can be reused without prior consent.

7. Conclusion

Having reviewed the steps taken by Cameroon to address the 14 corrective actions requested by the EITI Board as of the commencement of its second Validation (13 February 2020), it can be reasonably concluded that three of the 14 corrective actions have been fully addressed. The outstanding gaps relate to civil society engagement (Requirement 1.3), MSG oversight (Requirement 1.4), work plan (Requirement 1.5), contract and license allocations (Requirement 2.2), register of licenses (Requirement 2.3), contracts (Requirement 2.4), beneficial ownership (Requirement 2.5), state participation (Requirement 2.6), data timeliness (Requirement 4.8), distribution of revenues (Requirement 5.1), subnational transfers (Requirement 5.2), social expenditures (Requirement 6.1), quasi-fiscal expenditures (Requirement 6.2), public debate (Requirement 7.1) and review of outcomes and impacts of EITI implementation (Requirement 7.4).

Annexes

Annex A: Progress in addressing individual EITI Requirements

Requirement 1: MSG oversight

Civil society engagement (#1.3)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
There is an enabling environment for freedom of expression and civil society is actively engaged in expression on EITI (#1.3.a,b,e.i and CSP 2.1)	<p><u>Enabling environment</u>: There is no evidence of any new legal or regulatory constraints by government on civil society's freedom of expression in relation to EITI issues or broader extractive industry governance.</p> <p>Despite constitutional guarantees for freedom of expression, some human rights organisations such as Civicus describe civic space in Cameroon as "repressed" given allegations of reprisals to journalists and CSOs expressing views related to the Boko Haram crisis in the country's North and the Anglophone crisis in the South-West. The BTI Index 2020 suggests that the government has used the 2014 Anti-Terrorism Law to restrict freedom of expression on issues related to the Boko Haram and Anglophone crises. Indeed, an RFI journalist</p>	<p>PWYP Cameroun (October 2019), "En toute transparence" (here).</p> <p>PWYP Newsletter (March 2019), "En toute transparence" (here).</p> <p>Investir au Cameroun (12 November 2019), "Secteur pétro-gazier : l'État du Cameroun privé de 374 milliards de FCFA de recettes en 2017" (here).</p>	All civil society representatives consulted considered that they could freely make critical statements on EITI-related and extractive issues, both on the MSG and in the media. However, many CSOs consulted considered that there was limited capacity within the constituency on oil and gas issues, which were considered less relevant to host communities since most activities were offshore. Some CSOs considered that oil and gas issues were politically sensitive, as they were perceived as linked to politics and national security, but they did not consider that they were self-censoring on these	< meaningful progress>	In accordance with Requirement 1.3.a, civil society must be fully, actively and effectively engaged in all aspects of the EITI process. In accordance with Requirement 1.3.e.ii, Stakeholders, including but not limited to members of the multi-stakeholder group must be substantially engaged in the design, implementation, monitoring and

	<p>(Ahmed Abba) was jailed for ten years for “terrorist money-laundering” by a military court in 2015, although he was released after two years in December 2017. The US State Department’s 2019 report on human rights describes some restrictions on editorial independence due to security concerns related to the Boko Haram and Anglophone crises, the post-electoral crisis, as well as the practice of “self-censorship to avoid repercussions for criticizing the government, especially on security matters”. The 2019 report also highlights cases of violence against journalists in relation to their coverage of the Anglophone crisis. Amnesty International has denounced the disappearance of Franklin Mowha, president of the NGO Frontline Fighters for Citizens Interests (FFCI), on 6 August 2018, at a time when he was investigating internal displacements and human rights violations in the South-West of the country.</p> <p>However, there is no evidence that these constraints have been applied to CSOs engaged in EITI implementation or to CSOs expressing themselves on extractive industry governance. Rather, the constraints appear to relate to expression on national security and human rights issues. There is no evidence of any reprisals against CSOs engaged in EITI in the 2017-2020 period.</p> <p><u>Civil society engagement:</u> There is evidence in CSO publications such as PWYP Cameroon newsletters and quotes in the national press that</p>	<p>Civicus, Cameroon website page (here)</p> <p>Bertelsmann Stiftung’s Transformation Index (BTI), “Cameroon 2020 Country Report”, p.35 (here).</p> <p>Amnesty International (21 December 2017), Blog “Cameroon: Radio France Internationale journalist’s 10-year sentence quashed” (here).</p> <p>US State Department, “Cameroon 2019 Human rights report”, p.16 (here).</p> <p>Amnesty International (13 September 2018), “Urgent action: activist missing for one month” (here).</p> <p>Investir au Cameroun (12 November 2019), “Secteur pétro-gazier : l’État du Cameroun privé de 374 milliards de</p>	<p>issues. However, a development partner and a CSO consulted considered that there was a tendency for civil society to practice self-censorship in relation to oil and gas issues, although they noted the challenges of distinguishing this self-censorship from broader civil society capacity constraints on oil and gas and public finance management issues.</p> <p>Two local CSOs and two international development partners consulted considered that criticising SNH’s management of oil revenues could be perceived as a criticism of the Presidency. Another local CSO consulted explained that public expression on any alleged case of corruption related to oil revenues and SNH’s ‘direct interventions’ could expose the person to accusations of high treason. One international CSO considered that public criticism of SNH’s ‘direct interventions’ could be attacked as support for Anglophone separatists, given the link between these expenditures and security spending, although no concrete example of this in the 2017-2020 period were provided.</p>	<p>evaluation of the EITI process, and ensure that it contributes to public debate. In particular, the civil society constituency is encouraged to strengthen its outreach and dissemination activities to ensure that EITI data contributes to public debate on both mining and oil and gas sector governance. The constituency could consider the extent to which implementation of its own Constituency Code and ToR for the OSCC-ITIECAM platform could help address concerns over conflict of interest and retention of information by MSG members. Civil society may wish to consider undertaking a capacity needs assessment and formulating actions to address civil</p>
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	<p>CSOs engaged in EITI have expressed opinions, including critical opinions, on a wide range of issues such as mining sector reform, awards of mining licenses (e.g. to Geovic), environmental and social impacts of artisanal and small-scale mining, revenue management such as subnational transfers, contract transparency and EITI implementation. However, this focus on mining issues does not appear to have been matched by equivalent expression on the oil and gas sector, which accounted for 99,2% of government extractive revenues in 2017. Nonetheless, there is evidence of at least a few critical articles on tax exemptions in oil and gas and the cost of state participation in oil projects, with quotes from CRADEC, a CSO substantially engaged in EITI.</p> <p>In its comments on the draft assessment, the MSG categorically stated that there was no self-censorship by CSOs in Cameroon due to fears of reprisal. In particular, the MSG argued that there were no limits on CSOs' freedom of expression in practice during all MSG meetings. It highlighted robust criticisms by CSOs about the 2018 Decree on EITI and their proposals for improvements of the Decree, which were publicly-accessible.</p>	<p>FCFA de recettes en 2017" (here).</p> <p>Reporters Sans Frontières (28 September 2010): "Les autorités maintiennent leur position sur l'affaire Bibi Ngota" (here).</p> <p>Bonaberi (3 May 2010), "Bibi Ngota : liberté d'expression, droit à l'information et dignité humaine au Cameroun" (here).</p> <p>Kongossa (April 2010) : « Rio del Rey : le bateau qui a coulé Bibi Ngota » (here).</p> <p>Aurore plus (7 May 2010): « La mafia de l'achat du Rio Del Rey a emporté un journaliste » (here).</p>	<p>Another CSO considered that the case of Bibi Ngota dying in prison in 2010 highlighted the risks of allegations of corruption in relation to the management of oil revenues, given allegations of extra-judicial killing in that 2010 case.</p> <p>Another CSO consulted considered that there was self-censorship on the issue of beneficial ownership in the mining sector, particularly in semi-industrial mining, because of fear of reprisal from politicians alleged to indirectly own or control license-holding companies in the sector. This had impeded the CSO's work on independent monitoring of social and environmental impact of mining activities, given that it could not hold the company accountable and had to publish its study anonymously. However, it was implied that potential reprisal for this type of expression was linked to private individuals' actions rather than government reprisals.</p>		society capacity constraints.
There is an enabling environment	<p><u>Enabling environment</u>: There is no indication of any new limits on CSOs' freedom of operation in relation to the EITI since the first Validation. There is no evidence of any reforms in the</p>	<p>Well Grounded (2015), "Analyse du cadre légal et réglementaire des</p>	<p>Several development partners explained that CSOs engaged in EITI implementation were CSOs,</p>	< satisfactory progress>	

<p>for freedom of operation and civil society is freely and proactively operating in relation to EITI (#1.3.a,b,e.ii and CSP 2.2)</p>	<p>registration of CSOs engaged in EITI implementation, there do not appear to be any legal, regulatory or administrative barriers to registration in practice. While the US State Department's 2019 human rights report describes regular threats by the Ministry of Territorial Administration to suspend leaders of political parties and NGOs, there is no indication that any CSOs focused on natural resource governance have faced challenges in registration. There is no evidence of any reforms in the process for CSOs accessing funding from domestic and international sources since 2017.</p> <p>The US State Department's 2019 human rights report notes that although freedom of assembly is guaranteed by the Constitution and relevant laws, the government has often restricted this right in practice for protests by the political opposition, citing security concerns.</p> <p>In its comments on the draft assessment, the MSG stated categorically that it did not consider that there were any legal, regulatory or administrative barriers to civil society's ability to engage in all aspects of EITI implementation.</p> <p><u>Civil society engagement:</u> Available evidence suggests that civil society organisations engaged in EITI have been able to register and access funding, including from development partners and international NGOs such as Norad, the EU</p>	<p>associations en République du Cameroun", p.7 (here).</p> <p>US State Department, "Cameroon 2019 Human rights report", pp.19,20 (here).</p>	<p>not NGOs, as in the first Validation. None of the stakeholders consulted reported any incident regarding their freedom of operation in relation to any aspect of EITI implementation.</p> <p>In relation to freedom of movement, development partners, CSOs and government officials consulted stated that there were no formal restrictions on freedom of movement in the South-West, North or East of the country, but that poor security conditions linked to the Anglophone tensions, Boko Haram crisis and instability along the border with the Central African Republic prevented travel to these regions in practice. Several CSOs noted that there had been an escalation of violence in the Anglophone regions since 2018. However, none of the CSOs consulted considered that security-related restrictions had constrained EITI-related outreach and dissemination, as several CSOs consulted noted that such activities only took place in the</p>		
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	<p>Delegation, Misereor, IIED, PWYP international and the Global Green Fund.</p> <p>In relation to freedom of assembly and the right of movement, there is no evidence to suggest that any legal, administrative or practical barrier constrained civil society's freedom of operation in relation to any aspect of EITI implementation in the 2017-2020 period. While the lack of MSG members' engagement in EITI-related outreach and dissemination in this period is notable, it appears linked to weaknesses in MSG oversight and capacity constraints rather than government-imposed constraints on freedom of operation.</p>		capital Yaoundé in this period in any case (see <i>Requirement 7.1</i>).		
<p>There is an enabling environment for freedom of association and civil society is freely and proactively associating in relation to EITI (#1.3.a,b,e.iii and CSP 2.3)</p>	<p><u>Enabling environment</u>: There is no indication of any new legal, regulatory or administrative constraints in relation to freedom of association since the first Validation. There is no evidence of any government-imposed barriers to CSOs' coordination and association in relation to EITI implementation.</p> <p>In its comments on the draft assessment, the MSG stated categorically that it did not consider that there were any legal, regulatory or administrative barriers to civil society's ability to engage in all aspects of EITI implementation. The MSG noted in its comments that there were no constraints on either official or unofficial communications between civil society MSG members and their broader constituency.</p>	<p>OSCC-ITIECAM (21 November 2018), "Plan d'action en vue de l'amélioration de l'engagement de la société civile au suivi de l'ITIE au Cameroun" (here).</p> <p>OSCC-ITIECAM (21 November 2018), "Code for representativeness and accountability of CSOs involved in the monitoring of the extractive sector</p>	<p>None of the stakeholders consulted highlighted any government-imposed constraints on freedom of association by CSOs substantially engaged in EITI implementation.</p> <p>Several CSOs consulted highlighted the creation of the OSCC-ITIECAM and the constituency's work plan as significant steps in broadening the constituency's reach and coordination. While many CSOs consulted expressed dissatisfaction at the government's designation of six of</p>	< meaningful progress>	

	<p>Civil society engagement: Following the results of the first Validation, supported by PWYP Cameroon, the constituency launched a process of developing a constituency action plan for addressing weaknesses identified in the first Validation on 29 September 2018. At a 21 November 2018 workshop, the CSOs member of the platform adopted a work plan and a Constituency Code to structure the constituency's engagement in EITI implementation. The agreed work plan includes plans for establishing a platform for improving the constituency's coordination (the OSCC-ITIECAM), an open process for appointing CSO MSG members, an analysis of the July 2018 Decree renewing the MSG, as well as fundraising to support the new Platform's activities. The majority of activities planned in the constituency's action plan appear to have been undertaken at the beginning of the Validation, including the establishment of a broader platform for engaging in EITI, OSCC-ITIECAM. The MSG's comments on the draft assessment confirm that the OSCC-ITIECAM platform was established and that minutes of its meetings are publicly-accessible. It also noted that the findings of the first Validation were addressed through the creation of this new platform and the broadening of the civil society constituency beyond organisations directly represented on the MSG. The MSG confirmed in its comments the principle that adherence to the platform is free.</p>	<p>governance in Cameroon" (here).</p> <p>OSCC-ITIECAM (21 November 2018), "Final statement of the CSOs constituency workshop" with the list of attendees (here).</p> <p>OSCC-ITIECAM (29 May 2019), "Minutes of the meeting for the appointment of CSOs representatives" (here).</p> <p>PWYP Cameroun (May 2019), "La Mine dans ma commune" (here).</p> <p>PWYP Newsletter (October 2019), "En toute transparence", p.3 (here).</p> <p>FODER (11 October 2018), "Mining Forum newspaper", p.3 (here).</p> <p>OSCC-ITIECAM (25 January 2019), "Minutes of the</p>	<p>the eight MSG members from the constituency, several CSOs explained that all organisations designated in the July 2018 Decree aside from the three religious organisations had signed up to the OSCC-ITIECAM and the Constituency Code (see <i>Requirement 1.4</i>). However, several CSOs consulted also noted the lack of coordination within the constituency and of EITI-related activities driven by CSOs in practice, despite provisions in the Constituency Code and the ToR of the OSCC-ITIECAM. The lack of funding was repeatedly highlighted as the main reason for the lack of coordination and activities driven by CSOs.</p> <p>Stakeholder consultations highlighted diverging views about whether per diems to CSOs on the MSG and working groups had been redistributed in practice to OSCC-ITIECAM in line with its ToR, although many CSOs consulted stated that this had not been implemented in practice as of the start of Validation. Several CSOs consulted considered that the</p>		
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	<p>While the creation of the OSCC-ITIECAM broadened the number of CSOs engaged in EITI from the dozen organisations member of PWYP Cameroon to over 40 CSOs, the majority (six of eight) of CSO MSG members remained the same as in the period reviewed in the first Validation (see <i>Requirement 1.4</i>). The two CSOs newly appointed to the MSG in March 2019 were CRADEC and AGNR, which had not previously been part of the EITI process. The new OSCC-ITIECAM platform include provisions to address past allegations of conflict of interest related to payment of per diems to MSG members and those participating in the MSG's working groups. Article 10 of ToR for OSCC-ITIECAM include provisions for CSO MSG members to contribute 25% of the per diems received to the OSCC-ITIECAM's budget. However, there is no evidence that this provision has been implemented since March 2019.</p> <p>In its comments on the draft assessment, the MSG confirmed that the constituency's Code of Conduct required the contribution of 25% of the value of per diems received to the platform. It noted that three CSO members of the MSG (from CRADEC, UJC and PWYP) contributed financially to the platform's operations and noted plans for the production and publication of documents demonstrating this practice on the EITI Cameroon website.</p>	<p>capacities strengthening workshop" (here).</p> <p>OSCC-ITIECAM (23 December 2019), "Analyse et positionnement de la société civile relatif à la préparation de la Validation" (here).</p>	<p>same conflicts of interest continued, as in the period assessed in the first Validation (see <i>Requirement 1.4</i>).</p> <p>Several CSOs consulted confirmed the absence of regular communication through emails or meetings to coordinate constituency views ahead of MSG meetings. Several non-MSG CSOs consulted criticised the alleged opacity of the MSG's work, explaining they were not aware of MSG meetings or the outcome of MSG decisions, which were not published online. Several CSOs consulted deplored that they had requested the ToR and records of ad hoc working groups' work from their MSG representatives, but in vain. Some CSOs consulted considered that the opacity of the MSG's work was an indication of the continued conflict of interest of CSO members of the MSG and ad hoc working groups. Many CSOs consulted off the MSG said that they did not feel that their MSG members represented their interests and considered that the same schism continued as during the first Validation.</p>			
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	<p>Both the PWYP Cameroon and the OSCC-ITIECAM platforms have codified procedures for strengthening outreach and coordination with communities in extractive regions. In 2019, PWYP Cameroon published a guide targeted to extractive communities on their rights and responsibilities. Articles 11 and 12 of the ToR of the OSCC-ITIECAM platform encourages participation on the platform from organisations representing communities affected by the extractive industries and requires that OSCC-ITIECAM organise at least one meeting with extractive communities annually to ensure their involvement in EITI implementation and MSG members' accountability towards these communities. However, there is little evidence of direct EITI-related outreach by CSOs towards extractive communities aside from a workshop on 5-7 March 2019 bringing together 50 community leaders in the Biou/Figuil commune that hosts quarrying activities by Rocaglia and CIMENCAM.</p> <p>Available evidence suggests that civil society MSG members can generally seek input from other CSOs and are not restricted from engaging other CSOs that are not part of the MSG. PWYP Cameroon led outreach to the broader constituency in 2018, resulting in the establishment of the OSCC-ITIECAM and adoption of the Constituency Code. There is evidence that CSOs engaged in the OSCC-ITIECAM platform have published common press</p>				
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	<p>releases and position notes in the 2018-2020 period. The OSCC-ITIECAM held workshops for capacity-building of CSOs on the EITI Standard on 25 January 2019 and for a pre-Validation self-assessment on 23 December 2019. However, no evidence was provided of regular communication within the civil society constituency through emails or meetings to coordinate ahead of MSG meetings.</p> <p>In its comments on the draft assessment, the MSG noted that civil society MSG members communicated and worked with CSOs not directly represented on the MSG through the OSCC-ITIECAM platform, including in terms of sharing information, coordinating common positions and monitoring extractive activities.</p>				
<p>There is an enabling environment for freedom of engagement and civil society is freely and proactively engaging in relation to EITI (#1.3.a,b,e.iv and CSP 2.4)</p>	<p><u>Enabling environment:</u> There is no indication of any new legal, regulatory or administrative constraints since the first Validation on civil society's ability to actively engage in all aspects of EITI implementation.</p> <p>In its comments on the draft assessment, the MSG stated categorically that it did not consider that there were any legal, regulatory or administrative barriers to civil society's ability to engage in all aspects of EITI implementation.</p> <p><u>Civil society engagement:</u> There is evidence of civil society representatives both on and off the MSG engaging in some aspects of EITI implementation in the 2017-2020 period.</p>	<p>PWYP Coalition (11 September 2018), "Analysis note of the Decree creating the EITI MSG" (here).</p> <p>OSCC-ITIECAM (15 May 2019), "Analyse du fonctionnement et de la portée du GMP du Cameroun" (here).</p> <p>OSCC-ITIECAM (23 December 2019), "Analyse et</p>	<p>Some development partners consulted considered that CSOs had developed their ownership of EITI implementation, but that weaknesses in their proactive engagement in all aspects of implementation remained. Indeed, several stakeholders from development partners, civil society and government considered that CSOs did not constitute the driving force in EITI implementation, as was the case in other countries. Several industry and government</p>	< meaningful progress>	

	<p>However, while there is evidence of civil society efforts to establish mechanisms for the constituency's coordination, there is less evidence of consistent coordination in practice beyond a handful of meetings of the broader civil society constituency organised through the OSCC-ITIECAM platform.</p> <p>Civil society representatives attend MSG meetings regularly and conduct analysis of EITI Reports, although there is little evidence of civil society developing communication materials or organising public events to inform key stakeholder groups of EITI findings and data. While CSOs have attended the few outreach and dissemination activities organized by the MSG in Yaoundé, such as the public launch of the annual EITI Report, the pace of dissemination activities appears to have declined since the first Validation (see <i>Requirement 7.1</i>).</p> <p>The lack of available minutes of MSG and working group meetings hinders any assessment of civil society MSG members' contributions to MSG meetings. However, there is evidence of press releases on EITI on the part of the civil society. Civil society has been particularly vocal in relation to the functioning of the MSG. A public note by PWYP Cameroon in September 2018 provided a critical analysis of the MSG composition enshrined in Decree 2018/6026/PM. A public note from OSCC-ITIECAM on 15 May 2019 raised concerns over</p>	<p>positionnement de la société civile relatif à la préparation de la Validation", p.3 (here).</p> <p>PWYP Cameroun (October 2019), "Newsletter En toute transparence" (here).</p> <p>PWYP Newsletter (March 2019), "En toute transparence" (here).</p> <p>CRADEC (21 June 2019), Press release to launch the 'Stop bleeding' campaign (here).</p> <p>Intégration (20 April 2019), "Vision minière africaine : 30% d'implémentation au Cameroun" (here).</p> <p>PWYP and Dynamique Mondiale des Jeunes (June 2019): "Transparence et Fraude Environnementale dans</p>	<p>stakeholders consulted considered that civil society's participation in EITI implementation had increased in recent years, notably since the renewal of CSOs' representation on the MSG.</p> <p>Stakeholder consultations did not highlight specific examples of CSOs' proactive efforts on aspects of EITI implementation other than participation in MSG and working group meetings. Stakeholders consulted from various constituencies confirmed that civil society had not organised events to disseminate the 2016 or 2017 EITI Reports during this period, but that they had attended the launch conferences for the annual EITI Reports. One development partner considered that CSOs tended to expect EITI-related dissemination activities to be primarily driven by the MSG rather than from their own initiative.</p>		
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	<p>weaknesses in the MSG's oversight to the EITI Chair. Finally, OSCC-ITIECAM organised a workshop and a press conference for its pre-Validation self-assessment in December 2019. The regular publication of the PWYP Cameroon newsletters makes some use of EITI data on the industrial mining sector, although there is no evidence of written comments or specific analysis of the 2015, 2016 and 2017 EITI Reports. There is only evidence of one dissemination activity targeting around one hundred women in a mining area, which was undertaken by a CSO not member of OSCC-ITIECAM, CAFAGB.</p> <p>There is evidence of other civil society activities in relation to natural resource governance that do not appear to be linked to the EITI. For instance, CRADEC, in collaboration with MSG members Transparency International and Dynamique Mondiale des Jeunes, launched the "Stop the bleeding" campaign in the mining sector, with four-year funding from the EU Delegation focusing on budget governance and the social and environmental aspects of mining projects. Norad financed a study commissioned by CRADEC on the implementation of the "African Mining Vision" in Cameroon. Dynamique Mondiale des Jeunes worked more specifically on small-scale mining issues with a study on environmental impacts. A member of OSCC-ITIE, Foder (Forestry and Rural Development), developed a four-year project with mining</p>	<p>la mine semi-mécanisée au Cameroun" (here).</p> <p>OSCC-ITIECAM (25 January 2019), "Minutes of the capacities strengthening workshop" (here).</p> <p>OSCC-ITIECAM (21 November 2018), "Plan d'action en vue de l'amélioration de l'engagement de la société civile au suivi de l'ITIE au Cameroun" (here).</p>			
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	<p>affected communities in the East and Adamaoua regions (ProMESS, Projet Mines Environnement, Santé et Société) to improve the transparency of royalty transfers, promote active participation of communities in mining policies and local development, as well rehabilitation of mining sites.</p> <p>In its comments on the draft assessment, the MSG noted that CSOs published the conclusions of MSG meetings and regularly circulated official publications and press clippings to the MSG. The MSG also noted that civil society MSG members freely participated in advocacy in relation to MSG deliberations, as well as in the work of ad hoc working groups established by the MSG.</p> <p>There is little evidence of capacity-building events or tools organized by CSOs or by the MSG targeting CSOs in the period under review. The OSCC-ITIECAM platform held an EITI-related capacity-building workshop for CSOs on 25 January 2019. There is no evidence of a capacity needs assessment or a broader capacity-building strategy developed by civil society, however.</p> <p>In its comments on the draft assessment, the MSG highlighted capacity-building activities dedicated to all constituencies including civil society, which are reflected in successive EITI Cameroon work plans.</p>				
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<p>There is an enabling environment for access to public decision-making and civil society is freely and proactively accessing public decision-making in relation to EITI (#1.3.a,b,e,v and CSP 2.5)</p>	<p><u>Enabling environment:</u> There do not appear to be any barriers to civil society using EITI information to contribute to public debate and influence policy making since the first Validation. In its comments on the draft assessment, the MSG stated categorically that it did not consider that there were any legal, regulatory or administrative barriers to civil society's ability to engage in all aspects of EITI implementation.</p> <p><u>Civil society engagement:</u> Beyond the access to government officials through EITI events such as meetings of the MSG and working groups, the focus of CSOs in influencing public policy making appears primarily through the national media coverage of civil society studies on the mining sector. There is evidence of four instances of direct civil society lobbying of policymakers in relation to the mining sector during the period under review. The CSO FODER organized National Forum on Mining Governance, chaired by the Secretary General of MINMIDT. The CSO RELUFA organized a workshop on 6 December 2019 on the harmonization of policies on the management of royalties in the mining, hydrocarbons, forestry and land sectors, bringing together various government entities (MINDCAF, MINMINDT, MINFI, et MINFOF), local authorities, traditional chiefs, companies and CSOs. Several CSOs coordinated advocacy and technical contributions towards the 2016 Mining Code and the drafting of its implementation decree. A</p>	<p>FODER (11 October 2018), "Mining Forum newspaper" (here).</p> <p>RELUFA (6 December 2019), "Intersectoral Dialogue on Natural Resource Royalties" (here).</p> <p>PWYP Newsletter (March 2019), "En toute transparence", p.4 (here).</p> <p>Investir au Cameroun (12 November 2019), "Secteur pétro-gazier : l'État du Cameroun privé de 374 milliards de FCFA de recettes en 2017" (here).</p>	<p>Several CSOs both on and off the MSG consulted considered that there were channels for civil society to influence public decision-making.</p> <p>Two civil society stakeholders consulted explained that some individual CSOs had been invited by the government to contribute to the development of the 2016 Mining Code, but that there had been no coordinated advocacy campaign by PWYP coalition or CSO MSG members at the time. Several CSOs explained that the constituency's capacity to undertake advocacy was de facto limited by the lack of information shared by the government.</p> <p>Several stakeholders consulted, including from civil society, confirmed that CSOs focused their work almost exclusively on the mining sector in recent years, given the availability of donor funding and the fact that mining had a greater social and environmental impact on communities than the oil and gas</p>	<p>< satisfactory progress></p>	
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	<p>PWYP Cameroon delegation met the Minister of Mines on 7 January 2020 to discuss the impacts of mining on surrounding communities.</p> <p>In relation to oil and gas, there is evidence of one critical analytical article by CRADEC on SNH's management of oil revenues on 12 November 2019.</p>		industry that was primarily offshore.			
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MSG oversight (#1.4)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
Outreach to stakeholders prior to the establishment of the MSG (#1.4.a.i)	<p>Decree 2018/6026/PM of 17 July 2018 updated the governance and composition of the MSG. According to a PWYP press release on the new Decree, there was on consultation on the draft Decree with the outgoing MSG, despite a commitment by the MSG Chair at the MSG's 17 May 2018 meeting to do so. The nominations procedures for the renewal of MSG membership were launched after enactment of the July 2018 Decree.</p> <p>For the <u>industry</u> constituency, the only available evidence of outreach to the broader constituency</p>	<p>PWYP Coalition (11 September 2018), "Analysis note of the Decree creating the EITI MSG" (p. 4) (here).</p> <p>Minutes of the 31 October 2018 meeting of the Oil and</p>	Oil and gas industry representatives consulted considered that there had been sufficient outreach to their sub-constituency ahead of the nominations process for MSG members in 2018. They confirmed that SNH effectively coordinated their sub-constituency, despite being listed as being part of the	< meaningful progress>	In accordance with Requirement 1.4.a.ii, Cameroon should ensure that each stakeholder group must have the right to appoint its own representatives, bearing in mind the desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion. Civil society groups

	<p>consists of a meeting of oil and gas companies on 31 October 2018 to designate their MSG members, hosted at the SNH's Douala office. Representatives of 11 oil and gas companies participated. There is no available evidence of outreach to the broader mining and quarrying constituency ahead of nominations.</p> <p>For the <u>civil society</u> constituency, a workshop was held on 21 November 2018 to adopt the civil society constituency code, with 17 representatives attending, which represented the start of the nominations process for the appointment of two civil society representatives that were selected by the broader constituency, a process concluded in May 2019. There is no other evidence of outreach to the broader civil society constituency.</p>	<p>gas companies subgroup of the industry constituency (here).</p> <p>OSCC-ITIECAM (21 November 2018), Minutes of the meeting for adopting the CSO's constituency Code (here).</p>	<p>government constituency on the MSG.</p> <p>With regards to outreach to the civil society constituency ahead of MSG nominations, opinions of different CSOs consulted were split. Some CSOs consulted off the MSG considered that there was a split in the constituency and that they did not receive sufficient information from MSG members, including ahead of nominations. Other CSOs, including those on the MSG, considered that the creation of the OSCC-ITIECAM platform in 2018 had significantly improved coordination within the broader constituency, including ahead of the nominations procedure for new MSG members from October 2018 to March 2019.</p>		<p>involved in the EITI as members of the multi-stakeholder group must be operationally, and in policy terms, independent of government and/or companies. The multi-stakeholder group and each constituency should consider gender balance in their representation to progress towards gender parity. In accordance with Requirement 1.4.b.ii, the MSG should undertake effective outreach activities with civil society groups and companies, including through communication such as media, websites and letters, informing stakeholders of the government's commitment to implement the EITI, and the central role of companies and civil society. The multi-stakeholder group should also widely disseminate the public information that results from the EITI process. In accordance with the Requirement 1.4.b.iii, all MSG members should establish mechanisms for coordination</p>
<p>Codification of the process by which each stakeholder group nominated their</p>	<p>For <u>government</u>, Decree 2018/6026/PM that renews the MSG's membership and ToR lists eight entities expected to nominate MSG members, alongside the Ministers of Finance and Mines as MSG chair and vice-chair respectively. It is assumed that the head of each government entity listed appoints the specific MSG member.</p>	<p>Decree n° 2018/6026 /PM of 17 July 2018 (here).</p> <p>EITI MSG (6 February 2020), "Code</p>	<p>With regards to <u>government</u> nominations, one government official confirmed that the MSG members were appointed by the hierarchy of the respective entities named in the July 2018 Decree.</p>	<p>< meaningful progress></p>	

<p>representatives (#1.4.a.ii)</p>	<p>For <u>industry</u>, Decree 2018/6026/PM confirms that six of the eight industry MSG members are to be nominated by their respective sub-constituencies but names the roles of the two other industry representatives. On 31 October 2018, 11 oil and gas companies agreed nominations procedures for their (oil and gas) sub-constituency at a meeting at the SNH's Douala office. The protocol agreed defines criteria for selection of the four oil and gas MSG members, including that oil and gas MSG members be either at, or close to, the production stage, that they should include at least one natural gas company, and that MSG membership should reflect the diversity of oil and gas companies operating in Cameroon. The protocol confirms the term of industry MSG membership as being three years renewable only once (art 9, p.4). There is no available evidence of codification of the nominations procedure for MSG members from the mining sub-constituency.</p> <p>For <u>civil society</u>, Decree 2018/6026/PM names the positions of six of the eight civil society MSG members and confirms that only two MSG members are to be appointed by the broader constituency. The MSG's comments on the draft assessment confirm that four of the six MSG members from civil society are nominated by government based on their engagement in EITI implementation. The constituency agreed a Constituency Code on 21 November 2018, agreed through the newly established OSCC-ITIECAM</p>	<p>of Conduct of the MSG" article 5 (pp.2-3): not available online.</p> <p>Oil and gas companies subgroup of the industry constituency (31 October 2018), Protocol (here).</p> <p>Minutes of the 31 October 2018 meeting of the Oil and gas companies subgroup of the industry constituency (here).</p> <p>OSCC-ITIECAM (21 November 2018), "Code for representative ness and accountability</p>	<p>On <u>industry</u> nominations, oil and gas industry representatives consulted confirmed that they had been part of the process for agreeing the sub-constituency's protocol and the nominations process in practice. None of the stakeholders consulted could confirm whether the mining sub-constituency had a similar codified set of nominations and coordination procedures, but one government official noted that the mining industry representative on the MSG came from the Federation of Mines, the industry association for large-scale industrial mining.</p> <p>On <u>civil society</u> nominations, several CSOs noted that a larger group of over 40 CSOs had been brought into the constituency through the creation of the OSCC-ITIECAM, which had been broadened from the dozen members of PWYP Cameroon. None of the CSOs consulted could explain the nominations procedures for the three religious CSOs or the Union of Journalists.</p>		<p>with their broader respective constituencies. In accordance with the Requirement 1.4.b.vi, the MSG should oversee the EITI reporting process and engage in Validation. To strengthen implementation, the MSG may wish to consider developing a capacity needs assessment and capacity-building action plan to ensure that all MSG members have adequate capacity to oversee all aspects of EITI implementation. In accordance with the Requirement 1.4.b.vii, Cameroon should ensure that its per diem practice does not give rise to allegations of conflict of interest. Cameroon may wish to consider the extent to which clarification of the actual per diem practice for all EITI officeholders could address allegations of conflict of interest. In accordance with the Requirement 1.4.b.ix, the MSG must keep written records of its discussions and decisions.</p>
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	platform, define the nominations procedures for the two MSG member that are self-appointed by the constituency, as well as the constituency accountability mechanisms. The Constituency Code confirms that the appointment of CSO MSG members should be decided by consensus of the constituency, or by a vote based on principles of transparency, democracy and inclusiveness. The criteria for membership are described and appear to ensure that the nominations process is open to all. It confirms that the term of CSO MSG members is three years renewable only once (art 3, p.4).	of CSOs involved in the monitoring of the extractive sector governance in Cameroon” (here).			
Civil society and companies have appointed their own representatives (#1.4.a.ii)	<p>For <u>industry</u>, the minutes of the oil and gas companies’ 31 October 2018 meeting indicate that the oil and gas sub-constituency appointed their own four MSG members. There is no available evidence related to nominations procedures or the process actually followed for appointing the two MSG members from the oil transport and mining sectors respectively. Representatives from the Chamber of Commerce, Industry, Mines and Handicraft (CCIMA) and of the Employers’ Association (GICAM) are nominated by Decree 2018/6026/PM and were thus not selected by the broader constituency.</p> <p>For <u>civil society</u>, it appears that six of the eight MSG members were nominated by title in Decree 2018/6026/PM. These six members statutorily appointed by government include representatives from three religious civil society organisations, the President of the Cameroon branch of</p>	<p>Oil and gas companies subgroup of the industry constituency (31 October 2018), Protocol (here).</p> <p>Minutes of the 31 October 2018 meeting of the oil and gas companies subgroup of the industry constituency (here).</p>	<p>On <u>industry</u> appointments, oil and gas industry representatives consulted confirmed that the nominations process was driven by SNH, which acted as the sub-constituency’s coordinator despite being named in the Decree as part of the government constituency on the MSG. None of the stakeholders consulted expressed views on the nomination of specific industry MSG members from the non-oil sector. Mining stakeholders did not respond to an invitation to comment.</p> <p>On <u>civil society</u> appointments, almost all CSOs consulted</p>	< inadequate progress>	

	<p>Transparency International, the Coordinator of the PWYP Cameroon coalition and the President of the Union of Journalists of Cameroon. There has been significant public criticism of the government's appointment of six of the eight CSO MSG members. A PWYP press release analysing the July 2018 Decree argued that the appointments of six CSO MSG members by government was a violation of EITI Requirement 1.4.a.ii regarding the need for autonomy in the civil society constituency's appointment of MSG members. The release also considered that this was inconsistent with the MSG Chair's commitment to ensuring a free, transparent and open nominations process at the MSG's 17 May 2018 meeting.</p> <p>With regards to the two MSG members appointed by the constituency, the Constituency Code requires that any applicant for a MSG seat should be independent from political parties and local authorities, should not be a Parliamentarian or from an organisation "close" to government or industry (art 3, p. 5). In November 2018, the civil society constituency led by PWYP Cameroon established a new platform called "Representation and accountability platform of CSOs involved in the governance of extractive sector", which led the nominations process for the two self-appointed civil society MSG members in an independent procedure that was completed on 29 May 2019.</p>	<p>OSCC-ITIECAM (21 November 2018), "Code for representative ness and accountability of CSOs involved in the monitoring of the extractive sector governance in Cameroon" (here).</p> <p>OSCC-ITIECAM (29 May 2019), "Minutes of the meeting for the appointment of CSOs representative s" (here).</p> <p>Decree n° 2018/6026 /PM of 17 July 2018 (here).</p>	<p>expressed criticism at the statutory nomination of six CSO seats on the MSG through the July 2018 Decree, without prior consultation with the civil society constituency. Several CSOs highlighted the PWYP Cameroon analysis note raising concerns over this perceived breach of Requirement 1.4.a. Many CSOs highlighted that only two of the CSO MSG seats were filled through an open, fair and transparent election process. Several CSOs consulted considered that this was a contravention of a commitment by the MSG Chair at the MSG's 17 May 2018 meeting. They alleged that the three religious CSOs could be closer to the government point of view. However, a government official expressed frustration at the repeated criticisms from civil society.</p>		
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		PWYP Cameroon (11 September 2018), "Analysis note of the Decree creating the EITI MSG" (p. 4) (here).			
Internal rules for changing MSG representatives have been followed (#1.4.a.ii; #1.4.b.vi)	<p>The 17 July 2018 Decree renewing the MSG defines MSG member terms as lasting three years, renewable only once (pp.4-5). The MSG's Code of Conduct, which was adopted by some, but not all, MSG members at the start of the Validation, clarifies that the EITI Cameroon Permanent Secretariat should hold a registry of MSG member term dates to trigger the renewal of MSG membership by the relevant institution at the end of term or following the MSG member's absence at several meetings (article 5).</p> <p>While the oil and gas sub-constituency's protocol do not define procedures for replacing MSG members, only for appointing them, the civil society Constituency Code describes the procedures for replacing the two of eight CSO MSG members that are appointed by the broader constituency. The rules for replacing the two CSO MSG members appear to have been followed in</p>	<p>Decree n° 2018/6026 /PM of 17 July 2018 (here).</p> <p>Oil and gas companies subgroup of the industry constituency (31 October 2018), Protocol (here).</p> <p>OSCC-ITIECAM (21 November 2018), "Code for representative ness and</p>		<meaningful progress>	

	practice in the November 2018 – March 2019 period.	accountability of CSOs involved in the monitoring of the extractive sector governance in Cameroon” (here).			
Gender balance in each constituency’s representation on the MSG (#1.4.a.ii)	<p>While Decree 2018/6026/PM and the oil and gas sub-constituency’s nominations procedures do not require consideration of gender balance in MSG nominations, the civil society Constituency Code requires that gender considerations be taken into account in the selection of the two self-appointed CSO MSG members (Article 3(4)).</p> <p>The Ministry of Finance order nominating MSG members on 13 February 2020 indicates that three of the 29 MSG members appointed were women, including two from government and one from industry. There are no women civil society MSG members.</p>	<p>MINFI, Ruling n° 2020/361b is of 12 February 2020 (here).</p> <p>OSCC-ITIECAM (21 November 2018), “Code for representative ness and accountability of CSOs involved in the monitoring of the extractive sector governance in Cameroon” (here).</p>	One civil society representative consulted raised concerns over a perceived lack of balanced gender representation in Cameroon’s EITI implementation. One CSO MSG member explained that the MSG had once debated the issue of gender representation but concluded that expertise was a more significant criteria than gender. This was the CSO’s explanation for the lack of women MSG members from civil society.	< meaningful progress>	

<p>The MSG includes appropriate stakeholders and MSG members have sufficient capacity to carry out their duties (#1.4.b.i)</p>	<p>For <u>government</u>, the MSG includes the various ministries in charge of the oversight of the sector, as well as the Ministries of Justice and of Local Development. The MSG also includes the national anti-corruption commission and the national oil company SNH. There are also six MSG seats available for Parliamentarians and local government officials from extractive regions. A September 2018 press release from PWYP Cameroon criticised the lack of MSG representation from the supreme audit institution (<i>Chambre des Comptes – CDC</i>), which was considered necessary to improve the quality of EITI data.</p> <p>For <u>industry</u>, MSG membership includes representatives from oil and gas, oil transportation and mining, but does not include any representation from quarrying companies despite the inclusion of this sector in the scope of EITI reporting. The two main professional organisations (GICAM and CCIMA) are also represented. However, PWYP Cameroon's September 2018 press release criticised the fact that the single MSG seat for the mining sector was allocated to the industry associated, rather than for a self-appointed member of the broader constituency. The release argued that this did not represent the diversity of the mining sector, which included artisanal mining, water and quarrying that were not directly represented on the MSG.</p>	<p>Decree n° 2018/6026 /PM of 17 July 2018 (here).</p> <p>PWYP Coalition (11 September 2018), "Analysis note of the Decree creating the EITI MSG" (p. 1) (here).</p> <p>Minutes of the 31 October 2018 meeting of the Oil and gas companies subgroup of the Industry constituency (here).</p> <p>MINFI, Ruling n° 2020/361 bis of 12 February 2020 (here).</p> <p>Fédération minière du Cameroun</p>	<p>MSG members consulted considered that they had adequate capacities to carry out their roles and responsibilities.</p> <p>With regards to the balance in representation from the industry constituency, a government official explained that CAPAM represented the artisanal and small-scale mining sector on various working groups established by the MSG and at various other EITI activities. Mining sector representatives did not respond to an invitation to comment.</p> <p>Several CSOs consulted questioned the capacity of the three religious CSO MSG members to contribute to the MSG's debate.</p>	<p>< meaningful progress></p>	
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	<p>For <u>civil society</u>, the six MSG seats nominated by title in the July 2018 Decree seem to reflect the diversity of CSOs working at the national level on extractives (PWYP Cameroon), anti-corruption (Transparency International Cameroon), journalists and religious CSOs. Regarding the two self-appointed MSG seats, the civil society Constituency Code sets as nominations criteria experience in extractive transparency advocacy and expertise in the field (article 3). While five of the eight CSO MSG members appear to represent the diversity of the civil society constituency, it is unclear whether the representatives from the three religious organisations have relevant expertise or focus on extractive, public finance management or transparency issues.</p> <p>In terms of capacity, axis 1 on “Strengthening the governance of the MSG and of the Secretariat” in the 2018 update to the 2017-2019 work plan includes activities to identify capacity-building needs and undertake training activities, although there is no indication of whether these activities were carried out given the absence of available annual progress reports or MSG meeting minutes for the 2018-2020 period.</p>	<p>website, page on the organisation’s mandate (here) and membership (here).</p> <p>OSCC-ITIECAM (21 November 2018), “Code for representative ness and accountability of CSOs involved in the monitoring of the extractive sector governance in Cameroon” (here).</p> <p>EITI Cameroon (17 May 2018), “Matrice du plan de travail ajusté”, p. 1: not available online.</p>			
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Indications of MSG members not abiding by the EITI Code of Conduct (#1.4.b.iv)	<p>Officeholders in EITI Cameroon did not appear to have a Code of Conduct during most of the 2017-2020 period, and there is no evidence that they had signed the EITI's global Code of Conduct in this period. However, on 6 February 2020, the MSG agreed the EITI Cameroon Code of Conduct, although it has not yet been published on the EITI Cameroon website as of July 2020. It appears that most MSG members signed the Code of Conduct after the start of Validation, in March 2020. The EITI Cameroon Code of Conduct covers the same main areas as the EITI's global Code of Conduct.</p> <p>There is insufficient information in the public domain, or in documents provided to the International Secretariat, to assess whether EITI Cameroon office-holders adhered to the EITI Code of Conduct in the period under review, given the lack of annual progress reports and MSG meeting minutes for the 2018-2020 period.</p>	<p>PWYP Coalition (11 September 2018), "Analysis note of the Decree creating the EITI MSG" (p. 3) (here).</p> <p>Decree n° 2018/6026 /PM of 17 July 2018, article 17 (here).</p> <p>EITI MSG (6 February 2020), "Code of Conduct of the MSG" article 5 (pp. 2-3): not available online.</p>	<p>Several MSG members confirmed that most MSG members had signed the EITI Cameroon Code of Conduct in March 2020. Written comments from an anonymous source alleged breaches of the EITI Code of Conduct in the financial management of EITI funds and conflict of interest in Secretariat staff appointments. None of the other stakeholders consulted alleged breaches of the Code of Conduct. However, several CSOs consulted considered that the per diem policy practiced for MSG member created a conflict of interest (see <i>below</i>).</p>	< inadequate progress>	
Decision-making is conducted in	There is insufficient information in the public domain, or in documents provided to the International Secretariat, to assess the	EITI Cameroon website, MSG meeting	MSG members consulted considered that the MSG's decision-making process had	< meaningful progress>	

an inclusive way, treating each constituency as a partner (#1.4.b.vii)	<p>inclusiveness of the decision-making process in the period under review, given the lack of annual progress reports and MSG meeting minutes for the 2018-2020 period.</p> <p>In its comments on the draft assessment, the MSG provided copies of the minutes of eight MSG meetings in the period from 2018 to the start of Validation (13 February 2020), as well as minutes of three additional MSG meetings after the start of Validation in 2020. These meeting minutes were published on the EITI Cameroon website on 23 November 2020. A review of the meeting minutes for the 2018-2020 period does not indicate any instance where one constituency appears to have been overruled in the MSG's decision-making.</p>	minutes (here) (published on 23 November 2020).	<p>been broadly consensual in recent years. One industry MSG member explained that CSOs' opinions were largely debated and considered in MSG discussions and decisions, albeit at a reduced frequency given the fewer MSG meetings in 2018-2019. There were also issues of advance circulation of documents to ensure informed decision-making (see <i>below</i>). Some CSOs consulted complained that one CSO non-member of the MSG has not been allowed to express themselves during an MSG meeting, but did not have such examples for MSG members.</p>		
The MSG's ToR outline the role and responsibilities of MSG members and MSG members are effectively carrying out their tasks, including outreach with	<p>The July 2018 Decree on the EITI MSG provides the MSG's ToR. Article 3 defines the MSG's role and some of its responsibilities. However, the Decree does not confirm MSG members' mandate to undertake outreach to their constituencies nor responsibilities in supporting Validation.</p> <p>While the lack of available MSG meeting minutes constrains the ability to assess the actual practice of MSG oversight of implementation in the 2017-2020 period, available evidence appears to indicate that the MSG's provisions on roles and responsibilities have not been followed in practice during this period. The lack of production of annual updates to the EITI work plans and annual</p>	<p>Decree n° 2018/6026 /PM of 17 July 2018, article 3 (here).</p> <p>PWYP Cameroun (October 2019), "Newsletter En toute</p>	<p>Stakeholder consultations revealed a significant slow-down in MSG activities in the 2018-2019 period. One government official explained that the political elections of 2018 followed by the renewal of the MSG membership had led to a long period without meetings.</p> <p>One industry representative explained that the MSG's ad-hoc working groups, which</p>	< inadequate progress>	

<p>constituency (#1.4.b.i-iii)</p>	<p>progress report for 2018 and 2019 and delays in procurement of the IA for the 2016-2017 EITI Reports due to arrears in payment to the IA for the 2014-2015 EITI Reports indicate that the MSG has not provided effective oversight of all aspects of implementation. Meanwhile there is only evidence of a handful of dissemination events in the capital city Yaoundé in 2018-2020, implying that MSG members have not effectively engaged in outreach and dissemination (see <i>Requirement 7.1</i>).</p> <p>With regards to <u>coordination by industry MSG members</u>, the oil and gas sub-constituency's Protocol contains provisions on consultations of the broader sub-constituency (art 6.b), although the International Secretariat did not receive any documents demonstrating these consultations in practice during the period under review.</p> <p>With regards to <u>coordination by civil society MSG members</u>, article 8 of the civil society Constituency Code specifies that any CSOs representative has the obligation to attend MSG meetings, as well as preparatory meetings with the broader constituency. The ToRs of the new OSCC-ITIECAM civil society platform provided in Annex to the Constituency Code invites participation from organisations representing affected communities (article 11) and requires that OSCC-ITIECAM organise at least one annual meeting with host communities to ensure that these communities are sufficiently involved in EITI implementation</p>	<p>transparence", p. 12 (here).</p> <p>Oil and gas companies subgroup of the Industry constituency (31 October 2018), Protocol (here).</p> <p>OSCC-ITIECAM (21 November 2018), "Code for representative ness and accountability of CSOs involved in the monitoring of the extractive sector governance in Cameroon" (here).</p> <p>OSCC-ITIECAM (23 December 2019), "Analyse et positionnemen</p>	<p>included non-MSG members, would allow the industry MSG members to better engage other companies.</p> <p>Several stakeholders from various constituencies confirmed that MSG members had not carried out outreach and dissemination activities, aside from their attendance at launch conferences for the annual EITI Report.</p> <p>Several CSOs outside the MSG and international partners considered that there was no coordination around EITI decisions by CSOs MSG members in general, including from the self-appointed ones. Some stakeholders considered that this was partly explained by funding constraints.</p>		
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	<p>and that CSO MSG members are accountable to them (article 12).</p> <p>However, in practice, there is little available evidence that such coordination or consultation events have taken place in the 2018-2020 period, aside from a civil society workshop on 23 December 2019 to undertake a pre-Validation self-assessment of progress on the corrective actions from the first Validation. There is no available evidence that MSG members from different constituencies have canvassed the views of their broader respective constituencies on EITI-related issues. A PWYP newsletter states that there has been no dissemination of EITI data since the 2010 EITI Report published in 2013. The MSG has not adopted either a 2019 updated workplan (see Requirement 1.5), nor a 2018 APR (see requirement 7.4).</p>	<p>t de la société civile relatif à la préparation de la Validation", p. 2 (here).</p>			
<p>The MSG's ToR give the MSG a mandate to approve work plans, the appointment of the Independent Administrator, EITI Reports and annual</p>	<p>Article 3 of the July 2018 Decree defines the MSG's responsibilities for approving annual work plans, appointment of the IA, EITI Reports, annual progress reports, mainstreaming and for dissemination. In practice, while there is evidence that the MSG approved the 2017-2019 work plan in 2017, the 2016 and 2017 annual progress reports in 2018 and 2019 and the 2016 and 2017 EITI Reports in 2019 and 2020, there is little evidence of the MSG members participating in EITI-related outreach and dissemination in this period. Delays in the MSG's approval of work plans in 2018 and 2019 and the 2018 annual</p>	<p>Decree n° 2018/6026 /PM of 17 July 2018 (art 3, pp. 2-3) (here).</p> <p>EITI Cameroon website, 2018 annual progress report (here), published on</p>	<p>With regards to delays in production of the 2016 and 2017 EITI Reports, MSG members consulted explained that these were mainly due to administrative delays within the Ministry of Finance (bidding process and payments to the IA) and the coordination role of the Permanent Secretariat.</p>	<p>< satisfactory progress></p>	

activity reports (#1.4.b.v-vi)	<p>progress report appear to indicate deviations from the MSG's ToR in relation to oversight of all aspects of EITI implementation. However, the lack of available MSG meeting minutes for the period under review hinders a more comprehensive assessment of practical deviations from the MSG's ToR.</p> <p>In its comments on the draft assessment, the MSG highlighted the recent publication of the 2018 annual progress report, which had been approved by the MSG on 16 November and published on 23 November 2020.</p>	<p>23 November 2020).</p> <p>EITI Cameroon website, 2019 annual progress report (here), published on 23 November 2020).</p>			
The MSG's ToR include internal governance rules and procedures, the per diem policy is public and these are followed in practice (#1.4.b.vii-ix)	<p>With regards to <u>internal governance</u>, the MSG is required to meet at least every quarter, with meetings to be announced five days ahead of time according to the July 2018 Decree. According to the Decree, the rules for quorum are attendance from at least half of the members of each constituency. The Decree states that the MSG's decision-making is by consensus, or by simple majority vote where consensus cannot be reached. The lack of available MSG meeting minutes for the 2018-2020 period hinder any assessment of adherence to the MSG's ToR in practice. However, a PWYP Cameroon public note on the civil society pre-Validation self-assessment mentions the lack of effective oversight by the MSG over either EITI implementation or the EITI Cameroon Secretariat. The note specifically highlights the lack of internal procedures for the MSG and the lack of an organigram for the MSG,</p>	<p>Decree n° 2018/6026 /PM of 17 July 2018 (art 5, p. 5) (here).</p> <p>Prime Minister Cabinet, Ruling n° 025 of 5 February 2019 on per diems for working sessions in interdepartemental format (here).</p> <p>OSCC-ITIECAM (23 December</p>	<p>All MSG members consulted confirmed the irregularity of MSG meetings in the 2018-2019 period, a deviation from the MSG's ToR. Some members stated that working documents were not consistently shared five days in advance of meetings. For instance, some stakeholders noted that the Emergency Plan had only been circulated a few hours before the MSG's meeting, despite a May 2018 commitment by the MSG Chair to undertake consultations.</p> <p>Stakeholder consultations confirmed that the MSG</p>	< inadequate progress>	

	<p>as well as Technical and Permanent Secretariats. The note also raises concern around staffing weaknesses in the Permanent Secretariat, with reliance on short-term contracts. The 2018 update to the 2017-2019 EITI work plan includes plans for approval of internal rules, standard operating procedures, the regularisation of the status of Permanent Secretariat staff and the publication of EITI Cameroon's audited annual financial reports. However, there is no evidence that these activities have been carried out in the period under review.</p> <p>In its comments on the draft assessment, the MSG clarified that a total of seven ad hoc working groups had been established by the MSG to carry on work while the MSG met infrequently. These ad hoc working groups related to (1) beneficial ownership, (2) disclosure of licenses and contracts, (3) quasi-fiscal expenditures, (4) subnational transfers, (5) systematic disclosures, (6) drafting of non-financial sections of the EITI Report and (7) the MSG's Code of Conduct.</p> <p>With regards to <u>per diems</u>, article 8 of the July 2018 Decree clarifies that MSG members are entitled to both per diems and the reimbursement of costs, including for any working session in relation to the EITI work plan. The government's general per diem policy is set in the Prime Ministerial Order (n. 025/CAB/PM) of 5 February 2019, which is available online, and provides the rate of per diems of XAF 150 000 per session for a regular member. The lack of available MSG</p>	<p>2019), "Analyse et positionnement de la société civile relatif à la préparation de la Validation", p. 2 (here).</p> <p>MSG (17 May 2018), "Matrice du plan de travail ajusté", p. 1: not available online.</p>	<p>practiced a per diem in the period under review. However, industry MSG members do not appear to receive per diems. It appears that some members of the Technical Secretariat receive per diems. Some stakeholders considered that there was a conflict of interest in the high level of per diem paid to MSG members and Secretariat staff, which did not incentivise MSG members to alternate and be accountable to their constituencies.</p> <p>Some stakeholders considered that the MSG's ad hoc working groups helped MSG members' ownership of EITI implementation. Others however considered that the working groups could slow down the completion of work compared to a well-capacitated secretariat. One development partner considered that some CSOs often participated in these working groups and seemed to be close to the Permanent Secretariat's.</p>		
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	meeting minutes, financial reports or annual progress reports for this period hinder an assessment of whether this per diem policy is followed in practice.		Some CSOs explained that CSOs that were not MSG members were less accountable to their constituencies for their work in the ad hoc working groups.		
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Work plan (#1.5)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
The work plan includes objectives for implementation linked to the EITI principles and national priorities and steps to mainstream EITI implementation (#1.5.a)	<p>The four objectives of the 2018 revised version of the 2017-2019 workplan have been slightly changed for the two last objectives: i) improvement of the MSG governance; ii) improvement of data reliability and comprehensiveness; iii) Ensuring a better impact of the EITI on the sector governance, including through mainstreaming; iv) strengthening communication to feed into the public debate.</p> <p>These objectives are clearly linked to the EITI Principles and EITI implementation, although there is no clear link to national priorities for the extractive industries. This is confirmed by a December 2019 public position note by CSOs in</p>	<p>EITI Cameroon (17 May 2018), “Matrice du plan de travail ajusté”, p. 1: not available online.</p> <p>EITI Cameroon (May 2017), 2017-2019 EITI Cameroon work plan (here).</p>	Stakeholders from various constituencies confirmed that there was an attempt to update the triennial 2017-2019 EITI work plan in 2019, but that this had not resulted in an updated work plan agreed by the MSG that was published in a timely manner. None of the stakeholders consulted expressed particular views on the quality of the EITI implementation objectives formulated as objectives for the 2017-2019 EITI work plan.	<meaningful progress>	In accordance with requirement 1.5, Cameroon should agree an EITI work plan that is linked to national priorities and is revisited annually, reflecting consultations with broader constituencies beyond the MSG. Any EITI work plan adopted should be publicly available, of key

	<p>preparation for Validation, which states that the EITI work plan is limited to the production of EITI Reports and participation in international events, and that it has not taken into consideration the challenges of the extractive sector.</p> <p>The 2018 revised version of the workplan further emphasises the objective of mainstreaming EITI data disclosures, although the relevant work plan section 3.3. (p. 11) only describes the activities of training MSG members and to draft a roadmap for mainstreaming, without linking such activities to other national reforms that could be of relevance to these mainstreaming efforts (e.g. IMF extended credit facility conditions).</p>	<p>OSCC-ITIECAM (23 December 2019), “Analyse et positionnement de la société civile relatif à la préparation de la Validation”, p. 3 (here)</p>			<p>importance to enhancing MSG members’ accountability towards their respective constituencies.</p>
<p>The work plan reflects consultations with key stakeholders on objectives for implementation (#1.5.b)</p>	<p>There is no evidence to describe the way in which the 2018 update to the 2017-2019 EITI work plan were developed before the MSG’s adoption of this updated triennial work plan on 17 May 2018.</p> <p>The civil society public position note on preparations for Validation published in December 2019 states that the MSG has worked without a work plan in 2019.</p> <p>In its comments on the draft assessment, the MSG highlighted that a new triennial work plan for 2021-2023, which included coverage of the fourth quarter of 2020, had been approved by the MSG in November 2020. This updated</p>	<p>OSCC-ITIECAM (23 December 2019), “Analyse et positionnement de la société civile relatif à la préparation de la Validation”, p. 3 (here)</p>	<p>One MSG member consulted explained that the MSG had been presented a draft of the 2019 work plan at the MSG meeting of 29 May 2019 without advance warning, but noted that this draft update to the work plan was never adopted by the MSG.</p> <p>An anonymous email to the International Secretariat alleged that there were no consultations in the development of the emergency action plan adopted on 26 December 2019, which had only been shared in draft form with the MSG a few hours before it was formally adopted.</p>	<p>< inadequate progress></p>	

	triennial work plan was submitted to the International Secretariat but had not yet been published on the EITI Cameroon website as of 20 November 2020. The MSG's comments on the draft assessment highlighted the consultations that had been undertaken with the broader constituencies in developing this new triennial work plan.				
The work plan includes measurable and time-bound activities to achieve the agreed objectives (#1.5.c)	Both the original 2017 version and the 2018 update to the 2017-2019 work plan present activities according to a schedule (by quarter and by year), with information on the expected results, progress indicators, responsible entity(ies) and associated costs.	MSG (17 May 2018), "Matrice du plan de travail ajusté", p. 1: not available online. EITI Cameroon (May 2017), 2017-2019 EITI Cameroon work plan (here).	None of the stakeholders consulted expressed any views on the measurable and time-bound nature of activities in the 2017-2019 EITI work plan.	< satisfactory progress>	
The work plan includes activities aimed at addressing any capacity constraints identified (#1.5.c.i)	Under objective 1 on "Strengthening the governance of the MSG and of the Secretariat" in the 2018 update to the 2017-2019 workplan, the MSG set the objective of identifying capacity-building needs and undertaking some training activities for MSG members.	MSG (17 May 2018), "Matrice du plan de travail ajusté", 1.7 and 1.8 p. 2: not available online. EITI Cameroon (May 2017), 2017-2019 EITI		< satisfactory progress>	

		Cameroon work plan (here).			
The work plan includes activities related to the scope of EITI implementation, including plans for strengthening systematic disclosures (#1.5.c.ii)	Objective 2 is devoted to the implementation of the EITI and the production of the EITI Reports, including the implementation of the beneficial ownership roadmap (2.5) and the implementation of the open data roadmap (2.6). There are no specific activities designed to enhancing specific systematic disclosure beyond activities under objective 3.3. (p. 11) of training MSG members on mainstreaming and drafting a roadmap for mainstreaming. There are some references in the objective 2.4 regarding the assessment of the current level of systematic disclosure to adopt a common framework in Cameroon and revise the IA's ToRs as a consequence.	MSG (17 May 2018), "Matrice du plan de travail ajusté", pp. 5-7, p. 11: not available online. EITI Cameroon (May 2017), 2017-2019 EITI Cameroon work plan (here).	None of the stakeholders consulted expressed any views on the 2017-2019 work plan's coverage of activities related to expanding the scope of EITI implementation. A Secretariat staff highlighted the MSG's plans to focus on systematic disclosures going forward, with the creation of an MSG working group on systematic disclosures in December 2019.	< satisfactory progress>	
The work plan includes activities aimed at addressing any legal or regulatory obstacles identified (#1.5.c.iii)	Objective 2 regarding the disclosure of EITI data begins with the challenges identified during the elaboration of the 2014 and 2015 EITI Reports, though none is related to legal or regulatory obstacles. In the part of the work plan on the implementation of the BO roadmap (2.5), one of the activities is focused on listing potential legal obstacles for BO disclosure by the industry constituency, although legal or regulatory obstacles and related follow-up actions are not identified in the work plan. In a similar way, legal	MSG (17 May 2018), "Matrice du plan de travail ajusté", p. 7: not available online. EITI Cameroon (May 2017), 2017-2019 EITI Cameroon work plan (here).	None of the stakeholders consulted expressed any views on the 2017-2019 work plan's inclusion of activities related to legal and regulatory obstacles.	< satisfactory progress>	

	or regulatory obstacles are not identified in the workplan in relation to contract transparency.				
The work plan includes plans for implementing the recommendations from Validation and EITI implementation (#1.5.c.iv)	The 2018 update to the 2017-2019 work plan sets the objective of drafting a plan for the follow up of the Validation and EITI implementation (3.1), although there is no evidence that such a document was elaborated in practice since 2018.	MSG (17 May 2018), “Matrice du plan de travail ajusté”, p. 8: not available online. EITI Cameroon (May 2017), 2017-2019 EITI Cameroon work plan (here).	None of the stakeholders consulted expressed any views on the 2017-2019 work plan’s inclusion of activities related to follow-up on recommendations from past EITI Reports and Validation. A civil society representative consulted raised concerns over the MSG’s follow-up on past EITI recommendations however, while most other stakeholders consulted considered that there had been effective follow-up on EITI recommendations in the 2018-2020 period.	< satisfactory progress>	
The work plan includes costings and funding sources, including domestic and external sources of funding and technical assistance (#1.5.d)	The annex to the 2018 update to the 2017-2019 work plan includes a table with costing and funding by the Ministry of Finance.	MSG (17 May 2018), “Budget détaillé du plan de travail du Comité ITIE pour l’année 2018 (Annexe 2)”: not available online. EITI Cameroon (May 2017), 2017-2019 EITI Cameroon work plan (here).	None of the stakeholders consulted expressed any views on the 2017-2019 work plan’s inclusion of costed activities and funding sources. However, several stakeholders from civil society raised concerns over the broader financial management by EITI Cameroon.	< satisfactory progress>	

The work plan includes a timetable for implementation (#1.5.g)	The 2018 update to the 2017-2019 work plan categorises activities according to a schedule (by quarter and by year). For 2018, it further considers the finalisation of the first Validation by the EITI international Secretariat and Board (2.7).	MSG (17 May 2018), “Matrice du plan de travail ajusté”, p. 7: not available online. EITI Cameroon (May 2017), 2017-2019 EITI Cameroon work plan (here).		< satisfactory progress>	
The workplan has been made widely available to the public (#1.5.e)	Neither the 2018 update to the 2017-2019 work plan nor the Emergency plan adopted on 26 December 2019 have been made available online in the EITI Cameroon website. The latest EITI work plan that is publicly available on the EITI Cameroon website is the original 2017-2019 EITI work plan agreed in May 2017.	MSG (17 May 2018), “Matrice du plan de travail ajusté”: not available online (see EITI Cameroon website section on work plans: here). EITI Cameroon (May 2017), 2017-2019 EITI Cameroon work plan (here).	Several stakeholders from various constituencies confirmed that the MSG was not operating in 2019 in accordance with an EITI work plan that had been updated annually. One stakeholder considered that this was a reflection of the broader lack of strategy in Cameroon’s EITI implementation. A Secretariat staff explained that the MSG had established several ad hoc working groups to carry on the MSG’s work in 2018-2019, although admitting that there were no public records or work planning of the ad hoc working group’s work in 2018-2019.	< inadequate progress>	

The work plan reflects the MSG's consideration of extending the detail and scope of EITI reporting (#1.5.f)	Objective 2 regarding the disclosure of EITI data starts with the challenges identified during the elaboration of the 2014 and 2015 EITI Reports, notably concerning the disclosure of beneficial ownership data. The section of the work plan on the implementation of the beneficial ownership roadmap (2.5) plans one workshop to understand the challenges and enhance disclosures. There is no reference to other activities related to extending the detail and scope of reporting, for instance in areas such as project-level reporting or contract transparency.	MSG (17 May 2018), "Matrice du plan de travail ajusté", p. 7: not available online. EITI Cameroon (May 2017), 2017-2019 EITI Cameroon work plan (here).	None of the stakeholders consulted expressed any views on the 2017-2019 work plan's coverage of activities related to expanding the scope of EITI implementation.	< satisfactory progress>	
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EITI disclosures

Requirement 2: Legal and institutional framework, including allocation of contracts and licenses.

License and contract allocation (#2.2)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations

<p>A comprehensive list of mining, oil and gas license <u>awards</u> has been disclosed, including information on the identity of recipients (#2.2.a)</p>	<p>Oil and gas: The report states that in 2017 there had been no award of oil and gas licenses. Noble Energy converted its previous production concession covering 2008 to 2033 into a PSC signed on 1st June 2017. The SNH annual Report confirms that there have been no awards in 2017.</p> <p>Mining: The report states that 106 mining licenses have been awarded in 2017, however without specifying the identity of recipients beyond the list of 100 mining license awards in 2017 in Annex 5. According to Annex 5, 100 licences were allocated in 2017, which is inconsistent with the number 106 awards indicated in the body of the report.</p>	<p>2017 EITI Report (here), section 4.1.3.6 (p.48).</p> <p>2016 EITI Report, Annex 3 (p. 107)</p> <p>SNH website, Section Annual Report, “2017 Rapport annuel”, p. 29: (here)</p> <p>2017 EITI Report (here), section 4.2.3.4 (p. 67).</p> <p>2017 EITI Report (here), section 4.2.4 (p.67-68), Annex 5 (p. 119-130).</p>	<p>None of the stakeholders consulted could clarify whether 100 or 106 mining licenses had been awarded in 2017, as no one consulted appeared aware of the inconsistency in number of mining license awards in the 2017 EITI Report.</p>	<p><meaningful progress></p>	<p>In accordance with Requirement 2.2.a.ii, Cameroon should ensure that a description of the statutory process for transferring licenses in the mining, oil and gas sector is publicly disclosed, including the specific technical and financial criteria assessed and any weightings of these criteria. Cameroon should ensure that the number of mining, oil and gas licenses awarded and transferred annually is publicly disclosed.</p>
<p>The process for <u>awarding</u> mining, oil and gas licenses has been comprehensively disclosed, including technical and</p>	<p>Oil and gas: The 1999 Hydrocarbons Code and 2000 hydrocarbons regulations allows for the award of oil and gas licenses through competitive bidding or direct negotiation (Art.19.2). The EITI Report outlines the various steps through competitive bidding (section 4.1.3.4) and through direct negotiation (section 4.1.3.5). The various steps are further described in the SNH 2017</p>	<p>2017 EITI Report (here), section 4.1.3. 1 (table 30 p. 44), section 4.1.3.4 (p. 47), section 4.1.3.5 (p. 47), section 4.3.1.2 (table 31, pp. 45-47)</p>	<p>Several government officials consulted confirmed that mining license awards in 2017 were on the basis of the 2016 Mining Code, even though implementing regulations for the 2016 law had not yet been enacted. The officials confirmed that the technical and financial criteria detailed in the 2016 Mining Code had indeed been in</p>	<p><satisfactory progress></p>	

financial criteria assessed (#2.2.a)	<p>annual report, confirming the key role of SNH in both types of award. The EITI Report provides the list of technical and financial criteria for each type of licence (Table 31). The technical criteria for a production license include amongst others, complete and up-to-date information on the technical capacity and experience of the licence holder. The financial criteria for an exploration license include audited financial statements for the last three years, as well as the financial capacity specific to the project. Noble Energy's concession was converted to a Production Sharing Contract (PSC) under the period under review. Both the concession and the PSC relate to production licenses, for whose award the technical and financial criteria are provided in the EITI Report. The report's overview of criteria assessed for license awards includes both administrative procedures and technical and financial criteria (Table 31) .</p> <p>The report also describes the various types of licenses: prospecting authorisation; exploration license; temporary production license and production license, specifying in the table 30 for each the length and authority in charge of award, i.e. the Presidency albeit for prospecting authorisation (Decree of the Hydrocarbons Minister).</p>	<p>SNH website, Section Annual Report, "2017 Rapport annuel", p. 47: (here)</p> <p>SNH website, Legislation 99/013 of 22 December 1999 enacting the Hydrocarbons Code (here).</p> <p>SNH website, Decree 2000/465 of 30 June 2000 implementing the Hydrocarbons Code n°99/013 of 22 December 1999 (from article 8 to 30, pp. 4-14): (here).</p> <p>EITI website, Law 2016-017 of 14 December 2016 enacting the Mining Code (here)</p>	force as of 2017. One development partner considered that delays in enacting implementing regulations for the 2016 Mining Code were due to the government's desire to establish a national mining company, which had not yet been done.		
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	<p>Mining: The 2001 Mining Code was replaced by law 2016-017 of 14 December 2016 enacting the new Mining Code. However, the regulatory Decree had not yet been issued at the time of the report's finalisation. The report notes that the 2016 Mining Code entered into effect in early 2017 (p.63). However, in the absence of regulations for the 2016 Mining Code, it is unclear whether the award of mining licenses in 2017 falls under the regime of the 2001 Mining Code or 2016 Mining Code. The 2016 Mining Code considers award on a first come first served basis, with no option for bidding described in the EITI Report (p.65) nor the 2016 Mining Code itself (article 16, p.14).</p> <p>The EITI Report describes the statutory technical and financial in the allocation of mining licenses (p.65). This is further supplemented by the MINMIDT 2016 User's Guide which provides the statutory technical and financial criteria in the allocation and transfer of mining licenses. This list of criteria includes both administrative procedures as well as technical and financial criteria, both in the EITI Report (Table 44) and in the MINMIDT User's Guide (pp 29-30) where they are not specifically described.</p>	<p>ILO, Law n° 001-2001 of 16 April 2001 enacting the Mining Code (here)</p> <p>2017 EITI Report (here), Section 4.2.2.4 (p. 63), section 4.2.3.2 (table 44, p. 65-66).</p> <p>MINMIDT (2016), "Guide l'utilisateur", pp. 17-49 (here)</p>			
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Information on any non-trivial deviations from the applicable legal and regulatory framework governing license <u>awards</u> has been comprehensively disclosed (#2.2.a)	<p>Oil and gas: There were no new oil and gas license awards in the period under review.</p> <p>Mining: The report explains that, according to MINMIDT's declaration, there had been no non-trivial deviation from the regulatory framework in the award of 106 licenses in 2017. The report does not describe any further methodology by the IA for assessing non-trivial deviations, aside from the IA's consultations with MINMIDT.</p>	<p>2017 EITI Report (here), section 4.1.3.6 (p. 48).</p> <p>2017 EITI Report (here), Section 4.2.3.4 (p. 67).</p> <p>Le Monde (24 September 2017), « Au Cameroun, des fortunes se font et défont sur une mine de fer qui n'a jamais produit... » : (here).</p> <p>African Arguments (14 March 2016), « Virtual mining in Cameroon: How to make a fortune by failing » : (here).</p>	<p>A government official confirmed that MINMIDT officials had discussed the methodology for the IA's assessment of non-trivial deviations in mining licenses awarded in 2017. The official confirmed the EITI Report's statement that the MINMIDT had provided assurances of the lack of non-trivial deviations in mining license awards in 2017, without further describing the methodology for assessing this. However, several MSG members confirmed the MSG's approval of the 2017 EITI Report before publication, which implies that the MSG approved this methodology for assessing non-trivial deviations in mining license awards in 2017.</p> <p>There has been international press coverage of certain mining production license awards in the past (e.g. Sundance, Uranex, C&K Mining), which raised concerns over the recipient companies' technical and financial capacities to fulfil their work programme commitments and raising questions about possible connections of these companies to PEPs.</p>	< satisfactory progress>	
A comprehensive list of mining, oil	Oil and gas: The report describes the transfer of Glencore's 75% participating interest in the	2017 EITI Report (here), section	None of the stakeholders consulted expressed any views on the 2017 EITI	< satisfactory progress>	

and gas license transfers has been disclosed, including information on the identity of recipients (#2.2.a)	Matenda PSC to Gaz du Cameroun (GDC) agreed by SNH on 21 September 2017. The SNH annual report refers to a second transfer, not included in the EITI Report, namely Glencore's transfer of half of its 100% share in the exploration licence for Bolongo to Perenco Rio Del Rey (PRDR) which became the operator. This may be explained by the fact that the award decree for the licence production had not been issued by the end of 2017. Annex 3 of the EITI Report shows the Bolongo licence as "under negotiation". Mining: The Report says that no transfers of mining licenses occurred in 2017.	4.1.3.6 (p. 48), Annex 3 (p. 117). SNH website, Section Annual Report, "2017 Rapport annuel", p. 29: (here) 2017 EITI Report (here), section 4.2.3.4 (p. 67).	Report's coverage of mining, oil and gas license transfers in 2017.		
The process for transferring mining, oil and gas licenses has been comprehensively disclosed, including technical and financial criteria assessed (#2.2.a)	Oil and gas: The report describes the process of oil and gas license transfers, which can be granted by a Hydrocarbons Minister's Decree, within 60 days following the application (p. 47 and article 31). The regulations (Article 32) refer to an assessment of technical and financial criteria, but do not provide details of the specific technical and financial criteria assessed, nor their weightings where applicable. The 2017 SNH Annual report does not further describe the process of license transfers nor the financial and technical criteria used in the transfer of the oil and gas licenses. Mining: The report describes the process for mining license transfers authorised by the	2017 EITI Report (here), section 4.1.3.4 (p. 47) SNH website, Decree 2000/465 of 30 June 2000 implementing the Hydrocarbons Code n°99/013 of 22 December 1999 (from article 31 to 36 pp. 15-17): (here).	Several government officials consulted confirmed that mining license transfers in 2017 were on the basis of the 2016 Mining Code, even though implementing regulations for the 2016 law had not yet been enacted. None of the stakeholders consulted confirmed whether the technical and financial criteria assessed in the transfer of mining, oil and gas licenses were the same as for awards. There has been coverage in the international press of allegations of forced transfers of shares in companies holding mining licenses in Cameroon, to interests held by	< meaningful progress>	

	<p>Minister of Mines, including the provisions for the state to pre-empt the license and to claim a bonus if more than 50% of the shares are transferred. However, the description of rules for transfers in the report does not clarify whether these are the under the regime of the 2001 Mining Code or 2016 Mining Code, considering the absence of implementation rules for the latter, even though the report says that provisions of the 2016 Mining Code were implemented starting from early 2017 (p.63). For further details on the procedure, the report refers to a guide of procedures elaborated by the MINDMIT with clear indication of the award process for each type of license. The report does not mention any specific technical or financial criteria, albeit from the financial statements of the year before (p.67).</p>	<p>2017 EITI Report (here), Section 4.2.2.4 (p. 63), Section 4.2.3.3 (p. 67).</p> <p>MINMIDT (2016), "Guide l'usager", pp. 17-49: (here)</p> <p>Le Monde (September 2017), 'Au Cameroun, des fortunes se font et se défont sur une mine de fer qui n'a jamais produit' (here).</p>	<p>politically exposed persons. However, these allegations concern transfers of mining company ownership that predated the period under review (2017).</p>		
<p>Information on any non-trivial deviations from the applicable legal and regulatory framework governing license transfers has been comprehensively disclosed (#2.2.a)</p>	<p>Oil and gas: The report describes SNH's unilateral assurances that there had been no non-trivial deviation from the regulatory framework in the practice of oil and gas license transfers in 2017. The report does not describe any further methodology by the IA for assessing non-trivial deviations, aside from the SNH's unilateral assurances.</p> <p>Mining: There were no mining license transfers in 2017.</p>	<p>2017 EITI Report (here), section 4.1.3.6 (p. 48).</p>	<p>None of the stakeholders consulted expressed any views on the 2017 EITI Report's statement that there were no non-trivial deviations in the transfer of participating interests in oil and gas licenses in 2017.</p>	< satisfactory progress>	

The list of applicants and the bid criteria related to any bidding processes that took place in the accounting period covered by EITI reporting have been comprehensively disclosed (#2.2.c)	The EITI Report confirms the lack of new license awards in oil and gas, while license awards in mining are on a first come first served basis.	N/A	Stakeholders consulted confirmed that none of the mining licenses awarded in 2017 were through competitive tender.	<not applicable>	
Information on the award of licenses held by material companies not awarded or transferred in the year under review has been disclosed (#2.2.b)	There is a reference to previous EITI Reports for oil, but no reference to mining license allocations in previous periods.				
Additional information about the allocation of licenses has been disclosed, including commentary on the efficiency and	There is no additional commentary on the efficiency of license allocations in either mining or oil and gas in the 2017 EITI Report.		One development partner expressed concerns about compliance with the new mining license allocation process in the 2016 Mining Code, highlighting awards of mining licenses such as the one to Eramet in 2019 following a competitive tender process without clear procedures or criteria, despite		

effectiveness of these systems, a description of procedures, actual practices and grounds for renewing, suspending or revoking a contract or license (#2.2.d)			provisions in the 2016 Mining Code for the award of mining licenses through a “first come first served” approach.		
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License register (#2.3)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
The country maintains a publicly accessible cadastre/register of licenses in mining, oil and gas (#2.3.b)	Oil and gas: In practice, the Ministry of Mines published an online register of oil and gas exploration and production licenses, in early 2020. The 2017 EITI Report, along with the online register , provide the total number of oil and gas active licenses. This refers to 6 exploration licenses, 19 production licenses and 8 licenses under negotiation.	2017 EITI Report (here), section 4.1.4 (p.48). Ministry of Mines website, section “Registre des titres pétroliers”: (here).	With regards to oil and gas licenses, government officials consulted confirmed that there was no publicly available online cadastral system but noted the publication of the license register on the MINMIDT website in early 2020 as an adequate proxy. With regards to mining licenses, a development partner noted the launch	< satisfactory progress>	In accordance with Requirement 2.2.b.ii-iii, Cameroon should ensure that coordinates and dates of application, award and expiry are publicly accessible for all active mining,

	<p>The Hydrocarbons Code's implementing Decree 2000/465 of 30 June 2000 contains legal provision for establishing a register for various types of oil licenses, with information on license awards. The Hydrocarbons Code's implementing Decree 2000/465 of 30 June 2000 contains no legal provision for the register to be publicly accessible (article 3), although a license register has been published in practice early 2020. The EITI Report however does not document reforms to strengthen systems, such as the creation of a publicly accessible oil and gas cadastre.</p> <p>Mining: In 2017, the Mining Ministry set up an online cadastre, which is freely accessible online. The EITI Report provides the total active number of mining licenses in 2017: 178 exploration licenses and 139 production licenses (including 97 quarries licenses, 37 water licenses and 5 industrial mining licenses) in the register of all active mining licenses as of 31 December 2017 (Annex 5).</p> <p>There are some discrepancies between information in the EITI Report and the online cadastre. Three quarrying licenses (the Ebaka license held by Camrail, the Djoungo license by Dangote Cement Cameroon, and the Bent license by Pantechniki) do not appear to be included in the online cadastre. However, only one of these three companies (Dangote Cement Cameroon) is a company considered material in the 2017 EITI Report.</p>	<p>Hydrocarbons Code's implementing Decree 2000/465 of 30 June 2000.</p> <p>2017 EITI Report (here), section 4.2.4 (p.67-68), Annex 5 (p. 119-130).</p> <p>Ministry of Mines, Cadastre Department, "Flexicadastre" portal: (here).</p>	<p>of the MINMIDT's online cadastral system as a key reform since Cameroon's first Validation. In particular, the public availability of license coordinates was highlighted.</p>	<p>oil and gas licenses. Cameroon is encouraged to use EITI reporting as an annual diagnostic of license data management systems with a view to strengthening the comprehensiveness of these disclosures.</p>
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Information on the identity of license-holders has been comprehensively disclosed for all licenses held by material companies (#2.3.b.i)	<p>Oil and gas: Information on the identity of license-holders has been comprehensively disclosed for all oil and gas companies, including material ones. The 2017 EITI Report, along with the online register, provide the full list of oil and gas active licenses, including those under negotiation, with the identity of license holders and partners.</p> <p>Mining: The register of all active mining licenses (Annex 5) provides the identity for licenses held by material companies as of late December 2017. The online cadastre provides the identity of mining licence holders, as of early 2020.</p>	<p>2017 EITI Report (here), Annex 3 p. 116-117</p> <p>Ministry of Mines website, section “Registre des titres pétroliers”: (here).</p> <p>2017 EITI Report (here), section 4.2.4 (p.67-68), Annex 5 (p. 119-130).</p> <p>Ministry of Mines, Cadastre Direction, “Flexicadastre” portal: (here).</p>		< satisfactory progress>	
License coordinates have been comprehensively disclosed for all licenses held by material companies (#2.3.b.ii)	<p>Oil and gas: The EITI Report provides the link to the online register of oil and gas exploration and production licenses on the Mines Ministry website, with all required data disclosed including the coordinates, published on 13 February 2020.</p> <p>The report includes a reference to the portal GeoSNH (p. 48) which is an internal software by SNH including a map with coordinates of</p>	<p>Ministry of Mines website, section “Registre des titres pétroliers”: (here).</p> <p>2017 EITI Report (here), p.48</p>	With regards to the license (Djoungo) held by Dangote Cement Cameroon that is missing from the MINMIDT’s online cadaster, a government official that the region in which that license was located operated under a different coordinate system to that used by the MINMIDT’s online cadastral system, which had hindered the ability to map the license on the online cadastral	< meaningful progress>	

	<p>licenses. This is not currently available to external users, as confirmed in the EITI Report (p.48), though SNH plans to make it available through the creation of an account in the course of 2020.</p> <p>Mining: The online cadastre provides coordinates and an interactive map for all active production industrial mining licenses and most of the water and quarrying licenses, from which coordinates for all mining licenses are accessible. However, one mining license held by a material company (the Djoungo license by Dangote Cement Cameroon) appears missing from the online cadaster.</p> <p>In its comments on the draft assessment, the MSG noted generally that license information was publicly accessible both for mining and, through the SNH's 'GeoSNH' portal, for oil and gas.</p>	<p>Ministry of Mines, Cadastre Direction, "Flexicadastre" portal: (here).</p>	<p>portal. However, the official confirmed that this license was in the hard copy cadaster system at the MINMIDT head office. A development partner expressed surprise at this explanation and considered that all active mining and quarrying licenses should be reflected in the MINMIDT's online cadastral system.</p>		
<p>Dates of application, award and expiry (or duration) have been comprehensively disclosed for all licenses held by material companies (#2.3.b.iii)</p>	<p>Oil and gas: The 2017 EITI report and the online register provide dates of application, award and expiry for most oil and gas licenses. However, the dates of application are missing for 5 of the 6 exploration licenses (Bomono, Zina-Makary, Moabi, Ndian River II, Thali) and 6 of the 19 production licenses (Moudi, Sanaga Sud, Dissoni Nord, Logbaba, Iroko, Etinde). Several of these licenses are held by material companies included in the</p>	<p>2017 EITI Report (here), Annex 3 p. 116-117</p> <p>Ministry of Mines website, section "Registre des titres pétroliers": (here).</p>	<p>A government official explained that dates of application for older mining licenses (pre-2003) were sometimes difficult to locate due to archiving problems for older licenses.</p> <p>With regards to mining and quarrying licenses for which specific data points were missing, a development partner noted that the companies holding these licenses had made payments to</p>	< meaningful progress>	

	<p>scope of reconciliation in the 2017 EITI Report.</p> <p>Mining: The Flexicadastre includes all the information set in Requirement 2.3.b.iii. However, the 2017 EITI Report notes that the dates of application for older licenses and ASM production permits are not systematically disclosed in the Flexicadastre cadastral portal (p.67). The report notes that work is being undertaken to update the cadastre's databases.</p> <p>The online cadastral portal does not provide dates of application for the 5 industrial mining licenses, nor the dates of award and expiry for 1 quarrying license and 2 exploration licenses. One of the 5 industrial mining licenses is held by a material company (CIMENCAM) included in the scope of reconciliation for the 2017 EITI Report.</p> <p>In addition, one mining license held by a material company (the Djoungo license by Dangote Cement Cameroon) appears missing from the online cadastre.</p>	<p>2017 EITI Report (here), section 4.2.4 (p.67-68), Annex 5 (p. 119-130).</p> <p>Ministry of Mines, Cadastre Direction, "Flexicadastre" portal: (here).</p>	<p>government in 2017 even if the companies had not been included in the scope of reporting.</p>		
<p>Information on commodity(ies) covered by production licenses have been comprehensively disclosed for all</p>	<p>Oil and gas: The report (for active licenses as of 31 December 2017) and the online license register provide commodities covered by all oil and gas licenses.</p> <p>Mining: Both the online mining cadastre and the license register in Annex 5 of the EITI</p>	<p>2017 EITI Report (here), Annex 3 p. 116-117. Ministry of Mines website, section "Registre des titres pétroliers": (here).</p>		< satisfactory progress>	

production licenses held by material companies (#2.3.b.ii)	Report provide the commodity covered for each active mining license.	2017 EITI Report (here), section 4.2.4 (p.67-68), Annex 5 (p. 119-130). Ministry of Mines, Cadastre Direction, “Flexicadastre” portal: (here).			
The information set out in provision 2.3.b is also available for the licenses held by entities not covered by the EITI reporting process (#2.3.b-c) Where such registers or cadastres do not exist or are incomplete, any gaps in the publicly available information should be disclosed and efforts strengthen	Oil and gas: Both the EITI Report and the license register seem to include all licenses held by all companies in the country, including those considered material in EITI reporting. Mining: Both registers in Annex 5 and the online mining cadastre seem to include all mining licenses held by all companies in the country, including those considered material in EITI reporting. However, the 2017 EITI Report does not explicitly confirm whether the mining cadastre covers all active mining licenses.	2017 EITI Report (here), Annex 3 p. 116-117. Ministry of Mines website, section “Registre des titres pétroliers”: (here) 2017 EITI Report (here), Annex 5 (p. 119-130). Ministry of Mines, Cadastre Direction, “Flexicadastre” portal: (here).			

these systems documented.					
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Contracts (#2.4)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
<i>The country has publicly disclosed any contracts and licenses that provide the terms attached to the exploitation of oil, gas and minerals (#2.4.a)</i>	<p>According to the EITI Report and other sources consulted the country has not published any extractives contracts to date.</p> <p>A model production-sharing contract is available on the SNH website.</p>	<p>2017 EITI Report (here), section 4.7 p.92.</p> <p>SNH website, Model Production-Sharing Contract (here).</p>	An industry stakeholder consulted noted that the SNH had published a model production-sharing contract on its website.	Not applicable	
The MSG has agreed and published a plan for disclosing contracts with a clear time frame for implementation	The emergency work plan developed by the MSG on 26 December 2020 included the creation of a working group on contract transparency. The terms of reference of this working group focus on developing a contract disclosure plan, which will specify implementation deadlines and measures to overcome obstacles and will be integrated in	2017 EITI Report (here), section 4.7 p.92		< meaningful progress>	

and addressing any barriers to comprehensive disclosure, integrated in the annual EITI work plan from 2020 onwards (#2.4.b)	the 2020-2022 work plan. However, the working group has not yet submitted its contract disclosure plan for inclusion in the MSG's work plan (as of July 2020). In its comments on the draft assessment, the MSG noted generally that license information was publicly accessible both for mining and, through the SNH's 'GeoSNH' portal, for oil and gas. However, the MSG's comments did not clarify whether the MSG had formulated a clear plan for disclosing all new contracts, including amendments, and licenses from January 2021 onwards.				
The government's policy on contract transparency has been disclosed (#2.4.c)	The 2018 Transparency Code (Article 6) clarifies the government's policy to publish all extractive contracts (oil, gas and mining). Regulations linked to the 2018 Transparency Code with clear modalities for the publication of contracts have not yet been developed or enacted. It is unclear whether the 2018 Transparency Code is to be retroactively applied, once implemented. There have been no implementing regulations for the Transparency Code issued to date.	2017 EITI Report (here), section 4.7 p. 92. Law 2018/011 of 11 July 2018 on the Code for Transparency and Good Governance (here).		< satisfactory progress>	
An overview of disclosures of contracts and licenses in practice has been disclosed,	The EITI Report confirms that no extractives contract has been disclosed so far.	2017 EITI Report (here), section 4.7 p. 92.	An industry stakeholder consulted noted that the MSG had debated the issue of contract transparency at almost every meeting for the past two years, highlighting the sensitivity of the issue given alleged "competitiveness	< satisfactory progress>	

including information on how these can be accessed (#2.4.c.ii)			issues” in the oil and gas sector. The representative noted the establishment of a working group on contract transparency, whose work has been suspended with the Covid-19 crisis.		
Where contracts and licenses are not disclosed, an explanation of the legal and practical barriers to their disclosure has been disclosed (#2.4.c.ii)	The EITI Report describes that the Hydrocarbons Code implementing Decree 2000/465 of 30 June 2000 (article 105) contains no legal barrier for the disclosure of contract documents themselves, albeit specific technical information in relation to the contract such as geological information that should not be disclosed.	2017 EITI Report (here), section 4.7 p. 92.		< satisfactory progress>	
An explanation for any deviation between disclosure practice and legislative or government policy requirements concerning the disclosure of contracts and licenses has been	N/A. It is however a concern that there is no progress made towards addressing Requirement 2.4.a by the 1 January 2021 deadline.	2017 EITI Report (here), section 4.7 p. 92.		N/A	

disclosed (#2.4.c.iii)					
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Beneficial ownership (#2.5)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
The MSG has agreed an appropriate, publicly available definition of the term beneficial owner (#2.5.f)	<p>The EITI Report publishes the MSG's agreed definition of beneficial owner, corresponding to "5% of direct or indirect control of shares or voting rights". This definition recognises key concepts such as natural person, indirect ownership and non-equity control and ownership thresholds. However, the definition does not include a reference to politically exposed persons (PEPs).</p> <p>The 1996 Constitution (Article 66) provides a list of public officeholders that are required to disclose their assets at the start and end of their mandates. This includes officeholders themselves, not their relatives. While Article 66 refers to an implementing decree, the IMF has noted that this constitutional article has not been put in practice to date due to the lack of implementing decree.</p>	<p>2017 EITI Report (here), section 4.6.1 (p. 90).</p> <p>Constitution du</p>	A government representative consulted explained that the list of government officeholders in Article 66 of the Constitution were those that were colloquially considered PEPs. The official did not clarify whether the MSG had explicitly adopted this list of government officials as officially constituting the comprehensive list of PEPs with regards to BO disclosures, however.	< satisfactory progress>	In accordance with Requirement 2.5 and the Board-agreed framework for assessing progress, Cameroon is required to disclose the beneficial owners of all companies holding or applying for extractive licenses by 31 December 2021. To achieve this target, the following

	<p>The MSG's comments on the draft assessment highlight the recent scoping study on beneficial ownership, approved by the MSG and published on the EITI Cameroon website in September 2020. The MSG highlighted a recent multi-stakeholder workshop to approve the scoping study, including approving a definition of beneficial ownership and mechanisms for operationalising beneficial ownership disclosures in future.</p>	<p>Cameroon, 1996, (here).</p> <p>IMF (December 2018), 'Cameroon: Third review under the ECF', (here), p.42.</p>			<p>measures are recommended:</p> <p>1) Cameroon is expected to request all companies holding oil, gas and mining licenses to disclose beneficial ownership information and provide adequate assurances for data reliability. The government is encouraged to establish a public register of beneficial owners.</p> <p>2) Cameroon is encouraged to require all applicants of oil, gas and mining licenses to disclose their beneficial owners at the application stage. An assessment of the comprehensiveness and reliability of this information should</p>
<p>There are laws, regulations or policies in place to back establishing and maintaining a public register of beneficial owners (#2.5.a)</p>	<p>Oil and gas: There is no legislation or policy to establish a register of beneficial owners of oil and gas licenses.</p> <p>Mining: The new 2016 Mining Code has a provision for the publication of beneficial owners, though no implementation Decree has yet been issued. The provision clarifies that any applicant or holder for a mining license or for a quarrying license, as well as sub-contractors, should disclose its identity when the control is over 5% of shares or voting rights. Article 45 also stipulates that the company should disclose the identity of its CEO and senior managers, a list of subsidiaries with their jurisdictions, as well as their relationship with the company holding the license.</p> <p>In its comments on the draft assessment, the MSG highlighted that the government's policy on beneficial ownership transparency was enshrined in the 2018 Transparency Code as well as in the</p>	<p>2017 EITI Report (here), section 4.6.1 (p. 90).</p> <p>EITI website, Law 2016-017 of 14 December 2016 enacting the Mining Code (article 145, p. 56) (here)</p>			

	<i>asset disclosure requirements of Law 003/2006 on asset disclosures and Cameroun's ratification of the African Union Convention Against Corruption. The MSG also highlighted plans to upgrade the IT infrastructure of the company register (Registre du Commerce et du Crédit Mobilier – RCCM). However, the MSG noted that the implementing regulations for these various laws, including the 2018 Transparency Code, were still in the process of being drafted at this time.</i>				be undertaken by the MSG. 3) Cameroon is encouraged to agree priorities for beneficial ownership disclosures and, based on these priorities, plan efforts to obtain this data.
The government's policy and multi-stakeholder group's discussion on disclosure of beneficial ownership is documented (#2.5.b)	Since the agreement of a BO Roadmap by the MSG in December 2016, a dedicated working group has been established as indicated in the EITI Report. However, there is no publicly available evidence of their work. According to the EITI Report, the MSG has agreed the definition and reporting templates for beneficial ownership disclosures. There is no available evidence of further discussion on this topic within the MSG, given the lack of available MSG meeting minutes.	2017 EITI Report (here), section 4.6.1 (p. 90). EITI website, "Note de présentation de la feuille de route du Cameroun pour la divulgation de la propriété réelle" (here)		< meaningful progress>	For example, Cameroon may prioritise disclosures by certain types of companies, companies holding a certain type of license or producing a certain commodity due to risks related to corruption, tax evasion or circumventing provisions for local participation. These priorities should guide outreach efforts to companies and provide them guidance.
The implementing country has requested beneficial	The MSG agreed on the beneficial ownership definition, as well as the reporting template for the EITI Reports since 2012.	2017 EITI Report (here),	A government representative consulted explained that the MSG had contracted a consultant as part of the same contract as the 2017-2018 EITI	< satisfactory progress>	

ownership information to be publicly disclosed (#2.5.c)	Beneficial ownership information was requested from the 17 companies within the scope of EITI reporting for 2017. There is no available evidence that the government has requested beneficial ownership information from companies outside the scope of EITI reporting, nor from companies applying or bidding for extractives licenses.	section 4.6.1 (p. 90).	Reports to prepare a BO study. This work was scheduled to commence after publication of the 2017 EITI Report but was subsequently delayed by the Covid-19 crisis. The consultant started work in late June, with a draft report expected in July 2020.		4) It is recommended that Cameroon considers using the EITI's model beneficial ownership declaration form ¹⁰ to ensure that disclosures are published in open data format, comparable and easy to analyse
The requested information includes the identity(ies) of their beneficial owner(s), including nationality, country of residence, and identification of politically exposed persons, the level of ownership and details about how ownership or control is exerted (#2.5.c-d)	<p>The 2017 EITI Report discloses the following BO data for reporting companies: country of citizenship, country of residence, date of birth, number of shares held by the BO, number of voting rights held by the BO. However, the report does not highlight any PEPs.</p> <p>The definition agreed by the MSG for the reporting template include the level of ownership through shares or voting rights beyond 5%. The reporting templates for the 2017 EITI Report were not available to the International Secretariat during this Validation.</p>	2017 EITI Report (here), section 4.6.1 (p. 90).	A government official explained that the MSG had started collecting BO data in the 2014 and 2015 EITI Reports, starting with the most well-structured companies in the oil and gas sector. Since 2017, the MSG had also requested BO data from mining license-holders covered in the EITI Report.	< meaningful progress>	5) Cameroon may wish to expand beneficial ownership disclosures to other segments of the upstream extractive value chain, for instance through collection and disclosure of beneficial ownership information from extractive-sector service providers, to

¹⁰ [Accessible here.](#)

Any corporate entity(ies) that apply for, or hold a participating interest in an exploration or production oil, gas or mining license or contract have disclosed the information	<p>Annex 11 of the 2017 EITI Report contains the following information on BO of reporting companies:</p> <ul style="list-style-type: none"> - for 11 companies out of the 12 material oil and gas companies, but for none of the companies outside of the scope of reporting in 2017; - for 1 company out of the 2 material mining companies (Granulats du Cameroun and not Caminex), but for none of the companies outside of the scope of reporting in 2017; - for 2 companies out of the 3 material quarrying companies (Razel and Ciemncam, but not Dangote which did not report), but for none of the companies outside of the scope of reporting in 2017. <p>As a result of partial information on the BO of companies in the scope of EITI reporting in 2017, only 1 company (Cimencam) out of the 5 active mining /quarrying industrial production licenses (Geovic, 2 Rocaglia and C&K Mining) provided some BO information.</p> <p>There is no evidence that beneficial ownership information has been requested from companies outside the scope of EITI reporting, as well as from companies that applied for or held a participating</p>	<p>2017 EITI Report (here), Annex 11 (pp. 138-141)</p> <p>EITI website, "Note de présentation de la feuille de route du Cameroun pour la divulgation de la propriété réelle", pp. 6-7 (here).</p>	<p>A government official explained that notarised company documents were requested from all companies applying for extractive licenses as part of the application process, which the official considered provided some information on the company's BO.</p> <p>A government official noted that the implementing Decree for the 2016 Mining Code was expected to include guidance on BO disclosures, but did not provide any timeframe for the drafting and implementation of such an implementing Decree.</p> <p>There appears to be high interest in public debate in relation to past involvement of PEPs and potential conflict of interest in the award of mining licence (Sundance¹¹), to the criticised investment of public shares through SNI up to USD 60m with no extraction happening in 14 years (20% SNI shares in Geocam/Geovic licence¹²), to the controversial role of CAPAM in investing in industrial mining</p>	< inadequate progress>	enable monitoring of adherence to local content provisions and to manage corruption and tax evasion risks.
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¹¹ Le Monde (24 September 2017), « Au Cameroun, des fortunes se font et défont sur une mine de fer qui n'a jamais produit... » : https://www.lemonde.fr/afrique/article/2017/09/24/au-cameroun-des-fortunes-se-font-et-se-defont-sur-une-mines-de-fer-qui-n-a-jamais-produit_5190533_3212.html (accessed 24 April 2020)

¹² Mediapart (24 avril 2013), « Le FMI visé par une plainte aux Etats-Unis » : <https://www.mediapart.fr/journal/international/240413/le-fmi-vise-par-une-plainte-aux-etats-unis?onglet=full> (accessed 24 April 2020)

	interest in an exploration or production oil, gas or mining license or contract. The BO roadmap agreed in 2016 included plans for the MSG's drafting of a draft implementation Decree for the 2016 Mining Code in relation to BO and its extension to the oil and gas sector. However, there is no indication of any MSG work on drafting this implementing Decree.		license ¹³ ; and to licence holding by Cameroon entities owned by subsidiaries in tax havens with risk on inflating operation costs (Geocam/Geovic licence ¹⁴).		
The MSG had assessed and documented gaps or weaknesses in disclosure of beneficial ownership information (#2.5.c)	The 2017 EITI Report, agreed by the MSG, assesses and documents gaps and weaknesses in the disclosure of BO information for companies within the scope of EITI reporting. The report does not indicate any discussion by the MSG to assess or document the gaps or weaknesses in disclosure of BO information outside the scope of EITI Reporting.	2017 EITI Report (here), section 4.6.1 (p. 90).		< inadequate progress>	
The relevant government entity or the MSG has established an approach for participating companies to assure the	The BO reporting templates for the 2017 EITI Report request management sign-off from reporting companies, confirming that all information provided is accurate and reliable. The report does not clarify whether the MSG's data quality approach for material companies was	2017 EITI Report (here), section 4.6.1 (p. 90). EITI website, "Note de		< meaningful progress>	

¹³ The CAPAM programme hosted by the MINDMIT would have owned shares in C&K Mining and owned 20% of CAPAM Holdings, with the remaining 80% held by a company called UKAM Industries Ltd. registered in the secrecy jurisdiction of the British Virgin Islands in African Arguments (14 March 2016), « Virtual mining in Cameroon: How to make a fortune by failing » : <https://africanarguments.org/2016/03/14/virtual-mining-in-cameroon-how-to-make-a-fortune-by-failing/> (accessed 24 April 2020).

¹⁴ Mediapart (24 avril 2013), *ibid*.

accuracy of the beneficial ownership information (#2.5.e)	expanded to beneficial owners of companies outside the limited scope of EITI reporting. Work related to the reliability of BO data was not included in the MSG's 2016 BO Roadmap covering the three years to 2020.	présentation de la feuille de route du Cameroun pour la divulgation de la propriété réelle" (here).			
For publicly listed companies, including wholly owned subsidiaries, the name of the stock exchange has been disclosed and a link included to the stock exchange filings where they are listed (#2.5.f)	For publicly listed companies the report discloses in Annex 11 of the 2017 EITI Report the name of the stock exchange where the head company of relevant extractive company is publicly listed. However, the report does not disclose a link to their stock exchange filings.	2017 EITI Report (here), Annex 11 (pp. 138-141).		< meaningful progress>	
Information about legal owners and share of ownership of applicable companies is	In Annex 11, the 2017 EITI Report provides: - Legal owners and share of ownership for all material oil and companies (including the transport company COTCO).	2017 EITI Report (here), Annex 11 (pp. 138-141)	An industry representative consulted could not confirm whether shareholder information was publicly accessible for all extractive companies in Cameroon but noted that the public availability of legal ownership information depended	< inadequate progress>	

publicly available (#2.5.g)	<p>- Of the 2 material mining companies, CAMINEX shared no information on legal ownership and GRACAM provided information both on legal and beneficial ownership.</p> <p>- Of the 3 material quarrying companies, both CIMENCAM and Razel disclosed the structure of their legal ownership. Dangote Cement did not submit a reporting template.</p> <p>There is no information on how to access information on legal ownership of companies outside the scope of EITI reporting.</p>		on each company's public disclosure practices through their individual websites.		
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State participation (#2.6)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
The existence of any material state-owned enterprises (SOEs) engaged in the extractive sector has been	Oil and gas: The 2017 EITI Report confirms that there is only one SOE in the oil and gas sector, SNH (p.49, 57). The report confirms that SNH collects and commercializes the state's in-kind revenues, transferring the proceeds to the Treasury. It also collects royalties and bonus payments from oil and gas operators, which it	2017 EITI Report (here), section 4.1.5.2 (p.49) and section 4.2.5.2 (p.68). Materiality of SNH payments/transfe	Stakeholders from various constituencies confirmed that the only extractive SOE considered for the purposes of EITI reporting was SNH. A government official confirmed that the SNI's main business activity was not in the	< satisfactory progress>	In accordance with Requirement 2.6.a.ii, Cameroon should ensure that the terms to state and SNH participation in oil and gas

publicly documented (#2.6.a)	<p>then remits to the Treasury. The materiality of payments from SNH is demonstrated, split between its functions on behalf of the state ('SNH-Mandat') and those on its own (commercial) account ('SNH-Fonctionnement').</p> <p>In mining, the report confirms that the state's indirect holdings in mining companies are held by the SNI (Société Nationale d'Investissement), the wholly state-owned manager of government interests in several sectors, including mining. However, the report explains that SNI is not engaged in upstream extractive industries other than holding state interests in certain mining companies (p.68) and thus is not considered an SOE in accordance with the definition in the EITI Standard. The report considers it amongst the revenue-collecting government entities, as SNI collected XAF 539m of dividends in 2017 raised from its participation in the mining extraction company Cimencam (43,1% of free equity).</p> <p>The report further explains that regarding the little amount collected by SNI, by CAPAM and by CNPS, the MSG exempted them from the requirement of submitting their audited financial statements to the EITI (p.28).</p>	<p>rs to government on p.14.</p> <p>2017 EITI Report (here), section 1.2.2 (p. 14), section 4.1.5.2 (p. 49-50)</p> <p>SNI website, section "Notre portefeuille" (here).</p> <p>2017 EITI Report (here), section 3.3.5 (p. 33), section 4.2.5.3 (p. 68-69).</p> <p>2017 EITI Report (here), Section 3.2.4.2 (p.28)</p>	<p>mining sector. A development partner raised concerns over what it considered a "convoluted" legal structure of CAPAM and called for more transparency in CAPAM's financial management (see <i>Requirement 5.1</i>).</p>		<p>companies and projects are publicly disclosed, including their level of responsibility for covering expenses at various phases of the project cycle. Where the government or SNH have provided loans or loan guarantees to mining, oil and gas companies operating within the country, details on these transactions should be disclosed, including loan tenor and terms (i.e. repayment schedule and interest rate). The MSG may wish to consider comparing loans terms with commercial lending terms. In accordance with Requirement 2.6.b, Cameroon is expected to publish the comprehensive version of SNH's audited financial</p>
An explanation of the role of material SOEs in the sector and prevailing rules	<p>The report briefly describes SNH's statutory revenues, responsibilities and mission (promotion of hydrocarbons resources, contract negotiations, monitoring and control of the contracts, etc.), as well as its oversight by the</p>	<p>2017 EITI Report (here), section 4.1.5.2 (pp. 49-50)</p>	<p>A government official consulted expressed satisfaction at the 2017 EITI Report's coverage of the statutory financial relations between SNH and the government.</p>	< satisfactory progress>	

<p>regarding the financial relationship between the government and SOEs has been disclosed (#2.6.a.i)</p>	<p>Presidency (pp.42-43 and new article 1 the Decree 81/225 on 17 June 1981). For the 2017 fiscal year, SNH was governed by the 1999 Law on SOEs and by the Decree 2008/012 on 17 January 2008 modifying the Decree 80/086 on 12 March 1980 creating the SNH (new articles 4, pp. 1-2 on SNH missions), meaning the SNH operates on a commercially basis, with financial autonomy from the state (p.49). After the period under review, the new legislation on SOEs of 12 July 2017 turned the SNH into a 'public company' ("établissement à caractère public"), with its implementing Decree 2019- 342 on 9 July 2019 for SNH, although the annex to the Decree providing the statutes is missing from the Decree published on the SNH website.</p> <p>The SNH's <i>statutory financial relations</i> with government are briefly described (pp.50-54). SNH is incorporated under the OHADA rules, meaning that its Board of Directors has the ability to agree its own <i>dividends</i> (pp.46,52), which consist of a share of profits based on its commercial operation (Equity Cost and Profit Oil, as well as its portfolio dividends). In line with the legislation 99-016 of 22 December 1999 and the new article 20 of the Decree 81/225 on 17 June 1981, the Board of Directors decides on the allocation of the profits, after 5% of the profits are allocated to the company's free reserves up until reserves reach 10% of the company's capital (however, p.52 of the report mentions 10% of profits up to 15% of the</p>	<p><i>SNH website, the Decree 2008/012 on 17 January 2008 modifying the Decree 80/086 on 12 March 1980 creating the SNH (new article and 4, pp. 1-2):</i> (here).</p> <p>SNH website, Decree 2019-342 on 9 July 2019 replacing the Decree 80/086 on 12 March 1980 creating the SNH: (here)</p> <p>2017 EITI Report (here), section 4.1.5.3 (pp. 50-54)</p> <p><i>SNH website, the Decree 81/225 on 17 June 1981 modifying the Decree 80/086 on 12 March</i></p>			<p>statements or explain the barriers to such disclosures. Cameroon is invited to consider the extent to which progress against this corrective action would support broader implementation of Article 8 of the July 2018 Transparency Code on transparency in state participation.</p>
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	<p>capital). Considering the ability of SNH's Board of Directors to approve the level of dividends, the Report implicitly explains that SNH is statutorily allowed to <u>retain earnings and reinvest</u> in its operations, as well as to seek <u>third-party financing</u> (p. 52). The Decree 81/225 on 17 June 1981 modifying the Decree 80/086 on 12 March 1980 creating the SNH describes that the SNH has the ability to receive subsidies ("dotations") from the government, as well as to seek for third-party financing in form of loans from institutions and banks (new article 5).</p> <p>SNH's accounting system is split in two different systems which are audited separately on an annual basis (p. 52-54):</p> <ul style="list-style-type: none"> - SNH-Mandat handles activities on behalf of the state (i.e. Revenues from trading of the government's in-kind share; revenues of trading gas via the pipeline Bipaga-Mpolongwe; other revenues collected on behalf of the State); - SNH-Fonctionnement handles its own commercial activities (i.e. Revenues derived from SNH own participation in oil projects and dividends from its participation in companies). <p>SNH's statutory audit and assurance practices are described, including annual audit and assurance procedures, according to OHADA rules (p. 52) and in line with articles 18 and 19 of the Decree 81/225 on 17 June 1981.</p>	<p><i>1980 creating the SNH (new article 20, p. 5 on dividends): (here).</i></p> <p><i>2017 EITI Report (here), Section 4.1.5.3 (p. 52).</i></p> <p><i>SNH website, the Decree 81/225 on 17 June 1981 modifying the Decree 80/086 on 12 March 1980 creating the SNH (new article 5, p. 2): (here).</i></p> <p><i>2017 EITI Report (here), Section 4.1.5.3 (p. 52-54)</i></p> <p><i>SNH website, section "Récapitulatifs annuels": (here).</i></p> <p><i>SNH website, the Decree 81/225 on 17 June 1981 modifying the Decree 80/086 on 12 March</i></p>			
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		1980 creating the SNH (new article 18 and 19, p.3-4): (here) .			
An explanation of the prevailing practices regarding the financial relationship between the government and SOEs has been disclosed for the year under review (#2.6.a.i)	<p>Regarding SNH's financial relations with the government in practice in 2017, the report discloses detailed information on 2017 revenues and expenditures for SNH-Mandat: i) oil and gas production for both state and JV partners, ii) oil sales volume and value by the state and by partners (not disaggregated by companies) iii) gas revenues from the license Sanaga for both Perenco and the state, as well as gas purchases and sales by pipeline by the state, iv) total spending by SNH on behalf of the state, including state participation spending per license and per quarter.</p> <p><u>Dividends:</u> Despite the SNH Board of Directors' ability to decide on dividends, the report explains that in practice the decision made by the Board to distribute dividends considers both the reinvestment needs and the state budget needs (p. 53). SNH-Fonctionnement paid dividends of XAF 3.34bn based on the 2016 results (p.54), out of XAF 10.65bn profits.</p> <p><u>Retained earnings and reinvestment:</u> Based on the value provided for dividends paid by SNH-Fonctionnement, it is implied that XAF 7.31bn were retained for reinvestment, although the</p>	<p>SNH website, section "2017 Statistics": (here).</p> <p>2017 EITI Report (here), Section 4.1.5.3 (p. 53)</p> <p>2017 EITI Report (here), Section 4.1.5.3 (p. 54)</p>	<p>With regards to SNH-Mandat's retained earnings, a government official explained that the category of "other debts" in SNH-Mandat's summarised audited financial statements referred primarily to the category of "State's current account", which increased as profits accrued to SNH-Mandat and declined in value with SNH-Mandat's transfers to the Treasury. The official confirmed that all retained earnings by SNH-Mandat in 2017 were categorised as "State current account", with an outstanding balance of XAF 515.1bn at the end of 2017. The official confirmed that SNH had financial autonomy from the government and did not receive budget transfers. Rather, funds in the "State current account" were used to cover the costs associated with the state's participation in oil and gas projects.</p> <p>With regards to SNH-Fonctionnement's retained</p>	< satisfactory progress>	

	<p>section on reinvestment does not further clarify the use of the retained earnings in 2017 (p. 54).</p> <p>There are inconsistencies in the value of SNH-Mandat's retained earnings between those provided in the 2017 EITI Report (pp.53,57) and those provided in the summary of SNH-Mandat's financial statements published on the SNH website. Both the 2017 SNH Annual report and its statistics for 2017 provide a total figure for revenues collected by SNH-Mandat of XAF 523bn on the one hand and XAF 526bn on the other hand, while the EITI Report provides a figure of XAF 464bn for retained earnings for this year (p. 57). The two publications make clear that the total transfer to the budget is XAF 349bn, and that the rest is retained by SNH-Mandat to pay for the operational costs of various projects of XAF 36bn¹⁵, with XAF 141bn left for the costs associated to the state participating interests in oil projects (detailed "dépenses associatives" p.2 of 2017 Statistics). Despite the fact that the report explains that the SNH's mission is to cover costs associated with state participation in oil and gas projects (p. 53) and lists the different state participations in oil and gas projects (p.55), the report does not describe costs associated with state participation in these projects (p.55). The latter expenditures for the state's share of operational costs in oil and gas projects could explain the XAF 147,96bn figure provided in the EITI Report (table 37) as implied retained</p>	<p>2017 EITI Report (here), Section 4.1.5.3 (p. 53) and Section 4.1.5.6 (p.57).</p> <p>SNH website, Section Annual Report, "2017 Rapport annuel", pp. 44-45: (here)</p> <p>SNH website, section "2017 Statistics", p. 2: (here).</p> <p>2017 EITI Report (here), section 4.1.5.4 (p. 55).</p> <p>Société Nationale des Hydrocarbures du Cameroun (2018), « États financiers de la Société Nationale des Hydrocarbures. Bilan actif et compte de</p>	<p>earnings, the government official explained that retained earnings were earmarked for the company's reserve account or carried over as a balance to subsequent years.</p>		
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¹⁵ The SNH's 2017 Annual Report (p. 45) lists amongst this global category of spending by SNH-Mandat: stocks; security; investment in gas project ; control fees ; rehabilitation sites costs ; etc.

	<p>earnings by SNH-Mandat (p. 57). Finally, the EITI Report refers to the figure of net profits of XAF 275bn, which could be considered as implied retained earnings (p.14).</p> <p><u>Transfers to Treasury:</u> The EITI Report explains that the main revenues collected by SNH-Mandat and transferred to the Treasury are proceeds from the sale of the state's in-kind revenues (p.53, p. 57), although SNH also collects royalties and bonus signature from companies (p.53). In practice, the SNH-Mandat account transfers revenues to the state in three ways, namely through tax payments to the Directorate of Large Companies (DGE) (of XAF 14m) and both direct transfers to the Treasury accounting for 46% of the total amount (XAF 146,5bn) and indirect transfers ("interventions directes") to government entities on behalf of the Treasury of 54% of total SNH transfers (XAF 169.6bn) (pp.54,57). The "indirect transfers" are described as SNH making advance payments for government security, justice and intelligence expenses, subsequently providing the receipts and justifications to the Treasury ex post, as a means of ex post "regularisation" of these expenditures (p.54). The decisions on SNH's sovereign advances is further described in the report with the list of government entities benefiting from the advances and the equivalent amount (p. 81, see Requirement 5.1).</p>	<p>résultat, système Mandat» p. 14, line 14: (here)</p> <p>2017 EITI Report (here), pp.53-54,57,81.</p> <p>2017 EITI Report (here), pp.53-54.</p> <p>SNH website, Section Annual Report, "2017 Rapport annuel", p. 50: (here)</p> <p>2017 EITI Report (here), Section 4.1.5.3 (p. 54)</p> <p>Société Nationale des Hydrocarbures du Cameroun (2018), « États financiers de la Société Nationale des Hydrocarbures. Bilan, système normal », accessed here</p>			
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	<p><u>Trading commission:</u> The report does not describe any commission fees for trading the state share. The report clarifies that the financial statements for SNH-Mandat do not highlight any operational or human resources cost, which would be retained on SNH-Mandat benefits (p. 53).</p> <p><u>Tax payments:</u> SNH-Fonctionnement paid XAF 4.9bn in tax in 2017 (p. 54). SNH Annual Report's Annex clarifies that for the benefits raised from the financial savings and equity interest SNH-Fonctionnement is taxed on benefits under the same regime as regular companies (p.50).</p> <p><u>Third party-financing:</u> The report says that SNH had no third-party financing in 2017 (p.54). Regarding SNH- Fonctionnement, the 2017 financial statements mentions in the aggregated category "Other debt" a liability of XAF 4.704bn (p.13, line 29) without further clarification.</p>	<p>(26 March 2020) p. 13, line 29.</p> <p>2017 EITI Report (here), Section 4.1.5.2 (p. 50).</p>			
<p>The government and SOE(s) have disclosed their level of ownership in mining, oil and gas companies operating within the country's oil, gas and mining sector, including</p>	<p>Oil and gas: <u>Equity interests:</u> The report describes that the state did not hold any direct equity interests in upstream oil and gas companies, aside from its interest in SNH, as of end 2017 (p.54).</p> <p>The report confirms SNH-Fonctionnement's equity interests in 3 upstream oil and gas companies (20% in Perenco RDR, 20% in Perenco CAM, 20% in APCC) and in one oil</p>	<p>2017 EITI Report (here), section 4.1.5.4 (pp. 54-55).</p> <p>SNH website, Section Annual Report, "2017</p>	<p>A government official considered that the terms associated with SNH's participation in oil and gas projects were broadly described in the 2017 EITI Report (p.55), which was based on a review of oil and gas contracts and the Decrees awarding the contracts. The official confirmed that the Decrees awarding each oil and gas contract</p>	<p>< Meaningful progress></p>	

those held by SOE subsidiaries and joint ventures. The terms associated with these ownership interests have been disclosed (#2.6.a.ii)	<p>transport company (5,17% in COTCO), and notes that these participations consist of full-paid equity ("<i>capital entièrement libéré</i>").</p> <p><u>Subsidiaries:</u> The report lists the SNH's equity interests in 2 subsidiaries that provide services in the upstream oil and gas industry but do not hold extractive licenses themselves (97,57% in HYDRAC for quality control in the oil sector, 41,5% in CNIC for oil infrastructures), and its interests in 4 downstream companies (54% in Tradex for trading, 29,9% in SONARA the national refinery, 44% in COTSA for stocking crude oil and 15% in SCDP for stocking petroleum products), confirming that SNH's equity on each of these is full-paid equity ("<i>capital entièrement libéré</i>") (p.55). The report also lists SNH's interests in 3 other companies that do not operate in the extractive industries (steel and industrial metals, hotels, and insurance). The report states that the SNH's equity in these companies is full-paid equity ("<i>capital entièrement libéré</i>") (p.55). The SNH 2017 annual report confirms that the equity in these 3 companies is held by the SNH-Fonctionnement's portfolio (SNH 2017 annual report, p.44).</p> <p><u>Participating interests in oil and gas projects:</u> The report describes the statutory provisions for direct or indirect state participation in the oil and gas PSC consortia operating each project, in line with the Hydrocarbons Code (Article 5 and 6)</p>	<p>Rapport annuel", p. 44: (here)</p> <p>SNH website, Legislation 99/013 of 22 December 1999 enacting the Hydrocarbons Code (art 5 and 6): (here)</p> <p>2017 EITI Report (here), section 4.1.5.3 (p.53)</p> <p>2017 EITI Report (here), Section 4.1.5.1 (p.48)</p> <p>2017 EITI Report (here), section 4.1.5.4 (pp. 55).</p> <p>Société Nationale des Hydrocarbures du Cameroun (2018), « Rapport annuel 2017 », accessed here on 25 March 2020, p.27.</p>	had been published in the official gazette (' <i>journal officiel</i> ').		
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	<p>(p.48), with responsibilities equal to other JV partners as defined in the contract and or Joint Partnership Agreement.</p> <p>The report lists SNH's participation in 19 oil and gas projects (p.55), distinguishing the participation on behalf of the State in 18 projects varying from 5% to 50% (SNH Etat) as well as SNH's participation in 3 oil and gas projects varying from 10% to 100%¹⁶ for its own commercial activity (SNH-Fonctionnement). These participations are confirmed in the SNH 2017 annual report, albeit for the license Mokoko Abana for which it says 40% for Addax PCC (instead of 34,5% in EITI Report) and 10% for Perenco RDR (instead of 15,5% in EITI Report).</p> <p>The EITI Report does not specify the terms associated with the participation in oil and gas projects, beyond the legal provisions described above, which explicitly says that they are defined in each contract. However, the report categorises the state's participation in oil project costs as an expenditure undertaken by SNH-Mandat (p.53). SNH publishes an annual table with an overview of production and payments to the state, which includes the partnerships spending disclosed for 8 projects¹⁷ and by trimester up to a total of USD 243m for 2017¹⁸.</p>	<p>2017 EITI Report (here), p.50 and Annex 12 (pp.142-145)</p> <p>IMF (July 2018), "2018 Article IV Consultation on Cameroon" p. 46: (here).</p> <p>SNH website, Section Annual Report, "2017 Rapport annuel", p. 42: (here)</p> <p>IMF (July 2018), "2018 Article IV Consultation on Cameroon" p. 3: (here).</p> <p>2017 EITI Report (here), p.69.</p>			
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¹⁶ License Ebome Marine with 21,50% of participation, license Moudi with 10% of participation and license Mvia where SNH-Fonctionnement is operator and holds 100% of participation.

¹⁷ Rio del Rey and Marg ; Lokele, MWM and 90's contracts ; Moudi, Ebome ; Sanaga Sud ; Dissoni Nord ; Iroko ;

¹⁸ Société Nationale des Hydrocarbures du Cameroun (2018), « Tableau récapitulatif 2017 sur la production, la vente et les paiements », accessed [here](#) on 25 March 2020,

	<p>In its comments on the draft assessment, the MSG noted that production data for the Lokele project had been reconciled between disclosures by the operator Addax and the SNH.</p> <p><u>SONARA:</u> The report presents the national oil refinery as owned 29,91% by SNH, 18,62% by SNI, 20,81% by CSPH and 10,95% by the Ministry of Finance (p.50), totalling 80% of state ownership. The SNH annual report confirms that SNH has not received any dividend from SONARA, which is in structural deficit and whose debt levels accounted for 4% of Cameroon's GDP at the end of 2017.</p> <p>According to the report, Sonara would have accumulated XAF 28.3bn of arrears towards SNH by the end of 2017. From the end of 2014 onwards, SNH stopped selling crude oil to the refinery. However, the last table of the Annex 12 indicates that the group "Addax e/SONARA" bought 6 different cargoes of crude to SNH for a total value of XAF 134m in 2017, though with little detail of the terms of these sales (see <i>Requirement 6.2</i>).</p> <p>In 2017 the IMF explains that SONARA has cleared XAF 15bn of arrears to oil importers in 2017. It is unclear how the XAF 28.3bn arrears are treated between SNH and SONARA based on the public financial statements (summaries) that are publicly accessible. It is also unclear whether these arrears should be categorized, potentially as a <i>de facto</i> subsidy to SONARA that could be</p>				
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	<p>qualified as a quasi-fiscal expenditure (see <i>Requirement 6.2</i>). However, it is evident that SONARA is not a company operating in the upstream extractive industries, meaning that weaknesses in the coverage of SNH's financial relations with SONARA are not considered in the assessment of progress with Requirement 2.6.</p> <p>Mining: The report provides a list of two mining companies in which the government holds a direct interest, including the terms attached with state equity in each (p.69).</p>				
Any changes in the level of SOE or state ownership during the reporting period have been disclosed, including the terms of the transactions (#2.6.a.ii)	<p>Oil and gas: The report confirms the lack of change in state participation in extractive companies and oil projects from 2016 to 2017. There is no mention of any change in SNH's 2017 annual report.</p> <p>Mining: The report confirms the lack of changes in state participation in the mining sector.</p>	<p>2017 EITI Report (here), section 4.1.5.4 (p.55).</p> <p>SNH website, Section Annual Report, "2017 Rapport annuel", pp. 41-42: (here)</p> <p>2017 EITI Report (here), section 4.1.5.4 (p.69).</p>	None of the stakeholders consulted highlighted any change in state participation in the extractive industries in 2017.	< satisfactory progress>	
Details about any loans or loan guarantees to mining, oil and gas companies operating within	The report says that neither SNH nor the material government entities reported any loan or guarantee to oil, gas or mining companies operating in the country p.56).	2017 EITI Report (here), section 4.1.5.4 (pp. 54-56).	Stakeholders consulted did not express any particular views on whether the XAF 28.3bn in outstanding arrears owed by SONARA to SNH constituted a form of debt, although there was	< meaningful progress>	

the country have been disclosed, including loan tenor and terms (i.e. repayment schedule and interest rate) (#2.6.a.ii)	<p>The report notes that the IA “understands” that SNH has not granted any subsidies or advances (“financement”) in 2017, as it may have done in the past to mitigate delays in the subsidies by the government and the structural deficit of SONARA. There is no further discussion or examples of past subsidies and advances in the report.</p> <p>However, in the 2017 financial statements of SNH-Fonctionnement, a line of credit owed to SNH is up to XAF 20.973bn in the “Other debt obligation” section of assets, without further explanation.</p>	<p>Société Nationale des Hydrocarbures du Cameroun (2018), « États financiers de la Société Nationale des Hydrocarbures. Bilan, système normal », accessed here (26 March 2020) p. 12, line 34.</p>	<p>consensus among those consulted that SONARA was not an upstream extractive company and thus any of its debts to SNH would not represent SNH loans to an extractive company in accordance with Requirement 2.6.a.ii. A government official confirmed that SNH had ceased all commercial relations with SONARA since 2015 and no longer sold it crude oil.</p> <p>A government official explained that the category of “other debts” in SNH-Fonctionnement’s summarised audited financial statements represented operational costs incurred in 2017 for which payment had not yet been received at the end of the year. Thus, the official confirmed that these did not represent forms of debt from SNH-Fonctionnement to companies operating in the extractive industries.</p>		
SOEs have publicly disclosed their audited financial statements, or the main financial items (i.e.	<p>The report provides a link to the brief (4 page) summary of SNH’s audited financial statements, split between the activities on behalf of the state (SNH-Mandat) and those for its own account (SNH-Fonctionnement) (p.52), covering only the profit and loss statement and balance sheet. The audit report conclusions for both SNH-Mandat</p>	<p>2017 EITI Report (here), section 4.1.5.3 (p. 50-54)</p> <p>SNH’s website, section</p>	<p>A government official explained that SNH had never published its audited financial statements in full and had always published summarised versions of its audited financial statements, including its</p>		

balance sheet, profit/loss statement, cash flows) where financial statements are not available (#2.6.b)	and SNH-Fonctionnement are provided for 2017. The report notes that the IA requested SNH's disaggregated financial statements but did not receive them (p.52).	<p>"Récapitulatifs annuels": (here).</p> <p>Audit conclusions on SNH-Mandat's 2017 financial statements (here).</p> <p>Audit conclusions on SNH-Fonctionnement's 2017 financial statements (here).</p> <p>SNH 2017 financial statements (here).</p>	balance sheet, results and auditor's report on the accounts.		
The country has publicly described the rules and practices related to SOEs' operating and capital expenditures, procurement, subcontracting and corporate governance, e.g.	<u>Board composition:</u> The SNH website publishes the Decree 81/255 on 17 June 1981 modifying the Decree 80/086 on 12 March 1980 creating the SNH, which describes the appointment rules for the Board of Directors (article 9): the Board is formed of a maximum of 12 persons nominated by Presidential Decree, including 2 representatives of the Presidency, 1 representative of the Prime Minister's office, the CEO, 1 representative of the Finance Ministry, 1 from the Economy and Plan Ministry, 1 from the Mines and Energy Ministry.	<p>2017 EITI Report (here), section 7.1</p> <p>SNH website, Decree 81/255 on 17 June 1981 modifying the Decree 80/086 on 12 March 1980 creating the SNH (article 9, p. 2): (here).</p>			

<p>composition and appointment of the Board of Directors, Board's mandate, code of conduct (#2.6.c)</p>	<p>The SNH website discloses both the names of the 8 members of the Board and the organigram.</p> <p><u>Board mandate:</u> The SNH website publishes the Decree 82/146 on 14 April 1982 modifying the Decree 80/086 on 12 March 1980 creating the SNH (new article 10) which describes the Board's mandate including approval of the budget, of the cash management account, code of conduct and the competencies of both President and CEO.</p> <p>Board composition and mandate are defined in the Decree 2019-343 on 9 July 2019 establishing the new statutes of the SNH, though the annex to the Decree providing the statutes is missing from the online publication by SNH.</p> <p><u>Procurement rules:</u> Decree 2019- 342 on 9 July 2019 (article 9) states that SNH is exempted from regular legislation on public procurement, albeit from the principles of "competition, equity of treatment for applicants, transparency, fairness of prices". It further specifies that the Board should issue a resolution to define the rules of the Commission to be established for SNH's procurement, although these guidelines do not appear to be public if completed.</p>	<p>SNH website, section "Organigramme de la SNH": (here).</p> <p>SNH website, the Decree 82/146 on 14 April 1982 modifying the Decree 80/086 on 12 March 1980 creating the SNH (new article 10, p. 1): (here).</p> <p>Decree 2019-343 on 9 July 2019 establishing the new statutes of the SNH (here) – missing annex.</p> <p>SNH website, Decree 2019-342 on 9 July 2019 (article 9, p. 4) replacing the Decree 80/086 on 12 March 1980 creating the SNH: (here)</p>			
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Requirement 3: Exploration and production

Production data (#3.2)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
Total production volumes by commodity have been disclosed (#3.2)	<p>For oil and gas, the EITI Report provides the total volumes of production broken down by field for oil/condensates (table 85) and gas (table 86), as well as the total oil volume production broken down between IOCs/State share / SNH share.</p> <p>For mining, the report provides the 2017 production volumes for artisanal diamonds (p.104), for artisanal gold (p. 104) disaggregated by region sourced by CAPAM (p. 70), and the other five other construction material commodities¹⁹ produced in 2017, by operator (p. 104).</p>	2017 EITI Report (here), section 4.1.7 (p. 58), Section 4.2.8 table 48 (p. 70), section 5.5.1, table 85 and 86 (pp. 103-104), section 5.5.2 table 87 (p. 104).	While a development partner raised concerns over the comprehensiveness and reliability of CAPAM figures on artisanal gold mining, it considered that it was the only source of information on ASM in Cameroon. None of the other stakeholders consulted expressed views on extractive production data in the 2017 EITI Report.	< satisfactory progress>	To strengthen implementation, Cameroon may wish to consider additional disclosures on quality assurances underpinning the reliability of official government mineral, oil and gas production statistics.

¹⁹ Clay, limestone, pozzolana, sand and aggregates.

Total production values by commodity have been disclosed (#3.2)	<p>For oil and gas, the report provides the total production value broken down by field for oil/condensates (table 85) and gas (table 86). For oil and condensates, the production value has been calculated on an oil sales average.</p> <p>For mining, the report provides the 2017 production value for artisanal diamonds (p.104), for artisanal gold (p. 104) disaggregated by region sourced by CAPAM (p. 70), and five other construction minerals produced in 2017 by operator (p. 104). The calculation method is disclosed only for artisanal gold, based on an average sale price.</p>	2017 EITI Report (here), section 4.1.7 (p. 58), Section 4.2.8 table 48 (p. 70), section 5.5.1, table 85 and 86 (pp. 103-104), section 5.5.2 table 87 (p. 104).		< satisfactory progress>	
<i>The sources of production data and information on how production data has been calculated have been disclosed (#3.2)</i>	<p><i>Oil production figures are sourced from SNH disclosures (p.58).</i></p> <p><i>The gas production figures are sourced from companies' reporting (p.104).</i></p> <p><i>The mining production figures are sourced from companies' reporting templates.</i></p>	2017 EITI Report (here), section 4.1.7 (p. 58), Section 4.2.8 table 48 (p. 70), section 5.5.1, table 85 and 86 (pp. 103-104), section 5.5.2 table 87 (p. 104).			

Requirement 4: Revenue collection

In-kind revenues (#4.2)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
The MSG has set a definition of materiality with regards to in-kind revenues (#4.2.a)	The MSG has not defined a specific materiality threshold for in-kind revenues other than the one for common revenue streams (a de facto materiality threshold of zero).	2017 EITI Report (here), section 3.1.3.3 (p. 24)		< satisfactory progress>	To strengthen implementation, Cameroon is encouraged to ensure public disclosure of the nature of the
Where in-kind revenues exist and are considered material, the Validator is expected to document whether these have been fully	Considering that the materiality threshold is zero, the report fully discloses all government in-kind revenues. Crude oil: The EITI Report confirms the materiality of the <u>state's in-kind revenues</u> : 57,23% of the total oil production in 2017. These in-kind revenues consist of oil and condensates collected by SNH on behalf of the state as Profit Oil. The data on in-kind revenue volumes collected by SNH on behalf of the state are disaggregated by contract/project.	2017 EITI Report (here), section 5.3.1, table 76 (p. 98) 2017 EITI Report (here), section 5.3.1 (p. 100), section 4.1.9, p. 59.		< satisfactory progress>	contracts for sale of the state's in-kind revenues (e.g. spot or term contracts). Cameroon may wish to disclose the list of selected buying companies for its crude oil, the related sales agreements and any material deviations from the

disclosed (#4.2.a)	<p>The sales of the state's crude oil in-kind revenues are disclosed disaggregated both by cargo (Annex 12, pp.142-143) and by buyer (Table 78, p.99).</p> <p>In addition, the report discloses SNH's in-kind <u>equity oil</u> collections and sales, including volumes collected disaggregated by contract (p.98), volumes sold and proceeds of sales, disaggregated by cargo (Annex 12, pp.144-145).</p> <p>Natural gas: The report confirms the materiality of the state's in-kind revenue: 20.38% of total production valued at a total of XAF 4bn. However, the report describes that the requirement is not applicable for the two projects that produce natural gas:</p> <p>1) In the gas licence of Sanaga Sud operated by Perenco Cam, the state's share of production is sold by the operator (Perenco) and then remitted to the Treasury in cash, with detailed revenues of the sales in table 80 (p. 100). Elsewhere (p.59), the report explains that SNH-Mandat buys all the Sanaga Sud field production (including the figures of the State share according to the SNH 2017 statistics data) to sell it to the company KPDC, which operates the Kribi thermal power plant.</p> <p>2) Concerning the Logbaba production licence, the report explains that the company Gaz du</p>	<p>SNH website, section "2017 Statistics", pp. 1-2: (<i>accessed here 22 April</i>).</p> <p>2017 EITI Report (here), section 4.2.8, pp. 70-71, section 4.3.4 (pp. 75-80), section 4.3.7 p. 85, section 5.3.2, p. 100.</p>	<p>A government official confirmed that the state did not collect natural gas revenues in-kind, with the operator Perenco handling commercialisation and remitting proceeds of the sales to the Treasury. Perenco sold the gas to the SNH for onward sale to KPDC for electricity generation.</p>		<p>applicable legal and regulatory framework governing the selection of buying companies. Companies buying oil and gas from the state are encouraged to disclose volumes received from the state through SNH and payments made for the purchase of oil and gas. Where there are concerns related to data reliability and where practically feasible, Cameroon should consider further efforts to address any gaps, inconsistencies and irregularities in the information disclosed.</p>
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	<p>Cameroon has never paid the state's in-kind revenues to SNH, because of an ongoing legal dispute (p.100).</p> <p>Thus, the state does not appear to have collected in-kind revenues of natural gas in 2017 given that SNH did not take physical delivery of any natural gas on behalf of the state in 2017.</p> <p>ASM: According to the Decree 2014/2349/PM of 1 August 2014, CAPAM is empowered to collect on behalf of the state three types of in-kind revenues: the ad valorem tax, the tax on benefits and the state's share (12.8%) on gold production from artisanal and small-scale miners (pp.70-71,77-78). The report describes the volumes collected by CAPAM for each local entity with corresponding value in 2017, disaggregated by each of the three in-kind revenues (p.70-71,100).</p> <p>The 2017 EITI Report notes that CAPAM transferred retroactively 3 handovers of 276 193 grams of gold to the Ministry of Finance (pp. 78-79), for delayed payments over the period 2012-2018. As such, the IA has confirmed the actual practice of transfers to the government in 2017 (p. 78), without further explanation of retained volumes/revenues beyond the diagram (p. 85%) suggesting a transfer of 2,5% from the Treasury and of 60% from the MINFI.</p>				
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Disclosures include payments related to swap agreements and resource-backed loans, where applicable.	There do not appear to be any active swaps or resource-backed loans in Cameroon in the period under review (2017).			<not applicable>	
The MSG has considered whether disclosures should be broken down by individual sale, type of product and price.	Data on volumes of the government's in-kind revenues sold are provided disaggregated by individual cargo (including date and reference) with volume sold, value of sales, the price per barrel and the discount on Brent prices, buyers and country of destination for both sales of the state's in-kind revenues (p.142-143), as well as for sales of SNH's equity oil (p.144).	2017 EITI Report (here), Annex 12 pp. 142-145	An industry representative noted an error in the 2017 EITI Report, which noted the sale of four cargos to an entity labelled 'Addax/SONARA', when this referred in fact to Addax Energy.	< satisfactory progress>	
<i>The EITI disclosures include information such as the type of product, price, market and sale volume, ownership of the product sold and nature of contract.</i>	<i>The table p.145 presents the sales by contract and type of contract, indicating type of product, price, sale volume and the ownership (SNH Mandat / SNH's equity).</i>	2017 EITI Report (here), Annex 12 pp. 142-145		N/A	

<p>The EITI disclosures include descriptions of the process for selecting the buying companies, the technical and financial criteria used to make the selection, the list of selected buying companies, any material deviations from the applicable legal and regulatory framework governing the selection of buying companies, and the related sales agreements (#4.2.b).</p>	<p>There is no explanation of the buyers' selection process in the report, although there is a detailed description of the process in a SNH newsletter published on the SNH website. The article by SNH explains:</p> <ul style="list-style-type: none"> - the selection process for crude oil buyers, which is based on the fulfilment of a set of technical criteria (submission of Annual report of the year before, justification of the experience in trading) and financial criteria (submission of financial report over last 3 years, banking references); - the bidding process for on spot contracts (one year) amongst selected buyers. <p>There is however no reference in the SNH newsletter to any regulatory framework on the process described above.</p>	<p>SNH website (2016), "SNH infos n°50. Focus : comprendre la vente de pétrole brut", p. 20: accessed here on 24 April 2020</p>		<p>N/A</p>	
<p>Companies buying oil, gas and minerals</p>	<p>The oil sales are not reconciled with buyers.</p>			<p>N/A</p>	

from the state, including state-owned enterprises (or appointed third parties), have disclosed volumes received from the state or state-owned enterprise and payments made for the purchase of oil, gas and solid minerals (#4.2.c).					
The MSG has considered the reliability of data on in-kind revenues and considered further efforts to address any gaps, inconsistencies and irregularities in the information disclosed in accordance with	<p>The report confirms the quality assurances requested from government entities and SNH for their reporting, including of in-kind revenues. For companies, including SNH, this consisted of signature by high-level official, provision of financial statements and receipts, as well as a certification of EITI data by an external auditor. For government entities, this consisted of signature by high-level official, provision of receipts, as well as a certification of EITI data by the SAI - Chambre des comptes.</p> <p>The report confirms that the SAI (Chambre des Comptes) provided certification for the reporting of both SNH and the government entities.</p>	<p>2017 EITI Report (here), pp.28,37,89.</p> <p>Société Nationale des Hydrocarbures du Cameroun (2018), « États financiers de la Société Nationale des Hydrocarbures. Bilan actif et compte de résultat,</p>		< satisfactory progress>	

Requirement 4.9 (#4.2.d)	<p>The report confirms that SNH and government entities adhered to quality assurances agreed by the MSG for the reporting.</p> <p>Summaries of SNH-Mandat and SNH-Fonctionnement's audited financial statements for 2017 are accessible on the SNH website.</p> <p>The report includes the IA's conclusions that the financial data in the report is comprehensive and reliable, which can be interpreted to also cover in-kind revenues.</p>	<p>système Mandat», accessed here 23 April 2020</p> <p>Société Nationale des Hydrocarbures du Cameroun (2018), « États financiers de la Société Nationale des Hydrocarbures. Bilan, système normal », accessed here (23 April 2020).</p>			
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Transactions related to SOEs (#4.5)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations

The MSG have established whether SOEs make payments to the government, collect material revenues on behalf of the state, or both (#4.5)	The EITI Report confirms that the MSG agreed that the EITI reporting should include SNH collection of the state's in-kind revenues, the transfers of those proceeds, and collections of royalties, Profit Oil, bonus payments from oil and gas operators, as well as training fees and transport revenue, which are then remitted to the Treasury or various government entities (p. 56). The report confirms that the scope of EITI reporting includes both the dividends collected by SNH and dividend paid by SNH to the Treasury.	2017 EITI Report (here), section 4.1.5.6 (p. 56). Société Nationale des Hydrocarbures du Cameroun, " Rapport annuel 2017 " (pp. 44-45), (accessed 4 April 2020)		< satisfactory progress>	To strengthen implementation, Cameroon may wish to consider ways of systematically disclosing SNH's 'direct interventions' on behalf of the state.
The MSG has established whether financial transfers between government entities and SOEs exist and are material (#4.5)	In terms of transactions between government and SOEs in the oil and gas sector, the report confirms that the scoping study established that they are material and should be included in the EITI reporting.	2017 EITI Report (here), section 4.1.5.6 (p. 56).		< satisfactory progress>	
Material payments from companies to SOEs have been comprehensively and reliably disclosed (#4.5)	In terms of <u>extractives company payments to SNH</u> , material oil and gas companies' payments to SNH are reconciled and disclosed by company (p.29 in-kind for Perenco RDR, APCL and APCC; p.30 in cash). The report (table 19 p.31) also further discloses the various revenue streams collected by SNH on behalf of the government: proportional mining royalties, proportional production royalties, negative mining royalties, signature bonus,	2017 EITI Report (here), section 3.3 (p.29 and table 19, p. 31) and section 4.1.5 (table 37 p. 57). 2017 EITI Report (here), section		< satisfactory progress>	

	<p>training fees, taxes on oil and gas transport, and SNH subsidiaries' dividends, transport revenue.</p> <p><u>Dividends payments to SNH</u> are reconciled (p. 31), though they are disclosed in aggregated manner in the EITI Report (totalling XAF 15bn in dividends to SNH). The company dividend payments to SNH disaggregated by revenue stream and company provided in the standalone reconciliation tables published on the EITI Cameroon website.</p> <p>The report (table 37) discloses 3 dividend payments to SNH-Fonctionnement for a total of XAF 17,05bn. This total amount is confirmed in SNH's 2017 annual report, even if it is aggregated as total dividends from 8 companies²⁰ in its portfolio based on their 2016 profits. The total dividends payment figure of XAF 25bn (p.46) is different from the XAF 15,453bn (p. 31) or from the XAF 17,05bn (p. 57) in the EITI Report, as the report likely only covers the companies engaged in upstream activities and transport (i.e. Perenco RDR, APCC and COTCO) (p.57).</p> <p>In the <u>mining sector</u>, dividends paid by Cimemcam to SNI in 2017 are disclosed and reconciled, totalling XAF 539m.</p>	<p>3.3.5 (table 19 p.31 and table 20 p. 32).</p> <p>2017 EITI Report reconciliation tables (here).</p> <p>2017 EITI Report (here), section 4.1.5 (table 37 p. 57).</p> <p>Société Nationale des Hydrocarbures du Cameroun, "Rapport annuel 2017" (pp. 41-42, 46), (accessed 4 April 2020)</p> <p>2017 EITI Report (here), Section 3.3.5 (p. 33) and Section 4.2.5.5 (p. 69),</p>			
Material SOE transfers to government (including	<p>In terms of <u>SNH transfers to government</u>, the report discloses and reconciles the payments made by SNH-Mandat to the state, disaggregated by direct transfers, indirect transfers, dividends, and 'special tax on revenues' (pp.31,57). The</p>	<p>2017 EITI Report (here), section 3.3.5 (Table 19, p. 31), Section</p>		< satisfactory progress>	

²⁰ COTCO ; Perenco RDR ; COTSA ; CHC HILTON ; Chamas ; Hydrac ; APCC ; Tradex.

statutory and ad hoc) have been comprehensively and reliably disclosed (#4.5)	<p>payments of taxes by SNH-Fonctionnement are presented disaggregated by revenue streams both in the report (in aggregate) (pp.31,57) and in the reconciliation tables published as standalones on the EITI Cameroon website.</p> <p>The reconciliation of <u>SNH direct transfers to Treasury</u> with the budget report reveals a discrepancy in SNH's direct transfers of XAF 3.3bn (p.81).</p> <p>The reconciliation of <u>SNH transfers to other government entities</u> ("<i>interventions directes</i>") with the internal budget execution document (Annexe 9) reveals a discrepancy in SNH's indirect transfers of XAF 5bn (p.82). It should be noted that the report gives various figures for the value of indirect transfers: XAF 169,59bn (p.13) and XAF 172,93bn, i.e. 39,5% of oil revenues (p.95). The report provides SNH's unilateral disclosure of the beneficiaries of indirect transfers and amounts per beneficiary: the top three beneficiaries being the "Rapid intervention battalion" (equivalent to USD 181 million), the Ministry of Defence (equivalent to USD 50m), the Civil cabinet / PRC (equivalent to USD 21,5m).</p>	<p>4.1.5.6 (Table 37, p. 57).</p> <p>2017 EITI Report reconciliation tables (here).</p> <p>2017 EITI Report (here), Section 5.3.1. (Table 77 p. 98)</p> <p>2017 EITI Report (here), Section 4.3.6. (Table 62, p. 81; Table 64 p. 82)</p> <p>2017 EITI Report (here), Section 4.3.6. (Table 63 p. 82)</p> <p>2017 EITI Report (here), Section 1.2.1 (p. 13), section 5.1 (p. 95).</p>			
Material government transfers to SOEs have been	The report does not refer to any loan, subsidy or ad hoc transfers from the government to SNH, nor does SNH's 2017 annual report.	2017 EITI Report (here), section 4.1.5.3, pp. 50-54		< satisfactory progress>	

comprehensively and reliably disclosed (#4.5)		Société Nationale des Hydrocarbures du Cameroun, " Rapport annuel 2017 " (accessed 4 April 2020)			
The financial data disclosed is disaggregated by individual company, government entity and revenue stream, in accordance with the definition of project provided in the EITI Standard (#4.7).	<p>The financial data reconciled are presented in the Report in an aggregated manner by revenue streams (pp. 31-33), by companies (pp. 29-30) and by government entities (pp.11 Table 1).</p> <p>To be noted the Annex 13 provides aggregated figures by revenues streams and by companies of financial data unilaterally declared by the government beyond the perimeter of the reconciliation.</p> <p>The data disaggregated by revenue stream and company are only available on the EITI website, with one excel sheet for in-kind payments and another one for in-cash payments.</p> <p>The Report states that the MSG has decided to present the data at the level of project whenever this would be feasible. However, the report does not provide a definition of project by the MSG. The Report does not declare any data by project.</p>	<p>2017 EITI Report (here), section 3.3 (pp. 28-33), Annex 13 (pp. 146-148).</p> <p>EITI website, section Rapport ITIE "EITI-Cameroon- 2017 Fiches de réconciliation en nature" and "EITI-Cameroon- 2017 Fiches de réconciliation en numéraire" (accessed here 23 April 2020).</p> <p>2017 EITI Report (here), Section 3.1.4, p. 26</p>		< meaningful progress>	

For reports covering fiscal years ending on or after 31 December 2018, the financial data disclosed is disaggregated by individual project (#4.7)	N/A However, production and exports of oil and condensates are presented by operator and project in table 88.	2017 EITI Report (here), section 5.6.1, p.105.		<not applicable>	
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Data timeliness (#4.8)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
The country has published regular and timely information in accordance with the EITI Standard, the agreed work plan (#1.5) and provision 4.8.	The MSG published the 2017 Report on 11 February 2020, beyond the two-years' time lag. The 2016 Report was similarly published late on 22 February 2019. A request for an extension of the reporting deadline was not approved by the EITI Board. Delays were due to slow disbursement of payments for the 2014-2015 Reports and internal government procurement delays.			< meaningful progress>	In accordance with Requirement 4.8, Cameroon should publish regular and timely information in accordance with the EITI Standard and the agreed work plan (see Requirement 1.5) on an annual basis,

					with data no older than the second to last complete accounting period.
The MSG has approved the reporting period.	The MSG approved the IA's ToRs for the 2017 EITI Report, during its meeting on 18 December 2018, including the reporting period.	2017 EITI Report (here), Section 3.1. p. 23.			

Requirement 5: Revenue management and distribution

Distribution of extractive industry revenue (#5.1)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
EITI disclosures indicate which extractive industry revenues are recorded in the national budget (#5.1.a)	The 2017 EITI Report states that public finances are managed according to the single Treasury account principle and diagrams of the extractive payment flows are provided (p. 13, pp. 83-85). Of total extractive payments of XAF 624,251bn in 2017 (p. 14), the report states that only 70,8% of government extractives revenues (XAF 441,97bn) (p.15) are allocated to the Treasury.	2017 EITI Report (here), Section 1.2.1 (p. 13), section 1.2.2 (p. 14), section 1.2.3 (p. 15), section 4.3.4 (p. 75),	Several stakeholders consulted including the IA and government officials stated categorically that they considered the revenues withheld by SNH to cover ' <u>direct interventions</u> ' were recorded in the national budget because it was possible to trace these budget advances in the national budget. The IA explained the history of these 'direct interventions' where such expenditures were not overseen by the Ministry of Finance (MINFI) in the past, but	<satisfactory progress>	In accordance with Requirement 5.1, Cameroon should ensure that a clear description of which extractive industry revenues, whether cash or in-kind, are recorded in the national budget is

	<p>The 2017 EITI Report highlights the exceptions to the centralised Treasury revenue-collecting system (p.75):</p> <ul style="list-style-type: none"> • The proceeds from the sale of the state's in-kind revenue, royalties and bonus payments collected by SNH on behalf of the state that may be retained by SNH; • SNH's 'direct interventions', payments on behalf of the state using oil proceeds; • Artisanal gold mining payments collected by CAPAM, which are remitted, net of transfers to the Treasury, to designated agencies and departments in line with the regulations. <p>The report explains the process for ex post regularisation of SNH's 'direct interventions' in the national budget, whereby a monthly meeting of representatives of SNH, Treasury (DGTCFM), the Tax Department (DGI) and the Budget Department (DGB) reviews the SNH 'direct interventions' and reflects the revenues and expenditures in the government's fiscal reports (p.81).</p>	<p>section 4.3.7 (pp. 83-85), section 4.3.6 (p.81).</p>	<p>that there had recently been efforts to include such 'direct interventions' within the budgetary process. However, neither the IA nor other stakeholders consulted confirmed whether the SNH's direct interventions were subject to the same audit and assurance procedures as conventional budget revenues and expenditures. One stakeholder confirmed that SNH's direct interventions were audited by SNH-Mandat's external auditor, but not by the Supreme Audit Institution (Chambre des Comptes).</p> <p>Several stakeholders including the IA, government officials and development partners confirmed that the government had committed in 2017 to reducing the value of SNH's direct interventions over time, but that this had not been done in the 2018-2020 period due to security, and now health, emergencies. Several government officials explained that the SNH was called upon to undertake 'direct interventions' given that these could be executed at a higher speed than conventional budget expenditures. However, several development partners considered that, while the SNH 'direct interventions' were reflected in the government's fiscal reports (TOFE), they did not follow the conventional budgetary process given the ex post regularisation. The partners called for a mechanism to undertake these expenditures through the</p>		<p>publicly disclosed. Where revenues are not recorded in the national budget, the allocation of these revenues must be publicly explained, with links provided to relevant financial reports as applicable.</p>
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			<p>conventional budgetary process in a timely manner, which was considered possible since other budget expenditures could be executed in a swift manner. While some CSOs consulted considered that these 'direct interventions' represented normal budgetary expenditures, other CSOs consulted considered that they broke with conventional budgetary processes and the single Treasury account principle.</p> <p>With regards to government <u>revenues collected by CAPAM as in-kind gold</u>, a government official confirmed that neither CAPAM-collected in-kind revenues nor its in-kind gold transfers to the Ministry of Finance (MINFI) were recorded in the national budget, since these gold revenues are not "monetised" and preserved as in-kind gold.</p>		
Where revenues are not recorded in the budget, the allocation of these revenues has been explained, with links provided to relevant financial reports as applicable (5.1.a)	<p><u>Retained earnings by SNH on government in-kind share of oil revenues</u>: Despite the fact that the report explains the mission of SNH-Mandat to carry state participation in oil and gas (p. 53) and the current list of state participation (p. 55), the report does not mention any costs associated with state participation (p. 55) which could be further clarified. However, both SNH's 2017 annual report and its 2017 statistics review provide the value of its total transfers to the budget as XAF</p>	2017 EITI Report (here), Section 4.1.5.3 (p. 53), section 4.1.5.4 (p. 55) and Section 4.1.5.6 (p.57).	With regards to <u>SNH's retained earnings</u> to cover costs associated with the state's participation in oil and gas projects, a government official explained that the retained earnings by SNH-Mandat were categorised under the 'State's current account' and used to cover costs associated with state participation in oil and gas projects, primarily to cover the state's share of cash calls for capital and operating expenditures. The official confirmed that SNH	< meaningful progress>	

	<p>349bn out of a total of XAF 526bn total revenues. The report explains that the rest is retained by SNH-Mandat to pay for the operations of various projects for a total of XAF 36bn²¹, with XAF 141bn covering the costs associated with state participation in oil and gas projects (described as “<i>dépenses associatives</i>”, p.2 of the 2017 SNH Statistics). The figure of XAF 349bn left to be transferred to the Treasury by SNH-Mandat does not align on the figure “SNH royalty” of XAF 319,4bn in the budget execution report of the MINFI. The summaries of SNH-Mandat’s audited 2017 financial statements and the annual statistics bulletin published on the SNH website provide some information on SNH-Mandat’s expenditures.</p> <p><u>SNH advances “intervention directes”:</u> The largest share of revenues not transferred to Treasury is the SNH advances or indirect transfers accounting for XAF 169,59bn (p. 13) or XAF 172,93bn or 39,5% of oil revenues (p. 95). The report describes these direct SNH payments for certain government security expenditures through retained earnings from the sale of the state’s in-kind revenues, with SNH executing</p>	<p>SNH website, Section Annual Report, “2017 Rapport annuel”, pp. 44-45: (here)</p> <p>SNH website, section “2017 Statistics”, p. 2: (here).</p> <p>MINFI (2018), “Rapport d’exécution budgétaire à fin décembre 2017”, p. 4: (here).</p> <p>2017 EITI Report (here), Section 1.2.1 (p. 13), section 5.1 (pp. 94- 95).</p>	<p>did not receive any transfers from the government or national budget.</p> <p>With regards to <u>SNH’s ‘direct interventions’</u>, the IA explained that it had consulted the Treasury (DGTCFM) and Tax Department (DGI) to source the budget codes and justifying documents for all of SNH’s ‘direct interventions’ in preparing the 2017 EITI Report. The IA explained that it had not had sufficient time to investigate the causes of the XAF 5bn discrepancy between figures for SNH ‘direct interventions’ disclosed by SNH and those from the budget execution report, but considered that there should be no such discrepancy given the monthly reconciliation meetings between SNH and the Treasury, Tax and Budget Departments. Several government officials confirmed that the correct value of SNH’s ‘direct interventions’ was included in the 2017 EITI Report and that the discrepancy was due to an error in the Treasury’s Central Accounting Agency (ACCT), which had incorrectly categorised a SNH transfer to the Treasury as a ‘direct intervention’. The officials noted that they had explained the sources of the discrepancy to the IA during the preparation of the 2017 EITI Report. Several development partners welcomed the additional details on the SNH’s ‘direct interventions’ in the 2017 EITI Report but noted that it should have been possible</p>		
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²¹ The SNH’s 2017 Annual Report (p. 45) lists amongst this global category of spending by SNH-Mandat: stocks ; security ; investment in gas project ; control fees ; rehabilitation sites costs ; etc.

	<p>payment on behalf of the Treasury and subsequently submitting receipts to the Treasury to be recorded in the national budget ex post (pp. 81-82). The report presents the contribution of extractive revenues to the budget that excludes the SNH's 'indirect transfers', as highlighted in a footnote (p.94).</p> <p>For 2017, the report lists the beneficiaries of these payments, with aggregate amounts for each²², as well as the accounting codes used for these payment (p.82). This includes Account 2279 within "Investment line" (material, machinery, installations, technology and functioning services) and Account 6189 (other external payment services) within "Operations line". A summary of the account deductions is provided in Annex 9, although Annex 9 does not include a description of the type of spending beyond the budget classification code/number.</p> <p>With respect to the decision-making process, the 2017 EITI Report notes that the Ministry of Defence, the Ministry of Justice, the External Research General Directorate, the National Defence General Directorate, the Presidential Security Directorate and the State</p>	<p>2017 EITI Report (here), Section 4.3.1 (pp. 81-82), Annexe 9 (pp. 135-136).</p> <p>African Arguments (June 2020), 'Making a killing: Israeli mercenaries in Cameroon' (here).</p> <p>2017 EITI Report (here), Section 4.1.2.4 (p. 43-44) and Section 4.3.6 (p. 82).</p> <p>IMF Website, "Mémorandum de</p>	<p>to provide more detail on these expenditures even though they were related to national security. The partners considered that it should have been possible to break down SNH's transfers to the 13 recipient government and public-sector entities between the two budget codes, i.e. 'equipment' and 'services', rather than only providing this breakdown for aggregate SNH 'direct interventions'. They also expressed surprise at the fact that SNH had made transfers to the state-owned broadcast media company as 'direct interventions' in 2017, questioning whether those were also security-related. There has been some international media coverage of procurement of foreign training forces by the Rapid Intervention Battalion (BIR), an elite unit of the Cameroonian army.</p> <p>With regards to <u>CAPAM's retentions of government revenues</u>, a government representative explained that the Treasury's Central Accounting Agency (<i>Agence Comptable Centrale du Trésor, ACCT</i>) was in charge of receiving the state's share of in-kind gold revenues transferred by CAPAM. These gold revenues were used to increase the central bank's gold reserves. An inter-governmental committee had been established to improve the recording of in-kind gold revenues collected by CAPAM in the</p>		
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²² The top three beneficiaries being the "Rapid intervention battalion" (equivalent to USD 181 million), the Ministry of Defence (equivalent to USD 50 million), the Civil cabinet / PRC (equivalent to USD 21,5 million).

	<p>Defence Secretariat are eligible to request direct financing, via the Presidency. Four institutions namely the SNH, DGTCFM, DGI and DGB meet monthly to tally expenses. The meeting minutes are sent to the Treasury's General Director to offset SNH's advances against royalty payments.</p> <p>The 2017 EITI Report notes that the Cameroon government, in its Memorandum letter to the IMF, committed to reduce direct interventions by SNH to 50% of SNH's 2017 in-kind government share of oil revenues and to include sufficient budgetary allocations for future security expenditure, as the IMF defines the indirect transfers as an "off-budget advance expenditure mechanism"²³ in the "2018 Article IV Consultation on Cameroon" (p. 46). In 2017, direct transfers represented 46% and indirect transfers represented 54% (p.46), which led the IMF to conclude that their structural benchmark was missed in 2017 but by a marginal XAF 1bn (p.62). The memorandum also contains the government's commitment to include total oil revenues and indirect transfers ("interventions directes") in the TOFE, beyond the in-kind share of oil revenue collected by SNH (pp.42-</p>	<p><i>politiques économiques et financières 2017-2019": (here).</i></p> <p><i>2017 EITI Report (here), Section 4.1.5.3 (p. 46).</i></p> <p><i>IMF (July 2018), "2018 Article IV Consultation on Cameroon" p. 46, p. 62, p. 77: (here).</i></p> <p><i>2017 EITI Report (here), Section 4.3.6 (p. 81-82) and Annex 9</i></p>	<p>national budget, although work was still ongoing. The committee set up by the Minister of Finance and chaired by the Director of Accounting within the Treasury. In addition to representatives of the Treasury, this committee was composed of representatives from DGI, MINMIDT, CAPAM and a bailiff and is responsible for carrying out a physical inventory of the quantity of gold transferred to MINFI and allocating the quotas due to each type of beneficiary. Minutes of the meetings were agreed and signed by all parties. The gold transferred to the MINFI was weighed and stored at the Central Treasury Accounting Agency. Government representatives consulted explained that these revenues were not recorded in the Treasury's balance of accounts or budget documents as the in-kind revenues were not monetized.</p> <p>One international partner raised concerns over CAPAM's mandate and financial management, with allegations that its management of government revenues was opaque. A government official noted the existence of a financial report describing CAPAM's financial management but confirmed that this document was not publicly accessible.</p>		
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²³ Jeune Afrique (mai 2018), « Cameroun : Adolphe Moudiki, une vie dans l'ombre de Paul Biya », accessed [here](#) (9 April 2020): « Depuis les années 1990, le FMI exhorte l'État à « arrêter de recourir à la SNH comme mécanisme hors budget de dépenses par avance ».

	<p>43,82), which is presented as both a precondition and a structural benchmark in the agreement with the IMF (p.24). The IMF “2018 Article IV Consultation on Cameroon” presents the benchmark to “include the total petroleum receipts of national oil company SNH and direct interventions in the monthly table of government financial operations (TOFE)” as met (p.77), though the monthly fiscal tables (TOFE) were not accessible online. The reconciliation of SNH figures of indirect transfer to other government entities (“interventions directes”) with the internal budget execution document (Annex 9) reveals a discrepancy in SNH’s indirect transfers of XAF 5bn (USD 8,3m) not offset by the Treasury (p.82). The report does not describe which amounts or types of revenues is recorded in the 2017 TOFE.</p> <p>Beyond the reconciliation of SNH’s budget advances with the budget execution report, using the classification codes disclosed in the 2017 EITI Report (Annex 9), the report does not provide a description of type or nature of each expenditure. This raises an issue of interpretation of the level of detail required for off-budget expenditures under Requirement 5.1 in the absence</p>	<p>(pp. 135-136).</p> <p>2017 EITI Report (here), section 4.2.8, pp. 70-71, section 4.3.4 (pp. 75-80), section 4.3.7 (p.85), section 5.3.2 (p.100).</p> <p>MINFI website, section Legislation, “Loi n° 2016/018 du 14 décembre 2016 portant loi de finances de la République du Cameroun pour l’exercice</p>				
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	<p>of a financial report, beyond a broad definition of national security.</p> <p><u>CAPAM's retentions on government revenues:</u> According to Decree 2014/2349/PM of 1 August 2014, CAPAM is empowered to collect on behalf of the state the ad valorem tax, the tax on benefits and the state's share (12.8%) on gold production from artisanal and small-scale miners (pp.77-78). The report describes the volumes collected by CAPAM for each local entity with corresponding value in 2017 (table 81 p.100) (see <i>Requirement 4.2</i>).</p> <p>The 2017 EITI Report notes that CAPAM transferred retroactively 3 handovers of 276 193 grams of gold to the Ministry of Finance (pp. 78-79), for delayed payments over the period 2012-2018. As such, the IA has confirmed the actual practice of transfers to the government in 2017 (p.78). The budget law for 2017, the documents on budget execution for 2017 do not list the in-kind revenues collected by CAPAM. There is no further explanation in the EITI Report of CAPAM's retentions on in-kind gold revenues beyond a diagram (p. 85) that suggests that CAPAM is entitled to a transfer of 2.5% of revenues it collects from the Treasury and of 60% from the</p>	<p>2017", p.38: (here)</p> <p>MINFI website (2018), "Rapport d'exécution budgétaire à fin décembre 2017", p. 4: (here)</p>			
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	MINFI. The report does not provide a link to a financial report explaining CAPAM's financial management in 2017.				
<i>The MSG has referenced any national revenue classification systems or international data standards (5.1.b)</i>	<i>The report notes that the nomenclature of budget revenues and expenditures is set in the national budget (Loi des finances) every year (p.74). However, the report does not comment on differences between the Cameroonian budget nomenclature for 2017 international revenue classification codes (e.g. GFS).</i>		<i>A development partner explained that the government was supported by the IMF in reforms of its national revenue classification system.</i>	N/A	

Subnational transfers (#5.2)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
Constitutional, statutory and other mandatory revenue sharing requirements and the MSG's	The EITI Report confirms that mandatory subnational transfers of extractives revenues exist in the mining sector, but not in oil and gas. The report describes three types of subnational transfers, although only the first two appear	2017 EITI Report (here), section 4.3.5, pp. 75-80.	Several government officials consulted emphasised that the system for subnational transfers was in the process of being reformed, which was part of the rationale for the creation of the Ministry of Decentralisation and Local Development in	< satisfactory progress>	In accordance with Requirement 5.2, Cameroon should ensure that material transfers are disclosed, including

definition of materiality regarding mandatory subnational transfers have been documented (#5.2.a)	<p>specifically linked to extractive revenues in accordance with Requirement 5.2:</p> <p>(1) The first covers subnational transfers of <u>ad valorem tax, extraction tax and royalty on water production</u> to host communes, with 25% to territorially competent communes (local governments) (p.75) as compensation for the impact of extractive activities.</p> <p>(2) The second is a subnational transfer to host communes (local governments) of one <u>quarter (25%) of the state's share (12.8%) on gold production from artisanal and small-scale miners, of the ad valorem tax and of the tax on profits</u> (pp.77-78). The report explains that the regulatory Decree of the 2016 Mining Code has not been issued yet (article 28). This decree provides for a reform towards a single combined tax on ASM, replacing the ad valorem tax, tax on benefits and the in-kind share of the government currently collected by CAPAM (pp. 70-71, p. 72, p. 77). The prevailing legal framework for these subnational transfers is thus Decree 2014/2349/PM of 1 August 2014, which does not provide for the rules of the in-kind share allocation to host communes (p. 71). This explains why CAPAM collected the taxes and</p>	<p>2017 EITI Report (here), section 4.2.8, pp. 70-71, section 4.2.12.3 p. 72, section 4.3.5, pp. 75-80.</p>	<p>2018. One government official considered that the EITI had had an impact to drawing public attention to the uneven execution of subnational transfers in practice and the need for reform. The officials explained that the gaps in the 2017 EITI Report were primarily due to the fact that these reforms launched in 2017 had not yet been completed, which hindered the traceability of some subnational transfers. They highlighted the growing importance of FEICOM in strengthening oversight of subnational transfers. A government official noted reforms of the rendering of local government accounts in 2018, with the law now holding mayors accountable for the financial management of their communes.</p> <p>With regards to transfers of <u>ad valorem tax, extraction tax and royalty on water production</u>, stakeholders consulted from different constituencies confirmed that these were effective in practice, although several CSOs raised concerns about the actual use of these funds by local governments in practice.</p> <p>With regards to <u>transfers related to CAPAM-collected revenues from gold ASM</u>, several government officials consulted confirmed that the legal framework was still incomplete, given that the Treasury had been charged with drafting the implementation decree for</p>		<p>the revenue-sharing formula, as well as any discrepancies between the transfer amount calculated in accordance with the relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity. Cameroon is encouraged to agree a procedure to address data quality and assurance of information on subnational transfers, in accordance with Requirement 4.9. Cameroon may further wish to report on how extractive revenues earmarked for specific programmes or investments at the subnational level are</p>
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	<p>transferred them to the Treasury but did not yet transfer relevant shares to host communes (local governments) (p. 78).</p> <p>(3) The report highlights the <u>10% of Corporate Income Tax (IS) and Capital Gains Tax</u> (IRCM-Impôt sur les revenus des capitaux mobiliers) revenues that are meant to be transferred to the relevant local governments (p.76). Given that Corporate Income Tax and Capital Gains Tax are not revenue streams that are specific to the extractive industries, the related transfers are not considered subnational transfers in accordance with Requirement 5.2. According to the IA's interviews with the DGI and DGE referenced in the report, the transfers of 70% of revenues to communes would apply for the communes where companies are headquartered and not where they operate in oil or mining affected regions.</p> <p>The report provides the general statutory formulas for calculating the three types of subnational transfers (p.75-76).</p>		<p>these transfers but that this work had not yet been completed as of July 2020.</p> <p>Several government officials explained that the lack of transfers of a share of the ad valorem tax to communes was due to the fact that the in-kind gold collected had not been "monetised" and recorded in national budget documents in 2017, despite on-going discussions through the Committee established by the Ministry of Finance to resolve the lack of subnational transfers.</p> <p>With regards to transfers of a share of <u>Corporate Income Tax (IS) and Capital Gains Tax (IRCM)</u>, a government official explained that the Tax Department (DGI) had long argued that these transfers did not constitute subnational transfers of extractive revenues in the sense of Requirement 5.2, but that these transfers had been included in successive EITI Reports given pressure from civil society on the MSG to cover them in EITI reporting. One government official clarified that Capital Gains Tax (IRCM) was only applied to entities domiciled onshore in Cameroon, not on capital gains offshore/overseas. The IA noted that it had only calculated the share of Corporate Income Tax and Capital Gains Tax from extractives and oil transport companies, and thus considered that the calculations in the EITI Report represented subnational</p>		<p>managed, and actual disbursements.</p>
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			transfers of common taxes related only to extractives companies.		
The MSG has considered the data reliability (4.9) of disclosures of mandatory subnational transfers (5.2.a)	(1) With regards to the <u>transfer of 25% of the ad valorem tax, extraction tax and royalty on water production</u> , the report describes that only the large taxpayers office (DGE) has been able to communicate the amount collected, of XAF 344,6m, only from quarrying companies. However, the report notes that the actual amount transferred to impacted communes is XAF 22m less than the amount calculated according to the revenue-sharing formula (p.76). Annex 8 lists 9 quarrying companies with the amount collected of taxes, the theoretical amount to be transferred according to the formula, and the discrepancies with actual transfers, although the names of the recipient communes are not listed. The report describes that the lack of interconnection between the IT systems of Treasury and Tax department (DGI) prevents the tracking of all subnational transfers in this category (p. 75). It further explains that transfers to communes by the Treasury are aggregated in a single account, which prevents the tracking of exact transfer values (p.76). As follow up to a recommendation of the 2016 EITI	2017 EITI Report (here), Section 4.3.5 (pp. 75-76), section 6.1.1, p. 109, Annex 8 (p. 134).	<p>With regards to transfers of <u>ad valorem tax, extraction tax and royalty on water production</u>, none of the stakeholders consulted could confirm the comprehensiveness of figures in the 2017 EITI Report related to the amount that should theoretically have been transferred and the amounts actually transferred in practice. It was unclear from stakeholder consultations whether subnational transfers were also related to ad valorem, extraction tax and royalty payments by companies reporting to the DGI, rather than the DGE. However, several government officials considered that the overwhelming majority of revenues collected for these taxes was handled by the DGE, rather than the DGI.</p> <p>Stakeholders consulted confirmed the lack of interconnection in IT systems of different government entities, which hindered the traceability of revenues and transfers. One government representative explained that the MINDMIDT had developed a spreadsheet to track subnational transfers to the communes. One stakeholder noted that the FEICOM was now attending MSG meetings, as part of the MSG's strategy to improve the understanding and traceability of subnational transfers. Stakeholders consulted confirmed</p>	< meaningful progress>	

	<p>Report, the 2017 EITI Report notes that a scoping study to connect the systems of the relevant government agencies (Treasury, Tax Department DGI and the MINMIDT) is in progress (p. 109).</p> <p>(2) With regards to the <u>subnational transfer of one quarter (25%) of the state's share (12.8%) ad valorem tax and tax on benefits on gold production</u> from artisanal and small-scale miners, earmarked for host communes, the report describes the in-kind gold collected by CAPAM in relation to the three taxes and the detailed transfers to the Treasury (pp. 78-79). It finally calculates the theoretical transfer to host communes only for the regularisation of the transfers of the tax ad valorem on the period 2012-2018, as a Committee MINFI-MINDMIT (CAPAM) established in July 2018 listed all the CAPAM transfers to the Treasury and decided that ad valorem tax should be transferred (disaggregated by commune), though it had not been done in 2017. The report says that the "omission" by the Commission, to also list the two other tax revenues to be transferred, was expected to be regularised with the enactment of the Decree implementing the 2016 Mining Code (p.80).</p>	<p>2017 EITI Report (here), section 4.3.5, pp. 75-80.</p>	<p>the ongoing reform for the interconnection of IT systems, under the aegis of the MINFI's general secretariat. While the identity of communes receiving transfers had not been included in the 2017 EITI Report, a government official confirmed that this data was available within government systems.</p> <p>However, a government official raised concerns over the reliability of data on subnational transfers provided in Annex 8 of the 2017 EITI Report, particularly related to payments by three companies (CCCCC, UTA and BUNS). None of the stakeholders consulted could explain the XAF 22m discrepancy between notional and actual subnational transfers. Several CSOs raised concerns over the use of subnational transfers by communes, with allegations of misallocation of these funds at the local level.</p> <p>With regards to transfers related to <u>CAPAM-collected revenues on gold production</u>, stakeholder consultations confirmed that no subnational transfers of the ad valorem tax to host communes had taken place in 2017. Several government officials explained that the revenues collected by CAPAM on behalf of the state were not recorded in the government's fiscal reporting (TOFE) nor in budget documents, given that the in-kind gold had not yet been monetized, despite</p>		
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	<p>(3) With regards to the <u>10% collected revenues under Corporate Income Tax (IS) and Capital Gains Tax (IRCM-Impôt sur les revenus des capitaux mobiliers)</u>, the report notes that these transfers are made to the local government where the companies were headquartered (Yaounde or Douala), not where they operate. The report provides the calculations of what should have been transferred to the local governments (albeit in aggregate for all local governments) but notes that data on the executed subnational transfers was not provided for the report.</p> <p>In its comments on the draft assessment, the MSG highlighted the efforts undertaken both by the MSG and the government to ensure the implementation of statutory subnational transfer provisions in practice. The MSG noted the production of a report by one of its ad hoc working groups on the issue of subnational transfers, with several recommendations for the timelier disbursement of transfers to subnational government entities. The MSG also highlighted a new priority plan by the Ministry of Finance to ensure inter-operability between the Tax Office (DGI) and Treasury IT systems to</p>	<p>2017 EITI Report (here), section 4.3.5, table 54, pp. 77.</p>	<p>ongoing discussions on a newly-established Committee to resolve arrears in transfers of in-kind gold revenues. Thus, pending monetisation of this gold, the officials explained that a share of these revenues could not yet be transferred to communes. Several officials also explained that the implementing Decree setting the procedures for the revenue-sharing with the different communes had not yet been drafted or enacted.</p> <p>With regards to transfers of a share of <u>Corporate Income Tax and Capital Gains Tax</u>, several government officials confirmed that the subnational transfers were earmarked for the communes where companies were headquartered, not where they operate. There was consensus among stakeholders consulted that extractive companies were normally headquartered in the larger cities of Yaoundé and Douala. Several civil society and government stakeholders consulted raised concerns over this, noting the importance of subnational transfers to communes where the extraction activity was based, as compensation for host communities. None of the stakeholders consulted could explain why data on actual transfers of Corporate Income Tax and Capital Gains Tax to the communes in 2017 were not reported.</p>		
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	establish more robust traceability of transfers.				
<i>The MSG has included ad-hoc subnational transfers in the EITI reporting process, with appropriate attention to data quality (#5.2.b).</i>	<i>The report does not mention any other forms of ad hoc subnational transfers.</i>		<i>None of the stakeholders consulted noted the existence of any other ad hoc subnational transfers.</i>	<not applicable>	
<i>The MSG has reported on how extractive revenues earmarked for specific programmes or investments at the subnational level are managed, and actual disbursements (#5.2.c)</i>	<i>The report references payments by the extractive companies of XAF 593m transferred to a special account called “land credit of Cameroon”. However, the report does not specify whether these funds would be used at the subnational level or for specific earmarked purposes.</i>	<i>2017 EITI Report (here), section 4.3.5 (p. 80).</i>		<not applicable>	

Requirement 6: Social and economic spending

Social and environmental expenditures (#6.1)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
The MSG has agreed a definition of materiality with regards to mandatory social expenditures (#6.1.a)	The MSG discussed and agreed a materiality threshold of zero for companies to unilaterally disclose their mandatory social expenditures.	2017 EITI Report (here), section 5.5, p.107.	A government official noted that some oil and gas companies had social expenditure clauses in their contracts, while all mining production license holders are required to undertake social expenditures. Representatives of two smaller oil and gas companies stated that their contracts did not include any mandatory social expenditures provisions.	< satisfactory progress>	In accordance with Requirement 6.1, Cameroon should undertake a comprehensive review of all mandatory social expenditures and environmental payments mandated by law or contract. Cameroon should ensure that public disclosures of mandatory social expenditures and environmental payments in future EITI reporting be disaggregated between cash and in-
Where mandatory social expenditures exist and are material, these have been disclosed, with appropriate attention to data quality (4.9),	For <u>oil and gas</u> , the 2017 EITI Report does not refer to any specific obligation in the Petroleum Code of mandatory expenditures, such as the workforce training fees mentioned during the first Validation, however it mentions the obligation in the new 2019 Petroleum Code for companies to provide a program of professional training (p.43). However, these payments for professional training were not required in the	2017 EITI Report (here), section 4.1.2.4 (p. 43), section 4.1.5.5 p. 56, section 4.1.11, p.60, section 5.5, p.107,	Stakeholders consulted confirmed that there had not been a comprehensive review of mining, oil and gas contracts in preparation of the EITI Report, given that contracts were not public.	< satisfactory progress>	

including any gaps (#6.1.a)	<p>period under review (2017). While most oil and gas contracts do not require companies to undertake other social expenditures, the report notes that the IA “understands” that certain companies such as Dana Petroleum have social expenditure requirements in their contracts (p.60). However, Annex 7 does not disclose any mandatory social expenditures by Dana Petroleum as the company was not considered a material company for EITI reporting in 2017. The report states that SNH did not undertake any social expenditures in 2017 (p.56).</p> <p>For mining, the 2017 EITI Report explains that Article 16 of the Mining Code requires mining companies to include social expenditure commitments in their operating contracts.</p> <p>Regarding data quality, the MSG decided that data should be reported unilaterally by companies in their reporting templates with the same data assurance mechanisms than for other data disclosure (see Requirement 4.9), and that they could not be reconciled in the local context of extractive activities.</p> <p>Regarding the disclosure in practice, only 1 mining company (Caminex) out of the 17 material mining, oil and gas companies reported any mandatory social expenditures (pp.107,133). The report does not provide the IA’s assessment of the comprehensiveness of mandatory social expenditure disclosures. It should be noted that Caminex’s reporting</p>	<p>Annex 7 p. 132-133.</p> <p>2017 EITI Report (here), pp.71,107,133.</p>			<p>kind expenditures, by type of payment and beneficiary, clarifying the name and function of any non-government (third-party) beneficiaries. Cameroon may wish to ensure that mandatory social expenditure requirements are more clearly codified in mining contracts with set timeframes to ensure more efficient monitoring and oversight.</p>
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	template was not signed by a high-level company official, one of the quality assurances for EITI reporting (p. 133).				
Disclosures of mandatory social expenditures have been disaggregated by payment type, company, between cash and in-kind and include information on the nature of in-kind expenditures and the identity of any non-government beneficiaries (#6.1.a)	The unilateral disclosure of Caminex mandatory social expenditures in 2017 up to XAF 4m in cash. The report does not specify the nature of in-kind payments nor the beneficiary(ies).	2017 EITI Report (here), section 5.5, p. 107, Annex 7 p. 132-133.	A government official explained that all quarrying companies were required to apply for environmental conformity certificates. Under the 2016 Mining Code however, mining companies are not required to follow this procedure, but rather to contribute to an environmental rehabilitation fund (an escrow account not yet established). An oil and gas representative noted that oil and gas companies followed their own environmental and social plans, despite not having a requirement in their contract.	< meaningful progress>	
The MSG has agreed a definition of materiality with regards to mandatory environmental expenditures (#6.1.b)	There is no evidence that the MSG has discussed or agreed any definition of mandatory environmental expenditures, nor agreed any materiality threshold for disclosures.	2017 EITI Report (here), section 5.5, p.107		< no progress>	

Where mandatory environmental expenditures exist and are material, these have been disclosed, with appropriate attention to data quality (4.9), including any gaps (#6.1.b)	There is no evidence that the MSG has discussed or agreed any definition of mandatory environmental expenditures, and the 2017 EITI Report does not refer to the existence of any mandatory environmental expenditures. However, the list of revenue flows applicable in the mining and oil and gas sectors in Annex 13 does not identify any revenue flows that are related to environmental issues.	2017 EITI Report (here), Annex 13 (p.146).		<not applicable>	
The MSG has disclosed discretionary social and environmental expenditures, with appropriate attention to data quality (#6.1.c)	<i>The 2017 EITI Report lists the voluntary social expenditures by 6 oil, gas and mining companies both in-kind and in cash, on the basis of unilateral disclosure in the companies reporting templates, with the same quality assurance as for other revenues streams (see Requirement 4.9).</i> <i>The 2017 SNH annual report describes a long list of activities – which can be assumed to be voluntary - to support environment protection, professional training of young Cameroons, the Cameroon culture and the sport in the country.</i>	2017 EITI Report (here), section 5.5, p. 107, Annex 7 p. 132-133. SNH website, Section Annual Report, “2017 Rapport annuel”, pp. 38-39: (here).		<not applicable>	

Quasi-fiscal expenditures (#6.2)

EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
The MSG has agreed a definition of materiality with regards to quasi-fiscal expenditures by SOEs, including SOE subsidiaries and joint ventures (#6.2)	<p>The MSG has not defined a specific materiality threshold for QFEs other than the one for other revenue streams (threshold to zero p. 24).</p> <p>However, the definition of quasi-fiscal expenditures provided in the EITI Report is narrower than that in the EITI Standard and in the IMF's Fiscal Transparency Manual, by focusing only on social expenditures undertaken outside of the national budgetary process.</p> <p>In its comments on the draft assessment, the MSG confirmed that the IMF's definition of quasi-fiscal expenditures included operations related to public spending and that these could include forms of direct expenditures by SOEs.</p>	2017 EITI Report (here), section 3.1.3.3 (p. 24) and section 4.1.5.5 (p. 56) on QFEs.	There was significant debate about the categorisation of quasi-fiscal expenditures during stakeholder consultations. Most stakeholders consulted, including the IA, government officials, and many CSOs stated categorically that SNH 'direct interventions' were not quasi-fiscal expenditures given that they were regularised ex post in the government's fiscal reports (TOFE) and the national budget. A minority of other CSOs and development partners considered that these revenues and expenditures were not a conventional form of budget execution.	< no progress>	In accordance with Requirement 6.2, Cameroon should ensure public disclosures from SOEs on their quasi-fiscal expenditures, through a reporting process that achieves a level of transparency commensurate with other payments and revenue streams and includes SOE subsidiaries and joint ventures. Cameroon may wish to take the IMF's definition of
Where quasi-fiscal expenditures exist and are material, the MSG has developed a reporting process for disclosure of quasi-fiscal expenditures and	The report explains that SNH does not undertake any QFEs, either in subsidising petroleum products sold by SONARA, nor for infrastructure development or reimbursement of sovereign debt (p.56).	2017 EITI Report (here), section 4.1.5.6 (p. 56).	With regards to SNH's 'direct interventions', most stakeholders consulted highlighted the sensitive nature of the security spending involved, but many welcomed the disclosures in the 2017 EITI Report. A development partner considered that the detail of SNH expenditures to the 13 government or public-	< meaningful progress>	quasi-fiscal expenditures into account when considering whether expenditures are considered quasi-fiscal.

these expenditures have been disclosed accordingly (6.2)	<p>There are two types of SNH expenditures on behalf of the state described in the EITI Report that could be categorized as QFEs:</p> <p><u>(1) Indirect transfers by SNH for budgeted defence and justice expenditures:</u> The 2017 EITI Report describes the practice of 'direct interventions' by SNH on behalf of the budget, where SNH retains oil and gas revenues to cover government security expenses, with receipts subsequently registered on the national budget ex post (pp.81-82). Given that such expenditures are instructed by the Presidency in its budget-making process and subsequently recorded in the budget execution report, the report refers to consultations with the Treasury in considering that such expenditures do not represent quasi-fiscal expenditures (p. 56). The report lists the 13 security and defence governmental agencies and the state media that received SNH 'direct interventions' (p.82). Yet the report refers to assurances from the Treasury and Central Treasury Accountancy Agency (ACCT) that SNH's "direct interventions" are reflected in the government's budgetary revenues and expenditures and can thus not be considered forms of quasi-fiscal expenditures (p.56). However, the report does not include these 'direct interventions' as part of its calculations of budget revenues, in a footnote (p.94) (See <i>Requirement 5.1</i>).</p>	<p>2017 EITI Report (here), section 4.3.6 (p. 81-82)</p> <p>2017 EITI Report (here), Section 4.1.5.3 (p. 53), section 4.1.5.4 (p. 55) and Section 4.1.5.6 (p.57), p.50.</p> <p>SNH website, Section Annual Report, "2017 Rapport annuel", pp. 44-45: (accessed here 27 March 2020)</p> <p>SNH website, section "2017 Statistics", p.2: (accessed here 27 March).</p>	<p>sector entities was useful but considered that it was legitimate to require a breakdown between goods and services in the allocations to each entity, even if national security was involved. Several government officials and development partners noted that the government had committed to curbing and gradually reducing the value of SNH's direct interventions over time, although this had not yet been done since the commitment was made in 2017. Indeed, anecdotal evidence from some stakeholders consulted indicated that SNH's direct interventions had more recently focused on efforts in the context of the Covid-19 crisis.</p> <p>With regards to <u>SNH-Mandat's coverage of the costs of state participation in oil projects</u>, a government official stated that SNH had full financial autonomy from the state and was tasked with covering the state's share of costs in oil and gas projects. The official highlighted the publication of summarised financial statements and statistics reports on the SNH website.</p>		
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	<p>The 2017 budget discloses total budgeted expenditure on defence and security, but does not highlight the share of expenditures and items (by budget code) to be covered by SNH's 'direct interventions'. The 2017 budget execution report does include the aggregate value of SNH's 'direct interventions', but without disaggregating transfers by recipient public-sector entity or by budget code.</p> <p><u>(2) Costs of state participation in oil projects covered by SNH-Mandat:</u> The 2017 EITI Report describes the fact that SNH-Mandat covers the costs of state participation only in general (p.55), although both SNH's 2017 annual report and its 2017 statistics report state that SNH's total transfer to the Treasury was XAF 349bn of a total of XAF 526bn in total revenues. Of the rest, SNH-Mandat retained XAF 36bn²⁴ for its operational costs and XAF 141bn for covering costs associated with state participation in oil and gas projects (described as "dépenses associatives" on p.2 of 2017 Statistics).</p> <p>With regards to <u>SONARA's outstanding debt to SNH</u>, the report notes the existence of XAF 28.3bn in outstanding arrears not yet recovered in debt by SONARA to SNH (p.50) but does not state that this should be considered a form of implicit subsidy. The report notes that SNH supplied crude oil to the national oil refinery</p>	<p>2017 EITI Report (here), section 4.1.5.2 (p.50), section 4.1.5.5 (p. 56) and Annex 12 (pp. 142-145).</p> <p>Loi des Finances 2017 (here).</p> <p>2017 EITI Report (here), section 4.1.5.5 (p. 56), section 4.1.9, p. 59; section 5.4, table 84, p. 102.</p> <p>SNH website, section "2017 Statistics", pp. 1-2: (accessed here on 22 April).</p> <p>WB/IFC (April 2015), "Cameroon: Kribi</p>	<p>With regards to <u>SONARA's outstanding debt to SNH</u>, a government official confirmed that SNH had cut all commercial relations with SONARA since 2015 and that the outstanding arrears were not categorised as a subsidy but rather an accounts receivable in SNH's accounts.</p> <p>With regards to the <u>Bipaga-Mpolongwe pipeline</u>, a government official explained that this was a key gas pipeline required to transport gas from the Sanaga gas field to the Kribi power plant operated by KPDC. The official explained that this was not an open access piece of infrastructure, but rather a piece of project infrastructure.</p>		
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²⁴ The SNH's 2017 Annual Report (p. 45) lists amongst this global category of spending by SNH-Mandat: stocks ; security ; investment in gas project ; control fees ; rehabilitation sites costs ; etc.

	<p>until 2014, before ceasing any commercial relationship from 2015 onwards. Stakeholder consultations confirmed that there was a typo in the last table of Annex 12 indicating that the group “Addax e/SONARA” had bought 6 different cargoes of crude oil from SNH for a total value of XAF 134m in 2017, which should have read “Addax Energy”. The EITI Report states that no direct or indirect subsidy (which could be considered a QFE) has been made to SONARA through the sales of crude oil, as confirmed in the details of SNH sales in 2017 (p.56).</p> <p>With regards to the development of the <u>Bipaga-Mpolongwe pipeline</u>, the report’s description of transport revenues notes that SNH-Mandat buys all of the natural gas production from the Sanaga Sud field to sell it to the company KPDC, which operates the thermal power plant of Kribi. It explains that the profits made by SNH-Mandat on these sales amortised the cost of building the Bipaga-Mpolongwe pipeline, which was covered by SNH-Mandat (p.59).</p> <p>In its comments on the draft assessment, the MSG highlighted that it considered SNH’s ‘direct interventions’ to be forms of conventional budgetary expenditures, not quasi-fiscal expenditures. It argued that point 10 of the Technical Memorandum of Understanding for the IMF’s extended credit facility (ECF) in 2017 confirmed that SNH ‘direct interventions’ were forms of budgetary spending. The MSG</p>	<p>powerplant”, Public-private partnerships brief, p.2 (accessed here on 22 April)</p> <p>IMF (July 2017), ‘Attachment II. Technical Memorandum of Understanding , Provisions of the Extended Credit Facility (ECF)’, accessed here.</p> <p>IMF (July 2017), ‘Cameroon: Request for a three-year arrangement under the extended credit facility’, accessible here, p.21.</p>			
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	<p>considered that the Parliament exercised oversight of these expenditures through its review of the annual budget execution report.</p> <p>However, the IMF's 2017 extended credit facility agreement with Cameroun states: "<i>More problematic issues include the extensive use of treasury advances, payments by the treasury of previous year's arrears, well beyond the (already long) 90-day complementary period, and direct spending by the national oil company (SNH), which is regularized ex-post in the budget and displaces regular budgeted spending.</i>"</p>				
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Environmental impact (#6.4)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
EITI implementation addresses the management and monitoring of the environmental impact of the	The 2017 EITI Report does not address the management and monitoring of the environmental impact of the extractive industries.	2017 EITI Report (here), section 4.1.2, pp.40-43, section 4.2.2.1, pp.60-64.	Stakeholders consulted did not express any particular views on the 2017 EITI Report's coverage of the environmental impacts of the extractive industries.	<not applicable>	To strengthen implementation, Cameroon may wish to publicly disclose information on the management and monitoring of the environmental

extractive industries (#6.4)					impact of the extractive industries. This could include an overview of relevant legal provisions and administrative rules, actual practice related to environmental management and monitoring of extractive investments, information on regular environmental monitoring procedures, administrative and sanctioning processes of governments, as well as environmental liabilities, environmental rehabilitation and remediation programmes.
EITI implementation addresses relevant legal provisions, administrative rules as well as actual practice related to environmental management and monitoring of extractive investments in the country (6.4.a)	The report's description of the various authorities in charge of the governance of the oil, gas and mining sector briefly explains the oversight role of the Mining Department (DM) (pp.42,63), although it does not explicitly state whether the DM's role covers the implementation of environmental rules or whether this is the responsibility of another Ministry. There is no further reference to the legal framework of environmental management and monitoring of extractive investments.	2017 EITI Report (here), section 4.1.2. pp.40-43, section 4.2.2.1, pp.60-64.			
EITI implementation addresses regular environmental monitoring procedures, administrative and sanctioning processes of governments, as well as environmental	When describing the legal reforms in the mining sector, the 2017 EITI Report mentions briefly the legal provision in the new 2016 Mining Code for the creation of a fund for the rehabilitation and remediation of mine and quarrying sites upon closures (p.63). There is no further reference to statutory environmental monitoring procedures, administrative and sanctioning processes of governments, as well as environmental	2017 EITI Report (here), section 4.1.2. pp.40-43, section 4.2.2.1, pp.60-64.			

liabilities, environmental rehabilitation and remediation programs (6.4.b)	liabilities, environmental rehabilitation and remediation programs.				
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Requirement 7: Outcomes and impact of implementation

Public debate (#7.1)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
EITI disclosures, including government and company disclosures, are comprehensible, have been actively promoted, are publicly accessible and have contributed	<u>Public accessibility</u> : The EITI Cameroon website lists EITI Reports, annual activity reports and work plans, as well as a presentation of the EITI Committee (MSG) based on the July 2019 Decree. It provides documents on the impact of the EITI implementation dated from the first Validation. There are specific functions to access legislation and regulations related to the extractive sector, as well as an open data portal. Whereas the previous EITI Cameroon website was available in French and in English since 2015, it seems that the new website launched in 2019 is only available in French. EITI Cameroon also posts information on	EITI Cameroon website (here). EITI Cameroon Facebook (here). EITI Cameroon Twitter page (here).	On <u>public accessibility</u> , some stakeholders consulted considered that there had been a slow-down in the period under review of efforts to ensure the public accessibility of EITI Reports and data. On <u>comprehensibility</u> , Secretariat staff and an industry representative explained that the English version of the 2016 EITI Report had belatedly been	< meaningful progress>	In accordance with Requirement 7.1.a.i-ii, Cameroon should ensure that EITI findings and data are widely accessible and distributed, in both official languages (French and English) and in formats that are more accessible than the comprehensive

<p>to public debate (#7.1.a)</p>	<p>its Facebook and Twitter pages, generally related to national or international events. Several government entities' websites are also key sources of information relevant to the EITI, with the SNH website containing a dedicated EITI section. The MINMIDT website has been upgraded in 2017. While the EITI Cameroon website provides key figures and infographics based on the 2017 EITI Report on its home page, it does not provide summary or thematic EITI Reports either in French or English.</p> <p><u>Comprehensibility:</u> The 2017 EITI Report is only published in French on the EITI Cameroon website, and not in English despite previous EITI recommendations to translate documents in both languages to ensure a greater accessibility for residents of key extractive-producing areas. The English version of the 2016 EITI Report appears to have been published on the EITI Cameroon website in the second quarter of 2020. There is no available evidence that the MSG has considered access challenges and information needs of different genders and subgroups of citizens in its efforts to make the EITI data comprehensible (in the absence of available MSG meeting minutes in particular).</p> <p><u>Dissemination:</u> The 2018 update of the 2017-2019 work plan (Axis 4) include activities to strengthen communication, including the organisation of awareness-raising and dissemination campaigns in affected regions,</p>	<p>SNH website, EITI section (here).</p> <p>MINMIDT website (here).</p> <p>EITI Open data portal (here).</p> <p>EITI Cameroon website, "2017 EITI Report" (here).</p> <p>PWYP Cameroon (October 2019), "Newsletter En toute transparence" (here).</p> <p>PWYP Cameroon Newsletter (March 2019), "En toute transparence" (here).</p>	<p>published on the EITI Cameroon website in Q2 2020 and that plans to publish the English version of the 2017 EITI Report had been delayed by the Covid-19 crisis.</p> <p>On <u>dissemination</u>, Secretariat staff indicated they have stopped financing the dissemination of data by CSOs to avoid any allegation of conflict of interest. One industry representative noted their attendance at an official EITI Report launch event at a hotel in Yaoundé. Several stakeholders consulted from different constituencies confirmed that an official launch conference for the EITI Report was held annually. There was consensus among stakeholders consulted that outreach and dissemination activities had only taken place in the capital city Yaoundé during the period under review.</p> <p>While secretariat staff highlighted the publication of the 2020-2022 EITI Cameroon Communications Strategy, another stakeholder considered that development of this plan had been rushed ahead</p>		<p>version of the EITI Report. Cameroon should ensure that EITI data and findings are comprehensible, including by considering access challenges and information needs of different genders and subgroups of citizens. In accordance with Requirement 7.1.a.iii, Cameroon should Ensure that outreach events, whether organised by government, civil society or companies, are undertaken to spread awareness of and facilitate dialogue about governance of extractive resources, building on EITI disclosures across the country in a socially inclusive</p>
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	<p>workshops for target groups and support to stakeholders' communication activities. On 14 November 2017, the MSG adopted a chronogram for dissemination and for updating the communication strategy for 2018, although this document was not made available to the International Secretariat.</p> <p>There is evidence of promotion of the EITI Reports by the EITI Cameroon Permanent Secretariat over the last three years, although it seems to be limited to events in the capital city Yaoundé. A conference hosted by the MSG Vice-Chair is held to launch the publication of every EITI Reports, with significant national media coverage (13 articles for the launch of the EITI Report on 22 February 2019; 14 articles for the launch of the 2017 EITI Report on 6 February 2020). The Secretariat also promoted the EITI Reports in events targeting local governments as well as companies, such as "Cameroun-SAGO" in July 2017 (which attracted a total of 1290 visitors).</p> <p>The 2017 annual progress report (p.35) explains that activities to contribute to public debate were not considered priorities and thus not implemented in 2017 due to financial constraints. However, a review of the EITI Cameroon 2017 financial report shows that the total share of the executed budget for communication was 23%, including XAF 44,446,250 (around USD 74,500) spent on a communications expert (p.51), which stakeholder consultations explained</p>	<p>EITI Cameroon (12 February 2019), Annual progress report 2017 (here), pp.35,51.</p> <p>MINFI, Ruling n° 2020/361 bis of 12 February 2020 (here).</p> <p>Investir au Cameroun (12 November 2019), "Secteur pétro-gazier : l'État du Cameroun privé de 374 milliards de FCFA de recettes en 2017" (here).</p> <p>EITI Cameroon (February 2020), EITI Cameroon Communicatio</p>	<p>of the start of the second Validation. There was consensus among stakeholders consulted that the Communications Strategy had not started to be implemented at the commencement of Validation (13 February 2020). One stakeholder called for more capacity-building of specific stakeholders as part of the EITI Cameroon's communications activities, to ensure that stakeholders have the capacity to make use of EITI data.</p> <p>On the contribution to public debate, while acknowledging the EITI impact for disclosing important information on the extractive sector and in particular on the oil sector, several civil society and development partner stakeholders questioned the contribution of the process to national debate on the governance of the extractive industries. Several stakeholders considered that the EITI process was not well known across the country.</p> <p>One industry MSG member explained that they did not use</p>		<p>manner. In accordance with Requirement 7.1.b.iii, Cameroon is encouraged to organise capacity-building activities, especially with civil society and through civil society organisations, to improve understanding of the information and data from the reports and online disclosures and encourage use of the information by citizens, the media and others.</p>
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	<p>corresponded to arrears in payments for the external webmaster.</p> <p>Available evidence suggests that EITI-related dissemination and outreach activities undertaken by CSOs appear to have dramatically decreased in the period under review. The regular publication of the PWYP newsletter uses EITI data for the contribution to the development of the country or for specific analysis of the role of the emerging industrial mining sector, although the PWYP coalition does not appear to have undertaken any written comment or analysis of the 2015, 2016 and 2017 EITI Reports. Beyond the PWYP newsletters, there is no available evidence of any communication materials developed by civil society making use of EITI data, nor of civil society outreach and dissemination activities in producing regions. There is only evidence of one dissemination event by the CSO CAFAGB targeting around a hundred of women in mining communities in the eastern part of the country in October 2017. The activity was carried out with the support and communication material from the EITI Cameroon Permanent Secretariat.</p> <p>There is little available evidence that the government and industry constituencies have played an active role in outreach, dissemination or promotion of EITI data in the period under review, beyond their participation in formal EITI activities organised by the EITI Cameroon Permanent</p>	<p>ns Strategy (here).</p>	<p>the EITI data externally, although the internal circulation of the EITI Reports often triggered internal debates within the company and that some of the data was analysed both by the Cameroonian subsidiary and the company's headquarter.</p>		
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	<p>Secretariat for the annual launch of the EITI Report.</p> <p>Right before the start of Validation, in February 2020, the MSG approved and published a communications strategy for EITI Cameroon, which sets out plans for the 2020-2022 period. These activities had yet to be implemented as of the start of Validation.</p> <p><u>Contribution to public debate:</u> There is evidence that civil society organizations encourage debate about the extractive sector, particularly the mining sector, and the use of EITI data. Publications, like the PWYP newsletters, focus on the reform of the mining sector, the award of mining licenses (e.g. to Geovic), environmental and social impact of small-scale and artisanal mining, revenue distribution through subnational transfers, contract transparency and the implementation of the EITI itself (see Requirement 1.3). Most publications online are in French, with limited examples of English-language coverage. There has been one critical article on oil and gas tax exemptions, as well as the cost of state participation in oil projects covered by SNH quoting the CSO RELUFA. There is however no further evidence of debate about the oil and gas sector, even in the context of the crisis in the oil-producing Anglophone region.</p> <p>In its comments on the draft assessment, the MSG highlighted several activities undertaken by CSOs in 2018-2019, including a study by the CSO</p>				
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	CRADEC on the domestication of the African Mining Vision, the PWYP Cameroon newsletter, several studies by the CSO DMJ, a data journalism capacity-building workshop by Code for Cameroon in December 2018, as well as a recent study on the mining value-chain in Cameroon by Transparency International and FODER.				
The MSG has produced brief summary reports, summarised and compared the shares of each revenue streams and undertaken capacity-building efforts to improve the understanding of EITI disclosures (#7.1.b)	<p>Neither the 2016 nor the 2017 EITI Reports have been summarised for dissemination by either the Permanent Secretariat or any of the constituencies, such as civil society. The review of EITI Cameroon's Facebook and Twitter pages shows that EITI data has not been used and that the communication is rather institutional, focusing on the EITI process in and of itself rather than findings, data and recommendations from EITI Reports.</p> <p>Revenue streams have not been compared as part of total revenues or with the part being transferred at local level when relevant. The open data portal has a function of diagram that could do this kind of comparison; however, the function is not available with a series over several years.</p> <p>There is no evidence of any capacity-building efforts undertaken to improve the understanding of EITI disclosures, targeting civil society or any other constituency (e.g. Parliamentarians, local government officials, etc).</p>	<p>EITI website (here).</p> <p>EITI Cameroon Facebook (here).</p> <p>EITI Cameroon Twitter page (here).</p> <p>EITI Cameroon Open data portal (here).</p>	Several stakeholders consulted confirmed the lack of summaries of the 2016 and 2017 EITI Reports and conceded that the full versions of EITI Reports could be challenging to understand for many stakeholders.	<not applicable>	

Data accessibility (#7.2)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
The MSG has agreed a policy on the access, release and reuse of EITI data (#7.2.a)	The MSG agreed EITI Cameroon's Open Data Policy on 29 March 2017. On access and release, the policy states that data shall be open by default, timely and comprehensive and accessible. On reuse, it states that data shall be comparable and interoperable, and encourages users to maximise the value and impact of data. The policy confirms that EITI Cameroon data is published under a CCA BY Creative Commons license.	Cameroun EITI (29 March 2017), "Policy on open data" (here).	Stakeholders consulted did not express any particular opinions about the availability of EITI data in open format.	< satisfactory progress>	To strengthen implementation in accordance with Requirement 7.2.a, government agencies and companies in Cameroon are expected to publish EITI data under an open license, and to make users aware that information can be reused without prior consent.
Government agencies and companies have published data under an open license (#7.2.a)	Data is published on the EITI Cameroon Open Data portal under a CCA BY Creative Commons license, in line with the EITI Cameroon open data policy.	<i>EITI Cameroon Open data portal</i> (here).		< satisfactory progress>	
The MSG has made all EITI disclosures available in machine	The EITI Cameroon Open Data portal contains data only from the 2015 and 2016 EITI Reports but provides for this data to be downloaded in CSV or excel format, although data in excel format	<i>EITI Cameroon Open data portal</i> (here).		< satisfactory progress>	

readable, open data format (#7.2.b)	appears more limited than in the CSV file. Publication of data from the 2017 EITI Report had yet to be uploaded to the Open Data portal as of July 2020, likely pending the finalisation of the summary data for the 2017 EITI Report (see <i>below</i>).				
The MSG has completed summary data files for each fiscal year covered by the EITI in accordance with the template approved by the EITI Board (#7.2.c)	Cameroon has prepared summary data for all of the fiscal years covered by EITI reporting, i.e. 2000-2017. However, while the EITI Cameroon Secretariat submitted summary data for the 2017 EITI Report to the International Secretariat before the commencement of Validation, it had yet to be finalised and published as of July 2020. While the summary data files for Cameroon's EITI Reports have not been published on the EITI Cameroon website, they are accessible from the EITI global summary data Google Drive, linked to from the EITI website. However, the EITI Cameroon Open Data portal is based on the summary data files for the 2015-2016 EITI Reports and allows for downloads of some data in open format.	<i>EITI global summary data Google Drive, Cameroon folder (here).</i> <i>EITI Cameroon Open data portal (here).</i>		< satisfactory progress>	

Review the outcomes and impact (#7.4)					
EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
The MSG has made efforts to review outcomes and impact of EITI implementation on natural resource governance, including whether annual activity reports or forms of documentation agreed by the MSG have been produced and contain a summary of EITI activities (7.4.a.i)	<p>The last annual progress report (APR) adopted and published to date is the 2017 APR. While the 2018 APR was drafted, it was never adopted by the MSG.</p> <p>The 2017 APR includes a section describing the activities of both the EITI Cameroon Secretariat (1.1) and MSG members (1.2) in 2017, including international EITI meetings, international secretariat mission, MSG meetings (and composition of ad hoc working groups), meetings with partners or government officials. Since the commencement of the first Validation on 1 July 2017, only one dissemination event by a CSO is described. There is no specific EITI-related activity related to the industry constituency. Regarding the government, the 2017 APR primarily describes improvements in publications on the websites of the Ministry of Mines and SNH.</p>	<p>EITI MSG (12 February 2019), Annual progress report 2017, sections 1.1 and 1.2 (here).</p> <p>EITI Cameroon website, 2018 annual progress report (here), published on 23 November 2020).</p> <p>EITI Cameroon website, 2019 annual progress report (here), published on 23 November 2020).</p>	<p>Secretariat staff explained that the draft of the 2018 annual progress report had been presented to the MSG but not been considered satisfactory. One stakeholder explained that staffing challenges at the Secretariat had delayed production of an annual progress report.</p> <p>A written submission from an anonymous source alleged that the 2018 annual progress report had not yet been published because it was missing an annex with the financial report for 2018.</p>	< Meaningful progress>	<p>In accordance with Requirement 7.4.a. Cameroon should undertake an annual review to document the results and impact of the EITI process in Cameroon. In accordance with Requirement 7.4.a.i-v, Cameroon's review of outcomes and impact should include progress against EITI Requirements, follow-up on EITI recommendations, progress towards work plan objectives, and a narrative account of efforts to strengthen the</p>

Commented [IS2]: Subject to the Board's consideration of new information published after the commencement of Validation.

	In its comments on the draft assessment, the MSG highlighted the MSG's approval of the 2018 and 2019 annual progress reports on 16 November 2020 and listed the various types of impacts that the MSG considered attributable to EITI implementation. The 2018 and 2019 annual progress reports were published on the EITI Cameroon website on 23 November 2020.				impact of EITI implementation on natural resource governance. In accordance with requirement 7.4.b, the MSG should ensure that all stakeholders are able to participate in the annual review of the impact of EITI implementation, including those not serving on the MSG. To strengthen implementation, Cameroon may wish to consider a formalised impact assessment after thirteen years of EITI implementation.
The MSG has made efforts to review outcomes and impact of EITI implementation on natural resource governance, including whether annual activity reports or forms of documentation agreed by the MSG have been produced and contain an assessment of progress in meeting EITI	Section 1.4 of the 2017 Annual Report describes the MSG's efforts to assess the progress made by EITI Cameroon in meeting EITI requirements. Most the requirements are followed by the activities performed in 2017, with no further explanation of the way it contributed to achieving progress with the EITI requirements. The efforts by the MSG to improve the MSG governance (drafting a new decree); the integration of the BO information in the reporting templates for the 2015 Report; the establishment of an ad hoc working group on subnational transfers; efforts for dissemination events. Section 3 provides the results of the MSG's self-assessment of progress on EITI requirements, without further explanation.	EITI MSG (12 February 2019), Annual progress report 2017, section 1.4 (pp. 25-26) (here).		< satisfactory progress>	

Requirements (7.4.a.ii)					
The MSG has made efforts to review outcomes and impact of EITI implementation on natural resource governance, including whether annual activity reports or forms of documentation agreed by the MSG have been produced and contain an overview of the MSG's responses to EITI recommendations (7.4.a.iii)	The 2017 APR reviews progress on list of recommendations from the 2011 to 2014 Reports and the 2013 Validation. The table includes the activities undertaken, the level of progress met, as well as comments. However, the description focuses on process of follow-up on recommendations, rather than the substance of follow-up, or outcomes and impact. The 2017 APR highlights one Secretariat staff focused on data collection and follow up on recommendations from reporting and Validation's (p.32).	EITI MSG (12 February 2019), Annual progress report 2017, section 4.a, p. 32 (here).		< satisfactory progress>	
The MSG has made efforts to review outcomes and impact of EITI implementation on natural resource	The 2017 APR has a detailed section on implementation of the 2017-2019 work plan objectives, which describes the activities implemented in comparison to the activities planned, the results of the activities and an average rate for implementation of the activities	EITI MSG (12 February 2019), Annual progress report 2017, sections 2 (pp. 27-37) (here).		< satisfactory progress>	

governance, including whether annual activity reports or forms of documentation agreed by the MSG have been produced and contain an assessment of progress in meeting work plan objectives (7.4.a.iv)	planned. The contribution of the activities to the objectives and the desired impact is unclear from the APR. The long table clarifies the contribution of each constituency to the activities, such as CSOs for dissemination activities (pp.35-36), in addition to the section on ad hoc working groups (pp.14-18), although the industry constituency's input is unclear.				
The MSG has made efforts to review outcomes and impact of EITI implementation on natural resource governance, including whether annual activity reports or forms of documentation agreed by the MSG have been produced and contain a narrative account of efforts to	In terms of extending the scope of the EITI, the 2017 APR describes that the BO roadmap had not been implemented during the year (beyond the integration of BO in the reporting templates for the 2015 EITI Report), nor the open data roadmap (p.33). The APR explains that the main challenges to EITI reporting and data collection in the mining sector (p. 31). While the APR suggests that systematic disclosures could address such challenges, the idea is not further developed. The report does not provide for many examples of MSG's initiatives to better engage the various constituencies, aside from the support provided to constituencies' dissemination of EITI data (p.36). The	EITI MSG (12 February 2019), Annual progress report 2017, sections 2 (p. 31, p. 33) (here).	Stakeholders consulted expressed widely different views on the impact of the EITI in Cameroon, with government officials highlighting reform processes in subnational transfers, mining license cadastre and publication of details of SNH 'direct interventions' as key impacts of EITI. Civil society stakeholders consulted were more sceptical and considered that the EITI's impact had been very limited to date.	< meaningful progress>	

strengthen the EITI's impact (7.4.a.v)	report notes the creation of working groups on subnational transfers and reconciliations gaps as important achievements of 2017 to better engage MSG members. In terms of general achievements, the APR mentions the drafting of the 2017-2019 work plan agreed by the three constituencies and the strengthening of reporting systems of some entities like SNH. Amongst the weaknesses of the process, the APR mentions the MSG internal governance as well as MSG members' accountability towards their respective constituencies; the engagement of the industry constituency; the MSG's members capacity strengthening; mainstreaming; the lack of MSG discussion on QFEs; dissemination in affected areas and the impact of the EITI on sector reforms.				
<i>The MSG has made efforts to take gender considerations and inclusiveness into account (7.4.a.v)</i>	There is no indication in the 2017 APR of discussions by the MSG to take gender considerations and inclusiveness into account.	EITI MSG (12 February 2019), Annual progress report 2017 (here).	During consultation, one civil society member raised concerns over the lack of a balanced gender representation in the EITI process. One CSO MSG member explained that the MSG had once debated gender representation and concluded that expertise had taken precedent over gender considerations.	< meaningful progress>	

The MSG has undertaken consultations to give all stakeholders an opportunity to provide feedback on the EITI process and the impact of the EITI, and have their view reflected in the annual review of outcomes and impact (7.4.b)	In the absence of MSG minutes that would be publicly available, the 2017 APR reports the comments of the various MSG members during the MSG meeting on 17 May 2018. There is no indication that MSG members have consulted their respective constituency.	EITI MSG (12 February 2019), Annual progress report 2017, sections 7 (p. 46) (here).	One stakeholder explained that the industry constituency had used the APR drafting process to raise concerns with government officials that had not been previously shared during MSG meetings.	< inadequate progress>	
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