



EITI International Secretariat

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Validation of Senegal (2021)

**Final assessment of progress in
implementing the EITI Standard**

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Acronyms

AECP	Autorisation d'Ouverture et d'Exploitation de Carrières Publiques
AECPV	Autorisation d'Ouverture et d'Exploitation de Carrières Privées
AECT	Autorisation d'Ouverture et d'Exploitation de Carrières Temporaires
AEPM	Autorisation d'Exploitation des Petites Mines
IA	Administrateur Indépendant
BCEAO	Banque Centrale des Etats de l'Afrique de l'Ouest
CEDEAO	Economic Community of West African States, ECOWAS (Communauté Économique des États d'Afrique de l'Ouest)
DEEC	Direction de l'Environnement et des Etablissements Classés
DEFCCS	Direction des Eaux, Forêts, Chasses et Conservation des Sols
DGCPT	Direction Générale de la Comptabilité Publique et du Trésor
DGD	Direction Générale des Douanes
DGID	Direction Générale des Impôts et des Domaines
DH	Direction des Hydrocarbures
DMG	Direction des Mines et de la Géologie
EITI	Extractive Industries Transparency Initiative
FCFA/XOF	Franc de la Communauté Financière Africaine
GTA	Gas field (Projet Grande Tortue Ahmeyim)
JO	Official Gazette
MIFERSO	Mining State-Owned Enterprise (Société des Mines de Fer du Sénégal Oriental)
PETROSEN	Oil and Gas State-Owned Enterprise (Société des Pétroles du Sénégal)

Executive summary

This draft Validation report presents the findings of the International Secretariat's Validation of Senegal, which commenced on 1 July 2021. The draft report was finalised for review by the multi-stakeholder group (MSG) on 19 August 2021. Following comments from the MSG on 16 September 2021, the Validation report was finalised for consideration by the EITI Board. The Secretariat's assessment suggests that Senegal has exceeded six EITI Requirements, fully met twenty and mostly met one requirement.

Key achievements

- Senegal is effectively transitioning towards systematic disclosures. A significant share of data required by the EITI Standard, such as the licensing process, license information, contract disclosure and beneficial ownership, as well as of SOEs' financial statements has been mainstreamed. This is particularly important given the focus of public debate on the licensing regime in recent years. EITI Senegal has not only improved the accessibility of information but has also played a role in driving reforms (e.g. 2016 Mining Code, 2019 Petroleum Code, among others).
- Senegal has ensured timely disclosures that provide a basis both for public debate and policymaking related to the extractive industries and public finance management. Senegal now has one of the three timeliest sets of data required under the EITI Standard worldwide. There are numerous examples of use of EITI data to drive policy and administrative reforms that are at least partly attributable to EITI. The technical expertise of Senegal EITI is recognised by all stakeholders consulted.
- Senegal has effectively used reporting as an in-depth diagnostic in key areas of the nascent oil and gas sector as well as the more mature mining sector, including in the financing of the oil and gas SOE's participation in new projects, in clarifying the level of subnational transfers statutorily due to local communities and in the development of local content in the extractive industries.

Areas for development

- While Senegal's EITI multi-stakeholder group (MSG) has provided an effective multi-stakeholder platform for debate on the extractive industries, further improvements in the transparency of practices underpinning the appointment of MSG members would help strengthen this oversight by strengthening MSG members' accountability to their respective constituencies. There is scope for the MSG to explore ways of mainstreaming citizen participation in extractive industry governance through other routine mechanisms such as public hearings to seek dialog in key stages of the extractive industry value chain.
- There is potential for Senegal to use the EITI to strengthen disclosures related to the environmental impact of the extractive industries and efforts to strengthen local content, responding to public demand for such information. Senegal EITI could also consider how

to best position itself to provide relevant information and analysis related to the implications of the energy transition on the extractive industry.

- Building on Senegal's successes in improving systematic disclosures of key non-financial information required by the EITI Standard, there is scope for further work to strengthening relevant government agencies and companies' responsibilities for the disclosure of key extractive data that is currently only disclosed through EITI reporting, including in terms of production data and government extractive revenues.

Progress in implementation

EITI Validation assesses countries against three components – “Stakeholder engagement”, “Transparency” and “Outcomes and impact”.

Stakeholder engagement

The government, civil society and extractive companies are actively engaged in EITI implementation, with key stakeholders from each constituency represented on the MSG. The three constituencies have now institutionalised their EITI engagement and appear to be functioning in an efficient and dynamic manner, maintaining regular communication with non-MSG members. In particular, the civil society constituency regularly seeks to engage with stakeholders from various organisations outside of those directly engaged in EITI. The three constituencies appear to have adapted their communication and coordination methods during the health pandemic, allowing them to uphold a high pace and quality of EITI implementation. In the context of broad-based demand and interest for information on the extractive sector, stakeholders engaged in the EITI are considered authoritative sources of information and reliable technical partners for stakeholders including government entities, industry associations and researchers.

Transparency

EITI Senegal has played a key role not only in providing new information to the public but also in improving the accessibility of systematically disclosed information spread out over multiple government and company websites (e.g., on beneficial ownership, contracts, license information, SOE financial relations). Since the first Validation concluded in May 2018, both mining and petroleum license cadastral systems have been established, beneficial ownership information is in process of being added to the commercial register (for the extractive industry), and a comprehensive review of the public accessibility of all extractive contracts and licenses has been conducted. New areas of the 2019 EITI Standard such as project level reporting have been comprehensively implemented in a timely manner. In many areas, EITI Senegal has gone beyond the mapping of existing disclosures to conduct a diagnostic of current governance practices, such as disclosing the value of subnational transfers that should have been transferred to local governments. Senegal has used its EITI reporting to establish transparency practices in areas of emerging strategic importance, such as in disaggregated natural gas sales data and local content. There is strong public demand for EITI data on both the established mining sector and the nascent oil and gas sector, which creates opportunities for EITI Senegal to expand its coverage of areas of increasing public interest such as on the environmental impact and local content contribution to the extractive industries.

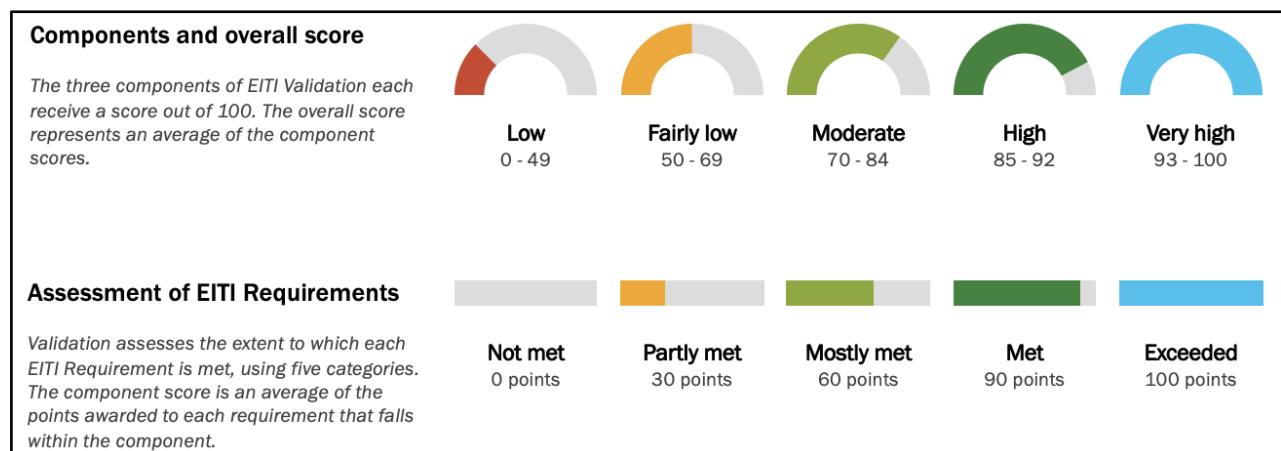
Outcomes and impact

The 2021 work plan and objectives for implementation are specific and address nationally relevant priorities. There is evidence of use of EITI data to inform public debate, including on extractive licensing, financial relations of SOEs and local content. There are mechanisms for consistent follow-up on recommendations from EITI reporting and Validation and evidence of administrative reforms attributable to the EITI's efforts. Senegal EITI has followed up on recommendations at the highest political levels, including with the President of Senegal. The MSG has regularly taken stock of the outcomes and impact of implementation, both annually and through multi-annual impact assessments. There is extensive evidence of Senegal EITI feeding into tangible reforms in government policies and industry practices. Further attention to ensuring the publication of systematically disclosed extractive data in machine-readable open format could further improve the accessibility and use of data on the extractive industry.

Figure 1 Scorecard: Summary of progress in the Validation of Senegal

EITI Requirements			Assessment	
Validation of Senegal (2021): final assessment per EITI Requirement			Level of progress	Score
Component	Module	Requirements		
Outcomes and Impact	Outcomes and impact	Extra points	Effectiveness and sustainability indicators	3.5
		Work plan (#1.5)	Exceeded	100
		Public debate (#7.1)	Exceeded	100
		Data accessibility and open data (#7.2)	Fully met	90
		Recommendations from EITI (#7.3)	Fully met	90
		Outcomes & impact (#7.4)	Exceeded	100
Stakeholder engagement	Multi-stakeholder-oversight	Government engagement (#1.1)	Fully met	90
		Industry engagement (#1.2)	Fully met	90
		Civil society engagement (#1.3)	Fully met	90
		MSG governance (#1.4)	Fully met	90
Transparency	Overview of the extractive industries	Exploration data (#3.1)	Fully met	90
		Economic contribution (#6.3)	Exceeded	100
	Legal and fiscal framework	Legal framework (#2.1)	Fully met	90
		Contracts (#2.4)	Exceeded	100
		Environmental impact (#6.4)	Not assessed	-
	Licenses	Contract and license allocations (#2.2)	Mostly met	60
		License register (#2.3)	Exceeded	100
	Ownership	Beneficial ownership (#2.5)	Fully met	90
	State participation	State participation (#2.6)	Fully met	90
		In-kind revenues (#4.2)	Not applicable	-
		SOE transactions (#4.5)	Fully met	90
		SOE quasi-fiscal expenditures (#6.2)	Not applicable	-
	Production and exports	Production data (#3.2)	Fully met	90
		Export data (#3.3)	Fully met	90
	Revenue collection	Comprehensiveness (#4.1)	Fully met	90
		Barter agreements (#4.3)	Fully met	90
		Transportation revenues (#4.4)	Not applicable	-
		Disaggregation (#4.7)	Fully met	90
		Data timeliness (#4.8)	Exceeded	100
		Data quality (#4.9)	Fully met	90
	Revenue management	Distribution of revenues (#5.1)	Fully met	90
		Revenue management & expenditures (#5.3)	Not assessed	-
	Subnational contributions	Direct subnational payments (#4.6)	Not applicable	-
		Subnational transfers (#5.2)	Fully met	90
		Social & environmental expenditures (#6.1)	Fully met	90

How EITI Validation scores work



The overall score (out of 100) represents an average of the scores of each component.

Each requirement will be assessed following the scale below and assigned corresponding points:

- **Exceeded** (100 points): All aspects of the requirement, including ‘expected’, ‘encouraged’ and ‘recommended’ aspects, have been implemented and the broader objective of the requirement has been fulfilled through systematic disclosures in government and company systems.
- **Fully met** (90 points): The broader objective of the requirement has been fulfilled, and all required aspects of the requirement have been addressed.
- **Mostly met** (60 points): Significant aspects of the requirement have been implemented, and the broader objective of the requirement is mostly fulfilled.
- **Partly met** (30 points): Significant aspects of the requirement have not been implemented, and the broader objective of the requirement is not fulfilled.
- **Not met** (0 points): All or nearly all aspects of the requirement remain outstanding, and the broader objective of the requirement is far from fulfilled.
- **Not assessed**: Disclosures are encouraged, but not required and thus not considered in the score.
- **Not applicable**: The MSG has demonstrated that the requirement doesn’t apply.

1. Effectiveness and sustainability indicators

The country is awarded 0, 0.5 or 1 point for each of the five indicators. The points are added to the component score on Outcomes and impact.

1.1 National relevance of EITI implementation

This indicator considers the extent to which EITI implementation in Senegal addresses nationally relevant extractive sector challenges and risks.

Senegal EITI has exceeded the scope of the EITI Standard to address nationally relevant challenges. The [2019 EITI Report](#) disclosed data on local content, employment data per gender and payments for goods and services to local suppliers. The MSG has undertaken active outreach efforts in extractive regions to raise public awareness around the EITI findings including through development of materials in national languages, simplifying the EITI Report in infographics and short videos as well as in-person events. Senegal EITI has disclosed all active extractive contracts, a key area of public demand from the outset of EITI implementation. In addition, the EITI facilitates multi-stakeholder consultation and dialogues [in key extractive regions of Kédougou](#) and [Matam](#), among others. The MSG also supports a [Technical Group created by the regional authority of Kédougou](#), which aims to promote local procurement goods and services.

Senegal's EITI disclosures have aligned with nationally relevant priorities. Senegal's goals for the extractive industries include promoting improvements in the sharing of benefits and in establishing a regulatory framework that preserves the state's interests. Available documentary evidence and stakeholder consultations highlight that the EITI is viewed by stakeholders as a credible technical partner in the extractive industries. Senegal's [EITI impact assessment](#) published in 2020 highlighted the scope for increasing the EITI's reach in new areas of public demand for information such as environmental impact, local content, and the energy transition. The study demonstrates the MSG's interest and willingness to respond to emerging demands for information.

The Secretariat's assessment is that 1 additional points be added to the score on outcomes and impact for this indicator.

1.2 Systematic disclosures of extractive industry data

Senegal systematically discloses required information about the legal and licensing framework, production and exports. State-owned enterprises, including PETROSEN in the oil and gas sector, disclose significant parts of required information on their websites and publicly [available financial statements](#).

Senegal EITI has been heavily involved in putting into place a data exchange platform (Fusion) which allows nine government entities to share data and thereby strengthen their own information systems and performance. That platform has been expanded to allow for digital data submission by reporting entities (Govin) for the EITI and includes a public facing outlet on some

key data¹. The implementation of such a data sharing system between the financial and non-financial authorities was a recommendation of the Supreme Audit Institution (“Cour des Comptes”) in relation to strengthening the public accounting of extractive revenues.

The approach taken by Senegal to publishing information related to beneficial owners expands on the existing commercial register, avoiding a stand-alone database and building on existing government competences to collect, verify and publish the data related to companies and their activities. Further reforms would be needed to improve the accessibility (and reduce cost) of such information, as it is currently only planned to be available upon demonstrating legitimate interest². Systematic disclosures should help address challenges related to the sustainability of EITI reporting and improve the government’s data management systems. The 2021 EITI work plan includes activities that seek to support integrating of the EITI in government and company systems.

The Secretariat’s assessment is that 0.5 additional points be added to the score on outcomes and impact for this indicator.

1.3 Environment for citizen participation in extractive industry governance

This indicator considers the extent to which there is an enabling environment for citizen participation in extractive sector governance, including participation by affected communities.

Senegal’s legal and institutional framework (mining, petroleum, environmental and transparency laws in particular) creates an enabling environment for citizen participation in the governance of extractive industries. The mining and petroleum codes integrate the EITI Principles to provide a sustainable environment for citizens participation. In addition to the EITI, civil society representatives are members of various steering natural resource governance bodies at local and central levels. Civil society delegates sit on the Local Content Monitoring Committee at Kédougou and Matam, the National Governance Commission, the [Sunu Budget programme](#) to increase citizen participation, the Strategic Oil and Gas Orientation Committee (“Comité d’orientation stratégique du pétrole et du gaz (COS-Petrogas)” among others. These mechanisms provide key channels for citizen input to extractive policy making and public debate beyond the EITI process. Senegal joined the Open Government Partnership (OGP) in 2018, which aims to promote greater transparency, accountability and citizen engagement in policy making. While Senegal’s submission of its latest OGP action plan was [delayed](#) to 2020 (from 2019), the country’s OGP efforts are complimentary to the EITI and helps establish further mechanisms for citizen oversight of the extractive industries.

Stakeholder consultations identified two key challenges for Senegal’s management of its extractive sector: firstly, increasing the participation of affected communities and grassroot organisations in the EITI process, and secondly strengthening transparency of revenues reinvested to improve affected community livelihoods. There is potential for Senegal EITI to further expand its efforts these issues. Neither the MSG’s template submissions for Validation, civil society’s Validation input nor stakeholder consultations identified any concerns related to

¹ For a detailed explanation and demonstration, see <http://itie.sn/2021/03/28/divulgation-systematique-des-donnees-le-senegal-donne-en-exemple/>

² data from companies in the extractive sector are planned to be separately published as a dataset, updated regularly, on the EITI’s website.

government restrictions to civic space or civil society's engagement in all aspects of EITI implementation, including in debate on natural resource governance.

The Secretariat's assessment is that 0.5 additional points be added to the score on outcomes and impact for this indicator.

1.4 Accessibility and use of extractive industry data

This indicator considers the extent to which extractive sector data is accessible and used for analysis, research, and advocacy.

Senegal EITI has made significant efforts to ensure that data is accessible and responds to stakeholders' needs. Much of Senegal's 2019 EITI data is systematically disclosed in various open formats. All contracts are available and searchable on both the Senegal EITI website and relevant government entities' websites. However, some systematically disclosed data such as exports (Requirement 3.3), contracts (Requirement 2.4), state participation (Requirement 2.6) and local content data remains published only in PDF format.

Publicly available extractive sector data is used for analysis by a wide range of actors including government agencies, civil society as well as by academics and other oversight actors. Civil society has used EITI data to inform advocacy campaigns for the provision of funds to local governments and gender issues. Students and the media have drawn on EITI data for research and analysis. Government agencies and legislators have also used EITI data to inform the design of public sector reforms. Data most widely used are on government revenues, production and exports, local content and extractive contracts.

Going forward, the expansion of Senegal's EITI efforts for disclosures to cover areas of high public interest such as environmental impact of the extractive activities and forward-looking disclosures on the impact of energy transition could help strengthen the use of EITI data. The MSG could ensure wider use of existing data to inform public debate by more directly identifying corruption risks in the upstream extractive industry value chain, such as in the licensing process. Ensuring the availability of all extractive sector data in open format in a timely manner is also encouraged to facilitate data analysis.

The Secretariat's assessment is that 0.5 additional point be added to the score on Outcomes and impact for this indicator.

1.5 EITI-related changes to extractive industry policy and practice

This indicator considers the extent to which EITI has informed changes in extractive sector policies and practices.

The MSG has systematically documented evidence of recommendations from the EITI leading to changes in policies or practices in the period under review, both through the Validation templates and on the Senegal EITI website. Senegal's EITI implementation has driven a number of legal and institutional reforms such as in revisions to laws related to mining, hydrocarbons, the environment and public finance management. With regards to the mining and hydrocarbon codes, the EITI's contribution has included strengthening transparency provisions in these laws with emphasis on clarifying procedures for the award and transfer of licenses. The MSG

successfully mainstreamed the EITI principles and requirements into the law as well as provision to tackle conflicts of interest. [With the 2019 petroleum code](#), the MSG contributed to strengthen licensing provisions as well as mandatory reporting provisions, in particular mandatory disclosure of beneficial owners. The MSG has drafted and submitted several technical notes as part its advocacy efforts to ensure that transparency and accountability are institutionalized (for instance in contributions to the [local policy content act](#) and the oil and [gas code](#)). The MSG's input has also provided input to government policies such as the National Anti-Corruption Strategy.

The EITI has successfully contributed to improving government information management systems and inter-agency data exchange through Fusion, Govin and the creation of online [mining](#) and [petroleum cadastres](#). Senegal EITI has driven the development of a manual of procedures for the Ministry of Mines and Geology to ensure more robust supervision of mining licenses, the establishment of a window in ASTER software to better track mining revenues, and the expansion of the commercial register to include beneficial ownership data.

The Secretariat's assessment is that 1 additional point be added to the score on Outcomes and impact for this indicator.

2. Outcomes and impact

This component assesses EITI Requirements 7 and 1.5, which relate to progress in addressing national priorities and public debate.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
Work plan (Requirement #1.5)	<p>The 2021 work plan and planned outcomes are specific and address national priorities which consist in “accompanying the government in operationalising transparency mechanisms to optimise governance that allows citizens to have oversight of the outcomes of the management of the extractive industries ». The 2021 work plan is the last operational phase of the 2017-2021 strategic plan whose overall objective is to strengthen systematic disclosure into the government’s system and improve the quality of data. This aligns with the national priorities set out in the extractive sectoral policy letters which to create "Openness and transparency of the extractive sector, and through them, leverage management based on quality information accessible to as many people as possible so as to promote full collaboration between all stakeholders".</p> <p>The work plan includes a logical framework and establishes an effective tool for planning and monitoring activities, and it is structured following results-based management principles. Indicators are included to enable monitoring of progress. The MSG has set up a monitoring framework “Monitoring and Evaluation Committee” to follow up on its work plan. It includes activities that seek to improve EITI communication and dissemination outreach tools, build stakeholders’ capacity and engagement, as well as legislative advocacy.</p> <p>Overall 2017-2021 work plan outcomes align with the country’s various sectoral policies including on mining, Oil and Energy and the environment, which are summarised in Senegal’s Development Plan “Sénégal Plan Emergent”. In addition, the plan clearly addresses the scope of EITI disclosures and the policy changes that the MSG wishes to see result from the EITI. The plan includes an overall budget, costed activities and clear sources of funding for each. Senegal has exceeded the requirement by setting up a “Monitoring and Evaluation Committee” linking its work</p>	Exceeded

	<p>plan to a monitoring framework. The Secretariat's assessment is that requirement 1.5 has been exceeded given that all aspects of the requirement, including the encouraged aspects, have been addressed and the objective fulfilled.</p>	
Public debate (Requirement #7.1)	<p>Senegal EITI has undertaken active, effective and innovative communication, outreach and dissemination efforts that enable evidence-based public debate on extractive industry governance, in line with the objective of the requirement.</p> <p>The EITI Reports and other Senegal EITI documents are comprehensible and actively promoted through regular 'EITI Weeks' public events, newspaper articles and audio-visual broadcasts. Senegal EITI has successfully increased the media's awareness of extractives data and its capacity to use with focus on specific issues—topics considered priorities by national and local stakeholders. A total of 109 written and audio-visual productions relating to the 2019 EITI Report including 6 community programs for one hour per issue to discuss governance of the extractive sector (see e.g., broadcasts held in Malinke, Pulaar and Wolof). The language of activities varies according to regional needs, and Senegal EITI has developed different types of communication products to ensure that data is accessible to different groups. Community forums were held in local languages during the 'EITI weeks', where findings of EITI Reports are shared. Key communication materials have consistently been distributed at these events.</p> <p>EITI data is used by a wide range of actors including academics, civil society and parliamentarians leading to the fulfilment of the EITI Principles by contributing to wider public debate. Stakeholder consultations and the Validation submission demonstrate that EITI data is used to inform decision-making and drive reforms in extractive industry governance. A study commissioned by the MSG demonstrated that the majority of stakeholders polled considered the EITI's impact on public debate to have been strong. An impact assessment of the EITI in August 2020 recommends improvements to the MSG in order to enhance the EITI's impact on public debate by further improving the accessibility of information. However, stakeholder consultations and findings from the impact of the EITI study raised concerns that dissemination and capacity building activities target more the Dakar and capitals of extractive regions rather than focusing on affected communities</p>	Exceeded

	<p>leading to the lack of public debate in zones where extraction takes place.</p> <p>The Secretariat's assessment is that all aspects of the Requirement 7.1, including the encouraged aspects, have been addressed and that the objective has been exceeded.</p>	
Data accessibility and open data (Requirement #7.2)	<p>Senegal EITI has agreed and published an open data policy. The 2019 EITI Report and its summary, payments project by project and various 2019 annexes (12) are available in excel format through the open data portal. In addition, some contextual data for the 2019 report such as the contribution of the extractive industries to the economy (Requirement 6.3) and data on production (Requirement 3.2) are available in various formats including .xlsx, .csv, .json and .html, while beneficial ownership (requirement 2.5) and state participation (2.6) data are available in .csv and .xlsx. Export data (Requirement 3.3) is mainly disclosed through EITI sources (some figures are also available on the ANSD website, but in a less detailed format).</p> <p>Stakeholder consultations and the Validation template did not highlight any particular concern related to the accessibility of the data for analysis. The Secretariat's assessment is that all aspects of the requirement have been addressed and that the objective to enable the broader use and analysis of information on the extractive industries has been fully met.</p>	Fully met
Recommendations from EITI implementation (Requirement #7.3)	<p>The MSG has undertaken significant efforts to strengthen the impact of EITI implementation by acting upon lessons learned. It has set up a systematic approach to follow up on recommendations from EITI reporting or Validation through the creation of an ad-hoc committee by the MSG to follow up on EITI recommendations and a Working Group at the Ministry of Finance and Budget. The MSG's committee oversees implementation of recommendations and identifies remedy actions. The MSG has compiled the recommendations dating back to 2015 as part of their 2019 EITI Report. In total, 13 of the 25 strategic recommendations from the previous validation have been fully implemented, while several (but not all) recommendations from EITI Reports covering 2015-2018 have been fully implemented. The MSG's impact assessment notes that SOEs and companies have fully implemented relevant EITI recommendations, while not all recommendations related to government agencies have yet been implemented.</p>	Fully met

	<p>The MSG has successfully engaged with stakeholders to ensure implementation of recommendations including at the highest political levels such as a meeting with the President of the Republic of the Senegal around the EITI recommendations. The MSG's capacity to engage with high-level authorities has been key to implementing recommendations, including on contract disclosure and the beneficial ownership register. Follow-up on recommendations is one of the key pillars of the 2021 EITI work plan. The Secretariat's assessment is that Senegal has fully met the requirement's objective to ensure that EITI implementation is a continuous learning process that contributes to policymaking based on the MSG regularly considering findings and recommendations from the EITI process and acting on those recommendations it deems are priorities.</p>	
Review the outcomes and impact of EITI implementation (Requirement #7.4)	<p>The MSG has undertaken efforts to review the outcomes and impact of the EITI that exceed the requirement. In addition to publishing annual progress reports covering 2018, 2019 and 2020, which include an assessment of progress on the five outcome areas, the MSG commissioned an impact study in 2020 that sought views from different stakeholders from 2013 to 2020. The study captures Senegal-EITI's efforts to address nationally key priorities, mainstream the EITI into the government system and improve data quality as well as tackle legal constraints through advocacy, and broadly leverage institutionalisation of EITI Requirements in national legislation.</p> <p>The MSG's efforts to take gender considerations and inclusiveness into account are captured in the impact study and the 2021 work plan. The MSG undertook consultations to give all stakeholders an opportunity to provide feedback on the EITI process and the impact of the EITI and has reflected their views through the 2020 impact study, 2019, 2018 annual reports (Requirement 7.4.b). In addition, stakeholders were able to provide feedback on the EITI process through outreach events. The Secretariat's assessment is that all aspects of the requirement, including encouraged aspects, have been addressed and that the objective of regular public monitoring and evaluation of implementation that ensures the EITI's accountability has been exceeded.</p>	Exceeded
New corrective actions and recommendations		

- To strengthen implementation, Senegal is encouraged to reflect in its annual EITI work plan plans to monitor implementation of legal reforms and to regularly reconsider the scope of EITI disclosures, building on the EITI's input to recent legislative and regulatory reforms in recent years.
- To further strengthen the EITI's impact on public debate, Senegal is encouraged to tailor outreach and communications to specific stakeholders, such as local communities, parliamentarians, academics, civil society and media. Senegal is encouraged to further consider the information needs of stakeholders based on considerations such as gender, revenue management, environmental impact and climate change to inform the scope of EITI implementation.
- To strengthen the accessibility and usability of data, Senegal is encouraged to ensure that extractive sector data used in all charts and tables published by Senegal EITI is systematically published in machine readable and inter-operable format, and to code or tag EITI disclosures and other data files so that the information can be compared with other publicly available data in accordance with Requirement 7.2.d. In addition, the MSG could ensure wider use of EITI data to inform public debate, including in identifying corruption risks in licensing throughout the entire awards process and improving the availability of all extractive sector data in open format in a timely manner is also encouraged to facilitate data analysis.

3. Stakeholder engagement

This component assesses EITI Requirements 1.1 to 1.4, which relate to the participation of constituencies and multi-stakeholder oversight throughout the EITI process.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
Government engagement (Requirement #1.1)	<p>Senior government officials, including President Macky Sall and key government Ministers, have regularly expressed public support for the EITI in the 2017-2021 period. A senior government official has consistently been in place to lead EITI implementation, with changes in 2017 and 2019. EITI is featured prominently in Senegal's letter of intent to join OGP (its first national action plan is under development).</p> <p>The government is fully, actively and effectively engaged in the EITI process. The Senegal EITI secretariat, which has high capacity and commitment, is hosted under the Office of the President of the Republic. Government officials including the MSG Chair and officials up to President Macky Sall have regularly intervened to resolve bottlenecks in EITI implementation, for instance in ensuring the publication of all extractive contracts, the establishment of an online oil and gas cadastre and an EITI open data portal. The government has played an active role in following up on EITI recommendations, including in establishing a dedicated working group within the Ministry of Finance. The government has provided consistent funding for EITI implementation, which increased by 25% from 2018 to 2020 and is institutionalised in the government budget.</p> <p>Relevant government entities and parliamentarians are represented on the MSG and regularly participate in all aspects of EITI implementation. Government agencies, including those not directly represented on the MSG, have been engaged in the provision of EITI data. Government MSG members have ensured regular outreach to agencies not directly represented on the MSG, including to solicit their input in the annual EITI work plan and the MSG's review of outcomes and impact. There is evidence of regular use of EITI data by various government entities and officials, including in press statements and government reports, with a view to generating public debate. There was consensus among stakeholders consulted that the government's engagement at both political and operational levels was public and effective.</p> <p>The Secretariat's assessment is that the requirement's objective of full, active, and effective government lead for EITI implementation has been fulfilled.</p>	Fully met
Industry engagement (Requirement #1.2)	The industry constituency is fully, actively, and effectively engaged in all aspects of EITI implementation. The MSG includes company representatives that reflect the industry's structure, including four	Fully met

	<p>members from mining and quarrying and two members from oil and gas. Most industry MSG members actively participate in all aspects of EITI implementation, with some weaknesses in MSG attendance by a minority of mining, oil and gas company representatives. The constituency has been proactive in replacing representatives that are not able to participate in MSG meetings. There are clear mechanisms for coordination of the broader constituency, including through the Chamber of Mines and the Upstream Oil and Gas Companies Consultation Framework. Consultations indicate that most companies view EITI as more than a compliance exercise, with scope for influencing policy-making and public debate particularly on the emerging oil and gas sector. The broader constituency has provided input to key EITI documents including the annual work plan and the MSG's annual assessment of outcomes and impact. There is evidence of use of data by companies and industry associations in both the mining and petroleum sectors.</p> <p>There is an enabling environment for company participation in the EITI. The constituency has not highlighted any barriers to its participation in all aspects of implementation, both in the 'Stakeholder engagement' template and in consultations. All material companies (26 in 2019) have participated in EITI reporting. The government has issued executive decrees and enacted legislative changes to support EITI implementation in Senegal, including in the 2016 Mining Code and the 2019 Petroleum Code. Over the years, government officials have followed up with companies to encourage full participation in EITI reporting as well as beneficial ownership disclosures.</p>	
Civil society engagement (Requirement #1.3)	<p>Evidence and stakeholder consultations indicate that the Civil society constituency is fully and effectively engaged. The nomination procedure has been codified and it publicly available on the website of Senegal ITIE. This new process seems to have been followed in practice during the last round of nomination in 2021. The Publish What You Pay Coalition is leading the constituency, with four seats reserved to the members of the coalition, and three seats distributed to other organisations. The constituency contributed to strengthen engagement, outreach, and coordination during the period under review. There is evidence of regular outreach by MSG members to the broader constituency, even if this has not generated significant feedback or input. Civil society in its broader sense uses and disseminates EITI data in research, including at the local level.</p> <p>There is no evidence of any barriers to civil society participation or input to the EITI process related to freedom of association, expression, operation, or access to public decision-making. There was consensus among stakeholders consulted that the constituency had undertaken some efforts to expand the group to newer organisations, although most of the seven seats are currently held by organisations with a long experience with the EITI. Thus, the Secretariat's assessment is that all required aspects of the requirement have been addressed and the requirement's objective has been fulfilled.</p>	Fully met

Multi-stakeholder group (Requirement #1.4)	The MSG is a mature institution and includes self-appointed representatives from each stakeholder group with no suggestion of interference or coercion. Nominations procedures for industry and civil society have been publicly codified. The mechanism for civil society nominations on the MSG is open to the public and CSO members of the MSG are operationally and in policy terms independent from government and companies. Information on nominations procedures is publicly available on the national EITI website. The ToR for the MSG addresses the requirements of the EITI Standard, and stakeholders have not highlighted any significant deviations from the ToR in practice. Meetings are convened with sufficient advance warning and MSG members generally appear to have sufficient time to review documents ahead of meetings. Attendance of most MSG members is consistent. The MSG's per diem policy is clearly described on the Senegal EITI website and there do not appear to be any deviations in practice.	Fully met
New corrective actions and recommendations		
	<ul style="list-style-type: none"> • To strengthen implementation, the government may wish to consider ways of strengthening the framework for canvassing the broader government constituency for views as part of the MSG's annual review of outcomes and impact. • To strengthen implementation, the industry constituency could consider means of further strengthening their systematic disclosures of EITI data through companies' routine publications, thereby integrating EITI disclosures into their annual public disclosure cycle. • To further strengthen civil society engagement, the civil society constituency is encouraged to sustain efforts to further broaden the constituency and to ensure that voices critical of the management of extractive industries are adequately represented. 	

4. Transparency

This component assesses EITI Requirements 2 to 6, which are the requirements of the EITI Standard related to disclosure.

Overview of the extractive sector (Requirements 3.1, 6.3)

Overview of progress in the module

Senegal EITI has built a central repository of information about the extractive sector, including a presentation of the mining and the oil and gas sector. The main companies operating in the country as well as the main exploration projects are described, as well as a short history and future projects for both sectors. Some of this information is also available on government websites, but not on the level of details than the national EITI website. Therefore, all aspects of the requirement has been met, but not yet exceeded.

Senegal EITI has played a key role in improving the accessibility of information on the extractive industries' contribution to the economy, including by centralising information on their contribution (in absolute and relative terms) to GDP, government revenues, exports, and employment. While government portals provide information on extractive exports, the location of extractive activities and estimates of the value of informal extractive activities, much of the macro-economic data listed in Requirement 6.3 still appears to be primarily disclosed through annual EITI reporting. Therefore, the Secretariat's assessment is that Senegal has addressed all technical aspects of the requirement and that the broader objective of ensuring a public understanding of the extractive industries' contribution to the national economy and the level of natural resource dependency in the economy has been fully met, but not yet exceeded.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
Exploration (Requirement #3.1)	Senegal has addressed all aspects of this requirement: an comprehensive overview of the mining sector is available on the Senegal EITI website . It includes the most recent developments (2021), a brief history and a summary of the main present / past projects. A similar presentation is made about the nascent hydrocarbon sector.	Fully met
Contribution of the extractive sector to the economy (Requirement #6.3)	Senegal has exceeded the objective of this requirement by publishing the extractive industries' contribution, in absolute and relative terms, to GDP, government revenues, exports and employment, through systematic disclosures. While Senegal's EITI reporting has not included estimates of the informal sector's contribution to the extractive industries, public reports on the government's statistics agency's website (ANSD) provide estimates of informal activities. Although the 2019 EITI Report presents the economic contribution of the extractive sector in a clearer and more	Exceeded

	accessible manner, the website of the ANSD contains all the information listed under Requirement 6.3.	
New corrective actions and recommendations		
<ul style="list-style-type: none">To strengthen implementation, Senegal is encouraged to improve accessibility of information on the contribution of the extractive industries to the economy through routine government and company systems.		

Legal environment and fiscal regime (Requirements 2.1, 2.4, 6.4)

Overview of progress in the module

Senegal has used its EITI reporting to establish a centralised repository of information on all aspects of the regulatory framework for the extractive industries, including the legal framework, fiscal regime, roles of government entities and reforms. This information is systematically disclosed on government websites, albeit spread across numerous different entities, which highlights the added value of EITI reporting in improving data accessibility. While the 2019 EITI Report provides only a cursory overview of reforms in the mining sector, information on oil and gas reforms is systematically disclosed on government websites and referenced on the EITI Senegal website. Beyond the EITI's role in tracking ongoing and planned reforms, stakeholders consulted from all constituencies highlighted Senegal EITI's proactive role in influencing sector reforms both through policy recommendations and in highlighting findings from the annual diagnostic of EITI disclosures of the rules and practices of extractive industry governance, reflected for instance in the input to the 2016 Mining Code and the 2019 Petroleum Code (see Requirement 7.3). A report from the Finance ministry on the fiscal incentives in the extractive industries, published on the national EITI website of Senegal, discloses a total of XOF 750 million for 2019. The Secretariat's assessment is that the requirement's objective of ensuring public understanding of all aspects of the regulatory framework for the extractive industries has been fully met but not yet exceeded, given that most of the information is available through EITI reporting.

Senegal has ensured the public accessibility of contracts underpinning mining, oil and gas activities as a basis for the public's understanding of the contractual rights and obligations of companies operating in the country's extractive industries. The government's commitment to publishing all extractive contracts was a central tenet of the country's application for EITI candidature in 2013 and was initially operationalised in October 2016. The government has established the regulatory framework for the systematic publication of all extractive contracts and licenses, with relevant legal provisions included in the 2016 Mining Code, the 2019 Petroleum Code and the 2012 Public Finance Management Transparency Code. All contracts and licenses in both the mining and petroleum sectors have now been published, including exploration licenses and all annexes, amendments and riders, irrespective of the date at which they were concluded. The Government Information Office (Bureau d'Information Gouvernementale (BIG) has published the contracts for both [mining](#) and [petroleum](#), while the EITI Senegal website provides a list of published contracts and amendments for both [mining](#) and [petroleum](#), with both contracts and licenses as well as the related Decrees and Orders (*Arrêtés*) published online. The MSG tracks publication of contracts and licenses in a systematic way by

publishing an [overview](#) of all contracts and licenses, with guidance on accessing the full text of each. Stakeholders consulted from all constituencies highlighted the public disclosure of all extractive contracts as a key achievement of EITI implementation. There is evidence of some research and analysis of disclosed extractive contracts, including in academic and civil society reviews. Given the comprehensiveness of extractive contracts and licenses disclosed as well as Senegal EITI's impact in improving the accessibility of these documents of key public interest, the Secretariat's assessment is that Senegal has exceeded the requirement's objective of ensuring the public accessibility of all licenses and contracts underpinning extractive activities.

Responding to significant public demand for information on the environmental impact of the extractive industries, Senegal EITI has laid the foundations to assess the adequacy of the regulatory framework and to inform on the environmental impact of the extractive sector as well as determine the level of compliance by extractive companies with obligations related to the environment. The 2019 EITI Report describes the institutional framework and the various state entities involved in environmental management relating to extractive activities. The legal framework is composed of the constitution of Senegal, the Environmental Code, the Mining Code and international conventions. The procedures related to environmental impact studies such as the conditions of application and their validation are also described. The types of environmental expenditure are listed in section 4.1.12.3. Section 4.2.10 provides additional information on environmental obligations in the petroleum sector. The environmental code is available online on the website of the Ministry of the Environment. However, the environmental impact studies are not yet available on the website of the DEEC, the agency responsible for conducting them.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
Legal framework and fiscal regime (Requirement #2.1)	Senegal has addressed all aspects of this requirement by ensuring that Senegal's EITI reporting summarises descriptions of the legal environment and fiscal regime for mining, oil and gas, including the roles of government entities, the level of fiscal devolution and ongoing of planned reforms in oil and gas, rather than mining. Government websites provide some of this information in a dispersed manner, including updates on ongoing reforms in the mining sector. The Secretariat's assessment is that Senegal has fully addressed the requirement's objective but has not yet exceeded the requirement given that the majority of this information is not yet systematically disclosed on government and company websites.	Fully met
Contracts (Requirement #2.4)	Senegal has exceeded the objective of Requirement 2.4 by comprehensively disclosing all contracts and licenses for the 1979-2021 period, using the EITI platform to improve the accessibility of information. All aspects of the Requirement have been addressed, including the encouraged aspects of disclosing all historical contracts. State contract disclosure practices are aligned with policy, which the MSG has documented. The MSG has compiled a comprehensive list of all contracts and associated licenses, indicating	Exceeded

	<p>the public accessibility of each. The Secretariat's assessment is that Senegal has exceeded the objective of the requirement given the accessibility of this data, and its relevance to public debate.</p>	
Environmental impact (Requirement #6.4)	<p>Senegal has mostly met the objective of this requirement. The legal framework relative to environmental management is addressed in the 2019 EITI Report and the environmental contributions are published, including the procedures for Environmental Impact Assessments. The Ministry of Environment website discloses relevant legal documents and procedures as well as a description of the general impact of Climate Change on Senegal and the country's objective of greenhouse gases reduction. However, there is little evidence of public disclosure of the evaluations performed on environmental impacts of extractive projects or the monitoring of extractive companies' environmental obligations in practice.</p> <p>Environmental expenditures are disclosed in Annex 8, which does not seem to distinguish between mandatory and voluntary expenditures nor to disaggregate the transactions by revenue stream. The distinction between voluntary and mandatory environmental tax has been clarified after consultation with the Ministry of Environment, with mandatory expenditures consisting of payments to the rehabilitation funds (Fonds de réhabilitation) and environmental and social management plans (<i>Plan de gestion environnementale et sociale</i>) while voluntary expenditures consist of institutional support ('Appui institutionnel'). It is possible to identify most of the individual environmental payments in the reporting templates of the material companies provided in the annexes, and therefore to disaggregate the environmental payments/expenditures by revenue stream. Several environmental mechanisms, such as the rehabilitation funds or the pollution tax do not seem to be currently operational, and no contributions have been noted in 2019.</p> <p>Thus, the Secretariat's assessment is that the requirement's objective has not yet been achieved that Requirement 6.4 should remain as not assessed in order not to penalise Senegal for gaps in progress towards an aspect of the EITI Standard that is only encouraged.</p>	Not assessed
New corrective actions and recommendations		
<ul style="list-style-type: none"> To strengthen implementation, the government is encouraged to publish environmental impact studies related to extractive activities on the DEEC website. To strengthen the monitoring of environmental impact of the nascent gas sector and the mining sector and to answer to significant interest from the public, Senegal could consider ways to document and highlight the non-payment of several environmental payments/expenditures, such as the provision to the rehabilitation funds, the pollution tax or the surface tax in the oil and gas sector. 		

Licenses and property rights (Requirements 2.2, 2.3)

Overview of progress in the module

Senegal has made progress in clarifying the license and contract award and transfer process. As highlighted in the previous Validation, statutory technical and financial criteria assessed in the process of awarding and transferring licenses did not exist in either the mining or petroleum sectors, up until 2020 in the petroleum sector and 2021 in the mining sector. The 2019 Petroleum Code's implementing decree in 2020 and the Ministry of Mines and Geology's new Manual of Procedures issued in 2021 clarified the statutory criteria assessed for both awards and transfers. Senegal EITI played a role in supporting the development of these two procedural clarifications, drawing on findings from EITI reporting to date. This was identified as a key achievement of Senegal EITI in the past two years according to stakeholders consulted in government, industry, and some civil society representatives. The 2019 EITI Report confirms the lack of clear criteria assessed in awards and transfers in 2019 and highlights the importance of the review of non-trivial deviations in practice in the absence of clear statutory criteria. The lack of clear criteria for both mining and petroleum license awards and transfers has now been addressed as a challenge, with the enactment of implementing regulations to the 2019 Petroleum Code in 2020 and the publication of a Manual of Procedures by the Ministry of Mines and Geology in 2021. While there was a hiatus in new oil and gas license and contract awards in the 2017-2020 given the preparations and transition to the 2019 Petroleum Code (and no oil and gas license transfers in 2019), there was a significant number (97) of new mining license awards in 2019 and one mining license transfer.

Stakeholders consulted from different constituencies highlighted the EITI's impact in reducing the level of discretion in licensing procedures in both the mining and petroleum sectors, noting the relevance of this work to the public debate on the sector in recent years. The MSG commissioned a detailed 60-page [review](#) of the practice of mining license awards and transfers in 2019 based on review of all the licenses awarded in 2019, published on the Senegal EITI website in June 2021. In his review, the consultant received the documentation for 75 of the 97 license awards, and 22 were not communicated by the licensing authority, the DMG. The 2019 EITI Report highlights both written assurances from the Mines and Geology Directorate about the absence of any non-trivial deviations in mining license awards in 2019. The standalone study's findings report three license awards only partially compliant with statutory procedures. This finding calls into question the comprehensiveness of the diagnostic study's findings, given that the lack of accessibility of key information related to some of the license awards reviewed was not available and therefore that a diagnostic could not be completed with regards to these license awards. This appears to be a gap with regards to the MSG's own ToR for this diagnostic study. The MSG adopted the study's recommendations, in particular relating to the need for improvements in the Mining and Geology Department's record-keeping to ensure consistent accessibility of all documents related to every license award and transfer. For the oil and gas sector, there was no license awards or transfers for the year under review, and an assessment of practice of license awards and transfers including non-trivial deviations could not be replicated. Issues related to license and contract allocations have emerged as key issues of public interest, particularly in the oil and gas sector, since public controversy in 2019 following an international

news report³ alleging irregularities in the 2012 award and subsequent transfer of oil and gas contracts that later became the basis of Senegal's landmark Grand Tortue/Ahmeyim LNG project. Therefore, the Secretariat's assessment is that all technical aspects of Requirement 2.2 have been addressed but that the objective of providing a public overview of awards and transfers of oil, gas and mining licenses as a basis for allowing stakeholders to identify and address possible weaknesses in the license allocation process has been only mostly met. Indeed, despite significant public attention on petroleum licensing practices since 2019, Senegal EITI has only focused its review of non-trivial deviations on the mining sector, without reviewing historical licensing practices in the oil and gas sector. Several stakeholders consulted from all three constituencies considered that weaknesses in the licensing procedures in both mining and petroleum had been significantly reduced given the codification of new specific licensing procedures, including criteria assessed, as well as the requirement for beneficial ownership disclosure as a precondition for license awards.

The improvements in availability of license information in accordance with Requirement 2.3 since the previous Validation are notable. Whereas the primary mode of disclosure of license data was the annual EITI Report in the period reviewed under the previous Validation, Senegal has since established online cadastral portals for both [mining](#) and [petroleum](#), both launched in 2021 ahead of the commencement of Validation. While the launch of these portals came only months ahead of Validation, their inception dates back to 2018 with several years required for the development of these new government systems. All information mandated under Requirement 2.3.b is comprehensively disclosed for all active licenses, irrespective of the materiality of payments to government from the license-holding companies. In the strategically important oil and gas sector, the cadastral portal integrates information for each license on the shareholders of license-holding companies, the related contract, and the related non-tax payments to government. This provides a robust basis for promoting public debate, research and analysis on companies' adherence to contractual obligations, when used in conjunction with other data disclosed in accordance with the EITI Standard. None of the stakeholders consulted considered that there were any gaps in the information provided through these portals, nor risks to the future maintenance and updates of these portals. Therefore, the Secretariat's assessment is that all technical aspects of Requirement 2.3, including the encouraged aspects, have been fully addressed and that the objective of ensuring the public accessibility of comprehensive information on property rights related to extractive deposits and projects has been exceeded.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
Contract and license	Senegal has mostly met the objective of this requirement by providing a public overview of awards and transfers of oil, gas and mining licenses,	Mostly met

³ BBC Africa Eye & Panorama (June 2019), 'The \$10 Billion Energy Scandal – documentary', accessible at <https://www.youtube.com/watch?v=UITXRWMYpzQ>. See also response from the African Energy Chamber: Bloomberg (July 2019), 'The African Energy Chamber Debunks the Senegalese USD\$10 Billion Scandal that Never Was', accessible at <https://www.bloomberg.com/press-releases/2019-07-29/the-african-energy-chamber-debunks-the-senegalese-usd-10-billion-scandal-that-never-was>.

allocations (Requirement #2.2)	<p>the statutory procedures for license awards and transfers and an attempt at assessing whether these procedures are followed in practice. Senegal's EITI reporting has provided annual disclosures of the numbers and identities of licenses awarded and transferred, the general award and transfer procedures and has been transparent about the lack of technical and financial criteria until the publication of the Ministry of Mines and Geology's Procedural Manual and the 2020 Decree implementing the 2019 Petroleum Code. The MSG has prepared diagnostic reports on licensing practices in the mining sector, as a means of informing public policy making and reforms. All the 97 mining license awards have been reviewed by an independent consultant. The results, including the assessment of non-trivial deviations, are available in the annex 3 of the study. Based on the review, the MSG has also made recommendations to licensing authorities in Senegal, such as using the newly adopted manual of procedures to assess future awards and transfers of extractive licenses. However, the Secretariat's assessment is that the MSG's assessment of non-trivial deviations in practice did not fulfil the MSG's own Terms of Reference for this diagnostic assessment, raising concerns over the comprehensiveness of the study's findings, given the lack of availability of documentation related to some of the license awards reviewed. Given the lack of new oil and gas license awards and transfers in 2019, the MSG did not carry out the same type of diagnostic work on petroleum license awards and transfers, either for 2019 or earlier periods. Therefore, the Secretariat's assessment is that the objective of Requirement 2.2 has not yet been fulfilled given that Senegal EITI's review of non-trivial deviations in the mining sector has not yet been replicated in the oil and gas sector, despite significant public attention to petroleum licensing practices.</p>	
Register of licenses (Requirement #2.3)	<p>The two new cadastral systems with online portals in both the petroleum and mining sectors, launched in May and June 2021, respectively, has comprehensively addressed all aspects of Requirement 2.3. The development of these cadastral portals took several years (from 2018) given the establishment of government systems involved. Senegal has exceeded the objective of this requirement to ensure the public accessibility of comprehensive information on property rights related to extractive projects by the timeliness and accessibility of the data on the two new cadastre portals for mining and petroleum.</p>	Exceeded
New corrective actions and recommendations		
	<ul style="list-style-type: none"> • In accordance with Requirement 2.2, Senegal should ensure that an overview of license award and transfer procedures is publicly disclosed, including an overview of any non-trivial deviations from statutory procedures in practice. Senegal may wish to further expand its use of EITI reporting to assess the efficiency of license and contract awards and transfers in the oil and gas sector, for instance by replicating the study conducted on the license awards and transfers in the mining sector. This would reinforce its annual review of non-trivial deviations in the practice of licensing activities, with a view to ensuring regular input to policy-making and public debate on license management in the nascent oil and gas sector, a topic of great public interest in Senegal. • To strengthen implementation, Senegal is encouraged to use its annual EITI reporting to undertake a diagnostic of the comprehensiveness and reliability of license information systematically disclosed through the newly established mining and petroleum cadastral portals, ensuring that any gaps in the publicly 	

available information are disclosed and efforts to strengthen these systems publicly documented, where applicable.

Beneficial ownership (Requirement 2.5)

Overview of progress in the module

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 2019.⁴ The assessment consists of a technical assessment focusing on initial criteria and an assessment of effectiveness.

Technical assessment

The technical assessment is included in the Transparency template, in the tab on Requirement 2.5.

It demonstrates that Senegal has established a legal basis for collecting and disclosing beneficial ownership information since March 2021, although the short timeframe since its effectiveness hinders an assessment of the comprehensiveness and reliability of disclosures to date. Access to both legal and beneficial ownership data is contingent on the payment of a XOF 2500 (EUR 4) fee per company. It appears that the MSG has not yet published a list of companies holding extractive licenses in Senegal that are subsidiaries of companies publicly listed on foreign stock exchanges, including references (links) to their statutory filings to their respective stock exchanges.

Assessment of effectiveness

Senegal has made progress in addressing most aspects of the initial criteria under Requirement 2.5. In effect, all companies applying for a license or contract in the extractive industries are now required to report their beneficial owners to the 14 Commercial Court Clerks (*Greffre du Tribunal du Commerce*) in Senegal, since the implementing regulation for the 2020 beneficial ownership decree was enacted in March 2021.

Senegal EITI has played a role in centralising disparate information and improving the accessibility of both legal and beneficial ownership data for at least some companies included in the scope of EITI reporting, albeit with gaps. Senegal has included beneficial ownership in the scope of EITI reporting since its 2014 EITI Report, asking material companies to disclose their ultimate beneficial ownership every year. These efforts have been moderately effective: the EITI Senegal [Open Data Dashboard](#) provides information on only 26 mining, oil and gas companies, with several gaps in disclosures including on subsidiaries of major international companies.

The beneficial ownership data reported to the Commercial Court clerks as part of the company's statutes is made publicly available independently of Senegal EITI. A database of companies is accessible through the new [Seninfogreff website](#), although data on legal and beneficial owners are at a charge of XOF 2500 (EUR 4) fee per company. Nonetheless, this fee was considered reasonable by stakeholders consulted, including civil society. The Ministry of Energy and

⁴ <https://eiti.org/document/assessing-implementation-of-eitis-beneficial-ownership-requirement>.

Petroleum's online petroleum [cadastral portal](#) provides public access to shareholders of oil and gas license-holding companies, free of charge.

The MSG has published an assessment of the comprehensiveness and reliability of beneficial ownership disclosures by material companies included in the scope of EITI reporting on an annual basis (through EITI Reports). The MSG then published the 31st August a review of the beneficial ownership data reported by all the companies engaged in the extractive sector to the 14 Commercial Court Clerks (*Greffes du Tribunal du Commerce*) in accordance with Requirement 2.5.c.

A list of all companies operating in the extractive industries that are wholly owned subsidiaries of publicly listed companies, including a link to the stock exchange filings where they are listed in accordance with Requirement 2.5.f.iii has been made available by the MSG on the national website⁵.

The materiality of the gaps identified in this assessment should be weighed against progress in fulfilling the broader objective of “enabl[ing] the public to know who ultimately owns and controls the companies operating in the country’s extractive industries, particularly those identified by the MSG as high-risk, to help deter improper practices in the management of extractive resources.” The Secretariat’s assessment is that Senegal has fully met the initial criteria of disclosing the MSG’s assessment of the comprehensiveness and reliability of disclosures to date and clear references to publicly listed companies’ stock exchange filings.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
Beneficial ownership (Requirement #2.5)	Senegal has fully met the requirement’s objective of enabling the public to know who ultimately owns and controls the companies operating in the country’s extractive industries and to help deter improper practices in the management of extractive resources. All aspects of the initial criteria for Validation of Requirement 2.5 have been addressed, including establishing an appropriate legal framework and reporting practices for beneficial ownership disclosures. The MSG has published an assessment of the comprehensiveness and reliability of beneficial ownership disclosures by material companies included in the scope of reconciliation for 2019, and has published an assessment of disclosures to date by all companies after the start of the Validation in accordance with Requirement 2.5.c. Out of the 284 license holders in the extractive sector, 13 beneficial ownership declarations have been submitted and five effectively registered by the commercial courts (“ <i>greffes du tribunal du commerce</i> ”). Requests for beneficial ownership disclosures appear to have been sent to all companies holding or applying for extractive licenses, since February 2021. The cost of information on legal owners	Fully met

⁵ <https://donnees.itie.sn/dashboard/#b%C3%A9n%C3%A9ficiaires-effectifs>

	and beneficial owners (XOF 2500 / EUR 4 per company) is not considered a constraint by stakeholders consulted. In accordance with Requirement 2.5.f.iii, links to the stock exchange filings of the 22 extractive companies in Senegal that are wholly-owned subsidiaries of publicly listed companies have been disclosed through the comments of the MSG.	
New corrective actions and recommendations		
<ul style="list-style-type: none">• To prepare for the second phase of Validation of Requirement 2.5 from January 2022 onwards, Senegal is required to ensure that the beneficial ownership of all companies holding or applying for a mining, oil and gas license is comprehensively and reliably disclosed as of January 2022.		

State participation (Requirements 2.6, 4.2, 4.5, 6.2)

Overview of progress in the module

The 2019 EITI Report provides a comprehensive list of companies in which the government holds equity and clarifies that state participation in PETROSEN can give rise to material revenues. The report clarifies the actual practice of financial relations between the two SOEs MIFERSO and PESTROSEN and explains the statutory rules governing the financial relations between them and the government. The 2019 report provides information on the terms associated with state equity in the mining and oil and gas sector. The report describes the changes in state participation in the mining and the oil and gas sectors in 2019. The government did not contract any loans or guarantees to other extractives companies directly in 2019. The publication of the financial statements of MIFERSO for 2019 and PETROSEN for the years 2014-2019 addresses questions related to the practice of financial relations between the SOEs and the state in this period. Finally, regarding the ability of SOEs to raise funds from third parties and a possible sovereign guarantee, this was clarified through the publication of an explanatory note by Senegal EITI concerning the two major gas projects, Grande Tortue and Sangomar, as well as during consultations with stakeholders from government and industry.

The situation regarding in-kind revenues from both oil and gas and mining sectors has not evolved since the previous Validation. No in-kind company payments to government currently exist in the mining sector. In the gas sector, only one license is currently in production, operated by the company FORTESA. The state's statutory in-kind revenue entitlements are commercialised by the operator, who transfers the proceeds in cash to the government. The EITI has nevertheless treated these payments as in-kind transactions and disclosed the volume of gas constituting the State's production share and the volume corresponding to the share attributable to PETROSEN in the EITI Report, as well as the value corresponding to the sale of these shares. The transactions were reconciled between the FORTESA company and the State / PETROSEN. Annex 24 of the 2019 EITI Report contains additional information on the entirety of the sale of gas in kind, such as the identity of the buyer, the tariff price, contract number, date, all disaggregated by individual delivery.

The 2019 Report describes clearly the revenues collected by the state companies (only PETROSEN collects revenues). No payment (apart from regular taxation) has been made to the

State from PETROSEN or MIFERSO. On the other hand, the State granted an operating subsidy to MIFERSO, demonstrated non-material by the MSG (less than 0.3% of total income). The MSG has also issued a note explaining the nature and status of three short-term debts from shareholders (including the State) contracted by MIFERSO and disclosed in its audited financial statements. Regarding the completeness and reliability of the data, MIFERSO and PETROSEN have provided audited financial statements and reporting templates certified by an auditor and signed by management, in compliance with the required quality assurance.

The MSG reviewed the procurement plans of the two SOEs, MIFERSO and PETROSEN, and concluded that there are currently no quasi-fiscal expenditures in the extractive sector.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
State participation (Requirement #2.6)	Senegal seems to have achieved the objective of this Requirement. Most of the information required by Requirement 2.6 is available in the 2019 EITI Report and in the 'State Enterprises' section of the Senegal EITI website. With regard to the statutory rules relating to the financial relations of state-owned enterprises, in particular the clarification of the rules relating to retained earnings, in accordance with requirement 2.6.ai, the publication of the financial statements of PETROSEN for the years 2014-2019 adequately provided information about PETROSEN's relation with the state for the period under review. As for the ability of state-owned enterprises to raise funds from third parties and a possible sovereign guarantee, this point was clarified through the publication of an explanatory note concerning the two major gas projects, Grande Tortue and Sangomar, as well as during consultations with stakeholders (Ministry of Petroleum, PETROSEN, College of Industry).	Fully met
Sale of the state's in-kind revenues (Requirement #4.2)	Senegal appears to have fully met all aspects of the requirement 4.2. The state's and PETROSEN statutory in-kind revenue entitlements are commercialised by the operator of the sole production license, FORTESA, who transfers the proceeds in cash to the government. The volume of gas constituting the State's production share and the volume corresponding to the share attributable to PETROSEN are disclosed in the EITI report, as well as the value corresponding to the sale of these shares. The transactions were reconciled between the FORTESA company and the State / PETROSEN. The annex 24 of the 2019 EITI report also contains additional information on the entirety of the sale of gas in-kind, such as the identity of the buyer, the tariff price, contract number, date, all disaggregated by individual delivery. As these declarations are included in the declaration form sent to companies, they benefit from the same level of data assurance as the rest of financial disclosures.	Not applicable
Transactions related to	Senegal seems to have fully met all aspects of the Requirement 4.5. The revenue streams perceived by the state companies are correctly	Fully met

state-owned enterprises (Requirement #4.5)	<p>described in the 2019 EITI Report. It should be noted that only PETROSEN collects revenues. Regarding transfers between the State and MIFERSO/PETROSEN, no payment (apart from regular taxation) has been made to the State from PETROSEN or MIFERSO.</p> <p>The State granted an operating subsidy to MIFERSO, demonstrated non-material by the MSG (less than 0.3% of total income). The MSG has also produced a note explaining the nature and status of three short-term debts from shareholders (including the State) contracted by MIFERSO and appearing in its audited financial statements. Regarding the completeness and reliability of the data, MIFERSO and PETROSEN have provided reporting templates certified by an auditor and signed by management, in compliance with the required quality assurance.</p>	
Quasi-fiscal expenditures (Requirement #6.2)	<p>In addition of reviewing audited financial statements, the MSG has reviewed the procurement plan of the two SOEs, MIFERSO and PETROSEN, and concluded that there are currently no quasi-fiscal expenditures in the extractive sector.</p>	Not applicable
New corrective actions and recommendations		
<ul style="list-style-type: none"> • To strengthen systematic disclosures, extractive SOEs are encouraged to ensure that the publication of their audited financial statements on their respective websites are institutionalised and sustained on an annual basis. 		

Production and exports (Requirements 3.2, 3.3)

Overview of progress in the module

Details of mining production are shown in the 2019 EITI Report, disaggregated by commodities and by project. The Senegal [EITI open data portal](#) also publishes production figures but disaggregated by commodity only. The production values are shown are disclosed with the same level of detail and disaggregation. Oil and gas production (natural gas only) is disclosed for the only project in production, Diender. The EITI Report also devotes a brief passage to artisanal mining production figures.

Export volumes are detailed in the 2019 EITI Report, disaggregated by project, commodity and country of destination. It should be noted that only the mining sector is concerned by exports, the gas sector in Senegal produces for the domestic market only. Export volumes are also systematically disclosed on the ANSD website but at a lower degree of sophistication than in the EITI Report.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
Production (Requirement #3.2)	Senegal has achieved the objective of this requirement. Extractive production data are disclosed, in volume and value, disaggregated by commodities but also by project. Production data is available on the Senegal EITI open data portal, disaggregated by raw material but not by project.	Fully met
Exports (Requirement #3.3)	Senegal has achieved the objective of the requirement. Extractive export data is disclosed, in volume and value, disaggregated by commodity but also by project and country of destination. Export data is also available on the ANSD portal, but at a lower level of sophistication than the EITI Report.	Fully met
New corrective actions and recommendations		
<ul style="list-style-type: none"> To strengthen implementation, the EITI could encourage the government agencies (ANSD for instance) to publish themselves the production and export data, at the same level of disaggregation as the EITI Report. 		

Revenue collection (Requirements 4.1, 4.3, 4.4, 4.7, 4.8, 4.9)

Overview of progress in the module

Senegal's 2019 EITI Report provides comprehensive disclosure of the revenues from the extractive sector. Material government entities, revenue streams and companies are clearly identified, and the materiality thresholds discussions are documented on the website of the national EITI. All reporting entities have provided their reporting templates, and the full government disclosure (including non-material revenues) is also published, disaggregated by revenue stream and companies. Audited financial statements are publicly available for all material companies except three (including the two SOEs, MIFERSO and PETROSEN).

Senegal has continued to sustain an equivalent level of disclosures on barter-type infrastructure arrangements for the period assessed in accordance with Requirement 4.3, while clarifying new loan arrangements in the oil and gas sector that do not constitute non-monetary exchanges of goods and services. Since the 2014 EITI Report, the MSG has provided consistent tracking of the implementation of a January 2014 agreement whereby the state renounced its option to acquire a 10% equity interest in Oromin Joint Venture Group (OJVG) following the company's acquisition by Teranga Gold Corp. In exchange for Teranga's expenditures of a total of USD 10 million to develop community infrastructure projects in the mine-affected area through payments either directly to contractors or to ministries of the government's choosing. The previous Validation confirmed the interpretation of this agreement as an agreement involving the provision of goods and services in partial exchange for mining production concessions (barter agreement). Annual EITI reporting has described the terms of the agreement, the parties involved, the resources pledged by the state, the value of the balancing benefit stream, and the materiality of these agreements relative to conventional contracts. Payments related to this agreement have been comprehensively reconciled in the 2019 EITI Report.

More recently, in 2021, the MSG has clarified the terms of three financing arrangements for the national oil company PETROSEN in relation to the GTA LNG project and the Sangomar oil project, from international companies Kosmos, BP and Woodside Petroleum. Disclosures on the EITI Senegal website ahead of Validation explained that the reimbursement of the three loans to PETROSEN, which total USD 885 million, were structured to be based on the revenues from the sale of PETROSEN's entitlements to a share of production of natural gas and crude oil from the two respective projects. Stakeholder consultations confirmed that the reimbursement of these loans was not tied to deliveries of physical commodities to specific off-takers, but rather to the cash proceeds of commodity sales on behalf of PETROSEN. The Secretariat concludes that these three loan agreements do not constitute the provision of loans in exchange for the physical commodities and therefore are not strictly covered by Requirement 4.3. Nonetheless, the MSG has clarified the terms of the three loan arrangements including interest rate, tenor, and repayment modalities (see *Requirement 2.6*). Therefore, the Secretariat's assessment is that all technical aspects of Requirement 4.3 have been addressed and that the broader objective of ensuring public understanding of infrastructure provisions and barter-type arrangements as a basis for comparability to conventional agreements has been fully met.

Regarding potential revenues from the transport of extractive commodities, the oil and gas sector might generate some in the future, but at the current development, no transportation payment has been registered.

Direct subnational payments do not seem to apply in Senegal for the year under review. The only apparent sub-national payment currently existing is the "Patente", which is not specific to the extractive sector. The total amount is XOF 2,146,612,383, or about 1.5% of total revenues. This tax is however collected by the public treasury under common law conditions and then transferred to the benefit of the local authorities where extractive companies are located, thus qualifying it as a transfer. The 2019 EITI Report further notes that the "Patente" is to be replaced by a new tax for future reporting years.

The 2019 EITI Report describes the MSG's definition of project and presents reconciled financial data disaggregated by government entity, revenue stream, company and (where relevant) project. A list detailing the methodology used to select the revenues being levied and reported by project is available in the annex of the 2019 EITI Report. The project-disaggregated data is available on the national website and is included in the 2019 summary data template.

Senegal's EITI Reports have consistently been published in a sufficiently timely manner in accordance with Requirement 4.8, with EITI data disclosed to the public within one year of the end of the fiscal period covered. The 2019 EITI Report was published in December 2020, making Senegal's EITI data among the three timeliest EITI disclosures for 2019. However, some unilateral government disclosures of financial data are published in a timelier manner, with non-tax revenues from the oil and gas sector now systematically disclosed through the new online petroleum cadastral system (see *Requirements 2.3 and 4.1*). The timeliness of Senegal's EITI disclosures has been a key objective of its EITI implementation, given the use of EITI data by parliamentarians, government entities and the broader public. Therefore, the Secretariat's assessment is that all aspects of Requirement 4.8 have been addressed and that the objective of ensuring that public disclosures of financial data are sufficiently timely to be relevant to inform public debate and policy making has been exceeded.

Senegal's EITI reporting has provided an annual review of routine government and company audit and assurance rules and practices, including providing a detailed review of the completion of audits for each company included in the scope of reporting, albeit without specific guidance on accessing audited financial statements of material companies. Delays in finalising and publishing public sector audit report on government revenues for 2019 by the Cour des Comptes is a concern regarding broader government audit and assurance practices but is not considered to constitute a gap in ensuring the comprehensiveness and reliability of reconciled financial data. The MSG has also played a leading role in ensuring the public disclosure of audited financial statements for the two extractive SOEs (see Requirement 2.6). The MSG has taken appropriate measures to ensure the reliability of EITI disclosures of company payments and government revenues from oil, gas and mining, with all but two of the 26 reporting companies and all but two of the eight government entities adhering to the agreed quality assurances. The two non-complying companies accounted for 2.47% of reconciled financial data, while the two non-complying government entities accounted for 2.59%, which the Independent Administrator did not consider was sufficient to affect the overall reliability of the financial data. The 2019 EITI Report includes a clear statement from the Independent Administrator on the comprehensiveness and reliability of the reconciled financial data in the report. Therefore, the broader objective of ensuring a basis for stakeholders to assess the reliability and comprehensiveness of the financial data on payments and revenues in the 2019 EITI Report has been achieved in accordance with Requirement 4.9 and the Terms of Reference of the Independent Administrator.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
Comprehensive disclosure of taxes and revenues (Requirement #4.1)	Senegal has fully met the objective of this requirement. The MSG's decisions on materiality thresholds and scope of EITI reporting are published on the EITI Senegal website, and no revenue stream appears to have been excluded. Material companies, revenue streams and government agencies are clearly identified in the 2019 EITI Report, and no company or government agency failed to provide their reporting template. The full government disclosure from the extractive sector, including non-material revenues, is also clearly disclosed by the government and disaggregated by revenue stream and by company. The coverage for the reconciliation exercise is 96%. The audited financial statements of material companies are also made public, except for three.	Fully met
Infrastructure provisions and barter arrangements (Requirement #4.3)	Senegal has fully met the objective of this requirement. The barter-type agreement is for the government to give up its option to acquire a 10% stake in the Oromin Joint Venture Group (OJVG) mining company in exchange for the company committing to US\$10 million in in-kind social expenditures (agreed with the government and the host community) over a period of several years. In practice, EITI Senegal has disclosed the social expenditures for 2019 under this agreement, which consist of	Fully met

	office and IT expenses for public administration. Based on clarifications published on the EITI Senegal website in June 2021 and consultations with government and company stakeholders, the Secretariat understands that PETROSEN's financing arrangements with Kosmos, BP and Woodside Petroleum do not constitute loans in exchange for deliveries of physical crude oil or natural gas commodities. The Secretariat's assessment is therefore that these financing arrangements of PETROSEN are not covered by Requirement 4.3.	
Transportation revenues (Requirement #4.4)	For the mining sector, transport is provided by the companies' own means. The transport activity is therefore taxed within the framework of the activities of said companies and the related taxation is considered in the mining revenues collected by the government. For the oil and gas sector, no payment for the use of the PETROSEN pipeline was made in 2019. This seems to be confirmed by the absence of a declaration from PETROSEN of payment for the lease for the transport of the gas.	Not applicable
Level of disaggregation (Requirement #4.7)	The 2019 EITI Report describes the MSG's definition of a project and presents reconciled financial data disaggregated by government entity, revenue stream, company and (where relevant) project. The project-disaggregated data is available on the national website and is included in the 2019 summary data template.	Fully met
Data timeliness (Requirement #4.8)	Senegal EITI data has been published in a sufficiently timely manner, with financial data published within less than one year of the fiscal period covered, for example the EITI Report covering 2019 was published in December 2020. This supports the Secretariat's assessment that Senegal has exceeded the requirement's objective of ensuring that public disclosures of company payments and government extractive revenues are sufficiently timely to be relevant to inform public debate and policy making has been exceeded.	Exceeded
Data quality and assurance (Requirement #4.9)	Senegal has fulfilled the requirement's overall objective and has addressed all aspects of the requirement, ensuring that appropriate measures have been taken to ensure the reliability of disclosures of company payments and government revenues from oil, gas and mining. Although the public sector audit reports from the Cour des Comptes are not yet available for the period under review (2019), the 2019 EITI Report does contain the Independent Administrator's assessment of comprehensiveness and reliability of the reconciled financial data. Senegal EITI could do more to develop recommendations for the EITI to contribute to strengthening routine government and company audit and assurance systems and practices.	Fully met
New corrective actions and recommendations		
<ul style="list-style-type: none"> To strengthen implementation and further improve the assessment of Requirement 4.3, Senegal is encouraged to consider means of ensuring systematic disclosures of information on barter-type infrastructure arrangements through relevant company and government systems. 		

- To strengthen implementation and ensure the EITI provides a tool for strengthening prevailing audit and assurance practices, Senegal could consider using annual EITI reporting as a tool for disclosing a detailed assessment of audit and assurance practices in both public and private sectors, with a view to issuing recommendations for reform. Senegal may also wish consider alternatives to conventional EITI reconciliation as a means of ensuring comprehensive and reliable disclosures of company payments and government revenues from the extractive industries, potentially participating in the EITI's global pilot on alternative approaches to EITI reporting.

Revenue management (Requirements 5.1, 5.3)

Overview of progress in the module

Senegal has made progress in ensuring the traceability of extractive revenues to the national budget and providing sufficient transparency in the management of extractive revenues that are not recorded in the government's budget. Senegal operates a single Treasury account system, although oil and gas revenues collected by the national oil company PETROSEN constituted the only exception to this rule in 2019. The two other forms of company payments that are highlighted in the 2019 EITI Report as not being recorded in the national budget – social security contributions to the IPRES and mining companies' contributions to mine site rehabilitation funds – are not considered to be forms of payments to government (see *Requirement 6.1*). While the 2019 EITI Report did not provide a detailed description of PETROSEN's management of the extractive revenues it collected in 2019, the publication of PETROSEN's audited financial statements for 2019 (and previous years) on its corporate website and referenced on the EITI Senegal website provide sufficient information on the SOE's management of these revenues. The 2019 EITI Report also describes the national revenue classification system and government efforts to harmonise the domestic system with international standards. Therefore, the Secretariat's assessment is that Senegal has addressed all technical aspects of Requirement 5.1 and that the objective of ensuring the traceability of extractive revenues to the national budget and ensuring the same level of transparency and accountability for extractive revenues that are not recorded in the national budget has been fully met.

Senegal has made some progress in strengthening public oversight of the management of extractive revenues, extractive revenue earmarks and key assumptions underlying the budget process in accordance with Requirement 5.3, although EITI disclosures related to mechanisms to ensure the accountability of extractive revenue earmarks could be strengthened. Annual EITI reporting has described the budgetary process, albeit without additional information on assumptions underpinning forthcoming years in the budget cycle that could further public understanding and debate around issues of revenue sustainability and resource dependence. There is significant public interest in the medium- to long-term prospects for the extractive industries and their economic and fiscal impacts, with relevant research and analysis published in recent years (such as a 2020 report by OpenOil on the impact of COVID-19 and the energy transition on Senegal's offshore petroleum sector⁶). Therefore, the Secretariat's assessment is

⁶ OpenOil (2020), 'Senegal's Stranded Assets: the impact of Covid-19 and Energy Transition on the offshore petroleum sector', accessible at <https://openoil.net/portfolio/senegals-stranded-assets-the-impact-of-covid-19-and-energy-transition-on-the-offshore-petroleum-sector/>

that many of the technical aspects of Requirement 5.3 have been addressed and that the objective has not yet been entirely met or exceeded.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
Distribution of extractive industry revenues (Requirement #5.1)	Senegal has fully met the requirement's overall objective of ensuring the traceability of extractive revenues to the national budget and ensuring the same level of transparency and accountability for extractive revenues that are not recorded in the national budget. The 2019 EITI Report describes the types of extractive revenues not recorded in the national budget, consisting primarily of extractive revenues collected and retained by the SOE PETROSEN. In June 2021, PETROSEN published its audited financial statements for the 2015-2019 period, providing a financial report describing its management of extractive revenues not recorded in the national budget.	Fully met
Revenue management and expenditures (Requirement #5.3)	Senegal has addressed some aspects of this requirement, primarily through EITI reporting. However, while the MSG has provided some information on revenue management and expenditures, it has not addressed aspects of the requirement related to ensuring accountability in management of earmarked revenues, budget assumptions and projections. The public sector audit reports from the Cour des Comptes are not yet publicly accessible for the period under review. It cannot yet be found that Senegal has fully met all technical aspects and the overall objective of this requirement. Thus, the Secretariat's assessment is that the requirement's objective has not yet been achieved that Requirement 5.3 should remain as not assessed in order not to penalise Senegal for gaps in progress towards an aspect of the EITI Standard that is only encouraged.	Not assessed
New corrective actions and recommendations		
<ul style="list-style-type: none"> To strengthen implementation, Senegal could consider ways of strengthening systematic disclosures related to the categorisation of extractive revenues as being, or not, recorded in the national budget as well as of the management of extractive revenues not recorded in the government's budget. To strengthen implementation in accordance with Requirement 5.3, Senegal is encouraged to use its EITI disclosures to ensure greater transparency in the accountability mechanisms related to earmarked extractive revenue, and to disclose any further information related to the budget cycle, production and commodity price assumptions and revenue sustainability, resource dependence, and revenue forecasting. Senegal may wish to consider ways of strengthening systematic disclosures related to these issues to respond to robust public interest in this type of information in light of public debate on the energy transition. 		

Subnational contribution (Requirements 4.6, 5.2, 6.1)

Overview of progress in the module

The situation regarding the subnational contribution has remained the same since the previous Validation for the subnational payments and transfers. The subnational payments do not exist given the centralised nature of the tax system in the country, and although there is a legal framework for subnational transfers of extractives revenues in Senegal, it was not operational in 2019 given the lack of implementing regulations. However, the EITI has provided the details of the various extractive revenue transfer processes, including the sharing formula as well as the theoretical calculation of the amounts, both for the mining sector and for the hydrocarbons sector.

The 2019 EITI Report also describes mandatory social expenditures in both mining and oil and gas and discloses these comprehensively, clearly identifying non-government beneficiaries where applicable and describing in-kind expenditures and their deemed value. Regarding environmental payments it has been reported that most of the companies in the oil and gas sector refused to pay the environmental tax, surface tax ("taxe superficiaire"), arguing that the calculation of the tax was not adapted to the offshore sector and would lead to unreasonable amounts. A reform of the Environmental Code is currently ongoing to adapt the tax to the oil and gas sector.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Assessment
Subnational payments (Requirement #4.6)	The Secretariat's assessment is that Requirement 4.6 was not applicable to Senegal in 2019. The only supposedly subnational payment is the "Patente", which is not specific to the extractive sector. The total amount is XOF 2,146,612,383, or about 1.5% of total income, and has been reconciled. This tax is however collected by the public treasury under common law conditions and then transferred to the benefit of the local governments where extractive companies are located, thus qualifying it more as a transfer. The 2019 EITI Report further notes that the "Patente" is to be replaced by a new tax for future reporting years.	Not applicable
Subnational transfers (Requirement #5.2)	The Secretariat's assessment is that Senegal has fully addressed all technical aspects of the requirement. While subnational transfers were not yet operational in either the mining or petroleum sectors in 2019, Senegal EITI has provided a comprehensive description of the statutory mechanisms for subnational transfers and disclosed the calculated subnational transfers that should have been executed in 2019 according to the revenue sharing formula. The Secretariat considers that the requirement's objective has been fulfilled, on which there appeared to be consensus during stakeholder consultations.	Fully met

Social and environmental expenditures (Requirement #6.1)	Senegal has fully met the objective of this requirement. Mandatory social expenditures are disclosed in Annex 6 of the 2019 EITI Report with details including the name of the company, the nature of the payment (in kind or in cash), a description of the type of expenditure and the beneficiary. Senegal has gone beyond the required disclosure by providing similar details for voluntary social expenditures in Annex 7. Regarding environmental payments to government, it has been reported that the companies in the oil and gas sector refused to pay the only environmental tax, surface tax ("taxe superficiaire"), arguing that the calculation of the tax was not adapted to the offshore sector and would lead to unreasonable amounts due. This revenue stream was therefore only paid by mining companies in 2019 and has been comprehensively reconciled in the 2019. Mandatory environmental expenditures, including contributions to environmental rehabilitation funds and expenditures under environmental and social management plans are covered under Requirement 6.4.	Fully met
New corrective actions and recommendations		
<ul style="list-style-type: none">• To strengthen implementation, Senegal is encouraged to consider ways of ensuring the systematic disclosure of all mandatory and voluntary social expenditures and environmental payments to government to respond to robust public demand for this type of information.• Given the importance of the "Patente" for the local communities, the MSG might want to monitor closely the transition towards the new payment flow in the revised Mining Code.		

Background

Overview of the extractive industries

An overview of the extractive industries is accessible on the [country page](#) of the EITI website for Senegal.

History of EITI implementation

The history of implementation is accessible on the [country page](#) of the EITI website for Senegal.

Explanation of the Validation process

An overview of the Validation process is available on the EITI website.⁷ The [Validation Guide](#) provides detailed guidance on assessing EITI Requirements, while the more detailed [Validation procedure](#) include a standardised procedure for undertaking Validation by the EITI International Secretariat.

The International Secretariat's country implementation support team include Christina Berger and Chiugo Aghaji, while the Validation team was comprised of Hugo Paret, Alex Gordy, Nassim Bennani, and Jean-Pierre Okenda.

Confidentiality

The detailed data collection and assessment templates are publicly accessible, on the internal Validation Committee page here.

The practice in attribution of stakeholder comments in EITI Validation reports is by constituency, without naming the stakeholder or its organisation. Where requested, the confidentiality of stakeholders' identities is respected, and comments are not attributed by constituency.

Timeline of Validation

The Validation of Senegal commenced on 1 July 2021. A public call for stakeholder views was issued on 1 June 2021. Stakeholder consultations were held virtually on 12-23 July. The draft Validation report was finalised on 19 August 2021. Following comments from the MSG on 16 September 2021, the Validation report was finalised for consideration by the EITI Board.

⁷ See <https://eiti.org/validation>

Resources

- Validation data collection file – [Stakeholder engagement \(FR\)](#)
- Validation data collection file – [Transparency \(FR\)](#)
- Validation data collection file – [Outcomes and impact \(FR\)](#)