

Third Validation of Mauritania

Final assessment by the EITI International Secretariat

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Acronyms

AfDB	African Development Bank
ACI	Inter-state cooperation agreement (Accord de Coopération Inter-Etats)
BCM	Banque Centrale de Mauritanie
BEPS	Base Erosion and Profit Shifting
BO	Beneficial ownership
Bpd	Barrels Per Day
BTU	British thermal unit
CdC	Cour des Comptes (Court of Counts / Supreme Audit Institution)
CIT	Corporate Income Tax
CNITIE	National EITI Committee (Comité National de l'ITIE)
CSO	Civil Society Organisation
DCMG	Directorate of the Mining Cadastre and Geology
DGD	Directorate General of Customs
DGH	Directorate General of Hydrocarbons
DGM	Directorate General of Mines
DGI	Directorate General of Tax
DGTCP	Directorate General of Treasury and Public Accounts
EU	European Union
FNRH	National Hydrocarbon Revenue Fund
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit, German agency for development
IA	Independent Administrator
IGF	General Inspectorate of Finance
IMF	International Monetary Fund
IOC	International oil companies
IRM	Islamic Republic of Mauritania
LNG	Liquefied Natural Gas
M&E	Monitoring and Evaluation
MAED	Ministry of Economic Affairs and Development
MDTF	Multi-Donor Trust Fund
MEDD	Ministry of Environment and Sustainable Development
MEF	Ministry of Economy and Finance
MPME	Ministry of Petroleum, Energy and Mines
MRO	Mauritanian Ouguiya
MSG	Multi-Stakeholder Group
NGO	Non-Governmental Organisation
O&G	Oil & Gas
PEP	Politically Exposed Person
PSC	Production-Sharing Contract
PWYP	Publish What You Pay
SCAPP	Stratégie de Croissance Accélérée et de Prospérité Partagée – Government's growth strategy
Scf	Standard cubic feet
SMHPM	Société Mauritanienne des Hydrocarbures et du Patrimoine Minier
SNIM	Société Nationale Industrielle et Minière de Mauritanie
SOE	State-Owned Enterprise
Tcf	Trillion cubic feet
ToR	Terms of Reference
USD	United States Dollar

1. Summary

Since its last Validation, completed in February 2019, Mauritania has gone through a period of political transition. In August 2019, President Ould Cheikh El Ghazouani took over from Mohamed Ould Abdel Aziz, who was in power for ten years. The change in leadership has led to transparency measures, such as the publication of ten years of financial audits by the *Cour des Comptes* (supreme audit institution).¹ According to multi-stakeholder minutes, oil and gas companies such as Total appeared to have published contracts in February 2020².

EITI implementation since the conclusion of the second Validation has focused primarily on systematic disclosure. In June 2019, the government adopted a decree mandating the publication of disclosures at the source of the information, redefining the MSG's role as more information is disclosed systematically³. The MSG is expected to oversee and monitor systematic disclosures; ensure data verification through international auditing standards and; support reporting entities in providing timely, accessible and comprehensive data. By the end of 2019, the Comité National (the MSG) had put into place the technical infrastructure for automated payment data collection from reporting entities.

Within the Directorate of Mines (part of Ministry of Petroleum, Mines and Energy (MPME)), there have been ongoing efforts to digitalise the mining cadastre and to publish more geological and legal information on the mining sector. A new website was launched in January 2020, containing relatively up to date information on the legal framework, production data disaggregated by company (for industrial mining) and a list of active license holders.⁴ The online cadastre is up to date for active licenses and historical data is being transferred from paper to the digital domain. The state-owned enterprise SNIM has published three agreements with companies in the public domain.⁵ These agreements highlight the SOE's role in non-extraction related undertakings, such as building of the new Nouakchott international airport. New information in the 2017 EITI Report has also brought forward proof of quasi-fiscal expenditures, which have been covered in this Validation.

At the same time, the political transition phase was marked by political uncertainty.⁶ For this reason, stakeholders from all constituencies confirmed during consultations that the Comité National undertook limited actions aside from on systematic disclosure during most of 2019. Nonetheless, the new government's commitment to the EITI seems high. Prime Minister Ismail Ould Bedde Cheikh Sidiya reiterated the country's commitment to the EITI at an in-person meeting with by the International Secretariat in January 2020. During consultations, Ministers had identified key areas of reform the EITI can contribute to, such as the reform of the mining code, tax evasion and the national economic strategy.

On impact, the MSG has made considerable efforts in establishing a monitoring and evaluation framework. It has linked the potential contribution of EITI implementation objectives to national priorities. A recent impact evaluation found that while the population at large knows very little of the EITI after 13 years of implementation, the initiative has become a fixture for government entities for strengthening systems and reliable data.

¹ See <http://www.cdcmr.mr/fr/2017/02/11/rapport-annuel/> for the documents and <http://www.cdcmr.mr/fr/2019/12/09/publication-des-rapports-generaux-annuels-de-la-cour-des-comptes/> for the announcement.

² See <http://www.cnitie.mr/itie-fr/images/pv/CR-du-19-02-2020-de-la-union-de-la-commission-ad-hoc-version-du-23-fv-2020.pdf>

³ See <https://eiti.org/document/decree-on-systematic-disclosure-mauritania-in-french>

⁴ See <http://portailmines.gov.mr/mauritanie/>

⁵ See <https://www.snim.com/index.php/news-a-media/publications.html>

⁶ See an observation by Reuters: <https://www.reuters.com/article/us-mauritania-election-preview/mauritania-prepares-for-historic-election-as-discontent-simmers-idUSKCN4TL2FA>

In the past year, advances have been made in automating data collection and clarifying the MSG's role under a more mainstreamed EITI. However, implementation could contribute to inform clearer license allocation procedures and could improve the transparency of state-owned enterprises operations and management of sovereign funds. Communication of EITI data and findings could be better tailored to issues of public concern, especially at the community level.

The International Secretariat has reviewed the steps taken by Mauritania to address the four initial corrective actions, one new requirement, one previously assessed as non-applicable and one previously assessed as satisfactory, as of the commencement of its third Validation on 27 February 2020.

The Secretariat's preliminary assessment is that Mauritania fully addressed two of the four corrective actions, having made "satisfactory progress" on the corresponding requirements (Requirements 2.6 and 7.4), and has made "meaningful progress" *with considerable improvements* in addressing the two other corrective action (Requirements 2.2 and 2.3). Subject to the Board's consideration of new information published after the commencement of Validation, the Secretariat's preliminary assessment is that Mauritania has fully addressed the corrective action and achieved satisfactory progress on Requirements 2.2 and 2.3.

The Secretariat's final assessment is that Mauritania has made meaningful progress in addressing Requirement 2.5 on beneficial ownership (initial criteria) and has made satisfactory progress in addressing Requirement 6.2 on SOE quasi-fiscal expenditures. Subject to the Board's consideration of new information published after the commencement of Validation through MSG comments, the assessments of Requirement 2.2 on license allocation and Requirement 2.3 on license register could be upgraded to "satisfactory progress". In addition, the Secretariat finds that Mauritania's progress on Requirement 1.5 has moved from 'satisfactory' to 'beyond'.

The draft assessment was sent to the multi-stakeholder group (MSG) on 08.07.2020. Following comments from the MSG received on 25 August 2020⁷, the assessment was finalised for consideration by the EITI Board.

⁷ https://eiti.org/files/documents/en_comments_msg_initial-assessment.pdf.








2. Scorecard

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

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

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

Legend to the assessment card

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

3. Background

Mauritania was accepted as an EITI Candidate in September 2007 and was designated as compliant with the EITI Rules in October 2010. Mauritania was re-evaluated according to the 2011 EITI Rules and was declared compliant on 15 February 2015. Mauritania's first Validation against the (2016) EITI Standard commenced on 1 July 2016. The Board found the country had made meaningful progress (March 2017).⁸ In its second Validation, the EITI Board assessed that Mauritania had made meaningful progress with considerable improvements in implementing the 2016 EITI Standard (February 2019). Four corrective actions were identified by the Board.⁹ The Board encouraged Mauritania to address these corrective actions to be assessed in a third Validation commencing on 27 February 2020. On 13-14 February 2020, the EITI Board approved Mauritania's request for transitional arrangements with respect to the 2019 EITI Standard.¹⁰ This Validation is thus based on the 2016 EITI Standard.

The four corrective actions relate to:

1. License allocations (Requirement 2.2)
2. License register (Requirement 2.3)
3. State participation (Requirement 2.6)
4. Outcomes and impact of implementation (Requirement 7.4)

In addition to the corrective actions, the International Secretariat assessed the following requirement which became applicable on 1 January 2020:

5. Beneficial ownership (Requirement 2.5)

⁸ See Board decision 2017-10/BM-36 <https://eiti.org/board-decision/2017-10>

⁹ See Board decision 2019-19/BM42: <https://eiti.org/BD/2019-19>

¹⁰ See Board decision 2020-16/BM-46 <https://eiti.org/board-decision/2020-16>

The following requirement was deemed applicable by the International Secretariat and thus assessed in this Validation:

6. SOE quasi-fiscal expenditures (Requirement 6.2)

Finally, the Secretariat reviewed the following requirement that was assessed as satisfactory in the second Validation:

7. Work plan (Requirement 1.5)

Mauritania has undertaken several activities to address the corrective actions:

- 2017 EITI Report was published in December 2019
- Publication of a Beneficial Ownership study in December 2019
- Publication of Annual Progress Reports 2018 & 2019
- Update of the 2020 Work plan
- Publication of the 2019-2020 communications strategy
- Publication of a (draft) impact assessment
- Development of measurement and evaluation framework

On disclosure issues:

- Publication of supplementary notes on hydrocarbon licence allocation
- Publication of demand dates and coordinates for hydrocarbon licences
- Publication of supplementary note on the role of SMHPM in the mining sector
- Publication of supplementary note on Sterling pre-financing contract for the Chinguetti field
- Publication of convention by SNIM on fishing boats as a quasi-fiscal expenditure
- Publication of convention and annex by SNIM on biomedical equipment for the National Hepato-Virology centre
- Publication of convention between SNIM, the Mauritanian government and Najah Major Work on the construction of the new airport
- Financial statements of SNIM for 2017

Some of the information was published after commencement of Validation. This is clearly indicated.

Section 5 addresses progress on each of the corrective actions. The assessment covers the corrective actions established by the Board and the associated requirements in the EITI Standard. The assessment follows the guidance outlined in the Validation Guide.¹¹

In the course of undertaking this assessment, the International Secretariat has also considered whether there is a need to review additional requirements, i.e. those assessed as “satisfactory progress” or “beyond” in the second (2018) Validation.

While these requirements have not been comprehensively assessed, in the Secretariat’s view there is no evidence to suggest progress has fallen below the required standard. The Secretariat finds that progress made on Requirement 1.5 warrants consideration by the EITI Board.

¹¹ EITI (2019), ‘EITI Validation Guide’, available at: <https://eiti.org/document/eiti-validation-guide>

4. Effectiveness and impact of EITI implementation

Impact and effectiveness

Implementation objectives linked to national priorities:

Mauritania EITI has identified several national objectives to which EITI implementation can contribute. The MSG has mapped EITI outcomes to the national growth strategy (SCAPP) in its monitoring and evaluation framework. Such linkages include the strengthening of the mining sector to contribute to economic development, improvement of the investment climate through better governance and oversight or the promotion of women's contribution to public debate.¹² The work plan links its activities to these outcomes and national objectives. The result is a monitoring and evaluation framework which is built into the work plan.¹³

Impact of EITI:

The EITI is an active contributor to government reforms in the extractive sector. The government is currently undertaking consultations on the reform of the mining code. The EITI process has pointed to some weaknesses in the licensing procedures. Stakeholders from government have noted that they are consulting business and civil society and are drawing on recommendations from EITI reporting and Validation.

The EITI also contributes to increasing the attractiveness of the sector and the development of Mauritania's informational technology (IT) sector.¹⁴ After more than ten years of implementation, the EITI in Mauritania is driving the systematic disclosure of revenue, production and export data. The development of the open data platform (also called the data warehouse), which also provides an automated data collection platform for government and company data, is seen as a tool to reduce data collection costs, freeing up more time for the MSG to focus on more data analysis and follow-up on recommendations. Key actors in government recognise the EITI's contribution to providing more reliable information.

EITI implementation has led to the publication of a range of documents by the mining SOE SNIM, as well as its philanthropic arm, the SNIM Foundation¹⁵, which carries out the company's social payments. Publications include SNIM's financial statements for 2018¹⁶ and the agreement on the construction of Nouakchott's new airport¹⁷. It is particularly noteworthy that these documents are hosted on the SOE's website¹⁸ itself. This represents a first step in building accountability in the SOE's management and operations.

While stakeholders consulted expressed cautious optimism following the recent change in leadership, the EITI's impact on strengthening oversight institutions remains shy of its potential. Both company and civil society stakeholders pointed out that the transition in political leadership gave rise to uncertainty and hesitancy among all stakeholders to express themselves on good governance of the

¹² See the measurement and evaluation framework, <https://eiti.org/document/measurement-evaluation-framework-eiti-mauritania-including-mapping-of-national-priorities>

¹³ See 2020 work plan: <https://eiti.org/document/mauritania-2020-work-plan>

¹⁴ Mauritania M&E framework, page 2.

¹⁵ See <https://www.snim.com/index.php/developpement-durable/fondation/210-etats-financiers.html>

¹⁶ See https://www.snim.com/images/rapports/rapport_2018_etats_financiers_consolides_fr.pdf

¹⁷ See https://www.snim.com/images/rapports/convention_cadre_etat_snim_nmw.pdf. At the time of commencement of Validation, the payment schedule was not published. The construction of the airport and SNIM's involvement have been the object of the public debate, see for example https://www.lemonde.fr/afrique/article/2018/01/30/comment-nouakchott-a-invente-l-extension-de-son-centre-ville-loin-de-la-fievre-des-smart-cities_5249262_3212.html

¹⁸ Under the tab "publications": <https://www.snim.com/index.php/news-a-media/publications.html>

extractives sector. They expressed careful optimism that recent signs of opening will lead to better accountability and more impact by the EITI. Stakeholders confirmed that there is no active engagement on public debate beyond the EITI dissemination activities that take place once a year. A (draft) impact assessment¹⁹ finds that while the EITI is known to government institutions, the population at large has not heard of nor interacted with any materials of EITI.

Prospects for greater EITI impact:

There is scope for the EITI to have greater impact in Mauritania if there was more consistent MSG follow-up on recommendations related to key governance challenges. This could include strengthening the role of the supreme audit institution in auditing extractives revenue-collecting ministries, providing a diagnostic of mining license awards and transfers, and a process audit of contract negotiation in the oil and gas sector.

The EITI could contribute more to providing a platform for collecting stakeholder views and expert opinions in the government's review of the mining code. The MSG could play a role in channelling the interests of civil society organisations and the media to government and industry, and disseminating documents and data to the media.

With more timely information, the EITI could consider building on EITI data for revenue projections, particularly relevant for the oil and gas sector. Mauritania has high expectations towards the development of the gas field *Grand Tortue*²⁰ to bolster government revenues. An open fiscal model would help manage popular expectations in view of current gas prices.

Innovations beyond EITI Requirements

The work on systematic disclosures of payment, production and export data through the data warehouse, and at source, may soon bring forward more timely data, in open format, sourced from both government and companies. The MSG has a good understanding of its role under a more mainstreamed approach. The decree on systematic disclosures²¹ sets out its role of oversight and analysis of information, as well as holding declaring entities stronger to account for the information they publish.

Conclusions, lessons learnt and recommendations:

Government engagement for EITI implementation is strong. After thirteen years EITI reporting is a known exercise but government is eager to see its usefulness in addressing issues such as tax evasion. The *Cour des Comptes* (Supreme Audit Institution) requires capacity building and resources to fulfil its oversight role for government ministries managing the oil, gas and mining sectors. Government representatives on the MSG understand the need for systematic disclosures and the roll-out of the new reporting system is the next step for the MSG. The Mining Directorate has made progress in digitalising its records. The government could draw more on recommendations from EITI implementation in its review of the mining code. The EITI could be used to systematically collect stakeholder views from civil society and company constituencies.

The analysis and use of EITI data remain weak. Despite thirteen years of producing reports the technical knowledge of the national secretariat quite low. The cooperation with the university on the Master programme GAED (management of the impacts of extractive industries) could be resumed to

¹⁹ The draft was published before commencement, the final version after commencement of the Validation

²⁰ See <https://www.jeuneafrique.com/781096/economie/mauritanie-les-comptes-publics-se-redressent-pas-le-secteur-prive/>

²¹ See <https://eiti.org/document/decree-on-systematic-disclosure-mauritania-in-french>

build students' technical knowledge on natural resource governance.²² Civil society capacity could be strengthened in its role of holding government and companies accountable. There is interest from civil society in environmental and social impacts of the extractives, now covered in the 2019 Standard.

Sustainability

Funding:

World Bank funding is coming to an end after the publication of the 2018 Report. The other main development partner, GIZ, is supporting the data warehouse and related mainstreaming activities until the end of the year (2020). The Government is increasingly financing EITI activities, such as the dissemination trip to mining communities in February 2020 (*“la caravanne”*). The MSG and national secretariat must increasingly make the case for funding to the government, which may become the main funder for implementation if no other financing is found. The mainstreaming project (data warehouse) was designed by EITI Mauritania to reduce the costs of conventional EITI reporting. The 2019 APR notes that the process of diversifying financing has begun (p.25).

Institutionalisation:

The Prime Minister issued a decree on 7 September 2006 establishing the framework for EITI implementation. Ministerial decree n° 2009-231 regulates the organisation and functioning of the National Committee (Comité National), which ensures EITI implementation and follow up in Mauritania. There are no signs to suggest that the EITI itself is at risk of being disbanded. While Mauritania has not passed standalone EITI-specific legislation, the government has included clauses to comply with EITI reporting requirements as part of its mining and petroleum sector legislation. At the political level, the sustainability of the EITI process appears to be ensured by high-level support.

²² Currently a master student is writing his thesis at the national secretariat office, but no active course cooperation exists at commencement of Validation.

5. Review of corrective actions

As set out in the Board decision on Mauritania's second Validation, the EITI Board agreed four corrective actions.²³ The Secretariat's assessment below discusses whether the corrective actions have been sufficiently addressed. The assessments are based on the 2017 EITI Report and information systematically disclosed online as of 27 February 2020, the 2018 & 2019 annual progress reports and minutes of the MSG meetings from March 2019 to February 2020, alongside various documents submitted by the national secretariat to the International Secretariat, e-mail correspondence, and stakeholder consultations (in-person and via teleconference). Where developments have taken place after the commencement of Validation, this is clearly indicated in the assessment.

5.1 Corrective action 1: Contract and license allocation (#2.2)

In accordance with Requirement 2.2.a, the government should ensure annual disclosure of which mining, oil, and gas licenses were awarded and transferred during the year, highlighting the technical and financial requirements and any non-trivial deviations from the applicable legal and regulatory framework governing license awards and transfers.

Findings from the second Validation

The second Validation found that Mauritania had made meaningful progress with considerable improvements in implementing the requirement. In mining, while the 2015 EITI Report provided a general overview of the licence allocation and transfer procedures in Mauritania, it did not specifically describe the technical and financial criteria used in licence allocations and transfers in the year under review. While the addendum published by the DG Mines ahead of the second Validation indicated that there were no non-trivial deviation in the allocation of the three research permits and the license transfer in 2015, the absence of a clear description of technical and financial criteria assessed raised questions around the basis for this assessment of no non-trivial deviations. Validation therefore concluded that the broader objective of Requirement 2.2 had not yet been fully achieved. In oil and gas, the EITI Mauritania website provided a general description of the technical and financial criteria used for direct negotiation of oil and gas PSCs.

Progress since Validation

Description of the process for awards and transfers

O&G: The 2017 EITI Report describes the relevant laws and regulations governing the award of oil and gas contracts both through direct negotiation and competitive bidding. It includes a description of the process for awarding licenses linked to the exploitation of extractives, including the role of relevant government agencies. The Report notes the approval process for transfers.

Mining: The 2017 EITI Report provides a description of the process for awarding licenses through a first-come, first-serve basis as well as through competitive bidding in promotional zones. This includes the role of the relevant government agencies. The report outlines the process for renewing, extending, transferring and surrendering licenses.

²³ Board Decision 2019-19/BM-42: <https://eiti.org/board-decision/2019-19>

Technical and financial criteria

O&G: The report notes that in the allocation of an exploration contract, physical and moral persons would need to demonstrate the sufficient level of technical and financial capacities. However, the report does not contain further information on the technical and financial capacities and their evaluation for licenses allocated in 2017. For the exploration-production contracts, the Report notes that the applicant should demonstrate the technical and financial capacities, minimum work programmes and economic and financial considerations such as cost oil, profit oil, signature and production bonuses and profit tax. Mauritania's legal texts, notably, Article 16 of the 230-2011/PM decree on regulations on hydrocarbon rights distinguishes between economic / financial considerations and the technical and financial criteria in the application of the license.

The EITI Report refers to a supplementary note on license allocations published by the DGH²⁴, which outlines the economic and financial considerations. However, the note does not include further information on the technical and financial capacities and how they are evaluated in practice. Beyond the EITI Report, another supplementary note on the technical and financial criteria was published by the DGH before the start of Validation in February 2020.²⁵ The supplementary note reiterates the license allocation procedure and financial considerations. However, no further details are given on the technical and financial criteria in these reports for licenses allocated in 2017. Subsequent to the start of Validation on 12 May 2020, the DGH published a third supplementary note.²⁶ The third supplementary note explicitly states that in the process of direct negotiation only took place with oil and gas majors. As such, only economic parameters were used, in accordance with the Hydrocarbon Code.

With respect to the country's first Validation, explanatory notes subsequently produced by the DGH in February-May 2020 clearly state that no technical and financial criteria are used in the evaluation of bids for licenses for the oil and gas sector. A third explanatory note published on 12 May 2020 clarified that the country only enters direct negotiation with oil and gas majors. It is stated that the fact of being an oil and gas major waves the need for those companies to prove technical and financial capabilities. Hence, the DGH does not evaluate technical and financial criteria in license allocation and transfers if the company is a major international oil company (oil major). All licenses awarded during the period under review were through direct negotiation with oil major and thus the assessment of technical and financial criteria was waived.

With respect to transfers, the report states that the surrender conditions must be met, and the transferee's technical and financial capacities must be demonstrated. The supplementary notes provided by the DGH describe procedural elements including the obligation to notify the Minister of the transfer. However, neither the report nor the initial supplementary note provided by the DGH clarify the technical and financial capacities and their application to transfers in 2017.

Mining: The 2017 EITI Report notes that the technical and financial criteria used in the allocation of permits, and that minimum financial commitment for the start of a mining exploration project, are not clear. According to the 2017 EIT Report, the country does not apply specific technical and financial criteria. This was to ensure that the sector is attractive to foreign investment.²⁷ The report notes that

²⁴ Explanatory notes on 2017 oil and gas licence allocation: <http://www.petrole.gov.mr/spip.php?article690>

²⁵ Explanatory note on 2017 oil and gas technical and financial criteria: <http://www.cnitie.mr/itie-fr/images/textes/Matrice-Criteres-Techniques-et-financiers-Secteur-Petrolier-fvrier-2020.pdf>

²⁶ Explanatory note on 2017 oil and gas technical and financial criteria (12 May 2020): <http://www.cnitie.mr/itie-fr/images/Lettre-DGH-du-11-05-2020-n343-Note-sur-les-octrois-et-transferts-effectus-durant-lanne-2017.pdf>

²⁷ Explanatory notes on 2017 mining license allocation: <http://www.petrole.gov.mr/spip.php?article498>

the role of the Mining Directorate is not clear, as the texts give sole responsibility for the allocation of mining permits with the Cadastre's Office. It also notes that further information on the delays in the allocation of mining licenses would be useful in evaluating conformity with existing legal texts.

The license allocation procedure used in the mining sector is "first come, first served". A supplementary note by the DGM confirms that there are no evaluation of technical criteria in license allocation and license transfer for exploration and production licenses.²⁸ The note confirms that the evaluation of the license request is done subsequent to license allocation. This includes an evaluation of the comprehensiveness of documents received, overlap with other mining permits and compliance with the cadastral coordinates. The note confirms that licenses allocated in 2017 were compliant with the procedures for license allocation, in the absence of technical and financial criteria. The note also highlights that ongoing efforts to reform the mining code will include an approach for a preliminary evaluation of documentation prior to license allocation.

Government representatives consulted noted that there were ongoing reforms to deal with inadequacies identified in the regulatory texts. Companies consulted noted that their main concern was linked to the delays in the government's response to license requests. Civil society representatives consulted noted that the gaps in the licensing procedures could be abused. Although there was conformity with the legal texts, civil society questioned whether the legal texts were fit for purpose. The introduction of technical and financial criteria would attract and retain more qualified investors in Mauritania's growing oil and gas sector. Civil society requested further clarification on best practices in licensing procedures.

Information about the recipient(s) of the license that has been transferred or awarded

Q&G: The report provides the identity of companies involved in license awards and transfers. Other information disclosed include the operator, date of allocation and allocation procedures. A supplementary note on the single oil and gas transfer is provided on the Ministry of Petroleum, Energy and Mines website.²⁹

Mining: The 2017 EITI Report outlines the 15 exploration and two production permits allocated in 2017. There was one transfer not included in the EITI Report that was nevertheless included in the list published by on the MSG website.³⁰

Non-trivial deviations

Q&G: A supplementary note by the DGH confirms licenses allocated in 2017 were compliant with the procedures for license allocation, in the absence of technical and financial criteria.³¹

Mining: A supplementary note by the DGM confirms licenses allocated in 2017 were compliant with the procedures for license allocation, in the absence of technical and financial criteria.³²

Civil society representatives consulted considered that the laxity of licensing procedures was being abused, with allegations of illegality in the transfer of licenses and award of licenses on a first come,

²⁸ Explanatory note on 2017 mining technical and financial criteria http://www.cnitie.mr/itie-fr/images/textes/Matrice-Criteres-Techniques-et-financiers-Minier_modif.pdf

²⁹ Explanatory notes on licence transfer oil and gas: http://www.petrole.gov.mr/IMG/pdf/note_sur_la_cession_du_cep_sur_c18.pdf

³⁰ Information on mining transfers: http://www.cnitie.mr/itie-fr/images/permis_miniers/permis-recherche-mutes-2017.pdf

³¹ Explanatory note on 2017 oil and gas technical and financial criteria: <http://www.cnitie.mr/itie-fr/images/textes/Matrice-Criteres-Techniques-et-financiers-Secteur-Petrolier-fvrier-2020.pdf>

³² Explanatory note on 2017 mining technical and financial criteria <http://www.cnitie.mr/itie-fr/images/textes/Note-sur-la-politique-du-gouvernement-divulgation-des-contrats.pdf>

first serve basis for speculation purposes. While not highlighted in the EITI Report, consultations with the MSG and the government revealed their awareness of the issue and plans to address it through the Mining Code reform. The 2017 EITI Report includes a recommendation (number 6) for a diagnostic of licensing practices in both mining and oil and gas, including for transfers. Minutes of the MSG's 17 February 2020 meeting indicate initial MSG discussions on the comprehensiveness of license allocation information, comparing regulations to practice.

Secretariat's assessment

The International Secretariat's preliminary assessment was that Mauritania had partly addressed the corrective action and has achieved meaningful progress on Requirement 2.2 at the start of Validation. Subject to the Board's consideration of new information published after the commencement of Validation, the Secretariat's assessment is that Mauritania has now fully addressed the corrective action and achieved satisfactory progress on Requirement 2.2.

The description of the process for awarding and transferring licenses and information on award recipients is clearly described in the EITI Report and supplementary notes for both the oil and gas and mining sectors. With respect to the technical and financial criteria in the allocation of licenses in the oil and gas sector, supplementary notes provided by the DGH confirmed that no technical and financial criteria were used in the allocation of oil and gas licenses in 2017.

With respect to mining, supplementary notes published ahead of the start of Validation confirm the absence of technical and financial criteria in the evaluation of license applications. The supplementary notes highlight efforts to address public concerns over licensing in the ongoing revision of the Mining Code. The EITI Report includes a recommendation by the MSG to conduct a license allocation and permit audit. The government intends to address the recommendation on a licensing audit through its reform of the Mining Code, cognisant of civil society allegations over abuses of the licensing process.

If the Board does not consider new information published after the commencement of Validation, Mauritania would need to address the following corrective action: In accordance with Requirement 2.2, Mauritania should ensure that the technical and financial criteria for license allocation in the oil and gas sector are clear.

To strengthen implementation, Mauritania may wish to consider channels for systematic disclosures of information on license allocation and transfers through government websites on an ongoing basis, particularly for oil and gas. Mauritania might wish to draw from EITI reporting and recommendations to improve the management of mining licenses, including in setting standard, clear and publicly available technical and financial criteria in the award and transfer of licenses. Mauritania is encouraged to explore means of routinely disclosing information about any non-trivial deviations in the award and transfer of licenses, using EITI reporting as a diagnostic of ongoing reforms of the Mining Code.

5.2 Corrective action 2: Register of licenses (#2.3)

In accordance with Requirement 2.3, the government should ensure that the dates of application, commodities covered and coordinates for all oil, gas and mining licenses held by material companies are publicly available.

Findings from the second Validation

The second Validation found that Mauritania had made meaningful progress with considerable improvements in implementing the requirement. The 2015 Report provided information on 136 mining licenses active in 2015, including dates of application, commodities, and licence coordinates for 16 out of 25 licences held by material companies. The report provided the date of contract signature, date of effectiveness and expiry date, and coordinates of the 13 active oil and gas licences, but not the dates of application.

Progress since Validation

Q&G: The DGH does not have an online oil and gas cadastre. The 2017 EITI Report and an equivalent list on the Ministry website³³ provide license holder, date of award, commodity produced and duration of the license for the 15 active contracts in 2017. The report does not provide the application date since contracts are allocated through direct negotiation. During stakeholder consultations, the DGH noted that the application date could be considered the date at which the minutes of the Technical Commission were signed for transmission to the Council of Ministers. Companies signalled their agreement with the suggestion by the DGH to determine the date of application as the date by which the Commission signs the minutes acknowledging receipt of an offer by a company. The MSG endorsed this procedure at its 26 February 2020 meeting. Following the start of Validation, these dates were added to the 2017 and 2018 lists of petroleum licenses, available online.

The coordinates of oil and gas licenses are not available in the EITI Report. The report provides a map of blocks, without coordinates but it is inconsistent with some of the information in the register, for example it shows that blocks the blocks C-14, C-17 and C-22 are still available, whereas these are in fact allocated to Exxon. The report also provides a link to the petroleum cadastre, but coordinates are not included (p.45). Similar to the EITI Report, the link provides the name of the relevant decree but does not inform on the coordinates of the blocks.³⁴

After the start of Validation on 12 May 2020, the DGH published two documents containing the coordinates of all blocks that hold licenses in 2017. The list of coordinates is complete. However, the map shows that the blocks held by Exxon as “available”.³⁵

Mining: In January 2020, the DGM started publishing license information online.³⁶ The website includes the list of active exploration and exploitation licenses, as well as a summary figure of number of licences allocated by category. The public mining cadastre³⁷ is in line with the active list of license holders, with the exception that application dates are not disclosed in a systematic manner (2017 EITI Report, p.115). The 2017 EITI Report states that as of 31 December 2017, Mauritania had allocated 56 exploration and 17 production mining permits (pp.70). The report notes that the Public Mining Cadastre Portal includes license holders, coordinates, application date, date of award, duration of license and commodity produced (pp.69). The report recommends that all application dates be added for existing permits and that dates of license renewals be added to the database. Civil society representatives noted that they had not yet consulted the cadastre but noted that there was often speculation based on discoveries in nearby licenses. They noted that the identity of the real holders of

³³ See http://www.petrole.gov.mr/IMG/pdf/tableau_registre_petrolier_itie_2017.pdf. The file is linked from the MSG website, and not easily to be found on the Ministry website (a page called “Validation 2017”, <http://www.petrole.gov.mr/spip.php?article690#>)

³⁴ Oil Catastre: http://www.petrole.gov.mr/IMG/pdf/tableau_registre_petrolier_itie_2017.pdf

³⁵ See [Annex A: Progress in addressing individual EITI Requirements – corrective actions](#) for details.

³⁶ Mining information portal: <http://portalmines.gov.mr/mauritania/>

³⁷ Mining Cadastre: <http://portals.landfolio.com/Mauritania/fr/>

some licences to was unclear since some licenses were transferred without notifying the cadastre office.

Secretariat's assessment

The International Secretariat's preliminary assessment was that Mauritania had partly addressed the corrective action on license register(s) and had made meaningful progress with significant improvements in addressing the corrective actions under 2.3 at the start of Validation. However, subject to the Board's consideration of new information published after the commencement of Validation, the Secretariat's assessment is that Mauritania has now fully addressed the corrective action and achieved satisfactory progress on Requirement 2.3.

For mining, the ongoing digitisation of the cadastre and the timeliness of available data is particularly noteworthy. All information listed in Requirement 2.3.b is publicly accessible for mining licenses. For oil and gas, the DGH has included the application dates following the MSG decision on 26 February 2020.

The International Secretariat notes that the dates of application and license coordinates of all oil and gas licenses were published shortly after commencement of Validation.

If the Board does not consider new information published after the commencement of Validation, Mauritania would need to address the following corrective action: In accordance with Requirement 2.3, Mauritania should ensure that the license coordinates for all oil and gas licenses are published.

To strengthen implementation, Mauritania may wish to encourage the DGH to systematically disclose the license holders for oil and gas in the detail as required by the EITI Standard. Further, Mauritania may wish to ensure the data is consistent across sources to ensure the reliability of the data.

5.3 Corrective action 3: State participation (#2.6)

In accordance with Requirement 2.6, Mauritania should ensure that a comprehensive list of state participation in the extractive industries, including terms associated with state equity and any changes in the year under review, be publicly accessible. Mauritania should also clarify the rules and practices governing financial relations between all SOEs, and their subsidiaries, and the state, including the existence of any loans or guarantees extended by the state, or SOEs, to extractives companies or projects

Findings from the second Validation

The second Validation found that Mauritania had made meaningful progress in implementing the requirement. The 2015 EITI Report and subsequent addendums confirmed the materiality of two SOEs in the extractives, SMHPM and SNIM. They described the statutory financial relations between SNIM, SMHPM and the government in terms of dividends and reinvestments, but not in terms of third-party funding, although the financial relations between the two SOEs and the government in practice in 2015 are detailed. The report listed the state participations in the extractive industries, although it was unclear whether disclosures of SNIM subsidiaries were comprehensive and confirmed the lack of changes in state participation in 2015. While the report described the terms associated with the state's free carried equity in mining companies, it did not detail the terms associated with state equity in other mining companies. Although the report stated that there were no loans or guarantees in the

year under review, it noted the existence of a sovereign guarantee on a third-party loan to SNIM, without providing details of the terms of the loan guarantee (e.g. interest rate, tenor).

Progress since Validation

Materiality: The 2017 EITI Report confirms the materiality of revenues collected both by SNIM and SMHPM. It provides the state's shareholding in both SNIM and SMHPM, demonstrating that they are majority-owned by the government. Both SNIM and SMHPM were included as material entities in the scope of reporting.

Financial relationship between SOEs and the state: The report describes the roles and responsibilities of SNIM and SMHPM. The report describes the state's entitlement to a 10% free carried equity interest in all mining companies holding production licenses. The report notes that 2017 annual reports are available online for SNIM and SMHPM, with relevant links included.

In terms of the financial relations between the mining companies in which SNIM or the government hold equity and the government, the report confirms that the government and SNIM's interest in mining companies gives rise to dividends. In terms of the financial relations between SMHPM and the state, the report describes the statutory financial relations between SMHPM and the state, including transfers to the petroleum fund (FNRH), retained earnings and third-party financing. The report describes the third-party financing arrangement for SMHPM's interest in the Chinguetti field, from Sterling Energy Plc, including through a supplementary note.³⁸ The contract was terminated in January 2018.

The rules and practices related to SNIM's distribution of profits, retained earnings, reinvestments and third-party financing are clear from publicly accessible documents. The report explains SNIM's 'unique annual royalty' (*Redevance annuelle unique*) equivalent to 9% of SNIM's annual turnover to the government shareholder, in lieu of all other profit taxes. The report clarifies the absence of dividends and the practice of retained earnings.

According to the SNIM website, SNIM is 78.35% owned by the Mauritanian government. According to the company's 2018 audited accounts, SNIM retains the right to raise 3rd party financing through equity and debt, since in practice it retains shareholders other than the government and is incorporated under OHADA law. There have been no changes in the share of equity amongst partners in the period under consideration. With respect to debt, in 2009, the company raised two loans with a consortium of international banks and donors. The details of these loans as well as the loan from the EU to the state are included in the company's financial audited accounts. The 2017 annual financial statements describe third-party financing both under and outside the trustee structure.

Government ownership: The report provides a list of shareholders, lists the state's equity interests in mining companies. The identity of the specific government entity holding the equity is provided. The report describes the terms associated with the state's equity in mining companies as well as SNIM and SMHPM's share in non-extractive companies.

A supplementary note³⁹ published in January 2020 clarifies the government's participation is free and does not indicate any responsibility by SNIM to cover expenses at various phases of the project cycle. The note also states that although the 2009 law transferring the government's share of mining

³⁸ See http://www.cnitie.mr/itie-fr/images/textes/note_smhpm_sterling.pdf

³⁹ See http://www.cnitie.mr/itie-fr/images/textes/note_smhpm.pdf

companies to SMHPM, does not include management of SNIM given that the law is not retroactive and SNIM was created in 1978.

Ownership changes: The report provides the government's equity interests in oil, gas and mining companies at the end of 2016 and 2017 respectively. The report confirms no changes in ownership in the oil and gas sector. With respect to mining, the report explains changes in ownership. The report notes that the government participation in SMHPM should be recorded as assets in the company's book, effective 31 December 2018. All participations by the government by SMHPM are explained in the EITI Report.

Loans and guarantees: The report states that reporting templates for SNIM, SMHPM and the Treasury (DGTCP) included lines for loans and guarantees by the government to SNIM. Although the Treasury and SNIM did not report any loans or guarantees, an analysis of their financial statements indicated that there was a loan from the EU. It appears that this is a loan from the EU to the state, which then on-lends the amount to SNIM. The loan agreement was subsequently published on the EITI-Mauritania website.⁴⁰

Secretariat's assessment

The International Secretariat's final assessment is that Mauritania has fully addressed the corrective action on state participation and made satisfactory progress on Requirement 2.6. In accordance with Requirement 2.6, the 2017 EITI Report and subsequent addendums confirm the materiality of two SOEs in the extractives, SMHPM and SNIM. They described the statutory financial relations between SNIM, SMHPM and the government in terms of dividends, retained earnings, reinvestments and third-party funding. The financial relations between the two SOEs and the government in practice in 2017 are detailed. The report lists the state participations in the extractive industries, including information on SNIM subsidiaries. The report describes the terms associated with the state's free carried equity in mining companies and the terms associated with state participation and equity in oil, gas and mining companies. The report notes the existence of a sovereign guarantee on a third-party loan to SNIM, and subsequent documentation provides details of the terms of the loan guarantee (e.g. interest rate, tenor).

To strengthen implementation, Mauritania is encouraged to explore ways of systematically disclosing information on quasi-fiscal expenditures through SNIM and SMHPM's routine systems (e.g. websites).

5.4 Corrective action 4: Outcomes and impact of implementation (#7.4)

In accordance with Requirement 7.4, the MSG should undertake and document its efforts strengthen impacts of EITI implementation on extractive sector governance, specifically on increasing engagement with stakeholders at the local level and extending the detail and scope of EITI reporting. The MSG should develop specific approaches to engage stakeholders outside of the MSG in soliciting their views, developing APRs, and reviewing the impact of EITI implementation. The MSG may wish to consider developing more formalised consultation mechanisms with mine-affected communities through established regional focal points.

⁴⁰ Loan EU SNIM: https://www.snim.com/images/rapports/protocole_snim_ce_rim.pdf

Findings from the second Validation

The second Validation found that Mauritania had made meaningful progress without considerable improvement in implementing the requirement. The 2017 annual progress report focused more on activities and outcomes than on impact. The report provided cursory details on follow up to recommendations and progress in meeting EITI requirements. Although there remained a lack of clarity around the impact of EITI implementation in Mauritania, there was no evidence that the MSG had prioritised its plans for undertaking a standalone impact assessment. There was no evidence to suggest that MSG members had canvassed their respective constituencies to seek their views and feedback on the annual progress report.

Progress since Validation

Mauritania EITI published the 2018 in December 2019 and 2019 annual progress reports (APR) on 26 February 2020. Besides a description of activities undertaken in the given years, the APRs of 2018 and 2019 include a section of evaluation of progress towards individual requirements, actions taken to respond to recommendations by the independent administrator (IA) and a self-assessment on what the key achievements are from the MSG's perspective. A further section elaborates on strengths and weaknesses, and the cost, of implementation. The account of progress towards achieving the objectives and activities of the work plan also highlights actions that have not been carried out as planned.

Considerable work was undertaken throughout the year on linking EITI outputs and outcomes to national economic objectives (SCAPP). This work provides the MSG with a framework to identify outcomes and impact of EITI implementation beyond providing transparency.

The MSG commissioned an impact assessment, which conducted an opinion poll with the population of three different mining-affected departments, as well as government institutions (total of 156 people surveyed). A draft version of the report was submitted to the International Secretariat before commencement of Validation. The final report was published in March 2020, after the commencement of Validation.⁴¹

The main findings of the impact assessment are that the EITI is poorly known in the population and that most are not reached by EITI dissemination, despite the efforts of local dissemination activities by the EITI. Where it is known, people identify it with transparency and sector regulation. Another finding is that the EITI is well known in the government and recognised in building capacity. The study reviews the efficacy of outreach activities.

On impact, civil society noted that there was too heavy an emphasis on financial transparency without consideration of the impact of these revenues and of improved governance. Civil society representatives felt that the exploitation of mines did not improve the lives of citizens. They noted however that EITI Reports provided access to information that was not previously available. It considered that the EITI was useful in managing affected communities' expectations to the sector. They called for further efforts to improve the public debate on the sector.

On impact, companies noted that the EITI was not being used to raise and discuss their issues of concern, such as their input to the review of the Mining Code and clarity on the process for evaluating

⁴¹ According to the MSG, the publication of the report was delayed due to an accident involving the consultant carrying out the study.

applications from oil and gas companies. Some companies consulted considered that the impact of the EITI was more in facilitating civil society access to information.

Secretariat's assessment

The International Secretariat's final assessment is that the corrective action on assessing outcomes and impact has been fully addressed and that Mauritania has made satisfactory progress on Requirement 7.4. Through the efforts throughout the year to strengthen the monitoring of EITI implementation as well as the commissioning of an impact assessment, Mauritania has taken important steps to draw lessons from its assessment of outcomes and impact of EITI implementation. The Annual Progress Reports and the impact evaluation sufficiently address the gaps from second Validation.

To strengthen implementation, Mauritania may wish to consider developing more formalised consultation mechanisms with key constituencies to regularly assess the impact of EITI implementation on natural resource governance, in particular with regards to the recommendations from the IA and Validation and to leverage more the regional focal points for disseminating information tailored towards the respective region. The MSG may also wish to consider to be more explicit in what ways its activities contributed to strengthening the impact of implementation.

6. Requirement not previously assessed

6.1 Assessment of Beneficial Ownership (#2.5)

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 2019.⁴² The assessment consists of a technical assessment focusing on initial criteria and an assessment of effectiveness.⁴³

Technical assessment

The technical assessment is included in Annex A. It demonstrates that Mauritania has introduced definitions of "beneficial owner" and "politically exposed person". Beneficial ownership information covering all required data points was requested from all oil, gas and mining companies operating in the country. However, the initial request was limited to the 'identity' of the beneficial owners. However, subsequent requested information following the start of Validation did include details on nationality, country of residence, the identification of politically exposed persons and the level of ownership. Management sign-off was requested as a data quality assurance for companies within the scope of the EITI Report, as well as the broader group of companies.

Information on legal ownership should be included in the commercial register. However, information submitted following the start of Validation clarified the weaknesses with the commercial register and

⁴² Board decision 2019-48/BM-43: <https://eiti.org/board-decision/2019-48>.

⁴³ For the list of criteria, see the Board paper 43-5-B, published here: <https://eiti.org/document/assessing-progress-in-meeting-requirement-25-on-beneficial-ownership-board-paper-435b>

outlined reforms to digitalize the system. Data published through the EITI Report covers legal owners for 18 of the 23 extractive companies within the scope of EITI reconciliation.

Three companies provided beneficial ownership data as part of EITI reporting, and the names of these individuals are included in the EITI Report. Natural persons were listed for an additional three companies following the start of the Validation. MSG comments provided up-to-date publicly available information on the stock exchange filings of publicly listed companies.

Assessment of effectiveness

Mauritania published a study on beneficial ownership in December 2019.⁴⁴ The study includes an overview of relevant legislation and definitions. The 2017 EITI Report includes partial disclosures from companies that made material payments. Stakeholder consultations have indicated initial thoughts by the Cadastre office towards systematic disclosure of beneficial ownership data of mining companies through the mining cadastre's new website.⁴⁵

The 2017 EITI Report used the reporting templates and assurances (management sign-off) for beneficial ownership. A similar data quality assurance mechanism was introduced for companies outside the scope of EITI reporting following the start of Validation. The Independent Administrator provided training for companies ahead of the reporting cycle to explain why disclosing beneficial information was important and to provide advice on filling the template. There is no evidence that training has been done with companies outside the scope of EITI reporting. However, the request for beneficial ownership information sent by the Ministry of Mines and Petroleum includes an instruction booklet.

The 2017 beneficial ownership study identifies legal barriers that should be addressed to allow for more effective beneficial ownership disclosures. The study recommends the creation of a one-stop shop ("Guichet Unique") jointly managed by the Minister of Justice and the Minister of Petroleum, Energy and Mines. The Mining and Petroleum Cadastres are to coordinate with the *Guichet Unique* to integrate data in the Commercial Register. The 2019 updated beneficial ownership roadmap indicates that beneficial ownership information would be lodged within the mining and petroleum cadastres in the initial phase. MSG comments confirm that this information would initially be housed on the Ministry of Mines and Petroleum and EITI-Mauritania websites, pending broader reforms to the Commercial Register.

Beneficial ownership data was requested as part of the EITI reporting process based on companies making material payments. The subsequent request by the DGH and DGM was addressed to all companies operating in the extractive sector. The beneficial ownership declaration form (as used for the reporting companies) was attached to the requests by the DGH and DGM following the start of Validation. According to the lists and cadastres online, there are 15 active oil and gas contracts as well as 56 exploration and 17 production mining permits. There is no indication that extractive companies were prioritised based on other factors such as the commodity they produce or their legal ownership.

The most significant barriers to effective beneficial ownership disclosures appear to be lack of practical progress in preparing the cadastres to receive beneficial ownership. Current procedures for oil, gas or mining license awards and transfers do not require the applicant to provide the names of beneficial owners. The anti-money laundering act provides a definition of the beneficial owner in the

⁴⁴ Available here: <http://www.cnitie.mr/itie-fr/images/etudes/DV-NLK-ITIE-ETUDE.pdf>

⁴⁵ This website: <http://www.portailmines.gov.mr/mauritanie/index.php>

national context and notes sanctions that financial institutions are liable if the beneficial owner is a person holding a position of power in the government. There do not appear to be any sanctions for lack of compliance, beyond the normal scope of EITI reporting. Disclosure of beneficial ownership information in Mauritania will help to manage corruption risks, for example, by shedding light on the possible involvement of PEPs.

Secretariat's assessment

The Secretariat's final assessment is that Mauritania has made meaningful progress in implementing Requirement 2.5.

The MSG has agreed appropriate definitions for the terms “beneficial owner” and “politically exposed person” and requested data from extractive companies holding licenses. The MSG also agreed assurances that reporting companies were requested to provide. However, beneficial ownership information has not been requested from companies applying for oil, gas or mining licenses. The Anti-Money Laundering Act provides a definition for a beneficial owner in the national context, but further work is needed to establish a legal basis for disclosures. Information on legal owners of extractive companies is held by the government but is not publicly available. There are planned reforms to digitalise the Commercial Register where legal ownership is housed by law, within the scope of broader beneficial ownership reforms.

Beneficial ownership information is not systematically disclosed. The Cadastre Office had, during stakeholder consultations, raised the possibility to publish that information on its new mining portal. In the MSG comments submitted on 26 August 2020, it was confirmed that beneficial ownership information would be published on the Ministry of Mines and Petroleum and EITI-Mauritania websites. There are plans to develop the relevant infrastructure. The “EITI data warehouse” can also publish beneficial ownership data, but only whatever has been collected through EITI reporting (and not all companies).

Initial requests for beneficial ownership did not attach the reporting template or instructions. However, this was rectified following the start of Validation.

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

- Mauritania is encouraged to agree priorities for beneficial ownership disclosures and, based on these priorities, plan efforts to obtain this data. For example, Mauritania may prioritise disclosures by certain types of companies, companies holding a certain type of license or producing a certain commodity due to risks related to corruption, tax evasion or circumventing provisions for local participation. These priorities should guide outreach efforts to companies.
- Mauritania is required to ensure that all applicants for oil, gas and mining licenses disclose their beneficial owners at the application stage, including for unsuccessful applicants. An assessment of the comprehensiveness and reliability of this information should be integrated into the licensing procedures. The review of the Mining Code presents an opportunity to do so for the mining sector.
- Mauritania is required to ensure the disclosure of legal owners and share of ownership for all extractive companies that hold a license in the country.

- It is recommended that Mauritania explore further the possibility and needed infrastructure for systematic disclosure of beneficial ownership information. As recommended by the beneficial ownership study, these data could be subsequently integrated into the commercial register.
- All extractive companies holding or applying for a mining, oil or gas license in Mauritania should disclose their beneficial owners in line with the government's or MSG's request.
- Mauritania may also wish to expand beneficial ownership disclosures to other segments of the upstream extractive value chain, for instance through collection and disclosure of beneficial ownership information from extractive-sector service providers, to enable monitoring of adherence to local content provisions and to manage corruption and tax evasion risks.

7. Requirement assessed as not applicable in 1st and 2nd Validations

7.1 Assessment of Quasi-fiscal expenditures (#6.2)

In the course of undertaking this assessment, the International Secretariat has also considered whether there is a need to review additional requirements, i.e. those assessed as “satisfactory progress” and “not applicable” in the second Validation. In particular, the Secretariat reviewed the applicability of Requirement 6.2 on quasi-fiscal expenditures, given information in the 2017 EITI Report about expenditures by the SOE SNIM that could be considered quasi-fiscal. The Secretariat's view is that the assessment of Requirement 6.2 warrants consideration by the EITI Board, for an upgrade to “satisfactory progress”.

Findings from the second Validation

The second Validation found that the corrective action on quasi-fiscal expenditures had been fully addressed and considered that Requirement 6.2 was not applicable to Mauritania in the year under review (2015). To strengthen implementation, Mauritania was encouraged to undertake a comprehensive review of all expenditures undertaken by extractives SOEs (and their subsidiaries) that could be considered quasi-fiscal ahead of data collection for EITI reporting.

Progress since Validation

O&G: With respect to the definition of quasi-fiscal expenditures, the 2017 EITI Report includes a definition of quasi-fiscal expenditures, adding that no-quasi-fiscal expenditures were reported by SMHPM in 2017.

Mining: The 2017 EITI Report notes the timing and value of reimbursements to SNIM through deductions from its Unique Royalty payments to the state. The Report also notes that there were no quasi-fiscal expenditures reported by SNIM in 2017. However, the report adds that there were two conventions signed whereby SNIM made expenditures on behalf of the state. These expenditures were reimbursed directly or through SNIM's tax obligations. The report states that quasi-fiscal expenditures were to be reimbursed by the Unique Royalty paid by SNIM to the state. The two quasi-fiscal conventions were on the acquisition of biomedical equipment for the National Hepato-Virology Institute of Nouakchott and a memorandum of understanding for pre-financing of the production of fishing boats by COMECA. EITI Mauritania subsequently published the conventions on the acquisition

of biomedical equipment for the National Hepato-Virology Institute of Nouakchott,⁴⁶ and addendum to the convention on the acquisition of biomedical equipment for the National Hepato-Virology Institute of Nouakchott⁴⁷ and a memorandum of understanding for pre-financing of the production of fishing boats by COMECA.⁴⁸ The subsequent publications include outstanding sum and actual amounts.⁴⁹

Lastly, the 2017 EITI Report describes, based on an analysis of SNIM's financial statements, a loan from SNIM to NAJAH, a result of a tri-partite convention between the state, SNIM and NAJAH (p.75). NAJAH is a construction company operating in Mauritania, contracted to develop Nouakchott's new airport. The state committed to pay to SNIM the balance of the loan. The report states that they were unable to access the convention and information on the outstanding sum, the conditions and calendar for repayment. In January 2020, civil society requested further information on the loan SNIM allocated MRO 15bn to NAJAH to construct the new airport. In February 2020, EITI-Mauritania published the loan agreement between SNIM and NAJAH.⁵⁰ The contract includes information on the conditions and calendar for repayment. However, information on the outstanding sum and actual amounts disbursed is unclear from the document.

Secretariat's assessment

The International Secretariat's final assessment is that Requirement 6.2 is applicable to Mauritania in the period under review and that it has achieved satisfactory progress on Requirement 6.2. There is evidence that the MSG has considered quasi-fiscal expenditures since the second Validation. The 2017 EITI Report includes information on the outstanding sums, the conditions and calendar for repayment for quasi-fiscal expenditures by SNIM linked to the acquisition of biomedical equipment for the National Hepato-Virology Institute of Nouakchott and financing of production of fishing boats by COMECA. SNIM has subsequently published these conventions as well as the convention for the construction of the Nouakchott airport by NAJAH. Information on the outstanding sum and actual amounts disbursed on quasi-fiscal expenditures to NAJAH were subsequently published on the EITI-Mauritania website.⁵¹

To strengthen implementation, Mauritania may wish to consider channels for systematic disclosures of quasi-fiscal expenditures linked to extractives companies such as SNIM through routine disclosures in a timely manner, such as on the SNIM website.

8. Requirement assessed as satisfactory in 2nd Validation

In the course of undertaking this assessment, the International Secretariat has also considered whether there is a need to review additional requirements, i.e. those assessed as "satisfactory progress" or "beyond" in the second Validation. In particular, the Secretariat reviewed progress on Requirement 1.5 related to the work plan. The Secretariat's view is that there is evidence to suggest progress has gone beyond the required standard on Requirement 1.5 and warrant consideration by the EITI Board, for an upgrade to "beyond".

⁴⁶ Quasi-fiscal expenditure convention for the acquisition of biomedical equipment: <http://www.cnitie.mr/itie-fr/images/CONVENTION-ETAT-SNIM-quipements-INHV.pdf>

⁴⁷ Addendum to the quasi-fiscal expenditure convention for the acquisition of biomedical equipment: <http://www.cnitie.mr/itie-fr/images/CONVENTION-SNIM-ETAT-Equipements-INHV-avenant-n1.pdf>

⁴⁸ Pre-financing of the production of fishing boats by COMECA: <http://www.cnitie.mr/itie-fr/images/CONVENTION-SNIM-ETAT-SNIM-EMBARCATION-DE-PECHE.pdf>

⁴⁹ SNIM supplementary note: <http://www.cnitie.mr/itie-fr/images/NOTE-EXPLICATIVE-RAPPORT-ITIE-2017.pdf>

⁵⁰ Pre-financing agreement between SNIM and NAJAH: https://www.snim.com/images/rapports/convention_cadre_etat_snim_nmw.pdf

⁵¹ See <http://www.cnitie.mr/itie-fr/images/textes/NOTE-PRET-NEJAH.pdf>

8.1 Assessment of Work Plan (#1.5)

Findings from the second Validation

The second Validation found that the corrective action on the work plan had been fully addressed and considered that Mauritania had made satisfactory progress on Requirement 1.5. The Secretariat reviewed possible back-sliding in this third Validation given delays in the review of the EITI work plan as of January 2020.

Progress since Validation

The 2020 work plan⁵², published in February 2020, fulfils all requirements as set out in Requirement 1.5. It also includes an analysis of the EITI's contribution to national objectives, the measurement and evaluations (M&E) framework developed in 2019 and has mapped the list of work plan activities against the M&E framework. Throughout 2019, the MSG has undertaken extensive work mapping its contributions to the national economic growth strategy. It has also reviewed its communication strategy and more clearly reflected the interests of different stakeholders.

Secretariat's assessment

The Secretariat's final assessment is that Mauritania has made efforts to go beyond the minimum aspects of Requirement 1.5. In particular, the inclusion of an M&E framework as part of the work plan, as well as the extensive mapping of outcomes of EITI implementation to national economic growth strategy go beyond the requirement. The clear structure of the work plan could be highlighted as good examples to other implementing countries. The work plan is missing some costing elements. However, given that it is conceived as a living document, this was not seen as a limitation during this Validation.

To strengthen implantation, the MSG may wish to consider how new requirements, such as on gender and contract transparency fit into the strategic objectives, rather than the objective of complying with the EITI Standard.

9. Conclusion

Having reviewed the steps taken by Mauritania to address the four corrective actions requested by the EITI Board as of the commencement of its third Validation (27 January 2020), it can be reasonably concluded that two of the four corrective actions have been fully addressed. The outstanding gap in progress against corrective actions at the commencement of Validation related to license allocation (Requirement 2.2) and register of licenses (2.3). Subject to the Board's consideration of new information published after the start of Validation, the Secretariat's assessment is that Mauritania has made satisfactory progress on Requirements 2.2 and 2.3.

In addition to the corrective actions from Mauritania's second Validation, the Secretariat's assessment is that there has been progress beyond satisfactory progress on the work plan (Requirement 1.5), satisfactory progress on quasi-fiscal expenditures (Requirement 6.2) and meaningful progress on beneficial ownership (Requirement 2.5).

⁵² See http://www.cnitie.mr/itie-fr/images/plan_d_action/PLAN-DE-TRAVAIL-2020-Draft-Version-25-Fevrier-2020.pdf

Annexes

Annex A: Progress in addressing individual EITI Requirements – corrective actions

Requirement 2.2: Contract and license allocations

EITI provision	EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
Contract and license allocations (#2.2)	A comprehensive list of mining, oil and gas license <u>awards</u> has been disclosed, including information on the identity of recipients (#2.2.a)	<p><u>Q&G</u>: The report provides information about the four exploration and production licenses⁵³ awarded in 2017, including the identity of beneficiaries. Explanatory notes for the allocation of each of these licenses are provided on the Ministry of Mines and Energy website.</p> <p><u>Mining</u>: The report provides an overview of the 16 exploration and 2 production licenses awarded, including the identity of the recipients in 2017.</p>	<p><u>Q&G</u>: 2017 EITI Report, Section 4.1.3.4. p. 44</p> <p><u>Mining</u>: 2017 EITI Report, Section 4.2.3.6, p. 69.</p>		<p>Meaningful progress.</p> <p>Satisfactory progress, subject to the Board's consideration of new information disclosed after the start of Validation.</p>	<p>Consider channels for systematic disclosures of information on license allocation and transfers through government websites ahead of the publication of EITI Reports.</p> <p>Consider drawing from EITI reporting and recommendations to improve the management of mining licenses, including in setting standard, clear and publicly available technical and financial</p>
	The process for <u>awarding</u> mining, oil and gas licenses has been comprehensively	<p><u>Q&G</u>: The report describes that the relevant laws and regulations outlining the award of a contract both through direct negotiation and competitive bidding round. It includes a description</p>	<p><u>Q&G</u>: EITI Report 2017, Section 4.1.3.2., pp. 43-44.</p>	<p>Oil and gas: Government stakeholders consulted indicated that the procedures are clearly</p>		

⁵³ C7 Total, C-14 ExxonMobil, C-17 ExxonMobil and C-22 ExxonMobil.

	<p>disclosed, including technical and financial criteria assessed (#2.2.a)</p>	<p>of the process for awarding exploration and production licenses, including the role of relevant government agencies. The default procedure for license allocations by law is competitive bidding. In the year under review, the licenses were all allocated using the derogation that the law allows for direct negotiations.</p> <p>Subsequent to the publication of the EITI Report, supplementary notes have confirmed the absence of technical and financial in the assessment of licenses through direct negotiations.</p> <p><u>Mining</u>: The 2017 EITI Report provides a detailed description of the process for awarding exploration and production licenses, including the documents that should be provided by the applicant, the role of the relevant government agencies and a description of the lack of clear technical and financial criteria.</p> <p><i>i. The technical and financial criteria used;</i></p> <p><u>Q&G</u>: The 2017 report notes that in the allocation of a contract, the technical criteria used includes the amount of signature bonus, work programmes, cost and profit oil considerations, taxes, royalties and contribution capacity building, environmental and</p>	<p>DGH explanatory notes on the allocation of blocks C7, C10, C19, C14, 17 and 22 http://www.petrole.gov.mr/IMG/pdf/dgh_procedure_d_octroi_des_ceps_c10_et_c19_itie_vf.pdf</p> <p>http://www.petrole.gov.mr/IMG/pdf/dgh_procedure_d_octroi_des_ceps_c14_c17_et_c22_itie.pdf</p> <p>http://www.petrole.gov.mr/IMG/pdf/dgh_procedure_d_octroi_des_ceps_c7_itie.pdf</p> <p>Explanatory note on technical and financial criteria http://www.cnitie.mr/itie-fr/images/textes/Matrice-Criteres-Techniques-et-financiers-Secteur-Petrolier-Avril-2020-vf.pdf</p> <p><u>Mining</u>: EITI Report 2017, section 4.2.3.6, License awards and transfers in the mining sector, pp. 69.</p>	<p>set out and that these are followed by the DGH. They also stated that it is in the government's interest to apply the derogation (for direct negotiation) to get the best possible agreement. Company representatives consulted stated that it was unclear how long a negotiation typically lasted. Civil society considered that direct negotiation, while allowed by law, was more opaque than bidding.</p> <p>Members of the DGH noted that they have only engaged in direct negotiation with large International Oil Companies (IOCs) and as such have not applied any technical and financial in the process of direct negotiation.</p>		<p>criteria in the award and transfer of licenses.</p> <p>Oil and gas: The government may wish to review the practice of applying for a derogation of the standard procedure.</p> <p>Mining: The MSG may wish to consider following-up on the recommendation of the IA for a license allocation and permit audit.</p>
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		<p>rehabilitation funds. Neither the report nor the initial supplementary note provided by the DGH clarify the technical and financial capacities and their application to license allocations and transfers in 2017. The explanatory note provided by the DGH indicates that only direct negotiation is used in the allocation of licenses. A third explanatory note published on 12 May 2020 clarified that the country only enters direct negotiation with the oil and gas majors and as such, does not evaluate technical and financial criteria in license allocation. All licenses awarded during the period under review were direct negotiation with major IOCs and as such technical and financial criteria were waived.</p> <p><u>Mining:</u> Allocation of a promotional license: A commission is to evaluate the offers and the one with the best grade is retained. However, neither the law (Decree 2008-159) nor the first explanatory note provided to the International Secretariat described the financial and technical criteria that the commission would apply for the gradings. Supplementary notes on the technical and financial criteria have confirmed that no technical and financial criteria are used in the allocation of mining license. The main method of license allocation is first-come first-</p>	<p><u>Oil & gas technical and financial criteria:</u></p> <p>Explanatory notes on 2017 oil and gas license allocation: http://www.petrole.gov.mr/spip.php?article690</p> <p>Explanatory matrix on 2017 oil and gas technical and financial criteria: http://www.cnitie.mr/itie-fr/images/textes/Matrice-Criteres-Techniques-et-financiers-Secteur-Petrolier-fvrier-2020.pdf</p> <p><u>Mining technical and financial criteria:</u></p> <p>Matrix on the allocation of mining licenses: http://www.cnitie.mr/itie-fr/images/textes/Matrice-Criteres-Techniques-et-financiers-Minier_modif.pdf</p> <p>Mining procedures: http://www.petrole.gov.mr/IMG/pdf/procedures-octroi_des_titres_miniers</p>	<p>Oil and gas: Stakeholder consultations suggest that there was no evaluation of technical and financial criteria, only economic /financial parameters in the allocation and transfer of hydrocarbon licenses. The evaluation was based on compliance with the procedures on license allocation and transfers.</p> <p>Mining: civil society stakeholders consulted stated that they were not content with the current statutory license allocation and transfer criteria. Government stakeholders consulted highlighted that this practice was put in place to attract</p>		
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		<p>served. There are procedural criteria only.</p>	<p>_au_premier_demandeur.pdf</p> <p>Explanatory matrix on 2017 mining technical and financial criteria http://www.cnitie.mr/itie-fr/images/textes/Matrice-Criteres-Techniques-et-financiers-Minier_modif.pdf</p> <p><u>Oil & gas transfers: 2017</u> EITI Report, section 4.1.3.4, License awards in the upstream oil sector, pp. 44.</p> <p>Transfer procedure for C7: http://www.petrole.gov.mr/IMG/pdf/dgh_proce_dur_e_d_octroi_des_ceps_c7_itie.pdf</p> <p><u>Mining transfers:</u> http://www.cnitie.mr/itie-fr/images/permis_miniers/permis-recherche-mutes-2017.pdf</p> <p>EITI Report 2017, pp. 69 http://www.cnitie.mr/itie-fr/images/permis_miniers/permis-recherche-mutes-2017.pdf</p>	<p>investments in mining but was being reviewed as part of the review of the mining code.</p> <p>Mining: Civil society representatives noted that the lack of technical and financial criteria made it unclear whether the transfers of licenses were made to suitable applicants. Licenses obtained on a first-come first-served basis were obtained for speculation purposes. The government was aware of this issue and was seeking to change this in the revised mining code.</p>		
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			<p>Explanatory note, DGH 12 May 2020:</p> <p>http://www.petrole.gov.mr/IMG/pdf/dgh_procedure_d_octroi_du_cep_vf.pdf</p>			
	<p>A comprehensive list of mining, oil and gas license <u>transfers</u> has been disclosed, including information on the identity of recipients (#2.2.a)</p>	<p><u>Mining</u>: The 2017 Report does not include information about what licenses have been transferred, but a list is available on the CN-ITIE website for exploration and production licenses. There was one transfer and it was reflected as a new award in the online cadastre.</p> <p><u>O&G</u>: The report notes that there was one transfer of block C-18 from Tullow to Total E&P (45%), Kosmos (15%) and BP (15%). It describes the process for the transfer and the percentage allocation to the three respective companies. The remaining 10 % are the government's interest.</p>	<p><u>Mining transfers</u>: http://www.cnitie.mr/itie-fr/images/permis_miniers/permis-recherche-mutes-2017.pdf</p> <p>EITI Report 2017, pp. 69 http://www.cnitie.mr/itie-fr/images/permis_miniers/permis-recherche-mutes-2017.pdf</p> <p><u>O&G</u>: EITI Report 2017, p. 45, http://www.petrole.gov.mr/IMG/pdf/note_sur_la_cession_du_cep_sur_c18.pdf</p>			
	<p>The process for <u>transferring</u> mining, oil and gas licenses has been comprehensively disclosed, including technical and</p>	<p><u>Mining</u>: The procedure is clearly laid out in a table in the EITI Report. Subsequent notes published by the government note that there are no clear technical and financial criteria in mining awards and transfers.</p>	<p><u>Mining</u>: EITI Report 2017, section 4.2.3.5; procedure for renewing, extending, transfer and cession of licences, pp. 67-68</p>			

	<p>financial criteria assessed (#2.2.a)</p>	<p>Q&G: With respect to transfers, the report notes that transfers require the approval of the Hydrocarbon Minister. Although the criteria for transfers is not included in the Hydrocarbon Code, the report notes that these conditions are included in Article 22 of the model contract.</p> <p>A third explanatory note published on 12 May 2020 clarified that the country only enters direct negotiation with the oil and gas majors and as such, does not evaluate technical and financial criteria in license transfers as well. All licenses transferred during the period under review were with major IOCs and as such technical and financial criteria were waived in the transfer .</p>	<p>Explanatory note on technical and financial criteria: http://www.cnitie.mr/itie-fr/images/textes/Matrice-Criteres-Techniques-et-financiers-Minier_modif.pdf</p> <p>Q&G: EITI Report 2017, Section 4.1.3.3., p. 44</p>			
	<p>Information on any non-trivial deviations from the applicable legal and regulatory framework governing license <u>transfers and awards</u> has been comprehensively disclosed (#2.2.a)</p>	<p>Q&G: There is an explanatory note that was published on the transfer of the license for bloc C18. There is no indication in the report or in stakeholder consultations that point to a non-trivial deviation.</p> <p>The report does not contain further information on the technical and financial capacities and their evaluation for licenses allocated in 2017.</p> <p>Mining: The 2017 EITI Report states that the DGM notes that all license</p>	<p>Transfer procedure for C18: http://www.petrole.gov.mr/IMG/pdf/note_sur_la_cession_du_cep_sur_c18.pdf</p>	<p>Mining: Civil society has raised the issue that mining licences are awarded to companies or individuals for the purpose of speculating and sold onwards, without applying for a transfer of the license to the Cadastre office. The government is aware of this practice and aims of addressing it through the mining</p>		

		allocations were handled in accordance with the law. According to the EITI Report, there were no mining transfers in 2017 and as such, does not make a statement on the existence of non-trivial deviations in transfers.		code reform (see narrative in main text.)		
	Where companies covered in the EITI Report hold licenses that were allocated prior to the accounting period of the EITI Report, implementing countries are encouraged, if feasible, to disclose the information set out in 2.2(a) for these licenses (2.2.b).	The 2017 EITI Report discloses license allocations and transfers only for the accounting period of the EITI Report i.e. 2017.	Mining licensing activity http://www.petrole.gov.mr/spip.php?article52 and http://www.cnitie.mr/itie-fr/index.php/3-validation :			
	<i>Where licenses are awarded through a bidding process during the accounting period covered by the EITI Report, the government is required to disclose the list of applicants</i>	The 2017 EITI Report confirms that all oil and gas licenses awarded in 2017 were through direct negotiations, not competitive tender. There are no provisions for mining licenses to be awarded through competitive tender.	<u>O&G</u> : EITI Report 2017, Section 4.1.3.2., pp. 43-44.			

	and the bid criteria (2.2.c).					
	Where the requisite information set out in 2.2(a-c) is already publicly available, it is sufficient to include a reference or link in the EITI Report (2.2.d).	<p><u>Oil and gas</u>: Some information is available http://www.petrole.gov.mr/spip.php?article690#</p> <p><u>For mining</u>: the DGM has an overview page on the legal framework: http://portailmines.gov.mr/mauritanie/index.php/cadre-legal</p>				

Requirement 2.3: Register of licenses

EITI provision		Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
2.3 Register of licenses	The country maintains a publicly accessible cadastre/register of licenses in mining, oil and gas (#2.3.b)	<p><u>O&G</u>: There is no online cadastre for oil and gas. There is a list of licenses online and in the report.</p> <p><u>Mining</u>: systematically disclosed through an online cadastre. The DGM has digitized its records in 2019. The transfer of historical information is still ongoing. Besides the online cadastre, the DGM set up a mining-specific website (Portail Minier It includes an overview of the</p>	<p>Oil & gas: 2017 EITI Report, pp. 45</p> <p>Annex 4, pp.125</p> <p>Annex 3, pp.124 and http://www.petrole.gov.mr/IMG/pdf/tableau_registre_petrolier_itie_2017.pdf (same information, different layout)</p>	Stakeholders from all constituencies considered that the publicly available license registers were accurate.	<p>Meaningful progress.</p> <p>Satisfactory progress, subject to the Board's consideration of new information disclosed after</p>	The MSG may wish to ensure that the official cadastre and lists are up to date as the definitive source of licensing information, reducing any confusing between other public sources of information.

		mining sector, rules and regulations, number of licenses allocated, applied for, awarded. It also links to a PDF with the list of active licenses as of October 2019.	<p><u>Mining:</u></p> <p>http://portals.landfolio.com/Mauritania/fr/</p> <p>http://www.portailmines.gov.mr/</p> <p>2017 EITI Report, pp 69 – 70.</p> <p>2017 list of active licenses:</p> <p>http://www.cnitie.mr/itie-fr/images/permis_miniers/Permis-exploi-envig-2017.pdf</p>		the start of Validation.	The MSG might wish to encourage the DGH to systematically disclose the license holders for oil & gas in the detail as required by the EITI Standard. The most up-to date list available online currently is from 2018.
	Information on the identity of license-holders has been comprehensively disclosed for all licenses held by material companies (#2.3.b.i) Dates of application, award	<u>Oil and gas:</u> Annex 3 of the EITI Report provides information for each block on the application date, name of the entity, type of contract, tax identification number, physical address, percentage participation by other companies, award date, expiry date and size of the block. However, the table does not contain the application date per license. The MSG decided on 26.02.2020 that the application date is to be the date of the first minutes of the negotiation between the commission negotiating on the Government's behalf and company. By commencement of	<p>2017 EITI Report, pp. 45</p> <p>Annex 4, pp.125</p> <p>Annex 3, pp.124 and http://www.petrole.gov.mr/IMG/pdf/tableau_registre_petrolier_itie_2017.pdf (same information, different layout)</p> <p>http://portals.landfolio.com/Mauritania/fr/</p>			

	<p>and expiry (or duration) have been comprehensively disclosed for all licenses held by material companies (#2.3.b.iii)</p>	<p>Validation the application dates had not been provided, but they were updated shortly thereafter and are viewable in the linked file online. The cadastre map in the report is not entirely accurate. It marks block C-17 as “free” while the block is attributed to Exxon on the license list.</p> <p><u>Mining:</u> The mining cadastre is available <u>online</u> and mostly complete. The license entries in the online cadastre are not consistently updated. For example, the license 3 C1 held by SNIM was renewed by the decree n° 2009-220 and the new expiry date is 01/11/2024, according to the list of active licenses in PDF at the end of 2017. The online cadastre shows 24/09/2019 as expiry date. Other data entries where licenses have been removed have been updated (for example Wafa Mining, license nr 1025 B2).</p>	<p>http://www.portailmines.gov.mr/mauritanie/index.php/situation-cadastre-2019</p>			
	<p>License coordinates have been comprehensively disclosed for all licenses held by material companies (#2.3.b.ii)</p>	<p>O&G: The report provides a link to the Ministry of Petroleum website, which is marked as including the geographical coordinates for licenses allocated. However, the link is not functional (http://www.petrole.gov.mr/MinesIndustrie/Documents/Contrats/listedescontrats.htm). This means that the coordinates are not publicly available. The report (Annex 4,</p>	<p><u>Oil and gas:</u></p> <p>Coordinates published 12 May 2020 on http://www.petrole.gov.mr/spip.php?article690# : http://www.petrole.gov.mr/IMG/pdf/cotier_2017.pdf and</p>			

	<p>p. 125) contains a map of the oil and gas blocs, but not the coordinates themselves.</p> <p>On 12 May 2020, the coordinates for all oil and gas licenses held by all companies were published on the Ministry website, under a subsite on “2017 Validation” (and not under “Operators” or a tab for cadastre information for example). There are inconsistencies across these sources., Blocks C-14, C-17 and C-22 are listed as “free” (“libre”) while in the license overview, ExxonMobil holds these licenses. The cadastre map shows that the blocks C-14, C-17 and C-22 are still available. Verification of Exxon’s website lists C-14, C-17 and C22 as blocks licensed to Exxon.</p> <p>Mining: The coordinates of all active mining licenses are disclosed through the online cadastre.</p>	<p>http://www.petrole.gov.mr/IMG/pdf/ta_2017.pdf</p> <p>Cadastral map: http://www.petrole.gov.mr/IMG/jpg/31-10-2019_ver2.jpg and EITI Report p. 125</p> <p>Exxon website https://corporate.exxonmobil.com/Locations/Mauritania</p> <p>Mining: http://portals.landfolio.com/Mauritania/fr/</p>			
Information on commodity(ies) covered by production licenses have been comprehensively disclosed for all production licenses held by material companies (#2.3.b.ii)	<p>O&G: The title of the table notes “Oil licenses”. There is no specification of exactly what fields are oil fields, and which are gas. In that table. EITI Report p. 34 lists the different deposits (name and description) by commodity.</p> <p>Mining: Yes, through the Flexicadastre. Production data is also available through the new mining data portal.</p>	<p>O&G: Annex 3, 2017 Report p. 124; pp. 34-35</p> <p>Mining: http://portals.landfolio.com/Mauritania/fr/ http://www.portailmines.gov.mr/mauritanie/index.php/donne-production</p>			

	<p>The information set out in provision 2.3.b is also available for the licenses held by entities not covered by the EITI reporting process (#2.3.b-c)</p>	<p>Mining: all active mining licenses appear to be listed in the online cadastre, based on a sample review focused on small-scale mining licenses in 2020.</p> <p>O&G: Given that all companies holding oil and gas licenses were considered material in the 2017 EITI Report, information on all active oil and gas licenses is provided.</p>	<p>http://www.cnitie.mr/itie-fr/images/permis_miniers/permis-petites-explo-envig-2020.pdf and http://portals.landfolio.com/Mauritania/fr/</p>	<p>Mining: Stakeholders from government and civil society commended the DGM's work on the digital cadastre.</p> <p>Civil society noted that licenses for smaller mining projects were sold to others (see stakeholder views, 2.2 on transfers), meaning that the real licenses holders are known to the Cadastre.</p>		
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Requirement 2.6: State-participation

EITI provision	EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
State-participation (#2.6)	<i>Where state participation in the extractive industries gives rise to material revenue payments,</i>	Materiality: The 2017 EITI Report confirms the materiality of revenues collected both by SNIM, equivalent to 49% of government mining revenues, and SMHPM, which can be calculated as	Oil & Gas: 2017 EITI Report, Section 4.1.6, pp.46-51	Civil society representatives consulted noted the importance of reports on the	Satisfactory progress	Mauritania is encouraged to consider publishing the SNIM statutes or any other

	<p><i>implementing countries must disclose:</i></p> <p><i>An explanation of the prevailing rules and practices regarding the financial relationship between the government and state-owned enterprises (SOEs), e.g., the rules and practices governing transfers of funds between the SOE(s) and the state, retained earnings, reinvestment and third-party financing. For the purpose of EITI reporting, a SOE is a wholly or majority government owned company that is engaged in extractive activities on behalf of the government. Based on this, the multi-stakeholder group is encouraged to discuss and document its</i></p>	<p>the equivalent of 19.7% of oil and gas revenues (p. 11). It provides the state's shareholding in both SNIM (pp. 70-76) and SMHPM (pp. 46-48), demonstrating that they are majority-owned by the government. Both SNIM and SMHPM were included as material entities in the scope of reporting (pp. 24).</p> <p><u>Financial relationship with government:</u> The report describes the roles and responsibilities of SNIM (pp.73) and SMHPM (pp.49). The report describes the state's entitlement to a 10% free carried equity interest in all mining companies holding production licenses (p.71), held by either SNIM in the case of one mining company or SMHPM in the case of all other mining companies in which the state holds 10% free carried equity (p.46). The report notes that 2017 annual reports are available online for SNIM (pp. 71) and SMHPM (pp. 48), with relevant links included. In terms of the financial relations between the mining companies in which SNIM or the government (through SMHPM) hold equity and the government, the report confirms that the government and SNIM's interest in mining companies gives rise to dividends (pp. 70).</p> <p>In terms of the financial relations between SMHPM and the state, the report describes the statutory financial relations between SMHPM and the state,</p>	<p><u>Mining:</u> Section 4.2.6 pp.70-76</p> <p>Annex 11 pp.160</p> <p><u>Oil & Gas:</u></p> <p>Sterling third-party financing: http://www.cnitie.mr/itie-fr/images/textes/note_s_mhpm_sterling.pdf</p> <p>Relationship between SMHPM and SNIM: http://www.cnitie.mr/itie-fr/images/textes/note_s_mhpm.pdf</p> <p>SNIM and Mauritanian state: https://www.snim.com/images/rapports/protocole_snim_ce_rim.pdf</p> <p>SNIM 2017 financial accounts: https://www.snim.com/images/rapports/rapport_financier_2017_anglais.pdf (pp.45-48)</p>	<p>activities of Fondation SNIM. They clarified that Fondation SNIM only undertakes social payments. Civil society representatives consulted noted that in the past, Fondation SNIM was used to finance government activities in an opaque manner.</p>		<p>document that codifies SNIM's right to raise third-party financing.</p>
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	<p>definition of SOEs taking into account national laws and government structures (2.6.a).</p>	<p>including transfers to the petroleum fund (FNRH) (pp. 47), retained earnings (pp. 49) and third-party financing (pp. 50-51). The report describes the third-party financing arrangement for SMHPM's interest in the Chinguetti field, from Sterling Energy Plc (pp. 51-52). The report clarifies the financing arrangement with Sterling Energy, audit practices and a loan received from the state, the cost of a building converted to equity in SMHPM (pp. 50-52). The MSG produced a supplementary note⁵⁴ on Sterling Energy noting that production in the field ended on 30 December 2017 and that the contract was terminated in January 2018. It clarifies that payments are made based on reimbursements of SMHPM's share of production.</p> <p>The rules and practices related to SNIM's distribution of profits, retained earnings, reinvestments and third-party financing are clear from publicly accessible documents. In effect, the description of SNIM's "unique royalty payment" to the state describes that SNIM only has to pay this to its government shareholder, that it has the right to retain earnings and reinvest in its operations.</p> <p>The 'unique annual royalty' (<i>Redevance annuelle unique</i>) is equivalent to 9% of SNIM's annual turnover, in lieu of all</p>	<p>SNIM 2018 financial accounts:</p> <p>https://www.snim.com/images/rapports/rapport_2018_etats_financiers_solides_fr.pdf (pp .21-22, 45-48)</p>			
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⁵⁴ See http://www.cnitie.mr/itie-fr/images/textes/note_smhpm_sterling.pdf

		<p>other profit taxes (pp. 60). The report notes that no dividends were paid in 2017, although the company registered a profit of 4,149 million MRO in 2016 (pp. 74). These funds were kept as retained earnings. The report notes that SNIM's legal texts do not call for general assemblies, which are exercised by the Minister of Finance.</p> <p>According to the SNIM website, SNIM is 78.35% owned by the government. Other stakeholders include Kia Kuwait (7.7%), ARMICO (5.66%), Irak Fund (4.49%), ONHYM Morocco (2.3%), BID (1.79%) and the private sector (0.14%). This is paid-up and called up share capital (capital appelé et libéré). No shares with preferential voting rights have been issued. Although it appears that SNIM has the right to raise third-party financing through equity, there have been no changes in the share of equity amongst partners in the period under consideration.</p> <p>According to the company's 2018 audited accounts, SNIM retains the right to raise both debt and equity financing, since in practice it has shareholders other than the government and debt to private third parties. With regards to the practice of SNIM's third-party financing in the year under review, p.45 of the 2017 SNIM Annual Financial Statements (AFS) (bottom of section 4.7.2) details the types of debt that SNIM had in 2017,</p>				
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		<p>disaggregated by the different tenors. Section 4.10 (pp.47-48) of the 2017 AFS describes third-party financing both under and outside the trustee structure.</p> <p>In 2009, the company raised two loans with a consortium of international banks and donors to the value of US 283 million and US 38 million respectively. The first consortium consisted of the African Development Bank, the French Development Agency, the European Investment Bank, the Islamic Development Bank, BNP Paribas, Société Générale, BHF-Bank Aktiengetellschaft and KfW to finance the project Guelb II. The second consortium consisted of BMP Paribas, the Société Générale, BHF-Bank Aktiengestellschaft and KfW to finance a new mining port. Further details on rescheduled debts as well as debts with external donors with State responsibility for making the funds available to SNIM thereafter (dettes rétrocédées).</p> <p>Other indications that SNIM has the ability to raise third-party financing includes the loan between the EU, the state and SNIM. The EITI Report confirms the existence of the loan and the contract was subsequently published on the company's website.</p> <p><u>Government ownership:</u> The report provides a list of shareholders for both SMHPM and SNIM (pp. 132). The terms</p>				
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		<p>associated with the government's equity interests in SNIM and SMHPM are effectively described in the description of the two SOEs' financial relations with the government. The report also lists the state's equity interests in mining companies and its free equity interest (p. 71). The identity of the specific government entity holding the equity is provided. The report describes the terms associated with the state's free equity in mining companies and SNIM's share in non-extractive companies, including its 50% interest in MSMS (Takamul) as highlighted during the country's last Validation (p. 72).</p> <p>The EITI Report and a supplementary note⁵⁵ published in January 2020 clarifies the government's participation is free and does not indicate any responsibility by the SOEs to cover expenses at various phases of the project cycle. The note also states that although the 2009 law transferring the government's share of mining companies to SMHPM does not include management of SNIM given that the law is not retroactive and SNIM was created in 1978.</p> <p><u>Ownership changes:</u> The report provides the government's equity interests in mining companies at the end of 2016 and 2017 respectively (pp. 71-72) and</p>				
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⁵⁵ See http://www.cnitie.mr/itie-fr/images/textes/note_smhpm.pdf

		<p>oil and gas companies (p. 48). It confirms no changes in ownership in the oil and gas sector. With respect to mining, the report notes that the government's new equity interests in Tiris Ressources SA and MSP SA were due to new production licenses being allocated to these companies, implying that the government did not pay any consideration for its 10% free equity interest. The report notes that the government participation in SMHPM should be recorded as assets in the company's book. However, this change was effective 31 December 2018.</p> <p><u>Loans and guarantees:</u> The report states that reporting templates for SNIM, SMHPM and the Treasury (DGTCP) included lines for loans and guarantees by the government to SNIM (pp. 73-74). Although the Treasury and SNIM did not report any loans or guarantees, an analysis of their financial statements indicated that there was a loan by the EU to the government, which the government then on-lent to SNIM. The loan agreement between the state and SNIM. was subsequently published on the EITI-Mauritania website.⁵⁶</p>				
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⁵⁶ See https://www.snim.com/images/rapports/protocole_snim_ce_rim.pdf

Requirement 7.4: Outcomes and impact of implementation

EITI provisions		Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
Outcomes and impact of EITI implementation on natural resource governance (#7.4)	The MSG has provided a summary of activities undertaken in 2019. (7.4.a.i)	The MSG adopted the annual activity report on 26 February 2020 and published the document on the website. It includes a summary of activities in 2019.	http://www.cnitie.mr/jtie-fr/images/Rapports/annuel/RAA-2019-version-du-26-fvrier-2020.pdf		Satisfactory Progress	
	The MSG has made efforts to assess progress with meeting and maintaining compliance with each EITI Requirement, and any steps taken to exceed the requirements. This includes any actions undertaken to address issues such as revenue management and expenditure (5.3), transportation payments (4.4), discretionary social expenditures (6.1), ad hoc subnational transfers (5.2), beneficial ownership	Under section 2.1 the MSG provided an overview of progress against all requirements. On 2.5, the MSG commissioned a scoping study and started collecting BO data for the 2017 and 2018 Reports.	Annual progress report 2019, pp.12-13			

	(2.5) and contracts (2.4). (7.4.a.ii)					
	<p>The MSG has made efforts to give an overview of the multi-stakeholder group's responses to and progress made in addressing the recommendations from reconciliation and Validation in accordance with Requirement 7.3. (7.4.a.iii)</p>	<p>Concerning addressing recommendations from EITI reporting, the MSG created a sub-commission to review the recommendations of the IA, which prepared a high-level MSG inter-ministry meeting, chaired by the Prime Minister on 8 November 2019 to examine corrective actions from the second Validation, progress on systematic disclosures, and the recommendations in the 2016 Report (APR 2019, p. 13). The outcome of this meeting is the publication of several explanatory notes from reporting entities. These include an explanation on procedures of license allocations allocation.</p> <p>In the APRs from 2018 and 2019 there are no explicit references on how the corrective actions from the first and second Validations were addressed. There is only a comparison of scorecards from first to second Validation in the 2019 APR (p.14). However, the</p>	<p>Minutes of the Inter-ministerial Meeting, 8.11.2019</p> <p>APR 2019, p. 13</p> <p>Strengths and weaknesses identified in APR 2019, p. 15.</p> <p>APR 2018, pages 11-12</p> <p>Overview of activities on the CN ITIE website.</p> <p>http://www.cnitie.mr/itie-fr/index.php/actu</p> <p>Overview of documentation to address corrective actions:</p>	<p>Stakeholders confirmed the meeting of the Prime Minister with the reporting entities and confirmed that a positive outcome in the Validation of Mauritania was a high priority of the government.</p>		

		<p>recommendations from Validation are very similar to the recommendations from the report. Yet many of the gaps identified by the 2017 Report, published in November 2017, are gaps highlighted in the Validation that was concluded in February 2019. The APRs and minutes do not speak to how corrective actions and recommendation from the IA were dealt with. Recommendations of the 2017 Report highlight weaknesses identified in the second Validation of Mauritania.</p>	<p>http://www.cnitie.mr/itie-fr/index.php/3-validation</p>			
	<p>The MSG has made efforts to assess progress with achieving the objectives set out in its work plan (Requirement 1.5), including the impact and outcomes of the stated objectives. (7.4.a.iv)</p>	<p>The APR 2019 lists the activities as they relate to the three guiding themes: open data, beneficial ownership and commodity trading transparency. The APR lists all of the meetings in 2019 and their outcomes (pp. 17-18). The 2019 APR documents the activities and follow-up of the 2018-2020 work plan (section 4.2, pp. 20-25). It also highlights all the activities not undertaken, in particular capacity building</p>	<p>APR 2019, pp. 5-11; pp. 17-18 and pp. 20-25</p> <p>Impact evaluation, March 2020, pp. 35-37</p> <p>http://www.cnitie.mr/itie-fr/images/textes/rapport-final-etude-dimpact.pdf and <a 494="" 521="" 603="" 802"="" href="http://www.cnitie.mr/itie-</p> </td> <td data-bbox="></p>			

		<p>activities have suffered in 2018 and 2019.</p> <p>The MSG had commissioned an impact evaluation of the EITI, interviewing the public on the impact of the EITI. The draft was available at the commencement of Validation. The impact evaluation was published after commencement of Validation, in March 2020. Its main method is interviews and opinion polls.</p>	<p>fr/images/textes/Annexe-Methodologie-de-lvaluation.pdf</p>			
	<p>The MSG has made efforts to provide a narrative account of efforts to strengthen the impact of EITI implementation on natural resource governance, including any actions to extend the detail and scope of EITI reporting or to increase engagement with stakeholders. (7.4.a.v)</p>	<p>According to the APR, there are three focus areas that shall in particular strengthen transparency and improve sector governance (see section above). These three areas are seen to have most impact in the local context. The open data project strengthens impact due to embedding disclosure practices at the reporting entity level, and a more timely matter. The narrative on the efforts of that work area are considered as the narrative account. Furthermore, the MSG has also adopted a monitoring and evaluation framework (October 2019) linking outputs of EITI implementation on national</p>	<p>APR 2019, pp. 5 for what areas contribute to improving impact of EITI. P. 8-12 is the description of actions related to the three key areas.</p> <p>p. 14</p> <p>Système de suivi et évaluation du comité national de l'ITIE Mauritanie, 26 octobre 2019</p>	<p>The minutes of the company constituency meeting in December 2019 note that the impact of the EITI is very limited due to missing communication activities (Minutes of company constituency, 6.12.2019). During stakeholder consultations, civil society members have noted that the impact has been more limited in the election year, due to uncertainties surrounding the change in leadership.</p>		

		objectives, which can be considered as a narrative account on how to strengthen the contribution of EITI implementation to the national growth strategy. The communications strategy, adopted in June 2019, includes some key messages on the contribution of the EITI by stakeholder groups.	Contributions potentielles de l'ITIE aux priorités nationales selon la SCAPP 2016-2030 (n.d.) Stratégie de communication, June 2019 pp. 17-18			
	The MSG has provided an evaluation of the implementation of the beneficial ownership roadmap. (7.4.a.vi)	The MSG has documented their work on beneficial ownership in the 2018 and 2019 APRs.	APR 2019, APR 2018.	Stakeholders from all constituencies pointed to the beneficial ownership scoping study as being a useful contribution in understanding the value of beneficial ownership disclosures. The consensus is that progress was made.		
	<i>The MSG has undertaken consultations to give all stakeholders an opportunity to provide feedback on the EITI process and the impact of the EITI, and have their view reflected in the annual review of</i>	The minutes of meetings where the 2019 APR was adopted do not reflect any discussions on the content of the report. The APR 2019 was adopted by the MSG on 26 February 2020. The 2018 APR was prepared by a sub-commission composed of stakeholders of each constituency and was approved	MSG meeting minutes, 27.12.2019, p. 2 Section: pp.97 – 99 Impact study: http://www.cnitie.mr/itie-fr/images/textes/ra	xx		

	<p><i>outcomes and impact (7.4.b)</i></p>	<p>by the MSG. The impact evaluation was another opportunity for stakeholders in the MSG to voice their interest.</p> <p>The MSG commissioned an impact assessment. A total of 156 persons were interviewed, from the general population, civil society organisations, government institutions and companies. The areas are Inchiri, Tiris Zemour and Nouadhibou. The main findings are:</p> <p>Knowledge of the EITI Mauritania is very weak with 15,6% having heard of the EITI. Within government institutions, the EITI is quite well known (75,8% are familiar with the principles of the EITI, and the requirements). Almost 70% of people surveyed working in government institutions appreciate the capacity building in extractives sector governance due to the EITI (p. 31). The report also notes that there is still much effort that needs to be undertaken to ensure the participation and effective engagement of government institutions to the EITI (p.33).</p>	<p>port-final-etude-dimpact.pdf</p> <p>Annex of the impact study: http://www.cnitie.mr/itie-fr/images/textes/Annexe-Methodologie-de-lvaluation.pdf</p> <p>Impact study, p.9 for the method</p>			
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		Of those who have heard of the EITI, it is mostly associated with transparency (60,6%, total of 40 persons)). Physical outreach activities are the most common way to reach the audience. Web is hardly used.				
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Annex B: Progress in addressing other EITI Requirements in the scope of this Validation

Requirement 2.5 Beneficial ownership

EITI Requirement	EITI sub-Requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
Beneficial ownership disclosure (#2.5)	The MSG has agreed an appropriate, publicly available definition of the term beneficial owner (#2.5.f)	<p>Yes. The reporting templates and the 2017 EITI Report both include a definition of a beneficial owner. This definition recognises key concepts such as natural person, indirect ownership and control and ownership thresholds. However, both definitions do not include a reference to politically exposed persons (PEPs).</p> <p>Subsequent to the start of Validation, the country published the 2016 scoping study which includes a definition of PEPs. This includes all persons entrusted with an</p>	<p>2017 EITI Report, p94. http://www.cnitie.mr/iti-e-fr/images/rapports/RapportEITI2017.pdf</p> <p>Beneficial ownership study: http://www.cnitie.mr/iti-e-fr/images/etudes/DV-NLK-ITIE-ETUDE.pdf</p>	Civil society representatives consulted noted that beneficial ownership is critical in improving transparency on license allocation for mining. Civil society felt that they had an impact on the BO threshold in the study	Meaningful progress	See narrative for Formatted Table recommendations.

		<p>important public function including family and friends currently or in the past. It goes on to highlight the various government roles to be considered and that family will include blood, marriage or civil partnerships and associates.</p> <p>The rationale for the definition refers to national circumstances and the EITI Standard, FATF and ECOWAS definitions (pp8-12 BO study). National legislation does include a definition of beneficial ownership notably the anti-money laundering law of 2019-017 (pp15 BO study & Definitions 2019 law).</p> <p>National legislation did refer to Politically Exposed Persons (law 2005-048), however this was replaced by the 2019 anti-money laundering legislation. PEPs are also referred to the Hydrocarbon Code. Article 11 prohibits civil servants or agents of the state from holding a direct or interest stake in oil operations and contracts becoming shareholders in hydrocarbon licenses. There is no equivalent provision in the Mining Code.</p> <p>The 2016 scoping study notes that the MSG has agreed a materiality threshold of 25% ownership. However, companies are also expected to declare PEP who own more than 5% of extractive companies within the scope of EITI reporting.</p>	<p>2016 Scoping Study presentation http://www.cnitie.mr/iti-e-fr/images/textes/EITI-Mauritania--Prsentation-Etude-prliminaire-2016.pdf</p> <p>Hydrocarbon Code (Article 11): http://www.droit-afrique.com/upload/doc/mauritanie/Mauritanie-Code-2010-hydrocarbures-bruts.pdf</p>	<p>conducted by an external consultant.</p>		
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		On 6 December 2019, the MSG discussed the scoping study on BO. At this meeting, the MSG agreed the BO scoping study, definition of PEPs and Beneficial Ownership.				
	<i>There are laws, regulations or policies in place to back establishing and maintaining a public register of beneficial owners (#2.5.a)</i>	<p><i>Based on comprehensiveness, reliability, timeliness and access factors, the BO study recommends the creation of a one-stop shop (Guichet Unique) jointly managed by the Minister of Justice and the Minister of Petroleum, Energy and Mines. The Mining and Petroleum Cadastres to coordinate with the Guichet Unique to integrate data in the Commercial Register. The Commercial Register would be permanent with free access.</i></p> <p><i>The 2019 updated BO roadmap indicates that beneficial ownership information would be lodged within the mining and petroleum cadastres.</i></p> <p><i>However, it is unclear whether any steps have been taken to prepare the Cadastres to include beneficial ownership information.</i></p>	<p>Beneficial ownership study http://www.cnitie.mr/iti-e-fr/images/etudes/DV-NLK-ITIE-ETUDE.pdf</p> <p>2019 updated BO roadmap http://www.cnitie.mr/iti-e-fr/images/textes/2019-MAJ-CNITIE-AURITANIE-FEUILLE-DE-ROUTE-SUR-LA-PROPRIETE-REELLE.pdf</p>			
	The government's policy and multi-stakeholder group's	MSG discussions on the disclosure of beneficial ownership is documented in its minutes. On 6 December 2019, the MSG	2017 EITI Report (pp.94).			

	<p>discussion on disclosure of beneficial ownership is documented (#2.5.b)</p>	<p>examined the scoping study on BO. At this meeting, the MSG agreed the BO scoping study, definition of PEPs and Beneficial Ownership. The minutes do not give further details on the definitions agreed. On 19 February 2020, the MSG agreed that the work plan incorporate the findings of the ad-hoc BO commission as well as progress by the sub-commission, scoping study and BO roadmap.</p> <p>The scoping study documents the government's policy partly. It refers to the provisions of the 2019 Anti-Money Laundering Act, which includes a definition of a beneficial owner. The disclosure of data on ownership through EITI reports has been a practice since the 2012 EITI Report.</p> <p>The 2017 BO study provides a more comprehensive overview of the legal framework but it's unclear whether this is up to date.</p>	<p>MSG Minutes 06.12.2019 http://www.cnitie.mr/iti-e-fr/images/pv/CR-du-06-12-2019-Restitution-de-ltude-de-cadrage-sur-la-divulgation-de-la-Propriet-rel-version-du-23-fv-2020.pdf</p> <p>MSG Minutes 19.02.2020 http://www.cnitie.mr/iti-e-fr/images/pv/CR-du-19-02-2020-de-la-runion-de-la-commission-ad-hoc-version-du-23-fv-2020.pdf</p> <p>Beneficial ownership study http://www.cnitie.mr/iti-e-fr/images/etudes/DV-NLK-ITIE-ETUDE.pdf</p>			
	<p>The implementing country has requested beneficial ownership information to be</p>	<p>EITI reporting for fiscal 2017 was used to request beneficial ownership for the 23 companies within the scope of EITI reporting. On 19 February 2020 and 20 February 2020, the DGH and DGM</p>	<p>2017 EITI Report (p.95). Letter from DGH : http://www.cnitie.mr/iti-e-fr/images/textes/L-</p>			

	publicly disclosed (#2.5.c)	respectively wrote to all mining and oil and gas companies requesting them to publish information on the beneficial owners.	<p>DGH-du-18-02-2020-n147-Circulaire-Lattention-des-Oprateurs-Ptoliors-Dclaration-des-bnficiaires-effectifs-et-des-propritaires-lgaux-dans-le-cadre-de-IITIE.pdf</p> <p>Letter from DGM http://www.cnitie.mr/iti_e_fr/images/textes/Note-circulaire-relative-la-dclaration-des-bnficiaires.pdf</p>			
	The requested information includes the identity(ies) of their beneficial owner(s), including nationality, country of residence, and identification of politically exposed persons, the level of ownership and details about how ownership or control is exerted (#2.5.c-d)	The form used to collect BO data for the 2017 EITI Report requests the following information to identify the beneficial owner(s): full name, nationality, country of residence and date of birth/ID number. Residential and professional addresses as well as other means of contact are requested. For each beneficial owner, the form requests defining the number and percentage of shares held by the BO, the percentage of direct and indirect voting rights and any other form of ownership or exercise of control. The form also asks when the beneficial interest was acquired and asks companies to disclose PEPs.	<p>2017 EITI Report (p.135).</p> <p>Beneficial ownership form 2017 EITI Report</p> <p>Circular issued on 16 July 2020 including instructions to mining companies: http://www.petrole.gov.mr/IMG/pdf/note_circulaire.pdf</p> <p>Circular issued on 3 June 2020 including instructions to oil and</p>			

		<p>However, the requests to oil, gas and mining companies in February 2020 request the identity of the beneficial owners but not does specify that this information should contain nationality, country of residence, and identification of politically exposed persons, the level of ownership and details about how ownership or control is exerted.</p> <p>On 16 and 29 July 2020, the General Mines Directorate issued a request to all reporting companies which requested information on nationality, country of residence, identification of politically exposed persons, the level of ownership and details about how ownership is exerted. A further submission on 26 August 2020 reminds mining companies within the scope of EITI reporting to submit this information. A similar request was made of oil and companies on 3 June and 13 August 2020.</p> <p>The report does not clarify whether information about legal owners is publicly available. MSG comments submitted on 26 August confirm that there is a commercial register and outlines weaknesses, notably the lack of a centralised online system to allocate company numbers and that centralizes all of the company history. It confirms that legal ownership is available in theory but not available to the public in practice. The</p>	<p>gas companies: http://www.cnitie.mr/iti-e-fr/images/textes/Lettre-Circulaires-n412-du-03-juin-2020-DGH.pdf</p> <p>Circular issued on 29 July 2020 to mining companies, including a link to the Excel reporting template: http://www.petrole.gov.mr/IMG/pdf/note_circulaire_aux_operateurs_mineiers.pdf</p> <p>Circular issued on 13 August 2020 to oil and gas companies including a link to the Excel reporting template: http://www.petrole.gov.mr/IMG/pdf/lettre_dgh_no528_du_13_aout_2020_dgrop_declaration_des_beneficiaires_effectifs_et_des_proprietaires_mineiers.pdf</p> <p>Circular issued on 26 August 2020 to mining companies within the scope of EITI reporting: http://www.petrole.gov.mr/IMG/pdf/lettre_dgh_no528_du_26_aout_2020_mines.pdf</p>			
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		<p>comments notes actions to be taken by the MSG in collaboration with the persons responsible for the commercial register to digitise the information as part of its beneficial ownership reforms.</p>	<p>mr/IMG/pdf/note_circul_aire-relevance.pdf</p> <p>MSG comments submitted to the International Secretariat on 26 August 2020, dated 10 August 2020. https://eiti.org/files/documents/en_comments_msg_initial_assessment.pdf</p>			
	<p>Any corporate entity(ies) that apply for, or hold a participating interest in an exploration or production oil, gas or mining license or contract have disclosed the information</p>	<p>Government has requested the 'identity' of beneficial owners for all companies holding a license in Mauritania. However, none of the evidence provided indicate that the government has started requesting BO disclosures from companies applying for licenses.</p> <p>MSG comments submitted on 26 August 2020 confirm that requesting beneficial ownership of mining companies applying for a license is not covered by the existing decree regulating the sector (Decree 2008-159), implying that a change of legislation would be needed to enforce that rule. However, the comments flag that Article 15 of the law asks for key data on the company representative requesting the licence as well as associated persons. It is unclear whether this information submitted by companies is included in the current cadastre. In the oil and gas sector,</p>	<p>Letter from DGH : http://www.cnitie.mr/iti-e-fr/images/textes/L-DGH-du-18-02-2020-n147-Circulaire-Lattention-des-Oprateurs-Ptrolliers-Dclaration-des-bnficiaires-effectifs-et-des-propritaires-lgaux-dans-le-cadre-de-lITIE.pdf</p> <p>Letter from DGM http://www.cnitie.mr/iti-e-fr/images/textes/Note-circulaire-relative-la-dclaration-des-bnficiaires.pdf</p>	<p>Civil society expressed their interest that beneficial owners be published alongside license allocation and transfer disclosure</p>		

		<p>contracts are awarded through direct negotiation with companies and are all quoted on stock exchanges. However, the information was requested of oil and gas companies by the General Hydrocarbon Directorate (see previous section).</p> <p>It is also unclear whether the government's request extends to companies holding only a participating interest in extractive companies. In the MSG's updated BO information, it notes that for all participating companies within the scope of EITI reporting, physical persons or the stock exchanges were listed. However, it is noted that there is no information on the 3 companies which did not submit reporting templates (Ferroquartz Mauritania, Sonatrach, and Tirex SA) as well as the company which did communicate BO data (Mauritano-Saoudeinne pour le Phosphate). The Ministry of Mines and Petroleum issued a reminder to these companies on 26 August 2020.</p>	<p>MSG updated list of publicly listed companies submitted on 26 August 2020: http://www.cnitie.mr/iti-e-fr/images/Situation-de-la-PJBE-des-entreprises-du-primtre.pdf</p> <p>Circular issued on 26 August 2020 to mining companies within the scope of EITI reporting: http://www.petrole.gov.mr/IMG/pdf/note_circulaire-relevance.pdf</p>			
	<p>The MSG has assessed and documented gaps or weaknesses in disclosure of beneficial ownership information (#2.5.c)</p>	<p>The 2017 EITI Report and the BO study assesses and documents gaps and weaknesses in the disclosure of BO information.</p> <p>The BO study includes recommendation on data collection, quality assurance,</p>	<p>2017 EITI Report (p.94, p.135).</p> <p>Beneficial ownership study (p.23): http://www.cnitie.mr/iti-e-fr/images/etudes/DV-NLK-ITIE-ETUDE.pdf</p>			

	<p>frequency of updates, data access and a BO register.</p> <p>Of the 23 companies selected in the scope, 11 companies are listed companies or wholly owned subsidiaries of listed companies, 3 companies reported partial information and 7 companies did not report on beneficial ownership.</p> <p>Seven of these companies disclosed the names of individuals, 18 companies provided legal owners of the 5 companies which did not provide legal owners, 2 were BP Mauritanie and ExxonMobil, whilst the other 3 were Agrineq SA, MSP and Tirex SA. The report discloses the names of natural persons identified as beneficial owners for 3 companies namely Mauritanie Ressources Limited, TAFOLI MINERALS and Société d'Extraction du Nord d'Inchiri SA (SENI Sa).</p> <p>MSG comments submitted on 26 August 2020 included natural persons as owners for an additional three companies namely Tasiast Mauritanie Ltd SA, Wafa Mining & Petroleum SA and Curve Capital Venture. The comments also state that no red flags for at risk companies for PEPs and money laundering were identified.</p>	<p>MSG Minutes 06.12.2019 http://www.cnitie.mr/iti-e-fr/images/pv/CR-du-06-12-2019-Restitution-de-ltude-de-cadrage-sur-la-divulgation-de-la-Propriet-rel-version-du-23-fv-2020.pdf</p> <p>MSG updated list of beneficial ownership data submitted on 26 August 2020: http://www.cnitie.mr/iti-e-fr/images/Situation-de-la-PJBE-des-entreprises-du-primtre.pdf</p>				
The relevant government entity or the MSG has	Yes. The BO reporting templates for the 2017 EITI Report requests management	Beneficial ownership form 2017 EITI Report.				

	<p>established an approach for participating companies to assure the accuracy of the beneficial ownership information (#2.5.e)</p>	<p>sign-off, confirming that all information provided is accurate and reliable.</p> <p>The subsequent request for beneficial ownership by the government for all extractive companies operating in Mauritania, does not specify a data quality assurance mechanism.</p> <p>Circulars issued by the General Mining Directorate on 29 July 2020 and the General Hydrocarbon Directorate on 13 August 2020 applies a similar quality assurance mechanism as in EITI reporting i.e. management sign-off.</p>	<p>Circular issued on 29 July 2020 to mining companies, including a link to the Excel reporting template: http://www.petrole.gov.mr/IMG/pdf/note_circulaire_aux_operateurs_miniers.pdf</p> <p>Circular issued on 13 August 2020 to oil and gas companies including a link to the Excel reporting template: http://www.petrole.gov.mr/IMG/pdf/lettre_dgh_no528_du_13_aout_2020_dgrop_declaration_des_beneficiaires_effectifs_et_des_proprietaires_locaux.pdf</p>			
	<p>For publicly listed companies, including wholly owned subsidiaries, the name of the stock exchange has been disclosed and a link included to the stock exchange filings where they are listed (#2.5.f)</p>	<p>No. The 2017 EITI Report included for some companies the name of the stock exchange(s) and trading symbol(s). The publicly available information is not comprehensive. No information has been provided on how to access the stock exchange filings. It is unclear whether the publicly listed companies in the EITI report are 100% owned by the publicly listed company.</p>	<p>2017 EITI Report (p.135).</p> <p>MSG updated list of publicly listed companies submitted on 26 August 2020: http://www.cnitie.mr/iti-e-fr/images/Situation-de-la-PJBE-des-</p>			

		<p>The MSG comments submitted on 26 August included updated information on the stock exchanges and ownership of publicly listed companies. There is no information on the three companies which did not submit reporting templates (Ferroquartz Mauritania, Sonatrach, and Tirex SA) as well as the company which did communicate BO data (Mauritano-Saoudeinne pour le Phosphate). The Ministry of Mines and Petroleum issued a reminder to these companies on 26 August 2020.</p>	<p>entreprises-du-primtre.pdf</p> <p>Circular issued on 26 August 2020 to mining companies within the scope of EITI reporting: http://www.petrole.gov.mr/IMG/pdf/note_circulaire-reliance.pdf</p>			
	<p>Information about legal owners and share of ownership of applicable companies is publicly available (#2.5.g)</p>	<p>Unclear. According to the BO study, information about legal ownership is collected under Commercial Code. It is unclear whether information about legal owners and their share of ownership is publicly available in the commercial register.</p> <p>MSG comments submitted on 26 August confirm that there is a Commercial register and outlines weaknesses, notably the lack of a centralized online system to allocate company numbers and that centralizes all of the company history. It confirms that legal ownership is available in theory but not available to the public in practice. The comments notes actions to be taken by the MSG in collaboration with the persons responsible for the Commercial register to digitalise the</p>	<p>Beneficial ownership study (p.20): http://www.cnitie.mr/iti-e-fr/images/etudes/DV-NLK-ITIE-ETUDE.pdf</p>			

		information as part of its beneficial ownership reforms.				
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Requirement 1.5: Work plan

EITI provision	EITI sub-requirement	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations
Work plan (#1.5)	The work plan includes objectives for implementation linked to the EITI principles and national priorities and steps to mainstream EITI implementation (#1.5.a)	<p>The MSG adopted the 2020 work plan on 25 February 2020, including the mapping of potential EITI contributions to the national growth strategy and a framework for monitoring and evaluation (M&E) of the EITI's outputs and outcomes. The work plan for 2020 reflects the MSG's efforts in a five-day workshop to revise its work plan and establish the M&E framework. Mauritania also has a workstream of activities to mainstream the EITI (p. 8).</p> <p>While the KPI table is missing some benchmark figures and while it is not always clear who is covering the cost of activities, the work plan goes beyond the requirement with regards to reference to national objectives.</p>	<p>Measurement and evaluation framework EITI Mauritania, including mapping of national priorities</p> <p>https://eiti.org/document/measurement-evaluation-framework-eiti-mauritania-including-mapping-of-national-priorities</p> <p>Communications strategy (not online)</p>	The development of the work plan, integration of the M&E framework and mapping of EITI outcomes to the national growth strategy was supported by GIZ	Satisfactory progress (Beyond)	To strengthen accountability, Mauritania could consider publishing the work plan as part of the presentation of the EITI.
	The work plan reflects consultations with key stakeholders on	The three strategic axes reflect the interests of civil society, companies and government, as it is specifically aimed at developing a mainstreamed	2020 Work plan p. 5 http://www.cnitie.mr/itie-fr/images/plan_d_action/PLAN-			

objectives for implementation (#1.5.b)	EITI and enabling the use of data: A. ensure systematic, timely disclosure of relevant information. B. Enable the use of information from extractive industry and C. Facilitate the multi-stakeholder dialogue, including follow-up on recommendations for improvements and reform of extractive governance.	DE-TRAVAIL-2020-Draft-Version-25-Fevrier-2020.pdf			
The work plan includes measurable and time-bound activities to achieve the agreed objectives (#1.5.c)	Yes, see work plan from page 7 onwards. The table is broken down by Result, output, activity, responsible actor, time, cost, verification of achievement and its source, and status of progress.	2020 work plan starting on p. 7.			
The work plan includes activities aimed at addressing any capacity constraints identified (#1.5.c.i)	The work plan is not specific on constraints, but contains activities that can be considered building capacity of different stakeholders and assuring financial sustainability (Activity A1-4 and A1-5)	2020 work plan p. 7			
The work plan includes activities related to the scope of EITI implementation, including plans for strengthening systematic disclosures (#1.5.c.ii)	Yes, axis 1 is mainly about mainstreaming.	2020 work plan pp. 7-10			
The work plan includes activities aimed at addressing any legal or regulatory obstacles identified (#1.5.c.iii)	This is mainly covered as part of following up on the recommendations from the IA (p. 15)	2020 work plan p. 15			
The work plan includes plans for implementing the recommendations	Yes, action C1-6 and C1-7	2020 work plan p. 14-15			

	from Validation and EITI implementation (#1.5.c.iv)					
	The work plan includes costings and funding sources, including domestic and external sources of funding and technical assistance (#1.5.d)	Yes. There is a budget column that indicates the cost of most activities and in some cases the origin of the budget.	2020 work plan, starting p. 7, column "Budget en USD"			
	The work plan includes a timetable for implementation (#1.5.g)	The work plan includes an overview of all activities on a timeline	Timeline on p. 18 onwards.			
	The workplan has been made widely available to the public (#1.5.e)	The work plan is available online, but under "Validation"	http://www.cnitie.mr/itie-fr/index.php/3-validation			
	The work plan reflects the MSG's consideration of extending the detail and scope of EITI reporting (#1.5.f)	Current efforts in the work plan is to align with the new requirements of the 2019 Standard	2020 work plan, activities around A3			

Requirement 6.2: Quasi-fiscal expenditures

EITI provision	Summary of main findings	Source(s) of information	Summary of stakeholder views	Recommendation on compliance with the EITI provisions	Proposed corrective actions and recommendations

<p>Quasi-fiscal expenditures (#6.2)</p>	<p>With respect to the definition of quasi-fiscal expenditures, the 2017 EITI Report provides a definition of quasi-fiscal expenditures as including agreements by which SOEs undertake social expenditures, outside the national budgetary process (p.50).</p> <p><u>O&G:</u> The report adds that no-quasi-fiscal expenditures were reported by SMHPM in 2017.</p> <p><u>Mining:</u> The 2017 EITI Report notes the timing and value of reimbursements to SNIM through deductions from its Unique Royalty payments to the state. The Report also notes that SNIM did not report any quasi-fiscal expenditures in 2017 (p.74). However, the report adds that two conventions were signed whereby SNIM undertook expenditures on behalf of the state. These expenditures were reimbursed directly or through SNIM's tax obligations. SNIM was reimbursed for these QFES through deductions from its unique royalty payments to the state (pp. 11). The two quasi-fiscal conventions were on the acquisition of biomedical equipment for the National Hepato-Virology Institute of Nouakchott and a memorandum of understanding for the financing of COMECA's production of fishing boats (pp. 74-75).</p> <p>The report notes that the convention on the acquisition of biomedical equipment was signed in May 2016 and was to be executed through the Fondation SNIM. The value of this commitment was EUR 1 019 523.10 (p.75). This amount would be entirely reimbursed by the state through a deduction of SNIM's payments to the state. The Tax Authority would provide a receipt corresponding to the reimbursed amount. An additional EUR 200,000 were added to the bio-medical financing convention in 2017 (p.75).</p> <p>EITI Mauritania subsequently published the conventions (and their addendums) on the acquisition of biomedical equipment for the National Hepato-Virology Institute of Nouakchott, and a</p>	<p>Pre-financing agreement between SNIM and NAJAH: https://www.snim.com/images/rapports/convention_cadre_etat_snim_nmw.pdf</p> <p>Quasi-fiscal expenditure convention for the acquisition of biomedical equipment: http://www.cnitie.mr/itie-fr/images/CONVENTION-ETAT-SNIM-quipements-INHV.pdf</p> <p>Addendum to the quasi-fiscal expenditure convention for the acquisition of biomedical equipment: http://www.cnitie.mr/itie-fr/images/CONVENTION-SNIM-ETAT-Equipements-INHV-avenant-n1.pdf</p> <p>Pre-financing of the production of fishing boats by COMECA: http://www.cnitie.mr/itie-fr/images/CONVENTION-SNIM-ETAT-SNIM-EMBARCATION-DE-PECHE.pdf</p> <p>SNIM supplementary note: http://www.cnitie.mr/itie-fr/images/NOTE-EXPLICATIVE-RAPPORT-ITIE-2017.pdf</p>	<p>Government, company and civil society stakeholders confirmed the lack of quasi-fiscal expenditures by SMPHM over the period.</p> <p>Civil society requested further information on the loan SNIM allocated 15 milliards to the Najah company to construct an airport.</p>	<p>Satisfactory Progress</p>	<p>-</p>
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	<p>memorandum of understanding for financing of COMECA's production of fishing boats.</p> <p>The supplementary note provided by SNIM on the acquisition of biomedical equipment for the National Hepato-Virology Institute states that this pre-financing was entirely reimbursed by the state in the first quarter of 2017, for a value of MRO 405 454 141.64. The additional EUR 200,000 added to financing agreement was concluded on 25 September 2017 and was reimbursed in two payments. EUR 160,000 (MRO 66 752 000) was reimbursed through SNIM's deductions from its Unique Royalty payments to the state, which was paid in 2018. The second payment for EUR 40,000 (MRO 1 667 200) was reimbursed through SNIM's deductions from its Unique Royalty payments to the state for 2018, which was paid in 2019. The convention does not provide for interest to be charged on the financing provided by SNIM.</p> <p>With respect to the construction of fishing boats by COMECA, the 2017 EITI Report notes that SNIM would provide financing for the convention signed between the state and COMECA for the construction of 100 fishing boats (p.75). The financing value was MRO 2.6bn. The reimbursement was to be made within 90 days, beyond which SNIM would deduct the amount from its payments to the state, the Unique Royalty or through other payments due to the state in accordance with the existing agreements. After each deduction, SNIM is to communicate the payment file accompanied by the receipt from COMECA to the Regional Tax Recovery Services in Nouadhibou. The amount reimbursed to SNIM was MRO 260 000 000 for 2017 (p.75). In its supplementary note, SNIM confirmed that the agreement was signed on 1 July 2012 and the last payment was made in the first quarter of 2017, through deductions from the Unique Tax that SNIM pays to the government. The convention does not provide for interest to be charged on the financing provided by SNIM.</p>	<p>Explanatory note NAJAH: http://www.cnitie.mr/itie-fr/images/textes/NOTE-PRET-NEJAH.pdf</p>			
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	<p>Lastly, the 2017 EITI Report states that an analysis of SNIM's financial statements note the existence of a loan called NAJAH, as part of a tri-partite convention between the state, SNIM and NAJAH (pp. 75). NAJAH committed to undertake work on behalf of the state, for the construction of the Nouakchott's new airport and the state committed to pay to SNIM the balance of the loan. The report states that they were unable to access the convention and information on the outstanding sum, the conditions and calendar for repayment. In January 2020, civil society requested further information on the loan through which SNIM provided MRO 15bn to NAJAH to construct a new airport.</p> <p>In February 2020, EITI-Mauritania has since published the loan agreement between SNIM and NAJAH. The convention was signed on 13 October 2013 and includes financing of MRO 15bn to support the construction of the airport. The contract includes information on the conditions and calendar for repayment. However, information on the outstanding sum and actual amounts disbursed is unclear from the document.</p>				
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Annex C: Other EITI Requirements

Req.	Details	Reference
2.1	O&G legal framework and fiscal regime (SCAPP & 2010 law amended 2015) Includes fiscal regime for sub-contractors Role of government agencies Reforms – environmental Recommendations	Section 4.1.2.1-2 p35 Section 4.1.2.3 p38 Section 4.1.2.4 p39 Section 4.1.2.5 p40 Section 1.4 p16
2.2	Report recommendation	Section 1.4 p16
2.3	Report recommendation	Section 1.4 p16
2.4	Publication of ACI O&G model contract O&G practice contract disclosure	Section 4.1.2.5 p40 Section 4.1.3.1 p42 Section 4.1.5 p45 http://www.cnitie.mr/itie-fr/index.php/publications/contrats/contrats-miniers and http://portailmines.gov.mr/mauritanie/index.php/situation-cadastre-2019 http://www.cnitie.mr/itie-fr/index.php/publications/contrats/contrats-petroliers
2.6	SMHPM & Sterling Reinforce SOE capacity on 2.6 and 6.2	Section 1.2.4 p13
3.1	Overview of O&G (closing Chinguetti & ACI signed in 2018)	Section 4.1.1 p34-35
3.2	Overview production per mineral	Section 1.2.5 p13-14 Section 5.5 Central bank publishes production data in its quarterly statistics: https://www.bcm.mr/bulletins-trimestriels-des-statistiques
3.3	Overview exports per mineral	Section 1.2.5 p13-14 Section 5.6 Central bank includes steel export in quarterly statistics: https://www.bcm.mr/bulletins-trimestriels-des-statistiques
4.1	Overview of revenues Exhaustivity (2.77% of revenues not submitted) Discrepancies Materiality and threshold Reconciliation results and discrepancies Audited company accounts	Section 1.2.1. p11 Section 1.3.1. p15 Section 3.2.3. p24 Section 3.3.2. p27 Section 4.1.6.2 p46
4.2	Sale state part of production In-kind revenue (O&G) Role of SMPHM Role of Vitol Trading company	Section 1.3.2. p15 Section 1.3.2. p16 Section 3.3. Section 4.1.6.2 p46 Section 4.1.6.4 p49
4.3	Barter /infrastructure NA	Section 4.1.8 p51
4.4	Legal framework for transport Transport not applicable	Section 4.1.2.4 p39 Section 4.1.7 p51
4.5	SMHPM revenue overview	Section 1.2.4 p13
4.6	Subnational payments	Still not applicable
4.7	Project-level reporting	Not applicable

4.8	Data timeliness	EITI Report published in December 2019 on 2017 data.
4.9	Data quality (1.57% of rev non-complying comp.) Audit practices (gouvernement moyennement fiable and compagnies peu à moyennement fiable) Quality assurance procedures Mainstreaming Treasury	Section 1.1.3 p16 Annex 2 Section 3.2.4.1. pp25 Section 3.2.4.2. pp26 Section 4.1.2.4 pp39 Publication of annual reports from 2007-2017 by CdC: http://www.cdcmr.mr/fr/2017/02/11/rapport-annuel/
5.1	Off-budget expenditure	Section 4.1.2.5 p40
5.2	Subnational transfers	Still not applicable
5.3	Sovereign Fund revenue overview Description of Fund Fonds d'intervention environnemental	Section 1.2.3 p13 Section 4.1.2.4 p40 Section 4.1.2.5 p40-41
6.1	O&G social expenditures O&G environmental payments to Environmental Comm.	Section 4.1.9 p.50 Section 5.7 Section 1.2.1. p.11
6.3	Contribution exports (62.8%), GDP (10.5%), revenues (14.3%), employment (1.3%)	Section 1.2.6 p.14
6.4	Description of role of the environmental commission Environmental reforms Environmental obligations O&G	Section 4.1.2.4 p.40 Section 4.1.2.5 p.40 Section 4.1.10 p.51
7.1	Public debate	Dissemination activities in January 2020 for 2017 EITI Report. Limited efforts in communication. New Facebook page: https://www.facebook.com/cnitie2020/?_tn_=%2Cd%2CP-R&eid=ARAAqVI0edVRMhbyH90rDsqLQ_Udjin1ENWx0-9uo6oYSgJ97pafBZOosGzh5k70-XleqAwZm2sHoyqLK
7.2	Data accessibility	EITI 2017 Report, summary data file submitted to the International Secretariat.
7.3	Recommendations	Section 1.4, p.16

List of resources published before commencement of Validation

Resources considered in this Validation (covering 2017)

SNIM

- Eclaircissements sur le rapport ITIE-Mauritanie 2017, Jeudi, 06 Février 2020 14:09
<https://snim.com/index.php/news-a-media/news/205-eclaircissements-sur-le-rapport-itie-mauritanie-2017.html>
- Note explicative :
https://www.snim.com/images/rapports/note_explicative_rapport_itie_2017.pdf
- Convention sur les embarcations de pêche :
https://www.snim.com/images/rapports/convention_snim_etat_snim_embarcation_de_peche.pdf
- Convention pour l'équipement de l'INHV :
https://www.snim.com/images/rapports/convention_etat_snim_equipements_inhv.pdf
- Avenant 1/ Convention pour l'équipement de l'INHV:
https://www.snim.com/images/rapports/convention_snim_etat_equipements_inhv_avenant1.pdf
- Convention cadre Etat/SNIM/NMW :
https://www.snim.com/images/rapports/convention_cadre_etat_snim_nmw.pdf
- Foundation SNIM. financial statements : <https://www.snim.com/index.php/developpement-durable/fondation.html>
- Foundation SNIM 2018 financial accounts:
https://www.snim.com/images/rapports/rapport_2018_etats_financiers_consolides_fr.pdf

Also published on the EITI website. <http://www.cnitie.mr/itie-fr/index.php/actu/140-les-recommandations-du-secretariat-international-itie-relatives-a-la-snim>

Oil contracts

<http://www.cnitie.mr/itie-fr/index.php/publications/contrats/contrats-petroliers>

Total E&P Mauritanie

- Bloc C18 PSC 2012: http://www.cnitie.mr/itie-fr/images/contrats/petroliers/Bloc-C18_PSC_2012.pdf
- Bloc C18 PSC Avenant Juin 2017 : http://www.cnitie.mr/itie-fr/images/contrats/petroliers/Bloc-C18_PSC_Avenant-Juin-2017.pdf
- Bloc C7 PSC Mai 2017 : http://www.cnitie.mr/itie-fr/images/contrats/petroliers/Bloc-C7_PSC_Mai-2017_1.pdf
- Bloc C15 PSC Décembre 2018 : http://www.cnitie.mr/itie-fr/images/contrats/petroliers/Bloc_C15_PSC_Dcembre_2018_1.pdf

- Bloc C31 PSC Décembre 2018 : http://www.cnitie.mr/itie-fr/images/contrats/petroliers/Bloc-C31_PSC_Dcembre-2018_1.pdf

Kosmos Energie Mauritania

- Bloc C6: <https://www.sec.gov/Archives/edgar/data/1509991/000155837017001056/kos-20161231ex10412a5b5.htm>

National Secretariat & MSG

- Annual Progress Reports 2018 and 2019 <http://www.cnitie.mr/itie-fr/images/Rapportsannuel/RAA-2019-version-du-26-fvrier-2020.pdf>
- Beneficial ownership scoping study, <http://www.cnitie.mr/itie-fr/images/etudes/DV-NLK-ITIE-ETUDE.pdf>
- Communications strategy 2019-2020
- Draft impact study (Projet - Evaluation des résultats et de l'impact de l'ITIE par l'opinion publique en Mauritanienne), as of February 2020. <http://www.cnitie.mr/itie-fr/images/textes/rapport-final-etude-dimpact.pdf>
- EITI Report 2017: <http://www.cnitie.mr/itie-fr/images/rapports/RapportEITI2017.pdf>
- MSG meeting minutes : <http://www.cnitie.mr/itie-fr/index.php/publications/pv/pv-de-reunions>
- National objectives linked to EITI outputs (Contributions potentielles de l'ITIE aux priorités nationales selon la SCAPP 2016-2030)
- Work plan 2020 and M&E framework: http://www.cnitie.mr/itie-fr/images/plan_d_action/PLAN-DE-TRAVAIL-2020-Draft-Version-25-Fevrier-2020.pdf

Mining Directorate (DGM)

- Mining cadastre: <http://portals.landfolio.com/Mauritania/fr/>
- Mining portal: <http://www.portailmines.gov.mr/mauritanie/index.php>
- Matrix on technical and financial criteria for the allocation and transfer of licenses: http://www.cnitie.mr/itie-fr/images/textes/Matrice-Criteres-Techniques-et-financiers-Minier_modif.pdf
- License allocation procedure first-come, first-serve: http://www.petrole.gov.mr/IMG/pdf/procedures-octroi_des_titres_miniers_au_premier_demandeur.pdf
- Lists of active licenses 2017: http://www.cnitie.mr/itie-fr/images/permis_miniers/permis-recher-envig-2017.pdf, http://www.cnitie.mr/itie-fr/images/permis_miniers/Permis-exploi-envig-2017.pdf
- List of allocated licenses in 2017: http://www.cnitie.mr/itie-fr/images/permis_miniers/permis-recherche-octroyes-2017.pdf

- List of transfer of licenses in 2017: http://www.cnitie.mr/itie-fr/images/permis_miniers/permis-recherche-mutes-2017.pdf
- Note reminding mining companies to publish beneficial owners: <http://www.cnitie.mr/itie-fr/images/textes/Note-circulaire-relative-la-dclaration-des-bnficiaires.pdf>

Oil and Gas Directorate (DGH)

- List of licenses as of 31/12/2017
http://www.petrole.gov.mr/IMG/pdf/tableau_registre_petrolier_itie_2017.pdf
- Note reminding companies to publish beneficial owners: <http://www.cnitie.mr/itie-fr/images/textes/L-DGH-du-18-02-2020-n147-Circulaire-Lattention-des-Oprateurs-Ptroliers-Dclaration-des-bnficiaires-effectifs-et-des-propritaires-lgaux-dans-le-cadre-de-ITIE.pdf>
- Matrix on technical and financial criteria for the allocation and transfer of licenses
<http://www.cnitie.mr/itie-fr/images/textes/Matrice-Criteres-Techniques-et-financiers-Secteur-Petrolier-fvrier-2020.pdf>

List of resources published after commencement of Validation

All files listed here are linked on the section «3. Validation » on Mauritania's EITI website :
<http://www.cnitie.mr/itie-fr/index.php/3-validation>

Oil and Gas Directorate (DGH)

- Overview of license holders, including application date (edited 7 April 2020):
http://www.petrole.gov.mr/IMG/pdf/tableau_registre_petrolier_itie_2017.pdf
- Explanatory note on the allocation and transfers of licenses in 2017, clarifying the non-application of technical and financial criteria. Published on 12 May 2020:
<http://www.cnitie.mr/itie-fr/images/Lettre-DGH-du-11-05-2020-n343-Note-sur-les-octrois-et-transferts-effectus-durant-lanne-2017.pdf>
- Explanatory note on the procedure of license allocation under the direct negotiation model, including technical and financial parameters, published on 12 May 2020:
http://www.petrole.gov.mr/IMG/pdf/dgh_procedure_d_octroi_du_cep_vf.pdf
- Explanatory note on the allocation of exploration and production licences to Shell Mauritania C10 and C19, published on 12 May 2020:
http://www.petrole.gov.mr/IMG/pdf/dgh_procedure_d_octroi_des_ceps_c10_et_c19_itie_vf.pdf
- Coordinates of all blocks:
 - Littoral blocks, published 12 May 2020:
http://www.petrole.gov.mr/IMG/pdf/cotier_2017.pdf

- Other blocks published 12 May 2020.
http://www.petrole.gov.mr/IMG/pdf/ta_2017.pdf

SNIM

Concerning the Tripartite convention (pre-financing agreement) between the Mauritanian Government, SNIM and the company NAJAH, for the construction of the Nouakchott International Airport, signed 6 October 2011

- Amendment nr 2 to, dated 13 October 2013, published 12 May 2020:
<http://www.cnitie.mr/itie-fr/images/textes/CONVENTIN-ETAT-SNIM-NMW-SA-AVENANT-N-2B.pdf>
- Annex III to the pre-financing agreement: Buy-back contract (contrat de rachat) between SNIM and NAJAH concluded 13 October 2013. Published 12 May 2020: <http://www.cnitie.mr/itie-fr/images/textes/contrat-DE-RACHAT.pdf>
- Explanatory note to the buy-back contract, published 12 May 2020 <http://www.cnitie.mr/itie-fr/images/textes/NOTE-PRET-NEJAH.pdf>
- Letter of guarantee from the Government to SNIM, dated 29 October 2013, published 12 May 2020: <http://www.cnitie.mr/itie-fr/images/textes/lettre-de-garantie.pdf>

Independent Administrator (Moore Stephens)

Training materials on reporting for 2016 report, on beneficial ownership declaration, among other:

- Presentation of scope of reporting, 31 August 2018; <http://www.cnitie.mr/itie-fr/images/textes/EITI-Mauritania--Prsentation-Etude-prliminaire-2016.pdf>
- Training slides, reporting for 2016 Report, containing BO declaration form on slides 8-10: <http://www.cnitie.mr/itie-fr/images//textes/EITI-Mauritania--Instruction-de-reporting-2016.pdf>

Multi-stakeholder group<

On the national EITI website

- Impact assessment: <http://www.cnitie.mr/itie-fr/images/textes/rapport-final-etude-dimpact.pdf>
- Annex on Methodology: <http://www.cnitie.mr/itie-fr/images/textes/Annexe-Methodologie-de-valuation.pdf>