

REPUBLIQUE DU CAMEROUN  
Paix – Travail – Patrie  
-----  
MINISTERE DES FINANCES  
-----  
COMITE ITIE  
-----



REPUBLIC OF CAMEROON  
Peace – Work – Fatherland  
-----  
MINISTRY OF FINANCE  
-----  
EITI COMMITTEE  
-----



# Extractive Industries Transparency Initiative in Cameroun

## EITI REPORT 2021 EXECUTIVE SUMMARY

October 2023



*This document has been translated from the French original for reference purposes only. In the event of any discrepancy between this translated document and the French original, the original shall prevail.*

## Contents

<b>1. Introduction.....</b>	<b>6</b>
1.1. Mandate of the Independent Administrator (IA).....	6
1.2. Contributions in the EITI 2021 Report.....	6
1.3. Limitations to the 2021 EITI Report.....	6
<b>2. Key figures of the EITI Report 2021 .....</b>	<b>7</b>
2.1. Revenues from the extractive sector .....	7
2.2. Payments from extractive companies .....	8
2.3. Contribution of the extractive sector on the state budget.....	9
2.4. Data quality and reliability .....	10
2.5. Production and exports.....	11
2.6. Contribution to the economy .....	11
<b>3. Main findings.....</b>	<b>12</b>
3.1. Completeness of data .....	12
3.2. Results of the reconciliation work.....	12
3.3. Reliability of data .....	14
<b>4. Recommendations .....</b>	<b>14</b>

## List of tables

Table 1 – Statement of extractive industry payments by government agency (in billions of CFAF) .....	8
Table 2 – Statement of state budget revenues by sector.....	9
Table 3 – Statement of state budget revenue by flow .....	10
Table 4 – Summary of the application of assurance procedures for extractive companies .....	10
Table 5 – Summary of the application of assurance procedures for government companies and public entities.....	10
Table 6 – Summary of production and exports of the extractive sector.....	11
Table 7 – Contribution of the extractive sector to the economy .....	11
Table 8 – Summary of cash-flow reconciliation.....	12
Table 9 – Summary of in-kind payment reconciliation .....	13

## List of graphics

Graphic 1 – Revenues from the extractive sector (figures in billions of FCFA) .....	7
Graphic 2 – Distribution of revenues by sector and by government agency .....	9

## List of abbreviations

CAC	Centimes Additionnels Communaux
CAPAM	Cadre d'Appui et de Promotion de l'Artisanat Minier
CFAF	CFA Franc (African Financial Community)
CFC	Crédit Foncier du Cameroun
CIT	Corporate Income Tax
CNPS	Caisse Nationale de Prévoyance Sociale
COTCO	Cameroon Oil Transportation Company S. A.
DGD	Direction Générale des Douanes
DGI	Direction Générale des Impôts
DGTCFM	Direction Générale du Trésor et de la Coopération Financière et Monétaire
EITI	Extractive Industries Transparency Initiative
ES	Extractive Sector
FEICOM	Fonds Spécial d'Équipement et d'Intervention Intercommunale
FNE	Fonds National de l'Emploi
GDP	Gross Domestic Product
IA	Independent Administrator
LNG	Liquefied Natural Gas
LPG	Liquefied Propane Gas
MINMIDT	Ministère des Mines, de l'Industrie et du Développement Technologique
RS	Redevance superficière
SNH	Société Nationale des Hydrocarbures
SNI	Société Nationale d'Investissement du Cameroun
TAV	Taxe Ad Valorem
TE	Taxe à l'Extraction
TSR	Taxe Spéciale sur les Revenus

## 1. Introduction

The Extractive Industries Transparency Initiative (EITI)<sup>1</sup> is a voluntary mechanism aimed at enhancing the good governance of public revenues generated from extractive industries in countries rich in oil, gas, and mining resources.

The EITI requires the annual publication of EITI Reports, including the disclosure of (i) significant state revenues from extractive industries, and (ii) all significant payments made to the government by oil, gas, and mining companies.

To date, Cameroon has published (16) EITI Reports covering the period from 2001 to 2020. EnerTEAM has been selected by the EITI Committee as Independent Administrator (IA) for the preparation of the 17<sup>th</sup> EITI Report for the year 2021.

### 1.1. Mandate of the Independent Administrator (IA)

The mandate of the IA mainly covers:

- collecting contextual and financial data from reporting entities.
- compiling and reconciling the data reported by the extractive companies and by the government.
- investigating discrepancies identified during the reconciliation work; and
- preparing the EITI Report in accordance with the EITI Standard and the Terms of Reference.

### 1.2. Contributions in the EITI 2021 Report

Government entities and extractive companies were asked to participate in the financial data reconciliation process and to provide data and statistics on the extractive sector.

Government entities and companies engaged in the reconciliation process are listed in Section 5.1 of the full version of the EITI Report.

The mission was carried out with the support of the Permanent Secretariat and under the supervision of the EITI Committee.

### 1.3. Limitations to the 2021 EITI Report

The conclusions drawn in the EITI report are based on financial data for the year 2021, as well as on reforms and developments up to the production of the EITI Report. Therefore, the conclusions cannot be extrapolated beyond the covered period, as the laws and context governing the extractive sector may be subject to subsequent changes.

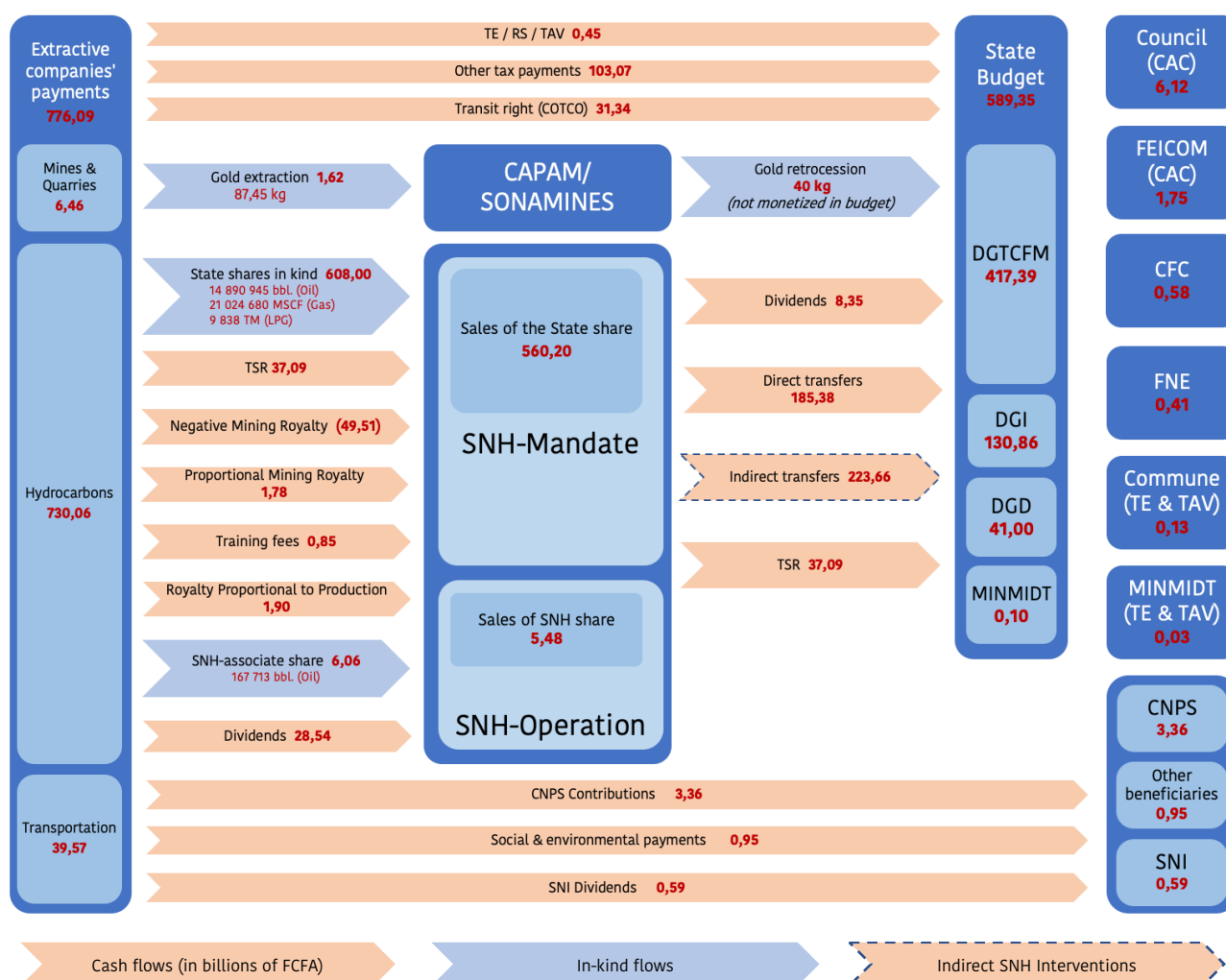
---

<sup>1</sup> <https://eiti.org/fr>

## 2. Key figures of the EITI Report 2021

### 2.1. Revenues from the extractive sector

Graphic 1 – Revenues from the extractive sector (figures in billions of FCFA)



- Payments made by extractive companies for the year 2021 reached a value of CFAF 776.09 billion, of which CFAF 160.41 billion in cash and CFAF 615.68 billion in kind.
- Payments in kind correspond to the production share of the State and SNH valued at CFAF 615.68 billion, and artisanal gold mining levies valued at CFAF 1.62 billion.
- Payments in kind to the State from the hydrocarbon sector in the form of production shares are extracted, marketed, and then recovered by SNH. The production shares allocated to the State (SNH-Mandate) for the year 2021 amounted to 14,890,945 bbl for oil, 21,024,680 MSCf for LNG and 9,838 MT for LPG valued at 608 billion FCFA. The production shares of SNH (SNH-Operation) for the same year amounted to 168 713 bbl valued at CFAF 6.06 billion.
- The commercialization of the State's and SNH's production shares brought in FCFA 560.20 billion (for SNH-Mandate) and FCFA 5.48 billion (for SNH-Operation) respectively.
- In addition to the proceeds from the sale of in-kind payments, SNH-Mandate disbursed to oil companies an amount of CFAF 44.98 billion and collected cash revenues for its own account (SNH-Operation) for an amount of CFAF 18.29 billion, bringing the total net revenues collected for the fiscal year 2021 by SNH-Mandate and SNH-Operation to CFAF 515.22 billion and CFAF 23.77 billion respectively.

- Payments in kind from the gold sector totaled 87.45 kg valued at CFAF 1.62 billion. Gold is collected by CAPAM (for the first half of 2021) and then by SONAMINES (for the 2nd half of 2021), who subsequently transfer the collected gold to the MINFI. Retrocessions to the MINFI in 2021 totaled 40 kg with a value of CFAF 0.74 billion. These retrocessions were not monetized by the MINFI, and therefore, the equivalent value was not recognized as budgetary revenue for the year 2021.
- The revenues booked in the State budget for 2021 amounted to CFAF 589.35 billion, which represent 75.94% of the total payments made by extractive companies during the same period.
- Out of CFAF 589,35 billion in revenues paid to the State budget in 2021, transfers from SNH-Mandate take the top position, representing 69.41% of total revenues (CFAF 409,04 billion), followed by the CIT on Oil Companies at 14.24%, (CFAF 83.90 billion), and transit rights in third place at 5.32% (CFAF 31.34 billion). The remaining payments represent 11.04%.
- Transfers from SNH-Mandate to the State Budget were made through direct payments (direct transfers) to the Treasury account for an amount of CFAF 185.38 billion and by covering budgetary expenses (indirect transfers) for an amount of CFAF 223.66 billion.
- Transfers from SNH-Mandate in 2021 accounted for 79.39% of the total revenues collected on behalf of the State for the same period. The difference corresponds to the deductions made by SNH to cover the State's (contractor's) share of oil costs and the financing of investment activities.

## 2.2. Payments from extractive companies

In 2021, cash payments made by extractive companies amounted to CFAF 160,41 billion. Payments in kind during the same period reached the equivalent of CFAF 615,68 billion, bringing the total payments made by extractive companies in the fiscal year 2021 to a value of CFAF 776.09 billion.

Oil companies account for the bulk of these payments with a contribution of 94.07%. SNH, DGI and DGD are the main collectors for these payments.

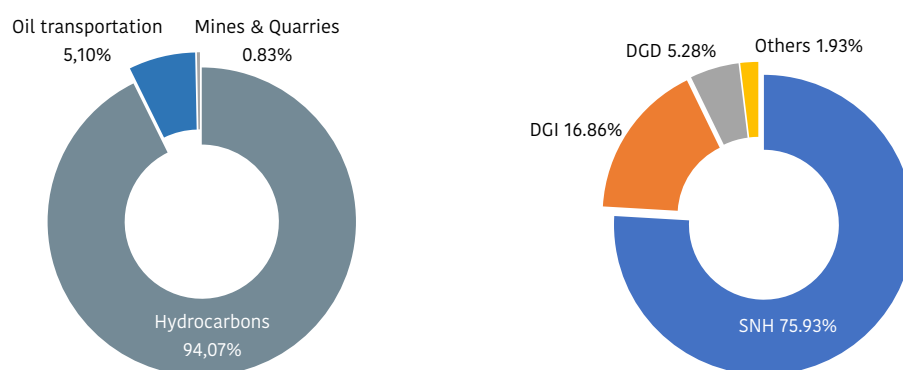
**Table 1 – Statement of extractive industry payments by government agency (in billions of CFAF)<sup>1</sup>**

Collecting organization / Sector	Hydrocarbons		Transportation	Mines and Quarries		Total sector		Total	Share in %
	In kind	In cash	In cash	In kind	In cash	In kind	In cash		
SNH – Mandate (*)	608.00	(44.98)	-	-	-	608	(44.98)	563.02	72.55%
SNH - Operation	6.06	18.29	1.9	-	-	6.06	20.19	26.25	3.38%
<b>Total SNH</b>	<b>614.06</b>	<b>(26.69)</b>	<b>1.9</b>	<b>-</b>	<b>-</b>	<b>614.06</b>	<b>(24.79)</b>	<b>589.27</b>	<b>75.93%</b>
DGI	-	125.32	4.68	-	0.86	-	130.86	130.86	16.86%
DGD	-	5.98	32.15	-	2.88	-	41	41	5.28%
CNPS	-	8.35	-	-	-	-	8.35	8.35	1.08%
CAPAM	-	2.4	0.45	-	0.5	-	3.36	3.36	0.43%
MINMIDT	-	-	-	1.62	-	1.62	-	1.62	0.21%
SNI	-	0.01	0.09	-	-	-	0.1	0.1	0.01%
DGTCFM	-	-	-	-	0.59	-	0.59	0.59	0.08%
Social Payments	-	0.63	-	-	-	-	0.63	0.63	0.08%
Environmental Payments	-	-	0.31	-	-	-	0.31	0.31	0.04%
<b>Total</b>	<b>614.06</b>	<b>116.00</b>	<b>39.58</b>	<b>1.62</b>	<b>4.83</b>	<b>615.68</b>	<b>160.41</b>	<b>776.09</b>	<b>100.00%</b>
<b>Share in %</b>	<b>94.07%</b>		<b>5.10%</b>	<b>0.83%</b>		<b>79.33%</b>	<b>20.67%</b>		

(\*) excluding direct and indirect transfers from SNH-Mandate.

<sup>1</sup> Source: 2021 EITI declarations. These amounts include reconciled payments as well as revenues from unilateral disclosures for companies outside the reconciliation scope.



**Graphic 2 – Distribution of revenues by sector and by government agency**

Details of payments by company and by stream are presented in Section 5 of the full version of the EITI Report.

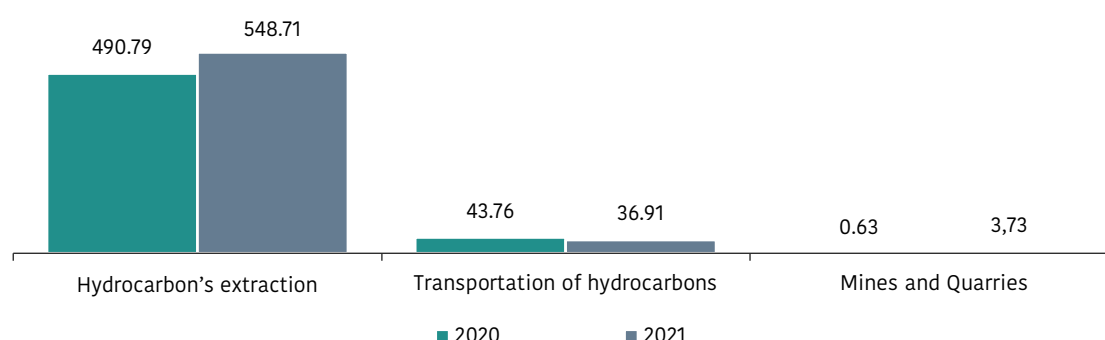
### 2.3. Contribution of the extractive sector on the state budget

In 2021, the extractive sector generated budgetary revenues for the State for CFAF 589.35 billion (USD 1,062.27 million)<sup>1</sup>, compared to CFAF 535.18 billion in 2020, representing an increase of 10.12%, which is mainly explained by the increase in 2021 in transfers from the SNH-Mandate to the Treasury. These amounted to CFAF 409.04 billion in 2021 compared to CFAF 321.37 billion in 2020, an increase of 27.28%.

The hydrocarbon sector is the leading contributor to the State budget with a total of CFAF 548.71 billion, representing 93.10% of the total budget revenue generated by the extractive sector in 2021.

**Table 2 – Statement of state budget revenues by sector<sup>2</sup>**

(In billions of FCFA)	2020		2021		Evolution	
	Amount	Contribution in %	Amount	Contribution in %	Amount	In %
Hydrocarbon's extraction	490.79	82.44%	548.71	93.10%	57.92	11.80%
Transportation of hydrocarbons	43.76	7.35%	36.91	6.26%	(6.85)	(15.65%)
Mines and Quarries	0.63	0.11%	3.73	0.63%	3.10	492.67%
<b>Total</b>	<b>535.18</b>	<b>89.90%</b>	<b>589.35</b>	<b>100%</b>	<b>54.17</b>	<b>10.12%</b>



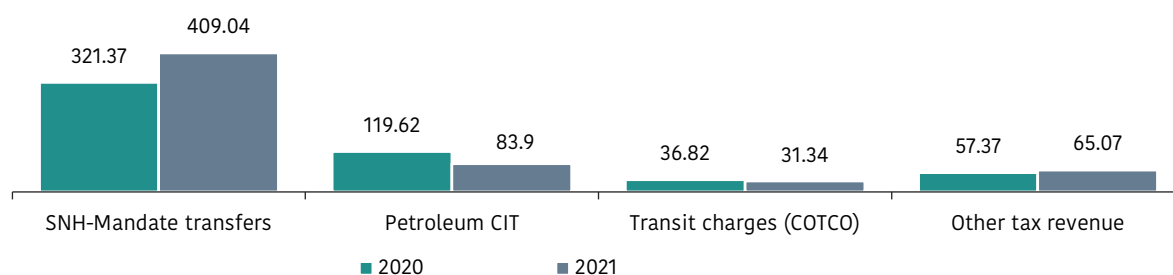
In terms of revenue streams, SNH-Mandate transfers, mainly derived from "Profit Oil" and the state's participations in oil projects, are the primary contributors, accounting for 69.41% of the total budgetary revenues from the extractive sector. They are followed by Petroleum CIT (IS Pétrolier) and transit rights (COTCO), representing 14.24% and 5.32% of extractive revenues, respectively.

<sup>1</sup> Average annual exchange rate for 2021 (1 USD in FCFA = 554.8047).

<sup>2</sup> Source: 2021 EITI declarations.

**Table 3 – Statement of state budget revenue by flow<sup>1</sup>**

(In billions of FCFA)	2020		2021		Evolution	
	Amount	Contribution in %	Amount	Contribution in %	Amount	In %
SNH-Mandate transfers	321.37	60.05%	409.04	69.41%	87.67	27.28%
Petroleum CIT	119.62	22.35%	83.9	14.24%	(35.72)	(29.86%)
Transit charges (COTCO)	36.82	6.88%	31.34	5.32%	(5.48)	(14.89%)
Other tax revenue	57.37	10.72%	65.07	11.04%	7.7	13.42%
<b>Total</b>	<b>535.18</b>	<b>100%</b>	<b>589.35</b>	<b>100%</b>	<b>54.17</b>	<b>10.12%</b>



## 2.4. Data quality and reliability

In accordance with the data assurance procedures agreed by the EITI Committee, as detailed in section 5.8.6 and 5.8.7 of the full version of the EITI Report. The results of these procedures are as follows:

- **For extractive companies:**

**Table 4 - Summary of the application of assurance procedures for extractive companies**

Evaluation of assurance	Signed EITI Declaration	Certified EITI Declaration	2021 certified accounts	Number	Contribution in payments (%)
Low	Yes/No	No	Yes/No	1	0.72%
Medium	Yes	Yes	No	1	0.02%
High	Yes	Yes	Yes	9	99.26%
<b>Overall evaluation</b>				<b>11</b>	<b>100%</b>
<b>Overall level of assurance</b>				<b>High</b>	

- **For government companies and public entities:**

**Table 5 - Summary of the application of assurance procedures for government companies and public entities**

Evaluation of assurance	Signed EITI Declaration	Number	Contribution in payments (%)
Low	Unsigned and unattested declaration	3	1.91%
Medium	Signed but not witnessed declaration	1	0.86%
High	Signed and certified declaration	4	97.23%
<b>Overall evaluation</b>		<b>8</b>	<b>100%</b>
<b>Overall level of assurance</b>		<b>High</b>	

The details of this analysis are presented in Section 5.8 and Appendix 2 of the full version of the EITI Report.

<sup>1</sup> Source: 2021 EITI declarations.

## 2.5. Production and exports

Crude oil accounts for the bulk of Cameroon's extractive sector production and exports. Details of production and exports by commodity are as follows:

**Table 6 - Summary of production and exports of the extractive sector<sup>1</sup>**

Commodity	Unit	Production		Exportations	
		Volume	Value (In billion FCFA)	Volume	Value (In billion FCFA)
Crude Oil	Millions of barrels	24.63	956.29	23.37	909.71
Condensate	Millions of barrels	0.99	34.95	1.07	38.12
Gas	Millions of MSCF	76.71	155.87	47.73	189.30
Gas - LPG	Metric Ton	34,922	9.88	-	-
<b>Total Hydrocarbons sector</b>			<b>1,156.99</b>		<b>1,137.14</b>

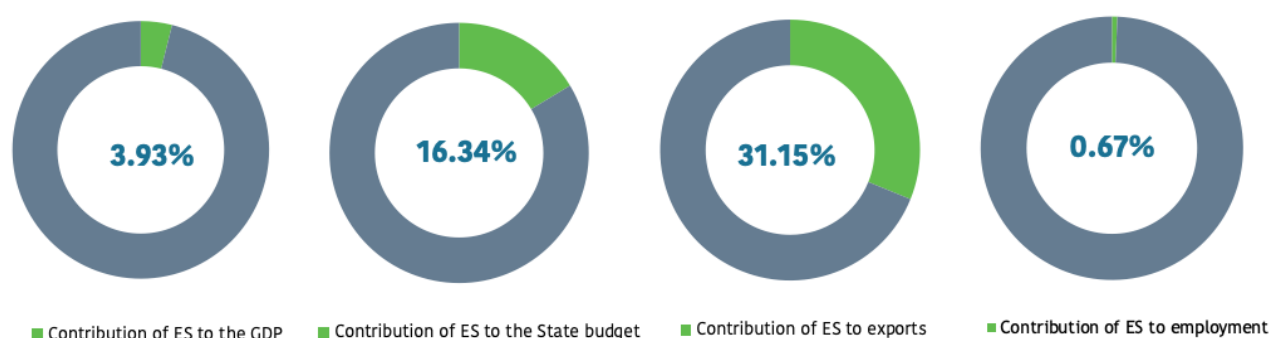
Details of exports and production are presented in Section 4 of the full version of the EITI Report.

## 2.6. Contribution to the economy

The extractive sector's contribution to nominal GDP and exports increased by 1.73% and 7.56% respectively in 2021 compared to 2020, while the contributions of the extractive sector to the budget revenues and employment decreased by -0.27% and -0.07%, respectively, in 2021 compared to 2020.

**Table 7 - Contribution of the extractive sector to the economy<sup>2</sup>**

	2020	2021	Variation 2020-2021
GDP	2.20%	3.93%	1.73%
Income	16.61%	16.34%	(0.27%)
Export	23.59%	31.15%	7.56%
Employment	0.74%	0.67%	(0.07%)



The detailed calculation of the contributions is presented in section 7.4 of the full version of the EITI Report.

<sup>1</sup> Source: 2021 EITI declarations.

<sup>2</sup> Source: See tables 116, 117, 118, and 119 in the full version of the EITI Report.

### 3. Main findings

#### 3.1. Completeness of data

All the extractive companies selected in the reconciliation scope have submitted their declarations.

All selected government entities within the scope have submitted their declarations. CAPAM has submitted its annual report for the first half of 2021 detailing figures for artisanal mining activities. SONAMINES has submitted an activity report for the year 2021 and a declaration form detailing semi-mechanized artisanal gold mining.

#### 3.2. Results of the reconciliation work

The reconciliation of payments was carried out based on the scope agreed by the EITI Committee as presented in section 5.1 of the full version of the EITI Report. The reconciliation exercise covered 99.33% of all cash payments and 99.74% of in-kind payments. Details by sector are presented in section 5.2 of the full version of the EITI Report.

Cash discrepancies that could not be reconciled amounted to CFAF 0.004 billion, equivalent to 0.001% of the total revenues reported by the State. These discrepancies are below the acceptable error threshold set at 2% by the EITI Committee. The reconciliations carried out tend to confirm the quality and reliability of the EITI declarations made by both the State and the companies presented in the EITI Report. The following table presents a summary of the reconciliation work.

**Table 8 - Summary of cash-flow reconciliation<sup>1</sup>**

In billions of FCFA	Extraction of hydrocarbons	Transportation of hydrocarbons	Mines and Quarries	Total extractive sector
Extractive companies	524,09	39,20	1,46	564,75
Government	524,08	39,26	1,42	564,76
<b>Difference</b>	<b>0,01</b>	<b>(0,06)</b>	<b>0,04</b>	<b>(0,004)</b>
<b>% Difference</b>	<b>0,00%</b>	<b>(0,15%)</b>	<b>2,94%</b>	<b>(0,001%)</b>

Aggregate payments (In billions of FCFA)	Initial declaration	Conciliation adjustments	Adjusted declaration
<b>(i) Hydrocarbons</b>			
<b>SNH-Mandate - State</b>			
SNH-Mandate	417,39	0	417,39
Government	417,39	0	417,39
<b>Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Oil companies - State</b>			
Oil companies (including SNH Operation)	133,57	(0,1)	133,47
Government	133,19	0,27	133,46
<b>Difference</b>	<b>0,38</b>	<b>(0,37)</b>	<b>0,01</b>
<b>Oil companies - SNH-Mandate</b>			
Oil companies	(45,06)	0	(45,06)
SNH-Mandate	(48,05)	2,99	(45,06)
<b>Difference</b>	<b>2,99</b>	<b>(2,99)</b>	<b>0</b>
<b>Oil companies - SNH-Operation</b>			
Oil companies	18,29	0	18,29
SNH-operation	18,29	0	18,29
<b>Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Source: 2021 EITI declarations

Aggregate payments (In billions of FCFA)	Initial declaration	Conciliation adjustments	Adjusted declaration
<b>(ii) Oil transportation</b>			
<b>COTCO - State</b>			
COTCO	37,3	0	37,3
Government	37,31	0,05	37,36
<b>Difference</b>	<b>0</b>	<b>(0,05)</b>	<b>(0,06)</b>
<b>COTCO - SNH-Operation</b>			
COTCO	1,9	0	1,9
SNH-operation	1,9	0	1,9
<b>Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(iii) Mines and Quarries</b>			
<b>Companies - State</b>			
Companies	1,46	0,00	1,46
Government	1,36	0,06	1,42
<b>Difference</b>	<b>0,10</b>	<b>(0,06)</b>	<b>0,04</b>

Details of the reconciliation work are presented in Section 5.2 of the full version of the EITI Report.

**Table 9 - Summary of in-kind payment reconciliation<sup>1</sup>**

Aggregate payments (In barrels)	Initial declaration	Conciliation adjustments	Adjusted declaration
<b>Liquid hydrocarbons</b>			
<b>Extractive companies - SNH-Mandate</b>			
Extractive companies	15 116 027	-	15 116 027
SNH-Mandate	14 890 945	-	14 890 945
<b>Difference</b>	<b>225 082</b>	<b>-</b>	<b>225 082</b>
<b>Extractive companies - SNH-Operation</b>			
Extractive companies	167 713		167 713
SNH-operation	167 713		167 713
<b>Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gaseous hydrocarbons</b>			
<b>Extractive companies - SNH-Mandate</b>			
Extractive companies (In MSCF)	-	19 104 882	19 104 882
SNH-Mandate (In MSCF)	21 024 661	-	21 024 661
<b>Difference</b>	<b>(21 024 661)</b>	<b>19 104 882</b>	<b>(1 919 779)</b>
<b>Extractive companies - SNH-State</b>			
Extractive companies	-	9 647	9 647
SNH-Mandate	9 838	-	9 838
<b>Difference</b>	<b>(9 838)</b>	<b>9 647</b>	<b>(191)</b>

The discrepancies observed in the in-kind payments are mainly due to the fact that the companies have declared their production based on the monthly production statements, whereas SNH declared its production based on the final production sharing statements after adjustments.

Details of the reconciliation work are presented in Section 5.2 of the full version of the EITI Report.

<sup>1</sup> Source: 2021 EITI declarations.

### 3.3. Reliability of data

The assurance procedures agreed by the EITI Committee, the general framework of audit practices in Cameroon, and the assessment of data reliability are detailed in sections 5.8.6 and 5.8.7 of the full version of the EITI Report.

Based on the work performed, we can reasonably express an opinion on the completeness and reliability of the revenue presented in the EITI Report.

## 4. Recommendations

The recommendations issued to improve the implementation of the EITI process in Cameroon as part of the preparation of the 2021 Report are summarized as follows:

N°	Requirement	Recommendations
1	Requirement 7.1 - Public debate Requirement 7.2 - Data accessibility and open data	Improve the general environment for publishing information on the extractive sector.
2	Requirement 7.1 - Public debate	Produce thematic reports on specific aspects of extractive sector management.
3	Requirement 1.2 - Company engagement <sup>1</sup>	Implementation of an anti-corruption management system.

Details of the recommendations in the EITI 2021 Report and the follow-up to recommendations in previous reports are presented in section 8 of the full version of the EITI Report.

<sup>1</sup> EITI Standard 2023.