Extractive Industries Transparency Initiative in Mauritania

MAURITANIA ITIE 2022 REPORT

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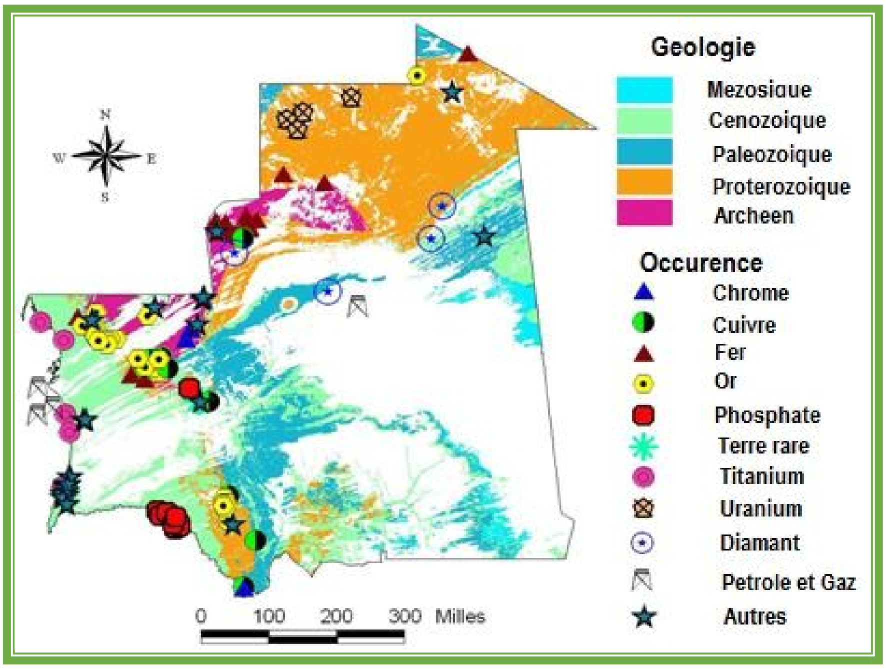

Mauritania EITI 2022 Report

Foreword

For the attention of the Chairman of the EITI National Committee

The Comité National de l'Initiative pour la Transparence dans les Industries Extractives (CN-ITIE) has entrusted us with the task of drawing up the Mauritania 2022 EITI National Report in our capacity as Independent Administrator. He spared no effort to ensure the success of the mission. This is the place to express our gratitude. We have indeed benefited from the constant support of the Chairman and his team.

The work was carried out during July and August 2023. We benefited from the invaluable assistance of the Data Warehouse, which the stakeholders learned to use, and for most of them, within the allotted time. The basic data was collected via the warehouse set up in 2020, thanks to German cooperation. The analyses were conducted in accordance with the Terms of Reference as approved by the EITI National Committee in June 2023. In this respect, we were keen to comply with the guidelines on the methodological approach and assessment of compliance with the requirements of the EITI standard.

The EITI 2022 report has deliberately chosen to take a closer look at the traceability of revenues from the extractive sector, from their origins (legal texts, production sharing, producers' activities), the tools used to establish rights, their recovery, their allocation, the impacts and the controls carried out (evaluation of control and audit systems). We hope that the investigations carried out will have led to conclusions and lessons that will be useful for the future.

Nouakchott, 14 October 2022

Mr Isselmou Ould Mohamed

Cabinet *Consultis*

Nouakchott Mauritania

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Acronyms and abbreviations

ANSADE	National Agency for Statistics and Demographic and Economic Analysis
A.R.T.	Other Transferred Revenue
AFS	Other significant payment flows
ARMP	Public Procurement Regulatory Authority
Other T.DGD	Other customs taxes
BCM	Central Bank of Mauritania
BGE	General state budget
BIC	Tax on industrial and commercial profits (including advance payments)
BNC	Tax on Non-Commercial Profits
BS	Signing bonus
C.F.	Property tax
C/ENVIRONN	Environmental Commission
CAC	Statutory Auditors
CB	Capacity building
CEP	Exploration Production
CERFIP	Public Finance Studies and Reform Unit
SBB	Contributions to the Training Fund
CGI	General Tax Code
CMT	Standard Mining Convention
CNCMP	Commission Nationale de Contrôle des Marchés Publics
CN-ITIE	National Committee of the Extractive Industries Transparency Initiative
PPC	Production Sharing Contract
DAO	Tender documents
DCMG	Mining Cadastre and Geology Department
DCSO	Operator Control and Monitoring Department
DD	Customs duties
DFI	Import tax law (DFI)
DGB	Directorate-General for the Budget
DGD	Directorate General of Customs
DGH	Directorate General of Hydrocarbons
DGI	General Tax Directorate
DGM	Directorate-General of Mines
DGTCP	Directorate General of the Treasury and Public Accounting
ECD	State Property Department
DS	SNIM dividends
FNRH	National Oil Revenues Fund
FOB	Free On Board
GIZ	German cooperation
IBAPP	Tax on the business of individuals
IDA	International Development Association
IFAC	International Federation of Accountants
IGF	General Inspectorate of Finance

MFI	Flat-rate minimum tax
INTOSAI	International Organisation of Supreme Audit Institutions
IRCM	Tax on Income from Transferable Securities
IRF	Property Income Tax
IRVM	Tax on Income from Transferable Securities
IS	Corporation tax (IS)
EITI	Extractive Industries Transparency Initiative
ITS	Tax Wages and Salaries
Kg	Kilogram
Km	Kilometre
MAEPSP	Ministry of Economic Affairs and Promotion of Productive Sectors
MCM	Mauritania Copper Mines SA
MEDD	Ministry for the Environment and Sustainable Development
MEF	Ministry of the Economy and Finance
MPEM	Ministry of Petroleum, Mines and Energy
MRU	Ouguiya
NA	Not applicable
NC	No press release
OMRG	Mauritanian Geological Research Office
NGO	Non-governmental organisation
ONS	Office National de la Statistique
Ozt	Once Troy
PATENTE	Patent
PEN	Penalties
PGSP	Public Sector Governance Project
PI	Sub-national payments
PI DGI	DGI profit-sharing bonus
GDP	Gross Domestic Product
PROFIT OIL	Profit Oil State - Public Power
Pro PEP	President's Extended Priority Programme
PS	Social payments
PEFA	Public Expenditure and Financial Accountability
R. EXPLOIT	Operating fee
CLEAR	Withholding tax (excluding payroll deductions)
Retr. FNRH	Transfers of oil revenues from the FNRH to the State budget
RIF	IT fees
RS	Superficiary Royalty
RSD	Statistical fees (Customs)
RSI	Special tax regime
RST	Statistical fees
SCM	Mining Registry System
SENI SA	Société d'Extraction du Nord d'Inchiri SA
SIGM	Geological and Mining Information
SMH	Mauritanian Hydrocarbons Company
SNIM	Société Nationale Industrielle et Minière
T	Tonne
TA	Apprenticeship tax
TCF	Trillion Cubic Feet
TMB	Corporate gross margin tax
TML SA	Tasiast Mauritania Limited SA
GST	Tax on the provision of services
TR	Remuneration Tax
TTI	Tax on Imported Tonnage
TU SNIM	SNIM single annual fee (gross amount)
VAT	Value added tax
VAT EXT	VAT - EXT (+)
VAT INT	VAT INT (+)
VAT SNIM	VAT credit applied to the Single Charge with (-) or (+) sign
USD	United States dollar
VDS	Sale of seismic data

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Summary

Background:
The context for extractive activities in 2022 is marked by: i) a stable macroeconomic framework despite a growing current account deficit and persistent inflation since the advent of the health crisis in 2020 ;
ii) a falling debt ratio, due in particular to the settlement of Kuwait's debt; iii) progress in the regulation of certain aspects of the extractive sector.
On the other hand, there are still areas of concern: i) high levels of poverty, youth and female unemployment and persistent inequalities linked gender, environment and historical legacies; ii) poor rankings in international league tables, particularly in terms of perceptions of corruption, governance and development indices. But one of the major weaknesses in governance of the extractive sector is linked to audit and control practices, the shortcomings of which have been analysed in Mauritania's last three EITI reports.

Scope:
Following the preliminary analysis, the CNITIE retained the perimeter whose characteristics are as : presence on the land register and a materiality threshold of US$100,000 (approximately MRU 3,650,000). On this basis, we have identified 6 mining companies and 5 oil and gas companies (including SMH) for 2022. A total of 11 companies have been included in the 2022 cadastre.

A summary of the work carried out by the IA :
The IA designed tables to meet the requirements of the EITI standard and additional data had to be sought from other sources and cross-checked. Discrepancies were observed in the declarations posted on the DW, depending on the reporting party. Analysis of these discrepancies made it possible either to rectify them or to investigate their origins through more detailed disaggregation. Overall, it can be estimated that their impact on the completeness of the report is not significant.

Limitations of the assessment :
The reconciliation exercise with the accounting data came up against the laconic nature of most of the statutory auditors' reports and the difficulties in obtaining disaggregated data to meet the requirements of analysis. In

In addition, the exhaustive reconciliation of data, in particular contractual rights with actual receipts, is still limited by procedural and accounting constraints (charges and nomenclatures). There is still room for improvement in this area.

Real property :

The legal framework has been amended by two decrees: 1) Decree 2023-048 PM/MPME of 15 February 2023, amending certain provisions of Decree no. 2008/159 of 04 November 2008, as amended and supplemented, relating to mining and quarrying permits, and 2) Decree no. 2023-049 of 17 February 2023 setting mining taxes and royalties. While the new regulatory provisions provide a solution for current and future applications, they do not resolve the current situation and additional efforts must be made to meet requirement 2.5, and there is as yet no document describing the procedures for applying the new provisions**.**

Production, exports and contribution to the national economy :

An analysis of flows shows that government revenue from the extractive sector has increased by 17%, reaching MRU 25.72 billion in 2022. Of this revenue, 93.65% will come from the mining sector and 6.35% from the hydrocarbons sector (FNRH).

In 2022, real GDP from extractive activities will have reached 17.8% of national GDP, compared with 12.6% in 2021. This trend is explained by the growth in value added in the extraction of metal ores, particularly gold.

It should be noted that, for the first time, gold has become the country's leading export (41%) due to massive sales by the BCM during the year, followed by iron ore (33.4%) and fishery products (20.9%).

The extractive sector's share of GDP in 2022 has risen from 21.79% in 2021 to 23.85%. The sector accounts for more than three-quarters of national exports (76.76% in 2022). Its contribution to budget revenues is close to 30%, but due to its capital-intensive nature, it have created few direct jobs by 2022 (0.98% of the working population).

Social and environmental expenditure :

Social expenditure declared by the companies totalled 2.05% of the consolidated revenues of the three largest mining companies, but almost 87% of the total amount of social expenditure was borne by SNIM, compared with 6.6% and 6.5% respectively for TMLSA and MCM.

Payments made to the Environmental Commission (DGH declaration) in 2020, 2021 and 2022 were 115,500,000, 114,747,182 and
49,904,990 MILLION. This represents 5.61%, 7.23% and 3.17% respectively of the FRNH's total revenues for the same years.

The traceability of extractive revenues :

Revenues from the extractive sector were analysed using: i) the amounts generated; ii) a comparison between emissions and receipts; and iii) a comparison between contractual rights and rights collected. The results show that :

- Global revenues from the extractive sector are expected to reach MRU 141.5 billion (around USD 4.05 billion) in 2022, compared with MRU 105 billion in 2021 (around USD 3 billion), due to a sharp increase in volume and massive sales of gold at high prices;
- The traceability of company revenues is theoretically traced through the audited accounts for the financial year ending 31/12/2022. With the exception of SNIM, the auditors' reports to which we had access do not include explanatory notes to make them easier to read;

- By type of flow, we note that: 58% of mining revenue comes from the one-off royalty and dividends paid by SNIM; 10.7% from tax on salaries and wages; 7.95% from operating royalties; 9.81% from value added; 5.78% from tax on income from transferable capital. All the other headings, 12 in number, yield 7.76%, of which only 3.18% is corporation tax (IS).
- The FNRH will be 23.39% lower in 2022 than in 2021. More than half of FNRH revenues in 2022 will come from penalties (51%), followed by ITS (14.6%) and the sale of seismic data (8.3%).

Preliminary research into the discrepancies between the revenues systematically disclosed by the government and the payments made by the extractive companies in operation (mainly the mining companies) revealed a 19% difference between what is declared by MCM and the services of the Ministry of Finance. After verification and scoring, it was found that this discrepancy was due to the omission of the ITS by MCM. The other discrepancies are below the tolerance threshold.
A comparison of the amount of duties recorded by the issuing technical departments and the revenue flows declared by the State showed small discrepancies, below the tolerance rate approved by the GMP (2%). It should be noted that FNRH revenues were only partially recorded, without taking into account tax revenues and revenues from the GTA project in the hydrocarbon sector. This anomaly needs to be corrected by the DGTCP, the DGI and the DGH.

Assessing the completeness and reliability of financial data :
Progress has been made in terms of the response rate: 97% for mining companies and 100% for oil and gas companies to the EITI questionnaire on the DW platform, and compliance with deadlines as shown in the summary table on data collection. Most of the reporting parties had posted the information requested before we intervened. However, it was necessary to look for other information that could have been included in the questionnaire. This mainly concerned disaggregated data, particularly on social expenditure and employment.

Compliance with EITI requirements :
The EITI requirements were reviewed. With the exception of a few rare cases, most have been more or less met or are on track. These include
2.5. Over and above formal compliance with the requirements, efforts will have to be made to improve the quality of responses to these requirements through disaggregated information. It is true, however, that the context of inadequate overall governance and weak human resources does not make the task of the EITI National Committee any easier.

Follow-up of previous recommendations :
Some recommendations have begun to be implemented, but it is necessary to combat administrative procrastination and speed up the pace of response. Success in terms of local content requires time and improved governance. It is a complex interaction between public policies, local economic conditions and external factors linked to the dynamics of the extractive sector at global level. The political will exists, but making significant progress is less obvious.

Recommendations for the 2022 financial year :
The main recommendations are to 1) optimise Mauritania's share of extractive revenues; 2) allocate the resources generated by the extractive industries to priority development sectors; and 3) ensure the effectiveness/efficiency/equity of public spending. In

In other words, the aim is to: i) create a balance of power that is more favourable to the country, so that contracts can be negotiated more effectively; ii) manage revenues from extractive sector activities more effectively; iii) introduce an effective control and audit system for the implementation of Exploration-Production Contracts (CEP) and the execution of public expenditure; and iv) assess the impact of the closure of the mining cadastre for nearly four years on mining promotion in general and on revenues from the mining sector.

I. Introduction

The EITI 2022 report follows the same methodological approach, but attempts to introduce innovations in analysis of data and the presentation of results, conclusions and recommendations.

1.1 Background information

The EITI in Mauritania is governed by Decree No. 2018-135 of 27 September 2018[1]. The decree notes that the National Committee (CN-ITIE) is the body that "ensures implementation and monitoring, following a participatory approach, of the EITI principles, criteria and standards, with a view to contributing to improving transparency in the management of mining, oil and gas resources". It is chaired by an advisor to the Prime Minister and has a multi-stakeholder composition. It brings together representatives of state entities, extractive companies and civil society. The CN-ITIE is supported by a technical secretariat[2].

The National Committee meets regularly and publishes an annual activity report[3]. It supervises and supports the independent administrator preparing the annual reports that it validates, and organises caravans to raise awareness and disseminate the reports.

During 2022, the main activities of the Mauritania EITI were: i) the approval of the annual work plan and budgets; ii) the dissemination campaigns for the 2020-2021 report, which were carried out in Nouakchott, Akjoujt and Nouadhibou. An exceptional event took place on 30 June 2022. This was a workshop dedicated to the promotion of women in the Mauritanian extractive sector, with the support of the Ministry of Petroleum, Mines and Energy (MPME) and the Integrated Economic Development in the Mining Sector phase II project (DEIM 2)[4].

1.2 Expected results of the IA mission

This involves providing Independent Director services in accordance with the EITI Standard 2023. The key points of the assignment are: i) analysing the internal and external audit and quality assurance systems of the reporting state entities and the quality of control within them to enable the GMP to decide on the appropriate procedure for ensuring data *quality*; ii) drafting the 2022 report, which incorporates a reconciliation and analysis procedure based on the results of the preliminary data; iii) a "focus" has been carried out on the traceability of revenues from the extractive sector and iv) compliance with the EITI 2023 Standard[5].

[1] http://www.cnitie.mr/itie-fr/images/decret2018-135fr.pdf
[2] more information, visit the CNITIE Mauritania website: http ://www.cnitie.gov.mr
[3] Website: http ://www.cnitie.gov.mr
[4] Financed by the World Bank.
[5] Although Mauritania will shortly be assessed against the 2019 EITI Standard

1.3 Data collection and analysis tools

The Data Warehouse was once again at the heart of the collection of the data reported and analysed in this EITI 2022 report, following an automated process information on payments and directly filled in by the systems of the reporting entities. Its advantages in terms of **speed and cost** are no longer in doubt. **At its meeting on Thursday 3 August 2023**, the CNITIE therefore approved the report's scoping note.

1.4 The main points of the report

This report describes the overall context for year 2022, including the extractive sector, but focuses more on framing and analysing developments in relation to meeting the requirements of the EITI 2023 standard.

II. Context of the extractive sector in 2022

The main macroeconomic balances showed signs of health in 2022. With the exception of the current account balance, most macroeconomic indicators are satisfactory, but household purchasing power remains desperately low (see section 2.6 below on poverty and inequality). Youth unemployment is particularly high in urban areas: 17% in Nouadhibou, 16% in Nouakchott, especially among young people aged 20-24 (24.1% in 2017 compared with 18.1% in 2012, an increase of six points). The annual flow of jobseekers is estimated at 50,000 people, including around 4,500 to 5,000 higher education graduates and 2,000 to 2,500 technical and vocational training graduates. In other words, 42,500 to 43,500 jobseekers have no qualifications or training, at a time when the labour market's absorption capacity does not exceed 25,000 people per year[6].

2.1 Economic growth

Economic growth accelerated during 2022, reaching 5.3 %(7). This performance was driven mainly by mining sector, agriculture and fisheries, but the private sector's share of the growth engine is too low for it to be inclusive and create jobs (World Bank). The table below summarises the growth rate over the last two years and a projection for the current year (2023).

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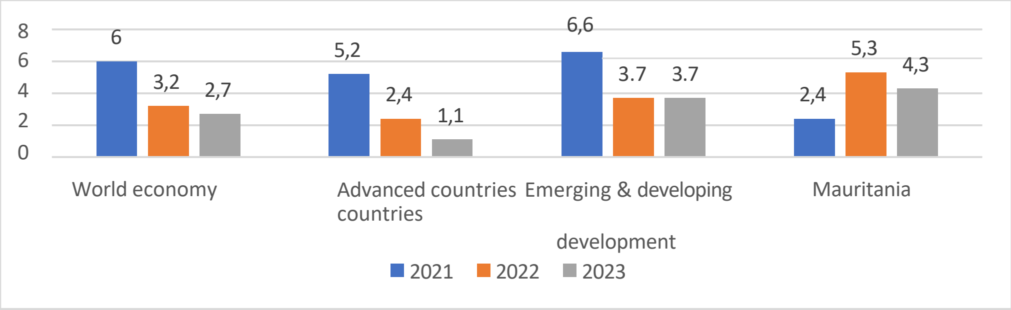
[6] ICPD Report, 2023

[7] The BCM estimates a growth rate of 7.1% in 2022.

Figure 1: Evolution of the growth rate



Sources: MF and IMF

2.2 Inflation

As a result of the war in Ukraine and the successive increases in key rates by central banks to curb inflation and the energy crisis, global consumer prices are set to rise from 4.4% in 2021 to 8.8% in 2022.
In Mauritania[8], the same trend can be observed: the national consumer price index reached 11.0% at the end of 2022, compared with 5.7% at the end of 2021, mainly due to the rise in food prices (+17.4%).

2.3 Public finances

The 2022 budget was implemented in an international context marked by soaring food and energy prices. It coincides with the final year of implementation of the Pro PEP. The table below shows changes in the main budget indicators (in billions of MRU unless otherwise indicated).

Table 1: Trend in the main budgetary indicators

Year	2021	2022	2023[9]
Income and donations	27,3	29,7	27,1
Excluding mining and quarrying	19,9	20,7	21,9
Taxes	13,8	15,5	16,6
Mining and quarrying	4,6	7,1	3,5
Donations	2,7	1,8	1,7
Net expenditure and loans	24,5	31,4	30,3
Current expenditure	15,4	21	18,7
Capital expenditure	9,2	10,5	11,5
Primary balance (excluding grants)	1,1	-2,5	-3,9
Overall balance (as a percentage of GDP)	2,2	-1,4	-2,6

Source: IMF

[8] Official data (ANSADE and BCM)
[9] Projections

2.4 The external sector[10]

The trade balance deteriorates in 2022, mainly due to the sharp acceleration in the rate of increase in imports relative to exports. The ratio of imports to exports will fall from 82.8% in 2021 to 79.1% in 2022. As a result, the current account deficit will widen in 2022 to -13.1% of GDP, compared with -8.1% in 2021.
Official foreign exchange reserves reached USD 1,876.6 million in 2022, equivalent to 6.4 months of imports of goods and services excluding imports from the extractive industries. This is down on 2021, when the level of reserves improved to cover 7.3 months of imports, compared with 6.7 in 2020.

2.5 External debt

Public debt outstanding rose from USD 4,496.5 million at 31/12/2021 to USD 4,319.98 million at the end of 2022, a fall of USD 176.52 million due to higher repayments than financial flows received. Domestic debt denominated in local currency amounts to USD 610 million, or 13.6% of the public debt portfolio. The public debt ratio (outstanding debt to GDP) is estimated at 47.0% at 31 December 2021. The majority of external debt is owed to multilateral creditors (60%), compared with 40% to bilateral creditors[11].

2.6 Poverty and inequality

One in three Mauritanians lives below the monetary poverty line, and one in two farmers is in the same situation[12]. The multidimensional poverty index is high, and inequalities are accentuated (see box below). In addition, there are many disparities according to background, gender and geographical area. The GINI[13] index remains high, but has fallen according to EPCV data: 0.32 in 2019 compared with 0.38 in 2008.

Box 1: Inequalities in multidimensional poverty (the MPI-M)

- 2.3 million people, i.e. 56.9% or almost six out of ten people, live in multidimensional poverty;
- On average, each poor person faces more than half of the weighted deprivation indicators (56.3%);
- The IPM-M varies between Wilayas: 90.2% of the population of Guidimagha is multi-dimensionally poor, compared with 25.2% in Tirs Zemmour ;
- 77.1% of people living in rural areas (1.6 million people) are multidimensionally poor, compared with 35.4% in urban areas (686 thousand people);
- 61.9% of children aged 0-17 live in multidimensional poverty.

Source: ANSADE, 2023

2.7 Economic reforms and governance indicators

The economic reform programmes implemented by the public authorities[14] aim to: i) preserve macroeconomic stability; ii) strengthen the policy frameworks

[10] Source: BCM
[11] Public debt data provided by the French Ministry of Finance.
[12] EPCV, 2019-2020
[13] It measures the gap between the distribution of household income (or consumption). A value of zero implies perfect equality and a value of 1 implies absolute inequality.
[14] With the support of the Bretton Woods institutions

(iii) consolidating the foundations for sustainable and inclusive growth and (iv) reducing poverty. They are based on three pillars: i) improving the medium-term fiscal framework in order to maintain fiscal sustainability; ii) strengthening monetary and exchange rate policy frameworks and developing money and foreign exchange markets; and iii) strengthening governance, particularly transparency.
Despite all these efforts, the HDI is evolving slowly and remains at a low level (0.556 in 2021-2022, 158th place). Governance indicators remain desperately low. In the World Bank's latest Doing Business ranking, Mauritania is 152th out of 190 in 2020 and 40th/54th in the Mo Ibrahim Governance ranking in 2021.
In terms of corruption, the country ranks 140th/180th in the Transparency International 2021 Corruption Perceptions Index. The result is a restrictive business climate in context of a fragile banking system exposed to high systemic risk, aggravated by legal uncertainty, shortcomings in human capital, banking supervision in need of strengthening and incomplete implementation of the investment code.

Box 2: Extract from the national anti-corruption strategy document for 2030

As in the rest of Africa, corruption and problems of good governance are holding back sustainable economic development, undermining the social pact and weakening the capacity of the Mauritanian state. Mauritania is one of the countries that must make greater efforts in the fight against corruption.
This is despite its efforts in terms of international commitments, strengthening its legislative and regulatory arsenal, and implementing policies and strategies. Mauritania's ranking on the international indices still leaves much room for improvement. The country obtained a score of 29 points out of 100 and was ranked 134th (out of 180) in Transparency International's Corruption Perceptions Index in 2020. In 2019, it scored 41.6 out of 100 points and ranked 40th out of 54 countries Ibrahim of African Governance (IIAG). In addition, the corruption perception survey commissioned by the UNDP in 2009 revealed some rather worrying results for the corruption situation in the country. Over 86.3% of those surveyed thought that all forms of corruption were present in Mauritania. According to them, the predominance of tribalism and communitarianism, the loss of moral values and the low salaries of civil servants are the main factors aggravating the phenomenon of corruption. The police, health and tax sectors are also identified in survey results as those where acts of corruption are most frequently observed.

2.8 Audit and control practices in Mauritania

There have been no significant changes in control and audit practices. They are presented below in two categories: ex ante controls and ex post controls.

2.8.1 Prior control systems

The preparation of budgets presupposes hierarchical validation and, before that, rigour in the choice of decision-makers (competence, integrity, experience and civic behaviour). In principle, the general State budget is subject to prior control procedures, both when it is being prepared and when it is adopted by Parliament. Its execution is also subject to precautions: the principle of the separation of authorising officers and accounting officers, and control visas, particularly at the liquidation stage.
Public institutions have boards of directors that approve budgets and have broad powers of prior control over the institutions' financial commitments. These powers are in addition to those of technical supervision (the department concerned) and financial supervision (the ministry responsible for finance).

Prior controls in companies are, in principle, carried out by the internal control and, where necessary, by the governing bodies.

2.8.2 Subsequent control systems

a) Control bodies in public administrations :

In addition to internal inspectorates within ministerial departments, the following bodies perform a posteriori controls: the Court of Auditors, the Inspectorate General of the State, the Inspectorate General of Finance and the inspectorates of ministerial departments.

1) The Court of Auditors (CC):

It is a constitutional institution. It is responsible for judging the accounts of public accountants and, where appropriate, penalising . Article 68 of the current Constitution provides for an organic law to govern its organisation, operation and independence in the area of public finance control. This law has been promulgated along with its implementing decrees. The CC is required to :

i) judging public accounts; ii) assisting parliament and the government in overseeing the implementation of finance laws; iii) overseeing the regularity and fairness of revenue and expenditure described in the public accounts, and auditing the accounts and management of public companies.

It is empowered to audit all the accounts and management of any body in which the State or entities subject to audit by the Cour des Comptes, directly or indirectly, separately or together, hold a stake in the share capital, as well as any body receiving financial assistance or economic aid from the State or any other entity subject to audit by the Cour des Comptes.

On an annual basis, the CC prepares a report on each Settlement Bill, which it forwards to Parliament, together with the general declaration of conformity between the individual accounts of the accountants and the general account of the financial administration. The National Assembly has just approved the latest report on the Settlement Bill for 2021 (due at the end of July 2023).

The CC is a member of the International Organisation of Supreme Audit Institutions[15] (INTOSAI) but the application of INTOSAI standards is insufficient. The Court justifies this situation by a quantitative and qualitative deficit in human resources and an environment that is not conducive to transparency, but the criticism most frequently reported by the media and part of public opinion is that the annual reports on audit activities are not made public[16].

2) General State Inspectorate (IGE):

This is an a posteriori control body, placed under the authority of the President of the Republic (decree no. 18-2022 of 10 February 2022). The Inspector General is assisted by a variable number of State Inspectors, Deputy State Inspectors and Verification Inspectors who are appointed by presidential decree.

The IGE has ambitious objectives: i) good management of public affairs, the fight against corruption and economic offences; ii) good governance and improving the performance of public administrations; iii) the evaluation of public policies and programmes in order increase their efficiency and results; iv) accountability and the fight against imputability in the management of public affairs, in particular the detection and effective punishment of management offences. The procedures are currently being drawn up, but the people responsible for inspections and audits have so far been chosen on a discretionary basis.

3) General Inspectorate of Finance (IGF):

[15] http://www.intosai.org/fr/sur-lintosai.html

[16] The exception is the report on the management funds allocated to the fight against COVID-19.

It is placed under the authority of the Minister of Finance and its remit covers all sectors of the public domaincentral government, local authorities, public establishments, publicly-owned companies and any body receiving financial assistance from the State or carrying out a mission of public interest, but the profiles are not clearly defined and the criteria for appointing inspectors lack transparency.

4) Internal controls in the departments :

They report directly to the minister's office, which decides on the appropriateness of their missions. They are made up of an Inspector General assisted by a variable number of inspectors, depending on the ministry, but their appointment does not always meet appropriate criteria and there are no procedures or control periods applicable to all the departments, let alone public reports on the administrative and financial management of the departments.

b) Controls and audits in public establishments and publicly-owned companies

An order of the Minister of Finance appoints one or more Statutory Auditors each year. Their mandate is to audit the books, cash, portfolio and assets of the institution or company and to check the accuracy of the inventories, balance sheets and accounts[17]. The certification of accounts does not exclude the possibility, if necessary, of involving the CC, IGF or IGE. Unfortunately, most of the auditors appointed do not have the appropriate profile and there is no procedure evaluating or auditing the reports produced. In some cases, the auditors certify accounts that will later be called into question.

c) Statutory auditors' reports

The reports for year ended 31/12/2022 were sent to us at the beginning of our presentation. We have made the following observations on these documents:

- The report on SNIM's accounts is complete. It has been prepared by an internationally renowned firm (Ernest & Young Audit) in accordance with ISA standards. It is accompanied by explanatory notes, a special report and appendices. Apart from the remarks already made in previous reports, we have no particular comments to make;
- The SMH and MCM[18] reports do not include explanatory notes. The financial statements of TMLSA[19] (Tasiast) are available at www.sedar.com. All the reports use a vague formula frequently used by local auditors: "in accordance with principles generally accepted internationally, and in particular in Mauritania...". This formula is inappropriate since the accounting framework applicable in Mauritania is the PCM (Mauritanian chart of accounts, as has been pointed out), which is admittedly different from international accounting standards (IAS/IFRS) in a few areas. However, international standards can still be applied if necessary.
- The SMH report to which we have had access is drawn up in accordance with the PCM standards, but the explanatory notes do not appear[20] and it is signed, no doubt by mistake, on 22 March 2022, although it is in fact the report relating to the 2022 financial year.

[17] Ordinance no. 90-09 of 4 April 1990 on the status of public establishments and companies with public capital, and governing the relations of these entities with the State.
[18] Signed Cabinet Sidi Ould Zein
[19] Signed MKDG, Audit et Conseil.
[20] However, they are listed by reference in the tables.

d) Evaluation of controls and audits in the main companies within the 2022 scope

The status of the audits of the financial statements of the participating companies and State entities for 2022 financial year and their accessibility to the public are summarised in the table below.

Table 2: Status of accounts audits in 2022

Parties concerned	Accounts published by 2022?	Audit reports published?	Existence of an auditor external?	Accounting standards applied	Frequency of audits	Auditing standards applied
SNIM	Shared with EITI but not publicly disclosed	Shared with IV but not disclosed publicly	Yes and compliance with standards	IFRS	Annual	Standards International Standards on Auditing (ISAs)
MCM	Shared with EITI but not publicly disclosed	Shared with EITI but not disclosed publicly	Yes, but very summary (incomplete)	See comments by the IA in points 2.8.2 and 2.8.3.	Annual	Not specified
TMLSA	Shared with EITI but not publicly disclosed	Shared with EITI but not disclosed publicly	Yes, but very brief (incomplete)	See the IA's comments in points 2.8.2 and 2.8.3.	Annual	PCM
Oil operators	Yes, listed on the stock exchange	Yes, in principle	Yes	IFRS	Annual	International Standards on Auditing (ISA)
SMH	Yes	No	Yes	PCM	Annual	PCM
Regies financières	Report on the rules of the court of auditors	No	The Court of Auditors	Court of Auditors standards	Law of 2021 regulations	

2.8.3 A.I. ratings

The existence of adequate **institutions**[21] **and legal texts** is not the major problem, but it is the lack of competent human resources to improve control and audit practices that part of the challenge. In addition, of course, the effective application of sanctions, which requires a firm political will and an operational judicial framework with adequate resources and the necessary independence under strict hierarchical control.

One of the weaknesses of transparency in the extractive industries and beyond can be explained by the lack of rigour in the choice of auditors[22] and the virtual absence of transparent criteria for membership of the National Order of Chartered Accountants, as well as the de facto impunity[23] enjoyed by those who certified inaccurate accounts. An adequate profile of statutory auditors and auditors, the transparency of their choice, the evaluation of reports produced and sanctions are all guarantees for the emergence of a culture of accountability. TMLSA states that it follows a rigorous and transparent procedure for selecting the CAC. At the end of each mandate (6 years), the list for the selection of the auditor is presented to the Board of Directors for approval.

Members of **the National Order of Chartered Accountants** are appointed by order of the Minister of Finance, in principle on the recommendation of the Board of the National Order Chartered Accountants, but on the basis of criteria that have hitherto been considered opaque. In 2021, the number of registered chartered accountants has risen sharply (71 people[24]) to 247, most of whom do not have the references or experience normally required[25]. Yet this is a sensitive issue in terms of prevention, moralisation and deterrence of the behaviour of public and private managers. If the political will is there, there is an urgent need to reorganise the profession through transparent criteria for access to the power to certify accounts, to delimit prerogatives, to impose scrupulous compliance with standards, and to introduce requirements for transparency in the operation of the Order and the morality of its leaders.

Other issues deserve more attention: i) the publication of audited accounts is not yet a systematic practice in Mauritania; ii) the discretionary choice of inspectors, controllers and auditors may taint the quality and credibility of their investigations and iii) the poor coordination between the various control bodies does not militate in favour of the rationalisation of means and the achievement of results which are weak overall, judging by the small number of cases of embezzlement made public and in view of the volume of public and private transactions in recent years[26]. It is nevertheless true rigorous accountability puts the fragile equilibrium of the social and political system, and hence the majority consensus, to the test.

[21] Even so, their credibility depends to a large extent on the profile and reputation of those in charge of them.
[22] For the most part, they are appointed by the decision-maker without constraint and without a call for candidates.
[23] Their reports are rarely audited
[24] Some qualified accountants claim that only 9 professionals were registered as trainees.
[25] A group of qualified chartered accountants have joined forces and have challenged the election of the executive committee and the lists opportunely added (Order 1026 of 30 August 2021 of the Minister of Finance) in court.
[26] Budget spending has doubled in the last four years

Finally, it should be noted that **the FNRH audits** were drawn up in 2021 for 2015, 2016, 2017, 2018, 2019 and 2020[27] but the reports have not been published and the 2021 and 2022 financial years have not yet been audited (August 2023).

Budgetary risks are rarely and insufficiently assessed. The most recent document on fiscal risks in companies dates from 2020[28]. It notes that "the overall volume of debts of public enterprises amounted to MRU 44,367 billion at 31 December 2020, i.e. 15.7% of GDP, showing an average increase of 4.1% over the period from 2016 to 2020", but the analysis covered only seven enterprises deemed to constitute areas of major budgetary risk, concentrating, on own, 76% of the stock of contingent liabilities and almost all of the deficits linked to operational underperformance.
The risks associated with social insurance, covered by the two Établissements publics de prévoyance sociale[29] , are not assessed, nor are the risks associated with deposits in primary banks, some of whose failures have cost the taxpayer dearly.
Other budgetary risks incurred by the State relate to guarantees granted to public enterprises and on-lending[30], but they are not quantified and even less analysed.

Box 3: The portfolio of public companies

At 31/12/2020, the portfolio of public companies will comprise 160 companies, classified under Ordinance 90-09 as follows: 94 public administrative establishments (EPAs); 24 public industrial and commercial establishments (EPICs); 17 national companies (SNs); 11 semi-public companies (SEMs), plus 14 public establishments with special status. These companies are spread across 21 different sectors and, at 31 December 2020, employed more than 29,000 people, contributing 15% of GDP in terms of added value, total assets of 26.38 billion MRU (Financial Supervision Department).

2.9 Highlights of the extractive sector in 2022

2.9.1 Regulatory developments

The overall regulatory framework for extractive activities and mining taxation has undergone three changes in relation to the year 2021 (see EITI Report 2020-2021, section 2.3.2).
For the mining sector, these are (i) Decree 2023-048 PM/MPME of 15 February 2023, amending certain provisions of Decree No. 2008/159 of 04 November 2008, as amended and supplemented, relating to mining and quarrying permits, and (ii) Decree No. 2023-049 of 17 February 2023 setting mining taxes and royalties. The content of Decree 2023-048 is discussed below in section 3.4.
The hydrocarbons sector has undergone regulatory changes that came into force in 2022. These are Law No. 025-2021, published on 15 March 2022, supplementing and amending certain provisions of Law No. 2010-033 of 20 July 2010, as amended. It fills a legal vacuum[31] relating to promotional zones.

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[27] In a single report to which we have had access.
[28] Les risques budgétaires des entreprises publiques, MF, Direction de la tutelle financière, 2020
[29] The National Social Security Fund and the National Health Insurance .
[30] Monitoring is carried out by the External Debt Division and the DGTCP.
[31] Not included in the Hydrocarbons Code

2.9.2 Mineral price trends in 2022

Iron ore :
Average iron ore prices have deteriorated in 2022, from USD 158.2 per tonne in 2021 to USD 121.0 in 2022 (down 24.2%).
Gold prices :
Gold prices have remained at a high level: USD 1,800 per ounce in 2021 compared with USD 1,802.5 in 2022. Gold has acted as a safe haven since the invasion of Ukraine, hitting an all-time high of USD 2050.8 an ounce in early March 2022.
Copper :
In 2022, the price of copper stood at USD 8,356.9 per tonne in December, down 12.3% on the same period in 2021. For the year 2022 as a whole, a tonne of copper sold for USD 8822.0, compared with USD 9,200.1 in December 2021, a fall of 4.1%.

World prices and prices in 2022
The table below compares the average reference prices of the main substances exported in 2022 (source: BCM) with the average prices charged (source: our calculations).

Table 3: Reference and actual prices in 2022

Year 2022	Average reference price	Average prices	Average differences	Comments A. I
Iron/USD/T	120,9[32]	96	24,9 (20,6%)	Depending on the content, quality of the products and negotiating skills
Gold USD/ounce	1797,6	1799	-1.4 (insignificant)	Nothing to report
Copper USD/T	8356,9	7477	879,9 (10,5%)	Depending on the content, quality of the products and negotiating skills

Conclusion: these data show that SNIM and MCM have been charging export sales prices that are significantly lower than world prices, while TMLSA (Tasiast) has been performing better in terms of sales prices (virtually in line with international prices).

2.9.3 Gold panning activities

Despite its growing importance to the national economy, the added value generated by artisanal gold mining is not yet taken into account when calculating national GDP[33]. Artisanal gold production is largely marketed through informal channels[34]. Employment in gold panning sector is poorly defined, but according to estimates by MAADEN Mauritanie (see box below), more than 52,000 people are employed, including a large but unknown number of foreigners, mainly from Mali and Sudan. Artisanal and semi-industrial gold production is a major concern, because of its effects on the environment.

[32] 62% Fe is the best quality
[33] According to a study commissioned by MAADEN entitled "Diagnostic actualise de la chaine de valeur de l'orpaillage artisanal en Mauritanie, juin 2021", the contribution of artisanal gold mining in Mauritania is around 9%.
[34] According to this study, informal channels control "70% of production, 30% of which is sold to the BCM, a slight improvement on 2019 when the share sold to the BCM represented 14% of total production".

the environment[35] and its probable links money laundering and the financing of terrorism.

Box 4: The place and role of MAADEN Mauritania

MAADEN Mauritania is a public industrial and commercial establishment (EPIC), under the authority of the Ministry of Mines, with legal personality and financial autonomy[36]. It was created by decree N 2020-65 dated 28 May 2020 to manage and supervise artisanal and semi-industrial mining. Its missions are: 1) Granting the necessary authorisations for artisanal and semi-industrial mining; 2) Technical supervision of artisanal mining of gold and other mineralsas well as small-scale mining; 3) Elimination of use of mercury and other chemicals in mineral processing, in collaboration with the relevant departments of the Ministry in charge of the Environment; 4) Regulation, under the supervision of the Ministry in charge of the Environment, of the flow of chemicals and establishment of standards for liquid discharges; 5) Regulating and monitoring/controlling the marketing channels gold and other artisanal and semi-industrial minerals; 6) Formalising artisanal and semi-industrial activity, in particular by setting up an interface tailored to the target people; 7) Disseminating best practice and training artisanal and semi-industrial operators; 8Developing infrastructure and monitoring its implementation, where delegated; 9) Seeking sources of funding for artisanal miners;
10) Restoration/rehabilitation of degraded sites and follow-up in the event of delegation; 11) Use of new technologies, in particular digitisation of its operations and services.

Box 5: Marketing gold produced by gold miners

To support the new gold mining production activities, BCM had set up a purchasing structure and a regulatory framework for exports. It relied on Caisse de Dépôt et de Développement (CDD) as an intermediary to purchase raw gold from gold miners and Chami Gold to weigh and determine the degree of purity of the gold. This support was stopped in 2017 and then resumed in 2019 through purchasing operations in the towns of Chami and Zoueirat. To do this, it opened branches.
In 2020, the stock of gold reached its highest level (4.7 tonnes of raw gold worth MRU 8.7 billion) mainly due to the constraint of closing borders caused by the COVID-19 pandemic. Subsequently, the BCM decided to withdraw from gold purchases and to liquidate its entire stock of raw gold[37]. As a result, the BCM's programme for purchasing raw gold from local miners totalled 2.3 tonnes in 2022, compared with 3.5 tonnes in 2021, down 34.7%, while gold sales reached **10.4 tonnes** (source: BCM).
In neighbouring Mali, most of the gold is smuggled out of the country. Official figures show that the country exported 23 tonnes artisanal gold in 2021, according to the Directorate General Trade, Consumption and Competition, while the Arab Emirates imported 174 tonnes of gold, according to *UN Comtrade*, the United Nations database of commodity trade statistics. As part of its "Mines to Market programme, the NGO Pact noted that 13% Mali's artisanal gold would have been formally exported by 2021, with the rest leaving illegally for Dubai, mostly transported by hand. This is Malian gold, of course, but it is also gold from neighbouring countries that passes through Bamako. Yet one of the priorities would have been to prevent armed groups from controlling the gold supply chains.

[35] Its extraction uses large quantities of mercury, which a MAADEN study estimated at 248 tonnes per year, the equivalent of 18% of the total quantity of mercury used by industries worldwide (Source: above-mentioned study).
[36] MAADEN does not sell ore but services to gold miners.
[37] Storage capacity, complexity of operations and risks are all cited as reasons for this.

Table 4: Growth in officially marketed gold miners' production for 2019-2022
(Source: MAADEN Mauritania)

Year	Gross weight (g)	Amount in MRU	Comments
2019	1 050 555,04	1 480 181 384,39	Home-made production only. This represents around 25% of production, with the remainder marketed through the informal sector.
2020	4 549 394,83	8 726 123 210,49	Exclusively from small-scale production. This quantity could represent almost all of the production due to the non-existence of informal channels in the context of the closure of the borders (COVID-19).
2021	3 230 489,73	6 021 100 255,83	This quantity comes from small-scale and semi-industrial production. The latter started at end of 2021. Part of the quantity produced was sold on the informal market.
2022	2 367 055,55	4 396 781 093,20	This marketed quantity comes from artisanal and semi-industrial production. BCM stopped buying artisanal production in July 2022. All artisanal production is marketed through the informal sector.
Total	**11 197 495,15**	**20 624 185 94**	

2.9.4 The GTA gas project

The first phase of the GTA gas project was 90% complete by the end of June 2023, but production has been delayed, probably until mid-2024, due to damage to equipment en route and during installation[38].
The economic outlook for gas in the medium term is considered good, and Mauritania's budget can be expected to generate between USD 60 million and USD 80 million a year over the period 2025-2030 (MRU 2.16 billion to MRU 2.88 billion at a rate of MRU 36 per USD 1)[39].

2 Framing and preliminary analysis

The framework was the subject of a note which was examined and approved by the CN-ITIE at its meeting on 3 August 2023. The terms of reference covered: i) the scope selected; ii) the margin of error tolerated; and iii) sampling.

3.1 The scope selected for 2022

Period covered :
This EITI 2022 Report covers payment flows made between 1 January 2022 and 31 December 2022. They have been analysed either separately or simultaneously depending on their characteristics.
Sectors covered :
The EITI 2022 Report only covers the oil and gas sector and the mining sector, as gold mining is still excluded from this exercise.
The scope of the business combination :
Analysis of the preliminary data led us to propose that the same materiality criteria be applied as in the previous report. These were: presence on the land register and a materiality threshold of US$100,000 (around MRU 3,650,000).
On this basis, we have identified 6 mining companies and 5 oil and gas companies (including SMH) for 2022. This gives a total of 11 companies in the 2022 cadastre. The list of companies included in the perimeter is in Appendix 9.2.2.
The scope of the merger of collecting bodies :
Based on the perimeter defined by the EITI National Committee, five (5) collecting bodies have been selected to declare payments received from extractive companies on behalf of the State. These are: the DGTCP; the DGD; the DGI; the DGM; and the DGH.
The companies that have posted their declarations on the DW are : SNIM; SMH; MCM; TMLSA and TOTALENERGIES. The table in appendix 9.2.2 summarises the content of the declarations and the submission dates.
Scope of flows :
The CN/ITIE-Mauritanie has decided to maintain all the flows included in the scope of previous years, plus corporate income tax, which was introduced in 2021 (30 flows). For the 2022 financial year, no payment in kind flows have been recorded.
On the basis of two essential criteria: i) appearing on the 2022 register and ii) exceeding a cumulative payment flow of more than MRU 3,650,000 in 2022, the summary table in appendix 9.2.2 has been reconstituted.
The list of companies included in the scope used to analyse data for 2022 is shown in the table in appendix 9.2.2.

[38] Information confirmed by BP and DGH
[39] Sources: DGH and our estimates

3.2 The margin of

The CN/ITE-Mauritanie, after examining the preliminary data, adopted a tolerance margin of 2%. This threshold has been approved by the GMP.

3.3

Given the modest size of the perimeter and the concentration of mining activities, we have deliberately chosen to focus the analysis on the three mining companies that present the greatest risk. These are SNIM, TMLSA and MCM. The first is 78.35% state-owned, while the other two are branches of private companies. Most of the extractive activity is carried out by SNIM and the two foreign companies TMLSA and MCM. On average, they account for almost all the value of mining exports.
The hydrocarbon sector only saw construction or exploration activity during 2022, and all the companies involved are branches of listed multinationals in the pre-exploitation or exploration phase.
The reconciliations were carried out on the consolidated figures reported by the various parties on the Data Warehouse (DW).

3.4 Real property

The legal framework has been amended by two decrees: 1) Decree 2023-048 PM/MPME of 15 February 2023, amending certain provisions of Decree no. 2008/159 of 04 November 2008, as amended and supplemented, relating to mining and quarrying permits, and 2) Decree no. 2023-049 of 17 February 2023 setting mining taxes and royalties.
Decree 2023-048 provides a solution to the issue of Beneficial Ownership, which was causing a legal vacuum (the box below reproduces the gist of the decree). The new provisions have been supplemented by the form to be completed by any operator before obtaining an operating licence.
While the new legal provisions provide a solution for current and future cases, they do not resolve the current situation and additional efforts must be made to meet requirement 2.5. However, the new provisions apply only to the mining sector, excluding the oil and gas sectors, and only to applications for exploitation permits, thereby excluding the process for granting exploration permits.

Box 6: Definition of Beneficial Ownership and Politically Exposed Persons (PEPs)

The definition adopted by the CN-ITIE is as follows: "the Beneficial Owner is any person who ultimately owns or controls the customer and/or the natural person for whom a transaction is executed or an activity is carried out. Beneficial owners include at least: (a) in the case of companies: (i) the natural person(s) who ultimately own(s) or control(s) a legal entity, through direct or indirect ownership or control of a sufficient percentage of the shares or voting rights in that legal entity, including through bearer shares, other than a company listed on a regulated market which is subject to disclosure requirements in accordance with applicable law or equivalent international standards. A percentage of 25% of the shares plus proof of ownership or control by participation, and it applies to any level of direct or indirect participation; (ii) if it is not certain that the persons referred to in point (i) are the owners, the natural person or persons who exercise control over the management of the legal entity by other means". All listed companies, including their wholly-owned subsidiaries, must specify the stock exchange on which they are listed and provide a link to the documentation filed with that stock exchange. In the case of joint ventures, each entity must disclose the identity of its beneficial owner(s), unless it is listed on a stock exchange or is a wholly-owned subsidiary of a listed company. Each entity within the partnership is responsible for the accuracy of the information provided.

Box 7: Extract from decree 2023-048

MINING :
Article 76 (new) :
The applicant or his representative submits the application for an exploitation licence at least six months before expiry date of the exploration licence to be converted to exploitation, to the Mining Registry, which must include :

- The completed official application form ;
- **The form relating to beneficial ownership and politically exposed persons, duly completed;**
- **The articles of association of a legal entity under Mauritanian law ;**
- Receipt for payment of reception fees ;
- A bankable feasibility study certified by one of the international standards (JORC, N I 43- I 0l ...etc.);
- An environmental and social feasibility report ;
- BTE: "Bulletin des Travaux d'Exploitation" ;
- An agreement from the private owner of the land, if applicable;
- A Tax Identification Number (NIF).

The application form must include the following information:

- The identity and address of the applicant holding the research permit and of his representative;
- The UTM coordinates of the corners of the perimeter of the licence applied for and its area;
- The company's registration number in Mauritania ;
- The identification code of the initial research permit ;
- Substances to be exploited ;

The individual or grouped operating licence decree must include at least the following information:

- Company names ;
- The group of substances ;
- Period of validity (30 years) ;
- Geographical areas (Wilayas).

Box 8: Politically exposed persons

Definition adopted by the CN-ITIE: A politically exposed person (PEP) is someone who holds or has held an important public position (including close family members and close associates). This includes heads of state or government, senior politicians, senior civil servants, judges, members of the militarydirectors of state-owned companies, senior officials of political parties or former officials, if they still hold influential roles. Family members by blood, marriage or civil partnership may include individuals beyond the immediate family. Associates may be people with personal, social and professional relationships. The identity of Politically Exposed Persons (PEPs) with a shareholding of more than 5% in the company must be declared.

By gathering information from various sources, we were able to compile a table showing the ownership structure of the main reporting parties (appendix 9.2.9). Most of this information concerns legal ownership.

3 Data collected on the extractive sector

The data below is based on declarations posted on the DW and supplemented by other sources. The tables below concern: i) production; ii) exports and iii) socio-economic and environmental impact.

3.9 The production

In 2022, real GDP from extractive activities will have reached 17.8% of national GDP, compared with 12.6% in 2021. This development is explained by the growth in value added in the extraction of metal ores, particularly gold. Indeed, the

Gold production jumped in 2022 compared with 2021, when TMLSA (Tasiast) shut down its plant following a fire. The table in appendix 9.2.3 shows that industrial gold production rose from 5487 kg in 2021 to 16752 kg in 2022. Copper production (MCM), on the other hand, has shown a downward trend: from 18,845 tonnes in 2021 to 13,312 tonnes in 2022, a fall of 29%.
In 2022, overall iron production reached 13.49 million tonnes, including 0.617 million tonnes from MCM and 12.9 million tonnes from SNIM. This trend has resulted in 25% fall in GDP and a reduction in its share of overall GDP to 9.6%.

3.10 Exports

Revenues from iron exports amounted to MRU 47.2 billion compared with MRU 55.8 billion in 2021, down 15.3% due to the fall in the price of iron on the international market, despite the increase in quantities exported (12.7 million tonnes in 2021 compared with 13.3 million tonnes in 2022). The geographical breakdown of SNIM's iron exports in 2022 is as follows: China (47.9%), Algeria (12.2%), Italy (8.3%), Australia (6.6%), Japan (6.2%), the United States (6.2%) and Japan (6.2%).
France (4.2%) Germany (4.0%).
Gold exports rose sharply as a result of the massive sale of gold by BCM and the resumption of activities by TMLSA (TASIAST). Sales amounted to MRU 58 billion in 2022 (including BCM sales), compared with MRU 14 billion in 2021. Exports by volume rose from 202.7 thousand ounces in 2021 to 549.7 thousand ounces in 2022, an exceptional increase of 171.7%. **Copper exports will** reach MRU 3.4 billion in 2022, a halving, corroborated by a decrease of the same order in volume: 12.4 thousand tonnes in 2022 compared with 23.3 thousand tonnes in 2021.
In total, mining exports reached MRU 108.6 billion in 2022, to which must be added massive sales from BCM stockpiles for an estimated amount of MRU 21,634,014,062 in 2022 (our calculations[40] based on data provided by BCM). For the first time, gold has become the country's leading export (41%), followed by iron ore (33.4%) and fishery products (20.9%). The table in appendix 9.2.4 gives the details.

3.11 Contributions to national economy

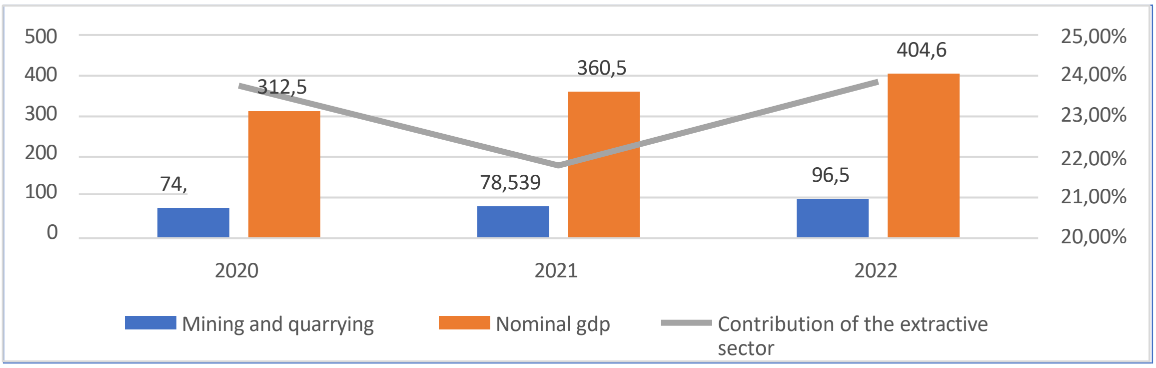
The benchmark indicators relate to the extractive sector's contribution to national wealth creation, employment, exports and budget revenues.

4.3.1 Contribution to overall GDP

The graph below shows evolution of the share of the extractive industries nominal GDP.

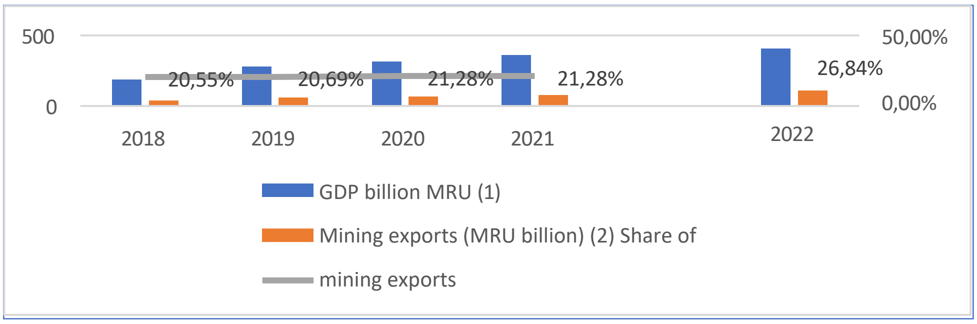
[40] "In 2022, gold exports rose sharply due to the massive sale of gold by BCM and the resumption of activities following technical problems at TASIAST in the third quarter of 2021, which affected its production capacity. Sales amounted to MRU 58 billion in 2022, compared with MRU 14 billion in 2021. In volume terms, exports accelerated to 549.7 thousand ounces in 2022 from 202.7 thousand ounces in 2021, an increase of 346.7 thousand ounces (or 171.7%)" (2022 Report).

Figure 2: Contribution of the extractive industries to nominal GDP



Changes in the ratio of mining exports to nominal GDP are summarised in the graph below.

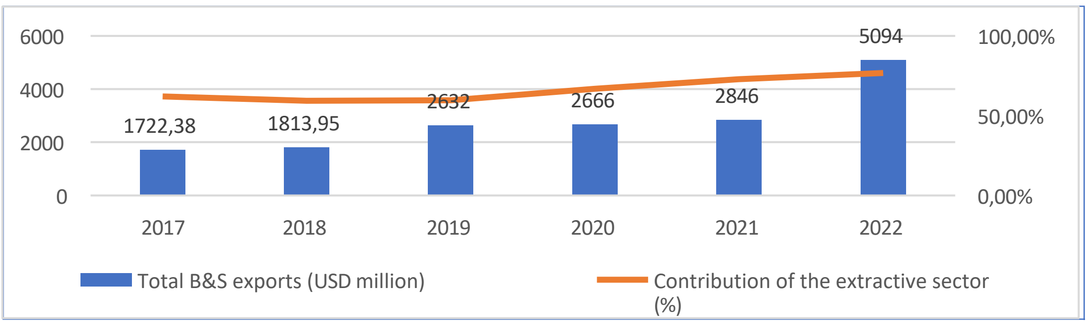
Figure 3: Ratio of mining exports to nominal GDP



4.3.2 Contribution of the extractive industries to national exports

The graph below shows a clear increase in national exports of goods and services and in the contribution of the extractive sector, exclusively mining. In , in 2022, export revenues will have risen by more than 34.4% compared with 2021, reaching a record level of MRU 141.5 billion. The main reason for this increase is the improvement in gold sales, which more than offset the decline in the value of export earnings from iron ore, where international prices fell in 2022. The share of the extractive sector has also been mitigated by higher export revenues from the fishing industry.

Figure 4: Contribution of the extractive sector to national exports

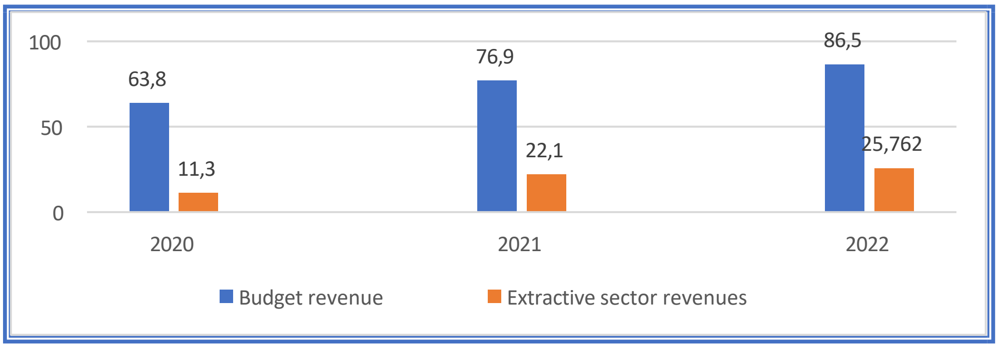


4.3.3 Contribution of the extractive sector to government revenue

Nearly 30% of government budget revenue comes from the extractive sector, as shown in the graph below (in billions of US dollars).

Figure 5: Contribution of extractive resources to government budget revenue

(In billion MRU)



4.3.4 Contribution to employment

In 2022, the mining sector directly employed 9,165 people, 6.42% of whom were women and 1% expatriates. The latter are all employed by MCM and TMLSA, while SNIM has no expatriate employees in accordance with Mauritanian regulations. In 2020[41], the Mauritanian population of working age is estimated at 2,255,032, 41.5% of whom are potentially active. This means that the ratio between total direct employment in the mining sector (excluding gold panning) and the potentially active population is 0.98%. This proportion[42] is slightly higher than that shown in the 2020-2021 report due to a small increase in the mining workforce.
TMLSA recruited 51 people from local communities.
women in 2021 compared with 79 in 2022 (36 machine operators).

Box 9: The employment situation at TMLSA

The number of employees at TMLSA will rise to 1,415 in 2022, 98% of whom will be Mauritanian and 70% of all managerial staff, compared with 56% in 2020. The number of expatriates working at the mine has fallen from almost 200 in 2012 to 48 in 2022 (including 25 trainers and employees of plant extension project). Mauritanian plan provides for a maximum of 27 expatriates, leaving 4 positions to be filled. In terms of subcontractor employees, in 2022 TMLSA will have 2,208 nationals and 230 expatriates (including the expansion project). All subcontractors with more than 8 expatriate employees are required to submit a Mauritanisation plan. Beyond the Mauritanisation process completed in 2019, TMLSA has recruited 276 additional Mauritanian units by 2022. Emphasis has been placed on training, with 2,300 mobile maintenance employees benefiting in 2022.
More than 250 women work at TMLSA (Tasiast) in a variety of disciplines, from truck drivers to senior managers. In 2022, TMLSA created the Tasiast Women's Committee to help identify initiatives that improve working conditions for women and increase the attractiveness of working at the mine for female candidates (source: TMLSA).

[41] EPCV 2019-2020
[42] In Senegal, this proportion was 0.22% in 2020.

Table 5: Number of employees in the extractive sector

Operators	Direct jobs		National		Expatriates		Women	
	2021	2022	2021	2022	2021	2022	2021	2022
SNIM[43]	6 184	6495	6184	6495	0	0		487
TMLSA	1 222	1462	1164	1414	58	48	51	79
MCM	1 200		1143	1165	37	43	16	22
TOTAL	**8 606**	**9 165**	**8491**	**9074**	**95**	**91**		**588**

3.12 Social expenditure

Voluntary social expenditure declared by the companies totalled 2.05% of the consolidated revenues of the three largest mining companies, but almost 87% of the total amount of social expenditure was borne by SNIM, compared with 6.6% and 6.5% respectively for TMLSA and MCM. When analysed by company and in relation to its declared revenues, MCM (2.26%) is on a par with SNIM (2.25%), far ahead of TMLSA (Tasiast), which contributes only 0.91% of its turnover. Details of social expenditure can be found in the tables in the appendix.
9.2.6. These comparisons are contested by TMLSA "because of the differences in their agreements and the way they are taken into account. SNIM, a public company, is committed to spending a certain rate, whereas TMLSA, as a private company, respects all its commitments and social responsibilities in Mauritania".

3.13 Environmental expenditure

Statutory payments to the Environmental Commission (DGH declarations) in 2020, 2021 and 2022 amounted to 115,500,000 euros;
114,747,182 and MRU 49,904,990. This represents 5.61%, 7.23% and 3.17% respectively of the FRNH's total revenues for the same years. In addition, each of the mining companies claims to be involved in activities that benefit the environment, such as water use, waste management, chemical product management and the protection of biodiversity and cultural heritage.
With regard to the environment, TMLSA believes that it operates in accordance with national and international laws and standards, and that its environmental programme complies with the international environmental standard ISO 140001.

3.14 Project payments

The principles were defined by the CN-ITIE at its meeting on 08 October 2019 where it was decided extractive companies and financial regulators should detail their EITI declarations by project but the notion of project that was retained was relatively broad:

- ✓ For the mining sector, payments are broken down by mining permit;
- ✓ For the oil and gas sector, payments are broken down by oil block.

This design has reduced the scope of the payments per project dimension insofar as all the mining companies have declared that they operate a single licence. However, the payments reported by the DGH are broken down by block (project). The tables in Appendix 9.2.7 reproduce the data declared by the companies.

3.15 Local content

[43] Financial statements, excluding investments in subsidiaries

The local content has not changed. According to the most recent study[44], the situation is as follows: i) more than 98% of jobs and nearly 70% of the wage bill are held by people of Mauritanian nationality. This result is estimated on the basis of detailed data obtained from the two largest companies, SNIM and TMLSA (Tasiast); ii) 11% to 41% of expenditure is suppliers registered in Mauritania and iii) 15% of expenditure is with suppliers controlled by nationals (for just one mine, which tracks supplier ownership data) but there is a low level of expenditure (probably less than 5%) with suppliers who create added value locally. This is therefore a potentially interesting area for increasing the economic benefits of the extractive sector.
For its part, TMLSA has provided some interesting data on the promotion of local content. They are reported in the box below.

Box 10: TMLSA and local content

TMLSA estimates that it spends around $200 million each year on local suppliers (over $2.4 billion since 2011). TMLSA's commitment to developing local content is reflected in the creation of an LBI (Local Content) team based in Nouakchott, responsible for assisting and training local companies wishing to work with the company, and the existence of positive discrimination in favour of Mauritanian suppliers in calls for tender (improved from 5% to 15%). As a result, in 2022, 42.80% of TMLSA's expenditure will be in Mauritania, if we exclude Addax, the fuel supplier selected by the Government (source: TMLSA).
Total expenditure benefiting the private sector in Mauritania (excluding government entities, NGOs, donations, taxes, duties, fees, penalties and salaries) rose as follows: USD 185 million in 2022; USD 172.3 million in 2021; USD 152.9 million in 2020 and USD 168.7 million in 2019. Companies with a majority Mauritanian shareholding received USD 66.26 million, or 36% of national expenditure. By nature, 31% of the companies working with TMLSA are majority Mauritanian and 70% are micro (1 to 9 employees) or small enterprises (10 to 49 employees).

3.16 Conclusions

In 2022, the mining economy contributed: i) 23.8% of nominal GDP; ii) 76.7% of the country's total exports; iii) almost 30% of government budget revenues (29.8%). On the other hand, the sector's contribution to direct employment is very low (less than one per cent) and the effects of extractive activities on the environment are a cause for concern. Furthermore, the social and local spin-offs of the mining companies could be improved, particularly in the case of TMLSA (Tasiast).

4 The traceability of revenues from the extractive sector

The revenue analysis focused on the following data: i) changes in payments made by company; ii) reconciliation between company payments and what they are required to pay with reference to the mining and tax regime; iii) fairness of the tax regime, with reference to the tax base (production, volumes, values); ivmain revenue streams (production tax and profit tax); v) description of company-specific tax conditions (general legislation,

[44] KAISER, EDP and E2D: "Stratégie pour la création de contenu local dans le secteur de l'industrie extractive de la Mauritanie", June 2021 and GIZ: "Etude sur l'état des lieux du contenu local dans le secteur minier en Mauritanie", September 2019.

special tax clauses) and vi) the traceability of revenues from the extractive sector in 2022: recognition of rights; recovery and use of revenues from the extractive sector.

4.9 Extractive sector revenues in 2022 and how they will be allocated

The breakdown of gross revenues between the various players takes into account sales by each producer and receipts by the State (DGTCP). Each player manages its share of the revenues generated by the extractive sector in its own way.

4.9.2 Global revenues from the extractive sector

Overall revenues from the extractive sector are expected to reach MRU 141.5 billion (around USD 4.05 billion) in 2022, compared with MRU 105 billion (around USD 3 billion) in 2021, due a marked increase in volume and massive sales gold at a time when prices are high. Details of the breakdown of flows by origin can be found in appendix 9.2.4. In theory, companies' revenues can be traced through the 2022 audited accounts. With the exception of SNIM, the audit reports to which we had access do not include explanatory notes to make them easier to understand (see chapter 7 below).

The table below enables us to compare the proportion of each mining company's turnover that goes to the State, even if this is of relative significance. Admittedly, comparisons between different situations and contexts may, at first sight, be inappropriate but, as they mining companies operating in the same country and in similar socio-economic and technological contexts, they can contribute to the relevance of the analyses, particularly in terms of fiscal harmony and equity. It is up to the reader and the decision-maker to extend the reasoning by taking into account other variables in order to draw the appropriate conclusions.

This being the case, it is clear that almost 80% of the State's mining revenue in 2022 will come from SNIM. This observation is corroborated by an analysis of the contribution of each company in relation to its turnover. The figures vary depending on whether the amounts paid to the State include SNIM dividends for the 2021 financial year.

Table 6: Share of each company in state mining revenues

COMPANY	SNIM	TMLSA	MCM
Revenues paid to State (in billion MRU)	19,079	3,605	1,423
overall sector income	79,14%	14,95%	5,90%

If we take into account the amounts paid to the State, including the dividends paid by SNIM on the results of the 2021 financial year[45], we see that SNIM's contribution will represent more than 40% of its turnover in 2022; that of MCM: 22% and that of TMLSA (Tasiast): only 10.4%, which has not paid any corporation tax (IS) over the last decade[46].

[45] These figures are slightly different from the tax data analysed below in section 5.2.3.
[46] TMLSA nevertheless paid approximately $7M in 2011 and $16M in 2012. TMLSA cites the need massive investment to reach current production levels.

Table 7: Share of revenue paid by each company to the State in relation to its turnover

	SNIM	TMLSA	MCM
Sales (MRU billion)	47,2	34,546	6,494
paid to the State* (%)	40,42%	10,44%	21,91%
*including dividends paid by Snim in 2022 on the results for 2021 financial year			

If we set aside the dividends paid by Snim to the State in 2022 on the results of the 2021 financial year, we obtain the figures in the table below.

Table 8: Indicators excluding dividends paid to State

	SNIM	TMLSA	MCM
Revenue paid to State* (MRU billion)	7,929	3,605	1,423
% total income paid to the State	8,99%	4,09%	1,61%
Revenue paid to State* (MRU billion)	7,929	3,605	1,423
% Sales	16,80%	10,44%	21,91%
*Excluding dividends paid by Snim to the State in 2022 on the results of 2021 financial year.			

Despite a tax regime that is generally considered to be favourable, and aside dividends paid, Snim remains the second largest contributor to government revenue, in proportion to its turnover (16.8%), behind MCM (21.9%). TMLSA makes the smallest contribution to government budget revenues, at just over 10%.

4.9.3 Detailed State revenues

An analysis of flows shows that government revenue from the extractive sector has increased by 17%, reaching MRU 25.72 billion in 2022. Of this revenue, 93.65% comes from the mining sector and 6.35% from the hydrocarbons sector (FNRH). By type of flow, we note that :

For the mining sector :

- ✓ 58% of mining revenue comes the one-off royalty and dividends paid by SNIM;
- ✓ 10.7% tax on salaries and wages ;
- ✓ 9.81% added value ;
- ✓ 7.95% operating royalties ;
- ✓ 5.78% tax on income from transferable securities.

All the other headings, 12 in number, yield 7.76%, of which only 3.18% is corporation tax (IS).

The table below summarises the contributions of the three mining companies by heading and proportion. It shows that the largest contribution comes from SNIM (79.17%), followed by TMLSA (14.96%) and MCM (5.88%).

If we refer to the payments made (in terms of flows) by the three mining companies in 2022, we arrive at the remarks below. Paradoxically, TMLSA contributes the most to almost half of the flow items, but these are the lines that generate the least income for the State:

- ✓ Tax on imported tonnage: 100%.
- ✓ Special tax regime: 100%.

- ✓ Customs duty: 98.1
- ✓ Statistical fees: 91.7%.
- ✓ Operating royalty: 88.7%.
- ✓ Customs duty: 88
- ✓ Flat-rate minimum tax (IMF): 76.96%.
- ✓ IT fees: 73.6

In addition to the one-off royalty and dividends, **SNIM**'s largest safe contributions are :

- ✓ Tax on oil consumption: 99.6%.
- ✓ Significant payment flows: 99.2
- ✓ Value added tax: 97.3
- ✓ Tax on Income from Transferable Securities (IRCM): 89%.

As for **MCM**, it emerges in the following sections:

- ✓ Tax on BCs (including advance payments): 100%.
- ✓ Corporation tax (IS, ex BIC): 100%.
- ✓ Corporate gross margin tax: 97.5%.

It should be noted that the reconciliations we have carried out with TMLSA have enabled to arrive, by mutual agreement, at a summary of the data from the DGTCP (DW), the total amount of which declared on behalf of TMLSA amounts to **MRU 3,607,016,827.** On this basis, there is a difference in relation to the total amount declared by TMLSA, which amounts to **MRU 3,585,671,674.** This difference (0.59%) arises mainly from the following sources: i) exchange rate differences in the payment of royalties which are made in dollars (TMLSA declared an MRU amount using an exchange rate of 36) and ii) certain payments to the DGD for which TMLSA had not received receipts.

Table 9: Analysis of contributions by heading and by company in 2022

Flow 2022 (MRU)	SNIM	TMLSA	MCM	TOTAL	SNIM	TMLSA	MCM
Flat-rate minimum tax (IMF)	590 971	455 583 019	135 792 469	591 966 459	0,10%	76,96%	22,94%
Other customs taxes	364 455	2 990 853	43 777	3 399 085	10,72%	87,99%	1,29%
Other significant payment flows	57 523 065	455 566	0	57 978 631	99,21%	0,79%	0,00%
SNIM dividends	11 150 536 950	0	0	11 150 536 950	100,00%	0,00%	0,00%
Customs duties	4 343 092	273 484 657	961 260	278 789 009	1,56%	98,10%	0,34%
Impôt sur le Revenu des Capitaux Mobiliers (IRCM) (+)	1 238 948 550	154 905 635	0	1 393 854 185	88,89%	11,11%	0,00%
Tax on salaries and wages	1 474 583 613	812 304 841	277 593 669	2 564 482 123	57,50%	31,68%	10,82%
Single annual fee (gross amount)	2 847 068 671	0	0	2 847 068 671	100,00%	0,00%	0,00%
IT fees	0	1 564 800	561 000	2 125 800	0,00%	73,61%	26,39%
Statistical fees	242 970	3 234 600	49 196	3 526 766	6,89%	91,72%	1,39%
Corporate gross margin tax	516 195	0	19 965 484	20 481 679	2,52%	0,00%	97,48%
Tax on oil consumption	1 933 098	759	5 198	1 939 055	99,69%	0,04%	0,27%
Value added tax	2 303 095 293	62 511 027	884 403	2 366 490 723	97,32%	2,64%	0,04%
Tax on imported tonnage	0	25 598 850	0	25 598 850	0,00%	100,00%	0,00%
Special tax	0	110 268 559	0	110 268 559	0,00%	100,00%	0,00%
Operating fee	0	1 702 473 581	215 721 886	1 918 195 467	0,00%	88,75%	11,25%
Corporation tax (IS, formerly BIC)	0	0	764 136 656	764 136 656	0,00%	0,00%	100,00%
Tax on BCs (including advance payments)	0	0	261 572	261 572	0,00%	0,00%	100,00%
TOTAL	**19 079 746 921**	**3 605 376 747**	**1 415 976 570**	**24 101 100 238**	**79,17%**	**14,96%**	**5,88%**

For the hydrocarbons sector :
The FNRH is contributing less and less to the State's resources, with a decline of 23.39% in 2022. More than half of the FNRH's income in 2022 will come from penalties (51%), followed by ITS (14.6%) and the sale of seismic data (8.3%), but the figures had not yet been confirmed by the Court of Auditors or an external auditor at the time of our intervention.

4.9.4 Public management of extractive sector revenues

The principles of public accounting (a single cash register and separation of authorising officers and accountants) mean that all revenues from the extractive sector must be paid into a single government fund. Finally, revenues from the sector are an integral part of overall revenues and are used to cover government expenditure without any traceability or oversight of budget allocations. As a result, the benefits to the population are closely linked to the rationalisation of budgetary choices and the effectiveness of spending with a view to results-based management.

To make the most of revenues from the extractive sector, public authorities need to be aware of the non-renewable nature of extractive resources and manage revenues very rigorously, from the negotiation of contracts, to their implementation, to judicious allocation of budgetary appropriations, to systematic a priori and a posteriori control of the entire monitoring process and, if necessary, to sanctions that need to be brought to the attention of the public.

Before analysing State budget allocations, we thought it would be useful to give brief overview of the performance of public finance management in Mauritania. Analyses of performance using the PEFA methodology[47] and our findings highlight the following main shortcomings: i) the reliability of certain data needs to be verified; ii) the weakness of budget forecasts is evidenced by the almost systematic use of amending laws to finance bills; and iii) the significant gap between actual performance and initial forecasts[48] .

Budget allocations are a relevant indicator of national priorities. The settlement law that has just been adopted (August 2023) reveals[49] that the Ministry of Defence is the one that benefits from the largest share of the BGE with 12.42% of overall expenditure, on a par with National Education, the two ministries combined[50] (12.39%). The Ministry of the Interior follows that of Health with 7.96% and 6.49% respectively. The technical ministries responsible for agriculture, fisheries, infrastructure, housing, urban planning, water and sanitation together account for 18.5% of budget expenditure. It should be noted that servicing the public debt will take up nearly 10% of the 2021 budget.

The economic classification of public expenditure in 2021 shows that operating expenditure accounted for 63.75% of the total budget executed, while capital expenditure, special treasury accounts and amortisation accounted for 28.33%, 2.1% and 5.99% respectively (2021 Settlement Act).

[47]Public Expenditure and Financial Accountability, Report, June 2020
[48] The 2021 Budget was 88% implemented according to the Settlement Act approved by Parliament.
[49] According to our calculations
[50] From Ministry of Education and the Ministry of Higher Education

Beyond allocation of resources, the issues that need to be addressed by public authorities concern **effectiveness, efficiency, equity and sustainability of achievements and interventions. An effective system for monitoring and evaluating development projects, programmes and policies needs to be put in place.** Indeed, how can we be demanding of taxpayers without being demanding of the management of public spending?

5.2 Comparisons and reconciliations

Analysis of the data from the above analyses has enabled a comparison to be made between the revenues legally expected and those actually received.

5.2.1 Reconciliation company and government declarations

The table below shows the discrepancies between the payments systematically disclosed by the government on the one hand and by the extractive companies in operation (mainly mining companies) on the other. There is a 19% discrepancy between what is declared by MCM and the services of the Ministry of Finance. After verification and tallying, it was found that this discrepancy was essentially due to the omission of the SIT by MCM. The other discrepancies are below the tolerance threshold.

Table 10: Reconciliation of payments declared by companies and the State

Companies	Declarations payments by companies (MRU)	State declarations (MRU)	Differences		Adjustments made
			MRU	%	
SNIM	19 079 746 921	19 043 886 146	35 860 775	0,19%	Not significant
TMLSA	3 605 456 827	3 586 127 241	19 329 586	0,54%	Not significant
MCM	1 423 160 075	1 154 384 785	268 775 290	**19%**	Carried out in agreement with MCM

As a result, the above table has been restated as follows:

Table 11: Adjustments to discrepancies identified

Operator	State declaration (MRU)	Operator declaration (MRU)	Difference (MRU)	As a % of
SNIM	19 079 746 921	19 043 886 146	19 329 586	0,1%
TASIAST MAURITANIA LIMITED SA	3 605 456 827	3 586 127 241	35 860 775	0,9%
MCM	1 423 160 075	1 408 148 923	15 011 152	1%
TOTAL	24 108 363 823	24 038 162 310	70 201 513	0,2%

Box 11: Information on the FNRH

Revenues collected from oil companies are paid into the FNRH account. Management of this fund has been delegated by the Minister of the Economy and Finance to the Central Bank of Mauritania (BCM), under an agreement signed by the two parties and approved by the Council of Ministers on 10 May 2006. The Governor of the BCM is the authorising officer of the FNRH.
Pursuant to Article 10 of Law 2006/008 creating the FNRH, the Cour des Comptes annually audits the accounts and management of the FNRH. Its report is annexed to the general declaration of conformity, but the report for 2022 was not yet available at the time of our intervention. addition, Article 11 stipulates that this fund shall be audited at the end of each year by an independent audit firm of international repute, recruited on the basis of a call for tenders by the Minister for the Economy and Finance.
The audits for 2021 and 2022 have not yet been carried out and those for previous years have not been made public. There is no formal policy governing the management of the FNRH account.

At the level of the FNRH, we noted inconsistencies between the various declarations. Admittedly, these relate to small amounts in relation to overall income, but it is necessary to gain a better understanding of the various components of the amounts declared (tax and non-tax contributions from oil companies, the case of the GTA project). The figures differ from one source to another. Only the DGH has produced a note of clarification, but it is not the source of all the amounts included in the FNRH. The table below gives an overview of the differences in the amounts according to their source and compared with the figure declared by the DGTCP (MRU 1.571 billion).

Table 12: Change in FNRH revenues by source

Sources	Amount in MRU	Difference	Differences (%)
Changes in the balance of the FNRH account	1278203591	-293774656	-17,97%
DGH (excluding ATM and taxation)	1136537820	-435440427	-26,63%
Analysis of payment flows (all-inclusive)	1571978247	0	0,00%

We then went back over all the data to reconcile them and came to the following conclusions.

a) Data posted by the DGH by flow :

Table 13: DGH figures

Heading	Amount in MRU
Area royalties	7 087 619
Training funds	68 270 553
Environmental Commission	51 764 464
Capacity building	60 970 160
Signing bonus	37 860 000
Penalties	832 920 000
Sale of seismic data	136 386 170
Total 1	**1 195 258 966**

b) Tax revenue by flow :

Table 14: Tax revenue from the hydrocarbons sector

Flow	Amount (MRU)
Special tax	7 274 163
Tax on salaries and wages	100 382 800
BIC	8 196 566
Flat-rate minimum tax (IMF)	2 802 381
Other significant payment flows	263 608
Total 2	118 919 520

c) Revenue from the GTA special scheme :

Table 15: GTA special scheme revenue

Flow	Amount (MRU)
BIC Special scheme GTA	173 450 236,00
ITS Special scheme GTA	130 087 779,00
Total 3	303 538 015,00

Total income from the hydrocarbons sector :

Table 16: Summary of revenues from the oil and gas sector

Total	MRU amount
Total 1	1 195 258 966
Total 2	118 919 520
Total 3	303 538 015
1+2+3	1 617 716 501

In conclusion, payments by operators accounted for in the FNRH amount to MRU 1,177,035,869. Compared with the total amounts from the hydrocarbons sectorthere is a difference of MRU 440,680,632, paid by oil operators but not accounted for in the FNRH.

5.2.2 Reconciliation between contractual rights and rights collected

Based on the experience of the previous report (2020-2021), we have drawn up the table below, which summarises the results of the reconciliation between the contractual entitlements as issued by the technical services (provided for in the agreements) and the actual collections at the level of the public treasury. The table below summarises the results.

Table 17: Reconciliation between established entitlements and cash received by the Treasury

Rights issued by technical services (MRU)		**Cash received by the Treasury, including FNRH**	**Differences**	
			MRU	%
DGI	8780053624	8511011410	269042214	1,04%
DGM	27749200	27749200	0	0
DGH	1136537820	1136537820	0	0
DG Domains	1947984016	1947984016	0	0
SNIM dividends	11150536950	11150536950	0	0
DGD	3328909614	3328909614	0	0
GTA special scheme	303538015	303538015	0	0
Total DGTCP	26675309239	26406267025	269042214	1,04%

The reconciliations carried out show that the resulting differences are below the tolerance threshold approved by the CNITIE.

5.2.3 Tax harmony and fairness

Taxes paid by each of the three mining companies in respect of the 2022 financial year are summarised in the table below. Examination of the table shows that the tax regime varies significantly from one company to another, and that only the ITS (paid by employees) is collected by all three companies. IRCM is paid by SNIM and TMLSA; RSI is paid by MCM and TMLSA; IMF by SNIM and TMLSA; TU and VAT are paid by SNIM only, while IS (ex BIC) is paid by MCM only.

There is therefore considerable heterogeneity in the mining tax system, which can introduce major distortions and obstacles to competition and hence to optimal allocation resources. This heterogeneity can be seen in the tax data (see table below and EITI 2020-2021 report).

Notwithstanding these considerations, the table below shows that in terms of tax contribution SNIM brought in almost two thirds of its revenue to the State.

However, the tax data collected from the DGI, which are reported below, have prompted comments from SNIM.

SNIM's comments focused on :

- The amount declared and paid by SNIM in respect of deductions (ex IMF PR) is MRU 62,558,842 instead of MRU 57,523,065.
- The amount declared and paid by SNIM as VAT is MRU 2,270,189,572 instead of MRU 11,330.

The Directorate General of Taxes (DGI) has issued following clarifications:

- Under the SNIM agreement, only 10% of the IRCM is paid to the DGI, with the remainder going to the Treasury (DGTCP).
- SNIM declares deductible VAT to the Directorate General of Taxes, which deducts it from the amount of the single tax (TU). This amounted to MRU 1,680,784,511.
- The amount of MFI deductions deducted in advance and paid to the DGI for the 2022 financial year is MRU 57,523,065.
- The amount of the single tax (TU) provided by the DGI is in fact the net amount of the tax.
- SNIM should provide supporting documents (receipts) for an amount of MRU 62,558,842, in order to carry out the necessary reconciliations.

If we take into account the figures put forward by SNIM, its tax contribution represents 71.4% of the total () compared with 18.85 and 9.75% respectively for MCM and TMLSA.

Box 12: Summary changes in SNIM's tax regime

SNIM is governed by a special agreement signed on 23 December 1998 between the Mauritanian government and the mining company for a period of 20 years from 1 January 1999. The agreement gives the company management autonomy and freedom to import. On 27 March 2018, the agreement was renewed for an additional period of 20 years from 01 January 2019.
The one-off tax offsets all tax payable on profits for the year. It is an annual fee equal to 9% of FOB turnover from iron ore exports.
The agreement was amended by a rider signed in December 2008 relating to the basis of assessment of the single tax. Under the terms of this amendment, the single tax is equal to 9% of the FOB turnover from the export of iron ore plus the amount of demurrage. In addition, SNIM pays an annual lump sum 80 million ouguiyas, which represents total amount of tax compensation and benefits in kind granted by SNIM to its staff.
The agreement exempts SNIM from the payment of all customs duties and assimilated taxes, all taxes, duties, taxes and royalties of all kinds, relating to all its products, and to all mining and hydraulic research activities, as well as from all payment of customs duties and assimilated taxes on all equipment, materials, supplies and consumables imported by companies and their subcontractors and intended for work carried out on behalf of SNIM.
Amendment No. 1, signed on 19 June 2001, VAT and SNIM liable for this tax. Under the terms of this amendment, the company is subject to Value Added Tax on the supply of goods and services not directly related to industrial and mining operations.

Table 18 Comparative tax data for mining companies in 2022

Heading	Legal reference (New CGI-Conventions)	Payments made in MRU		
		SNIM	MCM	TMLSA
EX DEDUCTIONS (IMF PR)	Article 131 of Law 2019-018 (CGI)	57 523 065	0	455 566
ITS	Article 109 et seq. of Law 2019-018 (CGI)	1 474 583 613	277 593 669	812 304 841
TU	Articles 23 and 24 of the SNIM special agreement	2 847 068 671	0	0
IRCM	Article 119 et seq. of Law 2019-018 (CGI) and article 21 of the SNIM agreement	1 238 948 550	0	154 905 635
IS (ex BIC)	Article 1 of law 2019-018 (CGI) and article 3.7.C of the MCM agreement	0	764 398 228	0
RSI	Article 132 of Law 2019-018 (CGI)	0	1 041 991 897	110 268 559
VAT	Article 19.2 of the SNIM agreement	11 330	0	0
Total		5 618 135 229	2 083 983 794	1 077 934 601
%		63,99%	23,74%	12,28%

Source: DGI

Table 19: Figures adjusted to take account of SNIM data

Heading	Legal reference (New CGI-Conventions)	Payment made in MRU		
		SNIM	MCM	TMLSA
EX DEDUCTIONS (IMF PR)	Article 131 of Law 2019-018 (CGI)	62 558 482	0	455 566
ITS	Article 109 et seq. of Law 2019-018 (CGI)	1 474 583 613	277 593 669	812 304 841
TU	Articles 23 and 24 of the SNIM special agreement	2 847 068 671	0	0
IRCM	Article 119 et seq. of Law 2019-018 (CGI) and article 21 of the SNIM agreement	1 238 948 550	0	154 905 635
IS (ex BIC)	Article 1 of law 2019-018 (CGI) and article 3.7.C of the MCM agreement	0	764 398 228	0
RSI	Article 132 of Law 2019-018 (CGI)	0	1 041 991 897	110 268 559
VAT	Article 19.2 of the SNIM agreement	2 270 189 572	0	0
Total		7 893 348 888	2 083 983 794	1 077 934 601
%		71,40%	18,85%	9,75%

Sources: DGI/SNIM

In terms of tax fairness, and in the light of the data in the table below, it is fair to ask why a small company like MCM pays more tax in proportion to its sales (32%), while SNIM pays less than 12% and TMLSA (Tasiast) contributes only 3.1% of its declared sales in 2022.

Table 20: Tax contributions and turnover

Financial year 2022 (in billion MRU)	Sales figures (1)	Tax contribution (2)	(2) / (1)
SNIM	47,2	5,618	11,90%
TASIAST (TMLSA)	34,546	1,077	3,12%
MCM	6,494	2,083	32,08%

Conclusions:

Revenues from the extractive sector in Mauritania in 2022 will come mainly from the mining sector (93.65% in 2022 compared with 85% in 2021) and secondarily from a few hydrocarbon exploration royalties (6.35% of revenues declared in 2022). The two sources of revenue brought in MRU 25.807 billion for the Mauritanian government, collected by the Treasury, including the FNRH, which was set up to receive revenue from the hydrocarbons sector. The State may use it to cover budget charges (withdrawals).

The mining sector contributed 29.78% of government revenue in 2022. More than half of this revenue comes from SNIM (mainly dividends and the single annual tax). All revenues from the extractive sector are paid into the Treasury to cover government expenditure, with no pre-determined allocation to take account of the non-renewable nature of the resource.

The reconciliations carried out have revealed anomalies, most of which have been rectified. They have all been reported, but tax harmony and fairness need to be examined more closely and any distortions corrected.

6 Follow-up to recommendations made before 2022

For the sake of clarity, we review the IA's recommendations issue period before offering opinions on the level of implementation.

6.1 Follow-up to recommendations made before 2020

Recommendations	Current situation	Comments
Recommendations for financial authorities		
Periodic reconciliation of flows between the Treasury and reporting companies	Periodic publications on the Treasury website (tresor.gov.mr) are a source data to be exploited by the CN-ITIE. A systematic data disclosure system has been put in place. It is applied in part.	
Reduce discrepancies between customs export declarations and those of extractive companies	Differences not analysed	
Issuing receipts for the FNRH	Payments to the FNRH are made in the form of treasury receipts (internal) not forwarded to the parties concerned.	
Recommendations to the Ministry of Petroleum, Energy and Mines		
Harmonising the legal framework for the mining sector	The DGM confirmed that the overhaul of the mining code has been underway since 2019 and that the draft is available. The finalisation process is underway.	The draft texts include the following points: Revision of the texts applicable to the mining sector as a whole ; Incorporation of all revisions to the mining code in a single legislative text; Introduction of all activities likely to be carried out in Mauritania, in order to cover the entire mining chain, including the artisanal mining sub-sector; Removal of inconsistencies between different texts; and Adoption of implementing legislation for harmonised mining laws.
Updating the Mining Policy	The updated mining policy was drawn up and approved in May 2021, but little progress has been made since then.	A commission has been set up and the DGM promises that it will be adopted before the end of the year.

Improving the state of the mining register	The decree is supposed to put an end to the opacity of the opening.	There is still room for improvement including **content** and **updating**. Corrective measures are underway (DGM).
Set up a database on the extractive sector (geo-portal), including a list of operators active in the sector	The texts relating to the legal, fiscal and institutional framework and a signed note on the policy for publishing contracts are on the Ministry's website and that of the CN-ITIE, along with a presentation of the sector in terms of blocks and potential. A note describing the petroleum licensing process is available on the Ministry's website. A database containing most of information on companies operating in the extractive sector is available.	The list of mining title holders is published, but the database portal is not updated regularly. The DGM said that the portal was being improved to make it an effective promotional tool.
Other recommendations		
Assessing breaches of licensing and compliance with contractual clauses	No significant progress. No action has been taken on this recommendation.	
Catching up with the implementation of the real estate roadmap	New regulations adopted in February 2022	The CN-ITIE Mauritania is undertaking efforts to achieve an effective system for implementing requirement 2.5.
Regularly publish detailed statistics on the number of people employed in the extractive industries in Mauritania	There are also differences in the figures depending on the data source (BCM, ANSADE (ONS), World Bank, IMF). It is advisable to unify estimates or refer to the same source unless it is unreliable. Recommendation not met	

6.2 Follow-up to the recommendations of the 2020-2021 report

N°	Recommendations	Status of implementation in 2023	Assessment[51]
1	Bringing together the main data sources to discuss the definitions, concepts and contours of the variables to be To provide information and relevant indicators for EITI reporting	Contacts have been made separately with the players	
2	Include the CNSS in the scope of data collection bodies (declarations of formal employment to the CNSS) to overcome the shortcomings of the NSS	action has been taken	
3	Introduce constraints on use of FNRH funds to encourage productive investment and social infrastructure.	No further information	
4	Introduce constraints on the use of revenue from polluting sectors	No further information	
5	Experiment with other methods, such as separation by gravity, if conclusive, and implement the necessary measures.	No further information	
6	Carry out a tax modelling study (TEMI) with the aim of simulating and targeting, through a model of A "fair sharing of the mining rent" before the agreements are signed.	No further information	
7	Implement a local content policy based on an appropriate strategy	Study carried out	
8	Further simplifying and standardising the tax system in the extractive industries	No further information	
9	Introduce technical and economic eligibility criteria for mining applicants	Mentioned in the text amending the decree on mining titles and taken into account in the current revision of the legal framework	
10	Provide reporting parties with a template for tables in line with EITI requirements and reports	Models featured on the DW	
11	Reviewing the system of governance to promote transparency and entrepreneurship, away political interference.	No data available	
12	Improve compliance with the profile of auditors in accordance with the profession, the transparency of their choice, publication of reports and their evaluation, and thus encourage the emergence of a culture of accountability. Reorganise the accountancy profession.	No further information	
13	Stakeholders must publish the audited accounts for year n-1 at the end of the 1st quarter of year n.	Significant progress	
14	Continue efforts to raise awareness and put pressure on responsible.	Produced by CN-ITIE	

[51] The colours are to be interpreted as follows: yellow: in progress; orange: no progress and blue: well on the way.

6.3 Opinions of IA on the consideration of previous recommendations

A timid start has been made on implementing some of the recommendations, but there is a need to combat administrative procrastination and step up the pace. As far as local content successes are concerned, we have to recognise that they depend on a complex interaction between public policies, local economic conditions and external factors linked to the dynamics of the extractive sector at global level. The political will exists, but making significant progress is another matter...

7 The IAs findings and opinions on 2022 financial year

The opinions expressed by the Independent Director are based on the findings and conclusions drawn from the analyses of the data and information contained in the preceding chapters. These findings and opinions relate in particular to compliance with EITI requirements and the assessment of the completeness and reliability of the data collected and analysed.

7.1 On completeness and reliability of the data collected

Assessing the completeness and reliability of financial data :
Progress has been made in terms of the response rate to the EITI questionnaire on the DW platform and compliance with deadlines, as shown in the summary table below on data collection. Most of the reporting parties posted the requested information before our intervention. However, this information had to be supplemented and additional information sought that could have been included in the questionnaire. This mainly concerned disaggregated data, particularly on income, social expenditure and employment. The table below summarises the type of information and the dates of submission of responses from the main companies and state entities within the scope of the survey

Table 21: DW reporting entities

Entities concerned	Nature of declarations	Date of DW submission	Comments
DGI	Fiscal financial flows (U.T., VAT, ITS, IRF, IRCM, IS, IMF, etc.)	20.06.2023	2022 data 100%
DGD	Financial flows from exports (duty on customs, DFI, VAT, IMF, statistical and IT fees), etc.	28.05.2023	2022 data
DGTCP	State revenues (surface royalties and operating royalties)	30.05.2023	2022 data
DGH	Non-tax oil revenues	10.07.2023	2022 data
DGM	Data on production and exports	03.08.2023	2022 data
SNIM	Financial flows, production and exports	27.04.2023	2022 data
MCM	Financial flows, production and exports	26.04.2023	2022 data
TMLSA	Financial flows, production and exports	06.07.2023	2022 data
SMH	Cash flow	20.06.2023	2022 data

A summary of the work carried out by the IA :
The tables were designed to meet the requirements of the EITI standard and additional data had to be sought from other sources and cross-checked. Discrepancies were observed in the declarations sent to the IA. Their analysis made it possible either to rectify them or to seek their origins through a more detailed disaggregation. On the whole, their impact on the completeness of the report can be considered insignificant.

Limitations of the assessment :
Declarations have become routine for most parties, facilitated, it is true, by the DW, but reconciliation with accounting data is hampered by the terse nature of most auditors' reports and the difficulties of obtaining disaggregated data that meet the requirements of the analysis. In addition, the exhaustive reconciliation of data, in particular contractual rights with actual receipts, is still limited by procedural and accounting constraints (imputations and nomenclatures). There is still much progress to be made in this area.

7.2 On compliance with EITI requirements

7.2.1 Requirement 1: Supervision by the multi-stakeholder group

The government's commitment is evident in its financial support for the national committee and the dynamism of its chairman. On the other hand, there is less corporate commitment. As for the commitment of civil society, it is real but suffers from the structural inadequacies of non-governmental organisations in the Mauritanian context. For its part, the multi-stakeholder group functions fairly well thanks to the dynamism of some of its members. It meets regularly, approves its annual work plan and, as best it can, monitors and assesses compliance with the requirements in a restrictive environment.

7.2.2 Requirement 2: Legal and institutional framework, contracts and licences

Requirement 2.1 :
The description of the legal framework and fiscal regime applicable to the extractive industries sector, including the role of the various state entities, has not undergone any major changes, apart from what is mentioned in this report. It can be consulted in the EITI2019 report (sections 3.1.2 and 3.2.2) and on the Ministry's website (Mauritania - Ministère du Pétrole, de l'Energie et des Mines (petrole.gov.mr).
Changes in mining regulations :
The first Mining Code (1977) governed both the mining and oil and gas sectors. It was replaced by the 1999 code, which is specifically dedicated to the mining sector. It is accompanied by a standard mining agreement, which sets out the legal and financial conditions in countries considered to be "often threatened by the breakdown of the constitutional order". It will be replaced by the 2008 Code, which takes into account the lessons learned from the application of the 1999 Code over a decade. It will be amended as follows:

- ✓ In 2009, to introduce a mandatory 10% state shareholding in the capital of operating companies, free of all charges, and an optional 10%;
- ✓ In 2012 to: i) introduce a dynamic royalty, indexed to the spot price on international market; ii) reduce the surface area and iii) adopt a Standard Mining Agreement with additional benefits for the State;
- ✓ In 2014 to: i) restore the mining prospecting regime; ii) reduce the surface area of exploration permits; iii) amend the quarrying regime; iv) list the activities that are and are not exempt from VAT; and v) define the place and role of subcontractors.

Implementation of the legal framework and the tax system is sometimes problematic, due to structural shortcomings linked in particular to human capacity and the lack of deterrent mechanisms (controls followed by sanctions). In addition, the website of the Ministry responsible for mines was not up to date at the time of our visit, and few, if any, checks are carried out to ensure that the lists published on the online portal include all the amendments and annexes to the texts. This is clearly not the case.

It is regrettable that the gold panning sector is not included in the scope, but information on its supervision and a description of the role played by the public establishment MAADEN have been developed above in section 2.9.2.

As already mentioned in 2.9.1**, the hydrocarbons sector** saw the promulgation of Act No. 025-2021, supplementing and amending certain provisions of Act No. 2010-033 of 20 July 2010, as amended, in order to fill the legal void relating to promotional zones[52].

Requirement 2.2: The award of contracts and licences

The procedures for granting licences for mining and quarrying permits are clearly defined by the amended 2008 Mining Act and its implementing regulations.

The applicant submits to the Mining Registry the official application form, duly completed, together with supporting documents in Arabic or French, including in particular the information set out in the texts in force[53] : It should be noted that Article 86 (mentioned above) is subject to various interpretations within the administration. This sometimes results in a refusal to grant an operating licence, which must be granted as of right under section 41 of the 2008 Act, even before the operator's capabilities have been assessed. This situation should be clarified when the legal framework is overhauled.

In terms of the application of legislation, there have been minor in past of non-compliance with the order of registration, due to the size of the operator (De Beers, Rio Tinto, etc.), but on the whole, the procedure is respected.

The situation improved with the adoption of Decree 2023-048, which clarified the technical and financial criteria awarding permits and the minimum financial commitment required to start a mining research project. The DGM has published a note on the granting of permits through the tendering procedure on the CN-ITIE website (http://www.cnitie.mr/itie-fr/images/textes/Note-relative- a-loctroi-des-permis-par-la-procedure-lappel-doffres.pdf.)

All the procedures in force for the mining cadastre and the granting of permits can be consulted at the following link: Mauritania - Ministère du Pétrole, de l'Energie et des Mines (petrole.gov.mr).

[52] Not included in the Hydrocarbons Code

[53] See Article 15 (new) in the amended Mining Titles Decree 2009 and Article 14 (new) in 2023; the rest of the procedure is described in Articles 15 to 25 of the Mining Titles Decree 2008.

If the new regulations were applied rigorously, this would introduce greater transparency into the management of mining and quarrying permits, and fairer treatment between permit applicants. To ensure this, it will be necessary to carry out periodic verifications. The CN-ITIE has not so far undertaken a periodic assessment of the current system for granting licences/permits because of the scale of the urgent tasks and human resources shortages, but the issue is a real concern.

It should be noted, however, that progress in terms of rigour has been observed in the new approach aimed cleaning up the mining cadastre. Applicants or holders of mining titles were invited to complete their files and pay the fees within a period set by the decree governing the granting of mining titles (from 7 to 14 days). Those who did not react within the deadline had their permits cancelled without concession.

No mining or exploration licences/permits, including renewals, were granted or transferred during the period under review (2022), but two black sand mining permits were granted in May 2023 to Haïtian Mining Mauritanie.

An analysis of the 24 exploration licences in force at 31/12/2022 shows that half were granted in a single year: 2019[54]. They concern iron ore (3), gold (19), uranium (1) and black sand (1).

Of the 37 permanent quarries in force at 31/12/2022, 84% were granted in 2018 and 2019 and only two in 2022. Almost 80% of these are gypsum quarries. Limestone, granite and kaolin account for 3; 3 and 1 unit respectively.

For the hydrocarbons sector, the licensing process can be consulted on the Ministry's website (http ://www.cnitie.gov.mr/images/textes/Matrice- Criteres-Techniques-et-financiers-Secteur-Petrolier-Avril-2020-vf.pdf). In addition, the sector has undergone regulatory changes that came into force in 2022. These are Law No. 25-2021, published on 15 March 2022, supplementing and amending certain provisions of Law No. 2010-033 of 20 July 2010, as amended. These amendments relate exclusively to promotional zones.

Requirement 2.3: The register of licences is available and has been communicated to us. They are updated. They show the list of licence holders and the map of oil blocks with the dates of application and granting for the mining sector. For more details, please visit: Mauritania - Ministère du Pétrole, de l'Energie et des Mines (petrole.gov.mr).

However, the online cadastres (https://portals.landfolio.com/Mauritania/fr/) had not been updated at the time of our intervention.

Requirement 2.4 concerns contracts and licences

The list of current contracts gives an indication of which are accessible and which are not. Below are links to the websites where the contracts are published:

http://www.cnitie.gov.mr/index.php/fr/contrats

https://resourcecontracts.org/countries/mr?page=1.

The contract disclosure policy can be consulted at:

http://www.cnitie.gov.mr/images/textes/Note-sur-la-politique-du-gouvernement-- disclosure-of-contracts.pdf.

A complete list of special agreements for mining operators can be found by clicking on the following link: https://www.petrole.gov.mr/spip.php?article751

The link below leads to the CEP (Exploration/Production):

https://www.petrole.gov.mr/spip.php?article692

[54] Mainly in July and August

A reconciliation of tables 24 and 25 of the mining and oil cadastres with the contracts actually published reveals shortcomings, no doubt linked to inadequate updating.

Requirement 2.5 on Effective Ownership is the most worrying. Although Decree No. 2023-048 is supposed to settle the issue for the future, difficulties persist at the level of certain companies in the perimeter, including those in the oil and gas sector, insofar as access to detailed information has not always been easy, if not impossible. However, links to the oil operators' stock exchanges are available on the MPME website.
Clicking on the link below will take you to the declaration of beneficial ownership form on the Ministry of Petroleum website: https://petrole.gov.mr/IMG/xlsx/copie_de_formulaire_mis_a_jour_proprietaire_effectif_et_legal_1_.xlsx. This link leads to the list of operators listed on the stock exchange with their links to the stock exchange filing published systematically on the Ministry's website: https://petrole.gov.mr/IMG/xlsx/lien_vers_les_informations_des_societes_petrolieres_operant_en_mauritanie_cote_bourse-2.xlsx
The CNITIE Mauritanie sought to collect data on the beneficial ownership of all companies in the sector (in and out of the perimeter, mining and oil, exploration and production) through forms that were shared with most of the players, but the responses were very limited (). The information requested includes identity, nationality, country of residence and PPE identification.
It should be noted that the current legal framework for beneficial ownership does not cover the oil sector. It is nevertheless necessary to complete the disclosure of the beneficial owners of extractive companies, through a register containing the information required by the EITI standard, including for listed companies whose links are reproduced below.

Company name	Stock exchange	Link to the documentation to be filed with financial authority or stock exchange
Yes (Tullow Oil Plc) is listed on the stock exchange	London stock Exchange Irish stock Exchange Ghana stock Exchange	https://www.londonstockexchange.com/exchange/prices-and-markets/stocks/exchange- insight/company-news.html?fourWayKey=GB0001500809GBGBXSSMM
Total E&P Mauritania Block C9 BV	N/A	N/A
Total E&P Mauritania Block Ta29 BV	N/A	N/A
Total E&P Mauritania Block C18 BV	N/A	N/A
Total E&P Mauritania Blocks DW BV	N/A	N/A
Total E&P Mauritanie SAS	Paris Bourse (CAC 40)	N/C
Kosmos Energy Mauritania	New York Stock Exchange	https://www.sec.gov/cgi-bin/browse-edgar?company=Kosmos+Energy&owner=exclude&action=getcompany
BP	London stock Exchange	https://www.londonstockexchange.com/exchange/prices-and-markets/stocks/exchange- insight/company-news.html?fourWayKey=GB0007980591GBGBXS ET1
EXXONMOBIL MAURITANIA (C-17) B.V. BRANCH	New York Stock Exchange	https://www.sec.gov/cgi-bin/browse-edgar?CIK=XOM&Find=Search&owner=exclude&action=getcompany
EXXONMOBIL MAURITANIA (C-14) B.V. BRANCH	New York Stock Exchange	
EXXONMOBIL MAURITANIA (C-22) B.V. BRANCH	New York Stock Exchange	
Shell Exploration and Production Mauritania (C10) Branch	London stock Exchange	https://www.londonstockexchange.com/exchange/prices-and-markets/stocks/exchange- insight/company-news.html?fourWayKey=GB00B03MM408GBGBXSET1
Shell Exploration and Production Mauritania (C19) Branch		

Requirement 2.6: The State's stake in the capital of companies in the extractive sector is summarised in the table in Appendix 9.2.9.

Apart from SMH (100% owned), the State's involvement in the extractive industries is currently limited to its majority shareholding in SNIM (78.35%) and indirectly in its subsidiaries. With SMH in deficit, only SNIM has generated significant revenues, paid royalties (TU) and other expenses[55]. It also distributed the dividends mentioned above.

SNIM has twenty subsidiaries, only six of which paid dividends in 2022 (MRU 104 million) for cumulative losses of MRU 341 million. During the same year, the increase in the "Equity interests item concerned: MAIL for MRU 495 million and ENCO (MRU 1.2 million) and the "Subsidiary loans item recorded four interventions relating to: i) drawings on the shareholder advance granted to EMC for MRU 109 million; ii) shareholder advances in favour of TKAMUL for MRU 109 million; iii) shareholder advances in favour of: GIM 12.7 MMRU; GMM 6 MMRU and IQAR (3.6 MMRU)[56].

SNIM's financial statements at 31/12/2022 show that non-current financial assets (loans and advances) include the NAJAH loan[57], relating to the tripartite agreement (State, SNIM and NAJAH) under which the State undertakes to pay SNIM the balance of the loan and NAJAH undertakes to carry out certain works on behalf of the State. The total (including loans and advances granted to the company's employees) is estimated at 69,057 MMRU.

The State's shareholding in companies generating significant payments will remain unchanged in 2022. However, the CN-ITIE will have to adopt a clear definition and identification of the SOEs concerned. In fact, the rules governing financial relations between the government and state-owned enterprises are theoretically defined by legal texts, some of which are common, but each enterprise was created by decree or by specific statutes[58].

The financial statements of SNIM and SMH had not been published on their respective websites at the time of our intervention. As already noted above, they sent to us but they are incomplete for SMH.

Box 13: SNIM debt rescheduled

Within the framework of the eighth Paris Club, which met on 08 July 2002, and following bilateral agreement signed between the Government of the French Republic and the Government of the Islamic Republic of Mauritania on 26 May 2003, the French debt rescheduled under debt relief agreements III, IV, V and VI is cancelled in favour of the Mauritanian State, as part of the HIPC (Heavily Indebted Poor Countries) initiative, SNIM's rescheduled debt relating to these debt relief agreements was reorganised by a memorandum of understanding signed between the Ministry of Finance and SNIM on 21 August 2003. This agreement defines the terms of payment to the Mauritanian State of SNIM's rescheduled debt, initially owed to the Banque de France and Coface. The total amount of this agreement (Agreement 8) is EUR 15,235,989.75, representing debt service from 30 June 2002 to 30 June 2019 under agreements III, IV, V and VI, including EUR 12,763,021.30 in principal (corresponding to the outstanding balance on these agreements) and EUR 2,472,968.44 in interest. The balance of this agreement is 117 MMRU at 31 December 2022 (Source: SNIM).

[55] See box on SNIM's tax regime
[56] SNIM statutory auditors' report
[57] Company which built the OUMTOUNSI Airport in Nouakchott
[58] You can consult the site: Home| Ministry of Finance

Box 14: SNIM: Retroceded debts

The EEC (European Economic Commission) has granted Mauritanian State a loan of €18 to finance the SNIM rehabilitation project, covered by agreement no. 4122/MAU of 19 July 1988 (SYSMIN I), under the ACP/EEC agreement signed in Lomé on 08 December 1984 and the EEC's indicative aid programme for Mauritania. This agreement provides for repayment of the loan over 30 years after a 10-year grace period. In addition, the European Union granted Mauritanian State a subsidy 45 million euros under agreement No.6589/MAU (SYSMIN III) dated 07 February 2003. The agreement provides for the retrocession of the subsidy in the form of a loan to SNIM for the renewal of the Nouadhibou mineral port. The SNIM used 34.14 million euros of this subsidy. As part of this retrocession, a tripartite agreement between the European Union, the Mauritanian government and SNIM defined the terms and conditions for retrocession and repayment of the loan. This agreement was signed on 14 March 2022 (source: SNIM).

7.2.3 Requirement 3: Exploration and production

Requirement 3.1: Exploration activities

The 2022 mining and petroleum cadastres are available (Appendix 9.2.2)

Requirement 3.2 : Production data

They are reported in Chapter IV for 2022 financial year (tables 9.2.3).

Requirement 3.3: Data on exports These are reported in Chapter IV (tables 9.2.4)

Requirement 3.4: Greenhouse gas emissions

Gas resources are believed to offer the potential to reduce oil imports and Mauritania's carbon emissions. In addition, investment has been made in renewable energy over the past decade, but oil-fired generation still accounts for three-quarters of the country's installed capacity and electricity production.

Mauritania's Nationally Determined Contribution (NDC) plans to increase the share of renewable energy to 50% by 2030 with the construction a 50 MW solar power plant (the "Desert to Power" initiative, the development of the Aman green hydrogen project and the expansion of the Nouakchott wind power plant from 30 MW to 50 MW). In addition, there are plans to build two gas-fired power stations of 200 MW and 300 MW to replace diesel plants. This will be facilitated by the fact that phase 1 of the GTA project includes a domestic supply obligation of 35 million standard cubic feet per day to power a 200 MW power plant. A recent study[59] estimates "a transition to gas-fired power generation would reduce carbon emissions by , or around 155,000 tonnes of CO2 per year, while significantly reducing electricity generation costs and increasing the potential for economic development".

TMLSA has approved a 34 MW solar project in Tasiast, which will supply 20% of the energy consumed on site. The project will be completed by the end of 2023.

7.2.4 Requirement 4: Revenue collection

Requirement 4.1: Full disclosure of taxes and revenues

A description of each revenue stream, with definitions and materiality thresholds, is provided in Chapter III. The calculation of the coverage rate of revenue disclosure by the government (data warehouse) and of the partial reconciliation exercise, on the basis of the data warehouse and the partial reconciliation exercise, is presented in Chapter IV.

[59] From sand to gas and green? Perspectives des secteurs du gaz et de l'hydrogène vert en Mauritanie, report commissioned by EITI/MRITIE with funding from USAID, October 2022.

On the basis of official information on the total amount of revenues, it was estimated that 97% and 100% of revenues were generated by mining and hydrocarbon companies respectively.

Requirement 4.2: Revenue from the sale of State production shares or revenue in kind

This requirement is not applicable in 2022 since oil activities have ceased.

Requirement 4.3: Provisions relating to barter infrastructures or agreements

There are no provisions relating to infrastructure or barter agreements with the extractive industries.

Requirement 4.4: Revenue from transport

There are no recipes of this .

Requirement 4.5: Transactions linked to state-owned enterprises

ANARPAM: in addition to the annual government subsidy, the agency receives USD1 million a year from TMLSA for training and capacity building, and USD100,000 from a KINROSS-TASIAST subsidiary (SENISA[60]).

Since its creation, SMH has received financial support from oil operators in the form "potentially repayable advances" article 21.1 of the CEP (exploitation and sharing contracts).

Requirement 4.6: Sub-national payments

No such flows

Requirement 4.7 : Ventilation level

It is considered satisfactory overall. At its meeting on 08 October 2019, the EITI NC decided that extractive companies and financial authorities should break down their EITI declarations by project as follows: i) for the oil and gas sector, payments will be broken down by oil block and ii) for the mining sector, payments will be broken down by mining licence.

Requirement 4.8: Data punctuality

Apart from a few delays and inaccuracies, there has been a marked improvement in punctuality over the last two years.

Requirement 4.9: Data quality and assurance

The quality of the data was assessed on the basis of the shortcomings reported in the report from the point of view of audit and control practices.

Requirement 4.10 : Project costs

The breakdown of costs by project is based on the assumption that the main companies declare a single project (operation of a licence).

7.2.5 Requirement 5: Management and distribution of revenue

Requirement 5.1: Distribution of revenue

A detailed breakdown of revenue is provided in Chapter V

Requirement 5.2: Sub-national transfers

No flows of this kind

Requirement 5.3: Additional information on income and expenditure

There are uncertainties surrounding Mauritania's economic outlook. These are linked to tensions in the Sahel region and the intensification of the fallout from the war in Ukraine. In addition, a global recession could reduce exports and revenues from the extractive sector[61].

According to IMF estimates, revenues from the extractive sector represent an average of 2.5% of GDP over the medium term. Using simplifying assumptions, however, the IMF estimates that the three resources (iron, gold and gas) can "sustainable revenues representing, respectively, 0.8%, 1.4% and 0.4% of GDP, which seems

[60] Société d'Extraction au Nord de l'Inchiri)

[61] Chinese growth is slower and there are fears of a property crash (around a quarter of Chinese GDP).

in line with past extractive industry revenues" (2022 report).

7.2.6 Requirement 6: Social and economic expenditure

Requirement 6.1: Social expenditure and environmental payments
They appear in Chapter IV, sections 4.4 and 4.5. The CN-ITIE defines these as compulsory and voluntary social expenditure. Mandatory social expenditure is expenditure in cash or in kind defined as such in the mining or petroleum contract. Voluntary expenditures are those made in application of corporate social responsibility (CSR) policies.
These are voluntary expenses provided in kind. They mainly benefit the populations of the mining sites and are entrusted by SNIM to the Fondation SNIM. In 2022, the SNIM transferred 600 housing units in the Zouerate area to staff.
Requirement 6.2: Quasi-fiscal expenditure
No mining company disclosed any quasi-fiscal expenditure. The SMH did not allow access to detailed accounts (explanatory notes) that would have made it possible to identify quasi-fiscal expenditure.
Requirement 6.3: Contribution of the extractive sector to the national economy
They are detailed in chapter IV and in the tables in appendix 9.2.5.
The employment data reported relates only to the direct jobs of the three mining companies, but if other jobs in other companies, indirect jobs and gold panning are added, overall employment in the extractive sector can be estimated at more than 7% of the working population in 2022.
Requirement 6.4: Environmental and social impact
As indicated above and in tables 9.2.6
According to the SCAPP 2016-2030, "the monitoring and control of the environmental impact of the activities of mining companies and gold panning sites are carried out through compliance control, surveillance and environmental inspection missions". The main sectors concerned are : Fishing, Mining and Quarrying, Infrastructure, Industry, Livestock, Agriculture, Oil and Chemicals.
All companies involved in extractive activities are required to report on the environmental impact of their activities and to take the necessary measures to mitigate the effects.
Law no. 2000-45 on the environment confirms the existence of this legal obligation to restore extraction on Mauritanian territory, particularly in article 44, which stipulates that: "quarrying or mining operations, as well as mineral exploration work, must be designed and carried out in such a way as to: i) not damage the environment in the vicinity of the work sites or create or aggravate erosion phenomena; ii) allow the restoration of the sites of the work sites to their initial state.
Decree no. 2004-94 requires an environmental impact assessment to be carried out before any mine with a capacity of more than 100 tonnes/day is opened for operation.
Decree no. 2007-107 introduces bank guarantees, but does not set out guidelines for interpreting the term "rehabilitation".
In addition, Article 14 of Decree 2008-159 stipulates that two months before the expiry of the mining permit, the Mining Registry must be informed so that it can ensure that the holder carries out rehabilitation work in accordance with the provisions of the Mining Police Decree and the Mining Environment Decree.
Despite the existence a legal obligation, there is no implementing decree specifying interpretation, to such an extent that SNIM has not booked a provision in its accounts for the financial year ending 31/12/2022. It should be noted that since February 2011, SNIM has been ISO 14001 certified, as has TMLSA. The environmental analysis of the sites, the launch of the environmental management plan and the definition of the environmental objectives and programme have all been completed.

7.2.7 Requirement 7: Results and impact

Requirement 7.1: Public debate
The CN-ITIE 2022 activity , the highlights of which have been reported above (section 1.1), shows that this requirement has been met[62]. It notes that between January 2021 and December 2022, the CN-ITIE organised more than 20 workshops in Nouakchott and 7 other regions of the country, with the aim of promoting debate on extractive data and the independent administrator's recommendations with a view to leading to reforms for better governance of the sector. The debates helped to strengthen the general public's and civil society's understanding of the major challenges facing the extractive sector.
Requirement 7.2: Data accessibility and open data
Efforts have been made within the framework of the Open Data Policy, the optimal operation of Data , awareness-raising among stakeholders and monitoring by the CN/ITIE. The collection of data for the last three national reports has been made possible by systematic disclosure, which has made most of the data on the extractive sector available, albeit not entirely in real time and in a more or less exhaustive manner.
Requirement 7.3: Recommendations from EITI implementation
The recommendations made in the EITI reports are followed up by the EITI NC, but despite real progress, implementation is slow.

7.3 The IA's overall assessment of compliance with the EITI standard

On the whole, the EITI requirements, including those that are "expected", have been more or less met, but there have been delays in implementing the recommendations validated by the GMP and referred to above. In addition, the CN-ITIE should consider improving the level of data assurance and aligning itself with best practice in other countries implementing the EITI. This will involve **conducting a review, based on a representative sample, of the granting and transfer of licences to check whether there are any significant breaches in practice.**

8 Final conclusions and recommendations of IA.

8.1 Main conclusions

Performance in terms of compliance with the EITI standard is closely linked to the country's economic, social and political context. Indeed, "governance in all its dimensions[63] ", including in particular the business climate, is a relevant indicator of the level of transparency in the management of extractive resources. However, as we saw in section 2.6, there is still a great deal of progress to be made, particularly in terms of :
i) legal insecurity; ii) shortcomings in human capital; iii) weaknesses in basic infrastructure, including satisfactory access to water, electricity, internet and communications; and iv) the **fight against corruption**. Other shortcomings relate to the **governance of state-owned enterprises** and **the management of public finances**. This considerably reduces the effectiveness and efficiency of public spending in general and that financed from revenues from the extractive sector in particular (see section 5.1.3 above). In

[62] The 2022 activity was published on the CNITIE website during our presentation.

[63] This is the title of Lever 3 of the SCAPP 2016-2030.

In the extractive sector as in others, transparency is one of the best ways of making extractive activities attractive and ensuring their sustainability.

Admittedly, the market remains the arbiter, but it is not surprising, given past conditions, that Mauritania is not one of the African countries that derives the most profit from its natural resources (see the EITI 2020-2021 report, section 2.3.2). In fact, the average effective tax rate (METR) for a mining project[64], which determines the share of the mining rent that goes to the State, was 38.2% in 2019, compared with 50.4% in Senegal. These and other less "obvious" shortcomings do not contribute to a "fair sharing of the mining rent" through the signing of production sharing agreements, because, as the old Moorish saying goes, "the poor man's goods are always cheap".

But the other aspects are just as worrying. Whether we are talking about social expenditure[65] by companies (CSR) or the negative effects of extractive activities on the environment, particular gold panning and industrial gold production, we need to be more vigilant, with measures based on scientific data and a political will to involve as many stakeholders as possible, in particular the local populations through their representatives, the scientific community, the mining companies, the gold miners and the public authorities.

Whatever the level of extractive rents, their allocation, the effectiveness/efficiency of spending is another aspect to be taken into consideration. A priori controls, particularly budgetary controls through the National Assembly, and a posteriori controls (the Court of Auditors and other control bodies) will have to redouble their vigilance and impose a culture of accountability, based on **systematic checks, the results of which are made public and followed up**. The circulation of information and the vigilance of civil society could be favourable factors.

In agreement with the Multistakeholder Group, the IA had proposed reforms relating to the governance of the extractive sector and impact of EITI implementation (EITI 2020-2021 report). Most of these have yet to be implemented. The new recommendations are set out below. They are designed to strengthen transparency and control and audit systems in the future in order to optimise revenues and the allocation, effectiveness and efficiency of public spending.

8.2 A.I. recommendations

The findings presented in Chapter 7 and the main conclusions have led to the formulation of recommendations aimed at 1) optimising Mauritania's share of the extractive rent; 2allocating the resources generated by the extractive industries to priority development sectors; and 3) ensuring the effectiveness/efficiency/equity of public spending. In other words, the aim is to: i) **create a balance of power that is more favourable to Mauritania in order to better negotiate exploration-production contracts**; ii) **better manage revenues from extractive sector activities**; and iii) **introduce an effective control and audit system for the implementation of rent-sharing contracts and the execution of public expenditure**. In addition, the CN-ITIE will have to redouble its efforts and become more involved in implementing compliance with EITI requirements and IA recommendations.

[64] Auriferous in this case
[65] Excluding SNIM

Table 22: EITI 2022 Report recommendations

N°	Domains	Findings and explanations	Recommendations	Players involved
I	*Governance conducive to power relations in contract negotiations*	**The lack of legal certainty** is cited by investors, civil society and other stakeholders**.** and international governance indicators	Periodically audit a sample of court verdicts and refer cases to the High Council of the Judiciary. exemplary sanctions against incompetent or corrupt judges.	Ministry of Justice
		The human capital index is very low (around 0.38; 150th, World Bank estimate, 2020).	Stepping up vocational training for jobs in the extractive industries	Ministry responsible for personal training
		The infrastructure situation, including in urban centres and industrial zones, is characterised by difficulties of access to basic services such as drinking water, electricity, internet, sanitation, poor quality roads, precarious air and sea transport (the problems of the NAP are known).	Improving access to water, electricity, internet and the development of land, air and sea communications under satisfactory conditions (availability, cost and quality of services).	Ministry in charge of hydraulics MPEM Ministry of Public Works
		The perception of corruption is high (140th out of 180 countries in 2021 with a score of 29/100, down one point on 2020).	Implementing the national anti-corruption strategy	Ministry for the Economy Ministry of Justice Civil Society Organisations (CSOs)
II	*Governance of state-owned enterprises and public finance management*	**The budgetary risks** of public companies are high, given the accumulation over several decades of bad management practices (opaque recruitment of personnel, dubious financial commitments, unrecorded recurring expenses, over-estimation of assets, poor maintenance of buildings, etc.). facilities, among others)	- Managers and chairmen of boards of directors of high-risk companies, particularly those exploiting extractive resources, must meet predefined profiles. - Auditors and statutory auditors must be chosen on a transparent basis and their reports published. - In the event of a refusal to certify the accounts, the involvement of other audit bodies is systematic.	Ministry of Finance

		The content of the statutory auditors' reports is heterogeneous and varies according to author.	- A sample of the auditors' reports must be audited periodically, published and those found at fault punished. - All audit or auditors' reports must follow the same framework (standard) adopted by law.	
		Budgetary discipline shows the following shortcomings: i) variations in the composition of actual revenue and actual expenditure compared with initial forecasts; ii) payment arrears are not under control; iii) difficulties in integrating revenue and expenditure from projects financed from external resources into the settlement laws; iv) budget implementation reports are not presented in the format of the budget nomenclature without any guarantee of the accuracy of the data; v) internal audits only concern financial compliance and vi) the National Assembly is not equipped to exercise external control.		National Assembly Ministry of Finance CSOs
		The strategic allocation of extractive resources shows shortcomings in terms of i) preparation of annual performance plans; ii) costing of sectoral strategies (industrial and mining) and iii) taking into account recurring investment costs.	- Annual performance plans are not prepared ; - Draw up costed sectoral strategies sectors related to the exploitation of extractive resources - Recurring investment costs are not estimated and taken into account in medium-term budget planning.	National Assembly Ministry of the Economy Ministry of Finance Regions and municipalities CSOs
		The efficiency of public service provision is reduced by the numerous barriers to competition		Ministry of Commerce CSOs

		and the misallocation of resources in a context where the general public's access to information The economic and financial impact is very limited.		
III	*Control and audit practices*	There is no tradition auditing procedures and the implementation of contractual clauses with a cross-check of data from various sources (departments involved)	Auditing compliance with licensing and the implementation of contractual clauses.	Ministry of Mines and Hydrocarbons Ministry of Finance
		The control and audit bodies lack vigour and competence, and the results of their investigations are not always followed up. The statutory auditors' reports are not sufficiently structured.	- Reinforcing controls in advance - Strengthen the Cour des Comptes with competent human resources and give it the means to carry out its missions - Strengthening internal controls in public services and companies - Establish clear guidelines for the preparation of statutory auditors' reports.	Ministry of Justice Ministry of Finance Court of CSOs
		The national association of chartered accountants struggles to establish criteria transparent for membership.	Organise the profession of chartered accountant on the basis of membership criteria in line with standards or established in most countries in the region.	Ministry of Finance L'ordre national des Experts comptables
		The practice of statutory audit is not sufficiently regulated.	Revise the legal texts to redefine the profiles allowed to certify accounts, redefine their responsibilities and the penalties they incur in accordance with international standards.	Ministry of Finance Ministry of Justice
IV	*Extending the scope of EITI-Mauritani*	ANRPAM is already playing, and will continue to play, an increasingly important role in the extractive sector.	Integrate ANARPAM into the EITI as a reporting party.	MEPM/CN-ITIE

9 Appendices

9.1 The methodological approach

The automated process for collecting data on payments (Data Warehouse), which is fed directly into the systems of the reporting entities, and which has been used successfully to produce Mauritania's previous reports[66] has also been used to produce the 2022 report. This 2022 report is based on a gradual improvement data analysis, particularly data that was not sufficiently developed in the 2020-2021 report. The approach is based on an analysis of the government's internal control systems and revenue collection and allocation processes to provide GMP with an assessment of the plausibility of specific payment flows. Based on this assessment, a reconciliation was performed for the riskiest flows. The preparation of this report followed a five-stage process as follows.

Stage 1: Framing and preliminary analysis

The primary analysis and scoping were presented to the GMP to decide on the appropriate procedure and scope for assessing data risks and for making a relevant reconciliation. This mainly involves: i) determining the scope and information to be disclosed to meet Requirements 2 to 6 of the EITI Standard; ii) agreeing the years to be covered as well as the revenue, production and other indicator data to be covered for the 2022 fiscal year; iii) agreeing on the meaning of *material revenue* streams and the entities involved. In agreement with the GMP, payments and revenues will be considered material if they have a significant impact on the completeness of the EITI Report; iv) establish **definitions and thresholds in terms of materiality**, to be validated by the multi-stakeholder group, by assessing the size of revenue flows and payments per company, in relation to total public revenues; and v) identify contextual information.

During this stage, a review of the **audit and quality assurance systems** was carried out by: i) analysing the procedures and practices used to assess and collect payment streams relevant to EITI reporting; ii) reviewing the laws and regulations relating to company accounting, data disclosure and company audit obligations, and their implementation; iii) analysing the findings of previous EITI reports; and iv) assessing the reliability of the online reporting system and the use of the data warehouse.

At the end of this first stage, the scoping report was used to take stock of the information provided to Independent Administrator (IA) by the participating companies and government bodies in order to guarantee the reliability of the data.

The results were presented to the GMP, which validated them at its meeting on 3 August 2023.

Step 2: Reconciliation based on risk level

[66] EITI 2019, 2020 and 2021

The risk analysis, which began in 2021, was based on: i) the collection of data from the extractive sector, using the Data Warehouse; ii) significant payments made by companies in the extractive sector; iii) production and export figures; iv) data relating to mining, oil and gas cadastres; iv) revenue from the sale of the State's share of production or other revenue received in kind in accordance with Requirement No. 1; v) data relating to the use of mining, oil and gas; vi) data relating to the sale of the State's share of production or other revenue received in kind in accordance with Requirement No. 1; vii) data relating to the sale of the State's share of production or other revenue received in kind in accordance with Requirement No. 1.
4.2; v) coverage of infrastructure supplies and barter agreements in accordance with Requirement No. 4.3; vi) coverage of social and environmental expenses in accordance with Requirement No. 6.1 and vii) coverage of transport revenues in accordance with Requirement No. 4.4.

The results of the review of the audit and data quality assurance systems and their impact on public revenues for the year 2022 and collected from the companies in the scope were reviewed and analysed

In order to meet Requirement 4.7, it was necessary to: i) compile the data collected from the companies from the information provided by the reporting entities on their payments and revenues, broken down by project, by company, by public entity and by revenue stream; ii) reconcile, by sampling, the data according to the results of the preliminary analysis and the data collected, and correct any discrepancies exceeding the margin of error accepted by the Multiparty Group.

Stage 3Revenue analysis

The revenue analysis was carried out using the following elements: i) the trend over several years in payments made by each company; ii) the reconciliation between company payments and what they are required to pay under the tax system; iii) the fairness of the tax system over the period 2015-2022, with reference to the tax base (production, volumes, values); iv) the main revenue streams (taxes on production and taxes on profits); v) a description of the tax conditions specific to the project/company (general legislation, special tax clauses).

The analysis of the data resulting from the above work has made it possible to: i) carry out a comparison between the expected revenues and those actually received; ii) make observations, particularly with regard to compliance with EITI standards, and assess the reliability of the data.

Stage 4: Interim report

The provisional report which was shared with the members of the MOC includes the following points: i) description of the methodology adopted (government revenues, disclosed in a disaggregated manner in accordance with Requirements 4.7 and 4.9, in relation to the application of international standards); ii) description of each revenue stream, with definitions and materiality thresholds (Requirement 4.1); iii) the assessment of the completeness and reliability of the financial data, the summary of the work performed by the IA and the limitations of assessment that has been performed; iv) the calculation of the coverage rate of the disclosure of revenues by the government (data warehouse) and partial reconciliation exercise, based on official information on the total amount revenues in accordance with Requirement 4.1 (d); v) the estimated response rate of all companies and state entities within the scope; vi) the discrepancies in the declarations sent to the IA, with an estimate of their impact on the completeness of the report; vi) the status of completion or non-completion of the audits of the financial statements of the participating companies and state entities for the financial year 2022 and their public accessibility; vii) non-revenue-related information in accordance with Requirements 2, 3, 5 and 6 and other information required by the Multi-Stakeholder Group; viii)

sources contextual information links and other means of access made available to the general public;) a summary of the state of follow-up of the recommendations, corrective measures and reforms proposed in previous reports (comments on the progress made in implementing them) and x) the formulation of new recommendations likely to strengthen the regularity, timeliness and completeness of declarations in the future, or on audit practices to bring them into line with international standards.

Stage 5: Final report

After taking into account the comments of the sponsors, in particular the GPM, the IA submitted the final report, to which the summary data files and the EITI Validation transparency template were attached. The IA made judgements in relation to relevant international professional standards in the preparation of comprehensive and reliable EITI Reports. Professional opinions were provided on the reliability of existing controls and audit frameworks in companies and government entities.

9.2 Statistical and accounting data

9.2.1 Macroeconomic indicators

Poverty rate: 28% (2019) Population: 4.5 million (projected 2023)	Main exports: iron ore, fish, gold		
	2021	2022	2023 project.
(Annual percentage change, unless otherwise indicated)			
National accounts and prices			
Real GDP	2,4	5,3	4,3
Real GDP, including extractive industries	-12,6	17,0	8,3
Real GDP, excluding extractive industries	6,3	2,1	3,3
GDP deflator	12,6	0,2	2,5
Consumer prices (end of period)	5,7	11,0	9,0
(As a percentage of GDP excluding extractive industries, unless otherwise indicated)			
Central government operations			
Income and donations	27,3	29,7	27,1
Excluding mining and quarrying	19,9	20,7	21,9
Taxes	13,8	15,5	16,6
Mining and quarrying	4,6	7,1	3,5
Donations	2,7	1,8	1,7
Net expenditure and loans	24,5	31,4	30,3
Current	15,4	21,0	18,7
Equipment	9,2	10,5	11,5
Primary balance (excluding grants)	1,1	-2,5	-3,9
Overall balance (as a percentage of GDP)	2,2	-1,4	-2,6
Public sector debt (as a percentage of GDP) 1/ 2/	49,1	48,4	50,3
(Annual percentage change, unless otherwise indicated)			
Money and credit			
Currency in the broad sense	20,4	5,0	8,1
Credit to the private sector	8,4	16,4	12,1
Balance of payments			
Current account balance (as a percentage of GDP)	-7,9	-17,3	-11,4
Excluding imports of capital goods financed from external resources	0,9	-7,5	-5,5
Gross official reserves (in millions of dollars, end period) 3/	2 347,5	1 501,3	1 568,3
In months prospective imports excluding extractive industries	7,3	5,1	5,2
External public debt (in millions of dollars) 2/	4285,0	4 312,8	4 560,2

As a percentage of GDP	43,3	41,8	43,4
Real effective exchange rate	...	...	...
Memo items :			
Nominal GDP (in millions of dollars)	9 891,6	10 314,1	10 507,2
Iron ore price (dollars/tonne)	**158,2**	**121,0**	**101,5**
Sources: Mauritanian authorities; IMF staff estimates and projections.			
1/ Including public debt to the central bank recognised in 2018.			
2/ From 2021, including the renegotiated debt to Kuwait, which was previously passive.			
3/ Excluding revenues from the National Hydrocarbon Revenue Fund.			

Sources:MF/BCM/ANSADE/ IMF

9.2.2 Tables on framing

Table 23: Summary of data for the 2022 perimeter

Criteria	Mining sector		Oil and gas sector	
Materiality criteria for selecting companies within the scope of the merger	Mining companies whose total payments declared by the collecting bodies exceed 3 650 000 MRU		**All oil and gas companies**.	
Materiality criteria for the unilateral declaration of the State	Mining companies total payments exceed the materiality threshold of 3,650,000 MRU		**All oil and gas companies.**	
Number of companies included in the declaration unilateral by the State	2021	2022	2021	2022
	8	9	6	6
Overall coverage rate for the reconciliation exercise	2021	2022	2021	2022
	90%	97%	100%	100%

Table 24: Register of oil licences valid at 31/12/2022

Companies	SHELL	TOTAL		CAPRICORN	BP			
Blocks	C-10	C-15	C-31	C-7	C-12	C-13	GTA	BirAllah
Percentage	Shell 90% 10% SMH (exploration)	Total PE 90% 10% SMH (exploration)	Total PE 90% 10% SMH (exploration)	Capricorn: 90% discount SMH: 10% OF SALES (exploration)	BP 62% ; Kosmos Energy 28 10% SMH (exploration)	BP 62% ; Kosmos Energy 28 SMH10 (exploration)	BP 59.24% ; Kosmos Energy 26.76 SMH 14 (Operations)	BP 62% ; Kosmos Energy 28% SMH 10% France (exploration)
Type of licence	Exploration	Exploration	Exploration	Exploration	Exploration	Exploration	Operating	Exploration
Company name	Shell	Total	Total	Capricorn	BP	BP	BP	BP
Tax number	NIF : 619429	NIF: 00455386	NIF: 00455386		NIF: 00409136	NIF: 00409136		
The physical address	PLOT C ZRC318	Block M n° 058 BP: 5111 Tavragh-zeina	Block M n° 058 BP: 5111 Tavragh-zeina	Block O n° 91-92 rue Mamadou Konate	Building El Emel ZRA n°433	Building El Emel ZRA n°433	Building El Emel ZRA n°433	Building El Emel ZRA n°433
The grant date	30/08/2018	30/01/2019	30/01/2019	15/05/2021	15/06/2012	15/06/2012	15/03/2019	30/10/2023
The expiry date	Expiry date 29/08/2027	Expiry date 29/01/2029	Expiry date 29/01/2029	Expiry date 14/05/2023	Expiry date 14/06/2022	Expiry date 14/06/2022	14/03/2049	Expiry date 29/04/2025
Surface area	12500Km²	9950 square kilometres	4225 square kilometres	7300 Km²	5150 square kilometres	5876.84 square kilometres	523Km² of land	2450m²

Table 25: Mining licence register in force at 31/12/2022

N°	Code	Company	Substance	Grant	1.Ren	Expiration	Wilaya	Area
1	1 C1	SNIM	Iron	20/10/1958		20/10/2033	Tiris Zemmour	345
2	2 C2	MCM	Gold	01/01/1968		01/01/2043	Inchiri	81
3	3 C1 (PEB 27)	SNIM	Iron	24/09/1979	01/11/2009	01/11/2024	Tiris Zemmour	5743
4	8 C5	SOMISEL	Salt	13/04/1992		13/04/2022	Inchiri-Trarza	1890
5	229 C2	TASIAST MAURITANIA	Gold	19/01/2004		19/01/2034	Inchiri	312
6	609 C1	EL Aouj Mining Company SA	Iron	27/04/2008		27/04/2038	Tiris Zemmour	520
7	1372C1	TAZADIT UNDERGROUND MINE	Iron	07/06/2011		07/06/2041	Tiris Zemmour	1
8	1620C1	Sphère Mauritania SA	Iron	26/09/2012		29/06/2042	Tiris Zemmour	194
9	2018C2	SENI SA	Gold	01/12/2014		01/12/2044	Dakhlet Nouadhibou-Inchiri	539
10	2019C2	SENI SA	Gold	01/12/2014		01/12/2044	Dakhlet Nouadhibou	746
11	2119C2	SGS - Société Générale de Service	Black Sand	28/12/2016		28/12/2046	Trarza	128
12	2138C1	Legleitat Iron. Mauritania sa	Iron	07/07/2014		07/07/2044	Inchiri	995
13	2480C2	TIREX SA	Gold	07/12/2017		07/12/2047	Inchiri	306
14	2491C4	Tiris Ressources Sa	Uranium	08/02/2019		08/02/2049	Tiris Zemmour	207
15	2492C4	Tiris Ressources Sa	Uranium	08/02/2019		08/02/2049	Tiris Zemmour	190
16	2493C5	Mauritano-Saudi Phosphate Company	Phosphate	17/07/2017		17/07/2047	Brakna - Gorgol	995
17	2840C2	Haitian Mining Mauritania	Black Sand	30/05/2023		30/05/2053	Trarza	48
18	2841C2	Haitian Mining Mauritania	Black Sand	30/05/2023		30/05/2053	Trarza	48
19	2890C1	TAKAMUL	Iron	13/07/2020		13/07/2050	Tiris Zemmour	48

9.2.3 Production tables

Table 26: Summary of production by company, substance 2021-2022

Substance	Iron (T)		Gold (Kg)		Copper (T)	
Year	2021	2022	2021	2022	2021	2022
SNIM	12 618 000	12 876 004	0	0	0	0
TMLSA	0	0	5 487	16 752	0	0
MCM	357 615	617 488	1 195	959	18845	13 312
Total	12 975 615	13 493 492	6 682	17 711	18 845	13 313

Table 27: Production: Values and quantities by project 2022

Substance	Company	Project	Unit (Volume)	Production	
				Volume	MRU value
Iron	SNIM	Kédia	Tonne	5 101 000	4 290 620 743
Iron	SNIM	M'haoudat	Tonne	6 547 000	10 712 245 907
Iron	SNIM	Guelbs	Tonne	1 228 004	2 856 868 801
Gold	MCM	2 C2	Kg	959,39	1 819 003 898
Gold	TASIAST	229 C2	Kg	16 752	34 546 982 039
Gold	Goldpanners	Gold panning	Kg	PM	PM
Copper	MCM	2 C2	Tonne	13 312,56	3 418 074 648
Silver	TASIAST	229 C2	Kg	0	0
Iron	MCM	2 C2	Tonne	617 488,86	1 257 256 194
Total					58 901 052 233

9.2.4 Export tables

Table 28: Mining exports by volume in 2022

Year	2021	2022	2021	2022	2021	2022
Substances	Iron (T)		Gold (T)		Copper (T)	
SNIM	12 695 981	13 202 401	0	0	0	0
TMLSA	0	0	5,996	16,163	0	0
MCM	338 441		0,1 411	0,938	25 275	12 367
Gold panning			P.M.	P.M.		
Total	13 034 422		7,693	17,101	25 275	12 367

*See information in section 4.2

Table 29: Mining exports by operator and project

Substance	Company	Project	2022		
			Volume	Value (in USD)	Value (in MRU)
Iron	SNIM	A single licence	13 205 401 T	1 270 447 578	46 371 336 584
Gold	TMLSA	A single licence	16 163	934 958 723	34 546 982 039
Gold	MCM	A single licence	938	48 913 938	1 819 003 899
Copper	MCM	A single licence	12 367	92 467 104	3 418 074 649
Iron	MCM	A single licence	565 049	33 986 674	1 257 256 195
Total				2 380 774 017	87 412 653 364

Table 30: Detailed export figures by value (billion MRU)

Years	2017	2018	2019	2020	2021	2022	%
Iron ore	17,7	18,2	30,5	38,3	55,8	47,2	33,4%
Gold	13,2	15	21,9	29,4	14	58	41,0%
Copper	5	5,3	5,3	5,7	6,9	3,4	2,4%
Fishing	22,4	26,8	26,1	21,8	23,6	29,6	20,9%
Oil	2,3	0,4	0	0	0	0	0,0%
Other	2,6	2	1,3	1,4	4,7	3,3	2,3%
Total exports	63,2	67,8	85,2	96,6	105,3	141,5	100,0%

9.2.5 Tables on contributions to the national economy

Table 31: Contribution of the extractive sector to GDP 2020-2022

Contribution to nominal GDP (MRU billion)	2020	2021	2022
Mining and quarrying	74,208	78,539	96,5
Nominal gdp	312,5	360,5	404,6
Contribution of the extractive sector	**23,75%**	**21,79%**	**23,85%**

Sources: ANSADE/BCM

Table 32: Change in the ratio of mining exports to GDP

Year	2019	2020	2021	2022
GDP billion MRU (1)	278,9	312,5	360,5	404,6
Mining exports (MRU billion) (2)	57,7	66,5	76,7	108,6
(2) / (1) in % of sales	**20,69%**	**21,28%**	**21,28%**	**26,84%**

Table 33: Contribution of the extractive sector to total exports

Year	2019	2020	2021	2022
Iron (USD millions)	831	879	1508	1700
Copper (USD million)	145	131	186	122
Gold (USD millions)	596	772	378	2088
Total industries (USD million)	1572	1782	2073	3910
Total B&S exports (USD million)	2632	2666	2846	5094
Contribution of the extractive sector (%)	**59,73%**	**66,84%**	**72,84%**	**76,76%**

Table 34: Contribution to budget revenue 2020-2021

In billions MRU	2020	2021	2022
State budget revenue	63,8	76,9	86,5
Extractive sector revenues	11,3	22,1	25,762
Ratio	**17,7%**	**28,7**	**29,78%**

Table 35: Number of direct jobs

Year	2021		2022
Nature of activities	**Direct jobs**	% active population 2021 (ANSADE)	% working population 2022 (ANSADE)
Mining companies	9761	0,92%	0,98%

9.2.6 Social and environmental expenditure tables

Table 36: Social expenditure 2022

Companies	Social expenditure	%
SNIM	429 000 000	86,9%
TMLSA	32 778 787	6,6%
MCM	32 105 219	6,5%
TOTAL	493 884 006	100,0%

Table 37: Each company's contribution to SD as a proportion of gross revenue

Companies	Social expenditure	Revenue	DS/Revenues
SNIM	429 000 000	19 079 746 921	2,25%
TMLSA	32 778 787	3 605 456 827	0,91%
MCM	32 105 219	1 423 160 075	2,26%
TOTAL	493 884 006	24 108 363 824	2,05%

9.2.7 Table of payments per project

Table 38: Mapping of flows by sector in 2022

No	Company	Declaration payments by Project
	Oil companies	
1	BP	N/A
2	CAPRICORN	N/A
3	SHELL	N/A
4	TOTAL	Yes
	Mining companies	
1	SNIM	N/C
2	MCM	N/C

N/C: companies that have not declared their project payments
N/A: Companies that have not submitted their EITI 2022 declaration forms

Table 39: Payments to the FNRH in 2022*.

Pouring part	MRU amount	Billion MRU
BP	1 241 158 636	1,241
SHELL	118 398 910	0,118
SMH	26 608 922	0,027
CAIRN	66 439 880	0,066
TOTALENERGIES	53 724 597	0,054
TOTAL		1,506

*Including tax revenues not collected by the FNRH

9.2.8 Income tables

Table 40: Evolution of revenues from the extractive sector

Payment flows (MDS MRU)	2019	2020	2021	2022
Treasury single account	9,219	11,08	18,81	24,127
Payments to the FNRH	2,044	1,586	2,058	1,617
Other payments	0,211	0	0	
Total	11,474	12,67	20,868	25,744

Table 41: Companies' share of extractive revenues

Year	2020		2021		2022	
Company	Revenue	%	Revenue	%	Revenue	%
SNIM	5,597	51%	12,538	72%	19,079	79%
MCM	1,083	10%	2,029	12%	1,423	6%
TMLSA	4,388	40%	2,79	16%	3,605	15%
Other	0,012	0%	0,084	0%	0,019	0%
TG	11,08	100%	17,441	100%	**24,127**	100%

Table 42: Payment flows 2021-2022 single treasury account

Year	2021	%	2022	%
SNIM single annual fee, net amount (TU SNIM) *	4 695 867 788	24,97%	2 847 068 671	11,80%
SNIM dividends (DS)	4 510 139 400	23,98%	11 150 536 950	46,22%
Tax on Salaries and Wages (ITS)	2 122 136 965	11,28%	2 577 930 324	10,69%
Operating fee (R. EXPLOIT)	1 958 351 008	10,41%	1 918 195 467	7,95%
Value Added Tax (VAT)	1 632 862 194	8,68%	2 366 492 989	9,81%
Superficiary Royalty (RS)	843 982 341	4,49%	-	
Tax on industrial and commercial profits, including advance payments (BIC)	693 766 897	3,69%	261 572	0,00
Tax on Income from Transferable Securities (IRCM)	648 795 066	3,45%	1 393 854 185	5,78%
Corporation tax (IS)	623 293 309	3,31%	767 376 398	3,18%
Flat-rate minimum tax (IMF)	431 817 946	2,30%	592 041 458	2,45%
Customs duties (DD)	352 955 403	1,88%	278 789 008	1,16%
Special Tax (RSI)	144 798 939	0,77%	112 390 466	0,47%
Other customs duties (OtherT.DGD)	54 159 308		3 399 084	
Tax on Imported Tonnage (TTI)	30 004 164		32 782 356	
Gross margin tax on companies (TMB)	28 597 823		20 481 679	
Other significant payment flows (AFS)	26 014 489		58 214 508	
Statistical licence fee (RST)	4 788 187		3 526 766	
Remuneration Tax (RT)	4 400 000			
IT fees (RIF)	1 971 600		2 125 800	
Import tax law (DFI)	939 354		80 081	
Total DGTCP single account	**18 809 642 181**		**24 125 547 762**	

*Amount after deduction of our VAT credit

Table 43: 2021-2022 FNRH payment flows

(Amounts in MRU)

Year	2021	2022	%
Signature bonus	105 000 000	36 500 000	2,32%
Capacity building	-	58 780 002	3,74%
Environmental Commission	115 500 000	49 904 990	3,17%
Training funds	100 967 825	65 818 151	4,19%
Penalties	1 132 249 825	803 000 000	51,08%
Surface royalties	7 528 360	6 833 019	0,43%
Tax on Salaries and Wages (ITS)	315 428 268	230 470 580	14,66%
Tax on industrial and commercial profits, including advance payments (BIC)	241 822 586	181 646 803	11,56%
Special Tax (RSI)	29 475 737	7 274 163	0,46%
Other significant flows	3 955 082	263 609	0,02%
Sale of seismic data	-	131 486 931	8,36%
Total FNRH	**2 051 927 683**	**1 571 978 247**	**100%**

*including tax revenues not recorded in the Treasury account

Table 44: Contribution by mining revenue stream

Flow	2019	2020		2021		2022	
VAT-EXT	2,109	1,791	21,05%	1,632	8,68%	2,366	9,81%
MFI	0,736	0,836	9,82%	0,431	2,29%	0,592	2,45%
DFI	0,591						
Operating licence fee	0,818			1,958	10,41%	1,918	7,95%
ITS	2,01	2,409	28,31%	2,122	11,28%	2,577	10,68%
SNIM royalties		1,889	22,20%	4,695	24,96%	2,847	11,80%
SNIM dividends				4,51	23,98%	11,15	46,22%
Other flows	2,955	1,585	18,63%	3,462	18,41%	2,675	11,09%
Total	**9,219**	**11,08**	100,00%	**18,81**	100,00%	24,125	100,00%

Table 45: Breakdown of flows for the FNRH 2020-2022

Flow (MRU)	2020		2021		2022	
Signing bonus	-		105 000 000	5,1%	36 500 000	2,32%
Environmental com.	114 747 183	7,2%	115 500 000	5,6%	49 904 990	3,17%
Penalties	355 000 000	22,3%	1 132 249 825	55,0%	803 000 000	51,08%
Taxes and duties	826 566 719	52%	604 493 964	29,3%	426 488 173	27,13%
Training/skills	291 497 636	18,3%	100 967 825	4,9%	124 598 152	7,93%
Sale of seismic data					131 486 931	8,36%
Total	1 587 811 538	100%	2 058 211 614	100%	1 571 978 246	100%

Table 46: Breakdown of revenues by collecting body in 2022
(2022, in billion MRU)

	Mining sector	Oil and gas sector	Total	%
Single Treasury Account (STA)	24 127 486 817		24 127 486 817	92,00%
FNRH (including GTA)		1 390 170 845	1 456 425 955	6,00%
Environmental Commission		49 904 990	49 904 990	0,19%
Social expenditure	493 884 006		493884006	2,00%
Grand total	24 621 370 823	1 440 075 835	26 127 701 768	100%

Table 47: Detailed revenues from the public mining estate in 2022

Nature	Amount1	Amount2	Amount3	Total	%
Research permits	30 000	800 000	1 031 200	1 861 200	6,71%
Operating licence			22 990 000	22 990 000	82,85%
Prospecting authorisation	30 000			30 000	0,11%
Smallholding permit	5 000		16 000	21 000	0,08%
Careers	50 000	1 000 000	1 797 000	2 847 000	10,26%
Grand total	115 000	1 800 000	25 834 200	27 749 200	100,00%

NB: Motant1 : Application fees; amount2 : Remuneration fees and amount3 : Surface royalties Source: Based on data from the General Directorate of Mines

9.2.9 Tables on real property

Table 48: Ownership structure of mining companies

N°	Company	Shareholder	Participation	Information real property
1	SNIM	Mauritanian State	78,35%	SNIM is 78.35% state-owned Mauritanian
		Industrial Bank of Kuwait	7,17%	
		Arab Mining Company	5,66%	
		Iraq Fund for External Development	4,59%	
		Office National des Hydrocarbures et des Mines (National Hydrocarbons and Mining Office)	2,30%	
		Islamic Development Bank	1,79%	
		Private Mauritanians	0,14%	
2	MCM	FQML	100%	FQML is listed in Toronto, Canada
3	TASIAST Mauritania LTD SA	Red Back Mining B.V.	99,99%	The parent company is listed on the Toronto and New York stock exchanges.

Table 49: State shareholding in companies within the scope of consolidation

Companies	Direct or indirect state participation	Other foreign public shareholders	Private shareholders
SNIM	78,35%	21,51%	0,14%
TMLSA	0%	0%	100%
MCM	0%	0%	100%
SMH	100%	0%	0%

Table 50: Data on the State's indirect shareholding through SNIM subsidiaries

Investments in associates at 31 12 2022 (In MMRU)												
Company	Capital	Shareholders' equity other than capital	Percentage of capital held (in %)	Book value of shares in the balance sheet		Loans/advances granted and not repaid on the balance sheet		Guarantees and endorsements given	Sales figures	Results	Balance sheet total	Dividends received during the year
				Gross	Net	Gross	Net					
SOMASERT	57	26	100%	56	56	-	-	-	67	3	116	-
SAFA	30	243	100%	28	28	-	-	-	230	47	342	10
SAMMA	10	257	53%	1	1	-	-	-	165	46	308	18
ATTM	304	1620	79%	2376	-	534	134	-	1105	(262)	2124	-
COMECA	20	115	92%	18	18	-	-	-	331	32	299	6
SAMIA	364	(124)	89%	326	213	5	-		46	(113)	300	-
GMM	110	(76)	96%	346	40	32	30	-	12	(10)	159	-
TUM	82		65%	82	-	-	-	-	0	-	-	-
EL AOUJ (EMC)	2457	(528)	50%	1228	996	-	-	-	-	(88)	5103	-
GIP	728	406	68%	-	-	-			131	80	1884	48
MAIL	6867	(2386)	15%	810	537	-	-	-	1868	(145)	6694	-
DAMANE	629	90	20%	120	120	-	-	-	147	64	934	16
M2E	50	37	100%	50	50	-	-	-	110	(1)	170	-
MSMS (TAKAVUL)	1075	51	50%	535	535	218	-	-	-	-	3778	-
AMSAGA	-	-	100%	0	0	4	-	-	-	-	-	-
GHM	1581	(11)	50%	976	973	557	-	-	-	(11)	2424	-
SRN	8	63	35%	3	3	0	-	-	225	24	151	7
ENCO	80	(72)	30%	2	2	-	-	-	-	-	-	-
IQAR	-	-	100%	16	16	7	-	-	-	-		-
GIM	30	(7)	100%	30	23	-	-	-	-	(6)	490	-
TOTAL	14482	(298)		7948	4074	2621	1160	-	4436	(341)	25275	104

9.3 Procedures for monitoring oil and gas revenues carried out by the DGH

In addition to tax revenue, revenue from Production Replication Contracts (Contrats d'Eploration Production CEP) falls into two main categories.

1) Non-production revenue :

As part of the monitoring and verification of non-tax revenues stipulated in Exploration-Production (CEP) or agreements with oil data marketing companies, the Direction Générale des Hydrocarbures (GDH) adopts the following procedures:

Category	Deadline	Verification mode	Means of monitoring
Signing bonus	The operator must pay a signature bonus 30 days following the date of signature of the CEP contract.	The operator sends the Swift transfer for the amount in question to the DGH. The DGH contacts the BCM to verify and confirm the payment.	In the event of late payment of the signing bonus, a letter is sent to the operator requesting payment.
Training	Calendar or contract year	Extract from FNRH from DGT	In the event of late payment, the DGH will send a letter requesting payment.
Surface fees	Contract anniversary date	Extract from FNRH from DGT	In the event of late payment, the DGH will send a letter requesting payment.
Penalty	In the event of non-performance of contractual work obligations	If the operator makes the payment directly, he sends the Swift transfer for the amount in question. The DGH then contacts the BCM to verify and confirm the payment.	In the event of late payment of the penalty, a call on the guarantee will be made. before it expires.
Contested payment or audit reserve	Following an audit	If the payment/reservation is accepted by the company concerned, it notifies us by letter or e-mail with a Swift. We then check and confirm the transfer of the amount with BCM	Exchanges, by post, with the company concerned in order make the reserve payment in question
Revenue sales of oil data	Following the quarterly report sent by the company on revenue sharing, in accordance with the contract between the State and the company, the DGH sends a letter asking them to pay the amount due.	Extract from FNRH from DGT	In the event of late payment, DGH will call the company to make the payment.

2) Production revenue

Under the CEP for Block C8, which includes the GTA field, GTA's expected revenues are: i) the State's share of sales, in accordance with factor R of the C8 contract; ii) income from the State's shareholding via SMH (14%); iii) income from corporate income tax (BIC) and new corporation tax (IS).