Extractive Industries Transparency Initiative - Togo

EITI REPORT 2022

December 2024

Table of Contents

Translation Note:

This document is a translation of the official EITI report. It is provided for informational purposes only. In case of any discrepancy or difference in interpretation between this translation and the original version, the officially published original report shall prevail.

List of abbreviations

LIST OF ABBREVIATIONS	
ANGEL	National Agency for Environmental Management
ARSE	Electricity Sector Regulatory Authority
BCEAO	Central Bank of West African States
BIC	Industrial and Commercial Profits
CAC	Audit and Control Framework
CADM	African Centre for Mining Development
CDDI	Office of the Commissioner of Customs and Indirect Taxes
CDN	Nationally Determined Contributions
ECOWAS	Economic Community of West African States
CEET	Compagnie Energie Électrique du Togo
PENNIES	National Financial Reporting Unit
CGI	General Tax Code
CI	Tax Office
CNDD	National Commission for Sustainable Development
CNSS	National Social Security Fund
CP-EITI	EITI Togo Steering Committee
DGMG	General Directorate of Mines and Geology
DGTCP	Directorate-General for the Treasury and Public Accounts
DGTLS	Directorate-General for Labour and Social Legislation
DH	Hydrocarbons Directorate
DPS	Scanner Pass Right
SEIA	Environmental and Social Impact Assessments
EMAPE	Artisanal and small-scale mining
FD	Declaration Form
FDG	Guarantee Fund
GHG	Greenhouse gases
HAPLUCIA	High Authority for the Prevention and Fight against Corruption and Related Offences
IGF	Membership of the Intergovernmental Forum on Mines
IRCM	Income tax on movable capital
IRPP	Personal Income Tax
IS	Corporate Tax
EITI	Extractive Industries Transparency Initiative
MDPREM	Ministry Delegated to the President of the Republic in charge of Energy and Mines
MEF	Ministry of Economy and Finance
MERF	Ministry of Environment and Forest Resources
NC	Non-Communicated
OHADA	Organisation for the Harmonisation of Business Law in Africa
RTO	Office Togolais des Recettes
RTO	Office Togolais des Recettes
CCP	ECOWAS Community Levy
PCS	Community Solidarity Levy
PDGM	Mining Development and Governance Project
EPP	Politically Exposed Persons
PR	Research Permit
RIV	Fee for inspection and verification
RSL	Rent Deduction

LIST OF ABBREVIATIONS	
RSPS	Withholding on the provision of services
SAFER	Autonomous Road Maintenance Finance Corporation
SCM	Mining Cadastre System
TDE	Togolese of the waters
TEO	Garbage Removal Tax
TF	Property Tax
TOFE	Statement of Financial Operations of the Government
PT	Toll
PT	Business Tax
CFI	Infrastructure Protection Tax
VAT	Value Added Tax
WAEMU	West African Economic and Monetary Union

List of Tables

List of Figures

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EITI Steering Committee (CP-EITI)
Republic of Togo

December 26, 2024

To the attention of the President of CP-EITI

The Enerteam Cabinet was appointed by the EITI Steering Committee (CP-EITI) as Independent Director for the preparation of the 2022 EITI Report of Togo. The work for this report was completed between April 5, 2024 and November 29, 2024 and was conducted in accordance with the Terms of Reference (TOR) as approved by the NPC.

Our mission was conducted in accordance with the International Standard on Related Services (ISRS) standard for agreed procedures missions, specifically Standard No. 4400 for “agreed procedures for the review of financial information.”

The agreed procedures do not constitute an audit or a limited review of extractive income in accordance with international auditing standards or international limited review standards. The audit of the data included in this report does not fall within the terms of reference of our engagement. However, the information reconciled in this report relates to data audited and/or attested by the reporting parties.

If we had implemented additional procedures or had performed a limited audit or review of the financial statements of the reporting parties in accordance with the International Standards on Auditing or the International Standards on Limited Review, other elements could have been brought to our attention and would have been made available to you.

Our report has the sole objective set out in the first paragraph. The opinions expressed in this document are those of the Independent Administrator (IA) and do not reflect the official opinion of the NPC-EITI.

Karim LOURIMI

Associate

1. Executive Summary

1.1 Introduction

The Extractive Industries Transparency Initiative (EITI) is a global standard of good governance that aims to promote transparency and accountability in the management of revenues from oil, gas and mining resources. EITI Standard 2023, the latest version, introduces enhanced requirements to ensure that governments and companies disclose complete and reliable information on payments, revenues, and the social and environmental impacts of natural resource exploitation.

In Togo, the EITI plays a key role in improving transparency and revenue management in extractive industries, contributing to better governance and sustainable development. The EITI Steering Committee (CP-EITI) oversees the implementation of the EITI in the country.

For the preparation of the "EITI Report 2022", CP-EITI mandated an Independent Administrator (IA), the firm ENERTEAM, to ensure the collection, analysis and publication of data in accordance with the requirements of **EITI Standard 2023**. The report was prepared through a structured process including the collection of contextual and financial data, the reconciliation of payments and revenues, and the investigation of discrepancies identified. Sectors covered by the initiative include mining, water and hydrocarbons.

Details of the EITI in Togo are available on the official website: https://itietogo.org/.

1.1.1 Mandate of the Independent Director

The AI's mandate mainly covers:

- The review of the scope of the EITI report agreed by CP-EITI;
- Implementation of procedures agreed with CP-EITI for data assurance;
- The collection of contextual and financial data from reporting parties;
- Compilation of data reported by the Government; and
- Preparation of the EITI Report in accordance with **EITI Standard 2023** and Terms of Reference.

1.1.2 Participants in the EITI 2022 report

In preparing the EITI 2022 Report, several stakeholders contributed to the collection and analysis of data, in line with the requirements of the EITI Standard.

- **Government Entities**: Public institutions responsible for managing revenues from extractive industries were asked to report the revenues received and other relevant information, in line with the requirements of the EITI Standard.
- **Extractive enterprises**: Enterprises making significant payments to the State were also asked to provide detailed data on their payments as well as other elements required by the EITI Standard.

The mission was supported by the EITI Technical Secretariat-Togo and conducted under the supervision of the EITI Steering Committee, ensuring effective coordination and compliance with international standards.

1.1.3 EITI 2022 Limitations

This report is based on the financial and background data for 2022 and the information collected up to **29 November 2024**. The conclusions reflect the state of the data available at that time and do not take into account any changes that may have occurred after that date.

1.2 EITI Report 2022 Key Figures

1.2.1 Payments by companies

In 2022, extractive companies reported payments totalling **CFAF 19,004.17 million**, distributed mainly among the mining, quarrying and water sectors, as shown in **Table 1**. The mining and quarrying sector dominates with **94.18%** of payments, representing **CFAF 17,896.83 million**, while water exploitation contributes **5.82%**, **CFAF 1,107.34 million**.

Table 1 - Total sector payments (CFAF million)

Sector	Amount
Mine and quarry	17,896.83
Marketing of precious substances	-
Water	1,107.34
Hydrocarbons	-
Total	19,004.17

These payments were distributed among several beneficiaries. The majority, **79 percent** (**CFAF 15,029.45 million**), went to the **Treasury Single Account**. The municipalities received **6.73%** (**CFAF 1,279.27 million**), including **CFAF 1,114.74 million** under the **contribution to local and regional development**. In addition, the **levy of water from the water table**, collected by TDE, generated **143.43 million CFA francs**, representing **0.75%** of total payments.

Table 2 - Total payments by destination and nature (in CFAF million)

Destination/Nature	Payments in cash	Payments in nature	Total	Contribution in %
State Budget (Single Treasury Account)	**15,029.45**	**-**	**15,029.45**	**79.09%**
CNSS (Social contributions)	**1,897.48**	**-**	**1,897.48**	**9.98%**
Municipalities	**1,279.27**	**-**	**1,279.27**	**6.73%**
Financial contribution to local and regional development	*1,114.74*	-	*1,114.74*	*5.87%*
Quarrying revenues	*133.47*	-	*133.47*	*0.70%*
Other soil and subsoil products	*13.67*	-	*13.67*	*0.07%*
Quarrying and mining royalties	*10.56*	-	*10.56*	*0.06%*
Rehabilitation expenditure	*6.83*	-	*6.83*	*0.04%*
Other beneficiaries	**118.41**	**454.58**	**572.99**	**2.66%**
Compulsory social payment	-	*377.41*	*377.41*	*1.99%*
Voluntary social payment	*113.90*	*13.76*	*127.66*	*0.67%*
Voluntary environmental expenditure	*4.51*	*14.30*	*18.81*	*0.10%*
Rehabilitation expenditure	-	*49.11*	*49.11*	*0.26%*
TDE	**143.43**	**-**	**143.43**	**0.75%**
Water withdrawal tax in the water table	*143.43*	-	*143.43*	*0.75%*
ANGEL	**81.54**	**-**	**81.54**	**0.43%**
Certificate of environmental regularisation	*42.72*	-	*42.72*	*0.22%*
Other environmental payments	*38.82*	-	*38.82*	*0.20%*
Grand Total	18,549.59	454.58	19,004.17	100.00%

1.2.2 Budgetary revenues

In 2022, budgetary revenues from the extractive sector reached **CFAF 15,029.45 million**, divided between **tax revenues** (86.73%) and **non-tax revenues** (13.27%).

The **Tax Commission (CI)** was the main contributor, collecting **9,568.17 million FCFA** (63.66%), followed by the **Commissioner of Customs and Indirect Taxes (CDDI)** with **3,466.99 million FCFA** (23.07%).

Table 3 - Total budgetary revenues by collecting entity (CFAF million)[1]

Collector Entity	Amount	In %
Tax revenue	**13,035.16**	**86.73%**
CI	9,568.17	63.66%
CDDI	3,466.99	23.07%
Non-tax revenue	**1,994.29**	**13.27%**
DGTCP	1,726.60	11.49%
DGMG	258.09	1.72%
DGTLS	9.60	0.06%
Total	**15,029.45**	**100%**

Contributions from major companies

The largest contributors to budget revenues in 2022 were **SCANTOGO MINES**, **SNPT** and **WACEM**, accounting for almost 90 percent of total contributions, totalling about **CFAF 13.5 billion**. These companies are respectively active in the mining of limestone (SCANTOGO and WACEM) and phosphate (SNPT).

Contributions from main flows

The budget revenue collected is dominated by **the Value Added Tax** (29.3%), **customs duties and taxes** (23.1%), and **the Corporate Tax** (13.9%). Mining **royalties**, although sector-specific, account for only 11.5% of total revenues.

Table 4 - Total budgetary revenues by company and flow (CFAF million)

	VAT	Customs Duties and Taxes	Corporate tax	Mining royalties	Other flows	Total	in %
SCAN MACHINE	3,566.08	1,492.05	-	1,193.34	1,859.66	**8,111.13**	**54.0%**
SNPT	308.68	1,245.43	1,566.80	-	900.97	**4,021.87**	**26.8%**
WACEM	0.05	432.52	359.45	510.69	65.75	**1,368.46**	**9.1%**
TDE	213.63	191.85	82.31	-	242.04	**729.82**	**4.9%**
TOGO CARRIERE	112.23	49.47	17.06	2.01	29.19	**209.95**	**1.4%**
TOGO Rail	10.46	50.76	15.53	1.07	18.45	**96.27**	**0.6%**
Other companies	189.30	4.91	47.67	19.49	230.57	**491.94**	**3.3%**
Total	**4,400.42**	**3,466.99**	**2,088.82**	**1,726.60**	**3,346.62**	**15,029.45**	**100.0%**
in %	**29.3%**	**23.1%**	**13.9%**	**11.5%**	**22.3%**	**100.0%**	

[1] Source: 2022 IA adjusted reporting form

1.2.3 Production Data

1.2.3.1 Mining sector

In 2022, mining production was dominated by phosphate, followed by limestone in value terms. The details are as follows:

Table 5 - Mining sector output in 2022

Substance	Unit	Volume	Value (in M of FCFA)
Phosphate	Ton	1,541,772	185,897.40
Limestone	Ton	3,174,476	17,743.70
Granulate	M3	370,020	2,670.20
Clay	Ton	393,341	3.80
Gneiss	M3	285,558	N/c
Dolomia	Ton	78,848	N/c
Gold	Ton	-	-

N/A: Not reported

Further details on production, including those related to the informal sector, are available in section 3.2.1 of this report.

1.2.3.2 Water sector

The TdE produced 28,086,620 M3 of water worth CFAF 9,943 million.

1.2.3.3 Petroleum sector

In 2022, no oil production or exports were recorded.

1.2.4 Export Data

1.2.4.1 Mining sector

In 2022, Togo exported mainly phosphate, clinker and limestone. Phosphate exports generated the highest value, confirming its central role in the country's mining exports. Details of exports in volume and value are presented below:

Table 6 **- Exports of phosphate, clinker, limestone and cement in volume and value**

Substance	Unit	Volume	Value (in M of FCFA)
Phosphate	Ton	1,782,665	157,611
Bulk Clinker	Ton	715,928	29,400
Bulk limestone	Ton	140,000	2,571
Gold	Ton	-	-

Details of mining exports and estimates of data from the informal sector are discussed in section 3.3.1 of this report.

1.2.4.2 Water sector

In 2022, no water exports were recorded

1.2.4.3 Petroleum sector

In 2022, no oil exports were recorded.

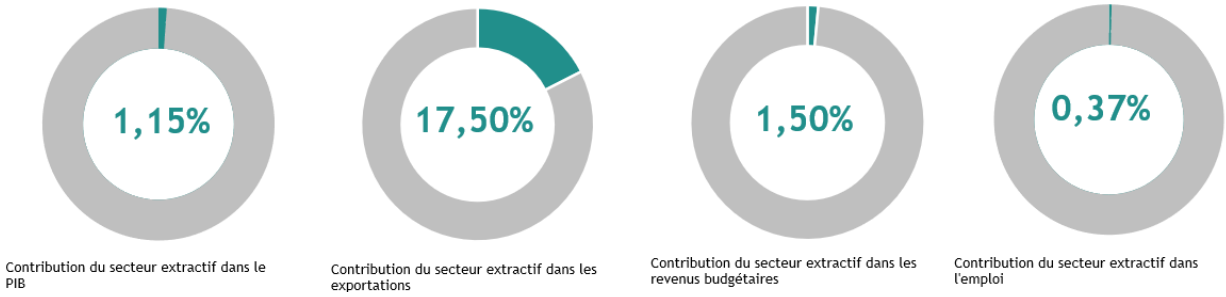
1.2.5 Contribution to the economy

Based on the data presented at Section 6.4, the extractive sector's contribution to exports, government revenues, GDP and employment is as follows:

Table 7 : Extractive sector contribution to the economy in 2022

	2021	2022
GDP	*1.11%*	*1.15%*
Exports	*14.0%*	*17.5%*
Budgetary revenues	*2.0%*	*1.5%*
Employment	*1.4%*[2]	*0.37%*

Figure 1 - Extractive sector contribution in 2022



1.3 Data quality and assurance

1.3.1 Completeness of income and payments data

Section 4.9.4 assesses the completeness and reliability of the data reported under the EITI process.

1.3.1.1 State data

(i) Submission of declarations: All public entities submitted their declarations, except Commune ZIO1. The municipality's potential income from quarrying and mining royalties was not included.

(ii) Identified discrepancies and inconsistencies:

- **Mining royalties:** The DGTCP declared 1.72 billion FCFA, against 2.24 billion FCFA mentioned in the TOFE 2022, creating a gap of 0.52 billion FCFA, of which 0.26 billion FCFA remains unexplained.
- **Commercialisation of precious substances:** No export tax (4.5%) on exports of precious substances was reported, despite reported gold imports from Togo (20.6 tons, US$1.2 billion). Potential revenues (estimated at USD 54 million) were not taken into account.
- **Contributions to local development of municipalities:** Municipalities declared CFAF 0.68 billion for the contribution to local development, while the DGTCP reported CFAF 1.1 billion, a difference of CFAF 0.43 billion. The data from the PGTC were retained for the purposes of this report.

2 Source: ITI report

1.3.1.2 Business data

All companies within the reconciliation scope have submitted their reports. However, POMAR, although not selected in the reconciliation scope, is required to carry out compulsory social expenditure (CFAF 60 million) according to its investment agreement. These potential costs were not taken into account in the report.

Details of these bids are available in Appendix 1.

1.3.2 Reliability of data

The insurance procedures agreed by the NOC-EITI are described in section 4.9.3 of this report. Details of the data assurance assessment are presented in Section 4.9.4.2 and Annexe 1.

1.3.2.1 State data

- **No** public entity has submitted a declaration certified by the Court of Auditors**.**
- The main public entities, representing 80% of total sector payments, submitted unsigned declarations (CI, CDDI, DGTCP, DGMG, DGTLS, TdE, ANGE).

1.3.2.2 Business data

- **Only 36,84** % of the declared payments come from forms signed by authorised representatives.
- **No** company provided evidence of certification of the 2022 financial statements. Only 28.26% of the reported income comes from forms certified by external auditors, compromising the overall reliability of the data.

1.3.2.3 Result of reconciliation work

- The reconciliation covered **88.07%** of the sector's revenues, below the CP-EITI target of 92%. This is mainly due to the exclusion of CIMCO from the initial scope of reconciliation decided by CP-EITI because of the main non-extractive activity of the company.
- An **unreconciled difference** of CFAF 685.46 million (**4.11% of the reconciled revenue**) exceeds the tolerable threshold of 1%.

Table 8 - Reconciliation of payments

	Amounts after adjustments			In %
	Companies	Government	Difference	
Total payments	17,362,231,120	16,676,768,473	685,462,647	4.11%

The non-reconciliation gap mainly concerns the financial contribution to local and regional development of **FCFA 829.7 million** declared by the **SNPT** for the benefit of several municipalities. Due to the lack of disaggregated data provided by the DGTCP and municipalities, this amount could not be reconciled. However, the total amount reported by the DGTCP for the same municipalities was included in the compilation of payments in the report.

Details of the results of the reconciliation work are presented in section 4.9.4.3.

1.3.3 Conclusion

Apart from the findings mentioned in sections 1.3.1 and 1.3.2, we are not aware of any factors that could affect the reliability and completeness of the reported revenues, in accordance with the CP-EITI and EITI criteria.

1.4 Summary of findings and recommendations

Without questioning the data and conclusions of this report, we have made findings and recommendations to comply with the requirements of the EITI Standard and to improve the EITI reporting process and/or the governance and transparency of the sectors covered, the summary of which is as follows:

1.4.1 Summary of findings in 2022

Table 9 - Summary of findings of the 2022 EITI Report

NO.	2022 Report Findings	EITI Requirement	Entity concerned
1	*Completeness of title and licence data*		
	Finding: Data on disposals, transfers of mining titles and marketing authorisations of undisclosed precious substances. **Corrective Action:** • Disclose disposals and transfers of mining titles. • Publish valid marketing authorisations for precious and semi-precious substances.	2.2 / 2.3	DGMG
2	*Gap assessment and compliance of transfers of securities*		
	Finding: Lack of a documented methodology to assess differences in transfers and securities allocations. No letter of affirmation provided by DGMG on deviations. **Corrective Action:** • Agree on a clear methodology to assess gaps. • Obtain a letter of affirmation from the DGMG on deviations. • Publish results and methodological documents.	2.2	CP-EITI, DGMG
3	*Completeness of data in the Mining Cadastre System (MCS)*		
	Finding: Gaps in key data (application dates, allocation) and lack of tools for retrieval or search in the MCS. **Corrective Action:** • Complete the MCS with all required information (application dates, allocation, permit duration). • Integrate open format search and retrieval options.	2.3	DGMG
4	*Improving the publication of mining agreements and licences*		
	Finding: Incomplete data on mining agreements and licences, inaccessible PDGM site, lack of inventory of tax orders. **Corrective Action:** • Publish contracts, annexes and special tax regimes. • Make the PDGM site accessible and ensure that it is updated regularly. • Establish a process for verifying contract and licence data.	2.4	DGMG
5	*Disclosure of beneficial ownership data*		

NO.	2022 Report Findings	EITI Requirement	Entity concerned
	Finding: Unclarified reporting process for Politically Exposed Persons (PEP), no data submitted by reporting companies. **Corrective Action:** • Clarify the scope of identification of EPPs. • Develop procedures for out-of-scope entities. • Publish reporting guidelines and templates. • Establish a regular review of the reporting scope.	2.5	CP-EITI
6	***Completeness of data on government holdings***		
	Finding: • JUN HAO MINING does not appear in the list of participations despite a valid permit as of 31/12/2022. • Lack of confirmation of participation levels for multiple companies. • Incomplete data for POMAR and ICA-Invest **Corrective Action:** • Establish a comprehensive and up-to-date inventory of government holdings, including all licenced companies. • Update data regularly and publish it transparently.	2.6	DGMG
7	***Insurance on the financial commitments of the State***		
	Finding: • Potential financial liabilities of the State to POMAR (loan, guarantees) not confirmed or documented. **Corrective Action:** • Publish or confirm absence of financial commitments. • Obtain a letter of affirmation from DGTCP. • Integrate POMAR into the EITI perimeter.	2.6	CP-EITI, DGTCP
8	***Disclosure of the financial statements of state-owned enterprises***		
	Finding: • The financial statements of NTPS (last available: 2017) and TdE are not published regularly. **Corrective Action:** • Publish audited financial statements and audit reports annually. • Simplify access to financial statements via corporate websites.	2.6	TPNS, TdE
9	***Completeness of the disclosures of TdE's transactions with the Crown***		
	Finding: • Balancing grant of 1 771.6 million CFA francs not reported by TdE or DGTCP. • Amounts collected from water charges (CFAF 143.4 million) not confirmed as transferred to the Consolidated Revenue Fund. **Corrective Action:** • Ensure full disclosure of financial transactions (grants, loans, dividends).	2.6	TdE, DGTCP

NO.	2022 Report Findings	EITI Requirement	Entity concerned
	• Document and verify the transfer of collected royalties. • Clarify the use of grants and their correspondence with financial statements.		
10	***Disclosure of data on Togo Invest's holdings***		
	Finding: • Togo Invest Corporation SA was not identified as a state-owned enterprise in the scoping report. • The company was not included in the EITI reconciliation scope. • Missing data on its participation and financing in the Ledjoblibo project (7,864 million CFA francs). **Corrective Action:** • Formally recognise Togo Invest as a state-owned enterprise. • Integrate it into the EITI scope for a comprehensive assessment. • Publish the terms of participation and financing in the mining sector.	2.6	CP-EITI, Togo Invest
11	***Completeness and value of mining and water production data***		
	Finding: • Aggregate data, without details by permit or valuation. • Companies (SOGECAR, SAD, ACI-Togo, POMAR, etc.) that paid a mining royalty not included in the production situation. • Water production data not reported. **Corrective Action:** • Provide detailed production status by permit (volumes, product types, values). • Integrate data from non-included companies. • Align the valuation with the basis for settling mining royalties.	3.2	DGMG
12	***Completeness of declarations on the marketing tax on precious stones***		
	Finding: • The exit tax (4.5%) provided for by the 2009 decree has not been declared by the CDDI, which states that it does not exist. • Contrast with UN Comtrade data: UAE imports gold from Togo (~20.6 tons, US$1.2 billion). • No data were reported for income from marketing authorisation holders of precious substances. **Corrective Action:** • Verify and clarify the existence and application of the tax with the competent authorities. • Strengthen mechanisms for collecting and verifying export taxes.	4.1	CDDI, CP-EITI, CI
13	***Transparency of infrastructure supply and barter agreements***		
	Finding: • No barter or infrastructure supply agreements were reported in 2022. • Preferential provisions in the POMAR-Togo S.A. (mineral wharf, Lomé-Blitta railway) and MM Mining conventions requiring in-depth evaluation.	4.3	CP-EITI

NO.	2022 Report Findings	EITI Requirement	Entity concerned
	Corrective Action: • Assess and document commitments in the POMAR and MM Mining Conventions. • Publish details of economic counterparties and liabilities. • Strengthen dialogue between CP-EITI, public entities and enterprises.		
	Disaggregated disclosure of subnational payments		
14	**Finding:** • Revenue collected by local and regional authorities not broken down by company, project or type of flow. • Limitation of transparency on direct payments from enterprises. **Corrective Action:** • Establish a mechanism for disaggregating revenues by company, project and type of flow. • Encourage communities to publicise the use of collected revenues.	4.6	Municipalities
	Disclosure of Disaggregated Revenues by Company and Project		
15	**Finding:** • In 2022, only 23% of payments were broken down by project and 89% by company. • Lack of full breakdown of payments by project for DGMG, TdE, Commons and DGTCP. • Contributions to local development and sub-national payments not broken down by company. **Corrective Action:** • Include the permit reference in the official collection documents. • Periodically check flow assignment by project. • Train stakeholders on the importance of the breakdown by project and company.	4.7	DGTCP, DGMG
	Completeness and compliance of compulsory social payments		
16	**Finding:** • Social contributions not disaggregated by company or licence. • Some municipalities (LACS4, Avé2, YOTO 3) did not receive the expected contributions. • Contributions under the POMAR Convention (CFAF 60 million/year) not included. **Corrective Action:** • Disclose disaggregated data by company, licence and fiscal year. • Publish documents justifying exemptions. • Introduce a social security audit. • Include POMAR in the EITI scope. •	6.1	DGTCP, Commons
	Completeness of quasi-fiscal spending disclosures		

<table>
<tr><th>NO.</th><th>2022 Report Findings</th><th>EITI Requirement</th><th>Entity concerned</th></tr>
<tr><td>17</td><td>Finding:
NTPS and TdE did not report quasi-budgetary expenditures for 2022.
Social amounts (SNPT: 315.5 M FCFA, TdE: 22.7 M FCFA) not detailed nor linked to a formal CSR policy.
Significant financial transactions between SNPT and the State (debts, dividends, receivables) not clarified.
Corrective Action:
Clarify the definition of quasi-budgetary expenditures and establish guidelines.
Publish disaggregated data on social projects and financial transactions.
Clarify and decide on the nature of social and financial expenditure.</td><td>6.2</td><td>NPTS, TdE, CP-EITI</td></tr>
<tr><td></td><td>Accessibility of environmental assessments and permits</td><td></td><td></td></tr>
<tr><td>18</td><td>Finding:
EIAs, certificates of conformity and environmental audit reports shall not be published or accessible.
Information necessary for environmental transparency not available.
Corrective Action:
Create a platform to publish EIAs, certificates and audits.
Introduce rules requiring public disclosure of these documents.
Involve communities and civil society in disclosure mechanisms.</td><td>6.4</td><td>ANGEL</td></tr>
</table>

Details of these findings are presented in section 8.1 of this report.

1.4.2 Summary of recommendations identified in 2022

Table 10 - Summary of EITI Report 2022 Recommendations

N O.	2022 Report Recommendations	EITI Requirement	Entity concerned
1	*Transparency on electricity tariffs and alignment with the energy transition*		
	Finding: • **Preferential electricity tariffs granted to SCANTOGO, WACEM** and **SNPT**, representing **6 %** of national consumption, justified by their **high voltage large consumers**. • **Lack of transparency** on award criteria, exact amounts of benefits granted and assessment of **loss of profit** for the State. • Preferential tariffs are **not conditional** on **energy transition** objectives, despite the climate challenges linked to the use of fossil fuels. • **Stability clauses** in some investment treaties that limit the government's ability to adjust tariffs to address climate priorities. **Recommendations:** • Publish award criteria and the shortfall. • Assess the costs and benefits of applied tariffs. • Link any benefits granted to energy transition commitments. • Revise the stability clauses for climate alignment.	2.1	CP-EITI, Mining and Energy Resources Department
2	*Transparency in the granting and transfer of mining permits*		
	Finding: • Lack of a competitive bidding mechanism in the Mining Code. • Licencing based on the "first come, first served" principle, not regulated by statutory instruments. • Non-disclosure of specific criteria for assessing technical and financial capabilities. • Inaccurate and flexible securities transfer process. **Recommendations:** • Incorporate tendering mechanisms and clarify award procedures. • Disclose the technical and financial criteria for assessing the capacity of tenderers and frame them by regulatory texts.	2.2	DGMG

N O.	2022 Report Recommendations	EITI Require ment	Entity concerned
3	***Beneficial ownership transparency in the extractive sector***		
	Finding: • Non-operational beneficial ownership registers (OTR, RCCM). • Access to information limited to a formal request, without online consultation. • Lack of formal reporting template and clarity on the identification of Politically Exposed Persons (PEP). **Recommendations:** • Make the registers operational and enable them to be consulted on-line. • Develop a standardised beneficial ownership declaration template. • Clarify EPP obligations and strengthen the legal framework.	2.5	OTR, MCCR, CP-EITI
4	***Transparency of the NTPS's profit distribution and reinvestment policy***		
	Finding: • **Dividends not paid** to the State: CFAF 10.22 billion cumulated (2021: CFAF 2 billion not paid). • **Treasury doubled** to CFAF 121.13 billion in 2022, but use and funded projects not reported. • Reinvestments (CFAF 44.63 billion) without clear alignment with national targets. **Recommendations:** • Clarify the reasons for non-payments and ensure compliance with dividend distribution deadlines. • Publish strategic cash management guidelines and funded projects. • Communicate regularly on reinvestments and their alignment with national priorities.	2.6	SNPT
5	***Management of GHG emissions in the extractive sector***		
	Finding: • The extractive sector consumes **6% of the country's electricity**, which is mostly fossil-based. • **Lack of published data** on corporate GHG emissions. • Delay in integrating climate issues. **Recommendations:** • Require companies to measure and publish their GHG emissions annually. • Promote the transition to renewable energy and tax emissions. • Strengthen the capacity of companies to manage their emissions through training programmes.	3.4	Ministry of Mines and Energy Resources

NO.	2022 Report Recommendations	EITI Requirement	Entity concerned
6	***Time limits for the liquidation and payment of mining royalties***		
	Finding: • Significant late payments in 2022: • **SNPT** did not pay for its exported production in 2022. • **SCANTOGO** and **Granutogo** settled their 2022 royalties in June 2023. • Failure to comply with the deadlines provided for in the **Mining Code**. **Recommendations:** • Implement strict monitoring to ensure timeliness. • Disclose any deferrals or benefits on payments to ensure transparency. • Strengthen pre-export controls through Customs and the Treasury.	4.1	DGMG, DGTCP
7	***Increased transparency of cost audits and fiscal controls***		
	Finding: • Lack of public disclosure of cost audit reports and tax audits. • The current legal framework based on the **Book of Tax Procedures** and the **General Tax Code** does not provide for a transparency mechanism. • Legal obstacle invoked: **professional secrecy**. **Recommendations:** • Establish a framework for publication of summaries with confidentiality. • Organise workshops to raise awareness of EITI requirements and the benefits of transparency. • Conduct legal analysis to lift or adapt existing restrictions.	4.10	CP-EITI, RTO
8	***Transparency and specific allocations of mining revenues***		
	Finding: • Failure to publish reports on the use of revenue collected by: • **TdE** (water withdrawal tax). • **ANGE** (environmental fines). • **Local authorities** (mining royalties). • **Specific funds** (0.75% of the turnover of mining operators). **Recommendations:** • Publish information on revenue, allocations and uses of funds. • Produce and disseminate audit and activity reports of the funds collected. • Publish the annual financial statements of dedicated funds such as **FACT** and **the Integrated Water Resources Management Fund**. • Strengthen dialogue with stakeholders to improve citizen oversight.	5.1	ANGEL, TdE, DGTCP, Commons

N O.	2022 Report Recommendations	EITI Require ment	Entity concerned
9	***Completeness of projections of future revenues***		
	Findings • Lack of projections on future revenues: No projection of extractive revenues is published. • Lack of uniformity in tax regimes: Tax and economic benefits vary between conventions, limiting consistent assessment of contributions. • Limitation of negotiation tools: The lack of revenue modelling reduces the ability to negotiate investment agreements that benefit Togo. **Recommendations** • Publish projections based on production levels, project costs, and commodity prices. • Implement modelling tools to assess revenues and impacts of tax regimes. • Train stakeholders to use these projections in budget negotiations and planning.	5.3	CP-EITI
10	***Implementation of the environmental tax***		
	Finding: • No implementing decree since 2008, rendering the tax ineffective. • Non-mention of the tax in the tax distribution decree. • No payments or recoveries reported by public companies or entities. **Recommendations:** • Expedite the adoption of the decree specifying the amount, collection, and distribution of the tax. • Amend Decree No. 2021-023 to incorporate the environmental tax as income to be distributed.	6.1	Ministry of Environment, ANGEL
11	***Clarification of provisions on contribution to local and regional development***		

N O.	2022 Report Recommendations	EITI Require ment	Entity concerned
	Finding: • Law 2011-008 imposes contributions to local and regional development for holders of mining and craft permits. • Decree No. 2017-023 extends the application to operators of construction materials, creating ambiguities about which categories are actually subject to this obligation. **Corrective Action:** • Harmonisation of the regulatory framework: Clarify provisions to align legal and regulatory obligations, and precisely define the categories of operators concerned.	6.1	CP-EITI, Ministry of Mines
12	***Governance of financial contributions to local and regional development***		
	Finding: • 1.1 billion CFA francs raised in 2022 for community projects. • Lack of clear priorities, caps on management fees, inclusion of marginalised groups, and publication of audits. **Recommendations:** • **Priority:** Direct funds to strategic areas. • **Capping:** Limit administrative costs. • **Inclusion:** Integrating women and vulnerable groups into management committees. • **Follow-up:** Publish audits and assess the impact of projects.	6.1	CP-EITI, Ministry of Mines Municipalities

Details of these recommendations, as well as follow-up to the recommendations of previous reports, are presented in section 8.2 of this report.

2. Legal and institutional framework, contracts and licences

2.1 Legal framework and tax system

2.1.1 Mining sector

2.1.1.1 Legal framework

The mining sector in Togo is governed by a set of laws, codes, regulations and decrees, guaranteeing the regulation of extractive activities. The main pieces of legislation and regulations are as follows:

Text	Description
Laws	
Law No. 96-004/PR of 26 February 1996	Mining Code, the basic text governing all mining activities (amended in 2003).
Law 2003-012 of 14 October 203	Act supplementing and amending Act No. 96-004.
Law No. 2008-005 of 30 May 2008	Framework Law on the Environment, imposing rules for activities with an environmental impact.
Law n°2011-008 of 5 May 2011	Sets the contributions of mining companies to local and regional development.
Code	
Investment Code	Regulates investments, including those in the mining sector.
General Tax Code	Defines the tax regime applicable to mining companies.
National Customs Code	Regulates imports and exports, including mining
Regulations	
Regulation No 02/2023/CM/UEMOA of 16 June 2023 on the Community Mining Code	WAEMU Community Mining Code, harmonising mining regulations at regional level
Orders	
Order No 0150/MERF/CAB/ANGE of 22 December 2017	Defines the modalities for public participation in environmental and social impact assessments.
Order No 0151/MERF/CAB/ANGE of 23 December 2017	List of activities and projects subject to environmental and social impact assessment
Interministerial orders	Advantages in respect of direct taxes and similar taxes additional to those provided for in the Mining Code and the Investment Agreements may be granted by interministerial decree of the Minister responsible for Finance and the Minister responsible for Mines.
Orders in Council	
Decree No. 2009-299/PR of 30 December 2009	Regulates the purchase and sale of precious and semi-precious minerals.
Decree No. 2017-040/PR of 23 March 2017	Lays down the procedures for environmental and social impact assessments.
Decree No. 2017-023/PR of 25 February 2017	Determines how the Law on the Contribution of Mining Enterprises to Local Development is to be applied.
Conventions	
Investment agreement	The State is entitled to conclude investment agreements for mining projects deemed to be of national interest, in particular with a view to obtaining permits for large-scale exploitation. These agreements establish specific economic, financial, fiscal, legal and social safeguards and conditions that may complement or clarify existing legislation. They are approved by decree of the Council of

Text	Description
	Ministers and may, if necessary, include economic and fiscal advantages complementary to the provisions of the Mining Code.

2.1.1.2 Institutional framework

Togo’s mining sector is governed by several government institutions, each with specific responsibilities for the management, regulation, and control of extractive activities.

The following table summarises the roles of the main structures involved:

Table 11 - Government structures involved in the mining sector

Structure	Prerogatives
Council of Ministers	Approves investment agreements, operating permits and marketing authorisations for precious substances.
Ministry of Mines and Energy (MME)	Coordinates the state's mining policy, manages the mining sector, ensures energy supply and promotes renewable energy. The Ministry may also grant tax advantages in respect of direct taxes and similar taxes by interministerial decree in consultation with the Ministry responsible for finance.
Directorate General of Mines and Geology (DGMG)	Proposes mining policies, controls exploration and exploitation programmes, manages the mining field and ensures the application of the Mining Code.
National Agency for Environmental Management (ANGE)	Implement environmental policy, carry out environmental assessments and coordinate the National Environmental Management Programme, integrating the environmental dimension into development policies.
Office Togolais des Recettes (OTR)	Collects taxes, duties and charges on behalf of the State and local authorities, including those related to mining activities.
Ministry of Economy and Finance (MEF)	Through the DGTCP and OTR, ensures the collection of tax revenues from the extractive sector for the State and local authorities. The Ministry may also grant tax advantages in respect of direct taxes and similar taxes by interministerial decree in consultation with the Ministry responsible for mines.
Ministry of Environment and Forest Resources (MERF)	Implements national environmental policy, develops measures to protect and prevent environmental risks in extractive activities.
Management Committee	Tripartite body (administration, operators, local population) overseeing the management of funds derived from the contribution of mining companies to local and regional development under Law No. 2011-008 of 5 May 2011.

2.1.1.3 Fiscal framework

i. Tax system

The main tax instruments applied to the mining sector in Togo are:

Table 12 - **Main instruments of the mining tax system**

Fiscal Instrument	Description	Calculation Method	Reference
Mining			
Mining Royalties	Taxes based on the gross value of minerals extracted	Percentage of market value or turnover by substance	Mining Code, Annexe III Order No 31/MCITDZF/MEMEPT (for water)
Surface charge	Taxes based on the area covered by mining titles	Paid annually from the award of title	Set by regulation
Corporate Tax (IS)	Tax on net corporate profits	Calculated on net profit (about 27%)	Mining Code, Article 52 (new)
Customs Duties	Taxes on imported equipment and materials	Percentage of the customs value of goods	Customs Code, Article 45
Value Added Tax	VAT on imports	18% of the sale price	Mining Code, Article 52
Income from holdings	The State benefits from 10% free participation in industrial operating companies, excluding career companies	Calculated on the basis of realised and distributed profits.	Mining Code, Article 55 (new)
Contribution to local and regional development	Contribution of 0.75% of annual turnover paid to the public treasury	0.75% of annual turnover	Law No. 2011-008 Decree No. 2017-023,
Marketing of precious and semi-precious substances			
Tax on the marketing of precious stones	4.5% tax on the mercurial value of exported precious stones and substances	Calculated based on mercurial value	Decree No. 2009-299/PR, Article 4

The description of other taxes and charges applicable to the mining sector is presented in Annexe 2.

ii. Tax benefits

❖ ***Benefits under the Mining Code***

Mining companies benefit from the following tax and customs advantages:

Tax benefits:

- Exemption from income tax, VAT, corporation tax and flat-rate minimum tax for holders of exploration authorisations, research permits or exploitation permits (up to the first commercial production).
- Business tax exemption for holders of mining titles.
- Exemption from payment of the flat-rate minimum levy and business tax for holders of craft licences.
- VAT exemption for mineral substances intended for export.

Customs benefits:

- Exemption from customs duties, import and export VAT and statistical tax (except for passenger vehicles and personal property) for holders of exploration, research or exploitation permits.

- Mineral substances intended for export are also exempt from customs duties and statistical charges.

❖ *Benefits under investment agreements*

Investment agreements may provide for advantages additional to those provided for in the Mining Code. The extent of the benefits granted may vary according to the specific provisions of each agreement. For example, the **POMAR-Togo S.A. Convention** provides for specific tax advantages. The following is a summary of the main benefits provided:

Corporate Tax (IS):

- POMAR-Togo S.A. benefits from a total exemption from tax for the first ten years of activity.
- From the eleventh year onwards, the company is subject to a reduced rate of 15 % on taxable profit.

Minimum Flat Tax (MFI):

- A total exemption of MFIs is granted for the first 10 years.
- From the eleventh year onwards, a rate of 15 % shall be applied on the amount of the MFI, calculated on the basis of the turnover achieved.

Exemptions proportional to exports:

POMAR-Togo S.A. may benefit from an exemption of part of the profits for the calculation of the IF and part of the turnover for the calculation of the IF. This exemption is proportional to the turnover from exports in relation to the overall turnover, excluding VAT. This exemption is capped and may not exceed 75 % of the total turnover.

In the case of POMAR, these benefits are conditional on an initial investment by POMAR-Togo S.A. of at least USD 150 million at the time of signing the agreement.

iii. Stability clauses

The holders of investment agreements shall be guaranteed stability of the legal, fiscal and economic conditions established by the agreement and the legislation in force on the date of its entry into force. Any subsequent amendment shall, as a matter of priority, be the subject of prior discussion between the Contracting Parties. The scope of the stability clauses is not uniform and may vary depending on the specific provisions of each convention.

2.1.1.4 Framework for artisanal and small-scale mining

i. Legal framework

Artisanal mining in Togo is governed by the **Mining Code**, which defines it as prospecting, research and exploitation activities carried out in an essentially non-mechanised manner by natural persons. Access to this activity is strictly regulated and can only be obtained through an **artisanal authorisation**, issued by order of the Minister responsible for Mines (Art. 21).

ii. Institutional framework

The management of artisanal mining, including gold mining, is carried out by two main institutions:

- **Ministry of Environment and Forest Resources (MERF)**: Responsible for environmental policy and implementation of the Minamata Convention to reduce mercury risks in EMAPE.
- **The Ministry of Energy and Mines**, via the **Directorate General of Mines (DGM)**: Responsible for developing, implementing and evaluating the legislative framework of the mining sector and managing the mining cadastre. The **Mining Development and Governance Project (MDP)**, led by the DGM, plays a key role in the management of EMAPE.

iii. Fiscal framework

Craft farming is subject to the same tax rules as industrial farming, with the following exceptions:

- **State participation**: Unlike industrial exploitation, the State does not take a 10% free participation in the capital of craft activities.
- **Mining royalties**: Artisanal licence holders pay mining royalties on substances produced or sold. The amounts and terms may be adjusted by interministerial order of the Minister of Finance and the Minister of Mines (Article 51 of the Mining Code), ensuring that the charge is imposed only once per mineral substance. In practice, during the marketing phase, craft activities are subject to an exit tax of 4.5% on the mercurial value of exported precious stones and substances.
- **Direct taxes and taxes**: Holders of craft licences are treated as craftsmen according to article 33 of the General Tax Code and receive tax advantages. They are subject to the Single Business Tax (SPT). The TPU is exempt from the income tax of the natural persons of the entrepreneur, the flat-rate minimum tax of natural persons, the business tax, the payroll tax (employer's share), the value added tax.

2.1.1.5 Reforms

❖ ***Creation of the Togolese Society of Manganese (STM)***

The **Togolese Society of Manganese (STM)** was created by Decree No. 2023-039/PR of 5 April 2023, as part of the national strategy to develop the potential of manganese. The goal is to promote the development of the mining value chain in Togo and double the mining sector's contribution to GDP by 2025.

❖ ***Membership of the Intergovernmental Forum on Mines (IGF) and the African Centre for Mining Development (CADM)***

- In **November 2022**, Togo joined the **Intergovernmental** Forum **on Mines, Minerals, Metals and Sustainable Development (IGF)**, affirming its commitment to sustainable mining development and improved governance of the sector. IGF provides its expertise to maximise the socio-economic benefits of the mining sector while protecting the environment.
- In **May 2023**, Togo ratified the statutes of the African Mining Development Centre through Law No. 2023-005. Membership allows the country to receive support in implementing reforms, aligning its mining code with African standards, and modernising regulations. CADM also provides opportunities for financing, training, and capacity building in the mining sector.

❖ ***Validation of the final PDGM report***

On **2 June 2022**, the Ministry of Energy and Mines validated the final report of the **Mining Development and Governance Project (MDGP)** during a stakeholder workshop. The project, which has been in operation since August 2016 and ended on 30 June 2022, has made it possible to assess the achievements of the mining sector and to propose solutions to make the reforms undertaken permanent.

2.1.2 Hydrocarbon sector

2.1.2.1 Legal framework

Oil exploration and exploitation activities in Togo are governed by **Act No. 99-003 of 18 February 1999** on the Hydrocarbons Code. The rights and obligations of holders of petroleum securities are defined in the **oil contracts**, negotiated by the Minister responsible for hydrocarbons and approved by decree of the Council of Ministers.

2.1.2.2 Institutional framework

The hydrocarbon sector is regulated and supervised by the following structures:

Table 13 - Government structures involved in the Hydrocarbons sector

Structures	Role
Council of Ministers	Approves contracts, authorisations to transport and the tax regime for oil contracts.
Minister of Mines and Energy (MEM)	Coordination of national mining and energy policy.
Hydrocarbons Directorate (DH)	Implementation of oil and gas policy, management of authorisations.
Oil Operations Promotion and Development Fund	Financing of the promotion of petroleum activities for national benefit.

2.1.2.3 Fiscal framework and reform

(i) Tax system

The tax framework for oil and gas companies is defined in the 1999 Hydrocarbons Code. Tax rates and royalties are specified in **oil contracts**, subject to benefits granted by decree of the Council of Ministers.

Table 14 - Main instruments of the oil tax system

Tax or Royalty	Description
Annual superficial fee	Fixed amount determined in the oil contract, payable annually on the basis of the area granted.
Fee proportional to production	Payable in cash or in kind, with a rate and basis of assessment rules determined by the contract. This charge is directly linked to the volume of hydrocarbon production.
Signature and/or production bonus	Specific amounts negotiated under the contract, representing one-time payments upon signature or upon reaching production thresholds.
Additional levy	Levy on profits from oil operations, in addition to other taxes.
Common taxes and charges	Oil companies remain subject to applicable taxes and charges, subject to the exemptions provided for in oil contracts.

Note: No oil contract has yet been signed in Togo.

2.1.2.4 Reforms

Modernisation of the legislative and institutional framework: In March 2019, an analysis of the legislative framework of the sector was carried out with the support of the African Legal Support Facility. The objective of this analysis was to modernise the governance of the sector and attract investment. The recommendations include an update of the Hydrocarbons Code and training to build the capacity of the sector's stakeholders. The process of adopting the reforms is ongoing, but no concrete implementation has yet taken place.

2.1.3 Anti-corruption framework

2.1.3.1 Legal and policy framework

Togo has put in place a legal framework to fight corruption, integrating national laws, international commitments and national strategies. The main components are:

Table 15 - Legal framework to fight corruption

Legal Text	Object
Legislation	- **Constitution of Togo**: Principles of good governance and the fight against corruption (Art. 46). **- Togolese Penal Code**: Provisions on corruption, embezzlement of funds, and abuse of power. **- Code of Transparency** (Law 2014-009) **- Law against money laundering and terrorist financing** (Law 2018-004)
International Commitments	- **United Nations Convention against Corruption** (ratified 5 July 2005) **- African Union Convention** (ratified 22 October 2009)
Policies	**National Anti-**Corruption Strategy (2023-2027) adopted in October 2022.

2.1.3.2 Institutional framework

The institutional framework comprises several bodies dedicated to the fight against corruption:

Table 16 - Institutional framework to fight corruption

Organ	Mission
High Authority for the Prevention and Fight against Corruption and Related Offences (HAPLUCIA)	Created by Law No. 2015-006, the High Authority for the Prevention and Fight against Corruption is responsible for the prevention and fight against corruption.
Court of Auditors	Control of public financial management; audit; transparency.
National Financial Information Processing Unit (CENTIF)	Financial Information Unit, active since 2008, responsible for the prevention of money laundering and terrorist financing.
Directorate for the Prevention and Fight against Corruption (OTR)	Responsible for corruption prevention and investigation activities within the Togolese Revenue Authority (OTR).

2.1.3.3 Reforms

In October 2022, Togo launched a **five-year strategic plan** developed by HAPLUCIA to strengthen the fight against corruption. This plan, structured around three main axes, aims to:

- **Strengthening the legal and institutional framework**.
- **Mobilising actors** from all sectors in the fight against corruption.
- **Promoting transparency and integrity** in public administration.

The five-year plan implements commitments under the **United Nations Convention against Corruption** and strengthens ongoing reforms to fight corruption more effectively.

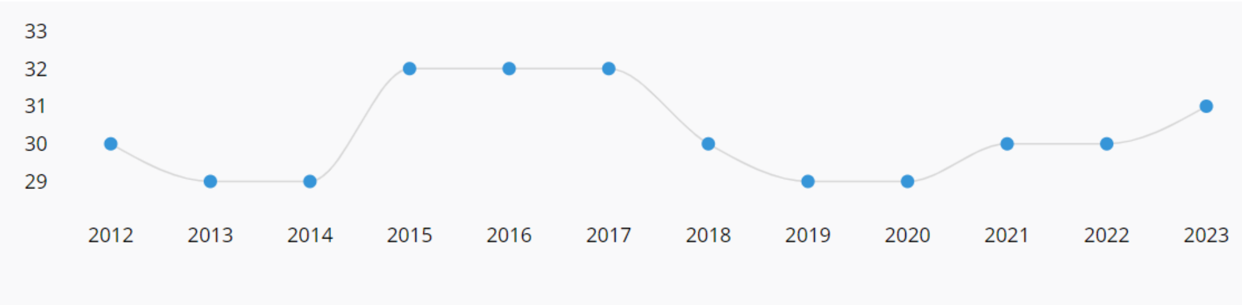
In addition, Togo introduced **Order No 025/MEF/SG/OTR/CG of 21 February 2022**, which establishes a **central register of beneficial owners**. This register, managed by the Office Togolais des Recettes (OTR), aims to increase transparency in the ownership of companies by identifying beneficial owners. Businesses must report information about their end-owners, supported by supporting documents to ensure the accuracy of the information. This measure is part of reforms to improve transparency in the economic and extractive sectors.

2.1.3.4 Anti-corruption stocktaking

In 2023, Togo made progress in the fight against corruption, according to the **Corruption Perception Index (CPI)** published by **Transparency International**. The country slightly improved its score compared to previous years, reflecting ongoing reform efforts.

- **2023 score**: 30/100, ranked 133rd out of 180 countries.
- **2022 score**: 29/100, ranked 136th out of 180 countries.

Figure 2 - Trend in the corruption perception index in Togo (2012-2023)[3]



2.1.3.5 Fight against corruption in the extractive sector

- **Corruption risks in the extractive sector**

The **Togo Mutual Assessment** Report **(June 2022) highlights that, from 2015 to 2018, Togo served as a corridor for gold illegally mined from Burkina Faso and Ghana**, before being re-exported to the **United Arab Emirates** and **Switzerland**. A tax of **1000 CFA francs (€1.52) per kg** was collected at the border, before this practice was stopped in **September 2018** under the impetus of the **BCEAO**. However, the **porous borders** and the lack of effective controls leave doubts about the complete cessation of this smuggling. Despite the importance of this issue, the report notes the lack of investigations into **money laundering** linked to gold smuggling.

In 2018, CENTIF recommended reforms to increase transparency in the gold trade. A working group between the Ministry of Mines and OTR has been set up to improve regulation of the sector, although the results of this working group have not been made public.

In December 2023, the EITI Togo published a Study on the risks of corruption in the extractive industries, identifying in particular the risks associated with politically exposed persons, who hold significant shares in certain companies in the sector. According to the study, the risk of corruption is high in the phosphate sector and very high in the limestone sector, without providing concrete examples or clarifications on which aspects of the value chain are affected.

The study proposes several recommendations, including the operationalisation of the beneficial ownership register, the establishment of a joint control between the DGMG and the OTR and the operationalisation of the Regional Courts of Accounts. A reform of the mining code is also suggested, although the specific aspects to be reformed are not detailed.

[3] Source: https://www.transparency.org/en/countries/togo

- **Extractive companies' management of corruption risks**

There is no legal framework requiring extractive companies in Togo to put in place anti-corruption compliance mechanisms. However, as part of the preparation of this EITI report, companies included in the reconciliation perimeter were invited to share their internal anti-corruption policies.

The data collected shows a widespread lack of anti-corruption policies among extractive companies in Togo. Of the reporting companies, only TdE reported having an anti-corruption policy, but this is not public and does not cover the use of beneficial ownership data. No other company reported any such measures, and no specific obstacles to their implementation or publication were mentioned.

For further details, see **Annexe 3** containing the table of responses collected.

2.1.4 Energy Transition

2.1.4.1 Background and commitments[4]

Togo has made **ambitious climate commitments** under the Paris Agreement, which it ratified in 2017. At COP26, President Faure Gnassingbé reaffirmed the country's commitment **to** reduce its **greenhouse gas** (GHG) emissions significantly, while increasing its **Nationally Determined Contributions (NDCs)** to **20.51%** by **2030**. Togo has already achieved a **27.5%** reduction in 2020, surpassing the initial target of 17.5%.

The country is relying on levers such as **promoting renewable energy**, with the goal of reaching **50% of renewables** in its energy mix by **2030**. Projects such as the **Blitta** solar power plant and the installation of 300 solar mini-grids reinforce this dynamic. The government also aims to achieve a **100%** rate **of rural electrification** by **2030**, by electrifying 500 miles of households with solar kits.

2.1.4.2 Extractive sector and energy transition[5]

The mining sector, while playing a crucial role in the economy, is also a major energy consumer (see section 2.1.6) and places considerable pressure on the environment. Phosphate and limestone mining activities lead to significant deforestation and severe soil degradation.

Although obligations to rehabilitate mining sites have been introduced through Environmental and Social Impact Assessments (EIS) since 2006, their implementation remains limited. Many sites remain in a degraded, infertile and unable to regenerate, exacerbating arable land loss and deforestation.

2.1.4.3 Challenges and opportunities

Transparency in the management of mining revenues remains a major challenge in aligning the extractive sector with the energy transition objectives. While mining revenues can play a key role in financing renewable energy projects, several challenges limit this possibility:

- **Energy subsidy framework**: Some extractive companies benefit from preferential electricity tariffs, such as SCANTOGO, WACEM and SNPT, representing around 6% of national consumption in 2022. This electricity comes mainly from fossil thermal energy sources.
- **Rehabilitation of mining sites**: Current reforms should strengthen the requirements for the rehabilitation of working land, in order to limit environmental and social impacts.
- **Tax benefits and stability clauses:** Tax exemptions and significant economic benefits granted to certain large projects, combined with the stability clauses included in certain investment agreements, limit the State's ability to adjust fiscal or economic conditions. This limits the room for manoeuvre needed to mobilise funds for the energy transition and reduces the resources available to finance climate initiatives.

2.1.5 Carbon pricing

Under **Decree No. 2023-034**, Togo has put in place a regulatory framework for the management **of carbon mechanisms**, to help reduce **greenhouse gas (GHG) emissions**. The decree introduces a set of measures to regulate emissions and promote mitigation activities in priority sectors, including **extractive industries**.

- ***Carbon Pricing Mechanisms and Carbon Credits***

[4] Source: Official Portal of the Republic of Togo (link)
[5] Source: National Strategy to Reduce Emissions from Deforestation and Forest Degradation (REDD+) 2020-2029 (link)

The **extractive industries**, being significant GHG emitters, are particularly concerned with the implementation **of carbon pricing mechanisms**. The decree provides for the use of **carbon credits**, tradable and transferrable units that represent GHG emission reductions. Mining companies, among others, can acquire carbon credits through the **regulated market** or the **voluntary market**, depending on their emission levels and reduction plans.

Carbon credit holders can **transfer or transfer** these units, with transactions subject to a **carbon tax,** the terms of which are defined by joint order of the Minister of Finance and the Minister of Climate Change. The levy applies to carbon credits, providing an incentive for industries to reduce emissions actively rather than buy credits to offset exceedances.

❖ ***Management of mitigation projects in extractive industries***

The Order puts in place strong governance **for** emissions **mitigation projects**. Extractive industries can undertake **mitigation projects** (emission reduction or carbon sequestration), which must be **certified** by the **National Carbon Management Authority**. These projects are subject to strict **monitoring and evaluation** criteria and must comply with environmental and social standards, including safeguard measures.

The **mitigation results** from these projects are recorded in a **national registry**, and can be used to meet national emissions reduction obligations, in accordance with **Nationally Determined Contributions (NDCs)**.

2.1.6 Government subsidies to the extractive sector

The **2022 Activity** Report **of the Electricity Regulatory Authority (ARSE) points out that some extractive companies, such as SNPT, WACEM**, and **SCANTOGO Mines**, benefit from preferential tariffs for their electricity consumption, unlike other companies such as **CIMTOGO** and **FORTIA**, subject to higher tariffs. These three companies accounted for about **6% of Togo's electricity consumption in 2022**, mostly powered by **fossil-fuel thermal energy sources**, exacerbating climate challenges.

The report also mentions that in 2022, **SCANTOGO** obtained permission to install a **11.4 MWc** solar photovoltaic power plant, which could reduce its dependence on fossil fuels.

SCANTOGO's preferential rates are granted under its investment agreement, Article 12 of which states that the State undertakes to negotiate favourable terms with the Compagnie Énergie Électrique du Togo (CEET). A similar advantage is provided for in **POMAR**'s investment agreement.

The report in question recommends establishing **tariff equity** between industrialists, suggesting the creation of a framework for reflection to identify suitable solutions. Discussions are ongoing in the context of the electricity sector tariff study.

However, the report does not assess the **shortfall** for the State caused by these preferential tariffs and does not specify whether other extractive sector companies benefit from similar measures.

The **Ministry of Mines and Energy Resources** has nevertheless clarified that the three companies in question enjoy **identical tariffs** because of their **status as high voltage consumers**, and not because of advantages granted under their investment agreements.

2.2 Granting of contracts and licences

2.2.1 Mining sector

2.2.1.1 Legal framework

The granting and transfer of titles and authorisations in the Togolese mining sector in 2022 are governed by **Law No. 96-004/PR** of 26 February 1996 on the **Mining Code**, amended by **Law No. 2003-12** of 14 October 2003. The **Mining Code** defines the conditions and qualifications required to hold mining titles and carry out mining or marketing activities.

2.2.1.2 Award procedures

2.2.1.2.1. Arrangements for granting

The **Mining Code** does not explicitly provide for the awarding of mining permits through competitive bidding. The current approach is based on an **analysis of the technical and financial capacities** of the applicants, as well as an evaluation of the proposals submitted for the exploitation of the mineral resources.

The award is often on a **"first come, first served"** basis, although this is not explicitly mentioned for research permits. However, article 16 of the Code guarantees the holder of a **research permit** a priority right to obtain an exploitation permit, subject to meeting the legal conditions and proving the existence of an economically exploitable deposit.

2.2.1.2.2. Granting Process

The process of awarding a mining title follows several steps:

- **Filing of the application**: The application is filed with the Minister of Mines, with a 30-day period to inform the applicant of the outcome.
- **Capacity assessment**: According to **article 6** of the Mining Code, any natural or legal person must justify **technical and financial capacity** to conduct mining or marketing activities. No person is eligible if they are a member of the Togolese administration or armed forces, and companies must be registered in **the** Togolese **commercial register**.
- **Decision to grant**: Exploration and research authorisations are issued by ministerial decree, while exploitation permits are granted by decree of the Council of Ministers.
- **Payment of fees and charges**: The holders must pay the **fixed** and **superficial fees** before the title is issued.
- **Issuance of the permit and monitoring**: The mining permit is issued after the formalities have been validated, and the administration monitors the activities to verify compliance with contractual and legal commitments.
- **Special considerations:** Investment **agreements** may be signed for major projects, specifying special conditions. Refusal of a title shall not give rise to the right to compensation.

2.2.1.2.3. Technical and Financial Criteria

In accordance with article 6 of the **Mining Code**, any natural or legal person may be authorised to engage in mining activities, provided that he has the **technical and financial capacity** necessary to carry out the exploration or exploitation operations. It is specified that:

- **No natural person** may hold or have a direct or indirect interest in a mining title if he does not have legal jurisdiction, or if he is a member, agent or official of the Togolese government, its courts, its administrations, or its armed forces.
- **No legal person** may hold a mining right if it is not registered in the commercial register in the Togolese Republic or if it is in liquidation or bankruptcy.

The specific criteria for each type of permit are detailed below:

Table 17 - Technical and financial criteria for mining titles and authorisations

Type	Assignment
Authorisation for prospecting	Applications are submitted to the Director General of Mines and must include: • A formal request; • An extract of the topographic map of the area (max 1000 km²); • The company's articles of association and authorisation for installation; • Evidence of technical and financial capacity; • A memorandum detailing planned work and expenditures; • Manager's resume.
Artisanal authorisation	Applications must include: • A formal request; • A topographical survey of the area; • Title or lease; • Company's identity card or installation permit; • Environmental study required by the ANGEL.
Research Permit[6]	Applications are submitted to the Minister of Mines and must include: • A formal request; • A topographic map extract (max 200 km²); • Evidence of technical and financial capacity; • A memorandum detailing the work and expenses; • An environmental impact assessment for projects involving wells or trenches; • Manager's resume.
Operating Permits[7]	Applications (large or small scale, building materials) must include: • A formal request to the Minister; • An extract of the topographic map of the requested area; • Evidence of technical and financial capacity; • An environmental and social impact assessment, including measures for the restoration of the site; • A brief outlining the planned operation and investment.

Although the Mining Code requires proof of applicants' technical and financial capacities (Article 6), there is still a lack of clarity in the precise definition of these criteria. The code does not exhaustively detail the specific standards or minimum thresholds to be reached in terms of capacity, thus leaving room for a discretionary assessment by the mining administration.

In practice, the documents and information to be provided for obtaining a mining authorisation or title are specified in the **implementing notes** of the Ministry of Mines and Energy, available in **Annexes 4 and 5** of this report. The criteria applied are as follows:

❖ Technical criteria:

- Composition of the technical team;
- CV of the field response team;
- Support team composition;
- Project development plan;
- List of equipment and machines dedicated to the project;
- List of affiliate laboratories.

❖ Financial criteria:

- Structure of the company or group;
- Presence in other countries and similar projects undertaken;
- Project Business Plan.

These criteria help to frame selection processes, but their implementation could benefit from a more rigourous definition to ensure greater transparency.

[6] Source (link)
[7] Source: (link 1) (link 2) (link 3)

2.2.1.3 Transfer Procedures

2.2.1.3.1. Terms of transfers

The **1996 Mining Code**, supplemented by the 2003 Act, sets out a regulatory framework for transfers and transfers of mining titles.

Any transfer or transfer of mineral title must be approved in advance by the Minister responsible for Mines. Specific terms and conditions vary depending on the type of security.

- **Research Permit**: Transmissible subject to the approval of the Minister for Mines, although it is not divisible, removable or liable to be pledged as security.
- **Operating licence**: It is transferrable, transferrable and liable to be pledged, always under the approval of the Minister.
- **Artisanal authorisation**: may be assigned or transmitted with the agreement of the Director General of Mines and Geology, but it is neither divisible nor liable to be pledged as security.
- **Marketing Authorisation**: Not assignable, transferrable, divisible or liable to be used as a guarantee.

Any assignment made without the prior consent of the authorities shall be considered void. In addition, obligations related to the mining title, including environmental and social responsibilities, are transferred to the assignee, thus ensuring the continuity of commitments.

2.2.1.3.2. Transfer Process

The process includes several steps:

- **Prior agreement**: The holder of the mining right must first obtain the agreement of the competent authority.
- **Evaluation**: The department evaluates the potential assignee's technical and financial capabilities.
- **Formal assignment**: After approval, the assignment or transfer is formalised.

2.2.1.3.3. Technical and financial criteria

Article 6 of the Mining Code requires applicants and transferees of mining titles to prove their technical and financial capabilities. However, the specific details of these criteria are not clearly defined in the Code.

Article 24 specifies that applications for securities, as well as their assignments, must be accompanied by information determined by implementing legislation. **To date, these texts have not yet been published**, which creates uncertainty as to the exact requirements and introduces a certain flexibility, but also a lack of transparency in the assessment of these capacities.

2.2.1.3.4. Approval of the production, exploitation and marketing of packaged water

- ❖ **Legal framework according to the Water Code**

Law **No. 2010-004** governs the use of the public domain of water through several regimes:

- **Authorisation scheme**: For groundwater research and development activities, authorisation is required. The request, addressed to the Ministry of Water, is approved by the Minister of Water after a public enquiry and consultation of the relevant ministries. This authorisation is accompanied by a fee, fixed by joint decree of the Minister of Water and the Minister of Finance.
- **Concession scheme**: It applies to the abstraction and use of surface and ground water for the production and distribution of drinking water. The concession, approved by decree of the Council of Ministers, includes a specification specifying the subject matter, the debit granted, the obligations, the fee, and the duration, limited to 30 years renewable.

- ❖ **Practical procedure**

The **Water Resources Directorate** requests the submission of a complete file (detailed list in Appendix 6) to the interdepartmental committee. The Technical Committee reviews the file and conducts an inspection of the facilities. If the dossier is satisfactory, a proposal for an interministerial decree is submitted to the Ministers of Water, Health and Trade for signature.

2.2.1.4 Grants and transfers in 2022

- **Grants in 2022**

In 2022, the Togolese state granted forty-nine (49) artisanal permits, seventeen (17) operating permits for building materials and new (9) small-scale operating permits. All grants were made under the first come first served procedure, as confirmed by the DGMG. In addition, the Togolese State issued four (4) water licences in 2022

Table 18 - Permits and authorisations granted in 2022

Type of permit/authorisation	Substance	No. of Grant
Artisanal authorisation	Sand	47
Artisanal authorisation	Laterite	2
Small-scale operating permits	Dolomia	1
Small-scale operating permits	Gold	1
Small-scale operating permits	Sand	7
Building Materials Operating Permit	Gneiss	2
Building Materials Operating Permit	Granulitic gneiss	1
Building Materials Operating Permit	Granite	2
Building Materials Operating Permit	Rolled gravel	1
Building Materials Operating Permit	Migmatitis	1
Building Materials Operating Permit	Sand	10
Approval of water production	Water	4
		79

Details of these authorisations and permits are provided in Annexes 7 and 8.

- **Transfers and disposal in 2022**

Data on transfers or transfers of securities or authorisations in 2022 were not provided by the DGMG.

- **Deviations from the legal and regulatory framework**

CP-EITI has not documented a methodology to assess significant deviations from the legal and regulatory framework governing the granting and transfer of securities and authorisations. In addition, DGMG did not provide a letter of affirmation regarding the absence of deviations.

2.2.1.5 Consultation and Consent of the Communities

- ***Legal framework and consultation process***

The Togolese Mining Code does not provide for specific mechanisms for community consultation in the process of granting mining permits or licences. Community consultations, on the other hand, are provided for in the framework of the texts governing the environment, in particular Decree No. 2017-040/PR of 23 March 2017 laying down the procedure for environmental and social impact assessments. and Decree **No. 0150/MERF/CAB/ANGE of 22 December 2017**. This decree, implemented by the **National Agency for Environmental Management (ANGE)**, sets out the procedures for public participation in EIES, in accordance with Decree No. 2017-040/PR of 23 March 2017.

- ***Main provisions of Decree 2017-040***

For each Environmental and Social Impact Assessment (EIA) report, an ad hoc technical committee shall be set up by order of the Minister for the Environment, on a proposal from the Director-General of the ANGEL. This committee includes representatives from the Ministry of the Environment, other relevant ministries, **civil society and affected populations**, depending on the nature of the project.

- ***Main provisions of Decree No. 0150/MERF/CAB/ANGE***

This Order requires public consultation for any project requiring an SEA, including two essential forms of participation:

1. **Direct consultation of the affected populations**: Active involvement of the communities affected by the project from the beginning of the process.
2. **Public hearing**: Open to all stakeholders, this hearing ensures transparency in the management of the environmental and social impacts of projects.

Consultation phases

The public consultation process is structured in two distinct phases:

1. **Phase 1**: This is carried out at the stage of validation of the EIA terms of reference. This phase allows communities to be informed of the project, to understand environmental and social issues, and to contribute to the definition of these issues.
2. **Phase 2**: This is a public meeting where people are invited to assess the interim report of the EIES. They then have the opportunity to submit their concerns and recommendations regarding the identified impacts of the project.

Role of Local Authorities and the ANGEL

Local **authorities** and the **ANGEL** play a central role in this process, ensuring that affected populations participate actively. The ANGEL is responsible for organising consultations and overseeing compliance with environmental standards.

Obligations of the Promoter

The project proponent is required to provide communities with a **non-technical summary of the SEIA report** prior to the public hearing. This summary should be written in an accessible manner to allow a clear understanding of the potential impacts of the project, thus ensuring informed community participation.

- ***Disclosure of data***

Although the public consultation is well framed, it is important to note that there is no **centralised database** including environmental and social impact assessments (EIAs) carried out. This means that the information required by the **EITI Standard**, such as the number of people consulted or the gender breakdown, is not systematically available to the public. This is due not to legal requirements for non-disclosure, but rather to a lack of mechanisms for proactively publishing such data.

2.2.2 Marketing of precious substances

- ***Legal framework***

Marketing means any activity of buying, holding, processing, transporting, importing, exporting and selling mineral substances undertaken by a person who is not a holder of a mineral right. The granting of marketing authorisations is governed by the provisions of Articles 40 to 44 of the Mining Code and by Decree No 2009-299/PR of 30/12/2009 on the purchase and sale of precious and semi-precious minerals.

- ***Grant and transfer procedures***

The marketing of precious and semi-precious substances in Togo is governed by a regulated process, requiring an authorisation issued by decree of the Council of Ministers, on the proposal of the Minister in charge of Mines. The marketing authorisation is valid for two (02) years. It may be renewed several times, each for the same duration. Marketing authorisations shall not be transferrable.

Eligibility conditions

- **Natural persons**: The applicant must demonstrate the necessary technical and financial capacity.
- **Legal persons**: Companies must demonstrate their ability to operate in accordance with legal and regulatory requirements.

Required Documents[8]

- **For the application for authorisation:**
  - Marketing Authorisation Application Letter.
- **Natural persons:**
  - Applicant's curriculum vitae.
  - Legalised copy of an identity document (national card or valid passport).
  - Residence certificate for nationals or residence permit for foreigners.
- **Legal persons:**
  - Curriculum vitae of the manager
  - Certificate of registration in the Trade Register of the Republic of Togo.
  - Company Articles of Association.
- **Other references:**
  - Any relevant information or references concerning the applicant.
  - A firm commitment to re-export at least three (3) tons of gold annually.

❖ ***Grant 2022***

Data on the granting of authorisations in 2022 were not provided.

2.2.3 Hydrocarbon sector

2.2.3.1 Legal framework

The granting and transfer of licences in the hydrocarbons sector in Togo is governed by **Act No. 99-003 of 18 February 1999 on the Hydrocarbons Code**.

2.2.3.2 Award procedures

❖ ***Granting Process***

According to Article 15 of the **Hydrocarbons Code**, any granting of exploration permits requires an **oil contract** between the State and the applicant. This contract shall specify the rights and obligations of the future holder, in particular during the research and possible exploitation phases. The minimum financial and technical requirements are also laid down, as well as the applicable tax regime. In the event of a transfer, the new holder must undertake to respect the contract without any reservation.

In accordance with section 16, the **exploration permit** is awarded after negotiation of the oil contract, and the terms of the award must follow criteria defined by the Minister responsible for hydrocarbons. The **exploration licence** is valid for three years, renewable twice for a maximum period of two years.

Article 18 specifies that, during the validity of an exploration permit, the holder may obtain **provisional authorisation for the exploitation** of productive wells for a period of two years, provided that the conditions of the contract are met and that the deposit is further developed. In the case of an **operating concession**, the exploration permit is cancelled within the licenced perimeter, but remains valid outside that perimeter.

The oil contract must be approved by decree of the **Council of Ministers**, in accordance with Articles 16 and 26. It covers various modalities, such as perimeters, financial commitments, reciprocal obligations

[8] Source: (link)

and termination conditions (Article 26). Financial and technical criteria are negotiated at the time of conclusion of the contract, and may include specific terms depending on the type of contract, whether production sharing contracts or risky services

❖ ***Tendering and direct award***

The **Hydrocarbons Code** does not explicitly establish the requirement for a competitive process, but the award process is framed by negotiations between the applicant and the state. The government may decide to grant exploration authorisations or concessions after prior investigation, in accordance with the provisions of Article 16.

❖ ***Technical and financial criteria***

The Hydrocarbons Code does not appear to include specific detailed technical and financial criteria for the granting of permits or concessions in the petroleum sector. Unlike the mining sector, no explicit provision appears to require demonstration of technical and financial capability under the law for authorisations, permits, or concessions. The assessment remains under the responsibility of the minister, without detailed standards in the text, which leaves room for discretionary application.

2.2.3.3 Transfer Procedures

According to the provisions of Act No. 99-003 on the Hydrocarbons Code, the transfer of oil rights or the change of control is free subject to the following conditions:

- **Exploration permits**: Oil and gas exploration permits, although considered to be property rights, are indivisible, non-transferrable and not subject to mortgage. They remain transferrable subject to prior authorisation by the Council of Ministers (Article 13).
- **Operating concession**: This type of concession is treated as a real estate right, distinct from land ownership, and is liable to mortgage. The transfer of an operating concession requires prior authorisation from the competent minister (Article 22).
- **Obligations of the Assignee**: In the event of transfer (change of ownership), the new assignee must undertake in writing to comply fully with the oil contract in force, without any reservation (Article 15).

Technical and Financial Criteria

The Hydrocarbons Code remains silent on the technical and financial criteria applicable to assignees when transferring rights, nor does it impose detailed conditions for the initial granting of rights. This lack of clarity introduces some flexibility in the assessment of the capabilities of assignees and new incumbents, leaving the responsibility for the assessment to the administration.

2.2.3.4 Grants and transfers in 2022

There was no activity in the oil sector in 2022, and no grants or transfers of securities were made.

2.2.3.5 Consultation and Consent of the Communities

In the hydrocarbon sector, the Togolese Hydrocarbons Code does not specifically provide for community consultations when issuing permits or licences. However, petroleum activities, like mining activities, are subject to environmental regulations, and public consultations are regulated by Decree No. 0150/MERF/CAB/ANGE of 22 December 2017, applied by the National Agency for Environmental Management (ANGE), in accordance with Decree No. 2017-040/PR of 23 March 2017. The consultation procedure is described in detail in section 2.2.1.5.

In 2022, Togo has no active contracts or permits in the hydrocarbon sector, making consultation data irrelevant to this report.

2.3 Licence Register

2.3.1 Mining sector

2.3.1.1 Mining titles and authorisations

The types of titles and authorisations granted under the Mining Code are as follows:

Table 19 - Types of securities and authorisation under the Miner Code

Type	Rights conferred	Period of validity	Act of grant
Authorisation for prospecting	Non-exclusive right to prospect for mineral substances in an area not exceeding 1 000 km².	2 years renewable in one-year periods twice.	Decision of the Director General of Mines and Geology
Operating authorisation handcrafted	Exclusive or non-exclusive right to undertake craft activities for mineral substances in an area not exceeding km².	1 year renewable multiple times	Order of the Minister for Mines
Research Permit	Exclusive right to prospect for and search for mineral substances in an area up to 200 km².	3 years renewable in two-year periods twice.	Order of the Minister for Mines
Operating Permits for the materials of building	Exclusive right to prospect, research and exploit construction materials for public works or commercial purposes in the specified area.	Three (03) years, renewable multiple times, each for a maximum of one (01) year.	Order of the Minister for Mines
Small-scale operating permits	Exclusive right of exploration, research and exploitation in an area of 100 km² maximum for an investment of less than 300 million CFA francs (excluding taxes and working capital).	5 years, renewable several times for a period of 3 years.	Order of the Minister for Mines
Operating permits at large scale	Exclusive right of exploration, research and exploitation in an area of 100 km² maximum for an investment of more than 300 million CFA francs, usually accompanied by an investment agreement.	20 years, renewable several times for 10 years.	Order in Council of Ministers

2.3.1.2 Mining Cadastre

Togo has implemented a modernised **Mining Cadastre System (MCS)**, supported by the **Mining Development and Governance Project (MDP)**, to centralise the management of mining permits and enhance transparency in the extractive sector, in line with **Requirement 2.2 of EITI Standard 2023**. The system is accessible through an online portal, which provides information on mining titles, their holders and the areas covered

According to the information made available by the DGMG, the situation of permits and authorisations valid in 2022 is presented below.

Table 20 - Allocation of valid permits and authorisations

Permit/Authorisation Type	Main Substances	Total Number
Large-scale operating permits	Clay (1), Limestone (3), Iron (1), Marble (1), Phosphate (2)	**8**
Small-scale operating permits	Limestone (1), Dolomite (1), Marble (1), Migmatite (1), **Gold (1)**, Sand (10), Lake Sand (1)	**16**
Permit for building materials	Gneiss (15), Gneiss granulitic (1), Granite (2), Granulite (1), Rolled gravel (1), Migmatite (2), Sand (15)	**37**
Artisanal authorisation	Laterite (2), Sand (47)	**49**
Research Permit	Barium limestone (1), dolomitic limestone (2), sedimentary limestone (3), Chaoite and allotropes (3), **Gold (1)**, Gold and related minerals (3), Carbonate phosphate (2), Metamorphic phosphates (3)	**21**
Prospecting Authorisation		-
Grand Total		**131**

An Excel version of the directory is provided in Appendix 9 for ease of reference.

2.3.2 Marketing of precious substances

Marketing authorisations for precious substances are not managed by the Mining Cadastre System (MCS). The status of the authorisations valid for 2022 was not communicated by the DGMG.

2.3.3 Water Sector

The abstraction of groundwater by drilling, draining gallery, pipeline or any other device equipped with a means of extraction are subject to an approval issued by the Ministry of Water and Village Hydraulics. As of December 31, 2022, Togo has ten (10) active approvals, details of which are set out in Annexe 8.

2.3.4 Hydrocarbon sector

2.3.4.1 Petroleum securities

The Hydrocarbons Code governing the petroleum sector in Togo requires an authorisation or permit for all hydrocarbon exploration, development, and transportation activities. Types of petroleum licences include:

Table 21 - Types of oil licences

Type of authorisation	Definition	Period of validity	Act of grant
Permits for the exploration of hydrocarbons	Confers the exclusive right to prospect for and explore for hydrocarbons (solid, liquid, gaseous) within a defined perimeter and in depth without limit.	3 years, renewable twice for up to 2 years	Order in Council
Authorisation for the prospection of hydrocarbons	Provides a non-exclusive right to explore within a defined perimeter, including areas covered by an exploration permit with the consent of the holder.	5 years, renewable once for a maximum of 3 years	Order of the Minister for Mines and Energy
Oil and Gas Concession	Confers the right to exploit a commercially exploitable discovered deposit.	30 years, renewable once under negotiated terms.	Decree of the Council of Ministers
Authorisation to transport hydrocarbons	Allows the holder of an oil certificate to transport, store, and establish facilities for hydrocarbons, with the possibility of recourse to expropriation rights for reasons of public utility if necessary.	30 years, renewable once under negotiated terms and conditions	Decree of the Council of Ministers

2.3.4.2

2.3.4.3 Oil Cadastre

The Togolese Hydrocarbons Code provides for the maintenance of a public register of oil titles, administered by the General Directorate of Mines and Geology (DGMG) under the authority of the Minister in charge of Mines and Energy. In accordance with the provisions of Article 50, this register shall include maps, plans and documents relating to reserved areas, oil titles and marketing authorisations for hydrocarbons.

However, in 2022, no hydrocarbon exploration, development or transportation activity was recorded, and no oil title was granted or transferred.

2.4 Contracts and licences

2.4.1 Mining sector

2.4.1.1 Legal and policy framework for disclosure of contracts and licences

❖ ***Publication of licences***

Ministerial decrees and decrees granting mining authorisations and titles are published in the Official Journal of the Togolese Republic, accessible online. The Official Journal is equipped with a search engine allowing easy access to grant documents depending on the reference, date and nature of the text. However, it should be noted that the online search tool is currently limited to publications as of 2021.

❖ ***Publication of contracts***

Law No. 2014-009 on the Code of Transparency in Public Financial Management requires disclosure of all contracts for the exploitation of natural resources, including mining agreements. The aim is to ensure transparency in the award processes and to make the terms of the agreements public. Article 9 of the law stipulates that contracts between the public administration and companies exploiting natural resources, whether public or private, must be made public. This principle of transparency applies both to the award procedure and to the actual content of contracts, thus ensuring public access to contractual rights and obligations.

In addition, Article 56 of the Mining Code stipulates that investment or association agreements must be approved by decree of the Council of Ministers, which is also published in the Official Journal.

2.4.1.2 Practice of disclosures

❖ ***Publication of contracts***

In accordance with Article 8 of the Mining Code, the Togolese State may conclude investment agreements for projects that it considers strategic and important for the national interest. These agreements mainly concern mining activities aimed at the eventual granting of a large-scale exploitation licence, as well as investments in oil and gas exploration, research and exploitation.

As of December 31, 2022, Togo had four investment agreements in force, according to a statement sent by the DGMG. These conventions are listed as follows:

Company	Project	Date Signed	Effective End Date	Licence reference	Publish Link
MM MINING	Mining and marketing of iron ores, manganese, bauxite and chromite	07/08/2006		Decree No. 2008-021/PR	Link
POMAR	Exploitation and processing of marble and ornamental stones	23/11/2010	22/11/2040	Decree No. 2010-144/PR	Link
SCAN MACHINE	Development of zone B of the limestone deposit at Tabligbo	16/06/2010		Decree No. 2009-178/PR	Link
WACEM	Exploitation of the limestone deposit in Tabligbo	22/03/2000		Decree No. 96-168/PR	Not available

These conventions are theoretically accessible on the official sites of the Mining Development and Governance Project (PDGM). However, at the time of this report, the link to the DMAP site was inaccessible. Only agreements signed with POMAR, MM MINING and SCANTOGO are currently accessible online.

In addition, although some conventions are published, the annexes to the Mining and POMAR conventions, which contain essential information such as the certificate of environmental conformity and the State's commitments, are not fully disclosed

In 2022, Togo had 8 large-scale operating permits, all issued before 2021. However, the information available does not allow a systematic distinction to be made between permits granted under an investment agreement, thus limiting clarity on the compliance of disclosure practices. The details of the large-scale licences are as follows:

Company	Substance	Permit ID	Date of grant	Duration	Effective End Date	Status
WACEM	Limestone	96-167/PR	30/12/96	20 years	30/12/2016	Renewal in progress
	Limestone	2009-177/PR	12/08/09	20 years	12/8/2029	Active
SNPT	Phosphate	97-068/PR	29/04/97	20 years	29/04/2017	Renewal in progress
	Phosphate	97-069/PR	29/04/97	20 years	29/04/2017	Renewal in progress
MM MINING	Iron	2008-021/PR	12/02/08	20 years	12/02/2028	Active
SCANTOGO MINE	Limestone	2009-178/PR	12/08/09	20 years	12/08/2028	Active
POMAR	Marble	2010-144/PR	24/11/10	20 years	24/11/2030	Active
ICA INVEST	Clay	2019-103/PR	24/07/19	20 years	24/07/2029	Active

❖ ***Publication of licences***

Texts on the granting of titles and authorisations in the mining sector are in theory available on the website of the Official Journal, covering data available from 2021. However, our searches for some grant texts from 2022 did not yield any results via the search engine.

These texts are also published on the Mining Development and Governance Project (PDGM) website. However, at the time of the preparation of this report, the site was not accessible, which made it impossible to verify the completeness of the disclosures.

2.4.2 Hydrocarbon sector

2.4.2.1 Legal framework for disclosure of contracts and licences

The hydrocarbon sector in Togo follows the same transparency framework as the mining sector for the disclosure of licences and contracts. Law 2014-009 on transparency in public financial management requires publication of all contracts relating to the exploitation of natural resources to ensure public access to contractual rights and obligations. The decrees approving contracts and the texts granting permits in the sector are published in the Official Journal.

2.4.2.2 Disclosure practices

In 2022, no licences or contracts were active in the hydrocarbon sector. Therefore, the analysis of disclosure practices in this sector is not applicable for this year.

2.5 Effective ownership

2.5.1 Legal and policy framework

2.5.1.1 Legal framework

Togolese law imposes several obligations on companies operating in the extractive sectors to ensure beneficial ownership transparency, governed by the following texts:

❖ ***Penal Code 2015***

Article 1101 requires any company engaged in extractive activities to declare to the competent authority, within 45 days, the identity of its beneficial owners, whether or not they reside in Togo. Any changes must also be declared within 60 days. In case of non-compliance, criminal sanctions and fines are provided for.

❖ ***Budget 2022***

It clarifies the obligations of all legal entities with regard to transparency of ownership, including the obligation to maintain a register of beneficial owners and to transmit it annually to the tax administration. The law also stipulates that information on legal owners and beneficial owners must be available for tax audits.

❖ ***Order No 025/MEF/SG/OTR/CG of 21 February 2022***[9]

This decree defines the beneficial owner as any natural person who:

- holds **directly or indirectly more than 25% of the shares, shares or voting rights** of the company; or
- exercise, by any other means, de facto or de jure, control over the company or;
- is in the position of **chief executive officer**.

The identification criteria shall be applied in a progressive and non-cumulative manner.

It is important to note that this Order does not cover the identification and disclosure of Politically Exposed Persons (PEPs) or the specific obligations of state-owned enterprises, which are required by Requirement 2.5 of the EITI Standard (2023). It requires companies to report beneficial ownership information to the OTR and the RCCM, including supporting documents to ensure the reliability of the reports. However, no formal reporting template was made available at the time of this report.

2.5.1.2 Register of beneficial owners and legal ownership

Togo has two key registries for beneficial and legal ownership information:

- **Register of beneficial owners (BE)**, managed by the Office Togolais des Recettes (OTR) and includes the declarations of the beneficial owners. According to Decree No. 25, it is available to public authorities and administrations, as well as to any person who can prove a "legitimate interest", although this concept is not clearly defined (Art. 26). It should be noted that this register is not yet operational as of the date of this report.

- **Trade and Credit Register (RCCM)**: This register contains information on the legal and beneficial ownership of enterprises. Although theoretically accessible to the public, access to proprietary information requires a formal application to the court registry, without the possibility of online consultation. The beneficial ownership register is not operational as of the date of this report.

2.5.2 Disclosure of data

In order to meet the requirements of the EITI Standard, companies operating in the Togolese extractive sector were invited to submit a declaration of their legal and beneficial ownership. The following sections provide the framework and steps for this statement:

[9] Link

2.5.2.1 Selected Instructions and Definitions

(i) Reporting instructions and template

The beneficial ownership declaration was carried out according to the instructions and template included in Annexe 10, following the guidelines of the EITI Standard.

(ii) Definition of 'Beneficial Owner':

The Steering Committee adopted the definition of "beneficial owner" as specified in Order No. 025/MEF/SG/OTR/CG of 21 February 2022, but applied a lower threshold of 10 % for the identification of beneficial owners.

(iii) Definition of Politically Exposed Persons (PPE)

The definition of EPP adopted by the Committee includes:

- Foreign nationals who hold or have held important public functions in a foreign country, for example, heads of state or government, high-ranking politicians, senior government officials, high-ranking magistrates and military officials, the Technical Commission of the Steering Committee of State-Owned Enterprises and senior political party officials; and
- Natural persons of Togolese nationality who hold or have held important public functions in the country, for example, heads of state or government, high-ranking politicians, high-ranking government officials, high-ranking magistrates and military officials, heads of state-owned enterprises and senior officials of political parties

However, the scoping report does not clearly indicate whether the identification of EPPs is required only among beneficial owners or whether it should be applied at all levels of ownership.

(iv) Perimeter

The scoping report states that all undertakings holding or applying for mining and quarrying permits or research permits, as well as authorised water producers, must be included without materiality threshold. The Steering Committee did not provide details on the steps to obtain the data of undertakings outside the scope of reconciliation and did not mention the possible existence of high-risk companies outside those included in the scope of reconciliation.

(v) Data assurance procedure

The declarations must be validated by the signature of an authorised representative of each company.

(vi) Data on legal ownership

In addition to the beneficial ownership declaration, companies were asked to provide information on their capital structure and shareholders via the same reporting template.

2.5.2.2 Disclosed Data

Of the companies included in the reconciliation scope, only TOGO CARRIERE provided the beneficial ownership statement, but the information provided is limited to **legal ownership**, not fully meeting the expectations of EITI Requirement 2.5. Details of the reported data are presented in Annexe 11.

2.6 State participation and state enterprises

2.6.1 Mining sector

2.6.1.1 Legal framework

The Togolese State's participation in the mining sector is governed by the Mining Code, and more specifically by Article 55. This Article establishes that the State may participate in exploration, research, mining, or the marketing of minerals and construction materials.

The Act provides for two types of participation:

- **Unpaid 10%** shareholding: The State has an automatic and free participation of 10% (10%) in the share capital of mining companies, with the exception of craft activities and the exploitation of construction materials. This percentage is calculated independently of the size of the field being exploited, and the State is then considered to be a full shareholder, with rights equivalent to those of other investors.
- **Additional holding up to 20%**: In addition to the basic holding, the State (or the Togolese private sector) may acquire an additional paid holding in the capital of the operating company, up to 20% (20%). The terms, rights and obligations relating to such participation shall be laid down in an investment agreement or an association agreement, enabling the specific conditions of such additional participation to be formalised.

The Mining Convention may include additional provisions in addition to those in Article 55.

2.6.1.2 Investments in the mining sector

(i) State holdings

The situation of the State's holdings of the holdings held by the State as at 31 December 2022 is as follows:[10]

Table 22 - situation of the State's holdings of the holdings

Company	Type of Permit	Substance	% as of 31/12/2021[11]	% as of 31/12/2022
GRANUTOGO(*)	PE-Small Scale	Migmatitis	10%	10%
SAD	PE-Small Scale	Sand	10%	10%
ACI	PE-Small Scale	Sand	10%	10%
JUN HAO MINING(***)	PE-Small Scale	Gold	10%	NC
SCANTOGO MINE(*)	PE-Small Scale	Dolomia	10%	10%
MSTD	PE-Small Scale	Marble	10%	10%
SERMA	PE-Small Scale	Sand	10%	10%
SIDEGBA	PE-Small Scale	Sand	10%	10%
CIMCO(**)	PE-Small Scale	Dolomia	-	10%
PANAFRICAN GOLD CORPORATION (PGCT)(**)	PE-Small Scale	Gold	-	10%
TOGO DREDGING(**)	PE-Small Scale	Sand	-	10%
THE FOUR BROTHERS(**)	PE-Small Scale	Sand	-	10%
TOGO SANDMEN(**)	PE-Small Scale	Sand	-	10%
SAMI Sarl(**)	PE-Small Scale	Sand	-	10%
GRACE ISLANDS(**)	PE-Small Scale	Sand	-	10%
MING MING MATCO(**)	PE-Small Scale	Sand	-	10%

[10] Source: DGMG unless otherwise indicated
[11] Source: EITI Report 2021

Company	Type of Permit	Substance	% as of 31/12/2021[11]	% as of 31/12/2022
WACEM(*)	PE - Large Scale	Limestone	10%	10%[12]
SNPT(*)	PE - Large Scale	Phosphate	100%	100%[13]
SCANTOGO MINE(*)	PE - Large Scale	Limestone	10%	10%[14]
POMAR	PE - Large Scale	Marble	10%	NC
ICA-Invest	PE - Large Scale	Clay	10%	NC
TdE(*)	NA	Water	100%	100%[15]

(*) Companies in production; (**) Company licenced in 2022; (***) Operating licence expired 2/1/2023; NC: Not reported

Apart from SNPT and TdE, these State participations are described as "non-contributory." This implies that the State does not contribute to the initial financing or operating costs of the undertakings concerned. On the other hand, it benefits from dividends proportional to the profits distributed, thanks to its ordinary participation without priority rights over dividends. However, in 2022, the DGTCP did not carry forward any dividends received from these holdings despite the fact that six (6) companies are in production.

Inconsistencies in the government's equity portfolio

A cross-examination between the mining register and the government's equity portfolio reveals that two companies holding operating licences, are not included in the portfolio situation communicated by the DGMG. These companies, which hold valid licences in 2022, are listed below:

Company	type of permit	Substance	Date of grant	Expiration date
JUN HAO MINING	PE-Small Scale	Gold	03/01/2018	02/01/2023
MM MINING	PE - Large Scale	Iron	12/02/2008	11/02/2028

Apart from JUN HAO MINING's licence which expired at the beginning of 2023, MM Mining, which has held a large-scale operating licence since 2008, was not included in the State's equity portfolio in 2022. This absence is explained by Article 13-6 of the Investment Agreement, in which the State has waived its participation under Article 55 of the Mining Code. In return, the company undertook to pay a royalty equivalent to 10% of its net profit.

Financial commitments with POMAR

In addition to the State participation provided for in Article 55 of the Mining Code, the investment agreement with POMAR includes provisions allowing the Togolese State to provide financial support for the project, in particular by:

- **Associated current account loans**: at the request of the investor and in case of need, the State may grant a loan repayable over five years, with a deferral of payment of two years, due to the economic and social impact of the project.
- **Financial guarantees or guarantees**: the State undertakes, where necessary, to provide financial guarantees or guarantees to the company's lenders.

However, it is not clear whether these commitments have been implemented or are being implemented in 2022. DGTCP did not report any data on loans to extractive companies for this period.

(ii) SNPT participations

The Société Nationale des Phosphates du Togo (SNPT) has not reported any shareholdings in other companies, a fact confirmed by a review of its financial statements.

(iii) TdE participations

TdE did not carry over shares held in other companies.

[12] Source: EITI Company Statement
[13] Ibid.
[14] Ibid.
[15] Ibid.

2.6.1.3 State-owned enterprises and related transactions

2.6.1.3.1 Definition

In accordance with Law No. 82-6 of 16 June 1982 on Crown corporations and public institutions, the EITI Steering Committee (CP-EITI) has identified two State enterprises operating in the mining sector: the Société Nationale des Phosphates du Togo (SNPT) and the Togolaise des Eaux (TdE).

2.6.1.3.2 Société Nouvelle des Phosphates du Togo (SNPT)

(i) Statutory rules

The legal, accounting and governance framework of the company is summarised as follows:

Table 23 - NTPS Governance Framework

Governance Framework	
Legal framework	• Mining Code (1996) supplemented by Law No. 2003-12 of 14 October 2003. • Law No. 90-26 of 4 December 1990 reforming the institutional and legal framework of public enterprises. • Decree No. 91-197 of 16 August 1991 implementing Law No. 90-26. • OHADA Uniform Act on the Law of Commercial Companies and the EIG and OHADA Uniform Act on Accounting Law • The statutes of the SNPT
Shape	Public limited liability company with administrative and financial autonomy.
Capital	The capital of this company is 15,000,000,000 FCFA fully paid up.
Mandate	Extract, process and market Togolese phosphate, particularly for fertilisers, detergents and food additives. It may also carry out any industrial or commercial operation related to its activity.
Financial relationship with the State	The SNPT enjoys financial and legal autonomy. The financing of the company comes mainly from its own funds, reserves from its activities, and subsidies from the State. - *Funding received from third parties*: The SNPT may contract funding from third parties, with or without a State guarantee, without the prior approval of the Trustees or the Board of Directors (CA). According to the articles of association of the company, the prior agreement of the Board is required only in the constitution or renewal of bonds or Guarantees. - *Subsidies received from the State:* There are no specific rules governing State subsidies to public undertakings; they are generally granted to offset public service charges or to finance specific public investments. - *Financing granted to the State:* Articles 16 and 59 of Law No. 90-26 of 4 December 1990 give the boards of directors of public undertakings "the powers necessary to act on behalf of the undertaking and to carry out or authorise all operations concerning the activity of the undertaking **within the limits of its object**. In principle, the direct financing of the State budget by the SNPT is prohibited, with the exception of dividends paid back or subscriptions to bonds, carried out in the framework of the normal management of the company's cash. - *Fiscal payments:* SNPT is subject to the ordinary tax and customs arrangements. Derogations can only be granted under an explicit provision in the Finance Law.
Governance	The NTPS is supervised by a supervisory board composed of the Ministers of Finance, Budget and Privatisation, Mines and Energy, Trade, Industry and Crafts, and Planning and Decentralisation. It shall be administered by a Management Board, the composition and functioning of which shall be defined in the statutes adopted by the Supervisory Board. Operational management is carried out by a Director-General, appointed and dismissed by the Management Board, who determines his responsibilities and remuneration.

Governance Framework	
	Directors of a Crown corporation are appointed by the Board of Supervisors for a term of four years, renewable up to two times. However, the current texts do not specify specific criteria for appointment.
Distribution of results and retention of profits	The Supervisory Board of the SNPT is responsible for the distribution of the annual result, with priority given to the constitution of reserves and, if necessary, the distribution of dividends. A 5 % levy on net profit is required for the statutory reserve fund until it reaches one tenth of the share capital. Dividends accruing to the State must be paid to the State Treasury within a maximum of nine months after the end of the financial year, in accordance with Article 24 of Decree No. 91-197. The Supervisory Board may decide to reinvest retained earnings, either by carrying them forward to the next financial year or by allocating them to reserve or contingency funds. These reserves strengthen the company's financial strength to support expansion and modernisation projects.
Reinvestment	SNPT's statutes state that its expenses include capital expenditure for its development. The Managing Director is responsible for establishing the annual operating and investment budget, which is submitted to the Board for approval. Investment decisions, including equity investments in joint ventures or subsidiaries, are made by the Board of Directors, with the objective of ensuring the long-term growth of the company in the interest of the shareholder State.
Arrested and audited accounts	The financial statements of the SNPT are adopted annually by the Board of Directors, in accordance with the requirements of the OHADA Uniform Act. The Supervisory Board is responsible for appointing the auditors, both incumbents and alternates, selected from a list drawn up by the Ministry of Finance, Budget and Privatisation. Although the accounts are certified annually, the financial statements and audit reports are not systematically made public, thus limiting transparency on the company's financial position. The most recent financial statements published on the company's website relate to the financial year 2017.
Procurement	According to the company's statutes, contracts for works, supplies or services exceeding an amount fixed by joint order of the Minister of Finance, Budget and Privatisation and the Minister of Mines and Energy must be subject to the joint authorisation of the Minister of Finance, Budget and Privatisation and the Minister of Mines and Energy. It is not clear, however, whether the order in question has been published. Data on the procedures applied were not provided.
Code of Conduct	Data not reported
Anti-corruption policy	Data not reported

NB: The information presented in this section is based exclusively on the legal framework governing SNPT. Verification of the company's compliance with these provisions in practice is not part of the scope of the work carried out in this report.

(ii) Transactions with government

The SNPT and the DGTCP were requested to carry forward all transactions relating to transfers made to or by the SNPT for the benefit of the State according to the nomenclature presented in the table below. The data reported by the NTPS for 2022 are as follows[16]:

Table 24 - Data reported by SNPT

	Description	Amount 2021 (in FCFA)	Amount 2022 (in FCFA)
	Taxes and taxes	4,021,938,434	5,152,769,989

[16] SNPT declaration unless otherwise indicated

	Description	Amount 2021 (in FCFA)	Amount 2022 (in FCFA)
Financial transfers to the State	Tax advances (unregulated)	-	-
	Loans/financing granted	-	-
	Subscription to bonds	-	-
	Debt repayment	-	-
	Guarantees granted	-	-
	Waiver of claims	-	-
	Proceeds from sales of government production shares	-	-
	Other	-	-
Financial transfers from government	Operating grants	-	-
	Investment grants	-	-
	Capital injection	-	-
	Repayment of tax advances, including by offsetting	-	-
	Borrowings contracted	-	-
	Repayment of Loans/Financing	-	-
	Repayment of bond loans	-	-
	Warranty received	-	-
	Commission	-	-
	Debt write-off:	-	-
	Other (please specify):	-	-
Profits and Reinvestments	Retained Earnings at Beginning of Period	1,033,237,806	3,281,308,696
	Earnings Accumulated during the Period	3,281,308,696	11,679,607,357
	Retained Earnings at End of Period	335,754,810	1,617,063,506
	Cash on hand at end of period	55,580,162,639	121,132,495,172
	Amount of reinvestments from own funds (*)	6,167,505,803	44,626,207,835
	Dividends paid	-	-

(*) Source: NTPS financial statements

➢ ***Taxation and social security contributions***

SNPT, subject to the ordinary tax system, reported tax payments totalling CFAF 5 152.8 million, detailed by flow as follows:

Table 25 - Tax payments by flows - SNPT

Regulators	Stream	CFAF amount
CI	Corporate Tax (IS)	1,566,797,532
	Business Tax (PT) / Patent	611,529,792
	Value Added Tax (VAT)	308,680,218
	Personal Income Tax IRPP/IRTS	151,361,566
	Deduction on Service Delivery (RSPS)	45,830,000
	Rent Deduction (RSL)	2,441,250
	Taxes on vehicles	360,000
CDDI	Customs Duties and Taxes	1,245,429,176
CNSS	Social contributions	1,220,340,455
Total		**5,152,769,989**

It should be noted that in 2022, SNPT produced 1 541 772 TM of phosphate, representing a total value of 187.7 billion CFA francs. Although the mining royalty due was estimated at CFAF 9.4 billion, neither SNPT nor DGTCP reported any payment in this respect for the year concerned. A detailed analysis of this situation is presented in section 6.3.2.

➢ ***Subsidy***

The NTPS did not report any subsidies received from the government for 2022.

➢ ***Loans and borrowings***

The NTPS did not report any loans granted or debts incurred with the government for 2022.

➢ ***Profit distribution and reinvestment policy***

Accumulated and retained earnings:

- The accumulated profits of SNPT increased sharply, reaching 11.68 billion CFA in 2022 compared to 3.28 billion CFA in 2021. However, despite this increase, **no dividends were distributed** to the State in 2022, although an amount of **10.22 billion CFA** was declared as "dividends payable", including **2 billion CFA not paid for 2021**.
- This raises questions about the management and distribution of profits to the State and could indicate a malfunction in the mechanism for transferring funds to the State.

Cash on hand:

- Available cash more than doubled between 2021 and 2022, from CFAF 55.58 billion to CFAF 121.13 billion.
- While the availability of significant cash may be positive for the financial stability of the company, the precise use of this liquidity is not clear in the short and medium term. Clarification is needed to ensure that funds are used in the public interest or for projects in line with development objectives.

Reinvestments:

- The amount of reinvestments jumped from 6.17 billion FCFA in 2021 to 44.63 billion FCFA in 2022.
- The lack of public data on NTPS reinvestment projects limits the ability of stakeholders to assess the alignment of these investments with government objectives and national priorities. Communication by the company on the projects financed would allow a better assessment of the impact of these reinvestments on the extractive sector and the local economy.

(iii) Transactions with extractive companies

The NTPS did not carry forward transactions with extractive companies for 2022.

2.6.1.3.3 Togolese Water Society (TdE)

(i) Statutory rules

The legal, accounting and governance framework of the company is summarised as follows:

Table 26 - Governance framework-EDS

Governance Framework	
Legal framework	• Law No. 90-26 of 4 December 1990 reforming the institutional and legal framework of public enterprises. • Decree No. 91-197 of 16 August 1991 implementing Law No. 90-26. • OHADA Uniform Act on the Law of Commercial Companies and the EIG and OHADA Uniform Act on Accounting Law • Law No. 2010-004 of 14 June 2010, on the Water Code • Law No. 2010-006 of 18 June 2010 on the organisation of public drinking water and sanitation services • domestic wastewater collective • Act No. 2010-013 of 22 December 2010, dissolving FODESEPA • Law No. 2011-024 of 04 July 2011, amending Article 16 of Law No. 2010-006 of 18 June 2010, entrusting the regulation of the sub-sector to ARSE • Concession contract and its annexes, including the plan contract • Leasing contract and its annexes, including the performance contract • New TdE statutes that refocus its missions on the operation of the public drinking water service and the collective sanitation of domestic wastewater • TdE's statutes.
Shape	Public limited liability company with administrative and financial autonomy.
Mandate	TdE ensures the provision of drinking water in urban areas, the management of wastewater and the maintenance of infrastructure according to the standards and delegations in force. It ensures the quality, accessibility and maintenance of its services. In accordance with the provisions of Decree 2012-074/PR, the TDE is responsible for collecting the levy on water abstractions from the water table. This charge shall be transferred in full to the 'Integrated Water Resources Management Fund'.
Capital	The company has a capital of 1 450 million CFA francs, wholly owned by the Togolese State.
State funding, grants and transfers	TdE enjoys financial and legal autonomy. The financing of the company comes mainly from its own funds, reserves from its activities, and subsidies from the State. ➢ *Financing received from third parties*: TdE may contract financing from third parties, with or without a State guarantee, without the prior approval of the Trusteeship or the Board of Directors (GC). According to the articles of association of the company, the prior

Governance Framework	
	agreement of the Board is required only in the constitution or renewal of bonds or guarantees. ➢ *Subsidies received from the State:* There are no specific rules governing State subsidies to public undertakings; they are generally granted to offset public service charges or to finance specific public investments. ➢ *State financing:* Articles 16 and 59 of Act No. 90-26 of 4 December 1990 give the boards of directors of public undertakings "the powers necessary to act on behalf of the undertaking and to carry out or authorise all operations concerning the activity of the undertaking **within the limits of its object**. In principle, the direct financing of the State budget by TdE is prohibited, with the exception of dividends paid out or subscriptions to bonds, carried out in the framework of the normal management of the company's cash flow. ➢ *State financing:* They are governed by the Concession Contract and its annexe Contract Plan; Contract of Affermage and its annexe Performance Contract ➢ *Tax payments:* TdE is in theory subject to the ordinary tax and customs arrangements. Derogations can only be granted under an explicit provision in the Finance Law.
Governance	TdE is supervised by a supervisory board composed of the Ministers of Finance, Budget and Privatisation, Mines and Energy, Trade, Industry and Crafts, as well as Regional Planning and Decentralisation. It shall be administered by a Management Board, the composition and functioning of which shall be defined in the statutes adopted by the Supervisory Board. Operational management is carried out by a Director-General, appointed and dismissed by the Management Board, who determines his responsibilities and remuneration. Directors of a Crown corporation are appointed by the Board of Supervisors for a term of four years, renewable up to two times. However, the current texts do not specify specific criteria for appointment.
Distribution of results and retention of profits	The TdE Supervisory Board is responsible for the distribution of the annual result, with priority given to the constitution of reserves and, if necessary, the distribution of dividends. A 5 % levy on net profit is required for the statutory reserve fund until it reaches one tenth of the share capital. Dividends accruing to the State must be paid to the State Treasury within a maximum of nine months after the end of the financial year, in accordance with Article 24 of Decree No. 91-197. The Supervisory Board may decide to reinvest retained earnings, either by carrying them forward to the next financial year or by allocating them to reserve or contingency funds. These reserves strengthen the company’s financial strength to support expansion and modernisation projects.
Reinvestment	the TdE is an autonomous state-owned company, and operational and investment expenditure is made on the basis of the budget voted by the board of directors.
Arrested and audited accounts	TdE's financial statements are adopted annually by the Board of Directors, in accordance with the requirements of the OHADA Uniform Act. The Supervisory Board is responsible for appointing the auditors, both incumbents and alternates, selected from a list drawn up by the Ministry of Finance, Budget and Privatisation. Although the accounts are audited annually, the financial statements and audit reports are not made public, thereby limiting transparency on the company’s financial position.
Procurement	Contracts shall be awarded to the tenderer who has submitted the most economically advantageous tender, according to objective and precise

Governance Framework	
	criteria linked to the subject-matter of the contract or its conditions of performance, in accordance with Article 88 of Decree No. 2022-080/PR of 6 July 2022, laying down the Public Procurement Code. Information on the contracts awarded is accessible to the public through publications in official journals and on the website of the Regulatory Authority for Public Procurement (ARCOP).
Code of Conduct	Non-existent
Anti-corruption policy	No specific policy has been put in place. The company applies disciplinary measures in accordance with the provisions of the Public Procurement Code.

(ii) Transactions with the State and third parties

TdE was asked to postpone its transactions with the State and third parties.

Transactions with government

Taxation and social security contributions: TdE, subject to the ordinary tax system, reported tax payments totalling CFAF 806.2 million, broken down by flow as follows:

Table 27 - TDE tax payments

Stream	CFAF amount
Value Added Tax (VAT)	213,625,004
Customs Duties and Taxes	191,853,446
Business Tax (PT) / Patent	101,749,883
Corporate Tax (IS)	82,305,830
CNSS	74,156,218
Personal Income Tax IRPP/IRTS	61,164,331
Minimum Flat-Rate Tax (MFI)	47,477,291
Property Taxes (TF)	30 000 000
Taxes on vehicles	2,225,000
Registration fees	1,648,089
TOTAL	**806,205,092**

It should be noted that deferred payments may not fully reflect TdE's tax and social obligations, as the 2022 financial statements show significant tax and social debts due to cash[17] flow difficulties.

Dividends: TdE did not report any dividend payments to the Crown for the year in question, an information confirmed by its financial statements and the statement of the DGTCP.

[17] Source: TdE FY 2022 Management Report

Grants: TdE did not report any grants received from the Crown for 2022. However, its financial statements show an equilibrium grant received during the year in the amount of CFAF 1,771.6 million, recognised as revenue for the year, and an investment grant balance of CFAF 7,498.4 million recorded at the level of the company's equity as of December 31, 2022.

Loans and borrowings: TdE did not report any loans granted or debts incurred with the government for the year 2022.

Collection of the water charge: As part of its mandate under Decree 2012-074/PR, TdE collected a total amount of 143.4 million CFA francs. Details of recoveries by company are provided below:

Stream	CFAF amount
Water withdrawal tax in the water table	143,432,248

However, the company did not confirm whether these amounts were transferred to the trust account opened to the Consolidated Revenue Fund in the name of the "Integrated Water Resources Management Fund".

Transactions with extractive companies

TdE did not report any transactions with extractive companies in the year 2022.

2.6.1.3.4 Togo Invest Corporation SA

Created on November 14, 2012, **Togo Invest Corporation SA** is a state-owned company whose missions include the acquisition of shareholdings, the creation of enterprises, the implementation of investment projects, as well as the granting of guarantees to support the government's socio-economic development objectives.

Among its portfolio of projects on its website, Togo Invest mentions the **large-scale exploitation of the Ledjoblibo clay deposit**, operated since 2019 by the company **ICA Invest**, with an estimated cost of **7,864 million CFA francs**.

However, **Togo Invest** was not identified as a Crown corporation in the scoping report and was not included in the reconciliation scope. In addition, no data on how to participate in or finance this project has been collected for the purposes of this report.

2.6.2 Hydrocarbon sector

2.6.2.1 Legal framework

Under Act No. 99-003 on the Hydrocarbons Code, hydrocarbon resources and substances, whether discovered or not, in the subsoil or on the surface of the national territory, are and remain the exclusive property of the Togolese State (article 4). The legislation also gives the government the right to take a direct interest in oil operations, or to mandate a Crown corporation to do so. Such participation may take various legal forms, in accordance with the conditions specified in the oil contract.

2.6.2.2 Interests in the oil sector

In 2022, the State does not hold any shares in companies in the oil sector, due to the absence of upstream activities in this sector.

2.6.2.3 State-owned enterprises and related transactions

In 2022, no state-owned or majority-owned companies were identified in the upstream oil business.

3. Exploration and production

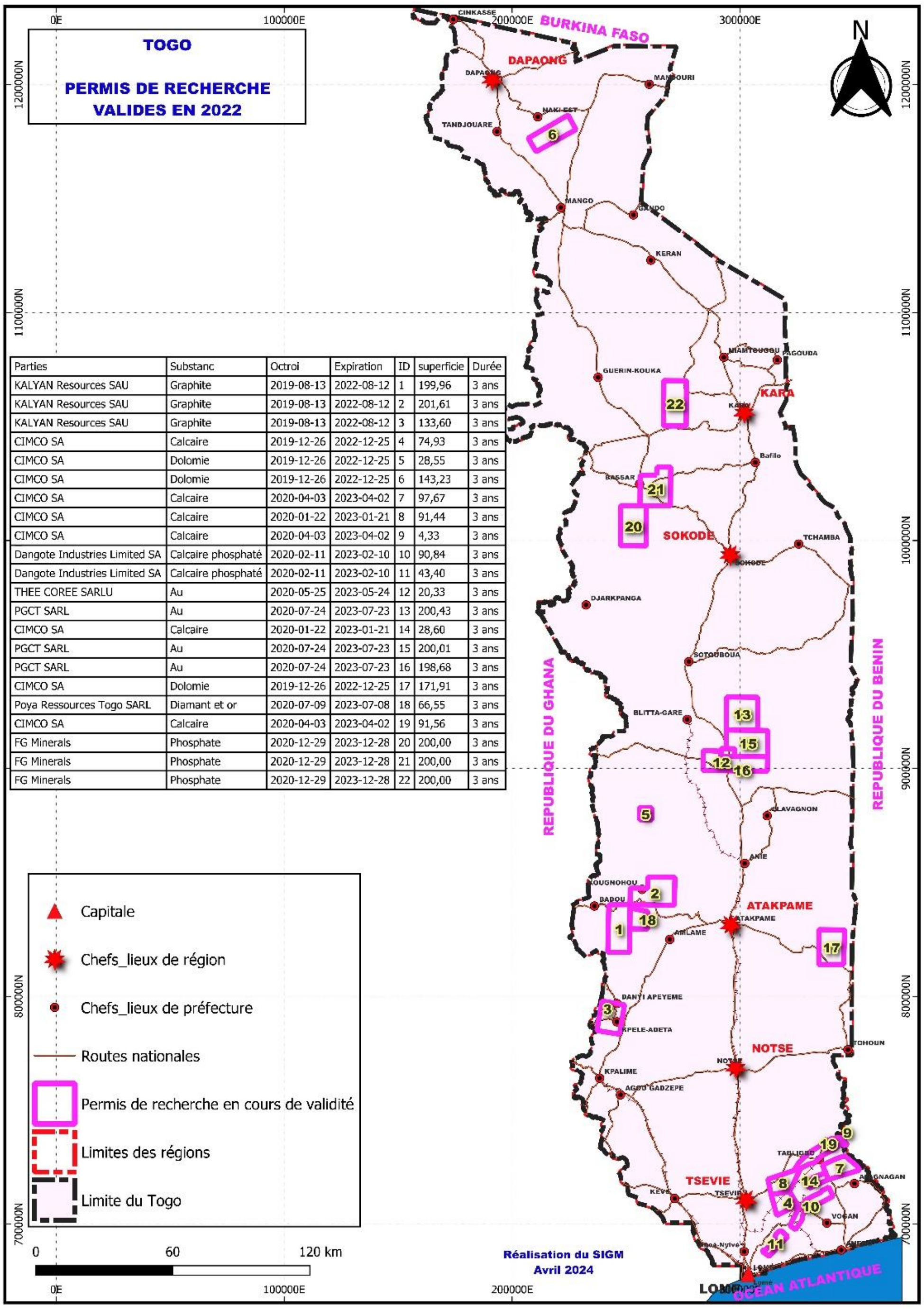
3.1 Exploration

3.1.1 Mining sector

❖ Research activities

As of December 31, 2022, Togo has 21 active research permits covering substances such as phosphate, gold and limestone.

Figure 3 - Research permits active in 2022



Parties	Substanc	Octroi	Expiration	ID	superficie	Durée
KALYAN Resources SAU	Graphite	2019-08-13	2022-08-12	1	199,96	3 ans
KALYAN Resources SAU	Graphite	2019-08-13	2022-08-12	2	201,61	3 ans
KALYAN Resources SAU	Graphite	2019-08-13	2022-08-12	3	133,60	3 ans
CIMCO SA	Calcaire	2019-12-26	2022-12-25	4	74,93	3 ans
CIMCO SA	Dolomie	2019-12-26	2022-12-25	5	28,55	3 ans
CIMCO SA	Dolomie	2019-12-26	2022-12-25	6	143,23	3 ans
CIMCO SA	Calcaire	2020-04-03	2023-04-02	7	97,67	3 ans
CIMCO SA	Calcaire	2020-01-22	2023-01-21	8	91,44	3 ans
CIMCO SA	Calcaire	2020-04-03	2023-04-02	9	4,33	3 ans
Dangote Industries Limited SA	Calcaire phosphaté	2020-02-11	2023-02-10	10	90,84	3 ans
Dangote Industries Limited SA	Calcaire phosphaté	2020-02-11	2023-02-10	11	43,40	3 ans
THEE COREE SARLU	Au	2020-05-25	2023-05-24	12	20,33	3 ans
PGCT SARL	Au	2020-07-24	2023-07-23	13	200,43	3 ans
CIMCO SA	Calcaire	2020-01-22	2023-01-21	14	28,60	3 ans
PGCT SARL	Au	2020-07-24	2023-07-23	15	200,01	3 ans
PGCT SARL	Au	2020-07-24	2023-07-23	16	198,68	3 ans
CIMCO SA	Dolomie	2019-12-26	2022-12-25	17	171,91	3 ans
Poya Ressources Togo SARL	Diamant et or	2020-07-09	2023-07-08	18	66,55	3 ans
CIMCO SA	Calcaire	2020-04-03	2023-04-02	19	91,56	3 ans
FG Minerals	Phosphate	2020-12-29	2023-12-28	20	200,00	3 ans
FG Minerals	Phosphate	2020-12-29	2023-12-28	21	200,00	3 ans
FG Minerals	Phosphate	2020-12-29	2023-12-28	22	200,00	3 ans

- **Main Projects under development**

(i) Nayega Manganese Field Development Project (West Kpendjal)[18]

The Togolese mining sector has made significant progress with the Nayega manganese mining project, located in the Savanes region. In May 2023, the Togolese government, through the Ministry of Energy and Mines, entered into a strategic partnership with Keras Resources PLC, a British mining company. This partnership includes:

- **Creation of the Togolese Society of Manganese (STM)**: This **state-owned company** created in 2023 has the mission to enhance manganese, the fourth most used metal in the world. STM will contribute to the development of the mining industry and job creation in Togo, in line with the government's 2020-2025 roadmap.
- **Acquisition of assets and data**: The partnership enables the State to acquire $1.7 million in intellectual property for all data and assets necessary for the operation of the mine, as well as the operating licence.
- **Production resources and forecasts**: The Nayega deposit is estimated at 13.97 million tons of ore containing 12.4% manganese, with proven reserves of 8.48 million tons containing 14% manganese, ensuring exploitation over a period of more than ten years. Monthly production is expected to be 6 500 tons.

Strategic Objectives and Outlook

- This project is part of Togo's strategy to strengthen the contribution of the mining sector to the national economy and to diversify the mining resources exploited. Growing demand for manganese, including for clean energy technologies, is expected to support the Nayega deposit's upgrading, with the global manganese market expected to grow by nearly 5 percent by 2027.
- By partnering with Keras Resources, Togo benefits from a transfer of know-how and technical expertise, ensuring optimal exploitation and a strengthened strategic position in the international mining sector.

(ii) Ledjoblibo clay deposit large-scale development project[19]

In 2019, ICA Invest was granted a renewable 20-year exploitation permit for the Ledjoblibo clay deposit in Dankpen Prefecture (Kara region). The reserves of this deposit, located on an area of 98 hectares in the prefecture of Dankpen, are estimated at just over 11 million cubic metres, or 18.8 million tons of clay. The clay will be used to produce bricks and tiles.

(ii) Phosphate recovery

Phosphate, exploited by the **Société Nationale des Phosphates du Togo (SNPT)**, is Togo's main mineral wealth. In May 2023, a set of strategic agreements was signed with the Office Chérifien des Phosphates (OCP) for the creation of a local fertiliser production plant. This project marks a decisive step in the valorisation of Togolese phosphates, favouring their processing on site instead of their gross export.

The establishment of this processing sector represents a major opportunity for Togolese agriculture, a sector that is a priority for the government. It will not only meet local demand for fertiliser, but also boost agricultural self-sufficiency and boost the national economy.

Studies are being carried out to evaluate and further develop the phosphate reserves already available in **Hahotoé**, exploited by the SNPT. This development project could improve the value chain, create local jobs and generate significant economic spinoffs for Togo.

3.1.2 Oil and Gas Sector

As of December 31, 2022, no oil and gas activity is recorded in the hydrocarbon sector in Togo. No research permits have been granted and no active companies have been identified in this area for 2022.

[18] Source: Official Portal of the Republic of Togo (link)
[19] Source: YearBook, Togo Economic Report 2024-2025 (Vision 2030)

3.2 Production

3.2.1 Mining sector

❖ **Mines and quarries**

According to the data reported by DGMG and the companies, the production data for the year 2022 are as follows:

Table 28 - Mining and quarrying production - Year 2022[20]

COMPANY	Locality/Region	Project	Substance	Volume	Unit	Value in millions of CFAF[21] (**)
SNPT (*)	Kpomé, Dagbati/ Maritime	97-068/PR	Phosphate	1,541,772	Ton	185,897.4
Total Phosphate				**1,541,772**	**Ton**	**185,897.4**
WACEM (*)	Tabligbo/ Maritime	2009-177/PR	Limestone	832,440	Ton	16,648.8
SCANTOGO (*)	Maritime	N°2009-178/PR / DECREE	Limestone	2,342,036	Ton	1,094.9
Limestone Total				**3,174,476**	**Ton**	**17,743.7**
TOGO CARRIERE	Lilikopé/ Maritime	N°003/MDEM /CAB/DGMG/ DDCM/2023	Migmatitis/ Aggregate	204,766	M3	2,103.7
GRANUTOGO	Amélékpé/ Maritime	NO 42/MME/CAB/ DGMG/DDCM/ 2018	Granulate	165,254	M3	566.5
Total Aggregate				**370,020**	**M3**	**2,670.2**
SCANTOGO (*)	Maritime	N/C	Clay	393,341	Ton	3.8
Total Clay				**393,341**	**Ton**	**3.8**
TOGO RAIL	Agbelouvé/ Maritime	103/PR/MDEM /CAB/DGMG/ DDCM/2022	Gneiss	56,428	M3	N/C
TGC	Lassa Tchou/Kara	039/MME/CAB /DGMG/DDCM /2020	Gneiss	33,265	M3	N/C
ALMACAR	Agoudja-Badja/Maritime	001/MS/CAB/ DGMG/DDCM/ 2020	Gneiss	2,934	M3	N/C
SOROUBAT	Goka-Kopé/Maritime	N/C	Gneiss	3,602	M3	N/C
	Alibi 2	N/C	Gneiss	59,569	M3	N/C
TOGO MATERIALS	Gamé-Kové/Maritime	014/MME/CAB /DGMG/DDCM /2020	Gneiss	17,135	M3	N/C
US XIN ALAFIA	Adangbé-Kpévé/Maritime	46/MS/CAB/D GMG/DDCM/2 018	Gneiss	17,630	M3	N/C
SOGECAR	Goka-Kopé/Maritime	086/MDPREM/ CAB/DGMG/D DCM/2020	Gneiss	61,493	M3	N/C
MPE	Bolou Vavatsi/ Maritime	056/MME/CAB /DGMG/DDCM /2019	Gneiss	33,502	M3	N/C
Total Gneiss				**285,558**		**-**

[20] Source: DGMG declaration unless otherwise indicated
[21] Market value used to settle the mining royalty except for clinker valued on the basis of the value of sales

COMPANY	Locality/Region	Project	Substance	Volume	Unit	Value in millions of CFAF[21] (**)
CIMCO	Hommagan-Kpéli/Trays	03/PR/MDEM/CAB/DGMG/DDCM/2022	Dolomia	2,874	Ton	N/C
SCANTOGO (*)	Namon/Kara	N°006/MME/CAB/DGMG/2017	Dolomia	75,974	Ton	35.5
Total Dolomia				**78,848**		**-**

(*) Source: Corporation's declaration; (**) Market value used to settle the mining royalty; N/C: Not disclosed;

- **Informal sector**

The gold trade in artisanal and small-scale mining (EMAPE) remains largely dominated by informality. In 2021, an EMAPE inventory study in Togo estimated gold production at about 165.74 kg per year. This is well above the 6.385 kg/year reported in a 2017 study conducted by the Ministry of Mines and Energy through the Mining Development and Governance Project (MDP). However, this production remains very far removed from the tonnages that the country exports. Between 2005 and 2014, gold exports increased from 6 tons to 21 tons, before falling to 10 tons in 2018. [22]

- **Water**

Only TdE has reported its production data, which details as follows:

Table 29 - Water production - Year 2022[23]

COMPANY	Locality/ region	Project	Substance	Volume	Unit	Value in millions of CFA francs
TdE	N/C	N/C	Water	28,086,620	M3	9,943.4
Other companies	N/C	N/C	Water	N/C	M3	N/C
Total				**N/C**		**N/C**

N/A: Not reported

3.2.2 Hydrocarbon sector

In 2022, no hydrocarbon production was recorded in Togo.

[22] Source: National Action Plan to reduce or if possible eliminate mercury in Gold EMAPE (link)
[23] Source: Corporate reporting unless otherwise indicated

3.3 Exporting

3.3.1 Mining sector

❖ **Mines and Quarries**

According to CDDI data, mining and quarrying sector exports for 2022 are as follows:

Table 30 - Mining and Quarrying Exports - Year 2022[24]

Company	Destination	Substance	Unit	Volume	Value in CFAF Millions[25]
SNPT	India	PHOSPHATE	Ton	1,103,425	101,321.06
	Bulgaria	PHOSPHATE	Ton	285,474	22,428.54
	Australia	PHOSPHATE	Ton	243,225	18,201.05
	New Zealand	PHOSPHATE	Ton	150,541	15,660.49
PHOSPHATE				**1,782,665**	**157,611**
WACEM	Burkina Faso	BULK CLINKER	Ton	40,000	1,600.00
	Ghana	BULK CLINKER	Ton	27,536	1,250.88
SCANTOGO MINES	Benin	BULK CLINKER	Ton	84,243	4,699.97
	Burkina Faso	BULK CLINKER	Ton	564,149	21,849.87
CLINKER				**715,928**	**29,401**
WACEM	Ghana	BULK LIMESTONE	Ton	140,000	2,571.16
LIMESTONE				**140,000**	**2,571**
Total					**189,583**

Details of exports by cargo are presented in Annexe 12.

❖ **Informal sector**

According to a UNIDO report (2018) [26], low royalty rates have helped position Togo as a central export point for EMAPE gold to neighbouring countries, mainly Burkina Faso. The majority of Togo's gold exports therefore come from neighbouring countries, not from domestic production.

Although the national annual production of artisanal gold is estimated at around 165.74 kg (EMAPE Study 2021), gold export volumes were significantly higher, reaching up to 21 tons between 2005 and 2014, with a slowdown to 10 tons in 2018. [27]

In 2022, the Comtrade Database from countries' import declarations shows imports by the United Arab Emirates of around **20.6 tons of gold** worth **USD 1.2 billion** from Togo. However, CDDI did not report any gold exports for the same period.

Togo's low royalty rates encourage gold from countries like Burkina Faso to enter Togo for export to international markets. In addition to EMAPE gold from neighbouring countries, the informal sector also includes gold input from secondary circuits, including old jewellery integrated into the export market.

❖ **Water**

In 2022, no water exports were recorded

3.3.2 Hydrocarbon sector

In 2022, no oil exports were recorded in Togo.

[24] Source: CDDI statement unless otherwise indicated
[25] FOB Value
[26] UNIDO, 2018 (link)
[27] Source: National Action Plan to reduce or if possible eliminate mercury in Gold EMAPE (link)

3.4 Greenhouse gas emissions

❖ **GHG reduction commitments**[28]

Togo is among the first African countries to actively engage in the fight against climate change. In line with the guidance of President Faure Essozimna Gnassingbé, the government has adopted measures to strengthen the resilience of communities and ecosystems to climate impacts. These measures align with the Togo 2025 Roadmap and Paris Agreement commitments, which will be presented at COP28 in Dubai.

Togo has raised its ambitions for Nationally Determined Contributions (NDCs), aiming for an unconditional 20.51% reduction in GHG emissions by 2030, with the possibility of reaching an additional 30.06% under certain conditions. This commitment was renewed at the climate conferences in Glasgow and Cairo.

❖ **Sources of GHG Emissions**

In Togo, greenhouse gas (GHG) emissions come mainly from several key sectors that reflect the country's economic and social activities. The energy sector is one of the main sources, with emissions generated by the production of electricity from non-renewable sources, as well as by the use of fossil fuels in transport and industry. Agriculture also contributes significantly, notably through methane emissions from livestock farming and agricultural waste management.

In addition, deforestation and land-use changes, often for agricultural expansion, lead to increased CO2 emissions, as they reduce the capacity of ecosystems to absorb carbon.

Finally, waste management, particularly open-air landfills, produces methane, a potent GHG. These challenges underscore the importance of Togolese initiatives to promote renewable energy, adopt more sustainable agricultural practices, and improve land and waste management to reduce the country's carbon footprint.

❖ **Extractive sector emissions**

As part of this study, companies in the reconciliation perimeter were asked about their management and publication of GHG emissions. The results show that **no company reported published or verified data**. The responses collected are summarised in **Annexe 3.**

Only **WACEM** indicated that it was in the training phase to integrate GHG emissions management, an effort that should be generalised to all companies.

The lack of publication or systematic collection of GHG emissions data reveals a significant delay in the integration of climate issues within the extractive sector.

[28] Source: Presidency of the Republic of Togo (link)

4. Revenue collection

4.1 Disclosure of taxes and revenues

4.1.1 Sectors covered

The 2022 EITI Report includes the mining, quarrying, water, extractive product transportation and commercialisation of precious minerals sectors in Togo. Although the oil and gas sector is included in the contextual data, it did not receive any payments in 2022.

4.1.2 Scope of report

4.1.2.1 Approach to Perimeter Selection

This report includes all revenues from the above-mentioned sectors. The data are those reported by the collecting government entities, adjusted by the Independent Administrator on the basis of the reconciliation work, and are supposed to represent all the revenues of the sectors concerned.

For the reconciliation of the government figures, CP-EITI determined the scope of the reporting companies according to the specific criteria listed in the table below. The aim is to cover around 92% of the revenues of the three sectors through this reconciliation exercise.

Table 31 - EITI 2022 Scope Materiality Criteria

Criteria	Perimeter
Quantitative criteria:	Selection of companies whose total payments exceed **CFAF 50 million.**
Qualitative criteria:	- Transportation Companies - Crown Corporations - High-risk companies
Number of companies retained within the payment reconciliation scope	- Company above 50 million threshold: 4 -Transport companies: 1 - Crown corporations: 2 - Companies at risk: None - Total: 7
Unilateral declaration	Income tax returns for all corporations except corporations included in the reconciliation scope.
Number of companies selected for the unilateral declaration by the State	**182**

4.1.2.2 Enterprise Scope

The companies included in the scope of reconciliation are as follows:

Table 32 - List of companies included in the conciliation scope

NO.	Companies	Activity Type
1	SCANTOGO MINES	Mining
2	SNPT	Mining (Crown corporation)
3	WACEM	Mining
4	TOGO CARRIERE	Career
5	TOGO RAIL	Transport
6	GRANUTOGO	Mining
7	TdE	Water exploitation

The scope initially chosen by CP-EITI included **CIMCO**. However, due to its core business related to cement production, CP-EITI decided at its meeting on **December 16**, **2024** to remove this company from the reconciliation boundary. The specific revenues collected from CIMCO under the Mining Code will, however, be maintained in the report, through a unilateral declaration by the state.

The list of companies selected for the unilateral declaration of the State is presented in Annexe 13 to this report. It should be noted that enterprises whose main activity is not extractive have been included only for their specific payments under the **Mining Code**. The list of these undertakings is given in **Annexe 14**.

4.1.2.3 Scope of collecting organisms

Based on the scope agreed by CP-EITI for extractive companies and payment flows for the year 2022, eight (8) collecting agencies and 19 municipalities were selected to report the income received from extractive companies.

Table 33 - List of collecting bodies included in the scope of the EITI report

NO.	Government Entities
1	Tax Commissioner (CI)
2	Commissioner of Customs and Indirect Taxes (CDDI)
3	Directorate General of Treasury and Public Accounts (DGTCP)
4	Directorate General of Mines and Geology (DGMG)
5	General Directorate of Labour and Social Laws (DGTLS)
6	Togolese Water Society (TdE)
7	National Social Security Fund (CNSS)
8	National Environmental Management Agency (ANGE)
9	**The municipalities of 19 mining localities** - YOTO 1 - YOTO 3 - VO 3 - VO 4 - LAKES 4 - ZIO 1 - ZIO 2 - ZIO 3 - ZIO 4 - HAHO 3 - KOZAH 2 - KOZAH 3 - DANKPEN 2 - CHAOUDJO 3 - BLITTA 2 - BLITTA 3 - ANIE 1 - Ave 2 - Lakes 3

4.1.2.4 Perimeter of flows

CP-EITI decided to include all flows reported by public entities without applying a materiality threshold. This includes the flows foreseen by the mining legislation in force in 2022, the main common taxes as well as environmental and social payments.

Table 34 - List of selected payment flows within the scope of the report

Ref	Flow Nomenclature	Paid to/ received by
Payments in cash		
Directorate General of Mines and Geology (DGMG)		
1.1	Costs of investigating the case	DGMG
1.2	Fixed Duties	DGMG
1.3	Area Fees	DGMG
1.4	Mining Royalties (Mining Substance)	DGMG
1.5	Mining Fees (Quarry Substance) (+)	DGMG
1.6	Penalties for Mining Offences	DGMG
Tax Commissioner (CI)		
2.1	Corporate Tax (IS)	CI
2.2	Income tax on movable capital (IRCM)	CI
2.3	Minimum Flat-Rate Tax (MFI)	CI
2.4	Business Tax (PT)	CI
2.5	Property Taxes (TF)	CI
2.6	Personal Income Tax IRPP/IRTS	CI
2.7	Taxes on Wages (TS)	CI
2.8	Supplementary Salary Taxes (SCT)	CI
2.9	Value Added Tax (VAT)	CI
2.1	Deduction on Service Delivery (RSPS)	CI
2.11	Rent Deduction (RSL)	CI
2.12	Tax on the manufacture and marketing of beverages	CI
2.13	Garbage removal tax (TEO)	CI
2.14	Single Business Tax (SPT)	CI
2.15	Tax adjustments and penalties paid to the IC	CI
2.16	Registration fees (*)	CI
2.17	Vehicle taxes (*)	CI
Commissioner of Customs and Indirect Taxes (CDDI)		
3.1	Customs Duties and Taxes (DD-RS-PCS-PC-RI - VAT-PUA-TLP-PNS and others)	CDDI
3.2	Tax on the marketing of precious stones and substances	CDDI
3.3	Customs penalties	CDDI
Directorate General of Treasury and Public Accounts (DGTCP)		
4.1	Dividends	DGTCP
4.2	Advances on dividends	DGTCP
4.3	Financial contribution to local and regional development (Decree No. 2017-023) (+)	DGTCP
4.4	Environmental taxes (+)	DGTCP
National Agency for Environmental Management (ANGE)		
5.1	Tax on the issue of environmental compliance	ANGEL

Ref	Flow Nomenclature	Paid to/ received by
5.2	Certificate of environmental regularisation	ANGEL
5.3	Rejection Authorisation Tax (+)	ANGEL
5.4	Fines for environmental offences	ANGEL
5.5	Carbon Credit Transfer and Disposal Tax (+)	ANGEL
5.6	Environmental taxes (+)	ANGEL
5.6	Voluntary environmental expenditure (+)	-
General Directorate of Labour and Social Laws (DGTLS)		
6.1	Hiring Authorisation Fees	DGTLS
6.2	Certification fee for payment of salary claim	DGTLS
6.3	Study and endorsement costs of rules of procedure	DGTLS
6.4	Visa fees for foreigners' contracts	DGTLS
6.5	Document quality certification fee	DGTLS
6.6	Apprenticeship contract visa fee	DGTLS
Togolese of the Waters (TdE)		
7.1	Water withdrawal tax in the water table	TdE
National Social Security Fund (CNSS)		
8.1	Social contributions	CNSS
Municipalities and prefectures of mining localities		
9.1	Mining Fee (+)	Commune
9.2	Financial contribution to local and regional development (Decree No. 2017-023) (+)	Commune
9.3	Other direct payments to municipalities and prefectures	Commune
Other		
10.1	Other significant payments to the State > CFAF 10 million	Other
10.2	Rehabilitation expenditure (+)	Other
Social Expenditure *(only for Extractive Companies)*		
11.1	Compulsory social expenditure	All
11.2	Voluntary social expenditure	All
Transfers *(only for Financial Regulators)*		
12.1	Transfers for the local development contribution	DGTCP
12.2	Transfers under the quarrying and mining royalty	DGTCP
12.3	Ecological Tax Transfers	DGTCP
12.4	Transfers in respect of ordinary taxes	DGTCP

The nomenclature of flows is set out in Annexe 2.

4.1.2.5 Data collection

For the data collection, a reporting form, prepared by the Independent Administrator (IA) and validated by the NOC-EITI, was used. This form complies with the requirements of the EITI 2023 Standard and includes detailed revenue information as well as relevant contextual data required by the Standard. The templates for the declarations are presented in Annexe 15.

The template of the declaration form was sent by e-mail to the reporting parties who were invited to send their declarations directly in electronic format to the IA and to file the duly signed and certified versions with the office of the EITI Technical Secretariat.

4.1.3 Cash income

Extractive sector cash payments by sector, flows and collecting entity presented in section 7.1. Details of payments are set out in Annexe 16.

4.1.4 Disclosure of the financial statements of enterprises

The regulations do not require extractive companies to disclose their financial statements. Instead, they are required to file their financial statements annually with the tax authorities and the RCCM. In theory, access to the financial data of companies is possible via the CCMR. website upon reasoned request and subject to the payment of an access fee.

4.2 Income in kind

4.2.1 Mining sector

4.2.1.1 Legal Framework

The current legislation does not provide for mechanisms for payments in kind to the State. Contributions from mining companies are made in cash, in accordance with legal and contractual provisions.

4.2.1.2 Sales income of state-owned enterprises

Although not considered income in kind under EITI Standard requirement 4.2, both Crown corporations were asked to provide details of their sales. The data reported are as follows:

Company	Substance marketed	Total volume produced	Total volume sold	Average market value (in FCFA)	FCFA turnover for the year
SNPT	Phosphate	1,541,772 metric tons	1,583,181 metric tons	39,241.1	188,773,391,630
TdE	Water	37,510,880 m3	23,345,383 m3	425.92	9,943,364,173

4.2.2 Hydrocarbon sector

For the oil sector, the main contributions in kind are governed by the terms of the oil contracts, including in particular the production charge and the direct tax on industrial and commercial profits (BIC).

However, in 2022, no production was recorded in the oil sector. As a result, no payments in kind have been made or reported for this sector.

4.3 Infrastructure supplies and barter agreements

4.3.1 Definition adopted

In the absence of a formal definition of barter agreements in Togo's regulatory framework, CP-EITI adopted a broad definition.

This definition covers agreements or sets of agreements involving the making available of goods and services (including loans, grants and infrastructure works), in full or partial exchange of concessions for the exploitation or production of oil, gas or mining, or for the physical delivery of such raw materials. This includes the provision of goods and services by future revenue streams from their natural resource wealth that meet the International Monetary Fund's definition of secured sovereign debt.

In order to comply with this requirement, CP-EITI requested the Extractive Companies, state enterprises and government entities to report data on infrastructure supply agreements and barter agreements. This requested data includes:

- the resources that have been pledged by the State; and
- The value of the counterparty in terms of financial and economic flows.

4.3.2 Data collection

Under this definition, CP-EITI did not identify barter or infrastructure agreements for 2022. DGTCP and the extractive companies included in the reconciliation scope were requested to provide information on these types of agreements, using the reporting template set out in Annexe 15. Despite these efforts, no data on barter or infrastructure agreements have been reported.

However, we have identified in the investment agreements of POMAR-Togo S.A., SCANTOGO and MM Mining clauses that could correspond to agreements for the provision of infrastructure or barter.

Table 35 - Comparison of agreements identified in investment agreements

Convention	Type of infrastructure or agreement	State commitments	Business Benefits
POMAR-Togo S.A.	Preferential use of strategic infrastructure.	- Negotiation of preferential tariffs with several entities (Autonomous Port of Lomé, CEET, TdE, Togo Telecom, etc.). - Privileged right of use of the mineral wharf of the Autonomous Port of Lomé. - Guarantee of the functionality of the Lomé-Blitta rail network. - Concessions for the handling and management of rail transport.	- Reduction of logistics costs thanks to preferential rates. - Autonomy in the management of the infrastructure used.
SCAN MACHINE	Preferential rates for public services.	- Assistance in negotiating preferential tariffs with the Autonomous Port of Lomé, CEET, TdE, and Togo Telecom.	- Access to preferential terms for public services, reducing operational costs.
MM Mining	Construction and management of railway and port infrastructure.	- Construction and provision of the necessary infrastructure by the State. - Possibility of deducting the costs advanced by the investor from the fees due. - Transfer of rights and assets necessary for the operation of the infrastructure, free of liabilities.	- Exclusive operation of the financed infrastructure. - Potential reduction of charges through the deductions provided.

CP-EITI is expected to assess whether these government commitments constitute barter agreements and ensure that disclosures comply with the requirements of the EITI standard, including transparency of the economic benefits obtained by the company.

4.4 Revenue from transport

4.4.1 Mining sector

The transport of mining substances is governed by the Mining Code, which gives licence holders the right to transport their products. In practice, this transport is generally carried out either directly by operators or by authorised collectors, the corresponding costs being included in the taxes and charges levied by the State.

❖ *Case of NTPS*

In 2022, the modal share of rail freight was estimated to be less than 10%, of which more than **90%** (**3,502,856 tons**) was transported on the private line between **Ahatoé** and the **Kpémé** (37 km) specialised maritime terminal**.** This line is used to transport phosphates through the **NTPS**.

It is established that this private railway line is part of the assets of the NTPS. However, it has not been clarified whether the company pays fees for the use of this infrastructure.

❖ *Case of MM Mining*

The company **MM Mining** has obtained, by agreement with the State, the right to operate railway services technically and commercially, in particular on the **Lomé-Blitta** and **Lomé-Kpalimé** axes. However, the agreement does not contain clear provisions on the fees to be paid.

Due to the suspension of its operations in 2016, caused by the drop in iron ore prices, **MM Mining** did not use the rails or pay any royalties until the end of 2022.

4.4.2 Petroleum sector

The Petroleum Code gives holders of a temporary authorisation or a petroleum concession the right to transport the products resulting from their exploitation, or to have them transported while retaining ownership. This right includes the transport of hydrocarbons to storage, processing, loading or final consumption sites, using their own facilities.

In 2022, no commercial hydrocarbon production was recorded. As a result, no revenue was generated from oil and gas transportation activities.

4.5 Transactions related to government enterprises

Details of the transactions of the two state-owned enterprises active in the mining sector, NTPS and TDE, are available in section 2.6.1.3.

In the hydrocarbon sector, no state-owned enterprises have been identified. As a result, no transactions were recorded in this sector.

4.6 Subnational payments

4.6.1 Legal framework

The decentralised territorial authorities in Togo are governed by the following texts:

- The Constitution;
- Act No. 2019-006 of 26 June 2019 amending Act No. 2007-011 of 13 March 2007 on decentralisation and local freedoms as amended by Act No. 2018-003 of 31 January 2018; and
- Decree No. 2021-023 of April 14, 2021, allocating tax revenue.

According to the provisions of Law No. 2019-006, the resources of the local authorities are made up of, among other things:

- The licence;
- The Single Business Tax (SPT);
- Tax on gambling products;
- Property Tax (TF);
- The housing tax; and
- Quarrying and mining royalties.

In addition, the municipalities receive a financial contribution to local and regional development under the provisions of the Law 2011-008 on the contribution of mining companies to local and regional development and its implementing decree No. 2017-023.

4.6.2 Mining sector

Payments received by local and regional authorities from the mining sector include:

- Property tax and business tax;
- Quarrying and mining royalties;
- Quarrying products;
- Other soil and subsoil products;
- Environmental payments; and
- Contributions to local and regional development.

The rules for the management and allocation of these revenues are detailed in section **5.1.2.2**.

(i) Property taxes and single business tax

As with other ordinary taxes shared between the State and local authorities, the **property tax (TF)** and the **single business tax (SPT)** are initially collected by the **Office Togolais des Recettes (OTR)**. These taxes are then transferred to the municipalities according to the distribution keys defined by **Decree 2021-039/PR**. Details of the transfers are provided in section 5.2 on sub-national transfers.

(ii) Quarrying and mining royalties

The mining and quarrying fees are collected directly by the municipalities, in accordance with the provisions of **Decree 2021-039/PR**. These fees are paid by the operators operating in the territory of the municipality and are generally fixed on a flat-rate basis by a decision of the council of the local authority concerned. The revenue from these fees is recorded in the accounts of the municipalities under the account "724112".

It should be noted that this operating fee differs from the mining fee under the Mining Code, which is calculated on the basis of the volumes of products extracted and exported. This mining fee shall be paid and recovered by the public treasury, in accordance with specific arrangements laid down by the mining legislation in force.

Table 36 - Quarrying and mining (Decree 2021-039/PR)

Stream	Allocation rate by local and regional authorities				
	Share of local authorities	Municipalities	District	FACT	
				Regions	Municipalities
Quarrying and mining royalties	100%	60%	10%	25%	5%

For 2022, the total revenue from these operating fees, broken down by municipality, is shown in the table below.

Table 37 - Quarrying and mining royalties

Municipalities	CFAF amount
Lake 3	10,034,000
YOTO3	500,000
LACS4	23,000
TOTAL	**10,557,000**

The revenue carried over by the municipalities was not disaggregated by company or project. Therefore, they have not been reconciled in detail in this report.

(iii) Quarrying revenues

Quarrying revenues are sums collected by local and regional authorities from quarrying operators located in their territory. These amounts are generally collected from material carriers (sand, laterite, gravel, etc.) at quarry exits.

The amount of the tax applied shall be determined by the type of product extracted and the type of transport vehicle, in accordance with a decision of the council of the territorial authority concerned. The revenue collected in this way is entered in the **account "724111"** of the municipality's finances.

For 2022, the total revenue from these products, broken down by municipality, is presented in the table below.

Table 38 - Quarrying revenue

Municipalities	CFAF amount
VO4	48,927,000
Lake 3	32,714,000
ZIO4	20,956,000
ZIO2	9,000,000
ZIO3	8,707,000
YOTO3	5,684,500
KOZAH 3	2,635,300
BLITTA 3	1,630,000
KOZAH 2	881,500
Haho 3	707,500
ANIE 1	650,000
CHAOUDJO 3	581,000
BLITTA 2	396,000
TOTAL	**133,469,800**

The revenue carried over by the municipalities was not disaggregated by company or project. Therefore, they have not been subject to detailed reconciliation in the context of this report.

(iv) Other soil and subsoil products

Communities may receive other extractive sector revenues other than royalties and quarry revenues. These products are recorded in the accounts of the municipality under the account '724119'.

For 2022, the total revenue from other products, broken down by municipality, is shown in the table below.

Table 39 - Other soil and subsoil products

Municipalities	Stream	CFAF amount
ZIO2	Other soil and subsoil products	13,679,000

The revenue carried over by the municipalities was not disaggregated by company or project. Therefore, they have not been subject to a detailed reconciliation.

(v) Environmental payments

Municipalities can receive environmental payments from extractive companies. In 2022, **Commune Lac 3** reported receiving **CFAF 6,831,790** in these payments.

(vi) Contributions to local and regional development

Mining operators with large or small-scale mining permits or artisanal licences must contribute to local and regional development. This payment is made to a dedicated account, opened in the name of the municipality concerned, to the Treasury, in accordance with **Law 2011-008** and its **implementing decree No. 2017-023**.

For 2022, the total amount of contributions received by the municipalities amounts to **1 114.7 million CFA francs**. These contributions, considered as 'compulsory social expenditure', are detailed in section **6.1.1** of this report.

4.6.3 Hydrocarbon sector

No provision for sub-national payments was identified for the hydrocarbon sector.

4.7 Disaggregation level

Reporting entities were invited to provide detailed reporting on payments made. Each declaration must identify the company involved, the collecting public entity, the type of payment, and the project concerned.

Disaggregated data for the extractive sector are presented in section 1.2.1 of this report. The following definitions have been adopted for the purpose of EITI reporting:

- ***Companies/enterprises***

This term refers to the extractive companies included in the scope of the report. These are legal and fiscal entities that operate in the sectors covered and make payments to the State. The full list of companies is provided in Annexe 17.

- ***Collecting public entities***

These are public bodies collecting tax and non-tax revenue from extractive enterprises. These entities may be financial authorities, Crown corporations, special funds or any other public institution involved in extractive sector revenue collection. The list of collecting entities is available in section 4.1.2.3.

- ***Payment Flow***

Payment flows covering both tax and non-tax revenue and social or environmental expenditure. Specific flows are listed in section 4.1.2.4. For each flow, administrations must provide a detail by receipt and by date of payment.

- ***Project***

In the context of Togo, a project refers to activities covered by a contract, permit, authorisation, or other legal agreement defining payment obligations to the State.

- *Mining Sector*: A project is a mining title, authorisation or approval, covering all associated activities.

- *Petroleum sector*: A project is defined by a specific contract held by a consortium or association. If a consortium holds several contracts, each contract shall be considered a separate project.

It is important to note that the information available did not allow the identification of closely related contracts in the sectors covered.

On the basis of this definition, the following flows have been identified as recovered by project:

Ref	Flow Nomenclature	Paid to/ received by
Payments in cash		
Directorate General of Mines and Geology (DGMG)		
1.1	Costs of investigating the case	DGMG
1.2	Fixed Duties	DGMG
1.3	Area Fees	DGMG
1.4	Mining Royalties (Mining Substance)	DGMG
1.5	Mining Fees (Quarry Substance) (+)	DGMG
1.6	Penalties for Mining Offences	DGMG
Directorate General of Treasury and Public Accounts (DGTCP)		
4.1	Dividends	DGTCP
4.2	Advances on dividends	DGTCP
4.3	Financial contribution to local and regional development (Decree No. 2017-023) (+)	DGTCP
National Agency for Environmental Management (ANGE)		
5.1	Tax on the issue of environmental compliance	ANGEL

Ref	Flow Nomenclature	Paid to/ received by
5.2	Certificate of environmental regularisation	ANGEL
Togolese of the Waters (TdE)		
7.1	Water withdrawal tax in the water table	TdE
Municipalities and prefectures of mining localities		
9.1	Mining Fee	Commune
9.2	Financial contribution to local and regional development (Decree No. 2017-023)	Commune
9.3	Other direct payments to municipalities and prefectures	Commune
Other		
10.2	Rehabilitation expenditure (+)	Other
Social Expenditure *(only for Extractive Companies)*		
11.1	Compulsory social expenditure	All

The analysis of disaggregated revenue by project for the extractive sector is presented in section 7.3.

4.8 Basis and reporting period

The payments and income reported in this EITI report cover flows and contributions that occurred between 1 January 2022 and 31 December 2022.

4.9 Data quality and assurance

4.9.1 Audit practices

4.9.1.1 State

- **Accounting framework**

OHADA establishes rules of Common Business Law for its Member States, including accounting standards, adopts unified trade laws and other legislative standards which, once adopted, become national laws in its Member States.

The maintenance and production of the government's accounts and financial statements in Togo are governed by:

- The Organic Law 2014-013 on Finance Laws.
- Decree No. 2015-054 of 27 August 2015 on the General Public Accounting Regulation; and

In practice, asset accounting and the adoption of IPSAS are not yet applied in Togo.

- **Audit practices**

The **Court of Auditors** of Togo is an institution of the Republic provided for by the Constitution. According to Article 107 of the Constitution, the Court of Auditors judges the accounts of public accountants, verifies the accounts and manages public institutions and public undertakings.

Its organisation and functioning were regulated by Organic Law No. 98-014 of 10 July 1998.

The Court of Auditors judges the accounts of public accountants. It is responsible for auditing the accounts and management of public institutions and public undertakings. It assists Parliament and the Government in monitoring the implementation of the budget laws.

The Court prepares an annual report on the implementation of the budget law or on the general declaration of conformity. The Court is a member of INTOSAI, which means that the international auditing standards INTOSAI are applied. In addition, the Court publishes the budget implementation reports and the General Declaration of Conformity on its website. The report for 2022 is available on this link.

4.9.1.2 State-owned enterprises

- **Accounting framework**

In 2001, OHADA imposed the use of the OHADA accounting system, which is not similar to IFRS. Nevertheless, the application of IFRS became mandatory from 1 January 2019 for listed companies and other public interest companies.

Public enterprises must prepare their annual financial statements in accordance with the OHADA Accounting System (SYSCOHADA) no later than 90 days after the end of the financial year. It should be noted that, despite recent efforts to bring regional standards more in line with International Financial Reporting Standards (IFRS), financial statements prepared under SYSCOHADA provide much less information for financial analysis than an equivalent set under IFRS.

- **Audit practices**

Audits of public enterprises are carried out in accordance with the International Standards on Auditing (ISA), in accordance with OHADA Regulation No. 01/CM/2017.

4.9.1.3 Private companies

- **Accounting framework**

Private companies are required to prepare their financial statements in accordance with the OHADA Accounting System (SYSCOHADA). This system differs from International Financial Reporting Standards (IFRS). Since January 2019, only listed companies and public interest companies are required to apply IFRSs.

- **Audit practices**

Audits of private companies are carried out in accordance with the International Standards on Auditing (ISA), in accordance with OHADA Regulation No. 01/CM/2017 on the harmonisation of accounting and auditing practices in member countries.

The application of ISA was not audited due to the non-disclosure of the audited financial statements by all companies within the scope.

4.9.2 Evaluation of Audit Practices

The Independent Administrator (IA) assessed the reliability of the Audit and Control Framework (ACC) for enterprises and public entities, based on the accounting and auditing standards applied, audit requirements, and public reporting.

Entity Type	Published Accounts	Published audit reports	External Audit	Accounting standards	Periodic audit	Auditing standards
Extractive companies	No	No	Yes	OHADA	Yes	ISA
Crown corporations	No	No	Yes	OHADA	Yes	ISA
Financial Regulators	Yes	Yes	Yes	Local Standards	Yes	INTOSAI

Conclusions:

- **Government entities**: The ACC is **moderately reliable** due to non-compliance with international accounting standards.
- **Extractive companies and Crown corporations**: The CAC is **moderately reliable**. OHADA rules are used, and audit reports are not published, affecting transparency.

This evaluation highlights the importance of improving the adoption of international standards and the publication of audits to enhance transparency in Togo.

4.9.3 Agreed data assurance procedures

4.9.3.1 Procedures agreed by CP-EITI

The procedures agreed by CP-EITI include the following:

Entities	Agreed procedures
For extractive companies and state-owned enterprises	• For extractive enterprises and state enterprises required to appoint an External Auditor (AOC), the 2022 declaration forms must: • bear the signature of a person authorised to engage the undertaking; and • be certified by an external auditor (which may be the auditor) who will certify that the data reported are complete and accurate. • For limited liability companies not required to appoint an External Auditor within the meaning of Article 376 of the OHADA Uniform Act, the 2022 declaration forms must bear the signature of a senior official or a person authorised to engage the company.
For financial boards and government entities	• The report form must be signed by a person authorised to represent the entity, confirming that the reported data is “complete and faithfully reflects recoveries for the period”. • The return must include a detail, by receipt, of the revenue collected. • The declarations of the authorities must be certified by the Court of Auditors

4.9.3.2 Procedures implemented by the IA

Based on the results of the evaluation of audit practices presented in section 4.9.2 and taking into account the limitations identified in the systems for producing payment data by financial authorities, the IA implemented the additional procedures for verifying the completeness and reliability of the data reported by government entities:

- Reconciliation of data reported by DGTCP with data from DGMG;
- Reconciliation of the data provided by the municipalities with the data of the DGTCP and with the companies;
- Reconciliation of the data reported by DGMG in the reporting form with DGMG's mining and quarrying revenues;
- Analysis of the consistency of the content of mining agreements and financial statements of state-owned enterprises with the data reported;
- Reconciliation of the data reported with the data disclosed and/or made public.

On the basis of these procedures, the data submitted by the State were made reliable and adjusted whenever the other data sources were considered more complete and/or reliable.

4.9.4 Completeness and reliability of reported data

4.9.4.1 Completeness of income and payments data

❖ **Public entities**

➢ **Submission of EITI declarations**

All public and municipal entities included in the scope of the report submitted their declarations of the revenue collected in the extractive sector, with the exception of **Commune ZIO1**. Consequently, the potential income received directly by that municipality, in particular in respect **of quarrying and mining royalties** and the **quarrying tax**, was not taken into account in that report.

Furthermore, the contribution to local and regional development declared by the DGTCP was taken into account in this report.

➢ **Analysis of declarations**

(i) The analysis of the data submitted revealed inconsistencies, in particular in the statements of **DGTCP** and **DGMG**, which may affect the completeness of the consolidated information.

- For 2022, **DGTCP** reported CFAF 1.72 billion in mining royalties in its EITI statement, while the published **TOFE 2022** reports cumulative revenue of CFAF **2.24 billion** for the same period, a gap of **CFAF 0.52 billion**.
- The **DGTCP** attributed this discrepancy to **DGMG service revenues** wrongly charged to the TOFE Mining Royalty line. However, the service revenues reported by the **DGMG** and compiled in this report amount to **0.26 billion CFA francs**, leaving an unexplained difference of **0.26 billion CFA francs** from the total revenues in the TOFE.

(ii) CP-EITI has included the marketing of precious minerals within the scope of the EITI report whose activity is subject to an exit tax of **4.5% of the mercurial value** in accordance with Decree No. 2009-299/PR. However:

- **CDDI statement**: The CDDI did not carry forward amounts related to this tax in its unilateral statement, stating that such a tax does not exist in Togo. This statement is in contrast to the U.N. Comtrade gold export data, which show **UAE imports of 20.6 tons of gold from Togo, worth an estimated US$1.2 billion**. If this tax had been applied, it would have generated a potential income of **$54 million**.
- **DGMG and IC Statement**: Unilateral statements by DGMG and the Office of the Commissioner of Taxation (IC) do not include any income received from companies or purchasing offices holding marketing authorisations for precious substances.

Consequently, any income from the marketing of precious substances has not been taken into account in this report.

(iii) Municipalities have been asked to declare income collected directly from mining companies, in particular as a contribution to local and regional development. The municipalities declared a total of **0.68 billion CFAF** as part of the said contribution, while the **DGTCP** reported an amount of **1.1 billion CFAF**, generating a gap of **0.43 billion CFAF**.

Due to the lack of disaggregated data by company provided by the DGTCP and municipalities, the **DGTCP** data were retained for compilation in this report.

(iv) CP-EITI has included water exploitation within the scope of the EITI Report. However, only **TdE** reported income from the water exploitation charge. Neither the **IC** nor the **CDDI** mentioned in their unilateral declarations the income from water companies, with the exception of TdE.

Consequently, the income collected outside the fee received by TdE and the payments made by TdE on its behalf have not been taken into account in this report.

❖ **Extractive companies**

All companies within the reconciliation scope have submitted their reports. However, the Independent Director's (IA) diligent assessment revealed that **POMAR**, although excluded from the conciliation scope, is subject to **minimum compulsory social expenditure of CFAF 60 million** under its investment agreement. Therefore, any expenditure incurred by **POMAR** in 2022 was not taken into account in this report.

4.9.4.2 Reliability of data

Procedures have been defined by the **Togo EITI Committee** (see section 4.9.3 of the report) to assess the reliability of the data submitted by the reporting entities. Details of the submission status are provided in **Annexe 1**, while the summary status of reporting entities' compliance with agreed procedures is provided below.

a) Government Entities:

The breakdown of reporting form (DF) submissions by entity is presented as follows:

Table 40 - Insurance provided by government entities[29]

	Yes		No	
	Nb	%(*)	Nb	%
Submitted DF	8	90.25%	-	-
FD signed by a person entitled to represent the entity (**)	1	11.06%	7	88.94%
FD with payment details	8	83.63%	-	-
FD certified by the Court of Auditors	-	-	8	90.25%

(*) The percentage calculated on the basis of the total payment for the sector.

(**) Only the CNSS submitted a form signed by a person authorised to represent the entity.

Analysis

- **Entitled signatures:** Only **11% of the revenue** collected is linked to forms signed by authorised persons, which limits reliability assurance for 89% of the revenue.
- **Certifications: No income has been certified by the Court of Auditors**, which is a non-compliance with established procedures to ensure data reliability.

b) Extractive companies

Table 41 - Insurance provided by companies[30]

	Yes		No	
	Nb	%	Nb	%
Submitted DF	7	93.10%	-	-
FD signed by a person authorised to represent the company	2	36.84%	5	56.26%
FD accompanied by proof of certification of the 2022 financial statements	-	-	7	93.10%
FD certified by external auditor	1	28.26%	6	64.84%

Analysis

- **Entitled signatures:** Only 36.84% of reported income comes from forms signed by authorised representatives, raising questions about the internal validation of the data provided.
- **Certifications:** None of the companies provided evidence of certification of the 2022 financial statements, and only 28.26% of the reported revenue comes from forms certified by external auditors, which affects the overall reliability of the data.

[29] Source: EITI Declaration 2022
[30] Source: EITI Declaration 2022

4.9.4.3 Results of reconciliation work

a) Reconciliation Process

The data reconciliation process followed the following steps:

(i) **Initial Reconciliation**: The data of the companies within the reconciliation scope were compared to the government data. The identified deviations were listed and, in the absence of significant deviations, the state data were considered confirmed. Significant deviations have been reported for analysis.

(ii) **Gap analysis**: CP-EITI has established a materiality threshold of 10 million CFA francs to identify gaps that require further analysis and adjustments. Deviations below this threshold were not taken into account in the analysis. The acceptable margin of overall deviation has been set **at 1%.**

(iii) **Gap monitoring**: Material gaps have been investigated. Documentary evidence was requested from reporting entities and meetings were held for clarification. Unresolved discrepancies are presented as residual in the report.

b) Coverage of reconciliation work

The results of the reconciliation work for payments for the year 2022 are presented at the level of this section. The work covered only 88 % of all cash flow payments as follows:

Table 42 - Coverage by the cash reconciliation exercise[31]

Sector	Reconciled revenue (million CFA francs)	Total revenue (million CFA francs)	% coverage
Mining sector	16,676.77	19,004.17	87.75%

- *Results of reconciliation work*

(i) Reconciliation of payment flows:

[31] Source: EITI Declaration 2022

The summary of the reconciliations of payments by sector is as follows:

Table 43 - Reconciliation of reports by company[32]

NO.	Companies	Declarations initially received			Adjustments			Amounts after adjustments		
		Companies	Government	Difference	Companies	Government	Difference	Companies	Government	Difference
1	SCANTOGO MINES	8,441,967,325	8,428,120,181	13,847,144	-	90,338,413	(90 338 413)	8,441,967,325	8,518,458,594	(76 491 269)
2	SNPT	6,072,269,551	5,242,212,489	830,057,062	-	-	-	6,072,269,551	5,242,212,489	830,057,062
3	WACEM	1,638,034,939	1,633,202,887	4,832,052	-	-	-	1,638,034,939	1,633,202,887	4,832,052
5	TOGO CARRIERE	261,410,670	272,301,367	(10 890 697)	(30 104 520)	-	(30 104 520)	231,306,150	272,301,367	(40 995 217)
6	TOGO RAIL	66,137,536	100,302,517	(34 164 981)	-	-	-	66,137,536	100,302,517	(34 164 981)
7	GRANUTOGO	109,754,391	94,367,830	15,386,561	(3 443 864)	11,942,697	(15 386 561)	106,310,527	106,310,527	-
8	TdE	629,709,738	803,980,092	(174 270 354)	176,495,354	-	176,495,354	806,205,092	803,980,092	2,225,000
	Total	**17 219 284 150**	**16,574,487,363**	**644,796,787**	**142,946,970**	**102,281,110**	**40,665,860**	**17,362,231,120**	**16,676,768,473**	**685,462,647**

Details of the conciliation work by company are given in **Annexe 18.**

Table 44 - Reconciliation by cash flow[33]

Description	Declarations initially received			Adjustments			Amounts after adjustments		
	Companies	Government	Difference	Companies	Government	Difference	Companies	Government	Difference
Payments in cash									
DGMG	**1,843,252,033**	**1,832,981,107**	**10,270,926**	**- 14 043 326**	**-**	**- 14 043 326**	**1,829,208,707**	**1,832,981,107**	**- 3 772 400**
Costs of investigating the case	350,000	700,000	- 350 000	-	-	-	350,000	700,000	- 350 000
Fixed Duties	1 000 000	2 000 000	- 1 000 000	-	-	-	1 000 000	2 000 000	- 1 000 000
Area Fees	96,565,250	96,765,250	- 200 000	-	-	-	96,565,250	96,765,250	- 200 000
Mining Royalties (Mining Substance)	1,745,336,783	1,732,515,857	12,820,926	- 14 043 326	-	- 14 043 326	1,731,293,457	1,732,515,857	- 1 222 400
Mining Fees (Quarry Substance) (+)	-	-	-	-	-	-	-	-	-
Penalties for Mining Offences	-	1 000 000	- 1 000 000	-	-	-	-	1 000 000	- 1 000 000

[32] Source: EITI Declaration 2022
[33] Source: EITI Declaration 2022

Description	Declarations initially received			Adjustments			Amounts after adjustments		
	Companies	Government	Difference	Companies	Government	Difference	Companies	Government	Difference
CI	**9,419,622,499**	**9,293,049,366**	**126,573,133**	**- 103 499 016**	**59,558,203**	**- 163 057 219**	**9,316,123,483**	**9,352,607,569**	**- 36 484 086**
Corporate Tax (IS)	1,945,568,494	2,048,384,702	- 102 816 208	108,858,268	6,042,060	102,816,208	2,054,426,762	2,054,426,762	-
Income tax on movable capital (IRCM)	106,339,037	69,821,029	36,518,008	-	37,005,508	- 37 005 508	106,339,037	106,826,537	- 487,500
Minimum Flat-Rate Tax (MFI)	137,473,310	48,069,291	89,404,019	- 89 996 019	-	- 89 996 019	47,477,291	48,069,291	- 592,000
Business Tax (PT) / Patent	1,573,145,708	1,584,981,967	- 11 836 259	21,791,977	3,302,441	18,489,536	1,594,937,685	1,588,284,408	6,653,277
Property Taxes (TF)	5,325,686	35,295,686	- 29 970 000	29,970,000	-	29,970,000	35,295,686	35,295,686	-
Personal Income Tax IRPP/IRTS	525,227,429	525,218,896	8,533	9,974,303	13,208,194	- 3 233 891	535,201,732	538,427,090	- 3 225 358
Taxes on Wages (TS)	-	-	-	-	-	-	-	-	-
Supplementary Salary Taxes (SCT)	-	-	-	-	-	-	-	-	-
Value Added Tax (VAT)	4,412,249,030	4,279,184,654	133,064,376	- 184 097 545	-	- 184 097 545	4,228,151,485	4,279,184,654	- 51,033,169
Deduction on Service Delivery (RSPS)	688,679,012	680,826,536	7,852,476	-	-	-	688,679,012	680,826,536	7,852,476
Rent Deduction (RSL)	20,124,419	19,318,231	806,188	-	-	-	20,124,419	19,318,231	806,188
Tax on the manufacture and marketing of beverages	-	-	-	-	-	-	-	-	-
Garbage removal tax (TEO)	-	-	-	-	-	-	-	-	-
Single Business Tax (SPT)	-	-	-	-	-	-	-	-	-
Tax adjustments and penalties paid to the IC	50,000	-	50,000	-	-	-	50,000	-	50,000
Registration fees (*)	1,783,374	1,948,374	- 165 000	-	-	-	1,783,374	1,948,374	- 165 000
Vehicle taxes (*)	3,657,000	-	3,657,000	-	-	-	3,657,000	-	3,657,000
CDDI	**3,139,344,332**	**3,462,082,465**	**- 322 738 133**	**191,853,446**	**-**	**191,853,446**	**3,331,197,778**	**3,462,082,465**	**- 130 884 687**
Customs Duties and Taxes (DD-RS-PCS-PC-RI - VAT-PUA-TLP-PNS and others)	3,139,297,549	3,462,082,465	- 322 784 916	191,853,446	-	191,853,446	3,331,150,995	3,462,082,465	- 130 931 470
Tax on the marketing of precious stones and substances	-	-	-	-	-	-	-	-	-
Customs penalties	46,783	-	46,783	-	-	-	46,783	-	46,783
DGTCP	**909,041,994**	**79,294,932**	**829,747,062**	**-**	**-**	**-**	**909,041,994**	**79,294,932**	**829,747,062**
Dividends	-	-	-	-	-	-	-	-	-

Description	Declarations initially received			Adjustments			Amounts after adjustments		
	Companies	Government	Difference	Companies	Government	Difference	Companies	Government	Difference
Advances on dividends	-	-	-	-	-	-	-	-	-
Financial contribution to local and regional development (Decree No. 2017-023) (+)	909,041,994	79,294,932	829,747,062	-	-	-	909,041,994	79,294,932	829,747,062
Environmental taxes (+)	-	-	-	-	-	-	-	-	-
ANGEL	**41,341,808**	**-**	**41,341,808**	**-**	**42,722,907**	**- 42 722 907**	**41,341,808**	**42,722,907**	**- 1 381 099**
Tax on the issue of environmental compliance	-	-	-	-	-	-	-	-	-
Certificate of environmental regularisation	41,341,808	-	41,341,808	-	42,722,907	- 42 722 907	41,341,808	42,722,907	- 1 381 099
Rejection Authorisation Tax (+)	-	-	-	-	-	-	-	-	-
Fines for environmental offences	-	-	-	-	-	-	-	-	-
Tax on sales and transfers of Carbon credit (+)	-	-	-	-	-	-	-	-	-
Environmental taxes (+)	-	-	-	-	-	-	-	-	-
Voluntary social expenditure (+)	-	-	-	-	-	-	-	-	-
DGTLS	**9,063,747**	**9,595,383**	**- 531,636**	**-**	**-**	**-**	**9,063,747**	**9,595,383**	**- 531,636**
Hiring Authorisation Fees	6,693,303	9,595,383	- 2 902 080	1,278,814	-	1,278,814	7,972,117	9,595,383	- 1,623,266
Certification fee for payment of salary claim	-	-	-	-	-	-	-	-	-
Study and endorsement costs of rules of procedure	-	-	-	-	-	-	-	-	-
Visa fees for foreigners' contracts	2,370,444	-	2,370,444	- 1 278 814	-	- 1 278 814	1,091,630	-	1,091,630
Document quality certification fee	-	-	-	-	-	-	-	-	-
Apprenticeship contract visa fee	-	-	-	-	-	-	-	-	-
TdE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Water withdrawal tax in the water table	-	-	-	-	-	-	-	-	-
CNSS	**1,837,621,737**	**1,897,484,110**	**- 59,862,373**	**68,635,866**	**-**	**68,635,866**	**1,906,257,603**	**1,897,484,110**	**8,773,493**

Description	Declarations initially received			Adjustments			Amounts after adjustments		
	Companies	Government	Difference	Companies	Government	Difference	Companies	Government	Difference
Social contributions	1,837,621,737	1,897,484,110	- 59,862,373	68,635,866	-	68,635,866	1,906,257,603	1,897,484,110	8,773,493
Municipalities/ Prefectures	**19,996,000**	**-**	**19,996,000**	**-**	**-**	**-**	**19,996,000**	**-**	**19,996,000**
Mining Fee (+)	5 000 000	-	5 000 000	-	-	-	5 000 000	-	5 000 000
Financial contribution to local and regional development (Decree No. 2017-023) (+)	-	-	-	-	-	-	-	-	-
Other direct payments to municipalities and prefectures	14,996,000	-	14,996,000	-	-	-	14,996,000	-	14,996,000
Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other significant payments to the State > CFAF 10 million	-	-	-	-	-	-	-	-	-
Rehabilitation expenditure (+)	-	-	-	-	-	-	-	-	-
Total	**17 219 284 150**	**16,574,487,363**	**644,796,787**	**142,946,970**	**102,281,110**	**40,665,860**	**17,362,231,120**	**16,676,768,473**	**685,462,647**

❖ **Adjustments to declarations**

For extractive companies:

The main adjustments relate to:

- Corporation tax: TDE has declared the Business Tax (TP) / Patent to the DGI in the amount of 75 013 752 FCFA, while the actual payment to be reported is 101 749 883 FCFA. An adjustment of CFAF 26,736,131 is therefore necessary.
- VAT: TDE reported VAT of 397 722 549 FCFA to the IC, while the correct amount to be reported is 213 624 004FCFA. therefore requiring an adjustment of -184 097 545FCFA.
- Customs Duties and Taxes: TDE did not carry over the customs duties and taxes, while the correct amount to be reported by the IC is 191 583 446 FCFA, requiring an adjustment of 6 994 215 565 FCFA
- Other amounts reported by companies are incorrectly classified, requiring an adjustment to what has been carried forward by the financial authorities

For financial institutions:

The main adjustments concern payments received but not deferred by the CI, the detail is as follows:

Companies	Stream	FCFA adjustments
SCANTOGO mines	Certificate of environmental regularisation	42,722,907
	Income tax on movable capital (IRCM)	34,407,312
	Personal Income Tax IRPP/IRTS	13,208,194
GRANUTOGO	Corporate Tax (IS)	6,042,060
	Business Tax (PT) / Patent	3,302,441
	Income tax on movable capital (IRCM)	2,598,196
Total		**102,281,110**

❖ **Unreconciled Variances**

Not all of the deviations mentioned in the preceding tables have been justified. The unreconciled differences, amounting to FCFA 685 462 647, are broken down by extractive company and by nature as follows:

Table 45 : Unreconciled differences disaggregated by company (in CFAF)

NO.	Companies	Difference
1	SCANTOGO MINES	(76 491 269)
2	SNPT	830,057,062
3	WACEM	4,832,052
4	TOGO CARRIERE	(40 995 217)
5	TOGO RAIL	(34 164 981)
6	GRANUTOGO	-
7	TDE	2,225,000
	Total	**685,462,647**

Table 46 : Unreconciled deviations disaggregated by nature (in CFAF)

Company	Tax not deferred by administrations	Non-significant difference < 10 M FCFA	Tax carried forward by companies not confirmed by administrations	Tax deferred by administrations not confirmed by companies	Stream not disaggregated	Total
SCANTOGO MINES	-	6,307,256	-	(82 798 525)		(76 491 269)
SNPT	-	310,000	-	-	829,747,062	830,057,062
WACEM	-	4,832,052	-	-		4,832,052
TOGO CARRIERE	-	(5 008 047)	14,996,000	(50 983 170)		(40 995 217)

Company	Tax not deferred by administrations	Non-significant difference < 10 M FCFA	Tax carried forward by companies not confirmed by administrations	Tax deferred by administrations not confirmed by companies	Stream not disaggregated	Total
TOGO RAIL	8,974,947	(1 949 555)	-	(41 190 374)		(34 164 982)
GRANUTOGO	-	-	-	-		-
TDE	-	2,225,000	-	-		2,225,000
Total	**8,974,947**	**6,716,706**	**14,996,000**	**(174 972 069)**	**829,747,062**	**685,462,646**

Details by company and by flow are presented in Annexe 18.

The difference in non-reconciliation stems mainly from the **financial contribution to local and regional development** declared by the **SNPT**, amounting to **FCFA 829.7 million**. This amount has been declared for the municipalities **Lac 3**, **Zio 1, VO3 and VO4**. However, in the absence of disaggregated data provided by **DGTCP** and **municipalities**, it was not possible to reconcile these contributions.

The **DGTCP** nevertheless brought in a total amount of **988.1 million CFA francs** for the four municipalities. Although this amount could not be reconciled, it has been included in the compilation of payments in this report.

❖ **Volume Production Reconciliations**

The results of the work to reconcile production are as follows:

Table 47 : Volume Production Data Reconciliation

Company	Substance	Unit	Volumes			Valuation in millions of CFA francs		
			Company	DGMG	Variance	Company	DGMG	Variance
GRANUTOGO	Granulate	Ton	247,880	247,881	1)	16.53	Cn	16.53
TOGO quarries	Granulate	M3	204,766	204,766	-	2,103.71	Cn	2,103.71
Total Aggregate			**452,646**	**452,647**	**-1**	**2,120.24**		**2,120.24**
WACEM	Limestone	Ton	832,440	832,440	-	16,648.80	Cn	16,649
SCANTOGO MINES SA	Limestone	Ton	2,342,036	2,342,036	-	1,094.90	Cn	1,095
Limestone Total			**3,174,476**	**3,174,476**	**-**	**17,743.70**		**17,743.70**
SCANTOGO MINES SA	CLAY	Ton	393,442	393,442	(0)	3.87	Cn	3.87
Total CLAY			**393,442**	**-**	**-**	**3.87**	**Cn**	**3.87**
SCANTOGO MINES SA	DOLOMITE	Ton	75,974	75,974	-	35.52	Cn	35.52
Total DOLOMITE			**75,974**	**75,974**	**-**	**35.52**	**Cn**	**35.52**
SNPT	PHOSPHATE	Ton	1,541,772	1,541,772	-	185,897.41	Cn	185,897.41
Total PHOSPHATE			**1,541,772**	**1,541,772**	**-**	**185,897.41**	**-**	**185,897.41**
TOGO RAIL	Gneiss	M3	Cn	56,428	56,428	Cn	Cn	Cn
TdE	Water	M3	37,510,880	Cn	37,510,880	9,943.36	Cn	9,943.36
Total Water			**37,510,880**	**-**	**37,510,880**	**9,943.36**	**-**	**9,943.36**

Nc: Not reported

❖ **Volume Export Reconciliations**

The results of the export reconciliation work are as follows:

Table 48 : Reconciliation of exports in volume

Description	Substance	Unit	Volumes			Valuation in million CFA francs		
			Company	CDDI	Variance	Company	CDDI	Variance
SCANTOGO MINES SA	CLINKER	Ton	708,656	648,392	60,264	28,399.68	26,549.85	1,849.83
WACEM	CLINKER	Ton	76,381	67,536	8,845	3,584.19	2,850.88	733.31
Total CLINKER			**785,037**	**715,928**	**69,109**	**31,983.87**	**29,400.72**	**2,583.15**
SNPT	PHOSPHATE	Ton	1,583,181	1,782,665	(199,484)	170,178.41	157,611.15	12,567.26
Total PHOSPHATE			**1,583,181**	**1,782,665**	**- 199,484**	**170,178.41**	**157,611.15**	**12,567.26**
WACEM	LIMESTONE	Ton	120,000	140,000	(20 000)	2,208.60	2,571.16	- 362.56
Total LIMESTONE			**120,000**	**140,000**	**- 20,000**	**2,208.60**	**2,571.16**	**- 362.56**

4.9.5 Confidentiality of data

The Independent Administrator (IA) has taken the following measures to protect the confidential data of reporting entities:

- Restricted access: Electronic information is stored in secure folders with restricted access.
- Securing physical documents: Paper documents are kept under lock and key.
- Awareness: The team assigned to this project was made aware of the importance of not disclosing confidential information.

4.10 Project costs

4.10.1 Mining sector

❖ **Cost tracking policies and practices**

State monitoring: Monitoring of mining costs is based on the tax controls carried out by the OTR as provided for in Articles 202 et seq. of the Tax Procedures Book.

Lack of specific clauses: The mining code and mining conventions do not provide for specific clauses on cost control. Mining inspection missions cover the verification of production and sales records and record the data to compare with the company's production declaration data. The monitoring of costs is therefore fiscal, via the OTR’s audits.

❖ **Cost reports and fiscal controls**

Expenditure control: Operating, investment and depreciation costs are assessed by the OTR to determine deductible and non-deductible expenses, in accordance with the provisions of ordinary law provided for by the CGI.

Confidentiality clauses: The Tax Procedures Book imposes obligations of professional secrecy on tax officials and provides a framework for the exchange of information with other tax and administrative services. These clauses protect taxpayers' data, limiting disclosure of control reports.

The OTR was requested to provide aggregated data on tax controls in the mining sector. However, no response was received from the OTR.

❖ **Disclosure of costs by project**

The regulations do not provide for mandatory disclosure of costs per project. Cost monitoring is mainly carried out by the tax audits carried out by the OTR.

Disclosure of costs per project is outside the scope of this report, and no specific cost per project data has been collected or reported in this context.

4.10.2 Petroleum sector

The monitoring of oil costs is based on tax controls carried out by the OTR. The Petroleum Code does not provide for specific clauses on cost control. The follow-up is therefore mainly carried out by the OTR’s audits.

The regulations do not provide for mandatory disclosure of costs per project. The oil sector is not active in 2022, making disclosure of project costs irrelevant at this time.

5. Management and distribution of revenue

5.1 Distribution of extractive revenue

5.1.1 General framework for collection and allocation of budgetary revenue

The management and distribution of extractive revenue in Togo is governed by a legal and institutional framework to ensure transparency, accountability and efficiency in the management of public resources. The main reference texts include:

- **The Constitution of 14 October 1992** and its revisions, which set out the fundamental principles of public financial management.
- **Law No. 2014-009 of 11 June 2014** on transparency in public financial management, which aims to strengthen accountability and transparency in the use of public resources.
- **The Organic Laws N°2013-008 and N°2014-013 relating to finance laws**, which set the rules for the preparation, execution and control of finance laws, regulating budgetary and accounting management.
- **Decrees N°2015-052, N°2015-053 and N°2015-054**, which establish the state budget nomenclature, the chart of accounts and the general regulation of public accounts.

This legal framework enshrines several fundamental principles, including:

- **Budget annuality**: The budget is voted and implemented every year, ensuring a time frame for planning and executing State resources and expenditures.
- **Budget unit**: All government revenue and expenditure is consolidated in a single document,
- **Budget universality**: All revenue covers all expenditure without a specific allocation, allowing overall management of available resources without pre-allocation to specific expenditure.
- **Unique Treasury account**: All public funds, including project-generated resources, are deposited in a single Treasury account in the books of the Central Bank of West African States (BCEAO).

5.1.2 Recovery and distribution of income from the extractive sector

5.1.2.1 Revenue recorded in the national budget

Revenues from the extractive sector are collected according to established principles and rules and are channelled to the following main financial authorities:

- **Tax Office (CI)**: Responsible for collecting taxes in accordance with the General Tax Code.
- **Office of the Commissioner of Customs and Indirect Taxes (CDDI)**: Responsible for collecting customs duties, transit duties, customs fines, and the tax on the marketing of precious stones and substances.
- **General Directorate of the Treasury and Public Accounts (DGTCP)**: Manages the revenues from the State's holdings in extractive companies, the mining revenues liquidated by the General Directorate of Mines and Geology (DGMG) and the fees and taxes collected by the General Directorate of Lands and Land Services (DGTLS).

Revenues from the extractive sector are recorded in the State accounts according to the budget nomenclature provided for by Decree 2015-052/PR and the corresponding chart of accounts. In accordance with this nomenclature:

- The revenues collected by the IC and the CDDI are classified as "tax revenues" in the Table of Government Financial Operations (TOFE).
- Mining revenues governed by the Mining Code and collected by the DGTCP are recorded as federal revenues under non-tax revenues in the TOFE.
- Dividends from participations, collected by the DGTCP, are included among the "revenue from financial participations", also under non-tax revenue in the TOFE.

All payments from the extractive sector are centralised in the public treasury account, with the exception of a few specific cases detailed in section 5.1.2.2.

The revenue recorded in the State budget is used to cover budgetary expenditure, in accordance with the principle of budgetary universality. Details of these revenues are presented in section 7.2 of this report.

5.1.2.2 Non-budgetary revenue

(i) Revenues of state-owned enterprises

The **TdE** (Togolaise des Eaux) and the **SNPT** (Société Nationale des Phosphates du Togo) are state-owned companies with legal and financial autonomy. The income generated by these companies is recorded in their financial statements and deposited in their own accounts with commercial banks. These revenues are primarily used to cover operating and investment expenses, in accordance with the procedures described in Section 2.6. Only the distributed profits, in the form of dividends, go to the State shareholder and are collected by the DGTCP.

(ii)Tax (fee) on water abstractions in the water table

The tax on water abstractions in the water table is governed by **Decree 2012-074/PR**. The **Togolaise des Eaux (TdE)** is responsible for collecting this charge, which is entirely allocated to the **'Fund for Integrated Management of Water Resources'**.

This fund, defined by **Decree 2012-073/PR**, is a trust account for the management and protection of water resources. Transactions in this account are authorised and executed in the same way as in the general budget, and its revenue and expenditure are included in the budget law.

However, in practice, data on resources and expenditures of the Integrated Water Resources Management Fund are not included in the 2022 budget documents. Furthermore, the data collected do not confirm whether the fee collected by TdE has been repaid to the Fund's account.

(iii) Social contributions recovered by the CNSS

The **Caisse Nationale de Sécurité Sociale (CNSS)** is a private institution for public use, with managerial and financial autonomy. She is responsible for the management of social security and universal health insurance in Togo.

The social contributions collected by the CNSS, including those from extractive sector companies, are recorded in its accounts, housed in commercial banks. These financial resources are then redistributed to cover the obligations to pay social benefits, in accordance with its public service missions.

(iv) Environmental payments recovered by ANGEL

The **National Agency for Environmental Management (ANGE)** is a public institution with legal personality and financial autonomy, created by Act No. 2008-005 of 30 May 2008 on the framework law on the environment. Its resources come from revenue from the provision of environmental services and endowments from the **National Environmental Fund**, including a share of fines, environmental transactions and confiscations for infringements of the provisions of the Framework Law on the Environment.

The resources collected by the ANGEL fund its programmes, support public services, local initiatives, environmental restoration, research and education. They also support businesses with environmental concerns. The funds are dedicated exclusively to environmental management.

Disclosures of the ANGEL in the budget documents are limited to grants entered in the general budget of the State. However, these documents do not provide details of the agency's revenues and expenditures.

(v) Mining revenues collected directly by local and regional authorities

Collection and collection

Local and regional authorities, consisting of municipalities and regions, are decentralised entities with legal personality and financial autonomy, with their own budgets implemented by their executive bodies. The resources collected by these authorities are intended to finance their operating and investment expenses, in accordance with Articles 337 to 347 of Law **No 2019-006 of 26 June 2019**.

Mining revenues received

Local and regional authorities directly collect the following mining revenues:

- Quarrying and mining fees;
- Quarrying revenues; and
- Other soil and subsoil products.

The rules for the liquidation and registration of such income are presented in section 4.6.2 of this report. These revenues are recorded as non-tax revenues of the communities and are used to finance their operating and investment expenditures. However, quarrying and mining royalties are earmarked in accordance with the provisions of Decree 2021-039/PR.

Allocation of operating charges

The distribution of the operating fees collected shall follow the following procedures:

- **60 %** for the municipality of the place of farming.
- **10 %** for the district of the place of farming.
- **30%** for the Fund d'Aide aux Collectivities Territoriales (FACT), broken down as follows: **25%** for the allocation to the regions and **5%** for the allocation to the municipalities.

The **FACT** is a public institution with legal personality and financial autonomy, governed by the **Decree 2011-179**. Its resources are intended exclusively for financing projects carried out by local and regional authorities. For example, the money collected through FACT is used, among other things, to transport waste from intermediate landfills in municipalities to regional final landfills. In regions where autonomous districts are not yet established, their royalty shares are collected and credited to FACT.

Management and transparency

The accounts of local and regional authorities are, in principle, opened with the Treasury, in accordance with the provisions of Decree No. 277/MEF/SG/DGTCP/DCP of 19 November 2014, which governs the organisation of the system of single accounts of the Treasury. Their budget follows the general principles of budgetary law, such as annuality, unity and universality. The authorities must draw up an annual revenue and expenditure account including the implementation of the budget and the general accounting statement, which is forwarded to the Court of Auditors for examination.

However, these accounts are not disclosed or included in the State budget documents, which only show the allocations allocated, thus limiting the transparency of their management.

(vi) Contribution to local and regional development

Collection and collection

In accordance with **Decree 2017-023**, the contribution to local and regional development, set at **0.75% of the annual turnover** for large-scale, small-scale and building materials, is paid into a specific account of the public treasury, by **31 January of the following year**. However, these amounts are **not included in the State budget**, which places them outside the normal budgetary channels.

Contribution Management

The management of this financial contribution is entrusted to a **tripartite management committee**, composed of representatives of the administration, the operators and the local population. The members of the Committee, appointed by order of the Minister responsible for Mines for a **renewable term of three years**, shall hold office free of charge.

Allocation of contributions

The contribution from mining operators is intended to finance **socio-economic and community projects**, as decided by the Management Committee.

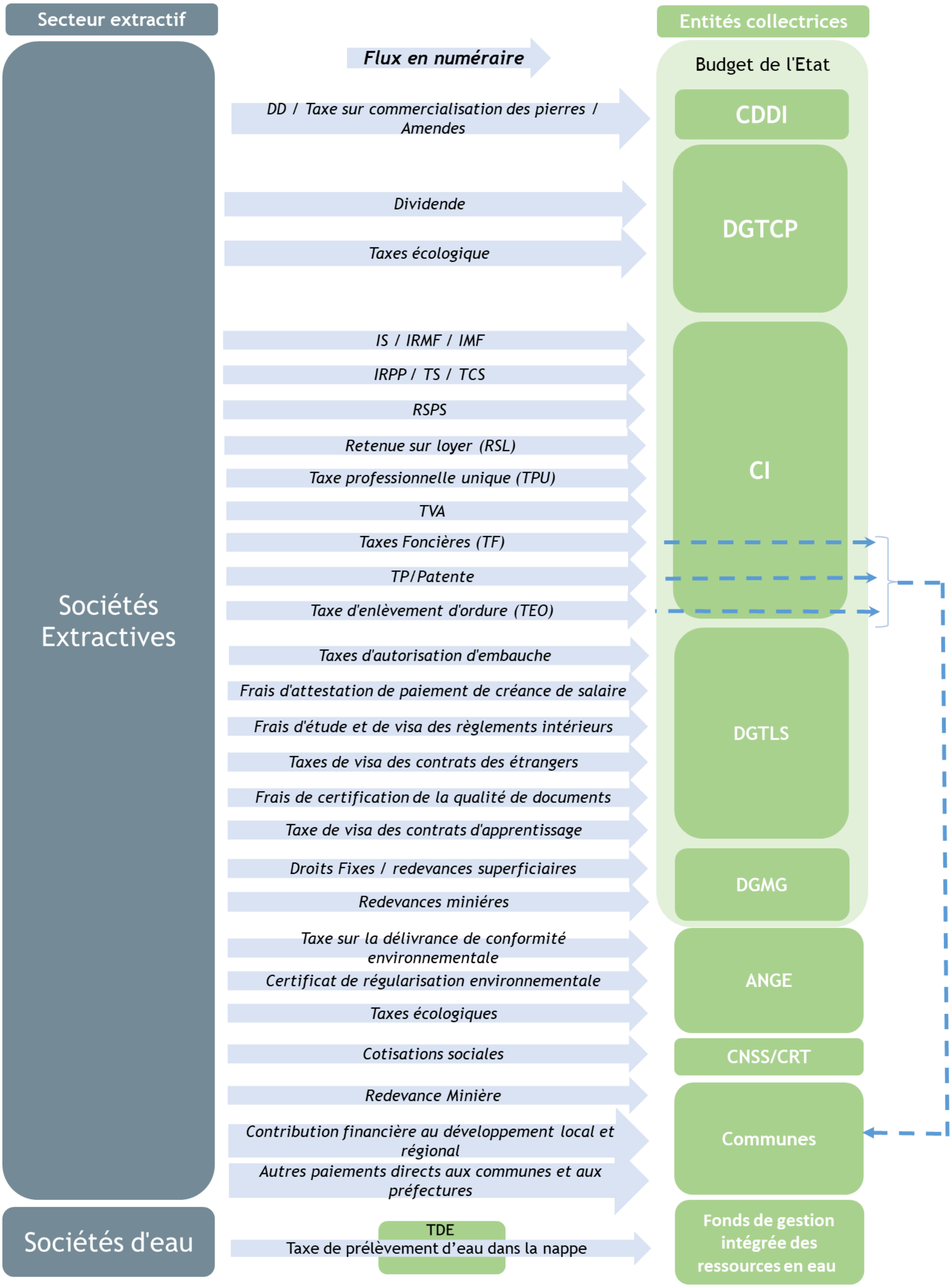
Transparency

Each withdrawal of funds from the contribution account must be approved by the committee, and an annual audit is carried out by an accounting firm approved by the Department of Finance. Although Article 9 of Decree 2007-023 provides for the publication of activity reports and audits, these are not always made public, limiting the expected transparency.

5.1.3 Flow Circularisation Scheme

The flow pattern of payments flows from the extractive sector can be presented as follows:

Figure 4 - Schematic diagram of the flow of payments from the extractive sector



5.2 Subnational transfers and other specific assignments

5.2.1 Legal framework

Transfers of revenue from central government to local and regional authorities are governed by:

- Act No. 2019-006 of 26 June 2019 amending Act No. 2007-011 of 13 March 2007 on decentralisation and local freedoms as amended by Act No. 2018-003 of 31 January 2018;
- Decree No. 2021-023 of 14 April 2021 on the distribution of tax revenues; and
- Act No. 2008-005 on the framework law on the environment.

5.2.2 Subnational transfer mechanisms

There are two mechanisms for transferring revenue to local and regional authorities:

(i) Shared taxation

Shared taxation concerns taxes whose revenue is shared between the State and local authorities. These taxes are first settled and collected by the **Office Togolais des Recettes (Office Togolais des Recettes, OTR)**, then transferred to the authorities according to the distribution rates set by **Decree No. 2021-023** and detailed in the table below.

In the extractive sector, shared taxation includes:

- **The property tax (TF)** on built and non-built properties, charged to the accounts of the municipalities under accounts **714111 and 714112**.
- **The Single Business Tax (SPT)**, charged under account **714115**.

Table 49 - Allocations of tax revenues between central and local governments

Tax and similar revenue collected by the OTR or other entities	Central government allocation key	Allocation rate by local and regional authorities				
		Share of local authorities	Municipalities	District	FACT	ANASAP[1]
Property Tax on Built Property (TFPB)	50% of which 33.33% to the State and 16.67% to the OTR (Article 277 of the CGI).	50%	25%	13%	7%	5%
Property Tax on Non-Built Properties (TFPNB)			25%	13%	7%	5%
Single Business Tax (SPT) and similar direct taxes	10 % to OTR	90%	45%	20%	15%	10%

(ii) Drawback and refunds

The rebates and refunds constitute a mechanism whereby the additional State taxes collected in respect of the current or previous year are paid by the **OTR** to local authorities. These rebates are made by way of adjustment, on an aggregated basis, and charged under **account 715** at the level of municipalities.

5.2.3 Transfers of income from the extractive sector

(iii) Shared taxation

The regulations do not provide for specific allocations of mining revenues except for the quarry and mining royalties, quarry revenues and the contribution to local and regional development, which are directly collected by the communities and dealt with respectively in the sections on sub-national payments (section 4.6) and social expenditure (section 6.1).

For the common law transfers described in section 5.2.2, the transfers are made by the **Tax Office (CI)** on a monthly and aggregated basis, without distinction of transfers from extractive sector companies. This lack of distinction prevents the identification of specific transfers from the extractive sector, making it difficult to reconcile them and verify their compliance with the regulations in force.

Theoretical transfer analysis

[1]Source: National Sanitation and Public Health Agency

On the basis of deferred revenues, the notional transfers calculated by the Independent Administrator (IA) based on the distribution criteria provided for in Decree No. 2021-039/PR are presented as follows:

Table 50 - Analysis of theoretical transfers

Payment Flow (in FCFA)	Extractive sector revenue 2022 [1]	DGTCP	RTO	Allocation rate by local and regional authorities			
				Municipalities	District	FACT	ANASAP
Property Tax on Built Property (TFPB)	35,999,870	11,998,757	6,001,178	8,999,968	4,679,983	2,519,991	1,799,994
Property Tax on Non-Built Properties (TFPNB)	-	-	-	-	-	-	-
Single Business Tax (SPT) and similar direct taxes	1,615,786,916	-	161,578,692	727,104,112	323,157,383	242,368,037	161,578,692

Analysis of actual transfers

Municipalities have been asked to declare the transfers received, but the amounts carried forward include all tax revenue and services provided to them, without any specific distinction being made between revenue from the extractive sector. This is technically impossible due to the aggregation of transfers by the **Tax Office**, which does not separate the extractive sector revenues from other transfers.

The amounts carried over by the municipalities are therefore presented in the following table for information purposes only, without the possibility of a specific verification of their origin:

Table 51 - Tax revenue transferred to the Commons

Municipalities	Stream	CFAF amount
CHAOUDJO 3	Patent	4,465,485
	Single Business Tax (SPT)	1,820,771
	Property Taxes (TF)	777,700
DANKPEN 2	Single Business Tax (SPT)	1,819,244
BLITTA 2	Patent	1,299,317
VO3	Patent	174,532
TOTAL		**10,357,049**

(iv) Ecological tax

In accordance with Article 54 of the Framework Law on the Environment, an ecological tax is applied to authorised activities that pollute the environment, degrade natural resources or use natural resources for profit. The revenue from this tax **must be shared between the State and local authorities along the river**.

The amount of the environmental tax was to be specified by an Order in Council of Ministers, but as of the date of this report, this Order has not been published. Moreover, Decree No. 2021-023 of 14 April 2021 on the distribution of tax revenue does not explicitly include this tax among the sources of revenue to be shared.

[1] CI EITI Declaration

No reporting company or public entity has carried forward any payments related to this tax, suggesting that the measure remains ineffective since its inception in 2008, limiting its potential impact on local development and environmental preservation.

5.2.4 Revenue earmarked for specific programmes

5.2.4.1 Resources allocated to the Fund for the Promotion and Development of Mining Activities

➢ ***Status***

The **Fund for the Promotion and Development of Mining Activities** was established by **article 55 bis of the Mining Code** as a public administrative institution. It is under the joint supervision of the Minister for Mines and the Minister for Finance.

➢ ***Objective***

The Fund's mission is to finance measures to promote and develop mining activities, in particular:

- Exploration of mineral resources.
- The exploitation of mineral resources within the national territory.

➢ ***Resources***

The fund's resources come from a percentage of the revenue generated by mining activities, including:

- Surface royalties.
- Mining royalties.
- Taxes on Industrial and Commercial Profits (BIC).
- Other revenues related to mining operations.

The percentage allocated to the fund is set by a specific law, thus ensuring a clear framework for financing mining development activities.

Note: To date, the fund has not yet been implemented, although it has been in place since 2003.

5.2.4.2 Resources allocated to the Petroleum Promotion and Development Fund

➢ ***Status***

The **Fund for the Promotion and Development of Petroleum Operations** was established by **Article 58 of the Hydrocarbons Code** as a public institution of an administrative nature, under the joint supervision of the Ministers in charge of Hydrocarbons and Finance.

➢ ***Objective***

The purpose of this fund is to finance all measures to promote and develop oil activities for the benefit of legal and natural persons governed by Togolese law.

➢ ***Resources***

The fund's resources come from a variety of sources:

- **A percentage of** the **resources** accruing to the State in respect of oil operations, as determined by an oil tax decree.
- **A share of the net proceeds of fines** under Article 62 of the Hydrocarbons Code.
- **Other resources authorised** by the laws and regulations in force in the Togolese Republic.

The rules for the organisation, operation and management of this fund are laid down by order in council of ministers.

Note: To date, the fund has not yet been implemented.

5.2.4.3 Resources allocated to the Integrated Water Resources Management Fund

➢ ***Status***

The Integrated Water Resources Management Fund was established by Article 147 of the Water Code. It is a trust account governed by Decree No. 2012-073/PR.

➢ ***Objective***

The fund aims to finance key activities related to integrated water resources management, including:

- Inventory of water resources;
- Implementation of water policing;
- Protection of water resources;
- Development and maintenance of water infrastructure.

➢ ***Resources***

The fund is supported by several sources, including:

- The fees provided for in the Water Code, including the levy on water abstraction from the water table;
- Fines under the Water Code;
- State subsidies.

The fund is managed by a management committee and an executive secretariat, whose composition and operating procedures are defined by Decree No. 2012-073/PR.

➢ ***Transfers 2022***

According to the data reported by TdE, a total amount **of 143.4 million CFA francs** was collected under the water withdrawal tax. However, it is not clear whether this amount was transferred to the fund by TdE during 2022.

5.2.4.4 Other transfers

Certain ordinary levies made by financial institutions are transferred to various entities:

- **Community Solidarity Levy (CSP)**: A **0.8%** tax on non-WAEMU imports, remitted to WAEMU via an account at the **BCEAO**.
- **ECOWAS Community levy (PCC)**: **0.5%** tax on non-ECOWAS imports to ECOWAS.
- **Guarantee Fund (GDF)**: Tax of **0.25%** of the Customs value collected for the Chamber of Commerce.
- **Toll Tax (TP)**: **200 FCFA/indivisible ton** on goods in transit, collected for the municipality.
- **Infrastructure Protection Tax (IPT)**: Levied at **2 000 CFA francs per ton**, allocated **80%** for the National Budget and **20%** for **SAFER**.
- **Inspection and Verification Fee (RIV)**: Charged at **0.75%** or **1%** to finance **COTECNA** control of goods.
- **Scanner Pass Fee (DPS)**: **50,000 CFA** per container and specific tariff for vehicles, collected to finance the control by **COTECNA**.

- **Taxes and fees collected by the DGTLS**: **20%**[1] **of the taxes and fees collected** are allocated to the capital fund of the Directorate-General for Labour and Social Laws.

5.3 Additional information on revenue and expenditure management

5.3.1 Budget Process

5.3.1.1 Legal and institutional framework

The State budget is the main tool for implementing government policy in Togo. It takes the form of a law called the **"Finance Law,"** passed by a legislative procedure to authorise the government to collect revenue and execute expenses.

The legal bases for the preparation and implementation of the budget are based on various legal texts at international, Community and national level, including:

- **Law n°2014-009 of 11 June 2014**: This law concerns the code of transparency in public financial management. It aims to strengthen transparency and accountability in the management of public resources.
- **Organic Law No. 2014-013 of 27 June 2014**: Known as LOLF (Organic Law on Finance Laws), this law establishes the principles of preparation, voting and enforcement of finance laws.
- **Multiannual Fiscal and Economic Programming Document (MBEPD)**: This document, prepared by the Ministry of Economy and Finance, presents the economic and fiscal outlook over several years, allowing for medium-term planning.
- **Decree No. 2008-292/PR of 11 July 2009**: Regulates the legal regime applicable to public accountants.
- **Decree No. 2014-042/PMRT of 8 January 2014**: Defines the budget calendar, ensuring structured budget planning.
- **Decree No. 2015-054/PR of August 27, 2015**: Establishes the General Regulation on Public Accounting, which governs the accounting management of public resources.

The institutional framework is led by the **Ministry of Economy and Finance**, comprising key directorates such as the Directorate General of Budget and Finance (DGBF), the Directorate General of Public Accounting and Treasury (DGCPT), the Directorate General of Taxes (DGI) and the Directorate General of Customs and Indirect Taxes (DGDDI). **The Court of Auditors** ensures the supreme control of public finances, while **the Inspectorate General of Finance (IGF)** carries out internal audits. The national budget, reviewed and approved by **the National Assembly** through its Finance Committee, includes extractive revenue.

The **National Directorate of Public Debt (DNDP)** manages debt operations, and **the National Agency for Project Management and Monitoring (ANGSP)** monitors government-funded projects. In addition, **the National Agency for Strategic Management of State Participation (ANGSPE)** has the task of overseeing the shareholder State's property interests, managing its shareholdings, and monitoring and evaluating the performance of public institutions and enterprises (PEEs). **External audits** and **civil society organisations are** also helping to enhance transparency and financial accountability.

[1] Interministerial Order 009/MEF/MTESS of 6 December 2010

5.3.1.2 Budget preparation process

The State budget is composed of the general budget, the supplementary budgets and the special accounts of the Treasury whose budget cycle and the actors concerned are as follows:

Steps	Descriptions	Actors
Preparation	This phase includes macroeconomic framing, preparation by spending departments and budget conferences. The process is initiated by a Prime Minister's scoping letter setting out the broad budgetary guidelines.	Presidency, Prime Minister, Ministry of Finance and Sectors, National Assembly (Advisory role)
The budget discussion	Departments prepare their budget proposals along the lines set out. The Minister of Finance sets a timetable for discussions and budget ceilings.	Ministry of Finance, Directorate General of Budget, Office Togolais des Recettes (OTR).
Adoption	The draft budget law is adopted by the Council of Ministers and then submitted to the National Assembly for a vote in plenary session.	Presidency; Prime Minister, Ministry of Finance and Sectors; National Assembly (Deliberative Role); Trade Union & Civil Society Organisation (CSO), media.
Execution	After promulgation, the budget law becomes enforceable with the allocation of appropriations. Expenditure shall be implemented by the Authorising Officer and the Public Accounting Officer, under the supervision of the Financial Controller.	Ministry in charge of finance and sectors; monitoring committees - evaluation of the executive, trade unions and CSOs
Control	Public expenditure is subject to ex ante and ex post controls to ensure compliance and sound management of public funds.	Supervision of the executive (State Inspectorate, ARMP, ...); Legislative control (National Assembly: settlement laws); Judicial control (Court of Auditors)

5.3.2 Public access to budgetary data

Budget data, including those for 2022, such as the Finance Laws, the Government Financial Operations Table (TOFE), the Budget Implementation Reports and the Citizens' Budget, are available on the Permanent Secretariat for the Monitoring of Reform Policies and Financial Programmes website. In addition, the reports on the monitoring of the implementation of the financial laws, in particular for 2022, are available on the Court of Auditors' website and can be consulted on this link.

However, the documents do not contain specific data on revenue sustainability or dependence on natural resources, such as future fiscal projections and the share of expected extractive revenues. This limits visibility into the long-term prospects of the extractive sector.

5.3.3 Extractive sector projections

The EITI Standard requires countries to disclose projections of future extractive sector revenues, including assumptions about production levels, project costs and commodity prices, as well as consideration of energy transition issues and climate risks. However, these data are not available, limiting the visibility on the future financial perspective.

Extractive companies are also encouraged to share their production projections and cost recovery deadlines, but this information has not been requested in this report.

6. Social and economic expenditure

6.1 Social expenditure

6.1.1 Mining sector

6.1.1.1 Compulsory social expenditure

Two types of compulsory expenditure have been identified in the context of the mining sector

- Financial contribution to local and regional development; and
- Social contributions under investment agreements.

(i) Financial contribution to local and regional development

❖ ***Legal framework***

Pursuant to Article 63 of the 1996 Mining Code, Law No. 2011-008 of 5 May 2011 requires mining companies to make a mandatory financial contribution to local and regional development. This obligation is further clarified by Implementing Decree No 2017-023, which sets out its implementing rules.

❖ ***Submitted Entities***

Under Law 2011-008, holders of **large-scale and small-scale exploitation permits** as well as holders **of artisanal exploitation permits** are required to contribute to local and regional development. These entities must contribute to support the local communities in which they operate.

It is important to note that, although implementing decree No. 2017-023 specifies the obligations for large and small-scale operators, as well as for operators of construction materials, it remains unclear as to the specific application to holders of artisanal authorisations, as provided for by Law 2011-008. Furthermore, the decree introduces holders of operating permits for construction materials, not expressly provided for in Law 2011-008, which raises ambiguity as to their integration within the scope of the contribution.

This financial contribution does not exempt mining companies from their social and environmental obligations and responsibilities.

❖ ***Calculation and payment of the contribution***

The contribution is set at 0,75 % of the annual turnover of the operators. Amounts must be paid into a specific account opened in the name of the municipality concerned in the Treasury by 31 January of the year following the financial year concerned.

❖ ***Contribution for 2022***

➢ ***Data carried over from DGTCP***

The DGTCP reported data on collections to the accounts of the Commons management committees for the period 2020-2023.

For 2022, the total contributions reported by the DGTCP amounted to 1 114.7 million CFA francs. Details by municipality are given below:

Table 52 - Status of receipts for municipalities for the contribution to local and regional development (2020-2023)

Municipalities	2020	2021	2022	2023	Total
Avé 2	-	-	**1,627,878**	25,692,957	27,320,835
Golf 4	-	-	**-**	95,790	95,790
Golf 6	2,218,980	-	**-**	-	2,218,980
Lakes 3	12,656,136	78,387,444	**172,898,945**	492,912,022	756,854,547
VO 3	-	87,609,495	**186,855,107**	267,442,751	541,907,353
VO 4	-	64,554,366	**137,682,711**	197,063,080	399,300,157
YOTO 1	40,384,120	-	**79,294,932**	32,886,484	152,565,536

Municipalities	2020	2021	2022	2023	Total
YOTO 3	-	-	-	-	-
Zio 1	2,806,142	230,551,302	**491,723,965**	704,756,213	1,429,837,622
Zio 2	100,500	1,012,275	**1,659,574**	2,478,089	5,250,438
Zio 3	4,468,956	6,094,310	**14,256,761**	10,142,945	34,962,972
Zio 4	15,596,616	-	**27,947,282**	16,994,097	60,537,995
HAHO3	-	5 000 000	-	-	5 000 000
Elder 1	-	-	-	-	-
Sotouboua1	-	-	-	-	-
Assoli 3	-	-	-	-	-
Dankpen 2	-	-	-	-	-
Dankpen 3	-	-	-	-	-
Kozah 1	-	300,000	-	8,673,655	8,973,655
Kozah 2	-	-	**789,228**		789,228
Kpendjal West 1	-	-	-		-
Cinkasse 2	-	60 000 000	-		60 000 000
Total	**78,231,450**	**533,509,192**	**1,114,736,383**	**1,759,138,083**	**3,485,615,108**

Details of contributions by company and project were not provided.

➢ ***Data reported by the Commons***

The municipalities also reported the contributions received, totalling CFAF 683.3 million. The details of the contributions per municipality are as follows:

Table 53 - The data reported by the municipalities

Municipalities	Contribution received in 2022 (in CFAF)
VO 3	274,464,602
VO 4	197,063,080
Lake 3	172,898,945
YOTO 1	23,658,400
ZIO 3	14,256,761
ZIO 2	1 000 000
Total	**683,341,788**

Details of contributions by company and project were not provided.

➢ ***Data reconciliation and analysis***

- *Reconciliation of data from the DGTCP and the Municipalities*

The reconciliation of the data reported by the DGTCP and those reported by the municipalities reveals an overall difference of 431.7 million CFA francs. Details of the differences by municipality are given below:

Table 54 - Reconciliation of data from the DGTCP and the Commons

Commune	DGTCP	Municipalities	Variance in CFA francs
YOTO 1	79,294,932	23,658,400	55,636,532
YOTO 3	-	-	-
Vo3	186,855,107	274,464,602	- 87,609,495
Vo4	137,682,711	197,063,080	- 59,380,369
LAKES 4	-	-	-
Zio1	491,723,965	-	491,723,965

Commune	DGTCP	Municipalities	Variance in CFA francs
Zio2	1,659,574	1 000 000	659,574
Zio3	14,256,761	14,256,761	-
Zio4	27,947,282	-	27,947,282
HAHO 3	-	-	-
Kozah 2	789,228	-	789,228
KOZAH 3	-	-	-
DANKPEN 2	-	-	-
CHAOUDJO 3	-	-	-
BLITTA 2	-	-	-
BLITTA 3	-	-	-
ANIE 1	-	-	-
Avé2	1,627,878	-	1,627,878
Lakes 3	172,898,945	172,898,945	-
Total	**1,114,736,383**	**683,341,788**	**431,394,595**

- *Reconciliation of municipal and business data*

The reconciliation of the data reported by the Municipalities and those reported by the companies included in the reconciliation scope shows an overall difference of CFAF 241.7 million. Details of the differences by municipality and company are given below:

Table 55 - Reconciliation of municipal and company data

		Company			
Commune		SNPT	WACEM	GRANUTOGO	Variance in CFA francs
YOTO 1	23,658,400	-	79,294,932	-	- 55,636,532
YOTO 3	-	-	-	-	-
Vo3	274,464,602	157,651,942	-	-	116,812,660
Vo4	197,063,080	116,164,589	-	-	80,898,491
LAKES 4	-	-	-	-	-
Zio1	-	414,873,531	-	-	- 414 873 531
Zio2	1 000 000	-	-	-	1 000 000
Zio3	14,256,761	-	-	16 000 000	- 1 743 239
Zio4	-	-	-	-	-
HAHO 3	-	-	-	-	-
Kozah 2	-	-	-	-	-
KOZAH 3	-	-	-	-	-
DANKPEN 2	-	-	-	-	-
CHAOUDJO 3	-	-	-	-	-
BLITTA 2	-	-	-	-	-
BLITTA 3	-	-	-	-	-
ANIE 1	-	-	-	-	-
Avé2	-	-	-	-	-
Lakes 3	172,898,945	141,057,000	-	-	31,841,945
TOTAL	**683,341,788**	**829,747,062**	**79,294,932**	**16 000 000**	**- 241 700 206**

- *Data Analysis*

Analysis of the data reported by extractive companies and those reported by municipalities reveals significant compliance problems. In particular, some municipalities, such as YOTO3, LACS4 and Avé2, did not receive the expected contributions from certain companies.

The absence of details of the payments made by each company, on the part of the municipalities and the DGTCP, prevents a precise identification of the companies that have not paid their contributions.

- *Specific case of the Municipality of YOTO 3*

A specific case concerns the Municipality of YOTO 3, which, in the context of data collection for this report, sent a letter to the EITI Togo dated April 2024, stating that SCANMINES TOGO (SCANTOGO) is not repaying its contribution to local and regional development, invoking an agreement between the Togolese State and the German State.

However, it should be noted that SCANTOGO, which holds a large-scale operating licence, is a signatory to an investment agreement for the construction of a clinker production plant in Tabligbo, YOTO Prefecture. The provisions of Article 13.4 of the Investment Agreement of 16 June 2010 and the provisions of the Decree[1] of 16 September 2013 granting tax and customs advantages to the company do not mention any specific exemption from the contribution to local and regional development provided for in Article 63 of the Mining Code of 1996 and Law No 2011-008 of 5 May 2011.

(ii) Social contributions under investment agreements

❖ ***Contractual framework***

In addition to the financial contribution to local and regional development, investment agreements may include additional social contribution obligations. The main provisions identified are as follows:

Table 56: Comparative situation of compulsory social contributions under investment agreements

Convention	Contractual framework	Social contributions	Follow-up mechanism
POMAR	- **Creation of a social foundation** dedicated to local projects (schools, clinics, etc.). **- Contributions from the 5e year of operation.**	- Minimum annual contribution: **60 million CFA francs**, adjustable according to performance.	- Annual report sent to the Togolese authorities.
SCAN MACHINE	- **Creation of a social foundation** dedicated to local projects (schools, clinics, etc.). **- Contributions from the beginning of the operation.**	- Minimum annual contribution: **CFAF 125 million.** **- Annual increase of CFAF 10 million up to a ceiling of CFAF 250 million.**	- Annual report sent to the Togolese authorities.
MM Mining	- No mandatory social contribution provisions. - Mention of financial spinoffs for social infrastructure.	- Sectors concerned: health, education, roads, railways. - No precise amounts or deadlines.	- No defined mechanism for the monitoring or implementation of investments.
WACEM	- No social clause foreseen.	- Not applicable.	- Not applicable.

Source: Compilation by AI based on published conventions

[1] Order No 221/MEF/SG/DGI of 16/09/2013

❖ ***Contributions for 2022***

In 2022, only **SCANTOGO** and **GRANUTOGO**, both subsidiaries of HeidelbergMaterials Group, reported compulsory social spending under the investment agreements. The total amount declared is **CFAF 231.15 million**.

Company	Contribution 2022
SCAN MACHINE	228,686,423
GRANUTOGO	2,462,724
Total	**231,149,147**

These expenses are incurred through the HeidelbergCement Foundation - Togo. Details of the contributions carried over, by nature and by beneficiary, are presented in **Annexe 19.** In addition, the Foundation publishes an annual activity report. The report for 2022 is available on this link.

The company **POMAR**, which could also be affected by social expenditure under the provisions of its Convention, was not included in the scope of the reporting entities. Consequently, any contributions made by the Committee were not taken into account in this report.

6.1.1.2 Voluntary social expenditure

Companies in the extractive sector can carry out voluntary social spending as part of their Corporate Social Responsibility (CSR) policy. For this report, the companies included in the reconciliation perimeter and the municipalities concerned were asked to declare these voluntary expenditure. The data reported are as follows:

❖ ***Data reported by companies***

Reporting companies reported a total of CFAF 127.6 million in voluntary social spending. Details of the amounts per company are provided below:

Table 57 - Voluntary social payments by company

	CFAF amount	
Company	In cash	In kind FCFA
SCANTOGO MINES SA	77 000 000	13,763,323
WACEM	36,365,067	-
TOGO career	534,031	-
TOTAL	**113,899,098**	**13,763,323**
Grand Total	**127,662,421**	

A summary of expenditure by nature and by beneficiary is given in Annexe 20.

❖ ***Data reported by the Commons***

Of the municipalities interviewed, only the municipality of **ZIO 2** reported having received social contributions amounting to **CFAF 5 million**. However, no details were provided on the identity of the contributing company or the nature of the contributions.

6.1.2 Hydrocarbon sector

6.1.2.1 Compulsory social expenditure

Law No. 99-003 on the Hydrocarbons Code of the Togolese Republic and its implementing legislation does not contain specific provisions on compulsory social expenditure for companies operating in the oil sector. It should be noted that no oil company was active in 2022.

6.1.2.2 Voluntary social expenditure

Companies in the oil and gas sector may, on a voluntary basis, contribute to the financing of social programmes or to the carrying out of infrastructure works for the benefit of local populations, generally within the framework of their Corporate Social Responsibility (CSR) policies. However, for the year 2022, no active companies were present in this sector.

6.2 Environmental payments

6.2.1 Legal framework

Environmental payments in the extractive sector shall be governed by:

- Law No. 2008-005 on the Framework Law on the Environment: It constitutes the main legal basis for environmental protection in Togo, including in the mining sector
- Decree No. 2011-041 laying down the procedures for the implementation of the environmental audit
- Interministerial Order No 0024/MEF/MERF of 22 January 2019 setting out the scale of fees and charges for the management of the environmental assessment procedure;
- Decree No. 2023-034/PR OF 15/03/2023 on carbon mechanisms.

On the basis of the legal framework described above, environmental expenditure in the extractive sector includes:

- Angel's delivery costs [1]include:

  - Tax on environmental compliance issuance;
  - Tax on the issuance of the environmental regularisation certificate;
  - Fee for issuing authorisations for rejection;
  - Monitoring and control costs; and
  - The costs of reviewing the environmental and social impact assessment report.

- Fines for environmental offences;
- Environmental taxes;
- Rehabilitation expenditure;
- Carbon Credit Transfer and Transfer Tax (from 2023)

6.2.2 Mining sector

For 2022, the companies included in the reconciliation scope and the ANGEL were requested to carry forward mandatory and voluntary environmental expenditure:

Data reported by ANGE

Table 58 - Environmental expenditure carried over by the ANGEL

Company	Stream	Amounts in FCFA
SCANTOGO MINES SA	Certificate of environmental regularisation	42,722,907
	Report Evaluation Workshop	34,481,765
	Certificate Withdrawal	1,724,089
Granutogo	Validation of TDRs	200,000
MING MING MATCO	Cn	84,840
ACI TOGO SARL	Cn	2,071,540
TOGO CRUSHES TSEVIE	Cn	109,161
XING FA	Cn	143,775
TOTAL		**81,538,077**

Nc: Information not provided

[1] The amount of fees and taxes is available on this link

Data reported by companies

Table 59 - Environmental expenses carried over by companies

Companies	Stream	Beneficiary	Amounts in FCFA	
			In Cash	In kind
TOGO SCAN	PALEONTOLOGICAL RESEARCH	Other beneficiary	4,506,000	-
	CAREER REHABILITATION	Other beneficiary	-	21,280,000
	COMPENSATORY REFORESTATION	Other beneficiary	-	27,832,896
	DONATION OF 700 PLANTS	Other beneficiary	-	672,600
	BIODIVERSITY PROTECTION PROJECT IN THE MONO DE SCANTOGO AND CIMBENIN TRANSBOUNDARY BIOSPHERE RESERVE (BALANCE)	Other beneficiary	-	5,319,220
	BEEKEEPING PROJECT AT SCANTOGO QUARRY IN SIKA-KONDJI: 84 NEW HIVES INSTALLED WITH REGULAR FOLLOW-UP	Other beneficiary	-	8,304,885
TOTAL			4,506,000	63,409,601

In 2022, only SCAN TOGO reported voluntary environmental payments of CFAF 4,506,000 in cash and CFAF 14,296,705 in kind and rehabilitation expenditure in kind of CFAF 49,112,896.

6.2.3 Hydrocarbon sector

For the year 2022, no active companies were active in this sector.

6.3 Quasi-budgetary expenditure

6.3.1 Definition and legal framework

In line with the EITI Standard, quasi-fiscal expenditure includes public expenditure by state-owned enterprises to finance social services, public infrastructure, fuel subsidies or to support the national debt, outside the national budgetary process. The EITI 2022 scoping report did not explicitly define this concept, and Togo's public accounting and budget regulations do not formally recognise it.

Law No. 90-26 of 4 December 1990, through articles 16 and 59, stipulates that the boards of directors of public enterprises have the power to act within the **limits of their social purpose**. This suggests that, except for specific regulatory provisions, Crown corporations should not incur social or infrastructure development expenditure beyond those governed by a Corporate Social Responsibility (CSR) policy approved by their management bodies and in line with industry standards.

6.3.2 Mining sector

The two state-owned enterprises, the Société Nationale des Phosphates du Togo (SNPT) and TdE, were requested to report their quasi-fiscal expenditure in accordance with the IMF's Fiscal Transparency Manual, including in the following areas:

- Social services;
- Public infrastructure;
- Fuel subsidies;
- National debt payments or forgiveness;
- Interest rate subsidies;
- Other expenditure on behalf of the State.

Neither company reported any such expenses for 2022. Nevertheless, the analysis of the additional data obtained made it possible to identify transactions that could be considered as quasi-budgetary expenditure.

❖ **SNPT**

➢ **Social services**

SNPT reported social spending amounting to CFAF 315.5 million, mainly for infrastructure and education projects in the Maritime region. The absence of specific details about these projects or of a corporate social responsibility (CSR) policy formally approved by its board of directors limits the assessment of their impact.

In addition, its financial statements for 2022 show an amount of CFAF 922.1 million in donations and patronage. It is not clear whether these amounts include previously reported social expenditure, raising questions about the consistency of the data.

- **Financial transactions**

The financial statements disclose financial relationships with the Crown, including:

Balance in CFAF million	2021	2022
Current Account Associate	1,570.9	1,570.9
Partner, dividends payable	8,215.0	10,215.0
Tax Debts	57,514.4	84,628.2
Vendor, Payables Group	5,647.4	5,647.4
Total Liabilities - REPORT	**72,947.7**	**102,061.5**
Other claims - sovereigns and public authorities	81,681.6	102,314.0
Total receivables - REPORT	**81,681.6**	**102,314.0**

Although these transactions are not explicitly classified as quasi-fiscal expenditure, they point to significant financial transfers between the SNPT and the State or its break-ups.

The significant amounts at stake, such as dividends payable, tax debts and debts owed by SNPT to the State, indicate significant financial flows between the company and the public institutions. However, the lack of clarity as to the nature of these transactions and their compliance with normal operating conditions raises questions.

- **Commercial relationship with the State**

NTPS stated in its statement that all of its 2022 production is for export, which excludes the risk of quasi-fiscal spending through sales at below-market prices to subsidise other sectors such as agriculture.

- **TdE**

For TdE, its financial statements include payments related to donations and patronage of CFAF 22.7 million. The lack of details on these payments does not allow us to determine whether they can be considered as quasi-budgetary expenditures according to IMF criteria.

- **Compagnie Energie Electrique du Togo (CEET)**

Although **CEET** does not operate in the extractive sector, it supplies electricity to **three mining companies (WACEM, SCANTOGO and SNPT) representing about 6% of Togo's electricity consumption**. These companies benefit from **preferential tariffs granted by the state**.[1]

The **shortfall** for the EETC, which was not recorded in the State budget, could be considered as a quasi-budgetary expenditure.

6.3.3 Hydrocarbon sector

The hydrocarbon sector had no active state-owned enterprises for 2022.

6.4 Contribution to the economy

6.4.1 Contribution to GDP

In 2022, TOGO's GDP at current prices amounted to CFAF 5,068.9 billion. According to the BCEAO Annual Report 2022, the GDP of the extractive sector is estimated at CFAF 58.7 billion, which represents a contribution of 1.15% to the total GDP.

[1] Source: ARSE 2022 activity report

Table 60 : Extractive sector contribution to Togo's GDP (2021-2022)

Indicators (CFAF Billion)	2021	2022
GDP (current prices)	**4,621.5**	**5,068.9**
GDP in the extractive sector	**51.3**	**58.7**
% Contribution	1.11%	1.15%

Limited growth: The extractive sector grew by **14.4%** in absolute terms (+CFAF 7.4 billion), but remains marginal in the economy.

Overall pace: Its contribution increased slightly thanks to higher growth than overall GDP (+9.7%).

Marginalised sector: With a contribution of 1.15% to GDP in 2022, the extractive sector remains marginal in the Togolese economy, despite more than 6% of national electricity consumption. This contrast reflects a low level of value for money and value for money in the sector.

6.4.2 Contribution to exports

In 2022, the extractive sector contributed **CFAF 189.71 billion** to Togo's exports, accounting for **17.5%** of total exports of goods and services, up from **14%** in 2021. This increase reflects an improvement in the performance of the sector in foreign trade.

Table 61 : Extractive sector contribution to Togo's total exports (2021-2022)

Indicators (CFAF Billion)	2021	2022
Total exports of goods and services[1]	**1,055.7**	**1,085.5**
Exports from the extractive sector	**148.06**[2]	**189.53**[3]
% Contribution	14.0%	17.5%

Notable growth: Exports from the extractive sector increased by 28% between 2021 and 2022 (+41.65 billion CFAF), strengthening their relative share in total exports.

Key role in foreign trade: With a contribution of 17.5%, the extractive sector plays a more significant role in exports than in GDP.

6.4.3 Contribution to government revenue

In 2022, the extractive sector generated **CFAF 15.03 billion** in fiscal revenue, representing **1.5%** of total government revenue, down from **2.0%** in 2021.

Table 62 : Contribution of the extractive sector to Togo's budget revenues (2021-2022)

Indicators (CFAF Billion)	2021	2022
Total budget revenue[4]	**839.9**	**981.6**
Budgetary revenue from the extractive sector	**17.02**[5]	**15.03**[6]
% Contribution	2.0%	1.5%

6.4.4 Contribution to employment

In 2022, no official data was available on the overall contribution of the extractive sector to employment in Togo.

[1] Source: BCEAO Annual Report (2022)
[2] Source: EITI Report 2021
[3] Source: EITI 2022 data
[4] Source: BCEAO Annual Report (2022)
[5] Source: EITI Report 2021
[6] Source: EITI 2022 data

❖ Industrial activity

According to the data reported by the companies included in the scope, the extractive sector contributed marginally to national employment in Togo, representing **0.1%** of the labour force, estimated at **3,074,425 individuals** (48.3% women)[1]. Companies included in the reconciliation perimeter reported a total of **3,098 jobs**, of which **91% were held by men** and only **9% by women**, highlighting a **significant gender imbalance**.

Table 63: Distribution of employment by gender and level

Genre	Status	Professional level	Number		In millions of CFA francs	
			Togolese	Foreign	Togolese	Foreign
Industrial mine						
Men	Permanent	Senior Managers	66	10	402	304
		Senior Technicians and Middle Managers	414	4	2,858	193
		Technicians, supervisors and skilled workers	379	1	1,749	-
		Employees, workers, apprentices	1,059	1	5,746	2
Women	Permanent	Senior Managers	10	2	59	49
		Senior Technicians and Middle Managers	51	-	339	-
		Technicians, supervisors and skilled workers	25	-	143	-
		Employees, workers, apprentices	8	-	18	-
Men	Contractual	Senior Managers	11	12	315	172
		Senior Technicians and Middle Managers	-	12	-	-
		Technicians, supervisors and skilled workers	-	24	-	-
		Employees, workers, apprentices	-	-	-	-
Women	Contractual	Senior Managers	1	-	25	-
		Senior Technicians and Middle Managers	-	-	-	-
		Technicians, supervisors and skilled workers	-	-	-	-
		Employees, workers, apprentices	-	-	-	-
Total Industrial Mine			2,024	66	11,654	721
TdE						
Men	Permanent	Senior Managers	127	-	2,691	
		Senior Technicians and Middle Managers	-	-		
		Technicians, supervisors and skilled workers	213	-		
		Employees, workers, apprentices	224	-		
Women	Permanent	Senior Managers	87	-		
		Senior Technicians and Middle Managers	-	-		
		Technicians, supervisors and skilled workers	50	-		
		Employees, workers, apprentices	36	-		
Men	Contractual	Senior Managers	271		308	

[1] Source: World Bank (link)

Genre	Status	Professional level	Number		In millions of CFA francs	
			Togolese	Foreign	Togolese	Foreign
		Senior Technicians and Middle Managers				
		Technicians, supervisors and skilled workers				
		Employees, workers, apprentices				
Women	Contractual	Senior Managers				
		Senior Technicians and Middle Managers				
		Technicians, supervisors and skilled workers				
		Employees, workers, apprentices				
Total Water			**1,008**	**-**	**2,999**	
Grand Total			**3,032**	**66**	**14,653**	**721**

Details of employment data by company are presented in **Annexes 21.**

Analysis of industrial mine data

Overall wage contribution: The total wage bill amounts to CFAF 12,375 million, of which CFAF 11,654 million (94.2%) for national employees and CFAF 721 million (5.8%) for expatriates.

Gender distribution: Men account for the majority of jobs (1,993 positions, or 95 per cent), receiving 11,558 million CFAF (93.4 per cent) of the wage bill. Women, under-represented with 97 positions (5%), are mainly in permanent positions, generating a total wage bill of CFAF 817 million (6.6%).

❖ **Artisanal mining**

The 2021 survey identified a total workforce of **9,825 people** in artisanal mining. The geographical distribution of workers is as follows:

Category	Total Staff	Distribution (%)	Togolese Nationality	Geographical Distribution
Total	9,825	100%	8,350 (85%)	Trays: 2,446 Central: 5,088 Kara: 2,291
Men	*3,257*	*33%*		
Women	*4,729*	*48%*		
Children (< 18 years)	*1,839*	*19%*		

Source: EMAPE-Togo inventory in 2021

❖ **Overall contribution**

The extractive sector accounts for about 11,450 jobs, including artisanal activity, an estimated overall contribution of 0.37% of Togo's labour force.

6.4.5 Key production regions

❖ **Industrial Exploitation**

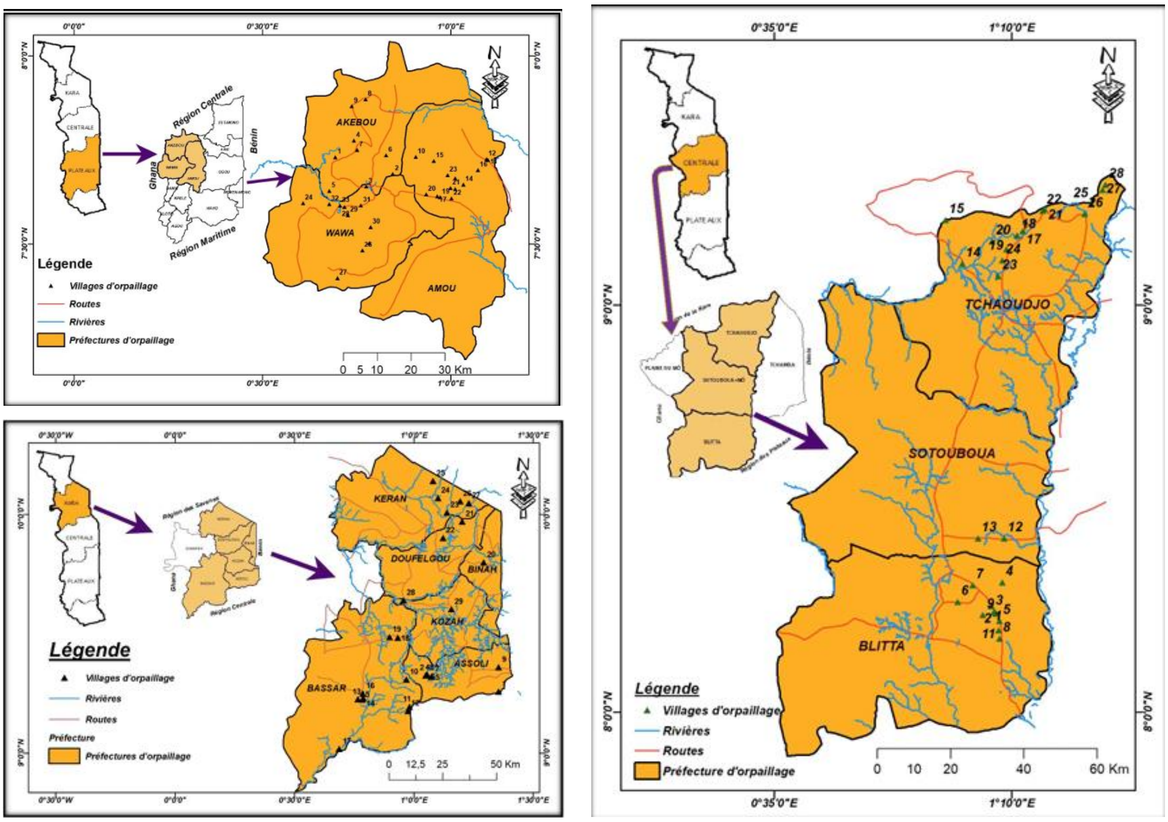
The mining industry in Togo is concentrated mainly in the following regions:

- **Hahotoé and Kpogamé**: These sites are the main centres for extracting phosphate, which is a major mineral resource for the country.
- **Tabligbo**: Located near the coast, this area is known for its limestone quarries, mainly used for cement production.
- **Marble pools**: Although their exploitation is still not very developed, Togo has marble deposits distributed in several pools.

❖ **Artisanal Exploitation**

Artisanal mining in Togo is mainly focused on artisanal gold mining. EMAPE d'or's activities are mainly carried out in the Plateaux, Centrale and Kara regions. According to the 2021 study conducted in Togo under the PAN project (EMAPE Togo Inventory, 2021), 165.75 kg/year of gold was produced by EMAPE in the country in 2021, including 35.15 kg/year from the Kara region, 72.98 kg/year from the central region and 57.61 kg/year from the plateau region.

Figure 5 **- Distribution of EMAPE areas in the Plateaux, Centrale and Kara regions**



6.5 Environmental and social impact management

6.5.1 Legal framework

The management and monitoring of the environmental and social impact of the extractive sector in Togo is based on a well-defined legal and regulatory framework:

- **Law No. 2008-005 on the framework law on the environment**: This law constitutes the main legal basis for the protection of the environment, including the activities of the mining sector.
- **Decree No. 2011-041**: Sets out the procedures for implementing the environmental audit.
- **Decree No. 2023-034/PR of 15 March 2023**: On carbon mechanisms for monitoring and regulating emissions.
- **Decree No. 2017-040/PR**: Defines the procedure for environmental and social impact assessments.
- **Decree No. 2011-016/PR**: The organisation and functioning of the National Commission for Sustainable Development.
- **Decree No. 2009-090/PR**: Specifies the powers, organisation and functioning of the National Agency for Environmental Management (ANGE).
- **Decree No. 2009-091/PR**: Regulates the functions, organisation and functioning of the National Environment Fund;

6.5.2 Roles and Responsibilities of Government Agencies

➢ ***Ministry of Environment***

The Ministry leads the implementation of the national environment policy in collaboration with other institutions. It ensures that international commitments are incorporated into national legislation.

➢ ***National Commission for Sustainable Development (CNDD)***

The CNDD, under the ministry's supervision, ensures that environmental aspects are integrated into development policies, that international conventions are respected, and that the national sustainable development strategy is monitored.

➢ ***National Environmental Management Agency (ANGE)***

As an autonomous public institution, the ANGEL coordinates the National Environmental Management Programme, implements environmental assessments (impact assessments, audits), supports the integration of the environment into national and local policies, and manages environmental information. The ANGEL is responsible for the process of carrying out **environmental and social impact assessments (EIAs)** and submits recommendations to the Minister responsible for the environment for issuing or refusing **certificates of environmental compliance**, ensuring that projects comply with environmental standards and objectives set by national legislation. The ANGEL also organises consultations with stakeholders including the population in the context of the EIAs.

➢ ***National Environment Fund (FNE)***

The FNE finances environmental policy through government endowments, fines, and international funding. It supports ANGEL programmes, local initiatives and environmental conservation projects.

➢ ***Environmental Police***

The Environment Police, attached to the Ministry of the Environment, ensures compliance with environmental laws. It shall have the following prerogatives:

- Inspection of industrial and commercial sites.
- Access to documents relating to the activities of undertakings.
- Taking of samples and analyses.

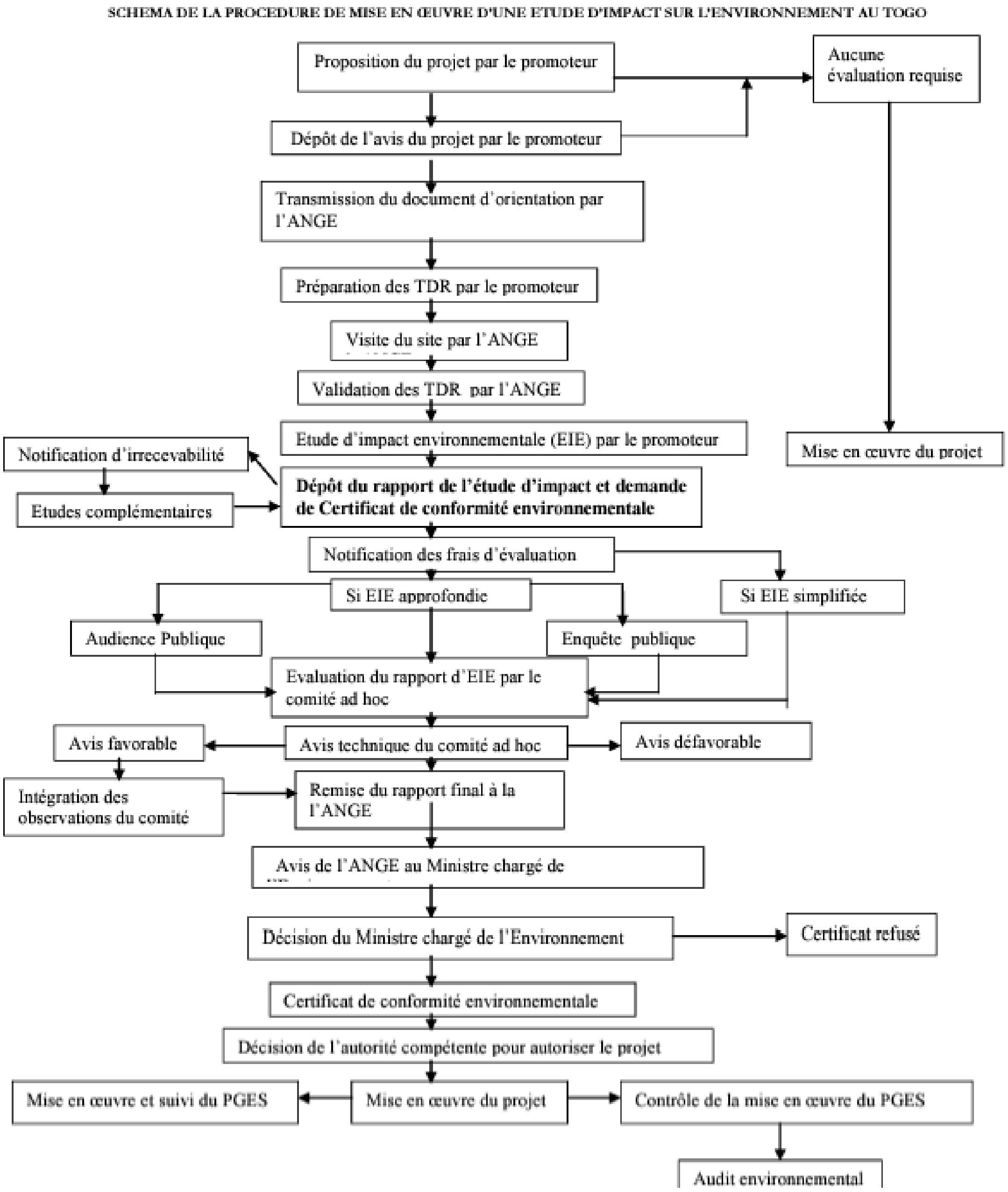
Its organisation and procedures are determined by order in council of ministers.

6.5.3 Administrative rules

➢ ***Environmental Impact Assessment (EIA) and Certificate of Conformity***

According to Article 38 of the Environmental Code, development projects likely to affect the environment must obtain prior authorisation from the Minister responsible for the Environment, based on an Environmental Impact Assessment. This study, carried out by the proponent, assesses the potential effects, in the short, medium and long term, and is a sine qua non for obtaining a certificate of environmental compliance.

Figure 6 - Procedure for the implementation of the environmental impact assessment



➢ ***Rehabilitation of the Sites***

Article 59 of the Act stipulates that mining operations must be carried out in such a way as to guarantee sustainable exploitation of natural resources and prevent pollution. The rehabilitation of the sites operated, at the expense of the operator, is compulsory under the conditions set jointly by the ministries concerned (Article 60).

- ***Environmental Audit***

Articles 41 to 43 provide a framework for carrying out environmental audits to periodically assess the impact of extractive activities. Audits can be internal, at the company's initiative, or external, initiated by the Ministry responsible for the environment. These audits aim to ensure compliance with standards and may lead to corrective action in the event of non-compliance.

- ***Environmental Quality Standards***

Articles 46 to 49 set out the environmental quality standards to be met by industrial activities, including the mining sector, under strict control of the competent authorities.

- ***Environmental Information and Monitoring System***

The National Environmental Management Agency (ANGE) coordinates an environmental monitoring and information system to collect and analyse environmental data. This system facilitates access to sectoral and spatial data for optimal environmental management (Article 45).

- ***Participation of the Population***

Articles 24 to 26 focus on the involvement of local populations in the development and implementation of environmental policies. The State, local and regional authorities and the institutions concerned must ensure that the people are represented in the consultation bodies and support them in their efforts to preserve and enhance the environment.

6.5.4 Planned reforms

Togo is strengthening its environmental framework through several key reforms, aimed at better managing environmental impacts and integrating sustainable development priorities.

- ***New accessions and legislation***[1]

At the Council of Ministers meeting on Tuesday 5 November 2024, the Government approved accession to two international instruments to this effect: the 1992 Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage (IOPC) and the 2000 Protocol on Preparedness and Cooperation against Incidents of Pollution by Noxious Substances. These actions strengthen the country's capacity to protect its natural resources and respond to pollution.

- ***Revision of the Environmental Framework Law***[2]

The Environmental Framework Law is being revised to incorporate concepts such as green economy, carbon credit and sustainable mobility, updating the legislative framework to better address environmental challenges and strengthen resilience actions.

- ***Green Budgeting***[3]

Togo has initiated green budgeting to integrate climate and environmental issues into its budget cycle. This process, already underway, is gradually expanding to 25 departments and institutions to better assess the environmental impact of public spending.

[1] Source: Presidency of the Republic of Togo (link)
[2] Source: MERF (link)
[3] Source: Permanent Secretariat for Monitoring Reform Policies and Financial Programmes (link)

6.5.5 Environmental Sanctions Process

Togo applies a set of sanctions to ensure compliance with environmental standards and prevent environmental harm, as defined by the Environmental Code.

Main Offences and Penalties

- **Activities without impact assessment:** Carrying out projects requiring an impact assessment without authorisation or in violation of standards can result in a prison sentence of 6 months to 2 years and/or a fine of 5 to 50 million CFA francs.
- **Soil, air or water pollution:** Any pollution that does not comply is punishable by 6 months to 1 year in prison and/or a fine of 1 to 10 million CFA francs.
- **Non-compliance of establishments:** Operating an establishment classified in violation of the law can lead to 6 months to 1 year in prison and/or a fine of 1 to 10 million CFA francs.
- **Damage to flora and fauna:** Activities affecting flora and fauna risk a sentence of 6 months to 2 years in prison and/or a fine of 50,000 to 5 million CFA francs.
- **Marine pollution:** Offences related to marine pollution are punished by a fine of 100 million CFA francs and/or 1 to 2 years in prison.
- **Toxic waste:** Importing or storing toxic waste can result in a prison term of 5 to 10 years, with the possibility of impounding the equipment used.
- **Aggravated penalties:** Penalties are doubled for repeated offences or for the involvement of public officials.

Reporting entities were invited to report payments made in respect of fines for environmental offences. No payments have been reported for this purpose.

6.5.6 Accessibility of environmental assessments and permits

In accordance with Togolese environmental regulations, several documents are required to ensure adequate management of the environmental, social and gender impacts of extractive projects. These documents include:

Document	Content	Transparency	Disclosure in practice
Environmental and Social Impact Assessment (EIA) Report	It is provided by the proponent to the ANGEL and includes the estimated cost of the project, environmental impacts (direct, indirect, short, medium and long term), and risks. The report proposes measures to mitigate negative impacts and optimise positive impacts. The sectoral guides shall specify the minimum content. *(Art. 31 of Decree 2017-040)*	No specific provisions on disclosure	Undisclosed
The EIA Review Report	It is forwarded by the ANGEL to the Minister responsible for the Environment and includes the assessment of the ad hoc technical committee and the ANGEL's opinion on the issue of the certificate of environmental conformity.	No specific provisions on disclosure	Undisclosed
Certificate of environmental compliance	Issued by the Minister of the Environment after a favourable assessment of the EIA report or environmental audit report. This certificate is valid for a period of 4 years.	Certificate issued by order.	Undisclosed
Reports on the implementation of the SMP, RMP and RAP	Follow-up reports sent by the promoter to the ANGEL, with a periodicity set out in the certificate of environmental	No specific provisions on disclosure	Undisclosed

Document	Content	Transparency	Disclosure in practice
	conformity.		
Follow-up agreement for the GHP, RMP and RAP	Signed between the proponent and the ANGEL for the monitoring of environmental measures.	No specific provisions on disclosure	Undisclosed
Environmental Quitus	Issued by the Ministry of the Environment following the opinion of the ANGEL, in case of successful implementation by the promoter of the measures of the GMP, RMP and RAP relating to the construction and installation phase of the project.	No specific provisions on disclosure	Undisclosed
Environmental Compliance Audit Report	Evaluation report on the implementation of the PEGES The assessment of the environmental audit report shall be subject to a certificate of environmental conformity issued by decree.	Confidential *(Art. 15 of Decree No. 2011-041/PR).*	Undisclosed

7. Analysis of payments and income

7.1 Payments by companies

In 2022, the total payment of companies in the mining, quarrying and water sectors amounted to **CFAF 19,004 million**, distributed as follows:

Table 64 : Payments by enterprises disaggregated by flows, by collecting entity

	SCAN MACHINE	SNPT	WACEM	TDE	TOGO CARRIERE	TOGO RAIL	Other Sites	Total
Treasure	**8,111**	**4,022**	**1,368**	**730**	**210**	**96**	**492**	**15,029**
CI	**5,420**	**2,687**	**415**	**538**	**157**	**42**	**310**	**9,568**
VAT	3,566	309	0	214	112	10	189	4,400
IS	-	1,567	359	82	17	16	48	2,089
Other flows	1,854	811	56	242	27	16	73	3,079
CDDI	**1,492**	**1,245**	**433**	**192**	**49**	**51**	**5**	**3,467**
Customs Duties and Taxes	1,492	1,245	433	192	49	51	5	3,467
DGTCP	**1,193**	**-**	**511**	**-**	**2**	**1**	**19**	**1,727**
Mining royalties	1,193	-	511	-	2	1	19	1,727
Dividends	-	-	-	-	-	-	-	-
DGMG	**3**	**90**	**4**	**-**	**2**	**3**	**158**	**258**
Area Fees	3	90	4	-	0	0	18	115
Instruction costs	-	-	-	-	0	0	24	25
Fixed Fees	-	-	-	-	1	1	103	105
Penalty	-	-	-	-	-	1	14	15
DGTLS	**3**	**-**	**6**	**-**	**0**	**-**	**-**	**10**
Other flows	3	-	6	-	0	-	-	10
CNSS	**365**	**1,220**	**185**	**74**	**52**	**-**	**1**	**1,897**
Social contributions	365	1,220	185	74	52	-	1	1,897
Commune	**-**	**-**	**79**	**-**	**-**	**-**	**1,200**	**1,279**
Financial contribution to local and regional development	-	-	79	-	-	-	1,035	1,115
Quarrying revenues	-	-	-	-	-	-	133	133
Rehabilitation expenditure	-	-	-	-	-	-	7	7
Other flows	-	-	-	-	-	-	24	24
Other beneficiaries	**534**	**-**	**36**	**-**	**1**	**-**	**2**	**573**
Compulsory social payment	375	-	-	-	-	-	2	377
Voluntary social payment	91	-	36	-	1	-	-	128
Rehabilitation expenditure	49	-	-	-	-	-	-	49
Voluntary environmental expenditure	19	-	-	-	-	-	-	19
TDE	**-**	**-**	**-**	**-**	**-**	**-**	**143**	**143**
Water withdrawal from water table	-	-	-	-	-	-	143	143
ANGEL	**79**	**-**	**-**	**-**	**-**	**-**	**3**	**82**

	SCAN MACHINE	SNPT	WACEM	TDE	TOGO CARRIERE	TOGO RAIL	Other Sites	Total
Certificate of environmental regularisation	43	-	-	-	-	-	-	43
Environmental payments	36	-	-	-	-	-	3	39
Total	9,088	5,242	1,670	804	262	96	1,842	19,004

Details of the payments are presented in Annexe 16. The detailed analysis by sector is presented in the following sub-sections.

7.1.1 Mining sector

7.1.1.1 Payments by flow and by collecting entity

The cash payments of extractive companies by flow and collecting entity are broken down as follows:

Table 65 : Payments by enterprises disaggregated by flows, by collecting entity

Payments (in CFAF million)	Amount	In %
CI	**8,870.27**	**49.6%**
Value Added Tax (VAT)	4,084.34	22.8%
Corporate Tax (IS)	1,975.70	11.0%
Business Tax (PT) / Patent	1,493.19	8.3%
Deduction on Service Delivery (RSPS)	681.07	3.8%
Personal Income Tax IRPP/IRTS	480.65	2.7%
Income tax on movable capital (IRCM)	107.61	0.6%
Rent Deduction (RSL)	20.30	0.1%
Penalties	11.65	0.1%
Minimum Flat-Rate Tax (MFI)	7.91	0.0%
Property Taxes (TF)	5.75	0.0%
Registration fees	1.47	0.0%
Single Business Tax (SPT)	0.61	0.0%
Garbage removal tax (TEO)	0.01	0.0%
CDDI	**3,275.14**	**18.3%**
Customs Duties and Taxes	3,275.14	18.3%
DGTCP	**1,726.60**	**9.6%**
Mining royalties	1,726.60	9.6%
DGMG	**258.09**	**1.4%**
Area Fees	114.59	0.6%
Fixed Fees	104.50	0.6%
Instruction costs	24.50	0.1%
Penalties for Mining Offences	13.50	0.1%
Penalty	1.00	0.0%
DGTLS	**9.60**	**0.1%**
Hiring Authorisation Fees	9.60	0.1%
CNSS	**1,823.33**	**10.2%**
Social contributions	1,823.33	10.2%
Municipalities	**1,279.27**	**7.1%**
Financial contribution to local and regional development	1,114.74	6.2%
Quarrying revenues	133.47	0.7%

Payments (in CFAF million)	Amount	In %
Other soil and subsoil products	13.68	0.1%
Quarrying and mining royalties	10.56	0.1%
Rehabilitation expenditure	6.83	0.0%
ANGEL	**81.54**	**0.5%**
Certificate of environmental regularisation	42.72	0.2%
Other environmental payments	38.82	0.2%
Other beneficiaries	**572.99**	**3.2%**
Compulsory social payment	377.41	2.1%
Voluntary social payment	127.66	0.7%
Rehabilitation expenditure	49.11	0.3%
Voluntary environmental expenditure	18.80	0.1%
Grand Total	**17,896.83**	**100.0%**

7.1.1.2 Revenues by Company

Detailed payments by company are as follows:

Table 66 : Payments by enterprises disaggregated by company

Company	Amount in CFAF million	In %
SCANTOGO MINES	9,088.29	50.8%
SNPT	5,242.21	29.3%
WACEM (WEST AFRICAN CEMENT)	1,669.57	9.3%
TOGO CARRIERE	262.11	1.5%
GRANUTOGO	108.97	0.6%
TOGO RAIL	96.27	0.5%
MING MING MATCO	27.49	0.2%
SAMARIA	21.92	0.1%
PGCT SARL	15.92	0.1%
THE FOUR BROTHERS	10.34	0.1%
ACI TOGO SARL	8.77	0.0%
SAD	7.09	0.0%
TPI GROUP	6.45	0.0%
TOGO CRUSHES TSEVIE	5.93	0.0%
AFRICAN WEST COAST CEMENT INDUSTRY (CIMCO)	5.21	0.0%
TOGO DREDGAGE Sarl	5.15	0.0%
LEDAF-TOGO	5.11	0.0%
US XIN-ALAFIA	5.10	0.0%
TOGO SANDMEN	5.08	0.0%
ILES DES GRACES	5.08	0.0%
SAMI Company	5.08	0.0%
SANDMEN SARL	5.08	0.0%
Marble and Crushing of Ognawlou (MCO)	5.08	0.0%
FG MINERALS	3.73	0.0%
EMT/POMAR/TOGO CARRIERE CONCRETE	3.07	0.0%
ECOB CARRIERE AND ENINAM-Sarl	2.90	0.0%
NATIVITE INVESTE (ENI)	2.76	0.0%
INVESTED NATIVITY	2.53	0.0%
Ets UNION AT NOVOR	2.50	0.0%

Company	Amount in CFAF million	In %
GLOKPO & SON	2.29	0.0%
AUTO TURN	2.24	0.0%
AMEKANOU HOUENOUMADJI (A.H.)	2.18	0.0%
POMAR Togo SA	1.86	0.0%
XING FA	1.59	0.0%
AME-ENO COMMERCE	1.55	0.0%
N/C	1,199.98	6.7%
Other companies (67 Sites <1.5 MFCFA)	50.38	0.3%
Total	**17,896.83**	**100.0%**

7.1.2 Water Sector

7.1.2.1 Revenue by flow and collecting entity

The breakdown of cash payments by flow and collecting entity is as follows:

Table 67 : Cash payments of enterprises disaggregated by flow, by entity

Cash income	Amount in CFAF million	In %
CI	**697.90**	**63.0%**
Value Added Tax (VAT)	316.07	28.5%
Corporate Tax (IS)	121.99	11.0%
Business Tax (PT) / Patent	113.12	10.2%
Penalties	65.82	5.9%
Personal Income Tax IRPP/IRTS	48.20	4.3%
Minimum Flat-Rate Tax (MFI)	30.25	2.7%
Registration fees	1.88	0.2%
Property Taxes (TF)	0.31	0.0%
Deduction on Service Delivery (RSPS)	0.14	0.0%
Rent Deduction (RSL)	0.10	0.0%
Garbage removal tax (TEO)	0.01	0.0%
CDDI	**191.85**	**17.3%**
Customs Duties and Taxes	191.85	17.3%
TDE	**143.43**	**12.9%**
Water withdrawal tax in the water table	143.43	12.9%
CNSS	**74.16**	**6.7%**
Social contributions	74.16	6.7%
TOTAL	**1,107.34**	**100%**

7.1.2.2 Revenues by Company

Detailed cash payments by company are as follows:

Table 68 : Cash payments of enterprises disaggregated by company

Companies	Amount in millions of CFA francs	In %
TDE	947.41	85.6%
VOLTIC TOGO	137.24	12.4%
SIAFA SARLU	13.15	1.2%
CRYSTAL SARL	9.04	0.8%
Other companies (3)	0.49	0.0%
TOTAL	1,107.34	100%

7.1.3 Petroleum sector

No payments made in 2022 for oil companies

7.2 Budgetary revenues

In 2022, the mining, quarrying, and water sectors contributed **CFAF 15,029.45 million to** the national budget and include:

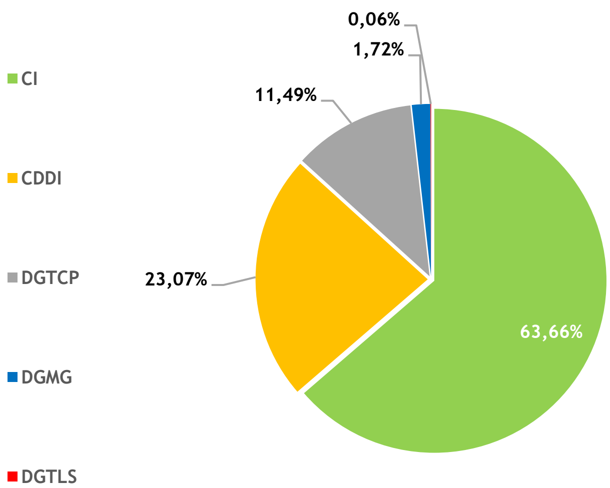
Table 69 - Revenue per collecting entity (CFAF million)

Collector Entity	Sector		Total	%
	Miner	Water		
CI	8,870.27	697.90	**9,568.17**	**63.66%**
CDDI	3,275.14	191.85	**3,466.99**	**23.07%**
DGTCP	1,726.60	-	**1,726.60**	**11.49%**
DGMG	258.09	-	**258.09**	**1.72%**
DGTLS	9.60	-	**9.60**	**0.06%**
Total	**14,139.70**	**889.75**	**15,029.45**	**100%**

With 94% of overall revenues, the mining sector is the main source of fiscal revenue. The distribution of revenue shows a strong **centralisation of tax flows**, with the **IC** and the **CDDI** collecting together more than **86% of revenue**. This concentration reflects a dependence on traditional tax instruments, such as VAT, customs duties and to a lesser extent corporate tax. On the other hand, entities such as **DGTCP** (11.49%) and **DGMG** (1.72%) show marginal performance, mainly in collecting **non-tax revenue sources**, such as mining royalties and dividends.

Details of the payments are presented in Annexe 16. The detailed analysis by sector is presented in the following sub-sections.

Figure 7 - Distribution of income by government entity



7.2.1 Mining sector

7.2.1.1 Revenue by Flow

Mining sector revenues are mostly collected by the **IC** (62.73%) and the **CDDI** (23.16%).

A detailed analysis of contributions by flows reveals a **preponderance of indirect taxes**, in particular VAT, which accounts for **around 40% of total revenue**. On the other hand, key direct taxes, such as **Corporate Tax (CCT)** and **mining royalties**, contributed only **13.97%** and **12.21%**, respectively. The **dividends** from public ownership in the mining sector generated no income in 2022.

Table 70 : Budgetary revenues of mining companies disaggregated by flow and collecting entity

Regulators	Cash income	Amount in CFAF million	In %
CI	Value Added Tax (VAT)	4,084.34	28.89%
	Corporate Tax (IS)	1,975.70	13.97%
	Business Tax (PT) / Patent	1,493.19	10.56%
	Deduction on Service Delivery (RSPS)	681.07	4.82%
	Personal Income Tax IRPP/IRTS	480.65	3.40%
	Income tax on movable capital (IRCM)	107.61	0.76%
	Minimum Flat-Rate Tax (MFI)	20.30	0.14%
	Property Taxes (TF)	11.65	0.08%
	Rent Deduction (RSL)	7.91	0.06%
	Penalties	5.75	0.04%
	Registration fees	1.47	0.01%
	Single Business Tax (SPT)	0.61	0.00%
	Garbage removal tax (TEO)	0.01	0.00%
CI TOTAL		**8,870.27**	**62.73%**
CDDI	Customs Duties and Taxes	1,819.09	12.87%
	Value Added Tax (VAT)	1,456.05	10.30%
CDDI TOTAL		**3,275.14**	**23.16%**
DGTCP	Mining royalties	1,726.60	12.21%
	Dividends	-	-
DGTCP TOTAL		**1,726.60**	**12.21%**
DGMG	Area Fees	114.59	0.81%
	Fixed Fees	104.50	0.74%
	Instruction costs	24.50	0.17%
	Penalties for Mining Offences	13.50	0.10%
	Penalty	1.00	0.01%
TOTAL DGMG		**258.09**	**1.83%**
DGTLS	Hiring Authorisation Fees	9.60	0.07%
DGTLS TOTAL		**9.60**	**0.07%**
TOTAL		**14,139.70**	**100%**

7.2.1.2 Revenues by Company

Mining revenues are highly concentrated among a small number of major players, as evidenced by their distribution by company. Three companies - **SCANTOGO MINES**, **SNPT**, and **WACEM** - generate **95.48% of mining revenues.**

Table 71 : Disaggregated budgetary revenues by companies

Companies	Amount in CFAF million	In %
SCANTOGO MINES	8,111.13	57.36%
SNPT	4,021.87	28.44%
WACEM (WEST AFRICAN CEMENT)	1,368.46	9.68%
TOGO CARRIERE	209.95	1.48%
GRANUTOGO	105.00	0.74%
TOGO RAIL	96.27	0.68%
Other companies	227.01	1.61%
	14,139.70	**100.00%**

7.2.2 Water Sector

7.2.2.1 Revenue by Flow

The contribution by flow in the budgetary revenues of the mining sector, broken down by nature, by flow and by collecting entity, is as follows:

Table 72 : Budgetary revenues of water enterprises disaggregated by flows and collecting entities

Regulators	Cash income	Amount in CFAF million	In %
CI	Value Added Tax (VAT)	316.07	45.29%
	Corporate Tax (IS)	121.99	17.48%
	Business Tax (PT) / Patent	113.12	16.21%
	Penalties	65.82	9.43%
	Personal Income Tax IRPP/IRTS	48.20	6.91%
	Minimum Flat-Rate Tax (MFI)	30.25	4.34%
	Registration fees	1.88	0.27%
	Property Taxes (TF)	0.31	0.04%
	Deduction on Service Delivery (RSPS)	0.14	0.02%
	Rent Deduction (RSL)	0.10	0.01%
	Garbage removal tax (TEO)	0.01	0.00%
CI TOTAL		**697.90**	**78.44%**
CDDI	Hiring Authorisation Fees	191.85	100%
CDDI TOTAL		**191.85**	**21.56%**
TOTAL		**889.75**	

7.2.2.2 Revenues by Company

The breakdown of budgetary revenues by corporation and financial authority is as follows:

Table 73 : Budgetary revenues of water enterprises disaggregated by company and collecting entity

Cash income	Amount in CFAF million	In %
TDE	729.82	82.03%
VOLTIC TOGO	137.24	15.42%
SIAFA SARLU	13.15	1.48%
CRYSTAL SARL	9.04	1.02%
Other companies	0.49	0.06%
	889.75	**100%**

7.2.3 Petroleum sector

No payments made in 2022 for oil companies.

7.3 Payments by project

In 2022, disaggregated payments by project totalled **CFAF 2.24 billion**, representing **11% of reported payments** and **23% of payments recovered per project**. Although this disaggregation makes it possible to identify the specific contributions of certain projects, the low percentage of the revenue concerned limits the analytical scope and does not make it possible to draw significant conclusions on the performance or compliance of the individual projects.

Table 74 : Breakdown of disaggregated and non-disaggregated payments by project

FCFA payments		Carried forward by projects			% disaggregated
Sector	Settled by project	No	Yes	Grand Total	
Mine and quarry	Yes	2,832,687,177	686,877,354	3,519,564,531	20%
	No	12,820,016,856	1,557,247,102	14,377,263,958	11%
Water	Yes	143,432,248	-	143,432,248	0%
	No	963,908,497	-	963,908,497	0%
Total		**16,760,044,778**	**2,244,124,456**	**19,004,169,234**	**11%**
		89%	***11%***		

Details of disaggregated payments by project are presented in the table below:

Table 75 : Payments per project reported

Project (permit/authorisation reference)	company	upright
PE-09-0001	WACEM (WEST AFRICAN CEMENT)	1,669,567,954
PEMC-24-0007	TOGO CARRIERE	262,107,423
PEPE-21-0001	GRANUTOGO	108,973,251
PEMC-18-0005	TOGO RAIL	96,273,017
PEPE 23-0009	MING MING MATCO	27,493,626
PEPE 20-0007	THE FOUR BROTHERS	10,337,500
PEPE-17-0003	ACI TOGO SARL	8,766,540
PEPE-16-0001	SAD	7,086,000
PEPE-22-0001	CIMCO	5,210,000
PEPE 22-0002	TOGO DREDGAGE Sarl	5,150,000
PEMC 16-0001	US XIN-ALAFIA	5,099,062
PEPE 22-0008	TOGO SANDMEN	5,075,000
PEPE 22-0005	ILES DES GRACES	5,075,000

Project (permit/authorisation reference)	company	upright
AA 22-0002	GLOKPO & SON	2,287,274
PEMC-22-0007	AUTO TURN	2,236,940
AA 23-0007	AMEKANOU HOUENOUMADJI (A.H.)	2,181,900
PE 10-0001	POMAR Togo SA	1,860,000
PEMC 18-0009	XING FA	1,593,775
AA 21-0003	AME-ENO COMMERCE	1,547,317
PEMC 22-0004	R-B QUARRY	1,482,250
PEMC 22-0006	GEFSA	1,450,000
PEMC 18-0012	AKICOM ETS	1,450,000
PEMC 22-0001	FELICIA	1,450,000
PEMC 18-0001	LAGUDA & SON	1,450,000
AA 23-0009	IS HENRY AND SON	1,297,000
AA 22-0012	SMILING STAR	1,100,000
AA 22-0019	ETS SINAGOS	1,100,000
AA 23-0002	AGBEMEFA	1,055,000
AA 23-0008	NAEL SHOP	998,000
AA 23-0006	WALAI Sarl	960,000
AA 22-0001	MAWU NUTEPE WOLA	925,000
PEMC 23-0004	CRBC	620,000
AA 23-0020	ECODES	235,729
PEMC-15-0019	IS AT UNCLE'S	200,000
AA 23-0019	SYCHAR SERVICES	179,398
AA 23-0026	EZIAN & FRERES	135,000
PEMC-16-0010	TOGO MATERIALS	100,000
PEMC 18-0007	TKS AND SONS	15,500
TOTAL		**2,244,124,456**

Details of disaggregated payments by project are presented in **Annexe 16.**

8. Findings and Recommendations

In this section, we present the findings and recommendations of our audit and the related proposals:

Term	Definition
Findings	Findings have weaknesses or areas for improvement identified by reference to the requirements of the EITI Standard.
Recommendations	The recommendations correspond to shortcomings or areas for improvement identified by reference to the regulations in force and/or good practices.

Priority levels to be used to rank findings/recommendations
Priority 1 - Urgent corrective action required
Priority 2 - A specific action is required quickly
Priority 3 - A specific measure is desirable

8.1 Findings for 2022

NO.	Findings	EITI Requirement	Entity concerned	Priority	See Section
1	**Completeness of title and licence data and accreditation**				
	Finding DGMG did not provide data on divestments and transfers of securities in the mining sector. In addition, information on marketing authorisations for precious substances valid for the year 2022 was not provided. ***Impact*** The lack of such data limits the transparency and traceability of mining and the marketing of precious substances, hampering stakeholders' ability to assess the compliance of industry stakeholders with relevant regulations. ***Recommended corrective action*** Disclose data on licence transfers and transfers in the mining sector and the full status of valid trade approvals for precious and semi-precious substances in accordance with requirements 2.2 and 2.3 of the EITI Standard.	2.2/2.3	DGMG	1	2.2
2	**Gap assessment and compliance of transfers and allocations of mining titles**				
	Finding The scoping report did not document the methodology to assess significant deviations from the legal and regulatory framework governing transfers and allocations of securities and authorisations. In addition, DGMG did not provide a letter of affirmation regarding the absence of deviations. The EITI standard requires that the public be able to consult the procedures and their compliance in practice, in order to fill potential gaps and limit the risks of corruption. ***Impact*** This lack of methodological documentation and confirmation by the DGMG reduces the transparency of the award process. In addition, this constitutes non-compliance with the EITI standard. ***Recommended corrective action*** • **Evaluation methodology:** Agree on a clear methodology to assess deviations from the legal and regulatory framework.	2.2.	CP-EITI DGMG	1	2.2.1

NO.	Findings	EITI Requirement	Entity concerned	Priority	See Section
	• **Letter of Affirmation:** Obtain a letter of affirmation from the DGMG on the absence or presence of deviations from the regulations in force. • **Transparency:** Publish assessment results and methodological documents to ensure compliance with the EITI standard. These actions will enhance the transparency and credibility of the process, reducing the risks of corruption.				
3	**Completeness of data disclosed through the Mining Cadastre System (MCS)**				
	Finding **Incomplete data:** • The absence of certain critical information, such as the application date for certain large-scale operating permits (e.g. **Hahotoé** for **NTPS** and **Zone A Tabligbo** for **ScanTogo-Mine**), limits the transparency and traceability of mining titles. This shortfall concerns a total of 31 permits and authorisations. **Limited public access:** • The lack of a **functional search engine** on the online portal makes it difficult to access data, thus reducing accessibility for stakeholders. **Inconsistencies between data reported and available online:** • The iron licence issued to **MM Mining**, provided by the DGMG, is not listed in the online cadastre, raising questions about the reliability of the available data. These deficiencies reduce the transparency required by EITI Standard Requirement 2.2. ***Impact*** These gaps hinder transparency and the ability of stakeholders to easily access information on mining permits. Lack of complete data creates non-compliance with the EITI Standard. ***Recommended corrective action*** • **Data update:** Complete the MCS with all information required by the EITI Standard, including application, grant and permit dates. • **Improving public access:** Integrate a search engine and the ability to retrieve data in open format to facilitate public access to and access to information.	2.3	DGMG	1	2. 3.1

NO.	Findings	EITI Requirement	Entity concerned	Priority	See Section
4	**Improving the completeness of the publication of mining agreements and licences**				
	Finding Togo has established a framework for the publication of investment agreements and mining licences, in accordance with the Transparency Code and Article 8 of the Mining Code. As at 31 December 2022, four investment agreements were in force, but the WACEM agreement was not available. The website of the Mining Development and Governance Project (PDGM), which should centralise these publications, was also inaccessible, making it difficult to verify the completeness of the information. In addition, certain conventions, such as the SCANTOGO Convention, are supplemented by decrees defining special tax regimes, but these texts are not easily accessible and their inventory is not established. In addition, some 2022 licencing texts were not found via the Official Journal search engine, although EITI Standard Requirement 2.4 requires full public access to licences to ensure transparency of contractual rights and obligations. ***Impact*** The lack of full disclosure of contracts, grant texts, and orders relating to specific tax regimes limits transparency and the ability of stakeholders to monitor the operating conditions and contractual obligations of operators. This reduces confidence in the governance of the extractive sector and may jeopardise Togo's compliance with the requirements of the EITI Standard. ***Recommended corrective action*** • **Full disclosure of contracts and annexes:** Publish the full text of contracts, concessions, production sharing agreements, as well as their annexes, addenda and addenda, in accordance with EITI Standard Requirement 2.4, to ensure transparency of operating conditions. • **Publication of tax orders and regimes:** Make accessible the orders defining the specific tax regimes applicable, in order to clarify the tax and regulatory obligations for each company. • **Accessibility of the PDGM site:** Ensure the continued availability of the PDGM site and improve its accessibility to facilitate the consultation of all grant agreements and texts. • **Update and verification:** Establish a process for regular update and verification of contract and licence data, including through the Mining Cadastre System (MCS), to ensure that the information remains complete and easily accessible to the public.	2.4	DGMG	1	2.4.1

<table>
<tr><th>NO.</th><th>Findings</th><th>EITI Requirement</th><th>Entity concerned</th><th>Priority</th><th>See Section</th></tr>
<tr><td rowspan="2">5</td><td>Disclosure of beneficial ownership data</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Finding
The process of reporting beneficial ownership in the Togolese extractive sector is based on instructions and a reporting template defined by the Steering Committee, in accordance with the EITI Standard guidelines. The definition of "beneficial owner" adopted follows Decree No 025/MEF/SG/OTR/CG of 21 February 2022, with a threshold lowered to 10 %. The Committee also defined Politically Exposed Persons (PEPs), including nationals and foreigners who hold or have held important public office. However, the scoping report does not clarify whether the identification of EPPs should be limited to beneficial ownership or include other levels of ownership. Moreover, the reporting scope covers all companies operating or applying for mining permits, without materiality threshold, but the steps to collect data from entities outside the scope and the management of high-risk companies have not been explicitly specified. Finally, none of the reporting companies submitted data on their beneficial ownership.
Impact
Such inaccuracies may limit the effectiveness and scope of beneficial ownership declarations, hampering transparency and traceability of beneficial ownership in the extractive sector. This situation compromises Togo's ability to meet the objectives of EITI Standard Requirement 2.5, which aims to enable the public to know the true owners of companies and to deter inappropriate and corrupt practices in the management of extractive resources.
Recommended corrective action
Clarification of the scope of EPP identification: Clearly define whether the identification of Politically Exposed Persons (PEPs) should be limited to beneficial owners or apply to all levels of ownership, in line with the expectations of the EITI Standard.
Implementation of specific approaches for out-of-scope entities: Develop and document procedures to collect data on companies outside the reconciliation scope, including high-risk ones, to ensure comprehensive coverage.
Publication of the Guidelines: Making the beneficial ownership reporting template and instructions available to enhance transparency and ensure a common understanding among stakeholders.
Regular scoping: Implement a process to periodically review and adjust the reporting scope to ensure that all relevant businesses, including new entities, are included.</td><td>2.5</td><td>CP-EITI</td><td>1</td><td>2.5.2</td></tr>
</table>

NO.	Findings	EITI Requirement	Entity concerned	Priority	See Section
6	**Completeness of data on government holdings in the mining sector**				
	Finding The review of the government's holdings in extractive companies as of December 31, 2022, highlights significant inconsistencies and omissions. JUN HAO MINING is not on the list of shareholdings communicated by the General Directorate of Mines and Geology (DGMG), although its licence is valid as of 31/12/2022. DGMG also did not confirm participation levels for several companies, and some data, such as shareholdings in POMAR and ICA-Invest, remain incomplete. ***Impact*** The lack of a comprehensive and up-to-date inventory of state ownership undermines transparency and limits the ability of stakeholders to assess the management of public assets in the extractive sector. This constitutes non-compliance with EITI Standard Requirement 2.6, which requires full and accurate disclosure of government holdings. **Recommended corrective action** • **Comprehensive inventory of interests:** Establish and make public a complete and up-to-date inventory of government interests in extractive companies, including all licenced companies. • **Regular update of data:** Ensure regular update of information on government holdings, including recent changes or additions, and disclose any relevant developments in a transparent manner.	2.6	DGMG	1	2.6.1.2
7	**Insurance on the financial commitments of the State with extractive enterprises**				
	Finding The Togolese State has a 10% non-contributory shareholding in **POMAR**. The investment agreement provides, at the request of the investor and where necessary, for the possibility for the State to grant a five-year repayable current account loan with a two-year deferral, as well as a commitment to provide financial guarantees or guarantees to the company's lenders. These clauses, although not confirmed as being implemented, expose the State to significant potential risks in relation to its minority shareholding and lack of operational control. ***Impact***	2.6	CP-EITI DGTCP	1	2.6.1.2

<table>
<tr><th>NO.</th><th>Findings</th><th>EITI Requirement</th><th>Entity concerned</th><th>Priority</th><th>See Section</th></tr>
<tr><td></td><td>The lack of data confirming the implementation or non-implementation of the State's financial commitments to POMAR limits the ability of stakeholders to assess the financial risks to which the State might be exposed. This could lead to unforeseen liabilities for the State, in particular in case of bad management or adverse development of the project, despite its minority role in the capital. Greater transparency is needed to ensure responsible management and to avoid that such commitments disproportionately affect public resources.
Remedial Measures
• Detailed disclosure of commitments: Disclose the terms, conditions and amounts of any loans or financial commitments related to investment agreements in the extractive sector, or confirm their absence by means of formal documents.
• Supplementary Affirmation Letter: Request a Supplementary Affirmation Letter from the DGTCP confirming or denying the existence of financial commitments or outstanding guarantees.
• Integrate POMAR into the EITI reconciliation perimeter, regardless of materiality threshold, to ensure completeness of data on state commitments.</td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">8</td><td>Disclosure of the financial statements of state-owned enterprises</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Finding
The financial statements and audit reports of the Société Nationale des Phosphates du Togo (SNPT) and the Togolaise des Eaux (TdE), although certified annually, are not systematically made public. The latest NTPS financial statements available online are from 2017.
Impact
Non-disclosure of the financial statements of state-owned enterprises limits accountability and oversight of the use of public resources, while exposing state-owned enterprises to potential risks of poor governance. This failure to comply with the EITI standard weakens perceptions of transparency in the management of the country's extractive resources.
Recommended corrective action
• Regular publication of financial statements: Update and make available, on an annual basis, the audited financial statements and audit reports of NTPS and TdE.
• Disclosure of Obstacles: Document and make public any legal or regulatory impediments to the publication of financial statements, if any, in accordance with the EITI Standard.</td><td>2.6</td><td>SNPT
TdE</td><td>1</td><td>2.6.1.2</td></tr>
</table>

<table>
<tr><th>NO.</th><th>Findings</th><th>EITI Requirement</th><th>Entity concerned</th><th>Priority</th><th>See Section</th></tr>
<tr><td></td><td>Simplified access: Improve the accessibility of financial statements through online publications on the websites of the companies concerned, ensuring easy and free consultation by stakeholders.</td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">9</td><td>Completeness of disclosures of TdE transactions with the State</td><td></td><td></td><td></td><td></td></tr>
<tr><td> Finding TdE and DGTCP were requested to report the financial transactions between the company and the government for the year 2022. No subsidies received from the State were reported by TdE or DGTCP; however, TdE's financial statements show a "balancing subsidy" of CFAF 1,771.6 million recorded as proceeds in 2022 (vs 2,950.1 million in 2021), as well as an investment subsidy balance of CFAF 7,498.4 million in equity as of December 31, 2022. In addition, TdE collected CFAF 143.4 million in water withdrawal charges, in accordance with its legal mandate, but it has not been confirmed whether these amounts were transferred to the trust account opened to the Treasury, as provided for in Decree 2012-074/PR. Nor did DGTCP report any transfers received from TdE under this charge. Impact The lack of clear communication on subsidies, the non-confirmation of the transfer of the collected royalties, and the lack of detailed information on financial flows between the TdE run counter to the EITI Requirement, which aims to ensure full disclosure of financial transactions between the State and its enterprises to promote good governance and responsible management of the revenues generated by the extractive sector. Recommended corrective action Disclosure of financial transfers: Ensure that all financial transactions between TdE and the Crown, including grants, loans and dividends, are fully disclosed in a transparent and accessible manner, in accordance with the requirements of the EITI Standard.
Confirmation of royalty transfers: Document and verify the transfer of collected amounts to the trust account of the "Integrated Water Resources Management Fund" to ensure full traceability of financial flows.
Grant Reporting: Clarify the grants received and their use, ensuring that the amounts reported accurately reflect the financial statements, to ensure greater transparency.</td><td>2.6</td><td>TdE
DGTCP</td><td>1</td><td>2.6.1.3</td></tr>
</table>

NO.	Findings	EITI Requirement	Entity concerned	Priority	See Section
10	**Disclosure of data on holdings of Togo Invest Corporation SA in the mining sector**				
	Finding Established in 2012, **Togo Invest Corporation SA** is a state-owned company with missions that include the acquisition of shareholdings and the implementation of strategic investment projects. Its role in the **Ledjoblibo clay deposit large-scale development project**, operated by **ICA Invest** at an estimated cost **of CFAF 7 864 million**, is mentioned on its website. However, **Togo Invest was not identified as a Crown corporation in the EITI scoping report and was not included in the reconciliation scope**. As a result, information on its participation and funding arrangements for this project was not collected. ***Impact*** The absence of Togo Invest in the EITI perimeter limits transparency on its potential contributions in the extractive sector. It also restricts stakeholders' ability to understand the financial flows and benefits associated with its projects, in contradiction with EITI Standard Requirement 2.6, which calls for full disclosure of SOEs' holdings. ***Recommended corrective actions*** • **Formal recognition of Togo Invest:** Identify Togo Invest as a state-owned enterprise in EITI reports and clarify its role in the extractive sector. • **Inclusion in the EITI scope:** Integrate Togo Invest into the scope of the EITI report to allow a comprehensive assessment of its activities and contributions related to the extractive sector. • **Disclosure of participation modalities:** Publish detailed information on Togo Invest's holdings, including for extractive projects, to ensure greater transparency and traceability.	2.6	CP-EITI Togo Invest	1	2.6.1.1.4
11	**Completeness and valorisation of mining and water production data**				
	Finding The 2022 Mining Production Report provides aggregated data without details by permit and without valuation, contrary to the requirements of the EITI Standard. In addition, some companies, such as SOGECAR, SAD, ACI-Togo POMAR and others, paid a mining royalty in 2022 but are not included in DGMG's production statement, suggesting inconsistencies in data collection and reporting. Finally, water production data were not provided.	3.2	DGMG	1	3.2.1

NO.	Findings	EITI Requirement	Entity concerned	Priority	See Section
	Impact The absence of disaggregated and permit-based data limits transparency and makes it difficult to monitor production, thus reducing the ability of stakeholders to verify the accuracy of the data reported by companies. ***Recommended corrective action*** • **Disaggregation of production data**: Provide a detailed production report by permit, including volumes and values of mining substances, with a breakdown by product type, gross and net quantity, and value. • **Reporting of production of non-included companies**: Verify and integrate production data of water companies as well as companies that have paid a mining royalty but are not included in the statement provided by the DGMG. • **Alignment with the basis for the assessment of the fee**: Ensure that the valuation of production is in line with the values used for the assessment of mining fees, ensuring consistency between the data reported and the tax revenue generated.				
12	**Completeness of declarations relating to the marketing tax on precious stones and substances**				
	Finding The model declaration used includes a flow relating to the "Tax on the marketing of precious stones and substances", in accordance with Decree No. 2009-299/PR of 30 December 2009, which sets this exit tax at 4.5% of the mercurial value of precious substances. However, the CDDI did not carry forward any amounts relating to this tax in its unilateral declaration and stated that such a tax does not exist in Togo. This statement contrasts with UN Comtrade data, which shows Togo's gold exports to the United Arab Emirates of about 20.6 tons, worth an estimated US$1.2 billion. The value of the tax that should have been collected is USD 54 million, but it remains uncertain whether this tax is actually applied or whether the exports reported by Comtrade correspond entirely to informal exports from Togo. ***Impact*** This raises questions about the completeness and accuracy of reporting data on financial flows, as well as about the implementation of the regulation on the taxation of precious substances. Lack of clarity on the existence and application of the tax, or lack of its collection, undermines the ability of stakeholders to track revenue flows from exports of precious resources. It could also indicate the potential for tax revenue leakage due to informal practices or inadequate enforcement.	4.1	CDDI CP-EITI	1	

NO.	Findings	EITI Requirement	Entity concerned	Priority	See Section
	Recommended corrective action • **Clarification of the existence and application of the tax**: Verify and clarify with the competent authorities whether the Exit Tax on the marketing of precious stones and substances is actually in force and, if so, the entity in charge of its recovery. • **Improved data collection**: Strengthen mechanisms for collection, reporting and verification of taxes on exports of precious substances to ensure completeness of reported information.				
13	**Transparency of Infrastructure and Barter Supply Agreements**				
	Finding Togo's EITI Steering Committee (CP-EITI) has adopted an expanded definition of barter and infrastructure supply agreements to enhance transparency, including agreements to exchange goods, services or infrastructure for natural resource concessions. In 2022, reporting entities reported no such agreements. However, certain investment agreements, such as that of POMAR-Togo S.A., which contains preferential provisions, such as the use of the mineral wharf at the Autonomous Port of Lomé and the Lomé-Blitta railways, which could correspond to infrastructure supply agreements. These commitments require a thorough assessment to verify their compliance with the criteria of barter agreements according to the EITI standard. Similar clauses are also provided for in the Mining Convention. ***Impact*** The lack of formal disclosure of these commitments reduces the transparency of the economic benefits obtained by extractive companies, in particular POMAR-Togo S.A. and MM Mining., compared to the benefits for the State. This lack of clarity can also create ambiguity about the scale and economic impact of these agreements, limiting the ability to compare with conventional payments, which runs counter to the EITI requirements for full disclosure. ***Recommended corrective actions*** • **Assessment and clarification of State commitments**: Assess the arrangements made in the POMAR and MM Mining investment agreements to identify the elements that meet the criteria of the barter or infrastructure supply agreements, and document them in a transparent manner. • **Transparent disclosure:** Publish detailed information about the government's commitments, the economic counterparties obtained, and how they were implemented.	4.3	CP-EITI	1	4.3.2

NO.	Findings	EITI Requirement	Entity concerned	Priority	See Section
	• **Enhanced dialogue:** Involve CP-EITI members, public entities and relevant companies to ensure clear understanding and disclosure of agreements, in line with the expectations of the EITI standard.				
14	**Disaggregated disclosure of subnational payments**				
	Finding Revenues collected by local and regional authorities from the mining sector include quarrying and mining royalties, quarrying proceeds, other soil and subsoil products, as well as contributions to local and regional development. Although the flows collected are detailed, the revenue collected by the municipalities is not disaggregated by company or project, thus limiting transparency on direct payments made by companies. ***Impact*** The lack of revenue disaggregation has prevented detailed reconciliations to corporate reporting, reducing transparency on financial flows between extractive companies and sub-national entities. This limits the ability of stakeholders to assess the management and use of these revenues, undermining accountability and public oversight, in contradiction with EITI Standard Requirement 4.6, which calls for transparent disclosure of direct payments to local governments. ***Recommended corrective actions*** • **Data disaggregation**: Establish a mechanism to disaggregate revenue collected by local and regional authorities by company, project and type of flow to ensure greater transparency and understanding of direct payments. • **Communication on the use of revenue**: Encourage local and regional authorities to report publicly on the use of revenue collected to allow better public supervision and monitoring of the local impact of extractive revenue.	4.6 4.7	Municipalities	1	4.6.2
15	**Disclosures of income disaggregated by company and project**				
	Observation In 2022, 23% of revenue recovered per project was broken down by project and 89% was broken down by company. A significant proportion of payments payable per project lacked project-specific details. The DGMG, TdE and the Commons did not disaggregate the revenues collected by company and by project, limiting the traceability of revenues. Data from the DGTCP on the mining royalty were not disaggregated by project, while data on the financial contribution to local and regional development were not disaggregated by company. ***Impact***	4.7	DGTCP DGMG	1	7.3

<table>
<tr><th>NO.</th><th>Findings</th><th>EITI Requirement</th><th>Entity concerned</th><th>Priority</th><th>See Section</th></tr>
<tr><td></td><td>This insufficient breakdown by project compromises the ability of stakeholders to accurately assess the revenues from each project, making it difficult to track the revenues generated by specific projects in the extractive sector. Furthermore, this situation does not allow compliance with requirement 4.7 of the EITI Standard.
Corrective Actions
• Incorporation of the permit reference in official documents: Systematically add the permit reference in the liquidation bulletin and the receipt of payment issued by the Municipalities, the DGTCP and the TdE.
• Periodic verification of flow allocation by project: Introduce a periodic verification between DGTCP and the Directorate General of Mines and Geology (DGMG) to ensure a correct allocation of financial flows by project.
• Capacity building on the importance of flows by project: Organise training sessions for managers of financial authorities, municipalities, and companies on the importance of the breakdown of flows by project, and on their role in improving transparency of disclosures.</td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">16</td><td>Completeness and compliance of compulsory social payments</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Finding
❖ Payments under Law 2011-008
Compulsory social contributions as a financial contribution provided for by the Law carried over by the DGTCP and the municipalities have not been broken down by company.
Analysis of deferred contributions shows problems of compliance and transparency. Some municipalities, such as LACS4 and Avé2, have not collected the expected contributions from some extractive companies, and the lack of payment details makes it difficult to identify the companies in default.
One notable case concerns the Commune of YOTO 3, which claims that it never received a contribution from SCANMINES TOGO (SCANTOGO), invoking an agreement between the Togolese State and the German State. However, the exemptions granted to the company under its agreement and the benefits granted to it by decree do not mention an explicit exemption from the contribution to local development provided for by Law No. 2011-008.
❖ Payments under mining agreements</td><td>6.1</td><td>DGTCP
Municipalities</td><td>1</td><td>6.1.1.1</td></tr>
</table>

NO.	Findings	EITI Requirement	Entity concerned	Priority	See Section
	The POMAR investment agreement provides for a minimum annual social contribution of CFAF 60 million. However, since POMAR was not included in the scope of the reporting companies, any contributions made by POMAR were not taken into account in this report. ***Impact*** Failure to pay mandatory social contributions undermines financial support to local communities and reduces the impact of community development projects. The lack of disaggregated data makes it difficult to assess the compliance of extractive companies with their legal obligations, thus running counter to the objective of requirement 6.1 of the EITI Standard. This creates ambiguities as to the rights of municipalities to receive these contributions and reduces the companies' accountability to local beneficiaries. ***Recommended corrective actions*** • **Disclosure of disaggregated data:** Disclose disaggregated contribution data by corporation, licence and reporting year. • **Transparency of exemptions**: Publish documents justifying any exemptions to clarify undertakings' commitments. • **Data verification**: Introduce a social contributions verification procedure to ensure data quality and transparency. • **Inclusion in the EITI scope**: Integrate **POMAR** into the reporting companies scope of future reports, regardless of materiality threshold, for increased transparency.				
17	**Completeness of quasi-fiscal spending disclosures by NTPS and TdE**				
	Finding The SNPT and TdE did not report expenditure explicitly qualified as quasi-budgetary for 2022, although their financial statements reveal significant social expenditure (315.5 million FCFA for SNPT and 22.7 million FCFA for TdE). These amounts, mainly dedicated to social and patronage projects, are not detailed or linked to a formal CSR policy approved by the boards of directors. Furthermore, the financial statements of the NTPS indicate significant financial transactions with the State (tax debts, dividends payable and receivables) without their nature or their conformity with normal operating practices being clearly established. Finally, the available data do not	6.2	SNPT TdE CP-EITI	1	6.3.1 6.3.2

NO.	Findings	EITI Requirement	Entity concerned	Priority	See Section
	allow to determine whether these expenditures meet the criteria for quasi-budgetary expenditures according to the EITI Standard. ***Impact*** The lack of detailed and clear disclosure of social spending and financial transactions limits stakeholders' ability to assess their compliance with fiscal-transparency objectives. This undermines the traceability of financial flows between state-owned enterprises and the state and undermines accountability in the use of extractive sector revenues, in contradiction with EITI Standard Requirement 6.2. ***Recommended corrective action*** • **Definition of quasi-fiscal expenditure**: Clarify the definition of quasi-fiscal expenditure in EITI reports, based on IMF criteria, and establish clear guidelines for their identification and reporting by state-owned enterprises. • **Disaggregation of financial data**: Publish disaggregated details on the amounts spent on social projects, infrastructure and other similar activities, disaggregated by type, beneficiaries and location, in line with the EITI Standard. • **Transparency of financial transactions with the State**: Clarify the nature of significant financial transactions (tax debts, dividends, claims) between the NTPS, the TdE and the State, in order to ensure full transparency and better understanding of these flows by stakeholders. • **To decide on the classification of expenditure**: On the basis of the clarifications obtained, to decide on the nature of the social expenditure of the TdE and the SNPT as well as the financial flows between the State and the SNPT to determine whether they should be considered as quasi-budgetary expenditure.				
18	**Accessibility of environmental assessments and permits**				
	Finding Togolese environmental regulations require environmental and social impact assessments (EIAs) and various monitoring documents to guide extractive projects. However, none of these documents is disclosed in practice, thus limiting transparency and access to information. For example: • The **SEAs** and their review reports shall not be published.	6.4	ANGEL	1	6.5.6

NO.	Findings	EITI Requirement	Entity concerned	Priority	See Section
	• Environmental **certificates of conformity** and **environmental discharges**, although issued by decree, remain unavailable. • The **monitoring and environmental audit reports** shall be confidential and not accessible. ***Impact*** The lack of disclosure of environmental assessments and permits prevents stakeholders from accessing the information necessary to assess the compliance of extractive projects. It also limits the ability to verify the implementation of companies' impact management commitments. ***Recommended corrective actions*** • **Systematic publication**: Create a dedicated platform to make EIAs, environmental compliance certificates, monitoring reports and audits accessible. • **Regulatory Strengthening**: Introduce clear provisions in regulations to require public disclosure of mandatory environmental documents. • **Stakeholder involvement**: Involve local communities and civil society in developing disclosure mechanisms to meet their expectations.				

8.2 Recommendations identified for 2022

<table>
<tr><th>NO.</th><th>Recommendations</th><th>EITI Requirement</th><th>Entity concerned</th><th>Priority</th><th>See Section</th></tr>
<tr><td rowspan="2">1</td><td>Transparency on electricity tariffs and alignment with the energy transition</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Observation
Some extractive companies, such as SCANTOGO, WACEM and SNPT, benefit from preferential tariffs for their electricity consumption, representing around 6% of national consumption in 2022, mainly from fossil thermal energy. Although the tariffs are governed by investment agreements for SCANTOGO and linked to the status of high-voltage wholesale consumers, there is insufficient transparency on how these tariffs are allocated and on the potential economic impact for the State. Moreover, these benefits are not conditional on energy transition objectives, despite the existence of initiatives such as the authorisation granted to SCANTOGO for the installation of a solar power plant.
Impact
The lack of transparency on the tariffs applied to certain extractive sector operators limits the ability of stakeholders to assess their relevance and economic impact. The stability clauses included in some conventions restrict the state’s flexibility to mobilise more funds for the energy transition. Moreover, the use of fossil fuels to provide these companies with preferential rates is not in line with Togo’s climate commitments.
Recommendations
Increased transparency: Publish the criteria for allocating electricity tariffs, the benefits granted in investment agreements and related amounts, as well as estimates of the shortfall for the State.
Clarification of practices: Clarify that the tariffs applied derive from the status of high voltage wholesale consumers, in order to avoid any ambiguity about the benefits of investment agreements.
Economic evaluation: Perform a cost-benefit analysis of applied tariffs to assess their economic impact, relevance, and contribution to business competitiveness.
Conditioning of preferential tariffs: Link the granting of tariff advantages to concrete commitments on energy transition, including the progressive integration of renewable energy in the operations of the beneficiary companies.</td><td>2.1</td><td>CP-EITI
Ministry of Mines and Energy Resources</td><td>2</td><td>2.1.4
2.1.6</td></tr>
</table>

NO.	Recommendations	EITI Requirement	Entity concerned	Priority	See Section
	• **Revision of conventions:** Negotiate flexibility in the stability clauses of investment conventions, allowing for tariff adjustments in line with national climate and economic priorities. • **Tariff harmonisation:** Establish a fair energy policy for the extractive sector, integrating environmental and climate criteria, while preserving the competitiveness of enterprises.				
2	**Improving the transparency of procedures for granting and transferring permits and authorisations in the mining sector**				
	Finding Togo's Mining Code does not explicitly provide for the awarding of mining permits through competitive bidding. The current approach is mainly based on the assessment of the technical and financial capacities of applicants and the analysis of resource exploitation proposals. The granting of research permits often follows the principle of "first come, first served", without being formally regulated, while article 16 of the Code gives priority to holders of research permits to obtain exploitation permits, under certain conditions. Furthermore, the Code lacks precision on the technical and financial criteria required, giving the mining administration a significant margin of appreciation. The documents required to obtain a mining authorisation or title, although specified in the application notes, would benefit from being framed by a regulatory text and from being clearer as to the technical financial criteria used for the assessment of the dossiers. There is also a lack of clarity in the process of transferring securities, including pre-approval, valuation and formal assignment. The absence of implementing legislation to regulate these criteria creates a flexibility that limits transparency. ***Impact*** This can limit the transparency of the permitting process, reduce competitiveness and potentially discourage some investors. The failure to disclose the precise criteria and a formal competition framework fosters the risk of favouritism and subjective judgement by the administration, compromising the attractiveness and capacity of the state to maximise economic benefits. ***Recommendation***	2.2	DGMG	2	2.1.1

NO.	Recommendations	EITI Requirement	Entity concerned	Priority	See Section
	• **Disclose the technical and financial criteria** used for the evaluation of the bidders' dossiers. • **Transparent award procedure:** Clarify permit granting arrangements, including by incorporating competitive tendering mechanisms and making explicit the "first come, first served" principle when applied. • **Clear and objective criteria:** Establish precise guidelines for the required capacities, including minimum and specific standards to be set out in regulatory texts.				
3	**Improving Effective Ownership Transparency in the Extractive Sector**				
	Finding Togolese legislation, including the 2015 Penal Code, the 2022 Finance Law, and Order No. 025/MEF/SG/OTR/CG of 21 February 2022, requires companies operating in the extractive sector to declare their beneficial ownership in order to ensure transparency. However, several shortcomings remain: the beneficial and legal ownership registers, managed respectively by the Office Togolais des Recettes (OTR) and the Register of Commerce and Mobile Credit (RCCM), are not operational to date. In addition, access to ownership information requires a formal request to the court registry, without the possibility of online consultation. The lack of a formal beneficial ownership reporting template and the lack of clarity on the identification of Politically Exposed Persons (PEPs) create grey areas in compliance with EITI Standard Requirement 2.5. ***Impact*** Non-operational registries and lack of public disclosure of beneficial ownership information limit transparency and hamper the ability of stakeholders to monitor ownership and control of extractive	2.5	RTO CCDR. CP-EITI	1	2.5.1

NO.	Recommendations	EITI Requirement	Entity concerned	Priority	See Section
	sector companies. This exposes the industry to risks of inappropriate practices and reduces compliance with the EITI Standard, compromising the governance of the industry. *Recommendations* • **Making registers operational:** Accelerating the establishment and operation of beneficial and legal ownership registers to allow simple, fast and transparent public access. • **Online accessibility:** Enabling online consultation of beneficial ownership information to improve transparency and facilitate access for stakeholders. • **Standardised reporting template:** Develop and publish a standardised reporting template for beneficial ownership, including specific EITI requirements including the identification of PEPs. • **Clarity of obligations on EPPs:** Clarify whether identification of EPPs is required at all levels of ownership or only among beneficial owners, consistent with EITI Standard expectations. • **Strengthening the legal framework:** Establishing implementing legislation for legal provisions and beneficial ownership transparency obligations to ensure effective implementation in line with international standards. These measures will enhance beneficial ownership transparency, deter inappropriate practices, and improve Togo's compliance with EITI requirements.				
4	**Improving the transparency of the NTPS's profit distribution and reinvestment policy**				
	Finding The SNPT recorded a sharp increase in its accumulated profits, reaching CFAF 11.68 billion in 2022, without distributing dividends to the State despite a cumulative amount as at 31 December 2022 of CFAF 10.22 billion as "dividends payable". In addition, the dividends of CFAF 2 billion for 2021 remain unpaid. At the same time, SNPT's cash position doubled to CFAF 121.13 billion, and reinvestment surged to CFAF 44.63 billion in 2022. However, there is a lack of clear communication on the use of this cash, the projects financed, and the alignment of these investments with national objectives, limiting transparency and accountability to the state and stakeholders. **Impact** The lack of effective payment of dividends is likely to affect the State's ability to derive income from the benefits of the SNPT, thus limiting the contribution of these funds to national development objectives. In addition, the lack of information on the use of cash and reinvestments	2.6	SNPT	2	2.6.1.3

NO.	Recommendations	EITI Requirement	Entity concerned	Priority	See Section
	reduces the ability of stakeholders to assess the impact and effectiveness of NTPS financial decisions. This runs counter to the objectives of Requirement 2.6 of the EITI Standard, which calls for transparent disclosure of transfers, reinvestments and financial relationships between the State and its enterprises. **Recommendations** • **Improving transparency on profit distribution policy:** Clarify the reasons for non-distribution of dividends to the State and specify the measures taken to ensure payment of the accumulated dividends in accordance with Article 24 of Decree No. 91-197, which stipulates that dividends must be paid to the public treasury within nine months of the end of the financial year. • **Clarification of treasury management policies:** Publish information on available treasury management, specifying strategic directions and priority projects financed by these funds. This would allow stakeholders to better understand the impact of NTPS financial decisions on economic and social development. • **Transparency of reinvestments:** Regular and detailed reporting on reinvestment projects, including their alignment with national strategic priorities and potential impact. This will demonstrate how these investments support the country's long-term development goals and ensure greater accountability.				
5	**Management of GHG emissions in the extractive sector**				
	Finding: The extractive sector, although it contributes modestly to the national GDP (1.15% in 2022), is a major consumer of fossil fuels, accounting for at least 6% of the national electricity consumption, mostly powered by non-renewable sources. None of the companies interviewed provided published or verified data on their greenhouse gas (GHG) emissions. Only WACEM indicated that it was	3.4	Ministry of Mines and Energy Resources Energy	2	3.4

NO.	Recommendations	EITI Requirement	Entity concerned	Priority	See Section
	in the training phase to integrate emissions management. This lack of transparency reflects a delay in the integration of climate issues in the sector. *Impact:* • **Increasing domestic emissions**: The use of predominantly fossil fuels by the extractive sector increases the national carbon footprint and slows down Togo's climate ambitions, including the 20.51% GHG reduction targets by 2030. • **Competitiveness risk**: This delay in managing GHGs can affect the competitiveness of companies in international markets, where environmental standards are becoming increasingly stringent. • **Missed opportunities**: The lack of efforts to reduce fossil fuel consumption and emissions deprives businesses of access to green finance and energy transition mechanisms. ***Recommendation:*** • **Institutionalisation of GHG management**: Introduce a legal obligation for extractive companies to measure, monitor and publish their annual GHG emissions and fossil fuel consumption. • **Energy transition:** Encouraging businesses to diversify their energy sources by integrating renewable energy sources (such as solar or hydro projects), with emissions taxes to reduce their dependence on fossil fuels. • **Capacity building:** Expanding GHG management training programmes, in collaboration with national authorities and technical partners, to increase transparency and environmental efficiency in the sector.				
6	**Time limits for the liquidation and payment of mining royalties**				
	Finding Annexe III of the Togo Mining Code stipulates that mining royalties must be paid according to specific deadlines, including before export for exported minerals and within the first fifteen months of the month after sale for local production. However, the analysis of royalty payments reveals significant discrepancies. For example, the NTPS did not pay a royalty for its exported production	4.1	DGMG DGTCP	2	

NO.	Recommendations	EITI Requirement	Entity concerned	Priority	See Section
	in 2022, while SCANTOGO and GRANUTOGO paid their royalties due for 2022 in June 2023, well beyond the regulatory deadlines. **Impact** Lack of timely payment of mining royalties and variances in their liquidation affect the government's ability to plan and project government revenues from the extractive sector. This complicates the analysis of payment data against production values, making it difficult to assess the resource mobilisation performance of the extractive sector as a whole and to establish reliable projections. In addition, the lack of visibility on possible benefits or deferrals granted to certain companies limits the understanding of financial flows and may raise concerns about good governance. **Recommendations** • **Enhanced timeliness**: Establish strict monitoring mechanisms to ensure that mining royalties are paid within the timelines set out in the Mining Code, particularly for exported substances and local production. • **Transparency on payment schedules**: Disclose any deferrals or benefits granted to companies in relation to payment schedules of taxes, in order to ensure full transparency and allow for a consistent assessment of resource mobilisation by stakeholders. • **Enhanced controls**: Involve customs and treasury services to systematically verify proof of payment of royalties before any export of mineral substances, in accordance with legal provisions.				
7	**Increased transparency in the disclosure of cost audits and tax audits**				
	Finding In Togo, reports on cost audits and tax audits are not publicly disclosed. The current legal framework, based on the Tax Procedures Book and the General Tax Code, does not provide for a specific mechanism to ensure transparency of costs or to disclose the results of tax audits. In addition, there is no policy on cost monitoring and management of revenue loss risks. Non-disclosure is mainly justified by legal obstacles, including respect for professional secrecy. ***Impact*** The lack of transparency in the disclosure of cost audits and tax audits reduces the possibility for stakeholders to assess the compliance of costs reported by extractive companies and identify possible shortfalls to be collected by the State. This limits the accountability of the entities	4.10	CP-EITI RTO	2	4.10

<table>
<tr><th>NO.</th><th>Recommendations</th><th>EITI Requirement</th><th>Entity concerned</th><th>Priority</th><th>See Section</th></tr>
<tr><td></td><td>concerned and may weaken public confidence in the tax management and governance of extractive revenues.
Recommendations
Develop a privacy-based disclosure policy: Establish a framework for publishing summaries of reports on cost audits and tax audits, while ensuring the confidentiality of sensitive data. Such a framework could include specific guidelines on what information can be made public and mechanisms for stakeholder consultation.
Raise awareness of EITI requirements: Organise workshops for CP-EITI members, tax administration officials and DGMG on the importance of disclosure of audit reports and tax audits in accordance with the EITI Standard. Such sessions could include discussions on the benefits of transparency, framed disclosure options, and legal hurdles to overcome.
Assess legal barriers to disclosure: Conduct an in-depth legal analysis of the constraints related to disclosure of cost audit reports and tax audits to identify solutions to lift or adapt existing restrictions, while maintaining legal confidentiality obligations.</td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">8</td><td>Improving transparency and disclosures of specific allocations of mining revenues</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Finding
The water withdrawal tax, collected by TdE, is supposed to be paid in full to the "Integrated Water Resources Management Fund". In practice, data on the resources and expenditure of this fund are not included in the budget documents, and there is no clear evidence that the fees collected are actually repaid.
The resources collected by the ANGEL, notably from fines and environmental transactions, are used for environmental initiatives. However, information on these revenues and expenditures is not detailed in the government budget reports, limiting public understanding of their use.
Local and regional authorities receive quarrying and mining royalties, the use of which is regulated. However, the authorities' accounts are not publicly accessible, and specific allocations are not incorporated into government budget documents, limiting transparency about their management and use.
Finally, mining operators contribute 0.75% of their annual turnover to local and regional development. These funds are deposited in a specific public treasury account and managed by a tripartite management committee to finance community projects. However, annual activity reports and audits planned to ensure transparency in the use of these contributions are not published,</td><td>5.1</td><td>ANGEL
TdE
DGTCP
Municipalities</td><td>2</td><td>5.1.2</td></tr>
</table>

NO.	Recommendations	EITI Requirement	Entity concerned	Priority	See Section
	limiting public oversight and understanding of the impact of these contributions on local communities. **Impact** The lack of transparency and clarity on the management of contributions to local and regional development, royalties and revenues collected by local authorities, as well as on the use of funds by specific entities such as TdE and ANGE, creates an opacity on financial flows related to the extractive sector in Togo. This lack of visibility limits the ability of stakeholders to assess the management of public funds and hampers effective oversight, while exposing resources to risks of mismanagement. **Recommendations** • **Increased transparency of non-budgetary revenue**: Systematically publish information on revenue generated by public entities and specific allocations, including revenue collected by TdE, ANGA and local and regional authorities. The information should include the amounts, allocation and use of funds, with regular and accessible reports. • **Enhanced monitoring and audit**: Ensure that activity reports and audits of local development contributions, fees collected and special funds are carried out and published on a regular basis, in order to strengthen accountability and public oversight. • **Publication of dedicated funds financial reports**: Ensure that funds such as the Integrated Water Resources Management Fund and the Territorial Communities Support Fund (FACT) publish their annual financial statements, detailing the use of funds and the results achieved. • **Communication with stakeholders**: Establish dialogue and consultation mechanisms to inform stakeholders on the use of natural resource revenues to promote participation, strengthen citizen oversight, and improve public resource management.				
9	**Completeness of projections of future revenues**				

NO.	Recommendations	EITI Requirement	Entity concerned	Priority	See Section
	Finding Togo does not have projections for future extractive sector revenues, as required by the EITI Standard. The lack of data on production levels, project costs and raw material prices, combined with convention-specific tax regimes and significant fiscal and economic benefits, complicates the assessment of the sector's real contribution to the national budget. ***Impact*** The lack of revenue projections and modelling limits: • Transparency about future revenues from the sector. • The capacity for budget planning and for assessing the real contribution of the sector. • The government's room to negotiate fair investment agreements and maximise government revenues. ***Recommendations*** • **Data collection and publication:** Develop a data collection system for revenue modelling (production levels, costs, prices) and publish regular revenue projections in accordance with the EITI Standard. • **Capacity building:** Train stakeholders, including government officials, on modelling and using projections to support negotiations. • **Institutionalisation of projections:** Integrate modelling results into EITI discussions and economic development plans to improve governance of the sector.	5.3	CP-EITI	1	5.3.3
10	**Effective implementation and transparency of the environmental tax**				

NO.	Recommendations	EITI Requirement	Entity concerned	Priority	See Section
	Finding The environmental tax, introduced by Article 54 of the Framework Law on the Environment, is intended to be applied to polluting activities or to the lucrative use of natural resources, with a distribution of its revenue between the State and local authorities along the river. However, as of the date of this report, no decree specifying the amount or the manner of recovery has been issued, rendering the measure inoperative since its inception in 2008. Moreover, Decree No. 2021-023 on the allocation of tax revenue does not mention this tax as income to be shared, and no company or public entity has declared payments in this respect. **Impact** The lack of effective implementation of the environmental tax limits its ability to generate revenue for local development and environmental preservation. This deprives local governments and the state of potentially significant funds to finance environmental management and pollution control initiatives. The lack of a clear framework also weakens the credibility and effectiveness of environmental policies. **Recommendations** • **Adoption of an implementing decree**: Accelerate the adoption of a decree specifying the procedures for calculating, collecting and allocating the environmental tax to ensure its entry into force. • **Inclusion in the tax revenue distribution decree**: Amend decree n°2021-023 to explicitly include the ecological tax among the revenues to be distributed, thus ensuring greater transparency in the management and use of funds.	6.1	Min. de l'Env. ANGEL	2	
11	**Clarify provisions on contribution to local and regional development**				

NO.	Recommendations	EITI Requirement	Entity concerned	Priority	See Section
	Finding Law 2011-008 obliges holders of large and small-scale mining licences and holders **of artisanal mining licences** to contribute to local and regional development, while implementing decree 2017-023 deals instead with holders of large and small-scale mining licences and **operators of building materials.** The regulatory framework is ambiguous as to the specific application of this obligation to holders of artisanal authorisations, and the integration of building material operators which is not explicitly provided for by law. This creates uncertainty about the scope of these obligations and may result in varying interpretations of the contribution. ***Impact*** These inaccuracies can undermine the effectiveness of the mining companies' contribution mechanism, reducing the ability of local authorities to fully benefit from the funds earmarked for their development. ***Recommendation*** **Regulatory Harmonisation:** Clarify and strengthen regulatory provisions to ensure that all classes of operators under the Act are clearly subject to contribution obligations.	6.1	CP-EITI Min. des Mines	2	6.1.1.1
12	**Governance of financial contributions to local and regional development**				
	Finding For 2022, the municipalities collected a total of 1.1 billion CFA francs in contribution to local and regional development, a significant amount for the financing of community projects. However, several shortcomings were identified: • **Lack of prioritisation of areas of intervention**: No clear guidelines exist to direct the use of funds towards specific local or national priorities. • **Lack of a ceiling on management expenditure**: Administrative expenditure is not controlled, which could limit the resources available for projects. • **Insufficient consideration of marginalised groups**: The composition of the management committee does not systematically include representatives of women or marginalised groups. • **Opacity of activity reports and audits**: Although the decree requires their publication, these documents are not always accessible, limiting transparency and accountability.	6.1	CP-EITI Min. des Mines Municipalities	2	5.1.2.2

NO.	Recommendations	EITI Requirement	Entity concerned	Priority	See Section
	Impact These shortcomings reduce the efficiency and fairness in the use of funds, limiting their impact on local communities. Moreover, the lack of transparency weakens stakeholder trust and hinders the assessment of compliance with the inclusive development goal. ***Recommendations*** • **Define strategic priorities**: Develop a framework defining priority sectors for funded projects, in alignment with local development plans. • **Capping management expenditure**: Introducing a maximum threshold for administrative costs to optimise the allocation of funds. • **Ensure inclusion of marginalised groups**: Review the composition of management committees to include representatives of women and other vulnerable groups. • **Assess the impact of projects**: Establish an evaluation mechanism to monitor and measure the results of funded projects.				

8.3 Follow-up to pre-2022 findings and recommendations

NO.	2021 Report Findings	Implementation
1	Improvement in entity form communication declarants and update of the declaration forms	**Ongoing**
2	Difficulty in obtaining EITI data	**Ongoing**
3	Data Submission by Project	**No**
NO.	**Recommendations from previous reports**	**Implementation**
4	Reporting of financial data by project	**No**
5	Failure to publish progress report	**Yes**
6	Inclusiveness of the extractive sector and gender equality	**No**
7	Implementation of an open data policy as part of the implementation of the EITI in Togo	**Yes**
8	Reconciliation of sub-national transfers from local and municipal authorities	**No**
9	Compliance with the mechanism for making reliable the data retained by the EITI Steering Committee	**No**
10	Tracking of export and output gaps	**No**
11	Disclosure of Real Property Data	**No**
12	Implementation of the Real Property Roadmap	**No**
13	Improving traceability and management of sub-national transfers	**Yes**
14	Efficiency of the licencing system	**No**
15	Clearance of export and production discrepancies	**No**
16	Certified financial statements	**No**
17	Lack of data on the craft sector	**No**
18	Lack of implementing legislation for the Mining Code and licencing requirements	**Yes**
19	Lack of employment statistics in the Togolese Republic	**No**
20	Use computerised receipts for all payments to OTR	**Yes**
21	Lack of adequate controls for export operations of mining products	**Ongoing**

NO.	2021 Report Findings	Implementation
22	Lack of statistics on the extractive sector	No
23	Payments relating to the exploitation of water resources not yet in force	No
24	Failure to monitor companies in which the State has a stake	Ongoing

9. Appendices (Excel Files Attached to Report)

Annexe 1 Table of the actual properties of the companies included in the scope

Annexe 2 The nomenclature of flows

Annexe 3 Compilation of the general questionnaire

Annexe 4 List of documents and information to be supplied for the purposes of obtaining permits and of authorisations"

Annexe 5 Illustrative diagram of the procedure for granting research permits

Annexe 6 List of documents and information to be submitted in order to obtain approval for the production, exploitation and marketing of conditioned water

Annexe 7 Table of Mineral Grants in 2022

Annexe 8 Table of water allocations in 2022

Annexe 9 Mining Title Register and Authorisation

Annexe 10 Real Property 2022 Declaration Form

Annexe 11 Table of beneficial ownership of companies included in the scope in 2022

Annexe 12 2022 Export Detail

Annexe 13 List of companies selected for the unilateral declaration

Annexe 14 List of non-extractive companies

Annexe 15 Model of the declaration form

Annexe 16 Compilation of payments

Annexe 17 Profile of companies retained in the reconciliation scope

Annexe 18 Conciliation sheet by company

Annexe 19 Detailed table of compulsory social payments

Annexe 20 Detailed table of voluntary social payments

Annexe 21 Establishment plan by company

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