

Validation of Togo

Assessment of progress in implementing the EITI Standard

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Acronyms

AfDB	African Development Bank Group
ANCE-TOGO	National Alliance of Consumers and the Environment (<i>Alliance Nationale des Consommateurs et de l'Environnement</i>)
ANGE	National Agency for Environmental Management
APIET	The Professional Association of Extractive Industries in Togo (<i>Association Professionnelle des Industries Extractives au Togo</i>)
APR	Annual Progress Report
ASM	Artisanal and Small-Scale Mining
BCEAO	Central Bank of West African States
BO	Beneficial ownership
SAI	Togo's Supreme Audit Institution (<i>Cour des Comptes, CdC</i>)
CDDI	Customs and Indirect Taxation Office (<i>Commissariat des Douanes et Droits Indirects</i>)
CENTIF Togo	National Financial Information Processing Unit (<i>Cellule Nationale de Traitement des Informations Financières</i>)
CEO	Chief Executive Officer
CFE	Business Formalities Centre (<i>Centre de Formalité des Entreprises</i>)
CI	Tax office (<i>Commissariat d'impôt</i>)
CNS	National Supervisory Council (<i>Conseil National de Supervision</i>)
COVID-19	Coronavirus Disease
CP	Steering Committee (<i>Comité de pilotage</i>)
CSO	Civil Society Organisation
DGMG	General Directorate of Mines and Geology (<i>Direction générale des Mines et de la Géologie</i>)
EIA	Environmental Impact Assessments
EITI	Extractive Industries Transparency Initiative
FATAF	Financial Action Task Force
GDP	Gross Domestic Product
HAPLUCIA	High Authority for the Prevention and Fight against Corruption and Related Offences (<i>Haute Autorité de Prévention et de Lutte contre la Corruption et les Infractions Assimilées</i>)
IA	Independent Administrator
IMF	International Monetary Fund
INSEED	National Institute of Statistics and Economic and Demographic Studies
MEM	Ministry of Energy and Mines (<i>Ministère des Mines et de l'Énergie</i>)
MSG	Multi-Stakeholder Group
NGO	Non-Governmental Organisation
OTR	Togolese Revenue Office (<i>Office Togolais des Recettes</i>)

PDGM	Mining Development and Governance Project (<i>Projet de Développement et de Gouvernance Minière</i>)
PEPs	Politically Exposed Persons
RCCM	Personal Property Credit Register (<i>Régistre du Commerce et du Crédit Mobilier</i>)
GMIS	Geological and Mining Information System
SNPT	Togo's National Phosphate Company (<i>Société Nouvelle des Phosphates du Togo</i>)
SOE	State-Owned Enterprise
TdE	Togo's National Water Company (<i>Société Togolaise des Eaux</i>)
TOFE	Table of Central Government Financial Operations (<i>Le Tableau des Opérations Financières de l'État</i>)
UEMOA	West African Economic and Monetary Union
UNDP	United Nations Development Programme
USAID	US Agency for International Development
WACEM	West African Cement

Executive summary

This Validation report presents the findings of the International Secretariat's Validation of Togo which commenced on 1 January 2024. The draft report was finalised for review by the multi-stakeholder group (MSG) on 11 September 2024. Following comments from the MSG received on 16 October, the Validation report was finalised for consideration by the EITI Board. The assessment suggests that Togo has exceeded no EITI Requirements, fully met 12, mostly met 15 and partly met one requirement, with four requirements assessed as not applicable.

Key achievements

- Togo's report presents the Geological and Mining Information System (GMIS), a tool that contributes to improving the governance of the mining sector. Lodged within the General Directorate of Mines and Geology (DGMG) under the Ministry of Energy and Mines (MEM), this system enhances the monitoring of permits and licences. Togo also has an online cadastre systematically disclosing license holders, a major innovation since the previous EITI Validation.
- EITI Togo undertook a corruption diagnostic using NRGi's tool which highlighted corruption risks in the governance of the mining sector. Togo is the first country in the region to issue such a report. The report provides an overview of three key areas of concern and concrete recommendations to address each risk. The key corruption risks identified include the lack of transparency in state participation in mining companies, suspicious equipment rental practices and unclear beneficial ownership.

Areas for development

- The state-owned enterprise Société Nouvelle des Phosphates du Togo (SNPT) is a key actor in Togo's mining sector, given its estimated phosphate extraction value. Transparency practices are key to inform citizens of the revenues generated and the management of the company. SNPT previously routinely publish its audited financial statements and sales, which was a notable progress for the implementation of the EITI in Togo, as noted during the previous Validation. However, this good practice stopped, and it is unclear why. The government's commitment to the EITI should encourage it to take steps to effectively re-establish these disclosures to enable greater transparency and accountability in the management of state-owned enterprises in the extractive sector. SNPT could provide information on its sale of phosphate, which would allow the public to determine if the country is getting a good valuation for its key extractive commodity.
- While subnational contributions have been a priority for Togo in recent years, current disclosures through EITI reporting are confusing and incomplete. There is lack of clarity on the types of subnational direct payments and their legal basis, on the types of mandatory environmental payments and social expenditures, and the absence of data quality assurance for these payments. Togo should clarify the applicable legislation, assess the materiality of the payments and disclose them while ensuring that the data quality and assurances defined for those disclosures are adhered to.
- Togo should publicly disclose the beneficial and legal owners of all corporate entities that apply for or hold a participating interest in mining licenses. Despite there being

knowledge in the company registry on the importance and usefulness of collecting this information for strengthening tax collection and identifying leakages, as well as recommendations in the anti-corruption report of governance risks, there has been very limited progress in establishing the necessary legal framework and routines to collect beneficial ownership information, including identifying politically exposed persons (PEPs) as potential license holders. Publication of both legal and beneficial owners has been limited to some reporting entities rather than to all companies holding licenses. The multi-stakeholder group (MSG) has not yet reviewed the comprehensiveness and reliability of existing disclosures.

Progress in implementation

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

Stakeholder engagement

The Government of Togo, through its Minister of Mines, regularly leads MSG meetings and takes part in EITI activities. Operational support by the government for implementation remains fairly low, with only 15% of the work plan being funded by government sources. Higher-level public endorsement and proactive engagement to resolve disclosure bottlenecks, particularly concerning state-owned enterprises’ financial statements (especially SNPT) and beneficial ownership disclosures are needed. Industry engagement is functioning, with active representation from various sectors and clear nomination procedures, ensuring no significant obstacles to involvement. Civil society’s engagement is commendable, with transparent nomination processes and active participation. However, concerns about civic space restrictions exist and need monitoring to prevent future challenges.

The multi-stakeholder group (MSG) functions effectively with diverse representation and inclusive decision-making processes. To ensure accountability and fairness, terms of reference must be more explicit on the mandate of the EITI and the MSG must review and codify its per diem policy to safeguard its trustworthiness.

Transparency

Togo’s transparency achievements include ensuring public access to comprehensive information about the extractive sector, including significant exploration activities. To strengthen exploration disclosures, Togo should systematically disclose information on exploration. The extractive sector’s contribution to the economy is well-documented, providing a clear understanding of its impact on GDP and exports. To further improve these disclosures, Togo could include references to government or third-party estimates of informal artisanal and small-scale gold mining for the fiscal year under review. Public documentation outlining, laws, taxes, licenses, and government roles, provides a clear overview of the regulatory framework governing extractive industries.

This Validation report considers the mining and quarrying sector, as there are no active oil and gas licenses in the year under review. Although most contracts are publicly accessible, there are still gaps in the comprehensiveness and accessibility of licenses and contracts. Togo could draft summaries of main legal and fiscal legislation to improve understanding and ensure systematic disclosure of licenses and contracts through portals that are continuously updated. Given the interest of civil society in the impacts of mining activities on the environment impact management and monitoring information could be strengthened. Togo discloses mining licenses

through an online cadastre. For the period under review it has not assessed weaknesses and possible non-trivial deviations. Some concerns about the reliability of the information contained in the cadastre remain. Steps to disclose beneficial ownership are progressing, but significant institutional weaknesses, gaps in disclosures as well as data reliability issues persist.

Transparency in state participation and SOE management has regressed since the last Validation. This area needs more attention, especially regarding transfers of funds and the availability of public audited financial statements. Togo could gain a better understanding of the valuation of its phosphate industry if it resumed publishing sales figures, ideally including buyer information.

Regarding production disclosures, Togo provides detailed disclosures on mineral production, including estimates of artisanal and small-scale mining. However, export and production data needs estimates of informal sector contributions and gold smuggling. There are opportunities for the relevant government entities to systematically disclose production volumes and values for all mineral commodities produced.

Although comprehensive tax and revenue disclosures exist, project-level data and systematic disclosures need strengthening. Togo should provide links to relevant financial reports for payments not recorded in the national budget to ensure the traceability of all material payments. For revenue management, clarity on the management of local development funds and royalty payments is needed. Togo should clarify which subnational transfers relate to extractive sector revenues and disclose any discrepancies between the revenue-sharing formula and the actual amount transferred. Additionally, Togo should describe all mandatory and voluntary social and environmental expenditures that apply to extractive companies, ensuring comprehensive reporting in line with the materiality definition adopted for those payment streams.

Outcomes and impact

Togo's multi-year work plan is aligned with national priorities, but these are not sufficiently operationalised and linked to the yearly activity plans, which are more inward-looking on EITI reporting. Issues particularly in addressing issues like beneficial ownership, SOE transparency and artisanal mining require clearer follow-up. Requirement 7.1 on public debate showcases commendable strides in facilitating public debate with increased communication efforts. Yet, addressing crucial topics such as environmental impacts and artisanal mining management constitutes an area of improvement. Stakeholders expressed satisfaction but advocated for broader discussions to include these topics. In terms of data accessibility, there is an opportunity for Togo to further enhance accessibility by publishing more data in open formats, particularly at the government and corporate levels, building on the open data policy that was published in 2016. Togo EITI's work illustrates progress in identifying and addressing gaps in EITI implementation. However, there is room for improvement in implementing recommendations from reports, necessitating a more robust mechanism to ensure practical effectiveness. Togo demonstrated commitment to reviewing outcomes and impact. It should do this on a more regular (annual) basis and ensure it reflects progress towards outcomes and objectives. Nonetheless, efforts to engage stakeholders for impact assessment are commendable. Moving forward, there is a clear call for concrete activities in annual work plans that robustly support national priorities, broader engagement to foster public debate, prioritisation of key data sets, the establishment of effective mechanisms for tracking recommendations, and active integration of stakeholders' perspectives into outcome and impact reviews.

Validation scorecard

Component & module	EITI Requirement	Progress	Score
Overall score		Moderate	74/100
Outcomes and impact	Extra points: Effectiveness and sustainability indicators		0
	Work plan (#1.5)	Mostly met	60 =
	Public debate (#7.1)	Fully met	90 =
	Data accessibility and open data (#7.2)	Fully met	90 =
	Recommendations from EITI (#7.3)	Fully met	90 =
	Outcomes & impact (#7.4)	Mostly met	60 ↓
Outcomes and impact		Moderate	78
Multi-stakeholder oversight	Government engagement (#1.1)	Mostly met	60 ↓
	Industry engagement (#1.2)	Fully met	90 =
	Civil society engagement (#1.3)	Fully met	90 =
	MSG governance (#1.4)	Mostly met	60 =
Stakeholder engagement		Moderate	75
Overview of the extractive industries	Exploration data (#3.1)	Fully met	90 =
	Economic contribution (#6.3)	Fully met	90 =
Legal and fiscal framework	Legal framework (#2.1)	Fully met	90 =
	Contracts (#2.4)	Mostly met	60 -
	Environmental impact (#6.4)	Not assessed	- -
Licenses	Contract and license allocations (#2.2)	Mostly met	60 ↓
	License register (#2.3)	Mostly met	60 ↓
Ownership	Beneficial ownership (#2.5)	Partly met	30 -
State participation	State participation (#2.6)	Mostly met	60 ↓
	In-kind revenues (#4.2)	Not applicable	- -
	SOE transactions (#4.5)	Mostly met	60 ↓
	SOE quasi-fiscal expenditures (#6.2)	Not applicable	- -
Production and exports	Production data (#3.2)	Fully met	90 =
	Export data (#3.3)	Mostly met	60 ↓
Revenue collection	Comprehensiveness (#4.1)	Fully met	90 =
	Barter agreements (#4.3)	Not applicable	- -
	Transportation revenues (#4.4)	Not applicable	- -
	Disaggregation (#4.7)	Mostly met	60 ↓
	Data timeliness (#4.8)	Fully met	90 =
Revenue management	Data quality (#4.9)	Fully met	90 =
	Distribution of revenues (#5.1)	Mostly met	60 =
	Revenue management & expenditures (#5.3)	Not assessed	- -
Subnational contributions	Direct subnational payments (#4.6)	Mostly met	60 ↓
	Subnational transfers (#5.2)	Mostly met	60 ↓
	Social and environmental expenditures (#6.1)	Mostly met	60 ↓
Transparency		Fairly low	69.5

How EITI Validation scores work

Component and overall score

The three components of EITI Validation – “Transparency”, “Stakeholder engagement” and “Outcomes and impact” – each receive a score out of 100. The overall score represents an average of the component scores.



Assessment of EITI Requirements

Validation assesses the extent to which each EITI Requirement is met, using five categories. The component score is an average of the points awarded for each requirement that falls within the component.



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

Where the evidence does not clearly suggest a certain assessment, stakeholder views on the issue diverge, or the multi-stakeholder group disagrees with the Secretariat’s assessment, the situation is described in the assessment.

1. Effectiveness and sustainability indicators

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

1.1 National relevance of EITI implementation

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

Togo EITI's implementation addresses some nationally relevant challenges within its extractive industry. In 2023, Togo EITI, in collaboration with the International Secretariat, commissioned a report on how the country's EITI disclosures can prevent and combat corruption in the Togolese extractive sector. Furthermore, Togo EITI conducted a [study on mining titles](#) in 2020. The multi-stakeholder group collected information from municipalities on revenues which had been reallocated to them from extractive company tax payments for the first time in the 2021 EITI reporting. The following taxes were concerned: quarry royalty, compulsory contribution from the SNPT, and direct payments to municipalities and local precincts.

The work plans of Togo EITI (2022, 2023, 2024), outline general objectives in line with national development priorities. However, these objectives tend to narrowly focus on the EITI process rather than addressing broader national priorities, as outlined in the National Development Plan and those set out in its multi-year work plan covering 2021-2025 (see *Requirement 1.5*). The annual work plans overlook key concerns of national stakeholders, including beneficial ownership disclosures, social and economic contributions, environmental mitigation, and critical aspects of the value chain such as artisanal and small-scale mining or illicit gold flows. For example, no work plan activities aim to address gaps in beneficial ownership disclosures. Consequently, these activities fail to ensure systematic public accessibility to beneficial ownership disclosures and the establishment and analysis of the mandated beneficial ownership registry.

The Secretariat proposes that zero additional points be added to the score on Outcomes and impact for this indicator.

1.2 Systematic disclosures of extractive industry data

This indicator considers the extent to which extractive sector data is disclosed systematically through routine government and corporate reporting.

Togo has made commendable strides in ensuring open data disclosures through its EITI reporting. The country made progress in providing detailed and accessible information on mining exploitation, exploration, and research permits and licenses, including those for the artisanal and small-scale mining sector. Open data disclosures are facilitated through the Togolese administration's public service website (Service Public de l'administration togolaise), which clearly describes the procedures involved. The General Directorate of Mines and Geology (Direction Générale des Mines et de la Géologie, DGMG) has taken a proactive step by publishing data through the [new geological and mining information system](#) (Système d'Information Géologique et Minier, GMIS), which links to a map of mineral resource distribution and the mining cadastre (Portail du Cadastre Minier de la République Togolaise). The mining development and governance project (Projet de développement et de gouvernance minière,

PDGM) website, established in 2021, also contributes significantly by providing a comprehensive list of mining permits spanning from 2017 to 2022. The Court of Audit (la Cour des Comptes) publishes reports on Finance law implementation through 2021, along with annual budget laws, the latest covering 2019. The Ministry of Finance (Office Togolais des Recettes, OTR) releases performance reports covering 2018 to 2022. Togo's company register (Centre de Formalité des Entreprises, CFE) publishes the legal framework regulating companies, including, for example, Law No. 2018-004 of May 4, 2018, concerning the fight against money laundering. It also provides limited information on registered companies, including their name, activity, start of operations, and legal form.

While Togo has achieved significant milestones in transparency and open data disclosures, there are areas for further improvement. Although the public service website offers valuable information, the EITI report does not mention its existence, suggesting that the Independent Administrator may not review the data published online. The continuity of systematic disclosures on the PDGM website is uncertain since the World Bank support for the project has ended, and the latest work plans do not include activities to promote these disclosures or further systematic disclosures. Togo does not systematically disclose mineral production data, and while the legal framework is published, more detailed company information could further enhance transparency.

The Secretariat proposes that zero additional points be added to the score on outcomes and impact for this indicator.

1.3 Environment for citizen participation in extractive industry governance

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

Consultations revealed no obstacles for citizens to express their views on extractive industry governance, provided they have the financial and technical capacity to do so. Stakeholders mentioned a decree requiring NGOs to align their activities to the government's development priorities and to notify local officials of their activities went into effect in April 2023, raising concerns within civil society although stakeholders involved in the EITI process have indicated that they are not affected by such measures and appear to be able to operate freely concerning the EITI process. Civil society organisations outside the MSG confirmed that the nomination process to the EITI was open, as the national secretariat had published a public call for interest and applications in the media. No specific recent legislation has contributed to establishing or reinforcing an enabling environment for citizen participation in extractive sector governance.

The Secretariat consequently proposes that zero additional points be added to the score on outcomes and impact for this indicator.

1.4 Accessibility and use of extractive industry data

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

In Togo, extractive industry data is predominantly disclosed through EITI reporting. Accordingly, Togo EITI publishes summary data and the data presented in the EITI report as an Annex to each EITI report on its [website](#). The data is published in Excel files, and, as a result, provides open

access to revenue data covering the fiscal years 2010-2021. However, no other open datasets for additional data points have been made available beyond these resources.

Through its anti-corruption project, Togo EITI used EITI data to analyse contract disclosures in the mining sector, beneficial ownership and social expenditures. Notwithstanding these recent efforts, and the availability of such data, its use for analysis, research, and advocacy purposes remains low. Despite 14 years of EITI implementation, Togo has yet to fully leverage this data for comprehensive analyses such as time series assessments, revenue forecasting, and tracking project-level payments. By focusing primarily on producing and disseminating EITI Reports, Togo missed the opportunity to use various EITI datasets and improve their accessibility.

The Secretariat proposes that zero additional points be added to the score on Outcomes and impact for this indicator.

1.5 EITI-related changes to extractive industry policy and practice

This indicator considers the extent to which EITI has informed changes in extractive sector policies and practices. Multi-stakeholder oversight of Togo EITI’s mechanism for following up on EITI recommendations has progressed in Togo and functions well (see *Requirement 7.3*). However, progress on follow-up on recommendations from EITI reports and EITI implementation remains low. Togo mandated a legal framework for beneficial ownership disclosures through by-law (“arrêté”) [n°25 /MEF/SG/OTR/CG](#) “specifying the procedures for identifying, declaring and retaining information on beneficial owners.” The by-law provides for a central beneficial ownership register operated by the financial administration but does not provide for public disclosures.

The Secretariat proposes that zero additional points be added to the score on Outcomes and impact for this indicator.

2. Outcomes and impact

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

Progress by requirement and corrective actions

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

EITI Requirement and assessment	Summary of progress in addressing the EITI Requirement
Work plan (Requirement 1.5) <i>Mostly met</i>	The International Secretariat’s assessment is that Requirement 1.5 is mostly met, as in the previous Validation while stakeholders consider it fully met. The objective of this requirement is to ensure that the annual planning for EITI implementation supports the implementation of national priorities for the extractive industries while laying out realistic activities that are the outcome of consultations with the broader government, industry and civil society constituencies. The annual EITI work plan should be a key accountability document for the MSG vis-à-vis broader constituencies and the public. The Secretariat is of the view that the work plan does not sufficiently translate the priorities as identified in the multi-year work plan objectives into the annual work plan.

	<p>The 2024 work plan is integrated into a well-designed and comprehensive five-year action plan spanning 2021 to 2025. The presentation of most activities in the 2024 work plan is focused on internal EITI operations, such as publishing EITI Reports, governing the MSG and the country's Validation. However, the link between the activities in the multi-year work plan and the most recent annual work plans (2023 and 2024) remains unclear regarding activities in key areas of EITI implementation.</p> <p>The 2024 work plan is fully costed and time-bound, totalling just under USD 1 million, but indicates a lack of funding. Notably, the government's planned contribution amounts to less than 15%, while funding from the AfDB constitutes 25% of the total. The work plan includes activities for publishing and disseminating EITI Reports, MSG governance and stakeholder participation. The plan includes several capacity-building activities for MSG members, companies and government.</p> <p>The 2024 work plan and the multi-year action plan have been developed with input from all constituencies and beyond. Stakeholder consultations found that the process for preparing the multi-year action plan and the annual work plan update was transparent and inclusive, incorporating the views of members of each constituency. Stakeholder consultations on the objectives of the work plan were conducted. For example, a workshop in the Tsévié municipality was held in August 2021 on the draft 2021-2025 action plan. The 2023 and 2024 work plans make general connections to national priorities. It references the objectives of the National Development Plan (the 2020-2025 government roadmap), aiming to enhance the extractive sector's significance for the economy, particularly in exploration, output, and investment. Chapters 21 and 22 of the National Development Plan focus on the mining sector, emphasising the need to develop the phosphate upstream sector and map mining resources in the country. However, while the five-year action plan covers most aspects of the EITI Standard, recent work plans (2023 and 2024) fail to address several priorities identified by stakeholders, such as beneficial ownership, social and economic contributions, and environmental impact mitigation. Additionally, none of the activities in the 2023 or 2024 work plans address artisanal and small-scale mining (ASM) or illicit gold flow topics. The annual work plan does not address the legal barrier to beneficial ownership disclosures either and contains minimal activities to promote systematic disclosures. These gaps impede Togo from achieving the overall objective of ensuring that annual EITI planning aligns with national priorities for the extractive industries.</p> <p>The 2021-2025 action plan refers to the follow-up of recommendations and has formulated actions in the work plan based on their tracking of the status of recommendations from the Validation and previous EITI Reports. The yearly work plan should be used as a tool to revisit the prioritisation, update it given changing conditions and factors, and ensure the prioritised recommendations are translated into activities that can result in the expected outcome.</p> <p>In its comments on the draft Validation report, the MSG agrees with the International Secretariat's assessment and notes the forthcoming increase in government funding for EITI implementation activities.</p>
<p>Public debate (Requirement 7.1) <i>Fully met</i></p>	<p>The International Secretariat's assessment is that Requirement 7.1 is fully met, as in the previous Validation. Most consulted stakeholders considered that the objective to enable evidence-based public debate on extractive industry governance through active communication of relevant data to key stakeholders is fulfilled. While there is room for stepping up efforts, several activities were undertaken to disseminate EITI Reports in local languages, and the findings of the anti-corruption report were covered in the media.</p>

	<p>EITI Reports released during the reviewed period (2018-2021) were posted on the Togo EITI website. Although the MSG did not generate written summaries of EITI Reports, it conveyed findings through dissemination missions, including in two local languages. Despite the slowdown in EITI communication efforts due to the COVID-19 pandemic, there are indications of active dissemination events, notably in 2023, where civil society and the press were involved. Several stakeholders cited financing and resource constraints as barriers to further dissemination and awareness activities but expressed overall satisfaction with current communication efforts.</p> <p>Constituency representatives contributed to Togo EITI's communication efforts through an anti-corruption project, culminating in a report publication in December 2023. Throughout the anti-corruption project and its report, there is evidence of civil society using extractive data, on topics such as contract disclosure in the mining sector. As part of the project, the EITI engaged various stakeholders who are involved in Togolese anti-corruption efforts, particularly the High Authority for the Prevention and Fight against Corruption and Related Offences (HAPLUCIA), the National Financial Information Processing Center (CENTIF Togo), the Court of Auditors (CdC), the Personal Property Credit Register (RCCM), the Togolese Revenue Office (OTR), and the two SOEs in the mining sector, TdE and SNPT. Launched in December 2022 with funding from USAID, this project used EITI data (with the 2021 EITI report as the main reference) and inputs from relevant national institutions and companies to diagnose corruption risks in the Togolese extractive sector and propose recommendations to counter these risks. Through the project, Togo EITI facilitated workshop events supported by civil society and government representatives.</p> <p>The national secretariat includes a communication team tasked with overseeing EITI communication, and the design of a Communication Strategy is included in the 2024 Work Plan (activity 3.14). In practice, there is documentation of press articles and radio programs¹ where EITI stakeholders discuss and raise awareness about transparency in the extractive industries. There is some evidence of the MSG explicitly considering the information needs and access challenges of different stakeholder groups, and Togo EITI appears to have prioritised outreach to relevant government agencies and civil society, including communities hosting extractive activities. Stakeholder consultations highlighted the need for capacity building within government agencies and at the local level to facilitate increased use of EITI data and findings.</p>
<p>Data accessibility and open data (Requirement 7.2) <i>Fully met</i></p>	<p>The International Secretariat's assessment is that Requirement 7.2 is fully met. Consulted stakeholders did not provide specific feedback on progress towards the objective of data accessibility. From the Secretariat's perspective, the objective of facilitating broader use of EITI data has been achieved.</p> <p>Togo EITI established an open data policy in 2016. EITI Togo ensures that data contained in PDF reports are accompanied by Excel files containing figures and tables of the report. Summary data files are regularly submitted. There are opportunities for increasing the volume of data available in open format on the EITI national website and through systematic disclosures. Both government and extractive companies have limited availability of extractive sector data published in an open format.</p>
<p>Recommendations from EITI implementation (Requirement 7.3) <i>Fully met</i></p>	<p>The International Secretariat's assessment is that Requirement 7.3 is fully met, as for the previous Validation. Togo EITI has advanced in pinpointing and addressing the causes of information gaps or discrepancies in EITI implementation and has made progress in responding to the Independent Administrator's recommendations. Mechanisms within the MSG to monitor</p>

¹ <https://itietogo.org/web/audiotheque/>

	<p>recommendations and discrepancies are in place and operational. In particular, the 2021-2025 action plan makes clear reference to the follow-up of recommendations and has formulated actions in the work plan based on their tracking of the status of recommendations from the Validation and previous EITI Reports.</p> <p>Stakeholders consulted and the Outcome and Impact template of this Validation indicate that the objective is nearly achieved, while the supporting documentation indicates rather that the requirement is fully met. The MSG, supported by the Togo EITI national secretariat, appears to function as the primary mechanism for tracking recommendations from EITI Reports and Validations. The 'Outcomes and Impact' template and the 2021 EITI Report set out the mechanism for identifying, investigating, and addressing gaps in EITI reporting, and the recommendations from thematic studies and EITI Reports, along with corrective actions. In particular, when preparing the multi-year work plan, EITI Togo has collected recommendations relating to EITI implementation and good governance in the extractive sector, analysed the recommendations of the second Validation report, the EITI reports and the report of the 2017 self-assessment workshop. Additionally, MSG meeting minutes reveal efforts to address implementation gaps following the publication of previous EITI Reports, including meetings with key government agencies and departments.</p> <p>The 2021 EITI Report features a table listing 21 recommendations and their progress. Nine recommendations remain unaddressed, nine are in progress, and two have been fully implemented. A central recommendation from the 2023-2024 work plan and MSG meetings emphasises capacity building for stakeholders, particularly MSG members, civil society from national and local communities, and civil servants. However, little progress has been made in significant implementation areas, such as contract disclosure, cadastre efficiency, beneficial ownership, or gender. While Togo's five-year action plan acknowledges the need to implement recommendations, concrete activities are lacking in the last annual work plan.</p>
<p>Review the outcomes and impact of EITI implementation (Requirement 7.4) <i>Mostly met</i></p>	<p>The International Secretariat's assessment is that Requirement 7.4 is mostly met, representing a regression from the previous Validation. While the Multi-Stakeholder Group (MSG) had previously maintained a consistent practice of publishing annual progress reports (APRs), this practice has not been continued for 2022 and 2023. Consequently, the Secretariat considers that the objective is only mostly achieved. In its response to the draft assessment, the MSG noted that it had in the meantime published the 2022 progress report and that the submission of the outcomes and impact template for the Validation covered 2023. While the International Secretariat welcomes the comprehensive review of activities and expenditures for 2022, it notes that the MSG has not yet reviewed the outcomes and impact of its activities against the objectives set in the 2023 work plan.</p> <p>The Togo EITI website contains nine annual progress reports (2013-2022). The 2022 and 2023 APR are noted in preparation for the last annual work plan (see activity 4.6). The latest Annual Progress Report, covering 2022, includes a section on the assessment of the implementation of the 2022 work plan, identifies the strengths and weaknesses of the implementation of the EITI Standard in Togo and documents the progress made in following up on the corrective measures arising from Togo's second Validation (see Annex 1, pp. 30). This report also provides a summary of EITI activities in 2022, developed as part of the 2021-2025 Action Plan. This more thorough progress report and reflection seems to have been elaborated in connection with the preparation of the 2021-2025 work plan.</p>

	<p>Stakeholders beyond the MSG appear to have been consulted regarding the outcomes and impact of the EITI ahead of the preparation of the 2021 Annual Progress Report, as outlined in section 3.2 of the report. Civil society stakeholders confirmed their involvement in preparing the 2021 APR.</p> <p>EITI implementation, progress towards objectives, reflection on whether the activities achieved the desired outcomes, and consideration of the changing context (sector and political environment) must be revisited annually to ensure the EITI remains an effective intervention in the national context. Hence EITI Togo should build on its existing practice, link it with follow-up on recommendations and note the lessons learned.</p> <p>For 2022 it remains unclear if all constituencies provided input to the annual review of progress. By November 2024, the MSG had not yet published a review of progress and reflection of impact for 2023.</p>
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New corrective actions and recommendations

- In accordance with Requirement 1.5, Togo should include concrete and feasible activities in its annual work plan to support the implementation of national priorities, as outlined in its five-year action plan.
- To strengthen implementation of Requirement 7.1 Togo is encouraged to finalise its communications strategy, to revisit it regularly and to ensure it is sufficiently funded. EITI Togo could consider targeting communications towards topics raised by stakeholders, such as environmental ramifications of extractive industries, artisanal mining and management of state-owned enterprises (SOEs).
- To strengthen the implementation of Requirement 7.2, Togo is encouraged to expand the volume of data available in open format.
- To strengthen the implementation of Requirement 7.3, Togo should clearly identify which recommendations from reporting, Validation and thematic reports, such as of the corruption diagnostic it wishes to prioritise and ensure that the follow-up is regularly monitored. EITI work planning can be used to revisit that prioritisation, and activities which need to be undertaken should be captured in the work plan.
- In accordance with Requirement 7.4, Togo should regularly seek and document stakeholders' perspectives on the EITI process and its impact, integrating these views into the annual review of outcomes and impact. The annual progress reports should be published annually.

3. Stakeholder engagement

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

Progress by requirement and corrective actions

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

EITI Requirement and assessment	Summary of progress in addressing the EITI Requirement
<p>Government engagement (Requirement 1.1) <i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 1.1 is mostly met, which is a regression from the previous Validation. The objective of ensuring a full, active and effective government lead, through both high-level political leadership and operational engagement, is mostly fulfilled. Consulted stakeholders considered that there was room for the government to demonstrate more engagement in terms of funding. The International Secretariat found that the low and unchanged level of funding and the lack of support in solving issues regarding implementation are barriers for the objective to be fully met.</p> <p>Implementation in Togo is overseen by two EITI entities: the National Supervision Council (CNS) and the Steering Committee (CP). The Prime Minister is the head of the CNS, which is composed of several ministers, representatives from companies and civil society. The CNS’s mission is to establish the political and strategic orientations of the EITI implementation in the country. Although it is supposed to meet twice a year by decree, only one meeting was noted for the period under review, on 28 December 2023. However, the stakeholders consulted did not see this lack of meetings as a lack of commitment on the part of the government, as they felt that the CP was effectively fulfilling the role of the CNS. The CP is considered in Togo as the multi-stakeholder group. The MSG Chair is the Minister of Energy and Mines. Appointed in 2020, she has regularly led the CP meetings during the period under review. According to stakeholders, the Minister shares regular reports on the progress of EITI implementation with the Prime Minister. Senior government individuals from various ministries and government agencies compose the government constituency of the CP and some of them, from the mining, environmental or revenue authorities, have taken part in regional outreach activities. There is little evidence that government agencies use EITI data. Similarly, there is no clear evidence of public declarations of support for the EITI by high-level political leadership in recent years. In its response to the draft Validation report, the MSG notes that the Prime Minister had made a statement in support of the EITI at the last NSC meeting on 28 December 2023 in Lomé, which was televised in December 2023 and therefore considers that the score merits improvement. While the Secretariat recognises the continuity of the government's commitment through the meeting of the National Supervisory Council at the end of December 2023, it maintains that the objective has largely been met in the absence of concrete operational developments, as noted below.</p> <p>At the operational level, the financial support that the government provides to the EITI implementation has not increased during the period under review. The government only covers 15% of the implementation budget. Government sources indicated during consultations that there are ongoing discussions to increase the amount of financial support from the government. Furthermore, EITI implementation requires government officials and leadership to resolve some constraints on public disclosure of information. These include the</p>

	<p>audited financial statements of the state-owned enterprise SNPT, the reasons for the non-renewal of SNPT's mining permit, the closure of the Directorate-General for Geology and Mines' website, and the beneficial ownership registry.</p>
<p>Industry engagement (Requirement 1.2) <i>Fully met</i></p>	<p>The International Secretariat's assessment is that Requirement 1.2 is fully met, as in the previous Validation. The objective to ensure that extractive companies are fully, actively and effectively engaged in the EITI, both in terms of disclosures and participation in the work of the MSG, and that the government ensures an enabling environment, is fully met. Stakeholder consultations and available documentation indicate that the objective has been fully met despite varying engagement levels from extractive companies.</p> <p>Representation of companies to the MSG reflects the structure of the extractive sector in Togo: The hydrocarbons, phosphates, limestone, iron and marble sectors have two representatives; the precious minerals and water sectors have two representatives; the building materials sector has one representative; and the Professional Association of Extractive Industries in Togo (APIET) has one representative. In practice, three out of the five companies within the scope of the 2021 report are part of the industry constituency: the state-owned Société Nouvelle des Phosphates du Togo (SNPT), WACEM and Société Togolaise des Eaux (TdE).</p> <p>Industry representatives have raised no obstacles to participating in the EITI process and indicated that they participate fully, actively and effectively. Additionally, all five companies in the scope of the report have participated in reporting by submitting their data templates. The participation of the industry constituency in MSG meetings is generally high, especially for state-owned enterprises. All companies within the scope of the 2021 report have provided their declaration template.</p>
<p>Civil society engagement (Requirement 1.3) <i>Fully met</i></p>	<p>The International Secretariat's assessment is that Requirement 1.3 is fully met, as in the previous Validation. This requirement aims to ensure full, active, and effective engagement of civil society in the EITI process, leveraging transparency for enhanced accountability and better governance of natural resources. Stakeholders within the MSG, including civil society, view this objective as fulfilled and civil society as highly engaged. Stakeholder consultations and documentation review the Secretariat found very uneven levels of engagement of constituency representatives in the EITI process. While the International Secretariat has not identified a breach of the Protocol: Participation of civil society² developments under the period under review (2020-2024) raise concerns about the enabling environment for civil society members engaged in EITI implementation to raise sensitive issues. Some civil society members voiced concerns about tightening civic space but noted that this has had no effect on their involvement on speaking on the governance of extractive resources. The MSG is strongly encouraged to actively monitor the environment for civil society participation in extractive industry governance to ensure it remains safeguarded. In terms of engagement in EITI implementation, civil society capacity needs strengthening to allow more meaningful contributions of all constituency members of the MSG.</p> <p>Composition and nomination procedures: The civil society nomination procedures are detailed in the assessment of Requirement 1.4. On composition, the National Supervision Committee includes one full member and one alternate member from civil society while the Steering Committee has seven full members and seven alternates, representing various CSOs, state-owned media, private media, the National Assembly, and trade unions. The Decree institutionalising EITI Togo does not provide term limits for the members of the civil society constituency, but the nomination ruling dating</p>

² See <https://eiti.org/documents/protocol-participation-civil-society>

	<p>2020 has set three-year terms. It is civil society, during a meeting for the preparation of the renewal in 2019 that has determined that the terms are non-renewable for civil society representatives. According to the documentation available, most of the members of the CSO constituency are recent members and joined in 2020, except one member who joined in 2012. In its comments on the draft Validation report, the MSG explained that no member of civil society or of the other colleges of the MSG had served more than one term plus one additional year, and that there had been an error in filling in the declaration forms and in the consultations concerning the 2012 date.</p> <p>Civic space general context: Several international civil society organisations share the view that the broader environment for civil society is restricted. Freedom House ranks Togo as 'partly free', with the rating remaining relatively stable between 2019 and 2024³ citing laws restricting press and assembly freedoms. Civicus considers Togo 'repressed' due to similar concerns, a worsening from 'obstructed' which was the status during the previous Validation. In desk research and consultations, the International Secretariat could not find identify any evidence that the relatively closed civic space affected civil society stakeholders engaged in the EITI process.</p> <p>Expression: Although freedom of the press is constitutionally guaranteed, its enforcement is inconsistent. Restrictive press laws may contribute to media self-censorship. Some civil society stakeholders noted that they may choose to speak on sensitive issues, mainly politically related but not pertaining to the extractive industries, through publications abroad through foreign journalists, to protect themselves from local prosecutions. Press laws typically protect journalists, but publishing on social media can result in imprisonment if sued. According to international reports, Togolese journalists were targeted by Pegasus spyware in 2021 with no evidence indicating whether this spying has ceased. International organisations have reported media suspensions and trials against journalists. Various stakeholders interviewed indicated that the defamation prosecutions against journalists were not related to the governance of extractive resources. Stakeholders confirmed that trials originate from defamation that is neither related to the EITI implementation nor the governance of natural resources in Togo.</p> <p>There is no evidence of any critical views towards the government and extractive companies, either through the MSG or in the public sphere, that civil society has expressed, but consulted CSOs within and beyond the MSG reported they can express their views on extractive sector governance freely and without reprisal. They cited the fact that civil society leads an anti-corruption project and advocates for community rights. In its submission to the International Secretariat in the self-assessment on 'expression' remained empty. There seem to have been no follow-up by civil society on allegations of corruption that were published in 2017 through the Panama papers on the phosphate trade⁴. In its comments to the draft report, the MSG reiterated that discussions related to the extractives sector and the EITI process have not been impacted by the above-described developments.</p> <p>Operation: Although the Constitution guarantees freedom of assembly, several laws limit it. Police occasionally use deadly force to disperse gatherings, and there are penalties for unapproved protests. In 2019, the parliament imposed</p>
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³ The score varies between 44 and 42 or 100 points in those four years.

⁴ See <https://africauncensored.online/the-plunder-route-to-panama/> and <https://clubofmozambique.com/news/panama-papers-africas-elite-are-plundering-their-countries/>

	<p>additional restrictions on protests. In early 2024, Amnesty International highlighted bans on CSO and political party meetings opposing constitutional changes. No protests, however, were linked to the governance of extractive resources. While stakeholders did not raise any issue or mention any barrier to CSO registration or access to foreign funding, they noted a decree requiring NGOs to align activities with government priorities and notify local officials, raising concerns within civil society. For CSOs involved in the EITI, however, these added requests for documentation do not constitute a hindrance to EITI participation.</p> <p>Association: Freedom of association is constitutionally guaranteed. CSOs communicate and cooperate regarding the EITI process, with room for increased consultation beyond the MSG. Togo’s civil society initiated a WhatsApp platform for EITI and extractive sector information (‘Information forum on EITI and the extractive sector’), engaging freely with communities in dissemination efforts. Civil society members have not expressed concerns over their ability to communicate with each other in relation to the possible use by the government of the Pegasus spyware.</p> <p>Engagement: CSOs are engaged in the EITI process, contributing valuable input and advocacy, while admitting that they are limited in their activities by financial capacities. They participate in MSG meetings, working groups, and other outreach activities, encountering no significant obstacles. Consulted CSOs have indicated that the interests of civil society are reflected in EITI implementation, including the EITI work plan objectives and activities, the scope of the EITI reporting process, the annual review of outcomes and impact, Validation, and other relevant issues. CSOs took part in an anti-corruption project and a Datathon, unveiling infographics on company voluntary social payments and participated in different dissemination and consultation events. Despite occasional non-attendance by some representatives, civil society remains actively involved in MSG meetings. However, except for report dissemination and the anti-corruption project, there is little evidence of civil society organising or taking part to public debates on EITI data and other topics related to the governance of natural resources. Additionally, while one CSO in charge of implementing the anti-corruption project seems very active on the project, there is no evidence of data use or public debate activities undertaken by the other members of the civil society constituency, within or beyond the MSG.</p> <p>Access to public decision-making: CSOs engaged in the EITI undertake advocacy activities related to extractive sector governance, including community rights in one particular village or the anti-corruption project, which has seen the participation of entities like the CENTIF (anti-money laundering agency) or the RCCM (trade and personal property credit register). However, there is room for more advocacy on issues like the environmental impact of phosphate, sand production and other topics related to the governance of natural resources, using data from EITI Reports.</p>
<p>Multi-stakeholder group (Requirement 1.4) <i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 1.4 is mostly met, as in the previous Validation. The objective of this requirement is to ensure an independent MSG that can exercise active and meaningful oversight of all aspects of EITI implementation, balancing the interests of the three main constituencies consensually. As a precondition for achieving this objective, the MSG must include adequate representation of key stakeholders appointed based on open, fair and transparent constituency procedures, inclusively make decisions and report to wider constituencies. Stakeholders believe this objective is fully met. The Secretariat found the incomplete terms of reference, particularly the lack of provisions on required approvals from the MSG, the deviations in the MSG’s terms of reference regarding the oversight</p>

	<p>by the CNS, and the lack of clarity on the allowances (per diem) policy. Hence it is of the view that the underlying objective is not yet fully met.</p> <p><u>Composition, appointment process and attendance of MSG members:</u> The Decree 2010-024/PR provides the composition of the MSG. An additional document dated 2015, approved by all parties, clearly explains the procedures for renewing MSG membership within each constituency. Nomination procedures for industry clearly describe the criteria for the designation of the representatives and the minutes of the corresponding designation meeting demonstrate large outreach and consensual decisions. The civil society nomination procedures clearly outline criteria for selecting representatives. Meeting minutes demonstrate broad outreach and consensual decisions, with agreed criteria ensuring adequate technical participation. Civil society organisations outside the MSG confirmed the nomination process was open, with the national secretariat issuing a public call for interest.</p> <p>Documentation and stakeholder consultations indicate that the MSG functions effectively. Invitations to participate in the MSG were open and transparent, with the last membership renewal in 2019. Minutes from constituency meetings confirm that procedures were followed during the 2019 renewal. Although a renewal was planned for 2023, the MSG agreed to extend the current members' terms until the end of the Validation process. No stakeholder has reported any coercion in the nomination process. Consultations suggest that MSG members can speak freely at meetings and raise issues for discussion.</p> <p><u>Independence of civil society, capacity of members, compliance with the Code of conduct and decision-making:</u> Stakeholders have not reported any conflict of interest that might compromise the independence of civil society from other constituencies. There is no evidence or allegation of EITI Code of Conduct breaches by any MSG stakeholders. Decisions made during meetings were generally reached by consensus.</p> <p><u>Compliance with the MSG's terms of reference:</u> Decree 2010-024/PR and the internal rules ('Règlement intérieur') of the EITI outline the role and responsibilities of the MSG. However, the documentation lacks specifics on the MSG's mandate for approving annual work plans, appointing the Independent Administrator, and establishing the corresponding terms of reference.</p> <p>As mentioned in the assessment of Requirement 1.1, the National Supervision Council should meet once a year according to the Decree, but only met once during the period 2019-2023. While some stakeholders considered that the Steering Committee fulfilled the CNS' role during the period, there is no evidence that the work of assessing the impact of EITI implementation on sustainable development and poverty reduction, which is the responsibility of the CNS according to the Decree, has been carried out by the Steering Committee.</p> <p>In practice, the MSG (i.e. the Steering Committee) oversees the production of EITI Reports, approves work plans and other documents, organises outreach and training events, and follows up on recommendations. Meetings are held regularly with adequate advance notice, and discussions and decisions are documented in minutes published on the Togo EITI website. All constituencies actively contributed to preparing documentation for this Validation, supported by the national secretariat.</p>
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	<p>The abovementioned decree specifies that roles within the National Supervisory Committee and the Steering Committee are unpaid. However, consultations revealed uncertainty about whether meeting allowances are paid in practice, as no per diem policy is published on the Togo EITI website. Stakeholders from all constituencies reported having processes in place to communicate with their constituency groups.</p> <p>In its comments on the draft Validation Report, the MSG indicated that draft provisions to formalise the per diem policy have been prepared and are awaiting signature. It also indicated that the CNS resumed its annual meetings on 28 December 2023. The draft minutes of the CNS meeting were published on the EITI-Togo website. The meeting was also reported on the Télévision Togolaise (TVT) news programme. Although the Secretariat considers these elements to be a positive development, it believes that the review of the multi-stakeholder group's terms of reference still needs to be formalised and put into practice, and therefore maintains that the objective has mostly been met for the time being.</p>
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New corrective actions and recommendations

- In accordance with Requirement 1.1, Togo should increase government engagement by demonstrating the will to resolve constraints on implementation, especially on the funding of EITI Togo and by publicly reiterating the commitment to implementing the EITI at the highest government level.
- To strengthen the implementation of Requirement 1.2, companies are encouraged to improve systematic disclosure on their websites, particularly regarding payments to governments and communities, levels of production and exports, and audited financial statements.
- To strengthen implementation of Requirement 1.3, Togo EITI is encouraged to work with all stakeholders to support efforts to strengthen the technical capacity of the broader civil society constituency to engage in the EITI process freely and meaningfully. All civil society constituency members are expected to engage fully and meaningfully in implementation and civil society should organise or participate in more public debate activities, using EITI disclosures and advocating for transparency and better governance in line with the constituency's priorities. To further strengthen the implementation the MSG is expected to monitor adherence to the Protocol: Participation of civil society and document its discussions related to any shortcomings identified, as well as activities undertaken to address them.
- In accordance with Requirement 1.4, Togo should update its terms of reference to include the MSG's mandate for approving annual work plans, appointing the Independent Administrator and adopting terms of reference for reporting, addressing conflicts of interest, and outlining an allowances policy in line with the EITI Standard and corresponding guidelines. Togo should also ensure that the CNS performs its supervisory role as per the decree for EITI in Togo.

4. Transparency

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

Overview of the extractive sector (Requirements 3.1, 6.3)

Overview of progress in the module

Despite limited systematic disclosure of exploration activities, Togo's 2021 EITI Report provides an overview of major deposits, companies, ongoing exploration, and artisanal mining, the sector's contribution to GDP, exports, and employment. Although there is no estimate for the informal sector, the report includes information on artisanal mining from a 2019 study. To strengthen implementation, Togo should systematically disclose exploration information, include estimates of informal artisanal mining, provide more systematic disclosure of economic contributions, and include disaggregated employment data in future reports.

Progress by requirement and corrective actions

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

EITI Requirement and assessment	Summary of progress in addressing the EITI Requirement
<p>Exploration (Requirement 3.1) <i>Fully met</i></p>	<p>The International Secretariat's assessment is that Requirement 3.1 is fully met, as in the previous Validation. This requirement aims to ensure public access to an overview of the extractive sector and its potential, including recent, ongoing, and planned significant exploration activities. Based on available disclosures and stakeholder views, the Secretariat considers Requirement 3.1 to be fully met. Stakeholders did not express specific views on progress toward transparency in extractive deposits and exploration activities.</p> <p>Despite limited systematic disclosure of exploration activities, Togo's EITI Report provides an overview of the extractive industries, including major deposits, companies engaged in the sector, ongoing exploration activities, data on reserves, and artisanal and small-scale mining. On ASM, the EITI report provides data on the number of sites with ASM authorisation, provides the link to a mapping of ASM illegal sites and mentions the different reports on ASM prepared with the support of the World Bank project PDSM, including a mapping of informal mining sites published in 2022.</p>
<p>Contribution of the extractive sector to the economy (Requirement 6.3) <i>Fully met</i></p>	<p>The International Secretariat's assessment is that Requirement 6.3 is fully met, as in the previous Validation. This requirement aims to ensure public understanding of the extractive industries' contribution to the national economy and the level of natural resource dependency. Stakeholders and available documentation confirm that this objective has been fulfilled.</p> <p>Togo's 2021 EITI Report details the extractive industries' GDP contribution (in nominal and percentage terms), which is 1.4% based on Togo's balance of payments. According to EITI reporting, using data from the Central Bank of West African States (BCEAO), the extractive sector contributed 13.54% of total exports in 2021. However, discussions with stakeholders revealed this percentage includes the re-export of oil products, which are not extractive products. Without these, the contribution drops to 9.88%. In 2021, phosphate exports contributed 6.55% to total exports. The report also provides the</p>

	<p>contribution of the extractive revenues to total government revenues (2.54% in 2021). Additionally, the report indicates the regions where production and commercialisation are concentrated.</p> <p>The 2021 EITI Report, using data from the National Institute for Statistics and Economic Studies (INSEED), discloses that 1.4% of employed persons work in the extractive sector, with a gender breakdown of 92% male and 8% female. While the total number of people employed in the extractive sector is not provided, the five reporting companies disclosed their total number of employees, disaggregated by gender but not by professional level. Although there is no estimate of the informal sector or artisanal and small-scale mining (ASM), the 2021 EITI Report includes a section on the importance of the artisanal mining sector. It partially cites a 2019 INSEED study indicating the number of ASM economic units (1,621).</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen the implementation of Requirement 3.1, Togo should systematically disclose information on exploration. • To strengthen the implementation of Requirement 6.3, Togo should reference government or third-party estimates it considers reliable of informal artisanal and small-scale gold mining for the fiscal year under review. The MSG is encouraged to ensure that the contribution of the extractives sector to GDP captures the Togolese activities correctly. The MSG is also encouraged to strengthen efforts to systematically disclose information on the extractive industries' contribution to the economy, including data from companies not included in the scope of EITI reporting. Future declaration templates should include disaggregation of employment data by professional level. 	

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

Overview of progress in the module

Togo has strengthened public understanding of the regulatory framework for extractive industries, including information on laws, taxes, licenses, and government roles. It is commendable that Togo discloses contracts signed before 2021. However, the platform of mining contract disclosure is no longer updated, and an inventory is lacking to understand the status of licenses, contracts and existing amendments. The assessment of environmental impact remains incomplete. Although some information on the environmental impact of mining is available, comprehensive details on managing and monitoring these impacts are lacking though of key interest to civil society.

Progress by requirement and corrective actions

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

EITI Requirement and assessment	Summary of progress in addressing the EITI Requirement
<p>Legal framework and fiscal regime (Requirement 2.1) <i>Fully met</i></p>	<p>The International Secretariat's assessment is that Requirement 2.1 is fully met, as in the previous Validation. This requirement aims to ensure public understanding of all aspects of the regulatory framework for the extractive industries, encompassing the legal framework, fiscal regime, roles of government entities, and reforms. Available documentation and stakeholder consultations confirm that this objective has been achieved.</p>

	<p>EITI reporting includes a comprehensive list of laws and taxes applicable to Togo’s extractive sector and a description thereof. The Report also details various types of licenses and settlement agreements, along with explanations of the roles and responsibilities of government agencies. Recent revenue management and taxation by the government are documented. Upcoming reforms are not mentioned. This is encouraged. However, given that the government announced plans to modernise its oil and gas legislation, EITI could ensure that the key plans are captured, and the MSG is consulted in those efforts, to ensure alignment with the EITI’s principles and requirements.⁵</p>
<p>Contracts (Requirement 2.4) <i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 2.4 is mostly met. The objective of this requirement is to ensure the public accessibility of all licenses and contracts underpinning extractive activities (from 2021 onwards) as a basis for the public’s understanding of the contractual rights and obligations of companies operating in the country’s extractive industries. Available documentation and stakeholder consultations indicated that this objective is mostly met. There is no inventory of all active licenses, corresponding contracts including the dates of amendments and existence of annexes, and indication of where those documents can be found. It seems that all active contracts are published on a website platform which is no longer maintained, which raises doubts about the comprehensiveness and reliability of current and future disclosures. There is no evidence of the MSG reviewing contracts, which would aid the fulfilment of the objective of this requirement. There are no active petroleum licenses, which implies the non-applicability of disclosures of licenses and contracts for oil, as confirmed in the MSG comments to this draft assessment.</p> <p>According to the 2021 Togo EITI Report, transparency legislation from 2014 mandates the disclosure of contracts, particularly for natural resource investment contracts in the mining sector. In practice, however, reporting and stakeholder feedback confirm that only four contracts have been signed between the government and companies (since only mining investment projects considered important for the national interest are subject to a contract). These contracts, all signed before 2021 and involving MM Mining, WACEM, SCANTOGO Mining, and POMAR SA, are published on the Mining Governance Development Project’s (PDGM’s) website. Stakeholders from the government confirmed during consultations that there were no amendments to contracts since the last Validation. However, annexes are not comprehensively disclosed. There is no contract inventory available outlining the active contracts, annexes, amendments and status of publication, link to publications.</p> <p>Mining licences, including those for artisanal activities, are also available on this site,⁶ though it has not been updated since November 2022. During Validation, the Directorate-General of Geology and Mines (DGMG) website, was inaccessible. No list of all active licenses, indicating which are publicly available and which are not, is available. Additionally, the online National Gazette (official journal) does not include rulings (“arrêtés”) on mining licenses.</p> <p>In the oil sector, reporting indicates no specific Code of Hydrocarbons provision regarding contract transparency. According to stakeholders, although the Transparency Act 2014 in theory requires disclosure of contracts, it does not apply to the oil and gas sectors due to the absence of active licenses in these</p>

⁵ See <https://www.togofirst.com/en/mining/1310-12715-togo-announces-upcoming-reforms-to-modernize-its-oil-and-gas-industry>

⁶ See https://pdgm.tg/index.php?searchword=permis%20d%27exploitation&ordering=newest&searchphrase=all&limit=20&option=com_search

	<p>areas. In its comments on the draft Validation report, the Multi-Stakeholder Group reiterates the International Secretariat's assessment, noting that no contracts or licences have been signed, granted or transferred in the oil and gas sector. It confirms that the lack of publication of oil contracts is not due to a lack of specific provisions in the Hydrocarbons Code on transparency, but simply to the absence of contracts or licences in this sector.</p> <p>Translated with DeepL.com (free version)</p>
<p>Environmental impact (Requirement 6.4) <i>Not assessed</i></p>	<p>The International Secretariat's assessment is that Requirement 6.4 remains not assessed, given that several encouraged aspects of this requirement remain to be addressed by Togo EITI.</p> <p>A 2019 Global environmental impact study by the PDGM reviewed literature and gathered expert opinions on the state of mining in Togo. The study focused on the major challenges facing the sector and the environmental impact of mining. It also surveyed a representative sample of local populations near mining sites to assess their exposure to environmental impact.</p> <p>The EITI Report does not contain information on how the environmental impact of extractive projects is managed and monitored. It does not detail legal, regulatory, and administrative provisions related to environmental management and monitoring of extractive investment projects in Togo. Civil society stakeholders noted during consultations that environmental impact mitigation is a key concern to them.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen the implementation of Requirement 2.1, the MSG is encouraged to create short summaries of key legal and fiscal legislation to improve understanding. Additionally, the government could intensify its efforts to systematically disclose legislation. The MSG is encouraged to capture ongoing reform efforts as they relate to the extractive industry, if applicable. • In accordance with Requirement 2.4, the MSG should ensure that licenses and contracts are disclosed comprehensively, including all annexes, and easily accessible through an operational and regularly updated portal. The connection between licenses and their corresponding contracts, if applicable, should be clearly documented in a contract and license inventory to increase public awareness of available resources. The MSG should follow up with the Ministry of Mines to ensure that licenses, contracts and amendments continue to be published and where, given that the current website of publication no longer is updated. • To strengthen the implementation of Requirement 6.4, Togo is encouraged to disclose comprehensive information on the practices related to the management and monitoring of the environmental impact of the extractive industries. Given the interest expressed by civil society on environmental impact, the MSG may review its activities to capture stakeholder interest on environmental impact of mining and quarrying activities on communities. 	

Licenses and property rights (Requirements 2.2, 2.3)

Overview of progress in the module

Togo has publicly outlined the allocation and transfers of oil, gas, and mining licenses and contracts. The 2021 EITI Report explained the procedures for granting and transferring mining licenses, confirming the absence of competitive bidding and outlining the criteria used for awarding licenses. However, it did not include a comprehensive list of all active mining licenses

or evaluate the efficiency of the allocation process. There were no active licenses or attributions in the oil sector in the year under review, and there is no cadastre for oil and gas to the Secretariat's knowledge. Mining licenses are systematically disclosed through the cadastre but concerns on comprehensiveness remain. Recommendations include disclosing a complete list of active mining licenses and reviewing the license allocation process to address possible weaknesses and deviations from standard practice.

Progress by requirement and corrective actions

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

EITI Requirement and assessment	Summary of progress in addressing the EITI Requirement
<p>Contract and license allocations (Requirement 2.2) <i>Mostly met</i></p>	<p>The International Secretariat's assessment is that Requirement 2.2 is mostly met, which represents backsliding since the previous Validation. The objective of this requirement is to provide a public overview of awards and transfers of oil, gas and mining licenses, the statutory procedures for license awards and transfers and whether these procedures are followed in practice. This allows stakeholders to identify and address possible weaknesses in the license allocation process. Stakeholders consider that this requirement is fully met. However, available documentation and stakeholder consultations indicate that this objective is mostly fulfilled as several disclosures are lacking, such as an assessment of non-trivial deviations from the statutory procedures and comments on the efficiency of the license allocation process, which is encouraged.</p> <p>For the mining sector, Togo's 2021 EITI Report details the process for awarding and transferring mining licenses, which operates on a "first-come first-served" basis. The Report outlines the required documents for applications and the roles of government agencies. Together with stakeholder feedback, it confirms that no competitive bidding occurs in Togo, and license criteria are determined based on applicant submission assessments by the Ministry of Mines and Energy. We understand that technical and financial capacity are not assessed for transfers.</p> <p>In its comments to the draft report, the MSG noted that the same criteria are applied as for the application of a license. The Report lists permit awards and active authorisations for artisanal mining activities, with no transfers reported during the review period. However, an analysis of the efficiency of the license allocation process is lacking in available documentation, which is encouraged, and there is no evidence of an assessment of significant deviations from statutory procedures. Notably, the cadastre reveals that SNPT's permit expired in 2017 and remains unrenewed, despite ongoing operations by the state-owned enterprise. Stakeholders could not provide reasons for this six-year delay. In its comments to the draft report, the MSG notes that the Ministry of Mines reviews the technical and financial criteria necessary to request a license, as outlined in Article 6 of the mining code.</p> <p>In the oil sector, the Report notes that while the Hydrocarbons Code lacks detailed licensing procedures or award criteria, it stipulates that transfers require Ministry authorisation. Stakeholders confirm no hydrocarbon licenses were awarded or transferred in 2021.</p>
<p>Register of licenses (Requirement 2.3) <i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 2.3 is mostly met which is a regression since the previous Validation. The objective of this requirement is to ensure the public accessibility of comprehensive information on property rights related to extractive deposits and projects. Available documentation and stakeholder consultations indicate that Togo has not yet fully met the objective,</p>

	<p>given that several application dates for licenses held by material companies are missing, and have their status set as “under renewal,” such as the two production licenses held by the SOE SNPT.</p> <p>Togo’s online mining cadastre contains the material license and contract holders except for WACEM, a material company that was producing in the year under review. Details include the license holder’s name, extracted commodities, award and expiry dates, and geographic coordinates. Government stakeholders indicated that the mining cadastre is updated regularly, particularly regarding mining licenses, to ensure comprehensiveness. Some minor application dates seem to be missing for older licenses. In addition, despite continuous activities, the two licenses held by SNPT are marked “under renewal” since 2017, a status that has not been updated since the conclusion of the second Validation of Togo.</p> <p>Stakeholders were of the view that the lack of clarity of the license status of the largest license holder in the extractive sector, the SOE SNPT, represented a weakness for the comprehensiveness of information related to the register of license. One material company, WACEM, is not recorded in the cadastre. For quarrying, five licenses were allocated in the period under review. Those are recorded in the online registry, however, some of those have expired in the meantime and remain marked as ‘valid’.⁷ This raises questions on the accuracy of the information being displayed and the management of the licenses. Togo has not oil and gas cadastre and not active licenses. In its comments to the draft report the MSG noted that the online mining cadastre had been updated. A review of the International Secretariat found that the gaps identified above still remain, hence the assessment is maintained at mostly met.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • In accordance with Requirement 2.2, the MSG should conduct a review and provide commentary on the license allocation process to identify and rectify potential weaknesses and deviations from standard practice. • In accordance with Requirement 2.3, Togo should maintain a public register or cadastre system(s) with timely and comprehensive information on all active mining licenses in accordance with Requirement 2.3.b. It should assess why the current mining cadastre contains licenses as ‘valid’ which have already expired and ensure that the SNPT’s licenses are renewed and reflected in the cadastre. 	

Beneficial ownership (Requirement 2.5)

Overview of progress in the module

Adherence to Requirement 2.5 on beneficial ownership is assessed in full in Validation as of 1 January 2022 as per the framework agreed by the Board in June 2019.⁸ The assessment consists of a technical and effectiveness assessment.

Technical assessment

The Transparency template (tab on Requirement 2.5) includes the technical assessment.

⁷ For example the license held by MATERIAUX DU TOGO and EBOMAF

⁸ <https://eiti.org/document/assessing-implementation-of-eitis-beneficial-ownership-requirement> and <https://eiti.org/board-decision/2019-48>

Anti-money laundering directive 02/2015/CM/UEMOA and the decree 025/MEF/SG/OTR/CG of 21 February 2022 provide the legal foundation for collecting beneficial ownership (BO) data. The latter specifies that the Togolese Revenue Office (OTR) is the holder of the register (Article 20). Although the legal framework mandates BO data collection, it does not require the register to be public. The BO definition aligns with the EITI Standard, but the implementing decree lacks guidance on how to disclose information on politically exposed persons (PEPs), with no reference to them in the latest decree.

It remains unclear if all corporate entities applying for or holding interests in Togolese mining licenses were requested to submit BO data. Government stakeholders indicated advanced data collection, asserting license holders were requested to submit the required BO data. However, the 2021 EITI Report's annex 8 does not specify requirements for companies to submit BO information nor specify whether a company needs to be incorporated in Togo to apply for a license. The governmental data collection entity confirmed the cadastre did not verify the data comprehensiveness of companies asking for or holding a license.

The MSG did not review stock exchange requirements or discuss assurances. In addition, the MSG did not review companies' compliance with government data verification processes. The register's intended move (invoked during consultations) from the tax office to the commercial register could complicate matters and does not correspond to the legal framework.

BO data from material companies only is published through EITI reporting (2021 EITI Report, annex 2). However, the Independent Administrator who collected the data covering material companies has not requested the OTR's data to compare with the data provided by companies directly to the EITI. Out of the five material companies, the company Midnight Sun did not submit any data and Scantogo was inaccurately identified as Norwegian (although owned by German company Heidelberg materials).

The [second data set, submitted during consultations](#) and published on the Togo EITI website, is more comprehensive. It includes additional details on beneficial owners from non-reporting companies, such as their first and last names, share participation (without specifying the form of control), and percentage share if it exceeds 25% (the Togolese threshold for BO declarations). However, this dataset differs from the annex in the report, and inaccuracies persist in the data, for example concerning Scantogo. Moreover, companies that were granted licenses in 2021 are missing from the list. Beneficial ownership information is also lacking for the legal owner of WACEM, specifically KENELM Ltd, a company highlighted by the Panama Papers.⁹

Furthermore, companies that have received a license in 2021 and are absent from the list. There is beneficial ownership information missing from the legal owner of WACEM, namely KENELM Ltd, a material company flagged in the Panama Papers. The list does not specify if there are any politically exposed persons among the beneficial owners. The list does not indicate whether any politically exposed persons are among the beneficial owners.

EITI Togo has not assessed gaps in BO data disclosures, assessed the materiality of BO declarations or discussed the data's reliability beyond the BO study (March 2021) and a recent [anti-corruption report](#) (2023). There is no documentation pointing to the work of the government

⁹ See <https://www.27avril.com/blog/affaires/economie/panama-papers-togo-indiens-de-wacem-leurs-complices-togolais-passes-maitres-de-levasion-fiscale>

or the MSG to address barriers and strengthen reporting systems. Although the anti-corruption report provides suggestions on what to improve institutionally, it does not look into any of the data that the OTR stated it had been collecting.

Legal owners were included in the Togo EITI dataset for reporting companies starting February 2023. The RCCM is responsible for collecting and publishing company information, but when the Secretariat tried accessing the website in June, July and August [the page was not reachable](#).

Assessment of effectiveness

The effectiveness assessment includes evaluations from frameworks such as FATF, alongside the MSG's efforts to assess the reliability and comprehensiveness of disclosures and the legal framework.

According to FATF's (June 2022) [mutual assessment](#), despite improvements in Togo's legal framework and anti-money laundering measures since its last review in 2011, the overall effectiveness remains low. FATF identified a weak understanding of money laundering and terrorist financing risks among authorities and reporting entities, hindered by dysfunctional coordination and cooperation structures. It highlights that beneficial ownership information is "virtually never available" (p. 8).

In March 2021, Togo EITI's MSG published a [study on beneficial ownership data publication](#), which made recommendations for improving the legal foundation, definition, data collection, and publication processes for BO data. However, minutes from MSG meetings where the report was adopted lack documentation on discussions regarding the findings and follow-up actions. EITI Togo's [anti-corruption report](#) (December 2023) noted that the OTR, responsible for collecting BO data under decree n. 025/MEF/OTR/CG, has not yet established the register and recommended its operationalisation, noting its planned transfer to the Personal Property Credit Register, RCCM (p. 5). The report does not clarify the legal basis for this transfer nor investigate the collection, comprehensiveness, or reliability of beneficial ownership data. The MSG has not documented discussions addressing the reasons for the lack of progress on beneficial ownership since the March 2021 study.

In conclusion, while government representatives advanced that BO data collection has progressed, the tax office reportedly has not been asked to share this information with EITI Togo. Data shared during national secretariat consultations revealed significant gaps from material companies, though the anti-corruption report and MSG documents do not explain these gaps. WACEM, [flagged in the Panama Papers](#) as potentially high-risk, lacks a documented risk assessment by the MSG. Annex 2 of the 2021 Report notes one company's failure to submit beneficial ownership data without elaborating on reasons. Moreover, factual inaccuracies persist in disclosures, such as Scantogo Mines being incorrectly identified as Norwegian-owned instead of German-owned. Notably, the [latest BO dataset](#) excludes all five companies awarded licenses in 2021.

As noted in the technical assessment, the MSG has not proven that full beneficial ownership information is publicly available for companies making significant payments to the government, holding substantial concessions, or recently receiving licenses. The MSG did not assess the comprehensiveness and reliability of data published in reports or during consultations.

The MSG’s progress in achieving the requirement’s objective has been weak since the March 2021 diagnostic report. The December 2023 [anti-corruption report](#) highlights governance and oversight weaknesses but does not scrutinise actual beneficial ownership data. Consultations underscore a lack of collaboration between the OTR, Togo EITI’s MSG, the national secretariat, and the RCCM in collecting legal and beneficial ownership data. The MSG did not assess the availability of legal owners in the [RCCM company database](#),¹⁰ nor did it evaluate the exchange of information between the cadastre, OTR, or RCCM to understand whether these entities request and verify beneficial ownership data during the license allocation process. Information on penalties for non-disclosure, specified in the 2021 Finance Law (minimum penalty of USD 3,150), and disclosures of politically exposed persons (PEPs) has not been reviewed by the MSG.

While the MSG’s recent efforts in February 2023 are commendable for compiling a more comprehensive dataset of legal and beneficial owners, the essential components for effective disclosure of beneficial ownership are not yet fully established.

Progress by requirement and corrective actions

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

EITI Requirement and assessment	Summary of progress in addressing the EITI Requirement
<p>Beneficial ownership (Requirement 2.5) <i>Partly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 2.5 is partly met. Stakeholder consultations and document reviews indicate that the objective of publicly disclosing ownership and control of companies in Togo’s mining sector has not been fully achieved.</p> <p>The MSG has not adequately identified high-risk companies or assessed the reliability and comprehensiveness of beneficial ownership data. Although there has been recent progress in disclosing beneficial owners of mining companies, significant aspects of the requirement remain unmet, and effective disclosures are lacking. Government stakeholders expressed confidence in data collection progress, while civil society did not provide specific views on this requirement.</p> <p>The MSG has established an appropriate (publicly available) definition of the term “beneficial owner” aligned with Requirement 2.5.f.i, incorporating international norms and relevant national laws. However, the implementing decree does not mention politically exposed persons (PEPs), and it is unclear whether the OTR has effectively collected any beneficial ownership data, as indicated in government stakeholder consultations. The available information does not confirm consistent reporting of beneficial ownership information to the register by mining companies applying for licenses or holding material licenses.</p> <p>There is no evidence of a risk analysis conducted on material companies or companies holding licenses, despite red flags identified through the Panama Papers. The comprehensiveness of legal ownership data is uncertain, and verification against the legal owners published separately in an undated dataset (published February 2023) could not be completed due to the RCCM website’s malfunctioning.</p> <p>In its comments on the draft Validation report, the MSG considers that this requirement is mostly met. The MSG considers that progress has been made on the application of Requirement 2.5, in particular the adoption of a new</p>

¹⁰ In testing the website, the International Secretariat could not get the website to information of material companies.

	<p>definition of beneficial owner and the adoption of a definition of Politically Exposed Person. The International Secretariat considers that the adoption of a definition of beneficial owner has already been taken into account in its assessment, but that the shortcomings mentioned above prevent an assessment higher than "Partly met". For further details on technical criteria and effectiveness, refer to the previous section and the transparency template.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • In accordance with Requirement 2.5, Togo should publicly disclose the beneficial and legal owners of all corporate entities applying for or holding a participating interest in mining licenses. This entails: <ul style="list-style-type: none"> ○ Documenting the legal provisions for transferring responsibility of holding the register from the OTR to the RCCM, and monitoring the effectiveness of this transfer. ○ Ensuring that information of beneficial owners of companies that apply for a license is collected and shared with the mining cadastre. ○ Ensuring that beneficial ownership data includes information on nationality, the country of residence, and identification of politically exposed persons (PEPs). ○ The multi-stakeholder group should assess any existing mechanisms to assure the reliability of beneficial ownership information for all companies applying for, or holding extractive licenses. ○ The multi-stakeholder group should conduct regular assessments on the comprehensiveness and reliability of existing disclosures and, together with competent authorities, agree on an approach for corporate entities within the scope of 2.5(c) to ensure the accuracy of beneficial ownership information. ○ Ensuring that legal ownership information is publicly accessible. • Togo is encouraged to consider making the beneficial ownership registry publicly available through systematic disclosures. Togo is encouraged to ensure the company register contains the legal owners of all companies holding interests in mining licenses and that the data is readily accessible. 	

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

Overview of progress in the module

Togo's progress on state participation and transparency in extractive industries shows mixed results. The state holds a 10% free carried interest in mining companies; however, this stake has not generated material revenues since Togo became a member of the EITI. The state-owned companies SNPT and the TdE make material payments to the government, with SNPT dominating the modest mining sector in the country. There is a lack of information on rules governing fund transfers between SOEs and the state, and the audited financial statements of key SOEs are no longer publicly available. In-kind revenues are not applicable in Togo, and the sale of phosphates by SNPT, disclosed in previous reports, was not included in the latest report. SOEs did not collect extractive revenues in 2021. No quasi-fiscal expenditures were reported, although there is no evidence of discussions or agreements on their definition or reporting process. Recommendations include improving public disclosure of SOE financial statements, clarifying the rules for fund transfers, and ensuring transparency in sales and quasi-fiscal expenditures.

Progress by requirement and corrective actions

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

EITI Requirement and assessment	Summary of progress in addressing the EITI Requirement
<p>State participation (Requirement 2.6) <i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 2.6 is mostly met, which is a regression from the previous Validation. Stakeholders consulted broadly praised the transparency of the main SOE engaged in extractive, SNPT. The objective of this requirement is to ensure the effective mechanism for transparency and accountability for well-governed SOEs and state participation more broadly through a public understanding of whether SOEs’ management is undertaken in accordance with the relevant regulatory framework. Based on available disclosures and stakeholder views, the Secretariat concludes that the objective is only mostly fulfilled due to the lack of information on the rules and practices governing fund transfers between SOEs and the state, and the non-publication of SNPT’s audited financial statements since the previous Validation.</p> <p>The 2021 EITI Report identifies two material SOEs for the year under review, SNPT and TdE, respectively engaged in the phosphates and groundwater extraction.</p> <p>According to Togo’s 2021 EITI Report, the state holds a 10% free carried interest in the share capital of operating companies, except for artisanal activities and construction materials. The report lists 13 mining companies with state participation in Togo, comprising five large-scale mining projects and eight small-scale mining companies. SNPT (Société Nouvelle des Phosphates du Togo) is the only fully state-owned mining company in Togo. The report also includes a fully state-owned groundwater extraction company, the Togolaise des Eaux (TdE). Both companies made significant payments to the government during the review period. The report, confirmed by stakeholders, indicates that the state has no participation in the oil sector.</p> <p>The report mentions the role of the SOEs within its scope, noting that state approval is required for specific operations such as taking out loans, acquiring or selling buildings, and signing contracts with third parties where a conflict of interest may arise. However, it does not address the rules and practices governing fund transfers between SOEs and the state, retained earnings, reinvestment, or those related to SOE joint ventures and subsidiaries. Neither companies nor the government reported loans or loan guarantees to SOEs. Audited Financial Statements for several extractive companies are available on the PDGM website, but they do not cover the year 2019 and onwards. As noted previously, PDGM is no longer updated. Neither the audited financial statements of SNPT nor TdE are publicly available, and the rules and practices related to SOEs’ operating and capital expenditures, procurement, subcontracting and corporate governance were not disclosed. It should be noted that these aspects are encouraged, and not required by the 2019 EITI Standard. However, the lack of publication of these details is a regression from the previous practice.</p>
<p>Sale of the state’s in-kind revenues (Requirement 4.2) <i>Not applicable</i></p>	<p>The International Secretariat’s assessment is that Requirement 4.2 is not applicable, as in the previous Validation. The objective of this requirement is to ensure transparency in the sale of in-kind revenues of minerals, oil and gas to allow the public to assess whether the values correspond to market values and to ensure the traceability of the proceeds from the sale of those commodities to the national treasury. Based on the 2021 EITI Report and confirmed by stakeholders, the state did not receive any in-kind revenues, either directly or through an SOE in the period under review.</p>

	<p>However, SNPT used to disclose its sales of phosphate in previous EITI reporting cycles. Those sales represent a significant part of the mining sector and economy since Togo's mining sector mainly revolves around phosphate. SNPT has by far the most significant production value in 2021 (estimated at USD 121 million, the equivalent of USD 37 per tonne according to the EITI Report). EITI Togo could improve the transparency on the valuation of phosphate by resuming to disclose phosphate sales.</p>
<p>Transactions related to state-owned enterprises (Requirement 4.5) <i>Mostly met</i></p>	<p>The International Secretariat's assessment is that Requirement 4.5 is mostly met, which is a regression from the previous Validation. The objective of this requirement is to ensure the traceability of payments and transfers involving SOEs and strengthen public understanding of whether revenues accruable to the state are effectively transferred to the state and of the level of state financial support for SOEs. It is partly fulfilled only as the lack of published financial statements prevents any analysis of such transactions. The lack of information in the EITI Report on government transfers to SOEs combined with the unavailability of audited financial statements of the SNPT and the TdE represents a weakness in SOE disclosures, highlighted by several stakeholders during consultations. SOEs did not collect material extractive revenues during the review period. The SOE Togolaise des Eaux (TdE) began collecting revenue from water usage by companies in 2022. While the EITI Report notes that TdE retains this revenue stream, stakeholders indicated during consultations that it will be fully transferred to the treasury.</p> <p>Regarding transfers from SOEs to the government, they have been disclosed under Requirement 4.1. The government did not receive dividends from the two SOEs in 2021.</p> <p>Regarding the transfers from the government to SOEs, while the consultations revealed that the SNPT benefited from state-owned buildings without paying rent for several years, the lack of publicly available audited financial statements prevents confirmation or analysis of such transfers or subsidies from the government to the SNPT.</p>
<p>Quasi-fiscal expenditures (Requirement 6.2) <i>Not applicable</i></p>	<p>The International Secretariat's assessment is that Requirement 6.2 is not applicable, as in the previous Validation, due to the lack of evidence of any quasi-fiscal expenditures. The objective of this requirement is that where SOEs undertake extractive-funded expenditures on behalf of the government that are not reflected in the national budget, these are disclosed to ensure accountability in their management.</p> <p>Although there is little evidence that the MSG has discussed and agreed on a definition of quasi-fiscal expenditures or a reporting process for their eventual disclosure, Togo's 2021 EITI report and stakeholder consultations indicated that Togolese SOEs did not report any quasi-fiscal expenditures. This was confirmed by the Independent Administrator, who had access to TdE's unpublished audited financial statements (but not SNPT).</p> <p>The International Secretariat recommends the MSG assess whether the sales price for phosphates for national agriculture aligns with market prices or constitutes a quasi-fiscal expenditure.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • In accordance with Requirement 2.6 the MSG should enhance public understanding of the rules and practices governing fund transfers between SOEs and the state. This should be achieved through an analysis of relevant legislation and a review of SNPT's audited financial statements, which should be made publicly available. SNPT should also improve systematic disclosures of, for example, its audited financial statements and production values and volumes. • To strengthen implementation, SNPT is strongly encouraged to resume the publication of sales volume and value of phosphate, including information on the buyer. While Requirement 4.2 is 	

not applicable, such disclosures would significantly inform the public's understanding of the return the state-owned company is getting for the sale of the nationalised commodity.

- In accordance with Requirement 4.5, Togo is required to disclose government transfers or subsidies to its SOEs in the mining sector.
- To strengthen the implementation of Requirement 6.2, the MSG should agree on and document its definition of quasi-fiscal expenditures. It should also establish a reporting process to ensure that these expenditures are disclosed if they are material.

Production and exports (Requirements 3.2, 3.3)

Overview of progress in the module

Togo's extractive sector is dominated by phosphate mining, with production reaching 1.45 million tonnes in 2021. The country has other resources, not yet extracted, such as manganese, which could help achieve the government's ambition of doubling its GDP mining share by 2025. Togo has used EITI reporting to provide data on the production and export of large-scale mining and quarrying commodities. Production data is available by type of commodity, and exports are detailed at the company level. However, Togo does not yet include estimates of the informal sector and gold smuggling contributions to gold exports, despite the sector's economic importance. Reported figures regularly indicate low local gold production and a situation where gold imports to Togo surpass official exports.

Progress by requirement and corrective actions

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

EITI Requirement and assessment	Summary of progress in addressing the EITI Requirement
Production (Requirement 3.2) <i>Fully met</i>	<p>The International Secretariat's assessment is that Requirement 3.2 is fully met, as in the previous Validation. The Secretariat's view is that the objective of ensuring public understanding of extractive commodities production levels and their valuation is fulfilled, given Togo's use of its EITI reporting to provide information on mineral production, including estimates of artisanal and small-scale mining production. Consulted stakeholders did not express any views on progress towards this objective.</p> <p>There are no systematic disclosures of mineral production data at present, either on the DGMG website or elsewhere. The 2021 EITI Report provides mineral production volumes and values for phosphates, limestone, and several other commodities used for construction. Togo also covers groundwater extraction in its EITI Report. The production volume and values are disaggregated per commodity and company and include non-material companies' production. The latest study on artisanal and small-scale mining (ASM), supported by the World Bank, dates from 2019. In the same year, a mapping of artisanal mining sites and clandestine quarries was produced with the support of the World Bank, focusing largely on employment and income generated by the sub-sector, and including production values of small-scale mining in the country, but no estimates of volumes.</p>
Exports (Requirement 3.3)	<p>The International Secretariat's assessment is that Requirement 3.3 is mostly met, representing a regression since the previous Validation. The Secretariat's</p>

<i>Mostly met</i>	<p>view is that the objective of ensuring public understanding of extractive commodities export levels and the valuation is not yet fully fulfilled, given the lack of clarity on Togo's gold exports. Consulted stakeholders did not express any views on progress towards this objective.</p> <p>While the export volumes and values from industrial mining are disclosed and reconciled in the 2021 EITI Report, the absence of estimates of smuggling supports the Secretariat's view that the objective of ensuring public understanding of extractive commodities export levels is only mostly fulfilled. The DGMG confirmed during consultations that very little gold is produced in Togo through the artisanal sector, yet gold exports from Togo vary annually between 10 and 25 tonnes¹¹. The absence of an estimate or a discussion of informal mineral exports as part of EITI implementation means that the necessary data to address issues related to exports is not available. Consequently, the objective is considered to be mostly met.</p> <p>In its comments on the draft Validation report, the MSG indicated that the marketing of gold and precious metals is no longer part of the scope of EITI reporting since the gold trading desks ('comptoirs') were closed in Togo in 2018, and therefore considers that there is no basis for including gold and precious metals exports in EITI reporting. However, the subject of informal gold exports in relation to other countries in the region remains an important issue in terms of resource mobilisation for Togo and identifying governance weaknesses. In addition, the lack of information on actual exports from the informal extractive sector, particularly gold, represents a weakness in terms of the underlying objective of Requirement 3.3.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen the implementation of Requirement 3.2, Togo is encouraged to collaborate closely with relevant government bodies such as the DGMG to strengthen systematic disclosures of production volumes and values for all mineral commodities produced. • In accordance with Requirement 3.3, Togo should publish estimates of informal mineral export volumes and values to achieve the objective of providing a foundation for addressing export-related issues in the mining sector. It is recommended that government entities systematically disclose more timely export data on their official websites. Additionally, Togo is encouraged to outline the methodologies used to calculate export volumes and values, aiming to improve the government's oversight of mineral exports. 	

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

Overview of progress in the module

Most revenues from Togo's extractive sector are recorded centrally through the modernised Togolese Revenue Office (OTR), which publishes its [Performance reports](#) on its website. Additionally, Togo's EITI Reports provide publicly available disaggregated data on extractive revenues by revenue stream and company, though not yet by project. There is potential to strengthen the systematic disclosure of payments and revenue data by both the government and companies.

Since the previous Validation, Togo has consistently delivered comprehensive and reliable disclosures of government revenues from the mining and water sectors through EITI reporting.

¹¹ 10 Tonnes in 2021, 20 Tonnes in 2022 imported from Togo by the UAE according to Comtrade.

Based on their knowledge of the extractive sector in Togo, the national secretariat readopted the 2018 scoping study of the latest EITI Report (2021), capturing all significant payments from extractive companies and government entities. Stakeholders highlighted that Togo's EITI reporting process enhances the reliability of disclosures on company payments and government revenues.

EITI Reports have been published within the two-year deadline on the EITI Togo website, with the 2021 EITI Report released in December 2023.

Progress by requirement and corrective actions

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

EITI Requirement and assessment	Summary of progress in addressing the EITI Requirement
Comprehensive disclosure of taxes and revenues (Requirement 4.1) <i>Fully met</i>	<p>The International Secretariat's assessment is that Requirement 4.1 is fully met, as in the previous Validation. Most consulted stakeholders seemed satisfied with the country's EITI reporting coverage regarding companies and revenues. The Secretariat considers that the overall objective is fully met despite some weaknesses in the scoping of reporting companies and revenue flows. There is also room to strengthen the systematic disclosure of payments and revenues by the government and companies.</p> <p>The 2021 EITI Report provides comprehensive disclosures of government revenues from the extractive sector and a positive assessment of the comprehensiveness and reliability of these disclosures. In its comments to the draft assessment, the MSG noted that it follows the conventional process for EITI reconciliation. Material government entities, revenue streams, and companies are identified, and the materiality threshold discussions are documented in the EITI Report. The national secretariat undertook the scoping phase and used the thresholds from the previous (2020) EITI Report to map the revenue streams and reporting companies. While this approach could have led to the omission of material revenue streams or companies, the IA and other stakeholders confirmed that material omissions were highly unlikely due to the small size of the sector. All reporting entities provided their reporting templates, and full government disclosure (including nonmaterial revenues) disaggregated by revenue stream, company, and government agency. Audited financial statements are publicly available for 25% of the material companies (3 out of 5).</p> <p>While the 2021 EITI Report contains a review of the audit status of significant companies, not all audited financial statements of extractive companies are accessible to the public.</p>
Infrastructure provisions and barter arrangements (Requirement 4.3) <i>Not applicable</i>	<p>The International Secretariat's assessment is that Requirement 4.3 is not applicable in Togo. According to the EITI Report and data reviewed during this Validation, no active infrastructure provisions or barter arrangements were reported or identified during the period under review.</p>
Transportation revenues (Requirement 4.4) <i>Not applicable</i>	<p>The International Secretariat's assessment is that Requirement 4.4 remains not applicable in Togo. According to the EITI Report and data reviewed during this Validation, no government revenues from the transportation of minerals were reported or identified during the period under review.</p>
Level of disaggregation (Requirement 4.7) <i>Mostly met</i>	<p>The International Secretariat's assessment is that Requirement 4.7, which aims to enable the public to assess the extent to which the government can monitor its revenues as defined by its fiscal framework and ensure that the government receives what it should from each extractive project, is mostly met. This is due to</p>

	<p>the lack of disaggregation of project-level payments from companies holding multiple projects.</p> <p>Financial data in the 2021 EITI Report is adequately disaggregated by government agency, company, and revenue stream. The MSG has approved a definition of 'project for the mining sector' in September 2024. However, the EITI Report does not include a list of revenues levied on a project basis and notes that revenue data could not be disclosed at the project level. Several government agencies (CI, CDDI, DGMG) are responsible for collecting all revenue flows, but none have included project-level disaggregation in their disclosures.</p> <p>In practice, the five material companies (SNPT, Scantogo, WACEM, Midnight Sun and TdE) reported their tax and non-tax payments disaggregated by revenue stream, but not by project for the fiscal year 2021. However, material mining companies such as SNPT and ScanTogo hold at least two licenses each. It is unclear if these companies did not make payments for their production licenses or if the share of the project-based payments has not been reported in a disaggregated manner. Substantially interconnected or overarching mining licenses have not yet been documented.</p>
<p>Data timeliness (Requirement 4.8) <i>Fully met</i></p>	<p>The International Secretariat's assessment is that Requirement 4.8 is fully met, as in the previous Validation. Although Togo has been suspended from February to June 2023 for the delay in the publication of its 2020 EITI Report, most stakeholders consulted considered that the objective of timely EITI disclosures to inform policy-making and public debate has been fulfilled. The Secretariat concurs but notes the potential for further improvements in the timeliness of EITI disclosures by increasingly relying on new systematic disclosures by the government.</p> <p>Delays in publishing the 2020 EITI Report led to a temporary suspension of Togo by the EITI Board in February 2023, although the suspension was lifted once the report was published in June 2023. Despite this delay, the subsequent EITI Report was published within the two-year timeframe mandated by Requirement 4.8, with the 2021 EITI Report released in December 2023. The MSG has consistently approved the reporting period and adopted cash-based accounting for EITI disclosures.</p>
<p>Data quality and assurance (Requirement 4.9) <i>Fully met</i></p>	<p>The International Secretariat's assessment is that Requirement 4.9 is fully met, as in the previous Validation. Most MSG members consulted expressed satisfaction with the reliability of financial data disclosed in Togo EITI Reporting. Consulted stakeholders had mixed opinions on whether EITI strengthened routine government and company audit systems and practices, with some considering EITI recommendations focused more on the reporting process than on broader audit practices. However, it was noted that the data reported through EITI gained credibility from the work of the Independent Administrator.</p> <p>The only systematic disclosures related to data quality and assurances in Togo are found on the SAI ("Cour des comptes") website, which only discloses annual reports up to 2021.</p> <p>Togo's 2021 EITI Report appears to be based on a robust methodology for data quality and assurances. There is evidence that the MSG approved the reporting templates and quality assurances for EITI reporting by both material companies and government entities, and an overview of statutory audit procedures is provided in the EITI Report. In practice, all government agencies provided the agreed quality assurance for the year under review. Three out of five companies did not provide the agreed quality assurance for their reporting templates (22% of the total revenues, or 20% of the reconciliation). However, since the payments of these three companies were reconciled with government revenues subject to credible, independent audits applying international auditing standards, the 2021 EITI Report includes the IA's assessment of the comprehensiveness and</p>

	<p>confirmed during consultations the reliability and comprehensiveness of the reconciled financial data. The total company payments matched government revenues at 99.89%.</p> <p>The 2021 EITI Report reviews audit and assurance procedures and practices in both government revenue-collecting entities and material extractive companies and sets out the methodology and results of the reconciliation. The EITI Report includes the IA's clear assessment in line with its procedures. There is scope for Togo to expand its use of EITI reporting as a regular diagnostic of government revenue collecting systems and controls, as well as extractive companies' practices, to formulate recommendations for broader reforms in government and company audit and assurance policies and practices.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • To strengthen the implementation of Requirement 4.1, Togo is encouraged to use its EITI process to enhance systematic disclosures of company payments and government revenues in the extractive industries. • In accordance with Requirement 4.7, Togo is required to publish financial data on company payments and government revenues disaggregated by company, revenue stream, and by project where payments are levied at a project level. To strengthen implementation, Togo could publish a comprehensive mapping of revenues levied on a project basis in its mining sector, indicating the legal source of these payments. Togo EITI is encouraged to document whether there are any projects (legal agreements) that are substantially interconnected or overarching. • To strengthen the implementation of Requirement 4.8, Togo is encouraged to consider innovative approaches to EITI reporting that build on government and company systematic disclosures, to improve the timeliness of EITI disclosures as a precondition for stimulating public debate and policymaking. • To strengthen the implementation of Requirement 4.9, Togo could use its annual EITI reporting as a tool for disclosing a detailed assessment of audit and assurance practices in both the public and private sectors, to issue recommendations for reform in the broader audit and assurance practices of government entities, state-owned enterprises, and extractive companies. Togo may also wish to consider alternatives to conventional EITI reconciliation to ensure comprehensive and reliable disclosures of company payments and government revenues from the extractive industries. 	

Revenue management (Requirements 5.1, 5.3)

Overview of progress in the module

EITI reporting includes an overview of the distribution of extractive industry revenues, providing a clear overview of the revenue streams mainly flowing to the treasury and recorded in the budget. However, it remains unclear how mandatory payments from companies to the local development fund are traced, and further clarification is needed on whether royalty payments are redistributed to the sub-national level. Togo may wish to include price and production projections to inform public debate on the future revenue potential, particularly for phosphates, the country's most important commodity.

Progress by requirement and corrective actions

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

EITI Requirement and assessment	Summary of progress in addressing the EITI Requirement
<p>Distribution of extractive industry revenues (Requirement 5.1) <i>Mostly met</i></p>	<p>The Secretariat's assessment is that Requirement 5.1 is mostly met, a regression from the previous assessment. The underlying objective of this requirement is to ensure the traceability of extractive revenues to the national budget and the same level of transparency and accountability for extractive revenues not recorded in the national budget. The Secretariat believes that this objective has not yet been fulfilled, as payments collected from companies paid into a development fund are not reflected in EITI reporting. During consultations, stakeholders from companies and civil society noted the lack of extractive revenues' traceability.</p> <p>The 2021 EITI Report states that while different government entities collect extractive industries (EI) cash revenues, they are all recorded in the national budget. There are no off-budget revenues. However, as noted in Requirement 6.1, consultations revealed a mandatory social contribution of 0.75% of company turnover for local development, enacted by decree no. 2017-023/PR based on the law of 5 May 2011 on the contribution of companies to local development. This has been reflected in the assessment of Requirement 4.1. This payment does not enter the national budget but is captured by a subaccount of the treasury according to government stakeholders. EITI reporting does not disclose the amount and disbursement of this payment to a fund managed by a committee, making it unclear how this payment is traced. Additionally, the EITI Report lists two types of royalties: mining royalties and royalties for quarrying and mining (table 32). Only the mining royalty is captured through EITI reporting and transferred to the treasury, with its amount recorded in the EITI Report. The quarrying and mining royalty is noted to be redistributed to the sub-national level, but this warrants clarification by the MSG.</p> <p>In its comments on the draft Validation report, the MSG noted that quarrying and mining royalties are a newly created local tax¹² which could be considered as a direct subnational payment (see <i>Requirement 4.6</i>). The distribution key between the various local authorities is publicly available¹³, and the amounts paid by extractive companies are listed in the EITI 2021 Report. With regard to the contribution of 0.75% of turnover paid by companies, the MSG adds that as the newly created (in 2019) communes and their management committees for the mandatory social contribution fund began their activities in 2021, little information was available about the management of the fund. However, the International Secretariat notes that no new information on the payment of the contribution or its management has been made available since the publication of the EITI 2021 Report, which represents an obstacle to the underlying objective of requirement 5.1, on an issue of concern to local stakeholders in territories hosting extractive activities.</p> <p>Furthermore, there is no reference to international standards on revenue classification systems, such as the IMF Government Finance Statistics Manual, as encouraged by the EITI Standard.</p>
<p>Revenue management and expenditures (Requirement 5.3) <i>Not assessed</i></p>	<p>The Secretariat's assessment is that Requirement 5.3 remains not assessed, as several encouraged aspects of this requirement remain to be addressed by Togo EITI. The Secretariat considers the underlying objective - to strengthen public oversight of the management of extractive revenues, the use of these</p>

¹² https://www.ecoconscience.tv/wp-content/uploads/2022/10/decret_sur_les_recettes_1-compresse_compressed.pdf

¹³ décret n° 2021-039/PR du 14 avril 2021

	<p>revenues to fund specific public expenditures, and the assumptions underlying the budget process - has not yet been fully met.</p> <p>The EITI Report notes that there are no earmarked revenues and includes a description of the country's budget and audit processes. The Ministry of Finance has published a handbook for citizens on the 2022 budget (Loi des Finances 2022).</p> <p>However, it remains unclear if the mandatory social payments identified in consultations (see <i>Requirements 6.1 and 5.1</i>) are earmarked for specific programmes. Additionally, there is no information on projections for production, commodity prices, and revenue forecasts for extractive industry revenues. While the handbook reflects on some risks associated with the budget, it does not link these risks to the extractive sector context.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • In accordance with Requirement 5.1, Togo is required to ensure the traceability of all material payments and include links to relevant financial reports for payments not recorded in the national budget, if applicable. The MSG should clarify how the mandatory social contribution is collected, managed and used, based on legislation and in practice. • To strengthen the implementation of requirement 5.3, Togo is encouraged to publish information on production and commodity price assumptions to provide insight into revenue sustainability. Togo is encouraged to clarify if mandatory social payments from companies are earmarked for specific programmes or geographic regions and, if applicable, include a description of the methods for ensuring accountability and efficiency in their use. 	

Subnational contribution (Requirements 4.6, 5.2, 6.1)

Overview of progress in the module

Civil society members and companies expressed strong interest in disclosures on revenues paid at the subnational level. Civil society and industry stakeholders have expressed a keen interest in disclosing revenues paid at sub-national level. Togo has recently undergone a major decentralisation reform and has provided municipalities with a number of revenue streams that are paid directly or indirectly to local government. Subnational contributions have been a priority in Togo in recent years, and municipalities are collecting revenue figures, which represent an opportunity to clarify through systematic or EITI disclosures these revenue streams accruing to the population of localities hosting extractive projects. More clarity is needed on the types of subnational direct payments and their legal basis for determining the amount is fixed. Although data on subnational transfers informs municipalities about their treasury transfers, it is unclear which of these are related to mining and quarrying activities, potentially skewing the perceived contributions of mining companies to local budgets. Consultations identified mandatory social expenditures not yet captured in EITI reporting. Overall, the information disclosed through EITI reporting does not yet enable stakeholders to understand what extractives-generated revenues are directed to the sub-national level or if those payments align with the legal requirements.

Progress by requirement and corrective actions

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

EITI Requirement and assessment	Summary of progress in addressing the EITI Requirement
<p>Subnational direct payments (Requirement 4.6) <i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 4.6 is mostly met, a regression from the first Validation where it was fully met. Company stakeholders noted a lack of transparency on municipal taxes for companies. This obscures the objective of benefits accruing to local governments and hinders stakeholders’ understanding of companies’ direct payments to subnational entities. There is a lack of clarity on the origin and determination of two other revenue streams identified as subnational payments above the materiality threshold, but not reconciled.</p> <p>The 2021 EITI Report lists three types of subnational direct payments, mandated by law: quarrying royalties, mandatory contributions by the SOE SNPT, and direct payments to municipalities and prefectures (the latter below the materiality threshold). The report reconciles the mandatory contribution by SNPT, with an unexplained discrepancy of over FCFA 190 million (see <i>annexe C(3)</i>). This discrepancy is later categorised (see <i>Table 47</i>) as a tax payment from SNPT to municipalities (not as an obligatory payment). For the quarrying royalty, which is above the materiality threshold, it is unclear which companies have paid it as it does not appear in the reconciled data.</p> <p>In its comments on the draft Validation Report, the MSG indicated the legal basis¹⁴ for establishing the levels of these payments for quarrying royalties. This municipal tax applicable to extractive companies comes under the law on decentralisation, which confers certain taxes on the communes, including the royalty on quarries and mines. Municipalities set these taxes by deliberation of their councils. On the basis of these decisions, quarrying and mining royalties are levied on extractive companies in the municipalities.</p> <p>While including direct payments to municipalities is welcome, companies stated during consultations that the levels of local taxes are unclear, creating uncertainty about the payments due. There is no evidence that the MSG agreed on a procedure to address data quality and assurance for subnational payments, in accordance with Requirement 4.9. The significant unexplained discrepancies in mandatory payments by SNPT, which the company categorised as tax payments to municipalities, raises questions about the reliability of these revenue disclosures.</p> <p>For taxes paid to municipalities and prefectures, there is no evidence that the MSG adopted a different materiality threshold for subnational direct payments. In previous EITI reporting it has opted for no materiality threshold. Companies noted during consultations that the practice of municipalities levying taxes not enshrined in national law seems arbitrary and requested clarity on the legitimacy and amounts of these levies for different municipalities. There is an opportunity for the EITI to map the fees levied by communes on companies and assess if these are in line with the allowed maximum set each year. The types of direct payments need to be clarified and delineated to ensure that companies and local stakeholders understand the payments made. The MSG should clarify its materiality approach to direct subnational payments.</p>
<p>Subnational transfers (Requirement 5.2) <i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 5.2 is mostly met, which represents a regression from the previous Validation. While the EITI Report identifies the different taxes collected by the tax collecting entity (Commissariat d’impôt, CI), the key of redistribution and amounts paid to the communities in 2021, it does not clarify which of those payments are related to revenues generated by mining companies and which are generated by other companies. While disclosures on subnational transfers are welcome given the</p>

¹⁴ https://www.ecoconscience.tv/wp-content/uploads/2022/10/decret_sur_les_recettes_1-comprese_compressed.pdf

	<p>interest expressed by civil society to understand the level of subnational transfers, the Secretariat considers that the underlying objective, to enable stakeholders at the local level to assess whether the transfer and management of subnational transfers of extractive revenues are in line with statutory entitlements, is mostly fulfilled. The reason is that there is a lack of delineation of subnational transfers relating to the extractives sector from all transfers. Stakeholders from civil society and companies agreed that it was a priority to understand the transfers of extractives-generated taxes and payments to the local level.</p> <p>The MSG has determined that the EITI Report shall include all (regardless of whether they are related to the extractive industries or not, for example, a gambling tax) revenue streams transferred from the tax office to the communes. One payment stream, the mining and quarrying royalty is related to the extractive industry. It is unclear if this is the same revenue stream identified under “direct subnational payments” called quarrying royalty. The table listing the actual figures of subnational transfers per municipality does not list the royalty. There is no comparison of payments due and payments made according to the revenue-sharing formula.</p> <p>To improve the understanding of local stakeholders on what subnational transfers are linked to the extractive industries, the MSG is invited to clarify which of the taxes listed in the report relate to the extractive industry and if they were material in the period under review. Where extractives-related transfers were material, the MSG is required to disclose any discrepancy between the revenue-sharing formula and the actual amount transferred, disaggregated by the local government unit.</p> <p>On the encouraged aspects of the requirement, there is no evidence of the MSG agreeing on a procedure to address the quality and assurance of the information on subnational transfers, evidence of material discretionary or ad-hoc transfers, nor information on whether extractive revenues are earmarked for specific programmes or investments at the subnational level.</p>
<p>Social and environmental expenditures (Requirement 6.1) <i>Mostly met</i></p>	<p>The International Secretariat’s assessment is that Requirement 6.1 is mostly met, a regression compared to the previous Validation, where the requirement was exceeded. Civil society stakeholders have highlighted the importance of understanding the social and environmental contributions made by companies operating in local communities. However, due to the lack of clarity on the types of mandatory environmental payments and social expenditures, the omission of mandatory social expenditures paid by all companies, and the absence of data quality assurance for these payments, the Secretariat believes that the objective to enhance public understanding of extractive companies’ social and environmental contributions and to assess their compliance with legal and contractual obligations in this regard is not yet fully achieved.</p> <p>Regarding mandatory social and environmental contributions, the EITI Report lists an expenditure from SNPT without specifying the legal basis for the payment. In its comments on the draft Validation Report, the MSG stated that the mandatory social and environmental expenditures made by all mining companies fall within the requirements of the Framework Law on the Environment. In this context, each company, including SNPT, carries out the planned expenditure to mitigate social and environmental impacts in accordance with the Environmental and Social Management Plan (PGES), under the supervision of the National Environmental Management Agency (ANGE).</p> <p>Consultations have also identified a mandatory social contribution equivalent to 0.75% of company turnover for local development¹⁵, as noted as well in</p>

¹⁵ see decree no. 2017-023/PR based on the law of 5 May 2011 on the contribution of companies to local development.

	<p>Requirement 5.1 on the traceability of revenues. This mandatory payment is not captured in EITI reporting, raising questions about its materiality. It is not clear if it is a social payment given that the treasury sub-account collects the revenues, but it is not captured in the budget. The MSG did not apply a threshold for mandatory social payments, suggesting that this payment stream should have been included.</p> <p>According to information shared during company and government consultations, these contributions are collected by an account at the treasury but are not registered in the budget. A management committee (Comité de Gestion) oversees fund allocation, with the treasury disbursing funds to municipalities as determined by the committee. Documentation on these transfers from the treasury to municipalities was shared by the national secretariat but is not accessible to the public. In its comments to the draft assessment, the MSG noted that this was not a mandatory contribution but regular payment stream. In the official gazette of Togo however, the contribution of 0.75% of company turnover is described as an expenditure managed by a local management committee. The International Secretariat is of the view that more clarity needs to be provided on this specific contribution, given the high public demand.</p> <p>Consultations also revealed that artisanal sand mining companies are legally bound to pay FCFA 5 million into a local development fund each time a license is granted or renewed, with the incoming funds used by the municipalities. EITI reporting lacks information on the existence and operation of these funds. Given the absence of a materiality threshold for mandatory payments, disclosure of such payments is warranted.</p> <p>Companies noted during consultations that, as part of the national reforestation strategy,¹⁶ obligations exist for companies engaging in forest destruction to replant three times the number of trees destroyed. Trees are donated and planted directly by the company in affected communities, constituting an obligatory environmental expenditure, albeit not specific to the extractive industry. The MSG should discuss whether such environmental expenditures should be disclosed by mining companies.</p> <p>Regarding voluntary social and environmental expenditures, only one company, WACEM, declared these payments. Other companies indicated making similar payments although they do not systematically capture these payments. Additionally, Scantogo SA (a subsidiary of Scancem International, member of Heidelberg Materials) detailed voluntary payments in the Heidelberg Materials Togo Annual Report, available online but not referenced in EITI reporting. For current disclosures on social contributions, the MSG opted for unilateral company disclosures. The multi-stakeholder group is required to establish a procedure to address data quality and assurance concerning information on social and environmental expenditures, per Requirement 4.9.</p>
New corrective actions and recommendations	
<ul style="list-style-type: none"> • In accordance with Requirement 4.6, Togo should specify whether a materiality threshold applies to taxes paid at the subnational level. Furthermore, Togo is required to establish a procedure to ensure data quality and assurance for information on subnational payments, in accordance with Requirement 4.9. • In accordance with Requirement 5.2, Togo should clarify which revenue streams transferred to the subnational level are derived from the extractive sector. For those transfers considered material by the MSG, Togo is required to disclose any discrepancies between the revenue-sharing formula and the actual amounts transferred, with disaggregation by the local 	

¹⁶ see <https://faolex.fao.org/docs/pdf/tog198334.pdf>

government unit. Togo is encouraged to establish a procedure to ensure quality assurance of information on subnational transfers, document any instances of material discretionary or ad-hoc transfers, and clarify whether extractive revenues are earmarked for specific programmes or investments at the subnational level.

- In accordance with Requirement 6.1, Togo should detail all mandatory and voluntary social and environmental expenditures applicable to extractive companies. It must report all such expenditures in accordance with the materiality definition adopted for each payment stream. The multi-stakeholder group is required to establish a procedure to ensure data quality assurance for information on social and environmental expenditures, in accordance with Requirement 4.9.

Background

Overview of the extractive industries

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

History of EITI implementation

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

Explanation of the Validation process

An overview of the Validation process is available on the EITI website.¹⁷ The [Validation Guide](#) offers detailed guidance on assessing EITI Requirements, while the more comprehensive [Validation procedure](#) outlines a standardised method for Validation by the EITI International Secretariat.

The International Secretariat's country implementation support team included Melina Ackermann and Nassim Bennani. The Validation team comprised Solofo Rakotoseheno, Christina Berger, and Hugo Paret. Francisco Paris, Riley Zecca, and Bady Baldé conducted the internal quality assurance review.

Confidentiality

The detailed data collection and assessment templates are accessible on the internal Validation Committee page [here](#).

The practice in attribution of stakeholder comments in EITI Validation reports is by constituency, without naming the stakeholder or its organisation. Where requested, the confidentiality of stakeholders' identities is respected, and comments are not attributed by constituency. This draft report is shared with stakeholders for consultation purposes and remains confidential as a working document until the Board decides on the matter.

¹⁷ See <https://eiti.org/validation>

Timeline of Validation

The Validation of Togo commenced on 1 January 2024. A [public call for views on stakeholder engagement](#) was issued on 1 October 2023. Stakeholder consultations were held virtually in January 2024. The draft Validation report was finalised on 11 September 2024. Following comments from the MSG expected on 9 October, the Validation report was finalised for consideration by the EITI Board.

Resources

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