

# ETHIOPIAN EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EEITI)

**Third EEITI report  
For the year ended 7 July 2016**



**March 2018**

**MOORE STEPHENS**

## Table of Contents

<b>PREFACE .....</b>	<b>5</b>
Extractive Industries Transparency Initiative (EITI) .....	5
EITI in Ethiopia.....	5
Objective.....	5
Nature and extent of our work .....	6
<b>1. EXECUTIVE SUMMARY .....</b>	<b>7</b>
1.1. EITI scope.....	7
1.2. Revenue generated from the extractive industries.....	7
1.3. Production.....	9
1.4. Scope of data collection .....	9
1.5. Completeness and Accuracy of Data .....	10
1.6. Reconciliation of cash flows .....	11
1.7. Recommendations .....	12
<b>2. APPROACH AND METHODOLOGY .....</b>	<b>13</b>
2.1. Scoping study .....	13
2.2. Data collection .....	13
2.3. Reconciliation and investigation of discrepancies.....	13
2.4. Reliability and credibility of data reported .....	14
2.5. Accounting records .....	14
<b>3. CONTEXTUAL INFORMATION ON THE EXTRACTIVE INDUSTRIES .....</b>	<b>16</b>
3.1. Extractive sector in Ethiopia .....	16
3.2. Background and profile of the mining sector in Ethiopia .....	16
3.3. Background and profile of the Oil & Gas sector in Ethiopia .....	35
3.4. Collection and distribution of the extractive industry revenues.....	42
3.5. Beneficial ownership .....	45
3.6. Audit and assurance practices in Ethiopia .....	47
<b>4. DETERMINATION OF THE RECONCILIATION SCOPE.....</b>	<b>48</b>
4.1. Selection of payment flows and information to be reported .....	48
4.2. Extractive companies .....	52
4.3. Government Agencies.....	53
4.4. Materiality thresholds and margin of error .....	53
<b>5. RECONCILIATION RESULTS .....</b>	<b>54</b>
<b>6. REPORTED DATA ANALYSIS .....</b>	<b>67</b>
<b>7. RECOMMENDATIONS .....</b>	<b>74</b>

<b>ANNEXES .....</b>	<b>82</b>
Annex 1: Employment figures in the reconciled companies.....	83
Annex 2: Extractive companies profile .....	84
Annex 3: Technical criteria for evaluation of exploration rights' application .....	86
Annex 4: Beneficial ownership .....	88
Annex 5: Social contributions .....	91
Annex 6: Production data by mineral and by company.....	93
Annex 7: Payment flows description.....	94
Annex 8: Detail of Licenses disclosed by companies selected in the scope .....	97
Annex 9: Reconciliation sheets by company .....	100
Annex 10: Data submission and reliability 2015/16 .....	123
Annex 11: Persons contacted or involved in the scoping study .....	124

**LIST OF ABBREVIATIONS**

ASM	Artisanal and Small-scale Mining
CSO	Civil Society Organizations
EFY	Ethiopian Fiscal Year
EEITI	Ethiopian Extractive Industries Transparency Initiative
EITI	Extractive Industries Transparency Initiative
ERCA	Ethiopian Revenues and Customs Authority
ETB	Ethiopian Birr
FDRE	Federal Democratic Republic of Ethiopia
FOB	Free On Board
GDP	Gross Domestic Product
MoFEC	Ministry of Finance and Economic Cooperation
MLAD	Mineral Licensing and Administration Directorate
MMPNG	Ministry of Mines Petroleum and Natural Gas
MSB	Multi-Stakeholder Board
NBE	National Bank of Ethiopia
OFAG	Office of Federal Auditor General
PAYE	Pay As You Earn
SNNP	Southern Nations, Nationalities, and Peoples
SOC	State-Owned Companies
TIN	Taxpayer Identification Number
ToR	Terms of Reference
VAT	Value Added Tax

## PREFACE

### Extractive Industries Transparency Initiative (EITI)<sup>1</sup>

The Extractive Industries Transparency Initiative (EITI) was first announced at the World Summit for Sustainable Development in Johannesburg in 2002 (the 'Earth Summit 2002'), and officially launched in London in 2003. It was founded on the recognition that, while oil, gas and minerals can help to raise living standards across the world, in countries where these resources are not managed appropriately, this may often lead to corruption and conflict and, for many people, a lower quality of life.

The Extractive Industries Transparency Initiative is a global coalition of Government Agencies, extractive companies and civil society organisations working together to improve openness and accountable management of revenues from natural resources. EITI therefore promotes better governance in countries rich in oil, gas and mineral resources, and seeks to reduce the risk of diversion or misappropriation of funds generated by the development of a country's extractive industries. A new EITI Standard was published on 23 February 2016 (the "EITI Standard"). Its principles are based on the affirmation that public understanding of government revenues and expenditure over time, could help public debate and inform choice of appropriate and realistic option for sustainable economic growth and reduction of poverty in resource-rich countries.

The EITI Standard sets out the requirements which countries need to meet in order to be recognised, first as an EITI Candidate and ultimately as an EITI Compliant country. There are currently 51 implementing countries of which 14 countries which made meaningful to satisfactory progress. 31 countries have yet to be assessed under the 2016 Standard.

### EITI in Ethiopia

The Ministry of Mines and Energy committed to EITI and launched the Ethiopian EITI (EEITI) in July 2009. The launching conference for the implementation of EITI in Ethiopia was held between 28 and 29 July 2009 in Adama, Ethiopia, involving more than 100 participants from CSOs, extractive companies and Government Agencies.

However, the International Secretariat deferred the application of Ethiopia as candidate seeking further explanations from the Government of Ethiopia with regards to the free and active participation of CSOs in the EEITI implementation.

Additionally, before becoming an EITI country candidate, Ethiopia published a pilot reconciliation report, prepared by Hart Nurse Ltd, for the period 2009/10 running from 8 July 2009 to 7 July 2010 covering 16 companies in February 2013.

Ethiopia became an EITI Candidate country in March 2014 and published its first EITI report in March 2015 covering the period 2013/14 from 8 July 2013 to 7 July 2014. And the second EEITI report was published in January 2018.

In a bid to reinforce the EEITI legal framework and to institutionalise the EITI Process, an EITI Act is currently being reviewed by the Attorney General to be proposed to the Council of Ministers for adoption.

### Objective

The purpose of this assignment is to produce the third EITI Report for Ethiopia, to define the scope of the extractive industries and to reconcile the data provided by extractive companies (hereafter referred to as "Companies") with the data provided by relevant Government Ministries and Entities (hereafter referred to as "Government Agencies").

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

The aim of this EEITI report is to strengthen the understanding of the level of contributions of the extractive sector to the economic and social development of Ethiopia in order to improve transparency and good governance in all components of the extractive industry value chain.

## Nature and extent of our work

Moore Stephens has been appointed as Independent Administrator in order to prepare the third EITI Report for the year ended 7 July 2016.

Accordingly, the Independent Administrator performed its work in accordance with International Standard on Related Services (ISRS 4400 Engagements to perform agreed upon procedures regarding Financial Information). The procedures performed were those set out in the terms of reference as approved by the EEITI MSB.

The reconciliation procedures carried out were not designed to constitute an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements and as a result, we do not express any assurance on the transactions beyond the explicit statements set out in this report. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The report consists of seven (7) chapters presented as follows:

- Executive summary;
- Approach and methodology;
- Contextual information on the extractive industries;
- Determination of the reconciliation scope;
- Reconciliation results;
- Reported data analysis; and
- Recommendations.

Reported data disaggregated by individual companies, Government Agencies and revenue streams, are included as appendices to the report. The amounts in this report are stated in Ethiopian Birr (ETB), unless otherwise stated.

This report incorporates information received up to **18 January 2018**. Any information received after that date has not been included in our report.

## 1. EXECUTIVE SUMMARY

This report summarises information about the reconciliation of revenues from the extractive industries in Ethiopia as part of the implementation of the Extractive Industries Transparency Initiative (EITI). In this context, extractive companies and Government Agencies report payments and collections respectively from the extractive industries for royalties, profit taxes, dividends, and other industry related payments.

### 1.1. EITI scope

This report covers payments made by extractive companies and revenues received by Government Agencies and other material payments and benefits to Government Agencies as stated by Requirement 4.1 of the EITI standard and as detailed in Section 4 of this report.

It also includes contextual information about the extractive industries in accordance with EITI Requirements n°2 to 4. This information includes a summarised description of the legal framework and fiscal regime, an overview of the extractive industries, the extractive industries' contribution to the economy, production data, the State's shareholding in extractive companies, revenue allocations, licence registers, licence allocations and social contributions made by extractive companies.

### 1.2. Revenue generated from the extractive industries

The receipts reported by the government between 8 July 2015 and 7 July 2016 (Ethiopian Fiscal Year 2015/16), after reconciliation, are presented below:

#### Structure of direct revenues of the extractive industries

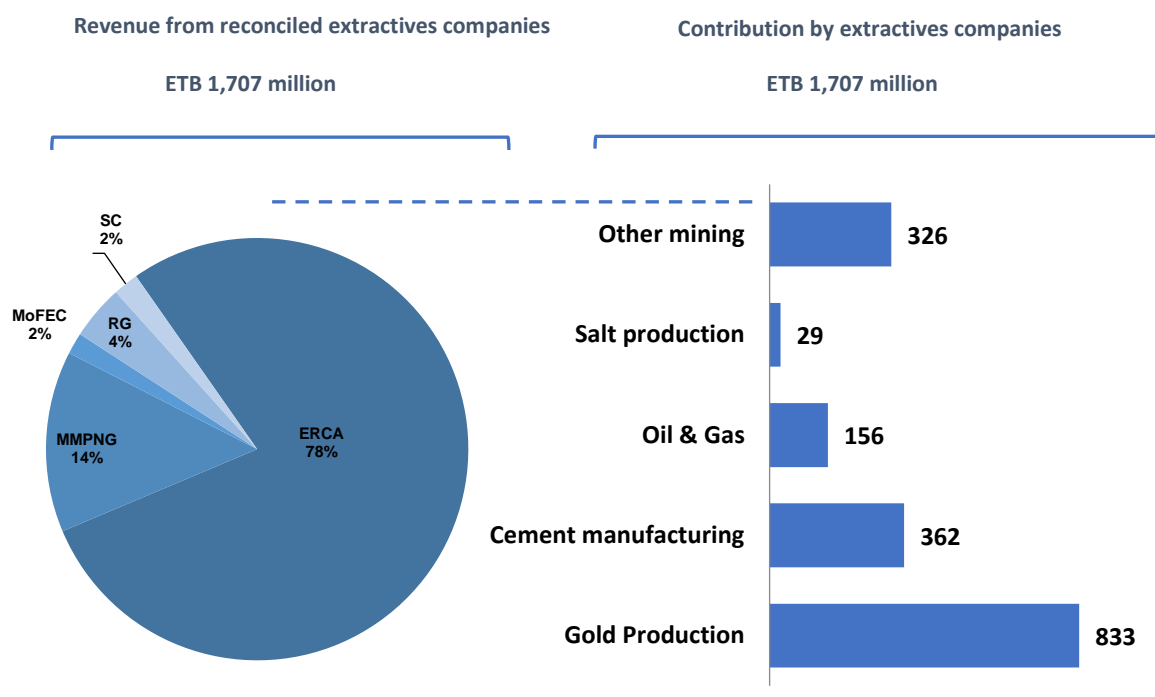
Total revenues received from the extractive sector amounted to ETB 1,707 million in 2015/16. ERCA accounted for 78.4% of the total revenue stream generated by the sector, followed by MMPNG and MoFEC, accounting respectively for 13.9% and 1.6% of total extractive industries' revenues. The breakdown of revenues is set out in the table below:

	Extractive revenues (ETB million)	% of total payment
Ethiopian Revenues and Customs Authority (ERCA)	1,338	78.4%
Ministry of Mines Petroleum and Natural Gas (MMPNG)	237	13.9%
Ministry of Finance and Economic Cooperation (MoFEC)	28	1.6%
Regional Governments (RG)*	71	4.2%
Social contributions (SC) *	33	1.9%
<b>Total extractive revenues</b>	<b>1,707</b>	<b>100.0%</b>
Gold production	833	48.8%
Cement manufacturing	362	21.2%
Oil and Gas	156	9.2%
Salt production	29	1.7%
Other mining	326	19.1%
<b>Total extractives revenues</b>	<b>1,707</b>	<b>100.0%</b>

Source: EITI Reporting Templates as detailed in Section 6 of this report

\* Unilaterally declared by companies retained in the reconciliation scope

Figure 1: Structure of extractive industries revenues



### Contribution to Ethiopian economy

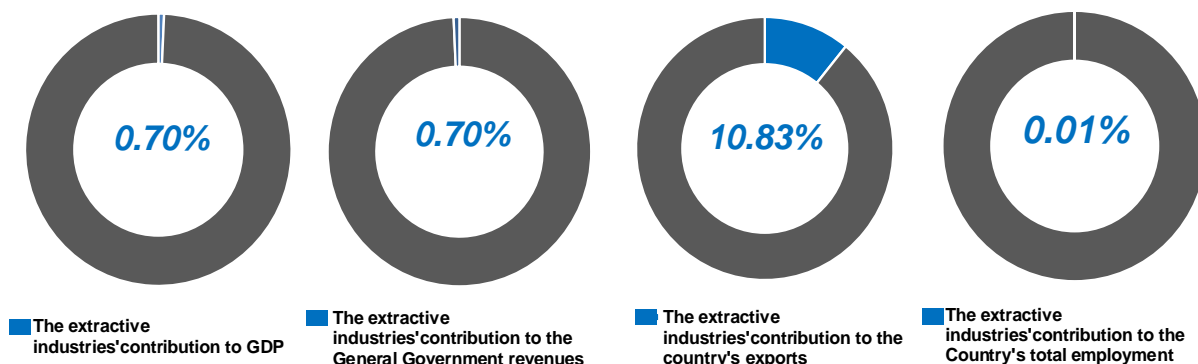
In accordance with the Central Statistical Agency of Ethiopia (CSA), the contribution of the extractive industries to the Gross Domestic Product (GDP) in the fiscal year 2015/16 was ETB 5,680 million which represents about 0.7% of the GDP as detailed in Section 3.2.9 of this report.

Based on the data collected in the course of the reconciliation exercise, the revenues collected from the extractive industries represented 0.7% of the total revenues of the General Government revenues during the fiscal year 2015/16 as detailed in Sections 3.2.9 and 3.3.8 of this report.

Based on the National Bank of Ethiopia and ERCA’s data, the value of solid minerals exported amounted to USD 310.59 million, which represented about 10.83% of the total exports of the country.

Employment reported by the extractive companies retained in the scope amounted to 4,075 employees representing 0.01% of the total labour force during the fiscal year 2015/16 as detailed in Sections 3.2.9 and 3.3.8 of this report.

Figure 2: Macro-economic indicators for the extractive sector (2015/16)





### 1.3. Production

EITI Requirement 3.2: states that: 'Implementing countries must disclose production data for the fiscal year covered by the EITI Report, including total production volumes and the value of production by commodity, and, when relevant, by state/region. The EEITI MSB agreed to include production data provided by extractive companies included in the reconciliation scope as well as the information on ASM provided by the National Bank of Ethiopia as detailed below:

Mineral	Quantity (Tons)	Value of the production (ETB million)	%	Regions
Gold	3	2,591	41%	Oromia
Limestone	4,888,043	223	4%	Dire Dawa, Oromia
Salt	29,634	50	1%	Afar
Marble	733,054	29	0%	Oromia
Pumice	89,520	18	0%	Oromia
Gypsum	18,610	14	0%	Benshangul Gumuz
Other	692,795	89	1%	Addis Ababa, Dire Dawa, Oromia
<b>Sub-total production value of reporting companies (*)</b>		<b>3,015</b>	<b>48%</b>	
Gold from ASM (**)	4	3,277	52%	SNNP, Benshangul-Gumuz, Oromia, Tigray
<b>Total production</b>			<b>100%</b>	

(\*) Source: EITI Reporting Templates as detailed in Section 6.4 of this report

(\*\*) Source: National Bank of Ethiopia as detailed in Section 3.2.8 of this report

In accordance with the table above, production value of ASM represents 52% of total production value and covers four regions as follows: SNNP, Benshangul-Gumuz, Oromia and Tigray. Production areas of large and small-scale miners included in the reconciliation scope covers four regions namely Oromia, Dire Dawa, Benshangul Gumuz and Afar regions

### 1.4. Scope of data collection

#### Reconciliation scope

For the mining sector, the EEITI MSB identified 17 companies to be included in the reconciliation process for the Third EEITI Report. These companies meet the selection criteria in the fiscal year 2015/16 as detailed in Section 4.2.2 of this report and they were therefore included in the reconciliation process.

For Oil and Gas, the EEITI MSB agreed to include in the reconciliation process six (6) Oil and Gas exploration companies which made payments during 2015/16 without applying any materiality threshold as detailed in Section 4.2.1 of this report.

The EEITI MSB agreed to include in the reconciliation process three (3) Government Agencies, namely: MMPNG, ERCA and MoFEC. These Government Agencies received payments from the extractive companies as detailed in Section 4.3 of the report. Although NBE was not required to submit reporting templates for the reconciliation process, it remained part of the reporting process to provide unilateral disclosure for ASM production.

#### Unilateral disclosure

As agreed by the EEITI MSB, only MMPNG disclosed unilaterally the revenues collected from companies not retained within the reconciliation scope and which are specific to extractive sector. Further details are presented in Section 6.2 of this report. Companies retained within the reconciliation scope were required to disclose unilaterally their social contribution and their payments to the Regional States.

Based on the above, we have included payments of ETB 104 million with unilateral disclosure from extractive companies and ETB 26 million with unilateral disclosure from Government Agencies.

These unilateral disclosures amount to ETB 131 million and represent 7.7 % of total revenues of the extractive sector. This allowed us to cover 92.3% of total revenue of the extractive sector in the reconciliation scope:

Payments from:	Revenue (ETB million)	%
<b>Mining sector total revenue</b>	<b>1,707</b>	<b>100.0%</b>
<b>Reconciled revenue</b>	<b>1,576</b>	<b>92.3%</b>
Unilateral disclosure by Government Entities of receipts from extractive companies outside the reconciliation scope	26	1.5%
Unilateral disclosure by mining companies within the reconciliation scope	104	6.1%
<b>Total unilateral disclosure of mining sector revenues</b>	<b>131</b>	<b>7.7%</b>

Source: EITI Reporting Templates

Details regarding unilateral disclosures are presented in Sections 6.2 of this report.

### EITI report scope

According to the Constitution of Ethiopia, the Federal Republic comprises nine-member states, which have their own legislative, executive and judicial powers. The EEITI MSB decided that regional Government Agencies would not be requested to report data on extractive revenues. Payments made to regional Governments and social payments have been declared unilaterally by extractive companies included in the reconciliation scope.

The EEITI MSB decided that the special small scale and artisanal mining sector would not be included in this report as detailed in Section 3.2.8. The overall contribution of artisanal gold producers to the country's total gold production could only be assessed from data from the National Bank of Ethiopia. NBE acts as a clearing house for gold produced by artisanal miners.

## 1.5. Completeness and Accuracy of Data

### Data submission

All Government Agencies included in the reconciliation scope submitted their reporting templates.

All extractive companies included in the reconciliation scope submitted reporting templates.

All material contributions to the revenues of Ethiopia made by extractive companies within the scope agreed by the EEITI MSB, have been reconciled.

### Data reliability

#### Selected companies

All companies submitted reporting templates signed by an authorised officer except Pioneer Cement Manufacturing Plc, which submitted unsigned reporting templates. Receipts reported by Government Agencies and relating to this company amounted to ETB 43,919,801, accounting for 2.6% of the total revenues of extractive industries.

All companies submitted reporting templates certified by an external auditor except for three (03) companies which submitted uncertified reporting templates. Total revenue contribution of these companies amounted to ETB 318 accounting for 18.6% of the total revenues of extractive industries:

Name of company	TOTAL Declared (ETB million)	% Of total revenues
Dangote Industries (Ethiopia) Plc	272	15.9%
Pioneer Cement Manufacturing Plc	44	2.6%
Sammakka Stones Plc	2	0.1%
<b>Total</b>	<b>318</b>	<b>18.6%</b>

All companies submitted their audited financial statements except for Sammakka Stones Plc company. Total payments relating to this company amounted to ETB 968,626 accounting for 0.06% of the total revenue of extractive industries.

Details of extractive companies' reporting templates submitted are presented in Annex 10 of this report.

### Government Agencies

All Government Agencies included in the reconciliation scope submitted reporting templates signed by an authorised officer

Reporting templates of Government Agencies were not certified by the Office of the Auditor General (OFAG) as decided by the EEITI MSB. However, the audit reports of MoFEC and MMPNG were made available to us.

Except for the above, financial data submitted by reporting entities and included in this report were subject to credible, independent assurance process, applying international standards.

## 1.6. Reconciliation of cash flows

The purpose of reconciling payment flows was to identify any potential discrepancies in the declarations and to clarify them. The gaps initially identified were analysed and adjusted whenever the relevant supporting documents were made available by the reporting parties.

According to the data collected from extractive companies and Government Agencies, after reconciliation work, revenues generated from the extractive industries amounted to ETB 1,707 million. These revenues include reconciled revenues amounting to ETB 1,576 million and representing 92.4% of the total revenues during the fiscal year 2015/16. The reconciled revenues detailed by Government Agency is set out in the table below:

	Declared Government revenue (ETB million)	% of total payments
Ministry of Mines Petroleum and Natural Gas (MMPNG)	224	13.1%
Ethiopian Revenues and Customs Authority (ERCA)	1,324	77.6%
Ministry of Finance and Economic Cooperation (MoFEC)	28	1.6%
<b>Reconciled revenues</b>	<b>1,576</b>	<b>92.4%</b>
<b>Unilateral disclosure of revenues by extractive companies</b>	<b>104</b>	<b>1.5%</b>
<b>Unilateral disclosure of revenues by Government</b>	<b>26</b>	<b>6.1%</b>
<b>Total extractive revenues</b>	<b>1,707</b>	<b>100%</b>

### Cash flows reconciliation

After adjustment and reconciliation work, a net difference of ETB 290 million representing 18.39% of reconciled Government revenues remained unreconciled. The unreconciled difference may be summarised by Government Entity as follows:

Payments to	Extractive company (ETB million) (a)	Govt (ETB million) (b)	Unreconciled Difference (c)=(a)-(b)	% (d)= (c)/(b)
Ministry of Mines Petroleum and Natural Gas (MMPNG)	204	224	(20)	(8.93%)
Ethiopian Revenues and Customs Authority (ERCA)	1,634	1,324	310	23.41%
Ministry of Finance and Economic Cooperation (MoFEC)	28	28	0	0.00%
<b>Total</b>	<b>1,866</b>	<b>1,576</b>	<b>290</b>	<b>18.39%</b>

Details of the reconciliation and adjustments made by company and by tax are set out in the Section 5 of this report while individual tax templates by company showing the reconciliation are presented in Annex 9.

## 1.7. Recommendations

We have made recommendations with a view to improve the EITI process in Ethiopia and governance of the extractive sector and revenue management. These are summarised as follows:

### Findings

- 1 Preparation of the reporting template by the different stakeholders
- 2 Enhancing the assurance on reported data Reliability
- 3 Meeting reporting deadlines
- 4 Compiling an EITI Database
- 5 Updating the licences register
- 6 Accuracy of production data
- 7 Enhancing the assurance on reported data Reliability
- 8 Tax and non-tax administration and collection of payments
- 9 Mining activities managed by the regional governments
- 10 Availability of statistics and data on the extractive industry
- 11 Meeting the recommendations made in the previous EEITI reports

These recommendations are detailed in Section 7 of this report.



Tim Woodward  
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## 2. APPROACH AND METHODOLOGY

The reconciliation process consisted of the following steps:

- conducting a scoping study to determine the scope of the reconciliation exercise and to design the reporting templates;
- the collection of payment data from Government Agencies and extractive companies, which provide the basis for the reconciliation;
- a comparison of amounts reported by Government Agencies and extractive companies to determine if there are discrepancies between the two sources of information; and
- contact with Government Agencies and extractive companies to resolve the discrepancies.

### 2.1. Scoping study

The financial flows to be included in the reconciliation and the Government Agencies and companies which were required to report were determined by the EEITI MSB based on the scoping study conducted by Moore Stephens.

According to the ToR of our Engagement, we were required to carry out a scoping study which would determine the scope of the EEITI Report, including a proposal of:

- the materiality threshold for receipts and payments;
- taxes and revenues to be covered including social contribution;
- companies and Government Agencies required to report; and
- assurances to be provided by reporting entities to ensure credibility of the data made available to us.

The scope of the EEITI report as decided by the EEITI MSB, is described in Section 4 of this report.

### 2.2. Data collection

We developed instructions, including reporting templates and reporting guidelines, requesting extractive companies and Government Agencies to report all required data.

We carried out a Stakeholder Workshop in Addis Ababa on 1 November 2017 to present the:

- reconciliation process;
- reconciliation scope;
- reporting templates and instructions;
- lessons learnt from the previous reconciliation exercises; and
- frequent issues arising during the reconciliation exercise.

The reporting package, comprising the Reporting Templates and Instructions for their completion, was sent electronically to the stakeholders on 1 November 2017.

Extractive companies and Government Agencies were required to report directly to the Independent Administrator (IA), to whom they were also requested to direct any queries about the reporting templates.

The EEITI MSB agreed that the deadline for submission of the certified reporting templates would be 8 November 2017.

### 2.3. Reconciliation and investigation of discrepancies

The process of reconciling the data and investigating discrepancies was carried out from 13 to 22 November 2017. In carrying out the reconciliation, we performed the following procedures:

**Initial Reconciliation Procedures:** Figures reported by extractive companies were compiled item by item and checked against figures reported by Government Agencies. As a result, all discrepancies identified have been listed item by item in relation to each Government Agency and company.

In cases where the reported revenues from Government Agencies agreed with a company reported payment, or with a deviation in the allowable variance described in the section below, the government figures were considered to be confirmed and no further action was undertaken.

In cases where the reported revenues from Government Agencies did not agree with a company reported payment and the difference was not within the allowable variance, discrepancies were specified for each company and government reporting entity and the discrepancies were subject to further evaluation before completing the initial reconciliation report.

**Reconciliation variance:** As part of the reporting process, a materiality threshold of ETB 20,000 was set to help determine an acceptable level of effort to spend in attempting to resolve discrepancies.

In the cases where the reported revenue from Government Agencies did not agree with payments reported by the company, and the discrepancies were at or below the variance threshold determined by the EEITI MSB, the Independent Administrator concluded that the discrepancies were not material to the EEITI Report.

**Follow-up procedures to investigate differences:** In the case where material differences were noted, the Government Agencies and the companies were asked to provide supporting documents and/or confirmation for any adjustments to the information provided on the original reporting templates.

We contacted the reporting entities and reviewed additional supporting documentation evidencing the payments reported. In the event that we were not able to identify the reasons for the differences from the review of additional supporting evidence and contact with the reporting entities, we concluded that the discrepancies are “undetermined or unexplained”. The results of our work are presented in Section 5 of this report.

## 2.4. Reliability and credibility of data reported

In order to comply with EITI Requirement 4.9 and to ensure the credibility of data submitted, the EEITI MSB agreed the following approach in the preparation of the 2015/16 EITI Report:

- for every company the “Payment/Receipt Report” should be signed by an authorised senior official (at board level);
- for every Government Agency the “Payment/Receipt Report” should be signed by an authorised senior officer; and
- each Reporting Template must be certified by an external auditor:
  - Extractive companies: are required to obtain confirmations from a registered external auditor that the figures reported in the Reporting Templates are in accordance with instructions issued by the Independent Administrator, are complete and are in agreement with their financial statements for the period covered by the reconciliation; and
  - Government Agencies: were required to obtain confirmation from the Auditor General that the figures reported in the Reporting Templates are in accordance with instructions issued by the Independent Administrator, are complete and are in agreement with the audited accounts of government for the Ethiopian fiscal year 2015/16.
- extractive companies were encouraged to submit their audited financial statements for the years 2015 and 2016; and
- the Auditor General was required to carry out agreed upon procedures under international standards in his certification of reporting templates provided by Government Agencies.

## 2.5. Accounting records

In accordance with Requirement 4.7 of the EITI Standard, data has been reported by company, by payment flow and by Government Agency. Reporting entities were asked to provide the relevant details along with the reporting templates for each payment flow, as well as contextual information.

The reconciliation has been carried out on a cash basis. Accordingly, payments made prior to 8 July 2015 have been excluded. The same applies to payments made after 7 July 2016.

The reporting currency is ETB. For payments made in foreign currency, the reporting entities were required to report in the currency of payment. Payments made in foreign currency (US\$) have been converted to ETB at the actual rate used by the Government Agencies to record the amount received.

#### **2.5.1. Extractive companies**

Extractive companies prepare their accounting records on the accruals basis, i.e. the tax expense is recognised at the time it is due rather than the time when it is paid. Only amounts actually paid during the period from 8 July 2015 to 7 July 2016 were considered in the reporting templates.

#### **2.5.2. Government Agencies**

In respect of Government Agencies, care has been taken to ensure that amounts shown on the "Payment/Receipt Report" included all receipts during the year 2015/16, irrespective of whether or not the receipt was allocated in the Government Agency's records against amounts due in the previous financial year.

### 3. CONTEXTUAL INFORMATION ON THE EXTRACTIVE INDUSTRIES

#### 3.1. Extractive sector in Ethiopia

Ethiopia is richly endowed with mineral resources and with a contribution of 3% of the global tantalum production in 2014<sup>1</sup>. In the year 2015/16, Ethiopia produced a variety of mineral commodities, including gold, salt, limestone, silver, precious and basic stones, marble, kaolin and dolomite. According to the Ministry of Mines Petroleum and Natural Gas, the oil and gas sector is still at the exploration phase.

The extractive sectors covered by this report are:

- Mining and quarrying; and
- oil and gas exploration.

#### 3.2. Background and profile of the mining sector in Ethiopia

##### 3.2.1. General context of the mining sector in Ethiopia

The country has over 1.1 million km<sup>2</sup> of land area<sup>2</sup> and a population of around 102 million<sup>3</sup>. Ethiopia is the twenty seventh largest country<sup>4</sup> in the world and it adopted a federal, democratic government system, in the early 1990s, with nine autonomous states ('regions') and two Administrative<sup>5</sup> cities<sup>6</sup>. Despite of the long history of traditional mining in the country, systematic and modern mineral exploration started in late 1960's. Surveys that were mostly carried out in the Precambrian terrain of the country resulted in the discovery of various mineral deposits and occurrences in different parts of the country.

Mineral deposits cover different types of commodities, including:

- precious, basic and rare, metals such as gold, niobium, and tantalum;
- industrial minerals such as cement, limestone, nitrogen and phosphate rock, potash, soda ash and gemstones; and
- energy minerals such as coal and petroleum<sup>7</sup>.

Although current mineral production is still small, Ethiopia actually has a diverse and complex geological history with three major geological terranes which are:

- the Proterozoic crystalline basement for gold prospection that underlies about 18% of the country;
- late Palaeozoic, Mesozoic and Tertiary continental and marine sediments occur mostly in the East and occupy about 25% of the land area of the country; and
- the Cenozoic volcanic and sedimentary rocks, including those of the East African Rift Valley transects the country in a North-Easterly direction and underline the remaining 57% of the land of the country.

Ethiopia is proved to have significant potential producing tantalum and gold. The country contributed up to three percent of the world's production of tantalum in 2014<sup>8</sup>. The mineral is widely used in capacitors for computers and mobile phones and it is certainly an important component in modern technology. Relatively important amounts of tantalite are also produced from the Kenticha mine in

<sup>1</sup> USGS 2014 Minerals Yearbook, Ethiopia

<sup>2</sup> World Bank (<https://data.worldbank.org/indicator/AG.SRF.TOTL.K2>)

<sup>3</sup> <http://databank.worldbank.org/data/download/POP.pdf>

<sup>4</sup> <https://www.countries-of-the-world.com/largest-countries.html>

<sup>5</sup> <http://www.ethiopia.gov.et/regional-states1>

<sup>6</sup> The Regions are Afar, Amhara, Benishangul-Gumuz, Gambella, Harari, Oromia, Ethiopian Somali region, SNNPR (Southern Nations, Nationalities and Peoples), and Tigray. The Administrative cities are Addis Ababa and Dire Dawa

<sup>7</sup> <https://minerals.usgs.gov/minerals/pubs/country/2014/myb3-2014-et.pdf>

<sup>8</sup> USGS 2014 Minerals Yearbook, Ethiopia



the south of the country. Significant deposits of tantalum and niobium have been found in Southern Ethiopia. Elenitlo Minerals & Mining plc of the United Kingdom held concessions of the Kenticha tantalum mine with resources of more than 17,000 metric tonnes of world class ore reserve. The Ethiopian Geological Survey investigation also showed that in addition to tantalite, the Kenticha deposit has niobium, lithium, beryllium bearing minerals in addition to high quality ceramic grade quartz-feldspar and other industrial minerals.

Gold on the other hand is still the most important mineral extracted in the country and it has been produced from placer deposits for several thousand years. There is currently a hard-rock mining operation at Lega Dembi.

Ethiopian's mining sector covers large scale, small scale and artisanal mining. It operates through granting concessions to private investors and miners. Small-scale production of a wide range of industrial mineral<sup>1</sup> commodities is distributed throughout the country<sup>2</sup> and there is a good potential for domestic markets in building and construction, glass and ceramics, and fertilizers<sup>3</sup>.

Marble has also been quarried for a variety of architectural and artistic purposes in Ethiopia<sup>4</sup> since ancient times. The country has marble deposits in several regional States including Harrar, Tigray, Oromia, and Benishangul-Gumuz<sup>5</sup>. Marble, potash, limestone, granite, coal and minerals used to produce cement are used by industries for the production of cement, ceramic, paper and glass as well as fodder for cattle and poultry. Several of these minerals such as the marble<sup>6</sup> are also exported helping the country earn foreign currency.

### 3.2.2. Legal framework of the extractive industries

Ethiopian mining legislation has put foreign mining investors off from participating in its mineral sector for several years. Private investments were not allowed in the mining sector from 1974 to 1991 and the government was solely responsible for the exploration and development of the sector until the advent of the new economic policy of Ethiopia.

New mining laws and mining tax laws were enacted starting from 1993 and these were constantly reviewed with a view to boost investment in the Ethiopian minerals sector.

The legal framework of the extractive industries can be summarised as follows:

Legal framework	Observations
Income Tax Amendment Proclamation No. 979/2016	Federal income tax proclamation
Transaction of Precious Minerals Proclamation No 651/2009	Proclamation to promote and regulate transactions of precious minerals
Mining Operations (Amendment) Proclamation No 816/2013 <sup>7</sup>	Proclamation to amend the mining operations proclamation
Mining Operations Proclamation No 678/2010	Proclamation to promote sustainable development of mineral resources
Mining Operations Regulations (Amendment) No 124/2006	Council of Ministers regulations on mining operations (amendment)
Mining Operations Regulations No 182/1994 <sup>8</sup>	Council of Ministers regulations on mining operations

<sup>1</sup> Geological Survey of Ethiopia (<http://www.gse.gov.et/index.php/2016/09/03/mineral-exploration-and-evaluation/>)

<sup>2</sup> Geological Survey of Ethiopia (<http://www.gse.gov.et/index.php/2016/08/19/about-ethiopia/>)

<sup>3</sup> Geological Survey of Ethiopia (<http://www.gse.gov.et/index.php/2016/08/19/about-ethiopia/>)

<sup>4</sup> Geological Survey Of Denmark And Greenland [http://extra.geus.info/cet/ethiopia/EthiopiaFS\\_Marble\\_Web.pdf](http://extra.geus.info/cet/ethiopia/EthiopiaFS_Marble_Web.pdf)

<sup>5</sup> Geological Survey of Ethiopia (<http://gis.gse.gov.et/map/sharing/rest/content/items/8add832161f6437f8e37418c12136347/data>)

<sup>6</sup> Section 6.5 of this report

<sup>7</sup> <http://www.mom.gov.et/upload/816-2013.pdf>

<sup>8</sup> <http://www.mom.gov.et/upload/miningreg.pdf>

Legal framework	Observations
Mining Income Tax (Amendment) Proclamation No 802/2013	Proclamation to amend the mining income tax proclamation
Mining Income Tax Proclamation No 53/1993 <sup>1</sup>	Proclamation to provide for payment of tax income from mining operations
Mining Income Tax (Amendment) Proclamation No 22/1996 <sup>2</sup>	Proclamation to amend the mining income tax proclamation
Mining Income Tax (Amendment) Proclamation No 23/1996 <sup>3</sup>	Proclamation to amend the mining income tax proclamation
Mining Proclamation No 52/1993	Proclamation to promote the development of mineral resources

### 3.2.3. Types of licences and allocation

The Ministry of Mines Petroleum and Natural Gas at the federal level is responsible for granting and supervising large scale mining operations in the country as per the reform issued in 1998 on Mining proclamations. MMPNG issues prospecting, exploration and mining licences for foreign investors and to those in joint venture with Ethiopian companies. The Ministry is also responsible for issuing licences reconnaissance, exploration, retention and mining licences other than those to be issued by a regional State licensing authority and for issuing certificate of professional competence for professionals who wish to engage in consultancy services in the mining sector.

Regional State Mining Authority is responsible of issuing artisanal mining licences, reconnaissance, exploration and retention licences with respect to construction and industrial minerals, small scale mining licences for industrial minerals, large scale mining licences for construction minerals and certificates of discovery for minerals other than strategic minerals.

#### Types of licences

In accordance with the Mining Operations Proclamation No.678/2010, there are seven types of licences and two certificates as follows:

Type	Licence Period
Reconnaissance Licence	Up to 1.5 year, non-exclusive and non-renewable
Exploration Licence	Up to 3 years plus two-Yearly renewals; may be permitted up to two additional renewals under certain circumstances
Retention Licence	Up to 3 years plus 3 years renewal possibility
Artisanal Mining Licence	Up to 3 years plus 2x3 years renewals possibility
Small-Scale Mining Licence	Up to 10 years plus 5 years renewal possibility
Special small-scale mining licence	Up to 10 years plus 5 years renewal possibility
Large-Scale Mining Licence	Up to 20 years plus 10 years renewal possibility
Certificate of Discovery	Up to 1.5 year, non-renewable
Certificate of Professional Competence	The validity period, renewal and revocation of a certificate of professional competence shall be prescribed by regulations

In accordance with the Transaction of Precious Minerals Proclamation (No. 651/2009), there are three types of licences and two certificates listed as follows:

Type	Description
Precious minerals brokerage licence	Grants to the holder of the licence the right to purchase, hold for sale purposes, transport and forthwith sale of precious minerals locally
Precious minerals crafting licence	Grants to the holder of the licence the right to purchase, hold and transport precious minerals in an amount to be specified by directives of the Central

<sup>1</sup> <http://extwprlegs1.fao.org/docs/pdf/eth85042.pdf>

<sup>2</sup> <http://extwprlegs1.fao.org/docs/pdf/eth85043.pdf>

<sup>3</sup> <https://chilot.me/2011/08/proclamation-no-1181998-a-proclamation-to-amend-the-mining-proclamation/>

Type	Description
	Bank of Ethiopia, carry out smithery or lapidary and sell its product locally or abroad pursuant to the directives of the Bank. The holder of such Licence may engage in purchase or maintenance of used, broken or damaged jewellerys and report periodically every month about its activities
Precious minerals refining licence	Grants the licence holder the right to engage in refining precious metallic minerals produced locally or imported
Precious Mineral Trade Certificate of competence	Grants to the holder of the Licence the right to Purchase in bulk and retail sale of finished Precious Minerals locally
Precious Mineral Export Certificate of Competence	Grants to the holder of the Certificate the right to purchase, hold, and export the following precious minerals pursuant to the directives of the Central Bank: gold and silver which are in their final shape; and other precious minerals in raw, semi processed or in their final state

### Licences allocation process

The Mining Operations Proclamation (No.678/2010) set the order of application processing. In this respect, applications for licences have to be submitted to the Licensing Authority for the issuance, renewal or transfers accompanied by the documentation required by the Proclamation, regulations and directives and with the payment of the prescribed application fee. The Licensing Authority registers and gives a receipt to the applicant once approved. The following rules are generally applied unless otherwise agreed:

- an application submitted for a large-scale mining licence takes precedence over those for small scale and artisanal mining licensees, and an application for small scale mining licence takes precedence over those for artisanal mining licences;
- the applications is dealt with in the order of date of receipt if the Licensing Authority receives more than one application for licences of the same status covering the same mineral and area; and
- where two or more applicants lodge applications for licences of the same status at the same time covering the same mineral and area, the Licensing Authority constitutes a technical team to evaluate the applications and the priority shall be determined on the basis of the evaluation of the technical work plan, the financial proposal, as well as the technical competency of the applicants.

The general procedure required for licence allocation are summarized as follows:

Stages n°	Procedures
1- Information	The applicant enquires about the general information on the application procedures at MMPNG  Refer to Geology Survey of Ethiopia in order to obtain information about the surveys and mineral deposit in all regional states of the country
2- Field visit	The applicant writes an official letter to MMPNG writing in order to arrange for a geological visit at the relevant location (wareda, region) MMPNG notifies the Regional Mines Bureau of that particular area in order to request them to assist the applicant during the geological visit The applicant defines the particular coordinates of the area for which the applicant decides to apply for during the geological visit MMPNG cross-checks the coordinates with the cadastre in order to confirm that the area is not overlapping with any other licence MMPNG decides the overlapping licence MMPNG records the Application Identification Code in the cadaster in case of no overlap
3- Applications	The applicant pays the application fees, fill the official Application Form for Mineral Operations Licence and Other Services and submit the document to MMPNG. The following documents are required: 1-ID Card/Passport; 2-Principal Business Registration Certificate; 3-Evidence verifying the financial status of the applicant; 4-Work Program (for Reconnaissance/Exploration) 5-Feasibility study (for Mining Licence Applications only); 6-Environmental and Social Impact Assessment (ESIA) report (for Mining & Exploration Licence Applications only); 7-Tax Identification Number (TIN) (for Mining Licence Applications only);

8-Articles of Association (for companies); and  
9-Memorandum of Association (for companies).

- 4- Evaluation MMPNG assess the applications based on the following criteria:
- number of years the applicant has been in mining operation and directly/indirectly related experience with a maximum of 15 points;
  - human resources capacity & experience with a maximum of 10 points;
  - financial performance with a maximum of 10 points;
  - proposed project location and area coverage with a maximum of 2 points;
  - objective of the proposed project in specific, measurable, achievable and time framed (SMART) with a maximum of 3 points;
  - previous work assessment citing appropriate reference with a maximum of 10 points;
  - exploration work proposal (detail exploration program for the 1<sup>st</sup> year and comprehensive work program for 2<sup>nd</sup> and 3<sup>rd</sup> year) with a maximum of 30 points;
  - expenditure obligation for the initial three years of exploration period with a maximum of 10 points;
  - financial status of the applicant related to the exploration period with a maximum of 10 points;

(Detail in Annex 3 of the report)

The minimum score out of the technical criteria for Exploration application is 75 points.

For Mining licence application, all of the Economic, Resource, and Mining Engineering Sections should evaluate and give their comments on the feasibility study of the applicant's. The applicant should comment in the presence of the mining committee members

- 5-Draft Agreement letter and approval<sup>2</sup> The MMPNG decides to grant the licence or not.
- a- If the application is not approved, the application code reference will be removed from the cadaster
  - b- If the memo of evaluation is approved by the Ministry, the Licensing Case Team Leader will instruct the MLAD experts to prepare the Agreement Letter and its Annexes should be signed in 9 copies by the Ministry.
- 6- Issue of Licence Copy of the agreement is delivered to the applicant and another copy is delivered to the Regional National States Mine Bureau.  
The licence fee should be paid by the applicant and a Licence Certificate is then delivered to the licensee.

We noted that the following licences have been allocated during the reconciliation period 2015/16:

Company	Commodity extracted	Licence type	Licence number or Blocks awarded	Issue date	Duration	Regional State	Local / Woreda
Dawit G/Egziaber Abrha Gold Mining Enterprise	Placer Gold	Mining	MOM\SSML\560\2016	07/07/2016	10 Years	Tigray	Mereb Leha
GEOFIX Industrial & Construction Materials Production Plc	Marble	Mining	MOM\LSML\509\2015	07/07/2016	20 Years	Benshan gul Gumuz	Oda Godere
Habesha Cement Sc	Pumice	Mining	MOM\LSML\185\2015	29/10/2015	20 Years	Oromia	Ada'a Chukala
Letto Mineral Plc	Placer Gold	Mining	MOM\LSML\197\2013	27/04/2016	6 Years	Oromia	Adolana Wereda
Loz Bez Mining Plc	Gold and Silver	Mining	MOM\SSML\304\2012	27/04/2016	10 Years	Tigray	Kola Tembien and Tanqua Abergele
Mengste Ab Industrial and Commercial Plc	Limestone	Mining	MOM\LSML\475\2015	25/03/2016	20 Years	Oromia	Kuyu

Company	Commodity extracted	Licence type	Licence number or Blocks awarded	Issue date	Duration	Regional State	Local / Woreda
Sammakka Stones Plc	Marble	Mining	MOMLSML\300\2013	10/08/2015	20 Years	Benshan gul Gumuz	Sirba Abay and Oda Godere
Stella Trading and Industry Plc	Placer Gold	Mining	MOMLSML\405\2015	25/03/2016	6 Years	Gambella	Dima

We did not note any non-trivial deviations from the applicable legal framework governing licence awards for the licences allocated during the reconciliation period 2015/16.

### Signed contracts

With regards to the active licences, MMPNG signed a mining agreement with each one of the licencees. MMPNG informed us that the following agreements were active during the reporting period 2015/16. Only the following contracts have been made available:

Company	Licence Ref	Zone	Date	Duration	Regional State	Fiscal terms	Social development terms Environmental protection, community development and training
MIDROC Gold Mine Plc	MOM\EL\352\2010	Metekl Zone Bulen Woreda Gongo Locality	Not dated	15 Years	Benishangul Gumuz	<p>Art 12.1- Licensee shall pay 25% Income tax</p> <p>Art 1231- Exemption from customs duties and taxes: all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations</p> <p>Art 14.1- Licensee shall pay royalty at the rate 7% of the sales price and License Fee</p> <p>Art 14.2- Licensee shall pay Land rental to the Benshangul Gumuz National Regional State</p>	<p>Art 20.1 The Licensee shall fund community development activities within those woreda in the impacted area for the duration of the Mining License.</p> <p>Art 20.3 The Licensee shall:</p> <ol style="list-style-type: none"> <li>1. Contribute a lump sum of Birr 1 350 000 towards Community Development fund immediately after signing this mining agreement</li> <li>2. Contribute 0.15% of the annual gold sales of the licensee or an annual fixed amount of Birr 300 000 whichever is higher and deposit such amount to a fund set up after 12 months of the start of sale</li> </ol> <p>Art16.4- Licensee shall submit an Environmental Management Plan Implementation Report annually as part of the report to the Licensing Authority</p> <p>Art16.5- Licensee shall participate in community development activities within the mining licence area and close vicinity and allocate budgets every year for the duration of the development and mining period. The Community Development Programme shall be mutually agreed by both parties and the licensing authority follows up the implementation of the projects</p>
Abijata-Shalla Soda Ash Sc	MOM\LSML\163\2011	East Shewa Zone, Adami Tulu Jido Wereda, Abijata Locality	16/09/2011	20 Years	Oromia	<p>Art 10- Licensee shall pay Income tax</p> <p>Art 11- Exemption from customs duties and taxes : all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations</p> <p>Art 12- Licensee shall pay royalty and License Fee to the Licensing authority and Land rental to the Oromyia National Regional States</p>	<p>The Licensee shall contribute, after reviewing the bill of quantity/design etc and making sure the licensing making sure that the licensing authority has approved the project the project:</p> <ul style="list-style-type: none"> <li>- 180 000 ETB for the first three years,</li> <li>- 250 000 ETB for the next two years, and</li> <li>- 350 000 ETB after five years, per year for the community development programme. The programme implementation shall be applicable starting from the commencement of the Soda Ash Mining Licensee Operation</li> </ul> <p>Art16.4- Licensee shall submit an Environmental Management Plan Implementation Report annually as part of the report to the Licensing Authority</p> <p>Art16.5- Licensee shall participate in community development activities within the mining licence area and close vicinity and allocate budgets every year for the duration of the development and mining period.</p>
Pioneer Cement Manufacturing Plc	1616-1619/2002	Melka Jebdu Locality	Not dated	20 Years	Dire Dawa City Administration	<p>Art 10- Licensee shall pay Income tax</p> <p>Art 11- Exemption from customs duties and taxes : all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations</p> <p>Art 12- Licensee shall pay royalty and License Fee to the Licensing authority</p>	<p>Art16.4- Licensee shall submit an Environmental Management Plan Implementation Report annually as part of the report to the Licensing Authority</p> <p>Art16.5- Licensee shall participate in community development activities within the mining licence area and close vicinity and allocate budgets every year for the duration of the development and mining period.</p>

Company	Licence Ref	Zone	Date	Duration	Regional State	Fiscal terms	Social development terms Environmental protection, community development and training
						and Land rental to the Addis Ababa Administration	The Licensee shall contribute, after reviewing the bill of quantity/design etc and making sure the licensing making sure that the licensing authority has approved the project the project, 500 000 ETB per year for the community development programme. Art16.4- Licensee shall submit an Environmental Management Plan Implementation Report annually as part of the report to the Licensing Authority.  Art16.5- Licensee shall participate in community development activities within the mining licence area and close vicinity and allocate budgets every year for the duration of the development and mining period. The Community Development Programme shall be mutually agreed by both parties and the licensing authority follow up the implementation of the projects.
East Cement Sc	1971/2002	Challo Turura	05/08/2010	20 Years	Oromia	Art 10- Licensee shall pay Income tax Art 11- Exemption from customs duties and taxes: all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations Art 12- Licensee shall pay royalties and License Fees to the Licensing Authority and Land Rental to the Oromia Region.	The Licensee shall contribute, after reviewing the bill of quantity/design etc and making sure the licensing making sure that the licensing authority has approved the project the project, 150 000 ETB per year for the Community Development Programme. The proramme implementation shall be applicable starting from the commencement of the pumice Mining Licensee operation. If the company, for some unforeseen reasons, run into a loss or cash shortage, then it will appeal to the Licensing Authority for a partial or full relief from the above commitment.
National Mining Corporation Plc	Not mentioned	Dawa – Digati Locality	04/03/1996	An initial period of 3 years and may be renewed twice	Oromia	Art 11- The Licensee and its contractor shall be entitled to import into Ethiopia, free from all import taxes and duties, all equipment, machinery, vehicles and spare parts necessary for the gold exploration activities.  Art 12 – The Licensee shall pay rentals and fees : - Rentals : 60 Birr per annum per square kilometer - Fees : 200 Birr per block for initial Gold exploration period - Fees : 100 Birr per block for renewal Gold Exploration License	Art 14. The Licensee shall comply with all environmental laws and regulations in force in Ethiopia.



Company	Licence Ref	Zone	Date	Duration	Regional State	Fiscal terms	Social development terms Environmental protection, community development and training
Derba Midroc Cement Plc	MOM/SSML/73/2011	Mugher Sheleko, Sululta Woreda	Not dated	10 Years	Oromia	<p>Art 10- Licensee shall pay Income tax</p> <p>Art 11- Exemption from customs duties and taxes: all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations</p> <p>Art 12- Licensee shall pay royalties and License Fees to the Licensing Authority and Land Rental to the Oromia Region.</p>	<p>Art16.4- Licensee shall submit an Environmental Management Plan Implementation Report annually as part of the report to the Licensing Authority</p> <p>Art16.5- Licensee shall participate in community development activities within the mining licence area and close vicinity and allocate budgets every year for the duration of the development and mining period.</p> <p>The Licensee shall contribute, after reviewing the bill of quantity/design etc and making sure the licensing making sure that the licensing authority has approved the project the project, 100 000 ETB per year for the community development programme.</p>
Dangote Industries Ethiopia Plc	MOM/LSML/1/2013	Western Shoa, Ada Berga	Not dated	20 Years	Oromia	<p>Art 10- Licensee shall pay Income tax</p> <p>Art 11- Exemption from customs duties and taxes: all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations</p> <p>Art 12- Licensee shall pay royalties and License Fees to the Licensing Authority and Land Rental to the Oromia Region</p>	<p>Art16.3- Licensee shall submit an Environmental Management Plan Implementation Report annually as part of the report to the Licensing Authority</p> <p>Art16.4- Licensee shall participate in community development activities within the mining licence area and close vicinity and allocate budgets every year for the duration of the development and mining period.</p> <p>The Licensee shall contribute, after reviewing the bill of quantity/design etc and making sure the licensing making sure that the licensing authority has approved the project the project, 200 000 ETB per year for the community development program</p>
Afar Salt Production Sc	006/9 4	Afar regional state, Zone 2 Afdera lake	05/12/1994 EFY	20 Years	Afar regional state	<p>Art 10- Licensee shall pay Income tax as per proclamation 58/1985</p> <p>Art 11- Exemption from customs duties and taxes: all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations</p> <p>Art 12- Licensee shall pay royalties and License Fees to the Licensing Authority and Land Rental to the Afar regional states.</p>	<p>Art 14.3 – The Licensee shall be responsible for the cost of environmental clean up, reclamation and restoration work to be carried out prior to and following the closure of the mine within the mining license area.</p> <p>Art 14.5 – The Licensee shall comply with all environmental laws and regulations in force in Ethiopia.</p>



Company	Licence Ref	Zone	Date	Duration	Regional State	Fiscal terms	Social development terms Environmental protection, community development and training
Allied Chemicals Plc	MOMLSML\2\2013	North Shewa, Ensaro Wereda, Salayish Locality	Not dated	20 Years	Oromiya	<p>Art 10- Licensee shall pay Income tax</p> <p>Art 11- Exemption from customs duties and taxes: all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations</p> <p>Art 12- Licensee shall pay royalties and License Fees to the Licensing Authority and Land Rental to the Amhara National Regional States.</p>	<p>Art16.3- Licensee shall submit an Environmental Management Plan Implementation Report annualay as part of the report to the Licensing Authority</p> <p>Art16.4- Lincensee shall participate in community development activity within the mining licence area and close vicinity and allocate budgets every year for the duration of the development and mining period</p> <p>The Licensee shall contribute, after reviewing the bill of quantity/design etc and making sure the licensing making sure that the licensing authority has approved the project the project, 300 000 ETB per year for the community development program</p>
Sammakka Stones Plc	MOMLSML\300\2013	Kamashi Zone, Oda Godere and Sirba abay Weredas, Tulu Berkesa Locality	NM	20 Years	Benshangul Gumuz National	<p>Art 11.1- Licensee shall pay 25% Income tax</p> <p>Art 12.1- Exemption from customs duties and taxes: all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations</p> <p>Art 13.1- Licensee shall pay royalties at the rate 7% of the sales price and License Fee</p> <p>Art 13.2- Licensee shall pay Land Rental to the Benshangul Gumuz National Regional State.</p>	<p>Art17.1.3 – Licensee shall submit an Environmental Management Plan Implementation Report annually as part of the report to the Licensing Authority</p> <p>Art19.3 – The Lincensee shal contribute a minimum of 200 000 ETB per year to the Community Development Programme. The programme implementation shall be starts from the date of issuance of the Mining Licence until is termination.</p>
Bezalel Construction Material Manufacturing Plc	1197/2001	Western Shewa		15 Years	Oromia	<p>Art 10- Licensee shall pay Income tax as per proclamation 58/1985</p> <p>Art 11- Exemption from customs duties and taxes: all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations</p> <p>Art 12- Licensee shall pay royalties and License Fees to the Licensing Authority and Land Rental to the Afar regional states.</p>	<p>Art 14.3 – The Licensee shall be responsible for the cost of environmental clean up, reclamation and restoration works to be carried out prior to and following the closure of the mine within the mining license area.</p> <p>Art 14.5 – The Licensee shall comply with all environmental laws and regulations in force in Ethiopia.</p>

Company	Licence Ref	Zone	Date	Duration	Regional State	Fiscal terms	Social development terms Environmental protection, community development and training
Afdera Salt Producing Plc	080/95	Afar regional state, Zone 2 Afdera lake	29/05/1995 EFY	20 Years	Afar regional state	<p>Art 10- Licensee shall pay Income tax as per proclamation 58/1985</p> <p>Art 11- Exemption from customs duties and taxes: all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations</p> <p>Art 12- Licensee shall pay royalties and License Fees to the Licensing authority and Land Rental to the Afar regional states.</p>	<p>Art 14.3 – The Licensee shall be responsible for the cost of environmental clean up, reclamation and restoration works to be carried out prior to and following the closure of the mine within the mining license area.</p> <p>Art 14.5 – The Licensee shall comply with all environmental laws and regulations in force in Ethiopia.</p>
Sourish Marbles Plc	MOM\LSML\230\2013	Asosa Zone, Oda Obeldiglu Wereda at Boka Locality	Not dated	20 Years	Benshangul Gumuz National	<p>Art 9- Licensee shall pay Income tax</p> <p>Art 10- Exemption from customs duties and taxes: all import duties and taxes, all equipment, machinery and vehicles necessary to start the mining operations</p> <p>Art 11- Licensee shall pay royalties and License Fees to the Licensing authority and Land rental to the Oromia Region.</p>	<p>Art 15.1 The Licensee shall comply with environmental principles and other applicable laws, regulations and directives relatig to the environment in order to minimise impact of mining operations on the human and natural environment.</p> <p>Art15.4 The licensee shall submit Environmental Management Programme Report annually as part of the report to the Licensing Authority within thirty (30) days of the end of the period to which it relates.</p>

## Register of licences

According to EITI Requirement 2.3 b), implementing countries are required to maintain a publicly available register or mining cadastre. MMPNG maintains a cadastre system and the Ministry confirmed that the cadastre (register of licences) is publicly available<sup>1</sup>.

The list of mining licences active during the reconciliation period 2015/16 as disclosed by extractive companies included in the scope is presented in Annex 8 of this report.

## Transferability of Licences

The Mining Operations Proclamation (N°678/2010) sets out State ownership of minerals and provides rights and conditions to explore, develop and produce such minerals. The Proclamation groups minerals into several categories for the purpose of defining incentives, penalties, specialised skills development and mineral administration. The categories of minerals are as follows:

Categories	Type
Construction minerals	Mineral directly or indirectly used as input for construction purposes such as marble, granite, limestone, basalt, sand, aggregate, ignimbrite and clay
Industrial minerals	Mineral directly or indirectly used as industrial input such as kaolin, bentonite, quartz, coal, limestone, gypsum, pumice, clay and graphite
Metallic minerals	Iron, copper, zinc, lead, chromite, nickel and manganese
Precious minerals	Platinum, gold and silver or precious stones such as diamond, ruby, emerald and sapphire
Semi-precious minerals	Gemstones that are used for jewellery such as opal, rhodolite, olivine, jadeite and lazurite.

The above proclamation allows the transfer of licences, other than reconnaissance and retention, with prior consent of the Licensing Authority. However, artisanal or special small-scale mining licences may only be transferred through inheritance.

### 3.2.4. Fiscal regime

Royalties on minerals are regulated by the Mining Operations Proclamation and are levied on ad valorem basis according to the table below:

Categories	Royalties
Construction minerals	3%
Industrial minerals	4%
Metallic minerals	5%
Precious minerals	7%
Semi-precious minerals	6%
Salt	4%
Geothermal	2%

Applicable legislation under the fiscal regime for large scale mining licence is the Mining Income Tax Proclamation. The Proclamation provides details on licensing procedures, fees and fines. The fiscal regime is mainly defined by the 25% charge on taxable income generated from large and small mining, 10% dividend tax; and by several deductions and calculations of expenditure. However, holders of artisanal licences are exempt from income tax.

The Mining Operations Proclamation provides exemptions from customs duties on imports of several machinery and vehicles required for holders of exploration and mining licences. The Proclamation

<sup>1</sup> [www.momcad.gov.et](http://www.momcad.gov.et)

also provides exemptions from customs duties on exports of minerals produced by holders of artisanal, small scale and large-scale mining licences.

### 3.2.5. State participation in the mining sector

#### Free equity

According to Article 72 of the Mining Operations Proclamation (Amendment) No. 816/2013, the Government is also entitled to acquire without cost, a participation interest of 5% in any large-scale mining investment. Additional participation beyond the 5% free equity may also be provided to the Government by agreement with the licensee. Companies operating under the Mining Operations Proclamation (Amendment) No. 816/2013 are required to pay dividends in respect of the 5% free equities held by MoFEC.

The rate for Regional State Governments' participation in small scale mining through the mechanisms of free equity and additional shareholding shall be determined by their regional laws.

#### State Owned Companies (SOCs)

FDRE's Constitution stipulates that "the right to ownership of rural and urban land, as well as of all natural resources is exclusively vested in the State and in the people of Ethiopia". The constitutional principle of custodianship of the country's mineral resources by the Government was subsequently brought into effect by the Mining Operation Proclamation No.678/2010.

The Mining, Energy and Construction Capacity Building and Competitiveness Directorate of the Ministry of Public Enterprises confirmed that

- the Federal Government holds directly all of the shares of a single SOC operating in the extractive industry and which is named Ethiopian Mineral, Petroleum and Biofuel Co and that; and
- the SOC Ethiopian Mineral, Petroleum and Biofuel Co holds 83% of Afar Salt Production Sc.

Additionally, to the above, Abijata-Shalla Soda Ash Sc declared that Government owns 38% of the company as detailed in Annex 4 of this report.

Similarly to private companies, these State-owned companies are also subject to the fiscal regime detailed in Section 3.2.4 of this report. Accordingly, State Owned Companies operating in the extractive sector are required to pay non-tax and tax payments to mining and tax authorities and to pay dividends to their shareholders.

We understand that the company Ethiopian Mineral, Petroleum and Biofuel Co is being restructured and a Council of Ministers Regulation No. 413/2017 gave this SOE the responsibility to represent the Government in its equity participation and administration of private companies engaged in petroleum and natural gas as well as minerals development starting from 31 August 2017.

### 3.2.6. Policy on disclosure of contracts and licenses

The mining legislation allows MMPNG to enter into agreements for prospection, exploration or production with mining operators. These agreements set the work plan for the operator and the legal, social and environmental requirements of the licence.

The mining legislation does not include any restrictions on the public disclosure of contracts and licenses by the government as well as to access them at MMPNG level. A summary of these contracts is presented in Section 3.2.3 of this report. However, signed contracts are not currently published electronically.

### 3.2.7. Prospective Projects

Various mineral deposits and occurrences have been discovered in different parts of the country. Some of these places such as the Lega Dembi Gold Mine, Kenticha Tantalocolumbite, Lake Abijata

Soda Ash, Bombawoha kaolin, and dimension stones in various areas have been developed into operating mines.

Lega dembi gold mine: is the only modern primary gold mine operating in the country. It is a medium to large scale mine which produces approximately three tonnes of gold per year using Carbon in pulp (CIP) processing plant. The mine is currently operated by Midroc Gold Mine plc which is a subsidiary of Midroc Ethiopia Investment Group of Saudi Arabia.

Tulu Kapi: is a gold project located in Western Ethiopia in the Oromia region at 160 km West of Addis Ababa. In accordance with the scoping study carried out by CRC Sogema, the deposit has approximately 1 million ounces of contained gold.

Potash projects: Some companies such as G&B Central Africa Resources, Saink Potash Mining and Canadian companies are on development and mining stages of various industrial minerals such as potash, cement raw materials and others. While BHP Billiton left Danakil Depression in 2012, Yara International carried out an independent study feasibility study in February 2015, which confirmed significant potential to extract potash in the Danakil depression in North Eastern Ethiopia. An annual production of 600,000 metric tonnes sulphate of potash over 23 years was identified by the study from these reserves (Kainite, Carnallite and Sylvinitite) at Yara's Danakil concession. The company aims to start mining activities in 2018, and is currently seeking equity partners to develop the project as published by Tom Zanki.

Cement production: in accordance with the Forbes Publication of June 2015, Dangote Cement is looking to build more cement plants across Africa to realise its ambition of reaching an annual production of 62 million tonnes by 2017. The production of clay, gypsum, limestone, and pumice is also expected to increase, in accordance with the Mineral Licensing and Administration Directorate, because of increased demand from cement plants; output of other construction materials is also likely to increase by the coming years.

### 3.2.8. Artisanal and Small-Scale Mining sector in Ethiopia

#### (i) Overview

The Artisanal and Small-scale Mining (ASM) sector in Ethiopia produces clay, crushed stones, diatomite, gemstones, opal, gold, gypsum, salt, sand, silica sand, and tantalum. The ASM sector is characterised by hundreds of thousands of individuals and micro operating in the regions.

ASM is mining conducted with rudimentary tools, semi-mechanised operations and may use a variety of mechanised tools and simple equipment to complement the manual labour force. Gold, gemstones and tantalum generate the greatest potential for wealth generation from ASM which constitutes an alternative livelihood for large numbers of people in rural parts of Ethiopia.

Based on the results of the study report published by EEITI in April 2016<sup>1</sup>, 'the volume of mineral marketed, particularly gold, through formal channel is estimated at only 39% of the total production and a large number of miners operating informally.'

The major mineral produced in the country is gold. This precious metal is exploited since ancient times and has been mined in Ethiopia for more than 2000 years. The majority of artisanal mining is from alluvial gold sources derived originally from weathering and erosion effects from hard rock gold ore bodies as reported by CRC SOGEMA's scoping study. There are more than sixty shear-zone hosting gold occurrences in geologic formations called Greenstone Belts. Their main regions of greenstone belts are:

- Southern (including the Adola, Ageremariam and Moyale areas);
- Western (including the Akobo area); and
- Northern (Tigray area).

#### (ii) Legal context

The Mining Operations Proclamation (N°678/2010) made a clear distinction between Artisanal mining and small-scale mining in terms of definition and requirements. The Proclamation defined

<sup>1</sup> Artisanal Mining Operation and Its Economic Values, Ethiopia, April 2016

artisanal mining as a mining operation carried out by individuals or cooperatives which is mostly of manual nature and that does not involve the employment of workers. Whereas, small scale Mining is defined by any mining operation of which the annual run-off mine ore does not exceed volumes and quantities set in the Proclamation by type of mineral.

There are Artisanal miners operating under formal license (legal) and others operating without licence (illegal) groups. Several manuscripts of the government and development partners estimated the number of Artisanal and small-scale mining activities (who participated in the mining of any minerals) throughout the country at one million people only.

The licensed miners are organised into three categories: (i) Mining cooperatives, (ii) Small and Micro Enterprises (SME) and (iii) Mining Development Groups.

Legal Artisanal miners are those organised as a formal Mining Development Group (MG) composed of three or more persons or as a Mining Cooperative (MCP). The Mining Operation Proclamations No. 678/2010 and the preceding proclamations underlined that miners should necessarily be organised as cooperatives.

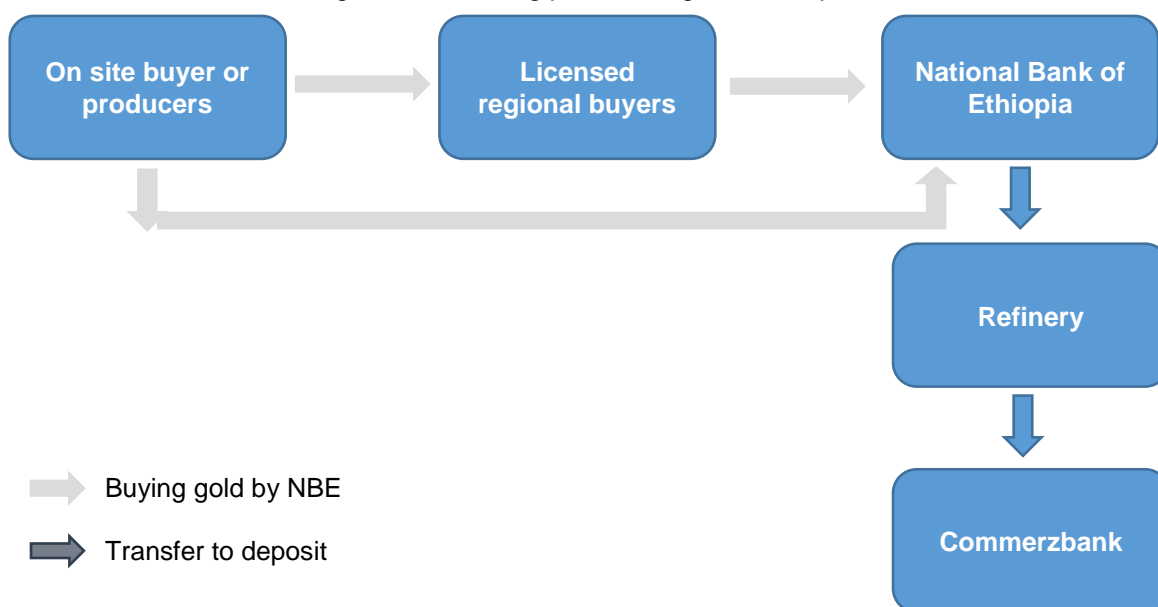
The Mining Operations Proclamation No. 678/2010; amended under Operations Proclamation No. 816/2013 Artisanal and Small-scale Mining states that there is no specific requirement for the technology used and for the required competence

**(iii) Production**

The scale of artisanal mining production cannot be assessed<sup>1</sup> given the informality of the majority of operations<sup>2</sup> in this sector as per the study report Artisanal Mining Operation and Its Economic Values, Ethiopia, published by EEITI in April 2016. Through detailed assumptions made by this study report, total production of gold by artisanal sector is estimated to be Kg 18,008 during six months in 2014.<sup>3</sup>

In relation to gold produced in AM and SSM settings, NBE plays a focal role in the supply chain, given the obligations imposed by law on holders of AM and SSM licences to sell all gold produced to NBE via the bank’s licensed regional purchase centres. NBE acts as a clearing house by holding the gold it produces in stock or recording it in sales of gold in the international market.

Figure 4: Collecting process of gold and deposit



<sup>1</sup> 'Estimating volume of production of minerals by the Artisanal miners is very complicated due to lack of historical records and suspicions by many producers to give information' Section 6.3 on page 23 of the study report published by EEITI Artisanal Mining Operation and Its Economic Values, Ethiopia, April 2016

<sup>2</sup> "the informal group of the Artisanal miners constitutes the majority (about 94% of the total miners)" page 7 of the study report published by EEITI Artisanal Mining Operation and Its Economic Values, Ethiopia, April 2016

<sup>3</sup> Section 6.3 on page 24 of the study report published by EEITI Artisanal Mining Operation and Its Economic Values, Ethiopia, April 2016

A 5% premium above the daily official gold price is offered to producers when selling gold to NBE. Despite this incentive, illicit sale of gold to non-licensed buyers is still widespread. The table below presents data on gold purchased by NBE during the years 2014/15 and 2015/2016:

N°	Name of Purchase Center (*)	Gold purchased 2014/2015		Gold purchased 2015/2016		Variance %	
		Grams (a)	Million ETB (b)	Grams (c)	Million ETB (d)	Grams [(c)-(a)]/(a)	Million ETB [(d)-(b)]/(b)
1	Hawassa Branch	1,945,253	1,512	122,469	94	(94%)	(94%)
2	Mizan Teferi Branch	1,447,218	1,137	1,064,005	821	(26%)	(28%)
3	Assossa Branch	902,017	706	1,019,118	813	13%	15%
4	Shakiso			1,066,398	835	-	-
5	Endeselassie Branch	1,178,043	903	902,814	714	(23%)	(21%)
<b>Total</b>		<b>5,472,531</b>	<b>4,259</b>	<b>4,174,804</b>	<b>3,277</b>	<b>(24%)</b>	<b>(23%)</b>

Source: National Bank of Ethiopia

(\*) A purchase center of Shakiso in Oromia region started operating after the period 2014/15

As shown in the above table, gold supply to NBE has decreased in volume between 2014/15 and 2015/16. However, the revenue contribution of artisanal activities cannot be assessed and included in this study because the National Bank of Ethiopia acts as a clearing house for gold produced by Artisanal Miners and holds it in stock or includes it in sales of gold on the international market. Therefore, the artisanal mining sector could not be assessed and included in the scope due to absence of comprehensive information on this sector at federal level. This absence of information is due to the scattered nature of the sector and to the fact that licenses for operators in this sector are issued by regional governments.

Moreover, the table below shows that the gold sent abroad to be refined has consequently seen a decrease of 25.08% in value and quantity during the years 2014/15 and 2015/16:

Mineral type	2014/15		2015/16		Variance	
	Grams	Million ETB	Grams	Million ETB	Grams	%
Gold	5,572,532	5,544	4,174,805	2,912	1,397,727	25.08%

Source: National Bank of Ethiopia

### 3.2.9. Mining Sector contribution to the Ethiopian economy

Over the last years, mining and quarrying sectors have remained one of the poor country's productive industries with very low contribution to GDP and exports as described below.

#### (i) Production of companies retained in the scope

The industrial and large-scale mining sector comprises gold, tantalum, potash and other minerals such as industrial and construction minerals. As part of the reconciliation process, we have collected production volumes and values from the companies included in the scope. Based on the data reported by the companies and detailed in Annex 6 of this report, the production volumes and values for each type of mineral during 2014/15 and 2015/16 can be summarised as follows:

Mineral	2014/15		2015/16		Variation	
	Quantity produced (Tons)	Value of Production in ETB	Quantity produced (Tons)	Value of Production in ETB	Value of Production in ETB	%
Gold	3	2,695,502,537	3	2,591,037,078	(104,465,459)	(3.9%)
Limestone	2,319,216	140,030,748	4,888,043	222,508,631	82,477,883	58.9%
Salt	79,605	51,926,200	29,634	49,817,364	(2,108,836)	(4.1%)
Coal	34,131	46,450,095	14,582	17,012,042	(29,438,054)	(63.4%)



Mineral	2014/15		2015/16		Variation	
	Quantity produced (Tons)	Value of Production in ETB	Quantity produced (Tons)	Value of Production in ETB	Value of Production in ETB	%
Soda Ash	6,878	43,882,770	4,177	30,285,414	(13,597,356)	(31.0%)
Basalt	148,078	12,371,185	389,960	21,317,013	8,945,828	72.3%
Marble	11,918	10,685,274	18,610	14,097,278	3,412,004	31.9%
Pumice	117,951	7,682,326	733,054	29,385,306	21,702,980	282.5%
Sandstone	35,896	5,025,468	52,478	7,346,974	2,321,506	46.2%
Silver	1	4,574,556	1	2,737,316	(1,837,240)	-40.2%
Clay Soil	76,589	4,379,827	141,098	8,902,289	4,522,461	103.3%
Gypsum	115,623	3,537,197	89,520	18,358,437	14,821,240	419.0%
Trona	20	18,032	30	27,812	9,780	54.2%
Silica sand	10,443	0	90,469	1,731,263	1,731,263	
<b>Total production</b>		<b>3,026,066,214</b>		<b>3,014,564,214</b>	<b>(11,502,000)</b>	<b>(0.38%)</b>

Source: EITI Reporting template 2015/16 from companies

Detailed production data by company are detailed in Annex 6 of this report.

### Gold

The gold production value slightly decreased by 3.8% from 2014/15 to 2015/16 as detailed in the table above. Currently, there is only one large scale gold mining company, Midroc Gold Mine, which has been privatised in 1997, which operates an open pit mining in Ethiopia. Midroc Gold produces 3.5 to 4 tonnes of gold per annum, which is exported in Dore form. Midroc Gold is also licensed with two gold exploration projects located near the mine (Adola-Legadembi Exploration Licence - ALEL).

### Limestone

Limestone production increased significantly by 58.9% during the period 2015/16 as detailed in the table above. Cement manufacture has a dominant influence on the industrial minerals sub-sector in Ethiopia and one of the major user of limestone.

Although most of the limestone extracted is used for cement, significant amounts are also used as a filler by the paint and rubber industries, and for glass manufacture. The major companies that extracted limestone can be summarised as follows:

Companies	Quantity (Tons)	Value of the production in ETB	% quantity
Dangote Industries (Ethiopia) Plc	2,071,725	N/C	42.4%
Derba Midroc Cement Plc	1,967,979	167,770,210	40.3%
Pioneer Cement Manufacturing Plc	509,607	35,672,487.90	10.4%
East Cement Sc	266,975	18,827,059	5.5%
Inchini Bedrock Plc	71,757	238,875	1.5%
<b>TOTAL</b>	<b>4,888,043</b>	<b>222,508,631</b>	<b>100.0%</b>

Source: EITI Reporting template 2015/16 from companies

### Salt

Salt production slightly decreased by 4.1% in the period 2015/16. Afar Salt Production Sc with the local Youth Association was initially able to produce 3.6 Tonnes of iodised salt using mobile salt iodisation machines and training. Afar Salt Production Sc produces 17,500 Tonnes of salt which represents 59% of Salt produced during 2015/16 as detailed below:



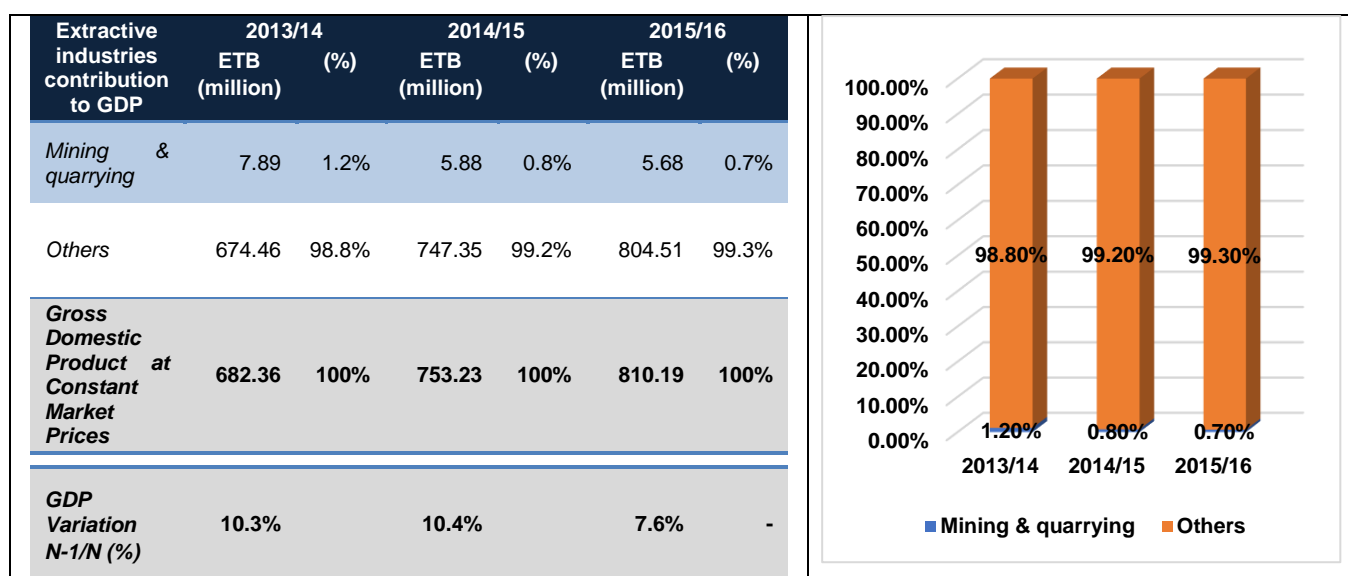
Companies	Quantity (Tons)	Value of the production in ETB	% quantity
Afar Salt Production Sc	17,500	25,112,032	59.1%
Erta Ale Salt Work Plc	11,702	16,789,312	39.5%
Lucy Salt Producing Plc	397	2,957,351	1.3%
Afdera Salt Producing Plc	35	4,958,669	0.1%
<b>TOTAL</b>	<b>29,634</b>	<b>49,817,364</b>	<b>100.0%</b>

Source: EITI Reporting template 2015/16 from companies

## (ii) Extractive industries Contribution to Gross Domestic Product (GDP)

The Central Statistical Agency of Ethiopia (CSA) produced a brief note on the national accounts statistical data for the recent years. As a result, the GDP growth rate was 10.3%, 10.4% and 7.6% during the last three years respectively as detailed below:

Figure 5: Extractive industries contribution to GDP



Source: Central Statistical Agency of Ethiopia

The mining and quarrying sector is still under-developed, contributing only 0.7% to GDP in the year 2015/16. According to the CSA study, the contribution of the mining and quarrying sector to GDP decreased from 10.8% to 0.7% between 2014/15 and 2015/16.

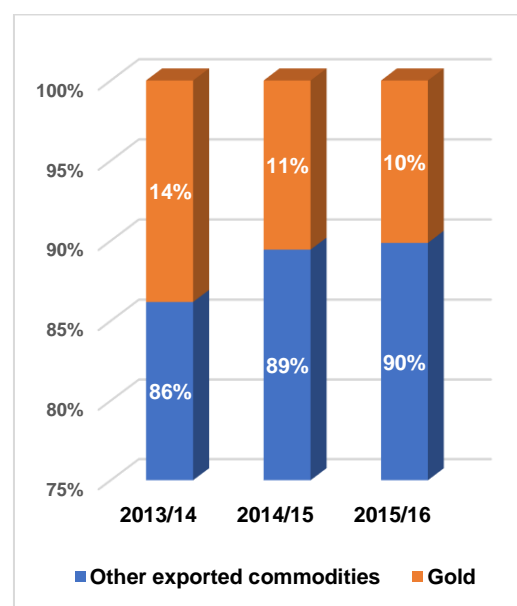
In accordance with the Strategic Assessment of the Minerals Sector commissioned by MMPNG and the World Bank in 2014, the aim of the Government of Ethiopia is to increase the minerals sector contribution to 10% of GDP by 2020.

## (iii) Extractive industries Contribution to Exports

We set out in the table below the key commodities exported over the last three financial years. We note amongst others that gold exports represented 11% and 10% of the export earnings of the country for the years 2014/15 and 2015/16 respectively.

Figure 6: Contribution of gold exports

Major Export Items	2013/14		2014/15		2015/16	
	USD (million)	%	USD (million)	%	USD (million)	%
Coffee	714.4	22%	780.5	26%	722.7	25%
Oilseeds	651.9	20%	510.1	17%	477.2	17%
Leather and Leather products	129.8	4%	131.6	4%	115.3	4%
Pulses	250.7	8%	219.9	7%	232.4	8%
Meat & Meat Products	74.6	2%	92.8	3%	96.4	3%
Fruits & Vegetables	45.9	1%	47.6	2%	53.7	2%
Live Animals	186.7	6%	148.5	5%	147.8	5%
Chat	297.4	9%	272.4	9%	262.5	9%
Gold	456.2	14%	318.7	11%	290.7	10%
Flower	199.7	6%	203.1	7%	225.3	8%
Electricity	45.3	1%	42.8	1%	31.5	1%
Others	247.4	7%	251.4	8%	212.3	7%
<b>Total</b>	<b>3,300.1</b>	<b>100%</b>	<b>3,019.4</b>	<b>100%</b>	<b>2,867.8</b>	<b>100%</b>



Source: National Bank of Ethiopia – Annual report 2015-16

The contribution of other mining commodities to exports is not significant, and therefore these were reported by NBE as part of “other” exports. The overall contribution of other exports did not exceed 8%, including the value of all of the country’s minor exported goods. Based on the records made available to us by ERCA for 2015/16, the main export mining commodities after gold amount to USD 19.89 million and represent 0.7% of total exports. These are presented in the table below:

Mineral type	2014/15 USD (Million)	2015/16 USD (Million)
Tantalite Ore	10.14	7.39
Platinum	0.02	0.05
Other Mineral Products	14.67	12.45
<b>Total</b>	<b>24.83</b>	<b>19.89</b>

Source: Ethiopian Revenues and Customs Authority

#### (iv) Contribution to Employment

We note the lack of recent official statistical information at the Central Statistical Agency of Ethiopia in relation to employment figures in the mining sector as well as the overall employment represented by the extractive sector.

In accordance with the employment figures submitted by the mining companies selected in the reconciliation scope, the mining sector provides employment to 3,879 individuals. Details of employee figures by company are reported in Annex 1 of this report.

During the reporting period 2015/16, employment in the extractive sub-sectors can be summarised as follows:

	Number of employees	%
Gold Production	1,211	31.2%
Cement manufacturing	967	24.9%
Salt production	256	6.6%
Other mining	1,445	37.3%
<b>Total number of employees of mining companies</b>	<b>3,879</b>	<b>100.0%</b>

Source: EITI reporting templates of companies

In accordance with figures published by the Central Statistical Agency, total labour force of Ethiopia was 42,403,879 in March 2014<sup>1</sup>. Employment as collected from reporting companies in the mining sector is therefore approximately 0.01% of total labour force in the country.

#### (v) Contribution to Government revenues

Based on the data collected, the revenues collected from the extractive industries represented 0.7% of total revenues of General Government during the fiscal year 2015/16, as detailed in the table below:

Indicators	Amount in 2015/2016 (in ETB million)	Contribution to Government Revenues in %
<b>Total General Government revenues (*)</b>	<b>241,965</b>	<b>100.0%</b>
Mining Revenues (**)	1,551	0.6%
<b>Total Extractive Revenues (***)</b>	<b>1,707</b>	<b>0.7%</b>

(\*) Source: National Bank of Ethiopia – Annual report 2015/16

(\*\*) Source: EITI Reporting template 2015/16 from companies

(\*\*\*) Source: This total include Oil and Gas companies detailed in Section 3.3.8 of this report.

### 3.3. Background and profile of the Oil & Gas sector in Ethiopia

#### 3.3.1. General context of the oil and gas sector in Ethiopia

Over one-third of the surface area of Ethiopia is covered by the sedimentary rocks located in the basins of different geologic time cover. The Basins formed in the Upper Paleozoic-Lower Mesozoic are known as: the Ogaden, Abay (Blue Nile) and Mekele Basins and those of the Upper Mesozoic to Middle Tertiary Basins are called the Gambela and Southern Rift Basins. Younger Tertiary rift grabens also occur all along the axis of the East African Rift System.

The oil and gas exploration history in Ethiopia dates back to the 1950s. After several oil field discoveries were made in the Middle East, there were high hopes for similar results in Ethiopia as some of the country's geological formations resemble those of the Middle East: Despite the growing level of interest from exploration companies in Ethiopia and in its regional neighbours, Ethiopia is currently not yet a producer of oil or natural gas. In the country's effort to develop its Oil and Gas sector, the Government signed a Production Sharing Agreement in 2003 with SI Tech International (SIL) which is a Jordanian company that failed to execute the project and the petroleum development licence was revoked in 2006. Later in 2007, the Malaysian company Petronas acquired the Calub and Hilala gas fields and eight exploration blocks. However, the company relinquished all its concessions in Ethiopia and left the country in 2010.

The Ethiopian Ministry of Mines and the Petronas joint study highlighted that two most promising hydrocarbon areas in Ethiopia are the Gambella Basin and the Ogaden Basin. The Gambella Basin is located in the South West of the country, adjacent to the South Sudan border and it is an extension of South Sudan's prolific Melut Basin. The Gambella Block concession was entitled to South West Energy. The Ogaden Basin is the largest basin with oil and gas reserve in Ethiopia and has a total area of around 350,000 km<sup>2</sup>, and the maximum sediment thickness over 10,000 meters. The first exploration in the basin was undertaken by since 1920, currently, the basin has been divided into 21 blocks and several concessions have been awarded to companies that are Africa Oil, Poly-GCI, South West Energy, New Age Ethiopia and Delonex Energy which has been awarded the blocks in August 2014.

The Ethiopian sector of the East African Rift system extends for more than 1000 km in a North East-South West from the Afar depression, at Red Sea-Gulf of Aden junction and southwards to the Turkana depression. There are two main blocks Omo Rift Valley and the Adigala block in the East

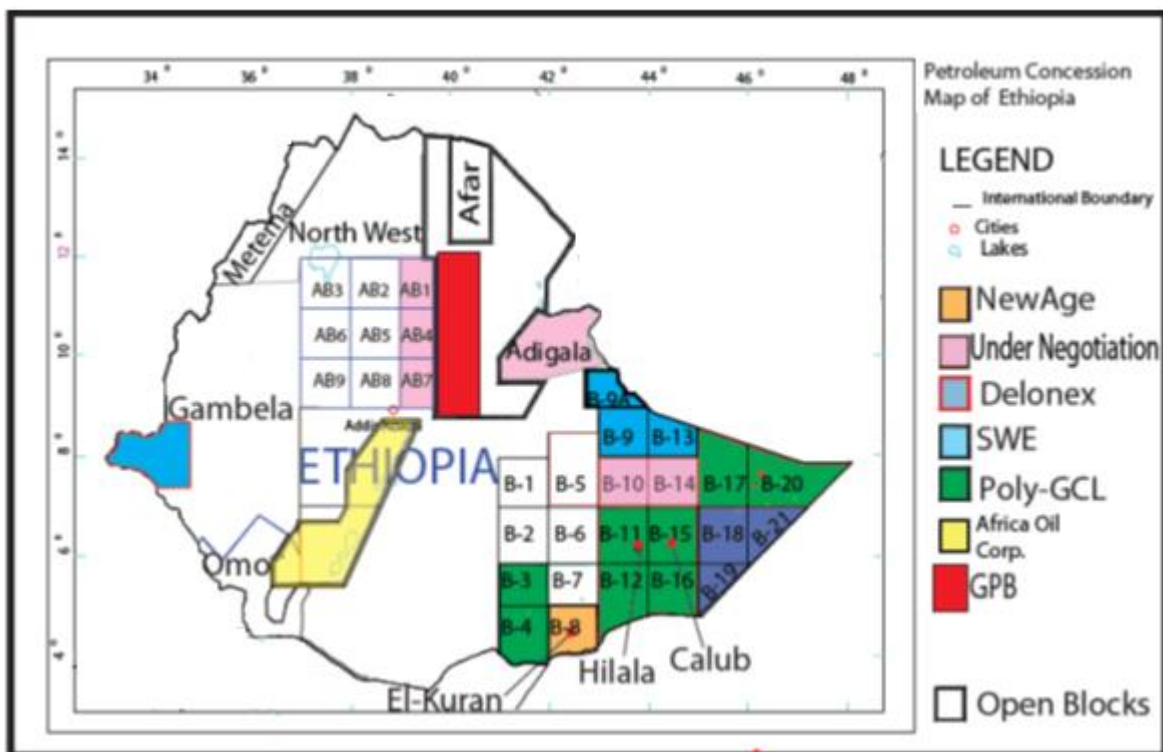
<sup>1</sup> Statistical bulletin on the 2013 National Labor Force Survey, March 2014

African Rift Valley System. The Adigala block in the North East of the Rift Valley, the Omo Rift basin in the South-West part of the Valley and the Gewane El-Wiha block have been awarded to New Age Ethiopia, Tullow Oil and respectively to Gaz Prom Bank (GPB) in late July 2014.

The Blue Nile basin called Abay Basin is in central Ethiopia and covers an area of approximately 63,000 square kilometres. It is currently divided into nine blocks and 3 of them named Kon Abo, Were Ilu and Debrebrehane are located in Were-Ilu and have been awarded to Falcon Petroleum.

A significant portion of the country is presumed to have petroleum potential and labelled into different basins as per the map provided by the Petroleum Licensing Directorate below:

Figure 7: Petroleum concession Map of Ethiopia



Source: Petroleum Licensing and Administration Directorate

### 3.3.2. Legal framework

The Ethiopian upstream oil and gas sector is regulated by three basic proclamations which are the Petroleum Operations Proclamation (N°295/1986<sup>1</sup>), the Petroleum Income Tax Proclamation (N°226/1986<sup>2</sup>) and the Petroleum Income Tax Amendment Proclamation (N°226/2000<sup>3</sup>).

### 3.3.3. Allocation of petroleum rights

The Petroleum Licensing and Administration Core Process (PLACP) is the section within the Ministry of Mines Petroleum and Natural Gas that oversees all activities related with petroleum operations in Ethiopia. It is composed of two main branches, which are the Petroleum Licensing and the Contract Administration.

The major duties and responsibilities of the Petroleum Licensing and Administration are:

- organising and preparing bid documents for tendering exploration blocks and take part in the screening and evaluation of final bid documents;
- negotiating with applicant companies in accordance with the Model Petroleum Production Sharing Agreement and Petroleum Operations and Income Tax Proclamations;
- performing promotional activities, by disseminating brochures, exhibiting posters and making presentations;
- monitoring and inspecting companies' operations to ensure that the activities of a contractor are carried out in accordance with signed agreement;
- providing support to contractors by communicating with other government institutions and offices;
- ensuring that financial terms of the signed agreements are fulfilled in a timely manner: these include rentals, royalties, bonuses and other payments;
- representing the Ministry at international and regional forums in petroleum upon the consent of the Minister or the State Minister; and
- keeping all petroleum data in a secure repository and make them accessible to relevant business partners, academia and staff engaged in research and development.

We note that no oil and gas block is allocated during the 2015/16 reconciliation period.

#### Licences allocation process

Applications from individual companies as well as from groups of companies should be submitted to the Ministry of Mines Petroleum and Natural Gas in a sealed envelope delivered by registered mail or by hand without an application fee. All documents relating to an application are kept confidential by all parties and the Government may at its sole discretion invite a successful applicant for negotiation.

While assessing applications, the Government shall focus, among others, on:

- the minimum exploration work and expenditure obligations;
- the economic benefits to the country, with emphasis on the profit oil sharing; and
- the applicant's proposal regarding natural gas.

The Minister of Mines Petroleum and Natural Gas reserves the right to accept or reject any proposal, without being obliged to justify his decision on the subject. All documents relating to an application are kept confidential by all parties and the Government may at its sole discretion invite a successful applicant for negotiation and signature.

<sup>1</sup> [http://www.mom.gov.et/upload/Petroleum%20Operations%20Proclamation%20No.%20295\\_%201986%20p%2062-70.pdf](http://www.mom.gov.et/upload/Petroleum%20Operations%20Proclamation%20No.%20295_%201986%20p%2062-70.pdf)

<sup>2</sup> [http://www.mom.gov.et/upload/Petroleum%20Operations%20Income%20Tax%20%20Proclamation%20No.%20296\\_1986%20p%2071-80.pdf](http://www.mom.gov.et/upload/Petroleum%20Operations%20Income%20Tax%20%20Proclamation%20No.%20296_1986%20p%2071-80.pdf)

<sup>3</sup>

[http://www.mom.gov.et/upload/Petroleum%20Operations%20Income%20Tax%20%20amendment%20Proclamation%20No.%20226\\_2000.pdf](http://www.mom.gov.et/upload/Petroleum%20Operations%20Income%20Tax%20%20amendment%20Proclamation%20No.%20226_2000.pdf)

In the event of a company's interest, negotiation will be carried out between the company and MMPNG until agreement is reached on the fiscal terms and for articles of the Petroleum Agreement. The Agreement will be endorsed to the Council of Ministers for approval, then presented to the company and MMMPNG for signature.

There were only GPB Ethiopia right that has been awarded during 2014/15 and no deviation, from legal and regulatory framework detailed above, has been noted so far in the awarding process.

### **Types of rights**

The Petroleum Operations Proclamation N°295 (1986) defines the rules and conditions of any arrangement between the Government and petroleum companies. The Minister has the power either by competitive bidding or, subject to the directives of the Council of Ministers, by direct negotiation, to enter into an Exclusive or a Non-Exclusive Petroleum Agreement<sup>1</sup>:

- the Exclusive Petroleum Agreement confers a company the right to carry out petroleum operations in a particular area for up to four years for exploration activities and for up to twenty-five years for development and production activities. Extensions of four years and of ten years may respectively be granted for exploration; and for development and production. further extensions may be granted in accordance with Article 11 of Petroleum Operations Proclamation N°295 (1986); and
- the Non-Exclusive Petroleum Agreement authorises a company to carry out geological and geophysical surveys in a particular area for up to two years. The Minister may grant an extension of two additional years and further extensions may be granted in accordance with Article 11 of Petroleum Operations Proclamation N°295 (1986).

### **Public availability**

Currently, the mining legislation does not set out any procedures or provisions to keep, maintain, retain and safeguard licences in a public register. Information on licence holders and licence areas are therefore not publicly available. The Petroleum Agreement Model<sup>2</sup> is published on the MMPNG website. However, signed Petroleum agreements are not currently publicly available. A legislation ('EEITI Proclamation') is currently being prepared and would be presented to the respective organ for adoption.

### **Transferability of rights**

The Petroleum Operations Proclamation N°295 (1986) sets out state ownership of oil and gas and provides rights and conditions to explore, develop and produce oil and gas. This proclamation allows the transfer of part or all rights, obligations and interests under a petroleum agreement with the condition of prior written consent of the Minister. The terms and conditions of transfer, assignment or disposal shall be governed by the provisions of the petroleum agreement.

#### **3.3.4. Fiscal regime**

The fiscal terms applicable to upstream petroleum activities in Ethiopia are governed primarily by terms of the Petroleum Operations Proclamation (1986), the Petroleum Income Tax Proclamation (1986) as amended by Proclamation (226/2000) and any PSA entered into as set out below:

- royalties, rentals and bonuses: a registered holder of a development licence must, under the Petroleum Operation Proclamation, pay a royalty and annual rentals to the government. The chargeable royalty rates may vary in accordance with the level of production and the rates are negotiable. The rates of annual rentals are negotiable and may vary in accordance with the exploration periods. All rates of royalties, annual rentals and bonuses shall be set and agreed in the Petroleum Agreement;
- taxation: the contractor is subject to income tax under the Petroleum Operations Income Tax Proclamation stating that any person engaged in petroleum operations under a petroleum agreement shall pay thirty percent (30%) income tax on its taxable income as stated by Sub-

<sup>1</sup> <http://www.momines.gov.et/about-the-sector>

<sup>2</sup> <http://www.momines.gov.et/about-the-sector>



Article (1) of Article 3 of Petroleum Income Tax Proclamation (1986) as amended by Proclamation (226/2000).

- where interest is paid on a loan, the lender shall be liable to income tax at the rate of 15% on the interest;
- losses realised during the accounting period may be carried forward to a maximum of 10 years;
- no income tax shall be chargeable on dividends paid to shareholders out of income derived from petroleum operations; and
- customs duties: under the Petroleum Operation Proclamation, all machinery, equipment, vehicles, materials, supplies, consumable items and moveable property imported for use in petroleum activities can be imported and exported free of all duties and taxes.

### 3.3.5. State participation in the Oil and Gas sector:

FDRE's Constitution stipulates that "the right to ownership of rural and urban lands, as well as of all natural resources is exclusively vested in the State and in the people of Ethiopia". The constitutional principle of custodianship of the country's mineral resources by the Government was subsequently brought into effect by Mining Operation Proclamation No.678/2010.

#### State Owned Companies (SOCs)

The Oil and Gas sector is still at the exploration stage in Ethiopia and there is no SOC operating in this sector.

#### Production sharing Agreement

Under the Petroleum Operations Proclamation, the oil and gas industry in Ethiopia is regulated by the Ministry of Mines Petroleum and Natural Gas, which sets industry-specific policies, strategies and laws. The ministry is also the signatory of Production Sharing Agreements (PSA) or Modern Concession contract on behalf of the Government of Ethiopia and the counterparty signatory is the company contractor.

The terms of PSAs are negotiable and form the basis of the licences. The legal framework offers considerable flexibility to the Government in negotiating acceptable proceeds sharing terms with oil companies. Under the PSA, signature and production bonuses are negotiable. The contractor's production share is also negotiable and tiered on production but it should not exceed a maximum of 85% and should not be lower than 25%. Cost recovery limits are also negotiable.

The standard PSA<sup>1</sup> used by MMPNG states that the Government, as a party under the Operating Agreement, shall in respect of the development area concerned separately take and dispose of its Participating Interest share of all Petroleum produced and saved.

It also states that the Government may require the Contractor to lend to the Government up to negotiable percentage of the funds required to pay the Government's pro-rata share of expenditure. The loan shall bear interest and may be reimbursed on a quarterly basis in an amount equal to a negotiable percentage of the difference between the gross receipts attributable to the Government's Participating Interest in the Development Area and the costs and expenses.

We understand that MMPNG does not hold any interests in the capital of Oil and Gas operators currently. Further details is presented in Section 3.2.5 on the new role of the State-owned company Ethiopian Mineral, Petroleum and Biofuel Co.

<sup>1</sup>[http://www.mom.gov.et/upload/Model%20Petroleum%20Production%20Sharing%20Agreement\(MPPSA\).pdf](http://www.mom.gov.et/upload/Model%20Petroleum%20Production%20Sharing%20Agreement(MPPSA).pdf)

### 3.3.6. Policy on disclosure of contracts and licenses

The Oil and Gas legislation does not include any express restrictions on the public disclosure of contracts and licenses by the government. However, signed contracts are not currently published electronically.

The existing Oil and Gas contracts are PSAs entered into by MMPNG and private operators. PSAs are all based on a model agreement that MMPNG has used for several years. This model contract contains a confidentiality provision which prevents the public disclosure of information that the extractive company supply the MMPNG with as follows: Clause 17.1 of the model agreement PSC stipulates that "Any information and data (referred to herein as "information") which the Contractor may supply to the Minister under this Agreement shall be supplied at the expense of the Contractor and the Minister shall, except with the consent of the Contractor, which shall not be unreasonably withheld, keep such information confidential, and shall not disclose such information other than to a person employed by or on behalf of the Government". The EEITI MSB agrees that this confidentiality clause does not apply to the publication of the contracts but covers technical information submitted by oil and gas companies.

### 3.3.7. Prospective Projects

Ethiopia has one of the highest deposits of natural gas and most of it is untouched and it expects to start producing and exporting natural gas from under-developed reserves from the South East by 2018,

Several firms have already acquired licences to explore more than 40 blocks throughout Ethiopia in the past four years, the vast majority of them in the South-Eastern Somali Region.

A number of international and few local companies are currently undertaking petroleum exploration in various parts of Ethiopia. Oil companies actively involved in the petroleum exploration and development undertakings are: Africa Oil Ethiopia B.V, Tullow Ethiopia B.V., POLY-GCL Petroleum Investments Ltd, South West Energy (HK) Ltd, New Age Ethiopia Ltd. Many of the companies have been engaged in acquiring geophysical data, including airborne gravity and magnetic, and some have done 2D seismic surveys covering large area, have carried out geological studies. GPB Ethiopia and Delonex signed PSA in July and August 2014 respectively in order to operate in Afar and Somali regions.

**Ogaden Basin:** in November 2013, POLY-GCL Petroleum Holdings Limited ("POLY-GCL"), jointly set up by China POLY Group and GCL Group, signed oil and gas exploration and development contracts for 10 blocks (with an area up to 117,000 km<sup>2</sup>) in the Ogaden Basin with the Ethiopian government. Poly-GCL has drilled five deep gas wells so far around Calub and Hilala areas at the Ogaden basin and began drilling the 6<sup>th</sup> petroleum and natural gas well at Hilal in January 2017. Natural gas and oil exploration is scheduled to be concluded by 2020.

**Cross-Border Gas Pipeline:** in February 2015, a Cross-Border Pipeline Agreement was drafted by the Ethio-Djibouti Joint Ministerial Meeting as released by POLY-GCL. The draft agreement states that POLY-GCL will cooperate in building a natural gas pipeline from the Ogaden Basin in Ethiopia to Djibouti, where the natural gas will be processed in a marine terminal and transported all over the world. It is expected that an agreement would be signed within the coming months and that the pipeline construction would begin in 2018.

**Rift Valley:** it is considered as one of the best spots in the world to understand the formation of continents and the dynamics of tectonic plates. Rift Valley stretches from Ethiopia southwards, through Kenya, the Democratic Republic of Congo, Uganda, Rwanda, Burundi and Tanzania, ultimately ending in Malawi. GPB Global Resources, a unit of Russia's state-owned Gazprombank Group, won approval from the Ethiopian government in 2014 for a Production Sharing Agreement which covers exploration for seven years and 25 years for production. Investment for exploration will focus on conducting surveys and drilling test wells in a 42,000 square kilometres area in the Afar region as reported by Bloomberg. GPB reported in October 2014 that it has put up an international tender inviting companies for the provision of airborne geophysical surveys in its concession and that the US company, Bell Geospace, won the contract for the provision of airborne Full Tensor Gradiometry (FTG) and magnetic surveys in the Gewane-Ei Wiha Block.



**Gambella Basin:** South West Energy Ltd's assets cover 17,000 Km<sup>2</sup> in Gambella Basin. Previous exploration activities in the Gambella Basin were conducted by Petronas, which included 1,500 km of 2D seismic, geochemical survey and two wells were drilled. South West Energy announced that preliminary resource estimates show potential in excess of 2 BBO.<sup>1</sup>

### 3.3.8. Oil and Gas Sector contribution to the Ethiopian economy

#### (i) Contribution to Employment

We note the lack of recent official statistical information at the Central Statistical Agency of Ethiopia in relation to employment figures in the oil and gas sector as well as in the overall employment represented by the extractive sector.

Although, this does not ensure full coverage of the oil and gas employment, the data provided by the six reporting companies operating in the oil and gas sector in Ethiopia and included in the reconciliation scope give a glimpse of the number of employees in the oil and gas sector in the country (196 employees representing 5% of total employment in extractive sector) as shown in the table below:

Companies	Number of employees	%
Africa Oil Ethiopia B.V	12	0%
POLY-GCL Petroleum Investments Ltd Ethiopian Branch	83	2%
SouthWest Energy (HK) Ltd	75	2%
NewAge Ethiopia Ltd	12	0%
Delonex Energy Ethiopia Ltd	5	0%
GPB Ethiopia Resources B.V	9	0%
<b>Total number of employees in petroleum companies</b>	<b>196</b>	<b>5%</b>
Remaining reporting mining companies (*)	3,879	95%
<b>Total number of employees of reporting companies</b>	<b>4,075</b>	<b>100%</b>

Source: EITI reporting templates 2015/16 of companies

(\*) Detail of mining companies' employment presented in Section 3.2.9 of this report

Based on the figures published by the Central Statistical Agency, the total labour force in Ethiopia is 42,403,879<sup>2</sup>. Employment in the oil and gas sector represents approximately zero percent of the total labour force.

#### (ii) Contribution to Government revenues

No official statistics were available at the Central Statistical Agency of Ethiopia on the contribution of the Oil and Gas sector to Government revenues. Data collected from the NBE in the course of the reconciliation exercise indicated that revenues generated by MMPNG in the Ethiopian fiscal year 2015/16 from this sector amounted to ETB 156 million as detailed in the table below:

Indicators	Amount in 2014/2015 (in ETB million)	Contribution to Government Revenues in %
<b>Total General Government revenues (*)</b>	<b>243,515</b>	<b>100.00%</b>
Oil & Gas Revenues (**)	156	0.06%
<b>Total Extractive Revenues (***)</b>	<b>1,707</b>	<b>0.70%</b>

(\*) Source: National Bank of Ethiopia – Annual report 2015/16

(\*\*) Source: EITI Reporting template 2015/16 from companies

(\*\*\*) Source: This total includes mining companies detailed in Section 3.2.9 of this report.

<sup>1</sup> Overview Presentation, SouthWest Energy, October 2017

<sup>2</sup> Statistical bulletin on the 2013 National Labor Force Survey, March 2014

**(iii) Contribution to GDP and exports**

The Ministry of Mines Petroleum and Natural Gas confirmed that the oil and gas sector is still at the exploration phase in Ethiopia.

**3.4. Collection and distribution of the extractive industry revenues****3.4.1. Budget process**

Ethiopia has a well-established legal framework governing its budget system that derives from the 1995 Constitution of The Federal Democratic Republic of Ethiopia. The Constitution clearly defines the structure, division of powers and responsibilities among the State's departments.

**(i) Budget planning and formulation:**

MoFEC makes macro-economic and fiscal plans (forecasts) available for allocation to line ministries. It issues a budget guideline and gives indicative-spending ceilings. Each spending agency submits its proposal to MoFEC. The overall budget envelope, finalised after the budget hearing process is submitted to the Council of Ministers for approval. The budget is subsequently presented to parliament and published.

MoFEC coordinates donor funding and matches resources with relevant projects. All donor funds are subject to the government approval and to normal budget reporting.

**(ii) Budget preparation process:**

The budget prepared by MoFEC then approved by the Parliament. The House of the People's representatives make the budget open through a public call to the media.

**(iii) Audit of the Financial Statement of the Federal Government:**

The Office of Federal Auditor General was set up by Proclamation (No. 68/1997). The Auditor General is appointed upon the recommendation of the Prime Minister by the House of Peoples' Representatives. The Office of the Auditor General is responsible for the inspection of the accounts of all government bodies. Its main task is to ensure that expenditure is made in accordance with the approved allocation for the fiscal year and submits a report to the House of Peoples' Representatives.

The Federal Ethics and Anti-Corruption Commission was established by Proclamation (No 235/2001) as an Independent Federal Government body. Its main functions are combating corruption, investigations and prosecution. This Commission is headed by a Commissioner supported by a Deputy Commissioner and is accountable to the Prime Minister. Both Commissioner and his Deputy are appointed by the House of Representatives upon nomination by the Prime Minister.

**(iv) Audit of the Financial Statements of public enterprises:**

The financial statements of public enterprises are audited by the office of the Auditor General. The Auditor General submits its report to the House of Peoples' Representatives. However, there is no evidence of systematic follow up of issues raised by the Auditor. Lack of resources and limited understanding of accountability among some members of the Budget and Finance Affairs Committee is considered as a barrier to maintain clear oversight of budget implementation. Some reports indicate that more stringent mechanisms are needed to ensure that public offices comply with requests and queries from the Auditor General and/or with the recommendations made by the House of Representatives regarding audit reports.

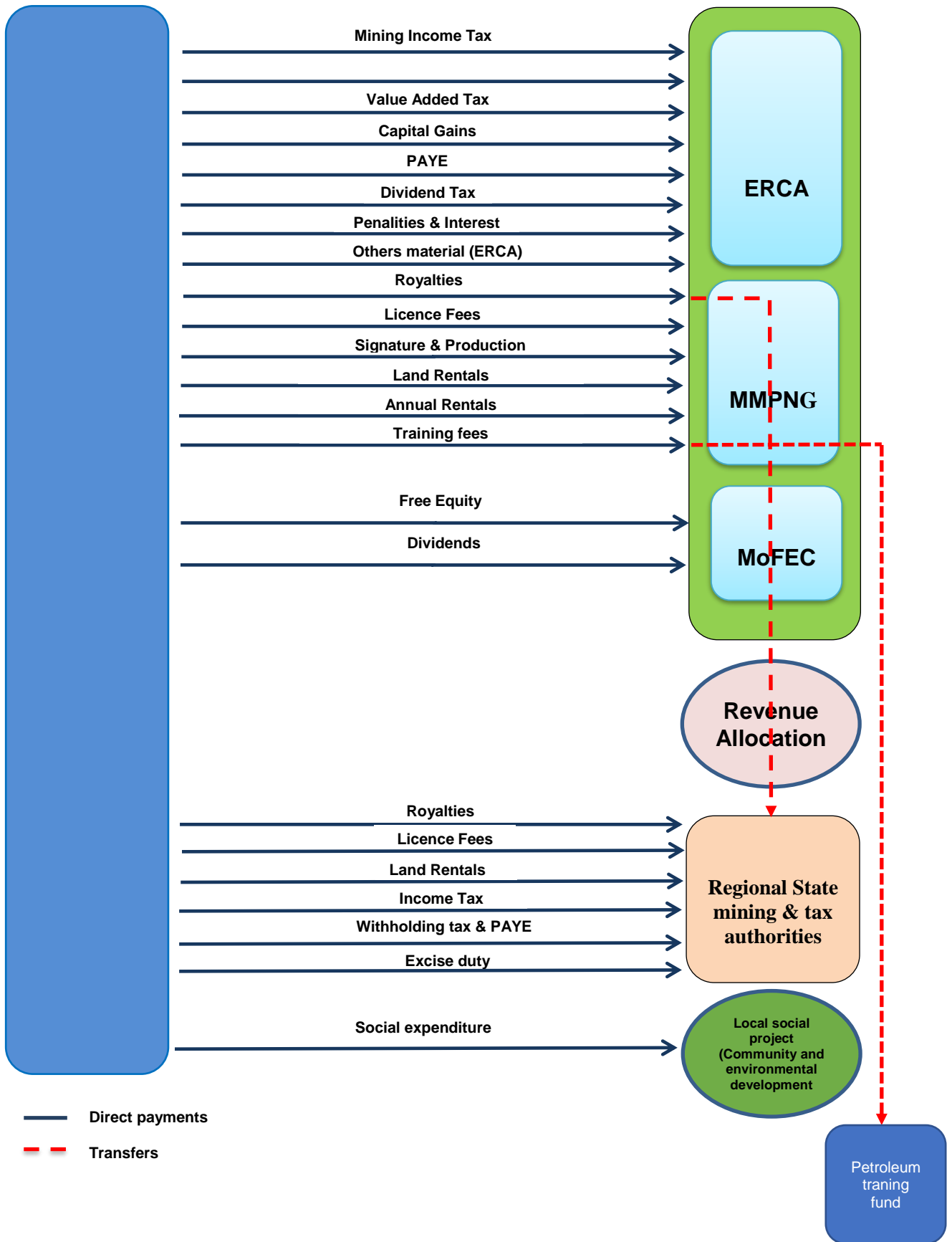
**3.4.2. Revenues collection****(i) Revenues recorded in Federal budget**

The contribution of mining revenues to the budget of Federal Democratic Republic of Ethiopia can be determined in the Consolidated Revenue accounts prepared by MoFEC. However, the tax generated from the sector may not be easily determined because the consolidated accounts provide information only on the royalties received during the year by MMPNG. In principle, other revenues collected by ERCA are categorised into direct and indirect taxes and taxes on foreign trade.

The other payments from the mining sector to MoFEC as dividends and free equity are presented as other non-tax revenues.

The mining revenue collections framework can be represented diagrammatically as follows:

Figure 8: Mining revenue collections framework



### 3.4.3. Revenues allocations

#### (i) Transfers to Regional States

In Ethiopia, the federal constitution declares that the federal government shall levy taxes and collect duties on sources reserved to it, and the states likewise exercise the same power with respect to sources that fall under their jurisdiction. Thus, the two tiers of government exercise their legislative and administrative powers within their respective taxation jurisdictions. As a result, the revenue generated from respective sources belongs exclusively to each level of government. The FDRE Constitution does not explicitly limit the powers of the states to alter the taxes or influence the tax bases. However, it provides general directives on taxation which they must consider in exercising their taxation powers.

The tax revenues are generally allocated to regional Governments based on a budget formula that is voted by the House of Federation, the upper house of the Federal Parliamentary Assembly. The taxes administered by the federal government include: employment tax from the employees of the federal government and its public enterprises and international organisations, federal stamp duties, monopoly tax, value added tax, national lottery, fees from licenses issued and services provided by organs of the federal government. This is in addition to the federal government's share on royalty and non-tax revenues on natural resources (mainly gold and natural gas).

In relation to large-scale mining and petroleum and gas operations, Article 98/3 of the Constitution stipulates that the Federal Government and the States shall jointly levy and collect taxes on incomes derived from such operations. The division of revenues derived from joint Federal and State tax sources is within the powers of the House of Federation according to Article 62/7 of the Constitution. The current revenue sharing ratios applicable for royalty and income tax stemming from large mine and petroleum and gas that were decided by the House of are as follows:

- Royalties: 60% for Federal Government and 40% for Regional States; and
- Income tax: shared between the two levels on a 50/50 basis.

Income tax is common payment stream that is not specific to the extractive industries. It is therefore transferred to the Regional States among the other taxes collected.

#### (ii) Petroleum training fund

According to the Petroleum Production Sharing Agreement (Art 3.6), the company shall establish a training and employment program and shall contribute for or the training of Ethiopian Government personnel and/or acquisition of training facilities, identified by the Minister.

The Petroleum Training Fund is a separate bank fund which is managed by MMPNG and aims to fund capacity building activities in the oil and gas sector. Training fees from oil and gas companies are paid directly to the Petroleum Training Fund account.

## 3.5. Beneficial ownership

We did not find a legal definition of beneficial ownership in Ethiopia in its current legislation. In accordance with the EITI Standard, Requirement 2.5.f. a beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity.

A scoping study on Ethiopian EITI beneficial ownership<sup>1</sup> has been carried out for Ethiopia in March 2017. The study included the following points:

- stakeholder consultations;
- overview of legal framework for extractives industries;
- assessment of institutional capacity of Government;
- review of company registers;

<sup>1</sup> <https://eiti.org/document/ethiopia-beneficial-ownership-scoping-study>

- review of existing definition of beneficial ownership and proposals;
- suggested methodology for data collection; and
- review of beneficial ownership information collected during the first EITI Report.

### Ultimate ownership

To satisfy the need for the current EITI reporting process, “ultimate beneficial ownership” of an extractive company is defined as any individual natural person who:

- has control over the extractive company, either directly or indirectly; or
- has a substantial interest in or receives substantial economic benefits from the assets of the extractive company.

The “ultimate beneficial ownership” shall therefore mean a natural person, and not another company or a trust. For companies with complicated ownership structures, involving many different corporate vehicles or private agreements over ownership and/or control, the ultimate beneficial owners are the individuals who are right at the very top of the chain.

“Control” means the power of a person to secure that the affairs of the extractive company are conducted in accordance with the wishes of that person. Such power would be derived from:

(i) a sufficient percentage of shareholding or voting rights in the extractive company, including through bearer share holdings, other than a company.

(ii) A percentage of 25% plus one share shall be evidence of ownership or control through shareholding and applies to every level of direct and indirect ownership and a percentage of 5% of shares is considered for Politically Exposed Person PEP\*\* ; and or

(iii) a control over the management of the extractive company through other means such as :

a) having the power to appoint or remove over half of members of the governing body of the extractive company; or

b) holding rights in relation to the extractive company that, if exercised, would result in the conditions in subparagraphs (i) and (b) being satisfied; or

c) whose consent is needed for the appointment of a person to be a member of the governing body of the extractive company.

Publicly listed companies, including wholly-owned subsidiaries, are not required to disclose information on their beneficial owner(s). They have to provide only guidance on how to access this information.

In the case of joint ventures, each entity within the venture should disclose its beneficial owner(s), unless it is publicly listed or is a wholly-owned subsidiary as per above. Each entity is responsible for the accuracy of the information provided.”

### Politically exposed person (PEP) definition

Politically exposed persons (PEP) may include citizens of local or foreign country who were entrusted with or are currently entrusted with prominent state and political functions in the local or in the foreign country such as heads of state or of government, senior political figures, senior officials in the government, the courts, the military, law enforcement and fiscal authorities, and heads and public figures of political parties and religious associations, including former such persons. The term ‘politically exposed person’ may includes the following:

(a) heads of State, heads of government, ministers and deputy or assistant ministers;

(b) members of parliament or of similar legislative bodies;

(c) members of the governing bodies of political parties;

(d) members of supreme courts, of constitutional courts or of other high-level judicial bodies, the decisions of which are not subject to further appeal, except in exceptional circumstances;

(e) members of courts of auditors or of the boards of central banks;

- (f) ambassadors, chargés d'affaires and high-ranking officers in the armed forces;
- (g) members of the administrative, management or supervisory bodies of State-owned enterprises;
- (h) directors, deputy directors and members of the board or equivalent function of an international organisation.

## **3.6. Audit and assurance practices in Ethiopia**

### **3.6.1. Extractive companies**

The Commercial Code makes directors of companies responsible for preparation of financial statements, including consolidated financial statements for group companies, and for ensuring that an audit of the financial statements is conducted.

The Commercial Code stipulates that books and accounts shall be maintained as required in accordance with business practices and Ethiopian regulations including tax laws. Proclamation 847/2014 requires companies to prepare their financial statements in accordance with International Financial Reporting Standards (IFRS).

The Accounting and Auditing Standard Board (AABE) was established by Proclamation 847/2014 and Council of Ministers Directives No 332/2014 in order to regulate the accounting system in the private sector. AABE is responsible for including audit licences, Code of Ethics and setting the standards according to International Auditing standards.

Thus by implication extractive industries are expected to subject their financial statements to statutory audit at the end of every financial year. Financial statements of private companies are available to the general public on voluntary basis. In the case of listed companies, publication of its financial statements is mandatory.

### **3.6.2. Government Agencies**

In Ethiopia there is a special Government Agency – OFAG – the supreme audit institution, which carries out controls over the execution of the government's budget and payment of taxes and other mandatory payments, including payments from Government Agencies as described in Sections 3.2.4 and 3.3.4 above.

The Auditor General, who is appointed by the House of Peoples' Representatives, shall audit and inspect the accounts of the all Government Agencies, ministries and other agencies of the Federal Government to ensure that expenditure are properly accounted for activities carried out during the fiscal year and in accordance with the approved allocations. The Auditor General shall draw up his office's annual budget which he submits to the House of Peoples' Representatives for approval.



## 4. DETERMINATION OF THE RECONCILIATION SCOPE

### 4.1. Selection of payment flows and information to be reported

The financial flows to be included in the reconciliation and the Government Agencies and Companies which were required to report were determined by the EEITI MSB based on the scoping study are set out in the paragraphs below.

The description of each payment flow set out below is defined in Appendix 7 of this report.

#### 4.1.1. Direct payments

##### Ministry of Mines Petroleum and Natural Gas (MMPNG)

In accordance with relevant laws and regulations there are 7 categories of taxes payable by oil, gas and mining companies. These taxes are set out in the table below:

Ref.	Payment flows
1.1	Royalties
1.2	License Fees
1.3	Penalties
1.4	Land Rentals
1.5	Signature Bonus
1.6	Production bonuses
1.7	Training Fees

The EEITI MSB agreed to include all of the above fees and charges in order to ensure completeness of revenues.

##### Ethiopian Revenues and Customs Authority (ERCA)

According to the relevant laws and regulation and data collected from ERCA there are 11 categories of taxes payable by oil, gas and mining companies to ERCA. These taxes are set out in the table below:

Ref.	Payment flows
2.1	Income tax: Schedule C (Mining)
2.2	Income tax: Schedule C (Normal)
2.3	Withholding taxes on payments
2.4	Customs duties
2.5	Taxes on Dividends
2.6	Personal Income tax (Pay As You Earn "PAYE")
2.7	Capital gains
2.8	Value Add Tax (VAT)
2.9	Excise Taxes
2.10	Penalties
2.11	Withholding taxes on interests

The EEITI MSB agreed to include all of the above taxes in order to ensure completeness of revenues.

##### Ministry of Finance and Economic Cooperation (MoFEC)

According to the relevant laws and regulation there are 2 types of payment flows payable by mining companies to MoFEC. These payments are set out in the table below:

N°	Payment flows
3.1	Free Equity
3.2	Dividends from State Owned Companies

The EEITI MSB decided to include both payments in order to ensure completeness of income.

#### 4.1.2. Payment to Regional State Governments

In accordance with relevant laws and regulations there are fees and taxes paid by mining companies to Local Governments, which are set out as follows:

N°	Payments to Regional States
4.1	Land Rentals
4.2	Royalties paid by Holders of Small Scale Mining Licences
4.3	Licence Fees
4.4	Penalties
4.5	Personal Income taxes
5.1	Income tax: Schedule C (Normal)
5.2	Withholding tax on payments
5.3	Personal Income tax (Pay As You Earn "PAYE")
5.4	Excise duty
4.6	Other payments to State Government

The EEITI MSB decided to include them because they are material in relation to the areas served by Regional Governments. It was not possible to reconcile them. Accordingly, the EEITI MSB agreed to include these payments in the 2015/16 EITI scope through unilateral disclosure by extractive companies.

#### 4.1.3. Social payments

These consist of all contributions made by extractive companies to promote local development and to finance social projects in line with the EITI Standard. The Standard encourages the multi Stakeholder Board to apply a high standard of transparency to social payments and transfers, the parties involved in the transactions and the materiality of these payments and transfers to other benefit streams, including the recognition that these payments may be reported even though it is not possible to reconcile them.

These contributions can be voluntary or non-voluntary and can be made in cash or in kind depending on individual contracts. This category includes, inter alia: health infrastructure, school infrastructure, road infrastructure, market gardening infrastructure, projects related to the promotion of the agriculture and the grants provided to the population.

The EEITI MSB decided to include the social payments in the 2015/16 EITI scopes through unilateral disclosure by extractive companies. These disclosures should be segregated between mandatory and voluntary social payments as follows:

N°	Payment flows
6.1	Voluntary Corporate Social Responsibility
6.2	Mandatory Social Responsibility

#### 4.1.4. Infrastructure provisions and Barter arrangements

On the basis of meetings held during the scoping study, we note that no payment flows related to barter arrangements involving infrastructure works as set out in EITI Requirement 4.3 were identified. However, due to the limitation of scope raised during the scoping phase, the EEITI MSB decided to include in the reporting template in case they exist:

N°	Payment flows
7.1	Total budget of the Engagement/Project
7.2	Value of engagements/project incurred from 08/07/2015 to 07/07/2016
7.3	Cumulated value of engagements/project incurred on 07/07/2016

#### 4.1.5. Quasi fiscal expenditure

According to EITI Requirement 6.2, the Multi-Stakeholder Board is required to develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams, and should include State-owned enterprise subsidiaries and joint ventures. The EEITI MSB agreed to include these payments through unilateral disclosure by State-owned companies.

#### 4.1.6. Regional States' Transfers

In accordance with EITI Requirement 5.2 a), where transfers between Federal and Regional States relate to revenues generated by extractive industries and are mandated by a national constitution, statute or other sharing mechanism, the Multi-Stakeholder Board is required to ensure that material transfers are disclosed in the EITI Reports;

We note that the Federal Government transfers royalties to Regional Governments as detailed in Section 3.4.3 of this report. Since that royalties are payment flows specific to the extractive sector, the transfer of royalties to the Regional States is included in the scope of information to be disclosed as agreed by the EEITI MSB.

#### 4.1.7. Production volumes and value

According to EITI Requirement 3.2, the EITI report must disclose total production volumes and the value of production by commodity, and, when relevant, by state/region. The EEITI MSB decided to include production figures through unilateral disclosure from companies selected in the EITI scope of reconciliation.

#### 4.1.8. Export volumes and value

According to EITI Requirement 3.3, the EITI report must disclose total export volumes and the value of exports by commodity, and when relevant, by state/region of origin. The EEITI MSB agreed to include exports to be declared unilaterally by companies.

#### 4.1.9. Number of employees

According to EITI Requirement 6.3 d), the EITI report must disclose, when available, information related to employment in the extractive industries in absolute terms and as a percentage of the total employment.

The EEITI MSB agreed to include employment figures through unilateral reporting from companies selected in the EITI reconciliation scope.

#### 4.1.10. Beneficial ownership

According to EITI Requirement 2.5 it is recommended that implementing countries maintain a publicly available register of beneficial owners of the corporate entities, which bid for, operate or invest in extractive assets, including the identity of their beneficial owners, the level of ownership and details about how ownership or control is exerted. The EEITI MSB agreed to include beneficial ownership in the EITI scope for the years 2015/16.

#### 4.1.11. Financial flows for inclusion in 2015/16 EEITI Reports

According to the above, the flows that the EEITI MSB decided to include in the 2015/16 reconciliation scope may be summarised as follow:

N°	Flows description	Mining companies	Government Agencies
<b>Ministry of Mines Petroleum and Natural Gas</b>			
1.1	Royalties paid	✓	✓
1.2	Licence Fees	✓	✓
1.3	Penalties	✓	✓

N°	Flows description	Mining companies	Government Agencies
1.4	Land Rentals	✓	✓
1.5	Signature Bonuses	✓	✓
1.6	Production bonuses	✓	✓
1.7	Training Fees	✓	✓
1.8	Other payments to Mining authority	✓	✓
<b>Ethiopian Revenues and Customs Authority</b>			
2.1	Income tax : Schedule C (Mining)	✓	✓
2.2	Income tax : Schedule C (Normal)	✓	✓
2.3	Withholding taxes on payments	✓	✓
2.4	Customs duties	✓	✓
2.5	Tax on dividends	✓	✓
2.6	Personal Income tax (Pay As You Earn "PAYE")	✓	✓
2.7	Capital gains tax	✓	✓
2.8	Value Add Tax (VAT)	✓	✓
2.9	Excise Tax	✓	✓
2.10	Penalties	✓	✓
2.11	Withholding taxes on interests	✓	✓
2.12	Other payments to ERCA	✓	✓
<b>Ministry of Finance and Economic Cooperation</b>			
3.1	Free Equity	✓	✓
3.2	Dividends from State Owned Companies	✓	✓
3.3	Other payments to MoFEC	✓	✓
<b>Regional State Mining Authority</b>			
4.1	Land Rentals	✓	
4.2	Royalties paid by Holders of Small Scale Mining Licences	✓	
4.3	Licence Fees	✓	
4.4	Penalties	✓	
4.5	Personal Income taxes	✓	
4.6	Other material payments to State Government	✓	
<b>Regional State Tax Authority</b>			
5.1	Income tax: Schedule C (Normal)	✓	
5.2	Withholding tax on payments	✓	
5.3	Personal Income tax (Pay As You Earn "PAYE")	✓	
5.4	Excise duty	✓	
5.5	Other payments to Regional State Tax Authority	✓	
<b>Social Payments</b>			
6.1	Voluntary Corporate Social Responsibility	✓	
6.2	Mandatory Social Responsibility	✓	□
<b>Infrastructure provisions and barter arrangements</b>			
7.1	Total budget of the Engagement/Project	✓	✓
7.2	Value of engagements/project incurred during 2015/16	✓	✓
7.3	Cumulated value of engagements/project incurred on 07/07/2016	✓	✓

## 4.2. Extractive companies

### 4.2.1. Oil and Gas Companies

Based on the information made available by MMPNG, during the preparation of the scoping phase there were no production activities carried out by companies during the financial year 2015/16. The Petroleum, Licensing and Administration Directorate has confirmed that 7 operators have undertaken exploration activities in the country and have already made payments to MMPNG and only 6 of them remained active. These are detailed as follows:

Company	Active
GPB Ethiopia	✓
POLY-GCL Petroleum Investments Ltd Ethiopian Branch	✓
Tullow Ethiopia B.V.	
NewAge Ethiopia Ltd	✓
Africa Oil Ethiopia B.V	✓
Delonex	✓
South West Energy (HK) Ltd	✓
<b>Total</b>	

As a result, the EEITI MSB agreed to include six (6) Oil and Gas companies which are still operating in the country and/or paid land rent to MMPNG for 2015/16.

Tullow Ethiopia B.V which has not been selected, the EEITI MSB agreed on the disclosure by Government Agencies of their combined revenues in accordance with EITI Requirement 4.1.d.

### 4.2.2. Mining Companies

The EEITI MSB agreed to include all companies holding an active licence and that declared production during the reporting period 2015/16 without applying any materiality threshold. Based on this, seventeen (17) mining companies have been retained for the 2015/2016 reconciliation exercise. These companies are as follows:

Companie
MIDROC Gold Mine Plc
Abijata-Shalla Soda Ash Sc
Pioneer Cement Manufacturing Plc
Afar Salt Production Sc
Inchini Bedrock Cement Plc
East Cement Sc
Ertale Salt Work Plc
Afdera Salt Producing Plc
Lucy Salt Producing Plc
Sammaka Stones Plc
National Mining Corporation Plc
Bezalel Construction Material Manufacturing Plc
Derba Midroc Cement Plc
Dangote Industries Ethiopia Plc
Sourish Marbles Plc
Asayede kemikale (Allied chemical Plc)

**Companie**

East African Holding Sc

For extractive companies which have not been selected as described above, the EEITI MSB agreed on the disclosure by Government Agencies of their combined revenues in accordance with EITI Requirement 4.1.d. These are detailed in Section 6.2 of this report.

Therefore, payments made by exploration licence holders to ERCA were not included in the scope of the report as decided by the EEITI MSB. Payments made by the exploration licence holders to MMPNG were unilaterally disclosed by the Government Agency.

**4.3. Government Agencies**

Based on the scope proposed above, the Government Agencies that are required to report for the 2015/16 EITI Report are:

N°	Central Agencies
1	Ministry of Mines Petroleum and Natural Gas (MMPNG)
2	Ethiopian Revenues and Customs Authority (ERCA)
3	Ministry of Finance and Economic Cooperation (MoFEC)

Although NBE was not required to submit reporting templates for the reconciliation process for the year 2015/16, it remains part of the reporting process to provide unilateral disclosure of ASM production.

**4.4. Materiality thresholds and margin of error**

Companies have been retained without applying a materiality threshold as detailed in Section 4.2 above.

According to the EITI Source Book Suggested Action 19, the EEITI MSB should agree to standardise the reporting process and to set an acceptable margin of error for any discrepancy discovered by the Independent Administrator. Accordingly, the EEITI MSB decided to maintain the margin error of ETB 20,000<sup>1</sup> from which discrepancy per tax and/or per company would be considered to be significant.

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<sup>1</sup>Equivalent to USD 935.336 at a weighted average rate of 21.3827 ETB/USD in May 2016

## 5. RECONCILIATION RESULTS

We present below detailed results of the reconciliation exercise, as well as differences noted between amounts paid by extractive companies and amounts received by Government Agencies. We have highlighted the amounts initially reported and the adjustments made following our reconciliation work, as well as the final amounts and unreconciled differences.

### 5.1. Payment Reconciliation between extractive Companies and Government Agencies

#### 5.1.1. Reconciliation by Extractive Company

The table below summarises the differences between the payments reported by extractive companies and receipts reported by Government Agencies.

The table includes consolidated figures based on the reporting templates prepared by each extractive company and Government Agency, adjustments made by us following the reconciliation work and the residual, unreconciled differences. Details of the adjustments made are presented in Section 5.2 of this report and in order to keep the report size reasonable, detailed reconciliation reports for each company are included in Annex 9 of this report.

Amounts in ETB

No.	Company	Templates originally lodged			Adjustments			Final amounts		
		Extractive company (a)	Govt (b)	Difference (c) = (a - b)	Extractive company (d)	Govt (e)	Difference (f) = (c-d)	Extractive company (g) = (a+d)	Govt (h) = (b+e)	Difference (i) = (g-h)
1	Africa Oil Ethiopia B.V	6,908,082	7,195,623	(287,541)	287,541	-	287,541	7,195,623	7,195,623	-
2	POLY-GCL Petroleum Investments Ltd Ethiopian Branch	25,763,077	26,537,452	(774,374)	435,579	-	435,579	26,198,657	26,537,452	(338,795)
3	SouthWest Energy (HK) Ltd	34,488	34,488	-	-	-	-	34,488	34,488	-
4	NewAge Ethiopia Ltd	14,358,612	20,103,433	(5,744,822)	(11,014)	-	(11,014)	14,347,598	20,103,433	(5,755,835)
5	Delonex Energy Ethiopia Ltd	5,767,261	4,750,829	1,016,432	295,692	1,396	294,296	6,062,952	4,752,224	1,310,728
6	GPB Ethiopia Resources B.V	27,676,930	6,501,915	21,175,016	1,095,905	22,270,921	(21,175,016)	28,772,835	28,772,835	-
7	MIDROC Gold Mine Plc	780,180,805	841,354,994	(61,174,190)	236,978	(60,938,112)	61,175,090	780,417,783	780,416,882	900
8	Abijata-Shalla Soda Ash Sc	5,818,534	5,400,541	417,993	(3,704,900)	(3,286,781)	(418,119)	2,113,633	2,113,759	(126)
9	Pioneer Cement Manufacturing Plc	39,148,321	47,880,647	(8,732,326)	-	(4,460,846)	4,460,846	39,148,321	43,419,801	(4,271,480)
10	East Cement Sc	24,383,896	58,284,044	(33,900,148)	30,693,339	(2,959,216)	33,652,555	55,077,234	55,324,828	(247,594)
11	National Mining Corporation Plc	11,460,612	9,899,222	1,561,390	-	2,734,670	(2,734,670)	11,460,612	12,633,891	(1,173,279)
12	Derba Midroc Cement Plc	326,128,744	35,878,851	290,249,893	(11,305,524)	240,790,219	(252,095,743)	314,823,220	276,669,070	38,154,149
13	Dangote Industries (Ethiopia) Plc	536,976,389	757,391,585	(220,415,196)	-	(491,368,813)	491,368,813	536,976,389	266,022,772	270,953,616



No. Company	Templates originally lodged			Adjustments			Final amounts		
	Extractive company (a)	Govt (b)	Difference (c) = (a - b)	Extractive company (d)	Govt (e)	Difference (f) = (c-d)	Extractive company (g) = (a+d)	Govt (h) = (b+e)	Difference (i) = (g-h)
14 Afar Salt Production Sc	8,451,184	8,661,032	(209,849)	-	-	-	8,451,184	8,661,032	(209,849)
15 Allied Chemical Plc	21,070,040	13,972,485	7,097,555	(4,102,159)	-	(4,102,159)	16,967,881	13,972,485	2,995,396
16 Erta Ale Salt Work Plc	4,803,151	4,736,270	66,881	-	-	-	4,803,151	4,736,270	66,881
17 Sammakka Stones Plc	1,779,890	863,556	916,334	(720,000)	105,070	(825,070)	1,059,890	968,626	91,264
18 Lucy Salt Producing Plc	1,759,300	3,216,603	(1,457,303)	-	-	-	1,759,300	3,216,603	(1,457,303)
19 Bezalel Construction Material Manufacturing Plc	675,659	676,116	(457)	-	-	-	675,659	676,116	(457)
20 East African Holding Sc	4,256,975	3,564,622	692,354	(862,373)	(718,352)	(144,021)	3,394,603	2,846,270	548,333
21 Inchini Bedrock Plc	3,759,628	14,248,902	(10,489,274)	-	-	-	3,759,628	14,248,902	(10,489,274)
22 Afdera Salt Producing Plc	2,123,661	928,986	1,194,675	-	1,188,925	(1,188,925)	2,123,661	2,117,911	5,750
23 Sourish Marbles Plc	427,976	945,775	(517,799)	-	-	-	427,976	945,775	(517,799)
<b>Total</b>	<b>1,853,713,212</b>	<b>1,873,027,969</b>	<b>(19,314,757)</b>	<b>12,339,064</b>	<b>(296,640,918)</b>	<b>308,979,983</b>	<b>1,866,052,277</b>	<b>1,576,387,050</b>	<b>289,665,226</b>

### 5.1.2. Reporting by revenue stream

The table below shows the total Basic Payments reported by extractive companies and Government Agencies, taking into account all adjustments:

Amounts in ETB

N° Description of Payment	Templates originally lodged			Adjustments			Final amounts		
	Extractive company (a)	Govt (b)	Difference (c) = (a) - (b)	Extractive company (d)	Govt (e)	Difference (f) = (d) - (e)	Extractive company (g)	Govt (h)	Difference (i) = (g) - (h)
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>200,260,122</b>	<b>223,878,446</b>	<b>(23,618,324)</b>	<b>3,396,444</b>	<b>(132,861)</b>	<b>3,529,305</b>	<b>203,656,566</b>	<b>223,745,586</b>	<b>(20,089,019)</b>
1.1 Royalties paid	155,139,485	175,852,686	(20,713,201)	-	59,504	(59,504)	155,139,485	175,912,190	(20,772,705)
1.2 License Fees	153,132	-	153,132	-	-	-	153,132	-	153,132
1.3 Penalties	1,334,041	803,487	530,554	-	-	-	1,334,041	803,487	530,554
1.4 Land Rentals	28,861,458	28,467,783	393,675	(586,040)	(192,365)	(393,675)	28,275,418	28,275,418	-
1.5 Signature Bonus	-	13,315,985	(13,315,985)	-	(13,315,985)	13,315,985	-	-	-
1.6 Production bonuses	-	-	-	-	-	-	-	-	-
1.7 Training Fees	14,772,006	5,438,505	9,333,501	3,982,484	13,315,985	(9,333,501)	18,754,490	18,754,490	-
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>1,623,367,248</b>	<b>1,621,063,681</b>	<b>2,303,567</b>	<b>10,942,620</b>	<b>(296,508,058)</b>	<b>307,450,678</b>	<b>1,634,309,869</b>	<b>1,324,555,623</b>	<b>309,754,245</b>
2.1 Income tax : Schedule C (Mining)	479,498,269	389,276,231	90,222,038	-	88,177,409	(88,177,409)	479,498,269	477,453,639	2,044,629
2.2 Income tax : Schedule C (Normal)	25,430,860	31,100,793	(5,669,933)	(1,963,750)	3,934,398	(5,898,148)	23,467,110	35,035,191	(11,568,081)
2.3 Withholding tax on payments	35,082,695	24,583,968	10,498,727	(272,282)	13,991,323	(14,263,604)	34,810,413	38,575,290	(3,764,877)
2.4 Customs duties	143,695,849	99,782	143,596,067	(146,509)	38,584	(185,093)	143,549,341	138,366	143,410,974
2.5 Dividend Tax	148,378,524	279,287,398	(130,908,875)	-	(130,677,568)	130,677,568	148,378,524	148,609,830	(231,306)
2.6 Personal Income tax (Pay As You Earn "PAYE")	71,609,327	74,161,418	(2,552,091)	(14,569,817)	(33,663,116)	19,093,299	57,039,509	40,498,301	16,541,208
2.7 Capital gains	-	-	-	-	-	-	-	-	-
2.8 Value Add Tax (VAT)	692,205,901	447,114,393	245,091,509	27,607,437	117,750,367	(90,142,930)	719,813,338	564,864,760	154,948,579
2.9 Excise Tax	20,321,091	144,140	20,176,951	-	-	-	20,321,091	144,140	20,176,951
2.10 Penalties	2,073,028	-	2,073,028	-	-	-	2,073,028	-	2,073,028
2.11 Withholding tax on interests (foreign debt)	-	373,670,807	(373,670,807)	-	(359,248,064)	359,248,064	-	14,422,743	(14,422,743)
2.12 Other material payments to ERCA	5,071,704	1,624,751	3,446,953	287,541	3,188,611	(2,901,070)	5,359,245	4,813,362	545,883

N° Description of Payment	Templates originally lodged			Adjustments			Final amounts		
	Extractive company (a)	Govt (b)	Difference (c) = (a) - (b)	Extractive company (d)	Govt (e)	Difference (f) = (d) - (e)	Extractive company (g)	Govt (h)	Difference (i) = (g) - (h)
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>28,085,841</b>	<b>28,085,841</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,085,841</b>	<b>28,085,841</b>	<b>-</b>
3.1 Free Equity	28,085,841	28,085,841	-	-	-	-	28,085,841	28,085,841	-
<b>4- Payment to State Owned Companies (SOC)</b>	<b>2,000,000</b>	<b>-</b>	<b>2,000,000</b>	<b>(2,000,000)</b>	<b>-</b>	<b>(2,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	-	-
4.2 Other payments	2,000,000	-	2,000,000	(2,000,000)	-	(2,000,000)	-	-	-
<b>Total payments</b>	<b>1,853,713,212</b>	<b>1,873,027,969</b>	<b>(19,314,757)</b>	<b>12,339,064</b>	<b>(296,640,918)</b>	<b>308,979,983</b>	<b>1,866,052,277</b>	<b>1,576,387,050</b>	<b>289,665,226</b>

Unadjusted residual differences are detailed in Section 5.3 of the present report.

## 5.2. Adjustments

### 5.2.1. Extractive company adjustments

The adjustments were carried out on the basis of confirmations received from extractive companies and Government Agencies and were supported by adequate evidence wherever deemed appropriate. The adjustments made are detailed as follows:

Adjustments to extractive company payments	Total Amount (in ETB)
Taxes paid not reported (a)	33,419,449
Amounts reported incorrectly (b)	818,719
Taxes reported but falling outside the period covered (c)	(356,381)
Taxes related to activities other than mining (d)	(5,672,959)
Taxes classified incorrectly (e)	(15,869,763)
<b>Total adjustments added/deducted to amounts originally reported</b>	<b>12,339,064</b>

#### (a) Taxes paid not reported

These are payment flows reported by Government Agencies but not reported by Extractive companies. Adjustments were made on the basis of flag receipts or confirmations from the companies. We set out in the table below a summary of the adjustments made to company payments:

Company	Amount (in ETB)	Payment flow
East Cement Sc	31,799,025	Value Add Tax (VAT)
GPB Ethiopia Resources B.V	1,095,905	Training fees
Africa Oil Ethiopia B.V	287,541	Pension
MIDROC Gold Mine Plc	236,978	Withholding tax on payments
<b>Total adjustments</b>	<b>33,419,449</b>	

#### (b) Amounts reported incorrectly

These relate to exchange rate discrepancies. The adjustments were made exclusively to land rental and training paid by Oil and Gas companies. We set out in the table below details of the adjustments made to company payments:

Company	Amount (in ETB)
POLY-GCL Petroleum Investments Ltd Ethiopian Branch	735,861
Delonex Energy Ethiopia Ltd	93,872
NewAge Ethiopia Ltd	(11,014)
<b>Total</b>	<b>818,719</b>

#### (c) Taxes reported but falling outside the period covered by the EITI Report

These are payments reported, but which fall outside the reconciliation period, i.e. before 8 July 2015 or after 7 July 2016. We set out in the table below details of the adjustments made to company payments:

Company	Amount (in ETB)	Payments flow
POLY-GCL Petroleum Investments Ltd Ethiopian Branch	(300,282)	Withholding tax on payments and Personal Income tax (Pay As You Earn "PAYE")
Allied Chemical Plc	(56,100)	Withholding tax on payments
<b>Total</b>	<b>(356,381)</b>	

**(d) Taxes related to activities other than mining**

These are payments reported, but which relate to activities other than extractive as per the reporting templates. We set out in the table below details of the adjustments made to company payments on the basis of their percentages of turnover relating to non-mining activities:

Company	Amount (in ETB)	% other than extractive activities
Abijata-Shalla Soda Ash Sc	(3,704,900)	80%
East Cement Sc	(1,105,686)	2%
East African Holding Sc	(862,373)	21%
<b>Total</b>	<b>(5,672,959)</b>	

**(e) Taxes classified incorrectly**

These are payment flow incorrectly classified by the companies. We set out in the table below details of the adjustments made to company payments:

Company	Amount (in ETB)	Payments flow
Derba Midroc Cement Plc	(11,305,524)	Payment "Personal Income tax (Pay As You Earn "PAYE")" made to Regional State instead of ERCA
Allied Chemical Plc	(4,046,059)	Payment "Personal Income tax (Pay As You Earn "PAYE")" made to Regional State instead of ERCA
Sammakka Stones Plc	(720,000)	Payment "Land rental" made to Regional State instead of MMPNG
Delonex Energy Ethiopia Ltd	201,820	Training fees classified in Other payments to State Owned Companies
<b>Total</b>	<b>(15,869,763)</b>	

**5.2.2. Adjustments to Government Agency templates**

The adjustments were carried out on the basis of confirmations received from extractive companies or from Government Agencies and supported by flag receipts wherever deemed appropriate. These adjustments are detailed as follows:

Adjustments to Government payments	Total Amount in ETB
Taxes received reported but outside the period covered (a)	(640,257,555)
Tax amounts incorrectly reported (b)	(554,619,981)
Taxes related to activities other than extractive (c)	(5,529,442)
Taxes received not reported (d)	903,766,059
<b>Total adjustment added to amounts originally reported</b>	<b>(296,640,918)</b>

**(a) Taxes paid reported but falling outside the period covered**

These are payments reported but which fall outside of the period covered, i.e. before 8 July 2015 or after 7 July 2016. We set out in the table below a summary of the adjustments made to Government Agencies' initial reporting:

Revenue stream	Government Agency	Amount (in ETB)
Income tax : Schedule C (Mining)	ERCA	(385,545,426)
Value Add Tax (VAT)	ERCA	(224,767,957)
Income tax : Schedule C (Normal)	ERCA	(15,247,729)
Withholding tax on interests (foreign debt)	ERCA	(9,279,163)
Withholding tax on payments	ERCA	(5,359,404)
Personal Income tax (Pay As You Earn "PAYE")	ERCA	(31,527)

Revenue stream	Government Agency	Amount (in ETB)
Other payments to ERCA	ERCA	(26,348)
<b>Total</b>		<b>(640,257,555)</b>

### (b) Amounts reported incorrectly

These are amounts which were incorrectly reported by Government Agencies. The most significant differences were incorrectly reported by ERCA. We set out in the table below a summary of the adjustments made to Government Agencies' initial reporting:

Revenue stream	Government Agency	Amount (in ETB)
Withholding tax on interests (foreign debt) <b>(1)</b>	ERCA	(357,740,752)
Dividend Tax <b>(2)</b>	ERCA	(130,916,291)
Personal Income tax (Pay As You Earn "PAYE") <b>(3)</b>	ERCA	(65,770,573)
Land Rentals	MMPNG	(192,365)
<b>Total</b>		<b>(554,619,981)</b>

- (1) Withholding tax on interests (foreign debt) were incorrectly reported by ERCA in the reporting template of Dangote Industries (Ethiopia) Plc.
- (2) Dividend taxes were incorrectly reported by ERCA in the reporting template of Midroc Gold Mine Plc.
- (3) Payroll tax (Pay As You Earn "PAYE") received from the following companies during the reporting period were incorrectly reported by ERCA in its reporting templates as follows:

Company	Amount (in ETB)
Dangote Industries (Ethiopia) Plc	(31,012,498)
MIDROC Gold Mine Plc	(29,304,912)
Derba Midroc Cement Plc	(3,157,265)
East Cement Sc	(2,295,898)
<b>Total adjustments</b>	<b>(65,770,573)</b>

### (c) Taxes related to activities other than mining

These are payments reported, but which relate to activities other than extractive as per the reporting templates. We set out in the table below details of the adjustments made to company payments on the basis of their percentages of non-mining activities:

Revenue stream	Government Agency	Amount (in ETB)
Value Add Tax (VAT)	ERCA	(4,191,578)
Personal Income tax (Pay As You Earn "PAYE")	ERCA	(649,632)
Income tax : Schedule C (Normal)	ERCA	(391,472)
Withholding tax on payments	ERCA	(294,263)
Other payments to ERCA	ERCA	(2,497)
<b>Total</b>		<b>(5,529,442)</b>

### (d) Taxes received not reported

These are payment flows reported by extractive companies but which were not reported by Government Agencies. We set out in the table below a summary of the adjustments made to Government Agencies' initial reporting:

Revenue stream	Government Agency	Amount (in ETB)
Income tax : Schedule C (Mining) (1)	ERCA	473,722,834
Value Add Tax (VAT) (2)	ERCA	346,709,903
Personal Income tax (Pay As You Earn "PAYE") (3)	ERCA	32,788,616
Withholding tax on payments (4)	ERCA	19,644,989
Income tax : Schedule C (Normal) (5)	ERCA	19,573,599
Withholding tax on interests (foreign debt)	ERCA	7,771,851
Other payments to ERCA	ERCA	3,217,457
Dividends Tax	ERCA	238,723
Royalties paid	MMPNG	59,504
Customs Duties	ERCA	38,584
<b>Total</b>		<b>903,766,059</b>

After examining details of revenues sent by Government Agencies we noted that the amounts originally recorded in the reporting templates were incorrect. Several taxes were under-reported. We therefore made adjustments to reported payments based on confirmations received from the companies and/or a review of the supporting documents (receipts):

- (1) Income tax: Schedule C (Mining) received from the following companies during the reporting period has not been declared by ERCA in its reporting templates:

Company	Amount (in ETB)
MIDROC Gold Mine Plc	472,747,187
Inchini Bedrock Plc	975,647
<b>Total adjustments</b>	<b>473,722,834</b>

- (2) Value Add Tax (VAT) received from the following companies during the reporting period was not reported by ERCA in its templates:

Company	Amount (in ETB)
Derba Midroc Cement Plc	226,195,079
Dangote Industries (Ethiopia) Plc	66,869,468
East Cement Sc	24,097,163
GPB Ethiopia Resources B.V	22,463,285
National Mining Corporation Plc	5,161,182
Abijata-Shalla Soda Ash Sc	901,001
MIDROC Gold Mine Plc	556,262
Afdera Salt Producing Plc	361,393
Sammakka Stones Plc	105,070
<b>Total adjustments</b>	<b>346,709,903</b>

- (3) Personal Income tax received from the following companies during the reporting period was not declared by ERCA in its reporting templates:

Company	Amount (in ETB)
Dangote Industries (Ethiopia) Plc	19,190,983
MIDROC Gold Mine Plc	8,487,260
Derba Midroc Cement Plc	3,199,245
National Mining Corporation Plc	1,249,928
Abijata-Shalla Soda Ash Sc	392,914
East Cement Sc	256,118
Afdera Salt Producing Plc	12,166
<b>Total adjustments</b>	<b>32,788,616</b>



- (4) Withholding taxes on payments received from the following companies during the reporting period were not declared by ERCA in its reporting templates:

Company	Amount (in ETB)
Derba Midroc Cement Plc	14,567,998
East Cement Sc	2,480,368
MIDROC Gold Mine Plc	2,465,838
National Mining Corporation Plc	113,555
Abijata-Shalla Soda Ash Sc	12,404
Delonex Energy Ethiopia Ltd	3,313
Afdera Salt Producing Plc	1,512
<b>Total adjustments</b>	<b>19,644,989</b>

- (5) Income tax: Schedule C (Normal) received from the East Cement Sc amount to ETB 19,573,599 during the reporting period has not been declared by ERCA in its reporting templates.

### 5.3. Unreconciled discrepancies

Following our adjustments, the total unreconciled discrepancies amounted to ETB 289,665,226 representing 18.4% of total payments reported by Government Agencies. This is the sum of positive differences of ETB 405,593,997 and negative differences amounting to ETB (115,928,771). These unreconciled differences can be analysed as follows:

	Differences (in ETB)
Missing extractive company details per receipt number (a)	285,332,398
Taxes not reported by Government Agencies (b)	120,261,599
Immaterial differences < KETB 20	(1,696)
Missing Government Agencies details per receipt number (c)	(28,657,542)
Taxes not reported by extractive companies (d)	(87,269,532)
<b>Total differences</b>	<b>289,665,226</b>

#### (a) Missing extractive company details per receipt number

These differences relate to payments declared by ERCA. In the majority of these cases, ERCA declared amounts which were lower than payments reported by companies. The companies were unable to provide flag receipts supporting these payments. Details of these differences by company and by tax payments are set out in the table below:

Revenue stream	Derba Midroc Cement Plc	Dangote Industries (Ethiopia) Plc	Total (in ETB)
Value Add Tax (VAT)		212,939,059	212,939,059
Customs duties		59,010,595	59,010,595
Personal Income tax		10,637,950	10,637,950
Withholding tax on payments		2,142,940	2,142,940
Penalties MMPNG	487,857		487,857
Penalties ERCA		113,998	113,998
<b>Total</b>	<b>487,857</b>	<b>284,844,542</b>	<b>285,332,398</b>

#### (b) Taxes not reported by Government Agencies

These differences relate mainly to Royalties and Customs Duties reported by companies but not confirmed by MMPNG and ERCA. We present in the table below a breakdown of unreconciled differences by tax:

Revenue Stream	Amount (in ETB)
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	
Royalties paid	1,517,533
License Fees	153,132
Penalties	43,418
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	
Customs duties	84,400,380
Excise Tax	20,321,091
Personal Income tax (Pay As You Earn "PAYE")	6,091,124
Income tax : Schedule C (Mining)	2,511,712
Penalties	1,959,031
Other payments to ERCA	1,498,439
Value Add Tax (VAT)	1,240,446
Withholding tax on payments	525,295
<b>Total</b>	<b>120,261,599</b>

**(c) Missing Government Agency details per receipt number**

These differences relate to payments declared by the companies. In the majority of these cases, companies declared amounts which were lower than payments reported by MMPNG and ERCA. However, MMPNG and ERCA were unable to provide the flag receipts supporting these payments. Details of these differences by company are set out in the table below:

Company	Amount (in ETB)
Derba Midroc Cement Plc	(22,297,833)
NewAge Ethiopia Ltd	(6,406,791)
East Cement Sc	(247,593)
Lucy Salt Producing Plc	(176,554)
Dangote Industries (Ethiopia) Plc	471,230
<b>Total</b>	<b>(28,657,542)</b>

**(d) Taxes not reported by extractive companies**

These differences are mainly related to taxes reported by ERCA. In most cases, we were unable to obtain confirmation from the companies of these payments, given the lack of receipt number for payments of custom duties, withholding taxes, excise tax and other payments on imports declared by ERCA. We present in the table below a breakdown of unreconciled differences by company:

Company	Amount (in ETB)
Derba Midroc Cement Plc	(44,280,889)
Dangote Industries (Ethiopia) Plc	(14,362,565)
Inchini Bedrock Plc	(11,293,150)
Pioneer Cement Manufacturing Plc	(11,088,541)
National Mining Corporation Plc	(3,313,047)
Lucy Salt Producing Plc	(1,281,280)
POLY-GCL Petroleum Investments Ltd Ethiopian Branch	(653,123)
Sourish Marbles Plc	(597,038)
Afar Salt Production Sc	(209,849)
Erta Ale Salt Work Plc	(104,342)
Sammakka Stones Plc	(61,587)
Afdera Salt Producing Plc	(14,009)
East African Holding Sc	(9,395)
Bezalel Construction Material Manufacturing Plc	(720)

Company	Amount (in ETB)
<b>Total</b>	<b>(87,269,532)</b>

We present in the table below a breakdown of unreconciled differences by tax payment:

Revenue Stream	Amount (in ETB)
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	
Royalties paid	(39,847)
Penalties	(720)
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	
Value Add Tax (VAT)	(59,230,961)
Withholding tax on interests (foreign debt)	(14,422,743)
Income tax : Schedule C (Normal)	(11,567,646)
Other payments to ERCA	(952,556)
Income tax : Schedule C (Mining)	(467,083)
Dividend Tax	(231,296)
Personal Income tax (Pay As You Earn "PAYE")	(187,099)
Excise Tax	(144,140)
Withholding tax on payments	(25,441)
<b>Total</b>	<b>(87,269,532)</b>

We set out in the table below details of the unreconciled differences by company:

		<i>Amounts in ETB</i>					
No.	Company	Unreconciled difference	Reasons for differences				
			Missing extractive company detail per receipt number	Missing Government Agencies detail per receipt number	Tax not reported by the extractive company	Tax not reported by the Government Agencies	Not material difference < KETB 20
1	Africa Oil Ethiopia B.V	-	-	-	-	-	-
2	POLY-GCL Petroleum Investments Ltd Ethiopian Branch	(338,795)	-	-	(653,123)	314,328	-
3	SouthWest Energy (HK) Ltd	-	-	-	-	-	-
4	NewAge Esthiopia Ltd	(5,755,835)	-	(6,406,791)	-	651,722	(766)
5	Delonex Energy Ethiopia Ltd	1,310,728	-	-	-	1,310,728	-
6	GPB Ethiopia Resources B.V	-	-	-	-	-	-
7	MIDROC Gold Mine Plc	900	-	-	-	900	0
8	Abijata-Shalla Soda Ash Sc	(126)	-	-	-	-	(126)
9	Pioneer Cement Manufacturing Plc	(4,271,480)	-	-	(11,088,541)	6,817,060	0
10	East Cement Sc	(247,594)	-	(247,593)	-	-	(1)
11	National Mining Corporation Plc	(1,173,279)	-	-	(3,313,047)	2,139,768	(0)
12	Derba Midroc Cement Plc	38,154,149	487,857	(22,297,833)	(44,280,889)	104,245,015	-
13	Dangote Industries (Ethiopia) Plc	270,953,616	284,844,542	471,230	(14,362,565)	410	-
14	Afar Salt Production Sc	(209,849)	-	-	(209,849)	-	(0)
15	Allied Chemical Plc	2,995,396	-	-	-	2,995,832	(436)
16	Erta Ale Salt Work Plc	66,881	-	-	(104,342)	171,232	(10)
17	Sammakka Stones Plc	91,264	-	-	(61,587)	152,853	(1)
18	Lucy Salt Producing Plc	(1,457,303)	-	(176,554)	(1,281,280)	531	-
19	Bezalel Construction Material Manufacturing Plc	(457)	-	-	(720)	656	(393)
20	East African Holding Sc	548,333	-	-	(9,395)	557,692	36
21	Inchini Bedrock Plc	(10,489,274)	-	-	(11,293,150)	803,876	-
22	Afdera Salt Producing Plc	5,750	-	-	(14,009)	19,758	(0)
23	Sourish Marbles Plc	(517,799)	-	-	(597,038)	79,239	-
	<b>Total</b>	<b>289,665,226</b>	<b>285,332,398</b>	<b>(28,657,542)</b>	<b>(87,269,532)</b>	<b>120,261,599</b>	<b>(1,696)</b>

We set out in the table below details of unreconciled amounts by type of payment:

Amounts in ETB

No.	Revenue Stream	Unreconciled difference	Reasons for differences				
			Missing extractive company detail per receipt number	Missing Government Agencies detail per receipt number	Tax not reported by the extractive company	Tax not reported by the Government Agencies	Not material difference < KETB 20
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>		<b>(20,089,019)</b>	<b>487,857</b>	<b>(22,250,751)</b>	<b>(40,567)</b>	<b>1,714,082</b>	<b>361</b>
1.1	Royalties paid	(20,772,705)	-	(22,250,751)	(39,847)	1,517,533	360
1.2	License Fees	153,132	-	-	-	153,132	-
1.3	Penalties	530,554	487,857	-	(720)	43,418	0
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>		<b>309,807,137</b>	<b>284,844,542</b>	<b>(6,406,791)</b>	<b>(87,225,139)</b>	<b>118,596,583</b>	<b>(2,057)</b>
2.1	Income tax : Schedule C (Mining)	2,044,629	-	-	(467,083)	2,511,712	-
2.2	Income tax : Schedule C (Normal)	(11,568,081)	-	-	(11,567,646)	-	(435)
2.3	Withholding tax on payments	(3,764,877)	2,142,940	(6,406,791)	(25,441)	525,295	(880)
2.4	Customs duties	143,410,974	59,010,595	-	-	84,400,380	-
2.5	Dividend Tax	(231,306)	-	-	(231,296)	-	(10)
2.6	Personal Income tax (Pay As You Earn "PAYE")	16,541,208	10,637,950	-	(187,099)	6,091,124	(767)
2.7	Capital gains	-	-	-	-	-	-
2.8	Value Add Tax (VAT)	154,948,579	212,939,059	-	(59,230,961)	1,240,446	35
2.9	Excise Tax	20,176,951	-	-	(144,140)	20,321,091	-
2.10	Penalties	2,073,028	113,998	-	-	1,959,031	-
2.11	Withholding tax on interests (foreign debt)	(14,422,743)	-	-	(14,422,743)	-	-
2.12	Other payments to ERCA	545,883	-	-	(952,556)	1,498,439	-
<b>Total</b>		<b>289,665,226</b>	<b>285,332,398</b>	<b>(28,657,542)</b>	<b>(87,269,532)</b>	<b>120,261,599</b>	<b>(1,696)</b>

## 6. REPORTED DATA ANALYSIS

### 6.1. Analysis of Government revenues

The reconciled Government revenue is the sum of receipts declared by MMPNG, ERCA, MoFEC, Regional Government (RG) and Social Contributions (SC).

#### 6.1.1. Summary

This section summarises the total revenues reconciled, unilateral disclosure of revenues by company and unilateral disclosure of revenues by Government Agencies.

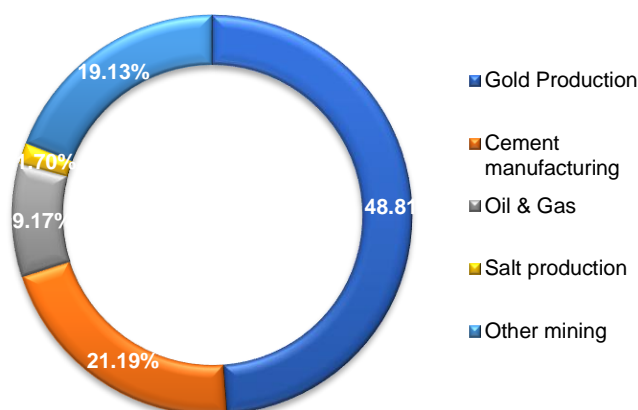
Government Agencies	Amount declared (ETB)
Reconciled figures	1,576,387,050
Unilateral disclosure of revenues by company	104,165,017
Unilateral disclosure of revenues by Government Agencies	26,282,688
<b>Total extractive sector</b>	<b>1,706,834,756</b>

#### 6.1.2. Analyses of payments by activity's contribution

The analysis of Government revenues by sector contribution indicates that gold production accounted for 48.8% to the total extractive sector revenue during 2015/16. The table below presents the contribution of each activity:

Figure 9: Contribution by activity

Activity	Reported revenue (in ETB million)	% of total payment
Gold Production	833	48.8%
Cement manufacturing	362	21.2%
Oil & Gas	156	9.2%
Salt production	29	1.7%
Other mining	326	19.1%
<b>Total extractive sector revenue</b>	<b>1,707</b>	<b>100.0%</b>

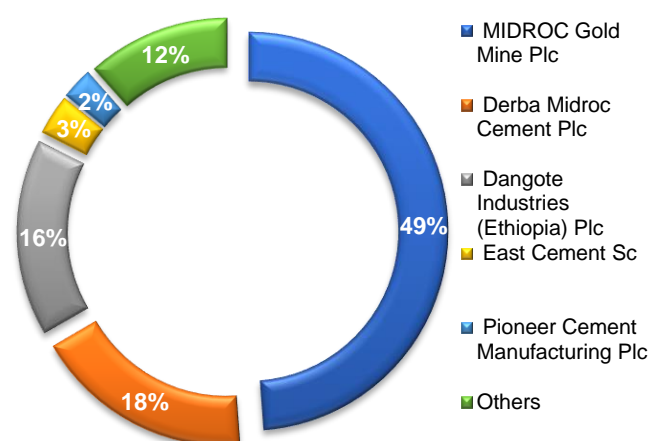


### 6.1.3. Analyses of payments by companies' contribution

The analysis of Government revenues by company contribution indicates that 5 companies contributed approximately to 88.4% of the total Government revenues during the Ethiopian fiscal year 8 July 2015 to 7 July 2016 and that MIDROC Gold Mine Plc accounts for nearly half (48.8%) of the country's extractive revenues for that period.

Figure 10: Top five companies' contribution

Company	Government receipts (in ETB)	% of total payment
MIDROC Gold Mine Plc	833,123,275	48.8%
Derba Midroc Cement Plc	303,524,594	17.8%
Dangote Industries (Ethiopia) Plc	271,938,337	15.9%
East Cement Sc	55,995,935	3.3%
Pioneer Cement Manufacturing Plc	43,919,801	2.6%
Others	198,332,813	11.6%
<b>Total extractive sector revenue</b>	<b>1,706,834,756</b>	<b>100%</b>

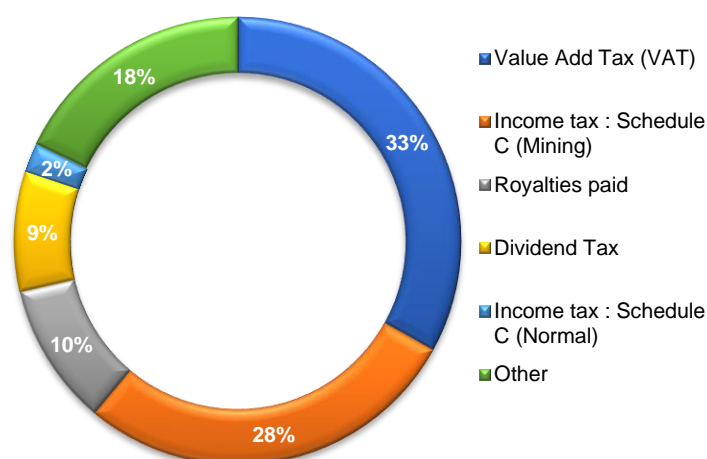


### 6.1.4. Analysis by payment stream

The analysis of payment flows by contribution shows that the top five taxes represent 82% the total reconciled Government revenues from mining activities. We also note that Value Add Tax accounts for 33% and Income tax: Schedule C (Mining) accounts for 28% of total government revenue.

Figure 11: Top five payment flows

Payment stream	Government receipts (in ETB)	% of total payment
Value Add Tax (VAT)	564,864,760	33%
Income tax : Schedule C (Mining)	477,453,639	28%
Royalties paid	175,912,190	10%
Dividend Tax	148,609,830	9%
Income tax : Schedule C (Normal)	35,035,191	2%
Others	304,959,145	18%
<b>Total extractive sector revenue</b>	<b>1,706,834,756</b>	<b>100%</b>

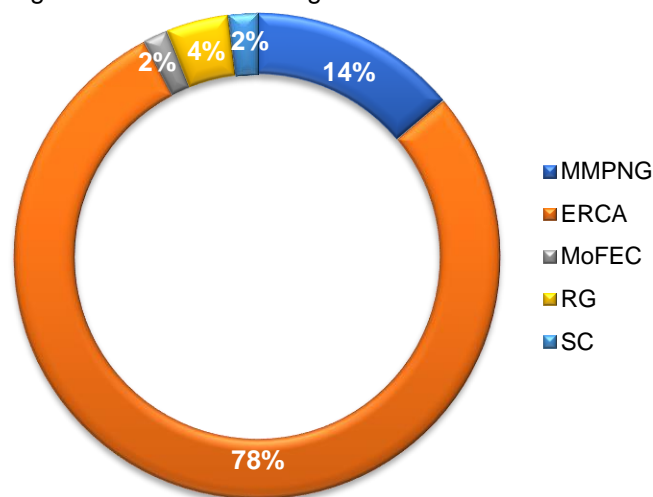


### 6.1.5. Analysis of revenues by Government Agency

During the Ethiopian fiscal year from 8 July 2015 to 7 July 2016, ERCA collected the largest amount of taxes as shown in the table below:

Government Agency	Government receipts (in ETB)	% of total payment
ERCA	1,337,842,056	78%
MMPNG	236,741,842	14%
RG	71,264,258	4%
SC	32,900,759	2%
MoFEC	28,085,841	2%
<b>Total extractive sector revenue</b>	<b>1,706,834,756</b>	<b>100%</b>

Figure 12: Government Agencies' contribution



### 6.2. Unilateral disclosure of revenues by reporting entities

Reporting entities were requested to disclose unilateral payments made to Regional States and any social contribution as well as revenues specific to the extractive industry collected from companies not retained within the reconciliation scope. We set out in the table below a summary of the amounts reported:

Payment flows	Amount (in ETB)	Contribution to total extractive revenues %
Regional State payments	71,264,258	4.2%
Social Contributions	32,900,759	1.9%
Unilateral disclosure by Government	26,282,688	1.5%
<b>Total Unilateral company disclosures</b>	<b>130,447,706</b>	<b>7.6%</b>
<b>Total extractive industries</b>	<b>1,706,834,756</b>	<b>100%</b>



**6.2.1. Payments made to Regional States**

Companies were requested to disclose unilaterally revenue streams paid to Government Agencies in accordance with EITI Requirement 4.1. Details of payments by Company are set out in the table below:

Amounts in ETB

No.	Company	Regional State Mining Authority					Regional State Tax Authority						Total payments to Regional State		
		Royalties	License Fees	Land Rentals	Other payments to Regional State Mining Authority	Adjustment	Total	Income tax : Schedule C (Normal)	Withholding tax on payments	Personal Income tax (Pay As You Earn "PAYE")	Excise duty	Other payments to Regional State Tax Authority		Adjustment	Total
1	MIDROC Gold Mine Plc	-	-	1,411,905	-	-	1,411,905	-	118,586	35,816,447	-	8,471,839	-	44,406,873	45,818,778
2	Abijata-Shalla Soda Ash Sc	-	-	19,650	-	-	19,650	-	-	1,356,415	-	-	(1,085,132)	271,283	290,933
3	East Cement Sc	143,842	-	-	-	-	143,842	-	-	538,026	-	-	(10,761)	527,265	671,107
4	National Mining Corporation Plc	-	-	-	-	-	-	-	-	1,458,749	-	411,801	-	1,870,550	1,870,550
5	Derba Midroc Cement Plc	-	-	-	-	-	-	-	-	-	-	-	11,305,524	11,305,524	11,305,524
6	Dangote Industries (Ethiopia) Plc	-	-	581,565	-	-	581,565	-	-	-	-	-	-	-	581,565
7	Afar Salt Production Sc	-	-	-	-	-	-	-	-	592,420	2,496,420	-	-	3,088,840	3,088,840
8	Allied Chemical Plc	-	-	269,271	-	-	269,271	-	-	-	-	-	4,046,059	4,046,059	4,315,330
9	Erta Ale Salt Work Plc	-	-	-	-	-	-	-	90,108	1,204,368	-	-	-	1,294,476	1,294,476
10	Sammakka Stones Plc	-	-	-	-	720,000	720,000	-	-	77,292	-	-	-	77,292	797,292
11	Lucy Salt Producing Plc	-	-	-	-	-	-	-	-	32,094	362,263	-	-	394,357	394,357
12	Bezalel Construction Material Manufacturing Plc	-	5,895	40,686	-	-	46,581	-	-	148,209	-	67,311	-	215,520	262,101
13	East African Holding Sc	-	-	-	-	-	-	196,724	-	-	-	-	(41,312)	155,412	155,412
14	Afdera Salt Producing Plc	-	-	-	-	-	-	-	-	96,153	318,450	-	-	414,603	414,603
15	Sourish Marbles Plc	-	-	3,390	-	-	3,390	-	-	-	-	-	-	-	3,390
<b>Total</b>		<b>143,842</b>	<b>5,895</b>	<b>2,326,467</b>	<b>-</b>	<b>720,000</b>	<b>3,196,204</b>	<b>196,724</b>	<b>208,694</b>	<b>41,320,173</b>	<b>3,177,133</b>	<b>8,950,952</b>	<b>14,214,379</b>	<b>68,068,054</b>	<b>71,264,258</b>

### 6.2.2. Social payments

Social payments consist of all contributions made by extractive companies to promote local development and to finance social projects in line with EITI Requirement 6.1. This Requirement encourages Multi Stakeholder Board to apply a high standard of transparency to social payments and transfers, the parties involved in the transactions and the materiality of these payments and transfers to other benefit streams, including the recognition that these payments may be reported even though it is not possible to reconcile them. Companies were therefore requested to disclose unilaterally their social payments.

These contributions, as reported by companies are summarised below.

No.	Company	Figures as reported by companies	Adjustments(*)	Total social Contributions (in ETB)
1	Africa Oil Ethiopia B.V	2,569,210	-	2,569,210
2	NewAge Ethiopia Ltd	304,436	-	304,436
3	MIDROC Gold Mine Plc	6,887,615	-	6,887,615
4	Abijata-Shalla Soda Ash Sc	268,665	(214,932)	53,733
5	Pioneer Cement Manufacturing Plc	500,000	-	500,000
6	National Mining Corporation Plc	150,000	-	150,000
7	Derba Midroc Cement Plc	15,550,000	-	15,550,000
8	Dangote Industries (Ethiopia) Plc	5,334,000	-	5,334,000
9	Afar Salt Production Sc	41,895	-	41,895
10	Allied Chemical Plc	300,526	-	300,526
11	Sammakka Stones Plc	125,500	-	125,500
12	Bezalel Construction Material Manufacturing Plc	175,000	-	175,000
13	East African Holding Sc	1,097,937	(230,567)	867,370
14	Afdera Salt Producing Plc	41,472	-	41,472
	<b>Total</b>	<b>33,346,258</b>	<b>(445,499)</b>	<b>32,900,759</b>

(\*) Payments declared by companies do not relate to extractive activities as detailed in Section 5.2.2(b) of this report.

Details of mandatory and voluntary social contributions in cash by beneficiary is presented in Annex 5 of this report.

Additionally, the following companies declared social contributions in kind without mentioning the associated costs:

No.	Company	Description of the contribution in kind	Name and function of beneficiary
1	NewAge Ethiopia Ltd	School Construction High School Construction & Furnishing Road Construction	EI Kuran and surrounding communities Oddo Shakisso Reji Kebele High School Oddo Shakisso Municipality
2	MIDROC Gold Mine Plc	Sponsorship  Employees' Capacity Building Support for Construction of Kindergarten	Benishangul Gumuz Regional State; Finance & Economic Development Bureau Ministry of Mines, Petroleum & Natural Gas Ministry of Mines, Petroleum & Natural Gas
3	Derba Midroc Cement Plc	Donation	NC
4	Bezalel Construction Material Manufacturing Plc	Local security training workshop	Wolemera City Administration officer

NC: Not communicated

### 6.2.3. Unilateral disclosure of revenues by Government Entities

Government Entities were requested to disclose unilateral revenue streams collected from companies not included within the reconciliation scope in accordance with EITI Requirement 4.1.d. The unilateral disclosure of revenues by MMPNG is summarised as follow:

Company	Amount (ETB)
Tullow Oil	12,548,592
Alisha mining	184,071
Mnegesethabe Industrial Fekade	25,370
Ethiopian Mineral, Petroleum and Feul Co	9,013,388
Target Industries Plc	12,299
Three M Marble and Terrazzo Manufacturing Plc	3,559,351
ETNO Mining Plc	741,782
China Long Hoa Milla Construction Materials Plc	55,708
Licence fees (*)	142,128
<b>Total unilateral disclosure</b>	<b>26,282,688</b>

(\*) These relate to licence fees paid by companies holding exploration licences not retained within the reconciliation scope during 2015/16.

### 6.3. Regional Transfers

In accordance with EITI Requirement 5.2, where transfers between national and regional Government Agencies relate to revenues generated by extractive industries and are mandated by a national constitution, statute or other sharing mechanism, the Multi-Stakeholder Board is required to ensure that material transfers are disclosed in the EITI Report.

In accordance with the relevant laws and regulations detailed in Section 3.4.3 of this report, royalties are payable by oil, gas and mining companies. This tax should be distributed between the Federal and Regional States in the following ratio:

- Federal Government: 60%
- Regional State: 40%.

In this respect, total royalties transferred to regional states amounted to ETB 68,273,392 during the year 2015/16 as stated in MMPNG's financial statements. We did not note any non-trivial deviations from the applicable legal sharing formulas. The Auditor General's report for that fiscal year did not express any qualification with regards to the amounts transferred to regional states.

### 6.4. Analysis of production data

Extractive Companies were requested to disclose total production volumes and the value of production by commodity, and, when relevant, by state/region in accordance with EITI Requirement 3.2. These production data as declared by MMPNG have been taken into account when company data were not available. Details of productions are given by company in Annex 6 of this report.

### 6.5. Analysis of export data

Only three (3) companies out of the 17 mining companies selected within the reconciliation scope have reported exports figures, as detailed below:

Companies	Solid Minerals Types	Quantity (Tons)	FOB Value (in ETB)	Country of destination
MIDROC Gold Mine Plc	Silver	0.4	3,531,233	Zurich, Switzerland
	Gold	3.5	2,843,390,017	Zurich, Switzerland
National Mining Corporation Plc	Marble Block	34	679,962	China and Italy
Sammakka Stones Plc	Marble	85	733,032	India

Companies	Solid Minerals Types	Quantity (Tons)	FOB Value (in ETB)	Country of destination
<b>Total</b>			<b>2,848,334,244</b>	

## 6.6. Beneficial ownership

Details of beneficial ownership by company are set out in the Annex 4 of this report.

## 6.7. Infrastructure provisions and barter arrangements

Only Abijata-Shalla Soda Ash Sc reported amounts that the company spent on and Environmental and Social Impact Assessment Study and on the feasibility study of Shalla Soda Ash Plant. We understand that these amounts are expenditure that have no relationship with any infrastructure or barter arrangements.

None of the Government Agencies reported any loan or loan guarantee granted to extractive companies.

## 6.8. Quasifiscal expenditure

Afar Salt Production Sc did not report any quasi-fiscal expenditure did not submit any reporting templates.

## 7. RECOMMENDATIONS

### 7.1 Preparation of the reporting template by the different stakeholders

The Secretariat contacted the reporting entities prior and during the EEITI reporting process to make them aware of the importance of the data they are providing. We note however that the reporting templates from extractive companies and Government Agencies were not adequately filled in. We set out below several weaknesses noted during the fieldwork:

- companies and Government Agencies must report detailed payment flows by receipt number, as this information is necessary for reconciliation work. However, MMPNG was not able to provide the breakdown of license fees disaggregated by company and reporting templates submitted did not include receipt numbers;
- templates reported by ERCA included amounts reported in the detailed payments that do not match the amounts reported in the summary template. Additionally, several reporting templates submitted by ERCA contain several incomplete or wrong receipt numbers. ERCA officers used different format and colours when reporting the amounts paid without following the instructions given by the IA during the workshop, which caused further difficulties to the reconciliation process; and
- some reporting templates submitted by companies did not include information on licences, production as presented in Annex 6, beneficial ownership as detailed in Annex 4 and export details as presented in Section 6.5 of the report.

These shortcomings led to considerable delays and as a result, we had to increase our resources significantly to make sense of the figures reported. We were subsequently forced to devote these resources to make adjustments to the amounts declared as follows:

- payments amounting to ETB 640,257,555 were reported by ERCA but which fell outside the reconciliation period as detailed in Sections 5.2.2 (a). These adjustments represent 40.6% of the reconciled revenue after adjustments;
- payment streams comprising revenues essentially declared by ERCA amounting to ETB 87,225,139 could not be confirmed by companies as detailed in Section 5.3 (d). These unreconciled payments represent 5.5% of total reconciled revenues;
- tax payments were confirmed by reporting companies and which Government Agencies were not able to confirm amounting to ETB 118,596,584 as detailed in Section 5.3 (b) of this report. These unreconciled amounts represent 7.5% of total reconciled revenues;
- revenues amounting to ETB 903,706,556 were actually collected by ERCA but was not reported by the latter as detailed in Section 5.2.2 (d). These adjustments represent 57.3% of reconciled revenue after adjustments;
- incorrect amounts of ETB 554,427,616 essentially reported by ERCA as detailed in Section 5.2.2 (c). These adjustments represent 35.2% of reconciled revenue after adjustments; and
- incompleteness of payment declarations of extractive companies: amounts totalling ETB 33,419,449 representing 2.1% of reconciled revenue after adjustments were not declared as detailed in Section 5.2.1 of this report.

*It is clear from the above findings that ERCA contributed to a significant part of the delays encountered. This could be either due to simple misunderstandings or lack of skills. In the event of the latter, it would be advisable that ERCA comes forward with a training plan for its staff in order that future EITI exercises are more run more smoothly and efficiently. We would also recommend a capacity building training workshop for all stakeholders, given the general lack of understanding.*

*We also recommend that the EEITI MSB ensures that reporting entities are made aware of the importance of the data they are providing and that due care and attention is paid during the preparation of these reporting templates.*

*We recommend for the future exercises that ERCA and reporting companies devote ample time towards the preparation of their respective reporting templates by adhering strictly to the instructions set out by the Independent Administrator and following the supporting schedules carefully.*

*This can be achieved only by all reporting entities being made aware of the importance of the EITI data they are providing and that due care is exercised during the preparation of these reporting templates.*

## 7.2 Enhancing the assurance on reported data Reliability

As part of procedures set to ensure the reliability of the data reported to us in the reconciliation process, we requested reporting entities to provide a hard copy of their reporting templates, certified by an external auditor for extractive companies and by the Federal Auditor General for Government Agencies, along with a copy of their latest audited financial statements. These requirements have been clearly set out during the training workshop as well as in the instructions which were sent to the reporting entities along with the reporting templates. We noted that:

- one (1) company submitted reporting templates not signed by an authorised officer and three (3) companies submitted reporting templates not certified by an external auditor as detailed in Annex 10; and
- Government Agencies templates were not certified by the Office of Auditor General (OFAG) as decided by the EEITI MSB.

*According to the EITI Requirements, the reliability of data is one of the most critical points for the evaluation of a country's transparency and consequently one of the criteria to bear in mind during the country's compliance process.*

*We recommend for the future that the instructions for next year's reporting emphasize these matters and reporting entities should be urged to follow the instructions in the reporting process.*

## 7.3 Meeting reporting deadlines

The workshop was hosted by the Independent Administrator on 1 November 2017 before sending the reporting templates to all reporting entities. The EEITI MSB set the deadline for submitting reporting template at 8 November 2017 and the deadline for responding to reconciliation queries at 17 November 2017. However, we not most reporting entities did not adhere to these deadlines, despite the numerous reminders by the Independent Administrator and the EITI Secretariat team.

### Private companies

This situation resulted in considerable delays in receiving information and led to significant additional resources being required to chase up stakeholders to obtain the reporting templates. A significant amount of unexplained discrepancies is due to the lack of reporting templates. We list out below instances we came across in addition to cases where reporting entities failed to submit reporting templates altogether:

- fifteen (16) companies failed to submit their reporting templates within the timeframe;
- one company, namely: Pioneer Cement Manufacturing Plc failed to submit the signed copies of its reporting templates to date; and
- some extractive companies did not reply to our queries for additional details required such as Dangote Industries (Ethiopia) Plc.

### Government Agencies

There were significant delays in obtaining the reporting templates from ERCA as all of its officers at ERCA's branches were busy managing the annual tax declarations of companies.

Additionally, during the collection of the EEITI reporting data, we noted that ERCA had to send the reporting templates to its branches in order for each office to obtain the data required for each company. This process took a relatively long time in order to collect information relating to a past periods, which is supposed to be readily accessible.

Additionally, we also note that MMPNG was unable to submit the reporting templates on time as there is currently no integrated system between the Mineral Licensing and Administration Directorate,

the Finance Directorate and the Petroleum Licensing and the Administration Directorate, which would have allowed the MMPNG focal point to access and report all information required to be reported. We further note that each of these directorates uses a different database in order to record and follow up production data and non-tax revenues received from extractive companies. So the data required to be reported by MMPNG on its reporting templates had to be collected from different sources and this process took substantial time.

*We recommend that Government Agencies put in place a system to collect consolidated data from a focal point in order to address the accuracy of data for future reconciliation exercises and to meet the deadlines.*

*We recommend that Ethiopian EITI raises awareness of reporting entities regarding the importance of the reconciliation process. The EEITI MSB should undertake more effective outreach activities with civil society organisations, including through communication such as media, website and letters, informing stakeholders of the government's progress in implementing EITI and disseminating the EITI Report.*

*We also recommend for the future that the timing of the reconciliation exercise is better planned in future in order to avoid short and pressured deadlines. This is likely to promote better cooperation from reporting entities and would result in better support to the Independent Administrator.*

#### 7.4 Compiling an EITI Database

EEITI Secretariat is liaising with MMPNG's directorates as well as with ERCA and the Regional States in order to complete and update its database. It appears that to date there is no comprehensive database of all companies operating in the extractive industries in Ethiopia. This is due to the fact that there is no formal communication amongst the Government Agencies with regards to the extractive companies operating in the sector.

*We recommend that, in the first instance, the EEITI Secretariat should create its database following the reconciliation exercise. The Secretariat should then enhance the coordination within Governmental Agencies to ensure it obtains relevant information regularly and updates its database accordingly. To this end, we believe it is vital that any new entrants to the extractive sector are registered with the EEITI Secretariat as part of the process before or at the same time as they obtain their licence. A quarterly review the list of extractive companies licensed to operate in the sector would also ensure that the database can be updated regularly.*

*Each extractive company and Government Agency previously included in the reconciliation work must appoint a focal point to take responsibility for comprehensive EITI reporting and the reporting entity should notify the Secretariat of the name and contact details of that focal person.*

#### 7.5 Updating the licences register

The EITI Standard requires implementing countries to maintain a publicly available register or cadastre system(s) with the following up to date and comprehensive information regarding each of the licenses pertaining to companies included in the EITI Report:

- i. Names of license holders;
- ii. Coordinates of the licensed area;
- iii. Date of application, date of award and duration of the license; and
- iv. In the case of production licenses, the commodity being produced.

The list of licences made available for us included the TIN numbers of the mining license holders, as the unique identifier of companies, which enabled an efficient tracking of tax collection and facilitates joint monitoring and communication between various tax authorities at the federal level. We noted however that while the list of active mining licences submitted to us included the names companies, the license numbers, the scale of mining and the coordinates of the licensed areas were not available at the list licences provided for us.



We understand that the flexi cadastre is an integrated system already in place and that allows both of the Federal and regional licensing authorities to use it simultaneously. However, it would appear that the integrated system has not been used systematically by all of the officers at the Federal level and at the regional states level because of the lack of internet connection or lack of technical skills. We also note that the status of licences is not systematically updated in the reregister when a licence has been officially suspended or revoked and that the update may take a long time from the cancellation date.

It is vital that the list of licenses is updated regularly to enable MMPNG fulfill its licensing authority duties effectively.

*We therefore recommend that a thorough review of the mining cadaster is undertaken to ensure that it captures all existing licenses and all relevant details from each licence.*

*Once the mining cadastre is comprehensive, MMPNG needs to ensure that the cadastre is kept up to date and that all new information on licences is systematically recorded therein.*

## 7.6 Accuracy of production data

EITI Requirement 3.2 requires the disclosure of production data for the fiscal year covered by the EITI Report, including total production volumes and the value of production by commodity. In order to maintain accurate and comprehensive records of production, MMPNG must produce reliable data for the EITI process, for assessing the companies' liabilities in terms of royalties on production and the subsequent monitoring of their payments.

However, we note that the minerals' production database held at MMPNG's level does not match all production volumes that were actually produced by the companies during the reconciliation period. A comparison of the data collected from companies selected in the reconciliation scope revealed significant differences in the production volumes. Quantities reported by MMPNG were in most cases lower than those reported by companies as detailed in the following table:

Company	Company		Government	Difference Quantity (Tons)
	Solid Minerals Types	Quantity (Tons)	Quantity (Tons)	
Abijata-Shalla Soda Ash Sc	Soda Ash	4,176.50	10,548.28	(6,372)
	Trona	30.10	32.30	(2)
Pioneer Cement Manufacturing Plc	Limestone	509,606.97	514,066.00	(4,459)
	Clay Soil	54,749.79		54,750
East Cement Sc	Limestone	266,975.00	240,809.00	26,166
	Clay Soil	36,348.00		36,348
	Gypsum	21,551.00	3,565.52	17,985
	Pumice	51,977.00	56,765.00	(4,788)
National Mining Corporation Plc	Marble	14,219.15	6,923.88	7,295
Derba Midroc Cement Plc	Limestone	1,967,979.00	1,581,153.00	386,826
	Basalt	243,623.00	146,163.50	97,460
	Sandstone	52,478.38	2,380.00	50,098
	Pumice	342,152.00	430,836.30	(88,684)
	Gypsum	67,969.36	54,121.36	13,848
Dangote Industries (Ethiopia) Plc	Limestone	2,071,724.97	1,997,529.00	74,196
	Basalt	146,337.19	145,394.00	943
	Silica sand	86,330.39	102,516.50	(16,186)
	Pumice	338,925.06	314,944.90	23,980
Afar Salt Production Sc	Salt	17,500.30	19,623.21	(2,123)
Erta Ale Salt Work Plc	Salt	11,701.50	95,802.00	(84,101)
Lucy Salt Producing Plc	Salt	397.44	59,528.00	(59,131)
Bezalel Construction Material Manufacturing Plc	Clay Soil	50,000.00	35,800.00	14,200
East African Holding Sc	Coal	14,582.42	2,766.65	11,816
Afdera Salt Producing Plc	Salt	34.56		35
Sourish Marbles Plc	Marble	3,072.48	778.91	2,294



We understand that the production data provided by MMPNG was based on monthly self-declarations submitted by extractive companies. Therefore, MMPNG does not have its own procedures and systems in place to collect and control production data reported by mining companies.

*In addition to declarations submitted, we recommend that MMPNG:*

- *develops procedures to ensure the completeness of the production data reported by companies and implements a computerised system to monitor, and update this data on a monthly basis. This would improve MMPNG's ability to reconcile royalties and other non-tax payments with production data and investigate any discrepancies; and*
- *provides the EEITI MSB with a comparison of the production volumes declared by extractive companies with the measurements made by MMPNG throughout the year.*

*We recommend that the EEITI MSB includes in the terms of reference of the Independent Administrator for future exercise the reconciliation of production volumes in order to investigate these discrepancies with a view to disclose more reliable statistics on production volumes.*

## 7.7 Electronic publication of contracts/agreements

Requirement 2.4 (a) of the 2016 EITI Standard states that Implementing countries are encouraged to publicly disclose contracts and licenses that provide the terms attached to the exploitation of oil, gas and minerals.

The EEITI MSB agreed that there is no restriction to access the contracts and agreements signed between the Government and extractive companies at the MMPNG level. However, we note that the agreements are not accessible electronically.

Moreover, some contracts for mining companies were not available at the archives of MMPNG or at the Licensing Directorate such as the agreements signed with Ethiopian Mineral, Petroleum and Fuel Co, Erta Ale Salt Work Plc, Lucy Salt Producing Plc, China Long Hoa Milla Construction Materials Plc.

*We recommend that the EEITI MSB considers working on a roadmap to publish all contracts/agreements. This roadmap may include the following:*

- *an action plan setting out how the electronic publication of contracts must be performed;*
- *the steps required for all mining and petroleum contracts to be published electronically and how to make these accessible to the public;*
- *considering the enactment of a law which would authorize the publication of all contracts electronically; and*
- *review of the institutional or practical barriers that may be prevent such electronic publication.*

*Moreover, we recommend that the EEITI Secretariat ensures that a copy of all active contracts is available at its level.*

## 7.8 Tax and non-tax administration and collection of payments

### Payments at the regional level

Companies are required to make payments to regional states as per the signed agreements summarised in Section 3.3.3 of this report. We note that payments to regional states were not declared by several companies despite the terms of the contracts requiring them to do so. These are detailed as follows:

- East Cement Sc is required to pay land rental to the Oromia region in accordance with Article 12 of its corresponding mining agreement but the company did not declare any land rental payments to the regional state in its reporting template;

- Derba Midroc Cement Plc is required to pay land rental to the Oromia region in accordance with Article 12 of its mining agreement but the company did not declare any land rental payments to the regional state in its reporting template; and
- Afar Salt Production Sc is required to pay land rental to the Afar regional state in accordance with Article 12 of its mining agreement but the company did not declare any payments made to the regional state in its reporting template.

This lack of follow up may have resulted in revenue shortfalls for regional states and for local communities. Payments of taxes and other revenues of the country are made in a decentralised way. Government receipts can be collected by Federal agencies and by Regional Government Agencies. In accordance with the Constitution of the country, there are nine-member States and in spite of the number of revenue collectors there is no system in place to centralise and follow these revenues. There is no sharing of information between the federal and regional levels of government regarding the taxes that have been collected at each level. So there is no information at the Federal level on amounts paid to the Regional governments and on licenses awarded by the Regional authorities. As a result, payments made by extractive companies at the Regional States were not available at federal level, which led to a limitation of the EITI scope due to the lack of a centralised system of information on extractive tax revenues.

### Non-tax payments

MMPNG is the authority responsible for monitoring and collecting royalty payments at federal level. Royalties are levied on the value of sales of minerals produced based to the rates defined in Proclamation No. 678/2010 for each category of minerals. MMPNG does not seem to have sound monitoring system in order to make estimation of liabilities on not collected royalties from companies that undertook mineral production activities without declaring any payment.

Similarly, we noted that the provisions of Mining Operations Proclamation No. 816 which entitle the Government to 5% free equity in large scale mining investments were not enforced as only one company made free equity payments during 2015/16. We noted that only one company made free equity payments during the year 2015/16. However, in accordance with the financial statements and reporting templates submitted by companies while we noted that some other companies recorded profits and/or paid taxes on their profit during the year 2015/16 but failed to pay free equity to MoFEC. Our estimate of the Free Equity not paid to MoFEC amounts is over ETB 4.7 million as detailed in table below:

Companies	Estimation of Free equity according to the financial statements		Estimation of Free equity according to the reporting template (2015/16)		
	Fiscal year ended 31/12/2015		Income tax paid	Estimate profit (ETB)	Free Equity 5%
	Profit/Loss (ETB)	Free Equity 5%			
Abijata-Shalla Soda Ash Sc	367,252	18,363	-	-	-
East Cement Sc	91,211,784	4,560,589	19,182,127	76,728,508	3,836,425
Allied Chemical Plc			4,284,983	17,139,932	856,997
Erta Ale Salt Work Plc	4,802,339	240,117	-	-	-
<b>Total extractive sector (**)</b>		<b>4,819,069</b>			<b>4,693,422</b>

The EEITI MSB agrees that the estimated amount of the free equity not collected by MoFEC is insignificant and informed us that some companies are not in a position to pay free equity and some others are on the process to pay.

However, the lack of enforcement of laws results in lost revenues for the Government, and can lead to tax evasion. Rigorous monitoring systems and coordination between the various authorities is essential to ensure an effective enforcement system.

*We recommend that a systematic follow up of companies is made on a regular basis to ensure that all fees due are collected on a timely basis. MMPNG should also enhance its tax administration and collection capacity to effectively discharge its duties and maximise tax collection. MMPNG needs to ensure that companies meet their contractual commitments. This can only be achieved if officers at regional government level are properly trained in order to monitor and follow up with extractive company activities. To that end, the Federal Government should probably consider some form of capacity building.*

*Moreover, we recommend that a system with all relevant data is developed and which can be accessible at both the federal and regional levels in order to monitor all of the contracts of extractive companies to ensure that all financial and environmental requirements of the companies are met.*

*We recommend that MoFEC sets up a system for administering free equity payments, whereby an official request is made to ERCA annually to provide details of companies which have reported schedule C mining payments and are therefore supposed to allocate free equity to the Ethiopian Government. MoFEC should make an initial assessment of the liability of each company and contact them proactively to request payment. Proper follow up should be made subsequently to ensure that due payments are collected from the taxpayers.*

### **7.9 Mining activities managed by the regional governments**

Requirement 4.6 of the 2016 EITI Standard requires that the Multi-Stakeholder Board establishes whether direct payments, within the scope of the agreed benefit streams, from companies to Regional States' Government Agencies are material. Where material, the Multi-Stakeholder Board is required to ensure that company payments to Regional States' Government Agencies and receipt of these payments are disclosed and reconciled in the EITI report.

The EEITI MSB decided to exclude disclosure of the revenues by the Regional States from the scope of the current EEITI report. Contribution of mining activities conducted under the supervision of regional states was not included in the EITI report because the relating licences are awarded by the regional authorities. Therefore, payments made by extractive companies holding licences issued by the regional states were not considered for the preparation of the present EITI report.

In order to assess the materiality of payments to Regional States, only reporting companies retained in the reconciliation scope declared tax and non-tax payments made to the Regional Governments unilaterally. This represents 4.2% of the total revenue from the extractive industries. However, given that payments made to regional governments have only been declared by extractive companies included in the reconciliation scope only.

*We recommend that the EEITI MSB considers including the regional states into the future EITI process of Ethiopia. The EEITI MSB may perform a feasibility study detailing all institutional, legal and practical barriers prior to such inclusion.*

*We also recommend that the EEITI MSB considers the technical capacities of the regional states to be considered in the EITI reporting process. Regional resources and qualifications of regional officers may have to be reinforced in terms of controlling the validity of licences and managing the local operators holding licences at the regional level.*

*In order to enable the completeness of the EITI scope for future reconciliation exercises, we recommend the implementation of a reporting system which allows the centralisation of information regarding all extractive revenues, arrangements and state ownership at the Federal level. Joint working and information sharing between the federal and the regional levels of government is a key factor to the establishment and smooth running of such system.*

### **7.10 Availability of statistics and data on the extractive industry**

The EITI Standard stipulates the disclosure of contextual information in respect of the activities and regulations in the extractive industries, including:

- contribution to the economy, with regards to employment and export levels; and

- public information on license allocations, register of licensees, beneficial owners, contract terms, etc.

We understand that in order to conceive a statistical database, EEITI and MMPNG conducted several studies such as:

- a study covering the mineral operations and its economic contribution, published in February 2016.
- a summary of EEITI Implementation Process and Achievements from 2009 to June 2016, published in August 2016; and
- a study on Artisanal Mining Operations and its Economic Values, published in April 2016.

Further efforts may be required by MMPNG, which may require additional efforts in order to compile accurate statistics and contextual information on the extractive sector in the country. This would provide comprehensive and reliable data on the revenues collected, exports, production and employment in the sector as presented in Sections 3.2.9, 6.5 and 7.6 and of this report.

The contextual information in this report is referenced to different sources dispersed across public and often not publicly available information. The extent of our work was limited due to the lack of statistical data in the sector such as employment and GDP contribution.

*In order to improve the integrity, accuracy, reliability and accessibility of contextual information, we recommend that the EEITI Secretariat in conjunction with MMPNG, MoFEC and ERCA gather and update (at least annually) contextual information including: the industry potential, the contribution to the economy, the strategy for the sector, relevant events and facts, current regulations and upcoming changes, amongst others.*

#### **7.11 Meeting the recommendations made in the previous EEITI reports**

Several recommendations had been made in the previous EITI report and have yet to be addressed. A number of issues which arose during the course of the current reconciliation exercise could have been avoided if recommendations made previously had been implemented.

Following the release of the first EEITI report, we understand that an action plan was put in place by the MSG in order to follow up on the recommendations expressed in the EEITI report. We also understand that such actions included meeting several Government Agencies such as ERCA, MoFEC and the Office of Auditor General in order to follow up with the previous EEITI recommendations. It also included several outreach activities led by the EEITI MSB and the Secretariat in co-operation with MMPNG and regions in Afar, Benashangul-Gumuz, Amhara, Oromia, SNNP and Tigray in order to follow up with different stakeholders such as the Regional Mines Bureau, Regional Finance Bureau, Regional State Audit Bureau, Regional Environment Protection and Administrative Bureau, Regional Cooperatives Bureau, Artisanal Mining Cooperatives.

We note that despite these efforts to resolve weaknesses and implement recommendations from the previous EEITI reports, some of these recommendations are yet to be met as detailed in Section 7.2 of this report.

*We recommend that a committee is set up at MMPNG level with the support of the EEITI MSB members in order to follow up of the recommendations from EEIT reports. This committee should prepare an action plan to address weaknesses and findings raised in the EITI report within a reasonable timeframe.*

**ANNEXES**

**Annex 1: Employment figures in the reconciled companies**

N°	Companies	Average number of direct domestic employees (Local)	Average number of direct domestic employees (Non local)	Average number of direct foreign employees (Expatriates)	TOTAL
1	Africa Oil Ethiopia B.V	10		2	12
2	POLY-GCL Petroleum Investments Ltd Ethiopian Branch	25		58	83
3	SouthWest Energy (HK) Ltd	70		5	75
4	NewAge Ethiopia Ltd	12			12
5	Delonex Energy Ethiopia Ltd	4		1	5
6	GPB Ethiopia Resources B.V	6		3	9
	<b>Total Petroleum companies</b>	<b>127</b>		<b>69</b>	<b>196</b>
7	MIDROC Gold Mine Plc	1,185		26	1,211
8	Abijata-Shalla Soda Ash Sc	265	29		294
9	Pioneer Cement Manufacturing Plc	350	39		389
10	East Cement Sc	381			381
11	National Mining Corporation Plc	296			296
12	Derba Midroc Cement Plc	NC	NC	NC	NC
13	Dangote Industries (Ethiopia) Plc	557		29	586
14	Afar Salt Production Sc	21	46		67
16	Allied Chemical Plc	100		6	106
17	Erta Ale Salt Work Plc	138			138
18	Sammakka Stones Plc		80	15	95
19	Lucy Salt Producing Plc	30	0	2	32
20	Bezalel Construction Material Manufacturing Plc	115	18	2	135
21	East African Holding Sc	55	23	2	80
22	Inchini Bedrock Plc	NC	NC	NC	NC
23	Afdera Salt Producing Plc	19	0	0	19
24	Sourish Marbles Plc	44		6	50
	<b>Total mining companies</b>	<b>3,556</b>	<b>235</b>	<b>88</b>	<b>3,879</b>
	<b>Total</b>	<b>3,683</b>	<b>235</b>	<b>157</b>	<b>4,075</b>

NC: Not communicated

## Annex 2: Extractive companies profile

No.	Company	TIN	Founding date	Nature of operation/Business	% Other than extractive activity	% Extractive activity	Capital (BIRR)	Company Address	Regional State
1	Africa Oil Ethiopia B.V	0003474255	23/06/2009	Oil and Gas Exploration	0%	100%	97,200,000	4th floor <UNIC Ethiopia> Bole Building, Bole sub city, Keb 03/05	Addis Ababa
2	POLY-GCL Petroleum Investments Ltd Ethiopian Branch	0040603751	31/12/2013	Oil and gas exploration	0%	100%	202,692,462	Medhanialem Building, Bole Sub City, Woreda 3, Addis Ababa.	Addis Ababa
3	SouthWest Energy (HK) Ltd	0002746754	12/12/2005	Oil and Gas Exploration	0%	100%	17,000,000	Kolfe Keranyo Sub City Kebele 02/03, House No. 126 Addis Ababa, Ethiopia	Addis Ababa
4	NewAge Ethiopia Ltd	0031276071	10/10/2012	Oil and gas exploration	0%	100%	1,834,590	Park Lane Tower, 5th Floor, Bole Sub City, Kebele 03/05	Addis Ababa
5	Delonex Energy Ethiopia Ltd	0043083543	27/05/2014	Oil and Gas Exploration	0%	100%	3,085,290	Mekwor Plaza 3rd Floor Addis Ababa	Addis Ababa
6	GPB Ethiopia Resources B.V	0043141181	23/09/2014	Oil and gas exploration and Development	0%	100%	3,964,360	Addis Ababa,Bole Sub-city 04	Addis Ababa
7	MIDROC Gold Mine Plc	0000030220	04/08/2003	Mining	5%	95%	2,720,527,800	Mechare Meda Addis Ababa	Addis Ababa
8	Abijata-Shalla Soda Ash Sc	0016362919	14/07/2010	Brine	80%	20%	53,098,000	Addis Ababa, Kirkos Sub City, Woreda 05 House No. 1163	Oromya
9	Pioneer Cement Manufacturing Plc	0005172817	2010	Mining	0%	100%	163,351,000	Dire Dawa Ethiopia	Dire Dawa
10	East Cement Sc	0003477494	2009	Cement production, machinery rental	2%	98%	510,000,000	Nefas Silk Lafto Oromiya	Oromya
11	National Mining Corporation Plc	0000030090	01/03/1993	Marble	0%	100%	103,000,000	Kirkos K/Ketema Wereda 08. House No.1163/201 Addis Ababa	Benshangul Gumze, Oromiya & Tigray Regional States
12	Derba Midroc Cement Plc	0002937443	15/02/2006	Cement production	0%	100%	500,000,000	Addis Ababa Kirkos Sub city Kebele 17/18	Addis Ababa
13	Dangote Industries (Ethiopia) Plc	0004224329	01/11/2008	Cement	0%	100%	200,000,000	Addis Ababa Ethiopia	Oromya
14	Afar Salt Production Sc	0000998765	11/07/2002	Salt	0%	100%	60,000,000	Bole Sub city Wereda 06 House No 048	Afar
15	Allied Chemical Plc	0004528744	02/12/2014	Manufacture of chemical	0%	100%	11,000,000	Addis Ababa	Oromya
16	Erta Ale Salt Work Plc	40314	01/04/2000	Salt	0%	100%	Not Communicated	Addis Ababa Ethiopia	Addis Ababa
17	Sammakka Stones Plc	0006770153	Not Communicated	Not Communicated	0%	100%	6,000,000	Addis Ababa, Bole Sub City , Sheger Building , 5th Floor, Room No. 506 A, Kebele 03/05, Hose No. 2004/ 2005	Benishangul Gumuz

No.	Company	TIN	Founding date	Nature of operation/Business	% Other than extractive activity	% Extractive activity	Capital (BIRR)	Company Address	Regional State
18	Lucy Salt Producing Plc	0000043699	07/11/2000	Salt	0%	100%	7,000,000	Addis Ababa	Afar
19	Bezalel Construction Material Manufacturing Plc	0004920704	01/01/2009	Mining	0%	100%	15,000,000	Bole Subcity Woreda 03 House N° 2482	Addis Ababa
20	East African Holding Sc	1747102	01/10/2000	Coal Mining	2%	98%	177,928,000	KK-Lideta Wereda-02	Addis Ababa
21	Inchini Bedrock Plc	6281950	01/12/2010	Mining	0%	100%	80,000,000	Oromia	West Shoa
22	Afdera Salt Producing Plc	38433	16/03/1992	Extract of salt	0%	100%	6,000,000	AA Bole cub city woreda 03 H. No 499	Addis Ababa
23	Sourish Marbles Plc	39314811	41424	Marble mine	0%	100%	110,000	Addis Ababa, Woreda 13, H. NO. NEW	Addis Ababa

Source: information provided by Extractive companies



## Annex 3: Technical criteria for evaluation of exploration rights' application

Ser.no.	Evaluation Criteria for Exploration Licence Applications	Weight (%)
<b>1</b>	<b>Experience and technical capacity</b>	<b>15</b>
<b>1.1</b>	<b>No. of years the applicant has been in mining operation and directly/indirectly related experience (max. 15 points)</b>	<b>15</b>
1.1.1	Directly related and > 9 years	15
1.1.2	Directly related and > 5 - 9 years	12
1.1.3	Directly related and 3 - 5 years	9
1.1.4	Indirectly related and > 9 years	8
1.1.5	Indirectly related and > 5 – 9 years	6
1.1.6	Indirectly related and 3 - 5 years	4
	<b>No. of years individual applicant has been in mining operation and directly/indirectly related experience (max.10 points)</b>	<b>10</b>
1.1.1	Directly related and > 9 years	10
1.1.2	Directly related and > 5 - 9 years	8
1.1.3	Directly related and 3 - 5 years	6
1.1.4	Indirectly related and > 9 years	5
1.1.5	Indirectly related and > 5 – 9 years	3
1.1.6	Indirectly related and 3 - 5 years	2
<b>1.2</b>	<b>HR capacity &amp; experience (max. 10 points)</b>	<b>10</b>
	o Background of key executives	
1.2.1	Relevant educational background with	<b>4</b>
	· Ph.D	4
	· MSc. ,	3
	· BSc. ,	2
1.2.2	Relevant Experience	<b>6</b>
	· > 10 years	6
	· > 5 - 10 years	4
	· < 5 years	2
<b>1.3</b>	<b>Financial performance (max. 10 points)</b>	<b>10</b>
1.3.1	Experience of operating in a similar amount of finance with the project under application	
	<input type="checkbox"/> ≥ 75 % of finance under application	10
	<input type="checkbox"/> < 75 % of finance under application	6
	<b>PART II</b>	
<b>2</b>	<b>Proposed project location and area coverage(max. 2 points)</b>	<b>2</b>
2.1	The area should have coordinate showing lat/long or UTM	0.5
2.2	Appropriate projection and datum	0.5
2.3	Area coverage should be quantified	0.5

Ser.no.	Evaluation Criteria for Exploration Licence Applications	
2.4	Location map of the area overlain on any geosciences map as base map	0.5
<b>3</b>	<b>Objective of the proposed project in specific, measurable, achievable and time framed (SMART) (max. 3 points)</b>	<b>3</b>
3.1	Clear objective that can be achieved in long term	1
3.2	Clear objective that can be achieved in short term	2
<b>4</b>	<b>Previous work assessment citing appropriate reference</b>	<b>10</b>
4.1	Chronological literature review of previous works with reference	3
4.2	Clear statement about the implication of the assessment in selecting the area	4
4.3	Clear statement how the previous work assessment is used in planning the next stage of proposed work	3
<b>5</b>	<b>Exploration work proposal (detail exploration program for the 1<sup>st</sup> year and comprehensive work program for 2<sup>nd</sup> and 3<sup>rd</sup> year)</b>	<b>30</b>
<b>5.1</b>	<b>Exploration work for 1<sup>st</sup> year</b>	<b>25</b>
5.1.1	Appropriate methods (conventional and modern) of exploration (geology, geochemistry, remote sensing, airborne & ground geophysical survey, pitting/trenching, drilling)	10
5.1.2	Exploration stage or scale of operation (reconnaissance, regional, follow up, detail, grid system)	8
5.1.3	Quantified volume of work with unit of measurement	4
5.1.4	Implementation schedule for the 1 <sup>st</sup> year using Gantt chart	3
<b>5.2</b>	<b>Comprehensive exploration work for 2<sup>nd</sup> and 3<sup>rd</sup> years</b>	<b>5</b>
<b>6</b>	<b>Expenditure obligation for the initial three years of exploration period</b>	<b>10</b>
<b>6.1</b>	<b>Detail estimated expenditure based on the proposed work program for 1<sup>st</sup> year</b>	<b>8</b>
6.1.1	Required for each human resource	4
6.1.2	Required for each equipment and machinery	2
6.1.3	Required for each service	2
<b>6.2</b>	<b>Comprehensive expenditure for 2<sup>nd</sup> and 3<sup>rd</sup> years</b>	<b>2</b>
<b>7</b>	<b>Financial status of the applicant related to the exploration period **</b>	<b>10</b>
7.1	Deposit equal to the minimum of 1 <sup>st</sup> year financial expenditure	3
7.2	Equivalent deposit to the minimum of 3 years financial expenditure	7
		<b>100</b>

## Annex 4: Beneficial ownership

N°	Companies	N°	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (yes/no)	Stock exchange	Owner (if the company's shares are not quoted)
1	Africa Oil Ethiopia B.V	1	Africa Oil Corporation	50.00%	Canada	Yes	TSE	
		2	Marathon Oil Corporation	50.00%	United States	Yes	NYSE	
2	POLY-GCL Petroleum Investments Ltd Ethiopian Branch	1	POLY GCL PETROLEUM HOLDING LTD	100.00%		No		ZHU Gongshan
3	SouthWest Energy (HK) Ltd	1	SW Trustees Private Limited on behalf of SW Development Trust	29.19%	Singapore	No		
		2	Persistency Private Equity Limited	14.85%	BVI	No		
		3	Madalina Foundation	4.88%	UK	No		
		4	VLTCM Ltd	4.51%	Hong Kong	No		
		5	<5% holdings	46.57%				
4	NewAge Ethiopia Ltd	1	New Age Holdings Limited	100.00%	Private company - Jersey registered company	NC	NC	NC
5	Delonex Energy Ethiopia Ltd	NC		NC	NC	NC	NC	NC
6	GPB Ethiopia Resources B.V	NC		NC	NC	NC	NC	NC
7	MIDROC Gold Mine Plc	1	Ministry of Finance & Economic Cooperation	2.00%	Ethiopian			
		2	Sheikh Mohammed Hussein Ali Al-Amoudi	80.00%	Saudi Arabian			
		3	Mrs. Sophia Salah Al-Amoudi	18.00%	Saudi Arabian			
8	Abijata-Shalla Soda Ash Sc	1	State Owned (Ethiopia Government)	38.00%	Ethiopian	NC	NC	NC
		2	National Mining Corporation Plc.	31.07%	Ethiopian	NC	NC	NC
		3	Seid Hussein Ali	11.19%	Ethiopian	NC	NC	NC
		4	Hassan H. Al-Amoudi	9.94%	Ethiopian	NC	NC	NC
		5	Abdulah H. Al-Amoudi	9.94%	Ethiopian	NC	NC	NC
9	Pioneer Cement Manufacturing Plc	NC		NC	NC	NC	NC	NC
10	East Cement Sc	1	Mr. Lu Qiyuan	1.00%	NC	No	NC	NC
		2	Mr. Li Peihua	1.00%	NC	No	NC	NC
		3	Mr. Lu Qizhong	1.00%	NC	No	NC	NC

N°	Companies	N°	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (yes/no)	Stock exchange	Owner (if the company's shares are not quoted)
		4	China Africa Development Bank	40.00%	NC	No	NC	NC
		5	Gianguo Qiyuan Group Co	57.00%	NC	No	NC	NC
11	National Mining Corporation Plc	1	Dr.Sheik Mohammed Hussien Ali Al Amoudi	70.00%	Saudi Arabian	No		
		2	Ato Hassen Hussien Ali AL Amoudi	30.00%	Ethiopian	No		
12	Derba Midroc Cement Plc	NC		NC	NC	NC	NC	NC
13	Dangote Industries (Ethiopia) Plc	1	Aliko Dangote	100%	NC	NC	NC	NC
		1	State Owned (Federal Government)	83.33%	Ethiopian	NC	NC	NC
		2	Ezana Mining Development PLC	3.98%	Ethiopian	NC	NC	NC
14	Afar Salt Production Sc	3	Saba Dimensional Stones PLC	11.67%	Ethiopian	NC	NC	NC
		4	Guna Trading PLC	1.00%	Ethiopian	NC	NC	NC
		5	Ato Tewodros Hagos	0.02%	Ethiopian	NC	NC	NC
15	Allied Chemical Plc	1	MR.Rajesh Gupta	55%	Indian	NC	NC	NC
		2	MR Jyotsna Gupta	45%	Indian	NC	NC	NC
16	Erta Ale Salt Work Plc	1	Ato Tsegaye G/yessus	50.00%	Ethiopian	NC	NC	NC
		2	Akakas Logistics Plc	50.00%	NC	NC	NC	NC
17	Sammakka Stones Plc	1	Sriramaju Sambeswar Rao	50%	Indian	NC	NC	NC
		2	Arigapudi Lakshmi Mani	50%	Indian	NC	NC	NC
18	Lucy Salt Producing Plc	NC		NC	NC	NC	NC	NC
19	Bezalel Construction Material Manufacturing Plc	1	Hanna Tilahun	50%	Ethiopian	NC	NC	NC
		2	Messele Haile	50%	Ethiopian	NC	NC	NC
		1	Buzuayehu Tadele	91.67%	NC	NC	NC	NC
		2	Michael Buzuayehu	2.50%	NC	NC	NC	NC
20	East African Holding Sc	3	Egziael Buzuayehu	2.50%	NC	NC	NC	NC
		4	Batuael Buzuayehu	2.50%	NC	NC	NC	NC
		5	Bizenu Investemen PLC	0.83%	NC	NC	NC	NC
21	Inchini Bedrock Plc	NC		NC	NC	NC	NC	NC
22	Afdera Salt Producing Plc	1	Dori Kebede	16.67%	NC	NC	NC	NC

N°	Companies	N°	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (yes/no)	Stock exchange	Owner (if the company's shares are not quoted)
		2	Tsegaye T/Mariam	33.33%	NC	NC	NC	NC
		3	Nazreth Tsegaye	16.67%	NC	NC	NC	NC
		4	Haile Kebede	16.67%	NC	NC	NC	NC
		5	Yodit Dori	16.67%	NC	NC	NC	NC
23	Sourish Marbles Plc	1	Sourish Marble Plc	91%	Indian	N/A	N/A	N/A
		2	Sumit Aggrawal	0%	Indian	N/A	N/A	N/A
		3	Shimelis H/Gebriel	9%	Ethiopian	N/A	N/A	N/A

NC: Not communicated

N/A: Not Applicable

## Annex 5: Social contributions

No	Company	Figures as reported by companies	Adjustments(*)	Total social Contributions (in ETB)	Voluntary contributions (in ETB)		Mandatory contributions (in ETB)	
					Name and function of beneficiary	Amount (ETB)	Name and function of beneficiary	Amount (ETB)
1	Africa Oil Ethiopia B.V	2,569,210	-	2,569,210		-	EWCA	2,569,210
2	NewAge Ethiopia Ltd	304,436	-	304,436		-	El Kuran & surrounding communities	304,436
3	MIDROC Gold Mine Plc	6,887,615	-	6,887,615	Oddo Shakisso Reji Kebele High School	5,372,191	MMPNG	360,000
					Oddo Shakisso Municipality	750,000		
					Benishangul Gumuz Regional State; Finance & Economic Development Bureau	100,000		
					MMPNG	305,424		
					Bulbula Primery School	3,620	MMPNG	36,000
					Bulbula Sport Club	600		
					Destaa Kebele Forest Protection Union	6,813		
4	Abijata-Shalla Soda Ash Sc	268,665	(214,932)	53,733	Woreda Aba-Gedda Office	600		
					Woreda Invironmental Protection Office	2,000		
					Woreda Police Office	1,000		
					Woreda Security Office	3,100		
5	Pioneer Cement Manufacturing Plc	500,000	-	500,000		-	NC	500,000
6	East Cement Sc	-	-	-		-		-
7	National Mining Corporation Plc	150,000	-	150,000		-	MMPNG	150,000
8	Derba Midroc Cement Plc	15,550,000	-	15,550,000		-	NC	15,550,000
9	Dangote Industries (Ethiopia) Plc	5,334,000	-	5,334,000	Reji town (Oromiya/ Adaberga)	4,019,000	Community development fund (Oromiya/Ada Berga and Dugda District)	1,250,000
					Meki Police (Dugda District)	65,000		
					Student of Afdera	23,500		
10	Afar Salt Production Sc	41,895	-	41,895	Scoll bulding	1,295		
					Tutorial for Afdera State	17,100		

No	Company	Figures as reported by companies	Adjustments(*)	Total social Contributions (in ETB)	Voluntary contributions (in ETB)		Mandatory contributions (in ETB)	
					Name and function of beneficiary	Amount (ETB)	Name and function of beneficiary	Amount (ETB)
11	Allied Chemical Plc	300,526	-	300,526	ENSARO	50,000	Pension	238,526
12	Sammakka Stones Plc	125,500	-	125,500	Sululeta Municipality	12,000		
					NC	500	NC	125,000
13	Bezalel Construction Material Manufacturing Plc	175,000	-	175,000	Wolemera City Administration officer	5,000		-
					Oromia (access road maintenance)	160,000		
					Cheshire Services Ethiopia	10,000		
14	East African Holding Sc	1,097,937	(230,567)	867,370	Walla elementary school	867,370		-
15	Afdera Salt Producing Plc	41,472	-	41,472	Afar Regional State	41,472		-
	<b>Total</b>	<b>33,346,258</b>	<b>(445,499)</b>	<b>32,900,759</b>		<b>11,817,586</b>		<b>21,083,173</b>

NC: Not communicated

**Annex 6: Production data by mineral and by company**

N°	Companies	Solid Minerals Types	Quantity (Tons)	Value of the production in ETB	Region	Source
1	MIDROC Gold Mine Plc	Silver	0.73	2,737,316	Oromia	(*)
		Gold	3.29	2,591,037,078	Oromia	
2	Abijata-Shalla Soda Ash Sc	Soda Ash	4,176.50	30,285,414	Oromia	(*)
		Trona	30.10	27,812	Oromia	
3	Pioneer Cement Manufacturing Plc	Limestone	509,606.97	35,672,487.90	Dire Dawa	(*)
		Clay Soil	54,749.79	3,832,485.09	Dire Dawa	
4	East Cement Sc	Limestone	266,975.00	18,827,059	Oromia	(*)
		Clay Soil	36,348.00	2,569,804	Oromia	
		Gypsum	21,551.00	1,026,250	Oromia	
		Pumice	51,977.00	3,638,368	Oromia	
5	National Mining Corporation Plc	Marble	14,219.15	8,908,589	Benshangul Gumuz	(*)
		Limestone	1,967,979.00	167,770,210	Oromia	
6	Derba Midroc Cement Plc	Basalt	243,623.00	21,317,013	Oromia	(*)
		Sandstone	52,478.38	7,346,974	Oromia	
		Pumice	342,152.00	25,746,938	Oromia	
		Gypsum	67,969.36	17,332,187	Oromia	
7	Dangote Industries (Ethiopia) Plc	Limestone	2,071,724.97	N/C	Oromia	(*)
		Basalt	146,337.19	N/C	Oromia	
		Silica sand	86,330.39	N/C	Oromia	
		Pumice	338,925.06	N/C	Oromia	
8	Afar Salt Production Sc	Salt	17,500.30	25,112,032	Afar	(*)
9	Allied Chemical Plc	Silica sand	4,138.31	1,731,262.90	Amhara	(*)
10	Erta Ale Salt Work Plc	Salt	11,701.50	16,789,312.20	Afar	(*)
11	Sammakka Stones Plc	Marble	1,444.31		Benshangul Gumuz	(**)
12	Lucy Salt Producing Plc	Salt	397.44	2,957,351	Afar	(*)
13	Bezalel Construction Material Manufacturing Plc	Clay Soil	50,000.00	2,500,000	Oromia	(*)
14	East African Holding Sc	Coal	14,582.42	17,012,042	Oromia	(*)
15	Inchini Bedrock Plc	Limestone	71,757.10	238,875	NC	(**)
16	Afdera Salt Producing Plc	Salt	34.56	4,958,669	Afar	(*)
17	Sourish Marbles Plc	Marble	2,946.55	5,188,689	Benshangul Gumuz	(*)
<b>TOTAL</b>				<b>3,014,564,214</b>		

(\*) From the companies

(\*\*) From MMPNG

NC: Not communicated



## Annex 7: Payment flows description

Ref	Payment flows	Paid to / Received by	Description
<b>Ministry of Mines Petroleum and Natural Gas</b>			
1.1	Royalties paid to Federal Government	MMPNG	Payment made each mining license holder based on the sales price of the commercial transactions of the minerals produced in accordance with the Mineral Proclamation N°678-2010
1.2	License Fees	MMPNG	This payment is made for the issuance and renewal of licenses in accordance with Mining Operations Council of Ministers Regulations 182/1994
1.3	Penalties	MMPNG	This payment is made by any extractive companies that contravenes or fails to comply with any order, provision of a proclamation, regulations, directives or the terms and conditions of a license or permit
1.4	Land Rentals	MMPNG	A licensee is required to pay annually in advance a rental for area covered by a lease. The rates of rentals have been specified in the Mining Operations Council of Ministers Regulations No. 182/1994. The rentals are usually paid to regional governments
1.5	Signature Bonus	MMPNG	This payment is made by companies operating in Oil & Gas sector to the Ministry of Mines Petroleum and Natural Gas within a period of time after the effective date of the Production Sharing Agreement signed between the government and the company. The signature bonus is generally made in USD currency
1.6	Production bonuses	MMPNG	A company shall pay to the Ministry of Mines Petroleum and Natural Gas Petroleum and Natural Gas a amounts namely "Production bonuses" when production of crude oil attains for the specified periods of time some levels that are defined in the Production Sharing Agreement
1.7	Training Fees	MMPNG	Payment made by extractive company to the Ministry of Mines Petroleum and Natural Gas (MMPNG) for the training of Ethiopian Government personnel and/or acquisition of training facilities identified by the Minister
1.8	Other payments to Mining authority	MMPNG	Any other payment made to the Mining Authority, in either the Federal level or the Regional State level, and that exceeds 500,000 Birr
<b>Ethiopian Revenues and Customs Authority</b>			
2.1	Income tax : Schedule C (Mining)	ERCA	<u>Any payment</u> made to either the Federal or Regional level as being a Mining Income Tax as defined by the Mining Operations Proclamation N°678/2010. A Mining Income tax is paid: - by any holder of a large scale mining license in accordance with the Mining Income Tax Proclamation No. 53/1993 as amended which set it at 25% of taxable income; and - by holders of artisanal and small scale mining licenses shall be determined by the laws of the states.
2.2	Income tax : Schedule C (Normal)	ERCA	<u>Payment made</u> for income tax on profit from any industrial, commercial, professional or vocational activity or any other activity recognised as trade by the Commercial Code of Ethiopia and carried on by any person for profit.
2.3	Withholding tax on payments	ERCA	Any payment relating <b>to any kind of tax</b> that was withheld by the extractive company and that has been paid to the government
2.4	Customs duty	ERCA	Custom duties are payments made by extractive companies and that are relating to taxes imposed on the imports and exports of goods and services. Dutiy amounts paid on commodities depend on the class of such commodities in accordance to the Proclamation No. 38/1993

Ref	Payment flows	Paid to / Received by	Description
2.5	Dividend Tax	ERCA	These payments are relating to taxes on dividends that are separately paid by the extractive company to the government when these payments are not already reported in another payment flow such as the income tax above or the withholding tax above
2.6	Personal Income tax (Pay As You Earn "PAYE")	ERCA	These are payments relating to the income tax of the own staff of the extractive companies. These income tax on salaries are withheld by the extractive companies and paid to the Federal or Regional government
2.7	Capital gains	ERCA	Capital gains tax are paid on capital nature gain such as plants, building, factory or office, and shares of companies
2.8	Value Add Tax (VAT)	ERCA	Payments made in accordance to the Value Added Tax (VAT) Proclamation N°285/2002 as amended. The VAT is charged on the supply of goods and services by registered persons, and on the importation of goods and services into Ethiopia and services
2.9	Excise Tax	ERCA	Excise tax is a payment made on certain goods specified under the Schedule to the Excise Tax Proclamation, when imported and when produced locally. The excise tax rate varies from 10% to 100% on the cost of production, or CIF ("cost-insurance-freight")
2.10	Penalties	ERCA	This payment is made, to either Federal or Regional State lever, by any extractive companies that contravenes or fails to comply with any provision or conditions of the tax regulation
2.11	Withholding tax on interests (foreign debt)	ERCA	When extractive companies are paying interests on a foreign currency debt, the extractive companies may withhold part of the interest as a Withholding tax on interest and pay it to the government
2.12	Other payments to ERCA	ERCA	Any other payment made to ERCA and that exceeds 500,000 Birr
<b>Ministry of Finance and Economic Cooperation</b>			
3.1	Free Equity	MoFEC	These are the proceeds of participation interest acquired without cost by the government in any large scale or small scale mining. This participation is possible because the government may acquire without cost a participation interest of five percent of any large scale or small scale mining investment
3.2	Dividends from State Owned Companies	MoFEC	These are the proceeds of various investments in the State Owned Companies accruing to the Government. This participation of the government is possible because the Government may undertake mining operations that are vital for the overall economic growth either by itself or in partnership with private investors
3.3	Other payments to MoFEC	MoFEC	Any other payment made to MOFEC and that exceeds 500,000 Birr
<b>Social Payments</b>			
4.1	Voluntary Corporate Social Responsibility	All beneficiaries	These contributions are voluntary and can be made in cash or in kind depending on individual contracts. It includes all voluntary contributions made by extractive companies to promote local development and to finance social projects such as inter alia: health infrastructure, school infrastructure, road infrastructure, market gardening infrastructure, projects related to the promotion of the agriculture and the grants provided to the population
4.2	Mandatory Social Responsibility	All beneficiaries	These contributions are mandatory and can be made in cash or in kind depending on individual contracts. It includes all voluntary contributions made by extractive companies to promote local development and to finance social projects such as inter alia: health infrastructure, school infrastructure, road infrastructure, market gardening infrastructure, projects related to the

Ref	Payment flows	Paid to / Received by	Description
			promotion of the agriculture and the grants provided to the population
<b>Infrastructure provisions and barter arrangements</b>			
5.1	Total budget of the Engagement/Project	Government	Total budgeted amount of the entire project within the infrastructure provisions and barter arrangements.  "Infrastructure provisions and barter arrangements" include any agreements, or sets of agreements between the extractive company and the government (Federal or Regional State), involving the provision of goods and services, including loans, grants and infrastructure works, in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities
5.2	Value of engagements/project incurred from 08/07/2015 to 07/07/2016	Government	Total amount of all costs incurred for all Project under any infrastructure provisions or barter arrangements during the reconciliation period starting from 08/07/2015 to 07/07/2016
5.3	Cumulated value of engagements/project incurred on 07/07/2016	Government	Total amount of all costs incurred for all Project under any infrastructure provisions or barter arrangements during the reconciliation period starting from the beginning of the Project until 07/07/2016
<b>Payment to State Owned companies</b>			
6.1	Dividends from Mining Companies	State Owned Companies	These are the proceeds of various investments of the State Owned Companies (SOC) in the extractive companies. The amount received by SOC is dependent on its shareholding in the paying entity
6.2	Other payments	State Owned Companies	Any other payment made to SOC and that exceeds 500,000 Birr

## Annex 8: Detail of Licenses disclosed by companies selected in the scope

N°	Company	Commodity extracted	Number of Licence/Lease	Licence type	Licence number or Blocks awarded	Status of the lease	Issue date	Duration	Regional State	Local / Woreda
1	Africa Oil Ethiopia B.V	Oil and Gas	1	Exploration	Rift Basin Area Block	Active	21/02/2013	3 Years	Arba Minch	Arba Minch
2	POLY-GCL Petroleum Investments Ltd Ethiopian Branch	Oil and Gas	5	Exploration	Calub & Hilala	Active	16/11/2013	Appraisal 2 +2 Years	Somali	Debeweyn,Gode,
				Exploration	Block 3 & 4	Active	16/11/2013	Exploration up to 8 Years	Somali	Dolo Odo,Chereti,Goro Baqaqsa
				Exploration	Block 11 & 15	Active	16/11/2013	Exploration up to 8 Years	Somali	Gode,Dabeweyn,Denan ,Kedridehar,Shilabo
				Exploration	Block 12 & 16	Active	16/11/2013	Exploration up to 8 Years	Somali	Adadle,Bare,KalafoMust ahil
				Exploration	Block 17 and 20	Active	16/11/2013	Exploration up to 8 Years	Somali	Danot/Warder/Boh
3	SouthWest Energy (HK) Ltd	Oil and Gas	1	Exploration	020/2/3257/98	Active	04/12/2012	11.5 Years	Addis Ababa	02
4	NewAge Ethiopia Ltd	Oil and Gas	2	Exploration	Ogaden Block # 8	Active	11/07/2007	Exploration 25-10 Years Development and production	Ethiopian Somali	Dolo Bay
				Exploration	Adigala Block	Active	11/07/2007	Exploration 25-10 Years Development and production	Ethiopian Somali	Siti Zone
5	Delonex Energy Ethiopia Ltd	Oil and Gas	1	Exploration	Block 18, 19, 21	Active	24/08/2014	8 Years	Somali	Not communicated
6	GPB Ethiopia Resources B.V			Exploration	Gewane El-Wuha Block	Active	17/07/2014	4 Years	Afar National Regional state	Comprises Many Woredas
7	MIDROC Gold Mine Plc	Precious Metals	7	Mining	43 Blocks	Active	29/03/1998	20 Years	Oromya	Oddo Shakisso
		Precious Metals		Mining	0111/2002	Active	24/11/2009	20 Years	Oromya	Oddo Shakisso
		Gold, Base Metal		Exploration	MOM/EL\ 3 - 25\97	Active	05/03/2005	10 Years	Oromya	Oddo Shakisso

N°	Company	Commodity extracted	Number of Licence/Lease	Licence type	Licence number or Blocks awarded	Status of the lease	Issue date	Duration	Regional State	Local / Woreda
		Gold, Base Metal, Iron		Exploration	MOM\026 - 124\97	Active	21/03/2005	13 Years	Benishangul	Bullen
		Gold, Base Metals, Iron, Chromite, Phosphate		Exploration	MOM\EL\352\2010	Active	04/10/2010	15 Years	Benishangul	Debate
		Precious Metals		Exploration	MOM\EL\352\2010	Active	12/02/2015	3 Years	Amhara	Gwangua
		Precious Metals		Exploration	MOM\EL\500\2010	Active	12/02/2015	3 Years	Oromya	Oddo Shakisso
8	Abijata-Shalla Soda Ash Sc	Soda Ash		Mining	MOM\LSML\163\2011	Active	16/09/2011	20 Years	Oromiya	Adami Tulu Jido Kombolicha Woreda
		Limestone		Mining	Not Communicated	Active	Not Communicated	Not Communicated	Not Communicated	Not Communicated
9	Pioneer Cement Manufacturing Plc	Clay	3	Mining	Not Communicated	Active	Not Communicated	Not Communicated	Not Communicated	Not Communicated
		Gypsum		Mining	Not Communicated	Active	Not Communicated	Not Communicated	Not Communicated	Not Communicated
		Gypsum		Mining	MOM\SSML\148\2010	Active	06/10/2010	10Years	Oromiya	Filklik
10	East Cement Sc	Pumice	4	Mining	1971/2010	Active	05/08/2010	10Years	Oromiya	Dire/Chalo
		Clay		Mining	455/99	Active	04/07/2010	10Years	Oromiya	Gandashano
		Limestone		Mining	452/99	Active	04/06/2010	10Years	Oromiya	Amuma Mec
		Marble		Mining	14/706/29789/2004	Active	October,08 2013	upto May,2023	Benshangul Gumuze	Oda Beldaglu
11	National Mining Corporation Plc	Gold & Base Metal	3	Exploration	121/148/88	Active	2005 E.C	3 Years	Oromiya	Dawa Digati
		Gold & Base Metal		Exploration	149-161/88	Active	2005 E.C	3 Years	Tigray	Workamba
12	Derba Midroc Cement Plc	Not Communicated		Not Communicated	Not Communicated	Not Communicated	Not Communicated	Not Communicated	Not Communicated	Not Communicated
		Limestone		Mining	MOM\LSML\125\2013	Active	09/06/2013	20 Years	Oromya	Adabrga
13	Dangote Industries (Ethiopia) Plc	Clay	6	Mining	MOM\LSML\1\2013	Inactive	23/04/2014	20 Years	Oromya	Adabrga
		Gypsum		Mining	MOM\LSML\304\2014	Inactive	12/10/2014	20 Years	Oromya	Adabrga
		Silca sand		Mining	MOM\LSML\413\2014	Active	20/01/2015	20 Years	Oromya	Adabrga

N°	Company	Commodity extracted	Number of Licence/Lease	Licence type	Licence number or Blocks awarded	Status of the lease	Issue date	Duration	Regional State	Local / Woreda
		Basalt		Mining	MOM/LSML/414/2014	Active	20/01/2015	20 Years	Oromya	Adabrga
		Pumice		Mining	MOM/LSML/421/2014	Active	20/01/2015	20 Years	Oromya	Bora
14	Afar Salt Production Sc	Salt	1	Salt	006/94	Active	11/07/2002	20 Years	Afar	Afdera
15	Allied Chemical Plc	Silica Sand	1	Mining	MOM/LSML/2/2013	Active	02/12/2013	20 Years	Oromya	Lemi/Salayish
16	Erta Ale Salt Work Plc	Salt	1	Mining	020/92	Active	40399	10 Years	Afar	Afdera
17	Sammakka Stones Plc	Marble	3	Exploration	0426-0427/2001	Inactive	31/07/2009	3 Years	Benishangul Gumuz	Kamashi
		Marble		Mining	MOMLSML\657\2011	Active	30/01/2012	20 Years	Benishangul Gumuz	Kamashi
		Marble		Mining	MOMLSML\300\2013	Active	08/10/2015	20 Years	Benishangul Gumuz	Kamashi
18	Lucy Salt Producing Plc	Salt	1	Mining	058/96	Active	01/08/2004	20 Years	Afar	Afdera
19	Bezalel Construction Material Manufacturing Plc	Clay Soil	1	Mining	1197/2001	Active	23/06/1905	15 YEARS	Oromya	Oromya
20	East African Holding Sc	Coal	2	Mining	ORO\LSML\132\2011	Active	11/01/2003	15 Years	Oromiya	Dedo
		Coal		Mining	LD/AA/14/669/40044539/2007	Active	24/4/2009	1 Year	AA	Lideta
21	Inchini Bedrock Plc	Gypsum	1	Mining	MOMEL\25\2015	Active		3 Years	Oromya	
22	Afdera Salt Producing Plc	Salt	1	Mining	080/95	Active	02/06/2003	20 Years	Afar	Afdera
23	Sourish Marbles Plc	Marbles	1	Mining	MOMLSML\230\2013	Active	12/05/2013	20 Years	Beshangul	Obeldiglu

## Annex 9: Reconciliation sheets by company

Company name: Africa Oil Ethiopia B.V

Reporting period: 2015/16 (2008 EFY)

N°	Description of Payment	Per Company			Per Government			Final difference	Comment
		Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>		<b>6,908,082</b>	<b>287,541</b>	<b>7,195,623</b>	<b>7,195,623</b>	<b>-</b>	<b>7,195,623</b>		
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>		<b>4,673,222</b>	<b>-</b>	<b>4,673,222</b>	<b>4,673,222</b>	<b>-</b>	<b>4,673,222</b>		
1.1	Royalties paid	-	-	-	-	-	-		
1.2	License Fees	-	-	-	-	-	-		
1.3	Penalties	-	-	-	-	-	-		
1.4	Land Rentals	3,611,342	-	3,611,342	3,611,342	-	3,611,342		
1.5	Signature Bonus	-	-	-	1,061,880	(1,061,880)	-		
1.6	Production bonuses	-	-	-	-	-	-		
1.7	Training Fees	1,061,880	-	1,061,880	1,061,880	-	1,061,880		
1.8	Other material payments to Mining authority	-	-	-	-	-	-		
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>		<b>2,234,859</b>	<b>287,541</b>	<b>2,522,401</b>	<b>2,522,401</b>	<b>-</b>	<b>2,522,401</b>		
2.1	Income tax : Schedule C (Mining)	-	-	-	-	-	-		
2.2	Income tax : Schedule C (Normal)	-	-	-	-	-	-		
2.3	Withholding tax on payments	410,481	-	410,481	410,481	-	410,481		
2.4	Customs duties	-	-	-	-	-	-		
2.5	Dividend Tax	-	-	-	-	-	-		
2.6	Personal Income tax (Pay As You Earn "PAYE")	1,824,378	-	1,824,378	1,824,378	-	1,824,378		
2.7	Capital gains	-	-	-	-	-	-		
2.8	Value Add Tax (VAT)	-	-	-	-	-	-		
2.9	Excise Tax	-	-	-	-	-	-		
2.10	Penalties	-	-	-	-	-	-		
2.11	Withholding tax on interests (foreign debt)	-	-	-	-	-	-		
2.12	Other material payments to ERCA	-	287,541	287,541	287,541	-	287,541		
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
3.1	Free Equity	-	-	-	-	-	-		
3.2	Dividends from State Owned Companies	-	-	-	-	-	-		
3.3	Other material payments to MoFEC	-	-	-	-	-	-		
<b>4- Payment to State Owned Companies (SOC)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
4.1	Dividends from Mining Companies	-	-	-	-	-	-		
4.2	Other payments	-	-	-	-	-	-		
<b>Total payments</b>		<b>6,908,082</b>	<b>287,541</b>	<b>7,195,623</b>	<b>7,195,623</b>	<b>-</b>	<b>7,195,623</b>		
<b>B- Unilateral company disclosures</b>		<b>2,569,210</b>	<b>-</b>	<b>2,569,210</b>					
<b>6- Regional State Mining Authority</b>		<b>-</b>	<b>-</b>	<b>-</b>					
6.1	Royalties paid	-	-	-					
6.2	License Fees	-	-	-					
6.3	Penalties	-	-	-					
6.4	Land Rentals	-	-	-					
6.5	Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>		<b>-</b>	<b>-</b>	<b>-</b>					
7.1	Income tax : Schedule C (Normal)	-	-	-					
7.2	Withholding tax on payments	-	-	-					
7.3	Personal Income tax (Pay As You Earn "PAYE")	-	-	-					
7.4	Excise duty	-	-	-					
7.5	Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>		<b>2,569,210</b>	<b>-</b>	<b>2,569,210</b>					
8.1	Voluntary Corporate Social Responsibility	-	-	-					
8.2	Mandatory Social Responsibility	2,569,210	-	2,569,210					

Company name: POLY-GCL Petroleum Investments Ltd Ethiopian Branch

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>25,763,077</b>	<b>435,579</b>	<b>26,198,657</b>	<b>26,537,452</b>	<b>-</b>	<b>26,537,452</b>	<b>(338,795)</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>20,494,682</b>	<b>735,861</b>	<b>21,230,543</b>	<b>21,230,543</b>	<b>-</b>	<b>21,230,543</b>	<b>-</b>	
1.1 Royalties paid	-	-	-	-	-	-	-	
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	10,021,240	51,103	10,072,343	10,072,343	-	10,072,343	-	
1.5 Signature Bonus	-	-	-	11,158,200	(11,158,200)	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	10,473,441	684,759	11,158,200	-	11,158,200	11,158,200	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>5,268,396</b>	<b>(300,282)</b>	<b>4,968,114</b>	<b>5,306,909</b>	<b>-</b>	<b>5,306,909</b>	<b>(338,795)</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	3,090,432	(159,402)	2,931,030	2,616,702	-	2,616,702	314,328	Tax not reported by the Government Agencies
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn 'PAYE')	1,883,713	(140,880)	1,742,833	1,879,715	-	1,879,715	(136,882)	Tax not reported by the extractive company
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	-	-	-	-	-	-	-	
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	294,251	-	294,251	810,492	-	810,492	(516,241)	Tax not reported by the extractive company
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>25,763,077</b>	<b>435,579</b>	<b>26,198,657</b>	<b>26,537,452</b>	<b>-</b>	<b>26,537,452</b>	<b>(338,795)</b>	
<b>B- Unilateral company disclosures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>6- Regional State Mining Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
6.1 Royalties paid	-	-	-	-	-	-	-	
6.2 License Fees	-	-	-	-	-	-	-	
6.3 Penalties	-	-	-	-	-	-	-	
6.4 Land Rentals	-	-	-	-	-	-	-	
6.5 Other material payments to Regional State Mining Authority	-	-	-	-	-	-	-	
<b>7- Regional State Tax Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
7.1 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
7.2 Withholding tax on payments	-	-	-	-	-	-	-	
7.3 Personal Income tax (Pay As You Earn 'PAYE')	-	-	-	-	-	-	-	
7.4 Excise duty	-	-	-	-	-	-	-	
7.5 Other material payments to Regional State Tax Authority	-	-	-	-	-	-	-	
<b>8- Social Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
8.1 Voluntary Corporate Social Responsibility	-	-	-	-	-	-	-	
8.2 Mandatory Social Responsibility	-	-	-	-	-	-	-	



Company name: SouthWest Energy (HK) Ltd

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	34,488	-	34,488	34,488	-	34,488	-	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	-	-	-	-	-	-	-	
1.1 Royalties paid	-	-	-	-	-	-	-	
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	34,488	-	34,488	34,488	-	34,488	-	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	34,488	-	34,488	34,488	-	34,488	-	
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	-	-	-	-	-	-	-	
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	-	-	-	-	-	-	-	
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	-	-	-	-	-	-	-	
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	-	-	-	-	-	-	-	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	-	-	-	-	-	-	-	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>34,488</b>	<b>-</b>	<b>34,488</b>	<b>34,488</b>	<b>-</b>	<b>34,488</b>	<b>-</b>	
<b>B- Unilateral company disclosures</b>	-	-	-					
<b>6- Regional State Mining Authority</b>	-	-	-					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	-	-	-					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	-	-	-	✓	✓	✓		
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	-	-	-					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-	✓	✓	✓		
<b>8- Social Contributions</b>	-	-	-					
8.1 Voluntary Corporate Social Responsibility	-	-	-					
8.2 Mandatory Social Responsibility	-	-	-					

Company name: New Age Ethiopia Ltd

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>14,358,612</b>	<b>(11,014)</b>	<b>14,347,598</b>	<b>20,103,433</b>	<b>-</b>	<b>20,103,433</b>	<b>(5,755,835)</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>11,847,346</b>	<b>(11,014)</b>	<b>11,836,332</b>	<b>11,836,332</b>	<b>-</b>	<b>11,836,332</b>	<b>-</b>	
1.1 Royalties paid	-	-	-	-	-	-	-	
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	8,610,661	(11,014)	8,599,647	8,599,647	-	8,599,647	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	3,236,685	-	3,236,685	3,236,685	-	3,236,685	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>2,511,266</b>	<b>-</b>	<b>2,511,266</b>	<b>8,267,101</b>	<b>-</b>	<b>8,267,101</b>	<b>(5,755,835)</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	253,476	-	253,476	6,660,267	-	6,660,267	(6,406,791)	Missing Government Agencies detail per receipt number
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	1,606,068	-	1,606,068	1,606,834	-	1,606,834	(766)	Not material difference < KETB 20
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	-	-	-	-	-	-	-	
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	651,722	-	651,722	-	-	-	651,722	Tax not reported by the Government Agencies
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>14,358,612</b>	<b>(11,014)</b>	<b>14,347,598</b>	<b>20,103,433</b>	<b>-</b>	<b>20,103,433</b>	<b>(5,755,835)</b>	
<b>B- Unilateral company disclosures</b>	<b>304,436</b>	<b>-</b>	<b>304,436</b>					
<b>6- Regional State Mining Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	-	-	-					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	-	-	-					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>304,436</b>	<b>-</b>	<b>304,436</b>					
8.1 Voluntary Corporate Social Responsibility	-	-	-					
8.2 Mandatory Social Responsibility	304,436	-	304,436					

Company name: Delonex Energy Ethiopia Ltd

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	5,767,261	295,692	6,062,952	4,750,829	1,396	4,752,224	1,310,728	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	2,389,200	2,295,692	4,684,892	4,684,892	0	4,684,892	0	
1.1 Royalties paid	-	-	-	-	-	-	-	
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	2,389,200	93,872	2,483,072	2,483,072	-	2,483,072	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	2,201,820	2,201,820	2,201,820	-	2,201,820	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	1,378,061	0	1,378,061	65,937	1,396	67,333	1,310,728	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	67,333	-	67,333	65,937	1,396	67,333	-	
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	1,310,728	-	1,310,728	-	-	-	1,310,728	Tax not reported by the Government Agencies
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	-	-	-	-	-	-	-	
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	-	-	-	-	-	-	-	
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	0	0	0	0	0	0	0	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	2,000,000	-2,000,000	0	0	0	0	0	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	2,000,000	(2,000,000)	-	-	-	-	-	
<b>Total payments</b>	5,767,261	295,692	6,062,952	4,750,829	1,396	4,752,224	1,310,728	
<b>B- Unilateral company disclosures</b>	-	-	-	-	-	-	-	
<b>6- Regional State Mining Authority</b>	0	0	0					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	-	-	-					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	0	0	0					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	-	-	-					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	0	0	0					
8.1 Voluntary Corporate Social Responsibility	-	-	-					
8.2 Mandatory Social Responsibility	-	-	-					

Company name: GPB Ethiopia Resources B.V

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>27,676,930</b>	<b>1,095,905</b>	<b>28,772,835</b>	<b>6,501,915</b>	<b>22,270,921</b>	<b>28,772,835</b>	-	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>3,509,014</b>	<b>1,095,905</b>	<b>4,604,919</b>	<b>4,797,284</b>	<b>(192,365)</b>	<b>4,604,919</b>	-	
1.1 Royalties paid	-	-	-	-	-	-	-	
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	3,509,014	-	3,509,014	3,701,379	(192,365)	3,509,014	-	
1.5 Signature Bonus	-	-	-	1,095,905	(1,095,905)	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	1,095,905	1,095,905	-	1,095,905	1,095,905	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>24,167,916</b>	<b>-</b>	<b>24,167,916</b>	<b>1,704,630</b>	<b>22,463,285</b>	<b>24,167,916</b>	-	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	966,129	-	966,129	966,129	-	966,129	-	
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	738,501	-	738,501	738,501	-	738,501	-	
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	22,463,285	-	22,463,285	-	22,463,285	22,463,285	-	
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	-	-	-	-	-	-	-	
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>27,676,930</b>	<b>1,095,905</b>	<b>28,772,835</b>	<b>6,501,915</b>	<b>22,270,921</b>	<b>28,772,835</b>	<b>-</b>	
<b>B- Unilateral company disclosures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>6- Regional State Mining Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
6.1 Royalties paid	-	-	-	-	-	-	-	
6.2 License Fees	-	-	-	-	-	-	-	
6.3 Penalties	-	-	-	-	-	-	-	
6.4 Land Rentals	-	-	-	-	-	-	-	
6.5 Other material payments to Regional State Mining Authority	-	-	-	-	-	-	-	
<b>7- Regional State Tax Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
7.1 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
7.2 Withholding tax on payments	-	-	-	-	-	-	-	
7.3 Personal Income tax (Pay As You Earn "PAYE")	-	-	-	-	-	-	-	
7.4 Excise duty	-	-	-	-	-	-	-	
7.5 Other material payments to Regional State Tax Authority	-	-	-	-	-	-	-	
<b>8- Social Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
8.1 Voluntary Corporate Social Responsibility	-	-	-	-	-	-	-	
8.2 Mandatory Social Responsibility	-	-	-	-	-	-	-	

Company name: MIDROC Gold Mine Plc

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference 900	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>780,180,805</b>	<b>236,978</b>	<b>780,417,783</b>	<b>841,354,994</b>	<b>(60,938,112)</b>	<b>780,416,882</b>		
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>126,846,196</b>	<b>-</b>	<b>126,846,196</b>	<b>126,845,296</b>	<b>-</b>	<b>126,845,296</b>	<b>900</b>	
1.1 Royalties paid	126,845,296	-	126,845,296	126,845,296	-	126,845,296	0	Not material difference < KETB 20
1.2 License Fees	900	-	900	-	-	-	900	Tax not reported by the Government Agencies
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>625,248,767</b>	<b>236,978</b>	<b>625,485,745</b>	<b>686,423,857</b>	<b>(60,938,112)</b>	<b>625,485,745</b>	<b>-</b>	
2.1 Income tax : Schedule C (Mining)	472,747,187	-	472,747,187	385,545,426	87,201,762	472,747,187	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	3,562,897	236,978	3,799,875	3,036,605	763,270	3,799,875	-	
2.4 Customs duties	38,584	-	38,584	-	38,584	38,584	-	
2.5 Dividend Tax	137,620,623	-	137,620,623	268,536,914	(130,916,291)	137,620,623	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	8,487,260	-	8,487,260	29,304,912	(20,817,651)	8,487,260	-	
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	556,262	-	556,262	-	556,262	556,262	-	
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	2,235,954	-	2,235,954	-	2,235,954	2,235,954	-	
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>28,085,841</b>	<b>-</b>	<b>28,085,841</b>	<b>28,085,841</b>	<b>-</b>	<b>28,085,841</b>	<b>-</b>	
3.1 Free Equity	28,085,841	-	28,085,841	28,085,841	-	28,085,841	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>780,180,805</b>	<b>236,978</b>	<b>780,417,783</b>	<b>841,354,994</b>	<b>(60,938,112)</b>	<b>780,416,882</b>	<b>900</b>	
<b>B- Unilateral company disclosures</b>	<b>52,706,393</b>	<b>-</b>	<b>52,706,393</b>					
<b>6- Regional State Mining Authority</b>	<b>1,411,905</b>	<b>-</b>	<b>1,411,905</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	1,411,905	-	1,411,905					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>44,406,873</b>	<b>-</b>	<b>44,406,873</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	118,586	-	118,586					
7.3 Personal Income tax (Pay As You Earn "PAYE")	35,816,447	-	35,816,447					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	8,471,839	-	8,471,839					
<b>8- Social Contributions</b>	<b>6,887,615</b>	<b>-</b>	<b>6,887,615</b>					
8.1 Voluntary Corporate Social Responsibility	6,527,615	-	6,527,615					
8.2 Mandatory Social Responsibility	360,000	-	360,000					

Company name: Abijata-Shalla Soda Ash Sc

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference (126)	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>5,818,534</b>	<b>(3,704,900)</b>	<b>2,113,633</b>	<b>5,400,541</b>	<b>(3,286,781)</b>	<b>2,113,759</b>		
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>1,187,408</b>	<b>-</b>	<b>1,187,408</b>	<b>1,187,408</b>	<b>-</b>	<b>1,187,408</b>		
1.1 Royalties paid	1,187,408	-	1,187,408	1,187,408	-	1,187,408		
1.2 License Fees	-	-	-	-	-	-		
1.3 Penalties	-	-	-	-	-	-		
1.4 Land Rentals	-	-	-	-	-	-		
1.5 Signature Bonus	-	-	-	-	-	-		
1.6 Production bonuses	-	-	-	-	-	-		
1.7 Training Fees	-	-	-	-	-	-		
1.8 Other material payments to Mining authority	-	-	-	-	-	-		
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>4,631,126</b>	<b>(3,704,900)</b>	<b>926,225</b>	<b>4,213,133</b>	<b>(3,286,781)</b>	<b>926,351</b>	<b>(126)</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-		
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-		
2.3 Withholding tax on payments	198,410	(158,728)	39,682	202,784	(162,976)	39,808	(126)	Not material difference < KETB 20
2.4 Customs duties	-	-	-	-	-	-		
2.5 Dividend Tax	-	-	-	-	-	-		
2.6 Personal Income tax (Pay As You Earn "PAYE")	392,914	(314,331)	78,583	-	78,583	78,583		
2.7 Capital gains	-	-	-	-	-	-		
2.8 Value Add Tax (VAT)	4,039,802	(3,231,842)	807,960	4,010,348	(3,202,388)	807,960		
2.9 Excise Tax	-	-	-	-	-	-		
2.10 Penalties	-	-	-	-	-	-		
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-		
2.12 Other material payments to ERCA	-	-	-	-	-	-		
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
3.1 Free Equity	-	-	-	-	-	-		
3.2 Dividends from State Owned Companies	-	-	-	-	-	-		
3.3 Other material payments to MoFEC	-	-	-	-	-	-		
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
4.1 Dividends from Mining Companies	-	-	-	-	-	-		
4.2 Other payments	-	-	-	-	-	-		
<b>Total payments</b>	<b>5,818,534</b>	<b>(3,704,900)</b>	<b>2,113,633</b>	<b>5,400,541</b>	<b>(3,286,781)</b>	<b>2,113,759</b>	<b>(126)</b>	
<b>B- Unilateral company disclosures</b>	<b>1,644,730</b>	<b>(1,300,064)</b>	<b>344,666</b>					
<b>6- Regional State Mining Authority</b>	<b>19,650</b>	<b>-</b>	<b>19,650</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	19,650	-	19,650					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>1,356,415</b>	<b>(1,085,132)</b>	<b>271,283</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	1,356,415	(1,085,132)	271,283					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>268,665</b>	<b>(214,932)</b>	<b>53,733</b>					
8.1 Voluntary Corporate Social Responsibility	88,665	(70,932)	17,733					
8.2 Mandatory Social Responsibility	180,000	(144,000)	36,000					

Company name: Pioneer Cement Manufacturing Plc Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>39,148,321</b>	<b>-</b>	<b>39,148,321</b>	<b>47,880,647</b>	<b>(4,460,846)</b>	<b>43,419,801</b>	<b>(4,271,480)</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>2,793,856</b>	<b>-</b>	<b>2,793,856</b>	<b>1,447,556</b>	<b>-</b>	<b>1,447,556</b>	<b>1,346,301</b>	
1.1 Royalties paid	2,785,684	-	2,785,684	1,439,384	-	1,439,384	1,346,300	Tax not reported by the Government Agencies
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	8,172	-	8,172	8,172	-	8,172	0	Not material difference < KETB 20
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>36,354,465</b>	<b>-</b>	<b>36,354,465</b>	<b>46,433,091</b>	<b>(4,460,846)</b>	<b>41,972,246</b>	<b>(5,617,781)</b>	
2.1 Income tax : Schedule C (Mining)	2,511,712	-	2,511,712	-	-	-	2,511,712	Tax not reported by the Government Agencies
2.2 Income tax : Schedule C (Normal)	-	-	-	10,857,244	-	10,857,244	(10,857,244)	Tax not reported by the extractive company
2.3 Withholding tax on payments	3,712,866	-	3,712,866	5,072,681	(1,480,053)	3,592,628	120,238	Tax not reported by the Government Agencies
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	8,666,083	-	8,666,083	8,897,379	-	8,897,379	(231,296)	Tax not reported by the extractive company
2.6 Personal Income tax (Pay As You Earn 'PAYE')	2,758,011	-	2,758,011	-	-	-	2,758,011	Tax not reported by the Government Agencies
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	18,624,994	-	18,624,994	21,605,787	(2,980,792)	18,624,994	-	
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	80,799	-	80,799	-	-	-	80,799	Tax not reported by the Government Agencies
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	-	-	-	-	-	-	-	
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Ow ned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>39,148,321</b>	<b>-</b>	<b>39,148,321</b>	<b>47,880,647</b>	<b>(4,460,846)</b>	<b>43,419,801</b>	<b>(4,271,480)</b>	
<b>B- Unilateral company disclosures</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>					
<b>6- Regional State Mining Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	-	-	-					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn 'PAYE')	-	-	-					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>					
8.1 Voluntary Corporate Social Responsibility	-	-	-					
8.2 Mandatory Social Responsibility	500,000	-	500,000					

Company name: East Cement Sc

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>24,383,896</b>	<b>30,693,339</b>	<b>55,077,234</b>	<b>58,284,044</b>	<b>(2,959,216)</b>	<b>55,324,828</b>	<b>(247,594)</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>898,617</b>	<b>-</b>	<b>898,617</b>	<b>1,146,210</b>	<b>-</b>	<b>1,146,210</b>	<b>(247,593)</b>	
1.1 Royalties paid	898,617	-	898,617	1,146,210	-	1,146,210	(247,593)	Missing Government Agencies detail per receipt number
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>23,485,278</b>	<b>30,693,339</b>	<b>54,178,617</b>	<b>57,137,834</b>	<b>(2,959,216)</b>	<b>54,178,618</b>	<b>(1)</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	19,573,599	(391,472)	19,182,127	15,247,729	3,934,398	19,182,127	0	Not material difference < KETB 20
2.3 Withholding tax on payments	3,655,562	(73,111)	3,582,451	3,178,329	404,122	3,582,451	-	
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	256,117	(5,122)	250,995	2,295,898	(2,044,902)	250,996	(1)	Not material difference < KETB 20
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	-	31,163,044	31,163,044	36,415,878	(5,252,834)	31,163,044	-	
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	-	-	-	-	-	-	-	
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Ow ned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>24,383,896</b>	<b>30,693,339</b>	<b>55,077,234</b>	<b>58,284,044</b>	<b>(2,959,216)</b>	<b>55,324,828</b>	<b>(247,594)</b>	
<b>B- Unilateral company disclosures</b>	<b>681,868</b>	<b>(10,761)</b>	<b>671,107</b>					
<b>6- Regional State Mining Authority</b>	<b>143,842</b>	<b>-</b>	<b>143,842</b>					
6.1 Royalties paid	143,842	-	143,842					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	-	-	-					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>538,026</b>	<b>(10,761)</b>	<b>527,265</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	538,026	(10,761)	527,265					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>					
8.1 Voluntary Corporate Social Responsibility	-	-	-					
8.2 Mandatory Social Responsibility	-	-	-					



Company name: National Mining Corporation Plc Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>11,460,612</b>	<b>-</b>	<b>11,460,612</b>	<b>9,899,222</b>	<b>2,734,670</b>	<b>12,633,891</b>	<b>(1,173,279)</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>258,305</b>	<b>-</b>	<b>258,305</b>	<b>258,305</b>	<b>-</b>	<b>258,305</b>	<b>(0)</b>	
1.1 Royalties paid	258,305	-	258,305	258,305	-	258,305	(0)	Not material difference < KETB 20
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>11,202,307</b>	<b>-</b>	<b>11,202,307</b>	<b>9,640,917</b>	<b>2,734,670</b>	<b>12,375,587</b>	<b>(1,173,279)</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	256,820	-	256,820	289,151	(37,892)	251,258	5,561	Tax not reported by the Government Agencies
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	2,537,417	-	2,537,417	-	1,249,928	1,249,928	1,287,489	Tax not reported by the Government Agencies
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	6,579,849	-	6,579,849	9,351,766	541,130	9,892,896	(3,313,047)	Tax not reported by the extractive company
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	1,828,221	-	1,828,221	-	981,503	981,503	846,718	Tax not reported by the Government Agencies
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>11,460,612</b>	<b>-</b>	<b>11,460,612</b>	<b>9,899,222</b>	<b>2,734,670</b>	<b>12,633,891</b>	<b>(1,173,279)</b>	
<b>B- Unilateral company disclosures</b>	<b>2,020,550</b>	<b>-</b>	<b>2,020,550</b>					
<b>6- Regional State Mining Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	-	-	-					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>1,870,550</b>	<b>-</b>	<b>1,870,550</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	1,458,749	-	1,458,749					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	411,801	-	411,801					
<b>8- Social Contributions</b>	<b>150,000</b>	<b>-</b>	<b>150,000</b>					
8.1 Voluntary Corporate Social Responsibility	-	-	-					
8.2 Mandatory Social Responsibility	150,000	-	150,000					

Company name: Derba Midroc Cement Plc

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>326,128,744</b>	<b>(11,305,524)</b>	<b>314,823,220</b>	<b>35,878,851</b>	<b>240,790,219</b>	<b>276,669,070</b>	<b>38,154,149</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>10,836,593</b>	<b>-</b>	<b>10,836,593</b>	<b>32,646,570</b>	<b>-</b>	<b>32,646,570</b>	<b>(21,809,977)</b>	
1.1 Royalties paid	9,578,533	-	9,578,533	31,876,366	-	31,876,366	(22,297,833)	Missing Government Agencies detail per receipt number
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	1,258,061	-	1,258,061	770,204	-	770,204	487,857	Missing extractive company detail per receipt number
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>315,292,150</b>	<b>(11,305,524)</b>	<b>303,986,626</b>	<b>3,232,281</b>	<b>240,790,219</b>	<b>244,022,500</b>	<b>59,964,126</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	14,567,998	-	14,567,998	-	14,567,998	14,567,998	-	
2.4 Customs duties	82,054,450	-	82,054,450	-	-	-	82,054,450	Tax not reported by the Government Agencies
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	14,504,769	(11,305,524)	3,199,245	3,157,265	41,980	3,199,245	-	
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	181,974,368	-	181,974,368	-	226,195,079	226,195,079	(44,220,711)	Tax not reported by the extractive company
2.9 Excise Tax	20,321,091	-	20,321,091	-	-	-	20,321,091	Tax not reported by the Government Agencies
2.10 Penalties	1,869,474	-	1,869,474	-	-	-	1,869,474	Tax not reported by the Government Agencies
2.11 Withholding tax on interests (foreign debt)	-	-	-	75,016	(14,838)	60,178	(60,178)	Tax not reported by the extractive company
2.12 Other material payments to ERCA	-	-	-	-	-	-	-	
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Ow ned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Ow ned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>326,128,744</b>	<b>(11,305,524)</b>	<b>314,823,220</b>	<b>35,878,851</b>	<b>240,790,219</b>	<b>276,669,070</b>	<b>38,154,149</b>	
<b>B- Unilateral company disclosures</b>	<b>15,550,000</b>	<b>11,305,524</b>	<b>26,855,524</b>					
<b>6- Regional State Mining Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	-	-	-					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>-</b>	<b>11,305,524</b>	<b>11,305,524</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	-	11,305,524	11,305,524					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>15,550,000</b>	<b>-</b>	<b>15,550,000</b>					
8.1 Voluntary Corporate Social Responsibility	-	-	-					
8.2 Mandatory Social Responsibility	15,550,000	-	15,550,000					

Company name: Dangote Industries (Ethiopia) Plc

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>536,976,389</b>	<b>-</b>	<b>536,976,389</b>	<b>757,391,585</b>	<b>(491,368,813)</b>	<b>266,022,772</b>	<b>270,953,616</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>10,671,642</b>	<b>-</b>	<b>10,671,642</b>	<b>10,200,003</b>	<b>-</b>	<b>10,200,003</b>	<b>471,640</b>	
1.1 Royalties paid	10,671,232	-	10,671,232	10,200,003	-	10,200,003	471,230	Missing Government Agencies detail per receipt number
1.2 License Fees	410	-	410	-	-	-	410	Tax not reported by the Government Agencies
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>526,304,747</b>	<b>-</b>	<b>526,304,747</b>	<b>747,191,582</b>	<b>(491,368,813)</b>	<b>255,822,770</b>	<b>270,481,977</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	2,142,940	-	2,142,940	-	-	-	2,142,940	Missing extractive company detail per receipt number
2.4 Customs duties	59,010,595	-	59,010,595	-	-	-	59,010,595	Missing extractive company detail per receipt number
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	29,828,934	-	29,828,934	31,012,498	(11,821,515)	19,190,983	10,637,950	Missing extractive company detail per receipt number
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	435,208,281	-	435,208,281	342,583,293	(120,314,071)	222,269,222	212,939,059	Missing extractive company detail per receipt number
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	113,998	-	113,998	-	-	-	113,998	Missing extractive company detail per receipt number
2.11 Withholding tax on interests (foreign debt)	-	-	-	373,595,791	(359,233,227)	14,362,565	(14,362,565)	Tax not reported by the extractive company
2.12 Other material payments to ERCA	-	-	-	-	-	-	-	
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>536,976,389</b>	<b>-</b>	<b>536,976,389</b>	<b>757,391,585</b>	<b>(491,368,813)</b>	<b>266,022,772</b>	<b>270,953,616</b>	
<b>B- Unilateral company disclosures</b>	<b>5,915,565</b>	<b>-</b>	<b>5,915,565</b>					
<b>6- Regional State Mining Authority</b>	<b>581,565</b>	<b>-</b>	<b>581,565</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	581,565	-	581,565					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	-	-	-					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>5,334,000</b>	<b>-</b>	<b>5,334,000</b>					
8.1 Voluntary Corporate Social Responsibility	4,084,000	-	4,084,000					
8.2 Mandatory Social Responsibility	1,250,000	-	1,250,000					

Company name: Afar Salt Production Sc

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>8,451,184</b>	<b>-</b>	<b>8,451,184</b>	<b>8,661,032</b>	<b>-</b>	<b>8,661,032</b>	<b>(209,849)</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>1,004,481</b>	<b>-</b>	<b>1,004,481</b>	<b>1,004,481</b>	<b>-</b>	<b>1,004,481</b>	<b>(0)</b>	
1.1 Royalties paid	1,004,481	-	1,004,481	1,004,481	-	1,004,481	(0)	Not material difference < KETB 20
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>7,446,702</b>	<b>-</b>	<b>7,446,702</b>	<b>7,656,551</b>	<b>-</b>	<b>7,656,551</b>	<b>(209,849)</b>	
2.1 Income tax : Schedule C (Mining)	1,398,699	-	1,398,699	1,398,699	-	1,398,699	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	143,089	-	143,089	143,089	-	143,089	-	
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	1,443,881	-	1,443,881	1,443,881	-	1,443,881	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	451,917	-	451,917	451,917	-	451,917	-	
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	4,009,116	-	4,009,116	4,009,116	-	4,009,116	-	
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	-	-	-	209,849	-	209,849	(209,849)	Tax not reported by the extractive company
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>8,451,184</b>	<b>-</b>	<b>8,451,184</b>	<b>8,661,032</b>	<b>-</b>	<b>8,661,032</b>	<b>(209,849)</b>	
<b>B- Unilateral company disclosures</b>	<b>3,130,735</b>	<b>-</b>	<b>3,130,735</b>					
<b>6- Regional State Mining Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	-	-	-					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>3,088,840</b>	<b>-</b>	<b>3,088,840</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	592,420	-	592,420					
7.4 Excise duty	2,496,420	-	2,496,420					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>41,895</b>	<b>-</b>	<b>41,895</b>					
8.1 Voluntary Corporate Social Responsibility	41,895	-	41,895					
8.2 Mandatory Social Responsibility	-	-	-					

Company name: Allied Chemical Plc

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>21,070,040</b>	<b>(4,102,159)</b>	<b>16,967,881</b>	<b>13,972,485</b>	<b>-</b>	<b>13,972,485</b>	<b>2,995,396</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>73,658</b>	<b>-</b>	<b>73,658</b>	<b>73,658</b>	<b>-</b>	<b>73,658</b>	<b>-</b>	
1.1 Royalties paid	69,251	-	69,251	69,251	-	69,251	-	
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	4,407	-	4,407	4,407	-	4,407	-	
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>20,996,383</b>	<b>(4,102,159)</b>	<b>16,894,223</b>	<b>13,898,828</b>	<b>-</b>	<b>13,898,828</b>	<b>2,995,396</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	4,284,983	-	4,284,983	4,285,419	-	4,285,419	(436)	Not material difference < KETB 20
2.3 Withholding tax on payments	563,597	(56,100)	507,497	507,497	-	507,497	-	
2.4 Customs duties	1,755,386	-	1,755,386	-	-	-	1,755,386	Tax not reported by the Government Agencies
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	4,046,059	(4,046,059)	(0)	-	-	-	(0)	Not material difference < KETB 20
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	10,346,358	-	10,346,358	9,105,912	-	9,105,912	1,240,446	Tax not reported by the Government Agencies
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	-	-	-	-	-	-	-	
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>21,070,040</b>	<b>(4,102,159)</b>	<b>16,967,881</b>	<b>13,972,485</b>	<b>-</b>	<b>13,972,485</b>	<b>2,995,396</b>	
<b>B- Unilateral company disclosures</b>	<b>569,797</b>	<b>4,046,059</b>	<b>4,615,857</b>					
<b>6- Regional State Mining Authority</b>	<b>269,271</b>	<b>-</b>	<b>269,271</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	269,271	-	269,271					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>-</b>	<b>4,046,059</b>	<b>4,046,059</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	-	4,046,059	4,046,059					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>300,526</b>	<b>-</b>	<b>300,526</b>					
8.1 Voluntary Corporate Social Responsibility	62,000	-	62,000					
8.2 Mandatory Social Responsibility	238,526	-	238,526					

Company name: Erta Ale Salt Work Plc

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>4,803,151</b>	<b>-</b>	<b>4,803,151</b>	<b>4,736,270</b>	<b>-</b>	<b>4,736,270</b>	<b>66,881</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>721,059</b>	<b>-</b>	<b>721,059</b>	<b>549,827</b>	<b>-</b>	<b>549,827</b>	<b>171,232</b>	
1.1 Royalties paid	721,059	-	721,059	549,827	-	549,827	171,232	Tax not reported by the Government Agencies
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>4,082,092</b>	<b>-</b>	<b>4,082,092</b>	<b>4,186,443</b>	<b>-</b>	<b>4,186,443</b>	<b>(104,351)</b>	
2.1 Income tax : Schedule C (Mining)	1,276,913	-	1,276,913	1,276,913	-	1,276,913	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	13,366	-	13,366	13,366	-	13,366	0	Not material difference < KETB 20
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	200,811	-	200,811	200,821	-	200,821	(10)	Not material difference < KETB 20
2.6 Personal Income tax (Pay As You Earn "PAYE")	52,209	-	52,209	52,209	-	52,209	0	Not material difference < KETB 20
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	2,538,793	-	2,538,793	2,538,793	-	2,538,793	(0)	Not material difference < KETB 20
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	-	-	-	104,342	-	104,342	(104,342)	Tax not reported by the extractive company
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>4,803,151</b>	<b>-</b>	<b>4,803,151</b>	<b>4,736,270</b>	<b>-</b>	<b>4,736,270</b>	<b>66,881</b>	
<b>B- Unilateral company disclosures</b>	<b>1,294,476</b>	<b>-</b>	<b>1,294,476</b>					
<b>6- Regional State Mining Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	-	-	-					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>1,294,476</b>	<b>-</b>	<b>1,294,476</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	90,108	-	90,108					
7.3 Personal Income tax (Pay As You Earn "PAYE")	1,204,368	-	1,204,368					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>					
8.1 Voluntary Corporate Social Responsibility	-	-	-					
8.2 Mandatory Social Responsibility	-	-	-					

Company name: Sammakka Stones Plc

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>1,779,890</b>	<b>(720,000)</b>	<b>1,059,890</b>	<b>863,556</b>	<b>105,070</b>	<b>968,626</b>	<b>91,264</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>999,679</b>	<b>(720,000)</b>	<b>279,679</b>	<b>135,585</b>	<b>-</b>	<b>135,585</b>	<b>144,095</b>	
1.1 Royalties paid	135,585	-	135,585	135,585	-	135,585	-	
1.2 License Fees	144,095	-	144,095	-	-	-	144,095	Tax not reported by the Government Agencies
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	720,000	(720,000)	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>780,211</b>	<b>-</b>	<b>780,211</b>	<b>727,971</b>	<b>105,070</b>	<b>833,041</b>	<b>(52,831)</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	47,280	-	47,280	47,281	-	47,281	(1)	Not material difference < KETB 20
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	98,649	-	98,649	98,649	-	98,649	-	
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	625,524	-	625,524	520,454	105,070	625,524	-	
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	8,758	-	8,758	-	-	-	8,758	Tax not reported by the Government Agencies
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	-	-	-	61,587	-	61,587	(61,587)	Tax not reported by the extractive company
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Ow ned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>1,779,890</b>	<b>(720,000)</b>	<b>1,059,890</b>	<b>863,556</b>	<b>105,070</b>	<b>968,626</b>	<b>91,264</b>	
<b>B- Unilateral company disclosures</b>	<b>202,792</b>	<b>720,000</b>	<b>922,792</b>					
<b>6- Regional State Mining Authority</b>	<b>-</b>	<b>720,000</b>	<b>720,000</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	-	720,000	720,000					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>77,292</b>	<b>-</b>	<b>77,292</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	77,292	-	77,292					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>125,500</b>	<b>-</b>	<b>125,500</b>					
8.1 Voluntary Corporate Social Responsibility	500	-	500					
8.2 Mandatory Social Responsibility	125,000	-	125,000					

Company name: Lucy Salt Producing Plc

Reporting period: 2015/16 (2008 EFY)

N°	Description of Payment	Per Company			Per Government			Final difference	Comment
		Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>		<b>1,759,300</b>	<b>-</b>	<b>1,759,300</b>	<b>3,216,603</b>	<b>-</b>	<b>3,216,603</b>	<b>(1,457,303)</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>		<b>118,825</b>	<b>-</b>	<b>118,825</b>	<b>294,848</b>	<b>-</b>	<b>294,848</b>	<b>(176,023)</b>	
1.1	Royalties paid	118,294	-	118,294	294,848	-	294,848	(176,554)	Missing Government Agencies detail per receipt number
1.2	License Fees	531	-	531	-	-	-	531	Tax not reported by the Government Agencies
1.3	Penalties	-	-	-	-	-	-	-	
1.4	Land Rentals	-	-	-	-	-	-	-	
1.5	Signature Bonus	-	-	-	-	-	-	-	
1.6	Production bonuses	-	-	-	-	-	-	-	
1.7	Training Fees	-	-	-	-	-	-	-	
1.8	Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>		<b>1,640,475</b>	<b>-</b>	<b>1,640,475</b>	<b>2,921,755</b>	<b>-</b>	<b>2,921,755</b>	<b>(1,281,280)</b>	
2.1	Income tax : Schedule C (Mining)	588,110	-	588,110	1,055,193	-	1,055,193	(467,083)	Tax not reported by the extractive company
2.2	Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3	Withholding tax on payments	12,434	-	12,434	37,648	-	37,648	(25,214)	Tax not reported by the extractive company
2.4	Customs duties	-	-	-	-	-	-	-	
2.5	Dividend Tax	208,403	-	208,403	208,403	-	208,403	-	
2.6	Personal Income tax (Pay As You Earn "PAYE")	13,173	-	13,173	29,624	-	29,624	(16,451)	Tax not reported by the extractive company
2.7	Capital gains	-	-	-	-	-	-	-	
2.8	Value Add Tax (VAT)	783,799	-	783,799	1,378,883	-	1,378,883	(595,084)	Tax not reported by the extractive company
2.9	Excise Tax	-	-	-	144,140	-	144,140	(144,140)	Tax not reported by the extractive company
2.10	Penalties	-	-	-	-	-	-	-	
2.11	Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12	Other material payments to ERCA	34,557	-	34,557	67,865	-	67,865	(33,308)	Tax not reported by the extractive company
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1	Free Equity	-	-	-	-	-	-	-	
3.2	Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3	Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1	Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2	Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>		<b>1,759,300</b>	<b>-</b>	<b>1,759,300</b>	<b>3,216,603</b>	<b>-</b>	<b>3,216,603</b>	<b>(1,457,303)</b>	
<b>B- Unilateral company disclosures</b>		<b>394,357</b>	<b>-</b>	<b>394,357</b>					
<b>6- Regional State Mining Authority</b>		<b>-</b>	<b>-</b>	<b>-</b>					
6.1	Royalties paid	-	-	-					
6.2	License Fees	-	-	-					
6.3	Penalties	-	-	-					
6.4	Land Rentals	-	-	-					
6.5	Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>		<b>394,357</b>	<b>-</b>	<b>394,357</b>					
7.1	Income tax : Schedule C (Normal)	-	-	-					
7.2	Withholding tax on payments	-	-	-					
7.3	Personal Income tax (Pay As You Earn "PAYE")	32,094	-	32,094					
7.4	Excise duty	362,263	-	362,263					
7.5	Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>		<b>-</b>	<b>-</b>	<b>-</b>					
8.1	Voluntary Corporate Social Responsibility	-	-	-					
8.2	Mandatory Social Responsibility	-	-	-					



Company name: Bezeal Construction Material Manufacturing Plc Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>675,659</b>	<b>-</b>	<b>675,659</b>	<b>676,116</b>	<b>-</b>	<b>676,116</b>	<b>(457)</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>54,716</b>	<b>-</b>	<b>54,716</b>	<b>54,420</b>	<b>-</b>	<b>54,420</b>	<b>296</b>	
1.1 Royalties paid	54,060	-	54,060	53,700	-	53,700	360	Not material difference < KETB 20
1.2 License Fees	656	-	656	-	-	-	656	Tax not reported by the Government Agencies
1.3 Penalties	-	-	-	720	-	720	(720)	Tax not reported by the extractive company
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>620,943</b>	<b>-</b>	<b>620,943</b>	<b>621,696</b>	<b>-</b>	<b>621,696</b>	<b>(753)</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	18,878	-	18,878	19,631	-	19,631	(753)	Not material difference < KETB 20
2.4 Customs duties	-	-	-	-	-	-	-	
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	51,137	-	51,137	51,137	-	51,137	-	
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	523,928	-	523,928	523,928	-	523,928	-	
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	27,000	-	27,000	27,000	-	27,000	-	
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>675,659</b>	<b>-</b>	<b>675,659</b>	<b>676,116</b>	<b>-</b>	<b>676,116</b>	<b>(457)</b>	
<b>B- Unilateral company disclosures</b>	<b>437,101</b>	<b>-</b>	<b>437,101</b>					
<b>6- Regional State Mining Authority</b>	<b>46,581</b>	<b>-</b>	<b>46,581</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	5,895	-	5,895					
6.3 Penalties	-	-	-					
6.4 Land Rentals	40,686	-	40,686					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>215,520</b>	<b>-</b>	<b>215,520</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	148,209	-	148,209					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	67,311	-	67,311					
<b>8- Social Contributions</b>	<b>175,000</b>	<b>-</b>	<b>175,000</b>					
8.1 Voluntary Corporate Social Responsibility	175,000	-	175,000					
8.2 Mandatory Social Responsibility	-	-	-					

Company name: East African Holding Sc

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>4,256,975</b>	<b>(862,373)</b>	<b>3,394,603</b>	<b>3,564,622</b>	<b>(718,352)</b>	<b>2,846,270</b>	<b>548,333</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>150,440</b>	<b>-</b>	<b>150,440</b>	<b>143,900</b>	<b>-</b>	<b>143,900</b>	<b>6,540</b>	
1.1 Royalties paid	143,900	-	143,900	143,900	-	143,900	-	
1.2 License Fees	6,540	-	6,540	-	-	-	6,540	Tax not reported by the Government Agencies
1.3 Penalties	-	-	-	-	-	-	-	
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>4,106,536</b>	<b>(862,373)</b>	<b>3,244,163</b>	<b>3,420,722</b>	<b>(718,352)</b>	<b>2,702,370</b>	<b>541,793</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	1,572,278	(1,572,278)	-	-	-	-	-	
2.3 Withholding tax on payments	294,855	(61,919)	232,935	294,855	(61,919)	232,935	-	
2.4 Customs duties	697,661	(146,509)	551,152	-	-	-	551,152	Tax not reported by the Government Agencies
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	-	1,242,100	1,242,100	1,572,278	(330,178)	1,242,100	-	
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	1,541,742	(323,766)	1,217,976	1,541,697	(323,756)	1,217,941	36	Not material difference < KETB 20
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	-	-	-	11,892	(2,497)	9,395	(9,395)	Tax not reported by the extractive company
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>4,256,975</b>	<b>(862,373)</b>	<b>3,394,603</b>	<b>3,564,622</b>	<b>(718,352)</b>	<b>2,846,270</b>	<b>548,333</b>	
<b>B- Unilateral company disclosures</b>	<b>1,294,661</b>	<b>(271,879)</b>	<b>1,022,782</b>					
<b>6- Regional State Mining Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	-	-	-					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>196,724</b>	<b>(41,312)</b>	<b>155,412</b>					
7.1 Income tax : Schedule C (Normal)	196,724	(41,312)	155,412					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	-	-	-					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>1,097,937</b>	<b>(230,567)</b>	<b>867,370</b>					
8.1 Voluntary Corporate Social Responsibility	1,097,937	(230,567)	867,370					
8.2 Mandatory Social Responsibility	-	-	-					

Company name: Inchini Bedrock Plc

Reporting period: 2015/16 (2008 EFY)

N°	Description of Payment	Per Company			Per Government			Final difference	Comment
		Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>		3,759,628	-	3,759,628	14,248,902	-	14,248,902	(10,489,274)	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>		287,029	-	287,029	287,029	-	287,029	-	
1.1	Royalties paid	287,029	-	287,029	287,029	-	287,029	-	
1.2	License Fees	-	-	-	-	-	-	-	
1.3	Penalties	-	-	-	-	-	-	-	
1.4	Land Rentals	-	-	-	-	-	-	-	
1.5	Signature Bonus	-	-	-	-	-	-	-	
1.6	Production bonuses	-	-	-	-	-	-	-	
1.7	Training Fees	-	-	-	-	-	-	-	
1.8	Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>		3,472,599	-	3,472,599	13,961,873	-	13,961,873	(10,489,274)	
2.1	Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2	Income tax : Schedule C (Normal)	-	-	-	710,402	-	710,402	(710,402)	Tax not reported by the extractive company
2.3	Withholding tax on payments	1,064,759	-	1,064,759	979,591	-	979,591	85,167	Tax not reported by the Government Agencies
2.4	Customs duties	99,782	-	99,782	99,782	-	99,782	-	
2.5	Dividend Tax	-	-	-	-	-	-	-	
2.6	Personal Income tax (Pay As You Earn "PAYE")	718,709	-	718,709	-	-	-	718,709	Tax not reported by the Government Agencies
2.7	Capital gains	-	-	-	-	-	-	-	
2.8	Value Add Tax (VAT)	1,589,350	-	1,589,350	12,172,098	-	12,172,098	(10,582,748)	Tax not reported by the extractive company
2.9	Excise Tax	-	-	-	-	-	-	-	
2.10	Penalties	-	-	-	-	-	-	-	
2.11	Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12	Other material payments to ERCA	-	-	-	-	-	-	-	
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>		-	-	-	-	-	-	-	
3.1	Free Equity	-	-	-	-	-	-	-	
3.2	Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3	Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>		-	-	-	-	-	-	-	
4.1	Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2	Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>		<b>3,759,628</b>	<b>-</b>	<b>3,759,628</b>	<b>14,248,902</b>	<b>-</b>	<b>14,248,902</b>	<b>(10,489,274)</b>	
<b>B- Unilateral company disclosures</b>		-	-	-	-	-	-	-	
<b>6- Regional State Mining Authority</b>		-	-	-	-	-	-	-	
6.1	Royalties paid	-	-	-	-	-	-	-	
6.2	License Fees	-	-	-	-	-	-	-	
6.3	Penalties	-	-	-	-	-	-	-	
6.4	Land Rentals	-	-	-	-	-	-	-	
6.5	Other material payments to Regional State Mining Authority	-	-	-	-	-	-	-	
<b>7- Regional State Tax Authority</b>		-	-	-	-	-	-	-	
7.1	Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
7.2	Withholding tax on payments	-	-	-	-	-	-	-	
7.3	Personal Income tax (Pay As You Earn "PAYE")	-	-	-	-	-	-	-	
7.4	Excise duty	-	-	-	-	-	-	-	
7.5	Other material payments to Regional State Tax Authority	-	-	-	-	-	-	-	
<b>8- Social Contributions</b>		-	-	-	-	-	-	-	
8.1	Voluntary Corporate Social Responsibility	-	-	-	-	-	-	-	
8.2	Mandatory Social Responsibility	-	-	-	-	-	-	-	

Company name: Afdera Salt Producing Plc

Reporting period: 2015/16 (2008 EFY)

N°	Description of Payment	Per Company			Per Government			Final difference	Comment
		Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>		<b>2,123,661</b>	<b>-</b>	<b>2,123,661</b>	<b>928,986</b>	<b>1,188,925</b>	<b>2,117,911</b>	<b>5,750</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>		<b>221,752</b>	<b>-</b>	<b>221,752</b>	<b>158,677</b>	<b>59,504</b>	<b>218,181</b>	<b>3,570</b>	
1.1	Royalties paid	218,181	-	218,181	158,677	59,504	218,181	0	Not material difference < KETB 20
1.2	License Fees	-	-	-	-	-	-	-	
1.3	Penalties	3,570	-	3,570	-	-	-	3,570	Tax not reported by the Government Agencies
1.4	Land Rentals	-	-	-	-	-	-	-	
1.5	Signature Bonus	-	-	-	-	-	-	-	
1.6	Production bonuses	-	-	-	-	-	-	-	
1.7	Training Fees	-	-	-	-	-	-	-	
1.8	Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>		<b>1,901,909</b>	<b>-</b>	<b>1,901,909</b>	<b>770,308</b>	<b>1,129,421</b>	<b>1,899,730</b>	<b>2,179</b>	
2.1	Income tax : Schedule C (Mining)	975,647	-	975,647	-	975,647	975,647	-	
2.2	Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3	Withholding tax on payments	4,606	-	4,606	7,228	(2,622)	4,606	-	
2.4	Customs duties	-	-	-	-	-	-	-	
2.5	Dividend Tax	238,723	-	238,723	-	238,723	238,723	-	
2.6	Personal Income tax (Pay As You Earn "PAYE")	48,664	-	48,664	51,837	(19,361)	32,476	16,188	Tax not reported by the Government Agencies
2.7	Capital gains	-	-	-	-	-	-	-	
2.8	Value Add Tax (VAT)	634,269	-	634,269	670,887	(36,617)	634,269	(0)	Not material difference < KETB 20
2.9	Excise Tax	-	-	-	-	-	-	-	
2.10	Penalties	-	-	-	-	-	-	-	
2.11	Witholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12	Other material payments to ERCA	-	-	-	40,357	(26,348)	14,009	(14,009)	Tax not reported by the extractive company
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1	Free Equity	-	-	-	-	-	-	-	
3.2	Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3	Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1	Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2	Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>		<b>2,123,661</b>	<b>-</b>	<b>2,123,661</b>	<b>928,986</b>	<b>1,188,925</b>	<b>2,117,911</b>	<b>5,750</b>	
<b>B- Unilateral company disclosures</b>		<b>456,075</b>	<b>-</b>	<b>456,075</b>					
<b>6- Regional State Mining Authority</b>		<b>-</b>	<b>-</b>	<b>-</b>					
6.1	Royalties paid	-	-	-					
6.2	License Fees	-	-	-					
6.3	Penalties	-	-	-					
6.4	Land Rentals	-	-	-					
6.5	Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>		<b>414,603</b>	<b>-</b>	<b>414,603</b>					
7.1	Income tax : Schedule C (Normal)	-	-	-					
7.2	Withholding tax on payments	-	-	-					
7.3	Personal Income tax (Pay As You Earn "PAYE")	96,153	-	96,153					
7.4	Excise duty	318,450	-	318,450					
7.5	Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>		<b>41,472</b>	<b>-</b>	<b>41,472</b>					
8.1	Voluntary Corporate Social Responsibility	41,472	-	41,472					
8.2	Mandatory Social Responsibility	-	-	-					

Company name: Sourish Marbles Plc

Reporting period: 2015/16 (2008 EFY)

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
<b>A- Bilateral company disclosures</b>	<b>427,976</b>	<b>-</b>	<b>427,976</b>	<b>945,775</b>	<b>-</b>	<b>945,775</b>	<b>(517,799)</b>	
<b>1- Payments to Ministry of Mines Petroleum and Natural Gas (MMPNG)</b>	<b>222,402</b>	<b>-</b>	<b>222,402</b>	<b>222,402</b>	<b>-</b>	<b>222,402</b>	<b>0</b>	
1.1 Royalties paid	162,571	-	162,571	202,418	-	202,418	(39,847)	Tax not reported by the extractive company
1.2 License Fees	-	-	-	-	-	-	-	
1.3 Penalties	59,831	-	59,831	19,984	-	19,984	39,847	Tax not reported by the Government Agencies
1.4 Land Rentals	-	-	-	-	-	-	-	
1.5 Signature Bonus	-	-	-	-	-	-	-	
1.6 Production bonuses	-	-	-	-	-	-	-	
1.7 Training Fees	-	-	-	-	-	-	-	
1.8 Other material payments to Mining authority	-	-	-	-	-	-	-	
<b>2- Payments to Ethiopian Revenues and Customs Authority (ERCA)</b>	<b>205,574</b>	<b>-</b>	<b>205,574</b>	<b>723,373</b>	<b>-</b>	<b>723,373</b>	<b>(517,799)</b>	
2.1 Income tax : Schedule C (Mining)	-	-	-	-	-	-	-	
2.2 Income tax : Schedule C (Normal)	-	-	-	-	-	-	-	
2.3 Withholding tax on payments	-	-	-	227	-	227	(227)	Tax not reported by the extractive company
2.4 Customs duties	39,391	-	39,391	-	-	-	39,391	Tax not reported by the Government Agencies
2.5 Dividend Tax	-	-	-	-	-	-	-	
2.6 Personal Income tax (Pay As You Earn "PAYE")	-	-	-	33,766	-	33,766	(33,766)	Tax not reported by the extractive company
2.7 Capital gains	-	-	-	-	-	-	-	
2.8 Value Add Tax (VAT)	166,182	-	166,182	685,553	-	685,553	(519,371)	Tax not reported by the extractive company
2.9 Excise Tax	-	-	-	-	-	-	-	
2.10 Penalties	-	-	-	-	-	-	-	
2.11 Withholding tax on interests (foreign debt)	-	-	-	-	-	-	-	
2.12 Other material payments to ERCA	-	-	-	3,826	-	3,826	(3,826)	Tax not reported by the extractive company
<b>3- Payments to Ministry of Finance and Economic Cooperation (MoFEC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3.1 Free Equity	-	-	-	-	-	-	-	
3.2 Dividends from State Owned Companies	-	-	-	-	-	-	-	
3.3 Other material payments to MoFEC	-	-	-	-	-	-	-	
<b>4- Payment to State Owned Companies (SOC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
4.1 Dividends from Mining Companies	-	-	-	-	-	-	-	
4.2 Other payments	-	-	-	-	-	-	-	
<b>Total payments</b>	<b>427,976</b>	<b>-</b>	<b>427,976</b>	<b>945,775</b>	<b>-</b>	<b>945,775</b>	<b>(517,799)</b>	
<b>B- Unilateral company disclosures</b>	<b>3,390</b>	<b>-</b>	<b>3,390</b>					
<b>6- Regional State Mining Authority</b>	<b>3,390</b>	<b>-</b>	<b>3,390</b>					
6.1 Royalties paid	-	-	-					
6.2 License Fees	-	-	-					
6.3 Penalties	-	-	-					
6.4 Land Rentals	3,390	-	3,390					
6.5 Other material payments to Regional State Mining Authority	-	-	-					
<b>7- Regional State Tax Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>					
7.1 Income tax : Schedule C (Normal)	-	-	-					
7.2 Withholding tax on payments	-	-	-					
7.3 Personal Income tax (Pay As You Earn "PAYE")	-	-	-					
7.4 Excise duty	-	-	-					
7.5 Other material payments to Regional State Tax Authority	-	-	-					
<b>8- Social Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>					
8.1 Voluntary Corporate Social Responsibility	-	-	-					
8.2 Mandatory Social Responsibility	-	-	-					

**Annex 10: Data submission and reliability 2015/16**

N°	Name of company	Soft copy of the Reporting template (Submitted/Not submitted)	Audited Financial Statements (Submitted/Not submitted)	Hard copy of Reporting template signed by Senior Management (Submitted/Not submitted)	Reporting template certified by Auditor (Submitted/Not submitted)
1	Africa Oil Ethiopia B.V	Submitted	Submitted	Submitted	Submitted
2	POLY-GCL Petroleum Investments Ltd Ethiopian Branch	Submitted	Submitted	Submitted	Submitted
3	SouthWest Energy (HK) Ltd	Submitted	Submitted	Submitted	Submitted
4	NewAge Ethiopia Ltd	Submitted	Submitted	Submitted	Submitted
5	Delonex Energy Ethiopia Ltd	Submitted	Submitted	Submitted	Submitted
6	GPB Ethiopia Resources B.V	Submitted	Submitted	Submitted	Submitted
7	MIDROC Gold Mine Plc	Submitted	Submitted	Submitted	Submitted
8	Abijata-Shalla Soda Ash Sc	Submitted	Submitted	Submitted	Submitted
9	Pioneer Cement Manufacturing Plc	Submitted	Submitted	Not Submitted	Not Submitted
10	East Cement Sc	Submitted	Submitted	Submitted	Submitted
11	National Mining Corporation Plc	Submitted	Submitted	Submitted	Submitted
12	Derba Midroc Cement Plc	Submitted	Submitted	Submitted	Submitted
13	Dangote Industries (Ethiopia) Plc	Submitted	Submitted	Submitted	Not Submitted
14	Afar Salt Production Sc	Submitted	Submitted	Submitted	Submitted
15	Allied Chemical Plc	Submitted	Submitted	Submitted	Submitted
16	Erta Ale Salt Work Plc	Submitted	Submitted	Submitted	Submitted
17	Sammakka Stones Plc	Submitted	Not Submitted	Submitted	Not Submitted
18	Lucy Salt Producing Plc	Submitted	Submitted	Submitted	Submitted
19	Bezalel Construction Material Manufacturing Plc	Submitted	Submitted	Submitted	Submitted
20	East African Holding Sc	Submitted	Submitted	Submitted	Submitted
21	Inchini Bedrock Plc	Submitted	Submitted	Submitted	Submitted
22	Afdera Salt Producing Plc	Submitted	Submitted	Submitted	Submitted
23	Sourish Marbles Plc	Submitted	Submitted	Submitted	Submitted

**Annex 11: Persons contacted or involved in the scoping study****Moore Stephens LLP**

Tim Woodward	Partner
Ben Toorabally	Mission Director
Rached Maalej	Team Leader
Fidelys RAFENOMANANA	Audit Senior

**Ministry of Mines Petroleum and Natural Gas**

Motuma Mekassa	Federal Minister of the Ministry of Mines Petroleum and Natural Gas
Ketsela Tadesse	Director of Petroleum Licensing and Administration Directorate
Sisay Ayalew	Director of Mineral Licensing and Administration Directorate
Engdawork Dagne Endeshaw	Procurement, Finance and Property Administration Directorate Director

**Ethiopian Revenues and Customs Authority (ERCA)**

Girma Tefesse G Mariama	Federal Domestic Tax Affaire Support and Follow up Directorate Director
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**Ministry of Finance and Economic Cooperation**

Akililu G/Selassie Gebru	Heaf of Minister Office
Mulay Woldu	Senior Officer Ministry of Finance and Economic Development

**EEITI Secretariat**

Merga Kenea	Head, EEITI Secretariat Office
Mohamadsaid Hagos	EEITI Secretariat member
Daba Shoro	EEITI Secretariat member