Abstract

Rents from the extractive sector usually generate income and facilitate the development of States. However, the reverse is true as some countries sanctified with extractive natural resources are often inundated with poverty, low economic growth and conflicts. This has been triggered by the nonexistence of transparency in the management of natural resource wealth by governments. It is because of these setbacks that the Extractive Industry Transparency Initiative (EITI) was created with the intentions of ensuring transparency among member States. Cameroon’s membership and quest for transparency and compliance to EITI Rules between 2005 and 2015 was not an easy ride as it faced some hurdles. Though accepted as Candidate Country in 2007, her inability to institute transparency in the sector made it impossible for her to attain Compliance Status, three years after, as stipulated by EITI regulations. She was again retained as Candidate in 2013 and the satisfactory implementation of EITI Rules between 2013 and 2015 elevated her to the position of Compliant Country even though some adjustments were postulated by EITI. It is hoped that the pitfalls recorded by Cameroon in the EITI processes can serve as lessons to aspiring candidates in the search for compliance within EITI. Besides, efforts made by Cameroon through the EITI processes can also be adopted or
extended to other sectors of the economy in order to boost transparency which is perilous in the country.

**Keywords:** Extractive Industry; Transparency; Cameroon; Resource Governance; Oil and Gas;

1. **Introduction**

The Extractive industry is bisected by corruption and glitches of accountability over the years especially in developing countries in general and Sub-Saharan Africa in particular. This has been triggered by the nonexistence of transparency in the management of natural resource wealth by governments. The case of Cameroon is conspicuous as the opaqueness or opacity in this sector has greatly marred economic development over the years. Though this sector usually generate high economic rents and facilitates development (economic progress, increased investments, and improved wellbeing of citizens facilitated by the provision of social services), the reverse is true as some countries endowed with these resources even do worse than those not blessed with them (United Nations Development Programme 2012). This can be vindicated by the fact that countries imbued with these resources are often inundated with poverty, low economic growth, conflicts. This has been caused by the challenge of transparent governance and management as per the Revenue Watch Institute (2011). Lundgren, Thomas & York (2013) with strong evidence from Africa support this view when they insinuate that countries engaged in the extraction of natural resources in Sub-Saharan Africa are noted for their poor economic performance and instability. The cases of the Democratic Republic of Congo, Guinea, Chad and Nigeria where natural resources form the bulk (about 90%) of the country’s export, stands out distinct. Though sanctified with these resources as per the IMF (2012), they have the lowest per capita incomes in the World. As opined by Snyder (2006) and Boschini, Pettersson & Roine (2007), the negative effect of natural resource wealth is instigated by the eminence of fundamental governing establishments, indicting poor governance as the principal dilemma.

This vision has been captured by the Natural Resource Governance Institute (March 2015) which argues that weaker institutional developments are responsible for the poor management of wealth from
natural resources. The argument is sustained by the fact that elites might easily clench or take hold of large sums of revenue as well as projects which are usually not managed within the normal processes of state budgets. The Institute goes further to buttress the dictum that those in power have dismantled all forms of checks or processes that can be instituted in getting information relating these resources as this is limited only to friends or close collaborators as well as family members. As such, corruption becomes the watchword or catchphrase and efforts are made in blistering institutional development. Besides, the presence of natural resources has transformed democratic governments into authoritarian regimes as the elite does not rely on the people for public spending since there is available revenue from the extractive sector. The non-reliance on citizen taxation in the running of state affairs makes governments less responsive to citizen demands. This is especially true in cases where revenue from these resources is not known by citizens making them unable to indict the government. Added to this, the vacillation or persistence of conflicts in areas blessed with rich natural resources has remained a call for concern. This argument is permissible when it is substantiated with the cases of the Democratic Republic of the Congo, the Niger Delta, Iraq, Libya and Angola among other nations (Natural Resource Governance Institute, March 2015).

Though efforts had been made by the donor community, international financial institutions and non-governmental organisations (NGOs), African States still face major hitches in the management of natural resources wealth due to deficiencies in transparency (Rathinam, Cardoz, Siddiqui & Gaarder, March 2019). Hence, the lack of disclosure of funds from this sector becomes a serious problem as authorities treats it as state secret, leaving their peoples in the dark with little or no knowledge on the actual contributions of this sector to national budgets (Le Billon 2011). However, from the year 2000, Sub-Saharan African governments started showing some desires in the transparent management of these resources, thanks to the activities of the Extractive Industry Transparency Initiative (EITI) which Cameroon became a Candidate Country in 2005. Through this endeavour, guidelines were instituted and member states were oblige to implement them faithfully in a bid to ensure transparency and jettison this quagmire. With urge for transparency in the management of its extractive natural resource, Cameroon embraced the EITI procedures in 2005.
Worth mentioning is the fact that the absence of transparency breaded corruption and misappropriation of wealth from the extractive industry in Cameroon. The task of managing revenue from this sector was the onus of the National Hydrocarbons Corporation (NHC), created in 1980. The activities of this corporation and government actors made information with regard to income from this sector a state secret. This was only known by the president and his closest collaborators (Gauthier & Zeufack 2009). Pressure from donor nations, international financial institutions and NGOs and the quest for good governance forced the government to embrace transparency the management of state affairs in general and extractive industry in particular. The government of Cameroon thus engaged in the EITI processes with the aim of ensuring transparency in the transparent management of and proficient use of wealth from the extractive sector in uplifting the economic and social conditions of citizens.

To meet up with these objectives of EITI International, the national branch of EITI (hereafter refers to as EITI Cameroon) was created in the country in 2005 and charged with the obligation of making disclosures on revenue paid by companies and amounts received by government for each fiscal year. To implement these goals, Cameroon showed its willingness by putting in place the various structures of this organisation in the country and began with disclosures of the 2001-2004 fiscal years and later that of 2005. This became the prime prerequisites for its admission as EITI Candidate Country. These requirements were devotedly met by Cameroon earning her the status of Candidate Country in September 2007. With this accomplishment, Cameroon engaged in the next EITI process or steps for the attainment of Compliant Status. This could only be realistic if and only if EITI Cameroon implemented EITI guidelines or Indicators successfully for a period of 2.5 years. Unfortunately, the inability of Cameroon to meet up with its commitments devotedly undermined her intent of Compliance Status by 2010. Given the chance to upgrade, between November 2010 and the end of 2011, Cameroon responded favourably and as a result, the EITI Board retained her status as Candidate Country. It is at this juncture that the country underwent another validation process for Compliant Status. This was launched in June 2013 and by 2015 the country had satisfactorily implemented EITI Rules and was declared Compliant Country even though it still had some adjustments to make as stipulated by the International EITI Board.
It is hoped that through the assessment of the rough ride taken by Cameroon in the attainment of Compliant Status, the study can be of help to other countries interested in the EITI processes. The pitfalls recorded by Cameroon for more than ten years can serve as measuring rode for aspirants of the EITI processes facilitating their attainment of the Compliant Status with little or no difficulties. This is justified by the fact that they can systematically avoid the mistakes or technical blunders made by Cameroon in their engagements with EITI. The benedictions (that of transparency) gained from EITI endeavours and the use of non-state actors in ensuring transparency can be adopted by other sectors of the economy. In this way, problems of transparency that has hijacked Sub Saharan States in general and Cameroon in particular will be taken care of without major hitches.

The study is divided into five sections and the first handles the origin, objectives and EITI instruments which guaranties transparency in the management of natural resource wealth. This is followed by justifications for Cameroon’s membership and reasons why this would not be resisted by its government. Also, the process of implementation of EITI Principles and attainment of Candidate Status is analysed. It is from this point that the thorny path to Compliance, 2007-2013, is highlighted and the study rounds up with analyses on the effective implementation and attainment of the Compliance Status between 2013 and 2015.

2. Extractive Industry Transparency International as an Instrument of Transparency

The origin of EITI can be traced to the Prime Minister of Britain (Tony Blair) in 2002 when he called for the establishment of an institution that would ensure transparency in the management of wealth from natural resources during the Johannesburg Internationals Summit on Sustainable Development (Yates November 2009). As her duty, the organisation or institution had to serve as an instrument for the redistribution of revenue from the extractive industry to the poor and spur development especially in Sub-Saharan Africa through accountability and good governance. Constant monitoring and publishing of income paid to governments by oil companies annually were the methods prescribed for the attainment of these goals. As mentioned earlier, this proposal from Blair saw the light of

The outcome of the Lancaster summit can be attributed to intense civil society politicking, scholarly activism and policy making initiatives concerned with the poor management of resources or resource curse as opined by Giles (2010) and Bracking (2009). In this direction, the activities of NGOs such as Global Watch, Catholic Agency for Overseas Development (CAFOD) among others are credited. Their crusades magnificently expose the resource curse pandemonium and whipped up the attention of the public and later the World Bank on negative effects of this mayhem which was/is a cankerworm in the world today. For instance as indicated by the Catholic Agencies Briefing on Country by Country Report and EITI (June 2011), “… involvement in the EITI is based on the idea that natural resources exploitation should primarily benefit the people living where natural resources are extracted and contribute to the development of the whole country” (p.1). Hence, they questioned the relationship between extractive investment and development and it became glaring that there was inconsistency between the two as communities hosting these resources remained relatively poor.

The activism of NGOs, in this direction, won favour as they started receiving financial support from international foundations in their compulsion for sanity in the sector especially in developing countries. Their endeavours hardly went unnoticed by some governments resulting to impulses or cravings for the establishment of EITI proposed by Blair. This saw the light of day in 2003 (Aaronson & Brinkerhoff 2009 pp.4-6). This riposte or response was anchored on the inability of governments or State actors to manage these resources transparently as it was common for them to siphoned revenue and placed in private. Besides, government institutions were weak and accountability absent. This was accompanied by weak institutions or poor governance that made things worse as mentioned earlier. The end result was inadequate basic services, untold suffering, and inequality in society. As Lederman & Maloney (2007) and Sachs & Warner (1995) posit, this was occasioned by the inability of citizens to participate in the management of these resources leading to what they describe as resource curse. It should be noted that for any effective management of natural resources, the people must be able to hold their governments responsible and make sure that they are transparent. This is fundamental to trust building and freedom to make government
responsible (Eigen 2011 p.136). This is in line with EITI Principles adopted in Lancaster in 2001. These guidelines do not only stipulate the need for transparency and proper management of natural resource wealth but also emphasizes on techniques that can be used in achieving these goals as indicated in the following declarations of EITI;

1. We share a belief that the prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts.

2. We affirm that management of natural resource wealth for the benefit of a country’s citizens is in the domain of sovereign governments to be exercised in the interests of their national development.

3. We recognise that the benefits of resource extraction occur as revenue streams over many years and can be highly price dependent.

4. We recognise that a public understanding of government revenues and expenditure over time could help public debate and inform choice of appropriate and realistic options for sustainable development.

5. We underline the importance of transparency by governments and companies in the extractive industries and the need to enhance public financial management and accountability.

6. We recognise that achievement of greater transparency must be set in the context of respect for contracts and laws.

7. We recognise the enhanced environment for domestic and foreign direct investment that financial transparency may bring.

8. We believe in the principle and practice of accountability by government to all citizens for the stewardship of revenue streams and public expenditure.

9. We are committed to encouraging high standards of transparency and accountability in public life, government operations and in business.

10. We believe that a broadly consistent and workable approach to the disclosure of payments and revenues is required, which is simple to undertake and to use.
11. We believe that payments’ disclosure in a given country should involve all extractive industry companies operating in that country.

12. In seeking solutions, we believe that all stakeholders have important and relevant contributions to make – including governments and their agencies, extractive industry companies, service companies, multilateral organisations, financial organisations, investors and non-governmental organisations (EITI Rules 2011 Edition p. 10).

In order to make these prescriptions a reality, member states or parties are obliged to carry out the following obligations; disclose and reconcile extractive industries’ revenues paid to and received by governments (taxes, royalties and signature bonuses) and promote and strengthen the multi-stakeholder dialogue approach, inform public debate, and promote understanding. To achieve these objectives, the EITI Criteria or grid was formulated or put in place and it was incumbent on all member states to implement them and this had to do with the;

a. Regular publication of all material oil, gas and mining payments by companies to governments (“payments”) and all material revenues received by governments from oil, gas, and mining companies (“revenues”) to a wide audience in a publicly accessible, comprehensive, and comprehensible manner.

b. Where such audits do not already exist, payments and revenues are the subject of a credible, independent audit, applying international auditing standards.

c. Payments and revenues are reconciled by a credible, independent administrator, applying international auditing standards and with publication of the administrator’s opinion regarding that reconciliation including discrepancies, should any be identified.

d. This approach is extended to all companies including state owned enterprises.

e. Civil society is actively engaged as a participant in the design, monitoring and evaluation of this process and contributes toward public debate.

f. A public, financially sustainable work plan for all the above is developed by the host government, with assistance from the international financial institutions where required, including measurable targets, timetable for implementation, and an assessment of potential capacity constraints (EITI: 2010, 3; EITI Rules 2011 Edition p.11).
It was based in these principles and the yearning for transparency that Cameroon joined the organisation in 2005. As a member, the country’s initiative was subject to validation by EITI and four processes were involved. This had to do with the preparation of reports by a multi-stakeholder group (MSG) and Validated by EITI International Board, the collection of data and adherence to stakeholder consultation undertaken by the EITI International Secretariat, independent quality assurance done by an autonomous validator who reports directly to the EITI Board and lastly review of the country’s progress by the Board (EITI International Secretariat 2017).

For a country to go through EITI process, two procedures were involved. Firstly, it had to become a Candidate Country and later rise to a Compliant State. To be admitted or declared as a Candidate Country or EITI member, the State was expected to make public its intentions on implementing the EITI Rules, express its commitment to work with civil society and appoint a MSG. The MSG comprises of, a leader or senior individual, civil society, oil companies and State officials and charged with the responsibility of overseeing the implementation of the EITI standards through the publication and dissemination of the country’s work plan. This involved an outline of all the objectives, timetable and costs as well as evaluation of constraints in terms of capacities. It was only after this that the country could submit as a candidate country. The EITI Board had to review and assess the application through its Candidate Committee and if found worthy (the steps have been followed satisfactorily), the country was accepted as a Candidate Country. After acquiring this status, it had eighteen months to make public its EITI report and 2.5 years to commence the validation process (National Resource Governance Institute, March 2015; 2; Müller and Nodem February 2009).

The validation process begins with preparation of EITI reports by the MSG. This group is supported in the process by a national EITI secretariat. The creation of such a structure is one of the criteria in reaching the Candidate status. The EITI report takes into consideration the publication of revenue paid to governments by oil, gas and mining companies. It also ensures the publication of income received by the government from these companies. This is followed by a reconciliation of revenue paid and received by an independent administrator. This administrator which is usually chosen by the MSG investigates inconsistencies or discrepancies that may occur with regard to licenses and license allocations, in-kind
revenues, mandated social expenditures, subnational payments, transportation revenues and production data among others which are declared by government and oil companies. The report is submitted by the independent administrator to EITI and an independent agency or validator determines whether the country has complied with all EITI Standard. Based on or acting on the assessment of this independent agency, the EITI Board acting through its Validation Committee then based its decision on the following; requirement met, requirement not met but there is meaningful progress and requirement not met and no meaningful progress.

These requirements or standards involve; the establishment of a conducive environment for civil society participation by the government, its independent and full involvement in the process as well as companies’ engagement in the implementation of the EITI and this should be void of impediments. Hence, companies and civil society are expected to operate freely, independently and without coercion and government influence. The MSG must agree on the definition of materiality and reporting templates and unanimity in the choice of the reconciler or institution must be guaranteed. Hence, all stakeholders must be convince that the organisation is reliable, dependable and trustworthy and is competent technically. It is the duty of the government to ensure that all companies, both state and private owned, report their dealings to EITI and the audited accounts must be based on international standards.

Such reports or disclosures from companies must be in line with the templates agreed and MSG must be sure that the work done by the reconciling institution is satisfactory. While the contents of the reports must be convincing and acceptable by companies and stakeholders, the report presented by EITI must be all-inclusive, indicating all discrepancies and explanations given as well as proposals on what could be done to minimise such occurrences in future. The dissemination of EITI reports did not escape the minds of the body when it made it clear that, it (reports) must be made public and within the reach of citizens. Its comprehensibility (reports) must be in such a way that it can stimulates public debate. Finally, it is mandatory that extractive companies must support the implementation of EITI guidelines and government and multi-stakeholders are expected to give credence to proposals or act on recommendations made on the improvement of reports, eradicate discrepancies, ensure sustainability of the EITI implementation and the deadlines set by the Board for the submission of validation reports must be respected strictly (EITI Rules 2011
Edition). When it is clear that a country has met all these requirements, it is designated as EITI compliant and is expected to undertake validation every three years. It should be noted that the country’s first report after attaining the candidate status must be submitted after eighteen months. Through these processes, countries were obliged to be transparent in the management of revenue from natural resources. Hence

3. Justifications for Cameroon’s Engagement in the EITI Processes

Before Cameroon joined the EITI in 2005, management/transparency was guaranteed by the NHC that was created by Presidential Decree no. 80/086 in 1980. The institution managed not only the extractive sector resources but also provided information to the public on the nature and specificities of the petroleum sector in Cameroon, which was the only extractive natural resource in the country by then, annually (Editorial of SNH Infos no. 19, December 2005). In this connection, the corporation gave information on the activities of state and international oil companies that operated in the territory. The definition of policy in the oil industry with regard to marketing and taxation system fell under their modus operandi. In spite of these responsibilities, transparency remained a cherished myth as little or nothing was done in making information available on the state of oil resources in the country. The contribution of oil revenue to the budget was difficult to determine and Cameroonians were kept in the dark. The suspicious nature with which these finances were managed caught the attention of the French Newspaper, Le FIGARO, when its publication of January 17, 2007 talked of suspicious financial transactions between the company and local subsidiary, TRADEX PLC. These and other accusations of financial secrecy have been refuted by the NHC as it holds that its financial deals are transparent.

Other schools of thought contends that oil money was a state secret only known to those closer to the president and information about it was hidden to the public or citizens and was referred to as ‘extra budgetary account’. Besides, it was used to serve the political interests or clienteles of the leaders. Transparency was absent and mismanagements became a characteristic feature of finances from the oil sector. These arguments have been sustained by Gauthier & Zeufack (2009) when they opine that;

Until now there is virtually no information whatsoever on the transactions on the account between 1977 and 1980 and information on
contribution of this account to the budget between 1980 and 1985 has only been approximated by the World Bank. Basic information such as the currency in which the resources were placed is a State secret. Discussion of its management was taboo and could lead to imprisonment if not worse…. The same lack of transparency continued even after Mr. Biya took over from Mr. Ahidjo (p.23).

Though funds from these accounts were used in funding the country’s investment budget between 1980 and 1986, financial mismanagement was common. Gauthier & Zeufack (2009) continues;

Building on the opacity and secrecy around the account and oil production in Cameroon in general, Presidents Ahidjo and, starting in November 1982, Biya, might have used the resources to serve their respective political clienteles. In 1986, the brutal drop in oil prices forced the government to draw more on the secret account. In 1988, the signing of the first stand-by agreement with the IMF forced the Government to repatriate more and more resources from the account to the budget (Ibid.)

This is a vivid description of the state of affairs in the management of the oil sector in Cameroon. Lack of transparency gave Cameroon a bad image as mismanagement greatly worked against the provision of social services and economic development of the country. Besides, the image of the country was tainted as Cameroon won the honour role as the most corrupt nation in the world in two occasions (Onga 2012 pp.1-2). Cameroon was also chastised by the international community for bad governance and corruption and was advised to reform its economic sector with focus on good governance.

In order to turn the tides, Cameroon adopted a National Governance Program in June, 2000 aimed at encouraging good governance. Emphases were placed on improving transparency and accountability, efficient delivery of basic social services, promoting investment by improving on the state of law and legal system. The program also took cognisance of the need for speeding up the process of power decentralisation and devolution and establishment of a worthwhile system of information dissemination to the people in so far as public affairs were concern (African Forum and Network on Debt and Development 2007 p.22). The goals of the governance program fitted squarely into the aspirations of EITI and Cameroon had no

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1 The territory was ranked 1st, 85 out of 85 countries in the CPI index in 1998, and also 98 out of 98 in the proceeding year.
choice but to embrace it. It was because of these factors that Cameroon expressed her intention of joining EITI.

4. Ride to Candidacy

As mentioned earlier, Cameroon joined EITI in March 2005 and in June of that same year, a Prime Ministerial Decree no. 2005/2076/PM of 16\textsuperscript{th} created a Follow-up Committee. This was to facilitate the effective implementation of EITI policies and the organ placed under the auspices of the Ministry of Economy and Finance (MINEFI). To coordinate its activities a Counsellor appointed by the government and charged with the responsibility of following-up and ensuring the implementation of EITI principles. Membership of the Follow-up Committee was not limited to State officials but also comprised of representatives from parastatals, private sector and civil society. According to the decree, the Committee composed of twenty (24) members; eight (8) members from the public and para-public companies, civil society, ten (10) and six (6) from extractive companies. The decree therefore indicated three constituencies for representation in EITI Cameroon. The June Decree was followed by the creation of a Technical Secretariat. This was through Decree no. 002328/MINEFI/CAB of 15\textsuperscript{th} September 2005. By this decree, the Technical Secretariat was established and had the onus of examining and preparing files for submission to the Follow-up Committee. It also carried out secretariat services for the Commission, follow-up and implements decisions of the Committee, drafted work plans, take care of archives and documentation and above all accomplish tasks assigned to it by Committee. It was after the constitution of these bodies that a working plan was adopted on 16\textsuperscript{th} January 2006 (Ministry of Economy and Finance November 2006 pp.4-5).

The first assignment of the Counsellor and Committee was to reconcile data for the years, 2001-2004. In this direction, a consultant was employed to work with the EITI Follow-up Committee and table a report on data of oil companies and analysis as well as comments and recommendations on the statistical data. The consultant took into consideration the following factors in preparing their report; reconciliations between oil companies and the State and its components, NHC and the Treasury Headquarters, the taxes headquarters and the Treasury Headquarters and taxes headquarters and the Hydrocarbons Sub direction. By December 2006, the first report
was ready. This exercise was again carried out for the 2005 fiscal year and the report of the reconciliation made available by 31st May 2007 (Ministry of Economy and Finance November 2007 pp.7-8). With progress made in the Extractive industry, Cameroon was declared a Candidate Country in September 2007 by a meeting of the EITI Board of Directors.

Cameroon’s acquiescence with the stipulated indicators of EITI was thus welcome by EITI (Müller and Nodem, February 2009 p.1; Ministry of Finance November 2006 p. 23 & Ministry of Finance March 2007 p.22). For once, Cameroonian would have access to information on the financial contributions of the oil sector to the economy of their country,\(^2\) thanks to the EITI endeavours (See Table 1 for disclosures made between 2001 and 2005). It was after this process that Cameroon looked forward to the validation process as a Compliant Country.

**Table 1: Income Reported by EITI Cameroon between 2001 and 2008 in US$ (Millions)**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Date of Publication</th>
<th>Sectors Covered</th>
<th>Government Revenue</th>
<th>Company Revenue</th>
<th>No. of Companies Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>July 2010</td>
<td>Oil, gas and mining</td>
<td>321.30</td>
<td>244.60</td>
<td>19</td>
</tr>
<tr>
<td>2007</td>
<td>July 2010</td>
<td>Oil, gas and mining</td>
<td>217.10</td>
<td>209.10</td>
<td>19</td>
</tr>
<tr>
<td>2006</td>
<td>July 2010</td>
<td>Oil, gas and mining</td>
<td>181.00</td>
<td>204.85</td>
<td>19</td>
</tr>
<tr>
<td>2005</td>
<td>Mar 2007</td>
<td>Oil and gas</td>
<td>203.48</td>
<td>172.49</td>
<td>13</td>
</tr>
<tr>
<td>2004</td>
<td>Nov 2006</td>
<td>Oil and gas</td>
<td>164.62</td>
<td>120.98</td>
<td>5</td>
</tr>
<tr>
<td>2003</td>
<td>Nov 2006</td>
<td>Oil and gas</td>
<td>126.21</td>
<td>49.06</td>
<td>5</td>
</tr>
<tr>
<td>2002</td>
<td>Nov 2006</td>
<td>Oil and gas</td>
<td>47.39</td>
<td>NA</td>
<td>5</td>
</tr>
<tr>
<td>2001</td>
<td>Nov 2006</td>
<td>Oil and gas</td>
<td>NA</td>
<td>NA</td>
<td>5</td>
</tr>
</tbody>
</table>


\(^2\) Only oil and gas were considered in the initial stage of the EITI reports and mining only became part of the process after the 2005 report. That is from 2006 fiscal year.
5. Path to Compliance: Turbulence and Setbacks 2007-2013

With the ascension of Cameroon to Candidate status in 2007, she was expected to become a Compliant Country by 2010 if conditions laid down by EITI were respected. The EITI Committee had been formed, civil society, State companies and agencies engaged, and a working plan for 2006-2008 put in place as well as a reconciler, Hart Group, recruited to reconcile revenue. Cameroon EITI, in line with EITI International program of activities, had to publish the 2006, 2007 and 2008 reports in March 2010 (Ministry of Finance, July 2010). However, the deadline was not respected and the EITI could not carry out the validation. Cameroon’s demand for an extension was accepted. Even though there was enormous progress in the management of or transparency in the extractive industry, the country would not attain the compliant status and had to begin the EITI process all over again. A number of reasons accounted for this.

To begin with, the declarations or publications from extractive companies were irregular and often reached EITI and conciliators late (EITI August 2013 p.15). According to the July 2010 report of Cameroon EITI, the companies wasted much time in filling and submitting the templates validated by the Technical Committee. Hence, the delay in submitting information on the production of the financial and accounting activities slowed down the work of the Committee and the timeframe for the reports impacted negatively (Ministry of Finance July 2010). As reported by the 2013 validation reports, issues were further complicated by the fact that;

No materiality threshold is defined in the EITI reports and no check is undertaken to verify the comprehensiveness of the payments selected in the Scope; no action to render the reported data more reliable has been taken; the discrepancies presented in the 2006-2008 EITI report were not subject to a thorough analysis; the EITI reports are not sufficiently made accessible to the public (p.15).

By this, it is clear that EITI standards were not satisfactorily respected. As such, Cameroon was given another chance to upgrade on the various pitfalls recorded in the July 2010 report between November 2010 and the end of 2011. To accomplish the exercise, a new reconciler, Moore Stephen, was recruited in July 2012 for the 2009-2010 report and results were expected by December 2012. In February 2013, the information was disseminated to the members of government, diplomatic core, donors, the international committee and civil society did much in carrying the
information to some Regions of Cameroon. It was based on this progress that Cameroon retained its Candidate Status (EITI 2013) and had to undergo the Complaint Status process again. The non-respect of validation requirement 14 which entails the disclosure of all material payments in accordance with the agreed reporting templates by the State and private oil companies led to a favourable response from the EITI Board on February 15th 2012. Hence, a new validation process was launched in June 2013.

Equating Cameroon’s situation with other countries around the World, concerning number of years spent in attaining the Compliance Status, the country wasted much time in adhering to EITI Rules indicating that transparency was not really visible in the management of the natural resource wealth of the country. Table 2 depicts the list of countries that gained compliance and number of fiscal years spent in attaining that status when compared to Cameroon.

<table>
<thead>
<tr>
<th>Country</th>
<th>Status</th>
<th>Fiscal Periods Covered</th>
<th>Covering Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Candidate</td>
<td>1</td>
<td>2009</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>Compliant</td>
<td>8</td>
<td>2010</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>Candidate</td>
<td>2</td>
<td>2008-2009</td>
</tr>
<tr>
<td>Cameroon</td>
<td>Candidate</td>
<td>8</td>
<td>2006-2008</td>
</tr>
<tr>
<td>Central African Republic</td>
<td>Compliant</td>
<td>4</td>
<td>2007-2009</td>
</tr>
<tr>
<td>Congo</td>
<td>Candidate</td>
<td>7</td>
<td>2010</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>Candidate</td>
<td>2</td>
<td>2006-2007</td>
</tr>
<tr>
<td>DR Congo</td>
<td>Candidate</td>
<td>1</td>
<td>2007</td>
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<td>Gabon</td>
<td>Candidate</td>
<td>3</td>
<td>2006</td>
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<tr>
<td>Ghana</td>
<td>Compliant</td>
<td>6</td>
<td>2009</td>
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<tr>
<td>Guinea</td>
<td>Candidate</td>
<td>1</td>
<td>2005</td>
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<td>Iraq</td>
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<tr>
<td>Kazakhstan</td>
<td>Candidate</td>
<td>5</td>
<td>2009</td>
</tr>
<tr>
<td>Kyrgyz Republic</td>
<td>Compliant</td>
<td>6</td>
<td>2009</td>
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<tr>
<td>Liberia</td>
<td>Compliant</td>
<td>3</td>
<td>Jul 2009-Jun 2010</td>
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<tr>
<td>Madagascar</td>
<td>Candidate</td>
<td>3</td>
<td>2007-10</td>
</tr>
<tr>
<td>Mali</td>
<td>Compliant</td>
<td>4</td>
<td>2009</td>
</tr>
<tr>
<td>Mauritania</td>
<td>Candidate</td>
<td>5</td>
<td>2009</td>
</tr>
<tr>
<td>Mongolia</td>
<td>Compliant</td>
<td>4</td>
<td>2009</td>
</tr>
</tbody>
</table>
Mozambique | Candidate | 1 | 2008
Niger | Compliant | 5 | 2007-2009
Nigeria | Compliant | 10 | 2006-2008
Norway | Compliant | 2 | 2009
Peru | Candidate | 7 | 2008-2010
Sierra Leone | Candidate | 2 | 2006-2007
Tanzania | Candidate | 1 | Jul 2008-Jun 2009
East Timor | Compliant | 2 | 2009
Yemen | Compliant | 3 | 2006-08
Zambia | Candidate | 1 | 2008


As seen on table 2, the progress made by Cameroon is not appreciable when compared to other countries in terms of number of fiscal years/reports presented. It is appalling that Cameroon with nine (9) fiscal years/reports is unable to reach the Compliance Status when compared to countries like Norway and East Timor with just two fiscal years. This is equally true for Yemen and Liberia with just three fiscal years as well as Central African Republic, Mali and Mongolia attaining the status of compliance just after four fiscal years as Candidate Country. Niger, Ghana and Kyrgyz had battled for five, six and six years respectively and Azerbaijan eight fiscal years, just like Cameroon. Even though Cameroon’s position was better than Madagascar that was suspended in 2011, it did not auger well for the State when compared to the progress made by other countries especially in Sub-Saharan Africa. Hence, the country had to work extra hard in attaining the Compliance Status in the next validation process envisioned for 2015.

3 Madagascar was suspended by the International EITI Board decision on 25th October 2011 in response to the coup d’état orchestrated in the Country by the military. However, Madagascar was reinstated by the Board on 6 June 2014 following the election of a democratically elected president into office in December 2013 as well as formation of a new government in April 2014.
6. Revival of the EITI Process and Attainment of the Compliant Status

In order to prepare for the new validation process, Cameroon had to address the issues raised by the EITI International Board. In this direction, the number of civil society representation in the EITI Follow-Up Committee of EITI Cameroon was increased. The 2005 PM’s decree of 16 June 2005 which had given the opportunity for ten (10) civil society representatives on a Board of twenty four (24) but the Cameroon authorities thought it wise to increase their representation to fourteen (14). As mentioned before now, the law talked of the appointment of two members of Parliament; one from the opposition and the other from the majority in the house. It also gave one position to the Chairman of the Cameroon Chapter for Transparency International, and another to the Chairman for the Cameroon Union of Journalists. Again, NGOs had to be represented by three members as well as local government units.

In line with changes made in terms of representation, in 2013, fourteen (14) representatives were appointed to represent the civil society by 2013. However, local governments’ representation numbered one (1) instead of three (3) as per the law. Instead of three (3), nine (9) NGOs’ representatives were appointed to the Committee. This move was not resisted by other constituencies of the Committee from. To them, this was necessary to improve on the activities of the Technical Secretariat in relation to human resources. Mostly men of experience who were not only knowledgeable but also had enormous interest in the extractive sector, they were seen as lubricant to the Committee. To crown it all, this was a perfect representation of the Cameroon civil society (EITI 2013).

To further justify this move, the Cameroon civil society members appointed to the Board were entrenched in the activities of EITI. They had received training in several workshops in the past. A case in point was the “EITI implementation in Cameroon” which took place between the 22nd and 23rd September 2008; the 2011 EITI International Conference in London; the capacity building seminar that focused on the management of environmental and social risks, revenues and development as well as governance which held from the 23rd to the 25th July 2011 in Yaounde, the capital city of Cameroon. The training workshop using reporting templates of EITI organized by the Moore Stephens’ Group in Yaounde, on the 28th November 2012 and report presentation workshops organised by EITI in
2009 and 2010 among others was a virtue that would not be overlooked by authorities. The fervent belief that civil society is more reliable than other societal constituents in the dissemination of information as seen in their activities in light of EITI reports between 2009 and 2010 was an added impetus. The trips carried out by five civil society representatives to some regions of Cameroon in order to raise awareness on EITI reports in 2013 hardly went unnoticed. Besides, civil societies are independent of government action and can give reliable information. It is based on these virtues that their larger numbers were applauded by EITI International and other constituencies in EITI Cameroon (Ibid).

The representation of extractive companies was six as per the June 16th 2005 law. This had to be restructured due to increase in purchases of shares and restructuring of EITI Cameroon. In this light, extractive industry representation was only four instead of six but NHC, the government representative, brought the number to five. That notwithstanding, the major mining companies in Cameroon were represented in the Cameroon EITI. Worthy to note is the fact all groups actively participated in the communication and capacity building actions of EITI in order to upset the problems that worked against Cameroon’s attainment of compliance Cameroon in 2011. Most particularly, action was based on the use of data collection form, data collection and reporting. Support from the extractive companies was also encouraging as they;

publicly state [their] support to the EITI implementation process in Cameroon […], [commit] to comply with all the Requirements related to the implementation of the Initiative, particularly to the actual participation in the reconciliation, in the Validation process, in the activities and funding of the multi-stakeholder group ("EITI Committee") in charge of the implementation of the EITI in Cameroon (Ibid. p.19).

In response, about twenty companies responded favourably to the EITI Cameroon quest for information and reconciliation for the 2009 and 2010 fiscal years. Besides, the budget and work plan of 2012-2014 EITI Cameroon was made public and this was 631,000 US dollars. With this background work, Moore Group continued with the constitution of the 2010 and 2011 reports processes and in December 2013, the reports were ready. This is equally true for the state of affairs in 2012 and 2013 where reports for these years were reported in June and December of 2014 respectively. According to the reports, much progress had been made with
regard to the implementation of the 2011 EITI Rules satisfactorily and Cameroon was declared compliant in 2015.

This does not mean that Cameroon complied excellently with all the EITI requirements. For instance, the absence of some members of the EITI Committee as per the decree of 16 June 2005; the Chairman of the Observatory Anti-Corruption as part of the government representative, two (2) representatives of the decentralised territorial units as part of civil society representation and Chairman of the Groupement Interpatronal du Cameroun, as part of the representative of extractive companies as well as more members of the extractive companies. As per the law, there was supposed to be six (6) six members from this constituency (companies) but their representation fell short of that. They also talked of a permanent structure of the Technical Secretariat. The argument was that, the body would be more independent of the Ministry of Finance if hosted in its own structure. Before this date, the structure operated from the structures of the Ministry and it was also made known by EITI Board that the institution needed more staff and experts in the Technical Secretariat in order to ensure efficiency. Building the capacity of the members of EITI Cameroon and Technical Secretariat was also recommended.

The organization and centralisation of data in such a way that the database; main legal, fiscal, social, economic and financial information among others, would be access easily. The complete implementation of the activities of the work plan was also suggested. This was because some of them were partially or not implemented at all. This was equally true for the budget where expenditures associated with each activity were not disclosed and there was need for its inclusion in future accounts. In spite of these impediments of EITI Cameroon, the EITI Board argued that such impairments were insignificant in affecting the transparency of the extractive industry in Cameroon. However, more efficiency could be achieved if these shortcomings were addressed and this was to be the focus of EITI Cameroon for the next three years if it still had to maintain its compliance status.

7. Conclusion

The extractive industry has been faced with the problems of Corruption, mismanagement and misappropriation of revenue and this has been facilitated by the nonexistence of transparency. It is as a result these
unfortunate predicaments that the Extractive EITI was instituted to accompany governments in their impulses for accountability and transparent management of natural resource wealth. In its quest for transparency and proper management of revenue from this sector, Cameroon joined this venture in 2005 and established of EITI Cameroon. Its desire to implement EITI indicators culminated in the acceptance of the country as EITI Candidate in 2007 with the hope of acquiring the Compliance Status in 2010. However, the improper implementation of the EITI Rules made it impossible for the Country to be declared compliant and she was given the opportunity to carry out some adjustments in order to retain her status as candidate Country. With a favourable response and progress made in that direction, Cameroon was retained as Candidate Country and had to undergo the validation process again between 2013 and 2015. With the successful implementation of EITI Rules, she was declared compliant in 2015 though called upon to make some amendments that would effectively tarry its activities with the EITI Rules. With this bumpy course taken by Cameroon, the study concludes that pitfalls witnessed by the territory can serve as lessons for countries interested in the EITI process. The processes underwent by EITI Cameroon can also be embraced by other sectors of the economy and through this process, the incessant corruption and embezzlement of state funds reported over the years will checked.

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