

REPORT

OF THE CAPACITY BUILDING WORKSHOP FOR PARLIAMENTARIANS, CSOs AND THE MEDIA ON THE ANALYSIS OF THE INTERNATIONAL TAX SYSTEM AND THE MONITORING OF TAX FAIRNESS IN CAMEROON



From 25 to 27 May 2022 in Kribi

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1. BACKGROUND AND JUSTIFICATION

The mobilisation of domestic resources is important for African states. It is even imperative in the context of the current health, security, economic and social crises. It allows the level of budgetary revenue to be improved in order to finance development objectives on a more rational, objective and optimal basis.

In order to contribute to the promotion of tax fairness at all levels, civil society organisations, the media, the Decentralised Territorial Collectivities (DTCs), citizens and many other stakeholders, motivated by the implementation of the CEMAC Directive on transparency and good governance in public finances within States, want to understand these normative frameworks, their determinants and their influences on the functions of taxation in public finances.

Tax justice and fairness should be the backbone of a progressive economic policy and especially of an ambitious programme of emergence, as is the case for Cameroon today. According to an analysis by the non-governmental organisation Tax Justice Network, Cameroon loses an estimated \$140 million (CFAF 78 billion) in tax revenue each year. This is more than enough to multiply the combined annual budgets of the Ministry of Social Affairs and the Ministry for the Promotion of Women and the Family by five, for example.

Thus, the State of Tax Fairness in Cameroon helps to strengthen advocacy activities at both national and local levels. The November 2021 edition of the State of Tax Fairness in Cameroon provides an overview of the national tax system and identifies the main challenges it faces. While it provides reliable evidence for lobbying and advocacy work for tax fairness in Cameroon, it strengthens the conviction of parliamentarians, the media and civil society organisations, including businesses, for a structured dialogue on public finance in general and taxation in particular, and reinforces their legitimacy and power of influence vis-à-vis the tax administration.

Since 2015, Tax Justice Network Africa (TJNA), in collaboration with civil society organisations (CSOs), has been working to support the African Parliamentarians Network on Illicit Financial Flows and Taxation (APNIFFT). Also, with the participation of the African Regional Centre for Endogenous and Community Development (CRADEC), TJNA organised the annual meeting of the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT) from 27 to 29 September 2021 in Dakar with the presence of 4 Cameroonian parliamentarians (2 senators and 2 deputies). The latter attended the training on Illicit Financial Flows (IFF) and Taxation. Furthermore, CRADEC has extended the process within the framework of the Pan-African Country Conference on the theme "Fighting IFFs to bridge the growing inequality gap in Africa" in October 2021.

Another CRADEC partner, the Tax Justice Network (TJN), has developed a tool to understand global financial secrecy, tax havens or secret jurisdictions, and illicit financial flows or capital flight. This **Financial Secrecy Index** ranks jurisdictions according to their secrecy and the extent of their offshore financial activities.

Thus, CRADEC and its partners would like to pursue these dynamics in eccentric circles to develop a critical mass of actors capable of defending tax justice in order to guarantee budgetary sovereignty capable of financing the objectives of sustainable development in Cameroon. However, these initiatives should be based on an update on the current challenges and issues on knowledge, analytical tools and their use for monitoring the mobilisation of domestic resources supported by tax justice and the fight against IFFs, Non-Double Taxation Agreements, tax exemptions, and the implementation of the Africa Mining Vision in relation to transparency in the extractive industries in Cameroon.

The implementation of the actions "**Strengthening Tax Justice**" financed by the Norwegian Development Agency (NORAD) with the support of Tax Justice Network Africa on the one hand

and "**Strengthening Fiscal Governance for the Provision of Basic Sustainable Services in the Respect of Environmental Preservation**" financed by the European Union on the other hand provides an opportunity for capacity building and engagement of parliamentarians, CSOs and the media on the analysis of the international tax system and the monitoring of tax fairness in Cameroon, alongside the administrations in charge.

2. MAIN OBJECTIVE

The main objective of the workshop was to provide stakeholders (administrations, parliamentarians, CSOs and the media) with a platform for capacity building and exchange on issues aligned with the national and international tax system, financial transparency and monitoring of tax fairness to finance sustainable development objectives through the National Development Strategy 2020-2030 (NDS30) in Cameroon.

3. SPECIFIC OBJECTIVES

In the run-up to the June parliamentary session, the specific objectives were:

- Understand and discuss how the government can mobilise domestic resources in a way that respects tax equity in Cameroon;
- Discuss synergies that can be generated to promote tax fairness and financial transparency in Cameroon in order to initiate advocacy;
- Place parliamentarians, CSOs and the media at the forefront of the promotion of tax fairness and the fight against financial secrecy, fraud and international tax evasion, for the financing of the NDS30.

4. RESULTS

The results of the workshop are as follows:

- 50 people (administrations, parliamentarians, CSOs and the media) were informed and equipped on the issue of national and international taxation;
- 50 people (administrations, parliamentarians, CSOs and the media) were informed and equipped on the financial privacy index;
- Strategy elements and advocacy tools for reforms in the areas of tax fairness and the fight against IFFs, exemptions, double taxation treaties, implementation of the AMV have been formulated for the government.
- Increased political commitment of stakeholders (parliamentarians, CSOs and the media) to work with administrations to improve tax revenue mobilisation strategies was expressed.

II. PROCEEDINGS OF THE WORKSHOP

The workshop was international in scope and was attended by fifty (50) citizens from a wide range of backgrounds and professional affiliations, including:

- Parliamentarians;
- State institutions, namely: the Ministry in charge of mines (MINMIDT), the National Governance Programme (PNG);
- The EITI Permanent Secretariat;

- CSOs: CRADEC, DMJ, ADIN, Afroleadership, TI-Cameroon, ACIC, CEPEDIC, AGNR, FODER, PWYP, GAD, CAFAGB, RELUFA, SNJP, AFEMIC, ROSFIP, WILPF;
- International Organisations: Tax Justice Network (London) and Tax Justice Network Africa (Kenya, Nigeria);
- Media: Ecofin, Integration, Mutations, The Guardian Post, Défis Actuels.

There were three main stages in the work, namely:

- The opening ceremony;
- The technical phase including presentations, discussions and recommendations; and
- The closing ceremony.

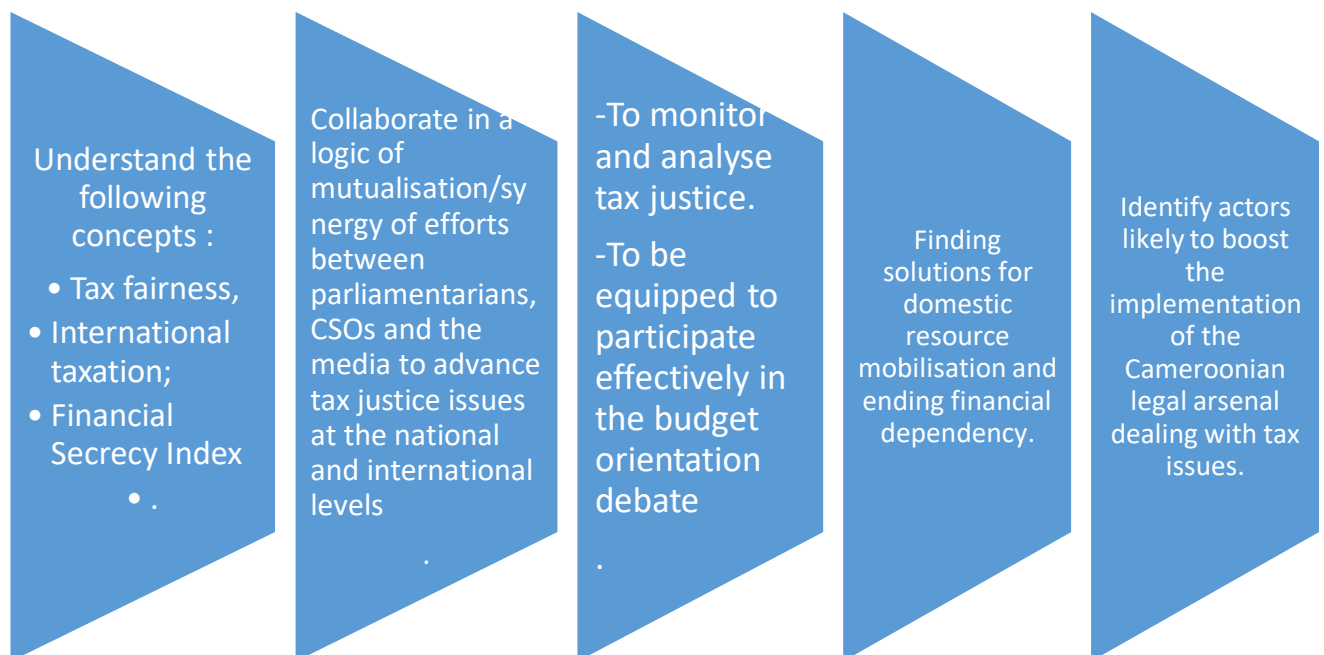
Session 1. THE OPENING CEREMONY

The opening ceremony of the workshop was punctuated by two features, namely:

- The playing of the National Anthem led by Mrs. **Audrey ENENGBINE** of CRADEC;
- The speeches of:
 - Mr Mballa Mballa Jean, Executive Director of CRADEC;
 - Mr. MBARGA Dieudonné of PNG;
 - Hon. Marie Louise TCHOUAGA.

Expectations of the participants

The introductory session ended with the expression of the expectations of the various participants. The following is a summary of these expectations:



Thereafter, the actual work began, which took place in plenary panel sessions for exchange and discussion.

Session 2. Understanding the tax and investment regimes in Cameroon and Double Taxation Agreements



The presentation and explanation of key concepts (tax and investment systems from the perspective of domestic resource mobilisation in the areas of tax incentives, double taxation agreements (DTAs), tax fairness monitoring and the implementation of the Africa Mining Vision (AMV) at the national level) were made by **Idriss Linge** and moderated by **Jean MBALLA MBALLA**.

Idriss's speech showed that in order to develop, states mobilise resources for their development through taxes, international debt and also compensation for the lack of infrastructure or services within their borders (through the implementation of projects by a foreign company or by purchasing goods on the international market). For this last option, the problem arises of how to tax this type of company that comes to "help" us. This is where double taxation agreements (DTAs) come from, based on the principle that if a company is already taxed where it is based, it should not be asked to pay tax again in another country where it invests. This practice is therefore intended to secure tax and attract an investor to a country. However, companies rely on this type of agreement to avoid paying the right tax. How? A company X from a country with which Cameroon does not have a NDTCs agrees with which we have a NDTCs. So by agreeing with a company from country Y to provide the service or good requested by Cameroon, the NDTCs will apply to country Y, which is opposite us and with which there is a NDTCs, while the final beneficiary, country X, with which there is no agreement will not be taxed. These practices have led to reflection on the harmonisation of an international tax system. Should we continue with these agreements? Especially since these agreements lead to facilitation and exemption agreements between the state and these companies, which usually leave us with an environmental liability that constitutes a loss for the state? Should we have a global tax system that, as with the OECD, hardly benefits Africans? Is the objective of attracting investors being achieved? How many jobs are created? How much revenue is generated? Is it enough to make up for the environmental liabilities left by these

companies? And so the reflection is more towards an international tax system based on the United Nations system. And it would be good if Cameroon could join this reflection.

Discussions

At the end of this presentation, discussions took place, allowing for a series of questions to be raised, notably on: (i) the gains of Cameroon and its populations in the Double Taxation Agreements; (ii) the existence of indicator(s) of sincerity of foreign partners; (iii) the necessity, or rather the relevance of continuing with or abolishing these agreements which are not beneficial to us; (iv) the fair taxation (tax equity) of these companies which come to invest in Cameroon; (v) the difference between tax and non-tax revenues; (vi) the beneficiaries of these NDTCs; (vii) the effectiveness of Cameroon's adherence to the practice of non-double taxation insofar as the implementing texts on this measure are still missing; and (viii) the control to be carried out by the legislative power in this regard.

Findings and Recommendations

These questions led to a number of findings:

- It is important to always be reassured of the elements of guarantee and control to avoid leakage of the national resource;
- - there is no sincerity on the part of foreign companies because the principle of capital is return. Thus, it is necessary to: (i) put in place tools to limit the effects of these agreements (ii) strengthen the capacity of parliamentarians to control and monitor-evaluate the contracts that the State of Cameroon signs;
- - These states are already far ahead of us in the business world, including in terms of technology, and we cannot be at an advantage over them;
- - The companies (multinationals) have a very strong lobby including on the international tax system. They pay firms to examine the loopholes of the tax systems and not to pay taxes;
- - This state of disadvantage therefore prompts a sustained discussion for an International Convention under the aegis of the United Nations, global contracts to limit abuse;
- - Cameroon did sign a bilateral convention in 2021 and the instrument allowing this agreement to take effect was recently deposited. Cameroon has, however, expressed reservations on the application of this convention for the five NDTCs previously signed by Cameroon. Nevertheless, the application of this bilateral agreement will not influence these NDTCs .
- - Parliamentarians and civil society should encourage decision-makers to adhere to a UN international tax system;
- - When signing the agreements, we must ask ourselves what we will lose and what we will gain,
- - Having a law to trace the actual owners would be a safeguard to avoid illicit financial transactions;
- - Cameroon should ask to be part of the information exchange process like Nigeria, Ghana and others, and insist on having a law on reporting turnover by country;
- - The data is available but there is some asymmetry of information due to the poor exploitation of available documents and information;
- - CSOs that lack resources and skills need to be equipped on taxation issues at the analytical level and not only at the development level.

Session 3. Analysis of the roles of stakeholders in the reforms (parliamentarians, CSOs and the media) in promoting tax justice and tax fairness)



This session introduced participants to the different roles of stakeholders in the formulation, implementation and monitoring of tax and investment systems in Cameroon. It featured interventions by Hon. **NGO ISSI Rolande**, Sen. **KINYANG Georges**, and **MBALLA MBALLA Jean** under the moderation of **OWOUNOU Thomas**. From their speeches, we can see that:

- The Parliament intervenes in the legislation and the written and oral control, in the form of questions, of the governmental action (evaluation of the different policies promoted, work with the government);
- This control has a weakness manifested by the lack of guarantee of an answer to the question asked;
- The declarative system is a weakness of Cameroon's tax system because it favours IFFs which currently amount to 78 billion/year in Cameroon. Yet in the USA, no matter where you invest, you have to pay taxes in the USA;
- CSOs must play their watchdog role. More specifically, civil society actors must be in representation, awareness raising and sensitisation;
- One cannot talk about fiscal equity, justice, human rights, the fight against inequality, corruption, public debt, climate change, mining without interconnection between the media, CSOs and parliamentarians;
- A mobilisation of all actors is necessary for the monitoring of tax justice and the fight against IFFs as it is a very complex area.

Afterwards, the discussions focused on:

- The problem of automatic taxation, the amount of which often varies according to the locality and the collection agent: this is tax injustice;
- The need for effective democracy;
- The problem of a declarative system that hinders tax fairness;
- The necessary involvement of CSOs and the media in the preparation of the budget;
- The sustainability of actions initiated by parliamentarians;

- The mutualisation of efforts in the fight against IFFs, notably through a CSO-Parliamentary partnership based on the analyses made by these CSOs and which parliamentarians can use in their legislative and control actions;
- The role and difficulties of parliamentarians in their relations with the executive;
- Tax injustice through higher taxation of the less affluent compared to the more prosperous;
- The role of parliamentarians in tax debates.

Recommendations

The following recommendations emerged from the discussions:

- The media and CSOs must be in the business of representation, awareness raising, sensitisation, encouragement of those who can produce data, research and analysis;
- Work in synergy to fight against IFFs;
- The perpetuation of networks relies on the involvement of former parliamentarians in the activities of those in office; these former parliamentarians become focal points (case of REPAR);
- Parliamentarians must be courageous enough to launch alerts and complaints, and be supported and accompanied by CSOs and the media in these alert actions;
- Pressure for tax reforms must start from CSOs, be relayed by the media and be completed at the institutional level by parliamentarians.

Session 4. Tax exemptions and expenditures in Cameroon: State of play and lessons learned *Session 5. Tax Fairness and Illicit Financial Flows*



The speakers at these twin sessions were Me ETEME ETEME and Idriss LINGE. It was facilitated by Samuel BIROKI.

After a definition of some key concepts (IFFs), the achievements and challenges in the fight against IFFs and the promotion of tax equity were presented. The achievements include the Constitution, which defines the relationship between the executive and the legislature and the principle of declaration of assets, and the 2018 Transparency Code, which unfortunately remains underused. In terms of challenges, they are based on the monitoring and effectiveness of laws, leading to questions about the capacity of parliamentarians to monitor and evaluate laws that have been passed, and to improve laws. Other challenges relate to the non-penalisation of illicit enrichment,

the opacity that favours illicitness, real property, fraud and tax evasion practices. To illustrate the need for transparency in beneficial ownership, the speakers took the example of Gaz du Cameroun (GDC), which solicited the services of another company in return for payment, when it was later discovered that the solicited company belonged to the same people who run GDC..

The discussions focused on:

- The reform of VAT in the Cameroonian context according to social strata;
- The lack of control over our reserves, which shows the asymmetry of information that exists in the extractive sector;
- The technological weakness of Cameroon;
- The incrimination of fraudulent practices by Cameroon Gas;
- The added value of existing texts that are not applicable;
- The profitability of mining projects;
- The practice of consignment;
- The taxation of cooperatives.

Recommendations

- Carry out more monitoring and evaluation to ensure the effectiveness and efficiency of texts on the ground;
- Strengthen networks with expertise in the framework of partnerships;
- Examine the fairness of taxing cooperatives that make loans with interest rates of 10% or more;
- Pooling efforts in the monitoring of mining projects, as the government cannot do it alone given the complexity of this sector.

Session 6a. Panel 1 discussion on the Resource Mobilisation Strategy by Objective: Challenges and Alternative Issues

Meeting in a working group, the participants reflected on and proposed strategies for mobilising resources in the face of certain previously identified challenges and issues. The table below is the result of their reflections.

CHALLENGES	ISSUES	STRATEGIES
Inter-fiscal cooperation	Lack of transparency in the declaration of resources	A reliable and transparent monitoring system
Transparency on tax entities or institutions	Targeting the informal sector in domestic resource mobilisation	Awareness-raising
Capacity of fiscal resources	To have more resources to finance development projects as foreseen by the NDS-30	A digitalization system for a better traceability of the funds collected at all levels
Giving economic leverage to local businesses	Improving the working environment for resource mobilisers; The lack of data	Make a proposal for exemption at a certain threshold

Beneficial ownership	The lack of data	Facilitating the decentralisation process for local revenue mobilisation
A reduction in the tax rate; a positioning of Cameroon in mining production	Price instability on the international market	Strengthening the audit system in Cameroon
Accurate reporting of taxes	Revision of the Petroleum Code	Aggressive capacity building strategy
Accurate reporting of taxes	Lack of knowledge of tax laws by the average citizen	
A change in the mindset of taxpayers in their contributions for taxes	Lack of staff for data collection	
	Tax increases that affect the revenue power of local businesses	

Recommendations and conclusions/findings

Following the presentation of the results of their reflections on resource mobilisation strategies, feedback from the rest of the workshop participants led to a set of findings and recommendations as follows:

- Examine the different sources for mobilising resources;
- Digitalising payment systems;
- Expand the tax network to reach more taxpayers;
- Tax awareness and education is needed for resource mobilisation at local and national levels;
- Tax payment is like a social contract between the taxpaying citizen and his environment;
- The problem with tax payment in many countries is that citizens are asked to pay it without giving reasons, which is a bit absurd in a purely economic sense.

Session 6b. Group 2 discussion on the effects of tax exemptions and expenditures in Cameroon.

The reflection of the second working group consisted of a classification of the effects of tax exemptions and expenditures. These effects are from three angles, namely: Budgetary, Economic and Socio-environmental.

Component	Identified effects
Budgetary	A decrease in state budget revenues.
Economic	<ul style="list-style-type: none"> • An incentive to invest; • An increase in the growth rate; • An increase in the rate of investment.
Socio-environmental	<ul style="list-style-type: none"> • - Job creation;

	<ul style="list-style-type: none"> • Social peace; • Improvement in the purchasing power of the population; • Creation of inequalities in access to different products and services (for example, fuel is sold at the same price whether the customer is wealthy or poor); • On the environmental level, it is not impossible that we will see a lot of destruction. In this case we have, for example, the case of mining infrastructures which can have significant impacts on the environment; • On the economic environment, tax exemptions and expenditures can produce liabilities in the sense that they can weaken one or more national economic sectors while benefiting foreign companies.
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The exchanges around these results of reflection of group 2 were enriched by a sharing of experience from Nigeria and made it possible to highlight some recommendations.

Discussions

The discussions on the results of the work focused on:

- The loss of revenue caused by tax incentives and exemptions to African economies;
- The real utility and cost of tax incentives;
- The need to question whether the objectives of these exemptions are actually achieved;
- The need for pressure to be exerted by Parliament and not just from outside in order to bring about change;
- The need to improve our policies in order to make them beneficial to our countries.

Recommendations following the discussions on the results of the work

- Channeling the tax exemption policy;
- Carry out targeted tax exemptions with much more rigour;
- Take stock of the tax exemption policy and tax expenditures in order to see exactly what the state gains or loses;
- Evaluate the sustainability of tax exemptions and expenditure in order to assess their effectiveness and efficiency;
- Categorise exemptions by sector in terms of priority (health, education, agriculture, etc.);
- Directing the effects towards projects that help to combat poverty while reducing inequalities.

Sharing Experience: The Case of Nigeria by Ahmad TIJJANI

The Nigerian experience has identified the following challenges and flaws in the case of the informal sector: fraudulent activities, lack of knowledge of laws by tax collectors, lack of cooperation between agencies, lack of awareness, multiplicity of taxes, etc.

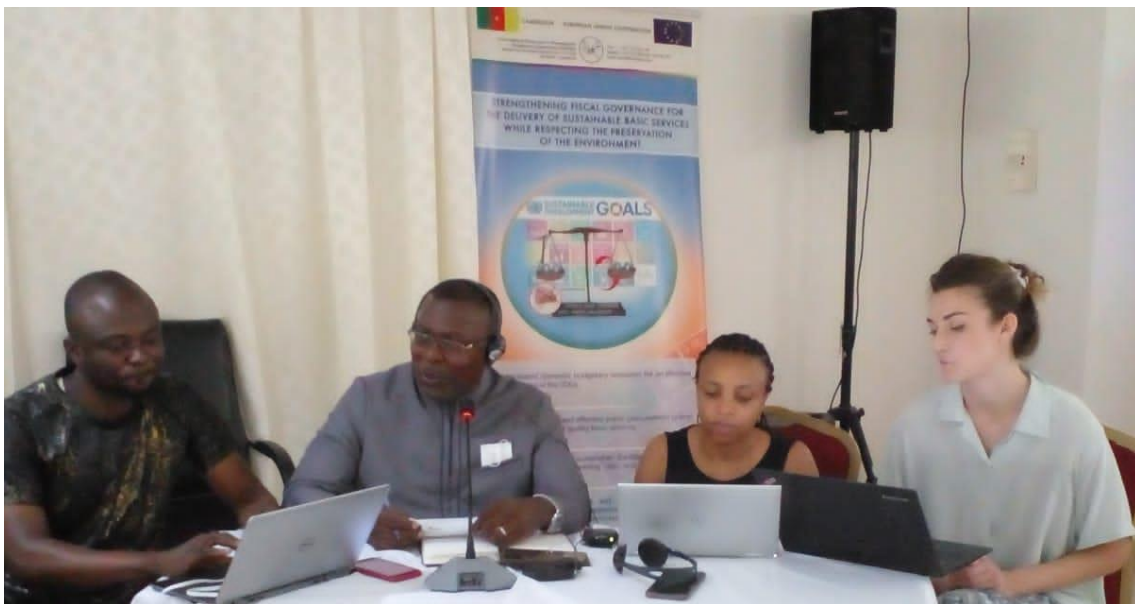
Recommendations following this experience sharing

- Expand the informal sector tax network to include more taxpayers;
- Conduct more incentives rather than sanctions;
- Raise awareness on tax calculation;
- Conduct awareness campaigns on the importance of paying taxes.

Session 7. Review of Day 1

After the presentation of the summary of day 1, the participants' intervention focused on the mechanism that the Parliamentarians could set up to compile and send upstream the oral questions to whom it is due (different ministers) in order to have written answers. The parliamentarians stressed that there are rules of procedure to which they are subject and which do not allow them to send their oral questions directly to the Ministers. Therefore, it is important to remember that the Civil Society - Parliamentarians alliance is very fruitful, and that Civil Society has the possibility to amplify the BOD in the public arena. TJN took the opportunity to reiterate to the Parliamentarians their expertise to accompany them in their preparation for the discussions with the Executive.

Session 8. Methodologies and tools for monitoring tax fairness and IFFs



This session aimed to present and explain different tools and their use for monitoring tax fairness and IFFs. The speakers were: Anicet NKE (Afroleadership), Everlyn MUENDO (TJNA) and Eva DANSI (TJN) under the moderation of HON. FONGE Julius.

From these interventions, it is clear that IFFs are illegal movements of capital from one point to another. They are illicit because of their origin or destination and in terms of their impact, they constitute losses and a hindrance to Africa's development.

Pour en faire le suivi, TJN a développé un ensemble d'outils. Il s'agit notamment de :

- (i) The Financial Secrecy Index which ranks countries according to their level of financial opacity. The USA, Switzerland, Hong Kong, United Arab Emirates and Great Britain are among the most opaque, thus favouring IFFs;
- (ii) The Corporate Tax Haven Index;

- (iii) The State of Tax Justice which tracks tax evasion and tracks the level of vulnerability to IFFs.

As for Afroleadership, in the framework of the project in which this workshop is being organised, a tool has been developed to monitor public procurement.

Discussions

The discussions that followed focused on:

- The possibility of compiling or elaborating a document that would summarise all the recommendations arising from these monitoring tools and send them to the tax authorities;
- The link between taxes and taxation; and how to monitor the impact on budgets;
- The issue of transfer pricing.

Session 9. Identifying elements of convergence for the promotion of tax fairness and the fight against IFFs in Cameroon

Session 10. Building synergies based on experiences from here and elsewhere

These twin sessions aimed at identifying concrete actions for synergy in the fight against IFFs and the promotion of tax fairness. The speakers being Parliamentarians, CSOs and the Media, the moderation was ensured by Mrs. Christine ANDELA. Thus:

For Parliamentarians:

- In terms of convergence, a date should be set to prepare the BOD before June in order to refine the oral questions to be addressed to the Ministers;
- The parliament is thinking of doing a group shot with the CSOs and the media on the return of the questions addressed for a good pressure and publicity on the ground;
- CSOs need to know how parliamentary work operates, the number of committees and their role.

CSOs :

- Advocate for media and CSOs to participate in the debate;
- Strengthen the capacity of actors;
- Advocate for better integration of CSOs, MEDIA in the BODs;
- Create a formal platform and timeline;
- Establish and propose a mechanism for CSO consultation;
- Create an informal platform (without protocol) with a frequency of meetings based on the national calendar (depending on the themes and subjects of common national interest: IFFs, EITI, elections, land issues, peace, national and international security, etc.)
- Create legal support to question certain provisions of the laws.

Administrations :

- Facilitate CSOs' engagement;
- Strengthen the capacity of stakeholders; The NGP and witness the progress of the work;
- The Ministry of Mines is supportive of the work done by civil society.

The media :

- Inform, educate and incentivise on the basis of good information;

- Create a mechanism to reach the general public;
- Imagine another mechanism or platform with a calendar (monthly, quarterly or yearly) of meetings between different actors;
- Advocate for a law that protects whistleblowers or journalists;
- Advocate for the EITI Committee sessions to be open to journalists;
- Reminding journalists that information is an advocacy tool when it is well processed.

Session 11. Launch of the National Parliamentarians' Caucus on Combating IFFs



As a reminder, this phase of the workshop stems from the September 2019 launch in Dakar of the African Parliamentarian Network against Illicit Financial Flows and Taxation (APNIFFT). During this meeting, the initiative decided on the decentralisation of the initiative by sub-region and the holding of pan-African country conferences due to the Covid-19 context.

Following this meeting in Senegal, the Pan-African country conference was held, during which the decisions and action plan adopted in Dakar were recalled. This action plan included, among other things, the restitution of the conclusions of the Dakar work, capacity building, awareness raising, the production of a study, etc.

Structuring the sub-regional (Central Africa) and national (Cameroon) coordinations of APNIFFT

At the Central African sub-regional level, APNIFFT is coordinated by Senator Dr. Pierre Flambeau NGAYAP who was the leader of the delegation of four Cameroonian parliamentarians (including two senators and two deputies) who took part in the Dakar meeting.

At the national level, APNIFFT is coordinated by Senator Anaclet FOMETHE.

- Vice-coordinators: Hon. Tabouli Célestin, Sen. Ouli Ndongo Monique, Hon. Essomba Bengono Engelbert and Sen. SM Mama Jean-Marie ;
- - Rapporteurs: Hon. Julius Fonge, Hon. Ngo Issi Rolande and Sen. Didjatou Oumarou ;
- - Studies and Research: Hon. Dissake Marguerite and Sen. Afane Gisèle
- - The Executive Board includes the 4 who were in Dakar in September 2021 and were invested by the "Continental Conference on Combating IFFs" to set up and pilot the Cameroon Caucus: Hon. **Simo and Tchouaga, Sen. Kinyang and Ngayap**. It is composed as follows:
 - **President : Sen. Ngayap Pierre Flambeau**

- **VP:** Hon. Simo Joséphine, Sen. Barr. Kinyang Georges et Sen. Hayatou Aicha Pierrette
- **Secretary:** Hon. Me Tchouaga Marie Louise
- **Assistants:** Sen. Pongmoni Jean Marie et Hon. Mariam Goni
- **Treasurer:** Sen. Eboumbou Patience
- **Assistant Treasurer:** Hon. Soppo Toute Marlyse.
- **Auditor:** Hon. Rainatou Mbouangouere ep. Mongwat.

Session 12. Reminder of the conclusions of the exchanges of day 2

Session 13. Challenges and issues in implementing the AMV; Case of the Extractive Industries Transparency Initiative.



Sharing and explaining the level, challenges and prospects of Cameroon's EITI compliance by Mr. NDO UOP NJIKAM Ibrahim and Mr. SHULIKA BINLA Sylvanus under the moderation of ETOGA Eric. The following comments emerged from their interventions

GENERAL CONSIDERATIONS ON THE EITI

1. Cameroon has reaffirmed its commitment to pursuing the implementation of the EITI requirements and the publication of the Prime Minister's Decree of 2018 on the organisation and functioning of the Committee is one of the perfect illustrations of this in terms of regulations;
2. To date, Cameroon has published reconciliation reports covering the years 2001 to 2019, i.e. nineteen fiscal years with an impressive mass of financial, budgetary, fiscal and volumetric information;
3. Declared 'Compliant in 2013' according to the EITI Rules, Cameroon obtained a mixed result at its last Validation with the mention 'significant progress', indicating shortcomings that require fifteen corrective measures to be implemented before the next Validation due in October 2023;
4. These corrective measures involve actions to be carried out by various stakeholders within and outside the Committee with clearly identified result indicators;

5. The Tripartite Committee is working hard on these measures, with varying luck due to the current economic situation, but it will continue to do so with the implementation of the three-year plan which will be submitted to the members for adoption in June;
6. For the finalisation of this three-year plan, broad consultations took place inside and outside the Committee to comply with a requirement formulated during the last validation;
7. In addition, this plan will be enriched by two major projects, namely, an action plan for the disclosure of beneficial owners, which will naturally have an impact on the identification of additional tax resources as well as the real identification of the destination of financial flows generated in the extractive sector. It is also the ambitious action plan for contract disclosure;
8. Cameroon, as part of the EITI implementation process and in line with the Covid-19, will produce its next report covering the year 2020 according to the more flexible model, which involves a number of flexibility measures designed to reduce production costs that are considered too high;
9. Cameroon has also joined the pilot project for the systematic publication of the EITI data in dedicated sites to ensure the timeliness of the data and thus anchor the EITI integration in our customs.

The challenges and issues are related to : Transparency; Accountability; Fiscal opacity; Access to information on mining contracts; Low level of understanding of the terms of the contracts by citizens and even CSOs; The ability to achieve all the reforms in suspension through the absence of implementing decrees; Difficulty in mobilising resources to implement actions; Difficulty in mobilising resources to implement this action plan.

SPECIFICITIES RELATED TO VALIDATION

- With the revision of the EITI Standard in June 2019, the new Validation model came into effect to apply to three components of the EITI implementation, namely: stakeholder engagement, transparency and results and impact. Each component will be scored out of 100 points. The overall score is the average of the scores for these components
- The objective of implementation based on the strategic plan is to achieve Validation, which is expected to start in October 2023.

The discussions focused on:

- Transparency of contracts and publications;
- Strategies to address the problem of sub-national payments and transfers;
- The impact of the EITI initiative and the place of the EITI in contract signing;
- Parity in representation on the EITI Committee.

Findings and Recommendations

- The impact of the EITI is hardly noticeable because no law, framework text or decree implementing the mining code has been produced since 2001, i.e. 19 years later;
- The EITI standard was adopted in February 2019, but the decree creating the EITI committee dates from July 2018, which did not allow gender to be taken into account. However, the standard is currently in the process of being anchored;
- Questioning environmental strategies;
- The EITI Committee should focus on greater involvement of youth and women in the public debate;

- Question the relevance of the content of the articles that are in the Mining Code and different incentive measures;
- Adopt a three-year activity plan for the EITI committee;
- Introduce enforcement measures within the EITI committee;
- Build capacity on contract negotiation and reading of mining contracts;
- Build a strategy for the exploitation of mining resources;
- Systematically disclose contracts to allow citizens to analyse and interrogate published data;
- -Adopt a law and a text on the identification of real owners and effective benefits.

Session 14. Formulation of roadmaps on the Monitoring of tax and investment regimes for resource mobilisation in the areas of tax fairness, exemptions, DTAs and the implementation of the AMV in Cameroon

This session aimed at drawing up a participatory action plan to follow up the implementation of the targeted recommendations.

The session was moderated by Mr. ABOUDI OTTOU of Ecofin and took the form of brainstorming. The following actions emerged:

Média :

- Creation of a blog and a consultation block oriented towards the fight against IFFs within 6 months;
- - Establishment of a network of journalists for awareness raising and advocacy;
- - Investigation of transparency in public finances.

CSOs :

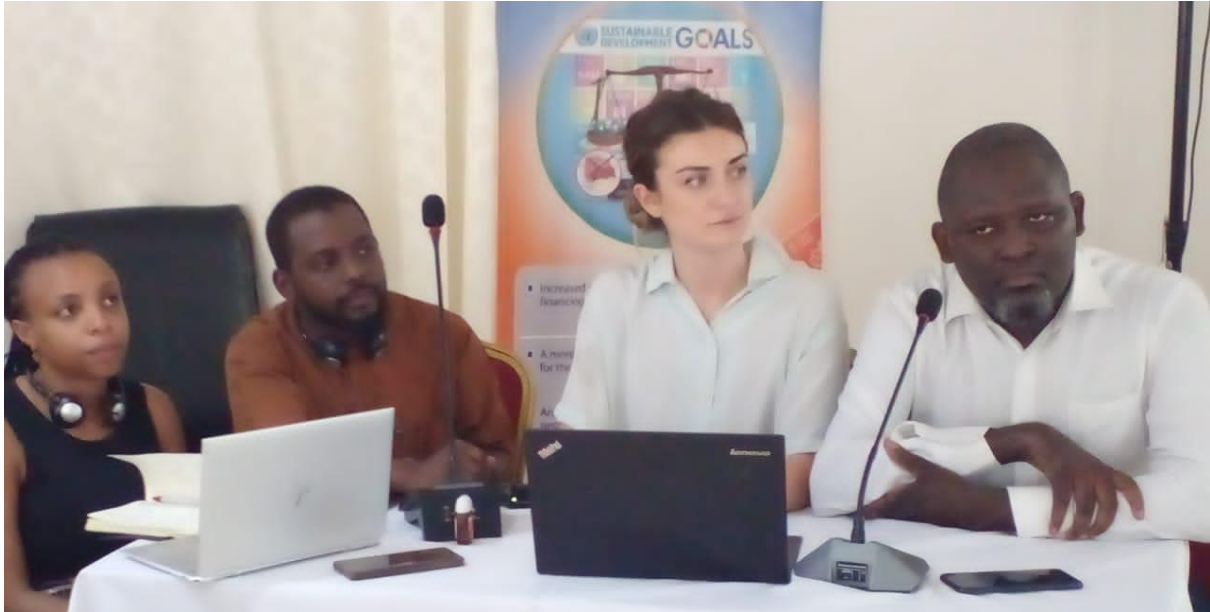
- Work on the tools of financial opacity;
- Raise awareness and popularise the texts in order to inform public opinion;
- Designing a guide to popularise the transparency law;
- Elaborate policy notes;
- Create a space for continuing discussions on national and international taxation;
- Monitor the parliamentarians' agenda for greater impact;
- Assist parliamentarians in formulating oral and written questions.

Parliamentarians:

- Consult on oral questions before each session.

The government promised to support civil society and the media in their actions.

Session 15. Regional/African launch of the Financial Secrecy Index 2022)



This session aimed at introducing the FSI; Presenting the results of the FSI 2022; Exchanging on the results of Cameroon and the consequences of Illicit Financial Flows on the national economy. The speakers were Eva DANSI and Idriss LINGE from TJN, TIJJANI from TJNA under the moderation of Everlyn from TJNA.

From these interventions, we note that:

- Africa faces many challenges: Lack of adequate transport infrastructure; Access to school has improved, but the quality of education remains poor for most students; Access to health care has improved, but 60% still cannot afford it and infrastructure is fragile; Poor governance; Corruption; Over-indebtedness.
- The estimated number of people without access to electricity in Africa is 600 million
- Several African countries are ranked among the bottom in terms of human development index, GDP per capita, food and nutrition, etc.
- 5 G7 countries (US, Japan, Germany, Virgin Islands (UK), Guernsey (UK)) are not open to financial transparency;
- According to the latest update of the Tax Justice Network report on the state of tax justice, African countries have collectively lost \$17.5 billion due to tax evasion by multinationals and offshore wealth;
- Several jurisdictions around the world, most of which are linked to rich and developed countries, are still tax havens for companies that can shift their profits around the world to places with low or no income tax;
- According to the United Nations Conference on Trade and Development (UNCTAD) Economic Development in Africa 2020 Report, **Africa loses an estimated \$88.6 billion, or 3.7% of its gross domestic product (GDP), in illicit financial flows each year.**

Findings and Recommendations

- African countries must stop listening to the G7 and OECD because they are responsible for financial opacity while pretending to fight against it;
- The President should appoint the asset declaration commission.

III. CONCLUSION OF THE WORKSHOP

The capacity building workshop for parliamentarians, CSOs and the media on the analysis of the international tax system and the monitoring of tax fairness in Cameroon which was held from 25 to 27 May 2022 in Kribi, was attended by about 50 participants and ended with the distribution of certificates and thanks to the participants.

ANNEXES