CITIZEN ANALYSIS OF THE EITI REPORT – FIRST HALF OF 2025



budgIT

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Sources:
EITI (Extractive Industries Transparency Initiative) Q1 Report
2026 Approved Budget

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LIST OF ACRONYMS

CFAF — West African CFA Franc

CFCE — Employer Flat-Rate Contribution

CIT — Corporate Income Tax

CRPP — Production Sharing Contract

DGCPT — General Directorate of Public Accounting and Treasury

EITI — Extractive Industries Transparency Initiative

FADL — Local Development Support Fund

FONSIS — Sovereign Strategic Investment Fund

GTA — Greater Tortue Ahmeyim

IR — Income Tax

IRVM — Tax on Securities Income

MMBtu — Million British Thermal Units

PETROSEN — Senegalese Petroleum Company

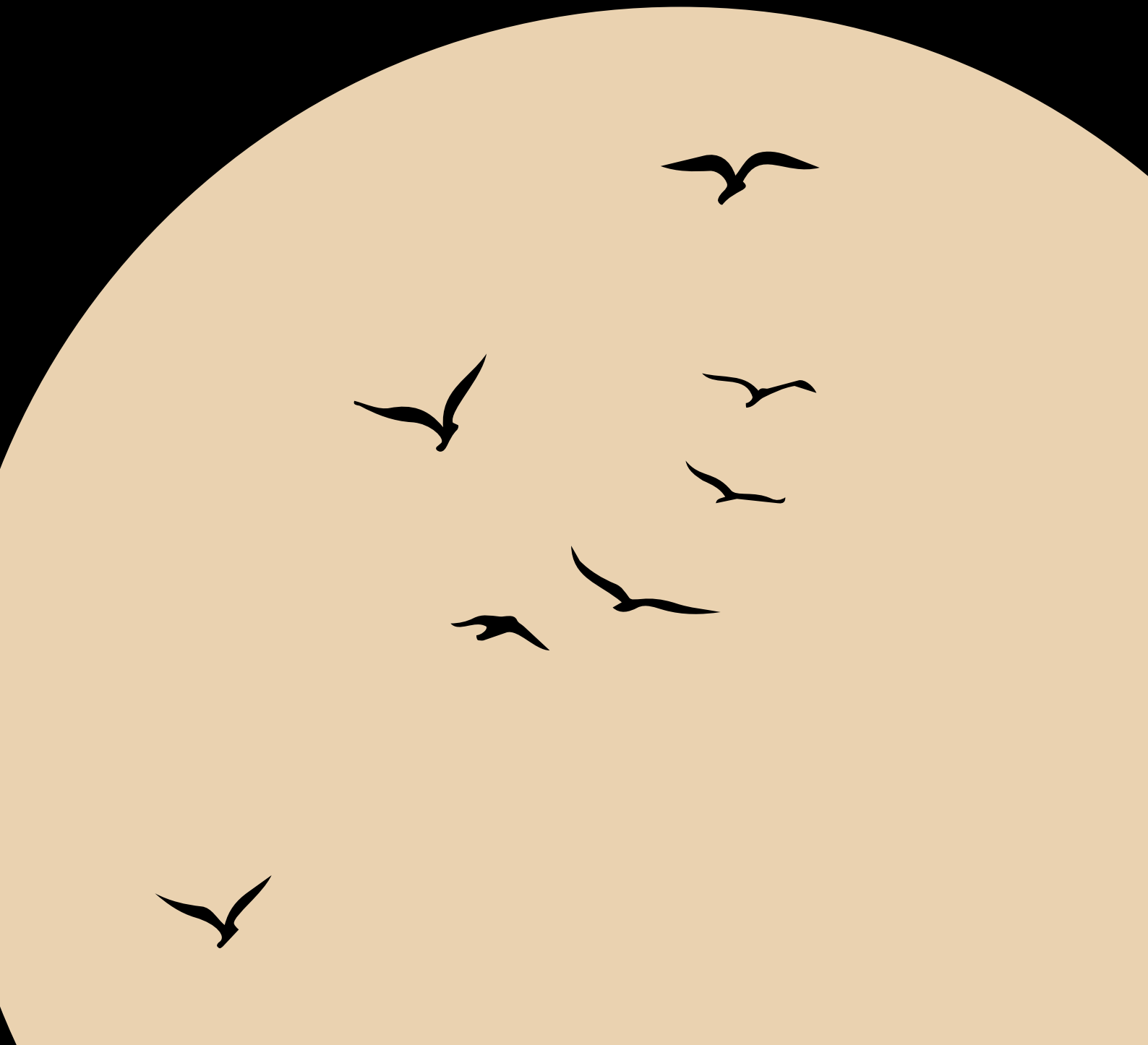
TRIMF — Minimum Fiscal Tax Representative Contribution

USD — United States Dollar

VAT — Value Added Tax



SENEGAL'S EXTRACTIVE RESOURCES: HOW MUCH DO THEY GENERATE FOR THE STATE, AND WHAT BENEFITS DO CITIZENS RECEIVE?



INTRODUCTION

The country is gradually entering a new phase with the ramp-up of oil production at Sangomar and the start of liquefied natural gas production at Grand Tortue Ahmeyim (GTA).

The first half of 2025 marks an important stage in the evolution of Senegal's extractive sector. The country is gradually entering a new phase with the ramp-up of oil production at Sangomar and the start of liquefied natural gas production at Grand Tortue Ahmeyim (GTA). At the same time, the mining sector remains central to the extractive economy and public revenues.

In the first half of 2025, extractive activities generated CFAF 300.40 billion in direct revenues, with mining accounting for CFAF 224.45 billion and hydrocarbons for CFAF 75.95 billion. These figures highlight both the continued importance of mining and the rapid emergence of oil and gas as a new source of public revenue.

This transformation is taking place in a context where natural resources are becoming increasingly important to public finances. For Senegal, the challenge is no longer simply to develop production. It is now to ensure that the wealth generated from the exploitation of non-renewable resources is properly captured by the State, benefits the national economy, and can be monitored by citizens.

The EITI Report for the first half of 2025 makes it possible to examine this entire chain: the revenues generated by companies, the mechanisms through which the State collects them, their integration into public finances, their economic and social benefits, and the transparency mechanisms in place.

The analysis presented here does not, therefore, reproduce the EITI report chapter by chapter. Instead, it seeks to answer a central question in public finance: how much do extractive resources generate for Senegal, how is this wealth captured, and what benefits do they actually produce for citizens?

EXTRACTIVE SECTOR REVENUES: WHERE DOES THE MONEY COME FROM?

1.1. CFAF 303.02 billion generated in the first half of 2025

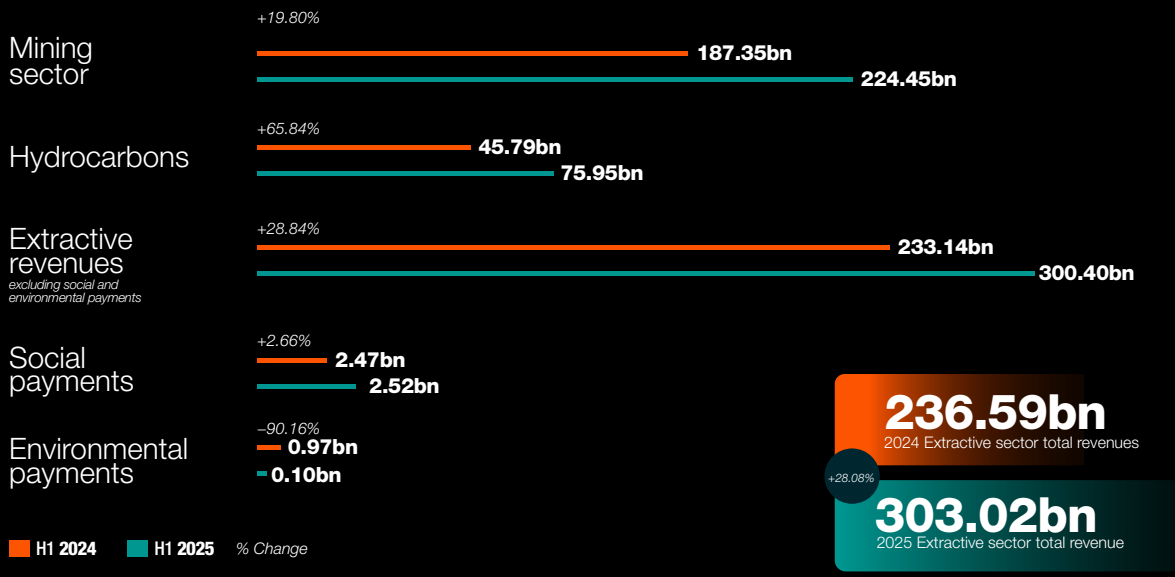
In the first half of 2025, revenues directly generated by mining and hydrocarbon activities amounted to CFAF 300.40 billion. An additional CFAF 2.52 billion in social payments and CFAF 0.10 billion in environmental payments declared by companies brought the total flows recorded by EITI to CFAF 303.02 billion.

The structure of the sector remains highly unbalanced. Mining generated CFAF 224.45 billion, representing 74.07% of total extractive revenues, while hydrocarbons generated CFAF 75.95 billion, or 25.06%.

The most significant change lies in the pace of growth. Mining revenues increased by nearly 20%, while hydrocarbon revenues rose by nearly 66%. This difference reflects the impact of new oil and gas projects entering production, notably Sangomar and GTA.

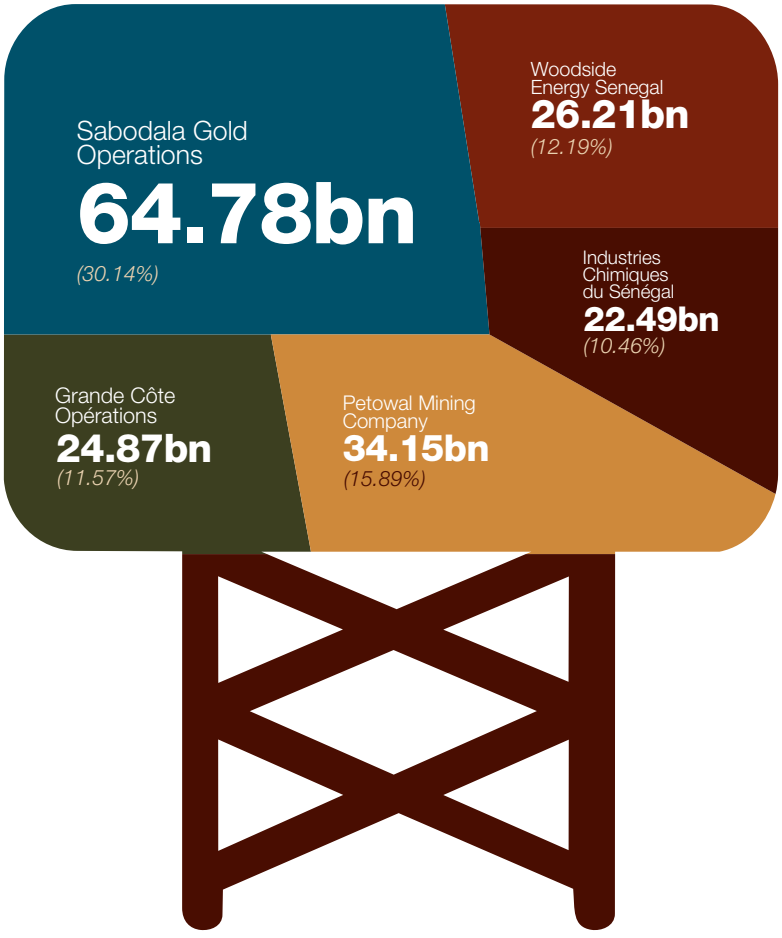
In terms of revenues recorded in the national budget, CFAF 217.37 billion from the mining sector and CFAF 75.87 billion from hydrocarbons were classified as budgetary revenues. Senegal therefore, remains primarily dependent on mining revenues, while hydrocarbons are already beginning to reshape the structure of its extractive resources and their contribution to public revenues.

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1.2. The main contributors

Extractive revenues are highly concentrated among a few major companies and projects.



This concentration has a direct consequence for public finances: extractive revenues depend heavily on the performance of a limited number of companies.

The comparison with 2024 illustrates the situation clearly. Budget revenues linked to Petowal Mining Company increased by 146.28%, those of Grande Côte Opérations by 107.37%, and those of Industries Chimiques du Sénégal by 93.19%. Conversely, revenues from Sabodala Gold Operations, the largest contributor, decreased by 17.08%.

The overall level of revenues can therefore fluctuate significantly depending on production levels, prices, profits, and the tax obligations of a few major operators.

For the State, this means that diversifying extractive revenues remains important. The more revenues depend on a limited number of projects, the more exposed they are to the individual performance of those projects.

Contribution to the State budget

1.3. The mining sector: CFAF 224.45 billion

The mining sector generated CFAF 224.45 billion in the first half of 2025, compared with CFAF 187.35 billion one year earlier. This represents an increase of CFAF 37.10 billion, or 19.80%. Of this amount, CFAF 217.37 billion was recorded as budgetary revenue and incorporated into the national budget.

Mining Revenue Flow	H1 2025	Share	Change	%
Corporate income tax	60,974.11	28.05%	334.72	0.55%
VAT remitted	22,425.67	10.32%	(4,562.03)	-16.90%
Withholding tax on salaries (IR, TRIMF and CFCE)	23,850.96	10.97%	9,243.10	63.27%
Mining royalty	21,983.78	10.11%	11,321.50	106.18%
Tax on securities income (IRVM)	19,240.83	8.85%	8,524.86	79.55%
Dividends paid to the State	18,600.00	8.56%	9,900.00	113.79%
VAT	15,512.60	7.14%	7,371.20	100.00%
Special cement tax	10,739.72	4.94%	(701.08)	-6.13%
Customs duties	5,957.41	2.74%	2,036.81	51.95%
Customs fines, penalties and customs adjustments	206.68	0.10%	(7,935.42)	-97.46%
Cement tax	497.17	0.23%	(7,130.03)	-93.48%
Surface royalty	6,282.56	2.89%	5,594.48	813.06%
Tax adjustments	1,000.00	0.46%	(4,619.37)	-82.20%
Withholding tax on non-commercial income	3,082.63	1.42%	240.30	100.00%
Prepaid VAT	4,686.05	2.16%	4,571.07	3,975.53%
Other flows	2,332.84	1.07%	1,270.63	100.00%
Grand Total	**217,373.01**	**100%**	**35,460.75**	**19.49%**

Corporate income tax remains the largest mining revenue stream at CFAF 60.97 billion, but it increased only marginally by 0.55% compared with H1 2024. The overall increase in mining revenues was therefore driven mainly by stronger growth in other revenue streams.

The mining royalty more than doubled, rising from CFAF 10.66 billion to CFAF 21.98 billion (+106.18%). Dividends paid to the State also more than doubled, increasing from CFAF 8.70 billion to CFAF 18.60 billion (+113.79%). Other notable increases include withholding tax on salaries (+63.27%), IRVM (+79.55%), and VAT (+100%).

This evolution shows that the State captures mining revenues through several channels: taxation of corporate profits, income and transactions, royalties linked to mineral extraction, and dividends from its participation in mining companies.

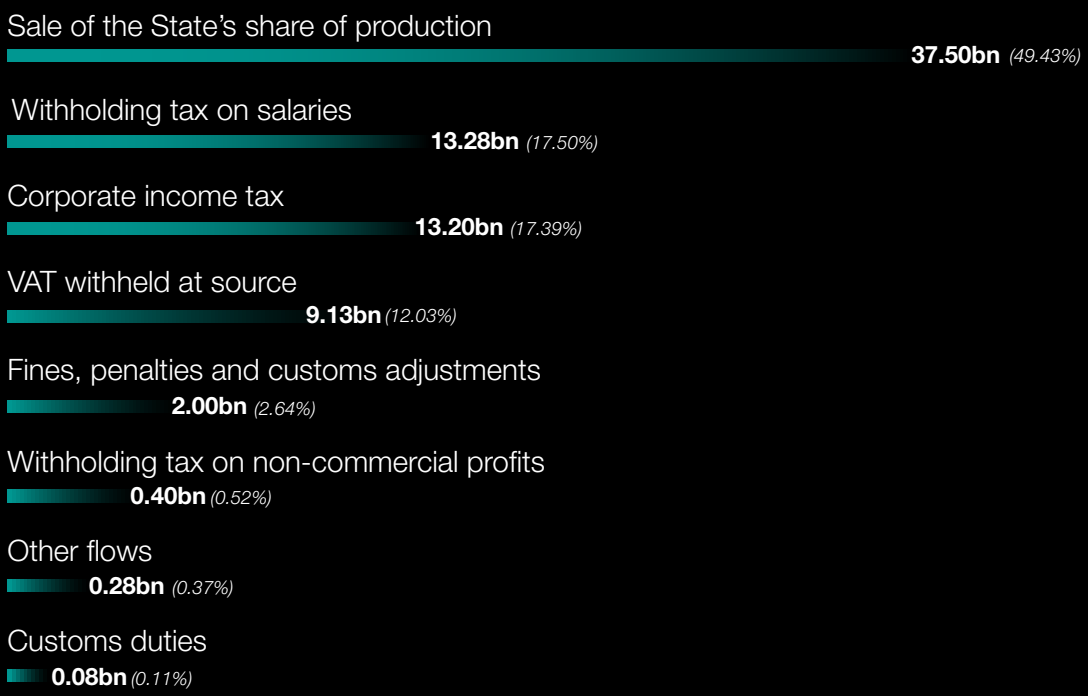
The mining sector therefore, presents a diversified revenue structure, with several fiscal and non-fiscal mechanisms contributing to public revenues rather than relying on a single source.

1.4. Oil and gas: CFAF 75.95 billion

Hydrocarbons generated CFAF 75.95 billion in the first half of 2025, compared with CFAF 45.79 billion in the first half of 2024. Revenues therefore increased by CFAF 30.15 billion, or 65.84%.
The structure of hydrocarbon revenues differs markedly from that of mining.

MAIN HYDROCARBON BUDGET REVENUE FLOWS

Unit = CFAF



The main change is the emergence of a new revenue category: the sale of the State's share of production, which alone represents CFAF 37.50 billion.

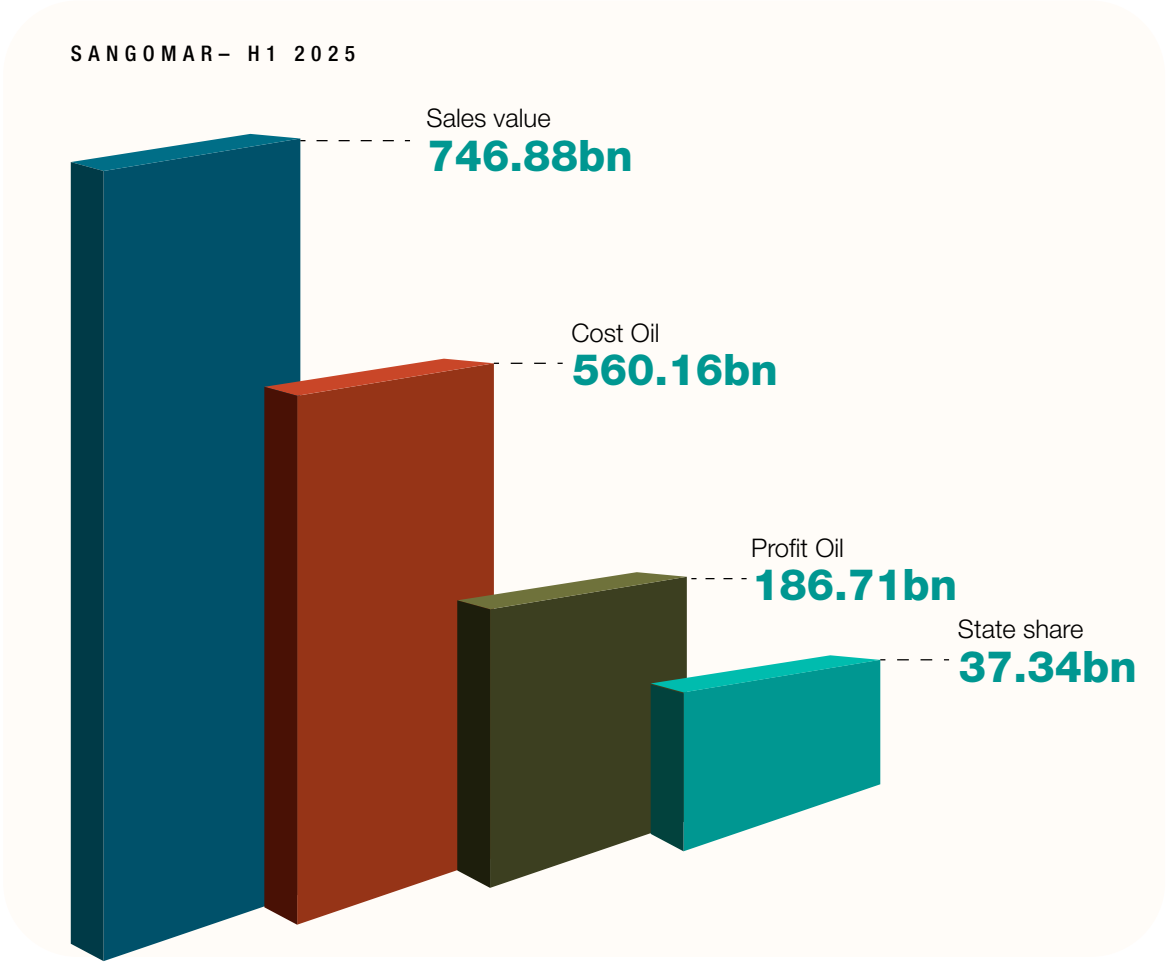
This revenue did not exist in the first half of 2024. It now accounts for nearly half of hydrocarbon budget revenues.

Senegal is therefore beginning to benefit directly from its oil and gas production. The State no longer depends solely on taxes paid by companies: it also receives a share of production allocated to it under contractual arrangements.

1.5. Sangomar: CFAF 746.88 billion in sales

In the first half of 2025, Sangomar marketed 17.97 million barrels, with total sales estimated at CFAF 746.88 billion. However, this value does not directly correspond to State revenue. Under the production-sharing mechanism, CFAF 560.16 billion (75%) represents Cost Oil, intended for cost recovery, while CFAF 186.71 billion (25%) represents Profit Oil.

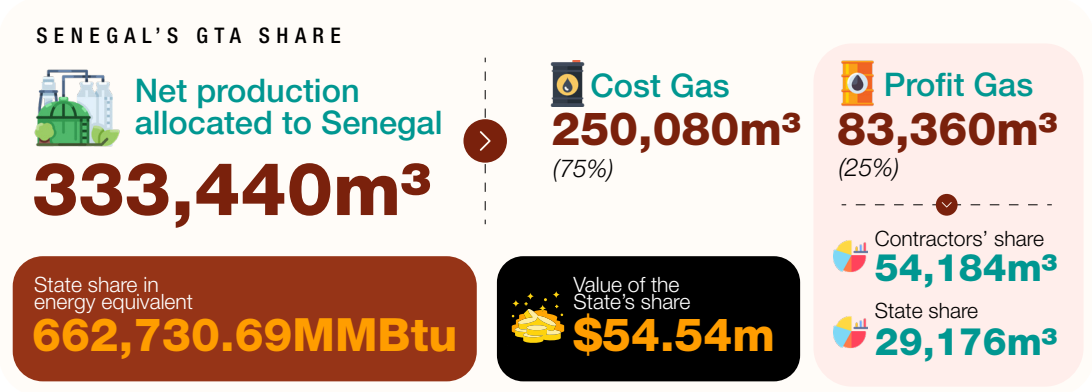
Of this Profit Oil, the share allocated to the Senegalese State amounts to CFAF 37.34 billion, compared with CFAF 149.38 billion for the contractors, including CFAF 26.88 billion for PETROSEN and CFAF 122.48 billion for Woodside.



1.6. GTA: the first gas revenues

The GTA project has a specific structure because it is jointly developed by Senegal and Mauritania. In the first half of 2025, net production from the facility reached 666,880 m³, divided equally between the two countries, giving Senegal 333,440 m³.

Under the Production Sharing Contract (CRPP), Senegal's share is first divided between Cost Gas, used to recover eligible project costs, and Profit Gas, which is then shared between the State and the contractors. Of Senegal's 333,440 m³, 75% corresponds to Cost Gas (250,080 m³), while the remaining 25% constitutes Profit Gas (83,360 m³). Of this Profit Gas, 29,176 m³ represents the State's share, while 54,184 m³ goes to the contractors, split among BP Senegal (53.3%), Kosmos (26.7%), and PETROSEN (20%).



To estimate the monetary value, the gas volumes are converted into MMBtu, a standard unit used to measure the energy content of natural gas, and then valued using the reported gas price. This results in an estimated USD 75.08 million for Senegal's overall share of the project, including USD 54.54 million corresponding to the State's share.

The GTA project has a specific structure because it is jointly developed by Senegal and Mauritania.

1.7. How does the State capture extractive rent?

The first-half 2025 data clearly identify the main mechanisms.

Rent-capture mechanism	Mining	Hydrocarbons
Corporate taxation	CFAF 60.97 bn in CIT	CFAF 13.20 bn in CIT
Royalties	CFAF 21.98 bn in mining royalties	Mechanisms provided for under contracts
Dividends	CFAF 18.60 bn	Specific public shareholdings
Direct production share	Not applicable	CFAF 37.50 bn
Taxation of income and salaries	Several flows	CFAF 13.28 bn in salary withholding taxes

The difference between the two sectors is therefore clear.

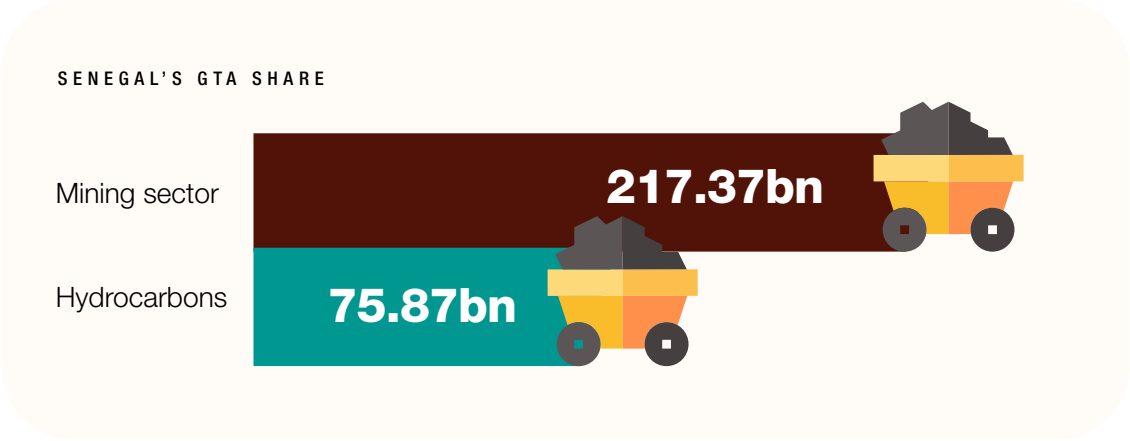
In mining, the State derives most of its revenues from taxation, royalties, and its participation in companies.

In hydrocarbons, these mechanisms are complemented by a new source: the share of production directly allocated to the State. This evolution is gradually changing the profile of public finances. Senegal must now manage not only tax revenues linked to economic activity but also rent directly associated with the exploitation of a nonrenewable natural resource.

WHERE DOES THE MONEY GO?

2.1. Extractive revenues allocated to the State budget

In the first half of 2025, CFAF 293.24 billion in extractive revenues was allocated to the State budget.



The amount allocated to the budget increased by approximately CFAF 67.78 billion compared with the first half of 2024.

However, budget revenues grew faster in hydrocarbons than in mining. Mining budget revenues increased by 19.49%, while hydrocarbon revenues increased by 74.22%.

This evolution shows that hydrocarbon production is beginning to have a tangible effect on public resources, even though mining remains dominant.

2.2. Hydrocarbon revenues

Hydrocarbon revenues are subject to a specific framework.

Law No. 2022-09 provides, in particular, for the creation of an Intergenerational Fund and a Stabilization Fund. The Intergenerational Fund must receive at least 10% of benchmark hydrocarbon revenues, while the remaining balance may be allocated to the general budget according to the rules established by the legal framework.

The Intergenerational Fund, managed by FONSIS, became operational in 2025. The DGCPT

indicates that CFAF 2.06 billion was collected for this purpose in 2025.
This architecture addresses a fundamental issue: oil and gas are finite resources. The State, therefore, cannot consider the entire rent as a permanent source of revenue.

Intergenerational savings make it possible to preserve part of this wealth for the future, while the stabilization mechanism should help protect public finances from fluctuations in hydrocarbon revenues.

2.3. From extractive revenues to public spending: what can actually be tracked?

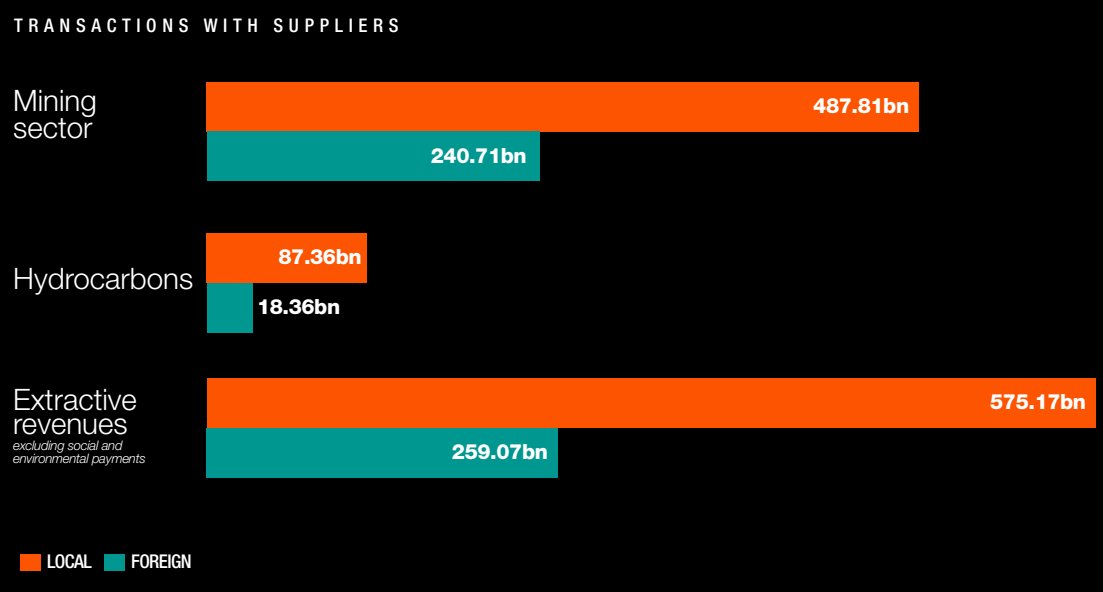
Once integrated into public finances, extractive revenues help finance State expenditure. A common misconception should therefore be avoided: integrating oil revenue into the budget does not mean that a specific expenditure can be identified as having been financed exclusively by that revenue.

The budget operates according to an overall financing approach. Public revenues contribute to the resources available to finance expenditures authorized by the Finance Law.

2.4. Economic Benefits: Does The Sector Benefit The Senegalese Economy?

2.4.1 Local content: CFAF 575 billion in transactions with local suppliers

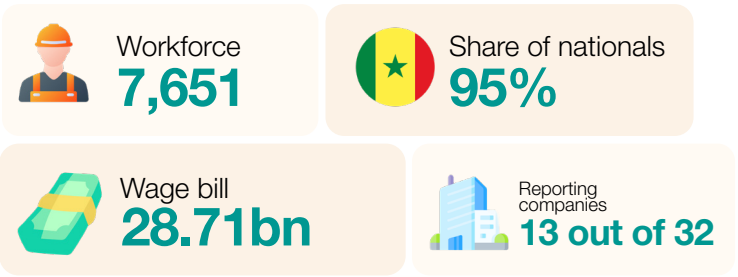
The extractive sector also generates significant activity for Senegalese businesses. In the first half of 2025, operators reported CFAF 575.17 billion in transactions with local suppliers, compared with CFAF 259.07 billion with foreign suppliers.



Unit = CFAF

Note: These amounts demonstrate the importance of the extractive sector to the local economy. However, a transaction with a supplier registered in Senegal does not necessarily mean that all the value remains within the national economy: some goods or services may themselves be imported. It is now more important than ever to transform this spending into sustainable value added through the development of Senegalese businesses, skills, employment, and national productive capacity.

2.4.2. Employment: 7,651 reported jobs



The 13 companies that reported their workforce declared 7,651 jobs as of June 30, 2025, 95% of which were held by nationals, with a total wage bill of CFAF 28.71 billion. The strong presence of national workers demonstrates a significant integration of Senegalese labor into the sector. In mining, employees, workers, laborers and apprentices represent 64.39% of reported staff, compared with 3.16% for senior executives.

The challenge is now to consolidate this dynamic by strengthening training, technical skills, and Senegalese access to skilled and managerial positions. However, since the data are limited to reporting companies, they provide only a partial picture of total employment in the extractive sector.

2.4..3. Social expenditure: how much do companies spend on communities?

Companies reported CFAF 2.52 billion in social payments in the first half of 2025, up slightly from CFAF 2.47 billion in the same period last year. The mining sector accounted for the bulk of this CFAF 2.22 billion, while hydrocarbons contributed CFAF 303 million, all of it voluntary. No mandatory social expenditure was reported in the oil sector during the period.

These funds went toward a range of community initiatives: infrastructure, health, education, water access, youth and women's programs, and support for local organizations. But the total amount spent tells only part of the story. Two projects with identical budgets can have very different impacts depending on where they're built, how well they're executed, and how many people they actually reach. Measuring social contribution requires more than tracking figures; it requires tracking outcomes.

For that reason, local authorities and citizens need visibility not just into how much was spent, but also into what was built, where, for whom, and with what results.

2.4.4. Environmental expenditure

Environmental payments recorded in the report amounted to approximately CFAF 100 million, compared with CFAF 970 million in the first half of 2024, representing a 90.16% decrease.

The report also identifies various environmental levies, including pollution-related taxes, surface taxes, and institutional support.

This decrease should be interpreted with caution. The amount of payments depends on the timing of obligations and the nature of activities carried out during the period. A decrease in payments therefore does not automatically mean an equivalent reduction in environmental efforts.

Above all, the amount of payments is not a direct indicator of the state of the environment.

To properly assess the sector's environmental impact, it must be possible to monitor soil and water quality, waste management, emissions, site rehabilitation, and financial guarantees intended to cover future costs.

The Mining Code also provides for the establishment of a fund to cover the costs associated with implementing the environmental management plan. For the State, this issue is important because inadequate anticipation of rehabilitation costs could turn a private liability into a public burden.



To properly assess the sector's environmental impact, it must be possible to monitor soil and water quality, waste management, emissions, site rehabilitation, and financial guarantees intended to cover future costs.

ACCOUNTABILITY CHECK: WHAT CAN ACTUALLY BE MONITORED?

3.1. Data reliability: reconciliation alone is not enough

EITI reconciliation covers 98.38% of extractive revenues, with an unreconciled difference of only CFAF 1.33 billion, representing 0.45% of reconciled revenues. In terms of amounts, the level of consistency is therefore high.

However, the real issue lies upstream of the reconciliation process: the quality of the declarations themselves. Of the 32 companies covered by the scope, only 10 submitted signed or certified forms, while none of the financial agencies had their declarations certified by a senior official in accordance with the procedures. For a sector generating more than CFAF 300 billion in six months, this distinction is essential: the quality of transparency depends as much on the reliability of data at source as on its consistency after reconciliation.

3.2. Disaggregation of payments: can we know who pays and for which project?

The report requires companies to declare their payments by company, revenue stream, and project. Of the 26 companies that submitted forms, a significant portion of payments is disaggregated by project, but some declarations remain non-disaggregated. This difference has a concrete consequence.

Aggregated data make it possible to know that a company paid a certain amount. Disaggregated data make it possible to understand which activity, project, and type of payment generated that revenue. This information is particularly important for major oil and gas projects, whose contractual mechanisms are complex.

For the administration, better disaggregation facilitates oversight. For citizens, it provides a better understanding of the sources of revenue and helps identify the financial obligations associated with each project.

3.3. Company ownership: who actually controls extractive companies?

Financial transparency must also make it possible to identify who controls the companies exploiting natural resources. The Beneficial Ownership Register is specifically designed to identify the individuals who ultimately own or control companies, directly or indirectly.

The framework evolved in 2025 with Decree No. 2025-1354 of August 27, 2025, which now provides free access to several key pieces of information on beneficial owners, including their identity, nationality, country of residence, level of ownership, and means of control.

For the State, identifying beneficial owners helps prevent conflicts of interest, fraud, and illicit financial flows. For citizens, it provides a better understanding of who ultimately benefits from the exploitation of national resources.

3.4. Territorial benefits remain more difficult to track.

The Mining Code, Law No. 2016-32 of November 8, 2016, regulates the Local Development Support Fund (FADL) and provides, during the exploitation phase, for a contribution equivalent to 0.5% of annual pre-tax turnover.

The report identifies five protocols or amendments concluded with mining companies under this framework, including with COGECA and Établissement Ousmane Sow.

However, companies' contributions cannot be identified in a separate account at the local authority level, making it difficult to verify the amounts declared by beneficiary companies.

4.5. Managing a new form of rent over the long term. Law No. 2022-09 of April 19, 2022, regulates the management of hydrocarbon revenues through, among other mechanisms, the Intergenerational Fund and the Stabilization Fund. At least 10% of benchmark revenues must be allocated to the Intergenerational Fund. In 2025, CFAF 2.06 billion was collected for this purpose.

The law also provides for mechanisms to monitor and audit the funds. The transparency challenge is therefore gradually shifting: it is no longer only about tracking what the State collects, but also what it chooses to preserve for future generations.



For the State, identifying beneficial owners helps prevent conflicts of interest, fraud, and illicit financial flows.

RECOMMENDATIONS

4.1. To the State: strengthen traceability and rent management

Strengthen assurance over extractive data. The signing and certification of declarations by companies and financial agencies should be systematized to ensure the reliability of published data.
Improve transparency around oil and gas revenues. Regular publication of production volumes, recoverable costs, Profit Oil and Profit Gas, as well as the shares allocated to the State, would provide a better understanding of how extractive rent is generated.

Make transfers to local authorities traceable. Resources from the Local Development Support Fund should be traceable through to local authorities and the projects they finance, with accessible information on amounts and their use.

Regularly publish information on petroleum funds. Contributions, balances, and transactions of the Intergenerational Fund and Stabilization Fund should be accessible to citizens so that the management of extractive rent can be monitored over time.

4.2. To citizens: monitor what happens to extractive resources.

Citizens, particularly those living in extractive areas, should be able to use available data to monitor revenues and their benefits within their territories.

This means paying attention to financed projects, resources received by local authorities, social investments, and initiatives announced by companies.

Citizen monitoring should also make it possible to compare announced commitments with actual implementation, particularly in education, health, infrastructure, and environmental protection.

4.3. To civil society: turn data into citizen oversight

Civil society can play a key role by cross-referencing EITI data with the State budget, budget execution reports, and local government data.

This can make it possible to monitor the entire resource chain: production, revenues, public receipts, redistribution, and local benefits.

Civil society should also strengthen the dissemination and simplification of extractive data to enable citizens to understand the complex mechanisms related to Sangomar, GTA, the Intergenerational Fund, and the Local Development Support Fund.

Finally, citizen monitoring can rely on tools such as Tracka to document projects and infrastructure announced in extractive territories and compare commitments with actual implementation on the ground.

CONCLUSION

For several decades, mining has been the primary focus of Senegal's extractive sector. The start of production at Sangomar and GTA now opens a new phase in which the management of oil and gas revenues becomes a major economic policy issue.

The first half of 2025 therefore represents a turning point. Senegal now has revenues generated by hydrocarbons, as well as specific mechanisms to manage these revenues over time. The challenge is no longer simply to benefit from this new wealth but to determine what lasting transformation it can help finance.

This period offers the country an opportunity to strengthen its human capital, develop national businesses, improve infrastructure, and further diversify its economy. But this window is temporary: oil and gas resources will eventually decline, while investments made today can continue to generate value for decades.

The true success of this new extractive cycle will therefore not be measured solely by the revenues generated during the years of production but by Senegal's ability to transform finite wealth into lasting prosperity for future generations.

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