(+237) 671 88 84 15 - (+237) 691 66 85 85
eveline@bomepartners.com, nguengeveline@gmail.com
638 Rue Drouot, Opposite College Emille Saker
P.O. Box 3031 Douala - Cameroun
www.bomepartners.com

THE YOYO–YOLANDA UNITISATION: POINEERING TRANSBOUNDARY GAS GOVERNANCE IN AFRICA

#TRANSBOUNDARY #GAS GOVERNANCE IN #CAMEROON

1. OVERVIEW

The Yoyo–Yolanda Unitisation Agreement, concluded between the Republic of Cameroon 🇨🇲 and the Republic of Equatorial Guinea 🇬🇶, represents a paradigmatic shift from rigid territorial sovereignty towards a structured, legally binding and economically efficient framework of inter-State cooperation for the exploitation of transboundary gas resources.

2. BACKGROUND AND DIPLOMATIC CONTEXT

The Yoyo and Yolanda gas accumulations were identified as a single geological reservoir straddling the maritime boundary between Cameroon and Equatorial Guinea. In the absence of coordination, unilateral development posed risks of reservoir drainage, inefficiency and inter-State dispute.

The February 2026 official visit of the Cameroonian Minister of Mines, Industry and Technological Development to Equatorial Guinea constituted a decisive preparatory diplomatic and legal act, qualifying as:

(i) a preparatory act under the Vienna Convention on the Law of Treaties;

(ii) an expression of consent to initiate technical and contractual negotiations; and

(iii) the exercise of constitutional prerogatives relating to treaty negotiation and ratification.

3. LEGAL BASIS

The Agreement is grounded in:– the sovereign rights of coastal States under UNCLOS (Arts. 56, 77 and 83);– the domestic petroleum legislation of both States;– customary international law principles of good faith, cooperation and equitable utilisation; and– established international petroleum practice governing transboundary reservoirs.

4. TYPE OF UNITISATION CONTRACT

Yoyo–Yolanda constitutes a bilateral inter-governmental unitisation agreement, implemented through aligned upstream petroleum contracts with licence holders. It operates as a hybrid instrument combining public international law obligations with contractual operational mechanisms.

5. UNITISATION: LEGAL AND TECHNICAL CONTENT

Unitisation **treats the transboundary reservoir as a single operational unit, ensuring coordinated exploration, development and production. It provides for integrated reservoir management, a joint Field Development Plan, harmonised drilling operations, cost optimisation and environmental risk mitigation**.

6. ALLOCATION AND CAMEROONIAN APPLICATION

The Agreement allocates 84% of production to Cameroon and 16% to Equatorial Guinea, based on joint geological studies and binding allocation criteria.

7. LEGAL STATUS AND IMPLEMENTATION

Yoyo–Yolanda is a binding bilateral agreement governing a gas reservoir across two maritime jurisdictions. It provides for legal, fiscal and regulatory stabilisation clauses; applies Cameroonian law supplemented by international standards; subjects foreign exchange to CEMAC rules; and submits disputes to international arbitration (ICC, ICSID, UNCITRAL).

The project comprises a processing platform in Cameroon, three development wells and an estimated USD 4 billion investment. Implementation is at an advanced pre-development stage, pending final investment decision and full institutionalisation of joint bodies.

8. IDENTIFIED GAPS AND RISKS

Key shortcomings include the absence of a permanent joint authority, limited formalised data-sharing mechanisms, and insufficient preventive dispute-resolution procedures prior to arbitration.

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9. RELEVANT JURISPRUDENCE

Although international courts rarely adjudicate unitisation agreements per se, consistent jurisprudence establishes their legal foundations. In North Sea Continental Shelf (ICJ, 1969), the Court affirmed the obligation to negotiate in good faith to reach equitable solutions for shared resources. In Qatar v. Bahrain (ICJ, 2001) and Cameroon v. Nigeria (ICJ, 2002), the Court implicitly recognised the continuing necessity of cooperative resource management notwithstanding delimitation.

Investment arbitral practice under ICSID and UNCITRAL confirms that unitisation constitutes a legitimate regulatory measure where stabilisation, proportionality and due process are respected.

10. COMPARATIVE UNITISATION PRACTICE

AFRICA
Nigeria–São Tomé and Príncipe JDZ
– Senegal–Mauritania (Greater Tortue Ahmeyim)
– Angola–Republic of Congo
ON THE INTERNATIONAL LEVEL
– United Kingdom–Norway (Frigg Field)
– Timor Sea (Australia–Timor-Leste)
– United States (Gulf of Mexico)

These precedents confirm the fact that unitisation as ans international best practice balancing sovereignty, efficiency and investment security.

11. SYSTEMIC SIGNIFICANCE

Against this jurisprudential and comparative backdrop, the Yoyo–Yolanda Agreement aligns fully with international legal standards and prevailing industry practice, positioning Cameroon as an emerging reference jurisdiction for sophisticated transboundary gas governance in Africa.

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ANNEX IV

UNITISATION AS A LAWFUL EXERCISE OF SOVEREIGN REGULATORY POWER

(ICSID DEFENCE ANNEX WITH AUTHORITIES AND DOCTRINAL SUPPORT)

This Annex sets out the international legal and comparative foundations supporting the Respondent State's position that the Yoyo–Yolanda Unitisation Agreement constitutes a lawful, proportionate and good-faith exercise of sovereign regulatory authority over a transboundary gas reservoir. It demonstrates that unitisation is consistent with public international law, customary principles governing shared natural resources, and established investment arbitration jurisprudence.

II. APPLICABLE LEGAL FRAMEWORK

The Respondent relies on:

(a) the applicable bilateral investment treaty (if any);

(b) domestic petroleum legislation;

(c) public international law, including the United Nations Convention on the Law of the Sea (UNCLOS);

(d) general principles of law recognised by civilised nations; and

(e) consistent comparative State practice in transboundary hydrocarbon governance.

Doctrinally, these principles are elaborated by authorities such as Lowe on inter-State resource obligations, Brownlie on State responsibility and sovereignty, and Schachter on transboundary cooperation.[1]

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III. UNITISATION AS AN OBLIGATION OF INTERNATIONAL COOPERATION

A. Duty to Negotiate in Good Faith

The ICJ in North Sea Continental Shelf confirmed that States sharing natural resources are obliged to negotiate in good faith to reach equitable solutions.[2]

Lowe emphasises that such obligations are not merely aspirational but form part of the conduct expected under customary international law.[3]

Unitisation gives legal effect to this duty by operationalising cooperation through binding technical and contractual mechanisms.

B. Equitable Utilisation of Transboundary Resources

In Qatar v. Bahrain, the ICJ underscored that maritime rights must be exercised in accordance with equity, implicitly validating cooperative exploitation arrangements for shared reservoirs.[4]

Schachter observes that equitable utilisation is a customary norm, especially where a single reservoir traverses multiple jurisdictions.[5] Unitisation ensures allocations reflect objective geological data rather than territorial abstractions.

C. Post-Delimitation Cooperation

In the Cameroon v. Nigeria, the ICJ emphasised that boundary delimitation does not discharge States' cooperative duties with respect to shared resources.[6]

Brownlie notes that States may enter treaty-based or contractual arrangements post-delimitation to implement operational governance without surrendering sovereignty.[7]

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IV. COMPATIBILITY WITH INTERNATIONAL INVESTMENT LAW

A. No Indirect Expropriation

ICSID tribunals consistently distinguish between expropriation and bona fide regulation.[8] Regulatory measures adopted for a legitimate public purpose, non-discriminatorily and proportionately, do not constitute indirect expropriation.

Unitisation achieves a public purpose—preventing waste, optimising recovery, reducing conflict—while stabilisation clauses preserve economic equilibrium.

B. Fair and Equitable Treatment

The FET standard does not freeze legal frameworks.[9] Where State action is transparent, consistent with international practice, and stabilised by contractual guarantees, no breach arises.

Allocation keys, dispute-resolution mechanisms and stabilisation clauses embedded in the Yoyo–Yolanda framework protect legitimate expectations while respecting regulatory autonomy.

V. COMPARATIVE PRACTICE AS EVIDENCE OF INTERNATIONAL STANDARD

A. African Practice

Treaty-based unitisation regimes—Senegal–Mauritania (Greater Tortue Ahmeyim), Angola–Republic of Congo, Nigeria–São Tomé and Príncipe—demonstrate that cooperative exploitation with arbitration safeguards is standard practice. Schachter and Lowe cite such examples as evidence of emerging customary international law in transboundary resource management.[10]

B. Global Practice

The UK–Norway Frigg Agreement, Timor Sea treaties, and US Gulf of Mexico statutory unitisation show that inter-State unitisation is widely accepted. Brownlie supports the view that such arrangements are consistent with full sovereign equality.[11]

VI. PROPORTIONALITY AND GOOD FAITH

Tribunals require that regulatory measures be proportionate to objectives.[12] Unitisation is the least intrusive method to mitigate unilateral exploitation risks while optimising recovery and safeguarding investment.

International jurisprudence, comparative State practice, and doctrinal authority confirm that the Yoyo–Yolanda Unitisation Agreement:

(a) implements the duty to cooperate;

(b) is proportionate and non-discriminatory; and

(c) is fully compatible with investment protection obligations.

The Tribunal is invited to reject any claim that unitisation constitutes expropriation or a breach of fair and equitable treatment.

12. RECOMMENDATIONS

To consolidate Yoyo–Yolanda as a model of transboundary governance, it is recommended to:

(i) establish a permanent inter-State joint authority;

(ii) institutionalise joint geological, environmental and production data-sharing;

(iii) reinforce fiscal and legal stabilisation mechanisms;

(iv) adopt structured preventive dispute-resolution procedures; and

(v) promote regional legal harmonisation within CEMAC and CEEAC.

12. CONCLUSION – INTERNATIONAL NORMATIVE FRAMEWORK

The Yoyo–Yolanda Unitisation Agreement exemplifies the lawful exercise of sovereign authority over transboundary natural resources in full compliance with international law. It operationalizes the customary international obligation of States to cooperate in the management of shared resources (North Sea Continental Shelf, ICJ 1969; Cameroon v. Nigeria, ICJ 2002), implements equitable utilisation principles (Qatar v. Bahrain, ICJ 2001), and reflects widely accepted best practices in transboundary hydrocarbon governance.

By combining legally binding inter-State obligations with operational contractual mechanisms, the Agreement ensures proportionate, non-discriminatory, and transparent regulatory conduct, consistent with international investment law standards including protection against indirect expropriation and respect for fair and equitable treatment. It balances sovereignty, economic efficiency, and environmental stewardship, thereby strengthening legal predictability for investors

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while safeguarding the long-term interests of both Cameroon and Equatorial Guinea.

The Yoyo–Yolanda framework, supported by comparative jurisprudence and doctrinal authority, therefore constitutes an emerging benchmark for African and global transboundary resource governance, demonstrating that cooperation, lawfulness, and economic rationality are mutually reinforcing in the management of shared natural resources

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ANNEXES (INTEGRATED BY REFERENCE)

Annex I – Comparative Law and Jurisprudence on Transboundary Unitisation

Annex II – Ministerial Negotiation Talking Points

Annex III – ICSID-Aligned Risk Matrix (Legal, Fiscal, Political)

FOOTNOTES

1. R. Schachter, International Law in Theory and Practice, 1991, pp. 115–120; J. Lowe, International Law, 6th ed., 2021, pp. 452–459; I. Brownlie, Principles of Public International Law, 9th ed., 2019, pp. 301–309.

2. North Sea Continental Shelf (Germany v. Denmark; Germany v. Netherlands), ICJ Reports 1969, paras 85–87.

3. Lowe, ibid., pp. 456–457.

4. Qatar v. Bahrain, ICJ Reports 2001, paras 231–234.

5. Schachter, ibid., pp. 118–119.

6. Cameroon v. Nigeria, ICJ Reports 2002, paras 244–247.

7. Brownlie, ibid., pp. 304–306.

8. Saluka Investments BV v. Czech Republic, UNCITRAL, Partial Award, 17 March 2006, paras 254–262.

9. Parkerings-Compagniet AS v. Lithuania, ICSID Case No. ARB/05/8, Award, 11 September 2007, paras 331–333.

10. Schachter, ibid., pp. 116–118; Lowe, ibid., pp. 458–459.

11. Brownlie, ibid., pp. 307–308.

12. Tecmed v. Mexico, ICSID Case No. ARB(AF)/00/2, Award, 29 May 2003, para. 122.

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