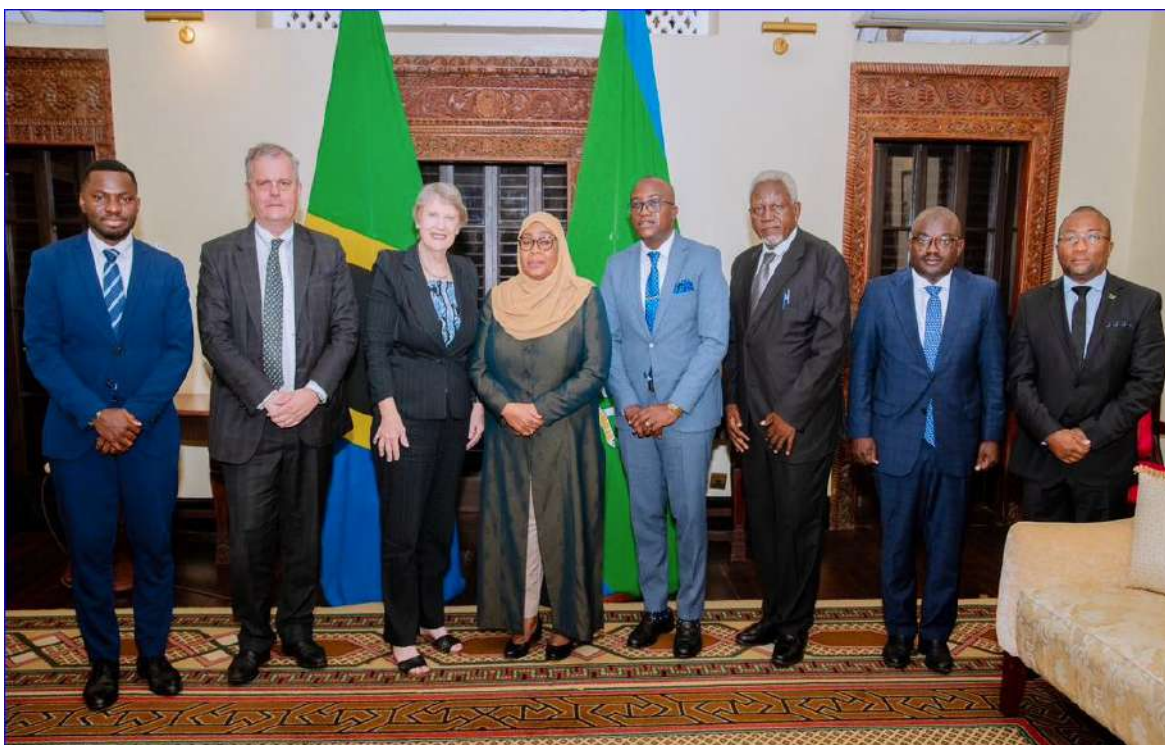


TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)

14TH REPORT

FOR THE FISCAL YEAR 2021/2022



JUNE, 2024

TABLE OF CONTENTS

ITEMS	Page
LIST OF FIGURES.....	vii
LIST TABLES	viii
LIST OF ABBREVIATIONS AND ACRONYMS	x
FOREWORD.....	xii
ACKNOWLEDGEMENT	xiv
EXECUTIVE SUMMARY	xv
Introduction	xv
Overview of the Extractive Sector	xv
Contribution of the Extractive Sector to the Gross Domestic Product (GDP) ..	xvi
Contribution of Extractive Sector to Employment	xvii
Production of Minerals	xvii
Export of Minerals.....	xviii
Production and Sales of Oil and Gas	xix
Reporting Scope.....	xx
Data Submission	xx
Reliability and Credibility of Data	xx
Reporting Entities and Revenue Streams	xxi
Reconciled Revenue Streams	xxii
Reconciliation Results.....	xxii
Corporate Social Responsibility as Reported by Extractive Companies	xxiv
Recommendations Related to the Current Reporting Period.....	xxv
1. INTRODUCTION	1
1.1 Background.....	1
1.2 Objective of the Report.....	3
1.3 Scope of the Report.....	3
1.4 Approach and Methodology.....	3
1.4.1 Terms of Reference	3
1.4.2 Methodology	4
1.4.2.1 Identification of Key Reporting Agencies.....	5
1.4.2.2 Data Collection	5
1.4.2.3 Reconciliation and Investigation of Discrepancies.....	6
1.4.2.4 Reliability and Credibility of Data	6
1.4.2.5 Data Submission.....	6
1.4.2.6 Data Certification	7

1.4.2.7	Level of Disaggregation	9
1.4.2.8	Materiality Deviation.....	9
2.	OVERVIEW OF THE EXTRACTIVE INDUSTRY.....	10
2.1	Mineral Sector	10
2.1.1.	Artisanal and Small-Scale Mining.....	12
2.1.2.	Recent Developments in the Mineral Sector	12
2.1.3.	Mineral Exploration Activities	13
2.1.4.	Minerals and Gems Houses Establishment.....	13
2.2.	Oil and Gas Sector	14
2.2.1.	Recent Developments in the Oil and Gas Sector	14
2.2.1.1.	The East Africa Crude Oil Pipeline Project.....	15
2.2.1.2.	Transportation and Distribution of Natural Gas Project	16
2.2.1.3.	Liquefied Natural Gas Project	17
2.2.1.4.	Implementation of Natural Gas Utilization Master Plan	17
2.2.1.5.	Discovery and Exploration of Oil and Gas in Tanzania.....	18
3.	CONTRIBUTION OF THE EXTRACTIVE INDUSTRY TO THE ECONOMY	20
3.1	Contribution of the Extractive Industries to Gross Domestic Product (GDP) .	20
3.2	Contribution of Other Sectors to GDP	20
3.3	Contribution of Employment in the Extractive Industries	21
3.4	Production	22
3.4.1	Production of Minerals	22
3.4.2	Export of Minerals.....	23
3.4.3	Production and Export of Oil and Gas.....	24
4.	POLICY, LEGAL AND INSTITUTIONAL FRAMEWORK	26
4.1	Policy and Legal Framework of the Mineral Sector	26
4.1.1	The Mineral Policy of 2009.....	26
4.1.2	The Mining Act, Cap. 123.....	27
4.1.3	The Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act, Cap. 450	28
4.1.4	The Natural Wealth and Resources (Permanent Sovereignty) Act, Cap. 449.	29
4.1.5	The Tanzania Extractive Industry (Transparency and Accountability) Act, Cap. 447	29
4.1.6	Income Tax Act, Cap. 332.....	30
4.1.7	The Finance Act, 2023.....	31
4.1.8	Regulations Applicable in the Mineral Sector	32
4.2	Regulatory and Institutional Framework of the Mineral Sector	35
4.2.1	The Ministry of Minerals (MoM).....	36
4.2.2	Ministry of Natural Resources and Tourism (MNRT)	36

4.2.3	Ministry of Lands, Housing and Human Settlements Development (MLHSD)	37
4.2.4	National Environment Management Council (NEMC)	37
4.2.5	Tanzania Revenue Authority (TRA)	37
4.2.6	The Mining Commission (MC)	38
4.2.7	Tanzania Extractive Industries Transparency Initiative Committee (TEITI)	38
4.2.8	State Mining Corporation (STAMICO)	38
4.2.9	Geological Survey of Tanzania (GST)	39
4.2.10	Business Registration and Licensing Agency (BRELA)	39
4.2.11	Bank of Tanzania (BoT)	39
4.2.12	Tanzania Forest Services Agency (TSF)	39
4.2.13	Impact of the Mineral Sector Reforms	40
4.3	Policy, Legal Framework of the Oil and Gas Sector	41
4.3.1	The National Energy Policy of 2015	43
4.3.2	The National Investment Policy of 1996	43
4.3.3	The Petroleum Act, Cap. 392	44
4.3.4	The Oil and Gas Revenues Management Act, Cap. 328	44
4.3.5	The Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act, Cap. 450	44
4.3.6	The Natural Wealth and Resources (Permanent Sovereignty) Act, Cap. 449	45
4.3.7	The Petroleum (Local Content) Regulations, 2017 [GN No. 197 of 2017]	45
4.3.8	Model Production Sharing Agreement for Petroleum of 2013	46
4.4	Regulatory and Institutional Framework of the Oil and Gas Sector	46
4.4.1	Ministry of Energy	46
4.4.2	Ministry of Finance	46
4.4.3	Petroleum Upstream Regulatory Authority	47
4.4.4	Energy and Water Utilities Regulatory Authority	47
4.4.5	Tanzania Revenue Authority	47
4.4.6	Bank of Tanzania	47
4.4.7	Petroleum Bulk Procurement Agency	48
4.4.8	Tanzania Forest Services Agency	48
4.5	Fiscal Regime in Mining, Oil and Gas	48
4.5.1	Fiscal Regime of the Mineral Sector	48
4.5.2	Fiscal Regime of the Oil and Gas Sector	50
4.6	Licences Allocations in Minerals, Oil and Gas	51
4.6.1	Mineral Rights	52
4.6.1.1	Allocation of Mineral Rights	52
4.6.1.2	Approaches in Allocation and Grant of Mineral Rights	54

4.6.1.3	Transfer of Mineral Rights.....	55
4.6.1.4	Effectiveness of Approaches to Grant Mining Licences.....	56
4.6.1.5	Suspension and Cancellation of Mineral Rights	57
4.6.2	Petroleum Licences	57
4.6.2.1	Allocation of Petroleum Rights	57
4.6.2.2	Awarding of Petroleum Rights.....	58
4.6.2.3	Transfer of Petroleum Rights	60
4.6.2.4	Surrender, Cancellation, and Suspension of Petroleum Rights	61
4.7	Mineral and Gas Registry	61
4.7.1	Mining Licence Registry	61
4.7.2	Petroleum Registry	62
4.8	Contracts and Licenses Disclosure.....	62
4.9	Beneficial Ownership Disclosure.....	63
4.10	State Owned Enterprises (SOEs).....	64
4.10.1	State Mining Corporation	64
4.10.2	National Development Corporation	65
4.10.3	Tanzania Petroleum Development Corporation.....	65
4.11	Local Content and CSR Implementation in Extractive Industries	65
5	COLLECTING ENTITIES AND PAYMENTS FLOW IN THE EXTRACTIVE INDUSTRY	67
5.1	Collecting Entities.....	67
5.1.1	The Mining Commission	67
5.1.2	Tanzania Revenue Authority.....	69
5.1.3	Social Security Contribution Funds	71
5.1.4	Local Government Authorities.....	72
5.1.5	Tanzania Petroleum Development Corporation.....	73
5.1.6	National Environmental Management Council.....	73
5.1.7	The Treasury Registrar	74
6.	ANALYSIS OF MATERIALITY THRESHOLD AND REPORTING ENTITIES ..	75
6.1	Materiality Threshold	75
6.2	Reconciled Revenue Streams	77
6.3	Unilateral Reported Revenue Streams	78
6.4	Reporting Government Entities	78
7.	EXTRACTIVE REVENUE COLLECTION AND DISTRIBUTION.....	79
7.1	Revenue Collection.....	79
7.2	Revenue Distribution	79
7.3	Budget Process.....	80

7.4	In-kind Revenue	81
7.5	Infrastructure Provisions and Barter Arrangements	82
7.6	Transportation Revenues	82
7.2	Transactions Related to State Owned Enterprises	82
7.3	Subnational Payments	82
7.4	Subnational Transfers	83
7.5	Data Timeliness	83
8.	RECONCILIATION OF EXTRACTIVE DATA	84
8.1	Reconciliation by Selected Extractive Companies	84
8.1.1	Reconciliation by Extractive Companies	85
8.1.2	Reconciliation by Revenue Streams	88
8.2	Unilateral Payments Received by Government	91
8.2.1	The Mining Commission	91
8.2.2	Tanzania Revenue Authority	92
9.	ANALYSIS OF THE REPORTED DATA	94
9.1.	Analysis of Government Revenues	94
9.1.1.	Analysis by Company's Contribution	94
9.1.2.	Analysis by Revenue Streams Contribution	95
9.1.3.	Analysis by Government Agencies Contribution	96
9.1.4.	Analysis by Sector Contribution	97
9.1.4.1.	Mining Contribution	97
9.1.4.2.	Oil and Gas Contribution	98
9.1.4.3.	Service Providing Companies Contribution	98
9.1.5.	Local Government Authority Contribution	99
9.2.	Analysis of Companies Reported Data	100
9.2.1.	Production Data	100
9.2.2.	Export and Local Sales Data	103
9.2.3.	Capital and Operating Cost Data	105
9.2.4.	Procurement of Goods and Services Data	106
9.2.5.	Employment Data	107
9.2.6.	Social Security Funds Data	110
9.	SOCIAL EXPENDITURE AND ENVIRONMENT PAYMENTS	111
9.1.	Disclosure of Social Expenditures	111
9.2.	Disclosure of Environmental Expenditures	115
9.3.	Environmental and Social Impact of Extractive Activities	115
9.3.1.	Legal and Rules Governing Environment	116
9.3.2.	Rehabilitation, Decommissioning and Closure Programs	118

9.3.3. Environment Plans and Reforms.....	118
9.4. Quasi Fiscal Expenditures	119
10. OUTCOME AND IMPACTS	120
10.1. Public Debate	120
10.2. Data Accessibility and Open Data	122
10.3. Workplan, Monitoring and Review	122
10.4. Recommendations from the 2021/22 TEITI Report	122
10.4.1. Update on Implementation of Recommendations from the 13 th TEITI Report	123
10.4.2. Recommendations from the 2023 Validation Report	126

LIST OF FIGURES

Figure 1: Mineral Occurrence Map and Geological setting of Tanzania.....	10
Figure 2: Payment flow of extractive revenue collection	79
Figure 3: Government revenues by Sector	94
Figure 4: Government revenue contribution by receiving agencies	97
Figure 5: Contribution of Corporate Social Responsibility by type	112

LIST TABLES

Table 1: Details of Extractive Companies which did not submit filled Templates	7
Table 2: Certification of Reporting Templates	8
Table 3: Trends of Gold Production from Small Scale Miners	12
Table 4: Government Revenues Collected from Mineral Markets from 2018/19 to 2021/22.	14
Table 5: Details of Gas Discovery and Exploration Status.....	18
Table 6: Contribution of Extractive Sector to GDP for 2022.....	20
Table 7: Contribution of GDP by Kind of Economic Activity.....	20
Table 8: Contribution to Total Direct Employment by Sector in 2021.....	21
Table 9: Volumes and Values of Produced Minerals for the Year 2021/22.....	22
Table 10: Disaggregated major Mineral Production (Gold and Diamond) by Companies in the year 2021/22.....	23
Table 11: Major Mineral Exports in 2021/22.....	23
Table 12: Production of Natural Gas in 2021/22.....	24
Table 13: Descriptions of the Regulations applicable in the Mineral Sector.....	32
Table 14: List of Framework and Shareholders Agreements entered between the Government and the Mining Companies.....	40
Table 15: Fiscal Terms for the Mineral Sector.....	49
Table 16: Fiscal Terms for the Oil and Gas Sector.....	50
Table 17: Types and Description of Different Mineral Right Licenses in the United Republic of Tanzania.....	52
Table 18: Qualifications for awarding Mineral Rights.....	53
Table 19: Technical and Financial Requirements for Awarding Mineral Rights.....	54
Table 20: Licences Awarded in the Mineral Sector in 2021/22.....	55
Table 21: Licences transferred in the Mineral Sector in 2021/22.....	56
Table 22: Technical and Financial Requirements for Transfer of Mining Rights.....	56
Table 23: Types of Oil and Gas Permits and Licences.....	57
Table 24: The Criteria for Awarding Petroleum Rights.....	59
Table 25: Types of Payments Received by the Mining Commission.....	67
Table 26: Taxes and Payments received by Tanzania Revenue Authority.....	70
Table 27: Social Security Statutory Contributions rates.....	72
Table 28: Local Taxes and Contributions from Local Government Authority.....	73
Table 29: List of Payments Made to TPDC.....	73
Table 30: Receipts Provided by Five (5) Government Agencies.....	75
Table 31: Materiality Threshold as Scoped for the Reconciliation Report.....	76
Table 32: List of Small Scale Miners.....	76
Table 33: Reconciled Revenue Streams.....	77
Table 34: Reporting Government Entities.....	78
Table 35: Analysis of Reconciliation by Companies.....	85
Table 36: Analysis of Reconciliation by Revenue Streams.....	88
Table 37: Unilateral Payments as per Mining Commission.....	91
Table 38: Unilateral Payments as per Tanzania Revenue Authority.....	92
Table 39: Government Revenues by Companies' Contributions.....	95
Table 40: Government Contribution by Revenue Streams.....	96
Table 41: Mining Companies Contribution to Government Revenues.....	98
Table 42: Oil and Gas Contribution on Government Revenues.....	98
Table 43: Service Providing Companies' Contribution to Government Revenues.....	99
Table 44: Local Government Contribution to Government Revenues.....	99
Table 45: Production Data as Reported by Companies.....	101

Table 46: Export and Local Sales Data as Reported by Companies	103
Table 47: Natural Gas Local Sales Data as Reported by Companies.....	104
Table 48: Capital and Operating Cost Data as Reported by Companies	105
Table 49: Procurement of Service and Goods Cost Data as Reported by Companies	106
Table 50: Employment Data as Reported by Companies	108
Table 51: Social Security Fund Payment Data as Reported by Companies	110
Table 52: Contribution of Corporate Social Responsibility by Top Companies	113
Table 53: Disclosure of Mandatory Environmental Expenditures in the Year 2021/22	115
Table 54: Recommendations from the 2021/22 TEITI Report.....	122
Table 55: Update on the Recommendations from the 13 th TEITI Report	124
Table 56: Update on recommendation from the 2023 Validation Report	126

LIST OF ABBREVIATIONS AND ACRONYMS

APT	Additional Profit Tax
ASM	Artisanal and Small-Scale Mining
BRELA	Business Registrations and Licensing Agency
CAG	Controller and Auditor General
CSR	Corporate Social Responsibility
COVID-19	Corona Virus Disease-2019
DSE	Dar es Salaam Stock Exchange
EACOP	East Africa Crude Oil Pipeline
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
EMA	Environmental Management Act, Cap.191
EWURA	Energy and Water Utilities Regulatory Authority
GDP	Gross Domestic Product
GHEITI	Ghana Extractive Industries Transparency Initiative
IA	Independent Administrator
LCP	Local Content Plan
LCPTOGI	Local Content Policy of Tanzania for the Oil and Gas Industry
LGA	Local Government Authority
LNG	Liquefied Natural Gas
MC	The Mining Commission
MDAs	Mineral Development Agreements
ML	Mining License
MNRT	Ministry of Natural Resources and Tourism
MoFP	Ministry of Finance and Planning
MoE	Ministry of Energy
MoM	Ministry of Minerals
MPSA	Model Production Sharing Agreement
NBS	National Bureau of Statistics
NDC	National Development Corporation
NEMC	The National Environment Management Council
NNGP	National Natural Gas Policy
NOC	National Oil Company
NSSF	National Social Security Fund
PCL	Processing Licence
PEPs	Politically Exposed Persons
PML	Primary Mining License
PPF	Parastatal Pensions Fund
PSAs	Profit Sharing Agreements
PSSSF	Public Service Social Security Fund
PURA	Petroleum Upstream Regulatory Authority
REA	Rural Energy Agency

RFL	Refinery Licence
SDL	Skills Development Levy
SL	Smelting License
SML	Special Mining License
SOEs	State Owned Enterprises
SSRA	Social Security Regulatory Authority
STAMICO	State Mining Corporation
TCIMRL	Tanzania China International Mineral Resources Limited
TEITA	Tanzania Extractive Industries (Transparency and Accountability) Act, Cap. 447
TEITI	Tanzania Extractive Industries Transparency Initiative
TFS	Tanzania Forest Services Agency
TPDC	Tanzania Petroleum Development Corporation
TR	Treasury Registrar
TRA	Tanzania Revenue Authority
TZS	Tanzanian Shilling
USD	United States Dollar
VAT	Value Added Tax

FOREWORD



The 14th TEITI report for the fiscal year 2021/22 is issued to comply with the requirements of the EITI Standard 2023 by preparing and disseminating reconciled data on payments by extractive companies to the Government and revenues received by the Government from extractive companies. It is with this notion that TEITI has continued to ensure that requirements set by the EITI Standard 2023 are being complied. This report has been prepared and issued according to the EITI Standard issued in June, 2023.

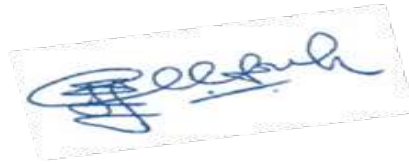
Since 2009, when Tanzania became an EITI-implementing country, the extractive industry in the country has witnessed a positive impact on ensuring transparency and accountability, which is gradually increasing through the tripartite working relationship of extractive companies, civil society organizations, and the government. Through this tripartite working arrangement, the TEITA Act, Cap. 447, requires the Multi-Stakeholder Group (MSG) to oversee the operations of the extractive initiatives in Tanzania. To signify the said involvement, in this year's edition, the number of companies that have been included in the reconciliation process has risen from 45 companies in the year 2020/21 to 56 companies in the year 2021/22, signifying an increase of 12%. The materiality threshold has also increased to TZS 2 billion in this year's report as compared to the threshold of TZS. 1.00 billion in the previous year.

During the year 2023, TEITI had the privilege of welcoming GHEITI of Ghana to Tanzania in November 2023. This was a courtesy visit that aimed at sharing experiences and the learning process, and we had a fruitful discussion on extractive industry management between the two countries. TEITI also had the pleasure of receiving the Rt. Hon. Helen Clark – the Chairperson of the EITI Board, and Mr. Mark Robinson, the EITI Executive Director, who had a state visit. The EITI Board Chairperson and the EITI Executive Director had constructive discussions with the country's leadership, including HE. Dr. Samia Suluhu Hassan, together with the Deputy Prime Minister and Minister responsible for Energy, Hon. Dr. Doto Biteko (MP), and the Minister of Minerals, Hon. Anthony Mavunde (MP). Their visit was an

eye-opener to the significant role that Tanzania has been playing in the extractive industries arena for more than 14 years of its membership with EITI.

From the ensuing discussions of the EITI top management with the country's top management, TEITI remains committed to ensuring that Tanzania continues to be an effective EITI implementing country through the timely issuance of impactful reports after conducting proper reconciliations and providing impactful recommendations to inform the public on the contribution of the extractive industries towards the country's economy.

It's our greatest hope that this report will provide significant insightful information relating to the extractive sector in Tanzania by disclosing statistics on payments to the government from the extractive companies and revenues received by the government from the extractive companies, data on production of minerals, oil and gas, production costs, the contribution of the extractive sector to the country's economy, as well as complying with the new requirements of the EITI Standard 2023.

A handwritten signature in blue ink, appearing to read 'L. Utouh', is written on a white rectangular background.

CPA. Ludovick S. Utouh
CHAIRMAN - MSG

ACKNOWLEDGEMENT



As we release the 14th TEITI's report for the year 2021/22, I wish to express my profound gratitude to all stakeholders who provided us with the required data and information for the preparation of this report. I also wish to commend all our stakeholders who provided us with very fruitful participation during the whole process of the preparation of the 2021/22 report. My special thanks and appreciation are extended to the Ministry of Minerals (MoM), Ministry of Energy (MoE), Tanzania Revenue Authority (TRA), Tanzania Petroleum Development Corporation (TPDC), the Mining Commission (MC), Office of the Treasury Registrar (OTR), the Business Registration and Licensing Agency (BRELA), the National Bureau of Statistics (NBS), Bank of Tanzania (BOT), the National Environment Management Council (NEMC), and all the extractive companies and other stakeholders who were involved in the preparation of this report.

I am further grateful to the MSG for their tireless guidance given to the Secretariat in the preparation of the 14th TEITI report, which was the first time the Secretariat embarked on preparing this report, which previously was done by paid consultants in the form of Independent Administrators. Lastly, my appreciation goes to the TEITI staff for their hard work and commitment in ensuring the report is successfully and timely prepared.

This report has provided comprehensive information on reconciliation of revenue received by the Government and payments made by the extractive companies as well as an overview of the extractive industry in Tanzania for the financial year 2021/22.

The Secretariat will appreciate receiving useful feedback from the readers of this report on how TEITI can continue improving its future reports.



Mariam S. Mgaya
ACTING EXECUTIVE SECRETARY

EXECUTIVE SUMMARY

Introduction

This 14th TEITI report covers the fiscal year 2021/22. The report provides contextual information on the mining, oil, and natural gas sectors in Tanzania, including recent developments in the sectors. Also, it identifies Government agencies that collected payments from the extractive companies, describes payment flows, reports payments made in 2021/22, and proposes materiality thresholds. In addition, the 14th TEITI Report discloses unilateral payments made by small scale miners, information on social expenditures, environmental expenditures, disaggregated employment data and mine closure provisions. Furthermore, the report documents progress made in implementing unmet requirements from the 2023 validation and recommendations made in the previous TEITI reports, and the implementation of new requirements under the 2023 EITI Standard. In addition, the report provides findings and recommendations relating to the current reporting period in order to inform the public on how disclosure of revenue generated from extractive sector are transparent and at which level the government and extractive companies are accountable in managing mineral and gas in Tanzania.

Overview of the Extractive Sector

Tanzania is endowed with a conducive and prospective geological environment with abundant mineral, oil and gas potential. Therefore, effective management of the extractive sector is crucial for ensuring that benefits gained from the sector are properly utilized. The extractive sector in Tanzania is guided by a strong policy, legal, and regulatory framework. The mineral sector is governed by various regulatory frameworks including the Mineral Policy of 2009 and the Mining Act, Cap. 123. On the oil and gas sector, the major policy overseeing the sector is the National Energy Policy of 2015 and the National Investment Policy of 1996. Under these policies there are statutes namely; the Oil and Gas Revenue Management Act, Cap. 328 and the Petroleum Act, Cap. 392.

The country hosts a number of large scale mining operations in different areas. Recently, it has attracted newly large scale mining projects, which is evidence of the sector's growth. The newly large scale mining licence was granted to Sotta Mining Corporation Limited in 2021 and now the project is finalizing compensation and resettlement to the project affected people. Another large scale mine is the Kabanga

Nickel Project in Ngara District operated by Tembo Nickel Corporation Limited. Tanzania is also endowed with minerals such as graphite, limestone, carbon-dioxide and helium deposits and has issued different mineral right licenses for exploration and mining of these minerals. These initiatives have World's attention for critical minerals such as Graphite, Nickel, Rare Earth Elements and Heavy Mineral Sand.

Activities of small scale mining has also significantly increased. It is estimated that ASM in Tanzania offers indirect employment to about 7.2 million people. The recent records indicate that small-scale miners produced 19,808.41 kg of gold in 2021/22 compared to 16,993.70 kg produced in the year 2020/21.

On the oil and gas, as of 2023, there was no oil discovery yet, but oil and gas exploration activities are ongoing in different parts of the country. Several oil seeps have been earmarked and are located at Tundaua on the west coast of Pemba Island, Wingayongo, and Msimbati near Mnazi Bay, as well as in the Interior Rift Basins. According to PURA, the Interior Rift Basins have been observed with a lot of oil leaks and slicks. As early as 1896, oil leaks were recorded from Lake Tanganyika, and more recently, project PROBE discovered an oil film on Lake Tanganyika. Also, oil shows have been detected from the Pemba-5, Mandawa-7, Mafia-1, and Mita Gama-1 wells. Songo Songo wells yielded small amounts of oil, which are low in sulfur with 33E - 47E API. (<https://www.pura.go.tz/pages/seeps>)

In the case of natural gas, production is continuing in Songo Songo and Mnazi Bay gas fields. According to PURA's records, the Gas Initially in Place (GIIP) as of 2022, were estimated at 57.54 trillion cubic feet and no new discoveries have been reported in the year under review. (<https://www.pura.go.tz/documents/gas-discoveries>)

Contribution of the Extractive Sector to the Gross Domestic Product (GDP)

According to the Tanzania National Bureau of Statistics (NBS), the mining and quarrying sub sector comprises minerals, natural gas and crude oil. The mining and quarrying (including natural gas) has kept growing in 2022 as compared to prior years. Table below illustrates that mining and quarrying sector contributed 9.1% of GDP in 2022 compared to 7.3 in 2021. These figures demonstrate that the industry's performance is getting better every year.

Year	2017	2018	2019	2020	2021	2022
Percentage of GDP	4.4	5.2	5.3	6.8	7.3	9.1

Source: National Bureau of Statistics (NBS)

Contribution of Extractive Sector to Employment

According to economic survey of 2021, employment contribution by sector indicates that, the extractive sector contributed about 0.9% of total employment, where by 176,815 were males and 41,538 females (https://www.mof.go.tz/uploads/documents/en-1690533293-ECONOMIC%20SURVEY%20BOOK_2021.pdf).

Economic Activities	Male	Female	Percentage share	Total	Percentage share
Agriculture, forestry, and fishing	7,761,893	7,686,198	66	15,448,091	65.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,138,218	1,726,548	12	2,864,767	12.2
Manufacturing	606,382	435,147	4	1,041,529	4.4
Transportation and storage	688,724	19,447	3	708,171	3
Mining and quarrying	176,815	41,538	1	218,353	0.9

Production of Minerals

In the financial year 2021/22, Tanzania realized a total minerals production worth TZS 8,733,734,873,702.51 higher than TZS 8,189,646,117,014.64 recorded in 2020/21. For the year 2021/22, higher production values were realized from production of gold from large and small-scale mining, followed by coal, copper concentrates, gold from medium mining, and building materials.

Volumes and Values of Minerals Produced for the year 2021/22.

S/N	Type of Mineral	Unit of Measure	Weight	Total Value (USD)	Total Value (TZS)
1	Gold (Large Scale)	Kg	29,660.30	1,744,573,697.51	3,999,876,055,312.11
2	Gold (Medium Scale)	Kg	2,953.42	168,263,666.21	385,786,975,017.95
3	Gold (Small Scale)	Kg	19,808.41	1,044,666,887.48	2,395,162,826,865.97
4	Copper Concentrates	Ton	25,993.99	193,828,228.73	444,400,194,759.46
5	Silver	Kg	9,810.45	7,478,491.62	17,146,331,849.32
6	Tin	Kg	462,151.73	12,317,748.57	28,241,551,300.03
7	Diamond	carat	225,862.06	81,800,341.76	187,547,954,429.24
8	Tanzanite (cut and polished)	carat	93,684.40	10,545,819.18	24,178,955,395.42
9	Tanzanite (rough)	Kg	17,549.74	9,488,411.09	21,754,580,151.32
10	Tanzanite (beads)	Kg	142,095.58	566,566.91	1,298,997,808.51

11	Graphite	Ton	5,569.00	2,382,638.90	5,462,801,770.58
12	Coal	Ton	1,494,250.83	211,590,547.12	485,124,798,206.52
13	Other rough gemstone	Kg	10,272,577.37	24,089,917.11	55,232,222,503.30
14	Other cut and polished gemstone	carat	18,745.42	487,898.18	1,118,629,880.28
15	Other Metallic Minerals	Ton	67,866.20	17,939,368.97	41,130,536,642.65
16	Industrial Minerals	Ton	10,338,682.23	114,429,594.14	262,358,760,915.96
17	Building Material	Ton	23,604,067.61	164,829,080.66	377,912,319,710.56
18	Minerals Samples	Kg	16.36	166.26	381,183.33
TOTAL PRODUCTION VALUE				250,750,359.22	8,733,734,873,702.51

Source: Mining Commission Annual Report 2021/22

Export of Minerals

According to the Mining Commission, for the year 2021/22 a total of **USD 3,199,240,946.42** was collected from exportation of different types of minerals.

Major Mineral Exports in 2021/22

Type of Mineral	Unit of Measure	Export Quantity	Export Value (USD)
Gold	Kg	60,184.85	2,850,947,301.92
Copper concentrates	Tons	24,065.93	183,669,254.37
Diamond	Carat	226,271.38	56,543,387.41
Coal	Tons	585,367.64	31,491,758.75
Gemstones rough	Kg	6,318,630.08	21,520,570.27
Gemstones cut	Cts	87,642.00	
Tin concentrates	Tons	463.81	12,320,149.39
Nickel ore	Tons	12,009.00	8,162,542.68
Phosphate	Tons	40,385.50	5,987,375.69
Copper ore	Tons	3,804.83	5,777,678.27
Zircon sand	Tons	3,176.00	4,479,857.54
Salt	Tons	20,515.47	2,423,886.62
Graphite	Tons	5,485.15	2,362,763.09
Ilmenite sand	Tons	9,000.94	1,994,081.52
Limestone	Tons	194,190.00	1,943,882.22
Aggregates	Tons	52,496.00	912,357.45
Gypsum	Tons	7,919.00	871,974.25
Bauxite	Tons	15,330.00	752,896.17
Industrial quartz	Tons	2,214.13	570,340.11

Type of Mineral	Unit of Measure	Export Quantity	Export Value (USD)
Granite blocks	Tons	3,443.83	478,705.45
Silver	Kg	502.3	433,889.60
Cobalt ore	Tons	35	190,614.69
Mica	Tons	694.88	188,539.66
Marble blocks	Tons	235.36	152,645.20
Lead ore	Tons	100.63	140,479.90
Sand	Tons	30,000.00	130,847.08
Manganese ore	Tons	144	73,030.81
Lime	Tons	557.5.00	51,989.91
Tanga stones	Tons	950	23,334.40
Crushed dust	Tons	1,350.00	19,343.56
Industrial feldspar	Tons	300	13,599.55
Dolomite	Tons	210	2,289.82
Murom	Tons	104	1,893.96
Total (USD)			3,199,240,946.42

Source: Mining Commission Annual Report 2021/22

Production and Sales of Oil and Gas

Natural gas production activities are conducted in the two gas fields of Mnazi Bay and Songo Songo located onshore Tanzania. During year 2021/22, the gas fields produced a total of **73,021.66 Mmscf** of natural gas with a value of **USD 266,280,405.80**.

Production of Natural Gas in 2021/22

Company	Gas Field	2021/22 Produced Gas (Mmscf)	Value of Gas Produced (USD)
Maurel & Prom Company Limited	Mnazi Bay	32,008.96	118,159,936.30
Pan African Energy Tanzania Limited	SongoSongo	41,012.70	148,120,469.50
TOTAL		73,021.66	266,280,405.80

Source: Tanzania Petroleum Development Corporation

As per TPDC, Tanzania has not started to export natural gas. Thus, the entire **73,021.66 Mmscf** of gas produced in the year 2021/22 from the Mnazi Bay and Songo Songo fields was consumed domestically.

Reporting Scope

This report covers payments made by extractive and service providing companies and revenues received by the Government and its Agencies for the fiscal year 2021/22. In addition, the report also covers social payments, employment data, production and sales of minerals, oil and gas, operational costs, and local content for the financial year 2021/22. Data reported are disaggregated by Government Agencies, companies, revenue streams, and by projects where applicable.

The payments and receipts in this report are stated in Tanzanian Shillings (TZS) unless otherwise indicated. The report includes information received up to 09th June, 2024 from reporting entities. Any information received after this date was, therefore, not included in this report.

Data Submission

During the scoping study fifty six (56) extractive companies were selected for reconciliation exercise in the 14th report based on a materiality threshold of TZS 2 billion. However, only forty eight (48) companies, equivalent to 85.7% submitted the reporting templates for reporting purposes, and eight (8) companies equivalent to 14.3% did not submit the reporting templates due to various reasons. Based on the risk approach forty four extractive companies were reconciled in respective to revenue streams approval.

Reliability and Credibility of Data

This was conducted in compliance with requirement 4.9 of EITI Standard 2023 concerning the reliability and credibility of data. To ensure efficiency on the said requirement, the MSG in its 91st meeting agreed on the following:

- i. For each extractive, supporting company and Government Agency, the reporting templates must be signed by an Authorized Senior Officer.
- ii. The reporting companies and Government Agencies were required to submit detailed reporting templates with payment flow and date for comparison purposes.
- iii. All reporting entities should provide disaggregated data by project as proposed in the reporting templates.
- iv. Each reporting template must be certified by an External Auditor.

According to requirement 4.9 of 2023 EITI standard, TEITI must ensure that all the submitted templates are signed by an Authorized Senior Officer. The financial statements of Government entities are audited by CAG¹ while those of extractive companies are audited by the External Auditors as per company Act Cap.212. Based on that, forty two (42) out of forty eight (48) companies submitted reporting templates signed by both Authorized Senior Officers and External Auditors, forty seven (47) were signed by Management and only one company was signed neither by Management nor External Auditor.

Reporting Entities and Revenue Streams Materiality Threshold

During the 90th MSG meeting it was agreed to prepare the report basing on the two different materiality thresholds for large and medium companies, and for small scale miners. Furthermore, the meeting approved the use of risk based approach in reconciling selected revenue streams for the 2021/22 TEITI report (<https://www.teiti.go.tz/storage/app/uploads/public/65d/5f8/5b0/65d5f85b044d3440164190.pdf>).

For Large and Medium Companies:

The materiality threshold of **TZS 2 billion** and above of the preliminary Government receipts of **TZS 2.748 trillion** was approved. This threshold contains **56** companies that contributed to **88.87% (TZS 2,442,510,465,620.02)** of the total Government receipts from extractive industries during the reporting year 2021/22. The proposed materiality threshold means that, all companies making total payments of **TZS 2 billion** and above have to be included in the reconciliation processes.

Materiality Threshold as Scoped for the Reconciliation Report

Amount (TZS000)	% Coverage	Mining	Oil & Gas	Service Providing	Total	Total Amount (TZS)
≥ 2,000,000	88.87	28	10	18	56	2,442,510,465,620.02
≥1,000,000 &<2,000,000	2.05				39	56,451,607,293.36
≥500,000 &<1,000,000	1.67				68	45,990,878,671.81
Companies/Individuals below the Proposed Materiality Threshold of less than 500,000.00						
<500,000	7.40				53,688	203,394,233,160.270
Total	100.00				53,851	2,748,347,184,745.46

¹ https://www.nao.go.tz/uploads/Ripoti_Kuu_ya_Ukaquzi_ya_Mashirika_ya_Umma_Mwaka_2021-22.pdf

Reconciled Revenue Streams

TEITI adopted a risk-based approach during the reconciliation exercise whereby the revenue streams of companies dealing directly with the exploration and production of minerals, and oil and gas were selected and reconciled based on the following criteria:

(a) Revenue streams with a high percentage of contribution to the Government entity determined by analysis of high percentage contribution against the total revenue collected from different government agencies such as royalties, inspection fee and corporate tax;

(b) Revenue stream with high impact and records of high discrepancies from previous TEITI reports. In addition, the MSG agreed to reconcile corporate income tax from service providing companies with the reason to trace their contribution to the extractive sector.

The different categories of revenue streams collected by the government entities and their level of disaggregated according to the Requirement 4.1 and 4.7 of the EITI Standard 2023 have been reconciled in this report. The remaining revenue streams MSG decided to disclose unilaterally.

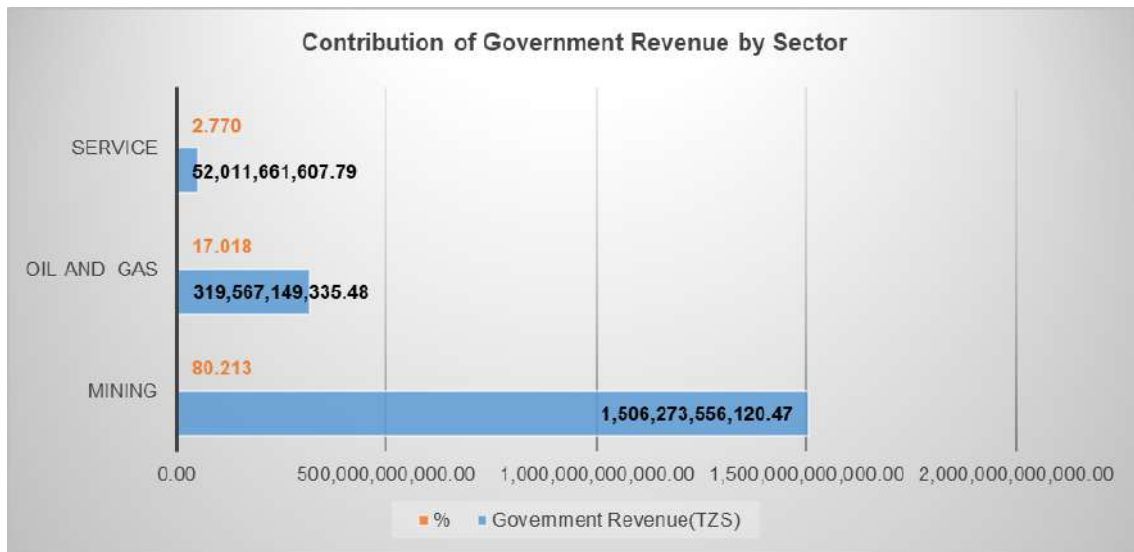
S/N	Reporting Entities	Revenue Streams selected for reconciliation
1.	Mining Commission	Mining Royalties
		Inspection fees
		Annual Rent
2.	Tanzania Revenue Authority	Corporate Tax
		Service Development Levy (SDL)
3.	Tanzania Development Corporation	Royalty on Oil and Gas
		Profit share from natural gas produced field
		Training Fees
		Acreage/Licence fees
4.	National Environment Management Council	Annual Monitoring and Audit Fee (TZS)
5.	Treasure Registrar	Dividends for Government Shares held in the Company
6.	Local Government Authorities	Service Levy

Reconciliation Results

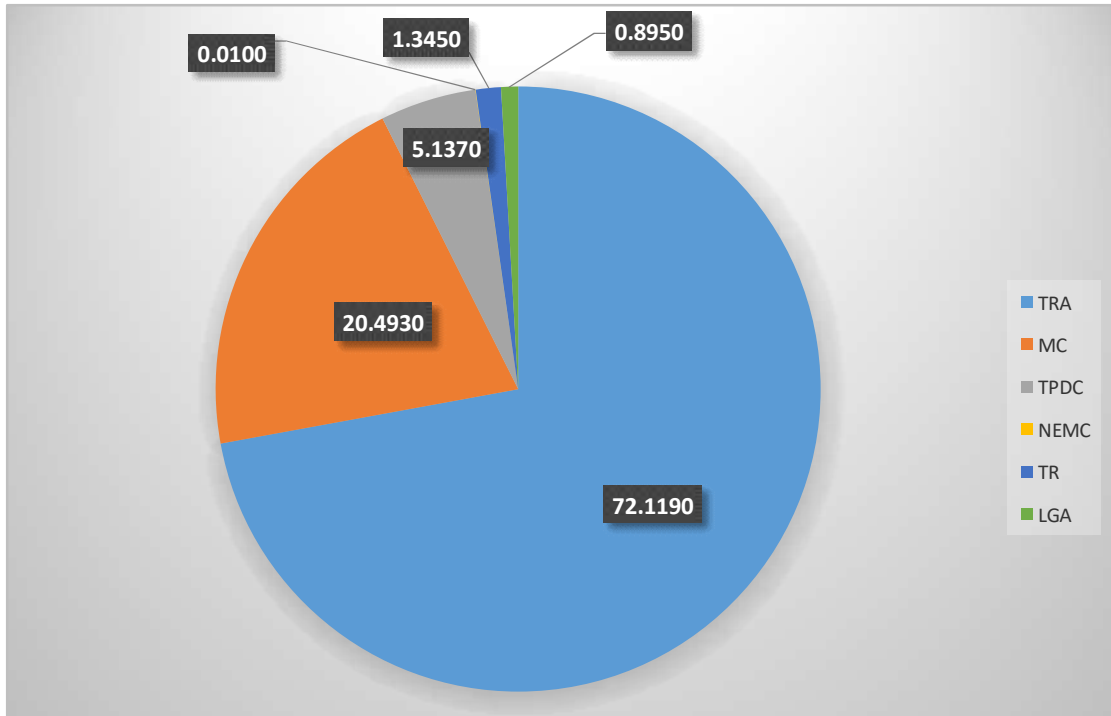
Extractive companies initially reported payment of **TZS 1,391,440,887,771.21** to the Government Agencies while the receipt from the Government was **TZS 1,909,058,376,582.29**. The revenues reported by the government were higher by **TZS 517,617,488,811.08** compared to payments reported by the companies. After the adjustment, the final payments made by companies were **TZS**

1,878,254,778,133.47 while the final revenue received by Government Agencies was **TZS 1,877,852,367,063.74** creating a discrepancy of **TZS 402,411,069.73 (0.021%)**. According to section 18 of the TEITA Act, 2015, the discrepancy of 0.021% is immaterial and therefore does not require further investigation by the Controller and Auditor General (CAG).

Analysis of the reconciled data reveals that for the year 2021/22 the total government receipt was **TZS 1,877,852,367,063.74**. The mining sector contributed **TZS 1,506,273,556,120.47**, equivalent to 80.213% of the government's revenue, while the oil and gas sub-sector contributed **TZS 319,567,149,335.48** which is equivalent to 17.018%. Furthermore, service providing companies contributed **TZS 52,011,661,607.79**, or 2.770% of the government revenue as indicated below.

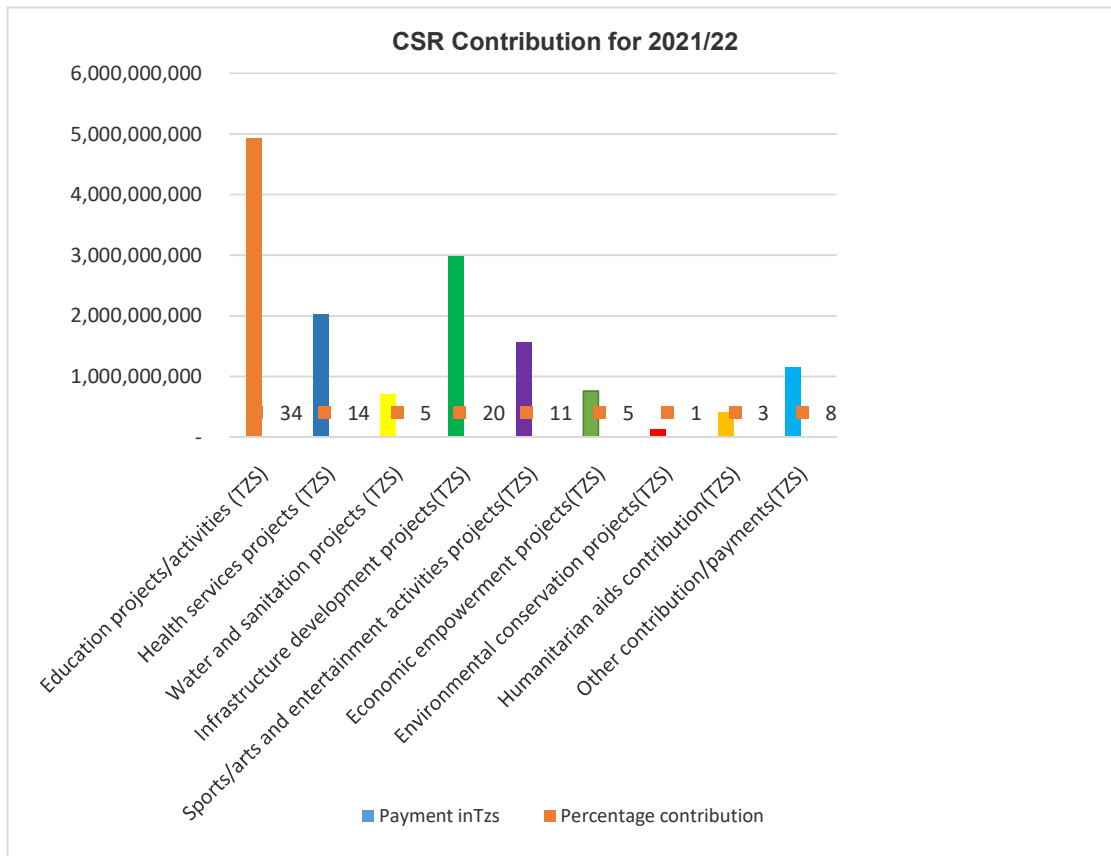


In the year 2021/22, Tanzania Revenue Authority received about 72.12%, Mining Commission (20.49%), Tanzania Petroleum Development Corporation 5.14%, Treasury Registrar 1.35%, Local Government Authority 0.89% and National Environment Management Council (0.01%) of total reconciled government revenues as indicated below.



Corporate Social Responsibility as Reported by Extractive Companies

On mandatory social payment, it was observed that, education projects contributed about 34%, infrastructure (20%), and health service (14%). Furthermore, the collected data revealed a lower percentage contribution for social expenditure (1%) related to the environment against the total reported contribution in the year 2021/22. In terms of company contribution, Geita contributed (31.7%), Bulyanhulu Gold Mine Limited (20.69%) and North Mara Gold Mine (16.16%).



Recommendations Related to the Current Reporting Period

The following are the recommendations of the 14th TEITI report

i. Engagement of service providing companies in EITI report.

TEITI has been involving service providing companies in reconciliation as part of extractive industry activities. However, during the preparation of the 14th TEITI report, it was realized that other service providing companies are not responding to the requested submission of information. It is recommended that, TEITI will encourage service providing companies to provide the required information while seeking legal opinion on the correct interpretation of the extractive industry companies as provided in the TEITA Act.

ii. Disaggregation of the GDP Contribution between Mining, and Oil and Gas Sectors.

It was observed that, NBS reported the contribution of extractive sector by combining oil and gas sub sector in Mining and quarrying. To ensure transparency, NBS should separate the GDP contribution of the extractive industries into two categories of Mining, and Oil and Gas.

iii. Non-Compliance of Environment Management Act, Cap. 191

It was observed that 4 extractive companies out of 21 sampled companies did not pay the Annual Monitoring and Auditing Fee to NEMC for the period under review. Non-compliance led to the losses of Government revenue and the failure of TEITI to assess such mandatory payment as required by the 2023 EITI Standard. It is recommended that, NEMC should ensure every extractive company adheres to the requirements of the relevant law and recovers the outstanding payments.

iv. Absence of Disaggregated Data on Employment in Extractive Sector

According to data provided by NBS in 2022, it was observed that employment data was not disaggregated according to sector and gender. In that context, it is difficult to determine the contribution of employment in the extractive industry as per Requirements 6.3 (a) (iv) of 2023 EITI Standard. It is recommended that, NBS should consult the Ministry of Minerals, Ministry of Energy and Prime Minister's Office, Labor, Youth, Employment and Persons with Disability when generating disaggregated employment data in the extractive industry.

v. Non-payment of Royalty from the Songo Songo Gas field under the Operationship of Pan- African Energy Limited

It was observed that Pan-African Energy Limited did not pay royalties to the Government through TPDC amounting to USD 18,515,058.69 for natural gas produced during the year under review. This non-payment is the indication of losses of government revenues and failure to assess the revenue paid and received for the purpose of reconciliation during the preparation of TEITI Report. It is recommended that, TPDC and Pan- African Energy Limited should take prompt action to ensure the required royalties are paid in view of revenue implication to the Government.

vi. Absence of information Tax Offsetting amounts from TRA to the Extractive Companies

It was observed that during the reconciliation, four large companies did not have the information on the Taxes that are offsets with their refund for instance VAT refund. This lead for TRA to report more receipts in the corporate tax compared to what extractive companies has declared in the year under review. Thus, it is recommended that, on every transaction, there should be an immediate official communication between the companies and TRA for each party to keep proper

record of financial flow and effects including offsetting of payment made by companies and received by TRA.

vii. Misclassification of Revenue Streams by TRA

It was observed that, TRA included Capital Gain Payments amounting to TZS 228,632,784.50 paid by EQUINOR TANZANIA AS which is at the exploration stage as Corporate Income Tax. That treatment has distorted reconciliation process since exploration companies do not generate profit.

It is recommended that, TRA should correctly categorize payments made by extractive companies.



Mariam S. Mgaya

Ag. EXECUTIVE SECRETARY

CHAPTER ONE

1. INTRODUCTION

1.1 Background

The Government of the United Republic of Tanzania joined the Extractive Industries Transparency Initiative (EITI) in February, 2009 and became compliant in 2012 with the objective of increasing transparency and accountability in the management of the extractive sector in the country. The implementation of EITI activities is governed by the TEITA Act, Cap. 447 and EITI Standard 2023, both of which aim to promote open, transparent, and accountable management of the country's oil, natural gas, and mineral resources.

Tanzania completed its first validation in 2011, in which the country was declared compliant with the EITI Rules in 2012. More validation work, subsequent to the 2011 validation, was carried out by the EITI in 2017 and 2020, based on the EITI Standard 2016. The validation process determined that the country had achieved significant progress in implementing the EITI Standard 2016. Arising from the 2017 validation, The EITI Board recommended that TEITI should work on eighteen (18) corrective actions identified in the validation. The subsequent validations conducted in 2017 was intended to evaluate the implementation status of the 18 corrective actions raised in the 2017 validation. Ten (10) of the eighteen (18) corrective actions were found to have been fully resolved, according to a resolution agreed by the EITI Board in June, 2020. The remaining corrective actions were addressed in the 2018/19, 2019/20 and 2020/21 TEITI reports (<https://www.teiti.go.tz/publications/report>).

Tanzania commenced its third validation in April, 2023 and in November, 2023, the EITI Board passed a decision with reference 2023-45/BC-341 that show the country had achieved a moderate overall score of 77 points in implementing the 2019 EITI Standard. The corrective actions needed to be acted upon will be corrected before the next validation in January, 2027 (<https://eiti.org/board-decision/2023-45>). The 2023 validation indicates that Tanzania has published reports that contain informative data that could further inform decision-makers on local content policies, regulatory changes, and public debates.

To date, thirteen (13) reports spanning the period from July 1, 2008, to June 30, 2021, have been published by TEITI. The reports have contributed to building public confidence and trust in the extractive sector and the government with regards to oil, gas, and mining investment operations in the country.

The thirteen (13) TEITI reports published to date were prepared by contracting an Independent Administrator. However, during the 90th MSG meeting held on 11th October 2023, the MSG members deliberated on switching from using an Independent Administrator to using the National Secretariat in the preparation of 14th TEITI report.

According to EITI Standard 2023, the EITI process should be used to complement, assess, and improve existing reporting and auditing systems. The EITI Board recommends that the process rely as much as possible on existing procedures and institutions so that the EITI process draws on, complements, and critically evaluates existing data collection and auditing systems. In this way, the EITI process has the potential to generate important recommendations to strengthen other oversight systems. Consequently, EITI requires implementing countries to prepare report reconciling company payments and government revenues from the extractive sector annually.

This 14th TEITI report covers the fiscal year 2021/22. The report provides contextual information on the mining, oil, and natural gas sectors in Tanzania, including recent developments in the sectors. Also, it identifies government agencies that collected payments from the extractive companies, describes payment flows, reports payments made in 2021/22, and proposes materiality thresholds. In addition, the 14th TEITI Reconciliation Report discloses unilateral payments² made by small scale miners, information on social expenditures, environmental expenditures, disaggregated employment data and mine closure provisions. Furthermore, the report documents progress made in implementing unmet requirements from the 2023 validation and recommendations made in the previous TEITI reports, it also address on the implementation of new requirements under the 2023 EITI Standard

² Are payments made by Government or companies where reconciliation not feasible and exempted by MSG in accordance with Requirement 4.1 (d) and 4.9 of 2023 EITI Standard

as well as provides findings and recommendations relating to the current reporting period in order to inform the on extractive sector management in the country.

1.2 Objective of the Report

The main objective of the report is to disclose information on the extractive industry in Tanzania for the period of 2021/22. This report has been prepared in accordance with the 2023 EITI Standard, the Terms of Reference for EITI reporting, and the TEITA Act, Cap.447. Specifically, the report intends to reconcile payments made by extractive and service providing companies and receipts received by government agencies. It also provides an overview of the extractive industries, findings and recommendations that can contribute to public debate on governance in Tanzania's extractive industry.

1.3 Scope of the Report

This report covers payments made by extractive and service providing companies and revenues received by the Government and its Agencies for the fiscal year 2021/22. In addition, the report also covers social payments, employment data, production and sales of minerals, oil, and gas, operational costs, and local content for the financial year 2021/22. Data reported are disaggregated by Government Agencies, companies, revenue streams, and by projects where applicable.

The payments and receipts in this report are stated in Tanzanian Shillings (TZS) unless otherwise indicated. The report includes information received up to 24th June, 2024 from reporting entities. Any information received after this date was, therefore, not included in this report.

1.4 Approach and Methodology

1.4.1 Terms of Reference

This report was prepared based on Terms of Reference (ToR) approved by the MSG in its meeting held on the 11th October 2023. The approved ToR was assigned to the National Secretariat to:

- i. Collect data and information for the reporting by ensuring all necessary information is collected;
- ii. Prepare a report comprising contextual information;
- iii. Compile, review and analyze information collected from the Government and company reporting entities disaggregated by each individual project, company,

government entity, and revenue stream per Requirement 4.7 of the EITI Standard 2023;

- iv. Present scoping report for MSG approval;
- v. Distribute the reporting templates and train reporting entities on filling the templates;
- vi. Prepare a draft and final report for the MSG's input and approval;
- vii. Support the MSG in preparing thematic or summary reports, to help facilitate and inform ongoing policy debates;
- viii. Reconcile the information disclosed by the reporting entities, identifying any discrepancies per the agreed scope and any other gaps in the information provided;
- ix. Use the Validation data collection templates on transparency as a tool for systematically mapping systematic disclosures;
- x. Advise the MSG and liaise with the International Secretariat or other government experts to provide technical assistance if required; and
- xi. Carry out wide consultations with various constituencies including CSOs during the preparation of the report.

1.4.2 Methodology

The preparation of this report consisted of the following steps:

- i. Reviewing of relevant information for the extractive industries;
- ii. Establishing the lists of small scale miners, extractive companies and service providing companies that made material payments to the Government and Government entities;
- iii. Identifying revenue streams payable to the Government and its Agencies.
- iv. Preparing reporting templates and reporting instructions.
- v. Distributing the reporting templates and training reporting entities on filling the templates
- vi. Conducting training to small scale miners, extractive and supporting companies, and government agencies on how to fill the reporting templates.
- vii. Collecting payments and receipts data from reporting entities which provided the basis for the reconciliation.

- viii. Comparing payments and receipts reported by extractive and supporting companies and Government and its Agencies, respectively, to determine discrepancies between the two data sources.
- ix. Contacting the Government and its Agencies and extractive and supporting companies to resolve the identified discrepancies.
- x. Preparing a draft and final report for the MSG's input and approval.

1.4.2.1 Identification of Key Reporting Agencies

The scoping study identified Government Agencies that received payments from extractive and service providing companies in the fiscal year 2021/22, which are:

- i. The Mining Commission (MC);
- ii. Tanzania Revenue Authority (TRA);
- iii. Tanzania Petroleum Development Corporation (TPDC);
- iv. National Environment Management Council (NEMC); and
- v. Treasury Registrar (TR).
- vi. Local Government Authorities (LGAs)

Information related to taxes, fees, and charges payable to the government by the extractive and service providing companies was collected and analyzed to determine payments, revenue streams and materiality threshold, which served as the inclusion criterion for companies involved in the reconciliation exercise for the fiscal year 2021/22. The results and recommendations were submitted to the TEITA Committee for approval.

1.4.2.2 Data Collection

The reporting templates were developed, approved by MSG and submitted to the identified Government Agencies, extractive companies and service providing companies. The TEITI Secretariat conducted training on filling the reporting templates to companies, Government Agencies, small scale miners, and service providers. The approved reporting templates are presented in the report as **Annex 4**. The representatives of the reporting entities were trained on how to fill the templates through various means including telephone, email, and face-to-face interactions. The TEITI Secretariat sent letters, the reporting templates and filling instructions electronically to the reporting entities. These entities were required to respond by

filling in the reporting templates and directly report to the TEITI Secretariat by 30th September, 2023.

1.4.2.3 Reconciliation and Investigation of Discrepancies

The reconciliation process was carried out on a cash accounting basis. Each extractive and service providing company's payments made were compared to corresponding revenue data reported by the Government agencies. Consequently, all discrepancies identified were listed item-by-item to each Government agency, extractive company and service providing company.

Further investigation on discrepancies of individual financial flows exceeding TZS 2 million and discrepancies of more than one percent of the total government receipts was conducted.

1.4.2.4 Reliability and Credibility of Data

For compliance with the requirement 4.9 of EITI Standard 2023 concerning reliability and credibility of data, the MSG in its 91st meeting held on 02nd February 2024 agreed on the following:

- i. For each extractive and supporting company and Government Agency, the reporting templates must be signed by an authorized officer and for the Government Agencies to be signed by a Senior Public Officer.
- ii. The reporting companies and Government Agencies were supposed to submit the detailed reporting templates with payment flows and date for comparison purposes.
- iii. All reporting entities should provide disaggregated data by project as proposed in the reporting templates.
- iv. Each reporting template was required to be certified by an external auditor.

1.4.2.5 Data Submission

During the scoping study, fifty six (56) extractive companies were selected for reconciliation exercise for the 14th TEITI Report based on a materiality threshold of TZS 2 billion. However, only forty eight (48) companies, equivalent to 85.7% submitted the reporting templates and eight (8) companies equivalent to 14.3% did not submit the reporting templates due to various reasons as detailed in **Table 1**.

Based on the risk approach adopted forty four (44) extractive companies were reconciled in respective to the revenue streams approved.

Table 1: Details of Extractive Companies which did not submit filled Templates

SN	Name of the Company	Category of the Company	Reasons for non-submission of Templates
1.	TCL Services Limited	Service providing company	Transferred to Swala Company.
2.	Mohamed Omar Sharif	Mining company	There are no justifiable reasons.
3.	Sunshine Mining Limited	Mining company	No access to information is required due to the closure of operations.
4.	Petrobras Tanzania Limited	Oil and Gas	Closure of operations in Tanzania.
5.	Metc-Paulsam company Limited	Service providing company	There are no justifiable reasons.
6.	GBP Tanzania Limited	Service providing company	There are no justifiable reasons.
7.	Sahara Tanzania Limited	Service providing company	There are no justifiable reasons.
8.	Kobil Tanzania Limited	Service providing company	There are no justifiable reasons.

1.4.2.6 Data Certification

According to requirement 4.9 of the EITI standard 2023, TEITI has ensured that all the submitted templates were signed by authorized senior officer. The financial statements of government entities were audited by the CAG³ while those of the Extractive Companies were audited by certified External Auditors by the NBAA as per the Company Act, Cap.212.

Based on that, forty two (42) out of forty eight (48) companies submitted reporting templates signed by both Authorized Senior Officers and External Auditors, forty seven (47) were signed by Management and only one company was signed neither by the Management nor External Auditor as shown on **Table 2**.

On this basis, TEITI is satisfied and confirm that data and information received from the reporting companies and Government Entities are credible and independently audited.

³ https://www.nao.go.tz/uploads/Ripoti_Kuu_ya_Ukaquzi_ya_Mashirika_ya_Umma_Mwaka_2021-22.pdf

Table 2: Certification of Reporting Templates

S/N	Company	Management Sign-Off	External Sign-Off	Auditor	Audit Firm
1	North Mara Gold Mine Limited	√		√	PWC
2	Geita Gold Mining Limited	√		√	Ernst & Young
3	Bulyanhulu Gold Mine Limited	√		√	PWC
4	M&P Exploration Production Tanzania Limited	√		√	Ernst & Young
5	Shell Exploration And Production Tanzania Limited	√		√	Ernst & Young and Fortunatus Kibiki
6	Pan African Energy Tanzania Limited	√		√	KPMG
7	Equinor Tanzania As	√		√	Alexander Njambe
8	Pangea Minerals Ltd	√		√	PWC
9	Shanta Mining Company Limited	√		√	BDO East Africa
10	Twiga Minerals Corporation Limited	√		√	PWC
11	Samax Resources Ltd.	√		√	Ernst & Young
12	AUMS (T) Limited	√		√	PWC
13	Maweni Limestone Limited.	√		√	Deloitte & Touche
14	Totalenergies Marketing Tanzania Limited	√		√	PWC
15	Ruvuma Coal Limited	√		√	KPMG
16	Williamson Diamonds Limited	√		√	KPMG
17	Capital Drilling (T) Ltd.	√		√	BDO East Africa
18	CMS (Tanzania) Limited	√		√	BDO East Africa
19	Taifa Mining & Civils Limited	√		X	-
20	TNR Limited	√		√	PZM Accounting And Auditing
21	Globeleq Tanzania Services Limited	√		√	Ernst & Young
22	Cyprus Mnazi Bay Limited	√		√	Ernst & Young and Afriq Consultants
23	Etablissements Maurel & Prom	√		√	Ernst & Young AND AFRIQ CONSULTANTS
24	Cata Mining Company Limited	√		√	Lumbika Tanzania
25	Shell Deepwater Tanzania B.V	√		√	Ernst & Young and DELLOITE & TOUCHE
26	Paul Heny Gagala	√		X	-
27	China Petroleum Technology and Development Corporation	√		X	-
28	STAMIGOLD Company Limited	√		√	CAG
29	Boart Longyear Tanzania Limited	√		√	DELOITTE Consulting Limited
30	Exxonmobil Exploration And Production Tanzania Limited	√		√	PWC
31	Fenamu Gold Dealer Limited	√		√	LAGHE CONSULT
32	Buckreef Gold Company Limited	√		√	Ark Partners
33	Jac Rijk Africa Limited	√		√	Ark Partners
34	Tembo Nickel Corporation Limited	√		√	PWC
35	Nyanza Road Works Ltd.	√		√	Danis Associates
36	Keng'anya Enterprises Ltd.	√		√	Danis Associates
37	Katavi Mining Company Limited	√		√	Hanif & Habib Co.
38	Busolwa Mining Limited	√		√	G-Washington & Company & Amj Associates & Partners
39	MMG Gold Limited	√		√	GSA AFRICA
40	Jitegemee Holdings Company Limited	√		√	SHEPHERD CONSULTING
41	BGP International Tanzania Limited.	√		X	Inspire Auditors
42	Tansino Quarries Ltd.	√		√	Assad Associates
43	Mantra Tanzania Limited	√		√	KPMG
44	Lukuba Saguda Lili	X		X	-
45	Tancoal Energy Limited	√		X	-
46	Tanzania Petroleum Development Corporation(TPDC)	√		√	CAG
47	State Mining Corporation(Stamico)	√		√	CAG
48	National Development Corporation(NDC)	√		√	CAG

1.4.2.7 Level of Disaggregation

The objective of requirement 4.7 of the 2023 EITI Standard is to ensure disaggregation in public disclosures of company payments and government revenues from mining and oil and gas that enables the public to assess the extent to which the government can monitor its revenue receipts as defined by its legal and fiscal framework, and that the government receives what it ought to from each individual extractive project. It requires the report to disclose data disaggregated by each individual project, company, government entity, and revenue stream. In complying with this requirement, all the data submitted has to be disaggregated by company, revenue stream, and government entities, where applicable some of the payments have to be reported under the project level. Reporting entities were requested to provide financial data and contextual information. The reconciliation was carried out on a cash basis for all payments made from 1st July 2021 to 30th June, 2022. The reporting currency used in this report is Tanzanian Shilling (TZS). A computed daily average rate (USD 1 = 2,309.57) for the 2021/22 period as per Bank of Tanzania (BoT) was applied for payments made in US Dollars.

1.4.2.8 Materiality Deviation

The materiality deviation is the threshold of immaterial differences per revenue stream for which the Secretariat was not required to carry out an investigation. It was agreed that reporting entities justify any discrepancy between individual financial flows that exceeded TZS 2 million. Similarly, it was also decided that the reconciliation exercise should be concluded when the discrepancy is less than one percent of the total reported company payments and government revenues.

CHAPTER TWO

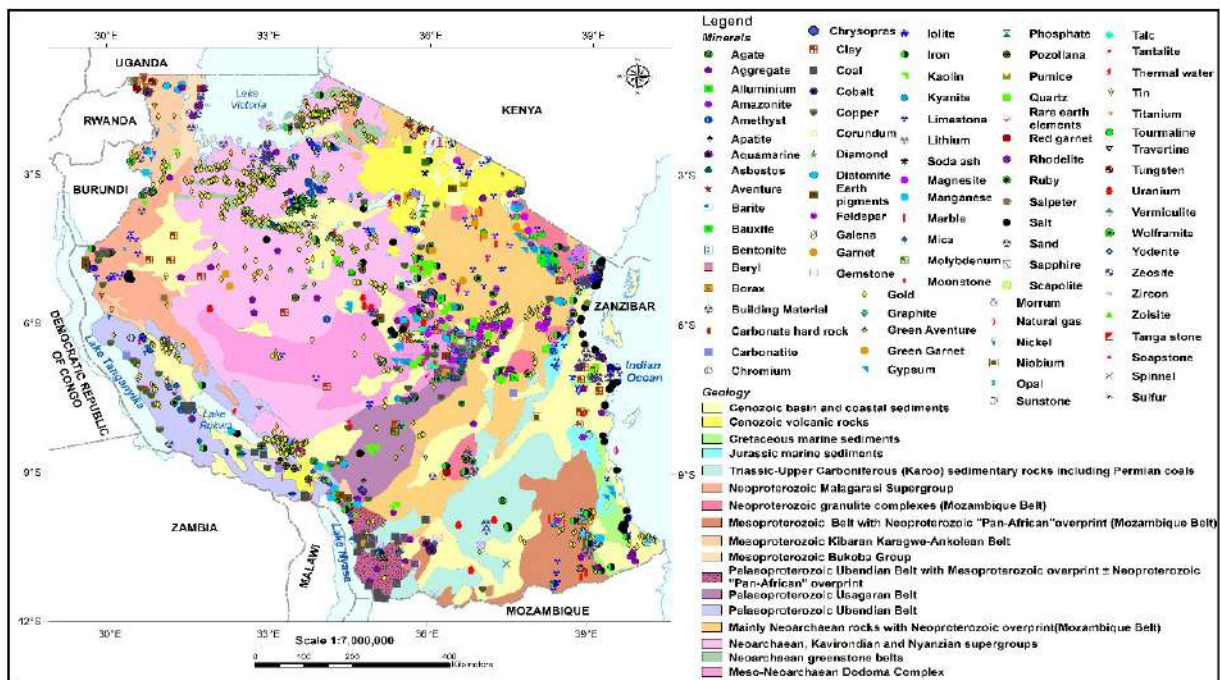
2. OVERVIEW OF THE EXTRACTIVE INDUSTRY

2.1 Mineral Sector

The Mineral exploration and geological work undertaken in the country reveal that, Tanzania has diverse mineral resources. The country has tectonic belts that favour and host different minerals. These belts include the Archaean Tanzania Craton, the Palaeoproterozoic Ubendian and Usagaran mobile belts, the Mesoproterozoic Karagwe –Ankolean and the Neoproterozoic Mozambique belt. The other potential area is the phanerozoic sediments covering the Karoo for coal and the Coastal Basin for gas. This geology makes the mining sector in the country to be one of the important sectors for economic development.

Major types of minerals found in Tanzania include gold, iron, nickel, copper, cobalt, silver, diamond, tanzanite, tin, ruby, garnet, limestone, soda ash, gypsum, salt, phosphate, coal, uranium, gravel, graphite, sand and dimension stones⁴ as shown in **Error! Reference source not found..** Major exploration led to the discovery of industrial minerals such as graphite, rare earth elements, and helium gas.

Figure 1: Mineral Occurrence Map and Geological setting of Tanzania



Source: GST, Nov, 2023

The most produced mineral commodity in the country is gold which contributes over 50% of the aggregate value of mineral exports. The sector is therefore among the country's dependable sources of foreign exchange earnings, employment and revenue. For instance, according to the National Bureau of Statistics (NBS) Economic Survey Report of 2022, the value of the nation's total mineral exports was \$3,395.3 million in 2022, equivalent to 47.0% of the total value of the nation's exports compared to \$3,116.4 million in 2021, equivalent to 46.1% of the total value of exports. In 2022, the government collected taxes totaling \$855.3 million US Dollars representing 15.84% of the total domestic tax revenue of the country (https://www.nbs.go.tz/nbs/takwimu/na/THE_ECONOMIC_SURVEY_2022.pdf). As of 2023 reports, Tanzania is ranked the 7th largest gold producer in Africa after South Africa, Ghana, Mali, Burkina Faso, Cote d'Ivoire and Sudan (<https://newswirengr.com/2023/05/28/african-countries-that-produce-most-gold-2023-list/>).

The country hosts a number of large-scale gold mines operating including the Geita Gold Mine (GGM) in Geita Region, North Mara Gold Mine (NMGM) in Mara Region, Bulyanhulu Gold Mine (BGM) in Shinyanga and Geita Regions, and the Buzwagi Gold Mine (BZGM) in Shinyanga Region which is now at the closure phase. Tanzania also has two (2) large scale diamond mines, the Williamson Diamond Mine and El Hilal Minerals Ltd located in Mwadui area in Shinyanga region. The newly large scale mining licence was granted to Sotta Mining Corporation Limited in 2021 and now the project is finalizing compensation and resettlement to project affected people. Another large scale nickel mine is the Kabanga Nickel Project operated by Tembo Nickel Corporation Limited in Ngara District. Tanzania is also endowed with minerals such as Graphite, Limestone, Carbon dioxide, and helium deposits. The Mining Commission has issued different mineral right licenses for exploration and mining of the above minerals which has drawn world attention for the critical minerals such as Graphite, Nickel, Rare Earth Elements and Heavy Mineral Sand.

Furthermore, Medium Scale gold mines include Shanta Gold Mine in Songwe Region, Shanta Gold Mine in Singida region, Sunshine Gold Mine in Songwe Region, Sunshine Gold mine in Sekenke, Singida Region and STAMIGOLD Biharamulo Mine (SBM) in Kagera Region.

2.1.1. Artisanal and Small-Scale Mining

The Mineral Policy, 2009, and the Mining Act, Cap. 123 included appropriate revisions for small-scale mining and redefined a small-scale miner as the holder of a primary mining licence (PML), which is a licence for mining operations characterized by minimal machinery or technology and initial capital for investment that does not exceed USD 5 million or its equivalent in Tanzania Shillings. In 2018, the UNEP documented that the country's artisanal and small-scale mining (ASM) sub-sector had directly employed over one million people with many more relying on it for a living (<http://pubs.iied.org/16641IIED/?k=mining>).

Most of these small-scale miners are Tanzanians whose subsistence depends on mining. These people constitute more than 90% of the mining labor force in the country. Moreover, ASM offers indirect employment to about 7.2 million people. According to recent records, small-scale miners produced 19,808.41 kg of gold in 2021/22 compared to 16,993.70 kg produced in the year 2020/21. This indicates an increasing trend of gold produced by small-scale miners in Tanzania as shown in **Table 3**.

Table 3: Trends of Gold Production from Small Scale Miners

Year	Production(Kg)	Value (TZS)	% increase in production
2018/19	5,193.72	493,613,005,431.03	–
2019/20	15,327.22	1,513,761,852,252.65	66.11
2020/21	16,993.70	2,103,968,531,460.24	9.81
2021/22	19,808.41	2,395,162,826,865.97	14.21

Source: Mining Commission

2.1.2. Recent Developments in the Mineral Sector

The mineral sector has grown steadily in recent years, and its contribution to the economy has grown significantly. Mineral exploration operations in the country have expanded, and revenue from the industry has consistently increased and improved mineral trade control interventions, by establishing mineral and gem houses, and conducting awareness creation campaigns. New special mining licenses have been issued recently, and the projects for which the licenses were granted are currently being developed.

2.1.3. Mineral Exploration Activities

Tanzania's mining industry is still in its development stage but its growth potential is considerably high due to the abundance of mineral resources in a broad spectrum of geological zones. Numerous companies have been prospecting and exploring various types of minerals through prospecting licenses. Moreover, exploration and geophysical surveys conducted have revealed presence of anomalies for future geological investigations. Detailed geological and geophysical works conducted by the government through the Geological Survey of Tanzania (GST) can be accessed through <https://www.gst.go.tz/pages/geochemical-surveys> and <https://www.gst.go.tz/pages/geological-mapping>. More information on geological, geophysical data and survey data can be accessed at <https://www.gst.go.tz/>.

On the other hand, private companies have been conducting exploration activities in different areas in Tanzania as measured by the number of licences granted. For instance, in the year under review, the Mining Commission statistics show that a total of 9,498 exploration licences were granted. Detailed analysis of licences by type and commodities are; active Prospecting Licenses (340), Mining Licences (22), Primary Mining Licences (6,268), Refinery licences (2), Dealer Licences (711), Broker Licences (2,098), Special Mining Licences (2) and Processing Licences (55). The detailed information can be found at the Mining Commission portal through (<http://portal.madini.go.tz/map/>).

2.1.4. Minerals and Gems Houses Establishment

The Government has continued to establish Mineral and Gems houses (Mineral Markets) pursuant to Section 27C of the Mining Act, Cap.123. The establishment of these Mineral and Gem houses was intended to control mineral trading, reduce mineral smuggling from the country and to provide guaranteed mineral markets for small scale miners with objective of increasing government revenues from mineral trading. As of March, 2023, 42 mineral markets and 94 mineral trading centres were established and operational across the country. According to the Mining Commission, the mineral markets contributed to the increase in government revenue significantly where the Government collected TZS 164.09 billion in 2021/22, compared to TZS 145.23 billion in 2020/21 which is equivalent to an increase of 11.50%. **Table 4** presents a breakdown of Government revenue collected from mineral markets from 2018/19 to 2021/22.

Table 4: Government Revenues Collected from Mineral Markets from 2018/19 to 2021/22.

Information Collected	2018/2019	2019/2020	2020/2021	2021/2022
Number of Mineral Markets	25	39	41	42
Number of buying Centers	2	31	61	78
Mineral sales, Billion (TZS)	120.53 1	516.22	2,095.96	2,361.80
Revenue (Royalty and CIF) Billion (TZS)	8.37	104.63	145.23	164.09
Contribution of Mineral Markets to the total Mineral revenue (%)	2.62	21.28	26.40	28.36

Source: Mining Commission Annual Report 2021/22.

2.2. Oil and Gas Sector

Tanzania has a huge potential for oil and gas resources. As of 2023, there was no oil discovery yet, but oil and gas exploration activities are ongoing in different parts of the country. Several oil seeps have been earmarked and are located at Tundaua on the west coast of Pemba Island, Wingayongo, and Msimbati near Mnazi Bay, as well as in the Interior Rift Basins. According to PURA, the Interior Rift Basins have been observed with a lot of oil leaks and slicks. As early as 1896, oil leaks were recorded from Lake Tanganyika, and more recently, project PROBE discovered an oil film on Lake Tanganyika. Also, Oil shows have been detected from the Pemba-5, Mandawa-7, Mafia-1, and Mita Gama-1 wells. Songo Songo wells yielded small amounts of oil, which are low in sulfur with 33E - 47E API (<https://www.pura.go.tz/pages/seeps>).

In the case of natural gas, production is continuing in Songo Songo and Mnazi Bay gas fields. According to PURA's records, the Gas Initially in Place as of 2022, was estimated at 57.54 trillion cubic feet and no new discoveries have been reported in the year under review (<https://www.pura.go.tz/uploads/documents/en-1654698705Copy%20of%20Discoveries%202022.xlsx>). Following the significant discoveries of natural gas reserves, the Government has been strengthening the oil and gas sub-sector's policy and legal framework over the years. The move to strength the legal framework intends to maximize the country's benefits from its gas reserves.

2.2.1. Recent Developments in the Oil and Gas Sector

Since the discovery of gas reserves in the country, the Oil and Gas sub-sector has experienced growth. The Ministry of Energy has launched a number of projects to boost the sector's development. The East Africa Crude Oil Pipeline (EACOP) project, transportation and distribution of natural gas, Liquefied Natural Gas (LNG) project,

and Natural Gas Utilization Master Plan project constitutes key projects in the sector at various phases of development and implementation. The detailed explanations of recent developments in the oil and gas sector are as follows;

2.2.1.1. The East Africa Crude Oil Pipeline Project

The East African Crude Oil Pipeline Project (EACOP) is a pipeline that will transport oil from Kabaale – Hoima, near Lake Albert oilfields in Uganda to Chongoleani Peninsula near Tanga Port in Tanzania, where it will be exported to the global markets (<https://eacop.com/route-description-map/>). It is a joint project between the governments of Tanzania and Uganda which constitutes a 1,443km crude oil export pipeline that is expected to have a peak capacity of 246,000 barrels of crude oil per day. The first 296 km (20.5%) of EACOP are in Uganda and the remaining 1147 km (79.5%) are in Tanzania.

The shareholders in EACOP are affiliates of the three upstream joint venture partners which are: the Uganda National Oil Company (UNOC) which owns 15%, the Tanzania Petroleum Development Corporation (TPDC) which owns 15% Total Energies E&P Uganda which owns 62%, and the China National Offshore Oil Corporation International (CNOOC) which owns 8% shares (<https://eacop.com/overview/>). Once completed, the project will include a number of auxiliaries above ground facilities. These include: -

1. Six (6) pumping stations, two (2) in Uganda and four (4) in Tanzania,
2. Two (2) pressure reduction stations in Tanzania,
3. One (1) oil terminal in Tanzania,
4. Own power generation with generators that will support a scheme for primary connection to a series of 5 solar farms (90MWp in total capacity) in Tanzania,
5. The Marine Export Storage Terminal and the Load-Out Facility are located North of Tanga Port over the Chongoleani Peninsula.

The construction of the pipeline began in 2021, following the completion of a final investment decision by the project partners. The pipeline is expected to become operational in 2025 and is projected to generate significant revenues for the governments of Uganda and Tanzania, as well as the project partners.

The Government continued with the implementation of the East African Crude Oil Pipeline Project from Hoima - Uganda to Tanga - Tanzania (EACOP) by completing the compensation payment of TZS 34.93 billion, to 9,823 out of 9,904 citizens who

are affected by the project, which is equal to 99.2 percent; the completion of the construction of 340 houses equal to 100 percent of alternative housing for 294 citizens who were resettled; completion of the construction of the garage to install the heating system in the pipes; and the construction of 14 camp sites is in progress. In addition, pipes with a length of 400 Kilometers have already arrived in the country and the exercise of installing systems for heating, safety and communication of pipes (thermal insulation and fiber optic cables) is ongoing. Until March, 2024, the Government had paid a total of 289.78 million US Dollars equal to 94 percent of the amount that should be contributed as capital to the EACOP Company Ltd. This project implementation as a whole has reached 27.1 percent.

2.2.1.2. Transportation and Distribution of Natural Gas Project

The construction of infrastructure for transportation and distribution of natural gas in Dar es Salaam, Lindi, Mtwara, and Coast regions has started as part of the project's implementation. The construction of stations for filling natural gas (Compressed Natural Gas-CNG) in cars continued with the participation of the Private Sector. TPDC and GPSA continued with the procedures to find a Lead Consultant to carry out a feasibility study, design of engineering drawings, and Environmental and Social Impact Assessment to enable GPSA to build CNG stations in Dar es Salaam and Dodoma depots, as a step to enable the entities fire engines owned by the Government to use CNG. In addition, the Private Sector continued to take advantage of the use of CNG in fire engines by building CNG stations in Dar es Salaam and the Coast as well as eight (8) garages to change the use of CNG systems in vehicles which is an important tool to stimulate the use of CNG in cars. These measures have continued to strengthen the use of natural gas (CNG) in vehicles;

Natural gas distribution projects in industries, institutions and homes continued to be implemented in the regions of Dar es Salaam, Coast, Lindi and Mtwara. The works carried out include building a natural gas pipeline with a length of 12.4 kilometers from Mwenge to Mbezi Beach in Dar es Salaam which enabled the connection of natural gas infrastructure to various industries and hotels and building a pipeline to transport natural gas from BVS 3 to Mnazi Mmoja Wards and Mingoyo in Lindi region with a length of 10.04 kilometers which enabled connecting 209 houses with natural gas. Other measures taken includes completion of the procedures to find a

contractor to build infrastructure to connect 451 houses in the Lindi region (Mnazi Mmoja and Mingoyo wards) and 529 houses in the Coast region (Mkuranga).

2.2.1.3. Liquefied Natural Gas Project

This project seeks to commercialize massive natural gas discoveries made in the deep offshore basin between the years 2010 and 2015, totaling 47.13 trillion cubic feet of natural gas. Shell Exploration and Production Tanzania LTD (Shell) discovered natural gas in Blocks 1 and 4 with partners Ophir and Pavilion, while Equinor Tanzania AS (Equinor), formerly Statoil, discovered natural gas in Block 2 with partner ExxonMobil. Following the completion of discussions between the Government of Tanzania (GoT) and the International Oil Companies (IOCs), the LNG processing and liquefaction facilities will be built onshore in Tanzania's Likong'o - Lindi region. (<https://tpdc.co.tz/portfolio/the-tanzania-liquefied-natural-gas-lng-project/>)

The project is planned to involve drilling development wells in deep offshore fields, construction of subsea pipelines from deep offshore fields that will transport natural gas to onshore for processing, construction of an LNG plant, and development of jetty loading facilities in the project area. When completed, the LNG plant will convert found natural gas into liquid form for export to global markets in Asia and Europe. Additionally, natural gas will be provided by the LNG project for domestic usage in homes, businesses, institutions, and power plants, as well as compressed natural gas (CNG) automobiles.

2.2.1.4. Implementation of Natural Gas Utilization Master Plan

The Natural Gas Utilization Master Plan (NGUMP) 2016 – 2045 is an integral part of the strategy for the implementation of the National Energy Policy, 2015 regarding the utilization of the resources, the improvement of infrastructures and human capital development in Tanzania. The NGUMP focuses on guiding better utilization of natural gas, improving infrastructure for natural gas distribution, and ensuring that each economic sector benefits from the utilization of natural gas.

According to the NGUMP, the Government has designated 8.3 TCF of gas for electricity generation out of 57.54 TCF discovered in Tanzania. The allotted natural gas can produce about 7,094.02 MW (177.35 Gigawatt per year) of electricity using Combined Cycle Gas Turbine (CCGT) technology⁴.

The project has attained the following milestones:

- Preparation of the Draft Natural Gas Promotion Plan (DNGPP).
- Verification of the preliminary analysis of domestic demand for natural gas.
- Preliminary economic and technical analysis of the technological approaches for transportation and distribution of natural gas, and
- Preliminary analysis of the model project for distributing natural gas in Dodoma City.

2.2.1.5. Discovery and Exploration of Oil and Gas in Tanzania

In the year 2021/22, TPDC conducted different exploration works in Eyasi Wembere Block in Tanzania. The detailed work is summarized in the [Consolidated-financial-Statements-June-2022-Report.pdf \(tpdc.co.tz\)](https://www.tpdco.co.tz/Consolidated-financial-Statements-June-2022-Report.pdf). Gas discoveries in the offshore have been made in Blocks 1, 2, 3 and 4, while discoveries in onshore areas have been made in Mkuranga, Nyuni, Ruvuma, and Ruvu.⁵The status of gas exploration and reserve as per Requirement 3 of the EITI Standard 2023 as shown in **Table 5**.

Table 5: Details of Gas Discovery and Exploration Status

Discovery Block	Discovery Well	Year of Discovery	Operator	Status	Estimated Gas Reserve (TCF)
Discovery and exploration in Onshore areas					
Mkuranga	Mkuranga-1	2007	M&P	Undeveloped	0.2
Nyuni	Kiliwani-N	2008	Ndovu Resource	Production stopped in 2018	0.07
Ruvuma	Ntorya-1 and Ntorya -2	2012	Ndovu Resource	Under exploration	0.466
Ruvu	Mambakofi-1	2015	Dodsal	Under exploration	2.17
Discovery and exploration in Offshore areas					
Block 1	Chaza-1	2011	BG Tanzania	Under exploration	3.53
	Jodari-1	2012	BG Tanzania	Under exploration	
	Jodari North-1	2012	BG Tanzania	Under exploration	
	Jodari South-1	2012	BG Tanzania	Under exploration	
	Mzia-1	2012	BG Tanzania	Under exploration	8.5
	Mzia-2	2013	BG Tanzania	Under exploration	
	Mzia- 3	2013	BG Tanzania	Under exploration	

⁵<https://www.pura.go.tz/documents/gas-discoveries>; <https://www.pura.go.tz/pages/reference-map>

⁴[https://www.nishati.go.tz/uploads/documents/en-1638532283 PSMP%202020%20UPDATE%20FINAL%20signed.pdf](https://www.nishati.go.tz/uploads/documents/en-1638532283_PSMP%202020%20UPDATE%20FINAL%20signed.pdf)

Discovery Block	Discovery Well	Year of Discovery	Operator	Status	Estimated Gas Reserve (TCF)
	Mkizi -1	2013	BG Tanzania	Under exploration	0.6
	Taachui-1	2014	BG Tanzania	Under exploration	1.10
Block 2	Zafarani-1	2012	Statoil	Under exploration	6.0
	Zafarani-2	2012	Statoil	Under exploration	
	Lavani-1	2012	Statoil	Under exploration	3.6
	Lavani-2	2012	Statoil	Under exploration	1.4
	Tangawizi-1	2013	Statoil	Under exploration	5.4
	Mronge -1	2013	Statoil	Under exploration	2.5
	Piri-1	2014	Statoil	Under exploration	3.0
	Giligiliani-1	Aug-14	Statoil	Under exploration	1.7
	Mdaldasini	Mar-15	Statoil	Under exploration	1.8
	Block 3	Papa-1	2012	BG Tanzania	Under exploration
Block 4	Chewa-1	2010	BG Tanzania	Under exploration	1.8
	Pweza-1	2010	BG Tanzania	Under exploration	1.9
	Ngisi – 1	2013	BG Tanzania	Under exploration	0.8
	Kamba – 1	2014	BG Tanzania	Under exploration	1.03

CHAPTER THREE

3. CONTRIBUTION OF THE EXTRACTIVE INDUSTRY TO THE ECONOMY

3.1 Contribution of the Extractive Industries to Gross Domestic Product (GDP)

The extractive industry's contribution to the GDP is shown in this section. According to the Tanzania National Bureau of Statistics (NBS), the mining and quarrying sub-sector comprises of minerals, natural gas and crude oil. The mining and quarrying (include natural gas) has kept growing in the fiscal year 2022 as compared to prior years. **Table 6** illustrates that mining and quarrying sector contributed 9.1% of GDP in 2022 fiscal year compared to 7.3 in 2021. These figures demonstrate that the industry's performance is getting better every year

https://www.nbs.go.tz/nbs/takwimu/na/THE_ECONOMIC_SURVEY_2022.pdf. The combination of mining, and gas and oil into one subsector resulted from the fact that those two i.e., mining and gas/oil were under the former Ministry of Energy and Minerals until 2017 when they were separated. The separation led to formation of two ministries i.e., the Ministry of Energy and Minerals which are both equally served by TEITI. With this separation there is a need to prepare two different GDPs of mining and oil and gas subsector.

Table 6: Contribution of Extractive Sector to GDP for 2022.

Year	2017	2018	2019	2020	2021	2022
Percentage of GDP	4.4	5.2	5.3	6.8	7.3	9.1

Source: National Bureau of Statistics (NBS).

3.2 Contribution of Other Sectors to GDP

The extractive industry's GDP contribution has increased, and it has risen the ladder to rank among the top five industries in the country. The GDP contribution of the economic activities is shown in **Table 7**.

Table 7: Contribution of GDP by Kind of Economic Activity

SN	Economic Activities	Contribution (%)
1.	Agriculture	26.2
2.	Construction	14.1
3.	Mining and Quarrying	9.1
4.	Wholesale and Retail trade; Repairs	7.9
5.	Taxes on products	7.5
6.	Manufacturing	7.1
7.	Transportation and Storage	6.7
8.	Public Administration and Defense	3.7
9.	Financial and insurance activities	3.2
10.	Real estate	2.9

SN	Economic Activities	Contribution (%)
11.	Administrative and Support service activities	2.5
12.	Education	2.3
13.	Information and Communication	1.5
14.	Human health and social work activities	1.4
15.	Accommodation and Food services	1.1
16.	Other service activities	0.9
17.	Professional, Scientific and Technical Activities	0.7
18.	Water supply; Sewerage, Waste management	0.6
19.	Arts, Entertainment and Recreation	0.4
20.	Activities of Households as Employers	0.2
21	Electricity supply	0.1

Source: National Bureau of Statistics (NBS).

3.3 Contribution of Employment in the Extractive Industries

According to the Economic Survey of 2021 by NBS, employment contribution by sector indicates that, the extractive sector contributed about 0.9% of total employment, where 176,815 employees were males and 41,538 females. However, the 2022 Economic Survey Report did not separate employment by sector and gender as required by the 2023 EITI Standard.

https://www.mof.go.tz/uploads/documents/en-1690533293-ECONOMIC%20SURVEY%20BOOK_2021.pdf

The contribution to total direct employment by various economic sectors in the country is shown in **Table 8**.

Table 8: Contribution to Total Direct Employment by Sector in 2021

S/N	Economic Activities	Male	Female	Total	Percentage Share
1	Agriculture, Forestry and fishing	7,761,893	7,686,198	15,448,091	65.6
2	Wholesale and retail trade; repair of motor vehicles and motorcycles	1,138,218	1,726,548	2,864,767	12.2
3	Manufacturing	606,382	435,147	1,041,529	4.4
4	Transportation and storage	688,724	19,447	708,171	3.0
5	Accommodation and food service activities	117,232	565,211	682,443	2.9
6	Construction	550,167	18,607	568,774	2.4
7	Administrative and support service activities	237,022	148,624	385,646	1.6
8	Education	207,570	172,941	380,510	1.6
9	Other service activities	172,544	190,108	362,652	1.5
10	Activities of households as employers;	58,003	269,702	327,705	1.4
11	Mining and quarrying	176,815	41,538	218,353	0.9
12	Human health and social work activities	66,955	86,403	153,357	0.7
13	Public administration and defense compulsory social security	81,800	25,624	107,425	0.5
14	Financial and insurance activities	42,768	35,844	78,613	0.3
15	Professional, scientific, and technical activities	47,673	22,602	70,275	0.3
16	Information and communication	32,208	8,405	40,613	0.2
17	Electricity, gas, steam and air conditioning and supply	19,394	2,088	21,482	0.1

18	Water supply; sewerage, waste management and remediation activities	17,896	10,802	28,698	0.1
19	Real estate activities	9,760	4,620	14,380	0.1
20	Arts, entertainment, and recreation	25,452	6,261	31,713	0.1
21	Activities of extraterritorial organizations and bodies	306	632	938	0.0
TOTAL		12,058,782	11,477,352	23,536,135	100

Source: Prime Minister's Office - Labour, Youth, Employment and Persons with Disability

3.4 Production

3.4.1 Production of Minerals

In the financial year 2021/22, Tanzania realized a total minerals production worth TZS 8,733,734,873,702.51 higher than TZS 8,189,646,117,014.64 recorded in 2020/21. For the year 2021/22, higher production values were realized from production of gold from large and small-scale mining, followed by coal, copper concentrates, gold from medium mining, and building materials.

Table 9: Volumes and Values of Produced Minerals for the Year 2021/22.

S/N	Type of Mineral	Unit of Measure	Weight	Total Value (USD)	Total Value (TZS)
1	Gold (Large Scale)	Kg	29,660.30	1,744,573,697.51	3,999,876,055,312.11
2	Gold (Medium Scale)	Kg	2,953.42	168,263,666.21	385,786,975,017.95
3	Gold (Small Scale)	Kg	19,808.41	1,044,666,887.48	2,395,162,826,865.97
4	Copper Concentrates	Ton	25,993.99	193,828,228.73	444,400,194,759.46
5	Silver	Kg	9,810.45	7,478,491.62	17,146,331,849.32
6	Tin	Kg	462,151.73	12,317,748.57	28,241,551,300.03
7	Diamond	carat	225,862.06	81,800,341.76	187,547,954,429.24
8	Tanzanite (cut and polished)	carat	93,684.40	10,545,819.18	24,178,955,395.42
9	Tanzanite (rough)	Kg	17,549.74	9,488,411.09	21,754,580,151.32
10	Tanzanite (beads)	Kg	142,095.58	566,566.91	1,298,997,808.51
11	Graphite	Ton	5,569.00	2,382,638.90	5,462,801,770.58
12	Coal	Ton	1,494,250.83	211,590,547.12	485,124,798,206.52
13	Other rough gemstone	Kg	10,272,577.37	24,089,917.11	55,232,222,503.30
14	Other cut and polished gemstone	carat	18,745.42	487,898.18	1,118,629,880.28
15	Other Metallic Minerals	Ton	67,866.20	17,939,368.97	41,130,536,642.65
16	Industrial Minerals	Ton	10,338,682.23	114,429,594.14	262,358,760,915.96
17	Building Material	Ton	23,604,067.61	164,829,080.66	377,912,319,710.56
18	Minerals Samples	Kg	16.36	166.26	381,183.33
TOTAL				250,750,359.22	8,733,734,873,702.51

Source: Mining Commission Annual Report 2021/2022

As per Requirement 3.2 of EITI Standard 2023, implementing countries are required to disclose timely production data, including production volumes and values by commodity. The data must be further disaggregated by project and an estimate of production resulting from artisanal and small-scale activities must be disclosed

where applicable and available. The production figures for gold are disaggregated by size of the mining operation (large, medium and small-scale which includes ASM). In Tanzania, all gold from ASM is traded at the mineral markets where significant gold is collected leaving no room for the informal trading outside the mineral markets. The method for calculating the minerals production volume and value is from the average indicated mineral price multiplied by the total weight. The indicated price for gold is calculated based on world daily market price as published by the Bank of Tanzania while the rest of minerals are determined by the Mining Commission and are indicated on a monthly basis on the website (<https://www.tumemadini.go.tz/publications/indicative-prices-for-minerals>). **Table 10** shows further disaggregated value of production by major companies, scale of operation and regions where these mines are located.

Table 10: Disaggregated major Mineral Production (Gold and Diamond) by Companies in the year 2021/22.

Company Name	Operation	Minerals	Unit	Weight	Value (USD)	Royalty (USD)	Inspection (USD)	Region
Geita Mining Limited	Gold Large Scale	Gold	toz	457,106.21	838,182,072.50	50,290,924.35	8,381,820.73	Geita
North Mara Gold Mine Limited	Large Scale	Gold	toz	308,887.57	567,135,526.41	34,028,131.58	5,671,355.26	Mara
Bulyanhulu Gold Mine Limited	Large Scale	Gold	toz	127,184.91	232,593,862.72	13,955,631.76	2,325,938.63	Shinyanga/ Geita
Stamigold Mine	Large Scale	Gold	toz	9,033.66	16,696,634.79	1,001,798.09	166,966.35	Kagera
Pangea Minerals Ltd (Buzwagi Gold Mine)	Large Scale	Gold	toz	564.26	1,026,333.80	61,580.03	10,263.34	Shinyanga
Williamson Diamonds Limited	Large Scale	Diamond	carat	198,285.40	60,189,797.26	3,611,387.84	601,897.97	Shinyanga

Source: Mining Commission Annual Report 2021/22.

3.4.2 Export of Minerals

According to the Mining Commission, for the year 2021/22 a total of **USD 3,199,240,946.44** was collected from exportation of different types of minerals. **Table 11** shows the major minerals exported in 2021/22.

Table 11: Major Mineral Exports in 2021/22

Type of Mineral	Unit of Measure	Export Quantity	Export Value (USD)
Gold	Kg	60,184.85	2,850,947,301.92
Copper concentrates	Tons	24,065.93	183,669,254.37
Diamond	Carat	226,271.38	56,543,387.41
Coal	Tons	585,367.64	31,491,758.75
Gemstones rough	Kg	6,318,630.08	21,520,570.27
Gemstones cut	Carats	87,642.00	

Type of Mineral	Unit of Measure	Export Quantity	Export Value (USD)
Tin concentrates	Tons	463.81	12,320,149.39
Nickel ore	Tons	12,009.00	8,162,542.68
Phosphate	Tons	40,385.50	5,987,375.69
Copper ore	Tons	3,804.83	5,777,678.27
Zircon sand	Tons	3,176.00	4,479,857.54
Salt	Tons	20,515.47	2,423,886.62
Graphite	Tons	5,485.15	2,362,763.09
Ilmenite sand	Tons	9,000.94	1,994,081.52
Limestone	Tons	194,190.00	1,943,882.22
Aggregates	Tons	52,496.00	912,357.45
Gypsum	Tons	7,919.00	871,974.25
Bauxite	Tons	15,330.00	752,896.17
Industrial quartz	Tons	2,214.13	570,340.11
Granite blocks	Tons	3,443.83	478,705.45
Silver	Kg	502.3	433,889.60
Cobalt ore	Tons	35	190,614.69
Mica	Tons	694.88	188,539.66
Marble blocks	Tons	235.36	152,645.20
Lead ore	Tons	100.63	140,479.90
Sand	Tons	30,000.00	130,847.08
Manganese ore	Tons	144	73,030.81
Lime	Tons	557.5.00	51,989.91
Tanga stones	Tons	950	23,334.40
Crushed dust	Tons	1,350.00	19,343.56
Industrial feldspar	Tons	300	13,599.55
Dolomite	Tons	210	2,289.82
Morrum	Tons	104	1,893.96
TOTAL			3,199,240,946.42

Source: Mining Commission Annual Report 2021/22

3.4.3 Production and Export of Oil and Gas

Natural gas production activities are conducted in Mnazi Bay and Songo Songo gas fields located onshore Tanzania. In 2021/22, Mnazi Bay and Songo Songo gas fields continued to produce a total of **73,021.66 Mmscf** of natural gas with a value of **USD 266,280,405.8**. The production of natural gas in 2021/22 is higher compared to the year 2020/21 and 2019/20. **Table 12** presents the production of natural gas per company in 2021/22.

Table 12: Production of Natural Gas in 2021/22

Company	Gas Field	2021/22 Produced Gas (Mmscf)	Value of Gas Produced (USD)
Maurel & Prom Company Limited	Mnazi Bay	32,008.96	118,159,936.3
Pan African Energy Tanzania Limited	Songo Songo	41,012.70	148,120,469.5
TOTAL		73,021.66	266,280,405.8

Source: Tanzania Petroleum Development Corporation

As per TPDC information, Tanzania has not started to export natural gas. Thus, **73,021.66 Mmscf** of gas produced in the year 2021/22 from Mnazi Bay and Songo Songo fields was consumed domestically.

Tanzania continues to import oil for domestic consumption from other oil producing countries. The method of calculating production volume and value of the produced natural gas is governed by multiplying the price of gas and volume produced as published by PURA.

CHAPTER FOUR

4. POLICY, LEGAL AND INSTITUTIONAL FRAMEWORK

The operations of the players in the mining, oil and gas sector are guided by various policies, laws, and regulations. The policy, legal, regulatory, and institutional frameworks for the mining sub-sector are different from those of the oil and gas sub-sector. These frameworks are described in the following sections.

4.1 Policy and Legal Framework of the Mineral Sector

The mineral sector is governed by the Mineral Policy of 2009, the Mining Act, Cap. 123 and other related laws namely the Explosives Act, Cap.45, the Tanzania Extractive Industries (Transparency and Accountability) Act, Cap. 447, the Natural Wealth and Resources (Permanent Sovereignty) Act, Cap. 449, and the Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms) Act, Cap. 450.

There are various regulations in the mineral sector that are made under the Mining Act, Cap. 123, The Explosives Act, cap. 45, TEITA Act, Cap. 447, the Natural Wealth and Resources (Permanent Sovereignty) Act, Cap. 449 and the Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms) Act, Cap. 450.

4.1.1 The Mineral Policy of 2009

The Mineral Policy of 2009 sets the vision for the mineral sector by 2025. The key objectives of the Policy are to:

- i. Continue attracting private investments in exploration in the mining sector in the country.
- ii. Enhance Government participation in strategic projects in the Mineral Sector.
- iii. Emphasize on the integration of the mineral sector with other sectors of the economy.
- iv. Establish a fiscal regime that balances benefits with investment competitiveness.
- v. Support mineral beneficiation and marketing.
- vi. Underpin development of small-scale miners.
- vii. Promote public participation in mining activities.

- viii. Guide investors towards sustainable exploitation of mineral resources of Tanzania in a win-win manner.

4.1.2 The Mining Act, Cap. 123

The Mining Act, Cap.123 contains provisions that regulate prospecting, mining, processing and dealing in minerals, granting, renewal and termination of mineral rights, payment of royalties, fees and other charges and any other relevant matters of the mineral sector in the country. Apart from major changes made to the Mining Act in the year 2017 and reported in the 13th TEITI Reconciliation Report, there are other several changes made to the Mining Act, which include:

In 2021, the Written Laws (Miscellaneous Amendments) (No.4) introduced changes to the Mining Act, Cap. 123. The changes include:

- i. Adding the definition of gross value in Section 4 to mean the market value of minerals or minerals at a point of refining or sale or, in the case of consumption within Tanzania, at the point of delivery in Tanzania.
- ii. Allowing the Government and a holder of a mining license or special mining license, for purposes of ensuring Government effective participation in the mining operations to establish a special arrangement in a manner prescribed in the regulations". To date, the special arrangement is prescribed in the Mining (State Participation) Regulations of 2022.
- iii. Allowing holders of a broker license to buy or acquire industrial and building materials.
- iv. Adding section 132A which introduces compounding of offences relating to penalties, where a person admits in writing that he has committed an offence under the Mining Act, Cap. 123.

In 2022, The Finance Act, No. 5 of 2022 introduced changes to the Mining Act, Cap. 123. The changes include:

- i. Reducing the royalty rate from 6 to 4 percent for gold refined in the refineries in Tanzania to attract refinery activities be done in Tanzania.
- ii. Reducing the royalty rate for coal used as industrial raw material from 3 to 1 percent for purposes of attracting investment in the manufacturing sector through the use of coal.

The Written Laws (Miscellaneous Amendments) (No.3) Act of 2022 introduced further changes, which are:

- i. Introducing primary processing licenses as a new type of licence for a person who intends to conduct ball mill operations or sluicing of minerals.
- ii. Empowering the Minister for Minerals to cause any vacant area other than the reserved area to be reverted to the Government.
- iii. Empowering the Geological Survey of Tanzania to conduct strategic prospecting and exploration for purposes of obtaining mineral resources estimation on areas that revert to the Government.
- iv. Stating the period for the second renewal of the Prospecting License.
- v. Requiring the holders of primary mining licenses to commence mining operations within a period of six months or such other period as the licensing authority may permit from the date of the grant of the license.
- vi. Provision of fines and penalties to those who are in breach of matters relating to local content.

In 2023, the Finance Act, No. 2 of 2023 further amended the Mining Act, Cap. 123 by:

- i. Exempting refineries from paying an inspection fee of 1%.
- ii. Reduction of royalty rate for salt from 3% to 1%.

4.1.3 The Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act, Cap. 450

The Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act, Cap. 450 allows any arrangement or agreement on natural wealth and resources in this case oil, gas, and minerals to be tabled for review by the National Assembly for purposes of ensuring that any unconscionable terms therein are rectified or expunged. Further, Sections 4, 5 and 6 of this Act give power to the National Assembly to review such arrangements and agreements made by the Government, and where necessary, advise the Government to re-negotiate any unconscionable terms identified with a view of rectifying the terms, particularly those that restrict the Government's sovereignty over its natural resources.

In 2020, the regulations under this Act were made namely, the Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Regulations, 2020, GN. No. 57 of 2020. The regulations provide for the general

principles on the procedure for renegotiation of natural wealth and resources arrangements and agreements including coordination, monitoring, registering of agreements, designation of a registrar, application for registration, the review by the National Assembly, notice of renegotiation, appointment of a re-negotiating team and the renegotiation process.

4.1.4 The Natural Wealth and Resources (Permanent Sovereignty) Act, Cap. 449

The Natural Wealth and Resources (Permanent Sovereignty) Act, Cap. 449 declares permanent sovereignty of the people of the United Republic of Tanzania over all natural wealth and resources and provides with respect to the exploitation of resources for the benefit of the people of Tanzania especially prohibition of exploitation except for the benefit of the people, requirement for beneficiation, a requirement that earnings from disposal or dealings be retained in the banks and financial institutions established in the United Republic of Tanzania and the requirement of settling disputes, especially those that relate to the extraction, exploitation, acquisition, or use of natural wealth and resources.

4.1.5 The Tanzania Extractive Industry (Transparency and Accountability) Act, Cap. 447

Tanzania Extractive Industries (Transparency and Accountability) Act, Cap.447 was enacted to ensure transparency and accountability of players in the extractive industry in Tanzania. Among other matters, section 4 of the Act established a Committee of eight members from three constituencies and the chairperson. The Committee is an oversight body for promoting and enhancing transparency and accountability in the extractive industry. Sections 5 to 10 of the Act provide other matters concerning the functional arrangement of the Committee. Moreover, Section 10 (2) (b) and (c) of the Act empowers the Committee to obtain information from extractive companies and statutory recipients concerning their operations.

In addition, Section 15 (1) to (3) of the Act sets a requirement for extractive industry companies to provide information on local content, corporate social responsibility, and capital expenditure incurred. Similarly, Section 16 (1) (a) and (b) requires the Committee to cause the Minister to publish on the website or through the media which is widely accessible all contracts and licenses relating to the extractive industry companies including names of individual shareholders who own interests in

the extractive industry companies for the purpose of disclosure of beneficial ownership. Furthermore, section 23 of the Act sets out penalties for individuals and companies, which fail to produce a document or information required under the law. An individual could pay a fine of up to TZS 10.0 million, while a body corporate could be fined not less than TZS 150.0 million.

4.1.6 Income Tax Act, Cap. 332

The Income Tax Act, Cap. 332 contains specific provisions that apply to the mining, oil and gas industries. Although mining, and oil and gas companies continue to be subjected to the 30 percent corporate income tax on their taxable profits, the income tax regime in mining companies has introduced ring-fencing requirements along the value chain and changes regarding deduction and depreciation. There is no limit on the carry-forward period for tax losses though losses from one mining license area can only be offset against profits from the same mining license area. However, the offset of losses brought forward is limited to 70 percent of current year taxable profit before brought forward losses if an entity has had tax losses in the preceding four years.

A change is also made regarding the transfer of a membership interest. The amendment has eliminated the potential effect of double taxation in circumstances involving the direct disposal of shares in a resident entity that results in a change in the underlying ownership of the entity. In 2023, the amendments to the Income Tax Act have exempted the mining companies from paying income tax on gains derived from the internal restructuring of mining companies under a framework agreement entered between the Government and investor to form a partnership entity in implementing Section 10 of the Mining Act, Cap. 123.

The Act has also amended the change-in-control rules by excluding from taxation a change in underlying ownership that is either a result of an allotment of a new membership interest of the entity or solely a result of a transfer of a membership interest of a resident entity to another resident person.

The amendment has now excluded from tax capital investments made in a resident entity that result in a change in the underlying ownership of an entity by reason of the issuance of new shares. This is a welcome change as it should foster investment in the country.

4.1.7 The Finance Act, 2023

The Finance Act of 2023 introduced changes to the Income Tax Act, Cap. 332, Companies Act, Cap. 212, Tax Administration Act, Cap. 438, Vocational, Educational and Training Act, Cap. 82, Excise (Management and Tariff) Act, Cap. 147, Gaming Act, Cap. 41, Local Government Finance Act, Cap. 290, Value Added Tax, Cap. 148 and the Mining Act, Cap. 123. These changes introduced requirements that apply to the Mineral, and Oil and Gas Sectors as follows:

- i. Under depreciable assets, plant and machinery including windmills electric generators and distribution equipment used in agriculture and Electronic Fiscal Devices purchased by Non-Value Added Tax registered traders, equipment used for prospecting and exploration of minerals or petroleum at the rate of 100%.
- ii. Income tax exemption on gains derived from the internal restructuring of mining companies under a framework agreement between the Government and an investor to form a partnership entity.
- iii. Changes have been made in relation to withholding tax requirement, and a 2% final withholding tax has been introduced on payments for purchase of precious metals, gemstones and other precious stones supplied by the holder of a primary mining license or artisanal miner.
- iv. Exemption on imports and local supplies of precious metals, gemstones, and other precious stones at refineries, buying stations, or mineral and gem houses designated by the Mining Commission.
- v. An entity engaged in construction or extractive industry is now required to disclose to the Commissioner General the names of all persons contracted and subcontracted during the performance of their duties or business or carrying out of any project within 30 days of executing the contract for contracted or subcontracted services. Previously, no timeline was provided for submission of the information to the Commissioner General.
- vi. The rate of road and fuel toll has been increased from TZS 413 to TZS 513 per litre of petrol and diesel.

4.1.8 Regulations Applicable in the Mineral Sector

Following the amendments to the Mining Act, several Regulations have been issued to enforce the implementation of the Mining Act as shown in Table 13.

Table 13: Descriptions of the Regulations applicable in the Mineral Sector.

SN	Regulation	Purpose and Role of the Regulation
1.	The Mining Act (Mineral Rights) Regulations, 2018 [GN No. 1 of 2018]	These Regulations address the application of mineral rights, renewal, primary mining licenses, size of mining areas and mining expenditure, among others. The existence of these Regulations revokes the Mining (Minerals Rights) Regulations of 2010.
2.	The Mining (Minerals and Mineral Concentrates Trading) Regulations, 2018 [GN No. 2 of 2018] as amended.	These Regulations were introduced to guide the exportation and trading of mineral concentrates. Under the provisions of these Regulations, holders of mining and special mining licences, holders of processing, refining, and smelting licences and holders of dealer's licences may export or import minerals subject to obtaining an export or import permit issued by an authorized person.
3.	The Mining (Local Content) Regulations, 2018 [GN No. 3 of 2018] as amended.	The Regulations require that licence holders, contractors and subcontractors, licensees, and other allied entities to ensure that local content requirements, including minimum local content levels, are complied with.
4.	The Mining (Radioactive Minerals) Regulations, 2018 [GN No. 4 of 2018]	These Regulations apply to mining activities in relation to exploration, mining processing, tailing, storage, transportation, acquisition, disposal and exportation of radioactive minerals. The Regulations aim at enhancing radiological safety, security, and environmental protection. The Regulations repeal and replace the Mining (Radioactive Minerals) Regulations, 2010 as gazetted under GN N0. 407 of 2010
5.	The Mining (Mineral Beneficiation) Regulations, 2018 [GN No. 5 of 2018] as amended.	These Regulations provide for the beneficiation and processing of minerals. They further provide for the application and granting of a processing, smelting, or refining licence. As per the Regulations, the licence holder has the right to process, smelt or refine minerals and, for that purpose, is allowed to buy, acquire, sell, and dispose of minerals (including exporting them).
6.	The Mining (Geological Survey) Regulations, 2018 [GN No. 6 of 2018]	These Regulations provide for administrative matters (establishment of the Board, functions, appointment, powers, and duties of officers) of the Geological Survey of Tanzania. They also stipulate powers of the geological survey officers, general obligations on the geological survey, geological survey archives and collections, as well as source of funds of the Geological Survey Tanzania (GST), and general provisions.
7.	The Mining (Audit and Inspection of Records) Regulations, 2018 [GN No. 7 of 2018]	The Regulations are on records keeping, audit and inspection of these records, and other matters incidental to these requirements
8.	The Mining (Miserani Controlled Area)	The Regulations established a security committee for the controlled area, the committee's duties, and identify the controlled area. They also

SN	Regulation	Purpose and Role of the Regulation
	Regulations, 2019 [GN No. 135 of 2019]	set a requirement for mineral rights holders to fence the mineral rights area. The Regulations also outline security measures for people who enter the controlled area.
9.	The Mining (Diamond Trading) Regulations, 2019 [GN No. 137 of 2019]	The Regulations provide for control and supervision of Diamond prospecting and mining as well as the procedure for dealing (export and import) of Diamonds. In addition, they also stipulate obligations for keeping information, records, and registers for Diamond trading.
10.	Tanzania Extractive Industries (Transparency and Accountability) Regulations, 2019 [GN No. 141 of 2019]	The Regulations require all extractive companies to keep and disclose records of payments, exploration, prospecting, award or transfer of licences. They also require disclosure of capital expenditure at every stage of investment, volumes of production, and export data regarding each licence.
11.	The Mining (Lapidary) Regulations, 2020 [GN No. 485 of 2020]	The Regulations guide Lapidary activities in the country. They address matters related to the application of a licence to lapidary activities, inspection, training, and keeping of records, as well as surrender and termination of the lapidary licence.
12.	The Mining (Mineral and Gem Houses) Regulations, 2019 [GN No. 418 of 2019]	The Regulations provide for the establishment and operations of Mineral and Gem houses as well as procedures for acquisition, transportation and storage of minerals.
13.	Mining (Minimum Shareholding and Public Offering) Regulations of 2016 [GN No. 286 of 2016] as amended.	The Regulations mandate that 30 percent of a shareholding by holders of special mining licences be locally owned and that a minimum local shareholding should be obtained through a public offer made under the Capital Markets Securities Authority of Tanzania.
14.	The Mining (Safety, Occupational Health and Environment Protection) Regulations, 2010 [GN No. 408 of 2010]	These Regulations regulate safety, health, and environment in all mines and quarry during exploration, evaluation, development, construction, production, closure, and reclamation. The said Regulations define the power and duties of the inspector related to compliance assurance.
15.	The Mining (Environmental Protection for Small Scale Mining) Regulations, 2010 [GN No. 403 of 2010]	These Regulations apply specifically to primary mining licence holders and are not applicable to prospecting activities or medium and large-scale mining activities. The Regulations empower the 'Authorized Officer' to enter a small scale mine at any time to monitor and assess effects on the environment. In non-compliance with the Environment Protection Plan and other provisions of these regulations, the holder of the small-scale mining licence has to take all reasonable action to mitigate those impacts and inform the Resident Mines Officer or pay a fine of up to TZS 100,000 for every breach.
16.	The Environmental Impact Assessment and Audit Regulations, 2005 (the ESIA Regulations)	The Regulations set out how the Environmental Impact Assessment (EIA) and audit for mining projects should be conducted.

SN	Regulation	Purpose and Role of the Regulation
17.	The Mining (Mineral Rights Applications by Tender) Regulations, 2020 [GN No. 484 of 2020]	These Regulations shall apply to the applicants applying for mineral rights in the same area and date or the reserved area for application by tender.
18.	The Explosives Regulations, 1964 GN No. 561 of 1964	These regulations provide for applications and conditions for licensing Magazines, general precautions to be observed in the case of magazines, storage, blasting, use of explosives, destruction of explosives, and penalty for failure to comply with the provisions of the regulations.
19.	The Explosives (Manufacturing) Regulations, 2019 (GN. No. 422 of 2019)	The Regulations apply to the manufacturing of explosives including the application of the licence to manufacture explosives, approval for the destruction of explosives, rights, and obligations of the holder of the manufacturing licence, suspension, and cancellation of the licence, export permit of exclusives and penalty for failure of compliance.
20.	The Mining (State Participation) Regulations, 2022 (GN. No. 574 of 2022) which repealed the State Participation, Regulations of 2020	The regulations provide details on the acquisition and control of the Government's non-dilutable free carried interest shares in a mining company holding a Mining Licence and Special Mining Licence.
21.	The Mining (Value Addition) Regulations, 2020 [GN. No. 687 of 2020]	These Regulations shall apply to metallic minerals, gemstones, semi-precious stones, industrial minerals, and dimension stones.
22.	The Mining (Designated Minerals Certification) Regulations, 2019 [GN No. 449 of 2019]	<p>The Regulations apply to holders of mineral rights, dealer and broker licences granted under the Mining Act, Cap. 123.</p> <p>The designated minerals under these regulations are gold: metal and metal alloys, ores and mineral concentrates that contain gold (Au); Tin: minerals, ores and mineral concentrates that contain Tin (Sn) (cassiterite and other tin minerals); tungsten: minerals, ore and mineral concentrates that contain tungsten (W)) wolframite and other tungsten minerals); tantalum: minerals, ores and mineral concentrates that contain niobium (Nb) or tantalum (Ta) (columbite, tantalite, niobite, pyrochlorite and other Nb-Ta minerals) and any other minerals as may be designated by the International Conference on the Great Lakes Region (ICGLR) Secretariat. ICGLR is the Great Lakes Mineral Certification Mechanism.</p>
23.	Kanuni za Madini (Ufifilishaji wa Makosa) 2022 [Tangazo la Serikali Na. 549 la mwaka 2022] (Compounding of offences Regulations of 2022) [GN. No. 549/2022]	It affords the defaulter under the Mining Act with an opportunity to pay a sum of money instead of prosecution. That is the Mining Commission has the power to compound any offense either prior to or following the commencement of legal proceedings.

SN	Regulation	Purpose and Role of the Regulation
24.	Kanuni za Wajibu wa Wamiliki wa Leseni za Madini kwa Jamii, 2023 Tangazo la Serikali Na. 409 la mwaka 2023. (Corporate Social Responsibility Regulations of 2023).	The regulations apply to all mineral rights holders. The regulations contain provisions which prescribe preparation, submission and implementation of the Corporate Social Responsibility (CSR) Plan, Considering the priorities of the communities in the area with mining activities, handling of programmed funds, Accounting and auditing of CSR financials, Management and review of program implementation, conflict resolution, capacity building and penalties.
25.	The Natural Wealth and Resources (Permanent Sovereignty) (Code of Conduct for Investors in Natural Wealth and Resources) Regulations, 2020 [GN. No. 58 of 2020]	<p>The Objective of this Code of Conduct is to ensure that arrangements or agreements on natural wealth and resources and related or connected business or activities thereto are conducted in a manner consistent with the highest ethical principles at all times, and within the requirements of the Constitution of the United Republic of Tanzania 1977 and all applicable national policies and laws.</p> <p>The Regulations apply to an entity, consultant, supplier, contractor, investor, partner and agent, including their employees thereof, involved in any arrangement or agreement on natural wealth and resources.</p>
26.	The Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms) Regulations of 2020[GN. No. 57 of 2020].	<p>The regulations provide for procedures for review of terms in the arrangement or agreement on natural wealth and resources which is contrary to good conscience and the enforceability of which jeopardizes or is like to jeopardize the interests of the People of the United Republic of Tanzania.</p> <p>It also contains provisions which describe procedures for re-negotiation, registering of arrangements or agreements and submission of renegotiation report on natural wealth and resources.</p>

4.2 Regulatory and Institutional Framework of the Mineral Sector

The regulatory and institutional framework of the Mineral Sector comprises different institutions and regulatory bodies. These entities include the Ministry of Minerals (MoM), the Ministry of Natural Resources and Tourism (MNRT), the Ministry of Lands Housing and Human Settlements Development (MLHSD), the National Environment Management Council (NEMC), Tanzania Revenue Authority (TRA), the Mining Commission (MC), the TEITA Committee, State Mining Corporation (STAMICO), Geological Survey of Tanzania (GST), Business Registration and Licensing Agency (BRELA), Bank of Tanzania (BoT) and Tanzania Forest Services Agency (TFS).

4.2.1 The Ministry of Minerals (MoM)

The President of the United Republic of Tanzania on 7th October, 2017 amended the Notice on assignment of Ministerial Functions (Instrument) No.144 of 22nd April, 2016. In that amendment, the Ministry of Minerals was established and mandated to formulate and monitor implementation of Mining Policies; Mines, Geophysical and Geological Surveys; Mining Commission Affairs; TEITA Act, Cap. 447, Value Addition in Mining Industries; Local Content in Mining Industries; and Small Scale Mining Development.

The proposed functions and organization structure of the Ministry of Minerals has taken into account the recent changes in the regulatory framework of the minerals sector administration in the country through the Written Laws (Miscellaneous Amendments) Act, 2017 as published by GN No. 27 of 7th July, 2017. According to section 19 of the Mining Act, Cap. 123, the functions are: (a) preparing policies, strategies and legislative framework for exploration and exploitation of mineral resources with special reference to establishing national priorities having due regard to the national economy; (b) monitoring the implementation of laid down government policies on minerals; (c) monitoring the operations of all bodies or establishments with responsibility for minerals and report to the Cabinet; (d) promoting mineral resources of Tanzania for research and exploitation; (e) monitoring the issuance by the Commission of licenses for mining activities in Tanzania; and (f) providing support for the creation of a favourable environment for private investment in the mining industry.

4.2.2 Ministry of Natural Resources and Tourism (MNRT)

Ministry of Natural Resources and Tourism is the Ministry responsible for management of Natural, Cultural and Tourism resources. The Ministry enforces laws and regulations for forestry resources management, forest conservation, and tourism. It is controlling the games reserved areas by issuing permits with conditions to those licensed under the Mining Act, Cap. 123 and the Petroleum Act, Cap. 392 to conduct exploration and production of oil and gas, prospecting and mining of uranium. This is well prescribed in the Wildlife Conservation Act, Cap. 283 and its regulation namely the Wildlife Conservation (Prospecting, Mining of Uranium, Exploring and Production of Oil and Gas in Game Reserves) Regulations, 2017 (GN. No. 88 of 2017).

4.2.3 Ministry of Lands, Housing and Human Settlements Development (MLHSD)

The mandates of the Ministry of Lands, Housing and Human Settlements Development is to facilitate an effective management of land and human settlements development services for the betterment of social and economic well – being of the Tanzanian society. The National Land Policy of 1997, Village Land Act, Cap. 114, Land Act, Cap. 113 as amended in 2004 and Land Acquisition Act empower the Ministry of Land, Housing and Human Settlements Development to undertake land surveys and oversee land use management including compensation issues on areas that mining activities are conducted.

In that case, the Ministry of Land, Housing and Human Settlements Development is the government organ that deals with the resettlement, relocation and compensation issues. Section 97 of the Mining Act, allows the owner or occupier of the land to move and be compensated, relocated and resettled to enable the conduct of mining activities to the land. This is mostly done where the mining activities will injuriously affect the land owner.

4.2.4 National Environment Management Council (NEMC)

NEMC was established under the Environmental Management Act, Cap.191. The Act provides for a legal and institutional framework for sustainable management of the environment, prevention and control pollution, waste management, environmental quality standards, public participation, environmental compliance and enforcement. Furthermore, it gives NEMC mandates to undertake enforcement, compliance, review and monitoring of environmental impacts assessments, research, facilitate public participation in environmental decision-making, raise environmental awareness, and collect and disseminate environmental information.

4.2.5 Tanzania Revenue Authority (TRA)

The Authority is responsible for administering tax laws to assess, collect, and account for all revenues to which those laws apply. It is also responsible for monitoring and ensuring the collection of fees, levies, charges or any other tax collected by any ministries, departments or divisions of the government as revenue for the government. TRA is responsible for collecting tax and accounting for all revenues from the mining activities in the Mineral Sector.

4.2.6 The Mining Commission (MC)

The Mining Commission was established under the Mining Act, Cap. 123. The Mining Commission is the licensing authority of all mineral rights, licenses and permits issued under the Mining Act, Cap. 123 and its Regulations. The functions of the Commission are provided in Section 22 (a-v) of the Mining Act, Cap. 123 including issuing of all mineral rights and regulate and monitor the mining industry and operations in Tanzania.

4.2.7 Tanzania Extractive Industries Transparency Initiative Committee (TEITI)

The EITI implementation in Tanzania is overseen by a Committee that is steered by nine-members composed of two representatives from civil society Organizations, two from extractive companies, four from the Government, and the Chairperson who is appointed by the President in compliance with Section 5 of the TEITI Act, Cap. 447 and its Regulations. The Committee seeks to create transparency and accountability in the management of the extractive industry specifically to solicit and cause among others the publication of extractive companies' financial, production, contracts, licenses and beneficial ownership information. The Committee is supported by a Secretariat (TEITI) which is responsible for the implementation of the EITI process on a day-to-day basis.

To date, Tanzania has published thirteen (13) TEITI reports covering the period from 1st July, 2008 to 30th June, 2021. TEITI reports contributes to building public confidence, trust and understanding of the contribution of the extractive industries through revenues in the extractive companies and Government with regards to oil, gas and mining investment operations in the country.

4.2.8 State Mining Corporation (STAMICO)

State Mining Corporation (STAMICO) is an arm of the government to participate in mining activities. As a State Owned Enterprise (SOE), STAMICO is expected to operate competitively in the Mineral Sector and contribute to the national income. Specifically, STAMICO's responsibilities are to oversee Government interests in large scale mines, invest in the Mineral Sector through mineral prospecting, development and operate mines, mineral trading, value addition, providing services in the management of mines, drilling, consultancy support to small scale mining and other related mining business.

4.2.9 Geological Survey of Tanzania (GST)

The Geological Survey of Tanzania (GST) is responsible for all matters related to geological activities other than prospecting, exploration and mining activities. Apart from changes to the Mining Act effected in 2017 to Geological Survey of Tanzania, in 2022 the Written Laws (Miscellaneous Amendments) (No. 3) Act of 2022 amends Section 27A (3) of the Mining Act by empowering the Geological Survey of Tanzania to conduct strategic prospecting and exploration for the purpose of obtaining mineral resources estimation on areas to be reverted to the Government. This will help the Government on negotiating agreements made under Section 10 of the Mining Act, Cap.123.

4.2.10 Business Registration and Licensing Agency (BRELA)

The broad function of BRELA is to register new companies, regulate and facilitate businesses activities in Tanzania. A company or an individual intending to conduct mining business in Tanzania must incorporate, register and obtain a business license before applying for the mineral rights from the Mining Commission.

4.2.11 Bank of Tanzania (BoT)

According to section 27 (D - E) of the Mining Act, Cap. 123, the Bank of Tanzania have been mandated to control the National Gold and Gemstone Reserve established. The Minister responsible for finance shall, after consultation with the Mining Commission and the Governor of the Bank of Tanzania and by order published in the Gazette, establish the National Gold and Gemstone Reserve into which shall be deposited and Government Minerals Warehouse which shall be the central custodian of all the metallic minerals and gemstones won by mineral rights holders in Tanzania. In September, 2023, BOT has commenced its milestone program of domestic gold purchasing from mineral right holders in Tanzania. (<https://www.bot.go.tz/Adverts/PressRelease/en/2023092515195791.pdf>).

4.2.12 Tanzania Forest Services Agency (TSF)

Tanzania Forest Services Agency (TFS) is an Executive Agency established in accordance with the Executive Agencies Act of 1997 (Cap. 245 Revised Edition 2009). TFS operates under the Ministry of Natural Resources and Tourism (MNRT) and is mandated, among other roles, with enforcing Forest and Beekeeping legislation in areas of its jurisdiction.

As part of the forest and natural resources management, extractive companies that operate in protected national forest reserves are required to pay mining fees (forest management fees) in a forest reserve (per year per Ha or part of).⁶

4.2.13 Impact of the Mineral Sector Reforms

The legal, regulatory and institutional reforms introduced in the Mineral Sector since 2021, 2022 and 2023 have impacted the sector positively. The key impact as a result of these reforms include:

- a) Increased implementation of the mineral value addition activities in the country: The amendment of the Mining Act, Cap. 123 and the value addition regulations, gave the Government a lien to all minerals, a measure that stimulated stakeholders to invest in mineral value addition activities. To date, the country has established three precious metals refineries namely Geita Gold Refinery, Mwanza Precious Metals Refinery and Eyes of Africa.
- b) Setting of procedures in the CSR Regulations on the use of the contribution made by mining companies to the communities surrounding the mines in implementation of Section 105 of the Mining Act. As a result, the CSR activities are implemented as per the CSR plans prepared jointly between the mining companies and local authorities.
- c) Establishment of Joint Ventures between Mining Companies and the Government. Nine (9) Joint venture mining companies have been formed and entered into Framework and Shareholders Agreements for purposes of implementing Section 10 of the Mining Act, Cap. 123 whereby the Government owns 16 percent free-carried interest in each of these companies, such agreements are shown in **Table 14**:

Table 14: List of Framework and Shareholders Agreements entered between the Government and the Mining Companies.

No.	List of Framework and Shareholders Agreements
1.	Framework Agreement between the Government of the United Republic of Tanzania, Pangea Minerals Limited, North Mara Gold Mine Ltd and Bulyanhulu Gold Mine Ltd in respect of a Joint Venture Company of Twiga Minerals Corporation Limited.
2.	Framework Agreement between the Government of the United Republic of Tanzania and Kabanga Nickel Limited in respect of a Joint Venture Company of Tembo Nickel Corporation Limited.

⁶[https://trade.business.go.tz/media/GN-THE%20FOREST%20\(AMENDMENTS\)%20REGULATIONS,%202021%20%20%20GN%20final%20%20255%20%20chapa.pdf](https://trade.business.go.tz/media/GN-THE%20FOREST%20(AMENDMENTS)%20REGULATIONS,%202021%20%20%20GN%20final%20%20255%20%20chapa.pdf)

No.	List of Framework and Shareholders Agreements
3.	Framework Agreement between the Government of the United Republic of Tanzania and Nyanzaga Mining Company Limited in respect of a Joint Venture Company of Sotta Mining Co. Ltd.
4.	Framework Agreement between the Government of the United Republic of Tanzania and Jacana Resources Tanzania Limited in respect of a Joint Venture Company of Nyati Mineral Sands Limited.
5.	Framework Agreement between the Government of the United Republic of Tanzania and Mahenge Resources Limited in respect of a Joint Venture Company of Faru Graphite Corporation Limited.
6.	Framework Agreement between the Government of the United Republic of Tanzania and Williamson Diamonds Limited in respect of a Joint Venture Company Williamson Diamond Limited.
7.	The Government of the United Republic of Tanzania, Peak Rare Earths Limited, Ngualla Group UK Limited and PR NG Minerals Limited in respect of a Joint Venture Company of Mamba Minerals Corporation Limited and Mamba Refinery Corporation Limited.
8.	The Government of the United Republic of Tanzania, Evolution Energy Minerals Limited, Evolution Energy Minerals UK Limited and Ngwena Tanzania Limited in respect of a Joint Venture Company of Kudu Graphite Limited.
9.	The Government of the United Republic of Tanzania, Ecograf Limited and Ecograf (UK) Limited and Tanzgraphite (TZ) Limited in respect of a Joint Venture Company of Duma Tanzgraphite Limited.

- d) Increased Government revenue. The establishment of Minerals and Gem Houses (Mineral Markets) and Mirerani designated controlled area has increased revenue collection and reduced mineral smuggling from the country.
- e) Formalize and promote small-scale mining activities. The measures undertaken so far have started to yield results as the contribution of small-scale miners to the total mineral production, especially gold has increased significantly.

These reforms increased the contribution of the Mineral Sector to the country's GDP from 3.8% in 2014 to 9.1% in 2021/22. However, the sector is projected to contribute 10% of the country's GDP by 2025.

4.3 Policy, Legal Framework of the Oil and Gas Sector

The United Republic of Tanzania has been exploring petroleum since the 1950s. Several multinational petroleum companies have conducted exploration operations

in different onshore and offshore sedimentary basins. Exploration licenses for oil and gas in Tanzania have been granted to approximately forty-two percent of the sedimentary basin. It covers 226,648 square kilometers out of the 534,000 square kilometers of the total sedimentary basins. According to the Dictionary of Oil, Gas and Petrochemical Processing, the term petroleum has been defined as 'a generic term applied to oil and oil products in all forms (such as crude oil, lease condensate, unfinished oil, refined petroleum products, natural gas, plant liquids, and finished petroleum products). For clarity, the term petroleum encompasses both crude oil and natural gas.

After a long petroleum exploration, AGIP Company first discovered natural gas at Songo Songo (Lindi Region) in 1974. The second discovery was made at Mnazi Bay (Mtwara Region) in 1982. Oil is yet to be discovered in Tanzania. As a result, thirty one Production Sharing Agreements (PSA) have been signed between the Government of the United Republic of Tanzania, TPDC and International Oil Companies (IOC) between 1969 and June 2023. By June, 2023, twelve active PSAs were being operated by nine (9) IOCs in Tanzania (Pan African Energy Tanzania Limited, Maurel et Prom, Ndovu Resources Limited, Shell Exploration and Production Tanzania, Equinor, Dodsal Hydrocarbon & Power (Tanzania) PVT. Limited, ARA Petroleum Tanzania Limited, Swala Oil and Gas (Tanzania) Plc and Afren Oil PLc). Two (2) of these PSAs, namely Songo Songo and Mnazi Bay have development licences and produce natural gas. One (1) PSA (Nyuni East Songo Songo PSA) relating to Kiliwani North Development licence produced natural gas from April, 2016 and due to technical well defaults, stopped the production in March, 2018. The remaining nine (9) PSAs are in various stages of exploration: Block 1, Block 2, Block 4, Ruvuma, Ruvu, Tanga, Kilosa-Kilombero, Nyuni Area and Bigwa Rufiji Mafia Block. These PSAs have resulted in the discovery of 57.54 trillion Cubic Feet (TCF) of natural gas as of June, 2023. The discovery from offshore is 47.13 TCF, and the onshore discovery is 10.406 TCF (<https://www.pura.go.tz/documents/gas-discoveries>).

The legal framework of the oil and gas sector is made up of various policies, laws and regulations. The major policy overseeing the oil and gas sector is the National Energy Policy of 2015 and the National Investment Policy of 1996. Under these policies there are statutes namely; the Oil and Gas Revenue Management Act, Cap.

328, the Petroleum Act, Cap. 392 and the Model Production Sharing Agreement (MPSA) of 2013.

4.3.1 The National Energy Policy of 2015

The National Energy Policy of 2015 has considered the key issues addressed in the National Natural Gas Policy (NNGP) of 2013 and the Local Content Policy of Tanzania for the Oil and Gas Industry (LCPTOGI) of 2014. The Policy was prepared to address the following key issues:

- i. *Restructuring of the State owned utility company - TANESCO:* The Policy proposes for the State owned utility company to be unbundled into independent generation, transmission, and distribution companies. However, to date, this Policy has not been implemented. The State owned utility company still performs the three functions.
- ii. *Prioritization of the local market for oil and gas products:* The Policy recommends that the local market be prioritized over export markets to promote domestic utilization of oil and gas products.
- iii. *Mobilization of financial resources:* The policy points out the necessity of mobilizing adequate financial resources for implementing energy programs and projects. Through this Policy, the Government aspired to establish a favorable investment climate that would attract private investments in the energy sector.
- iv. *Energy pricing:* Through this Policy, the Government aims to have efficient and effective energy pricing for the sustainability of the energy sector. However, the main challenges are the fluctuations of exchange rates, inflation, and the ability of consumers to afford energy prices.
- v. *Public Private Partnership:* The policy advocates for Public-Private Partnership (PPP) undertaken to bring rapid growth in the energy sector and ensure speedy structuring and financing of PPP projects in this sector.

4.3.2 The National Investment Policy of 1996

The National Investment Policy of 1996 aims to promote, attract, and facilitate Foreign Direct Investment (FDI) in the country, including the oil and gas sector. Since the capacity of local firms to participate in the exploitation of oil and gas

resources is low, the Policy creates a conducive environment for international oil and gas companies to invest in oil and gas projects, thereby allowing the country to benefit from its oil and gas resources. Currently, the Policy is under review to improve the investment climate in the country.

4.3.3 The Petroleum Act, Cap. 392

The Act provides for the regulation of upstream, midstream, and downstream activities of the petroleum sub-sector. Section 11 of the Act establishes the Petroleum Upstream Regulatory Authority (PURA), which is mandated to monitor and regulate the upstream petroleum segment in Tanzania mainland. Likewise, section 8 of the Act establishes the TPDC as the National Oil Company (NOC). TPDC acts as an aggregator with exclusive rights to purchase, collect and sell natural gas from producers. Legally, TPDC must maintain a participating interest of not less than 25 percent in each oil and gas project operating in Tanzania unless TPDC decides otherwise. It can form subsidiary companies that could facilitate it to carry out specific petroleum operations or related activities. The Energy and Water Utilities Regulatory Authority Act, Cap. 414, provides powers to Energy and Water Utilities Regulatory Authority (EWURA), to exercise powers in respect of midstream and downstream activities in Tanzania under the Petroleum Act. In addition, the Act establishes an Oil and Gas Bureau within the office of the President to advise the Cabinet on strategic matters about the oil and gas economy in the country.

4.3.4 The Oil and Gas Revenues Management Act, Cap. 328

The Oil and Gas Revenue Management Act, Cap. 328 is the principal legislation that guides the management of revenues derived from Oil and Gas Sector. The Act establishes the Natural Gas Revenue Fund (NGRF) to ensure fiscal and macroeconomic stability, guarantee the financing of investment in the Oil and Gas sector, enhance social and economic development through oil and gas operations, and safeguard resources for future generations. The fund receives contributions from royalties paid by players in gas production, government profit share, dividends, and corporate income tax on production and development of oil and gas resources.

4.3.5 The Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act, Cap. 450

The Natural Wealth and Contracts (Review and Re-negotiation of Unconscionable Terms) Act, Cap. 450, allows the Government to review and re-negotiate

agreements entered between the Government and the other party involved in the extraction, exploitation, acquisition and use of natural wealth and resources. Section 4 and 6 of this Act confer powers to the National Assembly to review and re-negotiate arrangements and agreements made by the Government relating to natural wealth and resources, and where necessary, direct the Government to re-negotiate any unconscionable term identified, particularly those that restrict the Government's sovereignty over its natural resources.

4.3.6 The Natural Wealth and Resources (Permanent Sovereignty) Act, Cap. 449

The Natural Wealth and Resources (Permanent Sovereignty) Act, Cap. 449 aims to ensure that the interest of the people of the United Republic of Tanzania is protected and benefits its people regarding the use of natural wealth and resources. The President of the United Republic of Tanzania is entrusted with its people's natural wealth and resources. All activities and undertakings relating to that subsector will be conducted by the Government. The Act also ensures value creation and addition in natural wealth and resources by promoting local beneficiation of raw materials, which will create employment and skills transfer. Section 11 of the Act provides for strict adjudication of all disputes arising from the exploration, exploitation, acquisition and use of natural wealth and resources by judicial bodies or institutions established in the United Republic of Tanzania according to the laws of Tanzania. Before the enactment of the Natural Resources Act, parties were free to choose the governing law and jurisdiction concerning dispute resolution.

4.3.7 The Petroleum (Local Content) Regulations, 2017 [GN No. 197 of 2017]

The Petroleum (Local Content) Regulations of 2017 [GN No.197 of 2017] govern local content matters related to petroleum upstream, midstream and downstream activities in Tanzania Mainland. It provide for the ways in which the Government can maximize attainment of the country's benefits from current gas projects and potential future oil and gas projects. They promote job creation through the engagement of local experts in oil and gas activities and the utilization of local goods and services. In addition, they guide the participation of the local community in the oil and gas sector.

4.3.8 Model Production Sharing Agreement for Petroleum of 2013

The Model Production Sharing Agreement for Petroleum (MPSA) of 2013 serves as the basic framework for negotiations between foreign oil companies, the Government, and TPDC. The model agreement sets out terms under which exploration and production activities can take place. Under the MPSA, exploration and production companies incur operational expenses and then apportion the profit from oil and gas income with TPDC. Key provisions of the MPSA that are beneficial to the country include those related to state participation in oil projects by at least 25 percent and the right of the government to receive royalty and additional profit tax.

Similarly, the MPSA of 2013 emphasizes the capacity building of local staff through training by increasing the annual training expenditure budget requirement from a minimum of \$150,000 under the MPSA of 2008 to a minimum of \$500,000. However, this contractual requirement is for new arrangements and might differ from the active or existing agreements entered before 2008. Hence, the MPSA of 2013 is currently under review and awaiting for approval from the higher Authority.

4.4 Regulatory and Institutional Framework of the Oil and Gas Sector

The country's oil and gas sector is regulated by the Ministry of Energy (MoE), Ministry of Finance (MoF), PURA, Energy and Water Utilities Regulatory Authority (EWURA), TRA and BoT.

4.4.1 Ministry of Energy

The Ministry of Energy (MoE) is the highest supervisory organ of energy issues in the country and is responsible for coordinating and setting appropriate policies, laws, and Regulations to ensure sustainable development of the sector. Despite this noble responsibility, the MoE is responsible for managing institutions under its jurisdiction. These institutions include the TPDC, EWURA, Petroleum Upstream Regulatory Authority (PURA), Tanzania Electrical Supply Company (TANESCO), Petroleum Bulk Procurement Agency (PBPA) and Rural Energy Agency (REA).

4.4.2 Ministry of Finance

The Ministry of Finance (MoF) is a part of a coordinated system that aims at strengthening transparency and accountability on the proper collection and use of revenues derived from the energy sector. It develops policies that promote the attainment of national output from the oil and gas sector. The Ministry provides

exemptions on Value-Added Tax (VAT) and other taxes on various devices used to store, export, and distribute gas.

4.4.3 Petroleum Upstream Regulatory Authority

Petroleum Upstream Regulatory Authority (PURA) is the regulatory authority established under Section 11 of the Petroleum Act, 2015 (Act No. 21 of 2015) to regulate and monitor petroleum upstream operations and LNG activities in the mainland Tanzania and provide advisory services to the Government and the Minister for Energy.

4.4.4 Energy and Water Utilities Regulatory Authority

Energy and Water Utilities Regulatory Authority (EWURA) is responsible for technical and economic regulation of the electricity, petroleum, natural gas, and water sectors in Tanzania pursuant to Cap 414 and cross cutting legislations. EWURA is also responsible for promoting effective competition and economic efficiency in the energy sector, protecting the interests of consumers, and promoting the availability of regulated services to all consumers.

4.4.5 Tanzania Revenue Authority

The Authority is responsible for administering tax laws to assess, collect, and account for all revenues to which those laws apply. It is also responsible for monitoring and ensuring the collection of fees, levies, charges or any other taxes collected by any ministries, departments or divisions of the government as revenue for the government. TRA is responsible for collecting taxes and accounting for all revenues derived from taxes in the mining and energy sectors in the country.

4.4.6 Bank of Tanzania

The Bank of Tanzania (BoT) participation in the oil and gas sector has been identified in the National Natural Gas Policy of 2013. One of the key responsibilities of the BoT is to control inflation that may originate from oil and gas activities. It achieves that goal by issuing relevant financial procedures for oil and gas operations. Similarly, as per section 8 of the Oil and Gas Revenue Management Act, Cap. 328, BoT maintains and operates the Natural Gas Revenue Fund account. As a result, BoT is involved directly in managing the funds from the oil and gas sector.

4.4.7 Petroleum Bulk Procurement Agency

According to the Executive Agency (The Petroleum Bulk Procurement Agency) (Establishment) Order and the Petroleum (Bulk Procurement) Regulations, 2017 the objective of the Agency is to ensure efficient procurement and security of supply of petroleum products in the country.

4.4.8 Tanzania Forest Services Agency

Tanzania Forest Services Agency (TFS) is an Executive Agency established in accordance with the Executive Agencies Act of 1997 (Cap. 245 Revised Edition 2009). TFS operates under the Ministry of Natural Resources and Tourism (MNRT) and is mandated, among other roles, with enforcing Forest and Beekeeping legislation in areas of its jurisdiction.

As part of the forest and natural resources management, extractive companies that operate in protected national forest reserves are required to pay mining fees (forest management fees) in a forest reserve (per year per Ha or part of).⁷

4.5 Fiscal Regime in Mining, Oil and Gas

A fiscal regime is a set of instruments or tools that govern the way revenues from mining, oil and natural gas exploitation operations are distributed between the country and extractive companies. This encompasses taxes, royalties, duties, fees, levies and other charges.

4.5.1 Fiscal Regime of the Mineral Sector

The fiscal regime of the Tanzania's Mineral Sector is regulated by the Mining Act, Cap. 123, the Income Tax Act, Cap. 332, the Value Added Tax Act, Cap.148, the Finance Act, 2023 and other laws of the country. The Government generates revenue from companies operating in the Mineral Sector through collection of royalties, taxation, fees, rents, and other duties as stipulated in different laws as mentioned. **Table 15** summarizes different kinds of payments made to the government by companies that conduct mineral exploitation activities in the country.

⁷[https://trade.business.go.tz/media/GN-THE%20FOREST%20\(AMENDMENTS\)%20REGULATIONS,%202017%20%20GN%20final%20%20255%20%20chapa.pdf](https://trade.business.go.tz/media/GN-THE%20FOREST%20(AMENDMENTS)%20REGULATIONS,%202017%20%20GN%20final%20%20255%20%20chapa.pdf)

Table 15: Fiscal Terms for the Mineral Sector

SN	Fiscal category	Description
1.	Royalty	Mining companies pay royalties to the Mining Commission (MC) pursuant to section 87 of the Mining Act, Cap. 123. The royalties are set at the rate of: <ul style="list-style-type: none"> • 5% for uranium, • 6% for diamond, gemstones and metallic minerals such as copper, gold, silver, and platinum group minerals; • 1% in the case of gems; • 3% in the case of other minerals, including building materials, salt, all minerals within the industrial minerals group. • 4% for gold refined within the country. • 1% in case of salt. • 1% in case of coal used as industrial raw material within the country • 1% of fertilizer within the country
2.	Inspection Fees	Mining companies pay 1% of the value of all mineral exports to the MC as inspection fees excluding salt and refineries.
3.	Free Carried Interest (FCI) shares	The Mining Act, Cap. 123 requires the Government to acquire and own not less than 16% non-dilutable FCI shares in the capital of a mining company depending on the type of minerals mined and the level of investment (for mining operations under a mining licence or a special mining licence.) In addition to the 16% FCI shares, the Government is entitled to acquire, in total, up to 50% of the shares of the mining company commensurate with the total tax expenditures incurred by the Government in favour of the mining company
4.	Corporate Tax	As per the Income Tax Act, Cap. 332, mining companies, like any other companies, are charged corporate tax at: - <ul style="list-style-type: none"> • 30% of taxable income; • 25% for three consecutive years, for a newly listed company with the Dar es Salaam Stock Exchange with at least 30% of its equity ownership issued to the public;
5.	Value Added Tax (VAT)	VAT is a pass-through tax that applies at every transaction point. The rate is 18% of all taxable goods and services. All suppliers of goods and services with a turnover of at least TZS 200 million must be registered for VAT purposes. In the Mineral Sector, VAT refunds are provided for mineral exports. However, the amendments to the VAT Act in 2019 provide for no refunds for exports of mineral ores and concentrates.
6.	Depreciation allowance for capital expenditure	The third schedule of the Income Tax Act, Cap. 332 as amended by the Finance Act, 2016, set the depreciation allowance at 20% per year for five years.
7.	Loss carry-forwards	Corporation with perpetual unrelieved losses for three consecutive years excluding corporation conducting agricultural business, provision of health and education service at 0.5% of annual turnover.
8.	Withholding tax on dividends	The arrangement for payment of withholding tax is in accordance to the first schedule of the Income Tax Act, Cap. 332, which requires payment of: - <ul style="list-style-type: none"> • A withholding tax of 5% on dividends for Mining companies listed in the Dar es Salaam Stock Exchange market; • A withholding tax of 10% on dividends for companies not listed in the DSE market.
9.	Withholding tax on interest	Withholding tax on interest (for resident and non-resident) on foreign loans is at the rate of 10 percent, and accrued interest is deemed a payment; therefore, withholding tax thereon is payable.
10.	Withholding tax on payment for technical services and on management fees	When mining companies pay for technical services or management fees, they are obliged to charge: - <ul style="list-style-type: none"> • 5% withholding tax when paying to a resident; • 15% withholding tax when paid to a non-resident. • 3% fixed rate withholding tax for companies holding Mineral Development Agreements (MDAs) signed prior to 2014.
11.	Customs duty on imports of mining equipment and supplies	Pursuant to the Customs Traffic Act, Cap. 403 a mining company or its subcontractors are required to pay the import duty: - <ul style="list-style-type: none"> • 0% during exploration and in the first year of operation; • not exceeding 5% after the first year of operation.
12.	Capital Gains Tax	Capital gains realised on the disposal of business and investment assets in Tanzania are subject to tax at the rate of: - <ul style="list-style-type: none"> • 30% for corporations, • Graduated rates for individuals.

4.5.2 Fiscal Regime of the Oil and Gas Sector

Companies in the oil and gas sector make various payments to the government in accordance with the guidelines outlined in the Oil and Gas Revenue Management Act, Cap. 328, Model Production Sharing Agreement for Petroleum (MPSA) of 2013, Income Tax Act, Cap. 332, the Value Added Tax Act, Cap.148, the Finance Act, 2023 and other laws of the country. The payments are made in form of tax, fees, and other duties. **Table 16** presents a summary of the fiscal regime for the oil and gas sector in Tanzania.

Table 16: Fiscal Terms for the Oil and Gas Sector

SN	Fiscal Category	Description
1	Royalty	<p>Royalty on petroleum is paid to the government as provided for in section 113 and second schedule of the Petroleum Act, 2015.</p> <p>A licence holder on behalf of itself and the Contractor is obliged to pay royalty out of gross production prior to cost oil or cost gas recovery by delivering to the Government</p> <ul style="list-style-type: none"> • 12.5% for onshore/shelf areas; and • 7.5% for offshore <p>Both the Petroleum Act, Cap. 392 and MPSA of 2013 require payment of royalty out of gross production before the operation of the sharing formula.</p>
2	Cost Recovery Limit	<p>The maximum amount of cost recovery for oil and gas is 50% of production (net of royalties) for any given time period. A more generous 70% limit is provided by the model gas terms. Hydrocarbon profits are distributed according to production quantities.</p>
3	Petroleum Profit	<p>Petroleum profit is the amount of oil or gas revenue that remains after deducting royalties and cost recovery. The National Oil Company (NOC), the Tanzania Petroleum Development Corporation (on behalf of the government), and the Contractor share petroleum profits in predetermined proportions. There are non-binding profit-sharing benchmarks in the MPSA 2013.</p>
4	Additional Profit Tax	<p>Additional Profit Tax (APT) is payable by a contractor subject to Article 17 of the MPSA 2013 and is calculated based on the Development Area of the contractor. Payment of APT is a contractual obligation rather than a tax that is enshrined in the tax laws. APT will vary with the real rate of return earned by the Contractor on the net cash flow from the Development Area. Contractors pay an APT of</p> <ul style="list-style-type: none"> • 25% of the first accumulated net cash position; and • 35% of the second accumulated net cash position.
5	Income Tax	<p>Pursuant to the Income Tax Act, Cap. 332 [R.E. 2008], a company or contractor pays income tax as corporate tax. If the contractor consists of more than one legal entity, each entity is required to calculate and pay its income tax separately and submit a separate return.</p> <ul style="list-style-type: none"> • Resident Companies are taxed at 30% on their worldwide income. • Non-resident companies are taxed at 30% on their Tanzanian sourced income. • New companies are taxed at 25% if they are listed on the Dar es Salaam Stock Exchange (DSE) and the general public holds at least 30% of its shares.
6	Branch Profit Tax	<p>Branch profit tax applies to repatriated income. Repatriated income is calculated according to a specific formula based on movements in the branch balance sheet and the maintenance of a form of tax retained earnings account.</p> <p>Because of the formulaic nature of the calculations, repatriated income may arise even in cases where funds have not been actually repatriated to head office. The purpose of repatriated income tax is to equalize the tax position with that of a local company, which is subject to a 10% withholding tax on dividends.</p>

SN	Fiscal Category	Description
7	Withholding tax	This is the amount of a service or goods provider's pay withheld by the taxable entity and sent directly to the government as partial payment of income tax. The rate is 5% from the payment of resident providers of technical or management services. The dividend is taxed 10%, but 5% for companies listed at DSE or in case 25% of shares owned by residents.
8	Annual Rental Fee	The contractor pays the following rental fees indexed to US\$ inflation rates (as per MPSA 2013): i. 50 US\$/sq. km for the initial exploration period; ii. 100 US\$/sq. km for the first extension period; and iii. 200 US\$/sq. km for the second extension period
9	Import Duty Exemption	All equipment and material imported for use in petroleum operations can be imported free of all duties and import taxes and can be re-exported free of any export duty or tax. Expatriates enjoy similar privileges in respect of their personal effects.
10	Capital Gains Tax	Capital Gain Tax applies in case of corporate re-organization and/or there is an acquisition of assets. Transfer of shares subject to Capital Gain Tax is charged at the rate of 30% of turnover. Since July, 2012, indirect share transfer may be taxed. The change of ownership by 50% is treated under the Income Tax as a realization of asset/liabilities.
11	Value Added Tax (VAT)	VAT is a pass-through tax that applies at every transaction point. The rate is 18% of all taxable goods and services. All suppliers of goods and services with turnover at least TZS 200 million must be registered for VAT purposes. The oil and gas exploration companies are exempted from the VAT to extent provided in their respective PSAs.
12	Bonuses	International Oil Companies pay two types of bonuses: signature and production bonuses. These are front-end loaded taxes payable upfront to the State. Bonuses were initially introduced by Article 11 (c) of the MPSA 2013. The same is provided in PA under Section 115 and Section 116. The signature bonus rate is not less than \$2.5million, and production bonus is not less than \$5million. Bonuses are not recoverable under the PSA, but they are deductible for tax purposes
13	Ring Fencing	Ring-fencing has been introduced for purposes of separating income and losses arising from different operations. Contract expenses are ring-fenced within the Contract Area. The recoverable Contract expenses must have been incurred prior to the commencement of production. Activities in different contract areas are treated as separate operations and are taxed separately as per Section 20 of the Finance Act, 2013, Section 118 PA 2015, Section 19 of Income Tax Act, Cap.332, Article 12(c) MPSA 2013
14	Transfer Pricing	All arrangements between separate mining and petroleum operations and other activities should reflect the arm's length principle. This principle requires associated persons to transact with each other independently and on an equal basis. The Ministry of Finance has issued detailed transfer pricing regulations to support the transfer pricing provision in the Income Tax Act. PSAs also generally include their own detailed transfer pricing rules, which apply for the purposes of sharing profit derived from oil or gas and calculating cost recovery.
15	Training and research fees	Contractors in the oil and gas sector pay training and research fees of US\$ 500,000 per annum to TPDC for purposes of enhancing the development of oil and gas subsector as per Section 114 of the Petroleum Act, Cap.392.
16	Disclosure of information	Failure to disclose names of contractors and subcontractors in extractive and construction industry results in penalty of higher of 25% of the amount payable under the project or a fine of up to TZS 60m.

4.6 Licences Allocations in Minerals, Oil and Gas

Requirement 2.2(a-d) of the EITI Standard 2023, mandates that member nations give to the public access to an overview of the statutory procedure, the holders of such awards, and transfers of mining, oil, and gas licenses. The Mining Act, Cap. 123, and the Petroleum Act, Cap. 392, specify the processes for granting and transferring mineral, oil and gas licenses.

4.6.1 Mineral Rights

4.6.1.1 Allocation of Mineral Rights

The requirements for applicants for mineral rights are outlined in Section 8 (1–8) of the Mining Act, Cap. 123. Requirement 2.2 of EITI Standard 2023, requires an outline of the procedures and criteria used in the allocation or transfer of mineral rights. Part II and IV of the Mining Act, Cap. 123, provides the general approaches of awarding and transferring mineral rights in the United Republic of Tanzania.

The process of applying for and granting mineral rights is defined in Part IV of the Mining Act, Cap. 123. Depending on the type of mineral rights, there are different requirements and procedures when applying for and granting mineral rights. Part IV of the Mining Act, Cap. 123, states that about seven (7) mineral rights fall under this category. These mineral rights can further be grouped into four divisions. The divisions include the following:

- i. Division A- Prospecting Licence (PL),
- ii. Division B - Special Mining Licence (SML) and Mining Licence (ML);
- iii. Division C- Primary Mining Licence (PML);
- iv. Division D - Primary Processing Licence (PPL), Processing Licence (PCL), Smelting Licence (SL) and Refinery Licence (RFL).

As per the Mining Act, Cap. 123, the mineral rights are granted to the applicants who intend to extract one of the six groups of minerals, namely; metallic minerals, gemstones, industrial minerals, building minerals, energy minerals, and Kimberlitic diamonds. **Table 17** shows the division, type, grant period and coverage of mineral right.

Table 17: Types and Description of Different Mineral Right Licenses in the United Republic of Tanzania.

Division	Type of Licence	Grant period	Maximum area	Description
A	Prospecting Licence	4 years, renewed for 3 and 2 years respectively	300 sq. km	Exclusive right for exploration and can be proceeded with the application of MLs or SMLs before expiry.
	Mining Licence	10 years renewable	10 sq. km	Exclusive right for exploration and mining. Capital investment is between US\$100,000 and US\$ 100,000,000 or its equivalent in
B	Special Mining Licence	Life of mine	35 sq. km for non-superficial, superficial deposits, 70 sq. km	Exclusive right for exploration and mining. Capital investment more than US\$ 100,000,000 or its equivalent

Division	Type of Licence	Grant period	Maximum area	Description
C	Primary Mining Licence	7 years, renewable	Others 10 hectares. Gemstone and building licence 5 hectares	The PML holders are allowed to undertake prospecting and mining activities. Maximum capital investment less than US\$ 5 million.
D	Processing Licence	10 years, renewable	N/A	The mineral right holders are required to set aside a certain percentage of minerals for processing, smelting or refining within the United Republic of Tanzania.
	Smelting and Refinery Licence	25 years renewable	N/A	Smelting and Refinery licence may be issued to individuals or entities for the period not exceeding 25 years. These licences shall be subject to renewal.
	Primary Processing Licence (PPL)	1 years renewable	N/A	Applied by a Tanzanian citizen who intends to conduct ball mill and sluicing operations.

Furthermore, Part V of the Mining Act, Cap. 123, outlines mineral trading licences issuable to individuals and entities that are only involved in the trading of minerals. The detailed description of mineral trading licence can be found in part V of the Mining Act, Cap.123 and its regulations.

Sections 7 and 18 of the Mining Act, Cap. 123, provide restriction to individual or companies to operate, possess or dispose of, any mineral without valid mineral right or trading licences. Furthermore, special mining licences are issued by the Mining Commission upon the approval of the Cabinet while for the remaining licences, the Mining Commission have exclusive mandate to grant the licences depending on the type of minerals the applicants are intending to explore or extract. The Mining Commission has fully disclosed all important procedures and conditions of issuing and renewing mining licences. The criteria for both corporate and individual applicants are outlined in **Table 18** below

Table 18: Qualifications for awarding Mineral Rights

S/N	Individuals Applicants	Corporate Applicants
1.	Age not less than 18 years	1. Must have postal and physical address;
2.	He/she has never been bankrupt	2. Must be registered under the Companies Act in the country;
3.	Not a defaulter in existing mineral right, expired or cancelled;	3. Audited financial statements must be submitted during application;
4.	He/she has never been convicted within previous ten years with an offence in which dishonesty is an element and has not been sentenced to imprisonment or to a fine not exceeding twenty million shillings.	4. Must not be in liquidation other than liquidation that forms part of scheme for reconstruction or amalgamation of the holder;
5.	A foreigner must have been resided within the country for at least 4 years.	5. Among its directors or shareholders one of the persons who would be disqualified under clause 2.1 (ii), (iii) and (iv)

4.6.1.2 Approaches in Allocation and Grant of Mineral Rights

First-Come-First-served approach

The first approach is stipulated under section 14 of the Mining Act, Cap.123 where the first applicant is first registered and is required to identify the area of interest and submit the filled application which includes the information required under 2.2 of EITI Standard 2023 through the mining cadastre online portal. The system is automated to validate the coordinates and historical information by searching for any existing applications in the area. If the area is valid, the application will automatically be submitted to the respective mining cadastre office, depending on the division of the application.

Applications under divisions A, B, D are submitted to the Mining Commission head Office while Resident Mines Offices receive applications for division C. After payment of the application fee, the respective office will process the application based on the average weight criteria of each licence application stipulated in the Mining Act and its regulations. If the applicant has fulfilled all the requirements outlined in Parts IV and V of the Act, the Mining Commission will grant mineral rights to a particular mining area after verification and approval by the Mining Commission's Technical Committee. **Table 19** presents the technical and financial criteria used by the Mining Commission to award mineral rights.

Table 19: Technical and Financial Requirements for Awarding Mineral Rights

No.	Technical Criteria	Financial Criteria
1	Programme for Exploration and mining operations (A and B)	Individual or Corporate investment capability between \$100,000 to \$100,000,000 for Mining Licence (ML) and Special Mining Licence (SML) more than \$100,000,000.
2	Submission of mineral deposit data (Division B)	
3	Expected infrastructure requirements	
4	Environmental Impact Assessment (EIA) report and certificate.	

Source: *Mining Act, Cap.123*

Tendering Approach

According to Section 15 of the Mining Act, Cap. 123, the Minister may designate any vacant area apart from one that is already a part of a reserved area, as an area for which he is inviting tenders if he believes it is in the public interest to do so by publishing a notice in the Gazette or a local newspaper. A public tendering procedure will be launched by the Mining Commission to accept applications for prospecting licenses (PL), mining licenses (ML), and special mining licenses. Bids will have to be submitted by applicants, and following the deadline, the Mining Commission will assess the competitive bids that have been submitted. The bid that

is most likely to promote expeditious and beneficial development of the mineral resources of the area will subsequently be chosen by the Mining Commission.

In this approach weight criteria for selecting the successful bidder are technical expertise and financial resources, and the proposed mining program which are measured as same weight. Other criteria include the amount of expenditure that the applicant plans to commit and the applicant's previous experience in conducting mining operations of the related magnitude¹⁸.

In the financial year 2021/22, the Mining Commission issued a total of 9,498 licenses. These licences were awarded based on *first-come-first-served approach*. **Table 20** indicates different types of licenses awarded in the Mineral Sector for the year 2021/22. (<https://www.teiti.go.tz/publications/Licenses>)

Table 20: Licences Awarded in the Mineral Sector in 2021/22

SN	Licence Type	Quantity
1.	Prospecting Licence	340
2.	Mining Licence	22
3.	Special Mining Licence	2
4.	Primary Mining Licence	6,268
5.	Processing Licence	55
6.	Refinery Licences	2
7.	Dealer Licence	711
8.	Broker Licence	2,098
	TOTAL	9,498

Source: The Mining Commission.

4.6.1.3 Transfer of Mineral Rights

Guidelines for the transfer of mineral rights from one holder to another are provided by the Mining Act, Cap. 123. However, the Act also stipulates that no mineral rights for a Mining License (ML) or Special Mining License (SML) may be transferred without the Licensing Authority's approval. The Mining Commission often assesses applications for mineral rights based on the applicant's technical and financial capacity during the transfer of mining license. The applicant is required to submit a comprehensive development report for the granted mineral right area in order to meet the technical standards. Furthermore, evidence of the transferee's mining capacity must be provided. The Mining Commission will apply similar financial criteria to the licensing procedures when assessing applications. **Table 21 and 22** show number of transferred licences and the technical and financial criteria used by the Mining Commission to transfer of the mineral rights respectively.

Table 21: Licences transferred in the Mineral Sector in 2021/22

SN	Licence Type	Quantity
1.	Prospecting Licence	18
2.	Mining Licence	4
3.	Primary Mining Licence	0
4.	Processing Licence	0
	TOTAL	22

Source: Mining Commission

Table 22: Technical and Financial Requirements for Transfer of Mining Rights

SN	Technical Criteria
1	Application form for transfer
2	Transfer Agreement
3	Tax Clearance Certificate
4	If is a company, Board of Directors Resolutions, Memorandum and Articles of Associations and Certificate of Incorporation
5	Identity Cards and TIN number
6	Substantial Development report of licence area
7	Compliance with Section 8 of the Mining Act.
Financial Criteria	
8	Investment capability depending on the on the size of operations and type of mineral rights provided under Section 4 of the Mining Act

Source: Mining Commission

4.6.1.4 Effectiveness of Approaches to Grant Mining Licences

The two approaches are generally regarded as effective in the quest of enhancing transparency in the Mineral Sector. It is regarded that way because the entire process of granting or transferring mineral rights is executed in a very transparent manner. The openness of the processes reduces the probability of misuse of authorities in awarding or transferring licences. This is possible because all applications are lodged and processed through a publicly accessible system (Mining Cadastre). The system also permits individuals or corporates to appeal in an event where one of the applicants is not satisfied with how the process was executed and the final decision of awarding/transferring the mineral rights to another individual or corporate. The Mining Commission (MC) and Ministry of Minerals (MoM) have provided the detailed procedures and requirements for applying and issuing mineral rights in Tanzania. Each type of licence requires different procedures and requirements.⁸ The mining register contains all information about all transferred, awarded, and cancelled mineral rights.⁹In some scenarios, the approach of “*first-come-first-served*” may be ineffective when two or more applicants are manually submitted for those who have not been registered. However, the Mining Commission has set guidelines for such applicants who have applied for the same mining area at the same time since the laws do not allow one mining area to be allocated to two or

⁸<https://www.madini.go.tz/wp-content/uploads/2017/12/procedures-for-applying-for-mineral-rights-in-tanzania.pdf>.

¹⁸<https://www.tumemadini.go.tz/uploads/publications/en-1660626442-TENDER%20UMBA%20COORDINATES.pdf>.

⁹<https://portal.madini.go.tz/site/CustomHtml.aspx?PageID=d7f3f61d-4689-4280-a59a-b865f002dd60>.

more applicants. In the case of such situation, all applicants will be informed about their applications of the same mining area at the same time, and the Mining Commission will announce a tender where these applicants alone have to compete by submitting bids. The Mining Commission will select the bidder who has relatively better technical expertise and financial capability.

4.6.1.5 Suspension and Cancellation of Mineral Rights

Section 63 (1) of the Mining Act, Cap. 123, rules on the procedures and conditions which may force the Mining Commission to suspend or cancel the mineral rights from the current mineral rights holder. Some of the factors that will force the Mining Commission to suspend or cancel mineral rights include the failure of the licence holder to comply with any related laws and regulations, or other agreed conditions during the issuance of the licence. However, to ensure justice is served, the Mining Commission will take further steps by serving the rights holder with a notice of intent of cancellation in writing which states the reasons for suspension or cancellation of the mining licence. For the period under review a total of 18 prospecting licences and two (2) mining licences were cancelled by the Mining Commission.

Nonetheless, Section 65 of the Act also provides an opportunity for mineral rights holders to appeal against the decision. However, for an appeal to be accepted, the mineral rights holder shall within sixty (60) days from the date of suspension/cancellation decision file the appeal for judicial review to the High Court.

4.6.2 Petroleum Licences

4.6.2.1 Allocation of Petroleum Rights

The Petroleum Act, Cap. 392 contains provisions that provide for regulation of upstream, midstream and downstream petroleum activities, establishment of the Petroleum Upstream Regulatory Authority, National Oil Company to secure the accountability of petroleum entities and other related matters.¹⁰ Upstream petroleum rights and its grant is provided under Part III of the Act. Detailed types, procedures and criteria for allocation of petroleum licences have been documented in Part III of the Petroleum Act. **Table 23** shows the types of oil and gas permits and licences issued by PURA

Table 23: Types of Oil and Gas Permits and Licences.

¹⁰<https://www.pura.go.tz/documents/acts>

SN	Licence Type	Duration	Description
1	Reconnaissance Permit	Is granted for a period of not more than three years unless otherwise determined by PURA.	Is granted to person intending to carry out reconnaissance surveys in a geographically delineated area. A person shall not commence reconnaissance activities unless has complied with the requirements on environmental protection prescribed in the Environmental Management Act of 2004.
2	Petroleum exploration Licence	Initial period not exceeding four (4) years. Extension for a period not exceeding three (3) years in respect of first extension and a further period not exceeding two (2) years in the second extension.	Petroleum exploration Licence is granted to the National Oil Company (NOC) upon an application made by NOC to the Minister. The licence shall not be transferred to any other person. NOC shall have exclusive rights over all petroleum rights and subject to Minister's consent and PURA, may enter into partnership with a Tanzanian or a foreign entity through an open tendering process or a direct award of a block. In case NOC entered into such partnerships, the Act rules that the Corporation must maintain the participating interest of not less than 25% unless it is instructed otherwise Being a National Oil Company does not waive the company from applying for petroleum rights. The Minister may, upon receiving advice from PURA, grant or reject licence extension due to various conditions stipulated in Section 59 of the Petroleum Act Cap. 392.
3	Development Licence	The Development Licence shall be valid for a period not exceeding twenty five years. It can be extended once for a period exceeding twenty five years as the Minister may consider it to be reasonably required.	Development Licence is issued to the holders of valid exploration Licences of certain blocks which petroleum reservoir or part of a petroleum reservoir has been discovered.

Source: Sub – Part II of the Petroleum Act, Cap. 392

4.6.2.2 Awarding of Petroleum Rights

Petroleum licences are exclusively granted to the National Oil Company (NOC). The Petroleum Act further governs that for a company to partner with NOC, it must be a registered body corporate under the Companies Act or any written law, and such entity is of recognized capacity, technical knowledge, and financial capability. Also, the Act permits two or more applicants to enter into a partnership agreement for conducting petroleum operations.

Such agreements shall be submitted to the Minister of Energy as one of the preliminary requirements before establishing a partnership. Then, after receiving advice from PURA, the Minister may, on behalf of the Government, enter into an agreement with NOC and its partner(s). However, the Minister will not do so unless the Cabinet has approved such partnership agreement. Before such agreements

come into effect, PURA shall prepare the Model of Production Sharing Agreement (MPSA) between NOC and its partners. Then, PURA will submit the MPSA to the Minister, who will then submit it to the Cabinet for approval.

The Cabinet will discuss the submitted MPSA, then, they will approve it when they are satisfied that such agreements will benefit the Government and the country at large. The approved MPSA will be the guiding tool for all subsequent negotiations between NOC and its partners.

Towards enhancing transparency in petroleum operations, the Act prohibits any petroleum agreement to be executed unless it has gone through an open and competitive public tendering process. In case there is a need to initiate direct negotiations, the Minister has to make the broader circulation of the invitation of tender or intention to initiate the same. In a circumstance when whole or part of the area tendered through a competitive public tendering process has not become effective, and it is for public interests, then, the Minister after receiving advice from PURA, and Cabinet's approval, may initiate direct negotiations with the qualified or eligible entity. The Minister may, by regulations, prescribe the manner of conducting the tendering process. Also, the Minister may, by notice published in the *Government Gazette*, declare certain blocks to be reserved for public interest or directly awarded to NOC. As per the Act, no granting of a petroleum licence for all reserved blocks shall be caused unless such a reservation is amended or revoked by the Minister through the official *Gazette*.¹¹

Requirement 2.2 of the EITI Standard 2023, requires, the implementing countries to disclose the approaches of awarding licenses. In this regard, the common and permissible approach is open and competitive tendering in the United Republic of Tanzania. **Table 24** shows the conditions which must be fulfilled by the entities applying for petroleum licenses.

Table 24: The Criteria for Awarding Petroleum Rights

SN	Type of Licence	Criteria
1	Exploration Licence	<p>The applicant's proposals for work and minimum expenditure in respect of the block specified in the application.</p> <p>Provide particulars of technical and petroleum industry qualifications of the applicant and his employees.</p> <p>Provide particulars of technical and petroleum industry resources available to the applicant.</p> <p>Submit particulars of kinds of financial resources available to the applicant, including the capital, credit facilities, and guarantees.</p>

¹¹<https://www.pura.go.tz/uploads/documents/en-1604950586-PETROLEUM%20ACT,%202015.pdf>

		Submit a proposal on the local content plan related to the training and employment of citizens of Tanzania.
2	Development Licence	<p>Provided directly to a holder of Exploration Licence if he meets the conditions stipulated in the Act and Regulations. In case the applicant does not hold an Exploration Licence in respect of a block, may be given a Development Licence if he satisfies the Minister that the block contains a petroleum reservoir, and there are no Exploration or Development Licences of the block which is in force during the time of application.</p> <p>The holder of the Exploration Licence applying for a Development Licence must provide evidence that the block contains a petroleum reservoir or part of a petroleum reservoir.</p> <p>Development plan proposal which its details are provided in Section 67 of the Petroleum Act, 2015.</p> <p>Development licence shall only be granted to an applicant who: ensures most efficient beneficial and timely use of petroleum resources discovered, has adequate financial resources, technical and industrial competence and experience to carry out effective production operations, is able and willing to comply with the conditions of the licence, any relevant right given is exercised and is given effect or arrangement is made for that purpose or right is waived; and is not in default, Section 69 of the Petroleum Act, cap. 392.</p>

Source: *Petroleum Act, Cap.392*

Regarding the issuance of petroleum rights, in the financial year 2021/22, PURA did not award any new petroleum licences. All the existing active petroleum licences can be accessed at www.pura.go.tz/.

4.6.2.3 Transfer of Petroleum Rights

Section 44 (3) of the Petroleum Act, Cap. 392 does not allow the transfer of exclusive petroleum rights granted to NOC. These rights cannot be transferred to any other person. However, Sections 85 and 86 of the Petroleum Act under certain circumstances allow the transfer of a legal or equitable interest in a licence. It allows interest in a licence to be created by an instrument in writing. The Minister must approve the transfer of an interest in a licence.

The application for approval of a transfer of licence by the Minister must satisfy several conditions. The application for transfer must indicate the ability of the transferee capability in discharging transferor obligations, a certificate of incorporation or compliance by the transferee, and transfer agreements between the transferee and transferor. Also, it requires the tax clearance certificate from the Tanzania Revenue Authority (TRA), an integrity pledge by the transferee, and particulars of technical and industrial qualifications of the transferee and their employees. Moreover, the transferee must provide details regarding all kinds of financial resources available to him/her, including capital, credit facilities, and guarantees. Furthermore, the process requires the applicant to provide the particulars of available technical and industrial resources, a proposal regarding how the project plans to train Tanzanians, and other issues which the Minister may deem

necessary before transferring a licence. According to PURA, in the financial year 2021/22 no transferred interest in a petroleum licence was done.

4.6.2.4 Surrender, Cancellation, and Suspension of Petroleum Rights

Section 81 of the Petroleum Act, Cap. 392 provides for a right to a licence holder to surrender all or any of the blocks. Any licence holder may do so by applying to the Minister for a certificate of surrender in respect of a block.

Upon advice of PURA, the Minister will issue the certificate of surrender either unconditionally or subject to conditions. However, the Act does not permit the certificate of surrender to be granted to the licence holder who is in default. In case the applicant who wants to surrender any block had any outstanding liability, the decision to surrender shall not affect any liability incurred before the surrender came into force. Section 83 of the Petroleum Act provides for procedures for suspension and cancellation of a licence.

4.7 Mineral and Gas Registry

4.7.1 Mining Licence Registry

Requirement 2.3 of the EITI Standard 2023 directs that all implementing countries should establish and maintain a register or cadastre system that is publicly accessible. Section 27G of the Mining Act, Cap. 123, directs the Mining Commission to develop and maintain a Mining Cadastre. In response to this requirement, for which the Mining Commission maintains the Mining Cadastre Online Transaction Portal which is publicly available.¹²

The Cadastre is an important tool in administering the mineral rights in Tanzania. It receives and processes all applications for mineral rights, administers mineral rights and mineral processing licences, and maintains public cadastral maps and cadastre registers. The cadastre register has been developed in a way that it allows applicants of mineral rights (Division A, B, C, and D) to apply, renew and cancel while the Mining Commission have the mandate to process, grant and cancel the mineral rights.

According to the Mining Commission, the improved Online Mining Cadastre Transactional Portal (OMCTP) has enhanced the process and improved transparency regarding all matters related to mineral rights. Public access to the

¹²<http://portal.madini.go.tz/map/>

cadastre has been categorized into two levels depending on the type and purpose of the system users. The first level of access is available to registered users of mineral rights division A, B, C and D. The applicants of these licences are required to go through a formal registration process to be given access to the system on submission of the application, withdraw and renewal. The Mining Commission deliberately designed this process to control the potential misuse of the OMCTP system.

The second level of access to the Mining Cadastre is available for the general public users. The public may access the cadastre map which shows the number of issued licences, owners of licence, date of application and expiry, licence type and number, mineral type, the mining area, applications of mining licences, and searching for vacant area.

4.7.2 Petroleum Registry

Sections 84 of the Petroleum Act, Cap. 392 mandates PURA to establish and maintain a registry of petroleum agreements, licences, permit authorisations and any change or transfer of interest in the Agreement, permit or licence (<https://puragis.maps.arcgis.com/apps/webappviewer/index.html?id=99edfc6278c44cb68dc4509171963553>).

Further, the Petroleum Registry shall contain a record of any court decision including arbitration, award, deeds or instruments related to the licence. Any person may request access to information in the Petroleum Registry and the information registered shall be public except as otherwise provided by the laws. The online petroleum registry can be accessed by the public through PURA website.

4.8 Contracts and Licenses Disclosure

Requirement 2.4 (a) of the EITI Standard 2023, requires implementing countries to disclose any contracts entered, granted or amended underpinning extractive industry activities from January, 2021 onwards. Therefore, contract disclosure for extractive industries is crucial in pursuit of enhancing transparency in the mining, oil, and gas operations. Parallel to the requirements of the EITI Standard 2023, the TEITA Act, Cap. 447 also requires the TEITI Committee to cause the Ministers responsible for Minerals and Energy to disclose concessions, contracts and licenses relating to mining, oil, and natural gas operations in the country. However, Regulation 13 of the

Tanzania Extractive Industries (Transparency and Accountability) (General) Regulations of 2019 [GN. No. 141 of 2019] allows the Committee and any party to the contract to determine any information or any part of the contract which is deemed confidential not to be disclosed.

Likewise, the Mining (State Participation) Regulations of 2022 [GN. No. 574 of 2022] in its First and Second Schedules has made public a Form of Framework Agreement and a Form of Shareholders Agreement which contains terms and conditions to be employed in mineral sector contracts entered between the Government and the extractive companies in implementing Section 10 of the Mining Act, Cap. 123. As of now, the Government has signed up to nine (9) Contracts and the Government is committed to disclose them pursuant to the TEITA Act and its regulations. In implementing the contract disclosure requirement, in February, 2024 TEITI updated its contract disclosure roadmap.

<https://www.teiti.go.tz/storage/app/uploads/public/665/f34/087/665f34087c686539429748.pdf>.

Therefore, in the mineral sector, TEITI has started to engage various stakeholders including extractive companies, Civil Society Organisations and Government entities to discuss the information in the six (6) Framework Agreements to be disclosed and the ways to implement this requirement effectively.

In the energy sector, no altered, amended or new signed Production Sharing Agreement from 1st January, 2021 as per requirement 2.4(a) of the 2023 EITI Standard of requires for disclosure.

4.9 Beneficial Ownership Disclosure

The beneficial ownership disclosure aims at improving investment climate, reducing illegal practices and conducts in the extractive industries such as tax evasion, corruption, illicit financial flows, and outcomes of conflict of interests. Besides, it enhances transparency and accountability of extractive companies and government, adherence to the rule of law, and enhances revenue collection by unveiling shadow companies, which are likely to evade tax payments.

Requirement 2.5 of the EITI Standard of 2023 demands extractive companies to disclose information about beneficial owners (i.e., natural persons who own interests in the extractive companies). Likewise, Section 16(1) (b) of the TEITA Act requires the Committee to cause the Minister for Energy and Minerals to publish the names of

individual shareholders who own interests in the extractive industry companies. In addition, Regulation 13 of the Tanzania Extractive Industries (Transparency and Accountability) (General) Regulation of 2019 prescribes that, the information that will identify beneficial owners has to include names including political exposed persons who owns shares or interests in the extractive companies, their nationalities, country of residence, national identity number, date of birth and residential addresses. The submitted information must be attested.

To date, some of the extractive companies have been disclosing the individual names of the beneficial owners as requested by TEITA Committee. TEITI is in the process of conduct awareness sessions for extractive industries on the importance of disclosing such names. This move will increase and enhance compliance and accountability. Compilation of beneficial owner's information for the year 2021/22 shows that 43 companies responded by returning the filled beneficial owner forms. Two companies submitted beneficial owners to the level of individual names, 22 submitted shareholders. The detailed information of beneficial information is shown in **Annex 1** of the report. (<https://www.teiti.go.tz/publications/BO>).

4.10 State Owned Enterprises (SOEs)

Tanzania State Owned Enterprises (SOEs) contribute to the national economy through directly engaging in the operations of the mineral, oil and gas sectors. Tanzania SOEs included STAMICO, NDC and TPDC. These SOEs were established through the legal mandate under the Public Corporation Act, Cap. 257 STAMICO and NDC are directly engaged in the mining sector while TPDC as the national oil company deal with the oil and gas sector in the country.

4.10.1 State Mining Corporation

The State Mining Corporation (STAMICO), a wholly owned Government enterprise, is under the Ministry of Minerals established by the Public Corporation Act, Cap. 257 through State Mining Corporation Establishment Order No. 163 of 1972 as amended in 2014 (<https://www.stamico.co.tz/pages/history>).

STAMICO was re-established through the Public Corporations (Establishment) (Amendment) Order, 2015, as a means for the country to participate in large-scale mining, invest in the mining sector, and operate mines as well as undertaking mineral trading and value addition activities. STAMICO provides services in the

management of mines, drilling, and consultancy services to small-scale miners and other related mining business on behalf of the Government.

STAMICO operates various projects in the form of subsidiaries, associates, own operating projects, and other strategic projects. Also, STAMICO operates various Joint Venture projects the likes of Buckreef Gold Company Ltd, Mwanza Precious Metals Refinery Company Ltd., and Buhemba Gold Mines (<https://www.stamico.co.tz/pages/own-projects>).

4.10.2 National Development Corporation

NDC is the SOE that was re-established in 1965 to catalyze economic development in all sectors of the economy. NDC as the national development corporation is participating in extractive sector through its involvement in various projects including Mchuchuma and Liganga coal projects (<https://ndc.go.tz/about/>).

4.10.3 Tanzania Petroleum Development Corporation

Tanzania Petroleum Development Corporation (TPDC) is the country's national oil company, wholly owned by the Government of Tanzania, with all its shares held by the Treasury Registrar. TPDC was established through the Government Notice No.140 of 30th May, 1969 under the Public Corporations Act, Cap. 257 (<https://tpdc.co.tz/about-us/>).

TPDC as the national oil company carries out specialized operations in the petroleum value chain through its subsidiary companies, namely, the Gas Company Tanzania Limited and TANOIL Investments Limited (<https://tpdc.co.tz/tanoil/>).

TPDC undertook various projects including: - West Songo Songo project, Block 4/1B and 4/1C project, Stratigraphic Nomenclature project, Eyasi Wembere project, and Liquefied Natural Gas (LNG) Project. TPDC undertook five upstream projects in West Songo Songo Block. These include West Songo Songo project, Block 4/1B and 4/1C project, Stratigraphic Nomenclature project, Eyasi Wembere project, and Liquefied Natural Gas (LNG) Project.

4.11 Local Content and CSR Implementation in Extractive Industries

The Government has made efforts to promote local content in the extractive sector through various policy initiatives, such as the Mining (Local Content) Regulations of 2018 [GN No. 3 of 2018], and the Petroleum (Local Content) Regulations of 2017 [GN No. 197 of 2017] which require extractive companies to prioritize the use of

Tanzanian goods and services, and to provide training and employment opportunities to Tanzanians. The regulations also require companies to establish local content plans, and to report on their compliance with the regulations.

The Regulations require contractors, sub-contractors, Licensee or other allied entities to prepare and submit Local Content Plans (LCPs) to be approved by the Mining Commission. The Local Content Committee evaluates the compliance of the submitted LCP as per local content guidelines and subsequently endorse them for approval by the Mining Commission (https://www.tumemadini.go.tz/uploads/publications/en-1651736934_VALID%20PLANS.pdf). In the year under review, 519 out of 532 LCP from contractors and sub-contractors were submitted and approved by the MC.

For oil and gas, a licensee and contractor shall, at all times, be responsible to submit a comprehensive local content plan, which shall include or reflect local content plans of its sub-contractor(s) or any other person(s) engaged to undertake petroleum activity. The local content plan shall comprise a work program to undertake petroleum activities; and an annual local content plan in respect of each year. As per this regulation, the local content implementation is regulated by PURA ([en-1604955038-PETROLEUM LOCAL CONTENT REGULATIONS, 2017.pdf](en-1604955038-PETROLEUM_LOCAL_CONTENT_REGULATIONS_2017.pdf) (<pura.go.tz>)).

Government through PURA and TPDC has prepared a draft of Guidelines for Corporate Social Responsibility (CSR) in the Oil and Gas sector which is expected to be completed at the end of June, 2024. In addition, the preparation of the draft guidelines has involved stakeholders from various areas including Lindi, Mtwara and Pwani regions.

CHAPTER FIVE

5 COLLECTING ENTITIES AND PAYMENTS FLOW IN THE EXTRACTIVE INDUSTRY

5.1 Collecting Entities

Mining, gas and service providers companies make payments to the following government agencies:

5.1.1 The Mining Commission

The Mining Commission (MC) is responsible for issuing licenses and collecting mining revenues such as royalties, permit fees, annual rental fees, and other charges from mining companies including SOEs. **Table 25** shows the types of payments received by the MC.

Table 25: Types of Payments Received by the Mining Commission

Type of Fee	Base	Rate/ Amount	Payment System
Royalties			
i. Uranium	Gross value ¹³	5%	Paid on export or local consumption upon delivery
ii. Gemstone and diamond	Gross value	6%	Paid on export or local consumption upon delivery
iii. Metallic minerals such as copper, gold, silver, and platinum group minerals	Gross value	6% (4% exclusive for gold refined within the country)	Paid on export or local consumption upon delivery
iv. Gem	Gross value	1%	Paid on export or local consumption upon delivery
v. Other minerals, including building materials, salt, all minerals within the industrial minerals group	Gross value	3%	Paid on export or local consumption upon delivery
vi. Salt		1%	
vii. Coal used as industrial raw material within the country		1%	
viii. Mineral used in fertilizer manufacturing within the country.		1%	
License Application Fees (Non-Refundable)			
i. Prospecting license (PL) for metallic minerals, energy minerals and kimberlitic diamond	PL	USD 300	Paid on application
ii. Prospecting license for building materials and gemstones excluding kimberlitic diamond	PL	USD 300	Paid on application
iii. Prospecting license for industrial minerals	PL	USD 200	Paid on application
iv. Special Mining license	SML	USD 5,000	Paid on application
v. Mining License	ML	USD 2,000	Paid on application
vi. Mining license for building materials	ML	USD 2,000	Paid on application
vii. Primary mining license	PML	TZS 50,000	Paid on application
viii. Transfer of primary license	PML	USD 200	Paid on application

¹³"Gross value" according to subsection 87(6) means the market value of minerals as determined through valuation pursuant to section 100B of the Mining Act, Cap 123.

Type of Fee		Base	Rate/ Amount	Payment System
ix.	Transfer of shares in a primary mining license	PML	USD 500	Paid on application
x.	Transfer of mineral rights other than primary mining license	PML	USD 3,000	Paid on application
xi.	Search in register, for everyone hour or part thereof	Number of searches	USD 50	Paid on application
xii.	Registration of any document in the office of the Commissioner for Minerals	Number of documents to be registered	USD 500	Paid on application
xiii.	Approval of any document by the Minister as provided in the Mining Act	Number of documents to be approved	USD 500	Paid on application
Application Fees for Renewal of Mineral Rights:				
i.	Prospecting license for metallic minerals, energy minerals and kimberlitic diamond	PL	USD 300	Paid on renewal
ii.	Special mining license	SML	USD 5,000	Paid on renewal
iii.	Mining license	ML	USD 2,000	Paid on renewal
iv.	Mining license for building materials and industrial minerals	ML	USD 2,000	Paid on renewal
v.	Primary mining license	PML	TZS 100,000	Paid on renewal
Application For A Certificate of Suspension:				
i.	Work in the mineral rights under division C	Number of mineral rights	TZS 50,000	Paid on application
ii.	Work in mineral right other than mineral rights under division C	Number of mineral rights	USD 200	Paid on application
Application for a Certificate of Amalgamation:				
i.	Primary mining licenses	Number of amalgamation transaction	TZS 200,000	Paid on application
Preparation Fees:				
i.	Prospecting license for all minerals	PL	USD 300	Paid upon receipt of offer
ii.	Mining license for all minerals	ML	USD 1,000	Paid upon receipt of offer
iii.	Special mining license	SML	USD 2,000	Paid upon receipt of offer
iv.	Primary mining License	PML	TZS 50,000	Once application is approved
Annual Rents Payable for all Mineral Rights other than Mineral Rights under Division D				
i.	Prospecting license for metallic minerals, energy minerals, kimberlitic diamonds, building materials and gemstones, for initial period PL	Licence area	USD 100/sq.km	Paid annually
ii.	Annual rent for first renewal of a prospecting license	Licence area	USD 150/sq.km	Paid annually
iii.	Annual rent for second renewal of a prospecting license	Licence area	USD 200/sq.km	Paid annually
iv.	Special mining license	Licence area	USD 5,000/sq.km	Paid annually
v.	Mining License for metallic minerals, energy minerals, gemstones and kimberlitic diamonds	Licence area	USD 3,000/sq.km	Paid annually
vi.	Mining license for building materials and industrial minerals	Licence area	USD 2,000/sq.km	Paid annually
Annual Rents for Minerals under Division D				
i.	Primary mining license for all minerals other than gold, kimberlitic diamonds and gemstones, subject to a minimum of TZS 45,000/= for each licensed area having less than 2 hectares (TZS 90,000/=)	Licence area	TZS 45,000/Hect	Paid annually
ii.	Primary mining license for gold, kimberlitic diamonds or gemstones, subject to a minimum of TZS 90,000/=	Licence area	TZS 90,000/Hect	Paid annually

Type of Fee	Base	Rate/ Amount	Payment System
for each licensed area having less than 2 hectares TZS 180,000/=)			
Fees for Dealing in Minerals¹⁴			
i. Application fees for dealer license (non-refundable)	DL	USD 200	Paid on application
ii. Application fees for broker license (non-refundable)	BL	TZS 50,000	Paid on application
iii. License fees for dealer license - Gold, Metallic Minerals and Coloured Gemstones	DL	USD 1,000	Paid on application
iv. License fees for dealer license – Diamonds	DL	USD 2,000	Paid on application
v. License fees for dealer license - Coal and Industrial Minerals	DL	USD 500	Paid on application
vi. License fees for a Broker license	BL	TZS 200,000	Paid on application
vii. Application fee for renewal for a Dealer license	DL	USD 100	Paid on application
viii. Application fee for renewal for a Broker license	BL	TZS 50,000	Paid on application
ix. Renewal of Dealer license - Gold, Metallic Minerals and Colored Gemstones.	DL	USD 1,000	Paid on application
x. Renewal of Dealer license – Diamonds	DL	USD 1,500	Paid on application
xi. Renewal of Dealer license - Coal and Industrial Minerals.	DL	USD 300	Paid on application
xii. Renewal of Broker license.	BL	TZS 50,000	Paid on application
Fees for Export and Import of Minerals			
i. Application fees for the export permit of minerals.	Permit	USD 100	Paid on application
ii. Application fees for import permit of minerals	Permit	USD 300	Paid on application
iii. Application fees for Special export permit of minerals for non- resident	Permit	USD 2,000	Paid on application
iv. Application fees for Special export permit of minerals for tourist.	Permit	USD 200	Paid on application
v. Application fees for Special export permit of minerals purchased at a Gem Trade Fair.	Permit	USD 200	Paid on application
vi. Application fees for import permit of minerals imported for a Gem Trade Fair.	Permit	USD 200	Paid on application
Fees for Processing, Smelting and Refining Licences			
i. Application for processing license, smelting license or refinery license	License	USD 200	Paid on application
ii. Preparation fee for processing license, smelting license or refinery license.	License	USD 200	Paid on application
iii. The annual license fee for processing license, smelting licence or refinery license.	License	USD 1,000	Paid on application
iv. Application fee for renewal of processing licence, smelting licence or refinery license.	License	USD 200	Paid on application

5.1.2 Tanzania Revenue Authority

The Tanzania Revenue Authority (TRA) is regulated by law and is responsible for administering impartially various non-sector taxes of the Central Government. The

¹⁴The-Mining-Mineral-Trading-Regulations-2010 (R.E 2017), First Schedule, Fees for Dealing in Minerals

taxes include corporate income tax, skills development levy, value-added tax, import duty and excise duty as shown in **Table 26**.

Table 26: Taxes and Payments received by Tanzania Revenue Authority

Tax Category	Tax Type	MDA ¹⁵ Holders		Non-MDA Holders	
		Tax Base	Rate	Tax Base	Rate
Corporate Tax	Provisional Corporate Tax	Estimated Profit	30%	Estimated Profit	30%
	Final Corporate Tax	Taxable Profit	30%	Taxable Profit	30%
Turnover Tax/Levy	Alternative Minimum Tax (AMT)	No	No	Turnover	0.3%
Withholding Taxes¹⁶	Dividend payments	Payments	10%	Payments	10%
	Interests	No	No	Payments	10%
	Technical Services (Resident)	Payments	3%	Payments	5%
	Technical Services (Non-Resident)	Payments	5%	Payments	15%
	Management Fees (Resident)	Payments	5%	Payments	15%
	Management Fees (Non-Resident)	Payments	5%	Payments	15%
	Rental (Resident)	Payments	10%	Payments	10%
	Rental (Non-Resident)	Payments	15%	Payments	15%
	Insurance Premium (Applicable to Non-Resident only)	Payments	5%	Payments	5%
	Natural Resources Payments	Payments	15%	Payments	15%
	Service Fees (Applicable to Non-Resident only)	Payments	15%	Payments	15%
Capital Gain Tax (Company Assets)		Gain	30%	Gain	30%
Employment Taxes/Charges & Statutory Contributions	Pay As You Earn (PAYE)	Personal Income	Ranges from 11% to 30% plus fixed amounts	Personal Income	Ranges from 11% to 30% plus fixed amounts
	Skills and Development Levy-SDL	Employer's Payroll Cost	3.5%	Employer with 10 or more employees	3.5%
VAT	(VAT special relief on purchases, 0% rated on exports)	Taxable Value	18%	Taxable Value	18%
Stamp Duty		Sales Value	1%	Sales Value	1%
Import Duty	For Capital Goods	Customs Value	0%	Customs Value	0%
Excise Duty	Motor Vehicle 1000 cc to 2000 cc	Customs Value	5%	Customs Value	5%
	Motor Vehicle above 2000 cc	Customs Value	10%	Customs Value	10%
Fuel Levy		Volume	TZS 513 per litre	Volume	TZS 513 per litre
Motor Vehicle Taxes	Motor Vehicle Registration Fees (cc)				
	501 – 1500	Motor Vehicle Registered	TZS 200,000	Motor Vehicle Registered	TZS 200,000

¹⁵Mining Development Agreement (MDA)

Tax Category	Tax Type	MDA ¹⁵ Holders		Non-MDA Holders	
		Tax Base	Rate	Tax Base	Rate
	1501 – 2500	Motor Vehicle Registered	TZS 250,000	Motor Vehicle Registered	TZS 250,000
	2501 and above	Motor Vehicle Registered	TZS 300,000	Motor Vehicle Registered	TZS 300,000
	Motorcycle Registration Fees	Motorcycle Registered	TZS 95,000	Motorcycle Registered	TZS 95,000
	Personalized registration number renewable after every three years	Motor Vehicle Registered	TZS 5,000,000 for 3 years	Motor Vehicle Registered	TZS 5,000,000 for 3 years
	Special registration number in additional to registration fee	Motor Vehicle Registered	TZS 500,000		TZS 500,000
Motor Vehicle Transfer Taxes	Motor Vehicle Transfer Fees	Transfer	TZS 50,000	Transfer	TZS 50,000
	Motorcycle Transfer Fees	Transfer	TZS 27,000	Transfer	TZS 27,000
Fee for duplicate card	Motor vehicle	Transfer	TZS 50,000	Transfer	TZS 50,000
	Motor cycle		TZS 20,000		TZS 20,000
Motor vehicle driving license	Licence fees renewable every 5 years		TZS 70,000		TZS 70,000
	Driving test fees		TZS 30,000		TZS 30,000
	Provisional license fees renewable every 3 months		TZS 10,000		TZS 10,000
Railway Development Levy	Charged based on Customs Value on goods entered for home consumption in Mainland Tanzania at 1.5% of CIF. The levy does not apply to imported goods that have relief or exemption under the East African Community Customs Management Act 2004 (EACCMA 2004), goods in transit, pharmaceutical goods, etc.				
Customs Processing Fee	A fee charged at 0.6% of FOB Value for processing customs documents for goods entered for home consumption.				
Advertising fees	Charged on commercial advertisement fees for Billboards, Posters or Hoarding				
Wharfage fees	TRA is mandated to Collect Wharfage fee				
Export Tax	Copper waste and scrap metals HS code 7204 and 7404 are charged at 30% or USD 150 per metric tons (whichever is higher)				

5.1.3 Social Security Contribution Funds

Extractive companies also make payments in the form of social security contributions of their employees. Contributions for all employees in the public sector are made to the Public Service Social Security Fund (PSSSF). Contributions for employees in the private sector, self-employed, international organizations, and foreigners employed in Tanzania and any other category are paid to the National Social Security Fund (NSSF). In addition, all employers, including extractive companies, are required by the Worker's Compensation Act Cap. 263 to contribute to the Fund to protect their workers from occupational hazards. **Table 27** provides more information on the employees' statutory contributions to the pension funds in the country.

Table 27: Social Security Statutory Contributions rates

SN	Fund	Tax Base	Rate
1	NSSF Contribution	Gross Cash Emoluments made to the employee (inclusive of cash allowances and benefits)	<ul style="list-style-type: none"> • 10% payable by employer • 10% payable by the employee
2	PSSSF Contribution	Gross Cash Emoluments made to the employee (inclusive of cash allowances and benefits)	<ul style="list-style-type: none"> • 5% payable by the employer • 15% payable by the employee
3	WCF Contribution	Employee's gross monthly salary	<ul style="list-style-type: none"> • 1% for private sector employers • 0.5% for public sector employers

The social security contributions are included in this report as unilateral information because they are indirect taxes, and therefore, they are paid by extractive companies on behalf of their employee.

5.1.4 Local Government Authorities

The Local Government Finance Act, Cap. 290 mandates Local Government Authorities (LGAs) to pass by-laws for charging and collecting local taxes, levies, and fees within their jurisdictions. According to the Act, mining, oil, and gas companies are obliged to pay service levy up to 0.3% of annual turnover to the LGAs where the mine is located.

Moreover, extractive companies provide social and economic support to host communities in the respective LGAs in the form of Corporate Social Responsibility (CSR). They participate in such areas as education, health, environment, potable water supply, humanitarian aids, small business development services, and infrastructures. Recently, the government has enacted laws that govern the implementation of these social commitments. For example, through the Written Laws (Miscellaneous Amendments) Act. No 7 of 2017, the government amended section 105 of the Mining Act to include provisions relating to a mineral right holder's Corporate Social Responsibility Plan.

Specifically, sub-section (1) of the Act compels mineral rights holders to prepare on an annual basis a credible corporate social responsibility plan, which is jointly agreed by the relevant local government authorities in consultation with the Minister responsible for local government authorities and the Minister of Finance. Sub-section (2) demands the plan to consider environmental, social, economic and cultural activities based on local government authority priorities of the host community.

Extractive companies are also obliged to comply with the Tanzania Extractive Industries (Transparency and Accountability) Act, Cap. 447, Section 15 of the Act

categorically requires extractive companies operating in the country to submit an annual report on CSR projects to the TEITI Committee as demonstrated in **Table 28**.

Table 28: Local Taxes and Contributions from Local Government Authority

SN	Contribution/Local Taxes	Description
1	Service levy	Local Government Authorities are entitled to charge up 0.3% service levy based on turnover generated by corporate bodies in the relevant district.
2	Corporate Social Responsibility (CSR)	Mineral rights holders are required under section 105 of the Mining Act, Cap. 123, to prepare on an annual basis a credible corporate social responsibility plan, which is jointly agreed by the relevant local government authority or local government authorities in consultation with the Minister responsible for local government authorities and the Minister of Finance.

5.1.5 Tanzania Petroleum Development Corporation

Tanzania Petroleum Development Corporation (TPDC) is authorized under Section 6 of the Oil and Gas Revenue Management Act, Cap. 328 to collect non-tax revenues such as royalty, protected gas revenue, additional gas revenue, and government profit share as per PSA, surface rentals or annual block fees, signature bonuses and training fees, and tariff on gas transportation through Mtwara-Dar es Salaam and SONGAS gas pipelines.

TPDC also pays to TRA corporate tax from its profit share in respect of Songo Songo PSA Development license. Furthermore, Section 9 of this Act demands the royalties, profit shares, dividends on government participation in the oil and gas operations collected by TPDC be paid to the government through the Oil and Gas Consolidated Fund. **Table 29** shows breakdowns of the payments paid to TPDC.

Table 29: List of Payments Made to TPDC

SN	Type of Payment	Description
1	Royalty on Oil and Gas	This is a payment given to the resource owner. This is required under section 113 of the Petroleum Act, Cap. 392. Rates for royalty payments are charged on gross revenue depending on where the hydrocarbon is being exploited. For onshore and shelf areas the rate is 12.5%, whereas a 7.5% royalty rate if paid for deep water production (consistent with MPSA 2013).
2	Training fees	Fees payable by Licenced producers/contractor, depending on the Profit-Sharing Agreement (PSA), for training and research activities
3	Licence fees	Fees paid when applying for conducting oil and gas activities over a Licenced area
4	Tariffs	<ul style="list-style-type: none"> Tariff on gas transport through Mtwara-Dar es Salaam Gas Pipeline Tariff on gas transport through SONGAS pipeline

5.1.6 National Environmental Management Council

The National Environment Management Council (NEMC) is established under the Environmental Management Act, Cap. 191. The Act provides for a legal and institutional framework for sustainable management of the environment, prevention

and control pollution, waste management, environmental quality standards, public participation, environmental compliance and enforcement.

Furthermore, it gives NEMC mandates to undertake enforcement, compliance, review and monitoring of environmental impacts assessments, research, facilitate public participation in environmental decision-making, raise environmental awareness and collect and disseminate environmental information. NEMC is responsible for collecting fees and charges for project registration, Environmental Impact Assessment (EIA), review of EIA, and environmental monitoring and audit from extractive companies as stipulated in the Environmental Management (Fees and Charges) (Amendment) Regulations, 2018.

5.1.7 The Treasury Registrar

The Treasury Registrar under the Ministry of Finance (MoF) is responsible for collecting dividend payments, particularly from the companies where the State holds shares. The Treasury Registrar is also responsible for collecting revenue proceeds from the sale of shares of extractive companies that the government has an interest in. In addition, it receives royalty, profit share from additional gas revenue, profit per PSA, signature bonus and production bonus from TPDC.

CHAPTER SIX

6. ANALYSIS OF MATERIALITY THRESHOLD AND REPORTING ENTITIES

The 2023 EITI Standard defines materiality as the level at which payments and revenues are considered significant enough that their omission or misstatement could impact the overall comprehensiveness of the EITI Report. To ensure that all important payments and revenues from the mining, oil, and gas sectors in Tanzania are disclosed, TEITI conducted a scoping study which show approach in determination of a materiality threshold and several revenue streams to be reconciled. The materiality analysis was conducted based on data provided by government agencies such as the TRA, MC, TPDC, NEMC and TR. The 2021/22 the scoping study shows that, the government collected a total of **TZS 2.748 trillion** compared to **TZS 2.53 trillion** collected in the year 2020/21. The breakdown of receipt by government agencies are shown in **Table 30** below.

Table 30: Receipts Provided by Five (5) Government Agencies

S/N	Government Entities	Amount (TZS)	% Contribution
1	TRA	1,984,199,885,035.00	72.20
2	MC	624,662,506,530.00	22.73
3	TPDC	95,855,409,797.46	3.49
4	NEMC	1,346,777,000.00	0.05
5	OTR	42,282,606,383.00	1.54
	TOTAL	2,748,347,184,745.46	100.00

6.1 Materiality Threshold

It was agreed in the 90th MSG meeting that the Secretariat proposes two different materiality thresholds for large and medium companies, and for small scale miners. Furthermore, the meeting approved the use of the risk based approach in reconciling selected revenue streams for the 2021/22 TEITI report.

<https://www.teiti.go.tz/storage/a/uploads/public/65d/5f8/5b0/65d5f85b044d3440164190.pdf>.

i. For Large and Medium Companies:

Materiality threshold of **TZS 2 billion** and above of the preliminary Government receipts of **TZS 2.748 trillion** was approved. This threshold contains **56** companies that contributed to **88.87% (TZS 2,442,510,465,620.02)** of the total Government receipts from extractive industries during the reporting year 2021/22 as shown in **Table 31**. The materiality threshold proposed above means that, all companies that paid TZS 2 billion and above from the selected government agencies have been

included in the TEITI report for year 2021/22 as reconciled payments and other as unilateral payments. The list of 56 extractive companies included in the report are shown in **Annex 2**.

Table 31: Materiality Threshold as Scoped for the Reconciliation Report

Materiality Threshold		Number of Companies				
Amount (TZS000)	Percentage Coverage	Mining	Oil and Gas	Service Providing	Total	Total Amount(TZS)
≥ 2,000,000	88.87	28	10	18	56	2,442,510,465,620.02
≥1,000,000 &<2,000,000	2.05				39	56,451,607,293.36
≥500,000 &<1,000,000	1.67				68	45,990,878,671.81
Companies/Individuals below the Proposed Materiality threshold of Less than 500,000.00						
<500,000	7.40				53,688	203,394,233,160.270
	100.00				53,851	2,748,347,184,745.46

ii. **For Small Scale Miners:**

The proposed materiality threshold for the small-scale miners is between **TZS 500 million to less than TZS 2 billion** for tracking small scale contributions to the sector. The data revealed nine (9) out of 107 small-scale miners which met the threshold as shown in **Table 32**. However, after detailed verification from the submitted data, it was found that most of the small scale miners do not keep their records and thus, MSG decided to report unilateral payments from the Government side where most of the payments from small scale miners are recorded through the mineral markets and were retrieved from the Government electronic Payment Gateway (GePG system).

Table 32: List of Small Scale Miners

S/NO	COMPANY NAME	TRA	MC	NEMC	TOTAL	PML
1	Even Enterprises Company Limited	1,045,819,262.98	572,015,165.63		1,617,834,428.61	PML to ML
2	Wachapakazi Gold Mine		1,573,337,700.00		1,573,337,700.00	PML
3	Andrew Bollen Partners		1,352,308,151.00		1,352,308,151.00	PML to ML
4	Capital Quarries Limited	1,119,900,062.93	37,334,762.19		1,157,234,825.12	PML
5	God Mwanga Gems Limited	875,844,935.72	91,683,702.21	11,250,000	978,778,637.93	PML
6	Group One Mining Limited	20,500,813.15	822,451,196.69		842,952,009.84	PML
7	RK General Supplies Limited		801,256,999.47		801,256,999.47	PML
8	Umoja wa Wenye Mashamba Ilindi		781,610,844.00		781,610,844.00	PML
9	Kerai Construction Company Limited		716,938,079.66		716,938,079.66	PML

6.2 Reconciled Revenue Streams

TEITI adopted a risk-based approach during the reconciliation exercise whereby revenue stream of companies dealing directly with exploration, production of the mineral, oil and gas were selected and reconciled based on the following criteria:

(a) Revenue stream with high percentage of contribution to the Government entity determined by analysis high percentage contribution against the total revenue collected from different government agencies such as royalty, inspection and corporate tax;

(b) Revenue stream with high impact and records of high discrepancies from previous report. These are payments recorded in the previous data, which either the company or government side did not disclose the correct figures or no payment was made which automatically lower the comprehensibility of the reported data. In addition, the MSG agreed to reconcile corporate income tax from service providing companies with the reason to trace their contribution to the extractive sector.

The below subsection presents different categories of revenue streams collected by the government entities and their level of disaggregated according to Requirement 4.1 and 4.7 of the EITI Standard 2023. **Table 33** indicates Revenue Streams that have been reconciled in this report. The remaining revenue streams MSG decided to disclose unilaterally.

Table 33: Reconciled Revenue Streams

S/N	Reporting Entities	Revenue Streams selected for reconciliation
1	Mining Commission	Mining Royalties
		Inspection fees
		Annual Rent
2	Tanzania Revenue Authority	Corporate (COR)
		Service Development Levy (SDL)
3	Tanzania Petroleum Development Corporation	Royalty on Oil and Gas
		Profit share from natural gas producing fields
		Training Fees
		Acreage/Licence fees
4	National Environment Management Council	Annual Monitoring and Audit Fee (TZS)
5	Treasury Registrar	Dividends for Government Shares held in the Company
6	Local Government Authorities	Service Levy

6.3 Unilateral Reported Revenue Streams

TEITA Committee agreed other revenue streams to be reported unilateral as per requirement 4.1b of the 2023 EITI Standard. Breakdown of revenue streams which are unilateral disclosed by government agencies are detailed in section 8.2 of this report.

6.4 Reporting Government Entities

During the year 2021/22, five (5) Government entities and eighteen (18) local Government authority submitted the reporting template for the revenue received from the extractive companies. The reported government statutory reporting entities for the year 2021/22 are listed in **Table 34**.

Table 34: Reporting Government Entities

SN	Name	SN	Name
1	Treasury Registrar	13	Mbinga District Council
2	Mining Commission	14	Kahama Town Council
3	National Environmental Management Council (NEMC)	15	Geita District Council
4	Tanzania Revenue Authority (TRA)	16	Msalala District Council
5	Tanzania Petroleum Development Corporation (TPDC)	17	Mtwara District Council
6	Geita Town Council	18	Tarime District Council
7	Biharamulo District Council	19	Kilwa District Council
8	Mwanza City Council	20	Kishapu District Council
9	Songwe District Council	21	Musoma District Council
10	Chunya District Council	22	Misungwi District Council
11	Lindi District Council	23	Nsimbo District Council
12	Butiama District Council		

CHAPTER SEVEN

7. EXTRACTIVE REVENUE COLLECTION AND DISTRIBUTION

7.1 Revenue Collection

Extractive companies make payments to various Government Agencies. These agencies are divided into categories, namely, recipients of taxes, fees, and charges, i.e. TRA, LGAs, Treasury Registrar, TPDC, MC, and TFS. The second category is recipients of social security contributions, i.e. NSSF, PSSSF and Workers Compensation Fund (WCF). The extractive revenue payment flow is diagrammatically summarized in **Figure 2**.

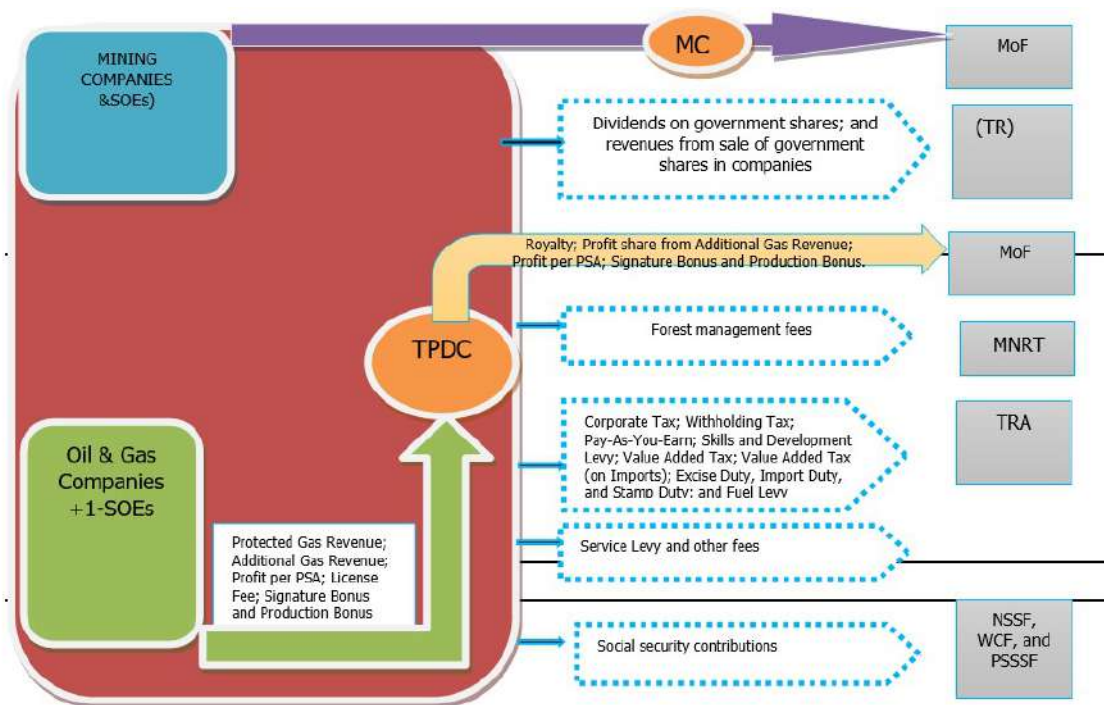


Figure 2: Payment flow of extractive revenue collection

7.2 Revenue Distribution

In Tanzania, a legislative tool that establishes the legal foundation for the nation's budget system with relation to revenue, expenditure control, and accountability is the Public Finance Act, Cap. 348. The Consolidated Fund is established by Section 11 of the Public Finance Act and Article 135 of the Constitution of United Republic of Tanzania, 1977. Unless specifically instructed otherwise by Parliament, the Act mandates that all revenues and other sums of money produced or received by the Government be placed into the Fund. As a result, the Fund receives payments from

the extractive industry. However, the Annual Appropriations Act gives the Minister of Finance the authority to take money out of the Consolidated Fund and distribute it among the different votes. As a result, once revenues from extractive companies are transferred into the consolidated fund, they can no longer be linked to a particular project or expense, as required by the 2023 EITI Standard.

7.3 Budget Process

Tanzania budgets uses the budgeting technique/method known as Medium-Term Expenditure Framework (MTEF). The Budget Act of 2015 provides guidelines for the preparation and execution of the MTEF budget. Part IV of the Budget Act outlines the actions that must be followed in the budgetary process and is divided into four primary stages:- budget formulation; budget discussion and approval; budget execution; and budget auditing, oversight and control.

7.1.1 Budget Formulation (October – March)

The first stage in the budget process is the budget formulation. It is normally carried out from October to March involving the following key sub-processes:

- i. Formulation of the budget policy and resource projections;
- ii. Release of the Planning and Budget Guidelines;
- iii. Estimating revenues and expenditure by MDAs, Regions, LGAs and Parastatal Organisations through the adaptation of the bottom-up approach (involving of the citizens in the budget formulation);
- iv. Scrutiny of estimates by the Inter-Ministerial Technical Committee
- v. Cabinet approval of budget estimates; and
- vi. Scrutiny of estimates by Sectoral Parliamentary Standing Committees.

7.1.2 Budget Discussion and Approval (April – June)

The second stage in the budget process is discussion and approval of the estimates. This takes place from April to June, involving the following key activities:

- i. Tabling the budget estimates in the Legislature;
- ii. Budget speeches presentation (Budget Day);
- iii. Discussion in the Parliament including citizen's views;
- iv. Budget approval by the Parliament (budget voting);
- v. Enactment of the Finance Bill; and
- vi. Enactment of the Appropriation Act.

7.1.3 Budget Execution (July – June)

Budget execution (implementation) follows as the third stage in the budget process. It starts from 1st July to 30th June (within one fiscal year). It involves the following activities:

- i. MDAs, Regions, Parastatal Organisations and LGAs prepare action plans (work plans);
- ii. Budget is executed on a cash budget system;
- iii. Ministry of Finance releases money to MDAs, Regions, Parastatal Organisations and LGAs as appropriated by the Parliament;
- iv. Services delivered;
- v. Development projects are undertaken;
- vi. Transactions relating to accounting, procurement and reporting procedures; and
- vii. Preparation of financial statements.

7.1.4 Auditing, Oversight and Control

Auditing, oversight and control is the fourth and last stage in the budget process. It is ongoing within the year and involves the following main activities:

- i. Continuous time to time (annual) monitoring and evaluation, including internal audits;
- ii. Conducting External audits by the Controller and Auditor General (CAG); and
- iii. Management letters are discussed with Accounting Officers within the Public Sector entities. Later, CAG reports are presented to the President and tabled in the Parliament, after which they are ready to be submitted to the Parliamentary oversight committees i.e., Public Accounts Committee (PAC), Local Authority Accounts Committee (LAAC) and Public Investment Committee (PIC) and are made public for use and follow-up action.

7.4 In-kind Revenue

The objective of requirement 4.2 of the 2023 EITI Standard is to ensure transparency in the sale of oil, gas and/ or mineral resources or other revenues collected in-kind to allow the public to assess whether the sales values correspond to market values, and to ensure the traceability of the proceeds from the sale of those commodities to the national Treasury. In the period under review neither the government nor State Owned Enterprises (SOEs) have recorded in kind-revenue as per requirement 4.2 of the 2023 EITI Standard.

7.5 Infrastructure Provisions and Barter Arrangements

The objective of this requirement 4.3 of the 2023 EITI Standard is to ensure public understanding of infrastructure provisions and barter-type arrangements, including resource-backed loans, which provide a significant share of government benefits from an extractive project, that is commensurate with other cash-based company payments and government revenues from oil, gas and mining, as a basis for comparability to conventional agreements. Information collected in the 2021/22 did not identify any in-kind payments structured as a barter-type arrangement or infrastructure agreements.

7.6 Transportation Revenues

The objective of requirement 4.4 of the 2023 EITI Standard is to ensure transparency in government and State Owned Enterprise (SOE) revenues from the transit of oil, gas and minerals as a basis for promoting greater accountability in extractive commodity transportation arrangements involving the state or SOEs. It requires the government and SOEs to disclose all material revenues from the transportation of oil, gas and minerals. In Tanzania, TPDC receive tariffs from gas transportation through Mtwara-Dar es Salaam gas pipeline, the SONGAS gas pipeline and Ubungo to Mikocheni from Tanesco. (<https://tpdc.co.tz/wp-content/uploads/2023/10/Consolidated-financial-Statements-June-2022-Report.pdf>).

7.2 Transactions Related to State Owned Enterprises

The objective of requirement 4.5 of the 2023 EITI Standard is to ensure the traceability of payments and transfers involving SOEs as well as to strengthen public understanding of whether revenues accruable to the state are effectively transferred to the state and of the level of state financial support for SOEs. The MSG has ensured that, the 2021/22 TEITI report has comprehensively addressed the role of SOEs, and reliable disclosures of material company payments to SOEs, SOEs transfer to government agencies and government transfers to SOEs. The detailed information of such requirement are shown in **Annex 3** of the report.

7.3 Subnational Payments

The objective of requirement 4.6 of the 2023 EITI Standard is to enable stakeholders to gain an understanding of the benefits that accrued from local governments through transparency in companies' direct payments to subnational entities and to

strengthen public oversight of subnational governments' management of their internally generated extractive revenues. It requires to ensure that company payments to subnational government entities and the receipt of these payments are disclosed. For year 2021/22 a detail of material subnational payment are shown in Section 9.1.5 of this report.

7.4 Subnational Transfers

Requirement 5.2 of EITI Standard, 2023 demands that where transfers between national and subnational government entities are related to revenues generated by the extractive industries and mandated by a national constitution, statute or other revenue sharing mechanism, the MSG is required to ensure that material transfers are disclosed. During the year under review it was confirmed that no subnational payments were made and recorded.

7.5 Data Timeliness

Requirement 4.8 of the EITI standards 2023 ensures that public disclosures of company payments and government revenues from oil, gas and mining are sufficiently timely reported to be relevant to inform public debate and policymaking. The TEITI 2021/22 report contains updated information which are crucial to the public. The 2021/22 TEITI report is within the EITI's accepted window of two years reporting period.

CHAPTER EIGHT

8. RECONCILIATION OF EXTRACTIVE DATA

This section presents the detailed results of the reconciliation exercise and the discrepancies raised between the payments reported by extractive companies and receipts reported by government entities. The reconciliation exercise aims at enhancing public understanding of the contribution of the extractive industries to government revenues. The 14th TEITI report reconciled comprehensively only revenue streams approved by the MSG.

It also highlights the amounts initially reported and the adjustments made following the reconciliation exercise and the final amounts and the unreconciled differences.

The adjustments were carried out based on confirmation from the extractive companies and Government entities which were supported by adequate evidence wherever deemed appropriate, ensuring transparency and accuracy throughout the reconciliation process.

8.1 Reconciliation by Selected Extractive Companies

Extractive companies initially reported payments of **TZS 1,391,440,887,771.21** to the Government Agencies while the receipts from the Government amounted to **TZS 1,909,058,376,582.29**. The revenues reported by the government was higher by **TZS (517,617,488,811.08)** compared to the payments reported by the companies. After the adjustments which were authenticated, the final payments made by companies was **TZS 1,878,254,778,133.47** while the final revenues received by the Government Agencies were **TZS 1,877,852,367,063.74** creating a discrepancy of **TZS 402,411,069.73 (0.021%)**. According to section 18 of the TEITA Act, 2015, the discrepancy of 0.021 % is immaterial and therefore does not require further investigation by the Controller and Auditor General (CAG). A detailed reconciliation exercise is presented in **Table 35** and **Table 36**. By providing these findings, we aim to give a comprehensive overview of the reconciliation exercise and the remaining unreconciled differences, ensuring credibility and reliability of the data provided and transparency and accountability in the extractive industry data reporting.

8.1.1 Reconciliation by Extractive Companies

Table 35: Analysis of Reconciliation by Companies

S/NO	Company	Original			Adjustments			Final Amount		
		Company	Government	Difference	Company	Government	Difference	Company	Government	Difference
1	North Mara Gold Mine Limited	374,606,645,402.47	764,843,616,851.97	(390,236,971,449.50)	767,906,399,000.16	767,906,401,085.25	(2,085.09)	767,906,399,000.16	767,906,401,085.25	(2,085.09)
2	Geita Gold Mining Limited	372,288,570,717.09	373,793,107,010.15	(1,504,536,293.06)	374,263,267,605.33	374,349,755,920.05	(86,488,314.73)	374,263,267,605.33	374,349,755,920.05	(86,488,314.73)
3	Bulyanhulu Gold Mine Limited	142,164,816,994.62	220,579,691,181.30	(78,414,874,186.68)	174,526,853,752.02	174,526,854,121.55	(369.53)	174,526,853,752.02	174,526,854,121.55	(369.53)
4	M&P Exploration Production Tanzania Limited	97,669,426,786.27	100,538,021,639.95	(2,868,594,853.68)	101,154,493,314.48	101,187,113,560.45	(32,620,245.97)	101,154,493,314.48	101,187,113,560.15	(32,620,245.67)
5	Shell Exploration And Production Tanzania Limited	151,601,659,480.27	151,981,053,114.60	(379,393,634.33)	151,601,659,480.27	151,702,965,800.61	(101,306,320.34)	151,601,659,480.27	151,702,965,800.61	(101,306,320.34)
6	Pan African Energy Tanzania Limited	43,172,255,339.09	31,182,318,801.97	11,989,936,537.12	44,590,716,579.20	44,589,081,924.43	1,634,654.77	44,590,716,579.20	44,589,081,924.43	1,634,654.77
7	Equinor Tanzania As	-	228,632,784.50	(228,632,784.50)	-	228,632,784.50	(228,632,784.50)	-	228,632,784.50	(228,632,784.50)
8	Pangea Minerals Ltd	20,375,235,583.72	58,429,396,763.58	(38,054,161,179.86)	59,066,942,645.44	59,191,682,039.85	(124,739,394.41)	59,066,942,645.44	59,191,682,039.85	(124,739,394.41)
9	Shanta Mining Company Limited	26,752,234,203.35	34,374,937,164.39	(7,622,702,961.04)	34,377,053,289.22	34,374,937,164.39	2,116,124.83	34,377,053,289.22	34,374,937,164.39	2,116,124.83
10	Twiga Minerals Corporation Limited	22,559,530,529.92	36,504,713,600.00	(13,945,183,070.08)	22,559,530,529.92	22,559,530,529.92	-	22,559,530,529.92	22,559,530,529.92	-
11	Samax Resources Ltd.	33,272,689,136.90	38,577,430,245.95	(5,304,741,109.05)	38,577,430,245.95	38,577,430,245.95	-	38,577,430,245.95	38,577,430,245.95	-
12	AUMS (T) Limited	12,203,712.00	12,203,712.00	-	12,203,712.00	12,203,712.00	-	12,203,712.00	12,203,712.00	-
13	Maweni Limestone Limited.	4,951,198,091.24	2,836,468,719.50	2,114,729,371.74	3,492,006,407.30	2,982,383,319.37	509,623,087.93	3,492,006,407.30	2,982,383,319.37	509,623,087.93
14	Totalenergies Marketing Tanzania Limited	9,029,133,998.50	9,340,401,047.00	(311,267,048.50)	9,029,133,998.50	9,340,401,047.00	(311,267,048.50)	9,029,133,998.50	9,340,401,047.00	(311,267,048.50)
15	Ruvuma Coal Limited	19,007,396,513.17	21,019,575,808.62	(2,012,179,295.45)	21,003,045,575.14	21,003,036,585.22	8,989.92	21,003,045,575.14	21,003,036,585.22	8,989.92
16	Williamson Diamonds Limited	14,172,804,290.61	14,172,804,475.17	(184.56)	14,172,804,290.61	14,172,804,475.17	(184.56)	14,172,804,290.61	14,172,804,475.17	(184.56)
17	Capital Drilling (T) Ltd.	924,953,511.01	1,875,313,029.80	(950,359,518.79)	924,953,511.01	1,875,313,029.80	(950,359,518.79)	924,953,511.01	1,875,313,029.80	(950,359,518.79)
18	CMS (Tanzania) Limited	69,006,674.38	114,369,274.68	(45,362,600.30)	69,006,674.38	114,369,274.68	(45,362,600.30)	69,006,674.38	114,369,274.68	(45,362,600.30)
19	TNR Limited	-	367,413,355.56	(367,413,355.56)	-	367,813,355.56	(367,813,355.56)	-	367,813,355.56	(367,813,355.56)
20	Globeleq Tanzania Services Limited	1,150,150,000.00	1,153,624,414.00	(3,474,414.00)	1,150,150,000.00	1,153,624,414.00	(3,474,414.00)	1,150,150,000.00	1,153,624,414.00	(3,474,414.00)

S/NO	Company	Original			Adjustments			Final Amount		
		Company	Government	Difference	Company	Government	Difference	Company	Government	Difference
21	Cyprus Mnazi Bay Limited	14,689,687,797.71	4,922,879,971.10	9,766,807,826.61	14,689,687,797.71	15,084,286,697.35	(394,598,899.64)	14,689,687,797.71	15,084,286,697.35	(394,598,899.64)
22	CATA Mining Company Limited	3,006,820,816.91	3,053,642,461.55	(46,821,644.64)	3,053,642,461.75	3,053,642,461.55	0.20	3,053,642,461.75	3,053,642,461.55	0.20
23	Shell Deepwater Tanzania B.V	-	1,575,000.00	(1,575,000.00)	-	1,575,000.00	(1,575,000.00)	-	1,575,000.00	(1,575,000.00)
24	Paul Heny Gagala	4,011,678,771.93	4,496,804,078.14	(485,125,306.21)	4,838,408,337.63	4,447,011,081.85	391,397,255.78	4,838,408,337.63	4,447,011,081.85	391,397,255.78
25	China Petroleum Technology And Development Corporation	570,000.00	1,245,000.00	(675,000.00)	570,000.00	1,245,000.00	(675,000.00)	570,000.00	1,245,000.00	(675,000.00)
26	STAMIGOLD Company Limited	3,188,732,645.41	1,991,673,258.23	1,197,059,387.18	3,195,117,932.78	3,195,726,859.71	(608,926.93)	3,195,117,932.78	3,195,726,859.71	(608,926.93)
27	Boart Longyear Tanzania Limited	1,351,983,998.70	2,475,000.00	1,349,508,998.70	1,351,983,998.70	2,475,000.00	1,349,508,998.70	1,351,983,998.70	2,475,000.00	1,349,508,998.70
28	Fenamu Gold Dealer Limited	1,960,068,889.41	3,440,815,714.53	(1,480,746,825.12)	3,461,109,714.53	3,447,015,714.53	14,094,000.00	3,461,109,714.53	3,447,015,714.53	14,094,000.00
29	Buckreef Gold Company Limited	857,713,551.25	2,370,584,679.48	(1,512,871,128.23)	2,379,571,149.31	2,328,447,103.15	51,124,046.16	2,379,571,149.31	2,328,447,103.15	51,124,046.16
30	Jac Rijk Africa Limited	790,073,937.59	183,392,828.40	606,681,109.19	183,392,828.40	183,392,828.40	-	183,392,828.40	183,392,828.40	-
31	Tembo Nickel Corporation Limited	3,661,798,985.50	3,672,091,990.09	(10,293,004.59)	3,648,513,712.05	3,648,663,712.05	(150,000.00)	3,648,513,712.05	3,648,663,712.05	(150,000.00)
32	Nyanza Road Works Ltd.	1,357,442,484.06	652,722,603.18	704,719,880.88	1,363,954,618.32	652,722,603.18	711,232,015.14	1,357,442,958.06	652,722,603.18	704,720,354.88
33	Keng'anya Enterprises Ltd.	90,000,000.00	383,393,700.40	(293,393,700.40)	90,000,000.00	383,393,700.40	(293,393,700.40)	90,000,000.00	383,393,700.40	(293,393,700.40)
34	Katavi Mining Company Limited	2,418,550,681.24	2,109,430,534.86	309,120,146.38	2,492,623,210.28	2,105,098,363.86	387,524,846.42	2,492,623,210.28	2,105,387,306.86	387,235,903.43
35	Busolwa Mining Limited	1,711,511,463.90	2,347,554,189.42	(636,042,725.52)	1,666,258,998.89	1,702,318,188.16	(36,059,189.27)	1,666,258,998.89	1,702,318,188.16	(36,059,189.27)
36	MMG Gold Limited	1,932,650,684.63	1,847,359,799.56	85,290,885.07	1,582,092,660.34	1,683,400,189.85	(101,307,529.51)	1,582,092,660.34	1,683,400,189.85	(101,307,529.51)
37	Jitegeme Holdings Company Limited	1,639,313,776.13	1,557,750,601.16	81,563,174.97	1,562,653,601.16	1,557,750,601.16	4,903,000.00	1,557,553,601.16	1,557,750,601.16	(197,000.00)
38	Tansino Quarries Ltd.	1,402,203,644.91	1,484,121,394.71	(81,917,749.80)	1,401,248,692.31	1,484,121,394.71	(82,872,702.40)	1,401,248,692.31	1,484,121,394.71	(82,872,702.40)
39	Mantra Tanzania Limited	2,734,977,637.00	2,735,003,041.91	(25,404.91)	2,734,977,637.00	2,735,003,041.91	(25,404.91)	2,734,977,637.00	2,735,003,041.91	(25,404.91)
40	Lukuba Saguda Lili	1,876,233,887.51	2,066,508,427.91	(190,274,540.40)	2,056,479,739.57	2,056,479,739.57	-	2,056,479,739.57	2,056,479,739.57	-
41	Tancoal Energy Limited	1,973,424,443.70	989,259,853.73	984,164,589.97	946,579,267.64	989,259,853.73	(42,680,586.09)	946,579,267.64	989,259,853.73	(42,680,586.09)

S/NO	Company	Original			Adjustments			Final Amount		
		Company	Government	Difference	Company	Government	Difference	Company	Government	Difference
42	Tanzania Petroleum Development Corporation	6,773,043,568.44	6,773,493,568.44	(450,000.00)	6,773,043,568.44	6,773,493,568.44	(450,000.00)	6,773,043,568.44	6,773,493,568.44	(450,000.00)
43	State Mining Corporation	38,253,374.96	49,505,890.80	(11,252,515.84)	122,587,490.29	119,221,027.73	3,366,462.56	122,587,490.29	119,221,027.73	3,366,462.56
44	National Development Corporation	194,241,765.71	-	194,241,765.71	194,241,765.71	-	194,241,765.71	194,241,765.71	-	194,241,765.71
	TOTAL	1,391,440,887,771.21	1,909,058,376,582.29	(517,617,488,811.08)	1,878,266,389,793.73	1,877,852,078,121.04	414,311,672.69	1,878,254,778,133.47	1,877,852,367,063.74	402,411,069.73

8.1.2 Reconciliation by Revenue Streams

Table 36: Analysis of Reconciliation by Revenue Streams

No.	Description of the payment	Original			Adjustments			Final Amount		
		Company	Government	Difference	Company	Government	Difference	Company	Government	Difference
	Payments made to MC	397,128,419,912.74	391,044,422,580.28	6,083,997,332.46	385,318,937,548.85	384,818,909,087.64	500,028,461.21	385,307,325,888.59	384,819,198,030.64	488,127,857.95
1	Annual Rent	10,370,460,800.16	10,811,834,826.21	(441,374,026.05)	10,438,044,447.83	10,266,572,790.73	171,471,657.10	10,432,944,447.83	10,266,572,790.73	166,371,657.10
2	Clearance & Inspection fees	56,242,329,366.02	57,061,398,550.44	(819,069,184.42)	57,012,608,764.08	57,109,748,332.41	(97,139,568.33)	57,006,097,103.58	57,110,037,275.41	(103,940,171.83)
3	Mining Royalties	330,515,629,746.56	323,171,189,203.63	7,344,440,542.93	317,868,284,336.95	317,442,587,964.50	425,696,372.45	317,868,284,337.18	317,442,587,964.50	425,696,372.68
	Payments made to TPDC	96,375,203,475.92	95,823,533,221.26	551,670,254.66	96,375,203,475.92	96,472,625,141.46	(97,421,665.54)	96,375,203,475.92	96,472,625,141.46	(97,421,665.54)
4	Royalty	29,729,386,452.03	31,202,815,303.20	(1,473,428,851.17)	29,729,386,452.03	29,729,386,452.03	-	29,729,386,452.03	29,729,386,452.03	-
5	Acreage/Licence fees	292,033,440.07	399,957,289.50	(107,923,849.43)	292,033,440.07	393,457,481.46	(101,424,041.39)	292,033,440.07	393,457,481.46	(101,424,041.39)
6	Training Fees	1,093,474,923.82	1,089,472,547.97	4,002,375.85	1,093,474,923.82	1,089,472,547.97	4,002,375.85	1,093,474,923.82	1,089,472,547.97	4,002,375.85
7	Profit Share	65,260,308,660.00	63,131,288,080.59	2,129,020,579.41	65,260,308,660.00	65,260,308,660.00	-	65,260,308,660.00	65,260,308,660.00	-
	Payments made to TRA	854,367,590,129.48	1,367,963,374,176.61	(513,595,784,047.13)	1,353,206,846,737.46	1,354,290,847,143.99	(1,084,000,406.53)	1,353,206,846,737.46	1,354,290,847,143.69	(1,084,000,406.23)
8	Corporate tax	835,729,780,837.85	1,351,208,236,895.54	(515,478,456,057.69)	1,335,734,867,562.96	1,336,551,721,931.87	(816,854,368.91)	1,335,734,867,562.96	1,336,551,721,931.57	(816,854,368.61)
9	Skill Development Levy (SDL)	18,637,809,291.63	16,755,137,281.07	1,882,672,010.56	17,471,979,174.50	17,739,125,212.12	(267,146,037.62)	17,471,979,174.50	17,739,125,212.12	(267,146,037.62)
	Payments made to LGAs (Service Levy)	18,103,143,723.15	14,826,858,004.14	3,276,285,719.01	17,898,871,501.58	16,814,691,218.03	1,084,180,283.55	17,898,871,501.58	16,814,691,218.03	1,084,180,283.55
10	Tarime DC	3,803,237,664.82	1,815,404,450.93	1,987,833,213.89	3,803,237,664.82	3,803,237,664.82	-	3,803,237,664.82	3,803,237,664.82	-
11	Kahama	553,467,600.94	553,467,600.94	-	553,467,600.94	553,467,600.94	-	553,467,600.94	553,467,600.94	-
12	Msalala DC	1,675,619,250.28	1,675,619,250.28	-	1,675,619,250.28	1,675,619,250.28	-	1,675,619,250.28	1,675,619,250.28	-
13	Nyangwale DC	825,305,003.88	825,305,003.88	-	825,305,003.88	825,305,003.88	-	825,305,003.88	825,305,003.88	-

No.	Description of the payment	Original			Adjustments			Final Amount		
		Company	Government	Difference	Company	Government	Difference	Company	Government	Difference
14	Geita DC by Geita Gold Mine Company	1,801,464,600.00	1,678,502,303.53	122,962,296.47	1,801,464,600.00	1,678,502,303.53	122,962,296.47	1,801,464,600.00	1,678,502,303.53	122,962,296.47
15	Geita DC by Buckreef Gold Company Limited	88,880,949.24	31,723,371.85	57,157,577.39	88,880,949.24	31,723,371.85	57,157,577.39	88,880,949.24	31,723,371.85	57,157,577.39
16	Geita TC Council by Geita Gold Mine Co. Ltd	4,415,174,944.59	4,202,725,108.98	212,449,835.61	4,415,174,944.59	4,202,725,108.98	212,449,835.61	4,415,174,944.59	4,202,725,108.98	212,449,835.61
17	Songwe DC	647,572,248.84	647,572,248.85	(0.01)	647,572,248.84	647,572,248.85	(0.01)	647,572,248.84	647,572,248.85	(0.01)
18	Tanga City Council	717,630,849.15	-	717,630,849.15	511,229,252.41	-	511,229,252.41	511,229,252.41	-	511,229,252.41
19	Kishapu DC	403,580,328.02	403,580,328.02	-	403,580,328.02	403,580,328.02	-	403,580,328.02	403,580,328.02	-
20	Biharamulo DC	90,000,523.88	90,000,523.88	-	90,000,523.88	90,000,523.88	-	90,000,523.88	90,000,523.88	-
21	Ileje DC	3,366,462.56	-	3,366,462.56	3,366,462.56	-	3,366,462.56	3,366,462.56	-	3,366,462.56
22	Chunya by Fenamu	124,652,086.31	124,652,086.31	-	124,652,086.31	124,652,086.31	-	124,652,086.31	124,652,086.31	-
23	Chunya by Gagala	198,364,129.06	136,683,841.73	61,680,287.33	198,364,129.06	136,683,841.73	61,680,287.33	198,364,129.06	136,683,841.73	61,680,287.33
24	Butiama DC	80,946,508.02	80,946,508.02	-	80,946,508.02	80,946,508.02	-	80,946,508.02	80,946,508.02	-
25	Chalinze DC	31,701,518.68	-	31,701,518.68	31,701,518.68	-	31,701,518.68	31,701,518.68	-	31,701,518.68
26	Nsimbo DC	71,446,086.04	71,540,035.54	(93,949.50)	71,446,086.04	71,540,035.54	(93,949.50)	71,446,086.04	71,540,035.54	(93,949.50)
27	Musoma DC	63,149,111.27	152,773,119.78	(89,624,008.51)	70,056,513.87	152,773,119.78	(82,716,605.91)	70,056,513.87	152,773,119.78	(82,716,605.91)
28	Misungwi DC by Busolwa	28,470,931.52	67,638,061.17	(39,167,129.65)	68,778,839.09	67,638,061.17	1,140,777.92	68,778,839.09	67,638,061.17	1,140,777.92
29	Misungwi DC by Nyanza Roads	59,316,176.44	3,745,345.22	55,570,831.22	59,316,176.44	3,745,345.22	55,570,831.22	59,316,176.44	3,745,345.22	55,570,831.22
30	Mbinga DC by Ruvuma Coal	458,880,753.39	413,794,819.01	45,085,934.38	413,794,818.39	413,794,819.01	(0.62)	413,794,818.39	413,794,819.01	(0.62)
31	Mbinga DC by Jitegeme	15,040,717.60	15,040,717.60	-	15,040,717.60	15,040,717.60	-	15,040,717.60	15,040,717.60	-

No.	Description of the payment	Original			Adjustments			Final Amount		
		Company	Government	Difference	Company	Government	Difference	Company	Government	Difference
32	Dodoma MC by Nyanza Roads Works Ltd	36,037,000.00	-	36,037,000.00	36,037,000.00	-	36,037,000.00	36,037,000.00	-	36,037,000.00
33	Dar es Salaam by Nyanza Roads Works Ltd	73,695,000.00	-	73,695,000.00	73,695,000.00	-	73,695,000.00	73,695,000.00	-	73,695,000.00
34	Kilwa DC by Pan Africa Energy	741,623,419.64	741,623,419.64	-	741,623,419.64	741,623,419.64	-	741,623,419.64	741,623,419.64	-
35	Kilwa DC by TPDC	133,004,846.46	133,004,846.46	-	133,004,846.46	133,004,846.46	-	133,004,846.46	133,004,846.46	-
36	Mtwara DC by M&P	748,499,885.54	748,499,885.54	-	748,499,885.54	748,499,885.54	-	748,499,885.54	748,499,885.54	-
37	Mtwara DC by TPDC	213,015,126.98	213,015,126.98	-	213,015,126.98	213,015,126.98	-	213,015,126.98	213,015,126.98	-
	Payment to TR	25,259,530,529.92	39,204,713,600.00	(13,945,183,070.08)	25,259,530,529.92	25,259,530,529.92	-	25,259,530,529.92	25,259,530,529.92	-
38	Dividends for Government Shares held in the Company	25,259,530,529.92	39,204,713,600.00	(13,945,183,070.08)	25,259,530,529.92	25,259,530,529.92	-	25,259,530,529.92	25,259,530,529.92	-
	Payments made to NEMC	207,000,000.00	195,475,000.00	11,525,000.00	207,000,000.00	195,475,000.00	11,525,000.00	207,000,000.00	195,475,000.00	11,525,000.00
39	Annual Monitoring and Audit Fee	207,000,000.00	195,475,000.00	11,525,000.00	207,000,000.00	195,475,000.00	11,525,000.00	207,000,000.00	195,475,000.00	11,525,000.00
	Total payments included in the reconciliation scope	1,391,440,887,771.21	1,909,058,376,582.29	(517,617,488,811.08)	1,878,266,389,793.73	1,877,852,078,121.04	414,311,672.69	1,878,254,778,133.47	1,877,852,367,063.74	402,411,069.73

8.2 Unilateral Payments Received by Government

For the revenue streams which are reconciled, their payments are disclosed unilaterally by the Government entities (MC, TRA, TPDC and NEMC). Details of revenue streams are shown in **Table 37**.

8.2.1 The Mining Commission

Table 37: Unilateral Payments as per Mining Commission

S/N	Company	Fines, Penalties and Forfeitures	Geological Fees	Total
		Total in TZS		TZS
1	North Mara Gold Mine Limited	-	23,403,345	23,403,345
2	Geita Gold Mining Limited	-	14,919,434	14,919,434
3	Bulyanhulu Gold Mine Limited	692,871	114,754,679	115,447,550
4	Pangea Minerals Ltd	-	2,573,914	2,573,914
5	Shanta Mining Company Limited	-	34,533,980	34,533,980
6	Maweni Limestone Limited.	-	7,973,925	7,973,925
7	Ruvuma Coal Limited	-	823,080,651	823,080,651
8	Williamson Diamonds Limited	-	7,123,828	7,123,828
9	Cata Mining Company Limited	5,508,324	700,000	6,208,324
10	Paul Heny Gagala	-	14,488,377	14,488,377
11	Mohamed Omar Sharif	-	1,666,699	1,666,699
12	Stamigold Company Limited	-	10,624,022	10,624,022
13	Fenamu Gold Dealer Limited	-	-	-
14	Buckreef Gold Company Limited	-	7,275,146	7,275,146
15	Tembo Nickel Corporation Limited	-	19,631,345	19,631,345
16	Nyanza Road Works Ltd.	585,000	9,980,957	10,565,957
17	Katavi Mining Company Limited	110,270,420	13,119,226	123,389,646
18	Busolwa Mining Limited	2,540,527	6,210,699	8,751,226
19	MMG Gold Limited	-	11,052,538	11,052,538
20	Jitegemee Holdings Company Limited	-	80,286,712	80,286,712
21	Sunshine Mining Limited	-	5,164,355	5,164,355
22	Tansino Quarries Ltd.	207,861	6,250,097	6,457,958
23	Mantra Tanzania Limited	-	230,957	230,957
24	Lukuba Saguda Lili	-	5,081,054	5,081,054
25	Tancoal Energy Limited	34,574,263	15,438,291	50,012,554
26	State Mining Corporation	8,016,288	20,650,097	28,666,385
27	National Development Corporation	7,621,581	44,000	7,665,581
	TOTAL	170,017,136	1,256,258,328	1,426,275,463

8.2.2 Tanzania Revenue Authority

Table 38: Unilateral Payments as per Tanzania Revenue Authority

	COMPANY	PAYE	STAMP DUTY	VAT	WITHHOLDING TAX	BILL BOARD	EXCISE DUTY	ADVERTISING FEES	OTHER CHARGES	TOTAL
1	North Mara Gold Mine Limited	19,081,249,049.00			1,118,244,514.77				978,658,352.40	21,178,151,916.17
2	Geita Gold Mining Limited	5,999,962,567.00			1,937,698,985.50					7,937,661,552.50
3	Bulyanhulu Gold Mine Limited	20,315,323,219.00	177,942,053.80		1,078,221,550.51				821,493,736.10	223,92,980,559
4	M&P Exploration Production Tanzania Limited	2,767,535,316.20	248,105.25	47,325,503,319.00			13,182,398,801.90			63,275,685,542.35
5	Shell Exploration And Production Tanzania Limited	1,964,741,889.56			3,320,849,126.00					5,285,591,015.56
6	Pan African Energy Tanzania Limited	3,732,639,972.50	2,884,024.10	39,961,925,389.30	21,437,366.66		11,681,642,377.20		19,632,210,477.00	75,032,739,606.76
7	Equinor Tanzania As	819,165,933.14	3,665,043.98	4,500,000.00	88,489,640,564.19					89316971541
8	Pangea Minerals Ltd	1,481,974,900.59		5,724,445,124.00	121,348,044.85				225,000.00	7,327,993,069.44
9	Shanta Mining Company Limited	7,465,700,226.70	864,569.77		407,782,045.53					7,874,346,842.00
10	Twiga Minerals Corporation Limited									0.00
11	Samax Resources Ltd.									0.00
12	AUMS (T) Limited	9,848,907,516.90	831,890.00	17,149,459,068.84	6,434,995,535.80					33,434,194,011.54
13	Maweni Limestone Limited.	1,090,429,631.77	23,299,188.16	9,230,566,866.00	11,833,312,029.63					22177607716
14	Totalenergies Marketing Tanzania Limited	2,863,277,252.60	6,993,420.00	10,061,589,233.64	135,709,045.45	54,935,118.09		71,535,646.00	1,387,160.00	13195426876
15	Ruvuma Coal Limited	551,090,847.33	1,195,873.60	4,120,034.49	141,226,157.20					697,632,912.62
16	Williamson Diamonds Limited	1,924,949,081.90			144,565,020.75					2,069,514,102.65
17	Capital Drilling (T) Ltd.	1,033,269,501.00	10	5,003,737,142.50	1,379,904,068.10					7,416,910,721.60
18	CMSTanzania) Limited	2,216,650,174.83		3,976,005,179.70	1,770,252,926.34					7,962,908,280.87
19	Kobil Tanzania Limited	3,817,785.20		284,200.01	74,312,671.34					78,414,656.55
20	Taifa Mining & Civils Limited	1,338,022,389.26	1,410,816.00	2,481,882,931.00	3,437,187,356.85					7,258,503,493.11
21	TNR Limited	1,411,431,365.58	5,878,344.00	4,406,627,152.30	1,046,849,363.28					6,870,786,225.16
22	TCL Services Limited	824,731,001.70		3,363,392,551.40	464,821,543.28					4,652,945,096.38
23	Globeleq Tanzania Services Limited	2,002,501,666.80		1,968,755,015.20	211,757,279.60					4,183,013,961.60
24	Cyprus Mnazi Bay Limited			459,076,976.00	82,914,677.06					541,991,653.06
25	Etablissements Maurel & Prom			5,620,303,121.00						5,620,303,121.00
26	Cata Mining Company Limited	1,827,833,465.50								1,827,833,465.50
27	Shell Deepwater Tanzania B.V				4,518,515,263.88					4,518,515,263.88
28	Paul Heny Gagala									0.00
29	China Petroleum Technology And Development Corporation	14,130,288.14	828,000.00	3,939,927,459.54	279,858,213.20					4234743961
30	Mohamed Omar Sharif	295,800.00	5,000.00		50,000.00				4,925,000.00	5,275,800.00

	COMPANY	PAYE	STAMP DUTY	VAT	WITHHOLDING TAX	BILL BOARD	EXCISE DUTY	ADVERTISING FEES	OTHER CHARGES	TOTAL
31	STAMIGOLD Company Limited	1,078,329,762.69								1078329763
32	Boart Longyear Tanzania Limited	1,533,646,081.94		1,630,609,790.93	506,622,296.98					3,670,878,169.85
33	Exxonmobil Exploration And Production Tanzania Limited	147,730,236.19			3,419,855,653.93					3,567,585,890.12
34	Fenamu Gold Dealer Limited									0.00
35	Buckreef Gold Company Limited	724,787,948.23	34,062,615.03		66,422,099.31					825,272,662.57
36	JACRijk Africa Limited	241,510,128.57		1,670,662,858.84	775,139,757.51					2,687,312,744.92
37	Tembo Nickel Corporation Limited	437,607,434.10	1,365,012.00							438972446.1
38	Nyanza Road Works Ltd.	383,252,599.30	14,476,884.00	217,367,118.00	1,938,167,503.37	225,960.00				2,553,490,064.67
39	Keng'anya Enterprises Ltd.	105,705,526.25	142,500.00	1,142,005,890.64	1,048,618,357.43					2,296,472,274.32
40	Katavi Mining Company Limited	525,258,537.10	112,320.00							525370857.1
41	Busolwa Mining Limited	331,455,716.78			15,578,625.49					347,034,342.27
42	MMG Gold Limited	529,534,528.20			380,551,826.33					910,086,354.53
43	Jitegemee Holdings Company Limited	80,801,560.00		858,471,101.40	2,094,408.81					941367070.2
44	Sunshine Mining Limited	90,209,334.00	2,989,420.00	134,114,224.00	164,841,354.60				4,500,000.00	396,654,332.60
45	BGP International Tanzania Limited.	96,161,389.14			2,285,483,339.22					2,381,644,728.36
46	Petrobras Tanzania Limited	49,117,781.30			2,194,377,325.00					2,243,495,106.30
47	Tansino Quarries Ltd.	60,562,196.74	26,572.25	743,491,125.44	13,210,231.11				3,500,000.00	820,790,125.54
48	Mantra Tanzania Limited	993,748,513.00	2,779,640.30							996,528,153.30
49	Metc-Paulsam Company Limited		57,600.00	1,752,785,390.00	488,001,230.00					2,240,844,220.00
50	GPB Tanzania Limited	469,777,181.08		67,026,261.29	706,194,955.90	6,561,968.92		9,555,183.00	583,376.32	1,259,698,926.51
51	Lukuba Saguda Lili								3,307,500.00	3307500
52	Tancoal Energy Limited	615,695,621.99		341,023,118.17	63,134,279.00					1,019,853,019.16
53	Sahara Tanzania Limited	194,985,370.32		1,127,282,091.36	20,934,760.14					1,343,202,221.82
54	Tanzania Petroleum Development Corporation	2,614,069,389.04	693,000.00	43,484,786,067.70	997,699,930.77		6,368,091,189.80			53465339577
55	State Mining Corporation									0.00
56	National Development Corporation									0.00
	TOTAL	101,883,577,678.16	282,751,902.24	213,851,725,801.69	143,538,381,284.67	61,723,047.01	31,232,132,368.90	81,090,829.00	21,450,790,601.82	512,382,173,513.49

CHAPTER NINE

9. ANALYSIS OF THE REPORTED DATA

9.1. Analysis of Government Revenues

Analysis of the reported data reveals that for the year 2021/22, the total government receipt was TZS 1,877,852,367,063.74. The mining sector contributed TZS 1,506,273,556,120.47, equivalent to 80.213% of the government's revenue, while the oil and gas sub-sector contributed TZS 319,567,149,335.48, which is equivalent to 17.018%. Furthermore, service providing companies contributed TZS 52,011,661,607.79, or 2.77% of the government revenues as shown in **Figure 3**.

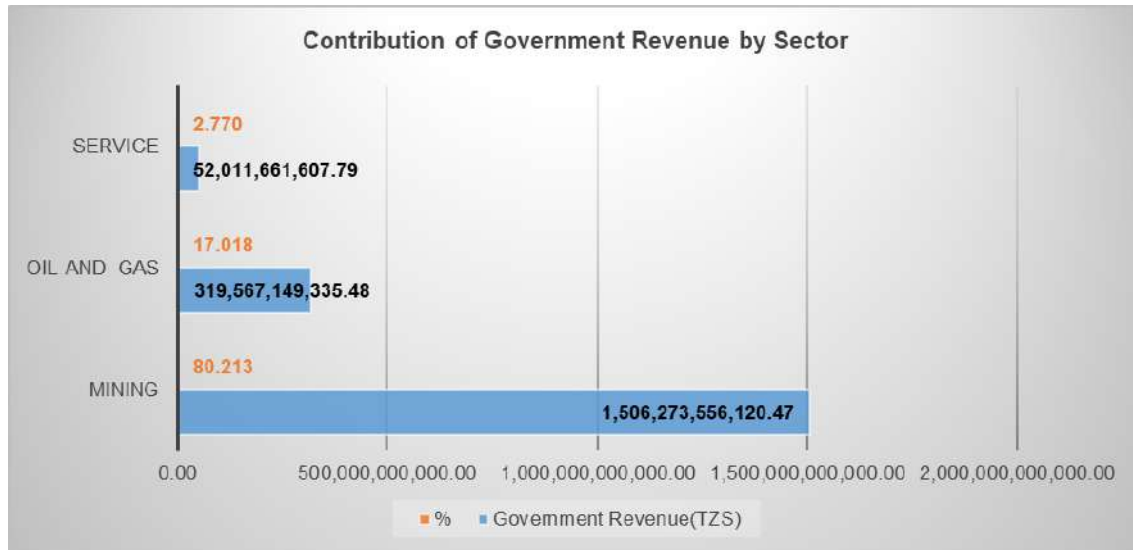


Figure 3: Government revenues by Sector

9.1.1. Analysis by Company's Contribution

It was revealed that mining companies make a larger contribution compared to oil and gas, and service providing companies. Eleven (11) extractive companies contributed 95.32% of all payments received by the government in the fiscal year 2021/22 (**Table 39**). It was observed that GGML contributed more in the previous years according to TEITI reports as compared to 2021/22. This is due to increase in cost of operations caused by change of mining techniques from open cast to underground hard rock mining in the sector thus result to low production of gold and lower declaration of estimated tax payable of the respective year of income. It was also noted that, North Mara Gold Mine Limited contributed more in the 2021/22 as compared to previous years due to offsetting of VAT refunds with settlement of Corporate tax previous arrears amounting to TZS 91,605,364,956.80 as per agreed legal framework agreement and paid during the financial year 2021/2022.

Table 39: Government Revenues by Companies' Contributions

S/NO	Company	Government	Sector	Percentage of Total Government
1	North Mara Gold Mine Limited	767,906,401,085.25	Mining	40.8928
2	Geita Gold Mining Limited	374,349,755,920.05	Mining	19.9350
3	Bulyanhulu Gold Mine Limited	174,526,854,121.55	Mining	9.2940
4	Shell Exploration And Production Tanzania Limited	151,702,965,800.61	Oil and Gas	8.0785
5	M&P Exploration Production Tanzania Limited	101,187,113,560.15	Oil and Gas	5.3884
6	Pangea Minerals Ltd	59,191,682,039.85	Mining	3.1521
7	Pan African Energy Tanzania Limited	44,589,081,924.43	Oil and Gas	2.3745
8	Samax Resources Ltd.	38,577,430,245.95	Service Provider	2.0543
9	Shanta Mining Company Limited	34,374,937,164.39	Mining	1.8305
10	Twiga Minerals Corporation Limited	22,559,530,529.92	Mining	1.2013
11	Ruvuma Coal Limited	21,003,036,585.22	Mining	1.1185
12	Cyprus Mnazi Bay Limited	15,084,286,697.35	Oil and Gas	0.8033
13	Williamson Diamonds Limited	14,172,804,475.17	Mining	0.7547
14	TotaEnergies Marketing Tanzania Limited	9,340,401,047.00	Service Provider	0.4974
15	Tanzania Petroleum Development Corporation	6,773,493,568.44	Oil and Gas	0.3607
16	Paul Heny Gagala	4,447,011,081.85	Mining	0.2368
17	Tembo Nickel Corporation Limited	3,648,663,712.05	Mining	0.1943
18	Fenamu Gold Dealer Limited	3,447,015,714.53	Mining	0.1836
19	Stamigold Company Limited	3,195,726,859.71	Mining	0.1702
20	Cata Mining Company Limited	3,053,642,461.55	Mining	0.1626
21	Maweni Limestone Limited.	2,982,383,319.37	Mining	0.1588
22	Mantra Tanzania Limited	2,735,003,041.91	Mining	0.1456
23	Buckreef Gold Company Limited	2,328,447,103.15	Mining	0.1240
24	Katavi Mining Company Limited	2,105,387,306.86	Mining	0.1121
25	Lukuba Saguda Lili	2,056,479,739.57	Mining	0.1095
26	Capital Drilling (T) Ltd.	1,875,313,029.80	Service Provider	0.0999
27	Busolwa Mining Limited	1,702,318,188.16	Mining	0.0907
28	MMG Gold Limited	1,683,400,189.85	Mining	0.0896
29	Jitegemee Holdings Company Limited	1,557,750,601.16	Mining	0.0830
30	Tansino Quarries Ltd.	1,484,121,394.71	Mining	0.0790
31	Globeleq Tanzania Services Limited	1,153,624,414.00	Service Provider	0.0614
32	Tancoal Energy Limited	989,259,853.73	Mining	0.0527
33	Nyanza Road Works Ltd.	652,722,603.18	Mining	0.0348
34	Keng'anya Enterprises Ltd.	383,393,700.40	Service Provider	0.0204
35	TNR Limited	367,813,355.56	Service Provider	0.0196
36	Equinor Tanzania As	228,632,784.50	Oil and Gas	0.0122
37	Jac Rijk Africa Limited	183,392,828.40	Service Provider	0.0098
38	State Mining Corporation(Stamico)	119,221,027.73	Mining	0.0063
39	CMS (Tanzania) Limited	114,369,274.68	Service Provider	0.0061
40	AUMS (T) Limited	12,203,712.00	Service Provider	0.0006
41	Boart Longyear Tanzania Limited	2,475,000.00	Service Provider	0.0001
42	Shell Deepwater Tanzania B.V	1,575,000.00	Oil and Gas	0.0001
43	China Petroleum Technology and Development Corporation	1,245,000.00	Service Provider	0.0001
44	National Development Corporation	-	Mining	-
	SUBTOTAL	1,877,852,367,063.74		100.0000

9.1.2. Analysis by Revenue Streams Contribution

Revenues stream analysis show that, corporate tax contributed about 71.174%, mining royalty (16.905%), profit share from gas (3.475%), mineral inspection fee (3.041%), royalty from gas (1.583%), dividends for Government shares (1.345%) and service levy (0.895 %), while the rest of remaining revenue stream contributed less than 1% in the total government receipts as detailed in **Table 40**.

Table 40: Government Contribution by Revenue Streams

	Description of the payment	Government	Percentage of Total Government
	Payments to the Mining Commission (MC)	384,819,198,030.64	20.493
1	Annual Rent	10,266,572,790.73	0.547
2	Inspection fees	57,110,037,275.41	3.041
3	Mining Royalties	317,442,587,964.50	16.905
	Payments made to Tanzania Petroleum Development Corporation (TPDC)	96,472,625,141.46	5.137
4	Royalty	29,729,386,452.03	1.583
5	Acreage/Licence fees	393,457,481.46	0.021
6	Training Fees	1,089,472,547.97	0.058
7	Profit Share	65,260,308,660.00	3.475
	Payments made to Tanzania Revenue Authority (Large Tax payers & Domestic Revenue Department)	1,354,290,847,143.69	72.119
8	Corporate tax	1,336,551,721,931.57	71.174
9	Skill Development Levy (SDL)	17,739,125,212.12	0.945
	Payments made to Local Authorities (Service Levy)	16,814,691,218.03	0.895
10	Tarime District Council	3,803,237,664.82	0.203
11	Kahama	553,467,600.94	0.029
12	Msalala District Council	1,675,619,250.28	0.089
13	Nyangwale District Council	825,305,003.88	0.044
14	Geita District Council (Geita Gold Mine Company)	1,678,502,303.53	0.089
15	Geita District Council(Buckreef Gold Company Limited)	31,723,371.85	0.002
16	Geita TC Council (Geita Gold Mine)	4,202,725,108.98	0.224
17	Songwe District Council	647,572,248.85	0.034
18	Tanga City Council	-	-
19	Kishapu District Council	403,580,328.02	0.021
20	Biharamulo District Council	90,000,523.88	0.005
21	Ileje District Council	-	-
22	Chunya (Fenamu)	124,652,086.31	0.007
23	Chunya(Gagala)	136,683,841.73	0.007
24	Butiama District Council	80,946,508.02	0.004
25	Chalinze DC	-	-
26	Nsimbo DC	71,540,035.54	0.004
27	Musoma District Council	152,773,119.78	0.008
28	Misungwi DC (Busolwa)	67,638,061.17	0.004
29	Misungwi DC (Nyanza Roads)	3,745,345.22	0.000
30	Mbinga DC(Ruvuma Coal)	413,794,819.01	0.022
31	Mbinga DC(Jitegemee)	15,040,717.60	0.001
32	Dodoma MC (Nyanza Roads Works Ltd)	-	-
33	Dar es Salaam (Nyanza Roads Works Ltd)	-	-
34	Kilwa District Council(Pan Africa)	741,623,419.64	0.039
35	Kilwa District Council(TPDC)	133,004,846.46	0.007
36	Mtwara District Council (M&P)	748,499,885.54	0.040
37	Mtwara District Council (TPDC)	213,015,126.98	0.011
	Payment to the Treasury Registrar	25,259,530,529.92	1.345
38	Dividends for Government Shares held in the Company	25,259,530,529.92	1.345
	Payments made to National Environment Management Council	195,475,000.00	0.010
39	Annual Monitoring and Audit Fee	195,475,000.00	0.010
	Total payments included in the reconciliation scope	1,877,852,367,063.74	100.000

9.1.3. Analysis by Government Agencies Contribution

Figure 4 shows that in the year 2021/22, Tanzania Revenue Authority received about 72.119%, Mining Commission (20.493%), Tanzania Petroleum Development Corporation 5.137%, Treasury Registrar 1.345%, Local government authority 0.895% and National Environment Management Council (0.01%) of total reconciled government revenues. Detailed payment amounts are shown in Table 40 above.

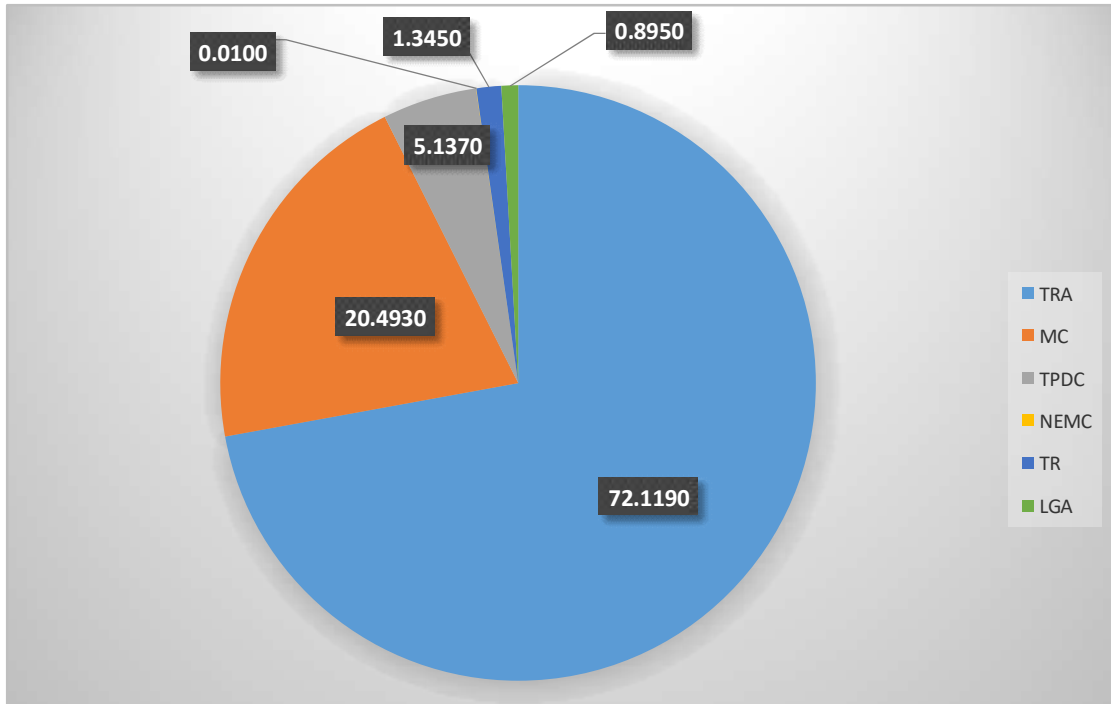


Figure 4: Government revenue contribution by receiving agencies

9.1.4. Analysis by Sector Contribution

A detailed analysis was conducted to ascertain the contribution of each sector in the overall government reconciled receipts for the year 2021/22. The breakdown from each sector is summarized below:

9.1.4.1. Mining Contribution

The mining companies have contributed 80.21% of the Government revenues collected from the extractive industry in 2021/22 as shown in **Table 41**. Data indicates that seven (7) top mining companies each contributed above 1% equivalent to 77.42% while the rest 19 companies each contributed below 1%.

Table 41: Mining Companies Contribution to Government Revenues

S/N	Company	Government	Sector	Percentage of Total Government
1	North Mara Gold Mine Limited	767,906,401,085.25	Mining	40.8928
2	Geita Gold Mining Limited	374,349,755,920.05	Mining	19.9350
3	Bulyanhulu Gold Mine Limited	174,526,854,121.55	Mining	9.2940
4	Pangea Minerals Ltd	59,191,682,039.85	Mining	3.1521
5	Shanta Mining Company Limited	34,374,937,164.39	Mining	1.8305
6	Twiga Minerals Corporation Limited	22,559,530,529.92	Mining	1.2013
7	Ruvuma Coal Limited	21,003,036,585.22	Mining	1.1185
8	Williamson Diamonds Limited	14,172,804,475.17	Mining	0.7547
9	Paul Heny Gagala	4,447,011,081.85	Mining	0.2368
10	Tembo Nickel Corporation Limited	3,648,663,712.05	Mining	0.1943
11	Fenamu Gold Dealer Limited	3,447,015,714.53	Mining	0.1836
12	Stamigold Company Limited	3,195,726,859.71	Mining	0.1702
13	Cata Mining Company Limited	3,053,642,461.55	Mining	0.1626
14	Maweni Limestone Limited.	2,982,383,319.37	Mining	0.1588
15	Mantra Tanzania Limited	2,735,003,041.91	Mining	0.1456
16	Buckreef Gold Company Limited	2,328,447,103.15	Mining	0.1240
17	Katavi Mining Company Limited	2,105,387,306.86	Mining	0.1121
18	Lukuba Saguda Lili	2,056,479,739.57	Mining	0.1095
19	Busolwa Mining Limited	1,702,318,188.16	Mining	0.0907
20	Mmg Gold Limited	1,683,400,189.85	Mining	0.0896
21	Jitegemee Holdings Company Limited	1,557,750,601.16	Mining	0.0830
22	Tansino Quarries Ltd.	1,484,121,394.71	Mining	0.0790
23	Tancoal Energy Limited	989,259,853.73	Mining	0.0527
24	Nyanza Road Works Ltd.	652,722,603.18	Mining	0.0348
25	State Mining Corporation(Stamico)	119,221,027.73	Mining	0.0063
26	National Development Corporation(Ndc)	-	Mining	-
	Total	1,506,273,556,120.47		80.2126

9.1.4.2. Oil and Gas Contribution

The oil and gas companies have contributed 17.02 % of the Government revenues collected from the extractive industry in 2020/21 as shown in **Table 42**. Results indicate that three (3) top gas companies each contributed above 1% equivalent to 15.84 % while the remaining 4 companies each contributed less than 1%.

Table 42: Oil and Gas Contribution on Government Revenues

S/NO	Company	Government (TZS)	Sector	Percentage of Total Government
1	Shell Exploration And Production Tanzania Limited	151,702,965,800.61	Oil and Gas	8.0785
2	M&P Exploration Production Tanzania Limited	101,187,113,560.15	Oil and Gas	5.3884
3	Pan African Energy Tanzania Limited	44,589,081,924.43	Oil and Gas	2.3745
4	Cyprus Mnazi Bay Limited	15,084,286,697.35	Oil and Gas	0.8033
5	Tanzania Petroleum Development Corporation(TPDC)	6,773,493,568.44	Oil and Gas	0.3607
6	Equinor Tanzania As	228,632,784.50	Oil and Gas	0.0122
7	Shell Deepwater Tanzania B.V	1,575,000.00	Oil and Gas	0.0001
	Total	319,567,149,335.48		17.0177

9.1.4.3. Service Providing Companies Contribution

Service providing companies have contributed 2.77% of the Government revenues collected from the extractive industry in 2021/22 as shown in **Table 43**. Data revealed that one (1) service providing company contributed above 1% equivalent to 2.0543% while the remaining eleven (11) companies each contributed less than 1%.

Table 43: Service Providing Companies' Contribution to Government Revenues

S/NO	Company	Government	Sector	Percentage of Total Government
1	Samax Resources Ltd.	38,577,430,245.95	Service Provider	2.0543
2	TotalEnergies Marketing Tanzania Limited	9,340,401,047.00	Service Provider	0.4974
3	Capital Drilling (T) Ltd.	1,875,313,029.80	Service Provider	0.0999
4	Globeleq Tanzania Services Limited	1,153,624,414.00	Service Provider	0.0614
5	Keng'anya Enterprises Ltd.	383,393,700.40	Service Provider	0.0204
6	TNR Limited	367,813,355.56	Service Provider	0.0196
7	Jac Rijk Africa Limited	183,392,828.40	Service Provider	0.0098
8	CMS (Tanzania) Limited	114,369,274.68	Service Provider	0.0061
9	AUMS (T) Limited	12,203,712.00	Service Provider	0.0006
10	Boart Longyear Tanzania Limited	2,475,000.00	Service Provider	0.0001
11	China Petroleum Technology and Development Corporation	1,245,000.00	Service Provider	0.0001
	Total	52,011,661,607.79		2.7697

9.1.5. Local Government Authority Contribution

Local Government contributed about 0.8959% (TZS 16,814,691,218.03) of the total government receipts from 17 reported local government authorities in the year 2021/22. **Table 44** shows reconciled revenue from service levy collected from the companies.

Table 44: Local Government Contribution to Government Revenues

	Local Government Authorities	Government (TZS)	Percentage of Total Government
1	Biharamulo District Council	90,000,523.88	0.0048
2	Butiama District Council	80,946,508.02	0.0043
3	Chunya District Council	261,335,928.04	0.0139
4	Geita District Council	1,710,225,675.38	0.0911
5	Geita Town Council	4,202,725,108.98	0.2238
6	Kahama Town Council	553,467,600.94	0.0295
7	Kilwa District Council	874,628,266.10	0.0466
8	Kishapu District Council	403,580,328.02	0.0215
9	Mbinga District Council	428,835,536.61	0.0228
10	Misungwi District Council	71,383,406.39	0.0038
11	Msalala District Council	1,675,619,250.28	0.0892
12	Mtwara District Council	961,515,012.52	0.0512
13	Musoma District Council	152,773,119.78	0.0081
14	Nsimbo District Council	71,540,035.54	0.0038
15	Nyang'wale District Council	825,305,003.88	0.0439
16	Songwe District Council	647,572,248.85	0.0345
17	Tarime District Council	3,803,237,664.82	0.2025
	Total payments	16,814,691,218.03	0.8954

9.2. Analysis of Companies Reported Data

9.2.1. Production Data

Production of minerals, oil and gas for the year 2021/22 reported by extractive companies is shown in **Table 45** below. Total of 1,035,860.53 ounces of gold was reported while 1,632,891.48 tonnes of coal was produced during the same reporting period. In oil and gas producing fields, 33,121,780.44 mmscf and 26,884,460,000.00 cft of natural gas was produced by M&P Exploration Production Tanzania Limited and Pan African Energy Tanzania Limited.

Table 45: Production Data as Reported by Companies

S/N	Company	Gold (Ounces)	Concentrates(Ounces)	Copper (Conc)	Silver (Ounces)	Diamond Rough (Carats)	Gas(cft)	Gas (mmscf)	Clinker (Tons)	Cement (Tons)	Bricks(Pieces)	Aggregates(cubic m)	Aggregates(tons)	Coal (Tones)
1	North Mara Gold Mine Limited	306,625.88								-				
2	Geita Gold Mining Limited	456,440.34								-				-
3	Bulyanhulu Gold Mine Limited	169,025.00	79,372.00		-			-	-	-				-
4	M&P Exploration Production Tanzania Limited							33,121,780.44		-				
5	Pan African Energy Tanzania Limited						26,884,460,000.00			-				
6	Pangea Minerals Ltd	5,225.00			-			-	-					-
7	Shanta Mining Company Limited	55,112.42			71,613.04			-	-	-				-
8	Maweni Limestone Limited.							-	823,612.19	1,295,410.29	13,434.00			-
9	Ruvuma Coal Limited				-			-	-					1,189,921.28
10	Williamson Diamonds Limited					228,070.00		-	-	-				-
11	Cata Mining Company Limited	14,502.54	14502.54											
12	Paul Henry Gagala													
13	STAMIGOLD Company Limited	9,878.04			1,579.06									
14	Fenamu Gold Dealer Limited													
15	Buckreef Gold Company Limited	6,650.56												
16	Nyanza Road Works Ltd											165,509.58		
17	Katavi mining Company Limited			1,883.42										
18	Busolwa Mining Limited	6,715.61	6715.61											
19	MMG Gold Limited	5,685.13	5685.13											
20	Jitegeme Holdings Company Limited													209,085.60
21	Sunshine Mining Limited													
22	Tansino Quarries Ltd												439,734.10	
23	Lukuba Saguda Lili													
24	Tancoal Energy Limited													209,085.60

S/N	Company	Gold (Ounces)	Concentrates(Ounces)	Copper (Conc)	Silver (Ounces)	Diamond Rough (Carats)	Gas(cft)	Gas (mmscf)	Clinker (Tons)	Cement (Tons)	Bricks(Pieces)	Aggregates(cubic m)	Aggregates(tons)	Coal (Tones)
25	Tanzania Petroleum Development Corporation (TPDC)							73,022.46						
26	State Mining Corporation (STAMICO)													24,799.00
	Total Production	1,035,860.53	79,372.00	1,883.42	73,192.10	228,070.00	26,884,460,000.00	33,194,802.90	823,612.19	1,295,410.29	13,434.00	165,509.58	439,734.10	1,632,891.48

*Conversion of 1gram =0.03527396 ounce equivalent.

9.2.2. Export and Local Sales Data

Gold accounted for the highest export value of TZS 4,739,383,707,897.00 as compared to other minerals exported as reported by companies in the year 2021/22. **Table 46** presents exported and local sales of minerals while **Table 47** presents local sales of gas in the year 2021/22.

Table 46: Export and Local Sales Data as Reported by Companies

	Company	Gold (Ounces)	Amount (TZS)	Copper (Conc)	Amount	Silver (Ounces)	Amount (TZS)	Diamond rough(Carats)	Amount(TZS)	Concentrate(Pound)	Amount in TZS	Cement(Tons)	Amount (TZS)	Cement(Tons)	Amount(TZS)	Aggregates M.cubic	Amount	Aggregates Tonnes	Amount (TZS)	Coal (Tonnes)	Amount(TZS)
1	North Mara Gold Mine Limited	308,161.00	1,307,038,374,316.11			74,154.00	4,838,761,722.82														
2	Geita Gold Mining Limited	497,062.84	1,886,051,575,849																		
3	Bulyanhulu Gold Mine Limited	246,729.47	1,052,269,014,283.73			172,155.59	9,236,420,562.32			5,336,767.97	55,852,504,045.83										
4	Pangea Minerals Ltd	6,780.00	28,027,880,272.59			2,718.00	152,168,329.02														
5	Shanta Mining Company Limited	53,292.74	224,563,520,194.65			67,917.48	3,701,645,449.85														
6	Maweni Limestone Limited.											28,412	3,777,440,000	1,027,243	170,409,750,840						
7	Ruvuma Coal Limited																			1,271,261.08	150,499,747,556.43
8	Williamson Diamonds Limited							197,756	175,335,625,690												
9	Cata Mining Company Limited	14,502.54	36,122,924,226.81																		
10	Paul Hery Gagala (export sales)	19,564.60	66,121,376,550.97																		
11	STAMIGOLD Company Limited	9,878.04	41,626,994,106.80			1,579.46	84,844,017.08														
12	Fenamu Gold Dealer Limited	7,661.50	25,741,754,330.85																		
13	Buckreef Gold Company Limited	6,740.69	29,626,983,079.77																		
14	Nyanza Road Works Ltd (Local sales)																1,582,058,813.00				
15	Katavi mining Company Limited			1,883.72	18,410,134,114.43																
16	Busolwa Mining Limited	6,715.61	22,819,576,783.51																		
17	MMG Gold Limited	5,685.13	19,373,733,901.83																		
18	Jitegemee Holdings Company Limited																			177,381	15,914,301,080
19	Tansino Quarries Ltd.																	451,371	10,546,103,449		
20	Lukuba Saguda Lili	7,663.27																			
21	Tancoal Energy Limited																				
22	State Mining Corporation (Stamico)																			16,327.94	1,315,440,703.82
	Total	1,190,437.45	4,739,383,707,897.00	1,883.72	18,410,134,114.43	318,524.53	18,013,840,081.10	197,756.00	175,335,625,690.00	5,336,767.97	55,852,504,045.83	28,411.80	3,777,440,000.00	1,027,242.50	170,409,750,840.11	0.00	1,582,058,813.00	451,371.40	10,546,103,449.33	1,464,970.26	167,729,489,340.25

Table 47: Natural Gas Local Sales Data as Reported by Companies

	Company	Gas (cf)	Gas (mmscf)	Amount USD	Amount (TZS)*	Amount(TZS)
1	M&P Exploration Production Tanzania Limited		31,950,612.63	112,170,279.41	259,065,112,216.95	
2	Pan African Energy Tanzania Limited	26,884,460,000.00		120,455,506.00	278,200,422,992.42	
3	Tanzania Petroleum Development Corporation(TPDC)				611,033,000,000.00	1,166,497,000,000.00
Disaggregated of Local Sales of Natural Gas and Imported Oil by TPDC						
	PSA revenue	Gas	MmBtu		61,828,000,000.00	
	Sale of natural gas	Gas	MmBtu		525,950,000,000.00	
	Sale of protected gas	Gas	MmBtu		23,255,000,000.00	
	Total				611,033,000,000.00	
	Sale of Fuel (Petrol & Diesel)	Oil	MT		1,166,497,000,000.00	

9.2.3. Capital and Operating Cost Data

The objective of requirement 4.10 is to increase public understanding about exploration and production costs in the country's extractive sector and about government policies and practices to monitor companies' costs. During the year under review, selected extractive companies were asked to provide information on capital expenditure and operating costs incurred during exploration and production of minerals, oil and gas. In Tanzania the Mining Act, Cap.123 section 22(q) and the TEITI Act Cap443 section 15(2) require companies to submit information related to capital and operating costs. **Table 48** shows the capital expenditure (TZS 1,153,364,440,146) and company operation costs (TZS 3,232,692,193,038), and other operating cost (TZS 1,534,740,306) incurred by the companies as reported.

Table 48: Capital and Operating Cost Data as Reported by Companies

	Name of Company	Capital Expenditure (TZS)	Company Operation Costs (TZS)	Other Operations Costs (TZS)
1	North Mara Gold Mine Limited	280,796,626,462	445,626,429,360	
2	Geita Gold Mining Limited	294,674,606,831	1,051,794,357,277	
3	Bulyanhulu Gold Mine Limited	205,729,971,065	367,548,348,701	
4	M&P Exploration Production Tanzania Limited	1,598,890,021	28,270,615,525	
5	Shell Exploration And Production Tanzania Limited	-	20,205,541,910	
6	Pan African Energy Tanzania Limited	78,005,357,126	172,270,385,172	
7	Equinor Tanzania As	122,949,266	38,781,348,405	
9	Shanta Mining Company Limited	46,342,483,780	226,684,693,531	
10	Twiga Minerals Corporation Limited	-	92,364,323	
12	Aums (T) Limited	31,478,538,368	161,711,502,284	
13	Maweni Limestone Limited.	61,894,415,500	124,190,349,500	
15	Ruvuma Coal Limited	33,263,827,915	118,375,565,055	
16	Williamson Diamonds Limited	7,584,627,880	125,876,184,140	
21	TNR LIMITED	5,726,339,814	14,715,933,949	
23	Globeleq Tanzania Services Limited	-	293,786,542	
26	Cata Mining Company Limited	2,911,766,454	39,203,597,518	
27	Shell Deepwater Tanzania B.V		9,536,437,545	
31	STAMIGOLD Company Limited	647,090,821	40,412,801,364	
32	Boart Longyear Tanzania Limited	7,583,692,504	7,125,305,218	
34	Fenamau Gold Dealer Limited	278,061,369	365,816,800	
35	Buckreef Gold Company Limited	61,782,515,819	4,880,105	
37	Tembo Nickel Corporation Limited	4,614,654,815	4,614,899,629	
38	Nyanza Road Works Ltd.	4,545,899,474	10,456,014,327	
39	Keng'anya Enterprises Ltd.		2,363,499,370	
40	Katavi mining Company Limited		1,604,584,498	
41	Busolwa Mining Limited	2,362,492,998	15,594,897,723	
42	MMG Gold Limited	357,540,961	22,348,406,345	

	Name of Company	Capital Expenditure (TZS)	Company Operation Costs (TZS)	Other Operations Costs (TZS)
43	Jitegemee Holdings Company Limited	3,500,340,099	10,333,139,821	1,534,740,306
45	BGP International Tanzania Limited		11,841,435,471	
47	Tansino Quarries Ltd	515,716,058	9,692,173,514	
48	Mantra Tanzania Limited	11,314,034,745	23,585,384,108	
52	Tancoal Energy Limited		14,544,514,007	
54	Tanzania Petroleum Development Corporation(TPDC)		87,222,000,000	
55	State Mining Corporation(STAMICO)	5,732,000,000	25,405,000,000	
	Total Payment in TZS	1,153,364,440,146	3,232,692,193,038	1,534,740,306

* Cost has been converted to TZS using average exchange rate of 1USD to TZS 2309.57

9.2.4. Procurement of Goods and Services Data

Reporting extractive companies submitted information regarding the procurement of goods and services. **Table 49** shows the amount of money spent by companies in procuring goods and services in Tanzania in the year 2021/22. During the period under review TZS 1,565,263,425,934 was used to procure goods while TZS 1,377,457,155,237 was spent in procuring services.

Table 49: Procurement of Service and Goods Cost Data as Reported by Companies

	Company	Goods (TZS)	Service (TZS)
1	North Mara Gold Mine Limited	333,467,961,317	242,647,947,470
2	Geita Gold Mining Limited	352,707,202,003	659,285,138,368
3	Bulyanhulu Gold Mine Limited	263,487,076,350	227,920,973,187
4	M&P Exploration Production Tanzania Limited	2,558,353,578	5,125,454,236
5	Shell Exploration And Production Tanzania Limited	127,638,894	7,072,257,466
6	Pan African Energy Tanzania Limited	184,472,321,251	-
7	Equinor Tanzania As	184,695,460	2,123,768,284
8	Pangea Minerals Ltd	4,342,440,696	37,052,979,017
9	Shanta Mining Company Limited	126,443,925,571	39,979,740,627
12	AUMS (T) Limited	55,630,046,525	8,114,043,752
13	Maweni Limestone Limited.	88,787,135,827	
15	Ruvuma Coal Limited	2,934,660,379	20,538,768,496
16	Williamson Diamonds Limited	18,108,719,437	54,669,869,185
26	Cata Mining Company Limited	11,880,113,424	81,510,694
27	Shell Deepwater Tanzania B.V		4,803,127,331
31	Stamigold Company Limited	31,680,709,010	100,000,000
32	Boart Longyear Tanzania Limited	6,650,961,250	10,758,088,520
33	Exxonmobil Exploration And Production Tanzania Limited		237,987,331
35	Buckreef Gold Company Limited	1,173,998,191	5,877,662,146
37	Tembo Nickel Corporation Limited	1,131,626,942	5,348,516,063
38	Nyanza Road Works Ltd.	36,111,091,125	12,657,201,467
40	Katavi mining Company Limited	597,068,988	408,274,912
41	Busolwa Mining Limited	1,703,598,110	1,139,883,625

Company		Goods (TZS)	Service (TZS)
42	MMG Gold Limited	18,794,935,273	3,553,471,072
43	Jitegemee Holdings Company Limited	4,351,749,667	193,325,873
47	Tansino Quarries Ltd	4,326,829,190	3,914,615,494
48	Mantra Tanzania Limited	928,651,583	14,799,656,728
52	Tancoal Energy Limited	1,964,683,544	2,436,096,934
54	Tanzania Petroleum Development Corporation(TPDC)	4,981,810,403	5,862,530,986
55	State Mining Corporation(STAMICO)	5,733,421,946	754,265,977
		1,565,263,425,934	1,377,457,155,237

9.2.5. Employment Data

Extractive and service providing companies employed 13,374 employees that were disaggregated in foreign, domestic, gender and pay amount for the year 2021/22. According to **Table 50 below**, the extractive industry employed a total of 485 foreign workers, consisting of 472 males and 13 females. Additionally, there were 9,487 skilled local employees, comprising 8,504 males and 983 females. Furthermore, the data reported 3,402 unskilled employees including of 3,111 males and 291 females. These figures indicate that the extractive industry has a higher proportion of male employees (90.38%) compared to female employees (9.62%) which also reflects a significant pay gap between the male and female employees in the extractive sector.

Table 50: Employment Data as Reported by Companies

SN	Company	Foreign Employees		Local Employees - Skilled		Local Employees - Unskilled		Total Salaries		
		Male	Female	Male	Female	Male	Female	Foreign Employees (TZS)	Local Employees - Skilled (TZS)	Local Employees - Unskilled (TZS)
1	North Mara Gold Mine Limited	51		736	58	-		21,439,016,324	51,195,784,216	
2	Geita Gold Mining Limited	62	1	1,986	255	142	39	19,913,211,159	137,801,467,309	7,604,256,012
3	Bulyanhulu Gold Mine Limited	71	-	917	89	-	-	30,892,803,839	42,506,238,994	-
4	M&P Exploration Production Tanzania Limited	4	1	69	24	-		3,885,562,703	5,231,570,943	
5	Shell Exploration And Production Tanzania Limited	2	-	10	7	-	-	3,222,759,514	3,241,124,811	-
6	Pan African Energy Tanzania Limited	1		97	23	2	2	947,676,920	12,934,709,028	7,770,655
7	Equinor Tanzania As		1	6	4			1,066,634,487	1,616,531,046	
8	Pangea Minerals Ltd		-	16	3		-	-	7,514,616,134	
9	Shanta Mining Company Limited	9	-	733	71	193	15	2,033,509,685	21,329,443,799	2,074,457,078
10	Aums (T) Limited	58	-	251	28	56	16	24,491,954,840	12,786,527,556	1,194,815,202
11	Maweni Limestone Limited.	45	5	294	24	-	-	2,253,011,787	2,268,761,713	
12	Ruvuma Coal Limited	1	1	526	8	63	-	351,345,000	3,897,697,809	125,342,440
13	Williamson Diamonds Limited	6	-	298	66	135	25	930,688,477	6,910,709,760	2,857,773,604
14	Capital Drilling (T) Ltd.				-		-	305,038,929	2,421,611,028	
15	Cms (Tanzania) Limited	25	-	100	10	444	26	629,259,183	1,519,822,830	6,493,788,455
16	Taifa Mining & Civils Limited	16	-	299	9	23	14		-	
17	Globeleq Tanzania Services Limited	-	-	51	4	-	-	-	4,798,748,451	
18	Cata Mining Company Limited	36		104	7	243	16		2,095,782,698	1,554,000,000
19	Stamigold Company Limited			190	44	59	2	6,156,858,981	131,712,000	
20	Boart Longyear Tanzania Limited	5		119	6			195,769,731	474,310,594	
21	Exxonmobil Exploration And Production Tanzania Limited			1					530,881,359	
22	Fenamu Gold Dealer Limited			4					2,800,000	
23	Buckreef Gold Company Limited			69	10	30	2		3,481,185,001	
24	JAC RIJK Africa Limited	4		150		35		159,000,000	1,592,853,228	191,126,313
25	Tembo Nickel Corporation Limited	1	1	37	11			51,634,179	89,206,625	
26	Nyanza Road Works Ltd.	16	2	462	51	780	41	426,059,568	2,769,761,664	3,242,004,039
27	Keng'anya Enterprises Ltd.			4	1	1			120,000,000	
28	Katavi mining Company Limited	6	-	134	11	18	8	346,358,242	2,174,968,044	585,164,114
29	Busolwa Mining Limited			42	6	97	13		117,097,471	65,711,855

SN	Company	Foreign Employees		Local Employees - Skilled		Local Employees - Unskilled		Total Salaries		
		Male	Female	Male	Female	Male	Female	Foreign Employees (TZS)	Local Employees - Skilled (TZS)	Local Employees - Unskilled (TZS)
30	MMG Gold Limited	7		26	4	144	10		1,000,000	500,000
31	Jitegemee Holdings Company Limited			190	28	15	55		1,024,570,137	48,681,333
32	BGP International Tanzania Limited.	39		82		486		801,590,000	791,015,310	2,467,581,907
33	Tansino Quarries Ltd.	4	1	32					-	
34	Mantra Tanzania Limited	3	-	12	4			1,544,186,585	3,235,846,372	
35	Tancoal Energy Limited			60	3	120	4		2,456,746,239	1,366,526,520
36	Tanzania Petroleum Development Corporation(TPDC)			312	86				876,461,866	
37	State Mining Corporation (STAMICO)			85	28	25	3		2,366,000,000	11,000,000
		472	13	8,504	983	3,111	291	122,043,930,133	342,307,564,032	29,890,499,527

9.2.6. Social Security Funds Data

Extractive companies provided information regarding the mandatory social security payments paid to the social security funds entities in the year 2021/22. **Table 51** shows the contribution made by companies to NSSF (TZS 88,479,662,463.25), PSSF (TZ 2,271,935,045.13) and WCF (TZS 2,015,382,131.47). This information was collected from 24 extractive companies.

Table 51: Social Security Fund Payment Data as Reported by Companies

	Company	NSSF (TZS)	PSSF(TZS)	WCF(TZS)
1	North Mara Gold Mine Limited	14,873,802,713.92		248,323,556.50
2	Geita Gold Mining Limited	35,324,009,683.61		707,923,703.29
3	Bulyanhulu Gold Mine Limited	15,400,681,006.27		217,423,475.98
4	M&P Exploration Production Tanzania Limited	1,776,110,133.35		47,456,568.97
5	Shell Exploration And Production Tanzania Limited	896,773,170.51		47,103,712.60
6	Pan African Energy Tanzania Limited	1,775,212,090.00		56,799,377.50
7	Equinor Tanzania As	376,373,477.82		20,694,471.75
8	Pangea Minerals Ltd	1,612,939,463.81		15,713,297.93
9	Shanta Mining Company Limited	6,946,076,800.00		220,820,636.00
10	Maweni Limestone Limited	1,158,423,703.22		38,608,221.28
11	TotalEnergies Marketing Tanzania Limited	1,660,199,480.78		70,059,054.39
12	Ruvuma Coal Limited	787,710,837.15		24,009,173.53
13	Williamson Diamonds Limited	2,138,975,775.24	4,600,000.00	48,323,022.79
14	Taifa Mining & Civils Limited	149,406,453.50		50,299,943.04
15	Globeleq Tanzania Services Limited	1,457,252,360.21		27,787,925.64
16	Cata Mining Company Limited	150,000,000.00		
17	Stamigold Company Limited	46,011,990.52	486,093,788.65	136,631,593.47
18	JacRijk Africa Limited	386,676,441.40		
19	MMG Gold Limited	378,603,216.09		11,461,625.81
20	BGP International Tanzania Limited	348,039,278.00		
21	Tansino Quarries Ltd	78,561,034.00		2,463,900.00
22	Mantra Tanzania Limited	625,049,015.00		23,478,871.00
23	Tanzania Petroleum Development Corporation		1,781,241,256.48	
24	State Mining Corporation	132,774,338.85		
	Total	88,479,662,463.25	2,271,935,045.13	2,015,382,131.47

CHAPTER TEN

9. SOCIAL EXPENDITURE AND ENVIRONMENT PAYMENTS

The objective is to enable public understanding of extractive companies' social and environmental contributions, and to provide a basis for assessing extractive companies' compliance with their legal and contractual obligations to undertake social and environmental expenditures. Social and other payments consist of all contributions made by extractive companies to promote local development and to finance social projects in line with requirement 6.1 of EITI Standard 2019. This Standard encourages TEITA Committee to apply a high level of transparency regarding social payments and transfers, including disclosing the parties involved, the materiality of these payments and transfers to other benefit streams, including the recognition that these payments may be reported even though it might not be possible to reconcile them. These contributions may take the form of cash or in-kind covering area such as education, health, environment, potable water supply, humanitarian aids, small business development services, and infrastructures. Section 105 (1) of the Mining Act [CAP 123 R.E. 2019] as amended in 2022 requires that a mineral right holder on an annual basis prepare a credible Corporate Social Responsibility plan. The plan must be jointly agreed upon by the relevant local government authority or local government authorities in consultation with the Minister responsible for LGAs and the Minister responsible for Finance and Planning. Corporate Social Responsibility must account for environmental, social, economic, and cultural activities based on local government authority priorities of the host community. This reconciliation process ensures that extractive companies unilaterally disclose their social payments.

9.1. Disclosure of Social Expenditures

For mining companies, social expenditures are mandated by the Mining Act Cap 123, and its Mining (Corporate Social Responsibility) Regulations, 2023. According to the regulations, mining companies are required to prepare their corporate social responsibility (CSR) plans in a consultative way with local government authorities, specifically the village where a mining project is established.

For proper distribution of CSR expenditures, the CSR Regulations require that 40% of the total amount provided by the company to be used for development projects

within the village where a mining project exists and 60% be used for the district, town, municipal or city within which the mining project exists.

It can generally be observed that, education projects contributed about 34%, infrastructure (20%) and health service (14%). Furthermore, the collected data revealed a lower percentage contribution for social expenditure (1%) related to environment against the total reported contribution in the year 2021/22. In terms of company contribution, Geita Contributed (31.7%), Bulyanhulu Gold Mine Limited (20.69%) and North Mara Gold Mine (16.16%). Detailed information on social expenditures as reported by companies are shown in **Table 60**.

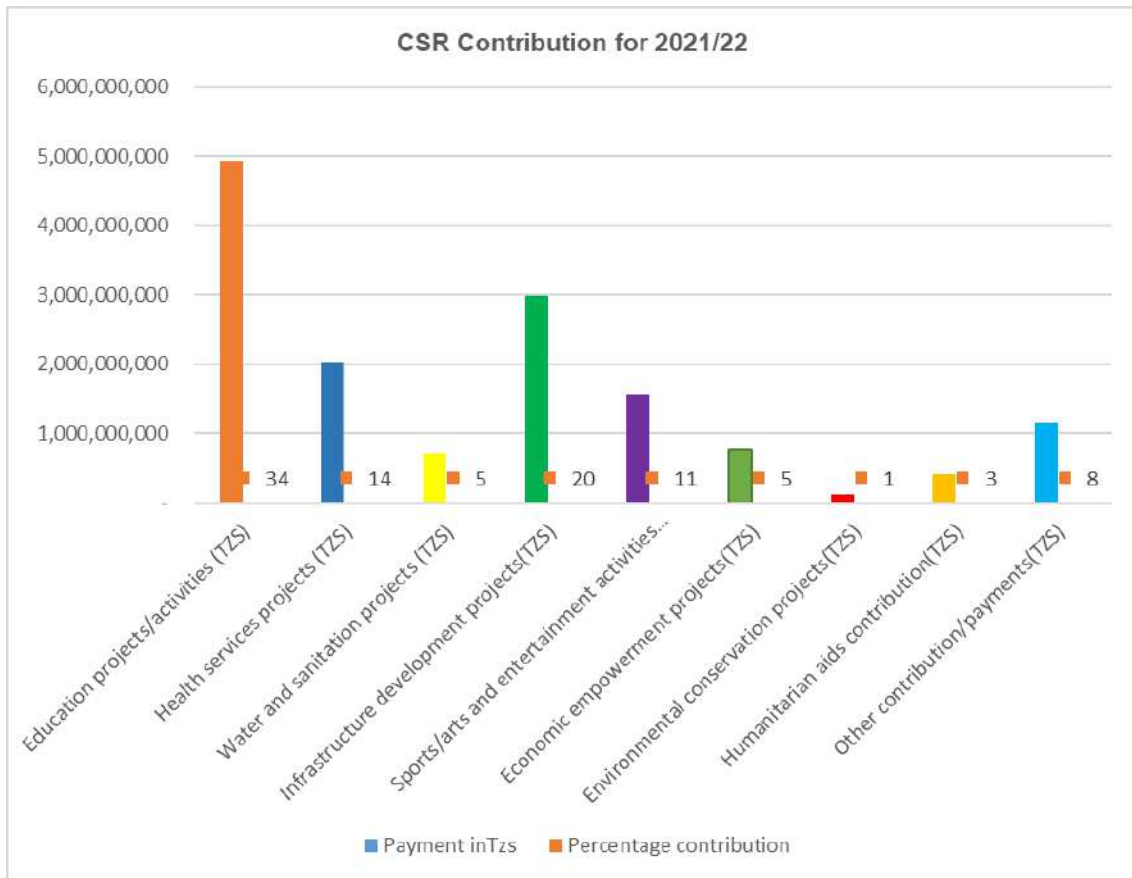


Figure 5: Contribution of Corporate Social Responsibility by type

Table 52: Contribution of Corporate Social Responsibility by Top Companies

S/ N	Extractive company/Individual	Education projects/activities (TZS)	Health services projects (TZS)	Water sanitation and projects (TZS)	Infrastructure development projects(TZS)	Sports/arts and entertainment activities projects(TZS)	Economic empowerment projects(TZS)	Environmental conservation projects(TZS)	Humanitarian aids contribution(TZS)	Other contribution/payments(TZS)	Total	%
1	Geita Gold Mining Limited	1,343,000,000.00	650,000,000.00		650,000,000.00	1,500,000,000.00	192,000,000.00	125,000,000.00	200,000,000.00		4,660,000,000.00	31.701
2	Bulyanhulu Gold Mine Limited	1,471,181,395.00	908,728,583.00	37,404,000.00	139,523,396.00	-	417,660,828.00		36,920,000.00	29,746,570.00	3,041,164,771.00	20.688
3	North Mara Gold Mine Limited	-	-	605,441,020.00	1,769,403,439.00	-	-	-	-	-	2,374,844,459.00	16.156
4	Pangea Minerals Ltd	940,350,830.00	57,972,700.00	-	84,412,000.00		3,100,000.00	-	21,914,000.00		1,107,749,530.00	7.536
5	Buckreef Gold Company Limited	196,543,039.00	299,665,397.00	28,624,000.00						72,150,000.00	596,982,436.00	4.061
6	Busolwa Mining Limited	291,900,000.00	5,300,000.00		165,500,000.00					50,000,000.00	512,700,000.00	3.488
7	Williamson Diamonds Limited			-	-	-	-	-	-	500,307,375.00	500,307,375.00	3.403
8	Tanzania Petroleum Development Corporation(Tpdcc)	45,000,000.00	34,588,500.00		50,000,000.00		22,000,000.00			336,766,000.00	488,354,500.00	3.322
9	Shell Exploration And Production Tanzania Limited	254,052,700.00		-	-	-	46,086,349.00	-	-		300,139,049.00	2.042
10	Shanta Mining Company Limited	13,875,000.00	309,890.00	20,594,870.00	124,330,474.00	-	5,642,130.00	4,147,400.00	3,200,000.00	7,926,710.00	180,026,474.00	1.225
11	Ruvuma Coal Limited		-	-	-	25,000,000.00	15,000,000.00	-	133,950,000.00		173,950,000.00	1.183
12	Mantra Tanzania Limited	38,213,170.00	49,614,823.00	7,000,000.00	-	22,875,000.00	10,002,400.00		11,963,000.00	30,732,625.00	170,401,018.00	1.159
13	Pan African Energy Tanzania Limited	76,714,028.00				8,745,324.00		-		17,903,634.00	103,362,986.00	0.703
14	Tembo Nickel Corporation Limited	25,078,166.00								41,052,607.00	66,130,772.00	0.450
15	Cata Mining Company Limited									65,472,112.00	65,472,112.00	0.445
16	AUMS (T) LIMITED		5,000,000.00	4,252,500.00	-	6,500,000.00	47,000,000.00	-		1,000,000.00	63,752,500.00	0.434
17	M&P Exploration Production Tanzania Limited	47,253,825.00		4,997,655.00		7,321,984.00		-			59,573,464.00	0.405
18	CMS (Tanzania) Limited	51,820,000.00		-	-	-	-	-			51,820,000.00	0.353
19	MMG Gold Limited	46,750,000.00									46,750,000.00	0.318
20	Equinor Tanzania As	44,676,000.00									44,676,000.00	0.304
21	Maweni Limestone Limited.	34,467,448.00		-		-	-	-	-		34,467,448.00	0.234

S/ N	Extractive company/Individual	Education projects/activities (TZS)	Health services projects (TZS)	Water sanitation and projects (TZS)	Infrastructure development projects(TZS)	Sports/arts and entertainment activities projects(TZS)	Economic empowerment projects(TZS)	Environmental conservation projects(TZS)	Humanitarian aids contribution(TZS)	Other contribution/payments(TZS)	Total	%
22	Nyanza Road Works Ltd.	2,000,000.00	6,580,000.00	8,163,000.00	3,500,000.00	1,125,000.00			760,000.00	600,000.00	22,728,000.00	0.155
23	Boart Longyear Tanzania Limited	11,851,250.00	3,624,133.00								15,475,383.00	0.105
24	Katavi mining Company Limited		10,000,000.00								10,000,000.00	0.068
25	State Mining Corporation									5,000,000.00	5,000,000.00	0.034
26	Stamigold Company Limited	951,500.00							1,000,000.00		1,951,500.00	0.013
27	Jitegemee Holdings Company Limited						1,548,000.00				1,548,000.00	0.011
28	Tancoal Energy Limited									500,000.00	500,000.00	0.003
		4,935,678,350.00	2,031,384,026.00	716,477,045.00	2,986,669,309.00	1,571,567,308.00	760,039,707.00	129,147,400.00	409,707,000.00	1,159,157,634.00	14,699,827,777.00	100.000
	% contribution	33.58	13.82	4.87	20.32	10.69	5.17	0.88	2.79	7.89		

9.2. Disclosure of Environmental Expenditures

Companies were requested to report social payments and transfers made during the fiscal year 2021/22. **Table 53** shows mandatory environment payments that were received by NEMC in 2021/22. Only Annual Monitoring and Audit Fee was selected for reconciliation as detailed in **Table 40** under section 9.1.2

Table 53: Disclosure of Mandatory Environmental Expenditures in the Year 2021/22

		EIA/EA Registration Fee	Annual Monitoring and Audit Fee	Review Fee	Total
1	North Mara Gold Mine Limited	200,000.00	25,000,000.00		25,200,000.00
2	Geita Gold Mining Limited	200,000.00	25,000,000.00	5,000,000.00	30,200,000.00
3	Bulyanhulu Gold Mine Limited			50,000,000.00	50,000,000.00
4	Pan African Energy Tanzania Limited	200,000.00		20,000,000.00	20,200,000.00
5	Pangea Minerals Ltd		25,000,000.00		25,000,000.00
6	Shanta Mining Company Limited	400,000.00		17,000,000.00	17,400,000.00
7	Maweni Limestone Limited.	200,000.00		6,000,000.00	6,200,000.00
8	Ruvuma Coal Limited		16,500,000.00		16,500,000.00
9	Williamson Diamonds Limited		25,000,000.00		25,000,000.00
10	Cata Mining Company Limited		22,500,000.00		22,500,000.00
11	Paul Heny Gagala	400,000.00			400,000.00
12	Buckreef Gold Company Limited		7,500,000.00		7,500,000.00
13	Tembo Nickel Corporation Limited		3,150,000.00		3,150,000.00
14	Nyanza Road Works Ltd.	200,000.00	4,950,000.00		5,150,000.00
15	Katavi Mining Company Limited		7,875,000.00		7,875,000.00
16	Busolwa Mining Limited		7,500,000.00		7,500,000.00
17	Mmg Gold Limited		25,000,000.00		25,000,000.00
18	Jitegemee Holdings Company Limited		10,500,000.00	8,000,000.00	18,500,000.00
19	Sunshine Mining Limited		15,500,000.00		15,500,000.00
20	Tanzania Petroleum Development Corporation(Tpdcc)	600,000.00		15,000,000.00	15,600,000.00
21	State Mining Corporation(Stamico)		4,000,000.00		4,000,000.00

9.3. Environmental and Social Impact of Extractive Activities

The objective of this requirement is to provide a basis for stakeholders to assess the adequacy of the regulatory framework and monitoring efforts in managing the environmental and social impacts of extractive industries, and to evaluate extractive companies' adherence to environmental and social obligations.

The environment and living organisms within it are susceptible to the operations, processes, and outputs of extractive activities. Mining activities affect the environment differently from oil and gas activities. The impacts of these two sub-sectors on the environment are elaborated as follows:

- i. In the mining sector, the key threat to the environment is the usage of mercury in processing of raw gold. Mercury is the primary source of mercury-related environmental pollution globally and nationally. It is estimated that the country uses between 13.2 and 214.4 tones of mercury every year in various

economic activities. Out of these, ASM, who are the dominant users of mercury, consumes between 13.2 and 24.4 tonnes per year. Regions with a high proportion of ASM including Geita, Mbeya, Shinyanga, and Mara account for larger production of gold and they lead in mercury consumption as well.

- ii. Oil and gas upstream activities such as seismic acquisition, drilling, development, and production of oil and gas pose greater threat to the environment. Specifically, it has been revealed that offshore seismic acquisition leads to acoustic emission and accidental spills of chemicals that pollute the sea. Similarly, during onshore data acquisition aquatic life is affected because a vast area of vegetation is usually cleared to improve accessibility to vibrations and other seismic acquisition equipment. In addition, discharging drilling fluids to the environment is a common possibility, especially during drilling activities. Drilling discharges are known to affect the marine environment and fishing activities, which is the primary occupation of the coastal communities

9.3.1. Legal and Rules Governing Environment

Studies show that extractive activities signify most detrimental environmental impacts as they involve production of large amounts of wastes, destruction of both on shore and offshore landmasses and removal of the vegetation. Being aware of this, section 81(1) of the Environmental Management Act (EMA), Cap 191¹⁷ read together with its Third Schedule requires any proponent or developer of a mining, oil or gas project to undertake or cause to be undertaken, at his own cost, an environmental impact assessment (EIA) study prior to the commencement or financing of the project. The review of the Environmental Impact Statement is conducted by NEMC, *inter alia*, through public hearings involving especially those likely to be affected by the project being the subject of an EIA study or review.

The First Schedule of the Environmental Management (Environmental Impact Assessment and Audit) (Amendment) Regulations, 2018¹⁸, made under regulation 5(1) categorizes oil and gas field exploration and development; extraction, purification and production of natural gas (if done within a refinery along with primary and secondary products); construction of oil and gas separation, processing,

¹⁷ <https://www.vpo.go.tz/uploads/publications/sw-1592563828-The-Environmental-Management-Act-2004.pdf>

¹⁸ [https://www.vpo.go.tz/uploads/publications/sw-1592563951-The-Environmental-Management-Environmental-Impact-Assessment-and-Audit-Amendment-Regulations-2018%20\(1\).pdf](https://www.vpo.go.tz/uploads/publications/sw-1592563951-The-Environmental-Management-Environmental-Impact-Assessment-and-Audit-Amendment-Regulations-2018%20(1).pdf)

handling and storage facilities; construction of oil refineries; large and medium scale mining projects as Type A projects. All these types of projects must undergo an EIA prior to development or financing, at the developers cost.

Small scale mining projects and construction of natural gas storage facilities on the other hand are categorized as type B1 which are projects with medium to high environmental impact. For these projects, the process of Screening is used to categorize whether they are either Type A (projects that must undergo EIA) or Type B2 (small-scale activities and enterprises that require registration but shall not require EIA). If this type of project is deemed Type A, then an EIA has to be conducted to check its adverse environmental impacts and make an in-depth study to determine the scale, extent and significance of the impacts and to identify appropriate mitigation measures. Conversely, if such an operation is categorized as Type B then the project will not require an EIA, rather, a Project Brief is examined and issued with an EIA Certificate.

To supplement this, the Mining Act Cap 123 sets proactive environmental requirements for grant of licenses. For instance, it requires any application for Special Mining License (SML) to be accompanied by an environmental certificate issued by the NEMC after an EIA is approved pursuant to the requirements of the Environment Management Act, Cap 191. Applications for Mining Licenses (MLs) are required by the Mining Act, Cap 123 to include a feasibility study which should set out the proposed program of mining operations including measures to be taken in relation to any adverse impacts to the environment as well as the estimated recovery rate of ore and the proposals for its treatment and disposal. For Primary Mining Licenses (PMLs) applications have to be accompanied by environmental investigations and social study and an environmental protection plan as described in the relevant regulations.

Notwithstanding the EIA provisions, the Environmental Management Act (EMA), Cap 191 requires Government Ministries responsible for mining, energy or water to carry out a Strategic Environmental Assessment (SEA) whenever a mineral or petroleum resource is identified and before specific details are planned. The SEA provides for, among other things: (a) baseline environmental conditions and status of natural resources; (b) identification of ecologically sensitive and protected areas; (c) identification and description of communities around the area; (d) existing socio-

economic conditions; (e) potential environmental and social impacts of mining or petroleum development; and (f) recommendations for land reclamation and limitations on development in different areas.

9.3.2. Rehabilitation, Decommissioning and Closure Programs

For the mining sector, pursuant to section 129 (5) of the Mining Act, Cap 123, any matter relating to protection of environment and rehabilitation bond which is to be provided for by Regulations, the Mining Commission advises the Minister for Minerals and before making such regulations he has to consult the Minister responsible for environment matters. The Mining Commission is a government body that is mandated, among other things, to monitor and audit environmental management, environmental budget and expenditure for progressive rehabilitation, and mine closure.

Mining companies are obliged by law, pursuant to section 47 of the Mining Act Cap 123, to carry on mining operations in substantial compliance with the mine plan and an environmental management plan. The section requires mining companies to prepare and update mine closure plans for making safe the mining area on termination of mining operations.

Also, Mining companies are required to continuously post rehabilitation bonds to finance the costs of rehabilitating and making safe the mining area on termination of mining operations in situations where such companies fail to meet the requirements of the mine closure plan or there are alarming environmental situations that have cost implications.

9.3.3. Environment Plans and Reforms

Specific measures have been undertaken to protect and manage the environmental impact of extractive activities. These specific measures include:

NEMC has enforced a requirement for each extractive project to undertake an Environment Impact Assessment (EIA) before commencement or financing of extractive projects. Extractive companies have been complying to this requirement diligently and environmental challenges emanating from new projects have been minimized significantly.

9.4. Quasi Fiscal Expenditures

With regards to requirement 6.2 of the EITI Standard 2023, Quasi Fiscal expenditures(QFE) includes arrangement whereby SOEs undertake public social expenditure such as payment for social services, public infrastructure , fuel subsidies and national debt servicing outside of national budget process. In light of the above and considering the budget process and its execution and how the government entities and SOEs spent reported their expenditures in the year 2021/22, it was confirmed that no QFS was recorded in the period under review. However, the MSG will extend the effort to advise the Government through the Ministry of Finance to work on its own definition of QFEs as per requirement 6.2 of the EITI Standard 2023.

CHAPTER ELEVEN

10. OUTCOME AND IMPACTS

This chapter include the outcomes and impacts of EITI disclosures that contribute to extensive public debates on resource governance and revenue management, as well as lessons learnt, and actions on EITI recommendations. The chapter specifies in detail through EITI Requirements matter arising on Public debate, Data accessibility and open data, Recommendations from EITI implementation and Review of the outcomes and impacts of EITI implementation.

10.1. Public Debate

TEITI embarks on various activities that intend to promote public debate through the findings and recommendations of TEITI reports. Stakeholders' engagement, press conference, exhibitions and other publications are part of the tools used to address and raise awareness to the public. TEITI launches its 13th report on website however might pose challenge to other stakeholders and citizens residing in the remote areas where there is minimal access to internet service. TEITI therefore take the initiatives to reach out through exhibition, mining, oil and gas forums such as; the 47th Saba Saba International Trade Fair held in July, 2023, International Minerals and Investment Conference at Dar es Salaam region, Geita Technology and Mineral Investment Exhibition held in September, 2023 at Geita region.

In November, 2023 TEITI got the opportunity to address the public at Hakirasilimali Stakeholders's Forum and Dialogies on new EITI Standard 2023. Another platform at the press event engaging prominent journalists in Tanzania Clouds FM interview that aims to guarantee factual reporting on the extractive industry activities and to increase the attention of the press in the activities of EITI.

TEITI has made efforts to summarize the report in order to provide information and data so that stakeholders who have not had the opportunity to read the entire report can have the opportunity to use the information to raise discussions. University students have the access to the data disclosed on the TEITI report and often using them in their research projects.

TEITI has carried out different activities in consideration of the recommendations given by EITI in the 13th report. TEITI creates awareness to the stakeholders through The 47th Saba Saba International Trade Fair, mining exhibitions, Technology

and Mineral Investment Exhibition, seminars/meeting, public speech and capacity building. These activities helped to enable stakeholders to understand and use the data and recommendations derived from the report, it also led in raising various discussions based on report information.

The exhibition brings together national and international TEITI stakeholders. In these exhibitions, education about the importance of using statistics as well as the use of an electronic system to store those statistics was given. This education has empowered citizens to question and encourage discussions about the benefits of harvesting Mineral, Oil and Natural Gas resources in this country. In the 47th Saba Saba International trade fair, education was also provided to people with visual challenges, where they were given copies of TEITI reports prepared in braille language (Nukta Nundu) to give them the opportunity to understand various issues regarding the Minerals, Oil Industries and Natural Gas.

TEITI held various District Workshops as well as running programs on radio and television with the aim of providing capacity building to citizens, various stakeholders, journalists, miners and Civil Organizations regarding the use of Data contained in TEITI reports.

In implementing important matters of transparency in Tanzania, TEITI held meeting with stakeholders who are Civil Society Organization (CSO – Hakirasilimali), TEITI Multi-Stake holders Group (MSG), Minister for Minerals, Minister for Energy; and Industry Constituency (Oil and Gas Association -GAT and Tanzania Chamber of Mines) with the aim of reinvigorate political commitment for EITI implementation; Securing high –level support to implement key transparency priorities and discussing the challenges in implementing EITI Standards specifically in contract and beneficial ownership disclosure.

In order to ensure that TEITI promotes itself internationally. Tanzania EITI participated in the EITI General Meeting (EITI Global Conference) held in June, 2023 in Senegal. In addition, this meeting provided an opportunity for participants to share experiences in the implementation of EITI activities for improving Transparency and Accountability issues in the Extractive Industry.

10.2. Data Accessibility and Open Data

In ensuring that TEITI's information reaches stakeholders in an easy way, TEITI has an electronic system to make public the statistics found in its reports. In every financial year TEITI produce EITI reports as per requirement 7.2 which are publicly available through TEITI website (<https://www.teiti.go.tz/publications/report>). These reports are prepared in English and translated in Swahili language. To increase understanding to the community, TEITI also prepares a summary of the report which can easily be understood by the public. To ensure data accessibility, key EITI data are made accessible in CSV or Excel format which include tables, charts and figures (<https://www.teiti.go.tz/dashboard/>). Moreover, Tanzania has open data policy which has been agreed by the MSG and can be accessed at <https://www.teiti.go.tz/storage/app/uploads/public/643/fb8/35d/643fb835dd1b9116456168.pdf>.

10.3. Workplan, Monitoring and Review

TEITI has been preparing the work plan in each year. The 2023/24 Workplan is fully aligned with national objectives as detailed in the Tanzania Development Vision 2025, Tanzania Five Year Development Plan III (2021/22 - 2025/26)), TEITI's Five Year Strategic Plan and 2023/24 Action Plan. The work plan is also prepared in line with the TEITA Act 2015 and the EITI Standard 2023. The activities outlined in the workplan are also reflect National priorities for the extractive industries. (https://www.teiti.go.tz/storage/app/media/uploaded-files/TEITI%20-%20WorkPlan%20For%202023_2024.pdf).

10.4. Recommendations from the 2021/22 TEITI Report

The following are the recommendations of the 14th TEITI report

Table 54: Recommendations from the 2021/22 TEITI Report

No.	Observations	Recommendations
1.	<p>Engagement of service providing companies in EITI report.</p> <p>TEITI has been involving service providing companies in reconciliation as part of extractive industry activities. However, during the preparation of 14th report, it was realized that other service providing companies are not responding to the requested submission of information.</p>	<p>TEITI will encourage service providing companies to provide the required information while seeking legal opinion on the correct interpretation of the extractive industry companies as provided in the TEITA Act.</p>
2.	<p>Disaggregation of the GDP contribution between Mining, and Oil and Gas Sectors.</p> <p>It was observed that, NBS reported the contribution of extractive sector by combining oil and gas sub sector in Mining and quarrying.</p>	<p>To ensure transparency, NBS should separate the GDP contribution of the extractive industries into two categories of Mining, and Oil and Gas.</p>

No.	Observations	Recommendations
3.	<p>Non-Compliance of Environment Management Act, Cap. 191</p> <p>It was observed that 4 extractive companies out of 21 sampled companies did not pay Annual Monitoring and Auditing Fee to NEMC for period under review. Non-compliance lead to the losses of Government revenue and failure of TEITI to assess such mandatory payment as required by the 2023 EITI Standard.</p>	<p>NEMC should ensure every extractive companies adhere to the requirements of the relevant law and recover the outstanding payments.</p>
4.	<p>Absence of disaggregated data of employment in extractive sector.</p> <p>According to data provided by NBS in 2022, it was observed that employment data was not disaggregated according to sector and gender. In that context, it is difficult to determine the contribution of employment in the extractive industry as per Requirements 6.3 (a) (iv) of 2023 EITI Standard.</p>	<p>NBS should consult Ministry of Minerals, Ministry of Energy and Prime Ministers' Office, Labor, Youth, Employment and Persons with Disability when generating disaggregated employment data in the extractive industry.</p>
5.	<p>Non-payment of Royalty from the Songo Songo Gas field under the operationship of Pan-African Energy Limited</p> <p>It was observed that Pan-African Energy Limited did not pay to the Government through TPDC royalty amounting to USD 18,515,058.69 for natural gas produced during the year under review. This non-payment is the indication of losses of government revenues and failure to assess the revenue paid and received for the purpose of reconciliation during the preparation of TEITI Report.</p>	<p>TPDC and Pan- African Energy Limited should take prompt action to ensure the required royalty is paid in view of revenue implication to the Government.</p>
6.	<p>Absence of information Tax Offsetting amounts from TRA to the Extractive Companies</p> <p>It was observed that during the reconciliation, four large companies did not have the information of the Taxes that are offsets with their refund for instance VAT refund. This lead for TRA to report more receipts in the corporate tax compared to what extractive companies has declared in the year under review</p>	<p>On every transaction, there should be an immediate official communication between the companies and TRA for each party to keep proper record of financial flow and effects including offsetting of payment made by companies and received by TRA.</p>
7.	<p>Misclassification of Revenue Streams by TRA</p> <p>It was observed that, TRA included Capital Gain Payments amounting to TZS 228,632,784.50 paid by Equinor TANZANIA AS which is at the exploration stage as Corporate Income Tax. That treatment has distorted reconciliation process since exploration companies do not generate profit.</p>	<p>It is recommended that, TRA should correctly categorize payments made by extractive companies.</p>

10.4.1. Update on Implementation of Recommendations from the 13th TEITI Report

The following is the detailed progress made on recommendations from 13th TEITI report as shown in **Table 55**.

Table 55: Update on the Recommendations from the 13th TEITI Report

SN	Issue	Observation to IA	Recommended by IA	Progress	Status
1.	Disaggregation of Revenue Streams	The MC receives various payments (revenue streams) from extractive companies. However, the payment and collection systems (GePG) does not have capability to classify each payment to the respective revenue streams. This weakness limits reconciliation per revenue stream to be done as required by EITI Standard 2019, Requirement 4.1 (c). As such, during the scoping study, the MC provided the aggregated data to the IA to determine the materiality threshold. However, to conform with EITI Standard 2019, during the reconciliation exercise, the MC was required to provide disaggregated data. The process of disaggregating data by MC took long time. This challenge has been the main cause for the delay in the preparation of the reconciliation report.	The IA recommends that MC should send recommendation to the custodian of GePG system to ensure the system disaggregate the payments according to the revenue streams.	Currently Mining Commission are submitting GePG payment data disaggregated by revenue stream as per recommendation.	Implemented
2.	Systematic Disclosure of Granted and Transferred Licences	During the preparation of 12 th TEITI report, the IA noted that MC through online platforms only publishes the number of licences issued and transferred without categorically indicating the respective holders of the mining licences. The names of licence holders are available upon request.	To enhance transparency and accountability in granting and transferring mining licences, the IA recommends that in each financial year, the MC should provide the quantities of issued and transferred licences as well as the corresponding names of licence holders through online platforms.	The issued and transferred licences as well as the corresponding names of licence holders are systematically disclosed in the TEITI website. (LINK)	Implemented
3	Non-compliance of reporting entities	Up to the time of compiling this report, seven (7) reporting companies had not submitted filled reporting templates despite close and frequent follow ups and reminders by both the IA and TEITI Secretariat. Unfortunately, these companies did not provide reasonable justification for their failure to submit the required data. These companies are GBP Tanzania Limited, Katavi Mining, Sunshine Mining, and Gengetatu Extech Company. Others are China Petroleum Technology and Development Corporation, Tianyu Geological Test Centre (T) Co. Limited, and Weir Minerals Services. Since these companies have not provided strong justification for their failure to respond to the	TEITA Committee enforce provisions of Section 23 of the TEITA Act, 2015 and its attendant regulations against these entities for violating the data provision requirement.	During the implementation of IA recommendation, TEITI noted the following; (i) One (1) company (Sunshine Mining Company) did not provide the required information due closure of both Singida and Chunya mining operations. (ii) Five (5) companies are	Implemented

		request for information which is in line with the requirements of Section 23 of the TEITI Act 2015 (as amended), the IA is convinced that these companies have deliberately refused to comply with legal requirement		service providers, hence cannot be penalized under TEITA Act, Cap. 447. (iii) One company, Katavi Mining, submitted the filled after the publication of the 13 th report.	
4	Capacity building on EITI implementation	The IA observed some extractive companies are unaware of EITI matters and demanded justification as to why they should report. Most medium scale companies were hesitant to provide data because they linked the reconciliation process with tax obligations. After giving them clarification about the essence of reporting, they understood and cooperated.	TEITA Committee to expand the scope of capacity building on EITI implementation to reach as many entities as possible and use various dissemination approaches.	The observation is noted. However, TEITI has included this activities its work plan and budget for the FY 2024/2025.	Under implementation
5	Improvement of Handling Tax Offsetting	The IA observed that some reporting entities reported taxes settled through offset arrangements without providing evidence. Absence of offset arrangement evidence creates difficulties during reconciliation exercise.	TEITA Committee to direct reporting entities to report only those offset taxes that have been approved and they must provide evidence.	The IA recommendation has been noted and considered in the preparation of the 14 th TEITI Report.	Implemented
6	Non-disclosure of Beneficial Ownership	According to the Tanzanian Laws such as Finance Act, 2020 and TEITA Act, 2015, a beneficial owner is recognized as a natural person who directly or indirectly ultimately owns or exercises substantial control over an entity or an arrangement. Extractive companies are required to disclose information about their beneficial owners as per the requirement of the Tanzanian Laws. However, the IA noted that very few extractive companies disclose their beneficial owners at the level of natural persons. The majority discloses legal persons as beneficial owners.	The TEITA Committee to obtain the information of beneficial owners of extractive companies as per the requirement of the Tanzanian Laws.	The IA recommendation is observed and TEITI is conducting and will continue carry on awareness to companies for disclosure the beneficial information at the level of natural person.	Under implementation

10.4.2. Recommendations from the 2023 Validation Report

The following is the detailed progress made on implementation of corrective actions recommended in the 2023 Validation report from EITI International as shown in **Table 56**.

Table 56: Update on recommendation from the 2023 Validation Report

EITI Requirement / past corrective action and assessment	New corrective actions and recommendations	Implementation Status
<p>Work Plan (Requirement #1.5)</p> <p><i>Mostly Met</i></p>	<p>Tanzania is required to clearly reference national priorities the EITI is contributing to. TEITI is required to allow MSG members to consult the broader constituencies for feedback on implementation priorities and objectives, and to document the MSG discussions on the priorities for EITI implementation, as to ensure that the work plan is a result of constituency deliberation.</p> <p>The annual TEITI work plan could further strengthen the alignment of EITI implementation objectives with the EITI Principles and reflecting national priorities for the extractive industries, including those from the broader industry and civil society constituencies.</p>	<p>The recommendation from validator is observed, however TEITI is in the process of preparing the 2024/25workplan which will consider all observation from the validator.</p>
<p>Recommendations from EITI implementation (Requirement #7.3)</p> <p><i>Mostly met</i></p>	<p>Tanzania should demonstrate the mechanism for following up on recommendations and corrective actions, and to strengthen the multi-stakeholder oversight to ensure that the necessary steps are taken to achieve progress.</p>	<p>The observation is noted. However, current the mechanism for follow-up of the recommendation is done through official emails, letters and meetings with stakeholders.</p>
<p>Review the outcomes and impact of EITI implementation (Requirement #7.4)</p> <p><i>Mostly met</i></p>	<p>In accordance with Requirement 7.4, Tanzania is required to publish annual reviews of activities, outcomes and impacts of EITI implementation. The annual self-assessment must be subject to review and input from all constituencies prior to publication.</p> <p>To strengthen implementation, Tanzania is encouraged to publish the expenditures of the previous year alongside the assessment of progress on the previous year's work plan.</p>	<p>TEITI used to document annual review of activities, outcomes and impact of EITI implementation in TEITI Report.</p> <p>To ensure effective implementation of the recommendation from validator from 2023, TEITI will develop the Annual progress report from July to June each financial year.</p>
<p>Multi-stakeholder group (Requirement #1.4)</p> <p><i>Mostly met</i></p>	<p>In accordance with Requirement 1.4, the government should ensure that all constituencies are treated as equal partners in all aspects of the EITI process, including the MSG's decision-making. To strengthen implementation, civil society and company constituency are encouraged to adopt constituency guidelines which specify the manner the constituency nominates candidates for MSG representation.</p>	<p>The observation is noted, TEITI is working on the recommendation.</p>
<p>Contribution of the extractive sector to</p>	<p>Tanzania should ensure that there is a public understanding of the extractive industries'</p>	<p>The contribution of the small scale mining sector to Government revenue has been</p>

EITI Requirement / past corrective action and assessment	New corrective actions and recommendations	Implementation Status
the economy (Requirement #6.3) <i>Mostly met</i>	<p>contribution to the national economy by including overall government revenues and stating the share of extractive revenues to total government revenues.</p> <p>Tanzania should publish the contribution of the small-scale mining sector to government revenues as soon as the data is available.</p>	reported to the EITI 2020/2021 report. The contribution will also reported in the undergoing TEITI report of 2021/2022.
Contracts (Requirement #2.4) <i>Partly met</i>	Tanzania is required to disclose any mining, oil and gas contracts, concessions and licenses that are granted, entered into or amended from 1 January 2021. Tanzania is encouraged to publicly disclose any mining, oil and gas contracts, concessions and licenses, including those awarded or amended prior to 2021, to comply with the TEITA Act of 2015.	<p>In implementing the contract disclosure requirement, in February, 2024 TEITI updated its contract disclosure roadmap (Link). Therefore, in the mineral sector, TEITI has started to engage various stakeholders including extractive companies, Civil Society Organisations and Government entities to discuss the information in six (6) Framework Agreements to be disclosed and the ways to implement this requirement effectively. In the energy sector, no altered, amended or new signed Production Sharing Agreement from 1st January, 2021 as requirement 2.4(a) of the EITI Standard of 2023 requires for disclosure. However, TEITI has started to engage the Ministry of Energy to ensure that the signed Liquefied Natural Gas Contracts are disclosed.</p>
Contract and license allocations (Requirement #2.2) <i>Mostly met with improvements</i>	In accordance with Requirement 2.2, Tanzania should provide information on the method for reaching the conclusion of non-trivial deviation in the allocation and transfer of licenses. Tanzania should identify and publish the licenses and identity of licensees transferred in the period under review.	<p>TEITI has confirmed that there was no non trivial deviation in the allocation and transfer of minerals, oil and gas licence. Mining Commission followed all the procedures in granting and transferring of licences as stipulated in the Mining Act. Cap 123 and its regulations.</p> <p>In addition, the list of transferred licences and their identity have been incorporated in the 13th TEITI Report and the current 2021/2022. This can also be accessed through TEITI website (Link).</p>
Beneficial ownership (Requirement #2.5)	In accordance with Requirement 2.5, Tanzania is required to disclose the beneficial and legal owners of all companies holding or applying for	MSG has taken initiative to conduct awareness to stakeholders on beneficial ownership information. In the 2021/22

EITI Requirement / past corrective action and assessment	New corrective actions and recommendations	Implementation Status
	<p>extractive licenses. To achieve this target, Tanzania should establish an enabling legal and regulatory framework for the public disclosure of beneficial ownership information of all oil, gas and mining companies that includes all data points listed in Requirement 2.5.</p> <p>In particular, these disclosures should ensure that the identity of politically exposed persons and the identity of shareholders and their share of equity in all companies holding mining and petroleum rights in Tanzania. While government agencies currently collect this information, Tanzania should strengthen data assurance and reliability processes to ensure that reported data is accurate, comprehensive and up to date through the publication of regular assessments that highlight significant gaps and weaknesses in collection and disclosure. Tanzania's MSG should name those entities that have failed to disclose all or parts of the required beneficial ownership information. Tanzania is encouraged to systematically publish BO information through a public register.</p>	<p>TEITI report some of companies have managed to disclose their beneficial owners including the natural person. However, MSG will continue to conduct awareness on the importance of disclosing beneficial ownership information.</p>
<p>Transactions related to State Owned Enterprises (Requirement #4.5) <i>Mostly met</i></p>	<p>In accordance with Requirement 4.5, Tanzania's MSG should provide a clear assessment of the reliability and comprehensiveness of company payments and government revenues in light of discrepancies found during reconciliation.</p>	<p>The recommendation is adhered in TEITI report, 2021/2022.</p>
<p>Quasi-fiscal expenditures (Requirement #6.2) <i>Mostly met</i></p>	<p>Tanzania is required to provide evidence of the MSG's discussions on the definition of QFEs and document its review of SOE expenditures in order to conclude whether any SOE expenditures could be categorised as "quasi-fiscal". Where SOE expenditures are categorised as "quasi-fiscal", they should be comprehensively disclosed in accordance with Requirement 6.2.</p>	<p>TEITI has engaged the Ministry of Finance to provide the definition of Quasi-fiscal and its applicability in Tanzania.</p>
<p>Comprehensive disclosure of taxes and revenues (Requirement #4.1) <i>Mostly met</i></p>	<p>Tanzania must ensure that all extractive industry revenues are disaggregated by revenue stream to allow detailed public understanding of the contribution of the extractive industries to government revenues, and to understand the coverage of reconciled payments</p> <p>Tanzania is encouraged to consider applying a higher materiality threshold for selecting companies and revenue streams in the scope of reconciliation and continue disclosing additional data through unilateral government</p>	<p>The recommendation was considered in the 2021/22 report in which TEITA committee decided to use risk based approach. On revenue streams the MSG decided to reconcile only revenue streams with major contributions in the total government revenues.</p>

EITI Requirement / past corrective action and assessment	New corrective actions and recommendations	Implementation Status
	disclosures	
Level of disaggregation (Requirement #4.7) <i>Mostly met</i>	In accordance with Requirement 4.7. Tanzania should ensure that a comprehensive list of all revenue streams that are levied on a project level is disclosed and ensure that all material revenues from the extractive industries are disaggregated by project, where the revenues are levied on a project level. If multiple agreements are substantially interconnected, the multi-stakeholder group must clearly identify and document which instances are considered a single project.	In the 2021/22 TEITI report all material revenues streams identified for reconciliation are reported. However, the 2021/22 TEITI report has disclosed some of revenue under project level.
Subnational payments (Requirement #4.6) <i>Mostly met with considerable improvements</i>	Tanzania is required to comprehensively disclose all material direct subnational payments by extractives companies to local government entities, with appropriate quality assurances in accordance with Requirement 4.9.	Disclosure of sub national payments by extractive companies to local Government entities has been adhered in TEITI report of 2021/2022 under Section 9.1.5
Social and environmental expenditures (Requirement #6.1) <i>Mostly met</i>	Tanzania is required to ensure public disclosure of all material social and environmental expenditures made by extractive companies and to specify whether these expenditures were made to non-government beneficiaries. To strengthen implementation, Tanzania is encouraged to disclose voluntary social expenditures and environmental expenditure.	In the 2021/22 TEITI report all material social and environmental expenditures made by extractive companies are reported.

ANNEXES

Annex 1: List of companies reported Beneficial Ownership information

Annex 2: List of selected extractive companies for reconciliation

Annex 3: Detailed information of SOEs Transactions (STAMICO, TPDC and NDC)

Annex 4: Approved Reporting Templates

Annex 5: Reconciled Data from Selected extractive Companies

