

ANNUAL PROGRESS REPORT

JANUARY- DECEMBER 2016



List of Abbreviations

AGC	Attorney General Chambers
CSOs	Civil Society Organizations
DPs	Development Partners
EITI	Extractive Industries Transparency Initiative
IMF	International Monetary Fund
IA	Independent Administrator
GoT	Government of Tanzania
MCIMS	Mining Cadastre Information Management System
M&E	Monitoring and Evaluation
MEM	Ministry of Energy and Minerals
MPSA	Model Production Sharing Agreement
MSG	Multi –Stakeholders Working Group
NBS	National Bureau of Statistics
NRC	Natural Resource Charter
NRGI	Natural Resource Governance Institute
OGAT	Oil and Gas Association Tanzania
OGP	Open Government Partnership
PORALG	President Office Regional Administration and Local Governments
RBM	Results-Based Management
RfP	Request for Proposal
SOEs	State- Owned Enterprises
TCF	Trillion Cubic Feet
TCME	Tanzania Chambers of Minerals and Energy
TEITI	Tanzania Extractive Industries Transparency Initiative
TPDC	Tanzania Petroleum Development Corporation
TRA	Tanzania Revenue Authority
TMAA	Tanzania Mineral Audit Agency
NAO	National Audit Office

The implementation of the Extractive Industries Transparency Initiative (EITI) continued under the Fifth Government elected in October 2015. Since taking office, the Government, which campaigned under an agenda of improving public service and curbing endemic corruption, reduced the number of cabinet posts from thirty to nineteen by merging ministries. It also removed 10,000 ghost public servants and banned travel of public servants outside the country, all with a view to reducing government expenditure and increasing the delivery of public service. The reforms implemented by the new Government give an impetus to the implementation of the EITI in Tanzania.

As part of Government commitment to the EITI agenda, Tanzania attended the Anti-Corruption Summit in London on May 12, 2016. At this meeting, the Honorable Kassim Majaliwa, Prime Minister of the United Republic of Tanzania, committed that the Government will ensure the public availability of beneficial ownership information of the extractive companies in Tanzania. Prime Minister Majaliwa also committed to ensuring that Tanzania will establish a central register for beneficial ownership of extractive companies where law enforcement agencies will have access to the information. The Prime Minister also agreed that bilateral arrangements will be established with partner countries to share information. See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/522735/United_Republic_of_Tanzania.pdf

The work of TEITI has increasingly mainstreamed into the government operations. For example, the Performance Review Team of the Controller and Auditor General's Office has used TEITI reports to analyze the operations of the Tanzania Petroleum Development Corporation. As a result, the Team produced the report "Performance Audit on the Management of Process Awarding Exploration and Development Contracts and Licenses for Natural Gas." (See: http://www.nao.go.tz/?wpfb_dl=183). The report, which was debated in Parliament, is critical of the operations of the Corporation.

The disclosure of company payments and government receipts created public debates and discussions within the Government. This has enabled citizens to have free access of information on the extractive industry quite easier than ever before. The debates and discussions focused on payment of corporate income tax by companies which have been operating in Tanzania for a long time. These discussions led the Government and Acacia to review payment of corporate income tax. Through a dialogue between the Government and Acacia, the company agreed to pay a corporate income tax of \$14 million US dollars.

This Annual progress report presents an opportunity for the reader to track progress of EITI implementation against targets as provided in TEITI Workplan for the period from January- December 2016. The public is invited to take note of the contents of this Report, and make contributions as they may wish. The Report can be found on: www.teiti.or.tz and www.eiti.org

I would like to thank the GoT, extractive companies, civil society organizations, development partners, media and all stakeholders for helping TEITI to promote transparency and accountability in Tanzania's mining, oil and gas sub-sectors. MSG, as a governance oversight body for EITI implementation in Tanzania, remains committed in carrying out its role of string up healthy public debates on how Tanzania's natural resources are managed for benefiting this and coming generations.

Augustina Rutaihwa,
ACTING CHAIRPERSON, TEITI - MSG

Background

The report covers all activities implemented from January to December 2016. It provides progress made during the period under review, with a view of updating stakeholders and general public on progress towards implementation of the TEITI work plan. TEITI Annual progress report for 2016 is produced in compliance with requirement 7.4 of the EITI Standard. The implementation of TEITI's Workplan during January -December 2016 helped advance the goal of deepening transparency in the administration of Tanzania's extractive industries.

The implementation of the EITI in Tanzania is regularly debated in Parliament since 2010. The Minister of Energy and Minerals is fully engaged in the EITI process in Tanzania. He provides a regular update on the implementation of the initiative to the members of the Parliament. In the last budget season, he updated members on the findings of the TEITI 2013/2014 Report, which facilitated the payment of corporate income tax by Acacia. He also informed the plan to put regulations of the TEITI law in place, as well the desire to establish a central register for beneficial ownership information of the extractive companies. (see the following weblink of the National Assembly of Tanzania: http://www.parliament.go.tz/uploads/budgetspeeches/1463989383-19.05.2016_hotuba-ya-wizara-mh.-sospeter-muhongo-201617.pdf).

Parliament follows the work of TEITI very closely and on a regular basis. TEITI regularly appears before the Permanent Parliamentary Committee for Energy and Minerals and provides an update on its work. TEITI appeared before the Committee on three occasions, October 27, 2016, March 27 2017 and March 31, 2017.

Tanzania is one of the few countries with specific legislation implementing the EITI. In July 2015, the National Assembly passed the Extractive Industries (Transparency and Accountability) Act. The Act stipulates various transparency and accountability measures including, among others, the establishment of transparency and accountability committee (TEITI Committee); obligations of extractive companies and statutory government recipients; obligation to publish information by government and the extractive companies; appointment and the role of reconciler; discrepancies and role of controller and auditor-general; and penalties on providing false information. The Act exceeds the requirements of the EITI. Extractive companies operating in Tanzania are mandated to submit to the TEITI Committee annual reports with information on local content and corporate social responsibility. Extractive companies are also required to submit data on capital expenditures at every investment stage. In addition, the Act requires the disclosure of mineral development and production sharing agreements between the government and extractive companies, as well as the disclosure of beneficial ownership.

The Government started the process to publish the Mineral Development Agreements and Production Sharing Agreements with the extractive companies. In December, the Permanent Secretary communicated with 24 extractive companies on the intention to publish such agreements. Two companies responded and made comments on the protection of proprietary information.

The EITI continues to be mainstained into Government operations. For example, the Ministry of Energy and Minerals is currently developing a portal for resource transparency. This portal will integrate data of the Ministry with those of different agencies within the

government that are responsible for the management of the extractive sector. TEITI is among these agencies which include the Tanzania Mineral Audit Agency, the Geological Survey of Tanzania, and the Tanzania Revenue Agency. Data from Tanzania EITI reports and contract disclosure will be included in the portal, which will allow users to access multiple datasets including geological, environmental, and fiscal information.

Tanzania is such a model country in EITI Implementation by neighbouring countries, some of which are interested in learning how the EITI implemented in the country. For instance, on 22nd-26th August 2016, TEITI hosted Malawi EITI study tour. The delegation was composed of one officer from the Revenue Policy Division in the Ministry of Finance, Economic Planning and Development, one officer from the Malawi Revenue Authority (MRA), and one officer from the Department of Mines as well as two officers from Government of Malawi (GoM) and the GIZ. The delegation was led by the Chairperson of the MWEITI MSG. The objectives of the visit were to gain practical understanding of the EITI as a global standard for improving transparency and accountability in the oil, gas, mining and to acquire practical context sensitive skills and learning to enable secretariat to effectively provide technical expertise and guidance to the MSG in translating the EITI for tangible and sustainable benefits to the people of Malawi. The delegations also visited TMAA, MEM (Licensing unit and Permanent Secretary office) and NAO.

1. General Assessment of 2016 Performance

TEITI Annual progress report provides for overall assessment on activities that were carried out from January to December 2016. The activities listed below are reported against the requirements of the EITI Standard of February 2016. The report also highlights strengths and challenges encountered during the implementation of EITI process in Tanzania.

In December, 2016 TEITI 5-year (2013 – 2018) Workplan was reviewed in order to align with the 2016 EITI Standard and to focus on activities that are impact oriented. The objective of the TEITI Workplan is to strengthen government institutions to enhance transparency and accountability in the administration of Tanzania's extractive industries so that the exploitation of these non-renewable and finite resources can stimulate growth and help reduce poverty.

During the implementation period a new Mult Stakeholder (MSG) was inaugurated. The TEITI Act establishes a Committee that is responsible for all matters pertaining to the implementation of the EITI in Tanzania. Appointed by each of the three Tanzania EITI constituencies, the Committee consists of fifteen members: (a) five persons representing government, one of whom shall be the Attorney General or his representative; (b) five from extractive industry companies; and (c) five from civil society organizations. The mandate of the previous Tanzania EITI Committee (Multi-stakeholder Group) expired in May 2016. A new Tanzania EITI Committee was constituted November 2016. However, CSOs is now represented by four members because of disagreement among this constituency on the nomination of the fifth member. The TEITA Act also establishes the appointment of a Chairperson who leads the Tanzania EITI Committee. The mandate of the previous Chairperson also expired in May 2016. An advertisement for the position in July 2016 attracted only two candidates. As the TEITA Act requires the appointment to be made from a list of three shortlisted candidates, the position was re-advertised in December 2016. However, it could not attract candidates with the requisite qualifications, as provided in the 2016 EITI Standard. The ideal candidate is a senior citizen who is well-respected by the public. The individuals with this profile do not normally submit applications for positions, but they are generally requested to serve by the President. Given the circumstance, the Minister appointed acting Chair in January 23, 2017 to keep the process moving, while the TEITI Committee was considering options for helping fill the position. In its March meeting, the Committee decided the re-advertisement of the position. However, this time, members agreed to reach out potential candidates and request them to apply.

Tanzania began to undergo validation by the EITI International Secretariat in January 2017– an independent verification process ascertaining whether Tanzania meets the transparency requirements of the 2016 EITI Standard. The International Secretariat (IS) Team visited Tanzania in March 2017. The IS team, which consisted of Mr. Jurgen Reitmaier and Ms. Emine Isciel, had the first meeting with the members of the Tanzania EITI Committee on 6th March 2017. Members were informed the validation process, the work that has to be done and the findings of the desk review exercise, which started in

During the visit, the IS team shared observations from the desk review work regarding compliance with four EITI safeguard requirements. These requirements are: i) Government engagement (Requirement 1.1); ii) Company engagement (Requirement 1.2); iii) Civil Society engagement (Requirement 1.3); and iv) timely publication of the EITI report (Requirement 4.8). On these requirements, the IS team indicated that it has noted from the minutes of the TEITI Committee meetings that in most meetings which took place during the period under review the government was represented by alternates. In response to IS observations, Mr. Ezamo Mponda (from Prime Ministers' Office) was nominated to coordinate members representing government in order to strengthen government participation in the MSG meeting.

Apart from the TEITI Committee, the IS team held separate meetings with stakeholders' representatives from media houses, the Mtwara District Council, TPDC, TRA, STAMICO and artisanal and small-scale operators. It also met with development partners, Global Affairs Canada, the EU and the GIZ. In addition, meetings were held with civil society members that are not represented on the TEITI Committee, which includes Fordia, Policy Forum and Uongozi Institute. During consultations, stakeholders responded to various questions regarding the EITI implementation in Tanzania and shared views on the overall management of the extractive sector.

The IS team concluded the visit with an exit meeting on 10th March 2017, in which members of the TEITI Committee were briefed on some of the issues raised by stakeholders. These issues will be tabled in a report outlining the findings of the visit. The report will provide an initial evaluation of Tanzania's progress towards EITI implementation against requirements of the EITI Standard 2016 and its validation guide. The report will be sent to the external Validator for assessments and verifications. A copy of the report will also be sent to the TEITI Committee for comments. TEITI will share this report with key stakeholders.

The external Validator will prepare a report to be submitted to the Validation Committee of the EITI Board. The Validation Committee will then make a recommendation to the EITI Board on Tanzania's compliance with the EITI Requirements. The EITI Board will make the final determination of Tanzania's overall compliance with the 2016 EITI Standard.

2. Assessment of performance against targets and activities set out in the workplan

The Workplan objective has four main intended outcomes, namely : 1) Increased Compliance in Disclosure of Payments and Revenues, 2) Increased Understanding and Awareness of TEITI, 3) Enhanced legal and institutional framework for EITI implementation, and 4) Increased capacity, skills and knowledge of TEITI Secretariat and MSG. Under each of the four main outcomes, TEITI has developed activities for attaining the intended outcomes. Taken together, the outcomes and their subsequent activities assist in accomplishing the objective of the Workplan.

The implementation of the Workplan is measured by using TEITI's Monitoring and

Evaluation (M&E) Framework and Indicators Matrix (August 2014). The M&E framework is computerized and accessible online at www.teiti.or.tz. TEITI is now considering to undertake a second Baseline Survey in 2018. The indicators from this exercise will provide input on the next 5 years workplan which will start in 2018/19.

Outcome 1: Increased Compliance in Disclosure of Payments and Revenues.

Requirement 4.1: Comprehensive disclosure of taxes and revenues

Expressions of interest for preparing TEITI Reports which covers the Fiscal Years 2014/15 and 2015/16 were opened on the 1st July, 2016. Five bids were received; 1. Lochan & Co. Chartered Accounts 2. Boas & Associates and MM Attorneys 3. BDO East Africa – Tanzania, Dar-es-salaam 4. Disney International Consultancy Ltd. In Assoc. with Dar-es-salaam Institute of Technology 5. CARES Tanzania. After completion of assessment of Expression of Interest, MTB accepted recommendations of the evaluation team for first shortlisted firm to be requested to submit technical and financial proposals. The deadline for receiving the proposals was 10th October.

In November 2016, the evaluation team completed evaluation of combined technical and financial proposals and the report was submitted for consideration and approval to the Ministerial Tender Board. The negotiations with M/S Boas (Ghana) and Associate MM Attorney (Tanzania) that were highly rated to undertake the assignment was completed in early April. The contract was signed in April 2017.

The 2014/15 report will be published in June 2017 and the 2015/16 report in November 2017.

Requirement 2.4: Contracts disclosure

The TEITA Act, 2015, as stipulated under s.16 (1) (a), requires the Minister of Energy and Minerals to publish in the website or through a media which is widely accessible all concessions, contracts and licenses relating to extractive industry companies. On December 15th 2016, the Permanent Secretary (PS) of the Ministry of Energy and Minerals informed extractive companies with MDAs and PSAs on the obligation to comply with the requirement. The PS also asked the extractive companies to communicate any concern regarding the disclosure.

Two companies responded, noting the need for maintaining commercial confidentiality and undertaking an awareness-raising campaign for the public before the disclosure of such contracts. The latter is meant to manage expectations of the public.

In addition, MEM is in the process of integrating a portal for contract disclosure into the mining cadastre database (Online Transactional Mining Cadastre Portal-OTMCP) which can be accessed at <https://portal.mem.go.tz>. The Contract disclosure portal will help users search contracts and view summaries of key social, environmental and fiscal data. Users will also be able to download full contracts.

Requirement 2.5 : Beneficial Ownership

On February 23, 2016, TEITI recruited a consultant to undertake a disclosure of beneficial

ownership information of 68 extractive companies in Tanzania. Among other things, the consultant was tasked to review existing laws, with a view to identifying obstacles to disclosure of beneficial ownership information.

On March 15, 2016, the consultant submitted an inception report, which described the depth of the assignment and methodology on how data will be collected. The report was approved during 62th MSG meeting on March 30, 2016.

In October 2016 the consultant submitted a draft Scoping report. The report was presented for discussion and adoption in the 64th MSG meeting on 23 November 2016. The scoping report provided an in-depth review of 13 legislation, pointing out several weaknesses of each of these Tanzanian laws in respect to disclosure of beneficial ownership information. In this report, the consultant proposed a definition of Beneficial Ownership and materiality threshold for reporting beneficial ownership, which is any person who owns 1% or more in a company.

On December 15, the consultant trained staff of the extractive companies that will be required to report. Final report of this work is expected in May 2017. The report aims to feature the beneficial ownership of 68 extractive companies in Tanzania. The Tanzania EITI Committee selected these companies because of their participation in the 2013/14 EITI reports. The final report will be published in May 2017.

Requirement 2.2 : Licence allocations

The MEM maintains open mineral rights registry, both in hard copies and digital database known as the Mining Cadastre Information Management System (MCIMS). The MCIMS is a rules-based system aligned with the Mining Act 2010. Mineral rights are granted on a first-come, first-served basis. Information on tenements with details such as owner of exploration and mining license(s), license number(s), operator, location, type of resources and geographical coordinates can be accessed in person at the Licensing Unit of the MEM, or by the online tenement portal at <http://portal.mem.go.tz/map>.

Requirement 2.3 :Register of licences

To enhance transparency in mineral rights allocations, MEM launched Online Mining Cadastre Transactional Portal. Once registered, users can view their portfolio of licences, submit reports and update their personal and company contact details. Registered users are notified when they can apply for new tenements, undertake renewals, extensions, relinquishments and surrenders, as well as make online payments. See more at: <http://portal.mem.go.tz/>. The information is publicly available. The database is updated daily to show recently captured applications, expired licenses and other information.

Requirement 4.6: Subnational payment

Extractive companies make Payments to subnational authorities, which are located in districts with mining, oil and gas operations are made in accordance to the Local Government Finance Act, 1982. This law requires any company operating in the district jurisdiction to pay service levy at a rate of 0.3 percent of net turn over of value added tax

and excise duty. Details of payments made to subnationals which host mining, oil and gas operations are also disclosed in the two EITI reports.

Requirement 5.2: Subnational transfers

In Tanzania, all revenues including those from extractive industries are centrally collected by the Ministry of Finance. The Ministry of Finance (MoF) on quarterly basis releases publication on allocation of funds to Local government authorities based on agreed criteria, one of them being size of population. However, following recent discoveries of natural gas, in 2015 the Government established the Oil and Gas Revenue Management Act. This law provide fiscal rules which regulate transfers of oil and gas revenues to Subnations that host oil and gas operations. Section 17 (3) states that Local Government authorities (subnationals) to which oil and gas activities are undertaken shall receive revenue from service levy of the oil and gas as shall be approved by the National Assembly. Also Section 17 (4) empower the Minister for Finance in consultation with Minister responsible for local government to make fiscal rules for local governments to guide expenditure and saving.

Requirement 6.1: Social expenditures by extractive companies

Making Social payments are not mandated by law in Tanzania. However, companies through their Corporate Social Responsibility (CSR) contribute to communities around their areas of operations in different forms. Under TEITA Act, 2015 companies are required to disclose CSR Payments. Noting the difficulties of reconciling social contributions, MSG agreed to include social payments in the reports for information purposes only. Although these expenditures were not reconciled, they provide useful information that stakeholders may wish to follow-up with district government officials. Efforts will be made to reconcile CSR expenditures in future reports.

Outcome 2: Increased Understanding and Awareness of TEITI

TEITI has been conducting public engagement activities. The activities are aimed at building capacity of citizens to demand accountability from officials on expenditures of receipts collected from extractive companies. The priority areas of the programme are communities in the districts that host large scale mining operations and oil and gas operations, namely Geita District (home of Geita Gold Mining); Kahama, District (home of Buzwagi Gold Mining); Msalala, District (home of Bulyanhulu Gold Mining). Mtwara District (home of M &P); and Kilwa District (home of Pan African). However, it was decided to pilot outreach in four districts, Geita, Kahama, Mtwara and Lindi to start with, and rolled out the activity to the rest of the districts.

Service providers for airing television and radio adverts started work in March 2017. Tanzania Broadcasting Corporation aired a television advert and Radio One an audio advert, and the two will continue to run for two months during the prime time (just before News Bulletin). Both networks have a wide coverage in Tanzania. A service provider has also been hired to erect print messages on billboards and flag posts in areas where there is a large gathering in the township. The billboard and flag post were erected in Geita and Kahama townships. The messages on billboards and flag posts are intended to enhance the visibility of TEITI work and attract the attention of the communities so that they can be engaged. The approach of using multiple media concurrently was recommended by the consultant who prepared the TEITI communication plan. Experience shows that repetitive visual and audio messages have the chances of capturing public attention.

In addition, a number of communication materials, print materials, audio adverts and documentaries have been uploaded on the TEITI website. The intention is to reach-out the larger public through use of internet technology which is increasingly used as a platform for holding debates that have national interest. These communications materials can be accessed at: i) <http://www.teiti.or.tz/category/video> for documentaries; ii) <http://www.teiti.or.tz/category/video/> for documentaries; ii) <http://www.teiti.or.tz/category/audio> for radio advertisement and jiggles; and iii) www.teiti.or.tz/teiti-billboard/ <http://www.teiti.or.tz/teiti-billboard/> for print material and billboards

Requirement 7.1: Public debate

TEITI outreach activities are focused on increasing public understanding of the operations of the extractive sector. Through these activities, communities are encouraged to make use of data published in the EITI reports and demand accountability in the collection and spending of revenues from the oil, gas and mining sectors. To this end, TEITI is guided by its Communication Strategy II (2012 – 2017). During this reporting period several outreaches events were conducted;

- i) On October 27, 2016, TEITI presented a paper on the economic contributions of mining, oil and gas sectors at a meeting of the Permanent Parliamentary Committee for Energy and Minerals. TEITI also shared key findings of the 2013/14 Tanzania EITI report. However, members raised concerns about the report as it covers data for 2013/2014 report and we were in 2016/17, this make the data in the report not useful. Further, Parliamentarians advised that future EITI reports should include information on tax exemption, positions and salaries of foreign experts working in the extractive sector.
- ii) From June 28 to June 29, 2016, the Natural Resource Governance Institute and Hakimadini conducted an induction workshop for new civil society representatives in the Tanzania EITI Committee. The objectives were to build a collective understanding on the role civil society in the EITI process, to identify challenges and opportunities for joint action around the EITI and to enhance knowledge on the concept of beneficial ownership.
- iii) From August 1 to August 2, 2016, TEITI Secretariat staff made a presentation at a workshop held at Simanjiro District in Arusha. The workshop was jointly organized by TEITI, Hakimadini and the Natural Resource Governance Institute. The workshop was aimed at promoting dialogue among stakeholders and at reducing information gap on mineral production and revenue collection in the district. At the meeting, TEITI highlighted the role of stakeholders so that they can contribute to the effective management of natural resources in Tanzania.

- iv) On May 27, 2016, TEITI attended a meeting bringing together development partners, the Independent Administrator, and representatives of the Tanzania EITI Committee. The Independent Administrator presented findings of the 2013/14 and 2014/15 Tanzania EITI reports. The session helped participants digest the findings of the reports.
- v) From September 28 to September 30, Journalist Environment Association of Tanzania (JET) held a workshop entitled News and Editorial Symposium on Oil, Gas and Mining in Tanzania. The objective was to equip editors with current ongoing issues of the sector and encourage their sustained engagement. A TEITI Secretariat staff attended the workshop and made a presentation on the current status of EITI implementation in Tanzania and the impact of passing the TEITA Act. Other data were also captured and reported in the respective fiscal years to meet requirements as follows: public debate (R 7.1) ; data accessibility (R 7.2) and discrepancies and recommendations from EITI reports (R 7.3).

Outcome 3: Enhanced legal and institutional framework for EITI implementation

TEITA Regulations:

The Tanzania Extractive Industries (Transparency and Accountability (TEITA) Act, 2015 came into force on 25th September 2015. During the reporting period, efforts were made towards the preparation of regulations for implementing the Act. On February 3, 2016, the Tanzania EITI Multi-stakeholder Group received inputs on the regulations from a stakeholder workshop held in September 2015. The purpose of the workshop was to identify sections of the Act that require regulations and to help with the subsequent stage of writing of the regulations.

The Tanzania EITI Multi-stakeholder Group tasked a subcommittee constituted by its selected members to review the stakeholder inputs before sending them to Government lawyers for translating the inputs into legal language. The subcommittee met on March 15, 2016 and produced revised inputs which were submitted to a team composed of lawyers from the Ministry of Energy and Minerals and the Attorney General in order to write the first draft of the regulations in June 2016. However, MSG members from the industry and civil society wanted an independent firm to write the initial draft, as this will ensure views of the two groups are incorporated in the course of writing the regulations.

In light of this decision, a call for invitation of expression of interest was issued on 16th January 2017. The bids were opened on 30th January 2017 and evaluation has started. The regulations are expected to be ready at end of 2017.

Outcome 4: Increased capacity, skills and knowledge of TEITI Secretariat and Multi-Stakeholder Group

In order to increase effectiveness of implementation of EITI activities, during the reporting period MSG and Secretariat participated in a number of programs for enhancing capacity and knowledge as follows:

- i) On February 4, 2016, two members of the Tanzania EITI Committee and one TEITI staff attended a meeting on the Corporate Social Responsibility (CSR) Forum organized by the Canadian High Commission. The Corporate Social Responsibility Forum is part of Canada's commitment to facilitate CSR best practices and community dialogue in Tanzania. The meeting brought together senior government officials, mining companies, consultants, academia, civil society, the financial sector and representatives of small-scale and women miners. The meeting focused on artisanal and small scale mining operations and their relationships with medium and large scale mining companies, with the purpose of sharing information.

- ii) From August 20 to August 29, 2016, TEITI Secretariat hosted a delegation from Malawi working on the EITI. Malawi Government joined the Extractive Industries Transparency Initiative in June 2014, and was granted a candidature status on October 22, 2015. During its visit, the delegation held meetings with the TEITI Secretariat staff, Permanent Secretary of the Ministry of Energy and Minerals, the Licensing Unit of the ministry, the Tanzania Mineral Audit Agency, and representatives from civil society and industry. The objective of the visit was to share experiences in EITI implementation in Tanzania and in Malawi. Another key objective was to help build the technical capacity of the Malawi EITI Secretariat.

- iii) From June 6 to June, 12 2016, the Tanzania EITI Committee and TEITI Secretariat staff attended training on Financial Modelling. The six days training was conducted by OpenOil. The objective was to develop participants' analytical skills in respect to the financial aspects of the extractive sector.

- iv) On June 7, 2016, one TEITI Secretariat staff participated in the launching of an open-source platform and dashboard for financial data on the extractive sector. The platform was developed for civil society organizations. At the event, civil society received training on how to use the platform and publish financial data.

- v) On June 13, 2016, one TEITI Secretariat staff attended training on open data organised by the World Bank. The training aimed at providing participants with understanding of the concept of open data and its application to improve efficiency and transparency.

INCREASE AWARENESS AND UNDERSTANDING OF TEITI OBJECTIVES

During the reporting period, the following activities were undertaken to increase awareness and understanding of TEITI objectives:

- vi) In March 2017 TEITI started airing Radio and TV Adverts at Tanzania Broadcasting Corporation (TBC). The adverts will run for two months on prime time (Just before News Bulletin) at 08:00. The objective of TV and Radio adverts is to increase public understanding of EITI revenues and use of EITI data to enhance informed debate on the contributions of the extractive sector.

- vii) In addition TEITI erected billboards and flag post in Geita and Kahama districts which are among the districts which host large scale mining operations. The billboards and flag post are intended to enhance visibility of and attract attention of communities so that they can be engaged.

- viii) On 20th-22th February 2017 TEITI conducted two (2) workshops in Kahama and Geita to District Executive Directors, councilors and company representatives. The objective of the workshop was to impart knowledge on how to use EITI data to demand accountability in revenue collections and expenditure from extractive industries. Participants also discussed on how service levy is calculated, disclosure of CSR and local content in order to help communities determine value for money in the social projects.

- ix) On 28th February 2017, a training on Ethics for management of Natural Resources was held in Mtwara to Councilors. The objective was to strengthen and emphasize Ethical behavior, conduct and character in spearheading transparency in the extractive industry regionally and nationally.

3. Assessment of Performance Against EITI Requirements

Table 2

Requirements	Progress
Requirement 1: Oversight by the multi-stakeholder group.	The mandate of the previous Tanzania EITI Committee (Multi-stakeholder Group) expired in May 2016. A new Tanzania EITI Committee was constituted November 2016. Members of MSG participate in public outreach workshops and engage in public debates on extractives governance.

<p>Requirement 4.1: Data Timeliness</p>	<p>TEITI 2013/14 annual report was published on time. The 2014/15 report is expected to be published by June 2017 and the 2015/16 report will be published before November 2017.</p>
<p>Requirement 3: Exploration and production and contextual information about the extractive industries</p>	<p>The previous TEITI Report included data on exploration, production exports sales and contextual information on legal and regulatory framework. The 2014/15 Report and subsequent reports will include contextual information according to New Standard</p>
<p>Requirement 4: Revenue collection</p>	<p>MSG reviews materiality threshold in each EITI reporting period to ensure that significant payments (including those from new corporate entities) are included in the reporting.</p> <p>Reporting entities (both extractive companies and statutory recipients of government revenues) selected to participate in EITI reporting do comply as requested except few that may have closed operations and left the country.</p>
<p>Requirement 5: Revenue allocations</p>	<p>The Cabinet through the Minister for Finance (MoF) has a lead role to play in the budget process in Tanzania, ensuring its approval by the National Assembly. Budget formulation normally takes place from November to May each year, with MoF setting budget policy and making resource projections. In this period, Budget Guidelines Committee consisting of MoF, Public Service Management, and the Prime Minister's Office - Regional Administration & Local Government issues Planning and Budget Guidelines, MoF discusses with all departments on estimates of revenues and expenditures, Parliamentary sub-committees and Inter-ministerial Technical Committee scrutinize estimates and Cabinet approves estimates. Between June and August, the National Assembly scrutinizes, debates, and if satisfied passes the budget into law. After the parliamentary approval, funds are released to government ministries, departments and agencies (MDAs), which must use the funds for their programs from July to June every year. The Controller and Auditor General (CAG) audits the accounts of MDAs and submits audit reports to the National Assembly. CAG has the power to subpoena officials in order to obtain information and the failure to withhold information by government officials constitutes a criminal offense.</p>
<p>Requirement 6: Social and economic spending</p>	<p>Social payments are not mandated by law in Tanzania. However, companies through their Corporate Social Responsibility (CSR) contribute to communities around their areas of operations in different forms. Noting the difficulties of reconciling social contributions, MSG agreed to include social payments in the reports for</p>

	information purposes only. Although these expenditures were not reconciled, they provide useful information that stakeholders may wish to follow-up with district government officials. Efforts will be made to reconcile CSR expenditures in future reports.
Requirement 7: Outcomes and impact	The lessons learned from EITI reporting has been acted upon by MSG. Details are provided in the next section.

4. Overview of Multistakeholder Group responses to the Recommendation from Independent Administrator on 2013 and 2014 TEITI reports

IA's Recommendation	Description of Actions Undertaken
Tanzania EITI Suspension: As of September 2015, Tanzania has been suspended from EITI because of delaying to publish the Fourth (2012/2013) Report on time as required by the EITI Standard. We understand that this delay in reporting was caused mainly due to the significant delays in procuring the services of the independent administrator. The TEITI law should be fully operationalised in order to ensure that this does not happen again.	In view of addressing concerns emerged from procurement delay of Independent Administrator, MSG Members appointed its two members as representative in evaluation process so as to expedite the process. They participated in selection of IA for 2014/15 and 2015/16 TEITI Report.
Need for more awareness of EITI and TEITI law of 2015: We have noted the need for TEITI to increase their efforts to educate the public and the companies about the EITI in Tanzania. We noted several companies were not aware of the EITI process and the TEITI law. This should be fixed by more public awareness campaigns and training workshops.	In March 2017 TEITI started airing Radio and TV Adverts at Tanzania Broadcasting Corporation (TBC). The adverts will run for two months on prime time (Just before News Bulletin) at 08:00. The objective of TV and Radio adverts is to increase public understanding of EI revenues and use of EITI data to enhance informed debate on the contributions of the extractive sector. In addition TEITI erected billboards and flag post in Geita and Kahama districts which are among the districts which host large scale mining operations. The billboards and flag post are intended to enhance visibility of and attract attention of communities so that they can be engaged.

<p>VAT Refunds. Significant amounts are refunded to extractive companies. We recommend that the MSG should include VAT refunds as a financial flow in the future reports to help capture the refunds for VAT being made to extractive companies</p>	<p>Future reports starting from 2015 report will include VAT refunds and treat as separate financial flow.</p>
<p>Ministry of Energy and Minerals recommendations : Several delays were caused to the reconciliation due to insufficient contact details maintained in the mining cadastre at the Ministry of Energy and Minerals. We recommend that the MEM should enforce the requirement for extractive companies with mining licenses to provide quarterly returns to the Ministry to enable keep the registry up to-date with the latest details for the license holders.</p> <ul style="list-style-type: none"> • We recommend that the TEITI secretariat should be given online access to the mining cadastre at the Ministry of Energy and Minerals. This will enable quick extraction of information regarding licenses and other details of the extractive companies. • We recommend that Tax Identification Numbers for all license holders should be included in the mining cadastre at the MEM. This will enable quick comparison of TRA receipts data and license holders during the scoping phase of the TEITI reconciliations. 	<p>MEM has commissioned online transactional mining cadastre portal(OTMCP) where all mineral right holders are required to register on this portal. The portal allow the registered users to view their portfolio of licences, submit reports and update their personal and company contact details. Registered users are notified when they can apply for new tenements, undertake renewals, extensions, relinquishments and surrenders, as well as make online payments.</p> <p>TEITI secretariat has consulted MEM and requested direct access to the portal.</p> <p>TEITI secretariat has communicated with MEM and requested the Ministry to include TIN in the mining cadastre as well in the oil and gas register.</p>
<p>Online Reporting Portal; As has been done by other countries, TEITI secretariat should consider development of an online portal so that reporting can be done by the extractive companies periodically throughout the year using the same. The portal would be used by the extractive companies to report monthly and quarterly production and sales as well as payments being made to the government and when this happens.</p>	<p>MEM is in process of expanding the functionality of the OTMCP which should allow for the design and implementation of an eGovernment solution that will provide a central repository to record, store, manage and report on related extractives data. The TEITI online reporting by extractive companies will include tax payment by type, sales, production, Corporate Social Responsibility payment, Local content, capital Expenditure on every stage of Investment and other TEITI data on</p>

5. Specific Strengths or Weaknesses Identified in the EITI Process

a) Strengths

- **Mainstreaming of TEITI into Government Operations.**

- i) The work of TEITI has been mainstreamed into the operations of the Government of the United Republic of Tanzania. For example, TEITI has worked closely with the Performance Review Team of the Controller and Auditor General's Office. TEITI in particular assisted the team in familiarizing with the operations of the Tanzania Petroleum Development Corporation (TPDC). As a result, the team produced the report "Performance Audit on the Management of Process Awarding Exploration and Development Contracts and Licenses for Natural Gas." The report, which was debated in Parliament, is critical of the operations of TPDC. Please see this link: http://www.nao.go.tz/?wpfb_dl=183
- ii) TEITI issues are regularly debated in Parliament since 2010. For instance, the Minister of Energy and Minerals addressed the Parliament on TEITI issues. Please see paragraphs 160-163 of this web-link: <https://mem.go.tz/wp-content/uploads/2014/05/29.5.2014hotuba-ya-bajeti-nishati-na-madini-2014..2015.pdf>. The address is in Kiswahili.
- iii) The disclosure of company payments and government receipts created public debates and discussions within the government. In 2016, the debates and discussions focused on payment of corporate income tax by companies which have been operating in Tanzania for a long time. These discussions led the government and Acacia to review payment of corporate income tax. Through a dialogue between the government and Acacia, the company agreed to pay a corporate income tax of \$14 million US dollars. See link: <http://www.acciamining.com/~media/Files/A/Acacia/press-release/2016/first-quarter-results-2016-pr.pdf>.
- iv) The Government through TEITI started the process to publish the Mineral Development Agreements and Production Sharing Agreements with the extractive companies. In December, the Permanent Secretary communicated with 24 extractive companies on the intention to publish such agreements. Two companies responded and made comments on the protection of proprietary information
- v) TEITI recruited a consultant to undertake a disclosure of beneficial ownership information of 68 extractive companies in Tanzania. Among other things, the consultant was tasked to review existing laws, with a view to identifying obstacles to disclosure of beneficial ownership information. The scoping report provided an in-depth review of 13 legislation, pointing out several weaknesses of each of these Tanzanian laws in respect to disclosure of beneficial ownership information. In this report, the consultant proposed a definition of Beneficial

Ownership and materiality threshold for reporting beneficial ownership, which is any person who owns 1% or more in a company.

- **Government Commitments (Beyond the Ministry of Energy and Minerals)**

- i) At the Anti-Corruption Summit in London on May 12, 2016, the Honorable Kassim Majaliwa, Prime Minister of the United Republic of Tanzania, committed that Tanzania “**will ensure beneficial ownership is publicly available for all companies active in the extractive sector.**” Prime Minister Majaliwa also committed to ensuring that Tanzania will establish a central register for beneficial ownership of extractive companies where law enforcement agencies will have access to the information. The Prime Minister also agreed that bilateral arrangements will be established with partner countries to share information. See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/523454/Anticorruption_summit_Remarks_by_Hon_Kassim_Majaliwa_Prime_Minister_of_Tanzania.pdf
- ii) Under the Prime Minister’s Office, in March 2015, Tanzania established a team of 25 experts to negotiate with oil and gas companies on future contracts. The experts come from the Ministry of Energy and Minerals, Tanzania Petroleum Development Corporations, State Mining Company, the Ministry of Finance, the Ministry of Labour, the Ministry of Justice and Constitution Affairs, Tanzania Electric Supply Company, and the Planning Commission. The Bank of Tanzania, the Tanzania Revenue Authority, the Ministry of Industries and Trade, the University of Dar es Salaam and the National Environment Management Council will also be represented in the team of experts. Most of these agencies are already contributing to the work of TEITI.

- **Impact of Tanzania EITI Implementation in Legal Reforms**

- i) **Legislation of EITI Law**

In July 2015, the Parliament of Tanzania legislated EITI Law, Tanzania Extractive Industries (Transparency and Accountability) Act, 2015 with objective of making mandatory disclosure of Extractive Industries data. **Link** <http://www.teiti.or.tz/wp-content/uploads/2014/03/The-Tanzania-Extractive-Industries-Transparency-Accountability-Act-2015.pdf>

- ii) **Amendment of Laws to remove provision that restrict disclosure of extractive industries data.**

- a) Amendment of Section 25 of Mining Act, 2010 to enable TEITI to acquire and publish information from mining companies. See TEITA Act, 2015, Part VII Consequential Amendments, Section 36. **Link** <http://www.teiti.or.tz/wp-content/uploads/2014/03/The-Tanzania-Extractive-Industries-Transparency-Accountability-Act-2015.pdf>
- b) Amendment of Section 140(1) of the Income Tax Act (Cap. 332) which enable TEITI Committee to publish tax information from extractive Industries Companies, see TEITA Act, 2015, Part VII Consequential Amendments, Section 58. **Link**

i) **Other Laws governing extractive sector.**

- a) The Government of Tanzania has also passed the Oil and Gas Revenue Management Act, 2015 which ensure that oil and gas revenue is collected, allocated and managed in responsible, transparent, accountability and sustainable manner.

Link <http://www.teiti.or.tz/wp-content/uploads/2014/03/The-Oil-Gas-Revenues%20Management%20Act,%202015-.pdf>

- b) Petroleum Act, 2015 in Section 7 provide for establishment of the Oil and Gas Revenue Advisory Bureau within the President office, a move whose objective is to eliminate discretionary power of the Minister and increase transparency on granting licenses and contracts (PSAs). In addition, Section 25(1) of the Act Provide for establishment of Oil and Gas Revenues Fund for purposes of ensuring that collection, allocation, expenditure and management of petroleum and natural gas revenues is done in transparency and accountability manner. **Link** <http://www.teiti.or.tz/wp-content/uploads/2014/03/The-Petroleum-Act-2015.pdf>

- ii) EITI objectives are also included in the Government policy statement, such as the Natural Gas Policy-2013. This indicates the importance of putting transparency and accountability at the core of administration of extractive industries. **Link.** http://www.tanzania.go.tz/egov_uploads/documents/Natural_Gas_Policy_-_Approved_sw.pdf

b) Challenges

i) **Capacity of TEITI – MSG**

A new MSG was innagurated in November 2016. They need time to familiarize with EITI process, revenue streams and fiscal regime of extractive industries. The Secretariat plans to organize training for the MSG on the EITI process and different types of payment collected by Government from Extractive industries.

ii) **Capacity of Secretariat**

The TEITA Act, 2015 establishes Secretariat of the TEITI MSG who shall be responsible for implementation of the Act and the EITI Standard. The current staffs lack experiences in subjects related to oil, gas mining governance in areas of legal frameworks, tax policy, environmental issues, community rights, artisanal mining, economic linkages to the wider economy, and the management and investment of revenues for sustainable development. TEITI is planning to undertake staffs needs assesment based on requirement of EITI Standard and the Act.

iii) **Procurement delay.**

TEITI is supported by the procurement unit under the Ministry of Energy and Minerals. Experience has shown that the process do took 10-12 months before its

completed. The unit fails to meet assignments that have tight deadline such as productions of EITI reports. This cause delays in the implementation of TEITI activities. TEITI is anticipating to include procurement unit under its structure, however, in the interim the MSG has decided to participate in the evaluation team in order to expedite the procurement process.

6. Total Costs of Implementation

TEITI Secretariat is responsible for day-to-day TEITI operations and has a team of ten technical staff. Sources of funding for implementing activities in the Workplan for the reporting period are : the GoT, the Canadian Government, and the European Union. The 2-year Operation Plan provides financial needs for FY 2016 to 2018. In the FY 2016/17, funding commitments from GoT is TzS 115,028, Global Affair Canada CAD \$500,000, and European Union €250,000. MSG is grateful for the support and for the assistance of all other partners contributing to the operations and achievements of TEITI through financial or technical support.

7. Other Sources of Funding

In addition to these financial support, in September 2015, the World Bank allocated US\$ 2 million to support TEITI, the TRA and the Tanzania Mineral Audit Agency (TMAA) to implement specific activities that contribute to transparency in the mining sector in Tanzania through Sustainable Management of Mineral Resources Project. The funding is part of a new loan of US\$45 million borrowed by the Government of Tanzania from the World Bank. Also TEITI is among beneficiaries under Worldbank financed project on Energy Sector Capacity Building (ESCBP) aimed at human capacity development. A total of \$ US 200,000 were set aside to train MSG Members and Secretariat staffs on revenue streams and physical audit processes in the gas sectors and Financial Modelling.

8. Audit Arrangements

The Secretariat works under MEM, thus subject to GoT financial regulations. Under MEM, TEITI funds are regularly audited by internal audit unit to inform MEM management on regular basis. Similarly, TEITI is supported by procurement unit under MEM for managing procurement of goods and services.

In addition, expenditures of TEITI are subjected to external audit on annual basis by the Controller and Auditor General (CAG). Pursuant to GoT financial control requirements, CAG has audited TEITI financial books for the period of July 2014 to June 2015. The audited report was issued in March 2016 and was shared with TEITI stakeholders.

9. Conclusion

Implementation of EITI activities during the period under review focused on meeting workplan outcomes. The planned activities were strategically aligned to ensure

stakeholders are fully engaged in dialogue about transparency on each segment of natural resource value chain. During this reporting period, MSG maintained its commitment to promote healthy public debates on how Tanzania's natural resources are managed and its contribution to the economy. Other efforts made include promotion of institutional collaboration with Government agencies that their role complement EITI implementation in the management of extractive industries. Parallel to MSG's efforts, the Government of the United Republic of Tanzania has continued to take important steps to become an effective and accountable Government that promotes transparency, empowers citizens, fights corruption, and embraces the development of the private sector.

MSG commits to continue its efforts to enhance institutional collaboration with government institutions, CSOs, media, academic institutions, development partners, and private sector to sustain transparency and accountability in Tanzania's extractive industries. Recognizing the important role of CSOs in contributing to vibrant public debates on resource governance, capacity building activities to CSOs and collaborations in conducting public outreach will be prioritised in coming years.

Approved by MSG:

Date

Appendices

Appendix 1- TEITI Operational Workplan(2016-18)

Outcome/KR A	EITI Standard/G 7 commitment	Activities	Outcome and performance indicators	Time Calendar Year	Responsibility	Budget USD	Source	Status
Outcome 1 : Increased Compliance in Disclosure of Payments and Revenues	R2: The EITI requires timely publication of EITI reports	Publication of 7th report	Percentage increase of disclosed Government receipts from extractive industries.		Consultant/Secretariat/MSG			
		(i). Advertising of bid to hire			Secretariat			completed
		Independent Reconciler			MSG			
		ii) Complete Scoping Study		Q1 2017	Consultant/Secretariat/MSG	50,000	GAC	
		(iii) Train reporting entities in completing reporting templates		Q1 2017	Consultant/Secretariat/MSG	30,000	GAC	
		(iv) Collect payments and receipts data to conduct reconciliation		Q2 2017	Consultant/Secretariat/MSG	100,000	GAC	
(v) Circulate draft report amongst stakeholders for ascertaining		Q2 2017	Secretariat/MSG					

		recommendations related to reporting from 5th and 6th TEITI Reports						
A		(vi) Launch 7th TEITI reconciliation report and Publish the Report		Q2 2017	Secretariat/MSG	10,000	GAC	
		vii) Translation of 7th reconciliation report into Kiswahili and Brail Language & printing of full report and short versions)		Q3 2017	Secretariat/MSG	50,000	EU	
		Publication of 8th report						
		(i). Advertising of bid to hire Independent Reconciler			Secretariat/MSG			completed
		ii) Complete Scoping Study		Q1 2017	Consultant/Secretariat/MSG	50,000	GAC	
		(iii) Train reporting entities in completing reporting templates		Q1 2017	Consultant/Secretariat/MSG	30,000	GAC	
		(iv) Collect payments and receipts data to conduct reconciliation		Q2 2017	Consultant/Secretariat/MSG	100,000	GAC	
		(v) Circulate draft report amongst stakeholders for ascertaining recommendations related to reporting from 6th and 7th TEITI Reports		Q3 2017	Secretariat/MSG			
		(vi) Launch 8th TEITI reconciliation report and		Q4 2017	Secretariat/MSG	10,000	GAC	

		Publish the Report						
		vii) Translation of 8th reconciliation report into Kiswahili and Brail Language & printing of full report and short versions)		Q4 2017	Secretariat/MSG	100,000	GAC	
		Publiction of 9th report						
		(i). Advertising of bid to hire Independent Reconciler		Q3 2017	Secretariat/MSG			
		ii) Complete Scoping Study		Q4 2017	Consultant/Secretariat/MSG	50,000	GAC	
		(iii) Train reporting entities in completing reporting templates		Q1 2018	Consultant/Secretariat/MSG	30,000	GAC	
		(iv) Collect payments and receipts data to conduct reconciliation		Q1 2018	Consultant/Secretariat/MSG	100,000	GAC	
		(v) Circulate draft report amongst stakeholders for ascertaining recommendations related to reporting from 9th TEITI Reports		Q2 2018	Secretariat/MSG			
		(vi) Launch 9th TEITI reconciliation report and Publish the Report		Q2 2018	Secretariat/MSG	10,000	GAC	

		vii) Translation of 9th reconciliation report into Kiswahili and Brail Language & printing of full report and short versions)		Q2 2018	Secretariat/MS G	100,000	GAC	
	R3: The EITI encouraged contracts disclosure	a) To intergrate Contract Disclosure portal on Online Transctional Mining Cadastre Portal (OTMCP)	Contract Disclosure portal in place	Q4 2017	Secretariat/MS G/MEM			
		b) Upload the MDAs and PSAs in OTMCP	Number of Mining Development Agreement (MDAs) and Profit Sharing Contracts (PSCs) disclosed	Q2 2018	Secretariat/MS G/MEM			
	R3: The EITI requires disclosure of beneficial ownership (Understanding who owns and benefits from	(i) Establish open registry for licensees to identify beneficial ownerships			Secretariat/MS G			

	mining, oil and gas licenses)							
		a) Preparation of ToR			Secretariat/MSG			completed
		b) Call for EoI			Secretariat/MSG			completed
		c) Collecting and disclosing Company Beneficial Ownership information in Extractive Industries and establish a beneficial ownership database for companies reported in 2013 and 2014 reports;		Q12017	Secretariat/MSG	101,000	GAC	
		d) Procure Consultant to support the Business Registration and Licensing Agency (BRELA) to undertake a study for developing a framework for a register of beneficial ownership for the extractive companies in Tanzania.		Q32017	Consultant/Secretariat/MSG	150,000		
		f) Establishment of a central register for the extractive companies at the Business Registration Licensing Agency (BRELA).		Q1 2018	Consultant/Secretariat/MSG	350,000		
		e) Publish a roadmap for		Q4 2016	MSG			

		disclosing beneficial ownership information						
		f) Publish online registered areas for Mining	Number of registered Large scale mines published online	Q4 2017	Secretariat/MS G/MEM			
	R4: The EITI requires to disclose Subnational transfers, expenditure receipts and CSR Contributions	(i) Conduct workshop to Directors and District Treasurers of 17 district councils that host mining , oil and gas operations on local content and disclosure of receipt expenditure and CSR contributions		Q1 2018	Secretariat/MS G	129,000		
	R1: Undertake/ Commission validation of TEITI	a) Procure Consultant to review all past EITI reports and extract topics such as concerns raised by the Independent Administrators and lessons learned to initiate public debate across the country.		Q4 2016	Secretariat/MS G	200,000		
n		b) Procure validator, produce and agree validation report		Q4 2016- Q1 2017	Secretariat/MS G	5,000		
		c) Print, translate and disseminate the Validation/Secretariat review		Q12017	Secretariat/MS G	90,000		

		report and communicate findings						
		d) addressing concerns and recommendations emerging from the validation starting from January 2017		Q3 2017	Secretariat/MSG	210,000		
		e) Workshop on lessons learnt from validation (TEITI-MSG and wider stakeholder groups)		Q1 2018		50,000		
		f) Drafting internal rules and procedures for MSG governance		Q1-Q2 2017	Secretariat/MSG	5,000		
Outcome 2: Increased Understanding and Awareness of TEITI	R.6 The EITI requires EITI Reports that are comprehensible, actively promoted, publicly accessible, and contribute to public debate.	(i) Conduct Five (5) Awareness raising workshop on disclosure of revenue receipts and CSR contribution at district level	Percentage of people who are aware of annual payments and receipts from extractive industries through different communication media.	Q1 2017 Q1 2018	Secretariat/MSG	200,000		
		(ii) Conduct eight (8) community roadshows on TEITI reconciliation reports	Proportion of Civil Society Organizations	Q1 2017, Q1 2018	Secretariat/MSG	200,000		

		to raise awareness in districts.	(CSOs) who are aware of TEITI implementation.					
		(iii) Train 200 parliamentarians on EITI	Number of outreach activities in districts which host extractive operations to create awareness and debate about how the country should manage its resources better.	Q1 2017 Q2 2018	Secretariat/MSG	200,000		
		(iv) Participate in two (2) National and two (2) International exhibitions and show events		Q3 2017	Secretariat/MSG	10,000		
		(v) Organize three (3) Outreach events to District Executive Directors on disclosure of CSR, local content and expenditure of revenues from extractive companies		Q1 2018,	Secretariat/MSG	60,000		
		(vi) Hiring space annually for 12 billboards and 12 adopt-a-light in fourteen districts		Q4 2016,	Secretariat/MSG	150,000	EU	

		vii) To integrate EITI dashboard module on Online Transactional Mining Cadastre Portal (OTMCP) and link to the Government open data portal	EITI dashboard module is in place and operational and linked to the open data portal	Q4 2017	Secretariat/MS G/ MEM	200,000		
Outcome 3: Enhanced legal and institutional framework for EITI implementation		(i) Preparation of TEITI Regulations		Q2 2017	MEM/ACG/MS G	60,000		
		ii) Procure consultant to carry out staff needs assessment for TEITI secretariat and develop job descriptions for proposed vacancies		Q1 2017	Secretariat/MS G	60,000		
		(iii) Establish TEITI as independent legal entity in order to reinforce legal and institutional requirements including allocation of rights and licenses		Q3 2017	MEM/ACG/MS G	50,000		
Outcome 4: Increased capacity, skills and		Increase understanding of extractive sector and revenue streams			Secretariat/MS G			

knowledge of TEITI Secretariat and Multi-Stakeholder Group								
		i) Training for new MSG and CSOs in the extractive industries value chain as per EITI Standard 2016		Q3 2017	Secretariat/MSG	173,500		
		ii). Educate 200 CSOs on upstream and downstream activities in the gas sub-sector		Q3 2017, Q2 2018	Secretariat/MSG	500,000		
		iii). Training to MSG and Secretariat on exploration and production, revenue collection, revenue allocations social and economic spending as reflected in EITI Standard 2016.		Q3 2017	Secretariat/MSG	100,000		
		(iv) Training to MSG on life cycles of oil and gas investment including training of CAG staff as recommended in 3rd and 4th TEITI Reports		Q4 2017, Q4 2016		60,000		
		v) Capacity building to 200 local government officials,		Q4 2016,	Secretariat/	150,000		

		extractive company representatives and community leaders in 4 Districts						
		vi) Study visit to forestry and wildlife sites by MSG and secretariat		Q4 2017	Secretariat/MSG	85,000		
		Enhance technical capacity for EITI implementation						
		(i) Training for 80 civil society groups in the use of data generated by EITI reports		Q4 2016, Q4 2017	Secretariat/MSG	200,000	EU	
		(ii). Training in EI contracts interpretation to MSG and Secretariat		Q3 2017, Q3 2017	Secretariat/MSG	160,000		
		iii) Including ASM in EITI Reporting						
		a) Procure Consultant to undertake mapping out artisanal and small-scale miners in all mining regions in Tanzania, identifying challenges for EITI reporting, and developing guidelines for reporting payments to the governments.		Q1 2017		200,000		
		b) Procure Consultant to prepare scoping study,		Q3 2018		250,000		

		undertake training on EITI reporting, and reconcile revenues collected by the government and payments made artisanal and small scale miners and mineral trades.						
		d))Training licensed mineral traders and ASM on disclosure of tax payments from exports of minerals produced by ASM		Q2 2017	Secretariat/MSG	180,000		
		vi) Develop database of financial and physical audits			Consultant/Secretariat/MSG			
		a) Establish a mechanism for TMAA and TRA to share with TEITI financial and physical audits		Q2 2017	Secretariat/MSG	20,000		
		b) Hire a consultant to develop database of financial and physical audits of extractive companies		Q2 2017	Secretariat/MSG	26,000		
	ACTIVITIES: G7-Tanzania Partnership: Framework of Key Commitments	Explore options and opportunities to extend the transparency agenda						
		i) Implement		Q1 2017,	Secretariat/MS	200,000		

		recommendations from the scoping of forestry sector to determine feasibility of including the sector in the EITI disclosure process		Q2 2017	G/MNRT/MEM			
		Public Procurement and Licensing Transparency						
		iii) create a transparent environment in public procurement and licensing processes			PPRA/Secretariat/MSG			
		a) Engage MEM and PPRA in publishing bid criteria and evaluation protocol for licensing mining, oil and gas fields		Q2 2017 Q1 2018	MEM/PPRA/Secretariat/MSG	50,000		
		Transparency Guarantee (in return for extraction rights, companies disclose info related to costs, revenues and profits)			PCCB/MEM/Secretariat/MSG			
		a) Consult PCCB and MEM in developing a register of certificate of guarantee to disclose information related to costs, revenues and profits in return for extraction rights.		Q2 2017	PCCB/MEM/Secretariat/MSG	30,000		
		v) Integrated Environmental Management Plans						
		a) Working meeting with		Q1 2017	NEMC/MEM/	110,000		

		NEMC to Create and maintain publicly available register of Environmental Action Plans			PCCB/MEM/Secretariat/MSG				
		b) Engage TMAA to Publish reports on the implementation of Environmental Action Plans		Q2 2017	TMAA/PCCB/MEM/Secretariat/MSG	35,000			
		vi) Advancing CSO Transparency							
		Consult CSOs Registrar to encourage CSOs to disclose information regarding their funding sources in the interest of openness and transparency		Q4 2016	POPOSM/Secretariat/MSG				
		vii) Client Service Charters (CSC)/ Complaints Handling Systems (CHS)			POPOSM/Secretariat/MSG				
		a) Consult POPSM to ensure a continuous update on CSC (including service standards) so that citizens know what to expect of the Government		Q1 2017	Secretariat/MSG	37,000			
		b) Consult POPSM to ensure review and update CHS to ensure efficient, transparent handling of complaints		Q2 2017	Secretariat/MSG	40,000			
		Operational Costs (Secretariat remuneration, utilities, MSG Meetings, Office equipment)				860,000		GoT	
		Office rent				250,000		EU	
		Total costs				6,440,500			

Appendix 2: List with Names and Contacts of Members of TEITI-MSG

TEITI-MSG is made of three constituencies (Government, Civil Society Organizations and Extractive Companies) each represented by five members and headed by TEITI Interim Chairperson, Ms. Augustinah Kashaigili Rutaihwa (Independent).

NEW TEITI-MSG FOR THE PERIOD, 2016 – 2018.

Constituency	Name	Organization.	Contacts
Civil Society Organization.	1. Mr. Amani Mhinda	HakiMadini	amani.mhinda@hakimadini.org
	2. Ms. Blandina Sembu	SHIVYAWATA	brandyhappy@yahoo.com ;
	3. Ms. Philothea Ruvumbangu	TAMICO	pruvumbagu@yahoo.coam
	4. Dr. Camillius Cassala	Faith Based Organization.	cdnkassala2002@yahoo.co.uk
	5.		
Industry-Mining, Oil and Gas.	1. Mr. Halfan Halfan	Ophir East Africa.	halfani.halfani@ophir-energy.com
	2. Mr. Greald Muturi	Tanzania Chamber of Minerals and Energy (TCME)	geraldm@chamberofmines.org
	3. Eng. Emmanuel Jengo		immaj@chamberofmines.org
	4. Mr. Alfred Mwaswenya	Small scale Mines.	amwaswenya@yahoo.com
	5. Mr. Godvictor Lyimo	Geita Gold Mine.	godvictor.lyimo@anglogoldashanti.com
Government	1. Mr. Sudi Abdallah	Tanzania Petroleum Development Corporation (TPDC)	sudi@tpdc-tz.com
	2. Mr. Alfred Mregi	Tanzania Revenue Authority (TRA)	amregi@tra.go.tz
	3. Mr. Ezamo Maponde	Prime Minister Office	maponde59@yahoo.com
	4. Mr. John S. Kinuno	Attorney General (AG) Office	jskinuno@yahoo.com
	5. Mr. Ally Samaje	Ministry of Energy and Minerals (MEM)	samaje67@hotmail.com

TEITI. Garden Avenue. International House- 4th Floor. Email: info@teiti.or.tz Website: www.teiti.or.tz

Appendix 3: ROADMAP FOR DISCLOSING INFORMATION ON BENEFICIAL OWNERSHIP IN TANZANIA

Tanzania joined the Extractive Industries Transparency Initiative (EITI) in February 2009, with the objective of increasing transparency in the management of extractive industries. The Initiative aim to promote accountability within Governments and companies operating in Oil, Gas and Mining activities.

The 2013 EITI Standard included a provision of Disclosure of Beneficial Ownership and recommended implementing countries to maintain a publicly available register of the Beneficial Owners of corporate entities that bid for operate or invest in extractive industries including the identities of their beneficial owners and the level of ownership. The disclosure aims at reducing risks such as tax evasion and conflict of interests; increasing trust and accountability; enhancing revenue collection by controlling owners who evade/dodge tax by concealing behind shadow companies; improving rule of law; improving investment climate; and preventing corruption and illicit financial flows.

In January 2014, the EITI International initiated a pilot scheme involving eleven countries Tanzania being one of the countries that agreed to participate in a pilot study designed to assess the feasibility of requiring beneficial ownership disclosure through EITI reporting. Other countries includes:-Liberia, Nigeria, Niger, Togo, DR Congo, Burkina Faso, Sierra Leone, Zambia, Honduras and the Kyrgyz Republic.

In addition to identifying politically exposed persons and government officials that have interests in the sectors which they oversee, the pilot aims to collect and disclose company beneficial ownership. It also aims to strengthen and deepen transparency in the extractive industries; increase understanding of different ownership structure types of extractive companies that are incorporated; review key laws governing companies and company registers on requirements for companies to report beneficial ownership information.

On March 16, 2015, the Tanzania participated in a seminar on beneficial ownership held in London UK. TEITI Chairman Honorable Mark Bomani, and a Legal Officer took part in the seminar. The seminar highlighted experiences and lessons learnt from pilot countries which started disclosing information on beneficial owners, namely Ghana, Liberia, Nigeria, and Togo. Some of the key challenges that were identified was the means of lifting the veil of corporation to identify the true owners of the companies since the company is a separate entity separate from the individuals operating it, also the mechanism of verifying details and information provided by extractive companies showing the ownership details and level of ownership as well as the credibility of the information provided and absence of information on the shareholders who have significant control of the companies in many cases.

On May 8, 2015, Natural Resources Governance Institute (NRGI) and Global Witness, conducted a workshop on beneficial ownership in Dar es Salaam. The objective was to assist TEITI Secretariat in developing action plan for collecting and disclosing beneficial ownership

information, including developing a definition of beneficial owner, setting the level of ownership thresholds, and drafting a template to be used for collecting information.

In July 2015, the Parliament of Tanzania passed the Tanzania Extractive industries (Transparency and Accountability) Act. Among other things, the Act requires extractive companies that operate, bid for and invest in Mining, Oil and Gas to publish names of individuals' shareholders who owns interests in the extractive companies under Section 26 (1) (b) of TEITA Act 2015

In March 2016, TEITI hired a consultant to undertake a legal review study on beneficial ownership of the extractive companies in Tanzania. The study aims to review existing legislations especially those that relate to disclosure of ownership and persons; different entities that are incorporated under the laws of Tanzania; and registered to companies Register (Business Registration and Licensing Agency). It also aims to collect and disclose beneficial owners of the extractive companies that participated in Tanzania's fifth and sixth EITI reports. The study is scheduled to be completed before the end of the year.

At the Anti-Corruption Summit in London on May 12, 2016, the Honourable Kassim Majaliwa, Prime Minister of the United Republic of Tanzania, committed that Tanzania "will ensure beneficial ownership [information] is publicly available for all companies active in the extractive sector follow the link to obtain Tanzania Country statements https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/523454/Anticorruption_summit_Remarks_by_Hon_Kassim_Majaliwa_Prime_Minister_of_Tanzania.pdf.

Prime Minister Majaliwa also committed to ensuring that Tanzania will establish a central register for beneficial ownership of extractive companies; that law enforcement agencies will have access to the information; and that bilateral arrangements will be established with partner countries to share information.

The EITI requires that by January 1, 2020, implementing countries should disclose information on beneficial ownership through their EITI reports. In view of this requirement, the TEITI Multi-stakeholders group is publishing the following roadmap for disclosing beneficial ownership information:

Objectives	Activities	Responsible	Deadline
1. Legal framework for beneficial ownership disclosure	Review of national laws on beneficial ownership.	Consultant	March 2017
	Development of regulations for the Tanzania Extractive industries (Transparency and Accountability)	Consultant	June 2017

	Act, 2015, which will help implement provision for beneficial ownership in the law.		
2. Beneficial ownership definitions	Review of national and international definitions of beneficial ownership.	Consultant	July 2017
	Agreeing on appropriate definition of beneficial ownership for disclosure in Tanzania through a stakeholder workshop	TEITI-Multi-stakeholder Group and other stakeholders	February 2017
3. Politically exposed persons	Review existing national definitions and reporting requirements for politically exposed persons (PEPs).	Consultant	November 2017
	Align PEPs disclosure with proposed definition of beneficial ownership disclosure for Tanzania through a stakeholder workshop.	TEITI-Multi-stakeholder Group and other stakeholders	September 2017
4. Level of disclosure details and data reliability	Agreeing on level details of disclosure for beneficial ownership (e.g., nationality, level of ownership, how ownership is exerted, date of birth, residential address, means of contact, etc.) through a stakeholder workshop.	TEITI-Multi-stakeholder Group and other stakeholders	December 2016
	Agreeing on a threshold for reporting on beneficial ownership through a stakeholder workshop.	TEITI-Multi-stakeholder Group and other stakeholders	December 2016
	Agreeing on a mechanism to ensure reliability of data from companies for the pilot study and beyond through a stakeholder workshop.	TEITI-Multi-stakeholder Group and other stakeholders	May 2017
5. Data collection procedures and data accessibility	Agreeing on data collection approach and accessibility for the pilot study and beyond through a stakeholder workshop.	TEITI-Multi-stakeholder Group and other	May 2017

		stakeholders.	
	Agreeing on companies that will report on beneficial ownership following the completion of the pilot study.	TEITI-Multi-stakeholder Group	June 2017
6. Data timelines	Agreeing on most appropriate time for data collection of beneficial ownership beyond the pilot study.	TEITI-Multi-stakeholder Group	June 2017
7. Institutional framework	Consultation with government agencies in order to identify the agency that will be best suited to collect data and maintain a central register for beneficial ownership information of the extractive companies.	Consultant	August 2017
	Design of a central register for beneficial ownership information of the extractive companies.	Consultant	October 2017
	Establish a central register for beneficial ownership information of the extractive companies.	Host government agency and Consultant	April 2018
8. Capacity building, technical and financial assistance	Identification of financial needs for implementing the roadmap.	TEITI Secretariat	March 2018
	Identification of capacity building needs for government agencies responsible for providing data on beneficial ownership.	Consultant	March 2017
	Training for government agencies responsible for providing data on beneficial ownership.	Consultant	May 2017