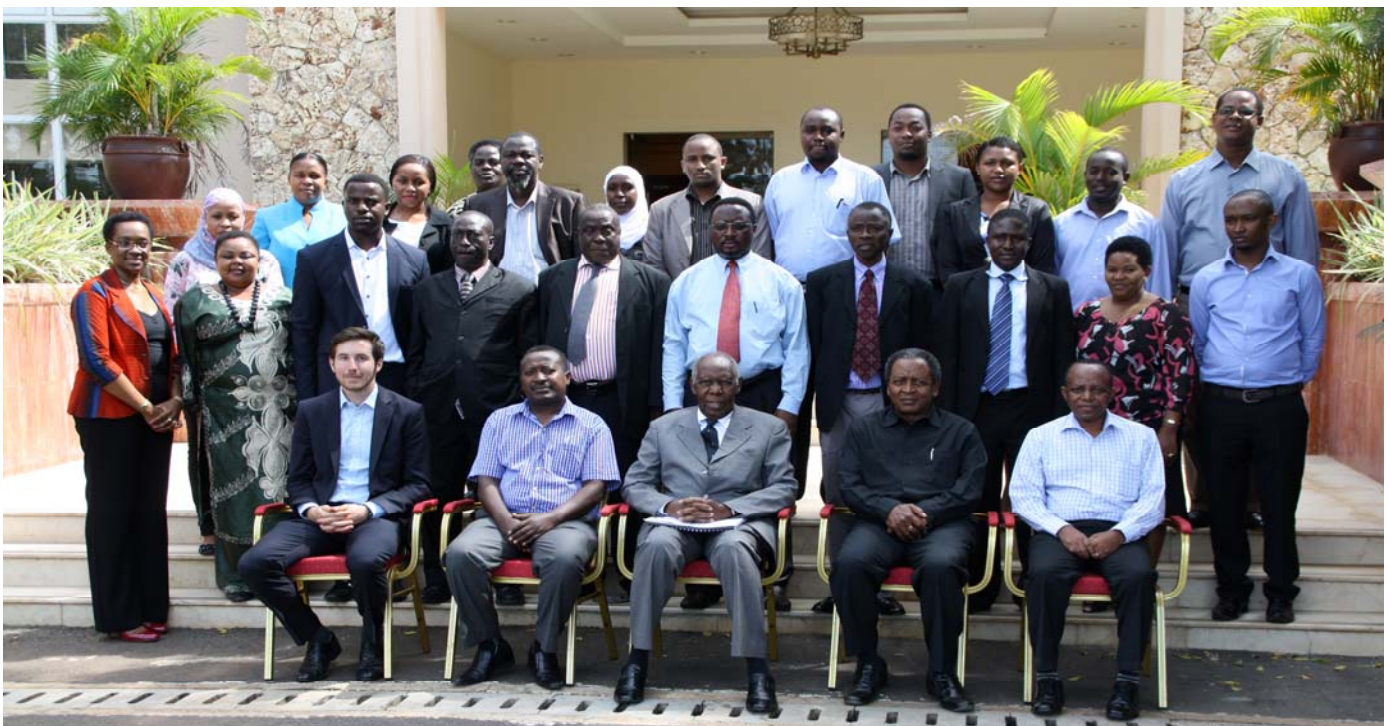




Mpango wa Uhamasishaji Uwazi katika
Mapato ya Madini, Gesi asilia na Mafuta

TEITI ACTIVITY REPORT

JANUARY- DECEMBER 2014



**TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TEITI)
TRAINING ON UNDERSTANDING THE EXTRACTIVE INDUSTRIES VALUE CHAIN AND ALIGNING TEITI REPORTING WITH THE NEW STANDARD
18.20 JUNE 2014 AT LEDGER PLAZA BAHARI BEACH HOTEL DAR ES SALAAM.**

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List of Abbreviations

AGC	Attorney General Chambers
BG	British Gas
CSOs	Civil Society Organizations
DPs	Development Partners
EITI	Extractive Industries Transparency Initiative
ESWG	Extractive Sector Working Group
GoT	Government of Tanzania
IA	Independent Administrator
IMF	International Monetary Fund
M&E	Monitoring and Evaluation
MCIMS	Mining Cadastre Information Management System
MEM	Ministry of Energy and Minerals
MPSA	Model Production Sharing Agreement
MSG	Multi –Stakeholders 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
ONGEA	Oil,Natural gas& Environment Alliances
PMORALG	Prime Minister’s 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

Foreword by Hon. Judge Mark Bomani (Rtd), Chairperson of MSG

The GoT joined the EITI in February 2009 with the objective of increasing transparency in the management of extractive industries by holding accountable institutions which are responsible with mining, oil and gas. This is critical especially now in a wake of discoveries of gas reserves (approximately 53 tcf in 2014), and historical mixed views as to what extent the mineral sector has contributed to poverty alleviation in the country. By the nature extractive industries, the anticipated revenue is a short-lived phenomenon that needs to be effectively captured and managed by specialized fiscal regime and revenue management systems to ensure that revenues realized are used to raise and sustain standards of living of Tanzanians- both present and future generations. To this effect, the GoT is strengthening policies, laws and regulations for management of mining, oil and gas resources with the purpose of optimizing benefits to all Tanzanians.

EITI objectives compliment the Government's efforts to enhance governance of natural resources so that the exploitation of these resources can stimulate growth and help to reduce poverty. MSG is contributing to this cause by collaborating with the Government to mainstream EITI implementation into the Government's administration framework for extractive industries. Some of the updates of this report to the reader is on progress made during 2014 in strengthening institutional collaboration and the ways transparency and accountability mechanisms are being incorporated in extractive industries policy developments, laws and regulations.

The six years of implementing EITI in Tanzania (2009-2015) have already brought important benefits to the country. The disclosure of extractive industries payments and revenues through EITI has helped to improve revenue collection and accountability. Kilwa district council is the case example. The 2009/10 TEITI Report revealed that 0.3 Service Levy paid by PanAfrican Energy Tanzania Limited from Songo Songo field in Kilwa region were wrongly paid to Ilala Municipal in Dar es Salaam where the company's main office is located as opposed to paying the levy to Kilwa district council which hosts extraction of the gas. Since that revelation, the Kilwa district council receives around around TzS 110,000 million (USD 61,000) on every quarter of the year (MEM booklet).

The experience of Lindi triggered TEITI to initiate a dialogue with the (PMORALG) in August 2014 regarding benefits of making mandatory the disclosure of expenditures of extractive industries local levy receipts and CSR contributions for 17 district councils which host mining, oil and gas operations in Tanzania. This practice will help to disclose not only the amount of money which these councils collect, but also to account for the expenditures of such receipts. This effort will help to inform the public as to what extent service levy receipts are allocated for development expenditures.

In addition, the disclosure through EITI Reports has assisted in giving the government leverage to renegotiate service levy threshold. Prior to 2014, the holders of MDAs were paying a fixed levy of USD 200,000 regardless of the amount of sales turnover. Today all companies with MDAs are paying the 0.3% Service Levy in accordance with the mining law.

In preparation for abiding to the New Standard, in June 2014 TEITI conducted EITI Gap Assessment with the NRGi to establish a gap between contextual information provided in 2011/12 against the New Standard. The assessment was completed in June 2014 and it provides TEITI with two things: first, it makes an assessment of the extent to which the new EITI Standard have been met in the 2011-2012 Tanzania EITI report by highlighting critical gaps in the report and, where relevant, the existing legal and policy framework; and second, the assessment report makes recommendations on how TEITI can

address the reporting gaps identified. The 2012/13 Report will be prepared to conform with New EITI Standard.

This Annual Activity 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 2014. The public is invited to take note of the contents of this Report, and make such 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 natural resources are managed to benefit this and coming generations.

Mark Bomani
CHAIR PERSON, MSG

1 Background

The implementation of TEITI's 5-Year Workplan during January-December 2015 helped to advance the goal of deepening transparency in the administration of Tanzania's extractive industries so that the industries can contribute to reduction of poverty. These efforts were assisted by the G-7 Framework of Key Commitments (2013 to 2016) under the partnership between G7 countries and GoT. Appendix 3 provides details of the three-year partnership framework which was signed in July 2013 and will end in June 2016.

TEITI conducted EITI Gap Assessment with the assistance of NRGi in June 2014 to establish a gap between contextual information provided in 2011/12 against Requirements 3. The assessment was completed in June 2014 and it provides TEITI with two things: first, it makes an assessment of the extent to which the new EITI Standard have been met in the 2011-2012 Tanzania EITI report by highlighting critical gaps in the report and, where relevant, the existing legal and policy framework ; and second, the assessment report makes recommendations on how TEITI can address the reporting gaps identified.

To effectively measure the impact of EITI implementation in Tanzania, TEITI restructured its Workplan during 2014 in preparation to migrate from activity- based reporting to results-based reporting. These changes were drawn from lessons learned from peer EITI implementing countries and newly acquired reporting skills on RBM with technical assistance from the Canadian Government.

2 General Assessment of 2014 Performance

The implementation of EITI process in Tanzania during January- December, 2014 is on track against TEITI's 5-Year Workplan. The implementation of EITI in this reporting period aimed to strengthen and deepen transparency in the extractive industries.

TEITI conducted EITI Gap Assessment with the NRGi in June 2014 to establish a gap between contextual information provided in 2011/12 against the New EITI Standard. The assessment was completed in June 2014 and it provides TEITI with two things: first, it makes an assessment of the extent to which the new EITI Standard have been met in the 2011-2012 Tanzania EITI report by highlighting critical gaps in the report and, where relevant, the existing legal and policy framework; and second, the assessment report makes recommendations on how TEITI can address the reporting gaps identified. The 2012/13 Report will be prepared to conform with New EITI Standard.

The target of MSG for obtaining TEITI legislation by the end of 2015 is still within reach. As of December 2014, the process of at the Bill draft stage. Stakeholders' recommendations were submitted to the Cabinet Secretariat in May 2014 for the review and determination for the next steps of Cabinet approval and preparation of the Bill. The first review by the Cabinet Secretariat was undertaken on September 19th, 2014. The second review was held on October 6th, 2014 when the Secretariat provided clearance for submission of the proposal to Inter Ministerial Technical Committee (IMTC) subject to corrections which were noted at the meeting. The proposal for TEITI Bill is among other Bills which are in queue for Cabinet Secretariat review in 2015.

The survey to collect TEITI baseline data and development of M&E framework started in June 28th, 2013 and completed in February 2014. MSG approved these tools for tracking implementation of EITI process on February 26th, 2014. However, the tools were further revised

to ensure that core objectives in the M&E frameworks tally with workplan objectives. The review exercise was completed in August 2014.

The forestry sector scoping study was commissioned in February 2014 and it was completed in October 2014. The findings of the study were presented to forestry industry stakeholders at a validation workshop on October 9th, 2014 in Dar es Salaam. One of the findings of the report shows that 40 companies filed returns to TRA generated revenue of greater than Tsh. 3 trillion. However, only 4 companies were captured in TRA tax net. This magnitude of revenue indicates the significance of the forestry sector in the Tanzanian economy.

3 Assessment of Performance Against Targets and Activities Set Out in the Workplan (Requirement 1.4)

Below is an assessment of performance against targets and activities set out in the workplan

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

R2: The EITI requires timely publication of EITI reports

Publication of 2011/12 TEITI Report. The Report was published on June 30th, 2014 within the EITI deadline, covering the period from July 1st, 2011 to June 30th, 2012.

The simultaneous preparation of 2012/13 and 2013/14 Reports has already started. The decision to produce the 2013/14 Report in tandem with the 2012/13 Report before the end of December 2015 is intended to reduce time lag between EITI reporting and the latest published government audited report. The process of recruiting an IA to produce both reports began in May 2014, more than a year in advance of the deadline (30th June 2015) for 2012/13 Report.

Seven bidders expressed interest but only two were recommended by evaluation committee : Moore Stephens (UK) came first and BDO East Africa came second. However, the issuance of RfP to Moore Stephen failed to proceed as the firm had not completed duties in the previous contract related to production of the 2011/2012 report (payment amounting to 10% of the contract sum was still withheld by the Client). On November 13th, 2014, the contract was officially terminated and payment amounting to 10% of the contract was cancelled for failure to complete the contract. Moore Stephen acknowledged receipt of the cancellation notice on November 30th, 2014.

Following an official windup of the previous contract, Moore Stephen was asked to submit technical and financial proposals on 19th February 2015, The firm submitted a technical proposals which was evaluated accordingly but failed to pass minimum scores, this lead the evaluation team to recommend the second successful firm on the shortlist (BDO) to submit proposals. BDO submitted technical and financial proposals on 11th May 2015. The assessment was finalized on 26th May, 2015 in favor of the firm. MSG endorsed appointment of BDO East Africa to produce the 2012/13 TEITI report on 17th June 2015. The firm is in the process of producing the scoping report before end of July 2015. TEITI plans to publish 2012/13 report on 30th October 2015.

R3.: The EITI requires to disclose Social Expenditures

This is being done in TEITI Reports. There is a unilateral disclosure of social expenditures

incurred by extractive companies in the 2010/11 and 2011/12 TEITI Reports. In addition, a TEITI staff is a member of Corporate Social Responsibility and Empowerment (CSRE) initiative under the Ministry of Energy and Minerals whereas Presidential Awards are granted annually for EI companies with outstanding CSR practices. CSR reporting is among the activities in TEITI Workplan.

R3: The EITI encouraged contracts disclosure

Disclosure of contracts to engage EI companies and GoT on establishing open contract registry. Disclosure of contracts is encouraged under the new EITI Standard. In view of the importance of open contracting in Tanzania's extractives industries, TEITI is in the process of preparing TEITI Law which will include provisions for disclosing contracts from the time it comes into force. For contracts which were signed prior to TEITI Law, TEITI is working in collaboration with MEM to prepare policy that will provide actual practice for disclosing past contracts which were signed before the establishment of TEITI law. In the process of developing the policy, TEITI will organize roundtable discussion of stakeholders during 2015 comprising Open Government Partnership OGP, OGAT, TCME, government agencies which are responsible for mining, oil and gas sub-sectors, and Uongozi Institute (Tanzania-Natural Resource Charter) to support efforts of the Government and extractive companies in working towards a plan of action detailing how contract disclosure would be made a reality.

R3: The EITI requires disclosure of beneficial ownership (Understanding who owns and benefits from mining, oil and gas licenses)

In January 2014 Tanzania agreed to participate in the beneficial ownership pilot aimed to assess the feasibility of requiring beneficial ownership disclosure through the EITI. This involves reviewing existing disclosure practices and identifying obstacles for disclosure of individuals who own and benefit from mining, oil and gas licenses and contracts. To achieve this goal, TEITI began a process of recruiting a consultant in May 2014 who will conduct a legal review to inform on approach for disclosing those individuals owning stakes and benefiting from Tanzania's minerals, oil and gas resources.

MEM issued an invitation to eligible firms on May 26th, 2014 to express interest for undertaking the assignment. Five local firms applied to undertake the study. The evaluation committee comprised of four members submitted its report on July 2014, but with divided recommendation on two firms, one (former) which is a legal firm and the other (latter) whose strength is on management consultancy.

Three members of the committee recommended the latter, and one member recommended the former, and supported her views by demonstrating that the assignment involve legal review and a legal firm is in the better position to undertake the study. To resolve the matter, the procurement unit was asked by the Ministerial Tender Board on November 4th, 2014. Regardless of these challenges, it is expected that the recruitment process will be completed during the first quarter of 2015 and a selected consultant will begin the assignment by April 2015.

In addition, MEM in collaboration with TEITI are working to establish open registry for licenses to identify beneficial ownerships and to include names of individuals who own mineral rights for non-public traded companies. MEM maintains open mineral rights registry, both in hard copies and digital database known as Mining Cadastre Information Management System (MCIMS). The MCIMS is a rules-based system aligned with the Mining Act 2010. Mineral rights are granted on first-come, first-served basis. Information on tenements can be accessed in person at the Licensing

Unit, Ministry of Energy and Minerals, or by online tenement portal at <http://portal.mem.go.tz/map>

R4: The EITI requires to disclose Subnational transfers, expenditure receipts

As provided in the EITI Gap Assessment Report against 2011/12 TEITI Report, total material payments to SOEs and other government agencies are reported on p.53. Payments and transfers by every company to SOEs and other government agencies are covered in Annex 5. In addition, transfers between TPDC and the government appear on pp. 51, 52. However, the report does not provide explanation for the prevailing rules and practices on the financial relationship between the government and SOEs and the report does not provide explanation on corporate governance rules for SOEs. The recommendations provided in the Assessment Report on sub-national transfers and SOEs (and other gaps identified) will be dealt with in the 2012/13 and 2013/14 Reports which are underway and as provided in section 1.4 and Annex I (contextual information) of the ToR

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B. 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.

The 2011/12 TEITI Report was published on June 30th, 2014. The wider dissemination of the Report waited for the translation to Swahili. TEITI commissioned *Baraza la Kiswahili Tanzania* (BAKITA) in July 2014 to do the translation, but it is unfortunately taking longer than anticipated due to technical nature of the subject. BAKITA submitted the draft translated report to TEITI on October 10th, 2014. The final translated report will be submitted to MSG in January 2015 for approval. Kiswahili translation is intended for improving dissemination of TEITI reports.

C. Outcome 3: Enhanced legal and institutional framework for EITI implementation

TEITI Law developments are on track. Recommendations which arose from stakeholder consultations (CSOs, extractive companies, and the Government) were then submitted to the Ministry of Energy and Minerals in December 2013 to begin the process of preparing TEITI Bill. The process requires the Ministry to consult with other Government institutions to assess the impact of the proposed law on their operations. This consultation process was completed in May 2014. The feedbacks along with other stakeholders' recommendations were submitted to the Cabinet Secretariat in May 2014 for the review and determination for the next steps of Cabinet approval and preparation of the Bill.

The first review by the Cabinet Secretariat was undertaken on September 19th, 2014. However, the Secretariat raised issues which call for explanations from the Ministry of Energy and Minerals. The Ministry addressed the concerns raised and re-submitted the proposal to the Secretariat on October 6th, 2014. At this second review, the Secretariat provided clearance for submission of the proposal to Inter Ministerial Technical Committee (IMTC) subject to corrections which were noted at the meeting. The proposal for TEITI Bill is among other Bills which are in queue for Cabinet Secretariat review. These other proposals were presented to the Secretariat ahead of the TEITI proposal, and therefore, the cause for scheduling the first review on September 19th, 2014 than previously anticipated.

The Tanzania Extractive Industries (Transparency and Accountability) Bill of 2015 was presented

and read for the first time at the National Assembly in Dodoma on 16th June 2015. The Bill was then circulated and shared to TEITI MSG, DPs and various stakeholders. TEITI MSG held special meeting from 17th and 18th June 2015 where members scrutinized the Bill and suggested amendments. In addition, MSG decided to form a sub-committee to refine the proposed amendments. The sub-committee met on 22nd June 2015, where the lead of DP-ESWG participated and views of DPs were also discussed and included in the final proposed amendments.

On the 24th June 2015, a public hearing was called by the Parliament Committee for Energy and Minerals in Dodoma for the purpose of collecting views and comments on the Bill. Diverse groups of stakeholders participated in the hearing including member of MSG, ONGEA, NRGI, Tanganyika Law Society, Police Forum, HAKI MADINI, Interfaith organization - representing CSOs. The industry was represented by Statoil, BG, OGAT, Maurel & Prom, Exxon Mobil and DPs side a representant from Royal Norwegian Embassy attended. All the groups that were present made presentation of their proposed amendments on the Bill and were asked to present the same in writing to the Clerk of National Assembly Office.

On the 6th July 2015, the Minister for Energy and Minerals presented TEITI Bill for the second reading alongside with its schedule of amendments at the Parliament. The Bill was discussed and was successfully passed.

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

R7: Actions to extend scope and engagement with stakeholders in EITI

EITI Community of Practice (CoP) Workshop: This workshop was organized by the World Bank from September 17-18, 2014 in Addis Ababa, Ethiopia. Two members from TEITI Secretariat and one member of MSG attended the workshop. The event brought together members from the CoP pilot countries (Ethiopia, Zambia, Tanzania, Ghana, and Cameroon) who will be pioneer of the program in their respective countries. The aim of the Workshop was to: (a) consolidate the platform of EITI CoP for knowledge and information sharing, (b) familiarize the members with key features of the online platform, (c) share understanding with respect to the value, mandate and functions of EITI CoP, (d) identify areas of interest and challenges that need to be addressed, and (e) designate roles, in addition to setting a timeline for future activities.



Figure 1: Participation of TEITI at the Community of Practice (CoP) Workshop in September, 2014 in Addis Ababa, Ethiopia

EITI National Coordinator Meeting: National Coordinator’s meeting took place on August 21st – 22nd, 2014 in Addis Ababa. It was attended by two members from TEITI Secretariat. The meeting aimed at exchanging and sharing ideas among the African Anglophone EITI countries.

MSG Workshop on lessons learned/Reconciler Recommendations for 2010/11 and 2011/12 TEITI Reports: Recommendations stemming from both 2010/11 and 2011/12 Reports will be examined on the extent to which they will be utilized during the course of preparing 2012/13 Report, including recommendations in the EITI Gap Assessment Report against the 2011/12 Report.

Capacity building for CSOs: TEITI, in collaboration with Haki Madini, facilitated the participation of CSOs in the East Africa Community Festival in November 2014 whose objective were to create awareness and capacity building of CSOs on extractive industries in the region.

Training for MSG, CSOs and Secretariat in EI value chain: A two-day workshop on extractive industries value chain was held on June 18th – 19th, 2014; and the first workshop on similar subject was conducted on August 26th- 27th, 2013. These two (2) workshops helped to develop a deep understanding of extractive value chain for MSG, the Secretariat and other key stakeholders. Experts on the subject were invited to train from NRG, TMAA, TRA, TPDC, and MEM. This workshop was conducted in tandem with MSG meeting to discuss and review EITI Gap Assessment report which was conducted by NRG for TEITI in preparation for annual reporting under New EITI Standard. The workshop was attended by thirty (30) participants.

Orientation Training for MSG on New EITI Standard: Three MSG members participated in the regional training on new EITI Standard on March 3-6, 2014 in Dar es Salaam, organized by EITI International Secretariat. A similar capacity building workshop for the remaining MSG members was conducted on June 18th- 19th, 2014. The training helped the MSG to understand and apply the requirements under new standard in implementing the EITI.

Regional Outreach Activities: (i) TEITI hosted and participated in the Regional training workshop on new EITI Standard for 9 Lusophone/Anglophone EITI implementing countries on March 4th - 6th, 2014. And (ii) TEITI participated at IMF-EAC Conference in Arusha in January 2014. A member of TEITI staff made presentations and participated in the panel to share EITI

implementation- the Tanzania experience.

Participation in National & International Exhibitions: Two Secretariat staff attended Indaba Mining Conference in Cape Town, South Africa on February 3rd-6th, 2014. TEITI promoted Tanzania's efforts in creating transparency in extractives to attract FDI in mineral sector. During the training members shared experience particularly in creating transparency and accountability of revenue obtained from mineral, oil and gas sector.

Workshops on capacity building in the Lake Victoria Regions

On 2th to 7th June 2014 TEITI- MSG members and Secretariat staff held training workshops in Geita, Kahama and Tarime districts. These workshops constitute part of activities outlined in TEITI work plan for the year 2014 in regard to dissemination of EITI reports. These workshops aimed at providing highlights from TEITI's Third Report, covering payments received from extractive companies and receipts received by the Government during the financial year 2011-2012. The three workshops were attended by three hundred (300) participants. Broadly such workshops are aimed at creating awareness on the public to demand transparency in the extractive industry in order to enhance accountability in management of the sector. More than nine hundred (900) copies of TEITI brochures and reports were distributed to participants.



A Cross-section of participants in Geita



A Cross-section of participants in Kahama



A Cross-section of participants in Tarime

4 Assessment of Performance Against EITI Requirements

Table 2

Requirements:	Progress:
Requirement 1: The EITI requires effective oversight by the multi-stakeholder group.	The implementation of EITI in Tanzania is in good progress under the oversight of MSG which meets monthly to make decisions. Members of MSG participate in public outreach workshops and engage in public debates on extractives governance.
Requirement 2: The EITI requires timely publication of EITI Reports.	Tanzania has complied with this obligation by timely disclosing payments and receipts. The 2011/12 TEITI Report was published on June 20th, 2013 within set deadline.
Requirement 3: The EITI requires EITI Reports that include contextual information about the extractive industries.	The 2011/12 TEITI Report and previous reports included a good amount of contextual information ahead of EITI reporting requirement for Tanzania under the new Standard which came out in July 2013. However, the 2012/13 Report will provide contextual information according to New Standard.
Requirement 4: The EITI requires the production of comprehensive EITI Reports that include full government disclosure of extractive industry revenues and disclosure of all material payments to government by oil, gas and mining companies.	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. Those reporting entities (both extractive companies and statutory recipients of government revenues) which are requested to participate in EITI reporting comply as requested

<p>Requirement 5: The EITI requires a credible assurance process applying international standards.</p>	<p>The process of reconciling TEITI reports adheres to international practice and standards. The Independent Administrator is required to report and seek MSG's approval in the event a reporting entity submits uncertified payments or revenues data. MSG address challenges of inadequately prepared/ uncertified templates by drawing lessons learned and hold annual training workshops for reporting entities prior to commencing reconciliation exercises.</p>
<p>Requirement 6: The EITI requires EITI Reports that are comprehensible, actively promoted, publicly accessible, and contribute to public debate.</p>	<p>TEITI public outreach to date has been focusing primarily in communities surrounding extractive operations. However, a consultant (Afrikan Image) was hired in 2013 to prepare communication tools for public outreach and were near completion in December 2014.</p>
<p>Requirement 7: The EITI requires that the multi-stakeholder group takes steps to act on lessons learned and review the outcomes and impact of EITI implementation.</p>	<p>The lessons learned from EITI reporting and what MSG is doing to address concerns raised is provided in Appendix 2</p>

5 Specific Strengths or Weaknesses Identified in the EITI Process

a) Strengths

- EITI is increasingly getting mainstreamed in the administration of extractive industries in Tanzania. Policy makers have included transparency and accountability in key policy and legal documents for managing extractive industries, namely: The Petroleum Act, 2015 by the Ministry of Energy and Minerals; The Revenue Management Act, 2015 by the Ministry of Finance.
- TEITI has contributed to the on-going dialogue of contract disclosure in the extractive industries. In view of the importance of open contracting in Tanzania's extractives industries, a roundtable discussion comprising TEITI, Open Government Partnership (OGP), Oil and Gas Association Tanzania (OGAT), Tanzania Chamber of Mines and Energy (TCME), the Government, and Uongozi Institute is proposed to take place in 2015 to support efforts of the Government and extractive companies in working towards a plan of action detailing how contract disclosure would be made a reality with the view of issuing an official statement committing to contract disclosure in the second roundtable.
- Including forestry industry in the revenue disclosure through EITI process. The forestry sector scoping study was commissioned in February 2014 and it was completed in October 2014. The findings of the study were presented to forestry industry stakeholders at a validation workshop on October 9th, 2014 in Dar es Salaam. One of the findings of the report shows that 40 companies filed returns to TRA generated revenue of greater than Tsh. 3 trillion. However, only 4 companies were captured in TRA tax net. This magnitude of revenue indicates the significance of the forestry sector in the Tanzanian economy.

- The sector contributes 4% of GDP and employs a large number of citizens along its value chain. In the light of the findings of the study, stakeholders of the forestry industry have observed that- similar to oil and gas and mining- an EITI process in the forestry industry can bring the needed transparency in revenue collections and accountability in sector management.
- In consideration of interests expressed by the stakeholders to participate in the EITI process, MSG agreed to expand its structure to include one member from Tanzania Forestry Service (TFS), one member from Civil Society Organizations (CSOs), and one member from forestry companies to help with oversight.

b) Challenges

i) Large coverage area

Tanzania has a total land area of 945,203 km² and with a population of approximately 47.2 million people in 2014 (NBS). As the statistics reveal, Tanzania is a large country. Carrying out a national-wide public outreach to sensitize citizens on EITI process and on the use of EITI data remains the single most important challenge facing the implementation of EITI in the country. Preparations of communication tools for public outreach (TV and radio adverts, documentaries, and billboards) by a consultant (Afrikan Image) was near completion in December 2014.



Figure 2: TEITI Collaborating with HakiMadini and NRGi to Conduct a Workshop to the Public on the Use of EITI Data

Given the size of the country, TEITI Secretariat and MSG cannot do the national-wide public outreach alone. TEITI is building alliances with other stakeholders to do the public outreach. TEITI is

collaborating with CSOs in the urban areas who have extensive networks at the grassroots-level to disseminate and prepare platforms for debating TEITI reports.

TEITI will use the aid of available online visualization programs (i.e. open data, display of EITI data by using dashboards, and info graphics) to enable the public have access to EITI data. Once the online infrastructure is developed, this method of using visualization programs can be sustained considering that it is cost effective and it is a supplement to the use TV and radio adverts, billboards, documentaries, workshops, and conferences to disseminate information.

ii) Lack of EITI Database in Tanzania

Since TEITI Secretariat does not have a comprehensive database of all extractive companies in Tanzania, it is therefore difficult to contact extractive companies as no communication can be made. This also hinders data collection process during the preparation of EITI reconciliation reports.

iii) Procurement delays

TEITI activities sometimes are delayed, due to limited capacity of procurement unit under the Ministry of Energy and Minerals. This hinders the implementation of TEITI activities with specific deadlines.

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 5-year workplan provides financial needs for FY 2012 to 2017. In the next FY 2014/15, funding commitments from GoT is TzS 850 million, DFATD CAD \$500,000, and European Union € 300,000. The Government of Norway committed USD 720,000 in February 2011 to support the GoT in promoting transparency in extractives for the period until June 2014; the Canadian Government committed CAD \$500,000 in March 2013 for each year until June 2017; and the World Bank committed USD 350,000 to cover the period from July 2012 to June 2014. MSG is grateful for the support and for the assistance of all other partners contributing to the achievements of TEITI through financial or technical support.

BUDGET						
Key Result Areas	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Source
	USD	USD	USD	USD	USD	
Objective 1. Increase in Compliance and Disclosure of Payments and Revenues						
Activities:						
R2: The EITI requires timely publication of EITI reports						
1. Publication of 5th & 6th report						
(i). Advertising of bid to hire Independent Reconciler						
(ii) Complete Scoping Study		100,000				DFATD
(iii) Train reporting entities in completing reporting templates		30,000				DFATD
(iv) Collect payments and receipts data to conduct reconciliation		200,000				DFATD
(vi) Circulate draft report amongst stakeholders						
(vii) Launch 5th & 6th TEITI reconciliation report and Publish the Report		20,000				GOVT
(viii) Translation of 5th & 6th reconciliation report into into Kiswahili and Brail Language & printing of full report and short versions) including report dissemination		150,000				DFATD
4. Publication of 7th report						
(i). Advertising of bid to hire Independent Reconciler						
(ii) Complete Scoping Study			50,000			GOVT
(iii) Train reporting entities in completing reporting templates			30,000			GOVT
(iv) Collect payments and receipts data to conduct reconciliation			100,000			DFATD
(vi) Circulate draft report amongst stakeholders						
(vii) Launch 7th TEITI reconciliation report and Publish the Report			10,000			GOVT
(viii) Translation of 7th reconciliation report into into Kiswahili and Brail Language & printing of full report and short versions)			100,000			DFATD
5. Publication of 8th report						
(i). Advertising of bid to hire Independent Reconciler						
(ii) Complete Scoping Study				30,000		GOVT
(iii) Train reporting entities in completing reporting templates				100,000		DFATD
(iv) Collect payments and receipts data to conduct reconciliation				50,000		DFATD
(vi) Circulate draft report amongst stakeholders						
(vii) Launch 8th TEITI reconciliation report and Publish the Report				10,000		GOVT
(viii) Translation of 8th reconciliation report into into Kiswahili and Brail Language & printing of full report and short versions)				100,000		DFATD
R3.: The EITI requires to disclose Social Expenditures						
Undertake study on local supply-chain in mining, oil and gas to determine local content potential and gaps		89,000				
Implement recommendations from a study study on local supply-chain in mining, oil and gas to determine local content potential and gaps			25,000	20,000	15,000	GOVT
R3: The EITI encouraged contracts disclosure						
Engage EI companies and Government in reaching concensus on establishing open contracts registry.			10,000	5,000	5,000	GOVT
R3: The EITI requires disclosure of beneficial ownership						
(i) Establish open registry for licensees to identify beneficial ownerships		89,000	10,000	10,000	10,000	DFATD
(ii) Commission a study to establish supply chain of mineral exports (destinations) from Tanzania		89,000				DFATD
(iii) Implement recommendations from a study a study to establish supply chain of mineral exports from Tanzania			15,000	20,000	25,000	DFATD

R4: The EITI requires to disclose Subnational transfers and payments						
(i) Conduct workshop to Directors and District Treasurers of 17 district councils that host mining , oil and gas operations on disclosure of receipt expenditure and CSR contributions that host mining , oil and gas operations		89,000		85,000		DFATD
(ii) Establish a mechanism of tracking transfers from the Central Government to district councils that host large scale mining operations		15,000	10,000	15,000	15,000	DFATD
xv) Undertake/Commission validation of TEITI			10,000			GOVT
a) Procure validator, produce and agree validation report			5,000			GOVT
b) Print, translate and disseminate the Validation/Secretariat review report and communicate findings				90,000		GOVT
xiv) Implement recommendations and requirements for achieving compliance				60,000		GOVT
xv) Workshop on lessons learnt from validation (TEITI-MSG and wider stakeholder groups)					50,000	GOVT
Objective 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			80,000	80,000	70,000	DFT
(ii) Conduct eight (8) community roadshows on TEITI reconciliation reports to raise awareness in districts.		100,000	100,000	100,000	100,000	GOVT
(iii) Organize two (2) workshops to Address gender equality in extractive industry			50,000		50,000	GOVT
(iv) Train 200 parliamentarians on EITI		180,000	150,000	180,000	180,000	DFATD
(v) Participate in two (2) National and two (2) International exhibitions and show events	10,000	30,000	30,000	30,000	30,000	GOVT
(vi) Organize three (3) Outreach events to District Executive Directors on disclosure of CSR, local content and expenditure of revenues from extractive companies	20,000	25,000	25,000	25,000	25,000	GOVT

(vii) Broadcast 300 spot TV adverts, 300 Radio programmes (adverts), 4 documentaries on EITI implementation	20,000	60,000	200,000	100,000	150,000	DFATD
(vi) Hiring space for 12 billboards and 12 adopt-a-light in fourteen districts		150,000	150,000	150,000	150,000	DFATD/EU
(vii) Produce promotional materials annually: 3000 Stickers, 3000 fliers, 3000 pens, 5000 T-shirts, 2000 bags with TEITI slogan, 2000 paper folders	220,000	150,000	160,000	160,000	200,000	DFATD/EU
Objective 3: Enhanced enabling legal and institutional framework for EITI implementation						
Activities:						
(i) Drafting TEITI Bill	10,000					
(ii) TEITI Bill presented to Parliament (First reading)		30,000				GOVT
(iii) MSG meeting with Parliamentarians to review TEITI Bill		70,000				GOVT
(iv) Public hearing of draft TEITI Bill			50,000			GOVT
(v) Second reading of TEITI Bill				30,000		GOVT
(vi) Printing TEITI Legislation				70,000		GOVT
(vii) Preparation of TEITI Regulations					60,000	GOVT
(viii) Establish TEITI as independent legal entity (Commission/Agency)					50,000	GOVT
Outcome 4: Increased capacity, skills and knowledge of TEITI Secretariat and Multi-Stakeholder Group						
ACTIVITIES: EITI Requirements						
Increase understanding of extractive sector and revenue streams						
i) Training for new MSG in the extractive industries (renewable and non renewable) value chain	60,000			50,000		
ii). Educate 200 CSOs on upstream and downstream activities in the gas sub-sector		100,000	120,000	130,000	150,000	GOVT
iii). Visits to mining, oil/gas operations sites for CSOs, MSG and secretariat		50,000		50,000		GOVT
(iv) Training to MSG on life cycles of oil and gas investment		30,000		30,000		GOVT
v) Capacity building to 200 local government officials, extractive company representatives and community leaders in 4 Districts	30,000	120,000	150,000	150,000	140,000	GOVT
vi) Study visit to forestry and wildlife sites by MSG and secretariat		20,000	20,000	25,000	20,000	GOVT

Enhance technical capacity for EITI implementation						
(i) Training for 80 civil society groups in the use of data generated by EITI reports		60,000		60,000	80,000	EU
(ii). Training in EI contracts interpretation to MSG and Secretariat		80,000		80,000		EU
iii) Hire M & E Officer		24,000	24,000	24,000	24,000	DFATD
R7: Actions to extend scope and engagement with stakeholders in EIT						
i) Finalize a study to undertake scoping of forestry sector to include the sector in the EITI disclosure process	62,000					RNE/FINLAND
ii) Implementation of recommendations from a study to undertake scoping of forestry sector to determine feasibility of including the sector in the EITI disclosure process		15,000	120,000	160,000	200,000	GOVT/FINLAND
iii) Commission a study to assess legal and technical feasibility for consideration of automated online disclosure of extractive revenues and payments (e-reporting) by Government and companies on a continuous basis.		80,000				EU
iv) Implementation of recommendation from a study of assessing legal and technical feasibility for consideration of automated online disclosure of extractive revenues and payments (e-reporting) by Government and companies on a continuous basis.			50,000	50,000	50,000	EU
v) Document GoT Policy on disclosure of contracts and agreements signed before 2014						
a) Preparation of ToR						
b) Expression of interest, evaluation and contract signing						
c) Hire consultant to Develop Policy on actual practice of disclosing contracts and agreements signed before 2014				60,000		DFATD
vi) Disclosure of contracts and agreements signed after 2014						
a) Workshop with Government and extractive companies in reaching consensus on disclosure of contracts		40,000				DFATD
b) Workshop with CSOs to agree on approach in which public will have ease access to disclosed contracts			60,000			DFATD
c) Recruit a consultant to advise on how to develop accessible database on disclosed contracts				80,000		DFATD

vii) Including ASM in EITI Reporting						
a) Hire a consultant to assess existing administrative system of ASM and develop mechanism of including this subsector in EITI reporting			80,000			GOVT
b) Training licensed mineral traders and ASM on disclosure of tax payments from exports of minerals produced by ASM			60,000	60,000	60,000	GOVT
viii) Develop database of financial and physical audits						
a) Establish a mechanism for TMAA and TRA to share with TEITI financial and physical audits			10,000		10,000	DFATD
b) Hire a consultant to develop database of financial and physical audits of extractive companies	8,000		7,000	6,000	5,000	DFATD
ix) Create a transparent environment in public procurement and licensing processes						
a) Engage MEM and PPRA in publishing bid criteria and evaluation protocol for licensing mining, oil and gas fields	7,000		6,000	7,000	6,000	DFATD
x) Engage EI companies to commit in disclosing information related to costs, revenues and profits in return for extraction rights.						
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.	8,000		7,000	8,000	7,000	DFATD
xi) Integrated Environmental Management Plans						
a) Working meeting with NEMC to Create and maintain publicly available register of Environmental Action Plans			10,000		100,000	
b) Engage TMAA to Publish reports on the implementation of Environmental Action Plans	15,000		10,000	5,000	5,000	DFATD
xii) Advancing CSO Transparency						
a) Consult CSOs Registrar to encourage CSOs to disclose information regarding their funding sources in the interest of openness and transparency	10,000		8,000	6,000	5,000	DFATD
xiii) Client Service Charters (CSC)/ Complaints Handling Systems (CHS)						
a) Consult POPSM to ensure a continuous update on CSC (including service standards) so that citizens know what to expect of the Government	10,000		10,000	9,000	8,000	DFATD
b) Consult POPSM to ensure review and update CHS to ensure efficient, transparent handling of complaints	12,000		10,000	10,000	8,000	DFATD
Operational Costs (Secretariat remuneration, utilities, MSG Meetings, Office equipment and rent)	530,000	520,000	530,000	520,000	550,000	GOVT
	962,000	2,875,000	2,662,000	3,100,000	2,613,000	

7 Conclusion

The implementation of the EITI process in Tanzania during January-December, 2014 is on track against TEITI's 5-Year. During the reporting period, MSG has maintained its commitment to promote healthy public debates on how Tanzania natural resources are managed so that they benefit this and coming generations; strengthened institutional collaboration with the Gouvernement to mainstream EITI implementation into the Government's administration framework for extractive industries.

During 2014 and in coming years, MSG will 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. In recognition of the important role of CSOs in contributing to healthy public debates on resource governance, capacity building activities for CSOs and collaborations in conducting public outreach will be enhanced in coming years.

Approved by MSG:

Date:

8 Appendix 1: 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-Chairperson Hon. Mark Bomani (Independent)

Government Constituency

Name	Organization	Contact
Mr. Kharist Luanda	Prime Minister Office-Local Authorities	kmluanda@yahoo.co.uk
Eng. Paul Massanja	Ministry of Energy and Minerals	Pmasanja@tmaa.go.tz
Mr. Yona Kilagane	Tanzania Petroleum Development co-operation	p.ngowi@tpdc-tz.com
Mr. Alfred Missana	Ministry of Finance	alfredmisana@yahoo.com
Mr. Alfred Mregi	Tanzania Revenue Authority	amregi@tra.go.tz

Civil Society Organizations

Name	Organization	Contact
Ms. Blandina Sembu	People with Disabilities	brandyhappy@yahoo.com
Bishop. Stephen Munga	Inter-Faith Organization	Bishop.munga@elct-ned.org
Mr. Amani Mhinda	HAKI MADINI	amhinda@gmail.com
Mr. Bubelwa Kaiza	PWYP-Fordia	bubelwa.kaiza@fordia.org
Mr. Mbaraka Igangula	Trade Union	Igangula@yahoo.com

Extractive Companies

Name	Organization	Contact
Ms. Kate Methley	OGAT	Kate.methley@orphir-energy.com
Mr. Alfred Mwasenywa	Small Scale Miners	amwasenya@yahoo.com
Mr. Gerald Mturi	Tanzania Chamber of Mines and Energy	geraldm@resolute-ltd.co.au
Mr. Godvictor Lyimo	Tanzania Chamber of Mines and Energy	Godvictor.lyimo@geitagold.com
Mr. Emmanuel Jengo	Tanzania Chamber of Mines and Energy	immaj@chamberofmines.org

9 Appendix 2: Overview of MSG’s responses to the recommendations from TEITI reconciliation reports

Lessons learned and recommendations from the reconciliation of 2010/11 and 2011/12 TEITI report

IA’s Recommendation	Description of Actions Undertaken
<p>Government Agencies Cooperation: For effective reconciliation going forward, it is strongly recommended that all government agencies participating in the reconciliation exercise provide maximum cooperation and assistance. For the third reconciliation for example, the TRA customs was the last to report on June 21, 2012 three weeks after the deadline for reporting had past. Even this late reporting happened after persistence and pushing of the customs department management by the TEITI secretariat. To make matters bad, the customs department did not send a representative for the training workshop help despite receiving invitations through letters and the public releases. Given that TRA is the biggest revenue collecting agency in Tanzania, its paramount that it’s cooperates fully with EITI reporting requirements for the initiative to succeed.</p> <p>□ Information system at the MEM and constant delays: Further, despite the Ministry of Energy and Minerals collecting all mineral royalties and rents and license fees from mining companies in Tanzania, they found it difficult to provide us complete receipts information on time and this effectively delayed our reconciliation work. Even when the companies provided a list of payments made for royalty and receipt numbers per transaction, the ministry struggled to confirm these payments to eliminate the differences. We believe this is because the Ministry still runs a</p>	<p>MSG normally seeks the support of MEM to enforce reporting compliance whenever reporting entities fail to submit requested information for reconciliation purposes. MSG has communicated with TRA’s customs department about poor cooperation during the reconciliation of 2010/11 and 2011/12 Reports and urged the department to fully cooperate in future reporting.</p> <p>MEM has open mineral right registry, both in hard copies and digital database known as Mining Cadastre Information Management System (MCIMS). The MCIMS is a rule-based system aligned with the Mining Act 2010. Mineral rights are granted on first-come, first-served basis. In the event two applications for the same area are received at the same time, applicants are subjected to a tendering process to exercise fairness. Information on tenements can be accessed in person at the Licensing Unit, MEM, or by online portal at https://www.flexicadastre.com/tanzania</p> <p>MEM has developed an online transactional mining cadastre, capable of enabling applicants to file and submit applications using MEM’s licensing web</p>

manual system of accounting for royalties. Unlike TRA that can run a print of receipts by tax payer and by TIN in a second from the system, we are not aware that this is possible at MEM as evidenced by the problems we have always encountered in the last three reconciliations for TEITI.. We strongly recommend that a similar information and accounting system operated by TRA or even NSSF and PPF should be utilized at the Ministry of Energy and Minerals to enhance information completeness and accuracy as well as getting and reconciling information quickly. This will improve the quality of information for the TEITI reports and ease the reconciliation of mineral royalties. As an alternative measure, the royalties could be collected by TRA since TRA has a more functional computerized information system.

□ **Cooperation from companies:**

Though companies all complied with the reporting requirements, for some companies a second reminder through an official letter from the Permanent Secretary had to be made for them to comply. We quote an example for Mbeya Cement Company Limited (which is partly owned by the government of Tanzania). This entity has struggled to comply with reporting requirements and reminders have had to be made and several letters exchanged before they send the information (both for the second and third report). They also did not attend the training workshop we held for stakeholders. Even when they send the information, it's still incomplete information and other letters have to be written for them to send the rest of the information and this delays the process. Being a government entity (partly) we would expect that they would be promoting the government efforts of transparency. We recommend that the MSG writes to

portal.

Similarly, MSG has contacted Mbeya Cement Company Limited in particular and other intractable reporting entities and urged them to comply in future reports. Compliance is always strongly emphasized in training workshops which are conducted annually.

<p>the Management of this company expressing concern on this issue so that delays from them do not recur in future reconciliations.</p> <p>□ Wider dissemination of EITI reports. We recommend that the EITI reports should be widely disseminated to the whole of Tanzania by the MSG through various methods like workshops etc.</p>	<p>TEITI has prepared communication tools to embark on a national-wide outreach starting in 2015. TEITI will use TV, Radio, Billboards, and TEITI documentaries to conduct the outreach. In addition, TEITI is developing an online visualization programs of open data, dashboards, and infographics to increase public access to EITI data.</p>
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10 Appendix 3: G8-GoT Cooperation Framework

G8 – TANZANIA PARTNERSHIP TO SUPPORT TRANSPARENCY IN THE EXTRACTIVES SECTOR IN TANZANIA

Tanzania and the G8 recognize that transparency is essential to ensuring that natural resources support sustainable national development. Tanzania strives to promote transparency and accountability in the management and use of natural resources. Tanzania and the G8 are pleased to establish a partnership to entrench and enhance the extractives transparency agenda to: increase public access to comprehensive, timely and quality information on revenues; increase disclosure of revenue allocation and spending; increase accountability and reduce actual and perceived corruption; reduce social and political tensions; improve stakeholder confidence; and create an improved predictable business environment.

1. Overview / Context

The G8 and Tanzania, including the Multi Stakeholder Group (MSG) of the Tanzania Extractive Industries Transparency Initiative (TEITI), recognize the critical importance of transparency – including both land and extractives transparency – to ensure that natural resources support national development. This paper focuses on extractives transparency. Another initiative, coordinated with the UK, focuses on land transparency. It will be important to build bridges between these two interlinked agendas, as access to land for mining activities is an issue.

Extractives transparency, along with effective regulation and management of the sector, helps to attract responsible investment and transform vast potential natural resources into economic growth, jobs and benefits for all citizens. The G8 is taking steps to improve transparency in their home countries and at the international level. The G8 is also collaborating with a few key countries to recognize the important steps that these countries have taken and to support further efforts to entrench and accelerate transparency efforts in these countries.

Tanzania, a country with extensive mining and natural gas deposits, has taken important steps to improve transparency in the extractives sector in recent years, including applying to join

EITI in 2009. Tanzania was granted candidate status and in December 2012 achieved EITI compliant status. As President Kikwete has said:

“Tanzania is proud to be part of the EITI global family and to be among the countries implementing the EITI principles and values. We are committed to the EITI process because it is aligned with our policy of promoting transparency and accountability in the management and use of our natural resources. It is critical for promoting sustainable development and poverty eradication in the country.”

TEITI is overseen by an MSG made up of five representatives from Government, five from companies, and five from civil society, with an independent Chair appointed by the President. TEITI produced its first Annual Report (including 11 companies) in 2011; second Report (including 22 companies) in 2012; and is expected to produce its third Report (including 33 companies) in June 2013. Companies, government and public institutions have cooperated well in the development of these Reports.

The rest of this document sets out the content of the G8-Tanzania partnership that will be taken forward over the next three years (2013-2016).

1. Objectives and Outcomes

1.1 Objectives

- 1.1.1 Improved transparency in the extractives sector through increased public access to comprehensive, timely and quality information on Government revenue;
- 1.1.2 Increased disclosure of revenue allocation and spending;
- 1.1.3 Increased accountability leading to reduced actual and perceived corruption;
- 1.1.4 Institutionalization and sustainability of EITI in Tanzania.

1.2 Outcomes

- 1.2.1 Increased awareness of the revenues generated from the sector (mining, oil and gas);
- 1.2.2 Greater assurance that all appropriate revenues are collected, reported and disclosed;
- 1.2.3 Greater appreciation of the contributions of the extractives sector to the country;
- 1.2.4 Reduced social and political tensions;
- 1.2.5 Improved predictable business environment;
- 1.2.6 Improved stakeholder confidence.

2. Achieving Objectives: Framework of Key Commitments

Please refer to the attached Framework of Key Commitments (2013-2016) that outlines what will be undertaken by whom and by when (to the extent that this can be defined at this point).

3. Commitments and Consultations (see Annexes B, C and D for details)

3.1 Government of Tanzania

The Government of Tanzania has clearly demonstrated its commitment to transparency through such initiatives as the Open Government Partnership, where Tanzania is playing a leading role on the continent; and the Extractive Industries Transparency Initiative (EITI), where Tanzania achieved *compliant status* in December 2012. Tanzania is also actively involved in the Construction Sector Transparency Initiative and the African Peer Review Mechanism.

The Government of Tanzania has signalled its intention to continue to pursue and deepen its policy of openness and transparency.

The Government of Tanzania intends to ensure transparency in the extractives sector by, among other things, maintaining EITI compliance and deepening the implementation of EITI standards, including those approved at the Global EITI Conference in Sydney in May 2013.

3.2 G8 Commitments

The G8 members, coordinated by Canada, affirm their commitment to:

- support the Government of Tanzania as it advances its transparency agenda, with a particular emphasis on extractives transparency;
- encourage and support private sector companies to be transparent and compliant with: the laws, rules, regulations and practices in the countries in which they operate; and global standards and requirements;
- provide financial and/or technical support to advance Tanzania's transparency agenda – including support to the Government of Tanzania and to civil society organizations; and
- promote and encourage transparency in their home countries and internationally.

3.3 Private Sector Engagement

Private Sector Representatives have expressed their readiness to continue to support the Government's extractives transparency agenda by disclosing all information required by the EITI process as well as Tanzanian laws and regulations.

3.4 Civil Society Engagement

Civil Society Representatives have expressed their readiness to:

- participate actively, through their representatives on the TEITI MSG, in the coordination and management of EITI in Tanzania;
- actively play a watch dog role in the extractives sector;
- mobilize and sensitize communities to the transparency and accountability agenda;
- disseminate accessible information;
- undertake analysis; and
- engage constructively in dialogue with communities, government and private sector.

4. Coordination, Roles and Responsibilities

The G8, coordinated by the Government of Canada, will work with the Government of Tanzania, private sector and civil society representatives. The active involvement of a number of non-G8 bilateral and multilateral development partners will be key to the achievement of this agenda. The Chambers of Minerals and Commerce are also key interlocutors for enhanced coordination and collaboration.

During the consultations on G8-Tanzania Partnership, it was agreed that the partnership would be monitored and tracked through the Tanzania EITI Multi-Stakeholder Group (MSG). The MSG includes representatives from the Government of Tanzania, civil society, and private companies. It was agreed that formal reviews of progress would be held annually. The TEITI MSG will review this Cooperation Framework on an annual basis during a Special Session of the MSG held in June each year. The G8, coordinated by Canada, will participate (with observer status), in this annual Special Session of the MSG.

ANNEX A: GOVERNMENT AND PARTNER CONSULTATIONS

The President of Tanzania, as well as the Minister and Permanent Secretary of Energy and Minerals, have been consulted.

The Chair of the TEITI MSG, Rtd. Judge Mark D. Bomani, and the EITI International Secretariat Representative responsible for Tanzania, Eddie Rich, have been consulted.

There were two extraordinary meetings of TEITI MSG on May 10th and May 17th, 2013.

Civil Society Representatives on the MSG consulted with their constituencies in a Stakeholder Meeting on May 16th, 2013.

Private Sector Representatives on the MSG coordinated a consultation session between the private sector and G8 representatives on May 21st, 2013.

The Government representatives and observers on the MSG consulted internally within the Government of Tanzania. Government entities identified for consultation included: Tanzania Revenue Authority, Public Procurement Regulatory Authority, Tanzania Minerals Audit Agency, President's Office – Public Service Management, Tanzania Investment Corporation / Prime Minister's Office, Ministry of Finance, Ministry of Foreign Affairs, Prevention and Combating of Corruption Bureau and National Environmental Management Council.

The G8, at a technical level, met on May 14th and subsequently consulted by email. The G8, at the Head of Cooperation and Head of Mission level, met in early June.

ANNEX B - G8+ MEMBER COMMITMENTS

The G8+ express their intentions to support the transparency agenda, and particularly the extractives transparency agenda, in Tanzania including through:

CANADA

- EITI Global Secretariat and Tanzania Extractives Industries Transparency Initiative
- Tanzania Minerals Audit Agency
- President's Office - Ethics Secretariat
- Public Sector Reform Program (PO-PSM)
- Public Financial Management Reform Program
- Canadian Comprehensive Audit Foundation (National Audit Office)
- African Minerals Development Centre (ECA)
- Canadian International Institute for Extractive Industries and Development

GERMANY

- Strengthening Good Governance in the natural gas sector of Tanzania (TA)
- Support to the National Audit Office (TA)

JAPAN

- Public Financial Management Reform Program
- Project for the Enhancement of Taxation Training

UNITED KINGDOM

- Accountability in Tanzania Program
- Strengthening Tanzania Anti-Corruption Action
- Public Sector Reform Program
- Tanzania Media Fund

UNITED STATES

- Tax Revenue Authority - Energy Governance and Capacity Initiative
- National Audit Office - Democracy and Governance Program
- Public Procurement Regulatory Authority - Democracy and Governance Program
- President's Office - Ethics Secretariat - Democracy and Governance Program

NORWAY

- EITI Global Secretariat and Tanzania Extractives Industries Transparency Initiative
- Forestry Scoping Study for EITI inclusion
- East African REDD+ Initiative
- Oil for Development Program (MEM)
- Support to Government to introduce a Transparency Guarantee (PCCB)
- Support to investigate and reduce economic crimes in the resource sectors (PCCB)

- Renewable Natural Resource Economic Governance Program (MNRT)
- Tanzania Illicit Financial Flow Country Study (BOT)
- Norwegian Church Aid Extractives and Capital Flight Program
- Two support programs on tax administration of large enterprises (TRA)
- Support program on tax policy including natural resources (MOF)
- Support to REPOA
- Support to Media Council of Tanzania
- Public Financial Management Program in Zanzibar

SWEDEN

- Support to the National Audit Office (NAO)
- Gas Sector Communication Plan (MEM)
- Public Financial Management Technical Assistance - including energy database (MEM)
- Public Financial Management Reform Program
- Media Council of Tanzania
- Union of Tanzania's Press Clubs
- TWaweza

AFDB

- Tanzania Extractives Industries Transparency Initiative
- Legal support through the African Legal Support Facility

IMF

- Managing Natural Resource Wealth Topical Trust Fund Projects
 - Extractive Industries Fiscal regimes, Licensing and Contracting (Natural Gas) – Fiscal Affairs Department
 - Extractive Industries Revenue Administration – Fiscal Affairs Department
- Support for public financial management reforms – Fiscal Affairs Department (Internal Budget) and IMF East AFRITAC

WORLD BANK

- Tanzania Extractives Industries Transparency Initiative
- Sustainable Management of Mineral Resources Project
- Power Gas Sector Policy Sector Development Operation
- Energy Sector Capacity Building Project

ANNEX C - CIVIL SOCIETY COMMITMENTS

As of May 28, 2013, the following international and national civil society organizations have indicated their willingness to support the extractives transparency agenda in Tanzania.

Represented on the TEITI MSG

- NGOs – as represented by Amani Mustapha of Policy Forum
- Publish What You Pay - as represented by Bubelwa Kaiza of PWYP Tanzania
- Faith Based Organizations - as represented by Bishop Dr. Stephen Munga of the Inter-Faith Committee for Economic Justice
- Trade Unions – as represented by Mbaraka Igangula of Tanzania Mining Construction (TAMICO)
- People with disabilities – as represented by Blandina Sembu of the Federation of People with Disabilities (SHIVYAWATA)

Globally based NGOs (some with representation in Tanzania)

- Publish What You Pay
- Revenue Watch
- OXFAM
- Transparency International

ANNEX D - PRIVATE SECTOR COMMITMENTS

As of May 28, 2013, the following companies have indicated their willingness to support the extractives transparency agenda in Tanzania:

- African Barrick Gold Group (including Bulyanhulu Gold Mine Limited, Pangea Minerals Ltd, North Mara Gold Mine Limited and ABG Exploration Limited)
- Anglo Gold Ashanti
- BG Group
- Glencore Xstrata
- Ophir East Africa Ventures Ltd
- Petra Diamonds Tanzania
- Resolute (Tanzania) Ltd
- Songas Limited
- Tanzania Portland Cement Co. Ltd
- Tanzanian Royalty Exploration Corporation
- Statoil Tanzania AS
- Petrobras Tanzania Limited
- Maurel & Promo Tanzania
- Wentworth Gas Limited
- Beach Petroleum Tanzamia Limit