

PROGRESS IN IMPLEMENTING CORRECTIVE ACTIONS FROM 2020 VALIDATIONS

S/N	Requirement	EITI Board comments	Progress
1.	2.2: Licence allocations	In accordance with Requirement 2.2.a, Tanzania should disclose any non-trivial deviations from the legal and regulatory framework. In accordance with Requirement 2.2.c, where Licences are awarded through a bidding process, the government is required to disclose the list of applicants and the bid criteria. Tanzania is encouraged to ensure that the websites of the regulatory agencies Ministry of Mines and PURA include comprehensive information about the process for awarding and transferring oil, gas and mining Licences.	Section 3.7.1.1 the IA confirmed that there were no trivial or non-trivial deviations in the process of awarding or transferring the mining, oil and gas Licences. In addition, section 3.7.1.2 of the report, The IA reported that, there were no licences that were awarded through bidding process. On the comprehensiveness of information about the process of awarding and transferring Licences, the Mining Commission publishes annual report which details out the process of awarding and transferring mining Licences. These reports are available in the Mining Commission website. On the other hand, PURA do release brochures which elaborates the awarding and transferring criteria for oil and gas companies.
2.	2.3: Register of Licences	In accordance with Requirement 2.3, Tanzania should maintain a publicly available register of oil and gas licences that includes all data points under Requirement 2.3.i-iv.	Section 3.7.2.4 the IA reported that, the online Petroleum Registry portal has been developed, but it is still offline. Currently, PURA are collecting information to be fed into the Registry before making the platform accessible to the public.
3.	2.5: Beneficial ownership	In accordance with Requirement 2.5 and the Board-agreed framework for assessing progress, Tanzania is required to disclose the beneficial owners of all companies holding or applying for extractive licenses by 31 December 2021.	Tanzania has been disclosing the Beneficial Ownership information in its EITI reports since 2013/14 to date. Further information on the implementation of the BO disclosure as well as BO information for selected companies is available in section 4.4 of the 2019/20 report.
4.	2.6: State Participation	In accordance with Requirement 2.6, Tanzania should ensure that the government, STAMICO and TPDC disclose more detailed information about the rules governing their financial relationship, including retained earnings and reinvestment. TPDC should disclose its level of participation in all oil and gas projects as defined in the PSAs, as well as the terms attached. Tanzania should consider whether NDC is a material SOE for EITI reporting purposes and, if so, ensure that public disclosures include comprehensive information as required under Requirement 2.6.	The detailed information on state participation in the mining, oil and gas companies is available in section 3.6.1, 3.6.2 and 3.6.3 of this report.

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5.	3.2: Production	In accordance with Requirement 3.2, Tanzania is required to ensure that the Ministry of Minerals discloses the production volumes and values of all minerals produced, disaggregated by commodity. Tanzania should ensure that TPDC and PURA disclose the value of gas production. Tanzania is encouraged to ensure that government agencies disclose this information regularly on their websites or in their annual reports and to consider disaggregating disclosures by project.	The Mining Commission publishes annual report which includes production volumes and its value disaggregated by commodity. The MC annual report for financial year 2018/19 is available at: https://www.tumemadini.go.tz/uploads/publications/en-1615365247-MC%20Annual%20Report%202018-19%20Final.pdf The value of gas is also disclosed in the NBS Website.
6.	3.3: Export	In accordance with Requirement 3.3, Tanzania is required to ensure that the government discloses the volumes and values on mineral exports disaggregated by commodity. Tanzania is encouraged to ensure that the government discloses this data routinely, for example on the NBS website.	The volumes and value of mineral exports has been published in Mining Commission annual report for 2018/19 as well in NBS website. The Mining Commission annual report can be accessed at https://www.tumemadini.go.tz/uploads/publications/en-1615365247-MC%20Annual%20Report%202018-19%20Final.pdf .
7.	4.1: Comprehensive disclosure	In accordance with Requirement 4.1, Tanzania is required to ensure that revenues and payments are comprehensively disclosed and reconciled in line with the MSG's materiality decisions. Tanzania is encouraged to consider a higher materiality threshold for selecting companies and revenue streams in the scope of reconciliation and continue disclosing additional data through unilateral government disclosures.	In the 2019/20 report, the materiality threshold of TZS 1 billion was approved. Forty one (41) companies met the thresholds. During the preparation of this report 40 companies submitted the completed reporting templates. These companies paid TZS 1,220,455,246,248.63 during the reporting period. Ndovu Resources (T) Limited was excluded from reconciliation exercise because the company payments was included in the TPDC after net-off arrangements between the company and TPDC.
8.	4.6: Sub-national Payments	In accordance with Requirement 4.6, Tanzania should ensure that all material revenues Collected by subnational government entities from extractive companies are reconciled and disclosed disaggregated by revenue stream, company and local authority. The MSG is encouraged to set a materiality threshold for subnational payments to ensure that reconciliation is cost efficient while comprehensively capturing all local authorities collecting material revenues from extractive companies.	The MSG in its 86 th meeting agreed not to set the materiality thresholds for subnational payments to ensure that the report document the contribution of the mining, oil and gas companies to the local government authorities which host extractive operations.

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9.	4.9: Data quality and assurance	In accordance with Requirement 4.9 and the Terms of Reference of Independent Administrators, Tanzania should ensure that EITI Reports clearly document whether all reporting entities had their financial statements audited and complied with agreed quality assurances for their EITI reporting. Possible omissions should be clearly documented. The Independent Administrator should provide a clear statement on the reliability and comprehensiveness of reconciled financial data.	Section 2.5.1 of the report, the IA provided the certification of the reporting templates. The IA also recommended on the reliability and comprehensiveness of the reconciled data.
10.	6.2: Quasi fiscal expenditure	In accordance with Requirement 6.2, Tanzania should ensure that the MSG agrees on a definition of quasi-fiscal expenditures in accordance with the IMF's definition and discuss this with TPDC, STAMICO and the Ministry of Finance to ensure that there is common understanding of the nature of these expenses and that possible quasi-fiscal expenditures are comprehensively covered in disclosures by the SOEs, the government or TEITI.	IA has confirmed that there was no quasi-fiscal expenditure that were incurred by the state-owned enterprises. On the definition of quasi fiscal expenditure, discussion is ongoing within the TEITA MSG Committee. Once agreed it will be discussed with state owned enterprises (TPDC, STAMICO and NDC) as well as the Ministry of Finance and Planning.