



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF MINERALS
TANZANIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE



TEITI/MIN88 /5th MSG/2023

**MINUTES OF THE 88TH MSG MEETING HELD ON 17TH APRIL, 2023 AT THE
RESIDENT MINES OFFICE- DAR ES SALAAM**

A. TEITI-MSG MEMBERS:

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| 1 | Mr. Ludovick S. Utouh | - MSG Chairperson |
| 2 | Mr. Adam A. Anthony | - MSG Member (CSO) – HakiRasilimali |
| 3 | Mr. John B. Tindyebwa | - MSG Member (Tanzania Chamber of Mines) |
| 4 | Eng. Theonestina K. Mwasha | - MSG Member (CSOs) – FADev |
| 5 | Mr. John S. Kinuno | - MSG Member (Government) – AG |
| 6 | Mr. Rajab Rashid | - Rep. Mr. Mathias D. Luciano MSG Member (Government) – TRA |
| 7 | Ms. Zoe O.Bomani | - MSG Member (Companies) – OGAT |
| 8 | Mr. Ally S. Maganga | - Rep. Eng. Yahya I. Samamba (Government) – MC |
| 9 | Ms. Ntulilwa Manda | - Rep. Mr. Ahmad M. Massa (Government) – TPDC |

B. ABSENT WITH APOLOGY:

1. NIL

C. SECRETARIAT MEMBERS

- | | | |
|----|---------------------|------------------------------|
| 1. | Ms. Mariam S. Mgaya | - ES TEITI (MSG - Secretary) |
| 2. | Mr. Erick Ketagory | - TEITI Secretariat |
| 3. | Mr. Bakari Birika | - TEITI Secretariat |
| 4. | Mr. Godwin Masabala | - TEITI Secretariat |
| 5. | Mr. Ezekiel Seni | - TEITI Secretariat |

6. Mr. Johnbosco Karungamye - TEITI Secretariat
7. Ms. Joyce Manyama - TEITI Secretariat
8. Ms. Sakina Mhando - TEITI Secretariat

D. AGENDA OF THE MEETING

1. Opening
2. Adoption of the Agenda
3. Approval of Minutes of the 87th MSG Meeting
4. Approval of the Matters Arising from the 87th MSG Meeting
5. Discussion and Approval of the Inception and Scoping Study for Production of the 2020/21 TEITI Report
6. Discussion and Approval of the TEITI Strategic Plan (SP)
7. Discussion and Approval of the 2023/24 TEITI Work Plan
8. Discussion of the Implementation of Beneficial Ownership (BO) Disclosure
9. Discussion of the Intention to Shift from Normal EITI Reporting System to Flexible Method
10. Discussion and Approval of the Improved TEITI logo
11. Update of Tanzania Validation from April, 2023
12. Update of the Next EITI Global Conference
13. Update of the Implementation of Contract Disclosure
14. AoB
15. Date for the Next Meeting
16. Closing of the Meeting

1. OPENING THE MEETING

The Meeting was opened at 09:20am by the MSG Chairperson who welcomed MSG Members to the meeting.

2. ADOPTION OF THE AGENDA

Members unanimously adopted the sixteen (16) Meeting Agenda and deliberated to start with agenda number 5 by first inviting the Independent Administrator, Ms. Mzumbe University to present the Key findings on the Scoping Study for the production of 2020/21 TEITI report.

3. DISCUSSION AND APPROVAL OF THE INCEPTION AND SCOPING STUDY FOR PRODUCTION OF THE 2020/21 TEITI REPORT

The Chairman invited the Independent Administrator (IA), M/S Mzumbe University, to present the key findings and recommendations of the scoping study report for the 2020/21 TEITI report. The IA reported that, the proposed materiality threshold for 2020/21 report is **TZS 1 billion (0.04%)** of the preliminary Government receipts of **TZS 2.27 trillion** which includes a total of **54 companies** that contribute **96.8%** of the total Government receipts from the extractive industries in the country during the year. It was further reported that, there was a significant discrepancy in production, export and revenue data provided by the Mining Commission (MC) compared to the data published by NBS for the same year.

MSG DELIBERATIONS after IA presentation

- (i) Members directed the Secretariat to convene a meeting between the MSG, Secretariat, IA and the MC to discuss the reliability and credibility of data and improve the data flow process from MC to TEITI. The MSG stressed the need to establish and maintain credible sources of reliable and authentic data that can be verified and relied upon and presented anywhere with confidence;
- (ii) The members approved the proposed materiality threshold of **TZS 1 billion**, however they directed TEITI Secretariat to collaborate with the IA to explore the possibility of dividing the materiality threshold into four groups. The MSG insisted on establishing the thresholds that consider the levels and amounts of payments made by Small, Medium and Large-Scale Miners as well as Service Providers. This will enable TEITI

to include payments made by other groups (Small Scale Miners - SSM and Service Providers) into TEITI Reporting by establishing individual contribution and benefits in the TEITI report. The members unanimously approved the materiality threshold of **TSH. 1 billion** for oil and gas companies, medium and large-scale mining companies with a proposal for a materiality threshold less than 1 billion for Small Scale Miners (SSM) and other industry players which will be determined after a meeting between TEITI, IA and the Mining Commission;

- (iii) MSG instructed the IA to compile a list of all challenges faced during data collection and submit to TEITI Secretariat for further action by the MSG. This should seriously consider the challenges of SSM data authenticity (not legally audited) and traceability of their operations;
- (iv) The MSG adopted and approved the proposed reporting templates. It was suggested that the IA should use Authorized Person and put a definition of Authorized Officer/ Person to facilitate Management signoff of the Reporting Templates;
- (v) The IA was instructed to provide clear definitions that differentiate between Central Government Authorities, LGAs and Government Parastatals which are commonly reported as Government entities in the report;
- (vi) The IA advised to consider the possibility of naming the TEITI Final Report according to its contents;
- (vii) The IA was instructed to provide recommendations on how to address the issue of Data disaggregation in compliance with EITI requirements especially for mining companies that own multiple licenses;
- (viii) Members deliberated on the importance of the extractive companies to providing reliable and authentic information on Local Content, Corporate Social Responsibility and capital expenditures which is legally binding (Sect. 15 of TEITA Act, 2015);
- (ix) The Members noted the need to enhance data quality and assurance and making sure that extractive companies submit their data with external auditor certification

while Government entities are required to obtain certification from the Controller and Auditor General (CAG);

(x) Members directed the IA to come up with recommendations that will benefit and be used as a tool to improve the extractive sector in our country; and

(xi) Members approved the scoping report for the preparation of the TEITI report for fiscal year 2020/21. However, it was agreed that the report would remain confidential until it is published and made a public document in accordance with the Section 14(1) of the TEITA Act, 2015.

4. APPROVAL OF MINUTES OF THE 87TH MSG MEETING

The Draft minutes of the 87th Meetings were reviewed and approved subject to minor corrections on the names of members. Thereafter, the minutes were signed by the MSG Chairman and the Secretary.

5. APPROVAL OF THE MATTERS ARISING FROM THE 87TH MSG MEETING

The matters arising from 87th meetings were reviewed and approved.

6. DISCUSSION AND APPROVAL OF THE TEITI STRATEGIC PLAN (SP)

The MSG note the progress made in preparation of the draft Strategic Plan and unanimously agreed to consider presentation of the draft TEITI Strategic Plan in the next meeting as a first reading. It was further agreed to scrutinize the report and submit comments if any to the Secretariat for improvement.

7. DISCUSSION AND APPROVAL OF THE 2023/24 TEITI WORK PLAN

The Members adopted the TEITI Work Plan for the year 2023/24 and forwarded the discussion to the next Meeting.

8. DISCUSSION OF THE IMPLEMENTATION OF BENEFICIAL OWNERSHIP (BO) DISCLOSURE

Members were informed that, the Secretariat intends to fulfil the requirement of the EITI Standard, 2019 and TEITA Act, 2015 by establishing its own beneficial ownership register. It was reported that, Tanzania BO register of the extractive sector will contain information not limited to the names of beneficial owner, Political exposed person and

type of resources extracted. It was noted that, there is a legal overlap on the BO disclosure requirement between the TEITA Act, 2015 and the Finance Act, 2020 which necessitated the amendment of the Company Act 2002 by introducing a new requirement of developing BO register of all companies under BRELA. It was further agreed that, TEITI Secretariat should convene a meeting with BRELA to discuss the matter and come up with a solution for the next step concerning the development of TEITI BO register.

9. DISCUSSION OF THE INTENTION TO SHIFT FROM NORMAL EITI REPORTING SYSTEM TO FLEXIBLE METHOD

It was reported that, during the 87th MSG Meeting Secretariat were requested to ensure that we are shifting from the normal EITI reporting through recruitment of the Independent Administrator to flexible method of EITI reporting. During the meeting members were provided with the model Terms of Reference (ToR) as a guide for flexible EITI reporting. The MSG members took note of the Model ToR presented and instructed Secretariat to write a more detailed paper that will explain the advantages and disadvantages of shift from the normal EITI reporting to the flexible approach; TEITI's preparedness for the shift; institutional capacity in terms of human capital, budget, skills, and exposure; and lessons learnt from other successful implementing countries. The paper will be presented in the next meeting.

10. DISCUSSION AND APPROVAL OF TEITI LOGO

It was reported that, during the 87th MSG Meeting, the Secretariat were directed to prepare a paper on why Tanzania EITI should adapt the new EITI logo. The paper was presented to the members whereby the Secretariat proposed 4 different logos and gave explanations of the features found in each of the new proposed logos. The MSG adopted the paper, selected one logo and directed the Secretariat to modify it by changing the colors of the first letter T to take the colors of our country's national flag. Members approved the selected logo subject to modification of the letter T.

11. UPDATE ON TANZANIA VALIDATION FROM APRIL, 2023

Members were informed that, on 31st March, 2023 TEITI Secretariat submitted the Validation templates to EITI International Secretariat and the same were uploaded on the TEITI website. It was further reported that, the Secretariat has identified various TEITI

Stakeholders and submitted the same to EITI for Consultation during the Validation. Members were emphasized to provide the cooperation to the Validation team.

12. UPDATE ON THE NEXT EITI GLOBAL CONFERENCE

Members were informed that, the 2023 Global Conference will be held in June in Dakar-Senegal during which various activities will take place including the announcement of new EITI Board Members. It was reported that, three (3) names of MSG (Mr. Anthony Adam- CSOs representative; Eng. Yahya Samamba-Government representative; and Mr. John-Bosco Tindyebwa- Industry representative) were submitted to the Minister of Minerals for the purpose of electing one name as the Tanzania nominee as per nomination process of EITI Board membership. It was further reported that, on 31st March, 2023 the name of Eng. Yahya Samamba-Government representative was submitted to EITI international Secretariat for further nomination process.

In addition, members were informed that, the EITI International Secretariat had invited **Her Excellency Dr. Samia Suluhu Hassan**, the President of the United Republic of Tanzania and Honorable Ministers for Minerals and Energy to attend the EITI Global Conference in Dakar, Senegal. It was reported that, **the President Office** confirmed to participate in the conference by presenting the prerecorded video speech in the Conference. The Secretariat had prepared the draft speech and submitted to the Permanent Secretary -Ministry of Minerals for further processing.

13. UPDATE ON THE IMPLEMENTATION OF CONTRACT DISCLOSURE

Members were informed that, the Ministry of Minerals had written a letter to remind the Attorney General (AG) to seek advice on how to implement the contract disclosure requirement. The MSG requested Mr. John S. Kinuno who is MSG representative from the Attorney General's office to make a follow up on the issue and provide feedback in the next MSG meeting.

14.AOB

- (i) The MSG noted a request from MALAWI to visit TEITI for learning purposes. The MSG agreed to the request and instructed the Secretariat to arrange the visit strategically to

coincide with next MSG meeting so that the Malawian delegates could attend and participate in the TEITI MSG Meeting.;

- (ii) The MSG members was informed on approval of TEITI Scheme of Service. As result of this approval, the TEITI Secretariat was directed to review its strategies and follow-ups to secure a comprehensive budget that is appropriated for TEITI considering the current TEITI workplan and the new employee size. The proposed paper should be submitted to the Permanent Secretary- Ministry of Mining for action;
- (iii) Following a courtesy meeting between the MSG chairman and the Permanent Secretary (PS) - Ministry of Minerals, the Chairman reported that the PS is very positive on TEITI implementation and ready to assist in solicitation of fund from donors. The MSG instructed the Secretariat to prepare a supporting write-up that will be used by the PS for solicitation of funds from donors. Such a write up should include key facts on how TEITI implementation will help grow Public Private Partnership PPPs and bring prosperity and benefits for the Private Sector and Tanzania's extractives industry;
- (iv) TEITI Secretariat was directed to develop a framework for transparency and accountability in the reporting and disclosure of all extractive industry companies on revenues due to or paid to the Government as per Section 10(2) (a) of the TEITA Act, 2015. It was proposed to contact Dr. Kassalla regarding this matter.

15. DATE FOR THE NEXT MEETING

The date for the next meeting will be communicated to members in a later date

16. CLOSING

The Chairperson officially closed the meeting at **02:25 PM** by thanking members and the Secretariat for their invaluable contributions during the meeting deliberations.



Mr. Ludovick Utouh
Chairperson - TEITI



Ms. Mariam Mgaya.
Acting Executive Secretary - TE