



**Attachment for: 90.9.2(iii)**

## **REVISED ROADMAP FOR DISCLOSING CONTRACTS IN TANZANIA**

Contract transparency is increasingly seen as an essential element of extractive sector good governance in Tanzania. In view of the importance of open and transparent process on contracts, Section 16 (1) (a) the Tanzania Extractive Initiative Transparency Act, No. 23 of 2015 (TEITA Act, 2015) that came into force in October 2015 mandates the TEITI Committee (Multi- Stakeholders Group-MSG) to cause the Minister to publish all contracts relating to extractive industry companies which are Mining, Oil and Gas contracts. In addition, Regulation 13 of the Tanzania Extractive Industries (Transparency and Accountability) (General) Regulations GN No. 141 of 2019 requires the TEITI Committee to determine confidential information in the contracts. In this case, any Party to the Contract is given a room to submit to the Committee any information he finds confidential not to be published or disclosed. The rationale for such provision is to protect information that may jeopardize competitiveness of the concerned parties. The publication is through a website or a media which is widely accessible.

In implementing the provision of the Act, on 15th December 2016, the then Ministry of Energy and Minerals informed the extractive companies with Mining Development Agreements (MDAs) and Production Sharing Agreements (PSAs) to comply with the requirement. The extractive companies were requested to communicate any concern regarding the disclosure. Subsequently, the companies responded by noting the need for maintaining commercial confidentiality and proposed that the Ministry undertake public awareness-raising campaigns before disclosure of such contracts. The Ministry engaged in various discussions on awareness with stakeholders in 2017 and 2018. In January, 2019 TEITI MSG requested for technical support from the Natural Resource Governance Institute (NRGI) in order to comply with the contract disclosure requirement. In February, 2019 NRGI accepted to provide the support to 2 TEITI MSG and proposed procedures to be followed in implementing the requirement. The Government and NRGI conduct various meetings with the aim of finding ways on how to implement the requirement.

To date, the Government entities continue with discussions on how to implement the disclosure process due to the challenges of lack of awareness among stakeholders and the public's unrealistic expectation on the extractive sector. The Ministry through TEITI conducted workshops, participate in different national exhibitions aiming at creating awareness on extractive sector.

Further, TEITI has plans to conduct more awareness campaigns on the importance of disclosure of contracts to stakeholders in and outside the country. Some areas of importance include:

- Increasing public trust on how the Government manages extractive industries;
- To manage public expectations on the benefits from extractive industries;
- Public will have the right to know whether the Government has entered into Contracts in accordance with the existing legislation;
- Improving monitoring and compliance with contractual obligations and laws: Contract transparency will enable better monitoring of the implementation of contractual obligation and ensure consistency between contractual obligations and the overall legal framework;
- Improving monitoring of the impact of the extractive sector to the communities which host the extractive sector; and
- Disclosure will facilitate monitoring of projects and prevent risks including corruption that undervalue national assets.

In addition, section 2.4 of the Extractive Industries Transparency Initiative (EITI) Standard of 2019 requires any new contract entered, granted or amended from January 2021 to be disclosed. Therefore, the Government of Tanzania will continue to emphasize transparency and accountability in the extractive sector as an open and transparent system benefits all stakeholders, including private sector and the broader public. Tanzania views extractive investments as a major factor in our development equation and we still prioritize the role of these times of Global economic confusion. Tanzania is still a viable destination for capital investments and profitable extractive business. It is our belief that, the TEITA Act, Cap. 447 Mining Act, Cap.123, Petroleum Act, 2015 and regulations thereunder including other laws governing the extractive industry will direct us to a more equitable win-win situation between the Government (on behalf of the people of Tanzania) and the investors while, maintaining an internationally competitive investment climate.

During the 2019 EITI Global conference held in Paris, the Minister of Minerals committed that, Tanzania will ensure that the contract disclosure requirement is

effectively implemented and the information required is easily accessible to the public. Notwithstanding, there are some agreements which are disclosed. These agreements include the Production Sharing Agreements signed between the Government of Tanzania and Pan African Energy Tanzania Limited; and PSA Gas Addendum with ExxonMobil and Statoil available (See: <http://resourcecontracts.org/countries/tz>).

For the effective implementation of the contract disclosure requirement, the TEITI Committee has prepared the following roadmap for disclosure of contracts:

<b>Objectives</b>	<b>Activities</b>	<b>Responsible</b>	<b>Deadline</b>
contract disclosure	Phase I: Review of Mineral Sector Agreements entered with extractive industry companies from 2021 for purposes of identifying Information to be disclosed as per the TEITA Act, Cap 447	Government Agencies responsible in extractive industries	December - 2023
	A draft work prepared.		
	Submission of draft work to the extractive company which are part for to the contract for their consideration of information to be disclosed.		
	Submission of a draft work of information to be disclosed to the TEITA Committee for their approval.		
	Submission of information to be disclosed to the Minister for publication under section 16 of TEITA Act, Cap 447.		March, 2024

	<p><b>Phase II:</b></p> <p>Review of Energy Sector Agreements (Production Agreements) entered with extractive industry companies from 2021 for purposes identifying information to be disclosed as per the TEITA Act.</p>		April, 2024
	A draft work prepared.		
	Submission of draft work to the extractive company which are part for to the contract for their consideration of information to be disclosed.		
	Submission of a draft work to the TEITA Committee for their approval.		April -2024
	Submission of information to be disclosed to the Minister for publication under section 16 of TEITA Act, Cap 447.		May -2024
To establish portal	Establish portal for disclosing contracts.	Host Government agency and Consultant.	June, 2024