

3. EXTRACTIVE INDUSTRY PERFORMANCE AND SUSTAINABILITY

3.1. Mineral Sector Overview

a) Geology and Mineral Potential of Tanzania

Tanzania's mineral sector is experiencing significant growth, driven by reforms, a focus on critical minerals and increased geological exploration. The Government is investing in geological mapping, with an interim target of increasing high-resolution geophysical survey coverage from 16% to 50% by 2030⁵. This coverage, complemented by 100% low-resolution airborne geophysical survey, 97% geological mapping and 24% geochemical mapping countrywide, has played a major role in the sector's growth.

Tanzania is rich in a wide range of minerals, including precious metals (gold, silver, and platinum group metals), gemstones (tanzanite, diamonds, sapphires, ruby), critical minerals (nickel, graphite, cobalt), and energy minerals (coal, natural gas, uranium). The country's diverse and favorable geological setting comprising an archaic craton, mobile belts and sedimentary basins spanning nearly the entire geological time scale provides a conducive environment for a variety of mineral deposits.

b) Key Project Updates in Tanzania's Mineral Sector

Tanzania's mineral sector continues to progress steadily. Gold projects are helping maintain the country's strong position in Africa through improved operations, modernized facilities, and better community support, including resettlement and infrastructure upgrades. Investment interest in nickel is also rising, as growing global demand for batteries pushes several exploration projects closer to feasibility and opens opportunities for future value-added processing. In parallel, Tanzania is building its potential as a supplier of rare earth elements by advancing geological studies and pilot programs aimed at confirming reserves and improving processing methods.

Graphite projects are also expanding, driven by demand from the electric vehicle industry, with efforts focused on enlarging mining areas and enhancing processing to support local value addition. Alongside these developments, the government is strengthening regulations, promoting local participation, and ensuring strong community engagement across projects. Together, these actions are improving

⁵ https://www.madini.go.tz/media/1111_pYKRp7i.pdf

Tanzania's position in regional and global markets for gold and critical minerals. Key updates for different projects in the mineral sector are presented in **Table 5**.

Table 5: Summary of the key Mining projects updates

Project	Commodity	Location	Operator / Private Partner	Gov't Stake	Contract / Licence Signed	Implementation State	Key Milestones & Targets
Kabanga Nickel	Nickel, copper, cobalt	Ngara District, NW Tanzania	Lifzone Metals Ltd (100% of KNL since 2025)	16% free-carried (via TNCL)	SML granted to TNCL (date not specified); BHP stake sold to Lifzone Metals 2025	Construction begun (2023)	First ore targeted Q3 2028; FID late 2026; ESIA/ESMP completed Jun 2025 (awaiting NEMC approval); pre-production cost USD 942M; 97% of affected households compensated.
Nyanzaga-Sengerema Gold	Gold	Sengerema District, Mwanza Region	Perseus Mining Ltd (80%) via Sotta Mining Corp Ltd	20% free-carried (increased from 16%, Aug 2025)	Gov't stake increased Aug 2025; SML in force (original date not specified)	Construction underway	Revised Ore Reserve 4.0 Moz (Feb 2026); 16-yr mine life; 14 yrs >200 koz/yr; SAG mill foundation poured ahead of schedule; 1,500+ jobs expected; >TZS 20B disbursed in compensation; 232 replacement houses under construction.
Ngualla Rare Earth	NdPr rare earths; niobium, phosphate, fluor spar (by-products)	Songwe Region, ~147 km from Mbeya	Peak Rare Earths / Ngualla Group UK (84%) via Mamba Minerals Corp Ltd	16% free-carried (non-dilutable)	Env. certificate Mar 2017; SML granted to Mamba Minerals Corp Apr 2023	Pre-development / pre-FID	BFS completed Apr 2017, updated Oct 2022; 28,300 tpa TREO at full capacity; 24+ yrs mine life; open-pit mining; 10–12 MW power plant planned; niobium classified as critical mineral.
Helium One Rukwa	Helium	Southern Rukwa, SW Tanzania (Rukwa Rift Basin)	Helium One Global Ltd (83%) via Songwe Helium Ltd JV	17% free-carried (Songwe Helium Ltd)	JV (Songwe Helium Ltd) established; exact date not specified in document	Appraisal & development stage	Seismic studies complete; Itumbula West-1 confirmed discovery; 5.5% flow (up to 7.6%) in Extended Well Test Q3 2024; entered appraisal/development stage.
Mkuju River Uranium	Uranium	Namtumbo District, Ruvuma Region (~470 km SW of Dar es Salaam)	Mantra Tanzania Ltd (subsidiary of Uranium One / Rosatom)	20%	Not specified in document	Pilot plant complete; main construction from 2026	Pilot plant completed; main facility construction from 2026; commissioning 2029; CAPEX >USD 1.2B; 182.1 Mt ore deposit; 3,000 t U/yr capacity; ~750 direct + 3,500–4,000 indirect jobs.
Mahenge Graphite	Graphite	Ulanga District, Morogoro Region	Black Rock Mining Ltd (84%) via Faru Graphite	16% free-carried	SML in force; early works launched Oct 2025	Early works / pre-FID	200 Mt at 7.8% TGC resource; Ore Reserve 70.5 Mt at 8.5% TGC; DFS targets 340,000 tpa

Project	Commodity	Location	Operator / Private Partner	Gov't Stake	Contract / Licence Signed	Implementation on State	Key Milestones & Targets
			Corp				at 98.5% over 26 yrs; 220 kV Ifakara–Mahenge line survey complete; financing & FID pending.
Epanko Graphite	Graphite; spherical graphite (midstream)	Near Mahenge, Ulanga District	EcoGraf Ltd (84%) via Duma TanzGraphite Corp Ltd	16%	25-year SML granted 2025	Finance arrangement & pre-construction	Largest dev-ready graphite resource in Africa (290.8 Mt at 7.2% TGC); KfW IPEX-Bank mandated for USD 105M senior debt; Stage 1: 73,000 tpa plant; Spherical Graphite facility planned (EU-supported).
Chilalo Graphite	Graphite	Not specified in document	Kudu Graphite (84%)	16%	Not specified in document	Development / planning	Target 52,000 tpa production over 17-year mine life; CAPEX USD 120M.
Godmwanga Graphite	Graphite (flake concentrate)	Handeni District, Tanga Region	Godmwanga Gems Ltd (100% Tanzanian-owned)	N/A (wholly domestic)	Not specified in document	OPERATIONAL — Kwamsisi plant commissioned Jan 2025	Capacity up to 5,000 t/month at 95% TGC; first graphite refinery in Tanzania; current output ~25,000 t/month; >80% large-flake (premium market); GST-certified to ISO/IEC 17025.
Panda Hill Niobium	Niobium (ferroniobium)	Mbeya Region	Panda Hill Tanzania Ltd (US-owned)	TBD (free-carried arrangement pending licence)	Framework & Shareholder Agreements signed 24 March 2026	Agreements signed; SML pending	SML application next step; feasibility study update required; 100,000 tpa niobium target; to be world's 4th-largest niobium producer (~4% global supply); first FeNb smelter in Africa.
Tajiri Mineral Sands	Ilmenite, rutile, zircon (HM sands)	Coastal Tanzania (specific district not given)	Shenghe Resources (acquired 84% from Strandline Resources, Aug 2024) via Nyati Mineral Sands Ltd	16% (Nyati Mineral Sands Ltd)	Shenghe Resources acquired 84% stake Aug 2024	New ownership; fast-track development	JORC Resource 268 Mt at 3.3% THM; estimated 23-year mine life; Shenghe fast-tracking development.
Fungoni Mineral Sands	Ilmenite (44%), zircon, rutile (HM sands)	25 km south of Dar es Salaam	Not specified in the document	Not specified	Not specified in the document	Exploration / early stage	High-grade deposit; 5–10 Mt ore at 4–6% heavy minerals; dominated by ilmenite (44%).

Source: Compiled by TEITI Secretariat from project company annual reports, investor presentations, feasibility studies, stock exchange announcements, Mining Commission reports, Ministry of Minerals publications, and publicly available project disclosures (2024–2026).

c) Mineral Sector Priorities

Tanzania's government has embraced a long-term vision that positions its mining industry as a central pillar of economic growth and societal advancement. As per the Ministry of Minerals budget speech for the financial year 2025/2026⁶, the key priority areas in the mineral sector include:

- i. Enhance revenue collection and increase the sector's contribution to the GDP. This will involve efforts to curb mineral smuggling, strengthen monitoring of operations in mining areas, mineral markets, mineral buying centers and improve surveillance at borders.
- ii. Developing critical and strategic minerals by doing geological surveys, investment promotion, provision of licenses for exploration, mining, processing, value addition and trading.
- iii. Expanding exploration by High-resolution Airborne Geophysical Survey, with the main purpose of providing basic and certain information to miners, lowering their mining costs and mitigating risks of uncertain mining.
- iv. Promoting small-scale mining by providing extension services in exploration, mining, processing, and environmental management and improving overall efficiency in the sub sector;
- v. Promotion of investment in minerals by disseminating information on the availability of critical and strategic minerals through the Mining Vision 2030, and by organizing and participating in international conferences and fora.
- vi. Establishing mineral markets, gemstone exhibitions and lapidary facilities. The Ministry of Minerals plans to organize international mineral markets in regions of Arusha, Ruvuma and Tanga, as well as international minerals exhibitions in Zanzibar and Dar es Salaam.
- vii. Investment in infrastructure improvement, particularly roads and electricity within mining regions to enhance accessibility and operational efficiency for exploration and production activities.
- viii. Curbing the export of raw minerals by mandating the establishment of domestic value addition industries involving the processing and refining of minerals, including gemstone cutting, to ensure higher economic returns and job creation.

TEITI will actively support the Ministry by tracking progress, engaging stakeholders and strengthening citizen oversight to ensure tangible outcomes for Tanzania's economy.

⁶ https://www.madini.go.tz/media/HOTUBA_YA_WIZARA_YA_MADINI_Plc2won.pdf

d) Emerging Opportunities in Strategic and Critical Minerals

Tanzania is emerging as a key source for strategic and critical minerals vital for the global green energy transition. These include graphite, a crucial component in manufacturing lithium-ion batteries; Lithium and Cobalt (EVs); and Nickel. With the surge in demand for these minerals, Tanzania is positioned to become a significant supplier to global markets, particularly as the push for sustainable energy solutions intensifies.

e) Implementation of Local Content and Corporate Social Responsibility (CSR)

i. Local Content implementation for 2023/24

The Government is actively strengthening partnerships between international firms and Tanzanian enterprises to boost local economies. Achieving these objectives depends on coordinated efforts between the Government and private sector players. Applicants for mineral rights, as well as contractors, subcontractors, and other related entities engaged in mining activities, are required to submit Local Content Plans in accordance with the Mining (Local Content) Regulations, 2018 [GN No.3 of 2018] as amended. According to the Mining Commission, in 2023/2024, a total of 802 plans were submitted by mineral rights holders and service providers for review. Out of these, 798 were approved, while four (4) were rejected due to non-compliance with the Local Content Plan requirements.

Furthermore, the number of registered investment projects has increased, generating both direct and indirect employment. A total of 19,371 Tanzanians were employed in the mining sector which is equivalent to 97% of the total employees with the remaining 3% being foreign nationals.

In 2023/2024, the mining companies procured goods and services valued at USD 1,797,989,648.07 from Tanzanian firms, representing 88%⁷ of the total procurement expenditure of USD 2,037,145,620.14. The remaining portion was procured from foreign companies. Generally, the Mining Commission requires mineral rights holders, contractors and subcontractors to award procurement contracts for goods and services to Tanzanian-owned local companies.

⁷https://www.tumemadini.go.tz/media/uploads/annual_reports/2025/11/24/REPORT_PRINT_2025_A3LATEST_compressed.pdf

ii. Implementation of Corporate Social Responsibility and Local Content Requirements in the Mineral Sector in Geita and Mara Regions

An assessment was conducted for the 2024/2025 reporting period on holders of Mining Licences and Special Mining Licences operating in the Geita and Mara regions, together with the Local Government Authorities within whose jurisdictions the mining activities are carried out. A total of fourteen (14) mining companies were assessed, alongside the Ministry of Minerals, the Mining Commission and the relevant Local Government Authorities. The assessment established notable progress in the implementation of Corporate Social Responsibility (CSR) and Local Content (LC) obligations under the Mining Act, Cap. 123 and its attendant regulations. Twelve (12) of the assessed companies were actively implementing a total of 120 CSR projects valued at TZS 28.2 billion, while compliance with statutory obligations stood at 100% among holders of Special Mining Licences and 97% among holders of Mining Licences. Tanzanians accounted for 98.72% (7,773 out of 7,874) of the workforce employed, and procurement of goods and services was predominantly sourced from local suppliers.

Notwithstanding these achievements, several gaps were identified undermining effective implementation:

- i) Only five (5) of the fourteen (14) companies had formal and approved CSR plans, with 55% executing projects based on perception rather than structured planning;
- ii) Political interference by Members of Parliament and Councilors sitting in the Full Council of the Local Government Authority which is the approval authority for CSR plans, resulted in misallocation of funds, duplication of projects and conflicts of interest;
- iii) CSR projects were small in scale, poorly standardized and lacking essential facilities;
- iv) Regulatory enforcement and monitoring by the Mining Commission remained constrained by limited human resources;

- v) Some license holders failed to submit the requisite quarterly and annual reports on the implementation of CSR;
- vi) The National Policy on Technology Transfer envisaged under Regulation 25 of the Mining (Local Content) Regulations, 2018 [GN No. 3 of 2018] as amended had not been formulated; and
- vii) Local suppliers continued to exhibit capacity and integrity deficiencies in the execution of awarded contracts.

To address the identified challenges and strengthen the implementation of CSR and Local Content obligations, the assessment recommends that;

- i) The Ministry of Minerals, the Mining Commission, the National Economic Empowerment Council (NEEC) and the Local Government Authorities jointly conduct awareness programmes to build the capacity of mining companies and host communities on their respective obligations.
- ii) The approval of CSR projects should be vested in the Mining Commission, acting upon recommendations from the technical and management teams of the respective Local Government Authorities. Mining companies, in collaboration with Local Government Authorities and host communities, should prioritize long-term and sustainable projects that are properly designed, standardized and aligned with national and local development plans, in lieu of fragmented and short-term interventions.
- iii) Sustained capacity building for local suppliers should be undertaken through training, access to finance, certification support and supplier development initiatives to enhance their competitiveness within the mineral value chain.
- iv) The Mining Commission is further urged to conduct regular audits of CSR projects to verify compliance, detect implementation gaps and issue timely remedial measures, while introducing incentive and recognition schemes for companies that consistently meet or exceed CSR and Local Content requirements; and

- v) Local Government Authorities should develop and issue comprehensive guidelines and standardized templates for the preparation of CSR plans and the submission of implementation reports.

The effective implementation of these measures will enhance transparency, accountability and stakeholder engagement, thereby reinforcing the social licence to operate and ensuring that mineral wealth translates into tangible and lasting benefits for host communities and the nation at large.

f) Mineral Markets and Buying Centers performance

During 2023/2024, the Mining Commission established one additional mineral market and six new buying centres, bringing the nationwide total to 43 mineral markets and 100 buying centers. Through these trading platforms, the Commission collected TZS 183,132,866,771.13 in royalties and inspection fees. Minerals traded including gold, tanzanite, diamonds, tin, and various gemstones recorded sales value of TZS 2,597,183,270,575.558. This level of market engagement underscores the importance of continued regulatory supervision to ensure transparency and efficiency in mineral trading. **Figure 2** shows the performance of mineral markets and buying centers.

⁸ [*Mining Commission Report*](#)



Figure 2: Minerals markets and buying centers performance for 2023/2024

3.2. Oil and Gas Sector Overview

a) Exploration and Discovery of Oil and Gas in Tanzania

Tanzania has confirmed natural gas discoveries in both offshore and onshore locations. **Table 6** summarizes key project updates in the oil and gas sector.

Table 6: Summary of Oil & Gas Projects and Initiatives

Project / Initiative	Type / Commodity	Location	Operator/ Partner	Gov't Involvement	Contract / Licence Signed	Implementation State	Key Milestones & Targets
Mnazi Bay Gas Producing Field	Natural gas production	Mtwara Region, southern Tanzania	M&P Exploration and Production Tanzania Ltd	TPDC (Madimba Gas Processing Plant); TANESCO (Mtwara Power Plant)	Existing PSA in force; which will expire in 2031	OPERATIONAL — 6 producing wells; drilling campaign ongoing	Peak production 120MMscfd; Average production for Q4 is 94.25mmscfd and cumulative output 34.3301 BCF (to Q4 FY2025/26 2nd June 2026); Drilling campaign of 3 wells (MB-5, MS-2, Kasa) commenced of which 2 wells were completed, drilling to be completed in August. Gauge retrieval conducted successfully in MB-4, and MB-2.
Songo Songo Gas Processing	Natural gas production	Songo Songo Island, Kilwa	PanAfrican Energy Tanzania Ltd (PAET)	TPDC (processing plant); TANESCO	Existing PSA in force (License)	OPERATIONAL — 6 wells; 2wells	Cumulative production ~27.58 Bscf to Q4 FY2025/26; SS-4

Project / Initiative	Type / Commodity	Location	Operator/ Partner	Gov't Involvement	Contract / Licence Signed	Implementation State	Key Milestones & Targets
g Field		District		(power supply)	will expire in October 2026)	offline	and SS-7 offline (liquid loading, water/sand issues). No further development investment for this year due to license issues. Continue with gas production utilizing optimisation opportunities available
Ntorya Development License (Ruvuma PSA)	Natural gas development / production	Ruvuma Region, southern Tanzania	ARA Petroleum Tanzania Ltd (APTL) and Ndovu Resources Ltd in partnership with TPDC	TPDC (joint venture partner); Development Licence in force	Existing PSA in force; Development Licence granted in 2025.	Pre-drilling / development stage	Chikumbi-1 (CH-1) well drilling earmarked for Q4 of 2026; Ntorya-2 (NT-2) well testing planned for September 2026; NT-1 workover planned for Q4 of 2026; gas production to scale: 60 → 140 mmscfd within ~3 years.
Offshore Blocks 1 & 4 (TLNG upstream)	Deepwater natural gas — LNG feedstock	Offshore Tanzania (deepwater)	Shell Exploration and Production Tanzania Ltd (Block 1 & 4 operator)	TPDC; Government negotiating HGA and Amended PSA	New Exploration Licence for Block 1 granted 10 Jun 2025; Block 4 extension effective 10 June 2025 (both for 3 years 6 months)	Pre-development — HGA & PSA negotiations ongoing	Consortium: Shell 60%, Pavilion Energy 20%, Ophir Energy 20%; pre-development activities advancing; HGA and Amended PSA negotiations with Government ongoing; linked to proposed TLNG project.
Offshore Block 2 (TLNG upstream)	Deepwater natural gas — LNG feedstock	Offshore Tanzania (deepwater)	Equinor Tanzania AS	TPDC; Government negotiating HGA and Amended PSA	Existing licence in force; HGA and Amended PSA negotiations ongoing	Pre-development — aligned with TLNG framework	Equinor 65%, ExxonMobil 35%; pre-development activities maintained; joint TLNG development framework with Shell (Blocks 1 & 4); HGA and Amended PSA negotiations with Government ongoing; linked to proposed TLNG project. first LNG exports expected early 2030s.
Tanga Block	Oil & gas exploration	Tanga Region, northern Tanzania (onshore/offshore)	Octant Energy Tanga Ltd (Octant)	PURA (regulator); Second Extension Period granted	Second Extension Period: +36 months effective 1 August 2025	Exploration — seismic reprocessing complete; drilling planned	620 km ² 3D seismic reprocessed; 2 prospects and 6 leads identified; un-risked prospective resources is 3.8

Project / Initiative	Type / Commodity	Location	Operator/ Partner	Gov't Involvement	Contract / Licence Signed	Implementation State	Key Milestones & Targets
						2026	Bbbl; mean risked volumes ~700 Mbbbl; AVO analysis underway; first exploration well drilling planned in 2027.
Pipeline: Ntorya – Madimba	Gas pipeline infrastructure	Ruvuma to Mtwara Region (~35 km)	China Petroleum Pipeline (CPP) & CPTDC (EPC contractor); TPDC (owner)	TPDC (project owner); Government-funded initiative	EPC contract awarded 3 July 2025 to CPP/CPTDC	Construction in progress — surveys ongoing	~35 km, 14-inch diameter pipeline; capacity 140 mmscfd (supports ~700 MW power); valued at ~TZS 120 billion; completion within 12 months of award (by ~Jul 2026); topographical/geotechnical surveys ongoing (target Dec 2025); pipeline materials procured and under testing in China; land acquisition finalized by ARA Petroleum.
East Africa Crude Oil Pipeline (EACOP)	Crude oil export pipeline	Uganda to Tanga Port, Tanzania (~1,443 km total)	EACOP Ltd (multinational consortium); Chongoleani jetty (Tanzania terminal)	TPDC (shareholder); Tanzania Government (regulatory oversight); implemented per Petroleum Act 2015	Pipeline agreements pre-existing; final line-pipe shipment arrived Uganda 10 Jan 2026	ADVANCED CONSTRUCTION — 79% complete (Jan 2026)	Progress: 60.6% (May 2025) → 72% (Q3 2025) → 79% (Jan 2026); Chongoleani jetty >88% complete; final line-pipe shipment arrived 10 Jan 2026 (end of international procurement); ~12,000 jobs created (Tanzania & Uganda); completion scheduled Jul 2026; first crude exports from Tanga expected H2 2026.
Natural Gas Transportation & Distribution Expansion (CNG/Pipeline)	Gas distribution infrastructure (pipeline + CNG)	Nationwide (Dar es Salaam, Mtwara, Lindi and beyond)	TPDC (pipeline); Private sector (CNG stations)	Government of Tanzania / TPDC (lead implementer); policy incentives driving CNG adoption	Ongoing national programme; CNG mother station inaugurated Dar es Salaam May 2025	OPERATIONAL & EXPANDING	Pipeline network grew from 102.54 km (2020/21) to 241.58 km (Apr 2025); >1,500 households connected; CNG filling stations: 2 (2020/21) → 11

Project / Initiative	Type / Commodity	Location	Operator/ Partner	Gov't Involvement	Contract / Licence Signed	Implementation State	Key Milestones & Targets
							(early 2026); >15,000 CNG vehicles by early 2026; DART fleet of 210 CNG buses; East Africa's largest CNG mother station opened May 2025; mobile CNG stations being introduced; LNG for remote areas under exploration.
Proposed Tanzania LNG (TLNG) Project	LNG export project (midstream/downstream)	Lindi Region (proposed plant site); Offshore Blocks 1, 2 & 4 (upstream)	Shell, Equinor, Medco (IECs); TPDC (National Oil Company, participatory)	TPDC participates in development & operation; HGA and Amended PSA negotiations ongoing	HGA and Amended PSA under advanced negotiation (not yet signed as of reporting period)	Advanced negotiations — pre-FID	FID targeted 2025–2026; first exports expected early 2030s; feedgas from Blocks 1, 4 (Shell consortium) and Block 2 (Equinor/ExxonMobil); domestic gas allocation included; expected to create significant employment and fiscal revenues.
Natural Gas Utilization Master Plan (2016–2045)	National energy strategy / master plan	Nationwide	Ministry of Energy / TPDC (implementation); PURA (regulation)	Government of Tanzania (lead); TPDC as implementing agency	Master Plan gazetted 2016; new licensing round (23 offshore + 3 Lake Tanganyika blocks) opened by PURA, closing Dec 2025	Implementation ongoing — significant milestones achieved	Recoverable reserves: 57.54 trillion cu ft; avg production ~175 mmscfd; gas supplies ~63% of grid capacity (1,193.82 MW of 1,899.05 MW); TPDC equity in Mnazi Bay doubled to 40% (2024); Phase 1 pipeline extensions planned to Mwanza, Arusha & Njombe; 56 industries connected; Tanga LPG Terminal (40,000 m ³) construction started Jun 2025; National Clean Cooking Strategy 2024–2034 aligned.

b) Corporate Social Responsibility

PURA continued with field monitoring activities to ensure compliance with local content and Corporate Social Responsibility (CSR) requirements. Out of eight (8) planned visits in the reporting period, seven (7) were successfully conducted with findings feeding into PURA's annual monitoring report and informing compliance directives issued to operators. A notable achievement in the CSR space was the approval of the Petroleum (CSR) Guidelines for the oil and gas sub-sector, developed under the auspices of PURA. These guidelines are now in effect and have played a key role in guiding the preparation of CSR plans by companies engaged in petroleum operations across the country.

c) Local Content Implementation in the Upstream Petroleum Sub-Sector

Tanzanians now account for approximately 85% of the upstream petroleum workforce, and procurement has risen from below 40% historically to approximately 55% of goods and services sourced locally. These gains reflect sustained implementation of local content plans approved by PURA and ongoing capacity building through vocational training and supplier development programmes.

PURA led a performance review of the Common Qualification System (CQS), a platform developed to pre-qualify and list local service providers capable of delivering services required for the implementation of oil and gas projects in the country. The review was conducted in collaboration with EWURA and aimed at evaluating the current performance of the CQS against actual operational needs, as well as identifying key areas for improvement.⁹

d) Energy Transition Laws and Regulations

Tanzania has made direct efforts towards utilizing renewable energy sources, as highlighted in the power system master plan of 2020–2024. Oil and gas investors have recognized the viability of transitioning from fossil fuels and incorporating cleaner and more sustainable energy projects into their investment strategies, aligning with the country's energy vision that also reflects global energy trends. Additionally, the increased demand for energy usage has further encouraged Tanzania to undertake a strategic approach to advance the usage of renewable

⁹ [*The Tanzania Local Suppliers and Service Providers Database \(Common Qualification system\)*](#)

energy. In this regard, the Ministry of Energy has formulated the National Renewable Energy Strategy 2024-2034¹⁰ aiming to improve access to reliable energy and strengthen the legal and institutional frameworks to support renewable energy investment and development.

Tanzania has set a target to have 80% of households adopting clean cooking methods by 2032 and has formulated a National Clean Cooking Communication Strategy.¹¹

On the other hand, considering that Tanzania has decided to tap into carbon trading as a broader solution to reduce emissions, the link between the regulatory framework of carbon trading and the oil and gas sector remains underexplored as a viable opportunity for energy transition.

3.3. Environmental, Social and Governance (ESG)

a) Environmental Management in the Extractive Sector

The legal framework for environmental protection across mining, upstream, midstream, and downstream operations is anchored in the Environmental Management Act, Cap. 191 with the Environmental Management (Environmental Impact Assessment and Audit) Regulations, 2005 as substantially amended by GN 474 of 2018, and the Environmental Management (Registration and Practice of Environmental Experts) Regulations, 2021. Sector-specific duties are layered on top through the Mining Act (sections 54(d)(ii), 56(d) and 62(c)) and Part VII of the Petroleum Act, both of which make the grant of mineral and petroleum rights conditional on an approved Environmental Management Plan (EMP) and an EIA Certificate.

NEMC reviews project scoping, approves terms of reference, coordinates the cross-sectoral Technical Advisory Committee, verifies stakeholder consultations, and makes recommendations to the Minister of State in the Vice President's Office (Union and Environment). Since 2021, all EIA submissions, audits and expert registrations are processed through NEMC's online Projects Management System (PMS) under the Environmental Management (Environmental Impact Assessment and Audit) Regulations.

¹⁰ [The National Renewable Energy Strategy 2024 - 2034](#)

¹¹ [The National Clean Cooking Communication Strategy](#)

Type B projects (small-scale mines, boreholes and deep drilling) undergo lighter special assessment. Type A scoping reports must cover project details, site layout, ESMP, health or safety, socio-economic impacts, stakeholder engagement and budget.

There are five key procedures through which environmental management, as part of ESG, is integrated across various stages of extractive activities. These procedures apply not only to mining operations but also to the oil and gas sector, where environmental considerations are equally critical. They span the lifecycle of extractive projects from exploration and development to production, decommissioning, and site rehabilitation and are explained as follows;

b) EIA Study and approval process

Once NEMC approves the Terms of Reference, a registered environmental expert conducts the EIA study. The resulting Environmental Impact Statement (EIS), with the prescribed submission form, is lodged with NEMC for review by the Technical Advisory Committee, which may include site visits. NEMC's review is to be completed within 60 days. The consultant incorporates review comments into a final EIS, which NEMC forwards, with its recommendations, to the Minister responsible for the Environment for decision. Where approved, the EIA Certificate is issued to NEMC for collection by the developer and is made available to the public. The developer must then implement the approved EMP, submit annual self-audit reports under the 2018 Amendment, and remain subject to compliance monitoring and inspection by NEMC throughout the project life cycle.

c) Mine Closure in the Mineral Sector

Mine closure in Tanzania is governed by the Mining Act, Cap. 123, the Mining (Safety, Occupational Health and Environmental Protection) Regulations, 2010 (GN 408 of 2010), the Mining (Environmental Protection for Small Scale Mining) Regulations, 2010 (for Primary Mining Licence holders), and the Mine Closure Guidelines issued by the Mining Commission. These instruments require every holder of a Special Mining Licence, Mining Licence, or Primary Mining Licence to prepare, submit, and implement an approved Mine Closure Plan to secure the cost of closure through a rehabilitation bond.

A Mine Closure Plan must set out final land-forms and drainage structures, progressive rehabilitation measures (including topsoil handling and re-vegetation), geochemical, geotechnical, and hydrogeological risk assessments, groundwater remediation where necessary, and measures to restore land and watercourses to a condition consistent with agreed post-mining land use. It must also quantify the total cost of closure rehabilitation, social closure, retrenchment and statutory employee benefits, and a 10% contingency and propose a post-rehabilitation bond to secure those costs.

A socio-economic transition component is required, identifying alternative livelihood programmes for host communities and incorporating feedback from regional and district authorities, the District Mine Closure Committee, and affected communities. Under the Mine Closure Guidelines of 2019, the plan must be reviewed and updated every three years, or earlier where there is a material change in mine life, production, or environmental conditions. Progressive rehabilitation is to be carried out throughout the mine's operating life, not deferred to the point of closure.

On post-closure, a mineral right holder cannot unilaterally abandon or surrender the licence area at the end of mine life. Surrender of the licence is conditional on the Mining Commission certifying that the approved closure plan has been fully implemented and that rehabilitation objectives have been met. The Mining Commission through its Mines Inspectorate and Environment Directorate, is the primary regulator: it approves closure plans, verifies rehabilitation budgets and expenditures, audits progressive rehabilitation, and administers the rehabilitation bond.

The Chief Inspector of Mines and Resident Mines Officers carry out site level inspection. Coordination with other regulators NEMC (under the Environmental Management Act, Cap. 191), the National Land Use Planning Commission, the Ministry responsible for water, and the Ministry responsible for natural resources (wildlife or forestry) is effected through the District Mine Closure Committee, which includes representatives from relevant sector ministries and regional and district authorities, and may co-opt additional institutions as ex officio members.

d) Rehabilitation Bond in the Mineral Sector

The rehabilitation bond is governed by Regulation 207 of the Mining (Safety, Occupational Health and Environmental Protection) Regulations, 2010, read together with sections 22(h) and 112 of the Mining Act and the Mine Closure Guidelines. Every holder of a Special Mining Licence (SML) or Mining Licence (ML) is required to deposit a rehabilitation bond before the commencement of operations, with the form and quantum determined by reference to the approved Mine Closure Plan. Primary Mining Licence (PML) holders are not subject to the bond requirement but remain liable for closure and rehabilitation costs under the Mining (Environmental Protection for Small Scale Mining) Regulations, 2010, read with the Environmental Management Act.

The bond may be posted as an escrow account, a capital bond, an insurance guarantee bond, or a bank guarantee bond. The bond constitutes a separate agreement between the mineral rights holder and the Government. Under the 2019 Mine Closure Guidelines, the bond is reviewed and adjusted every three years in line with the updated Mine Closure Plan, and may be reassessed earlier where mine life, production profile, or closure-cost estimate changes materially.

The Mining Commission assesses bond adequacy, monitors progressive rehabilitation expenditure, and administers release. The rehabilitation bond may be released in whole or in part, upon the Commission's certification that closure obligations have been satisfied. Where the holder defaults, the bond may be confiscated and applied to rehabilitation works undertaken by or on behalf of the Government.

e) Environmental Audit and Occupational Safety and Health

Extractive sector operators in Tanzania are subject to an integrated environmental and occupational safety compliance regime. Under section 106 of the Environmental Management Act, read with the Environmental Management (Environmental Impact Assessment and Audit) Regulations, 2005 as amended by GN. 474 of 2018, every project holding an EIA Certificate is required to conduct an annual environmental self audit through a registered environmental expert and submit the report to the National Environment Management Council (NEMC) through its online Projects Management

System (PMS); NEMC in turn conducts control audits to verify implementation of the approved Environmental and Social Management Plan (ESMP) and may issue improvement or prohibition notices, impose administrative penalties, or recommend prosecution where non-compliance is established.

In parallel, the Occupational Safety and Health Act, No. 5 of 2003 (Cap. 297 R.E. 2023), administered by the Occupational Safety and Health Authority (OSHA) through the Workplace Information Management System (WIMS), requires every workplace to be registered with OSHA and subjected to statutory inspections, annual risk assessments, worker medical examinations, and mandatory incident reporting.

For mineral, oil and gas sectors, these obligations are reinforced by sector-specific: the Chief Inspector of Mines within the Mining Commission enforces the Mining (Safety, Occupational Health and Environmental Protection) Regulations, 2010 (GN 408 of 2010) under the Mining Act, Cap. 123, while PURA and EWURA oversee health and safety for upstream and midstream/downstream petroleum operations respectively under the Petroleum Act, Cap. 392. Operators additionally contribute to the Workers Compensation Fund under the Workers Compensation Act, Cap. 263, which provides no-fault compensation for occupational injuries and diseases.

f) Decommissioning Requirements in Oil and Gas Projects

Every oil and gas operator in Tanzania is required to prepare, submit, and fund a decommissioning plan covering the safe cessation of operations, dismantling or repurposing of facilities, and restoration of the project area. The decommissioning plan must be submitted to PURA in relation to upstream activities as set out in Part V of the Petroleum Act read together with the Petroleum (Natural Gas Midstream and Downstream) General Regulations, GN 270 of 2020, and the Environmental Management Act. For midstream and downstream operations, it is submitted to the EWURA. The plan must be submitted before the licence expires, surrendered, or before the use of the facility is terminated permanently. Upon submission of the plan, PURA has the option of requiring additional information, undertaking further evaluations or requiring a new or amended plan, and the licensee must revert within the period specified by the regulator.

The Petroleum Act does not require a rehabilitation bond in the sense used in the mineral sector, it establishes a Decommissioning Fund for each development area,

field, or relevant facility operating in relation to a licence. Upstream activities require the amount deposited in the decommissioning fund to be a proportion of the estimated future cost of decommissioning. Contributions typically commence once production reaches an agreed threshold under the Production Sharing Agreement (PSA) or licence terms.

g) Social Obligations in the Extractive Industry

The social obligations in the extractive industry are built on corporate social responsibility, local content, subnational payments, and resettlement. To ensure the extractive industry translates into benefits, the disclosures may cover procurement of goods and services, employment statistics, succession plan implementation, research and development, gender participation, community development projects (CSR), resettlement practices, greater transparency on revenue and ownership, grievance mechanisms, improved community voice, monitoring, and stronger institutions ensuring compliance.

h) Governance and Accountability in the Extractive Industry

Governance is anchored in the Tanzania Extractive Industries (Transparency and Accountability) Act, Cap. 447, the Natural Wealth and Resources (Permanent Sovereignty) Act, Cap. 449, and the Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms) Act, Cap. 450. Governance indicators focus on transparency, accountability, anti-corruption and ethical conduct obligations in the management of extractive resources. TEITI strengthens governance by consolidating disclosures in contract, beneficial ownership, environmental payment reporting, environmental protection, anti-corruption measures, verification of revenue collection at both national and sub-national levels, overseeing compliance, resource governance and licence allocations. These reinforce trust in institutions, reduce risks of revenue leakage, resource mismanagement that align Tanzania's extractive industry with international standards of integrity and accountability under the EITI Standard.