



TANZANIA (TAEIC):

“Leaving no one behind; Making Natural Resources work for the People”



October 26 - 27, 2016

Blue Pearl Hotel, Dar es Salaam, Tanzania;

CONFERENCE REPORT

List of Abbreviations

ASM	-	Artisanal Small Scale Mining
CSO	-	Civil Society Organization
EICO	-	Extractive Industries Consultancies Tanzania
EITI	-	Extractive Sector Transparency Initiative
LG	-	Local Government
LGA	-	Local Government Authority
MEM	-	Ministry of Energy and Minerals
NRGI	·	Natural Resources Governance Institute
ONGEA		Oil and Natural Gas Environmental Alliance
TMAA	·	Tanzania Minerals Audit Agency
TRA	-	Tanzania Revenue Authority
UN	-	United Nations

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EXECUTIVE SUMMARY

This report is a compilation of Tanzania Alternative Extractive Industry Conference (TAEIC) discussions which took place on 26th -27th October 2016 at Blue Pearl Hotel-Ubungo Plaza, Dar es Salaam Tanzania organized by HakiRasilimali in collaboration with its members.

The Conference brought on board the five HakiRasilimali Coalition members; HakiMadini, Interfaith Standing Committee, Policy Forum, ONGEA and Governance Links with the aim of broadening information sharing to build awareness and provide lessons on advocacy strategies in mining, oil and gas economies putting in place the emphasis on the efficient use of natural resources for the benefit of the public.

This conference was witnessed by delegates from over 30 Tanzanian organizations both public and private, from 7 African countries (South Africa ,Zambia, South Sudan, Kenya, Uganda, Mozambique and Zimbabwe and 3 from Non-African countries, numbering over approximately one-hundred (100),discussing and taking note of the current state of transparency and accountability in the extractive sector in Tanzania and the loopholes that allow a few people to benefit from the mineral resources and leaving the majority perceiving little value and benefit of extractive activities. Also in the major recognition of Faith Leaders (Largest group in the conference) having an important role to play in encouraging transparency in the industry, encouraging the rule of law, and curbing tax evasion and transfer pricing that contribute to host communities missing out on seeing the benefits of extractive activities.

The conference was positively attended by all intended stakeholders who included officials from the Ministry of Energy and Minerals, women groups, People With Disabilities, representatives from the Parliament, legislators, small scale miners, communities affected by mining, academia, religious leaders, large mining companies and development partners and invited visitors from outside the country. For all of them it was an opportunity to meet all these stakeholders under one roof to discuss and reach consensus on extractive industry in Tanzania

During the discussion, the Guest of Honor Mr. John Sandiko Shija clearly mentioned that it is important to observe and create policies and strategies that will assist the mining industry to grow and develop. He called upon all stakeholders to work closely with the government in

educating the citizens about the benefits of utilizing the extractive industry for national growth. He urged participants to come up with solutions to problems and to give feedback for the government follow up.

Conclusively, it was argued that Policies and laws must be amended to suit current work environments and benefit the citizens more or make sure investor and local citizen enjoy equal rights and benefits. Weak communication system or structures to be built from foundation level and all should play a role. Public awareness and education should be available for all citizens, as they all have a right to information. Government and companies to set aside a budget for project that are sustainable for the local people; ensure they have income generating activities. All stakeholders to collaborate and work together in ensuring the public in aware of solutions to challenges discussed, ensuring investors not only create job but the community must benefit from other income generating activities such as farming. Women's rights in this sector must be highly respected and laws changed to ensure women are well protected in the male dominated field

1.2 INTRODUCTION

1.2.1 Background information

Tanzania is a country endowed with abundant natural extractive resources. Despite this abundance of natural resources, the country still faces widespread rural poverty with many families surviving on one meal per day. Recently, the country has so far discovered between 33 and 47 trillion standard cubic feet (tcf) vast natural gas deposits along its Southern Coastline in Mtwara and Lindi regions.

The vast discoveries have raised expectations that the resources from the gas discoveries could be a panacea to Tanzania's development problems. Managing of these expectations is a challenge. There is fear that Tanzania may be caught up in the infamous 'Dutch disease' syndrome, whereby resources and attention could be diverted from other productive sectors towards the oil and gas.

Artisanal and small scale mining (ASM) supports directly about 1.5million people in Tanzania alone. ASM is an important factor for income generation, with the revenues derived from ASM increasing local purchasing power, foster local economic multiplier and stimulate Small and Medium Enterprise (SME) development. Furthermore, ASM is a precursor to large mines and allows the exploitation of deposits that are not amenable to large-scale mining.. Despite its positive impacts, the ASM sub-sector is beset with problems of sustainability due to being neglected both locally and in the international development agenda.

Tanzania, Uganda and Kenya are currently undergoing various processes in reforming the mining sectors to ensure more national control, participation and benefits. The reforms have been pushed by local public concerns on the lack of substantial benefits capture, little attention towards ASM development, limited socio-economic development and destruction of community livelihoods. There is a rising tide of natural resource nationalism with citizens and politicians demanding more opportunity for local economic participation push for transparency and access to information in the extractive sector.

Over the past years civil society organizations have been advocating for reforms in the various policies and laws governing the extractive sector. The civil society advocacy started in early 2000 with a call for review of the mining policies to maximize benefits for the country. These efforts led to the passing of the Mining Act 2010 and later Petroleum sector policies and laws.

On the global level, there has been push for more accountability and transparency and increasing local participation in the mining sector. These initiatives include Africa Mining Vision (AMV), Extractive Sector Transparency Initiative (EITI), Kimberly process, International Conference on Great Lake Region (ICGLR) certification mechanism and Fairtrade market initiatives.

1.2.2 Context and Rationale

HakiRasilimali is platform of civil society organizations (CSOs) working on strategic issues around minerals, oil and gas extraction in Tanzania. The group evolved from an online “Knowledge community of practitioners in the extractive industry in 2010 to its current status as a joint advocacy and learning platform. The platform envisages that extractive industries –oil and Gas and minerals resources extraction –contribute to equitable and sustainable national development through supporting collective learning and jointly influence oil natural gas and mineral resources policies laws, regulations and practices. This is order to increase accountability and transparency of the extractive industries sector resulting in improved livelihood of all Tanzanians.

The tradition of jointly organizing National Extractive Conferences started in 2011 whereby **HakiRasilimali** members led by the Interfaith Standing Committee in collaboration with other CSOs organized an alternative extractive industry conference alongside an official conference organized by the Ministry of Energy and Minerals in Arusha Tanzania. Several concerns affecting mining communities as a result of mining operations were raised at this conference and recommendations proposed to the government for change.

In 2012, **HakiRasilimali** members led by HakiMadini, Policy Forum and Interfaith Committee organized the first conference for communities impacted by both solid minerals and oil extraction activities in Tanzania as well as artisanal and small miners. The National extractive

conference 2012 broadened the scope beyond mining and launched a solid platform for multi-stakeholder dialogue in the extractive sector.

In 2013 the tradition continued with HakiRasilimali members jointly organizing a National Extractive Conference, which saw by the participation of the government officials and the Honorable Minister of Energy and Minerals Prof. Sospeter Muhongo.

In October 2016, **HakiRasilimali members** sought to jointly organize a national extractive conference as part of its broader information sharing, awareness creation and advocacy strategy on mining, oil and gas economies.

Objectives of the Extractive Industry Conference:

The main objectives for the Tanzania National Extractive Industry Conference 2016 are:

- i. Scrutinize the current extractive land access practices and the impacts on community rights and livelihoods.
- ii. To understand transparency and accountability initiatives in the extractive sector.
- iii. Asses the link between corporate social responsibility and local economic development in extractive sector.
- iv. To review policy and practices in ASM formalization and development.
- v. To stimulate collaboration and alliance building within Civil Society, Communities and ASM in the region.

Topics for Discussion

- I. Can current extractives strategies deliver on the country's industrialization dream?
- II. From transparency to accountability: Who benefits from our resources and why it matters?
- III. Business and Human Rights approach in extractive industry: Key lessons from gold mining operations in Tarime and Geita
- IV. Creating Shared Value and Benefit Sharing through Local content in Mining and Petroleum.
- V. Is the current fiscal regime good enough to stop Illicit Financial Flows and Tax evasion?
- VI. Social Audit experiences for Corporate Social Responsibility in mining.

VII. Women in extractives: Forgotten or silenced voices?

VIII. Formalization of ASM: case studies from Fairtrade and Fairmined projects

The main theme of the conference was **“Leaving no one behind; Making Natural Resources work for the People”** and officially opened Guest of Honor from the Ministry of Energy and Minerals in the presence of distinguished representatives from the Civil Society, Faith Based Organizations and all participants from various institutions and walks of life. The conference had the following objectives; to Scrutinize the current extractive land access practices and the impacts on community rights and livelihoods; to understand transparency and accountability initiatives in the extractive sector; asses the link between corporate social responsibility and local economic development in extractive sector; to review policy and practices in ASM formalization and development; to stimulate collaboration and alliance building within Civil Society, Communities and ASM in the region.

2.0 MAIN BODY

2.1 Opening Session

The conference began with participants' registration exercise which officially started at 8.00 am while waiting for the guest of honor to officially open up the conference. With the arrival of Guest of honor Mr. John Sandiko Shija who represented the Hon. Minister for Energy and Minerals, the conference officially assumed its program.

HakiRasilimali's representative to welcome the Guest of Honor and the participants was Bishop Mangana who began by thanking all the participants for attending the conference. The Rev. Bishop Mangana explained that the conference was intentionally organized to share experience on extractive industry under HakiRasilimali, a network that was originally established as an online platform group in 2010.

The Bishop recalled back in 2011 when the members of HakiRasilimali platform organized a meeting in Arusha with intention to inquire the government to solve the challenges facing the extractive industry, the meeting which was followed up with another two consecutive conferences in 2012 and 2013 which took place in Dar es Salaam.

HakiRasilimali basically believes in transparency and Accountability for the Extractive Industry of which he argued that despite our country's endowment of natural resources, its people are still living in abject poverty. Also, He reminded that the sector currently employs almost 13 million people ranging from the gas sector, large scale mining to small scale mining of which if not well managed it can cause social discomfort.

Rev. Bishop Mangana insisted on the change of policy and explained the importance of how policy can benefit our local communities and people around the mining areas. For him the conference was an opportunity of learning and sharing experience about extractive industries from other countries as well. Furthermore, He insisted on the importance of conserving environment as crucial component in mining and extractive activities. He emphasized to all religious leaders, small and medium scale miners to be responsible in mining and to stop playing any part in corruption.

Participants were encouraged to come up with solutions to current challenges and to take note that minerals are for every citizen and therefore must also benefit from them.

With such remarks he welcomed the Guest of honor Mr. John Sandiko Shija to officially open the conference.



Fig. 1 The invited guest of honor Eng. John Shija with HakiRasilimali during the official opening of the conference

Eng. John Sandiko Shija thanked the HakiRasilimali coalition for holding the conference and all the invited participants representing their groups from all over Tanzania as well as other participants from outside Tanzania. Addressing the participants, Eng. Shija said that the extractive industry in Tanzania was core to the country's economy and if well managed the sector could benefit the communities contrary to other countries where natural resources have become a curse and a source of conflict. For him the extractive industry is very important in promoting and realizing the sustainable development goals.

The government observed that only few people do benefit from the natural resources and mineral wealth in particular while the big population is left behind without enjoying the benefits. It is with this reason the government joined the Extractive Industries Transparency Initiative on February 2009 following a recommendation as part of the 2007 Mineral Sector Review Study

The conference needs to leave no one behind as all the community needs to benefit with these resources in Tanzania. He urged the participants to keep on advocating for the change of existing policies to see all Tanzanians benefiting from the sector.

He promised that the government of Tanzania will take all views and solutions shared in order to help change the policies and laws for the benefit of the people.

After his speech the Guest of Honor officially opened the conference and launced the HakiRasilimali Platform.



Fig.2 Unveiling o of HakiRasilimali platform by Tanzania deputy Commissioner for minerals

2.2 PRESENTATIONS AND DISCUSSION

2.2.1. Making extractive revenues work for Africa: Illicit Financial Flows and Economic Vision

Led by Mr. Silas Olang included Professor Prosper Ngowi, Kwesi Obieng and Hon. Innocent Bashungwa.

This the panel discussion aimed at providing an opportunity to engage the challenges and potential benefits of the extractive sector. The challenges facing African countries such as tax evasion can only be solved when high accountability is exercised. Policy gaps and loopholes have to be filled, the issue of miners having to pay three or more taxes for the same commodity creates a loophole for tax evasion and avoidance. Information between TRA, TMAA, and Local Government should be found in a computerized system to avoid any inconveniences for the small scale miners

During the discussion it was argued that since minerals, oil and gas are non-renewable resources, the revenues collected from them should not be used for recurrent expenditures but should be invested in ongoing projects.

Contrary to the above, the companies have been operating through trick antics including illicit financial flows. Illicit financial flows are illegal movements of money or capital from one country to another that are illegally earned, transferred, and/or utilized. The Multinational Companies operating in the African soil have been transferring money from their host African countries to other nations abroad. Tanzania being one of the African countries accommodating the mining companies has no immunity to these unethical behavior by the companies the case being that, if the international system is divided, Tanzania alone cannot win the war against Illicit financial flow. Africa loses a minimal of 50 billion US dollars each year through illicit financial flows the money which could build more than 124,000 boarding schools annually.

Currently 60% of revenues collected from gas sector are used for development while 40% used for recurrent expenditure. This is a misuse of the revenues in the sense that the income generated from the gas sector if not transformed to sustainable projects, there will be no sustainability of development when the resource is finished.

Regarding 0.3% paid to the Local Governments from the mining companies there is no any systematic way to calculate the payment as the exact income generated from the industry is only known to the company.



Fig. 3 a segment of participants during the Tanzania

Conclusion and Recommendation

There is a need to have proper revenue sharing and management acquired from Mining, Oil and gas development. **The government of Tanzania** must come up clearly with revenue sharing arrangements between all the stakeholders involved. Equitable sharing arrangements must accrue to central and local government entities, host communities, cultural institutions and other stakeholders with a direct stake on the resource. Overall oil and gas revenues must be used to spur development by reinvesting in infrastructure and sustainable production sectors

such as agriculture, renewable energy (e.g. hydro-power, solar and geothermal) and human capital development (schools, health centers, and technical skills development among others).

Government and private sector should seek to harmonize corporate Social Responsibility (CSR) activities with community development priorities. While recognizing that CSR is not obligatory, the participants acknowledged that it's an important vehicle for the extractive sector to secure a social license to operate. As such CSR practice should contribute to the long-term development aspirations of the affected communities. They recommended that the government closely works with the extractive sector to ensure that any CSR decisions/activities implemented are done in consultation with local communities and civil society organizations affected. Miners need to be organized and have one voice, to be heard in order to have access to opportunities such as trainings.

2.2.2. Business and Human Rights approach in the extractive industry: Key lessons from Eastern Africa.

Discussants: Flaviana Charles and Pasience Mlowe

This session was intended to grip experiences and lessons from corporate practices in the extractives whereby three consecutive topics were discussed. The discussants emphasized on the UN guiding principles with an emphasis on duty to protect respect and access to remedy. Looking at the international governance framework, the right to protect is the duty of the government and duty to respect lies with the corporation. According to them, Human Rights are important for business because they prescribe specific actions for companies to manage their human rights impacts and at the same time they define expectations in the sense that these principles require companies to refrain from harming human rights and development initiatives are not an offset. These principles require to facilitate dialogue whereby Companies can begin discussions with governments, workers, and communities on the basis of shared values and expectations and also they manage risks as ignoring human rights involves costs to companies (e.g. reputational, financial, legal, operational). According to Pasience Mlowe, there have been various violations of human rights by mining companies in Tanzania ranging from killing of local people to inadequate compensation after land and other properties were been taken and destroyed for mining purposes. He gave out the figure noting that in a short period of

a year alone almost 74 people have been killed in instances related to mining activities which involved a mining company in North Mara. The Government has set up a National Human Rights Action Plan to protect human rights from 2013-2017 among other laws which business companies have to adhere and abide to.

2.2.3. Social and Environmental Audit in Extractive Industry: Experiences and emerging issues.

Discussant Dr.Nshala Rugemeleza and Rev. Dr. Kitima

Dr. Rugemeleza was very much concerned on how human activities cause pollution in the environment. Environment he stated refers to anything visible and invisible that affects livelihood and human geography which includes sound, land, all water bodies, energy and everything which surround us. Environmental law sets up provisions that establish institutions that govern environmental issues, and empower these institutions to carry out all matters regarding environmental protection and citizens have an obligation to protect their environment as well. He spoke of living in clean, safe and decent environment as a human right. Basically there is an environmental law which defines and regulates matters pertaining to environment and sets provisions to protect the environment. There are various branches of international environmental laws in protection and governance of environment and how to manage climate change.

According to him issue of pollution is so crucial and miners should understand that future generations will also need to find minerals therefore equality must be practiced. The following laws govern environmental issues in Tanzania – Environmental Management Act, the Petroleum Act. Before obtaining a mining license a miner needs to conduct environmental assessment impact in order to have the area evaluated by experts and environmental specialists

Rev. Dr. Kitima spoke of social audit. In the extraction industry, local and international standards are required however the society because of lack of knowledge is often caught off guard with information. An example is the case of Mtwara he stated. That people killed each other due to lack of knowledge of how all can benefit. CSO should work on educating the society. Social Audit also depends on questions the citizens are willing to ask.

2.2.4. Comparative ASM formalization practices in East Africa

Panelists Gonzaga Mungai and David Ntiruka.

Mr. Gonzaga opened his presentation by stating that the ASM is simply about order in the sector. It's a process from the mine to the market. He emphasized that there is a need to support ASM as it creates 30% of jobs. Some of the facts shared were that for every ounce of gold, 5 jobs are created and in 2011 there were 1.5 million people in ASM who contributed \$145 million to the economy.

On his part David Ntiruka pointed out areas where the Government has struggled to formalize ASM in Tanzania. According to him ASM formalization is a process of transforming ASM from being informal to becoming formal through various stages. He pointed some stages which the government has undertaken so far to formalize ASM in Tanzania which include:

1. Land Allocation Policies for Small-scale Miners

The Tanzanian Parliament promulgated a new mining law in 2010 that stipulated measures to allocate land areas specifically for small-scale mining. Recognizing the need for the government to expand significantly upon previous efforts to regulate ASGM, this legislative measure signals a potentially momentous development designed to help to reduce conflict between small-scale miners and larger companies, provide a more equitable playing field for accessing mining permits, and create a more stable foundation for local environmental planning and livelihood planning. Improving security of tenure is widely recognized by researchers as a key strategy to improve small-scale mining technologies and labour practices. Although most of the mineral exploitation and exploration rights in Tanzania historically have been allocated to large and medium-sized companies, the new mining law was established with the recognition that poorer artisanal and small-scale miners in Tanzania should be included more centrally in the process of allocating land and mining rights. To make this policy effective, concerted efforts are needed to conduct geological investigations in small-scale mining areas, to ensure appropriate resource viability, and to ensure that poorer mining groups are not

marginalized by being confined to too narrow a field of designated permit areas.

2. Decentralization of Permitting

The government decentralized the permitting process for Primary Mining Licenses intending to make the small-scale mining formalization process more efficient and more accessible to rural communities. These reforms came after the 2008 Bomani Commission concluded that mining sector decision-making had been too disconnected from district-level governance and cross-sector land use decision-making. The recent move to decentralize the permitting of artisanal and small-scale mining to the Zonal Mines Office level has thus created new possibilities which may be seen as an improvement over the previous system, in which licenses were issued solely at the offices of the Commissioner of Minerals in Dar es Salaam.

Evidence so far suggests that this reform is making the permitting of mining more time-efficient and less bureaucratic, while better integrating small-scale mining into the local development planning process. Little information exists yet on the demographics and socioeconomic profiles of the local beneficiaries of these reforms. Also, the Zonal Mines Offices still have minimal resources and limited capacity to issue and track licences effectively

3. Budget allocation and financing

Third, the government initiated steps in 2011 to develop microfinance services tailored for the artisanal and small-scale mining sector. While past attempts to create public-private sector linkages have been ad hoc and limited, recent efforts to encourage banks, companies, and microfinance institutions to assist mineworkers could yield numerous opportunities for enhancing technological capacities across the sector. As artisanal and small-scale miners often lack collateral and do not qualify for credit under existing commercial banking channels, a number of strategies drawn up by the government are vital. Ongoing debate about reform processes in Tanzania highlight the need for attention to financial empowerment strategies to support marginalized groups.

4. **Policies for Capacity-Building:** The government of Tanzania has initiated policies and programs to strengthen institutional capacities to conduct outreach and training activities with artisanal and small-scale mining groups (licensed as well as informal/unlicensed workers) and improve environmental management, technology upgrade programs, and regional regulatory implementation. Zonal Mines Offices are responsible for conducting extension services, but limited funds have hampered their capacity to do so. Future programs to support local participation and planning in mining communities (with support from international donors) could be a key to improving local capacity-building and environmental regulation. Past programs to reduce mercury use and address health and safety were most effective when developed through strong collaboration and partnership at the local level, for instance, with organizations such as the Mwanza Regional Miners Association and the Tanzania Women Miners Association. “Top-down” policies and interventions have tended to be ineffective; local ownership and “bottom-up” approaches to project design are vital to achieve positive and sustainable results.

Conclusively, according to the two panelists, Tanzania has the best mining policy compared to other surrounding countries regarding small scale miners; the only problem which lies behind it is the practice and implementation. The Policy States: *“to maximize socio-economic benefits to the country, there is a need to make these activities (Small Scale Mining) orderly, safe, productive and environmentally sound.”*

The policy gives clear government mandate for provision of extension services by government (e.g. technical training), it also has a clear licensing system.

Institutional Mechanisms so far seem to be in place as the country has staffed ASM Unit in the Ministry of Energy and Minerals. The Regional Mines Offices in each region of the country also fulfill this policy mandate.

KEY QUESTIONS-DAY ONE

1. Issues regarding child labor in the extractive industry,
2. Government involvement in the environmental management processes, and lack of access to information in some institutions such as NEMC.

3. The government doesn't set priorities to its people after mineral discovery by the local miners cum small scale miners and instead a priority is granted to a newcomer at the expense of many small scale miners fending for livelihoods. The government should consider ensuring the locals get shares from the investor; this will bring sustainable development in the community.

The panel discussants responded to these comments and concluded that CSO, other actors and the government should continue to work closely to ensure that these challenges find answers. An emphasis was made from the representative from the Ministry of Energy and Minerals Mr. Sarota who was in the audience to give his contributions and answers to certain cases.

DAY TWO: THURSDAY, OCTOBER 27 2016

3.0 PRESENTATION AND DISCUSSIONS

3.1. Community, Gender and ASM Experiences

Panelist: Moreblessing Chidaushe from South Africa whose presentation focused on Gender and Extractives.

Governance and decision chain; Moreblessing stated that, “what is taken out of the ground cannot be taken back”. Her first explanation was based on Gender Disparities in the Extractive Industry (EI) which according to her, women remain at the periphery or margins of the EI industry due to the following reasons:

- First, the extractive industry from its inception and conception has been traditionally a male dominated sector with a few or minimal opportunities for women not only to work and participate meaningfully but also to benefit from the industry.
- Second, patriarchal system entrenched in the sector is another affliction for women to benefit equally from extractive industry. This dates back to colonial period, she gave out an example from South Africa during the apartheid era whereby women were not allowed to work or engage in mining activities – mining sites were a male domain for many decades.

Due to the above and to weak linkages to the broader economy the mentality has continued to deny women opportunities to work in and benefit from the EI value chain. This is due to lack of development of key sectors which would otherwise employ and benefit women – hence undermining their economic rights and opportunities.

Women continue to be marginalized from the Governance of the extractive industry sector as most decisions made related to mineral resources are made by men who are the dominant part in the sector and who also occupy senior levels in management and decision making positions.

Employment; women constitute a small proportion of the extractive industry work force with a slow development of the technical capacities of women to occupy technical and managerial positions. Unfortunately women have also been known to be a source of cheap labor and continue to be stuck in low level positions within the industry which exploits them.

With the above, the impacts which the extractive industry has on a woman are mainly divided into the following categories:

- a) The woman working in the mining sector which is the formal extractive industry
- b) The woman or girl working in the informal mining sector - ASM
- c) The ordinary woman in the village, regarded as the community member.

According to her, there is a visible biasness against women and this practice remains strong in the industry. “In one mining instance in South Africa, a drilling operator was fired and told that she was too aggressive for the job”.

Therefore, it is important for women to continue striving for various positions and allow their voices to be heard. Technical training is also required as well as being able to grab business opportunities in this sector.

3.2 From transparency to accountability; Tanzania experience in the EITI implementation.

Speaker Ms. Alice Swai-Tanzania Extractive Industry Transparency Initiative (TEITI)

Ms. Alice stated that, “transparency and accountability is a duty of everyone however it begins with a personal decision and the leaders leading the change in the various sectors”. She spoke

of the value chain which includes laws, operating license, tax and CSR's projects and sustainable development.

Paying tax is very important and more follow ups should be made. Companies have been identified to delay in paying taxes due lack of a good foundation and a conflict of interest

Q&A

Questions, Comments and responses of the session centered on the presentations made.

Specific questions and comments from the participants focused on:

- 1) The issue of land grabbing and compensation which seemed to be international issue and a big problem that needs to be addressed as the structures, policy, practices and system need to be overhauled.
- 2) On the issue of women working in the extractive industry, the specific country must have a plan through policies and laws in order to furnish equal opportunities to women in the sector.

The discussants responded to these comments and concluded by stating that with the Tanzania vision 2020 and the Africa agenda 2030, women will be able to take the lead and enjoy equal opportunities with men. Better integration with positive impacts is expected in the future if policies are changed and are adopted for the benefit of the future generations.

4.0 THEMATIC GROUPS DISCUSSIONS

The aim of these min-workshops was to trigger further in areas of similar importance. Each group had a topic to discuss and come out with resolutions and recommendations for future engagement within peers and the government. The topics and group leaders included:

GROUPS	TOPIC	LEAD
GROUP 1	Shared Value-Business and Human Rights, Communities	Interfaith Committee
GROUP 2	Small – Scale Miners Development	HakiMadini and FEMATA
GROUP 3	Illicit Financial Flows and TEITI	Policy forum and TEITI
GROUP 4	Gender and Extractives	TGNP



Fig 4. Four thematic workshops during the conference

4.0 THEMATIC GROUPS RECOMMENDATIONS

4.1. GROUP 1: Shared Value-Business and Human Rights, Communities by Interfaith Standing Committee

- Government to change the Land laws (Land Act) to enable equal rights and privileges to both an investor and local citizen.
- Those whose land has been seized for mining investment should receive sufficient compensation or better resettlement compared to the previous one before being removed from the traditional land.
- Citizens must be educated on the effects of “magwangwala” to their health.
- Government in collaboration with investors must ensure the investor create other income generating activities such as farming and technical work.
- Royalty paid by an investor should be used to create sustainable projects that will benefit the youth and women for years to come after the mining projects are closed down.

- Interfaith leaders, CSO's and other stakeholders to work together in order to conduct social audit to know the needs and views of the citizens in the respective various communities.

4.2 GROUP 2: Small – Scale Miners Development – HakiMadini and FEMATA

- To have a strong association of small scale miners who will lobby and advocate their interests and rights
- HakiMadini and FEMATA to ensure citizens are provided with awareness and knowledge concerning the mining sector in order to be ready to face the challenges that come with it.
- Small-Scale miners to unite through their Regional Associations in order grab opportunities that come their way such as markets for their minerals, technology transfer and financial support and access to loans.
- Small scale miners should be equipped with geological information to enable them to be sure of what they are engaging in, in terms of production and mineral deposits.
- FEMATA should be empowered in order to solve the challenges facing small scale miners.
- The government to set a centralized system of taxing small scale miners contrary to the existing system where there is a multiplicity of taxes against them whereby TMAA, TRA and LGA all collect taxes from small scale miners and create disturbance and backsliding of small scale development.
- Small scale contribution to the economy should be recognized.

4.3 GROUP 3: Illicit Financial Flows and EITI – Policy Forum and TEITI

- To create an Extractive Industry Transparency Initiative. This will entail having full contract disclosure since production sharing has not been seen in previous agreements.
- Through the EITI Act, it is obligatory and mandatory to disclose the contracts regardless of caveats.
- Beneficial ownership of companies and trust is an international concept therefore there should be a demand for a country of a report. This should be done in all business not only extractives.

- Feedback from Civil Society Organizations is highly recommended.
- There must be transparency in local payments
- Bilateral treaties to be reviewed and make sure they don't undermine tax base.
- Double taxation agreements should go hand in hand with local tax policies.
- CSO's and Faith-Based organizations should enhance capacity building.
- Government to improve capacity of regulating authorities such as TRA, Ministry of Energy and Minerals, NEMC.
- Accountability and Transparency to be implemented.
- Public participation principles to be followed.
- Rule of law to be observed.

4.4 GROUP 4: Gender and Extractives

- Local enterprise should be insisted in all natural resources sectors from gas to minerals.
- Public awareness on gender issues and extractives to be done by CSO's and other stakeholders
- Government to create a system of effective communication with all parties concerned in this sector, from Small – scale miners, CSO's and the local government authorities.
- Religious leaders and CSO's to play a huge role in ensuring gender rights are respected.
- Companies, Government, Men and Women to work closely together and also take advantage of the Public, Private Partnership opportunities.

5.0 ACHIEVEMENTS OF THE CONFERENCE

1. Organizers played their role well from planning of conference to convening. There was an effective communication and roles were defined for each hosting organization.
2. Speakers were well selected and delivered to the participants' expectations as the theme was relevant to the indaba.
3. Participation was good as all HakiRasilimali partners participated as it was gender balanced as well as topics on gender and extractives. Groups were represented which include religious leaders, legislators, academia, development partners, women,

communities affected by mining activities, people with disabilities etc. International participants from South Africa, Kenya, Uganda, Zimbabwe and Mozambique

4. The venue for the conference was geographically accessible and convenient for most of participants
5. Visibility of the conference was massive as the communication strategy was enormous bringing on board television stations for coverage and social media for live updates.
6. HakiRasilimali platform was officially launched
7. Many issues concerning small scale miners were well responded by the Commissioner for mining Mr. Sarota
8. Inputs and experiences shared by international speakers and participants increased reflection and deep understanding of different issues of Human Rights, gender, land policies etc.
9. Participation of the mining companies which at the face of communities seem unfriendly and enemies created a good platform for communities to speak out their concerns as the discussion was open and participatory.
10. The conference increased capacity and experience for HakiRasilimali partners in hosting such events.

6.0 CHALLENGES FACED DURING THE CONFERENCE



Fig.5 Unanswered query during the conference discussion

- 1) The government participation was inadequate; whereby in day 1 they participated for just a short period of time and day 2 only one member participated and came late. This made participants question whether their issues will be taken on board.
- 2) Relationship between CSOs and the government officials need to be friendly rather than attacking one another. There was some sort of unhealthy approach and tone during dialogue which made the commissioner uncomfortable.
- 3) Time for the entire conference was too short as there was still a big room for more discussions thus many things were not covered

7.0 KEY NOTES AND LESSON LEARNT

- Recognizing the role of women in the extractive industries and the need for more research on extractive industry's impact on women and the challenges they face, specifically in small-scale mining, given that there is inadequate data in this area. Moreover.
- Existing systems and policies are still insufficient to impact positively the lives of the surrounding communities in the extractive sector in Tanzania. Therefore need for the government to reform the existing policies in order to enable extractive industries to meaningfully contribute to the Tanzanian economy including by way of full alignment with the African Mining Vision (AMV)
- The discussion during the conference still condemns all practices of Illicit Financial Flows (IFFs) out of Africa for its scale and negative impact on the continent's development and governance agenda which still pose a threat and that fight to curb IFFs cannot be won by Africa alone and concerted global efforts are required to address the challenge.
- It was noted that the power and information asymmetry between the government of Tanzania and multinational extractive companies in negotiating fair contracts is still poor and hence calls for African regional bodies to work together to improve learning of successful tax practices in relation to extractive industries.
- More engagement between the government of Tanzania and CSO is still in order to create a shared-understanding about the benefits, challenges and responsibilities

related to the extractive industry and how these stakeholders can establish realistic partnerships to work together towards implementable solutions.

- Efforts to enhance the capacity of and recognition of the capacity constraints within media houses and amongst religious leaders on issues related to extractive industries is also required.
- Current regimes based on local government compensation rates are disadvantageous and leave affected local communities worse off. Since oil and gas development is only expected for 4 decades (40 years), local communities should not be dispossessed of their land but instead land should be leased from them and decent periodic premiums paid to them until such a time when oil and gas as well as mining development activities are decommissioned. Where individuals or communities seek to sale their properties, compensation mechanisms should take into account the long-term nature of land assets and decent compensation remunerations should be paid out. “Whenever possible, house for better house, land for better land should be the basis for such compensation”.
- It was noted that notes that the document as reflected by previous government actions to civil participation does not sufficiently recognize the importance of community participation and consultation in the petroleum development process. Techniques and approaches in dialogue with the government should be facilitative open and honest (Not confrontational)

8.0 WAYFORWARD

At the end of the conference the participants had the following points for action:

- The Government has to transform the non-renewable resources to sustainable development projects.
- Improve systems, laws and policies regarding compensation.
- Provide correct and timely information to communities regarding mining investment and at the right time.
- A need for open and transparent process, fresh from the beginning concerning the perceived benefits and potential challenges to the community is explained prior to the engagement process.

- Capacity building to media groups and religious leaders on issues of extractive industry for easy and correct dissemination of the knowledge back to the community.
- Good governance commission should educate politicians to avoid using their platforms to dispatch extractives' technical issues to the community for their political gains. eg. Claiming Mtwara to be like Dubai due to Gas discovery or Tanzania to be a Nuclear State from Uranium Mining at Mkuju River.k
- Government agencies and Ministries should engage more with CSOs and small medium scales dealing with Extractives in order to understand more the industry, and challenges facing them and how they can engage together.
- The Alternative Extractive Industry Conference has to be a continuous event as it bridges the gap of information in the extractive industry by bringing together all players of the sector.
- All issues and concerns rose which did not get direct answers have to be accommodated and answered by the Ministry.

9.0 CONCLUSION

These points above provide a basis for further discussions, debates, research and advocacy, and policy considerations. The enthusiasm shown by the participants throughout the two-day session showed the great interest and potential of a change of systems and growth in the extractive industry with favoring women and leaving no one behind.

10.0 REFERENCES

- a) Africa Mining Vision
- b) The Mining Act, 2010
- c) The Environmental Management Act, 2004
- d) The Tanzania Extractive Industry (Transparency and Accountability) Act, 2015
- e) Universal Declaration of Human Rights (UDHR)

Media Links

- a) <https://www.youtube.com/watch?v=OLbNmYZlcO8&feature=youtu.be>
- b) <https://www.facebook.com/itvtz/videos/1021137641330543/>
- c) <http://www.ippmedia.com/sw/habari/watakiwa-kuchangamkia-fursa-uwapo-gesi-madini>
- d) <http://www.mwananchi.co.tz/habari/-Mikataba-ya-madini-kikwazo-cha-mapato-/1597578-3441792-9ytb6bz/index.html>
- e) <https://www.youtube.com/watch?v=Cb5u70Q9aVU>

Press release: <http://www.policyforum-tz.org/civil-society-convenes-national-conference-extractive-industry>

Social media

- Facebook <https://www.facebook.com/HakiRasilimali/>
- Instagram <https://www.instagram.com/HakiRasilimaliTZ/>
- Twiter <https://twitter.com/HakiRasilimali/>

Documentary

<https://www.youtube.com/watch?v=w8nGWWPb2UY>

11.0 ANNEX



Semkai Policy Forum



Wadau wa sekta ya madini wadai watanzania bado hawanufaiki na rasilimali...
www.youtube.com

<https://youtu.be/wTOFmD9WO9k>

Yesterday's ITV clip

11:20

Semkai Policy Forum



Serikali kutoa Ruzuku ya Bilion 6 kwa Wachimbaji wadogo | Serikali kutoa...
channelten.co.tz

<http://channelten.co.tz/2016/10/26/serrrr/>

12:03

Monday
Thursday October 27, 2016 13:12

Stakeholders call for transparency, accountability in extractive sector

By Njirai Njirai

Stakeholders in the extractive sector have called for greater transparency and accountability in the sector. The extractive industry is a key sector in the country's economy, and it is important that the sector is managed in a transparent and accountable manner. The stakeholders have called for the government to increase its transparency and accountability in the sector, and to ensure that the sector is managed in a way that is in the best interests of the country.



The stakeholders have called for the government to increase its transparency and accountability in the sector, and to ensure that the sector is managed in a way that is in the best interests of the country. They have also called for the government to ensure that the sector is managed in a way that is in the best interests of the country, and to ensure that the sector is managed in a way that is in the best interests of the country.

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