Govt advised on natural resources

Implementing extractive sector laws and regulations, disclosing gas and mineral sales, combating corruption and using data to improve institutions’ policies and practices stressed

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Dar es Salaam. The government has been advised to take concrete measures to ensure that its citizens benefit from abundant natural resources.

The country scored 65 over 100 in oil and gas in terms of value realisation. In the mining subsector the score is 54 of 100 and over 50 in enabling environment component.

In a group of 55 peers, Tanzania ranks the 38th in the overall oil and gas score, 54th in value realisation, 54th in resource management and 28th in enabling environment.

“The RGI 2017 findings imply that the country is doing well in oil and gas as compared with the mining sector especially in terms of area of value realisation and creating enabling environment. However, much should be done in the area of revenue management for the country to adequately benefit from abundant natural resources,” he said.

He said the report recommended that Tanzania strengthen and implement extractive laws and regulations, particularly environment, local communities, local content, transparency and accountability.

Mr Olan’g said the report has revealed significant difference in average score of laws and practices that the gap was wider in the oil and gas sector, he said.

He said the government was expected to take appropriate measures to address the findings in the report. In the presentation.

He said the government was advised to consult true beneficiaries owners of mining and oil and gas companies, commercial interests of officials and associate contractual deals struck by the governments, revenue and management issues and payments made by the companies.

“Public officials are also supposed to declare stakes they own in the companies. According to the report where such declarations are made, they never get published,” said Mr Olan’g during the presentation.

According to him, this year’s report calls for strengthened regulations and presence of independent governing boards appointed on grounds of a well-defined system putting emphasis on technical expertise instead of political affiliations.

“It is also recommended that an open civic space to citizens and journalists lacking technical expertise and facilitating public involvement in the decision on the technical expertise for the long-term effectiveness of the sector,” he said.

RGI 2017 wants free access to resource governance information by improving data institutions, policies and practices.

Improved institutional framework will allow regular and timely data gathering, analysis and dissemination, suggesting that data should be released using open data charter standards to improve transparency.

Former Bariadi East MP John Cheyo said the findings had been released at the right time as two presidential committee reports on minerals showed the country was losing revenue heavily due to gaps between legal framework and implementation of the laws.

He said the country’s legal framework failed to make clear the state’s ownership of natural resources, suggesting that if they were owned by the public, it was supposed to be included in the legal documents including the constitution.

He said since the country’s extractive industry was in the hands of the foreign investors, public auditors were not allowed to audit the companies’ financial statements.

“The government is expected to form a team of experts to meet their Barrick Gold Plc counterparts to re-negotiate contracts and other Mineral Development Agreements entered by the country in previous years. The new laws will serve as a platform for the Tanzania team during the negotiation, which I totally support,” he said.

Three bills passed


Silika executive director Irene Kiria commended President John Magufuli’s administration for tabling the bills in Parliament under the certificate of urgency, urging that the move was in line with RGI 2017 recommendations that call for strengthened legal frameworks.

“Civil society organisations have for years been demanding transparency in the extractive industry. We have been shouting for disclosure of contracts and respective revenues. We have been fighting for public ownership of natural resources, how can I oppose that when the government wants to enact laws which will empower the country?”

Tanzania Petroleum Development Corporation board chairman Sufiani Bukurura said external influence on natural resources outcome wasn’t mentioned in the RGI 2017, suggesting that regardless of geographical disparities, countries have greatly been negatively influenced by external forces in decision making to its natural resources.

“Therefore, developed countries shouldn’t be assessed alongside developing countries in the RGI and that mining subsector should be separated from the oil and gas during the assessment,” said Prof Bukurura.

Public and policy engagement expert, Evans Rubara questioned the role of civil social organisations in advising the government on formulating policies, laws and regulations that are beneficial to the country.

President John Magufuli displays one of the two reports on metallic mineral concentrations in Dar es Salaam. With him is Vice-President Samia Suluhu Hassan. PHOTO|FILE

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WEALTH

Resource Governance Index 2017 reveals significant difference in average score of laws and practices

The index measures the quality of resource governance in 81 countries that together produce 82 per cent of the world’s oil, 76 per cent of its gas and a significant proportion of minerals, including 72 per cent of all copper. It is the product of 85 country assessments (eight countries were assessed in two sectors), compiled by experts and archers. Using almost 10,000 supporting documents to answer 149 questions, Tanzania is Africa’s fourth largest gold producer.

This assessment focuses on gold mining, based on data collected during 2016. The country has a mature mining industry. In the 2013/14 fiscal year revenues from gold mining constituted 80 per cent of the extractive industries’ 12 per cent contribution to government revenues.

The index and score average are in the overall sector score of 54 for Tanzania, which ranks among the 38th highest. The index shows that Tanzania’s score in sub-sectors is 53 for the oil and gas sector and 49 for the mining sector.

The index covers broader governance context.

The index is an indicator of resource governance. It includes laws and regulations, governance institutions, transparency issues and implementation. The index is an indicator of resource governance.