

OXFAM AMERICA
Baseline Report

**ACCOUNTABILITY THROUGH
ACTIVE CITIZENSHIP:
IMPROVING PETROLEUM
GOVERNANCE IN GHANA,
MOZAMBIQUE & TANZANIA**

BASELINE SURVEY REPORT - TANZANIA

Rob Denny
January 2015



OXFAM
America

As part of our commitment to accountability and learning, Oxfam will share conclusions and recommendations from baseline reports. Internally we will share with relevant stakeholders, ensuring that they have an opportunity to participate in discussion of those results in meaningful ways. We will also publish the evaluation reports on our website in accessible language.

As a rights-based organization, accountability, particularly to the communities we seek to serve, is of the highest importance to us. For Oxfam, accountability requires Oxfam to regularly and honestly assess the quality of its work, share and learn from its findings with primary stakeholders, and apply that learning in future work.

\

This is a baseline study for Oxfam America's Program Accountability through Active Citizenship: Improving Petroleum Governance in Ghana, Mozambique and Tanzania. The program has been operating in Ghana, Mozambique and Tanzania since July 2014.

The major activities for producing this report took place in November and December 2014. The study was carried out by Rob Denny through a competitive process and reflects the findings as reported by them as validated with stakeholders. The study was managed by Katie Martorana, Program Officer from Oxfam America, and commissioned by Keith Slack, Extractive Industries Global Program Manager, Programs Department.

For additional information regarding the study Terms Of Reference, please refer to the report appendices.

CONTENTS

Abbreviations and Acronyms	4
Acknowledgements	5
Executive Summary	6
1. Introduction	9
2. Methodology	14
3. Findings	
3.1 Outcome 1	16
3.2 Outcome 2	23
3.3 Outcome 3	29
3.4 Other Key Interventions around Accountability in Extractives	32
Annexes	
Annex 1: Bibliographic References	36
Annex 2: Institutions Interviewed	37
Annex 3: Non-statistical Quantifiers	38
Annex 4: Summary of Findings	41
Annex 5: CEIDA Review Letter	43
List of Tables	
Table 1: Indicators developed for the baseline in Tanzania, per program output	10
Table 2: Baseline Interviewees by Stakeholder Category	14
Table 3: Citizens Participation in Local Structures	17

ABBREVIATIONS AND ACRONYMS

CEIDA	Corporate Social Responsibilities of Extractive Industries in Developing Areas
CLO	Community Liaison Officer
CSR	Corporate Social Responsibility
CUF	Civic United Front
CSO	Civil Society Organization
DFID	Department for International Development
EI	Extractive Industries
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
ESIA	Environmental and Social Impact Association
FCS	Foundation for Civil Society
GDP	Gross Domestic Product
HDI	Human Development Index
IFC	International Finance Corporation
LANGONET	Lindi Region Association of Non-Governmental Organizations
LNG	Liquefied Natural Gas
MEM	Ministry of Energy and Minerals
MRENGO	Mtwara Region Non-Governmental Organizations Network
NGO	Non-Governmental Organization
NORAD	Norwegian Agency for Development Cooperation
NCA	Norwegian Church Aid
NRGI	Natural Resource Governance Institute
ONGEA	Oil and Natural Gas Environmental Alliance
REPOA	Research on Poverty Alleviation
TEITI	Tanzania Extractive Industries Transparency Initiative
TPDC	Tanzania Petroleum Development Corporation
VEO	Village Executive Officer

ACKNOWLEDGEMENTS

The baseline consultant would like to express sincere appreciation to a number of persons who have facilitated this report, in particular Jovitha Mlay, for her support and insights during the consultant's field visits in southern Tanzania, and Lisa Marie Faye, for her support in arranging interviews and her in-country program direction. Both of them made every effort to reach out to relevant stakeholders and ensure the consultant's visit was efficient, effective and pleasurable. Appreciation also goes out to the clear guidance by Katie Martorana, Oxfam America Program Officer, who allowed for proper and flexible adaptation of international, national and local impact assessment tools. Many thanks also go to the members of the 'CSR in Extractive Industries in Developing Areas – CEIDA' group at ESADE Business School for their informed comments and suggestions on the first draft.

Last but not least, the consultant would like to thank the interviewees who so willingly gave their time and their knowledge to contribute to the exercise.

EXECUTIVE SUMMARY

Oxfam's Extractive Industries Program in Tanzania seeks to address deficits in **accountability** and **transparency** in the O&G sector, with the final aim to support poverty reduction. The program builds on existing Oxfam competencies in Tanzania in terms of civil society support and community voice, with specific activities that aim to:

- Empower **communities** directly affected by O&G projects in Tanzania (especially in the Regions of Mtwara and Lindi) to effectively and constructively participate in relevant governance processes;
- Build the capacity of national and local **civil society organizations** and platforms to meaningfully assume an oversight role, support communities, participate in dialogue and advocate for equitable, impactful and lasting development in the context of O&G;
- Build the capacity of the **media** to increase the quantity and quality of reporting on processes and results associated with O&G projects in Tanzania;
- Train O&G stakeholders -- both official and civil society -- on relevant issues including contract transparency (in conjunction with EITI).

Within this broad framework, some fine-tuning of program activities is still required, starting off with the identification of program partners. As with all Oxfam programs, a gender lens is incorporated, to ensure inclusion of women in Tanzania O&G management processes.

This O&G Tanzania baseline study presents findings about the end-2014 situation with regards to the project's 3 Outcomes:

- **Outcome 1:** Improvement of community skills to influence O&G governance and to mitigate local industry consequences.
- **Outcome 2:** Strengthening of civil society engagement in O&G governance issues at national and sub-national levels.
- **Outcome 3:** Improvement in Government and O&G industry responsiveness to operate transparently and accountably as duty-bearers.

The analysis and findings are based on available literature, institutional reports and secondary data as well as a visit to Tanzania that included 36 semi-structured interviews, both in Dar es Salaam and in the producing Regions of Mtwara and Lindi.

With regards to Outcome 1:

Public and community consciousness of issues around land and the O&G industry is highly variable. In the producing regions of Mtwara and Lindi, the issue is often framed in political terms, reflecting the unrest in Mtwara in 2013. There is unmet demand in these localities for **precise information** about the Gas industry, how it will manage its impacts, and how local people can stand to benefit. Although there exists a detailed local system whereby community members can input into development processes, doubts remain as to its ability to respond to the governance challenges posed by the Gas industry. In particular, there appears to be no effective **tracking of revenues** (the 0.3% service levy paid to District councils from existing

onshore gas operations), and no specific **safeguards** to ensure women's participation. In addition, there are concerns around impact management by onshore Gas (and related construction) companies, specifically:

- Instances of land acquisition done without following due processes
- Crop compensation procedures that fall far short of international standards (IFC, 2012)
- Inadequate stakeholder engagement procedures
- Non-existent grievance mechanisms

The situation was quite different with respect to the larger Gas companies with offshore exploration blocks, who displayed evidence of much better **social performance**. However, both existing governance systems and the Gas industry (onshore and offshore) are likely to face challenges in addressing the indirect impacts of the industry such as in-migration, increased pressure on local services and rising prices.

With regards to Outcome 2:

Civil society mobilization around extractives in Tanzania has to date been concentrated on the mining sector, e.g. through HakiMadini and other efforts concerning human rights and governance in relation to mining. So far no such parallel structure exists for O&G, although there are some budding initiatives such as HakiRasilimali and ONGEA.

Media coverage of O&G is rated by interviewees as much better for its quantity than for its quality. This comparatively low quality rating, despite a number of training efforts by civil society and the Ministry of Energy and Minerals, reflects other constraints such as:

- The short-term focus of media attention (centered on the latest "issue of the day")
- The incentive system within which journalists operate
- Constraints on media reporting in the producing region of Mtwara caused by Government pressure

Civil society in Mtwara and Lindi is much less developed than in Dar es Salaam, with most of the organizations interviewed focused on service-delivery and run by volunteers who only get paid when a specific donor-funded project is underway. Nevertheless, several possible partners were identified who may be able to collaborate with the Oxfam program.

Additionally, a number of **research areas** were identified on topics that could facilitate civil society mobilization, covering both the national O&G framework (notably the conflict of interest faced by TPDC as both operator and regulator) and issues of impact management such as population influx, local inflation, vulnerable groups, land acquisition and company grievance mechanisms.

With regards to Outcome 3:

Given that Tanzania is still in the early stages of becoming a Gas exporter, it is perhaps not surprising that the legislative framework is still incomplete, and that the

different actors involved (both inside and outside Government) have substantive training and learning needs. Interviewees pointed to **training requirements** around such themes as:

- Assessment of the social performance of companies, including their Environmental and Social Management Plans;
- Official procedures (regulations and administrative tools) that underpin legislation;
- Local Content (goods and services to the industry sourced in Tanzania).

In terms of transparency, Tanzania has already made a lot of progress in line with its obligations as an **EITI-compliant** country, and is expected to make further progress towards the EITI Standards. It is likely that this will include publication of those contracts that have yet to be made public. But there are **broader transparency issues** regarding company behavior and government processes such as:

- The process of allocating blocks to companies in licensing rounds
- Beneficial owners of companies
- Expenditure tracking, especially at the District level
- Employment and procurement practices of O&G companies
- Publication of EIAs and ESIA's

Lastly, it will be necessary to develop more information materials in **Swahili** in order to open up the debate to wider constituencies.

1. INTRODUCTION

Project Objectives

The NORAD-funded ***Accountability through Active Citizenship Program: Improving Petroleum Governance in Ghana, Mozambique and Tanzania*** aims to contribute towards an active society that promotes economically, environmentally and socially responsible management of Oil and Gas (O&G) resources based on transparency and accountability for sustainable development and poverty reduction, while safeguarding the needs of future generations.

In Tanzania program design is based on the premise that good governance in the O&G sector relies on the active and informed participation of all stakeholder groups including communities, Civil Society Organizations (CSO) and the media. Furthermore, it is founded on the recognition that participation is only possible by redressing the power imbalance resulting from unequal access to information, poor awareness of governance and decision-making processes and rights and structural weaknesses in the media sector.

The Oxfam program in Tanzania aims to:

- Empower communities directly affected by O&G projects in Tanzania (especially in the Regions of Mtwara and Lindi) to effectively and constructively participate in governance processes that promote gender and social equity;
- Build the capacity of national and local civil society organizations and platforms to meaningfully assume an oversight role, support communities, participate in dialogue and advocate for equitable, impactful and lasting development in the context of O&G;
- Build the capacity of the media to increase the quantity and quality of reporting on processes and results associated to O&G projects in Tanzania;
- Train concerned stakeholders (both official and civil society) on issues including transparency in relation to O&G, in conjunction with EITI.

From a gender perspective, the program expects to increase women's effective participation in governance processes associated with O&G projects, avoid common effects of extractives projects on women and contribute to the promotion of gender sensitive poverty reduction in the context of extractives.

Program design may be fine-tuned upon the completion of the baseline and development of operational strategies. The program will also need to adapt to a fast-developing context with an increasing number of players contributing towards similar vision and complementary goals. Opportunities could emerge in this context for advocacy around policy implementation issues. This is likely to be especially relevant in a context where stakeholders and institutions in the country have limited experience and capacity to match the unprecedented and large-scale natural resource wealth discoveries of recent years in the O&G sector, and beyond.

Community-level program activities will be implemented in Mtwara and Lindi regions, which have already been impacted by onshore Gas operations and are likely to be further impacted by offshore Gas operations, especially the LNG processing plant

proposed by BG and Statoil. The program does not encompass a cross-border approach with Mozambique, despite the fact that O&G operations take place very close to the border in both countries, and both are target countries for the program.

The following table shows the indicators that were developed as part of the program design, linked to their respective Outcomes.

Table 1: Indicators Developed for the Baseline in Tanzania, per Program Outcome.

OUTCOMES	INDICATORS
Outcome 1: Women, youth and men improve skills to influence petroleum governance decision-making and to mitigate consequences of oil and gas industries in their locality.	1.1 Understanding of men, women and youth in directly affected communities of land and petroleum legislation
	1.2 Participation of men, women and youth in decision-making processes around O&G issues at local level
	1.3 Effective mechanisms for collective action in place at community level
	1.4 Effective grievance redress mechanisms in place and use (judicial and extrajudicial)
	1.5 Situation analysis on the likely impacts of the LNG project
	1.6 Research, analysis and reporting on O&G governance and revenue use at local and sub-national level with consultation / participation of community groups
	1.7 Existence of a Safeguards monitoring mechanism within local Government structures to ensure women’s participation
Outcome 2: Civil society organizations and platforms, including women’s rights organizations and media groups, strengthen engagement in economic, environmental, and social oversight and advocacy for improved petroleum revenue management at national and sub-national levels.	2.1 HakiRasilimali recognized as a critical and well informed contributor to national policy debates on O&G
	2.2 Capacity of media based partners around O&G issues
	2.3 Advocacy and negotiation skills among SCOs, NGOs and media
	2.4 Production of positioning papers on critical O&G sector issues of issues at all levels of the value chain and proposals to address gender inequities in NRM
	2.5 Oxfam responsiveness to SCO and media partner request for informal support with gender equity and transparency focus
	2.6 The voices of active citizens and leaders captured by media
	2.7 Participation in annual global and regional forums, supporting Exchange and presentation of national research and policy development
Outcome 3. Governments and private sector in the petroleum industry become increasingly receptive and responsive to the demands of active citizens, civil society, and media and their responsibility to operate transparently and accountably as duty-bearers.	3.1 Training on petroleum sector issues for all stakeholders
	3.2 Support to CSO efforts and platforms to advocate and engage in contract transparency
	3.3 Oxfam and partners liaise strongly with EITI to ensure CSO and media training on transparency obligations

The findings of the Baseline report (Section 3) follow the structure of the 3 Outcomes listed in Table above, and in broad terms the list of indicators as well. However, in some cases, and with the agreement of the program team in Tanzania, some of the indicators have been consolidated to make for a simpler and more coherent structure.

Fieldwork was carried out in Tanzania from 30 November to 11 December 2014, and included interviews in Dar es Salaam as well as field trips to affected populations in the regions of Mtwara and Lindi, in conjunction with members of program staff.

Baseline Purpose and Context

The objective of the baseline survey is to analyze and document the situation around accountability, transparency and governance of the O&G sector in the country prior to the implementation of the Oxfam project. More specifically, the baseline focuses on a selected group of indicators chosen for the country program directly linked to the project's foreseen key areas of activity identified and approved in the Inception Phase. It is expected that an exercise similar to this baseline will be conducted at the end of the program to gauge the changes brought about by program interventions.

Overall Country Context

Although the rate of GDP growth has increased in recent years, Tanzania ranks 159 out of 187 countries on the Human Development Index and the latest Government figures show that 28.2% of the population live below the poverty line, with an average per capita income of only \$570 (World Bank, 2014). The country is on track to meet only 3 of the 7 Millennium Development Goals by 2015. The majority of livelihoods are still land-based, with agriculture accounting for $\frac{3}{4}$ of all employment (although only $\frac{1}{4}$ of GDP). A new constitution is expected to be introduced prior to national elections in October 2015.

The development of the offshore Oil and Gas industry in Tanzania lags substantively behind both Ghana and Mozambique. Exploration started in the 1970s, but with little visible activity in the early years. However, the advent of Gas majors BG and Statoil in 2011 was, in the words of one industry informant, "a game changer". With the capital and experience to undertake a sustained program of seismic exploration and appraisal wells, reserves of 50 trillion cubic feet have now been confirmed. This led to raised hopes of national transformation – even though there is to date no certainty about actual production and export, let alone a reliable timetable as to when this might happen.

The "crisis of expectation" contributed to violent confrontation in Mtwara – broadly speaking, the producing region in terms of Gas – in January and May 2013. The background to the riots was a potent mix of a historically marginalized area, with a strong opposition party (CUF), and a seductive narrative of local resources being extracted by the capital city (the Mtwara-Dar gas pipeline). Additionally, local jealousies (Mtwara town v Mtwara rural) and a mis-handled land-compensation process for the pipeline should be mentioned, according to interviewees. The resulting security clamp-down remained in place for 18 months, with a ban on public meetings only lifted in October 2014.

To judge from media coverage, the national conversation about Gas in Tanzania seems to be a primarily political one, dominated by competing claims of political interests in Mtwara, Dar es Salaam and Zanzibar; and by corruption scandals implicating TPDC and Ministry of Energy and Minerals. There is little informed

debate about the practical steps which can be taken to minimize the down-sides of the industry and maximize the potential gains for the country. The issue of Gas is portrayed in 'magical' terms as a national windfall to be fought **over**, not as a strategic opportunity whose potential benefits, if they are to materialize, will need to be fought **for**.

The heated political atmosphere has run ahead of the situation on the ground. To date there is no LNG processing plant, which is necessary for any gas exports, nor any official announcement on where it will be located (although the location has apparently been identified). The definitive decision to proceed by the companies concerned (BG and Statoil) – in industry-speak, the Final Investment Decision – is still some years off and should not be expected within the lifetime of the current Oxfam project.

Given the uncertainties about the development of gas exports, the Oxfam project will have to work around various possible scenarios. Broadly, these are as follows:

- BG and Statoil proceed as envisaged. The Government announces the site of the LNG processing plant, the companies proceed with confirmatory drilling campaigns and progress towards Final Investment Decision;
- BG and Statoil reach a commercial decision that margins are too tight and sell out to cheaper operators. The likely consequence would be less resources available for social impact management (including stakeholder engagement and grievance systems);
- Current uncertainties continue – over the legislative framework surrounding Gas, over the politics of resource transfer between Dar, Zanzibar and Mtwara, and over the price and marketing of Gas resources internationally. Under these conditions, little progress will be made towards offshore Gas production.

Large companies like BG and Statoil have a track record of engagement with social issues in contexts similar to or more difficult than Tanzania (e.g. Nigeria), and they have an established systems of social-risk management including impact mitigation and grievance systems. They are in the process of rolling out Isometrix¹ as their preferred social-management software for Tanzania, and have taken on one of the world's top resettlement specialists (Robert Barclay) to support the resettlement process.

However, the standards for smaller companies exploring and operating onshore² is far more mixed. The operation at Mnazi Bay, for example, was criticized by one interviewee for importing its food supplies from South Africa rather than buying local, but later praised by another interviewee for the quality and timeliness of the information it passed to local communities. In contrast to the offshore Gas industry, the market for the onshore gas is the domestic one. Instead of lavishly-resourced social-management systems, these companies keep expenses down by, for example, using their drivers to interact with local communities (rather than employ trained Community Liaison Officers or CLOs)³. However, production of Gas has

¹ See <http://www.isometrix.com/solutions/social-management-software/> accessed on 18 December 2014.

² Such as Ndovu Resources and Wentworth Resources.

³ Another interviewee described how one of the companies assessed crops on acquired land without the presence of farmers and paid compensation money to the district office for onward distribution to affected farmers: a process that falls far short of international standards.

been underway in Mnazi Bay (Mtwara) and Songo Songo (Lindi) since 2004 and 2006. The companies have also been paying the mandatory 0.3% Service Levy to the respective District Councils, after some initial political and administrative wrangling.

Lastly, the malign influence of the mining sector in Tanzania casts a long shadow over Gas. Broadly speaking – and in contrast to Kenya, which has some positive examples in the mining sector such as Base Titanium – Tanzanian mining operations are characterized by low capitalization, poor stakeholder management and a sustained inability to manage their environmental and social impacts (although Tanzania is trying to improve in this respect, signing up to the African Union’s Mining Vision in 2009, which has as one of its core aims to ensure local development through community benefits and environmental safeguards). This is the primary prism through which many observers in Tanzania view the Gas industry. One of the interviewees referred to a popular commentary on the subject: “if the Government has failed with gold and tanzanite, how can it succeed with Gas?” The result is that the Gas industry in Tanzania faces the perils of both high expectations and deep suspicions.

In attempting to legitimize Gas – in a way that mining has never been legitimized – the Government has insisted that an elevated percentage of Gas production should be reserved for the local market. The industry may murmur that this is national hubris, but it also reflects a government awareness of the political explosiveness of a country exporting energy resources when it cannot keep the lights on at home. The lessons learned in Nigeria are keenly felt in Tanzania.

Primary Change Agents

The Oxfam extractives project in Tanzania is still in its initial stages, so the current Baseline survey has been undertaken at a suitable moment. No substantive project activities have yet been undertaken, although the process of identifying the key program partners is underway. However, the main focus of project activities are known, primarily determined by the geography of Gas production in Tanzania. There will be two axes of project activities:

- National, focused on Dar es Salaam but also encompassing the national capital of Dodoma;
- Regional, focused on the producing regions of Mtwara and Lindi.

Mtwara and Lindi are characterized by lower social and economic indicators than the national average, in terms of educational attainment, women’s status, health outcomes and household income. This reflects geographical distance from the national mainstream, but also cultural specificities and historical under-investment justified by the area’s status as a ‘war zone’ in the run-up to Mozambican independence in 1975. The discovery of the natural Gas reserves occasioned a classic sense of heightened expectations and the hope that Gas could be the fuel to bring the region into the national mainstream.

Within this broad picture, individual communities in Mtwara and Lindi display great differences in perspective, depending above all on whether or not they have already been impacted by the Gas industry, onshore or offshore. Despite the area’s proximity to the border with Mozambique, there appears to be little influence from the

neighboring country at the moment, and the issue was not mentioned by interviewees.

2. METHODOLOGY

Approach

The study is based on a qualitative approach using secondary sources (primarily print and Internet), along with semi-structured interviews with key informants. A total of 35 interviews were carried out in Tanzania among civil society, government officials, Oil and Gas industry representatives and donors, as depicted in Table 2 below.

Table 2: Baseline Interviewees by Stakeholder Type, in Ghana.

Stakeholder Group	N. of people Interviewed ⁴
Civil Society in Dar es Salaam	13
Mtwara Region (civil society, local government officials and community leaders)	12
Lindi Region (civil society and community leaders)	11
Donors	2
O&G Industry	6
Government	1

The baseline does not include household or citizen based surveying subject to statistical validity. However efforts were made to quantify qualitative information related to capacity, receptiveness or level of understanding of particular issues among stakeholders. This was done by asking interviews to provide a rating on a 1-5 scale, with 1 indicating the lowest level and 5 the highest. Where possible, documentation confirming information presented by interviewees is also referenced.

Key Areas of Inquiry

Interview guidelines were produced to cover relevant topics across informants. Broadly, the following areas of inquiry shaped the formulation of the interview guidelines used with each stakeholder group:

Civil Society Organizations	Opinion on governmental and CSO understanding and competencies on legislation and practices relevant to O&G; current and foreseen interventions on transparency, accountability and good governance and access to useful information and analyses on O&G; opinion on the role of the media and the need for an online platform.
Donors	Key interventions around O&G in Tanzania, perception of the opportunities and challenges around accountability, transparency and good governance in the context of O&G revenue management in the country.
Government	Systems in place promoting accountability, transparency and good governance; recent progress and plans on relevant legislation; opinion on the capacity and legitimacy of interventions by other stakeholders

⁴ This is to reflect interviews conducted with more than one respondent.

	on these issues.
Community Leaders	Direct and indirect impacts experienced by communities as a result of the O&G industry; experience of land acquisition and crop compensation processes; company grievance systems; local accountability and governance mechanisms including separate systems for women, men and youth.
O&G Companies	Consultation and decision-making mechanisms with communities and government; approach to transparency; CSR policies and practices.

Ethical Considerations

Semi-structured interviews were preceded by presentation of key information by the consultant on the Oxfam program aims and target areas accompanied by information on the scope and objectives of the baseline.

Interviewees were informed on confidentiality measures considered under the study including: (i) no direct references to informants in baseline report or any other communication produced in the context of the study; (ii) presentation of information avoiding indirect attributability of information to informants; (iii) the exception to the above being public information shared by organizations during the interviews on past or on-going interventions or plans or information publicly disseminated in reports, internet, the media, or other public communication channels.

Obtaining verbal informed consent from all participants was a pre-requisite for all interviews. The consultant provided his contact details and invited participants to contact him should there be any further information they would like to share within a 1-2 week period following the interview.

Study Limitations

The core field work for this baseline study was undertaken during a visit to Tanzania from 30 November - 11 December 2014, arranged with full support from Oxfam staff in-country. Although every effort was made to ensure that interviews covered all relevant stakeholder groups, there were a number of gaps:

- It was not possible to meet any parliamentarians (for example from the Public Accounts Committee);
- Only two interviews were held with serving staff of the international oil companies working in Tanzania, and no interviews were held with staff from smaller onshore operators or pipeline contractors. Nor was it possible to arrange an interview with Tanzania's national oil company, the Tanzania Petroleum Development Corporation;
- The only contact with national Ministries was with the Ministry of Energy and Minerals, and here one of the interviewees preferred that his name be omitted from this report. There was no interview with the National Environment Management Council, which has formal responsibility for approving Environmental Impact Assessments (EIAs), or with the influential Environment Division in the Vice-President's Office. It was not possible to access the Strategic Environmental Assessment apparently prepared by the latter covering the Mtwara region;
- There was minimal contact, and no formal interviews, with Government structures at region or district level in Mtwara and Lindi.

While every effort has been made to ensure that these limitations do not materially impact on the report's conclusions, they should be considered as constraining factors on the comprehensiveness of the findings.

Consultant Profile

This report covering Tanzania was written by Rob Denny. Over recent years he has worked on Social Risk for Extractives, both mining and Oil and Gas, in Nigeria, Kenya, Sierra Leone and Mozambique. Previously, he worked as a program manager for several non-governmental organizations including the Red Cross, OneWorld and Save the Children. An Africa specialist, he has a Master's degree in African Studies from the School of Oriental and African Studies in London. On the field visit to Mtwara and Lindi he was assisted by Jovitha Mlay, the Oxfam Extractives Industries Program Manager in Tanzania.

The other country reports covering Ghana and Mozambique were prepared by Katinka C. van Cranenburgh and Chiqui Arregui respectively. External quality assurance was also provided by CEIDA, the extractives working group at ESADE business school.

3. FINDINGS

3.1 Outcome 1: Community Level

Community Understanding of Land and Petroleum Law

There was consensus among interviewees that community knowledge of the **law around O&G** is very low. Among 13 relevant interviewees consulted on this point, 10 gave a score of the lowest possible on a scale of 1 to 5. While informed interviewees in Dar es Salaam claimed knowledge of the relevant legal framework, none expressed any confidence that such knowledge is shared at the community level.

This finding was confirmed by interviews in the gas-producing regions of Lindi and Mtwara. Instead of being discussed in legal terms, the understanding of the issues around Gas was "political", reflecting the disturbances that affected the area in 2013 and were encapsulated in the slogan "Haitoki!" ('it shall not leave', with reference to onshore gas being piped to Dar es Salaam). Some interviewees said that the issue had receded in political importance, but none regarded it as forgotten. This is consistent with the interviewee perception that people's interest in gas is related to their prospects for material benefit, and their concern that environmental and social impacts be effectively managed.

The impact of the gas industry on land was found to be highly localized, according to informants. For example, land prices, and consciousness of land rights, was said to have already increased in the following areas:

- Mtwara town and nearby areas;
- Villages adjacent to producing/potentially producing onshore wells;
- Villages with land holdings affected by the passage of the Mtwara-Dar es Salaam pipeline.

By contrast, other areas were considered as unaffected by land speculation, i.e. onshore villages not exposed to wells or the pipeline route, and Lindi town and its environs (although one interviewee differed in claiming that land prices have now started to rise here).

The process of land acquisition by the Gas industry, both for well-heads and pipelines, was commented on critically by most respondents in Mtwara and Lindi. According to a well-placed interviewee, the Tanzania Petroleum Development Corporation (TPDC) was responsible for managing the process of land expropriation for the pipeline, using the Ward and Village Executive Officers and imposing a set price without room for negotiation. The assumption was that villagers who needed extra land would use the compensation money to buy it on the open market. If so, this is a sign that land issues, while sensitive, are by no means as explosive as they are in many other rural contexts. It was commented by one interviewee that there was still fresh land available for those who lost their land due to the pipeline (a claim that deserves further investigation).

Affected people are conscious of the issue of land holding and access because it affects them so directly, although their knowledge of the formal **legal framework** around land is limited. All but one of the civil society interviewees in Dar es Salaam gave the lowest possible rating (1 out of 5) to community understanding of land law.

Community Participation in Governance Mechanisms around Oil and Gas

Interviewees described the formal structures of local governance operating on the following levels:

- Kitongoji (sub-village) - The most local representatives are to be found at this level, and may be consulted by community members on specific issues.
- Kijiji (village⁵) - At this level the village council or *halmashauri ya kijiji* will meet monthly. Its brief is 'development' issues such as water and health, while discussion of political or religious topics would be outside its mandate.
- Ward level - At this level Councilors are elected, and development issues such as social services can also be discussed through the "Ward Development Committee" which receives plans from village level and reviews them in accordance with priorities, budgets and national plans before sending them on the "Full Council".
- "Full Council" at District level - This is the primary platform for elected Councilors to represent the views of their constituents.

In terms of citizen's representation and voice at these different levels, the following table was outlined by the interviewees:

Table 3: Citizens Participation in Local Structures

Forum	Citizens can attend?	Citizens can speak?
Village Development Committee	Yes	Yes
Ward Development Committee	Yes	No
District Consultative Committee ("Full Council")	Yes	No

⁵ In towns the relevant unit would be "street", with the same legal status.

Regional Consultative Council	No <i>(Only representative organizations / CSOs can attend)</i>	No
-------------------------------	--	----

Interviewees from civil society in Mtwara and Lindi disputed that this process worked in practice in the way intended. They said that although the theory might be bottom-up, the practice was more often top-down. This view was expressed more clearly by interviewees in Mtwara than in Lindi.

Interviewees in a position to make an informed assessment were asked about community participation in Oil and Gas governance at local level, including the issue of revenue use. There was no consensus on this issue. Some pointed to low levels of knowledge regarding, for example, the use of the 0.3% service levy in Kilwa and Mtwara, but others regarded the 2013 unrest in Mtwara as a sign of broad community concern about governance issues around Gas. Overall, of the 7 interviewees asked about community participation in O&G governance at local level, the average response was 2.3 on a scale of 1-5. One Dar es Salaam interviewee commented that the real divide in understanding and consciousness about such governance issues was not between men and women, or between young and old, but between urban and rural areas: people in rural areas lacked the understanding of their urban neighbors around the governance and politics of Gas (presumably due to poorer access to relevant information).

In summary, affected communities lack mechanisms to participate explicitly in Oil and Gas Governance, which is handled at higher levels of government. But they have a potential role to play in how companies manage their social impacts (including land acquisition and grievance systems) because these are more closely related to development issues.

Mechanisms in Place for Community Action and Grievance Redress

In the context of the project, there are two relevant arenas for community action and grievance redress: the political/administrative structures of the type described above, and company systems of grievance redress, where they exist.

With regards to political/administrative structures, the consultant consulted locally elected representatives in two affected villages: one impacted by pipeline construction and the other by the expected siting of the LNG plant in its locality (although no official announcement has yet been made). In both cases these representatives expressed grievances, either about the nature of the planning process or about the process of land expropriation. They said they had taken their concerns to relevant administrative structures such as Government ministries, as well as to the companies themselves, and they had also involved their local MPs. But unfortunately they had not been able to secure redress.

By contrast, the situation in a third village, in Mtwara region, was different; and direct community action was reported to have brought results. In this case, a drilling company brought all of its staff from Dar es Salaam without making any provision for local employment, even for unskilled work. The result was direct action by the community (details not provided by interviewees). As a consequence of this community mobilization, the company agreed to employ 3 local men from the village as security guards. Interviewees expressed satisfaction with this limited employment, which they saw as a significant advantage of the company presence in their area. However, there were other complaints made against the same company,

particularly its land-acquisition and crop-compensation process, where grievances had not been resolved.

With regards to company grievance systems, serious deficiencies were found – even though a functioning grievance mechanism is required by normal international practice⁶. In the case of two communities currently impacted by onshore gas operations (drilling and pipeline construction) informants were unable to identify any functioning grievance process managed by the companies. In the case of the village affected by pipeline construction, a community leader said that although he had been to the construction camp of the company, he had been unable to find someone from the company with whom he could communicate in either English or Swahili. (He said that these language problems evaporated when a company representative came to the village seeking local supplies or labor). The company had no appointed Community Liaison Officer (CLO) and instead used the language skills of their drivers when required. In the case of the village adjacent to a gas well-head, interviewees were not able to identify any formal grievance process managed by the company or any designated CLOs. However, they said that the company informed them of significant events (such as a gas release) and conducted public meetings when senior executives came to visit.

Such contacts fall far short of the recognized international standards for grievance mechanisms. In summary, we found no sign in the villages visited that companies operating onshore have functioning grievance mechanisms.

In clear contrast, the offshore gas companies appear to have extensive social-impact management systems including grievance mechanisms. This reflects the size of the companies concerned, the resources they are able to deploy, their experience in managing social risk and their need to protect their international reputations. In Mtwara, BG has had a community liaison office since 2011, and Statoil since 2013. Both companies employ CLOs to communicate with affected populations, and report that they give out telephone numbers to facilitate reception of grievances. Statoil said that they have an IFC-compliant grievance mechanism under which complaints may be lodged through various channels:

- Email
- Phone
- CLO officer
- Local government office

However, few grievance reports have been lodged to date. Apart from some non-specific references to reduced fish catch, one interviewee also reported that compensation had been paid for nets cut by company vessels. However, as and when the intensity of company operations increases, the effectiveness of company grievance mechanisms will be tested more thoroughly than at present.

Of the non-company interviewees asked specifically about public knowledge of grievance systems (7 in total) most gave a low score on the 1-5 scale, with the average being 1.7. Interviewees in Dar es Salaam had very little awareness either of grievances or of any grievance systems run by the major companies.

⁶ See IFC Performance Standard 1 on addressing Environmental and Social Risks.

Level of Understanding of Likely Impacts of LNG Project

Interviewees were asked about the positive and the negative impacts of the proposed LNG project. None doubted its transformational potentials, but most interviewees in Mtwara and Lindi, as well as Dar es Salaam, were not well informed about specific impacts. In the producing areas, interviewees felt that the public needed better information on:

- How ordinary people benefit from Gas
- How any negative impacts will be managed

Additionally, there was a general wish for better information on the Gas exploration and development cycle. In the absence of sufficient, clear and credible information, many interviewees commented that rumor and speculation thrived, filling the information vacuum.

Mtwara town and the surrounding area are already experiencing indirect impacts related to LNG development, especially in terms of local price increases, land speculation, in-migration (primarily from other regions of Tanzania) and increased pressure on public services. However, all attempts to find statistical information about these impacts were fruitless. No interviewee reported any serious attempts to collect data on these impacts beyond anecdotal stories of, for example, rents increasing from TZS 10,000/month to TZS 30-50,000 per room (an increase of around 400%).

The Lindi region and district, by contrast (and despite its greater proximity to the proposed LNG plant) reported fewer impacts, and no increase in local food or land prices. However, the expected site of the future LNG plant⁷ is a special case. Here, there was already a high level of knowledge of the law governing land, in part because of previous NGO trainings but also because of the differing land tenure prevailing in different parts of the site – former plantation land, and recognized village land. The Government has also apparently prohibited land buying and land selling in the area, presumably to prevent speculation. But this prohibition was also described as an impediment to villagers wishing to transfer land within the village, in the normal course of individuals' lives and requirements irrespective of the LNG plant. One local leader described the current situation in terms of popular frustration:

“Communities are in a dilemma. They do not know if they should continue with their activities or not. Some people have stopped their activities because they do not know what to do. Even the municipality does not know what to expect.”

The local communities are anxiously awaiting public announcement of the exact development site, which Government ministers have apparently promised to provide very soon.

However, few respondents in Mtwara and Lindi attached great significance to the negative social impacts that will potentially arise from Gas development, such as an increase in the incidence of HIV/AIDS, the erosion of social and cultural cohesion, prostitution and child labor.

⁷ The location of this site has not yet been formally announced by the Government, and is therefore not named in this report, although local communities have been informed.

Research, Analysis and Reporting on Oil and Gas Governance and Revenue Use at Sub-national Levels with Involvement of Community Groups

Interviewees identified few current instances of such research to date, even though the issue of revenue use is directly relevant for existing onshore gas operations. For example, relevant participants were asked specifically about the Gas project in Songo Songo in Kilwa district, Lindi region, which has been producing gas since 2004 and is therefore the oldest producing gas well in Tanzania. According to the law, it should have been paying the 0.3% service levy to the district council since the start of production. But informants were not aware of any research on the subject. After probing, one well-placed informant said that in the early years the 0.3% service levy had not been paid, or certainly not to Kilwa district. But his source was from a personal contact, not any public research. Two interviewees stated that TZS 100 million (\$59,000) is now being paid every 3 months, but were not aware of any serious efforts to track the use of this money. This would be a clearly useful example of research and reporting that the project could undertake.

Safeguards for Women's Participation

Relevant interviewees (i.e. those who were in a position to have an informed view) were asked about public understanding of the gender impacts of ongoing extractive operations (especially mining) and proposed LNG developments. The most common answer, on the scale of 1-5, was 1. The overall average score of 1.5 was pulled up somewhat by one interviewee who commented that the gender impacts of mining were comparatively well understood (but not yet applied to the Gas sector). One interviewee made the point that these gender impacts affect not only the areas close to mining activities (i.e. influxes of adult men may lead to increased violence, monetization of land rights and increased prostitution) but also the areas from which male migrants originate, where the percentage of female-headed households increases. Even within the generally male-dominated context of Tanzania, indicators for women's advancement and empowerment in the producing areas of Mtwara and Lindi lag behind the national average.

Given the gender impacts of extractive operations, interviewees were asked about the effectiveness of safeguards for women's participation. At a community level, community leaders interviewed, all men, felt that the existing governance structures allowed for adequate women's participation. One interviewee in Lindi said that a rural woman seeking redress, for example over a land inheritance issue, had access to a number of channels:

- The village leader, who might involve the full village committee;
- A paralegal working under the auspices of an NGO;
- The Ward Executive Officer;
- The Ward Land Committee;
- The District Land and Housing Tribunal;
- The High Court (Land Division).

However, and in contrast, most interviewees from civil society organizations in Dar es Salaam argued that there were clear deficits in existing systems of women's representation, and an absence of safeguards. Civil society interviewees in Mtwara and Lindi were in the middle between these differing positions.

Interviewees did not report specific structures for representation by women in Gas governance (leaving out of consideration women's economic and self-help groups such as money-go-rounds). Interviewees in Mtwara and Lindi – most of whom were men -- claimed that women had the right to intervene at appropriate level venues. At one village-level discussion, a woman respondent affirmed that women speak in representative forums when “relevant” issues are under discussion. Specific women office holders were also mentioned, in positions of Ward Executive Officer and Village Executive Officer.

Overall, the consultant found that the evidence, especially the lack of specific mechanisms for women, gives no confidence that effective safeguards exist in practice. The statements presented by interviewees suggest that men and women at the community level do not see the potential negative impact of O&G projects on gender power relations, potentially exacerbating levels of inequality and domestic violence.

In Conclusion

Public and community consciousness of issues around land and the O&G industry is highly variable. In the producing regions of Mtwara and Lindi, the issue is often framed in political terms, reflecting the widespread unrest in Mtwara in 2013. There is unmet demand in these localities for precise information about the Gas industry, how it will manage its impacts, and how local people can stand to benefit. Although there exists a detailed local system whereby community members can input into development processes, doubts remain as to its ability to respond to the governance challenges posed by the Gas industry. In particular, there appears to be no effective mechanism for tracking of revenues such as the 0.3% service levy paid to District councils from existing onshore gas operations, and no specific safeguards to ensure women's participation. In addition, there are concerns around impact management by onshore Gas (and related construction) companies, specifically:

- Instances of land acquisition done without following due processes;
- Crop compensation procedures that fall far short of international standards (IFC, 2012);
- Inadequate stakeholder engagement procedures;
- Non-existent grievance mechanisms.

However, it should be pointed out that these failings were identified among existing onshore operators, while evidence was found of better social performance by companies currently undertaking offshore exploration (and far from production). However, both existing governance systems and the Gas industry (onshore and offshore) are likely to face challenges in addressing the indirect impacts of the industry such as in-migration, increased pressure on local services and rising prices.

Recommendations:

- Under the Oxfam program, it is recommended that one of the activities to be undertaken is expenditure-tracking of the 0.3% service levy already being paid from existing gas operations to District Councils covering Songo Songo and Mnazi Bay.
- Another useful activity would be the monitoring of local inflation and population influx in Mtwara/Lindi. For influx, use of proxy indicators like availability of drugs in local clinics would be useful both for population

inflow as well as for monitoring the mounting pressures on public service delivery.

- Major variation was found in the social performance of different companies. It would be useful to monitor the social performance of individual companies, in terms of:
 - CSR/Social Investment
 - Stakeholder Engagement
 - Grievance Mechanisms
 - Environmental and Social Management Plans

This research could be used for a number of purposes, including cross-learning whereby poor-performing companies can be encouraged to follow better examples of social performance from other nearby companies. It could also be used to support activities by Oxfam members in the headquarter countries of some of the poorly-performing companies.

3.2 Outcome 2: Civil Society

Civil Society Networks and Online Platform(s)

The development of civil society networking and capacity building around Oil and Gas starts from a low base. There has been an established rights-based organization working around the mining sector for a number of years (HakiMadini), but no parallel yet exists for Oil and Gas. There are some tentative initiatives underway, but they are not well-grounded nor well-connected, namely:

- **HakiRasilimali** (Swahili for Justice and Resources/Wealth). Although with aspirations to follow the path of HakiMadini (Justice and Minerals), it is as yet little more than a Google group of subscribers interested in the issue of extractives in general and Oil and Gas in particular. It is not registered as an organization, has no formal membership beyond its list of Google group subscribers, and maintains no online or offline repository of information. Its leading lights are recognized players within the civil society perspective on extractives, but they have not yet come together to define a structure, vision and strategy for a coherent initiative. However, they provide relevant inputs to debates around the extractive industry in Tanzania, although in a fairly ad hoc manner, and are in the process of becoming a full coalition.
- **ONGEA** (both a Swahili word meaning “talk” and the acronym for Oil and Natural Gas Environment Alliance). ONGEA is an advocacy network of 37 members, with support from WWF. It has contributed to the development of the legislative framework around Oil and Gas (the Gas Policy, the Gas Bill etc.) as well as undertaken capacity-building work with communities in Mafia and Kilwa. Its focus is broadly environmental rather than extractives-focused. Its web-presence, currently limited to social network sites such as Facebook, is under redesign. It advocates for Production Sharing Agreements (PSAs) to be ratified in Parliament and for O&G companies operating in Tanzania to be listed on the local stock exchange.

In terms of web repositories of relevant information (but not of civil society networking), it is also worth mentioning the Tanzania Oil and Gas Almanac, a wiki created by OpenOil⁸.

It is likely that, before an effective online platform could be set up, an open debate will be required as to its desired characteristics in terms of:

- Objectives: information-sharing or as an activist contribution to the national debate;
- Positioning: neutral information exchange or advocacy; civil-society only or multi-stakeholder;
- Content: the balance between serving as a repository of relevant information resources and providing tools to support advocacy campaigns;
- Governance: single organization or multi-stakeholder;
- Linkages: relationship with other initiatives around O&G.

Media Performance Around O&G Issues

Relevant interviewees (n=9) were asked for their assessment of the quantity and quality of media coverage of Oil and Gas. On a scale of 1-5, most respondents rated the quantity of current media coverage of extractives as above satisfactory (3.4). However, the rating for quality on the same scale was marked lower (2.1). Only one interviewee gave a higher score for quality over quantity. These findings are borne out by a recent survey of public understanding of Gas, which found for example that 1 in 3 Tanzanians believe that the Gas companies are already making money from exploiting the offshore Gas resources (Twaweza, 2014).

Interviewees were not aware of any coherent public information campaign around Gas, although a number mentioned the regular TV program “Baragumu la Msimbati” which is put out by the Ministry of Energy and Minerals. Besides pointing to this program, the Ministry also said that they are increasing their communications resources, for example purchasing an outreach van to spread information around Gas industry issues in the villages. Civil Society interviewees in Dar es Salaam also referred favorably to advocacy and information campaigns around O&G pursued by individual MPs and some Parliamentary Committees. But interviewees in Mtwara and Lindi did not refer to these sources of information.

Most interviewees pointed to systemic features of the media business in Tanzania as contributing factors: the limited attention-span, the poor journalistic training, and the penury of individual journalists which leaves them open to inducements. However, interviewees also recognized the efforts of Government media to disseminate public information in respect of Oil and Gas, although they judged that its quality often falls short.

Efforts to improve the quality of media coverage of Oil and Gas are ongoing, and the consultant was informed of the following training initiatives implemented by NGOs, Government and the industry, aimed at improving media coverage of extractives:

- 2-day training workshops held by the Ministry of Energy and Minerals (2 for editors and 1 for journalists so far);

⁸ See: http://wiki.openoil.net/index.php?title=Tanzania_Oil_and_Gas_Almanac , accessed on 16 December 2014.

- Training for journalists on the Gas exploration and production cycle by BG/Statoil;
- Workshops for journalists by LEAT, in conjunction with the Tanzania Media Fund;
- A forthcoming initiative, funded by the Government of Norway, to train journalists by the Thomson Reuters Foundation.

But there is no guarantee that these patchy initiatives will do much to create healthier media coverage, because they will not address the systemic challenges or alter the incentives within which individual journalists operate. As the advocacy NGO Twaweza put it⁹, there may be a need to move away from “input-driven approaches such as training journalists that have mixed results at best”. New approaches may be needed. For example, there is scope for taking advantage of the growing linkages between extractive-sector stories in developing countries and developed countries, for example the \$80 million payment by Shell announced in January 2015 for an oil-spill in Nigeria 7 years earlier¹⁰.

At the regional level, the dynamic nature of the radio scene in Mtwara suggests there is potential for effective program activities. Established commercial stations such as Safari FM, Pride FM and Inforadio have been joined by new competitors, Fadhira FM and Nawala FM. These stations have covered issues around complaints against Gas industry companies e.g. (Ndovu Resources for its community relations and SBS in Mtwara for its waste disposal). However, there are limits in the current environment to what can be covered, and one well-placed informant confirmed the information given to the consultant in affected villages, that community complaints over the land-acquisition process for the pipeline had been received by the media, but not broadcast on air because of concern about negative consequences. Informants in Lindi said that radio listeners there also tune in to the Mtwara stations because of the lack of similar local stations.

At the local-level, there are community radio stations such as Mtukwao Community radio, which operates in rural areas near Mtwara with Finnish support¹¹. Overall, there is a fertile terrain for program activities aimed at improving the citizen’s accessibility to media as well as the general quality of media coverage of Oil and Gas.

Advocacy and Negotiation Skills Among CSOs and NGOs on Extractives, including Position Papers

At the national level, there are a number of civil-society think-tanks and organizations with an interest in the production of research and advocacy papers around extractives. The best-established of these appears to be REPOA, which was set up in 1995, and started in 2014 on a major Norwegian-funded research exercise around extractives (see section 3.4 for details). It has published a Special Paper on “Hydrocarbon Resources in Tanzania: Achieving Benefits with Robust Protection” (REPOA, 2014). Also worth mentioning is the Economic and Social Research Foundation Policy Brief 20 of 2014, entitled “Tanzania Sovereign Wealth Fund”. This kind of analytical capacity will be much needed in the future if civil society is to

⁹ Twaweza website: <http://www.twaweza.org/go/big-media--nudging-better-quality--more-creativity>, accessed on 18 December 2014.

¹⁰ See <http://www.theguardian.com/environment/2015/jan/07/shell-announces-55m-payout-for-nigeria-oil-spills>.

¹¹ See <http://www.formin.finland.fi/public/default.aspx?contentid=286971&contentlan=2&culture=en-US>

respond effectively to the new risks and opportunities of O&G. In neighboring Mozambique, for example, civil society had limited capacity to respond when the oil companies Anadarko and ENI produced a highly detailed ESIA for their joint LNG project plans. With its current capacity, Tanzanian civil society would be no better equipped than Mozambique's to comment on a professional ESIA from the major Gas companies, as and when it is made public.

At the level of the regions of Mtwara and (even more so) Lindi, most of the NGOs interviewed face serious institutional challenges which limit their capacity to engage in advocacy and negotiation. They are generally run by volunteers, and keep their overheads down by employing few if any staff. These volunteers may be expected to raise their own funds for specific projects, and only receive payment when a donor-funded project is underway.

The situation is slightly more stable for network NGOs who receive members' dues as a reliable and non-donor source of income. Lindi Region Associations of NGOs (LANGONET) lists 4 main sources of income: members' dues, Oxfam, Voluntary Service Overseas and (by far the largest) the Foundation for Civil Society (FCS¹²). LANGONET was founded in 2007, and is a network of 5 district-level networks representing each district in the Lindi region. With funding from FCS, it has embarked on several voice and advocacy initiatives:

- Citizens participation in development planning and budgeting (2010);
- Public Expenditure Tracking Survey, focused on the quality of road repairs (2011);
- Citizens engagement with the constitutional review process (2012);
- Accountability of public office holders for service delivery (2013).

None of the member organizations within the network, the consultant was told, works specifically on extractives.

Overall, the current capacity of such organizations to undertake advocacy or negotiation is severely constrained by their lack of resources. As one organizational office-holder commented:

"I attended a seminar in Lindi town where the Regional Commissioner said that people in the villages should not sell their land, but should wait until the Gas company comes, when the land will increase in value. But this information will only reach middle-ranking people like me. I would need time to go out to the villages and explain all this, but because I am a volunteer I have to go out and do activities to feed my family."

If funding is not available from Oxfam or other sources, such organizations will not have the resources to meet the costs of advocacy at the community level.

In Mtwara, several of the organizations interviewed appear to have more solid foundations. The NGO network Mtwara Region NGO Network (MRENGO) has 56 member organizations and is run by a committee of 6 men and 4 women. Among its members, there is a thematic network of 10 organizations (Mazingara network or MECONET) working specifically on environmental issues including Oil and Gas, which functions as a sub-committee under the MRENGO umbrella. MRENGO

¹² The FCS is a pooled donor funding instrument to build Tanzanian civil society, founded in 2002.

produced a research paper on public awareness in Mtwara of Oil and Gas (Mrengo, 2014), but apparently without any follow-up in the media. None of the CSOs interviewees in Mtwara and Lindi indicated any media profile for their organizations, perhaps reflecting the fact that their focus is on service-delivery not advocacy.

In both Mtwara and Lindi there are specialist organizations offering paralegal services. In Lindi the Lindi Women's Paralegal Centre maintains networks of 25 volunteer paralegals in each of the region's 5 districts, and the Lindi Support Agency for Welfare (LISAWA) also offers paralegal services. However, the outreach of the equivalent NGO in Mtwara (Mtwara Paralegal Centre) is uncertain, given that it reported that it had not yet received any cases directed at companies about crop compensation or land acquisition.

Voices of Active Citizens and Leaders in the Media

In general there is considerable appreciation of the role of the media by Tanzanian citizens. A 2013, Afrobarometer report (Afrobarometer, 2013) reported that 84% regarded it as effective in revealing Government mistakes and corruption. But the ability of the media to give a platform to citizen's voices is circumscribed, especially in relation to the more sensitive issues around extractives. This was most marked in Mtwara at the time of the 2013 riots. The NGO Coalition Tanzania Human Rights Defenders have reported the case of the Tanzanian Broadcasting Corporation reporter Kassimu Mikongolo, who was evacuated from Mtwara in 2013 after his house was burnt down (THRDC 2014, p. 16).

However, the ability of critical citizens' voices to command attention in the media is still problematic as at the end of 2014. For example, the consultant was informed of the case of a journalist from the Mtwara radio station Inforadio FM who was arrested in May 2014, apparently for airing a controversial listener's letter. Although the journalist was soon released, he was (as at December 2014) still required to report weekly to the police. The radio station program manager was also required to report regularly to the police.

International Exchanges and Policy Development

Given the fact that Tanzania is only starting out on the road of major Gas production, there is obvious scope for facilitating cross-learning from other countries and other impacted communities. The Natural Resource Governance Institute (NRGI) already sends Tanzanian participants to its training center in Ghana to learn about extractive governance (an appropriate country for exchange visits given its own further-advanced experience of offshore O&G).

However, a note of caution. Several interviewees from official and non-governmental sources referred to trips arranged by the Government for local leaders to visit Thailand (and also, apparently, Norway) to learn from community experiences. But the same interviewees said that upon their return these community leaders had not publicized what they had learnt, apparently to avoid accusations that they had been "bought". This indicates that facilitating participation alone is not enough: support should be provided to assist participants in translating potentially complex information into simple messages and narratives to share back home and encouraged to use such learning to inspire the application of relevant lessons or initiatives in the local context.

In terms of preparation of position papers (mentioned in the project logframe as one of the activities for the Tanzania program), there are many subjects that could be

covered. To date, REPOA's "Hydrocarbon Resources in Tanzania: Achieving Benefits with Robust Protection" (REPOA, 2014) stands out as the most advanced piece of research work. Overall, the production of research papers around O&G has, to date, been low. Some of the areas of policy research at the national-level that merit investigation, as suggested by interviewees, are:

- Should Tanzania go down the route of sub-national revenue transfers to producing regions (beyond the 0.3% survive levy previously mentioned). Linked to this is the broader theme of how the country can manage expectations, many of which are unrealistic.
- On the institutional conflict-of-interest within TPDC, which is both an operator in partnership with the international oil companies, and the monitoring body for their activities. How can it monitor itself?
- Strategic management of environmental and social impacts brought about by Gas development.
- Role and scope of CSOs in Tanzania for learning, exchange and policy-input related to Gas development.

Research areas should be coordinated with at least NRG (Natural Resources Governance Institute), ESRF (Economic and Social Research Foundation) and REPOA in order to avoid the risk of duplication.

There are also numerous possible subjects of research related to communities facing direct or indirect impacts from Gas operations. From the observations made by the consultant during the visit to Mtwara and Lindi, the following topics would be valuable:

- Population influx into producing areas, including related local price inflation, land speculation and pressure on public services;
- Vulnerable groups impacted by Gas operations;
- Comparison of company grievance mechanisms and community relations;
- Processes of land acquisition for Gas industry purposes;
- Gender impacts of natural gas development.

In Conclusion

Civil society mobilization around extractives in Tanzania has so far been concentrated on the mining sector, through HakiMadini. So far no such parallel structure exists for O&G, although there are some fledgling initiatives such as HakiRasilimali and ONGEA.

Media coverage of O&G is rated by interviewees much higher for its quantity (3.4) than for its quality (2.1). This comparatively low quality rating is despite a number of training efforts by civil society and also by the Ministry of Energy and Minerals, and reflects other constraints such as:

- The issue-of-the-day focus of media attention;
- The incentive system within which journalists operate;
- Constraints on media reporting in the producing region of Mtwara;

- The capacity of media houses and journalists/editors in terms of knowledge and resources.

Civil society in Mtwara and Lindi is much less developed than in Dar es Salaam, with most of the organizations interviewed focused on service-delivery and run by volunteers who only get paid when a specific donor-funded project is underway. Nevertheless, several possible program partners were identified who may be able to collaborate with the Oxfam program.

A number of research areas were identified that could facilitate civil society mobilization, covering both the national O&G framework (notably the conflict of interest faced by TPDC as both operator and regulator) and issues of impact management such as population influx, local inflation, vulnerable groups, land acquisition and company grievance mechanisms.

Recommendations:

- In supporting an online platform around O&G, Oxfam will need to set in motion a consultative process about its objectives, positioning, content, governance and linkages.
- While liaising with other existing efforts to improve media coverage of O&G, alternative strategies should also be explored and developed. One of these could be to build links between Tanzanian journalists and journalists in developed countries, especially those where O&G companies operating in Tanzania are based.
- Other research areas should be considered for support, in collaboration with think-tanks like REPOA, ESRF and NRGI, such as :
 - The role and functions of the TPDC
 - Impact management by the O&G industry in the producing regions.

3.3 Outcome 3: Government and Private Sector

Training Requirements on Oil and Gas issues

The performance of national institutions with a statutory role around O&G was questioned by well-placed interviewees, especially in Dar es Salaam. Specifically:

- The effectiveness of TPDC was criticized by civil society interviewees, for example for not sufficiently scrutinizing the inclusion of cost-recoverable items in the annual budgets of the oil companies (Gas company interviewees, however, denied this and said that all items were carefully checked by TPDC.)
- The performance of the Ministry of Energy and Minerals in the preparation of the PSAs with O&G companies was described as improving, but from a low base: “each one is better than the last.”
- The National Bureau for Statistics – an obvious starting point for statistical information – was not mentioned by most interviewees as a source of useful data. Those that did, questioned the relevance and quality of its output.
- The National Environmental Management Council was portrayed as lacking the capacity to effectively monitor and manage company EIAs.

It is perhaps not surprising, given the accelerating rate of Gas development since 2011, that deficiencies are noted in institutional performance, and training needs highlighted. Civil society organizations also have many capacity and training needs.

Another more general concern expressed by two well-placed commentators in Dar es Salaam is that the Government, conscious of its need to keep up with the pace of exploration and Gas development, has rushed to formulate policy and draft new laws without wide consultation or policy briefing (for example, the Gas Policy released in 2013 and the 2014 preparation of the Gas Bill and the Local Content Bill). But as of late 2014 there is, it seems, a pause in new legislation caused by scandals affecting the Ministry of Energy and Minerals in particular: a pause which may well continue until after the elections scheduled for October 2015. This may be an excellent opportunity to enhance the knowledge and learning of relevant stakeholders.

In terms of the priorities for training needs, specialist interviewees made the following recommendations which are endorsed by the consultant:

- Besides the needs for understanding international standards and methodologies, the practical implementation of the standards often lags far behind the legal framework. As one industry interviewee commented:

“Really it is not a question of setting the rules, but of the implementation of the rules. For example you must set a table of fines for emission breaches so that people know what will happen if they breach the limit. The forms, the procedure: this is what is missing.”

Assistance in the developments of these kinds of procedures would be a concrete and practical step forward.

- Local Content (i.e. the percentage of oil-company procurement that goes to Tanzanian providers of goods and services, on a value-added basis) is also an area of important training and coordination needs. Tanzania will face great difficulty in “on-shoring” a significant percentage of the total company spend, because of the lack of availability of local service industries relevant to Oil and Gas (and despite the best intentions of the Local Content policy) so relevant practical assistance will be useful.
- Both companies and communities, as well as relevant departments of the Government and local authorities would benefit from improved understanding of what makes for effective social performance in terms of: Stakeholder engagement by companies, including grievance mechanisms; and Economic and Social Impact Management Systems (i.e. company systems to manage their impacts).

(T)EITI and Contract Transparency

Tanzania has been EITI-compliant since 2012, and four reconciliation reports have already been published, covering the period up until 2012. Within TEITI and the Ministry of Energy and Minerals, attention is already focused on the EITI 2013 Standard and its higher disclosure requirements. The disclosure of contracts is recommended but not mandated under the Standards, and to date the only contracts that are available to the public have been leaked (e.g. the Statoil Addendum). However, there is an expectation among well-placed interviewees that the publication of Tanzania’s 24 PSAs (Production Sharing Agreements) and 2 Addenda is a matter of ‘when’ not ‘if’, so progress in this respect should not be attributed to future Oxfam program activities. The Government has already committed to making public all new contracts published from 2014 (President’s Office, 2014).

However, the focus of attention needs to move on to encompass new transparency priorities, as described for example in the Natural Resources Governance Institute report “Implementing the 2013 EITI Standard in Tanzania: Gap Analysis and Recommendations for Mining and Petroleum Sectors” which identifies seven “priority components” (allocation of rights; production; revenue collection; state-owned enterprises; sub-national payments and transfers; social impacts; and revenue management). Amongst these urgent priorities to work on should be:

- The process of block allocation in licensing rounds;
- Information on the beneficial owners of companies;
- Tracking of revenue both at national and district levels. An Afrobarometer survey (Afrobarometer, 2013) reports that 72% of Tanzanians report that it is difficult or very difficult to find out how tax revenue is spent;

In addition, it is recommended to press for more information and transparency on the employment practices of Gas sector companies including breakdown of jobs by skill levels; and the procurement requirements (current and projected) of Gas sector companies for goods and services.

Coordination with TEITI around the priorities can easily be implemented through Oxfam’s existing collaboration with the civil society partners on the TEITI Multi-Stakeholder Group, such as NREGI and Policy Forum.

Another aspect of Gas industry transparency that is not yet in place is the publication of EIAs and ESIA. Statoil reported that they did their first EIA in 2011/12 for the initial drilling of 2 wells, and subsequent impact assessments for another 16 wells. They also reported that they intend to publish their Environment Management Plan shortly.

One interviewee commented that, while the Government is pushing hard to make new policies, e.g. on Gas and Local Content, the drafts are normally in English and not Swahili, which would reduce the prospects for wider participation beyond well-educated sections of society. However, when this point was put to the Ministry of Energy and Minerals, the interviewees were able to point to Swahili language publications such as the MEM bulletin “Habari za Nishati & Madini.” A review of the English/Swahili mix of official publications and public information materials could be useful to better interpret the level of potential accessibility.

In Conclusion

Given that Tanzania is still in the early stages of becoming a Gas exporter, it is perhaps not surprising that the legislative framework is still incomplete, and the training and learning needs are substantive. Interviewees pointed to extensive requirements around such themes as:

- Assessment of the social performance of companies;
- Environmental and Social Management Plans of O&G companies;
- Procedures (regulations and documentary tools) to underpin legislation;
- Local Content.

In terms of transparency, Tanzania has already made a lot of progress in line with its obligations as an EITI-compliant country, and is expected to make further progress

as the EITI Standards are brought in. It is likely that this will include publication of those contracts that have not so far been made public. But there are broader transparency issues to advocate for around company behavior and government processes, such as:

- The process of allocating blocks to companies in licensing rounds;
- Beneficial owners of companies;
- Expenditure tracking especially at District level;
- Employment and procurement practices of O&G companies;
- Publication of EIAs and ESIA's.

Lastly, it will be necessary to develop more information materials in Swahili in order to open up the debate to wider constituencies.

Recommendations:

- O&G is a young industry in Tanzania and this is reflected in the extensive training needs of the institutional framework that manages it. Such needs cover: the development of procedures (systems and documentation) to implement existing legislation; effective social impact management systems for extractive-sector companies, including Environmental and Social Management Plans. A useful starting-point would be to consult the Training Needs Assessment apparently commissioned by NORAD covering the key institutional players.
- In terms of transparency, there is already a strong drive to publish the contracts held by individual O&G companies. Programmatic focus should be on next-stage issues, some of which are covered by the 2013 EITI Standard and the NRGi "Gap Analysis" on what Tanzania needs to do to meet them, for example:
 - The process of block allocation in licensing rounds;
 - Information on the beneficial owners of companies;
 - Tracking of revenue both at national and district levels.
- Coordination with TEITI can be conducted through civil society partners on the TEITI Multi-Stakeholder Group, such as NRGi and Policy Forum
- Advocacy efforts should also focus on increased transparency by companies about their employment practices and profiles, and their procurement needs.
- There should be consideration of publication of selected information materials in Swahili in order to facilitate a more inclusive debate.
- There is also scope for cross-learning between the 3 program countries, who all have relevant experience in offshore O&G although at different stages.

3.4 Other Key Interventions around Accountability in Extractives

Worldwide Fund for Nature (WWF)

WWF has been supported by the Norwegian Government since 2009 to strengthen the role of CSOs around extractives in Tanzania. Initially this support was channeled through WWF's Regional Office in Nairobi, but since 2012 the program has been managed out of WWF Tanzania. The main activities of the program are:

- Trainings for Mtwara regional government on transparency issues, including TEITI and PWYP (Publish What You Pay);
- Support and capacity-building for MRENGO (Mtwara NGOs network) on both environmental and institutional issues. MRENGO has undertaken workshops with chairpersons and local leaders from 4 wards so far. They also undertook for WWF a public opinion survey of views concerning the Gas industry, entitled “Awareness of the Impact of the Discovery of Oil and Natural Gas together in the Extractive Industry to Mtwara Study – Mtwara Baseline Survey” (MRENGO, October 2014);
- Financial support to MANET (Mazingira network) which is a civil society network of NGOs with an environmental interest.

Lawyers Environmental Association of Tanzania (LEAT)

Founded in 1994, LEAT is registered as a company limited by guarantee with the mission of promoting good governance around the environment and natural resources. It is managed by the Executive Director who reports to the Annual General Meeting. It collaborates with the Journalists Environmental Association of Tanzania (JET) and has been engaged in training journalists through the Tanzania Media Fund.

Tanzania Gender Networking Program (TGNP)

With a reputation for a strong training program on gender delivered through its Gender Training Centers, it uses its “triple A” method (assess/analyze/act) to include vulnerable groups like the disabled, and women. It has a track-record of advocacy at national level and gender-responsive budgeting, and also works to train journalists. Although it has no program specifically focused on extractives, its gender-awareness training has reached some communities facing gendered impacts from extractive operations.

REPOA Policy Research for Development

Repoa has a long history of policy work, and is regarded as close to the Government. It launched a new program on Gas in October 2014, funded by the Chr. Michelson Institute (\$5 million over 5 years) which aims to:

- Generate Data relevant to the extractive industry, starting off with a Baseline Survey of Households in the South of Tanzania, due to be published mid-2015;
- Learn lessons from the mining experience, trying to draw conclusions relevant to Gas from Tanzania’s experience of mining over the last 35 years.
- Address governance issues around Oil and Gas through policy reports, journal articles etc.
- Analyze the scope for Local Content (procurement of goods and services from Tanzania) in the O&G sector.

Despite its relationship with the Government, other civil society interviewees did not express concern about the objectivity of its work.

Natural Resource Governance Institute (NRGI)

NRGI also receives Norwegian funding for its initiatives:

- Technical support to relevant actors such as journalists, parliamentarians, TEITI, the inter-faith committee on economic justice and the Government;
- Administration of small sub-grants to e.g. Policy Forum and Haki Madini;
- Courses for identified influencers to attend courses at its Africa training hub in Accra.

NRGI works mainly at national level, but is also due to start working at district level in 2 districts, one impacted by Gas and the other by mining.

Lawyers' Environmental Action Team (LEAT)

LEAT was set up in 1994 as a focus for environmental action around natural resource management in general, and the mining sector in particular. It also takes on public interest litigation, and has a case about mining contracts pending at the High Court – although nothing currently in relation to O&G. It also advocates against transfer-pricing practices used by some companies to reduce the tax liabilities in Tanzania.

Norwegian Church Aid

Support for NCA by the Norwegian government derives from its core grant, not from involvement in the Oil for Development program. NCA supports a project of Baraza Kuu wa Islam Tanzania (Bakwata) to hold public seminars on Gas topics in producing regions covering:

- The basics of the Gas industry – geology, uses, exploration and production;
- How the country needs to be ready, e.g. what children education in the school setting;
- Business opportunities around Gas.

DFID (British Government)

DFID is in the process of developing its own extractives program, probably to be focused on Local Content (goods and services sourced from Tanzania suppliers), but details are not yet known.

Others

The consultant was also informed of involvement in the extractive sector from other donors such as the World Bank, GIZ and the Canadian government. The World Bank apparently chairs a donors' energy working group, while Canada is chair of the donor group on extractives. Further details should be requested.

Recommendations:

- At the moment the risk of duplication of effort is relatively low, because of the small number of players working around Oil and Gas. The most obvious programmatic gap, where the Oxfam program could play a useful role, is the lack of connection between high-level policy issues of the kind that REPOA is already engaged on, with the actual lived experience of communities impacted by extractive operations. This is the area where Oxfam has valuable and useful experience to contribute to efforts to ensure that Tanzania makes the most of the development potential of O&G while minimizing the negative impacts.
- One specific area of research not mentioned earlier in this report, and that

could be usefully pursued by Oxfam, is the issue of community experiences of the O&G industry in other countries.

ANNEX 1: BIBLIOGRAPHIC REFERENCES

Afrobarometer, December 2013. Oil and Mining Countries: Transparency low, impunity high.

Economic and Social Research Foundation Policy Brief 20, December 2014. Tanzania Sovereign Wealth Fund.

Government of Tanzania, 1982. Local Government Finances Act.

International Finance Corporation, 2012. Performance Standard 1: Assessment and Management of Environmental and Social Risks.

International Finance Corporation, 2012. Performance Standard 5: Land Acquisition and Involuntary Resettlement.

Ministry of Regional Administration and Local Government, 2001. Training Manual on Participatory Community-based OOD (Obstacles and Opportunities to Development) Planning.

MRENGO, October 2014: "Awareness of the Impact of the Discovery of Oil and Natural Gas together in the Extractive Industry to Mtwara Study – Mtwara Baseline Survey.

Natural Resource Governance Institute, June 2014: Implementing the 2013 EITI Standard in Tanzania: Gap Analysis and Recommendations for Mining and Petroleum Sectors.

President's Office, 2014. Tanzania Open Government Partnership: Second National Action Plan 2014 – 2016.

REPOA Policy Research for Development, Special Paper 2014. Hydrocarbon Resources in Tanzania: Achieving Benefits with Robust Protection.

Tanzania Extractive Industries Transparency Initiative (TEITI), June 2014: Reconciliation Report for the period 1 July 2011 – 30 June 2012.

Tanzania Human Rights Defenders Coalition, October 2014. Defender's Monitor, issue number 1.

Twaweza, June 2014. Managing Natural Resources – What Do Citizens Say?

World Bank, 2014. Tanzania Country Overview, accessed at <http://www.worldbank.org/en/country/tanzania/overview>.

ANNEX 2: INSTITUTIONS INTERVIEWED

Institution
Civil Society Organizations – Dar es Salaam
REPOA Tanganyika Law Society Lawyers Environmental Action Team (LEAT) Tanzania Human rights Defenders BBC World Service TEITI Secretariat Natural Resource Governance Institute Oil and Natural Gas Environment ssociation (ONGEA) Tanzania Gender Networking Program (TGNP) UN Women WWF
Mtwara Region
Shirika la Faidika Wote Pamoja (FAWOPA) Mtwara Region NGOs Network (MRENGO) Mtwara Paralegal Centre Namahyakata, Nguruwe ward Mukunwa, Mayenga ward Nanguruwe Secondary School Nanguruwe Ziwani ward, Mtwara rural district Mtwara Economic Development Initiative Mtwara Action for Self-Help Activities (MASHA) Mtwara Society against Poverty (MSOAPA) Mtwara Press Club
Lindi Region
Lindi Women’s Paralegal Centre (LIWOPA) Lindi Association of NGOs (LANGONET) Lindi Agency for Social Welfare Lindi district NGO network (LINGONET) Kitomanga ward Mbanja
Donors
Royal Norwegian Embassy DFID
Oil and Gas Industry
Tanzania LNG Plant Project

Statoil

JSL Consulting

National Government

Ministry of Energy and Minerals

ANNEX 3: NON-STATISTICAL QUANTIFIERS

Note: the following schematic chart shows interviewee perceptions of the issues, on a scale where 1 represents the lowest level and 5 the highest level. The number of interviewees who responded on each question is indicated as “N= ...”

Outcome 1:

What is the level of **community knowledge** of the law around O&G?



What is level of **community participation in O&G governance** at local level?



What is the level of public knowledge of O&G company **grievance systems**?



What is the level of public understanding of the **gender impacts** of extractive operations?



Outcome 2:

What is your assessment of the **Quantity** of media coverage of O&G?



What is your assessment of the **Quality** of media coverage of O&G?



ANNEX 4: SUMMARY OF FINDINGS

This annex presents summarized information on each of the program indicators for the Tanzania country program as expressed by interviewees. For further reference please consult the body of the baseline report.

Outcome 1: Community Level	
Indicators	Findings
1.1 Understanding of men, women and youth in directly affected communities of land and petroleum legislation	<ul style="list-style-type: none"> • Respondents rated community understanding of law in relation to O&G as low. • Understanding in relation to law regarded as uneven, reflecting highly variable local land impacts of O&G.
1.2 Participation of men, women and youth in decision-making processes around O&G issues at local level	<ul style="list-style-type: none"> • Decision-making processes at local level are general developmental ones: participative, but without any specific reference to O&G.
1.3 Effective mechanisms for collective action in place at community level	<ul style="list-style-type: none"> • Limited space for participation by communities in social impact management systems run by companies, especially onshore ones. • Limited examples of effective collective action at community level.
1.4 Effective grievance redress mechanisms in place and use (judicial and extrajudicial)	<ul style="list-style-type: none"> • Onshore companies generally lack effective grievance system. Communities have had more success with direct action than with following formal grievance processes or through political representatives. • Offshore companies have shown commitment to good systems, although their social impacts have to date been relatively minor.
1.5 Situation analysis on the likely impacts of the LNG project	<ul style="list-style-type: none"> • No public announcement yet on the location of the LNG plant, so it would be premature to conduct any situation analysis. • Local concern is focused more on the delay of the announcement than on possible negative impacts.
1.6 Research, analysis and reporting on O&G governance and revenue use at local and sub-national level with consultation / participation of community groups	<ul style="list-style-type: none"> • Little such research, analysis and reporting was identified, even where onshore gas producers have apparently been paying money to district councils for a number of years.
1.7 Existence of a Safeguards monitoring mechanism within local Government structures to ensure women's participation	<ul style="list-style-type: none"> • No reason for confidence that such mechanisms operate in practise, although more concern about the issue was expressed by national level civil society than by interviewees in the producing regions.

Outcome 2: Civil Society	
Indicators	Findings
2.1 HakiRasilimali recognized as a critical and well informed contributor to national policy debates on O&G	<ul style="list-style-type: none"> HakiRasilimali currently operates as little more than a Googlegroup, and there are other alternatives that should be considered in terms of online platforms.
2.2 Capacity of media based partners around O&G issues	<ul style="list-style-type: none"> Partners have still to be identified, including media partners. There is no evidence that the media capacity on O&G is adequate, especially in terms of quality, and no evidence that efforts to improve its performance have yet borne fruit.
2.3 Advocacy and negotiation skills among CSOs, NGOs and media	<ul style="list-style-type: none"> CSOs and NGOs in the producing regions of Mtwara and Lindi have limited advocacy and negotiation skills, because of their essentially “volunteer” nature and focus on service delivery. Nevertheless, several plausible candidates to become Oxfam program partners were identified.
2.4 Production of positioning papers on critical O&G sector issues of issues at all levels of the value chain and proposals to address gender inequities in NRM	<ul style="list-style-type: none"> There are organizations at national level with the capacity to produce such papers, but so far their output has been modest.
2.5 Oxfam responsiveness to CSO and media partner request for informal support with gender equity and transparency focus	<ul style="list-style-type: none"> Evidence of effective Oxfam relationship with gender-focused NGOs and with other civil society partners in general.
2.6 The voices of active citizens and leaders captured by media	<ul style="list-style-type: none"> Restrictions on media reporting imposed after unrest in Mtwara in 2013 have not yet been fully lifted, which limits the voices of active citizens and leaders in local media.
2.7 Participation in annual global and regional forums, supporting Exchange and presentation of national research and policy development	<ul style="list-style-type: none"> As above, production of policy papers on O&G issues has been modest. Some, but limited, participation by other civil society players in regional forums.
Outcome 3: Government and Private Sector	
Indicators	Findings
3.1 Training on petroleum sector issues for all stakeholders	<ul style="list-style-type: none"> Extensive training needs, reflecting Tanzania’s status as a ‘young’ country for O&G.
3.2 Support to CSO efforts and platforms to advocate and engage in contract transparency	<ul style="list-style-type: none"> Contract transparency is firmly on the national agenda, and informed interviewees believe it is only a matter of time before those PSAs not already leaked are put in the public domain. However, as above, the structure of CSO coordination around O&G could be improved.
3.3 Oxfam and partners liaise strongly with EITI to ensure CSO and media training on transparency obligations	<ul style="list-style-type: none"> The Tanzanian chapter of EITI is open to coordination of efforts with Oxfam, which can be done through existing civil society partners on the TEITI Multi-

	Stakeholder Group such at NRGi and Policy Forum.
--	--

ANNEX 5: CEIDA REVIEW LETTER



FROM: CEIDA – CSR in Extractive Industries in Developing Areas
TO: Rob Denny, International Development Consultant

Topic: Independent Review Report

on the TANZANIA Baseline Study around “**Accountability through Active Citizenship: Improving Petroleum Governance in Ghana, Mozambique and Tanzania**” conducted by the International Development Consultant Rob Denny.

To Mr R. Denny,

According to our engagement letter, we have reviewed the non-quantitative information contained in:

the Draft Tanzania Baseline Survey Report, (hereinafter “the Report”) prepared by Rob Denny (hereinafter “the Consultant”), an assignment of Oxfam America in December 2014. The information reviewed corresponds to:

- the indicators referred to in the log frame section and original terms of references
- the information which the consultant provided at the CEIDA debate dated 9 January 2015
- the coherence of the Tanzania report with those of the other two countries

The consultant is responsible for the preparation and presentation of the Report in time for CEIDA members to review, to organize the CEIDA internal debate and to respond to questions raised during the debate and by e-mail. Our responsibility is to carry out a review engagement designed to provide a reasonable level of assurance and express a conclusion based on the work done, referred exclusively to the information corresponding to the Report. We have also made comments and suggestions on the draft of the report, for inclusion in the version to be submitted to Oxfam. Our contribution is pro bono, and CEIDA members involved in the process have developed their activity individually.

It is recommended that Oxfam proceeds with the program and uses the report, as amended, as a benchmark for program implementation. Oxfam should also take account of the various contextual aspects mentioned in the Report, particularly indicators that reflect the huge (over)expectations from O&G developments that communities have. The consultant could refine insights about the levels of expectations by doing a follow-up study that demonstrates in a qualitative and quantitative way the expectations in different levels of society and how the Oxfam Program can respond to them.


Prof. Josep Maria, chairman

Barcelona, 26 January 2015

Forty percent of the people on our planet—more than 2.5 billion—now live in poverty, struggling to survive on less than \$2 a day. Oxfam America is an international relief and development organization working to change that. Together with individuals and local groups in more than 90 countries, Oxfam saves lives, helps people overcome poverty, and fights for social justice. To join our efforts or learn more, go to www.oxfamamerica.org.



HEADQUARTERS
226 CAUSEWAY STREET, 5TH FLOOR
BOSTON, MA 02114-2206
[\(800\) 77-OXFAM](tel:(800)77-OXFAM)

www.oxfamamerica.org

© 2013 Oxfam America Inc. All Rights Reserved. Oxfam America is a registered trademark of Oxfam America Inc., and the Oxfam logo is a registered trademark of Stichting Oxfam International.