



## STRATEGIC PLAN 2017-2020

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## Acronyms and Abbreviations

|       |  |
|-------|--|
| AMV   | Africa mining Vision                                   |
| APRM  | African Peer Review Mechanism                          |
| CEO   | Chief Executive Officer                                |
| CSO   | Civil Society Organization                             |
| CSR   | Corporate Social Responsibility                        |
| EABC  | East Africa Business Council                           |
| EAC   | East African Community                                 |
| EITI  | Extractive Industries Transparency Initiative          |
| ESIA  | Environmental and Social Impact Assessment             |
| FDI   | Foreign Direct Investment                              |
| GDP   | Gross Domestic Product                                 |
| IANRA | International Alliance for Natural Resources in Africa |
| IFF   | Illicit Financial Flow                                 |
| ICGLR | International Conference of the Great Lakes Region     |
| LGA   | Local Government Authority                             |
| MDA   | Mineral Development Agreement                          |
| MDAs  | Ministries, Departments and Agencies                   |
| MoF   | Ministry of Finance                                    |
| MSG   | Multi Stakeholder Group                                |
| NGO   | Non-Governmental Organization                          |
| NRC   | Natural Resource Charter                               |
| NSA   | Non State Actor  |
| OECD  | Organization of Economic co-operation and Development  |
| OGAT  | Oil and Gas Association of Tanzania                    |
| OGP   | Open Government Partnership                            |
| PPD   | Public Private Dialogue                                |
| PPP   | Private Public Partnership                             |
| PSA   | Production Sharing Agreement                           |
| PSO   | Private Sector Organization                            |
| PWYP  | Publish What You Pay                                   |
| SDG   | Sustainable Development Goal                           |
| SME   | Small and Medium Enterprise                            |
| Tcf   | Trillion Cubic Feet                                    |
| TEITI | Tanzania Extractive Industries Transparency Initiative |
| TMAA  | Tanzania Mineral Audit Agency                          |
| TNBC  | Tanzania National Business Council                     |
| TCME  | Tanzania Chamber of Mines and Energy                   |
| URT   | United Republic of Tanzania                            |
| TRA   | Tanzania Revenue Authority                             |
| VAT   | Value Added Tax  |

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## **1.0 Background to the extractive industries in Tanzania**

Tanzania is a provider of raw materials from extractive industries for the global market and the payments have been contributing to nation-wide economic growth and social development. Sustainable development challenges in the extractives sector are diverse including environmental challenges, contracting, and displacement of communities from traditional lands, poor investment decisions and revenue management.

Public expectation for benefits to reach the larger population has never been greater. Persistent poverty, unemployment, inequality and the increasing voice and influence of civil society organizations (CSOs) add to the pressure on governments and investors to rationalize the benefit sharing of extractive resources wealth. This has created a sense of urgency for the government and investors to respond and use the resources to deliver immediate and tangible benefits. However, others see this as migration towards “resource nationalism” and indirect state control on the management of resources. The government is questioned for eroding value and diminishing competitiveness through the political economy while investors are faulted for not integrating projects into the economies of areas hosting extractive-FDIs, negotiating unfair deals, being merely opportunistic and evading tax. The state has been aligning with many regional initiatives including the Africa Mining Vision (AMV), the Land Policy Initiative (LPI) and the African Peer Review Mechanisms (APRM), SADC Mining Protocol among others. However, while the understanding of these problems grows progressively, it is not matched with the capacity to respond.

The actions of financiers, legislators, trade unions, the media, industry analysts and CSOs impact extractive industries projects and require effective policy and regulatory responses. The engagement of CSOs in advocating for sustainability has placed good governance at the center of the resources management public debate. The 2008 economic crisis and the decrease in trust by the public in governments and large corporations have elevated the subject of ethical business practices. To counter this decline in confidence in the extractive resources sectors of mining, oil and gas, governments and the global community have responded with voluntary self-regulation, prescriptive laws demanding product certification, transparency, elimination of safe havens, fair deals, counter-resource depletion measures and equitable resources access policies. The initiatives include the United Nations (UN) Global Compact, the Kimberley Process, and the Governance Principles of the Organization for Economic Cooperation and Development (OECD) and the Extractives Industry Transparency Initiative (EITI).

For many natural resource rich countries, there are no ready alternatives insights into the management of the resources. While the influence of international CSOs has increased exponentially in the past two decades, capacity, financial independence and the voice of national CSOs remain modest. There is a risk therefore that advocacy and accountability activities are left to international initiatives with limited ability by citizens to fully reflect expectations and development needs of the population and complement international efforts.

The extractive sector has the opportunity and potential to positively contribute to all 17 Sustainable Development Goals (SDGs). The sector can foster economic development by providing opportunities for decent employment, business development, increased fiscal revenues, and infrastructure linkages. It is clear, however, that the extractive sector is prone to fiscal leakages; inflated expectations of massive hidden margins can contribute to policy instability and undermine accountability of government to its citizens. Recent trends in commodity markets have witnessed falling oil prices underpinning the importance of effective governance of natural resources to mitigate such volatility. Initiatives such as the Extractive Industry Transparency Initiative, the Natural Resource Charter, Natural Resource Governance

Institute, Open Government Partnership, PWYP and others have contributed significantly to improve transparency and analysis of extractive revenues at both global and country level. The corrosive impacts of illicit financial flows (IFFs) on economic progress and poverty alleviation efforts have become part of development debate. In July 2015, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development was adopted and commits all nations to “redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them.” Other issues including corruption, transfer pricing embedded in tax avoidance and tax evasion are important to register. Global debates about the growing challenge of inequality, climate change, gender and youth as well as calls within national politics to pay greater attention to equity have brought issues of how extractive industry serves the needs of vulnerable and disadvantaged populations to the center of the policy agenda. Such concerns are also central to the Sustainable Development Goals.

Within these contexts, civil society engages in numerous efforts to both improve the management of extractive industry revenues, and to increase accountability. An effort to link local and international actors in campaigns is also thought to have been effective in achieving successes.

## **2.0 Overview of Extractive Industries in Tanzania**

Tanzania is a country endowed with hydrocarbon and solid minerals among other natural resources. Exploration for oil and gas in Tanzania started in the 1950s. The first discoveries were made in the 1970s, and commercial production started in 2004. Since 2010, additional huge reserves have been discovered offshore the southern coast. The size of the total confirmed gas reserves is currently standing at more than 57.27 trillion cubic feet. Tanzania has registered significant discoveries of natural gas around the onshore/shallow waters gas fields at Songo Songo, Mnazi Bay, Mkuranga, Kiliwani North, Ntorya and Ruvu Basin. The deep-sea discoveries have brought about new exploration targets for hydrocarbons in Tanzania and the whole of the Western Indian Ocean Region. With this level of discovery, the natural gas sub-sector is estimated to generate a reasonable size of government revenue of about \$ 3-6 billion per year (TZS 5-10 trillion)<sup>1</sup>. There are prospects for additional offshore, as well as onshore, reserves of both gas and oil. However, the current fall in oil prices is likely to alter these estimates significantly. There is considerable uncertainty about the decision to invest in a liquefied natural gas (LNG) plant, the total volume of petroleum reserves, and the future petroleum prices.

Solid and gaseous minerals include Gold, Diamond, Gypsum, Gemstones, Iron Ore, Phosphate, Coal, Nickel, Cobalt, Tanzanite, Uranium, and Helium. Tanzania has proven reserves of solid minerals in excess of 50 million ounces of gold. Tanzania is currently the 4<sup>th</sup> largest producer in the African continent with estimated value of about US\$2.5 billion. Other reserves include 1.5 million tons of Nickel, 20,770 tons of Uranium, 300 million tons of coal, 50 million carats of Tanzanite (coloured gemstone), among others. The recent announcement of discoveries of Helium gas probable deposits estimated at 54 Billion cubic feet in the South Western Tanzania if proven will place Tanzania among the top exporters.

Despite this massive natural wealth and stronger economic growth performance over the past decade, Tanzania is still one of the world’s poorest economies with GDP per capita of US\$ 864.9

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<sup>1</sup> IMF Country Report No 14/121, May 2014

per annum (2015, World Bank) and low levels of development. Growth rates are projected to remain at around 7% over the medium term (URT). Until now, the mining sub-sector accounts for about 3.5% of GDP (National Bureau of Statistics). Agriculture remains the largest sector contributing 27% of the total GDP, is the largest employer of around 80% of the population, while the large scale mining sector employs only about 45,000 people.

The total government take as a proportion of gross value of mineral resources extraction is as small as 10%, attributed to a fiscal regime that is skewed in favour of mining companies and other overarching challenges. Although legislative changes of 2010 addressed some of the loopholes, existing MDAs have not fully aligned to the new legal regime, hence loopholes for revenue losses, tax evasion, illicit transfer pricing, as well as stimulated negative social and economic impacts of activities in the sector.

The capacity of the government to effectively monitor and regulate the sector has also been questioned for not meeting expectations. Ultimately, there is a need for striking a balance between under and over-regulation in order to maintain legitimacy in the eyes of the public as well as secure future investments. Tanzania government formed a specialized agency, the Tanzania Mineral Audit Agency (TMAA) within the Ministry for Energy and Minerals to monitor and audit mineral production. In 2014, the government passed transfer pricing regulation under the TRA International Tax Unit in the effort to address transfer pricing which is rampant in the extractive industries.

Tanzania also joined the global Extractive Industry Transparency Initiative (EITI) and the Open Government Partnership (OGP) to promote transparency in the overall governance aspects. The Tanzania Extractive Industries Transparency and Accountability Act of 2015 require contract and beneficial ownership disclosure among others and the Oil and Gas Revenue Management Act 2015 as well as Petroleum Act 2015 also aim to improve governance in the extractive sector if effectively enforced.

Despite these impressive initiatives, the government and companies have not yet formerly disclosed agreements on oil, gas and mining thus denying citizens the right to know how their natural resources are being managed

Extractive resources are finite, and therefore important that revenues generated are managed prudently and invested wisely into sustainable and long-term economic activities to improve the quality of people's lives. This has never been the case with mining revenues, a lesson that should be avoided at any cost with the emerging natural gas revenues. Too often, corruption and mismanagement of natural resources has led to continuing poverty and social conflicts.

### **3.0 Problem Statement**

Extractives in Tanzania are expected to become a crucial catalyst of economic growth, driven by considerable increases in investment. Like other resource rich countries, Tanzania faces the dilemma of how to manage the extractive commodity value chains from decision to extract to expenditures related to this source of revenues. This is particularly due to social and political pressures to spend more on public goods and distribute these revenues among different socio-economic groups. In this context a transparent and efficient fiscal policy that responds to social demands is essential to avoid the potential harmful effects of 'resource curse'.

As civil society prepare to deepen their engagement in the extractive sector so as to make natural resources work for the people of Tanzania, they face enormous challenges that range from inability to organise, analyse, research and advocate for reforms within the extractive sector. Due to these limitations and the limited transparency and accountability environment albeit improving over time, CSOs need to consolidate their capacity and position to influence national policy space and assist communities affected by extractive related investment projects.

### **3.1 Fiscal Regime: Inadequate Transparency and Accountability in Contracts and Revenue Management**

Tanzania witnesses limited contract transparency where terms of the agreements are not available for public scrutiny. Even though the government has promised to improve transparency in the Mineral Development Agreements (MDAs) and Petroleum Sharing Agreements (PSAs), it is still important for the public to push the government to honour these commitments.

Despite Tanzania being part of the global EITI processes, reports on government revenues accrued from the extractives are not subject to public discussion. At the same time, several multi-national companies are operating in Tanzania, and because of their home country laws, they produce annual financial reports on extractive payments to the host governments. Civil society has not been able to access, analyse and use this information to demand for greater accountability. Government spending of extractive revenues is also not transparently disclosed. The government's taxes largely come from royalties while corporate income tax has remained markedly limited.

The current policy, legal- especially resource contracts and regulatory framework still has loopholes favouring investors to avoid paying rightful taxes. Experience from the two recently closed mines showed that their operators paid corporate tax only towards the tail of production and it is likely to be the case for the next one (Buzwagi) which is expected to close by 2019 and has yet to pay corporate tax.

Another reason why Tanzania like many resource rich countries does not reap the full benefits from their wealth in natural resources, is **illicit financial flows (IFF)**, that is, money that ends up benefiting local and foreign elites rather than the general population. Much of this money is generated by corruption, illegal resource exploitation, and tax evasion.

### **3.2 Limited Public Participation in the Extractive Industries Governance**

Decisions regarding extractive sector do not involve public consultation due to lack of invited spaces. Communities have no access to information regarding extractive projects including contracts and socio-environmental impact reports. Enactment of extractive laws in parliament has always been rushed thus making it difficult for meaningful deliberations and consultation within the CSO and the general public. Moreover, local government authorities are side-lined from sector governance manifested in their absence during the licencing process despite the

mines being operated within their jurisdictions. This offers opportunity for CSOs working at Sub-national levels to take-up as an advocacy issue in collaboration with local authorities.

At the project level, Tanzania sees low level of participation of local communities and local entrepreneurs in the supply of labour, goods and services. Coupled with the fact that current regulatory mechanisms do not facilitate effective participation of stakeholders, private companies are not forced to substantiate local content requirements. The potential contribution of local procurement of goods and services to the Tanzanian economy is not appreciated due to this weakness in the legal and policy framework. Therefore, advocacy efforts are required to ensure local content is given the necessary impetus by decision-makers at policy level.

### **3.3 Social, Environmental and Political issues**

An abundance of resources creates several opportunities and challenges. When well-managed, extractives can accelerate the country's economic transformation and create jobs and opportunity for present and future generations. The challenge is finding ways to capitalize on extractive industries projects. The existence of natural resources in Tanzania is expected to contribute to economic growth and development, as well as improved living standards for the population. In many cases though, extractive-wealth has instead been associated with devastating political conflict and lasting economic setbacks such as low human development indices, weak democratic institutions, poor accountability mechanisms, forced migration, displacement of rural communities and environmental pollution and degradation.

The initial focus on promotion of foreign trade and investment in Tanzania did not come with requisite corporate accountability and respect for human rights. Extractive investments have been blamed for negative socio economic and environmental impacts as well as rampant violations of human rights. Livelihood deterioration brought by loss of ancestral land to extractive investments has been a real concern. There has also been a lack of systematic, high quality and transparent Environmental and Social Impact Assessments (ESIA) leading to poor environmental management in natural resources based investment areas.

In response to these challenges, the government has put in place laws, policies, strategies and institutions aimed for improving alignment of the sector with other sectors within the broader economy (backward and forward linkages), setting clear policy guidelines and transparent mechanisms for managing extractive revenues for social and economic development.

The government has also developed various strategies to implement these policies such as the ***Natural Gas Master Plan, Tanzania Extractive Industries Transparency Initiative (TEITI), Open Government Partnership (OGP) and The Tanzania Natural Resource Charter (TNRC)***. The ultimate intention is to have an effective institutional and legal framework for administering the industry.

### **4.0 Introduction to HakiRasilimali**

HakiRasilimali is a platform of Civil Society Organizations (CSOs) working on strategic issues around minerals, oil and gas extraction in Tanzania. The coalition emerged from an online "Knowledge Community of Practitioners" in the extractive industries in 2010 to its current status



as a joint learning and advocacy platform. The group started engaging in extractive advocacy in an ad-hoc manner, albeit with some success. Taking into account the lessons learnt since 2010, the group envisages to utilize the available potential to become more effective in influencing extractive industries related policies, laws and practices in the country; by adopting a more strategic and proactive approach. This involves building a formal coordination mechanism for strategic and improved advocacy in extractive industries.

HakiRasilimali is affiliated to Publish What You Pay (PWYP), a global membership-based coalition of civil society organizations (CSOs) in over forty countries united in their call for an open and accountable extractive sector, so that oil, gas and mining revenues improve the lives of women, men and youth in resource-rich countries and that extraction is carried out in a responsible manner that benefits countries and their citizens. HakiRasilimali membership to PWYP is an institutional commitment to global transparency agenda.

The coalition's strategy covers the period 2017-2020. It defines the vision, mission, objective, principles, strategic options and expected outcomes over the initial four years of operation. In implementing the Strategy, the platform will be selective, focused and adopt an incremental approach to program expansion with an initial pragmatic focus on sustainability challenges. The platform will leverage resources and partnerships to develop practical solutions that increase impact. In recognition of the fact that the platform constituencies have limited capacity to analyze information and translate theoretical models into practical solutions, the coalition will concentrate on solution-oriented products that simplify the work of policymakers and technocrats while ensuring that they can then be adapted to specific circumstances. To deliver the program cost effectively, the platform will partner with other knowledge and capacity building institutions to promote skills, for policy analysis and conduct advocacy interventions using popular policy frameworks, advocacy tools and knowledge tools.

## **5.0 Vision, Mission and Objectives**

The **Vision:** HakiRasilimali envisages that extractive industries - oil, gas and mineral resource extraction - contribute to equitable and sustainable national development.

The **Mission** is to support collective learning and jointly influence oil, natural gas and mineral resources policies, laws, regulations and practices.

### **Values**

HakiRasilimali is united by a set of distinct values that underpin the pursuit of our specific mission, and also reflect our broader approach to extractive resources management and sustainable development, demonstrated by the following values:

1. HakiRasilimali fosters equity, diversity and inclusiveness in its membership, organization and management;
2. HakiRasilimali is driven by engagement and participation of its membership;
3. HakiRasilimali seeks to be innovative and catalytic, constantly experimenting and learning from its actions;
4. HakiRasilimali leads through partnership, working voluntary/involuntary with other national and sub-national international actors, to ensure the relevance of its work to key stakeholders.

5. HakiRasilimali values accountability and operates transparently with the highest professional standards.
6. These values are reiterated and emphasized throughout the strategic plan, and will be referred to continuously in the process of its implementation.

### **Principles guiding the work of HakiRasilimali**

The Strategy and operational framework of the HakiRasilimali are guided by the following principles:

- The capacity of state institutions to manage natural resources is a vital success factor for stewardship and presupposes state capability to deliver inter-generational benefits
- The success of the coalition relies on its ability to leverage the competitive advantages as a trusted national development partner
- To achieve impact, the coalition will need to be selective, focused and adopt an incremental approach to its program implementation as well as a long-term perspective towards its own capacity strengthening
- Ensuring synergies and complementary of leveraging internal and external partnerships
- Articulating challenges through an integrated approach to solutions.
- Persuasive and credible engagement with decision-makers
- Vigorous, imaginative and consistently planned media outreach
- Rigour and transparency in everything it does
- Staying the course in ensuring extractives are benefiting Tanzanians

To this end, HakiRasilimali intends to initiate a collective learning and joint advocacy agenda on the challenges facing the extractive industries in the country.

### **6.0 The niche of HakiRasilimali**

The strategic positioning of the coalition has guided the formulation of this strategic orientation through a consideration of Strengths, Limitations, Opportunities and Threats. HakiRasilimali envisages generating concrete solutions and knowledge to overcome these challenges and build internal capacity, benchmark best practices and ultimately, through these interventions offer practical solutions that best fit Tanzanian context and a coherent policy foundation with which to improve development outcomes through coherent extractives policies and practices in managing the sector. The niche of HakiRasilimali as is defined by the following features:

- Well-established relationship with Government of Tanzania
- the only platform that exclusively focus on Extractive Industries and across the value chain (holistic approach)
- Robust and evidence-based advocacy strategies
- Experience in engagement with multi stakeholders at local, sub national, national and international levels
- Diversity of members in terms of constituency, interventions and levels of action

- Joint interventions and networking with well-established and evident history of multi-level engagement

However, our unique contribution cannot be taken for granted. Nor can we aspire to have impact in isolation of the many other organizations and entities that work from different perspectives to promote inclusion and sustainability in the extractive sector. Shifts in the national and global policy environment call for HakiRasilimali to respond with realism and imagination, and a readiness to introduce profound changes in the ways of working.

## **7.0 Objectives**

### ***Overall Objective:***

Increased transparency and accountability of the extractive industries sector resulting to improved livelihoods of all Tanzanians.

### ***Specific Objectives:***

#### ***Objective 1:***

***To generate and share knowledge among stakeholders or actors as a means of broadening understanding of extractive sector in Tanzania***

#### ***Activities:***

- 1.1 Conduct or commission at least 2 specific thematic studies per year.
- 1.2 Identify and create core group for conducting analysis of annual TEITI reports Use analysis to organize public dialogue on the key findings of TEITI reports.
- 1.3 Train communities on EITI and company reports analysis.
- 1.4 Develop a feedback mechanism with TEITI-MSG CSO representatives.
- 1.5 Facilitate dialogue discussions on TEITI reports and CSO engagement processes.
- 1.6 Disseminate TEITI related information to CSOs and wider audience through mainstream and social media hub.

#### ***Objective 2:***

***To advocate for the effective formulation and reforms on policies and laws which govern the Extractive Industries in Tanzania?***

#### ***Activities***

- 2.1 Produce TWO analytical pieces and FACT SHEETS
- 2.2 Develop targeted advocacy messages for legislators, government, and extractive industry corporate sector.
- 2.3 Organize two engagement meetings annually with legislators and government
- 2.4 Organize annual national extractive conferences (alternative indaba)
- 2.5 Representation to at least 8 meetings annually (summits, annual conferences, etc.)Objective

**Objective 3:**

**To organize and mobilize community voices to influence decisions over the extractive investments in Tanzania:**

**Activities**

- 3.1 Organize at least 2 community dialogue meetings annually on Corporate Accountability in relation to the extractive industry.
- 3.2 Hold at least one Corporate Accountability dialogue with companies engaged in the extractive industry
- 3.3 Monitoring Petroleum and Mining policy implementation at sub-national level through a core-working group.
- 3.4 Collect evidence on the impact of extractive sector on women and youth living around extractive areas
- 3.5 Developing Tanzania Extractive Industry Fellowship Program curriculums
- 3.6 Training of trainers (ToTs) at least 25 young civil society leaders per year on the extractive governance.
- 3.7 To support TOT on legal and economic policy analysis relating to the extractive training events

**Objective 4:**

**To contribute to enhanced extractive revenue management at sub national and national levels**

**Activities**

- 4.1 Training of civil society leaders and practitioners on extractive industries governance
- 4.2 Strategic engagement sessions with extractive corporate sector in contract and revenue management
- 4.3 Creating networking and learning opportunities with NRG Africa/CEU alumni on extractive industries investments and revenue management
- 4.4 Form working groups and Popularization of PWYP approach and tools for extractive commodities revenue management

**Objective 5**

**To strengthen HakiRasilimali governance and coordination**

**Activities**

- 5.1 Conducting quarterly steering committee meetings
- 5.2 Developing human resource, financial guidelines, workplace policy and appraisal systems
- 5.3 Develop Working Groups to spearhead various HR/PWYP Tanzania work
- 5.4 Quarterly programmatic and financial reports developed and circulated to members
- 5.5 Independent financial audit among members.
- 5.6 Payroll expenses for Coordinator
- 5.7 Recruitment of staff (Program Officer - learning, Finance) Part time support staff
- 5.8 Establish HakiRasilimali office in Dar es Salaam, Tanzania
- 5.9 Create and constantly update HR/PWYP Tanzania social media pages (FB & Social media)
- 5.10 Create a Google mailing list for ease and open communication among members

- 5.11 Website Maintenance, Telecommunications and Internet
- 5.12 Utilities and stationaries
- 5.13 Bank charges and statutory matters

We shall achieve these objectives by:

- Becoming more agile-continually revisiting our strategic priorities, focusing on where we can make a difference; respond to the new global environment by working more systematically on cross-cutting and transnational issues
- Becoming locally rooted and globally connected –Engaging more effectively with local and regional actors, even as we maintain our capacity for high-level global advocacy;
- Becoming more visible- strengthen brand recognition, visibility and coherence; refine the means by which we deliver our product, including through an interactive website; raise our media profile and extend our use of new communications channels and social media networks;
- Becoming more effective-We shall diversify our forms of policy engagement; reinforce our managerial capacity in line with the requirements of our business model;
- Becoming more proactive in fundraising.-With the support of the ultimate board, we shall increase efforts to secure the necessary funding to provide a platform for gradual programmatic growth; engage more dynamically with government and donors and pursuing new funding streams .

## 8.0 HakiRasilimali Theory of Change

HakiRasilimali theory of change holds that combining rigorous field research and analysis, tailored recommendations, well-timed advocacy and engagement with extractive industry actors and policymakers can lead to transparent and accountable management of extractive natural resources. In practice, our theory of change requires unpacking to reflect (1) our evolving understanding of advocacy; (2) the importance of prioritization; and (3) the varied means by which we assess our impact.

## 9.0 Outcomes based on objectives

The desired outcomes are a contribution towards improved governance of extractive natural resources, enhanced economic impact on domestic economy and improved resources development planning resulting in containment of adverse social and environmental effects while maximizing the economic impact on the lives of citizens

1. By 2020, participation of civil society in ensuring accountability mechanisms for extractive industries in alignment with regional and international frameworks

Key issues: TEITA, EITI frameworks, EAC, frameworks, ICGLR frameworks

Performance Indicators:

- Number of HakiRasilimali members engaging in platforms
- Quality of participation and representation

2. By 2020, improved policy, legislative and institutional framework governing the extractive sector in Tanzania.

Key issues: Policy framework, institutional setups and alignments, monitoring.

Performance Indicators

- Number of policy/legislative/regulatory frameworks and practices reflecting HakiRasilimali contribution.
  -
3. By 2020, enhanced voice and action of impacted communities regarding social, economic and environmental rights in extractive industries policies and practices.

Key issues: Compensation on land, Livelihoods, Gender, Inclusion, Participation, EISA, Decommissioning, Oil and gas pipelines, Gender, Youth, Community voices.

Performance indicators:

- Spaces of spaces opened up for local voices
  - Quality of engagement of the community
  - Issues addressed
4. By 2020, evidence on enhanced extractive revenues management systems at local, sub national and national levels.

Key issues: Tracking the extractives sector money, fiscal and revenue management regimes, focus on domestic resources, possibility of IFFs /tax evasion through the extractive sector, Monitoring of implementation of existing revenue management laws, royalty monitoring, corruption and commodity trading, MSG, compulsory disclosure.

Performance indicators

- Number of independent revenue tracking reports
  - Annual analyses on TEITA reports
  - Number of sub national engagement events on extractive revenues
5. by 2020, an enhanced governance framework for HakiRasilimali including strengthened financial, human resources and programming systems

Key issues: Human Resource guidance manual, Financial management guidance manual, Advocacy Strategy, Resource mobilization Strategy, Management Information System, Work place policy

Performance indicators:

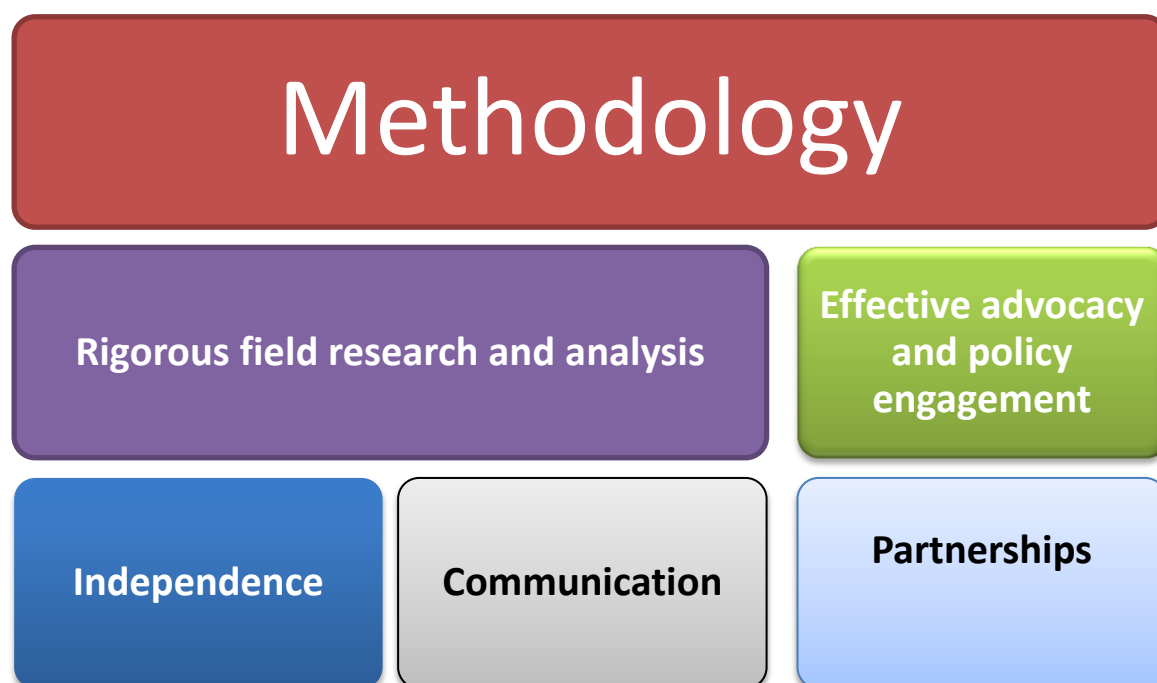
- Levels of platform constituencies' participation in formal extractive industries accountability discourses
- Number of HakiRasilimali members engaging in platforms at subnational and national levels

- Quality of participation and representation
- Improved formulation and implementation of policies, legislative and regulations related to the extractives
- Number of strategic networks developed at national, regional and international levels
- Number of initiatives implemented in collaboration with regional PWYP

## 10.0 Methodology

HakiRasilimali methodology will focus and evolve to respond to the changing demands of the operational landscape. It must systematically integrate the national, regional and global dimensions of increasingly multi-dimensional commodity frameworks. Prioritization will be critical to our ability to focus resources and effort on those issues where we are best placed to make a difference and to promote consistent and transparent decision-making on significant activities and expenditures. Priorities will be set within particular extractive situations and programs, and across the platform. They will be periodically identified in our annual work plan, revisited and revised on a rolling basis.

Within this framework, our methodology is centered on five pillars of rigorous field research and analysis, Effective advocacy and policy engagement, Independence, Communication, and Partnerships.



## 11.0 Legal Status

In 2016, HakiRasilimali started rolling out its formalisation process with recruitment of a coordinator. The HakiRasilimali Steering Committee has assigned a team to identify the right

form for registration, setting up of governance guidelines and membership engagement criteria, which will be approved by 2017. The platform legitimacy considerations, will encompass strategic alignment of PWYP in Tanzania and integrated into HakiRasilimali Strategic plan.

## **12.0 Governance, Management & Coordination**

HakiRasilimali shall be a network run by the secretariat routinely managed by the Coordinator who will report to the Steering Committee, which in turn reports to the Governing council.

### **The Governance Structure of HakiRasilimali**

The operating model of the platform requires innovative approaches of collaboration. A transitional structure has been developed in which a council of 7 members will be the final decision making body.

### **The Governing Council**

The governing Council is the highest level decision making body, chaired by The Executive Director of Governance Links. The full governing council comprises of HakiMadini, Policy Forum and TLS, Governance Links, ADLG, Governance and Economic Policy Center and ONGEA.

### **The Steering committee**

The governing council will delegate operational decision making to a Steering Committee of 3 member organizations: HakiMadini, Policy Forum and Tanganyika Law Society.

The Steering committee has been assigned a supervisory role to the secretariat on strategic and operational issues.

The Steering committee and the Governing council chair will be the external communicators on strategic matters about HakiRasilimali. The coordinator will require liaising with the Steering Committee before engaging in any external communication about HakiRasilimali.

In the long term, the strategy presents a modified governance structure that departs from the transition to a long-term scope and approach.

*Having been accepted to be an affiliate of Publish What You Pay, HakiRasilimali is the official Publish What You Pay Chapter in Tanzania. The secretariat will therefore be responsible for routine representation and linkages with PWYP regional coordination office.*

### **The Secretariat and Co-ordinator**

The coordinator heads the secretariat and manages the day-to-day operations of the secretariat, with voluntary support from members whenever deemed necessary.

The coordinator will have multiple communication lines in the transitory period, routinely reporting to HakiMadini on administrative matters and reporting to the Steering Committee on strategic matters.

The Secretariat will report to the Steering Committee headed by HakiMadini, Policy Forum and Tanganyika Law Society. The steering committee would report to the Governing Council chaired by The Executive Director of Governance Links.

### **External communication**



The Steering committee and the Chair will be the external communicators on strategic matters about HakiRasilimali. The coordinator will liaise with the Steering Committee before engaging in any external communication about HakiRasilimali

### **13.0 Financial Management and Budget**

Civil society organizations and networks are under increasing pressure to demonstrate immediate impact and adding value to resources. The Strategy advances an innovative funding model, which blends different sources of finance.

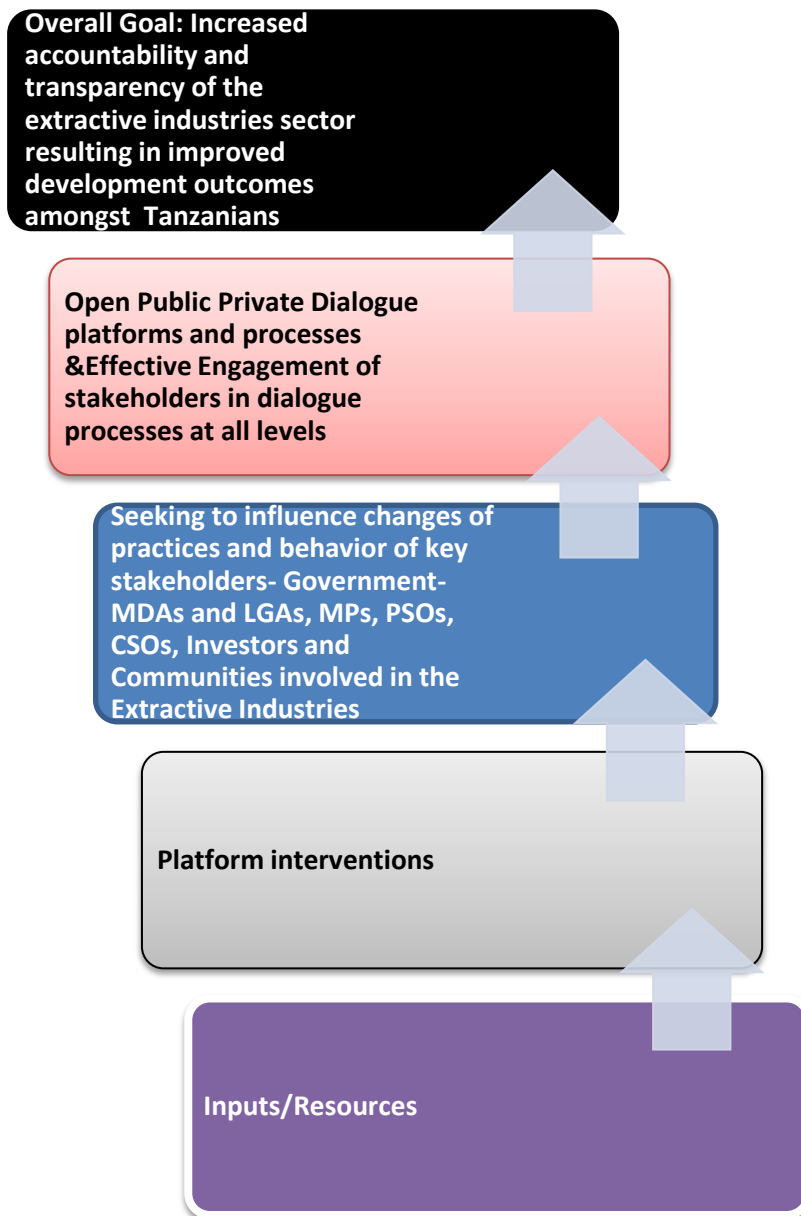
In our funding model, we embrace the potential to secure funding for the platform when it aligns with our mission and priorities, taking into consideration the capacity, independence without negatively impacting on our broader reputation.

### **14.0 Monitoring, Evaluation and Learning**

The strategy will be implemented from 2017 to 2020. In developing the roadmap, factors that were considered include selectivity, incremental program expansion, the need to build internal methodological capacity progressively, validation of demand and testing the platform products.

Annual work plans will be developed and monitored. Periodic reports, including an annual report shall be prepared by the Secretariat in collaboration with members and submitted to higher governance levels. These will track the progress towards achieving HakiRasilimali strategic objectives and the extent to which the plans are being implemented. Periodic reviews shall be conducted and its recommendations incorporated during reflection, learning sessions and scheduled meetings of the steering committee and the council for timely adjustments.

### **Annex 1: HakiRasilimali Results Delivery Model**



## **Annex 2: Strengths, Weaknesses, Opportunities and Challenges (SWOC)**

The Strengths, Weaknesses, Opportunities and Challenges (SWOC) for HakiRasilimali in the 4 years covering the strategic periods are as follows

|  |   |
|--|---|
| <p><b>Strengths</b></p> <ol style="list-style-type: none"> <li>1. A strong transitional structure with core group demonstrating commitment</li> <li>2. Consultative environment amongst members</li> <li>3. Effective and high reputation of member organisations</li> <li>4. Knowledge of the sector</li> <li>5. Diversity of membership</li> <li>6. An established secretariat</li> <li>7. Affiliation to regional and global initiatives and networks on extractive industries including IANRA and Publish What You Pay</li> </ol>  | <p><b>Limitations</b></p> <ol style="list-style-type: none"> <li>1. A network not yet widely visible</li> <li>2. Limited global engagement</li> <li>3. Lack of a formal uniting framework</li> </ol>  |
| <p><b>Threats</b></p> <ol style="list-style-type: none"> <li>1. Changing funding landscape Limited resources in donor community</li> <li>2. Building up of collaboration between companies and governments side lining civil society</li> <li>3. Could be seen as a competitor by other CSOs and networks</li> <li>4. Complex vested interests in media</li> <li>5. policy priorities weakening political will</li> <li>6. Shrinking space in which Civil society can operate</li> <li>7. Competition with International NGOs</li> <li>8. Weak legislative structures</li> </ol> | <p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>1. Increasing attention on shared values among international development institutions and donors in extractives</li> <li>2. Emerging dialogues on local content and Corporate Social Responsibility in extractive industries</li> <li>3. Growing interest and demands for engagement among citizens on extractives</li> <li>4. Global solidarity amongst CSOs in extractives advocacy</li> <li>5. Contribution of the extractive sector to the national economy</li> <li>6. Wilful support from international organizations like Natural Resources Governance institute</li> <li>7. Policy and legal frameworks on extractives including TEITA frameworks</li> <li>8. Programmatic linkages with donors</li> <li>9. Working relationships with partner institutions</li> </ol> |

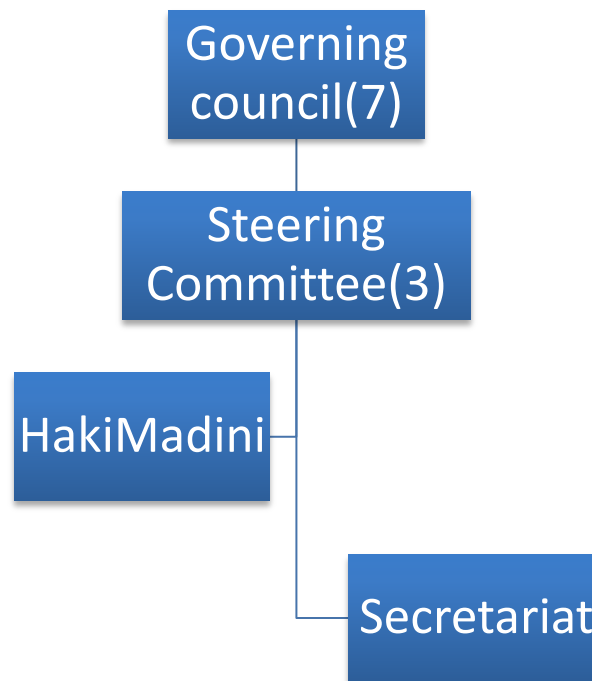
### Annex 3: Stakeholder Mapping

This is an initial mapping of potential stakeholders with interests in or involvement in extractive industries, as well as a list of the expected changes that civil society would like to promote.

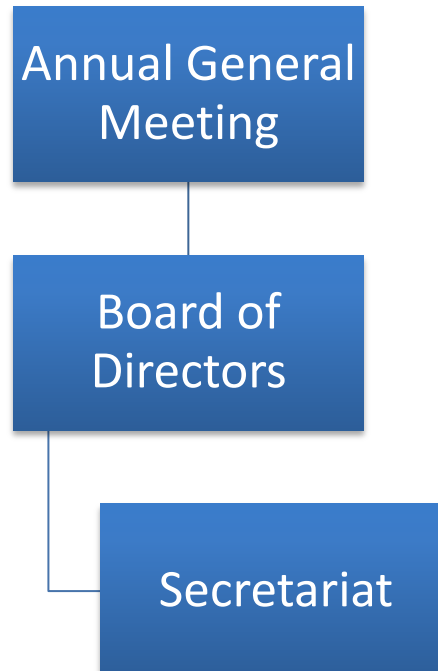
|   | Stakeholder   | Roles and interests   |
|---|---|---|
| 1 | Government-Ministries, Departments and Agencies (MDAs)<br>- Ministry of Energy and Minerals (MEM)<br>-Ministry of Finance (MoF)<br>- Tanzania Revenue Authority (TRA) | Government puts in place policies and enacts laws/regulations that promote transparency in the extractives sector<br>Agencies responsible for monitoring the extractive activities are designated.<br>Government adheres to principles and agreements, such as EITI Principles and the Natural Resource Charter benchmarking<br>Government publishes contracts and revenues online  |
| 2 | Local Government Authorities  | Facilitate conducive investment environment for local content<br>Oversee compliance of companies/investors in relation to human rights, social and environmental issues<br>Ensure effective participation of all stakeholders in various dialogue platforms   |
| 3 | Members of Parliament (MPs) (Finance Committee, Energy and Minerals Committee, Budget Committee)  | Through Parliamentary Committees, perform oversight on budgets, revenues and expenditures from the extractive industries<br>Push the government to set effective fiscal policies<br>Monitoring the execution of the fiscal policies and laws  |
| 4 | State institutions ( Tanzania Petroleum Development Corporation (TPDC),TAIC,STAMICO ,TMAA,PURA  | Publish contracts to reveal “the public stake” in joint ventures<br>Share monitoring reports broadly, including publishing in media (print and electronic )   |
| 5 | TEITI Committee   | Timely release and broadly dissemination of annual reconciliation reports<br>Improve coordination of members’ participation   |
| 6 | Communities-living and working around the extractive industries areas   | Communities are aware of their rights from the extractive industries and follow the appropriate channels for claims and access<br>Communities are aware of the employment and business opportunities within the extractive industries and take initiatives to invest in the commodity value chains<br>Communities are informed of the realities, practices, behaviors of the investors towards human rights and environment protection and report any incidents to relevant authorities |

|    |   |   |
|----|---|---|
|    |   | Communities are conscious of the environmental impact and participate in the implementation of environmental protection strategies/measures   |
| 7  | Tanzania Private Sector Foundation (TPSF) and Business Associations linked to extractive industries (Chamber of Mines, Oil and Gas Association of Tanzania (OGAT), Tanzania National Business Council TBNC) | Engage in ethical and transparent business by<br>Following and respecting all legal requirements and procedures needed to make their investment relevant to them, people and the environment<br>Implementing established standards and practices from other countries in Local Content legislation/policy.<br>Providing employment and business opportunities for the local communities through extractive value chains<br>Publishing payments made to the government and other beneficiaries, including financial allocations to Corporate Social Responsibility (CSR) programs<br>Engaging actively in dialogue with relevant bodies (companies, government and workers) to promote a good relationship<br>Facilitating linkages of investments opportunities and capital acquisition for their members |
| 8  | Research and Academic institutions  | Contributing expertise, research-based evidence and informed opinion on issues touching people's welfare.   |
| 9  | Development Partners  | Funding civil society and government projects and actively promoting the transparency and accountability in the sector  |
|    | Tanzania Commission for Human Rights and Good Governance  |   |
|    |   |   |
| 10 | Media   | Disseminating information and informed opinion and acting as an advocacy linkage.   |
| 11 | Parliamentary Committee on by- laws   |   |
| 12 | OGAB  | ??????????  |

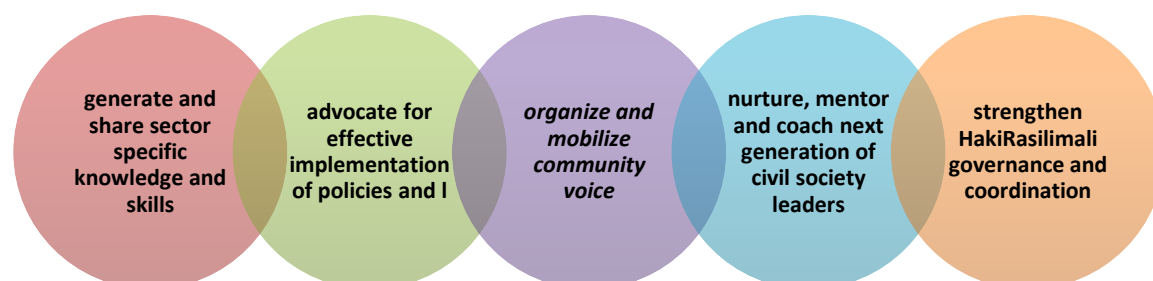
#### Annex 4 : Transitional organizational structure of HakiRasilimali



**Annex 5 :The ultimate organizational structure :**



## Annex 6: Strategies for delivery of HakiRasilimali interventions



## Annex 7: The core group of institutions at establishment of HakiRasilimali

|   | <b>Civil Society member</b>              | <b>Main office</b> |
|---|--|--------------------|
| 1 | HakiMadini                               | Arusha             |
| 2 | Interfaith                               | Dar es Salaam      |
| 3 | Governance Links                         | Mwanza             |
| 4 | Policy Forum                             | Dar es Salaam      |
| 5 | ONGEA                                    | Dar es Salaam      |
| 6 | Governance and Economic Policy Centre    | Dar es Salaam      |
| 7 | Action on Democracy and Local Governance | Mwanza             |

