

Publish What You Pay

TANZANIA–9th May 2010

PRESS RELEASE

Tanzania Launches the Publish What You Pay Coalition and Campaign

1. Civil Society Organisations in Tanzania have had since September 2009 declared the intension to establish the National Coalition of Publish What You Pay (PWYP), a resource transparency campaign focusing on oil, gas, minerals, forestry (including wildlife) and fisheries. Tanzania is a least developed country with over 85% of its 40 million population living below the poverty line despite being amongst the world's well regarded resource-rich countries with abundant extractive industries, namely; minerals, oil, gas, forestry and fishery resources. If prudently managed, the combined total impact of the currently known extractive industry wealth of Tanzania: tanzanite, gold, gas, diamond, 53.9 million pounds of uranium (worth US\$ 2.2 billion); titanium, nickel, iron ore (plenty); forestry products [contribute approximately US\$ 14 million (10%-15% excluding wildlife earnings) of the country's recorded export earnings]; and fisheries products [contribute 2.7% of GDP i.e. more than 10% of all exports] may change Tanzania into a new power engine, just parallel to South Africa and Nigeria.
2. During the last ten years Tanzania maintained continued mineral export boom, with gold constituting forty percent (40%) of total export (2008), which could be regarded as an opportunity for the country to graduate

from abject poverty in a hitherto predominantly agrarian economy. Tanzania was until 2008 Africa's third-largest exporter of gold, although export drop to 50 tones during 2009 has placed the country to the 4th position; topped by South Africa, Ghana and Mali in the descending order. Over twenty foreign big exploration companies are involved in petroleum exploration while two foreign huge consortium are currently involved in the production of gas in South-eastern Tanzania. Nevertheless, the social and political fabric of Tanzania seems to be engulfed by grand and petty corruption, opacity, and porous legal and regulatory framework for mining.

3. Tanzania had since 1997 failed to negotiate a fair-share of mining fiscal regime, which resulted into the country retaining only 3% royalty charged on net instead of gross revenue. The country has continued losing revenue due to excessive fiscal offer (tax incentives) given to the foreign mining companies. Understandably, such negatively skewed fiscal regime remains detrimental to the erstwhile expected economic and social gains from extractive industries. The manifestation of disproportional contribution of mining boom to Tanzania's economic growth of between 2.8%-3.2%; environmental as well as human rights concerns, which have consistently been growing, underling tensions between foreign mining companies and local communities, including small scale miners, say it all.
4. Twenty one (21) institutional and three (3) individual PWYP members in Tanzania attending their Assembly at the Mbagala Spiritual Centre, Dar es Salaam, did on April 13, 2010 endorse the Coalition's Memorandum of Understanding, Regulations, Work-Plan, and elected six institutional members to form a Steering Committee of the Coalition as they effectively declared PWYP-T Coalition officially formed. Those elected to serve on the Coalition's Steering Committee are Concern for Development Initiatives in Africa (ForDIA), Legal and Human Rights Centre (LHRC), Lawyers Environmental Action Team (LEAT), Tanzania Chamber of Commerce,

Industry and Agriculture (TCCIA), Multi-Environmental Society (MESO) and the Norwegian Church Aid (NCA) in Tanzania.

5. The Steering Committee was charged to form three technical working groups to execute the core activities of the Coalition, namely, Training and Capacity Building, Research and Advocacy, and Campaign Strategy Coordination and Monitoring and Evaluation. Holding its first meeting in Dar es Salaam on April 30th the Steering Committee endorsed ForDIA the coordinating organisation of PWYP Coalition in Tanzania. The LHRC and NCA-Tanzania were respectively appointed to coordinate the technical working groups of training and capacity building, and research and advocacy.
6. PWYP-T is expected to execute a one year (2010) work-plan with a budget of US\$ 113390, to which the Revenue Watch Institute (RWI) has contributed US\$ 33,874, and the Chairperson of Tanzania EITI Multi-Stakeholder Group, Judge (retired) Mark Bomani, has contributed US\$ 80. Fundraising efforts to realise the remaining part of the work-plan budget continues so as to ensure PWYP-T coalition campaign activities are fully executed.
7. Dr. Stephen Munga, the Bishop of the North Eastern Diocese of the Evangelical Lutheran Church of Tanzania (ELCT), a nationally and internationally renowned campaigner of extractive industries transparency, thereafter on April 16 officiated at the PWYP-T Coalition launch with a thrilling keynote speech. The official launch of PWYP-T coalition was hosted at the Giraffe Ocean view Hotel in Dar es Salaam.
8. The Launch and carrying-out of PWYP-T campaign activities in Tanzania is part of local and international initiatives correctly responding to improve transparency and accountability in the governance of extractive industries in the country – EIs Development Agreements (contracts) between the Government and the Companies are still kept top secret,

evading public scrutiny; environmental degradation in the mining areas is already a matter of human rights concern; mining legal and regulatory framework is inadequate and the process to implement the Extractive Industries Transparency Initiative (EITI) is but moving at snails pace. PWYP-T Coalition is specifically determined to engage stakeholders in the process of speeding up EITI implementation in Tanzania.

9. Definitely PWYP-T campaign activities will extend to engage such major actors in the extractive industries in the country as Barrick Africa Gold, which operates four big mining projects of North Mara, Kahama Gold, Buzwagi and Tulawaka mines; Anglo-Ashanti, which operates the Geita Goldmine project; Petra Diamond, which operates the Williamson Diamonds Limited (WDL) mine project; Tanzanite One, which operates the Mererani Tanzanite mine project; Resolute Mining; East Coast (Pan Africa Energy), which operates the Songo Songo gas production project; Artumas Group, which operates the Mnazi Bay gas production project; and the over twenty petroleum exploration companies, including Tullow Oil, PetroBras, Animex and Statoil, which are seriously involved in petroleum exploration in the country. The campaign is expected to be challenging to all actors; the PWYP-T coalition, the companies and the Government.

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