



# HakiRasilimali

Transparency & Accountability  
for the Extractive Industry

**THE STATE OF EXTRACTIVE INDUSTRY  
TRANSPARENCY IN TANZANIA: A CRITICAL  
ANALYSIS OF THE 15TH REPORT OF THE  
TANZANIA EXTRACTIVE INDUSTRY  
TRANSPARENCY INITIATIVE (TEITI)  
FOR THE FISCAL YEAR 2022/2023**

**JULY 2025**

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# The State of Transparency in Tanzania Extractive Sector: A Critical Analysis of the 15th TEITI Report (Fiscal Year 2022/2023)

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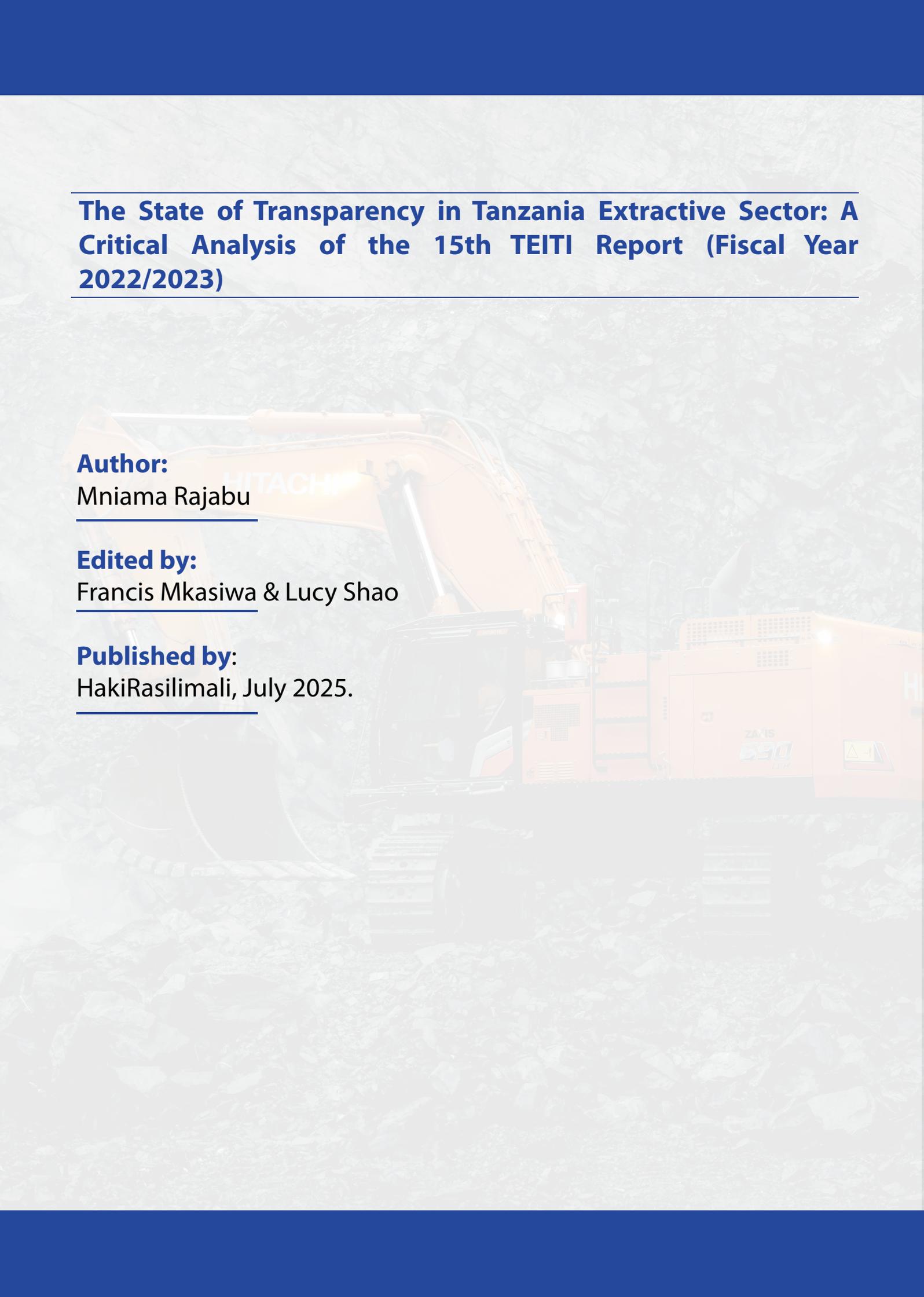
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## 1. Introduction

Transparency in the extractive sector is increasingly recognized as a strategic instrument for addressing entrenched poverty, corruption, and conflict in resource-rich countries. At the global level, initiatives aimed at improving natural resource governance, enhancing public financial management, and ensuring that resource wealth translates into tangible benefits for citizens are gaining momentum. Central to these efforts is the Extractive Industries Transparency Initiative (EITI), a global standard that promotes open and accountable management of oil, gas, and mineral resource<sup>1</sup>.

Since becoming an EITI-implementing country in 2009, Tanzania has demonstrated a commitment to improving transparency and accountability in its extractive sector. Through the Tanzania Extractive Industries Transparency Initiative (TEITI), the country has sought to increase public awareness on the importance of transparency in the extractive sector, understanding of company operations and its impact and government revenues from mining, oil, and natural gas operations<sup>2</sup>.

In line with its commitment to the EITI International Standard 2023, particularly Requirement 4.1 which mandates a comprehensive reconciliation of company payments and government revenues from the extractive sector. This requirement is further reinforced under the Tanzania Extractive Industries (Transparency and Accountability) Act, 2015, specifically Section 16(1), which requires the Multi-Stakeholder Group (MSG) to publish an annual report that reconciles payments made by extractive companies with the revenues received by government institutions.

Reflecting this mandate, TEITI recently published its 15th report, covering the fiscal year 2022/2023. The report not only reconciles financial flows between extractive companies and government institutions but also broadens the scope of disclosure to include unilateral payments by artisanal and small-scale miners, social and environmental expenditures, disaggregated employment data, and provisions for mine closure.

These extended disclosures are critical for enhancing transparency, enabling public oversight, and promoting inclusive and sustainable governance of Tanzania's extractive resources.

***Following the release of this report, HakiRasilimali deep dive to key findings that can inform policy action advocacy and enhance future TEITI disclosures.***

The objective is to support continuous improvement in transparency standards, promote stronger accountability mechanisms, and ensure that the governance of Tanzania's extractive sector delivers equitable and sustainable outcomes for its citizens.

<sup>1</sup> [https://eiti.org/sites/default/files/EITI%20Progress%20Report\\_2024.pdf](https://eiti.org/sites/default/files/EITI%20Progress%20Report_2024.pdf)

<sup>2</sup> <https://eiti.org/countries/tanzania>

## 2. The Critical Insights from the TEITI Report

### 2.1. Materiality Threshold and Compliance Trends from the 14th and 15th Reports

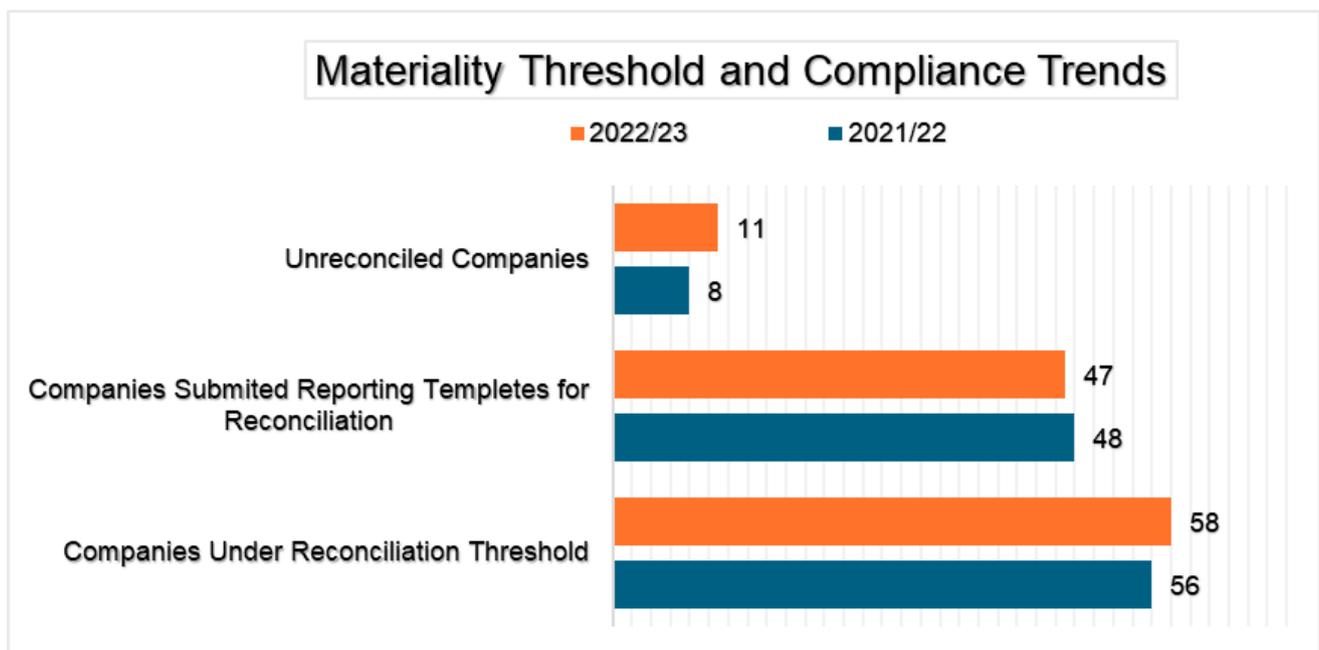
The 15th TEITI Report, covering the financial year 2022/2023, maintained a materiality threshold of TZS 2 billion, a benchmark that was unchanged from the previous reporting cycle 2021/2022. This threshold determined the inclusion of companies in the reconciliation process, targeting large and medium-sized extractive companies including subcontractors whose total payments met or exceeded this amount.

Of the 58 companies that met the criteria in 2022/23, only 47 were successfully reconciled. This represents a slight decline from the previous year (2021/22), where 48 companies were reconciled under the same threshold as illustrated in the Figure 1 below.

While the consistency in the materiality threshold provides continuity for comparative analysis, the report reveals a deterioration in compliance levels. Notably, the number of

analysis, the report reveals a deterioration in compliance levels. Notably, the number of companies excluded from the reconciliation process due to failure to submit reporting templates increased from 8 in 2021/22 to 11 in 2022/23.

This upward trajectory in non-compliance undermines the integrity of the reconciliation process and signals a pressing need for TEITI to adopt more robust enforcement mechanisms. Strengthening oversight and follow-up procedures is essential to ensure that all eligible companies meet their reporting obligations, thereby safeguarding the credibility and completeness of extractive sector disclosures.



**Figure 1: Materiality Threshold and Compliance Trends**

## 2.2. The Revenue Reconciliation & the Discrepancy Results

For the financial year 2022/23, six revenue reporting entities, covering a total of twelve revenue streams, were selected for reconciliation based on a materiality threshold of TZS 2 billion and above. The total payments reported by the companies amounted to TZS 1,314,541,629,124.88, while government agencies reported receiving TZS 1,314,463,025,776.71. This resulted in a discrepancy of TZS 78,603,348.17, equivalent to 0.006% of total payments. Further investigation by the Controller and Auditor General (CAG), in accordance with Section 18 of the TEITA Act, 2015.

Reflecting on the 14th Report, whereby the reconciliation totalled TZS 1.8 trillion, with a discrepancy of TZS 402,411,069.73, equivalent to just 0.021%, or less than 1%.

While this may appear statistically insignificant, the presence of any unreconciled revenue demands serious attention.

### Revenue Reconciliation Discrepancy

2021/22; TZS 402,411,069.73

2022/23; TZS 78,603,348.17

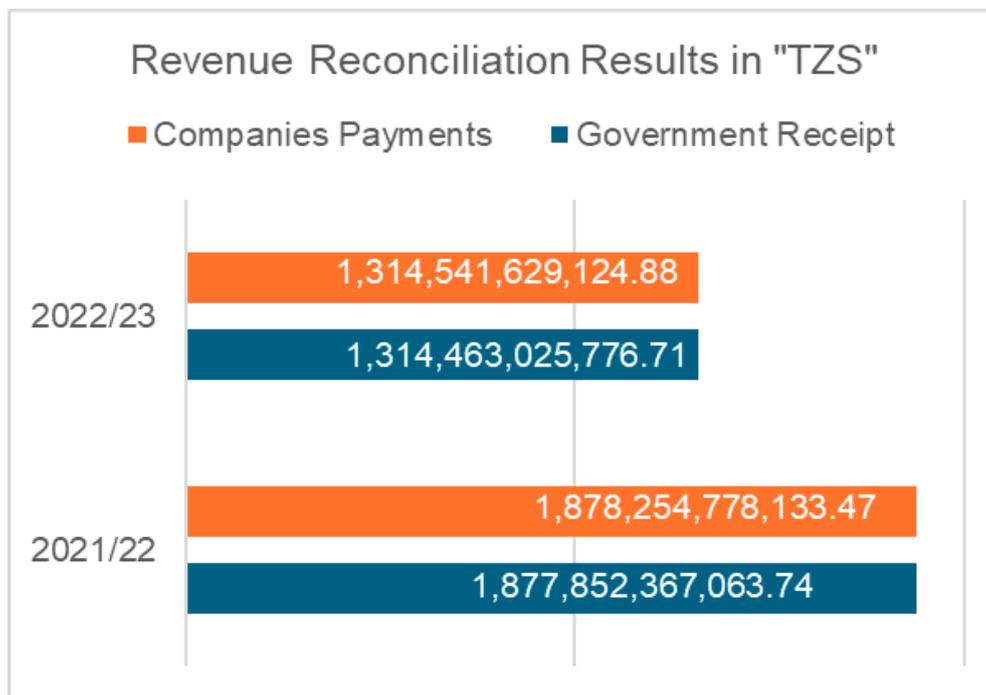
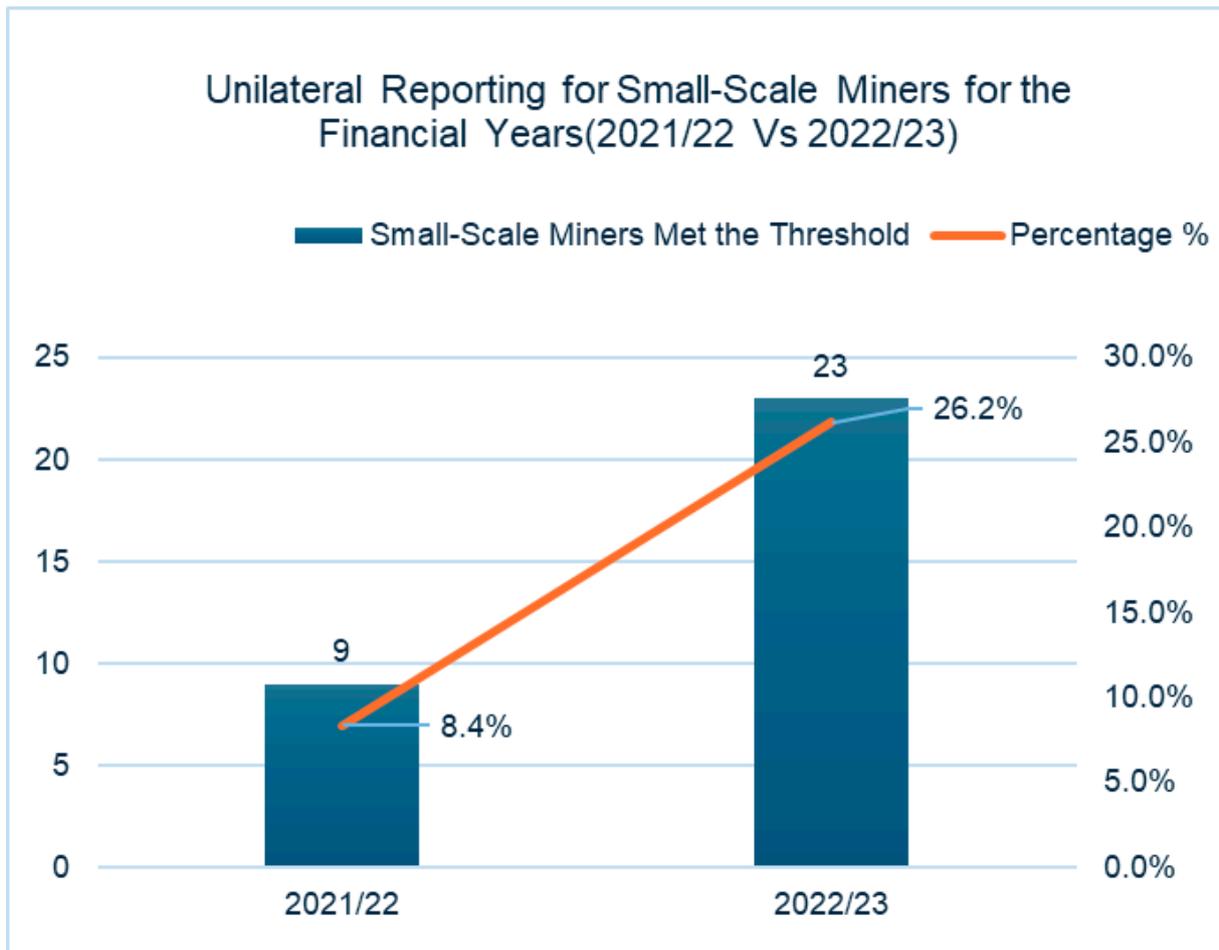


Figure 2: Revenue Reconciliation Results

## 2.3. Unilateral Reporting of Small-Scale Mining: Implications for Transparency and Sectoral Growths

Small-scale mining remains outside the scope of the revenue reconciliation process under the TEITI framework. Instead, its contribution is captured through unilateral government reporting, largely as a monitoring mechanism rather than a full transparency assessment. This limitation stems primarily from persistent record-keeping challenges among small-scale miners, including informal operations, inconsistent documentation, and fragmented payment channels. As such, the majority of available data on small-scale mining revenue is derived from mineral markets, which serve as proxy sources for estimating activity and revenue flows.



**Figure 3: Small Scale Unilateral Reporting**

**A summary of the key findings from the 2022/23 unilateral reporting includes the following:**

1) The materiality threshold remains unchanged from the 14th report, set between TZS 500 million and less than TZS 2 billion.

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2) In the financial year 2022/23, 28 small-scale miners surpassed this threshold, a significant increase from only 9 out of 107 miners in 2021/22. This upward shift suggests a notable expansion in economic activity within the small-scale mining subsector and underscores its increasing contribution to the national mining economy.

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Despite this progress, the exclusion of Small-Scale Miners from the reconciliation process limits the full transparency potential of TEITI. Addressing the underlying data and formalization challenges within small-scale mining will be vital for enhancing its accountability, integrating it into future reconciliation exercises, and capturing its growing fiscal and social significance.

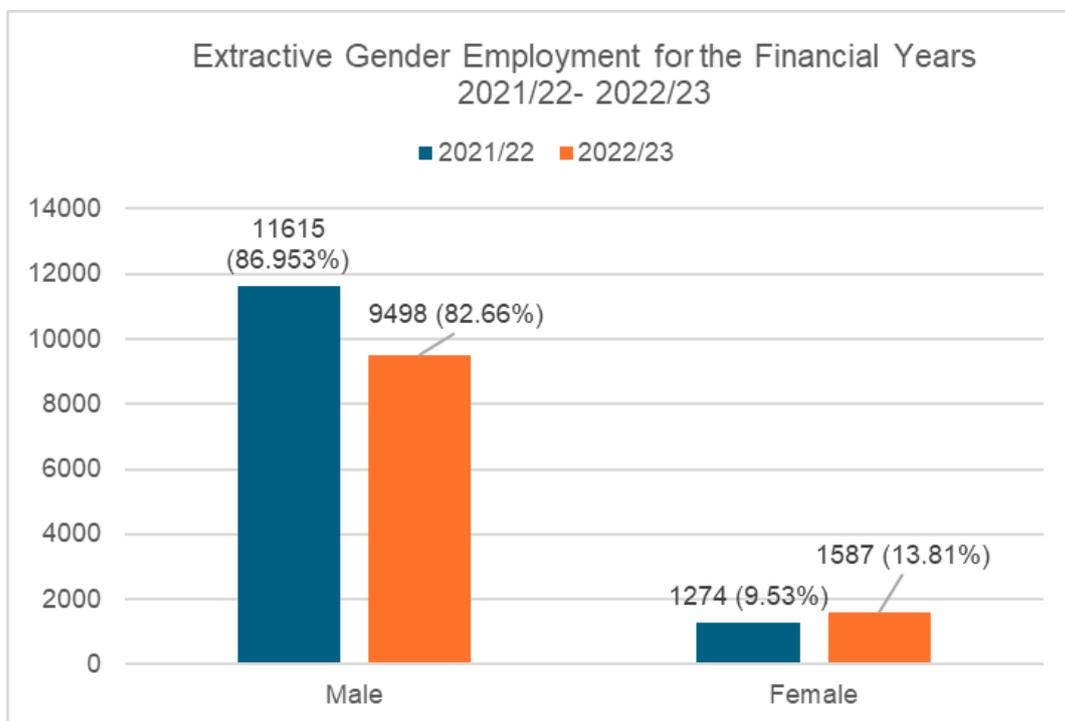
## 2.4. Extractive Employment Gender Gaps

Gender insensitivity continues to undermine the sector's inclusivity, particularly in the equitable distribution of benefits such as employment opportunities for locals.

According to the 15th TEITI Report, total local employment in the extractive sector declined from 12,889 in 2021/22 to 11,085 in 2022/23. While female employment recorded a modest increase of 4.22% during this period, the overall gender balance remains highly disproportionate. Men account for 9,498 employees (82.66%), while women represent only 1,587 (13.81%).

This stark disparity calls for urgent and deliberate action. Targeted strategies must be implemented to expand employment opportunities within extractive companies and ensure that women are equitably included as the sector continues to grow.

See the figure below, which provides a visualized detail on the current employment landscape for extractive companies for the financial years 2021/22 and 2022/23.

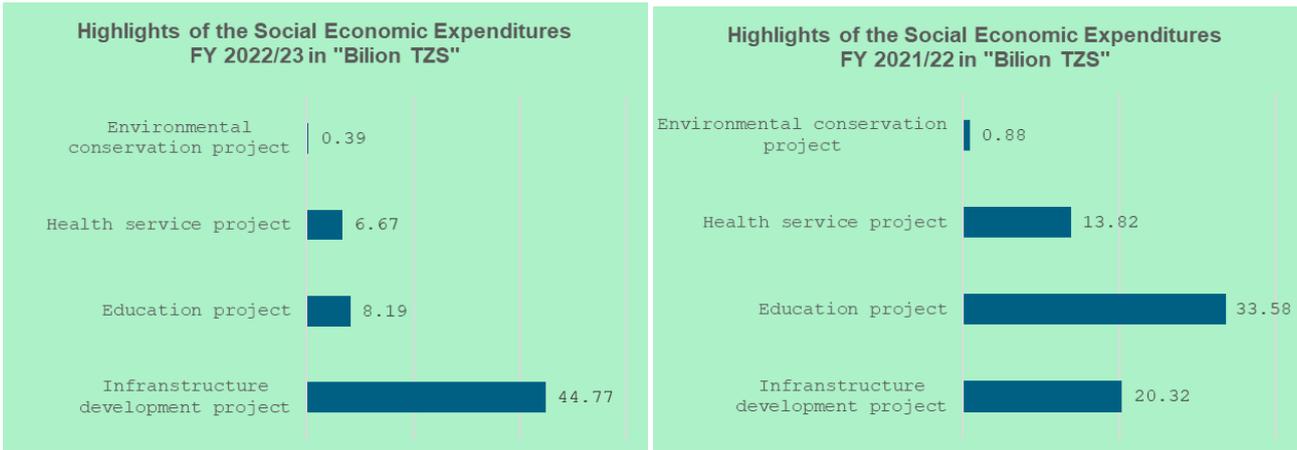


**Figure 4: Extractive Employment Gender Gaps**

## 2.5. Weak Environmental Commitments in CSR Projects

Requirement 6.1 of the EITI standard requires a disclosure of environmental and social expenditure made by extractive companies, particularly those that are mandated by law, contract, or undertaken as part of the Corporate Social Responsibility projects implemented in the host communities where extraction activities are taking place. For Tanzania, these environmental projects have not been adequately undertaken despite the

adequately undertaken despite the fact that extraction activities negatively impact the environment if not well managed. Data from the 2022/23 financial year indicates that environmental spending accounted for less than 1% of total CSR contributions, substantially lower than allocations for infrastructure development, education, and health projects, which continue to receive higher community prioritization.



**Figure 5: Highlight of the Social-Economic Expenditure**

The figure above shows the distribution of CSR spending and highlights a persistently low commitment to environmental conservation. In the 2022/23 financial year, only TZS 0.39 billion was allocated to environmental initiatives, a sharp decline from TZS 0.88 billion in 2021/22. This downward trend underscores the urgent need to strengthen environmental conservation efforts in response to the adverse impacts of extractive activities.

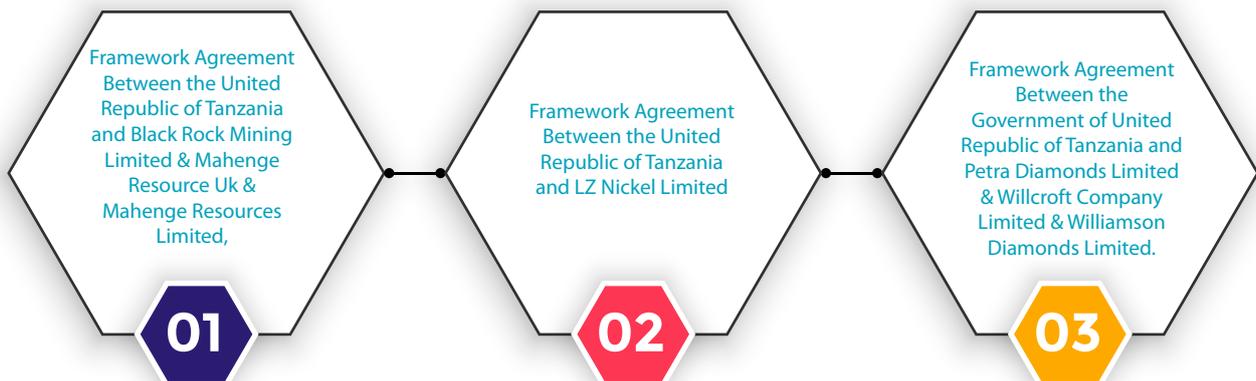
A more community-centered approach is critical, with increased focus on awareness and engagement at the grassroots level. Local Government Authorities must ensure that environmental priorities are fully integrated into CSR planning and implementation.

**2.6. Contract Disclosure**

EITI Requirement 2.4 of the 2023 Standard obligates implementing countries to disclose all contracts and licenses that are granted, entered into, or amended from 1 January 2021 onward, including any material terms and conditions governing the exploitation of oil, gas, and minerals. This disclosure is essential for enhancing public understanding, promoting oversight, and ensuring accountability in the governance of extractive resources.

In Tanzania, the Tanzania Extractive Industries Transparency Initiative (TEITI) has acknowledged that as of 2025, the government has entered into eight new mining contracts since the specified cutoff date. However, only three contracts have been publicly disclosed in compliance with the TEITI Act, 2015, which also mandates the publication of material contracts related to extractive operations.

**The disclosed contracts are such as :**



In contrast, for the energy sector, no new contracts have been signed or amendments made to existing contracts since January 2021, and thus no disclosures are reported under Requirement 2.4(a).

While these disclosures represent a step toward fulfilling EITI commitments, the current practice reflects a pattern of partial or selective transparency, where only basic project information or summaries of contract frameworks are published, rather than full contractual texts. This limited approach undermines the broader objectives of the EITI Standard, which calls for comprehensive public access to the terms and obligations embedded in extractive agreements such as fiscal regimes, environmental responsibilities, social commitments, production-sharing arrangements, and stabilization clauses if existing. Therefore, the full disclosure of mining framework agreements remains a challenge, as the confidentiality of certain contract terms continues to restrict public access.

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## 2.7. Beneficial Ownership Disclosure

Transparency in extractive industries entails understanding who owns what has been owned by the individuals in extractive companies. These are the beneficial owners' information that transparently indicates the individual names and shares of those who benefit from the extractive companies.

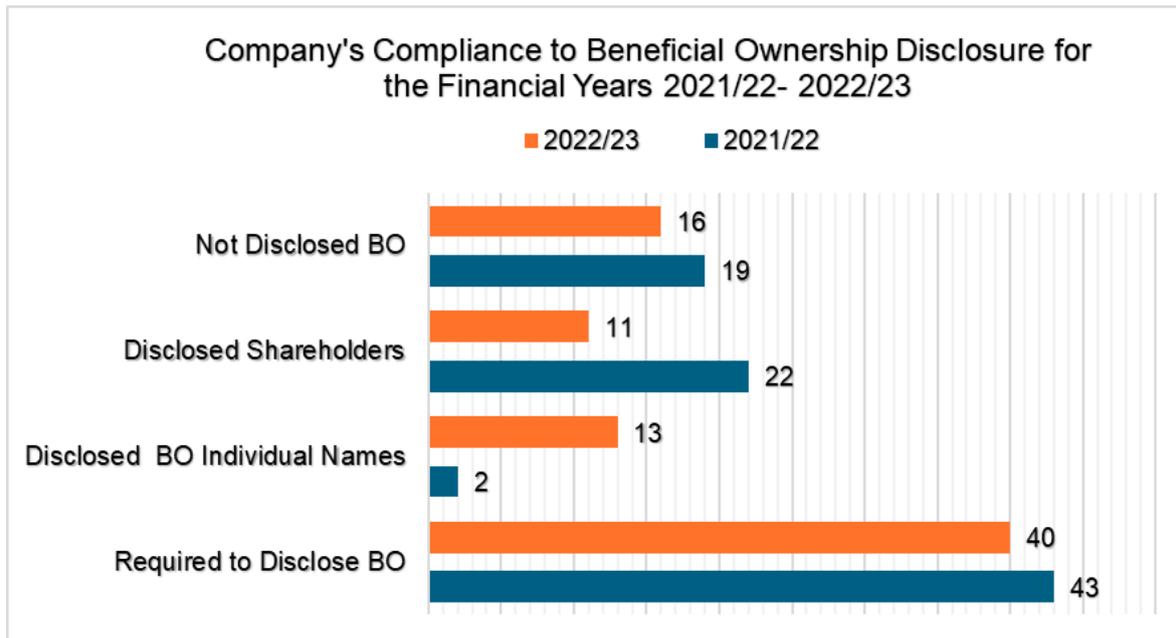
For several years, the beneficial ownership has been disclosed, although a full disclosure has been quite challenging. Regulation 13 of the Tanzania Extractive Industries (Transparency and Accountability) (General) Regulation of 2019 stipulates that information on beneficial owners must include **names, political exposure, nationalities, country of residence, national identity numbers, dates of birth, and residential addresses**, all of which must be attested.

Compared to the 2021/22 financial year, in which out of 43 companies, the 22 companies submitted information about shareholders, without detailing the individual beneficial owners, it's only 2 companies that fully complied with submitting individual names.

But for the financial year 2022/23, the condition has improved, and this is the outlook:

- i. Out of 47 reconciled companies, only 40 extractive companies have responded to the request to submit the names of their beneficial owners of companies.*
- ii. 13 have complied by disclosing individual names of beneficial owners in their companies/projects 11 have stated shareholders other than individual names of beneficial owners.*
- iii. 16 have completely not stated the individual names of beneficial owners.*





**Figure 6: Beneficial Ownership Disclosure**

Compared to the 2021/22 financial year, there has been a notable improvement in companies' compliance with beneficial ownership disclosure, increasing from just 2 companies to 13. This progress signals the need for TEITI to take even more robust and sustained action by adopting diverse strategies and strengthening collaboration with key institutions, such as the Business Registration and Licensing Agency (BRELA), to ensure that beneficial ownership information is fully and effectively disclosed to the public.

**IN EXTRACTIVE SECTOR  
TRANSPARENCY WITHOUT  
IMPACT IS MEANINGLESS  
TO PEOPLE!**



### 3. Conclusion

The 15th TEITI report reflects notable progress in advancing transparency and accountability within Tanzania's extractive sector. While the reconciliation gap remains within acceptable margins, the continued presence of unreconciled amounts across several financial years underscores the need for a more comprehensive and accurate financial reflection. Additionally, persistent initial reconciliation gaps highlight the necessity of improving financial reporting processes during reconciliation.

The growing contribution of small-scale

mining is evident in its support of livelihoods and revenue generation; however, significant challenges remain in record-keeping among small-scale miners, something necessitating reliance on unilateral reporting. Furthermore, gaps emerged, particularly in environmental expenditure commitments and comprehensive beneficial ownership disclosure.

**Therefore, to strengthen extractive governance and advance its transparency and accountability, the following stand as critical ways:**





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