

# DARUBINI

## Tanzania's Path to Ethical Sourcing: Enhancing Participation in Global Forums



Issue 6  
October 2024

Supported by:



**Belgium**  
partner in development

Published by:  
HakiRasilimali, International Peace Information Services (IPIS),  
Business Human Rights Tanzania (BHRT) & Avocats Sans Frontières (ASF)

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## Introduction

The global focus on responsible business conduct, particularly in the extractives industries, has intensified discussions around human rights and ethical practices in mineral supply chains. The Organization for Economic Co-operation and Development (OECD) has taken a leading role in shaping the discourse, developing due diligence guidelines for responsible business conduct and responsible mineral supply chains. These guidelines aim to assist companies in preventing their mining and sourcing practices contributing to conflict, human rights violations, or financial crimes.

This edition of the DARUBINI briefing emphasizes the significance of global multi-stakeholder fora and the crucial role of government participation in shaping responsible mineral supply chains, with a focus on incorporating community voices to address human rights concerns related to mining.

## Tanzania's Role in the Global Mineral Sector

Tanzania is a country endowed with abundant natural resources, including 57 trillion cubic feet of natural gas, 45 million ounces of gold, and considerable deposits of diamonds, tanzanite, copper and nickel. The country is the fourth-largest gold producer in Africa after South Africa, Ghana, and Mali, accounting for 1.3% of global gold production. With mining being a crucial part of Tanzania's economy, both domestic and foreign direct investments are significant sources of export earnings and economic development. For instance, in the 2021/22 fiscal year, gold exports generated \$2 billion, followed by copper at \$183 million, and diamonds at \$56 million.

However, these mining operations are not without risks, including human rights violations, environmental degradation, and financial misconduct – challenges highlighted in the OECD due diligence guidelines. Tanzania's active involvement in global forums such as the annual OECD Forum on Responsible Mineral Supply Chains, is essential for mitigating these risks and promoting responsible conduct in its mining industry.

## Multi-Stakeholder Discussions on Responsible Mineral Supply Chains

Addressing the complexities of modern mineral supply chains requires cross-border cooperation and multi-stakeholder dialogue. While national and regional platforms gather governments, international organizations, civil society, the private sector and other stakeholders to tackle specific challenges, global initiatives like the OECD, as well as frameworks such as the Extractive Industries Transparency Initiatives (EITI), play a crucial role in fostering transparency and accountability on an international scale.

By aligning with global standards, African mineral-producing countries like Tanzania can ensure that their resource wealth drives sustainable development while addressing the needs of local communities. These multi-stakeholder platforms are instrumental in identifying policy gaps and best practices and cross-country learning, thereby ensuring a steeper learning curve in equitable and responsible resource governance.

## Tanzania's Representation in the OECD Forum on Responsible Mineral Supply Chain

Despite its prominent role in the global mineral market, Tanzania's participation in the OECD Forum seem to be inconsistent. While Tanzania played a role in developing the OECD Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High Risks Areas in 2009, its presence has been limited in subsequent forums. However, in more recent forums, such as the 2023 and 2024 OECD events, Tanzania's governmental representation has been minimal. At the recent 2024 forum, Tanzania's representation appeared to include the Bank of Tanzania (BoT), refining companies such as the Geita Refinery, and some civil society organizations (CSOs) such as HakiRasilimali. However, no officials from the Ministry of Minerals were visibly present during the sessions attended by HakiRasilimali. This limited participation is concerning, as Tanzania risks missing out on vital discussions about on transition minerals, responsible business practices, and mitigating risks related to mining operations.





A central discussion at the [2024 OECD Forum](#) was around the complexities of critical mineral supply chains and their relevance to the global energy transition. Other key topics included the participation of indigenous persons in investment decisions, the enforcement Free, Prior, Informed Consent (FPIC), and the need for effective, independent and fair grievance mechanisms. Several important issues relevant to Tanzania are highlighted below:

### 1. Human Rights and Grievance Mechanisms:

A key discussion focused on strengthening grievance mechanisms to protect communities affected by mining operations. This is a pressing concern for Tanzania, where concerns of human rights violations associated with mining operations are regularly reported. In recent years, companies such as EACOP, Barrick and [Petra Diamonds](#) have been rolling out new grievance mechanisms and it is important to assess, monitor, and continuously discuss the performance of these mechanisms and the lessons learned, ensuring they align with international best practices. This will help enhance their effectiveness in addressing community concerns, improving accountability, and fostering more responsible mining operations.

### 2. Illicit Mining and Gold Flows in Africa:

Experts at the Forum underscored the need for stricter regulations and more effective enforcement mechanisms to tackle the issue of illicit mining, particularly in the gold sector. For Tanzania, a leading gold producer in Africa, such discussions are critical for ensuring that gold flows through legal, transparent channels and that local communities benefit from mining activities. Additionally, international cooperation was emphasized as vital in curbing cross-border illicit trade in minerals.

### 3. Climate Sensitivity in Mining:

As the world moves toward clean energy, the forum emphasized the need for climate-sensitive practices within the extractive industries. The discussion around transition minerals, which are essential for renewable energy technologies, highlighted a key opportunity for Tanzania. With its vast reserves of critical minerals such as cobalt, nickel, graphite, and rare earth elements, Tanzania stands to benefit significantly from active engagement in this area, aligning its mining practices with global energy transition goals.

### 4. Indigenous and Local Community Engagement:

The forum stressed the importance of engaging indigenous populations and adhering to FPIC principles to ensure communities are fully informed and consulted before mining begins. This is particularly relevant to Tanzania, where inadequate consultation has led to conflicts, displacement, and unfair benefit-sharing. Strengthening community engagement and enforcing FPIC are crucial for promoting equitable and sustainable mining practices that respect local rights.

### 5. Global Cooperation and Ethical Sourcing:

The forum stressed that international cooperation is key to sustainable development in the mining sector. Successful models of collaboration between governments, industry, and civil society offer a blueprint for improving ethical sourcing globally. It also called for stronger international agreements to combat illegal mining, improve oversight, enhance transparency, ensure responsible mineral supply chains that prevent human rights abuses and environmental harm.



Tanzania's limited participation in recent OECD forums represents a missed opportunity to engage in critical global discussions on responsible mineral supply chains. The growing demand for transition minerals presents a significant chance for Tanzania to shape policies that could benefit its emerging mineral sectors. By not participating, the country misses the opportunity to advocate for its interests, address human rights concerns, and gain insights into global best practices aimed at sustainable development.

The absence of key government representatives, particularly from the Ministry of Minerals, underscores a critical gap in Tanzania's strategy for mineral sector governance. Important discussions at the forum—such as conflict risks, ethical sourcing, and the transition to a green economy—are areas where Tanzania could have contributed meaningfully, positioning itself as a leader in responsible mining practices while securing long-term benefits for its economy and communities.

## Conclusion

In today's interconnected world, Tanzania's active participation in global forums like the OECD is vital for shaping responsible mineral supply chains and ensuring that its resource wealth contributes to sustainable development. With the right representation and engagement, Tanzania can better safeguard its interests, promote ethical business practices, and maximize the benefits of its natural resources for its citizens.





## Corporate Human Rights Violations in Tanzania's Mineral Supply Chain: a Growing Concern

Tanzania's growing economy and natural resource exploitation have come with significant human rights and environmental risks. The 2023/24 national human rights and business report by the Legal Human Rights Centre (LHRC) highlights how corporate activities are directly impacting communities, with mining and industrial operations contributing significantly to these violations. The report revealed that 46% of surveyed Tanzanians perceive labour rights violations to be the most common form of corporate human rights violation, followed by environmental pollution at 39%. Moreover, 17% of the surveyed Tanzanians expressed concerns about the lack of access to justice and remedy, particularly in cases involving corporate malpractice. One such case involves the Maweni Limestone Company in Tanga region, where residents have reported significant environmental impacts from the company's operations.

A local resident lamented the situation, stating:

**The operations of Maweni Limestone Company have a huge environmental impact on our residential areas. I installed new metal roof sheets recently, and they are already covered in dust. If this dust pollution happens so quickly now, what will it be like for the community in six years?"**

The accumulation of industrial dust is just one example of the broader environmental damage affecting the health of communities.

In Mtwara, coal mining has raised serious concerns about air pollution, with coal dust posing severe health risks. The Occupational Safety and Health Authority (OSHA) Zonal Manager addressed the issue, citing complaints from TANESCO workers. He stated,

**"TANESCO employees have brought the problem of coal dust pollution to our attention. They reported large amounts of dust from industrial operations, which is putting both their health and the health of others at risk. They have urged us to take immediate action."**

These corporate infractions underscore the importance of due diligence in Tanzania resource sector, particularly the need to align with global standards such as those set by the OECD. Despite the adoption of international guidelines, some companies in Tanzania continue to fall short in aligning with these voluntary standards, leading to worsening pollution and labor violations.

HakiRasilimali regularly holds both physical and virtual policy discussion sessions to address critical issues in the mining, oil, and gas industries. During its third quarterly session, significant legal gaps and ongoing concerns related to compensation, access to remedies, and the slow progress in developing Tanzania's National Action Plan (NAP) on Business and Human Rights. As a commissioner from the Commission for human Rights and Good Governance (CHRAGG) noted, the NAP **"will serve as the government's tool and framework, providing the local context for implementing the United Nations Guiding Principles on Business and Human Rights"**. The NAP is intended to clearly define the roles and responsibilities of the government, corporations, and civil society in safeguarding human rights within business operations.

As Tanzania continues to tap into its vast mineral wealth, there is a pressing need for stronger government engagement and cross-sector collaboration to address these human rights and environmental risks. Developing and implementing the NAP on Business and Human Rights will be a key step in ensuring that corporate activities are conducted responsibly and respect human rights. Likewise, Tanzania's active participation in global forums like the OECD is essential for shaping more accountable and sustainable mineral supply chains



1. The vast majority of formal sector workers lack contracts ([The Citizen](#)).
2. THBUB organizes a Working Session on the Literature Review amid the development of the National Action Plan on Business and Human Rights in the country ([CHRAGG](#)).
3. The commission begins the collection of views on business and human rights ([CHRAGG](#)).
4. Government to Compensate those who move because of the Development Project ([Habari Plus24 Media](#)).
5. Citizens who move because of the projects to receive compensation for their resources is their right ([MNEWSTZ BLOG](#)).
6. Citizens who move because of the projects to receive compensation for their resources is their right ([HABARI MSETO](#)).
7. Tanzania plans amendments to the Mining Act to curb smuggling and fatalities ([The Citizen](#)).
8. UN emphasizes human rights ahead of the September summit ([The Guardian](#)).
9. North Mara expansion: Human rights inquiry throws out Canadian NGO's eviction claims ([IPP](#)).

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