



**“UNLEASHING GROWTH POTENTIALS IN TANZANIA:  
MAKING NATURAL GAS GUARANTEE SUSTAINABLE DEVELOPMENT”**

2013





## Theme of the Conference

“Unleashing Growth Potentials in Tanzania: Making Natural Gas Guarantee Sustainable Development”

## Date

20<sup>th</sup> September, 2013

## Venue

Bank of Tanzania

## Conference Moderator

Dr. Oswald Mashindano: Senior Lecturer - Department of Economics, University of Dar es Salaam  
Research Associate ESRF

## Sponsors



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## PROGRAMME

TIME	EVENT	RESPONSIBLE PERSON (S)
<b>PART I</b>	Registration And Official Opening Of The Conference	All
08.00 - 08.30	Registration & Tea	All
08.30 - 08.50	Arrival - Guest of Honour	Guest of Honor and Delegation
08.50 - 08.55	Welcoming Remarks	<b>Dr. H. Bohela Lunogelo</b> The Executive Director of Economic and Social Research Foundation (ESRF)
08.50 - 09.00	Welcoming the Guest of Honor	<b>Dr. Natu Mwamba</b> Deputy Governor – Bank of Tanzania
09:00 - 09:30	Official Opening Speech	<b>Hon. Mizengo Kayanza Peter Pinda (MP)</b> Prime Minister of The United Republic of Tanzania.
<b>PART II</b>	<b>PRESENTATION OF KEY NOTES</b>	
09:30 - 09:45	Key Note Speaker 1	<b>Eng. Norbert A. Kahyoza</b> Assistant Commissioner of Natural Gas – Ministry of Energy and Minerals
09:45 - 10:00	Key Note Speaker 2	<b>H.E. Amb. Ingunn Klepsvik</b> Norwegian Embassy
10:00 - 10:15	Key Note Speaker 3	<b>Prof. Sufiani Bukurura</b> Commissioner - Law Reform Commission of Tanzania
10:15 - 10:30	Key Note Speaker 4	<b>Ali Mufuruki</b> Chairman and CEO - Info Tech Investment Group Ltd
10:30 - 10:45	Key Note Speaker 5	<b>Mark Henstridge</b> Chief Economist - Oxford Policy Management

TIME	EVENT	RESPONSIBLE PERSON (S)
10:45 - 11:20	Discussant	<b>Tonia Kandiero</b> Resident Representative - African Development Bank <b>Dr. Gratian Bamwenda</b> - Consultant
	Chairperson	<b>Dr. George Jambiya</b> Governance Adviser – WWF Coastal East Africa Initiative
11.20 - 11: 30	Vote of Thanks	<b>Chairperson</b> – Board of Trustees Economic and Social Research foundation
11:30 - 11:35	Group Photo	All
<b>11:35 - 11: 45</b>	<b>TEA/COFFEE BREAK</b>	<b>All</b>
<b><u>PART III</u></b>	Parallel Sessions	All
11:45 - 14:00		
	<b>Thematic Topic 1.</b>	<b>Natural Gas and Human Development:</b>
	Presenters	<b>1. Col. (Rtd) Joseph Simbakalia</b> Regional Commissioner - Mtwara Region <b>Topic:</b> The Challenges Ahead and the Imperative for Tanzania to Build New Capacities for Industry
		<b>2. Prof. Mohamed Bakari</b> Senior Lecturer and Head of Department of Political Science and Public Administration - University of Dar es Salaam <b>Topic:</b> Dealing with local resistance for Natural Gas Management in Tanzania

TIME	EVENT	RESPONSIBLE PERSON (S)
		<p><b>3. Mr. Enock Kibendela</b>            Director of Labour Market, Planning and Development - Vocational Education and Training Authority (VETA).</p> <p><b>Topic:</b>            Plans and Progress by Vocational Education and Training Authority, Prepare Tanzania Population to Engage in The Natural Gas Value Chain Process</p>
	Chairperson	<p><b>Dr. Tausi Kida</b>            Director of Programmes - Economic and Social Research Foundation</p>
	Discussant	<p><b>Dr Razack Lokina</b>            Senior Lecture - Department of Economics            University of Dar es Salaam</p>
	<b>Thematic Topic 2.</b>	<b>Preparedness of the economy to accommodate natural gas economy</b>
	Presenters	<p>1. <b>Dr. Godius Kahyarara</b>            Senior Lecturer - Department of Economics , University of Dar es Salaam</p> <p><b>Topic:</b>            Strategic Approach to Maximize Gains From Natural Gas and Oil in Tanzania</p>
		<p><b>2. Ian Shanghvi</b>            Researcher and Specialist on Natural Resource Management and Youth Employment – Economic and Social Research Foundation</p> <p><b>Jingu John</b>            Lecturer – Department of Political Science and Public Administration – University of Dar es Salaam</p> <p><b>Topic:</b>            Tanzania and the Quest for Sustainable Utilization of Natural Gas</p>

TIME	EVENT	RESPONSIBLE PERSON (S)
		<p>3. <b>Prof. Humphrey Moshi</b> Senior Lecturer – Department of Economics University of Dar es Salaam</p> <p><b>Topic:</b> Opportunities and Challenges For the Extraction Of Natural Gas in Tanzania: The Imperative of Adequate Preparedness</p>
	Chair person	<p>Dr. Donatilla Kaino Head of Research and Publication - Economic and Social Research Foundation</p>
	Discussant	Mr. Thomas Baunsgaard/Mr Arthur Mwakapugi
	<b>Thematic Topic 3.</b>	<b>Environmental Justice and Reservation for the Future Generations</b>
	Presenters	<p><b>1. Dr. Rose Shayo</b> Senior Lecturer – Institute of Development Studies (IDS) University of Dar es Salaam</p> <p><b>Topic:</b> Towards Addressing Gender Issues Related to Natural Resource Management in Tanzania: The Case of Mtwara Gas</p>
		<p><b>2. Kathryn McPhail</b> Vice President of Sustainable Development - British Gas (BG) Tanzania</p> <p><b>Topic:</b> Making Natural Gas Guarantee Sustainable Development.</p>



TIME	EVENT	RESPONSIBLE PERSON (S)
		<b>3. Eng. James Ngereja</b> Specialist in Climate Change, Energy, Environment and Sustainable Development (NEMC) <b>Topic:</b> Overview Environment Management in Oil and Gas Sub-Sector
	Chairperson	Mrs. Margareth Kasembe Head of Capacity Building - Economic and Social Research Foundation
	Discussant	Erick Mugurusi
<b>14:00 - 15: 00</b>	<b>LUNCH</b>	<b>All</b>
<b><u>PART IV</u></b>	<b>FEEDBACK &amp; PLENARY DISCUSSION</b>	All Chairperson: (Dr. H. Bohela Lunogelo)
15.00 - 15.30	Thematic Topic 1	<b>Dr. Natu Mwamba (Deputy Governor, Bank of Tanzania)</b>
15.30 - 16.10	Thematic Topic 2	
16.10 - 16.30	Thematic Topic 3	
<b>16.30 - 16.40</b>	<b>Closing Remarks</b>	
<b>16.40</b>	<b>TEA</b>	<b>All</b>

## I: BACKGROUND AND OBJECTIVES

Tanzania is among many countries in the world that are rich in natural resources endowment that range from forestry and wildlife to mineral resources; natural gas and oil to fish; and attractive mountains to a long and beautiful coastline blessed with abundant marine resources and exceptionally attractive beaches. Other resource endowments in the country include woodlands, rivers, lakes, and wetlands. If these natural resources are properly managed, harnessed and taxed, no doubt the country would become a self-reliant in financing both recurrent and development (or capital) expenditure.

From The National Five Year Development Plan (2011/12-2015/16), it is expected that the post-2015 economy in Tanzania will be heavily driven by the natural resources through responsible exploitation of natural gas, coal, uranium and other non-renewable resources (URT, 2013). Despite the optimism on the use of the available natural resources to accelerate economic growth, there are concerns that the country may experience a situation whereby domestic resources are ripped off by greedy people for their benefit. Tanzania needs to significantly improve resource management and collection of resource rent to ensure a

sustainable utilization of these resources. The resource rent collected by the government is a critical factor to sustain benefits from non-renewable resources rent by way of re-investing the revenues from these resources in infrastructure, human capital, and capital reserve, to guarantee a stable productive capacity of the economy. Another important way to guarantee short term and long term stability and success of the projects is to involve the local communities in the projects by putting in place an equitable sharing mechanism.

The theme of this year's conference is broadly based on natural resources as a whole, but the particular focus is on the growth potential of the emerging natural gas sub-sector in the Tanzanian economy.

### OBJECTIVES:

The conference aims at achieving the following objectives:

- (i) Promulgate intensive awareness of the socio-economic, environmental and geo-political opportunities and challenges intrinsic in the natural gas economy to Tanzania/Tanzanians;

- (ii) Explore opportunities and foster an understanding of the sustainable and inclusive growth of the economy at the national, regional, district and lower-level administrative boundaries in connection with the contribution of the natural gas sub-sector;
- (iii) Assess the preparedness of the economy to accommodate the natural gas economy in relation to existing versus required institutional, policy, legal and regulation frameworks;
- (iv) Gather and organize feedback from participants to provide recommendations for improvement of the Tanzanian natural gas sub-sector policy to the government; and
- (v) Identify existing strengths, weaknesses, opportunities and threats in capacities among key players (state and non-state actors) relative to executing their roles and responsibilities in the natural gas industry and identify mitigation measures.

## ORGANIZATION OF THE WORKSHOP

**Venue:** Bank of Tanzania

**Time:** 08:00am-5:00pm

**Guest of Honour:** H.E. Mizengo P. Pinda, MP

Prime Minister of the United Republic of Tanzania

## ABOUT THE PRESENTERS:

The Conference will explore the preparedness of Tanzania to embrace an economy driven by the fortunes of natural gas value chains for different sections of other cross-linked sectors and the society as a whole in the spirit of ensuring sustainable and inclusive growth agenda.

The meeting will be officially opened by the Prime Minister, Hon. Mizengo Kayanza Peter Pinda (MP), the Minister for Energy and Minerals, Prof. Sospeter Muhongo (MP). Welcoming remarks will be given by Dr. Hoseana Bohela Lunogelo, Executive Director, ESRF, while key note speakers will include:

## KEY NOTE SPEAKERS:

S/N	NAME	TITLE
1	Eng. Nobert A. Kahyoza	Assistant Commissioner of Natural Gas – Ministry of Energy and Minerals
2	H.E. Amb. Ingunn Klepsvik	Norwegian Ambassador to Tanzania
3	Prof. Sufiani Bukurura	Commissioner - Law Reform Commission of Tanzania
4	Mr. Ali Mufuruki	Chairman and CEO - Info Tech Investment Group Ltd
5	Mr. Mark Henstridge	Chief Economist - Oxford Policy Management

A number of experts have been lined up to share their perspectives, which include:

## PRESENTERS:

S/N	NAME	TITLE
1	Col. (Rtd) Joseph Simbakalia	Regional Commissioner – Mtwara Region
2	Prof. Mohamed Bakari	Head of Department - Political Science and Public Administration , University Of Dar es Salaam
3	Mr. Enock Kibendela	Director of Labour Market, Planning and Development - Vocational Education and Training Authority (VETA).
4	Dr. Godius Kahyarara	Senior Lecturer - Department of Economics - University Of Dar es Salaam
5	Mr. Ian Shanghvi	Researcher and Specialist on Natural Resource Management and Youth Management – Economic and Social Research Foundation
6	Mr. Jingu John	Lecturer – Department of Political Science and Public Administration – University of Dar es Salaam
7	Prof. Humphrey Moshi	Senior Lecturer - Department Of Economics, University Of Dar es Salaam
8	Dr. Rose Shayo	Senior Lecturer – Institute Of Development Studies (IDS) – University of Dar es Salaam
9	Kathryn McPhail	Vice President of Sustainable Development - British Gas (BG) Tanzania
10	Eng. James Ngereja	Specialist in Climate Change, Energy, Environment and Sustainable Development (NEMC)

## II: GUEST OF HONOUR AND HOSTING INSTITUTIONS

### GUEST OF HONOUR



**Hon. Mizengo  
Kayanza Peter  
Pinda (MP)**

Prime Minister of  
The United Republic  
of Tanzania

### HOSTING INSTITUTIONS:



**Dr. Hoseana Bohela Lunogelo -**  
Economic and Social Research Foundation

Dr. Hoseana Bohela Lunogelo, is the Executive Director of Economic and Social Research Foundation, and holds a Ph.D in Agricultural Economics (Agricultural Policy), Master of Science in Agricultural Economics both from the University of London, United Kingdom, and a Bachelor of Science in Agricultural Science from Sokoine University of Agriculture in Tanzania. He worked for the Ministry of Agriculture before joining the private sector, which exposed him to working experiences in Tanzania, Kenya, Uganda, Rwanda, Ethiopia, Swaziland, UK, Thailand, PR China, United States and Tunisia. Most of the work involved interacting with development partners including IFAD, World Bank, UNDP, Sida, Danida, ILO and AfDB.

His professional career in the past 20 years includes undertaking numerous development related consultancy assignments, most of which involved translating policy into practical application at the national and regional levels. Notable among his work include leading a regional team that formulated an institutional framework and the Protocol for Sustainable Environmental Management of Lake Victoria (2001), which culminated to the formation of Lake Victoria Basin Commission (2005).



**Prof. Benno Ndulu –**  
Governor, Bank of Tanzania

Prof. Benno Ndulu, the Governor, Bank of Tanzania. Before taking up his position as Governor of the Central Bank of Tanzania, Professor Ndulu served as First Deputy Governor of the Central Bank of Tanzania (October 2007 – January 08, 2008); Sector Lead Specialist with the Macroeconomic Unit for Eastern Africa of the World Bank (1998 – 2003); Research Manager, Development Economics Group (DEC) 2003-2005; He has also served as Advisor to the Vice President and Manager of Partnership Group (2005–2007) Africa Region of the World Bank.

He is equally best known for his involvement in setting up and developing one of the most effective researches and training networks in Africa, the African Economic Research Consortium (AERC). He served first as its Research Director and later as its Executive Director. Following the attainment of his Ph.D degree in economics from Northwestern University in Evanston, he taught economics and published widely on growth, adjustment, governance and trade. Professor Ndulu also received an honorary doctorate from the ISS in The Hague in recognition of his contributions to Capacity Building and Research on Africa. He has been involved in policy advisory roles worldwide and has served in a wide range of Boards locally and internationally.



## III: KEY NOTE SPEAKERS



### The Tanzania Gas Sector Economy in the light of Human Development

**Mr. Norbert Kahyoza**

Assistant Commissioner for Energy responsible for Gas and Minerals at the Ministry of Energy and Minerals (MEM)

Mr. Norbert Kahyoza is an Assistant Commissioner for Energy responsible for Natural Gas at the Ministry of Energy and Minerals (MEM). He holds a BSc in Engineering and an MBA

(Finance) both from the University of Dar es Salaam. He has more than 25 years of work experience in the Energy sector. Mr. Kahyoza has spent about 19 years of his career with the Tanzania Electric Supply Company (TANESCO) through which he gained experience in

power project planning and development, and project monitoring. Some major projects he was involved in include SongoSongo Gas Development and Power Generation Project and Mnazi Bay Gas to power development.

Mr. Kahyoza is also a Certified Regulation Specialist having worked for over five (5) years as a Commercial Manager responsible for Electricity with the Energy and Water Utilities Regulatory Authority (EWURA) with responsibilities for analyzing commercial matters in the electricity business. He was appointed to the present

post in April 2012 to head a new section at MEM for Natural Gas development in Tanzania. Mr. Kahyoza is married with three children.

## ABSTRACT

This paper explores the potential direct relationship between increased consumption of energy and economic development of selected countries, and examines initiatives being launched by Tanzania towards achieving similar objectives in developed countries. As Tanzania's expectation to boost its energy production and consumption in the medium term will be leveraged on natural gas, various applications along the value chain of natural gas are highlighted, demonstrating benefits to individual persons, communities and institutions.

Given the wide scope of human development, the paper limits itself to the definition relating to economy

and standards of living (humanity) of human being, and links this understanding to Tanzania's current initiatives towards the Gas economy. The discussion gives a snapshot of the draft Natural Gas Policy, particularly, in the areas of exploration and production strategies, Institutional and Human capital strengthening, domestic market development, and wide and deep public awareness campaign.







## **H.E. Amb. Ingunn Klepsvik**

Norwegian Ambassador to Tanzania

### **Education**

Ingunn Klepsvik is basically a teacher with an Intermediary Degree in English (Engelsk mellomfag) from the University of Oslo. She also has a Psychosynthesis, Diploma course, Management Training for Change, Intensive training in Spanish (Granada Univ. Spain) and a Bachelors' Degree in Sociology (Cand Mag); University of Oslo.

### **Work experience**

Ingunn Klepsvik has experiences as a Lecturer at Karuri Secondary School, Kenya; Lecturer at Blakstad Secondary School, Arendal; Programme Assistant, Norwegian Embassy in Zambia; Project Officer, Office for Support to NGOs, NORAD, Oslo; Senior Programme Officer, Country Division, Ministry of Development Cooperation, Oslo; Senior Programme

Officer, Planning Department, Ministry of Development Cooperation, Oslo; First Secretary, Norwegian Embassy, Dar es Salaam; Head of Latin-America Division, NORAD, Oslo; Deputy Director, Administrative Department, NORAD, Oslo; Chargée d'Affaires, Norwegian Embassy, Managua; Ambassador of Norway to Nicaragua, Panama and Costa Rica; Lecturer at Manglerud Intermediate School, Oslo; Director, Department for Latin-America, South-Eastern Europe and the Middle East, NORAD, Oslo; Director, Department for Rights, Conflict and Civil Society, Norad, Oslo; Acting Director General, Norad, Oslo; Director, Department for Human Resources and Administration, Norad, Oslo; Deputy Director General, Norad (Norwegian Agency for Development Cooperation), Oslo; Ambassador of Norway to the Bolivarian Republic of Venezuela; and now she is the Ambassador to The United Republic of Tanzania and The Seychelles.

**Prof. Sufian Hemed Bukurura**

“Commissioner at the Law Reform Commission of Tanzania”.

**“Vigilant Protection of National Interests in Natural Gas Resources in Tanzania”**

Sufian Hemed Bukurura is a Commissioner at the Law Reform Commission of Tanzania since 2011. Before that he served briefly as a full professor in the School of Law, University of Dar es Salaam. He has also taught in South Africa, at the University of South Africa (UNISA), in Pretoria, and the University of Kwazulu-Natal (UKZN), in Durban.

Before that he taught at the University of Namibia (UNAM), the University of Swaziland (UNISWA) and the then Institute of Development Management (IDM), Mzumbe.

Professor Sufian Hemed Bukurura is also a Deputy Chairman of the Board of Directors of Tanzania Petroleum Development Corporation.

Bukurura was trained as a lawyer at the University of Dar es Salaam (UDSM). He later pursued further studies in England at the Universities of Warwick and Cambridge. He is a proud perpetual student in all matters social and developmental.

Sufian Hemed Bukurura was invited to the Economic and Social Research Foundation Annual Gas Conference in his personal capacity.

## ABSTRACT

His paper on “Vigilant Protection of National Interests in Natural gas Resources in Tanzania” is based on Article 2.5, of the Draft Natural Gas Policy of Tanzania, version 3, 18 May 2013. This Policy recognizes that natural gas resource belongs to the people of the United Republic of Tanzania, and must be managed in a way that benefits for the entire Tanzanian society.

The paper seeks to unpack and explain the above policy statement. A review of historical sources will provide the

context while global perspectives will be applied in the search for the basis and origins of the statement. The important question is whether the policy statement has support in global oil and gas discovery trends. Beyond theoretical concerns and considerations an attempt will also be made to highlight some of the practical measures and mechanisms that may be or are in place to harness the potential this statement envisages in the context of Tanzania .







## Building a Consensus on benefitiation and empowerment of local communities from natural Resource Wealth

**Mr. Ali Mufuruki**  
**A Key Note Speaker**  
CEO's Roundtable  
Forum and Chairman  
and CEO of Info Tech  
Investment Group Ltd

Mr. Mufuruki is Chairman and CEO of Tanzania based Info Tech Investment Group Ltd which has business interests in retail, advertising, real estate, hospitality, IT and telecommunications services.

He is currently the Chairman of Wananchi Group Holdings Ltd (Zuku); Founding partner of East Africa Capital Partners (EACP); Chairman of the board of Chai Bora Ltd of Tanzania; Founding Chairman of the Tanzania CEOs' Roundtable, a policy dialogue forum that

brings together CEOs of the top 80+ leading Tanzanian companies; and Chairman of the Muhimbili University of Health and Allied Sciences Grants Committee. Mr Mufuruki is also a Member of the board of Trustees – ATMS Foundation based in Amsterdam, Netherlands; and a Founding Trustee of the Mandela Institute of Development Studies (MINDS) in Johannesburg South Africa. Additionally

Mr. Mufuruki is a member of the Programme Investment Committee (PIC) of Trademark East Africa representing the Tanzanian private sector. Mr. Mufuruki lives in Dar es Salaam with his wife and four children.



## **Mark Henstridge**

Chief Economist

responsible for setting strategic direction of firm's work in development economics, and for leading OPM's expanding Extractive Industries portfolio.

Mark Henstridge has joined OPM as Chief Economist. He will be responsible for setting the strategic direction of the firm's work in development economics, and for leading OPM's expanding Extractive Industries portfolio.

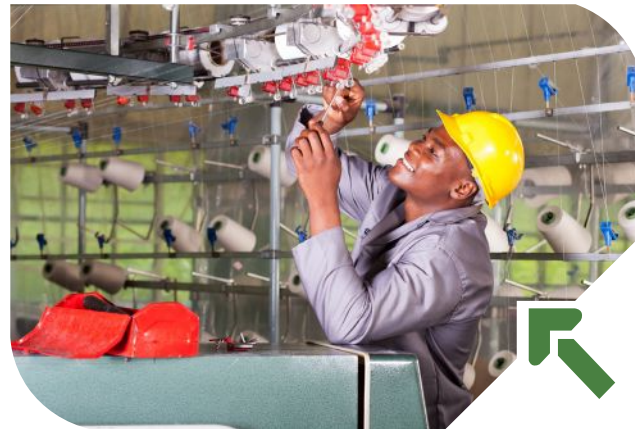
Previously, he was Deputy- and then Acting-Executive Director of DFID's International Growth Centre (2010 – 2012) – collaboration between the London School of Economics and Oxford University that aims to deliver policy advice on growth through 10 country programmes supported by cutting-edge research across 10 major research themes.

From 2001 to 2010, Mark was setting the strategic direction of the firm's work in development economics, and for leading OPM's expanding Extractive Industries portfolio. Previously, he was Deputy- and then Acting-Executive Director of DFID's International Growth Centre (2010 – 2012) – collaboration between the London

School of Economics and Oxford University that aims to deliver policy advice on growth through 10 country programmes supported by cutting-edge research across 10 major research themes.

From 2001 to 2010, Mark was with BP, initially as Head of Macroeconomics and latterly as Director of Group Economics. Prior to that, he spent four years with the IMF (1997-2001), working in the African Department on Mali, Niger, Senegal and Nigeria, and in the Fiscal Affairs Department, with a focus on the fiscal issues of Egypt. He also spent eight years working on the Ugandan economy (1988-1996), originally as an ODI fellow in the Ministry of Planning, then as a DPhil student in Oxford University's Centre for the Study of African Economies, and subsequently as Macroeconomic Policy Advisor in

the Ministry of Finance. Mark has a DPhil from Oxford University, an MPhil from the University of Cambridge and a BSc from Bristol









## IV: THEMATIC TOPICS



**Col. (Retd.) Joseph Leone Simbakalia**

Regional Commissioner -  
Mtwara

### **Thematic Topic 1:** Natural Gas and Human Development

#### **“The Challenges Ahead and the Imperative for Tanzania to Build New Capacities for Industry”**

Col. (Retd) Joseph Leon Simbakalia is currently the Regional Commissioner of Mtwara after being transferred from Kigoma Region (2006 – 2011). He has previously held various senior positions in the Defence Forces as well as Public Sector. He was Managing Director and CEO of the National Development Corporation (NDC) for 10 years (1996 – 2006). Member to several Boards, including Tanzania Ports Authority (recent appointment).

Colonel Simbakalia was a regular Army Officer of the Tanzania Peoples’ Defence Forces (TPDF), before he studied and graduated from Carleton University as a Mechanical Engineer. He holds a Diploma from the Canadian Forces School of Military Engineering and a Masters Degree in Engineering (by major thesis) from the National University of Ireland, specializing in manufacturing methods. He has more than 15 years of hands-on manufacturing industrial experience. He has attended various training seminars, workshops and executive training programs with accent on

innovation, policy, management, corporate leadership, infrastructure development, energy, development economics and development finance; including executive training programs he attended at the University of Dar es Salaam, National University of Singapore (Business School), University of Strathclyde (Centre for Energy and Minerals Law and Policy) and Harvard University (Harvard Business School and Harvard Kennedy School).

Colonel Simbakalia is a Certified Director by the Commonwealth Association for Good Corporate Governance (CAGCG) since 2002, and in 2003 he successfully completed the Training of Trainers of Directors' Course of Corporate Governance under the auspices of CAGCG. He attended the Corporate Governance Leadership Program of IFC World Bank Group – Global Forum for Corporate Governance in Washington, D.C. in 2006. He has facilitated Directors' Courses at the Kenya Centre for Corporate Governance and the Leadership and Corporate Governance for

SADC Development Finance Institutions in 2005. He was invited by the IFC World Bank Group – Global Forum for Corporate Governance, and participated as a Speaker/Presenter at the 3rd Pan-African Consultative Forum in Corporate Governance held in Dakar Senegal, in December 2005. He has served on the Boards of more than 15 corporate entities in the public and private sector, including multi-national corporations.

## ABSTRACT

The exploitation of the World Class natural gas resources discovered onshore and offshore the Ruvuma and Mafia basins will create opportunities for Tanzania to build a new economy founded on upstream gas extraction activities, as well as the downstream linked value addition industries.

The economy of Tanzania is primarily based on agriculture, mining, tourism, as well as light manufacturing and processing being the lead production sectors. The various other economic activities such

trade, financial services, engineering, construction and transportation are linked with those key sectors in their scope of performance, development and opportunities for growth. The development of gas fields and the subsequent upstream and downstream industries will demand the requisite enabling environment of facilitative policies, legal and regulatory framework, physical infrastructure, as well as human infrastructure



in the form of skilled labour. In order to have maximum redistributive impact in the local economy, it will be necessary to have in place, a local business infrastructure with linkages to the new gas economy.

Furthermore, the large influx of foreign direct investments to fund gas fields development and production, as well as the subsequent enhanced revenue earnings from natural gas exploitation will create new challenges for both macroeconomic management and public revenue management in order to avoid typical **“Dutch Disease”** and **“Resource Curse”**.

The preparedness of Tanzania to host the prospective new gas economy is examined in considering the industry inputs, skills and knowledge requirements, business links and service requirements, as well as the imperative to build the requisite institutional and human capacities to deal with the typical macroeconomic and public policy risk management issues outlined.





## “Dealing with local resistance for Natural Gas Management in Tanzania”

### Dr. Mohamed Bakari

A Senior Lecturer and Head of Department of Political Science and Public Administration – University of Dar es Salaam.

Dr. Mohammed A. Bakari received his doctoral degree in Political Science in 2000 from Hamburg University, Germany. He received his M.A in 1994

and B.A Degree in 1991, both from the University of Dar es Salaam. He is currently a Senior Lecturer and Head of Department of Political Science and Public Administration at the University of Dar es Salaam. He is the author of “The Democratization Process in Zanzibar: A Retarded Transition” (2001), one of the most authoritative works on Zanzibar’s post-revolution

politics. He has published book chapters in several books and journals articles in several journals including, “The African Review”, The Journal of Contemporary African Studies, and the Interdisciplinary Journal of Research on Religion. Between 2005 and 2009, he served as Chief Editor of The African Review: A Journal of African Politics, Development and International Affairs. His main research interests include Zanzibar’s politics, political parties and elections, public policy, bureaucratic accountability, civil society and religion and politics and conflict resolution. He has consulted widely on issues of governance, democracy, civil society and the state, bureaucratic accountability and conflict resolution.

## ABSTRACT

Following the discovery and extraction of huge natural gas deposit in Tanzania there has been resistance at both national and local levels against the construction of the gas pipeline from Mtwara to Dar es Salaam. The resistance has been more intense in Mtwara culminating in loss of lives of scores of people, injuries and destruction of properties to the extent that the military had to be deployed to contain the situation.



The scale and gravity of local resistance raises a critical question of natural resource governance particularly in terms of public awareness, participation, transparency, accountability and distribution of benefits - factors which are partly a function of the capacity of national, regional and local governments in the management of the new sector in Tanzania's economy.

This paper seeks to explore the various ways and strategies of managing local resistance against the development of the sector with the view to reducing friction between the central government, local governments, local communities as well as investors and hence making the sector beneficial to both the local communities and the nation at large and hence making the sector beneficial to both the local communities and the nation at large.





## “Plans and Progress by Vocational Education and Training Authority, Prepare Tanzania Population to Engage in The Natural Gas Value Chain Process”

### Mr. Enock Kibendela

The Director of Labour Market, Planning and Development at the Vocational Education and Training Authority (VETA)

Mr. Kibendela is currently the Director of Labour Market, Planning and Development at the Vocational Education and Training Authority (VETA). He is charged with the responsibility of establishing labour market needs for skills as well as

overseeing development of strategic development plans of the authority and monitoring the implementation of the same.

Mr. Kibendela is educated, trained and experienced in

Development Economics in particular, Planning; Labour Market Monitoring and Analysis. He has over fifteen (15) years of experience in skills development in relation to Technical and Vocational Education and Training with a due focus on planning and labour market monitoring and analysis, determining skills in demand at national, regional and local levels. Mr. Kibendela has presented papers to several international and national fora in areas of skills development.

### ABSTRACT

Tanzania has established 43 Trillion Cubic Feet (TCF) of natural gas reserves valued at US\$430 billion. Discovery of such huge quantities of natural gas reserves presents

to the nation a golden opportunity for achieving faster economic progress in a much shorter period of time through creation of direct, indirect and induced jobs and job opportunities. However, the low capacity of the local human capital and unpreparedness of various capacity building institutions are some of the major factors that might prevent the nation from capitalising on this opportunity. The author looks at the level of preparedness of the Vocational Education and Training Authority in Tanzania (VETA) in supporting establishment of a sustainable gas industry in Tanzania through provision of demand driven training services that will lead to development of local skilled workforce for the industry. An overview of the gas industry in Tanzania and its value chain is also provided by the author. Furthermore, skills requirements from a value chain point of view of the gas industry were established based on analysis of similar industries across the world.

Analysis of the value chain of the Tanzania gas industry revealed that it has potential to provide plenty of job opportunities for both skilled and semi-skilled labour.

This is the very group relies on VETA and VET institutions for skills and competencies. Many of the skills required for working in the industry were noted to be specific but they were also found to have many things in common with those associated with traditional trades such mechanical and electrical. However, in the absence of a comprehensive and nationwide Skills Needs Assessment of the gas industry in Tanzania it would be very difficult for capacity building institutions such as VETA to address skills needs of potential employers and employees.

Despite this challenge, it was established that VETA has developed strategies for preparing a skilled workforce for the industry and Mtwara and Lindi regions have been appointed as focal centres with potential to grow into centres of excellence for the industry in the near future. Nonetheless, it was concluded that successful implementation of these strategies requires among other things strong support from stakeholders and comprehensive Skills Needs Assessment of the gas industry in Tanzania





## **Thematic topic 2:** Preparedness of the Economy to Accommodate Natural Gas Economy

### **“Strategic Approach to Maximize Gains from Natural Gas and Oil in Tanzania”**

#### **Dr. Godius Kahyarara**

Senior Lecture At University Of Dar es Salaam Or Paper Presenter On “Strategic Approach To Maximize Gains From Natural Gas And Oil In Tanzania .

Dr. Godius Kahyarara is a senior Lecturer of Economics at the University of Dar-es-Salaam Economics Department. He holds a PhD and a Masters of philosophy in Economics obtained from

the University of Oxford, UK. He also holds a Bachelor of Arts and a Master’s degree in economics from the University of Dar-es-Salaam. He has also attended an advanced doctoral level short course in environmental

economics and advanced certificate in strategic studies, strategic impact analysis and negotiations. He has published in reputable scientific journals such as the World Development, Bulletin of Economics and Statistics and most recently in the Journal of Business and Economics, on microeconomics of firms, human capital, competition, productivity, wages, labour migration and working conditions. He has worked to support establishment of market for watersheds which is the first of its kind in Tanzania. The market is located in the Uluguru Mountains that harbours the Ruvu river watershed.

## ABSTRACT

This paper uses the principle agent framework to demonstrate an efficient contract agreement between investors in Oil and Gas Sector and Tanzania that can guarantee maximum benefits to Tanzania and contribute significantly to transform Tanzania economy to gas dollar economy. Commercialization of natural gas discoveries began in 2004 for Songo Songo and followed by the Mnazi Bay in 2006. However, contribution to the economy is still insignificant with

most of the projects still on development stage. Recent developments in the gas sector such as 7 discoveries out of 8 exploration of gas wells and statoil discovery in March, 2013 add up to around 40 TCF of reserves. This increased prospectivity has increased the attractiveness of Tanzania to investors and provides incentives for Tanzania to take advantage of this situation and come up with ways to maximize gains from these resources for the benefits of the whole society.





**Mr. Ian Shangvi**

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**“Tanzania and the Quest for  
Sustainable Utilization of  
Natural Gas”**

**Paper Summary**

This paper incites positive thinking and action on the side of stakeholders, particularly the Government, in ensuring that the discovery of natural

gas in Tanzania transforms into a resource blessing rather than a resource curse. Amid the pervasiveness of poverty in Tanzania and the risk of state capture, policies backed by the objective of implementing best

management are the lynchpin towards ensuring the vast natural gas endowment transforms into a factor of stability and sustainability. This paper rationalizes that for

best management practices to be achieved, policies related to the natural gas sub-sector must ensure the following: stable state participation, unwavering transparency, improved negotiating powers, and fair



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distribution of natural resource revenues. Other key best management practices should focus on establishment of sovereign wealth funds, moderate pace in extraction of resources, managing health and environmental impacts proactively, managing potential land use conflicts, managing potential socio-economic changes, and promoting inclusiveness in the sub-sector. Baseline studies are also important to map out the point of departure of the natural gas economy for future evaluations of its positive and negative contributions to sustainable development.

Therefore, this paper poses as a caveat to the Government and other stakeholders in the sub-sector to approach the operationalization of the industry within the framework of well-defined plans and strategies that are practically people-centered and proactively

sustainable. The goal should be to achieve sustainable development and poverty alleviation for the present and future generations.









## “Opportunities and Challenges For the Extraction of Natural Gas in Tanzania: The Imperative of Adequate Preparedness”

### **Prof. Humphrey Moshi**

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### **Educational Background and Professional Experience**

A holder of two degrees in  
business studies and a PhD

in economics from the University of Dar es Salaam and University of Muenster, Federal Republic of Germany, respectively, is currently a Professor of Economics at the Economics Department of the University of Dar es Salaam.

He has served as a visiting scholar at the International Monetary Fund, Washington, D.C. and at the University

of Mannheim, Federal Republic of Germany. Prof. Moshi’s research interests span public economics, macroeconomics, financial corporate governance, private sector development, and China- Africa socio economic relations

Has authored, co-authored and edited five books on economic issues, and published more than 60 scholarly articles in reputable international journals. He has been a consultant to a number of international, regional and national organizations, as well as to numerous private corporations.

He was an economic advisor to the Minister for Finance, United Republic of Tanzania (1998 – 2000). During 2002 – 2004 he was the Director of President’s Economic Policy Advisory Unit (PEPAU) and the Chief Economic Advisor to the President of Zanzibar.

## ABSTRACT

The discovery and production of natural gas on a commercial scale in Tanzania have both opportunities and challenges. This unprecedented opportunity requires adequate preparedness in order to ensure that these resources are effectively managed. The scope of effective management ranges from having the requisite policy and strategies in place, to appropriately saving and investing the revenues realized from this non-renewable resource. It needs to be underscored that revenues from resource extraction are intrinsically time limited; natural gas reserves will be depleted overtime. Hence, if the revenues are consumed but not invested, the resulting increase in living standards may not be sustained. On the contrary, if the revenues were to be

harnessed for a sustained increase in living standards, they must be invested outside the resource sector in physical, human and environmental infrastructure, including education, health care, roads, railways and ports.

In a poverty-stricken and aid dependent country like Tanzania, natural gas revenues are likely to possess a wide range of opportunities to scale-up the rate of growth through enhanced domestic resource mobilization and investment. Further, if the realized growth is broad-based and pro-poor, jobs will be created and household incomes will likewise be boosted. Ultimately, these outcomes will in-turn result in sustainable poverty reduction and enhanced social spending.

These opportunities notwithstanding, a number of challenges have to be faced and addressed. These range from the instability of the revenues, destabilizing savings in public expenditure, real exchange rate appreciation, volatility of commodities, to unknowable

path of future trend of commodities price. In order to effectively address these challenges and to grab the unfolding opportunities, adequate preparedness is unavoidable. The starting point for the preparedness path is to put in place an effective policy framework and the attendant implementation strategy, coupled with an in-built monitoring and evaluation strategy.

The purpose of the paper is to identify those areas which need adequate preparation in order to ensure that the extraction of natural gas becomes the main driver for inclusive and sustainable growth and development in Tanzania, including reduction in donor dependence.

The preparedness package includes ensuring that: fiscal regime to capture rent is in place, requisite human resources are made available and developed, savings are invested in the domestic economy, ownership is on joint-venture basis to encourage high retention rates in the domestic economy, up-stream unfolding of industries is encouraged (value-addition), contract negotiation capacities are strengthened,

the negotiation processes are transparent and consultative, local community benefit effectively from the resource, the investment in other non-gas sectors (e.g. agriculture and manufacturing) is scaled-up, and politicians rise above their party interests so that they contribute positively towards the development of the natural gas sector and policy making process.







### **Thematic topic 3:** Environmental Justice and Reservation for the Future Generations

#### **“Towards Addressing Gender Issues Related to Natural Resource Management in Tanzania: The Case of Mtwara Gas” The case of Mtwara Gas.**

##### **Dr. Rose Shayo**

Senior Lecture and Gender Specialist, at The University of Dar es Salaam.

Dr. Rose Shayo is a Senior Lecturer at the Institute of Development Studies (IDS) of the University of Dar es Salaam (UDSM). Her interests include

issues related to gender and development at national, regional and international levels.

Her research interests have concentrated on gender and formal sector employment issues; gender and education; women participation in politics; gender agriculture and rural innovations; gender and entrepreneurship; the social and economic impacts of globalization and HIV/AIDS in particular; the effectiveness of micro-credit programs; and the role of political parties in promoting

good governance and gender equality as well as issues related to Gender Based Violence.

In addition, Dr Shayo has extensive experience in teaching and coordinating gender related courses conducted both inside and outside the country, including some universities in Europe (Finland), USA (Florida) and North America (Carleton). Dr Shayo is an author, co-author, editor or co-editor of two books and more than 30 publications including training manuals showing how to mainstream gender in selected sectors.

Dr Shayo’s paper in the conference is titled “Mainstreaming Gender in the Management of Natural Resources in Tanzania: The Case of Gas Production in Mtwara Region”. The overall objective of this paper to

contribute ideas showing how the mainstreaming of gender in various stages of exploiting natural resources including gas can lead to improved livelihoods for women and men, and sustainable human development.

## ABSTRACT

The paper aims at highlighting main gender issues related to the management of natural resources in Tanzania with a focus on the emerging natural gas sub-sector in Tanzania. More specifically, the first part of the paper is on the rationale and importance of addressing the gender dimension in resource management. In the second part, the paper highlights the main gender issues related to resource management and exploitation with a focus on NATURAL GAS.

In the third part, the focus is on the prospects and challenges of integrating a gender perspective in gas production; whereas in the fourth part there are proposals on how to address the gender issues related to natural gas production at different levels. In the fifth part, the paper suggests some institutional arrangements that have to be in place for addressing the gender

dimension in managing natural exploitation. In the sixth and seventh part, the paper provides the roles and responsibilities of various actors in mainstreaming gender in the management of natural gas in Tanzania as part of the conclusion.

Both the Government of Tanzania and other development activists including women groups strongly believe that if these natural resources are properly managed, harnessed and taxed, the country will no doubt become self-reliant in financing both its recurrent and development (or capital) expenditure; and by 2025 it will become a middle income country. However, if gender awareness measures are not systematically weaved early enough in various gas production processes (exploration phase, processing and consumption phase), the country will fail to attain the anticipated benefits for an inclusive development pattern.

- **Kathryn McPhail** –  
“Making Natural Gas Guarantee Sustainable Development.”
- **Eng. James Ngereja** –  
“Overview Environment Management in Oil and Gas Sub-Sector”





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