

Energy

Second Edition

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Tanzania

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Overview of the current energy mix, and the place in the market of different energy sources

Tanzania's energy sector is vital to the country's economic development. According to "Vision 2025", Tanzania's long-term development plan, the country envisions transforming itself into a middle-income country by 2025, with a globally competitive and prosperous economy and high quality of life, in a clean and secure environment. Undoubtedly, a modern, properly functioning energy sector that fosters conditions for the provision of safe, reliable, efficient, cost-effective and environmentally-friendly energy services will facilitate the envisioned socio-economic transformation, contribute considerably to the growth of the national economy, and improve the standard of living for the nation.

Notably, Tanzania's domestic energy needs have increased dramatically over the last two decades, due to population growth and a rise in economic activities. Nevertheless, energy consumption in Tanzania remains one of the lowest in the world. The *per capita* energy consumption is 66% of the average consumption within Sub-Saharan Africa developing countries, as well as within low and low-middle income countries.

Tanzania consumed a total of 19.6 Million Tonnes of Oil Equivalent (MTOE), of which net imports constituted 1.7 MTOE in 2009. The Government of Tanzania (GoT) estimates this to have increased to 22 MTOE in 2010. Energy imports represent 23.7% of total imports of about US\$1.5bn, and almost all of this is petroleum products.

Energy consumption in rural areas dominates total national energy consumption. The energy balance is dominated by biomass-based fuels, which account for more than 90% of primary energy supply, particularly fuel-wood (charcoal and firewood), which are the main sources of energy in both urban and rural areas. Commercial energy sources, namely, petroleum and electricity, account for less than 10% of the primary energy used, while coal, solar and wind account for less than 1%.

Total primary energy consumption is 0.45 Tonnes of Oil Equivalent (TOE) *per capita*, including biomass-based fuels, which are principally used in the residential sector for cooking. Most of the energy is used in the residential sector, and the vast majority of it is biomass and agricultural waste. Eighty per cent of the biomass is used in the residential sector for cooking.

Other abundant, but so far under-utilised, indigenous energy sources, which could be harnessed to supplement the country's growing energy needs, include solar, hydropower, natural gas, uranium and geothermal energy. Hydropower potential is estimated at 4.7 Gigawatts, of which only 12% has been developed so far. Proven coal reserves amount to 1.2 billion tonnes; geothermal potential exceeds 150 Megawatts; wind energy potential is at 300 Megawatts; and solar isolation at about 200Wp/sq.m.

Proven natural gas reserves, currently estimated at 40 trillion cubic feet, are expected to more than double by early 2015. Not surprisingly, exploration and the optimal use of this resource remains a national priority.

Electricity generation is mainly hydro-based, while thermal plants provide electricity for peak loads. Development of natural gas for electricity is ongoing, while initiatives to increase the utilisation of coal for electricity generation are being explored.

Despite efforts to undertake petroleum exploration, Tanzania has not yet discovered oil and is therefore

completely dependent on imported petroleum products. The total annual demand for petroleum products exceeds 1.2 million tonnes. The transport sector is the main user of these products, commanding about 40% of the market, followed by manufacturing at 25% and households at 10%. The balance is accounted for by agriculture and commerce.

Unquestionably, opportunities for investment in Tanzania's energy sector are significant in financial terms, and substantial in terms of the potential socio-economic development impact. With reforms taking place by way of liberalisation of power generation, petroleum product trade and an emphasis on enhancing rural energy supplies, private investment should increase substantially.

Changes in the energy situation in the last 12 months which are likely to have an impact on future direction or policy

The oil, gas and mineral potential of Tanzania is still very much in the process of being uncovered, and the situation is constantly changing. Recent energy policy, focused on the provision of energy throughout Tanzania, appears to be more favourable towards private investment than ever before.

Natural gas

Developments indicate the presence of natural gas in large quantities. Forty trillion cubic feet of proven reserves have been established to date, which volume is expected to more than double by early 2015. On May 1, 2013, British Gas (BG) Group, the Production Sharing Agreement (PSA) operators for deep-sea blocks 1, 3 and 4 offshore Tanzania, announced the discovery of significant quantities of natural gas in the Mzia-2 site, situated four kilometres from the Mzia-1 discovery and approximately 45 kilometres off the coast of southern Tanzania.

Incidentally, BG Group has operated in Tanzania since 2010 in offshore Blocks 1, 3 and 4 where it has a 60% interest, with Ophir Energy Plc holding the remaining 40%. Prior to Mzia-2, the Group's acreage offshore Tanzania had produced seven natural gas discoveries, two appraisal wells and a successful test on the Jodari field. The tests showed properties that exceeded the estimates for the deeper Cretaceous Reservoir, with natural gas flowing at a rate of 57 million standard cubic feet per day. The discoveries have led the BG Group and Statoil to announce a plan to build a US\$10bn Liquefied Natural Gas terminal. All signs seem to indicate that Tanzania is on the path to becoming a major global producer of natural gas.

Other major investors include Ophir Energy Plc, which recently raised substantial capital via a share placement and rights issue. The UK-based oil and gas company intends to invest US\$832m for further exploration in Tanzania.

Water

Despite the availability of public private partnership models, private sector investment in water projects is limited. This is seemingly due to the need to invest large amounts of capital, at a low rate of return with a no meaningful guarantees for cash flow.

Uranium

Tanzania's uranium mining industry is set to expand. Recent reports released by the Tanzania Chamber of Mineral and Energy (TCME) reveal that Tanzania will accelerate several new mines, increasing the mining industry's production and Gross Domestic Product (GDP) contribution to the economy significantly. Tanzania will soon be joining the League of African Uranium Countries and is expected to be third on the list of the continent's top uranium producers, with future Foreign Direct Investment (FDI) inflows projected at US\$1bn. Depending on fiscal policies, regulatory frameworks and mineral commodity prices, the TCME anticipates that several new major mines will be brought into production within the next five years. Once operational, Tanzania will witness a major economic transformation.

In April 2013, under new mining legislation, Tanzania issued its first uranium mining licence for the Mkuju River Project. It is estimated that this mine has a deposit resource of 119.4 million pounds of uranium. It will be utilised by Russian uranium mining company, AtomRedMetZoloto (ARMZ). The licence was issued, after two years of negotiation, by the Tanzania Ministry of Energy and Minerals to Mantra Tanzania Limited, a subsidiary of ARMZ. The transaction represents a new era for uranium mining in Tanzania.

These examples demonstrate the energy climate in Tanzania, and justify investment in the commercialisation of Tanzania's energy resources. Given the ongoing development of new policy to accommodate the changing investment climate in Tanzania, it is reasonable to foresee considerable foreign investment and collaboration in the future. The GoT is actively facilitating investment, by clarifying laws regarding the commercialisation of Tanzania's energy resources.

Developments in government policy/strategy/approach

As previously indicated, the Ministry of Energy and Minerals (MEM) has issued its first uranium mining licence. As Tanzania attracts more foreign interest, the GoT appears to be increasingly open to collaboration with foreign investors to bolster its energy diversification plan, which contemplates the adoption of an energy mix strategy, involving various sources of power generation (coal, natural gas, hydro, etc). During a discussion at the World Economic Forum in Davos, Tanzania's President Jakaya Kikwete called for greater use of Public Private Partnerships (PPPs) to address issues facing Africa's energy sector. Tanzania currently has both a PPP Act and a PPP Unit, which would be instrumental in implementing such projects.

Electricity

Recent GoT statements regarding electricity supply, suggest that the focus is on supplying electricity to as many Tanzanians as possible, the most recent target being 30% of all Tanzanians, through the efforts of the Rural Energy Authority (REA). The REA is an institution established to mobilise, coordinate and facilitate private and public initiatives for the provision of modern energy services in rural Mainland Tanzania. This effort is influenced by the US-funded Millennium Challenge Account. Projects such as these galvanise relations between Tanzania and interested foreign parties. There is an understanding of mutual benefit to allow investment and to improve the standard of living for Tanzanians.

The GoT plans to restructure the Tanzania Electric Supply Company Limited (TANESCO), the monopoly, state-run electric supply company, to allow private companies to participate in energy supply. This marks a dramatic shift from the mindset of a purely state-run operator, and opens the door to participation by large private energy companies. Evidently, there is an emerging recognition that the GoT's attempt to go it alone in the energy sector will fail without private sector involvement.

Water

There is also focus on the provision of safe and clean water, with a goal of 75% coverage in rural communities by 2016. A new pipeline is currently under construction for the transportation of around 700 million litres of water per day to Dar es Salaam, Tanzania's richest city and a regionally significant economic centre. In March 2013 Tanzania's Vice President, Dr. Mohamed Bilal, urged the Dar es Salaam Water and Sewerage Corporation (DAWASCO) and the Dar es Salaam Sewerage Authority (DAWASA), to speed up their efforts, stressing the importance of providing for the peoples' needs and avoiding unnecessary shortages. Policy here is clear: to meet the needs of the people, with the available resources.

Gas

Presently, a new gas policy is being finalised by GoT. The policy seeks to provide a comprehensive framework to guide the development of the natural gas industry and to ensure optimal benefits to the national economy in the short, medium and long term. Formulation of the policy was aligned with "Vision 2025", the National Energy Policy (2003), other sectoral and cross-sectoral policies, the Tanzania Five-Year Development Plan, and the National Strategy for Growth and Reduction of Poverty (2010-15). Of the several policy objectives specified, probably the most interesting for investors relates to ensuring the sustainable utilisation of natural gas for the domestic market, ensuring that the GoT and Tanzanians participate strategically in the natural gas value chain, and ensuring that prices of natural gas and related services are economically efficient and promote natural gas industry growth.

Clearly, there is a policy focus on the efficient provision of energy throughout Tanzania. Public and private investment, with increased competition, will continue to change the energy landscape of Tanzania.

Developments in legislation or regulation

The Finance Act, 2012, which came into force on July 1, 2012, amended the “Change of Control” provision in section 56 of the Income Tax Act, 2004, to deem a capital gains tax charge on gains accruing from transactions in shares of foreign, non-resident companies having an underlying interest in Tanzanian entities. The trigger for the application of section 56 is the moment the underlying ownership of an entity changes by more than 50% as compared with that ownership at any time during the previous three years.

There are three possible outcomes where this situation occurs, namely: (1) the accounting period of the local Tanzanian entity is split at the point of the change, such that the segments of the year of income before and after the change are treated as distinct years of income; (2) the local entity is deemed to be realising any assets owned and any liabilities owed by it immediately before the change, and to reacquiring these assets and liabilities immediately after the change, the realisation and reacquisition being determined at market value; and (3) the local entity forfeits the ability to carry forward certain reliefs from the earlier period, including unutilised tax losses and tax credits.

This amendment will significantly impact on resident entities that are directly or indirectly held by foreign (parent) entities, insofar as a disposal of shares by the parent will give rise to a taxable event in Tanzania, even though no change in local shareholding occurs.

Notably, this amendment, primarily targeted at Tanzania’s emerging oil and gas (and mining) sectors, is aimed at allowing the GoT to benefit from share appreciation of a foreign parent company, where the share appreciation is attributable to a core asset in Tanzania. Prior to the Finance Act, 2012, no local taxes applied to overseas share disposals, since no change in local shareholding actually occurred.

Judicial decisions, court judgments, results of public enquiries

In April 2013, Tanzania’s Court of Appeal upheld a decision of the International Chamber of Commerce (ICC), which awarded Dowans Holdings (Costa Rica) US\$65.8m for breach of contract by TANESCO, Tanzania’s government-owned power utility. On September 18, 2012, TANESCO had appealed against the award to Dowans Tanzania Ltd and Dowans Holdings in a trade dispute.

The case involved a Power Off-take Agreement (POA), which TANESCO had entered into with the US-based Richmond Development LLC, for the supply of 100 Megawatts of power. Nonetheless, Richmond failed to discharge the POA and sold it to Dowans Holdings in October, 2006. The sale caused remarkable public outcry, prompting TANESCO to terminate the POA and consequently, Dowans to refer the matter to the ICC.

The ICC ruling in favour of Dowans prompted Dowans to file a suit in the High Court in Dar es Salaam for execution of the award. However, TANESCO had been resisting paying the award, challenging the decree of the lower court. The latest ruling by the Court of Appeals effectively compels TANESCO to pay US\$77.5m, which includes the principal amount plus interest.

Major events or developments

In December 2012 the people of Mtwara, the town closest to the off-shore gas activity in Tanzania, staged protests against the construction of a 532km gas pipeline stretching from Mtwara to Dar es Salaam. Although relations have remained amicable over the last five months, further unrest has the potential to delay development in the area. The GoT has taken active steps to calm the situation. Nonetheless, clear policy emphasis on the importance of improving the energy situation in Tanzania, and recognition of local needs and sensitivities, ought to ameliorate relations between the GoT and the people of Mtwara. Along these lines, the GoT is reportedly planning a series of development projects in the Mtwara region to complement the construction of a gas pipeline. The planned projects include a power station, expanded ports, fertiliser and cement factories, road improvements, a gas processing plant and several educational programmes.

Proposals for changes in laws or regulations

In a bid to consolidate the significant developments in Tanzania’s natural gas industry, the GoT has

formulated a Natural Gas Policy, currently in its third draft, to provide a comprehensive framework for guiding the development of the industry, and to optimise benefits to the country and its citizens. The Policy will be effected through the enactment of legislation, amendments to existing legislation, restructuring of existing institutions and the establishment of new ones. Though not legally binding, the Policy, once finalised, will establish principles on which the Natural Gas Utilisation Master Plan and the Natural Gas Act will be based.

The Natural Gas Utilisation Master Plan will address the extent to which Tanzania wishes to retain gas resources for domestic use. This information will assist foreign investors, who will be able to determine the scope of their ability to market Tanzania's gas reserves. However, the Natural Gas Act will be a reflection of the Policy, producing legal guidelines to implement the Policy.

The Policy covers only the midstream and downstream segments of the industry – upstream activities will be governed by a separate policy – and not only envisions a vibrant natural gas industry contributing significantly to the growth and socio-economic transformation of Tanzania, but also aims to create enabling conditions for the supply and effective utilisation of natural gas to all market segments in a transparent, sustainable and environmentally friendly manner.

Underpinning the Policy are five so-called pillars, namely:

1. that benefits to the GoT and the people of Tanzania through strategic participation, interventions and equitable benefit-sharing are optimised;
2. that human capacity development as well as institutional, legal and regulatory frameworks are developed and strengthened to ensure efficient and sustainable natural gas industry development;
3. that a transparent and accountable system is put in place towards management and development of the natural gas industry;
4. that all activities in the natural gas value chain consider disaster management systems to mitigate any adverse impact and protect health, safety and environment; and
5. that the integration of the natural gas industry and other economic sectors of the country are promoted and facilitated in order to accelerate growth and socio-economic transformation.

Main objectives

The main objective of the Policy is to guide the development and utilisation of Tanzania's natural gas resources, maximise the benefits therefrom, and contribute to the transformation of the Tanzanian economy. To this end, the Policy recognises the need to strike a balance between a domestic and export-oriented natural gas industry, between foreign and domestic investment, between foreign contribution of capital and technology on the one hand, and local participation on the other hand, and between direct fiscal benefits and broader long-term development linkages.

Ancillary objectives

Supporting the Policy's main objective are several specific objectives, including: developing facilities for natural gas processing; liquefaction; transportation; storage and distribution; developing a competitive and efficient domestic market for natural gas; ensuring that the GoT and Tanzanians participate effectively in the natural gas export business; ensuring that natural gas revenue is managed transparently, effectively and efficiently; instituting an appropriate pricing structure to sustain both supply and demand sides; ensuring the reliability of the natural gas supply; promoting linkages between the natural gas industry and other strategic sectors of the economy; developing the capacity of Tanzanians to participate strategically in the natural gas value chain; and substantially improving Corporate Social Responsibility (CSR) in communities neighbouring natural gas facilities and operations.

Infrastructure development

The Policy aims to promote investment in midstream and downstream gas infrastructure, to ensure onshore gas processing and sharing of gas facilities to achieve economies of scale and sustainability. Towards this end, the GoT will seek to participate strategically in the development and operation of major infrastructure for natural gas. Specifically, the GoT will, among other roles: participate strategically through its National Companies (i.e. via PPPs) to develop and operate major infrastructure for natural gas (the Policy defines National Company as a company established under the laws of

Tanzania, in which the GoT or its agent owns 51% or more of the shares); ensure all natural gas processing activities are undertaken in common facilities onshore in the most cost-effective manner; establish a licensing regime for gas suppliers, distributors and marketers; and ensure that transparent and non-discriminatory terms and conditions are developed and enforced to promote access to gas infrastructure by third parties.

Domestic market

With eyes set on developing a competitive and efficient domestic market for natural gas, the Policy tasks the GoT with a number of initiatives, including: facilitating reliability in efficient production, utilisation and value addition to the country's natural gas resource; facilitating the establishment and growth of industrial parks using natural gas; and establishing a natural gas aggregator to facilitate efficiency and the reliable supply of natural gas. The Policy defines "aggregator" as a fully owned State enterprise (a subsidiary of the National Oil and Gas Company), which will have exclusive rights to purchase, collect, transport and sell natural gas produced in the country. National Oil and Gas Company is defined as an oil and gas company established under the laws of Tanzania, in which the Government or its agent owns 51% or more of the shares.

Export market

The Policy also recognises the need to maximise gains from value-added natural gas products (e.g. Gas-to-Liquid (GTL), Liquefied Natural Gas (LNG), etc.). To optimise local participation in the natural gas export business, the GoT will seek to: ensure that the domestic market is given first priority over the export market in gas supply; strategically invest in the GTL and LNG value chain; ensure that all LNG and other processing facilities are located onshore through common facilities; and ensure profit maximisation and efficient trading of the gas products for the regional and international markets.

Resource management

By way of managing revenue from natural gas for the benefit of present and future generations of Tanzanians, a Natural Gas Revenue Fund will be established and managed to ensure transparency and accountability in the collection, allocation, expenditure and management of all natural gas revenues. Significantly, clear guidelines will be developed through a transparent and consultative national process on the appropriate use of the fund. Additionally, open and sound fiscal management of natural gas revenue expenditure will conform to national development objectives.

Natural gas pricing

So as to institute an appropriate pricing structure to sustain both supply and demand, the GoT, in light of the Policy, will ensure the establishment of an appropriate pricing mechanism, which encourages economic use of the system capacities in the natural gas value chain. The GoT will also ensure that the pricing structure provides incentives for promoting investments, while sustaining supply and demand for natural gas, as well as ensure that natural gas prices to strategic industries and Tanzania households are affordable and predictable.

Security of infrastructure and supply

The Policy aims to secure reliable natural gas supply. Accordingly, the GoT will ensure sufficient production and rational use of natural gas, and optimal investment in natural gas infrastructure to secure reliability of energy supply to the country, and safety and security of natural gas infrastructure.

Strategic linkages

To promote linkages between the natural gas industry with other strategic sectors of the economy, the GoT will ensure that growth of the natural gas industry supports strategic investments in other sectors of the economy, and supports private sector participation for rapid development of strategic industries, including petrochemicals, steel and other energy-intensive industries.

Local content and capacity-building

The Policy envisions empowering Tanzanians to benefit fully from its natural gas resources. Accordingly, the GoT will: ensure opportunities for the supply of goods and services, employment and investments are made available to Tanzanians; ensure the capacity of Tanzanians is developed in

the natural gas value chain through skills development, transfer of technology and applied research; strengthen the capacity of national companies to participate strategically in the natural gas industry; ensure companies participating in the natural gas value chain are listed on the Dar es Salaam Stock Exchange; establish oil and gas centres of excellence; and strengthen the capacity of training institutions to impart the requisite knowledge skills and innovations to Tanzanians.

Corporate social responsibility

Importantly, the Policy aims also to improve Corporate Social Responsibility (CSR) in communities neighbouring natural gas facilities, in which regard the GoT will first, ensure there is a contractual obligation on the part of all investors and contractors in the natural gas value chain to undertake community development programmes, as well as ensure that companies in the natural gas industry submit credible CSR action plans to the relevant authorities.

Efficiency and conservation

The Policy identifies the need to utilise natural gas supply efficiently in all sectors of the economy. In this regard, the GoT will establish a Gas Utilisation Plan, and ensure that efficient natural gas supply from wellhead to end-user conforms to the Gas Utilisation Plan.

Transparency and accountability

Recognising the need to promote, monitor and evaluate transparency and accountability in the natural gas industry, the Policy commits the GoT to develop transparency and accountability guidelines, as well as enforce transparency and accountability with respect to all stakeholders involved in the natural gas industry.

Management of Health, Safety and the Environment

The Policy aims to ensure compliance with Health, Safety and Environment standards in the natural gas value chain, in which regard the GoT will ensure that health, safety and environmental issues are mainstreamed into all operations of the natural gas value chain.

Regional and international cooperation

Seizing on the benefits of cooperation with regional and international economic partners with a view to ensuring the development of the natural gas industry in Tanzania, the Policy recognises the need for the GoT to support cross-border projects and investments within the East African Community (EAC), the Southern African Development Community (SADC), and the African Union (AU) partner states, to maximise the benefits from natural gas exploitation, as well as facilitate international collaboration in education, research, data exchange and information in the natural gas industry.

Gender mainstreaming, HIV/AIDS

The Policy aims to support activities in the natural gas industry based on gender issues, such that the GoT will ensure that all programmes related to the natural gas value chain, including education and training opportunities, are based on gender equality. Furthermore, with a view to supporting activities in the natural gas industry based on issues addressing HIV/AIDS and other infectious diseases, the GoT will facilitate provision of education on HIV/AIDS to stakeholders in the natural gas industry.

Public Private Partnerships (PPPs)

The GoT recognises the role of the private sector in bringing about socio-economic development through appropriate technology, capital investment and management know-how. Consequently, enhancing private sector participation to maximise the benefits from the natural gas industry through PPP projects is a key policy objective. Accordingly, the GoT will promote and facilitate PPP projects to boost investments in the natural gas industry.

Public awareness

With a view to properly managing public expectations in respect of the benefits from exploiting Tanzania's natural gas resources, the GoT will improve communication, and provide accurate and timely information to the public on the activities implemented throughout the natural gas industry, as well as involve the public in all natural gas development activities at all stages, so as to instill a sense of ownership of the country's natural gas resources.

Legal and regulatory framework

The legal and regulatory framework for the midstream and downstream sectors will consist of licensing, tariff structure, rates and charges, quality and standards, health and safety issues, third party access to common infrastructure and services, revenue management and related aspects of natural gas industry administration and regulation.

The role of the GoT in this regard will be: to establish the legal and regulatory framework to govern the processing, transportation, liquefaction, distribution, supply and trading of natural gas; to ensure efficient management; to expedite development of midstream and downstream activities so as to maximise the benefits accruing from the natural gas resources; to establish proper mechanisms to provide for reliable and affordable supply to the domestic market; to ensure that the regulatory authority for the natural gas industry is strengthened; to ensure compliance with generally accepted international standards for the natural gas industry; and to ensure a stable, robust and sound legal framework for the natural gas industry.

Institutional framework

Ostensibly, the successful implementation of the Policy will depend on the existence of an institutional framework capable of developing appropriate tools to operationalise and monitor processes for achieving desired outcomes. Consequently, the GoT's role will be to: administer and enforce legislation; attract foreign direct investment; acquire, analyse and disseminate information on issues regarding the natural gas industry; participate strategically in natural gas investments; support national enterprises and Tanzanians to participate actively in the natural gas industry; strengthen the capacity of Government institutions responsible for the monitoring, evaluation and review of the natural gas industry; and set targets and monitor results of natural gas projects and programmes.

National Oil and Gas Company

The Policy defines National Oil and Gas Company as an oil and gas company established under the laws of Tanzania, in which the Government or its agent owns 51% or more of the shares. Under the Policy, commercial and regulatory functions will be bifurcated and carried out by separate entities. The National Oil and Gas Company will: participate in upstream activities; advise the Government on policy issues; participate in the development of and ownership of strategic natural gas projects and businesses; carry out specialised operations in the industry using subsidiary companies; and establish and enable an aggregator who will develop, own and manage major midstream and downstream infrastructure, either jointly with the producers or solo.

Regulatory authority

Presently, the Energy and Water Utilities Regulatory Authority (EWURA) has the mandate to regulate downstream activities, while the GoT, through the Ministry of Energy and Minerals (MEM), regulates upstream activities. The Policy considers the need for a robust regulatory authority to cover the natural gas industry as a whole (apparently in relation to upstream, midstream and downstream segments), and its proposed role should include: granting, renewing, suspending and cancelling licences; establishing industry standards; regulating rates and charges; monitoring performance; and performing other functions conferred on it by relevant legislation. The private sector is also identified as being important in providing investment and technology needed by the industry, while the Government continues to promote and facilitate private sector participation through PPPs or other arrangements.

Monitoring and evaluation

In view of the complex set of challenges associated with Tanzania's emerging natural gas industry, a systematic monitoring and evaluation framework for policy implementation and performance assessment will be needed. Consequently, the Policy provides a framework for monitoring and evaluation, which sets out a number of monitoring and evaluation tools and deliverables including: a Natural Gas Act; a Natural Gas Utilisation Master Plan; a Natural Gas Revenue Fund; a communication strategy to facilitate feedback from stakeholders, as well as progress and analytical reports.

While the primary burden for monitoring and evaluation will rest with the Ministry responsible for natural gas, a system to synchronise multi-stakeholder consultation will be established. Key

stakeholders participating in this process will include Ministries, Departments and Independent Agencies spanning the areas of law, finance, security, safety and environment, as well as Local Government Authorities, Members of Parliament, Development Partners, Non Governmental Organisations and the media.

The Policy supposes GoT ownership of natural gas infrastructure in the first stages of development of the industry, with non-discriminatory access to common facilities and services requiring operators of facilities to provide services to all customers in a transparent manner.

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