

**REFORM** In 2017, Bunge passed three laws aimed at ensuring that Tanzania gets its rightful share of revenue

# Extractive sector contract review finalised, says AG

These include the production sharing agreements (PSAs) for oil and gas investments and the mineral development agreements (MDAs) for the mineral sector

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**Dar es Salaam.** The government has now completed reviewing contracts for the extractive sector that started way back in 2018.

These include the production sharing agreements (PSAs) for oil and gas and the mineral development agreements (MDAs) for the mineral sectors.

The Attorney General (AG) Adelardus Kilangi told The Citizen that the review on the contracts was completed in January and the results handed over to Prime Minister Kassim Majaliwa for further measures.

"We started the process in 2018 after a committee appoint-

ed by Parliament Speaker Job Ndugai called for the contracts to be reviewed to ensure they enable both parties--the government on behalf of the public and multinational companies benefit," he said.

In June 2017, Parliament passed three laws aimed at ensuring that Tanzania gets its rightful share of revenue from its natural resources.

Hence, Tanzania is seeking to scrap sections of the contracts that it deems as having tilted against it to the extent of denying the country earnings.

The Attorney General was therefore in talks with the investors to review and outline areas that need to be changed in order to come up with a win-win situation. Contacted, Shell exter-

nal relations manager Patricia Mhondo said they were waiting for official communication or update on the PSA reviews.

"However, we continue to have constructive dialogue and engagements with the government with the intent to progress the Tanzania gas and LNG Project," she said.

Meanwhile, efforts to get in contact with Equinor did not prove fruitful because they did

not respond to an email sent to them.

Earlier in the year, while speaking to the Tanzania Petroleum Development Corporation (TPDC) managing director James Mataragio had said negotiations on Host Government (HGA) key terms were still pending awaiting PSA review.

On the same note, Ministry of Industry and Trade deputy permanent secretary Rudovick Ndurie had also told The Citizen early this year that all strategic projects in the extractive sector, including those in the mining and gas and oil sectors, were all undergoing a review to align contracts with the new laws," he said.

This was for all contracts in the mining sector and oil and gas including Shell Tanzania together with its partners Ophir Energy and Pavilion Energy.

## ABOUT: LAW CHANGE

One of the laws is the Natural Wealth and Resources Contracts (Review and Renegotiation of Unconscionable Terms) Act, 2017, which empowers Parliament to review all the arrangements and agreements (existing and prospective) made by the government regarding natural resources.