

Making mining count in Tanzania: case study



Tanzania was selected as a comparator for the in-country work that was taking place in Ghana to identify the success factors that might explain why and how Ghana has successfully avoided the resource curse.

Work began in 2005 to assess the positive and negative impacts of mining both at the national level and also at the project level around the North Mara mine.

The research was conducted using an analytical framework and tools developed in Phase 1 of the initiative. Phase 2 focused not just on understanding mining's impact in Tanzania, but also in three other countries – Chile, Ghana and Peru.

The main conclusions of this research in Tanzania can be found in the country case study report on Tanzania. The findings have also been summarized in Spotlight 9.

The end of Tanzania's state monopoly over mining in the late 1980s coincided with many economic liberalizations which brought broadly positive economic impacts to the country. However, it is too early to tell whether mining investments contributed to these economic benefits, as most mining investments came on-stream during 2000-2008.

Mining now contributes around 3% to the country's GDP. This boom period has led to some tensions, for example due to competing land claims between large-scale mines and the artisanal and small-scale mining sector - including around the North Mara mine site which was the focus of the case study.

The report suggested that these tensions have emerged, at least in part, by the fact that improvements in economic policy which had attracted increased investment were not matched by governance reforms at a regional and local level.

When the findings from all four Phase 2 countries were taken together (see Synthesis Report), six broad areas for partnerships or institutional development were identified, which appeared to hold the greatest potential for enhancing socio-economic returns from mining. These six areas were:

- Enhanced management of mineral revenues
- Enhanced social and economic development in mining areas
- Poverty reduction in mining areas
- Increased local content used by mining projects
- Strengthened local and regional development planning
- Improved mechanisms for disputes resolution

Although Tanzania was a comparator country for the work that was undertaken in Ghana, rather than a main focus country for the initiative, significant local interest in follow-up activity meant that Phase 3 was extended to include Tanzania.

On December 6-7 2007, ICMM co-hosted a workshop in Dar es Salaam, together with the Government of Tanzania's Ministry of Energy and Minerals. Paul Hollesen, Chair of ICMM's Social and Community Development Task Force, presented the case study findings (including the six areas identified above).

The workshop also marked the commencement of a pilot study designed to catalyze local partnerships to implement the findings and recommendations of the initiative to date.

A follow-up [workshop](#) was held in Dar es Salaam on 19 May 2009. A state report of proceedings approved by co-hosts [Tanzania Chamber of Minerals and Energy \(TCME\)](#).