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Civil society's role in petroleum sector governance: The case of Tanzania

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Good governance over natural resources is now recognized by scholars and policy makers as key to ensuring that countries can prevent and escape the resource curse and translate resource wealth into economic development. Civil society is a key actor in ensuring good natural resource governance. Civil society organizations (CSOs) provide information, have moral legitimacy to set the resource governance agenda, can help to democratize power in resource management, and can work to keep other resource governance actors like government and companies accountable. Donors can support these critical functions of CSOs in the Tanzanian context by continuing to provide financial and political support to CSOs, and by involving them in debate and policy making. In the current political environment, it is vital that donors continue to emphasize to the Government of Tanzania the importance of CSO involvement in governing the country's petroleum sector.

Civil society's role in natural resource management

How can countries rich in high-value, non-renewable natural resources like oil, gas, minerals and metals overcome the so-called resource curse and translate their resource wealth into economic development and societal gains? This question has preoccupied academics and policy makers for decades, with scholars generally concluding that good governance is required to ensure that positive outcomes result from natural resource wealth. Natural resource governance “refers to the norms, institutions and processes that determine how power and responsibilities over natural resources are exercised, how decisions are taken, and how citizens...participate in and benefit from the management of natural resources” (IUCN 2018).¹ Key actors involved in natural resource governance include civil society organizations (CSOs), companies, governments, and citizens. These actors make decisions about, set rules for, and distribute benefits from, natural resource endowments.

This brief focuses on civil society's role in the governance of petroleum resources. “Civil society” is a broad concept, and the term “civil society organization” covers many types of organizations, such as informal/grassroots groups, formal non-governmental organizations, labour organizations, and professional groups (Edwards 2011). Civil society is defined as the realm outside of state, market, and family that involves “citizens acting collectively in the public sphere to express their interests, passions, preference, and ideas to exchange information, to achieve collective goals, to make demands on the state, to improve the structure and functioning of the state, and to hold state officials accountable” (Diamond 1999, p. 221). South Africa's 2017 national report for the Human Rights Council's Universal Periodic Review (UPR) defines civil society as that which “operat[es] outside of the State and independent of the market, [and]...is often referred to as the third sector. CSOs are varied in their character and in their purpose. However, there is a common thread that holds them together, which is that they exist in public life to *expertise role*” (p. 17; emphasis added).

Civil society organizations play four different roles in natural resource governance that can help ensure that resource production and extraction results in democratic government, economic development, and social peace – the exact opposite of the resource curse (c.f. Furstenberg 2015; Aaronson 2011; Bieri 2010; Ross 2015). These are: 1) an expertise role; 2) an agenda-setting role; 3) a representative role; and 4) a monitoring role. Each of these roles has specific effects on resource governance.

First, civil society has an *expertise role* in creating, disseminating, and using information. This role creates an *information effect* in resource governance: CSOs' expertise stems from their ability to collect and disseminate information. Information provision can support a feedback loop between government and the governed, and in this way CSOs can empower citizens

to hold their government to account for the use of resources and the benefits of their extraction. Citizen demands for government accountability in resource use can put pressure on public officials to ensure that resources are managed for the collective good, resulting in improved public goods and service provision as well as equitable economic growth. Information provision also allows civil society to use naming and shaming tactics to convince public and private actors to change socially costly behaviors, such as environmental degradation or financial mismanagement.

Second, civil society has an *agenda-setting role*, which can have a *moral effect* on resource governance. Organizations' moral authority, grassroots representation, and pursuit of the public benefit gives them the legitimacy to set international and national agendas in terms of which issues matter in resource governance. This legitimacy allows CSOs to draw attention to previously neglected problems, such as resource-related human rights violations.

Third, civil society has a *representative role* and thus a *democratization effect* in resource governance. CSOs' involvement in resource governance can broaden authority over resource use and decisions about the distribution of costs and benefits from extraction and production. Civil society can empower previously marginalized actors to have their voice heard and to take part in decision-making about resource access and use. In turn, this can potentially reduce the grievances of less privileged social groups, which run the risk of turning violent. Broader participation in resource management also reduces the monopoly power and discretionary authority that enable corruption in resource sectors.

Fourth, civil society has a *monitoring role* that can have an *accountability effect* in resource governance. As watchdogs, organizations monitor and influence public and private actors' adherence to the accepted rules of fair resource extraction and production. CSOs can pressure these actors to comply with formal laws and internationally accepted standards of fair behavior. CSOs can watch the behavior of individuals and organizations involved in resource management, and use information channels to expose and stop corrupt and other negative behaviors.

Mapping the national-level civil society landscape in Tanzania's petroleum sector

The activities and focus of many types of CSOs are relevant to the petroleum sector, including sector-specific, advocacy, human rights, environment, poverty and development, women's rights, and legal groups, just to name a few. But in Tanzania, there exists a small group of sector-focused CSOs. In June 2017, we mapped these sector-specific organizations, which primarily work on petroleum sector governance issues at the national level. We did so by using internet, media, and document searches. The groups we identified have specific mandates to work on petroleum sector issues,

Table 1: List of prominent CSOs working on petroleum governance in Tanzania

Organization name	Function, focus, and activities
Haki Rasilimali	Umbrella organization engaged in advocacy in the extractive industries through coordination of organizations and influencing policy
Oil and Natural Gas Environmental Alliance (ONGEA)	Network of CSOs advocating for transparency, accountability, local participation, and environmental management in the petroleum sector
Policy Forum	Network of CSOs working together to influence policy and hold government to account, including in the petroleum sector
Governance Links	CSO focusing on sustainable natural resource governance
Interfaith Standing Committee on Economic Justice and the Integrity of Creation	Faith-based committee advocating for social and economic justice, including in the petroleum sector
Natural Resource Governance Institute	International CSO providing policy advice, analysis, and advocacy in the extractive industries
Oxfam Tanzania	Advocate for contract transparency, environmental safeguards, and fair distribution of natural gas revenues

and/or implement programs and activities on petroleum governance. Table 1 lists some of the most prominent of these organizations.

In Tanzania, CSO representation in the petroleum sector is formally institutionalized through the Extractive Industries Transparency Initiative and in other piece of legislation. First, five of the country's EITI multi-stakeholder Working Group members are CSOs, with these members coming from trade unions, advocacy organizations, faith-based groups, and CSOs working specifically on issues regarding oil, gas, and mining. Second, the 2013 Natural Gas Policy recognizes the advocacy, mobilization, and dialogue role of civil society and their contribution to designing, monitoring, and implementing socio-economic programmes in the sector and for monitoring and evaluating sector performance.

Civil society roles in Tanzania's petroleum governance

In September 2017, we interviewed ten CSO and donor agency representatives as well as other experts in Dar es Salaam in order to get a better understanding of the various roles that civil society is playing in petroleum governance in Tanzania. We further reviewed documents collected in our mapping exercise as well as during and after our in-country data collection.

We first asked all interviewees to provide a definition for "good petroleum governance". There was general agreement that this term covers the whole process from the decision to extract to act extraction, and clearly outlines who is responsible and accountable for decisions throughout the whole extraction cycle. Interviewees agreed that transparency and sustainability are key pillars of good petroleum governance. In a well-governed petroleum sector, decisions are well-informed,

logical, and executed in a timely manner, and there is clear leadership. Outcomes matter, too: good petroleum governance means that petroleum resources are used for development.

The interviewees confirmed that CSOs working on petroleum governance in the country play the four roles mentioned at the beginning of this brief. A bilateral donor agency representative stated that the most important roles of CSOs in petroleum governance are to generate information, engage in advocacy, and to speak up on issues. A second CSO representative discussed the consultative role that CSOs play, in that national government representatives consult with CSOs on issues related to the petroleum sector. In addition to generating information and raising issues that warrant attention, CSOs are also providing analysis, engaging in dialogue with government, providing feedback on proposed legislation, helping with policy making, and organizing communities.

A recent publication by the Natural Resource Governance Institute highlights how that group's training and capacity building efforts has helped to coordinate CSOs in petroleum governance, strengthen their involvement in the drafting of legislation, and build the knowledge and skills of all sector stakeholders, including government, media, and the private sector (NRGI 2018). Evidence of civil society's role in drafting legislation for the petroleum sector can be found in Policy Forum's "2015-16 Tanzania Governance Review" report, which describes how civil society issued critical commentaries on three proposed bills. Finally, member organizations of the Oil and Natural Gas Environmental Alliance and Haki Rasilimali have also worked to enhance knowledge and understanding within local communities affected by the petroleum sector.

Current challenges facing Tanzanian CSOs in their work on petroleum governance

CSOs are currently facing several challenges in their work within Tanzania's petroleum sector. A key development has been the negative shift in the enabling environments required for civil society to operate in the country. All the interviewees discussed the ongoing government crackdown on civil and political liberties and the closing of space for civil society in the country. This development is in part related to a resurgence of nationalism in the government, particularly regarding the country's extractive industries. As a result, CSOs are less able to voice critical views of government, including about the management of the petroleum sector. Several interviewees noted that CSOs already face capacity challenges in the form of access to limited sources of funding and to current knowledge and skills to engage with the sector. These challenges combined with the ongoing political crackdown on freedoms of speech and association present serious obstacles to the ability of CSOs to meaningfully engage in petroleum governance. Meaningful engagement is made even more difficult when government consultation of CSOs is token. While government may consult the views and expertise of CSOs in formulating legislation and policy for the petroleum sector, at least one of the CSO representatives we discussed this with, did not feel that the consultation was meaningful.

A second challenge is that CSOs working on petroleum sector governance must work to manage

very high expectations among the local communities they work with in petroleum-extracting areas. Two CSO representatives we spoke to pointed out that high expectations have already led to riots and other negative actions in areas where petroleum has been discovered. CSOs feel that they are largely tasked with expectation management in local communities, which they try to fulfill through community trainings and awareness raising. This requires ongoing, continuous effort and bottom-up, collaborative ways of working, which can be at odds with government and donor priorities and ways of working.

Conclusion

Civil society organizations play important roles in petroleum governance, including in Tanzania. What can donors do to ensure that CSOs are able to continue to carry out their roles in the sector? First, donors can continue to provide financial and political support to CSOs by funding their activities. Second, donors can emphasize to the Government of Tanzania the importance of CSO involvement in governing the petroleum sector. Finally, donors can continue to provide space for their voices in sector-relevant debates and events, and use CSO expertise in policy-making and reporting.

Notes

<https://www.iucn.org/commissions/commission-environmental-economic-and-social-policy/our-work/knowledge-baskets/natural-resource-governance>

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