



# Analysis of the Extractive Industries Sector Budget with Responsive and Gender Lens

## An Overview of the National Budget

Budget priorities for the Energy and Minerals sector in the 2014/15 fiscal year were inclusive of: implementing energy production projects; distribution of electricity; distribution of electricity in rural villages; construction of natural gas infrastructure; exploration of oil and gas; preparation of a draft policy and bill for the energy sector; renewable energy projects; and promotion of efficient energy utilization. On the energy side, the budget priorities included: linking the minerals sector with other sectors; minerals exploration; improving minerals licensing; improving policy and laws in the minerals sector.

**Table 1: Total National Budget and Extractive Industries (EI) Sector**

Year	Total Minerals and Energy Sector Budget	Total Government Budget	Percentage of Total Minerals and Energy Budget to Total Government Budget
2014/15	1,070,000,000,000	19,853,300,000,000	5.4%
2015/16	642,120,000,000	22,495,493,000,000	2.9%
2016/17	1,122,000,000,000	29,539,603,000,000	3.8%
2017/18	998,337,759,500	32,000,000,000,000	3.1%

Source: Various Budget Speeches for the Ministry of Energy and Minerals, 2014/15 to 2017/18

According to the Table 1 above, budget allocations to energy and minerals sector has ranged between 2.9% and 5.4% of the total National Budget between 2014 and 2017. However while the National Budget was growing each year, the budget allocated towards the energy and mineral sector was diminishing.

## Gender Perspectives in the Mineral Policy and Mining Act

Tanzania’s Mineral Policy from 2009, mentions gender considerations in brief. It mainly addresses gender issues in regards to cross cutting themes, and in regards to promoting women’s participation in mining activities. Moreover, the policy mentions that “the government will ensure that all programs related to mining, including education and training opportunities, are based on gender equality and equity.” As concerns the Mining Act of 2010, there is silence on gender or safeguarding of the human

1. 2015/16 Budget Speech, Ministry of Energy and Minerals, para 11  
2. 2015/16 Budget Speech, Ministry of Energy and Minerals, para 12

rights of women in mining interventions, or in other words, it is totally gender blind.

### Trend of the National Budget for the Past 3 Years

Viewed in nominal terms, the National Budget increased from 18.24 trillion in 2013/14 to 22.5 trillion in 2015/16. However, the proportion of budget resources directed towards the energy and minerals sector has fluctuated strongly between half a trillion to a trillion. As shown in the table below, the budget took a 40% fall between 2014/15 and 2015/16, and rebounded strongly in the 2016/17 fiscal year.

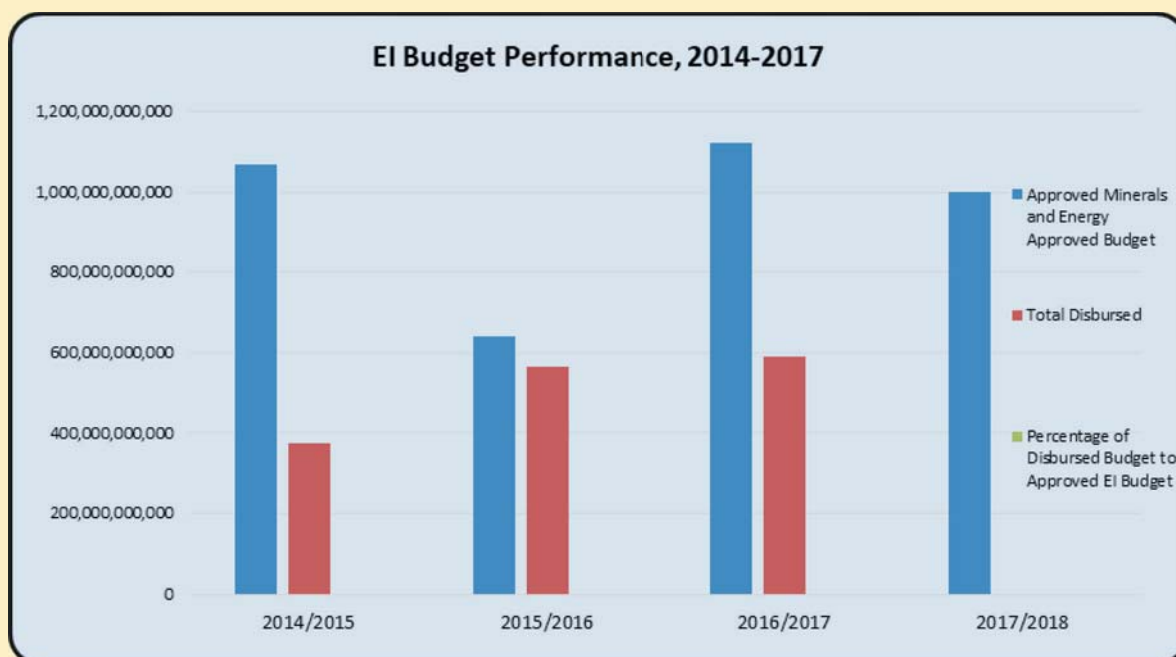
**Table 1: Trend of Nominal Budget Allocation to Extractive Industries**

Year	Total national Budget ('000,000') Tshs	Total Minerals and Energy Budget ('000,000') Tshs	Percent increase or decrease in EI Budget	EI Budget as percent of national Budget
2014/15	19,853,300,000,000	1,070,000,000,000	n.a.	5.4%
2015/16	22,495,493,000,000	642,120,000,000	-40%	2.9%
2016/17	29,539,603,000,000	1,122,000,000,000	75%	3.8%
2017/18	32,000,000,000,000	998,337,759,500	-11%	3.1%

Source: Various Budget Speeches for the Ministry of Energy and Minerals, 2014/15 to 2017/18

### Trend of the Extractive Industries Sector Budget Disbursement

As concerns the gap between allocated budget and what is actually disbursed has also fluctuated broadly between the fiscal years. So for instance, in the year 2014/15, only **35%** of the budgeted amount (Tsh 375,760,000,000/= out of Tsh 1,070,000,000,000/=) was disbursed. The disbursement gap was reduced in the year 2015/16, with **88.06%** of the budgeted amount (Tsh 353,150,873,000/= out of Tsh 565,510,000,000/=) was disbursed. In the year 2016/17, around **52.71%** of the budgeted amount (Tsh 591,390,000,000/= out of Tsh 1,122,000,000,000/=) was disbursed by the Treasury to the energy and minerals sector.



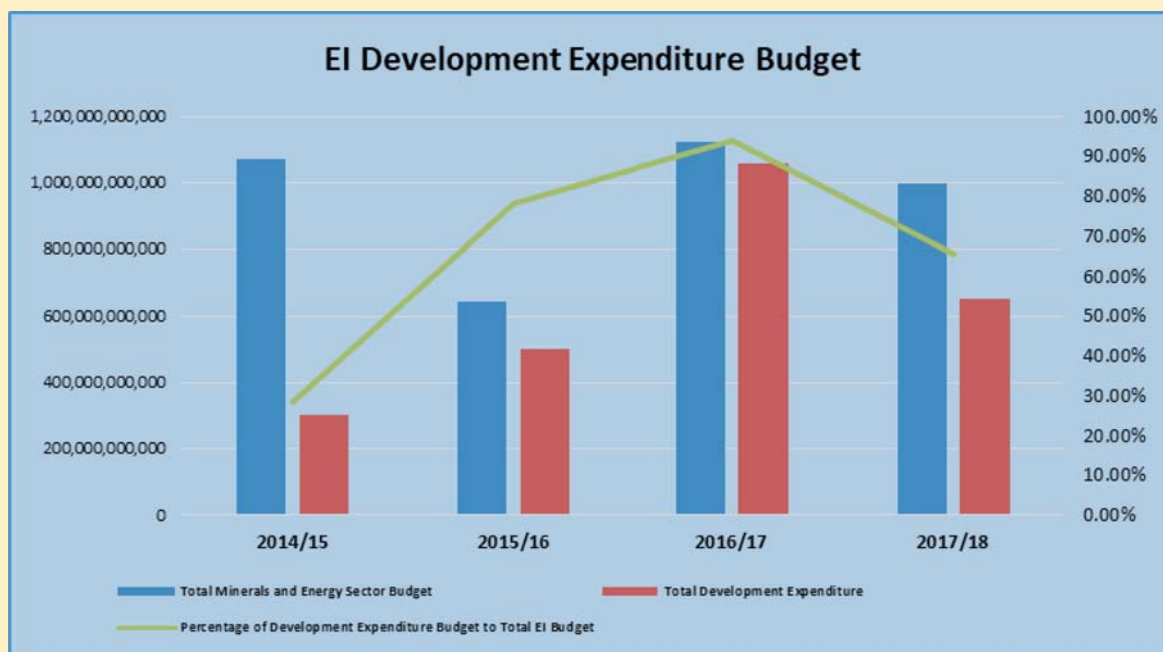
3. 2015/16 Budget Speech, Ministry of Energy and Minerals, para 13-15  
 4. 2016/17 Budget Speech, Ministry of Energy and Minerals, para 9  
 5. 2017/18 Budget Speech, Ministry of Energy and Minerals, para 15-16

## EI Budget Performance for Four Years

Source: Various Budget Speeches for the Ministry of Energy and Minerals, 2014/15 to 2017/18

### Trend of the Development Budget Expenditure in the EI Sector

The Table below shows that at least, in 2014/15 fiscal year, the energy and minerals sector allocated 28.5 % of its resources for development expenditures. The proportion of the budget targeted at development expenditures was a healthy 78.2% in 2015/16, and 94.1% in 2016/17. The energy and



minerals sector budget for the 2017/18 is still high constituting 65.5% of the total budget allocated towards the EI sector.

**Table 3: Trend of the Development Budget Expenditure in the EI Sector**

Source: Various Budget Speeches for the Ministry of Energy and Minerals, 2014/15 to 2017/18

### Training of Women in the Extractive Industries Sector

As of 2012, there were at least 301 public and private technical training institutes registered in the country. According to the Vocational Education and Training Authority, VETA, there were more than 759 public owned and privately owned facilities registered in undertaking vocational education and, as well as Folk Development Colleges providing vocational training and education in the country, of which VETA had 28 centres. Women constitute at least 47% of the students enrolled in vocational training and education institutes. Most of the women enrolled in the vocational education and training institutes are found in traditional female trades, such as: design, sewing and cloth technology; food and beverages services; food production; tailoring; and hospitality services. Mining courses are only available at the Shinyanga VETA centre.

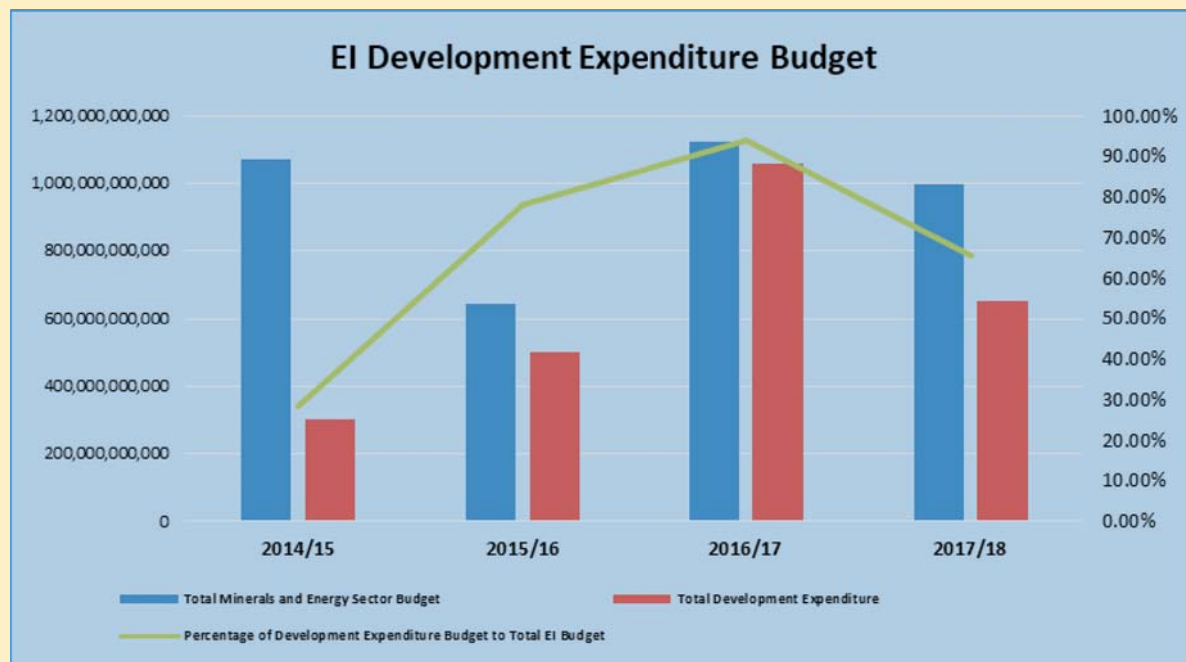
### Trend of the Extractive Industries Sector Budget's Recurrent Expenditure

6. 2015/16 Budget Speech, Ministry of Energy and Minerals, para 13-15

7. 2016/17 Budget Speech, Ministry of Energy and Minerals, para 9

8. 2017/18 Budget Speech, Ministry of Energy and Minerals, para 15-16

The proportion of the Energy and Minerals sector budget allocated towards recurrent expenditures



between 2014/15 and 2017/18 are presented in the Table below. Overall, the recurrent expenditure has fluctuated between 6% and 21.8%. This is perhaps one of the few sectors where budgetary expenditures on development investments far overrun resources allocated towards recurrent costs.

**Table 4: Recurrent Budget Expenditure in the EI Sector**

Source: Various Budget Speeches for the Ministry of Energy and Minerals, 2014/15 to 2017/18

### Gender, Youth and Marginalized Groups in the Energy and Minerals Sector

Estimates project that around 1 million Tanzanians are involved in Artisanal and Small Scale Mining (ASM), of whom approximately 25% are women. The sector also provides direct and indirect employment to about 7 million Tanzanians, or 31.5% of the country’s working-age population through ASM. Women are supposed to constitute around 27% of those involved in the extractive industries, mostly in the sub-sectors of salt making (38%), construction materials (32%) as well as gold and diamonds (37%). Moreover, women also constitute around 10% of mining license holders, and 10% of the 12,000 employees in the extractive industries.

On the other hand, a gender pay gap averaging 31% confronts women in the extractive industries whereby they earn an average 69% of what men earn in the same activity. The gender pay gap is 10% above the national average. In addition, women are absent from the uppermost paying positions in ASM, especially in positions such as owner or operator for cultural reasons and obstacles to women from exercising proprietorship rights over land and property, including inheriting land. Furthermore, women also face additional barriers to participate in the extractive industries sector. Among the obstacles are: low literacy rates; separation from families; shifting family roles from women to men; lack of clean and safe water; and wide-ranging forms of discrimination. Similarly, women are frequently engaged in

9. World Bank: Gender Dimensions of Artisanal and Small-Scale Mining, 2012

10. International Institute for Environment and Development study 2013, <http://www.iied.org/>

11. Hotuba ya Wizara ya Nishati na Madini Kuhusu Makadirio ya Mapato na Matumizi kwa Mwaka wa Fedha 2017/18. Jamhuri ya Muungano wa Tanzania, Dar Es Salaam, Juni 2017. Para 143



low-paying formal work if at all employed.

The current budget of the Ministry of Energy and Minerals for 2017/18, targets to allocate 11 mining areas, with more than 38,951 hectares, to small miners. It however does not explicitly state whether women, youths and other marginalized groups will be among the beneficiaries in this constellation. What is more, the Ministry of Energy and Minerals, in paragraph 144 of the same budget speech, also plans to provide subventions amounting to Tsh 7.48 bn in its 3<sup>rd</sup> phase of the Sustainable Management of Mineral Resources Project – SMMRP. It is of obvious interest that these subsidies benefit women, youth and other marginalized groups in an acceptable proportion.

During the 2016/17 fiscal year, 6,000 small miners were trained on how to mine efficiently, extraction of minerals, health and safety in mining, entrepreneurship and environmental conservation by STAMICO in all zones. Similar training events are planned for over 4,000 small miners in the 2017/18 fiscal year. It is therefore anticipated that a healthy proportion of women, youths and other marginalized groups shall benefit proportionally. This is important when considering that around Tsh 12.95 billion is to be used in such training events.

Finally the Ministry of Energy and Minerals should initiate and capture in better detail all the specific barriers and capacity gaps for women's economic engagement in the value chains of the gas, minerals and energy sub-sectors. It is obvious that a disaggregation by sex or gender would reveal even more menacing or unfavorable treatment for women, youth and other marginalized groups.

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12. Ibid., Para 144

13. Ibid., Para 148

## References

GoT 2017:1 Hotuba ya Wizara ya Nishati na Madini Kuhusu Makadirio ya Mapato na Matumizi kwa Mwaka wa Fedha 2017/18. Jamhuri ya Muungano wa Tanzania, Dar Es Salaam, Juni 2017.

UN Women Mapping Study on Gender and Extractive Industries in Mainland Tanzania. Report. November 2016. UN Women

World Bank Gender Dimensions of Artisanal and Small-Scale Mining, 2012

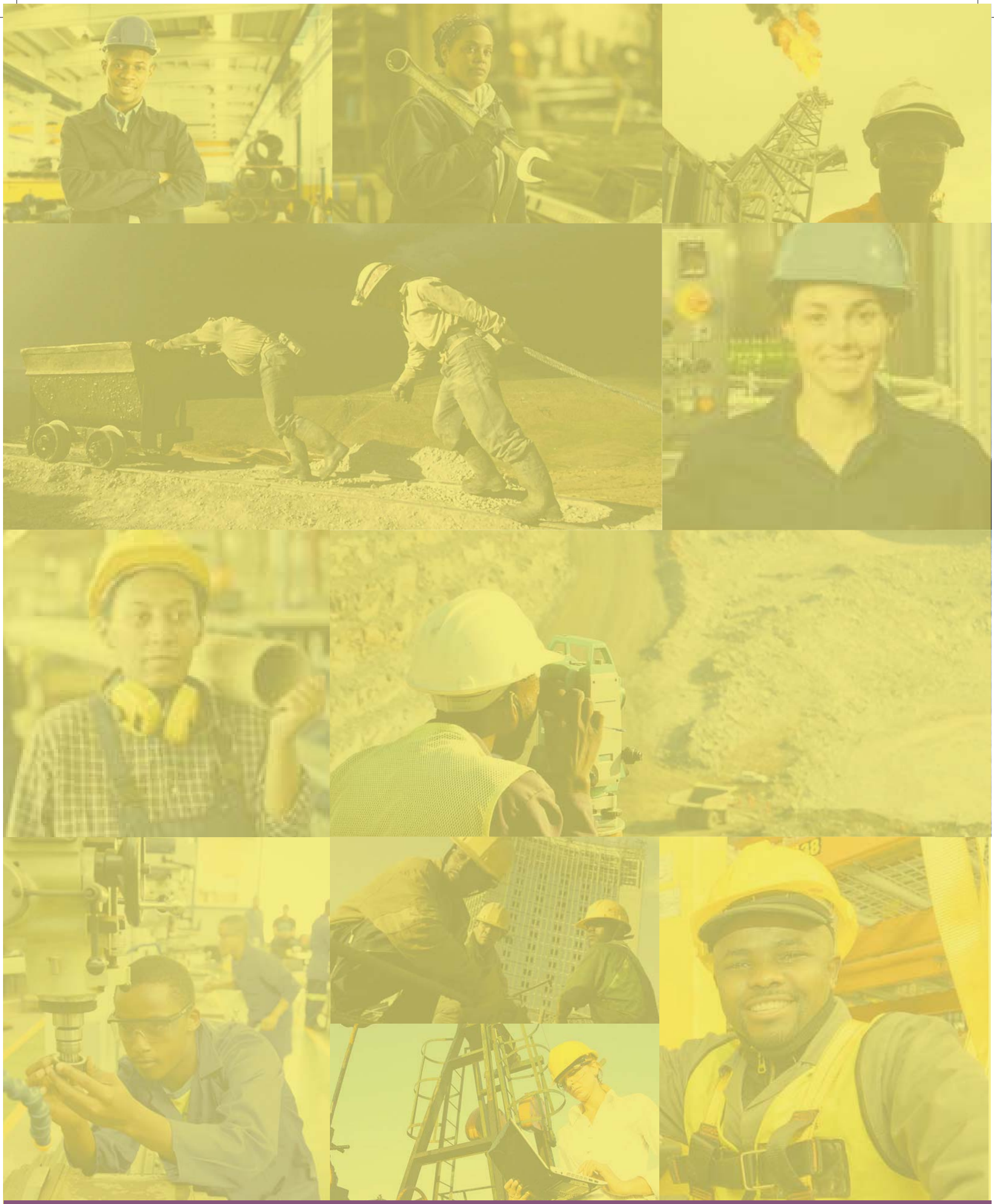
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GoT 2017 - 2017/18 Budget Speech, Ministry of Energy and Minerals. United Republic of Tanzania. 2017





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