

Press Release 1 September 2015

Citizens expect four million jobs and 7.5 million shillings each from gas deposits Data show that citizens are ill-informed about the sector and relevant policies

25 August 2015, Dar es Salaam: Citizens are significantly misinformed about the potential of the country's gas deposits. Almost 2 out of 10 (or 17%) think that they will be employed in the sector. Using current population data this suggests that four million jobs are expected by ordinary citizens. As a comparison, the gas sector in Norway only employs 240,000 people. People also expect that, in ten years, total gas revenue will amount to TZS 7.5 million per person; the most optimistic projections put this figure at TZS 2.5 million, or just a third of popular expectations.

In general, citizens do not have access to full information about Tanzania's gas sector: more than half (53%) think that gas from the new offshore discoveries is already flowing (projections indicate that 2025 is the earliest this can happen), and six out of ten believe that both the Government and foreign companies are already earning revenues from the gas (this will happen when gas is ready for end use).

Overall, 6 out of 10 citizens (59%) think that the natural gas deposits will improve their lives and a similar number (58%) expect that the Government will invest gas revenue into public services. In 2013, 8 out of 10 citizens expected the gas finds would lead to improved living conditions for themselves and their children, so this shows a reduction in optimism about the benefits of gas

These findings were released by Twaweza in a research brief titled *Great expectations /Citizens' views* on the gas sector. The brief is based on data from *Sauti za Wananchi*, Africa's first nationally representative high-frequency mobile phone survey. The findings are based on data collected from two rounds of calls. A total of 1,562 respondents across Mainland Tanzania (Zanzibar is not covered in these results) were reached between October and December 2013 and, more recently, 1,316 respondents were reached in April and May 2015.

In addition to new jobs and more money, more than half of the people (51%) expect the gas deposits to bring them a stable electricity supply (currently just over 10% of the population is connected to the national grid). Slightly less than half (46%) expect more affordable cooking gas.

But citizens are also skeptical about how gas income might be shared. More than half think that people in Government (33%) or the wealthy (22%) will benefit most from the gas revenues. In 2013 more people (31%) thought all citizens would benefit equally than in 2015 (22%).

The Government of Tanzania is developing two policies to regulate the gas sector, but 3 out of 4 people are not aware of these. However, citizens do have views on some key aspects of gas revenue management. Almost half (46%) want to use the gas to provide domestic electricity, although the other half mention exporting the gas to East Africa or beyond. More than half of citizens (55%) want the Government to keep most of the revenue, whereas close to 1 out of 3 (30%) want the Government and foreign companies to share the revenue equally.

Citizens also make a clear call for greater transparency and accountability. Close to 8 out of 10 (77%) want someone to provide them with more information about the gas sector. An even higher number (85%) want to know details about the contracts between the Government and foreign companies, and 6 out of 10 (59%) want this information to be disseminated via the media. And finally when it comes to management of the revenues, citizens do not know who to trust. Close to 3 out of 10 do not know which government agency should be responsible for revenue management. The most popular answer (reported by 1 out of 5, or 21%) was that Parliament should be the custodian of gas money.

"The lack of good and accessible information coupled with many uninformed rumours which are generating citizens' grossly inflated expectations about the sector, and the lack of trust in responsible institutions all paint a worrying picture," said Aidan Eyakuze, Executive Director of Twaweza. "We should be worried about the real possibility that elites will enjoy the lion's share of the gas revenue benefits, while ordinary citizens' lives don't improve. We can avoid this trap if we start by providing clear, accurate and accessible information to citizens. Now is the time to manage popular expectations. If we wait until the gas and the money really start flowing, it will be too late."

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Notes to Editors

- This brief and the data contained can be accessed at <u>www.twaweza.org</u>, or www.twaweza.org/sauti
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