

AFRICA RISK CONSULTING

Tanzania Monthly Briefing September 2020

Tanzania Summary 7 September 2020

The campaign period for Tanzania's 28 October general election has officially commenced, with the ruling Chama Cha Mapinduzi (CCM) party's election campaign in full swing. Opposition parties have lodged appeals with the National Electoral Commission (NEC) after it disqualified scores of their candidates from running. Economic sabotage is back in the headlines as former Tanzania Revenue Authority (TRA) commissioner general Harry Kitiliya and four co-accused plead guilty and pay fines totaling TSh1.5 billion (\$645,000) after spending four years in jail for money laundering. The crackdown on media freedoms and civil society organisations is intensifying in the lead-up to the election. The government has made multiple attempts to control media freedoms and minimise external oversight of the campaign period and voting process.

Election campaign in full swing

The lead up to the 28 October general election continues to intensify with campaigning having officially commenced on 25 August. As part of the preparation process, the ruling **Chama Cha Mapinduzi (CCM)** party's powerful **National Executive Committee** and **Central Committee** met in **Dodoma** between 17 and 22 August to confirm the party's candidates to run as members of parliament. The CCM's leadership bodies are able to overturn the pre-selection voting process that took place at the local levels in mid-July. Notably, the CCM committees have opted to include former **CRDB Bank** chief executive officer **Charles Kimei**, who received the second-highest votes at the local level but was elevated to become CCM's nominee. Conversely, the party overturned the nominations of **Stephen Masele**, deputy minister for energy and minerals under former president **Jakaya Kikwete** (2005-2015), who had a public argument in May 2019 with speaker of the national assembly, **Job Ndugai**.¹ Additionally investment minister and former minister for minerals **Angellah Kairuiki** and former minister for home affairs **Kangi Lugola**, whom President **John Magufuli** (2015-present) demoted, were not carried forward as party nominees.² Nominees have now collected the requisite forms from the **National Electoral Commission (NEC)** and commenced campaigning.

While CCM has moved into campaign mode, opposition parties are still grappling with the NEC in an attempt to overturn its disqualification of dozens of their candidates from running. Opposition parties are claiming that the NEC has disqualified their candidates from running across 144 parliamentary constituencies.³ Opposition **Chadema** party leader **Tundu Lissu** announced that the NEC had eliminated 53 of the 244 candidates the party had nominated to vie for parliamentary seats. Expressing his frustration at a rally in **Dar es Salaam** on 28 August, Lissu remarked that:

"They have been eliminated even before the election whistle has been blown. Candidate disqualification has been done unjustifiably against legal procedures and rules."⁴

Opposition party **ACT-Wazalendo** announced on 5 September that it was halting its campaign until its appeals are heard after the NEC disqualified 47 of its candidates in **Zanzibar**, where the race between ACT-Wazalendo, led by veteran politician **Maalim Seif Sharif Hamad**, and CCM's

¹ The Citizen, 18 May 2019

² The Citizen, 20 Aug 2020

³ The Citizen, 31 Aug 2020

⁴ The East African, 31 Aug 2020

presidential candidate, **Dr Ali Hassan Mwinyi**, is predicted to be very close.⁵ Dozens of disqualifications will significantly undermine ACT-Wazalendo's chances of running a competitive campaign. A similar tactic of disqualifying scores of opposition candidates took place in the lead-up to the November 2019 local elections, which resulted in the major opposition parties boycotting the election and CCM winning 99.77% of the vote.⁶

The additional component of the election strategy that remains unknown is whether or not the main opposition parties will come together to form a coalition to challenge CCM. This was the strategy undertaken in 2015 when the main opposition parties formed a coalition under the leadership of Chadema's presidential candidate, **Edward Lowassa**, under the banner of **Umoja wa Katiba ya Wananchi (UKAWA)** (Coalition for the People's Constitution). Any coalition formed during this election would involve the parties nominating a presidential candidate to represent the alliance, which would most likely be a choice between Chadema's Tundu Lissu and ACT-Wazalendo's (and former CCM minister) **Bernard Membe**. Although CCM and Magufuli are all but guaranteed victory at the national level, a well organised coalition may be effective in ensuring that there are enough opposition voices in parliament to ensure more effective scrutiny of proposed legislation.

The upcoming election will be run in the midst of the global **Covid-19** pandemic. Tanzania is, however, operating without government-imposed restrictions on movement or social distancing. To date, there have been no indications that there will be any health or movement related restrictions in the lead-up to the election and on election day itself. Election rallies are taking place in crowded arenas and no health-related restrictions are mandated.

Economic sabotage

The phrase 'economic sabotage' is once again a hot topic in Tanzania. The phrase relates to a number of non-bailable offences captured under the **Economic and Organised Crime Control Act**, and includes money laundering and tax evasion. In August the **Court of Appeal** overturned a verdict of the **High Court** that had previously declared that denying bail to individuals facing economic sabotage charges is unconstitutional. The Court of Appeal's ruling thus allows the practice of denying bail to individuals facing economic sabotage charges to continue.⁷

What makes economic sabotage charges of interest politically is the targeting of high-profile Tanzanians charged with these offences, and the past practice of allowing those in remand to plead guilty and negotiate a fee for their freedom. In October 2019, the government embarked on an amnesty that saw 457 detainees pay for their freedom, raising TSh108 billion (\$46m) for its coffers in a matter of weeks. The amnesty came just two months before the November local elections, with many speculating that this was a tactic to raise campaign finances for CCM.⁸

Economic sabotage charges have been levelled against political opponents such as prominent journalist **Erick Kabendera**, who was held for seven months after being charged with money laundering, tax evasion and leading organised crime (see *ARC Briefing Tanzania Aug-Dec 2019, Mar 2020*). Kabendera was eventually released after pleading guilty and paying fines totalling \$118,000.⁹ Additionally, in June three former **Acacia Mining** executives, **Deodatus Mwanyika**, **Alex Lugendo** and **Assa Mwaipopo**, were released after spending close to 18 months in jail (see *ARC Briefing Tanzania July 2020*). The trio pleaded guilty to tax evasion at the **Kisutu Resident Magistrate Court** and were fined a total of TSh1.5 billion (\$645,000).¹⁰

The most recent high-profile case of this 'catch and release' tactic was the 26 August release of **Harry Kitilya**, former commissioner general of the **Tanzania Revenue Authority (TRA)**. Kitilya and four

⁵ The East African, 31 Aug 2020

⁶ Daily News

⁷ Daily News, 6 Aug 2020

⁸ The East African, 30 Sep 2019

⁹ BBC, 24 Feb 2020

¹⁰ The Citizen, 16 Jun 2020

co-accused – **Shose Sinare**, former head of investment banking at **Stanbic Bank**; **Sioi Solomon**, former chief of legal affairs at Stanbic Bank; and senior finance ministry officials **Bedason Shallanda** and **Alfred Misana** – were released after spending four years in jail, after agreeing to plead guilty to money laundering and paying TSh1.5 billion (\$645,000) in fines.¹¹ The original charges relate to allegations that the accused committed offences between 2012 and 2015 in relation to a loan the government was negotiating with **Standard Bank in London (United Kingdom)**.¹²

There is concern that this tactic of jailing and releasing prominent business figures for a fee will increase in the months leading up to the election. The strategy provides the government, and CCM, with critical funds that can be used on the campaign trail. However, the tactic will also feed into the narrative that the democratic space in Tanzania is continuing to diminish. It is also likely to see prominent Tanzanian businesspeople look further abroad – both in terms of where they invest and also where they keep their money. The associated risks are increased capital flight and lower confidence in Tanzania as an investment jurisdiction – both for local and international companies.

Freedom of expression continues to falter

President Magufuli’s administration has taken further steps to limit media freedoms and curtail the work of prominent non-governmental organisations (NGOs) in the lead up to the October election.¹³ The government has progressively used the **Statistics Act**, the **Cyber Crimes Act** and the **Media Services Act** to clamp down on freedom of expression in the media recently. However, in the past month, the **Tanzania Communications Regulatory Authority (TCRA)** has taken further steps to limit what the media can publish. Amendments to the **Electronic and Postal Communications (Radio and Television Content) Regulations 2020** require broadcasters to get approval before using foreign content. The timing of the regulatory change, announced shortly after **Radio Free Africa** aired a UK-based **BBC** interview with opposition party Chadema’s presidential candidate, Tundu Lissu, is clearly political.¹⁴

Additionally, it is now a crime to post anything on traditional or social media that aims to “*ridicule, abuse or harm the reputation, prestige or status of the United Republic of Tanzania*”.¹⁵ The amendments specifically target reporting that threatens national security, related to organising or promoting protests, or that could harm the national currency or national unity. It also restricts reporting on infectious diseases without the approval of the relevant authorities.¹⁶ The TCRA suspended prominent radio station **Clouds FM** for seven days after it published statistics related to the upcoming election without the approval of the National Electoral Commission (NEC).¹⁷

A further crackdown on the activities of NGOs has broadly coincided with the media crackdown. The **Tanzania Human Rights Defenders Coalition** announced on 18 August that it was temporarily suspending its operations as the police had ordered its bank, CRDB, to freeze its account for allegedly not adhering to NGO reporting guidelines.¹⁸ Sources within the NGO sector ARC consulted fear that other high profile and outspoken NGOs may be targeted in a similar way in the months leading up to the election.¹⁹

The government appears to be restricting not only the voices of prominent NGOs but also their ability to monitor the election. When the NEC announced on 19 July the list of 97 organisations approved to act as local observers in the upcoming election, the list failed to include a number of prominent NGOs including the **Tanzania Legal and Human Rights Centre**, Tanzania Human Rights Defenders

¹¹ Daily News, 26 Aug 2020

¹² The Citizen, 26 Aug 2020

¹³ The Citizen, 27 Aug 2020

¹⁴ Deutsche Welle, 11 Aug 2020

¹⁵ The Citizen, 11 Aug 2020

¹⁶ The Citizen, 11 Aug 2020

¹⁷ The Citizen, 27 Aug 2020

¹⁸ The Citizen, 18 Aug 2020

¹⁹ ARC Tanzania Analyst

Coalition and the **Tanzania Constitution Forum**.²⁰ Many of the approved organisations are small grass roots entities, without the experience or capacity to be alert to nation-wide trends in voting patterns. There is concern that this trend will increase in the months leading up to the election, with a particular focus on further restricting the media's ability to report impartially.

Planner

25 Aug – 27 Oct 2020 (**Tanzania**) Official campaign period for the general election;
 14 Oct 2020 (**Tanzania**) Nyerere Day (National holiday);
 28 Oct 2020 (**Tanzania**) General elections (National holiday);
 9 Dec 2020 (**Tanzania**) Tanzania Independence Day (National holiday)

Chronology

5 Sep 2020 **Lindi (Tanzania)** *The Citizen*. Opposition party **ACT-Wazalendo** halts its election campaign as it awaits a verdict from the **National Electoral Commission (NEC)** on the disqualification of some of its candidates;

3 Sep 2020 **Lindi (Tanzania)** *The Citizen*. The **Court of Appeal** dismisses an appeal by **African Barrick Gold Plc** against the **Tanzania Revenue Authority (TRA)** relating to a tax bill of \$41m;

2 Sep 2020 **Lindi (Tanzania)** *The Citizen*. Opposition parties **ACT-Wazalendo** and **Chadema** kick off their election campaigns in separate rallies in **Lindi**;

1 Sep 2020 **Bahi (Tanzania)** *The Citizen*. President **John Magufuli** commences his election campaign with a re-election rally in **Bahi**;

1 Sep 2020 **Dar es Salaam (Tanzania)** *The Citizen*. **Tanzania**-based **Precision Air** will be allowed to fly between **Tanzania** and **Kenya** as the two countries try to resolve their dispute over travel restrictions during **Covid-19**;

31 Aug 2020 **Dar es Salaam (Tanzania)** *The East African*. Opposition **Chadema** party presidential candidate **Tundu Lissu** raises concerns over the number of opposition candidates being barred from running in the October election;

28 Aug 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Over two months since **United Kingdom**-headquartered **Petra Diamonds Limited** announced a sale process for the **Williamson Diamond Mine** in **Shinyanga**, no offers have been made to purchase the asset;

28 Aug 2020 **Dar es Salaam (Tanzania)** *The Citizen*. The **Tanzania Communications Regulatory Authority (TCRA)** has fined **Raha Limited** TSh11.8 billion (\$5.1m) for using the incorrect radio communications frequency without a valid licence;

27 Aug 2020 **Nairobi (Kenya)** *The East Africa*. The **Tanzania Civil Aviation Authority (TCAA)** has revoked flight approvals for **AirKenya Express**, **Fly540**, and **Safarilink Aviation** as part of the ongoing stand-off between **Kenya** and **Tanzania** over flight restrictions during **Covid-19**;

27 Aug 2020 **Dar es Salaam (Tanzania)** *The Citizen*. The **Tanzania Communications Regulatory Authority (TCRA)** has suspended **Clouds FM** for one week for announcing election related statistics that were not approved by the **National Electoral Commission (NEC)**;

26 Aug 2020 **Dar es Salaam (Tanzania)** *Daily News*. The **Director of Public Prosecutions (DPP)** releases former **Tanzania Revenue Authority (TRA)** commissioner general **Harry Kitilya** and four co-accused after spending four years in jail after they agreed to a plea bargain

²⁰ The Citizen, 18 Jul 2020

for money laundering and paying TSh1.5 billion (\$645,000);

24 Aug 2020 **Dar es Salaam (Tanzania)** *The Citizen*. The **Tanzania Civil Aviation Authority (TCAA)** announces that all drones must be registered, with a window of just four days for owners to complete the registration process;

21 Aug 2020 **Dar es Salaam (Tanzania)** *Yahoo*. Global credit ratings agency **Moody's Investors Service** downgrades **Tanzania's** foreign and local currency issuer ratings to 'B2' from 'B1' and changes the outlook to 'stable' from 'negative';

18 Aug 2020 **Dar es Salaam (Tanzania)** *The Citizen*. President **John Magufuli** hands over the chairmanship of the **Southern African Development Community (SADC)** to **Mozambique's** President **Felipe Nyusi**;

18 Aug 2020 **Dar es Salaam (Tanzania)** *Daily News*. **National Microfinance Bank's (NMB)** board announces **Ruth Zaipuna** as the bank's new CEO;

18 Aug 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Prominent human rights organisation, the **Tanzania Human Rights Defenders Coalition**, has temporarily shut down after the police instructed **CRDB Bank** to close its accounts;

16 Aug 2020 **Arusha (Tanzania)** *The Citizen*. Revenues from the mining sector increased by 52.6% during 2019/20 compared to the year before, partially attributed to an increase in gold prices and also due to the formalisation of small scale mining;

14 Aug 2020 **Arusha (Tanzania)** *The Citizen*. Unknown perpetrators burn down opposition party **Chadema's** regional headquarters in **Arusha**;

12 Aug 2020 **Dar es Salaam (Tanzania)** *The Citizen*. The **World Travel and Tourism Council** has approved **Tanzania** as a safe travel destination due to the health and safety procedures put in place during the **Covid-19** pandemic;

11 Aug 2020 **Dar es Salaam (Tanzania)** *The Citizen*. The **Tanzania Communications Regulatory Authority (TCRA)**, via its content committee, has placed further amendments to the **Electronic and Postal Communications (Radio and Television Content) Regulations** that will now require broadcasters to get approval before using foreign content;

10 Aug 2020 **Dar es Salaam (Tanzania)** *The East African*. **Dangote Cement** will test run its \$90m gas-fired plant in **Mtwara** during August;

8 Aug 2020 **Dar es Salaam (Tanzania)** *Daily News*. The **Bank of Tanzania** (central bank) announces measures to stabilise the foreign currency market in **Tanzania**, including a change to the minimum tradable amount of a currency on a given price;

7 Aug 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Car manufacturer **Isuzu East Africa** announces that it is re-entering the **Tanzanian** market after a three-year absence;

6 Aug 2020 **Dar es Salaam (Tanzania)** *The Daily News*. The **Court of Appeal** overturns a verdict by the **High Court** that rule that denying bail to an individual who was facing charges of economic sabotage is unconstitutional;

6 Aug 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Opposition party **ACT Wazalendo** confirms former minister for foreign affairs **Bernard Membe** as its mainland presidential candidate and party chairman **Maalim Seif Shariff Hamad** as its presidential candidate for **Zanzibar**;

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