

## AFRICA RISK CONSULTING

### Tanzania Monthly Briefing October 2020

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#### Tanzania Summary 7 October 2020

*The campaign for Tanzania's 28 October elections is in its final month. President John Magufuli (2015-present) and the ruling Chama Cha Mapinduzi (CCM) remain the strong favourites to win amid increasing interference in the opposition parties' campaign. The United States (US) and its embassy calls for the government to adhere to democratic norms, appearing to threaten sanctions against those who fail to do so. Law firm IMMA Advocates dismisses prominent lawyer and activist Fatma Karume as a partner at the firm due to her increasing activism in the political sphere, a move that may see her become more politically outspoken. Tanzania's oil and gas sector shows renewed signs of life amid recent progress in development of the planned Uganda-Tanzania crude oil pipeline project.*

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#### Opposition parties face electoral interference ...

President **John Magufuli** (2015-present) and the ruling **Chama Cha Mapinduzi (CCM)** party remain the firm favourite to win **Tanzania's** general election on 28 October. The CCM's odds have improved as the opposition faces increasing obstacles in its attempts to run an effective campaign. Interference by the **National Electoral Commission (NEC)** has been significant in the weeks leading up to the election, with many questioning the organisation's independence. On 2 October, the NEC announced that it was suspending main opposition party **Chadema's** presidential candidate, **Tundu Lissu**, from campaigning for seven days.<sup>1</sup> The NEC suspended Lissu on the basis of allegedly seditious remarks he made on the campaign trail in which he alleged that Magufuli was working with electoral officers to sabotage the upcoming election.<sup>2</sup> Chadema has accepted Lissu's suspension and will no doubt be working out behind the scenes how to manage the remaining weeks of the campaign period. In addition to suspending Lissu, the NEC disqualified scores of opposition candidates from standing in the upcoming election. Opposition parties appealed many of the disqualifications and the NEC reinstated some, but not all, candidates in decisions it announced on 8 September and 1 October.<sup>3</sup> Interference in opposition party politics has also been evident in the arrest of two opposition party **ACT-Wazalendo** officials during the week of 20 September, with both arrested and charged with crimes related to economic sabotage, an unbailable offence.<sup>4</sup>

The main opposition parties are yet to announce if or what sort of alliance they will form to challenge the ruling CCM's dominance in the national assembly. The delay in any announcement, coupled with repeated interference in their election campaigns, will limit their effectiveness come election day.

Repeated cases of election interference have not gone unnoticed internationally. On 1 October, the **United States (US)** embassy issued a statement on the upcoming elections, noting that:

*"The conduct of the upcoming elections in Tanzania has important consequences not only for Tanzania, but for the entire **East African** region."<sup>5</sup>*

The US appears to be contemplating personal sanctions on those it deems responsible for electoral interference, as opposed to its more traditional response of denying or deferring aid to Tanzania, as it did following the disputed elections in **Zanzibar** in 2016.<sup>6</sup>

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<sup>1</sup> Daily News, 2 Oct 2020

<sup>2</sup> The Citizen, 2 Oct 2020

<sup>3</sup> Daily News, 8 Sep 2020, The Citizen, 1 Oct 2020

<sup>4</sup> The Citizen, 20 Sep 2020

<sup>5</sup> US Embassy, 1 Oct 2020

*“We will not hesitate to consider consequences for those found to be responsible for election-related violence or undermining the democratic process.”<sup>7</sup>*

In parallel to the US embassy’s statement, US **House of Representatives Democratic Party** representative **Karen Bass** and **Republican Party** representative **Chris Smith** have sponsored pending resolution **H. RES. 1120** to be debated in the House of Representatives in **Washington (US)**. The resolution

*“... urges Tanzania to ensure free and fair elections in 2020, to guarantee and respect the human and constitutional rights of its citizens, and to foster a business environment that is conducive to continued U.S. trade and investment in Tanzania.”<sup>8</sup>*

The resolution notes the progressive decline in media freedoms, civic freedoms and the diminishing democratic space in Tanzania under Magufuli’s administration. It also makes reference to the allegations that some journalists have disappeared. Unsurprisingly, there has been very limited coverage in the Tanzanian press of either the embassy announcement or the pending resolution in the House of Representatives, with media very much focused on domestic political matters, and state-owned media houses choosing to ignore growing international criticism. A regional panel led by the **Kenya Human Rights Commission** along with civil society organisations and judges from **Kenya** and **Uganda** will oversee the elections.<sup>9</sup>

### **... as prominent lawyer and activist Fatma Karume is fired and disbarred**

Prominent lawyer and political activist **Fatma Karume** is claiming that political activism has cost her position as a partner in **IMMA Advocates, DLA Piper’s** Tanzanian entity.<sup>10</sup> Karume announced her sacking from the firm via **Twitter** on 21 September, tweeting that she had been *“FIRED from the Firm that I helped build. My sin: “ACTIVISM”*<sup>11</sup> The **Tanganyika Law Society** subsequently removed Karume from the roll of advocates.<sup>12</sup>

Karume is the daughter of **Amani Karume**, the sixth president of Zanzibar (2000-2010), and granddaughter of **Abeid Amani Karume**, founding president of Zanzibar (1964-1972). Although her politically prominent relatives were members of the ruling CCM, Karume has long been an outspoken critic of President Magufuli, criticising the decreasing civic space in Tanzania under his leadership. Additionally, in September 2019 she vocally protested that the president’s decision to appoint **Professor Adelardus Kilangi** as the attorney general was unconstitutional.<sup>13</sup> Following that outburst, Karume was suspended from practising law on the mainland.

The consensus has long been that Karume, due to her political family links, has been able to get away with voicing opinions that many Tanzanians would not dare to express in the current political climate. Additionally, Karume is regarded as being close to fellow lawyer and opposition party Chadema’s presidential candidate, Tundu Lissu.

There have been anecdotal reports over the past year that IMMA Advocates has lost a significant amount of work due to its association with Karume and her obvious positioning on the wrong side of the president.<sup>14</sup> The impact on workflow, as well as likely political pressure from the government, are two possible factors that contributed to her sacking just one month out from the general election.

<sup>6</sup> BBC, 29 Mar 2016

<sup>7</sup> BBC, 29 Mar 2016

<sup>8</sup> Congress.gov, 17 Sep 2020

<sup>9</sup> The East African, 6 Sep 2020

<sup>10</sup> The Citizen, 21 Sep 2020

<sup>11</sup> Twitter, 21 Sep 2020

<sup>12</sup> HabariLeo, 23 Sep 2020

<sup>13</sup> The Citizen, 20 Sep 2019

<sup>14</sup> Source, Tanzania analyst

Karume is unlikely to remove herself from public life. Although it is not yet clear what her next career move will be, many are speculating that her exit from IMMA Advocates may speed up an entrance into politics.

### Movement in the oil and gas sector

Under Magufuli's administration, Tanzania has been slow to make progress towards developing new projects in its oil and gas sector, which boasts an abundance of resources. However, there have been recent signs of renewed life in the sector. Tanzania has made significant recent progress on developing the planned **Uganda-Tanzania** crude oil pipeline project. Although the project appeared to be on hold for many months, during the week of 13 September **France**-headquartered oil company **Total**'s CEO, **Patrick Pouyanné**, met with Uganda's President **Yoweri Museveni** (1986-present) and subsequently with President Magufuli to pave the way for the stalled project to progress.<sup>15</sup> Over the past two months, scores of consultants working on the project have re-entered Tanzania to re-commence the resettlement action plan as part of the land acquisition process that will be required to compensate those who will need to relocate for the pipeline to be built from Uganda to the port of **Tanga** in eastern Tanzania. Construction on the \$3.5 billion project is slated to commence in March 2021.<sup>16</sup> Once in operation, it will be the world's largest heated pipeline, transporting crude oil from oilfields in **Hoima** to Tanga.

In addition to the proposed pipeline project, the country's liquefied natural gas (LNG) project in **Lindi** in southern Tanzania is potentially transformational. Despite this, the host government agreement negotiations – which outline the commercial, legal and financial framework for the project – stalled in August 2019. Delays relate to conflicting views on local content and revenue sharing for the LNG project. Negotiations have also slowed down due to a parallel review of existing production sharing agreements that the government has been undertaking since 2018. In June, energy minister **Medard Kalemami** told parliament:

*“Construction of this project is expected to start in 2022 and will be concluded in 2028. The project will have capacity to produce 10 million tonnes of LNG a year.”<sup>17</sup>*

The energy ministry clarified on 21 September that negotiations would resume after the elections.<sup>18</sup> In reality, however, delays around the announcement of the election results, the formation of cabinet and the proximity of the elections to the Christmas break, mean that talks are unlikely to resume until January 2021 at the earliest. Nevertheless, the private sector partners – **Netherlands**-based **Royal Dutch Shell**, **Norwegian** national oil company **Equinor**, **US**-headquartered **Exxon Mobil**, **Singapore**-based **Pavilion Energy** and **United Kingdom (UK)**-headquartered **Ophir Energy** – are likely to exert continued patience for what is a \$30 billion project, with investors having already spent \$2 billion in exploration and scoping activities.<sup>19</sup>

Developing the country's first LNG project was often touted as a race between Tanzania and **Mozambique**. However, Mozambique's project in **Cabo del Gado** has moved significantly faster than Tanzania's project, with the final investment decision of the Total-operated project made in June 2019 and \$15 billion of financing for the project already committed.<sup>20</sup> Whether or not there is sufficient appetite for two LNG projects to come on line in quick succession remains unknown, however increasing instability in Cabo del Gado and surrounding areas related to various Islamic terrorist organisations may see further delays to the project. Depressed global oil and gas prices will also play a key role in the appetite of companies to develop new projects at this point in time.

<sup>15</sup> The Citizen, 13 Sep 2020

<sup>16</sup> The Citizen, 13 Sep 2020

<sup>17</sup> Further Africa, 8 Sep 2020

<sup>18</sup> The Citizen, 21 Sep 2020

<sup>19</sup> Further Africa, 8 Sep 2020

<sup>20</sup> Argus, 3 Jun 2020

Progress on either of the two projects would be a significant achievement in Tanzania, which has seen limited success in getting new natural resources projects, be they oil and gas or mining, off the ground during Magufuli's five years in office.

### 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

6 Oct 2020 **Dar es Salaam (Tanzania)** *The Citizen* Police are holding several supporters of opposition **Chadema** party leader **Tundu Lissu** in the **Coast** region after alleging that they were trying to show support for Chadema's presidential candidate despite his suspension from campaigning for seven days;

6 Oct 2020 **Dar es Salaam (Tanzania)** *The Citizen*. President **John Magufuli** has received the credentials of the new ambassadors from **Pakistan**, the **United Kingdom** and **Switzerland**;

3 Oct 2020 **Dar es Salaam (Tanzania)** *The Citizen*. State-owned **Air Tanzania Company Limited** has signed an interline agreement with state-owned **Qatar Airways** to ensure seamless connections for passengers;

2 Oct 2020 **Dar es Salaam (Tanzania)** *Daily News*. The **National Electoral Commission (NEC)** suspends **Chadema** opposition candidate **Tundu Lissu's** campaign for seven days;

2 Oct 2020 **Dar es Salaam (Tanzania)** *The Citizen*. The **United States (US)** embassy issues a statement warning the government to ensure that the upcoming elections are peaceful and democratic;

1 Oct 2020 **Dar es Salaam (Tanzania)** *The Citizen*. The **National Electoral Commission (NEC)** reinstates 67 parliamentary candidates across three constituencies where the ruling CCM would have otherwise stood unopposed;

29 Sep 2020 **Nairobi (Kenya)** *The East African*. Following a state visit by **Burundi's** President **Evariste Ndayishimiye**, Burundi and **Tanzania** announce plans to build a railway to transport minerals from **Uvinza** in Tanzania to **Gitega** in Burundi;

28 Sep 2020 **Dodoma (Tanzania)** *Daily News*. Ideology and publicity secretary of ruling **Chama Cha Mapinduzi (CCM)** **Humphrey Polepole** announces that the government has given 900,000 acres to 1,000 villages during the past five years;

22 Sep 2020 **Dar es Salaam (Tanzania)** *Daily News*. **CRDB Bank** decreases interest rates on loans from 20% to 18% and removes the requirement for collateral as part of its agricultural loans programme;

21 Sep 2020 **Kigoma (Tanzania)** *The Citizen*. Two **ACT-Wazalendo** party officers remain in custody with limited details regarding their arrests, causing further outrage among opposition leaders;

21 Sep 2020 **Dar es Salaam (Tanzania)** *The Citizen*. The energy ministry announces that following the October elections, talks will resume between the government and the international oil companies seeking to develop **Tanzania's** first liquefied natural gas project in **Lindi**;

21 Sep 2020 **Dar es Salaam (Tanzania)** *The Citizen*. **Vodacom Tanzania** announces a special dividend totaling TSh 400 billion (\$173m), amounting to TSh 178 (\$0.07) per share;

21 Sep 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Law firm **IMMA Advocates** has sacked **Fatma Karume**, a prominent lawyer, activist and granddaughter of **Zanzibar's** founding present;

20 Sep 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Two aides of opposition party **ACT-Wazalendo's** presidential candidate, **Bernard Membe**, have been arrested and held on charges of economic sabotage;

17 Sep 2020 **Nairobi (Kenya)** *The East African*. **Tanzania, Uganda** and **Rwanda** are working together as part of a **World Bank** funded project to integrate the three countries' stock markets on an online platform;

17 Sep 2020 **Dar es Salaam (Tanzania)** *Daily News*. The **State Mining Company (Stamico)** purchases three additional drilling rigs valued at TSh 5.2 billion (\$2.2m);

16 Sep 2020 **Geita (Tanzania)** *Daily News*. The 3<sup>rd</sup> **International Gold Exhibition** commences in **Geita** region, highlighting the work of the mining sector;

15 Sep 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Passengers travelling from **Tanzania** to **Kenya** will no longer be required to quarantine for 14 days;

13 Sep 2020 **Dar es Salaam (Tanzania)** *The Citizen* **France**-headquartered **Total's** CEO, **Patrick Pouyanné**, has met with **Uganda's** president **Yoweri Museveni**, who subsequently met with President **John Magufuli** in **Chato**, to advance the **Uganda-Tanzania** crude oil pipeline project;

8 Sep 2020 **Dar es Salaam (Tanzania)** *Daily News*. The **National Electoral Commission (NEC)** has rejected 40 appeals and reinstated 15 candidates who were previously deemed ineligible to run in the 28 October election;

8 Sep 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Privately owned **Exim Bank Tanzania** announces ambassador **Juma Mwapachu** as the new chairman of its board;

7 Sep 2020 **Dar es Salaam (Tanzania)** *The Citizen*. **Ethiopian Airways** announces it will join **Rwanda Air** in running cargo flights to and from **Mwanza**;

7 Sep 2020 **Dar es Salaam (Tanzania)** *The Citizen*. The **Director of Public Prosecutions, Biswalo Mganga**, grants approval for **Chadema** member of parliament **Saed Ahmed Kubena** to be charged with illegal entry into **Tanzania** and a violation of the **Anti-Money Laundering Regulations of 2016**;

6 Sep 2020 **Dar es Salaam (Tanzania)** *The East African*. A regional panel led by the **Kenya Human Rights Commission** along with civil society organisations and judges from **Kenya** and **Uganda** will oversee the **Tanzanian** elections.

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