

## AFRICA RISK CONSULTING

### Tanzania Monthly Briefing April 2025

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#### Tanzania Summary 10 April 2025

*Opposition Chadema party confirms police arrested its leader, Tundu Lissu, on 9 April after he addressed a political rally that police dispersed with tear gas. Chadema's "No Reforms, No Election" campaign has created division within the party while prompting authorities to seek clarity on the party's intentions around the election. Prevention and Combating of Corruption Bureau (PCCB) director general Crispin Chalamila presents the PCCB's results for the 2023/2024 fiscal year on 27 March, revealing that the institution recovered TSh 30.19 billion (\$11.28m) in investigations and operations, highlighting Tanzania's ongoing struggle with corruption. Controller and auditor general (CAG) Charles Kichere presents his report for the 2023/2024 fiscal year, noting that his office carried out audits into 12 of the country's 217 state-owned enterprises (SOEs) and identified inefficient expenditure worth TSh 371.42 billion (\$139.17m), in addition to unauthorised payments amounting to TSh 6.65 billion (\$2.49m). The World Bank publishes the outcome of its investigation into alleged human rights abuses against pastoralists during the Tanzania Resilient Natural Resource Management for Tourism and Growth (REGROW) project, confirming non-compliance in adequately identifying and addressing risks.*

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#### Chadema leader arrested as "no reforms, no elections" campaign divides the party

Police arrested opposition **Chadema** party leader **Tundu Lissu** for unknown reasons on 9 April after he addressed a public rally in **Mbinga (Ruvuma Region)**.<sup>1</sup> Ruvuma regional police commander **Marco Chilya** told the media later that day that he is "also unaware" of the reasons for the arrest but is following up on his arrest.<sup>2</sup> On 10 April, police interrupted a meeting between Chadema's leadership and journalists, using teargas to disperse a crowd that had gathered outside the meeting location. This most recent arrest has added to the opposition parties' claims that the general elections, scheduled for 28 October, will not occur in a free and fair environment.

Chadema's "No reforms, No election" campaign has continued to dominate the build-up to the October presidential election, with authorities seeking clarification from the party on its intentions and fellow party members expressing their concern over the campaign. The **Office of the Party Registrar** summoned Chadema on 18 March to discuss the party's campaign and its demands. Chadema has maintained that its campaign is not about boycotting the elections, as it did in the 2019 local elections, but rather about preventing the election from going forward.<sup>3</sup> Chadema reiterated that it is seeking the implementation of the recommendations of the **Nyalali Commission**, which former president **Ali Hassan Mwinyi** (1985-1995) established to assess whether **Tanzania** should move from a single party state to a multiparty state.<sup>4</sup> The commission made several legal and constitutional reform recommendations that Chadema insists have still not been implemented.

In 2021, President **Samia Suluhu Hassan** (2021-present) established a committee to understand relevant stakeholders' opinions on Tanzania's democracy, the outcomes of which were presented in November 2022 (see *ARC Briefing Tanzania Nov 2022*). Results revealed overall dissatisfaction with the status quo of the constitution. However, responses were divided on whether it is crucial to form and adopt a new constitution or if amending the constitution would be sufficient. The task force also

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<sup>1</sup> The Citizen, 10 Apr 2025

<sup>2</sup> The Citizen, 10 Apr 2025

<sup>3</sup> The Chanzo, 18 Mar 2025

<sup>4</sup> The Chanzo, 18 Mar 2025

proposed that all future decisions by the **National Electoral Committee (NEC)**, including presidential election results, should be able to be disputed before the **Supreme Court**. Currently, presidential election results cannot legally be challenged once declared by the NEC.

Recommendations were also made to amend Tanzania's electoral system, including the **National Elections Act** and the **Political Parties Act** in a bid to create an environment for free and fair elections. Amendments were made in February 2024, but the opposition called the changes "cosmetic" (see *ARC Briefing Tanzania Feb 2024*). For example, the NEC was rebranded as the **Independent National Electoral Commission** and a new system for recruiting commission members established. While commissioners were previously appointed directly by the president, the new bill sees the establishment of a recruitment committee. However, although it appears to be a dilution of the head of state's powers, it is not. The president will maintain the final say on the appointment of half of the members and approve the nominees for the roles of chairperson and vice chairperson.<sup>5</sup>

Lissu and other senior Chadema members held a rally on 24 March to officially launch the "No Reforms, No Election" campaign, with Lissu stating:

*"My fellow citizens, let's be honest with ourselves. With this system, we will not get anywhere. We must change the electoral process...the issues that need to be changed are well known. Judge Nyalali pointed them out as far back as 1991."*<sup>6</sup>

Chadema plans to gather 15 million signatures for petitions to present to international organisations, showcasing the widespread support for these electoral reforms, which it says need to be implemented before an election is held. However, the election campaign has divided the party. On 3 April, the party removed central committee secretariat **Julius Mwita** after it was discovered that he and other party members were looking to challenge the election campaign.<sup>7</sup> The party members have formed a group called **G55**, which largely comprises members seeking to run for parliament – such chances would be jeopardised by Chadema's campaign. Former Chadema communications director **John Mrema** has also actively criticised the campaign, warning that the party risks losing funding from government. These divisions are unwelcome as the party needs a strong unified face to move this campaign forward. Nevertheless, it is unlikely that the government will move to make any reforms or delay the election and a win for Hassan remains the most likely outcome.

## PCCB presents results

**Prevention and Combating of Corruption Bureau (PCCB)** director general **Crispin Chalamila** presented the PCCB's results for the 2023/2024 fiscal year on 27 March, revealing that the institution had recovered TSh 30.19 billion (\$11.31m) in investigations and operations. Some key results from the report include:

- Collecting TSh 6.8 billion (\$2.54m) in unpaid taxes from markets and auction sites;
- Recovering TSh 3.16 billion (\$1.18m) in diverted or misallocated funds from development projects within municipalities;
- Identifying tax evasion by traders amounting to TSh 2.4 billion (\$899,299);
- Uncovering corruption, money laundering and fraudulent transactions within commercial banks worth TSh 6.55 billion (\$2.45m);
- Identifying financial mismanagement and corruption worth TSh 2.89 billion (\$1.08m) in public infrastructure projects;
- Recovering TSh 2.01 billion (\$751,167) in an illegal procurement case within state-owned **Tanzania Electric Supply Company Limited (Tanesco)**;
- Mismanagement of TSh 4.46 billion (\$1.67m) in revenue collected through Point of Sales machines.<sup>8</sup>

<sup>5</sup> Daily News, 3 Feb 2024

<sup>6</sup> The Chanzo, 24 Mar 2025

<sup>7</sup> The Chanzo, 3 Apr 2025

<sup>8</sup> The Citizen, 27 Mar 2025

Another notable case included the recovery of TSh 6.6 billion (\$2.47m) from loans that **Amboni Sisal Properties Limited** did not repay, after it was also discovered that **TIB Development Bank** disbursed the loan without following the required financial criteria.<sup>9</sup> While not mentioned in the media, the executive chairman of Amboni Sisal Properties Limited is **Nehemiah Kyando Mchechu**, the current treasury registrar.<sup>10</sup> Mchechu has previously taken media outlets to court for publishing information on corruption allegations involving him.<sup>11</sup>

In total, the PCCB handled 978 cases, including 462 new ones and 516 carried over from previous fiscal years. Among these were 92 cases focused on investigations into development projects, worth TSh 65.16 billion (\$24.41m), but the PCCB noted that the number of development cases under investigation was lower than the 171 in the 2022/2023 fiscal year.<sup>12</sup> The PCCB monitored over 1,700 development projects in the fiscal year, valued at TSh 11.48 trillion (\$4.3 billion). Chalamila noted that the decrease in the number of investigations into development projects indicates that preventative measures and the PCCB's monitoring are working.<sup>13</sup> The overall rate of cases taken to court increased from 67.7% in the 2022/2023 fiscal year to 76% in the 2023/2024 fiscal year.

Overall, Tanzania's corruption remains a key operating concern, with the country ranking 82<sup>nd</sup> out of 180 countries globally in **Transparency International's (TI) 2024 Corruption Perceptions Index** (see below).

TI CPI Rankings for Tanzania <sup>14</sup>					
	2024	2023	2022	2021	2020
<b>Ranking</b>	82/180	87/180	94/180	87/180	94/180
<b>Score</b>	41	40	38	39	38

While former president **John Magufuli** (2015-2021) was voted in on a platform of anti-corruption, sentiment among local business consultants is that corruption has increased significantly under Hassan, who turned a 'blind eye' to the issue to ensure that she won support from CCM stalwarts to be the party's candidate in the upcoming election.<sup>15</sup>

### Controller and auditor general reveals state of SOEs

Alongside the PCCB's report, controller and auditor general (CAG) **Charles Kichere**, presented his report for the 2023/2024 fiscal year, revealing that his office carried out audits into 12 of the country's 217 state-owned enterprises (SOEs) and identified inefficient expenditure worth TSh 371.42 billion (\$139.17m), in addition to unauthorised payments amounting to TSh 6.65 billion (\$2.49m).<sup>16</sup> Kichere noted that some of the inefficient expenditure was due to interest and penalties on delayed payments and even salary payments to employees who had been suspended.

Kichere highlighted the performance of several SOEs, including:

- **Air Tanzania** incurred a loss of TSh 91.8 billion (\$34.39m), a 62% increase compared to the previous year due to high maintenance costs and engine failures;
- **Tanzania Railway Corporation** lost TSh 224 billion (\$91.18m) compared to TSh 102 billion (\$38.22m) the previous year off the back of reduced revenue due to a shortage of locomotives and heavy rains which shut down tracks;

<sup>9</sup> The Citizen, 27 Mar 2025

<sup>10</sup> Amboni Group website

<sup>11</sup> CYRILLA

<sup>12</sup> The Citizen, 27 Mar 2025

<sup>13</sup> The Citizen, 27 Mar 2025

<sup>14</sup> Transparency International's [Corruption Perceptions Index](#). Countries with a low score, nearer to zero, are calculated to be more corrupt than countries with a high score, nearer to 100

<sup>15</sup> ARC source, business consultant, Dar es Salaam

<sup>16</sup> The Chanzo, 28 Mar 2025

- **National Health Insurance Fund (NHIF)** made a profit of TSh 75.51 billion (\$29.29m) compared to a loss of TSh 200 billion (\$74.94m) in the previous two years;
- **Tanzania Petroleum Development Corporation (TPDC)** made a profit of TSh 248.75 billion (\$92.96m);
- **National Housing Corporation (NHC)** made a profit of TSh 242.9 billion (\$90.77m);
- **Tanzania Ports Authority** made a profit of TSh 140.48 billion (\$52.63m).<sup>17</sup>

Tanzania's SOEs have in recent years been a significant drain on resources and contributed little to the government's revenue, leading Hassan to reform the sector. In October 2023, Hassan approved the merging of 19 SOEs into seven to improve efficiency and revenues and in March 2024, minister in the president's office (planning and investment), Professor **Kitila Mkumbo**, announced a series of strategies to strengthen the competitiveness of SOEs.

### World Bank confirms non-compliance in its tourism funded project

The **World Bank** published the outcome of its investigation into alleged human rights abuses against pastoralists during the **Tanzania Resilient Natural Resource Management for Tourism and Growth (REGROW)** project, confirming non-compliance in adequately identifying and addressing risks. The World Bank approved the \$150m project in 2018 but in July 2023, two individuals living in the project area, around **Ruaha National Park**, submitted a request to the bank's inspection panel alleging that **Tanzania National Parks Authority (TANAPA)** was threatening to evict residents of the project area using excessive force and by seizing their cattle.<sup>18</sup> Allegations were also made that TANAPA rangers had killed at least two people. The World Bank suspended disbursements under the project in April 2024, by which time it had disbursed \$125m, and the government cancelled the project in November 2024.

The World Bank's investigation found that there was non-compliance in identifying and addressing risks related to the resettlement of communities in the park as well as restrictions on park access to these communities which led to conflicts. **United States (US)-based Oakland Institute**, a think tank which supported the complainants, reported that up to 84,000 people faced eviction and economic damages amounted to over \$70m.<sup>19</sup> The bank announced two new community-driven operations, a \$2.8m project and another \$110m project, to provide support to these communities.<sup>20</sup> This is the largest amount the bank has allocated to addressing non-compliance, but the Oakland Institute believes it is not enough:

*"The World Bank failed to act after it was informed of the harms it was financing... It continued disbursements for a full year, allowing cattle seizures and farm closures to drain family savings, kept children out of school, and let TANAPA rangers murder more innocent villagers with impunity."<sup>21</sup>*

The World Bank has previously come under fire for its lack of policy adherence in Tanzania. In 2016, the institution granted a \$70m loan for the **Southern Agricultural Growth Corridor of Tanzania**, a government initiative, and allowed exemption from following the bank's **Indigenous Peoples Policy**, created to safeguard the rights of indigenous communities facing eviction.<sup>22</sup> Government friction with pastoralists does not help these situations, and it often carries out forced evictions. US-based **Human Rights Watch** reported in December that it has documented how the government has made life increasingly difficult for indigenous **Maasai** pastoralists living in the **Ngorongoro Conservation Area**, whom it is seeking to relocate, citing conservation needs.<sup>23</sup> This fractious relationship could mean that government oversight of such projects is low.

<sup>17</sup> The Chanzo, 28 Mar 2025

<sup>18</sup> The Chanzo, 3 Apr 2025

<sup>19</sup> Oakland Institute, 2 Apr 2025

<sup>20</sup> The Guardian, 3 Apr 2025

<sup>21</sup> Oakland Institute, 2 Apr 2025

<sup>22</sup> ICIJ, 30 Jan 2025

<sup>23</sup> HRW, 5 Dec 2024

## Planner

13 – 15 May 2025 **London (United Kingdom)** Tanzania to auction 26 oil and gas exploration blocks  
 12 Jun 2025 **Dodoma (Tanzania)** 2025/2026 budget presentation  
 27 Jun 2025 **Dodoma (Tanzania)** President **Samia Suluhu Hassan** to dissolve parliament  
 28 Oct 2025 **(Tanzania)** General elections  
 2025 **(Tanzania and Uganda)** Completion of **East African Crude Oil Pipeline (EACOP)**

## Chronology

9 Apr 2025 **Dar es Salaam (Tanzania)** *The Citizen*. Opposition **Chadema** party confirms police arrested its leader, **Tundu Lissu**, after he addressed a political rally that police dispersed with tear gas;

7 Apr 2025 **Dar es Salaam (Tanzania)** *The Citizen*. President **Samia Suluhu Hassan** begins a three-day official visit to **Angola**;

6 Apr 2025 **Dar es Salaam (Tanzania)** *The Citizen*. Tanzania and **Democratic Republic of the Congo (DRC)** sign a deal for the handover of land along their border to develop a dry port for both countries to use;

4 Apr 2025 **Dar es Salaam (Tanzania)** *Zawya*. **Bank of Tanzania** (central bank) holds its key interest rate at 6%, citing that inflation is under control but global trade is at risk;

3 Apr 2025 **Dar es Salaam (Tanzania)** *The Guardian*. **World Bank** releases a report on its investigation into alleged human rights abuses against Tanzanian herders during a flagship tourism project it funded for seven years, identifying critical failures in the planning and supervision of the project that has resulted in serious harm;

3 Apr 2025 **Washington DC (United States)** *BBC*. United States (US) President **Donald Trump** announces reciprocal tariffs for dozens of **African** countries, including 30% on imports from **South Africa**, 50% from **Lesotho**, 47% from **Madagascar**, 37% from **Botswana**, 40% from **Mauritius** and 13% from **Nigeria** while the tariff on goods imported from **Kenya, Ghana, Ethiopia, Tanzania, Uganda, Senegal** and **Liberia** will be 10%;

1 Apr 2025 **Dar es Salaam (Tanzania)** *The Citizen*. **Bank of Tanzania** (central bank) intervenes on the foreign exchange market, selling \$25m at an average of TSh 2,633.16 per dollar;

27 Mar 2025 **Dar es Salaam (Tanzania)** *The Citizen*. **Prevention and Combatting of Corruption Bureau (PCCB)** report indicates it recovered TSh 30.19 billion (\$11.41m) in the 2023/2024 financial year;

26 Mar 2025 **Dar es Salaam (Tanzania)** *The Citizen*. Office of the treasury registrar sets a goal for the 56 companies in which the governments hold a minority stake to contribute 10% of the national budget, up from their current 3% contribution;

25 Mar 2025 **Dar es Salaam (Tanzania)** *The Citizen*. **Bank of Tanzania** (central bank) governor **Emmanuel Tutuba** rejects recent reports in international media that the Tanzanian shilling is the worst performing currency in 2025;

20 Mar 2025 **Dar es Salaam (Tanzania)** *The Citizen*. **Egypt's** foreign affairs minister, **Badr Abdelatty**, unveils plans to expand Egyptian investment in Tanzania during a two-day official visit;

20 Mar 2025 **Dar es Salaam (Tanzania)** *Engineering News*. **Tanzania-Zambia Railway Authority** managing director **Bruno Ching'andu** says **China Civil Engineering Construction Corp (CCECC)** will invest more than \$1.4 billion to revitalise the **Tanzania-Zambia Railway (TAZARA)**;

20 Mar 2025 **Dar es Salaam (Tanzania)** *Ujasusi*. **United States** embassy in Tanzania issues a security alert, urging citizens to exercise increased caution due to a potential threat;

18 Mar 2025 **Dar es Salaam (Tanzania)** *Bloomberg*. Bloomberg exchange rate data indicate the shilling has weakened 8.9% this year, making it the world's worst performing currency;

17 Mar 2025 **Dar es Salaam (Tanzania)** *The Chanzo*. President **Samia Suluhu Hassan** launches a revised **National Land Policy**, last updated in 1995, noting that the new edition will help national efforts to manage land and its resources;

14 Mar 2025 **Luanda (Angola)** *VOA Africa*. Angola has reportedly deported for unknown reasons approximately 20 senior leaders and representatives of political parties across **Southern Africa**, including **Botswana, South Africa, Mozambique** and **Tanzania**, who were attending the **Platform for African Democrats Forum**;

13 Mar 2025 **Dar es Salaam (Tanzania)** *Reuters*. **World Health Organisation (WHO)** welcomes Tanzania's declaration that its **Marburg** virus outbreak has ended;

13 Mar 2025 **Dar es Salaam (Tanzania)** *Reuters*. A draft budget document indicates plans to increase spending by 13% to TSh 57.04 trillion (\$21.31 billion) in the next fiscal year;

### About Africa Risk Consulting:

**Africa Risk Consulting (ARC)** is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

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