

To: CCM Secretariat

From: James Walton, the Democracy Group

Re: Key observations from Zanzibar mission

Date: September 10, 2023

We greatly appreciate the opportunity to visit your great country, Tanzania, and especially the beautiful Zanzibar Island. We are grateful for the meetings you organised for us in Zanzibar albeit on short notice. The interactions with the ruling Chama cha Mapinduzi (CCM), as well as the main opposition ACT Wazalendo officials and key business players were quite useful during our mission. The trip will be influential in forging a political strategy to help CCM win the 2025 General Election in Zanzibar.

As our team embarks on writing the party's strategy, we felt it would be useful to give you a summary of our findings as requested. We understand these findings will also be shared directly with the CCM chairperson. We will be waiting for a chance to visit Dar es Salaam again after the party endorses its campaign strategy.

The following is a summary of the key observations from our trip:

- There was a consensus among the key political players that President Hussein Mwinyi is probably the most unpopular leader since the Zanzibar Revolution in 1964. This is largely because he is not considered as being Zanzibari enough. The feeling is that he was not raised on the island, returning only to run for Parliament. We heard he was isolated from the other Zanzibar CCM politicians for the period he served as the MP for Kwawani Constituency in Unguja.
- Four CCM insiders told us that the general feeling was that Mwinyi was more interested in running for the Union Presidency in 2025. The informants said they had spoken to him several times and he had told them that his one presidential term had given him enough experience to run for the top Union job. For this, Mwinyi had reportedly launched a clandestine campaign to win the support of Members of the National Assembly and the Zanzibar House of Representatives.
- Key CCM influencers and powerbrokers in Zanzibar feel that Mwinyi had isolated them. He operated privately without much consultations. As a result, there was growing resentment both in the government and in CCM. We heard that people whose backing the party had expected to ride on to victory had withdrawn their support. We

discovered that the party was disunited and fragmented to be able to defeat the opposition in 2025.

- We also spoke to the opposition parties' leaders in ACT-Wazalendo and CUF. They accused Mwinyi of ignoring the pact under the Government of National Unity (GNU) that saw ACT-Wazalendo rejoin the government in 2021.
- ACT-Wazalendo informants told our team they were tired of being sabotaged and that there was no guarantee they would not protest if there was evidence that the election had been rigged. Such a position would pose a threat of election-related violence and possible loss of lives in 2025.
- Our research partner conducted a poll, a copy of which we are attaching. The survey established that Mwinyi would only secure 20 per cent of the votes if elections were held today. First Vice-President Othman Masoud Othman Sharif would win the poll by 60 per cent. While we did not include President Samia Suluhu in the poll, she was, however, the most prominent of the other leaders. She has created a sense of pride among Zanzibaris, the first time they held both the Zanzibar and Union presidencies.
- At least 82 per cent of the respondents said President Mwinyi was probably the most corrupt politician Zanzibar has had as its top leader. The respondents claimed he had used his position to enrich himself, selling government assets as the ruling party failed to take the matter seriously.
- Sixty per cent of the respondents proposed the establishment of an independent judicial inquiry to investigate corruption allegations against Mwinyi, and take action if he was found to have been directly or indirectly involved.
- Some 58 per cent of the respondents who identified themselves as CCM supporters, believe that Mwinyi should not be nominated as the ruling party's national presidential candidate. They equated his candidature to a "deliberate" decision to hand over power to the opposition.
- The opinion of the CCM members we spoke to is that Mwinyi should not be the party's presidential candidate. They cited two precedents in Zanzibar's political history where prominent politician Aboud Jumbe resigned as the President in January 1984 and Idris Abdul Wakil who only served for one presidential term, from 1985 to 1990.
- Sixty-seven per cent said it was now the turn of the opposition to govern the country, as the ruling party had failed to improve the people's welfare.
- Asked what they would do if they had proof that the election had been rigged, 52 per cent of the respondents said they would stage protests until "the true victors of the elections" were announced.

The following is a list of scandals respondents told us Mwinyi was allegedly linked to:

- During the Covid-19 pandemic, travellers to various countries were charged a maximum of \$50 for tests. However, in Zanzibar, travellers were reportedly charged up to \$80. The informants alleged that the excess money was paid to Mwinyi. As Zanzibar was among the few countries that did not close their borders during the pandemic, it continued to receive visitors who were, however, tested upon arrival.
- President Mwinyi also revoked contracts held by local companies to provide services at the Zanzibar Airport, including Zanzibar Aviation Services & Travel Trade Ltd (ZAT), the first indigenous company to introduce international flights to Zanzibar. The contract was awarded to Dubai-based investors Dnata on personal considerations.
- The consequence was that many people lost their jobs, with ZAT no longer able to pay its staff. Even when the new investors came in, they did not give most of the jobs to locals as had been expected, instead bringing in their own employees.
- To the Zanzibaris, this was a case of corruption and favouritism. Mwinyi allegedly favoured a foreign company whose directorship was suspect over local companies that had been operating at the airport, sparking speculations that government officials probably held secret shares in Dnata.
- The government's approval of Dnata's monopoly also breached the aviation authority's regulations requiring international airport facilities be manned by at least three service providers.
- African Global Logistics (AGL) contract to run the Port of Zanzibar is another alleged corrupt deal that flouted rules requiring tendering for the privatization of a public entity. Respondents said they had only read on social media about the government's award of the contract to the foreign firm.
- There were murmurs regarding TZS 53 billion spent on the rehabilitation of Amani National Stadium, with informants saying they had received credible information that only TZS 10 billion had been spent on the project. This raises questions about transparency and accountability in the allocation of funds for public projects.
- A Turkish firm was awarded the stadium contract to raise its sitting capacity from 12,000 to 15,000 people without any known tendering process. Comparisons were made with the renovation of the 60,000 capacity Benjamin Mkapa Stadium on the Mainland estimated to cost only TZS 31 billion. The government has awarded the same Turkish contractor tenders to repair roads in Zanzibar at undisclosed cost, according to the informants.

- It is surprising that there is no information about the contractor awarded the two road tenders. It's not clear also whether it is indeed a construction company as there was no information about the company in Turkey.
- Similarly, the government's initial budget for road repairs in Zanzibar was \$8 million. However, it was later said that \$89 million was required.
- Another case is \$100 million the Zanzibar Government received from President Samia as part of the IMF aid to revive the economy after the Covid-19 pandemic. It is unclear which specific projects have been implemented using these funds. This prompted authorities from Mainland to visit Zanzibar to investigate the use of those funds.
- The Mwinzi government was also accused of accumulating billions of shillings in expensive commercial loans borrowed at exorbitant rates. These are just some of the issues arising in Zanzibar under Mwinzi's leadership. Development stakeholders continue to show concern with the implementation of high-value projects without adhering to the established procurement and tendering procedures. All of these has happened within the three years of Mwinzi's reign with little accountability to the taxpayers.
- There have been cases of government assets being illegally sold to private individuals without the benefit of tracking the accruing benefits. For example, there is a historic institution in Stone Town known as Tumekuja School, located close to the sea. It has recently been sold by the government eliciting queries about the whereabouts of the proceeds. Many have been surprised to hear that the government is planning to build another school outside Stone Town. We have been informed that two more schools close to the sea are expected to be sold by the government, including the one in Nungwi, a popular tourism area. Also, the government has quietly leased out more than 20 islets for a reported \$1 million per year.
- According to official regulations, farmers should be paid 8 per cent of the sales price per ton of cloves sold on the world market, which would have them receive TZS 18,000 per kilogramme. However, informants told us that they only receive TZS 14,000 per kilo, which is seen as a significant injustice. There is also a lack of transparency where the balance goes.
- There was the alleged sale by the government of the clove stem and distillery plant at Wawi in Pemba with no official information forthcoming.
- The Zanzibar Government is also reported to have spent \$6 million on an ecosystem project at the port that had already been implemented by an investor, AGL. Recently, President Samia complained about Dar es Salaam Port Authority spending \$4.5 million on an ecosystem project. This has raised eyebrows as to why the smaller Zanzibar Port would spend more money than Dar es Salaam Port.

- We were also told that the government recently spent TZS 16.5 billion to purchase equipment for Zanzibar Airport. Informants asked why the government was investing such a hefty amount after leasing the airport.
- Another bone of contention is the Universal Health Coverage (UHC) for civil servants, in which it is mandatory for all public sector employees to enrol in the insurance programme, with contributions deducted from their salaries. But while the deductions continue, there has been no noticeable improvement in healthcare services.
- We heard reports from various people that the First Lady, Maryam Mwinyi, has been embroiled in scandals. According to the reports, she has been pressuring public entities like ZSSF, ZIPA, and the Zanzibar Ports Authority to provide financial assistance to her Maisha Bora Foundation. However, there is no evidence that the funds were used for their intended purpose.
- The president's wife is also constructing a 5-star hotel in Matemwe and is using public funds to build a road to the hotel. The people of Nungwi and Matemwe villages who reside near the hotel are unhappy because the funds that should have been used to develop their bad roads are being used for hotel investment. Additionally, the residents claim that the hotel project is taking away their land, which the first family is selling to foreign investors. This trend has been observed across Pemba, where the first family has been grabbing public land and registering it in their children's names.

Please don't hesitate to contact me directly in case of any questions.

Best,



James Walton
CEO