

BRIEFING PAPER

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How Pan Africa Power Ltd acquired Independent Power Tanzania Ltd for almost Nothing and looted US\$124m from the Bank of Tanzania

0. Summary

For twenty years, senior politicians and government officials, foreign companies and commission agents have manipulated Tanzanian energy policy and have profited hugely from the Public-Private-Partnerships (PPPs) they set up. In this regard, two PPPs stand out: Independent Power Tanzania Ltd (IPTL) and Richmond/Dowans. But whereas the Richmond scandal forced the resignation of Prime Minister Edward Lowassa (in February 2008), nobody has been taken to task in the same way over the much more costly IPTL, which has been generating ridiculously expensive power for over a decade. This briefing paper explains the origins of IPTL and its recent illegal and fraudulent acquisition by Pan Africa Power Tanzania Ltd (PAP). It is a cautionary tale of how state-private relations can be manipulated to the advantage of the few at the expense of the many, with serious micro- and macro-economic consequences.

Two key protagonists of IPTL are **James Rugemalira** of VIP Engineering and Management (VIPeM) and **Harbinder Singh Sethi**, of Pan African Power (PAP) and a string of other companies with dubious track records in Kenya. As a result of the scam, Harbinder Singh Sethi 'owns' a functioning 100 MW power plant in which he has invested little or nothing, and James Rugemalira has pocketed US\$75m from his 30 percent stake in a company in which he has not invested a single shilling. Mr. Sethi pockets US\$2.3 millions every month as capacity charges payments from TANESCO since December 2013 and will continue to do so for the coming twenty years if not

¹ This paper expresses my own views, not those of the PAC. On 29th July, 2014 I submitted this brief with evidences (including letters, judgments, Bank transfer records and receipts of payments to TRA) to the Investigative team under Comptroller and Auditor General (CAG) that was conducting Special Audit on this matter. The Audit on IPTL matters was ordered by PAC on the 20th March, 2014.

stopped. This paper examines how between them, and with the collusion of Tanzanian courts and senior government officials, these two gentlemen looted the Bank of Tanzania of well over one hundred million US dollars.

This briefing paper elaborates themes that I raised in a recent article, published by *the Citizen*.² In that article, I challenged the extraordinary claim by the Attorney General, **Frederick Warema**, and repeated by others, that the Tegeta Escrow Account is 'not public money'. Since Tanesco's books show the escrow money as reserves, it is obviously public money. I further argued that there was no High Court order to the effect that the escrow money should be paid to the claimants, another lie repeated by numerous senior officials, as detailed below. Third, I claimed that the acquisition of Mechmar's 70 percent share of IPTL by PAP, a deal involving the mysterious Piperlink investment company from British Virgin Islands (a tax haven), was also fraudulent. These and other points I raised in the article are explored in greater detail below.

In 2009, the **Public Organisations Accounts Committee**, which I chaired at the time, issued a directive to the BoT not to release funds in the escrow account. In my capacity as Chair of the Public Accounts Committee, on 20th March this year I instructed the Controller and Auditor General to undertake a detailed special audit of the Tegeta Escrow Account with a view to unearthing the details of just how the owners of IPTL and PAP managed to access it and capture more than half of its contents. The audit will include an examination of the legality of PAP's acquisition of the shares of IPTL from Mechmar and VIP Engineering.

This paper is in three parts. **Part 1** provides a summary of IPTL's origins and activities from the 1990s to date. I try to show how the recent looting of the escrow account has its roots in the liberalisation of the power sector during the 1990s, with at least one key actor (Rugemalira) prominent throughout. **Part 2** narrates the Tegeta Escrow Account story and the strategies of the main actors involved. I show how certain politicians, officials and judges were complicit in the daylight robbery of the Bank of Tanzania. **Part**

² Zitto Kabwe 2014. 'Tegeta Escrow Account is public money', *Citizen*, Dar es Salaam, 29 June.

3discusses the consequences of the heist, and general corruption in the power sector, for the economy, power consumers, the GoT and donors. I conclude by reviewing unresolved issues that will need to be addressed for the IPTL saga to be closed once and for all. **Annex 1** provides most of the annotated sources on which the paper is based. **Annex 2** lists press and internet references.

Part 1: Background to IPTL and Pan Africa Power (See Annex 1: 1994-)³

'If this is an example of South-South cooperation, then colonialism was better.'

Julius Nyerere

The impact of Independent Power Tanzania Limited (IPTL) on Tanzanian power policy and performance since 2004 has been almost wholly negative. IPTL undermined government attempts to reduce dependence on hydro-power

and diesel to generate electricity by exploiting the country's plentiful natural gas deposits. IPTL originated in high-level discussions between Tanzanian and Malaysian politicians in the early 1990s. Prime Minister Mahathir Mohamed promoted Malaysian business in Africa, including Tanzania, as a means of furthering 'South-South Cooperation' and overcoming the economic dominance of the West. Thus, IPTL was originally 'fast-tracked' by the GoT, in the process sidelining the development of gas-fired power.

In May 1997, **Bank Bumiputra** and **Sime Bank** (Singapore) loaned Malaysian company **Mechmar** over USD 100 million to build the IPTL plant in Tegeta, on the outskirts of Dar es Salaam. Subsequently, Bank Bumiputra declared the loan a non-

Tanzania's power supply
Tanzania's total installed power generation capacity was 1,438 MW in January 2013. Tanesco owns hydro- power plants at Kidatu (204 MW), Kihansi (180 MW), Mtera (80 MW), New Pangani Falls (68 MW), Hale (21 MW) and Nyumbaya Mungu (8 MW). In addition the utility owns three gas fired power plants in Dar es Salaam, Ubungo I (100 MW), Ubungo II (105 MW), and Tegeta (45MW). The main independent power producers are IPTL (100 MW using heavy fuel oil, Dar es Salaam), Songas (189 MW in Dar es Salaam using natural gas), Aggreko (100 MW diesel in Dar es Salaam) and Symbion (120 MW gas in Dar, 65 MW and 50 MW diesel in Dodoma and Arusha).

³ This section summarises Cooksey (2002) 'The Power and the Vainglory: A \$100 million Malaysian IPP in Tanzania' in Jomo K S(ed) *Ugly Malaysians?: South-South Investments Abused*, Institute for Black Research, Durban.

performing liability. In August 2005, Standard Chartered Bank, Hong Kong (SCB-HK) bought the debt, valued at US\$125m, for US\$ 74 million.⁴

Finnish company Wärtsilä built and managed the Independent Power Tanzania Ltd (IPTL) plant, which consists of 10 medium-speed, diesel-fuelled units generating 100 MW of power. For a single medium-sized plant (see **Box**) generating less than a tenth of Tanzania's total power, IPTL has attracted more than its fair share of controversy and litigation over the last two decades. A protracted stand-off over the cost of constructing the plant--and therefore the price that the **Tanzanian Electricity Company** (Tanesco) should pay for its power--seriously delayed IPTL's commissioning. Instead of generating electricity to ease Tanzania's growing power deficit, IPTL spent the years 1997-2001 at loggerheads with Tanesco, including international arbitration in 1998. In February 2001, the International **Centre for the Settlement of Investment Disputes** (ICSID) found that IPTL was overpriced by US\$23.5 million, forcing a downward revision of the capacity charge Tanesco was contracted to pay for IPTL power.

In 2002, VIP estimated the net present value of their share of IPTL dividends at \$100 million over the project's anticipated twenty year life span, but were concerned that they would not receive their 'fair share' of these dividends since they had not injected capital into the venture.

IPTL was finally commissioned in January 2002, nearly eight years after the company was set up. But less than a month later IPTL's minority partner VIP Engineering and Management (VIPEM) filed for the company to be wound up, on the grounds that VIP had not received its 30 percent of IPTL's equity. Until 2013, VIP tried repeatedly to wind up IPTL against the opposition of MechmarBhd, IPTL's Malaysian majority (70 percent) 'partner'.

James Rugemalira, IPTL's 'Mr Fixit', has a habit of making absurd claims against both his commercial allies and rivals. Given his key role in the IPTL fiasco over the last 20

⁴ The US\$ 51 million discount reflects the 'net present value' of the debt and the risk involved in buying a non-performing asset. To date, SCB-HK have not recovered a cent from IPTL.

years, he is fortunate to have escaped the critical attention of the independent media, normally keen to expose high-level corruption involving foreign investors.

Criticism of IPTL during the last decade has focused on the high cost of IPTL electricity, the sidelining of the Songas power project when IPTL emerged, and the role of high-level politicians in pushing the deal through against expert opinion and opposition by Tanesco and senior government officials. The World Bank—the main financier of Songas—also criticised IPTL, as did the IMF, the EU and certain bilateral donors.

According to Gratwick and Eberhard (2006:46), in 2005, payments to IPTL and Songas accounted for a staggering *two-thirds of Tanesco's revenues*.⁵ To make matters even worse, the following year:

‘...high-level government figures, including Prime Minister Edward Lowassa, staged a farcical repetition of IPTL. They awarded an emergency power contract to a fake “briefcase company,” Richmond Ltd, leaving the country “in the dark” for over three months and costing the country millions of dollars in stolen funds and economic paralysis (Brewin 2011).’⁶

In 2005, **Standard Chartered Bank** (Hong Kong) Bank (SCB) bought IPTL’s debt for USD 74m from the Malaysian secondary debt agency known as Donaharta, where Bank Bumiputra had placed it as a non-performing asset. From 2005 to date, SCB-HK has tried in vain to find a way of resolving IPTL’s legal wrangles so as to maintain the plant intact and service their debt. They were undermined by VIP and PAP, who devised a way of acquiring the plant *for nothing* while it was still officially in receivership.

In August 2007, the government suspended capacity charge payments to IPTL over the amount of equity used to finance the project. Tanesco claim to have discovered belatedly that VIP had put only a notional amount of equity (share capital) into the project (equity is part of the formula used to calculate capacity charges). Thus Tanesco considered they had been paying more than they should have.

⁵Gratwick, Katharine Nawaal and Anton Eberhard 2008. ‘Demise of the standard model for power sector reform and the emergence of hybrid power markets’, *Energy Policy* 36(10): 3948–3960.

⁶Michael Degani 2010. Emergency ‘Power: Time, Ethics, and Electricity in Postsocialist Tanzania’ and David Brewin 2011. ‘Corruption—the lates’, *Tanzania Affairs* 99: 15–19.

More power crises came and went as IPTL stood idle. But IPTL was seen in a more positive light when, on President Kikwete's insistence, it came back on stream in November 2009 to help address yet another avoidable power crisis (see **Timeline**).

Though proposed from the outset, the conversion of IPTL from oil to cheaper gas fuel has never taken place, imposing unnecessary costs on the economy for imported diesel fuel and on consumers for expensive power (see Timeline December 28, 2009). Songas claims to have saved the country hundreds of millions of USDs in imported fuel. Although investment in gas conversion would reduce costs and increase profits to IPTL, importing fuel creates rent-making opportunities for public and private actors (see Timeline, August 8, 2012). Estimates of how much it would cost to convert IPTL from diesel to gas fuel vary, but the figure of USD 20 million is frequently quoted. The conversion could save Tanescoan estimated US\$840 million in fuel costs over 20 years.

'The transfer of shares from Mechmar to Piper Link and then to PAP was utterly fraudulent.'

Of the main PPPs in the power sector, IPTL and Richmond stand out as costly mistakes that the country could well have done without. But whereas Richmond claimed the head of Prime Minister Edward Lowassa, nobody has been held responsible for the losses incurred as a result of the long drawn out IPTL scam. **Part 2** examines how between them Harbinder and Rugemalira conned the nation out of over US\$ 120m (and counting).

Part 2: The 'purchase' of IPTL and the theft of the Tegeta Escrow Account

The Tegeta escrow account was created after Tanesco stopped paying IPTL's capacity charges in 2006. As the money in the Tegeta escrow account increased, so did interest among a certain class of businessmen in acquiring the troubled company, including Mr Harbinder Singh Sethy. Described as a Kenyan 'tycoon' or 'businessman' in the press, Mr Sethy was in fact born in Iringa, Tanzania, in 1958 (See **Textbox 1**). Here I narrate how Sethy acquired, first, Mechmar's shares and then those of VIP engineering.

Mechmar's 70 percent. The transfer of shares from Mechmar to Piperlink to PAP was utterly fraudulent. How did PAP acquire Mechmar's shares in IPTL in 2010 when Mechmar was in receivership? Did, as some believe, the Mechmar directors outsmart the Malaysian authorities, including the High Court, and manage to sell their shares? Harbinder's story is that Mechmar first sold their IPTL shares to a mysterious entity known as 'Piper Link', who kept them, for some reason, in the British Virgin Islands. Mechmar's receivers claimed that Mechmar Director **Datuk Baharuden bin Abdul Majid** was 'in contempt of the Court Order of 4.10.2010 for misleading the Court by entering into a share purchase agreement [for US\$6million] with one Piper Link Investments Limited on 9.9.2010. The receivers successfully petitioned the BVI High Court to recall the share certificates on the grounds that the transfer was illegal. The share certificates were duly delivered by the seller to the BVI High Court.⁷ So how did Piper Link manage to sell its shares to PAP while the evidence shows that the company directors were restrained from completing the transaction in April 2011?' 'Which documents did PAP's owners present to the Ministry of Energy and Minerals 'confirming' ownership of IPTL? According to the Finance Act 2012, s.29, the latter is obliged to approve the sale after receiving a certificate of tax compliance from the Tanzania Revenue Authority. Documents show that Piper Link bought Mechmar shares at TShillings six millions and later sold the same shares to PAP for USD 300,000. Both Mechmar and Piperlink paid their capital gains tax the same day (5th December 2013) at CRDB Bank Azikiwe Branch, the day after the Bank of Tanzania released the escrow money to PAP.

VIPEM's 30%. The final solution to the IPTL winding-up saga was orchestrated by Harbinder and Rugemalira, with PAP purchasing VIP's 30% of IPTL for US\$75 millions after VIP had withdrawn its 2002 petition to wind up the company (**Annex 1**).

Looting the escrow account. In a letter dated 28 November 2013 (*bearing no reference no.*), IPTL requests the BoT to transfer USD 22m and TShs 8 billion from the

⁷ Letter and attachments from Lim Litt and Andrew Heng, official Mechmar liquidators, to Zitto Kabwe, Chair, Public Accounts Committee, 28th March, 2014.

escrow account to PAP accounts ‘as per the High Court of Tanzania ruling of 5th September 2013.’

Both government officials and PAP claim that the September 2013 judgement by Judge Utamwa included an order to empty the escrow account. For once, a *Daily News* reporter reported events objectively:

‘On September 5, 2013, High Court Judge John Utamwa ordered Administrator General [provisional liquidator of IPTL] to hand over the company’s affairs, including the power plant...to PAP.’⁸

No mention of the famous escrow account. In the wake of Judge Utamwa’s judgement of 5th September, in early October, 2013, officials of Tanesco and IPTL met at Kunduchi Beach Hotel.⁹ The minutes of the meeting read in part:

‘The High Court ... ordered the Provisional Liquidator to hand over all IPTL properties including the IPTL power plant *and the receivables in the Tegeta Escrow Account* to Pan Africa Power Solutions (T) Limited.’¹⁰

But a careful reading shows there was no order in the judgement to hand over such ‘receivables.’ This anomaly was missed or ignored by the lawyers at the BOT and the AG Chambers. Had such an important order been made, isn’t it likely that reporter **Faustine Kapama**, who invariably reports the VIPEM version of the IPTL narrative, would have reported it in his article quoted above? The incorrect argument that the escrow account was ordered closed by the High Court was taken up by the AG and the Governor of the BoT, **Professor Benno Ndulu**. In a letter from the Attorney General, Frederick Werema, dated 2nd October 2013, to the PS in the Ministry of Finance, **Dr Servacius Likwelile**, the AG sees no reason for the BoT not to transfer the escrow

⁸FaustineKapama 2014. ‘PAP embarks on plans to reduce power tariffs’, *Daily News*, 5 April.

⁹ They were: John Kabadi, Senior Manager, Strategic Planning, HierominiShirima, PDEO (?), and Stella Rweikiza, Principal Legal Officer (all of Tanesco) and Joseph Makandage, Company Secretary and XX, (all of IPTL). The exact date of the meeting is unclear from the minutes of the meeting.

¹⁰Minutes of the meeting between Tanesco and IPTL officials, Kunduchi Beach, October 2013 (page 1-2).

money to PAP and that ‘the Government should not be seen to be waffling *in implementing what the court decided.*’¹¹

On 20th September, 2013, **E S Maswi**, the PS in the Ministry of Energy and Minerals wrote to Mr Sethi in his capacity of Chairman and CEO of IPTL, that, ‘following consultation with Tanesco and yourselves’ he had ‘no objection to sign an agreement for the release of funds in the Tegeta Escrow Account to IPTL.’ (See **Timeline, Annex 1**). Yet the meeting in question was an informal affair between relatively junior Tanesco officials with neither of the VIP or PAP principals in attendance.

Below I present pen portraits of the two principles of VIP and PAP. The backgrounds of both suggest that they were quite capable of hatching a strategy to ease IPTL out of the hands of its official receiver in Malaysia, buy Mechmar’s shares via a fictitious intermediary, obtain full control of IPTL through legal trickery, and finally to spring the Escrow money with the assistance of compliant government officials.

Textbox 1: Who is Harbinder Singh Sethi?

Harbinder Singh Sethi is one of the young Asian fixers who made fortunes during the 1980’s when **President Moi** created his own business and real estate empire. Described in the press as a ‘Kenyan businessman’ or ‘tycoon’, **Harbinder Singh Sethi** was born and raised in **Iringa**, a small town in Tanzania’s **Southern Highlands**. In his early 20s, Sethi and his two elder brothers **Nota Singh** and **Manjit Singh** registered **Ruaha Concrete Co Ltd**, (November 1977), all three giving **P. O. Box 498, Iringa** as their address. In the 1980s, Harbinder moved to **Nairobi**, where he became a bagman for **President Daniel arap Moi**’s eldest son **Gideon**. He is also reported to be a close friend of **Nicholas Biwott**, an immensely rich politician/businessman crony of Moi’s, with whom he is said to part-own the controversial 47 MW **Westmont** power plant in **Mombasa**, along with **Mukesh Gohil**, **Kamlesh Pattni**, **Mr Gichuru**, the **Managing Director, KPLC**, **Mr Mutitu**, the **PS, Ministry of Energy**, and **Gideon Moi** (October 1997). Investigations by **Kroll** found that: ‘...Gideon owns a number of properties in South Africa. His frontman, Harbinder Singh Sethi, has 74 properties listed under “closed corporations”, all of which are registered in Mr Sethi’s name. The Report of the **Kenya Auditor General (Corporations)** (1997) cites a contract awarded irregularly by the state corporation (parastatal) **Kenya Pipeline Company** to **Ruaha Concrete Ltd** to build a 9 km access road, involving delays, large cost overruns, and poor workmanship. According to the AG’s report, Ruaha is registered ‘under the category of painters and builders of access roads in estates.’ **Supervising Engineer A. S. Kitololo** resigned after refusing to sign off on shoddy work. The total project cost rose from **KShs 197 million** in February 1995 to over **KShs 510 million** in June 1998, when the project was finally completed. On inspection, the road was found to be sub-standard. The report recommended that Ruaha Concrete be blacklisted and investigated. Another Sethi company, **Pan Africa Builders and Contractors, (PABCO)**, entered into a contract with **Kenya’s National Social Security Fund (NSSF)** to build houses,

¹¹Letter ref. AGCC/E.80/6/65 (emphasis added).

apartments and a shopping centre on the Fund's **Kitisuru Estate** in Nairobi for nearly **Kshs 2billion**. The completion date was scheduled for May, 2000. The project was subsequently delayed and 'scaled down' to **Kshs 822 million**. On handing over the project in February 2007, the account was not settled, and PABCO sued NSSF for a total of **Kshs 1.3 billion**. On 31 August, 2010 the High Court found in favour of PABCO to the tune of KShs668 million, plus costs and accrued interest. PABCO eventually settled for **KShs 590m**. PAB defaulted in paying the Kenya Revenue Authority tax amounting to 260 million shillings. As a result of his shady business practices, the parliamentary Public Investments Committee (PIC) blacklisted Mr Sethi, recommending that he should not be allowed to undertake construction work anywhere in the country. To complete the picture, as a director of **Hydrotanz Ltd**, Mr Sethi also has interests in oil and gas exploration in a JV with **Adhunik Group**. The group has acquired an Oil and Gas Block in "Mnazi Bay", Songo Songo Island. Hydrotanz is located at Plot No 887 Mrikau Street, Masaki Dar Es Salaam, the same address as PAP.

Recently, Mr Sethi has showcased IPTL/PAP's **Corporate Social Responsibility** with the following donations: Shs 11m for a church choir SACCOS for **St Rita Wakashia** church in Kimara; Shs 10m for the construction of **Mbweni-Malindi Police Station**; Shs 14.5m in support of the construction of **St. Peter's Church** in Dar es Salaam; and Shs 20m for **Athletics Tanzania (AT)** in support of the national athletics championship (total CSR: Shs 55.5m).

Source: Articles of Association of Ruaha Concrete 1977; Kroll report (extracts); Report of the Auditor-General (Corporations) on the Accounts of Kenya Pipeline Company for the Year ended 30th June 1997 (pp 75-78); 'Clarification' by Kenya's NSSF on Media Stories, 3 April 2012. <http://hydrotanz.com/>. See **References** (Annex 2) for links to Sethi's bogus business deals in Kenya, his role as bagman for Gideon Moi and his business links with Biwott and Pattni, and his Hydrotanz venture into gas exploration.

President Moi used Kenyan Asians as allies while bringing members of his own Kalenjin community to the centre of economic and political power. The Kalenjin entered into joint ventures with Kenyan Asian business people who often acted as fronts for newly moneyed Kalenjins. Those who were most successful used the state to obtain public sector contracts in association with the Kalenjin elites around Moi. Though a Tanzanian by birth, Harbinder was one of the main beneficiaries of Moi-era official corruption.

Textbox 2: Who is James Rugemalira?

James Bulchard Rugemalira is the central Tanzanian player in the long drawn-out IPTL saga. Describing himself as an 'Independent, International Consultant' and a 'great patriot', Rugemalira is a former employee of the **Bank of Tanzania** who took early retirement and entered the **University of Dar es Salaam** as a mature student, where he obtained a First Class degree (B.Com) even though he was not an outstanding student. In his capacity as director of VIPEM Ltd, he was instrumental in navigating the IPTL deal through the corrupt corridors of power. Although Rugemalira's job was to fast-track IPTL through Tanzania's sluggish bureaucracy--after all, it was an emergency project--legal disputes meant that the project was not commissioned until *seven years* after the MOU was signed. Mr Rugemalira's JVs (**Tritel, IPTL**) and distribution franchises (**Windhoek, Heineken**) sooner or later end up in court. The Tanzanian judiciary has helped turn Mr Rugemalira into one of Tanzania's richest men. While Mr Rugemalira files suits mainly in Tanzanian courts against his JV partners or business adversaries, cases are brought against him (as IPTL shareholder) in international

tribunals. The 2001 ICSID case resulted from crude attempts by IPTL to inflate the cost of the EPC. His strategy has been to wave the nationalist flag by challenging the legitimacy of *all external actors*--companies, lawyers, courts--citing the supremacy of Tanzanian law. Though an active contestant in international tribunals in the past, his escrow account coup involved the denial of jurisdiction for the ICSID. Although recent decisions by the High Court have favoured his interests, for more than a decade he failed to get IPTL wound up so as to claim his 30 percent share. If he has pocketed the US\$ 75 million he claims, then the wait has probably been worth it, since a decade ago he would have settled for US\$30 million. When 'interviewed' on the IPTL deal, Mr Rugemalira is quoted as saying: "Actually, fellow Tanzanians should regard me as a great patriot because the deal was sealed on (sic) national interest. I deserved \$600million but I only pocketed \$75 million, which is peanuts..."

Source: Cooksey 2003; Citizen Reporter 2014c; allafrica.com/stories/201302181263.html; Daily News Reporter, 17 March 2014. See References (**Annex 2**).

Some Tanzanians would not be surprised if '*peanuts*' in the English translation of the extraordinary statement quoted above was reported in the original Kiswahili as '*vijisenti*'.

In September 2008, the opposition began urging the GoT to buy the Dowans 100MW plant to ease power outages, but the government demurred, saying it did not buy second-hand goods. If the government had bought the Dowans plant, IPTL would have been put out of business by Dowan's much cheaper natural gas-fired engines--to this day, IPTL runs on imported heavy oil, despite nearly two decades of promises to convert to dual oil/gas fuel. Why the conversion was never made when it was so obviously in the public interest (saving to consumer and government) reveals a serious collective action problem, which has the effect of impeding 'rational' policy implementation. Is it too much to argue that IPTL's extremely expensive power monopoly was being protected at the highest level? If IPTL was so controversial, why did Tanesco continue to put millions of dollars into the Escrow account when it was defaulting on so many other debts? Who should finance the conversion? I will leave this and related issues for further discussion.

To date, VIP has been the main beneficiary of the looting of the BoT. If Rugemalira is paid in full, he will receive US\$75 million out of US\$ 122 million, or roughly 60 percent of the sum removed from the account to date. But there is still a reputed US\$128m left in the escrow account which Harbinder will be hoping to put his hands on sooner rather than later. In addition, PAP, whose devious dealings have availed Harbinder of the IPTL plant *for free*, stand to continue reaping rents down the line if IPTL is allowed to remain

in business under the current political dispensation. PAP have declared their intention to increase IPTL's power generation capacity fivefold, to convert to gas firing, and to reduce the price of power to US cents 6-8 per unit. Currently, they claim to be producing power at full capacity, still using expensive diesel fuel, while receiving unknown capacity charges from Tanesco.

3. Consequences: capitalism with Tanzanian characteristics

'Consequently, the citizens were the payers of the ultimate price. No electricity and low production, total darkness at night and high costs of production as people and companies spent on buying generators and fuel for lighting and production.'¹²

This poor performance of the power sector, including recurrent power crises over the last 20 years and the huge indebtedness of Tanesco, worth a percentage point of GDP, is the direct result of the IPTL and Richmond scandals, and inefficiency and corruption in the way Tanesco manages its affairs.¹³ Here I summarise the implications of the IPTL scam for key stakeholders.

Political parties. The current revelations concerning IPTL will further undermine public confidence in the Kikwete regime in the buildup to the 2015 elections. That confidence may collapse completely if Sethi and Rugemalira are allowed to get away with their daylight robbery. I hope and believe that politicians of all parties will mobilise to help bring the perpetrators of the IPTL/PAP scam to justice once they are in possession of all the relevant facts. For the moment, Rugemalira and Sethi are still behaving arrogantly and aggressively, as witnessed by their actions in taking newspapers and politicians to court (on July 13, 2014, IPTL and PAP sued **Kigoma South M.P. David Kafulila** for defamation, demanding Shs 310 billion in damages). It is now time for opposition parties and public-spirited members of the ruling party to take a principled stand against the monstrous economic crime perpetrated by IPTL, PAP and their accomplices.

Domestic power consumers. Less than one Tanzanian in 50 has access to mains electricity, and most of these live in urban areas. A total of 7.2 million households are

¹² OECD 2013. *Investment Policy Reviews: Tanzania*, 6 August, p101.

¹³ At the time of writing, a former Tanesco MD is in court, accused of corruptly hiring his wife's firm in a procurement scam. Tanesco are also implicated in a fuel procurement scam involving IPTL (see text).

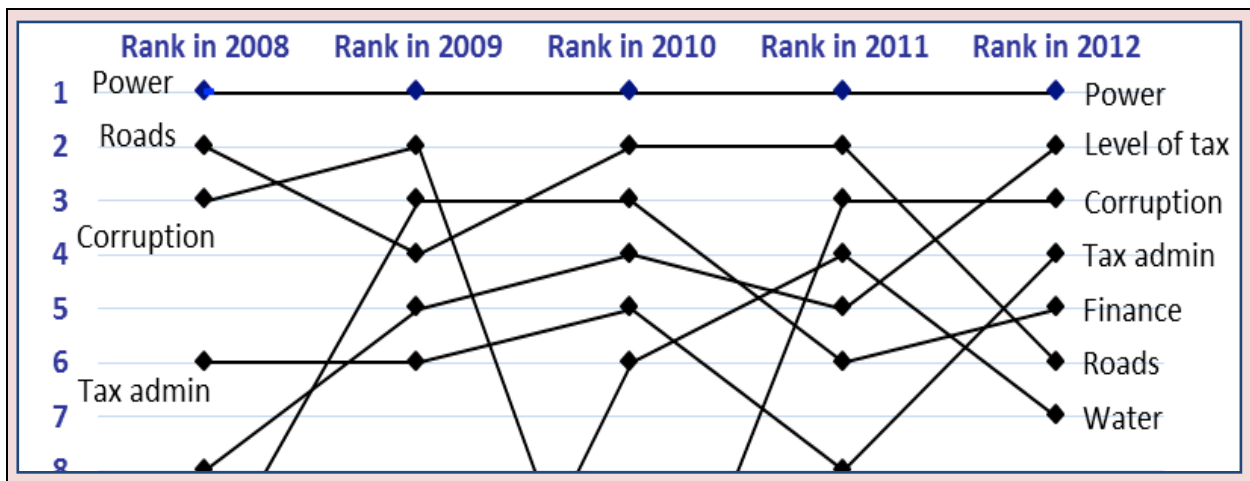
said to be without electricity, most of these living in rural areas.¹⁴ Without more transparency and accountability in the power sector, domestic consumers can expect more of the same in years to come.

Business and the economy. According to the OECD (2013), economic growth is outstripping the country’s power generating capacity:

‘The annual average growth in power generation (at only 4.2% over the past decade) ... contrasts with 7.1% average annual economic growth and 8-13% annual growth in energy demand.’

Unreliable power supply undermines businesses of all sizes. For example, in 2012, Tanga Cement claimed to have lost between Shs 80 million and Shs 400 million per month through power outages.¹⁵ International surveys regularly identify unpredictable power as a major constraint on business profitability in Tanzania. **Figure 1** reports trends in the views of businesspeople on weaknesses in the Tanzanian business environment.

Figure 1: Weaknesses in Tanzania’s business environment 2008-12



Source: BEST-AC 2013:4

Power supply was the main weakness reported by businesses from 2008 to 2012.

Public finance and the budget. This report has documented the dire consequences of power policy mismanagement to the Tanzanian budget. In its 2013 Tanzania country report, the IMF states:

¹⁴Tanesco has about 900,000 customers, 80 percent of whom live in urban areas.

¹⁵ George Sembony 2012. ‘Businessmen fed up with power blackouts’, *Citizen*, 28 December.

‘Despite the 40 percent increase in electricity tariffs in January 2012, TANESCO’s arrears to suppliers reached an estimated US\$252 million (almost 1 percent of GDP) as of end-October 2012.’ (Page 5). ‘Further deterioration of TANESCO’s finances would ultimately translate into a drain on the budget and could result in power outages, thereby potentially undermining growth prospects.’ (Page 6).¹⁶

A major contributing factor to Tanzania’s growing budget deficit and emergency borrowing is mismanagement and corruption in the energy sector.

Donors. The last time similar amounts of money were looted from the BoT was the **External Payments Account** scam perpetrated prior to the 2005 elections that brought the current regime to power. The donor response to that blatant theft was clear and insistent: the GoT should hire a private accounting firm to investigate the case and bring the culprits to court. The first was achieved, if not the latter. This time around, only the British High Commissioner has publicly commented on the emerging scam--which is in fact more serious than the EPA in its down-stream implications--and she was bad-mouthed in parliament as a result, as described in **Annex 1** (May 7, 2014). By far the most exposed donor is the World Bank, which has financed multiple bail-outs of Tanesco up to the present, and is now financing the ‘unbundling’ of the power provider into three semi-autonomous units. In March this year, the World Bank board approved an:

‘IDA credit of US\$ 100m for the second power and gas sector development policy operation, which will help Tanzania improve financial sustainability of the power sector, and promote public-private partnerships for increasing generation capacity.’¹⁷

This credit continues the tradition of donors bailing out Tanesco rather than demanding a complete overhaul of the PPP mechanisms in place in exchange for future aid. If development agencies ignore the implications of this scam for their aid programmes, then they will lose credibility as champions of anti-corruption and good governance in the eyes of the public and add support to those who see development agencies as *part of the problem*.

¹⁶IMF 2013. Tanzania: Country Report, page 6.

¹⁷Lazaro 2014 (Annex 1, March 21, 2014).

Media, civil society. I would not be discussing the details of this complex scam now if the *Nation Media Group's* newspapers *The Citizen* and *Mwananchi* had not broken the story in March. Soon after the stories appeared, PAP and IPTL took the newspapers to court claiming that the articles were intended to depict IPTL and PAP as 'fraudsters, criminals, involved in dubious transactions with intent to defraud and were individuals of moral turpitude.' I suggest that this is a reasonable description.

That Rugemalira and Sethi can present themselves unchallenged as patriots and genuine investors, motivated solely by the public good, when they are among the architects of our current power malaise, shows just how weak Tanzania media and civil society are in reporting on grand corruption. Did none of our journalists bother to 'Google' Harbinder Singh Sethi to establish that his reputation in Kenya is that of a hustler, a proven *tapeli*? One searches in vain for an article or editorial in one of our newspapers that is the least bit critical of Mr Rugemalira and his central role in all this trickery? For many years, *the Daily News*, a government-owned newspaper, has served as a loyal mouthpiece for the Rugemalira version of the IPTL story. And where are the civil society groups taking up the issue from an 'anti corruption' or 'good governance' angle?

Going forward:To succeed, the convoluted and risky strategies of Sethi and Rugemalira require the active or passive compliance of senior politicians, government officials, judges and the media.¹⁸ The chief immediate suspects must include those who, since the *Citizen* and *Mwananchi* started telling the IPTL/PAP story, have defended the deal or bad-mouthed its detractors most stoutly. Apart from Rugemalira and Sethi, the list includes:

- The *Attorney General, Frederick Warema*, who claims the escrow account is not public money, and urged the Treasury not to 'dilly-dally' over the emptying of the escrow account. Accused of instructing TRA to waive VAT on capacity payments.

¹⁸ That these are numerous is attested to by the rapid comings and goings of senior officials when Mr Sethi holds court in the Seaclyffe Hotel, where he sometimes stays when he's in Dar es Salaam.

- The *Minister of Energy and Minerals*, Prof. Sospeter Muhongo, who claimed in parliament that opposition MPs were bribed to raise the IPTL issue. (Why would they have to be bribed to run with such a juicy story?)
- *The Deputy Minister of Energy and Minerals, Stephen Masele*, who accused the British High Commissioner of urging donors and NGOs to take a stand against the emerging scam.
- *The PS in the MEM, Eliachim Maswi*, who said the documents that opposition MPs were citing to challenge the legality of the emptying of the escrow account 'were fake.' Claimed that SCB-HK wasn't a party to the dispute between IPTL and Tanesco. He was the prime mover to ensure that that escrow money is withdrawn from BoT.
- *The management of Tanesco*, who to date have raised no objections to the overruling of the ICSID ruling in its favour and the looting of the escrow account, some of which was supposed to be returned to cash-strapped Tanesco.
- *The Governor of the Bank of Tanzania, Professor Benno Ndulu*, who took great care to indemnify the BoT from any further claims on IPTL after closure of the escrow account but failed to explain why he did not challenge the emptying of the account by referring to the ICSID process and decision (February 2014) supporting Tanesco's claim that they overpaid capacity charges to IPTL.
- *The judicial system.* Tanzania's judiciary comes out of the IPTL saga with a very mixed reputation. Though resisting for years repeated attempts to wind up the company, since the appointment of the Provisional Liquidator, Rugemalira seems to have manipulated the high court at will. What does *Judge Utamwa* have to say on PAP's misuse of his September judgement to loot the escrow account?

As well as the CAG, the **Prevention and Combating of Corruption Bureau (PCCB)** is currently investigating PAP/IPTL on the directive of PAC and later request of the Prime Minister, with a view to assessing whether the transactions described in this paper were corrupt. In the past, PCCB has exonerated senior politicians accused of corruption, even though there was massive incriminating evidence against them.¹⁹ If PCCB wants

¹⁹ PCCB cleared Lowassa over Richmond and Chenge over the BAE radar scandal.

to improve its public image it will carry out a thorough and unbiased examination of the facts of the case before drawing any conclusions.

Some unanswered questions It is a sad reflection on Tanzania's performance in policy making and regulation in the energy sector that a medium-size power plant should have attracted so much litigation and media attention over nearly two decades, and been allowed to undermine the country's power generation priorities, while contributing significantly to huge public and private financial losses. If the long drawn-out IPTL saga is not concluded soon, the constant drain on public (and donor) resources will continue, further undermining the competitiveness of Tanzania's economy. I conclude with some unanswered questions:

- Why did Tanesco pay IPTL for so long without challenging the capacity charges?
- How long was the IPTL plant not running, and when did it start again? Who paid for its maintenance while it was lying idle?
- How did the Rugemalira-Harbinder relationship originate?
- What was IPTL doing with its income, how much of its debt was recovered?
- What money/shares changed hands between PAP and Mechmar/Piper Link? Who owns Piper Link if not Harbinder Singh Sethy? Who owns the other shareholder of PAP named Simba Trust?
- How much money remains in the escrow account, if any?
- Is IPTL running? Who is managing it? What are its finances? Is it currently receiving capacity payments? How much? What has been agreed with TANESCO?

August, 2014

Acronyms

BOT	Bank of Tanzania
DFID	Department for International Development (UK)
EPC	Engineering Procurement and Construction contract
GOT	Government of Tanzania
ICSID	International Centre for the Settlement of Investment Disputes
MEM	Ministry of Energy and Minerals
PAP	Pan Africa Power Solutions (T)
PPA	Power Purchase Agreement
PPP	Private-Public Partnership
RITA	Registration Insolvency and Trusteeship Agency
SCB-HK	Standard Chartered Bank Hong Kong
TANESCO	Tanzania Electric Supply Company
TRA	Tanzania Revenue Authority
VIPEM	VIP Engineering and Management

Annex 1: IPTL Timeline 1994 to date²⁰

Date	Event
1994	
November	Drought leads to power shortages in the country as hydro plants run dry. State power utility TANESCO invites emergency solutions. Joint venture set up between Mechmar Corporation of Malaysia (70%) and VIP Engineering and Management (VIPEM) of Tanzania (30%) known as Independent Power Tanzania Ltd (IPTL) .
August	IPTL sign a Memorandum of Understanding to supply electricity under an Independent Power Project (IPP) arrangement as a ‘fast track’ measure, but this becomes a ‘medium to long term solution’ in November. Through litigation and arbitration, it takes IPTL eight years to begin production.
1995	
May – June	IPTL and TANESCO sign a 20 year Power Purchase Agreement (PPA) to build and run a 100 megawatt slow-speed diesel (SSD) power plant at Tegeta, Dar es Salaam at a cost of US\$163.5 million , including an Engineering Procurement and Construction contract (EPC) price of US\$126.4 , and with a ‘reference tariff’ of US\$4.2 million per month plus 3.25 US cents per kWh of electricity actually produced, the final tariff to depend on ‘actual costs incurred’.
1996	
January	Without informing TANESCO, IPTL negotiates with Finnish engineering company Wärtsilä to build a cheaper medium-speed diesel (MSD) plant. Wärtsilä’s EPC bid increases by 33%, from US\$85.7 million to US\$114.2 million , while the scope of the project falls considerably.
1997	
February	EPC contract signed between TANESCO and IPTL.
May	Mechmar/IPTL obtain US\$105 million government guaranteed loan from Sime Bank (Singapore) and Bank Bumiputra(Malaysia) .
September	TANESCO requests full documentation on actual costs incurred in order to negotiate final power purchase tariffs. IPTL produces the EPC at the end of February 1998.
1998	
April	TANESCO issues Notice of Default to IPTL for swapping the slow- for a medium-speed plant.
April-October	TANESCO attempts unsuccessfully to negotiate a lower tariff reflecting the ‘actual, verifiable and prudently incurred cost’ to IPTL of building an MSD plant — as opposed to the contracted SSD plant.
November	TANESCO requests arbitration before the International Centre for the Settlement of Investment Disputes (ICSID) after IPTL fails to justify their cost structure and payments.
1999	
November	IPTL takes TANESCO to court, claiming interim payments of US\$3.6 million a month. IPTL wins the case in March 1999.
2000	
May	Two Tanzanian government officials sign affidavits claiming they were offered bribes by IPTL

²⁰Non-sourced events prior to 2002 are taken from Brian Cooksey (2002) ‘The Power and the Vainglory: A \$100 million Malaysian IPP in Tanzania’ in Jomo K S(ed) *Ugly Malaysians?: South-South Investments Abused*, Institute for Black Research, Durban. Non-sourced events post 2002 are from Tanzanian English language dailies (references pending).

	director James Rugemalira . A third admits accepting a bribe.	
2001		
February	ISCID finds that IPTL was overpriced by US\$23.5 million but that the contract still stands since TANESCO was aware of the switch from SSD to MSD.	
July	Minister for Energy and Minerals announces that IPTL will start generating 100MW of electricity in October 2001, and that the SONGAS natural gas project will start in September.	
2002		
January 15	IPTL starts supplying power to the national grid for 13 US cents per unit.	
February 25	VIPEM petitions the Tanzanian High Court to wind up IPTL, or Mechmar pay US\$32m for VIP's 30% shares. Mechmar's Executive Director and group financial controller, LohKiat Loon , dismisses the move, saying the court action was nothing more than an attempt by VIP Engineering to obtain a "better valuation for their share" of IPTL. Petition withdrawn on 5 September, 2013.	
2003		
March	Media reports that the government is negotiating with Mechmar to buy the IPTL plant confirmed by Ministry of Energy and Minerals' Permanent Secretary Patrick Rutabanzibwa .	
March	Minister of Energy and Minerals Daniel Yonas says the government does not have the money to buy the IPTL plant.	
June 5	Minister Yona says discussions are underway for the GoT to purchase the IPTL plant.	
September 8	Majority shareholder Mechmar requests VIP Engineering and Marketing Ltd to discontinue proceedings to wind up IPTL.	
September 24	Second affidavit filed by VIPEM to wind up IPTL.	
October 10	VIP again petition the High Court to wind up IPTL, unsuccessfully.	
2004		
February	A mini budget is announced by government, largely to meet the cost of buying power from IPTL, according to <i>Business Times</i> journalist Karl Lyimo.	
2005		
August	SCB-HK acquires the US\$101.7m non-performing debt that financed the IPTL plant for US\$76.1m from Danaharta , the Malaysian secondary debt agency, where Bank Bumiputrah had placed it as a non-performing asset. From 2006, IPTL make no payments towards the principal and interest on the loan.	Citizen investigative team 2014a
2006		
January 29	Government claims it is negotiating with the owners and creditors of IPTL 'on the possibility of taking over the company'.	
November 26	Following discussions with IPTL's creditors, the government sets up a high-level committee chaired by the Governor of the Bank of Tanzania to negotiate a buy-out of IPTL.	
December	Tanesco stops paying IPTL 'after it realised that it was being overcharged' from 2002 to 2006 because VIPEM had not contributed their 30% of IPTL equity. This leads to the establishment of the Tegeta escrow account .	Citizen investigative team 2014c
2007		

August 7	Minister of Energy and Minerals Nazir Karamagi tells Parliament that the government and IPTL were in negotiations over the purchase of the plant. After the purchase, the plant would be converted to gas.	
August 30	Tanesco owes IPTL TShs 21 billion in capacity charges and TShs 10 billion for power produced. Tanesco is said to have paid all invoices from 2002 to 2006.	
September	VIP's lawyers present written submissions to the High Court alleging fraud against Mechmar, the majority shareholder in IPTL. VIP claims to have invested USD 11.5 million in kind, while Mechmar denies that VIP has paid any equity in IPTL.	
November 15	IPTL files suit in a US court claiming non-payment of USD 27.2 million (TShs 30 billion) in capacity charges by Tanesco in breach of the 1995 Power Purchase Agreement. The move was said to prevent closure on negotiations for the government to buy IPTL. Mechmar's executive chairman Datuk Tan Kean Wan , and managing director Baharuden Bin AbdMajid deny that any such negotiations have taken place. In its sixth year, IPTL was producing at full capacity.	
November 29	James Rugemalira claims the above case is illegal because it was not the subject of a board of directors' resolution. The US court has no jurisdiction to hear the dispute.	
2008		
	Mechmar put under receivership. SCB-HK appoints Martha Kaveni Renju as receiver of IPTL, including all shares held by Mechmar and VIPEM. 'Following the ... receivers appointment, Mechmar no longer had any rights to deal in Mechmar shares in IPTL.'	The Citizen Team 2014
March 16	GoT asks Washington court to dismiss IPTL claim, maintaining that case should go to arbitration as per the Foreign Sovereign Immunities Act . GoT represented by Nimrod Mkono and Hunton and Williams .	
April 15	US judge orders IPTL to take their case to arbitration.	
June 22	IPTL files an application to the International Centre for Settlement of Investment Disputes (ICSID) demanding TShs 84 billion (USD 64m) in unpaid capacity charges.	
July 9	Shadow Minister for Energy and Minerals Mohamed Habib Mnyaa claims in parliament that 'over the last two years 34.9bn/- has been allocated to' converting IPTL from diesel to gas, and another 24bn/- this year.	
November 24	Mechmar ask High Court to dismiss application to appoint provisional liquidator. VIP accuses IPTL of misappropriation of funds, including 164bn/- in capacity charges.	
December 16	High Court judge Katherine Oriyo places IPTL under provisional liquidation by Theophil Rugonzibwa of the Registration, Insolvency and Trusteeship Agency (RITA) after granting an application by VIP. "The need for the appointment of a provisional liquidator pending winding up has in no doubt been adequately established by VIP through the affidavits of James Rugemalira filed" in 2002 and 2003, she ruled. Mechmar 'had been illegally converting IPTL assets and diverting huge amounts of money by dubious methods. IPTL sold 'thousands of tonnes	

	of fuel to ORYX . Money from fuel sales were first credited to IPTL's Citibank and Stanbic Tanzania accounts then 'immediately transferred to RHB Bank Singapore (ac no. 01-75-000192-06), thence to Mechmar.'	
December 16	TanESCO counsel at the ICSID hearing, which begins the same day the liquidator is appointed, points out that IPTL no longer has the authority to attend the tribunal without the PL's consent. The proceedings are adjourned. PL refuses to authorise continuation of the arbitration despite SCB HK's offer to underwrite costs.	Citizen investigative team 2014c
2009		
January	Mechmar challenge the appointment of the Administrator General as IPTL's provisional liquidator, citing 'serious irregularities in the proceedings leading to 'the High Court's decision.	
January 18	VIP Director James Rugemalira accused Mechmar Corporation 'of conspiring with two international banks and a foreign company to create fraudulent liabilities worth billions of shillings for IPTL.' He names Standard Chartered Bank (Hong Kong) Ltd , RHB Bank of Singapore , and Stork Wärtsilä Diesel BV . Mechmar 'obstructed conversion of the ... plant to natural gas for more than four years' Mechmar and Wärtsilä had been pressuring the government to cover the cost of conversion, which they said would cost USD 22 million, whereas in fact (according to Rugemalira) it would cost USD 11.6m. VIP 'stands to suffer irretrievably if the provisional liquidator of IPTL was not appointed.'	
January 27	High Court Justice Thomas Mihayo appoints Advocate Charles Rwechungura as administrator of IPTL, thus reversing the ruling of Justice Katherine Oriyo of December 2008. The administrator 'was capable of rescuing the company and protecting the creditors.'	
January	SCB-HK files application in Tanzania's High Court to appoint an Administrator to wind up IPTL, which is granted by judge Thomas Mihayo . The administrator authorises the London arbitration to continue. But Chief Justice Augustine Ramadhani establishes a three-judge bench that quashes the order to appoint an Administrator. The administrator is removed and arbitration suspended again.	Citizen investigative team 2014c
February 8	VIP files an appeal with the Court of Appeal to quash the appointment of Advocate Charles Rwechungura as administrator of IPTL.	
February 17	Chairman of the Parliamentary Committee for Energy and Minerals William Shellukindo says that the three legal cases involving IPTL stalled 'any move to introduce a plan to purchase or change the plant into using natural gas.'	
March 20	Standard Chartered Bank (Hong Kong) Ltd (SCB) asks the Court of Appeal to uphold the appointment of Charles Rwechungura as administrator of IPTL with 'a view to protect and achieve survival of the company.'	
April 9	Court of Appeal nullifies appointment of Charles Rwechungura as administrator of IPTL, reinstating Theophil Rugonzibwa.	
May	SCB-HK hold settlement and restructuring discussions with TanESCO and its counsel, Mkono & Co and Hunton and Williams 'on	Citizen investigative

	ways to restructure the project and facilitate the settlement of creditors' claims from the Tegeta escrow account and future operating cash flows.' SCB-HK were willing to negotiate a reduction in the debt from US\$ 145 million to US\$ 75 million.	team 2014c
October 17	Reacting to complaints about growing power rationing, Minister of Energy and Minerals William Ngeleja says that the ongoing case between IPTL and Tanesco should be settled out of court "so that IPTL can start generating power to ease the current electricity rationing." The court case had also derailed the World Bank's USD 20 million proposed grant to convert IPTL to gas.	
October 20	Elvis Musiba of the Tanzania Private Sector Foundation urges President Kikwete to intervene in the IPTL and Dowans disputes in order to produce more power.	
October 21	President Jakaya Kikwete orders Minister of Energy and Minerals, Minister of Finance, and Minister of Justice and Constitutional Affairs to assure the recommissioning of IPTL to ease the acute electricity shortage the country is facing.	
November 8	10 MW of IPTL power delivered to the national grid. More follows.	
November 10	High Court suspends proceedings in the petition by SCB seeking for the appointment of an administrator of IPTL to protect its assets, to allow negotiations for an out-of-court settlement to be brokered by the Administrator General.	
December 20	Provisional Liquidator Theophil Rugonzibwa 'uncovers huge fraud at IPTL' citing systematic overpricing in the company's EPC and diversion of funds. He requested the High Court to restrain SCB from interfering in the affairs of IPTL.	
December 28	James Rugemalira files an application for IPTL's liquidator to appoint experts to conduct an investigation into the conversion of the plant from oil to gas. The liquidator has accused Tanesco of being behind the failure to convert IPTL to gas. The liquidator had earlier invited bids for 'technical, legal and financial advisory services' to look into the affairs of IPTL.	
2010		
April 11	Provisional Liquidator denies "that SCB is a major creditor and should be put to strict proof." He accuses SCB of 'illegally interfering with the process' of converting IPTL to natural gas, which--according to the Engineering Procurement and Construction (EPC) contract--was to be financed by Tanesco for USD 11.5m. SCB were also hindering him in his attempts to investigate accusations of fraud. SCB claims it is owed USD 117m. Liquidator's first interim report (date?) stated that Tanesco had 'already paid' IPTL USD 190.5 million in capacity charges.	
October-November	Malaysia's High Court grants an interim injunction on 4 th October 'preventing any dealings by Mechmar in its shares in IPTL'... 'until redemption of SCB's outstanding debt.' (The debt was estimated at US\$146m). Ms Martha Renju, receiver of IPTL applies 'to the High Court in Virgin Islands (BVI) seeking orders restraining the completion	The Citizen Team 2014 Citizen Investigative Team 2014e

	of a purported sale of Mechmar’s shares in IPTL to Piper. The application succeeded. The BVI High Court recognised the share receiver as the proper legal custodian of the shares, a position she maintains to this day. The share certificates in question were delivered by Piper to the High Court in the BVI in accordance with an earlier freezing order and order for custody dated 8 November, 2010.’ The High Court issues a summary judgement against Piper Link.	
2011		
	Power rationing. Aggreko add 100 MW of diesel-fuelled power to the national grid.	Daily News Reporter 2013
July	High Court orders the winding up of IPTL. SCB-HK appeals and the winding up order is quashed.	Citizen investigative team 2014c
2012		
April 6	‘At least \$54 million meant for the purchase of heavy fuel oil for Independent Power Tanzania Ltd (IPTL) may have been stolen. Minister of Energy and Minerals William Ngeleja said “Yes, I can confirm there is an investigation ongoing.” ‘A senior government official confirmed ...that there was evidence ... that some senior government officials from the Ministry of Energy and Minerals, the Treasury and the state owned Tanesco colluded in the deal.’	East African 2012
April 16	Mechmar Corporation Berhad put under liquidation. Malaysian High Court confirms ‘that only the joint liquidators could represent Mechmar within IPTL.’	The Citizen Team 2014
August 8	In July, Minister for Energy and Minerals Sospeter Muhongo , supported by a number of parliamentarians, accuses the Parliamentary Standing Committee on Energy and Minerals of accepting bribes from companies vying for energy tenders. On July 28th, Speaker Anne Makinda disbanded the 28-member energy committee. The committee allegedly colluded with William Mhando , former managing director of TANESCO. In response to the allegations, the company officially suspended Mhando on July 14th. "This director contracted some parliamentarians to supply fuel to the Independent Power Tanzania Limited (IPTL) ... at a cost of 1,800 [shillings] per litre of oil...". Mhando, with the help of the parliamentarians, allegedly approved the Oryx Oil and Camel Oil bids to supply oil to IPTL on behalf of the government, even though their rates were higher. " BPTanzania Ltd ... accepted to supply the same fuel at the cost of 1,460 [shillings] per litre.’	Balile 2012.
2013		
	VIP and IPTL take PAP, BoT, Stanbic Bank Tanzania Ltd, and Standard Chartered Bank Tanzania Ltd to court, but IPTL and PAP agreed to resolve the case amicably. This agreement includes VIP withdrawing other cases it had taken out against Wärtsilä Netherlands and Wärtsilä Tanzania Ltd., and PAP agreeing to buy VIP’s 30% of IPTL for US\$67.5m before 31 January 2014.	Citizen investigative team 2014a
May 26	The government will spend 500 million US dollars in transforming	Saiboko 2013.

	TANESCO, the Minister for Energy and Minerals, Prof. Sospeter Muhongo has said. "We have acquired loan from World Bank worth 300 million US dollars ..., we will also receive grant worth 200 million US dollars from African Development Bank and in total we will have 500 million US dollars to transform Tanesco," he said.	
June	VIP sues SCB in the Supreme Court of the State of New York for US\$485m 'in damages it has suffered due to the bank's conversion of the firm's assets in IPTL.'	Citizen Reporter 2013
July 19	SCB-HK seek revision of High Court proceedings regarding winding up of IPTL.	Daily News Reporter 2013
September 5-15	VIP withdraws the petition to wind up IPTL. Judge John Utamwa of Tanzania's high court terminates the liquidation under the Administrator General to prepare the way for IPTL to be acquired by Pan Africa Power Solutions Tanzania Ltd (PAP) . The judgement reads in part: "The Provisional Liquidator shall hand over all the affairs of IPTL including the IPTL Power Plant to PAP." <i>There is no mention of transferring funds from the escrow account in the judgement.</i> SCB-HK is denied the right to be heard on VIP's application for the withdrawal of its petition. Mechmar liquidators write to the Chief Justice seeking revision of the order by Judge Utamwa challenging the legality of PAP's acquisition of IPTL.	Kapama 2013; Citizen investigative team 2014a
September 23	VIP asks Court of Appeal to dismiss SCB-HK's application of July.	Daily News Reporter 2013
September 30	VIP requests the International Centre for the Settlement of Investment Disputes (ICSID) to dismiss claims by SCB-HK and SCB PLC filed in separate cases in 2010 and 2012 over the alleged non-payment by IPTL US\$117m.	Kapama 2013
October 29	Tanzania Revenue Authority (TRA) Commissioner General, Harry Kitilya , writes to the PS in the Ministry of Finance, Servacius Likwelile , requesting the Treasury to assist TRA in the recovery of overdue VAT payments of Shs27billion from the escrow account.	Letter ref 100-221-969/214
November	VIP sue SCB PLC, SCB (HK), SCB (Tanzania) , the liquidators of Mechmar, Wärtsilä Nederland BV and Wärtsilä Tanzania in the High Court, Dar es Salaam, claiming US\$ 491m for 'fraud, conversion of rights and corporate waste in dealing with its interests in IPTL' as well as money laundering, and diversion of funds.	Kapama 2013
November 28-December 6	US\$ 122m equivalent in TShs transferred from Tegeta escrow account at the BoT to PAP.	Citizen investigative team 2014d, a
2014		
February 14	ICSID rules: '...SCB HK is entitled to recover the tariff payments due during the period when the [IPTL] plant was being operated by the provisional liquidator...' The tribunal gives TANESCO and IPTL three months to come up with a formula to calculate the appropriate tariff.	Citizen investigative team 2014a
March 3	<i>The Citizen</i> begins a series of investigative reports exposing how PAP acquired the Tegeta escrow account money.	Citizen investigative team 2014a

March 4	<i>Citizen</i> publish a letter from Mechmar’s managing director, DatukBaharudenMajid (no date cited) to PS of the Ministry of Energy and Minerals David Jairo , proposing to sell its share of IPTL to the government, Tanesco or other entity. “This ... letter...was the basis of the whole deal,” <i>The Citizen</i> quote a senior MEM official as stating. ‘...some politicians and dealmakers’ used it to bring Pan Africa Power into the picture. But Mechmar was under receivership by the time Majid wrote the letter.	Citizen investigative team 2014b
March 4	Governor of the Bank of Tanzania Prof.BennoNdulu says he authorised the payment of the Shillings equivalent of US\$122million to IPTL, not PAP.	Citizen investigative team 2014c
March 5	Harbinder Singh Sethi’s solution to the IPTL ‘problem’ effectively sidelined the proposal by SCB-KG, the owner of the IPTL debt, to use the Tegetaescrow account to settle TANESCO’s claims on the company. ‘After months of discussions...the project reconstruction was finally rejected by Tanesco lawyers on the basis that the minority interest, VIP was not in the agreement, despite the fact that VIP was a <i>creditor</i> , not a <i>shareholder</i> . ‘Various subsequent efforts by the bank to reach out to government proved futile.’ ‘Efforts to obtain justice in the local courts likewise failed with applications by the bank either ignored or dismissed. Left with no alternative, SCB-HK commenced an arbitration against the Government under the provisions of the UK Bilateral Investment Treaty.’ The tribunal ruled against the bank on the grounds of jurisdiction.	Citizen investigative team 2014c
March 6-9	James Rugemalira ‘said his firm agreed to sell [VIP Engineering’s] shares to PAP for \$75 million (Sh121.275 billion).’ He is quoted as saying: “Actually, fellow Tanzanians should regard me as a great patriot because the deal was sealed on national interest. I deserved \$600million but I only pocketed \$75 million, which is peanuts...” ‘Though the Bank of Tanzania says it transferred the escrow funds to IPTL, the affidavit sworn by James Rugemalira ... served at the High Court on January 8 ... state (sic) that the money was paid to PAP.’ VIP owed 30 percent of IPTL shares until it ‘sold its stake to PAP at the cost of \$65 million (Sh 129 billion), a sum described by Rugemalira as “just few cents for tobacco.” When asked who owned IPTL, Mr Rugemalira is reported to have replied: “That’s a very good question... I think when we get to the bottom of it you will understand the point I’m making here...” “I signed a consent order to the effect that PAP should also retain the rest of the shares.”	Citizen Reporter 2014 Kapama 2014 www.kihnews.com
March 9	James Rugemalira declares that PAP has bought VIP’s 30% of IPTL shares and PAP “has also ratified purchase of Mechmar Corporation (Malaysia) Berhad’s 70 per cent shares in IPTL.” He declares that “it is not true that IPTL has been liquidated” because <i>VIP withdrew the winding up petition</i> on September 15, 2013. “To show you that we stood for the interest of the public, when we sold our shares, we gave the condition that the new owner must expand its capacity ...to 500 MW and sell power to Tanesco at a tariff of between six and eight US	Kapama 2014

	cents per unit.”	
March 11	SCB-HK sue PAP and IPTL in London commercial court for the recovery of IPTL’s outstanding debt of US\$145m as of December 23, 2013, of which \$36m is accrued interest (of \$11,600/day). SCB-HK also claim the US\$122 escrow account money was paid to PAP illegally since the latter wasn’t a party to the Escrow Agreement signed between the GoT and IPTL.	Citizen Team 2014b
March 12	Public Accounts Committee (PAC) calls the Controller and Auditor General (CAG). PAC chairman Zitto Kabwe congratulates the Citizen, Mwananchi and Mtanzania for reporting the case, and announces a special audit to be undertaken by CAG. “Our concern is the way the ministry of Energy and Minerals handled the entire process...we also want to establish whether Mechmar ... signed any agreement to sell its shares to PAP as claimed.” Kabwe claimed that Attorney General ‘Frederick Werema approved VAT exemption amounting to Sh26 billion...’ (Capacity charges paid by Tanesco to independent power producers are subject to 18 percent VAT). Kabwe also claimed that Governor of the BOT BennoNdulu tried ‘his level best to advice (sic) the government on the escrow account but part of his opinion was ignored.’ The PS at the ministry of Energy and Minerals, EliakimMaswi , ‘has categorically stated that SCB-HK wasn’t a party to the ... dispute between IPTL and Tanesco.’	Citizen Investigative Team 2014d
13 March	Executive chairman of PAP, SinghSethi declared that PAP ‘is the legally-accredited holding company for IPTL.’ He said: “I did not come to Tanzania to make money...I want to help Tanzania to get sufficient electricity that is vital for economic development.” In 2010, Mr Sethi ‘had been duly chosen as the custodian for all of Mechmar assets in Tanzania.’ Mechmar originally sold its shares to Piper Link , from whom Mr Sethi bought them on behalf of PAP. Joseph Makandegé , PAP’s chief counsel: “VIP agreed [to sell its 30% share to PAP] and was paid \$7.5 million as down payment for a deal totalling \$75 million.” Thereafter VIP requested the high court to drop all cases involving VIP and Mechmar. PAP agreed with Tanesco on ‘the right amount that [Tanesco] owed IPTL.’ The money in the escrow account “was neither taxpayers’ money nor money for SCB-HK,” said Mr Makandegé. SCB-HK ‘was not legally recognised to be the project finance lender to IPTL.’ Mr Sethi said he intended to invest \$1 billion to increase production capacity to 500MW ‘in the next few years.’	Kamndaya 2014
March 14	Business Registration and Licensing Agency (Brela) says ‘PAP was incorporated on October 18, 2011— <i>one year after it acquired 70 percent of IPTL shares.</i> ’ The shareholders are Mr Singh of Plot No 887, Mrikau St, Masaki (50%) and Simba Trust of Sunny Bank Hills, Australia (50%). PAP directors are Mr Singh and Manraj Singh Bharya. PAP has not filed annual returns since incorporation in 2011. Makandegé: Sethi was a ‘caretaker’ for Mechmar, who “feared coming to Tanzania to manage their businesses...” The Malaysians,	Citizen Investigative Team 2014e

	who were in a hurry to sell their shares, ‘decided to sell them to an offshore company, Piperlink, incorporated in the British Virgin Islands. Sethi bought the shares from Piperlink with a downpayment in February 2011, and transferred them to PAP, because “during that period, Mr Sethi had already secured the firm’s registration.” (Makandege).	
March 17	IPTL and PAP sue The Citizen, Mwananchi and Mwananchi Communications Ltd for defamation in their coverage of the IPTL saga, claiming US\$3 billion (Shs 4.8 trillion) in damages. According to the plaint: articles in the two papers were intended to depict IPTL and PAP as ‘fraudsters, criminals, involved in dubious transactions with intent to defraud and were individuals of moral turpitude.’	Daily News Reporter 2014
March	BoT governor, Professor Benno Ndulu reiterates that the BoT ensured it adhered to legal requirements when it released to IPTL the Sh201 billion held in the escrow account.’ ‘He said the government, represented by the Ministry of Energy and Minerals, and the IPTL signed an agreement on October 21, 2013, instructing the central bank to release the funds...to IPTL.’ On December 28, 2013, IPTL ‘provided instructions to release the money to an account belonging to the new owner.’ “We negotiated and agreed that the investments [22.2 m US\$] that have not matured will be redeemed when they do. That way the amount of cash in ... circulation will not change abruptly,” he explained.	Daily News Reporter 2014b
March 18	The Public Accounts Committee is interested to know whether Mechmar still owned the shares of IPTL at the time of the PAP take-over, how much was deposited in the escrow account, how much paid to PAP/IPTL, why the AG (?) granted the VAT exemption. Did the MEM do its due diligence on PAP?	Ubwani and Mtweve 2014
March 21	IPTL Executive Chairman Mr Harbinder Singh Sethi donates 11m/- to the Sister Rita Wakashia church choir Kimara, to set up a SACCOS. The company secretary, Mr Joseph Makandege, said that IPTL ‘in collaboration with Pan African Power agreed to set aside funds within the allocations for ... Corporate Social Responsibility (CSR), basically for supporting youth economic oriented programs/projects.’	Times Reporter 2014
March 21	On March 17, liquidators of Mechmar, through their lawyers IMMMA Advocates, filed an application at the High Court seeking an injunction to bar the withdrawal of \$75m (Sh 121 billion) from the escrow account to pay VIPEM. The court granted the injunction. Mechmar is seeking \$52.5 million, which is 70% of the \$75million. Mechmar’s liquidators claim that Mr Sethi didn’t buy the 70% IPTL shares from Piperlink as claimed. Mr Lim Lit and Mr Andrew Heng write that “Sethi and his legal counsel were placed on formal notice of our appointment as Mechmar’s joint liquidators, the corresponding vesting of Mechmar’s global interests in the liquidators and requesting that he (Sethi)/or his legal counsel refrain from holding himself/themselves out as Mechmar’s legal representative(s)...”	The Citizen Team 2014
March 21	World Bank board approves ‘IDA credit of US\$ 100m for the second	Lazaro 2014

	power and gas sector development policy operation, which will help Tanzania improve financial sustainability of the power sector, and promote public-private partnerships for increasing generation capacity.’	
March 30	IPTL’s Company Secretary and Chief Counsel Joseph Makandegé claims that PAP “acquired shares of Mechmar on February 20, 2010 through Harbinder Singh Sethi...” “in his capacity as a private person, as representative of Mechmar. Harbinder bought these shares from Piper Link ... in his capacity as a natural person. By that time PAP had not been incorporated. ... [Harbinder] was acting as Mechmar representative here. While acting for Mechmar, Harbinder developed the appetite to purchase Mechmar shares in IPTL.” Following VIP’s winding up petition in 2002: “VIP became suspicious that if the money payable to IPTL by Tanesco was paid to IPTL, then ... Mechmar could defraud them.” “So in a chamber application ... on 24 th September 2003, VIP asked the High Court...that Tanesco should not pay...IPTL, but instead the money should be paid to an escrow account that VIP sought to be established.” In 2006, as a result of Tanesco’s dispute over payments to IPTL “it was eventually agreed that an escrow account be opened at the BoT...” The dispute between Tanesco and IPTL meant that PAP could not access the money in the escrow account, so PAP contacted Tanesco and “a joint committee...was convened to review the claims”. The committee “revealed that the dispute was unjustified.” “...there was no overstatement at all as regard to costs of IPTL and that all that was invested for the plant was correct.” “...Tanesco also submitted the matter to the board, which deliberated on it.” ICSID arbitration “...was erroneously commenced against Tanesco by SCB-HK, pretending to be creditors and representatives of IPTL...” “...the decision by ICSID...has been fraudulently procured...” because the High Court agreed to VIP’s withdrawal of the winding up request”, following which the provisional liquidator handed over “all the IPTL affairs to PAP.” After the order “all creditors were obliged to submit their claims to PAP.” “IPTL has now regained its corporate status following the removal of liquidation.” “The money that was kept in the escrow account was money belonging to IPTL and PAP.”	Kapama 2014
April 2	TRA has attached Bank accounts belonging to IPTL in a bid to recover Sh26billion in VAT owed as a result of the release of \$122m from the escrow account.	Citizen Reporters 2014
April 14	IPTL and PAP file a suit in the High Court demanding US\$3.2 billion from SCB-HK over an alleged fraud. ‘SCB-HK has been falsely representing being a creditor of IPTL and procured a decision before a London Court in February ... for, among others, recalculation of tariffs payable by Tanesco.’ Martha Renju also included in the plaint ‘for allegedly presenting herself as IPTL administrator-receiver.’ SCB-HK effectively frustrated IPTL/PAP plans to convert to gas and increase production capacity fivefold.	Kapama 2014

April 25	High Court Judge FauzTwaib rules in favour of IPTL and PAP's request to restrain CSB-HK from enforcing a decision by the ICSID to recalculate power tariffs.	Kapama 2014
May 7	British High Commissioner Dianna Melrose confirmed that she wrote to the governor of the BoT 'seeking to know on what grounds were the escrow billions released...while the main case was still pending before an international tribunal. She commended the decision by the PAC to request the CAG to investigate the transaction. 'She said "the donor community was closely monitoring the unfolding scandal..." The issue was of "great concern" to the British government, since the UK "looks forward to providing £71 million to the energy sector in the next budget.'	Mugarula 2014
May 9	An unnamed source in the MEM is quoted as saying: "Tanzanians should not be fooled by some media reports that IPTL was illegally purchased by PAP. There is a smear campaign to discourage power generation by Tanzanians due to the lucrative business in this key sector of the economy" the source said.	Daily News Reporter 2014
May 9	Kigoma South MP David Kafulila (NCCR-Mageuzi) 'called for a parliamentary investigation into the acquisition of IPTL by Kenyan tycoon Harbinder Singh Sethi. "Top government officials shared the escrow money," he claimed. "This scandal is bigger than the EPA scam." 'He said BoT governor BennoNdulu admitted before Parliament's Finance and Economic Affairs Committee, in which he also sits, that he was pressured into releasing the money.'* 'Mr Kafulila said the Tanesco Director General's office, permanent secretaries in the ministries of Energy and Minerals and Finance and the Attorney Generals' Chambers should be held accountable...' Kafulila accused AG Frederick Werema of helping to facilitate the IPTL deal by pressuring the BoT to release the funds. Malaysian lawyers representing Mechmar's liquidators 'insisted that neither PAP nor Mr Sethi was the custodian of IPTL in Tanzania.' Mr Sethi and his counsel were 'asked to refrain from fronting themselves as the company's representatives in Tanzania.' *Chair of the Committee, LuhagaMpina 'said the BoT governor did not utter the alleged statements before the committee.' Other opposition members on the committee "have confirmed that there was no such thing." (Temba 2014).	Mbashiru 2014.
May 10	Prime Minister MizengoPinda confirms probe into IPTL scam by CAG and PCCB, describing the issue as "a bit complex". Ubungo MP John Mnyika (Chadema) doubted that these enquiries would be effective, given their performance over EPA and the case involving former PS in MEM David Jairo.	Domasa 2014
May 23	PAP, IPTL and Harbinder Singh sue <i>The Citizen</i> and <i>Mwananchi</i> for US\$5.5 billion as general damages and business losses. The plaintiffs also want the court to bar the papers from 'publishing any stories related to the IPTL.'	Citizen Reporter
May 23	IPTL and PAP file an injunction in the High Court to stop SCB-HK from	Kapama 2014d

	enforcing a recalculation of the tariff paid by Tanesco to IPTL. Makandegede for PAP told Judge FauzTwaib that “The implementation of the ICSID decision is an abuse of the sovereignty and territorial integrity of the United Republic of Tanzania as well as the process, independence and integrity of the Tanzanian courts.”	
May 28	‘VIP has been disputing that SCB is a creditor of IPTL because no proper Board resolution of the country’s giant electricity producer company was passed for SCB to buy and take over the purported IPTL debt from Danaharta [the official Malaysian receiver] in the year 2005.’	Kapama 2014e
May 31	Energy and Minerals minister SospeterMuhongo says ‘the government has evidence that opposition MPs were bribed to raise the issue of IPTL sale in the House.’ “...we have videos from CCTV cameras showing some opposition MPs signing dubious documents,” he alleged. The opposition camp walked out of the chamber in protest.	Saiboko 2014
May 31	Stephen Masele , deputy minister for Energy and Minerals, claims in parliament that British High Commissioner Diana Melrose has been meeting with civil society organisations, inciting other donors to cut Tanzanian aid over corruption, and fronting for Standard Chartered Bank. Prime Minister MizengoPinda and Minister of Foreign Affairs Bernard Membe mend fences with the UK.	Mkinga 2014
May 31	‘Some MPs... linked the death of former Finance minister, Dr William Mгимwa , to the [IPTL] scandal...’ Opposition MP John Mnyika said: “There is information that the former Finance minister declined to release funds and then became sick. When payments were effected in November 2013, Dr Mгимwa was unconscious in South Africa.”	Mugarula 2014
May 31	James Rugemalira, described as ‘the International Independent Consultant with VIP Engineering and Marketing Limited’, commended the minister of Energy and Minerals “for his intervention that helped to find a solution to the dispute.” He claims the current IPTL tariff is US cents 13.2/kWh.	Kapama 2014
June 9	Judge SalvatoryBongole dismisses the objection brought by SCBs (See April 14 above) against IPTL’s US\$490m suit for damages, on points of law.	
June 26	David Kafulila (NCCR, Kigoma South) challenges Minister of Energy and Minerals Prof SospeterMuhongo over the latter’s statement that the transfer of Sh201 billion from the escrow account was based on a High Court ruling of September 2003. “There is not a single sentence in the ruling which directs that the Escrow Account funds be paid to PAP, but it rather says all IPTL assets should be handed over to the firm.” The ruling also required IPTL to expand power production capacity to 500 MW and to reduce their tariff to Tanesco to 6-8 cents per unit. The plaintiffs’ five pleas contained no reference to the escrow account, Kafulila argued.	Magubira 2014
June 26	Attorney General Frederick Werema said in parliament: “the money paid to IPTL is not public funds... the government doesn’t keep money	Peter 2014

	in escrow account.” He explained that the issue of IPTL payments resulted from a conflict between the shareholders.	
June 29	Mr Eliachim Maswi, PS in the MEM, said the documents that opposition MPs were citing to challenge the legality of the emptying of the escrow account ‘were fake.’ ‘Mr Maswi dared Mr Kafulila to use the documents outside the Parliament so that he could take legal measures against him.’ In a live interview with opposition MPs on Deutsche Welle on 28 th June, Zitto Kabwe ‘insisted that the ... escrow account ... was public money.’	Msuya 2014
June 29	The Tegeta Escrow Account is public money, argues Zitto Kabwe , chairman of the Public Accounts Committee , challenging the AG and others who claim that it isn’t. The account money appears in Tanesco’s 2012 annual accounts as <i>reserves</i> . In 2009, the Public Organisations Accounts Committee (POAC), that Kabwe also chaired until it was disbanded last year, ‘issued a directive to BoT not to release these funds.’ The February ruling of the ICSID agreed that Tanesco had been overcharged by IPTL, but the ruling has been ignored by the principal actors. ‘So all the money put into escrow account must be divided amongst the two after re-calculations.’ ‘I have read the judgement by ... Judge Utamwa, and found nowhere ... [the] escrow mentioned.’ The first mention of the judgement authorising the transfer came from the meeting between Tanesco, IPTL and the ministry of Energy and Minerals. These minutes were presented to the central bank to get them to make the payment to IPTL. PAP’s acquisition of Mechmar’s 70% shares in IPTL was fraudulent. There is no evidence that Piper Link bought the shares from Mechmar, or that the transfer was publicly endorsed by the relevant authorities.	Kabwe 2014
July	On 5 September 2013 VIP’s request to withdraw its petition to wind up IPTL filed in 2002 was granted by Judge J Utamwa. According to Makandegé, the judge ordered the provisional liquidator to hand over all IPTL properties, including the Tegeta power plant and ‘the receivables in the Tegeta Escrow Account to Pan Africa Power Solutions (PAP).’ Ms Martha Renju should refute her claim to represent IPTL ‘short of which appropriate legal actions will be taken against her...’	Makandegé 2014
July 4	IPTL is now generating 100MW as promised, according to Joseph Makandegé, IPTL/PAP Company Secretary and Chief Counsel. IPTL tariff is currently 26-30 cents per unit, compared to between 38 and 60 cents for ‘other players in the market.’	Daily News Reporter 2014d

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Kenya NSSF and other scandals involving Harbinder Singh Sethi related companies

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