



**BARBRO JOHANSSON GIRLS' EDUCATION TRUST
JOHA- TRUST**

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***BARBRO JOHANSSON BOARD OF TRUSTEES PUBLIC
STATEMENT REGARDING MR. JAMES RUGEMALIRA'S SCHOOL
DONATION OF TZS 1,617,100,000/- (USD 1 MILLION)*.***

1. **Board of Trustees:** *This public statement is hereby provided by the Board of Trustees of Barbro Johansson Girls' Education Trust (hereafter JOHA TRUST) due to the controversy and misinformation that has arisen regarding our acceptance of a school donation to the tune of Shillings One billion six hundred seventeen thousand and one hundred thousand (TZS 1,617,100,000/=) (US\$ 1 million) from Mr. James Rugemalira of VIP Engineering and Marketing Limited (hereafter VIP). VIP was until recently the minority shareholder of Independent Power Tanzania Limited (hereafter IPTL), a company at the centre of the current controversy on the Tegeta Escrow Account.*
2. **Objectives of Joha Trust and its Founder:** *The organization was founded in 1996 by women rights activists with the objective of developing and improving girls' access to quality education in Tanzania. JOHA TRUST provides scholarships for economically disadvantaged but talented girls to study in the good quality education secondary schools it owns and operates. The Founding Trustee and leader is Honourable Professor Anna Tibaijuka who is also Minister for Lands, Housing and Human Settlements Development of the United Republic of Tanzania. She is also a retired UN Under Secretary General and former Executive Director of UN-HABITAT.*
3. **Why Barbro Johansson Trust?** *The organization is named in honour and memory of the late Dr. Mama Barbro Johansson (1912-1999). She had arrived in Tanzania in 1946 from Sweden as a missionary to start a girls' middle school at Kashasha, in Bukoba. In 1954, she joined Mwalimu Julius Nyerere in the struggle for independence and later became a Tanzanian citizen and legislator (Member of Parliament). Due to deteriorating discipline at Tabora Girls, then the only girls' high school in the country, in 1964, Mwalimu Nyerere requested Honourable Mama Barbro Johansson to volunteer and become the Headmistress of the School to save it from closure. Mama Barbro accepted the challenge and managed to turn things around quite remarkably. In 1967, Tabora Girls won the much coveted UNESCO prize for best education practice. It was Mama Barbro who*

introduced the legendary Adult Education Programme in Tanzania literally wiping out much spread illiteracy in the 1960s and 1970s. She also introduced the Founding President Mwalimu Nyerere to the Nordic countries paving way for the pioneer development projects they supported, namely, Kibaha Education Centre near Dar es Salaam and Uyole Agricultural Development Centre in Mbeya region.

4. **JOHA TRUST Schools' Profile:** The Trust owns and operates two high standard girls' boarding secondary schools. One is Barbro Johansson Model Girls secondary school located in Dar es Salaam. It started in year 2000 with 40 students who have since increased to 632. It runs from Form I up to Form VI. The other is Kajumulo Girls' High School in Bukoba Municipality, Kagera region catering for the Lake Zone. It started in 2010 with 31 students who have increased to 151, including Forms I, V and VI. The two schools have 783 girls in total, all borders. The cumulative total number of graduates is 1,512 and all but 5 passed their exams and proceeded onto University studies both inside and outside Tanzania. So far, the scholarship fund has been able to support a total of 453 students or about 30% of the total. Barbro Girls Secondary School is among the top performers in the country, ranking among the top 10 in 2010 and on average is among the top 50 schools. This good ranking is attained despite its distinct policy of not discontinuing students unable to attain the academic grade. Our philosophy has always been to educate and inspire students to be confident, disciplined and work smartly hard according to the best of their God given abilities. Our strategy is to help each student develop to her full potential by providing a conducive environment for education. Under such a policy teachers have to work extra hard.

5. **The Budget and Sources of Funds:** Since inception (year 2000) a total of TZS 32,267,000,000/= (about US\$ 21,111,333) has been spent on construction, establishment and operation of JOHA TRUST. Thirty seven percent (37%) of the funds was from parents fees and contributions; 35% from foreign donors; 7% local sponsorship and 21% is Bank loans. Like many other educational institutions in Tanzania, JOHA TRUST has considerable financial challenges. Specifically the approved School Master Plans is yet to be completed at both campuses. Contrary to widespread perception and belief that Barbro Schools are a business run commercially for profit, the opposite is true. There is a huge financial deficit and the school is dependent on subsidies provided by donors or from loans taken when absolutely necessary. Providing quality education requires considerable financial resources. Subsidies and other donations are needed to compliment the affordable fees paid by parents, each according to ability. The schools operate on the principle of assessed fees, parents paying what they can afford after confirmation of their ability by a committee. For full board, lodging plus all other basic needs the annual fees are TZS 4,500,000 (US\$ 3,000) and TZS 2,500,000 (US\$ 1,670) at BARBRO and KAJUMULO respectively. There are those who pay full fees and those who are fully supported. Without such measures it would be impossible to maintain the kind of education standards offered at the JOHA TRUST schools. The Swedish International Development Agency (SIDA) has been the main donor and provided assistance for the first ten years (2002-2012). An evaluation report commissioned by SIDA concluded that JOHA TRUST had successfully established itself but required a resource mobilization strategy for its sustainability.

6. **The Local Fund Raising Campaign:** *In view of SIDA's recommendation, the Board requested the Founding Trustee (Professor Anna Tibaijuka) who is also the main fundraiser of JOHA TRUST to approach a number of prominent local businesses to support our cause. Mr. and Mrs. James Rugemalira were among those approached through a letter dated April 4th 2012 addressed to their Mabibo Beer Wine and Spirits Limited trading company. After nearly 2 years of waiting, Mr Rugemalira finally responded in February 2014. Without indicating the amount of the grant, Mr Rugemalira informed the Founding Trustee that he was in a position to make a contribution for the school. Mr. Rugemalira instructed the Founding Trustee to open a bank account at his Mkombozi Bank since he had no time to make interbank transfers. He would then credit his grant into the account she opened which she would thereafter credit to the appropriate school bank account. Mr. Rugemalira suggested that his grant could be used to settle any loans that the school might have undertaken. He was concerned that many schools in Tanzania were closing down because of financial constraints aggravated by failure to service expensive bank loans.*
7. **Receipt of the Donation:** *The Founding Trustee opened the account at Mkombozi Bank on February 3rd, 2014. The school donation of TZS 1,617,100,000/= (US\$ 1 million) was credited into her account on behalf of the school on February 12th, 2014 from VIP.*
8. **The Board's Decision on Utilization:** *On February 13th 2014, the Board held an extraordinary meeting to receive a report on the generous donation from Mr. Rugemalira of VIP. The Board unanimously accepted the donation and decided that it should be spent on repaying the school loan at Bank M. The Founding Trustee was instructed to immediately transfer the donation from her account at Mkombozi Bank to Bank M so as to liquidate the loan. This explains why the donation was transferred so swiftly to Bank M, disproving allegations made (e.g. in Parliament) that the donation had been cashed out for her own gain.*
9. **Loan Settlement and Outstanding Obligations:** *In July 2011, JOHA TRUST had taken a Fixed Term Mortgage Loan Facility from Bank M amounting to TZS 2,000,000,000/-(US\$ 1,333,333) for the construction of a dormitory with a capacity for 163 students.. By the time the loan was totally liquidated on April 19th, 2014 the principal, interest and other bank charges had accumulated to TZS 2,741,374,444/= (US\$ 1,827,583). This was financed as follows: Schools' own resources TZS 950,000,000/ plus donation from Mr. Rugemalira TZS 1,617,100,000/-. This works out to an outstanding debt of TZS 174,274,444/- in favour of the Founding Trustee who is the personal guarantor of the loan. In the course of the loan's history, the Founding Trustee had advanced TZS 291,374,444/- being cumulative monthly interest charges to service the school loan at Bank M. The Board decided to repay her TZS 117,100,000/- out of her claim which she in turn decided to retain at her Mkombozi Bank account. These details are being given to counter accusations being made against her namely, the accusation that the Founding Trustee used part of the donation for her own individual use. This is not only **FALSE** but also completely misrepresenting the facts. The truth of the matter is that JOHA TRUST still owes her TZS 174,374,444/- (US\$ 116,000) on that account which shall be repaid when resources allow.*

10. **Sustainable Financing of Private School Operations:** *It needs to be recognized that in her own right, the Founding Trustee is also a sponsor and guarantor of JOHA TRUST financing as and when emergency needs arise through her own private resources. From the outset, one of the school's official policy is that any Trustee in a position to do so can provide financial support to the school as a loan which is repaid when JOHA TRUST's own financing improves. Donors are requested to consider refunding such loans. For example, SIDA authorized that part of its grant be used to repay a loan that had been advanced to start the school between the years 2000 and 2003. Without such dedication and commitment on the part of Trustees, it would have been difficult to run school operations smoothly. As Trustees, we are champions of the JOHA TRUST mission, willing to sacrifice as much as we can to ensure its success and sustainability. Some people have difficulties understanding and appreciating such high level of commitment and tend to confuse it with personal gain! We believe that unless more leaders adopt the positive attitude of self sacrifice and voluntarism, it will be difficult to develop local community based grassroots organizations such as schools which are so critical for the country's development. In this regard, it is noteworthy to mention that by National Examination Council Statistics, between 2012 and 2013, 136 secondary schools and 71 high schools closed down because of lack of sufficient funds and probably champions and volunteers to keep them going through hard times.*
11. **The VIP Engineering Contribution was received in good faith:** *In the absence of a law to guide and regulate voluntary donations, JOHA TRUST, like many other NGOs in Tanzania, does not maintain a policy of questioning the actual source of funds by those making donations be them local or foreign. It has been our custom to receive donations in good faith, be them large or small, cash or in kind. We also know this to be common practice in Tanzania for leaders as well as the general public that collects contributions for development and social events including weddings. The only thing checked and confirmed to us by Mkombozi Bank was that Mr. Rugemalira had met his tax obligations. Accordingly, we happily received his donation. On 16th February, 2014 we wrote Mr. Rugemalira a letter of commendation inviting him to be our guest of honour at the next school Open Day on 25th September, 2014. We had planned to announce his generous donation to the parents with a lot of celebration had it not been for the eruption of the current controversy.*
12. **Donations received by Trustees cannot be personal gifts.** *Since it was founded, JOHA TRUST has never interpreted a donation given to a Trustee on its behalf as a personal gift to that Trustee. We are aware that the Leadership Code of Ethics Act provides that any gift whose value is more than TZS 50,000/= (US\$ 33) must be surrendered by the receiving official to his employer. There are those who maintain that the Founding Trustee violated the Act by not surrendering the Rugemalira donation to the Government. Others contend that she should have used the donation to support local schools in her rural constituency of Muleba South where she is a Member of Parliament. With due respect, both arguments are wrong. Mr. Rugemalira's donation was only for JOHA TRUST schools and it was promptly delivered to the Board, the rightful owner. Actually, it would have been unethical for the Founding Trustee to divert a school donation to other purposes. We therefore reaffirm that the JOHA TRUST Board did receive the entire donation given by Mr. Rugemalira, and decided to use it for school*

obligations as per donor intention. Any course of action contrary to that would have been gross violation of the ethics code.

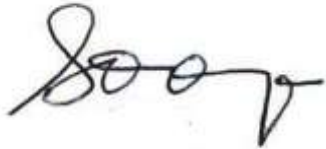
13. A Call for Official Investigation: *On November 28th, 2014, we closely followed the Parliamentary debate before the breakout of chaos and subsequent adjournment of the session by the Speaker. During that session, we noted the decision by Parliament was for the relevant authorities to investigate the justification for Mr. Rugemalira's so called mgao ("handouts") in order to fully establish the truth and any probable wrongdoing in which case appropriate measures would be taken. Regrettably, the situation drastically changed the next day when a drafting committee came with totally different resolutions including one recommending to relieve our Founding Trustee of her Ministerial position simply because she had successfully raised a donation for a school. At a special Board meeting held on 2nd December, 2014 in Dar es Salaam to discuss this matter, the Board unanimously decided to air our views and humble opinion that we did not comprehend the logic behind such a drastic decision before a proper investigation is conducted for each case. Generalizations are unfair and will set very bad precedents. Isn't it common practice for Government and other leaders in Tanzania to organize fund raising events especially for activities in the distant countryside for which cash collections are made and large sums of money given to the leader to deliver to the beneficiaries? It would be an unfortunate precedent to interpret donations received by public officials for onward transmission to their respective constituencies and stakeholders as their personal gifts. It would make mobilization of voluntary contributions for development more difficult thereby slowing down the country's economic growth. Indeed, this notion has really baffled us who volunteer and dedicate our energy and time to help promote the often demanding development projects such as education. We also believe it would be wrong to punish people selectively for something that is common practice. It would dampen the efforts and spirit of our Trustees and many other leaders who struggle to mobilize resources for the development of various projects in education, health, youth, water, the disabled, orphans, street kids, the elderly, widows etc. Of itself this would erode the spirit of fund raising and resource mobilization that has been gaining momentum in Tanzania. It is for this reason that we have clarified at length these issues and concerns to the general public and our stakeholders. It is our hope that His Excellency the President will also assess this matter with wisdom and care in view of its far reaching implications. We are ready to provide additional clarification and/or answer any further questions on this matter.*

14. Appreciation to our Sponsors: *In the 15 years of our active existence (2000-2014), JOHA TRUST has received a total of TZS 13,591,797,582/= (US\$ 9,061,198) in grants from various donors. The biggest foreign contributor is SIDA which gave a total TZS 8,155,390,703/- (US\$ 5,436,92) equivalent to 60% of the total contribution received. It was followed by JOHA TRUST Sweden's contribution of TZS 1,785,000,000/= (US\$ 1,190,000) equivalent to 13.11% of the total contribution. In the year 2000, the Government of Tanzania under the retired President Benjamin Mkapa donated 50 acres of land for construction of the Barbro Johansson School in Dar es Salaam. In 2005 before leaving office, former President Benjamin Mkapa donated TZS 5,000,000/- when he came as guest of honour to check the school's progress. At the 2013 Form 4 graduation ceremony, Dr. Reginald Mengi Chairman of the IPP Group was guest of honor and contributed TShs 278,000,000/-(US\$ 185,333). What Mr. Rugemalira*

has done is similar to these earlier supporters. Until it is proved that his funds were illicit, he too should be commended for his generosity. In this regard, we do take this opportunity to once again sincerely thank all our supporters both foreign and local for their donations. We promise to increase our efforts in furthering girls education in our country. We believe by educating girls we are educating the entire Tanzanian community.

15. **NOTE TO PARENTS:** As it was explained on September 25th, 2014 during the Form 4 graduation ceremony, it is very important and necessary for parents and/or guardians to fully understand the issue at hand and its dynamics to avoid being misled by political propaganda directed against our Founding Trustee by her detractors. Despite the current turmoil, we have not given up our efforts to ensure we improve both capacity and capability to offer quality education for girls in Tanzania. We take this opportunity to assure parents worried about the sponsorship of their daughters' education that we shall strive to honour our commitments. Currently there are 83 girls studying under sponsorship at the BARBRO school and 30 at KAJUMULO school respectively. We do guarantee the 113 girls who make up a total of 14% of all the 783 girls not to worry at all but to continue working hard at their studies. We also use this opportunity to urge anyone convinced by our mission, our work and achievement to come forward and support our efforts in improving girls' education in Tanzania. Let us continue to collaborate together in upbringing our girls with quality education. As the Founding Father of the Nation, Mwalimu Nyerere always said " TO GIVE UP IN TIMES OF TROUBLE IS CARDINAL SIN"

RELEASED BY THE JOHA TRUST BOARD OF TRUSTEE, DECEMBER 2ND, 2014



**Mr. SALMON ODUNGA
CHAIRMAN**



**H.E. Ambassador PAUL RUPIA
PATRON**

***NB : This edition replaces the unedited draft released earlier inadvertently.**

**NOTICE: THERE WILL BE A SPECIAL MEETING OF THE BOARD OF TRUSTEES,
SCHOOL BOARD, PARENTS, TEACHERS AND ALUMNI ABOUT THIS MATTER ON
DECEMBER 10TH, 2014 AT SERENA HOTEL, DAR ES SALAAM. THE MEETING
WILL START FROM 11.30AM UNTIL 15.00PM
YOU ARE ALL WELCOME.
FOR MORE INFORMATION KINDLY CONTACT THE HEADMISTRESS
HALIMA KAMOTE ON +255744596649**