

CMEC promised Teko N\$105 million for Oshikango rail project

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CHINA National Machinery and Equipment Import and Export Corporation (CMEC) committed to pay Teko Trading CC N\$105 million to influence its "connections in Government" to approve a project which should have cost N\$144 million for a whopping N\$1,063 billion, Informanté has established.

According to the Agency Agreement signed on June 28, 2008 between CMEC and Teko Trading, a copy of which is in Informanté's possession, CMEC contracted Teko, a company run by Teckla Lameck and Kongo Mokaxwa, to influence Ministry of Finance and other Government officials to award to overpriced contract to CMEC.

"The obligations of Teko are to try its best endeavour by enabling (CMEC) to sign the contract with the Ministry of Works and to make use of its (Teko's) good relationship with government for influencing and promoting the project to be awarded to CMEC," reads Section 3.2 of the agreement.

Teko was contracted and incentivised to use its connections in Government to influence the awarding of the contract to CMEC at the highest price possible, thereby making the cost of the project exorbitant for the Namibian Government. According to the contract, Teko would be paid 10% of the cost of the project, meaning that its task as an agent for CMEC was not only to ensure that CMEC gets the contract but also at a high contract price.

"If the Owner (Government of the Republic of Namibia) finally grants the project to CMEC with a lower contract price than CMEC's formal bidding quoted price, the commission ratio, which shall be mutually negotiated between the two parties shall be adjusted down."

CMEC quoted Namibia N\$1,063 billion for the installation of only 62km of rail, nearly 10 times more than the quote given by South African company Lenning Rail Services for the same project, according to a memo sent by Acting Director of the Directorate of Railways Robert Kalomoh to the Permanent Secretary of Works and Transport.

Public Relations Officer of the Ministry of Works and Transport Julius Ngweda has issued a statement confirming that the Ministry of Works had signed a Technical Agreement at a cost of (plus or minus) N\$450 million, and that the Namibian Government had waived its own tender procedures to benefit Chinese companies in compliance with the conditionalities imposed by Eximbank.

"In terms of the concessionary loan conditions, the Government of Namibia is obliged to use Chinese companies for the services to be rendered," wrote Ngweda in a statement issued to the media on July 23, adding, "This meant that the normal tender procedures as is the case when procuring goods and services for the government would not apply."

It has since emerged that the suspension of tender procedures created an opportunity for Teko to come in as a special consultant with strong links to senior Government officials, and managed to negotiate for the approval of CMEC's bid despite it being outlandishly expensive for the taxpayer.

While it is not known who exactly Teko claimed it had a "good relationship" with within the Namibian Government, it is understood that Lameck is related to a number of influential Government officials, including John Nauta, the personal aide of the Founding Father and Former President Sam Nujoma.