



**13 May 2021**

### **Zondo commission – Zwane grilled on Gupta trips and Estina flaws**

Former mineral resources minister Mosebenzi Zwane is adamant that trips he went on with Tony Gupta and Salim Essa, among others, while in the portfolio and as MEC before that, were official trips paid for by the government. This includes the October 2012 trip to India, on the same flight as a gospel choir from the Free State that he helped set up.

Zwane made another appearance before the state capture commission on Thursday, where he answered to more allegations regarding his relationship with the Gupta family, as well as the Estina dairy farm project undertaken during his term as MEC of agriculture in the Free State.

“Under no circumstances would I have allowed a situation where I would knowingly allow a third party to be involved to pay my own travel arrangements, whether it is in the form of [a] refund or otherwise,” Zwane said.

He conceded that he did travel on the same flight as the choir, but through no planning of his own. Zwane described the choir in his previous appearance as the result of a social cohesion programme that fell under his department in the province and for which he had passion. Again, though, he denied knowing how e-mail exchanges on his tablet detailing travel arrangements for himself and two officials of the department, as well as the 24-member choir, got there. He told the commission in his last appearance that he had lent the tablet to a department official, and was unaware of what the individual used it for.

Evidence leader Advocate Pule Seleka asked how, if he was on a state trip, he ended up on the same flight as the members of the choir.

“I was aware that the choir would be taking a trip, I did say that. I also said that I was not involved in terms of the organisation [sic] of that trip. I did indicate that I said to the choir I was also going to India around that month, and if it happens that we meet in India and I have time, I’ll make time and come and see them performing,” Zwane said, adding that contrary to a popular narrative that he went on the trip with the Guptas, he actually sought to secure investor relations while there.

Once in India, Zwane said, he took part in meetings with provincial ministers in that country, but gave no further details. He furnished the commission with documents from the Free State government that included a letter by the head of his department at the time, Peter Thabethe, in which he asks then premier Ace Magashule to approve Zwane’s trip.

Part of his itinerary, included in the letter, was a visit to the Paras dairy plant. Paras is the company that Thabethe, in his 2019 testimony, named as the sole source service provider identified by himself to oversee the dairy farm project in the Free State’s Vrede area. He told the commission then that he had found Paras through a desktop search, and sought to engage its management with the hope that the company could agree to the Vrede deal.

Negotiations went as far as Paras offering to invest R228-million of its own money in the project, which was aimed at emancipating Vrede's black farmers. But the deal hit a snag when Thabethe learned that in order for Paras to contract with government, it would have to partner with a local company with expertise in the field. According to him, this is when Paras brought in little-known Estina, although it was not established in the field, and in fact had not been in existence for long. Over time, the department developed a relationship with Estina and it was the beginning of the end for Paras, which later withdrew, and Estina became the sole contractor.

This is a detail that appears to have gone over Zwane's head. He told the commission on Thursday that he understood Paras to be the contractor, and his visit in October sought to cover his oversight responsibility as MEC. In fact, the first time he learned of Estina being the contractor, was in after he had left the department in March 2013.

Seleka challenged Zwane on this, arguing that he had expressed his passion for the project, and was himself inspired by his own poor upbringing, hence he wanted to see black farmers thrive as a result of the project. But he seemed to drop the ball on equipping himself with information on who the actual contractor was, and what the contract entailed. Otherwise, why would he wish to meet Paras in October, five months after the contract with Estina was concluded, and the company had been paid R30-million in June?

"No chair, it is not like that. I think there are roles and responsibilities in government which at a particular point I must hand over to the officials, the issues of procurement, in the main. Issues of procurement are not in my purview in the main, it's a purview that has been practised and monitored by officials," Zwane said.

He denied interfering in the payment in June, an allegation from the CFO of the department, Seipati Dlamini, who said Zwane instructed her to approve the payment. Zwane said the only reason he contacted Dlamini was to encourage her to engage a committee set up in the provincial treasury to raise funds for the project. His own department could only raise R30-million for that year, and the committee had been tasked with re-prioritising funds from other projects, to make R84-million available. All in all, the dairy project was expected to cost the province R114-million per year over a period of three years, said Zwane.

Seleka put to him that other payments that followed the R30-million instead went into the Guptas' money laundering network. "In terms of process, this matter should have been corrected, once it was detected. The people responsible should have been held accountable in terms of what has happened," Zwane said.

But what of the 80-plus beneficiaries of the project, who had been promised training and part ownership of its rollout, asked Seleka.

"I think that this commission should have been furnished with an agreement between the department, or the Free State government, and the beneficiaries. As far as I can recall, and to the best of my knowledge, the beneficiaries were to benefit from the real activities of Vrede dairy. That will include the milking parlour, that will include the processing of milk. And they will also benefit in the process of completion of the value chain when the by-products are also produced."

They were not to benefit from the establishment of the project, he added. "My understanding is, once there is a service provider who will be developing this Vrede dairy, this service provider will accordingly have to bring materials and all those other things, according to the process plan between him or herself with the department."

“How is it possible that the MEC whose project this is did not know about Estina?” asked commission chairperson, Deputy Chief Justice Raymond Zondo.

“Chairperson, I think we have repeated this issue for some time now, and the simple explanation I have given, I think chair alluded to it many times. Mr Thabethe himself says in this commission, according to your recollection, that he was under the impression that Paras had something to do with this. It’s on record, it’s not me saying it.”

### **Relationship with the Guptas**

In his affidavit, Zwane said he only knew Rajesh “Tony” Gupta, having met him within ANC circles in the Free State.

“It is not clearly stipulated, but when you read my affidavit, I say I deny that at any stage during my tenure as MEC in the Free state provincial government I’ve ever attended a wedding of any of the Gupta family. And I say so in confidence in that I was not friends with the Guptas.”

He was asked by Zondo to provide proof that the trips he conceded to taking with either the Guptas or their associates were indeed in pursuit of state business. These include one in December 2013 to India, for which travel arrangements by the Guptas’ agency of choice, Travel Excellence, were submitted to the commission as part of an affidavit of an employee of that company. On this trip, Zwane is alleged to have travelled with Ashok Narayan, who served as advisor to Magashule. By this time Zwane was in his new portfolio.

Another trip, a roundabout between Johannesburg, Dubai and India, is recorded by Travel Excellence as having included Essa. Zwane admitted that he took the trip, but questioned how it could have been arranged by Travel Excellence.

“The norm has always been that the organisation or department that I’m representing should be the one to take care of my arrangements. I must also confirm to this commission that I have not spoken to Salim. As I have said, the person I knew I was talking to is Tony.

“I have said it is my assumption that once the trip is set, the nitty gritty (sic) will be done by the department.”

Zondo asked Zwane how, in light of his explanation that this too was a business trip, Travel Excellence would have obtained his travel details.

“I would also like to raise my interest as to actually who paid for this trip. I think it’s also important for me, because my assumption has always been, to the best of my recollection, my belief and my knowledge, that the department will be doing this work. I can’t respond to how the travel agent knew.”

### **Useful links:**

[Zondo Commission website](#)

Corruption Watch’s [Zondo Commission update page](#)

[Free State provincial government](#)