LAND ACQUISITION AND ACCUMULATION IN TANZANIA

THE CASE OF MOROGORO, IRINGA AND PWANI REGIONS

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“At the end of the day, the real question is how to move from disarticulated forms of accumulation to socially articulated forms”– Issa G. Shivji (2009) on ‘Accumulation in an African Periphery: A Theoretical Framework’

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<tr>
<td>NLP</td>
<td>National Land Policy</td>
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<tr>
<td>LIMP</td>
<td>Liberalize, Marketize and Privatize</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>TIC</td>
<td>Tanzania Investment Centre</td>
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<td>URT</td>
<td>United Republic of Tanzania</td>
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<td>KPL</td>
<td>Kilombero Plantations Limited</td>
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<td>RUBADA</td>
<td>Rufiji Basin Development Authority</td>
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<td>KOTACO</td>
<td>Korea Tanzania Agricultural Company</td>
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<tr>
<td>NAFCO</td>
<td>National Agriculture and Food Corporation</td>
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<td>NARCO</td>
<td>National Ranching Corporation</td>
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<td>VEO</td>
<td>Village Executive Officer</td>
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<td>PR</td>
<td>Public Relations</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>MRF</td>
<td>Mngeta Rice Farm</td>
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<td>LARRRI</td>
<td>Land Rights Research and Resources Institute</td>
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<td>LHRC</td>
<td>Legal and Human Rights Centre</td>
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<tr>
<td>DED</td>
<td>District Executive Director</td>
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<tr>
<td>SUDECO</td>
<td>Sugar Development Corporation</td>
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<tr>
<td>SBT</td>
<td>Sugar Board of Tanzania</td>
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<tr>
<td>DAS</td>
<td>District Executive Secretary</td>
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<td>GN</td>
<td>Government Notice</td>
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<tr>
<td>TGNP</td>
<td>Tanzania Gender Networking Programme</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>TRG</td>
<td>The resource Group</td>
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<td>TWICO</td>
<td>Tanzania Wood Industry Corporation</td>
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<td>CDC</td>
<td>Common Wealth Development Corporation</td>
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<tr>
<td>NORAD</td>
<td>Norwegian Agency for Development</td>
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<tr>
<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<tr>
<td>CDM</td>
<td>Clean Development Mechanism</td>
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<tr>
<td>CER</td>
<td>Certified Emission Reduction</td>
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<tr>
<td>GRL</td>
<td>Green Resources Limited</td>
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<td>GHG</td>
<td>Greenhouse Gas</td>
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<tr>
<td>A/R</td>
<td>Afforestation/Reforestation</td>
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<tr>
<td>DNA</td>
<td>Designated National Authority</td>
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<tr>
<td>COP</td>
<td>Conference of the Parties</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>CAR</td>
<td>Corrective Action Request</td>
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<td>PDD</td>
<td>Project Design Document</td>
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1.0 Introduction
Land in Tanzania constitutes one of the major four natural resources namely land, forest, water and minerals. As the primary resource, land affects other sectors which are of paramount
importance to the existence of the nation-state. For instance, in Tanzania land is still inextricably tied to labour as it provides employment to nearly 67% of the population through agricultural activities which employs about 82% of the total rural population. As such land ensures food security and national security in general. The country has a total area of about 945,000 square kilometres of which approximately 44 million hectares are arable land for agricultural activities. It is estimated that about 88% of this arable land is found in rural areas particularly in villages. However, of the total arable land, it is estimated that only 23% is currently utilized. This status insinuates that Tanzania has vast tracks of unused ‘virgin land’ potential for large-scale agricultural investments. Thus, at the moment, there is a move to attract huge local and foreign direct investments in village lands in sectors such as agriculture, mining, tourism and biofuel production. This, in turn, alienates people’s land through accumulation in the hands of big national and multinational companies, leaving small-scale producers landless. It is against this background that PELUM (Participatory Ecological Land Use Management-Tanzania) conducted this study on land acquisition and accumulation in relation to its effects on small-scale producers.

1.1 Objective
The main objective of the study was to establish reliable and evidence based information on land acquisition and accumulation in Tanzania and its effects on small-scale producers such as smallholder farmers and livestock keepers. This will inform PELUM’s founding role of enabling “civil societies in rural areas to come together to facilitate learning, networking and advocacy in sustainable ecological land use.” Thus, in the case of Tanzania, the study specifically aims to:

(i) Identify the main types/forms of land acquisition and accumulation currently taking place
(ii) Describe the companies and other players involved in land acquisition and accumulation
(iii) Analyze the processes of land acquisition and accumulation in relation to land grabbing
(iv) Determine the current and intended use of such acquired land with specific case studies
(v) Evaluate the benefits and/or negative effects of land acquisition and accumulation on villages and small-scale producers particularly smallholder farmers and livestock keepers

1.2 Methodology
This case study was primarily based on documentary research coupled with an exploratory field visit. The former involved consulting official central/local government records, media articles and websites of companies identified as investing in Tanzania as well as laws, research reports and books on land, biofuel and forestry in global and local contexts. In the case of the latter, the researcher visited Kilombero District in Morogoro Region between 23rd and 28th of August 2010.

The research thus employed a case study methodology. Three regions were selected. These regions were then aligned with three types of land investments respectively to form three case studies: (1) Agribusiness in Morogoro; (2) Forestry in Iringa; (3) Biofuel in Pwani. This does not
necessarily mean the investments do not cut across the regions; rather, for the purpose of this study it means each has respectively been identified as the current key type in one of the regions.

- **Samples**
  The researcher purposively selected five companies that have been involved in investing on land in the three regions. Three out of these are based in Morogoro as that is where the researcher conducted his exploratory field visit. These include Kilombero Plantations Limited, Kilombero Sugar Company Limited, and Kilombero Farms Company Limited. Thus the remaining two companies were Green Resource Tanzania Limited and BioShape Energy Tanzania Limited in Iringa and Pwani respectively although they had or have also been operating in other regions.

  In the case of Morogoro, Kilombero District was purposefully chosen because of increasing media reports about the entrance and presence of a number of investors. It was also selected because of history of production in its famed valley. Initially the researcher aimed to visit all the villages within the reach of these investors but, ultimately, he only managed to visit four villages due to infrastructural and other constraints: Mofu, Mbingu, Mngeta and Namwawala villages.

- **Methods**
  This research employed a mix of research methods. These included semi-structured interviews with village officials and selected villagers; focus group discussions (FGDs) with selected villagers and village leaders; and consultations with other researchers. The study also involved consulting village assemblies and councils’ minutes as well as official public correspondences between district and village officials as well as those involving the investors and their websites.

2.0 Land Acquisition and Accumulation in Tanzania

Since pre-colonial times the area that currently constitutes Tanzania has been highly regarded as a place richly endowed with abundant land and natural resources. As the history of the making of Tanzania’s primarily mainland part – the then Tanganyika – and Zanzibar, its main isle part, shows, land acquisition and accumulation were at the heart of colonial occupation and fuelled anti-colonial struggles. From the disjoint resistance in the late 1800s to the Maji Maji War in the early 1900s way up to the Meru Land Case and the Kiembe Samaki Uprisings in the mid 1900s, the main bone of contention has been the right to access, own and use land. Since Tanganyika got independence in 1961 and united with Zanzibar in 1964 – after the latter’s revolution against its 1963 independence – to form the United Republic of Tanzania, these three land issues have continued to inform relations between the state and citizens, albeit, in different political contexts.

A notable land rights analyst and activist thus aptly sums up that shifting context: “In the neoliberal era, the same system of land tenure allows the state to appropriate land, this time around not for parastatals, but for private investors. Under ‘state nationalism’, the state could dispossess a customary owner because land was ‘mali ya umma’, public property. Under neoliberalism the private investor—a former Zimbabwean settler, a Boer farmer from South
Africa or a US seed company experimenting on GMO—can dispossess a customary owner, through the state, because the state says it is in ‘public interest’. And ‘public interest’, judges keep reminding us, is the same as state interest” (Shivji 2006: 7). The era referred to as that of state nationalism roughly spanned the period of the first phase government (1961/1964-1985) under President Julius K. Nyerere. What is referred to as the neoliberal era spans the period of the second phase government (1985-1995) of President Ali H. Mwinyi, the third phase government (1995-2005) of President Benjamin W. Mkapa and the fourth phase government (2005- ) of President Jakaya M. Kikwete. Of particular interest to this study is the latest part of the latter era since it spans the present. However, what is presently happening can only be understood contextually by unpacking what is referred to as the ‘same system of land tenure.’

2.1 Land Reform and Land Tenure Reform

‘Land Reform’ is not necessarily one and the same thing as ‘Land Tenure Reform’. According to Gamaliel Mgongo Fimbo (2010), land tenure simply means the condition for holding land. As such reforming land tenure, or land tenure reform, entails the transformation of the condition of holding land. In contrast, land reform is the opening of new lands including opening up new agricultural land. It is in this regard this seasoned land lawyer asserts that what was done during the village settlement scheme (under the Land Tenure (Village Settlements) Act No. 1 of 1965 or during the villagisation programme (Operation Vijiji (under the Rural Lands (Planning and Utilization) Act No. 14 of 1973 and the Villages and Ujamaa Villages (Registration, Designation and Administration) Act No. 21 of 1975 were land reforms. He then makes this cogent contrast:

Similarly acquisition of coffee and sisal farms from settler farmers (under the Specified Coffee Estates (Acquisition and Regrant) Act No. 31 of 1973 and Specified Sisal Estates (Acquisition and Regrant) Act No. 11 of 1974 was land reform, but it was not land tenure reform since there was no change in tenure; the lands were still held (by the new owners) under the right of occupancy granted under section 6 of the Land Ordinance Cap 113 (1964 Revision of the Laws). There has been no land tenure reform in the 1990s under the Land Act 1999 and the Village Land Act 1999, only land law reform. The National Land Policy, 1995 (NLP) stated that the land tenure was fundamentally sound (paragraph 4.1.0 at p. 9), that is to say, the rights of occupancy and customary tenure (or the right of occupancy or deemed right of occupancy). Similarly, the Presidential Commission of Inquiry into Land Matters, 1992 endorsed the granted right of occupancy and customary tenure… Accordingly, the Land Act 1999 and the Village Land Act 1999 did not create any new tenure and did not bring about land tenure reform, the tenures therein are the granted right of occupancy and customary right of occupancy (Mgongo Fimbo 2010: 4-5)

It is indeed this same land tenure system that continues to facilitate land acquisition in Tanzania.
2.2 The Process of Acquiring Investment Land

Tanzania’s transition from the ‘state nationalism’ to the ‘statist neoliberalism’ era went hand in hand with the land law reform described above. A number of institutional reforms were also introduced to facilitate the Liberalize, Marketize, and Privatize (LIMP) strategy under the aegis of the International Monetary Fund (IMF) and the World Bank. This included the enactment of the *Tanzania Investment Act No. 26 of 1997* to establish the Tanzania Investment Centre (TIC), an institution that is currently responsible for granting derivative rights of land to foreign investors who are interested in land acquisition and accumulation from the country. Accordingly, the *Land Act No. 4 of 1999* and *Village Land Act No. 5 of 1999* which were enacted two years later also invokes TIC. As the author of this report has observed several times elsewhere, it was stated, probably to appease critics of colonial legality’s continuity, that these land laws repealed the British colonial government’s *Land Ordinance of 1923* and thus reformed Tanzanian’s land tenure. However, as Mgongo Fimbo (2010) has aptly shown above, this was and is not the case.

What these land laws, which only became operational two years later, in 2001, did, was to create three categories of land: (1) general land, (2) reserve land and (3) village land. The laws also provided for the transfer of land from one category to another, a process that is known, albeit not popularly, as ‘*uhaulishaji*’ in Kiswahili. Thus this land law reform left this skewed duality intact:

Land ownership in Tanzania is obtained in mainly two ways: first, government allocation of land, i.e. granted right of occupancy; and second, customary land ownership. Since the Land Ordinance was enacted in 1923 to oversee land ownership in the country, government officials in both colonial and independent governments have eschewed the view that customary land rights are inferior to the granted right of occupancy. This view has permeated and informed administrative actions whilst laws and court pronouncements have equated customary land rights with granted rights of occupancy. For the most part, the owners of the land in rural areas have borne the brunt of this erroneous administrative stance; and despite the promulgation of the Land Act and Village Land Act, 1999, this situation continues unabated (Nshala, Rugemeleza 2008: 1)

The two main ways of ‘owning’ or ‘acquiring’ land in Tanzania described above are legally restricted to Tanzanian citizens unless investment is involved. In other words, there is another way, that is, investing, that accommodates non-citizens’ land acquisition. Tellingly, in its section on Land Acquisition, TIC list five forms and their respective processes in and by which a foreign investor may occupy land in the country: (1) Derivative rights under section 20(2) of the Land Act, 1999; (2) Application to the Commissioner for Lands for grant of right of occupancy under section 25(1)(h) and (i) of the Land Act, 1999; (3) Sub-leases from private sector; (4) Licenses from the Government; (5) Purchase from other holders of granted right of occupancy. These nuances ways of acquiring land will become clearer when discussing actual case studies below.
2.3 Factors and Actors Behind Investment Land Acquisition

As it has been indicated above, land acquisition and accumulation in Tanzania predates independence. Nonetheless, it is important to note that the current wave of large-scale land acquisition for investment, commonly known as the new land grab among the circles of critics, is both a product and by-product of neoliberal globalisation. The main factors used to explain this seemingly new phenomenon are (1) Food (In)security and (2) Energy (In)security. However, another explanatory factor that is increasingly creeping in is that of ‘Environmental (In)security’.

These factors and their associated actors – local and foreign companies, political and business elites as well as international financial and developmental institutions – will become apparent in the case studies below. In the case of Morogoro the main focus is investments in agribusiness particularly in the area of cash and food crops. The case of Iringa generally focuses on investments in forestry for carbon credits alongside the traditional timber trade. Finally the case of Pwani primarily focuses on agrofuel-cum-biofuel production purportedly for energy security.

3.0 The Case of Agribusiness in Morogoro

Morogoro region “occupies a total of 72,939 square kilometres which is approximately 8.2% of the total area of Tanzania mainland” (URT 1997: 1). In terms of size it is one of the three largest regions in Tanzania and is regarded as one of the ‘big five’ in terms of food production in the country not least because of its famous fertile Kilombero Valley. As such its economy has traditionally been dominated by agriculture whereby as late as the closing decade of the last century URT (1997) stated that it engaged about 80-90 percent of the region’s labour force. This official Socio-Economic Profile of the region thus summed the then state of agriculture therein:

Agriculture involves both small and large scale farmers. Large scale farms are the Kilombero and Mtibwa sugar estates. Sisal estates and large scale paddy farms in Dakawa, Morogoro Rural District, Mngeta in Kilombero District and Kilangali in Kilosa district. Maize and paddy are the major staple food crops. Other food crops in the region include sorghum, sweet potatoes, beans, cassava, millet, groundnuts, tomatoes, fruits and vegetables. The main cash crops in the Region are cotton, coffee, sisal, onions, oil seeds (such as simsim, sunflower and some cocoa along the mountain slopes (URT 1997: 30).

The state is changing rapidly as large scale farming is consolidating itself relative to what the socio-economic profile referred to as “Small Scale farming (food and cash crops production – subsistence farming)” which still preoccupies most of the labour force referred to above. In its relatively latest official regional profile the state of large-scale farming therein is thus described:

Morogoro region has 110 large scale farms with a land area totaling 19,890 hectares under crop production. Although it has a moderate to high number of crop farming large scale farms compared to other regions, it has the fifth largest land area planted per farm (965 ha/farm). Compared to the total area under permanent crops in Tanzania, Morogoro
has the second largest planted area on large scale farms. Sugar cane, sisal, coconuts and oranges are important permanent crops. Annual crops are less important crops compared to permanent crops. About a third of the large scale farms have livestock. The region has high level of land utilisation. (URT 2007a: 70).

It should be noted that from “1987/88 to 1994/95 the rate of increase large scale farms was highest in Kigoma region (467%) followed by Morogoro and Shinyanga” (URT 2007a: 9). Moreover, the “largest area of large scale farm was found in Tanga (184,930 ha, 16.7%) followed by Morogoro (129,299 ha, 11.7%)” (URT 2007a: 12). This sample census also found that “sugar cane production is largely concentrated in Morogoro, with a planted area of 6,735 ha or 39.0 percent of the total area planted with sugar cane by large scale farms” (URT 2007a: 29).

Kilombero is one of the six districts that constitutes Morogoro region. According to its regional report in the latest National Sample Census of Agriculture - URT (2007b), it is the only district therein whose area of land utilised per household is not below the national average. It was estimated to tally with the national average of 2 hectares. The census also found that it is the district with the largest area planted with paddy (53,096 hectares). In the case of sugarcane, however, Kilombero came third (2,573 hectares, 30.9%). Its agricultural profile is thus summed:

Kilombero district has the second largest number of households in the region and it has a third highest percent of households involved in smallholder agriculture in the region. Most smallholders are involved in crop farming only, followed by crop and livestock farming. Household with livestock only and pastoralists were not found in the district. The most important livelihood activity for smallholder households in Kilombero district is Annual Crop Farming, followed by off farm income…The district has the third largest planted area in the region, and the fourth largest planted area per household (0.87ha in the long rainy season and 0.72ha in the short rainy season). The planted area in the long rainy season is almost double than that of the short rainy season. The district is most important for paddy production in the region with a planted area of over 53,096 ha and the planted area per household is 1.2 ha which is above average for the region. Maize production is moderate important with a planted area of only 22,810 hectares, however it is the fourth highest in the region. Sorghum production is less important with a planted area of only 815 ha and is the fourth highest in the region…The district has the fourth largest planted area of cassava accounting for 13 percent of the cassava planted area in the region. The production of beans in Kilombero district is much lower than in other districts in the region with a planted area of 74ha. Oilseed crops are less important in Kilombero with 16 percent of the groundnuts grown in the district … (URT 2007b: 100)

In Morogoro Region this study thus particularly focused on Kilombero District. Subsequent subsections titled after companies involved in large-scale investments in the area thus look at the way they have acquired land. They also look at the way villagers have responded to acquisitions.
3.1 Kilombero Plantations Limited

Kilombero Plantations Limited (KPL) is a relatively new private company incorporated in Tanzania. It was formed as a joint venture between a public agency, Rufiji Basin Development Authority (RUBADA), and a private company, Agrica, from the United Kingdom. In 2008 the company started commercial farming in a 5,818 hectare farm commonly known as Mngeta Rice Farm. This name stems from the fact that, geographically, it is located in Mngeta Village though it does not officially belong to it. In a similar way it is also part of Mkangawalo and Lukangawalo villages. Nevertheless it is officially registered as ‘Farm Number 411 Mngeta’.

The farm was started during the transition from the ‘state nationalization era’ in 1986 under the Korea Tanzania Agricultural Company (KOTACO). However, like other parastatals that collapsed during the economic crisis of the so-called Africa’s lost decade of the 1980s, this public company failed to run the farm as the country transited to the ‘statist neoliberal era’ of privatization. However, as the author of this report observed in 2009 in The State of the Then NAFCO, NARCO and Absentee Landlord’s Farmers in Tanzania, the window period provided by the transition between the two eras was long enough for villages to settle, graze and cultivate in the idle land. The government then hardly interfered with such reclaiming of land for indeed most of the land was claimed, through the Land Acquisition Act of 1967, from the people in the first place. It is only in the relatively recent wake of a strong wave of foreign direct investors that the government is waking up to this reality. In the case of Mngeta Rice Farm this caused a ‘crisis of eviction’ after a new investor entered into the scene. By 2009 this company had planted about 2,000 hectares of paddy and sought to expand yet some villagers were not ready to move away.

In October 2009 Prime Minister Mizengo Pinda visited the area as part of his mission to promote the government’s agribusiness oriented ‘Kilimo Kwanza/Agriculture First’ initiative. While there he was quoted, in various media sources, as directing regional and district officials to remove about 2,000 villagers from the farm and relocate them elsewhere. In line with the discourse of invasion that informs many governmental evictions in the country, these villagers were labeled ‘squatters’/‘invaders’. These were said to occupy, albeit illegally, about 300 hectares of the farm.

Clearly drawing from the agribusiness capitalist model the Premier “said the peasants could still be useful to the commercial farmers as out-growers and contract farmers” (The Citizen 19 October 2009) and “the move would enable the farmers acquire farming skills and access to rice farming infrastructures” (The Guardian 19 October 2009). The ever sensitive leader was cautious enough to offer the following disclaimer: “But this should be done in a proper manner. I would not prefer the use of force during the process of relocation” (The Guardian 19 October 2009).

Official correspondence reveals that this process proved to be contentious. A letter from Mngeta Village Office dated 28 July 2010, signed by the Village Executive Officer (VEO) and directed
to the KPL Manager under the title ‘Kuwaandoa Wakulima Wanaokaa/Kulima Katika Shamba la RUBADA’, that is, ‘Removing Farmers Residing/Farming in RUBADA Farm’, reminds the manager of their agreement with those villagers. It refers to the Village Council of 27 March 2010 and a meeting held with the villagers on 1 April 2010. Then it lists the following promises the company made and by which, upon their fulfillment, villagers agreed to move from the farm:

(1) Kuwatatafutia wakulima hao mashamba ya kulima na kuwalimia [To find farms for those farmers and cultivate/prepare those farms for them [(presumably for the first season)]]
(2) Kuwatengenezea miundombinu [To construct infrastructure for them]
(3) Kufanya tathmini ya mazao na nyumba [To valuate their crops and house/property]
(4) Kuwalipa fidia [To compensate them]
(5) Kuchimba mifereji ya maji hadi Mto Kihansi kwenye eneo la makazi lililotengwa kwa ajili ya wakulima hao [To construct water canals up to River Kihansi in the place earmarked as the [new] residential area of those relocated farmers]

Out of these promises, the letter noted, only one had been fulfilled, that of valuating crops of 210 farmers. It then describes the following ‘inconveniences/problems’ that have resulted from that:

(1) Wananchi wameshindwa kulima ipasavyo kilimo cha kiangazi kwa vile walijua watalipwa fidia na kuondoka mwezi Julai ka ma ulivyoahidi [People could not farm properly during the ‘summer farming season’ because they knew they would be compensated and relocated in July as promised]
(2) Wananchi wanashindwa kufanya maandalizi ya kilimo kwa msimu ujao [People cannot prepare for the next/upcoming farming season]
(3) Umewasababishia wananchi adha ya njaa kwani walijua wanalipwa fidia na kuondoka hivyo walishindwa kuhudumia mashamba yao ipasavyo [You have caused hunger distress to the people as they could not utilize their farms properly knowing that they would be compensated]

Invoking the Prime Minister’s directive cited above the letter then closed with this stern warning:

Kwa barua hii unatakiwa kutekeleza ahadi zako ili wananchi/wakulima waweze kufanya shughuli zao kwa uhiru kwani hadi sasa hawajui watalipwa lini, watalima wapi na wala hawajui nini kinaendelea. Pia kijiji hakitatijushisha/husika endapo kutatokea matatizo ya baadaye kwani Uongozi wa Kijiji umejitahidi kutekeleza agizo la Waziri Mkuu [As per this letter you are supposed/required to fulfil your promises to the people/farmers so they can freely undertake their activities for up to now they do not know when they will be compensated, where they will farm or what is (really) going on. The village would also not be involved or responsible for any problems that will occur as the Village Leadership has tried to implement the Prime Minister’s directive]

The minutes from the villagers’ meeting cited above affirms that they agreed to move upon the fulfilment of promises. However, it documents them as stating that they would do so if they shall
be fulfilled on time given that the company has been giving false/empty promises. Moreover, it thus quotes the latter’s claim about the legality of compensation with respect to land ownership:

Juu ya fidia ya mazao alisema kuwa Kampuni ya KPL italipa fidia ila malipo hayo hayatakuwa ya kisheria kwani shamba hilo ni miliki ya RUBADA hivyo kampuni italipa kama kifuta jasho…ili kujenga mahusiano mema [On the compensation for crops he said that KPL shall pay the compensation but the (said) payment will not be considered legal (as in a valid legal compensation) because the farm is owned by RUBADA and therefore KPL will pay the (said) compensation as a token... so as to build cordial relationship]

Yet on 24 August 2010 the company entered a new agreement with these villagers and their village government. It lists 210 affected villagers, 60 of them being those with farms and settlements (in Isago) while 150 are those who farm there though they reside afar. It also lists 13 KPL promises/agreements. These include providing ‘good/improved’ seeds (7 Kilograms of Saro 5 Seed) to all of them in the first season; equipment and advice on paddy farming; a maximum of 3 acres to everyone. Moreover, KPL promised to allow 150 villagers who want alternative land to secure it by themselves whereby a payment that does not exceed Tsh 30,000 per acre would be granted. The company also claimed to have secured land in Njagi and Mkangawalo villages and it was agreed that those villagers who want to relocate there will be given a letter of introduction.

In the case of Mngeta village, the agreement further documents, KPL has agreed with its village government to freely give an area totalling 180 acres in Kisangani that would provide residence to 60 affected villagers. It was agreed that the company would pay this village Tsh 20,000 per acre being the price of land and other costs incurred in the process. The list of promises also include: giving 100 kilograms of rice per person to all affected villagers as a compensation for delays in compensating them on time for farming in the ‘summer season’; planning to farm or paying for preparation of farms ready for the November/December season – the cost of ploughing being Tsh 30,000 per acre; compensating for the investor’s land ‘held’ by the affected villagers – at a rate Tsh 10,000 per acre – as a ‘sign/token of goodwill’ (‘ishara ya nia njema’).

Finally the agreement provides the following dates for the fulfillments of promises: 16 November 2010 for the compensation of trees and houses; December, 2010 for constructing two canals. Thus by 27 August 2010, when the researcher visited the area, the situation has become relatively relaxed. Apart from the agreement cited above this relative state of tranquillity was due, in part, to the fact that the investor has been subtly making use of strategic Public Relations (PR) and Corporate Social Responsibility (CSR) to appease villagers. For instance, it has started a grant for development project in these villages. Tsh 50 million is set aside per year for this purpose according to this breakdown: Mkangawalo (Tsh 32 Million); Mngeta (Tsh 12 million); and Lukangawalo (Tsh 6 Million). However, according to official correspondence between the company and one of the villages, some of these funds have not been disbursed due to alleged
‘shortcomings’ ("mapungufu") that causes a village to lose its eligibility ("hadhi"). Tellingly, when such a situation occurs the unused funds are not carried over to the next financial year.

According to the company’s representative consulted, KPL also sells rice, at a relatively cheap price or discount, to villagers when they have run out of their own rice towards and during the beginning of a new farming season (December – February) and thus under threat of hunger. It also hires about 200 and 300 villagers during harvesting and weeding respectively. Sometimes the hiring is in a contractual basis. Apparently most of the time is on a casual basis especially when the work is subcontracted as in outsourceto an external entity that make use of villagers.

All this, in a way, is a pure capitalist strategy of competing with (consuming) villagers in the production of paddy and marketing of rice. It thus constitutes what the epigraph of this study refers to as a disarticulated form of accumulation. As Shivji (2009) notes, one of the first instances of such structural disarticulation is that between the structure of production and that of consumption. What happens in such a case is producing what is not consumed and consuming what is not produced. It should be noted that in the case of KPL the actual main market of the company’s paddy is not the village (the periphery); rather, it is the city (the center). In fact, Dar es Salaam has been main destination of the paddy from the company especially when the government had ban export of food. As such, regardless of its role on alleviating hunger, the rice that is sold in villages – presumably of low quality – is simply a means of disarticulating or divorcing subsistence farming that has been feeding villages. The same applies to the peasant labour that is being devalued by the company. This reproduces food insecurity at the periphery.
3.2 Kilombero Sugar Company Limited

The transition from the ‘nationalization’ to the ‘privatization’ era also enabled Illovo Sugar Limited of South Africa to acquire part of the previously nationalised Kilombero Sugar Estate in Morogoro region. According to its official website, this happened in 1998. Its latest annual report provides the following breakdown of the percentage stakes acquired: “Illovo’s shareholding in Kilombero Sugar Company Limited represents 55% of the issued share capital, with 20% held by ED&F Man, the London-based commodities group, and 25% by the Government of Tanzania” (Illovo Sugar Limited 2010: 26). Thus, as far as land acquisition is concerned, this case appears as that of Kilombero Plantations Limited in which an investor gets land that is already the property of a public company. However, as the main operator of the farm, its quest for expansion coupled with other nuances has been creating a crisis with a different dimension.

A letter dated 1 February 2005 and referenced KDC/M.40/1 from the then acting District Development Director directed chairpersons of Namwawala, Mbingu, Mofu and Kisege to
prepare Village Council and Village Assembly’s minutes, in a space of nine days, which shows villagers’ approval of giving land to the company. The letter is titled: “YAH: UMILIKISHAJI WA ARDHI KWA KAMPUNI YA SUKARI (ILOVO) KATIKA MAENEO YA BONDE LA MTO RUIPA”, that is, “TITLING OF LAND FOR ILOVO SUGAR COMPANY IN AREAS WITHIN RUIPA VALLEY”. As the Land Rights Research and Resources Institute (LARRRI/HAKIARDHI) and the Legal and Human Rights Centre’s (LHRC) fact-finding mission team observed in their report, as written by Isaya I. Makoko (2009), it is obvious that this directive required an extraordinary/emergency Village Assembly, a practice which is not procedural in such a case as per Local Government (District Authorities) Act Number 7 of 1982.

It is not surprising then that a year later the Tanzania Investment Centre (TIC) was busy presenting the ‘success story’ of this investor as a rationale for expansion. In a presentation entitled Investment Opportunities in the Sugar Ethanol Sector, TIC (2006) commended the company for increasing its production from 29,000 tons to over 140,000 tons since it started investing. It also noted that the company was considering an additional $75 million investment to increase production up to 200,000 tons. However, it asserted Ruipa valley actually had 250,000 tons of sugar potential. As far as investment land is concerned, it affirmed that more than 40,000 hectares with potential for both irrigated and non-irrigated sugar-cane production had already been identified and earmarked accordingly. The country has over 88 million hectares of suitable agricultural land, it reaffirmed, of which less than 6% is currently utilized. It capped its rationale with this claim: “With less available arable land, Kenya and Uganda currently import more than 300,000 tons of sugar. With unrestricted preferential access under the East African Community, sugar producers based in Tanzania are ideally placed to serve these markets” (TIC 2006: 3 - 4).

Then in a letter dated 18 March 2010 and titled ‘MAANDALIZI YA MILIKI ZA MASHAMBA KATIKA BONDE LA RUIPA’, that is, ‘PREPARATION FOR THE TITLING OF FARMS IN THE RUIPA VALLEY’, the Kilombero District Executive Director (DED) Office informs the Director General of the Sugar Board of Tanzania that the letter of offer has been prepared for the farm earmarked as an industry area for the investor. It also note that the farms earmarked for Illovo Sugar company and a farm earmarked for investors from ‘outside’ were not included in the process so as to wait for a corrective resurvey following complaints from Mbingu Village that the first survey went beyond the project area to include its land. The letter thus concludes:

Kwa kuwa eneo lililoguswa ni lile lililopendekezwa kupewa Kampuni ya Sukari Kilombero ambalo lina ukubwa (hekta 1976) maalum, marekebisho yake yataelekeka kwenyenene la wakulima wa nje katika kijiji cha Mofu ambalo nalo litahusika kufanyiwa marekebisho kwa sababu yanapakana [Since the area covered is the one earmarked for Kilombero Sugar Company, with special 1976 hectares, the corrective resurvey shall be directed to the area of outgrowers farmers in the village of Mofu as it will also be involved in the resurvey because they border each other]
A letter dated 23 February 2010 from Mbingu Village Council and directed to the District Land Officer confirms the village’s complaint. It states that on the basis of the Village Land Use Plan part of its land was wrongly included in the survey of the sugar planting project. To rectify this, as the following title of the letter indicates, the village requested back that area: Maombi ya Kuachiwa Eneo la Makazi na Kilimo Kutoka Mradi wa Miwa (SUDECO), that is, ‘Request to Retain Residential and Farming Area from the Sugar Farming Project (SUDECO). It should be noted that SUDECO stands for Sugar Development Corporation, the then Tanzanian parastatal that was behind the quest to expand sugar plantation in the area during the ‘nationalisation’ era.

In their baseline study conducted three years ago in the district on behalf of HAKIARDHI, Jackline Mgumia, Bashiru Ally & Emmanuel Mvula (2007) pointed out that the land conflict in the Ruipa valley has its genesis in ‘1984’. SUDECO surveyed Morogoro region to determine the areas suitable for sugarcane plantations. However, it did not start any plantation since those were the times when about 400 parastatals in Tanzania were going bankrupt. The baseline study found out that when the sugar estate was privatized as a joint venture to Illovo, leaving the government with a stake of 25 percent, the same information regarding boundaries collected then were used without resurveying the area to determine whether there were new developments in the land.

However, when Illovo surveyed the area it found out that 6,024 acres were occupied by the villages of Njagi and Magombera in Mkula and Mchombe Wards of Kilombero District respectively. Upon valuation in regard to relocation it was determined that it would be possible to compensate the villagers in Magombera. In the case of Njagi it was determined that the compensation would be too costly for the company as those villagers had permanent settlements.

It is this latter situation, they note, that led the government to decide to allocate 1,976 acres in Ruipa valley to the company instead of relocating Njagi villagers. Even though the company affirmed that the area was suitable for sugarcane it asserted that it was too far from its premises and would thus increase the cost of production. On the basis of this argument, the baseline study documents, it requested the government to allocate it 8,000 acres in the valley so that it can plant sugarcane and construct an industry. This requested acreage, however, included areas claimed by Namwawala, Mofu and Mbingu Villages in the Idete, Mofu and Mbingu Wards in the same district. The processing of this request and the reactions it sparked are sharply captured below:

Ombi hilo lilikutumwa wilayani toka Serikali Kuu, ikiitaka Halmashauri ya Wilaya isimamie upimaji wa eneo hilo na kuwapatia ILOVO eneo husika. Wilaya ilipima eneo kama ilivyoagizwa na kuwaeleza wananchi juu ya agizo la Serikali Kuu. Wanavijiji wa vijiji vya Mofu, Mbingu na Namwawala waligoma kutoa eneo la nyongeza na kuchaguliwa mwakezaji. Wananchi hao walidai kuwa chini ya Sheria ya Ardhii ya Vijiji Namba 5 ya Mwaka 1999, wanakijiji wana mamalaka juu ya ardhii ya Kijiji na Serikali Kuu haipaswi kuwaagiza wampokee mwakezaji ambaye hataki kufuata sheria zinazotawala ugawaji wa ardhi ya vijiji. Serikali Kuu kwa upande mwingine ina mtazamo
kwamba eneo la RUIPA liko chini ya mamlaka yake kwa sababu lilifanyiwa tathmini na SUDECO. Lakini wananchi wanasema SUDECO haina hatimiliki ya eneo hilo. Wananchi waliamua kutafuta mwekezaji wao anayezingatwa Alhooshom na kumpa muhtasari wa kupewa ardhi ili aanzishe kilimo cha miwa katika eneo hilo. Halmashauri ya Kijiji iliamua kwamba ikiwa kampuni ya ILOVO inahitaji ardhi kwa ajili ya kilimo cha miwa inapaswa ifuate taratibu kwa mujibu wa Sheria ya Ardhi ya Vijiji [The request was sent to the district from the central government, directing the District Council to oversee surveying and provide the requested area to ILLOVO. The district surveyed the area and informed the villagers of the decision of the government. Mofu, Mbingu and Namwawala villagers refused to give the additional area and rejected the choosing of an investor for them. These villagers asserted that according to the Village Land Act Number 5 they have authority over the village land and the central government is not supposed to direct them to accept an investor who does not want to follow the laws governing village land. The central government, on the other hand, is of the view that the area is under its authority as it was valued by SUDECO and it has a title for it. The villagers decided to look for an investor by the name of Alhooshom to farm sugarcane in the area; they gave him minutes approving him to start farming. The Village Council decided that if ILLOVO needs land to farm sugarcane then it is supposed to follow procedures stipulated in the Village Land Act] (Mgumia, Ally & Mvula 2007: 33).

Two years later, as LHRC’s (2010) Tanzania Human Rights Report 2009 documents, the trend of arbitrary exercise of powers emerged again. The District Commissioner “for Kilombero was accused of forcing the villagers of Namwawala to move out of their lands to pave way for sugar plantation investment” (LHRC 2010: 127). This accusation was also documented in the print and electronic media. In the case of former, for instance, one newspaper carried these alarming news titles: Kijiji cha Namwawala hatarini kuuzwa kwa mwekezaji: Viongozi wanadi ni Agizo la Rais, wanakijiji waunda tume (Tanzania Daima 27 April 2009). Its subsequent issues thus carried a more sensational news title: Kijiji cha Namwawala Chalipuka: Polisi Watembeza Mkong’oto, Wananchi Wamlilia Pinda (Tanzania Daima 2 May 2009). The former is an alert that Namwawala village is in danger of being sold to an investor whereby leaders are claiming it’s a presidential directive while villagers have formed a commission. ‘Namwawala Village Explodes’ is the direct translation of the latter title with its subtitle noting that police have gone on rampage beating people while villagers are pleading with Pinda – the Prime Minister. It should be noted, however, that other sections of the media, particularly a community radio in Kilombero district, was used in the first place to announce the district authority’s notification of evicting villagers.

In her presentation on the role that the media played in reporting the case of Namwawala, Devota Minja (2010) documents how a team of journalists visited the district. What they observed was an arbitrary use of power. Their attempt to ascertain why the district authority was evicting villagers by force and without compensation proved to be futile as district officials remained mum. Their reportage, it is noted, raised alarm and prompted the Prime Minister to direct the regional authority to resolve the issue. What they reported in the media, the presentation further
points out, led to the arrests and framing of those presumed to have divulged information to the journalists. They continued covering the case and collecting the views of villagers. It was only until the beginning of 2009 that the case of these arrestees was struck out in court by the judge.

However, a fact-finding mission team that was dispatched by HAKIARDHI and LHRC in May 2009 was furnished with slightly conflicting versions of the history and scope of the conflict. Backing up their version with map and other documents, district officials told the team that the land under dispute belonged to the government since the early 1970s and it was surveyed by SUDECO in 1976. This is in contrast to what the baseline study cited above indicated. Nevertheless the officials confirmed the claim that the land was surveyed for the purpose of growing sugarcane and allied projects but it was not implemented. They located 2005 as the year in which the plan was revived by the successor of SUDECO namely the Sugar Board of Tanzania (SBT). This revival, they affirmed, involved seeking an investor to implement the sugar projects.

According to the team, two key district offices contradicted each other in regard to the state of ownership. The office of the Development Executive Director (DED) stated that SUDECO/SBT was and still the title holder whilst that of the District Administrative Secretary (DAS) said it was not. However, no official could show any Government Notice (GN) that indicates the area was gazetted as having been acquired by the President, presumably through the Land Acquisition Act of 1967, for the purposes associated with the project. The only proof availed to the team was a map. This map is similar to the one that accompanied the above mentioned letter from the DED to SBT dated 18 March 2010 and, as the team concluded, its validity and legality is questionable.

The Office of the District Land Officer revealed that the net project area was estimated at 9272.54 hectares. This, it was found, make up a total of 62 percent of the whole land of the affected villages. Way back in the 1970s, it was further elaborated, the surveyed area was divided into six blocks, that is, A, B, C, D, E and F which appears in the contentious map referred to above. Since blocks D, E and F were later occupied by people and registered as villages, the office informed the team, SUDECO abandoned them. Hence, it was clarified, the proposed project only cut across 4 villages appearing in Table 1 below which has been adapted from HAKIARDHI & LHRC’s data – Makoko (2009) – from Kilombero District’s Land Office.

<p>| TABLE 1: PROPOSED SUGAR PROJECT AREA IN RUIPA VALLEY |</p>
<table>
<thead>
<tr>
<th>BLOCKS</th>
<th>VILLAGES</th>
<th>HECTARES</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Kisegeze</td>
<td>863.53</td>
</tr>
<tr>
<td>B</td>
<td>Namwawala &amp; Mofu</td>
<td>6032.55</td>
</tr>
<tr>
<td>C</td>
<td>Mbingu &amp; Mofu</td>
<td>2376.46</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>9272.54</td>
</tr>
</tbody>
</table>
The views of the villages presented to this fact-finding mission team in 2009 corroborated, in part, those presented to the baseline study research team in 2007. Villagers consulted asserted that it was only in 2005 that they started hearing about the sugar projects even though they had resided in the area since the 1970s. However, contrary to what was said in the baseline study, one of the villagers said it is their Member of Parliament (MP) who came with an investor known as Ally Hushum in 2005 and they were asked to discuss his land application but they did not accept this investor though the then MP asserted the project would still go ahead. This outgoing MP is still referred to as part of the problem not least because he is allegedly a member of SBT’s board.

In their joint analysis on the source of land conflicts in Kilombero Districts submitted to the Tanzania Gender Networking Programme (TGNP) on 23 June 2010 for support, seven villagers from Namwawala, Mbingu, Mofu and Msolwa Station villages accuses this MP for colluding with district officials in fueling conflicts by using the opportunity provided by the national investment policy. Therein they claim that ten villages in the districts have been affected by these conflicts since 2003. Apart from the three, these include: ‘Lukolongo, Ikule, Mkangawalo, Kisege, Chita and Lungole’. In the case of Msolwa Station Village, they assert, its land was grabbed and given to Illovo. They recall that when villagers protested they were beaten and apprehended by the police even though they were not charged in a court of law. The analysis also point out that the houses of some villagers were demolished or burnt. About 13 people were framed and charged in court whereby after four years they don’t know when the cases will end.

The seven villagers also point out that on 10 December 2008 three officers responsible for land stated that the President of Tanzania had ordered the transfer of land in Namwawala village to an investor. However, when these villagers followed up on 13 February 2009 by submitting a letter of enquiry to the President’s Office this office could not confirm that such an order or directive was given. A letter, with reference number SAB 110/302/01, from the President’s Office was directed to District Commissioner asking for a confirmation of such an order. In a response, through a letter referenced D40/31/118, the District Commissioner could not to offer such a confirmation. These villagers continued to follow-up through the Morogoro Regional Commissioner and Prime Minister’s Office in letters referenced TM/KJ/NML/02/09 and TM/KJ/NML/01/04/09 respectively. But the issue was unresolved. It is in this regard they sent their request and its attendant analysis, to a consortium of activists in the country through TGNP.

As it has been pointed out earlier and elsewhere, the legal reform of 1999 has not altogether reformed the land tenure in the Tanzania as it continues to affirm a ‘radical title.’ This entitlement still vest all land, commonly known as public land, and its administration in the President as the trustee for and on behalf of all citizens in the country and hence it does not repeal the Land Acquisition Act of 1967. This is the Act that seemed to be invoked in the contest between villagers and district officials in Kilombero. Even though section 4(1) of the Village Land Act Number 5 of 1999 empowers the President to transfer – in ‘public interest’ – any area
of village land to any other category of land whereby under the Act the term ‘public interest’ also includes “investments of national interests”, as Nshala (2008) sharply observe, yet as it has been hinted above, so far there is no proof whatsoever that this actually happened in the case at hand. The following legal analysis succinctly sums up what it would have taken for this to be the case:

Part II of the Act empowers the President to a compulsory acquisition of land for use by a corporation within the community or agricultural development; but subject to prescribed procedures. There are three stages in the process. The first stage is preliminary investigation of suitable land for the intended purpose. Under this stage the responsible organ, among others conducts a survey together with clearing and setting out boundaries of the proposed land…This is what SUDECO did…The second stage is giving notice of intention to take the land after the President is satisfied with it. This notice should be within 6 weeks. This is given by the minister on his behalf…lastly, taking possession of the land. This is done after the compensation is completed after giving notice as per Section 7 (1), 8 and Sub-part (b) of the Act above. Generally, procedures under Section 4 (3) (a)-(d) of the Village Land Act, 1999 are not proved to have been followed in transferring the disputable land. … Stage 2 and 3 above were not fulfilled… Thus, the validity of the alleged acquisition is also questionable because by virtue of Section 19(1) of the Act, the President is not compelled to complete the acquisition – he or she may withdraw (Makoko 2009: 6).

Nevertheless all these invocations of the failure to adhere to the three procedures do not negate the call to amend or repeal altogether the Land Acquisition Act. Nor does it negate the call to do away with its attendant provision in the Village Land Act. Rather, the fact that these villagers occupy, use and even (re)claim their land customarily as allocated to them by their village governments through normal legal procedures affirms all these calls as encapsulated hereunder:

This [Section 4(1) of the Village Land Act, 1999 read in conjunction with Section 4(2)] is a very dangerous provision which is an excellent opportunity for corruption and self-enrichment. It allows self-aggrandizing bureaucrats to acquire profitable or well-resourced village land and pass it on to private companies and rich individuals…As this procedural chain [Section 4(3) - 4(5) of the said Act] illustrates, although the village council and assembly are charged with the management and allocation of village land they have little voice in a President’s decision to acquire and transfer any part of their land … as he or she deems fit…These powers are however inimical to the decentralization concept which the Village [Land] Act and the Land Act purport to espouse, and to the conceptualization of the President as the trustee of public land. The Acts should therefore be amended to ensure that the President’s powers to transfer village land are subject to the determination of the Court…where the reasons for and against this action will be agreed and determined by an independent judiciary (Nshala 2008: 9 - 10).
The conflict has now taken a legal twist. With the legal aid of LHRC, three out of these seven villagers are representing their fellow Namwawala, Mofu and Mbingu villagers in a suit for the recovery of their land. Their case will be heard at the High Court of Tanzania (Land Division).

3.3 Kilombero Farms Company Limited

The history of Kilombero Farms Company Limited epitomizes the transition from the era of nationalisation to the era of liberalisation. According to its official website this is a private cooperative company with Canadian and Tanzanian farmers that was started in 1999 in the Mofu area. The website indicates that it was started “to capitalize on the synergies and farming incentive programs” “for investors” “by the government of Tanzania” which had “restructured the tax, duty, and land purchasing and opened new areas for farming”. To that end the founding partners “surveyed an area of 4 square kilometers and began purchasing 1000 fertile acres of land from the village chairman and district commissioner.” By 2001 its land title was ready and the company claimed to have employed 372 people, the number jumping to “over 600 part time casual workers and contractors from the nearby villages and towns, for farm house preparation, and field related work” towards the end of 2003. However, by 2010 when the author of this report visited the area, this glamour was gone. Villagers consulted claimed that the Canadian investor had abandoned the venture leaving behind his Tanzanian partners who were struggling to maintain it. Nevertheless corrugated iron sheets in a neighbouring school which they claimed the investor had provided were still there as a marker of Corporate Social Responsibility (CSR).
4.0 The Case of Forestry in Iringa

Iringa region is also regarded as one of the ‘big five’ in terms of food production in the country not least because it is located within the fertile Southern Highlands of Tanzania. It has a total area of 58,936 square kilometres. Out of this area, its official website states, 74 percent are arable even though only 17 percent is utilized as such. Nevertheless, the yet latest National Sample Census of Agriculture – 2002/2003 shows, in “general, agriculture in Iringa region is the major economic activity of the people” whereby “on average agriculture contributes more than 85% of the region’s GDP and employs more than 90% of the regional population” (URT 2007c: xx).

According to the Large Scale Farms Report, a companion to the cited census, Iringa is one of the top nine regions countrywide in terms of having high concentration of such farms. It found out that it had 68 large scale farms, the highest regional concentration in Southern Tanzania. With 98,442 hectares (8.9 percent) involved, it is one of the top five regions with the largest area of large scale farm. In terms of on farm tree planting it thus located it: “Only two regions exceeded
three millions trees planted on their large scale farms, namely Shinyanga Region 19,013,930 trees (76%) and Iringa Region 3,781,627 trees (15%)” (URT 2007a: 41). It also presented these telling, albeit slightly inaccurate, statistics: “Overall, out of the total of 39,924 trees sold, 88 percent were from Iringa, 24 percent from Kilimanjaro and 10% in Morogoro (URT 2007a: 41).

Thus such is the context in which forestry investors in the case study presented below operates.

4.1 Green Resources Limited
Green Resources Limited is a subsidiary of Green Resources AS. According to their official website, the latter was established in 1995 as a private Norwegian company. As Blessing J. Karumbidza (2010) points out, it was formerly known as Tree Farms. “Two days after the Kyoto Protocol was adopted” in December 1997, NorWatch noted, “Tree Farms (the company was then named Fjordgløtt) arranged a private placement that increased the company's capitalization from NOK 990,000 (USD 98,000) to NOK 13 million (USD 1.4 million”). “Five months later”, this Norwegian watchdog further noted, “the company invited outside investors to buy shares” whereby one third “of the new shares were bought by TRG, a company controlled by the Norwegian billionaire Kjell Inge Røkke” (Harald Eraker 2000: 4). Tellingly, “Tree Farms AS” is the name refered to as “Strategic Investor” in a “Sale Agreement Signed on April, 2003” to acquire “Sao Hill Saw Mill” in Iringa as documented by Tanzania’s Ministry of Finance in URT’s (2005) Completed Divestitures at Sales and Agreements Stage as of 30th June 2005. This transaction whose negotiated date as early as 1998 is hereby described by a seasoned researcher:

100% of Sao Hill Saw Mill (part of the parastatal TWICO) sold to Escarpment Forestry Co Ltd (ultimate owners Fjordgløtt (Norway)) for US$ 0.05m. NORAD (the designers, financiers, and implementers of the project since its inception in the early 1970s) apparently forced the Tanzanian government to reject an earlier bid from CDC, and after the sale granted the new owners a rehabilitation loan of US$ 1.3m. Escarpment Forestry already had some mobile saw mill activity in the area… (Gibbon, Peter 1999: 3)

The politics of naming here is very important as one can hardly understand Green Resources Limited without making sense of its genesis in relation to its former names. The Escarpment Forestry Company Limited referred to above is a subsidiary that Tree Farms AS established in Tanzania. According to Jørn Stave (2000), in NorWatch’s sequel to the above cited report, this subsidiary was to be responsible for afforestation activities. On the basis of the information from the representative of these entities, the Norwegian Watchdog managed to chart out its organizational structure reproduced in Figure 3 below. Expectedly, they found out that the holding company and Nortan AS were registered in Norway while the three subsidiaries were registered in Tanzania. It is important to stress that what mainly constitutes them in terms of land and other resources were acquired in Tanzania primarily through privatization and related deals.
According to NorWatch’s Eraker (2000), Fjordgløtt – which it should be stressed, was strategically renamed Tree Farms AS in 1997, the year the Kyoto Protocol was signed – set itself up in Tanzania in 1996, a year after it was awarded a NOK 127,000 (USD 13,900) grant from the Norwegian Agency for Development Cooperation (NORAD) to explore the scope for activities in East Africa. By mid 2000, s/he noted, it was controlling at least 20,000 hectares of land in Tanzania, Uganda and Malawi. However, s/he also noted, Tanzania was its largest venture in the region yet it was in the process of acquiring a further 70,000 hectares in the country. A year earlier Development Today’s Issue Number 15 of 1998 was quoted as stating that “the important aspect of Fjordgløtt’s involvement in East Africa” was “to position itself for future trade in [Carbon Dioxide] CO2 quotas” (Gibbon 1999: 3). At this juncture it is important to clarify what these ‘quotas’ really entail in the context of the Kyoto Protocol and ‘new’ forestry investments.

In its response to the question “What is the Kyoto Protocol exactly?” the guest editor and author of a special issue of Development Dialogue on Carbon Trading, Larry Lohmann (2006), points out that this Protocol was adopted in 1997 at one of the annual conferences of the parties to the 1992 United Nations Framework Convention on Climate Change (UNFCCC). The treaty, he further notes, finally came into force on 16 February 2005 whereby 127 countries responsible for 61 percent of global greenhouse-gas emissions ratified it. As the author of this report observed elsewhere it is the ‘international community’ that met in Kyoto and agreed to control human activities that cause global warming especially through pollution caused by greenhouse gas emission in industrialized countries. The main content of that gas – and indeed that of many gaseous (by)products’ of human (un)natural activities including metabolism – is Carbon Dioxide.

In contrast, trees absorb Carbon Dioxide and produce Oxygen among other products needed to sustain humans and preserve the Ozone layer whose increasing depletion is said to be causing
climate change. Thus, as Lohmann (2006) notes, it was agreed that the Protocol will bind 38 industrialised nations to reducing their emissions on an average of 5.2 percent below 1990 levels by 2008-2012. Since most of these industrialized countries – which are also regarded as relatively developed – emits most of the carbon way much more than most less industrialized countries – which are also generally regarded as relatively poor – the Protocol sought a mechanism to balance their contrasting needs/demands. It thus created the following 3 loopholes by which countries that are not able or not willing to meet those targets could simply compensate for failing to do so through trading in what is now known as the carbon markets or mechanisms:

First, they are allowed to buy emissions rights from countries that have permits to spare.

… Second, industrialised countries can also escape the need to reduce emissions by putting money into carbon-absorbing forestry or soil conservation. Last, and most important, the industrialised North can escape its obligations to reduce at home by investing in special, UN-approved ‘greenhouse gas-saving’ projects abroad (Lohmann 2006: 49).

It is the last loophole that is mainly at play in Tanzania. According to Lohmann (2006), in the so-called countries of the South it takes the form of Clean Development Mechanism (CDM) projects but only in countries not subject to the emissions ‘cap’ on industrialised nations. This is what the author of this report calls Kyoto’s dialectical solution since Article 12 of the Protocol aim to address the dual challenge posed by the climate change and global warming discourse – allowing industrialized countries to meet their emissions reduction targets in a cost-effective way while simultaneously providing opportunities for the so-called developing countries to reduce poverty. It was through the dialectical analysis below that this author made sense of all this in relation to what has been happening in Iringa since the new wave of forestry investments started:

This ‘dialectical’ solution, known as the Clean Development Mechanism, is naturally complex. On the one hand, the Clean Development Mechanism (hereafter CDM) is supposed to give industrialized countries the option of purchasing Certified Emission Reduction (CER) credits, also known as “carbon credits”, from less industrialized countries in lieu of reducing their economic activities that emit greenhouse gases. On the other hand, it is meant to allow developing countries, through local and foreign investments, to increase carbon offsets and thus produce carbon credits through projects that contribute to specific sustainable development goals in the host country (Chachage, Chambi & Baha, Bernard 2010: 20).

As it was foreseen in 1998, Fjordgløtt, upon metamorphosing to Tree Farms and then to Green Resources, has now indeed positioned itself strategically in this carbon credits/quotas trading. Its official website invokes the Kyoto Protocol by describing Green Resources as “a leading producer of greenhouse gas emission credits”. Tellingly, it also affirms that it decided to focus on East Africa because of “land availability” and “low-cost labour” among other incentives. In
the case of Tanzania it initially acquired land from Mapanda and Uchindile villages. Its official website thus sums up its current status of land acquisition in both Iringa and Morogoro regions:

Green Resources has three main plantations in the Southern Highlands of Tanzania all managed by Green Resources Ltd (GRL) with 7,900 ha of forest. The land allocated to Green Resources in the Southern Highlands covers more than 100,000 ha in various stages of the land acquisition process, including 34,000 ha of titled land. In addition to the Idete, Uchindile and Mapanda plantations, trial planting has been initiated in Kitete and Masagati. The potential planting will be completed in the initial plantations, but local and district communities are awarding additional land to Green Resources such that the activity can continue and the level of employment can be maintained.

However, according to Karumbidza (2010), the land it has already acquired in Tanzania is more than 14,000 hectares and its target is not less than 170,000 hectares. As he further notes, and as it can also be deduced from the company’s official website, the main focus is not only on carbon trading to stock Norway’s ‘carbon bank’ but also – and probably much more – on the booming timber trade. As such it is also converting natural/indigenous grasslands into timber plantation.

The version of Green Resources history that it presents claims, boastfully albeit incorrectly as the data from URT (2007a) indicates, that prior to the time it started “pilot planting of forests for carbon offsets in Uganda and Tanzania in 1996/7” “there had been no large-scale planting of new forest in East Africa for more than a decade, either private or public, with the exception of a teak project in Tanzania”. “In 1998”, it states, “Green Resources established contact with SGS, the leading global certification and inspection company, and an innovator in greenhouse gas offset project certification.” Two years later, in November 2000, its website further states, “the Green Resources’ Tanzanian afforestation project was certified by SGS as one of the first three projects worldwide to be certified and the company sold the first options on carbon credits”.

It is important to note that in order for such certification to occur in Tanzania, as the official CDM website states, such “projects must qualify through a rigorous and public registration and issuance process designed to ensure real, measurable and verifiable emission reductions that are additional to what would have occurred without the project” and this mechanism “is overseen by the CDM Executive Board, answerable ultimately to the countries that have ratified the Kyoto Protocol.” However such a system in Tanzania was not that rigorous when Green Resources started to set itself as a key trader in this market in the late 1990s. Even in the international circles the situation was not better at the turn of the century as its official website thus put: “The start of this decade saw slower than expected development of the greenhouse gas (GHG) credit regulations and markets.” But even in the few years after 2003 since when “regulators have been more proactive; the carbon credit market has come alive and Green Resources has once more increased its afforestation operations” Tanzania was still lethargic. In fact it was only after the confusions and delays in coming up with a clear national guideline that the Vice President’s

In this handbook the government details the rigorous procedures required for seeking approval of Afforestation/Reforestation (A/R) projects for CDM in Tanzania in line with the modalities adopted by the Conference of the Parties (COP) to the Conventions on Climate Change in 2003 abbreviated as COP 9. It should be noted that Green Resource is involved in both Afforestation and Reforestation which, as Karumbidza (2010) aptly notes, are deliberately conflated in global forest processes to justify planting of monoculture tree plantations of water guzzling and invasive exotic trees such as eucalyptus and pine trees as the so-called panacea for climate change. In fact the company’s official website openly states that the objective of its plantation in Idete “is to grow trees for carbon storage and to harvest forestry products for sawn timber, utility poles and renewable energy”. No wonder it has acquired Sao Hill Paper Mill and, according to its website, pulp wood from Idete and Uchindile plantations would be well suited to “satisfy expanded demand from Mufindi Paper Mills”, the latter being in the process of investing in “30,000 hectares of land in Uchindile Village” (Daily News/Amina Juma 18 July 2010) adjacent to Iringa, in Morogoro. Nevertheless the handbook for CDM in Tanzania clearly stipulates that:

A project must be implemented on the land that was not forested on January 1990. The project may choose a single crediting period of 30 years or a renewable crediting period of 20 years with up to two renewals for the total of 60 years. The project developer must consider the socio-economic and environmental impacts of the proposed projects in accordance with the procedures referred by the host Party. In Tanzania, priority for undertaking A/R projects is given to semi-arid and arid areas (URT 2007d: 13).

The CDM handbook also notes that Tanzania’s DNA has come up with a list of national eligibility criteria for such projects. The overall objective of these projects is to “promote sustainable development in the host country.” As such they should, among other things, “aim at poverty alleviation by generating additional employment and improving standard of life”; “bring in additional financial flows through investment”; “reflect resource sustainability and resource degradation if any, impact on biodiversity, human health and other environmental issues”; “should lead to transfer of environmentally benign and sound technologies to Tanzania”; and “be a partnership between investor country company or institution and the host country local private company, NGO, Research /Academic Institutions or government department (Unilateral projects are encouraged) where no additional technology or finance is not requested” (URT 2007d: 14).

This CDM framework guides these project investments, from their inception through to the production and marketing of actual carbon credits. It is only after a project has certified its product through the CDM that its CERs can then be sold to a government or company from the above-cited industrialized countries that are formally required by the Kyoto Protocol to reduce their greenhouse gas emissions. Norway is such a country. Despite the management complexities
related to CDM projects, it has been noted, the projects are producing carbon credits, and the demand for such credits from industrialized countries is high. As it has been noted above, it is not surprising then that Green Resources has already sold the first options on carbon credits from its Tanzanian afforestation project. Its dated website entry below captures to what extent the difference between what is on CDM guidelines’ paper and what is in practice can be or become:

The forest [in Idete, Iringa] is seeking CDM certification and is in the process of responding to corrective action requests (CARs) to the project design document (PDD), with full certification expected before the end of 2009. The carbon credits (CERs) generated from the project have been sold, pending approval by the UNFCCC, putting in place a basis for aggressive expansion of the project. Pre-evaluation for [Forest Stewardship Council] FSC has taken place and progress continues towards full certification… Alongside Uchindile, FSC certification for the [Mapanda, Iringa] project was attained on 8 August 2008 and voluntary carbon standard (VCS) certification was achieved on 17 July 2009.

It is also not surprising that the company’s website points out that the World Bank has re-entered the forestry sector in full force, after more than ten years absence. This can be explained, in part, by the fact the carbon credit market slowed down in the beginning of the decade and, as Green Resources’ Website notes, picked up towards the end. It can also be explained, in part again, as a counter to “the trend of the crowding out of the World Bank as the major funder of the forest sector, by countries such as China, Norway, France and others on a global rush for timber and forest resources (as well as the control of land) in African countries” (Karumbidza 2010: 3). Last, but not least, it can be explained by the fact that in 2008, the first year of the current global economic crisis, the market still doubled from the previous year to “€86 billion” (World Bank 2009: 1). In other words, it’s a profitable trade that attracts International Financial Institutions and the International Community. No wonder, according URT (2008), by early 2008, Tanzania alone had over 12 projects in the pipeline for approval and one approved project with 202,271 CERs/year. The trend is continuing as new investors, such as the New Forests Company Limited, in Kilolo District in Iringa ventures into the carbon marketplace (See Chachage & Baha 2010).

In its latest report on Development of Clean Development Mechanism in Tanzania: Lessons Learnt freely available in its official website, Green Resources AS (2010) reveals some of the supports it has received from the Norwegian government. “In March 2008”, the report documents, it “received financial support from the Royal Norwegian Embassy of Dar es Salaam (RNE) to conduct studies on the possibility of developing two Clean Development Mechanism (CDM) projects in Mafinga, Mufindi District, Iringa Region, Tanzania” with the “total amount not exceeding 1 209 335 NOK” (Green Resources AS 2010: 4). This is the same government that funded the diagnostic phase of the Property and Business Formalization Programme in Tanzania (PBFP/MKURABITA) that aims, among other things, to formalize land as capital countrywide.
The paradoxical role of the Tanzanian and Norwegian governments in the facilitation of Green Resources’ land acquisition and accumulation cannot be overstated. In the case of the former, as it has been hinted above, its quest for FDIs as the panacea for poverty is paramount. Moreover, as one of the leading theorists of accumulation in Tanzania notes, the “state stands in the position of a landlord to the peasant producer” and its “monopoly of violence, through law or otherwise (development conditions, minimum acreage laws, flat rate tax paid in cash, etc.) is exerted to keep the peasant chained to the capitalist system” (Shivji 2009: 80). It is such statist exertion that makes peasant labour redundant and prone to casualization. This leads to what has been referred to as *Accumulation by Land Dispossession and Labour Devaluation* thus aptly captured below:

The Norwegian company Green Resources Ltd has already planted 2600ha of its cheaply acquired 14,000ha of land from the Idete community…in Iringa…It is hoped that 7000 ha of this land will be planted to a combination of eucalyptus and pine trees. The community is also encouraged to do its bit planting trees which the company promises to buy. The primary motivation for this investment is to earn income from the emerging carbon market made possible by…climate change. Once again, Africa’s land and its forests which have served as the lung of the world, especially the developed economies whose industrialisation model is not possible without the exploitation of cheap labour and natural resources, especially land is being called to service the developed world…To achieve such land grab without parting as much as a payment for a song, the company banks on the poverty, illiteracy, ignorance and associated desperation of such communities. The Tanzanian government, like many unimaginative African regimes that exchange their natural regimes for some usually low returns foreign direct investment, is a happy customer and facilitator for such projects (Karumbidza 2010: 5)

The case of the Norwegian government is hardly less puzzling. As the author of this report has argued in *What is Norway Oiling in Zanzibar?* and it’s sequel, *Norway in Tanzania: The Battle Rages*, it is important to also question relatively positive role of Norway in international politics as it exports to Tanzania its relative successful ‘oil model’ among other business models. It is quite clear, as it has been shown above, that this government – or at least its development agency – has been instrumental in lobbying and even financing Green Resources’ acquisitions. The logic seems simple: Norway as a country benefits from this. However, its complexity is thus captured:

The irony of Norwegian support for this type of investment must be contextualised. Norway occupies an ambivalent position. On the one hand, it is a major oil producer and exporter through the company now known as Statoil, and contributes substantially to global greenhouse gas emissions. On the other hand, Norway wants to be seen as a moral superpower and therefore seeks to position itself with progressive policies (in matters of social, environmental, human rights and other development issues). Claiming interests in taking the lead in climate mitigation, Norway joined hands with France through the Oslo-
Paris accord which is nothing more than a platform to dominate and advance the acquisition of land as well as position itself at the forefront of the carbon trade. This would make it the vanguard of the modern resource imperialist onslaught on developing countries. In other words, Norway has become a modern day colonial regime of special type whose supported companies such as Green Resource are enslaving local communities on their own land. Taking advantage of the climate change debate the Norwegian government committed itself to mitigation projects around the world through the purchase of carbon reduction units (credits) for the purpose of offsetting domestic carbon emissions. As such, Green Resources plantations in Tanzania are important as they are hoped to rack in as much 400 000 carbon units (Karumbidza 2010: 6)

Such is a tale of two countries/states. One as a ‘sub-imperialist’. And the other as a ‘periphery’.

5.0 The Case of Biofuel in Pwani

Pwani (Coast) region “has an area of 33,539 square kilometers, which is equivalent to 3.8% of the total area of Tanzania Mainland” (URT 2007e: 1). This latest *National Agriculture Sample Census* estimated the regional average of land used for agriculture per household at 1.8 hectares, slightly below the national average of 2.0 hectares. However, it noted that “almost all the land available to smallholders was utilized” (URT 2007e: 98). The Census found that most of this land was under customary law as the predominant type of land ownership whereby it accounted for 76 percent of the total rural smallholder’s owned land. In this region, it was noted, the main food crops include maize, cassava, paddy, cowpeas, sorghum, simsim, sweet potatoes and green grams. The most important cash crop is cashew nut (then accounting 52 percent of the total area planted with permanent crops) although there are other important permanent crops such as coconuts (21 percent), oranges (9.3 percent), pineapples (4.4 percent), bananas (4.3 percent) and cash crops such as seaweeds and cotton. This census thus summed its socio-economic profile:

The most important livelihood activity is crop farming followed by livestock keeping/rearing and tree/forest resources. Off farm income is the least important livelihood activity. The percent of the rural agriculture population working full time in farming is high (more than 75%). The main source of cash income … is from the sale of food crops followed by sale of cash crops and sale of forest products (URT 2007e: 99)

In terms of large scale farms a companion source, URT (2007a), found out that the region has 76 such farms with a land area totaling 4,053 hectares under crop production (mainly cashew nut).
5.1 SEKAB BioEnergy (Tanzania) Limited

A disputed Environment and Social Impact Assessment (ESIA) submitted to the National Environmental Management Council (NEMC) in November 2008 introduces “SEKAB BioEnergy Tanzania Limited” as “a company formed to develop large scale BioEnergy (BioEthanol) plants in Tanzania” (SEKAB BioEnergy Tanzania 2008: ii). It then provides its version of how this formation occurred. This, the ESIA states, occurred following the signing of a Memorandum of Understanding (MoU) between the Government of Tanzania and three entities: Swedish Ethanol Chemistry (SEKAB), BioAlcohol Fuel Foundation (BAFF), and Community Finance Company (CFC). The aim of this MoU, it is asserted, was to kick-start what it refers to as the development of a long term and sustainable BioEnergy platform in Tanzania.

However, the ESIA thus briefly provides the profiles of only two of these three entities and concludes that these two are the ones that actually formed SEKAB BioEnergy Tanzania Limited: “Community Finance Company (CFC) is a company fully owned by Tanzanians, focused on establishing a model for rural development in Tanzania by encouraging community-based farming”; “Swedish Ethanol Chemistry AB (SEKAB) is a large producer and distributor of ethanol, representing 15% of the European and 75% of the Scandinavian ethanol markets, providing low blends, E85, ETBE, and bus fuels. SEKAB is owned by three Swedish public utility energy companies, namely Skellefteå Kraft, Örnsköldsvik Energi, and Umeå Energi and the largest oil distributing company in Sweden OK, a cooperative owned by 1,6 million motorists, and private entities”. (SEKAB BioEnergy Tanzania 2008: 49). On paper this effectually made the legal entity formed a Tanzanian company although in practice it is Swedish.

According to Dagens Nyheter (2009), the Swedish entity’s majority owners are the public energy companies in Örnsköldsvik, Skellefteå and Umeå. S/he points out that these did not initially become involved in order to produce ethanol abroad. Rather, to produce it based upon use of forestry waste materials within their own municipalities. However, SEKAB – founded in 1985 in Sweden – gradually started to gravitate towards the former option whereby Tanzania became prominent. Drawing from Development Today among other sources, Opportuna Kweka (2010) stresses that, in fact, according to municipality laws in Sweden, companies owned by municipalities are not permitted to invest in activities outside municipality borders let alone outside the country. This assertion stems from the observation that 70 percent of SEKAB was owned by energy companies belonging to the three Northern Sweden municipalities mentioned above. After “an injection of new equity”, notes Timothy Kahoho (2010), “the Sekab Group changed from a 50/50 private/municipality co-ownership into being majority controlled by three municipalities in northern Sweden.” He further notes that at “that juncture it became politically impossible to maintain a direct ownership of development or production units in Africa” and that is why a “new owner structure had to be developed or the business would be closed down”.
It is such information which unmasks the key players in this joint venture investment. CFC, often described as BAFF’s local partner, was merely a broker that facilitated the meetings, in early 2006, between the two Swedish entities and the highest echelons of power in the Government of Tanzania that culminated in the signing of the MoU referred to above. After that the main international player became SEKAB while its local subsidiary, SEKAB BioEnergy Tanzania, became the main local actor. It is within such a setup, in mid 2006, that “SEKAB International AB of Sweden carried out satellite images for 200km boundary along the coast of Tanzania to determine its suitability for growing sugar cane in order to produce ethanol” (SEKAB BioEnergy Tanzania 2008: 50) after getting a go ahead from both governments. According to this ESIA, these images indicated, albeit tentatively, that some areas in Bagamoyo and Rufiji districts in Pwani are potential for large scale production of sugar cane. Its version of events and processes that followed thereafter is summed below indicating that it was then that its subsidiary took over:

- In February 2007 SEKAB BT wrote to the District Commissioners of Bagamoyo, Kilwa and Rufiji applying for land for biofuel production and electricity cogeneration.

- In March 2007 SEKAB BT wrote to the Tanzania Investment Centre (TIC) to request for land in Bagamoyo, Rufiji and Kilwa for large scale growing of energy crops for production of ethanol and electricity co-generation.

- On 27 March 2007 Tanzania Investment Centre replied by writing to the District Executive Directors to introduce SEKAB BT and asked for their assistance to enable SEKAB BT to acquire the land for energy crop growing in order to produce ethanol.

- On 28th March 2007 SEKAB BT specifically applied to the District Executive Director for RAZABA Ranch for bio-fuel production and electricity production.

- On 30th March 2007 the Bagamoyo District Executive Director wrote back to SEKAB BT saying that they did not have the authority over that land as it belonged to Revolutionary Government of Zanzibar and directed SEKAB BT to contact the Ministry of Agriculture or the Minister responsible for Union matters.

- On 10th August 2007 SEKAB BT applied to the State House to H.E President Jakaya Mrisho Kikwete for RAZABA ranch in Bagamoyo as the custodian of the land as per Land Act 1999.

- On 4th November 2007 the Minister responsible for Planning, Economy and Empowerment wrote a letter to SEKAB BT informing them that the Revolutionary Government of Zanzibar had agreed to allocate 22,000 ha of the RAZABA ranch in Bagamoyo District and intended to keep 6,096 ha. It instructed the Ministry of Lands,
Housing and Human Settlements Development to carry out the survey and issue a title deed. That costs for surveying and title deed to be born by SEKAB BT.

- On 9th May 2008 the Chief Secretary, State House wrote a letter to SEKAB BT informing that the division of the 26,787 hectares of RAZABA Ranch has been completed and SEKAB has been allocated with around 22,000 hectares. Also, in the same letter SEKAB BT was required to compensate for the acquisition of the farm to the Revolutionary Government of Zanzibar.

(SEKAB BioEnergy Tanzania 2008: 50 - 51)

However, it is important to bear in mind that even though the land in the RAZABA Estate was under the jurisdiction of Zanzibar it is not in the Isle. Here it is also important to note, as it has been noted in previous sections in regard to other parastatals, that this ranching initiative collapsed and a number of people in Bagamoyo, regardless of whether they are from Zanzibar or not, benefitted in one way or another from the ‘unused’ land. In fact some of those who used it prior to the time RAZABA took over opted to re-use it, albeit more indirectly. Drawing from the ESIA cited above an independent assessor thus captured this transition of land use in the area:

Prior to 1974 the Estate was traversed by pastoralists on their way to markets in Dar es Salaam and used for seasonal grazing. Elephants migrated into the area during the two wet seasons. In 1974 it was given to the Revolutionary Government of Zanzibar to establish a cattle ranch. ORGUT Consulting AB (2008) report that inhabitants were compensated and settled outside the area. However, no indication of the number of inhabitants is given. Developing the ranch involved clearing forests and wetlands, establishing roads, housing and a primary school. It had 7000 head of cattle and employed 300 people. Nevertheless, it was abandoned in 1994 because of difficulties of keeping cattle year round in an area infested with tsetse flies (ORGUT Consulting AB, 2008). After 1994, pastoralists and elephants resumed their use of the area (ORGUT Consulting AB, 2008)… Once converted to sugar cane, pastoralists would once again be denied access to the land for seasonal grazing which could potentially have a detrimental effect on their food security (Watson, Hellen 2009: 2-3).

It should be noted that even this land acquired from RAZABA was not enough for SEKAB BioEnergy Tanzania. Emmanuel Sulle & Fred Nelson (2009) points out that it actually targeted 24,200 hectares but only got 22,000 hectares. No wonder it leased a 200 hectares farm from Kigongoni Prison for its cane seed nursery after an attempt to get about 3,000 hectares “from Fukayose village” failed not least because the “the Bagamoyo district office advised the villagers to use this land for outgrowers of sugarcane and sell it to the company” (Kweka 2010: 24).
This quest for land extended to Rufiji District in the same region. Sulle and Nelson (2009) documented that their main target there constitutes the category of Village Land and was within the range of 250,000 - 500,000 hectares. Another source was less conservative; it estimated it at about 80,000 hectares while thus asserting: “Some discrepancy exists here between different targets set by SEKAB for land in Tanzania. On 20 Nov 2007- SEKAB stated plans for acquiring 200 000 ha in Rufiji and Kilwa. At a SEKAB workshop in Sweden 6 Feb 2008; SEKAB states plans on 400 000 ha in Tanzania with 300 000 ha in Rufiji and Matandu area” (WWF 2009: 23).

Writing around the same time, both sources observed that land acquisition was under negotiation with the investor negotiating directly with villages. The latter source decried this practice by referring to the unequal power dynamic that exists between the company and villagers. For instance, the source cited claims that SEKAB was setting up meetings in which it was providing ample catering that undoubtedly attracted local stakeholders. In the case of Nyamwage village this source obtained meeting minutes documenting such consultations which “proceeded to examine the benefits that the villagers would receive as a result of the company’s presence”, however, “no mention was made of the amount of land that was being negotiated for” (WWF 2009: 26).

A relatively new study has also observed many glaring shortcomings. For example, it found that whereas villagers accepted to give 1,000 hectares only yet the land use map showed 19, 000 hectares earmarked for SEKAB in “Utunge village which is 75% of the village land” (Kweka 2010: 21). This study attributes this, in part, to the fact that most villages have no land use plans.

Startling turn of events in 2009 led to the perceptions that SEKAB has ceased to operate in Tanzania. In Marie Widengård’s (2009) Rapporteur’s notes on a seminar held on 20 May 2009 on Aspects of SEKAB’s plans for large scale biofuel production in Tanzania, participants noted that SEKAB had then recently decided to withdraw from biofuel production in Tanzania and sell its investments/activities. However, it was ironically observed that in that context this company, alongside with the government of Tanzania, had approached the Swedish International Development Agency (SIDA) and other donors for financial support amounting to several hundred millions in Swedish currency (SEK). As early as March, 2009 a number of print media, particularly in Tanzania, were recycling news related to SEKAB’s withdrawal from the country.

For instance, a government-owned daily newspaper, HabariLeo (28 March 2009), quoted government official reports claiming that the global financial crisis had delayed a number of projects including SEKAB’s plan to construct a sugarcane industry. Swedish firm shelves $300 million investment in Tanzania retorted a heading in another paper, The East African (17 March 2009), citing SEKAB’s communication manager as saying it is “terminating its investment in Tanzania in view of the current market situation” and is “in discussions with several interested external parties”. Tanzania Affairs (1 May 2009) also focused on the economic crunch thesis. It took investigative journalists and researchers to unearth what was going on behind the scenes.
Drawing from researchers, on 14 April 2009, one such reporter came up with this revelation:

In February the Swedish energy company, Sekab, announced that it was abandoning its ambitions for large-scale ethanol production in Tanzania. Their original plan had been to grow 400,000 hectares of sugar cane plantations, a total area larger than the island of Gotland. But recently the company has been on the verge of bankruptcy when its owners in Sweden decided to end the flow of money rolling into the company in Tanzania. However Sekab is now trying to procure aid funds from Norway and Sweden in order to be able to continue its activities (Nyheter 2009: 1)

The reporter also echoed the following damning exposé that continues to be reechoed by critics:

Sekab was supposed to have made public an environmental impact assessment report completed in December 2006 concerning its first project area in Tanzania. But for two years after that, researchers and students have not been allowed to see the report as it has been withheld by the company. In December 2008, the company finally submitted the report to the Tanzanian environmental agency, NEMC, which only then could begin to examine whether Sekab’s planned activities should be permitted in Tanzania. However, it now appears that Sekab made important changes in the text without the knowledge of Orgut, the consulting company originally responsible for the study. The original report had identified several serious environmental problems, for example, that water supply was insufficient, but these were problems were subsequently glossed over and played down in Sekab’s altered version of the report. The fact that Sekab did not make the environmental impact assessment public has meant that the people of the affected areas have not been able to examine or consider the impacts of the project, nor have independent scientists been able to do so. However the text of the report was leaked, and therefore we know that the conclusions give a more favourable picture compared to the original consultancy study which had been carried out. This has been confirmed by the journal Development Today, which interviewed the project manager of Orgut. She asserted that Sekab “rewrote the conclusions in the best light: you get a different flavour”. Consequently, Orgut took a most unusual step for a consultancy company – they distanced themselves from altered version of the study. Orgut’s project manager concluded that the changes made by Sekab meant that "the procedure is not acceptable and it calls into question the independence of the study" (Nyheter 2009: 1-2).

This is the contentious ESIA cited in the beginning of this section. In her comment on it based on the same source, Kweka (2010) reiterates that the doctored ESIA is what SEKAB submitted to SIDA for funding. The altered version, it is alleged, did not contain the earlier version’s warning about the shortage of water if the company began sugarcane plantation in Bagamoyo especially during the dry season. An assessment conducted much later, on 30 November 2009, was in line
with the earlier version. In response to a question about the project “not affecting water supply and quality” it put a score of 2 which is defined as “the project covers this principle partially <30%” (Watson 2009:1). Yet her overall project assessment gave it a 42 score out of 60 (70%).

By the time Watson’s assessment was being conducted SEKAB had already got a way out of its quagmire. In its Press Release dated 23 October 2009, it thus informed the public: *SEKAB sells subsidiaries in Tanzania and Moçambique to EcoDevelopment in Europe AB*. It discloses information which helps, in part, to explain why in a way it has not really ceased its operation in Tanzania – a hub for speculative companies. As such it is important to quote it extensively here:

SEKAB International AB (“SEKAB”) and EcoDevelopment in Europe AB (“EcoDevelopment”) entered into an agreement on 21 October whereby EcoDevelopment takes over 100% of shares in SEKAB’s two subsidiaries SEKAB Bioenergy Tanzania Ltd and Ecoenergia Moçambique. The transfer of ownership is practically at no cost (SEK 400).

SEKAB had the choice of completing the shut down of the two companies with remaining closing costs of approximately SEK 16 million or transferring ownership at no cost to EcoDevelopment, which offered to take over the companies. The two companies have net assets of approximately SEK 14 million, which SEKAB relinquishes claims to, but on the other hand the company avoids costs associated with the shutting down of the companies.

In case EcoDevelopment is able to find financial backers for the African ethanol projects and is able to implement its plans, the contract includes an pledge for an off-take contract and a repayment clause, with which SEKAB can regain the entire amount it invested in Africa between 2005 and 2008, approximately SEK 170 million.

Three individuals connected to EcoDevelopment are on the SEKAB group’s board. These individuals have not taken part in the board’s decision on this issue. With this agreement SEKAB has extracted itself from its African projects except for the four potential off-take
contracts, one for its Ghana efforts and three for EcoDevelopment in Tanzania and Moçambique, respectively.

SEKAB International AB (2009: 1)

Ironically, Watson’s (2009) assessment claims that the reason given by the company for selling its subsidiaries in Tanzania is that it was unable to secure any land in addition to the RAZABA Estate. By this she means uninhabited land close to abundant surface water. Yet, in her conclusion, she renegades from her score of 2 for water by claiming that her “field visit revealed excellent farming practices and enormous capital outlays to conserve water” and, though she had “to rate it on the basis of what they intended to do rather than what they did”, her COMPETE assessment gave “the fairly good overall score despite the fact that the project “failed” (Watson 2009: 6). Such assessments completely miss the metamorphoses of such companies in Tanzania.

Recent research and media reports still refer to the presence of SEKAB in Tanzania, albeit in a metamorphosed form. As the company’s Press Release above has indicated, EcoDevelopment has close connections with SEKAB. Kahoho (2010) even claimed on 5 February 2010 that in fact EcoDevelopment in Europe AB owns 30 percent of SEKAB International AB. It should be noted that this is different from the 100 percent of the latter’s subsidiaries cited above that has been relinquished to the former. As for the real reason(s) behind this metamorphosis Kahoho reveals:

On October 21 last year, EcoDevelopment took over full ownership and commitments to meet the time plan for a financial agreement with the banks in June of 2010 for the Bagamoyo project, valued at US $ 240 million. At the same time the Sekab Group gave a guarantee to buy all Ethanol produced in the first two plants for the first ten years of production. Sugarcane crushing will commence in 2012 with 700,000 tons of raw material to produce 65,000 tons of sugar, and 25,000 cubic litres of ethanol. At the moment, potential co-investors and debt providers are not willing or able to commit themselves until government endorsement is clear, through shareholding and a minor credit enhancement. It is now a matter of grave concern that if this is further delayed it will jeopardize the entire project and future development.

All this indicates that what is known about SEKAB’s ‘camouflage’ is only a tip of the iceberg.
6.0 Conclusion and Recommendation

6.1 Conclusion
This report has successfully attempted to ascertain the pitfalls and prospects of large-scale land investments in Tanzania. By using the case of Agribusiness, Forestry and Biofuel companies in Morogoro, Iringa and Pwani regions respectively, the study has managed to show how such ventures pose threats to land access, ownership and use among villagers in Tanzania. In relation to this, the study has found out, villagers’ food sovereignty and labour value is also under threat.

The study has taken note of activities associated with Corporate Social Responsibility (CSR) in regard to the benefits emanating from these investments. However, as it has been observed elsewhere, such benefits mask losses villagers incur in the short run and would incur in the long run. It thus strongly suggests that villages could generate more of these benefits by other means.

Thus the study has come short of calling for a ‘win-win’ situation between ‘investors’ and ‘villagers’. Rather, it calls for a critical appraisal. To that end appraising pitfalls and prospects of land investments in favour of villagers and villages is what the recommendations below propose.

6.2 Recommendations
1. Review and monitor regularly the profiles of companies and all their subsidiaries
2. Survey village lands accurately and prepare participatory Village Land Use Plans
3. Advocate for amendments of land and local government laws to empower villages
4. Provide legal aid to communities in land conflict with investors and/or parastatals
5. Inform villagers about the dynamics of large scale land investments and investors
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Appendixes

Appendix 1: Graphical presentation of the use of land in Namwawala as in 2008
Appendix 3: Graphical presentation of the use of land in Mngeta as in 2010
Appendix 4: Mngeta village land use plan (2010 – 2020)