Review of land tenure systems to support the creation of an enabling environment for agricultural transformation

Report on Tanzania

A study commissioned by the African Natural Resources Centre of the African Development Bank
Cover:
Lushoto, Tanzania. The area is marked by a high population density and limited areas for production, a landscape with steep slopes, various water sources and native forest fragments. There are also a variety of land uses, including: intensive smallholder vegetable production; smallholder maize, beans and cassava production. PHOTOGRAPH: A. EITZINGER (CIA).
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Appendix 2: Extracts from a Report on Kilombero Plantations Limited: an example of prospects and challenges of contract farming 85
The African Development Bank, through its African Natural Resource Center (ANRC), is undertaking a study to review the land tenure systems in a number of African countries as part of a wider multi-country level study to support the creation of an enabling environment for Agricultural Transformation on the Continent. The Bank’s Feed Africa Agricultural Transformation Strategy, which is aligned to the 2009 G8 commitments towards global food security, echoes the vision set out in the 2063 Strategy for Africa, and elaborates its support for the goals of the Comprehensive African Agricultural Development Program (CAADP). The four goals of CAADP are to: contribute to eliminating extreme poverty in Africa by 2025; end hunger and malnutrition in Africa by 2025; make Africa a net food exporter; and move Africa to the top of export-orientated global value chains where it has comparative advantage. Secure land tenure is critical to the attainment of these goals. This study provides insights into the status of land tenure in Tanzania and how it is related to potential increased agricultural productivity in the Country.

Findings for the study are based on an extensive desktop review of relevant documents including public policies, laws, and programmes augmented and validated by interviews with key government officials, academics, private sector persons and researchers in the field of agriculture and land policy as well as a review of ongoing projects in the country.

The report is presented in seven sections besides the executive summary, list of references and appendices.

The introductory section provides the background and justification for the study. It provides a context and background on Tanzania, including its social-economic indicators and the place of agriculture in the national economy. Located in Eastern Africa, Tanzania has an area of 945,087 km² out of which 61,500 km² is water. In 2015 the population was estimated to be 48.8 million, with an average annual inter-censal growth rate of 2.7 (2002-2012) (URT 2016). At the current growth rate, it is estimated that the population will double in the next 26 years. Tanzania population density has increased rapidly from 38 persons per square kilometer in 2002 to 51 in 2015 but with variations between regions. In 2013, life expectancy at birth was 61 years with nearly 70% of the population living in rural areas and depending on agriculture for their livelihoods. The poverty incidence is high, being 43 percent in 2012 at US$1.25 per day. The GDP/Capita was $998 in 2013 with agricultural share of GDP being 33 percent. Poverty is much more acute in rural areas where 33 percent of the population lives in poverty (2012).

Section two examines and concludes that agriculture is crucially important in terms of food and cash crop production and also an important foreign currency earner and provider of employment. Agriculture contributes about 25 percent to Gross Domestic Product (GDP), and 30 percent to export earnings, and employs about 75 percent of the labour force. The constraints to agricultural growth are largely related to low productivity of land, low quality production inputs, underdeveloped irrigation potential, limited capital and access to financial services, inadequate agricultural technical support services, poor rural infrastructure; infestations and outbreaks of crop pests and diseases, erosion of natural resource base and environmental degradation. Others include gender biases; weak producer organizations, low prices for primary commodities in global markets, insecurity with respect to property rights to land and its use as collateral for credit, inadequate participation of youth in agriculture and limited involvement of private sector in agricultural development. The National Agricultural Policy 2013 is addressing some of these.
Tanzania’s existing land tenure system is not conducive for long-term investment. Insecurity of land tenure has resulted in the decline in productive capacity of agricultural land because of non-sustainable land use practices. The Government envisages the promotion and protection of integrated and sustainable utilization of agricultural lands.

Section three discusses Tanzania’s land tenure systems and the resultant implications for land ownership and development, farm size and investment in agriculture. The legacy of the German and British colonial eras on land tenure is reviewed and it is pointed out that the post-colonial tenure did not digress very much from the colonial history. Currently land is divided into three categories: general, reserved and village land and the types of tenure are mainly two that is customary tenure and statutory tenure. Most land is not titled and this does not augur well for agricultural investment. Customary tenure arrangements tend to fragment land into small units. The fact that most land is under village governments means that large-scale farming endeavours can only be implemented in close collaboration with village governments.

Section four looks at the evolution of Policy, Legislative and Administrative Measures and Land Management Institutions in Tanzania and their implications for agriculture. These include the Agricultural and livestock policies and the National Land Policy. Government projects to improve access to and ownership of land for agriculture are mainly seen in the village certification and efforts to put in place a national land use framework. Some 400000 CCROs have been given in various villages but this is a drop in the ocean considering the need of 12 million. The National Land Use Framework is ineffective and conflicts over land uses is rampant. On going initiatives to support agricultural transformation include the creation of the Tanzania Agricultural Bank, and the Tanzania women Bank; implementation of the Land Tenure Support Programme, and the Feed the future Land Tenure Assistance; and the SAGCOT initiative. There are also efforts to decentralise land administration which has resulted into the creation of eight zones of land administration away form the centre.

Section five is about strengthening property rights to facilitate investment and opportunities for agricultural transformation. Village land use planning and titling is seen as key in these endeavours, as is financing agriculture although it is noted that the latter has been declining over the past five years. Rural land however, is not good collateral to attract finance. Opportunities seen include Greenfield development, contract farming and land for equity.

Section six looks at challenges and threats including the vague definition of communal and range land; lack of an effective national and district land use frameworks; lack of a framework to use land more intensively rather than extensively; dissatisfaction with village land administration; evolving customary tenure, increasing land values and growing land markets; growing land conflicts with inadequate conflict resolution mechanisms, escalating land degradation a well as political risks.

The last section presents key messages and policy implications and recommendations. A matrix to guide policy actions on the country level issues highlighted is provided. Areas of potential intervention by the AfDB/ANRC are pointed out.
Introduction

The African Development Bank Group places renewed emphasis on natural resources management as a transformational platform. For this reason, the Bank, through its African Natural Resource Center (ANRC), is undertaking a study to review the land tenure systems in Tanzania as part of a wider multi-country level study to support the creation of an enabling environment for Agricultural Transformation for Africa.

1.1 Objectives to the study

The objective of the study is to provide the Bank with an overview of the land tenure systems in Tanzania. Specifically, the study aimed at identifying the key constraints and opportunities for the transformation of Africa's agriculture through land tenure reform. The study aimed at looking at public and private needs for reform in order for the sector to be competitive, assess whether different land tenure systems require different frameworks to support agricultural transformation and to identify potential options for interventions based on best practices or experiences, their indicative time frames and barriers. The study makes recommendations for policy priorities and intervention and help to develop a policy decision template to serve as a tool for policy makers.

1.2 Outline of this Report

The Report is presented in seven sections as follows:

Section one gives the background to Tanzania and to the assignment.

Section two provides the recent sectoral growth and situates the contribution of agriculture to the Country's economy including its contribution to GDP, employment, foreign trade and food security.

Section three discusses Tanzania’s land tenure systems and the resultant implications for land ownership and development, farm size and investment in agriculture.

Section four tracks the evolution of policy, legislative and administrative measures and land management institutions in Tanzania and their implications to agriculture. It highlights actions taken by government within the broader context of providing access to and protecting the land rights for agriculture and other non-agricultural uses including forestry, conservation, mining and energy. The role of the private sector, development banks and development partners in regard to the emerging focus on commercial farming is also discussed.

Section five looks at options for strengthening of property rights to facilitate investments, identifying opportunities for agricultural transformation and makes recommendations for overcoming the identified challenges.

Section six addresses challenges and threats and how these can be minimized by inputs from the key stakeholders.

Section seven provides an overall picture on Tanzania’s policy, legal and institutional environment and carries key messages and makes recommendations.
1.3 Study Methodology

The study entailed both desk research and field work. The desk research reviewed policy, regulatory and administrative documents on the different land tenure systems.

Findings from the desk research was augmented and validated by interviews with key government officials, academics, private sector persons and researchers in the field of agriculture and land policy as well as a review of ongoing projects in the country.

1.4 Land tenure and food security

Studies and guidelines at the global and regional level continue to demonstrate the importance of secure land tenure and good land governance\(^1\) to national economies. These studies and frameworks also encourage the involvement of women\(^2\) and youth in the governance of tenure of land. The African Union Land Policy Initiative has also formulated a Framework and Guidelines on Land Policy in Africa, which guides African Countries in the formulation and implementation of land policies. Appropriate policies are critical tools for the promoting secure land tenure.\(^3\)

Land tenure has key imprints upon food security, environmental sustainability and social security.\(^4\) It manifests in unequal distribution of land, land conflicts, sub-optimal use of land, insecure tenure and land grabbing. Regional and national efforts to improve land tenure in order to pave way for a more enabling environment for investments to promote food security, also resonate with the attainment of the Sustainable Development Goals (SDGs) one, two and five to end poverty; end hunger and achieve food security; and achieve gender equality by empowering women and girls respectively.

This study, by the African Development Bank, aligns well with global and regional efforts. The Bank’s Feed Africa Agricultural Transformation Strategy, which is aligned to the 2009 G8 commitments towards global food security, echoes the vision set out in the 2063 Strategy for Africa, and elaborates its support for the goals of the Comprehensive African Agricultural Development Program (CAADP). The four goals of CAADP are to: (1) contribute to eliminating extreme poverty in Africa by 2025; (2) end hunger and malnutrition in Africa by 2025; (3) make Africa a net food exporter; and, (4) move Africa to the top of export-orientated global value chains where it has comparative advantage.

In implementing the Agricultural Transformation Strategy, one of the most important factors is the availability of land resources upon which subsistence and commercial agricultural activities occur. The Feed Africa Strategy for Agricultural Transformation in Africa notes that both security of land tenure and good land governance remain major challenges across the continent. The ability to secure access to land resources through a variety of tenure systems that guarantee returns for short or long term investments and creating a win-win situation for key stakeholders is important for the improvement of agricultural productivity and food security in Africa.

1.5 Tanzania: Country Context

1.5.1 Geography and Demography

The United Republic of Tanzania is made up of two formerly independent countries of Tanganyika (now generally known as Tanzania Mainland) and Zanzibar which united in 1964. The government of Tanzania Mainland also doubles as the Union...
Government. Zanzibar however, is largely autonomous except in a number of areas considered to be Union matters. Land is a non-Union matter, so this report covers Tanzania Mainland only.

Located in Eastern Africa, Tanzania has an area of 945,087 km² out of which 61,500 km² is water. Since its independence in 1961 the population has grown from 12.3 million in the first post-independence census in 1967 to 48.8 million in 2015, with an average annual inter-censal growth rate of 2.7 (2002-2012) (URT 2016a). At the current growth rate it is estimated that the population will double in the next 26 years. Figure 1 shows Tanzania by Regions, which have grown in numbers from 9 at Independence to 26 currently.

Population trends are shown in Figure 2.

![Figure 1. Tanzania regions 2017](image1.jpg)

**FIGURE 1. Tanzania regions 2017**

![Figure 2. Population trends in Tanzania, 1967–2015 (millions)](image2.jpg)


<table>
<thead>
<tr>
<th>Year</th>
<th>Population (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>48.8</td>
</tr>
<tr>
<td>2012</td>
<td>44.9</td>
</tr>
<tr>
<td>2002</td>
<td>34.4</td>
</tr>
<tr>
<td>1988</td>
<td>23.1</td>
</tr>
<tr>
<td>1978</td>
<td>17.5</td>
</tr>
<tr>
<td>1967</td>
<td>12.3</td>
</tr>
</tbody>
</table>

Source: URT (2016a)
Tanzania population density has increased rapidly from 38 persons per square kilometre in 2002 to 51 in 2015 but with variations between regions. Table 1 summarises the country’s basic population and land data.

<table>
<thead>
<tr>
<th>Table 1. Basic population and land data on Tanzania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Area</td>
</tr>
<tr>
<td>Water area</td>
</tr>
<tr>
<td>Total Population</td>
</tr>
<tr>
<td>Population Density</td>
</tr>
<tr>
<td>Average household size</td>
</tr>
</tbody>
</table>

Source: URT (2013a)

The National Land Use Framework Plan 2007-2027 (URT 2008) gives the main land use types as shown in Figure 3 and Table 2.

<table>
<thead>
<tr>
<th>Table 2. Main land uses in Tanzania</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land Use Type</strong></td>
</tr>
<tr>
<td>Settlements, agriculture, and mining</td>
</tr>
<tr>
<td>Scattered settlements, agriculture and mining</td>
</tr>
<tr>
<td>Grazing, hunting and non-woody product harvesting</td>
</tr>
<tr>
<td>Woody and non-woody production</td>
</tr>
<tr>
<td>Water resources uses</td>
</tr>
<tr>
<td>Conservation</td>
</tr>
</tbody>
</table>

Source: URT (2008)
Some 70 percent of the land is considered to be Village Land supporting 80 percent of the population (farmers and pastoralists), 28 percent is Reserved land (forests, national parks, game reserves, river basins, land for public infrastructure and services) and 2 percent is General (mainly urban) land supporting 20 percent of the population. Only about 2 percent of rural land, and 20 percent of urban land carries titles, or has a potential to have titles (i.e. it is planned). Box 1 gives highlights of Tanzania country facts.

**Box 1. Tanzania country facts**
- Poverty incidence (2012) at $1.25/day: 43 percent
- Life expectancy at birth (2013): 61 years
- GDP/Per capita (2014): $998
- Agricultural share of GDP (2013): 33.0 percent
- Percent of population living in rural areas (2014): 69.0 percent
- Percent of rural population living in poverty (2012): 33 percent

**1.5.2 Government set up**
Tanzania has two-tier government set-up, that is, a central government and numerous urban and rural local government authorities. As of 2015 the country was divided into 26 regions, and 168 local government areas among which were 37 urban authorities. The rural authority areas (also known as Districts) include some 12,000 registered villages. The latter are key in managing the country’s land for agriculture.

As of April 2015, 11,961 villages were surveyed. Out of these, 11,889 villages had Village Land Certificate (VLC). This status mandates them to manage village land and to offer CCROs. Around 258,134 Certificate of Customary Right of Occupancy had been issued to individual villagers, out of a potential of 8 million.

**1.5.3 Basic Economic Indicators**
The annual GDP in Tanzania Mainland has been growing at an average rate of 6.8 percent from 2010 to 2015. Table 3 shows the Gross Domestic Product at Market Prices (TZS Billion).

<table>
<thead>
<tr>
<th>GDP</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At current prices</td>
<td>43,836</td>
<td>52,763</td>
<td>61,434</td>
<td>70,953</td>
<td>79,718</td>
<td>90,864</td>
</tr>
<tr>
<td>At constant 2007 prices</td>
<td>31,676</td>
<td>34,179</td>
<td>35,936</td>
<td>38,547</td>
<td>41,231</td>
<td>44,101</td>
</tr>
<tr>
<td>GDP growth rate at 2007 prices (%)</td>
<td>6.4</td>
<td>7.9</td>
<td>5.1</td>
<td>7.3</td>
<td>7.0</td>
<td>7.0</td>
</tr>
</tbody>
</table>

The percentage share of the GDP at Current Prices for Tanzania Mainland was 35.4 percent for primary activities (Agriculture and Mining); 21.7 percent for secondary activities (manufacturing, electricity, gas and water); and 42.9 percent for tertiary activities which include wholesale and retail trade, and information and communication.

More than 28.2 percent of Tanzanians are considered poor, and as the economy grows, the gap between the rich and the poor widens, although there are indicators of a decline in some aspects of poverty. Signs that poverty is going down as can be gauged from Table 4.
Tanzania is still basically an agricultural economy. In 2012, about 73 percent of the population lived in rural areas including townships and trading centres. This population depends mainly on traditional agricultural and related activities.

1.5.4 Agriculture

Agriculture is the backbone of the economy providing employment to some 65.5 percent of the population. Its performance has significant effect on output and corresponding income, poverty and food sufficiency levels. In 2014 and 2015 the agricultural sector contributed 28.8 percent and 29.1 percent respectively to GDP. Food Crop production is the most important subsector in the agriculture sector.

Although currently the government is driving for an industrialisation-led economy, it recognizes the continued importance of agriculture. As a result, the government, with assistance from development partners, has embarked on several initiatives to support the agricultural sector and land use. There was the Kilimo Kwanza (Agriculture is number One Priority) initiative that was adopted by the Government of Tanzania in 2009 as a strategy for modernization of Agriculture. Under this initiative was the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) Project which was adopted in 2010. In 2012 there was the G8 New Alliance supported by USAID and in 2013 the Big Results Now (BRN) initiative. A land and business formalization programme (MKURABITA) has been going on for over a decade. In 2013 a new Strategic Plan for Implementation of Land Laws (SPILL II) was developed (URT 2013b).

Main features of the Agricultural Sector in Tanzania are shown in Table 5.

1.5.5 Forestry

Tanzania has 33.5 million ha of forests and woodlands (35% of total land area). Out of these, 13 million ha have been gazetted as Forest Reserves comprising of 357 National Forest Reserves and FRs, 114 Local Authorities Forest Reserves. Two thirds are classified as woodlands on public land. Over 80000 ha of gazetted area are classified as plantation forests; while 1.6 million ha are under water catchment management.

The forestry sector contributes 2-3% of GDP and 10% of registered exports; and provides employment to over 700,000 people. In reality the contribution to the economy is possibly higher due to poor records. Realities possibly higher.

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Nevertheless, Tanzania is suffering from massive deforestation, estimated to be between 130,000 and 500,000 ha per annum. The main reasons for this situation are: clearing for agriculture, settlements, overgrazing, wild fires, charcoal burning and over-exploitation of wood resources.

Deforestation is resulting into environmental problems including reduced rainfall and drying up water sources which in turn adversely affect agriculture. Conflicts are common now and then between the general population and public authorities with the former invading forests for agriculture and livestock grazing, while the latter tries to protect these forest resources. Many times political interference works against forests when politicians allow “the people” to occupy such land.

Protecting the forest cover is crucial for increased agricultural productivity.

1.5.6 Mineral Resources
Tanzania is well endowed with mineral resources which include: Gold, Base Metals, Diamonds, ferrous minerals, gemstones (eg Tanzanite), Coal, uranium, industrial minerals (soda, kaolin, tin gypsum, phosphate, dimension stones), and oil and gas.

The Mining sector is a leading foreign exchange earner and contributes around 2.3% of the GDP, but this is rising fast and is expected to reach 10% by 2025.

1.5.7 Water Resources and Irrigation
The United Republic of Tanzania has nine major drainage basins that are the basis for water resources management through nine corresponding basin water boards (Table 6) (MWI, 2009).

The lakes and swamps cover 5.4 million hectares and comprise 5.8 percent of the country.

Internal renewable surface water resources are estimated at 80,000 million m³/year and renewable groundwater resources at around 30,000 million m³/year. External renewable water resources are estimated at 12,270 million m³/year.
Total water withdrawal in mainland Tanzania was estimated for the year 2002 to be 5 142 million m³. Agriculture was the largest water withdrawal sector with almost 90 percent of total, and in particular irrigation (86 percent), while the municipal sector used 10 percent and industry less than 1 percent.

Irrigation potential is estimated by the 2002 Study on the National Irrigation Master Plan (NIMP) to be 2 123 700 ha in mainland Tanzania, while for Zanzibar it is estimated to be 8 521 ha.

In 2013, 363 514 ha are equipped for irrigation, including 117 000 ha of equipped lowlands by traditional smallholders schemes and 1 000 ha of spate irrigation.

Referring to the total area equipped for irrigation of 363 514 ha, the following types of irrigation are distinguished:

- **Large irrigation schemes (55 229 ha)**: these are formally planned and designed schemes with full irrigation facilities and usually a strong element of management by the government or other external agencies.
- **Traditional irrigation schemes (1 137 schemes covering 117 000 ha)**: these have been initiated and operated by the farmers themselves, with no intervention from external agencies.
- **Improved traditional irrigation schemes (190 285 ha)**: these are traditional irrigation schemes on which, at some stage, there was intervention by an external agency.
- **Spate irrigation (1 000 ha)** (MAFSC, 2013) covers 334 ha (FAO Agwa & IFAD, 2014).

In addition, there are rainwater harvesting based schemes.

The main regulatory framework for irrigation in the United Republic of Tanzania is the 2009 WRMA No.11, which stipulates that all water in mainland Tanzania is vested in the United Republic of Tanzania and introduces more participatory management through the five levels of water management in the country. It is complemented by the 2013 National Irrigation Act establishing a National Irrigation Commission. Finally, the 2009 Water Supply and Sanitation Act (WASSA) organizes the water provision services and establishes the National Water Investment Fund (MW, 2014). More generally, the 2004 Environmental Management Act (EMA) requires irrigated agriculture to protect the land, surface water and groundwater resources, as well as the community.

A wide range of policies further define the water and irrigation sectors. These include the National Water Policy (NAWAPO) of 2002; the National Irrigation Masterplan (NIMP) of 2002 which proposed an irrigation development programme for 405421 ha to be
implemented by 2017, that includes only smallholder schemes; the National Water Sector development Strategy (NWSDS) of 2006; the Water Sector Development Programme of 2006; and the National Irrigation Policy of 2010.

Finally, the Tanzania Agriculture and Food Security Investment Plan for 2011-12 to 2020-21 (TAFSIP) and the National Agricultural Policy of 2013 detail the priority for the agricultural production (FAO, Agwa & IFAD, 2014).

2. Current status of agriculture in Tanzania

2.1 Importance of Agriculture for Tanzania

Agriculture is the largest economic sector and mainstay of Tanzania. Some 70 percent of the population live in rural areas, and directly or indirectly, draw their livelihood from agriculture. Most are small scale farmers. Agriculture contributes about 25 percent to Gross Domestic Product (GDP), 30 percent to export earnings and employs about 75 percent of the labour force (URT 2013c). Agriculture is also the largest source of foreign exchange earnings, and remains a major source of raw materials for agro-based industries.

The rate of growth in agriculture is higher than the average annual population growth rate of 2.6 percent suggesting a per capita growth in agriculture incomes. The average agricultural growth rate of 4.4 percent, however, is not sufficient to lead to significant wealth creation and poverty alleviation because much of this growth has come from more expansive use of land and other inputs than of increase in agricultural productivity. It is estimated that progress in poverty alleviation requires annual agricultural growth rate of between 6 and 8 percent (URT 2013) which can only come from productivity increases.

Figure 4 shows the sectoral growth of agriculture and its contribution to GDP while Table 5 shows the percentage growth rate of agriculture to overall national GDP (percent).

![Figure 4. Contribution of agriculture to overall National GDP (percent)](image-url)


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<tbody>
<tr>
<td>Agriculture, Forestry and Fisheries</td>
<td>4.8</td>
<td>4.3</td>
<td>5.2</td>
<td>10.9</td>
<td>4.8</td>
<td>8.3</td>
<td>6.6</td>
<td>5.7</td>
<td>6.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Crops</td>
<td>-2.5</td>
<td>-3.0</td>
<td>15.6</td>
<td>11.7</td>
<td>6.5</td>
<td>10.6</td>
<td>8.4</td>
<td>6.3</td>
<td>8.4</td>
<td>4.1</td>
</tr>
<tr>
<td>Livestock</td>
<td>14.8</td>
<td>14.6</td>
<td>16.6</td>
<td>10.6</td>
<td>6.6</td>
<td>3.2</td>
<td>4.8</td>
<td>3.6</td>
<td>3.9</td>
<td>3.1</td>
</tr>
<tr>
<td>Forestry</td>
<td>14.8</td>
<td>11.5</td>
<td>7.8</td>
<td>10.1</td>
<td>6.8</td>
<td>6.6</td>
<td>7.0</td>
<td>9.4</td>
<td>10.2</td>
<td>6.6</td>
</tr>
<tr>
<td>Fishing</td>
<td>5.6</td>
<td>1.8</td>
<td>14.4</td>
<td>18.8</td>
<td>1.8</td>
<td>2.1</td>
<td>5.8</td>
<td>10.4</td>
<td>4.0</td>
<td>1.9</td>
</tr>
</tbody>
</table>

2.2 Food crops and cash crops production

The food crops produced are mainly maize, rice, wheat flour, sorghum/millet, cassava, beans bananas and sweet potatoes. Figure 5 shows the production of these crops between 2007 and 2015. Variation in the quantity produced over the years is a reflection of vagrancies of weather and changes in market conditions.

Key cash crops produced include cashew-nuts, cotton, coffee, tea, pyrethrum, tobacco, sisal and sugar. Figure 6 shows production trends from year 2006 inclusive. Vagaries in production are a result of weather conditions, use of fertilizers and insect and pesticides.
2.3 Oil seeds

Oilseeds including sunflower, groundnuts, simsim, palm oil and soya are also produced and the trends are shown in Figure 7.

![Figure 7: Trends in the production of oilseeds](source)

Generally, food crops account for about 65 percent of agricultural GDP while cash crops account for about 10 percent. Maize is the most important crop accounting for over 20 per cent of agricultural GDP. Agricultural export crops have been growing at about 6 percent while food crops have been growing at 4 percent per annum. Food and cash crops account for about 70 percent of rural incomes. Currently, there has been a move towards adopting the term ‘agricultural commodities’, to broadly encompass both food crops and cash crops.

2.4 Livestock

Livestock reared in Tanzania is mainly cattle, goat, sheep, chicken, and pigs. From Figure 8, the trends in livestock reared has generally remained stable between 2014 and 2015.

![Figure 8: Number of livestock reared in Tanzania: 2014 and 2015](source)

Cattle is mainly reared free range and pastoralists have been moving from one part of the country to the other in search of pasture. Years have seen pastureland getting smaller and smaller and also deteriorating in quality, leading to frequent clashes between farmers and pastoralists which have resulted in loss of life and property.
2.5 Value of agricultural exports

The main agricultural exports are coffee, cotton, sisal, tea, tobacco, cashew nuts and cloves. Table 8 provides the quantity of products exported.

<table>
<thead>
<tr>
<th>TABLE 8. Traditional agricultural produce exported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years</td>
</tr>
<tr>
<td>Total value of exports (million US$)</td>
</tr>
<tr>
<td>Value of traditional exports (agriculture) (million US$)</td>
</tr>
<tr>
<td>Percent traditional agricultural products exports</td>
</tr>
</tbody>
</table>

Notes: Traditional exports include coffee, cotton, sisal, and cashew nuts


There are huge potentials and opportunities for development of Tanzania’s agricultural sector. Whereas 44 million hectares of land are suitable for agricultural production, only 10.8 million hectares (24 percent) are cultivated mostly under subsistence agriculture. The latter consists of smallholder farmers cultivating between 0.2 and 2.0 hectares, a production scale that is too low to generate significant income streams to farmers for effective poverty reduction and agricultural development. The potential exists for expansion of agricultural area under cultivation for small, medium and large-scale farming in areas with available land for expansion. In addition, intensive farming can be applied in densely populated areas with the aim of commercializing agriculture in the country.

Many parts of the country receive ample rainfall, and besides, there are vast water resources in rivers, lakes and in underground aquifers which can be used for irrigation. Dams could be built to retain water and use it for agriculture. Yet, only 381,000 hectares are under irrigation. It is important to note that Tanzania’s agriculture is predominantly small holder, characterized by very low productivity due to very limited use of modern technology and techniques in agriculture (including irrigation). This means that the country’s huge agriculture potential remains underutilized.

2.6 Constraints and challenges

The constraints to agricultural growth are largely related to low productivity of land, low quality production inputs, underdeveloped irrigation potential, limited capital and access to financial services, inadequate agricultural technical support services, poor rural infrastructure; infestations and outbreaks of crop pests and diseases; erosion of natural resource base and environmental degradation (URT, 2013c). Others include gender biases; weak producer organizations, low prices for primary commodities in global markets, insecurity with respect to property rights to land and its use as collateral for credit; inadequate participation of youth in agriculture and limited involvement of private sector in agricultural development.

According to the ASDS II (URT, 2015) agricultural constraints in Tanzania include the following:

1. Inadequate policy environment and uneven policy implementation for achieving sustained and inclusive agricultural growth targets.
2. Low productivity levels and growth trends, including inadequate and sustainable access to key inputs (especially fertilizers and seeds, animal AI, fingerlings).
3. Weak delivery of agricultural services (for crops, livestock, fisheries), coupled by inadequate public and private resources.

4. Inadequate and lack of prioritized and quality public investments, and low private sector investments, reflecting the early stages of private sector development; this includes inadequate rural infrastructure (e.g., irrigation, rural roads, storage facilities, rural energy).

5. Constraints to efficient and competitive agricultural marketing, including limited value-chain development.

6. Limited access to sustainable rural finance.

7. Weak capacities to respond to climate change challenges.

8. Weak institutional and human resource capacities and inadequate coordination among diverse stakeholders, at national and local levels, including weak agricultural statistical system.

2.7 Agro-processing

The majority of crops in Tanzania are marketed in raw form with little or no value addition. Agro-processing provides an opportunity for increasing incomes and creating jobs along the value chain through expansion of forward and backward linkages in the economy. Agro-processing in Tanzania is constrained by limited supply of rural energy, inadequate raw materials, inappropriate machinery and technology, and limited technical skills in post harvest management. The low capacity in agro-processing is one of the main reasons for high post harvest losses. It is currently estimated that post harvest losses due to inadequate agro-processing facilities are 30 percent and 70 percent for cereals, and fruits and vegetables, respectively (ASR, 2010/2011). A key pillar of the National Agricultural Policy 2013 is to promote agro-processing. It is envisaged that in collaboration with R & D institutions, research on irrigation and development of appropriate smallholder agricultural mechanization and agro-processing technologies shall be promoted. Utilization of agro-mechanization packages and mechanical technologies to local conditions shall also be promoted.

2.8 Large scale Farming

Large scale Farms are defined as farm with at least 20 hectares of cultivated land or 50 herds of cattle or 100 goats/pigs/sheep/pigs or 1000 chickens. In addition to this, they should fulfill the all four conditions listed below:

- Greater part of production goes to the market.
- Operation of farm should be continuous.
- There should be an application of machinery/implements on the farm.
- Should have at least one permanent employee (URT 2015:58).

FIGURE 9. Trends in the number of large-scale farms

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987/88</td>
<td>480</td>
</tr>
<tr>
<td>1994/95</td>
<td>1039</td>
</tr>
<tr>
<td>2002/03</td>
<td>1212</td>
</tr>
<tr>
<td>2007/08</td>
<td>968</td>
</tr>
</tbody>
</table>

Source: URT, 2015:65
Large-scale farming in the country was largely conducted by settler farmers. The five top regions for having large-scale farms are Tanga, Iringa, Arusha, Manyara, Morogoro. However, the number of large-scale farms in the country has gone down in recent times compared to the late 1980s (Figure 9), and this could be a reflection of land disputes pitting investors and the people.

Thus, though the country is well endowed with a high potential base for agriculture development, there is only a small quantity of large-scale commercial farms in the sector. Agricultural production is dominated by smallholders. They represent most of the rural families, however notably, half of them are commercial, not subsistence, in that they sell from a minimum of one-quarter of their output to typically half or more in the local community (URT).

2.9 Recent initiatives

In the latter half of year 2000, the Agriculture Sector Development Strategy (ASDS) and the Agriculture Sector Development Programme (ASDP) were completed. The ASDS was the policy and ASDP its action plan for a green revolution in Tanzania. The objective was to take bold actions to enable Tanzania realize her aspirations of a modernized and highly productive agricultural country.

In 2009, a new strategy called ‘Kilimo Kwanza’, meaning ‘Agriculture First’ or ‘Priority to Agriculture’ was designed. It anchored the involvement of the private sector in the development of agriculture and underscored the critical importance of the private sector in participating actively in agricultural production; and in the provision of agricultural inputs, crop marketing and in the agricultural value chain. As a result, government welcomed the idea of the Southern Agricultural Growth Corridor of Tanzania SAGCOT initiative as a public private partnership (PPP) well-placed to achieve the objectives of Kilimo Kwanza, in Tanzania’s Southern Corridor. This included the coastal plains and the valleys of Kilombero and Ruaha, as well as the hills and valleys of the Southern Highlands and the Usangu flats. The Southern Agricultural Corridor has the potential of being the breadbasket of Tanzania and beyond the country’s borders. It aims at bringing about food security and wealth creation for the smallholder farmers.

The SAGCOT initiative shows what needs to be done to leverage the agricultural potential of the Southern Corridor. It sets out a clear roadmap for improving rural infrastructure, catalyzing private investment and facilitating better coordination and collaboration between the private and public sector as well as the small holder farmers. It recognizes the important role of development partners, and highlights investment opportunities that offer good financial returns and deliver benefits to smallholder farmers.

Efforts and programmes are now in place to make SAGCOT a reality. For example Tanzania is a recent signatory to the Comprehensive Africa Agricultural Development Programme (CAADP), which commits the government to allocating 10 per cent of budgetary expenditure to the agriculture sector and establishes a target of a minimum of six per cent per annum agriculture growth. SAGCOT can play an important role in helping implement Pillar II of CAADP, which calls for increased private investment in infrastructure and value chains.
2.10 Land and agricultural development

The transformation of agriculture can only take place where land tenure system is favourable for all categories of users including investors. Furthermore, the protection of premium lands for agricultural development is crucial for increased long-term benefits.

As pointed out in the 2013 National Agricultural Policy, Tanzania’s existing land tenure system is not conducive for long-term investment. Insecurity of land tenure has resulted in the decline in productive capacity of agricultural land because of non-sustainable land use practices. Such practices have culminated in land degradation, notably soil erosion causing adverse changes in hydrological, biological, chemical and physical properties of soils. Inappropriate land husbandry practices are among the main causes of low soil productivity in Tanzania. This is aggravated by inadequate enforcement of land laws, regulations and by-laws; land conflicts and inadequate titling of land for agricultural investment, delays in issuing title deeds, absence of detailed land use plans at district and village levels, and general insecurity of agricultural land especially in premium areas.

The Government envisages the promotion and protection of integrated and sustainable utilization of agricultural lands by, among others doing the following:
1. Promoting public awareness on existing policies, laws and legislation on land.
2. Enforcing laws and legislation to enhance land resource management
3. Enhancing mechanisms for conflict resolution particularly in areas facing chronic land conflicts
4. Promoting gender-equitable land tenure governance and seek to eliminate those that are discriminatory or exclusionary,
5. Ensuring that agricultural lands are protected against encroachment as well as promote sustainable agricultural land use plans, and,

2.11 Tanzania Agriculture and Food Security Investment Plan

The Tanzania Agriculture and Food Security Investment Plan (TAFSIP) was launched in November 2011 in the context of the Comprehensive Africa Agriculture Development Programme (CAADP). The TAFSIP identifies seven Thematic Program Areas for priority investment and has a strong emphasis on involving private sector in agricultural investment and policy reform.

2.12 Big Results Now

Big Results Now! (BRN) is a Delivery Methodology adopted by the Government of Tanzania to transform Tanzania’s public service delivery to help achieve its Tanzania Development Vision 2025 aspirations. The Cabinet in 2012 identified six priority sectors, known as the National Key Priority Areas (NKRA), which are; Agriculture, Education, Energy, Resource Mobilisation, Transport and Water. These sectors were selected into the BRN priority mix based on the highest relative impact in terms of projected number of beneficiaries, quality of life, as well as the feasibility of achieving measurable impact within a relatively short timeframe.

Additionally, the Government recognizes the role of a conducive business environment in promoting more private sector involvement to hasten the country’s economic transformation. Starting from 2015/16, the Government has rolled out six new NKRA in the Business Environment improvement priority area. These NKRA
are: Realigning Regulations and Institutions, Access to Land and Security of Tenure, Taxation, Labour Law and Skill Sets, Curbing Corruption, and Contract Enforcement.

All these NKRAs aim to bring Tanzania closer towards realising the attributes outlined under the Tanzania Development Vision 2025, by accelerating Tanzania’s transition into a dynamic, well governed society characterized by the qualities of a middle income economy.

The Government of Tanzania embarked on the implementation of Big Results Now (BRN) initiatives in 2013/14 to transform the economy aimed at achieving sustainable economic growth and inclusive wealth creation. Agricultural BRN aims at the delivery of: (i) improvement of smallholder irrigation schemes; (ii) improvement of collective warehouse based maize marketing system; and (iii) promotion of commercial farming.

3. Tanzania’s land tenure systems and the resultant implications for land ownership and development, farm size and investment in agriculture

3.1 Brief Historical Context

The current land tenure and administration system in Tanzania has evolved from the German and British colonial rules and bears the hall marks of pre-colonial, colonial and post-colonial tenures.

The German era (1884-1917)

One of the major aims of colonialism was the control of resources in the colonies and in particular, land. Laws were passed to enable the colonial government and foreign settlers to legally take over land, exploit it or direct its use as deemed fit by the colonial government. The Germans started showing interest in Tanzania in the 1880s, and in 1895 an Imperial Decree declared all land in German East Africa to be unowned Crown Land vested in the German Empire. The only exception was where proof of ownership could be shown either through documentation (i.e. titles giving ownership to private persons, or legal persons), or, in the case of natives, through effective occupation. In April 1900 a circular was issued clarifying the extent of the dominion of the empire, which was to be determined by the established Land Commissions. Native lands would be considered to be such as long as land was occupied. Land Commissions were required to set aside four times the land currently held by natives to cater for future expansion.

The Land Registration Ordinance of 1903 established a land registry system and allowed the registration of indigenous lands as long as they were located within the boundaries of the communities or villages. The principal types of tenures established during the German era were as follows:

- Freeholds: granted mainly to European Settlers and arising from the conveyance of property through purchase/sale or public auction;
- Leaseholds granted by the government;
- Crown Land, that is unowned land as determined by the Land Commissions appointed by the Governor; and,
- Customary Land Tenure, over land which was occupied by the native communities.

The British Era (1918-1961)

Under the British rule, all rights in relation to any public land were vested in, and became exercisable by the Governor in trust of the Monarch. The first land tenure statute was the Land Ordinance of 1923. This land declared all land in the territory, except the freeholds acquired before the passage of that law, as being public land.
All rights of this public land were placed under the Governor of the territory to be held as rights of occupancy for a certain duration. Freeholds and leases that had been granted by the German administration were honoured.

In 1928, the scope of the application of the Land Ordinance was extended in order to include the occupancy rights of native communities. Anyone holding land under customary tenure was declared a legitimate holder of the land and a deemed right of occupancy.

Land tenure categories under the British rule were as follows:
- Freeholds: granted during the German rule.
- Granted Rights of occupancy: (long-term for 33, 66 or 99 years).
- Granted rights of occupancy (short-term, 6 years or under).
- Deemed rights of occupancy in urban areas, applicable to land held under customary tenure that became engulfed in urban boundaries.
- Deemed right of occupancy outside urban areas: This was land held by most native communities.
- Public land, that is, land that did not fall under any of the above categories.

During this period, some kind of informal tenure was developing in the urban areas. That is land found in urban areas but could not be categorised as customary land or statutory land. In 1953, the colonial government proposed that customary tenure should be deemed to be extinguished once an area was declared a planning area. However, this did not solve the problem of land that was not customary; nor did it propose what tenure would apply to land that would cease to be customary land but remain unplanned within the urban areas.

3.2 Land tenure in the Post-Independence Era

The conceptual framework set up during colonial times was taken over by the independence government. The Land Ordinance 1923 continued to be the principal legislation on land tenure until 1999. Other colonial legislation such as the Land Registration Ordinance of 1954 also continued to be used. However some changes were carried out. Notably, in 1963 all freeholds that had been granted by the German administration and upheld by the British administration were converted into government leases for a period of 99 years.6 However, in order to streamline the land tenure system government leaseholds were converted into Rights of Occupancy in 1969.7 This streamlined the system of land tenure, which recognised only Rights of Occupancy titles, either granted, or in the case of customary tenure, deemed granted.

The other area of concern soon after Independence was the prevalence of feudal tendencies in rural landholdings as well as the spectre of absentee landlords in both rural and urban areas. Feudal customary land tenure was not acceptable because it was deemed exploitative. The Nyarubanja Tenure (Enfranchisement) Act of 1965 enfranchised the Nyarubanja tenants in the parts of Tanganyika where the system existed.8 This law was restricted in geographical extent and failed to address the many different forms of feudal tenure around the nation. As a result, the Customary Leaseholds (Enfranchisement) Act, 1968 was enacted three years later abolishing all types of feudal land holding in the country. In 1966, the Rural Farmlands (Acquisition and Re-grant) Act of 1966 granted leases to tenants of land belonging to absentee lease owners, and in 1968, the Urban Leaseholds (Acquisition and Re-grant) Act of 1968 did the same for tenants of urban land. Other relevant laws include the Coffee

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6. Freehold Titles (Conversion) and Government Leases Act 1963.
8. The Nyarubanja system was a feudal kind of land holding in the Kagera region whereby one person or institution owned a large tract of land (called the Nyarubanja) on which were tenants or fiefs.
Estates (Acquisition and Re-grant) Act 1973, and the Sisal Estates (Acquisition and
Re-grant) Act 1974. One major purpose of these laws was either to pass land to those
who were tilling it, or to enable the government to take over such land.

By the end of the 1960s all freeholds and enfranchisements were converted into
leaseholds for a definite period under the right of occupancy regime. Thus all land
became public land vested in the President as Trustee for the people. Land tenure
categories established after independence were:
- Granted rights of Occupancy (Long-term for 25, 33, 66 or 99 years).
- Granted right of occupancy (short-term, 6 years or under).
- Granted right of occupancy (from year to year).
- Deemed right of occupancy in villages within urban areas.
- Deemed right of occupancy in villages outside urban areas.
- Deemed right of occupancy in areas which are neither recognised nor registered
  as villages.
- Public Land (Unowned land)

As pointed out above, there are tenures which are developing and are not well-
captured by the law such as when customary tenure breaks down. Quasi-customary
tenure or informal tenure has emerged and is prevalent in urban and peri-urban areas.
In rural areas the commoditization of land as land markets emerge is creating a form
of tenure which does not fit into being categorised as customary. Informal tenures
are not well-defined and may not enable owners to participate effectively in economic
transactions using land for self-emancipation.

3.3 The National Land Policy 1995 and new land laws

In 1995 a National Land Policy addressing various issues of land tenure and
administration was published. To implement the policy, the colonial Land Ordinance,
Cap 113 of 1923 was repealed and replaced by two pieces of legislation: one covering
rural land and the other, general land, which includes urban land. These are the Land
Act No 4 and the Village Land Act No 5 of 1999. Enforcement of both pieces of
legislation started in May 2001. In order to handle land disputes more effectively the
government enacted a separate law in the name of the Land Disputes Act No. 2 of
2002 which provides for powers and processes through which land related disputes
can be handled at village, ward, district and high court levels.

Some 70 percent of the Tanzania Mainland land is considered to be Village Land
supporting 80 percent of the population (farmers and pastoralists); 28 percent is
Reserved land (forests, national parks, game reserves, river basins and wetlands and
land put aside for public social and economic infrastructure); and 2 percent is general
(mainly urban and over rural estates where rights of occupancy have been granted)
land supporting 20 percent of the population.

3.4 Land rights of individuals and groups

In Tanzania the legal framework for land rights is regulated by statute. All land is public
land and as such it is held by the state. Three categories of land are recognized i.e.
General Land; Village land and Reserved Land.

General land is all land other than village land or reserved land and is regulated by the
Land Act. The dilemma with general land is the omnibus clause that the land may

10. Section 4(4) of the Land Act.
also include unoccupied or used village land.\footnote{12} It is debatable though whether this interpretative clause can override other specific provisions in the substantive law that confers categorical rights on village lands. Reserved land is any land protected under any law applicable in the particular sector.\footnote{13} Categories of reserved land include forests, national parks, conservation areas, hazardous land etc.\footnote{14}

Village land on the other hand is regulated by the Village Land Act. Land falling under village land can be divided into three categories namely: communal land, occupied land or future (or reserved) land.\footnote{15} The Village Land Act empowers village councils to maintain a register of village land in accordance with any rules which may be prescribed by the Minister and the village executive officer shall be responsible for keeping that register.\footnote{16} Therefore, any interest of any kind in land therefore derives its legality from these two legislative instruments, that is the Land Act and the village Land Act.

The Acts recognize two forms of tenure namely, (i) the granted right occupancy and, (ii) customary right of occupancy which includes the deemed right of occupancy. Individuals and groups may hold land in general and village land. The general form of Land Tenure is known as the Right of Occupancy. This type of Land holding centers around the idea that all land is held by the state, and the president is the custodian of public land. Land is granted to individuals or groups or institutions for a period of time and under certain conditions relating to land use and rights of disposition. However, since most Tanzanians are African natives, land is held by them as a Customary Right of Occupancy. The grants in land differ from customary rights of occupancy in that whilst the former is held under a Certificate of Title the later does not necessarily require a Certificate of Title. It does not carry term limits or development conditions.

The law that regulates granted rights of occupancy is the Land Act Cap. 113, while customary rights of occupancy are regulated under the Village Land Act Cap. 114. There are significant differences between the two kinds of land rights that may be made clear by viewing a typical tripartite framework of property law when consideration is given first to how the property is acquired, second, to how it is held and used, and, third, to how it may be disposed or transferred. The Land Act and the Village Land Act were enacted in 1999 for the sole purpose of providing for rights and interests that can be enjoyed on land and protection of the same. The Land Act, apart from providing generic issues and principles for land management, deals with land other than village land.

The Acts provide for protection of individual and group rights through various legal tools. One important tool that the Act uses is the principles of land policy and law. The Act under section 3 of Part II provides for fundamental principles of national policies. These principles are pivotal for the implementation and enforcement of the Act. Any executive officer and any adjudicatory organ dealing with land issues must be guided by these principles. When applying or interpreting the Acts, one must have regard for the fundamental principles. Under section 180(3) of the Land Act, Courts of law have a duty to ensure that when interpreting and applying the Act and all other laws relating to land in Tanzania they are guided at all times (our emphasis) by the fundamental principles of land policy set out in section 3. The section also provides that all persons exercising powers, applying or interpreting the Act must have regard for the fundamental principles of land policy.\footnote{17} The principles include: (i) all land in Tanzania continues to be public land,\footnote{18} (ii) protection of pre-existing rights in land,\footnote{19} (iii) equitable access and distribution of land,\footnote{20} (iv) productive and sustainable use of land,\footnote{21} (v) entitlement to full, fair and prompt compensation,\footnote{22} (vi) transparency in land delivery\footnote{23} and (vii) citizen participation in land decision-making.\footnote{24}
Apart from these principles, the Acts also provide for the particular attributes/incidents for both granted right of occupancy and customary right of occupancy. The incidents of the granted right of occupancy and the customary right of occupancy is summarized in Table 9. The incidents define the security and the conditions that a holder of such right enjoys or is bound to observe.

The Land Act provides that the rights to occupy land which a citizen, a group of two or more citizens whether formed together in an association or not, a partnership or a corporate body, under the Act or any other law can enjoy are a granted right of occupancy and a right derivative of a granted right of occupancy. For non-citizens their occupation of land is qualified and restricted to investments approved by the Tanzania Investment Centre (TIC) only. In order for the foreigner to obtain a right of occupancy, he or she must secure a Certificate of Incentives from the Tanzania Investment Centre (TIC) as evidence to the Commissioner of Lands (COL) of the approval by the TIC of the investment. As noted, there is also a possibility for a foreigner to obtain a derivative right in the form of a license or lease on land from private persons. Such foreigners may occupy the land individually or collectively where they form majority in the shareholding of a body corporate.

In addition, the law also provides room for partial transfer of interest by a citizen for the purposes of investment approved under the Tanzania Investment Act, 1997 in a joint venture to facilitate compliance with development conditions. This can happen where a citizen who lawfully occupies land wants to enter into a partnership with a foreigner either for the sake of investment or compliance with development conditions. In case he or she enters into a joint venture, the land will serve as part of

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25. Adopted from Tenga W.R & Mramba op.cit p 185.
26. Land Act, section 19(1).
27. Id, Section 20(1).
28. Id, section 19(1).
29. Id, section 19(2) (a-c).
the stake in the investment. Otherwise non-citizens cannot be allocated land for any other purpose than investment.30 Even if an application for a right of occupancy or a derivative right, which is made by a non citizen or a foreign company is for residential purposes, the use of such land must be secondary or ancillary to the investment approved under the Tanzania Investment Act.31 So there is a possibility for individuals to occupy land as well as group of individuals in an association or as corporate body.

Practically, a foreigner can only obtain a derivative right issued as a leasehold title by the TIC. The conditions that binds the foreigner are those that govern the right of occupancy upon which the derivative right is derived as well as any terms that the lessor, for that matter the TIC, may prescribe.

<table>
<thead>
<tr>
<th>TABLE 9. Comparing granted and customary right of occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granted right of occupancy</td>
</tr>
<tr>
<td>S. 22 LA. A granted right of occupancy shall be —</td>
</tr>
<tr>
<td>(a) granted by the President;</td>
</tr>
<tr>
<td>(b) in general or reserved land;</td>
</tr>
<tr>
<td>(c) of land which has been surveyed;</td>
</tr>
<tr>
<td>(d) required to be registered under the Land Registration Act Cap 334, to be valid and, subject to the provisions of that law and the Land Act, indefeasible;</td>
</tr>
<tr>
<td>(e) for a period up to but not exceeding 99 years;</td>
</tr>
<tr>
<td>(f) at a premium;</td>
</tr>
<tr>
<td>(g) for an annual rent which may be revised from time to time;</td>
</tr>
<tr>
<td>(h) subject to any prescribed conditions;</td>
</tr>
<tr>
<td>(i) capable of being the subject of dispositions;</td>
</tr>
<tr>
<td>(j) liable, subject to the provisions of this Act, to revocation;</td>
</tr>
<tr>
<td>(k) liable, subject to the prompt payment of full compensation, to compulsory acquisition by the state for public purposes.</td>
</tr>
<tr>
<td>Can be inherited.</td>
</tr>
</tbody>
</table>

30. Id, section 20(1).  
31. Id, section 25(1)(i).
3.5 Implications of different types of tenancy arrangements for farm size and investment in agriculture

The National Land Policy 1995 aimed at limiting the size of land that an individual can hold, but this has not been implemented. Village authorities have a limit on the size of land that they can allocate (50 acres).

The categories of land that are of interest for investment in agriculture are: General Land and Village Land. The President has powers to transfer Village Land to General Land or Reserved land for public purposes where public purposes include ‘investments’. Nevertheless this is not straightforward and rarely has any village been converted to general land in recent years.

Land held under customary tenure has the tendency to get fragmented with time as family or clan land is subdivided among the younger generations (eg at inheritance). In parts of the country land parcels have become so small encouraging migration to other areas, or onto common land.

Large farms can be allocated under general land. However, government policy has been ambivalent. On the one hand there is the need to get land for large-scale investors, thus for example the drive to create a land bank. On the other hand, there are various policy statements that point to the government wanting to limit the size of land that an individual can hold.

4.1 Evolution of agricultural Policies in Tanzania

The evolution of agricultural policy and agricultural productivity in Tanzania has been strongly influenced by changes in the political outlook of the country. Soon after independence in 1961, poverty, ignorance and diseases were identified as the nemesis of Tanzanians. Like the Colonial Government before it, the Tanganyika government believed in the rural population coming together in nucleated villages to increase agricultural productivity and ease the provision of social services.

Transforming agriculture has since independence been the focus of the government and development partners, ranging from the Resettlement Schemes of the 1960s, to the Villagisation Programmes of the 1970s, to the Iringa Declaration which saw the full spectrum of politics as being hinged on agriculture (Sasa ni Kilimo), and emphasized irrigation and the use of modernizing agriculture.

The early post-independence period (1961-1967) was marked by an emphasis on improved peasant farming through extension services and the provision of credit and marketing structures. At the same time, the Government continued to support large scale farming in selected areas, with the assistance of the World Bank. Indeed, following the Arusha Declaration, the Government became the manager, entrepreneur and investor. A Villagisation approach was adopted whereby rural populations were expected to move into Ujamaa Villages. These policies had unexpected results of causing stagnation of the agricultural sector and the resultant substantial reduction in productivity and incomes. By the mid 1980s, as a result of continued recurrent balance of payment and fiscal constraints, Tanzania was unable to continue with its controlled economic system. In response to the crisis, the Government adopted a Statement of Development Policy for Agriculture in 1983.
During that time, the Tanzanian economy had undergone fundamental transformation that redefined the roles of public and private sectors with regard to agricultural development. The mid to late 1980’s and early 1990’s, saw a series of policy modifications and adjustments which included the devaluation of the exchange rate; a cut in subsidies to parastatal organisations; liberalization of imports; establishment of the Open General Licensing facility; raising bank interest rates; removal of price controls; raising producer prices for export crops in real terms; continued liberalization of food markets and establishment of targets for fiscal deficit and monetary expansion.

Complementary measures to the changes in macro-economic management were formulated and implemented at the sector level and they included liberalization of marketing of food grains and price structures for major export crops; removal of the monopoly export powers of crop boards; and restructuring agricultural parastatals. In the post 1990s Tanzania managed to reverse the low, and in some years, negative growth rate the economy experienced in the 1980’s. The sector continued its evolution towards market orientation with reduced intervention by the state. The Government measures included increased investment in infrastructure; improved Government ability to design and implement market based incentives; improved functioning of markets for all factors of production; induced technological changes by improving efficiency of input supply markets and increasing the effectiveness of agricultural extension and research services.

During the same period the agricultural sector was brought into the tax base followed by the introduction of a wide range of taxes and charges levied by central government, local and regional authorities. Taxes were introduced on exports produce and also on marketed produce. At the same time the Government adopted the policy of providing tax based incentives to investors on a wide range of agricultural and agribusiness activities.

The Agricultural and Livestock Policy of 1997 (NALP 1997) represented a Comprehensive Policy Statement by the Government to address challenges facing the agricultural sector. The salient features of the policy included liberalization of all agricultural markets and removal of state monopolies in export and import of agricultural goods and produce; withdrawal of Government from agricultural production; focusing on food security at national and household levels; reliance on private sector as an engine of growth in crop production, processing and marketing; decentralization of the public agricultural extension services and transfer of administrative responsibility to LGAs; integration of agricultural research with extension at the LGA level; improvement of security of tenure and allocation of land and continued regulatory functions of crop boards. Under this environment the government retained regulatory and public support services.

Various sector performance reviews have revealed that some policy statements in the NALP 1997 have been successfully implemented while some are yet to be implemented in full. Further actions are therefore required in order to realise their intended impact on the economy and poverty reduction to the majority of Tanzanian farmers.

The National Agriculture Policy has reviewed the NALP 1997 and takes cognisance of different policy changes taking place at the global, regional and national levels that have an impact on the development of the agricultural sector. In formulating the National Agriculture Policy of 2013, all related policies in the development of agriculture were linked.
4.2 The National Land Policy 1995

During the 1980s there was considerable confusion in the spheres of land tenure and administration as well as access to resources and environmental degradation. Complaints and land conflicts grew in number and the increased awareness of the land value led to the development of informal land markets. There was also the need for increased land tenure security for customary land holding, and the need to protect vulnerable land from alienation. In 1989 a policy-making process was initiated to address land registration issues. A commission was also set up by government in 1991 to look into land affairs. After two years of intense research and discussion on matters of land tenure the Commission submitted its exhaustive Report in 1992 (The Shivji Report, (URT 1994)). This crucial document called for the formulation of a land policy as a backbone to the formulation of the new legislation. In June 1995, after extensive consultations, the National Land Policy was published and formed the foundation for the new Land Laws (URT, 1995).

The National Land Policy (NLP), and the Land Laws emanating from it, addressed issues of: land tenure, promotion of equitable distribution of land access to land by all citizens, improvement of land delivery systems, promotion of sound land information management, recognition of rights in unplanned areas, establishment of cost effective mechanisms of land survey and housing for low income families, improvement of efficiency in land management and administration and land disputes resolution, and protection of land resources from degradation for sustainable development (Silaoy, 2004).

Reform in land and other sectors was also necessitated by structural adjustment programmes, economic and social liberalisation, the re-orienting of the country's socio-economic system to embrace private sector investment and management, the need for good governance and the need to deal with national poverty.

The NLP stipulates that while the right to land with secure tenure was to be respected, land problems extended further beyond individual claims to tenure rights. It therefore addressed other issues including economic use of land, rural and urban development, housing, squatting, the quality and security of title, advancement of agriculture and protection of the environment. On agriculture related matters, the NLP recognizes the growing conflicts between agriculture and other land uses as both human and animal population increases. This increase had resulted in encroachment of forest, woodland, wildlife and range lands.

Policy recommendations included encouraging multiple land use techniques in areas of conflicting land uses; community involvement in resource management, land use planning and conflict resolution; identification of agricultural land and setting it aside for agricultural use and protecting it against encroachment by pastoralists; and, promoting resource sharing. To a large extent, these policy recommendations are yet to be realized.

The National Land Policy is currently under review and a Draft (2016) is awaiting finalization and implementation

4.3 Agricultural and Livestock Development Policy 1997

This policy was developed in order to, among other reasons, meet the requirements of the National Land Policy. This was due to the need to revise the agricultural policy to meet the demands of the new land policy and to assist peasants and herdsmen to make optimal use of land through agriculture.
4.4 National Agriculture Policy 2013

This current policy has been operationalised through the Agriculture Sector Development Strategy (ASDS) and its arm the Agricultural Sector Development Program (ASDP). The policy addresses agriculture (but not inclusive of livestock and fisheries).

4.5 Agricultural Sector Development Strategy (ASDS) and the Agricultural Sector Development Programme (ASDP)

The Government of Tanzania has recently developed an Agricultural Sector Development Strategy (ASDS) and its operational program (ASDP) with the objectives to achieve a sustained agricultural growth rate of 5 percent per annum, through the transformation of subsistence agriculture to commercial agriculture. The transformation is to be private sector led through an improved enabling environment for enhancing the productivity and profitability of agriculture, facilitated through public/private partnerships with participatory implementation of the District Agricultural Development Plans (DADPs).

The underlying themes of the ASDS are to create a favorable environment for commercial activities; delineate public/private roles including continued public financing for core public (agricultural) services with increased private delivery (through contracting arrangements); decentralize service delivery responsibilities to local governments; and focus on the preparation and implementation of District Agriculture Development Plans (DADPs).

The ASDP has five key components on which it seeks improvement: (i) the policy, regulatory and institutional arrangements; (ii) agricultural services (research, advisory and technical services, and training); (iii) investment through DADP implementation; (iv) private sector development, market development, and agricultural finance; and (v) cross-cutting and cross-sectoral issues.

The ASDS was revised in 2015 and an ASDS II launched. After the launching of the Agricultural Sector Development Strategy (ASDS I, 2001), this ASDS II is a revision of ASDS I based on the review of implementation of the Agriculture Sector Development Program (2006-2014) and other various development efforts during the past period. In practical terms, the Strategy clarifies the issues that constrain the performance of agricultural sector and provides effective guidance on the public interventions that will coincide with private sector development to meet the sector development goals by 2015 (URT 2015c).

4.6 Legislation related to land tenure and land management

The Principal legislation with regard to land tenure and land management is the Land Act 1999 (as amended in 2004) and its sister legislation, the Village Land Act. These two legislations define the types of legal land tenure in the country and also empower the Commissioner for Lands and Village Councils to manage general and village land respectively.

Land Disputes resolution is provided for under the Courts (Land Disputes Settlements) Act 2002. This provides powers for dispute resolution from Village Council level, to Ward level, to District Level and then to the High Court and Court of Appeal. A major problem with this set up is that land disputes settlement is in three institutions that is Local Government, the Ministry of Lands and the Judiciary.
In terms of land use planning, Parliament passed the Urban Planning Act of 2007 to deal with urban land use problems, and the Land Use Planning Act of 2007, to deal with rural land use problems. The latter sets up the National Land Use Planning Commission (NLUPC) whose mandate include the ensuring that villages have village land use plans. Limited financial capacity has made it difficult for the NLUPC to fulfill its duties with regard to village land use planning, which is an important input into village land management and village land titling.

4.7 Government action to improve land access, land ownership and use for agriculture: The Village Land Certification

The Government, through various programmes including the Property and Business Formalisation Programme (MKURABITA), has put in steps to speed up village land demarcations, village land use planning and village land certification. Of the 12,000 villages in the country, over 11,000 are demarcated and therefore have or can be issued with a Village Land Certificate. This enables the Village authorities to be the managers of village land. Village Land Use Plans have been prepared for some 1560 villages (URT 2015b).

A pilot Village Certification project was implemented in Mbozi District from 1999 as practical efforts to implement Village Land Act No 5 of 1999. By 2007 village boundaries of all 175 villages in Mbozi had been surveyed and 158 had been issued with Certificates of Village Land (CVL). A total number of 1,117 Certificates of Customary Rights (CCROs) have been issued to 765 males (68.5 percent), 42 females (3.8 percent) and 310 jointly (27.8 percent). This experience was replicated in ten (10) Districts: Iringa, 40 Villages; Handeni 6 Villages; Kilindi 10 Villages; Babati 5 Villages; Monduli 49 Villages; Kiteto 6 villages; Kilolo 9 Villages, Namtumbo Villages, Ngorongoro 1 Village, and Muleba 2 Villages. All these Villages have been issued with the Village Land Certificate (VLC), and by June 2006, 1,088 CCROs had been issued in these Villages. Countrywide, by 2016, some 400,000 CCROs have been issued in various villages and in the year 2014/2015 some 49.2 billion shillings had been issued as loans by various financial institutions, using CCROs as collateral (URT, 2016b).

4.8 National Land Use Framework Plan 2013-2033

The government in 2013 completed updating the National Land Use Planning Framework Plan with the objective of providing information on which land is available for agriculture and other uses.

The National Land Use Framework Plan (2013-2033) is essentially an indicative framework that will facilitate the rational allocation of land resource and decision-making on resource management at national level while ensuring sustainability of the natural environment. Land use planning is undertaken at national level for the purpose of interpretation, harmonization and facilitating integration of implementation of programmes, policies, as well as addressing global policies.

The Framework also provides for an institutional and administrative arrangement for management and regulation of land use. The Framework provides guidance for the determination of land uses of national concerns such as protected areas, wetlands, agricultural, grazing, urban and rural settlements and socio-economic infrastructure.

However, this Framework seems not to be operationalised as evidenced by ongoing conflicts between communities and between communities and the government over
Land uses. Lack of an effective national Land Use Framework is one of the urgent actions that needs to be taken to, among others, improve agriculture and minimize land conflicts.

In 2016, only 13.1 percent of villages had village land use plans and 26 percent of the Districts had land use framework plans. As a result, there are growing social conflicts and environmental concerns among various land uses such as farming, livestock keeping, forestry, woodland, wildlife and other-land uses as both human and animal populations increase.

An analysis of land cover and land cover changes in the National Land Use Framework Plan (NLUFp) of 2013, shows large part of rural land is economically underutilized, although one has to be careful since this underutilised land is the one used by pastoralists and is also used as a common for rural populations.

Ineffective rural land use planning and management is due to insufficient human and financial resources, lack of awareness of the local population on land use planning, poor coordination use planning authorities and overlapping land uses resulting from different interests and presence of large underutilised rural land.

### 4.9 Ongoing initiatives to support agricultural transformation in Tanzania

- Ongoing initiatives to support agricultural transformation in Tanzania include:
- The creation of the Tanzania Agricultural Development Bank (TADB).
- Land Tenure Support Programme (LTSP).
- Feed the future: Tanzania Land Tenure Assistance (LTA).
- Southern Agricultural Corridor of Tanzania (SAGCOT).

#### 4.9.1 Tanzania Agricultural Development Bank (TADB)

Tanzania Agricultural Development Bank Limited (TADB) is a state-owned development finance institution (DFI) established to catalyse delivery of credit facilities for agriculture development in Tanzania. To achieve its strategic objectives, the bank in its first five years is focusing on at least fourteen (14) initial agriculture value chains within the national priorities and specifically align with the BRN priorities. The fourteen value chains of focus for the 2016–2020 period fall under eight (8) agriculture sub-sectors; that is cereals, industrial commodities, oilseeds, horticulture, livestock, poultry, fisheries, and forestry. TADB also supports other value chains under specific arrangements subject to availability of more funds, including third party managed funds. The bank is structured to deliver short, medium and long-term lending through refinancing, wholesale lending, direct lending, co-financing, syndications, leveraging/guarantees and infrastructure financing to address financing gaps in the value chains of focus.

#### 4.9.2 Land Tenure Support Programme

Tanzania's Development Vision 2025 aimed at transforming the country into middle-income status by 2025. However, population growth, rising global demand for agricultural commodities, urban expansion, the middle class, East African regional integration and the rising number of international investors in agriculture have increased pressure on land in recent years, leading to numerous conflicts as well as to land degradation. Unchecked, these could undermine the security of legitimate tenure rights holders with consequent loss of access to significant livelihoods, resources and threats to local food security.
The Land Tenure Support Programme with UK’s DFID as the leading partner, and with SIDA (Sweden) and DANIDA (Denmark) as co-partners is a three year programme under the Ministry of Lands, Housing and Human Settlements Development. The programme seeks to make information on land records and processes of land allocation publicly available, and clarify and address current constraints to protecting legitimate land claims. Ultimately, these measures are expected to strengthen security of tenure, contributing to growth in agricultural production and more and better-planned investment in urban infrastructure, including housing.

The G8-Tanzania Land Transparency Partnership initiative begun in June 2013 acknowledges the need for a more transparent, efficient and better-resourced land sector to ensure that current and future demand for land results in beneficial and equitable outcomes for the rural population, and can attract and support high quality investments. Some TZS 3.3bn/- will be used during implementation of the programme which kicked off in January 2015. Three districts in Morogoro Region (Ulanga, Malinyi and Kilombero) will have their land surveyed in a bid to help people access title deeds and proper management of their land. Implementing this programme is linked to the SAGCOT initiative discussed below.

4.9.3 Feed the future: Tanzania Land Tenure Assistance
Implementation of the Village Land Act 1999 envisaged the registration of smallholder land in the villages culminating in the granting of a CCRO. However, since the Act was passed in 1999, and despite the formulation of SPILL in 2005 and its revision in 2013, village land registration has been slowly implemented mainly on a pilot basis. It is now acknowledged that village land registration procedures must be low-cost, efficient and simple, and future transactions must be supported and registers maintained. Under the LTA programme an existing tool for mapping smallholdings known as Mobile Application to Secure Tenure (MAST) which USAID has piloted in Tanzania will be combined with a low-cost land registry tool called Technical Register under Social Tenure (TRUST) to scale up village land titling. MAST is one of a number of tools that USAID is developing with a view to being adopted in future programs. The outcome of LTA will be a low-cost, participatory land registration process based in Iringa which will transform the way land rights are managed in Tanzania, with the potential for adaptation and use elsewhere. The programme is being implemented through a period of four years.

The Programme has already implemented the exercise of adjudicating and formalizing land parcels in the village of Kinyang’wanga and a total of 810 CCROs are to be given to the villagers. Work is going on in adjudication land parcels in the villages of Kiponzelo, Magunga and Usengelindete.

While Tanzanian laws put in place a good system of protecting the rights of all citizens, be they men or women, to own land, this right to own land in rural areas lack security because this land is not legally formalized. Most of the land in villages is not surveyed or planned nor does it have CCROs prepared for it.

The formalization programme aims at enabling villagers to own their land legally, to put in place appropriate land use plans for village land and to provide education on the laws related to land rights.

The programme will implement the following key tasks:
1. To enable the District Council and villages to prepare land use plans and give out CCROs;
2. To enable and to build capacity within village institutions by giving education on legislation pertaining to land;
3. To build capacity within the youth in the villages to become para-surveyors in order to participate in the whole exercise of surveying and adjudicating land rights;
4. To enable and to build capacity at the District level on the administration and management of land;
5. To enable the District through the use of an open source mobile technology – the Mobile Application for Secure Tenure (MAST) which uses android technology, to demarcate land parcels and to record land owners. This technology is aimed at being used in areas where the SAGCOT Programme is passing, but eventually, to be rolled out for the use at national level.

It is the expectation of the Programme that beneficiary Districts and villages from this formalization undertaking will be able to extend the business of formalization on their own even after the Programme has come to an end.

The expectations of the Programme are as follows:
• A total of 36 villages in Iringa District and 5 Villages in Mbeya District will have village land use plans prepared for them; and each land owner will have their land surveyed and given a CCRO;
• An average of 80% of households in each village who will have participated in the formalization programme will have a chance of getting awarded with a CCRO;
• Land Registries in both the District and Villages within the Programme areas will be renovated in order to make them suitable for keeping property rights records and to enable the execution of transactions;
• Education on the Village Land Act (No. 5 of 1999) will be given especially on the rights of women to own land and on skills in commercial farming;
• Districts Land Departments will be given extra training on the administration and management of land, on preparing village land use plans; conflict resolution mechanisms, land records keeping; and encouraging mediation.

This programme is expected to be replicated at scale to cover the whole country utilizing the lessons learnt.

4.9.4: Southern Agricultural Corridor of Tanzania (SAGCOT)
The Southern Agricultural Growth Corridor of Tanzania is an international public-private partnership aiming to mobilize US$2.1 billion in private sector agribusiness investment to achieve rapid and sustainable agricultural growth in the southern corridor of Tanzania over the next 20 years. The Southern Corridor encompasses one-third of mainland Tanzania served by a backbone of rail and road infrastructure stretching from Dar es Salaam in the east through to Morogoro, Iringa, Mbeya, and west to Sumbawanga (Figure 11).

The initiative aims to bring 350,000 hectares of farmland into commercial production for regional and international markets, increase annual farming revenues by US$1.2 billion, and lift more than 2 million people (roughly 450,000 farm households) out of poverty. The SAGCOT investment plan highlights the importance of building competitive value chains, and achieving scale economies in agribusiness development, with an emphasis on bringing larger numbers of smallholders into the commercial market. If this initiative is successful, it will be replicated across additional development corridors in the country. The partnership is a centerpiece of the Nation’s Kilimo Kwanza strategy for pursuing food security, poverty reduction and reduced vulnerability to climate change.
The Southern Agricultural Growth Corridor of Tanzania (SAGCOT) is an inclusive, multi-stakeholder partnership to rapidly develop the region's agricultural potential. SAGCOT was initiated at the World Economic Forum (WEF) Africa summit 2010 with the support of founding partners including farmers, agri-business, the Government of Tanzania and companies from across the private sector.

SAGCOT's objective is to foster inclusive, commercially successful agribusinesses that will benefit the region's small-scale farmers, and in so doing, improve food security, reduce rural poverty and ensure environmental sustainability. The risk-sharing model of a public-private partnership (PPP) approach has been demonstrated to be successful in achieving these goals and SAGCOT marks the first PPP of such a scale in Tanzania's agricultural history (see: www.sagcot.com, viewed 8 June 2012).

The SAGCOT's Investment Blueprint launched in 2010, showcases investment opportunities in the Corridor and lays out a framework of institutions and activities required to reap the development potential. SAGCOT has the potential to make a serious and significant impact by bringing together government, business, donor partners and the farming community to pool resources and work together towards a common goal. It is a comprehensive and inclusive initiative. By addressing the entire agricultural value chain, the SAGCOT approach will go beyond raising agricultural productivity and ensure the necessary infrastructure, policy environment and access to knowledge to create an efficient, well-functioning agricultural value chain. SAGCOT is about doing things differently to get things done and to make a real difference. The Ministry of Lands is working with SAGCOT to complete land use plans for the Regions involved which are: Coast, Morogoro, Iringa, Njombe, Mbeya, Ruvuma, Rukwa, Katavi and Dodoma (URT 2016b). This will enhance investment in agriculture in these areas.
4.10 Land administration decentralisation measures

There have deliberate efforts taken to decentralize land administration in the country. Besides the Ministerial level, there are currently seven zonal offices where issues of land registration, transfer, disposition and so on. These are: Southern zone at Mtwara; Lake Zone at Mwanza; Eastern Zone at Dar es Salaam; Northern Zone at Moshi; Central Zone at Dodoma; Southern Highlands Zone at Mbeya, Western Zone at Tabora and Simiyu Zone at Bariadi.

Plans are going on for decentralization of land use planning, land surveying and mapping and valuation services to zonal offices as well.

Decentralisation of land administration giving more powers to districts is crucial for the efficient management of land in the country.

5. Strengthening property rights to facilitate investment: opportunities for agriculture transformation

This section looks at options for strengthening of property rights to facilitate investments, identifying opportunities for agricultural transformation and makes recommendations for overcoming the identified challenges.

5.1 Categories of land

Tanzania has three categories of land:

1. General land which is around 2 percent is under the direct management of the Commissioner for Lands. Most of this land is in urban areas but it also includes land in rural areas where Certificates of a Right of Occupancy have been allocated for agricultural or ranching estates. Some of this land is in state hands.

2. General land can relatively easily be made available for investment. Foreign investors have to go through the Tanzania Investment Centre to acquire a derivative right, or a lease.

Village land (around 68 percent) is managed by Village Councils. Such land can be made available for investment by village authorities up to a maximum of 50 hectares. However, the President has powers to convert village or Reserved land into General land.

3. Reserved land (30 percent). This is land being managed by statutory bodies such as national parks wildlife reserves, wetlands and river basins.

One of the challenges for agricultural transformation is that most land in the country is village land under customary tenure and managed by village authorities. There is thus limited land that the government can make available to investors.

Converting village land into general land under the direct management of the Commissioner for Lands (a view that has the support of, among others the business community) is wrought with political difficulties, can open land for grabbing and make villagers landless and is contrary to the spirit of the National Land Policy.

A more plausible approach is for building capacity at village level which will enable prudent land management and also enable villagers to enter into joint ventures with investors to undertake agricultural transformation projects.
This must be done taking into consideration the needs and interests of women, the youth and common land users particularly pastoralists.

5.2 Land bank

Existence of a land bank is seen as an important set up that can ease investment in agriculture. The Ministry of Lands in 2002–2003, undertook steps to identify land that could go into a land bank. The criteria for identifying such land were as follows:

- The land should be surveyed and registered.
- The land should have a known owner who has demonstrated willingness to have that land put in a land bank.
- The land should be free from encumbrances.
- The land should have on it or within reasonable distance, basic infrastructure.
- The land size should be large enough to enable large-scale investment.

As a result, 286 land parcels were identified and passed over to TIC as a land bank. However, it has been pointed out that this land was not free from encumbrances since there were no funds to pay compensation. Also much of that land was not surveyed and registered.

There is some uncertainty between the TIC and Ministry of Lands as to who should deal with matters of the Land Bank. The Ministry of Lands has created a Land Investment Unit which is responsible for policy and administration of large scale land based investments in Tanzania. It facilitates access to land and monitors development of large scale agricultural, industrial, commercial and residential investments.

Land that was allocated to investors or to public authorities but which has been abandoned or under-developed should be identified. The Ministry of Lands in collaboration with Regional and District officials should initiate procedures to have the titles to land over land that is undeveloped, revoked by the President and make this land available to genuine investors.

Tanzania’s Minister for Lands has pledged to put in a land bank 200,000 acres of land (URT 2015b). There was a budgetary provision of Tshs 5 billion to be given to the Land Compensation Fund to be used to compensate land that would form a land bank. A chairman to the Land Compensation Fund has been appointed and this means that the long awaited Fund would now be functional to ease access to land by potential investors.

Nevertheless, the creation of a land bank remains an enigma, although in the proposed new land policy it is stated that the Government will facilitate the availability of a land bank for investment.

5.3 Village land use planning and titling

Vesting the management of village land into Village Councils is meant to promote investment in the agriculture sector (without jeopardizing the property rights for the majority of Tanzanians in the rural areas). As of April 2015, 11,961 villages had been surveyed and 11,889 had Village Land Certificates. This means they are in position to offer CCROs which can enable villagers to use their land to obtain development finance. Efforts are being made to plan villages and, as of April 2015, 1560 villages had Village Land Use Plans (VLUP). Villages thus planned can identify land available for investors.

32. Consultation with Ministry of lands officials 6.7.2012
Building capacity at village level for rapid village land use planning is crucial, drawing experience from the Land Tenure Assistance Programme referred to above.

5.4 Use of land as collateral for accessing finance for agricultural development

A major thrust by the government is to enable small-scale land holders to get access to credit to enhance agricultural productivity. This is being done by encouraging both financiers as well as land holders to use CCROs as collateral.

According to the Draft National Land Policy 2016, some villagers have used CCROs to access loans but some financial institutions do not accept them as good collateral for the following reasons: (i) Financial Institutions perceive CCROs as being inferior to CROs as they are prepared and registered at village and District offices while CROs are administered at Ministerial/Zonal Land Registries. (ii) Banks and financial institutions are restricted to recover the borrowed money by selling the mortgaged land only to members of the same village.

The unacceptability of CCROs by some financial institutions has resulted in some holders of land seeking CROs instead of CCROs. As a result, they are subjected to a long process of transfer of land from village to general land (URT 2016). Nevertheless, some 49.2 billion shillings was given out as loans secured against CCROs in 2014/2015.

Safeguards need to be developed that will make rural land more acceptable as collateral, while protecting the interests of land owners and lenders.

5.5 Declining finance for agriculture

Agriculture, grew at a rate of 3 percent in 2015 against the overall growth of the economy of 7 percent. Although the overall economic growth over the past two decades averaged around 7 percent per annum, its poverty reducing impact has been minimal for the simple reason that the growth of the agricultural sector, Tanzania’s leading employer, has lagged considerable behind.

Despite initiatives such as Kilimo Kwanza and the formation of special financial entities such as the Tanzania Agricultural Development Bank (TADB), farmers still find it increasingly difficult to access the much-needed funds. Trade, personal trade, and manufacturing activities continued to account for the largest shares of banks’ credit to the private sector which was around 50 percent of loans extended to the private sector in December 2015. According to the Bank of Tanzania (BOT), credit to agriculture has indeed been falling over the past three years (Table 10).
TABLE 10. Sectoral distribution of loans (percent, December each year)

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<td>Warehousing and storage</td>
<td>0.14</td>
<td>0.54</td>
<td>0.09</td>
<td>0.11</td>
<td></td>
<td>0.21</td>
<td>0.26</td>
<td>0.17</td>
<td>0.15</td>
<td>0.13</td>
</tr>
</tbody>
</table>

Source: Bank of Tanzania, Department of Bank Supervision

Lending to agriculture over the ten years (2006-2015) peaked in 2011 but has continued to decline ever since. The proportion of lending to agriculture in 2015 was lower than what was recorded in 2006.

To some extent, lending to agriculture is made difficult by the untitled nature of most rural land, by weak land administration, incomplete land registries and difficulties experienced by lenders in using land as collateral including the need for spouse consent and difficulties in foreclosing, although the Land (Amendment) Act 2004 improves the situation somewhat compared to the original provisions in the Land Act 1999.

Besides, the Draft National Land Policy 2016 notes that some villagers have used CCROs to access loans but some financial institutions do not accept them as good collateral. This is due to: (i) Financial Institutions perceive CCROs as being inferior to CROs as they are prepared and registered at village and District offices while CROs are administered at Ministerial/Zonal Land Registries. (ii) Banks and financial institution are restricted to recover the borrowed money by selling the mortgaged land only to members of the same village.

The unacceptability of CCROs by some financial institutions has resulted into some holders of land in villages to seek CROs instead of CCROs and thus they are subjected to the long process of transfer of land from village land to general land.

The new National Land Policy aims at rectifying this by ensuring that Customary and granted Rights of Occupancy have equal status at law.

### 5.6 Property and Business Registration Programme – MKURABITA

The Programme to register property and business for low income households (known as MKURABITA) was set up in 2004 and has worked with development partners and governments at national and local level to register land for the poor. The logic behind this accelerated registration is to enable land belonging to the poor to move from being ‘dead capital’ to ‘live capital’, and particularly, to use this land as collateral to increase agricultural productivity.
In order for the rural land to be registered the following steps need to be undertaken:

- Well adjudicated and surveyed boundaries to avoid lands conflicts with neighbouring villages.
- Approved Village Land Use Management Plan.
- Good infrastructure in place for the Village Land Registry.
- Individual application for survey of farm passed through and approved by the Village Council.
- Application approved by the Village Assembly.

MKURABITA’s approach is participatory. Beneficiaries contribute cash through a cost recovery scheme and participate in the planning and implementation process. There are multiple benefits. The scheme helps to promote local commitment and ownership and attract substantial local funding. It also helps to develop the capacity of the communities and local government authorities to participate effectively in infrastructure development and delivery of essential services.

The community participatory approach has been successfully implemented in Iringa, Morogoro and Kilimanjaro Regions. The process involves sensitization of key stakeholders, training of technical teams, property identification, surveying of individual lots, preparation of schemes of regularization and cadastral plans, approval of schemes of regularization and survey plan and finally application for certificates of title (CROs or CCROs).

Formalisation by MKURABITA has now slowed down mainly due to lack of finance. Creation of a revolving fund for formalization mooted by MKURABITA has not taken off and is unlikely to do so in the near future.

5.7 Greenfield development

Investors like AgDevCo33 have embarked on Greenfield agricultural development in some parts of Tanzania (Box 2). Although large-scale investment in agriculture could be seen as a desirable approach, it has been observed that Greenfield investments in Tanzania are high cost and high risk, as the country lacks basic infrastructure, such as reliable power and water. It is also extremely difficult to access quality and affordable inputs, such as new seed varieties. As in other countries, a scarcity of management expertise, together with complex land rights and red tape, makes for a challenging operating environment.

5.8 Contract farming

Contract farming has a long history in Tanzania and recent examples are those shown in Box 2. Outcomes have been mixed, the major concern being the price which small holder farmers end up getting.

Although existing policies and strategies appeared supportive of contract farming no comprehensive policy statement or regulatory scheme clearly addresses the issue of contract farming. Most agricultural contracts are buyer driven and small-holders have practically no say in structuring the contracts. The legal framework had serious gaps (Kamuzora, 2011).
AgDevCo first invested in Tanzania in 2012 and began operations in 2013. Investments made by AgDevCo are across a diverse portfolio of businesses within the agricultural sector, supporting emergent and smallholder farmers and developing greenfield sites. The Company has 9 investment projects in Tanzania:

- **East Africa Fruits Farm & Company Limited**, specializing in the purchasing and distribution of fresh fruits and vegetables through a strong network of smallholder producers.
- **Equity for Tanzania Limited (EFTA)**, a finance company providing SME businesses with equipment leases in local currency without the need for collateral, typically between $10,000 and $60,000.
- **Lungu Limited** focuses on selling grass-fed and grass-finished steers into the local Tanzanian market, and breeding bulls and heifers to local smallholder livestock keepers.
- **Masifio Estates Limited** producing specialty grains and mushrooms supplied to the City of Dar es Salaam.
- **Ndoto Farms Limited**, a diary farm supplying fresh milk to underserved local and regional markets.
- **Sasumua Holdings Limited**, a 6,125 ha commercial farm, specialising in irrigated horticulture, principally bananas, as well as dry land pineapples and beef, and one of the area’s only formal employers.
- **Rungwe Avocados Limited**, a commercial avocado export business engaging over 3,500 smallholders as part of its out grower network.
- **Kilombero Plantations Limited**, a 5,000 ha irrigated rice and maize operation in the Kilombero Valley of Tanzania, with a dedicated out-grower programme.

### Contract and out-grower farming

The cases of Rungwe Avocados Limited and Kilombero Plantations Limited have been studied for the lessons they provide in commercial farming, working with local communities.

**Rungwe Avocados Limited**

Supports over 3,500 out-growers, providing inputs and services as well as purchasing through guaranteed off-take agreements. The investor entered into contractual arrangement with farmers to provide them with seedlings and assured market for the produce. The investor is also sharing modern technology with farmers adding on to the success of the project. The investor conducts market research for the farmers to insure farmers against post-harvest losses and to ensure farmers are fully committed to the project. During a field visit, some farmers raised concerns about the lack of information and channels to verify the price given or the possibility of suing in case of losses attributable to market variations. There have also been complaints about the seeds that are given as they cannot be replanted like the indigenous trees.

**Kilombero Plantations Limited (KPL)**

KPL is the largest commercial rice producer in Tanzania and operates on a scale seldom seen for other food crops in the country. Funding was required to develop a pivot irrigation scheme to improve yields on the commercial farm, allow for double cropping (maize and rice) and increase output to domestic and regional markets. The business is faced with an expensive and unreliable energy supply and has limited supporting infrastructure in its remote location in the Morogoro Region.

AgDevCo has invested around $11m to fund the construction of a biomass gasifier plant on-farm (powered by rice husks – a by-product of the milling process) to enable the roll-out of the 3,000 ha irrigation scheme. AgDevCo is also taking an active role in developing further KPL’s outgrower programme, enabling input credit packages and off-take contracts for smallholder farmers, previously trained by the company.

This has resulted in improved livelihoods. In 2015, 876 smallholders were trained in SRI and 3,300 in Zero-Till SRI. Since 2011, 7,138 farmers have been trained in SRI and 3,550 in Zero-Till SRI. 328 full-time and 848 part-time staff were employed in 2015. The income of the local people employed estimated to have gone up by 60 percent with salaries 33 percent above the national agricultural average. In terms of food security, KPL’s current production capacity is about 15,000 tons of rice paddy and 14,500 tons of maize annually. KPL also boasts of improving local communities by investing in local roads, electricity (to 83 households), on-site community medical facilities and school infrastructures. KPL also offers lessons in access to land and finance for small-scale growers. Extracts from a critical report are included here in as Appendix 2.
5.9 Land for Equity

In order to ensure that villagers benefit from large-scale investments the government had, around 2010, decided to for the “Land for Equity” approach. The idea was that for any project, the government (on behalf of the people) will have a 25% stake distributed as follows: 15% central government, 5% local investors, and 5% District Authorities. Strangely villagers are not mentioned. The government was pointing to the Agro Eco-energy sugar cane project as a good example. From the reports of the company what was envisaged is shown in Box 3

**Box 3. Planned Land for Equity project in Tanzania**

Agro EcoEnergy has entered into a unique agreement with the government of Tanzania. In exchange for land “free of encumbrance”, the government and local communities will receive 10% non dilutable equity ownership on the 550 MUSD project company at financial closure, and a further 15% after 18 years of operations. Government and local communities thereby take part in the long term value creation through commercial farming and local industrial processing. In 2008, the Razaba land was demarcated as the bulk area for the project as well as some adjacent land of Fukayosi was agreed through the village assembly of Fukayosi to become Project land. It was formally declared as a project land according to international standards in November 2011. The land title with a 99 year lease was formally issued in May 2013. This unique “Land for Equity” agreement is, according to the Government of Tanzania, intended to serve as a role model for a new national “Land for Equity” policy aimed at large scale land investments.

Source: http://www.ecoenergy.co.tz/sustainability/environmental-development/ (visited 17.4.2017)

Things did not work out as envisaged especially with regard to access to land and the project has recently been abandoned with the investor claiming to have suffered millions of dollars losses and possibly hoping to get redress from the government of Tanzania.

This clearly demonstrates that the concept of land for equity is not yet well developed to be applied in Tanzania.

6. Challenges and threats

6.1 Introduction

The current land tenancy arrangements have been hailed as innovative. For instance, as stipulated in Law including the Constitution, discrimination against women is not allowed, and customs that entail discrimination are null and void. In terms of institutional arrangements, women must be represented at least to a third of all delegated in the Village Land Council.

However, with increasing population pressure, land degradation, new demands on land (such as mineral exploitation and large-scale farming) and weak land governance, threats to land tenancy arrangements are increasing and are in part demonstrated by the increasing conflicts over land and natural resources. Areas of threats are discussed below:

6.2 Vague definition and operationalisation of ‘Communal Land’, or ‘Range Land’

The National Land Policy (1995) recognizes the growing social conflicts, environmental concerns and land conflicts as a result of haphazard alienation of rangeland for large-scale agriculture. These alienations frequently disown pastoralists of their grazing land (s.7.3.0). The policy guarantees security of tenure for pastoralists over grazing land and to restore to pastoralists lands that may have been alienated from them (URT 1995: 35-36).
Similarly, the policy aims at abolishing shifting agriculture, and abolishing nomadism; and cattle movements would be through stock routes. In addition, proper pastoral land stewardship including the provision of infrastructure such as water supply and cattle dips would be provided and modern transhumance pastoralism would be encouraged.

Non-sedentary pastoralism is a major feature of Tanzania. Communal land within village boundaries is to some extent aimed at providing grazing land for pastoralists. But pastoralists do not live within the boundaries of one village as they keep moving from place to place in search of pasture and water.

Pastoralists have found themselves at loggerheads with farmers in many parts where the two communities converge resulting in violent confrontations. Also pastoralists have been occupying land earmarked for conservation thereby getting into conflict with authorities as was the case with the Ihefu area where pastoralists had to be moved forcibly from this wetland.

Problems faced by pastoralists include the following:

- Shrinking grazing lands due to population growth and protected area expansion.
- Increasing sedentarisation and its adverse effects on range access and condition.
- Inadequate animal and range husbandry services, veterinary care and access to markets.
- Loss of grazing due to migration of farmers into traditional rangeland areas.
- The deterioration of important customary institutions governing rangeland management.
- Conflicts with crop farmers and within different groups of herders over natural resources.

An extract from the Draft National Land Policy 2016 paints a rather gloomy picture with regard to pastoral lands (Box 4).

**Box 4. Pastoral lands under pressure**

Tanzanian rangelands are under dual pressure of over-exploitation and land conversion. Domestic livestock populations have been increasing by 5 percent per annum over the past 15 years. Rangelands are increasingly converted to other land uses by farming or development.

Expansion of invasive plant species and shrubby plants continues to degrade native rangeland ecosystems. The expansion of human and livestock populations, coupled with high rates of land conversion and degradation, has resulted in heightened community tensions and conflict in several areas.

Only 2 percent (1.28 million ha) of the land deemed suitable for grazing is currently protected within village land use plans, which have been implemented in less than 10 percent of villages in 81 out of 139 districts. Invasive species pose a major problem with 23 of the 30 invasive species found in Tanzania occurring in rangelands. Resilient rangeland ecosystems are the foundation of productive traditional and modern livestock production systems. Consequently, a primary task of the modernization effort is to secure and strengthen integrity and health of rangelands.

Given that more than 50 percent of Tanzanian households are engaged in livestock production, rangelands conservation and management should enjoy commensurate importance and profile in national land designation and protection (URT 2016b).

Addressing the pastoral question is key to the success of agricultural transformation. Left unresolved, both farmers and pastoralists will continue to suffer which would undermine large-scale agricultural investment.
6.3 Lack of an effective National and District Land use Framework Plan

The problems pitting pastoralists against farmers are in part a result of lack of an effective and implemented national land use framework. Besides, there are conflicts between the general population and conservation areas (especially forests, national parks and water reservation areas) as well as between locals and investors. A National Land Use Framework Plan, prepared in 2013 (URT, 2013d), may need updating. Without an effective National Land Use Framework Plan it becomes difficult to allocate and regulate uses, including land for small scale or large scale agriculture.

6.4 Lack of an effective policy to use land more intensively

Despite the agricultural potential in Tanzania, only 381,000 hectares of land in the country are under irrigation. The use of fertilizer is also very low. Infrastructure for managing livestock is lacking in many range lands. This means that as the population increases and as land becomes degraded, the tendency is to expand into land that is considered more fertile, as in river valleys, forests, wetlands and so on. This leads to conflicts among users (farmers vs pastoralists), the population against the custodians of conservation lands, jeopardizing the stability that is necessary for agricultural transformation.

6.5 Increasing dissatisfaction with village land administration

There is widespread dissatisfaction with the way village land is administered. There have been a number of cases where village leaders have been accused of corruptive behaviours such as producing non-authentic minutes of the village Assembly allowing land to be allocated to investors, for example. On the other hand, land seekers have decried the bureaucracy that they have to go through to get land. There have been calls to eliminate village land altogether so that all land is classified as general land. This, however is not advisable.

The motive of entrusting most land under village land administration was to reduce the possibilities of land grabbing, and potential landlessness among rural populations. Thus, there need to be take measures that will strengthen land administration at the village level, for example by having land experts at village levels. The proposal below, taken from the Draft National Land Policy 2016 seems to be appropriate:

“(:iv) Streamline ‘village land administration by ensuring that village councils continue to administer village land and powers of the Executive and Village Councils are limited by laws and procedures;” (URT 2016b: 67).

There is therefore the need to build capacity at village level and to improve governance such as inclusion of villagers into major decisions related to land, as well as having more transparency.

6.6 Evolution of customary tenure, increasing land values and land markets

The National Land Policy 1995 noted that customary tenure was gravitating towards individual tenure; and that land markets were growing in many parts of rural Tanzania. Indeed, a good number of investors seek village land and acquire it through purchase. This is supported by the growing demand for having CROs for those who acquire
Village Land as opposed to CCROs. Besides, as the value of land increases, so does the weakening of customary tenure. This is a threat to village land tenure stability, where landowners are tempted to dispose off their land especially to national land seekers and this could lead to landlessness on the one hand and conflicts on the other.

6.7 Inadequate conflict resolution mechanisms

Conflict set up mechanism is hinged on District Land and Housing Tribunals. However, only 49 districts in the country have these tribunals out of the 168 districts in the country. Besides, the institutional set up for conflict resolution is problematic in the sense that it is to be found within three Ministries that is: The Ministry for Local Government, the Ministry for Lands and the Judiciary. As a result, pending cases of submitted disputes have been growing over the years as is shown in Table 11.

<table>
<thead>
<tr>
<th>TABLE 11. Growing backlog of pending land dispute cases in District Tribunals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial year</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>2009 / 2010</td>
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<tr>
<td>2010 / 2011</td>
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<td>2012 / 2013</td>
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<tr>
<td>2013 / 2014</td>
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<tr>
<td>2014 / 2015</td>
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<tr>
<td>2015 / 2016</td>
</tr>
</tbody>
</table>

Sources: Budget speeches for Minister of Lands, relevant years

Besides, the set up does not squarely address problems that pit one community against another such as the growing conflicts between pastoralists and farmers; or villagers against investors; or people against the government with regard to reserved land; as well as disputes related to compulsory land acquisition. Alternative dispute resolution mechanisms which could help deal with the backlog are not well developed. The set-up is difficult and expensive to use by the common man so those who are in low income categories hardly use these tribunals.

6.8 Escalating land degradation

Land and environmental degradation is growing at an alarming scale in the country especially with regard to the clearance of forests for agriculture and animal husbandry. This is a major threat to agricultural transformation especially as a result of legislation regarding conservation land which is difficult to enforce.

6.9 Political risks

Political risks emanating from changes in government outlook can adversely affect the development of agriculture. The new government in Tanzania (since 2015) is now focusing on industrialization and as a result, initiatives like Kilimo Kwanza are receiving less emphasis. The BRN Initiative has been reoriented and the Presidential Delivery Bureau that had been put in place as an implementation agency, has been fused with other government departments.
This last section presents key messages, policy implications and recommendations. A matrix to guide policy actions on the country level issues highlighted is provided showing the potential role of the Bank.

7.1 Key messages

The potential for agricultural transformation is mainly within Village Land which also means small scale land holders. This is in view of the fact that there is hardly any land which is unowned, either as family/clan land or as communally exploited land (eg for pastoralism). Agricultural transformation therefore means securing the tenure of villagers, building their capacity and enabling them to realize higher agricultural potential from their holdings by for example using fertilizers, using improved seeds, irrigating and using modern crop husbandry. Villagers in the rural areas including women and the youth could be transformed into the investors that the country needs.

The view that there may be a lot of unused land waiting for exploitation needs to be revisited, for, if that was the case we would not be experiencing all the conflicts over land that the country is suffering from. Instead of thinking in terms of exploiting land extensively, we need to think of making it more productive by using it intensively. This would mean the use of fertilizers, irrigation, improved seeds, and scientific agriculture. Commercial large-scale farming is problematic.
### TABLE 12. Policy recommendations policy matrix

<table>
<thead>
<tr>
<th>No</th>
<th>Type of tenure or issue</th>
<th>Issues (policy, legal and institutional)</th>
<th>Implications for agricultural transformation (challenges and opportunities)</th>
<th>Role of the Bank (ANRC)</th>
</tr>
</thead>
</table>
| 1  | Customary (individual family clan) | - Most land holdings are not documented or titled.  
- Districts and villages lack the capacity (human, financial and technical) to prepare village land use plans which are a key input in village land formalisation and certification.  
- Increasing commoditization of land. | - Once village and district land use frameworks/plans are in place, it will be possible to identify which land may be available for large-scale or commercial agriculture.  
- Village land titling increases the confidence of land owners and encourages them to invest more or even be able to lease out this land.  
- Projects in Iringa, Mbeya and Morogoro regions aiming at issuing thousands of CCROs to rural land holders using android-based technology offer lessons that can be taken on board future such efforts. | - Look into ways of assisting the Tanzanian government to speed up district and village land use planning and issuance of CCROs to lead to large-scale first-time registration.  
- Work with the government of Tanzania to increase productivity and profitability of small-scale farmers through better agricultural methods and value chain additions. |
| 2  | Customary (communal but attached to a village or community, eg. Rweya) | - Poorly define property rights.  
- Communal land getting privatised or taken up by other uses, eg, urbanisation  
- Commissioner for Lands has powers to convert village land to general land, where it can be given granted right of occupancy. | - It is best for this land to remain communal and managed by village authorities.  
- Temporary rights could be awarded for use for agriculture with provisos against privatisation of such land. | - Intervention here could be by way of enabling the government to scale up land use planning and issuance of CCROs. |
| 3  | Customary communal open access. | - Used for nomadic pastoralism.  
- Often considered unowned, unused.  
- Targeted for large-scale acquisition for public uses and for investment where no compensation is paid to such land users  
- Rights of pastoralists, hunters and gatherers vaguely or not recognised. | - Although such land may be seen as unused, marginal or unowned, recent events have shown that it is used especially by pastoralists.  
- Consideration for using land for large-scale agriculture needs to begin by recognizing the property rights of the pastoralists otherwise endless conflicts can be expected. | - Work with the government to delineate communal land and define property rights there in. |
| 4  | State owned (reserved land). | - Mainly for conservation and environmental protection, but also for public infrastructural uses.  
- Partly managed by statutory agencies, partly by local governments including village authorities.  
- Includes forests, river basins, wetlands. | - This land is under serious pressure from the growing population for use for agriculture, or for harvesting products like timber and charcoal.  
- Government has a number of times bent to political pressure to allow the occupation and use of such land for agriculture.  
- Clearing of forests and draining of wetlands is leading to rainfall shortage and drying up of rivers, both of which are important for sustainable agriculture.  
- Such land however, is not properly and policed leading to constant overutilisation and possible to identify which land may be available for large-scale or commercial agriculture.  
- Underutilised or abandoned farms provide an opportunity for land banking and its development by new investors.  
- Capacity needed to meet the challenges of having a land bank. | - Enhance conservation measures especially in areas where there is great population pressure, including public education campaigns.  
- The above, to go hand in hand with increased productivity from these small-scale farmers.  
- Work hand in hand with the government through the Tanzania Investment Centre and the Ministry of Lands, to create a land bank which will make it easier for land seekers to get it without much trouble.  
- Work with the government to build capacity to manage a land bank. |
| 5  | State owned (general land) e.g. state farms, ranches. | - There are cases where former state farms have been privatised where this has led to conflicts with neighbouring populations.  
- Some privatised state farms are not being put to productive use or are underutilised.  
- There are farms and ranches that are still under the direct ownership and management of the government. | - Create an opportunity for land banking and its development by new investors.  
- Capacity needed to meet the challenges of having a land bank. | - Work with the government to build capacity to manage a land bank. |
<table>
<thead>
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<th>Role of the Bank (ANRC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>State owned (reserved land) with customary use rights, e.g. Ngorongoro Conservation Area.</td>
<td>There are cases where communities have use rights in state-owned, reserved land. Examples include pastoralists who are allowed to graze in some conservation areas such as the Ngorongoro Conservation Area. In some areas communities have farming rights (called vinyungu in Iringa) on wetlands.</td>
<td>Some such use rights are important for the livelihood of the concerned communities, yet their continued use of such resources could defeat the very purposes of conservation.</td>
<td>Working with the government to speed up district and village land use planning will identify and demarcate land for conservation.</td>
</tr>
<tr>
<td>7</td>
<td>Right of occupancy, private (general land) e.g. estates leased to foreign investors who are given a derivative right.</td>
<td>Some of this land is not used properly or as envisaged. In the case of foreign investors, once a derivative right is given the TIC does not have the practice of following up on what is happening to the land in question.</td>
<td>Concern has been expressed of investors acquiring land, use it to get large loans but keeping the land poorly developed. In some cases, this very land has been sublet to villagers. This amounts to speculation and may involve undesirable money transfers.</td>
<td>Villagers with land use rights in reserved land need to be assisted to use alternative land.</td>
</tr>
<tr>
<td>8</td>
<td>Quasi-customary (e.g. in peri-urban areas).</td>
<td>Customary tenure is rapidly changing especially where land markets are heating up and land is traded in. This especially the case in peri-urban areas or in rural areas where demand for land has led to its commoditization.</td>
<td>This offers opportunities for the purchase of and transaction in land (including using land as collateral) but creating a challenge of land consolidation and a potential for conflict especially where land is short compared to the population.</td>
<td>Support the operations of the Land Investment Unit in the Ministry of Lands so that it can have capacity to make close follow up on the development of land leased to investors.</td>
</tr>
<tr>
<td>9</td>
<td>Lack of national, district or village land-use plans.</td>
<td>Scale-up land-use planning at national, district and village levels.</td>
<td>National land-use planning will identify which land is available for small and large-scale agricultural activities.</td>
<td>Support for national land use planning will indicate land where customary tenure is breaking down, and which land needs to be kept within the realm of customary tenure.</td>
</tr>
<tr>
<td>10</td>
<td>Most village land carries no title.</td>
<td>Scale-up village land certification.</td>
<td>So far some 400,000 CCROs have been issued country-wide although the potential is estimated to be anywhere between 8 million and 12 million land parcels.</td>
<td>A number of initiatives are going on in the country in support of a village certification scaling up.</td>
</tr>
<tr>
<td>11</td>
<td>Capacity at district and village level to manage land is very much inadequate.</td>
<td>Build capacity at district and village level to plan and manage land, and to negotiate with investors.</td>
<td>It was noted in SPILL (2013) that the land sector is poorly staffed in the districts and there is very limited land capacity at the ward, village and mtaa and Kitarerero levels.</td>
<td>Support for capacity building at village and district level to enable the proper management of land will be building on ongoing efforts.</td>
</tr>
<tr>
<td>12</td>
<td>Despite some limited decentralization, land administrative powers are very much centred in the Ministry of Lands.</td>
<td>Decentralisation of land administration and management powers.</td>
<td>There has been some limited decentralization especially in creating 8 zonal offices for land administration. Nevertheless, effective powers are still centralized in the central government, and, together with capacity building, there is need to see more powers at lower levels.</td>
<td>Support the operations of the Land Investment Unit in the Ministry of Lands so that it can have capacity to make close follow up on the development of land leased to investors.</td>
</tr>
</tbody>
</table>
## TABLE 12 (continued). Policy recommendations policy matrix

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</tr>
</thead>
</table>
| 13 | Many institutions with mandates related to land and agriculture have overlapping and sometimes conflicting roles.                                                                                                                                                                                                                                         | - There are many examples where institutional rationalization is required. For example, the Ministry for Local Government (TAMISEMI) has the powers to create and register villages but does not survey their demarcations or give them a village land certificate, which is done by the Minister of Lands.  
- There have been cases where as soon as a Village has been surveyed and issued with a Village Land Certificate, only soon thereafter to be split into two villages, where village surveying and issuance of VLCs has to start anew.  
- Rationalisation is also required between the Ministry of Lands and the Ministries of Agriculture, Natural Resources, Mining, and Water.  
- It is not possible to strengthen land tenure without investment. Both land use planning and the issuance of CCROs to ensure security of tenure require resources. So far, the government has been parsimonious to invest in land administration and management. | - Support for institutional rationalization is very much in order.                                                                                                                                                                                                                                                                                     |
| 14 | Meagre resources invested in the land sector.                                                                                                                                                                                                                                                                                                          | - Limited resources for investing in the land sector from the national budget. There are years when the land sector gets very little or no development budget.                                                                                                                                 | - The Bank may want to look into ways of supporting the land sector on the basis of the country’s identified priorities. This could be realised through working with the central government, local governments, NGOs and the Private Sector. |
| 15 | The Land Sector agenda finds itself many times answering to exogenously determined agendas. A law or policy may be passed but without resources for implementation. Those parts that are implemented have tended to be those which can be supported by development partners.                                                                                                                                 | - Land sector to be driven by locally set agenda with the support of development partners.                                                                                                                                                                                                 | - The Bank can support local institutions to develop local land agendas which can be realised mainly through local efforts.                                                                                                                                                     |
| 16 | Women and youth are disadvantaged when it comes to access to land and to resources to engage in agriculture. Women form the majority of Tanzanian while 66% of the population is under 25.                                                                                                                                                                                   | - Affirmative action to increase access to secure land by women and the youth, as well as to resources such as finance, fertilizers, training and marketing.                                                                                                                                 | - For young people, and women agriculture is the biggest employer. However, the sector is characterised by limited incentives (poor pay, job security and work conditions) and negatively affected by the impact of climate change. |
|    |                                                                                                                                                                                                                                                                                                                                                     | - Legally, access to land is equal between men and women. In practice discriminative customary practices persist. Thus there is need for affirmative action to improve the status of women. However, there are no special provisions or strategies to enable the youth to have access to land and these need to be put in place. | - The Bank could have programmes to support women and youth to get access to land, relevant training, finance, agricultural inputs and marketing strategies.                                                                                     |
### TABLE 12 (continued). Policy recommendations policy matrix

<table>
<thead>
<tr>
<th>No</th>
<th>Type of tenure or issue</th>
<th>Issues (policy, legal and institutional)</th>
<th>Implications for agricultural transformation (challenges and opportunities)</th>
<th>Role of the Bank (ANRC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Lack of a dedicated unit in the Ministry of Lands to address issues of land for investors, as well as issues of commercial farming.</td>
<td>Strengthen the Land Investment Unit to address issues of land availability for investment including the Land Bank.</td>
<td>The Land Investment Unit is relatively new in the Ministry of Lands which earlier on had planned to create a National Land Development Agency (NALDA) which was the one to identify and give access to land for investment to investors on the basis of land for equity, where shares would be based on the invested value method of land valuation. The idea was to ensure that the people benefit and the investment is secure (sustainability of extensive land-based investments). The government has settled for the creation of a Land Investment Unit which now needs strengthening, so that it can be able to identify land that can be made available for agricultural transformation.</td>
<td>The Bank could work with the Ministry of Lands to strengthen the operations of the Land Investment Unit in its mandate of identifying land and acting as a go between, between investors and the government at both central and local levels.</td>
</tr>
<tr>
<td>18</td>
<td>In 2005 the government developed a SPILL, much of whose provisions were not implemented. SPILL was reviewed in 2013 and a new action oriented document produced.</td>
<td>Implement SPILL (2013).</td>
<td>Tanzania developed a comprehensive Strategic Plan for Implementation of Land Laws which however remains unimplemented. Implementing this strategy will go a long way to ensure agricultural transformation.</td>
<td>SPILL (2013) has strategic objectives, areas of intervention, plan of action and cost implications. It therefore offers areas where fruitful intervention could be made.</td>
</tr>
<tr>
<td>19</td>
<td>In order to ensure that people benefit from investment in agriculture, the government has on a number of occasions proposed to avoid large-scale land acquisition and instead go for land for equity and/or contract farming. Operationalisation of these concepts however has not received broad discussions.</td>
<td>Develop operation policies and procedures to regulate Contract Farming and Land For Equity approaches to commercial farming.</td>
<td>In view of the problems of getting unencumbered land for large-scale investment in agriculture, the Ministry of Lands is pioneering investment models that do not involve compulsory land acquisition. These include Contract Farming and Land For Equity. The approaches, however, remain vaguely understood in the country, although as we have seen, they have been applied in parts of the country. There is therefore need to regulate for the use of the modules.</td>
<td>The Bank can evaluate projects implemented in Tanzania and elsewhere involving contract farming and land for equity arrangements and assist the government to come up with a blueprint of how these can be put in practice to bring about agricultural transformation in the country.</td>
</tr>
<tr>
<td>20</td>
<td>Financiers are hesitating to lend for agriculture.</td>
<td>Promotion of group farming societies as a means of facilitating the supply and supervision of credit in agriculture.</td>
<td>Tanzania has a long history of promoting cooperative societies, but success has been limited in recent decades. Including the passing of a Cooperative Development Policy and enacting legislation.</td>
<td>Support the strengthening of Cooperative societies in Tanzania. Provision of credit to construct storage facilities and agro-processing industries.</td>
</tr>
<tr>
<td>21</td>
<td>Adverse effects of global warming and climate change.</td>
<td>To adopt green agriculture practices.</td>
<td>Tanzania is suffering from climate change and this adversely affects agriculture.</td>
<td>Consider extending credit or support to agricultural activities with farming practices and technologies that promote green agriculture.</td>
</tr>
</tbody>
</table>
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Appendix 1:

Extracts from the Agricultural Sector Development Programme (ASDP)

4.2. Agriculture Sector Development Program (ASDP)

The agricultural sector plays an important role in the Tanzanian economy and possesses the potential to advance the country’s objectives of growth and poverty reduction. The performance of the overall Tanzanian economy has been driven by the performance of the agricultural sector, mainly due to its significance to the majority of the rural population. In order to bring about sustainable agricultural development, the Government in close collaboration with agriculture stakeholders has developed the Agricultural Sector Development Programme (ASDP). The ASDP is an implementation tool for the Agricultural Sector Development Strategy (ASDS) and the broader National, and Global Policies including the National Strategy for Growth and Reduction of Poverty most commonly known as MKUKUTA, Tanzania Development Vision 2025, the Millennium Development Goals (MDGs), Comprehensive Africa Agriculture Development Programme (CAADP) and KILIMO KWANZA Resolve.

The ASDP has two main objectives:
1. To enable farmers to have better access to and use of agricultural knowledge, technologies, marketing systems and infrastructure, all of which contribute to higher productivity, profitability and farm incomes;
2. To promote private investment based on an improved regulatory and policy environment.

The above objectives are attained through the use of different interventions planned at:

i. Improving the capacity of farmers, including food insecure and vulnerable groups, to more clearly articulate demand for agricultural services and built partnerships with service providers;

ii. Reforming and improving capacity of both public and private agricultural service providers to respond to demand and provide appropriate advice, services and technologies;

iii. Improving the quality and quantity of public investment in physical infrastructure through technically-sound planning and appraisal;

iv. Improving market institutions including strengthening the policy framework and coordination capacity at national level.

The above results are delivered through three phases:

**Phase I:** Focus on empowering farmers/clients to make better informed decisions on technology choice; introducing a more contestable and decentralized system of agricultural services and extension to improve its relevance and encourage pluralism in service provision with a greater role for the private sector; clarifying the strategy for technical services and training; strengthening capacity for implementation of the district agricultural development plans, including irrigation; and identification of models for local, regional and international market development.

**Phase II:** Continued roll-out of the competitive grant schemes for research and extension together with empowerment activities; support for technical services and training; implementation of the district agricultural development plans through investment and capacity building; and implementation of market development models.
Phase III: Continued expansion of the competitive grant scheme for research and extension and support for the implementation of the district agricultural development plans; implementation of market development.

Agriculture sector development is at a critical stage as new initiatives, such as Kilimo Kwanza, Southern Agricultural Growth Corridor of Tanzania (SAGCOT), Comprehensive Africa Agriculture Development Programme (CAADP) and others are or have been developed. Kilimo Kwanza, launched in June 2009 by the President and coordinated by the Tanzania National Business Council, aims to stimulate a private sector-led Tanzanian Green Revolution. Its ten pillars aim to reinvigorate market led growth and stimulate agro-industrial investment.

The Southern Agricultural Growth Corridor of Tanzania (SAGCOT) initiative was launched in May 2010 and aims to mobilise public and private sector partnerships to deliver agricultural growth around a high potential southern corridor. It will achieve this by incentivising linkages between smallholder farmers and agribusiness. SAGCOT links Dar es Salaam with Malawi, Zambia and the Democratic Republic of Congo and passes through some of the richest farmland in Africa.

The Comprehensive Africa Agriculture Development Programme (CAADP) is an initiative of the African Union. CAADP provides the framework for African countries to achieve economic growth and food security through the transformation of the agricultural sector. The specific goal of CAADP is to attain an average annual sectoral growth rate of 6 percent in agriculture for the continent.

To achieve these goals CAADP focuses on four pillars: I: Extending the area under sustainable land management and reliable water management systems; II: Improving rural infrastructure and trade-related capacities for improved market access; III: Increasing food supply, reducing hunger and improving responses to food emergency crises; and IV: Improving agricultural research, technology dissemination and adoption. On the Tanzania mainland CAADP is being implemented through the Agricultural Sector Development Programme, while more recently the Tanzania Agriculture and Food Security Investment Plan (TAFSIP) is under preparation to provide the overarching investment plan for the sector. TAFSIP is expected to provide the overall framework for prioritized investments in the country’s agricultural sector, in line with strategic priorities identified in the CAADP-Compact (signed by sector stakeholders in July 2010).

These initiatives have emerged since ASDP took off in 2006, and have added both new opportunities as well as complexities in the coordination of efforts to develop agriculture. This review though first concentrates on its principal task, which is to assess ASDP’s own performance and future direction.
Appendix 2:

Extracts from a Report on Kilombero Plantations Limited: An example of prospects and challenges of contract farming

The KPL plantation in Kilombero. This is a 5000 hectare rice farm.

A. Access to land

Currently, KPL is not cultivating all of the land within the farm boundaries. It leases a portion of the unused lands to the 6 surrounding villages, with different prices for different kinds of users. The annual prices are: 50,000 TSH per acre for members of the KPL SRI (system of rice intensification) groups, 100,000 Tsh per acre for other farmers, and 3 to 4 million TSH per 50-acre block for grazing livestock.

The issue of land renting is one of the most serious issues for villagers. They find it improper for an investor to rent land to them, since they see themselves as the customary owners of the land. They argue that, if KPL is unable to use all of the land, they should be able to use it for free.

"Women are more affected because they cannot afford to pay for these farms. They have no farms, especially single women with no land." (female resident)

KPL at first claimed that it is currently not profitable for it to cultivate all areas of the farm, but the company plans to complete land preparation and irrigation in order to farm the entire area eventually. In the meantime, KPL sees it to be a good business decision to rent land to farmers who are willing to pay for it. Further, they argue that they are renting the land to SRI farmers at below the market rate (the market rate being 100,000 Tsh per acre).

Due to village arguments, KPL had resolved to halt leasing land to the community. However, due to land scarcity, the community requested KPL to reconsider this decision. KPL has now set aside 950 acres for this purpose, particularly, 418 acres for SRI members and 532 acres for other villagers identified by a special committee composed of KPL, Division, Ward and Village leaders. At the end of the farming season, KPL requires 108 kg of rice per acre claiming this is necessary to cover the cost of maintaining the land. However, the community desires to use the land currently not utilized by KPL free of charge.

B. Access to finance

In 2008, KPL established a program for training farmers in the nearby areas in System of Rice Intensification (SRI). The company claims that this was a core part of the company’s strategy to improve yields and incomes for smallholder farmers. Villagers stated that they appreciated the SRI training because it helped them to increase their productivity. KPL received a grant from AGRA to expand the SRI training program.

Subsequently, the company, working with financial institutions YOSEFA and NMB Bank, established a contract farming arrangement for SRI-trained farmers. The company acted as a sponsor for farmers who received money, inputs, and agricultural implements on credit, and who signed a contract committing to sell their harvest to KPL. Farmers were to repay the loan through a combination of cash payments to the financial institution and a portion of the harvest sold to KPL.
During the first year of the program (in which credit was provided by YOSEFA) farmers faced serious difficulties paying back their loans. When a number of farmers were unable to pay, YOSEFA repossessed their assets and personal belongings. KPL states that these problems related to the low rice prices prevalent at the time and the inappropriate loan terms provided by YOSEFA, since the micro-finance institution required cash payments every two weeks beginning immediately after receiving the loan, which was very difficult for farmers. For this reason, KPL sought to partner with NMB for future out-grower programs.

Both KPL and villagers reported that using the inputs package and SRI methods improved farmers’ yields. Farmers also seemed to be happy with the price offered by KPL (TSH 80,000 per 100 kg of paddy instead of the going market rate of TSH 70,000 per 100 kg). However, farmers reported that, overall, the credit program had been detrimental to their livelihoods. They had struggled to make regular cash payments, and the portion of their harvest paid back to KPL left them with little surplus. Many of the farmers reported that they had stopped taking loans as a result of these problems. In 2016, farmers were reporting facing major difficulties repaying their debts because of poor harvests this year.

KPL claims that SRI-training and credit programs have helped farmers’ livelihoods. It says it is trying to address the problem of cash payments by developing a new credit package with NMB. The company also reported that several farmer associations were seeking to work with it to develop a new credit program for the 2016 season, in part because they are seeking to refinance their existing debts. All in all while some farmers saw SRI as beneficial, others did not believe SRI practices led to better yields or livelihood improvements.

SAGCOT advised KPL that given that KPL is held up as an example of inclusive investment, reforming and expanding the SRI and credit programs should be a top priority. Currently, these programs do not benefit a large number of farmers, and they have actually been harmful to the livelihoods of some of the participating farmers. KPL should work with financial institutions to create a credit program with terms that are appropriate for smallholder farmers. These include timely provision of the loan, no cash payments prior to harvest and reliability of receiving a loan. KPL should increase resources to the smallholder program to reach more farmers.

The current status is as follows:
1. KPL negotiated with NMB better terms for farmers including loans with long grace period and lump sum repayment instead of biweekly repayment.

2. However, SRI Farmers have concerns regarding KPL decision making processes including sale price of crops and timing of sale. They are also concerns about transparency between SRI leadership and SRI farmers.