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Transnational land deals and land grabbing in Tanzania

Relatore
Prof. Mauro Varotto

Correlatore
Prof. Erik Castello

Laureando
Lucia Randon
n° matr.1183808 / LMLCC

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Introduction

In the past few years there has been an exponential increase in large land-based investments, which are often referred to as 'land grabs'[1]. Despite having the potential to bring great benefits, such as employment generation, infrastructure creation and substantial injections of capital, these projects have proved to be risky and to have severe negative impacts on poor rural communities. Since human rights are an issue I profoundly care about, I have thus decided to try to understand the dynamics underlying these land-based investments and what issues need to be tackled to improve the situation of the people that are negatively affected.

The introductory chapter aims to outline the context in which the modern scramble for land is framed, as it is a complex global phenomenon with deep historical roots. After a brief terminology clarification, the events that have preceded, allowed and triggered the current wave of transnational land acquisitions are analysed. The main investors and targets of the investments are then identified, together with their degree of involvement and the drivers pushing them. To follow, socio-economic and environmental impacts of the investors' projects are evaluated. A short section will also be dedicated to water and ocean grabbing, two phenomena affecting water and marine resources which show some similarities with land grabbing.

In the writing of the first chapter, reference will be made to the work by Lorenzo Cotula, a researcher and team leader at the International Institute for Environmental Development specialized in land and other natural resource investments in the lower-income countries, especially in Africa. Another scholar who authored some interesting reports is Ward Anseeuw, a development economist, policy analyst and researcher at the Agricultural Research Centre for International Development. Information collected on Land Matrix, an online public database of large-scale land deals, will also be consulted.

After the outline of the global context of the current scramble for land, in the second chapter the geographic focus is narrowed to a specific country, namely Tanzania. I decided to select Tanzania as a country of study for two main reasons. The first is personal, as in 2014 I had the opportunity to spend a few months in this country and see

[1] For the definition of 'land grabbing' see the p. 7.

first-hand the living conditions of the rural population. The second reason is academic, as my curricular languages are English, German and Portuguese. As it will be seen later, Tanzania was under the control of the Portuguese first, of the Germans and finally of the British.

The second chapter opens up with a presentation of the socio-economic profile of today's Tanzania and some basic information about the morphology and climate of the region. The history of the country is then summarized, in order to understand how past events have shaped the society and still influence its domestic economy. There follows a historical review of the land tenure regime in this country and the land legislation in force today, including the main initiatives proposed by the Tanzanian government to attract foreign capital in the agricultural sector. Finally, the legal framework governing investments is presented and a broad overview of transnational land deals in Tanzania is offered.

This section of the thesis is mainly based on the analysis of land laws and policies regulating foreign investments in Tanzania. Also valuable was the contribution of the researcher at the Institute for Poverty, Land and Agrarian Studies Emmanuel Sulle, who has published various studies on investments in agriculture in collaboration with other researchers. Noteworthy is then the report by the Oakland Institute, an independent policy think tank that has unveiled land investment deals in several developing countries, including Tanzania.

To conclude, the third and final chapter investigates the transnational land-based projects in Tanzania run by three different companies, namely Sun Biofuels, EcoEnergy and Bioshape. In particular, the impacts of these investments on local contexts are evaluated, presenting both positive and negative outcomes.

The choice fell on these three projects as they are those on which the material available was enough to analyse them under various aspects and compare them. It would have been extremely interesting to investigate also more successful investments, but this was not possible due to lack of material.

Fundamental source of information for the drafting of the third chapter were the publications of associations and individual researchers who worked in the field to reconstruct the process of land allocation and document the impacts of the investment. This was done mainly through interviews and focus groups with several stakeholders

involved in the project. More specifically, the case study of the Sun Biofuels' project is mainly based on Fabio de Blasis' work, a PhD graduate from the University of Bologna, and the report that the Oakland Institute dedicated to this investment. The main reference for the investment by EcoEnergy was instead a report published by the NGO ActionAid, whose primary aim is to fight poverty and injustice worldwide. Some information was also taken from a document drawn up by EcoEnergy itself, but obviously in this source only the benefits that the investment brings are underlined and no mention of the potential negative consequences is made. As far as the case of Bioshape is concerned, once again the work of Sulle and his fellow researchers proved to be an interesting and valuable source of information.

This thesis aims to evaluate the impacts of foreign large-scale investments on the affected rural communities and more generally on local contexts. The intent is to understand if this type of investments can represent an effective tool to reduce rural poverty and boost the economy, as advocated by the Government of Tanzania, or if it is an unsuccessful strategy instead. An attempt is also made to identify the most critical points of foreign investments with the view to understanding what issues need to be addressed, so that the benefits brought by the investments are maximized and turned into long lasting ones. Since the vast majority of the references on which this thesis is based date back to some years ago, I will also try to fill the information gap regarding land deals in recent years by presenting an up-to-date analysis of the data contained in the Land Matrix database. Indeed, after the explosion of studies and research carried out in the years following the Daewoo case, which arose an initial great interest in land grabbing, fewer and fewer studies have been conducted on this issue.

First chapter. Scramble for land: a global phenomenon

1.1 A definition of 'land grabbing'

When the term 'land grabbing' is used in this thesis, it follows the definition reported in the Tirana Declaration of 2011, in which it was described as acquisitions or concessions "that are one or more of the following:

(i) in violation of human rights, particularly the equal rights of women;

(ii) not based on Free, Prior and Informed Consent[1] of the affected land-users;

(iii) not based on a thorough assessment, or are in disregard of social, economic and environmental impacts, including the way they are gendered;

(iv) not based on transparent contracts that specify clear and binding commitments about activities, employment and benefits sharing, and;

(v) not based on effective democratic planning, independent oversight and meaningful participation"[2].

It is crucial to note, however, that not all land deals have been contested as land grabs. For this reason, the term 'land grab' will only be used after verifying that one or more of the conditions listed above are met. Otherwise, the more neutral expressions 'land deal', 'acquisition' or 'allocation' will be used.

1.2 Historical roots of the scramble for land in Africa

Land grabbing is not a new phenomenon, but it dates back to colonial times, when European colonizers asserted political sovereignty over the territories and acquired

[1] The principle of Free, Prior Informed Consent (FPIC), initially developed with regards to defending the rights of indigenous people, allows a community to give or withhold consent to a project that may affect it or its territories. Furthermore, FPIC enables community members, once given their consent, to withdraw it at any stage and to negotiate the conditions under which the project will be designed, implemented, monitored and evaluated. Specifically, the consent must be:
• Free: refers to a consent given voluntarily and without coercion, intimidation or manipulation.
• Prior: means that consent is sought sufficiently in advance of any authorization or commencement of activities
• Informed: information provided about the project and its potential impacts must be complete, objective and accessible to the community members.
Sources: www.fao.org/indigenous-peoples/our-pillars/fpic/en/ [last accessed 10.06.2020] and FAO, *Free, prior and informed consent. An indigenous peoples' right and a good practice for local communities*, 2016, pp. 12-16.

[2] International Land Coalition, *Tirana Declaration. Securing land access for the poor in times of intensified natural resources competition*, Paper presented at the Global Assembly, Tirana, 24-26 May 2011, p. 2.

ownership of the vast areas of land they conquered. The main legal fiction applied was the concept of '*terres sans maître*' or 'vacant and unoccupied lands', whereby all unregistered properties were deemed to be public land and were thus handed over to governments to administer[3]. In that period, the population density in Africa was much lower than today and fewer resource uses were considered as productive activities; consequently, the greater part of Africa came to be owned by colonial nations[4]. The scale of this phenomenon increased in the 19th century, when the emergence of mass consumption societies in the Global North urged the need for sourcing increasing quantities of raw material for industrial production. This, combined with political rivalries among countries and rising nationalisms, fuelled imperialistic ambitions in European powers[5]. In Southern, Eastern, and Northern Africa, Western companies expropriated the local population[6] and set up plantations to produce cotton, palm oil, rubber and other export commodities required by industrializing economies[7]. On the contrary, in much of western Africa, where markets and trading routes were well-developed, Europeans preferred to source agricultural produces from local farmers[8]. In these cases, no physical dispossession took place but access to land became conditional upon farmers paying taxes to their chiefs[9]. A third and final control pattern under colonial rule developed in areas in which pre-existing trade was not well developed, as in Central Africa and the Congo Basin. These lands were allocated through large concessions to chartered companies, which gained exclusive rights to exploit local resources and were in charge to develop transport infrastructures and administrative systems. Unlike peasant proprietary production, resources under concession belonged to the company and the locals were merely performing labour services[10]. In each of these three cases the colonial regime strongly weakened local land rights and its legacy still influences land laws in African countries to this day.

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[3] L. Alden Wily, *The tragedy of public lands: the fate of the commons under global commercial pressure*, Rome, ILC, 2011, pp. 54-55.
[4] L. Cotula, *The great African land grab? Agricultural investments and the global food system*, London, Zed Books Ltd, 2013, p. 17.
[5] Ivi, pp. 16-17.
[6] I. Wallerstein, *Three Stages of African Involvement in the World Economy*, 1974, quoted by K.S. Amanor, "Land Governance in Africa. How historical context has shaped key contemporary issues relating to policy on land", Rome, ILC, 2012, p. 17.
[7] Cotula, *The great African land grab?*, p. 18.
[8] Amanor, *Land Governance in Africa*, p. 17.
[9] Cotula, *The great African land grab?,* p. 19.
[10] Amanor, *Land Governance in Africa*, p. 18.

A second wave of land grab occurred after the declarations of independence made by colonies from the late 1950s, when a new generation of political leaders came to power and started a process of decolonization[11]. However, many post-independence countries inherited colonial-age legal systems, rather than rewriting them to guarantee stronger land rights for local people. Law continued to be geared towards centralizing resource control in the hands of the state and, in the following decades, many governments strengthened their control over the territory through land nationalization and expropriations[12], further eroding land rights for the rural population. This wave of land grabs was thus perpetrated no more by colonial regimes, but by independent local governments.

Between the 1980s and the 1990s, radical political and economic changes occurred in the African continent, which led to a greater reliance on the private sector in the promotion of economic development. As a consequence, many states sought and managed to attract foreign investments by revising land laws, offering fiscal incentives and introducing new legal protections for investors[13]. These initiatives proved to be efficient and, especially starting from the mid-2000s, Africa has been witnessing a new wave of land acquisitions triggered mainly by socio-economic dynamics[14].

Despite being such an old phenomenon, the land rush started attracting global attention only since 2008. In that year the South Korean company Daewoo Logistics obtained a 99-year land lease agreement on 1.3 million hectares in Madagascar, an area equal to almost half of the arable land of the country, to farm maize and biofuels crops mainly for the Korean market. Through this deal, Daewoo Logistics expected to pay nothing to have access to that territory since it was considered by Korean officials to be totally undeveloped land. In return, Madagascar should have benefited from jobs creation and investments in infrastructures such as roads, irrigation and grain storage facilities[15]. The contract was eventually cancelled after the harsh protests of the local communities and the military involvement, which in 2009 led to the ouster of the then Malagasy President Ravalomanana[16]. This episode, however, was significant because of the

[11] Cotula, *The great African land grab?*, p. 22.
[12] F.K.F. Byamugisha, *Securing Africa's land for shared prosperity. A program to scale up reforms and investments*, Washington DC, Agence Française de Développement and World Bank, 2013, p. 45.
[13] Cotula, *The great African land grab?,* p. 24.
[14] W. Anseeuw, L.A. Wily, L. Cotula and M. Taylor, *Land rights and the rush for land. Findings of the global commercial pressures on land research project*, Rome, ILC, 2012, p. 57.
[15] www.ft.com/content/6e894c6a-b65c-11dd-89dd-0000779fd18c [last accessed 30.03.2020].
[16] news.bbc.co.uk/2/hi/africa/7952628.stm [last accessed 30.03.2020].

staggering media coverage it received. In recent years, not only have acquisitions of large plots of land increased but also more and more non-governmental organizations, associations and researchers have become interested in the phenomenon of land grabbing and its severe impacts on rural communities and ecosystems.

In conclusion, the current scramble for land represents the acceleration of an ongoing process that has its roots in the colonial period, to the extent that land grabbing is also dubbed as the 'new-colonialism'[17].

1.3 Drivers of the land rush

The several drivers that have triggered this recent wave of land rushing tend to overlap and are often interlinked, making the picture intricate and complex. Three main factors seem to underpin this dramatic rise in land investments, namely food security concerns, the rising demand for biofuels and the 2008 financial crisis.

1.3.1. Food security

After 40 years of constant price decline[18], suddenly the scene changed: between January 2005 and June 2008 average world prices for wheat increased by 127%, rice by 170% and maize prices almost tripled[19]. To trigger this dramatic swing was what the experts of the World Food Program called a 'perfect storm', a complex interplay of several factors that acted simultaneously in this period[20].

One of the factors that underpinned this crisis was the decline in global grain stocks. Whereas until the 1990s substantial public supplies were maintained, starting from the new millennium governments stopped holding large buffer stock, since cereals prices were constantly low, crop yield seemed abundant[21] and agricultural markets had become increasingly liberalized[22]. In recent years, however, the world-population growth rate has been increasing faster than the one of food supply, meaning that more grain is being

[17] F. Roiatti, *Il nuovo colonialismo: caccia alle terre coltivabili*, Milano, EGEA Università Bocconi, 2010.
[18] L. Cotula, "The international political economy of the global land rush: a critical appraisal of trends, scale, geography and drivers", *The Journal of Peasant Studies* 39:3-4 (2012), p. 662.
[19] A. Mittal, "The 2008 Food Price Crisis: Rethinking Food Security Policies", Research paper presented at the United Nations Conference on Trade and Development, New York and Geneva, 24-30 June 2009, p. 1.
[20] Roiatti, *Il nuovo colonialismo*, p. 2.
[21] Ivi, p. 2.
[22] Mittal, "The 2008 Food Price Crisis", p. 4.

consumed than being produced. To meet the increasing demand, it was necessary to cut into already scarce reserves, causing agricultural prices to rise[23]. Moreover, in 2005 adverse weather conditions further aggravated the situation by damaging production in some areas of the world. Australia, for example, lost more than 2% of its harvest due to one of the worst droughts of the century[24].

Expansion of biofuel production also played an important role in food price upswing, mainly via the diversion of crops from food production to the production of bioethanol and biodiesel[25]. As a consequence, land for food output decreased.

Another factor that contributed to the food crisis was the depreciation of the US dollar and the consequent increase in the cost of oil, simultaneously accompanied by the increase in fertilizer prices; between 2001 and 2008, for instance, the price of urea, which is one of the most widely used fertilizers, more than quadrupled[26]. The increase in oil and fertilizers prices had an impact on the costs of the entire production chain of agricultural commodities and on the prices of the final products[27].

Finally, speculation in financial markets also played a role. Investors like large banks, hedge funds, pension funds, and companies such as Cargill have indeed moved into futures markets since the deregulation of the United States commodities futures markets at the end of the 1990s. The stock exchange, which previously served as a regulatory instrument, then became a gigantic speculative market, where financial players could accumulate impressive profits thanks to confidential information they have available, their storage capacity and the oligopolistic management of trade[28].

These factors, acting simultaneously, caused a surge in food prices, which reached levels hardly imaginable only a few years before. In response price hikes, massive public protests erupted in many countries[29] and alarmed governments, especially in countries that had to rely on imports to feed their populations. The importing countries with economic availability, such as Saudi Arabia, Japan, China, India, Korea, Libya and

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[23] United Nations, *The global social crisis. Report on the World Social Situation 2011*, New York, 2011, p. 70.
[24] Roiatti, *Il nuovo colonialismo*, p. 3.
[25] United Nations, *The global social crisis*, p. 68.
[26] FAO, *The State of Food Insecurity in the World. How does international price volatility affect domestic economies and food security?,* Rome, 2011, p. 29.
[27] Roiatti, *Il nuovo colonialismo*, pp. 2-3.
[28] S. Liberti, *I signori del cibo. Viaggio nell'industria alimentare che sta distruggendo il nostro pianeta,* Rome, Minimum Fax, 2016, p. 173.
[29] United Nations*, The global social crisis*, p. 62.

Egypt[30], hastened to gain control of vast areas of farmland in other countries to cultivate them, so that they could guarantee food at a good price to their population and thus avoid possible internal problems.

The graph in Figure 1.1 plots the evolution of the food price index of the International Monetary Fund and the number of international land acquisitions recorded by the press. It can be observed that the scramble for land started in 2007-2008, in conjunction with the food prices explosion. After the crisis, commodity prices soon returned to more moderate levels, whereas investors' interest in farmland persisted.

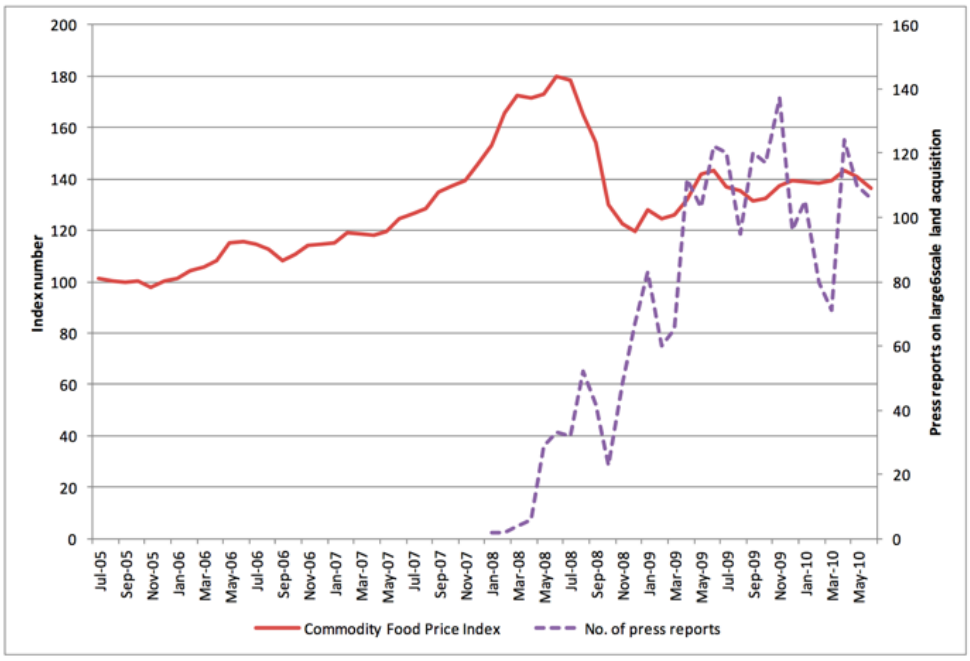

Fig. 1.1 - The evolution of the Commodity food price Index and number of media reports on foreign land acquisitions (IMF Commodity food price index and www.farmlandgrab.org for press reports).
(Source: R. Arezki, K. Deininger and H. Selod, What drives the global land rush?, *International Monetary Fund, 2011, p. 27)*

However, countries' food security was endangered not only by rising food prices, but also by changes in diets occurring in these last decades. In this regards changes in the food consumption pattern of the Chinese population had a particularly deep impact. China has recently experienced an impressive economic development and a consequent increase in the purchasing power of the Chinese population, which has been progressively

[30] GRAIN, *Seized! The 2008 land grab for food and financial security*, 2008, p. 2.

abandoning its traditional plant-based diet and shifted to a higher consumption of meat. If in the early 1990s a Chinese citizen consumed an average of 25 kilos of meat per year, today the pro capita amount reached about 54 kilos[31]. In particular, China ranks first place in the world for the production and consumption of pork meat[32] and it became necessary to open intensive farms where pigs are fed with soy and corn-based feeds, which make the animals fatten more quickly thanks to their high protein content[33]. The problem is that China is unable to produce the immense amount of food needed to feed its animals and it is thus forced to import it. The People's Republic in fact hosts 22% of the world population but owns only 7% of the arable lands[34], which is why at some point it needed to review its food policies and choose which crops to reserve its land for and which cultivations to outsource. Beijing decided to keep internal the production of cereals such as maize and wheat, which are considered strategic, while it has been forced to import soybean. According to FAOSTAT data, today the Asian power imports 73 million tons of soybean, that is 67% of the entire world trade, and the trend is constantly growing[35].

Finally, the issue of food security is also aggravated by the world population growth. The world is expected to host about nine billion people by 2050, which according to FAO means that food production will have to increase by 70% in order to meet the food needs of such a large number of people[36].

1.3.2. Biofuels

In recent years biofuels[37] have started to be seriously considered as an alternative to fossil fuels worldwide, even if this industry started back already in the early 1970s[38]. In particular, ethanol, produced mainly from sugarcane, and biodiesel, obtained from

[31] Roiatti*, Il nuovo colonialismo*, p. 1.
[32] R. Liu, L. Xing, G. Zhou, and W. Zhang, "What is meat in China?", *Animal Frontiers* 7:4 (2017), p. 53.
[33] Liberti, *I signori del cibo*, p. 122.
[34] Ivi, p. 165.
[35] Ivi, p. 167.
[36] J. Bruinsma, "The resource outlook to 2050: by how much do land, water and crop yields need to increase by 2050?", Paper presented at the FAO Expert Meeting on How to Feed the World in 2050, 24-26 June 2009, p. 2.
[37] Biofuels can be defined as liquid, solid or gaseous energy carriers derived from the conversion of biomass.
Source: D.Y. Goswami and Y. Zhao, "Proceedings of ISES World Congress 2007", *Solar Energy and Human Settlement* 1:5 (2008), Berlin, Tsinghua University Press and Springer-Verlang, p. 2942.
[38] F. Songela and A. Maclean, *Scoping Exercise (Situation Analysis) on the Biofuel Industry within and outside Tanzania*, Dar es Salaam, Energy for Sustainable Development, 2008, p. 1.

oilseeds such as jatropha, have been increasingly promoted as the best substitutes for fossil fuels to run vehicles[39].

The major driver for the increased demand and production of biofuels was the fuel crisis. In an attempt to relieve the situation after the subprime mortgage sector crisis, the US monetary authorities increased the supply of money, leading to a decrease in the interest rates and thus to a sharp depreciation of the US dollar[40]. This policy had an impact on the oil prices, which trebled within a few months until exceeding 147 dollars a barrel[41], and prompted various countries, concerned about their energy security and their energy import bills, to devise alternative strategies such as the development of the biofuels industry.

Another key factor driving interest in renewable energy sources has been the potential for economic and rural development. In countries with favourable endowments of land, labour and trade conditions, the production and export of biofuels started to be seen as an opportunity to improve their trade balance through the development of new export markets and to provide better opportunities for local farmers[42].

Finally, also climate change mitigation is often presented as a key policy goal, at least formally. The use of petroleum products for transport and power generation is the major contributor of greenhouse gas emissions into the atmosphere[43] and, according to some, replacing fossil fuels with agrofuels would limit environmental damages. However, scientific studies have proved that different biofuels vary widely in their greenhouse gas balances when compared with petrol and some of them, such as nitrous oxide, can be even more harmful to the environment than fossil fuels[44].

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[39] Ivi, p. 30.
[40] G. Rapsomanikis, *The 2007 –2008 food price swing. Impact and policies in Eastern and Southern Africa.* Rome, FAO, 2009, p. 16.
[41] United Nations, *The global social crisis*, p. 68.
[42] A. Dufey, S. Vermeulen and W. Vorley, *Biofuels: Strategic Choices for Commodity Dependent Developing Countries*, Amsterdam, Common Fund for Commodities, 2007, pp. 41-51, quoted by L. Cotula, S. Vermeulen, R. Leonard and J. Keeley, *Land grab or development opportunity? Agricultural investment and international land deals in Africa*, London and Rome, FAO, IIED and IFAD, 2009, p. 54.
[43] Songela and Maclean, *Scoping Exercise (Situation Analysis) on the Biofuel Industry within and outside Tanzania*, p. 3.
[44] FAO, *The state of food and agriculture*, Rome, 2008, p. 55.

The European Union, the United States and other countries started adopting policies favouring the use of biofuels to enhance energy security, benefit from economic returns, promote rural development and reduce carbon emissions[45].

In 2003 under the Transport Biofuels Directive, the European Union established the goal of reaching a 5.75% share of renewable fuels in the transport sector by 2010[46] in order to reduce GHG emissions and diversify the energy market. In 2009 this share was subsequently raised by the Renewable Energy Directive to a minimum of 10% in every member state by 2020[47]. With the expectation that biofuels would have been central to meeting the targets set in these policies, European companies have responded with widespread investments in the production of biofuel feedstocks both inside and outside of Europe[48]. It is indeed estimated that 20–30 million hectares will be required for the European Union to reach its aim, with 60% of supplies imported[49].

Another country that has adopted policies that have led to a growing demand for biofuels is the United States. In July 2005 the Energy Policy Act was approved by the Congress, which imposed that the amount of biofuel mixed with petrol had to reach 7.5 billion gallons by 2012 and provided tax incentives for ethanol and biodiesel producers and retailers. In 2007 the Energy Independence and Security Act set an even more ambitious target: 15 billion gallons of ethanol by 2015[50].

Global demand for biofuels is thus on the rise and datasets indicate that biofuels investments have become one of the dominant driving forces in transnational land acquisitions. According to the International Land Coalition 44% of land deals in 2009 were for biofuel production. Nevertheless, a substantial regional variation can be observed; in particular, it is estimated that as many as 60-65% of the land acquired in Africa from foreign investors is destined for the cultivation of biofuels[51].

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[45] L. German, G.C. Schonevel and P. Pacheco, "Local social and environmental impacts of biofuels: global comparative assessment and implications for governance", *Ecology and Society* 16:4 (2011), p. 1.
[46] European Union, "Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the Promotion of the use of biofuels or other renewable fuels for transport", *Official Journal of the European Union*, art.3.1.b (ii).
[47] European Union, "Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives", *Official Journal of the European Union*, art.3.4.
[48] Cotula, "The international political economy of the global land rush", p. 669.
[49] Anseeuw *et al., "Land rights and the rush for land"*, p. 26.
[50] Roiatti, *Il nuovo colonialismo*, pp. 3-4.
[51] Cotula, *The great African land grab?,* p. 67.

This is a trend destined to intensify in the future as a result of some recent new policies. In December 2018, for example, a new renewable energy directive entered into force, raising the overall EU target for renewable energy sources consumption to 32% by 2030[52]. Although studies on the effects of this recent directive have not been conducted yet, it is plausible that it will accelerate even more the race to land.

1.3.3. Financial crisis

In the past, land was not a typical investment sector. On the contrary, it was considered risky because of weather variability that could have a devastating impact on production and threat of government seizure of foreign-owned property. The situation began to change thanks to some progress in titling practices and legal security of land rights, policies in favour of foreign investments and structural adjustment reforms introduced in the 1980s, which made the purchase of land in developing countries increasingly attractive in the eyes of foreign investors[53].

The meltdown of the international financial markets caused by the bursting of the subprime mortgage bubble in the United States and the following recession led investors to consider the traditional stock market volatile and risky and, as a consequence, many diverted their capital to alternative and safer assets. Farmland appeared a valid alternative investment also because it is an asset increasingly claimed for the growing demand for agricultural commodities and its value is expected to rise as a result of its scarcity. World population growth, the increasing demand for biofuels and other non-food agricultural commodities, potential returns from carbon sequestration and other environmental services are indeed exacerbating competition for land.

On the one hand, some agribusiness players traditionally involved in food processing and distribution started pursuing vertical integration strategies to enter direct production[54]. On the other hand, also some new players, such as banks, financial services firms and large-scale institutional investors, which on the contrary had no or barely any

[52] European Union, "Directive 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources", *Official Journal of the European Union*, art. 3.1.
[53] J. Clapp, "The Financialization of Food: Who is Being Fed?", Paper presented at the International Society for Ecological Economics Conference, Rio de Janeiro, 16-19 June 2012, p. 17.
[54] Cotula *et al., Land grab or development opportunity?,* p. 57.

experience in this field, have become significantly involved in acquiring rights to farmland[55].

1.3.4. Secondary drivers

Besides these main causes, it is possible to identify also some secondary drivers, having a minor impact but nonetheless contributing to exacerbating the pressure on land resources.

One of these is the development of carbon markets, which aim to reduce greenhouse gas emissions cost-effectively by setting limits on emissions to states, industries or sectors. In the event that a subject is unable to produce a quantity of gas equal to or less than the quota assigned, it must purchase the credits it lacks from other subjects who have behaved in a more virtuous manner and can thus sell their own surpluses, gaining economically and in reputation. Several carbon markets have emerged, encouraging international companies to acquire several hectares of forest areas or deforested lands for reforestation to obtain carbon credits[56].

In addition, the recent surge in industrialization and consumption patterns have fueled the demand for raw material such as timber[57], rubber and cotton[58]. When domestic production meets its natural limits, purchasing these commodities on the world market or outsourcing the production become necessary[59].

The expansion of the tourism sector is also fostering the scramble for land. International hotel chains such as Marriott, Four Seasons or Hilton are actively looking for high-value locations where to build large-scale tourist complexes, particularly in coastal areas[60]. Besides that, there is also a growing trend to buy large areas for ecotourism purposes[61].

Finally, many governments are freeing land for the creation of Special Economic Zones[62] and their infrastructure, especially in Asia. Although these are not large areas,

[55] Clapp, "The Financialization of Food", p. 2.
[56] Anseeuw *et al*., *Land rights and the rush for land*, p. 27.
[57] Ivi, p. 26.
[58] Cotula *et al.*, *Land grab or development opportunity?*, p. 56.
[59] *Ibidem.*
[60] A. Zoomer, "Globalization and the foreignisation of space: seven processes driving the current global land grab", *The Journal of Peasant Studies* 37:2 (2010), p. 438.
[61] Ivi, p. 436.
[62] Special Economic Zones are geographically delimited areas within which governments facilitate industrial activity through fiscal and regulatory incentives and infrastructure support.

they might be locations where land competition is already intense and this may have severe impacts on displaced local people[63].

1.4 Water grabbing

A phenomenon deeply intertwined with the land rush is the so-called water grabbing, which refers to situations where powerful actors manage to take control of or reallocate to their own benefit water resources at the expense of previous local users or ecosystems on which those users' livelihoods are based[64].

The extensive cultures that are established in large-scale production projects require irrigation systems that use an impressive amount of water to quench the crops. More specifically, it is estimated that between 450 and 700 litres of water are needed to produce one kilo of rice or soybean, while between 500 and 800 are needed to obtain one kilo of corn[65]. Yet the thirstiest crops are biofuels: to produce a litre of green fuels it takes approximately 2,500 litres of water, of which 820 come from irrigation[66]. Ensuring large volumes of water is thus crucial to guarantee secure and high yields.

Outsourcing agricultural production is a way of relieving pressure over depleted domestic freshwater reserves by transferring it to other countries. This strategy was pursued mainly by countries with a high water-scarcity index, such as the Gulf States, but also by other countries that have low or moderate freshwater stress but aim to safeguard their water resources from potential depletion[67].

African countries have attracted many of these investments because they have only minimally exploited their irrigation potential due to scarce water infrastructure and thus implementation margins of irrigated agriculture are wide[68]. Nearly all industrial agriculture operations in this continent are located in major river basins and occupy fertile and fragile wetlands or are situated in more arid areas where water can be draw from

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Source: UNCTAD, *World Investment Report 2019. Special Economic Zones*, New York, United Nations, 2019, p. 128.

[63] Zoomer, "Globalization and the foreignisation of space", p. 437.

[64] Transnational Institute, *The global water grab: A primer*, 2014, p. 3.

[65] www.fao.org/3/s2022e/s2022e02.htm [last accessed 20.03.2020].

[66] Roiatti, *Il nuovo colonialismo*, p. 17.

[67] W. Anseeuw, M. Boche, T. Breu, M. Giger, J. Lay, P. Messerli and K. Nolte, *Transnational Land Deals for Agriculture in the Global South. Analytical Report based on the Land Matrix Database*, Bern, Montpellier and Hamburg, CDE, CIRAD and GIGA, pp. 32-33.

[68] C. Smaller, H. Mann, *A Thirst for Distant Lands: Foreign investment in agricultural land and water*, Winnipeg, IISD, 2009, p. 5.

rivers or underwater reserves[69]. As today about a third of Africans lives in already water-scarce environments[70], this pressure on water resources has not only jeopardized the fragile river system of the region but also threatened the livelihoods of small local farmers, pastoralists and fisherfolk relying on these water resources. In addition, massive irrigation systems had adverse impacts on the local flora and fauna and generated problems of soil degradation, salinization and waterlogging[71].

The Nile basin, for instance, accommodates several large-scale agricultural projects, provoking environmental damages and social distress and exacerbating political tension over water control dispute[72]. In Ethiopia, where roughly 80-90% of the Nile's water originates, the government set no limit to water withdraw for irrigation and canals designed to supply water to large agribusinesses pose a threat to water availability for people living downstream[73]. For example, Egyptian agriculture depends solely on the Nile for irrigation and a reduction in the river flow gives cause for concerns[74]. Moreover, Ethiopia is building a colossal hydroelectric dam on its branch of the Nile that is likely to further reduce water flow to Egypt and fuel the political tension between these countries[75].

Increasing volume of water has been diverted for irrigation also from the Niger River. In Mali, large projects run by foreign investors can take up to 70% of the river's flow in the dry season, leading to a shortage of water that has been having a deep impact on the two million Malians living on the delta of the Niger River and the local flora and fauna[76].

These cases are only two examples of a phenomenon affecting various rivers and other freshwater sources in the African continent and around the world. In the future, competition over control of water resources is likely to become more pronounced due to the expansion of irrigated land. Projected increases in cropping intensities and increments in productivity are expected to enlarge the area equipped for irrigation by about 6% and

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[69] GRAIN, *Squeezing Africa Dry: Behind every land grab is a water grab*, p. 3.
[70] *Ibidem.*
[71] Ivi, p. 18.
[72] The Oakland Institute, *Understanding land investment deals in Africa: land grabs leave Africa thirsty*, 2011, p. 3.
[73] *Ibidem.*
[74] www.nytimes.com/2011/06/02/opinion/02Brown.html?_r=1&ref=contributors [last accessed 20.04.2020].
[75] www.bbc.com/news/world-africa-50328647 [last accessed 20.04.2020].
[76] www.nationalgeographic.com/news/2012/12/mali-wetlands-drained-foreign-agribusiness-water-grab [last accessed 20.04.2020].

water withdrawals for irrigation by 10% by 2050[77]. Besides that, climate change and rising temperatures will lead to greater evaporation and will make droughts and floods more frequent[78].

1.5 Ocean grabbing

An analogous phenomenon to land grabbing is taking place in seas and oceans. More specifically, ocean grabbing is defined as dispossession or appropriation of use, control or access to ocean space or resources from prior resource users, rights holders or inhabitants[79]. This can occur in various ways, namely through shady access agreements that damage small-scale fishers, unreported catches, incursions into protected waters, and the diversion of resources away from local populations[80].

The key driving forces underpinning this phenomenon are of an economic nature. The first is the recent emergence of a complex corporate seafood regime, in which production chains are reconfigured through vertical and horizontal integration strategies. As a result, the control over fish access, processing, and retailing activities is increasingly concentrated into the hands of a few powerful players. These elites hold such great power that through effective lobbying they are able to influence the decision-making process over the model of production, that is, which fish ought to be fished, by whom and how. This results in the exploitation of fish resources and the adoption of practices that are detrimental to small-scale fishing communities and marine ecosystems. Particularly active on this front are China, Russia, the European Union, the United States and Japan[81]. Another driver of ocean grabbing is the profit-driven privatization of seascapes to a whole variety of activities, such as private real estate developments on coastlines, ecotourism zones around marine hotspots or hydropower dams strung out along major river systems[82]. Finally, the third main driver of ocean grabbing is the financialization of

[77] FAO, *The state of the world's land and water resources for food and agriculture. Managing systems at risk*, Abingdon and New York, Earthscan, 2011, p. 54.
[78] Roiatti, *Il nuovo colonialismo*, p. 18.
[79] N.J. Bennett, H. Govan and T. Satterfield, "Ocean grabbing", *Marine Policy* 57:8 (2015), p. 62.
[80] Quotation by Oliver de Schutter in www.slowfood.com /slowfish/pagine/eng/news/news_detail--idn=96.lasso.html [last accessed 21.11.2020].
[81] www.expo2015.org/magazine/it/sostenibilita/ocean-grabbing.html [last accessed 21.11.2020].
[82] Transnational Institute, *The global ocean grab: A primer*, 2014, pp. 15-17.

natural resources, which, as exposed before, is also closely connected with land and water grabbing[83].

In addition to large-scale companies, which can exert influence on policies framework and economic agreements, a variety of other actors and organizations with differing motivations might be accused of ocean grabbing. Some governments, for example, have approved reforms and policies that enclosure marine resources for various reasons. The justifications for these measures are mainly the need to cope with resource mismanagement stemming from lack of private property rights, definition, mapping and quantification of marine resources and fish stock, establishments of Exclusive Economic Zones[84] and re-allocation of access and control over marine resources. Moreover, international environmental organizations are lobbying for marine protected areas to be established as a conservation strategy to deal with overfishing, pollution, and habitat changes. However, most of these areas are valuable fishing grounds for small-scale local fishers, which can no longer practice their livelihood activities. Furthermore, environmental organizations are sometimes supported by large-scale wealthy philanthropic foundations, which increases their power[85].

The negative impacts of these practices fall first of all on the marine environment and fish stocks, which, except from the cases in which protected areas are established, are depleted due to excessive industrial fishing. Furthermore, on marine resources depend the livelihood and food security of a significant proportion of the world's population. Costal communities are dispossessed of their fishing grounds and water bodies, and the associated coastal lands bordering these. People are also often excluded from trading and processing the catches because of the concentration of supply-chain activities into relatively few selected large-scale facilities that are increasingly oriented toward export markets[86].

[83] M. Fairbain, ""Like gold with yield": evolving intersections between farmland and finance", *The Journal of Peasant Studies* 41:5 (2014), pp. 780-781.
[84] The Exclusive Economic Zone is an area beyond and adjacent to the territorial sea, subject to the specific legal regime.
Source: https://www.un.org/Depts/los/convention_agreements/texts/unclos/part5.htm [last accessed 21.11.2020].
[85] Transnational Institute*, The global ocean grab,* pp. 26-27.
[86] Ivi, p. 35.

Unlike land grabbing, ocean grabbing can result in just exploitation, without bringing positive effects that can derive from capital injections and economic resources from abroad.

One of the countries most heavily affected by ocean grabbing is Senegal, where the system of fishing licenses is in the hands of organized crime and Chinese, Russian, Korean, Icelandic and Spanish fishing boats are literally emptying that part of the Atlantic. As a result, the catch of small Senegalese fishers dropped by 75% in 10 years[87].

1.6 Players involved

One of the characteristics of the current wave of land grabs is its global dimension and the variety of players involved. In this paragraph it will be presented first the main investors, considering both their geographical origin and their type. Subsequently, the main recipient countries will be analysed. Particular attention will be paid to the African continent as host region.

[87] www.expo2015.org/magazine/it/sostenibilita/ocean-grabbing.html [last accessed 21.11.2020].

1.6.1 Investors by geographical origin

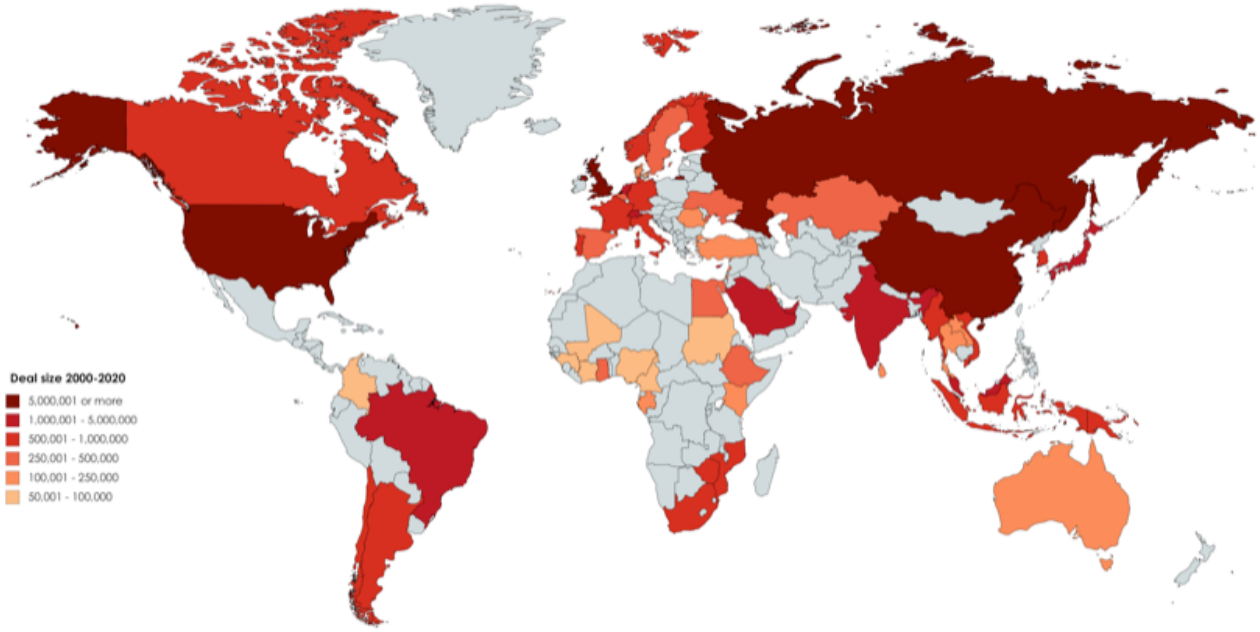

Fig.1.2 - Top investor countries by deal size in April 2020.
(Source: www.landmatrix.org)

Determining the origin of investors might not be always straightforward and the nationality of the acquirer does not fully represent the geography of the interests at stake. Whereas determining a unique geographical origin of investors might be unequivocal in the case of governments and small firms, it presents some difficulties and is often impossible to identify for multinationals due to their ownership structures. Another issue arises when dealing with projects in which multiple investors are engaged, as it happens in about 7.7% of the deals[88]. In addition, some countries act as strategic transit through which investments are channelled into target countries because they boast some peculiar characteristics, such as geographical proximity to the target region, favourable tax

[88] K. Nolte, W. Chamberlain and M. Giger, *International Land Deals for Agriculture. Fresh insights from the Land Matrix: Analytical Report II,* Bern, Montpellier and Hamburg, CDE, CIRAD, GIGA and University of Pretoria, 2016, p. 22.

regimes or a sizable number of bilateral investment treaties that can protect investors[89]. Finally, the implementation of large projects usually involves a range of players different form the investor, such as lenders, insurers, contractors and suppliers[90], which might be located elsewhere[91].

Having said that, as a general rule three types of investor countries can be identified: emerging countries, the Gulf States and countries from the Global North.

Within emerging countries, China is currently the leading acquirer worldwide with 207 deals covering an aggregate surface of almost 9 billion hectares[92]. The Chinese Republic possesses relatively scarce arable land and, as a consequence, food and energy security play a role of primary importance in the government's agenda. These has been achieved thanks to the considerable national financial resources, which have allowed Beijing to gradually outsource abroad part of the domestic production of food, biofuels and other raw materials. Land Matrix data show how China has become increasingly engaged in land acquisitions over the years: between 2000 and 2011 this country was only the ninth world investor for purchased hectares, then between 2012 and 2016 it reached the fifth position[93] and today it is the global biggest investor[94]. China has been widely depicted as a leading acquirer of land in Africa, but its involvement in African agriculture is often overstated. As a matter of fact, Africa is not among China's geographical priorities, and Chinese investors operating in this region are concentrating their efforts in sectors such as mining and infrastructure development, rather than in agriculture. In addition, the few Chinese agricultural investors in Africa are usually individual farmers engaged in relatively small-scale projects[95]. There is no evidence of a large land grab by Chinese investors in the African continent.

Other Asian countries rich in economic resources but lacking sufficient arable land within their national borders, namely Hong Kong, Singapore, Japan, South Korea, heavily

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[89] Cotula, "The international political economy of the global land rush", p. 659.
[90] *Ibidem.*
[91] Land Matrix considers the location of investors headquarters to determine their country of origin, yet it must be remembered that affiliates can be registered in other countries. In investments in which multiple players are engaged, the full size of the deal is attributed to the country of origin of each of the investors involved. For this reason, the number of deals and the area under contract are larger than the total of unique deals.
Source: Nolte *et al., International Land Deals for Agriculture*, p. 22.
[92] www.landmatrix.org [last accessed 30.04.2020].
[93] Nolte *et al.*, *International Land Deals for Agriculture*, p. 23.
[94] www.landmatrix.org [last accessed 30.04.2020].
[95] Cotula, *The great African land grab?*, p. 60.

rely on imports to feed their large population and meet their energy needs. Both Japan and South Korea, for example, get around 60% of their food from abroad[96] and policies on overseas farming is part of their food security agenda. This generally translates into support for national corporations, which have been acquiring lands overseas for farming[97]. The great majority of the investments originated from these countries are targeted to other Southeast Asian countries[98], showing a strong intra-regional trend, but some large deals have been signed also in Africa[99].

India has seen foreign acquisition as a solution to domestic production issues since its agriculture presents several major problems, mainly regarding production costs, declining soil fertility and depletion of water resources. Spurred by the global food crisis and by the desire to compete in the global market, many agribusiness companies and the government-owned State Trading Corporation started sourcing food production overseas. Specifically, it was considered to be cheaper to offshore the production of oilseeds, pulses and cotton and keep cultivating wheat and rice at home[100]. India results to be an important but largely under-reported investor acquirer of land in Africa, where it sealed 53 deals covering a total area of almost a million hectares[101].

South Africa also represents a very active player, promoting projects for food and biofuels production targeting mostly other African countries, with a preference for Mozambique[102].

At first glance also the other BRICS countries, namely Russia and Brazil, appear to be leading land acquirers. Yet, looking more closely it results clear that they are primarily a target of land deals and play only a marginal role as investors. Almost all investments in which Russia is involved are deals within domestic borders; that is, foreign companies control affiliates in Russia, and through them they invest in Russian farmland and purchase hectares for timber plantation. The same applies to Brazil, with the only difference that land purchased by and in this country is mainly allocated to food and biofuel crop cultivation and livestock farming[103].

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[96] GRAIN, *Seized!,* pp. 4-5.
[97] *Idem*, *The global farmland grab in 2016. How big, how bad?,* 2016, p. 6.
[98] www.landmatrix.org [last accessed 30.04.2020].
[99] Cotula, *The great African land grab?,* p. 63.
[100] GRAIN, *Seized!,* p. 5.
[101] www.landmatrix.org [last accessed 30.04.2020].
[102] *Ibidem.*
[103] www.landmatrix.org [last accessed 30.04.2020].

In general, investments from emerging economies are targeted towards other developing countries characterized by lower production costs, more abundant farmland and water resources and, in most of the cases, geographic proximity and climatic conditions for preferred staple crops. Food production remains the primary purpose of these land acquisitions, but biofuels and raw materials for the industry also plays an important role.

The Gulf States account as another group of major players in transnational land acquisitions, mainly out of government concerns about ensuring national food security. These are countries located in desert areas with depleting water reserves but thanks to their enormous amounts of oil and capital they can afford to import their needed food supply from other countries. However, the food crisis hit the Gulf States exceptionally hard, not only because of the rise in food prices on the world market but also because of the depreciation of the US dollar, to which almost all of their national currencies are pegged. The combination of these two events resulted in a significant loss in the purchasing power of the population of these states and greater financial expenditure on food costs: their food import bill ballooned from 8 billion US dollars in 2003 to 20 billion US dollar in 2008[104]. Considering that the majority of the population of the Gulf states is constituted by low-wage migrant workers, it is essential to provide food at affordable prices to avoid social unrest and ensure political stability[105]. Therefore, these countries banded together and formulated a collective strategy of outsourcing food production. Gain direct control of foreign farmland and food production resulted to be the best option, since it allowed them to rely less on the international trade and to exclude middlemen as much as possible, cutting their food import bills by 20–25%[106]. The Gulf States tend to target primarily locations having some historical[107], cultural and religious proximity[108], such as Sudan, Morocco and Egypt[109].

Finally, also the Global North, namely the European Union and the United States, are heavily implicated in transnational land deals. This group of investors has received much less media coverage in comparison with the other ones, likely because many EU-

[104] GRAIN, *Seized!*, p. 4.
[105] Cotula, *The great African land grab?*, p. 57
[106] GRAIN, *Seized!*, p. 9.
[107] Smaller and Mann, *A Thirst for Distant Lands*, p. 9.
[108] Anseeuw *et al.*, *Transnational Land Deals for Agriculture in the Global South*, p. 22.
[109] www.landmatrix.org [last accessed 30.04.2020].

based investors and companies have multiple foreign affiliates through which they operate and this makes it more complicated to trace investment roots. Despite that, companies registered in the European Union have signed numerous deals that, aggregated, cover vast amounts of land[110]. Among this group of investors, the United States stand out with an engagement in 227 agreements for a total surface of 6 billion hectares, followed by the UK, Switzerland and the Netherlands[111]. According to data operators from the Global North tend to negotiated land deals in Africa, in Eastern Europe and, to a lesser extent, in South America[112]; preferentially in countries with which they already have connections, such as former colonies[113]. Portugal, for example, has focused its transactions on Angola and Mozambique, whereas Spain has preferred concluding large deals in Mexico and Argentina[114]. Much of the investments made by Western countries are driven by biofuel policies and vertical integration strategies in the agribusiness sector[115], but also financial speculation plays a prominent role in the land rush[116].

Generally speaking, investor countries have on average a GDP per capita 4 times higher than target countries and tend to be net food importers. On the contrary, target countries may be either net food importers or exporters. Recipient countries that are net exporters are the BRICS countries, which have a relatively well-developed food production system, while less developed countries still depend on food imports[117].

Land acquirers show a growing preference for investing in their own region, which might be linked to regional trade agreements, geopolitical considerations[118], cultural affinity and the reduction of transport and transaction costs[119]. This trend results particularly strong in the case of South American investors, who remain within their own

[110] S.M. Borras, P. Seufert, S. Backes, D. Fyfe, R. Herre, L. Michele and E. Mills, *Land Grabbing and Human Rights: The Involvement of European Corporate and Financial Entities in Land Grabbing Outside the EU*, Belgium, European Parliament, 2016, p. 14.
[111] www.landmatrix.org [last accessed 30.04.2020].
[112] *Ibidem.*
[113] Arezki *et al.*, *What drives the global land rush?,* p. 10.
[114] www.landmatrix.org [last accessed 30.04.2020].
[115] J. Holden and M. Pagel, *Transnational land acquisitions: What are the drivers, levels, and destinations, of recent transnational land acquisitions?*, Nathan Associates LTD, 2013 p. 6.
[116] Transnational Institute, *The global land grab: A primer*, 2013, p. 17.
[117] Anseeuw *et al.*, *Transnational Land Deals for Agriculture in the Global South*, pp. 22-23.
[118] Anseeuw *et. al., Land rights and the rush for land*, p. 22.
[119] Anseeuw *et al.*, *Transnational Land Deals for Agriculture in the Global South*, p. 22.

region in 85% of the deals they are involved in, but it is clear also for Southeast Asian[120] and Eastern European players[121]. This intra-regional trend does not apply to Africa, where investors remain within their own region only in 45% of the deals[122].

1.6.2 Investors by type

Heterogeneous is not only the geographical origin of the investors but also the type of investors. In this regard, various categories of players involved in the rush for land can be distinguished: private companies, stock exchange-listed companies, investment funds, public or state-owned companies and individual entrepreneurs.

The distribution of investor types varies according to the geographic regions of origin. Investors from the North and South America and Europe are almost exclusively private companies, whereas public or state-owned operators are particularly active in the Gulf States, China and South Korea[123].

The leading investor type is represented by private companies, which are privately held by one or more owners of private equity and can vary greatly in size and scope, ranging from relatively small player engaged in a single small project to large companies that control areas of considerable size. They include banks, private equity funds, hedge funds and pension funds[124]. The second largest investor in large-scale land acquisitions are stock exchange-listed companies, which tend to engage in multiple land deals focusing on a single geographic region[125]. At first sight investment funds and state-owned entities may appear engaged in a smaller number of transnational land acquisitions. Yet, their involvement reaches further through indirect engagement since they are often part of highly complex investor chains and provide financial support to stock exchange-listed companies as their shareholders[126]. Moreover, government policies can stimulate and

[120] Nolte *et al.*, *International Land Deals for Agriculture*, p. 23.
[121] www.landmatrix.org [last accessed 30.04.2020].
[122] Nolte *et al.*, *International Land Deals for Agriculture*, p. 23.
[123] C. Schaffnit-Chatterjee, *Foreign investment in farmland. No low-hanging fruit*, DB Research Management, 2012, pp. 6-7.
[124] W. Sindayigaya, *Foreign investments in agriculture - Land Grabbing*, GLS Treuhand -Zukunftsstiftung Entwicklungshilfe, 2011, p. 8.
[125] Nolte *et al.*, *International Land Deals for Agriculture*, p. 29.
[126] Ivi, p. VII.

support investments in foreign land acquisition[127]. Individual entrepreneurs are comparatively the least important type of investors[128].

As in the case of the geographic origin of the investors, it should be noted that also in the case of the investors type it is not always straightforward to identify to which category the players belong. First of all, land deals, project implementation and operation of activities often involve complex investment chains characterized by multi-layered shareholding and financial assistance. Composite investment chains are preferred as they may allow to benefit from preferential tax laws and protection through investment treaties[129] and partnership with a domestic company can be required by law in some countries[130]. Behind large-scale agricultural projects can stand also banks providing financial support and companies buying the products being grown or processed, all actors necessary to the project success[131]. In most of the cases these structures show little transparency and, as a consequence, their components are difficult to trace. Furthermore, boundaries between public and private investors may be fuzzy, as the implementation of deals signed between governments can be driven by private operators and governments can provide diplomatic, financial and other support to private enterprises[132]. Lastly, in a significant number of deals information about the acquirer is insufficient[133].

[127] *Ibidem.*
[128] Ivi, p. 27.
[129] L. Cotula and E. Blackmore, *Understanding agricultural investment chains: Lessons to improve governance*, Rome and London, FAO and IIED, 2014, p. 29.
[130] Anseeuw *et al.*, *Transnational Land Deals for Agriculture in the Global South*, p. 25.
[131] E. Blackmore, N. Bugalski and D. Pred, *Following the money - An advocate's guide to securing accountability in agricultural investments,* London and Asheville, IIED and IDI, 2015, p. 2.
[132] B. White, S. M. Borras, R. Hall, I, Scoones and W. Wolford, "The New Enclosures: Critical Perspectives on Corporate Land Deals"*, The Journal of Peasant Studies* 39:3-4 (2012), p. 42.
[133] Nolte *et al.*, *International Land Deals for Agriculture,* p. 27.

1.6.3 Targets

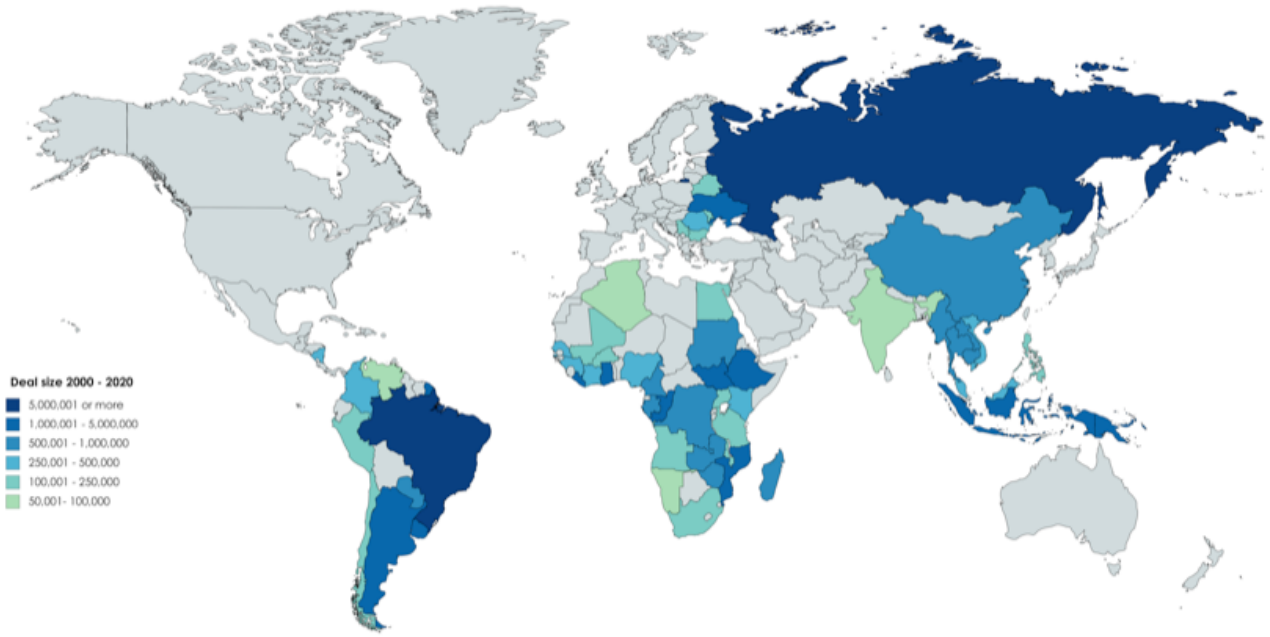

Fig. 1.3 - Top target countries by deal size in April 2020.
(Source: www.landmatrix.org)

Also regarding recipient countries, it is possible to identify regions particularly affected by large-scale land acquisitions, that is, the former Soviet Eurasia, Africa, Latin America and Southeast Asia.

Russia and Ukraine appear to be by far the top recipient countries, the former in terms of cumulative size and the latter in terms of number of projects[134]. The main reason for investors to acquire farmland in these countries is food crop production, particularly cereal, made possible thanks to fertile soil and a favourable land tenure structure[135]. Other former socialist countries in Eastern Europe have been attracting a discrete number of

[134] www.landmatrix.org [last accessed 30.04.2020]
[135] Cochet H. and M. Merlet, "Land grabbing and share of the value added in agricultural processes. A new look at the distribution of land revenues", Paper presented at the International Academic Conference "Global Land Grabbing", Brighton, 6-8 April 2011, p. 4.

investments, but nevertheless the scale of the phenomenon in this area of the world is often underrepresented by many media reports. In Russia alone, almost 20 million hectares were purchased, approximately the same extent that was acquired throughout the entire African continent[136] but the attention and resonance that Russia received was not even remotely comparable with the one reserved to Africa.

By contrast, some media reports may have overemphasized the role of Africa as a target region in comparison with the other continents[137], even if it is undeniable that it is an area attracting many investments. Specifically, land acquisitions are concentrated along major rivers and in Eastern Africa, although plots of land have been purchased by foreign investors to varying amounts and for various production purposes in almost all African states[138]. This high level of interest in acquiring land in Africa appears to be driven by its relative abundance of cheap and suitable for cultivation land[139] and its increasingly liberalized trade and investment regime[140].

Moving to Latin America, Brazil and Argentina stand out both for the number of deals and for the surface area affected by these agreements[141]. Both countries already have developed agricultural-food value chains and domestic actors run large-scale farms, which facilitates the establishment of foreign investors with similar production models[142]. Land in Latin American countries is generally used to establish plantations of food crops and to raise livestock, although also cultivations of crops for biofuel production are widespread[143].

Finally, Southeast Asia also records large acquisitions, especially in Papua New Guinea, Indonesia, Myanmar and Cambodia[144].

Target countries tend to have weak land tenure systems that investors can exploit to their advantage so as to have easy and cheap access to land[145]. In most countries in Sub-Saharan Africa, for example, very few rural people hold ownership rights, while

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[136] www.landmatrix.org [last accessed 30.04.2020].
[137] Cotula, "The international political economy of the global land rush", p. 652.
[138] www.landmatrix.org [last accessed 30.04.2020].
[139] G. Fischer, E. Hizsnyik, M. Shah and H. Velthuizen, *Biofuels and food security: implications of an accelerated biofuels production. Summary of the OFID prepared by the IIAS*, OFID, Vienna, 2009, p. 34.
[140] UNCTAD, *World Investment Report 2009*, New York, 2009, p. 48.
[141] www.landmatrix.org [last accessed 30.04.2020].
[142] Anseeuw *et al.*, *Transnational Land Deals for Agriculture in the Global South*, p. 10.
[143] www.landmatrix.org [last accessed 30.04.2020].
[144] *Ibidem.*
[145] Arezki *et al.*, *What drives the global land rush?,* p. 3.

much land is owned or controlled by the state and the local population usually access it and its resources through customary rights[146]. The extent to which these customary rights enjoy legal recognition and protection under national law varies from country to country and depending on resource use[147]. Generally, however, legal protection of resources held under customary tenure is limited and it makes local people vulnerable to dispossession as governments sell or lease land[148].

Besides weak land tenure systems, many agreements have been stipulated in a context of corruption and poor transparency. Often decision-making and negotiations happen behind closed doors, undermining public scrutiny and creating a breeding ground for corruption[149]. It has been estimated that 15% of people entering into land administration services have paid bribes[150].

Although in some countries there have been some steps forward in legal recognition and protection of local farmers' rights[151], governments of many target countries seem to be more interested in adopting incentives to attract foreign investors rather than safeguarding rural people. In developing countries, foreign investments are usually welcomed as an opportunity to overcome decades of under-investment in the sector, create employment, and have access to technological innovations. Measures to attract investors include the introduction of tax breaks and other incentives for foreign investment, reforms in land laws to facilitate access to land[152] and creation of promotion agencies or offices which offer support in the identification of land suitable for investments, facilitate concession processes, provide technical assistance and advisory services to investors[153]. In addition, large-scale acquisitions have been fostered by recent developments of international law and treaties which have strengthened the legal protection of actors involved in land purchases[154].

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[146] Anseeuw *et al*., *Transnational Land Deals for Agriculture in the Global South*, p. 37.
[147] Cotula, "The international political economy of the global land rush", p. 670.
[148] Anseeuw *et al*., *Land rights and the rush for land*, p. 3.
[149] Oxfam, *Land and Power: The growing scandal surrounding the new wave of investments in land*, 2011, p. 25.
[150] J. Riaño, R. Hodess and A. Evans, *Global Corruption Barometer*, Berlin, Transparency International, 2009, p. 9.
[151] L. German, G. Schoneveld and E. Mwangi*, Contemporary processes of large-scale land acquisition by investors: case studies from sub-Saharan Africa*, Bogor, CIFOR, 2011, p. 3.
[152] Cotula, "The international political economy of the global land rush", p. 669.
[153] Anseeuw *et al*., *Land rights and the rush for land*, p. 53.
[154] *Ibidem.*

1.7 Impacts of land allocations

As many projects need years to achieve implementation and the consequences of the deals concluded years ago are only now starting to be felt, it is still too early to assess the full implications of the global land rush. However, case studies conducted to date have shown that large-scale land allocations can have several and deep impacts on target countries, affected rural communities and the environment. In this paragraph, effects caused by land allocations will be described in a broad outline, as impacts largely depend upon the institutional, socio-economic and ecological context in which the single project is inserted.

1.7.1 Socio-economic impacts

Investors and actors promoting investments describe the areas being targeted as 'empty', 'marginal' or 'idle' to justify allocations to investors, yet this is a misleading portrayal of reality. Case studies indicate that these terms often reflect an assessment of the productivity, rather than the existence, of resource uses. This means that they are applied to areas that are perceived as unproductive but could actually present low-productivity uses that may still play a crucial role in the livelihoods and food security of local people[155]. For example, shifting cultivation and grazing are widespread in Africa but have usually gone unacknowledged by officials in charge of leasing out land[156]. In addition, despite the rhetoric of targeting marginal lands, acquirers are obviously more interested in the best lands in terms of yield potential, infrastructure development or proximity to markets[157].

As mentioned above, in developing countries most of the domestic land is owned by the state and rural people have access to it through weak customary rights. The governments of recipient countries are convinced that the flow of capital from abroad will bring them several benefits, and for this reason they prefer to grant domestic land extensions to foreign investors, ignoring traditional land-use rights of the local population[158].

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[155] Cotula *et al.*, *Land grab or development opportunity?,* p. 62.
[156] *Ibidem.*
[157] Cotula, *The great African land grab?,* p. 47.
[158] See p. 32.

In almost half of the cases, communities affected by land acquisitions are not even consulted. Even when community members are involved during the decision-making process, the consultation process is usually described as 'limited'. In these cases, for example, local populations are unable to understand what the project will entail or are put under pressure from authorities. According to reports, in only 14% of cases of Free, Prior and Informed Consent has been conducted[159]. As such, the vast majority of deals constitute land grabs.

The most immediate impact associated with land allocations is the displacement of rural people to make the area available to investors. Information on the numbers of people affected is scarce: in the Land Matrix database just 89 projects report information on this issue, showing that in most cases a single deal can lead to the displacement of thousands of people[160]. On the whole, there are reasons to believe that publicly available information about the aggregate scale of the impact is underestimated. Indeed, it is very likely that some dispossessions may have not been documented. Moreover, national laws may not recognize that the land belongs to the villagers in the first place and, as a result, many people may lose their land without being formally expropriated[161]. In other cases, villagers may not be physically displaced, but their access to land and local resources can be dramatically squeezed. For instance, pastoralists may not lose their grazing grounds but agribusiness projects may block livestock corridors of crucial importance for herds to access water and dry-season grazing[162].

The legal obligation for investors or local governments to compensate individuals, families, and communities who have lost access to their land is required only by some national laws and land tenure systems. Most of the times no compensation is paid since the customary ownership of land occupants is not legally recognized. Even when promises of compensation materialized, in only about one-third of cases[163], it is rarely adequate to restore local livelihoods[164].

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[159] Nolte *et al.*, *International Land Deals for Agriculture*, p. 40.
[160] Ivi, p. 42.
[161] L. Cotula, *Addressing the human rights impacts of 'land grabbing'*, Belgium, European Parliament, 2014, p. 16.
[162] *Ibidem*.
[163] Nolte *et al.*, *International Land Deals for Agriculture*, p. 42.
[164] Cotula *et al.*, *Land grab or development opportunity?,* p. 92.

Loss of access to land has been having adverse and severe impacts on local people, who are usually highly dependent on the land for their own food security. Most of the land area acquired is located in countries with an above-average prevalence of hunger[165] so for rural people the opportunity to cultivate their own plot of land, even of small size, is of paramount importance for their livelihood. Unfortunately, this consideration is often disregarded, as demonstrated by the fact that about 58% of the land allocated to outside investors was already being used for crop production[166]. Often agricultural products are also a source of income and allow families to complement their diets and to satisfy other basic needs[167]. Negative repercussions on food availability are perceived not only locally but also on a national level. As acquired land is mainly used for the production of non-food commodities or food destined for export markets, the domestic market of the host country may be negatively affected and the population may need to purchase food from the world market to feed themselves[168].

In addition to being a livelihood asset, land may also have an important spiritual value, as in many societies it is deeply attached to social and cultural practices, beliefs and rituals. These cultural meanings and values are often completely overlooked in the processes of land allocation and no payment can fully compensate people for the loss suffered[169].

More indirect impacts may also be significant, though these are often more difficult to measure. One of the indirect effects is the increase in social inequalities since negative impacts are likely to hit hardest those who are already socially and economically the most disempowered categories. For example, case studies have shown the tendency for women to suffer disproportionately from land grabs. In reality, rural women play a crucial role in agricultural systems around the world: they produce 60-80% of the food in most developing countries and are the main producers of staple crops, such as rice, wheat and maize, that provide 90% of food consumed by the rural poor[170]. Moreover, secure access and control over land can give female farmers the opportunity to have an income

[165] Nolte *et al.*, *International Land Deals for Agriculture*, p. 19.
[166] Ivi, p. 36.
[167] Cotula, *Addressing the human rights impacts of 'land grabbing'*, p. 36.
[168] GRAIN*, Seized!,* p. 10.
[169] J. Oram, *The Great Land Heist. How the world is paving the way for corporate land grabs*, Johannesburg, Action Aid, 2014, pp. 32-33.
[170] IFAD, FAO and World Bank, *Gender in agriculture. Sourcebook*, Washington DC, International Bank for Reconstruction and Development and World Bank, 2009, p. 522.

and socially empower themselves. Securing land tenure for rural women is thus fundamental to fight poverty and inequality, yet they have to face systematic discrimination in relation to the recognition of their land rights, in public discourse and in decision-making processes[171]. Consequently, it is easier for women farmers to be deprived of their land, which translates into a series of consequences such as the loss of their economic independence, the possibility of paying an education for their children, the increase in prostitution and their exposure to HIV[172]. Analysing the consequences of the land disposition against rural women clearly shows that the race to land can have a myriad of indirect effects, difficult to identify but heavily impacting.

On the other hand, land acquisitions potentially offer significant opportunities to host countries and local communities, such as through the creation of employment and the consequent increase in employees' incomes and welfare in a rural region. According to data available the majority of the projects have created more than 1,000 jobs, with 28% of the projects reporting even more than 5,000 positions created[173]. The number of jobs can therefore be substantial, even if they are generally fewer than expected[174]. Although on the one hand new jobs are created, on the other many smallholder farmers are crowded out, then sometimes it is difficult to differentiate between additional employment creation and job replacement. Contract farming[175] schemes are one option to include local smallholders. This production model, however, can only partially mitigate crowding out as it is applied on only about two out of every 10 hectares of land affected[176]. Overall, evidence points to a net employment loss, which is estimated to range between 28% and 75% in the proximity of the investment site[177].

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[171] Oram, *The Great Land Heist*, p. 29.
[172] Action Aid, *Il miglio rosa. Diritti delle donne e accesso alla terra. Quel tratto di strada che manca per sconfiggere la fame*, 2010, p. 10.
[173] Nolte *et al.*, *International Land Deals for Agriculture*, p. 47.
[174] Anseeuw *et al., Land rights and the rush for land*, p. 5.
[175] Contract farming, also called outgrower schemes, can be defined as agricultural production carried out according to an agreement between a buyer and farmers, which establishes conditions for the production and marketing of a farm products. Typically, the farmer agrees to provide agreed quantities of a specific agricultural product. These should meet the quality standards of the purchaser and be supplied at the time determined. In turn, the buyer commits to purchase the product and, in some cases, to support production through, for example, the supply of farm inputs, land preparation and the provision of technical advice. Often contract farming merely entails the contracting of existing farmers, creating no addition employment. Source: C. Pultrone, C.A. da Silva and C. B. Caro, *Legal fundamentals for the design of contract farming agreements*, FAO, 2017, p. 1.
[176] Nolte *et al.*, *International Land Deals for Agriculture*, p. 47.
[177] *Ibidem.*

Numerous concerns have been raised also about the working conditions, as these jobs are often low-paid and insecure[178]. Furthermore, many jobs are generated only during the start-up phase for farm construction and infrastructure development, yet once the project is on operation fewer labourers could be required. For instance, jatropha cultivation can create many jobs because handpicking is a viable harvesting system[179], whereas for crops such as corn, wheat or soybeans, farming activities are largely performed with machinery[180].

Projects have further effects on the domestic economy. Large-scale farms are often located in proximity to smallholder farms and, as a consequence, it is likely that positive spillovers and technology and know-how transfers to local farmers materialize, especially in inclusive business models[181]. For example, communities can have access to productive infrastructure and learn new and more efficient agricultural techniques[182].

Land sales and rental fees can also increase public revenues. As governments in recipient countries prioritized foreign investments land cost is very low or not charged, and numerous exemptions and benefits further reduce tax revenues. Yet, these incentives may bring more investments and aggregate amounts of revenues can still be non-negligible relative to the local economy. In some countries, arrangements also channel part of these payments back to affected communities and local authorities to promote development in the area[183].

Nevertheless, the most substantial benefit brought by large-scale projects is infrastructures. Besides the infrastructure development carried out during the establishment of the project, some companies deliberately invest in other infrastructures, usually as compensation or as a Corporate Social Responsibility initiative. They are mainly investments in human capital, through the construction of schools and health facilities, but also in roads, irrigation systems, storage facilities and other productive

[178] Cotula, *Addressing the human rights impacts of 'land grabbing'*, p. 37.
[179] *Idem*, *The great African land grab?,* p. 139.
[180] Nolte *et al.*, *International Land Deals for Agriculture*, p. 47.
[181] P. Arias, M. Arnal, G. Gondolini, D. Hallam, M. Iafrate, J. Karlsson, S. Koroma, P. Liu, D. Piergentili, and M. Rakotoarisoa, *Trends and Impact of Foreign Investment in Developing Country Agriculture: Evidence from case studies*, Rome, FAO, 2013, p. 326.
[182] Nolte *et al.*, *International Land Deals for Agriculture*, p. 48.
[183] Cotula, *The great African land grab?,* p. 133.

infrastructures. Some projects are reportedly associated also with capacity building and financial support through loans[184].

Even if both negative and positive outcomes have been highlighted, it should be noted that the distribution of the benefits does not necessarily favour the most adversely affected people and the negatives tend to outweigh the positives.

1.7.2 Environmental impacts

Large-scale, intensive, and industrialized agriculture employed by investors to have the maximum possible yield can entail severe environmental consequences. For example, one of the first actions undertaken in the early stages of implementation of a project is the clearance of forested and other non-farm habitats. According to data, 27% of international deals target land initially covered with forests[185] and their conversion into farmland is associated with significant environmental damage since forests play an important role in water management, conservation of biodiversity and mitigating global warming as a carbon sink. Besides that, forests provide one billion of the poorest people with food, medicinal products and cash income through the sale of the collected products, thus contributing to their food security and livelihood[186]. The cleaning of peatlands has also serious environmental consequences as peat locks up huge amounts of carbon and draining and burning it releases massive amounts of greenhouse gases[187], as well as endangering the entire local ecosystem.

Overexploitation of land through the massive use of chemical fertilizers and pesticides contaminates soil, water, air and reduces or even destroys biodiversity. Pollution can also affect rural people that depend on natural resources and impair the enjoyment of the human right to health[188]. Additionally, large-scale agricultural projects almost always establish monocultures, which can further jeopardize the local biodiversity, decrease resilience to diseases and the ability to adapt to local conditions and to climate changes[189].

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[184] Nolte *et al.*, *International Land Deals for Agriculture*, p. 46.
[185] Ivi, p. 36.
[186] Schaffnit-Chatterjee, *Foreign investment in farmland*, p. 13.
[187] Holden and Pagel, *Transnational land acquisitions*, p. 30.
[188] Cotula, *Addressing the human rights impacts of 'land grabbing'*, p. 20.
[189] Schaffnit-Chatterjee, *Foreign investment in farmland*, p. 15.

Finally, as already mentioned, the irrigation systems cause the degradation of the soil, the reduction of the flow of the rivers or, in more extreme cases, the drying up of water resources[190]. These outcomes need obviously to be put into perspective against possible negative environmental impacts of previous land-use systems, such as slash-and-burn systems of farming, but on the whole the effects of agricultural systems set up by investors are far more impacting on the environment.

[190] See pp. 18-20.

Second chapter. Contextualizing land deals in Tanzania.

2.1 Today's Tanzania

The United Republic of Tanzania is a large country located in the eastern part of Africa. It borders the Indian Ocean to the east, Uganda and Kenya to the north, Burundi, Rwanda and the Democratic Republic of Congo to the west, and Mozambique, Zambia and Malawi to the south. Its total land area is 945,087 sq.km, of which around 40% is classified as agricultural land[1]. However, only about 23% of all agricultural land is cultivated[2]. The human population was 58 million in 2019 with an annual growth rate of 3% and a life expectancy at birth of about 65 years[3]. The capital city is Dodoma, where the national assembly, the presidential office, some ministries and government offices are located. Another important centre is Dar es Salaam, the principal commercial city and location of most government institutions.

With the respect to its economic performance, Tanzania has been called 'Africa's sleeping giant' because of its relatively high and stable economic growth[4], yet it has remained a relatively poor country with a per capita income of just USD 1,080 in 2019, in the bottom 20% of the world's economies[5], and a ranking of only 159 out of 189 for its Human Development Index[6]. Tanzania has also been registering worrisome poverty levels, with almost half of the population living on less than USD 1.90 per day[7]. The economic growth is projected to remain positive but decelerate in 2020 due to the COVID-19 pandemic, even if definitive data are not yet available[8].

[1] M.Y. Mkonda and X. He, "Efficacy of Transforming Agriculture for Survival to Commercial Agriculture through '*Kilimo Kwanz*a' Initiative in Tanzania", *Natural Resources and Conservation* 4:4 (2016), pp. 44-45.
[2] MAFAP, *Review of food and agricultural policies in the United Republic of Tanzania 2005-2011*, Rome, FAO, 2013, p. 49.
[3] databank.worldbank.org [last accessed 30.09.2020].
[4] FAO, *Bioenergy and Food Security. The BEFS Analysis for Tanzania*, Rome, 2010, p. 25.
[5] databank.worldbank.org [last accessed 30.09.2020].
[6] hdr.undp.org [last accessed 30.09.2020].
[7] databank.worldbank.org [last accessed 30.09.2020].
[8] *Ibidem*.

Fig. 2.1 - Tanzania's physical map.
(Source: [www.freeworldmaps.net)](http://www.freeworldmaps.net)

The territory is mainly mountainous, with the average altitude of about 1,000 meters. Plains stretch along the coastal area, especially around the delta of the rivers flowing into the Indian Ocean. Proceeding towards the hinterland the altitude gradually rises and turns into a vast plateau surrounded by various mountain ranges, of which the highest are the Mount Kilimanjaro to the northeast and the Great Rift Valley to the southwest. To the north and south of the central plateau there are some smaller plains, but still at high altitude. The region is quite rich in water resources, with rivers springing from the plateau and then flowing eastwards to the ocean or westwards to the lakes. In Tanzania are located also the largest lake basins of the African Great Lakes region, of which the most important is Lake Victoria[9].

[9] L. Berry, *Tanzania in maps,* London, London University Press, 1971, pp. 24-26 and 32.

The climate is influenced by the location close to the equator, the impact of the Indian Ocean and the overall morphology of the region. The coastal area and the islands experience a tropical climate, while most of the country is subtropical except for the areas at higher altitudes[10]. Average temperatures range between 17°C and 27°C, changing dramatically depending on the location. The warmest period occurs between November and February (25°C - 31°C), whereas the coldest one spreads between May and August (15°C - 20°C) [11]. Mean annual rainfall also varies considerably according to season and geographical location. Two main rainfall patterns can be observed: northern and coastal areas experience a bimodal pattern with short rains from October to December and a longer period from March to May, while across the south and west it occurs a unimodal one with precipitations from December to April[12]. Tanzanian agriculture is mainly rain-fed and annual crop production takes place during the rainfall patterns[13]. For this reason, failures of rainfall, drought and floods have resulted in food shortages and an upsurge in food prices, making many households unable to meet their consumption needs[14].

2.2 National history

Tanzania lies in the cradle of humanity, that stretches from Ethiopia to South Africa, where ancestors of modern humans evolved at least 2 million years ago. The *homo sapiens sapiens* evolved in the same area about 200,000 years ago and began then to spread out of Africa about 70,000 years ago[15]. In the following millennia, the area was affected by several waves of migration and saw the settlement of various tribal communities[16], among which the most important and numerous was the Bantu one[17]. While the hinterland was constantly crossed by migratory flows, the coastal areas experienced a dense network of trade exchanges, in particular with Arabs and Persians[18].

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[10] Mkonda and He, "Efficacy of Transforming Agriculture for Survival to Commercial Agriculture through '*Kilimo Kwanz*a' Initiative in Tanzania", p. 46.
[11] *Ibidem*.
[12] C.E. Arce and J. Caballero, *"Tanzania. Agricultural Sector Risk Assessment"*, Washington, World Bank, 2015, p. 4.
[13] www.ifpri.org [last accessed 30.09.2020].
[14] Action Aid, *Implications of Biofuels Production on Food Security in Tanzania*, Dar es Salaam, 2009, p. 16.
[15] I.N. Kimambo, G.H. Maddox and S.S. Nyanto, *A New History of Tanzania*, Dar es Salaam, Mkuki na Nyota, 2017, p. 25.
[16] H. Jaffe, *Dal colonialismo al socialismo africano. La Tanzania*, Milano, Jaca Book, 1970, pp. 38-9.
[17] Kimambo *et al*., *A New History of Tanzania*, p. 31.
[18] Jaffe, *Dal colonialismo al socialismo africano*, p. 37.

This continuous contact between these communities gave birth between the 11th and 16th century to the Swahili culture, a mixture of Arab, Persian and Bantu elements which characterizes the Tanzanian society still today[19].

The first Europeans to set foot in Tanzania were Portuguese navigators guided by Vasco de Gama at the end of the 16th century. In order to consolidate their trade power, within a few decades the Portuguese gained control of much of the coast, where for two centuries they ran a thriving trade of slaves and ivory. At the beginning of the 18th century, however, the Portuguese were forced to withdraw and hand over control of these territories to the Arabs[20].

If the coast of Tanzania was known to Europeans since the time of Portuguese colonization, the hinterland of the country was explored only from the mid-19th century on. During their exploration expeditions, Europeans began to forge relationships with local authorities and to exert an ever-increasing influence over them. The British, thanks to their naval power and the treaties stipulated with sultans administering the region, established an indirect dominion over Zanzibar and in the coastal areas. They were unable to extend control to the hinterland, where instead the Germans concluded several deals with local authorities[21].

In 1884-85 at the Berlin Conference eastern Africa was divided into spheres of influence among various European powers; German rule over the mainland of today-Tanzania was sanctioned, while Great Britain took over Kenya and Uganda[21]. At first, the autochthonous communities tried to oppose the settlers and for some time they managed to stand up to the colonial powers, but they were eventually defeated. In Tanzania various indigenous groups rose against the Germans and only after 25 years of continuous wars did the European power manage to tame the resistance of local tribes[22].

After the First World War, Great Britain took over the administration of German East Africa, renamed Tanganyika, first as a League of Nations mandated territory and then as a United Nations trusteeship[23].

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[19] *Ibidem*.
[20] Ivi, p. 55.
[21] Ivi, p. 57.
[22] Ivi, pp. 57-66.
[23] Ivi, pp. 74 and 83.

Both the German and British administrations were harsh on local populations and often meant a regression from the social, economic, political and spiritual point of view[24]. European colonizers strongly weakened tribal societies, retaining only some organizational elements to more easily administer the territories under their control thanks to the help of local authorities[25].

In the aftermath of the Second World War, the idea of the right to self-determination began to spread and Great Britain decided to give independence to India and other colonies to reduce the costs of managing colonialism. This gave a shred of hope to the Tanzanians, who started their struggle for independence[26]. In an attempt to release social tensions, Africans were offered the opportunity to join future legislative councils. It was at this point that in 1954 the Tanganyika African National Union (TANU) was founded under the leadership of Julius Nyerere. The British sought in various ways to thwart the growing influence of the TANU by proposing an alternative party, the United Tanganyika Party, and limiting the right to vote of Africans. Nevertheless, these efforts were futile in the elections of 1958, 1959 and 1960, the TANU recorded increasingly marked victories. As a result, Britain eventually granted independence to Tanganyika in 1961[27].

A slightly different story needs to be told about Zanzibar, the island part of Tanzania. Unlike Tanganyika, which underwent different occupations, between 1890 and 1964 Zanzibar has always been under the British protectorate. At that time, the sultan was a puppet governor and the power was hold by the English consul in Zanzibar. In 1964 the oppressed workers and poor of Zanzibar rebelled against the British administration. To avoid the remembrance of the violent repression, diplomatic negotiations with the TANU were started, leading to the pact of union between Tanganyika and Zanzibar and the proclamation of the unified state of Tanzania some months later[28].

[24] Ivi, p. 82.
[25] Ivi, pp. 62 and 73-74.
[26] Ivi, 83.
[27] Ivi, pp. 88-93.
[28] Jaffe, *Dal colonialismo al socialismo africano*, pp. 23 and 115-126.

In 1963 the principle of the one-party was adopted and the TANU dominated the political and social life of Tanzania until 1985, when Nyerere stepped down as a President of Tanzania[29].

Nyerere immediately made his political line clear in the Arusha Declaration of 1967. This document stated that Tanzania was a 'socialist State' and announced that the main means of production would have been managed and controlled by the State[30]. In the following period, there was then substantial intervention in the domestic economy and Tanzania's banks, insurance companies, plantations and large sectors of manufacturing were taken into public ownership[31]. Paradoxically, socialist programmes are traditionally based on industrialization and the denial of the great importance that imperialism gave to the primary sector. The Arusha Declaration practically meant the opposite by affirming that it was agriculture the engine of Tanzania's future prosperity, resuming thus elements of colonial policies[32].

With Nyerere's departure in 1985, Tanzania has begun to move away from socialism[33]. In 1995 the single-party regime ended and multi-party elections took place, which were anyway won by the Chama Cha Mapinduzi (CCM), the heir party of the TANU. The current president John Magufuli, who took office in 2015, is also a member of the CCM[34].

2.3 Land laws

In the pre-colonial era, communal land ownership was widespread in Africa. As such, each community member had right to access and own a plot of land, which was allocated them by chiefs and tribe elders according to the area a person and his family could manage[35].

[29] M. Hood, *Tanzania after Nyerere*, London and New York, Pinter, 1988, p. X.
[30] Ivi, p. 101.
[31] Hood, *Tanzania after Nyerere*, p. 1.
[32] Jaffe, *Dal colonialismo al socialismo africano*, p. 102.
[33] Hood, *Tanzania after Nyerere*, p. 9.
[34] www.bbc.com/news/world-africa-14095868 [last accessed 30.09.2020].
[35] A. Nzioki, *Land Policies in Sub-Saharan Africa*, Nairobi, Centre for Land Economy and Rights of Women, 2006, p. 188.

Under the colonial rule, the first land tenure reforms were introduced and land ownership shifted to the hands of colonizers[36]. In 1895, the Germans issued an Imperial Decree which declared all land, occupied or not, Crown land controlled by the German Empire[37]. The only exception to this rule was in case individuals could prove their ownership through use and occupation or with documents[38]. In 1923, the British passed the Land Ordinance, which proclaimed land a public property under control of the colonial governor[39]. An amendment made in 1928 formally recognized customary rights to land[40], creating a dualistic system of land governance, whereby rights granted by the state were functionally superior to customary rights[41].

Under the leadership of Nyerere, socialistic and nationalistic policies facilitated an increased centralized control over land[42]. In that period, it was carried out also a villagisation program with the aim of gathering rural people into villages, even by compulsion[43]. While this initiative proved to be quite successful[44], vain was instead the attempt to create *ujamaa vijijini*, that is, villages in which communities work and farm cooperatively[45].

In the 1980s, the shift to liberalised economic policies facilitating private investments caused a boost in land purchases by domestic and foreign investors. This occurred in a context characterized by inefficient state bureaucracy and widespread confusion about land management, which fuelled rural discontent with the country's land tenure policy and administration[46]. In response to growing tensions, a 'Presidential Commission of Inquiry into Land Matters', also known as the 'Shivji Commission',

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[36] H. Mpogole and V. Kipene, "Controversy between land abundance and access in Tanzania", Paper Presented at the International Workshop on New Perspectives on Regional Integration in the Context of Land-People imbalances, Dar es Salaam, 19-31 May 2013, p. 3.
[37] Nzioki, *Land Policies in Sub-Saharan Africa*, p. 188.
[38] W. Olenasha, *Reforming Land Tenure in Tanzania: For Whose Benefit?,* Dar es Salaam, HAKIARDHI, 2005, p. 2.
[39] J. Pius and S.J. Kabote, "Land Governance and Conflict Management in Tanzania. Institutional Capacity and Policy-Legal Framework Challenges", *American Journal of Rural Development* 5:2 (2017), p. 1.
[40] E. Sulle and F. Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, London, IIED, 2009, p. 36.
[41] I.G. Shivji, *Not Yet Democracy. Reforming Land Tenure in Tanzania*, Dar es Salaam and London, IIED, HAKIARDHI and University of Dar es Salaam, 1998, quoted by Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania,* p. 36.
[42] Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, p. 37.
[43] Hood, *Tanzania after Nyerere*, pp. 8-9.
[44] Ivi, p. 9.
[45] Ivi, p. 10.
[46] Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, p. 37.

carried out extensive and nationwide consultations in preparation for land reforms and published its findings in 1994. A new National Land Policy in 1995 and new land legislation in 1999 (Land Act No. 4 of 1999 and Village Land Act No. 5) followed, which, however, ignored most of the recommendations made by the Shivji Commission[47].

The National Land Policy of 1995 recognizes Tanzanian farmland as an abundant and underutilised commodity, that can thus be leased, rented or used as collateral when securing loans[48]. In this view, agricultural investments were strongly promoted and land should be transferred from the hands of less productive smallholder farmers to more efficient producers[49].

The logic of the National Land Policy was then followed in 1999 by Land Act No. 4 and Village Land Act No. 5, which came both into force in May 2001[50] and regulate the existing land regime in Tanzania.

The Land Act sets the overall framework legislation within which land administration is conducted. It establishes three basic categories of land ('general', 'reserved' and 'village'), their corresponding institutions and procedures for their management.

The category of reserved land accounts for about 28% of the total land in Tanzania[51] and is administered by sectoral government agencies[52]. It includes all land that is set aside by legislation as national parks, game reserves, forest reserves, marine reserves and so forth[53].

Village land is defined as the land within the demarcated or agreed boundaries of any of Tanzania's 12,000[54] villages[55], which are in turn defined by local government legislations passed in the 1970s and early 1980s[56], or as any land which villagers have been using or occupying for the past 12 years[57]. The lands falling into this category

[47] The Oakland Institute, *Understanding land investment deals in Africa. Country report: Tanzania,* 2011, p. 10.
[48] Mpogole and Kipene, "Controversy between land abundance and access in Tanzania", p.1.
[49] *Ibidem.*
[50] The Oakland Institute, *Understanding land investment deals in Africa. Country report: Tanzania,* p. 10.
[51] German *et al*., "Contemporary processes of large-scale land acquisition by investors", p. 15.
[52] Ivi, p. 14.
[53] Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, p. 38.
[54] M. Bergius, *Large Scale Agro Investments for Biofuel Production in Tanzania. Impact on Rural Households*, University of Agder, 2012, p. 16.
[55] Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, p. 39.
[56] Ivi, p. 38.
[57] Ivi, p. 39.

compromises more than 70% of the national territory[58] and are administered at grass-root level by Village Councils, the villages' elected executive bodies. To ensure that the Village Council is accountable to the villagers, its decisions in land management have to be approved also by the Village Assembly, that is another organ composed by the entire adult population of the village[59]. Nevertheless, some restrictions limit the managerial power of the villagers. The District Council and the Commissioner for Lands, for example, still have powers over the administration of village land and can strongly influence or even veto some decisions of the Village Council[60].

Finally, under the Village Land Act general land is "all public land which is not reserved land or village land"[61]. The Land Act, however, states that general land is "all public land which is not reserved land or village land *and includes unoccupied or unused village land*"[62], an inconsistency which is significant in the context of transnational investments since it is only general land which can be leased out to foreign investors. General land covers approximately 2% of the national territory[63] and is administered by the central Government through the Commissioner of Lands[64].

The Village Land Act instead specifically deals with the management and governance of village land. It determines how different land rights are protected, how they can be recorded and with what effects, sets parameters for the adjudication of land and it establishes the dispute settlement mechanism for resolving land disputes[65]. For management purposes, the act divides village land into three further categories: communal village land, land for individual use and land for future use.

Communal village land is available for all villagers and people who have been permitted by the Village Assembly to use and occupy village land. These areas cannot be allocated to individual use and occupation and, as a consequence, cannot be made available to investors.

Land for individual use is instead set aside and reserved for individual, family or group use. In this context, the term 'group' refers to a number of individuals who have

[58] German *et al.,* "Contemporary processes of large- scale land acquisition by investors", p. 15.
[59] The Oakland Institute, *Understanding land investment deals in Africa,* p. 10.
[60] Tanzania Natural Resource Forum, *What do you need to know about land rights?,* IIED, 2014, p. 2.
[61] United Republic of Tanzania, *The Village Land Act No.5 of 1999*, Dar es Salaam, s. 1(2).
[62] *Idem*, *The Land Act No.4 of 1999*, Dar es Salaam, 1999, s. 1(2).
[63] German *et al., Contemporary processes of large- scale land acquisition by investors*, p. 15
[64] Mpogole and Kipene, *Controversy between land abundance and access in Tanzania*, p. 6.
[65] Tanzania Natural Resource Forum, *What do you need to know about land rights?,* p. 2.

traditionally been using land together, such as pastoralists. Unlike communal village land, land for individual use can be allocated to outsiders by special arrangements.

Finally, land for future use includes territories that have not yet been allocated for use by villagers (individually or collectively), but that are reserved for future use when the need arises. These lands cannot be made available to villagers for present time use, but can be leased to investors for a designated period and are the category of village land most likely to be allocated to outsiders[66].

All land in Tanzania is public land and vested in the President as a trustee on behalf of all citizens, who can access land through customary rights[67]. Although customary rights are granted the same legal status accorded to other land rights, they often enjoy weaker protection than titled property[68] and it is thus better to document them by some form of title so that it is then easier to prove them in case they are contested.

Tanzanian law allows registration and issue of employment titles to formalize land rights to individuals and groups: the Granted Right of Occupancy and the Certificate of Customary Right of Occupancy.

The Granted Right of Occupancy refers to general land, often in urban areas[69], and must always be accompanied by a clear term of occupancy[70].

The Certificate of Customary Right of Occupancy (CCRO), which is much more widespread, concerns village land[71] and can be definite or indefinite in terms of the time of occupancy[72]. This title is released to individuals by village authorities once the government has demarcated the village boundaries and issued the Certificate of Village Land. Typically, CCROs have been issued to individuals in Tanzania, but since 2011 they have been extended also to different categories of 'groups' recognized by law. Specifically, those who are eligible for CCROs titles are registered groups (e.g. a formalized trust, society or community-based organization), traditional institutions (e.g. Maasai, traditional elders, 'Ilaigwanak') and some extraordinary 'customary' groups (e.g.

[66] Ivi, pp. 2-3.
[67] United Republic of Tanzania, *The Land Act No.4 of 1999*, s. 3(4).
[68] Cotula, *The great African land grab?*, pp. 90-91.
[69] www.ujamaa-crt.org [last accessed 30.09.2020].
[70] Tanzania Natural Resource Forum, *What do you need to know about land rights?,* p. 3.
[71] www.ujamaa-crt.org [last accessed 30.09.2020].
[72] Tanzania Natural Resource Forum, *What do you need to know about land rights?,* p 3.

hunter-gatherers)[73]. CCROs represent for these individuals a valuable tool to formalize and strengthen their rights, especially for the social categories most vulnerable to land grabs and competing commercial interests.

2.4 Initiatives to promote land investments

The Tanzanian economy depends heavily on agriculture, which accounts for 29% of the GDP, employs over 65% of the labour force, provides 30% of the total export and 65% of the raw materials consumed by domestic industries[74]. Moreover, it represents the primary source of livelihood for 80% of the population[75] and provides more than 95% of the food consumed in the country[76].

Despite its role of primary importance in the life of Tanzanians and the domestic economy, the agricultural sector has persistently registered a lower growth rate compared to other sectors and productivity remains low[77]. Agriculture is dominated by small-scale farmers who cultivate plots of average size between 0.9 and 3 hectares and still adopt backwards farming techniques[78]. The Tanzanian Government is convinced that shifting towards agribusiness production and welcoming private investments are the best strategy to boost agricultural productivity, which would translate into sustained economic growth, poverty reduction and food security in the country. In order to reach these goals, various initiatives have been promoted, among which the most important are Kilimo Kwanza and SAGCOT.

2.4.1 Kilimo Kwanza

During the 1960s and 1990s, several attempts were made to implement the agricultural sector, but they all resulted unsuccessful also because they were highly centralized and with little involvement of the local population and the private sector[79]. Consequently, an alternative approach was sought and in 2009 the President Jakaya M.

[73] www.ujamaa-crt.org [last accessed 30.09.2020].
[74] databank.worldbank.org [last accessed 30.09.2020].
[75] Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, p. 35.
[76] D.K. Mutalemwa, "India: An Ideal Partner in Tanzanian agriculture?", *Journal of Language, Technology & Entrepreneurship in Africa* 4:1(2013), p. 68.
[77] databank.worldbank.org [last accessed 30.09.2020].
[78] ActionAid, *Implications of Biofuels Production on Food Security in Tanzania*, Dar es Salaam, 2009, p. 14.
[79] Mkonda and He, "Efficacy of Transforming Agriculture for Survival to Commercial Agriculture through '*Kilimo Kwanz*a' Initiative in Tanzania", p. 43.

Kikwete launched the initiative Kilimo Kwanza ('Agriculture First')[80]. The main feature that differentiates this action from past ones is precisely that it specifically aims to mobilize also the private sector by creating incentives for investments.

The major goal of Kilimo Kwanza is to spur the growth of the agricultural sector and transform agriculture into a modern and commercial industry to increase food security and alleviate poverty. To this end, ten pillars which aim to curb the challenges facing Tanzanian agriculture have been defined. The first step to success would be to raise awareness and acceptance towards the adoption of the initiative by the population. Particular attention is paid to farmers, among whom awareness of the potential benefits from the initiative should raise. Of paramount importance is then the promotion and the establishment of different financial institutions to provide financial loans to farmers through the Tanzania Agricultural Development Bank and other entities. To allow smallholders to access forms of credit, it is necessary to formalize land rights, so that farmers can use their land as collateral when seeking loans to financial institutions. In an attempt to raise capital in the agricultural sector, incentive policies and regulations are also reviewed to attract local and foreign investors. Agriculture can become more effective by building and implementing infrastructures, such as roads, irrigation systems and storage facilities, and by adopting advanced technology. Crop yield are expected to increase also thanks to the evaluation of production priorities, that allows to identify which crops should farms produce. Industrialization of agricultural products would be another benchmark of commercial agriculture since it adds economic values to goods compared to raw materials. However, this action has not been possible because the reversals in agricultural processing industries are still limited and not very productive. Finally, good governance, coordination and evaluation of the milestones are also essential for these actions to be effective[81].

Despite all these efforts and instruments, the contribution of Kilimo Kwanza to the Tanzanian agriculture resulted to be lower than estimated. Crop yields have increased in many areas, but in other regions agriculture remains backwards and the rural population

[80] R. Kaarhus, R. Haug, J.P. Hella and J.R. Makindara, *Agro-investment in Africa. Impact on land and livelihoods in Mozambique and Tanzania*, Aas, Department of International Environment and Development Studies, Noragric and Norwegian University of Life Sciences, 2010, p. 31.
[81] Mkonda and He, "Efficacy of Transforming Agriculture for Survival to Commercial Agriculture through '*Kilimo Kwanz*a' Initiative in Tanzania", pp. 47-48.

is still experiencing regular food shortages. This happens because problems intended to be solved through Kilimo Kwanza still exist and, at the same time, others are coming as new challenges[82].

For the initiative to give the needed results some studies recommend the establishment of a strong economic base, which would facilitate the achievement of the intended goals, accompanied by good monitoring of the available resources and good governance. These are the fundamental actions to be taken to spearhead the growth of the agricultural sector in Tanzania[83].

2.4.2 SAGCOT

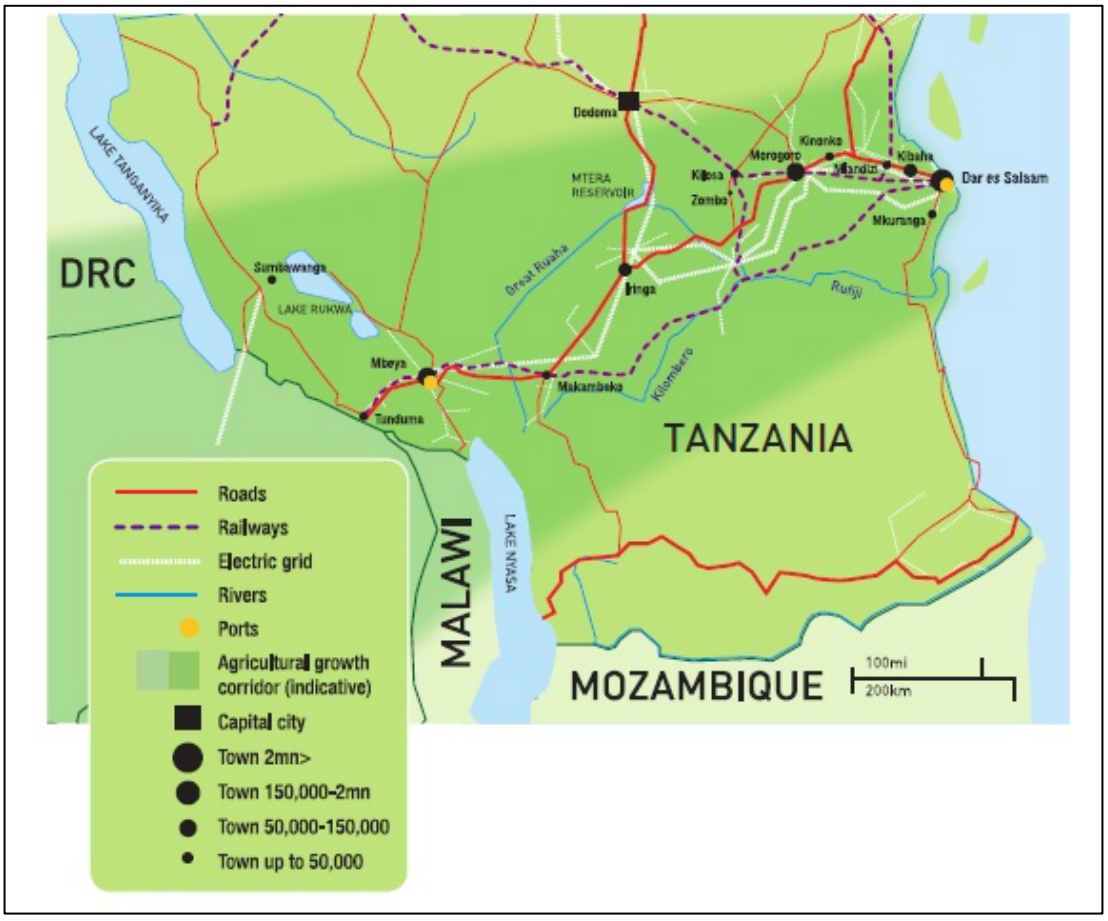

Fig. 2.2 - Southern Agricultural Growth Corridor of Tanzania
(Source: http://sagcot.co.tz)

[82] Ivi, pp. 48-49.
[83] Ivi, p. 49.

In May 2010, in a quest to implement Kilimo Kwanza, President Kikwete launched an ambitious public-private partnership program known as the Southern Agricultural Growth Corridor of Tanzania (SAGCOT). The intent is to boost agricultural productivity through agribusiness investments, and in so doing, improve food security, reduce rural poverty and promote environmental sustainability. The project was initiated in 2010 and its implementation period will run for 20 years up to 2030[84].

SAGCOT aims to offer development potential by linking small-scale farmers with global agribusinesses especially through 'nucleus farm and outgrower' arrangements enabling small-scale farmers easier access to inputs, value-adding facilities, and markets[85]. The ultimate goal is to attract USD 2.1 billion of new agribusiness investment, bring 350,000 additional hectares into commercial production, incorporate Tanzanian smallholders into internationally competitive supply chains, create 420,000 new jobs and lift 2 million people out of poverty[86].

Projects falling within this initiative are concentrated in a corridor compounded by the southern highlands stretching from Dar es Salaam through Morogoro, Iringa and Mbeya to Sumbawanga, along which run also the main communication and energy routes of the country[87]. Within the SAGCOT corridor, six priority areas, termed 'clusters', have been identified. These are concentrated mainly in the vicinity of infrastructures, such as the Tanzania-Zambia Railway Authority (TAZARA) system and the Port of Dar es Salaam, facilitating linkages to international markets for agricultural outputs and inputs. Theoretically, the development of the clusters should initially be driven by private investments, which should then translate into the creation of synergies across all components of the agricultural value chain[88], achieving economies of scale and increasing efficiency[89].

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[84] sagcot.co.tz [last accessed 30.09.2020].
[85] SAGCOT, *Southern Agricultural Growth Corridor of Tanzania: Investment Blueprint*, Dar es Salaam, 2011, quoted by The Oakland Institute, *Irresponsible investment. Africa's broken development model in Tanzania*, Oakland, Johannesburg and London, The Oakland Institute, Greenpeace Africa and Global Justice Now, 2015, p. 4.
[86] sagcot.co.tz [last accessed 30.09.2020].
[87] www.tanzaniainvest.com [last accessed 30.09.2020].
[88] SAGCOT, *Southern Agricultural Growth Corridor of Tanzania: Investment Blueprint*, quoted by The Oakland Institute, *Irresponsible investment*, p. 5.
[89] United Republic of Tanzania, *Southern Agricultural Growth Corridor of Tanzania (SAGCOT): Strategic Regional Environmental and Social Assessment: Interim Report*, 2012, p. 1.

The SAGCOT region covers approximately 36.8 million hectares, that is nearly one-third of the country's surface. Of this area, in 2012 38% was reserved land, 2% general land and 60% under village control. To attract agribusiness investors, the government of Tanzania declared its intent to transfer about 18% of village land to the general land category, whose overall percentage would then raise to 20%[90]. It was not possible to find updated information about it and it is thus not possible to verify whether these interventions have been implemented or not. These are anyway significant figures, which highlight the extent to which the Tanzanian government is willing to go to facilitate commercial investments and how little is the interest in protecting its smallholders.

In the SAGOT region, the government tries to promote the adoption of new technologies and marketing practices by smallholder farmers through expanding and establishing partnerships with private agribusiness companies[91], which have the capacity to provide the inputs, processing facilities and infrastructures needed to link smallholders to domestic and global markets[92]. In particular, the Norwegian fertilizer company Yara International has allocated a substantial amount of capital to the construction of harbour facilities in Dar es Salaam to increase its handling efficiency. Improving the harbour facilities would go hand in hand with the fertilizer wholesale trade, a still limited market in Tanzania but expected to expand also thanks to a subsidy program to increase the use of fertilizers among farmers. This could be a win-win situation that would benefit agricultural development in Tanzania including both Yara and smallholder farmers, but since the subsidy program has not yet been evaluated its impact is still unknown[93].

Another element of the growth corridor approach is the warehouses and their receipt system. Thanks to licenses, producers can deposit their crop in warehouses and store them until prices are favourable. In addition, warehouse receipts can prove that goods are stored in the warehouse and can be used as collateral to borrow loans from banks. This system provides a potential to increase the negotiation power of the producers versus the traders as well as facilitate smallholders' access to credit. However, even in

[90] K. Boudreaux, *An Assessment of Concerns Related to Land Tenure in the SAGCOT Region*, USAID, 2012, p. 3.
[91] projects.worldbank.org [last accessed 30.09.2020].
[92] A. Tibaijuka, *SAGCOT Investment Partnership Program Presentation to the Tanzania Agribusiness Investment Showcase Event*, 2012, p. 2.
[93] R. Kaarhus, R. Haug, J. P. Hella and J. R. Makindara, *Agro-investment in Africa - Impact on land and livelihoods in Mozambique and Tanzania*, Aas, Department of International Environment and Development Studies, Noragric and Norwegian University of Life Sciences, 2010, pp. 41-42.

this system, some obstacles such as variable product quality, running costs, biological and man-made shrinkage, prevent from taking full advantage of the potential benefits[94].

Among the founding partners of SAGCOT are large companies, such as Unilever, Nestlé, Diageo, SAB Miller, Monsanto, Syngenta and Yara. However, the project is also supported by large donors such as governments and foundations[95]. This dominance of multinational companies is worrisome for the way they operate. In fact, being more productive than local companies, they are likely to outperform them and dominate the market, excluding smaller players. Furthermore, the common practice for multinationals is to establish large monoculture plantations, which have deep social and environmental impacts on the host region[96].

The overall initiative presents various criticisms and in 2013 it was classified by the World Bank as 'high risk'. The main cause of concern is the presence within the SAGCOT region of vulnerable groups and indigenous people, the lack of consideration and recognition of their rights, the absence of planning and potential negative damages on environment[97]. These concerns appear to have come true, as reported by some studies[98].

2.5 Investments and land allocation procedures

Tanzania is one of the African countries that has aroused great interest from foreign investors thanks to its vast plots of fertile farmland, rich bountiful resources and, as we have just seen, some initiatives promoted by the local government in the last years.

This favourable and open environment has caused an upsurge in foreign investment inflows in the agricultural sector[99], but it is difficult to quantify precisely how much land has been allocated to outsiders and how much capital has been generated. Official records in Tanzania are unclear, incomplete and often of limited reliability since different institutions at different levels of government are involved in the land allocation

[94] Ivi, p. 42.
[95] growafrica.com [last accessed 30.09.2020].
[96] E. Sulle and R. Hall, *Reframing the New Alliance Agenda. A Critical Assessment based on Insights from Tanzania,* Brighton, PLAAS and Future Agricultures, 2013, p. 2-3.
[97] United Republic of Tanzania, *Southern Agricultural Growth Corridor of Tanzania (SAGCOT) Investment Project. Strategic regional, environmental and social assessment: Final Report*, 2013, p. 225.
[98] See for example E. Sulle, *Talking Land: Inclusive Business Model? The Case of Sugarcane Production in Tanzania*, 2014; E. Sulle, R. Smalley and M. Lameck, *Opportunities and Challenges in Tanzania's Sugar Industry: Lessons for SAGCOT and the New Alliance*, Brighton, Future Agricultures Consortium, 2014.
[99] The Oakland Institute, *Understanding land investment deals in Africa. Country report: Tanzania*, p. 14.

process, but no coordinated storage or exchange of data is available. Many researchers have tried to overcome this lack of data by trying to gather first-hand information in the field, but it is clear that this is an extremely arduous task[100].

Under the Land Act, non-citizens are not allowed to own land in Tanzania, but may obtain user rights to land for investment purposes through a derivative title[101]. Two main procedural paths can be used to obtain a plot of land in concession: through the Tanzania Investment Centre (TIC) or village authorities.

The TIC, established under the Investment Act of 1997[102], is the government agency responsible for coordinating, encouraging, promoting and facilitating investment in Tanzania and to advise the Government on investment policy and related matters[103]. It plays a key role in identifying land available for investment (which is collected into a 'land bank'[104]), helps investors in obtaining all permits needed and guides them through the whole investment process[105]. Following this path, the investor has to propose an investment plan and submit his application to the TIC, in which the business idea is exposed. The TIC then verifies that the company fulfils certain requirements, such as business registration and investment capital, evaluates the project and approves or rejects the application. If the procedure is successful, the investor receives a Certificate of Incentive and must carry out a formal land survey of the area suitable for the investment. The land surveyed is then registered at the Ministry of Lands and the agricultural project is presented to the Ministry of Agriculture for registration. Finally, a Derivative of Rights for approved applications is registered and a Duplicate Derivative Title is transferred to the investor from the TIC[106].

The main problem with this procedure is that the land bank comprises only general land[107], which, as mentioned above, only covers the 2% of the national territory, whereas agricultural investments require large chunks of land. Much of the land identified as suitable for investments is actually village land. As only general land can be leased to

[100] M. Locher and E. Sulle, *Foreign land deals in Tanzania. An update and a critical view on the challenges of data (re)production*, Brighton, The Hague, Cape Town and Itacha, LDPI, 2013, p. 2-3.
[101] United Republic of Tanzania, *The Land Act No.4 of 1999*, 20(1).
[102] *Idem*, *Land Investment Act, No.27 of 1997*, Dar es Salaam, 1997, s.2(4).
[103] www.tanzaniainvest.com [last accessed 30.09.2020].
[104] Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, p. 38.
[105] United Republic of Tanzania, *Land Investment Act, No.27 of 1997*, s.2(6).
[106] Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, p. 40.
[107] Ivi, p. 38.

foreign investors[108], to obtain village land for investment, it must be first transferred to general land and only then investors can request Granted Rights of Occupancy over it. In these cases, the investor must first identify, autonomously or with the help of local intermediates[109], the land suitable for investment. Subsequently, they have to meet with the Village Council to begin negotiations and seek approval of the request for land. If the village land requested is less than 250 hectares in extent, then the Village Council can allocate the land directly to the investor with consultation and approval of the Village Assembly. For larger areas, however, the Village Assembly can only formulate some recommendations and it is the Minister of Lands that has to approve the proposed transfer[110]. Then, the President signs off on the transfer from village to general land.

This procedure is made possible by the Village Land Act of 1999, which reserves the president the power to transfer any area of village land to general or reserved for public interest[111]. Since in the legislation there is no exact definition of public interest, it can be subject to arbitrary use by the president[112]. Finally, the investor receives a Derivative Granted Right of Occupancy to the land from the Commissioner of Lands[113]. This bottom-up process involves then different authorities and different levels of government and, for this reason, it is often lengthy and complex.

The standard agricultural land lease lasts 99 years at 200 Tanzanian shillings (USD 0.14) per hectare per year. Rental fees are collected by Ministry of Lands and are paid into government coffers[114].

The transfer from village land to general land is an expropriation perpetrated by the state itself, which extinguishes customary rights. Once the land has been converted and granted to an investor, at the end of the concession or if the project fails or is abandoned, the title reverts to the TIC[115]. The lands remain thus under the control of the central government and do not return under the administration of the village authorities.

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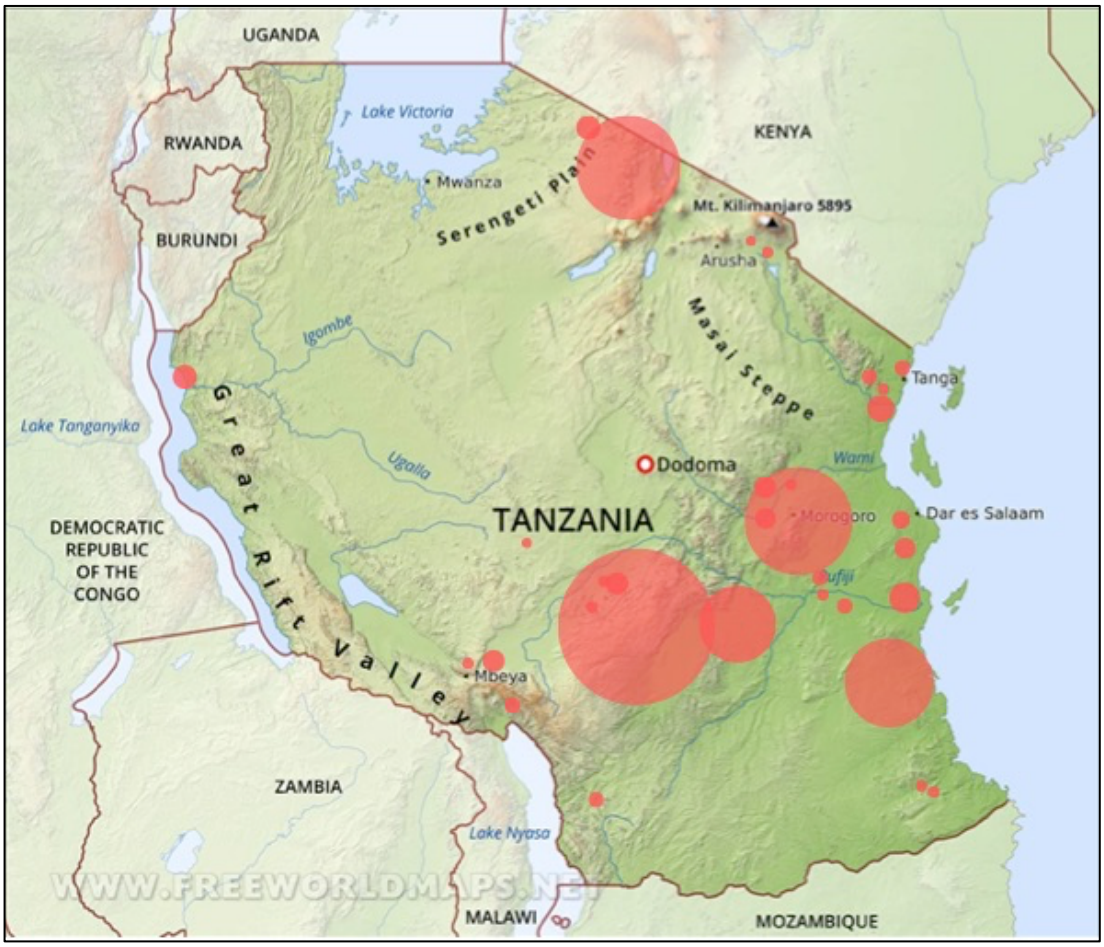
[108] United Republic of Tanzania, *The Land Act No.4 of 1999*, s.22(1)(b); s.25(1)(h).
[109] G.E. Massay and T. Kassile, *Land-based Investments in Tanzania. Legal Framework and Realities on the Ground*, Brighton, The Hague, Cape Town and Itacha, LDPI, 2014, p. 8.
[110] United Republic of Tanzania, *The Village Land Act No.5 of 1999*, s. 4(6).
[111] Ivi, s. 4(9).
[112] M. Bergius, *Large Scale Agro Investments for Biofuel Production in Tanzania. Impact on Rural Households*, Institute of Development Studies, University of Agder, 2012, p. 17.
[113] Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, pp. 40-41.
[114] The Oakland Institute, *Understanding land investment deals in Africa. Case study: Tanzania,* p. 11.
[115] United Republic of Tanzania, *The Land Act No.4 of 1999*, s.19(5).

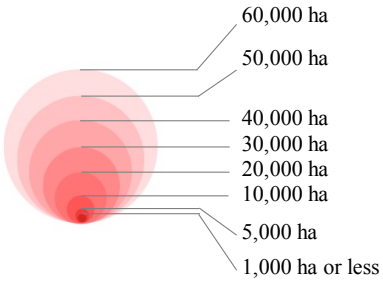
There are three other alternative procedures that investors can use to access land, that is, through sub-leases from the private sector, through licenses from the Government or through purchase from other holders of a Granted Right of Occupancy[116]. However, these procedures are rarely adopted.

Figure 2.3 and Tables 2.4 and 2.5 present a broad overview of the transnational land deals in Tanzania of April 2020. The projects of foreign investors are mainly concentrated in two geographical areas, namely in the plains along the coast and in the SAGCOT corridor, both areas with a proximity to freshwater resources and infrastructures. Deals vary greatly in size, raging from a few hundred hectares to tens of thousands. In this regard, however, it is important to note that on average investors obtain only about 58% of the intended size. Of the concluded deals, just over half of the projects are active while the percentage of projects that failed for various reasons, such as financial issues, bankruptcy of the company or resistance of the local communities, is significant. Focusing on the aim of the investment of concluded deals, it can be noted that food crops concern the largest number of deals and the largest size under contract. Biofuel crops, livestock and non-food agricultural commodities follow then by number of deals, while forestry deals by far cover the largest average size.

[116] www.tanzaniainvest.com [last accessed 30.09.2020].

Fig. 2.3 - Location and size of transnational land projects.
(Source: www.landmatrix.org)

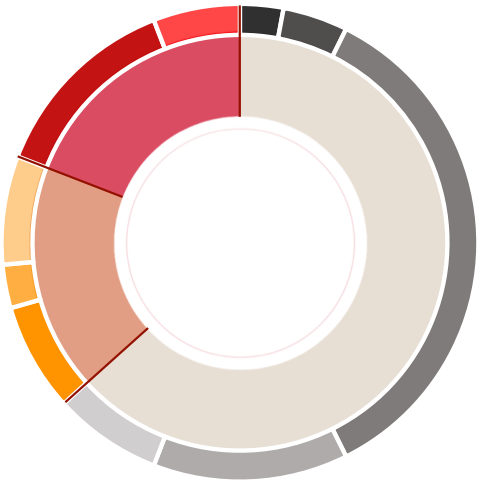




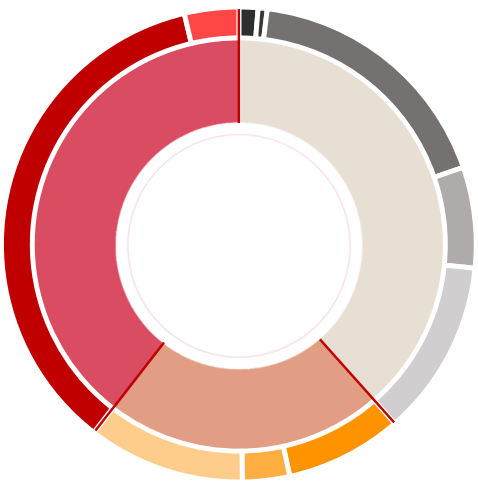
Tab. 2.4 - Status of land deals.
(Source: www.landmatrix.org)

	Number of deals	Number of deals (%)	Size under contract (ha)	Size under contract (%)
Not started	2	3%	12,132	1%
Start-up (no production)	3	5%	5,744	>1%
In operation (production)	24	35%	166,503	18%
Abandoned	9	13%	641,31	7%
None	5	8%	112,217	12%
Tot. concluded	43	64%	359,604	38%
Expression of interest	5	7%	74,304	8%
Memorandum of Understanding	2	3%	30,000	3%
Under negotiation	5	7%	100,000	11%
Tot. intended	12	17%	204,304	22%
Negotiation failed	9	13%	335,000	36%
Contract cancelled	4	6%	34,517	4%
Tot. failed	13	19%	369,517	40%
	Tot.: 68		Tot.: 934,548	

Number of deals:



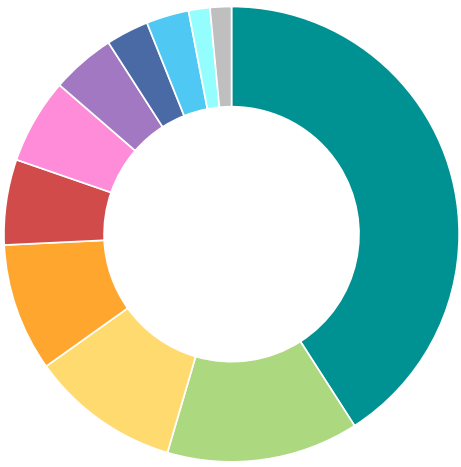
Size under contract:



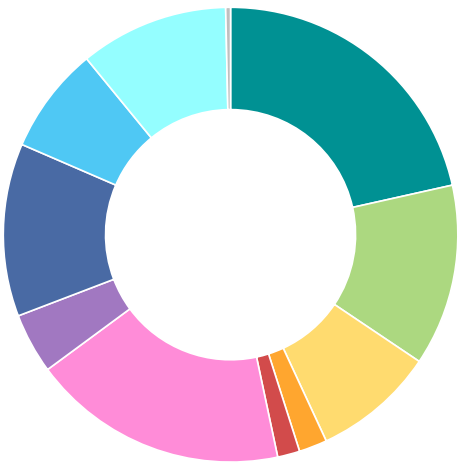
Tab. 2.5 - Aim of investment in concluded deals.
(Source: www.landmatrix.org)

		Number of deals	Number of deals (%)	Size under contract (ha)	Size under contract (%)
	Food crops	27	41%	124,642	21%
	Biofuels	9	14%	74,831	13%
	Livestocks	7	11%	50,278	9%
	Non-food agricultural commodities	6	9%	11,611	2%
	Agriculture unspecified	4	6%	9,173	2%
	Timber plantation (for wood and fibre)	4	6%	105,635	18%
	Renewable energy	3	5%	24,906	4%
	For carbon sequestration/REDD	2	3%	71,291	12%
	Turism	2	3%	44,000	8%
	Forest logging/management (for wood and fibre)	1	1%	61,291	11%
	Conservation	1	1%	1,999	>1%
		Tot.: 66		Tot.: 579,657	

Number of deals:



Size under contract:



2.5.1 Community consultations

Although Tanzania has one of the most progressive legislations in Africa in regards to community consent to land transfers, the community consultation process is often unsatisfactory and only partially implemented[117]. In consultation meetings, villagers tend to act merely as bystanders while investors highlight the positive potential benefits that their project will bring them. Communities are systematically kept in the dark about possible negative consequences of the proposed investment and, therefore, do not have complete and exhaustive information that allows them to make conscious choices[118].

Rarely villagers can fully realize the value of their land due to an inefficient informative system for land administration[119]. The vast majority of villagers perceive their land as a valueless, abundant resource[120] and, given their poverty, the promises of job opportunities, social services and infrastructure pledged by the investors sound more appealing than holding rights to farmland[121].

In encouraging smallholders to accept offers from investors and hand over their plots, plays a role also the government itself, which instead of defending the rights of its own population chooses to protect the interest of investors[122].

Moreover, promises made are primarily verbal and rarely formal contracts are signed between the affected community and the foreign investor. In absence of an official document, it is then arduous for anyone to hold the investors accountable in case the agreements are not respected[123].

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[117] S. Vermeulen and L. Cotula, "Over the heads of local people: consultation, consent, and recompense in large-scale land deals for biofuels projects in Africa", *The Journal of Peasant Studies* 37:4 (2010), p. 909.
[118] H. Theting and B. Brekke, *Land Investments or Land Grab? A critical view from Tanzania and Mozambique*, Oslo, Spire, 2010, p.13.
[119] The Oakland Institute, *Understanding land investment deals in Africa,* p. 26.
[120] N. Habib-Mintz, "Biofuel investment in Tanzania. Omissions in implementation", *Energy Policy* 38:8 (2010) p. 5.
[121] The Oakland Institute, *Understanding land investment deals in Africa*, p. 26
[122] E. Haulle, *Assessment of Communities` Coping mechanisms to Geodisaster Risks in the Vicinity of Oldoinyo Lengai in Northern Tanzania*, PhD Thesis, University of Dar es Salaam, 2014, quoted in E. Haulle, "Land Resource In Tanzania: Whose State, Whose Resource?", *International Journal of Social Science Studies* 3:6 (2015), p. 77.
[123] The Oakland Institute, *Understanding land investment deals in Africa*, pp. 26-27.

2.5.2 Compensation practices

Tanzanian legislation entitles to "full, fair and prompt compensation to any person whose right of occupancy or recognized long-standing occupation or customary use of land is revoked" for lands converted into general land[124]. The type, amount, method and timing of the payment must be agreed upon by the Village Council and the Commissioner of Lands[125].

The reality of the facts, however, is more complicated and many practical problems surround compensation practices. First of all, compensation is only extended to individuals who can demonstrate they had active farming activities or other fixed assets in the area under question[126]. Holders of secondary land rights, such as those relating to grazing, hunting and access to forest resources, water and wood supply, are instead excluded from the compensation payment[127]. Moreover, land within village boundaries is sometimes considered *de facto* general land, which can thus be leased out without the need for compensation. As mentioned earlier, while the Village Land Act defines general land as "all public land which is not reserved or village land", in the Land Act this category is defined as "all public land which is not reserved land or village land and includes unoccupied or unused village land"[128]. No definition is offered for 'unoccupied' or 'unused' land. These apparently-idle territories may be used for various economic activities by local communities or saved for future generations, but on a formal level they are recognized as general land, which can be freely leased out to outside investors. Laws can thus facilitate grabbing of village land instead of recognizing the customary rights of the rural population, who are expropriated of their land without receiving any compensation for the loss suffered[129].

If any compensation is paid, communities have rarely been adequately rewarded in relation to the value of their lands[130] and in any case compensations do not replace the loss of land assets, which represent the primary and irreplaceable source of livelihoods

[124] United Republic of Tanzania, *The Land Act No.4 of 1999*, s. 1(1)(g) and United Republic of Tanzania, *The Village Land Act No.5 of 1999*, s.3(1)(h).
[125] *Idem*, *The Village Land Act No.5 of 1999*, s. 4(8)(a).
[126] *Idem*, *The Land Act No.4 of 1999*, part 1, s. 1(2).
[127] K. Deininger, D. Byerlee, J. Lindsay, A. Norton, H. Selod and M. Stickler, *Rising Global Interest in Farmland. Can it yield sustainable and equitable benefits?,* World Bank, Washington DC, 2010, p.108.
[128] See p. 49.
[129] Bergius, *Large Scale Agro Investments for Biofuel Production in Tanzania*, p. 17.
[130] Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, p. 51.

for rural populations. Furthermore, the compensation procedure is associated with high transaction costs, which limits maximization of the wellbeing of the affected parties, and involves middlemen whose priority is financial gain and have thus little interest in protecting the interests of local communities[131]. Numerous cases have also been documented in which the compensation process has failed to follow the established procedures. For example, sometimes communities have been paid only after the land has been transferred to general land and leased out to the foreign company, whereas by law the payment should precede the conversion of the land[132].

2.5.3 The Maasai

One of the most vulnerable groups at risk of losing their land are pastoralists, who represent about 10% of the whole Tanzanian population[133]. Besides being socially and politically marginalized across Tanzania as a whole, their seasonal grazing patterns can lead to the misperception that their community land is unused and available for alternative purposes[134].

The most known and biggest pastoralist community in Tanzania are the Maasai, a semi-nomadic ethnic group based for centuries in the Great Rift Valley, between Northern Tanzania and Southern Kenya[135]. In the past, they flourished in the region, but since the arrival of the European colonizers their landholdings have been previously squeezed and their existence has been seriously threatened[136]. They are traditionally dedicated to pastoralism, but as many cattle have been ravaged by disease and access to grassland has been compromised, they have started relying on subsistence agriculture to supplement their diet[138].

Especially since the mid-20th century, a series of laws and ordinances aimed at environmental preservation dispossessed the Maasai of vast areas of their traditional land, such as the area of today-Serengeti National Park. Recently, with ecotourism becoming the fastest growing sector within the tourism industry, important economic interests have

[131] Massay and Kassile, *Land-based Investments in Tanzania*, p.12.
[132] Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, p. 54.
[133] A. Mittal and E. Fraser, *Losing the Serengeti. The Maasai land that was to run forever*, The Oakland Institute, 2018, p. 10.
[134] www.ujamaa-crt.org [last accessed 30.09.2020].
[135] Cotula, *The great African land grab?*, p. 20.
[136] Mittal and Fraser, *Losing the Serengeti,* p. 11.

also been added to concerns for the protection of the environment and wildlife[137]. At first, the Maasai were offered to relocate to neighbouring regions and were promised various forms of indirect compensation for losing their land, but in the following years legislation reforms evicted them even from these territories and the promises remained unfulfilled or only partially realized[138]. Bans on cultivation within certain areas and restrictions on access to grazing lands have further jeopardized Maasai's food security, who in some areas suffer from high levels of malnutrition. The situation becomes particularly critical in times of drought, during which numerous deaths from starvation are registered[139].

Paradoxically, while conservation strategies have often involved the displacement of indigenous groups, studies show that pastoral communities are often superior to governments when it comes to conservation and securing their land rights would be the best way to preserve nature. Since Maasai's subsistence is entirely dependent on the thriving surrounding ecosystems, this group has developed a lifestyle based on the care and conservation of the environment they inhabit[140].

Not only their role as environmental guardians has still failed to gain due recognition, but the Tanzanian government has failed to protect Maasai's rights and their lifestyle has even been accused of being harmful to the environment. In 2005, for example, the then-president Kikwete stated a zero-tolerance position on traditional pastoralism, declared incompatible with the goals of modernizing the agricultural sector. According to the government, pastoralism degrades vast tracts of land, is characterized by very low productivity levels and invades established farms, ranches, forests, and wildlife conservation areas. Pastoralists should, therefore, abandon their nomadic lifestyle to sedentarize and change their production system into a ranching system[141]. After some failed attempts, the Tanzanian government is seeking once again to promote modernized cattle ranches through SAGCOT projects, but the strategy does not seem to have the desired effects[142].

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[137] Ivi, p. 7.
[138] Cotula, *The great African land grab?,* pp. 20-21.
[139] Mittal and Fraser, *Losing the Serengeti,* p. 29.
[140] www.iwgia.org [last accessed 30.09.2020].
[141] R. Odgaard, *Land Rights and Land Conflicts in Tanzania: A Case Study*, Ministry of Foreign Affairs in Denmark and DIIS, 2006, pp. 21-22.
[142] Maganga *et al*., "Dispossession through Formalization: Tanzania and the G8 Land Agenda in Africa", p. 25.

In addition to conservation laws, more threats to their existence derive from foreign investments. As mentioned before, large-scale agricultural projects occupy land formally deemed idle or marginal, meaning that is not settled on or farmed. However, these seemingly unused territories can be exploited by shepherds for seasonal grazing or access to water sources. Moreover, and use patterns adopted by pastoral communities, such as seasonal grazing, typically entail leaving little mark on the environment. Hence, their ownership claims are harder to prove and are particularly vulnerable to dispossession[143].

For centuries, the Maasai and numerous indigenous groups worldwide have lived in situations dominated by hunger, poverty, displacement, violence and discrimination. These struggles, combined with the policies adopted in the last decades in the name of environmental conservation and modernization of the agricultural sector, are putting the Maasai at risk of wiping out, which would mean an incredible loss not only socially, but also in terms of culture, knowledge, tradition, language, lifestyle and stewardship.

[143] *Ibidem.*

Chapter 3. Case studies: Sun Biofuels, EcoEnergy and Bioshape

3.1 Sun Biofuels

The transnational land deal in Tanzania that has received most international research and media attention and which has been object of most research is undoubtedly that of Sun Biofuels Ltd, a UK-based company which widely invested in biofuels crops in eastern and southern Africa[1]. In Tanzania, the company entered in 2005 through the local affiliate Sun Biofuels Tanzania Ltd with the intent to invest around UDS 20,000,000 to establish a jatropha[2] plantation and a processing plant in the Kisarawe District[3].

The District is located in a strategic position which offers untapped potential for agro-industry development. It lies about 70 kilometres southeast of Dar es Salaam, is served by two railroad lines and is surrounded by three large rivers, though inaccessible for agriculture due to poor water management. The district has a total population of about 100,000 inhabitants, who live in conditions of extreme poverty with a per capita income equal to half the national average. About 80% of the local population is engaged in agriculture, but the sector remains particularly backward and inefficient. The hinterland is inaccessible by traders due to lack of appropriate transport infrastructures and some production inputs, such as fertilizers, credit or expansion services, are underdeveloped or missing. As a result, crops yields have been progressively dropping and only 4% of the farmers have access to any kind of agricultural inputs. Moreover, between 2005 and 2008 local market prices for basic food crops doubled. Without additional purchasing power,

[1] Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* p. 12.
[2] *Jatropha curcas*, commonly known as jatropha, is a species of the *Euphorbia* family originally from Latin America, but which has long been planted also in Africa and Asia as a protective hedge around homesteads, gardens and fields, since it is poisonous and not browsed by animals. An oft-quoted advantage of jatropha is its capacity to grow in difficult conditions including arid and otherwise non-arable areas. However, as any other plant, jatropha does flourish better in more fertile soils, and for this reason a number of large-scale investors have acquired land for jatropha cultivation in relatively fertile areas. Currently jatropha is being widely promoted throughout Tanzania for small and large-scale projects to produce biodiesel.
Source: Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* pp. 21-23.
[3] The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster,* 2012, p. 3.

poverty and food insecurity of people relying on the market for their food supply have aggravated[4].

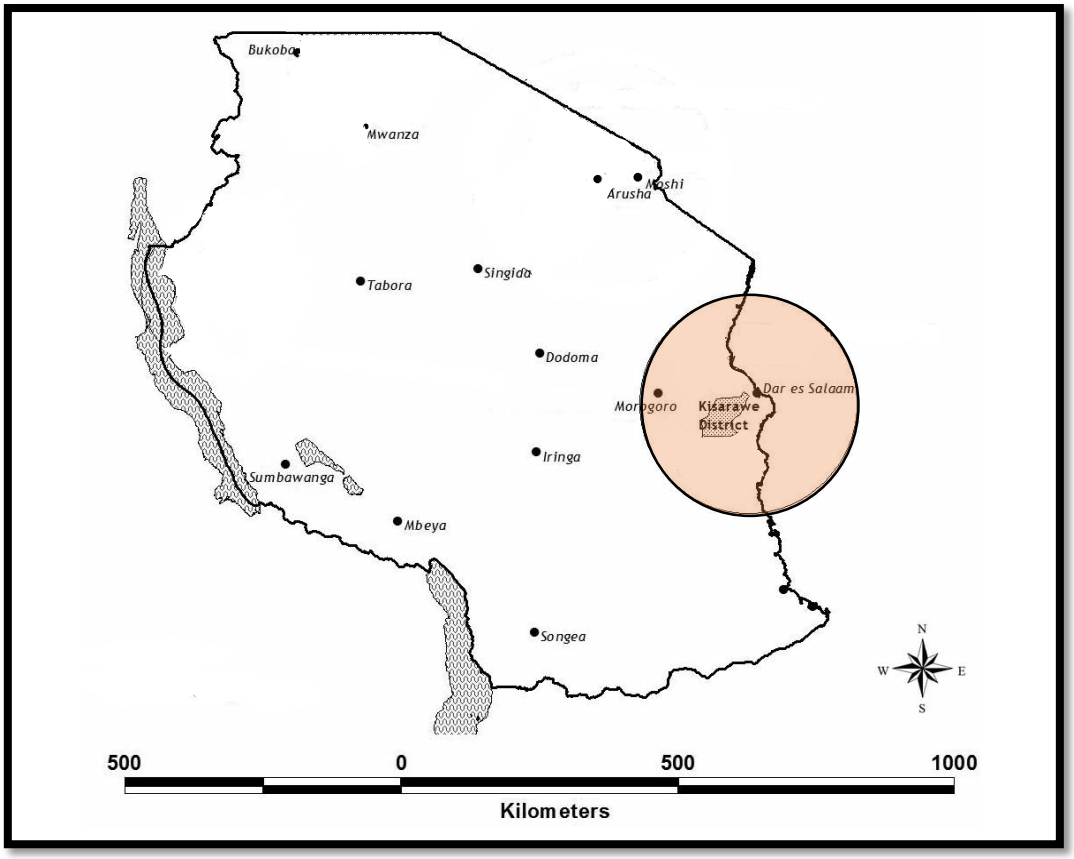

Fig.3.1 - Location of the Kisarawe District.
(Source: adapted from Sulle and Nelson, Biofuels, land access and rural livelihoods in Tanzania*, p. 11)*

The company identified the target area in 2006 with the help of a local Member of Parliament[5], who was a strong advocate of the project[6]. Since the targeted territory was village land, in the first place Sun Biofuels had to approach the 11 villages surrounding the project area and convince their 11,277 inhabitants to cede their land[7].

During the consultation meetings, the investor offered financial compensation, new job opportunities (the number of promised jobs reported by different sources varies

[4] Habib-Mintz, "Biofuel investment in Tanzania", p. 6.
[5] F. De Blasis, "Investimenti esteri e agricoltura in Tanzania: land grabbing o sviluppo rurale? Il caso Sun Biofuels nel distretto di Kisarawe", *Afriche e Orienti* 18:1 (2016), p. 148.
[6] Sulle and Nelson, *Biofuels, land access and rural livelihoods in Tanzania*, p. 48.
[7] global.mongabay.com/news/bioenergy/ [last accessed 15.10.2020].

from 700[8] and 5,000[9]), three water wells, a local dispensary, improved schools, health clinics and roads[10]. These promises remained verbal only and were never codified in a written formal contract[11], making it hard to hold the company accountable for its failure to fulfil them.

Very few community members were sceptical with the project. Some of them had heard that jatropha was a crop harmful to soil and water resource, others were questioning the real benefits that the company could provide[12]. Nevertheless, the vast majority of Village Assemblies members voluntarily approved the land transfer and welcomed the investment as they were assured that it could significantly improve their poor livings and boost local economy[13].

Already in the consultation process, critical issues can be identified. First of all, only one-side information was given to the local communities; whereas benefits were widely advertised, potential disadvantages were not presented to villagers. District officials in Kisarawe declared that, since some of the village members had been involved in the Environmental Impact Assessment (EIA)[14], they were aware of the possible negative outcomes, but at the same time officers themselves also admitted that this aspect was not openly exhibited to the communities during consultation meetings[15]. Another problem regards the procedure followed during consultations. Encounters with investors and district officials were described by villagers as information meetings rather than

[8] www.theguardian.com/environment/2011/oct/30/africa- poor-west-biofuel-betrayal [last accessed 15.10.2020].
[9] De Blasis, "Investimenti esteri e agricoltura in Tanzania: land grabbing o sviluppo rurale?", p. 148.
[10] S. Gabrielsson and G. Massay, *A hunger for justice. Tracing the exclusion of small-scale farmers in the race for farmland in Tanzania*. Lund and Dar es Salaam, Lund University Centre for Sustainability Studies and Land Rights Research and Resources Institute, 2014, p. 12; De Blasis, "Investimenti esteri e agricoltura in Tanzania: land grabbing o sviluppo rurale?", p. 148 and The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster,* p. 3.
[11] Gabrielsson and Massay, *A hunger for justice,* pp. 13-14.
[12] E. Haulle, "Community Awareness and their Response to Biofuel Production in Tanzania. A Case of Kisarawe and Singida Districts", *International Journal of Research in Pharmacy and Biosciences* 2:5 (2015), p. 53
[13] Gabrielsson and Massay, *A hunger for justice,* p. 12.
[14] The Environmental Impact Assessment is a process of evaluating the environmental, social and economic impacts of a proposed project or development prior to decision-making. It aims to predict negative outcomes at an early stage in project planning and design, in order to find ways and means to reduce adverse impacts.
Source: www.cbd.int/impact/whatis.shtml [last accessed 15.10.2020].
[15] The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster*, p. 4.

negotiations. Local people were not used to this type of mediation and such as an approach created an asymmetric power relation, where villagers were put in a weaker position[16]. Furthermore, it appears that only a small number of community members attended the meetings. In the village of Mtamba, for example, only 76 individuals took part in the consultation meeting with the company out of a total population of over 1,000 inhabitants[17].

Initially, Sun Biofuels applied for 20,000 hectares of land[18], but the TIC granted a derivate title for a 99-year lease over only 8,211[19]. In 2009 production operations started and an area of 2,000 hectares was planted with jatropha[20].

Fig. 3.2 - Signs at the Sun Biofuels farm.
Source: www.farmlandgrab.org/post/view/21192-tanzanian-villagers-pay-for-biofuel-investment-disaster

[16] Ivi, p. 3.
[17] De Blasis, "Investimenti esteri e agricoltura in Tanzania: land grabbing o sviluppo rurale?", p. 149.
[18] global.mongabay.com/news/bioenergy/ [last accessed 15.10.2020].
[19] The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster,* p. 3.
[20] De Blasis, "Investimenti esteri e agricoltura in Tanzania: land grabbing o sviluppo rurale?", p. 128.

Fig. 3.3 - One-year jatropha cultivation at the Sun Biofuels plantation.
(Source: The Oakland Institute, Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster, *p. 2)*

The land leased to Sun Biofuel was mostly common forest land and, to a lesser extent, agricultural and residential areas[21]. Local communities used forests for several activities, including grazing, charcoal production and harvesting of timber, firewood, wild-food, fodder and medicine. These activities enabled to diversify the diet and sources of income beyond agriculture, with some households claiming that up to 70% of their domestic income depended on forest resources[22]. Since only a limited extent of the land affected by the investment was farmland, food security and domestic food production were not seriously compromised[23].

Another urgent question concerns access to water supplies. Even before the arrival of Sun Biofuels the area was water-scarce, as evidenced by the EIA conducted before the investment. For this reason, it was prompted that the plantation should not cover any key water source used by the local population, yet these recommendations were ignored. Whereas prior to the investment water supplies were freely available to all and within a

[21] Ivi, pp. 150-151.
[22] The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster,* p. 4.
[23] M. Purdon, *Land and Sustainable Industrial Policy in sub-Saharan Africa. The Relationship between Land Tenure and Foreign Investment Strategy in Uganda and Tanzania*, London, Department of International Development London School of Economics, p. 37.

maximum 30-minute walk, now for some villagers the nearest water source is about 10 kilometres away[24].

Once people lost access to their land, forest and water sources, they had to start buying food, water and other products they used to collect freely. Moreover, the prices of some commodities have increased as they need to be transported for longer distances. The alternative option to relying on the market is spending a considerable amount of time going to distant areas and collect the products needed[25]. Since women are the main responsible for the collection of these resources, their work burden has increased as they have to travel further to obtain them[26]. Concurrently, if domestic expenditures have increased, on the other hand revenues have diminished. The time that could be allocated on farming activities has been reduced and thus a smaller share of agricultural products is available for sale, further lowering household income[27]. These changes deeply affected food consumption patterns of rural people, who spend a significant percentage of their income on food purchase[28].

However, some families have benefited from this situation. These are mainly high-income households who often include small-scale vendors of basic food items. As a consequence of the decrease in local agricultural productivity and trade intensification through the area following the investment, these families have been experiencing positive linkage effects and increased sales through their businesses. A similar trend was observed in the sale of agricultural products among households with farms in the vicinity of the roads running through the villages[29]. Hence, social inequalities among the rural population have fostered due to the thriving of best-resourced families and the simultaneous further impoverishment of low-income villagers[30].

As for the environmental damage, it is difficult to criticize the impact of the biofuel project as the land allocated had already been heavily degraded and over-exploited by dense human population and charcoal and firewood production[31].

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[24] The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster,* p. 5.
[25] Ivi, pp. 4-5.
[26] Gabrielsson and Massay, *A hunger for justice,* p. 15.
[27] The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster,* pp. 4-5.
[28] Ivi, p. 4.
[29] Ivi, p. 5.
[30] *Ibidem*.
[31] Purdon, *Land and Sustainable Industrial Policy in sub-Saharan Africa,* p. 38.

In 2013, eight years after signing the contract, Sun Biofuels earmarked USD 25,000 as compensation[32] to the District Council[33], who in turn retained a 75% cut for itself and distributed the remaining 25% between villages[34]. Only 152 individuals received compensation for the land loss suffered, while the remaining did not obtain any[35]. Furthermore, the promises made by Sun Biofuels to the communities remained unfulfilled. For example, the water wells construction begun but was not finished and water is lacking in the ground[36].

One promise that was kept dealt with the employment generation, as in the production phase between 2009 and 2011 Sun Biofuels employed approximately 750 people[37]. The company hired both contract and casual workers. The former were in turn divided between supervisors and unskilled workers. The supervisors were in charge of coordinating, supervising and assisting the low-skilled workers and received a salary of USD 86. The unskilled workers, who made up the vast majority of employees, engaged in farming activities and earned about USD 45 per month for 50 hours of work per week. Casual labourers received a wage just over USD 2 per day and were not entitled to certain benefits such as health insurance or severance pay. These salaries were higher than the minimum wage of agricultural workers in the rest of the country, which stands at USD 30[38]. However, cases have been reported in which workers were not paid the full severance pay[39] or wages were not sufficient for purchasing food and covering other basic expenses. In particular, households with only one member employed at the plantation and with little workforce available to work their land were particularly food insecure[40]. Moreover, workers often used part of their salary on-site at the plantation to meet their own needs in terms of food and water, leaving them with less money to bring home[41].

[32] Massay and Kassile, *Land-based Investments in Tanzania.,* p. 12.
[33] German *et al.*, "Contemporary processes of large-scale land acquisition by investors", p. 26.
[34] Gabrielsson and Massay, *A hunger for justice,* p. 14.
[35] J. Cleaver, R. Schram and G. Wanga, *Bioenergy and Food Security. The BEFS Analysis for Tanzania*, Rome, FAO, 2010, p 40.
[36] Gabrielsson and Massay, *A hunger for justice,* p. 4.
[37] The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster,* p. 5.
[38] De Blasis, "Investimenti esteri e agricoltura in Tanzania: land grabbing o sviluppo rurale?", p. 151.
[39] www.theguardian.com/environment/2011/oct/30/africa-poor-west-biofuel-betrayal [last accessed 15.10.2020].
[40] De Blasis, "Investimenti esteri e agricoltura in Tanzania: land grabbing o sviluppo rurale?", p. 154.
[41] The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster,* p. 6.

Working conditions at the plantation were also criticized. Some former employees complained about excessive workload, poor sanitary conditions, lack of training in the use of chemicals[42] and protective equipment, with consequent damage to health[43].

In cases where one or more household members had been hired at the plantation, work dynamics on the farmland remained under villagers' control changed profoundly. Before the investment, the land used to be cultivated by all family members, but once employed by the company farmers could no longer take care of their land due to lack of time and energy. A minority of the workers could use the wages received from Sun Biofuels to take on their own workforce in family lands and thus micro-income circuits were introduced, which stimulated the rural labour market. In most cases, however, there was a decline in manpower or the land was completely abandoned[44].

Job opportunities also attracted a substantial number of farmers from other districts; some of whom were hired on the jatropha plantation, while others were employed on the family lands of Sun Biofuels workers living in the area. This influx of new people raised the demand for commodities, stimulating the local market. The income circuits introduced, together with the arrival of new inhabitants, had a positive impact on the local economy and benefits also fell on those who were not directly employed by the company[45].

Sun Biofuels was unable to raise the capital to fully implement the project and declared bankruptcy in 2011. The activity on the plantation shrunk sharply, to the point that only 35 employed remained[46]. Most of the workers remained are security guards, whose main task is to prevent villagers from accessing the land[47]. Indeed, as mentioned in the previous chapter, once the rural communities are expropriated of their village land they can no longer regain it[48].

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[42] De Blasis, "Investimenti esteri e agricoltura in Tanzania: land grabbing o sviluppo rurale?", p. 152.
[43] www.theguardian.com/environment/2011/oct/30/africa-poor-west-biofuel-betrayal [last accessed 15.10.2020].
[44] De Blasis, "Investimenti esteri e agricoltura in Tanzania: land grabbing o sviluppo rurale?", p. 153.
[45] *Ibidem*.
[46] The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster,* p. 6.
[47] Ivi, p. 7.
[48] See p. 58-59.

Fig. 3.4 - The Sun Biofuels plantation after the abandonment of the project.
(Source: www.youtube.com/watch?v=NvBDA6o0A1o)

Few months after the abandonment of the project, Thirty Degrees East, a private company registered in Mauritius, bought 90% of Sun Biofuels shares with the intent to raise the financial capital needed and proceed with the project. The remaining 10% of the shares is controlled by Harbert Marwa and Daudi Mwakabore, two Tanzanian investors[49]. This change in ownership occurred without the knowledge of the villages or the district commissioner[50]. Since Thirty Degrees East took over Sun Biofuels, for some time the new investors were in the process of reviewing their strategy and business plan for the plantation[51], but to date there is no notification that operations were resumed. As the new owners do not have any responsibilities to maintain the promises made in the previous agreement, most likely the projects promised by Sun Biofuels will never be realized[52].

[49] The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster,* p. 6.
[50] Gabrielsson and Massay, *A hunger for justice,* p. 14.
[51] The Oakland Institute, *Understanding land investment deals in Africa. Tanzanian villagers pay for Sun Biofuels investment disaster,* p. 6.
[52] Gabrielsson and Massay, *A hunger for justice*, p. 14-15.

3.2 EcoEnergy

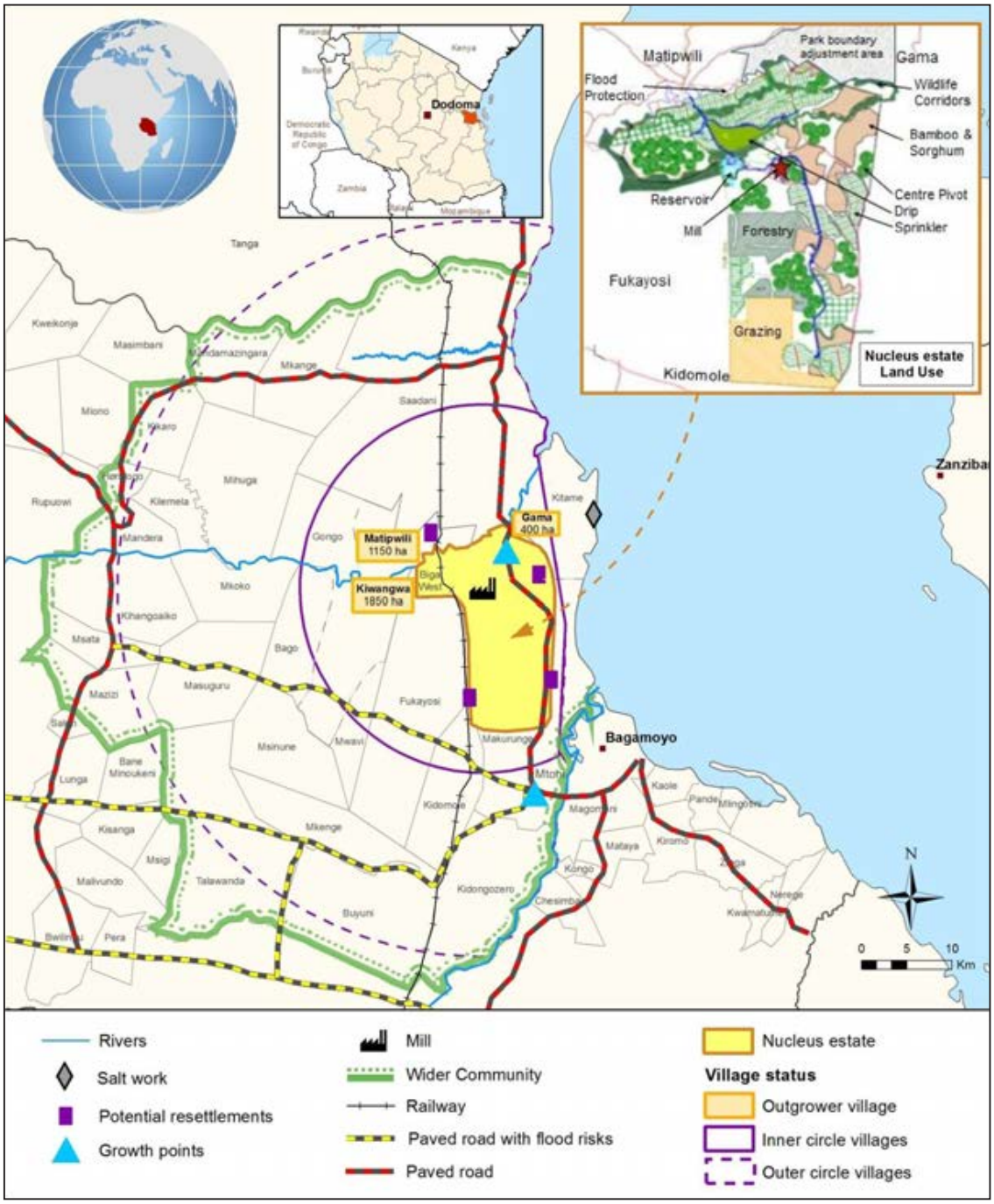

Fig. 3.5 - Project site of EcoEnergy in the Bagamoyo District.
(Source: United Republic of Tanzania, Bagamoyo Sugar Infrastructure and Sustainable Community Development Programme (BASIC). Final project design report*, IFAD, 2015, p. VII)*

The second case study examines the USD 500,000,000 sugarcane project by Bagamoyo EcoEnergy Ltd, that is a subsidiary of the Swedish-owned private company EcoEnergy Africa AB[53]. The project was part of the SAGCOT partnership[54].

The land targeted for the investment is located in the Bagamoyo District, which lies about 70 kilometres north of Dar Es Salaam. In 2006 the land was initially allocated to the Swedish company SEKAB Bioenergy Tanzania Ltd for biofuel sugarcane production, but the project soon failed due to a scandal over a doctored EIA[55]. Bagamoyo EcoEnergy Ltd then picked up where the attempt left and bought the plans and investment license from SEKAB to form its own project. Subsequently, neighbouring villages were approached to grant additional land to the foreign company[56].

In 2013 EcoEnergy was granted a 99-year lease to 24,000 hectares for industrial sugarcane production. In exchange, the Government of Tanzania were to be given an equity share in the company, significant tax revenues, and, once the land would have been delivered without any encumbrance, the payment of a rent of USD 30,000 per year[57].

EcoEnergy and the Tanzanian government declared that the investment would have brought many benefits also to the local people. According to company estimates, the project would have employed about 2,000 new workers, benefited 1,500 outgrowers, created 11,000 –15,000 new jobs indirectly, and injected USD 45 to 50 million a year into the local economy[58]. However, since the contract has never been made public, it is impossible to know fiscal details, contractual and legal safeguards or obligations of the company towards the local communities[59].

[53] Action Aid, *Take Action: Stop EcoEnergy's Land Grab in Bagamoyo, Tanzania*, Johannesburg, 2015, p. 12.
[54] www.sagcot.com/our-partners/sagcot-partners/ [last accessed 15.10.2020].
[55] www.pambazuka.org/global-south/biofuels-and-neo-colonialism [last accessed 15.10.2020].
[56] Action Aid, *Take Action: Stop EcoEnergy's Land Grab in Bagamoyo*, p. 13.
[57] EcoEnergy Ldt, *White Paper on the Bagamoyo EcoEnergy Project in Tanzania*, p. 5.
[58] www.ecoenergy.co.tz/resource-center/faq/ [last accessed 15.10.2020].
[59] Action Aid, *Take Action: Stop EcoEnergy's Land Grab in Bagamoyo*, p. 6.

Fig. 3.6 - A sign pointing to the Ecoenergy project in Bagamoyo.
(Source: Action Aid, Take Action: Stop EcoEnergy's Land Grab in Bagamoyo*, p. 1)*

On the land obtained the investor initially planned to establish a commercial plantation and a processing facility over an area of 7,800 hectares and, in addition to this, source sugar from outgrowers farming around the project area[60].

The outgrower program proposed by EcoEnergy envisaged the involvement of approximately 1,500 smallholder farmers and the use of 3,400 hectares of village land, of which the company did not plan to assume control of[61]. The idea was to form 25 to 35 'block farms', each comprising 50 farmers who would have cultivated sugarcane and supplied the product to the company at an agreed price[62]. Outgrowers were also offered the opportunity to work as employees of the company to earn wages as farm labourers[63] and increase their domestic income. The company stressed that no villager would have been displaced by the outgrower program, and that the area earmarked for it was generally

[60] Ivi, p. 11.
[61] Ivi, p. 23.
[62] Ivi, p. 6.
[63] Ivi, p. 23.

underutilized. Nevertheless, interviews with both the company and farmers confirmed that the details of the outgrower model were not made clear, which caused a great confusion and kept farmers in the dark about possible negative repercussions[64]. Without clear and complete information, communities in the affected areas could not assess whether the benefits of the outgrower program would have outweighed the risks associated with this scheme.

Furthermore, the change in the production system would have required farmers to take out a loan of roughly USD 16,000 per person, a sum that is 30 times the minimum annual agricultural salary in Tanzania. According to the most optimistic forecasts, it would have taken at least seven years for the outgrowers to pay their loan back and start to make a profit[65]. Until loans were repaid, the only earnings for farmers would have had were those from farm labour at the plantation. Loans are particularly risky for poor farmers if they need to use their land as collateral, as it is the main assets of rural households, but Ecoenergy declared that the supply contract could be used as collateral instead of land[66]. Another critical issue regards the fact that in general farmers are likely to have little bargaining power when requesting loans from financial institutes and high-interest rates demanded by banks to cover the high risk of the investment reduce greatly prospects for farmers' returns[67].

Just as problematic is the monopsony regime, that is a particular form of market characterized by the presence of a single buyer and a plurality of sellers. In this particular type of market, EcoEnergy had a much greater bargaining force on purchase prices than that of the outgrowers[68].

[64] Ivi, p. 6.
[65] *Ibidem*.
[66] Ivi, p. 24.
[67] *Ibidem*.
[68] www.repubblica.it/solidarieta/cibo-e-ambiente/2015/04/20/news/tanzania-112423655/ [last accessed 15.10.2020].

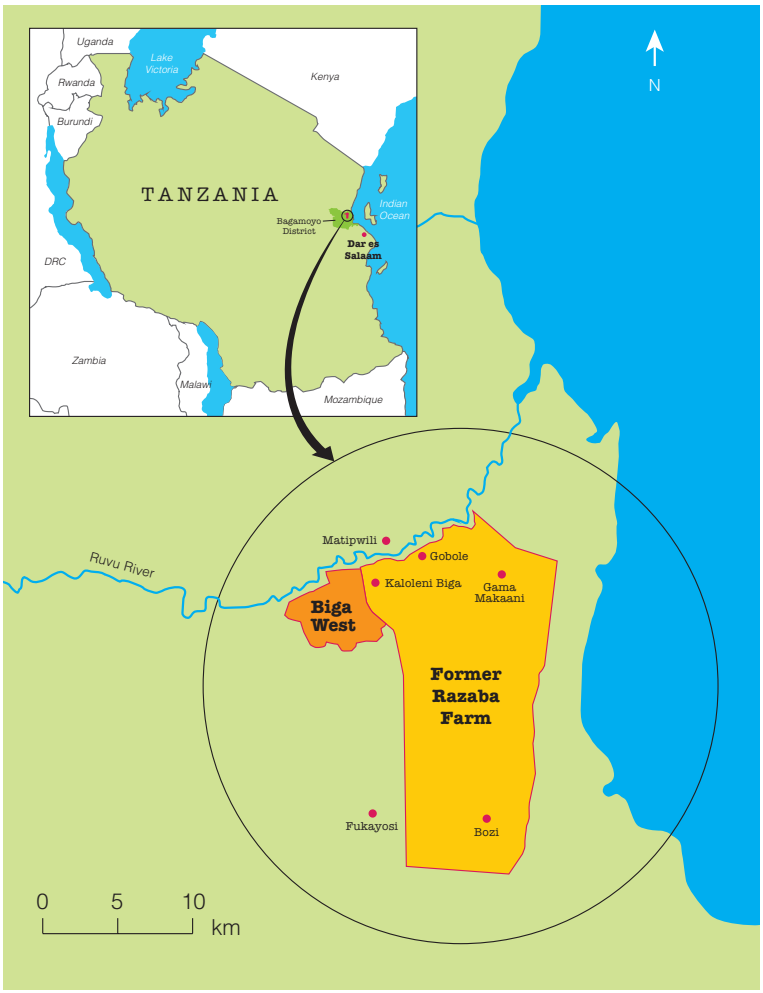

Fig. 3.7 - The former Razaba farm and Biga West location.
(Source: Action Aid, Take Action: Stop EcoEnergy's Land Grab in Bagamoyo*, p. 10)*

The land allocated to EcoEnergy came from the former state farm Razaba, inaugurated in 1976 as part of collectivisation policies and then abandoned in 1993. In the two decades following the farm abandonment by the state, dozens of households settled down with their families on this land[69]. Before the investors'arrival, it was mainly inhabited by poor smallholder farmers, each with a few acres of land growing staple crops and fruits, and about 70 pastoralists, who owned over 3,000 cattle and 650 goats[70]. The area on which the former Razaba farm stood was general land and as such consent from local communities before leasing the land to an investor was not required by legislation.

[69] Action Aid, *Take Action: Stop EcoEnergy's Land Grab in Bagamoyo*, p. 11.
[70] Ivi, p. 13.

EcoEnergy applied also for a lease on a section of village land outside the Razaba farm, known as Biga West, which is disputed between the neighbouring villages Fukayosi and Matipwili. Fukayosi villagers accepted the proposal to allocate 2,000 hectares of their village land to the foreign company. However, the territory requested represents a key resource to Matipwili's people, since their village centre is closer to it and they wanted to continue using the fertile area near the river for crop cultivation. Following this opposition from local communities, since 2012 the company and local authorities engaged in the dispute between Fukayosi and Matipwili in the hope to reach a compromise and enable EcoEnergy to use at least part of Biga West, but no agreement could not be reached[71].

According to initial forecasts, approximately 1,300 people living in and around the project area would be affected by the project. Around 300 villagers would have been physically displaced, while households comprising approximately 1,000 people living outside the plantation area would have lost their farmland within the former Razaba farm[72]. EcoEnergy declared itself aware that the area was inhabited and that affected people would have been involuntarily resettled, yet it insisted that many of these people were 'invaders' because the land belonged to the state of Tanzania[73]. The domestic government sided with the investor, arguing that the project was able to displace people from the area because it was general land. In any case, the company was required to pay compensation under performance standards of the International Finance Corporation and the African Development Bank[74], which finance the project[75].

The 185 households living in di Gama Makaani, a village in the former Rabaza ranch, tried to oppose to the resettlement plan and in 2011 they initiated a legal dispute with EcoEnergy and the Government of Tanzania over what they claimed was their right to the land. In 2015 the Land Division of the High Court of Tanzania ruled in favour of the company and the government, as there was no evidence that the claimants had the right to occupy the farm[76].

[71] F. Maganga, K. Askew, R. Odgaard and H. Stein, "Dispossession through Formalization: Tanzania and the G8 Land Agenda in Africa", *Asian Journal of African Studies* 40: 1 (2016), pp. 19-20.
[72] Action Aid, *Take Action: Stop EcoEnergy's Land Grab in Bagamoyo*, p. 13.
[73] Ivi, p. 11.
[74] EcoEnergy Ldt, *White Paper on the Bagamoyo EcoEnergy Project in Tanzania*, p. 16.
[75] Action Aid, *Take Action: Stop EcoEnergy's Land Grab in Bagamoyo*, p. 6.
[76] Ivi, p. 6.

Affected households were not offered the choice of whether to resettle or not, they were only allowed to choose between a cash compensation or alternative land for being resettled. As a result, the principle of Free Prior Informed Consent was disregarded. Furthermore, many villagers to be resettled complained about the quality of the alternative land offered[77]. On the former Razaba farm lived also several Barabaig indigenous pastoralists and their cattle. EcoEnergy temporarily allocated 2,400 hectares of land so that the pastoralists could continue their grazing activities[78], but had the company expanded its operations to that area, a further relocation could have occurred[79].

To a small extent, EcoEnergy kept its promises to the local population. The firm initiated training for new job opportunities and facilitated also substantial infrastructure investments, such as power lines and roads, as part of the outgrower program[80]. On the whole, however, it was extremely likely that benefits would have not outweighed the negative impacts linked to dispossession and land loss.

Financial benefits to the local economy were also uncertain. EcoEnergy claimed that the project would have injected USD 45 to USD 50 million a year into the local economy. Yet, according to Action Aid estimates the figure would have been less optimistic, between USD 8.55 million and USD 11.5 million a year[81]. EcoEnergy also provided misleading information about the taxes it would have paid and government ownership in the investment. The company stated that EcoEnergy would have paid 30% corporate income tax, but information that Action Aid accessed revealed that in reality the company was granted a 10-year tax holiday in this respect[82]. The investor also claimed that the government ownership interest in the project would have been 25%, but it was found out that this was valid only starting from the 19th year of investment, while for the first 18 years the government's share would have been only 10%[83].

As for the environmental consequences, the potential negative impacts on the Wami River were particularly worrisome as the amount of water EcoEnergy requested to withdraw for irrigation was excessive and would have reduced the flow of the river.

[77] *Ibidem*.
[78] Ivi, p. 20.
[79] EcoEnergy Ldt, *White Paper on the Bagamoyo EcoEnergy Project in Tanzania*, p. 16.
[80] Action Aid, *Take Action: Stop EcoEnergy's Land Grab in Bagamoyo*, p. 31.
[81] Ivi, p. 28.
[82] Ivi, p. 6.
[83] *Ibidem*.

According to the predictions, this could have implied an intensification in conflicts related to both water and land access. Alterations in the quality of both surface and groundwater were also expected due to the use of agrochemicals in the plantation[84]. In order to safeguard the environment and water resources, EcoEnergy stated that a strategy for biodiversity conservation and two forestation programs would have been developed[85], but it was not possible to find further details about these initiatives.

Going against the will of the Tanzanian government and authorities, in 2015 Action Aid published the report 'Take Action: Stop EcoEnergy's Land Grab in Bagamoyo, Tanzania', which made the case public, and launched the #LANDfor Bagamoyo petition to request the suspension of the project and a new process of consultation with the communities. As international outrage grew, a considerable amount of funding was withdrawn, which led to a rapid downsizing of the operations envisaged by the project. After two years of campaign and thousands of signatures, Action Aid succeeded in its intent and the Government of Tanzania revoked the land title granted to the company[86] stating that the investment could have potential negative impacts on water sources for wildlife in a neighbouring national park[87].

In response to cancelling its land lease, EcoEnergy sued the Government of Tanzania in an investor-state dispute settlement tribunal[88]. The company challenged the government on a range of issues, including violations of the protections afforded to investors under the bilateral investment treaty and international law, unreasonable and discriminatory measures against EcoEnergy and failure to ensure fair and equitable treatment to the investor company[89]. As of January 2019, the process was still underway[90] and the future of rural communities in the project area remains uncertain.

[84] The Oakland Institute, *Understanding land investment deals in Africa. Land grabs leave Africa thirsty,* p. 2.
[85] EcoEnergy Ldt, *White Paper on the Bagamoyo EcoEnergy Project in Tanzania*, p. 7.
[86] www.actionaid.it/informati/notizie / landfor-bagamoyo [last accessed 15.10.2020].
[87] waronwant.org/sites/default/files/ISDS-files-EcoEnergy.pdf [last accessed 15.10.2020].
[88] *Ibidem*.
[89] EcoEnergy Ldt, *White Paper on the Bagamoyo EcoEnergy Project in Tanzania*, p. 18.
[90] waronwant.org/sites/default/files/ISDS-files-EcoEnergy.pdf [last accessed 15.10.2020].

3.3 Bioshape

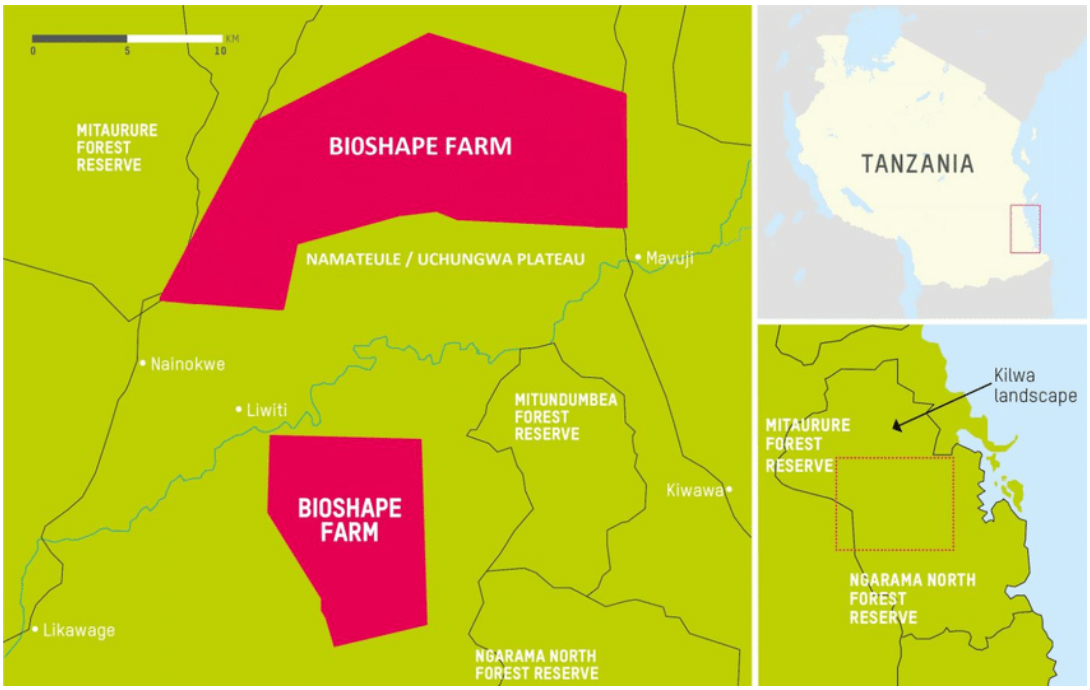

Fig. 3.8 - Project site of Bioshape in the Kilwa District.
(Source: OXFAM, Burning land, burning the climate. The biofuel industry's capture of EU bioenergy policy, *2016, p.10)*

As a third case study, the project of Bioshape Tanzania Ltd was selected. Bioshape Tanzania Ltd was a branch of Bioshape Holding BV, a company based in the Netherlands[91], which signed a deal to obtain 34,000 hectares of land to develop a jatropha plantation for biodiesel production[92].

In 2006 a team of Tanzanian experts was hired to locate possible areas suitable for the cultivation and exploitation of jatropha and, after the identification of a number of possible locations, the choice fell on a plot of village land in the Kilwa District.

[91] E. Sulle and F. Nelson, *Biofuels Investment and Community Land Tenure in Tanzania. The Case of Bioshape, Kilwa District*, Future Agricultures, 2013, p. 10.
[92] N.E. Hultman, E.B. Sulle, C.W. Ramig and S. Sykora-Bodie, "Biofuels Investments in Tanzania: Policy Options for Sustainable Business Models", *The Journal of Environment & Development* 20:10 (2012), pp. 8-9.

The District is located in southeast Tanzania, which is regarded as one of the few regions whose natural vegetation has not been degraded yet[93]. According to the 2002 census Kilwa had a population of 171,057[94], of which almost 77% was involved in agriculture[95].

After having identified the target area, the company engaged with the 7,900 inhabitants of the four villages surrounding it[96] and a few months later the request for land was approved by Village Assemblies under certain conditions. Local demands included the building of a village meeting hall, construction of an electric generator, drilling of a communal water well and providing free lunch for the local school[97].

However, the approval was not adequately informed as villagers did not understand the terms of the land allocation that they were approving, nor did they were aware of the amount of land that was actually being allocated. Community members did not know that conceding their land to Bioshape involved the conversion of their village land into general land, the extinction of their customary rights and any future claim over the land. As a matter of fact, they believed that in case of failure of the project or non-use of the allocated land, then the territory would have reverted to them[98].

Another critical issue regards the land transfer itself. There is no available documentary evidence that this transfer took place and the TIC itself accused some irregularities on the part of the Ministry of Lands[99].

Initially, the company requested around 81,000 hectares of land, but in 2008 signed a contract for the allocation of 34,000 hectares of woodland[100]. The business plan envisaged the establishment of plantations and the development of outgrower schemes[101]. Few months after that the land deal came into effect, a small demonstration plot of 1,000 acres was set up[102].

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[93] Land Rights Research and Resources Institute, *Accumulation by land dispossession and labour devaluation in Tanzania. The case of biofuel and forestry investments in Kilwa and Kilolo,* 2010, p. 42.
[94] *Ibidem*.
[95] Ivi, p. 51.
[96] A. Gordon-Maclean, J. Laizer, P. Harriso and R Shemdoe, *Biofuel Industry Study, Tanzania. An Assessment of the Current Situation*, WWF, 2008, p. 24.
[97] Gabrielsson and Massay, *A hunger for justice*, p. 13.
[98] Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* p. 13.
[99] Ivi, p. 12.
[100] Hultman *et al.,* "Biofuels Investments in Tanzania", p. 8.
[101] Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* p. 11.
[102] Gabrielsson and Massay, *A hunger for justice,* p. 13.

Fig. 3.9 - Demonstration plot at the Bioshape plantation.
(Source: ejatlas.org/conflict/bioshape-kilwa-jatropha-project-tanzania)

The company paid a total compensation of USD 315,211 to compensate the four affected villages for their land[103]. Although it is a considerable amount of money, the compensation did not come remotely close to covering the real economic value of the asset ceded by the communities, or their long-run opportunity costs in terms of future development options[104]. Furthermore, 60% of the total compensation was retained by the District Council and the remaining 40% was distributed[105] unevenly among the villages[106] and households affected by the investment[107]. Nevertheless, Bioshape is generally regarded as having paid compensation fairly adequately and procedurally[108] and local communities declared themselves satisfied with the payment[109].

The investment brought about profound changes in the local economy. Bioshape offered a large number of jobs both as agricultural experts and as unskilled labourers,

[103] Gordon-Maclean *et al.*, *Biofuel Industry Study, Tanzania,* p. 24.
[104] Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* p. 15.
[105] German *et al.*, "Contemporary processes of large-scale land acquisition by investors", p. 26.
[106] Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* p. 14.
[107] Gabrielsson and Massay, *A hunger for justice,* p. 14.
[108] Land Rights Research and Resources Institute, *Accumulation by land dispossession and labour devaluation in Tanzania*, pp. 50-51.
[109] Gordon-Maclean *et al.*, *Biofuel Industry Study, Tanzania,* p. 24.

relatively high salaries and benefit packages. This attracted many skilled and casual workers also from other parts of Tanzania. Media reports indicate that the company hired approximately 100 workers with a permanent contract and 700 casual labourers, with many of the latter coming from the local area[110]. However, it should be noted that even in this case it is mostly casual labour and various complaints arose from working conditions. Criticisms were mainly about long working shifts with little or no breaks, heavy workload for women, exposure to harmful substances and low salaries[111].

Following the generation of new job opportunities, housing rents in the area skyrocketed and food and services demand also increased. Being among the first biofuel companies in Tanzania, Bioshape's project also attracted visitors and researchers intrigued by the company's operations. This led to the building of new restaurants, guest houses and houses for rent[112].

Bioshape promoted several Corporate Social Responsibility initiatives in its project area. Specifically, the program included the construction of a market in Mavuji village, building of a maternity ward at a local hospital, improvement and implementation of a school, dental care in Kilwa Masoko primary schools, financial support a group of seven HIV/AIDS infected women, hosting Dutch volunteers working in a local secondary day school, renting a house to provide some orphans and their manager with accommodation and drilling some water wells[113]. A couple of these projects had time to be partially implemented and, in each case, were abandoned when BioShape left the district[114].

Indeed, these new opportunities for businesses, employment and social improvements generated by Bioshape had all a short life due to the collapse of the company a few months later[115]. The initial satisfaction of local communities with the promotion of social services and the employment creation[116] has thus given away to frustration with the unfulfilled promises and displeasure with the company and

[110] Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* p. 14.
[111] Land Rights Research and Resources Institute, *Accumulation by land dispossession and labour devaluation in Tanzania*, pp. 53-54.
[112] Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* p. 14.
[113] *Ibidem.*
[114] Land Rights Research and Resources Institute, *Accumulation by land dispossession and labour devaluation in Tanzania*, p. 49-50 and Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania*, pp. 14 -15.
[115] Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* pp. 14-15.
[116] Gordon-Maclean *et al.*, *Biofuel Industry Study, Tanzania,* p. 24.

government officials who facilitated the investment[117]. Consequently, attitudes of affected communities towards outside investments changed drastically. Understanding of the past mistakes in not scrutinizing the investment conditions made them more careful and prudent with investment proposals[118].

One of the main negative effects of the arrival of BioShape in the area was a significant drop in food production due to the transfer of labour from village farms to the biofuel company. This undermined food security, which worsened once the project failed as people found themselves without wages and farmland[119].

Potential negative impacts on the environment were also feared. The conversion of native forests into jatropha landscapes could have resulted in significant deforestation[120] and biodiversity reduction[121].

In 2009 Bioshape went bankrupt and withdrew from Kilwa[122]. Since then no production has taken place and land remained unused and closed off with fences and guards[123]. Villagers are unable to access the land within the project boundaries, which was previously used to cultivate fruits and crops, collect firewood and medicinal plants and included also a local cemetery and other sacred ceremonial sites[124].

However, the lack of evidence that the correct legal process was followed in the village land transfer into general land offers to affected people legal and procedural options to regain their land. Indeed, the adoption of improper procedures in issuing the derivative title without completing the land conversion process could be the pretext for pursuing a legal case. Alternatively, administrative channels could be used to request the Minister of Lands to de-register the land[125]. The District Council has been trying to repair the damage caused by the project failure by seeking to return part of the land to the

[117] Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* p. 15-16.
[118] Ivi, p. 16.
[119] Land Rights Research and Resources Institute, *Accumulation by land dispossession and labour devaluation in Tanzania*, p. 51-52.
[120] Gordon-Maclean *et al.*, *Biofuel Industry Study, Tanzania.* p. 87.
[121] A. Gasparatos, L.Y. Lee, G.P. von Maltitz, M.V. Mathai, J.A. Puppim de Oliveira and K.J. Willis, *Biofuels in Africa. Impacts on Ecosystem Services, Biodiversity and Human Well-being*, Singapore, United Nations University and Institute of Advances Studies, p. 28.
[122] Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* p. 4.
[123] Gabrielsson and Massay, *A hunger for justice,* p. 13.
[124] Ivi, p. 15.
[125] Sulle and Nelson, *Biofuels Investment and Community Land Tenure in Tanzania,* p 19.

communities[126], but it is a time-consuming procedure and no confirmation has yet been received that the return has taken place.

[126] www.ippmedia.com/en/sport/kilwa-district-healing-wounds-inflicted-bioshape-investment [last accessed 15.10.2020]

3.4 A final account

Investor	Sun Biofuels Tanzania Ltd (Sun Biofuels Ltd)	Bagamoyo EcoEnergy Ltd (EcoEnergy Africa AB)	Bioshape Tanzania Ltd (Bioshape Holding BV)
Location	Kisarawe District	Bagamoyo District	Kilwa District
Year of investment	2009-2011	2013-2017	2008-2009
Size of land requested	20,000 ha	unknown	81,000 ha
Size of land allocated	8,211 ha	24,000 ha	34,000 ha
Population affected	11,277	1,300	7,900
FPIC	No	No	No
Tenure arrangements	99-year lease	99-year lease	99-year lease
Commodity	Jatropha	Sugarcane	Jatropha
Business model	Plantation	Plantation and outgrower scheme	Plantation and outgrower scheme
Resourced accessed	Forest, farmland, residential areas, water	Farmland, residential areas	Farmland, forest
Promises	700-5,000 new jobs, three water wells, a local dispensary, improved schools, health clinics and roads. Not codified in a formal contract	14,500-18,500 new jobs (2,000 as employees at the plantation, 1,500 as outgrowers, 11,000 –15,000 indirectly) and revenues for the local and national economy. Contract not made public	Meeting hall, electric generator, water well and free lunch for the local school

Promises fulfilled	750 new jobs**, construction of water wells (but only partially implemented and water is lacking)	Training for new jobs**, infrastructure investments	800 new jobs**
Compensation	USD 25,000 (75% to the District, 25% to the villagers). A total of 152 individuals received the payment	Cash or alternative land	USD 315,211 (60% to the District, 40% to the villagers)
Socio-economic impact	Increasing domestic expenditures, decreasing household income, widening of the social and gender gap, boosting of the local economy**	300 people physically displaced*, 1,000 people losing farmland*, revenues for the local and national economy (lower than the company estimated)*	Boosting of the local economy**, several CSR initiatives**, increasing food insecurity
Environmental impact	Not assessable	Excessive water withdrawal from Wami River*, water pollution*	Deforestation*, biodiversity reduction*
Recent developments	Sun Biofuels taken over by Thirty Degrees East. Operations not resumed	EcoEnergy currently involved in a legal dispute with the Government of Tanzania for revoking the derivate title	Villagers currently trying to regain their land

Tab. 3.10 - Summary of the Sun Biofuels, EcoEnergy and Bioshape projects.

* potential outcome
**only while operations were running

All these transnational land deals can be defined as land grabs according to the Tirana Declaration. First, the principle of the Free Prior Informed Consent was disregarded. Specifically, the affected villagers were not properly informed of the negative impacts that the investments could have brought. Partial information, coupled with a poor understanding of land laws among villagers, greatly reduced the capacity of rural people to negotiate favourable agreements with powerful investors. Sometimes the establishment of the project then disregarded socio-economic and environmental impacts as priority was given to the company's profits maximisation. Furthermore, agreements were not finalized in transparent contracts nor binding commitments about activities, employment, and benefits-sharing were specified. Finally, effective democratic planning and meaningful participation were also lacking.

While operating, the projects brought some benefits to local communities, above all new job opportunities, and stimulated the local economy. However, these benefits were limited and short-lived, in all cases falling far short of what communities expected when agreeing to the initial investments.

On the other hand, the negative impacts have far outweighed the positive ones. Some villages have lost significant portions of their farmland, forests, water sources which were of vital importance for their livelihood. This undermined their food security and aggravated the economic situation of several households. Villagers affected were poorly compensated or did not receive any payment at all for the land lost.

In general, investors have not kept the commitments made in exchange for the land grant. The communities cannot take advantage of the promised social services such as schools, medical centres and wells and cannot legally claim anything as the promises have not been codified in a written contract.

In conclusion, a rural development strategy based on such large-scale foreign investments presents numerous risks and does not appear to be a winning strategy for improving the lives of Tanzanians and boosting the economy. It remains to be asked what amendments should be made to maximize the benefits brought by the investments and make them more lasting.

Conclusion

In a context where rural areas remain characterized by high rates of poverty, the Tanzanian government, like others in developing countries, has placed considerable trust in large land-based foreign investments. However, promoting these investments does not appear to be a winning strategy. Negative impacts result to be in a greater number than the positive ones and are likely to hit hardest those who are already socially and economically the most disempowered categories.

The issue that needs to be addressed more urgently is the lack of information and transparency characterizing these deals. First of all, it is crucial to ensure that the communities affected by a project fully understand the risks and potential negative impacts of the investment. Moreover, widespread and adequate knowledge of land legislations and investment policies among villagers needs to be promoted. For example, it is fundamental that villagers be aware that the conversion of village land into general land is an irreversible process involving the extinction of their customary rights.

Consultation processes should then be mediated by a disinterested third party, whose task would be to make sure that villagers have access to complete information and are able to negotiate the terms of the project with the investor. To assist small-scale farmers, some organizations in Tanzania, such as Action Aid, HakiArdhi, MVIWATA and the Legal and Human Rights Centre, have already launched initiatives to empower local communities and ensure that any land transfer is based on Free, Prior and Informed Consent. However, the reach of these organizations is still limited to a small fraction of Tanzania's villages[1].

In addition, agreements should be encoded in a written contract to guarantee to the community members the possibility to address and dispute any wrongdoings against them. Furthermore, contracts should be made public, so that the details of financial obligations, projections and safeguards to communities are known.

As regards compensation practices, each villager should receive a 'full and fair compensation', as stated in the Land Act itself. The compensation needs to be based on

[1] Gabrielsson and Massay, *A hunger for justice,* p. 16.

true economic opportunity costs and extended to all individuals affected by the investment.

Of paramount importance is also the rethinking of the framework governing land investments to limit the damage in the event of abandonment or failure of the project, which is a concrete risk. For example, if the process of land conversion were reversible, in case the project fails or is abandoned, the plots of land could return to the local communities rather than remain unused.

Furthermore, as it was shown, land deals generally involve vast expanses of land, but sometimes the companies manage to make only a small part of it operational. A further solution to limit the risks and potential damages of large-scale projects could be to grant foreign investor only a limited number of hectares at first and allocate additional plots of land only once the company has proved its capability to manage and further implement the project.

Land laws should be amended and properly enforced also to clearly define what constitutes 'general land' and 'unoccupied and unused land'. In this way, law could not be interpreted arbitrarily and bent to the interests of the most powerful.

These are the main critical points that urgently need to be addressed to permit the realization of the benefits of land-based investments in Tanzania. Currently, several institutes have formulated different guidelines that should be followed in the investment process, such as the Guidelines for Sustainable Liquid Biofuels Development in Tanzania. However, since they represent mere recommendations and lack the force of law, they are systematically ignored. As long as investors are not forced to follow certain procedures and comply with specific indications, it is difficult for real changes to take place.

To conclude, it is crucial to note that, if small-scale farmers are the main losers of land investments, there are no real winners either. Apart from the compensation fees collected by the District Councils, in each project investigated in this thesis the Government of Tanzania did not obtain the financial benefits expected, such as payments for utility fees or turnover. Investors have not profited from the projects either, as they made capital investments to make the plantations operative only to cease the production before any crops could be turned into a commercial product for sale. It remains thus to

ask whom these deals benefit and whether they are actually the best strategy to improve the lives of the Tanzanians and stimulate economic growth.

A more critical and in-depth analysis of the various local contexts could result in more effective development strategies. In the case of the Kisarawe District, for example, it was shown how the lack of appropriate transport infrastructures has an impact on local agricultural productivity and is one of the causes of poor living conditions for the inhabitants of the region. Therefore, even the implementation of simple infrastructures could have significant positive effects on the local context, without necessarily resorting to larger, riskier and more expensive investments.

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Summary in Italian

Negli ultimi anni si è registrato un aumento esponenziale degli investimenti fondiari transnazionali a livello globale e in particolare nell'Africa sub-sahariana. Questo fenomeno ha generato accese discussioni circa gli effetti degli investimenti sulle condizioni di vita delle comunità rurali. Se da un lato si è parlato di *land grabbing*, ovvero di accaparramento delle terre, enfatizzando gli impatti negativi e condannando la violazione dei diritti delle popolazioni locali, dall'altro questi investimenti potrebbero potenzialmente contribuire allo sviluppo economico e alla riduzione della povertà rurale.

Nel primo capitolo di questa tesi viene delineato il contesto globale in cui si inserisce l'odierna corsa alla terra, con particolare attenzione alla situazione in Africa. Nel continente africano gli accaparramenti terrieri non rappresentano un fenomeno nuovo, in quanto già durante il periodo coloniale le potenze europee si arrogarono il diritto di dichiarare sotto il loro dominio le terre apparentemente inoccupate, senza curarsi dei diritti delle popolazioni locali. Una seconda ondata di *land grabbing* fu perpetrata poi dagli stessi governi locali indipendenti tramite politiche di nazionalizzazione ed espropriazioni ai danni dei loro stessi concittadini. Verso la fine del XX secolo in molti Paesi africani si verificarono profondi cambiamenti politici ed economici che portarono ad una maggiore apertura agli investimenti privati e molti governi adottarono vari provvedimenti legali e fiscali nel tentativo di attrarre anche capitali stranieri. Questi incentivi hanno ampiamente facilitato l'odierna corsa alla terra, che è stata scatenata all'inizio degli anni Duemila da un insieme di vari fattori socioeconomici che hanno agito in simultanea.

Le principali cause dell'aumento degli investimenti terrieri transnazionali sono state le preoccupazioni per la sicurezza alimentare, l'aumento della domanda di biocarburanti e la crisi finanziaria del 2008.

Tra il 2005 e il 2008 ci fu un'improvvisa impennata dei prezzi di vari prodotti alimentari di base. In risposta al rincaro dei prezzi esplosero proteste e disordini sociali in numerosi Paesi, mettendo in allarme soprattutto i governi che facevano ampio

affidamento sulle importazioni dal mercato globale per sfamare la loro popolazione. La necessità di assicurarsi delle scorte di cibo a prezzi abbordabili spinse alcuni Paesi, ricchi di risorse economiche e poveri di terra fertile, ad acquistare o affittare vasti tratti di terra in altri Paesi con l'intento di esternalizzare la produzione alimentare anziché fare affidamento sul mercato globale. In alcuni casi la sicurezza alimentare è stata messa a rischio non solo dalla crisi dei prezzi alimentari, ma anche da alcuni cambiamenti nella dieta nazionale. La popolazione cinese, per esempio, negli ultimi decenni ha integrato una quantità sempre maggiore di carne nella propria dieta. Le risorse naturali cinesi non sono sufficienti per coltivare la quantità di soia necessaria per nutrire gli animali e acquistare terreni esteri per produrla si è presentata come una soluzione più economica rispetto ad acquistarla dal mercato globale. Infine, la costante crescita della popolazione globale aggrava ulteriormente il problema della sicurezza alimentare a livello globale.

Il secondo fattore che ha innescato la corsa alla terra è stata la crescente domanda di biocarburanti, che recentemente hanno cominciato a essere considerati come un'alternativa ai combustibili fossili. L'Unione Europea, gli Stati Uniti e altri Paesi hanno adottato delle politiche che promuovono l'uso di combustibili verdi e numerose compagnie hanno risposto a queste normative acquistando vaste estensioni di terra per produrre canna da zucchero, jatropha e altre materie prime da cui si ricavano biocarburanti.

Infine, a scatenare la corsa alla terra ha contribuito ampiamente anche la crisi finanziaria del 2008. Dopo il crollo dei mercati finanziari internazionali si è cominciato a ritenere il tradizionale mercato azionario rischioso e volatile, motivo per cui molti investitori hanno preferito dirottare i loro capitali verso *asset* alternativi. In questo contesto la terra, essendo un bene sempre più richiesto, si è presentata come un investimento con allettanti prospettive di guadagno.

Attualmente numerosi Stati del mondo sono coinvolti nelle transazioni fondiarie. Particolarmente attive negli investimenti agricoli sono innanzitutto le economie emergenti, come ad esempio Cina, India e Sudafrica. In particolare, la Cina e altre potenze asiatiche sviluppate come Hong Kong, Singapore, il Giappone e la Corea del Sud, sono state costrette ad esternalizzare parte della produzione di cibo e biocarburanti in quanto non possiedono terra fertile e risorse idriche sufficienti per soddisfare la domanda alimentare ed energetica interna. Un altro gruppo di grandi investitori è quello dei Paesi

del Golfo, i quali in seguito alla crisi dei prezzi alimentari si sono affrettati ad acquistare terreni stranieri da coltivare al fine di offrire ai loro abitanti cibo a prezzi abbordabili ed evitare così disordini sociali che avrebbero messo a rischio la stabilità politica. Infine, anche l'Unione Europea e gli Stati Uniti risultano particolarmente attivi nelle transazioni fondiarie internazionali, ma in questo caso gli investimenti sono guidati principalmente dalle politiche sui biocarburanti, da strategie di integrazione verticale nel settore agroalimentare e dalla speculazione finanziaria. Gli investitori provenienti da Stati Uniti e Unione Europea sono prevalentemente compagnie private, mentre nelle altre regioni sono più attivi gli enti pubblici o statali.

Anche per quanto riguarda i Paesi destinatari è possibile identificare delle zone maggiormente interessate dagli investimenti fondiari. Vaste estensioni di terra sono state acquistate nei Paesi facenti parte dell'ex Unione Sovietica, anche se gli accordi stipulati in questa regione hanno ricevuto scarsa attenzione mediatica e accademica. Numerose transazioni sono state registrate poi in Africa, soprattutto lungo i maggiori fiumi e la costa orientale del continente. Anche l'America Latina e il Sud-est asiatico hanno attirato numerosi investimenti. Ad accomunare i Paesi destinatari sono un PIL significativamente più basso rispetto ai Paesi investitori e un regime fondiario debole, che non tutela adeguatamente le popolazioni rurali. Sebbene di recente in alcuni Paesi siano state adottare misure per riconoscere e proteggere maggiormente i diritti delle popolazioni rurali, in genere i governi dei Paesi destinatari si sono dimostrati più interessati ad attirare gli investimenti stranieri, visti come un'opportunità per stimolare il settore agricolo e rilanciare l'economia nazionale. Solo in una minima percentuale di casi le popolazioni interessate dal progetto d'investimento sono state appropriatamente consultate e coinvolte nei processi decisionali, motivo per cui la maggior parte delle acquisizioni o concessioni terriere possono definirsi dei veri e propri accaparramenti che violano i diritti delle comunità. Molti accordi sono stati stipulati in ambienti caratterizzati da corruzione dilagante e scarsa trasparenza, che minacciano ulteriormente i diritti della popolazione.

Gli investimenti prevedono spesso progetti su larga scala che hanno pesanti ripercussioni nei contesti locali. Solitamente la terra assegnata agli investitori ha un ruolo di fondamentale importanza nel sostentamento delle comunità rurali perché offre loro l'opportunità di coltivare prodotti alimentari, pascolare il bestiame e ottenere legname, carbone e altri materiali. L'impatto più visibile delle transazioni fondiarie è il

trasferimento degli abitanti dalla zona e la perdita dei terreni su cui si basava il loro sostentamento, con il conseguente aumento dell'incertezza alimentare e della povertà. La perdita dei terreni comporta inoltre una serie di altre conseguenze secondarie, come ad esempio l'inasprimento delle disuguaglianze sociali e di genere, in quanto gli impatti negativi tendono a ricadere soprattutto sulle donne e su altre categorie socialmente ed economicamente più deboli. In alcuni casi i cittadini che sono stati espropriati della propria terra ricevono un indennizzo economico, che però non risulta quasi mai sufficiente a compensare la perdita subita.

D'altro canto, è corretto notare che gli investimenti possono avere anche degli impatti positivi nei contesti locali. I progetti creano nuovi posti di lavoro, anche se in molti casi si tratta di occupazioni temporanee, dal salario relativamente basso e dalle condizioni di lavoro pesanti e rischiose. Si possono inoltre verificare alcuni effetti di *spillover* nelle zone in prossimità del progetto, dove i contadini possono avere accesso alle tecnologie e al *know-how* dell'investitore. A beneficiare di alcuni progetti sono anche le casse statali, in quanto, sebbene i prezzi di vendita e i canoni d'affitto siano bassi, non sono comunque trascurabili per l'economia nazionale. Alcuni investitori stranieri promuovono infine la costruzione di infrastrutture, spesso carenti nei contesti rurali.

Le transazioni hanno pesanti ripercussioni non solo a livello socioeconomico, ma anche a livello ambientale. Al fine di avere la massima resa possibile si fa spesso ricorso a modelli di produzione industrializzati intensivi, che causano causano il degradamento del suolo e delle risorse idriche, inquinamento e riduzione della biodiversità.

Dopo aver presentato il fenomeno del *land grabbing* in generale e le dinamiche degli investimenti terrieri a livello globale, nel secondo capitolo della tesi il focus viene ristretto alla Tanzania. Questo Paese africano infatti ha attirato numerosi investitori stranieri grazie alla sua stabilità politica, economica, favorevoli condizioni geo-climatiche e incentivi offerti dal governo tanzaniano.

Nel corso dei secoli la Tanzania è passata sotto vari domini stranieri e ha sperimentato diversi regimi fondiari. Se in epoca precoloniale la terra era proprietà pubblica, sotto il controllo delle potenze europee furono varate delle leggi che espropriarono le popolazioni locali dei loro possedimenti. Alla fine del XIX secolo, quando la Tanzania era sotto il dominio tedesco, fu emanato un decreto che dichiarava proprietà dell'Impero tutti i terreni della colonia. Un provvedimento simile fu adottato in

seguito dai britannici, che dopo la Prima Guerra Mondiale subentrarono ai tedeschi nel dominio della Tanzania e proclamarono la terra in questo Paese sotto il controllo coloniale, pur riconoscendo alla popolazione locale dei diritti consuetudinari. In questo modo si venne a creare un sistema dualistico di gestione della terra, in cui i diritti dello stato erano superiori a quelli consuetudinari. Nel secondo dopoguerra, quando cominciò a diffondersi il concetto del diritto all'auto-determinazione dei popoli, i tanzaniani iniziarono la loro lotta per l'indipendenza dal dominio coloniale. Nel 1964, dopo anni di battaglie politiche sotto la guida di Julius Nyerere e proteste popolari, fu proclamato lo stato unificato e indipendente della Tanzania. Nyerere fu eletto Presidente e, non appena entrato in carica, dichiarò la Tanzania uno 'Stato socialista' e adottò delle misure che facilitavano il controllo sempre più centralizzato della terra. Si adoperò inoltre per riunire la popolazione rurale in villaggi, anche tramite trasferimenti forzati, e tentò di creare dei cosiddetti *ujamaa vijijini*, ovvero villaggi in cui le comunità lavoravano e coltivavano la terra collettivamente. Dopo il ritiro di Nyerere dalla scena politica negli anni Ottanta, la Tanzania cominciò ad allontanarsi dal modello socialista e intraprese un processo di liberalizzazione dell'economia di mercato, che provocò un forte aumento delle acquisizioni fondiarie da parte di investitori sia nazionali sia stranieri. Le transazioni avvennero in un contesto dominato da una burocrazia statale inefficiente e da una generale confusione sulle modalità di gestione del territorio, alimentando così il malcontento popolare. In risposta alle tensioni crescenti, il governo tanzaniano introdusse delle nuove normative, ovvero il Land Act e il Village Land Act, che regolano ancora oggi il regime fondiario vigente in Tanzania.

Il Land Act ha istituito tre categorie di terra, affidandone la gestione a diversi enti. La prima è la *general land,* che è amministrata direttamente dal governo e rappresenta circa il 2% del territorio nazionale. La seconda, denominata *reserved land,* ricopre circa il 28% dell'area del Paese e viene amministrata da apposite agenzie governative. La *reserved land* comprende principalmente parchi nazionali, riserve di caccia e forestali. La terza categoria è classificata come *village land* e comprende i territori entro i confini dei villaggi e qualsiasi appezzamento che la popolazione rurale utilizza o occupa da almeno 12 anni. Questi terreni ricoprono circa il 70% del territorio nazionale e la loro amministrazione è affidata alle autorità di villaggio.

La gestione della *village land* è trattata più nello specifico nel Village Land Act, che ha suddiviso questi terreni in tre sottocategorie: quelli occupati su base individuale, quelli utilizzati su base collettiva e quelli a disposizione per future concessioni individuali o usi comuni.

Tutta la terra è proprietà pubblica e la popolazione può accedervi attraverso diritti consuetudinari, che, sebbene siano stati istituzionalizzati ed equiparati ad altri diritti fondiari, godono spesso di una minore protezione legale. La legge tanzaniana prevede la registrazione e il rilascio di titoli di occupazione sia individuali sia collettivi, i quali permettono alla popolazione rurale di documentare i propri diritti e tutelarsi maggiormente.

La Tanzania è ancora un paese rurale, in cui il settore agricolo riveste un ruolo di primaria importanza nell'economia locale e nella vita della popolazione nazionale, nonostante sia ancora arretrato e sottosviluppato. Il governo tanzaniano è convinto che gli investimenti di compagnie straniere, grazie ai loro ingenti capitali e alle tecniche di produzione industriale, possano aumentare la produttività agricola e stimolare così l'economia e ridurre la povertà. A tal fine sono state promosse varie iniziative per attirare gli investimenti stranieri, di cui le principali sono il programma *Kilimo Qwanza* e il *Southern Agricultural Growth Corridor of Tanzania* (*SAGCOT*). *Kilimo Kwanza* è una campagna lanciata nel 2009 con l'obiettivo di coinvolgere gli investitori privati nello sviluppo di un'agricoltura commerciale di larga scala da affiancare alla piccola produzione esistente. *SAGCOT* designa invece un piano di sviluppo del settore agricolo basato sulla partnership tra il settore pubblico e quello privato ed è stato avviato nel 2010 come implementazione del programma *Kilimo Kwanza*. L'intento è quello di permettere ai piccoli produttori locali di collaborare con le grandi aziende agroalimentari globali e consentire così ai contadini di accedere a input per la produzione, *know-how* e nuovi mercati. I progetti che rientrano all'interno di questa iniziativa si concentrano lungo un corridoio agricolo che occupa circa un terzo del territorio tanzaniano ed è composto dagli altopiani si estendono tra Dar es Salaam e il confine con lo Zambia, lungo cui si snodano le principali reti energetiche e di comunicazioni del Paese.

Per legge gli investitori stranieri non possono acquistare appezzamenti di terra in Tanzania, ma possono ricevere dei diritti di occupazione sulla terra classificata come *general land*. Una delle procedure più seguite per ottenere in concessione un terreno è

attraverso il Tanzania Investment Centre (TIC), ovvero l'agenzia governativa responsabile della promozione, coordinamento e facilitazione degli investimenti fondiari. Percorrendo questa strada l'azienda straniera deve esporre un progetto d'investimento al TIC, che lo valuta e approva o rifiuta la domanda. Se l'esito è positivo seguono alcuni passaggi burocratici e, infine, viene trasferito un titolo derivativo dal TIC all'investitore, che assume quindi il controllo della terra. La principale criticità di questa procedura è che la terra amministrata dal TIC è esclusivamente *general land*, che, come accennato in precedenza, comprende solo una minima parte del territorio tanzaniano, mentre le grandi aziende necessitano in genere vasti appezzamenti di terra per i loro progetti su larga scala. Per questo motivo, alcuni investitori preferiscono seguire un'altra strategia, ovvero negoziare con le popolazioni locali e convincerle a cedere la loro terra, spesso promettendo loro indennizzi economici, generazione di nuovi posti di lavoro e costruzione di infrastrutture. Una volta ottenuto il consenso delle comunità, la *village land* viene convertita in *general land*, un processo irreversibile che estingue i diritti consuetudinari della popolazione. Infine, il TIC rilascia un diritto di occupazione all'investitore.

Sebbene gli investitori siano per legge tenuti ad incontrare le autorità e le comunità interessate, spiegare le ragioni e le modalità dell'investimento e rispondere alle domande dell'assemblea di villaggio, il processo di consultazione della popolazione risulta spesso insoddisfacente. Le comunità sono sistematicamente tenute all'oscuro delle possibili conseguenze negative dell'investimento che viene loro proposto e non hanno accesso a informazioni chiare ed esaustive che consentano loro di compiere scelte consapevoli. Gli incontri con gli investitori tendono a essere scarsamente partecipativi e si creano spesso della relazione asimmetriche di potere, che non permettono alle comunità di negoziare le condizioni del progetto. Le promesse fatte dagli investitori alla popolazione sono principalmente verbali e raramente vengono codificate in un contratto scritto. In assenza di un documento ufficiale, è quindi arduo ritenere gli investitori responsabili nel caso in cui gli accordi non vengano rispettati. Ugualmente problematiche sono le procedure di pagamento degli indennizzi ai tanzaniani che hanno perso la loro terra. Innanzitutto, i risarcimenti vengono retribuiti solo ai cittadini che possono dimostrare di coltivare o possedere altre attività permanenti sui terreni in questione. Pascolo, caccia e accesso alle risorse forestali e idriche non sono invece riconosciute e quindi in questi casi non viene

corrisposto nessun risarcimento. Inoltre, anche nel caso in cui venga pagata un'indennità, raramente le comunità sono adeguatamente ricompensate per la perdita della loro terra, che rappresenta la fonte primaria e insostituibile del loro sostentamento.

Per capire se la strategia del governo tanzaniano di rilanciare l'agricoltura tramite gli investimenti stranieri possa essere efficace, nel terzo e ultimo capitolo della relazione vengono presentati i progetti d'investimento condotti da tre compagnie straniere in Tanzania.

Il primo caso di studio è dedicato al progetto di Sun Biofuels, un'azienda britannica che ha ampiamente investito nella coltivazione di vegetali per la produzione di biocarburanti in Africa occidentale e meridionale.

Nel 2009 Sun Biofuels ha ottenuto 8 211 ettari nel distretto di Kisarawe per avviare una piantagione di jatropha e uno stabilimento di lavorazione. Si tratta di una regione estremamente povera ma situata in una posizione strategica che offre un gran potenziale per la produzione agroindustriale. Dal momento che la terra individuata dalla compagnia era classificata come *village land,* è stato necessario ottenere il consenso delle comunità locali, le quali hanno accettato di buon grado di cedere i loro possedimenti in cambio dell'indennizzo economico, nuove opportunità di lavoro e infrastrutture che la compagnia aveva promesso loro. Non si può tuttavia affermare che il consenso delle comunità locali sia stato consapevole e informato, in quanto negli incontri di consultazione non sono stati esposti i potenziali effetti negativi che il progetto avrebbe potuto avere nel contesto locale e si è registrata una bassa partecipazione da parte delle comunità interessate.

La maggior parte dei territori concessi alla compagnia comprendevano foreste che gli abitanti locali utilizzavano per varie attività, come ad esempio il pascolo o la raccolta di cibo, e che ricoprivano un ruolo di fondamentale importanza per il loro sostentamento. Inoltre, all'interno di terreni assegnati alla compagnia investitrice si trovano fonti d'acqua utilizzate dalle comunità. Una volta perso l'accesso alle risorse forestali e idriche, gli abitanti dei villaggi della zona si sono trovati costretti a comprare cibo, acqua e altri beni che prima potevano avere gratuitamente. In alternativa, alcuni membri delle comunità hanno cominciato a percorrere lunghe distanze per raggiungere altre aree dove possono recuperare liberamente i prodotti di cui necessitavano, ma in questo caso si riduce sensibilmente il tempo e le energie che possono essere dedicate all'agricoltura familiare,

la cui produttività è scesa ulteriormente. Solo alcune famiglie, come ad esempio i venditori di prodotti alimentari, hanno tratto beneficio da questa nuova situazione.

L'indennizzo promesso è stato corrisposto diversi anni dopo la firma del contratto ed è stato esteso solo a una minima parte delle persone coinvolte dall'investimento. Disattese sono state le promesse di infrastrutture che la compagnia aveva fatto prima dell'investimento per convincere ad approvare l'investimento.

L'unica clausola mantenuta è stata la creazione di posti di lavoro, in quanto circa 750 abitanti locali sono stati assunti per lavorare nella piantagione, sebbene i lavoratori non venissero adeguatamente tutelati. Il progetto di Sun Biofuels ha attratto contadini anche da altre regioni, stimolando così l'economia locale tramite l'aumento della domanda dovuto all'arrivo di nuove persone.

I pochi benefici portati dall'investimento non sono stati però duraturi in quanto nel 2011 Sun Biofuels ha dichiarato bancarotta. La piantagione è stata abbandonata e la terra in questione è attualmente inutilizzata.

Il secondo caso di studio analizzato riguarda EcoEnergy, una compagnia privata svedese che nel 2013 ha ottenuto una concessione di 24 000 ettari nel distretto di Bagayomo per la produzione industriale di canna da zucchero. Il progetto in realtà ha avuto vita breve, in quanto all'inizio del 2016 il governo tanzaniano ha revocato la concessione, fermandone così l'attuazione. I potenziali impatti che il progetto avrebbe potuto avere sono però allarmanti.

Secondo il piano iniziale, oltre a creare una piantagione sui terreni ottenuti in concessione, EcoEnergy intendeva coinvolgere circa 1 500 contadini locali tramite accordi di agricoltura contrattuale, i quali avrebbero dovuto formare varie piccole aziende agricole e coltivare canna da zucchero, che sarebbe stata poi venduta alla compagnia svedese. Il problema principale di questo piano è che, per creare le aziende e collaborare con la compagnia, ciascun contadino avrebbe dovuto richiedere in prestito di circa USD 16 000, una somma corrispondente a 30 volte il salario mimino annuo nel settore agricolo. Inoltre, trattandosi di un regime di monopsonio, ovvero in cui è presente un unico acquirente del prodotto, EcoEnergy avrebbe avuto una forza contrattuale sui prezzi di acquisto molto maggiore di quella dei piccoli produttori.

Dal momento che i terreni concessi all'azienda erano già classificati come *general land*, la legge non richiedeva che le gli abitanti della zona venissero consultati prima di

procedere con l'investimento. Secondo le stime circa circa 300 tanzaniani che abitavano nell'area destinata alla compagnia sarebbero stati costretti a traferirsi e altri 1 000 avrebbero perso i loro terreni agricoli. Alle famiglie non è stata offerta la possibilità di scegliere se essere reinsediati o meno, è stato consentito loro solo di scegliere tra un risarcimento in denaro o un appezzamento di terreno alternativo dove trasferirsi.

In minima parte, EcoEnergy ha mantenuto le promesse fatte alla popolazione locale. L'azienda aveva infatti avviato attività di formazione per nuove opportunità lavorative e iniziato a sviluppare alcune infrastrutture, come ad esempio linee elettriche e strade. Nel complesso, tuttavia, i benefici sarebbero stati comunque piuttosto limitati e probabilmente non avrebbero controbilanciato gli impatti negativi legati all'espropriazione e alla perdita di terreni. Secondo alcune stime, i profitti economici di cui avrebbe dovuto godere l'economia locale sarebbero stati di gran lunga minori di quanto inizialmente preventivato. L'investimento avrebbe potuto avere inoltre gravi ripercussioni sull'ambiente e sulle risorse idriche della zona a causa dell'eccessivo prelievo d'acqua per l'irrigazione e l'uso di fertilizzanti chimici che avrebbero degradato il suolo e l'acqua nelle falde sotterranee.

Nel 2015 Action Aid ha lanciato una petizione per fermare l'investimento e pubblicato un report che ha reso il caso pubblico, suscitando lo sdegno internazionale e spingendo il governo a revocare la concessione pochi mesi dopo. In risposta all'annullamento del contratto, EcoEnergy ha intrapreso un'azione legale contro il governo tanzaniano. Il processo è tutt'ora in corso e il destino degli abitanti della zona rimane quindi incerto.

Infine, come terzo caso di studio viene presentato il progetto di Bioshape, un'azienda olandese aveva avviato in Tanzania una piantagione di jatropha per la produzione di biodiesel. Grazie all'aiuto di alcuni intermediari, la compagnia ha individuato un'area adatta per l'investimento nel distretto di Kilwa e convinto i 7 900 abitanti dei villaggi interessati a cedere i loro possedimenti in cambio della costruzione di alcune infrastrutture. Anche in questo caso però il consenso non può definirsi informato in quanto alle comunità non è stato chiaramente fatto comprendere che avrebbero perso definitivamente la loro terra e che i loro diritti fondiari sarebbero stati estinti per sempre. Nel 2008 la compagnia ha firmato un contratto per l'allocazione di un appezzamento pari a 34 000 ettari.

Come risarcimento è stato corrisposto ai villaggi un pagamento che, pur non coprendo il costo reale della terra, è stato considerato comunque soddisfacente. Bioshape ha assunto inoltre 700 contadini locali, sebbene anche in questo caso le condizioni di lavoro siano state fortemente criticate. La piantagione ha portato significativi benefici all'economia locale, stimolata dall'arrivo di contadini dalle zone circostanti e ricercatori interessati al progetto. L'azienda olandese ha inoltre costruito infrastrutture e realizzato vari programmi sociali come iniziative di Responsabilità Sociale d'Impresa.

Purtroppo tutti questi benefici e vantaggi sono stati effimeri in quanto la compagnia è fallita pochi mesi dopo l'avvio del progetto. L'iniziale soddisfazione delle comunità locali ha lasciato quindi posto alla frustrazione per le promesse non mantenute e le aspettative disilluse. Il terreno su cui sorgeva la piantagione è attualmente inutilizzato e recintato e le comunità non possono accedervi. È però possibile che i villaggi riescano a riavere la loro terra per vie legali o amministrative, in quanto non c'è traccia di alcun documento ufficiale che attesti la conversione della *village land* in *general land*. È quindi probabile che ci siano state alcune irregolarità nel processo di allocazione su cui si può far leva affinchè i terreni vengano restituiti alle comunità.

Tutti e tre gli investimenti analizzati possono quindi essere definiti dei veri e propri accaparramenti. Sebbene gli investimenti abbiamo portato alcuni temporanei benefici alle popolazioni rurali e all'economia locale, non sono stati sufficienti per compensare gli impatti negativi, che si sono rivelati estremamente pensanti.

Al fine di limitare gli effetti negativi e massimizzare quelli positivi è necessario apportare con urgenza delle modifiche nel processo di allocazione della terra agli investitori stranieri. Innanzitutto è fondamentale assicurarsi che le comunità rurali ricevano informazioni complete, comprendano appieno i rischi dei progetti e siano in grado di negoziare con gli investitori condizioni più vantaggiose, preferibilmente con il supporto e la supervisione di un mediatore. Gli accordi dovrebbero inoltre venir sempre codificati in un contratto scritto e tutti gli abitanti che vengono danneggiati dall'investimento dovrebbero ricevere un risarcimento adeguato. Di fondamentale importanza è anche una riforma delle normative che regolano le transazioni fondiarie al fine di limitare i danni nel caso di abbandono o fallimento del progetto, per esempio rendendo il processo di conversione della *village land* in *general land* reversibile.

In generale, dagli esempi riportati si può concludere che la promozione di investimenti stranieri su larga scala non sembra essere una strategia vincente per stimolare l'economia tanzaniana e migliorare le condizioni di vita della popolazione rurale.