Current Issues on Land and Forest related Investments in Tanzania

1. INTRODUCTION

Land and forest related investments in Tanzania forms a huge potential to unlock the country from poverty. However, this potential is challenged by among others, easiness in land acquisition, security of tenure, conflicting policies, capacity limitations in land management and governance, and inadequate knowledge and information for informed land and forest investments. Emerging land and forest based opportunities such as the Reduced Emission from Deforestation and forest Degradation (REDD+)\(^1\) and carbon markets provide investment avenues and impacts on land rights at the same time. As a result, Tanzania is witnessing a rush on land speculation for the direct and envisaged future benefits. This has among other reasons, created a shift in land use patterns with rapid shrinkage of community/village land available for the rapidly growing population and in some areas, created land use conflicts. To facilitate mitigation of these challenges and promote smart forest/land based investment practices, Tanzania Natural Resource Forum (TNRF) in collaboration with Mama Misitu Campaign-a forest governance campaign; carried out a scoping exercise in Kibaha, Kilwa and Handeni Districts (Tanzania) during October/November 2013 with the aims of identifying:

1. Current issues and opportunities related to land/forest investments
2. Key linkages and impacts of the forest related enterprise to land rights
3. Necessary interventions and point of entry that builds from the initiatives by the current Community Based Natural Resources Management (CBNRM) forum and Participatory Land Use Platforms.

This brief is an abridged version of a detailed report on the three areas where scoping exercise was conducted.

2. CURRENT ISSUES AND OPPORTUNITIES RELATED TO LAND / FOREST INVESTMENTS

2.1 Issues Related to Land and Forest Investments

The prominent challenges on land and forest investments encompass absence of transparency in the land acquisition and investment processes, insecurity of tenure especially in the village lands, conflicting policies, and capacity limitations in enforcement of regulatory frameworks. These issues and many others have been elaborated under four main categories namely a) policy and institutional issues on large investments, b) investment costs and benefits/returns community-based forest land investments, c) Insecurity of land tenure for village land, d) Governance and disincentives on forest based investment.

Category 1: Broader policy and institutional issues on large investments

- Policy conflicts with inadequate clarity on investments categorization for respective lands and unclear land uses on investments. This has created conflicts in land use between sector such as agriculture, forests, livestock and related implications on crosscutting resources such as water.

---

\(^1\) REDD+ include a broad range of options: Reduced emissions from deforestation; Reduced emissions from forest degradation; Conservation of forest carbon stocks; Sustainable management of forest; and Enhancement of forest carbon stocks.
• Land acquisition with large chunks acquired for investment based on land speculation and assumptions of “abundant idle land”. Such acquisition is coupled with unclear investment motives/policies and the legitimate land use. In most cases such land investments have been justified by potential local employments.

• Inbalance between commercial and subsistence land needs. Commercial scale investments such as forest plantations and biofuel production require large land area for viability. Such land requirement has in some situations resulted in displacement of communities in the name of ‘compensation’.

Category 2: Investment costs and benefits/returns on community-based forest land investments:

• Costs of establishing viable CBNRM models are generally high and in most cases have been implemented with external catalytic support through NGOs and other institutions and hence not integrated into long-term national and local level plans for sustainability and replication.

• Most of the CBNRM models - such as PFMIs, implemented on community land area for over three decades are not “economically” viable and have not produced sound anticipated economic benefits.

• Some lands and natural forest available for communities are either too degraded in terms of the resource or require huge and long term restoration thus limiting incentives for communities to participate.

• Conflicting engagement interests. In some CBNRM models, conservation institutions are interested in management of the long term ecosystems services and restoration of their functions. For communities, the driving force and entry point is primarily the immediate tangible economic benefits.

• In some CBNRM models, there is limited devolvement with communities having limited ownership over respective resources such wildlife. Economic control over the resources is paramount and therefore the need for full devolution.

Category 3: Insecurity of land tenure for communities on village land

• Lack of guaranteed security of land tenure on village land due to most land being unsurveyed, not demarcated, nor gazetted village land with approved and implemented land use plans. This includes the customary rights of occupancy for individual households.

• Capacity for undertaking Land use planning including resources to secure land uses (i.e. Village Land Use Plans) is limited in villages. Prioritization of this activity in the government plans, LGAs and budgets is limited.

• Conflicts between communities, government institutions and investors where land use plans are not in place, with such conflicts linked to blockage of corridors, access to water resources and pasture.

• “Land grabbing” attributed to limited village leadership capacity to negotiate and allocate land appropriately. Village to village land conflicts related to boarder disagreements especially for villages that have not been demarcated and not having land use plans. This has led to such village lands being regarded as “open access land”.

Category 4: Governance and disincentives on forest based investment

• Unnecessary bureaucracy and lack of transparency in decision making, issuance of permits and licenses in facilitating forest investments: Licensing for forest produce involves multiple applications, multiple fees and permits creating disincentive for investments.

• Absence of critical information on land and forest resources and its access at one stop-point that has created room for land use conflicts.

• Absence of a mechanism for effective coordination and administration on land based investments that involve various stakeholders such as Ministry of Lands, Tanzania Investment Centre, Local Government Authorities (LGAs), Private sector and communities.

• Inadequate participation and engagement of stakeholders with unclear costs and benefits sharing arrangements.

2.2 Key Opportunities Related to Land and Forest Investments

Key opportunities related to land and forest investments are grouped into a) forest land and resources, b) Institutions and governance and c) Enabling conditions.

(a) Forest land and resources

• Tanzania has abundant forests and woodland in different categories covering forest reserves, forests in general lands and village lands constituting 48% of the 885,800 km² total land area hence providing incentives for community based management and large commercial investment.

(b) Institutions and governance

• The Government of Tanzania has developed various policies and laws and institutions related to land and forest investment which govern among others, leases, concessions or joint management agreements and define access and tenure.

• Existence of forest management structures and institutions charged with management responsibilities from national to local level.

• Interest and willingness of forest products traders to invest in Tanzania and operate in village lands.
(c) Enabling conditions

- Existence of technology for processing and value addition for various land and forest based products,
- Availability of local and export markets for timber and other forest products
- Existence of and improved infrastructure mainly roads that connect remote areas with trunk roads network, and communication networks

3. Linkages and Impacts of Forest Related Enterprise to Land Rights

Linkages between forests related enterprises to land rights

- Investment security: Investments in forest including establishment of plantation forests require access to and land ownership right long term renewable maturity cycles of about 30-60 years. This is only feasible where land rights and tenure security is guaranteed.
- Livelihood safety nets: A good number of community based forests have been established to secure the non-wood products and services in relation to food security, health provisions and incomes generation thus serving as livelihood safety nets. Land rights and security at community level are vital for accessing these services.

Forest related impacts to land rights

- Large forest plantations denying access by small holder community enterprises due to transfer of land ownership rights from what were either general land and/ or small holder communities to the more commercial private plantations under lease holds with terms ranging from 33 to 99 years. Other related forest land commercialization includes the establishment of biofuel plantations and projects under the Kyoto Protocol’s Clean Development Mechanism (CDM).
- Forest degradation leading to shifting land uses – shifting agriculture, pastoral/grazing lands: This result from inappropriate land management which accelerate land and resources conflicts. While expansion of protected forest land or establishment of forests serves to secure the forest for the necessary products and services, such forest land dedication denies such lands being available for alternative uses and therefore limiting access and rights by other users.
- Emerging Markets for forest products leading to acquisition of land: Global and national efforts to address climate change through REDD+ initiative prompt most communities and individuals to progressively gazette/set aside forest land for the anticipated carbon markets. The existing local and export market for timber has created high demand for land to establish forest plantations. This is a challenge for villages where such lands are not secured through gazetted village lands and land use plans.

4. Major Recommendations on Areas of focus on Land and forest Investment

- Enabling Land laws and Tenure: Addressing the gaps by promoting land tenure security for about 70% of the Tanzania’s land considered as village land, including acquiring Certificate of Village Land and Customary rights of occupancy (CCROs) and land use plans
- Promoting Sustainable and Smart Land/Forest based Investment through Public, Private Partnership (PPP)
- Facilitate Land acquisition and investments Information, coordination mechanism between relevant sectors and institutions to synchronize investment priorities
- Promote land ownership and good governance by supporting effective institutions for oversight on acquisition of large land areas and investments
- Sustaining Community Based Natural Resource Management through sharing of lessons and where practical, domestication of applicable and emerging approaches and establishment of dialogue Forums to unlock CBNRM potentials.

About TNRF: The Tanzania Natural Resource Forum (TNRF) is a membership-based non-governmental organization, bringing together members to change policy and practice in the natural resource sector for the better by: building and sharing a knowledge base of practice, strengthening citizen voice and skills for improved natural resource governance, and by continuously improving its networks and organizational development. The VISION has always been to see policy and practice in the natural resource sector changed for the better through improved governance and accountability. Our MISSION is to bring about improved natural resource governance in Tanzania by being a demand-driven network of members and partners that helps people to bridge the gap between people’s local natural resource management needs and practices, and national natural resource management priorities, policies, laws and programs.

©Tanzania Natural Resource Forum 2014
P.O. Box 15805
Plot No.10, Corridor, Arusha, Tanzania
www.tnrf.org