Conceptualizing Fair, Full and Prompt Compensation – the Tanzanian Context of Sustaining Livelihood in Expropriation Projects

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Abstract

Objections to assessed compensation for expropriated land in Tanzania have been on increase irrespective of the changed ideologies of the country. The basis of valuation assessment as provided in the laws governing land acquisition is 'market value' while the local valuation practice has had limited use of the basis in compensation and resettlement assignments. With a large number of investment projects being funded by donors, a new dictate on the basis of valuation for compensation and resulting relocation has been introduced often disguising the respective national laws as being not protective enough for the loss of livelihood of the affected persons. Safeguards requirements mainly Resettlement Policy Framework (RFP) and Environmental and Social Management Frameworks (ESMF) by global financial organizations such as the World Bank, the Africa Development Bank and a number of bilateral aid/grant organizations have further complicated a rather delicate valuation practice opening up what appears grey areas that local experts have no hands-on experience on one hand and, on the other due to the burgeoning financial benefits from consultancy fees payable, a large number of opportunistic and often irrelevant disciplines have taken up the challenge and masqueraded as the requisite professional advisers in this area..

This paper is an attempt to review the current compensation assessment practice in Tanzania reflecting on the several interventions by government and donors such as the World Bank with a view of establishing best course of action to take when compelled to acquire occupied land. It is an intrigue on the rhetoric market value as glorified in the local practice and its surrogate 'replacement value' as a concept found in the World Bank nomenclature that is perceived as the panacea for the compensation problem. On the other hand it is an attempt to evaluate the extent to which Tanzania law provisions that demand full, fair, and prompt compensation in a compulsory purchase scheme are being complied by those acquiring land for various projects in Tanzania.

Keywords: *fair compensation, market/replacement value, hope value, relocation*

1. Introduction

The cardinal principle governing land acquisition and compensation in Tanzania after the adoption of the 'new laws'- in accordance to Section 1 (f) of the Land Act No. 5 of 1999 is:

> "…*to pay full, fair and prompt compensation to any person whose right of occupancy or recognised long-standing occupation or customary use of land is revoked or otherwise interfered with to their detriment by the State under this Act or is acquired under the Land Acquisition Act*…".

This principle is considered a variant to the situation before 1999 where the State could take land from an individual but compensate only unexhausted improvements made on the land and never loss of value attributable to the land itself. The compensation assessment methodology that Land Act No. 4 of 1999 recommends has been commended by several scholars as detailed later in the paper. Nevertheless, the implementation of land acquisition and compensation in Tanzania has been one of the thorny issues and main cause of disputes and conflicts in the land sector (Kombe, 2010).

During the last decade, Tanzania like many other developing countries has witnessed growing incidences of forced eviction and land grabbing (Natalie & David, 2013). Most of these are a result of increased demand for large or industrial scale farming on one hand and on the other continued urbanization as well as the growing conservation needs for natural forests and wildlife protection areas. To a small extent, evictions and demolitions have been as a result of individuals flouting urban planning regulations and occupying hazardous land such as flood-prone areas. Industrial-scale farming, which Pearce (2012) alludes to a kind of foreign investment agri-business, is propelled by governments of poor nations who perceive it as panacea to their national economic problems. As observed by several scholars such as Bob (2010), Kironde (2012), and Pearce (2012), industrial scale farming has caused a lot of frictions between local population, their government and investors. Since most of arable rural lands tend to be owned by the local populations under customary tenure and/or under the Village Land Act of 1999, invariably without any supporting document(s), such lands have been an easy target for reallocation to prospective agri-business investors, new urban areas and other public projects with a compensation package to existing land occupiers.

There are at least five pieces of legislation that guarantee existing landholders of compensation when their lands are taken by government in Tanzania. The main legislation is Act No. 47, the Land Acquisition Act of 1967 and the Lands Acts (No. 4 and Village Act No 5 of 1999). The key provisions in the two legislation are that an owner of land would be entitled to compensation which is market value of the land to be acquired. The Land Act introduced the concept of '*…full, fair and prompt compensation…'* in the compensation assessment practice for the first time in 1999. The Investment Act No. 26 of 1997 which preceded the Land Act but largely borrowing from the then adopted National Land Policy of 1995 made an emphasis not on 'full' but on 'adequate' in the following words:

> "*…no acquisition unless the acquisition is under the due process of law which makes provision of fair, adequate and prompt compensation…".*

The Road Act No. 13 of 2007 on the other hand makes direct reference to the Land Act under Section 16 that:

> "*…the owner of such land shall be entitled to compensation for any development on such land in accordance with the Land Acquisition Act of 1967, the Land Act and Village Land Act…"*

Similarly the Urban Planning Act No. 8 of 2007 under Section 64 addresses the compensation assessment but again making direct reference to the Land Act

> "*…for purpose of determining the amount of compensation payable, be calculated in accordance with the provision of the Land Act…."*

Finally, the Export Processing Zones Act No. 11 of 2009, although upholding provisions of the Land Acquisition Act of 1967 and those of the Land Act, makes a slight departure under Section 25:

> "*… pay the owner of such property just and prompt compensation in a freely convertible currency…"*

A general examination of the laws governing land compensation assessment in Tanzania indicates five key terms but not so distinct nor exclusive that are used to describe attributes of compensation. These include 'full', 'fair', 'just', 'adequate' and 'prompt'. The terms ' fair' and 'prompt' are common in all five legislation whereas 'full' is limited to the Land Act No. 4 of 1999, 'adequate' is found in the Investment Act No. 26 of 1997 and, 'just' is introduced in the latter legislation, the Export Processing Zones Act No. 11 of 2009. There is no attempt in any of the laws to explain the explicit meaning of these terms as used in land acquisition procedures that would have removed the ambiguity that this paper eludes them to. It would seem that the consensus on what should be compensated for is that which is considered 'fair' and that which is paid 'promptly'. Could it however be construed that compensation disputes in Tanzania which Kironde (2009) claims to constitute 19% of the reported land disputes are either a result of not meeting these two criteria – 'fairness and promptness' or not meeting the other expectations of those whose lands are expropriated along the lines of 'fullness' or 'adequacy' or 'just'?

2. Unclear Guiding Principles

The existing literature on compensation problem in Tanzania indicates two schools of thoughts, one that is supportive of the doctrine embodied in 'principle of equivalence'(POE) and the other on 'sustainable livelihood approach'(SLA) which largely borrows from the pro-poor policy interventions discourses and the World Bank Safeguard Requirements. Simply stated and largely borrowing from Keith, et al., (2008), the

principle of equivalence advocates:

> *"…affected owners and occupants should be neither enriched nor improverished as a result of the compulsory acquisiti…"*

The basic premise is that those whose land is taken must be compensated for the loss (land, developments on the land and related costs such as disturbance) to the same extent as they would have expected to realize their values on a willing buyer and willing seller arrangements. Again as Keith, et al.,(2008) observed, the loss suffered by an ex-land owners and occupants are not limited to the loss of assets but there are significant human losses as well. The Land Act No. 4 of 1999 recognized these significant human losses and likewise provided for additional compensation such as transport and accommodation allowances.

With advent of large scale farming towards end of 1990s and infiltration of donor-funded investment projects that entailed land acquistion, compensation packages have been modified and the resulting resettlement component has been more comprehensively defined in Tanzania. These changes were however not being introduced through the Ministry responsible for land acquisition and compensation matters as provided in the national laws. The Ministry of Agriculture through a World Bank financed project, the Participatory Agricultural Development and Empowerment Project (Tanzania, 2003) was the pioneer that introduced the first most comprehensive 'Resettlement Policy Framework' (RFP) in 2003 which as will be discussed later was deviation from the 'Principle of Equivalence' (POE) concept and more aligned to the 'Sustainable Livelihood Approach' (SLA).

The Ministry of Energy through Tanzania Petroleum Development Corporation (TPDC) had also by 1998-2001 compensated land owners affected by the Songosongo Gas to Electricity Project on the SLA but without a detailed policy framework. From 2003, there has been a steady but sectorial-confined involvement in drawing up RFP with the Local Government Support Programme Project preparing its first Resettlement Policy Framework in December 2003 and the Tanzania Social Action Fund (TASAF II) in 2004. The Water Sector Development Programme (WSDP) adopted its own version of RFP in 2006 as a component of its Program Implementation Manual. The Housing Finance Project funded by the World Bank through the Bank of Tanzania also passed its own version of RFP in 2010. In the most recent times, the Southern Africa Trade and Transportation Facilitation Project (SATTFP) had its RFP in October 2012 and the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) adopted its version in September 2014 while the Dar es Salaam Metropolitan Development Project was expected to have its own version by December 2014. It is interesting to note each of these projects and probably there are many more sought to comply with World Bank Operational Policy 4.12 of 2001 and its subsequent amendments over the years. Examined further it is also clear that the Projects were guided by the provisions on 'Sustainable Livelihood Approach' (SLA) that are encapsulated in World Bank OP 4.12. The underlying principle for SLA is the recognition that the purpose of any land acquisition is to support development and therefore there will always be a need to improve the position of those that have to give up their lands wherever possible (Keith, et al, 2008).

What is not clear from the above sectorial approach in drawing up RFPs is the role of the Ministry responsible for implementing land acquisition and compensation in the country. The Ministry is also the repository and regulator of the local valuation practice in the country. As a result there has been confusion in terms of the nomenclature associated with the compensation packages and even challenging legitimacy of the current laws governing compensation in Tanzania. There is also evidence to show that the local valuation professionals have been side-lined in donor-funded projects whose focus was seen to be more towards an SLA in the ensuing land acquisition procedures.

Myenzi (2005) for example considers the compensation laws as alien and that which do not uphold natural justice. Sulle & Nelson (2009) commenting on the growing complaints against adequacy of compensation made, have argued for amendments of the laws to provide for commercial value as opposed to market value which they are argue would take care of the '*opportunity costs a villager would have to incur in turning their land to a miombo woodlands'*. Msangi (2011) on the other hand attributes compensation complaints to the use of 'government regulated rates' in lieu of market value that is provided in the laws.

3. Methodology

Findings presented in this paper are a result of interviews regarding adequacy of compensation payments received with 45 individuals affected by land acquisition procedures, reflections from several years of involvement in compensation assessment and a review of media reports and workshop presentations. Formal and informal discussions with government officials at District Councils' and Ministerial levels provided new information on government thinking towards solving the compensation assessment problem. Some valuable insights of the problem were also provided through consultation and discussion with Non-Government Organisations carrying out research on Tanzania Land Compensation and Land Valuation Study during 2013-14.

4. Discussion

It is clear from a number of literature and observations that there is no clear and definite method of assessing compensation sum. Under this section, a review is made of the various terminologies used in relation to assessment by different scholars and practioners. Seven key issues will be raised under this discussion reflecting on value concepts, fairness in its general construed form and the likely incriminating discrimination that may result from it, transparency in the expropriation process and its impact on perception of what constitutes compensation and towards the end the position of the government will be evaluated in the entire process.

2.1 Extent of Compensation Problems in Tanzania

There has been a steady increase in number of compensation cases in Tanzania from around 11,256 in 2011 to over 35,000 cases by June 2014. Statistics from Lands' Ministry Budget Speeches indicate a majority of cases has been in the major cities of Dar es Salaam (19%), Mwanza (20.7%) and Morogoro (10.5%). During the last 2 years (2012-2014), the southern towns mainly Mtwara and Lindi have recorded a higher number of compensation cases mainly on account of a new and highly celebrated Natural Gas Pipeline Project that entailed acquisition of land for the pipeline over a 537km stretch to Dar es Salaam In the case of Morogoro, a large number of compensation cases falls within the agri-business areas given that Morogoro has the largest number of large-scale farms in Tanzania (about 110) as observed by Chachage (2010) and, is one of the 'bread-basket area' of the Southern Agricultural Growth Corridor of Tanzania – SAGCOT areas; while those in Dar es Salaam and Mwanza are either due to provision and/or expansion of infrastructure lines such as electricity, roads, drainage and to a less extent expansion of the city boundaries.

The key feature therefore of compensation cases in Tanzania is tied up with release of land for investments in infrastructure or agriculture business. It is interesting to note that cases involving expansion of reserves such as for highways, forest and game, may not attract compensation foremost because the government tends to evoke its eminent domain power at its discretion against individuals whom it has considered as encroachers to the reserve lands.

2.2 Institutional Setup of Land Expropriation Matters

Land compensation matters are the prerogatives of the Ministry of Lands and Human Settlement Development. In practice, the District Lands Office is responsible for the administration of the entire process on behalf of the Ministry. Section 3(g) and Section 156 of the Land Act No. 4 of 1999 provides that any person whose user rights to land have been curtailed by the state is entitled to compensation. The amount of compensation payable is to be assessed by a qualified valuer and the basis for assessment of the value of land and unexhausted improvement on the land is market value. The Act defines market value as:

> '*…the market value of any land and unexhausted improvement shall be arrived at by use of comparative method evidenced by actual recent, sales of similar properties or by use of income approach or replacement cost method where the property is of special nature and not saleable..*'

Unfortunately this definition does not say anything about what constitutes 'market value' but rather how it should be established. The reference to 'qualified valuer' as the person to assess compensation is however not correlated with the registration requirement nor the terms used for registered valuers in Tanzania.

Both the Land Act of 1999 and the National Land Policy of 1995 provide that the State may acquire land on the condition that such acquisition is in accordance with the laws, secondly the purpose for which the acquisition is

required is clear and within the context of 'public interest' as defined in the law and thirdly the acquisition should be procedural subject to fair and equitable compensation (CHRGG, 2013).

In land expropriation practice, each of the assets found on a lot of land is valued separately. As a result, a market value of a plot of land would include a separate value to the land, the building, any crop/trees found within the plot, fencing and any such other structures. This is contrary to the normal working of land and property market in the country where individuals sell lots of land at an all-inclusive sum with little regard to the actual number of assets attached to the land.

In Tanzania, compensation assessment procedure is strictly adhered. Individuals who are not satisfied with the amount of compensation assessed can appeal against the Valuer and usually will direct their complaints to the Office of Chief Government Valuer through the respective District Land Officer. It is interesting to note the actual purchaser of land (investor) may be spared from any litigation by those not satisfied with the amount of compensation paid. From the general media and political platforms the culprit of disputes resulting from compensation is normally the assessor, the valuer.

2.3 Compensation –a land conflicts Problem?

Land Acquisition and Compensation has been a thorny issue in Tanzania for a number of reasons. Statistics show that between 70-80% of complaints arising from Compensation cases are on assessment. For example in the Songosongo Natural Gas Project in 2000, out of 53 written complaints from Kinyerezi Area in Dar es Salaam, 48 were complaints on low assessed compensation while the remaining 5 were on omission of crop count, demand for disturbance allowance and non-participation in the valuation survey process. In the ensuing evaluation of the complaints, only 2 cases were found to be genuine. In one of the cases, the payment made was Tshs. 45,000 instead of Tshs. 138,000 which was the right sum and indeed the valuation figure in the valuation report. It was an accounting mistake rather than valuation problem. The second case was on omission of part of the cropping. In an extreme case, a complainant had rushed and planted a number of crops on his ex-farm and subsequently claiming that the valuers did not include these crops in his valuation.

There is a close relationship between the type of complaints and the time it is raised. Complaints related to wrong identification, poor naming and being missed out are usually advanced during the first six months of compensation payments being made. In the latter part of the project, the objections that are raised have tended to be on low compensation and in a majority of cases; these are raised well after compensation payments have been made. In one instance, where the author was involved, a landowner was taken aback when a cheque of TZS 19m was handed over to him for his one acre of land which was to be acquired in 2002 (Box 1).

Box 1

At Bunju in Dar es Salaam, an individual(Mr X) was paid Tshillings 19m in October 2003 as compensation for his one acre of land that he had subdivided into four parcels by planting grindelia and azadrirachta indica('mwarobain) trees. At that time an acre of land was selling not more than TZS 0.5m and the assessed compensation for his land was TZS 550, 000 while compensation for his crops was TZS 18,450,000. In March 2005, he was one of the individuals complaining of being paid low compensation (Interviews, 2006)

Over time, land value appreciates and its level of appreciation is hastened by land acquisition project. In the Bunju case, the land values before the land acquisition project in late 2002 were TZS 135 per square meter but soon after the project in 2003, the government was allocating the new surveyed land at TZS 1,400 per square meter and by 2005, individuals were selling the same lands at TZS 3,500 and in 2014 the price had soared to TZS 40,000 per square metre.

Mollel & Lugoe (2007) had observed compensation-related disputes came fifth in the ranking of land conflicts in Tanzania. This is probably incorrect as illustrated in Table 1. Compensation cases from data collected during 2004-2007, accounted for more than 19% of all cases; second only to land ownership disputes.

There are several instances where compensation was not effected 'promptly' as the law provided in Tanzania. Some scholars have observed delayed compensation payment of up to five years is usual (Kombe, 2010). The most notorious example is the Dar es Salaam International Airport Project where compensation assessment was carried out in 1997 identifying around

3,500 households who had to be removed. Compensation was paid in 2010 and those qualifying for relocation were resettled some 10km away in Pugu Kajiungeni/Buyuni during 2011-13.

Table 1: Nature of Land Disputes in Tanzania

Nature of Land Dispute	Numbers	%
Surveying of squatter areas	44	0.3
Grabbing poor people's land	81	0.6
Boundary changes by surveyors	156	1.1
Boundary disputes	179	1.3
No letters of offer after allocation	202	1.4
Showing prospective owner wrong plot	348	2.4
Plots and farms being taken	453	3.2
Failure to develop the plots	639	4.5
Invasion of open/ public spaces	714	5.0
Stop Orders against developers	936	6.6
Not following procedures	1,259	8.9
Double Allocation	1,355	9.5
Plots and farms invasion	1,678	11.8
Claims for compensation	2,717	19.1
Disputed land ownership	3,453	24.3
Total	14,214	100.0

Source: Mollel & Lugoe (2007)- modified

It is apparent that some of the conflicts related to compensation might be reflective of the kind of treatment that those being disowned land were subjected to. Often, individual landowners are willing to give up their land for infrastructure-related projects even without being compensated.

In a Road Expansion Project in Northern Tanzania during 2004-05, it became clear that individuals had during 1950's offered their lands for a road project across their land at no cost whatsoever. As a result their hereditaments were bisected such that they were left with land on either side of the road. When implementing the project (see Box 2), the Government position was that the landowners had encroached on the road reserves and therefore were not to be compensated. The landowners countered government position vehemently, some of them producing old documentary evidences, some of which were extra-ordinarily neatly kept over the years, to indicate that they had offered the land for the original road. The documents attested for the reasons that they had properties on either side of the road (Interviews, Mbomayi- 2007). The Government eventually agreed to compensate the landowners in 2006 after intense political debates in the area. The mood of the time was summed up in one of the TANROADS Reports as follows:

"…. *The general attitude towards the Project is that of fear that the properties that were X-red-marked will be bulldozed down by TANROADS without further notice. As a result as soon as the Valuation Surveys were completed some owners started pulling down their buildings to salvage whatever they could from the debris*…" (TANROADS, 2005)

Box 2

During 2004-05, the government through the Tanzania National Road Agency (TANROADS) was implementing a 98km Highway Expansion Project that sought to ease travelling between Moshi (Kilacha) and Rombo (Kamwanga). As part of the feasibility study of the project, a valuation firm was appointed to identify each of the owners whose assets will be removed, assess market value of the respective assets and compile a report. But for some undisclosed reasons, the valuer was not to produce valuation report for compensation purposes. Any queries by asset owners on the exercise were to be referred to State Attorneys in Arusha. Indeed, as the Valuation Surveys proceeded, a cabinet minister was holding public rallies on the significance of the project and castigating individuals who had encroached the Highway Road Reserves whom he categorically stated would not be compensated.

2.4 Compensation Assessment Problems

Apart from the way landowners might have been treated in the process, concerns have been raised by a number of politicians and even scholars on the compensation assessment. Lendita (2013) has detailed in great length what he considers to be challenges in compensation assessment:

"…*The challenge is the method of computing the compensation …; No proper disclosure of valuation procedures as to criteria to be used, this does not follow the market price of land, the commercial crops, buildings and the 76 future benefits of the land owner as an individual or villagers*…" (Lendita, 2013)

Compensation laws in Tanzania are explicit on the basis of compensation assessment. The main law, the Land Acquisition Act (No. 47) of 1967 provides 'Market Value' as the basis of compensation but with a number of qualifications. For example S12 prohibits assessment of a vacant land, or inadequately developed land for compensation purposes. Section 14 details at length the factors that a valuer should not take into account in establishing compensation sums. These factors are those that typically would be considered in estimating a market value. For example S14 (b) prohibits taking into account of

"*…any probable enhancement of the value of the residue of the land by reason of the proximity of any improvements or works made or constructed or to be made or constructed on the part acquired…*"

The assessment criteria of the 1967 Act subsequently became a major cause of compensation complaints over the years. In 2001, the criteria were varied under the 2001 Land (Compensation Assessment) Regulations made under S 119 of the Land Act of 1999. Under these regulations, assessment of vacant or bare land was now possible. An attempt was also made to address incidences of involuntary resettlement which seemed to have not being dealt with by Act no. 47 of 1967. The basis of assessment of value of land and objects found on a piece of land for purposes of compensation under the Land Act of 1999 and as per Regulation No.3 of the 2001 Land Regulations is market value. The regulations detail the valuation method to be used citing comparative method as the primary method, income approach and in case of special property that is not saleable, replacement cost method (Regulation 4). Compensation entitlement will include the following:

(i) Market value of land, crops, buildings or such other unexhausted improvement on land;
(ii) Disturbance allowance which is to be calculated by multiplying value of the land by an average percentage rate of interest offered by commercial banks of fixed deposits for twelve months;
(iii) Transport allowance which is the actual cost of transporting twelve tons of luggage by rail or road within twenty kilometres from the point of displacement;
(iv) Accommodation allowance computed on the basis of passing monthly rent of the building to be compensated multiplied by thirty six months;
(v) Loss of profit which is the net monthly profit of the business carried out on the land, and evidenced by audited accounts, multiplied by thirty six months;
(vi) Cost of acquiring or getting the subject land;
(vii) Interest on delayed compensation payment- an individual will be entitled to interest payment for compensation that has been delayed for six months or more computed at an average rate of interest offered by commercial banks on fixed deposits.

Although the law insists on the use of market value rates in estimating compensation, in practice, the rates used are building cost rates. A review of Eight (8)[1] land acquisition and compensation projects carried out during 2002-2014 indicates the basis of assessment of land was on land values/prices within the neighbourhood, but for buildings, it was on cost of reconstructing. Crops were valued on the basis of crop rate Schedules that were released by the Office of Chief Government Valuer.

Apparently, compensation assessment in the various government valuation practices is carried out on the basis of guidelines under the 2001 Regulations cited above and those provided in a Valuation Handbook that was first released in early 1970s and reviewed in 1986 (Komu, 2007). Both the 2001 Regulations and the Valuation Handbook are however at variance with the discourse of sustainable livelihood which the World Bank OP 4.12 pursues on the following scores:

1) Betterment or improved condition of the affected persons. OP 4.12 is explicit on the need to improve living conditions of the persons affected, while the Tanzanian law is quiet on this item, only insisting that affected persons should be paid fair compensation, with emphasis placed on the adequacy and promptness (S. 3). The concept of Market Value as understood from the various literature and International Valuation Standards (IVSC, 2013) depicts a situation whereby individuals freely trade in a commodity in well-informed circumstances, position that is echoed by the Land Act No. 4 of 1999. The guiding

[1] These included 20,000 PDP – Bunju (2002), TSCP in Kigoma, Tanga, Arusha, Songea, TANROADS- Mbeya and Rombo and Mtwara-Dar Gas Pipeline Projects

principle in the Valuation Handbook reinforces provision of the Land Act emphasizing that in assessing compensation no recourse should be had to the fact that the land is being acquired compulsorily.

As a result the position at law and in practice in Tanzania is that affected persons should not be made to benefit more than they would if they were to freely sell their land to the open market. Similarly, they should not be made to suffer for same reasons. This is what came about in the English law that characterized the compensation problem for over the last two centuries, right through to the 1980s (Litchfield, 1956) (Lawrence, 1967), and concretised in the *Pointe Gourde Quarrying & Transport Co. Ltd Vs Subintendent of Crown Lands(Trinidad) (1947:AC 565).* The underlying principle is as observed by Treeger (2004) the purpose for which the land was to be expropriated. Public interest has been the key concept which the United Nations General Assembly Resolution on Permanent Sovereignty over Natural Resources (GA Res. 1962: Paragraph 4 defined as that which "…shall be based on grounds or reasons of public utility, security, or the national interest which are recognised as overriding purely individual or private interests, both domestic and foreign…"

A Namibia case as narrated by Treeger (2004) does reinforce our argument that the intended output in an expropriation was not to make the loser better nor worse off. She lists four categories of land that are candidates for expropriation- (i) under-utilised land;(ii) excessive land; (iii) land owned by foreigners; and (iv) land where the state has failed in applying the willing-seller, willing buyer principle. Indeed it is in the last category of land, where the practice in Tanzania has been overwhelmed.

The concept of Betterment and Worsement or indeed the principle of equivalence is well entrenched in the Tanzanian valuation practice. It is based on sovereign right of a state (domain) to acquire private land for public purpose or interest and develop it, thus releasing latent value of the land which results to betterment. The ex-land owner is to be treated as if his land was not compulsorily acquired because he remains member of the rest of the society with similar rights to enjoy the public services now available from the land that was expropriated from him.

In the mining area, this concept is even made more stringent. Section 96 of the Mining Act says that where the value of any land has been enhanced by prospecting or mining operations, compensation payable pursuant in respect of the land shall not exceed any amount which would be payable if the value had not been so enhanced.

2) Basis of Valuation: OP 4.12 advocates Replacement Cost as the basis for the assessment of compensation.

Article 10 of the OP 4.12 is explicit on the valuation methodology as reproduced below:

"…*the methodology to be used in valuing losses to determine their replacement cost; and description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve their replacement cost for lost assets*…"

The reference to Replacement Cost seemingly contradicts most States' legislation, including that of Tanzania. Compensation laws in most countries call for Market Value Assessment. Market Value simply defined is the highest price that the asset would fetch in a free market.

The use of the term 'Replacement Cost' has created confusion and misunderstanding within the Tanzania land office practice on two fronts. To valuers and those versed in valuation methods, the term 'Replacement' connotes a method of arriving at what might be construed as market value from a 'cost approach'. This is a situation where comparable sale evidence is not available that would be a benchmark for a valuer to estimate the probable market value of a particular property. The valuer is guided by the fact that no prudent buyer would pay more for the asset under appraisal than it would cost him to buy a newer and even a much modern model of that asset. Thus when the valuer has been able to estimate the cost of replacing the asset as new which he would readily refer to as 'Replacement Cost', he would subsequently allow some amount off this cost

equivalent to what might be the cost of repairs to bring that asset to its new condition. It is this estimate of repair cost or depreciation that the local valuer in Tanzania has been criticised about. The argument particularly by those pursuing the SLA has been that the resulting sum of money will never be sufficient to replicate the asset under appraisal in a new location. S.Nagarajan et al, 2013) for example, observes in Tanzania

"*…value should be assessed at the 'open market rate' with depreciation, unlike the AfDB that states it should have a 'replacement value' and where possible there should be a demonstrable improvement in people's lives. …*".

Is it the case that Valuers in Tanzania establish 'open market value' of houses and then provide for depreciation? In interviews with practicing valuers and those in the Chief Government Valuer during June 2014, it was evident that there was a misconception of the resulting compensation assessment and the methodology employed in arriving at the subsequent asset value. Contrary to what most critics of the valuation practice in Tanzania, the Chief Government Valuer observed the growing trend towards being more transparent and disclosing the valuation assumptions made were the key reasons for increased awareness and subsequent criticisms of her office on compensation assessment. She argued the 'Replacement Cost Method (RCM)' or 'Contractor's Test' was the method of last resort, available only when all comparable evidences are absent in a given transaction area. Where RCM is used, it must be fully complied with taking into account the underlying principles which include allowing for depreciation where the condition of the asset was not new. An informed Valuer should review the resulting figures to determine whether it indeed reflects a market value.

It is interesting to note that the World Bank Op 4.12 defines Replacement Cost in three different perspectives depending on the asset under appraisal:

1) *For Agricultural Land: it is the higher pre-project/displacement market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, the cost of any registration and transfer taxes.*
2) *For Urban Land: it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes.*
3) *For Houses and other structures: it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labour and contractors' fees, plus the cost of any registration and transfer taxes.*

The OP 4.12 definition of Replacement Cost as above can be seen to be nothing but 'reinstatement value', a sum of money that would enable an individual to re-build his or her building to the same condition but with a possibility of improving his condition. It is also stressed that in determining the Replacement Cost, depreciation of the asset and value of salvage materials should not be taken into account, but instead should be considered, nor would the value of benefits to be derived from the project be deducted from the valuation of an affected asset. There is evidence to show terms associated with World Bank Guidelines are adopted sacrosanct by both those acquiring land and those in position to enforce. None of the 40 respondents that included valuers for the study had ever queried or even doubted the correctness of the 'Replacement Cost' as used in OP 4.12.

The paradox is however that while the national laws of Tanzania insist on market value assessment, such an assessment is hardly feasible in large part of the country and especially so in those areas where land is available for acquisition.

According to OP 4.12 Replacement Cost is equated in the case of:

Agricultural Land: $Rc = sum(Ml, Cl, Cr)$
Urban Land: $Rc = sum(Ml, Cr)$
Houses/Structure $Rc = sum(Mc, Bc, Cr)$

Market Value calculation on the other hand from local(Tanzania) valuation practice and Land Act No.4 of 1999, is equated to:

Agricultural Land- $Mv = sum(Ml, Sv, Da)$
Urban Land - $Mv = sum\ (Ml, Da)$
Houses: $Mv = sum(\ Mv, Ml, Da, Ac\ or\ Lp, Tc)$

Where:

Bc =Building Costs e.g transport, labour and related fees
Cl = Cost of Clearing land
Cr =Cost of land registration and transfer taxes
Da = Disturbance Allowance
Mc = Market Cost of materials
Ml= Assessed Land Value
Mv= Market Value of asset (improvements on land)
Ac = Accommodation Allowance
Tc = Transport Allowance
Lp = Loss of Profit Allowance

From the onset it would appear OP 4.12 disregards Market Value as basis for valuation. Indeed, it does not as the above-simplified model depicts. In both situations there is separate compensation for land (Ml). In case of the building structures, the OP.4.12 directs itself to the cost of replacing the structure to the extent of detailing cost elements related to transportation of building materials, and labour/contractors fees. Controversy lies in the use of the term Replacement Cost which in the valuation profession is a distinct method of valuation, usually used as method of last resort.

Valuations that are done under the Land Act of 1999 address needs of OP 4.12 but in a way that is not as explicit. By considering such factors as disturbance, transport cost, accommodation and loss of profit, the affected person gets a kind of replacement cost that is inferred under OP 4.12 in the detailed cost items. But what appears to be a good legal basis for assessing fair compensation is flawed in a number of ways:

i. The advocated use of 'direct comparison' method of valuation to determine market value is hardly feasible in large part of the country due to poor records keeping of property market transactions. Sales data even in rural areas have to be registered with local village government. The Village government charges 10% of the sale value as stamp fees. There is evidence to show that parties to sales transactions have connived to understate the actual sale figure to the Village Government offices. As a result most valuers adopt 'Replacement Cost' method of valuation primarily as the last resort method. The Replacement cost Method is premised on a model that requires the Valuer to estimate what it might cost to replace the subject asset at current price but allowing separately for the condition of the asset (depreciation) and value of the land. In practice, land acquisition takes place in neighbourhoods that have exhibited potential for development and characteristically developments in these areas are more likely to be old and of simple construction such as mud wattle walled buildings. In a situation where use of local building materials is prejudiced against industrial building materials, heavy depreciation of the assets being valued under this method has been the norm and cause of concern by key stakeholders.
ii. Disturbance is assessed as a percentage of land value and not the entire assets, and at current commercial bank deposit rates. During the last 3 years, the average rate has been around 4%. At this rate, disturbance assessment tends to be insignificant to the landowners. The Land Act of 1999 assumes constant level of disturbance to be suffered by each of the affected persons, which may not be the case. Livelihood dependence on affected land varies a lot between absentee landowners (employed elsewhere usually holding on land for speculative purpose) and those in occupation.
iii. Transport assistance is only given to those who have to relocate to other places. Arbitrary assessment of the tonnage of loads a person may have as well as the haulage distance is usual, mainly because the field valuer has no way of scientifically weighing the household belongings and has no idea of where the families will be eventually resettled.
iv. Accommodation allowances have to be assessed against parameters that in practice are hardly verifiable. Market rents of similar houses in affected areas are not recorded and information is lacking, as most house occupiers are owner-occupiers in the rural and urban fringes (estimates put this over 80%).
v. Loss of profit is to be determined on the basis of audited accounts. Again the dominance of informal sector in Tanzania makes it unlikely for a valuer to

be able to use this criterion; as a result a simple financial analysis is made of traders' business.

Advocates of SLA approach maintain 'replacement cost' as detailed above should not be adjusted for the condition of the asset and this is what is considered 'replacement value'. "…*When it comes to non-land assets such as housing and other improvements, a replacement cost approach also ensures that the depreciation of lost assets are not taken into account in the calculation of compensation, and that transaction costs associated with the purchase of new assets are covered…"* (Lindsay, 2012)

2.5 Impact of Foreign and Donor-Funded Projects- Involuntary Resettlement

Due to infiltration of foreign investments in land and property some of which is funded by donors such as the International Finance Corporation, International Development Agencies such as DfID, SIDA, Africa Development Bank etc, the World Bank Safeguards on 'Involuntary Resettlement' have been introduced. Unfortunately there has been no uniform understanding of the provisions of World Bank Safeguards insofar as compensation assessment is concerned vis-à-vis those that the Land Act No. 4 of 1999 advocates.

While it may be argued that both the laws in Tanzania and the World Bank OP 4.12 assent to the need for additional compensation to reflect the compulsory nature of the acquisition, there has been no common understanding of the terms so used and pursued. The interesting point to note is that both schools are agreed on 'market value' as basis of compensation assessment which presumably meets compensation attributes as provided in the laws. Those advocating 'sustainable livelihood approach' of the affected persons however prefer 'Replacement Value' as basis for compensation assessment as if the term was synonymous with a market place phenomenon. It is often the case with donor funded projects that the compensation assessment is made with a view of

> "…*improving the compensation package in order to bring the project into compliance with the World Bank Policy…"* (Mehta, 2009).

However in the local context, compensation assessment is to be limited to the amount that is fair presumably at the market place so that the affected individual condition remains as if nothing had ever happened. Kombe (2010) affirms this :

> …. *The spirit of the compensation is to ensure that affected households neither lose nor gain as a result of their land or property being appropriated for public interests*…".

Table 2: Compensation Objections in Selected Projects

	Projects in Dar es Salaam			
	"A" '02	'B' 2004	'C'2007	'D'= 2008
Not agree to acquisition	0	76	0	0
Inadequate	3	53	7	156
Misidentification	54	121	2	33
Names missed out	21	5	4	78
Partial Treatment	5	55	0	3
Others	24	23	0	21
Total Complaints	107	333	13	291
Total PAPs	1,090	1,898	105	2,889
% of Complaints	9.82	17.54	12.38	10.07

Note: A= Bunju 20,000 Project, B=Dar Airport Expansion, C= Tanesco Wayleave Mavurunza and D= Tanesco Wayleave- Mbagala

Source: (Komu,2009)

2.6 Legal and Administrative induced hiccups

Legal provisions that aim at encouraging transparency and stakeholders' participation in land acquisition have been a cause of raising high expectations amongst PAPs. In the end the acquiring authority has not been able to fulfil these expectations. Between 2001 and 2013, landowners in Tanzania whose assets were subjects of acquisition were required to file in a pre-prepared land form (LF 70) on what they considered to be the worth of their assets.

In none of the projects studied were the landowners estimates ever close to what was eventually assessed as market value and hence compensation sums payable. Table 3 illustrates the gross disparity between what the landowners thought was fair compensation and what was assessed as compensation in an urban infrastructure project in Arusha during 2010-11.

Table 3: Expected Vs Assessed Compensation Sums – Arusha City 2010 (TZS‘,000)

Ref	Name	Expectations	Assessed
NMLV 001	LKS	600,000	97,000
NMLV 003	DSM	400,000	23,000
NMLV 014	MLM	200,000	44,000
NMLV 020	JLM	1,000,000	62,000
MNO 007	MBK	25,000	25,000
MNO 011	TDP	30,000	4,264
MNO 020	ALM	200,000	27,307
MNO 048	ASM	6,000	279
NMOS 005	MGG	2,000	800
NMOS 015	SSM	150,000	43,200
NMOS 017	EAM	20,000	6,076
MNL 003	MRJ	18,000	1,682
MNL 017	ASM	80,000	15,914
MNE 001	FKK	50,000	5,581
MNE 004	HEM	15,000	1,631
MNE 012	CAM	100,000	5,985
MNE 018	AAP	4,000	4,882
UMM 003	HSJ	80,000	15,938
UMM 007	KPM	25,000	9,276
UMM 009	SJM	90,000	20,326

Source: TSCP 2011 (author compiled from SIA Report)

2.7 Nature of Compensation Objections

It was evident from the interviews and documentary reviews that objections raised against land acquisition and compensation in Tanzania were a result of (a) misconception of facts, (b) Lack of Coordination and preparedness by the land acquiring agency, (c) unfulfilled high expectations of those losing land, (d) Mistrust Flaring under the Transparency Banner and (e) subjectivity and inconsistent approaches by the Valuers and Land Acquiring Authorities.

Initial reaction by landowners whose land is being gazetted for land acquisition is to resist. This resistance is expressed in speedy formation of ‘follow up committees’ that represent the landowners. In practice, the committees will seek support from the local government to confront the Authorized (District) Land Officer (DLO). In all projects studied, these initiatives by landowners agitated with land acquisition have not succeeded in preventing a land expropriation exercise. Instead, as observed by Sharma (2010), the committees have positively influenced the land acquisition process, forcing the land acquiring agency (developers or investors) to adopt more transparency in the acquisition, compensation assessment and eventual relocation.

It is important to note that from legal point of view, it is not possible to resist land acquisition in Tanzania as the eventual ownership right is in the state and the President has the absolute power to revoke any land rights. As a result, an attempt to document the level of resistance to land acquisition projects is unlikely to provide explanation on the acceptance of land expropriation in Tanzania. The fact is however a large majority of landowners (80%) are dissatisfied with the whole expropriation practice as found out by Kironde (2009). Is the expressed dissatisfaction by landowners a reflection of the underlying social constructionist problem of meaning to land acquisition?

2.7.1 Misconstruction of Facts

In all land acquisition projects, a land acquiring agency would either engage local municipal/district department of lands or private consulting firms to initiate and implement the land acquisition process. Where the municipal/district lands departments have been involved, there has been a consistent release of information on the procedures to be followed and the items to be compensated for. This has not always been the case with private consulting firms that have tended to carry out sensitisation workshops with promises to abide with the provisions both of the local laws and of the World Bank. It is clear from an evaluation of the private consulting firms that were involved in some of the projects studied, their backgrounds were diverse and major focus of their engagement varied.

As a result, there was tendency for the private firms to downplay the role of the local land office and even creating impression amongst the landowners that these offices were a problem in land compensation and in some instances even to the extent that the government land offices would not be involved in the entire exercise. This was found to be the key feature of firms that did not have land-related disciplines within their rank and especially those relying on individuals with sociological skills. In one of the projects studied, while all the procedures were followed, the private consultant had made it plainly clear that the Village Government would in return benefit from a new Health Centre to be provided while the landowners were to be relocated in new and better housing, which did not happen.

In a glaring example of misconstruing facts, a prospective agriculture investor in Kisarawe, Sunbiofuel Company was involved in a dispute with the District Council on the entitlement of compensation for bare land that constituted about 60% of land deal that it required for its Jatropha plantations in 2008. The investor had paid compensation to the lands occupied to

those who claimed ownership. In the case of bare land for which there were no individual claims, the investor ought to have paid the balance of TZS 577,708,870 to the 11 village councils under whose jurisdictions these lands situated. Contrary to the provisions of Land and Village Acts, the Kisarawe District Council with support from the Ministry responsible for Lands refused. As a result, the land deal was frustrated with the investor unable to fulfil his promises for job creation and social amenities provisions, further agitating the Kisarawe villagers (Myenzi, 2010).

2.7.2 Lack of Coordination and Preparedness of the land acquiring authorities

The key finding in the studied projects indicates land acquisition mainly for infrastructure projects has been implemented with little or no consultation with the government departments responsible for land administration in the area. This finding is collaborated by another research carried out during 2012-13 by the Commission for Human Rights and Good Governance (CHRGG, 2013). The CHRGG (2013) concludes the lack of coordination and harmonization of the functions of government units has resulted into violation of laid down procedures citing road construction, prospecting minerals and mining, and extending national parks boundaries.

As discussed above, government departments that are beneficiaries of donor-funded projects have tended to develop and implement their own individual Resettlement Policy Frameworks (RFP) along the lines of the World Bank Safeguards on Involuntary Resettlement (04.12). Despite the fact that most of the RFPs studied and the subsequent Resettlement Action Plans that are developed from the RFPs reveal some consistencies in addressing the land acquisition and resettlement, it is clear without a national consensus on RFPs and in particular on how to treat the different categories of people that are affected by a particular land deal, the sectoral approaches will not provide a sustainable solution to the land acquisition problem.

The general observation is that respective municipal and district councils around the country are being side-lined in large land acquisition projects in their areas particularly those being carried out by private consultants. This is irrespective of the fact that during the early stages of the land acquisition procedures, they are involved through their respective 'authorized land officer' and in convening and holding sensitization workshops for the land occupiers in the proposed project sites. They are also involved well after the compensation payment procedures especially when there are disputes about the compensation sums received. Invariably, there was evidence to indicate local government officials are more likely to be instructed by Central Government Departments implementing a particular project on how to process the acquisition procedures.

It was also found out that land acquiring agencies had no prior information on the procedures to follow, who were the key actors in the process and the probable financial commitments in compensation payments. In one instance, the sponsors of a project admitted that they were '*…so shocked by the valuation results carried out by a private valuer that they had to ask local municipal valuer for alternative assessment...*". However, the Municipal Valuer endorsed the initial valuation. What had happened was that the Project promoters had not carried out sufficient market research on land price levels in the area and were made to believe land was very cheap in the area. This lack of preparedness has led to delayed compensation, unnecessary and protracted negotiation on lands to acquire and initial disputes.

2.7.3 Unfulfilled High Expectation of Landowners

Certainly, individuals losing land in an expropriation exercise are more likely to have been informed of the anticipated social and economic benefits of the proposed projects in their area. They will also have high expectations to benefit from these promised benefits. But it is also the case that agents of the Land Acquiring Authority do raise false hopes amongst landowners when introducing the project. In one of the cases studied in Buyuni/Dar es Salaam, a complainant was challenging amount of disturbance allowance paid arguing it should have been computed on 21% of the total value of land and buildings as had been explained to them at the beginning of the assignment. He had been paid TZS 100,000 while he was expecting TZS 3,990,000 as disturbance allowance. This was contrary to the law provision that disturbance allowance is only paid against value of land and at ongoing bank deposit rate. In a Southern Africa case, Satgé et al, (2002) flawed sensitisation meetings prior to to fieldwork surveys for '*…raising expectations that were not met…romanticing about the poor, putting them at the central position and over-emphasising listening to their grievances…"* They cautioned that while the concerns of the poor is real, it is important to be aware of 'opportunistic tendencies' amongst the affected people.

2.7.4 Mistrust Flaring under the Transparency Banner

There was evidence to suggest some of the compensation objections raised were a result of the increased awareness levels in the society on land acquisition.

In all projects studied, public meetings prior to the land acquisition scheme were held in addition to the individual stakeholder engagement at the time of asset identification and measurement. At the level of stakeholder engagement, the land acquiring agencies volunteer information on the significance of the envisaged projects, compensatable items, rates of compensation and how the affected people would be treated.

However, while it was possible to explain the growing compensation objection to more transparencies introduced in the system, it was not clear whether the professional level of discharging compensation assessment and handling of the objections was commensurate with the current understanding and awareness levels in the land sector. It appeared while most of the projects had adopted an SLA in line with the IFC Safeguard Requirements, the supervising agents such as the District Land Officers, Valuers and Planners had either reluctantly or obliviously consented to adopting the SLA in contravention of the Principle of Equivalence which has permeated and dominated the local practice. Kironde (2009) and Kombe (2010) amplify the conceptual meaning of the principle of full and fair compensation in the Land Acts as aiming to get the affected in an equivalent position which is probably not the same as the Sustainable Livelihood Approach (SLA).

It was also clear that some of the objections were in realization of the facts that the acquired land appreciated in monetary term almost immediately after the acquisition process. Market information in the neighbourhood unfolds new and higher levels of land prices in a much more transparent manner than was before. In cases where compensation payments were delayed for any reasons by the land acquiring agency, the landowners are enticed by desperate land seekers to sell their land lots a second time (Kamuzora, Ngindo, & Mutasingwa, 2009).

2.7.5 Subjective and Inconsistent Approaches

An examination of valuation analysis worksheet in any of the approved valuation reports for any purpose in Tanzania suggests market value of a property is the sum of its depreciated replacement cost, crops and land value whereby land and crops are valued on basis of rates established by the Office of Chief Government Valuer and Replacement Cost is arrived at through a cost estimate of what it might take to build the subject property anew by the Valuer. Indeed up to 2001 when Land Act No. 4 became operational, even where the method of valuation was 'replacement cost' the final figure would not include value of the land upon which the property rested. It appears after the Land Act made it clear land has exchange value and that value estimates should be on the basis of market value, the valuation practice made a very slight adjustment in its methodology. The consideration of separate value estimate for land in the valuation worksheet is considered enough disclosure to those approving valuation reports that the basis of valuation was market value. In the context of valuation principles and in particular valuation methodology, the practice in Tanzania is totally inconsistent and flawed. The only justification for valuing land separately would be in the case of development lands where the improvements on the land will have outlived their lives. A market value estimate ought to reflect the market behaviour and norms. Individuals do not bid for a property in view of its indivisible units.

The dictate to value units within a property separately is a hangover from the old German era. Kironde (1994) notes for example, in the early days of setting up Dar es Salaam (late 1880s) German Colonial Government would compensate landowners by counting the number of coconut trees found on their land. While this practice has been well received by those giving up land, it has been source of disputes mainly because the compensation rates are hardly reviewed on annual basis.

What constitutes market value of an expropriated land is contentious in the context of the local valuation practice. As discussed above, a Valuer who adopts compensation rates from the Chief Government Valuer in respect of land and crops would satisfy the test of complying with the law provision on basis of valuation. The only area where he exercises his valuation skills is with respect to valuing building structures on the land. Not only is he or she expected to use the 'Replacement

Cost Method' but also ensures that the final assessment does not make the landowner better nor worse off (POE) in case of government funded projects on one hand and on the other, if the project is donor-funded the assessment should comply with the IFC Safeguards (SLA). In either case, the Valuer position is precarious and undoubtedly grossly undermined.

Often the building structures in land to be acquired are simple structures and it would not technically speaking require a lot of efforts to estimate their replacement cost nor market value where possible. In an SLA, the valuer is usually instructed not to allow 'depreciation' from an estimate of replacement cost which is contrary to the thinking under the 'replacement cost methodology'. This is irrespective of the fact that the national laws have addressed the disturbance and other allowances that will assist the landowner to relocate.

The test whether the final assessment is fair or just is also very subjective. The land value rates that are to be adopted are those that will have been determined prior to the expropriation exercise. These are researched when the respective local market 'was unaware' of the project and in many instances, away from the hectic of urban economy in the peripheries of the cities or rural areas. They are land value rates that do not speak of the hidden potential of the respective land. As discussed under the case studies, just after implementation of an expropriation project usually between six months and a year, the land values in the area would record an unusual increase over the compensation land value rates. It is this release of the latent value that has become source of objection against what was paid as compensation. Thus, it could be argued what appeared to be a fair or just compensation during the land acquisition process between the land acquiring authority and the landowners is construed differently mainly by the landowners and the outer world immediately after the land acquisition process.

3. Conclusions

The key shortcomings of any land acquisition scheme in Tanzania revolve around the lack of common understanding of the processes and products involved. Although existing national laws appear to be explicit on what is required, they are not detailed enough on measures to ensure the continued livelihood of those losing land in the process. Provisions on relocation of affected people are scanty and have not addressed instances where a project could be funded from a different source other than the Government. Indeed, the law assumes all compensation will be paid through the Government and presumably by the Government through a Land Compensation Fund that was established by Land Act No. 4 under S173 and which is by 2014, not yet operational.

The land acquisition practice is wrought with allegation of lack of integrity particularly against the Valuers. These allegations could not be proven. It is clear however they are rooted in what appears to be lack of transparency in the process and orchestration by community and non-government organizations that are active in the area during and after the land acquisition process. The findings of this paper indicate both the landowners and other interest groups have been misguided by the inability of the Valuer (both Chief Government Valuer and practising valuers) to conceptualize what constitutes a market value of Compensatable assets and in particular the consistent use of rates which are set without taking future forecast of the envisaged land acquisition projects in the neighbourhood.

It was not intended to suggest best course of action to take in handling compensation objection. However there is a definite need for Tanzania to review its land policy as regards land expropriation to include clearer options towards resettlement as well as protecting the socio-economic livelihoods of those losing land in the process. There are several alternative compensation schemes that could be used to ensure socio-economic livelihoods of land rights-holders. But whatever the scenario, it is important a common understanding of what is involved is pursued for a common goal and target.

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