



frequently asked QUESTIONS

Land Issues

1. **How many years can an investor lease land through TIC for investment purposes?**

Investors get access to land through government leases whereby they can be issued with a document known as '**derivative right**' through the Tanzania Investment Centre. The duration of occupation is one year less than the years declared in the certificate of occupancy which may be 32, 65 and 98 years. The maximum duration given in the certificate of occupancy is 99 years as per the Land Act, 1999.

2. **Are there any areas which the government has set aside for investors?**

So far the government has set aside Special Economic Zone for economic and commercial investment. The aim is to promote investment in industries; specifically for industrial products which are meant for export. Such areas are under the supervision of Export Processing Zone Authority (EPZA)

3. Does TIC set aside land for investment to investors according to their needs?

TIC in collaboration with Ministry of Lands has started a process of establishing areas for investment (plots and farms). To start with, TIC has been issued with a Certificate of Title on Mkulazi measuring 63,227 hectares, which are earmarked for cultivation of sugarcane and rice. Allocation of this farm will follow tendering legal requirement.

Another land is that located in Kimandolu in Arusha measuring 43,000 hectares. It is a Plot earmarked for tourist hotels. TIC has not yet allocated this land to any investor.

4. When will TIC convince the government to prepare sites for investment?

TIC in collaboration with the Ministry of Land is on the process of securing funds that would be used to survey and allocate lands in the LAND BANK.

5. What incentives can an investor in agriculture be provided with?

Incentives to be provided can be in a form of Fiscal and/or Non Fiscal. **Fiscal incentives** are such as Import duty and VAT exemption on project/capital goods while **Non-fiscal incentives** are such as Immigration quota of up to 5 people, guaranteed transfer of Net profits or dividends of the investment or Payment in respect of foreign loans. Strategic Investors with a big project of over US\$ 20 million can request for special incentives from the Government as well

6. What are the requirements for registering an agricultural project?

The following are the requirements:

- Project's Business Plan/Feasibility Study
- A copy of the company's Memorandum and Articles of Association.
- A certified copy of the Certificate of Company Incorporation
- Board resolution
- Evidence of land ownership for the location of the project (depending on the project, certified lease agreement of minimum of 3 years or certified copy of title deed).
- Evidence of sufficient finance capital available to implement the project

- TIC application form which is issued by the Centre at a fee of US\$ 100
- An overall covering letter to which all the above are attached.

7. Can a foreign investor own land 100%?

A foreign investor is allowed to own land only for investment purposes. Land can be given to an investor in a form of a derivative right which allows investors to lease land for investment for a period of 32 years, 65 and 98 years.

8. How do you resolve land disputes with locals?

TIC resolves land disputes through:

- Identifying nature of land dispute
 - Boundaries
 - MoU with villages
- Procedures
- Through mediation between two sides with disputed part.

All in all, Investment disputes are usually resolved through district and regional government's mediation sessions, the mediation session includes all stakeholders in investment from the Prime Minister's Office and TIC.

9. Does TIC allocate land for agricultural investors as per investor's requirement?

TIC in collaboration with the Ministry of Land assists investors to get permit for their eye marked investment land. The government also through different initiatives like SAGCOT and BRN identifies agricultural land and allocates it to investors through competitive bidding process.

10. What measures will be taken against an investor who changes the use of land as indicated in the agreement?

If an investor changes the usage of investment land his lease agreement will be terminated and the certificate of incentive from TIC will be cancelled.

11. How do you resolve investment disputes especially those caused by implementation of investment projects like land confiscation?

Investment disputes are resolved through district and regional governments mediation sessions. The mediation sessions include all stakeholders in the investment from the Prime Minister's Office and TIC

12. What sort of advice given by TIC to a person whose farm or plot is not surveyed but he/she needs to invest on it?

If a local Tanzanian is having a plot which is not surveyed and he/she needs to make an investment on that property he/she is advised to get the farm/plot surveyed and obtain all necessary legal documents for ownership of the property.

13. What are the sources of land conflict in investment in Tanzania?

Land conflicts in Tanzania are contributed by the following reasons:-Failure of the investors to comply with the agreement made between an investor and surrounding villages, failure of villagers to respect boundaries, improper compensation to the villagers and failure to respect water rights, to mention a few.

14. In which ways do you resolve land conflicts for Investment?

As of now land conflicts is resolved via Regional and District land disputes resolution committees which take into board large number of stakeholders. TIC is inclusive.

15. Why do the foreign investors evict original local owners of the land leading to land disputes?

Procedures for foreign investors to acquire land are adhered to. Issuing rural land to investors can only begin after approval by village authorities through meetings; where agreements on compensation are passed, relation procedures are followed and approved by relevant government authorities.

16. Does the TIC have an authority to revoke the land title for investors who fail to implement TIC approved project?

Yes, TIC has authority to revoke the derivative right issued by TIC for foreign investors who fail to implement approved projects.

17. Are there any investors whose land happened to be revoked due to failure to implement the projects?

There are incidences of land titles being revoked by the government; following ineffective project implementation. A recent example is the Sunlodge project based in Mtwara which failed to implement its project of livestock keeping and farming activities.

18. Why land compensation to existing land occupier most often not prompt, fair and based on market prices?

Land compensation Payment is backed by Land Act, 1999 and the exercise is carried out by professionals in land valuation and there is prior approval for the compensation schedule by relevant authorities including DC and RC

19. Most of local authorities in the country are complaining that TIC brings investors to their areas and thereafter they are allocated land parcels which cause land disputes to surrounding community regarding payment of compensation and employment matters. Is TIC aware of these complaints? What steps have you taken towards these complaints?

We have heard of such complaints. Basically allocation of village land is under the mandate of village councils and village assembly. Where there is need for compensation, statutory valuation is done by the government and an investor is required to pay before getting access to the land.

20. What do statistics portray as far as land disputes between an investor and villagers are concerned?

There are several land disputes of the kind in the country. However, most of them are located in Eastern Zone including regions of Dar es Salaam, Morogoro, Coast region, Northern zone including regions of Arusha, Manyara and Tanga and Southern Zone including Mbeya region. There are

no actual statistics however to show percentages of land dispute cases in Tanzania.

21. If an investor decides to buy land, is there any price rate per acre?

Purchasing and selling is a bilateral contract governed by the law of contract which recognizes privacy of contract. Therefore neither TIC nor the Ministry of Lands sets a price per acre.

22. Why foreign investors are easily allocated land compared to Tanzanians?

Basically, Tanzanians have better chance to get land than foreigners. According to the land Act of 1999 and the Tanzania Investment Act, 1997, a foreigner is not allowed to own land unless for investment purposes. On the other hand Tanzanians are not bound by such requirement and they can go straight forward to the commissioner for land without passing through TIC and get access to land.