

Compensation Assessment for Land Acquisition- the Dichotomy of Tanzania Laws and Development Partners Resettlement Requirements

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SUMMARY

Objections to assessed compensation sums for land and assets to be acquired in Tanzania have been on increase irrespective of the changed ideologies of the country from a socialist to a liberal market economy. The basis of valuation assessment as provided in the laws governing land acquisition has remained to be ‘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 gray 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 unrelated disciplines have taken up the challenge and fill in the gap.

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 land from land occupiers. It is an intrigue on the rhetoric market value and its surrogate ‘replacement value’ in the World Bank nomenclature that is perceived as the panacea for the compensation problem in Tanzania. Compensation assessment is not limited to the valuation of the assets that will have to be pulled down to allow the new land uses but covers all aspects involved in involuntary relocation of those whose land is subject of acquisition and mapping the acquired portions.