Impacts on the Local Population due to Delays in Large Scale Agricultural Investments
- A study on the case of Agro EcoEnergy Ltd in Bagamoyo, Tanzania

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Keywords: Large Scale Agricultural Investment, resettlement, delay, planning for the unknown, livelihoods, ontological security, trust and mistrust.
Abstract

This thesis discusses the effect of delays in large-scale agricultural investment (LSAI) in resettlement on the local population when resettled. Empirical material was gathered in Bagamoyo, Tanzania, for the case of the investor Agro EcoEnergy Ltd. (‘EcoEnergy’) and its investment in sugar. EcoEnergy is an agro industrial development company that has gained title to land on the Razaba ranch, where it plans to grow sugarcane for the domestic sugar market. Because of this planned investment, the local population living on the land today will have to be resettled in new areas. EcoEnergy has agreed to comply with the International Finance Corporation’s Performance Standards, where Performance Standard 5 (PS5), on land acquisition and involuntary resettlement, is applicable. This thesis explores how delays in the investment and the resettlement process are affecting the local population and how this is handled in PS5. Interviews were held with the local population, EcoEnergy representatives and consultants working with the resettlement process. Theoretical perspectives are drawn from Giddens’ ontological security, the livelihood framework and Scott’s planning for the unknown.

Keywords: large-scale agricultural investment, resettlement, delay, planning for the unknown, livelihoods, ontological security, trust and mistrust.
List of Abbreviations

EE  Agro EcoEnergy Tanzania Ltd (‘EcoEnergy’)
FAO  Food and Agriculture Organization of the United Nations
FDI  Foreign Direct Investment
GN  Guidance Notes
IDC  International Development Consultants
IFC  International Finance Corporation
IFPRI  International Food Policy Research Institute
IM  Investment Memorandum
LSAI  Large Scale Agricultural Investment
MoU  Memorandum of Understanding
NGO  Non-Governmental Organization
PAP  Project Affected Persons
PS  Performance Standard
RAF  Resettlement Policy Framework
RAP  Resettlement Action Plan
Sida  Swedish International Development Cooperation Agency
TIC  Tanzania Investment Center
UN  United Nations
WB  World Bank
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1 Introduction

In recent years, large-scale agricultural investments have become more common in countries on the African, Asian, South-American and European continents (Matondi et al., 2011). Companies and countries are investing in land for food or biofuel crops. With the increasing incidence, discussion has arisen regarding the positive and negative effects that might accompany these large-scale investments. Large-scale agricultural investments (LSAI) are often regarded as positive for development in the countries where the investments occur. From 2008 onwards, many investments were made and companies and countries made land deals in all parts of the world. In Tanzania, few of these new-wave investments are operational today and some of them are still in the start-up phase (Abdallah et al., 2014). Many of the investments have never even started and there are also many delays associated with the land deals. The delays can depend on many different factors, but one of these is lack of funding for the investment (Zoomers, 2010). When an investment is delayed, it affects all the other events associated with that investment. In many cases, this means that the people living on the land to be used for the investment and who are about to be resettled are also affected by delays in the resettlement process. When this occurs, it places the local population in a difficult situation. This issue has not been sufficiently highlighted and analysed, so it is important to research how delays affect the people who are being resettled. The World Bank, which has mainly viewed LSAI as positive, is requesting more research on how such investments affect the people being resettled (World Bank, 2014: 41). Many researchers have argued that there is a need for regulations to make investments more sustainable, but there is still a lack of research on how delays in LSAI affect the local population. Therefore this important research topic is investigated in this thesis.

Since the new wave of LSAI started about a decade ago, there has been much research on the issue. Many researchers have concluded that such investments could be made in a more sustainable way, both environmentally and socially, if there were guidelines to follow. Therefore global organisations such as the United Nations and the World Bank have worked together to devise some regulations on how to make LSAI more sustainable (CFS, 2014). One system currently in use is the set of Performance Standards developed by the International Finance Corporation (IFC.org, 2014a). These standards are investigated in this thesis using the case of the company ‘Agro EcoEnergy Tanzania Ltd’ (hereafter ‘EcoEnergy’). That company’s investment process in Bagamoyo, Tanzania, was initiated in 2006 but resettlement and production have not started yet due to various
delays and problems. Therefore it is a good example of how agricultural investments are delayed and how these delays affect the local population. EcoEnergy has confirmed that it will follow the IFC’s Performance Standard (PS) 5 for its investment (EcoEnergy Managing Director, interview 7 May 2014). In this thesis, PS5 is therefore used to examine how the delay aspects are handled, how they are being dealt with by EcoEnergy and how they are affecting the local population.

1.1 The World Bank, IFC and Performance Standard 5
The International Finance Corporation (IFC) is organised together with the World Bank (WB). It coordinates activities with institutions within the WB, and the president of WB also serves as the president of IFC. The IFC is legally and financially independent (IFC.org, 2014b). It has formulated environmental and social performance standards that define companies’ responsibilities to identify and mitigate potential environment and social risks associated with their investments (IFC.org, 2014a). These performance standards (PS) are voluntary, but EcoEnergy has stated that it will comply with them, since the development banks that will potentially finance its investment have set the requirement of compliance with IFC PS5 (EcoEnergy Managing Director, interview 7 May 2014). There are eight performance standards (PS1-8) about different aspects of managing environmental and social risk for investments. This main focus in this thesis is on PS5, which deals with involuntary resettlement of the local population.

1.2 Research aim, objective and the research question
The overall aim of this thesis was to examine the potential impacts of unexpected delays in LSAI involving involuntary resettlement on the population affected, and how such delays are dealt with in the IFC standard on resettlement. These issues are analysed using the specific case of the agro-industrial company EcoEnergy’s investment in Bagamoyo, Tanzania, which according to the latest records involves involuntary resettlement of 1374 people. The guidelines investigated are the IFC standards for LSAI, particularly PS5 on involuntary resettlement.

The specific research questions analysed were:

- What impacts can delays in LSAI involving involuntary resettlement have on the local populations affected?

- How are potential impacts of delays dealt with in the IFC guidelines for involuntary resettlement, *i.e.* Performance Standard 5?
2 Background
This chapter provides a brief background to LSAI and presents some information about the case. This information is intended to help provide a wider understanding of the research topic and the fieldwork conducted in Tanzania.

2.1 General background to LSAI
Large-scale agricultural investments have increased in frequency since 2008 and because of this a great deal of research has been conducted about such investments. Countries that are currently highly interesting to investors in LSAI include Mali, Sudan, Mozambique, Ethiopia and Tanzania (Matondi et al., 2011). As regards the specific case researched here, the global community, academics and charities such as Oxfam have become involved in the land acquisition debate and one of the investments described in various reports on LSAI is EcoEnergy’s involvement in Tanzania (e.g. Cotula et al., 2009; Mousseau & Mittal 2011; Havnevik, 2011). The United Nations (UN) has created a special working group tasked with looking at land acquisition from an independent perspective. An article by De Schutters (2011), who was the UN Special Rapporteur on the right to food between 2008 and 2014, entitled How not to Think of Land-Grabbing: Three Critiques of Large-Scale Investments in Farmland, is critical of the form that land acquisitions are taking. He does not believe that these will create development or contribute to poverty alleviation as many investors argue.

Various research institutes have attempted to determine the correct number of LSAI in progress, but it is difficult to check the accuracy of the values reported. Estimates have also been made on the amount of land involved in all parts of the world, but the values vary widely. For example, Oxfam and the International Food Policy Research Institute (IFPRI) state different values. According to Oxfam (de Leon et al., 2013), a total of 203 million hectares (ha) of land had been acquired for investment when that report was published. Oxfam has since reported that 106 million ha of land have been acquired in developing countries, of which 56 million ha are in Africa (Oxfam Briefing Note, 2012). The IFPRI gives a much lower value, stating that between 15 and 20 million ha of farmland in developing countries have been subject to transactions or negotiations involving foreign investors since 2006 (von Braunm & Meinzen-Dick, 2009). Such investments are being made in all parts of the world, including Eastern Europe, South Africa and Asia (Cotula et al., 2009: 17). Abdallah et al. (2014) researched agrofuel investors in Tanzania and concluded that investors have made enquiries about over 1.1 million ha of land for agrofuel production in the past decade. The
foreign investors are mainly Europe-based, according to that study.

There has been much debate as to how good LSAI are, both socially and environmentally. They affect the people who use the land, *i.e.* subsistence farmers and pastoralists, and also the environment, animals and vegetation. Prospective investors have to go through a procedure whereby they carry out an environmental and social impact assessment before an investment can start. World Bank (2011) published a report on the possible benefits of agricultural investments entitled *Rising Global Interests in Farmland: Can it Yield Sustainable and Equitable Benefits?* In this report, the authors argue that land acquisitions can be made in a new form that will make it possible to include the positive benefits claimed by investors. They also contend that one important factor for the investments to work better is missing, and that is to improve the information flow to all stakeholders, which they claim could allow land acquisition projects to work even better.

### 2.2 Tanzania and LSAI, land reforms and land laws

Tanzania is a sub-Saharan African country located on the continent’s east coast. It has a total population of approximately 45 million and an area of 945,090 km$^2$. Tanzania has been both a German and a British colony. About 25% of the country’s gross domestic product (GDP) comes from agriculture, which in the past has been the dominant sector for exports in Tanzania (National Bureau of Statistics, 2013). Around 30% of the population lives in extreme poverty, on under USD 1.25 per day (World Bank, 2012). Tanzania consists of 26 regions. Bagamoyo is part of Pwani region and is located 75 km north of Dar es Salaam, the largest city in Tanzania, on the coast of the Indian Ocean (National Bureau of Statistics, 2013). In 2013, the region had approximately 229,000 inhabitants, living in an area of 9,842 km$^2$ (*ibid.*).

Land in Tanzania is classified into three categories: village, reserve and general land. All land is vested in the President as a trustee in a legal caveat, which prevents the registration of any deal concerning the land until certain conditions are fulfilled. It is difficult to give an exact value, but it is estimated that more than 70% of the land is village land, 28% is reserve land and about 2% is general land (Mousseu & Mittal, 2011: 10). For a foreign investor, it is a complicated process to get rights of occupancy to land, but investors can gain derivative rights of occupancy from the Tanzania Investment Centre (TIC). The law on how to make land available to investors is not described further in this thesis, but ultimately a foreign investor can be granted a right of occupancy and lease
the land for a certain amount of time, e.g. for 33, 66 or 99 years (ibid: 10ff).

2.3 Two ways to relate to large scale land investors
There are two strong discourses relating to LSAI. One is the so-called "win-win" discourse and the other is the "critical" discourse. The win-win discourse centres on the many positive aspects of land investment, which are viewed first and foremost as a way to create economic growth through business. This is a type of Foreign Direct Investment (FDI) that is promoted within the aid sector. The various positive aspects mentioned in the win-win discourse are social benefits, energy security and environmental protection. It is also viewed as positive that such investments can create job opportunities and strengthen national infrastructure by building roads, hospitals and schools (World Bank, 2011).

The critical discourse argues that there are various problems created by the land investments, for example that people are evicted from their homes and their land. In low-income countries, the loss of land is also often a loss of earning potential, of people’s livelihoods. People who are employed in factories or on the land are often from other places and are not the people who have been resettled. Some are even more critical and compare LSAI with imperialism (Carmody, 2011). Further arguments are that land is a sensitive issue and conflicts can easily arise in land acquisition situations. A further problem according to the critical discourse is that the investing company has no accountability to the local population (Borras & Franco, 2010). In essence, while the win-win discourse mainly focuses on the potential benefits of LSAI, the critical discourse mainly focuses on the potential problems. In this thesis I have tried to be aware of both potential benefits and problems and tried not to have a pre-determined idea regarding if LSAI is good or bad when entering the field research.

2.4 Guidelines and principles for LSAI
Large-scale agricultural investments have long caused debates between practitioners, investors, global organisations and academics. Because of the critique directed at some LSAI, the Food and Agriculture Organization (FAO) of the UN has formulated principles for sustainable investment (CFS, 2014). These guidelines are voluntary but recommended. The IFC’s PS are also voluntary. Many have argued for the introduction of principles to be followed for sustainable investment (e.g. Coutula et al., 2009; Von Braun & Meinzen-Dick, 2009; Zommers, 2010). Zoomers (2010: 442)
pinpointed five criteria that are usually included in guidelines or policies for conducting LSAI. These are: “Transparency in negotiations; [...] Respect for existing land rights; [...] Sharing of benefits: [...] Environmental sustainability; [...] Adherence to national trade policies.” Hager et al. (2014) studied forest investments by European investors in Tanzania and found that some of the guidelines mentioned above are useful in some aspects, but lacking in others (ibid: 256). In particular, they identified a lack of more concrete and effective instruments. They argue the need to adapt the guidelines to national settings and conclude that today; a number of conditions are not met in practice. Instead, the livelihoods of local populations are being affected negatively (ibid.).

The World Bank report from 2014 about LSAI looks into the responsibilities investors have for their investment. There are different ways of making the investment and one of the better ways mentioned is when the investor hires a consultant to carry out a Resettlement Action Plan (RAP) and Resettlement Policy Framework (RPF). The WB report calls for more research on how an investment based on an RAP views the resettlement and how the use of guidelines works in practice. In the specific case of EcoEnergy, that company has hired a consultancy firm with previous knowledge of resettlements of people called International Development Consultants Ltd. IDC is in charge of the resettlement process and its managing director has worked in that field for a long time and is accustomed to working to comply with the IFC’s PS.

2.5 IFC PS5

The current performance standard regulation issued by the IFC is from 1 January 2012 and consists of eight standards. Each standard also has complementary Guidance Notes with more detailed information. PS5 is the Land Acquisition and Involuntary Resettlement standard. When a company is potentially seeking finance from the IFC, these guidelines are there to make the investment as good as possible for everyone involved. Compliance is voluntary for the investing company. PS5 takes physical and/or economic displacement into account when it comes to land-related transactions. It also considers the livelihoods of local people, as well as sustainable development. The IFC revises the guidelines every 2-3 years, in the course of which they consult practitioners to ask what is needed, lacking or needing improvement (IDC Managing Director, interview 17 April 2014).
The objectives of IFC PS5 are as follows (IFC Performance Standard 5, 2012: 1f):

1. To avoid or, when avoidance is not possible, minimize displacement by exploring alternative project designs.
2. To avoid forced eviction.
3. To anticipate and avoid or, where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected.
4. To improve, or restore, the livelihoods and standard of living of displaced persons.
5. To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.

2.6 Delays within LSAI
Since the start of LSAI, academics and organisations have been analysing these investments to see the effects that they might have immediately or in future. One factor that has been noted is that many investments are delayed due to challenges along the way (Coutula et al., 2009). Anseeuw et al. (2012: 32ff) show many examples of reasons for such delays. The reason cited as most frequently occurring is the abandonment of the investment after public protests or after the investment has been shown to be unsustainable and feasible following such protests. It has been shown that investors often have high expectations and want to invest, but not all parts of the investment are sound and viable. These investors want to continue the investment and it is delayed and then later has to be abandoned. Other projects have problems with being profitable. There are examples in Tanzania where land has been abandoned because of global economics, because fluctuations in oil prices and access to finance have created problems (Anseeuw et al., 2012). In another case the replacement houses were delayed and there were accusations of corruption or withholding of the funds by local officials (ibid.). Another problem was that the compensation assessments were made before the development of the land and in the end there were inadequate funds available to meet the cost of replacement because house and land prices went up unexpectedly. There are also reports that community mapping and negotiation before the project can prevent delays (de Leon et al., 2013). Abdallah et al. (2014) investigated the outcome of many investments in Tanzania and found that nine investors had acquired 200 000 hectares. Of these, six
had started cultivation and three of the six had switched from biofuel to food production, while the other three had gone bankrupt because of two main issues; financial problems and problems with the choice of jatropha as a crop, e.g. water supply (ibid: 46). Another factor preventing projects from starting is unexpected events.

2.7 EcoEnergy and Misasi
The case investigated in this thesis is that of the company EcoEnergy and its investment in the Razaba ranch in Bagamoyo, north of Dar es Salaam. The investment has been delayed and the people living on the ranch who are being resettled are still waiting for the resettlement to start. The resettlement plan for the Razaba ranch is for three settlements and four sub-settlements. A total of 6000 people will be affected by the project in different ways. This study was carried out in the village Misasi\(^1\) and in the sub-settlements of that village 1374 people are being resettled. The total number of people affected (6000) also includes the people affected when the resettled people are moved back to the main village (RAP, 2012: 3). The specifics of the case will be introduced in the case study description chapter.

3 Theoretical concepts
This section describes the frameworks used in this study for interpreting the results and putting the research into context. These frameworks helped analyse and document how the local population is affected when there is a delay in an LSAI.

3.1 Livelihood framework
The concept of livelihoods has become more common as a tool for analysis since the 1990s. The key to the concept of livelihood it is trying to view and understand issues from the local perspective. It focuses on what is important for the local population and their everyday livelihoods. The livelihood concept is central and comprehensive, since it considers all aspects of a person’s life, including social, economic and the environmental aspects. According to Ellis (2010: 10), a livelihood includes assets, which are natural, physical, human, social and financial capital, activities

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\(^1\) Name of village has been changed
and the access to these. Livelihoods cannot be static, since they are continually being adapted and fitted for survival, but are dynamic in their nature. The livelihood concept also considers the assets and capital people have. Capability is also used in order to understand how stresses and shocks are handled (Chambers & Conway, 1991: 6). Capability is thus connected to behaviour and human capital (Ellis, 2010: 10). Chambers and Conway (1991: 6) describe a livelihood as sustainable, “when it can cope up with and recover from stress and shocks maintain or enhance its capabilities and assets, while not undermining the natural resource base.” In the present study, the livelihoods framework was used to help investigate the ways in which people’s lives have changed when waiting to be resettled. It was also used to help identify how people handle uncertainty and risks in relation to their livelihood situations.

3.2 **Ontological security**

Ontological security is a concept developed by Giddens, explained as (Dziebel, 1997: 2): “Confidence or trust that the natural and social worlds are as they appear to be, including the existential parameters of self and social identity.” It is influenced by Erikson’s theory of trusts and mistrust in child development (ibid: 5). Throughout early life, children develop trust when they feel safe and secure in the world. Mistrust will develop when there is inconsistency, emotional unavailability and rejection. When trust is not built, it will result in fear and the belief that the world is inconsistent and unpredictable. According to Erikson’s theory (Cherry, 2015), it is not possible to develop 100% trust or mistrust, so it is important to find a balance between the two. When there is a balance it will bring hope, meaning openness to experiment but with caution. It is also important to find a balance between the two in order to feel safe. According to Giddens (cit. Dziebel, 1997) ontological security can be developed when there is trust and when all humans feel they can rely on social normality and predictability. The concept of ontological security was used in this study to help analyse the balance between trust and mistrust caused by the delay in resettlement of local people to make way for the LSAI by EcoEnergy in Bagamoyo.
3.3 Planning for the unknown
Scott (1998) describes the contrast between simplified planning, in this case a resettlement scheme, and complex nature and society, in this case the Razaba ranch in Bagamoyo on which the resettlement is taking place. One of the main points made by Scott is that there is a need to plan for surprises. When making plans it is important to make room for the unforeseen. It is also important to plan for human resourcefulness and for people who are involved in a project developing and improving the design. Scott (1998: 347) argues that: “The more ambitious and meticulous the plan, the less is left, theoretically, to chance and to local initiative and experience.” During the planning process, planners have to consider that plans can change, surprises can happen and they have to be able to react to local human action. Scott also argues that when planners do not take the reality into consideration when making plans, it can cause psychological harm by decreasing the skills and initiatives of the people who are intended to benefit from it. The results from this study will be discussed in relation to Scott’s perspective on planning.

4 Methodology
This section provides information regarding how the study was performed, where it was done, how the material was collected and the obstacles encountered during the research. Since the research questions required determination of the local population’s perspectives, fieldwork was carried out as part of the study. This fieldwork was performed in Tanzania between late March and mid-May 2014, mainly in the district of Bagamoyo, Bagamoyo town and Misasi village. Two field visits were made, during which I stayed in the (Misasi) village for several days at a time. This allowed the villagers to recognise me and helped to build trust. On the second time I arrived in the village, many people were happy to see me and welcomed me back. However, a severe rainy period made the field visits more complicated and Misasi was impossible to visit because of bad roads.

4.1 Selection of method
To answer the research questions, I held interviews with all stakeholders involved, including local people, EcoEnergy representatives, an Action Aid representative, a government representative and representatives from IDC, the consultancy firm working with the resettlement. Among the local people, I made observations and held interviews with villagers who will be resettled and villagers living where the resettled people will be moved, in order to grasp the different effects and to understand the resettlement as a whole. I also analysed the IFC Performance Standards, particularly
PS5 regarding involuntary resettlement. The interviews with villagers were of a semi-structured nature. I also interviewed village heads. During my time in the village, I had a main informant who guided my interpreter and myself through the village and introduced us to the people we interviewed. He was well aware of the resettlement and was well known in the village. During the interviews with villagers, I focused on their perspective and tried to understand how they view the resettlement process.

4.2 Selection of case location
The Eco Energy investment in Bagamoyo has been researched previously, making the challenge of interviewing the locals more difficult, but I chose to analyse this investment because it is one of few LSAI proposed so far in Tanzania. It is also a good example of the obstacles an investor may encounter when implementing an LSAI. Moreover, I had some previous experience of this case because I used it as the subject of my Bachelor’s degree project. That project did not involve fieldwork, but I learned about the company and have since followed the situation briefly. There have been long delays for the investment and it is therefore a good sample case for studying the research questions formulated for the present work. Since the investment started, there have been many problems along the way for the company, mainly getting the financial support necessary to start construction of the sugar factory and to start growing the sugarcane and solving overlapping land claims. The resettlement process has been initiated and the villagers have been informed that they will be moved and get compensation from EcoEnergy. A Resettlement Action Plan (RAP) has been drawn up, but that is as far as the resettlement work has progressed. In the first phase of resettlement, 1384 people currently living on the land and 34 charcoal producers who are using the land for their production will be affected. The RAP states that 38 families will be socially and economically displaced from the Misasi area. This means that Misasi and the EcoEnergy case was a good place to find people to interview and examine how the resettlement plans are affecting them.

4.3 In the field
The limited time I had for fieldwork resulted in me choosing one of the villages on the Razaba ranch to carry out the main part of the work. I chose Misasi, as this village had access to all the different kinds of people affected by the resettlement and is one of the villages closest to starting the resettlement process. Misasi also has a guesthouse where I could live during my time in the field, which gave me a better opportunity to make contact with the local population, e.g. through
conversations over dinner. Misasi is the name of the main village and it is divided into sub-villages/settlements and streets. Two settlements are Bondeni\(^2\) and Kilindi-Chozi\(^3\). Kilindi-Chozi is further divided into two parts, Kilindi and Chozi. Kilindi is situated on the land that EcoEnergy has acquired, while Chozi is on the other side of the train tracks and therefore the people there will not have to move. Bondeni is also situated on the land where the investment will take place. I chose to focus on Kilindi for the fieldwork, mainly for practical reasons because the heavy rains made it more difficult to reach Bondeni, which is further away from Misasi. I visited Misasi with my interpreter twice. The first time we stayed six days and conducted about 20 interviews and the second time we stayed three days and conducted eight interviews.

Most of the interviews were conducted with small-scale farmers in Kilindi whose lives will change since they have to move and are waiting to be resettled. I also wanted to focus on the people living in Misasi who will receive new people in the main village. In addition, I conducted interviews with nomadic people from the Barabaig tribe and the Masaai tribe, as well as charcoal producers. The Barabaig tribe has to move from the ranch where they have formerly grazed their animals and now have to find new areas for grazing. EcoEnergy has promised them part of the ranch for grazing, but they will still have to move and be limited to a smaller area of land. People who are using the land for charcoal production and to collect firewood do not know where they will continue their production when the investment starts. In Misasi, I interviewed the village head and the village chief for Misasi. I also interviewed the village heads for both Kilindi-Chozi and Kilindi.

In between the two fieldwork periods, as well as before and after the fieldwork, I stayed in Bagamoyo, where internet and phone access is available. It is also where the regional offices of different departments and the local chief’s office are located. From Bagamoyo, I could communicate with my supervisors, conduct interviews to recruit an interpreter and prepare for the field visits. My fieldwork period coincided with the heaviest rains in Tanzania in a long time, making it more difficult to reach the study area. Staying in Bagamoyo made it possible to reach Misasi quite easily; in normal weather conditions it takes about two hours to reach Misasi village. I was also able to travel quite easily to Dar es Salaam, where EcoEnergy has its main office, for interviews.

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\(^2\) Name of village has been changed
\(^3\) Name of village has been changed
I also made a field visit to compare the situations in other areas of the ranch and to get a more complete picture of the investment. This visit comprised a one-day field trip to Bitulana\(^4\), another village on the ranch that will be resettled. The people there still did not know where they would be moving to and because of that I could not get a full understanding of the resettlement.

### 4.4 Data collection
In this study, which was of a qualitative nature, semi-structured interviews were used as the main data collection method. I also carried out participant observations to some extent in the village; I lived in the village, went to the same market and food places as the local population, saw their land and was guided around their land. Staying in the village was helpful for the study and gave me a more in-depth understanding. Interviews with company representatives, NGO representatives, the government and the local population were held to gain an understanding from different perspectives (Bourdieu, 1999). The interviews are based on Bourdieu’s vision in the book *The Weight of the World* (1999), where he stresses the importance of bringing forward the opinions of different people from various social standings. Interviews with representatives from the company, the managing director and the social development manager took the form of structured interviews. My focus in these interviews was on what the investors say they are doing, and want to do, which I later compared with the villagers’ views about what the investors are doing. The interviews with the villagers were of a semi-structured nature (Bernard, 2006). This supplemented my understanding of how life in the villages is affected by the land investment. I based much of my work on what the local people think and whether they see a difference from before, and also whether the investment is viewed as positive or not from their perspective. I planned to hold so-called life history interviews, but time restrictions made this difficult to achieve.

#### 4.4.1 Interviews with company representatives
During my time in Tanzania I held several interviews with representatives and managers from EcoEnergy. The first interview was with a representative from EcoEnergy and that gave me a basic understanding of the project and the project area. After my field visits, I spent one day at the offices of EcoEnergy in Dar es Salaam, where I was able to interview the managing director and a consultant. At the office I also met more people working for EcoEnergy. Since two of the people I interviewed are native Swedes, those interviews were in Swedish. The interviews, which were

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4 Name of village has been changed
semi-structured and open, gave me a better understanding of the company, its aims and also how it operates.

**4.4.2 Interviews with NGO and Government representatives**

I interviewed representatives from International Development Consultants Ltd (IDC), the consultants hired by EcoEnergy to conduct the resettlement process, during my stay in Tanzania. I interviewed their managing director before I went into the field in an open interview and she informed me about the resettlement process and how it is working in this case. I also interviewed the person in charge of the resettlement process, who was known to many of the villagers I interviewed. This interview was held between the two different field visits and was of a semi-structured nature with more case-specific questions. Interviewing him between my field visits gave me a chance to ask informed questions and gain a deeper knowledge of the case. I was invited to the IDC offices in Bagamoyo and shown how IDC worked as a team.

My interview with a representative of Action Aid was helpful, as this agency is involved and knowledgeable about the investment. For this interview I had a few specific questions and more follow-up questions about Action Aid’s role and thoughts about the project. I also met with a Government representative in Dar es Salaam, working at the Land Ministry. This interview was quite stressed and more structured because of time limitations.

**4.4.3 Interviews with villagers**

I chose to hold semi-structured interviews with the villagers. These interviews can be seen as purposive (Marshall & Rossman, 2011), since I selected people to interview to shed light on the research questions. In many cases we made some small talk before the interviews and were shown the living area and the house. For these interviews an interpreter was necessary, since they were in Swahili. The interviews were recorded and a few key interviews were later transcribed. I also took notes during the interviews if something important came up, or if I thought of a follow-up question that I needed to save for later in the conversation.

Semi-structured interviews gave me ideas on what I wanted to ask. After the first day of interviewing, I went back over my questions and revised them to better fit the situation. The tape recordings gave me the opportunity to listen and focus on the actual interview. I wanted to achieve
diversity in order to obtain a more representative view of the respondents according to gender, age, education, economic conditions and other factors that may influence their perspective. Therefore, sampling was focused on getting width in the beginning, different age groups, women and men. I also tried to find people with different incomes, even if most income was generated from agriculture. For example, a business owner and a fisherman were interviewed. In the village there was not much else to do, so I was able to focus completely on the interviews. In the evenings we went to gatherings attended by pastoralists, giving me the possibility to ask them more questions. In the Misasi area, both Masai and Barabaig herders graze their cows.

On the second visit I focused on completing the interviews and getting more material on what I deemed to be the most important issues. That gave me a better and wider picture of different aspects of the investment in Misasi. In many cases interviewees will try to give the researcher the answer they believe is expected of them (Kvale & Brinkmann, 2009). I tried to triangulate, by asking many people similar questions, to avoid that situation, but at times the veracity of responses was difficult to assess. At the time of this study I was the only researcher working in the village and I think the word spread quite fast as to what I was doing. During meal times, we always talked to the villagers and asked them questions about EcoEnergy. I also held some interviews in the village Bitulana, located elsewhere on the Razaba ranch, with one chicken keeper and the village chairman. This provided me with a wider picture of the resettlement situation. I did not hold enough interviews to allow me to compare the two villages, but I was able to form an understanding of the different situations and see the other side of the ranch.

4.5 Performance Standard 5 Analysis
Part of the analysis of IFC PS5 was made before the actual fieldwork, to ensure I had all the necessary facts when I arrived in Tanzania. This was helpful, since I could then formulate my interview questions and get the most accurate answers. The final analysis of IFC PS5 could only be made after the fieldwork. The focus in that analysis was on the time aspect and on how delays are handled in PS5. Guidance Note 5 and the Environmental and Health and Safety General Guidelines were also reviewed in order to understand PS5 correctly and evaluate all the information available about the PS.
4.6 Data analysis
I had some of the interviews conducted in Swahili transcribed for the data review. For this, I chose five main interviews in which I felt I had obtained good information that would be important to analyse further. I listened to the other interviews several times and took notes. The review of the data focused on the differences the villagers perceive before and after the investment started. I subdivided all the interviews into different themes and then analysed them from that perspective. Many of the interviews with EcoEnergy, NGOs and such focused on facts and therefore did not fit into all the themes. The themes were set after the fieldwork was done and I knew what kind of material I had. The categories used were: Time and space, Livelihood, Mental stress, Coping strategies and Outside factors. In this, I tried to analyse similarities and dissimilarities and be open to the answers the informants had given (Kvale & Brinkmann, 2013: 256ff).

4.7 Challenges in the research process
One of the main challenges in conducting this research was working with an interpreter. The person had to be chosen carefully, since I do not speak Swahili and he had to be my voice and be able to understand the questions and know his role in the translation process (Burja, 2006). During my fieldwork I worked with a different interpreter on each visit. The first interpreter got malaria after the first visit and could not accompany me to the field again within the timeframe I had. My first interpreter was very good; he spoke perfect English and did his job well. My second interpreter and I became more like friends, giving us better communication and allowing us to feel more comfortable with each other. His English was not as good, but he was very good at making the respondent comfortable during the interview session. I believe the answers from the second interview session are more open and free. It was good for me to work with two different interpreters, since this gave me different insights into the area. Having an interpreter was also good since he could explain things that happened around us, more about the Tanzanian way of life and what people talked about in the minibus, for example. This gave me a better understanding of the villagers as a whole.

Another aspect I had to consider during the interviews was my own position. I am a European woman from Sweden and had to bear this in mind during the interviews. After a few days in the village I think people knew me and started to understand why I was there, as everyone was curious. Many respondents knew of EcoEnergy as a Swedish-based company and started to ask many
questions. Many times we had to explain over and over again that I was only a student. One person even asked me for the money that EcoEnergy owed him. Time was also limited for my fieldwork. I feel that I obtained the information that I needed but I had planned, and would have liked, to return to Misasi a third time. This was not possible due to the flooding and no roads in and out of Misasi.

5 Case study description
This section describes the specific case and provides a more detailed background to the study. The different actors in the case are introduced and a brief summary about the EcoEnergy company’s history is provided in order to explain the case and put it in perspective. A timetable for the project is also presented.

5.1 Bagamoyo Eco Energy Limited
The background of Agro EcoEnergy Tanzania Ltd investment starts with SEKAB, which is a Swedish company that is partly owned by three municipalities in the north of Sweden. SEKAB started to look into investments outside of Sweden for biofuel production in 2006 (Havnevik et al., 2011). In Tanzania they located land and wrote a Memorandum of Understanding (MoU) with the Tanzanian government 2006. The company received a lot of criticism for the investment and the impact it could have, both socially and environmentally (ibid.). The original investment was planned in two districts in Tanzania, Rufiji and Bagamoyo, and focused on sugarcane for biofuel production. The criticism against the company mainly concerned the Rufiji investment and the fact that the investment was focusing on biofuel production instead of food crop production (ibid.). SEKAB pulled out of the deal because municipalities in Sweden that were shareholders in the company did not want to continue to invest Swedish tax money abroad (Abdallah et al., 2014). At that time SEKAB had also applied for a credit guarantee from Sida, but when the concerns were highlighted and also because of financial concerns, Sida withdrew its funding in 2009 (Havnevik et al., 2011). The Managing Director of SEKAB at that time then decided to continue with the project in the Bagamoyo district and SEKAB sold its part to the company EcoDevelopment, which owns Agro EcoEnergy Tanzania Ltd. The structure of the company is complicated and is not explored in any more detail in this thesis. In 2011, the Razaba ranch was rented as project land. The managing director and the chief executive officer of Agro EcoEnergy Tanzania Ltd are both Swedish and were involved with the project from the beginning, when it was still SEKAB (Havnevik, 2011).
Today EcoEnergy is focusing on Bagamoyo and has as its goal for the investment to become a role model for other similar projects in the future (Managing Director EcoEnergy, interview 7 May 2014). In 2006 EcoEnergy signed a Memorandum of Understanding together with the Tanzanian government on mutual interest in developing the sugarcane project (EcoEnergy, 2014a). The original agreement for renting the land was for approximately 20 000 ha of land on the western part of the Razaba Ranch, Bagamoyo, to be leased to SEKAB in April 2008. EcoEnergy has shareholders in its company and one of these is the Tanzanian government (EcoEnergy, 2014a). Depending on how far the investment has come, it owns a certain share. At the moment this share is 12% (June 2014) and when the full project is up and running it will be 25% (Managing Director EcoEnergy, interview 7 May 2014). The official grant of right of occupancy for 99 years was signed in May 2013. The goal is to produce sugar for Tanzania’s domestic market, as well as electricity and ethanol, and the factory will be self-powered using power produced from the sugarcane (EcoEnergy, 2014a). Since February 2011 there has been a lawsuit against EcoEnergy and currently there are two regarding land and compensation (The Citizen, 2015). People living on the ranch claim they have lived there since before the investment process was initiated and that they were originally included in the compensation plan but then excluded again since EcoEnergy claims they came to the land after the assessment period. This is one of the reasons why EcoEnergy has had difficulty finding financing for the project. The other reason is the Tanzanian government’s failure to protect local farmers from illegal imports of sugar (The Citizen, 2015). Since EcoEnergy has not been able to secure other financiers, the Tanzanian government is holding back on the final decision to sign over the project land. This is the reason why EcoEnergy was in need of the Sida credit loan guarantee that it received in April 2014. EcoEnergy received a credit guarantee from Sida for a loan of a total of SEK 120 million for “early works”, running from 2014 (Sida: decision on contribution 2014-02-28, case number: 13/000545), and extended to 2015 due to delays (EcoEnergy, 2015a). On 11 May 2015, Sida announced in a press release that it was suspending the credit guarantee, since EcoEnergy had not lived up to the requirements set by Sida. The most important requirement was to find an additional investor for the project, and this had not been done within the timeframe set. By that time, Sida had made payments of SEK 50 million of the planned SEK 120 million (Sida press release, May 2015) According to EcoEnergy, it will proceed with the investment and is continuing to search for investors (Wa Simbeye, 2015). If the project has not started by 2017, the government of Tanzania will get the land back from EcoEnergy (Sida press release, May 2015).
The plantation site is located about two hours north of Dar es Salaam, close to the Indian Ocean, between the rivers Ruvu and Wami. When the project is up and running, about 8000 ha of the Razaba ranch will be used for growing sugarcane and an additional 3000-4000 ha of village land are earmarked for use through an outgrower scheme in adjacent villages, planned to be developed over six years from the start of the project (EcoEnergy, 2014a).

5.2 Resettlement in Tanzania
In Tanzania, when resettlement takes place the government gives compensation through cash and there is no in-kind compensation (representative from Ministry of Land, interview 8 May 2014). In-kind compensation means that providing local people with like for like, *i.e.* a new house and land. The case with EcoEnergy is different, since it is working with the IFC and following those regulations on resettlement (*ibid*.). The Tanzanian government is assisting EcoEnergy in determining who is entitled to receive the compensation. The government representative I interviewed stated that the government needs to take care of its own people and because of this, the project has to take care of people’s livelihoods, stating that: “…since we care about our people we care about where they do the resettlements.” (*ibid*.). What also is important to consider in resettlement is the place where the villagers will be moved to, and a new land use plan has to be made for this, according to the government representative interviewed. The representative from the Ministry of Land also mentioned the importance of in-kind compensation and that the people who are being resettled should get an equal amount of arable land as before the resettlement.

5.3 Resettlement and Misasi
In the sub-settlements belonging to Misasi village, there are 1374 people who are being resettled (RAP, 2012). To identify who would have to be resettled and given compensation, initial assessments were made by the Bagamoyo district land assessor in October and November 2011 (Abdallah *et al.*, 2014: 48). In 2012, there was still confusion about who to compensate and the lawsuit against EcoEnergy demands compensation for more people than listed in the initial estimates, although it is unclear whether these claims are valid or not. Since some of the people being resettled from the ranch are pastoralists (Barabaig) and they still need large land areas for their cattle to graze, 2400 ha have been set aside by EcoEnergy for use by the 11 households of pastoralists concerned (Managing Director EcoEnergy, interview 7 May 2014).
According to the IDC representatives interviewed, it would take about 6-9 months to conduct a normal Resettlement Action Plan. When the plan has been completed, everything is sent to IFC for an assessment, which takes 2-3 months, and the plan is published. When it has been approved, the company receives the money and can start the investment (Managing Director IDC, interview 17 April 2014). Since the RAP was completed, IDC has been conducting training with the Project Affected Persons (PAPs). The training is to teach them a new skill even if the project does not go ahead and is always part of a RAP (ibid.). For example, they can learn construction, driving and gardening. The training courses are about two weeks long. IDC is focusing on the training courses and planning them more thoroughly since there has been such a long wait (ibid.).

During the wait, EcoEnergy has helped construct a house in Misasi village. The house is an example of what the resettled people will get when they have been moved. This example house was built for the village nurse. The compensation will be paid in two different ways depending on what the locals choose. It is recommended that the physically affected local population should accept in-kind compensation, while cash compensation will be available as an option especially for economically affected people. The cash compensation will account for the house and all the things on the land. For example, if a person has a banana plant that is two years old, then an estimate will be made of the value of a two-year-old banana plant. The in-kind compensation is expected to consist of a house built for the resettled household in the new area and garden land near the house, with the possibility of keeping small livestock (ibid.). According to EcoEnergy (Managing Director, interview 7 May 2014), it will take two years to construct the factory. Construction will start when everything is ready, finance is in place and all the papers are signed. During the interviews in May 2014, I was informed that EcoEnergy believed it was six months away from signing the contracts. However, since EcoEnergy has not yet found an investor, the contracts are not yet signed (May 2015). The investment has not started and a new unforeseen event has put the investment into a further delay. According to EcoEnergy, it will continue to search for investors even if Sida does not help (Sida press release, 11 May 2015).
### 5.4 Timetable of the investment

Figure 1 shows the timetable for the project and what has happened, to give an overview of the investment. The diagram is divided into the two main actors influencing the project (IDC, EcoEnergy) and the local population affected (villagers). Not everything is included, but these are the main events that have occurred within the project.

<table>
<thead>
<tr>
<th>Year</th>
<th>Villagers</th>
<th>IDC</th>
<th>Eco Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td>Sekab signed a MoU with the Government about to invest in a sugar project</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>1st time villagers of Kilindi hear about Sekab</td>
<td>Razaba ranch and 20’000 ha offered to Sekab</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Sekab came and introduced themselves</td>
<td>Sekab sold and Eco Development and Eco Energy was started</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>Estimations were done and the settlers were informed that they will move and should not plant long-term crops.</td>
<td>IDC was contacted to quality check the government RAP in 10 days.</td>
<td>Razaba ranch published as project land. First RAP made.</td>
</tr>
<tr>
<td>2012</td>
<td>Trainings started.</td>
<td>IDC started working with the villages with trainings and held meetings</td>
<td>The second RAP was made.</td>
</tr>
<tr>
<td>2013</td>
<td>Trainings. Meeting to arrange boarders.</td>
<td>Continued trainings.</td>
<td>Water rights and 99-year land lease signed between EE and government of Tanzania.</td>
</tr>
<tr>
<td>2014</td>
<td>Pre-launch meeting. Some training continues.</td>
<td>Pre-launch meeting.</td>
<td>Pre-launch meeting. Bagamoyo office opens.</td>
</tr>
<tr>
<td>2015</td>
<td>No resettlement has taken place in May of 2015.</td>
<td>Sida has withdrawn their credit loan guarantee since EE have not found other investors. EE has stated that they will continue working with the project.</td>
<td></td>
</tr>
</tbody>
</table>

*Figure 1. Timetable for the project and progress to date. Source: Data from interviews and EcoEnergy (2014a).*
The timetable shows an overview of the project. The details are clarified and the reasons for the delays are explained in more detail in this section. The background information about SEKAB is not discussed in any more detail, but since it is part of the project’s history it is included in Figure 1. IDC was contacted in the end of 2011 to quality-check the Resettlement Action Plan, as a consultant for EcoEnergy. The Tanzanian government prepared the previous RAP and needed a quality check by someone experienced in the field. The first contract for IDC was for 10 days, but since IDC found that the existing RAP needed to be revised, its contract was therefore renewed and prolonged. IDC drew up its own RAP and that is the valid RAP today. A short summary is available on the AfDB website. IDC is still working with EcoEnergy in the capacity of consultants since the resettlement has not been initiated yet. The training courses are part of the IDC programme for resettlement of the local population and different fields such as driving, gardening and bakery (IDC Managing Director, interview 7 April 2014). The Pre-Launch is the start of EcoEnergy’s early works programme, where it begins preparing for all parts of the project, which will commence when it gets financing for the project. The early works programme includes for example preparation of a nursery for sugarcane plants, and land clearing for bulk water canals for the outgrower scheme. A meeting was held and was attended by villagers from the affected villages, IDC, Tanzanian Government representatives, Sida and diplomats from the Swedish embassy. The meeting was held on 15 March 2014. In August 2014, EcoEnergy opened an office in Bagamoyo town (Ecoenergy, 2015b). The timetable in Figure 1 shows the time frame for this project and the different parts encountered during fieldwork regarding the time delay. EcoEnergy has not yet obtained financing and that is the main reason for the delay. It has been waiting for loan guarantee approval from Sida in order to gain access to funding from development banks and start the investment project. An initial, smaller, loan guarantee to start the early work was obtained in March 2014. On completion of this thesis in May 2015, Sida had withdrawn the loan guarantee since no other investors had been found for the project (Sida press release, May 2015). A concrete result of the delay is that there is now a lawsuit against EcoEnergy, as in the period since the compensation assessments were made more people have moved onto the ranch and are claiming they are eligible for compensation (IDC Managing Director, interview 17 April 2014).
6 Analysis of empirical findings
This section presents the empirical data collected in the field during interviews with villagers, EcoEnergy, IDC, Action Aid and the Tanzanian government. The different effects that the delays are having on the local population are described.

6.1 Impacts on livelihoods in Misasi
In Misasi, the main source of income is subsistence farming by smallholders who own 3-10 hectares of land. The most common crops are maize, cassava, potatoes and sugarcane, and many people also have trees such as mangos and oranges. Chickens are common and a few smallholdings also have ducks. The crops grown are mainly for household use, but some are able to sell the surplus on the local market.

In autumn 2011, the local government visited all the affected villagers to register the amount of land and crops that they owned. These assessments form the base for the compensation that the villagers will receive from EcoEnergy. After the assessments had been made, the villagers were told not to plant any new long-term crops, such as avocados, chestnuts and oranges. If they planted any new long-term crops they would not receive any compensation for those crops. The people to be resettled were informed that they could keep on farming as usual and would be informed in time so they could harvest the current crops, including rice, maize and other seasonal crops. However, the villagers were told that they should not continue to develop their land and farm, for example through breaking new land or planting new long-term crops. A father of several children described it to me in these words: “Life has become very poor because we cannot plan for the future, things that will take long time. We cannot plant oranges and mangoes, for example”. This is affecting their way of living and their livelihoods.

During the heavy rain period another problem also affected crop cultivation; heavy flooding caused people to lose a lot of their seasonal crops. They had to wait until the next period to start cultivating again. During an interview with heavy rain, one woman described the problems with the flooding and not being able to plant long-term crops; “We used to sell bananas but now we don’t do anything, they suppressed us so much.” In cases of flooding or other unexpected events, long-term crops are a coping mechanism, since they can often still be harvested. Not being able to develop and grow the fruits that they need and want is affecting the villagers. Another impact might be on the local market prices for certain crops. Since there is uncertainty about how much land or crops
people will have after the resettlement, this might lead to higher crop prices in Misasi, as explained to me during one interview.

When I was in Kilindi, I could see how crops had been lost because of the rain and the river had come very close to some people’s houses. Having to live with the prospect that ‘the move will take place soon’ is stressful for the local population and the people I interviewed reported being really tired of the situation. They know they will be informed in time for the move, but they are hoping that it will take place soon so they can stop living in a state of expectation about moving soon. Many of the people I interviewed said that all they wanted was to go back to a normal life. It seemed as though they were hoping for things to change after the next rainy period, when the roads opened up again. However, they have had this hope, that after a certain time or event things will change and the resettlement will start, for a long time.

Some of the local people also have other types of income apart from farming, including owning a supplies store, working in a pharmacy and working as a teacher. One woman had taken training courses with IDC and was now making half-cake (a sweet bread) to sell and was able to make a very small amount of money from this. Another livelihood that some people have is fishing in the river and then selling the fish on the local market. According to a local fisherman it will be more difficult to continue with the fishing after the investment has started. The fisherman told me, that as he has understood it, they will not be allowed to fish in the rivers because of the investment, which means that they would have to go to the ocean for conducting fishing. In the ocean they need a boat and it is also far away so they would have to travel longer. The fisherman I talked to said he would stop with the fishing when the investment started, he did not see a point in fishing in the ocean since it would be so much work for a small reward. I did not manage to confirm if the investment would indeed stop people from fishing in the rivers, but this was what the fishermen seemed to believe and prepare for.

Some of the villagers also make charcoal on the land planned for use in the investment and that will no longer be possible when the project starts. Some people I met also collect firewood on the EcoEnergy project site. When the project starts, they will not be allowed into the area to collect firewood. Some of the people I interviewed informed me that EcoEnergy already has guards on the project land to protect it from firewood collectors and pastoralists. Only the people included in the RAP and accounted for are permitted to use the land for grazing livestock until the project starts.
There are two groups of pastoralists around this area, the Barabaig and the Masaai. They both have cattle, mainly cows that they graze. There are dams on the ranch for water and that makes it a good place to keep cows during all seasons. When the project starts, the Barabaig will use a piece of land from the project area, while the Masaai will continue to use their land outside the project area. The Masaai do not know if their grazing area will be affected in any way. Moreover, the compensation assessments for the Barabaig were made in 2011, which is when their cattle were counted. However, the herds increase every year and need more land for grazing. In interviews, both groups expressed concern: “Many of us will have to live off the same land,” said the Masaai and the Barabaig agreed: “We are so many pastoralists within this area that there will be no peace.”

The delays and resettlement might have different unexpected impacts, even on the livelihoods of people who are not being resettled and who are currently not compensated for any impacts. For example, some of the people who were informed that they would be compensated for their land in Kilindi decided to move to Misasi directly. They are hoping for cash compensation and have therefore left their land unused in Kilindi. The land has been abandoned since 2008 in many cases, and has therefore become bush land, with increased animal life. This has caused problems for those who still cultivate fields in Kilindi. My main informant went back every night to the land he and his family are cultivating to guard it from monkeys. After one very long day of doing interviews in Misasi village, he had to go all the way back to Kilindi to guard the crops from animals.

6.2 Mental stress
There are some main issues that the people who will be resettled are concerned about. These issues are affecting people and many are feeling mental stress. They do not feel that they have enough information regarding the resettlement. This is causing uncertainty about the future.

One important aspect that will have a major impact on their future concerns the compensation that they will receive. The people who are being resettled have two choices, as described above, cash or in-kind compensation. The money they will receive is based on assessments made in 2011 and accounts for type of house, how much land, the crops they have and what trees, how old the trees are. If they choose in-kind compensation, they will get a new house and also land to cultivate. They will have a garden close to the house where they can keep small livestock. More land for cultivation will be available further away from the new houses, and this land might have to be bought or rented.
in for use. Today the village is structured so that people have their house and living area just next to their land and crops. This means that there is space between neighbours and they have to walk a certain distance to get to each other, but they do not have to walk far to get to their fields and can supervise their crops easily. The new place will have all the houses next to each other with the cultivated land further away, which could mean difficulties for cultivation. I asked all the people I interviewed what kind of compensation they preferred and all the answers were different. Some people wanted the house and land, but most people said the cash. An older man that I interviewed said that he definitely wanted the cash, because he wanted to build the new house himself with his own hands. That is the way he has built all the houses he has lived in and he wanted to continue with that. He said he thought he would get quite a lot of money, but that of course the government would take a share, since the government always does that. It is not clear to people what will happen and how the compensation will work. It is also not clear what the advantages of the in-kind compensation are, since it will most likely be worth more money than the actual cash.

There is mistrust of EcoEnergy, especially after they built the nurse’s house in the village. The villagers think that the house is an example of why not to choose the in-kind compensation. If it took them so long to build one house, it will take a very long time to build many more for all the settlers, one informant told me. From some people, I heard it took years to build the nurse’s house and others said even longer, but according to the IDC Managing Director it took six months (interview, 17 April 2014). This would mean that the whole process of being resettled will take much longer than it has already taken. Some argue that they want to get the money and then build a new house for themselves. I talked to a younger man who had a wife and two children and he was sceptical towards the house that EcoEnergy would build, because he did not know what would happen if his family expanded in future and if there would be enough room for them all in the new house. According to my information, the people have not been informed in more detail about the compensation. They do not know what it would mean to choose the house and what positive or negative aspects it could bring.

The outgrower scheme that will be included in the project is another concern for the villagers. They do not know if they can get a loan, most people do not have money in a bank and the closest bank is in Bagamoyo town. If villagers take a loan it is a big step for them. Many have raised their concerns with NGOs, for example Action Aid.
6.3 Flow of information

In 2011, when the project was new and more things were happening, there were many meetings between the villagers and IDC, as well as the training courses that were held. When I was there in 2014, people said that meetings were not as frequent and IDC did not come to the village as often. One informant said that he was tired of going to the meetings because there were so many in the beginning and they never got any information at the meetings. They were just given the same information all the time, but he wanted to have actual information on what was happening and when it would start and never got that information. It was not possible to find out when the last meeting was held in Kilindi or Misasi, but I got the impression it was a while ago, especially due to the flooding and inaccessible roads.

The mistrust and feeling of not knowing what is going to happen and when the resettlement will take place is making people feel most worried about the future. This feeling of mistrust is illustrated in the following quote from a woman with seven children: “They came, did an assessment and gave us a paper. We know nothing about them anymore. […]. We cannot keep depending on them and waiting on their promises. It is the fourth year we are waiting now and we have a family. For us information is very important. They are keeping quiet about the move. We do not know what is going on.” There seems to be a gap in the information flow. The meetings cover some of the information that the people need, but IDC does not have any more information to give. IDC has erected information boards in the villages and in the settlements. When I was there the information on these boards was out-of-date, mainly because of the rainy period and IDC not visiting Misasi during that period. One of the reasons why there is no more information to provide to the people who will be resettled is that such information does not exist. The delays are causing the level of information to be inconsistent and that makes it even more difficult for EcoEnergy and IDC to provide information to the local population. The delays have made it difficult for EcoEnergy to know when everything will start and that is why they do not have any more information to give. IDC has tried to have an open flow of information with the local population by giving them access to its phone number. Everyone in the village knows who has this number and can contact IDC with any concerns regarding the resettlement. Most concerns are about the compensation and IDC cannot give any answers. It is in the hands of EcoEnergy, which is tied up by financial issues and the lawsuit.
In Misasi rumours spread fast, especially between the people who are about to be resettled, since they are 38 households concerned in the first phase from Kilindi-Chozi and Bondeni. There are different rumours all the time about when the resettlement will actually take place. I was asked that question many times, since the villagers keep hoping for a definite answer. The people I interviewed claim that they had been informed about when the resettlement would happen. When it did not occur as planned, a new rumour started about when it would happen. When someone hears anything about the resettlement the rumour spreads. EcoEnergy stated that it intentionally does not inform the local population when the move will take place, since it does not know for sure and cannot answer for what people claim or think about when the resettlement will take place. The information the local population have must be something that the “locals picked up”, according to EcoEnergy (Managing Director, interview 7 May 2014). One woman explained to me that when she asked when the project would start, the only thing she heard was; “tomorrow, tomorrow, all the time.”

It would have been good if the local population had been included more in the resettlement process, since they have so many questions and thoughts about it. What I found from the people that I interviewed was that none of them was part of a resettlement committee or something similar. The head of Kilindi-Chozi had many ideas on how the process could have been made better. His view on the investment is that EcoEnergy had a plan and that the plan is being imposed on them. The head of Kilindi also talked to me about this and he claimed also not to have been asked about the resettlement process.

EcoEnergy has placed the responsibility for communication on IDC. People do not seem to have a lot of information about EcoEnergy and, since they mainly communicate with IDC, they often trust IDC but not EcoEnergy. Even if IDC does not always have any new information people trust it more since they get to meet its representatives. IDC is also helping them in other ways when possible and that increases the trust. During the interviews, I got the impression that it would help if the villagers could ask EcoEnergy questions about the project directly and just get to see and meet them. EcoEnergy may not have any new information to give, but from what I understand from the people I interviewed they would just like to meet EcoEnergy, which would increase their level of trust. It would require more information to get the level of trust higher, but it would be a good start for the villagers to start believing in the project again. Because of the lack of information, the trust in IDC is also decreasing. The settlement head of Kilindi told me that: “Before we use to call them,
especially when a family member was sick, call to ask support, especially transport to and from the hospital. They assist us in many ways, IDC we trust because they said they are consultants and not EcoEnergy. That is why we trust them.” I heard from other people that IDC had recently helped a man who was very sick get to hospital. However, it is possible that the trust level for IDC is also decreasing, since it has no more information to provide about the resettlement and compensation.

The interviewees from the local population claimed that they did not know how the assessment process, when the government representatives came to measure the land and crops for each household, was carried out, what was accounted for and how things were accounted for. Many did not know a lot about the project and did not have a clear picture about the actual moving. One man had a shelter in Kilindi but his main house in Misasi. He stayed in the shelter during the cultivation season and he did not know whether he was going to be compensated for this shelter. He stated that he felt deceived by the company and said that it would have been better if it had not come to the area: “It is better they leave us, we think we have a good life, rather than what they think.” Another person expressed his mistrust: “We villagers, we do not know, the investors lead us in the way they think and then at the end we do not see the outcome.” The people who will be resettled do not know how much money they will receive as compensation, but more than one told me that since the government is involved, it would take a cut of their compensation.

At the beginning of the project, people were more positive and at the same time hopeful about the investment and what it could bring to the village and the community. Most people did not seem to mind that they would be moved from their old house at that point. They just wanted the compensation and the new house to get on with their lives. One of the people I interviewed said: “The project is both good and bad. Bad because of the move and I do not know where to go. They said they would give us a house, a farm and also money. I don’t know what is going to happen, I think one way seems good and the other way is bad.” In 2014 people actually said that since they had to wait such a long period of time, it would have been better if they had been informed later, when the actual resettlement was about to take place. They claimed it would have been much better not to have to wait and live in uncertainty. The IFC’s Performance Standard PS5 states that the project affected persons (PAPs) should get information at an early stage, but that does not take cases of delay into consideration.
6.4 Coping strategies

With the investment and other outside factors such as flooding, the local population have developed coping strategies for survival. IDC is providing training for the people who will be resettled. This is part of the RAP. The training is to prepare them for employment in the future (for example learning driving) or for other activities (baking) to earn money. The aim with the training is also to provide knowledge even if the project does not start. Because of the delays, people have started to use their training in order to earn extra money on the side. Many of the informants that I talked to had gone through some sort of training with IDC, e.g. gardening, making bricks, baking and driving. Everyone I talked to was happy with the training and they felt they had learned something new. One of my informants was making bricks for the construction of new houses as extra income on the side. My key informant was also making bricks at times and in his family everyone helped to get extra money. His sister sold samosas and doughnuts during the evenings in Misasi. One man I interviewed said that he made sure he could make extra money in different ways to provide for his family: “I make extra money for emergencies. I started when I heard about the project. I knew it would change my life. Make extra money or extra crops for emergencies.” He was also working with construction and had started to grow crops on the land of neighbours who had deserted their land already.

However, other people said that they have nothing to depend on and live for one day at a time. One example is that they go to the river and catch a fish as the meal for the day. They do not have access to any coping strategies and have to make a living with what they have at hand. With the project, they are becoming more vulnerable in an already problematic situation.

The local population is also resourceful, however. Many people have been in contact with Action Aid and have tried to communicate with EcoEnergy to solve the problems. One woman I interviewed was very tired of the situation and she and her husband were planning to go to the chairman in Misasi to write a letter to send to the District Court. They wanted to report EcoEnergy, since they feel it is wasting their time and because of this they argued that EcoEnergy should pay. What they were really hoping for was national attention, maybe a journalist would write about them or the Prime Minister would come and see their situation. They wanted to make people aware of the situation they were in and hoped that people who might be able to make some changes would understand.
7 Discussion and conclusions
In this chapter the focus will be on the presented fieldwork from Tanzania and a discussion of that with regard to the theoretical perspectives presented earlier in the thesis. The IFC PS5 will also be discussed in reference to the fieldwork. Recommendations for the future will be presented at the end as suggestions for future LSAI.

This thesis shows that the local population in Misasi is affected by the delay with the future resettlement process arising due to the large-scale agricultural investment that EcoEnergy is planning. These effects on the local population are both concrete, in terms of their livelihoods, as well as more psychological and in the way they are living their lives. It has been a constant wait to be resettled and there is an unknown future in store for them. They are waiting for more information about what will happen to them, if they will be resettled, when it will take place, how they will be resettled and what compensation they will receive. Even if meetings are held on a regular basis, not everyone is attending the meetings any longer. If one person goes, he or she informs everyone else in the same situation, but people feel that there are no new developments. People’s finances have also changed; many are working with a side business or putting away money, since they do not know what will happen in the future. The people have developed coping strategies in order to adjust to the current livelihood situation. However, some of the people I talked to said that they could not continue to live this way for much longer, as they had used all the resources they had and needed a change soon.

The local population is in a new situation where they themselves cannot affect their future. They are dependent on outside factors that will change their lives. Already before the investment came, people were struggling to meet their basic needs and other outside events such as flooding are also affecting their livelihoods through a negative impact on their crops and income. The flooding combined with the resettlement are the two main stress factors in local people’s lives, and currently the uncertainty about the future is great. At the moment, EcoEnergy is the subject of a lot of mistrust from the local population. This situation it is not the best way for the investment to start, so EcoEnergy should work first to increase security and trust among the locals.

In the case study, I observed examples of what Ellis (2010) claims, i.e. that a livelihood can never be static but is continuously developing. In Kilindi, the villagers have been diversifying their livelihoods by trying to find other sources of income since the investment came to the village.
According to Ellis (2010), the diversification of household livelihoods is either done by necessity or by choice. In the present case, people have diversified for example through construction work because of the delay and not knowing what will happen in the future. To an extent, however, this diversification represents something positive for people. Some livelihood activities might not be available when the investment starts, or people feel unsure about whether they will be available or not. Fishing is an example of this – the fisherman interviewed mentioned the probability of not being able to fish in the rivers when the investment starts.

In the villages affected by the project financial capital is very limited. People have their income from farming and usually no formal ways of saving or getting credits. Once the investment starts, people will have the possibility to become part of the outgrower scheme. However, they will have to take a loan in order to be part of the scheme and as people do not have a bank account or savings, this will be difficult for many of them. People also have very little human capital and physical capital, life expectancy is low and there is a problem with sanitation and diseases. There is limited access to equipment for crop production and people have to work hard, for example staying up at night to guard their crops. Since a livelihood is seen as sustainable according to Scoones (1998) “…when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base”, in the Bagamoyo case people do not seem to have a sustainable livelihood at present.

The analysis of ontological security in this case showed that people do not feel safe and secure. The people do not trust EcoEnergy since the project so far has affected their livelihoods negatively, and not positively as hoped from the start. Their lives have not been improved by the investment, but instead the delay has made life more difficult. The mistrust of EcoEnergy and the investment has increased with the increasing delay. Since people feel as though they are not being informed and are hoping that the investment will start soon, there is a great disappointment when it fails to materialise. As Giddens (cit. Dziebel, 1997) explains, people feel safe when their natural and social worlds are constant. With the EcoEnergy investment the constant has changed, and in the beginning there was a hope of something better. People felt trust in EcoEnergy and what was going to happen, many people were hoping to work with the project and saw their children’s future as brighter. Many people I interviewed expressed their hopes and said they wanted to work for EcoEnergy when the investment starts. Many people also said they had hopes and thoughts that the company would bring other positive aspects, such as a hospital and better roads. They have not seen any such
improvements and EcoEnergy claims it never made any such promises. Nevertheless, people thought that the investment will improve their village, but then nothing happened. There is a high level of inconsistency, the information always changes or they do not have all the information that they need in order to feel safe. There is also a lack of knowledge about the company, they do not know who its representatives are and have never met them. Thus the villagers have never had the chance to get an idea of the people who will change their lives. What little they know of EcoEnergy and the project now is not positive. The nurse’s house built in the village is a clear example: the local people know it took a long time to build, which affected their expectations about the resettlement – how can a company that took such a long time building a house resettle all of them in a short time?

The balance between trust and mistrust is now skewed and people are feeling more mistrust towards the investment. IDC cannot help build that trust, since it cannot answer all the questions that the people have. People have stopped coming to the meetings, since they do not get any new information. They trust IDC for other things, such as transportation to the hospital if someone is sick, but they believe that they do not have all the information they need. Information directly from EcoEnergy would be a good idea to start building trust again, but the main problem is probably that there is no new information to give, since the plans are on hold.

Scott (1998) argues that there is a need to plan for surprises. Along the way from the start, there have been unexpected surprises for EcoEnergy. As an investor it had to show donors and parties involved in the project that things are going well and continue as planned. EcoEnergy has no previous experience in making these types of investments and both of these aspects have probably also been causes of delay. A more experienced investor could have foreseen some of the events that delayed the project. Unexpected events have been handled as they occur and EcoEnergy has not really prepared for things not going as planned, even after the rough start they had with SEKAB. Today there are still a few surprises along the way that EcoEnergy is struggling to resolve in order to start the investment. The problem with not planning for surprises is that it can cause a delay to be even longer. It is not only the financial issues that have caused problems for EcoEnergy. Another problem is that it has encountered many different actors in the path of the investment. Many scholars and NGOs have argued against the investment and this was one of the reasons why SEKAB pulled out and EcoEnergy took over the project. Such human action is also something that needs to be taken into account. In essence, this case proves that the argument by Scott (1998) about
planning for surprises is highly relevant, and such an approach is likely to have been very useful in this case.

During the interviews with villagers, I always asked them what they thought about the project and how they thought about the future for their children. In many cases they started out being positive to the investment, but said more and more negative things as the interview proceeded. Because it has taken so long since they were first informed about the project, the positive hopes for what the project can bring have decreased. According to the World Bank, LSAI can work better with a more clear and transparent flow of information. This has only been partly true in the EcoEnergy case. It is not the only thing that could help increase the trust in EcoEnergy and the investment among the local population, but it would be helpful. The delay has caused more issues with the resettlement than it would have done if the people had been informed about it and quickly resettled. The people are now tired because they have been in the same situation since autumn 2011 and are stressed by not knowing or being able to affect their own future lives. At this point, I believe EcoEnergy could gain some trust back by going out to the villages and talking to the people directly. It would increase the trust of the local population if they could see, talk and ask questions to EcoEnergy directly and not through IDC, even if the company has no new information to give.

7.1 IFC PS5 and Guidance note 5
As mentioned above, there are certain areas that can be improved or changed. The interviews revealed that the delays had caused impacts on the local population’s livelihoods. These impacts are different in nature, e.g. there have been both economic and psychological effects. The local population is living in uncertainty and with not knowing when things will happen. This section discusses the delays and the issues causing the delays with reference to the IFC PS5.

The Guidance Notes 5, corresponding to IFC PS5, handle some aspects of resettlement and delay, but not everything identified as being important in fieldwork in the present case is included. It is difficult to foresee the different things that can happen during an investment, especially in the EcoEnergy case where there are many factors to take into account, such as the local laws, government actions, the Performance Standards, making a profit, and keeping both financiers and the local population on side.
In Guidance Notes 5 (GN) 23, 26, 32 and 33, there are descriptions of how to handle certain scenarios when there are delays in an investment project. GN5 establishes that people should be compensated when there are delays if they are not able to grow crops as normal: “For example, when communities do not plant crops in anticipation of a move, which is then delayed, the community may need assistance in meeting their food needs because they did not have a harvest that year.” (GN5, 33: 14f). In the EcoEnergy case, people were informed to continue growing seasonal crops as normal, but not long-term crops. The lack of income this could represent for people can contribute to a lack of food security. This section of GN5 only looks at growing/not growing crops and not the possibility and effects of not being able to continue developing crop production, for example with long-term crops. The Guidance Notes should therefore include some details about type of crop and crop development. This aspect might also need to be taken into consideration for compensation, especially when the delay is very long and there is no telling when the move will take place in the future.

Natural population growth can change the compensation scenario and if there are new households because of this, they have to be considered for compensation. The GN state that if there are losses, such as from agricultural activities, because of delays between the cut-off date and the date when people are resettled, they should be compensated for this by the investor. GN5 33 (§14) states that:

A common complication encountered with respect to cut-off dates involves “historic” cut-off dates, which were established at the time a project was ready for development but, due to project delays, have become forgotten or outdated. In such scenarios, natural population growth from eligible households leads to “new” households not listed in the initial surveys: these are to be considered eligible for resettlement benefits and assistance.

It is somewhat unclear in the GN5 when a cut-off date can be seen as historic and when it comes into account for compensation. For example, the Barabaig pastoralists in Bagamoyo have a lot of cattle and the herds are growing every year, which could change the situation of how much land and compensation they should receive. This is a problem that needs to be clarified when there is a long delay in project implementation.

What is also missing from PS5 and GN5 is a requirement about communication. There are no regulations regarding communication with the local people when there are delays. GN5 emphasises
early communication so that people know what is happening and can be part of the resettlement, but that is all. The EcoEnergy case described in this thesis shows that communication is key and the people I talked to wanted information about the process. Local people considered the lack of information to be the worst part of this resettlement. GN5 (§26:11) states that: “Early communication helps to manage public expectations concerning the impact of a project and its expected benefits.”. The guidance on communication does not handle delays, but this is when it becomes even more important to communicate and inform the local population of the situation.

An important aspect of having policies such as PS5 to follow for an investment is so there is accountability for the investor to make sure the policy is being followed. However, PS5 is a voluntary guideline, which is a shortcoming. There is not much explanation of accountability measures in PS5 and GN5. There are no time limits on how long a delay may take and how it should be handled after a certain amount of time. While PS5 recognises the physical and livelihood impact the resettlement has, it only focuses on the immediate effects of resettlement and what should be accounted for. It does not take into account the time it might take for the resettlement to be done and how this should be handled.

### 7.2 Recommendations for the future
A recommendation for the future is that the effects of delays should be accounted for and included in future policy making. It should be ensured that other people to be resettled in other investments do not end up in a similar situation to those in the EcoEnergy project. No two cases are identical and there are always different surprises, which should be accounted for. The recommendation I would like to make here is for PS5 to include more about delays and specify a time frame for an investment. There is also a need for a plan when unexpected events take place, so that the local population is not placed in an unreasonable situation. Another important factor to consider is the best time to inform the local population. Questions might be asked early when the land is being surveyed, and from then it is important to have an open flow of information.
There is still a long way to go before these types of investments can truly be seen as positive but if the well-being of people and the effects of investing are taken into consideration in policy making then I believe that they can, not only become positive, but possibly even sustainable. An outcome that would not only benefit the people living in the affected areas but the investing companies as well.
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**List of interviewees**

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