

# Acquisition of Land for Large Scale Commercial Farming Investment By GBI

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# Introduction

- Brief description of GBI
- Mission
- Vision
- Goal

# Land Acquisition for Large Scale Irrigation investments in Malawi

- GBI acquires land for large scale commercial farming investments mainly in three ways
- Being a rare and delicate resource, acquiring land in Malawi is not easy at all
- It is very complicated
- It is very long and involves multiple players – involves a lot of consultations, sensitization meetings and stakeholder engagements

# HOW GBI ACQUIRES LAND FOR LARGE SCALE INVESTMENTS

## □ BUYING IDLE ESTATES FROM PRESS AGRICULTURE LIMITED (PAL)

- Through the Ministry of Lands, Housing & Urban Development, Govt of Malawi bought Chikwawa Estate (6,293. HA) in Salima
- Of the 6293 HA, 4,000 HA has been assigned to SSCL through creation of a JVC between Government of Malawi and private investor
- Land in this case is one of the Government's contribution towards the shareholding.

# HOW GBI ACQUIRES LAND FOR LARGE SCALE INVESTMENTS

## 1. BUYING IDLE ESTATES FROM PRESS AGRICULTURE LIMITED (PAL)

- 1,000 HA has been assigned to 100 Medium Scale Farmers (MSFs) through a normal process.
- Land in this case belongs to government but GBI enters into an agreement using the Collaboration Framework Agreement (CFA) or Farm Management Contract (FMC)
- To achieve its mandate of empowering local communities to become commercial farmers, 530 HA has been allocated to 250 small scale farmers

- They will form a Cooperative to manage the affairs of the Smallholder farmers
  
- The rest of Chikwawa Irrigation Scheme is allocated to other land uses e.g. roads, factory, rivers, river reserves, resettlements sites, etc.
  
- ❑ Engaging PAL shall continue for possible acquisition of more land for large scale investment in commercial farming.

## 2. Acquiring Idle Land from Communities

- Most rigorous, complex and long way of acquiring large amounts of land in MW
- Involves a lot of
  - ✓ Consultations
  - ✓ Community Sensitizations and stakeholder meetings on the nature of the project, community participation to understand and embrace the projects and how they will benefit from the project
  - ✓ Requires thorough and adequate explanation land acquisition procedures
  - ✓ Requires community`s consent and other relevant government Ministries and Departments

## 2. Acquiring Idle Land from Communities

- It requires huge sums of money for compensations and Relocation Action Plans (RAPs)
- It takes long to be completed. Therefore its advisable to complete the acquisition first before engaging an investor



# Examples

- Dzuwa Farm (300 HA), T/A Khombedza & Makanjira in Salima District
- Nyunyu Farm (1,744.391 HA) in T/A Kuluunda in Salima District
- These two were assigned to MM Operations Ltd through Collaboration Framework Agreement (CFA)
- Land belongs to Government (GBI)
- The investor assigns a certain % of land to locals to empower them to become commercial farmers

### 3. PARTNERSHIPS WITH LAND OWNERS

- In this case, land ownership does not change
- Compensation does not apply
  
- Land is valued by a competent valuer and is converted as equity
  
- Land owners and the Investor + GBI forms a JVC
  
- Land becomes a contribution in a Shareholding arrangement (**Land owners= Shareholders**)

# Example (s)

- 3,000 HA owned Nchalo Smallholders Farmers Association (NSHFA) in Chikwawa (Lower Shire)
- The land is owned by 5 different Communities from Jambo, Phwazi and Nkhwazi
- Formed JVC with TIL and GBI
- Cases of land conflict and misunderstanding over ownership are no longer there
- It does not require any funds for compensations or long acquisition procedures

## Example 2 - NSHFA

- 10,000 HA yet to be finalised for investment at Nchalo in Chikhwawa District
- Owned by local communities
- Land owners will become shareholders
  
- 1, 000 Ha at Nthora-Illora-Ngosi in Karonga District. Owners of land will become shareholders

# Conclusion

- GBI to advance Mode number 3 because more Malawians will be empowered economically and there will be no loss of their land.
- Mode No. 1 will also be advanced subject to availability of funds
- Mode No 2 will only be applied only after satisfying certain conditions as this mode is very expensive, timeliness is compromised

**THANK YOU**