‘OUR LAND, OUR LIVES’
Time out on the global land rush

In the past decade an area of land eight times the size of the UK has been sold off globally as land sales rapidly accelerate. This land could feed a billion people, equivalent to the number of people who go to bed hungry each night. In poor countries, foreign investors have been buying an area of land the size of London every six days. With food prices spiking for the third time in four years, interest in land could accelerate again as rich countries try to secure their food supplies and investors see land as a good long-term bet. All too often, forced evictions of poor farmers are a consequence of these rapidly increasing land deals in developing countries. As the world’s leading standard-setter and a big investor itself, the World Bank should freeze its own land investments and review its policy and practice to prevent land-grabbing. In the past the Bank has chosen to freeze lending when poor standards have caused dispossession and suffering. It needs to do so again, in order to play a key role in stopping the global land rush.
Today, stories of communities driven from their lands, often at the barrel of a gun, left destitute and unable to feed their families, have become all too familiar. As the scale and pace of large-scale land acquisitions increases globally, evidence is mounting that the land rush is out of control and that the price being paid by affected communities is unacceptably high. A huge amount of land has been sold off or leased out globally in the past decade: an area eight times the size of the UK. In poor countries, foreign investors bought up an area of land the size of London every six days between 2000 and 2010. Commercial interest in land could accelerate once again as recent food price spikes motivate rich countries to secure their own food supplies and make land a more secure and attractive option for investors and speculators. The 2008 boom in food prices is widely recognized as having triggered a surge in investor interest in land: from mid-2008–2009 reported agricultural land deals by foreign investors in developing countries rocketed by around 200 per cent.

Oxfam backs greater investment in agriculture and increased support to small-scale food producers. Responsible investment and support is vital and poor countries desperately need it. Indeed Oxfam’s calculations suggest that the land acquired between 2000 and 2010 has the potential to feed a billion people, equivalent to the number of people who currently go to bed hungry each night. But the sad fact is that very few if any of these land investments benefit local people or help to fight hunger. Two-thirds of agricultural land deals by foreign investors are in countries with a serious hunger problem. Yet perversely, precious little of this land is being used to feed people in those countries, or going into local markets where it is desperately needed. Instead, the land is either being left idle, as speculators wait for its value to increase and then sell it at a profit, or it is predominantly used to grow crops for export, often for use as biofuels. About two-thirds of foreign land investors in developing countries intend to export everything they produce on the land. Africa has borne the brunt of this, with an area the size of Kenya acquired for agriculture by foreign investors in just ten years, but the experience on other continents is similar. World Bank and IMF research has shown that most of the land being sold off is in the poorest countries with the weakest protection of people’s land rights.

More than 30 per cent of the land in Liberia has been handed out in large-scale concessions in the past five years, often with disastrous results for local people. In Cambodia, NGOs estimate that an area equivalent to between 56 and 63 per cent of all arable land in the country has been handed out to private companies. In Honduras, the toll of people killed in a land conflict in the Bajo Aguán region has risen to over 60, and shows no sign of stopping.

The global economy is expected to triple by 2050, demanding ever more from scarce natural and agricultural resources. To take the example of

You don't need guns to kill people. When you take food from a village by destroying farm lands and cash crops, you are starving its people [...] These things must stop. Our people deserve the right to survive. They shouldn't be denied their land.

Alfred Brownell, Green Advocates, Liberia
just one commodity, the area used for oil palm cultivation has increased nearly eightfold over the last 20 years to an estimated 7.8 million ha in 2010 and is expected to double again by 2020.\textsuperscript{15} Land resources, already under pressure from climate change, water depletion and the need for conservation, will be increasingly in demand for a range of economic uses: carbon sequestration, production of biofuels, timber and other non-food crops, and speculative investment.\textsuperscript{16} These uses will come into direct conflict with the need for more land to feed a growing global population. Additionally, the volatility of food prices has led richer countries that are dependent on food imports – such as the Gulf States – to acquire large amounts of land in developing countries in order to ensure a secure supply of food for their domestic needs.\textsuperscript{17} As food prices increase as a result of these multiple pressures, land is becoming a more lucrative asset for powerful interests and investors.

In the face of this unprecedented worldwide rush for land, it is crucial that influential global actors take steps to ensure that poor people are not losing out. The World Bank, as the largest development organization in the world with a multi-billion-dollar portfolio and as a major influence on both governments and the private sector, must act now to put its own house in order and set an example to ensure that investments benefit the poor – an example that must then be followed by investors and governments globally.

Oxfam is calling on the World Bank to institute a temporary freeze on investments involving large-scale land acquisitions, like the freezes that some governments, such as those of Mozambique and Cambodia, already have in place. A freeze would create space to develop policy and institutional protections to ensure that no Bank-supported project resulted in land-grabbing\textsuperscript{18} and would allow time for the wider impacts of land transfers on poverty and food security to be assessed. The required protections would include:

- local communities to be informed about and be able to give or refuse consent to a project, and be compensated for any loss of land or livelihoods;
- a guarantee of full project (and sub-project) transparency, so that investors can be held accountable both to affected communities and to the government;
- capacity and encouragement for governments to improve land tenure governance and to increase local communities’ security of land tenure.

In 2007, indigenous people in West Kalimantan, Indonesia complained to the World Bank that a palm oil company it supported had cut down their forest and forced them from their land. The Bank’s complaints ombudsman investigated and discovered serious systematic problems, as a result of which Bank standards had been contravened and Bank staff had been able to claim (incorrectly) that the project would have ‘minimal, or no direct, adverse social or environmental impacts’.\textsuperscript{19} There was such a controversy that the then Bank President, Robert Zoellick, suspended the Bank’s lending to the palm oil sector for 18 months until a new strategy was in place, supposedly intended to ensure that such problems did not happen again.\textsuperscript{20}
The World Bank is a huge player on the global land scene. Its investments in agriculture have tripled in the last decade: from $2.5bn in 2002 to $6–8bn in 2012.\textsuperscript{21} Such an increase is welcome, but it also heightens risks which must be addressed. Since 2008 alone, 21 formal complaints have been brought by communities affected by Bank investments that they say have violated their land rights.\textsuperscript{22} While responsibility for land-grabbing lies with many actors – from developing and developed country governments to private investors – the World Bank has more influence than any other to change the terms of the debate. The World Bank plays a pivotal role in land acquisitions in many ways: (I) as a source of direct financial support for investments in land; (II) as a policy adviser to developing country governments; and (III) as a standard-setter for other investors. It could take a vital first step to reining in the global land rush by freezing its own investments in large-scale land acquisitions for six months and putting its own house in order. The need to act now is urgent.
2 AN OPPORTUNITY COST TOO HIGH

Oxfam recognizes the potential benefits of private investment in agriculture (see Box 3); however, all too often, today’s land deals fail to deliver benefits for local individuals and communities. Indeed the claim that lots of ‘available’ land is unused and waiting for development is simply a myth. Most agricultural land deals target quality farmland, particularly land that is irrigated and offers good access to markets. From what is known about its prior use and from satellite imagery, it is clear that much of this land was already being used for small-scale farming, pastoralism and other types of natural resource use. According to the World Bank itself, very little, if any, of the land classified as ‘available’ is free of existing claims. As a result, large-scale land acquisitions inherently raise the spectre of conflict with dispossessed communities.

Box 1: What is a land grab?

**Large-scale land acquisitions**

A large-scale land acquisition can be defined as the acquisition of any tract of land larger than 200 hectares (ha), or twice the median land-holding, according to the national context. The 200 ha figure comes from the International Land Coalition’s definition of ‘large-scale’. Not only is 200 ha ten times the size of a typical small farm, but according to the latest FAO-led World Agricultural Census, it is also larger than the average land holding in all but three developing countries.

**What makes a land acquisition a land grab?**

Land acquisitions become land grabs when they do one or more of the following:

- violate human rights, particularly the equal rights of women;
- flout the principle of free, prior and informed consent (FPIC) – under which affected communities are informed about and are able to give or refuse consent to a project;
- are not based on a thorough assessment of, or disregard, social, economic and environmental impacts, including the way they are gendered;
- avoid transparent contracts with clear and binding commitments on employment and benefit-sharing;
- eschew democratic planning, independent oversight and meaningful participation.

The men fled to the mountains, the women had to find a way to live. People lost everything; they became nothing but cheap labour.

Maria Josefa Macz, Guatemala Campesino Unity Committee, describing the impacts of a palm oil land grab in the Polochic Valley.
The immediate impacts of land grabs on affected communities have been well documented and include gross human-rights violations, destitution, loss of livelihood, destruction of property and crops, and lack of compensation. Yet there are other, as yet poorly understood, implications of today’s massive transfers of land from the many to the few. Analysis of the latest data available on land deals reveals some worrying trends.\(^{31}\)

- **Land acquisitions are not a solution to hunger or poverty.** Two-thirds of agricultural land deals entered into by foreign investors are in countries with a serious hunger problem. But this does not mean that these land acquisitions will help to tackle the hunger crisis. Based on existing information, more than 60 per cent of foreign land investors in developing countries intend to export everything they produce on the land.\(^{35}\) Oxfam’s research in Cambodia has shown the negative impact of large land concessions on the food security of local populations, especially women.\(^{34}\) Food security is further undermined by the diversion of crops from food to fuel. Recent evidence suggests that two-thirds of global land deals in the past 10 years have been intended to grow crops that can be used for biofuels, such as soy, sugarcane, palm oil and jatropha – equating to an area larger than Madrid given over to such crops every two days.\(^{35}\)

- **Land is not being sold or leased for its full value.** There are reports of foreign land investors paying lease fees from as little as seven cents to as much as $100/ha per year.\(^{36}\) This variation has nothing to do with the quality of the land and everything to do with a lack of regulation.\(^{37}\)

- **The poorer the protection of land rights, the more likely it is that investors will try to acquire land.** The IMF says that it found 33 per cent more investment projects involving large-scale land acquisitions in countries ranked at the bottom of the World Governance Indicators (such as Angola) than in middle-ranked countries, such as Brazil. The World Bank has found that the main link between countries with the most large-scale land deals is poor protection of rural land rights.\(^{39}\)

- **Women are at particular risk from large-scale land deals.** Women are less likely than men to have formal land titles and often have no say in major decisions taken by the head of household. Not only are they in a weaker position to bargain with government authorities or investors, but they are less likely to be invited to participate in negotiations. To compound this, female heads of households are more at risk of violence where a land deal involves intimidation.\(^{40}\) Where land acquisitions involve communal land, the impact on women can be particularly acute as they lose access to common resources to which they hold traditional use-rights and which are vital to their livelihoods. Where there is a new commercial opportunity, such as biofuel production, men often assume control of the land at the expense of women.\(^{41}\)

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Many investments [...] failed to live up to expectations and, instead of generating sustainable benefits, contributed to asset loss and left local people worse off than they would have been without the investment. In fact, even though an effort was made to cover a wide spectrum of situations, case studies confirm that in many cases benefits were lower than anticipated or did not materialize at all.

World Bank\(^{30}\)

They sold us the idea that this monoculture was going to guarantee work for all and a better living. However what it brought was unemployment and poverty.

Daniel Santos, Bajo Aguán, Honduras\(^{38}\)
Box 2: Women’s access to land in Kenya’s Tana Delta

Research in Kenya’s Tana Delta shows that, while community members have little monetary income, they gain decent livelihoods from their access to land. They can grow food and graze their animals, and can supplement their diets with fish, fruits and honey. Women can sell the surplus and keep the proceeds. However large-scale land deals have often undercut their ability to make ends meet. Investors tend to employ young men, while older people and women, particularly those with children, are left without income or resources.43

In 2008, when the food price crisis prompted a significant rise in the scale and pace of large-scale land acquisitions, many developing country governments welcomed increased investment in agriculture as a solution to food scarcity.44 Four years later, it is becoming apparent that not only have hopes for increased food security proved false, but too often the opposite has been the result, with small-scale food producers and pastoralists dispossessed from their land, losing their capacity to produce food for local markets and their ability to feed their families.

Increased competition for land highlights the importance of enforceable land rights to ensure that any land deal benefits local land-users and avoids causing harm.46 Securing access to, or ownership of, land, free from the threat of eviction, is associated with significant reductions in hunger and poverty.47 Oxfam’s research in Viet Nam and the Pacific Islands has shown that access to productive land helps families cope better with economic shocks.48

Box 3: The case for positive investment

Private investment can be a lever for economic development. Well-targeted investment, whether by foreign or domestic companies, can provide small-scale food producers with more productive technologies, entry to higher value-added markets, access to knowledge and market information, lower borrowing costs, and financing to cover foreign exchange costs. Such investment can take many forms, not just on farms and in agricultural production. For instance, private investment in support services, such as finance, trading, technical support, transport and storage, can be critical to enabling local producers to engage in markets. Investment in infrastructure, including irrigation, when carried out sustainably, can be critical to improving the productivity and income of local growers. Private investment in all these areas can help to create the conditions for broad-based, inclusive growth, generating rural jobs, linking small-scale food producers to more dynamic markets, and generating revenues for investment in infrastructure. Foreign firms and investors offer a potential route into higher value-added markets, including for small-scale producers who, by means of out-grower schemes (which work inclusively and empower small-scale producers), can sell their produce to commercial farms that have attracted investment. These are all areas where private investment can encourage rather than crowd-out local investors.

However, none of these benefits are automatic and very different outcomes are possible depending on the context and the principles that drive the investment.

The question to be asked is whether these foreign demands can be met while observing sustainability guidelines and without marginalizing the land rights of African communities.

African Union Framework and Guidelines on Land Policy49

There is no question that Africa needs investment – private and public – in agriculture. What Africa does not need, and cannot afford, is policies that transfer land to investors motivated principally by a concern to feed populations in other countries, supply biofuel markets across the globe, especially the EU and US, or to secure speculative profit.

Africa Progress Report 201250
One key question is whether the investment promotes food production for trade in local markets. If so, it is more likely to benefit local communities, especially where food insecurity is a major concern. Investment in local small-scale producers and pastoralists, which improves their productivity and access to markets, often yields the most positive impacts for local communities.  

At the heart of whether investment in land is good for local communities, especially in the long term, is the question of whether it strengthens or undermines the rights to land and related resources of the most vulnerable local people, especially women. Such rights are the essential foundation for broad-based and sustainable economic development. Good investment can build the asset base of the poorest, while bad investment reinforces existing power relations that keep people in poverty.

Investments, large or small, can generate jobs and livelihoods. However, this impact is only truly positive if the jobs are high-quality, pay a living wage and respect all labour rights, including those set out in the International Labour Organization conventions.  

Private investment can have a positive social impact when ethical and sustainable business principles are followed. Sometimes there is a strong business case for following such principles, while other situations require effort and cost on the part of investors to ensure that communities benefit from their investment. Guaranteeing this includes, vitally, making sure that investments do no harm. While private companies need to adopt new ways of doing business and to innovate to make sustainable business commercially viable, governments also need to regulate and support these businesses and their investment models.
3 THE PIVOTAL ROLE OF THE WORLD BANK

The World Bank plays a pivotal role in land acquisitions: (I) as a source of direct financial support for investments in land; (II) as a policy adviser to developing country governments; and (III) as a standard-setter for other investors.

I. INVESTING IN DISPUTED LAND

An important first step in putting things right is to acknowledge that there is a problem. The World Bank is no stranger to controversies over land arising from its own investments. Since 2008 alone, 21 formal complaints have been brought to the Bank by communities affected by Bank investments that they say have violated their land rights. The affected communities in these complaints – 12 in the Asia-Pacific region, five in Africa and four in Latin America – all claim that they have not been adequately consulted, resettled and/or compensated for deals relating to their land.

These communities all tell a similar tale of dispossession and failure to protect livelihoods. The Bank’s Inspection Panel found that in a Papua New Guinea palm oil project, the Bank had failed to uphold its own standards on the rights of indigenous peoples affected by its investment, noting:

‘significant shortcomings in the consultation process. In particular, Management failed to provide relevant information prior to consultations in a culturally appropriate manner, form, and language. This does not comply with [Bank standards on indigenous peoples]’.52

The World Bank’s private sector lending arm, the International Finance Corporation (IFC), has an official complaints mechanism known as the Compliance Advisor/Ombudsman (CAO). This has seen its case-load triple in the past two years, while in the decade to 2010 over 60 per cent of cases that it assessed related to land conflicts. Oxfam is a co-signatory to three formal land-related complaints to the Bank, one in Indonesia and two in Uganda.55

Amulya Nayak, a complainant to the Bank over its loan, through a financial intermediary, to a coal mine in India, which communities say displaced 1,300 families from their land, noted, ‘The project also extracts huge water volume and we witness in our bore-wells the depleting water level, which is the main source of drinking, cooking and washing for thousands of families’.56
Beyond those that have given rise to official complaints, the Bank is involved in financing other land investments linked to conflicts. For example, in 2009 the IFC lent $30m to Dinant, a palm oil company in the Bajo Aguán region of Honduras, where fatal land conflicts continue to this day. In August 2012, in response to allegations by local organizations about human-rights abuses and forced evictions, and after an appraisal of the case, the CAO ordered an audit of the IFC’s support for Dinant.

In other cases, there may not be conflict, but it appears the potential and promised benefits to local communities have not materialized. For example, in 2010 in Tanzania, the IFC lent Norwegian company Green Resources $18m for industrial tree plantations on communal savannahs that local villagers used for grazing their animals and as a source of food, fuel and medicine. Some community members are now wondering whether the few benefits they have seen from the company justify the handing over of such a large amount of land.

The World Bank’s lending to the agriculture sector has tripled in the last ten years – from $2.5bn in 2002 to $6–8bn in 2012. This increase could trigger further conflict with small-scale food producers, if investments resulting in large-scale land acquisitions continue. The World Bank, commenting on assertions made in this report, says it does ‘not accept the inference that the World Bank Group is facilitating or overtly supporting negative practices associated with large-scale land acquisitions.’ It claims that the ‘vast majority’ of its lending supports small-scale food producers, either directly or indirectly, but this claim is difficult to verify given a lack of transparency particularly around lending through intermediaries. In addition, the Bank claims that adequate standards and safeguards are applied to investments in large-scale land acquisitions. Oxfam would argue, based on the evidence above, that in too many cases, the application of safeguards for affected communities has not been sufficiently stringent.

II. POLICY ADVICE TO DEVELOPING COUNTRY GOVERNMENTS

Since the financial and food price crises of 2008, the World Bank has helped to facilitate large-scale land acquisitions in developing countries through its technical and advisory services. In a clear case of policy incoherence, at the same time as publishing research warning of the risks associated with large-scale land acquisition, such as ‘Rising Global Interest in Farmland’, the Bank has encouraged the very same practice, helping developing country governments to make it easier for foreign investors to acquire land and encouraging them to offer tax holidays, thereby creating a fertile investment climate for land acquisitions.

Through its advisory services, for example, the IFC encourages governments to streamline and consolidate investment-related policies
and activities – in essence to create a ‘one-stop shop’ for investors. Recently, the World Bank’s Investment Climate Advisory Service helped to create or support investment promotion agencies (IPAs) in Sierra Leone, Cape Verde, Senegal, Zambia and Tanzania, among others. In Tanzania’s case, its IPA is mandated to identify and provide ‘available’ land to investors and to set up a ‘land bank’ of some 2.5 million ha suitable for investment. Sierra Leone’s IPA (called the Sierra Leone Investment and Export Promotion Agency) highlights agriculture as a promising sector for foreign investment. Its website states that Sierra Leone has “5.4 million hectares of arable land”, ‘opportunities for production of biofuels’ and ‘proven export potential’. But promoting foreign investment in land, without rigorous checks and balances in place, risks opening up land markets in ways that could lead to land-grabbing.

As well as advisory and technical support to developing country governments, the World Bank provides direct support to land reform programmes. In FY2010, the Bank supported land administration projects globally totalling over $1.5bn, making it the single biggest donor in this sector. The Bank points to the success of some of this work in securing title for women and poor communities in developing countries, including Mexico, Indonesia and Rwanda. However, there have also been criticisms concerning the Bank systematically favouring individual over communal tenure, and controversy and disputes in countries including Cambodia, Panama and the Philippines, though the Bank has sometimes taken effective steps to resolve injustices resulting from projects it has supported.

In one example, in 2009, fishing communities in Cambodia complained to the Bank’s Inspection Panel about the $33m support provided to the Cambodian government to ‘improve land tenure security and promote the development of efficient land markets’. The communities claim that ‘as a result of the project, hundreds of families have already been evicted from their land’. The Inspection Panel noted that the complainants said that the project “failed to formalize their tenure” and did not “transfer their customary rights under formalized land titles," therefore weakening pre-existing tenure rights of people. The issues raised involve fundamental questions of land rights and tenure security of the affected community.

In response to the subsequent investigation, then Bank President Zoellick said, ‘We are deeply troubled and frustrated about the people who are being forced from their homes’. In May 2011, Zoellick took the important step of freezing all new lending to Cambodia until the situation was resolved. This decisive action by the Bank sent a powerful signal and, in August 2011, the Cambodian government issued a sub-decree granting title to most of the affected people.
III. SETTING THE STANDARDS

As well as its considerable influence over policy, the Bank plays a role in setting the standards and norms used by other donors and investors to guide their investments. For example, the IFC is the number one standard setter for investors: some 15 development finance institutions, 32 export credit agencies and the 77 private investors of the Equator Principles banks all reference the IFC’s Performance Standards. As a result, it is all the more important that the Bank sets the bar high, and that it reviews and reforms its standards relating to the social and environmental impacts of land acquisitions, with particular regard to transparency, recognition of local communities’ tenure and use rights, and processes for informed consent and fair compensation.

This is of increasing importance given the ever-diversifying field of investors that rely on the reputational leveraging that Bank funding can provide for co-financed projects. While the Bank may not be the largest player in development finance in monetary terms, its reputation and stamp of approval are still of huge importance for companies wishing to attract additional financing.
4 VITAL AREAS FOR PROGRESS

A freeze in large-scale agricultural land acquisitions at the World Bank now could spur desperately needed improvements in safeguards and land governance. Oxfam is calling for a six-month freeze in order to provide time and space for vital progress in four key areas: land rights and good governance, transparency, FPIC, and food security.

I. LAND RIGHTS AND GOOD LAND GOVERNANCE

Communities in developing countries frequently lack government-recognized title to the land they farm or hold in common. This often results in insecurity of tenure. For women this problem is more serious still, especially in countries where it is illegal or counter to dominant traditions for them to inherit land. Rural communities depend on the land and its natural resources for their livelihoods, whether growing crops, gathering food for family consumption or sale on local markets, or collecting other resources, such as fodder and fuelwood. They often hold customary rights to land, but these tend to be insecure. Narrow interpretation of the law, legal ambiguity, or conflicting legislation can mean that governments and investors are able to dismiss local land users as ‘illegal squatters’ with no rights to fair treatment, consultation or compensation. Even where legal protections do exist, they are often inadequately enforced. Research by the Center for International Forestry Research (CIFOR) in sub-Saharan Africa found that customary rights are seldom adequately protected in land negotiations, despite these rights having widespread legal recognition.

Reforms are urgently needed to ensure that land governance systems uphold tenure and land-use rights, protect of local farmers and pastoralists, especially women, and guarantee their right to negotiate a good deal from any investment.

In Africa, the Framework and Guidelines on Land Policy, agreed by Heads of State in 2010, highlight the priorities for land reform to:

• ‘ensure that land laws provide for equitable access to land and related resources among all land users including the youth and other landless and vulnerable groups such as displaced persons’;

• ‘strengthen security of land tenure for women which require special attention’.

In May 2012, the United Nations adopted international guidelines with the goal of ‘improving secure access to land, fisheries and forests and protecting the rights of millions of often very poor people’. These Voluntary Guidelines on the Responsible Governance of Tenure of Land
pave the way for much-needed reforms to land governance, for example promoting equal rights for women in securing land title and encouraging states to ensure that poor people get legal help during land disputes. A particular strength of the guidelines is their call for governance to apply to ‘all forms of tenure, including public, private, communal, collective, indigenous and customary’.

Developing country governments must now be encouraged and provided with capacity and support by international donors, including the World Bank, in order to undertake an inclusive national discussion on land policy, and then to codify and enforce the guidelines within their own domestic regimes.

II. TRANSPARENCY

Transparency is not an end in itself, but the secrecy that cloaks many land deals is one of the most disturbing characteristics of today’s land rush phenomenon. It prevents local communities from knowing who is acquiring their land and for what purpose. It makes it harder for people to assess the impacts on their lives and food security, gain fair compensation for their losses, and to find out to whom they can appeal. It can also foster corruption. Furthermore, the benefits of the investment – which could include new jobs, spin-off businesses and tax revenues – are difficult to assess and guarantee when there is no contract or revenue disclosure.

The intergovernmental Committee on World Food Security’s High Level Panel of Experts on Food Security and Nutrition has said: ‘The different actors – investors, government, local people – enter the negotiations with highly asymmetric information and power. Consequently, local people usually lose out, and governments lose both revenues and opportunities to achieve long-term benefits for their populations.’ Affected communities need support to know what information they are entitled to, and how to access and use it without fear of reprisal.

III. FREE, PRIOR AND INFORMED CONSENT (FPIC)

In May 2012, the African Commission on Human and People’s Rights (ACHPR) resolved that ‘all necessary measures must be taken by the State to ensure participation, including the free, prior and informed consent of communities, in decision making related to natural resources governance’; and to ‘Ensure independent social and human rights impact assessments that guarantee free prior informed consent.’

Too often, large-scale land acquisitions end up as land grabs in which affected local communities become victims of the deal, rather than partners in development. ACHPR is just the latest international body to adopt FPIC for affected communities as a central tenet in its standards. At the same time, indigenous peoples, in particular, have the right to
FPIC enshrined in international human rights law. In the context of land acquisitions, FPIC ensures informed and non-coercive negotiations between those who wish to use the land and the affected communities, prior to any deal going ahead. It is up to the communities to decide whether to agree to the project or not, once they have a full and accurate understanding of its implications.

IV. FOOD SECURITY

As already noted, if the rising tide of interest in farmland investment is to have any positive impact on the food security of local communities and the livelihoods of small-scale producers, it is crucial that land governance and investments in land do not undermine food security by facilitating the transfer of land rights away from people living in poverty.
5 TIME TO CALL A HALT

When a situation is out of control, it is time to call a halt. The global land rush shows no sign of abating. Indeed, it is predicted that commercial pressures on land will continue to mount as competition over resources intensifies.90

The way in which land acquisitions may exacerbate food insecurity and poverty is not yet fully understood. The level of risk this uncertainty entails is unacceptable, and the potential consequences for people’s livelihoods irreversible. At the moment, the burden of that risk is being shouldered by the poorest and most vulnerable.

Investors buying up land are taking a big risk too. Investing where there is poor recognition of land rights can mean being caught up in competing claims over resources and long-lasting conflict. It makes good business sense to manage an investment properly. For example, in assessing the potential for investment by energy companies in the Arctic, the chief executive of Lloyds of London urged companies not to “rush in [but instead to] step back and think carefully about the consequences of that action”,92 carrying out research and ensuring that the right safety measures were put in place. The same kind of prudence needs to be shown by land investors in developing countries.

Government in those countries where large-scale land deals take place have the authority, but often lack the will or capacity to force recalcitrant investors to act in local people’s interests. But some governments have already taken steps to freeze deals until the situation can be brought under control and the impacts fully understood.

Box 4: Mozambique gives itself some breathing space

Mozambique has some of the most progressive land laws in Africa: the 1997 Land Law is widely seen as striking a balance between protecting customary rights and encouraging investment. However, implementation of these laws, particularly the obligation to consult affected communities, remains complex in practice,93 especially given both the pressure to fast-track privatization and the liberalization of regulation concerning land.94

Between 2006 and 2008, foreign direct investment flows to Mozambique increased from $154m to $587m.95 Over the same period, the government of Mozambique received numerous expressions of interest in land from foreign investors, mostly in relation to biofuels and forestry. Institutional structures struggled to keep up with this rising interest.

While the government recognized the potential benefits of such investment, it also realized that the process had to be managed properly. From October 2007 to October 2011, no new concessions over 10,000 ha were publicly agreed. During that period, the government completed a map of formal land tenure in the country.

This was the start of a more comprehensive mapping of land tenure. In 2008, Mozambique finished a set of guidelines on the kind of investment the government wanted to attract.96

Fewer and fewer people are producing more and more food for more and more of us. That’s only going to get worse over the next 20 or 30 years. So if you’re smart, put your money into anything related to agriculture.

Jim Rogers, investor91
In May 2012, after the killing of a local activist and a wave of public protests, Cambodian Premier Hun Sen halted new land concessions in order to ‘ensure equity’ and demanded that decisions ‘do not jeopardize people’s means of livelihood, so that economic concessions can bring real benefits to the nation and its people’.97 A month later, Laos announced a similar freeze on mining and rubber concessions, citing social and environmental concerns. Lao Minister of Planning and Investment Somdy Duangdy told the Vientiane Times, ‘We approved large plots of land without looking into the details, like what land belonged to the state and which belonged to local people’.98

Other countries have tried to introduce controls on large-scale land deals in recent years, including Mozambique (see Box 4), Brazil, Tanzania, Indonesia, Papua New Guinea and Argentina. In January 2012, the Pan-African Parliament called for a moratorium on new large-scale land investments ‘pending implementation of land policies and guidelines on good land governance’.99 In 2012, Kofi Annan and other members of the Africa Progress Panel Report called on African governments to ‘carefully assess large-scale land deals and consider a moratorium pending legislation to protect smallholder farmers and communities’.100

**Box 5: Pressure from Papua New Guinean NGOs leads to a government moratorium**

In Papua New Guinea, an alliance of NGOs, including Oxfam partners,101 campaigned for the government to recognize the problems of the Special Agricultural and Business Leases (SABL) programme, which has granted leases of up to 99 years to mostly foreign corporations across 5.1 million ha of community lands.102

In 2011, Acting Prime Minister Sam Abal announced a Commission of Inquiry into these leases, along with an immediate moratorium on the issuing of any further leases until the inquiry process was completed.103

The Commission of Inquiry report, due to be tabled in Parliament in late 2012, will determine the legality of SABLs and audit the current leases, many of which are reported to have been granted without the consent of indigenous landowners, as required under Papua New Guinean law.104

However, the international community’s responses to the global land rush have been largely weak and uncoordinated, with the exception of the important step taken by the intergovernmental Committee on World Food Security in May 2012, when it agreed the Voluntary Guidelines on the Responsible Governance of Tenure of Land (see page 12).105
6 RECOMMENDATIONS

In light of the World Bank’s pivotal influence upon governments and the private sector, Oxfam believes it should stop backing land acquisitions immediately and play a key role in stopping the unregulated global land rush. The Bank should use this pause in its lending to implement internal reforms and send a clear signal to investors and governments that land-grabbing must stop.

The World Bank should:

**Freeze** for six months all lending across the World Bank Group to projects that involve or enable agricultural large-scale land acquisitions.

**Review** (with the results of this review made public) existing World Bank Group investments that involve or enable land acquisitions, assessing the extent to which existing policies, activities and safeguards:

- **ensure transparency**, with information on land deals made publicly available;
- **respect and uphold the principle of FPIC** for all affected communities, and where land is acquired, ensuring compensation, rehabilitation and resettlement to affected communities, as appropriate;
- **promote land rights and good land governance**, including strengthening rather than undermining the rights of small-scale food producers, pastoralists, women and other marginalized groups to the land, natural resources and other productive assets they depend on;
- **promote food security and preserve the environment and natural resources**.

**Commit** to improving its policy and practice with regard to land acquisitions on the basis of the results of this review. To achieve this, during the six-month freeze the Bank should take action in the following areas:

**Setting the standards**

- The World Bank should publicly support the Voluntary Guidelines on the Responsible Governance of Land Tenure as the international accepted norm on good land governance. It should encourage investors and borrower countries to implement these guidelines fully, in line with their capabilities. It should also play a constructive role in engaging with the working group on responsible agricultural investment at the Committee on World Food Security.
- It should push investors, starting with the Equator Principles banks and fellow development finance institutions, to tackle weaknesses in how they manage transparency, consent and compensation in their investments. This will involve tightening implementation of existing standards, and adopting new or revised standards.
Investing in land

- The World Bank should make all information regarding the size, scope and nature of any investments that involve large-scale land acquisitions, and any activities supported by such investments, publicly available.

- It should apply the IFC’s Performance Standards in the same way to investments through financial intermediaries as it does to direct project finance, applying the same levels of risk categorization, safeguards and disclosure provisions.

- It should incorporate FPIC for indigenous peoples into its safeguard policies, as this is a legal right, and require that the principles of FPIC are guaranteed to all affected communities.

- It should address the Performance Standards’ inadequate provisions for FPIC for indigenous peoples, specifically within the implementation guidance notes, and ensure that these documents are open for stakeholder consultation.

Policy advice to developing country governments

- The World Bank should review and revise all World Bank Group advice to client countries on land governance, aligning this with the Voluntary Guidelines on the Responsible Governance of Land Tenure and systemically addressing the areas where its advice undermines the security of land tenure.

- It should provide support and help increase capacity for developing countries to implement the provisions of the Voluntary Guidelines at a national level.

- It should review and, where necessary withdraw, all World Bank Group Investment Climate Advisory Services advice that is intended to encourage opening up of land markets in ways that could lead to land grabs.
NOTES

(N.B. All URLs were last accessed August 2012, unless otherwise stated)


2 Between 2001 and 2010, 203 million hectares (ha) were reported to be under consideration or negotiation worldwide. This is equivalent to 55,616 ha every day for ten years, or an area bigger than London, which covers 157,000 ha, every three days. ILC (2011) ‘Land Rights and the Rush for Land’, http://www.landcoalition.org/cpl/cpl-synthesis-report. For more details on a subset of the full database, see: http://landportal.info/landmatrix/get-the-picture/deals-over-time


4 The number of reported land deals by foreign investors in agriculture in the global South increased from approx 35 in mid 2008 to 105 in mid 2009, an increase of approx 200%. See Figure 1, p 6, in W. Anseeuw et al (2012) op. cit.


6 The country and area of individual land deals for the purposes of agriculture, forestry, and livestock, covering a total of 40.3 million ha, were obtained from http://landportal.info/landmatrix/get-the-detail/database.csv (downloaded 25/07/12). The potential annual cereal production on acquired land was then calculated for each country by summing the product of the area of each deal and the average national cereal yield (data source: http://faostat3.fao.org (downloaded 25/07/12)). The food energy available from the potential cereal harvest on acquired land in each country was calculated by multiplying the potential production volume by the kcal available from one tonne of cereal in the given country (obtained by dividing the annual food energy supply by the annual food supply quantity, in both cases for cereals excluding beer (data source: ibid)). The number of people that could potentially be fed from acquired land in each country was then calculated by dividing the potential annual supply of food energy by the product of 365 days and 1,800 kcal (the FAO’s global minimum daily energy requirement per capita). National totals were then summed to arrive at a global total. On the assumption that the vast majority of the land acquired in the past ten years could be used to grow food, whether or not investors intend to use it in that way, and that the publicly available data is a reasonably representative sample of the total database, a conservative estimation was made that if about 40 million ha could feed about 240 million people, then 203 million ha is likely to have the potential to feed more than 1 billion people.


9 62 per cent of reported large-scale land deals for agriculture involving foreign investors in developing countries in the last ten years were in Africa, covering 56.2 million ha, an area equivalent to 4.8 per cent of Africa’s total agricultural area, or the territory of Kenya. Eastern Africa hosts about a third of all reported land deals globally (see www.landcoalition.org/cpl/cpl-synthesis-report). There is most data on land deals by foreign investors in Africa, with media attention focused on the continent, but domestic actors are also heavily involved in land acquisitions and large-scale land acquisitions have also occurred in Eurasia, Latin America and Southeast Asia. For further information see: IIEC (2012) ‘The global land rush: What the evidence reveals about scale and geography’, http://pubs.iied.org/pdfs/17124IIED.pdf

10 The countries that attract most land deals are those with the weakest land governance, not those with most available land. There has been 33 per cent more land acquisition in countries ranked near the bottom of the Worldwide Governance Indicators (like Angola) than in countries ranked around the middle (like Brazil), even when controlled for other factors (http://www.imf.org/external/pubs/ft/wp/2011/wp11251.pdf).

More information on the Worldwide Governance Indicators can be found at: http://info.worldbank.org/governance/wgi/sc_country.asp

The weaker the protection of rural land rights, the more likely a country is to host land deals: http://siteresources.worldbank.org/INTARD/Resources/ESW_Sep7_final.pdf


See also ADHOC (2012) ‘Report on Land and Housing Rights 2011’, http://adhoc-cambodia.org/?p=1627, which estimates land deals up to 2011 covering an area of 2,276,349 ha, equating to 63 per cent of Cambodia’s arable land area, (which is 36,207 square kilometres, or 20 per cent of the country’s total area of 181,035 sq km – see https://www.cia.gov/library/publications/the-world-factbook/geos/cb.html)


18 See Box 4 for a definition of a ‘land grab’.


The Bank’s review highlighted the fact that land tenure and land-use change are central to a responsible approach to the palm oil sector and acknowledged the key role of strong land-tenure governance to counterbalance strong economic incentives for large-scale expansion. The review also led to the promotion of developments on ‘degraded land’ instead of community forests and subsistence farming land, and proposed a shift to investments that benefit small-scale food producers.


22 See case files on the Compliance Advisor/Ombudsman site and the Inspection Panel site as follows:

Compliance Advisor / Ombudsman

World Bank / World Bank Inspection Panel
For example, the Royal Cambodian Government introduced ‘economic land concessions’ to stimulate economic development and alleviate poverty in order to achieve the Cambodian Millennium Development Goals by 2015. (Oxfam 2012, forthcoming) ‘Exploring the Impacts of Economic Land Concessions on Livelihood Diversification in Cambodia using a Gender Perspective’.


48. See the USAID blog: http://blog.usaid.gov/2012/08/investing-in-africas-smallholder-farmers/, which states ‘Evidence in poor countries from around the world demonstrates that smallholder agriculture can be more efficient than large farms, and that investment in improving smallholder agriculture is the best way to create income at the grassroots level, generating demand for goods and services that create a broader base of jobs and incomes in rural areas.’

50. ‘ including the Inspection Panel Site, as detailed in Note 22.


57. ‘Cooperation Dinant S.A. de C.V. – Summary of Proposed Investment’, www.ifc.org/ifcext/spiwebsite1.nsf/0/2F9B9D3AFCF1F894852576BA000E2CD0


59. ‘Including information on the Inspection Panel site, as detailed in Note 22.

60. Honduras/Dinant-01; CAO Vice-President Request: http://www.caao-ombudsman.org/cases/case_detail.aspx?id=188


64. See World Bank Group Lending to Agriculture

65. See World Bank Group Lending to Agriculture

66. Recent IFC agribusiness investments resulting in large-scale land acquisitions include financing to Myra Agro to increase its landholdings to 165,000 ha; to Sena Group to expand its operations in Mozambique; to SLC Agricola in Brazil to increase its holdings to 200,000 ha; and to Vision Brazil, with up to 700,000 ha. See ‘World Bank report on land grabbing: Beyond the smoke and mirrors’ (2010) Grain, www.grain.org/article/entries/4021-world-bank-report-on-land-grabbing-beyond-the-smoke-and-mirrors


Although the UN Declaration on the Rights of Indigenous Peoples, as a declaration and not a convention, also provides for FPIC for indigenous peoples.


The conflict has not yet been resolved, as 13 members of the Boeung Kak community were arrested in May 2012 for staging a peaceful protest. 127 civil society organizations from Cambodia and elsewhere have written to the World Bank to urge it to continue the freeze until justice is secured. See, for example, Independent Evaluation Group (2011) Implementation Completion Report (ICR) Review - CI-ivc Project: Rural Land Management’, World Bank Group, http://www.doenvt-worldbank.org/oen/oeeddoclib/nfo/DocUNViewForJavaSearch/8525682E00686037852578380068BA5B8openadocument


Although the UN Declaration on the Rights of Indigenous Peoples, as a declaration and not a convention, is not directly binding on UN Member States, the obligation to respect the right of indigenous peoples to give or withhold their free, prior and informed consent to activities planned on their lands is upheld by other international laws, including the Convention on the Elimination of All Forms of Racial Discrimination, which many governments have ratified. See www.forestpeoples.org/sites/fpp/files/publication/2009/12/fpicandrspocompaniesg0edoct08eng.pdf, ILO Convention 169 also provides for FPIC for indigenous peoples.

For further information about FPIC, see: www.culturalSurvival.org/files/guidetofreepriorinformedconsent_0.pdf


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The Equator Principles banks represent 77 private financial institutions that have agreed that project finance should abide by certain social and environmental standards. See www.equator-principles.com/


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For further information about FPIC, see: www.culturalSurvival.org/files/guidetofreepriorinformedconsent_0.pdf

J. Rogers (2012), see http://timrogers-investments.blogspot.co.uk/2012/05/if-youre-smart-put-your-money-into.html


L. German, G. Schoneveld and E. Mwangi (2011) op. cit.; and personal communication with Anna Locke (March 2012). For further discussion of the options that Mozambique is faced with in terms of economic development, see: J. Hanlon (2012) ‘Obama v Kofi Annan: Who has the best model for agriculture in Mozambique?’ www.oxfamblogs.org/2012/?p=11339

Agence France Presse (2012) ‘Le Cambodge suspend l’attribution de nouvelles concessions’, 7 May 2012, http://ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_resettle/$FILE/ResettlementHandbook.PDF. Whether the pause will be used for genuine reforms to support community land tenure is, however, in doubt, as the draft Agricultural Land Law contains provisions to imprison farmers who oppose government-led decisions on land demarcation. Local human rights NGO Licadho said of the draft law, ‘The draft law as currently written could be used as a legal cover for land-grabbing and for those who wish to exploit and personally profit from Cambodia’s land and resources.’ (Cambodia Daily (2012) ‘New Draft Law Could Legalise Land-grabbing’, 24 July 2012). In addition, newspapers in Cambodia have reported new land concessions being granted despite the freeze: www.phnompenhpost.com/index.php/2012070557236/National-news/not-all-elc-listed.html


Pan-African Parliament (2012) Sixth Ordinary Session of the Pan-African Parliament, 16-20 January 2012, Addis Ababa, Ethiopia, www.panafricanparliament.org/iControls/Documents.aspx?ID=1263. The text of the resolution recognizes the importance of investment to Africa’s development but nevertheless sets out the reasons for a moratorium: ‘Cognizant of the need of investing in Africa’s development in particularly in agriculture and in rural areas where the majority of people live; Noting with deep concern the recent rise of large-scale land acquisitions also known as ‘land grabbing’ and the impact of domestic and Foreign Direct Investment in land, water and related natural resources; Fully alarmed by the negative impacts on human rights especially on women, including unequal access to land and disruption of access to water...’


Paw, New Guinea Eco-Forestry Forum, the Centre For Environmenta Law and Community Rights, Greenpeace, the Association for Tropical Biology and Conservation and others: www.ecoforestry.org/articleGroups/news-12/commission-of-inquiry-ordered-into-subsitesite=1; www.greenpeace.org/australia/Global/australia/11-07%20PR%20Briefing_smaller_F.1.pdf


Abab orders Inquiry’, (2011), the Post-Courier, 6 May 2011, available at www.postcourier.com.pg/20110506/news01.htm. Also note that recent media statements by the Secretary of the Commission of Inquiry have thrown doubt on the implementation of Acting Prime Minister Abab’s announcement. The National newspaper reported on 10 August 2012 (p.7) that the Commission of Inquiry Secretary, Mathew Yuangu, stated ‘The Lands Department has continued to issue leases to incorporated bodies.’ http://www.thenational.com.pg/?a=node/36956


The IFC’s Performance Standards which apply to IFC investments – see http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC+External+Corporate+Site/IFC+Sustainability/Sustainability+Framework/2012/Performance+Standards+and+Guidance+Notes+2012

This includes expanding FPIC for all natural resource-dependent communities by incorporating it into the Bank’s Resettlement Handbook (http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_resettle/$FILE/ResettlementHandbook.PDF)