



Large-scale land acquisitions in developing countries – camouflage for ‘land grabbing’?

Standard Note: SN06516

Last updated: 21 December 2012

Author: Jon Lunn and Lorna Booth

Section International Affairs and Defence Section; Economic Policy and Statistics Section

Oxfam has launched a campaign on the issue of ‘land-grabbing’ – or what others would call ‘large-scale land acquisitions’ – in developing countries around the world, including by foreign governments or companies. Sub-Saharan Africa is viewed as the epicentre of the phenomenon. Some view it as a crucial motor of development and improved food security; others as the latest incarnation of ‘neo-colonialism’. The debate is an impassioned one.

This note describes the current Oxfam campaign to persuade the World Bank to introduce a six-month moratorium on agricultural lending that involves large-scale land acquisitions while it reviews its policies to prevent its loans being used for ‘land grabbing’, along with the response of the World Bank to the campaign. It also includes recent UK Government statements on the issue and a brief survey of current multilateral initiatives.

It should also be noted that the International Development Committee has begun an [inquiry](#) into Global Food Security.

Contents

1	Oxfam versus the World Bank	2
2	Position of the UK Government	3
3	Current multilateral initiatives	3
4	Other UK Government statements	4
5	Further reading	5

This information is provided to Members of Parliament in support of their parliamentary duties and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as being up to date; the law or policies may have changed since it was last updated; and it should not be relied upon as legal or professional advice or as a substitute for it. A suitably qualified professional should be consulted if specific advice or information is required.

This information is provided subject to [our general terms and conditions](#) which are available online or may be provided on request in hard copy. Authors are available to discuss the content of this briefing with Members and their staff, but not with the general public.

1 Oxfam versus the World Bank

Oxfam has launched a [campaign](#) on the issue of ‘land-grabbing’ – or what others would call ‘large-scale land acquisitions’ – in developing countries around the world, including by foreign governments or companies. Sub-Saharan Africa is viewed as the epicentre of the phenomenon. Some view it as a crucial motor of development and food security; others as the latest incarnation of ‘neo-colonialism’. The debate is certainly an impassioned one.

In its campaign, Oxfam is calling – amongst other things – for a six-month moratorium by the World Bank on agricultural lending that involves large-scale land acquisitions while it reviews its policies to prevent loans issued by it being used for ‘land grabbing’.

In its October 2012 report, [Our Land, Our Lives: Time out on the global land rush](#), Oxfam argues:

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.

Oxfam notes that some national governments have imposed moratoriums but asserts that the international community needs to do more. For Oxfam and others, the crucial determinant of whether a large-scale land acquisition should go ahead is whether it is based on the ‘Free, Prior and Informed Consent’ of affected communities.

In its [response](#) to Oxfam, the World Bank rejected the idea of a six-month moratorium:

We share the concerns Oxfam raised in their report “Our Land, Our Lives” regarding the potential risks that can be associated with large-scale land acquisitions and the need for appropriate governance, transparency, and participation of local land holders and other stakeholders in the land acquisition process. However, we disagree with Oxfam’s call for a moratorium on World Bank Group (“Bank Group”) investments in land intensive large-scale agricultural enterprises, especially during a time of rapidly rising global food prices.

A moratorium focused on the Bank Group targets precisely those stakeholders doing the most to improve practices – progressive governments, investors, and us. Taking such a step would do nothing to help reduce the instances of abusive practices and would likely deter responsible investors willing to apply our high standards.

Now, more than ever, the world needs to increase investment in agriculture, which is two to four times more effective in raising incomes among the very poor than growth in other sectors. Both smallholder and large-scale agriculture are necessary to boost productivity and produce enough food to feed the world’s poor.

In order to move from subsistence to commercial farming, 1.5 billion people who rely on small farms need access to knowledge, assets, credit, markets, and risk management that can come from larger-scale agricultural enterprises. We believe a

holistic, multi-stakeholder approach is the only way to address the challenge of food security and help to feed the world's poor in a sustainable manner [...]

[...] The Bank Group does not support speculative land investments or acquisitions which take advantage of weak institutions in developing countries or which disregard principles of responsible agricultural investment.¹

2 Position of the UK Government

On 19 December ([Hansard, c820W](#)), the UK Government responded to a parliamentary question influenced by Oxfam's campaign. Without explicitly addressing the six-month moratorium proposal, the Minister of State for International Development, Alan Duncan, said:

Developing Countries: Land

Tom Blenkinsop: To ask the Secretary of State for International Development if she will discuss with the World Bank its policies on the financing of large-scale land acquisitions. [133942]

Mr Duncan: The UK Government believes that private sector investment in poor countries, and the growth of small and large commercial agriculture, are key to global food security and economic growth in Africa. When done well, and in conjunction with the rights and interests of those living on the land, commercial investments in agriculture have the potential to transform people's lives.

The need for responsible investment also applies to investments supported by the World Bank. The UK Government supports the World Bank work on land and welcomes the efforts the Bank is making to be more transparent in its land programmes. We are actively engaged in discussions with the World Bank on its investment policies, including on land, through regular discussions led by the Secretary of State for International Development, my right hon. Friend the Member for Putney (Justine Greening), at the annual and spring meetings, through our presence on the board and through working-level communication.²

3 Current multilateral initiatives

In May 2012, the '[Voluntary Guidelines on the Responsible Tenure of Land, Fisheries and Forests](#)' were adopted by multilateral and government stakeholders. The World Bank [says](#) that it supports the 'Voluntary Guidelines'; but the driving force behind them appears to have been the UN Food And Agricultural Organisation (FAO). The World Bank has been placing much store on another 'soft law'³ initiative called the '[Draft Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods and Resources](#)'. In one 2011 report, the World Bank-led initiative was described as overly '[technocratic](#)' and insufficiently inclusive and consultative in character.

Efforts have begun under the auspices of the intergovernmental UN [Committee on Global Food Security](#) to develop a set of 'Principles for Responsible Agricultural Investment', for approval in October 2014, which will then presumably sit alongside and complement the 'Voluntary Guidelines'. The structure of the Committee has recently been revamped. The UK,

¹ This sentence was highlighted by the World Bank in its response.

² A written question by Iain McKenzie MP, in which Oxfam's six-month moratorium proposal is explicitly mentioned, awaits official reply [UIN 133766].

³ One [online legal source](#) offers this definition of the much-debated concept of 'soft law': "In the context of international law, soft law refers to guidelines, policy declarations or codes of conduct which set standards of conduct. However, they are not directly enforceable."

along with the EU as a whole, is a [member](#) of the Committee. The World Bank is on the [Advisory Group](#) to the Committee's Bureau, which is its executive arm. The Committee's permanent secretariat is located within the FAO.

The UN Special Rapporteur on the Right to Food also published a set of '[Minimum Principles and Measures to address the Human Rights Challenges of Large-Scale Land Acquisitions and Leases](#)' in 2010. These 'Minimum Principles' are also informing multilateral efforts.

The UK Government is also a supporter of the G8 [New Alliance on Food Security and Nutrition](#), which was launched in May 2012. The UK holds the presidency of the G8 during 2013 and announced its [priorities](#) (free and open trade, reducing tax avoidance and promoting transparency) for the year on 20 November 2012.

4 Other UK Government statements

Developing countries: Land (HC Deb 19 December 2012 c820-21W)

Mark Lazarowicz: To ask the Secretary of State for International Development what her policy is on improving land governance and security of tenure for the rural poor in developing countries; and if she will make a statement. [134060]

Justine Greening: The UK Government, through its international development programme, aims to improve access to and productivity of land, and ensure that people's rights are protected. Improving land governance, by addressing the institutional framework, land management and administration and systems to resolve disputes, is essential to improving the security of land rights.

The UK Government takes a context specific and evidence-based approach to land governance and securing land rights for the rural poor. Examples of ongoing projects include helping to secure land tenure of local communities in Mozambique and increase sustainable land management.

Mark Lazarowicz: To ask the Secretary of State for International Development (1) what operational projects her Department is currently funding that aim to support the registration of land rights in developing countries; [134067]

(2) how much her Department spent on projects to establish land rights in developing countries in the last five years for which figures are available; [134061]

(3) how much funding her Department currently provides to governments in Africa to support their capacity to register land rights. [134066]

Justine Greening: The Department for International Development (DFID) does not directly track spending on 'establishing or registering land rights'. This is not one of the standardised categories which all members of the Development Assistance Committee of the Organisation for Economic Cooperation and Development use to describe how they allocate their resources. Improving land rights is often one component of larger programmes, for example on agriculture or rural development.

UK aid is supporting efforts to secure land rights for individuals, businesses and communities in at least eight countries in South Asia and Sub-Saharan Africa and through investments in key multilateral organisations. Examples of ongoing projects include supporting rural communities in Mozambique to register their land and helping at least 4 million landholders obtain formal titles in Rwanda. The International Fund for Agricultural Development, to which DFID provides core funding, supports poor people to secure their land rights in about 45 countries. It is estimated that DFID has at least

£100 million worth of commitments on improving land and property rights for the current spending review period.

Developing Countries: Land (HC Deb 20 November 2012 c476-7W)

Richard Burden: To ask the Secretary of State for International Development what preparations her Department is making to promote measures for greater governance and transparency in large-scale land acquisitions in developing countries during the UK's G8 presidency. [128232]

Justine Greening: The coalition Government recognises the need for good governance and transparency in investments involving large-scale land acquisitions and we continue to discuss the issue with non-governmental organisations for investments to protect the legitimate rights of local people and not to undermine local food security.

When done well, commercial investments in agriculture have the potential to be transformational. But it is vital that the rights and interests of the people living on the land are taken into account, which increased transparency can support.

The Prime Minister will announce his priorities for the UK's G8 presidency shortly. But he made clear in an article on 1 November that the golden thread themes of transparency and accountability will be at the heart of the UK's G8 presidency.

Developing Countries: Property Rights (HC Deb 1 November 2012 c321-2W)

Peter Aldous: To ask the Secretary of State for International Development what measures are in place to promote property rights in developing countries to prevent land grabbing by international corporations. [125586]

Lynne Featherstone: The coalition Government recognises that there are competing pressures on land for food and fuel in developing countries, and that high commodity prices among other factors have led to a rush in large scale land acquisitions from both domestic and international investors. When done well, commercial investments in agriculture have the potential to be transformational, but it is vital that the rights and interests of the people living on the land are taken into account.

The UK Government welcomes the successful negotiation of the Voluntary Guidelines on the Responsible Tenure of Land (in the context of national food security), and supports the broad-based consultation on the Principles of Responsible Agricultural Investment. Through DFID's bilateral programmes, DFID is supporting over 6 million people secure their rights to land and property by 2015. In 2011 alone, we have helped 800,000 people, including 200,000 women, secure their property rights in Mozambique, India, Rwanda and Nepal.

5 Further reading

Food and Agricultural Organisation, "[Trends and impacts of foreign investment in developing country agriculture: Evidence from case studies](#)", 2012

"[Spotlight on land-grab deals](#)", IRIN News, 14 November 2012

"[Squeezing Africa dry: behind every land grab is a water grab](#)", *Pambazuka Newsletter*, 13 June 2012

[“Land grabbers and food grabbers: a review by Robin Palmer”](#), *Moroko Newsletter*, No. 61, June 2012

[“Land grabbers: Africa’s hidden revolution”](#), *Observer*, 20 May 2012

[“New International land deals database reveals rush to buy up Africa”](#), *Guardian*, 27 April 2012,

International Institute for Environment and Development webpage: [“land grab or development opportunity?”](#) [With links to a large number of useful reports on the issue]

Future Agricultures Consortium, [“Land-grabbing in Africa and the new politics of food”](#), Policy Brief No. 41, June 2011

