

World Bank Policies “enabling” African Land Grab

By [Bretton Woods Project](#)

Global Research, September 17, 2011

Bretton Woods Project 16 September 2011

Region: [sub-Saharan Africa](#)

Theme: [Poverty & Social Inequality](#)



Robin Heighway-Bury/Thorogood.net

New research accuses the World Bank Group’s policies of facilitating land grabs in Africa and favouring the interests of financial markets over food security and environmental protection.

Agriculture and the food crisis are a high-profile agenda topic at the upcoming World Bank annual meetings, and critical voices are growing on the Bank’s approach to food price volatility (see Update [77](#), [76](#)). Recent in-depth research by the US-based Oakland Institute raises further difficult questions on agriculture policy for Bank officials. The report implicates the World Bank Group (WBG) in the increasing acquisition of farmland in the developing world by private investors and wealthy nations, which critics are calling a global ‘land grab’ (see Update [76](#), [72](#), [71](#), [68](#)). The investigative research, published between March and June, analyses a series of land deals in countries across Africa and finds that the purchases of land, often by large institutional investors, are mainly unregulated, produce few of the promised benefits to local people, and instead are forcing thousands of small farming communities off ancestral land, creating serious food insecurity and driving environmental destruction.

Writing in a blog for Reuters, Joan Baxter, a research fellow at the Oakland Institute, said that “more than any other institution or agency, the World Bank Group has been promoting direct foreign investment in Africa, and enabling the farmland rush.” Their in-depth reports on Mali and Sierra Leone reveal how the WBG “has shaped the economic, fiscal, and legal environment ... in a way that favours the acquisition of vast tracks of fertile lands by few

private interests instead of bringing solutions to the widespread poverty and hunger.”

The Oakland Institute finds that the WBG has, through an array of different policies, overseen a shift towards prioritising large-scale commercial agribusiness, achieved by attracting and promoting foreign agricultural investment. The Foreign Investment Advisory Service and the Remove Administrative Barriers to Investment program, both projects of the International Finance Corporation (IFC), the Bank’s private sector arm, have “been working – often behind the scenes – to ensure that African countries reform their land laws and fiscal regimes to make them attractive to foreign investors” (see [Update 68](#)). The Bank has financed legal reform mechanisms that are promoting rapid changes in land tenure laws, “driven by a desire to facilitate large-scale agricultural investment”.

The Bank has also been funding investment promotion agencies in African countries that place private sector advisors in key governmental ministries, including presidential offices. This was a key part of the Growth Support Project for Mali, financed by a loan from the International Development Association (IDA), the Bank’s low-income country arm. The salaries of the directors of the Malian investment promotion agency are covered by the IDA loan. The agency also includes IFC consultants, and guarantees investments through the Multilateral Investment Guarantee Agency (MIGA), the Bank’s risk insurance arm.

Baxter observes that these agencies “are developing and advertising a veritable smorgasbord of incentives not just to attract foreign investment in farmland but also to ensure maximum profits to investors. These include extremely generous tax holidays for 10 or even 30 years, zero per cent duty on imports, and easy access to very large tracts of land, sometimes over 100,000 hectares. Investors may pay just a couple of dollars per hectare per year for the land, and in Mali, sometimes no land rent at all.”

RAI principles found wanting

The reports from both Sierra Leone and Mali also argue that the land deals facilitated by the Bank’s investment promotion policies fail to comply with its own large-scale responsible agricultural investment principles (RAI, see [Update 76](#), [71](#)). The report on Sierra Leone says the RAI principles are “vague and minimal”, and are “based on the controversial assumption that industrial-style agriculture and land use can increase food production and fuel economic growth in host countries”, and “do not consider the overall questions about the enormous risks and inherent injustices of the global rush by investors and nations for farmland”. It argues that that land deals in Sierra Leone do not conform to the RAI principles, while the Mali report argues that the “Bank ignores its own principles by supporting institutions and policy reforms that disregard them.”

The RAI’s have also come under fire for legitimising corporate land grabs in a recent press statement by social movement Via Campesina. Released before the meeting of G20 agriculture ministers in June, it states that the “World Bank initiative to make land grabbing more socially acceptable is no solution at all. The Principles for Responsible Agricultural Investment (RAI) are set up to legitimise land grabbing from small holders.”

Meanwhile, the IFC has dropped a controversial proposed investment in a company accused of land grabbing. It had planned to lend \$30 million to Calyx Agro Ltd, an Argentinean subsidiary of a French owned commodities trading company. Calyx Agro holds farmland across South America. In June a group of NGOs and social movements, including Via

Campesina and Focus on the Global South, sent a letter to IFC head Lars Thunell opposing the investment. The letter states that “at a time when social movements in Latin America and around the world are calling for a stop to the ‘farmland grab’ and where many of the region’s governments are pursuing measures to restrict foreign investment in their farmland, it is unacceptable for a multilateral institution like the World Bank to be offering direct support to some of the world’s leading actors involved in land grabbing.”

Understand the fundamental directions in which our world is moving
THE GLOBALIZATION OF POVERTY AND THE NEW WORLD ORDER
Click to order the bestseller by **MICHEL CHOSSUDOVSKY**

Click to learn more!

"In its entirety, the book can and should be read by all with an interest in world peace and the causes of poverty."
-Frances Hutchinson, *The Ecologist*

The Globalization of Poverty and the New World Order

The original source of this article is Bretton Woods Project
Copyright © [Bretton Woods Project](#), Bretton Woods Project, 2011

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Bretton Woods Project](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca