



THE WORLD BANK

Working for a World
Free of Poverty

World Bank Group Statement on Oxfam Report “Our Land, Our Lives” October 4, 2012

By 2050, there will be two billion more people in the world; a 70% increase in global food production will be needed to feed them. Food prices are rising, pushing many people back into poverty. Addressing this challenge will require major new investment in agriculture to improve the productivity of large and small farmers while protecting the environment and existing users’ rights.

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 World Bank (IBRD and IDA) interacts primarily with governments to strengthen land tenure policies and improve land governance. More than 90% of our agriculture portfolio focuses on the productivity of and access to markets by smallholder farmers. In addition, 10% of our projects focus on the governance of land tenure. The World Bank has actively supported the “Voluntary Guidelines on the Responsible Governance of Tenure of Land, Forestry and Fisheries” approved by the Committee on Food Security (FAO, Rome) in May 2012. In partnership with many stakeholders, such as the Grow Africa platform, we are now actively engaged in disseminating and operationalizing these guidelines at the regional and country levels. They are an essential element in our policy dialogue with governments and interaction with the private sector. For project examples, click [here](#).

The International Finance Corporation (IFC), the Bank Group's private sector arm, works with client companies to raise agricultural productivity in developing countries while also supporting policies to protect land rights for the most vulnerable small farmers and helping governments put transparent laws in place. IFC invests in environmentally and socially sustainable private enterprises in all parts of the value chain (inputs such as irrigation and fertilizers, primary production, processing, transport and storage, traders, and risk management facilities, including weather/crop insurance, warehouse financing, etc.). IFC investments made directly in the agricultural sector have already delivered substantial economic benefits, including helping provide jobs for 37,000 people, including 11,000 women, and reaching 4.2 million farmers. For project examples, click [here](#).

We agree that instances of abuse do exist, particularly in countries where governance is weak, and we share Oxfam's belief that in many cases, practices need to ensure more transparent and inclusive participation in cases of land transfers. This is precisely the role that the Bank Group undertakes through application of its environmental and social standards as well as its work with host governments on land tenure and other essential reforms.

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. The World Bank supports and consistently recommends government policies that implement systematic land surveying and titling programs that recognize all forms of land tenure: public and private; formal and customary, including those of pastoralists or others with weak formal rights; collective and individual, including women's rights; and rural and urban. IFC follows its own Performance Standards, which address issues ranging from environmental and social impacts, to labor practices, to community engagement and consultation, to assuring future livelihoods for existing users, and are acknowledged by a wide range of stakeholders as leading global standards. We recognize that implementing projects to meet high standards is challenging. In this regard, IFC's commitment to publicly disclose information on a regular basis following Board approval is an important step in promoting transparency and accountability.

Prudent risk assessment and management and capacity building are the tools to achieve sustainable practices, and we are continually learning and refining our approach with input from stakeholders and our own experience. For example, IFC has enhanced its due diligence and early risk assessment procedures to assess local food security impacts of potential agricultural investments requiring large land areas and is piloting new requirements for contract transparency in cases of government- to-private sector land transfer. The World Bank plans to launch this month a multi-stakeholder consultative process to review and update its environmental and social safeguards policies. The main objective of the review is to strengthen the effectiveness of the safeguard policies to enhance the development impact of Bank-funded operations.

We believe in working with organizations like Oxfam regarding how best to address the challenges of food security and economic development but reject the call for a moratorium. Rather, the best way to address such broad and complex issues is to work in partnership with stakeholders through the appropriate multi-stakeholder forums, while continuing to offer advice and assistance to governments and investors to ensure positive outcomes and encouraging responsible investments. We welcome engagement that will keep investors and governments honest and that can help us work together on issues prompted by the land rush.

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