(MIS)INVESTMENT IN AGRICULTURE

THE ROLE OF THE INTERNATIONAL FINANCE CORPORATION IN GLOBAL LAND GRABS

FOREWORD BY HOWARD G. BUFFETT

The Oakland Institute

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Shepard Daniel with Anuradha Mittal

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"An alliance between public officials and land interests will be at the center of any local politics where capital can move in and out of local boundaries at will. A politics with such an alliance at its center will be unlikely to pursue egalitarian policies of any significant sort and will more than likely work to reinforce existing material differences among the population."

—*Stephen Elkin*[1]

TABLE OF CONTENTS

FOREWORD BY HOWARD G. BUFFETT

I have never considered myself an activist. I'm a father and a husband as well as a businessman, an author, a philanthropist, and a farmer. But when most people see me with my cameras, they quickly identify me as a photographer.

My journey behind the lens began when I was fourteen-years-old. Against my mother's wishes but with my father's support, I traveled alone to Czechoslovakia to visit Vera, a foreign exchange student my family had previously hosted in Omaha. It was my first time out of the country and a particularly tense time for Vera's family. Under Soviet occupation, armed soldiers policed the streets. Bullets perforated buildings. Markets were filled with lines of hungry people who spent hours waiting for small quantities of food—the Soviets seized most of the meats and vegetables. When I photographed the soldiers, my film was confiscated, but I learned a valuable lesson: in the years to come, I would hide film in a helicopter's first aid kit at the Mexico border, in a pita chip bag in Darfur, and in my boots in the Ivory Coast. Images became my way to share my experiences with others and make sense of a world that was so different from my own.

One afternoon as I peered out my host family's window, I witnessed a crowd of protesting students beaten with Billy clubs by secret police. I could not believe my eyes, and it was then that I decided to document what I saw—even if it was painful and sometimes dangerous. Forty years later I continue to document injustices and hardships.

As a permanent resident of South Africa and someone privileged to do a great deal of traveling, I have visited 38 of Africa's 54 countries and made repeated trips to many of these nations. In the process, I've experienced countless cultures and traditions while exploring the continent's 17 major agroecological growing zones. More than in any other place, it is on this beautiful continent that I sometimes wish I could shut my eyes, for I have experienced some difficult things: a mother who tried to hand me her dying child, a filthy HIV/AIDS clinic filled with young women infected by their husbands, and amputees who suffered horrible atrocities at the hands of vicious militias. I will never forget a trip to the Chad/Sudan border: an old man grasped my hand and with the little energy he could muster asked me not to forget him, not to let the world forget him and his people. I didn't have the heart to tell him that most people had already forgotten.

In Africa—where I usually spend half the year—I am also reminded of what I am not. I am not, nor have I ever been poor. I have never had to look at my five children and decide which of them will eat. I have never had to choose just one of them to attend school. I have never contemplated giving one of my daughters to a much older man who would pay me a handsome price for a child bride. And I have never worried that I will be forced off my farm, evicted so that a powerful corporation or foreign investor could lease or buy it for an absurdly low price in a deal brokered by my own government.

I am forever indebted to my mother for teaching me a lesson I will never forget: "Those of us who can help others in need have an obligation to do so." There are people who need our help. Now perhaps more than ever. This report discusses the land grabs that are quietly happening in Africa and the subsequent effect this process will have on the world's most vulnerable people.

Proponents of land grabs do not like this moniker. They classify it as media hysteria. Activist jargon. And they claim it is deliberately inflammatory. I'm not a fan of sensational titles, but this time the title fits. There's no disguising what is happening right now, on our watch. It is estimated that 50 million hectares have already been leased to foreign entities with at least 20 African countries considering similar deals. Some of these leases—99 years at $1.00 per hectare—are unbelievable deals. But they are only available to a select few. Local farmers—people who struggle to feed their families, gain access to fertile land and secure water for both personal consumption and agricultural activity—are not eligible for the deals being promoted in countries where millions of people remain dependent on food aid.

It turns out I'm the demographic that the host countries are hoping to attract. Just a few months ago I was personally offered an equity stake in a land deal being brokered by a hedge fund. I was assured that the partners would receive cash up-front with no personal liability. I was also promised that the host government would provide 70 percent of the financing, all utilities, and a 98-year lease requiring no payments for four years. The cost? $2.91 per acre per year after four years. Another fund provided a prospectus that claimed it would generate returns of between 15 and 20 percent. U.S. agricultural land has averaged a return of about six percent over the past thirty years. Therefore, these deals *are* either that good for investors, or the managers of these funds are misrepresenting the facts. If I didn't know better, this would sound like a great opportunity! But here's what I'm sure of: these deals will make the rich richer and the poor poorer, creating clear winners who benefit while the losers are denied their livelihoods.

Africa needs investment in agriculture—better seeds and inputs, improved extension services, education on conservation techniques, regional integration, and investment to build local capacity. It does not need policies that enable foreign investors to grow and export food for their own people to the detriment of the local population. I'll be even bolder—such policies will hurt Africa, fueling conflict over land and water. Conflict is already the single largest cause of hunger on the continent; war, fighting, and repeated disputes destroy households, pitting families against each other, even children against parents. It results in horrific crimes—genocide, displacement, infectious disease, famine, sexual and gender based violence, human trafficking, and recruitment of children in armed activities.

We need agreements that outline principles and frameworks. However, these policies must be documented and enforceable. And, whether we like it or not, history proves that codes of conduct do not always transfer from paper to people; principles do not feed children. There are some simple questions to ask. *When local people lack land rights in so many places, why should foreign interests take precedence? What assurances are in place to mitigate food insecurity risks for local populations? What evidence is there to suggest that the new land deals will be transparent when previous ones have been marked by secrecy? Why should we believe that communities will be fully incorporated into the negotiation process when it is in the investor's interest to exclude potential dissenters? How will best practices be replicated when there are no role models to follow? What type of enforcement will be established to ensure minimal environmental damage? What quantifiable social benefits will the local communities derive and what types of consequences will investors and facilitating governments face if these benefits do not come to fruition?* These questions must be answered and accountability must be insured. Unfortunately, mineral extraction in Africa has been less than stellar. Soil and water are the essence of life—far more valuable than oil or diamonds—so the stakes are even higher this time around.

Proponents of the land deals will dismiss my concerns and claim that this type of foreign investment will benefit the local people by providing jobs and creating infrastructure.

Photo by Jeannie O'Donnell. *No Place Like Home, Lofa, Liberia,* (November 12, 2007)

Two women explain that after the civil war they returned to their village to discover even greater hardship: their homes were burned, members of their families had been killed, and other people now controlled their land.

They will also say that the land being offered is "unused." These are hollow arguments. Investors have been quoted as saying they will employ 10,000 people and use high-tech, high-production farming techniques. The two promises are completely incongruous. As a farmer, I can tell you that high-tech, high production devices are appealing precisely because they reduce labor. Investors will not hire significant numbers of people and simultaneously scale-up their production techniques. And if they choose the former, they are likely to create low-paying jobs and poor working conditions. I may be making assumptions, but they are based on history—a history dating back to colonialism and one that has exploited both natural resources and people.

Photo by Howard G. Buffett. *There Are No Children Here, Kenema, Sierra Leone* (November 15, 2007)

This ten-year-old boy spends ten hours a day digging for diamonds, fully aware that if he doesn't find a gem he won't be paid. With limited resources and not enough to eat, children are forced to work difficult jobs at early ages.

Particularly disconcerting is the notion that the "available" land is "unused." This land is in countries with the highest rates of malnutrition on the only continent that produces less food per capita than it did a decade ago. In most cases, this land has a real purpose: it may support corridors for pastoralists; provide fallow space for soil regeneration; provide access to limited water sources; be reserved for future generations; or enable local farmers to increase production. The fact that rich and emerging economies do not have or do not respect pastoralists or use land for age-old customs does not mean we have a right to label this land unused.

This report's case studies section discusses three countries—Ethiopia, Liberia and Sierra Leone—currently being touted as prime for investment. I have spent time in all three of these nations and our foundation invests in each. They are filled with amazingly brave, welcoming people who have endured significant hardship and struggle to survive. I met twelve-year old Negese Feleke and his mother Adanech Seifa at a World Food Programme distribution sight in Misrak Badawacho, Ethiopia. The day I visited, 4,257 beneficiaries gathered to receive food rations. A year before my visit Negese was healthy, but when I met him he was severely malnourished. Frail. Listless. Hopelessness clouded his hollow eyes. I thought about when my son was the same age. Howie was growing quickly and was eager to see the world. When he was twelve, I told him he could accompany me on my travels as long as he kept his school grades up. Negese, I thought, will never have the same opportunities my son had. Negese wanted desperately to be in school but was forced to quit when he became sick from lack of food. His mother's one acre of land wasn't sufficient to grow enough food for her eleven family members so she sold her cattle and goat to buy maize and false banana. When we met, her assets were depleted and her entire family was chronically hungry. *Why aren't the land deals offered to foreign investors also available to local people like Adanech?*

Liberia is still recovering from a brutal twenty-three year civil war that displaced a staggering 86 percent of the population. Many people left their villages and headed to the capital, Monrovia, where there were camps for internally displaced people (IDPs). Others fled to

Photo by Howard G. Buffett. *Feeding the Masses, Gara Godo World Food Programme Distribution Site, Ethiopia* (June 6, 2008)

The majority of the 8,500 beneficiaries of this WFP site are malnourished children and pregnant and lactating mothers (PLMs), who are screened every six months to determine if they qualify for 25 kg of corn/soy blend and three liters of vegetable oil. With scarce water resources and limited access to land, the number of people at these sites continues to increase.

neighboring countries. Helena and her seven children headed to a refugee camp in Guiglo, Côte d'Ivoire where she survived by cooking and providing day labor. Helena is something of an anomaly. Unlike thousands of displaced people who are still unable to return home, Helena made it back to Liberia. When we met, she was growing corn, white pumpkins, squash, eggplant, rice, beans, and bitter ball on a 20 acre plot with 13 other farmers. Yields were too low to provide enough food for the entire year; lack of storage facilities only exacerbated the situation, creating postharvest losses as high as fifty percent. Helena and the other farmers dream of owning land, which is controlled by a tribal chief. *How can foreign investors' interests be placed above the dual priority of repatriating displaced Liberians and equitably distributing the small amount of arable land to this disenfranchised population?*

Sierra Leone is a portrait in contrasts. About seventy-five percent of the population lives on less than $2 a day, but each year the country exports millions of dollars of diamonds to rich nations. During the eleven-year civil war—from 1991 to 2002—the Revolutionary United Front (RUF) earned notoriety by forcibly recruiting child soldiers, chopping off peoples' hands, and trading diamonds for guns, grenades, and drugs. The last time I was in Sierra Leone, the war was over but the diamond mining business was alive and well. In Kenema, I met a ten-year-old boy who was hauling dirt to sort for diamonds. His compensation? $0.12 a day and a cup of rice. Some people call mining development, but in this case, I call it disgrace. The history of mining in Africa—whether it is for diamonds, copper, gold, uranium, oil, or tin—is not pretty. *When will we learn that when Africa is mined for its natural resources—including soil and water—local people rarely benefit?*

There are so many disheartening statistics—1.5 billion of the world's most impoverished farmers struggle to feed their families; 24,000 children die each day from poverty; over 1.1 billion people have inadequate access to water, and 1 billion people go to bed hungry—that it's easy to be overwhelmed by numbers. We can become convinced that we can't do anything to change the world into which we were born. But complacency is a luxury we cannot afford. Not when people like Negese Feleke have shared their stories with me. Not when former child soldier Little Cromite showed me the scar he incurred at age nine after his commander repeatedly cut open his chest and inserted cocaine to keep him "pumped up" and energized enough to drag the AK-47 he wasn't big enough to carry. Not when I have met farmers who work from morning until night and still cannot save their children from malnutrition.

African land grabs are nothing new, but the scale at which they are occurring is unprecedented. We are at a crossroads. Everything our foundation and myriad development agencies have worked to accomplish will be undone if we stand by idly and watch governments and business people arrange African land leases and purchases that lack transparency, wreak of corruption and make the poorest populations more vulnerable. This report explains the gravity of the situation and proposes solutions. Its authors—self-proclaimed activists, who aren't my usual bedfellows—have asked for my help and by way of this foreword, I am asking for yours. If you are reading this report it means that you enjoy some amount of privilege. And if you are in this position, you must remember that Africa is not a commodity. It must not be labeled "open for business."

HOWARD G. BUFFETT

Mr. Buffett manages the Howard G. Buffett Foundation, a private foundation that primarily supports humanitarian initiatives. He operates a 1,240-acre family farm in central Illinois, manages a 400-acre family-owned farm in eastern Nebraska, and oversees two foundation-operated research farms: 1,300 acres in Illinois and 9,200 acres in South Africa.

Mr. Buffett currently serves on the Corporate Boards of Berkshire Hathaway, Inc., an investment holding company; Lindsay Corporation, a world-wide leader in the manufacturing of agricultural irrigation products; and Sloan Implement, a privately owned distributor of John Deere agricultural equipment in North America. Mr. Buffett has served on the boards of Archer Daniels Midland, a leading world food processor; Coca-Cola Enterprises, Inc., the largest Coca-Cola bottler in the world; and ConAgra Foods, one of North America's largest food service manufacturers and retail food suppliers.

In 1997, Mr. Buffett became a member of the Commission on Presidential Debates; he received the Aztec Eagle Award from the President of Mexico in 2000; he has been recognized by the Inter-American Institute for Cooperation on Agriculture as one of the most distinguished individuals in agriculture in 2002; and in 2005, he received the Will Owen Jones Distinguished Journalist of the Year Award.

He has authored seven books on conservation, wildlife, and the human condition.

INTRODUCTION

The global land grab,[2] to a great extent, has been spurred by the events surrounding the Food and Financial Crises of 2008. In response to the crises, many developing countries looking to regain their economic footing increased their openness to foreign direct investment (FDI) in emerging markets—particularly in agribusiness and tourism. As part of this trend, fertile land is being offered to investors, often at giveaway prices, and especially in Africa. These and other factors have ignited a global rush for the world's farmland by investors in what has become known as the global "land grab" phenomenon.

The World Bank Group (WBG), commonly referred to as the World Bank, took a lead role on the international stage following the food and financial crises with the formation of programs such as the Global Food Crisis Response Program (GFRP) in May 2008—part of what World Bank President Robert B. Zoellick called the "New Deal on Global Food Policy." In FY09, World Bank loans, grants, equity investments, and guarantees saw an unprecedented 54% increase over FY08 as WBG assisted countries struggling in the wake of the financial downtown.[3] Furthermore, the World Bank is the central organizer in a multilateral Agriculture and Food Security Initiative, with the G20 asking the World Bank in October 2009 to work with interested donors and organizations to establish a special multilateral trust fund to support a multibillion-dollar food security initiative.[4]

Yet, despite its central role in what was intended to be a massive overhaul in international food policy and a vast improvement to food security in the developing world, evidence reveals that World Bank Group policies and efforts are doing just the opposite. For example, despite international commitments in favor of small farmers, many reports indicate that programs supporting food production have targeted farmers recognized as better off and more productive rather than marginal farmers and non-farming rural populations, such as small holders and pastoralists.[5] In Ethiopia, which is the largest recipient of World Bank's GFRP program, the use of imported fertilizers has been concentrated in only the "productive" areas.

Perhaps most outrageous is WBG's role in fueling the global land grab. Through the promotion of policies and technical assistance to governments in order to spur foreign direct investment in agriculture in developing countries, WBG agencies are enabling a trend that threatens global food security and livelihoods of small-scale farmers.

This Report focuses exclusively on the land grab trend and WBG's role within it. Specifically, the Report examines the work of the International Finance Corporation (IFC),[6] the private sector branch of the World Bank Group, its provision of technical assistance and advisory services to developing country governments, and how these services increase the ability of foreign investors to acquire land in developing country markets. Since mid 2008, land acquisitions have drawn widespread criticism[7] from United Nations agencies, governments, and civil society groups concerned that land grabs threaten food security and access to land for poor, vulnerable populations. This Report demonstrates the way in which IFC's advice to governments increases investor access into land markets and how this can undermine the wellbeing of local communities, both in terms of land rights as well as access to food. Unless IFC is held accountable for ensuring the rights of local people in its investment promotion activities, subsequent land grabbing will continue to threaten those suffering from hunger and poverty.

The Report proceeds as follows: Part I provides an overview of the International Finance Corporation (IFC) and the Foreign Investment Advisory Service (FIAS), the two WBG organizations that provide technical assistance and advisory services to developing country governments. Part II highlights the roles of IFC and FIAS in promoting land grabs by foreign investors in their efforts to improve the 'Investment Climates' and 'Business Enabling Environments' of developing countries. By revealing the particularities of certain IFC/FIAS "products" (such as the 'Access to Land' product and the 'Land Market for Investment' product) as well as analyzing IFC's specific technical assistance and advisory services to governments (such as creating "investment promotion agencies" and rewriting national laws), this section reveals the ways in which land grabs are facilitated by IFC/FIAS activities. Finally, Part III outlines three case studies—Sierra Leone, Liberia, and Ethiopia—in which IFC/FIAS advisory services have resulted in regulatory and legislative reform, thereby increasing investor entry into land markets.

The Report concludes that the promotion of investor access into developing country land markets threatens local food security, displaces local populations, and therefore operates in direct violation of IFC's own Performance Standards as well as several UN Human Rights conventions. The Oakland Institute calls for an investigation of IFC/FIAS technical assistance and advisory services as well as its advisory service "products." It is crucial that IFC be held accountable for the land grabs that its technical assistance and advisory services subsequently promote in order to protect the food security and livelihoods of the world's most marginal and vulnerable populations in this precarious global economic landscape.

© FAO/Sarah Elliott. Kenya; Rice fields in the Kenyan community of Ahero

PART I. IFC AND FIAS: THEIR WORK AND VISION

The International Finance Corporation (IFC) and one of its partner organizations, the Foreign Investment Advisory Service (FIAS), are two organizations within the umbrella of the World Bank Group (WBG).[8] While they share the primary objective of all WBG agencies—to improve the quality of the lives of people in its developing member countries—these two WBG organizations are fundamentally different from the others in that they form part of the private sector arm of the World Bank Group, essentially denoting that they are profit-oriented institutions.[9] While their activities must meet the test of contributing to a reduction in poverty in line with World Bank Group's mandate,[10] in practice, this mandate has been broadly interpreted, as IFC and FIAS tend to view all private sector development as good for overall economic development.[11] The IFC and FIAS vision of development is essentially summarized as follows: "Through the growth of the private sector, more and better jobs are created and incomes rise, providing the poor with more opportunities for upward economic and social mobility."[12]

IFC's primary activity is private sector financing. Like a bank, IFC lends or invests its own funds and borrowed funds to its customers and expects to make a sufficient risk-adjusted return on its global portfolio of projects. IFC provides investment lending and advisory services (AS) to both investors and state governments. It also carries out technical cooperation projects in many countries to improve the investment climate, that is, to make investment in these countries more easy and attractive to foreign investors. These activities may be linked to a specific investment project, or, increasingly, to broader goals such as improving the "legislative environment" for a specific industry. IFC's technical cooperation projects are generally funded by donor countries or through IFC's own budget.

The Foreign Investment Advisory Service (FIAS) is another WBG organization working to enable private sector growth in developing countries. This "multi-donor investment climate advisory service" managed by the IFC and supported by the Multilateral Investment Guarantee Agency (MIGA) and the World Bank (IBRD), advises client governments on how to improve their "business-enabling environments." In particular, FIAS advises governments of developing and transition countries on regulatory simplification, investment policy and promotion, and industry-specific investment climate issues[13] (See FIAS Advisory Service Products, below).

Understanding the Roles of IFC and FIAS

FIAS is an organization within the IFC branch of the World Bank Group, and yet the two have different roles. For example, FIAS has deep technical expertise around key investment climate issues and a limited field presence, while IFC's Advisory Services have extensive field presence and is growing in the investment climate business. Increasingly, the two organizations engage in complementary work. This collaboration is evidenced by the growing number of full, integrated joint-ventures between FIAS and the IFC Facilities in Africa, China, the Balkans, and South Asia, and in the number of joint projects in the past few years. The integration of the frontline delivery of services is supported by joint strategies and increasingly unified regional management and joint teams, a trend which has increased in the FY08-FY11 strategy period.[14] For example, in Sub-Saharan Africa, FIAS worked closely with IFC's Conflict Affected States in Africa Initiative (CASA).[15]

Together, the advice and assistance provided to governments by World Bank Group entities is referred to as TAAS (Technical Assistance and Advisory Services). Specifically, Technical Assistance (TA) is the service provided by FIAS (upon integrating MIGA Technical Assistance into their agenda in FY07), while Advisory Services (AS) are provided by IFC.

IFC and FIAS are very focused on quantitative, measurable results to track development progress and rank the investment climate of a country. For example, countries are ranked according to complex indicators, which are meant to reflect the relative ease of Doing Business based on the nature of the regulatory environment in each country.[16] This model of employing quantitative, overly simplified, and easily comparable results is reflected in IFC and FIAS language:

"To achieve its growth targets, [South Asia] needs to increase investment from the current 15-20 percent of the GDP to 28-30 percent."[17]

"Sudan improved its *Doing Business* ranking in 2007 on the "trading across borders" indicator by cutting export time by 17 days, import time by 29 days, and reducing the number of export and import documents required by 5 and 6, respectively."[18]

"Through its technical assistance programs, FIAS supported the achievement of 224 concrete results.[19] FIAS also contributed to 57 *Doing Business* reforms in 21 countries."[20]

IFC and FIAS exist in large part to promote foreign direct investment (FDI) in developing countries. As the largest component of international capital flows to the developing world, FDI's relevance has increased in recent decades as a major source of funding for developing countries. Despite the fact that the effects of FDI in developing countries are highly debated,[21] the World Bank Group promotes FDI with unwavering confidence in the benefits it promises—job creation, improved infrastructure, and the creation of fiscal space for developing country governments to focus scarce budgets on critical needs such as education and health care.

In order to effectively promote foreign direct investment, IFC and FIAS insist on regulatory reform in order to increase the Business Enabling Environment (BEE) as well as the Investment Climate of their client countries. They believe "the enormous inefficiencies constraining growth must be addressed mainly at the microeconomic level... through broad legal and regulatory reforms."[23] In order to promote such reform, IFC and FIAS provide technical assistance and advisory services to developing country governments, and in turn, foreign direct investment is facilitated.

IFC/FIAS Technical Assistance and Advisory Services (TAAS)

While many are aware of IFC's role of financing investment in developing countries, less visible is their work of providing Technical Assistance and Advisory Services (TAAS) to developing country governments. While IFC may not be financing a project in a given country, their presence, along with that of FIAS, is often felt as the two organizations work with governments to promote investment climate reforms such as cutting down on administrative and institutional barriers, developing investment promotion agencies in these countries, and advising governments on changes to tax, customs, and land laws. It is precisely this TAAS that has encouraged governments to open their land markets to foreign investors. The following section describes the technical assistance and advisory services that IFC and FIAS provide.

IFC's Advisory Service Products

The Advisory Services (AS) department of the IFC was established in 1986 and is seen as one factor that distinguishes it from other financiers. The goal of AS is to improve development impact, enhance capacity and creditworthiness, and assist in project implementation in areas where the IFC feels it has a comparative advantage. Since 2006, IFC's Advisory Services have been arranged in five business lines:

- Access to Finance (A2F) – Assistance that seeks to expand the availability of financial services to micro and small businesses and low-income households.
- Business Enabling Environment (BEE) – Activities geared toward improving the business environment to allow private sector projects to be viable.
- Corporate Advice (CA) – Activities aimed at improving the business capability of companies.
- Environmental and Social Sustainability (ESS) – Advice and market transformation activities that enable the private sector to deliver environmental and social benefits in developing countries.
- Infrastructure (INF) – Advice on improving access to basic services such as roads, telecommunications, water and energy utilities, and health and education.

IFC's Advisory Services have expanded in recent years to become a substantial part of its business strategy;[24] AS is now recognized as "critical to meeting IFC's mission."[25] Recognizing the potential of advisory work, over the past 3-4 years, IFC has been implementing wide-ranging reforms to almost every aspect of its AS approach to strengthen focus and impact.[26]

Governments are IFC's single largest client group (and FIAS's largest client group as well), particularly within the BEE and INF business lines. Client governments account for 43% of AS operations and 52% of AS expenditures.[27]

IFC's AS falls into two broad categories. The first involves working directly with firms to demonstrate the "business case" for desirable practices, whether it is the adoption of sound corporate governance, or the entry into a new market segment. This accounts for around 60% of IFC's projects.

IFC thus advises governments from the perspective of an investor and with the objective of increasing and strengthening not only FDI in general, but also *its own investments and development agenda*.

Notably, the second category of AS focuses on improving the enabling environment for the private sector—and thereby unlocking opportunities for private investment by IFC and others.[28] Clients for this work are typically governments or standard-setting bodies. Around 40% of IFC's advisory projects are in this category, and the majority of those projects are in IDA countries.[29] IFC's work in this area might focus on economy-wide issues, such as improving the overall regulatory environment for the private sector, or focus on constraints in a specific sector. Also in this category is the work IFC does to help governments design and implement public-private partnerships (for examples, see Part III, Case Studies).

IFC tends to highlight the synergy that exists between its AS and its investment services: on the one hand Advisory Services can expand opportunities for FDI and strengthen existing IFC investments; and on the other hand, IFC investments can be used to catalyze a supply response to reforms, and so accelerate and demonstrate the benefits of reform as recommended by AS. An IFC presentation stated, "all Advisory Services are informed by—and gain credibility from—IFC's experience as an investor."[30] IFC thus advises governments from the perspective of an investor and with the objective of increasing and strengthening not only FDI in general, but also *its own investments and development agenda*. Quite obviously, the principle objective of IFC AS is the growth of the private sector, in part to meet its own business ends.

IFC is working to offer a more focused menu of advisory "products" to be delivered with a deeper body of experience and expertise, the results of which are to be controlled and measurable. As part of this effort, IFC has introduced a process for refining what it calls "core" products. The idea is that IFC should concentrate on specific products for which there is clear demand, strong strategic fit, solid expertise, and a track record of results. Some "products" are still in the development stage (such as inclusive supply chains, Small and Medium Enterprises capacity building tools), some are already "developed" (leasing product and Investment Policy and Promotion, or IP&P, see below), and some are exiting – to be managed by other branches (such as Access to Land product, see below). To deliver these products, IFC increasingly collaborates with its partner groups, such as FIAS, drawing on diverse areas of expertise and field experience.

FIAS's Technical Assistance Products

The delivery of Advisory Services is the area of expertise and principle work of FIAS, otherwise known as World Bank Group's Investment Climate Advisory Service. Established in 1985, FIAS principally advises governments on how to implement reforms, improve their business environments, and encourage and retain foreign investment.

FIAS currently offers governments 14 different Technical Assistance "products."[31] As of FY09, FIAS organizes its advisory services around two main practice areas, Regulatory Simplification and Investment Generation. The **Regulatory Simplification** practice comprises a comprehensive range of services to assist countries in improving the investment climate for domestic and foreign investors. These advisory services include: (i) short-term interventions by the Doing Business Reform unit designated to address specific issues highlighted by the *Doing Business* indicators[32] and (ii) longer term programs delivered through the Regulatory Simplification unit and the new crisis response cluster, which apply FIAS's product expertise to support in-depth and sustained reform efforts.[33]

FIAS's second area of advisory services, **Investment Generation**, consists of three distinct product lines: Investment Policy and Promotion, Industry Specific Advisory Services, and Special Economic Zones.[34] Each of these products are demonstrative of how FIAS delivers advice which increases investor access to land, and therefore each is explained here in further detail:

(i) With its **Investment Policy and Promotion** (IP&P) product, FIAS offers a number of services to governments; these range from identifying the key constraints of investment regimes, to providing technical assistance on investment codes and investment policy strategies, to offering implementation services and hands on guidance for reforming regulatory frameworks and institutions.[35] The IP&P team essentially helps client countries attract and retain investments. Solutions often include the identification of priority areas for reform of investment law and policies and efforts to promote client countries as locations for new investments.[36]

In its IP&P practice, FIAS works with client governments to create or improve existing **Investment Promotion Agencies** (IPAs). These agencies are developed with close guidance from IFC and FIAS officials and are established to achieve what WBG calls "Public Private Dialogue (PPD)" to increase the role of the private sector in economic development for the given country. Such PPD typically involves government agencies and IPAs working in close collaboration, along with the private sector and civil society, to jointly design and implement programs and create or reform laws and regulations. In recent years, FIAS has helped to create or bolster IPAs in Sierra Leone, Cape Verde, Senegal, and Tanzania, among others (see Part II for information on the Tanzania Investment Centre's promotion of land deals).

(ii) FIAS's **Industry-Specific Reform** team provides technical assistance to help governments identify, prioritize, and remove policy, regulatory, and institutional constraints, primarily to the agribusiness supply chain and the tourism sectors. In its FY08-11 Strategy Cycle, FIAS highlighted "Industry Competitiveness" as one of its most important investment climate issues. This team deals with "registering property" and approaches access to land as part of its industry competitiveness agenda, which explores piloting special economic zones (see below) as opportunities to address land market constraints.[37] According to FIAS, "Our industry approach—a combination of industry knowledge, strong economic policy expertise, and tools such as industrial estates to address access to land problems the private sector faces especially in Africa—holds the key to jumpstart economic reform processes and energize private sector activity."[38]

(iii) FIAS's global **Special Economic Zones** (SEZs) team is working with client countries to attract private sector investments through the development of commercially viable SEZs based on recognized best practices. A SEZ can be any geographically delimited area offering certain incentives (generally duty-free importing and streamlined customs procedures, for instance) to businesses which physically locate within the zone. In FY09, the team focused on developing programs in Indonesia and Mali, as well as conflict-affected countries such as the Democratic Republic of Congo, Liberia, Papua New Guinea, and the Republic of Yemen, "as platforms for reform pilots and energizing private sector investment."[39]

Criticism and Debate Over TAAS

While WBG's Independent Evaluation Group (IEG) noted that Advisory Services help to increase the development impact of IFC and FIAS work,[40] it is debatable whether this "impact" is positive or negative. A comprehensive study on technical assistance (TA) by the OECD Development Assistance Committee for its 2005 Development Cooperation Report found that "TA programs have come under repeated criticism for being too costly, inappropriate to recipients' needs, or fostering dependency."[41] According to Sakiko Fukuda-Parr, a professor of International Affairs at The New School and author of numerous reports on TA, "Technical assistance has been notorious in failing to build capacity because, as an instrument, it is precisely taking ownership away from developing countries. At the core of the problem is that the power relationship embedded in TA contradicts ownership."[42]

Further, TAAS based on rankings such as the IFC's *Doing Business* indicators have been criticized for having ideological strings attached. This country ranking system rewards less regulation, regardless of whether it derives from more efficient or simply inadequate labor laws.[43] "Such universal evaluation methodologies, even if they are not intended to directly inform policy, nevertheless assume this role by being used by donors to rank and compare country performance," one researcher notes. "This ignores whether each indicator is applicable to particular countries, and the extent to which countries at

© FAO/Walter Astrada. Rice, Sierra Leone's number-one staple, grows in every district, yet the country imports more than half of what it consumes.

different stages of their development may want to pursue different and tailored public policies."[44] Furthermore, "it is highly problematic for a multilateral institution to position itself as an objective source of policy advice on matters where they have a direct financial stake in the outcome, particularly in low-income countries that may not have the resources to procure advice from other sources, or in countries where weak democratic processes do not provide adequate checks and balances relative to external donors."[45]

Expanding TAAS Services

IFC and FIAS have greatly expanded their TAAS both in terms of staffing and funding. Notably, the IFC has dramatically increased its Advisory Services delivery, with an active portfolio approaching $1 billion and employing 1,262 staff—a sevenfold increase since 2001.[46] Within the IFC, Advisory Service staff now makes up the majority of its presence in the field in developing countries."[47]

FIAS has followed a similar trend. The largest chunk of FIAS's investment portfolio in FY09 was Investment Policy and Promotion product (20%); 56 of the 224 results were in the category of Registering Property & Access to Land, the most of any category. Other major categories included 34 results in Trade Logistics and 24 in Investment Policy and Promotion.

IFC/FIAS's Regional Focus on Africa

In recent years, the IFC and FIAS agendas have increasingly targeted Sub-Saharan Africa. In FY05-07, for example, FIAS increased its combined Africa expenditure from approximately $2 million to $10 million per year.[48] Likewise, IFC expenditures in Sub-Saharan Africa have jumped from $167 million in 2003 to $1.8 billion in 2009.[49] FIAS announced that Sub-Saharan Africa would remain a priority during the FY08-11 strategy cycle with the share of client project resources allocated to the region expected to reach 40 percent by 2011.[50]

This goal is well on the way to being realized. In FY09, the largest percent of FIAS's portfolio was allocated to Sub-Saharan Africa (36%).[51] In addition, of the 224 (Doing Business) results[52] reported in FY09, 40 percent were achieved in Africa.

In addition, the IFC/FIAS focus on Africa is evidenced by the creation of programs such as the "SWAT team" for Africa (to implement quick response, short-term advisory services) and the Investment Climate Facility for Africa (ICF). A partnership initiative among private companies, development partners, and governments, the ICF is a seven-year initiative supported by pledges of $170 million (from IFC, other donor partners, and the private sector —specifically targeted to improve Africa's investment climate.[53] The ICF has 24 projects in 10 African countries, many of which build on or leverage FIAS' activities in Africa.

This multitude of projects, products, and initiatives demonstrate the potency and extent of IFC/FIAS Technical Assistance and Advisory Services. With so many governments drawing on IFC/FIAS advice to implement policies and reforms, IFC and FIAS clearly play a powerful role in the shaping of social and economic outcomes in these countries. One critical outcome is the way in which IFC promotion of investor access to land is encouraging land acquisitions throughout the developing world. The following section highlights the ways in which IFC/FIAS policies specifically foment this trend.

PART II.
HOW IFC AND FIAS INCREASE INVESTOR ACCESS TO LAND MARKETS

The World Bank Group (WBG) believes that *efficient land markets that allow reasonably easy access to land to run a business are key to a supportive business climate.*[54] According to IFC/FIAS, the lack of access to land constrains investment and competition in developing countries and therefore, through technical assistance and advisory services (TAAS), IFC and FIAS seek to increase, simplify, and facilitate access to land for private sector development.[55] IFC acknowledges that creating such markets is a complex, politically charged process, and for this reason, IFC often works directly with governments by making recommendations about administrative processes and legislation.[56]

The following are three FIAS products which have specifically targeted expanding investor access to land over the past six years, by cutting down on the constraints which "bottleneck" foreign investment possibilities and assisting governments in reforming their land laws and policies.

1. 'Access to Land' Product

In FY04, FIAS greatly expanded the scope of its core products by increasing support for FDI policies that focus on access to land and on contract enforcement and secured lending. In FY08, the **Access to Land** product was officially introduced, and the Access to Land Advisory Services team has focused on assisting governments in implementing achievable short-term reforms to encourage investment and lay the groundwork for longer-term reforms that increase the overall investment climate of the country. Access to Land technical assistance focuses on three areas:

- **Accessing land**—designing and implementing a more effective system for making serviced land available for new and expansion investment;
- **Securing land**—developing simpler and more transparent procedures for investors to acquire and secure land property rights, with lower transaction costs;
- **Developing land**—simplifying and streamlining the multi-agency approvals to reduce the time and cost for investors to comply with the zoning, environment and building safety requirements and obtain the utility hookups.

FIAS has argued that "unclear or unenforceable rights to land inhibit business growth and investment across the developing world."[57] One FIAS report states that its teams "frequently encounter land issues in their work on other areas of investment climate, and access to land is a common aspect of FIAS recommendations."[58] When land rights are established and registered, it then becomes possible to buy or lease land for commercial use. Therefore, creating land registries is a common part of FIAS's effort to increase access to land.

> The access to Land product was created because business surveys identified gaining access to land as among the biggest complaints of investors in developing countries.

While the creation of land registries is important for fomenting any business development, whether for locals or foreign investors, the Access to Land product is carried out by an organization whose primary function is to promote *foreign investment*. FIAS literature suggests the Access to Land product was created because business surveys identified gaining access to land as among the biggest complaints of investors in developing countries.[59] While FIAS's land registries could potentially be used

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to benefit local business endeavors, the principal aim is to attract FDI to client countries. In Burkina Faso and Sierra Leone, The Investment Climate Facility for Africa (ICF) is funding the establishment of land registries—identified by FIAS as necessary to support land transfer and registration.[60] In FY09, 56 of the 224 results[61] were in the category of Registering Property & Access to Land, the most of any category.[62]

Examples of work carried out in servicing this product include the following cases:

(i) In **Vietnam**, a multi-year Business Access to Land project was launched in FY07 with project co-financing from Australia. The government issued a decree that clarified the concept of "stable use", thereby increasing the security of tenure for affected businesses. The decree also lengthened lease periods for residential land up to 70 years with a right of renewal and announced the broader use of land auctions.[63]

(ii) In **Benin**, in 2006, FIAS conducted a Land Access survey and identified major constraints affecting access to land for private, commercial, industrial, and residential development and contributed to the conceptualization and implementation of a reform program to improve the conditions for land access for private companies and to establish a secure and fluid land market that promotes private sector development.[64]

At the end of 2009, FIAS decided to phase out the Access to Land product, stating that despite encouraging early results, its management concluded that FIAS did not have the needed critical mass and that others in the WBG and beyond are better positioned to take the lead in this area.[65] However, FIAS is still the primary administrator of the following two products.

2. 'Investing Across Borders' Project

Investing Across Borders (IAB) is a new FIAS initiative as of 2009 that falls within its IP&P product. This new global benchmarking initiative for measuring the ease of establishing and operating a foreign-owned business in countries across the world is expected to publish its first report in Spring 2010. Modeled after the *Doing Business* indicators, the Investing Across Borders (IAB) project aims to compare the quality of investment climates across countries, identify good practices in investment policy design and implementation, and stimulate and advise investment policy reforms in client countries.[66] However, it expands the scope of *Doing Business* indicators to include foreign ownership restrictions in 20 sectors, the process of establishing foreign companies, access to land, and the use of international arbitration.[67] In 2009, the IAB team rolled out project surveys in 87 countries. More than 3,000 expert respondents agreed to complete the surveys, and more than 1,720 had been received at the close of FY09.[68]

Notably, the information sought to compile IAB indicators is solely comprised of technical regulatory and licensing information—information that determines the time and relative difficulty for investors to access land in foreign countries. As it appears, nothing about the IAB indicators seeks to consider the extent to which local populations in these countries will be affected—whether local populations already occupy the land, whether the land provides water supply or grazing lands for local populations, etc. According to IAB surveys administered to project participants, it is clear FIAS is interested, rather, in information such as:

- the procedures necessary for accessing land in developing countries: in investment climate surveys, FIAS asks survey respondents to identify the number of procedures for accessing land that prove to be obstacle to operating and expanding their business; they then rate countries on the ease of Doing Business based on the number of procedures necessary;
- how much time the aforementioned procedures take;
- how many different agencies are involved in these procedures;
- the types of land rights available and the security of land rights, e.g. whether the land rights are free from competing interests and whether they can be bought, sold and transferred, etc.;
- whether or not there are maximum sizes (in hectares) for land acquisitions.

3. 'Land Market for Investment' Product

Perhaps the most critical product for increasing investor access to land in the short term is FIAS's 'Land Market for Investment' Product, which, as of early 2010, had yet to be formally introduced. However, as of October 2008, FIAS already had 15 projects underway that contained a "specific land component," 8 of which are located in Africa.[69] Xiaofang Shen, the former head of the Access to Land Product, is now the Land Market for Investment Product leader.

This product seeks short-term solutions to land access problems for investors. Evidence from Investment Climate Assessments, *Doing Business* Reports, and FIAS diagnoses show that major concerns of investors include accessing land, securing property rights, and the time and cost for obtaining a myriad of permits to develop land, and yet many technical assistance initiatives associated with land have a long-term agenda that can take 10-15 years to complete. Therefore, FIAS is designing and piloting the 'Land Market' product to help governments address these specific, "near-term" land issues to meet the immediate needs of investors.

In developing the Land Market product, FIAS intends to:

- design and implement effective policies and procedures for making serviced land available for new and expansion investment;
- develop simple and transparent procedures for investors to acquire and secure land property rights (or land use rights), at reasonable costs;
- streamline the multi-agency approvals for land development, to reduce the time and cost for investors to comply with zoning, environment and building safety requirements.

This comprehensive product will provide not only a 'Knowledge Network' – in the form of an internal website providing staff in all regions a quick access to project design guides, indicators, consultant database, best practice case studies, and links to other sources of information; but also the operational support of FIAS land experts at the ground level. Operational support will include, among other things, the review of project proposals by foreign investors seeking to access land.[70]

Further, at a more selective level, intensive operational support is provided to projects with a "high potential to demonstrate success." According to FIAS, "such projects are being jointly identified with regional managers and project teams, as flagship projects test applying approaches and methodologies that are scalable in the regions once successful."[71] Intensive operational support has been underway since 2008 in Sub-Saharan Africa, namely in Burkina Faso, Mali, Nigeria, and Sierra Leone.

The following is FIAS's Partnership Proposal from October 2008, soliciting collaboration from other WBG agencies in the delivery of the new 'Land Market' product:

Oct. 2008

Facilitating the Land Market for Investment

A FIAS Product Under Development

Partnership Proposal

Evidence from Investment Climate Assessments, Doing Business Reports, FIAS diagnoses and other studies has highlighted that constraints in the land market are a critical bottleneck to private investment. Major concerns of investors include accessing land, securing property rights, and the time and cost for obtaining a myriad of permits to develop land. FIAS is seeking development partners in its effort to design and pilot a Product to help governments address these specific, "near-term" land issues.

Summary

Many technical assistance initiatives associated with land have a long-term agenda that can take 10-15 years to complete. In the meantime, governments are seeking short-term solutions to meet the immediate needs of investors. Such reforms have, in many places, provided the opportunity to test difficult policy changes, produce quick results, and gain the necessary public support for more complex and long-term reforms. For these reasons, government requests for FIAS advice in investment related land reforms have increased significantly in recent years.

There are 15-20 FIAS projects under implementation or in active preparation that contain a significant land component, in both the regulatory simplification and investment generation practice areas. While the interest in land cuts across all regions, Africa has the largest portfolio, with 8 of the 15 existing projects with land components.

FIAS is in a unique position to assist governments in land reform. Our investment perspective facilitates high-level political government attention. The focus on near-term results lays the groundwork for governments to take actions when conditions are ready, generate a quick impact on investment, and thus build public confidence in even some of the most difficult countries.

Land reforms will succeed only if they are balanced against other important social and economic objectives. Moreover, we recognize that "quick win" reforms in this area can only be sustained by more fundamental policy, legal and institutional reforms. To move forward, therefore, FIAS is seeking strategic alliances with other major players to develop and further implement the land product.

Project Objective and Overview

In developing the Land Market product, FIAS intends to:

- design and implement effective policies and procedures for making serviced land available for new and expansion investment;
- develop simple and transparent procedures for investors to acquire and secure land property rights (or land use rights), at reasonable costs; and,
- streamline the multi-agency approvals for land development, to reduce the time and cost for investors to comply with zoning, enviornment and building safety requirements.

Further, the Product will help governments to design monitoring and evaluation tools which help keep track of the results of land policy and procedural reforms generated under the initial process. Such tools will also contribute to land governance enhancement.

Component 1: Building a Knowledge Network

A tailored knowledge management effort is needed to help FIAS move towards a more coherent and scalable land advisory approach across the regions. It will also help FIAS to define more clearly the scope and focus of its land related work with a view to bringing in maximum value added and complementing the land work done by other players both in and outside the WBG. Specific activities/deliverables include:

- An internal website providing operational staff in all regions a quick access to project design guides, indicators, consultant database, best practice case studies, and links to other sources of information.
- A global land work network within the FIAS family, promoting channels and events for cross-region learning of critical topics of common interests.
- Case studies, lessons learned notes, and other R&D activities focusing on issues close to FIAS operation and fills the knowledge gaps, e.g.: state land allocation policies and procedures, sector specific land solutions, fast-tracking systems for investors to obtain land information and approvals, etc.

Component 2: Operational Support

Operational support is provided at two levels. First, at the general level, FIAS land experts work with project teams to offer the necessary advice, guidance and "quick help" assistance, to support project design, implementation and quality enhancement. This includes: review of project proposals, comment on reports, providing ToR samples, consultant reference, and other fast turn-around support activities.

Second, at a more selective level, intensive operational support is provided to projects with a high potential to demonstrate success. Such projects are being jointly identified with regional managers and project teams, as flagship projects test applying approaches and methodologies that are scalable in the regions once successful. Lessons learned from these projects also feed into global knowledge management and be disseminated to other regions through the product development network. Intensive operational support is underway in Sub-Saharan Africa (i.e., Burkina Faso, Mali, Nigeria, and Sierra Leone) which is likely to remain as the priority region; but it could be expanded into other important regions such as MENA and the Balkans, as the product team capacity builds up.

Collaboration with Potential Partners

Many units within the WBG work on land from their respective angles, and partnering with them is critical to the ultimate success of FIAS work in the area of land. Based on the consultation within the WBG, FIAS is proposing a **WBG Advisory Panel** for its land product development, to ensure coordination and synergy. This Panel will be composed of managers and land specialists representing:

- WB Land Thematic Group
- WB PFD, Africa;
- WB Urban and Housing Unit;
- WB Agriculture and Rural Development Unit;
- IFC Secured Lending;
- IFC Housing Finance
- IFC Gender Development

Partnership with donors is also important. Recent consultations with DFID have led to the agreement in principle to collaborate in Africa through a joint Land Market for Investment (LMI) program, to be implemented in the upcoming year. AFD and FIAS also initiated dialogues on land work cooperation recently and discussions continue. Likeiwse, opportunities to work with the MCC, GTZ and other development partners are being explored, at global, regional, or country levels.

Timing, Monitoring and Evaluation

The initial implementation period for the Land product is planned for two years, after which the impact and approach will be evaluated. A number of activities, including the website design and case studies, are already fully underway. Operational support to country projects has moved steadily in Africa, and is expanding into a few other regions where the demand seems high. All activities will be reviewed and evaluated at the end of the first six months of operation, and any necessary adjustments made in staffing, resources and approach.

Staffing and Budget

The effort will be led by a Land Leadership Team composed of a senior FIAS staff based at the HQ and supported by several proxies based in regions. There will be a small but highly devoted Land Working Team which is the anchor for delivering KM, advisory and operational support. This team includes several STCs who are selected leading land policy, legal and technical experts in the subject areas that are essential to FIAS operation.

The budget for FY09 Land KM and Product Development is $370,000; and the budget for FY10 is estimated at about the same level. FIAS is supporting the core activities of KM and product development, and expect the funding for advisory support to come mostly from the regions and other donors. Based on the existing cases, the cost of each project receiving focused operational support is $500,000- $1 million depending on the scope of the work. FIAS is preparing 2-3 additional projects for such support in Africa, MENA and the Balkans, and is inviting its donors and other partners to join such initiatives.

Contact Us

If you are interested in supporting and working with FIAS on the *Facilitating the Land Market for Investment* program, please contact:

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Rewriting Laws

Another aspect of IFC/FIAS technical assistance and advisory services entails assistance to governments in the drafting of national laws. FIAS, in particular, has noted expertise in areas related to investment law, as the provision of advisory services on investment law, policy, and institutions has been the backbone of FIAS' operation since its inception in 1985. Several cases demonstrate how IFC/FIAS assistance has contributed to the creation or modification of investment laws to allow for increased investor access to land.

The Tanzania Investment Centre (TIC) has set up a "land bank"—it has identified some 2.5 million hectares of land as suitable for investment projects.

For example, in **Southern Sudan**, FIAS assisted the government (FY07) in strengthening the regulatory environment by reviewing and revising six business laws, including the investment law, which effectively removed what FIAS considered to be inequitable treatment of investors and the requirement for the investment promotion agency to vet potential new investors.[72] FIAS also advised on the drafting of five other bills, one of which proposed a law to allow investors greater investment mobility.[73] With these benefits provided to foreign investors, it is no surprise that interest in Sudanese land markets has increased in recent years. More than ten different land deals have occurred since 2008, allocating over a million hectares of land to date to investors from countries including Saudi Arabia and South Korea. (See Annex for land grab database.)

By working to change legislative environments, FIAS assists countries in streamlining the administrative processes that investors must go through to acquire land —which constitute a major barrier to land access in many jurisdictions. The Investment Promotion Agencies (IPAs, see Part I, *FIAS's Technical Assistance Products*) play a key role in this context. In Mali, Mozambique and Ghana, investment promotion agencies facilitate the acquisition of all necessary licenses, permits and authorizations.[74] Their direct role in facilitating land access focuses on helping investors in their dealings with other agencies. Playing an even more direct role is Tanzania's IPA, the Tanzania Investment Centre (TIC). The TIC is mandated, among other things, with identifying available land and providing it to investors, as well as with helping investors obtain all necessary permits (article 6 of the Tanzanian Investment Act 1997). The TIC has set up a "land bank"—it has identified some 2.5 million hectares of land as suitable for investment projects. Land is vested with the TIC and then allocated to the investor on the basis of a derivative title. After the end of the investment project, the land reverts back to the TIC.[75]

Promotion of Land Leasing

IFC has supported leasing development for years as a core component of its Financial Markets Strategy. Over the past 30 years, IFC has financed 200 leasing projects in 50 countries from $1.4 billion dollars, has set up or improved leasing legislation and regulations in 60 countries, and has operated 30 leasing technical assistance projects.[76] In April 2009, at an Expert Meeting on Managing Risk in Financing Agriculture in Johannesburg, the World Bank conducted a presentation on leasing as an approach for financing agricultural investment. It is no surprise, therefore, with IFC's increased regional focus on Africa, IFC has provided advisory services to leasing facilities in Ghana, Tanzania, Rwanda, Madagascar, Senegal, Cameroon, DRC, Mali, and Ethiopia.[77] The Ethiopia Access Leasing Company, the first of its kind in Africa, was established with an investment from IFC, and in 2009, similar projects were to be developed in Democratic Republic of the Congo, Madagascar, and other West African nations.[78] With all the current criticism surrounding the rapid occurrence of leased land acquisitions, it is imperative that leasing development and IFC's promotion of leasing companies be critically examined.

Investing in 'Idle' Land?

Many governments justify their promotion of land as optimal for foreign investment because the land for sale or lease is "idle" or "underutilized." Because the land is presumably "underutilized," they claim, access to land for locals will not be jeopardized, and the country will in fact benefit from FDI and the production of what was previously "unproductive" land. However, in many cases, land that is described as "idle" is actually farmed and inhabited by locals who lack titled ownership of the land.

The efforts toward privatization by the World Bank Group entities, in general, and the changes to countries' land laws promoted by IFC and FIAS, in particular, threaten to destroy the traditional communal approaches to land ownership in Africa.[79] In many cases, farmers and pastoralists have worked this land for centuries. However, governments are claiming this land is idle in order to more easily sell or lease it to private investors.

> "All of the land in the Gambella region is utilized. Each community has and looks after its own territory and the rivers and farmlands within it. It is a myth propagated by the government and investors to say that there is waste land or land that is not utilized in Gambella. The foreign companies are arriving in large numbers, depriving people of land they have used for centuries. There is no consultation with the indigenous population. The deals are done secretly. The only thing the local people see is people coming with lots of tractors to invade their lands."

In Ethiopia, land is under government control and thus cannot be bought or sold. However, the government has determined that it can lease presumably "idle" lands to foreign investors. Indeed, the country's great "land lease project" has moved swiftly ahead over the past year. In an effort to introduce large-scale commercial farming to the country, the government is offering up vast chunks of fertile farmland to local and foreign investors at almost giveaway rates. By 2013, three million hectares of what the government claims to be "idle" land is expected to have been allotted—equivalent to more than one fifth of the current land under cultivation in the country.[80] The Ethiopian government denied the deals were causing hunger and said that the land deals were attracting hundreds of millions of dollars of foreign investments and tens of thousands of jobs. A spokesperson said: "Ethiopia has [187 million acres] of fertile land, of which only 15% is currently in use—mainly by subsistence farmers... Investors are never given land that belongs to Ethiopian farmers."[81]

Experts in the field, however, affirm that there is no such thing as idle land in Ethiopia, or anywhere in Africa. Ethiopia has one of the world's highest hunger rates with more than 13 million people in need of food aid. Countless studies have shown that competition for grazing land and access to water bodies are the two most important sources of inter-communal conflict in most parts of Ethiopia populated by pastoralists.[82] According to Michael Taylor, a policy specialist at the International Land Coalition, "If land in Africa hasn't been planted, it's probably for a reason. Maybe it's used to graze livestock or deliberately left fallow to prevent nutrient depletion and erosion. Anybody who has seen these areas identified as unused understands that there is no land in Ethiopia that has no owners and users."[83]

Indeed, in almost every case of recent land grabs involving foreign enterprises, there are complaints by locals that they have lost access to grazing land and water. This is the case, for example, in both Bako and Gambella, Ethiopia. An indigenous Anuak from Gambella described the current situation in his home region:

All of the land in the Gambella region is utilized. Each community has and looks after its own territory and the rivers and farmlands within it. It is a myth propagated by the government and investors to say that there is waste land or land that is not utilized in Gambella. The foreign companies are arriving in large numbers, depriving people of land they have used for centuries. There is no consultation with the indigenous population. The deals are done secretly. The only thing the local people see is people coming with lots of tractors to invade their lands.[84]

IFC and FIAS encourage investors to take advantage of acquiring idle, "available" land throughout Africa. In its investment promotion materials, IFC/FIAS provide to potential investors information about the "availability" of land in developing countries. For example, in a Benchmarking FDI Competitiveness Report[85] (which outlined the strengths and weaknesses of the investment climates of different countries) information was provided regarding the relative ease of accessing land to establish export production in a number of African countries. The Kenya report describes the following "strengths" of the country's horticulture sector:[86]

- good current export performance
- increased trade competitiveness
- *abundance of arable land* [87]
- low employment rigidity
- low air transit costs for shipments to Amsterdam
- low container costs for sea transport to Rotterdam

Within this same body of research, it was also found that "low cost of farmland" was a "strength" of the investment climate in Tanzania and Ghana, and "abundance of arable land" was a "strength" in Uganda, Kenya, and Mali (even though Mali has a "high shortage of water supply"). The Tanzania report states,

> 'Tanzania enjoys 88 million hectares of arable land of which 60 million hectares are suitable for livestock production. Currently, only 5.5 percent of Tanzania's arable land is utilized. The country has an abundance of arable land from which horticulture operations can be established.'

This 2007 document states that only 5.5 percent of Tanzania's arable land—that is, land suitable for crop cultivation—is in use. It is pertinent, however, to ask how is "arable" defined, when clearly millions of hectares of land fall within national parks boundaries or are used by the Maasai and other pastoralist groups? In Tanzania, 37 million hectares of land are considered biodiversity and protected areas alone.[88] These too are areas that could be considered "arable" or "utilizable" land, and yet it is critical that they be preserved in their current form and used for social and environmental sustainability. Thus, the amount of "arable" land that is claimed to be available for actual cultivation should first and foremost be allocated to local farmers.

Furthermore, it is unclear how IFC/FIAS qualify land as "available" or "idle" when conflict is common among pastoralists and subsistence farmers who depend on such land. In 2009, *The Guardian* reported on the plight of the millions of pastoralist herdsmen living across the African continent. While the pastoral lifestyle has existed for hundreds of years, pastoralists enjoy very few rights when it comes to land access. "East African governments claim to support herdsmen but their policies are making it increasingly difficult for pastoralists to move across the land, privileging the rights of private farm owners and land investors," *The Guardian* reported. "In 2006 the Tanzanian government authorized the ruthless eviction of pastoralist communities from the Usangu basin in the Southern highlands of Tanzania, without offering them any other land to use. They have since admitted that it was a mistake, but Tanzanian pastoralists continue to live without any policies to support their rights."[89]

As it appears, IFC and FIAS are concerned with land markets only to the extent that they influence investment climates and ultimately, economic growth. One FIAS document entitled "A Diagnostic Checklist for Land Markets" is *aimed at helping investors determine the extent to which land market issues are a constraint to their own investments*. Specifically, when there are constraints on accessing "customary lands"—unregistered land under the control of indigenous communities—the document notes that customary land still accounts for a large share of landholdings in many developing countries, particularly in Africa and the Pacific Islands. "Such land can be critical to the development of agriculture, agro-industry, and ecotourism, but obtaining rights to use this land is often difficult and risky for private investors, for there is a lack of formal legal frameworks to support such rights."[90] It continues to suggest that investors ask themselves the following questions:

- How much of the **prime land** in the country is under a customary or tribal regime?
- How much of this customary land is **under utilized?**
- Do indigenous communities have the **skills, incentives, and financial resources** to manage their landholdings effectively?
- Do the communities have the **legal right to make land available** to private investors through sales or leasing? Does the national government impose undue restrictions on such transactions—for example, by allowing land to be made available only for ecotourism projects or by preventing communities from claiming a share of future profits or taking part in future decisions?
- Is there a risk of **power struggles** within or between communities that could lead to challenges to the arrangements between private investors and the communities? For example, are decisions on such arrangements made through opaque or hierarchical routes, and do the benefits from such arrangements accrue to only a small minority?
- Is the national government in a position to **protect such arrangements** in case of trouble between private investors and the communities?
- Are there legal or other **barriers to formally titling areas** for high-value investments, such as hotels?

Clearly the rights of the local populations are of little concern to IFC and FIAS in their promotion of FDI. As their various 'land access' products and other investment promotion activities demonstrate, the IFC/FIAS priorities lie with the investor, and cooperation with developing country governments is ultimately aimed at facilitating access for the investor. With investors' priorities in mind, it is not surprising that IFC/FIAS presence in developing countries has spurred the land grab trend to the detriment of marginalized local people.

PART III.
CASE STUDIES

© FAO/Peter Di Campo. Sierra Leone; Most rice farmers grow and process their crops by hand. Many cannot afford proper storage for their crops.

Sierra Leone

More than 70 percent of Sierra Leone's six million people live below the poverty line and the country has the world's highest infant mortality rate. Sierra Leone's civil war, which ended in 2002, left the country's infrastructure and economy devastated. IFC presence in Sierra Leone began in 2003 when it opened a representative and program office in the country. Over the past seven years, IFC/FIAS TAAS and recommended changes to policy and legislature have completely transformed the landscape of Sierra Leone's investment climate, and accordingly, huge investments in Sierra Leone's land market have followed.

In early 2005, FIAS partnered with the UK's Department for International Development (DFID) to conduct a diagnostic study of administrative barriers to investment in Sierra Leone. The government of Sierra Leone decided to act on the results of the analysis, which urged the government to take steps in moving from a post-conflict situation toward growth based on private sector development.

Therefore, in January 2006, FIAS began implementation of the Removing Administrative Barriers to Investment (RABI) project. Under RABI, in June 2007, the Sierra Leone Parliament approved legislative changes reducing the time, number of steps, and costs required to set up a business. The cost of registering a business was cut by nearly 97 percent, from $1,500 to $50. New legislation allowing for simultaneous award of work and residence permits was also approved.

Despite the fact that projects such as RABI produce results that could potentially benefit local residents seeking to establish small enterprises, FIAS's primary goal is the improvement of the country's investment climate for the benefit of foreign investors. While IFC/FIAS work has the capacity to promote the 'ease of doing business' for locals, much of their engagement with developing country governments is directed to enabling business primarily to attract FDI—before enabling business for locals.

As a result of the RABI project, in 2007, the government of Sierra Leone further implemented 11 of 15 customs simplification procedures recommended by FIAS: reduction of documentation, elimination of unnecessary steps, and the introduction of a risk-based system that eliminates inspections of every shipment. Also in 2007, the government further eliminated the requirement that new businesses pay a quarter of their estimated taxable income before they register as companies. An exemption scheme was developed that allows compliant taxpayers to avoid the 3 percent advance tax at import. The next steps are simplification of the tax system, both its policy and implementation, and creation of a small business regime designed to encourage enterprise formalization. FIAS has been asked by the government to lead this work stream.

The initial diagnostic study of administrative barriers to investment in Sierra Leone further led to the establishment of a public-private sector team. Under FIAS guidance, this team formed working groups to formulate and implement a reform program in order to create a "world-class investment climate." Four areas were targeted for reform: (1) business start-up procedures; (2) land and planning; (3) operating procedures, tax, and customs; and (4) institutional reform, including the replacement of a "non-functional" investment promotion/trade facilitation agency.

To replace this "non-functional" agency, in 2007, FIAS partnered with the International Trade Center of Geneva to design and help the government establish the Sierra Leone Investment and Export Promotion Agency (SLIEPA, http://www.sliepa.org), which supplies the information and facilitation services sought by investors. The agency also provides a forum for the private sector to discuss investment policy with government.

FIAS maintains that public-private dialogue is critical to the success of reforms, therefore the Sierra Leone Business Forum was formed in order to "support the government's reform efforts by providing a platform for the private sector to promote investment-friendly policies and to sensitize the government and the general public on important business issues."[91] Led by the Minister of Trade and Industry, the Forum has become a key source for designing and implementing the investment climate action plan.

© FAO/Peter Di Campo. Rice farmers in Sierra Leone

With its rapid legislative reforms, the formation of a top-notch IPA, and the newly attractive investment climate, Sierra Leone is a classic FIAS success story. It has been publicized as the number one example of practical application in the Public-Private Dialogue Toolkit Handbook published by IFC[92] and is highlighted among the top reformers in Africa in WBG's *Doing Business* Indicators.

WBG entities have worked to highlight Sierra Leone as an attractive destination for investment. A MIGA news release, entitled "Investors Eye Sierra Leone," notes, "this impoverished nation has been posting impressive gains and is attracting significant interest from investors." It touts that, following a decade of civil war, "recovery continued into 2008 when real Gross Domestic Product (GDP) grew by an estimated 5.5 percent that from 2009 to 2010, Sierra Leone moved up eight notches in the World Bank Group's *Doing Business* rankings."[93]

The MIGA news release further seeks to allure investors, stating, "the country is enjoying a resurgence of interest from investors looking for first-mover advantage. Sierra Leone offers significant potential in agriculture with high levels of rainfall and vast swaths of arable but uncultivated land." These opportunities were highlighted to more than 600 delegates attending the Sierra Leone Trade and Investment Forum held in London in November 2009, hosted by the Government of Sierra Leone.

Sierra Leone's IPA, the Sierra Leone Investment and Export Promotion Agency (SLIEPA)—which was developed with the guidance of IFC/FIAS in 2007—highlights agriculture as one of its most promising sectors for foreign investment. Its website advertises that Sierra Leone boasts, "opportunities for production of biofuels, biolands, and organic foods," opportunities in agricultural goods and services," and "proven export potential," among others.[94] However, listed as the number one attraction in the sector that Sierra Leone has "Ideal growing conditions and large amounts of available land":

> 'Sierra Leone is ideal for agriculture. It has over 4.3 million hectares of cultivable land available, plentiful aquatic resources, a tropical climate, rich soil, and low-land and highlands areas. A current base of production in staple foods (rice cassava, vegetables), cash crops (sugar, cocoa, coffee, ginger and cashew), and tree crops (oil palm, coconut), has potential for significant expansion. A communal/chiefdom land tenure system and strong government facilitation makes land easy to obtain in most agricultural areas through secure, long-term leases.'

With such drastic changes to Sierra Leone's investment climate, it is no surprise that investor interest is piquing. In February 2010, the government of Sierra Leone signed a US$400 million biofuel agreement with Addax Bioenergy Switzerland.[95]This is the largest agricultural investment ever to occur in this country. The deal will allow for the cultivation of enough sugarcane to produce 100,000 cubic meters of bioethanol within the next two years alone.[96] In addition, Sierra Leone signed a Memorandum of Understanding with Saudi Arabia for Saudi investment in the production of rice for home consumption and export.[97] In late 2009, the Sierra Leone Trade and Investment Forum in the UK attracted over 1,000 participants, including the Prince of UAE, the Prince of Bahrain, CEO's of reputable companies across the world, the OIC, Saudi Fund etc. As Sierra Leone's Minister of Foreign Affairs and International Co-operation, Haja Zainab Hawa Bangura, explained, the Sierra Leone Investment and Export Promotion Agency was created to assist investors by creating a "one stop shop" for starting a business, and that the International Finance Corporation's "Doing Business" guide ranked Sierra Leone high in terms of ease of doing business in West Africa. Sierra Leone, she added, is also top when it comes to investor protection with flexible tax rates. "A new investment incentive has been put in place creating a level playing field for investors," she assured.[98]

While the government of Sierra Leone encourages land investments, the local populations are left in the dark. One reporter who traveled to Sierra Leone visited local villages that are soon to be displaced by the Addax project. While the local project manager claims that only "marginal" and "degraded" lands are being used in the project, reporter Joan Baxter finds that dozens of local villages will essentially be moved to make way for the 40,000-hectare sugarcane plantation.[99] Despite arguments that Addax will bring much needed employment opportunities to the country, Baxter finds that to date, Addax has employed only fifty local men to work in its sugarcane nursery, and they are being paid a mere 10,000 leones, the equivalent of USD$2.50 a day.

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LIBERIA

With the LBBF and the Liberia Investment Climate Reform Program, Liberia has been at the top of the *Doing Business* rankings for the past three years. Investors look to these rankings to determine where investments will be least risky, most profitable.

FIAS began to work directly with the Liberian government in FY07. Drawing from a February 2006 mini-diagnostic report, and in consultation with the Ministries of Commerce, Finance, and the National Investment Commission of Liberia, FIAS conducted three workstreams to assist in reshaping the country's business climate. The first "workstream" focused on reducing barriers to formalization to allow for investors to operate in Liberia. The second focused on improving the public-private dialogue in Liberia to underpin the country's Private Sector Development reform process. The third "workstream" focused on improving the country's investment policy framework, legislation, and institutions.

Through FIAS's 2008 efforts to increase public-private dialogue, the Liberia Better Business Forum (LBBF) was born, a classic example of an Investment Promotion Agency (IPA, see Part I, *FIAS's Technical Assistance Products*). This organization was created with the objective of increasing private sector participation in economic policy-making in Liberia through joint Public and Private Sector Working Groups[100] partnering to advocate, based on technical analysis of viable options.

LBBF was established by IFC and remains intimately connected to IFC—even using the same language. For example, LBBF highlights on its website the following accomplishments:

> This active partnership and the participation of the Doing Business Advisory Unit of the World Bank Group and the IFC managed Investment Climate team country program led to the enactment and implementation of 21 improvements to the business environment achieved in a record 4 months.
>
> As a result of this work that both improved procedures and lowered costs in 'Starting a Business', 'Trading Across Borders' and 'Construction Permits' indicators of the Doing Business survey, Liberia's ranking improved from 170 in 2008 to 157 in the 2009 survey.

The LBBF is also responsible for drafting a new Investment Law. In FY09, the Forum's first priority was the passage of the Investment Law, and subsequently a final version will be drafted by LBBF and submitted to the legislature in collaboration with the National Investment Commission.

In addition, FIAS has supported the Liberian government in its efforts to rebuild the private sector with the launch of the Liberia Investment Climate Reform Program, a demand-driven, multi-year program designed to generate sustained momentum for business reform. FIAS assistance in 2008 consisted of a rapid assessment followed by implementation of comprehensive reforms. FIAS helped the government streamline business start-up procedures, reduce trade barriers through improved port processes, train investment promotion officers, and develop a transparent agricultural concession policy. FIAS' Africa and Doing Business Reform Advisory teams assisted the government in developing standard forms and procedures for business registration and building construction.[101]

"This active partnership and the participation of the Doing Business Advisory Unit of the World Bank Group and the IFC managed Investment Climate team country program led to the enactment and implementation of 21 improvements to the business environment achieved in a record 4 months."

With the LBBF and the Liberia Investment Climate Reform Program, Liberia has been at the top of the *Doing Business* rankings for the past three years. Investors look to these rankings to determine where investments will be least risky, most profitable. Not surprisingly, FDI in Liberia is steadily increasing.

In April 2009, Sime Darby, a Malaysia-based multinational entity, signed an $847 million concession agreement with the government of Liberia to cultivate oil palm and rubber in four counties.[102] Sime Darby effectively took over the Guthrie Rubber Plantation on January 1, 2010 and is expected to employ an estimated 22,000 Liberians over the next 10 years.

Also in January 2010, Indonesian global palm oil giant, Golden Agri-Veroleum, and the Inter-ministerial Concession Committee (IMCC) of Liberia began negotiating what could be the biggest investment in Liberia's agriculture industry.[103] Veroleum has applied to invest more than US$1.6 billion dollars in more than 240,000 hectares of land to boost the country's palm oil sector. They expressed optimism that the company would begin operations in Liberia in six months, and hoped the legislature would speed up ratification of their concession agreement.[104]

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Ethiopia

Ethiopia is one of the hungriest countries in the world with more than 13 million people in need of food aid, but paradoxically the government is offering at least 7.5 million acres of its most fertile land to rich countries and some of the world's most wealthy individuals to export food back to their own countries.

IFC's Advisory Services have been involved with Ethiopia for over a decade. FIAS's first diagnostic work in the country began in 1997 when it reviewed Ethiopia's investment climate and its approval process for foreign direct investment. Then in 2000, FIAS provided training to the Ethiopian Investment Agency to help strengthen its capacity for investment promotion, and in 2001, FIAS reviewed the country's investment environment with a special emphasis on export-oriented FDI.[105] Also, in FY07, FIAS reported that its "SWAT team for Africa" had conducted an Investment Policy and Promotion project in Ethiopia, yet little public information exists on the details of this project.[106]

In late 2008, IFC's focus also turned toward Ethiopia as it opened a new office in Addis Ababa in order to "increase activity to support Ethiopia's economic development."[107] An IFC news report stated, "IFC's strategy in Ethiopia focuses on proactively developing new investment projects, supporting public-private partnerships that promote economic growth, and mobilizing direct investments to key sectors of the economy, including agribusiness, financial services, health and education, infrastructure, manufacturing, and tourism."[108]

"All the land round my family village of Illia has been taken over and is being cleared. People now have to work for an Indian company. Their land has been compulsorily taken and they have been given no compensation. People cannot believe what is happening. Thousands of people will be affected and people will go hungry."

IFC is also working to develop Ethiopia's leasing sector through a joint investment and advisory services project that will help establish the country's first leasing company. The new company will be the culmination of IFC's work with Ethiopia's government to help draft a new legal framework for leasing in the country, which started almost a decade ago.

Predictably, the leasing of farmland has increased dramatically in Ethiopia the past three years. In what has been called Ethiopia's great "land lease project"—in an effort to introduce large-scale commercial farming to the country—the government is offering up vast chunks of fertile farmland to local and foreign investors at almost giveaway rates. By 2013, three million hectares of idle land is expected to have been allotted, equivalent to more than one fifth of the current land under cultivation in the country.[109]

In one land grab case, one journalist describes his experience in Ethiopia visiting an industrial farm along the main road to Awassa:

> 'The farm manager shows us millions of tomatoes, peppers and other vegetables being grown in 1,500 foot rows in computer controlled conditions. Spanish engineers are building the steel structure, Dutch technology minimizes water use from two bore-holes and 1,000 women pick and pack 50 tons of food a day. Within 24 hours, it has been driven 200 miles to Addis Ababa and flown 1,000 miles to the shops and restaurants of Dubai, Jeddah and elsewhere in the Middle East.
>
> The 2,500 acres of land, which contains the Awassa greenhouses, are leased for 99 years to a Saudi billionaire businessman, Ethiopian-born Sheikh Mohammed al-Amoudi, one of the 50 richest men in the world. His Saudi Star company plans to spend up to $2-billion acquiring and developing 1.25 million acres of land in Ethiopia in the next few years. So far, it has bought four farms and is already growing wheat, rice, vegetables and flowers for the Saudi market. It expects eventually to employ more than 10,000 people.'[110]

In another case, Karuturi, a Bangalore based Indian company, has acquired more than 300,000 hectares (741,000 acres) of land in Gambella. It has a 90-year lease on this land. Karuturi has also leased land elsewhere in Ethiopia such as Bako. Under their agreement, Karuturi does not have to pay a penny for the first six years for its holding in Gambella. Then it has to pay only 15 birr (equivalent to USD $1.13) per hectare per year for the remaining 84 years of its 90 years lease.

Nyikaw Ochalla, an indigenous Anuak from the Gambella region of Ethiopia told *The Guardian* on March 7, 2010:

"All the land round my family village of Illia has been taken over and is being cleared. People now have to work for an Indian company. Their land has been compulsorily taken and they have been given no compensation. People cannot believe what is happening. Thousands of people will be affected and people will go hungry."

Ethiopia is one of the hungriest countries in the world with more than 13 million people in need of food aid, but paradoxically the government is offering at least 7.5 million acres of its most fertile land to rich countries and some of the world's most wealthy individuals to export food back to their own countries.

A WORD FROM GRAIN

GRAIN is an international non-profit organization that works to support small farmers and social movements in their struggles for community-controlled and biodiversity-based food systems. www.grain.org

Two years from when it began, it is now more apparent than ever that we are faced with an unprecedented global land grab. Foreign investors have already mobilized over $100 billion for the acquisition of upward of 50 million hectares of farmland overseas for the production of staple foods for export, and yet this may well just be the tip of the iceberg. If governments, the IFC, and other agencies are able to put the right conditions into place, those figures could easily be multiplied.

The only thing holding back this massive transfer of lands and water from local communities to foreign investors is the strong social resistance that has emerged. Both investors backing these deals as well as the governments selling off the lands of their people are rightly nervous about popular backlash against the land grab phenomenon. There is a groundswell of opposition that is spreading and bringing people together, proving that nothing is more critical to stopping this global land grab than communities and social movements having a clear understanding of what is happening and being able to speak up, join forces, and take action.

The World Bank is now leading a joint initiative with the FAO, IFAD, and UNCTAD to promote a set of principles that they say can make land grabs socially responsible and generate a win-win scenario for investors and local communities. This is a trap, and farmers' organizations, civil society organizations, and social movements from around the world have come together to denounce this initiative. The Bank's principles are just a means to try to reduce the political risk for investors. There is no possibility of "win-win" from what is fundamentally a transfer of lands from local communities to corporations and a transformation of small farms to industrial plantations. No matter how it is framed, today's land grab is in complete contradiction with the movement for food sovereignty –the only meaningful way to ensure everyone with safe and affordable food while providing decent livelihoods for the 3 billion or so food producers and food workers on the planet. The global land grab has to be stopped, immediately.

PART IV. CONCLUSIONS

Despite the prominent role of the World Bank Group in responding to the 2008 food and financial crises, the underlying goals of WBG policies—to indiscriminately encourage foreign direct investment and promote private sector development—are leading to trends that increase instability rather than provide security and opportunity. The food and financial crises proved to be drivers for the work of IFC and FIAS in the developing world,[111] as governments sought and continue to seek financial and technical assistance. IFC/FIAS TAAS have not only encouraged and facilitated land grabs but have deeply influenced the legislation and policy agendas of developing countries, directly shaping social and economic outcomes that affect local livelihoods and food security.

IFC and FIAS prioritize the improvement of investment climates and promote business enabling environments, and it appears that in doing so, they overlook the more urgent problems of hunger and poverty that persist in their client countries, losing sight of their principle mission, which is to alleviate poverty. FIAS notes that its work has contributed to major *Doing Business*[112] reforms in Sierra Leone, Rwanda, Liberia, and Burkina Faso, and yet these countries are among the lowest ranked on United Nation Development Program's Human Development Index (which measures standard of living and well-being for countries worldwide), ranking 180, 167, 169, and 177 respectively out of 182 countries.

Furthermore, in IFC and FIAS's Monitoring and Evaluation (M&E) of its products, the effects of their work on actual poverty and hunger statistics receive absolutely no attention. For example, FIAS measures its overall performance on indicators, such as FIAS clients' overall satisfaction, the number of FIAS recommendations implemented, the overall rating of its TAAS Supervision, and the number of Business Enabling Environment reforms involving at least 10 percent improvement in time/cost and number of procedures and/or number of licenses required.[113] Moreover, FIAS indicators for project-specific "impact" include FDI/GDP statistics, gross fixed capital formation, export performance and/or private investments in specific industries, and the number of new business registrations.[114] Nowhere within its M&E does FIAS consider, for example, the number of local jobs created, changes to hunger and poverty statistics, the average incomes of local populations, or whether its TAAS complies with IFC's own Performance Standards.

On March 11, 2010, nearly 100 civil society organizations from 38 countries demanded that World Bank Group lending to private corporations be much more responsive to environmental and social concerns. A letter submitted to the CEO of the IFC, Lars Thunell, describes that IFC's lack of transparency and supervision, failure to recognize human rights, and inadequate climate change policies, undermine IFC's ability to achieve its poverty alleviation mission.[115]

The civil society letter points to a number of cases in which IFC investments have had devastating impacts on local populations and indicates that international human rights standards, including those reflected in the UN Declaration on the Rights of Indigenous Peoples, must be incorporated into the Policy and Performance Standards.

IFC is reviewing the implementation and effectiveness of its Social and Environmental Sustainability Policy and Performance Standards by the end 2010.[116] These Performance Standards, in turn, set the bar for 67 private banks (the Equator Principles Financial Institutions[117]) involved in development project finance and many Export Credit Agencies.[118] This Report supports this effort—but also seeks to expand its scope. IFC lending practices have been challenged in the past by civil society groups and the Compliance Advisor/Ombudsman (CAO).[119] It is equally imperative, however, to challenge the Technical Assistance and Advisory Services that IFC and FIAS provide to developing country governments. Just as Investment Services (IS) are held accountable to IFC's Performance Standards, so too should the Technical Assistance and Advisory Service products be critically examined.

The rapid growth of IFC's Advisory Services (AS) over the past seven years has happened in a largely unchecked manner. This is well illustrated in the emergence of more than 50 AS products, 18 regional facilities covering seven regions, 13 global business units, and about half of AS work being contracted out to short-term consultants.[120] Important strategic questions follow. These include whether, in grafting such a substantial advisory business onto a financing institution, does the TAAS provided by the financial institution become largely self-serving?

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The Independent Evaluation Group (IEG)[121] only recently began to monitor IFC's Advisory Services (AS) in addition to its investment services (IS). The Independent Evaluation of IFC's Development Results (IEDR)—published in 2009—looks at IFC's effectiveness in financing development through its growing portfolio of investment operations (Part I); and—for the first time—the Corporation's experience organizing and delivering Advisory Services (AS) (Part II).

The IEDR reveals a number of constraints in capturing the impact of AS, due in part to the "relatively weak application of M&E guidelines to date by IFC staff."[122] While IFC is working to streamline and professionalize AS delivery, this task remains a work in progress, as significant organizational issues still persist (such as overlapping and parallel implementation structures in several regions; few well-established products outside of finance and infrastructure; lack of clarity about how AS and IS are best integrated in different contexts, etc.).[123]

And yet, while the delivery of AS may be a work in progress within IFC, a lack of organization is no excuse for the failure to vet TAAS and hold AS products accountable to IFC Performance Standards.[124] IFC's Performance Standard 5 (PS5) addresses land acquisition and involuntary resettlement of local populations affected by IFC projects. Specifically, it aims to avoid or at least minimize involuntary resettlement wherever feasible by exploring alternative project designs; to mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of land; and to improve living conditions among displaced persons through provision of adequate housing with security of tenure at resettlement sites.

It is quite clear that IFC/FIAS TAAS has contributed to numerous developments that fail to comply with PS5. From changed land laws to leasing developments to the establishment of investment promotion policies, TAAS are among the principle drivers of the global land grab in the developing world. While specific IFC projects have been challenged in the past, this Report urges that we challenge the inherent institutional purpose of IFC and FIAS by critically investigating the nature of the TAAS products they deliver. No longer is it sufficient to dispute IFC on a country-by-country, project-by-project basis, but rather, it is necessary to challenge the overall approach of IFC and FIAS advisory services as they are currently being applied to agricultural development and the promotion of foreign investment in the developing world.

With the IFC Advisory Services portfolio is growing each year, and with IFC/FIAS increasing focus on land and agricultural development in Sub-Saharan Africa, it is essential to heed that which is at stake. Encouraged by IFC and FIAS, governments are offering their fertile land to foreign investors, thereby threatening the basic human rights of their own populations. As providers of Technical Assistance and Advisory Services, IFC and FIAS directly shape the legislation and policy agendas of Third World countries, and therefore play a large role in determining the livelihoods of developing country populations. By drafting and re-writing specific legislation, establishing investment promotion agencies, and encouraging FDI promotion, IFC and FIAS influence social and economic outcomes throughout the developing world.

Technical Assistance and Advisory Services only serve to promote IFC and FIAS's own agendas through the restructuring of laws and policies to fit an exceedingly investor-friendly approach to economic development. In the end, this is highly beneficial to First World investors and perhaps to the governments of host countries, but local populations will suffer. FDI is not a magic bullet for development and certainly does not solve the imminent problems of poverty, hunger, and need for land reform. By promoting investor access to land instead of prioritizing these basic human rights, IFC fails in its mission.

ANNEX I

IFC/FIAS TECHNICAL ASSISTANCE AND ADVISORY SERVICES IN COUNTRIES WHERE LAND GRABS HAVE OCCURRED*

*While this Report primarily focuses on TAAS and land grabs that have occurred in Africa, this database includes IFC/FIAS services carried out in all world regions.
**This database includes IFC/FIAS services that have been carried out since 2000.
*** The information provided does not intend to suggest a direct causal relationship between IFC/FIAS services and land grabs that have occurred in each country; rather, the database intends to show how IFC/FIAS services have helped to shape the investment climates in countries where land grabs have occurred.

BENIN	
YEAR, TYPE OF IFC/FIAS PROJECT	**IFC/FIAS SERVICE**
2006: Administrative Barriers;Access to Land	FIAS identified major administrative barriers affecting land access for private, commercial, industrial, and residential development in Benin. FIAS also contributed to the conceptualization and implementation of a reform program to improve the conditions for land access for private companies and to establish a secure and fluid land market that promotes private sector development. [1]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Malaysia and South Africa (private sector)	In their June 2008 report on the biofuels industry and its pressures on land use, the International Institute for Environment and Development and FAO list several examples of big projects, including a 300,000-400,000 ha palm oil project in southern Benin for a joint Malaysian-South African venture. The agricultural modernization strategy implemented by the government of Benin is reported to involve large increases in land under cultivation, for both food crops and biofuels. ftp://ftp.fao.org/docrep/fao/011/aj224e/aj224e00.pdf

BRAZIL	
YEAR, TYPE OF IFC/FIAS PROJECT	**IFC/FIAS SERVICE**
2009: Investment Policy & Promotion	In Brazil, FIAS launched a technical assistance program in cooperation with APEX Brazil, the country's national investment promotion agency. Under the program, FIAS plans to undertake its most ambitious and complex endeavors to date in investment promotion. The project establishes a national investment promotion network and helps four states (Bahia, Minas Gerais, Para, and Pernambuco) develop their capacity to attract and retain FDI and to foster expanded operations among current investors. [5]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Mitsui (Japan)	In November 2007, the Japanese conglomerate Mitsui purchased 100,000 ha of Brazilian farmland for soybean production. The land is in Bahia, Minas Gerais, and Maranhão. Mitsui bought the land through its 25% participation in SA, the Brazilian grain trader that formally cut the deal. (Multigrain SA is actually a subsidiary of a Swiss holding company, Multigrain AG). At the same time, Mitsui bought shares in Xingu, another Brazil-based grain trader with headquarters in Switzerland, and transferred those shares to Multigrain. This brought Mitsui's total investment in Multigrain, with its Brazilian landholdings, to ¥10 billion (US$95m). http://www.reuters.com/article/idUST11264520071113?sp=true
China	In October 2008, Financial Times reported that the Chinese ministry of agriculture entered into talks with Brazil to acquire farmland for soybean production. http://www.ft.com/cms/s/0/cb8a989a-1d2a-11dd-82ae-000077b07658.html?nclick_check=1

CAMBODIA

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2009: Investment Policy & Promotion	In FY09, FIAS began an investment-promotion and capacity-building project in Cambodia. As part of this project, FIAS established the Cambodian Investment Board to develop an aftercare unit aimed at retaining investors and encouraging expansions as a direct response to the global economic crisis. [5]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Kuwait	In August 2008, Kuwait's agriculture minister signed a bilateral deal with the Cambodian government for outsourced food production. Under lease arrangements, Kuwait was provided access to Khmer rice lands to produce rice for export back to Kuwait, with any surplus going to the international market. http://uk.reuters.com/article/idUKBKK33108620080822
Qatar	In May 2008, it was reported that Qatar planned to invest approximately $200 million in Cambodia's agricultural sector. Under the proposed deal, Qatar would provide funding to restore Cambodia's agricultural infrastructure, including an irrigation system for over 300,000 hectares of rice planting fields in the provinces of Savy Rieng, Prey Veng and Kampong Cham. http://www.arabianbusiness.com/518778-qatar-seeks-to-stake-claim-on-cambodian-rice-supplies
South Korea (government and private sector)	It was reported in August 2008, that in Cambodia, land markets have become increasingly attractive to foreign investors. For instance, the South Korean government has set up a team, involving major conglomerates such as LG and Hanwa, in order to survey land in Cambodia for crop production. http://english.chosun.com/w21data/html/news/200808/200808290004.html; http://farmlandgrab.org/2480
Arab and Asian countries	It was reported in November 2008 that Arab and Asian countries had been in negotiations with the Cambodian government since mid-2008 to access large tracts of farmland. Allegedly, foreign officials were offered three types of deals: economic land concessions, land leasing, and contract farming. Economic land concessions would involve "unused public lands", while contract farming and land leasing would be conducted through direct contracts with farmers. http://www.phnompenhpost.com/index.php/2008112722895/Business/Foreign-countries-scramble-for-agricultural-land-in-quest-for-food.html / http://farmlandgrab.org/2590

DEMOCRATIC REPUBLIC OF CONGO

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2005: Adminis-trative Barriers	FIAS conducted a 2-phase administrative barriers study to identify and recommend solutions to the administrative barriers to investment. [1]
2002: Investment Law & Diagnostic/IP&P	IAS assisted the government of the Democratic Republic of the Congo in implementing a draft investment law. It also conducted a diagnostic study and established a strategy for attracting FDI. [1]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
ZTE Agribusiness Company Ltd. (China)	According to July 2009 reports, ZTE Agribusiness Company Ltd. plans to establish a one-million hectare palm oil plantation in the Democratic Republic of Congo for biofuel production. Zhang Peng, ZTE's regional manager, told Xinhua that the plantation could yield up to 5 million tons of palm oil per year, 90 percent of which could be converted to biodiesel. http://www.peoplesworld.org/land-grab-something-new-in-capitalist-arsenal
Not Specified	In May 2009, Democratic Republic of Congo announced it would lease 10 million hectares of farmland to individual foreign farmers. http://www.irinnews.org/Report.aspx?ReportId=84320

ETHIOPIA

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2009: Leasing	IFC is developing Ethiopia's leasing sector through investment and advisory services to help establish the country's first leasing company. The new company is the culmination of IFC's work with Ethiopia's government to help draft a new legal framework for leasing in the country, which started almost a decade ago. [6]
2009-2010: Investment Policy & Promotion	IFC's current strategy in Ethiopia for IP&P focuses on proactively developing new investment projects, supporting public-private partnerships that promote economic growth, and mobilizing direct investments to key sectors of the economy, including agribusiness, financial services, health and education, infrastructure, manufacturing, and tourism. [6]
2000-2001: Investment Policy & Promotion	In 2000, FIAS provided training to the Ethiopian Investment Agency to help strengthen its capacity for investment promotion. Then in 2001, FIAS reviewed the country's investment environment with a special emphasis on export-oriented FDI. [1]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Karuturi (India)	In January 2010, it was reported that Karuturi, a Bangalore-based Indian company, acquired more than 300,000 hectares (741,000 acres) of land in the Gambella region of Ethiopia. It allegedly has a 90-year lease on this land. http://www.anyuakmedia.com/com_temp_10_01_31.html
Billionaire Al-Amoudi (Saudi Arabia)	According to January 2010 reports, the Saudis are seeking to claim their share of land in Ethiopia, chiefly through their surrogate, the billionaire Al-Amoudi. The Saudi team is operating with 15 billion dollars the government of Saudi Arabia set aside for companies to engage in agricultural ventures overseas. Al-Amoudi also has his own farming ventures for which he has already secured half a million hectares at various sites throughout Ethiopia. http://www.anyuakmedia.com/com_temp_10_01_31.html
Ruchi Soy	In January 2010, Ruchi Soy Industries, one of the leading edible oil processors, announced a major farmland acquisition in Ethiopia for soybean cultivation. The company signed a memorandum of understanding with the Ethiopian government for cultivation of soybean and setting up a processing unit on 61,775 acres in Gambella and Benishangul Gumaz states on a lease basis for 25 years. http://www.thehindubusinessline.com/2010/01/16/stories/2010011653020100.htm

GUINEA BISSAU

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2002-2003: Investment Policy & Promotion	In January 2010, Ruchi Soy Industries, one of the leading edible oil processors, announced a major farmland acquisition in Ethiopia for soybean cultivation. The company signed a memorandum of understanding with the Ethiopian government for cultivation of soybean and setting up a processing unit on 61,775 acres in Gambella and Benishangul Gumaz states on a lease basis for 25 years. http://www.thehindubusinessline.com/2010/01/16/stories/2010011653020100.htm
LAND GRABBERS(S)	**LAND GRAB DETAILS**
China (private sector)	In May 2009, it was reported that China's agricultural investments are slowly spreading to other parts of the African continent - such as Guinea Bissau in West Africa where China established several hybrid rice experimentation farms in 2009. Also, in early 2007, Chinese investors pledged $60 million in the country's cashew nut industry, which is one of the biggest such industries on the continent. http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=35042&tx_ttnews[backPid]=7&cHash=41937191b3

INDONESIA

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2008: Investment Law; Investment Policy & Promotion	FIAS assisted the government of Indonesia in drafting a regional investment policy statement and conducted preliminary work outlining a regional investment law. [4]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Wilmar Group	According to a June 2008 report, in an investigation into the activities of the Wilmar Group (one of the largest palm oil and biodiesel producers in Asia), it was identified that approximately 6,000 ha of land were in dispute between the company and local groups. In one instance, in Senujuh village, company workers allegedly cleared approximately 450 ha of community rubber plantations in 2005-06. ftp://ftp.fao.org/docrep/fao/011/aj224e/aj224e00.pdf
BinLaden Group (Saudi Arabia)	In August 2008, the BinLaden Group signed an agreement to invest at least US$4.3bn, on behalf of a consortium of 15 Saudi investors known as the Middle East Foodstuff Consortium, to develop 500,000 ha of riceland in Indonesia. The aim was to produce basmati for export to Saudi Arabia, reportedly using Saudi seeds. BinLaden has been described by some sources as the principal firm "tasked" by the Saudi government to deal with the Kingdom's long-term food supply problem through overseas ventures. The Saudi rice venture is part of a larger agricultural development project involving a total of 1.6m ha for not only rice but also maize, sorghum, soy beans, and sugarcane, much of which will be converted to biofuels. The BinLaden Group owns a 15% stake in the Indonesian palm oil plantation and mining conglomerate Bakrie & Brothers. http://www.globaliamagazine.com/?id=512
Pt Agro Enerpia (South Korea)	In July 2008, the regional government of Buol, a district of Indonesia's Central Sulawesi Province, announced that South Korea-based PT Agro Enerpia planned to invest US$2bn in maize plantations in Buol. An agreement had already been reached on the allocation of 10,000 ha of land, and the company had allegedly begun conducting land surveys to increase this to 25,000 ha. http://www.zibb.com/article/3675757/S+KOREAN+CO+TO+INVEST+US2+BLN+IN+INDONESIAN+MAIZE+PLANTATIONS / http://farmlandgrab.org/2434

KENYA

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2004-2005: IP&P and Administrative Barriers	In 2004, FIAS conducted a study of administrative barriers to investment at the request of the Kenyan Government. Then in 2005, FIAS conducted a desk review of the bill of the Kenya Investment Promotion Act with a commentary note output. [1]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Qatar	In June 2009, Kenya was reported to have signed a deal with Qatar to supply land for fruit and vegetable production in the delta of the Tana River for export back to Qatar. http://www.iatp.org/iatp/commentaries.cfm?refID=107093

THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2008: Investment Policy & Promotion; Investment Law	In 2008, FIAS began assisting Lao PDR in reforming its investment law, investment incentives, and investment promotion functions. With FIAS assistance, the Laos government began drafting a new investment law in June 2008. [4]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
ZTE (China)	In October 2008 the Chinese telecommunications giant ZTE Corp reported having secured a 100,000-ha land concession in southern Laos for cassava production (for ethanol) in partnership with Dynasty Company, a Laotian firm. It has also been alleged that a Chinese company has applied for a 600,000-ha land concession in the irrigated areas for rice production. Both projects are assumed to supply the Chinese market. http://mouthtosource.net/rivers/sekong/2008/09/11/laos-china-cooperate-to-produce-bio-fuel/
Kuwait China Investment Co (KCIC)	In October 2009, it was reported that Kuwait China Investment Co (KCIC), a Kuwaiti asset management firm affiliated with the Gulf state's sovereign wealth fund, had approached the government of Laos (in addition to Vietnam and Cambodia) to invest in "underdeveloped farmland." http://www.arabianbusiness.com/569789-kuwait-firm-eyes-asia-farmland-investments

LIBERIA

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2007: Administrative Barriers	Drawing from the February 2006 mini-diagnostic report, and in consultation with the Ministries of Commerce, Finance, and the National Investment Commission of Liberia, FIAS conducted three "workstreams" to assist in reshaping the country's business climate. This project focused on reducing barriers to formalization to allow for investors to operate in Liberia. [1]
2006: Investment Policy & Promotion	The launch of the Liberia Public Private Sector Dialogue was the culmination of a series of activities that began in 2006 to create the necessary conditions for an open and welcoming business environment for the promotion of domestic and foreign investment. [4]
2006: Diagnostic	As part of a WBG-wide diagnostic mission, FIAS helped put together a Private Sector Development (PSD) agenda for the new government of Liberia. FIAS performed a "SWAT" diagnostic of the investment climate, where three FIAS experts looked at business start up procedures, tax/customs, and sector-specific licensing and procedures. [1].
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Libyan African Investment Portfolio (a Switzerland-based subsidiary of Libya's sovereign wealth fund)	In December 2007, it was reported that the Libyan African Investment Portfolio put US$30m into a massive rice project in Liberia through a deal with a local NGO, the Foundation for African Development Aid. The Liberian government has granted the joint company, ADA/LAP Inc, land concessions of over 17,000 ha to produce rice for the local and international markets. http://allafrica.com/stories/200712171703.html

MADAGASCAR

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2007: Investment Policy & Promotion	FIAS provided advice on establishing a new Investment Promotion Agency (IPA) and the country's new Economic Development Board. [3]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Daewoo Logistics (South Korea)	In November 2008, the South Korean firm Daewoo Logistics announced plans to enter into a 99-year lease on a million hectares in Madagascar to grow 5m tons of corn a year by 2023 and produce palm oil from a further lease of 120,000 hectares (296,000 acres). The deal fell through, however, in January 2009 due to civil backlash. http://www.guardian.co.uk/environment/2008/nov/22/food-biofuels-land-grab

MALI

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2009: Investment Policy & Promotion	FIAS created the Mali Investment Climate Reform Program to implement regulatory and institutional reforms in the agribusiness, tourism and mining sectors, in order to stimulate private investment. [2]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Various	According to a December 2009 report, Mali has approved long-term leases for outside investors to help develop more than 160,000 hectares of land. Already approved land deals include a joint 10,000 ha project between Petrotech and AgroMali to produce biodiesel feedstock from jatropha seeds for EU countries, the US, and Egypt. http://www.irinnews.org/Report.aspx?ReportId=87284

MOZAMBIQUE

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2001: Administrative Barriers	FIAS reviewed the country's general business environment for FDI with the objective of setting a broader, strategic reform agenda in collaboration with the World Bank. [1]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Central African Mining and Exploration Company (UK)	The Mozambican government has pursued policies to attract large-scale investment in biofuels. In 2008 the government signed a contract with the London-based Central African Mining and Exploration Company (CAMEC) for a large bioethanol project, called Procana. The project involved the allocation of 30,000 ha of land in Massingir district for a sugarcane plantation and a factory to produce 120 million liters of ethanol a year. ftp://ftp.fao.org/docrep/fao/011/aj224e/aj224e00.pdf

NIGERIA

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2009: Investment Policy & Promotion	FIAS created the Nigeria Doing Business Program to support the government of Nigeria in identifying and implementing reforms to improve the investment climate at the sub-national level. [2]
2007: Administrative Barriers	FIAS assisted the Nigerian government in identifying sub-national level reform priorities for improving the investment climate by effectively implementing the sub-national Doing Business diagnostics and the public-private policy dialogue among key stakeholders. [1]
2001-2002: Investment Policy & Promotion	In 2001, FIAS conducted a study of administrative barriers to investment and also reviewed a diagnostic assessment of the Nigerian Investment Promotion Commission (NIPC) conducted by Arthur Andersen (Lagos). Substantial suggestions were made stressing the need to revisit the strategy and structure of the Commission. Then in 2002, FIAS assisted in the implementation of these recommendations for strengthening the NIPC. [1]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
CP Group (Thailand)	In January 2010, investors from Thailand's CP Group affirmed their intention to invest in rice production in Nigeria, among other agriculture related areas. The team, made up of heads of conglomerates under the group, met with the management of the Nigeria Investment Promotion Commission (NIPC) in Abuja where they declared their interest, particularly in helping Nigeria to revamp its rice production sub-sector. http://www.ngrguardiannews.com/business/article03//indexn2_html?pdate=290110&ptitle=Thai%20investors%20stake%20interest%20in%20Nigeria%27s%20rice%20industry
Trans4mation Agric-Tech Ltd (UK)	In 2008, it was reported that after more than six months of negotiations, UK-based company Trans4mation Agritech Ltd (T4M) signed a 25-year contract to grow rice in Nigeria. The project was planned to cultivate 30,000 hectares of land in the Niger Delta for mechanized farming for large-scale commercial rice, cassava, and other associated crop production and processing. https://www.uktradeinvest.gov.uk/ukti/appmanager/ukti/sectors;jsessionid=KyQ74zp7Qt39Y7QH9gxHfvfGvhynP7v55CD3jnfCnB311QvT2N7z!46671737!NONE?_nfpb=true&genericViewer_2_actionOverride=%2Fpub%2Fportlets%2FgenericViewer%2FshowContentItem&_windowLabel=genericViewer_2&genericViewer_2navigationPageId=%2Fagriculture&genericViewer_2navigationContentPath=%2FBEA+Repository%2F342%2F429118&_pageLabel=SectorType1

PAKISTAN	
YEAR, TYPE OF IFC/FIAS PROJECT	**IFC/FIAS SERVICE**
2006-2008: Private Sector Development	IFC and FIAS have engaged in a number of activities to improve Pakistan's investment climate. In 2006, following discussions with FIAS, the government of Pakistan established an Economic Reform Unit (ERU) to create capacity within the Ministry of Finance for private sector development (PSD) and regulatory policy formation and implementation. Then in 2008, FIAS provided a comprehensive value-chain analysis of the country. IFC continues to assist the Pakistan Business Council's efforts in improving Pakistan's business enabling environment. [4]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Abraaj (UAE)	According to November 2008 reports, Abraaj Capital, a private equity firm managing US$5bn of assets, together with the UAE government, acquired some 800,000 acres (about 324,000 ha) of supposedly "barren" farmland in Pakistan between 2007-2008 to produce rice and wheat for export to UAE. Abraaj will also start investing in dairy farming and dairy food processing from its US$250m Pakistan Fund. http://www.p-i-e.com/hot-topic/food-crisis-opportunities.html
Abu Dhabi Group, Engro Chemicals, the UK Department for International Development (DFID), Saudi Arabia's Al Rabie, Zarai Taraqiati Bank, and Emirates Investments Group	In April 2008, investors, institutions, and entrepreneurs gathered at the first Middle East-Pakistan Agriculture and Dairy Investment Forum where they pledged over $3bn in new investments to Pakistan's agriculture and dairy sectors, in an event that took place at Madinat Jumeirah on April 29, 2008. Participants in the Forum included the Abu Dhabi Group, which will be setting up new sugar mills and making additional agri-dairy investments in Pakistan; Engro Chemicals, which is investing $1.6bn in the sector over the next three years; the UK Department for International Development (DFID), which has granted around $50m to a project for dairy and agriculture investment in the province of Punjab; Saudi Arabia's Al Rabie, which has expressed interest in sourcing tomato paste, citrus pulp, and packed beans from Pakistan; Zarai Taraqiati Bank; and Emirates Investments Group, which has a portfolio of investments in financial services and real estate targeting Pakistan. http://www.ameinfo.com/155498.html
Qatar (private sector)	In December 2008, a Qatari firm was reportedly eyeing the acquisition of Pakistan government's Kollurkar farm in Punjab to produce food to export to Qatar. The head of Pakistan Farmers Forum says that if the Qataris get the land, it may dislocate 25,000 villages. http://www.dawn.com/2008/12/15/ebr17.htm
Qatar Livestock (Mawashi)	It was reported in June 2008 that Qatar Livestock (Mawashi) had committed US$1bn to develop industrial livestock farms in Pakistan. http://www.thenational.ae/article/20080608/BUSINESS/290093676/1005

PHILIPPINES

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2008-2009: Investment Policy & Promotion	In the Philippines, FIAS worked with the country's Board of Investment (BOI) to launch a Strategic Investor Aftercare Program (SIAP) to start building long-term relationships with key investors. Since the program was established, the Board of Investments has been working closely with about 50 of the country's largest foreign investors and has identified a pipeline of potential investments worth an estimated $1 billion. Since the introduction of the program, FIAS has helped the Philippines identify some 200 new expansion opportunities for investments. [4, 5]
2002-2006: Incentives/ Investment Policy & Promotion	In 2002, FIAS conducted a review of the country's investment incentives legislation. In 2006, with inputs from MIGA, FIAS provided assistance for the development of a foreign investment retention, expansion, and diversification (RED) program with the Board of Investments.
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Al-Qudra (United Arab Emirates)	According to December 2008 reports, Al-Qudra Holding, a UAE investment firm, planned to acquire 400,000 ha of land by early 2009 to produce wheat, maize, rice, vegetables and livestock in several countries including the Philippines. The land was planned to be acquired through a mixture of 20–30 year leases, concessions, and outright purchases. http://www.dawn.com/2008/12/15/ebr17.htm
Fuhua Co. (China)	In October 2007, it was reported that the Philippine government decided to lease to China's Jilin Fuhua Agricultural Science and Technology Development Co., Ltd. (Fuhua Co.) some one million hectares of Philippine land under vague terms. The area covers about a tenth of all Philippine agricultural land. The Dept. of Agriculture says that the memorandum of understanding (MOU) with the Chinese company is just an additional strategy to meet the department's goal under the Medium Term Philippine Development Plan (MTPDP), which is to develop two million hectares of agricultural land. Fuhua Co. intends to plant hybrid rice, corn, and sorghum in these lands. The contract is expected to bring in about US$3.87 billion in investments. http://www.gmanews.tv/story/64800/Newsbreak-Govt-leases-1/10th-of-RP-agricultural-lands-to-China-firm

PAPUA NEW GUINEA

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2009: Special Economic Zones	IFC's program in Papua New Guinea focused on building financial infrastructure, enabling the business environment, and growing rural enterprises and tourism, while integrating investment and advisory services wherever possible. [8]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Merauke Regency, others	In January 2010, PNG's Agriculture Department said more foreign and domestic investors are interested in food and agriculture potentials of Papua, and China, Saudi Arabia, and Singapore are allegedly venturing opportunities to invest in food estate projects on the island. Reportedly, investments will be directed mainly to Merauke Regency where the government has prepared 500,000 hectares of land with total land potentials up to 1.5 million hectares. The area is most suitable for rice and cane, and in certain areas for grains and corn. http://www.tempointeractive.com/hg/nasional/2010/01/20/brk,20100120-220343,uk.html

RUSSIA

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2009: Investment Policy & Promotion	FIAS has worked to improve the investment climate at the federal, regional, and municipal levels in the Russian Federation. In cooperation with the World Bank and with funding from DFID, FIAS focused its regional work on the Southern Federal District, particularly the post-conflict frontier republics of the North Caucasus (North Ossetia-Alania, Karachayevo-Cherkessia, and Adygeya), where FIAS assessed the investment climate. In Rostov Oblast, FIAS conducted a second round of monitoring of the regional business environment that demonstrated the tangible improvements made since the first round of monitoring in 2003-04. [5]
2007: Access to Land	FIAS advised on new legislation in Russia (adopted in July 2007) to set more favorable and stimulating terms and procedures for land buy-outs during the transition to liberalized markets for commercially used land by 2010. [3]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Black Earth Farming (Sweden)	Black Earth Farming (BEF) is one of many foreign firms buying up farmland in Russia's southern region for the world market. As of mid-2008, BEF had 331,000 ha of Russian farmland under its control, of which 143,600 ha was harvested in 2008. In October 2009, it was reported that Black Earth Farming planned to start exporting grain and begin forward sales with traders and fertilizer suppliers. http://www.google.com/hostednews/afp/article/ALeqM5hJHCIK1NLRzfmgzKhNzI1oCXSj8w; http://www.bloomberg.com/apps/news?pid=newsarchive&sid=axl._MUaTVV4
Alpcot Agro (Sweden)	As of mid 2008, Alpcot Agro controlled 128,800 ha of Russian farmland with an overall investment of US$230m. Its target for the end of 2008 was 200,000 ha, of which 50,000 ha – over 150,000 tons – was harvested. The company is quickly expanding and developing these operations, and is now opening offices in Ukraine. http://www.cisionwire.com/alpcot-agro/press-release-3-2
Agrowill (Lithuania)	In September 2008, Agrowill Group, the largest agricultural investment and development company in the Baltic states, acquired 75 percent of shares in ZAO Agroprom in Russia. The initial objectives were reportedly to form fields of agricultural land and acquire production facilities. Negotiations had already begun prior to September 2008 with several profitable companies working exclusively in the area of crop farming. The smallest of these companies cultivates 11,000 ha of land. http://www.agrowill.lt/en/news/agrowill-group-enters-russia/
Hyundai Heavy Industries (South Korea)	In April 2009, Hyundai Heavy Industries announced its plans to purchase a big tract of Russian farmland to support an overall strategy in which Korean firms are helping their country secure stable food supplies. The company agreed to acquire a 67.6 percent stake in Khorol Zerno, owner and operator of 10,000 hectares (24,700 acres) of farmland in Russia's Far East, for 6.5 million dollars. The firm said it expected the farmland to produce 60,000 tons of corn and beans annually by 2014. http://www.google.com/hostednews/afp/article/ALeqM5ipyfNDmallIB_q2SFmXSOmVfvlZA

RWANDA

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2008: Investment Policy & Promotion	FIAS established the Rwanda Investment Climate Program to improve the regulatory environment, build institutions, and attract private sector participation in key sectors where Rwanda has a comparative advantage. [2]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Not Specified	In May 2009, Rwanda announced a new program to identify "unexploited" arable land for land concessions to foreign investors. http://www.irinnews.org/Report.aspx?ReportId=84320

SIERRA LEONE	
YEAR, TYPE OF IFC/FIAS PROJECT	**IFC/FIAS SERVICE**
2008: Investment Policy & Promotion	FIAS established the Sierra Leone Business Forum, which aims to support the government's reform efforts by providing a platform for the private sector to promote investment-friendly policies and to sensitize the government and the general public on important business issues. [2]
2003-2007: Diagnostic, IP&P, Investment Law; Administrative Barriers	In 2003, FIAS reviewed the legal principles, content, and clarity of the draft Investment Law. Then in 2004, FIAS conducted a diagnostic review of the country's investment climate customizing the recommendations for a post-conflict environment. This was followed by a 2005 assessment identifying administrative barriers to investment and formulating a plan of action to remove these barriers. In 2007, legislation was passed establishing a new investment promotion agency (IPA) to address growing worldwide demand among country governments for support in improving their Doing Business rankings. [1,3]
2007: Access to Land	FIAS in collaboration with MIGA and PEP-Africa, designed and assisted in the implementation of the institutional foundation of land holding in Sierra Leone. Further, FIAS advised on the reform of foreign national land ownership legislation in Sierra Leone, one of the first countries in Africa to introduce such legislation. [1]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Addax Bioenergy (Switzerland)	According to February 2009 reports, the government of Sierra Leone signed a US$400 million lease agreement with Swiss-based Addax Bioenergy, to produce 100,000 cubic meters of bioethanol from sugar cane within two years alone. http://worldradio.ch/wrs/news/switzerland/bringing-jobs-energy-to-sierra-leone-or-another-af.shtml?17958
Saudi Arabia	In December 2009, Sierra Leone signed a Memorandum of Understanding with Saudi Arabia for Saudi investment in the production of rice for home consumption and export. http://www.sierraexpressmedia.com/archives/4246

SUDAN

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2009: Access to Land	In Sudan, FIAS assistance led to improved efficiency in land registration and a reduction in the fees to register property for foreign and local investors: the government introduced reductions in the cost of change in ownership (to 25 percent of property value from 100 percent); the cost of land lease was reduced to 50 percent of property value from 70 percent, and the cost of rural land registration was reduced to 25 percent of land value from 50 percent. The time to obtain a certificate of land ownership from the Land Authority was reduced by 6 days. [5]
2007: Administrative Barriers	In Sudan, the government accepted all FIAS recommendations on regulatory simplification, including a reduction in the real estate tax rate to 10 percent and specific institutional reforms, through a Presidential Decree in June 2007. Sudan also improved its Doing Business ranking in 2007 on the "trading across borders" indicator by cutting export time by 17 days, import time by 29 days, and reducing the number of export and import documents required by 5 and 6, respectively. [3] Also in 2007, FIAS assisted the government of Sudan in improving the country's investment climate through a prioritized reform program subsequent to the Administrative Barriers Review concluded in March 2006. [1]
2007: Investment Policy & Promotion; Investment Law	FIAS, together with PEP-Africa and MIGA, assisted the government of Southern Sudan in developing and implementing an investment climate reform program in priority areas. The investment climate team helped review and draft 11 pieces of legislation. The enacted legislation created a foundation for the establishment of an investment promotion agency (IPA) for Southern Sudan. IFC and the World Bank also helped the regional government in organizing an investor conference. [1]
2006: Administrative Barriers	FIAS conducted a review of administrative barriers to investment in Sudan, including a mini-diagnostic of investment constraints in Southern Sudan, and presented findings at a PSD Policy Conference in Spring 2006. [1]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Foras International Investment Co. (Saudi Arabia)	According to January 2010 reports, Foras International Investment Co., the investment arm of the Islamic Chamber of Commerce and Industry, has started to put its objective of realizing food security in the Islamic countries into action by launching its first project of the integrated agricultural food basket in Sudan. Company's first project, Al-Faihaa Integrated Agricultural Project, was launched in Sudan's Sennar State with an investment of more than 750 million riyals (U$ 200 million). http://www.sudanvisiondaily.com/modules.php?name=News&file=article&sid=53198
Kuwait	On September 7, 2008, Kuwait's Minister of Finance signed what his Sudanese counterpart called a "giant" strategic partnership deal with the government in Khartoum. Under the agreement, the two decided to invest jointly in food production as well as cattle production. http://news.xinhuanet.com/english/2008-11/12/content_10348524.htm
Jordan (government and private sector)	In January 2010, it was reported that Jordan has been working to attract local and foreign investors to finance a Jordanian agricultural mega-project in Sudan. The government's proposal is currently open to all local, regional and international companies interested in the scheme, the deadline for which was recently extended by the Sudanese government. Thus far, one Philippine company with expertise in tropical crops has been hired to oversee the cultivation process. Overall, the project is expected to provide Jordan with 800,000 tons of wheat and 800,000 tons of barley per year, in addition to 200,000 tons of other crops such as fodder. http://www.zawya.com/marketing.cfm?zp&p=/story.cfm/sidZAWYA20100122071050/j0/:%20Gov't%20seeks%20investors%20for%20Sudan%20project?cc
Qatar (government and private sector)	In July 2008, Qatar and Sudan announced the formation of a joint holding company in which the Qatari government-owned Zad Holding Co. planned to produce wheat, corn and oilseeds. http://www.allbusiness.com/trade-development/economic-development-rural/11783838-1.html

SUDAN	
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Qatar Livestock (Mawashi)	In August 2008, the Qatar Company for Meat and Livestock Trading (Mawashi) signed a memorandum of understanding with the government of Sudan to further expand livestock farming in the country. The company has already established a sheep farm in western Sudan. http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=235030&version=1&template_id=36&parent_id=16
ZTE (China)	In March 2010, the Chinese company ZTE received an allocation of approximately 10,000 hectares of land from the Ministry of Agriculture of Sudan. The deal aims at boosting production of wheat and maize. ZTE is a technology company but it has invested in agriculture in Sudan, Ethiopia, and elsewhere in Africa. http://www.sudantribune.com/spip.php?article34444
HADCO (Saudi Arabia)	In February 2009, Reuters reported that Hail Agricultural Development Company (HADCO), a Saudi agribusiness firm, had leased 25,000 acres (10,117 ha) for US$95m north of Khartoum to produce wheat and corn for export to Saudi Arabia. http://www.gulfbase.com/site/interface/NewsArchiveDetails.aspx?n=85018
South Korea (private sector)	As of the end of 2008, the Sudanese government had committed 690,000 ha of land for S. Koreans to grow wheat for export back home. Production was planned to start in 2009 through a joint venture between Korean, Sudanese, and Arab firms on an 84,000-ha farm. http://174.143.70.126/articles/external-contrib/5237-g8-and-the-rest-of-us.html

<table>
<tr><th colspan="2">TANZANIA</th></tr>
<tr><th>YEAR, TYPE OF IFC/FIAS PROJECT</th><th>IFC/FIAS SERVICE</th></tr>
<tr><td>2005: Land Leasing</td><td>IFC drafted a leasing law in Tanzania and proposed certain amendments on taxes. Both the draft leasing law and tax amendments were submitted to the government of Tanzania. [7]</td></tr>
<tr><th>LAND GRABBERS(S)</th><th>LAND GRAB DETAILS</th></tr>
<tr><td>Private company (UAE) via Pharos Miro Agriculture Fund</td><td>According to January 2010 reports, a United Arab Emirates (UAE) company – through Pharos Miro Agriculture Fund – is seeking a 98-year lease on vast tracts of farmland in Tanzania to grow rice in order to secure food supplies for the Gulf countries. The company plans to acquire 50,000 hectares of prime land in Tanzania this year. http://www.thisday.co.tz</td></tr>
<tr><td>Citadel Capital (Egypt)</td><td>A February 2010 report indicates that a Cairo-based private equity firm, Citadel Capital, plans to invest between $200 and $400 million in East Africa (Tanzania, Kenya and Uganda). The company's senior consultant, Ms. Sinit Zeru, told the Daily News that the investment planned to mainly focus on the agriculture sector, with Tanzania's 'Kilimo Kwanza' initiative taking center stage. http://allafrica.com/stories/201002020357.html</td></tr>
<tr><td>Chongqing Seep Corp (China)</td><td>In 2008, China's Chongqing Seed Corp announced that it had selected 300 ha of land for production of hybrid rice in Tanzania. The company said it planned to contract out production to local farmers and export the harvest to China. Chongqing began similar projects in Nigeria and Laos in 2006. http://www.chinadaily.com.cn/bizchina/2008-05/09/content_6674352.htm</td></tr>
<tr><td>Sweden, the United Kingdom, Germany, Malaysia (private sector)</td><td>In June 2008, it was reported that the prime minister of Tanzania was fast-tracking agrofuels production to accommodate a Swedish investor looking for 400,000 ha in the Wami Basin, one of the country's major wetlands, to plant sugar cane for ethanol. Various other proposed or ongoing land allocations for jatropha and palm oil cultivation, including various combinations of plantations and outgrowers, have been reported from different parts of the country, involving investors from Sweden, the United Kingdom, Germany, Malaysia and other countries. Large-scale jatropha cultivation may be associated with significant negative impacts on land access for local groups. For example, a multimillion dollar jatropha plantation spared by a British firm in the Kisarawe district of Tanzania has been reported to involve acquiring 9,000 ha of land and the clearing of 11 villages which, according to the 2002 population census, are home to 11,277 people. ftp://ftp.fao.org/docrep/fao/011/aj224e/aj224e00.pdf</td></tr>
</table>

UGANDA

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2007: Investment Policy & Promotion	FIAS launched an 'Investor Outreach Program' in Uganda. [4]
2003-2004: Administrative Barriers	In 2003, FIAS pursued advisory work on "Investment Promotion Strategy" and "Tax & Incentives" following an Administrative Barriers review in Uganda. Then in 2004, an Action Plan was developed with assistance from FIAS, the Africa PSD Region, and the local counterpart team. FIAS reviewed the administrative barriers to investment and focused on specific issues affecting key export-oriented sectors. [1]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
China (private sector)	In April 2008, it was reported that President Yoweri Museveni provided Chinese investors with 10,000 acres (4,046 ha) of land in Uganda to be farmed by 400 Chinese farmers using imported Chinese seeds. The project is overseen by Liu Jianjun, a former Chinese government official and now head of the China–Africa Business Council. http://www.afrika.no/Detailed/16472.html
Egypt	In February 2010, Egypt, the world's top wheat importer, reportedly said it was evaluating three options for growing wheat in Uganda in a bid to safeguard its supply of the staple. http://af.reuters.com/article/investingNews/idAFJOE61E0LN20100215
Kuwait	In April 2008, during the World Islamic Economic Forum, the government of Kuwait launched a new US$100m fund called "Dignity Living". The funds will be invested in food production and agribusiness development in Uganda, among other (unreported) countries, to supply the Middle East market. The focus of the fund is staunchly on building food export infrastructure and capacities. http://allafrica.com/stories/200806180188.html

VIETNAM

YEAR, TYPE OF IFC/FIAS PROJECT	IFC/FIAS SERVICE
2008: Investment Policy & Promotion	FIAS and IFC Business Advisory Services worked on the Vietnam Land Program. The program addresses barriers at the provincial and national levels to businesses accessing land. FIAS assisted local governments in the Hue and Bac Ninh provinces in simplifying procedures for acquiring, registering, and developing land. At the national level, FIAS is providing expertise to the government on a new land code. [3]
2007: Investment Policy & Promotion	FIAS provided assistance to Vietnam's Foreign Investment Agency in developing a medium-term strategic plan. [4]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Qatar	In September 2008, the governments of Qatar and Vietnam signed an agreement to jointly set up a US$1bn investment fund, with US$900m of the equity coming from the QIA, Qatar's sovereign wealth fund. The counterpart is Vietnam's State Capital Investment Corp. Part of the fund will be invested in food production in Vietnam for export to Qatar. http://www.gulf-times.com/site/topics/printArticle.asp?cu_no=2&item_no=239183&version=1&template_id=36&parent_id=16

ZAMBIA	
YEAR, TYPE OF IFC/FIAS PROJECT	**IFC/FIAS SERVICE**
2004-2005: Administrative Barriers; Investment Law, IP&P	In 2004, FIAS provided guidance to the government of Zambia in the design and implementation of a reform program for administrative barriers to increase investment and business activity. Then in 2004-2005, FIAS reviewed proposals submitted by the Zambia Investment Center for amendment of the Investment Act, and for changes in the investment strategy and policy for re-introduction of investment incentives. [1]
LAND GRABBERS(S)	**LAND GRAB DETAILS**
Atlas Farming, Chayton Capital (UK)	It was reported in November 2009 that Atlas Farming has partnered with UK-based Chayton Capital to invest in large-scale farming in Zambia. The joint venture has selected Zambia to kick-start investments in the agriculture sector in Africa due to, among other factors, political stability, diverse agronomic conditions, and land reforms in 1995. These foreign investors have decided to locate the venture in Mkushi in Central Province. http://www.mmegi.bw/index.php?sid=1&aid=8&dir=2009/November/Thursday5
US, United Arab Emirates	June 2009 reports reveal that companies from the US and the UAE are interested in establishing large farms in Zambia to grow sugar and grains. Although a growing number of such land investments elsewhere have proved controversial, Agriculture Minister Brian Chituwo told Reuters that Zambia had so much land available that there would not be opposition. He said a U.S. company had offered to invest as much as $200 million in sugar cane production to make ethanol. Chituwo added that Zambia had 115,000 hectares of prime land suitable for sugar cane production. He also said a Dubai company was keen to grow rice or wheat. http://af.reuters.com/article/investingNews/idAFJOE55B0MB20090612
Egypt	In May 2009, it was reported that Egypt had set up farms in Zambia for maize growing and animal production. http://allafrica.com/stories/200905200283.html

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[2] Sub-Saharan Africa Advisory Services, Current Programs. International Finance Corporation (IFC). http://www.ifc.org/ifcext/africa.nsf/Content/CurrentPrograms.

[3] FIAS Annual Report, FY07

[4] FIAS Annual Report, FY08

[5] FIAS Annual Report, FY09

[6] "IFC Expands Developmental Reach to Ethiopia." Sub-Saharan Africa, News & Media. http://www.ifc.org/ifcext/africa.nsf/Content/IFC_Ethiopia.

[7] "The SECO- IFC Tanzania Leasing Program." IFC Africa. http://www.ifc.org/ifcext/tanzalep.nsf/Content/Home.

[8] "IFC in Papua New Guinea." IFC East Asia & Pacific. http://www.ifc.org/ifcext/eastasia.nsf/Content/PNG.

ANNEX II
IFC PERFORMANCE STANDARDS ON SOCIAL AND ENVIRONMENTAL SUSTAINABILITY*

PERFORMANCE STANDARD 1: SOCIAL AND ENVIRONMENTAL ASSESSMENT AND MANAGEMENT SYSTEM

1. Performance Standard 1 underscores the importance of managing social and environmental performance throughout the life of a project (any business activity that is subject to assessment and management). An effective social and environmental management system is a dynamic, continuous process initiated by management and involving communication between the client, its workers, and the local communities directly affected by the project (the affected communities). Drawing on the elements of the established business management process of "plan, implement, check, and act," the system entails the thorough assessment of potential social and environmental impacts and risks from the early stages of project development, and provides order and consistency for mitigating and managing these on an ongoing basis. A good management system appropriate to the size and nature of a project promotes sound and sustainable social and environmental performance, and can lead to improved financial, social and environmental project outcomes.

The Objectives of Performance Standard 1 are to identify and assess social and environment impacts, both adverse and beneficial, in the project's area of influence; to avoid, or where avoidance is not possible, minimize, mitigate, or compensate for adverse impacts on workers, affected communities, and the environment; to ensure that affected communities are appropriately engaged on issues that could potentially affect them; and to promote improved social and environment performance of companies through the effective use of management systems.

PERFORMANCE STANDARD 2: LABOR AND WORKING CONDITIONS

1. Performance Standard 2 recognizes that the pursuit of economic growth through employment creation and income generation should be balanced with protection for basic rights of workers. For any business, the workforce is a valuable asset, and a sound worker-management relationship is a key ingredient to the sustainability of the enterprise. Failure to establish and foster a sound worker- management relationship can undermine worker commitment and retention, and can jeopardize a project. Conversely, through a constructive worker-management relationship, and by treating the workers fairly and providing them with safe and healthy working conditions, clients may create tangible benefits, such as enhancement of the efficiency and productivity of their operations.

2. The requirements set out in this Performance Standard have been in part guided by a number of international conventions negotiated through the International Labour Organization (ILO) and the United Nations (UN).

The Objectives of Performance Standard 2 are to establish, maintain and improve the worker-management relationship; to promote the fair treatment, non-discrimination and equal opportunity of workers, and compliance with national labor and employment laws; to protect the workforce by addressing child labor and forced labor; and to promote safe and healthy working conditions, and to protect and promote the health of workers.

PERFORMANCE STANDARD 3: POLLUTION PREVENTION AND ABATEMENT

1. Performance Standard 3 recognizes that increased industrial activity and urbanization often generate increased levels of pollution to air, water, and land that may threaten people and the environment at the local, regional, and global level. On the other hand, along with international trade, pollution prevention and control technologies and practices have become more accessible and achievable in virtually all parts of the world. This Performance Standard outlines a project approach to pollution prevention and abatement in line with these internationally disseminated technologies and practices. In addition, this Performance Standard promotes the private sector's ability to integrate such technologies and practices as far as their use is technically and financially feasible and cost-effective in the context of a project that relies on commercially available skills and resources.

The Objectives of Performance Standard 33 are to avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities; and to promote the reduction of emissions that contribute to climate change.

PERFORMANCE STANDARD 4: COMMUNITY HEALTH, SAFETY AND SECURITY

1. Performance Standard 4 recognizes that project activities, equipment, and infrastructure often bring benefits to communities including employment, services, and opportunities for economic development. However, projects can also increase the potential for community exposure to risks and impacts arising from equipment accidents, structural failures, and releases of hazardous materials. Communities may also be affected by impacts on their natural resources, exposure to diseases, and the use of security personnel. While acknowledging the public authorities' role in promoting the health, safety and security of the public, this Performance Standard addresses the client's responsibility to avoid or minimize the risks and impacts to community health, safety and security that may arise from project activities. The level of risks and impacts described in this Performance Standard may be greater in projects located in conflict and post-conflict areas.

The Objectives of Performance Standard 4 are to avoid or minimize risks to and impacts on the health and safety of the local community during the project life cycle from both routine and non-routine circumstances; and to ensure that the safeguarding of personnel and property is carried out in a legitimate manner that avoids or minimizes risks to the community's safety and security.

PERFORMANCE STANDARD 5: LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT

1. Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition. Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that results in displacement. This occurs in cases of: (i) lawful expropriation or restrictions on land use based on eminent domain; and ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

2. Unless properly managed, involuntary resettlement may result in long-term hardship and impoverishment for affected persons and communities, as well as environmental damage and social stress in areas to which they have been displaced. For these reasons, involuntary resettlement should be avoided or at least minimized. However, where it is unavoidable, appropriate measures to mitigate adverse impacts on displaced persons and host communities should be carefully planned and implemented. Experience demonstrates that the direct involvement of the client in resettlement activities can result in cost-effective, efficient, and timely implementation of those activities, as well as innovative approaches to improving the livelihoods of those affected by resettlement.

3. Negotiated settlements help avoid expropriation and eliminate the need to use governmental authority to remove people forcibly. Negotiated settlements can usually be achieved by providing fair and appropriate compensation and other incentives or benefits to affected persons or communities, and by mitigating the risks of asymmetry of information and bargaining power. Clients are encouraged to acquire land rights through negotiated settlements wherever possible, even if they have the legal means to gain access to the land without the seller's consent.

The Objectives of Performance Standard 5 are to avoid or at least minimize involuntary resettlement wherever feasible by exploring alternative project designs; to mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of land by: (i) providing compensation for loss of assets at replacement cost; and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected; to improve or at least restore the livelihoods and standards of living of displaced persons; and to improve living conditions among displaced persons through provision of adequate housing with security of tenure at resettlement sites.

PERFORMANCE STANDARD 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE NATURAL RESOURCE MANAGEMENT

1. Performance Standard 6 recognizes that protecting and conserving biodiversity—the variety of life in all its forms, including genetic, species and ecosystem diversity—and its ability to change and evolve, is fundamental to sustainable development. The components of biodiversity, as defined in the Convention on Biological Diversity, include ecosystems and habitats, species and communities, and genes and genomes, all of which have social, economic, cultural and scientific importance. This Performance Standard reflects the objectives of the Convention on Biological Diversity to conserve biological diversity and promote use of renewable natural resources in a sustainable manner. This Performance Standard addresses how clients can avoid or mitigate threats to biodiversity arising from their operations as well as sustainably manage renewable natural resources.

The objectives of Performance Standard 6 are to protect and conserve biodiversity; and to promote the sustainable management and use of natural resources through the adoption of practices that integrate conservation needs and development priorities.

FORMANCE STANDARD 7: INDIGENOUS PEOPLES

1. Performance Standard 7 recognizes that Indigenous Peoples, as social groups with identities that are distinct from dominant groups in national societies, are often among the most marginalized and vulnerable segments of the population. Their economic, social and legal status often limits their capacity to defend their interests in, and rights to, lands and natural and cultural resources, and may restrict their ability to participate in and benefit from development. They are particularly vulnerable if their lands and resources are transformed, encroached upon by outsiders, or significantly degraded. Their languages, cultures, religions, spiritual beliefs, and institutions may also be under threat. These characteristics expose Indigenous Peoples to different types of risks and severity of impacts, including loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and disease.

2. Private sector projects may create opportunities for Indigenous Peoples to participate in, and benefit from, project-related activities that may help them fulfill their aspiration for economic and social development. In addition, this Performance Standard recognizes that Indigenous Peoples may play a role in sustainable development by promoting and managing activities and enterprises as partners in development.

The objectives of Performance Standard 7 are to ensure that the development process fosters full respect for the dignity, human rights, aspirations, cultures and natural resource-based livelihoods of Indigenous Peoples; to avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not feasible, to minimize, mitigate, or compensate for such impacts, and to provide opportunities for development benefits, in a culturally appropriate manner; to establish and maintain an ongoing relationship with the Indigenous Peoples affected by a project throughout the life of the project; to foster good faith negotiation with and informed participation of Indigenous Peoples when projects are to be located on traditional or customary lands under use by the Indigenous Peoples; and to respect and preserve the culture, knowledge and practices of Indigenous Peoples.

PERFORMANCE STANDARD 8: CULTURAL HERITAGE

1. Performance Standard 8 recognizes the importance of cultural heritage for current and future generations. Consistent with the Convention Concerning the Protection of the World Cultural and Natural Heritage, this Performance Standard aims to protect irreplaceable cultural heritage and to guide clients on protecting cultural heritage in the course of their business operations. In addition, the requirements of this Performance Standard on a project's use of cultural heritage are based in part on standards set by the Convention on Biological Diversity.

The Objectives of Performance Standard 8 are to protect cultural heritage from the adverse impacts of project activities and support its preservation; and to promote the equitable sharing of benefits from the use of cultural heritage in business activities.

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7 Spanish-based NGO, GRAIN, was the first to sound the alarm on the land grab trend. For a compilation of land grab-related media, see GRAIN’s online clearinghouse. http://farmlandgrab.org.

8 The World Bank Group (WBG) is an institution comprised of five different agencies. Typically, when people refer to the “World Bank” they think of the international financial institution, which provides long-term, interest-free loans to developing states’ governments to aid development. In reality, only two of the five WBG entities fulfill this function, the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). Their missions are to fight poverty by means of financing states in the world’s middle income and the world’s poorest countries, respectively. In addition, the International Center for Settlement of Investment Disputes (ICSID) is a WBG agency, which provides facilities for the conciliation and arbitration of investment disputes between member countries and individual investors. The Multilateral Investment Guarantee Agency (MIGA) is another of the five principal agencies of the World Bank Group, established to promote foreign direct investment (FDI) in developing countries by insuring investors against political risk, advising governments on attracting investment, sharing information through on-line investment information services, and mediating disputes between investors and governments. The International Finance Corporation (IFC) is the fifth and final agency, and under its management is the Foreign Investment Advisory Service (FIAS).

9 “Profit-oriented” is one of the five (sometimes six) ‘Defining Characteristics’ highlighted in IFC presentations. The others include: (1) Participates only in private sector ventures; (2) Shares same risks as other investors; (3) Has market pricing policies; (4) Does not accept government guarantees. (Another characteristic sometimes used is ‘Invests in Equity’.) See e.g. “Financing Through IFC.” IFC 2006 Global Education Conference. Washington, DC. http://www.ifc.org/ifcext/che.nsf/AttachmentsByTitle/Ed_06_McCahan/$FILE/McCahan_IFC+Financing.pdf.

10 The WBG’s general mandate is poverty reduction, as “all WBG institutions play a distinct role in the mission to fight poverty and improve living standards for people in the developing world.” See The World Bank Group, http://www.worldbankgroup.org.

11 See “What is the World Bank Group?” Center for International Environmental Law. http://www.ciel.org/Ifi/IFIs_WB_Group.html.

12 FIAS Annual Report, FY07.

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14 FIAS Investment Climate Advisory Service, Strategy for FY08-11. July 2007, p. 6.

15 In 2009, IFC launched the Conflict-Affected States in Africa (CASA) Program to address a lack of infrastructure, poor job prospects, and minimal support for small businesses. IFC is placing staff on the ground and integrating Advisory Services to develop country strategies, in close coordination with its partners in the World Bank Group.

16 In WBG’s Doing Business rankings, economies are ranked on their ease of doing business, from 1 – 183, with first place being the best. A high ranking on the ease of doing business index means the regulatory environment is conducive to the operation of business. This index averages the country’s percentile rankings on 10 topics (such as ‘Protecting Investors’, ‘Trading Across Borders’, etc.), made up of a variety of indicators, giving equal weight to each topic. For more information, see http://www.doingbusiness.org.

17 FIAS Annual Report, FY07, p. 17.

18 FIAS Annual Report, FY07, p. 20.

19 In FY09, FIAS decided to change the terminology from “reform” to “result”.

20 FIAS Annual Report, FY09, p. iv.

21 see e.g., Aldo Calinari, Rodrik, Birdsall (2005). *If rich countries really cared about development,* International Centre for Trade and Sustainable Development. See also, The Least Developed Countries Report 2009. The United Nations Conference on Trade and Development. http://www.unctad.org/en/docs/ldc2009_en.pdf.

22 “Lessons for Reformers: How to Launch, Implement, and Sustain Regulatory Reform.” The World Bank Group, Investment Climate Advisory Services, 2009. p. 1.

23 The IFC website contains numerous handbooks that provide guidance on how to communicate the benefits of such reforms and monitor and evaluate progress, as well as advice on how to reform business licensing processes and providing environment, health, and safety advice to businesses.

24 IFC has chosen not to create a stand-alone strategy for its advisory business. Instead, it has chosen to develop integrated global and regional strategies for IFC as a whole. Investment services and advisory services are viewed as complementary tools for pursuing the same strategic objectives. See “IFC’s Advisory Services.” International Finance Corporation. Informal Meeting. May 14, 2009.

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26 *Ibid.*

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47 *Independent Evaluation of IFC's Development Results 2009 - Knowledge for Private Sector Development*, Independent Evaluation Group, World Bank Group, p.xxiii.

48 FIAS Investment Climate Advisory Service, Strategy for FY08-11. July 2007, p. 28.

49 IFC Annual Report, 2003, p. 3, and IFC Annual Report, 2009, p. 62.

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66 FIAS Annual Report, FY09, p. 3.

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112 World Bank Group's Doing Business Indicators are a way for potential investors to decide which countries are apt destinations for overseas investments. Economies are ranked based on these indicators on their ease of doing business, from 1 – 183, with first place being the best. A high ranking on the ease of doing business index means the regulatory environment is conducive to the operation of business.

113 FIAS Investment Climate Advisory Service, Strategy for FY08-11. July 2007, p. 39.

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115 The 11 March 2010, civil society letter addressed to Lars Thunell, Executive Vice President of the International Finance Corporation, can be found at: www.accountabilityproject.org/jointsubmission and www.ciel.org.

116 The review provides an important opportunity to respond to critical developments in the last three years, including, for example, the adoption of the United Nations Declaration on the Rights of Indigenous Peoples by the United Nations General Assembly (UNDRIP); increased progress in understanding the responsibilities of private actors with respect to human rights; increased understanding of the urgent need to respond to climate change; and a significant increase in the development and use of new approaches to lending.

117 Sixty-seven financial institutions from twenty-seven countries have adopted the Equator Principles (EP). The EPs are a voluntary set of standards, based on IFC's sustainability framework, for determining, assessing and managing social and environmental risk in project financing. These private sector financial institutions operate in over 100 countries. As a result, the Equator Principles have become the project finance industry standard for addressing environmental and social issues in project financing globally.

118 For a complete list of IFC Performance Standards, see "International Finance Corporation's Performance Standards on Social & Environmental Sustainability." April 30, 2006. http://www.ifc.org/ifcext/sustainability.nsf/AttachmentsByTitle/pol_SocEnvSustainability2006/$FILE/SustainabilityPolicy.pdf.

119 The Compliance Advisor Ombudsman (CAO) is the independent recourse mechanism for the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA). The CAO responds to complaints from project-affected communities with the goal of enhancing social and environmental outcomes on the ground.

120 "Independent Evaluation of IFC's Development Results 2009." Independent Evaluation Group (IEG), May 2009, p. 5. http://www.ifc.org/ifcext/ieg.nsf/Content/Highlights_IEDR2009.

121 Independent Evaluation Group (IEG) is an independent unit within the World Bank Group, which evaluates the relevance and impact of the Bank Group's support to developing countries for reducing poverty.

122 "Independent Evaluation of IFC's Development Results 2009." Independent Evaluation Group (IEG), May 2009, p. xxiv. http://www.ifc.org/ifcext/ieg.nsf/Content/Highlights_IEDR2009.

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124 IFC's Policy on Social and Environmental Sustainability acknowledges the need for AS to also comply with Performance Standards: "When IFC is providing advice for large-scale investment projects, the Performance Standards are used as a reference in addition to national laws. IFC...encourages recipients of IFC's advisory services to enhance opportunities to promote good social and environmental practices." However, Monitoring and Evaluation does not measure or evaluate compliance with IFC Performance Standards, nor does the IEDR properly address them.

* See "International Finance Corporation's Performance Standards on Social & Environmental Sustainability." April 30, 2006.

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