

**October 18, 2021**

## **Development banks have no business financing agribusiness**

Over 450 Public Development Banks (PDBs) from around the world are gathering in Rome from 19 to 20 October 2021 for a second international summit, dubbed [Finance in Common](#). During the first summit in Paris in 2020, over 80 civil-society organizations published a joint [statement](#) demanding that the PDBs stop funding agribusiness companies and projects that take land and natural resources away from local communities. This year, however, PDBs have made agriculture and agribusiness the priority of their second summit. This is of serious concern for the undersigned groups as PDBs have a long track-record of making investments in agriculture that benefit private interests and agribusiness corporations at the expense of farmers, herders, fishers, food workers and Indigenous Peoples, undermining their food sovereignty, ecosystems and human rights.

### **Our concerns**

PDBs are public institutions established by national governments or multilateral agencies to finance government programs and private companies whose activities are said to contribute to the improvement of people's lives in the places where they operate, particularly in the Global South. Many multilateral development banks, a significant sub-group of PDBs, also provide technical and policy advice to governments to change their laws and policies to attract foreign investment.

As public institutions, PDBs are bound to respect, protect and fulfil human rights and are supposed to be accountable to the public for their actions. Today, development banks collectively spend over US\$2 trillion a year financing public and private companies to build roads, power plants, factory farms, agribusiness plantations and more in the name of "development" – an estimated US\$1.4 trillion [goes into the sole agriculture and food sector](#). Their financing of private companies, whether through debt or the purchase of shares, is supposed to be done for a profit, but much of their spending is backed and financed by the public – by people's labor and taxes.

The number of PDBs and the funding they receive is growing. The reach of these banks is also growing as they are increasingly channeling public funds through [private equity](#), "green finance" and other financial schemes to deliver the intended solutions instead of more traditional support to government programs or non-profit projects. Money from a development bank provides a sort of guarantee for companies expanding into so-called high-risk countries or industries. These guarantees enable companies to raise more funds from private lenders or other development banks, often at favorable rates. Development banks thus play a critical role in enabling multinational corporations to expand further into markets and territories around the world – from gold mines in [Armenia](#), to controversial hydroelectric dams in [Colombia](#), to disastrous natural gas projects in [Mozambique](#) – in ways they could not do otherwise.

Additionally, many multilateral development banks work to explicitly shape national level law and policy through their technical advice to governments and ranking systems such as the [Enabling the Business of Agriculture](#) of the World Bank. The

policies they support in key sectors -- including health, water, education, energy, food security and agriculture -- [tend](#) to advance the role of big corporations and elites. And when affected local communities, including Indigenous Peoples and small farmers protest, they are often not heard or [face reprisals](#). For example, in India, the World Bank [advised](#) the government to deregulate the agricultural marketing system, and when the government implemented this advice without consulting with farmers and their organisations, it led to massive protests.

Public Development Banks claim that they only invest in “sustainable” and “responsible” companies and that their involvement improves corporate behavior. But these banks have a heavy legacy of investing in companies involved in land grabbing, corruption, violence, environmental destruction and other severe human rights violations, from which they have escaped any meaningful accountability. The increasing reliance of development banks on offshore private equity funds and complex investment webs, including so called financial intermediaries, to channel their investments makes accountability even more evasive and enables a small and powerful [financial elite](#) to capture the benefits.

It is alarming that Public Development Banks are now taking on more of a coordinated and central role when it comes to food and agriculture. They are a part of the global financial architecture that is driving dispossession and ecological destruction, much of which is caused by agribusiness. Over the years, their investment in agriculture has almost exclusively gone to companies engaged in monoculture plantations, contract growing schemes, animal factory farms, sales of hybrid and genetically modified seeds and pesticides, and digital agriculture platforms dominated by Big Tech. They have shown zero interest in or capacity to invest in the farm, fisher and forest communities that currently produce [the majority of the world's food](#). Instead, they are bankrolling land grabbers and corporate agribusinesses and destroying local food systems.

### **Painful examples**

Important examples of the pattern we see Public Development Banks engaging in:

- The European Bank for Reconstruction and Development and the European Investment Bank have provided generous [financing](#) to the agribusiness companies of some of Ukraine's richest oligarchs, who control hundreds of thousands of hectares of land.
- SOCFIN of Luxembourg and SIAT of Belgium, the two largest oil palm and rubber plantation owners in Africa, have received numerous financial [loans](#) from development banks, despite their subsidiaries being mired in land [grabbing](#), [corruption](#) scandals and human rights [violations](#).
- Multiple development banks (including Swedfund, BIO, FMO and the DEG) financed the failed sugarcane plantation of [Addax Bioenergy](#) in Sierra Leone that has left a trail of devastation for local communities after the company's exit.
- The UK's CDC Group and other European development banks (including [BIO](#), DEG, FMO and Proparco) poured over \$150 million into the now bankrupt [Feronia Inc](#)'s oil palm plantations in the DR Congo, despite long-standing

conflicts with local communities over land and working conditions, allegations of corruption and [serious human rights violations](#) against villagers.

- The United Nations' Common Fund for Commodities invested in Agilis [Partners](#), a US-owned company, which is involved in the violent eviction of thousands of villagers in Uganda for a large-scale grain farm.
- Norfund and Finnfund own [Green Resources](#), a Norwegian forestry company planting pine trees in Uganda on land taken from thousands of local farmers, with devastating effects on their livelihoods.
- The Japan Bank for International Cooperation and the African Development Bank [invested](#) in a [railway](#) and port infrastructure project to enable Mitsui of Japan and Vale of Brazil to export coal from their mining operations in northern Mozambique. The [project](#), connected to the controversial [ProSavana](#) agribusiness project, has led to land grabbing, forced relocations, fatal accidents and the detention and torture of project opponents.
- The China Development Bank financed the ecologically and socially disastrous [Gibe III dam](#) in Ethiopia. Designed for electricity generation and to irrigate large-scale sugar, cotton and palm oil plantations such as the gargantuan Kuraz Sugar Development Project, it has cut off the river flow that the indigenous people of the Lower Omo Valley relied on for flood retreat agriculture.
- In Nicaragua, FMO and Finnfund financed [MLR Forestal](#), a company managing cocoa and teak plantations, which is controlled by gold mining interests responsible for displacement of Afro-descendant and Indigenous communities and environmental degradation.
- The International Finance Corporation and the Inter-American Development Bank Invest have recently approved loans to Pronaca, Ecuador's 4th largest corporation, to expand intensive pig and poultry production despite opposition from [international](#) and [Ecuadorian groups](#), including local indigenous communities whose water and lands have been polluted by the company's expansive operations.
- The Inter-American Development Bank Invest is considering a [new \\$43 million loan](#) for Marfrig Global Foods, the world's 2nd largest beef company, under the guise of promoting "sustainable beef." Numerous [reports](#) have found Marfrig's supply chain directly linked to [illegal deforestation](#) in the Amazon and Cerrado and [human rights violations](#). The company has also faced [corruption](#) charges. A global campaign is now calling for PDBs to immediately divest from all industrial livestock operations.

### **We need better mechanisms to build food sovereignty**

Governments and multilateral agencies are finally beginning to acknowledge that today's global food system has failed to address hunger and is a key driver of multiple crises, from pandemics to biodiversity collapse to the climate emergency. But they are doing nothing to challenge the corporations who dominate the industrial food system and its model of production, trade and consumption. To the contrary,

they are pushing for more corporate investment, more public private partnerships and more handouts to agribusiness.

This year's summit of the development banks was deliberately chosen to follow on the heels of the [UN Food Systems Summit](#). It was advertised as a global forum to find solutions to problems afflicting the global food system but was [hijacked](#) by corporate interests and became little more than a space for corporate greenwashing and showcasing industrial agriculture. The event was protested and boycotted by social movements and civil society, including through the [Global People's Summit](#) and the [Autonomous People's response to the UN Food Systems Summit](#), as well as by [academics](#) from across the world.

The Finance in Common summit, with its focus on agriculture and agribusiness, will follow the same script. Financiers overseeing our public funds and mandates will gather with elites and corporate representatives to strategize on how to keep the money flowing into a model of food and agriculture that is leading to climate breakdown, increasing poverty and exacerbating all forms of malnutrition. Few if any representatives from the communities affected by the investments of the development banks, people who are on the frontlines trying to produce food for their communities, will be invited in or listened to. PDBs are not interested. They seek to fund agribusinesses, which produce commodities for trade and financial schemes for profits rather than food for nutrition.

Last year, a large coalition of civil-society organizations made a huge effort just to get the development banks to agree to commit to a human rights approach and community-led development. The result was only some limited language in the final declaration, which has not been translated into action.

We do not want any more of our public money, public mandates and public resources to be wasted on agribusiness companies that take land, natural resources and livelihoods away from local communities. Therefore:

**We call for an immediate end to the financing of corporate agribusiness operations and speculative investments by public development banks.**

**We call for the creation of fully public and accountable funding mechanisms that support peoples' efforts to build food sovereignty, realize the human right to food, protect and restore ecosystems, and address the climate emergency.**

**We call for the implementation of strong and effective mechanisms that provide communities with access to justice in case of adverse human rights impacts or social and environmental damages caused by PDB investments.**

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**<Signatories>**

Fundación Plurales - Argentina

Fundación Ambiente y Recursos Naturales (FARN) - Argentina

Foro Ambiental Santiagueño - Argentina  
Armenian Women For Health & Healthy Environment NGO /AWHHE/ - Armenia  
Australian Food Sovereignty Alliance - Australia  
SunGem - Australia  
Welthaus Diözese Graz-Seckau - Austria  
Turkmen Initiative for Human Rights - Austria  
FIAN Austria - Austria  
Oil Workers' Rights Protection Organization Public Union - Azerbaijan  
Initiative for Right View - Bangladesh  
Right to Food South Asia - Bangladesh  
IRV - Bangladesh  
Bangladesh Agricultural Farm Labour Federation [BAFLF] - Bangladesh  
NGO "Ecohome" - Belarus  
Eclosio - Belgium  
AEFJN - Belgium  
FIAN Belgium - Belgium  
Entraide et Fraternité - Belgium  
Africa Europe Faith & Justice Network (AEFJN) - Belgium  
Coalition for Fair Fisheries Arrangements - Belgium  
Eurodad - Belgium  
Friends of the Earth Europe - Belgium  
Alianza Animalista La Paz - Bolivia  
Instituto de Estudos Socioeconômicos (Inesc) - Brazil  
Centro Ecologico - Brazil  
FAOR Fórum da Amazônia Oriental - Brazil  
Articulação Agro é Fogo - Brazil  
Campanha Nacional de Combate e Prevenção ao Trabalho Escravo - Comissão  
Pastoral da Terra/CPT - Brazil  
Clínica de Direitos Humanos da Amazônia -PPGD/UFPA - Brazil  
Universidade Federal Fluminense IPsi - Brazil  
Associação Brasileira de Reforma Agrária - Brazil  
Rede Jubileu Sul Brasil - Brazil  
Alternativas para pequena agricultura no Tocantins APATO - Brazil  
CAPINA Cooperação e Apoio a Projetos de Inspiração Alternativa - Brazil  
Marcha Mundial por Justiça Climática / Marcha Mundial do Clima - Brazil  
MNCCD - Movimento Nacional Contra Corrupção e pela Democracia - Brazil  
Marcha Mundial por Justiça Climática/Marcha Mundial do Clima - Brazil  
Support Group for Indigenous Youth - Brazil  
Comissão Pastoral da Terra -CPT - Brazil  
Equitable Cambodia - Cambodia  
Coalition of Cambodian Farmers Community - Cambodia  
Struggle to Economize Future Environment (SEFE) - Cameroon  
Synaparcam - Cameroon

APDDH -ASSISTANCE - Cameroon  
Inter Pares - Canada  
Vigilance OGM - Canada  
SeedChange - Canada  
Place de la Dignité - Canada  
National Farmers Union - Canada  
Corporación para la Protección y Desarrollo de Territorios Rurales- PRODETER - Colombia  
Grupo Semillas - Colombia  
Groupe de Recherche et de Plaidoyer sur les Industries Extractives (GRPIE) - Côte d'Ivoire  
Réseau des Femmes Braves (REFEB) - Côte d'Ivoire  
CLDA - Côte d'Ivoire  
Counter Balance - Czech Republic  
AfrosRD - Dominican Republic  
Conseil Régional des Organisations Non gouvernementales de Développement - DR Congo  
Construisons Ensemble le MONDE - DR Congo  
Synergie Agir Contre la Faim et le Réchauffement Climatique , SACFRC. - DR Congo  
COPACO-PRP - DR Congo  
AICED - DR Congo  
Réseaux d'informations et d'appui aux ONG en République Démocratique du Congo ( RIAO - RDC) - DR Congo  
Latinoamérica Sustentable - Ecuador  
Housing and Land Rights Network - Habitat International Coalition - Egypt  
Pacific Islands Association of Non-Governmental Organisations (PIANGO) - Fiji  
Internationale Situationniste - France  
Pouvoir d'Agir - France  
Europe solidaire sans frontières (ESSF) - France  
Amis de la Terre France - France  
Médias Sociaux pour un Autre Monde - France  
ReAct Transnational - France  
CCFD-Terre Solidaire - France  
CADTM France - France  
Coordination SUD - France  
Д в и ж е н и е Зеленных Грузии - Georgia  
NGO "GAMARJOBA" - Georgia  
StrongGogo - Georgia  
FIAN Deutschland - Germany  
Rettet den Regenwald - Germany  
Angela Jost Translations - Germany  
urgewald e.V. - Germany

Abibinsroma Foundation - Ghana  
Alliance for Empowering Rural Communities - Ghana  
Organización de Mujeres Tierra Viva - Guatemala  
Campaña Guatemala sin hambre - Guatemala  
PAPDA - Haïti  
Centre de Recherche et d'Action pour le Developpement (CRAD) - Haiti  
Ambiente, Desarrollo y Capacitación (ADC ) - Honduras  
Rashtriya Raithu Seva Samithi - India  
All India Union of Forest Working People AIUFWP - India  
Centre for Financial Accountability - India  
People First - India  
Environics Trust - India  
ToxicsWatch Alliance - India  
Food Sovereignty Alliance - India  
Indonesia for Global Justice (IGJ) - Indonesia  
kruha - Indonesia  
Wahana Lingkungan Hidup Indonesia (WALHI) - Indonesia  
JPIC Kalimantan - Indonesia  
والط فـل المراه شؤون منظمه/ جمعه تانـ يا - Iraq  
ICW-CIF - Italy  
PEAH - Policies for Equitable Access to Health - Italy  
Focsiv Italian federation christian NGOs - Italy  
Schola Campesina APS - Italy  
Casa Congo- Italy  
ReCommon - Italy  
Schola Campesina - Italy  
Japan International Volunteer Center (JVC) - Japan  
Team OKADA - Japan  
taneomamorukai - Japan  
VoiceForAnimalsJapan - Japan  
Keisen University - Japan  
000 PAF NPO - Japan  
Missionary Society of Saint Columban, Japan - Japan  
Migrants around 60 - Japan  
Mura-Machi Net (Network between Villages and Towns) - Japan  
Japan Family Farmers Movement (Nouminren) - Japan  
Pacific Asia Resorce Center(PARC) - Japan  
A Quater Acre Farm-Jinendo - Japan  
Friends of the Earth Japan - Japan  
Alternative People's Linkage in Asia (APLA) - Japan  
Mekong Watch - Japan  
Family Farming Platform Japan - Japan  
Africa Japan Forum - Japan

ATTAC Kansai - Japan  
ATTAC Japan - Japan  
Association of Western Japan Agroecology (AWJA) - Japan  
Mennovillage Naganuma - Japan  
Phenix Center - Jordan  
Mazingira Institute - Kenya  
Dan Owala - Kenya  
Jamaa Resource Initiatives - Kenya  
Kenya Debt Abolition Network - Kenya  
Haki Nawiri Afrika - Kenya  
Euphrates Institute-Liberia - Liberia  
Green Advocates International (Liberia) - Liberia  
Sustainable Development Institute (SDI) - Liberia  
Alliance for Rural Democracy (ARD) - Liberia  
Frères des Hommes - Luxembourg  
SOS FAIM - Luxembourg  
Collectif pour la défense des terres malgaches - TANY - Madagascar  
Third World Network - Malaysia  
Appui Solidaire pour le Développement de l'Aide au Développement - Mali  
Réseau CADTM Afrique - Mali  
Lalo - Mexico  
Tosepanpajt A.C - Mexico  
Maya sin Fronteras - Mexico  
Centro de Educación en Apoyo a la Producción y al Medio Ambiente, A.C. - Mexico  
Mujeres Libres COLEM AC - México  
Grupo de Mujeres de San Cristóbal Las Casas AC - México  
Colectivo Educación para la Paaz y los Derechos Humanos A.C. (CEPAZDH) - México  
Red Nacional de Promotoras Rurales - México  
Dinamismo Juvenil A.C - México  
Cultura Ambiental en Expansión AC - México  
Observatorio Universitario de Seguridad Alimentaria y Nutricional del Estado de Guanajuato - México  
Centro Interdisciplinario de Investigación y Desarrollo Alternativo U Yich Lu'um AC - México  
The Hunger Project México - México  
Americas Program/Americas.Org - México  
Association Talassemiane pour l'Environnement et Développement (ATED) - Morocco  
Espace de Solidarité et de Coopération de l'Oriental - Morocco  
LVC Maroc - Morocco  
EJNA - Morocco  
NAFSN - Morocco



Fédération nationale du secteur agricole - Morocco  
Association jeunes pour jeunes - Morocco  
Plataforma Mocambicana da Mulher e Rapariga Cooperativistas/AMPCM -  
MOZAMBIQUE - Mozambique  
Justica Ambiental - JA! - Mozambique  
Community Empowerment and Social Justice Network (CEMSOJ) - Nepal  
WILPF NL - Netherlands  
Milieudefensie - Netherlands  
Platform Aarde Boer Consument - Netherlands  
Both ENDS - Netherlands  
Foundation for the Conservation of the Earth,FOCONE - Nigeria  
Lekeh Development Foundation (LEDEF) - Nigeria  
Nigeria Coal Network - Nigeria  
Spire - Norway  
Pakistan Fisherfolk Forum - Pakistan  
Gaza Urban Agriculture Platform (GUPAP) - Palestine  
Union of Agricultural Work Committees - Palestine  
WomanHealth Philippines - Philippines  
Agroecology X - Philippines  
SEARICE - Philippines  
Alter Trade Foundation for Food Sovereignty, Inc - Philippines  
Association pour la défense des droits à l'eau et à l'assainissement - Sénégal  
Biotech Services Sénégal - Sénégal  
Association Sénégalaise des Amis de la Nature - Sénégal  
Alliance Sénégalaise Contre la Faim et la Malnutrition - Sénégal  
Association Sénégalaise des Amis de la Nature - Sénégal  
Alliance Sénégalaise Contre la Faim et la Malnutrition - Sénégal  
Green Scenery - Sierra Leone  
Land for Life - Sierra Leone  
JendaGbeni Centre for Social Change Communications - Sierra Leone  
Sierra Leone Land Alliance - Sierra Leone  
African Centre for Biodiversity - South Africa  
African Children Empowerment - South Africa  
Cooperative and Policy Alternative Centre - South Africa  
Fish Hoek Valley Ratepayers and Residents Association - South Africa  
Consciously Organic - South Africa  
Wana Johnson Learning Centre - South Africa  
Aha Properties - South Africa  
Sacred Earth & Storm School - South Africa  
Earth Magic - South Africa  
Oasis - South Africa  
Envirosense - South Africa  
Greenstuff - South Africa

WoMin African Alliance - South Africa  
Seonae Eco Centre - South Africa  
Eco Hope - South Africa  
Kos en Fynbos - South Africa  
Ghostwriter Grant - South Africa  
Mariann Coordinating Committee - South Africa  
Khanyisa Education and Development Trust - South Africa  
LAMOSA - South Africa  
Ferndale Food Forest and Worm Farm - South Africa  
Mxumbu Youth Agricultural Coop - South Africa  
PHA Food & Farming Campaign - South Africa  
SOLdePAZ.Pachakuti - Spain  
Amigos de la Tierra - Spain  
Sindicato Andaluz de Trabajadores/AS - Spain  
Salva la Selva - Spain  
Loco Matrifoco - Spain  
Entrepueblos/Entrepobles/Entrepobs/Herriarte - Spain  
National Fisheries Solidarity(NAFSO) - Sri Lanka  
Movement for Land and Agricultural Reform (MONLAR) - Sri Lanka  
Agr. Graduates Cooperatives Union - Sudan  
FIAN Sweden - Sweden  
FIAN Suisse - Switzerland  
Bread for all - Switzerland  
Foundation for Environmental Management and Campaign Against Poverty -  
Tanzania  
World Animal Protection - Thailand  
Asia Indigenous Peoples Pact - Thailand  
PERMATIL - Timor-Leste  
Afrique Eco 2100 - Togo  
AJECC - Togo  
ATGF - Tunisia  
Forum Tunisien des Droits Economiques et Sociaux - Tunisia  
Agora Association - Turkey  
Uganda Land Rights Defenders - Uganda  
Centre for Citizens Conserving Environment (CECIC) - Uganda  
Hopes for youth development Association - Uganda  
Uganda Consortium on Corporate Accountability - Uganda  
Centre for Citizens Conserving Environment &Management (CECIC) - Uganda  
Buliisa Initiative for Rural Development Organisation (BIRUDO)) - Uganda  
Twerwaneho Listeners Club - Uganda  
Alliance for Food Sovereignty in Africa - Uganda  
Global Justice Now - UK  
Friends of the Earth International - UK

Compassion in World Farming - UK  
Environmental Justice Foundation - UK  
Fresh Eyes - UK  
War on Want - UK  
Friends of the Earth US - US  
A Growing Culture - US  
Center for Political Innovation - US  
GMO/Toxin Free USA - US  
Friends of the Earth US - US  
Thousand Currents - US  
Local Futures - US  
National Family Farm Coalition - US  
Community Alliance for Global Justice/AGRA Watch - US  
Bank Information Center - US  
Seeding Sovereignty - US  
Yemeni Observatory for Human Rights - Yemen  
Zambia Alliance for Agroecology and Biodiversity - Zambia  
Zambian Governance Foundation for Civil Society - Zambia  
Urban Farming Zimbabwe - Zimbabwe  
Centre for Alternative Development - Zimbabwe  
FACHIG Trust - Zimbabwe  
Red Latinoamericana por Justicia Económica y Social - Latindadd - América Latina  
European Coordination Via Campesina - Europe  
Arab Watch Coalition - Middle East and North Africa  
FIAN International - International  
ESCR-Net - International  
International Alliance of Inhabitants - International  
Society for International Development - International  
ActionAid International - International  
International Accountability Project - International  
Habitat International Coalition - General Secretariat - International  
CIDSE - International  
Transnational Institute - International  
World Rainforest Movement - International  
GRAIN - International