A DEATH KNELL FOR THE EBA?
WHY THE WORLD BANK MUST END ITS RANKING PROGRAMS NOW
Acknowledgements

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The World Bank is losing the battle over agriculture policy.

In 2013, the Bank launched the *Enabling the Business of Agriculture* (EBA) program. Modeled off the longer standing *Doing Business* rankings (DBR), the EBA scores and ranks countries on 12 topic areas,\(^1\) pressuring governments in the developing world to design “business-friendly” agricultural policies and regulations. Despite the stated intent to “promote smart regulations that ensure safety and quality control as well as efficient regulatory processes that support thriving agribusinesses,”\(^2\) all it has accomplished is a race-to-the-bottom amongst countries, forcing them to adopt policies that benefit corporations over farmers.

Recent events, however, have put the Bank’s ranking programs on shaky ground.

The Flawed Methodology of the Bank’s Rankings Exposed

In January 2018, the World Bank’s then-Chief Economist, Paul Romer, went public about the flawed methodology of the program that the EBA is based on, the DBR.\(^3\) He exposed that over several years, politically motivated manipulation significantly changed Chile’s ranking, even though the country’s policies and regulations did not change.\(^4\) These revelations were explosive, in large part because of the significant impact that the Bank’s ranking programs have around the world.

The Bank, which was created to fight global poverty, has a long history of working to increase business opportunities in the developing world. The DBR, launched in 2004, and more recently the EBA have continued this tradition.

These rankings enable the Bank to influence flows of both aid money and private investments,\(^5\) and as the recent Romer revelations show, to even discredit governments and undermine democracy.\(^6\) They have also sparked a regulatory race-to-the-bottom. In 2014, over 70 percent of countries in sub-Saharan Africa implemented at least one reform in order to move up in the DBR,\(^7\) and more than 2,900 regulatory changes in over 190 countries have been logged since 2004.\(^8\) The DBR further extends its influence as a primary indicator of success for numerous global initiatives and projects including the New Alliance for Food Security and Nutrition, which also has close connections with the EBA.\(^9\)

The DBR and its methodology have come under heavy scrutiny previously. In 2013, an independent panel of experts...
called for an end to the DBR’s country rankings;\(^\text{10}\) criticized the program for ignoring the socio-economic benefits of regulation, including environmental protection, safety, and worker protection;\(^\text{11}\) and noted that there is a lack of scientific evidence to support the indicators.\(^\text{12}\) None of these critiques have been addressed by the Bank.\(^\text{13}\) Instead, the same year that panel’s scathing report was released, the Bank launched the EBA.

Paul Romer’s recent revelations, which led to his resignation,\(^\text{14}\) add to the growing international crisis of confidence around both the DBR and the EBA. For years, the 280-organization-strong Our Land Our Business campaign has called for the cancellation of these disastrous rankings. Now, Chile is demanding a full investigation of the DBR,\(^\text{15}\) putting additional international pressure on the Bank to end these programs for good.

- In 2011, Sierra Leone lifted a moratorium on property transfers, which it enacted to address abuses in selling and buying land, causing it to rise six ranks in the DBR’s “Registering Property” category.\(^\text{16}\)
- In 2010, Liberia removed the need to obtain an environmental impact assessment when forming a general trading company, causing it to rise five ranks in the DBR’s “Starting a Business” category.\(^\text{17}\)
The Crisis of Confidence Deepens

One month after Romer’s revelations broke, the crisis of confidence deepened when France withdrew from the New Alliance for Food Security and Nutrition (NAFSN). Notably, it was NAFSN that originally called for the creation of the EBA.

Launched in 2012 at the G8 summit at Camp David, NAFSN’s aspirations are laudable – to lift 50 million people out of poverty in Africa by 2022. However, like the DBR and EBA, NAFSN was borne from the claim that private sector investments are a silver bullet solution for development. It has thus made opening up African markets to corporations its priority.

The French government’s withdrawal came after an evaluation of NAFSN-supported projects in Burkina Faso which revealed that rather than lift people out of poverty, the projects were negatively impacting local farmers, increasing the risk of land grabbing, and benefitting large export-oriented corporate projects to the detriment of local food security. When explaining its withdrawal, French officials commented that NAFSN was “too ideological” and that France planned to instead reorient its investments towards supporting family farmers.

As with the DBR, this is not the first time NAFSN has borne the brunt of international criticism. In June 2016, the EU Parliament passed a scathing resolution that highlighted the practical and ideological failures of NAFSN. Amongst other critiques, the resolution “criticize[d] the assumption that corporate investment in agriculture automatically improves food security and nutrition and reduces poverty” and “deplore[d] the lack of consultation” with African organizations, as well as the lack of inclusion of “rural communities, farm workers, small farmers, fishermen, and indigenous peoples” in decision-making processes. France’s move to publicly withdraw both funding and support from NAFSN further legitimates the calls of civil society to end the Bank’s private-sector focused ranking programs.
These recent blows to the Bank’s agenda of promoting corporate welfare over family farmers came after two of the EBA’s five anchor donors – the Dutch government and DANIDA – stopped funding the program. This leaves just three donors – USAID, the UK’s Department for International Development (DfID), and the Bill and Melinda Gates Foundation – standing. These three are the key drivers of the pro-corporate and pro-industrial agriculture agenda around the world that consistently puts agribusiness profits before smallholder farmers.

For instance, the Bill and Melinda Gates Foundation has invested an astounding $4 billion to date in agricultural programs, mostly in sub-Saharan Africa and South Asia. This includes donations of $424 million between 2006 and 2015 to the highly problematic Alliance for a Green Revolution in Africa (AGRA), which focuses on improving access to hybrid and genetically modified seeds, synthetic fertilizers, and other inputs controlled by a small handful of western-based multinational corporations. Amongst numerous issues and concerns, AGRA’s work to introduce plant variety and intellectual property rights laws may criminalize the traditional saving, use, and exchange of seed varieties that many African farmers rely on for the supply and breeding of adapted varieties, while making farmers dependent on commercial seeds.

The Gates Foundation has also invested at least $85 million in a research collaboration with Monsanto, known as the Water Efficient Maize for Africa (WEMA) project. WEMA is using the creation of new drought-resistant maize varieties to open up the African continent further to genetically modified crops. According to the African Center for Biodiversity, the project, which is rolling out in Kenya, Tanzania, South Africa, and Mozambique, “ultimately aims to shift the focus and ownership of maize breeding, seed production and marketing almost exclusively into the private sector and, in the process, ensnare small-scale farmers in [sub-Saharan Africa] into the adoption of hybrid maize varieties and their accompanying synthetic fertilizers and pesticides.”

The US development agency, USAID, is no better. Alongside its ongoing support of NAFSN, the US has placed private sector interests at the fore of Feed the Future (FtF), its global hunger and food security initiative. FtF promotes private sector interventions to reduce poverty and childhood stunting in 12 target countries. One of its openly stated
goals is to help “US companies and entrepreneurs make connections and expand into new markets abroad, increase foreign demand for American products, and launch startups that target customers in the areas where we work.” For example, FtF has partnered with PepsiCo and Walmart, and received advice from Dupont, Monsanto, General Mills, and other multinational corporations, on projects in developing countries. With an initial pledge of $3.5 billion by the US government, which spurred an additional $18.5 billion in support from other donors, FtF has become a significant player when it comes to supporting private sector involvement in agricultural development abroad.

Recent investigations also reveal the use of diplomatic missions by the US to further its pro-corporate agenda. Research by the Oakland Institute exposed that US government officials bullied the Cameroonian government to accept a US-backed land grab and industrial palm oil project. Likewise, internal government cables revealed that the State Department has engaged in a sophisticated and coordinated campaign to promote biotechnology companies and products globally, including lobbying campaigns to pressure the governments of Kenya, Ghana, and Nigeria into passing pro-biotech laws; working with the US Trade Representative to force nations to accept US biotech food and crops; and even helping create pro-biotech NGOs to advocate for biotech-friendly policies.

Last but not least, the UK’s development agency DfID’s 2015 Conceptual Framework on Agriculture, which guides its agriculture and development funding, is centered on commercialization and agroindustry development with the explicit goal to move the majority of poor farmers out of primary agricultural production. It has also used its own private equity company – CDC Group PLC – to invest in highly questionable private-sector development projects. For instance, CDC is currently the largest shareholder of Feronia, a company that runs a 105,000 ha palm oil plantation in the Democratic Republic of Congo, linked to allegations of land rights violations and labor issues.

With these three remaining donors still at the helm, it is near guaranteed that the EBA will continue to be motivated by corporate interests, leaving smallholder farmers to pay the consequences.
In this context, the developing world should firmly reject these disastrous ranking programs. It is a travesty that a few western powers continue to force their neoliberal pro-corporate agenda on the world.

Likewise, the World Bank should cancel its two ranking programs. This call has been made repeatedly for the past four years by the Our Land Our Business campaign, which represents over 280 trade unions, farmers groups, and NGOs worldwide. Thanks to this campaign, two EBA donors have already withdrawn their support of the program. With the government of Chile calling for an investigation of the DBR and France withdrawing support from NAFSN, the full cancelation of the DBR and EBA, and a divestment away from private sector-led agricultural development more broadly, is paramount.

This call for divestment does not mean an end to support for agricultural development. Rather, it is a call for a new era of investment in agroecology, which will actually reduce hunger and poverty, while simultaneously building local economies and addressing major challenges regarding the climate, soil, and the environment.

There is, indeed, growing recognition that investing in agroecology is the way to build equitable and sustainable food systems. The International Assessment of Agricultural Knowledge, Science and Technology for Development’s (IAASTD) groundbreaking 2009 report, *Agriculture at a Crossroads*, called for a fundamental shift away from the models that birthed the original Green Revolution, and urged investment in agroecology. These were not the conclusions of a fringe group – the IAASTD was initiated by the World Bank and FAO, and the report was prepared by over 400 experts.

Since then, international consensus around agroecology has swelled. The former Special Rapporteur on the right to food, Olivier de Schutter echoed the IAASTD’s calls for greater investment in agroecology, and the same EU Parliamentary resolution that lambasted NAFSN, urged EU members to “prioritize investment in agro-ecology.”

More recently in April 2018, an FAO Symposium on agroecology that brought together 700 participants from around the world concluded with a call to governments to develop policy and legal frameworks that promote and support agroecology and sustainable food systems, and to remove “perverse incentives” for unsustainable agriculture. The final statement of the symposium clearly rejected World Bank efforts that favor industrial agriculture, stating: “It is critical that legal and regulatory frameworks are implemented in a way that ensures transformative change towards sustainable agriculture and food systems based on agroecology, and respects, protects and fulfills farmers’ rights and access to productive resources such as land, water, and seeds.”

The drivers of programs like the EBA, however, continue to ignore these calls. A recent study of DFID funding revealed that between 2010 and 2017, DFID did not fund a single project that promoted agroecology, with less than one percent of funding going to projects that partially contributed to or potentially promoted agroecology. According to the authors, “evidence suggests that the patterns of aid flow we have reported here are not confined to DFID, but are likely to be global in nature.”

A similar study looked at a single year of US Department of Agriculture funding for research, extension and economics. Using a “highly conservative classification protocol” the study found that only 5-10 percent of funds went to projects with an emphasis on agroecology.

The corporate agriculture-based financing of the US and UK governments reinforces their failure to acknowledge the necessity of shifting investments towards agroecology.
Conclusion

For far too long, the World Bank’s pro-corporate biases have reigned supreme, to the devastation of people, climate, and the environment. History has shown that the World Bank will not change on its own. However, the current crisis of confidence is unprecedented and creates momentum for true change.

The Bank’s ranking programs, built on a flawed logic that opening up countries to large-scale corporate investment will fix poverty and food insecurity, cannot be reformed. The fading support of donors to flawed international projects like the NAFSN and the EBA comes alongside growing recognition of the urgent need to redirect policies and funding towards agroecology and sustainable agriculture. The time has come for governments in the developing world to rise to the challenge and ensure sustainable use of their natural resources to serve their people, environment, and local economies. One sensible way forward is for them to refuse to be scored by rich countries for their “business-friendly environments,” and reject the rankings and other corporate-driven development strategies being pedaled by the west.

This moment can and must be the death knell of the DBR and EBA, and usher in a new era of development policies from the bottom up.
Endnotes


22 Ibid.


27 Ibid.

28 Ibid.


33 Ibid.


