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## Stop Enabling Land Grabs: Agriculture Doesn't Need World Bank's Business Indicators.

As a promoter and financer of large-scale land investments in agriculture, the World Bank Group has been a key driver of land grabbing in the developing world. It is a central player in the industrial development system that is using its financial and political might, through its investment agencies and institutions, to force developing countries to follow a pre-prescribed model of development, based on the neoliberal principles of privatization, deregulation, low corporate taxation and 'free market' fundamentalism. This model is designed to extract the maximum value from developing countries' natural and human resources and centralize wealth and power in an already tiny but bloated corporate and elite minority.

Since 2002, the World Bank has promoted this model through the Doing Business rankings which score countries according to how well Washington bureaucrats think they are improving the "ease of doing business." According to Bank's own statements, these annual rankings are closely followed by foreign investors; they are used by the World Bank and bilateral donors to guide their funding.

The *Doing Business* ranking is today's version of the Structural Adjustment Programs (SAPs) that devastated the livelihoods of millions through the withdrawal of state intervention and the forced liberalization of national economies in the 1980s and 1990s.

The ranking has already greatly impacted agricultural sectors at the expense of well-established smallholders by favoring foreign 'investors' who seek quick profits through the violations of peoples' land rights, the extraction of natural resources and the exploitation of cheap labor.

Though it is widely recognized today that land grabs are dispossessing and impoverishing rural communities across the globe, the World Bank is unwilling to change its approach. On the contrary, it is working to do more to favor investments by foreign corporations in developing countries' agricultural sectors.

At the demand of the G8 in 2012, and with funding from the Gates Foundation, the UK, US, Dutch and Danish governments, the World Bank is now developing a new instrument for *benchmarking the business of agriculture* (BBA). Started in late 2013, pilot studies are now underway in 10 countries, to be scaled up to 40 countries in 2014. The BBA is expected to benchmark and rank eighty to a hundred countries by 2015[1]. The BBA builds on the *Doing Business* model and adapts it to agriculture. With this new instrument, the World Bank advocates for instance for the free circulation of commercial seeds, fertilizers, and access to "secure property rights" through land reform.[2] Despite a language that claims concerns for small-farmers, the goal of this new agriculture-focused ranking system is far too clear: further open up countries' agricultural sectors to foreign corporations.

## ***Doing Business* Fosters Land Grabs Around the World**

The Doing Business gives points to countries when they act in favor of the "ease of doing business". This consists in smoothing the way for corporations' activity in the country by, for instance, cutting administrative procedures, lowering corporate taxes, removing environmental and social regulations or suppressing trade barriers. With the ranking, the World Bank also encourages land reforms that tend to make land a marketable commodity, easily accessible to wealthy corporations. Considering that public regulations are obstacles to enterprises' thriving, the *Doing Business* neglects issues such as human rights, right to food, economic and social rights, the protection of workers, and the sustainable use of natural resources.

There is abundant evidence of how the Doing Business ranking has favored land grabbing. For example, Liberia implemented 39 reforms to ease business between 2008 and 2011[3] and as a result attracted growing flows of FDIs. Among the investors were palm oil and rubber giants: the British Equatorial Palm Oil, Malaysian Sime Darby, and Indonesian Golden Agri-Resources, who have acquired more than 1.5 million acres (607,000 hectares) in just a few years, taking away farms, resources and livelihoods from thousands of local people.[4]

In Sierra Leone, the World Bank guided a series of reforms with aim of attracting FDI. FDI went from an average of $18 million per year between 2000 and 2005 to $740 million in 2012 alone. Reforms around land registration and fast-tracking land leasing processes have attracted sugar cane and oil palm planters including Addax Bioenergy from Switzerland, Quifel Natural Resources from Portugal, CAPARO from UK or SOFCIN from Luxembourg. In 2011 Sierra Leone had already leased 508,292 hectares to foreign investors.[5] A 2014 deal with the palm oil grower Golden Veroleum could double this figure and bring to 20% the amount of Sierra Leone's arable land taken away from rural populations. [6]

Hailed as one of the 2014 top ten reformers, the Philippines jumped up 40 spots in three years is. The year before, World Bank had advised reforms "for accelerating growth" in the country and creating of jobs in rural sector.[7] Opening of Philippines' agricultural sector to FDI made it the third most popular destination for foreign investment in land and led to total acquisition of 5.2 million hectares by foreigners in 2013.[8]

World Bank's yearly rankings are used by corporations and investors who want to know where to direct their capital. Additionally, the *Doing Business* results echo in WBG's policies and budget allocation through the "investment climate" activities,[9] and is used by bilateral donors for their financing.[10] The *Doing Business* has thus huge financial implications and provokes a race to deregulation among governments willing to improve their ranking in order to attract money flows.

Worse, the Bank is now developing the Benchmarking the Business of Agriculture (BBA), which is expected to further accelerate the rush for agricultural land and natural resources such as water in developing countries.

## **The World Bank must come to reason in its agricultural strategy!**

Smallholders farm 80 percent of the farmland and produce 80 percent of the food consumed in the developing world.[11] Therefore, they are essential guarantors of food security, countries' food sovereignty, and constitute by far the first investors current and future and employers in developing countries' agricultural sector.[12] It is **their** capacity to invest and develop their land that should be strengthened, and **not the corporations'**. Smallholders' investments are hampered by tenure insecurity and lack of government support such as extension, financial and insurance services. Farmers' assets are particularly threatened by the current trend of land grabbing, which is fueled by World Bank's business indicators and its advocacy for the opening of agricultural sectors, FDIs and land reforms.

It is time that the World Bank ceases to ignore that smallholders are the only future of an agriculture that can guarantee food security, ensure a sustainable use of natural resources and bring human development. We know far too well how damaging large-scale industrial farming is to the environment and the people. This model shall not be expanded to the developing world.

Food security, fair and equal development are achievable objectives if proper support is given to small farming. This starts with providing farmers with real tenure security, through providing secure access to common and agricultural lands rather than land reform, and through impeding that their assets be looted by foreign investors. The Bank doesn't understand this basic requirement and, through its powerful weapons *Doing Business* and *Benchmarking the Business of Agriculture*, continues to indiscriminately advocate for FDIs in the agricultural sector and to impose its one-size-fits all model of development where corporations reign supremely. This jeopardizes developing countries' food security and sovereignty.

**We therefore ask that World Bank's Doing Business and Benchmarking the Business of Agriculture indicators be stopped.**

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