



Honorable Sara Aviel
U.S. Alternate Executive Director of the World Bank Group

Oakland, November 21, 2014

Cc.

Daniel Peters, U.S. Senior Advisor to the Executive Director of the World Bank Group
Deb Crane, U.S. Advisor to the Executive Director of the World Bank Group
Rachel R. Kutzley, U.S. Advisor to the Executive Director of the World Bank Group
Million Fikre, U.S. Advisor to the Executive Director of the World Bank Group
Alexia Latortue, Deputy Assistant Secretary, International Development and Debt Policy, U.S. Treasury
Tom Malinowski, Assistant Secretary, Bureau of Democracy, Human Rights and Labor, U.S. Department of State

Subject: Civil Society's Call to End World Bank's Doing Business and the Benchmarking the Business of Agriculture (BBA) Indicators

Honorable Ms. Aviel,

We are writing to urge you to take action in order to phase out the Doing Business and Benchmarking the Business of Agriculture projects, given their dire consequences on food security and land rights in developing countries around the world.

Since 2002, the Bank's Doing Business project has been benchmarking and ranking countries on the ease of doing business. The ranking plays a significant role in shaping economic policies of countries. The 2014 report claimed that it had inspired a quarter of the 2,100 regulatory reforms recorded since its first publication. Unfortunately, this proclaimed success has not led to a reduction in poverty or greater shared prosperity.

On the contrary, the Doing Business rewards the lowering of social and environmental safeguards to facilitate investments, thereby allowing the exploitation of natural resources and human capital by foreign corporations and local elites. In the Doing Business annual reform summaries, reduction of corporate and trade taxes and the creation of one-stop shops for investors are notably greeted as "good reforms," thus improving countries' scores in the final ranking.¹ Private-titling tenure reforms that make land a marketable commodity are encouraged as well.

The countries that have implemented the Doing Business reforms, generally under the World Bank guidance, have proven very vulnerable to land grabbing and human rights violations in the name of "ease of doing business." In countries such as Liberia, Sierra Leone, Laos, Democratic Republic of Congo, Philippines and many others,² business-friendly reforms have established a regulatory environment that has facilitated the seizing of natural resources and millions of hectares of land from local communities against their free prior and informed consent.

Ignoring the devastating consequences of the ranking, the Doing Business has been upheld as the flagship project and has inspired the creation of similar projects, including the Benchmarking the Business of Agriculture (BBA), developed since 2013 at the G8's urging.

The BBA project takes the same stance as the Doing Business report on the creation of land markets, considering formal systems of tenure a necessary condition for farmers to engage in commercial activities.³ Methodological snapshots (that are no longer available) on the BBA's website⁴ also indicate the intention to measure the opening of agricultural markets to imported modified seeds and fertilizers. This approach fails to take into account dependence risks associated with farmers and countries' agricultural production reliant on deeply oligopolistic international markets, where for instance only three companies, Monsanto, Dupont, and Syngenta, control 50% of the world production of commercial seeds.⁵

The Doing Business and the BBA establish an economic and regulatory environment that favors big agribusinesses and allows large-scale land acquisitions for agriculture, at the expense of smallholder farmers who produce 80% of the food for the developing countries.

With the World Bank setting standards for investors and bilateral donors, governments refrain from challenging its ranking and benchmarking tools. Instead, governments set out to improve their Doing Business ranking as their primary policy goal, turning to the advisory services of the Bank to guide the implementation of regulations that will improve their score. This practice has undermined national sovereignty while thwarting the necessary public debate on economic and agricultural development policies.

As called for by the multi-continental *Our Land, Our Business* campaign, comprising of more than 260 organizations, we demand that the World Bank's Doing Business report be abolished, and the development of its sister project, Benchmarking the Business of Agriculture (BBA), be immediately suspended.

Following the publication of the 12th Doing Business report this October 2014, we call on you as the Alternate Executive Director representing the United States of America to act in order to protect human rights and local communities' livelihoods that are undermined by the Bank's business rankings. We appreciate your consideration and involvement in addressing this critical issue and look forward to hearing from you at your earliest convenience.

Yours sincerely,

Anuradha Mittal, Executive Director, Oakland Institute

Danielle Nierenberg, President, Food Tank

Bret Thiele, Co-Executive Director, Global Initiative for Economic, Social and Cultural Rights

Lawrence & Catherine Halvey-Goodwin, Founders and Co-Executive directors, PLANT

Alnoor Ladha, Executive Director, /The Rules

Carleen Pickard, Managing Director, Global Exchange

David Pred, Co-Founder and Managing Director, Inclusive Development International

Alex Jensen, Local Futures / ISEC

Lauren Ornelas, Founder and Executive Director, Food Empowerment Project

Aldo Caliarì, Director, Rethinking Bretton Woods Project / Center of Concern

Erich Pica, Executive Director, Friends of the Earth, U.S.

¹ World Bank, Doing Business. *Reform Business Summaries*. <http://www.doingbusiness.org/reforms>

² See <http://ourlandourbusiness.org/reports-and-info/country-reports/> for more country reports.

² See <http://ourlandourbusiness.org/reports-and-info/country-reports/> for more country reports.

³ Martin-Prével, Alice. *Willful Blindness, How World Bank's Country Rankings Impoverish Smallholder Farmers*, Oakland Institute, 2014. http://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/OurBiz_Brief_Willful_Blindness.pdf

⁴ Kaplan, Haley. "Significant changes made on the World Bank website following the launch of the Our Land Our Business campaign." *Our Land, Our Business*, July 3, 2014. <http://ourlandourbusiness.org/campaign-updates/significant-changes-made-on-the-world-bank-website-following-the-launch-of-the-our-land-our-business-campaign/>

⁵ *Who Will Control the Green Economy?* ETC Group, November 2011.

http://www.etcgroup.org/files/publication/pdf_file/ETC_wwctge_4web_Dec2011.pdf