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Address by Obang Metho, Executive Director of the SMNE, to the Civil Society Policy Forum at 2014 Annual Meetings of the International Monetary Fund (IMF) and the World Bank Group (WBG), Washington, DC

Thank you for inviting me to share in this panel discussion on “The Role of World Bank Indicators in Agricultural Development.” Today’s discussion is very relevant in that the World Bank is investing billions of dollars into agribusiness. Various new tools have been designed to measure and assess whether or not these investments are assisting the farm sector, including smallholder farmers in Sub-Saharan Africa, resulting in improved food and livelihood security for the people. **The question today is whether or not these new tools, used as indicators of the degree of success of WB projects, are accomplishing the intended goals of guiding and strengthening agribusiness in Africa?**

These are some of the key questions to be answered:

First, are these indicators providing more accurate, credible and critically-needed information in regards to how these WB investments are actually working on the ground?

Secondly, are these indicators effective in enabling better decision-making among policy makers, resulting in more success-driven policies?

Thirdly, have the compliance requirements and outcomes of various indicators increased transparency and accountability among implementers of these projects, from local managers to federal officials in participating countries?

Fourthly, what other indicators or factors should be included in order to ensure the best outcomes for improving long-term self-sufficiency and sustainability of food and livelihood security for the people of Africa?

Re-establishing the Basics:

The World Bank is an international development bank that has poured huge amounts of aid into Africa and its development that has benefited millions of people on the continent. Its stated goals are to:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria, and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

No country need participate; however, if a country chooses to do so, certain requirements are expected, whether or not one agrees with them. The WB, as a public institution, is accountable for how it delivers its financing.

This includes the responsibility of ensuring proper use of WB funds that result in improved lives for the people. At times the WB has received criticism from civil society, partner countries and others, sometimes resulting in the bank making positive changes.

The creation of these new tools to measure the efficacy of WB projects may be an outcome on the part of the WB to the call for increased transparency and accountability from its borrowers.

Where large amounts of funds are passed between givers and receivers, there is vast opportunity for misuse, abuse, waste, theft, and corruption, especially when such projects to be are carried out in remote regions of the world among some of its most voiceless people. This includes the danger of WB funds being used to shore up the power of dictators, who then use their power against the very people the WB has targeted as primary beneficiaries, undermining the achievement of the bank's primary goals. This is especially true in countries where transparency and accountability are lacking, where institutions are weak and where authoritarian governments, like we have in Ethiopia, believe they should "call all the shots" without interference from the people, donors or groups like the World Bank, the IMF, and the African Development Bank. These countries that do participate should enter into partnership with the WB knowing the expectations; however, in many cases, the WB and others have found information gathering to be "like pulling teeth," exerting reverse pressure on the WB to ease up on regulations, expectations, transparency and accountability, the very purpose for the indicators.

Clearly, the indicators are only as good as the accuracy of the information provided through them; however, the bank's efforts to better track compliance provides a model for countries where watchdog institutions have been silenced or hijacked by those in power, again, like in Ethiopia. In these cases, the WB indicators may be one of the few sources of pressure for accountability; yet, reportedly, plans have recently been proposed to weaken key WB guidelines and requirements, some of which have been in place for thirty years, and which provide needed protections to the people. These plans, if adopted, will reduce transparency and accountability, exactly what is most needed.

The plan itself has not been released to the public, but reportedly, changes made would water-down important safeguards and requirements among recipient partners, some of which, like Ethiopia, are already in active non-compliance. Some of the areas affected are believed to include: upholding basic freedoms, the exercise of democratic principles, respect for human rights, ensuring environmental sustainability, enforcing the rule of law, increased transparency and accountability and adherence to WB guidelines and international laws regarding indigenous peoples' rights. By discarding these critically important guidelines, the WB fails to address many of the key obstacles to achieving their goals. Who will be hurt if the WB caves in on these key principles? It will be some of the world's most vulnerable people.

Concerns that the WB is caving in to pressure from African despots has resulted in an outpouring of criticism from civil society, especially from places where some semblance of civil society still exists. Maintaining its primary mission and principles will require the bank to take a strong moral stand against weakening safeguards and compliance. This is especially true in recipient countries, like Ethiopia, who resent any expectations of having to prove compliance, feeling entitled to receive endless WB funds and to use them in whatever way they please.

It is our contention that WB indicators, especially in more authoritarian countries, like Ethiopia, should instead be more intensely scrutinized for accuracy if the WB is to utilize its funds for the betterment of the people. These indicators can be useful only to the extent that they reflect the truth on the ground and to the extent that the WB holds recipients of WB financing accountable for meeting their requirements and guidelines. Weakening of the WB requirements or failing to uphold current WB guidelines and regulations can actually do harm or significantly interfere with achieving successful outcomes for the people on the ground.

Case example: Ethiopia

Ethiopia has received substantial funds, in the billions, from the World Bank; however, in a country like Ethiopia, the accuracy of the information provided by them in formulating these indicators should be questioned. **WB indicators should depend on facts, but in Ethiopia, there are no independent institutions.**

The role of the media of doing investigative reporting has been stifled by the government as journalists, bloggers, editors and activists have been imprisoned for challenging government assertions. The justice system, the police and federal security officers and financial institutions are under the control of the one-party government. Laws are used as weapons, criminalizing dissent. Civil society, the watchdogs of government, is non-existent. Reports of rapid economic growth, placing Ethiopia among the top-performing economies in the world, come from the same source, the Government of Ethiopia, which undermines any institutional independence. Who can challenge their figures and get away with it?

Claims that Ethiopia has met its Millennium Development Growth or statistics that claim progress in attaining WB goals and requirements heavily depend on the government's own statistics and reports. The bank is implicated in this wherever the regime's indicators are accepted without question or careful verification as this government has no system of checks and balances. The government has huge incentive to fit the results to match whatever the bank needs in order to continue to bring in the funds.

Keep in mind, the current government of Ethiopia is controlled by the elite in one ethnic group that makes up only 6% of the population of Ethiopia. They have been in power for 23 years and some experts predict that this country could implode into ethnic-based violence due to the increasing resentment towards this minority run regime; however, the same unpopular government claimed a 99.6% win over the opposition in the last national election after closing all political space.

Even then, the results are absurdly out of line with reality. Out of 547 seats in the Ethiopian Parliament, only one is held by a member of the opposition. In the local elections, the same government led party claimed they won almost 100% of the vote. Does that seem like a credible electoral result in this environment? Little opportunity is given to any members of the opposition, even the one member of Parliament. That member is only allowed the floor for three minutes in any debate.

In the coming national election in 2015, no independent observers are to be allowed and the election board is under the control of the one-party state. Of course, this will enable the same "cooking up of the numbers" as was done at the last election. This is all indicative of the degree of control this regime exercises over all information, including the manufacture of a constant flow of propaganda. **Could the WB indicators escape this kind of statistical manipulation?**

Government officials claim that when they came to power in 1991, 60% of the Ethiopian people did not have food security and that it is now reduced to 40%; but in reality, they can say whatever they want because no one makes them accountable. **How can conditions be so dramatically improved when so many of the most land-dependent smallholder farmers are being forced off their land, their only means of livelihood?**

In my own home region of Gambella, in the fertile area of southwestern Ethiopia, over 70,000 indigenous people out of a total population of approximately 300,000 were evicted from their land, without consultation or compensation, contrary to WB guidelines. **The indigenous people, who used to be able to support themselves, are now more food insecure than ever. People, who used to live independently, are now either hungry or must depend on handouts. Others depend on financial assistance from relatives in the West. These remittances, coming from relatives outside the country, now account for a large part of the GNP. Is this increased food security?**

Still others have left the country for refugee camps or put their lives in the hands of human traffickers. The desperation of many Ethiopians accounts for huge numbers of refugees leaving the country every day. **Are these cases included in these indicators? It is doubtful.**

A recent report of loans made for investments in Gambella included a list of 77 investors, their names, the amount of each loan and the terms. Another 61 loan applications were pending. **Out of 138 names, not one carried a name easily identified as typical of an indigenous person from Gambella. It may also be interesting to note that the number of millionaires in Ethiopia rose from 1,300 in 2007 to 2,700 in 2012, a period of rapid leasing of agricultural land in this and other regions to foreign and regime crony investors.**

At the same time, the amount of illicit capital leakage leaving Ethiopia has rapidly risen. It is obvious some are "getting rich quick" in Ethiopia, but it is not the people. **Do the indicators show this? It is doubtful.**

Instead, in the case of Gambella, the indigenous people are blocked from access to leasing land even though the land is already legally theirs as part of the rights of the indigenous in the Ethiopian Constitution. Even groups in the Diaspora who attempted to join together to pay the cost to lease the land where their families lived back home were denied access to the land. Instead the land was leased to a large foreign investor. Reportedly, this investor is using large quantities of water to grow rice that will impact others down river and has exported most of the rice to Saudi Arabia. Even when the indigenous are able to farm their land; improvements and new technology are out of reach due to not having land ownership to use as collateral because the government claims to own all the land in Ethiopia. It is a huge obstacle. Certification programs to increase land security, therefore food security, are not available in Gambella and several other regions in the country.

Double digit economic growth is claimed in Ethiopia, but if this is the actual case, should it not be supported by increased availability of electric power and other infrastructure, but even in the capital city, outages occur regularly and in many places electricity is unavailable. Access to clean water, even in Addis Ababa, is often not available. These things are not mentioned. The targeted beneficiaries of WB development and increased food security program have been mostly left out due to a lack of transparency and accountability by the government as well as due to many of these obstacles. On the other hand, the elite are gaining the benefits, accounting for most of any economic growth, but it does not trickle down to the people. That is why these indicators must be questioned.

Recommendations:

What the bank needs are more safeguards, not fewer. The bank does not have to accept the statistics given by a government, like in the case of Ethiopia, where evidence of the manipulation of data and statistics exists. Instead, the WB should require greater transparency and accountability.

If the government does not want to comply, there should be real consequences. If the WB does not demand it, then it is not just undermining the goals of their own organization, it is increasing insecurity, the exploitation of their target beneficiaries by the powerful, and decreasing the freedom and well being of the people. Where freedom is denied to the majority, we cannot hope to attain genuine economic growth or sustainable development by underwriting the means for the elite to stay in power. Indicators must be accurate, based on verifiable facts in order to enable the most vulnerable peoples' participation in a free market where opportunity is available not only to the families, cronies, and tribe of one exclusive group.

Currently, there is a move to ease restrictions on money, trade and aid as various international players vie for a piece of Africa. Increased willingness to cater to African strongmen at the expense of democratic ideals, human rights and inclusive development is putting the African people at risk. Some are gravitating toward the Chinese model of aid, development and trade where such values as human rights, basic freedoms and protecting the environment are "non-issues."

The WB should not take the short-cut, forgetting about these issues that are so important to Africans. It is a moral question that requires standing firm to the original goals of the bank. Are these goals just rhetoric or meaningful policy guides?

Reportedly, 15 million people around the world are displaced every year in the name of development. The majority of them are among the most vulnerable people in our world—those who should benefit the most from these development projects. This must change. If the bank does not require transparency and accountability, the indicators will be flawed and used as propaganda against the people like as in Ethiopia. WB indicators, if incorrect, still gain further legitimization when they are repeated and utilized by the international community and others who believe in their authenticity. It traps the neediest in a cycle of poverty.

We can assume that there will always those individuals, groups and governments who seek to personally benefit from programs meant to help others. When the WB fails to ask the right questions or to verify the findings presented as indicators, the problems of the people are compounded.

Conclusion:

In conclusion, I will attempt to answer my initial questions, using Ethiopia as an example.

1. Unfortunately, current WB indicators in countries like Ethiopia cannot be trusted to be accurate, objective or credible in many cases. The information they provide can lead to erroneous conclusions as they fail to reflect what is happening on the ground.
2. Decision-making among policy makers can be impeded by the purposeful distortion of the results, making it unreliable in using it to pursue more success-driven policies.

3. Because the various indicators cannot be trusted, as in the case of Ethiopia, the WB should demand more transparency and accountability on the part of borrowers. This means that borrowers should not be trusted to do self-evaluation of their projects—another recent proposal. Instead, it should include on-site visits by the WB or independent observers, in order to verify the proper implementation of WB projects. The WB must have the will and the means to require proper use of funds and link that to future financing.
4. To best ensure improved food and livelihood security on the continent, borrowers should show successful progress towards increased land ownership, basic freedoms, respect for human rights, good governance, entrenching the rule of law, political space, independent institutions and increased transparency and accountability. These components should become more, not less, integral to those countries seeking participation in the WB's projects.

For the WB system to meet its goals, it will require increased scrutiny, modifications, ongoing evaluation—both internal and from partners and shareholders, and their own transparency and accountability, especially in upcoming decisions that may lead to loosening rather than tightening regulations that will affect many of the most voiceless people in our world.

The regime in Ethiopia has become the darling of the foreign aid community, but it is viewed as a robber baron by its own people, especially the most vulnerable. If no one from the WB challenges Ethiopia's self-proclaimed statistics, the people will suffer and are already experiencing that. The people themselves will tell you that Ethiopia is exploiting WB loopholes. The privileged elite are in fact doing much better, but food and livelihood security are not improving for the majority. This was not the intention of these funds.

The opportunity for Africans to rise is coming, but Africans want partners who support inclusive development. It is a challenge for the international community members who want to "do business" and partner with Africans in the coming years to choose between the people of Africa and the authoritarian governments that exploit them. We hope the WB will stand up for the people and remain true to its calling!

Thank you!

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