“World Bank-led privatization of Burundian coffee industry must not repeat errors of the past” – UN experts warn

GENEVA (18 April 2013) – Two United Nations experts on the right to food and foreign debt today raised the alarm over the World Bank-led privatization of the Burundian coffee sector, and called for suspension of the policy pending a full human rights-based impact assessment.

“In Burundi – the third poorest country in the world - coffee revenues represent the difference between food security and hunger for much of the population, and yet the country is in the process of reforming the sector in ways that risk undermining their livelihoods,” warned the UN Special Rapporteur on the right to food, Olivier De Schutter, and the UN Independent Expert on foreign debt and human rights, Cephas Lumina.

Coffee accounts for 80% of the country’s export earnings and the livelihoods of 55% of the population, or 750 000 families, many of whom are small-scale farmers. Around two thirds of Burundians live below the poverty line and up to 60% are chronically malnourished.

“The failed policies of the past must not be allowed to hold poor populations to ransom,” the UN experts said, referring to the ‘structural adjustment’ strategies that encouraged developing countries to sell off state assets, especially in the 80s and 90s.

In 2007, as part of ongoing privatization plans, the Burundian President declared that coffee was owned by the growers until it was exported, an arrangement allowing growers to manage the supply chain and entitling them to 72% of revenues from coffee sales on international markets.

However, in 2008-2009 the Burundian Government moved towards full privatization of the industry under alleged pressure from the World Bank, whose support for public health programmes is thought to have been tied to the coffee sector reforms. Coffee washing stations have subsequently been sold off to private bidders, with potentially negative and volatile impacts on grower revenues.

“There are worrying signs that the interests of coffee growers have been shut out of the reform process, despite coffee producer organizations showing themselves open to reform of the sector in a way that allows them to climb up the value chain,” De Schutter and Lumina said.
Less than 5% of Burundian coffee was processed in the country in 2009, with the higher value-added operations taking place abroad. Reform of the sector that would allow more of the value to be captured by coffee growers’ cooperatives would be welcome, as it would increase the contribution of coffee production to poverty reduction and rural development.

“States must not confuse their own priorities with those of corporations,” De Schutter and Lumina stressed. “Institutional actors like the World Bank must support States in their attempts to reform key economic sectors in ways that do not expose vulnerable farmers and growers to the uncertainties of the market.”

While welcoming the willingness of the Burundian Government and the World Bank to cooperate with their inquiries, the experts expressed concern that, after six months of exchanges, the information provided to them by the World Bank continues to fall short in scope and transparency, and notably fails to acknowledge disagreements between the Bank and the Government of Burundi. “We expect fuller cooperation from the World Bank with the independent experts appointed by the UN Human Rights Council,” they said.

“We regret that despite the very real impacts of policies recommended by the Bank on the rights and livelihoods of coffee growers, the Bank still considers it is under no duty to consider human rights in its decision-making,” the experts stressed.

In their view, the Bank’s Articles of Agreement do not preclude consideration of human rights. “In appropriate circumstances, such as these, international law imposes on the Bank a duty to consider the human rights implications of its activities,” the two experts added.

ENDS

The Special Rapporteurs of the United Nations Human Rights Council are independent experts who act in a personal capacity independent from any government or organization. They may intervene directly with Governments and other parties on specific allegations of violations of human rights that are brought to their attention and fall within their mandates. In some cases the Special Rapporteurs may decide to make a public statement on a case, after having first engaged in a dialogue with the Government and relevant parties through the communications procedure.