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The World Economic Forum's "New Vision for Agriculture" is moving ahead on the ground...

In 2009, the World Economic Forum, that gathers every beginning of the year a number of global economic leaders in Davos, Switzerland, launched its "**New Vision for Agriculture**" (NVA) that sought to transform world agriculture in order to make it more market-oriented by helping countries to implement policy reforms in favour of private investment and trade.



Where do we stand, eight years after the launch of this initiative, and how is this "New Vision" being implemented on the ground?

Since 2009, with the support of some of the rich countries and with the active participation of large multinational corporations based in the "North", programmes have been launched in **Africa** ([GROW Africa](#), funded in part by the US, the UK and Switzerland, and active in 10 countries, closely linked to the [New Alliance for Food Security and Nutrition](#), the [African Development Bank](#), [NEPAD](#) and the [African Union](#)), in **Asia** ([GROW Asia](#), funded in part by Australia and Canada, and active in five countries), in **India** ([NVA India](#), active in three Indian States) and in **Latin America** ([NVA Latin America](#), active in four countries).

In all these initiatives, there is a strong participation of large multinationals operating in the food and agriculture sectors, in particular Bayer, Bunge, Coca-Cola, Cargill, Dow, DuPont, Heineken, Louis Dreyfus, Monsanto, Nestlé, PepsiCo, Syngenta, Unilever, Walmart, Yara international. Active also is the International Finance Corporation (an organisation associated to the World Bank whose role is to fund the private sector), Rabobank and

SwissRe, some international NGOs such as Rainforest, Save the children and World Vision, and a large number of national firms and NGOs.

According to the [NVA](#) website, the initiative now groups almost 600 organisations worldwide. It has mobilised investments of \$10.5 billion, of which \$2.5 billion have already been implemented, a relatively modest level if one considers the total volume of private investment in the sector.

The international NGO [GRAIN](#), gives us examples of field operations carried out in the framework of NVA in a document entitled “[Grow-ing disaster: the Fortune 500 goes farming](#)” published in January 2017.

What are the important points made in this study?

- Behind the politically correct language used that speaks of projects in favour of small family farms, and rather than proposing a new vision of agriculture as a whole, activities and projects undertaken in the framework of NVA programmes « *focus on a small number of high-value commodities* [and expose] *the programme’s real objective: to expand production of a handful of commodities to profit a handful of corporations.*”
- Projects launched mainly help in the establishment of a few very specific high value-added supply chains relying on contract farming and associating the most “dynamic” local farmers with a multinational (e.g.: potato chips with PepsiCo, maize with Monsanto and Syngenta and tea with Unilever, in Vietnam; coffee with Nestle, Singenta and Yara, potato chips with PepsiCo and maize with Cargill and Monsanto, in Indonesia; barley with Diageo in Ethiopia; high-tech horticulture in Mexico).
- Some of these projects have deprived of their land some rural communities whose traditional authorities have been bribed while pledges made by partners have not yet been concretised (e.g.: 10,000 ha for the irrigated agricultural pole in Babator, Northern Ghana, with AgDevCo; between 100,000 and 200,000 ha for the production of rice in Northern Côte d’Ivoire with Louis Dreyfus Commodities).
- All these initiatives go with intense lobbying activities such as the creation of working groups (e.g. horticulture working group in Rwanda or Business Advisory Working Group in Mozambique), direct discussions at ministerial level, seminars and many other activities aiming at changing policies and rules to make them more favourable to investors, on a model that we have already described in Africa [\[read here\]](#)
- While traditionally, a public-private partnership consisted in giving the administration of certain public infrastructures or services to private firms (see box), the new type of partnership used in the framework of the NVA initiative basically amounts to funding with public money private firms that, while ensuring some traditionally public functions, such as for example extension or the management of irrigation schemes, conduct typically private activities that aim mainly at making profit (marketing, agroindustrial processing, supply of seeds, fertiliser and agricultural machinery). Fundamentally, this is equal to using public subsidies to help the establishment in poor countries of rich country-based multinationals, similar to what has occurred in the framework of programmes such as the European Union’s [blending](#) or the US’ [Global Development Lab](#), a practice that has existed for long [\[read box on page 7\]](#) but that has now been put in the middle of policies adopted by rich countries and the international organisations that they control.

Public-Private Partnership (PPP)

According to the World Bank who has been one of the main promoters of PPPs, a “long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance” ([World Bank](#)).

Pros and Cons of PPPs

Pros:

- The project is *likely* to be better as each partner does what it does best.
- Infrastructure project *may be* completed faster by including penalty for delay or bonus for early completion.
- A PPP return-on-investment *may* be greater as cooperation between public and private *may* lead to use of innovative design and financing approaches.
- Project feasibility analysis *may* include more realistic risks assessment and *could* lead to elimination of unrealistic projects.
- Project execution is transferred from government to the private partner who *may* have more experience in cost-containment.
- By increasing the efficiency of the government's investment, it *may* allow government funds to be re-directed to other important areas or contribute to reduce public deficit.
- PPP being a loan in disguise, it can be used to declare an underestimated public debt.

Cons

- The private partner expects to make profits from the project, which is *likely* to increase costs to society.
- In domains where is only a limited number of private entities that can carry out the project, they *may* use this opportunity to increase costs to their benefit.
- If the expertise in the partnership lies heavily on the private side, the government will be at an inherent disadvantage and *may* be unable to accurately assess the proposed costs.
- Because the private partner may want to make immediate profit, there is an increased risk that work *may* be rushed and of poor quality.

(based on [Public Private Partnership Pros and Cons](#), the Balance)

In a nutshell, a basic shift is taking place, progressively, to make of large multinationals the masters of the food and agriculture sector, funded in part by rich countries' taxpayers, to the detriment of hundreds of millions of small family farmers who find themselves either marginalised or exploited, despite the initiative's heralded objectives of poverty and hunger reduction and improvement of food security.

To know more:

- GRAIN, "[Grow-ing disaster: the Fortune 500 goes farming](#)" 2017
- World Economic Forum, [New Vision for Agriculture](#), website
- World Economic Forum, [Grow Africa](#), undated

- World Economic Forum, [Grow Asia](#), undated
- World Economic Forum, [NVA India](#), undated
- World Economic Forum, [NVA Latin America](#), undated

Earlier articles on hungerexplained.org related to the topic:

- [AfDB's new agricultural strategy: for a so-called "modern" agriculture that will be neither sustainable nor inclusive and will only benefit a minority](#), 2016
- [The European Union investigates on the New Alliance for Food Security and Nutrition](#), 2016
- [Bringing people out of poverty by connecting them to the global economy: USAID's Global Development Lab](#), 2014
- [Why is agriculture protected in rich countries and penalised in poor countries?](#) 2011.