

# Multilateral Mechanisms that enable Corporate Concentration

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# UN agencies, MDBs, Inter-governmental agencies

- Market orientation, economic growth deeply embedded in approaches
- Their own financial structures dependent on global finance & corporate capital
- Some agencies may recognise importance of small-scale food producers, workers, local economies; but tend to push “win-win,” multi-stakeholder approaches that marginalise them
- Prioritise CSR, RSPO, Global Compact, EITI, Ruggie Principles, etc. over for corporate accountability, but support ISDS, other investor protection; hard law to protect corporations, soft law for others

# FAO Private sector partnerships (benefits according to FAO)

- Increase responsible and productive investments in agriculture, enhance efficiency in the supply chain, and make advancements in data and science;
- Increase entrepreneurship and extension services (particularly technology transfer) at country level, resulting in job creation and strengthened local agribusiness;
- Improve the management & dissemination of knowledge
- Encourage the implementation of sustainable business practices embodied in corporate social responsibility (CSR) programmes.

For private sector entities, partnerships with  
FAO could generate (FAO language):

- Increased voice in the international sphere and enhanced dialogue with governments, creating the opportunity to contribute to international policy development, standard setting processes for food and agriculture, and national planning frameworks;
- Improved alignment of national requirements with international standards, which may enhance the ease of doing business;
- Participation in processes to establish codes of conduct for responsible business practices, creating an environment that is more conducive to responsible and productive investments;
- Creation of level-playing fields that serve to enable fairer competition and a more stable business environment.



# World Bank Group: IDA, IBRD, IFC, MIGA, ICSID

- **Policy “advice” – conditionalities to liberalise economies, privatise goods, services, infrastructure**
- **Capacity building, technical support for above in various sectors**
- **Support corporate-friendly policies, regulations, laws, policies, etc—provides consultants;**
- **Coordination with other multilateral agencies—UNDP, ADB, UNEP, FAO, IFAD, etc. to make the economy corporate friendly**
- **Advisory services: productivity improvements, climate smart practices, food safety, and engagement with smallholder supply chains**

World Bank: “Enabling the Business of Agriculture” (builds on Ease of Doing Business)—in their own words

Improve access of farmers to essential inputs and services that increase productivity

Facilitate integration of smallholders with value chains, & raise their socio-economic well-being

Get govts to facilitate entrepreneurs and agribusinesses to thrive in a socially and environmentally responsible way..

Presents data that measure legal barriers for businesses operating in agriculture in 62 economies and across 12 topic areas

Quantitative indicators on regulation for seed, fertilizer, machinery, nance, markets, transport, water, and ICT





# World Bank Group—International Finance Corporation (IFC)

- ***The IFC is wholly committed to enabling corporate expansion into every aspect food & agriculture, including financing, production, processing, distribution, storage, retail***
- ***Direct financing, financial intermediaries, risk protection, etc.***
- The IFC agribusiness advisory portfolio in June 2017 included US\$ 6.5 billion across sectors.
- The advisory portfolio was US\$ 108 million in 2017-- 71% of the program in IDA countries.

IFC: “Our approach in agribusiness is comprehensive and comprises the full value chain”

- Cover governance of land, water and other natural resources
- Production technology, storage, distribution; efficient supply chains to bring safe, affordable food to cities
- Help clients pre-finance inventories, seeds, fertilizers, and chemicals for farmers: working capital facilities
- Maintain competitiveness, upgrade sanitary and food safety standards, and expand market access.

# World Bank Group--IFC

- Finances agribusinesses, food related companies, infrastructure;
- Supports financial intermediaries that enable the private sector to provide additional resources and financing to agribusiness
- Financial tools: risk mitigation & management services; broaden access to capital & developing country markets.
- WB-IFC Knowledge initiative: policy advice on business environment reforms & privatization policy in developing countries
- Financing for market based climate solutions—carbon sequestering, environmental services, biodiversity markets...

# Asian Development Bank

- revitalizing agricultural productivity while simultaneously addressing the expected impacts of climate change on agriculture;
- ensuring that small farmers have the opportunity to engage effectively in modern food value chains;
- addressing the dimensions of malnutrition through simple cost-effective interventions that can be added to rural investment projects (e.g., micronutrient supplementation and biofortification); and
- increasing attention to the economically strategic nature of food security in providing advice to governments—infrastructure, energy, etc.

