NATIONS UNIES
HAUT COMMISSARIAT DES NATIONS UNIES AUX DROITS DE L'HOMME

PROCEDURES SPECIALES DU CONSEIL DES DROITS DE L'HOMME

UNITED NATIONS
OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER FOR HUMAN RIGHTS

SPECIAL PROCEDURES OF THE HUMAN RIGHTS COUNCIL

Mandates of the Special Rapporteur on the Special Rapporteur on the right to food and the Independent Expert on the effects of foreign debt and other related international financial obligations of States.

REFERENCE: AL Food (2000-9) Debt (2000-9)
OTH 7/2012

10 August 2012

Dear Mr. Jim Yong Kim,

We have the honour to address you in our capacities as Special Rapporteur on the right to food and Independent Expert on the effects of foreign debt and other related international financial obligations of States pursuant to Human Rights Council resolution 13/4 and 16/14.

In this connection, we would like to bring to the attention of your institution information we have received regarding the **alleged human rights impacts of the privatization of Burundi's coffee industry, particularly in relation to the right to food, and the role of the World Bank in this process.**

According to the information received:

The Government of Burundi is currently engaged in the privatization of the domestic coffee industry, which has been public or semi-public since 1976. The coffee industry is the heart of Burundi's economy. Currently, the coffee industry accounts for 80 per cent of Burundi's export earnings and serves as a direct source of livelihood for 750,000 families or 55 per cent of the population. Burundi is the third poorest country in the world and is highly dependent on foreign aid.

Although the Government of Burundi has been implementing the privatization through its Inter-ministerial Privatization Committee and its Ministry for Good Governance and Privatization, according to the information received the World Bank has been the driving force behind the privatization process for Burundi, making its budget support to Burundi and the country's receipt of foreign aid conditional upon the privatization of the industry, and has been playing a key role in defining the privatization conditions.

Concerns have been raised regarding (a) the effects and potential effects of the privatization process on the ability of the local population to access food; (b) the impact and potential impacts of the privatization process on livelihoods; and (c) the process by which the privatization process has been implemented. The following paragraphs outline the particular vulnerability of the population affected or likely to be affected by the privatization, provide some background on the privatization process, and finally detail the allegations raised.

Access to food and reliance on the coffee industry: According to the *Institut de Statistique et d'Etudes Economiques du Burundi*, a sub-office of the Ministry of Development Planning & National Reconstruction, 66 per cent of the population of Burundi lives below the poverty line and 27 per cent suffer from malnutrition. Statistics from the World Food Program paint an even starker picture of hunger in Burundi. According to the World Food Program only 28 per cent of the population is food secure while as many as 60 per cent are chronically malnourished.

Due to the climate of Burundi, the use of agricultural land for coffee production and historical circumstances, very few farmers in Burundi are able to cultivate all the food needed to feed themselves and their families. While many in Burundi cultivate small plots of land to supplement their food needs, the majority of the population must purchase all or most of their food on the market. According to information received, the rural population spends on average 40.6 per cent of their income on food; however rates are much higher for the poor (51.3 per cent) and the very poor (64.3 per cent).

This reliance on purchasing food results in the population of Burundi being particularly vulnerable to price fluctuations and highly dependent on disposable income to meet their food needs. With export earnings from coffee constituting the principal source of revenue for approximately 750,000 families in Burundi, income (whether through wages or payments for services/goods) is tied for the majority of people in Burundi to the coffee industry. As most of the population is employed in the coffee industry or relies on the industry in an indirect way, changes in wages and payments for coffee and coffee processing can have significant impacts on the ability of the population to purchase food and meet their food needs. According to the allegations detailed below, the privatization of the coffee industry is increasing this vulnerability.

The privatization process: The Burundi coffee industry has been public or semi-public for several decades. The Belgians controlled the industry prior to Burundi's independence in 1962. Following independence the industry was privately run until 1976, when it was nationalized. The State has more or less controlled the coffee industry since then, managing production, processing and marketing. All actors, including coffee growers, agreed to privatize the sector in the early 1990s to put an end to mismanagement, a decision that coincided with the adoption of Burundi's structural adjustment programme initiated with the World Bank and the International Monetary Fund. The privatization process, however, was halted by civil war a few years later.

We are informed that in 1997 coffee cultivators organized, mainly through the creation of the *Confédération Nationale des Associations des Caféiculteurs du Burundi*

(CNAC),[1] a non-profit organization made up of coffee growers, community organizations and cooperatives working at the local and national levels. According to the information received, coffee growers negotiated a new model for the distribution of coffee revenues with other stakeholders, including the *Sociétés de gestion des stations de lavage* (Sogestal). These reforms ensured increases in income for farmers. The Government also gradually withdrew from its involvement in the coffee industry and transferred the management of the supply chain to the farmers.

In 2005 the World Bank recommended further deregulation of the coffee industry and the privatization of 133 of the 145 public coffee washing stations (processing plants). This call for privatization of Burundi's main industry was met with resistance from local coffee growers. CNAC protested the privatization, and the Government of Burundi supported CNAC in asking the World Bank to conduct consultations with citizens. On 1 May 2007, the President of Burundi declared that coffee growers owned their coffee until it was exported, entitling them to the price of green coffee on international markets, not the price of raw coffee cherry. This scheme ensured that 72 per cent of revenues reached the cultivators themselves, who could directly sell coffee to foreign buyers through their marketing committees like the '*Comité de Commercialisation*' established by the CNAC in 2008.

We are informed that in 2008–2009, despite these interventions, the World Bank decided to make both its yearly financial support to the Burundi national budget and several specific programmes conditional upon the privatization of the coffee industry. Amongst these programmes was one aimed at providing free health care for children under five and pregnant women. Burundi is highly dependent on aid to meet national budget requirements, with 51 per cent of funds coming from external support. Burundi also relies on foreign support for numerous programmes that provide public goods to the people.

Given this reliance, we understand that Burundi had little option, but to privatize the coffee industry according to the terms set by the World Bank. We are informed that the Government had to contract with private actors – Marlagne Capital Advisers, AGRER and Eureka Consulting – to draw up the implementation plan for the privatization, and had to adopt the recommended strategy. A first public offering was made in 2009 for 117 washing stations. The Swiss Webcor Ltd. was awarded 13 pulping and washing stations at the cost of one million dollars (US), an average of $77,000 per station. A second public offering was made on 8 November 2011, for all remaining washing stations. The offering closed on 31 December 2011.

Allegations regarding the contents of the privatization plan: Several allegations have been raised regarding the terms of the privatization. First, allegations have been raised that the terms of reference for the privatization designed by the World Bank contain <u>problematic conditions regarding the initial public offer pricing for the washing stations</u>. According to these allegations the pricing of the washing stations result

[1] CNAC is registered under the name Rundi: Urunani Mpuzamashirahamwe y'Abarimyi b'Ikawa Rwego rw'Igihugu "CNAC-MURIMA W'ISANGI".

in losses to farmers and losses to the State and consequently the general public. On the one hand, the pricing for each station and the conditions put in place for the first public offering (that a purchaser had a minimum turnover of one million dollars (US) a year over the last 3 years and a net income of $100,000 a year) effectively excluded all members of the Burundi public, in particular any farmer or farmers' organization, from purchasing stations in the public offer. As a result control over the privatized washing stations has gone to foreign multinationals, which repatriate profits outside of Burundi and have little incentive to ensure the coffee industry produces benefits for the people of Burundi.

On the other hand, we are informed that while local farmers and entrepreneurs were priced out of the process, the public offerings were made at far below market value. According to the information received no proper accounting has been done of the exact value of the washing stations, however in 2008 the European Union Stabex Fund invested 19 million euros for the renovation of 133 publicly-owned washing stations and the construction of roads connecting the washing stations to cities. This represents an average investment of $140,000 per station. We are informed, however, that Webcor, the company who bought all the government tenders, paid only $75,000 on average per washing station. This amount is likely far below their worth, given the value of the 2008 investments in the stations and necessary infrastructure. In this way the Government (or the farmers) allegedly did not receive proper remuneration for the sale of the washing stations. We would venture to suggest that the remuneration could have been used to support government programming towards the progressive realization of the right to food.

Second, it is alleged that the <u>privatization process is not accounting for the property rights that farmers have in the washing stations themselves</u>. According to the information received, farmers will retain some minimum stakes in the coffee industry in the second public offering. We are told the Government has sought to ensure that coffee producers have a right to acquire a 25 per cent stake in the coffee washing stations within two years of the privatization process. It is alleged, however, that this share provides no real decision-making power for the farmers. Moreover, it is reported that coffee producers already own a stake of the washing stations that exceeds 25 percent given the levy of 60 Burundian francs per kilogram of cherry coffee that was imposed on farmers to reimburse the debt contracted by the State in the 1980s to build the washing stations.[2] According to the *Office des Cultures Industrielles du Burundi* (OCIBU), also known as Burundi's Coffee Board, the accumulated levies reached 12 billion Burundian francs. Reportedly, farmers' organizations have stated that they will accept the Government's proposition for the farmers to have a 25 per cent stake in the washing stations, if the Government can ensure that the new private owners of the washing stations pay the farmers 72 per cent of the coffee revenues rather than just the fee for the coffee cherry. As will be discussed in more detail below, since 1 May 2007 farmers have been receiving 72 per cent of revenues from coffee sales on international markets, having been awarded the right to control coffee processing by the President.

[2] The amount is indicated in Burundian francs given the impossibility to give an exact change on a levy that was imposed during several years.

Third, it is alleged that the privatization process is not accounting for the property rights that farmers have on the land on which the stations are built. It is alleged that when the washing stations were built by the State, the land on which they were built was expropriated from local farmers on the basis of public interest. We are informed that according to Burundi's law, this land should be returned to the former owners if the washing stations are privatized. However, the land was not returned to the original owners prior to the privatization, and the original owners were not compensated as a part of the privatization.

Finally, allegations have been raised that pro-poor alternatives to the privatization were not sought. Particularly, allegations have been raised that supporting cooperatives should have been considered as an alternative to the privatization of the industry. It is worth noting that the second public offering was initiated just a week after the United Nations General Assembly launched the International Year of Cooperatives (2012) on 31 October 2011 in New York, encouraging all relevant stakeholders, including the World Bank, to promote cooperatives and raise awareness of their contribution to social and economic development (see General Assembly resolution 64/136). Moreover, the 2008 World Development Report "Agriculture for Development" stated that producer's organizations such as cooperatives "are a fundamental building block of agriculture-for-development agendas" (p. 155), and it emphasized the vital role cooperatives played in India, China, the U.S. and France. As you are no doubt aware, the Special Rapporteur on the right to food reached similar conclusions about the opportunities provided by cooperatives in his 2010 report to the United Nations General Assembly (A/HRC/13/33, para. 31). While the benefits of cooperatives for development are celebrated in Washington and New York, the role of cooperatives has reportedly received scant attention in the economic reforms promoted in Bujumbura. We are informed that the World Bank did not give any follow-up to the request made by producers' organizations to support and/or strengthen farmers cooperatives to enable them to acquire Sogestals and build a coffee industry, which would guarantee that coffee growers can improve their livelihoods by having a direct stake in the transformation process, rather than seeing the largest fraction of the value chain being captured by corporate actors. According to the information, Burundi is the only country in the East Africa Community to be transferring the domestic coffee sector into the hands of multinationals. Uganda, Rwanda, Kenya and Tanzania are promoting farmers' cooperatives and their access to fair markets.

Allegations regarding decision-making on the privatization process. Several allegations have been raised regarding the exclusion of local populations, in particular coffee cultivators, from decision-making regarding the design of the privatization process. We are informed that the Government of Burundi expressed reservations about the privatization strategy presented by the World Bank's consultants, particularly in relation to the inclusion of the local population in the decision-making. We are informed further that the Government of Burundi asked that consultations be held with farmers, however, there were no public hearings or opportunities for farmers' organizations and local communities to engage with the privatization process or, whatever opportunities existed in theory, were inaccessible to the farmers who were not provided with clear information in this regard. Nevertheless, given the important role of coffee cultivators in

Burundi's economy, the number of coffee cultivators affected, and the fact that the coffee cultivators had been managing the washing stations for roughly the last decade, it would appear that their participation in decision making regarding privatization should be required because the decisions directly affect their lives and livelihoods. In addition, full and effective participation of the affected communities would be consistent with a strategic objective of the World Bank's Country Assistance Strategy for Burundi, namely promoting sustainable and broad-based economic growth, as well as the World Bank's Agro-Pastoral Productivity and Markets Development Project whose ostensible aim is to increase small producers' productivity and market access.

Allegations regarding the effects of the privatization process on access to food. While it is early to conduct a full assessment of the privatization process, allegations have been raised about the effects so far on access to food for local populations, and the feared effects in the future. The allegations suggest that the <u>privatization of the coffee industry has affected the ability of local populations to access food due to decreases in payments made for coffee cherry</u>. In June 2011, the assessment of the first step of the privatization of the coffee industry commissioned by the *Projet d'Appui à la Gestion Economique* (PAGE) notes specifically that the coffee grower who sells his or her coffee cherry has been disadvantaged by the short term effects of the privatization (p. vii). Webcor, who owns all 13 washing stations sold in the first public offering, reportedly has been paying lower fees for coffee than those washing stations still controlled by local cooperatives and farmers. In 2010, payments made for coffee in the provinces of Ngozi and Kayanza, where the 13 washing stations acquired by Webcor are located, were significantly lower than other parts of the country. Peasants in these areas allegedly lost close to 30 per cent of expected revenues, receiving 350 F/kg in comparison to 490 F/kg paid by other industry players. Further, it is alleged that Webcor promised coffee growers higher prices, and decided only very late in the process that it would pay 140 F/Kg less than other stations. In 2011, 700 F/kg was paid by the coffee industry as a whole, while Webcor paid only 600 F/kg. Webcor has publicly and vigorously denounced the claim that it intentionally paid lower prices in 2010: the company states that it had set the prices paid to farmers early in the season before prices on international markets rose, and it also claims that it paid the highest prices in 2011 compared to any other buyer. Given the dependency of the local population on selling coffee cherry, reductions in prices mean less income for families to spend on food. If Webcore is indeed paying less for coffee cherry, which is uneasy to verify without proper public or independent systems monitoring prices paid by buyers, then the ability of local populations, who for logistical reasons must sell their coffee cherry to Webcor washing stations, to access food is likely to have been affected negatively.

Farmers reportedly fear that payments for coffee will decrease as local farmers lose control over more washing stations and as Webcor and other potential foreign investors take control of the washing stations. It is alleged that once washing stations are privatized, the owner will gain a monopoly power on the price paid to coffee growers in the region, and that they will be able to continue to offer lower prices for coffee and lower wages. Given that it is unlikely that two private actors would build washing stations in the same sub-region, particularly in the context of unpredictable prices on international markets compared to the investment costs, coffee growers will not be able to benefit from any kind of substantial competition between buyers, which could have led to increases in prices paid to coffee producers.

Thus, coffee growers allegedly would lose out both in the coffee value chain, as they will now only receive payments for the coffee cherries that do not account for the value added through processing, and in their ability to make decisions regarding the coffee enterprise. The right to control the process and gain benefits from inputs was awarded to the coffee growers on 1 May 2007 by the President of Burundi – in total 72 per cent of revenues made their way back down the chain to the cultivators themselves. It is alleged, however, that under the current privatization scheme, growers are forced to only sell their coffee as it is picked (i.e., the coffee fruit) and do not have access to the downstream sector property rights. This represents a major reversal compared to the 2007 Presidential decision and a significant decrease in the returns received by coffee growers.

As previously mentioned, the majority of people in Burundi must purchase food to meet their daily nutritional needs. As the majority of the population receives its income from the coffee industry, either in the form of money received for coffee cherry or through wages, reductions in prices paid for coffee or reduced status in the value chain will result in fewer funds for purchasing food. Even those who partake in some subsistence agriculture often rely on income from the coffee industry to buy agricultural inputs such as seeds, fertilizers and pesticides. Without these inputs, these people will have to turn fully to the market to access food. As many already struggle to meet their daily nutritional needs, drops in income can have significant effects.

Allegations have also been raised that <u>the privatization process has not adequately prepared for or addressed its potential impacts on the realization of the right to food.</u> It is reported that no study has been conducted into how the privatization will affect the ability of local populations to access food, and no programmes have been instituted to ensure the transition does not have negative impacts on vulnerable, food-insecure local populations who rely heavily on the coffee industry.

Finally, allegations have been raised that the privatization process has not taken account of the <u>possible impacts that may result from the privatization of the coffee industry on the broader conflicts within Burundi society</u>. The relationship between coffee and conflicts in Burundi was highlighted in the 2008 report on the prevention of conflicts in the process of privatization of the coffee industry commissioned to International Alert by the Project to Support Economic Management (*Projet d'Appui à la Gestion Economique*) and the Committee for monitoring and steering of reforms (*Comité de Suivi et de Pilotage des réformes*). According to this report, coffee is at the epicentre of the conflict over an unequal distribution of resources across Burundi as well as at the heart of competition for the control of the State. The report recommends that empowering farmers and farmers' organizations is vital to avoid conflicts related to the privatization of the coffee industry in Burundi. The report notes that privatization could consolidate peace in Burundi if five major risks of conflict are taken into account, including the risk of conflict between coffee growers and the private industry. The authors note that the emergence of the coffee growers associations could reduce conflict, as it is the first case in Burundi's history of peasants organizing to claim for their economic rights. According to the information received, the current privatization process would result in a weakening of the farmers' organizations, the opposite of what the report recommends. There is a concern that no plan has been introduced to address the security concerns that may result, and that such developments might have a major impact on the realization of the right to food.

While we do not wish to prejudge the accuracy of these allegations, we would like to draw the attention of your institution to the applicable international human rights norms and standards.

Article 25 of the Universal Declaration of Human Rights (UDHR) recognizes the right of everyone "to a standard of living adequate for the health and well-being of himself and of his family, including food." Furthermore article 11.1 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) stipulates that States "recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions," and requires them to "take appropriate steps to ensure the realization of this right." Burundi acceded to the ICESCR on 9 May 1990.

While States are the primary duty holders under both the UDHR and ICESCR, international institutions such as the World Bank do have obligations under human rights norms as part of general international law (International Court of Justice, *Interpretation of the Agreement of 25 March 1951 between the WHO and Egypt*, Advisory Opinion (20 December 1980), ICJ Rep. 1980, 73, para. 37). The World Bank has recently expressed interest in strengthening its connection to human rights and in supporting those States with which it works in their human rights enforcement efforts, even pledging to play "a facilitative role in helping its members realize their human rights obligations."[3] As stated by former president James D. Wolfensohn, "The Bank has long recognized that sustainable development requires both economic growth and social equity. There is, moreover, widespread recognition of the strong link between human rights and development. The connections between human rights and the attainment of the Millennium Development Goals are also significant. The Bank's work substantially contributes to the realization of rights of people in a number of areas, such as health, education, gender, participation, accountability, environment, and institutional reform activities and, above all, the fight against poverty itself as a fundamental denial of human rights. Other Bank activities also contribute to the realization of human rights: these include fighting corruption, increasing transparency and accountability in governance."[4]

We note that the evolving human rights responsibilities of the World Bank were outlined in the "Legal Opinion on Human Rights and the Work of the World Bank,"

---

[3] World Bank, Human Rights FAQs, http://web.worldbank.org/WBSITE/EXTERNAL/EXTSITETOOLS/0,,contentMDK:20749693~pagePK:98400~piPK:98424~theSitePK:95474,00.html.

[4] Note of the President of the World Bank, Mr. James D. Wolfensohn, to the Development Committee, in *Statements Submitted to the Seventy-First Meeting of the Development Committee*, World Bank, DC2005-0011 (May 25, 2005) at 14.

issued by former Senior Vice-President and General Counsel of the World Bank, Roberto Dañino, on 27 January 27 2006 (see also the report of the Independent Expert on foreign debt and human rights, A/65/260, para. 46). These responsibilities were highlighted through the Articles of Agreement of the World Bank, which detail the purposes of the Bank and state that all activities of the Bank must be in line with these purposes. The Bank's mission consists of the alleviation of poverty through economic growth and social equity. The Bank's conception of the alleviation of poverty thus has "an especially strong human rights dimension" (Dañino, Legal Opinion on Human Rights and the Work of the World Bank, para. 7). "Human rights relate substantively to many of the activities of the World Bank. They are deeply interconnected with the purposes outlined in Article I, in large measure because they are directly relevant to the Bank's mission of poverty alleviation" (*Id.*, para. 8). Further, "[t]he manner in which the Bank's purposes and mission are now understood makes consideration of human rights essential" (*Id.*).

This Legal Opinion clearly acknowledges that "[w]here member countries have human rights law obligations that they wish to fulfil, the Bank may play a supportive role in assisting them. Thus, where a country requests the inclusion of human rights components or where it has obligations it is trying to uphold and fulfil in an area covered by, or relevant to, a Bank-supported project, the Bank should be broadly supportive of such components or commitments where these have an economic impact or relevance" (*Id.* para. 19). As Burundi has acceded to the ICESCR, it is obligated to uphold the right to adequate food. This obligation should be supported and facilitated by the World Bank in decisions regarding financial support. In addition, when the World Bank does provide financial support but asserts conditions on that support, as it is alleged in the case of Burundi with the privatization of the coffee industry, it should support the State's human rights obligations as part of that process. If the World Bank were undermining Burundi's ability to uphold the right to food in the decision making about whether to privatize the coffee industry and then in the implementation of that decision, the World Bank would be acting against its human rights commitments. It would thus be acting in violation of international law, as made clear by article 16 of the International Law Commission's Draft Articles on the responsibility of international organizations adopted by the ILC at its sixty-third session, in 2011 (see A/66/10, para. 87), which refers to situations where an international organisation knowingly coerces a State to commit an act that, but for that coercion, would constitute a violation of the international obligations of that State.

Further, "[i]n some other areas human rights are directly relevant to the Bank's work. One example relates to the public participation and consultation requirements contained in several Bank policies" (*Id.* para. 21). If the World Bank fails to ensure the participation and consultation of affect communities when make decisions regarding policies, such as whether to condition aid on the privatization of a national industry, or how policies will be implemented, such as how a privatization will be conducted, it may be acting against its commitment to supporting human rights.

The Committee on Economic, Social and Cultural Rights, which monitors the implementation of ICESCR, has discussed the obligation of international institutions on the right to food in its General Comment No. 12. The Committee notes that "[w]hile only

States are parties to the Covenant and are thus ultimately accountable for compliance with it, all members of society – individuals, families, local communities, non-governmental organizations, civil society organizations, as well as the private business sector – have responsibilities in the realization of the right to adequate food" (E/C.12/1999/5, para. 32). Among the responsibilities of non-state actors, the Committee makes special note of international financial institutions, and how they should engage with the right to food. The Committee states "The international financial institutions, notably the International Monetary Fund (IMF) and the World Bank, should pay greater attention to the protection of the right to food in their lending policies and credit agreements and in international measures to deal with the debt crisis. Care should be taken, in line with the Committee's General Comment No. 2, paragraph 9, in any structural adjustment programme to ensure that the right to food is protected" (E/C.12/1999/5, para. 41).

The Committee in General Comment No. 12 has also defined the core content of the right to food, and the corresponding obligations of States to respect, protect and fulfil the right to food. The Committee considers that the core content of the right to adequate food implies, inter alia, availability of food which refers to the possibilities either for feeding oneself directly from productive land or other natural resources, or for well-functioning distribution, processing and market systems that can move food from the site of production to where it is needed in accordance with demand, and accessibility of food which encompasses both economic and physical accessibility. The obligation to respect existing access to adequate food requires States parties not to take any measures that result in preventing such access. The obligation to protect requires measures by the State to ensure that enterprises or individuals do not deprive individuals of their access to adequate food. The obligation to fulfil (facilitate) means the State must pro-actively engage in activities intended to strengthen people's access to and utilization of resources and means to ensure their livelihood, including food security. Finally, whenever an individual or group is unable, for reasons beyond their control, to enjoy the right to adequate food by the means at their disposal, States have the obligation to fulfil (provide) that right directly.

We are aware that the outcome of the second public offering, which put on sale all coffee washing plants remaining in the hands of the Government and closed on 31 December 2011, have been put into question in February 2012, and that the conditions of the privatization process may change as a result of a recent ministerial change. These recent events are, however, of no consequence to the allegations and concerns contained in this letter, but give more significance to the questions below.

It is our responsibility under the mandates provided to us by the Human Rights Council, to seek to clarify all cases brought to our attention. In this regard we have addressed both this letter to you as well as a letter to the Government of Burundi. Since we are expected to report on these cases to the Council, we would be grateful for your cooperation and your observations on the following matters:

1. Are the facts summarized above accurate?

2. How did the World Bank facilitate or promote the participation of and consultation with the affected communities in decision making about a) the privatization of the coffee industry and b) the specific form and implementation of the privatization process?

3. Have ex-ante and ex-post human rights impact assessments of the privatization of the coffee industry been conducted? If so, to what extent have they integrated the impacts of the privatization on the progressive realization of the right to adequate food in Burundi, for instance a) on the incomes of coffee growers and their livelihoods, and b) on the revenues of the State of Burundi and its ability to allocate the maximum of its available resources to achieving progressively the full realization of economic, social and cultural rights, including the right to food?

4. Has the World Bank conducted an assessment of the opportunity costs of the prevailing strategy, including an investigation of alternative strategies, such as the a) the strengthening of farmers cooperatives in order to enable them to climb up the value chain and increase the fraction of coffee that is roasted in Burundi (less than 5% in 2009) and b) the introduction of new business models such as joint-ventures which could address the challenge of attracting investment capital in the coffee industry (for more information on the potential of joint ventures, see A/66/262, paras 38-42)?

5. How has the privatization process take account of the farmers' alleged property rights in the washing stations and the land on which the stations are built?

6. Have any mechanisms been established to monitor and control prices paid to farmers for coffee cherry? Have any mechanisms been established to ensure that farmers are able to access downstream sector property rights in coffee as they had been able to do following the 2007 Presidential decision?

7. How has the World Bank sought to support farmers' organizations in the privatization process? For example, will farmers' organizations be afforded a 25 percent stake in the washing stations?

8. The 2008 report on the prevention of conflicts in the process of privatization of the coffee industry commissioned by International Alert by the Project to Support Economic Management (*Projet d'Appui à la Gestion Economique*) and the Committee for monitoring and steering of reforms (*Comité de Suivi et de Pilotage des réformes*) states that there is a need "to re-equilibrate the balance of power within the coffee industry, mainly by reinforcing the organization of producers organizations; clarifying the post-reform roles and responsibilities of each actor", to "reinforce transparency by communicating information on prices and sales" and to "establish a consultation and self-

regulation mechanism with representation of all stakeholders". Has the World Bank taken any steps to address these recommendations?

We would be most grateful to receive an answer within 60 days. We undertake to ensure that your response will be taken into account in our assessment of the situation and in developing any recommendations that we may make for the World Bank's consideration pursuant to the terms of our mandates. Additionally, we undertake to ensure that your response response will be made available in a report to the Human Rights Council for its consideration.

Please accept, Mr. Jim Yong Kim, the assurances of our highest consideration.

Olivier de Schutter
Special Rapporteur on the right to food

Cephas Lumina
Independent Expert on the effects of foreign debt and other related international financial obligations of States