Enabling the Business of Agriculture (EBA)

March 2015
Hanoi, Vietnam
STRUCTURE OF THE PRESENTATION

- Genesis and objective of the EBA project
- Country and thematic coverage
- EBA methodology: particularities and challenges
- Going beyond regulations?
- Objectives of the mission
EBA: GENESIS AND OBJECTIVE

June 2012: G8’s call for the World Bank “to develop options for generating a Doing Business in Agriculture Index”

October 2012: World Bank committed to merging the efforts of its Agricultural experts with its Global Indicators experts to develop a benchmarking product

EBA officially started in January 2013 (6 topics/10 countries)

EBA progress report was published in November 2014
Provide policy makers with an evidence-backed tool that can be used to foster an enabling environment for local and regional agribusinesses by identifying and monitoring relevant regulations and policies.

**EBA as a policy tool:**

- Provides an overview of relevant agricultural indicators and global trends
- Helps policymakers set meaningful targets and track progress over time
- Allows countries to compare with others, potentially leading to better practices
WHY GLOBAL FOCUS ON AGRICULTURE?

Over ¾ of world’s poor people live in rural areas and depend on farming for food, income and jobs.

Globally, population will exceed 9 billion and food demand will increase by 63% by 2050.

Population in cities in developing countries will more than double and food demand will grow by 145%.

The strength of the institutions and the quality of regulations can make a difference in addressing these challenges.

Agriculture can contribute to ending poverty and boosting shared prosperity.

Food demand growth in:
- Africa more than 300%
- India more than 200%
Country and Thematic coverage
EBA COUNTRY COVERAGE

Geographical coverage

EBA15 (10) → EBA16 (40) → EBA17 (80)

EBA16:
- East Asia & The Pacific (5)
- Eastern Europe & Central Asia (7)
- OECD (5)
- Latin America & the Caribbean (4)
- Middle East & North Africa (2)
- South Asia (3)
- Sub-Saharan Africa (14)
Structural coverage: different levels of agricultural transformation

Sources: Economically active population in agriculture data from FAOSTAT for 2012; agriculture value-added data from UN national accounts for 2012.
# EBA Indicator Areas

<table>
<thead>
<tr>
<th>LAND</th>
<th>FINANCE</th>
<th>WATER</th>
<th>SEED</th>
<th>FERTILIZER</th>
<th>MECHANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Agric. land lease markets</td>
<td></td>
<td>4. International and regional seed trade</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**EBA INDICATOR AREAS**

<table>
<thead>
<tr>
<th>ICT</th>
<th>TRANSPORT</th>
<th>MARKETS</th>
<th>LIVESTOCK</th>
<th>ENV. SUSTAIN.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. E-extension services and mobile applications</td>
<td>3. Weighing and axle-load limits</td>
<td>3. Farmers’ organizations</td>
<td>3. Feed resources</td>
<td>3. Water resources management</td>
</tr>
<tr>
<td></td>
<td>5. Road access, density and quality</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Institutional framework
- Competencies and responsibilities
- International standards

Market entry
- Administrative barriers (procedures, time and cost)
- De jure barriers (e.g. licensing requirements)

Operations
- Consumer protection and quality control (e.g. Seeds or Fertilizers)
- Health & Safety standards (e.g. SPS)
- Administrative barriers (procedures, time and cost)
- De jure barriers (e.g. maximum loan volumes for MFIs)
INDICATOR TYPE 1: TRANSACTION COST OF COMPLYING WITH REGULATIONS

Official cost and associated time for the process of fertilizer registration, potentially including:

- Application for registration
- Content verification report
- Field testing
- Environmental report
- Approval by national committee
- Gazette notification

<table>
<thead>
<tr>
<th>Country</th>
<th>Registration of new fertilizer product</th>
<th>Time (calendar days)</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>Registration not needed</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Guatemala</td>
<td></td>
<td>154</td>
<td>323</td>
</tr>
<tr>
<td>Morocco</td>
<td>Registration not needed</td>
<td>Just passed law</td>
<td></td>
</tr>
<tr>
<td>Mozambique</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nepal</td>
<td></td>
<td>1125</td>
<td>7,210</td>
</tr>
<tr>
<td>Philippines</td>
<td></td>
<td>105</td>
<td>202</td>
</tr>
<tr>
<td>Rwanda</td>
<td></td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Spain</td>
<td></td>
<td>60</td>
<td>Free</td>
</tr>
<tr>
<td>Uganda</td>
<td></td>
<td>853</td>
<td>983</td>
</tr>
<tr>
<td>Ukraine</td>
<td></td>
<td>595</td>
<td>14,753</td>
</tr>
</tbody>
</table>
INDICATOR TYPE 2: LEGAL REQUIREMENTS

- Is registration of fertilizer required to legally sell in a country?
- Is the private sector allowed to register fertilizer?
- Is registration limited to a specific time period?
- Does the law require labeling of fertilizer containers? What items must the label include?
- Does the law prohibit the sale of opened fertilizer bags/containers? Is there a penalty?
**PRELIMINARY FINDINGS (PILOT REPORT)**

- The majority of countries surveyed require a special license or permit for domestic trucking companies to operate.

![Type of license required to operate a domestic trucking company](image)

3 out of 10 countries do not legally require a customs broker or any exporter accreditation for agricultural trade.

**TABLE 8.1: General trade requirements with the largest neighboring agricultural trading partner**

<table>
<thead>
<tr>
<th>Country</th>
<th>Use of customs broker</th>
<th>Periodic exporter accreditation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export</td>
<td>Import</td>
<td></td>
</tr>
<tr>
<td>Ethiopia</td>
<td></td>
<td></td>
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<td>Guatemala</td>
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<tr>
<td>Ukraine</td>
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<td></td>
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</table>

Source: Enabling the Business of Agriculture database.

Note: Blanks = not required.
PRELIMINARY FINDINGS (PILOT REPORT)

Cost for evaluation and variety release is highest in Ukraine and Uganda in percentage of income per capita

- Costs for registering new seed varieties and costs for first-time land registration vary greatly across 10 pilot countries
- Ukraine has the highest costs for registering new varieties, but the lowest cost for first-time land registration in comparison to the other pilot countries
EBA methodology: particularities and challenges
EBA data collection

Data is collected primarily through **questionnaires** sent to contributors in the public and private sectors:

**Public Sector**
- Ministries of Agriculture, Transport, Environment, Trade and Commerce, Information and Technology
- Central Bank, Financial Supervisory Authorities
- Customs, State Inspectors, Land Registries, Cadasters, Agricultural Research Institutes and others

**Private Sector**
- Agricultural Input Companies (Fertilizer, Machinery, Seed, Irrigation)
- Trucking companies
- Freight forwarders
- Cooperatives and Farmers’ associations
- Agricultural Holdings
- Mobile Network Operators
- Lawyers
- Commercial Bankers and Microfinance Institutions
Different case studies across topics: each topic defines a case study that focuses on key actors for the sector:

- fertilizer importer
- trucking company transporting agricultural goods
- agricultural trader
- community seeking to register its land

Defining the relevant product: comparability (use of maize for registration of a new variety or urea for fertilizer imports in all countries) vs. relevance (use of different product groups – cereal, fruits, vegetables, cash crops- for agricultural exports)

Methodology challenges: balance between streamlining procedures and promoting minimum essential standards related to health, safety and environment: definition of best practices
Going beyond regulations
**Original Deep Dive areas**

- **Public policy and expenditure** (ex. use of subsidies, taxes and tariffs; public expenditure on rural road maintenance)
- **Prices of products and services** (ex. land price per hectare; trucking price per ton of agricultural freight; CIF price of fertilizer at the port of import)
- **Accessibility of products and services** (ex. density of agro-input dealers; percentage of rural people living within 2 km of an all-season road)
- **Quality control** (ex. percentage of fake/counterfeit seed estimated in the market; quantity and quality of fertilizer testing facilities)
- **Market structure** (ex. number of mobile telephone companies; private sector participation/competition in the transport sector)

**Challenges faced**

- Secondary data not available or not reliable.
- Data **incomparability** (varying collection methodology)
- **Insufficient contributor base** (i.e. for prices)
- **Reluctance** to provide information
- Moving ahead, the team is working on comparable indicators that address the enforcement of regulation and **capacity building**.
Mission Objectives
OBJECTIVES OF THE MISSION AND NEXT STEPS

i. meet with the principal counterparts at the MARD and other related Government agencies to introduce and discuss the project;

ii. identify and meet relevant contributors from the public and private sectors, civil society and academia to broaden the contributor base of the project

iii. collect data by administering surveys to relevant respondents
THANK YOU AND ...

IF YOU ATE TODAY THANK A FARMER