ENABLING THE BUSINESS OF AGRICULTURE

WORLD BANK GROUP

CSAM conference
Manila, Philippines
December 2015
Genesis of EBA

2003
Doing Business

2009
Agribusiness Indicators

2012
Benchmarking the Business of Agriculture

2014
Enabling the Business of Agriculture

2003
Doing Business

2009
Agribusiness Indicators

2012
Benchmarking the Business of Agriculture

2014
Enabling the Business of Agriculture

Bill & Melinda Gates Foundation

Danida

USAID

Government of the Netherlands

World Bank Group
Global Focus on Agriculture

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

FOOD DEMAND
Global population will exceed 9 billion, increasing food demand by 63%.

URBAN GROWTH
Cities in developing countries will more than double, boosting food demand by 145%.
Global Focus on Agriculture

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ENABLING ENVIRONMENT FOR BUSINESS IN AGRICULTURE
Quality of regulations
Strength of institutions
Efficient administrative procedures
You [Socrates] have discovered the reasons why some farmers are so successful that husbandry yields them all they need in abundance, and others are so inefficient that they find farming unprofitable. I should like to hear the reasons in each case, in order that we may do what is good and avoid what is harmful.

Xenophon, 4th Century BC
A tool for improved policymaking

**Identify, measure & monitor areas for improving the agribusiness enabling environment**

**Comparable & actionable data, metrics and indicators**
Thematic coverage

INPUTS
- Land
- Fertilizer
- Seed
- Machinery
- Water
- Livestock

OVERARCHING
- Gender
- Env Sust

ENABLERS
- Finance
- Markets
- Transport
- ICT

WORLD BANK GROUP
Country coverage
Country coverage

Agriculture VA as % of GDP

Economically Active in Ag as % of Total Economically Active Population
Data collection

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
## Indicator areas

<table>
<thead>
<tr>
<th>LAND</th>
<th>FINANCE</th>
<th>WATER</th>
<th>SEED</th>
<th>FERTILIZER</th>
<th>MACHINERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land administration systems and tenure security</td>
<td>Lending supervision</td>
<td>Access to water use rights</td>
<td>Evaluation and registration of new varieties</td>
<td>Registration of fertilizer products</td>
<td>Tractor dealer requirements</td>
</tr>
<tr>
<td>Agricultural land sales</td>
<td>Branchless banking</td>
<td>Water User Associations</td>
<td>Seed certification</td>
<td>Fertilizer import requirements</td>
<td>Tractors safety standards</td>
</tr>
<tr>
<td>Agricultural land lease markets</td>
<td>Non-traditional collateral</td>
<td></td>
<td></td>
<td>Quality control</td>
<td>Tractor import requirements</td>
</tr>
</tbody>
</table>

**Source:** World Bank Group
Indicator areas

**ICT**
- Licensing regimes

**TRANSPORT**
- Licensing for trucking

**MARKETS**
- Phytosanitary protection

**LIVESTOCK**
- Genetic resources management

**ENV. SUSTAIN.**
- Plant genetic resources: conservation, access and use

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**Government strategies to improve access to ICT in rural areas**

**Cross-border transportation**

**Production/sales**

**Animal disease prevention and control**

**Production and commercialization of land races**

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**Agricultural e-extension services**

**Agricultural export**

**Safety of animal feed resources**

**Water resources management**
Type of indicators

**De Jure**
LEGAL INDICATORS
All public regulations, other legal texts of general application, judicial decisions and administrative rulings

**De Facto**
PROCEDURES, TIME & COST
Processes as experienced by the private sector in complying with legal and regulatory requirements

ADDITIONAL EBA METRICS
Under development
Agricultural machinery

Methodology

**Tractor dealer requirements**
Legal requirements for testing of agricultural tractors, licensing required to operate a tractor, as well as warranties and post-sale services provided at the retail level

**Tractor standards & safety**
Legal requirements for operational safety and performance standards of tractors

**Tractor import requirements**
Aspects of importing agricultural tractors, including the private sector’s role and the required procedures to import
Agricultural machinery

Methodology

Respondent types

- Agricultural machinery manufacturers
- Importers
- Machinery dealers
- Relevant government authorities (e.g. Ministry of Agriculture)

Data collection

- Remote (email and teleconference interviews)
- Country visits
Good Practices

- Safeguard availability and timely delivery of agricultural tractors through streamlining import procedures
- Ensure that imported tractors suit country conditions by requiring testing of agricultural machinery
- Facilitate tractor durability by requiring tractor registration and appropriate after-sales service
- Guarantee high quality tractors by requiring compliance with national and international performance standards
- Ensure safety of tractor operators by enforcing safety standards such as roll-over protective structures and seatbelts
<table>
<thead>
<tr>
<th>Tractor import requirements</th>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is the private sector allowed to import new agricultural tractors?</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>2. Is the private sector allowed to import second hand agricultural tractors?</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>3. Is the private sector allowed to import spare parts for agricultural tractors?</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>4. Please indicate if the law requires pre-shipment inspections of new agricultural tractors.</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>5. Is the private sector required to register as an importer of agricultural tractors?</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>▪ Please indicate if the registration is time limited.</td>
<td>Yes</td>
<td>0</td>
</tr>
<tr>
<td>▪ If yes, indicate time (in years)</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>▪ Please indicate the official cost to register as an importer.</td>
<td>not scored</td>
<td></td>
</tr>
<tr>
<td>▪ Cost as a percentage of GNI per capita</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Please indicate if the private sector is required to obtain an import permit to import agricultural tractors.</td>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>▪ Please indicate if the import permit is time limited.</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>▪ Please indicate time (in months)</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>▪ Please indicate the official cost to obtain the import permit.</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>▪ Cost as a percentage of GNI per capita</td>
<td>N/A</td>
<td>not scored</td>
</tr>
</tbody>
</table>

Score: 67
Agricultural machinery

EBA 2015 Results

Subindicator scores by income group

High income
Upper middle income
Lower middle income
Low income

Tractor dealer requirements
68.7
47.5
33.8
24.2

Tractor standards and safety
62.8
26.1
28.5
12.7

Tractor import requirements
68.3
69.2
68.9
69.5
Agricultural machinery  EBA 2015 Results

Overall scores by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia &amp; Pacific</td>
<td>32.2</td>
</tr>
<tr>
<td>South Asia</td>
<td>33.1</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>40.7</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>42.6</td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
<td>47.1</td>
</tr>
<tr>
<td>Europe &amp; Central Asia</td>
<td>54.5</td>
</tr>
<tr>
<td>High income</td>
<td>60.0</td>
</tr>
</tbody>
</table>
Agricultural machinery

Overall scores by sub-indicator

EBA Mechanization score

EBA 2015 Results
Next steps

Country coverage

**SUB-SAH AFRICA**
- Burkina Faso
- Burundi
- Cote D’Ivoire
- Ethiopia
- Ghana
- Kenya
- Mali
- Mozambique
- Niger
- Rwanda
- Sudan
- Tanzania
- Uganda
- Zambia

**EAP**
- Cambodia
- Laos
- Myanmar
- Philippines
- Vietnam

**LAC**
- Bolivia
- Brazil
- Chile
- Haiti
- Colombia
- Mexico
- Guatemala
- Peru
- Nicaragua

**EU**
- Denmark
- Greece
- Spain
- Italy
- Netherlands

**MENA**
- Jordan
- Morocco
- Egypt

**SA**
- Bangladesh
- Nepal
- Sri Lanka

**India**

**ECA**
- Bosnia-Herzegovina
- Georgia
- Kyrgyzstan
- Poland
- Russia
- Tajikistan
- Turkey
- Ukraine

**Romania**

**Armenia**

**Serbia**

**Bihar**

**Odisha**

**Uttar Pradesh**
ENABLING THE BUSINESS OF AGRICULTURE
## Agricultural machinery

### Methodology

<table>
<thead>
<tr>
<th>Tractor dealer requirements</th>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is the private sector required to obtain proof of suitability for the import of new agricultural tractors?</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>- Please indicate the official cost to obtain the proof of suitability (in local currency).</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>- Cost as a percentage of GNI per capita</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>2. Is the private sector required to register the tractor?</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>- Please indicate the official cost to obtain the registration (in local currency).</td>
<td>199800.0</td>
<td>1</td>
</tr>
<tr>
<td>- Cost as a percentage of GNI per capita</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>3. Does the law require an operator's license in order to operate an agricultural tractor?</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>4. Does the law require that dealers of agricultural tractors be responsible for providing the following post-sale services:</td>
<td>Yes</td>
<td>0.8</td>
</tr>
<tr>
<td>- Repair of tractors</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>- Replace or return of poor quality tractors</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>- Supply of spare parts</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>- Train users on use of tractors</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>- Train users on maintenance of tractors</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

Score: 70
# Agricultural machinery

## Methodology

<table>
<thead>
<tr>
<th>Tractor standards and safety</th>
<th>Answer</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Does the law require tractors to be equipped with a fixed roll-over protective structure (ROPS)?</td>
<td>No</td>
<td>0.00</td>
</tr>
<tr>
<td>2. Does the law require tractors to be equipped with a seatbelt?</td>
<td>No</td>
<td>0.33</td>
</tr>
<tr>
<td>3. Does the law establish sanctions for non-compliance with these safety standards?</td>
<td>N/A</td>
<td>0.33</td>
</tr>
<tr>
<td></td>
<td>Without seatbelt</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Without an operator's license</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Without ROPS</td>
<td>N/A</td>
</tr>
<tr>
<td>4. Does the law require that agricultural tractors must comply with national quality and performance standards?</td>
<td>No</td>
<td>0.00</td>
</tr>
<tr>
<td>5. Does the law establish the requirement that tractor standards must be in accordance with international standards (e.g. ISO, OECD)?</td>
<td>No</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Score: 13**