



WORLD BANK GROUP

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

DANIDA



Department
for International
Development



Government of
the Netherlands



BILL & MELINDA
GATES foundation



OBJECTIVE

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 $\frac{3}{4}$ of world's poor people live in rural areas and depend on farming for food, income and jobs

Agriculture can contribute to **ending poverty and boosting shared prosperity**

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

Food demand growth in:
- Africa **more than 300%**
- India **more than 200%**

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

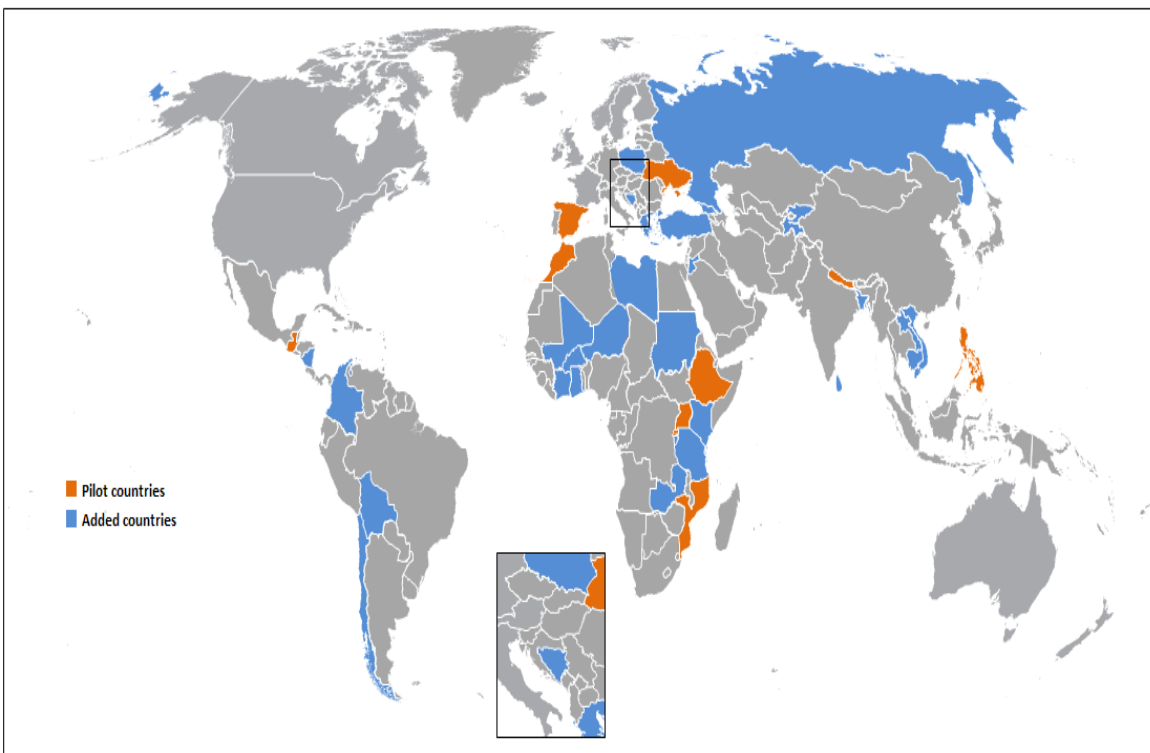
The strength of the institutions and the quality of regulations can make a difference in addressing these challenges

Country and Thematic coverage

EBA COUNTRY COVERAGE



Geographical coverage

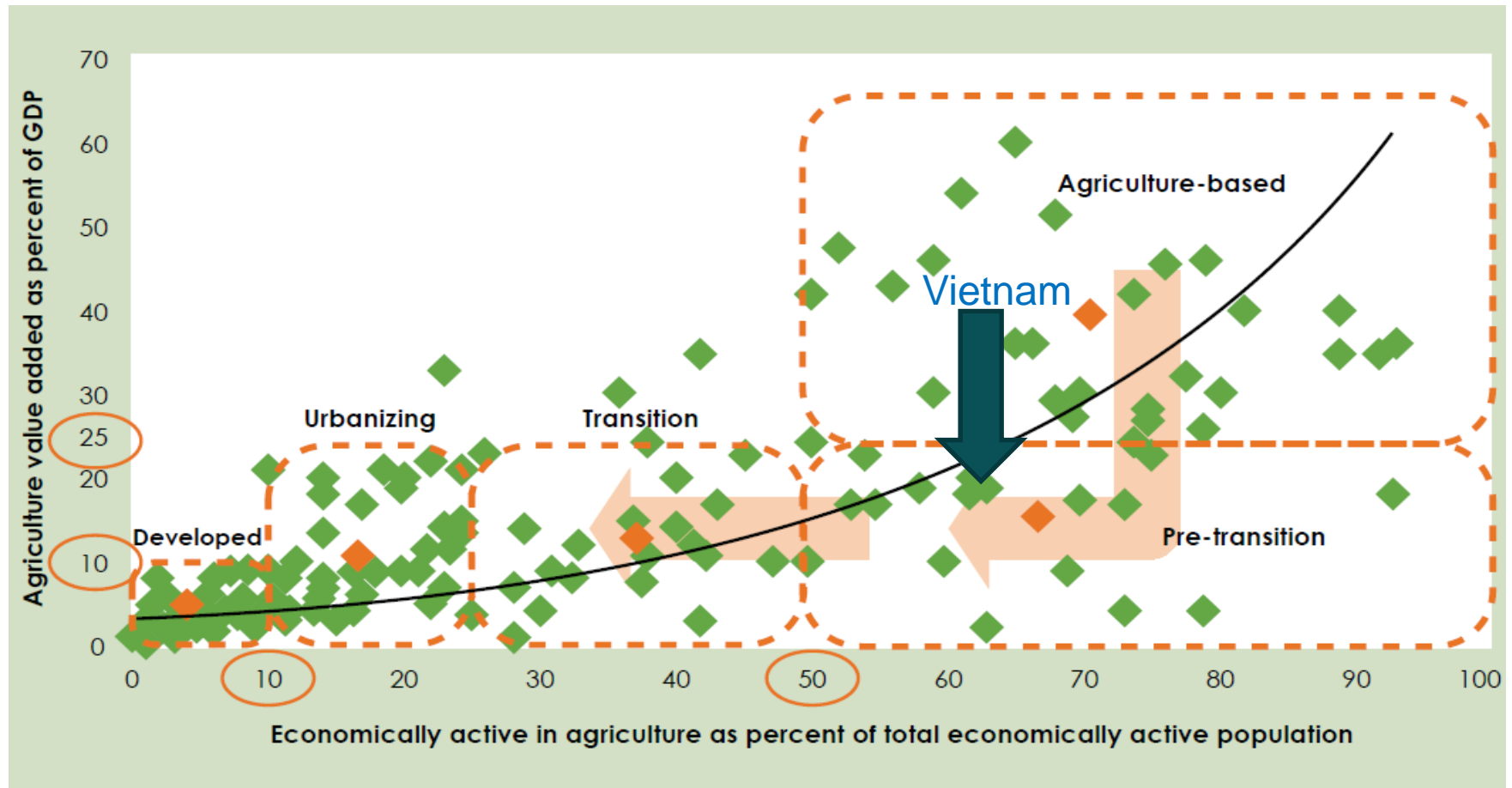


EBA16:

- 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)

EBA COUNTRY COVERAGE (2)

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

|  |  |  |  |  |  |
|---|--|---|--|--|---|
| LAND | FINANCE | WATER | SEED | FERTILIZER | MECHANIZATION |
| <ol style="list-style-type: none"> 1. Land tenure security 2. Land registration 3. Agric. land sales 4. Agric. land lease markets | <ol style="list-style-type: none"> 1. Lending supervision 2. Branchless banking 3. Non-traditional collateral | <ol style="list-style-type: none"> 1. Access to Water Use Rights 2. Legal Autonomy of Water User Associations 3. Access to Irrigation Technology | <ol style="list-style-type: none"> 1. Evaluation and registration of new varieties 2. Availability of new seed varieties 3. Quality control and assurance 4. International and regional seed trade | <ol style="list-style-type: none"> 1. Registration of fertilizer products 2. Imports 3. Subsidies 4. Quality control | <ol style="list-style-type: none"> 1. Importing agricultural machinery 2. Safety standards and consumer protection 3. Machinery hiring, renting and leasing services |

EBA INDICATOR AREAS



ICT

1. Licensing of mobile cellular and broadband services
2. Government strategies to improve access to ICT in rural areas
3. E-extension services and mobile applications



TRANSPORT

1. Licensing for trucking
2. Pricing and freight allocation
3. Weighing and axle-load limits
4. Cross-border competition
5. Road access, density and quality



MARKETS

1. Phytosanitary Protection and International trade
2. Domestic Trade
3. Farmers' organizations
4. Contract farming



LIVESTOCK

1. Genetic resources management
2. Animal disease prevention and control
3. Feed resources
4. Food safety and consumer protection



ENV. SUSTAIN.

1. Access and sustainable use of plant genetic resources
2. Production and commercialization of land races
3. Water resources management

EBA INDICATORS – COMMON STRUCTURE



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

Registration in Spain takes 60 calendar days and is free. In Nepal registration takes the longest (more than 3 years) and in Ukraine it is the most expensive (almost \$15,000)

| Country | Registration of new fertilizer product | |
|-------------|--|-------------|
| | Time (calendar days) | Cost (US\$) |
| Ethiopia | 120 | - |
| Guatemala | 154 | 323 |
| Morocco | <i>Registration not needed</i> | |
| Mozambique | <i>Just passed law</i> | |
| Nepal | 1125 | 7,210 |
| Philippines | 105 | 202 |
| Rwanda | - | 15 |
| Spain | 60 | Free |
| Uganda | 853 | 983 |
| Ukraine | 595 | 14,753 |

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

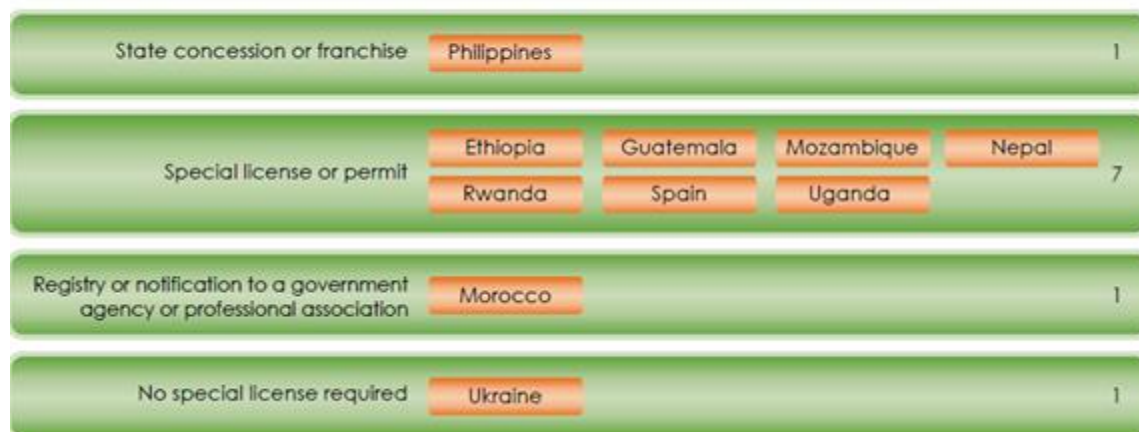


TABLE 8.1: General trade requirements with the largest neighboring agricultural trading partner

| Country | Use of customs broker | | Periodic exporter accreditation | Periodic agricultural exporter accreditation |
|-------------|-----------------------|--------|---------------------------------|--|
| | Export | Import | | |
| Ethiopia | ■ | ■ | ■ | ■ |
| Guatemala | | | | |
| Morocco | ■ | ■ | | ■ |
| Mozambique | ■ | ■ | ■ | |
| Nepal | | | | |
| Philippines | | ■ | ■ | ■ |
| Rwanda | ■ | ■ | | |
| Spain | | | | |
| Uganda | ■ | ■ | ■ | |
| Ukraine | ■ | ■ | | |

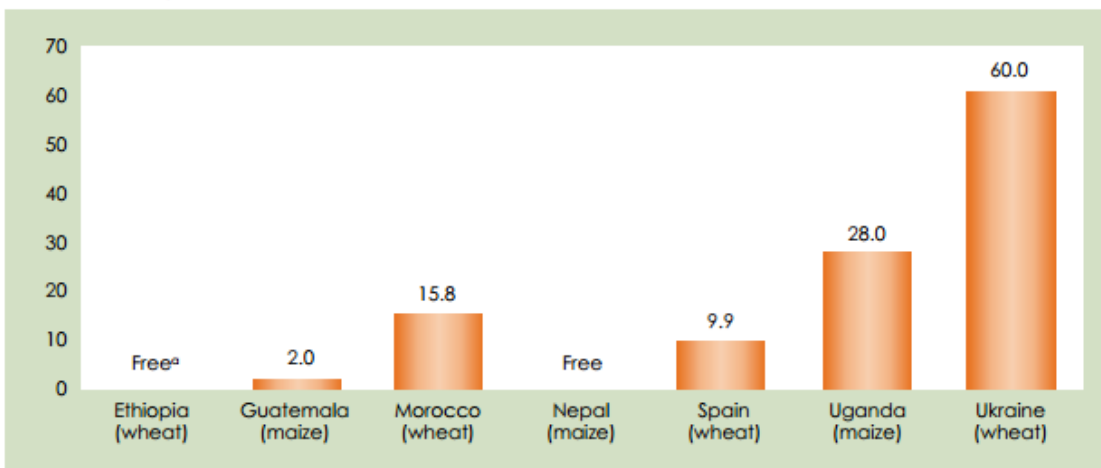
Source: Enabling the Business of Agriculture database.

Note: Blanks = not required

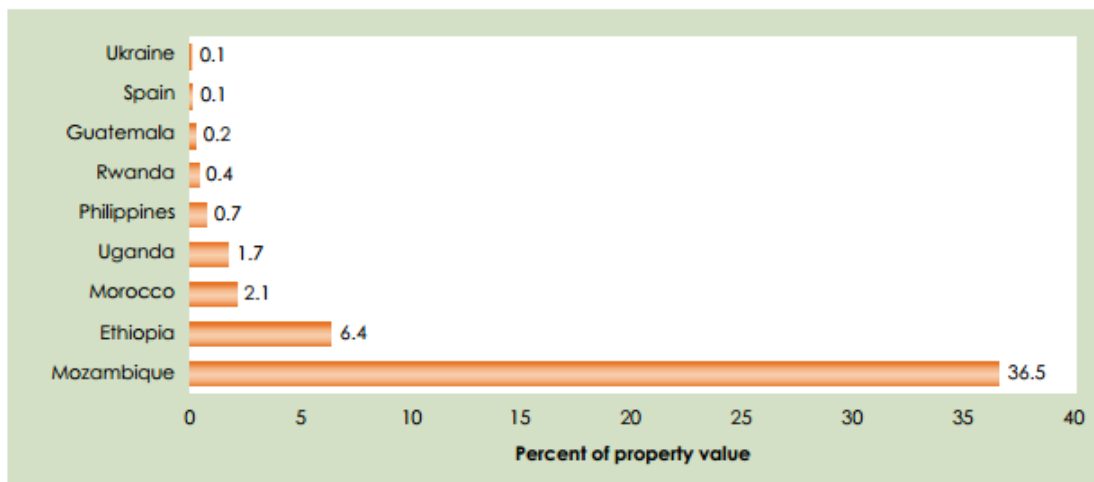
- 3 out of 10 countries do not legally require a customs broker or any exporter accreditation for agricultural trade

PRELIMINARY FINDINGS (PILOT REPORT)

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



Total cost of first-time registrations is less than 2% of the property value in the majority of pilot countries



- 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



EBA METHODOLOGY: PARTICULARITIES AND CHALLENGES

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

GOING BEYOND REGULATIONS – DEEP DIVES (PILOT)

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
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TODAY
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