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The U.S. Government's Global Hunger & Food Security Initiative



## A Closer Look at the EBA Markets Indicator

### Session 2

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## SESSION 2: LEARNING OBJECTIVES



*Photo: Fintrac Inc.*

- Basic elements covered by the Markets indicator:
  - Producer organizations
  - Plant protections
  - Agricultural trade
  
- Good regulatory practices





## METHODOLOGY BASICS

### Standard business cases:

Assumptions made to make data comparable across countries.

### Data collection:

Data collected by the World Bank through surveys, desk review, phone interviews, and country visits.

### Scoring:

Demonstration of best practices are evaluated and scored by country; Given a yes (1) or no (0) assessment; Sums converted to a "distance to frontier" score.

### EBA data is:

- Quantitative
- Comparable
- Actionable





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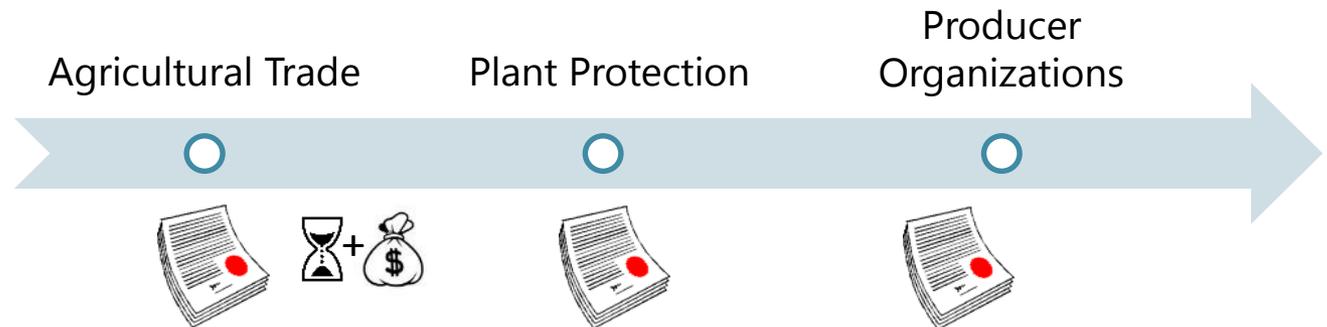
## MARKETS INDICATOR



### What's Measured:

Laws and regulations that impact smallholder producers and agribusinesses when accessing domestic and foreign agricultural markets for their products.

### Markets Sub-Indicators:



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## 1. AGRICULTURAL TRADE



### Standard Business Case:

- A business performs general agricultural trading activities, excluding agricultural production, processing and retail activities.
- A theoretical product and trading partner are selected for each country based on official export statistics.
- Traded products are defined and grouped as cash crops, cereals, fruits and vegetables. Trade data is sourced from the UN COMTRADE database.

### What is Measured:

- Domestic price controls
- Auctions and/or fixed market places
- Licenses, memberships or registration requirements to trade in the domestic market and export
- Per-shipment export documents (number, time and cost)

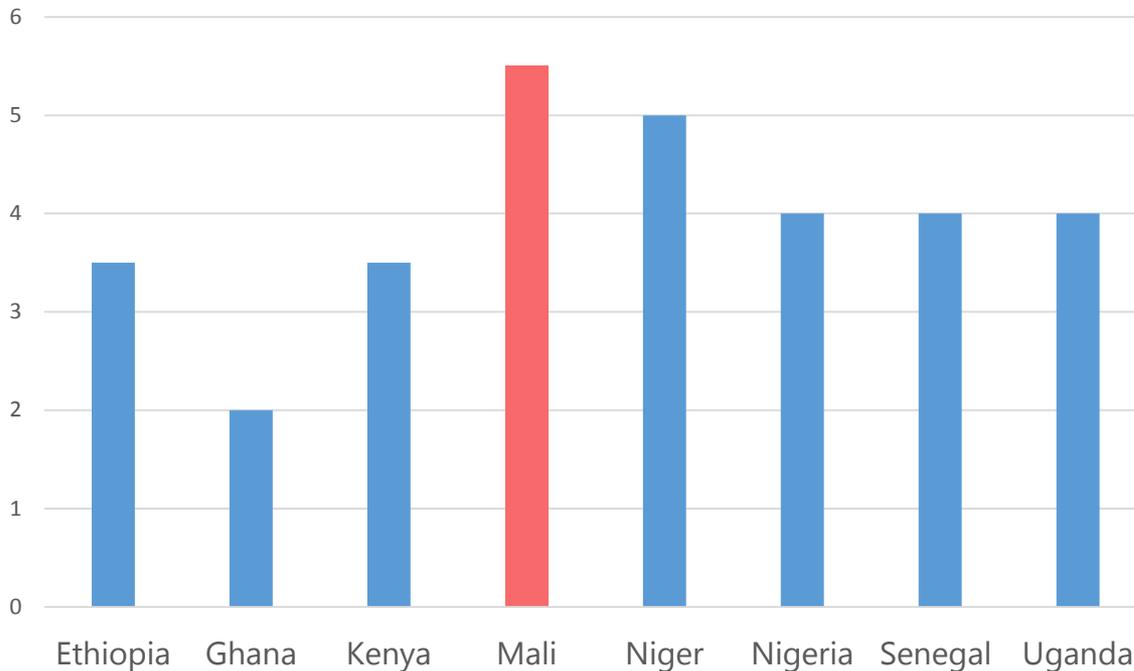




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## FEED THE FUTURE AGRICULTURAL TRADE SCORES (0-9)



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## AGRICULTURAL TRADE: GOOD REGULATORY PRACTICE



### Good Regulatory Practice:

- Price controls are not imposed on agricultural products, and agricultural products do not have to be sold at an auction or in a specific marketplace.
- Applications for phytosanitary certificates may be issued on site and submitted electronically.
- The official fee schedule for the phytosanitary certificate is published online or in the law.
- It is efficient and affordable to obtain the mandatory per shipment documents to export agricultural products.

Mali does not exhibit these practices. Though only 1 export document and 2 days are required to export agricultural products, associated costs are high.





## AGRICULTURAL TRADE: GOOD REGULATORY PRACTICE



### Best Performer Laws: Mali

- Law 02-013 of 3 June 2002 establishing phytosanitary control in the Republic of Mali, 2002.
- Decree 02-305/P-RM of 3 June 2002 setting the implementation of the Law establishing phytosanitary control in the Republic of Mali, 2002.
- Decision 08-2688/MA-MF-SG of 29 September 2008 setting the cost of issuance for phytosanitary certificates and import permits for plants, plant products and plant-based food products, 2008.
- Rule 007/2007/CM/UEMOA on sanitary security of plants, animals and food in UEMOA, 2007.





## 2. PLANT PROTECTIONS



### What is Measured:

- Existence of a designated agency to conduct pest surveillance on plants.
- List of regulated quarantine pests and pest databases.
- Legal obligation and penalties on land owners/users to report pest outbreaks.
- Existence of designated agency to conduct pest risk analysis (PRA).
- Publicly available PRA reports (online) and risk-based phytosanitary import inspections.

### Standard Business Case:

- No assumptions specified.

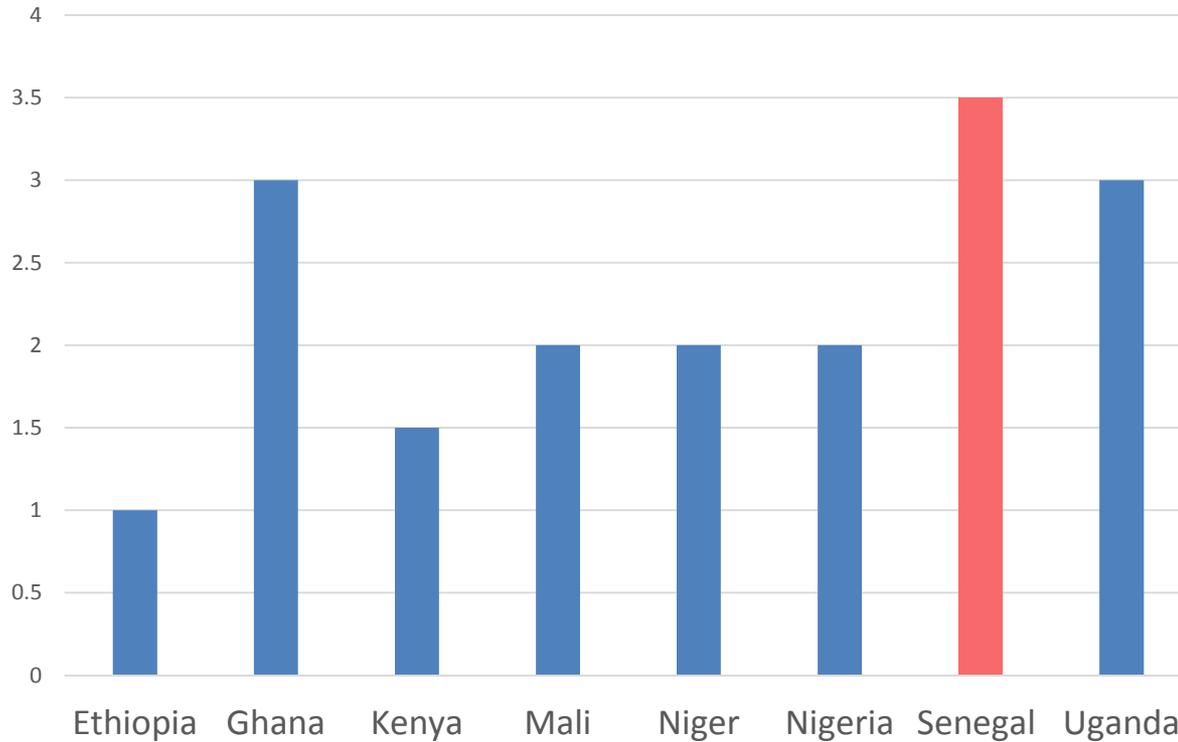




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## FEED THE FUTURE PLANT PROTECTIONS SCORES (0-8)



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## PLANT PROTECTIONS: GOOD REGULATORY PRACTICE



Exhibited  
by Senegal

### Good Regulatory Practice:

- The list of regulated quarantine pests and information on pests and disease are available online.
- A specific government agency is designated to conduct pest surveillance.
- Owners and occupiers of land and/or crop owners are required to report any pests occurring on their land.
- A specific government agency or unit is designated to conduct pest risk analysis and the results are made available online.

Phytosanitary import inspections conducted on a risk management basis

**Best Performer Laws: Senegal**



Decree 60-121 on Phytosanitary Control of Plant Imports and Exports, 1960; Decree 60-122 on Pest Control, 1960; Decree 99-259 on Control of Fruit and Vegetables, 1999; Ministerial Ruling Creating the Direction of Plant Protection, 2000





## 3. PRODUCER ORGANIZATION



**Standard Business Case:** The principal function of the Producer Organization is to pool and sell the members' production, and the organization takes ownership of the produce in question.

**What is Measured:** Key issues relating to the establishment and operation of producer organizations including:

- Registration process (statutory time for registration; reasons for rejection)
- Minimum capital requirements
- Rules on membership
- Nondiscrimination requirements and measures to promote female participation
- Profit distribution

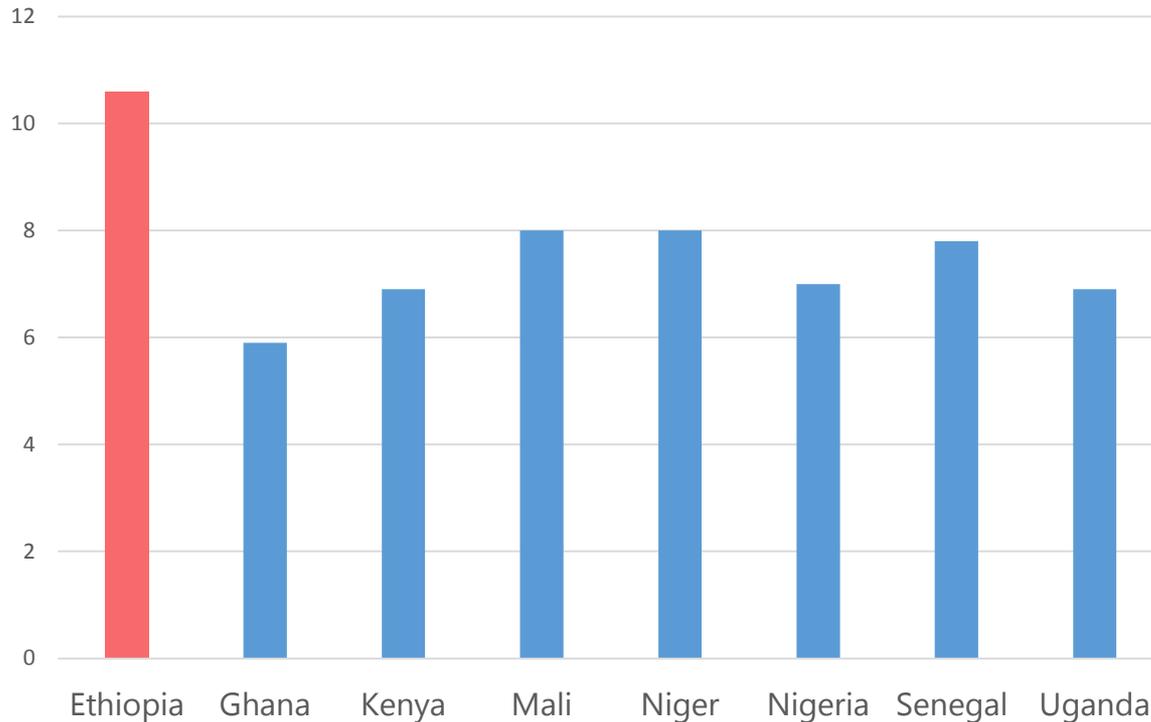




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## FEED THE FUTURE PRODUCER ORGANIZATION SCORES (0-13)



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## PRODUCER ORGANIZATIONS: GOOD REGULATORY PRACTICE



### Good Regulatory Practice:

- No minimum capital requirement to establish a PO.
- Decisions to register producer organizations must be issued within a timeframe specified in the law and rejections are explained to the applicants.
- The principles of open membership and nondiscrimination apply.
- The rate of dividends that can be paid to member or nonmember shares is not capped.



### Best Performer Laws: Ethiopia

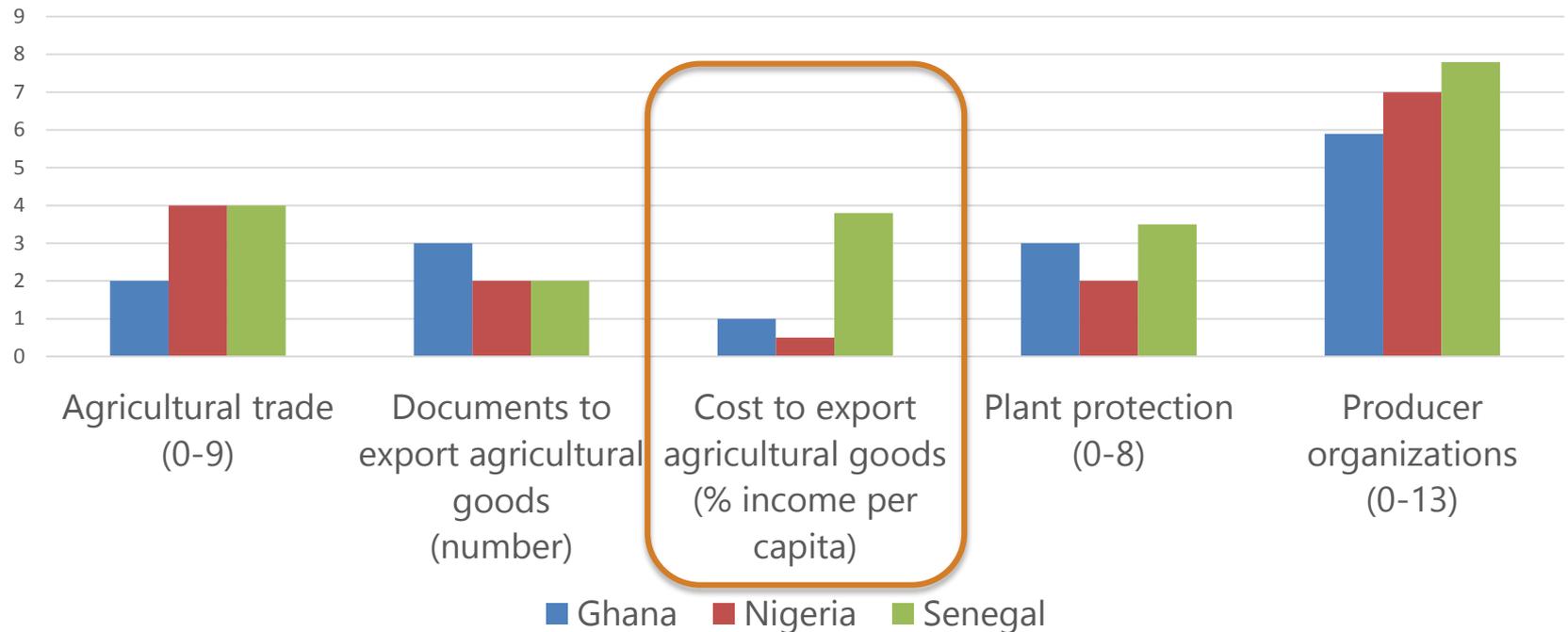
Cooperative Societies Proclamation No. 147/1998; Councils of Ministers Regulation No. 106/2004 to Provide for the implementation of Cooperative Societies Proclamation No. 147/1998; Cooperative Societies (Amendment) Proclamation No. 402/2004.





## ILLUSTRATIVE SCORES FOR MARKETS INDICATORS

### West Africa EBA Markets Indicator Component Scores





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## RECAP WHAT WE HAVE LEARNED

**Basic elements of Markets indicators:**

Agricultural trade

Plant protections

Producer organizations

**Good regulatory practices**

For EBA Markets indicators



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## LET'S CHECK WHAT WE'VE LEARNED



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## QUESTION 1

### 1. Market access can be enhanced:

- a. By having farmers participate in producer organizations which can increase production and facilitate compliance with regulatory requirements.
- b. By having producer organizations enable farmer members to achieve economies of scale which result in more profitable and stable market participation.
- c. When licensing requirements are less burdensome, time-consuming and costly, promoting access to domestic and foreign products.

Is the answer **All of the above, A and B only, or None of the above?**





## QUESTION 1 - ANSWER

### 1. Market access can be enhanced:

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## QUESTION 2

2. What does the Plant Protection indicator address?
- a. Legal obligation applicable to domestic pest management
  - b. Production, process and trade
  - c. Pre-shipment export documents
  - d. None of the above





## QUESTION 2 - ANSWER

2. What does the Plant Protection indicator address?

- a. **Legal obligation applicable to domestic pest management**
- b. Production, process and trade
- c. Pre-shipment export documents
- d. None of the above





## QUESTION 3

3. How can Ethiopia further improve its current laws and regulations on Producer Organizations:
  - a. By issuing decisions to register producer organizations within legally established timelines
  - b. By instituting measures promoting women's participation
  - c. By requiring minimum capital to establish a Producer Organization
  - d. By allowing principles of nondiscrimination and open membership





## QUESTION 3 - ANSWER

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## YOUR FEEDBACK IS WELCOME!

- ✓ Was this learning resource helpful?
- ✓ Do you have questions or suggestions for improvements on the EBA methodology?
- ✓ Other feedback?

Please contact Lourdes Martinez Romero (COR) at [lmartinezromero@usaid.gov](mailto:lmartinezromero@usaid.gov) or Nate Kline (COP) at [nkline@fintrac.com](mailto:nkline@fintrac.com).



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**Proceed to the next session in the Trade Module**



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