A Closer Look at the EBA Markets Indicator

Session 2

Photo: Fintrac Inc.
Basic elements covered by the Markets indicator:
- Producer organizations
- Plant protections
- Agricultural trade

Good regulatory practices
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.
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:
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)
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.
Best Performer Laws: Mali

- Decree 02-305/P-RM of 3 June 2002 setting the implementation of the Law establishing phytosanitary control in the Republic of Mali, 2002.
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.
FEED THE FUTURE PLANT PROTECTIONS SCORES (0-8)

Ethiopia  Ghana  Kenya  Mali  Niger  Nigeria  Senegal  Uganda
PLANT PROTECTIONS: GOOD REGULATORY PRACTICE

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

ILLUSTRATIVE SCORES FOR MARKETS INDICATORS

West Africa EBA Markets Indicator Component Scores

- **Agricultural trade (0-9)**
- **Documents to export agricultural goods (number)**
- **Cost to export agricultural goods (% income per capita)**
- **Plant protection (0-8)**
- **Producer organizations (0-13)**

Scores for Ghana, Nigeria, and Senegal are shown.

- Ghana
- Nigeria
- Senegal
RECAP WHAT WE HAVE LEARNED

Basic elements of Markets indicators:

- Good regulatory practices

Agricultural trade

Plant protections

Producer organizations

For EBA Markets indicators
LET’S CHECK WHAT WE’VE LEARNED
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?
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Is the answer **All of the above**, **A and B only**, or **None of the above**?
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
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a. Legal obligation applicable to domestic pest management

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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
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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?

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