



FEED THE FUTURE

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

Feed the Future Enabling Environment for Food Security project

World Bank *Enabling the Business of Agriculture* Index (EBA):

An Introduction to Benchmarking for Agricultural Development under Feed the Future

June 12, 2017

Amy Chambers, Deputy Chief of Party, Fintrac Inc.



USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

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

Agenda

- Part I: About EBA: What It Is, How to Use It, and Why It Matters for Feed the Future
- Part II: Unpacking the Methodology and Rwanda's Scores
- Part III: Leveraging EBA in Support of Mission Objectives



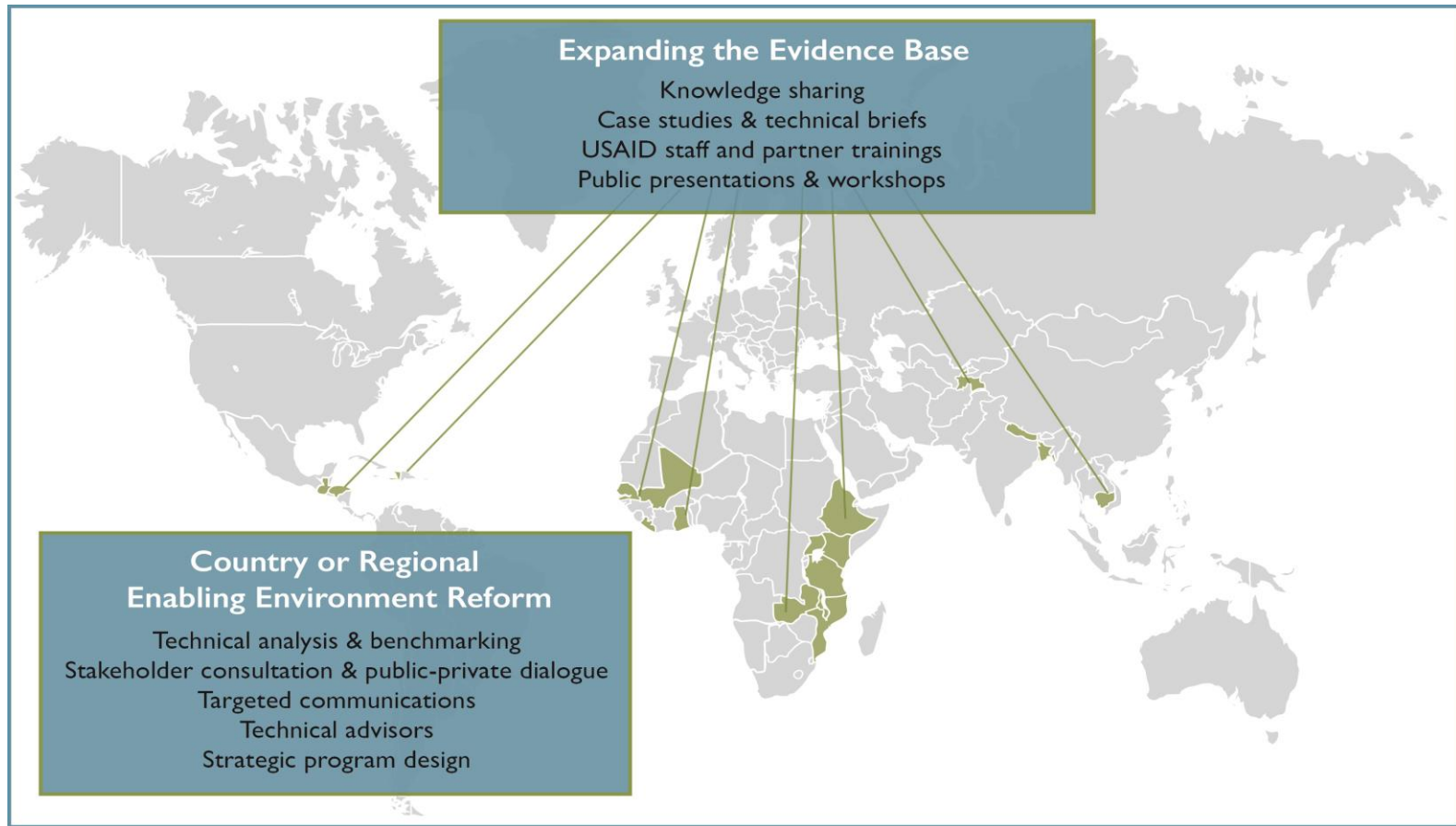
USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

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

Feed the Future Enabling Environment for Food Security



USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

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

Our Work in Agricultural Benchmarking Development

Enabling Agricultural Trade (EAT) project (2010-2015):

- Agribusiness Regulations and Institutions (AGRI) Index
- Support for the development of the EBA Index
- Lower Mekong Initiative cross-country benchmarking study

Feed the Future Enabling Environment for Food Security project (2015-2020):

- Building Mission awareness of EBA and its uses for Feed the Future programming
- Feedback to World Bank to improve the methodology (surveys, stakeholder outreach)



USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

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

The Enabling the Business of Agriculture (EBA) Index

What is EBA? A globally comparable dataset on the quality and efficiency of agricultural laws and regulations

History: Builds on complementary BEE indices, such as Doing Business and Women, Business, and the Law

Data collection: Data collected through surveys, desk review, phone interviews, and country visits.

Why do we need it?

- What gets measured gets done.
- Agriculture is unique.



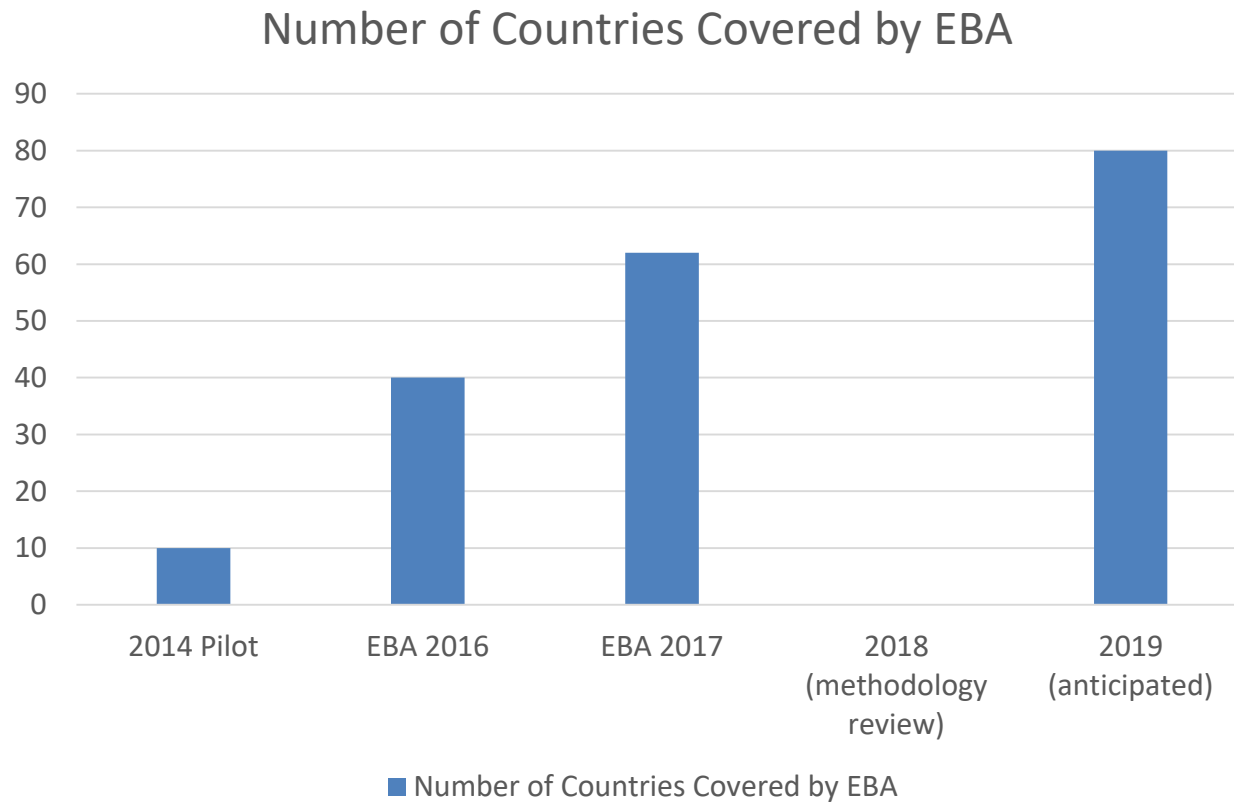
USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

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

The EBA Index: The First Five Years



USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

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

The EBA Index: Topical Coverage

- 8 core topic areas
- 2 topics under development: Land and Livestock
- 2 cross-cutting themes: Gender and Environmental Sustainability

	"LEGAL" INDICATORS	"EFFICIENCY" INDICATORS
SEED	<ul style="list-style-type: none"> > Plant breeding > Variety registration > Seed quality control 	<ul style="list-style-type: none"> > Time and cost to register new varieties
FERTILIZER	<ul style="list-style-type: none"> > Fertilizer registration > Quality control of fertilizer > Importing and distributing fertilizer 	<ul style="list-style-type: none"> > Time and cost to register a new fertilizer product
MACHINERY	<ul style="list-style-type: none"> > Tractor operation > Tractor testing and standards > Tractor import 	<ul style="list-style-type: none"> > Time and cost to obtain type approval > Time and cost to register a tractor
FINANCE	<ul style="list-style-type: none"> > Branchless banking > Movable collateral > Non-bank lending institutions 	
MARKETS	<ul style="list-style-type: none"> > Producer organizations > Plant protection > Agricultural trade 	<ul style="list-style-type: none"> > Documents, time and cost to export agricultural goods
TRANSPORT	<ul style="list-style-type: none"> > Trucking licenses and operations > Cross-border transportation 	<ul style="list-style-type: none"> > Time and cost to obtain trucking licenses > Time and cost to obtain cross-border licenses
WATER	<ul style="list-style-type: none"> > Integrated water resource management > Individual water use for irrigation 	
ICT	<ul style="list-style-type: none"> > Information and communication technology 	



USAID
FROM THE AMERICAN PEOPLE

Source: EBA 2017



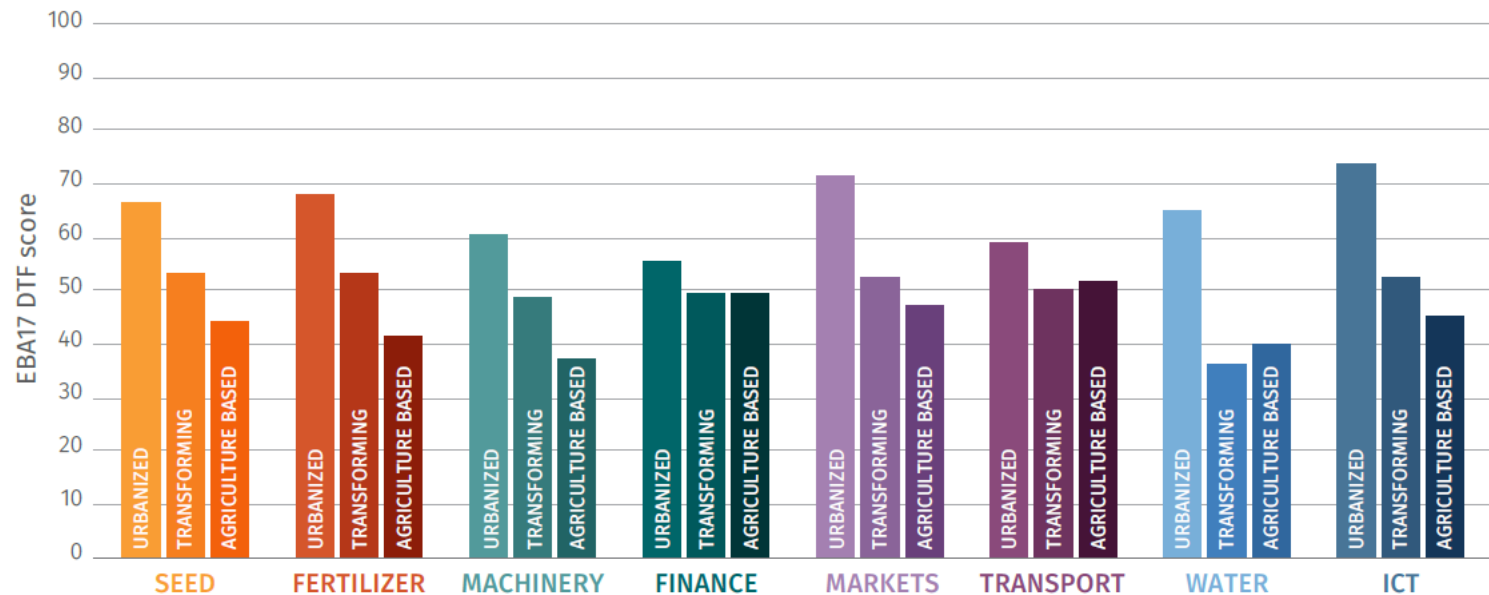
FEED THE FUTURE

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

Key Findings from the EBA 2017 Report

Strong correlation between EBA scores and level of agricultural transformation

Figure 1.1 | Urbanized countries show better agriculture regulations than transforming and agriculture-based countries



Source: EBA database.



USAID
FROM THE AMERICAN PEOPLE

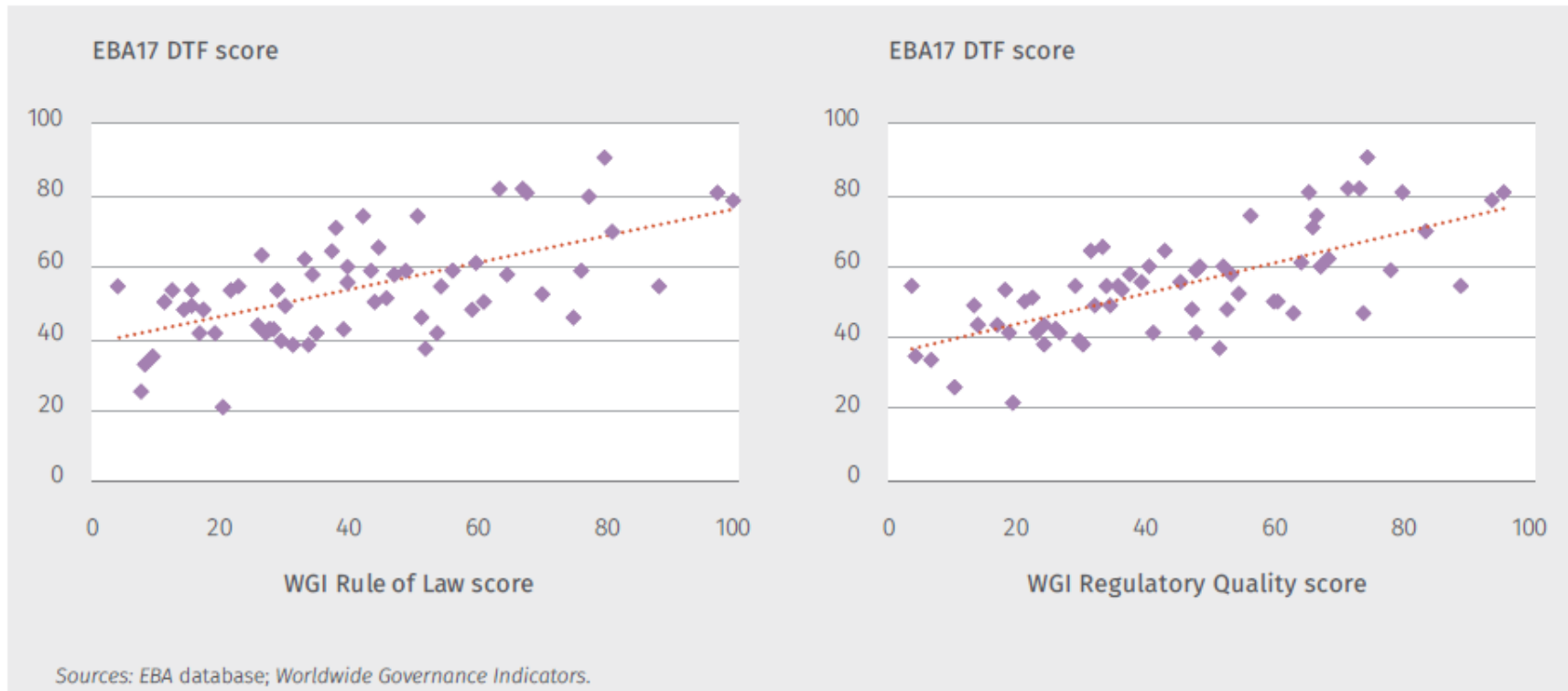


FEED THE FUTURE

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

Key Findings from the EBA 2017 Report

Strong correlation between EBA scores and other measures of regulatory quality.



USAID
FROM THE AMERICAN PEOPLE



Why EBA Matters for Feed the Future

Global Food Security Strategy (GFSS)

- IR 1: Strengthened inclusive agriculture systems that are productive and profitable
- CC IR 5: More effective governance, policy, and institutions

Sustainable Development Goals (SDGs)

- 1.4 Access to Basic Services
- 2.5 Genetic Diversity of Cultivated Plants
- 6.3 Improving Water Quality
- 6.4 Efficient and Sustainable Water Withdrawals
- 6.5 Integrated Water Resource Management
- 9.3 Enterprise Access to Financial Services
- 9c Access to Information and Communication Technology





FEED THE FUTURE

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

Reactions to the EBA Dataset

- Rwanda: Rwandan Cabinet evaluating findings for use in Strategic Plan for the Transformation of Agriculture in Rwanda
- Guatemala: Joint engagement by Government and Chamber of Commerce
- Cambodia: MAFF interest in forming a task force to address findings



USAID
FROM THE AMERICAN PEOPLE



Uses and Abuses of Benchmarking Data

Three Main Uses of Benchmarking Data

- Prioritization: Enables identification of weaknesses in the enabling environment
- Competition: Generating momentum for reform
- Monitoring: Over time, changes in scores can serve as M&E indicators

Avoiding Pitfalls: Key Questions to Ask

- Are these the *right* reforms to achieve Feed the Future goals?
- Does our approach engender country ownership of the reform process?
- Are we addressing the root causes of the problem or only the symptoms?





EBA Scoring Methodology: The Basics

- Standard business case with assumptions
- Types of indicators: legal framework (quality) vs. time and cost (efficiency)
- Absolute vs. relative scoring: “distance to the frontier” (DTF) and rank
- What is NOT covered:
 - Informal economic activity
 - Unofficial costs
 - Political and social dynamics
 - Macroeconomic performance

Example: Seed

SEED^a | DTF Score 51.80 ♦ Rank 38

Plant breeding index (0-10)	8.0
Variety registration index (0-8)	2.0
Time to register new variety (days)	407
Cost to register new variety (% income per capita)	17.3
Seed quality control index (0-12)	3.0

ASSUMPTIONS USED TO STANDARDIZE THE BUSINESS CASE

The seed variety:

- > Is a maize variety developed by the private sector.
- > Is being registered for the first time in the country.
- > Has not been registered in any other country.^a

Source: EBA 2017

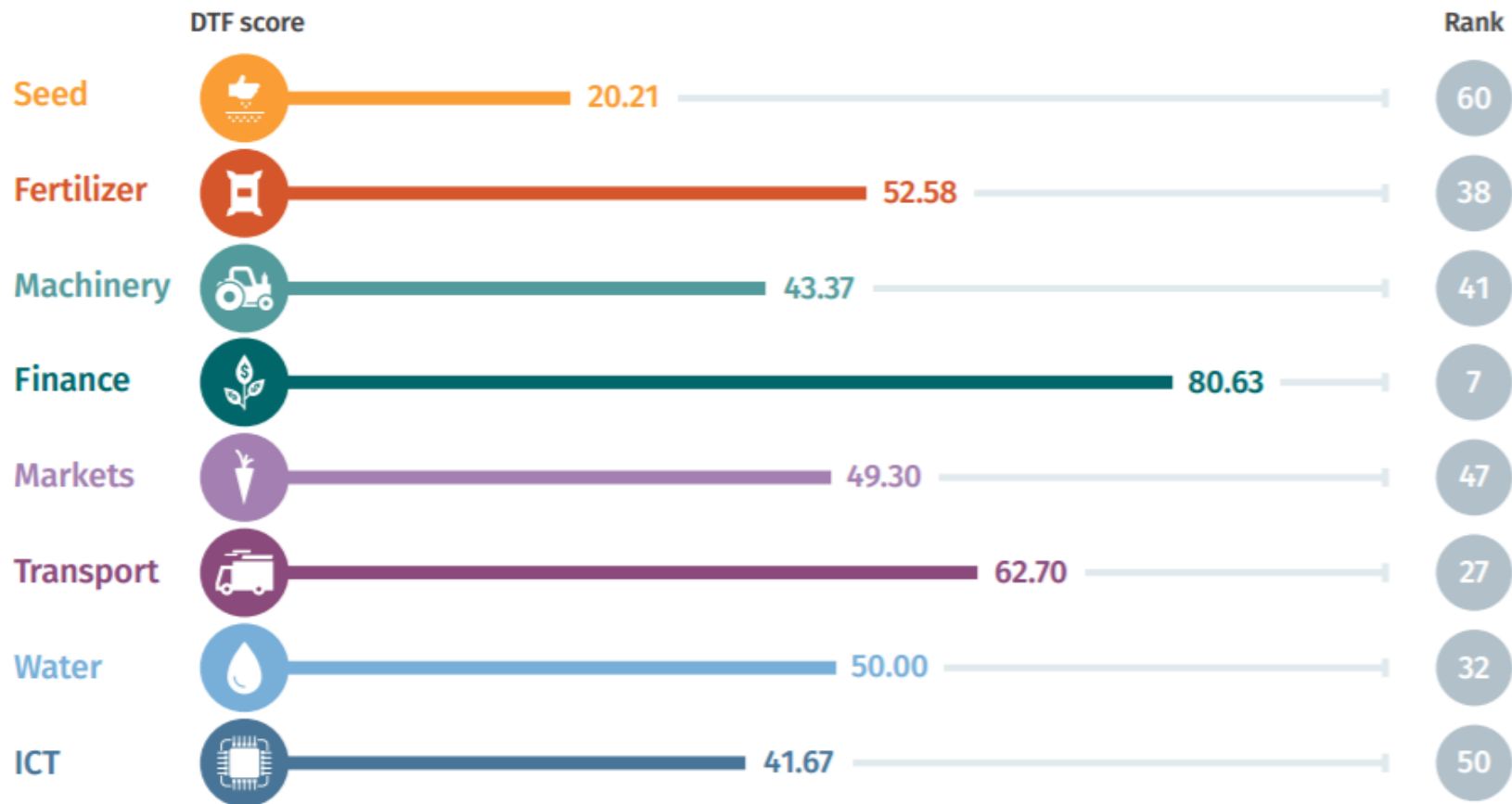




FEED THE FUTURE

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

EBA Scoring Methodology: Rwanda Snapshot



USAID
FROM THE AMERICAN PEOPLE

Source: EBA 2017



FEED THE FUTURE

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

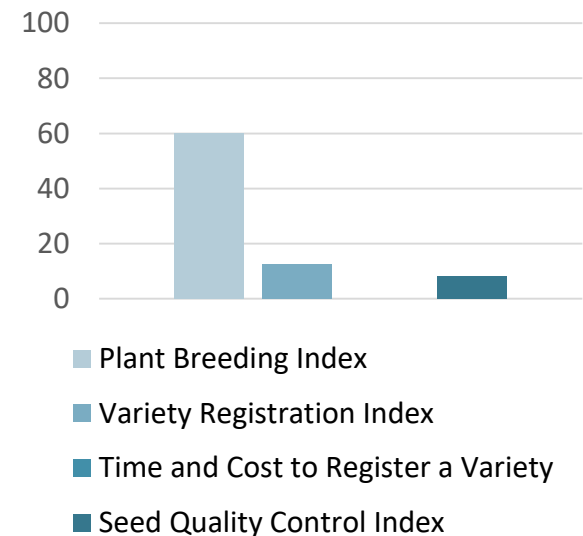
Exploring the EBA Topics: Seed

The Case: A new maize variety is developed by the private sector and is being registered for the first time in any country to be sold on the domestic market.

Representative good practices:

- Public and private sector partnership
- Effective variety release committee
- Seed labeling requirements and penalties

Rwanda Seed Scores (2017)



EBA Indicators:

Plant Breeding

Variety
Registration

Seed Quality
Control



USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

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

Exploring the EBA Topics: Seed

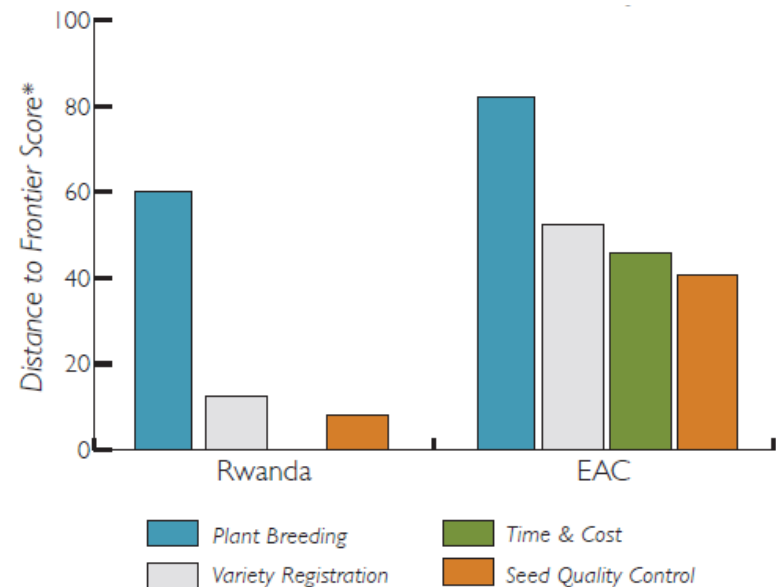
Notable Findings:

- Rwanda has a very young formal seed industry and seed institutions

Methodology Notes:

- Mandatory seed certification and variety registration
- Formal vs. informal seed systems

Regional Performance on Seed Topic



USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

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

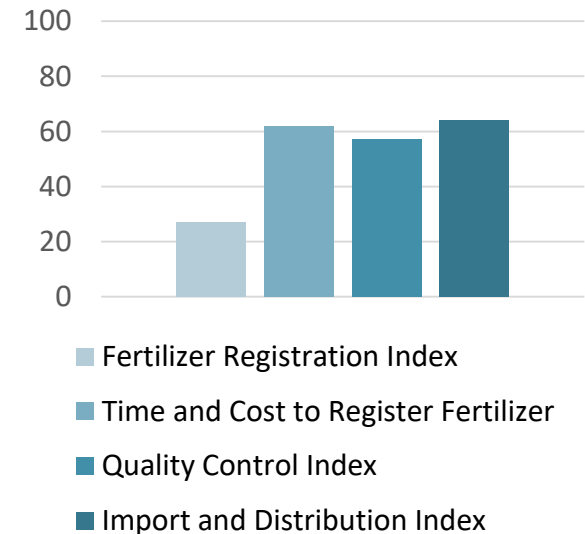
Exploring the EBA Topics: Fertilizer

The Case: A registered private entity is importing a new chemical fertilizer product, produced elsewhere, for domestic marketing purposes. It is not the first product the company has registered.

Representative good practices:

- No field testing for fertilizer registration
- Streamlined import permit requirements
- Labeling requirements and penalties for sale in open bags

Rwanda Fertilizer Scores (2017)



EBA Indicators:

Fertilizer
Registration

Import and
Distribution

Fertilizer Quality
Control



USAID
FROM THE AMERICAN PEOPLE



Exploring the EBA Topics: Fertilizer

Methodology Notes:

- Time/Cost built into legal index for fertilizer import and distribution index
- Favors regional harmonization

Regional Performance on Fertilizer Registration

Notable Findings:

- MINAGRI and RALIS differ on importance of the field testing requirement

	Time to register a new fertilizer product	Cost to register a new fertilizer product (% income per capita)	Importing & distributing fertilizer DTF (0-100)
Rwanda	730 days	100%	64
Uganda	663 days	75%	29
Tanzania	578 days	0%	43
Zimbabwe	15 days	98%	43





FEED THE FUTURE

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

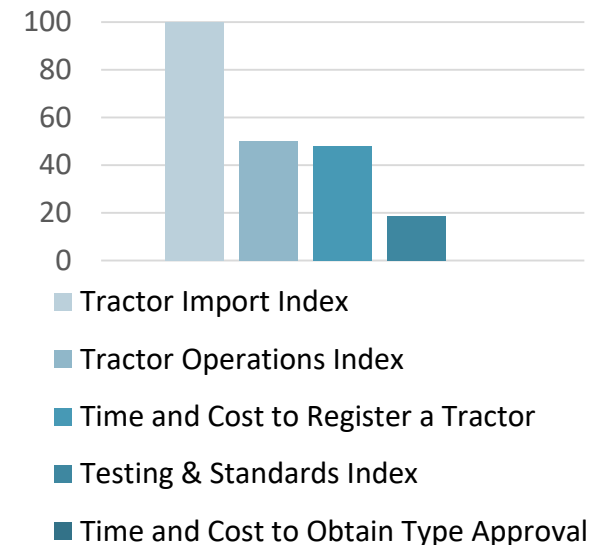
Exploring the EBA Topics: Machinery

The Case: A registered private sector company, that operates with any special import privileges, imports agricultural tractors that fit certain specifications as defined in the methodology.

Representative good practices:

- Streamlined import procedures to improve access and availability
- Roadworthiness inspections and aftermarket parts and services
- Requiring type approvals

Rwanda Machinery Scores (2017)



EBA Indicators:



USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

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

Exploring the EBA Topics: Machinery

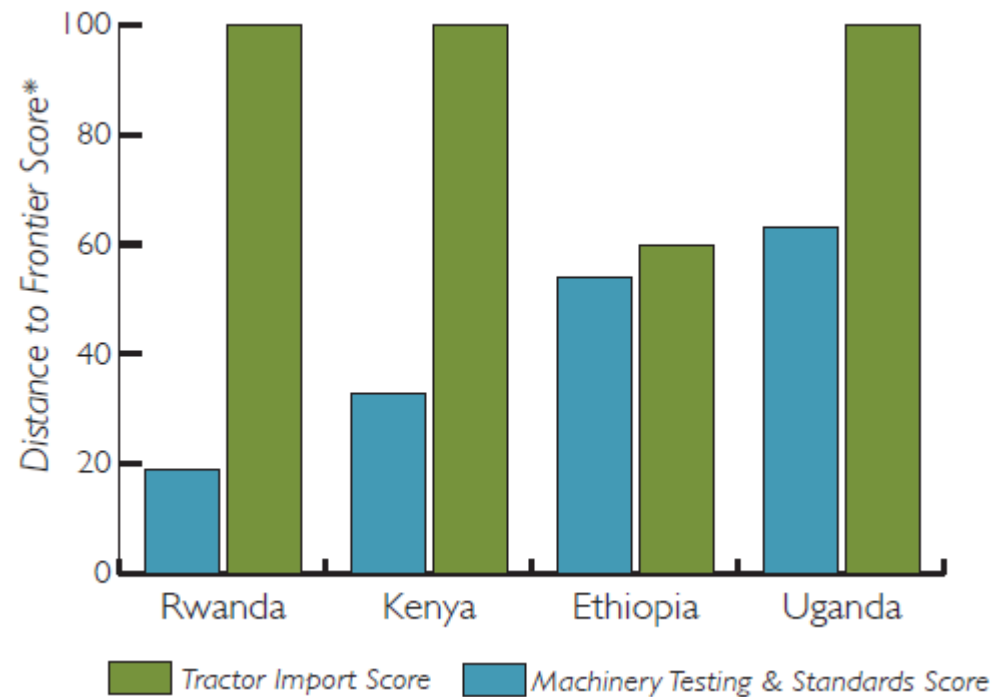
Methodology Notes:

- Tractors as a proxy for agricultural machinery
- Import index may need some differentiation

Notable Findings:

- Proposed Center of Excellence will remedy most causes of low score for testing and standards

Regional Performance on Tractor Registration



USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

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

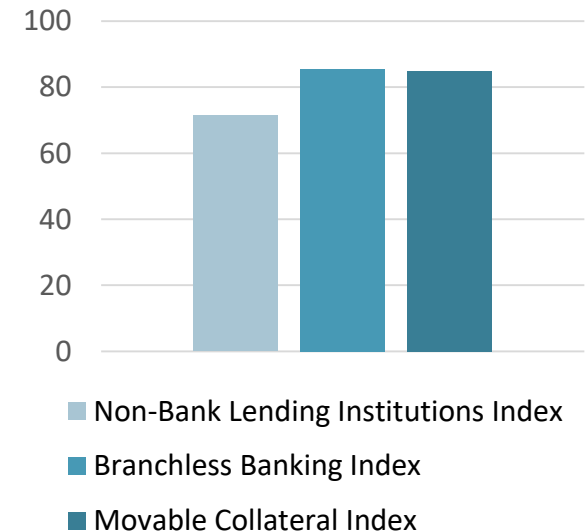
Exploring the EBA Topics: Finance

The Case: Methodology defines main terms and provides certain specifications for microfinance institutions and financial cooperatives.

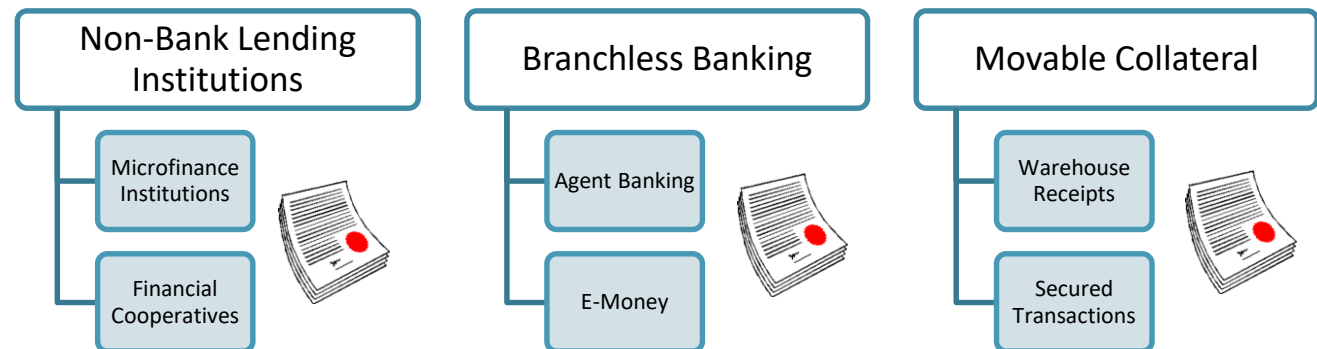
Representative good practices:

- Transparent pricing and deposit insurance
- Diversity in financial service providers
- Performance guarantees to reduce risk in warehouse receipts

Rwanda Finance Scores (2017)



EBA Indicators:



USAID
FROM THE AMERICAN PEOPLE



Exploring the EBA Topics: Finance

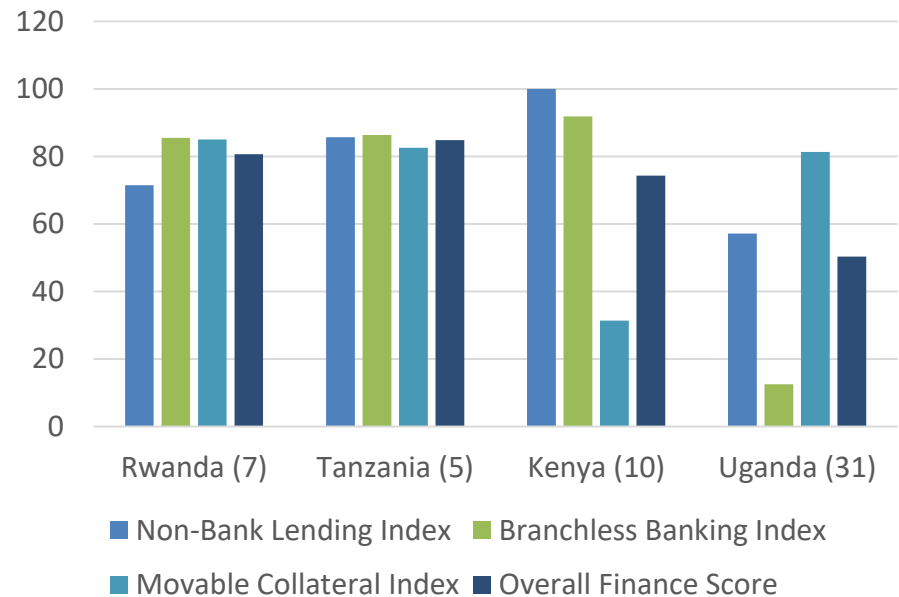
Methodology Notes:

- Incorporation of secured transactions indicators from the Doing Business methodology
- Traditional finance vs. financial inclusion mechanisms

Notable Findings:

- Good regulation does not necessarily equate with access to finance.

Regional Performance on Finance





FEED THE FUTURE

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

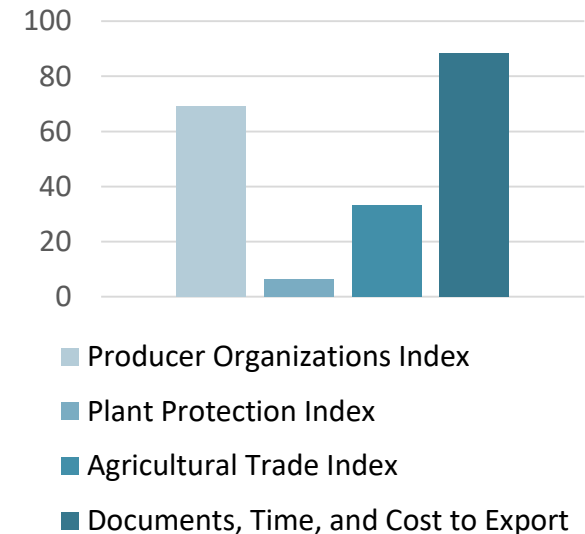
Exploring the EBA Topics: Markets

The Case: A business that performs general agricultural trading activities, exclusive of production, processing, and retail. Specifications made for the size and content of the shipment and the trading partner.

Representative good practices:

- Streamlining phytosanitary certification
- Predictable market policies free of price controls and NTBs
- Facilitating the establishment of producer organizations

Rwanda Markets Scores (2017)



EBA Indicators:

Producer Organizations

Plant Protection

Agricultural Trade



USAID
FROM THE AMERICAN PEOPLE

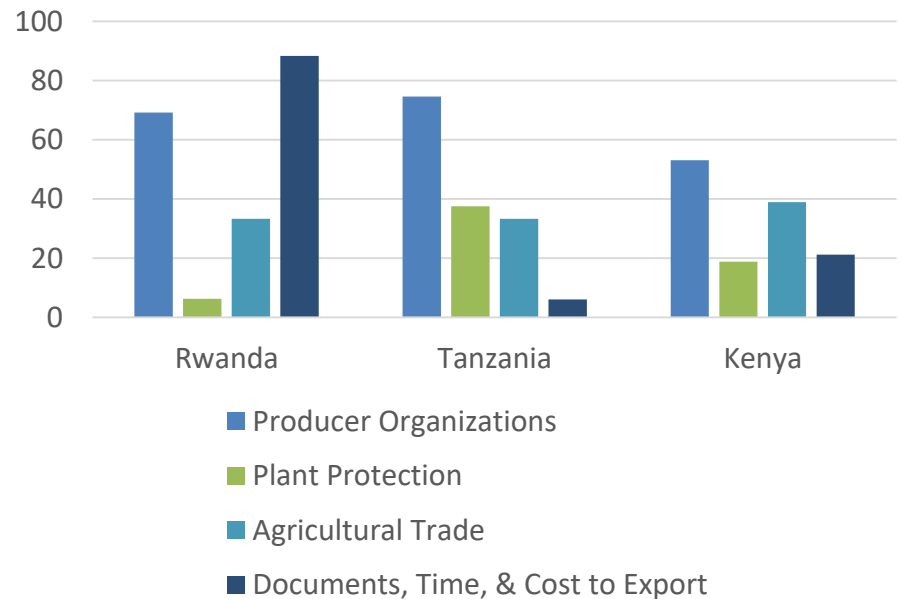


Exploring the EBA Topics: Markets

Methodology Notes:

- Does this indicator really capture market access constraints?
- Only EBA topic for which gender is explicitly scored

Regional Performance on Markets





FEED THE FUTURE

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

Exploring the EBA Topics: Transport

The Case: A private entity or natural person, located in the country's largest business city, that performs the commercial transport of goods by road, including cross-border. Additional assumptions about the trucks, products transported, and cross-border trading partner.

Representative good practices:

- Preference for company level licensing
- Improving cross-border transport and competition

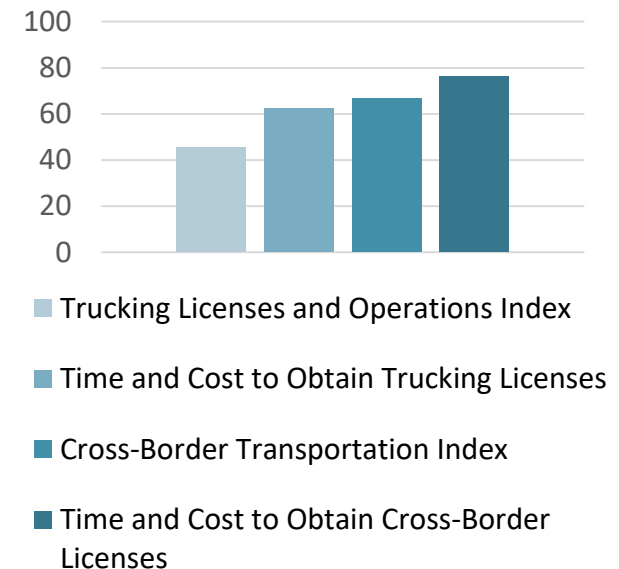
EBA Indicators:

Trucking Licenses and Operations

Cross-Border Transportation



Rwanda Transport Scores (2017)



USAID
FROM THE AMERICAN PEOPLE



Exploring the EBA Topics: Transport

Methodology Notes:

- Heavy focus on the treatment of foreign truck operators
- Omits other types of transport (e.g., air cargo)

Notable Findings:

- Restricted rights of foreign truck operators are a regional issue impeding trade

Regional Performance on Transport

	Time & cost of obtaining trucking licenses (DTF 0-100)	Time to obtain trucking licenses	Cost of obtaining trucking licenses (% income per capita)
Rwanda	62	7 days	22%
Burundi	93	1 day	5%
Kenya	96	1 day	2%
Uganda	91	1 day	6%





FEED THE FUTURE

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

Exploring the EBA Topics: Water

The Case: A mid-sized farm (2-10 ha) growing crops and using mechanical water abstraction mechanism for individual use.

Representative Good Practices:

- Institutional capacity for planned water management
- Transparent permit systems for individual use
- Effective resource pricing to promote conservation

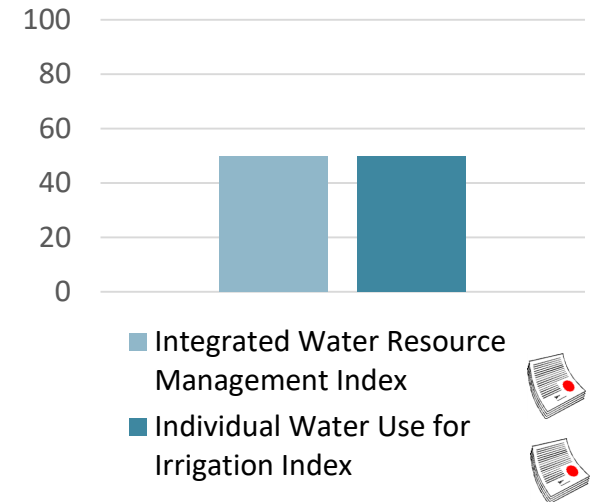
Notable Findings:

- Uphill battle to institute water usage fees
- Irrigation equipment critical in the battle against climate change impacts

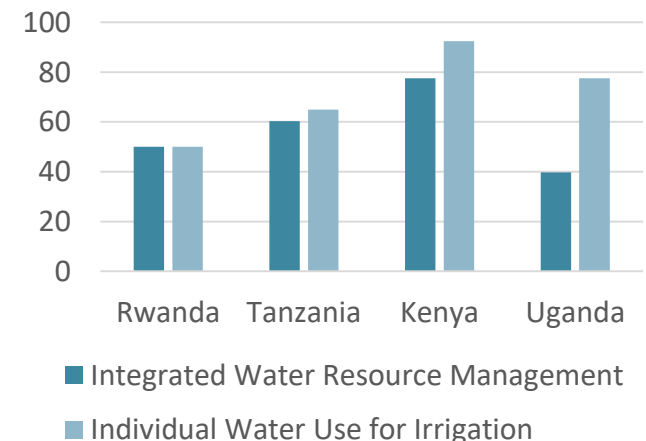


USAID
FROM THE AMERICAN PEOPLE

Rwanda Water Scores
(2017)



Regional Water Scores





FEED THE FUTURE

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

Exploring the EBA Topics: ICT

The Case: A private company that provides telecommunications services such as voice, SMS, and data.

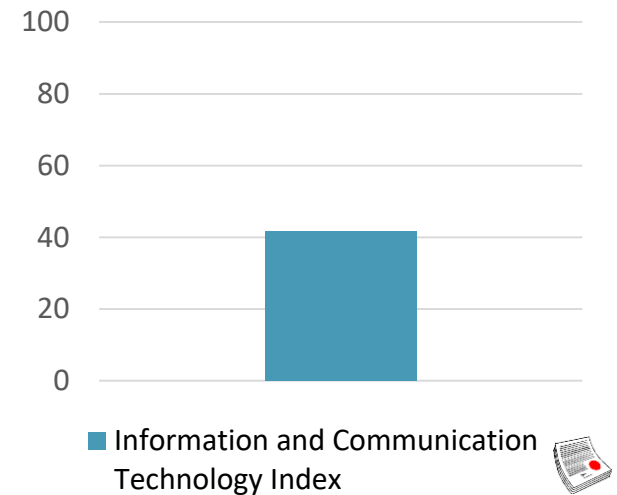
Representative good practices:

- Fostering competition through general authorization regimes
- Efficient spectrum management to promote greater investment in rural areas

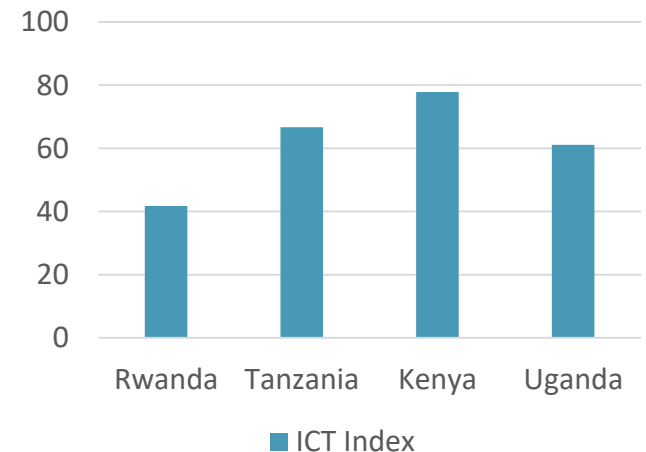
Methodology Note:

- Focus on incentivizing private sector investment

Rwanda ICT Score (2017)



Regional ICT Scores



USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

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

Topics under Development and Cross-Cutting Themes

Land

- Land records
- Management of state land
- Equity and fairness

Livestock

- Veterinary medicinal products (VMPs):
 - Registration
 - Marketing
 - Import authorizations

Gender

- Gender-disaggregated data
- Restrictions on employment, activity
- Participation in organizations
- Nondiscrimination

Environmental Sustainability

- Plant genetic resources
- Water quality management
- Soil health management



USAID
FROM THE AMERICAN PEOPLE



Leveraging EBA to Support Mission Objectives

Recap: Three Main Uses of Benchmarking Data

- **Prioritization: Identification of weaknesses in the enabling environment**
 - How well do the EBA topics areas align with Mission priority areas for agricultural sector development?
 - Are these the *right* reforms to achieve Feed the Future goals?
 - What topics might you like to see added?
- Competition: Generating momentum for reform
- Monitoring: Over time, changes in scores can serve as M&E indicators





Leveraging EBA to Support Mission Objectives

Recap: Three Main Uses of Benchmarking Data

- Prioritization: Identification of weaknesses in the enabling environment
- **Competition: Generating momentum for reform**
 - Does the approach engender country ownership of the reform process?
 - Are these topics the best use of government time and resources at this stage of development?
 - Do these good practices make sense in the Rwandan context?
- Monitoring: Over time, changes in scores can serve as M&E indicators





Leveraging EBA to Support Mission Objectives

Recap: Three Main Uses of Benchmarking Data

- Prioritization: Identification of weaknesses in the enabling environment
- Competition: Generating momentum for reform
- **Monitoring: Over time, changes in scores can serve as M&E indicators**
 - What indicators do you currently use for regulatory and policy reform work? Would EBA be more or less useful?
 - Risk of the “quick win” – are we addressing the root causes of the problem or only the symptoms?

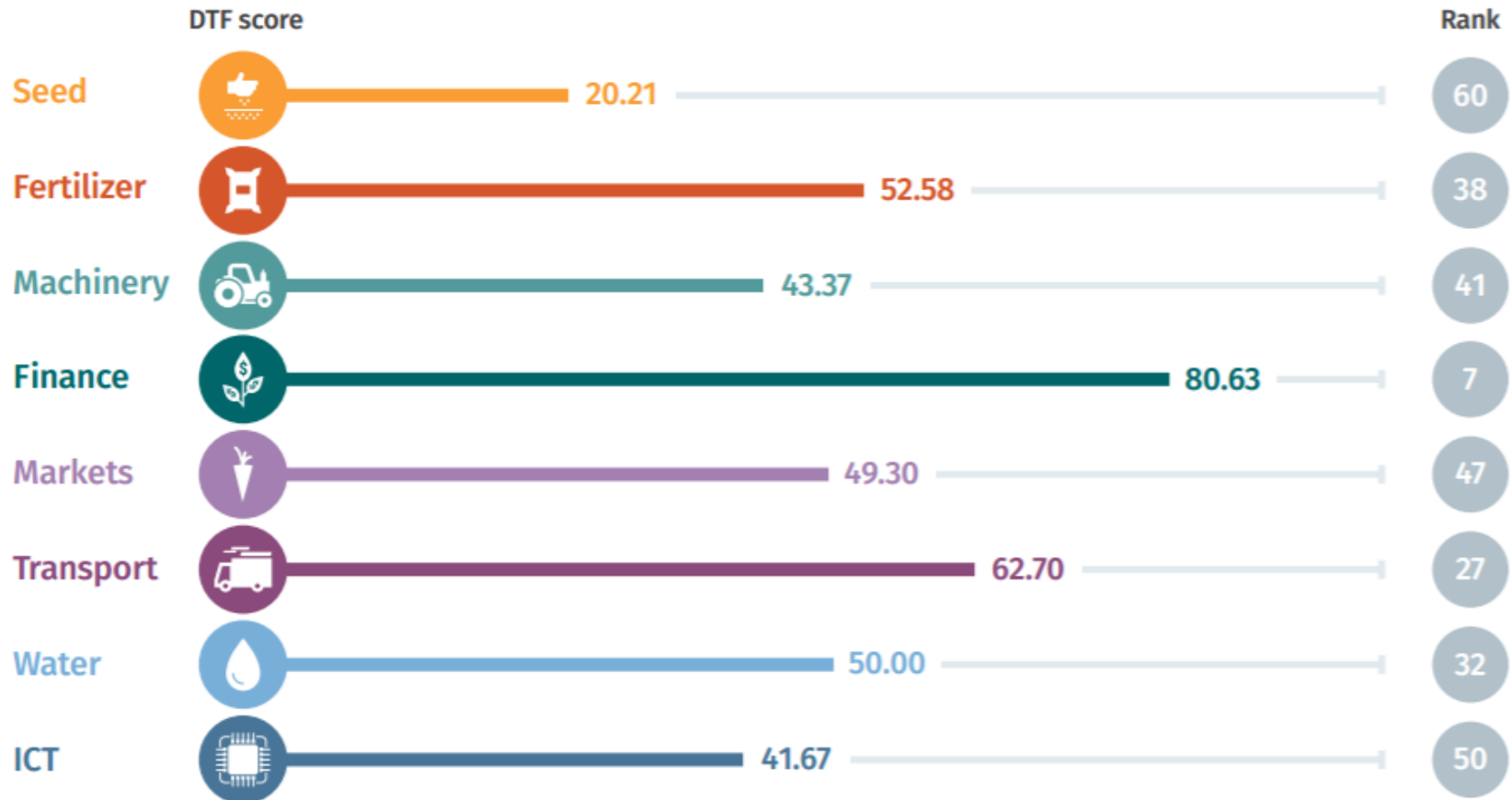




FEED THE FUTURE

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

EBA 2017 – Rwanda Score Snapshot



Source: EBA 2017



USAID
FROM THE AMERICAN PEOPLE



FEED^{THE}FUTURE

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

Wrap-Up: Feedback and Next Steps

- Final Comments or Questions: What changes would you like to see in the EBA methodology? Other feedback?
- Taking it to the Next Step: Complementary tools and resources for enabling environment reform



USAID
FROM THE AMERICAN PEOPLE



FEED^{THE}FUTURE

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

www.feedthefuture.gov



USAID
FROM THE AMERICAN PEOPLE