



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

July 14, 2017

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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 Zambia's Scores
- Part III: Leveraging EBA in Support of Mission Objectives



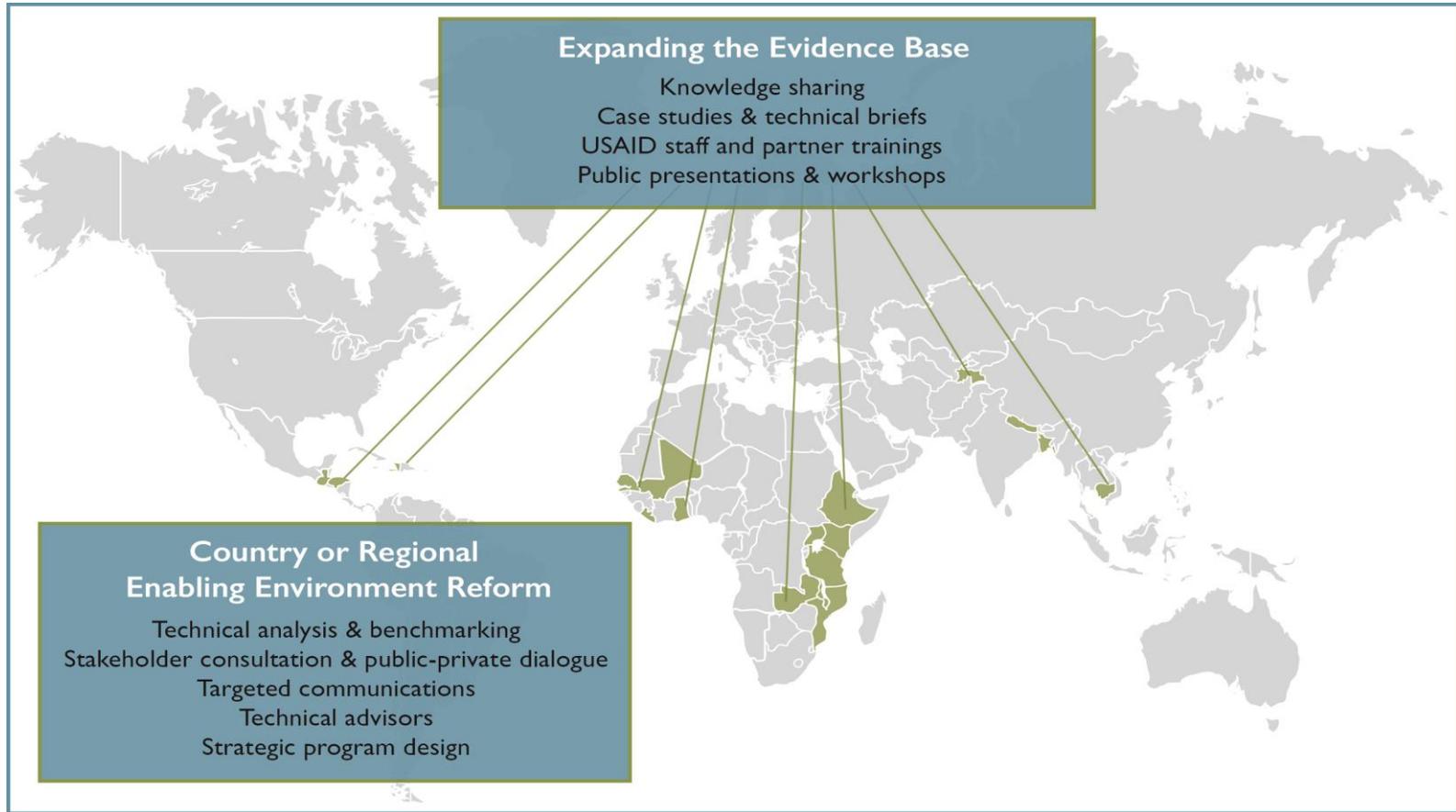
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Our Work in Agricultural Benchmarking Development

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)



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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.



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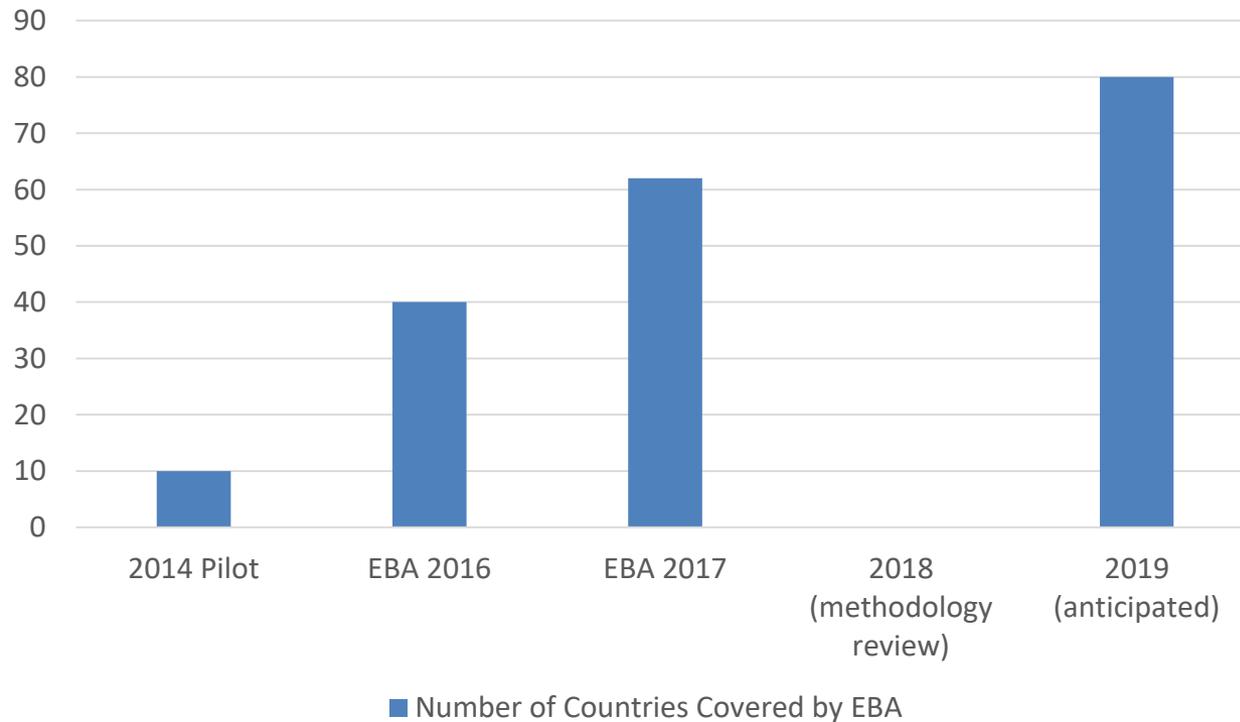


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The EBA Index: The First Five Years

Number of Countries Covered by EBA



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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 	





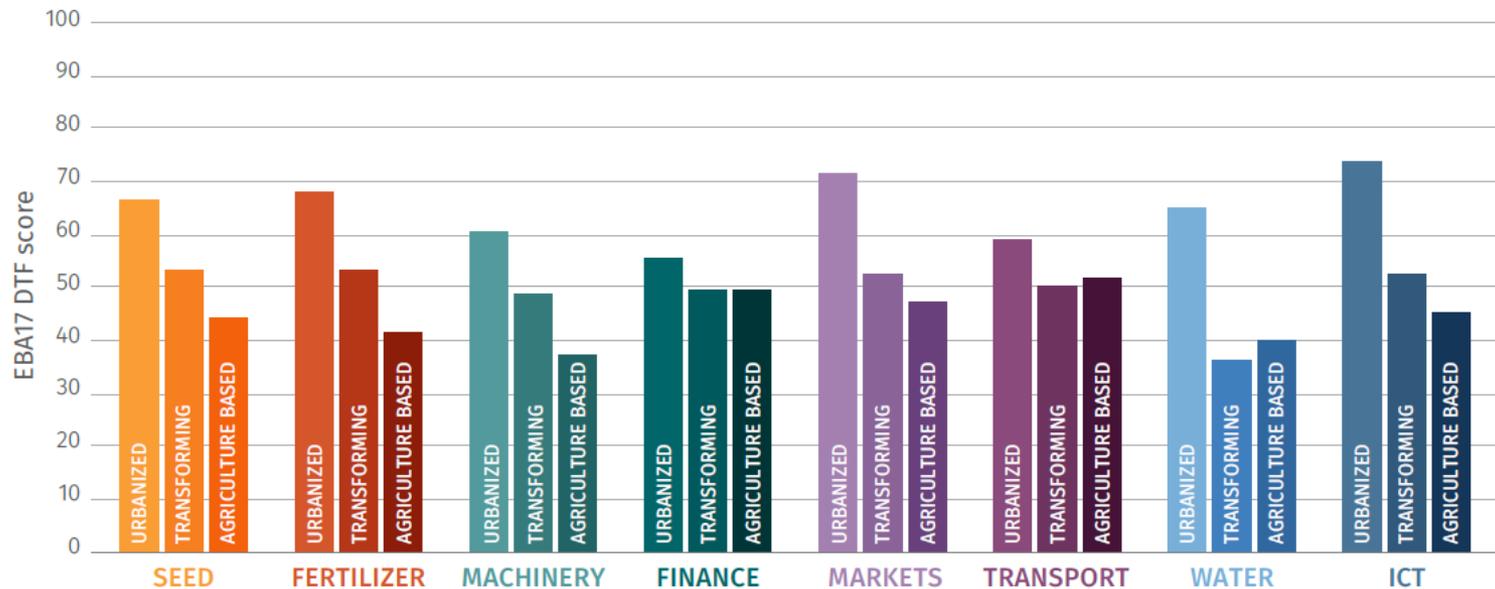
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Key Findings from the EBA 2017 Report

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.

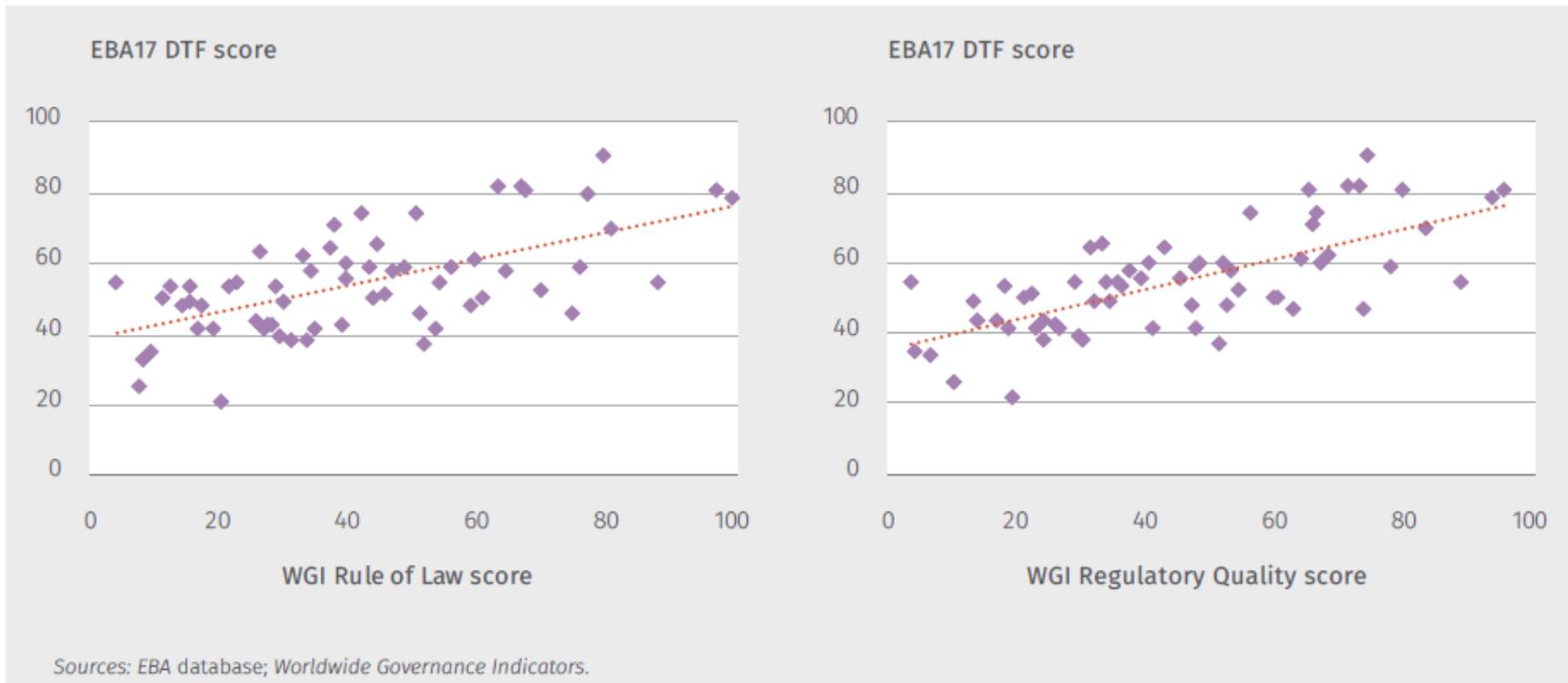


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Key Findings from the EBA 2017 Report

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





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





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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
- Zambia:** Recent highly attended EBA roll-out seminar and technical workshop



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Uses and Abuses of Benchmarking Data

Three Main Uses of Benchmarking Data

- Competition: Generating momentum for reform
- Prioritization: Enables identification of weaknesses in the enabling environment
- 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?
- Are we addressing the root causes of the problem or only the symptoms?
- Does our approach engender country ownership of the reform process?



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EBA Scoring Methodology: The Basics

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

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

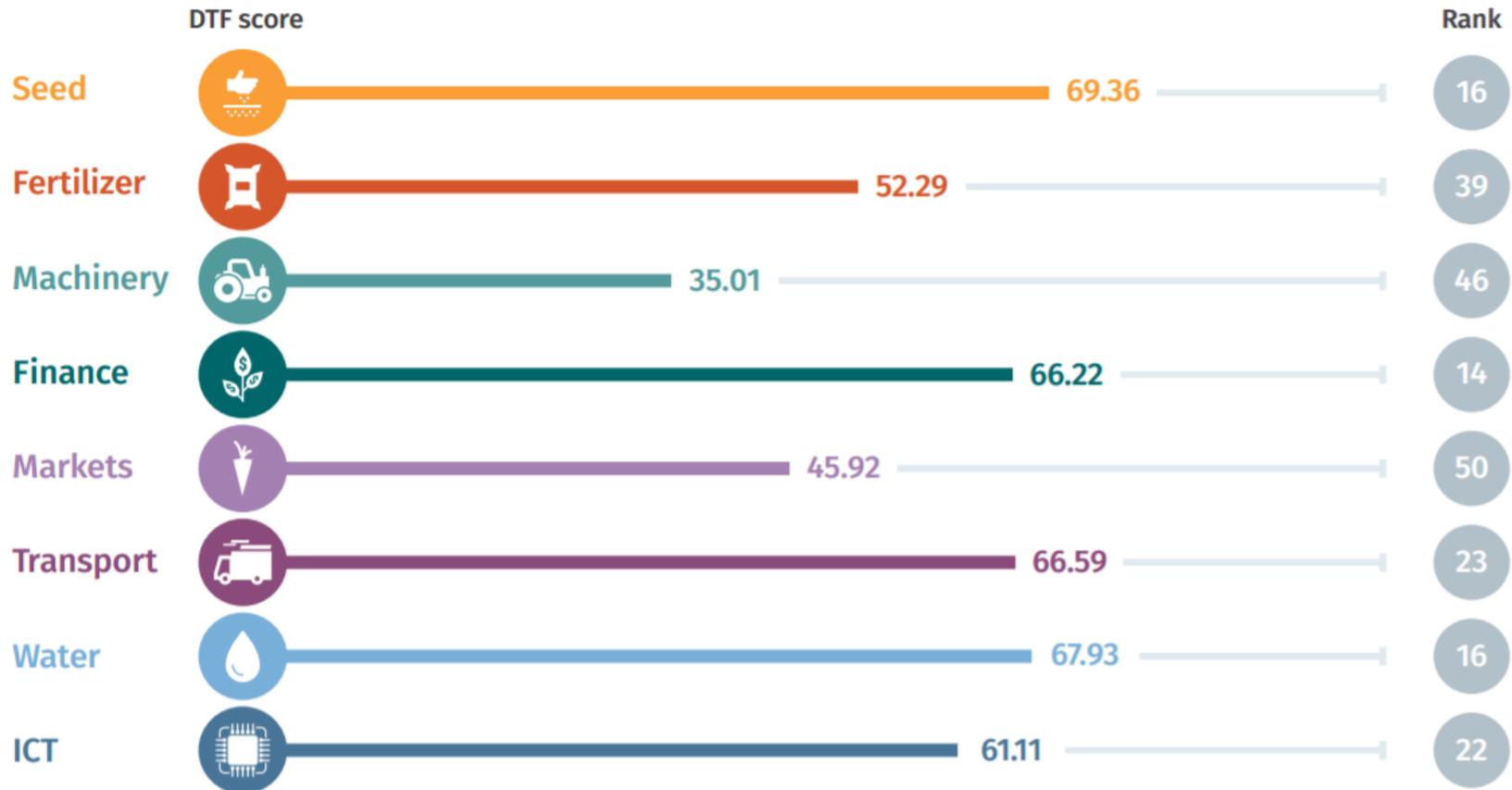




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EBA Scoring Methodology: Zambia Snapshot



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Source: EBA 2017



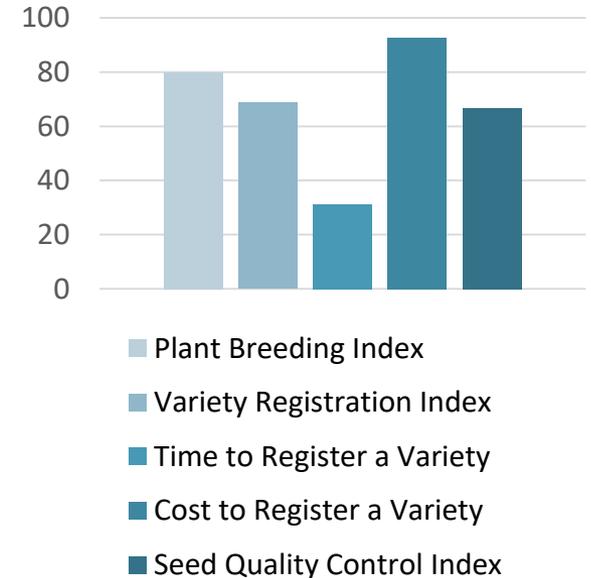
Exploring the EBA Topics: Seed

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.

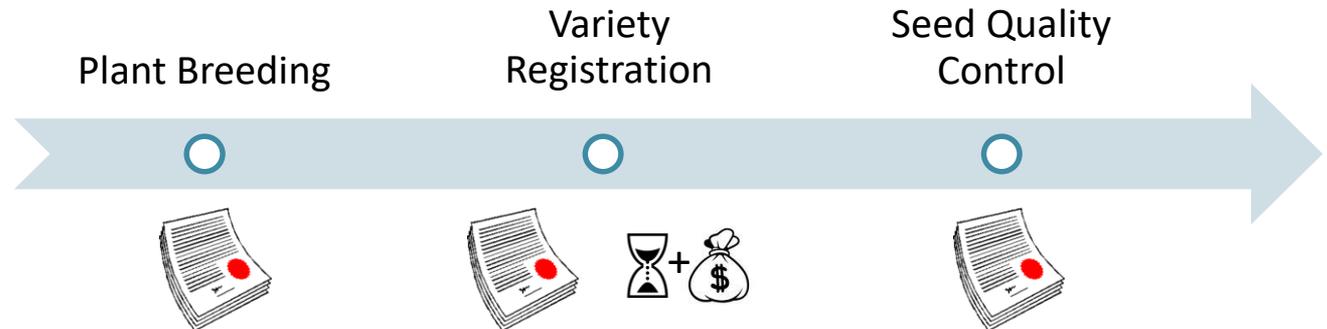
Representative good practices:

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

Zambia Seed Scores (2017)



EBA Indicators:



Exploring the EBA Topics: Seed

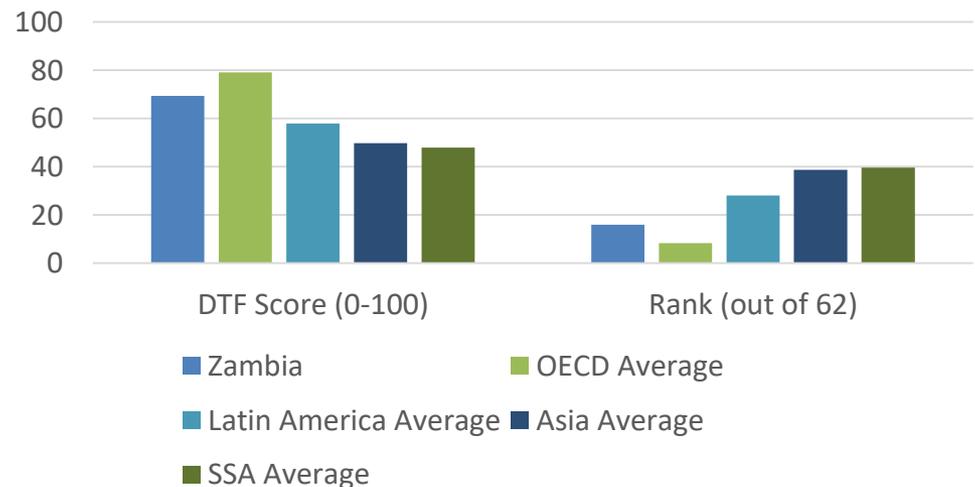
Notable Findings:

- Although Sub-Saharan Africa as a whole scores poorly, Zambia (ranked 16) is among 4 African countries in the top 20 overall.

Methodology Notes:

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

Global Performance on Seed





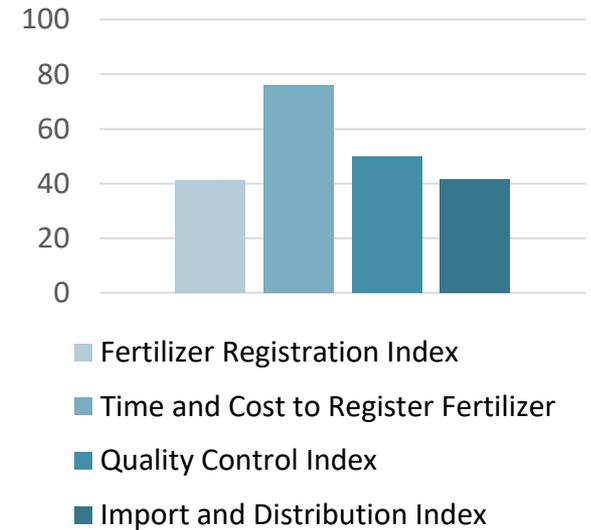
Exploring the EBA Topics: Fertilizer

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.

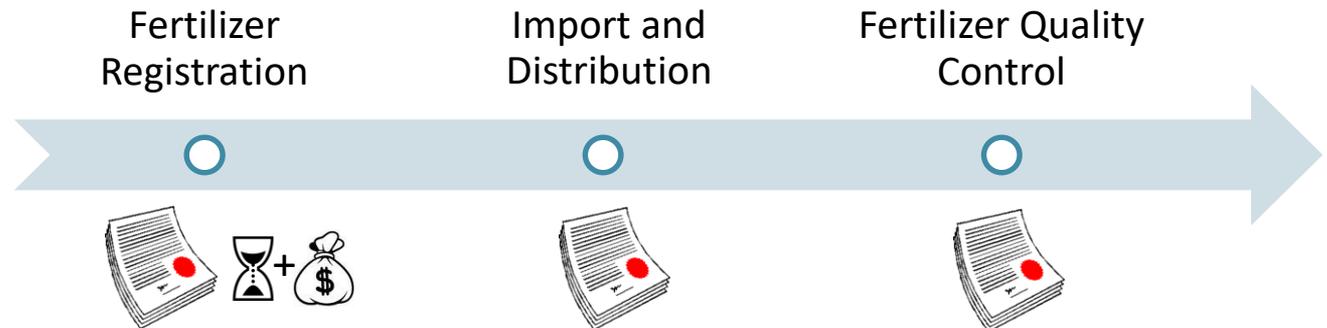
Representative good practices:

- Reduced field testing for fertilizer registration
- Streamlined import permit requirements
- Labeling requirements and penalties for sale in open bags

Zambia Fertilizer Scores (2017)



EBA Indicators:





Exploring the EBA Topics: Fertilizer

Methodology Notes:

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

Notable Findings:

- Regulators' focus is on clarifying and streamlining the roles of a variety of agencies to reduce the cost of doing business.

Regional Performance on Fertilizer Registration

	Time to register a new fertilizer product	Cost to register a new fertilizer product (% income per capita)	Fertilizer registration index (DTF)
Zimbabwe	15 days	15.9%	62.9
Zambia	210 days	226.6%	41.4
Tanzania	578 days	983.1%	48.6
Malawi	913 days	3,030.5%	50.0





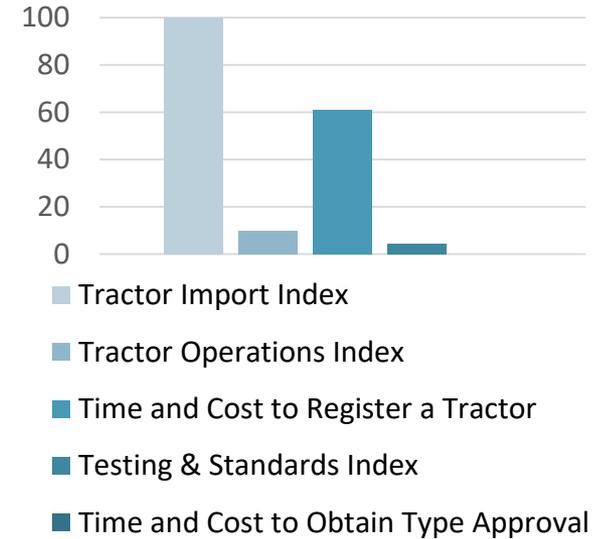
Exploring the EBA Topics: Machinery

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

Zambia Machinery Scores (2017)



EBA Indicators:





Exploring the EBA Topics: Machinery

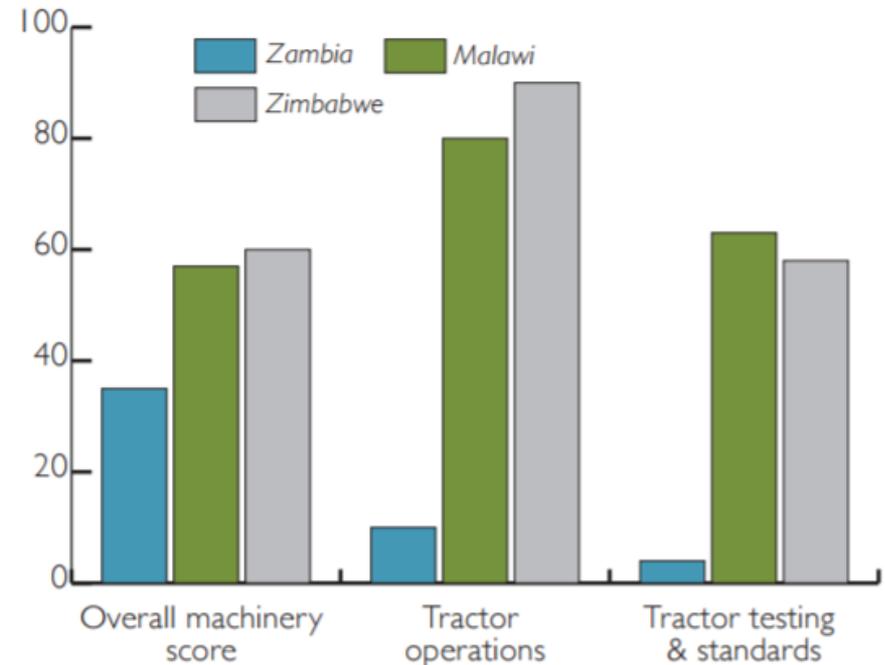
Methodology Notes:

- Tractors as a proxy for agricultural machinery
- Import index may need to be revisited for additional differentiation between countries

Notable Findings:

- Zambia scores worst in the SADC region on tractor testing & standards

Regional Performance on Tractor Registration



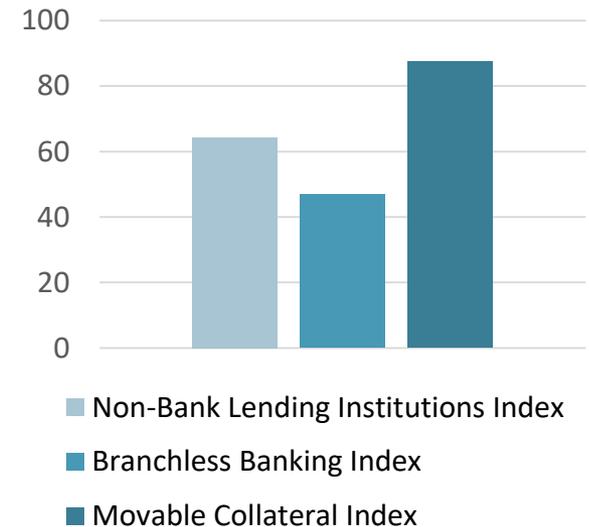
Exploring the EBA Topics: Finance

The Case: Certain specifications are made for microfinance institutions and financial cooperatives; other terms are defined.

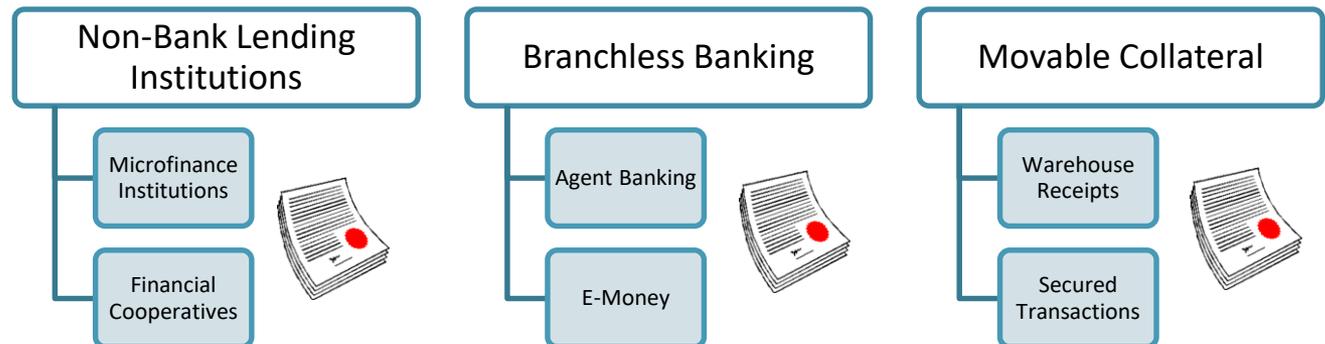
Representative good practices:

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

Zambia Finance Scores (2017)



EBA Indicators:





Exploring the EBA Topics: Finance

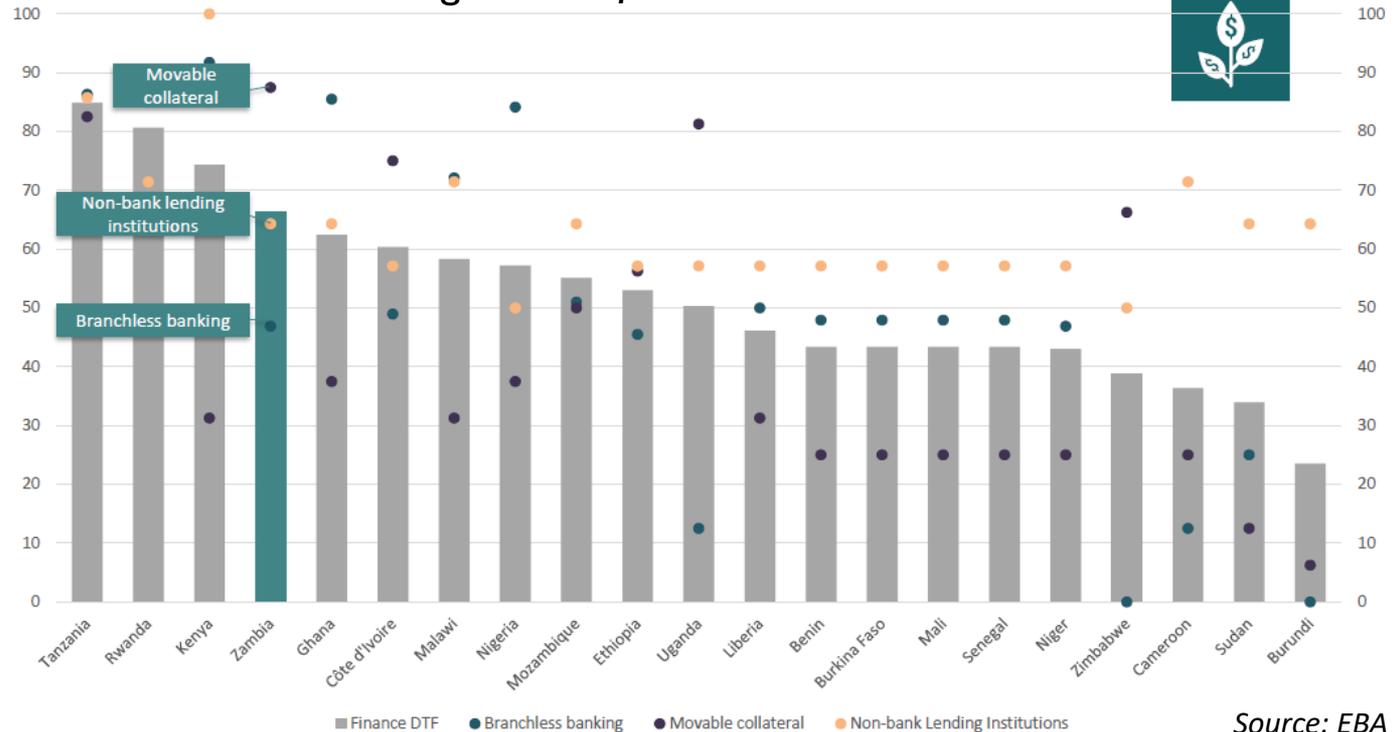
Methodology Notes:

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

Notable Findings:

- No regulation does not mean no practice.

Regional Performance on Finance





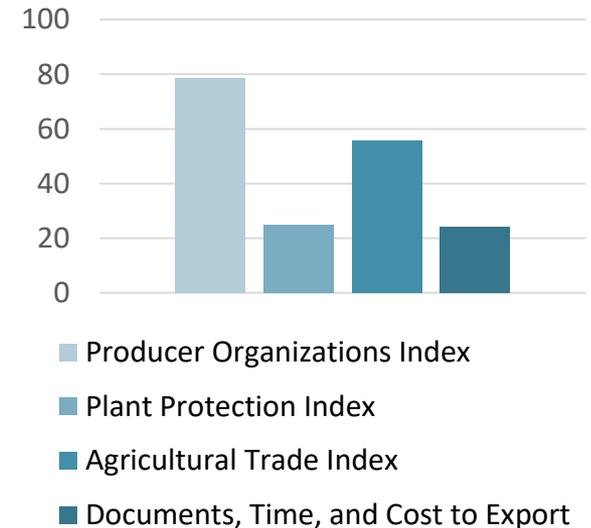
Exploring the EBA Topics: Markets

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

Zambia Markets Scores (2017)



EBA Indicators:





Exploring the EBA Topics: Markets

Methodology Notes:

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

Notable Findings:

- Low plant protection score at odds with regional recognition of the strength of PQPS

Regional Performance on Efficiency in Agricultural Trade

	Time to export agricultural goods	Cost to export agricultural goods (% income per capita)	Number of documents required
Mozambique	7 days	2.0%	1
Zambia	9 days	2.4%	4
Tanzania	16 days	4.3%	4
Malawi	1 day	2.8%	1





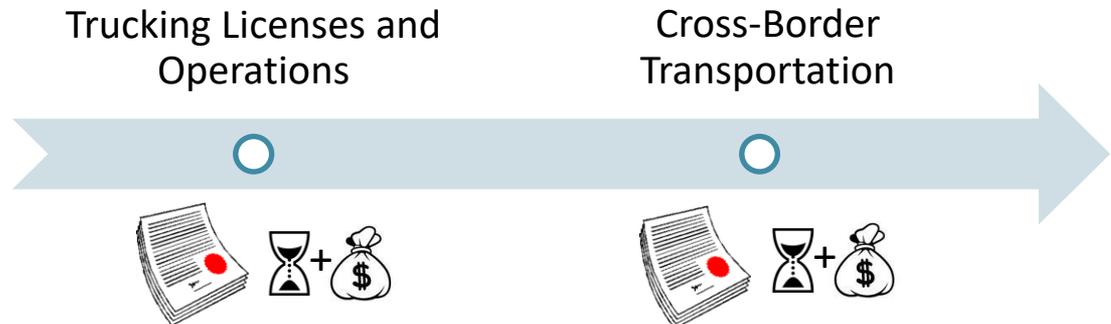
Exploring the EBA Topics: Transport

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.

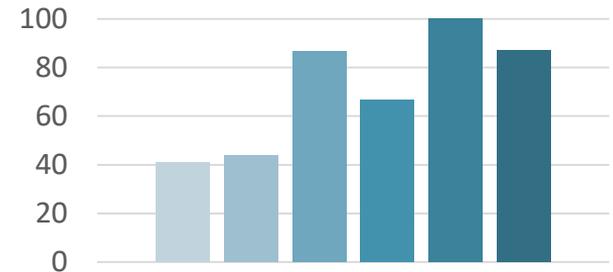
Representative good practices:

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

EBA Indicators:



Zambia Transport Scores (2017)



- Trucking Licenses and Operations Index
- Time to Obtain Trucking Licenses
- Cost to Obtain Trucking Licenses
- Cross-Border Transportation Index
- Time to Obtain Cross-Border Licenses
- Cost to Obtain Cross-Border Licenses





Exploring the EBA Topics: Transport

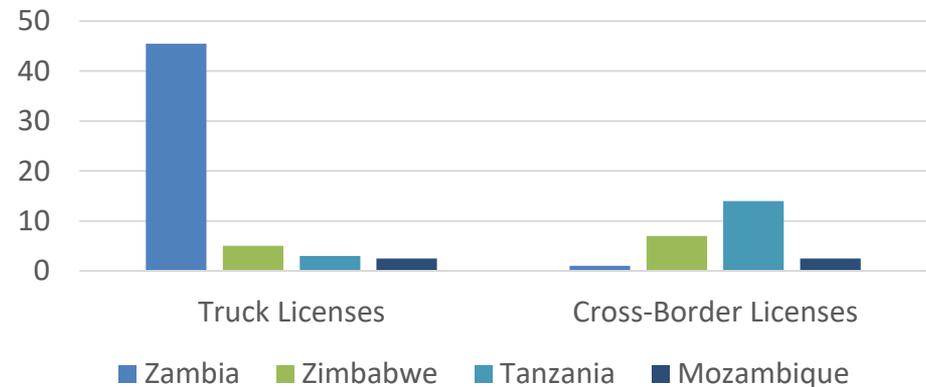
Methodology Notes:

- Heavy focus on the treatment of foreign truck operators

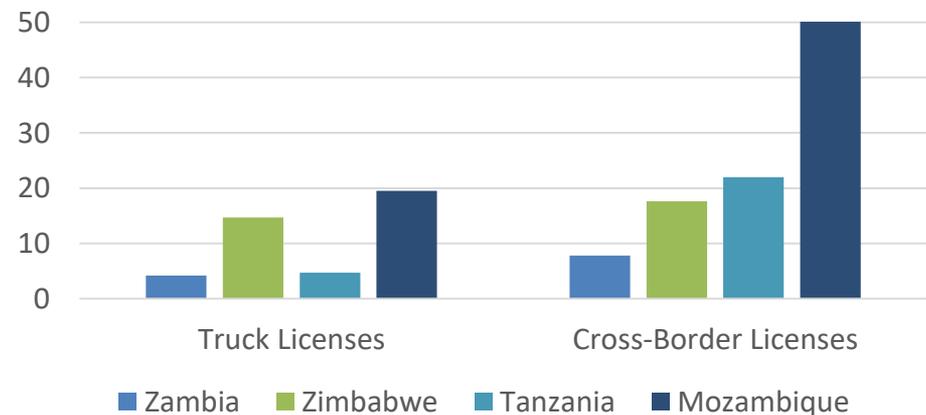
Notable Findings:

- Narrow focus on licensing misses some of the bigger issues for the industry.

Time to Obtain Licenses



Cost to Obtain Licenses





Exploring the EBA Topics: Water

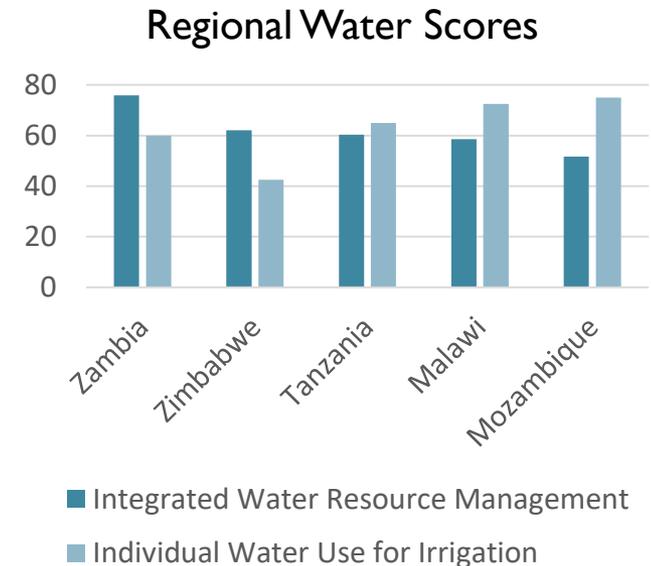
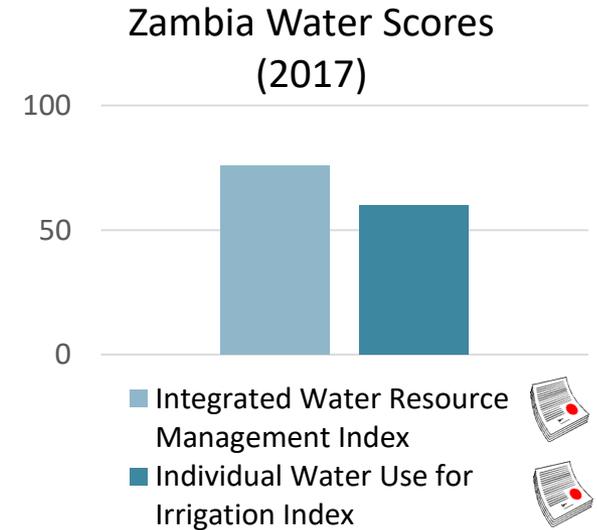
The Case: A mid-sized farm (2-10 ha) growing crops and using mechanical water abstraction mechanism for individual use.

Representative Good Practices:

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

Notable Findings:

- Several references to challenges caused by the new water rights regime, including higher fees and the disruption of the introduction of new quotas.





Exploring the EBA Topics: ICT

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

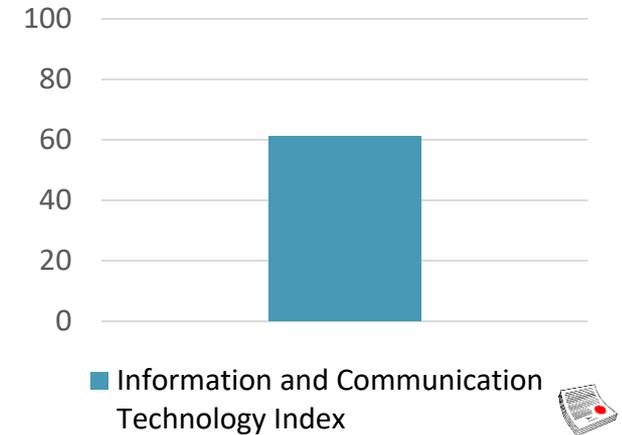
Representative good practices:

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

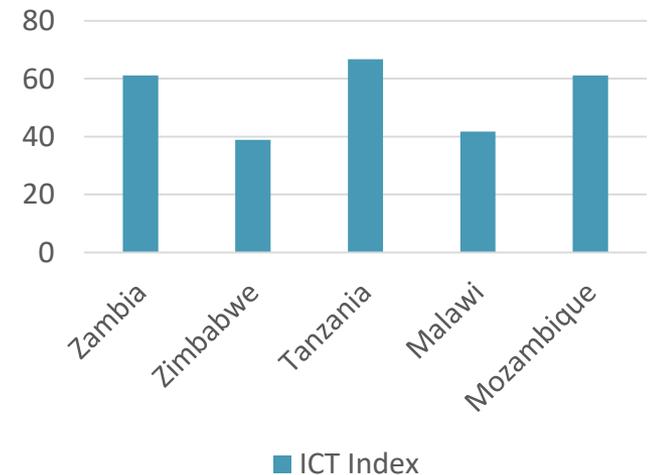
Methodology Note:

- Focus on incentivizing private sector investment

Zambia ICT Score (2017)



Regional ICT Scores





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





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?

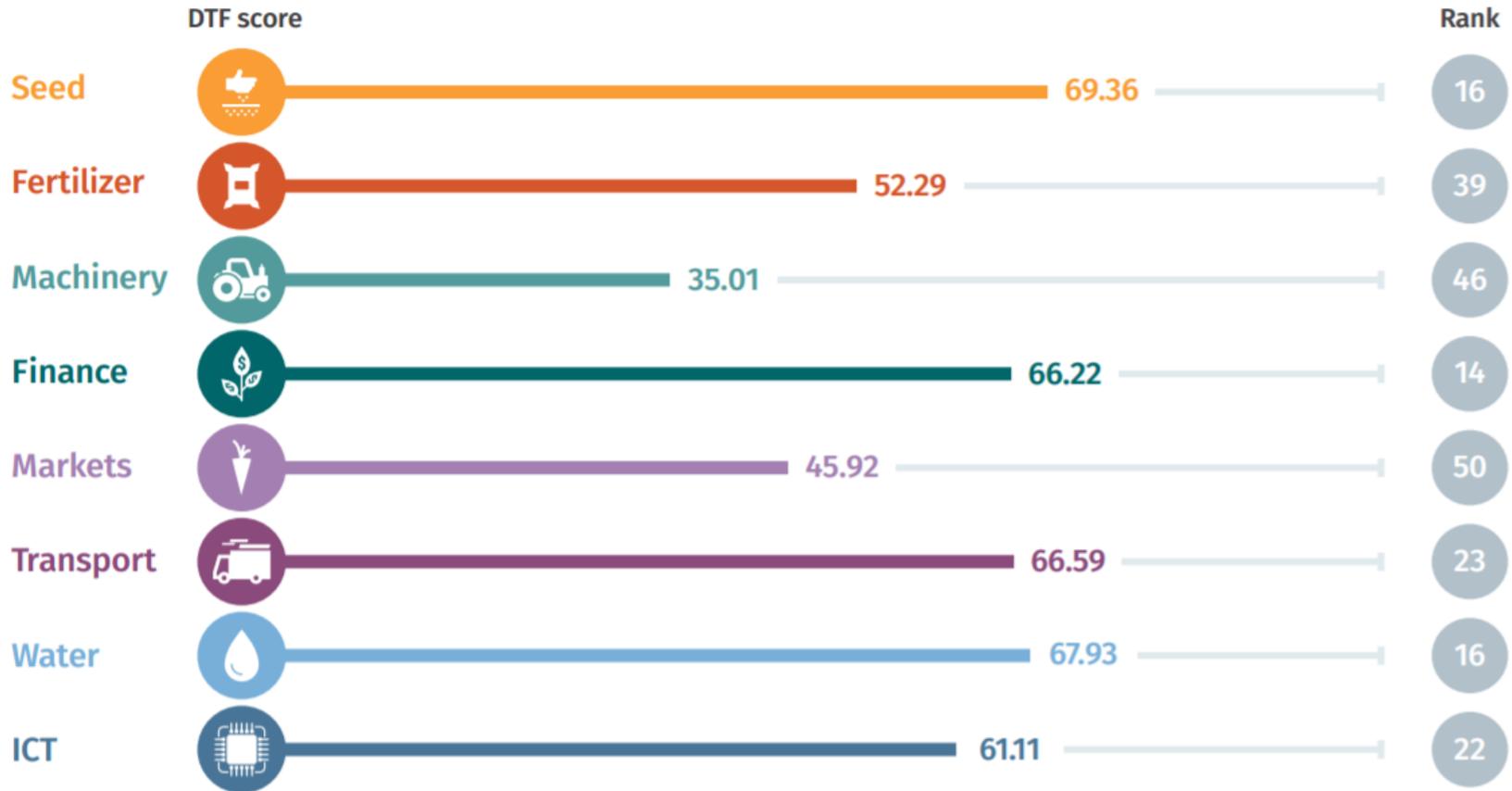




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EBA 2017 – Zambia Score Snapshot



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Source: EBA 2017



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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



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