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## EBA Indicators Brief Introduction

### Session 3

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## SESSION 3 LEARNING OBJECTIVES



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- 8 core topic areas:
  - standard business case
  - Indicators
  
- Interpretation of EBA scores





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## EBA EXPLORES 8 CORE TOPICS



SEED



FERTILIZER



MACHINERY



FINANCE



MARKETS



TRANSPORT



WATER



ICT

8 core topics

2 cross-cutting themes:

- gender
- environmental sustainability

Components:

- Standard business case
- Legal and efficiency indicators

Scores:

- DTF score
- Country rank



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## INTERPRETING EBA SCORES

<http://eba.worldbank.org/>

### Branchless Banking - Agent banking index (0 - 5)

0.0

Question	Answer	Score
Is there a legal framework regulating agent banking activities in your country? ⓘ	No	0
According to the law, are there minimum standards in order to qualify and operate as an agent in the following areas? ⓘ		0
Can be either an operating/established business or an individual	N/A	
Has financial soundness	N/A	
Has no criminal record	N/A	
Has to have real-time connectivity to the commercial bank	N/A	
Location (e.g. within certain distance from bank branch)	N/A	
According to the law, what contracts can agent enter into with banks? (only non-exclusive, only exclusive, both) ⓘ	N/A	0
According to the law, can agents offer the following services on behalf of a bank? ⓘ		0
Cash deposit	N/A	
Cash withdrawals	N/A	
Transfer of funds to other customers' accounts	N/A	





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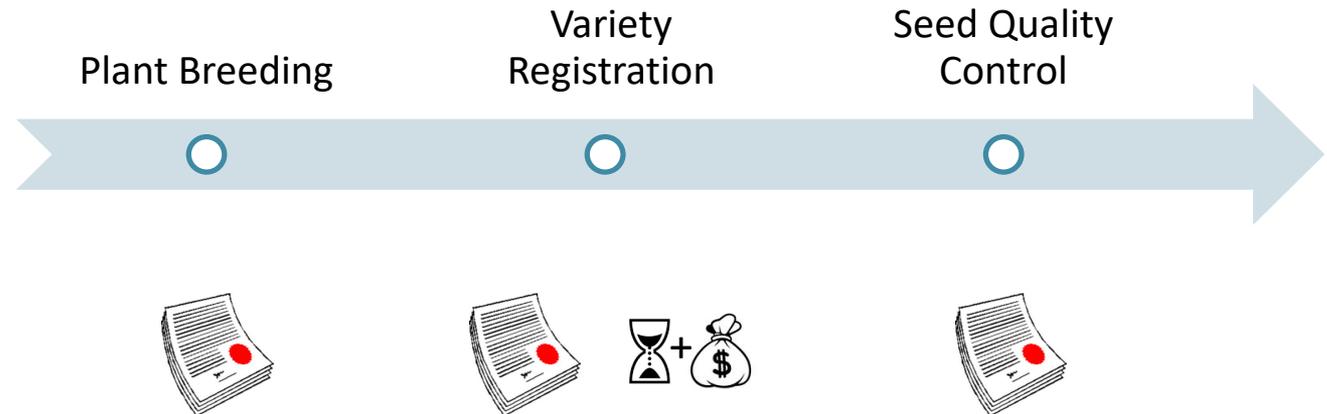
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## SEED



**Business 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.

### EBA Indicators:



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## INTERPRETING KENYA'S SEED PERFORMANCE



Demonstrates all best practices;  
public-private partnerships

Affordable and  
efficient registration process

Plant breeding (0-10)	Variety registration (0-8)	Seed quality control (0-12)	Time to register new variety (days)	Cost to register new variety (% income per capita)
10.0	7.0	6.0	322	123.2

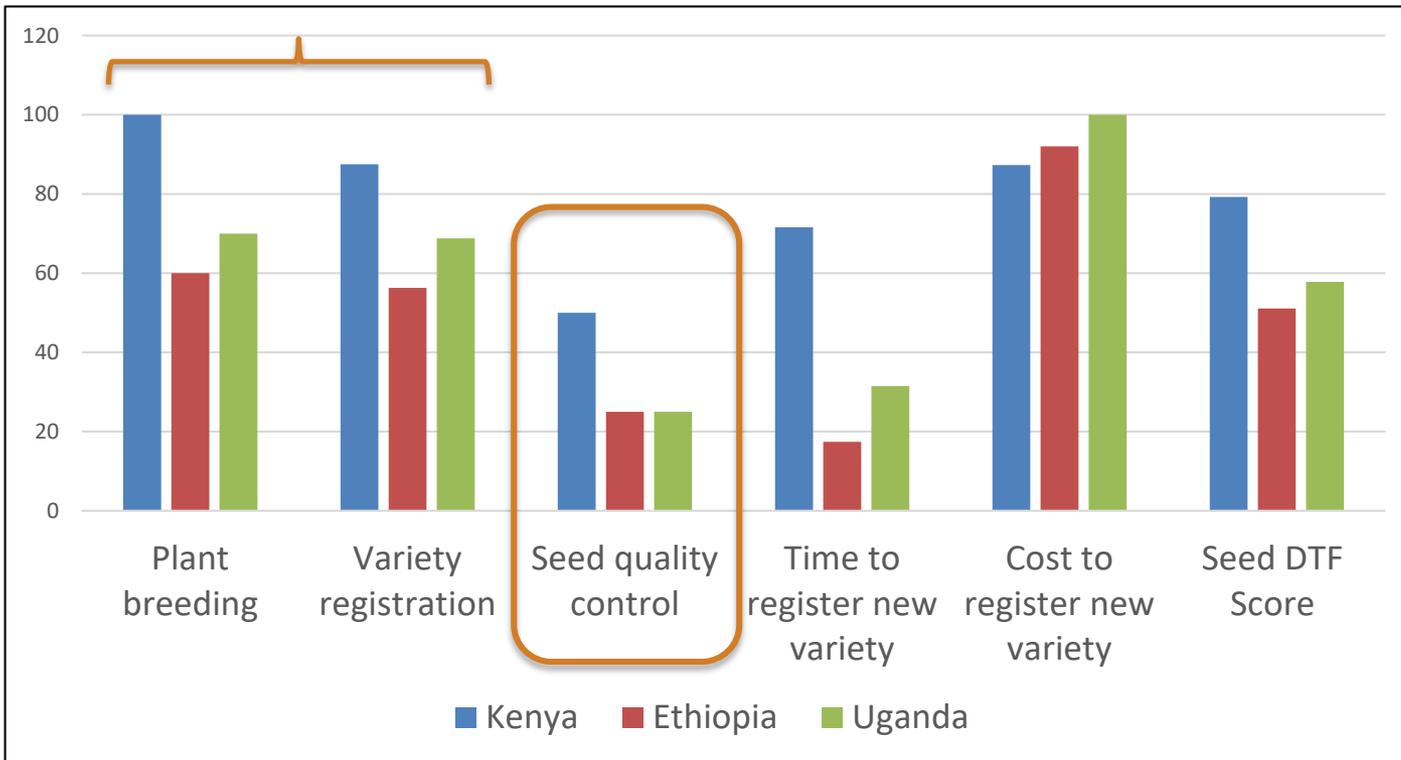
Effective variety release committee

Seed labeling requirements and penalties; weaknesses highlight need to modify the law to require plant breeders to ensure the traceability of their plant reproductive materials for at least 2 years; and allow seed certification activities to be performed by an accredited third party.





## SEED: EAST AFRICA DTF SCORE COMPARISON



### Findings:

- Seed quality control = challenges across region
- Time and cost to register new variety = variations





## FERTILIZER



**Business 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.

### EBA Indicators:





## INTERPRETING MALI'S FERTILIZER PERFORMANCE



Streamlined and affordable product registration system;  
No field testing for fertilizer use.



<b>Mali Fertilizer Indicator Comparison (DTF 0-100)</b>			
<b><i>New fertilizer registration</i></b>	<b><i>Time and cost to register a new fertilizer product</i></b>	<b><i>Fertilizer quality control</i></b>	<b><i>Fertilizer import and distribution</i></b>
64	89	50	64

Need to improve labeling guidelines and prohibit the sale of fertilizer products from opened bags.

Few bottlenecks



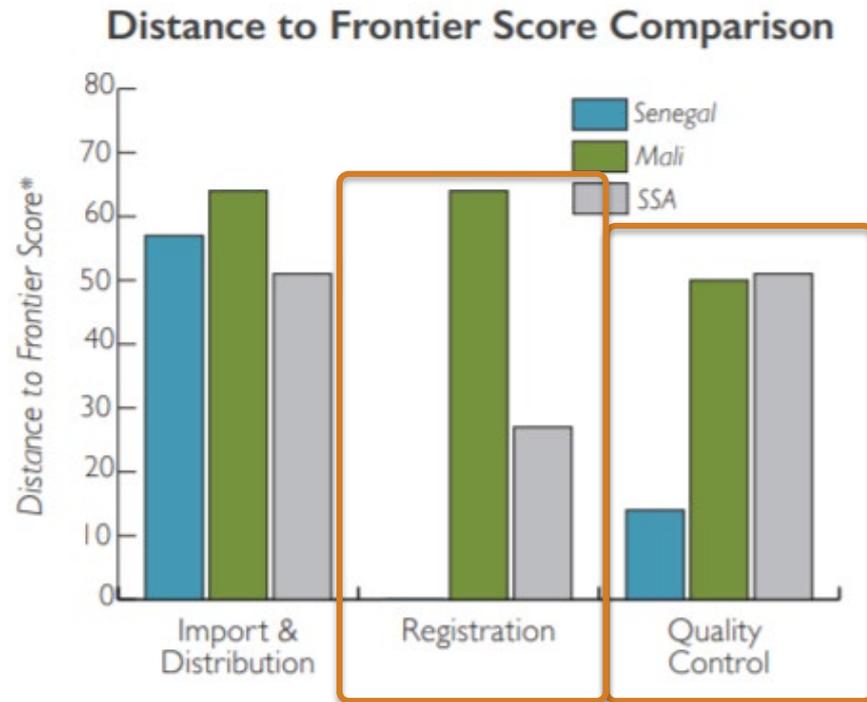


## FERTILIZER: SUB-SAHARAN AFRICA COMPARISON



### Findings:

- Mali strong overall performer relative to Senegal and SSA peers.
- Senegal has poor legal and regulatory framework for fertilizer registration and quality control.





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## MACHINERY



**Business 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.

- Tractors used as proxy for agricultural machinery.

### EBA Indicators:



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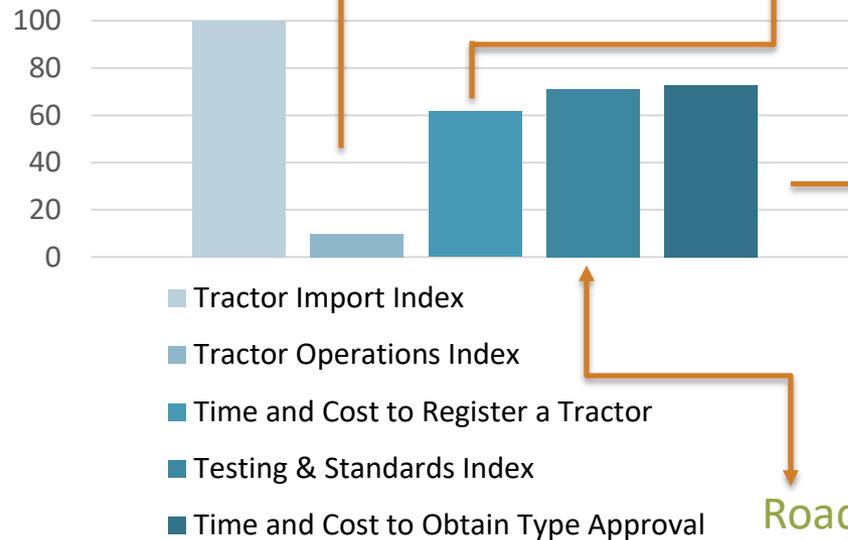
## INTERPRETING NIGERIA'S MACHINERY SCORES



Few legal or regulatory impediments to their import and sale

Safety precautions could be improved by requiring routine inspections for road-worthiness

Nigeria Machinery DTF Scores (2017)



Unnecessary bottlenecks lengthen time to register tractors (14 days)

Type approval required, but time consuming (105 days)

Roadworthiness inspections and aftermarket parts and services



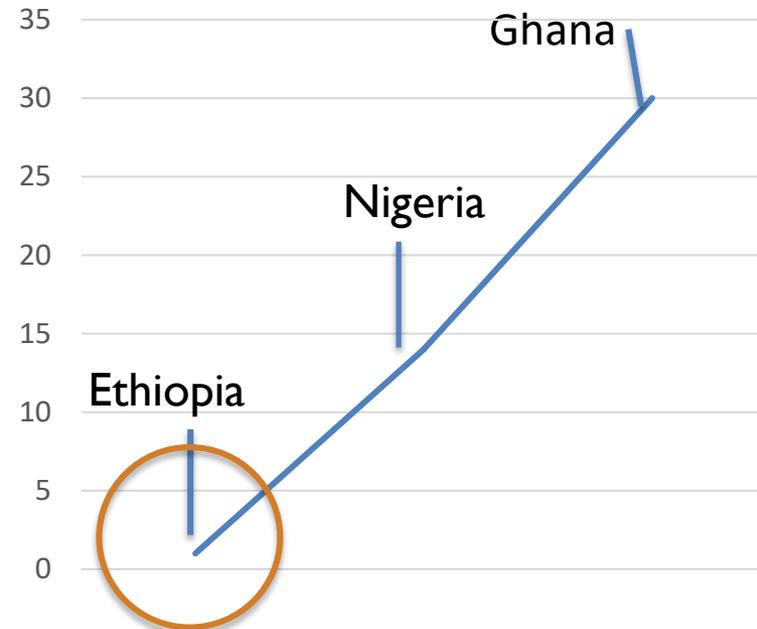


## MACHINERY: REGISTRATION COMPARISON



Nigeria and Ghana could look to Ethiopia as an example of how to ease tractor registration

### Days to Register a Tractor



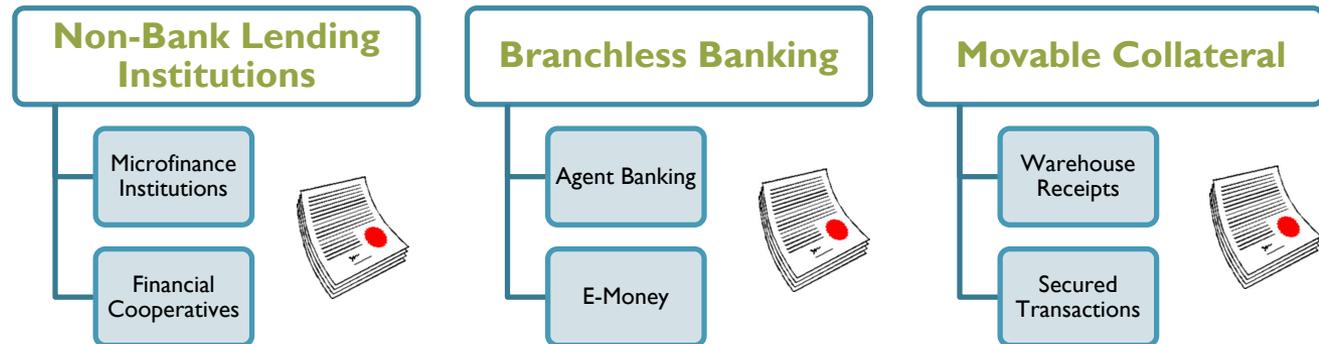


## FINANCE



**Business Case:** Laws and regulations that promote access to financial services with a focus on rural areas. Specifications for microfinance institutions and financial cooperatives defined in methodology.

### EBA Indicators:



## INTERPRETING UGANDA'S FINANCE SCORES



No legal provision for agent banking; low availability of branchless branching

e-banking limited: non-bank businesses not allowed to issue e-money

<b>Branchless Banking - Agent banking index (0-5)</b>	<b>Branchless Banking - E-money index (0-4)</b>	<b>Movable Collateral - Warehouse receipts index (0-5)</b>	<b>Movable Collateral - Doing Business - getting credit index (0-8)</b>	<b>Non-bank Lending Institutions - Microfinance institutions index (0-7)</b>	<b>Non-bank Lending Institutions - Financial cooperatives index (0-7)</b>	<b>Finance DTF Score</b>
0.0	1.0	5.0	5.0	5.0	3.0	50.30

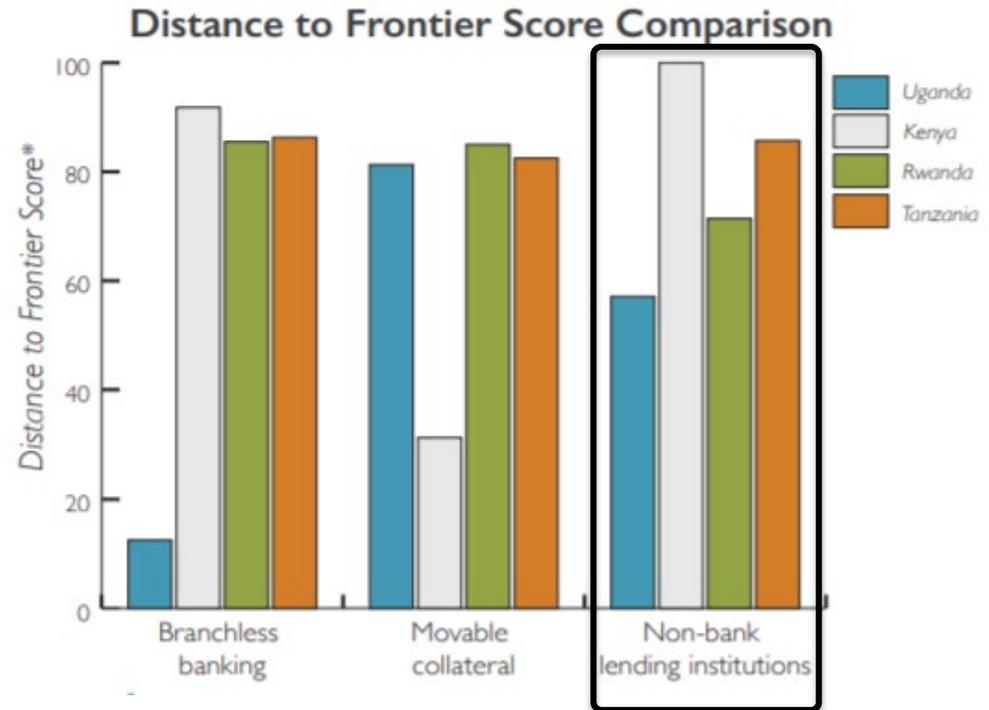


## FINANCE: EAST AFRICA COMPARISON



### Findings:

- Neighboring countries provide Uganda with good models to strengthen microfinance institutions and e-banking (Kenya), credit unions (Tanzania), and develop an agent banking regime (Kenya and Tanzania).



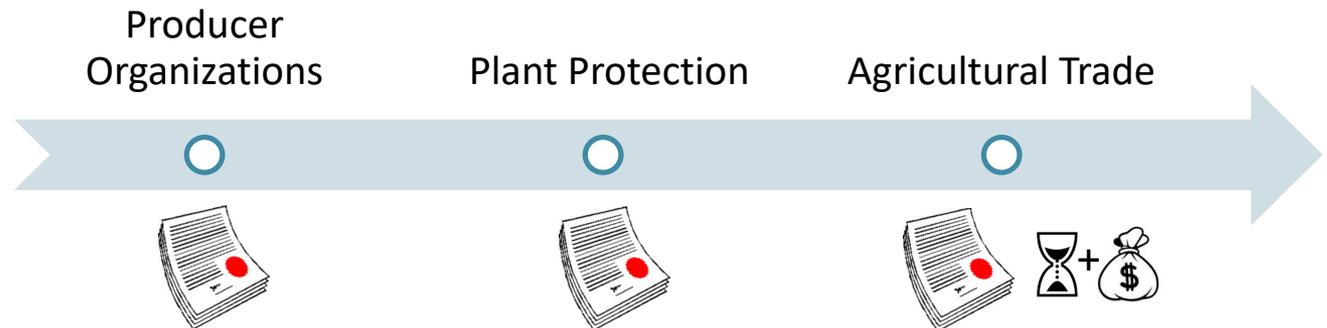


## MARKETS



**Business Case:** A business that performs general agricultural trading activities, excluding agricultural production, processing, and retail. Specifications made for the size and content of the shipment and the trading partner. Examined: laws and regulations that impact smallholder producers and agribusinesses when accessing domestic and foreign agricultural markets for their products.

### EBA Indicators:



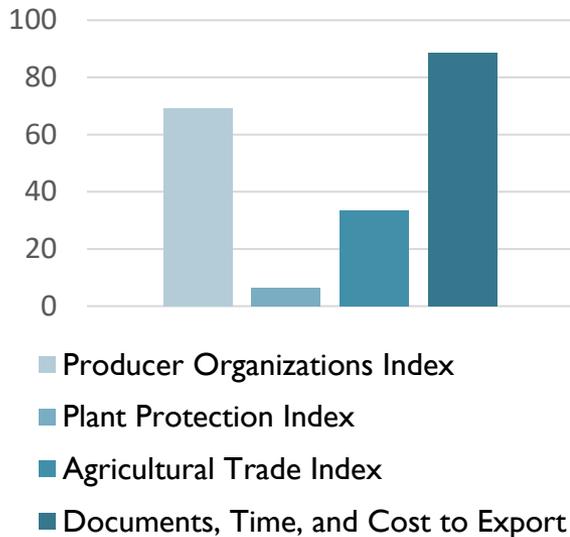


## INTERPRETING RWANDA'S MARKETS SCORES



*Ag Trade Case:  
tea exported to Kenya*

### Rwanda Markets DTF Scores (2017)



**Producer Organizations:** ease of establishing POs

**Plant Protections:** weak pest monitoring and penalties

**Ag Trade:** restrictions such as price controls and fixed marketplaces

**Export Efficiency:** few documents required for export





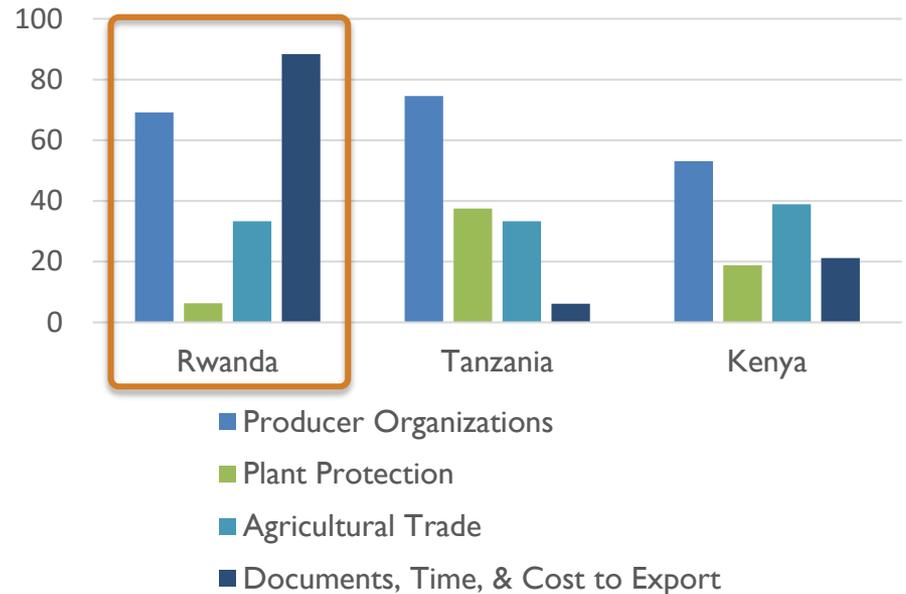
## MARKETS: EAST AFRICA COMPARISON



### Findings:

- Plant protections weak across region
- Ag trade restricted across region
- Rwanda efficient with required trade documentation

*Regional Performance on Markets*





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## TRANSPORT



**Business 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.

### EBA Indicators:

*Domestic* Trucking  
Licenses and Operations

*Cross-Border* Licenses  
and Transportation



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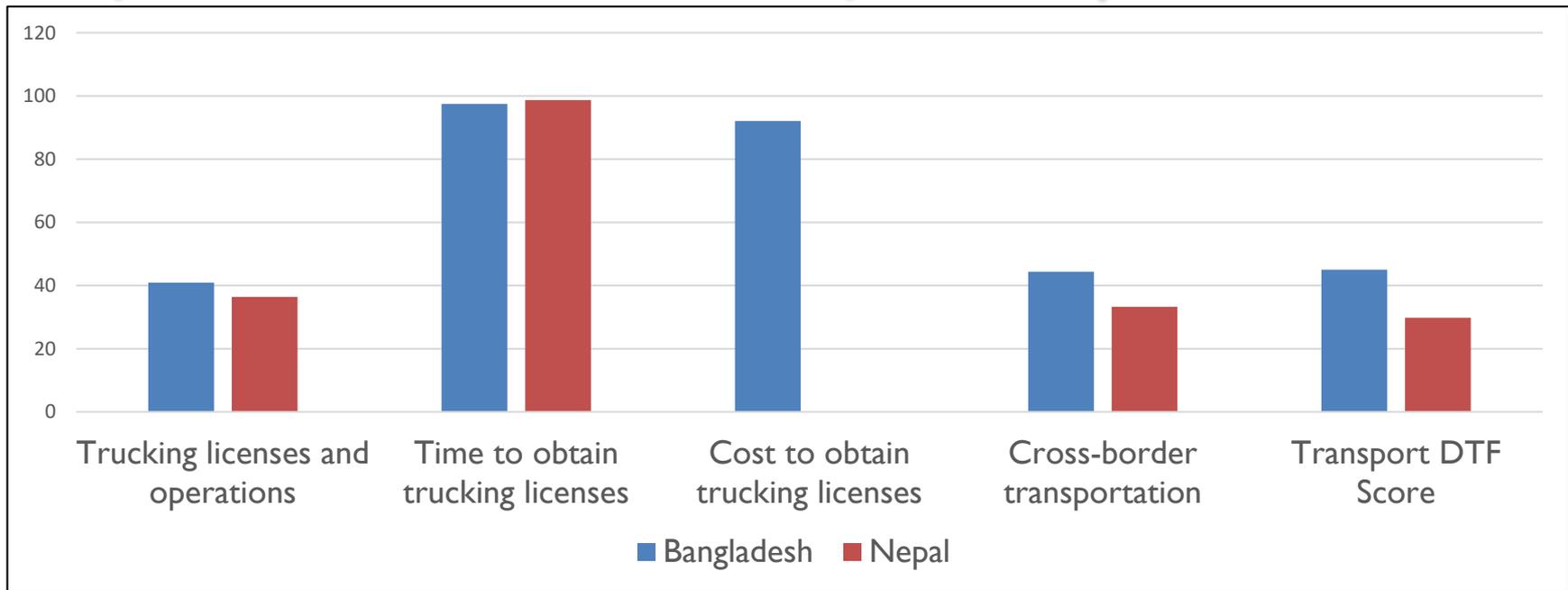
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## INTERPRETING TRANSPORT SCORES IN ASIA



**Domestic:** preference for company level licensing; both countries use individual truck licenses

**Cross-border:** Restricted rights of foreign truck operators impede trade



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Nepal's high cost to obtain license (38 percent income per capita) is the major driver of score difference



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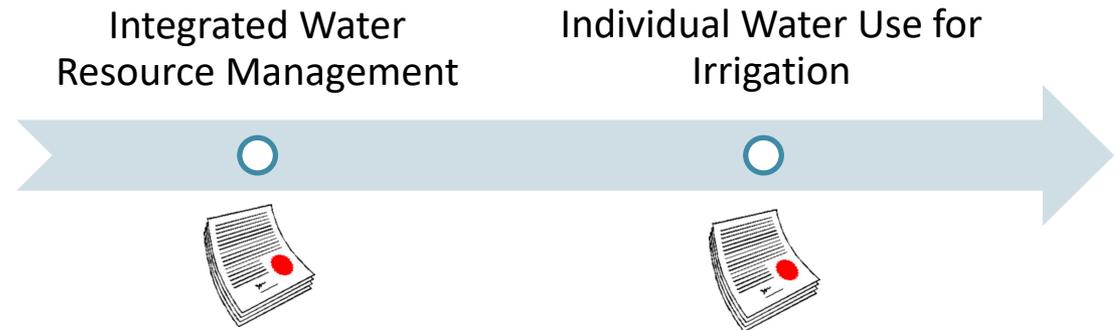
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## WATER



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

### EBA Indicators:



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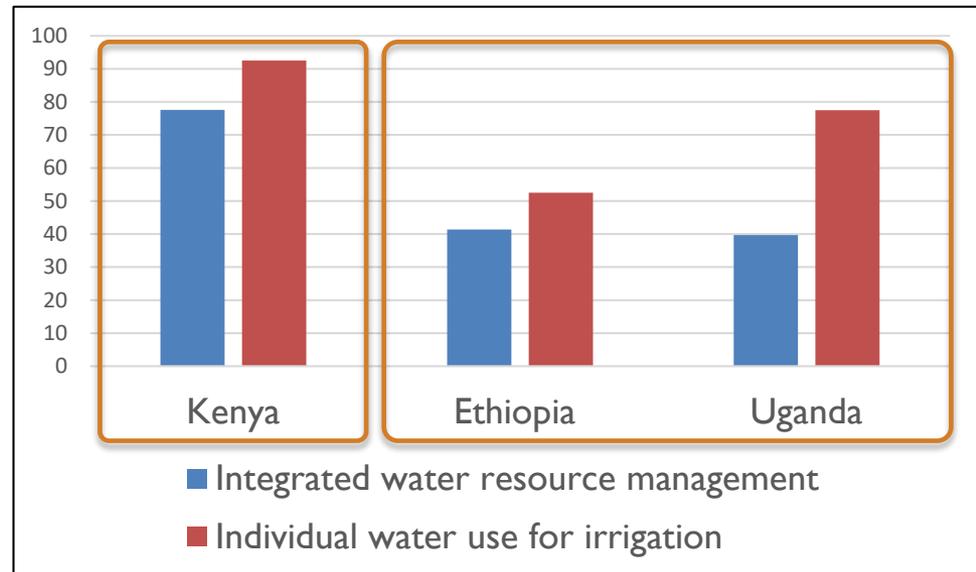
## INTERPRETING EAST AFRICA WATER SCORES



**Kenya:** excellent IWRM framework; regulated irrigation through water abstraction and use permit systems and requires compliance with water basin plan; streamlined permit renewal system.

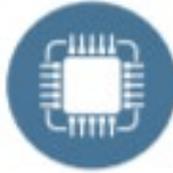
**Uganda:** streamlined permit systems for individual water use

**Ethiopia:** little government oversight of IWRM and little done to promote water conservation and efficiency



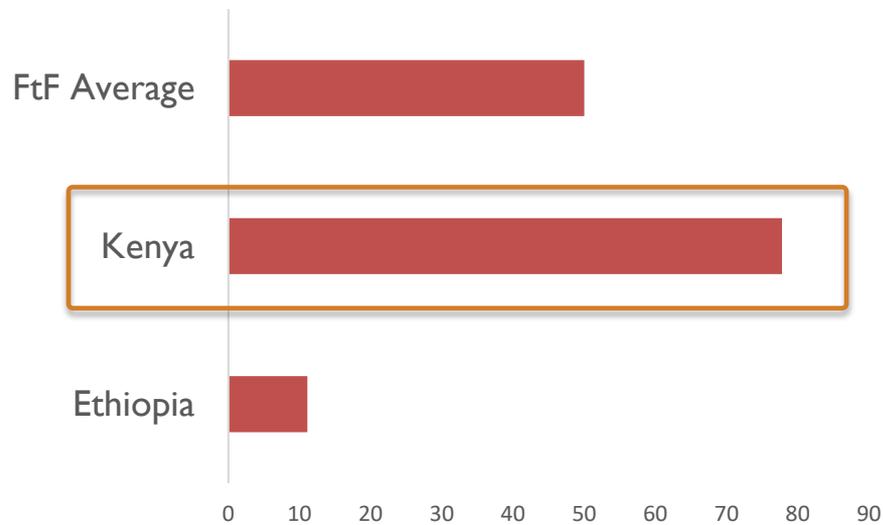


## INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)



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

ICT DTF Score



### Representative good practices from Kenya:

- Fosters private sector investment and competition through general authorization regimes
- Efficient spectrum management to promote greater investment in rural areas





## CROSS-CUTTING THEMES

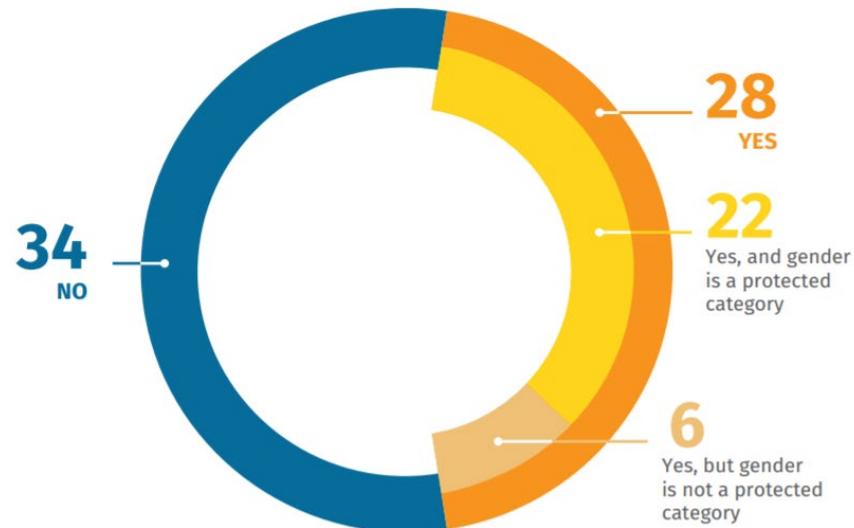
### Environmental Sustainability

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

### Gender

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

Figure 11.3 | Do producer organizations have to comply with the principle of nondiscrimination?





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## SESSION 3 RECAP WHAT WE HAVE LEARNED



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Introduction to each of the 8 core topic areas, including their standard business case and indicator components.

Be able to interpret EBA scores through examination of indicator components.



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## LET'S CHECK WHAT WE'VE LEARNED



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## Let's check what we've learned - Question 1

I. What is used as a proxy to evaluate laws and regulations governing agricultural machinery for the standard business case?

- a. Grain auger
- b. Tractor
- c. Vegetable picker
- d. All of the above



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## Question 1 - Answer

I. What is used as a proxy to evaluate laws and regulations governing agricultural machinery for the standard business case?

- a. Grain auger
- b. Tractor**
- c. Vegetable picker
- d. All of the above



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## Question 2

2. True or false: The standard business case for markets assumes that a business performs general agricultural trading activities, excluding agricultural production, processing, and retail.
  - a. True
  - b. False





## Question 2 - Answer

2. True or false: The standard business case for markets assumes that a business performs general agricultural trading activities, excluding agricultural production, processing, and retail.
  - a. True
  - b. False





## Question 3

3. The Transport indicators cover which of the following areas?
- a. Domestic trucking licensing requirements
  - b. Cross-border licensing requirements
  - c. Time and cost to obtain licenses
  - d. All of the above





## Question 3 - Answer

3. The Transport indicators cover which of the following areas?
- a. Domestic trucking licensing requirements
  - b. Cross-border licensing requirements
  - c. Time and cost to obtain licenses
  - d. All of the above**





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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 Overview Module**



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