# AGRILINKS









#### **Enabling the Business of Agriculture:**

May 12, 2016

Speakers: Federica Saliola, World Bank Group

Farbod Youssefi, World Bank Group

Moderator: Kelley Cormier, USAID

Facilitator: Ashleigh Mullinax, Feed the Future Knowledge-Driven Agricultural Development

**Project** 

#### **KELLEY CORMIER**



Kelley Cormier is Acting Division Chief and agricultural economist in the Office of Market and Partnership Innovations in USAID's Bureau for Food Security, where she leads a team that addresses access to finance, agricultural inputs systems strengthening, risk management, agribusiness enabling environment, and commercialization of technologies in support of the U.S. Government's Feed the Future Initiative. Before joining USAID, Dr. Cormier led an active research agenda that explored how the evolution of policies and institutions affect agricultural markets and the coping strategies of men and women and agribusinesses.



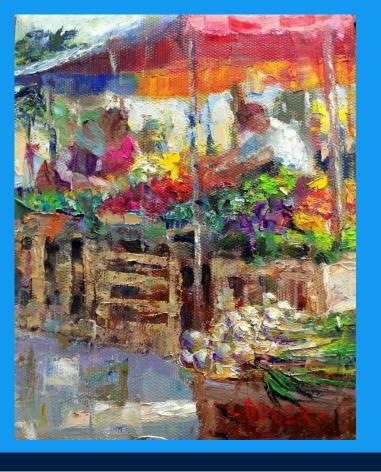
#### FREDERICA SALIOLA

Federica Saliola is a Program Manager in the Global Indicators Group at the World Bank Group. Federica is responsible for developing programs that measure regulations and regulatory processes that are critical for private sector companies when entering and operating in the market, and has been leading the Enabling the Business of Agriculture (EBA) program since 2013. Prior to this, Federica Saliola was the Program Coordinator of World Bank Group's Enterprise Surveys project.



#### **FARBOD YOUSSEFI**

Farbod Youssefi is a Program Coordinator at the Agriculture Global Practice of the World Bank. Before he joined the Bank and the Enabling the Business of Agriculture project in 2013, he directed the University of California at Davis' international programs, served as a consultant for organizations such as the World Food Logistics Organization and Postharvest Education Foundation, and worked closely with Chile's horticultural industry, focusing primarily on postharvest systems and agribusiness development.



# ENABLING THE BUSINESS OF AGRICULTURE



# Global focus on agriculture

**POVERTY** 

FOOD DEMAND



Quality of regulations
Strength of institutions
Efficient administrative
procedures



# WBG Doing Business report

Enabling the Business of Agriculture has been inspired by the WBG Doing Business report, which has a recognized track record in measuring laws and regulations in 189 economies and leveraging reforms.

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Pooing Business 2016

responsabilité juridique
burseu de crédit однов систо
прозрачность — 站式服务 : 河
блико 

collateral registry
únice 
single window liability 

cone stop shop servicios
services en ligne transparência en línea

peopraнизация puredit reorganización
transparencia guichet unique 设置外理时限
responsabilidade juridica

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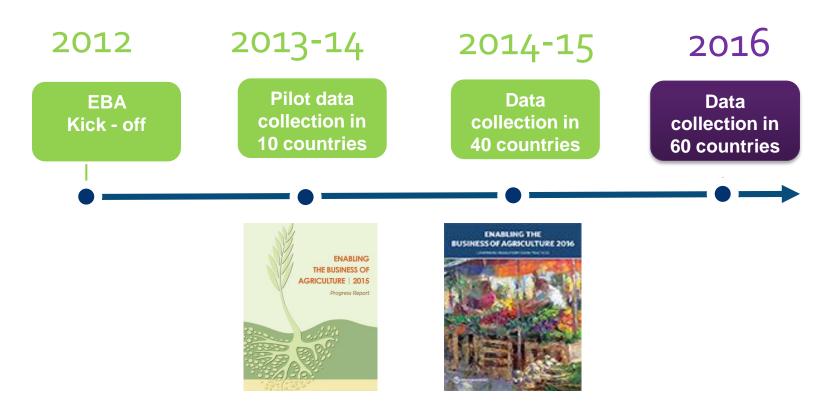
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#### Genesis and timeline of EBA





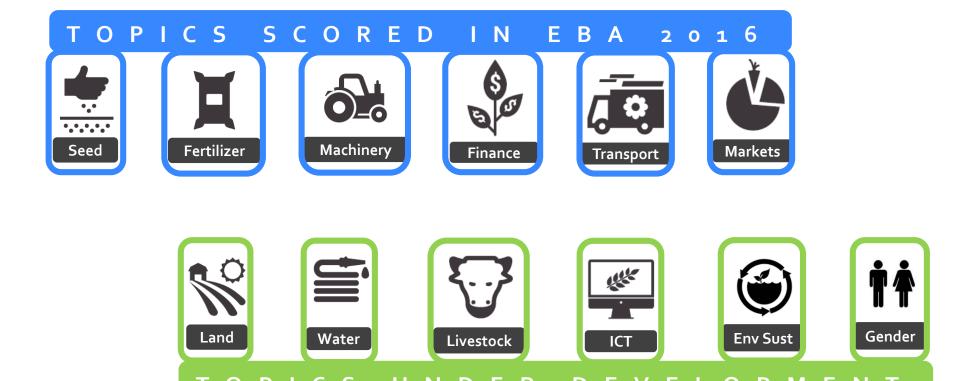
# A tool for improved policymaking



EBA can inform policymaking and **trigger reforms** based on cross-country benchmarking

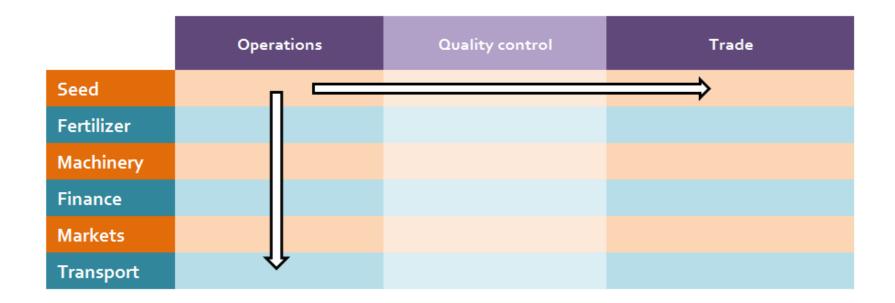


# Thematic coverage



EBA benchmarks markets associated to activities along the agribusiness value chain

#### EBA: regulatory areas benchmarked (1)



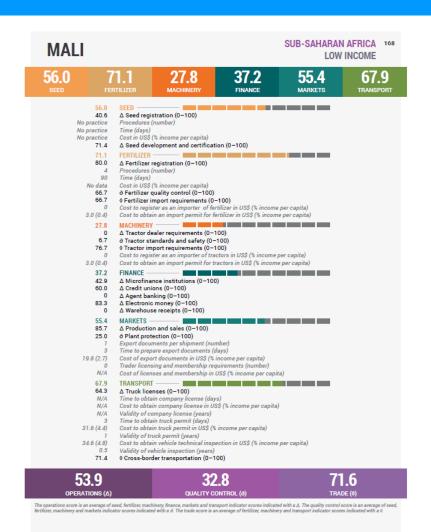


#### EBA: regulatory areas benchmarked (2)

	Operations	Quality control	Trade
Seed	Seed registration (0-100)  Procedures, time & cost  Seed certification (0-100)		
Fertilizer	Fertilizer registration (0-100)  Procedures, time & cost	Fertilizer quality control (0-100)	Fertilizer import requirements (0-100)  Cost of import permit and importer  registration
Machinery	Tractor dealer requirements	Tractor standards & safety (0-100)	Tractor import requirements (0-100)  Cost of import permit and importer  registration
Finance	Microfinance institutions (0-100) Credit unions (0-100) Agent banking (0-100) E-money (0-100) Warehouse receipts (0-100)		
Markets	Production & sales (0-100)	Plant protection (0-100)	Agricultural exports  Documents, time & cost
Transport	Truck licenses (0-100) Time, cost & validity of company licenses, truck permits and vehicle inspections		Cross-border transportation (0-100)



#### EBA: regulatory areas benchmarked (3)





The operations score is an average of seed, fertilizer, machinery, finance, markets and transport indicator scores indicated with a  $\Delta$ . The quality control score is an average of seed, fertilizer, machinery and markets indicator scores indicated with a  $\delta$ . The trade score is an average of fertilizer, machinery and transport indicator scores indicated with a  $\delta$ . The trade score is an average of fertilizer, machinery and transport indicator scores indicated with a  $\delta$ . The trade score is an average of fertilizer, machinery and transport indicator scores indicated with a  $\delta$ . The trade score is an average of fertilizer, machinery and transport indicator scores indicated with a  $\delta$ . The trade score is an average of fertilizer, machinery and markets indicator scores indicated with a  $\delta$ . The trade score is an average of fertilizer, machinery and markets indicator scores indicated with a  $\delta$ . The trade score is an average of fertilizer, machinery and markets indicator scores indicated with a  $\delta$ . The trade score is an average of fertilizer, machinery and markets indicator scores indicated with a  $\delta$ .



## Country coverage

SUB-SAH AFRICA

Burkina Faso Burundi

Cote D'Ivoire

Ethiopia Liberia
Ghana Benin
Kenya Malawi
Mali Cameroon
Mozambique Senegal
Niger Zimbabwe
Rwanda Nigeria

Sudan Tanzania Uganda Zambia

ECA

Bosnia-Herzegovina
Georgia
Kyrgyzstan
Russia
Tajikistan
Turkey
Ukraine

EAP

Cambodia Laos

Myanmar Malaysia Philippines Thailand

Vietnam

LAC

Bolivia Haiti
Colombia Mexico
Guatemala Peru
Nicaragua Uruguay

OECD

Chile Italy
Denmark Korea
Greece Netherlands

Spain

Poland

MENA

Jordan Morocco

**Egypt** 

SA

Bangladesh Nepal **India** Sri Lanka



#### Data collection

#### **Public Sector**

- Ministries of Agriculture, Transport, Environment, Trade and Commerce, Information and Technology
- Central Bank, Financial Supervisory Authorities
- Customs, State Inspectors, Land Registries, Cadasters, Agricultural Research Institutes and others

#### **Private Sector**

- Agricultural Input Companies (Fertilizer, Machinery, Seed, Irrigation)
- Trucking companies
- Freight forwarders
- Cooperatives and Farmers' associations
- Agricultural Holdings
- Mobile Network Operators
- Lawyers
- Commercial Bankers and Microfinance Institutions



# Type of indicators

# De Facto PROCEDURES, TIME & COST

Processes as experienced by the private sector in complying with legal and regulatory requirements

# De Jure LEGAL INDICATORS

All public regulations, other legal texts of general application, judicial decisions and administrative rulings



# EBA indicators are based on identified good practices and are actionable

#### Fertilizer score 53



Adopting good-practices already in place in other African countries:

Catalogue online +6 points

Import permit 12 months +3
points

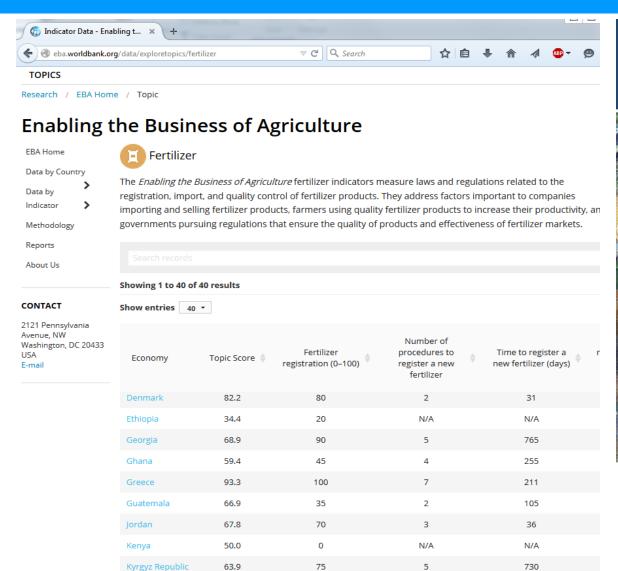
Penalties mislabeled bags +5 points

Fertilizer score 67



Lao PDR

60.6



45

4

No data

#### ENABLING THE BUSINESS OF AGRICULTURE 2016

COMPARING REGULATORY GOOD PRACTICES

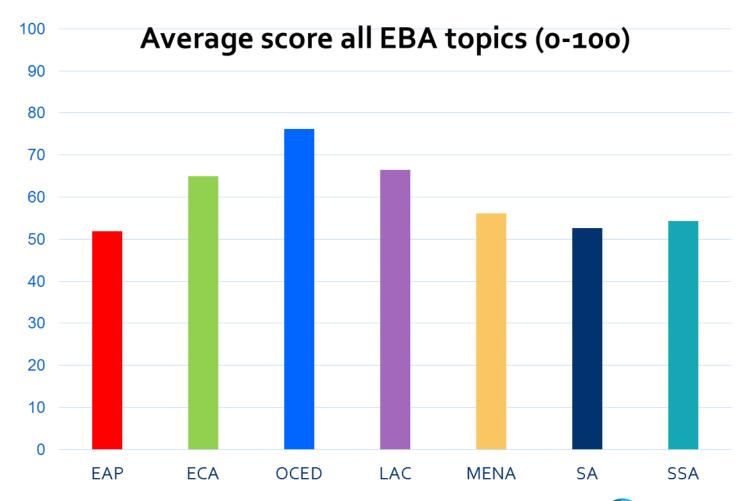


eba.worldbank.org



## Country scores

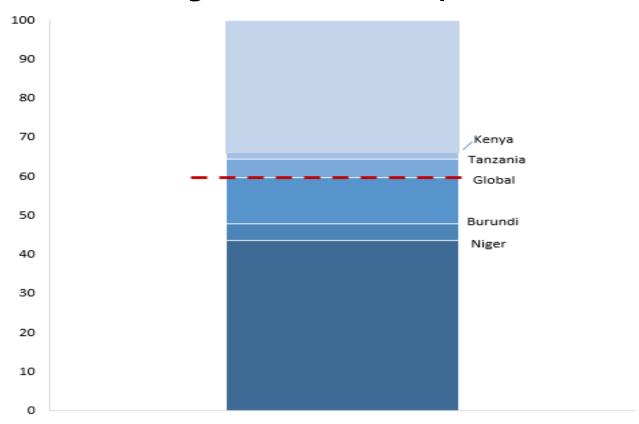
	<u></u>	Ħ	<b>6</b>		¥	4	
COUNTRY	SEEDS	FERTILIZER	MACHINERY	FINANCE	MARKETS	TRANSPORT	_
BANGLADESH							_
BOLIVIA							_
BOSNIA AND HERZEGOVINA							_
BURKINA FASO					•		_
BURUNDI							_
CAMBODIA							_
CHILE				N/A			_
COLOMBIA	_		•	•	•		-
CÔTE D'IVOIRE			•				_
DENMARK				N/A			_
ETHIOPIA							-
GEORGIA							_
GHANA							_
GREECE		•		8/8	•		_
GUATEMALA					•		-
JORDAN							_
KENYA							_
KYRGYZ REPUBLIC							_
LAO PDR							_
MALI							_
MOROCCO	•						_
MOZAMBIQUE							_
MYANMAR							_
NEPAL							_
NICARAGUA	•	•		•	•		_
NIGER			•				_
PHILIPPINES	•		•	•			-
POLAND			•	N/8	•		
RUSSIAN FEDERATION				N/A			Topic score > 85
RWANDA			•			•	Topic score > 05
SPAIN	_			N/A	•		
SRI LANKA			•		•	•	Topic score > EBA average
SUDAN			•		•		Topic score > Lb/ average
TAJIKISTAN							
TANZANIA	•		•			•	Topic score < EBA average
TURKEY						•	- Spissors - Estate Gruge
UGANDA			•				
UKRAINE					•	•	Topic score < 30
VIETNAM						•	
ZAMBIA							_





#### Performance SSA

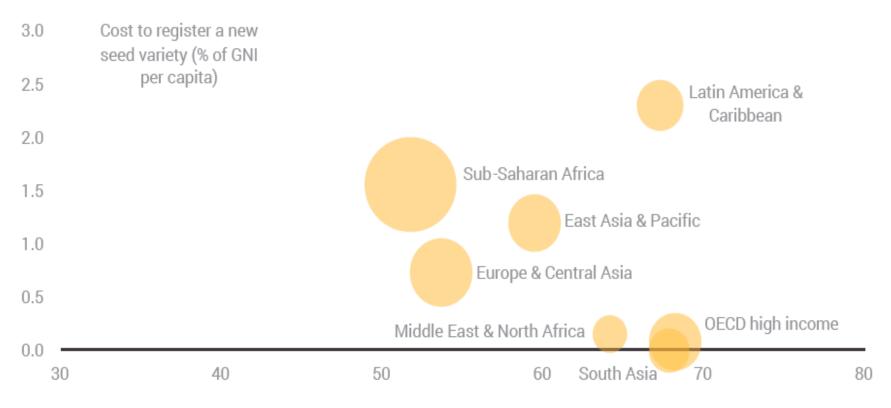
#### Average score of EBA topics (0-100)



The score averages the scores of Fertilizer, Sees, Mechanization, Finance, Markets and Transport.



#### Administrative procedures



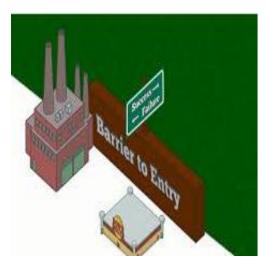
Seed registration score

**WORLD BANK GROUP** 

Regions with similar rules show different costs for registering a new seed variety

#### Discrimination

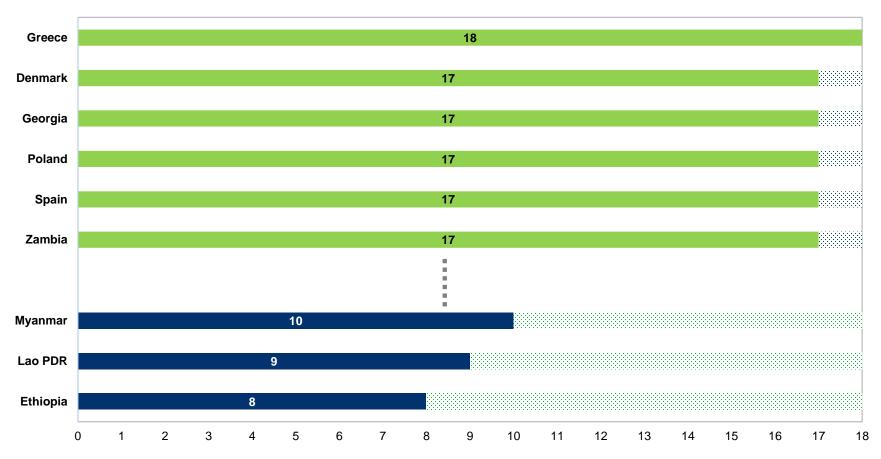
- Regulatory discrimination **against the private sector** (e.g. eligibility of private companies to import machinery, register fertilizer, produce breeder or foundation seeds and be accredited in seed certification).
- Regulatory discrimination **against foreign companies** (e.g. the possibility for foreign companies to import fertilizers or perform transport activities in the country)

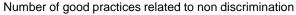


 Regulatory obstacles for small players (e.g. minimum capital requirement to start a farmers' cooperative or a minimum number of trucks to establish a trucking company).



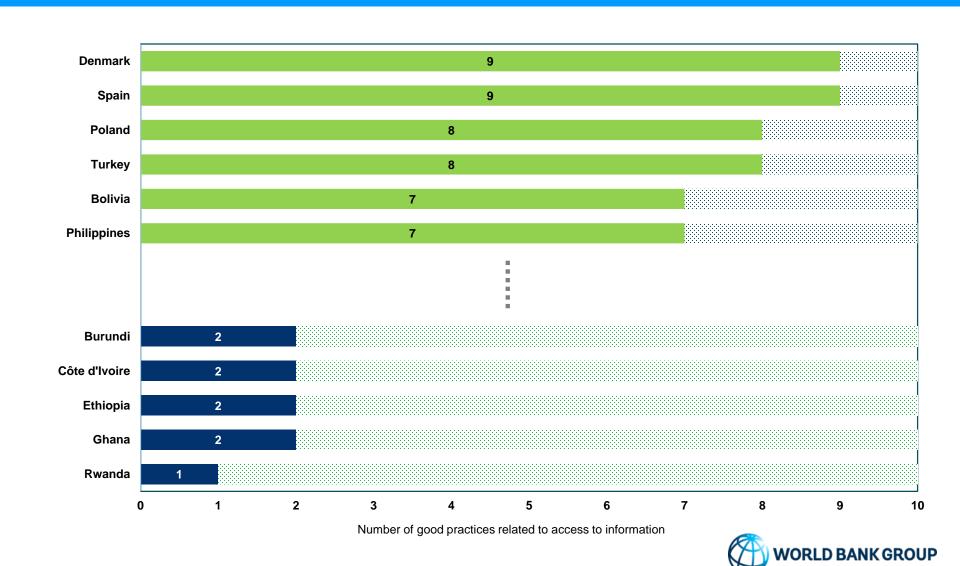
#### Discrimination

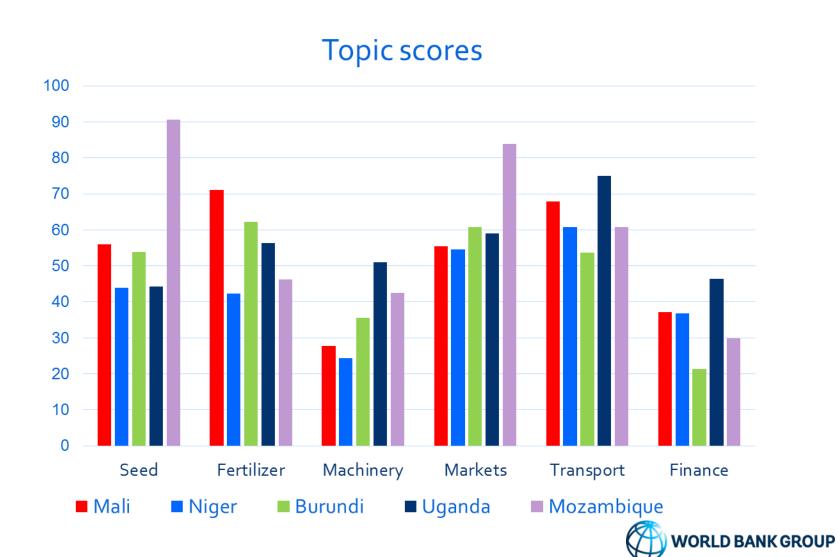




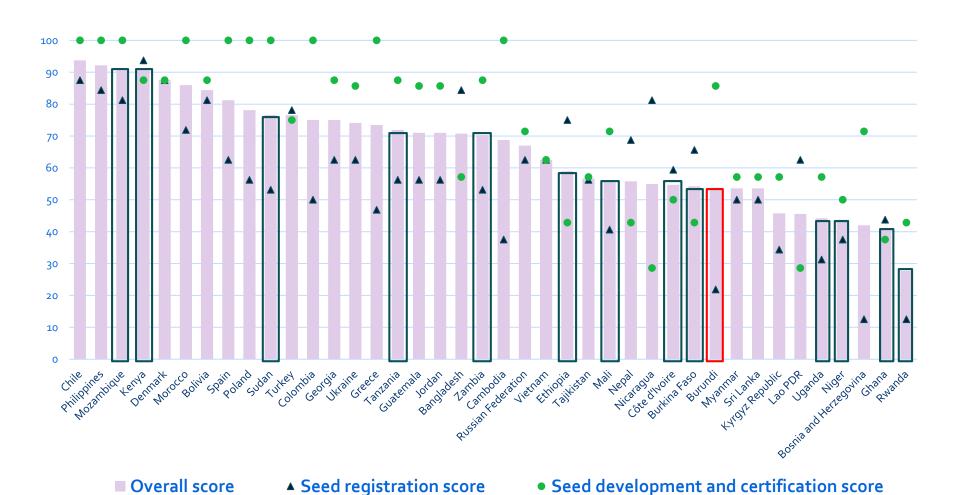


#### Information

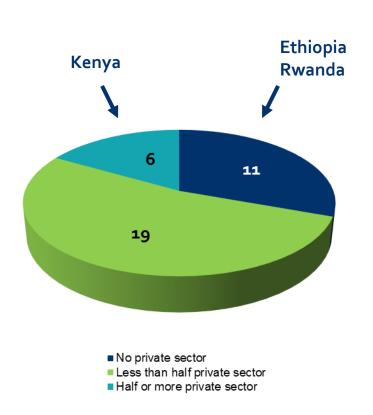




WORLD BANK GROUP

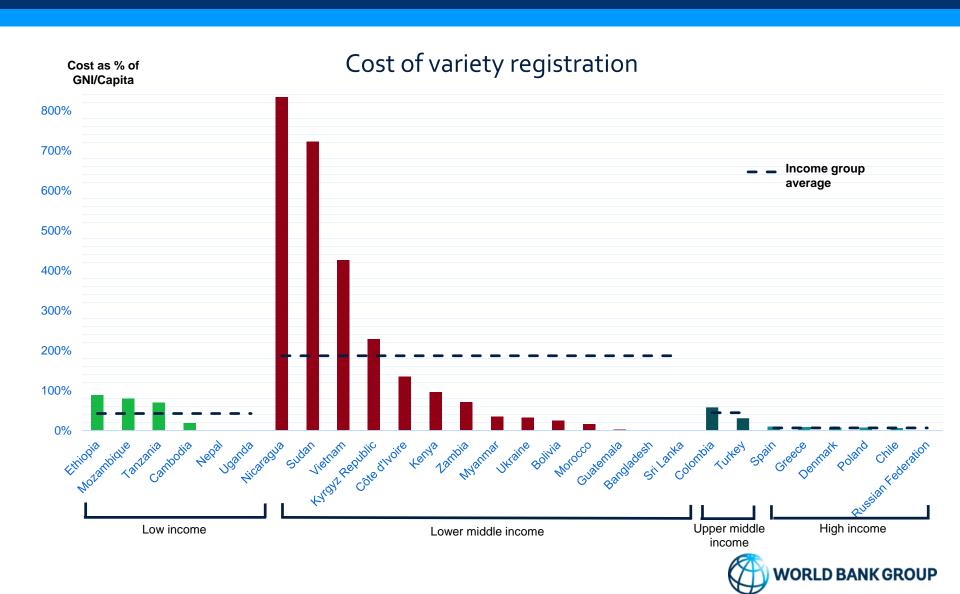


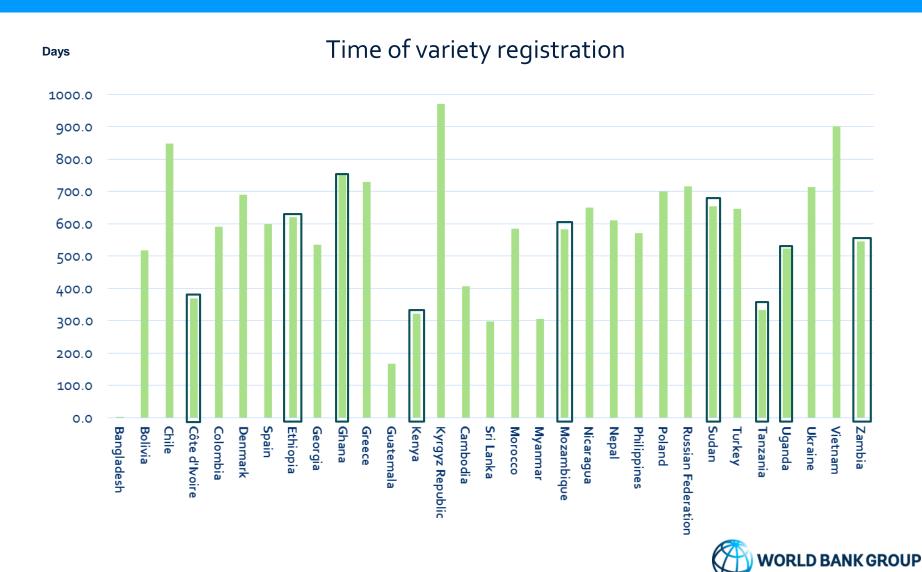
#### Variety release process



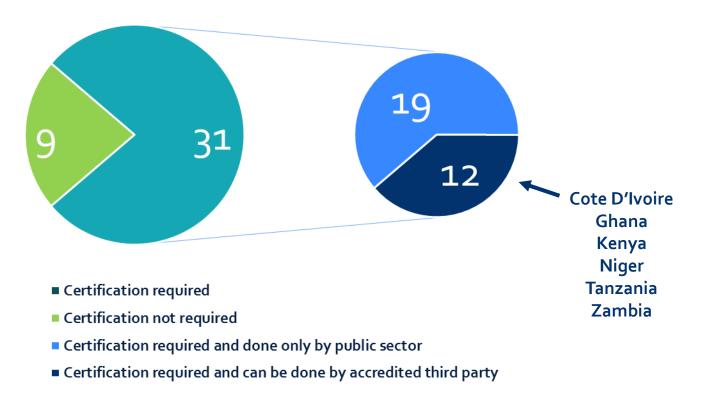
VRCommittee		Countries
Meets on demand	7	Bangladesh, Bolivia, Colombia, Côte d'Ivoire, Kenya, Lao PDR, Nepal
Meets after each cropping season	22	Chile, Denmark, Ethiopia, Greece, Jordan, Kyrgyz Republic, Mozambique, Myanmar, Nicaragua, Philippines, Poland, the Russian Federation, Spain, Sri Lanka, Sudan, Tajikistan, Tanzania, Turkey, Uganda, Ukraine, Vietnam, Zambia
Doesn't meet after each crop season	1	Morocco
Established but does not meet	6	Burkina Faso, Burundi, Georgia, Ghana, Mali, Rwanda
Not established	4	Bosnia and Herzegovina, Cambodia, Guatemala, Niger



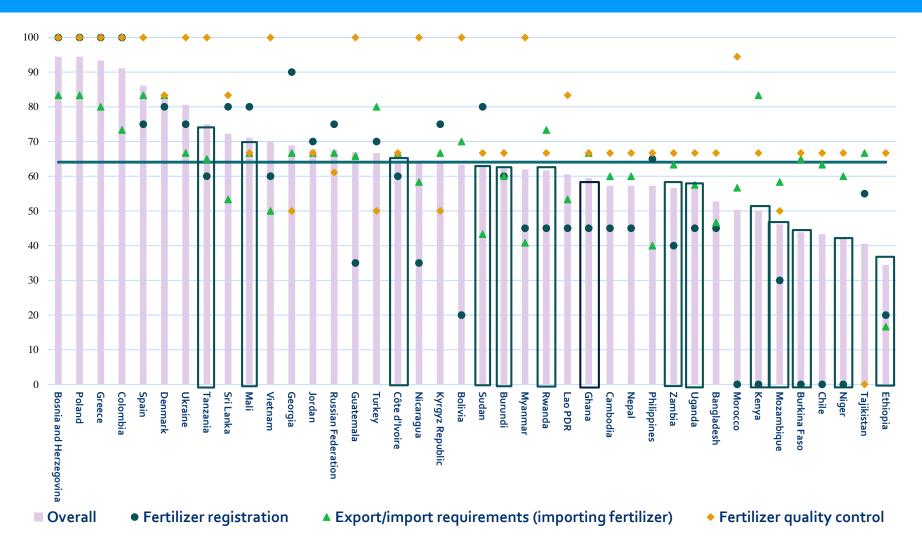




Most countries require seed certification and the majority do not allow the private sector to perform it

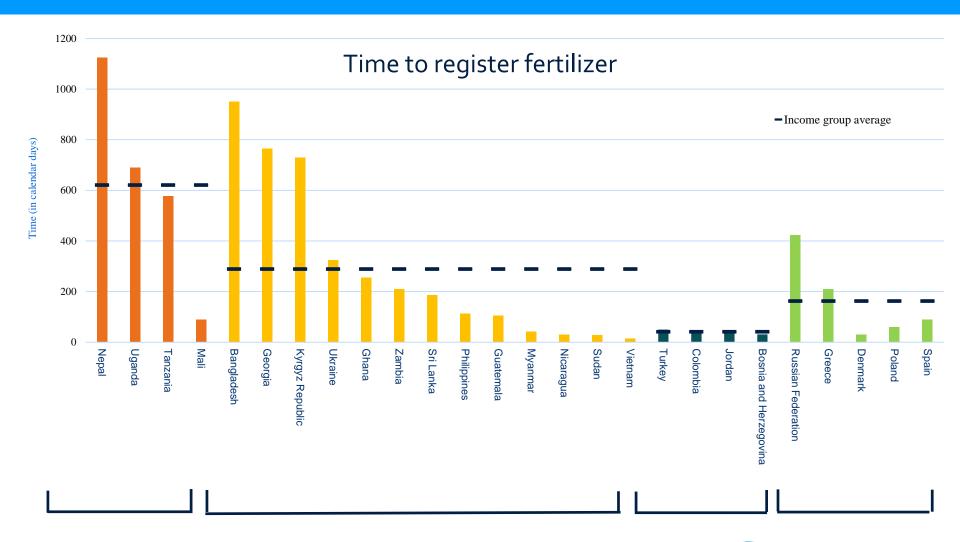






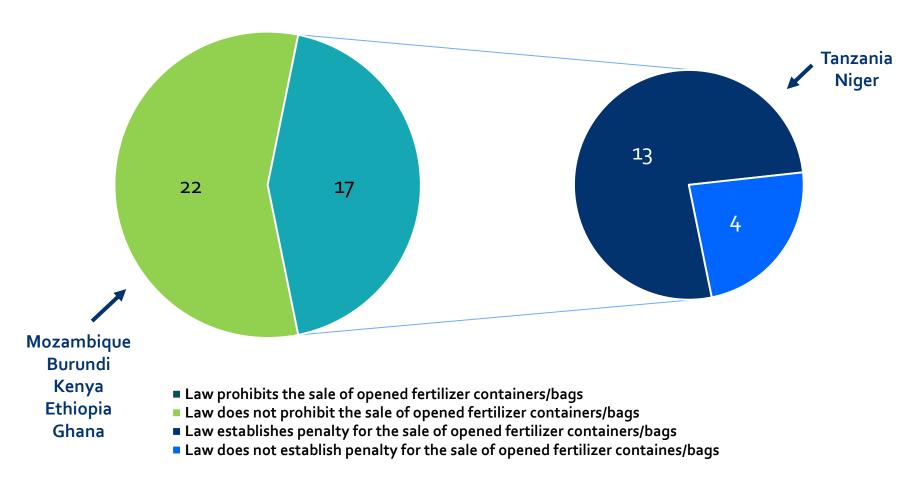


#### Fertilizer

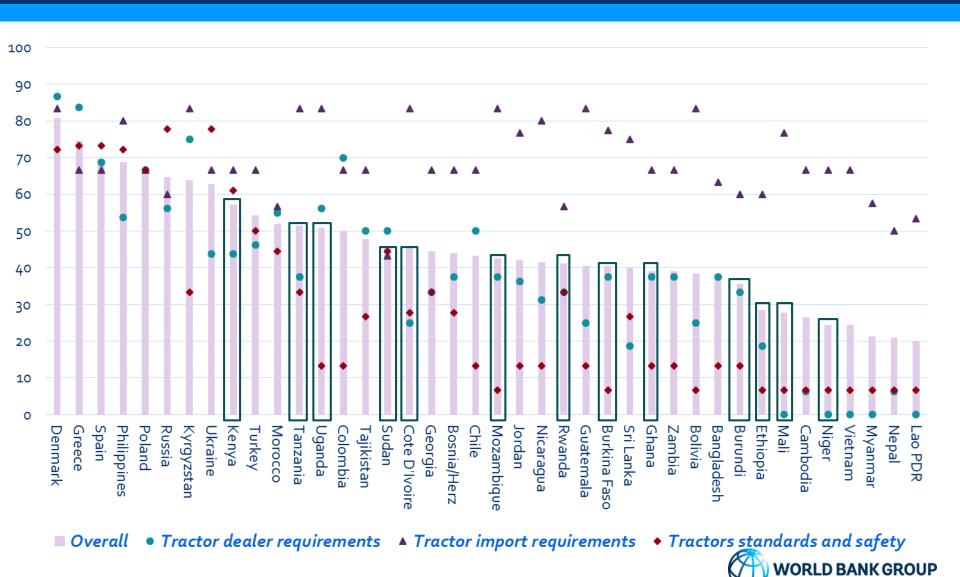


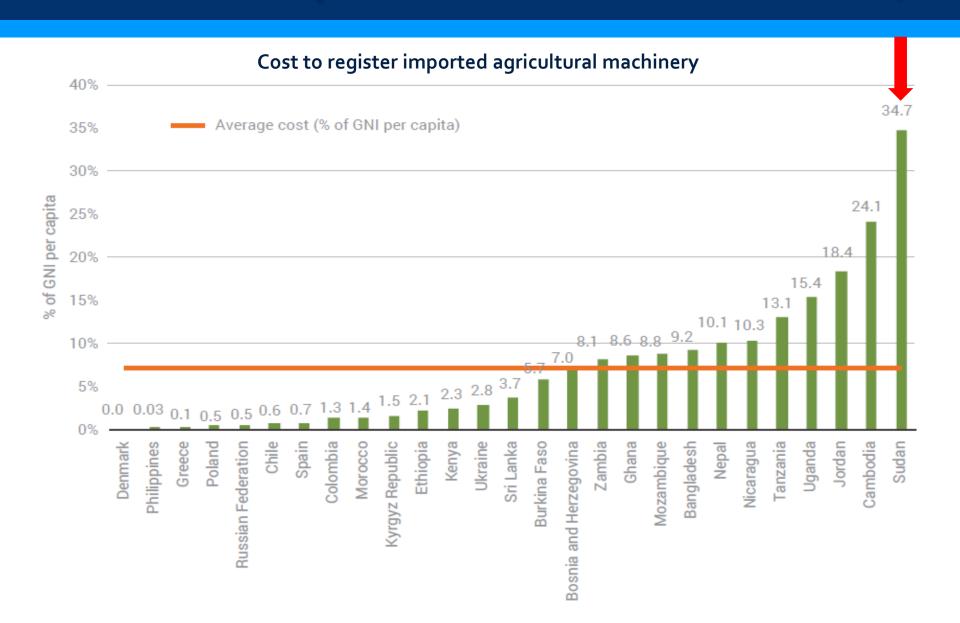


Most countries allow the sale of open fertilizer bags







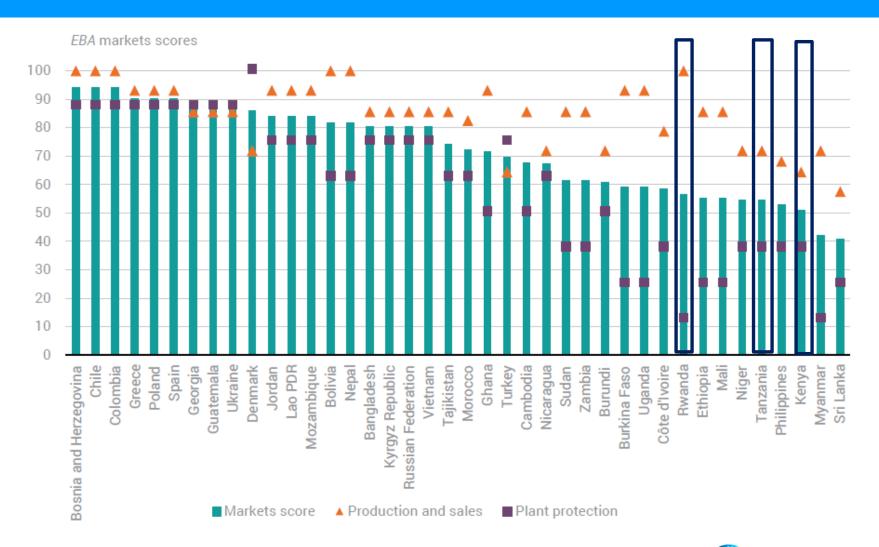


#### Countries where post-sale services are required by law

	REPAIR OF TRACTORS	WARRANTY ON TRACTORS	SUPPLY OF SPARE PARTS	TRAINING ON TRACTOR OPERATION
COLOMBIA	✓	✓	✓	✓
DENMARK	✓	✓	✓	
GREECE	✓	✓	✓	
JORDAN		✓		
MOROCCO		✓		
PHILIPPINES	✓		✓	
TURKEY	✓	✓	✓	

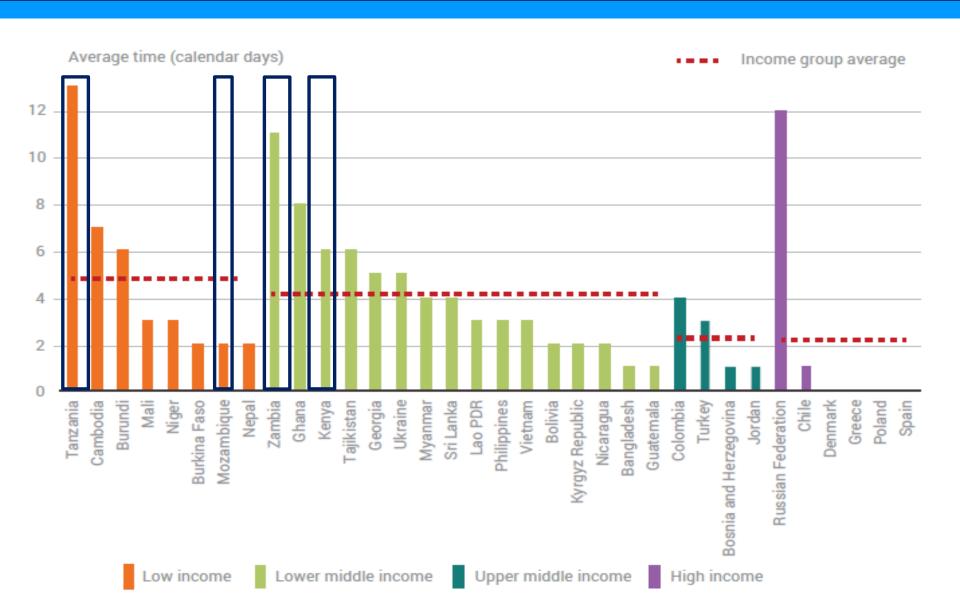


#### EBA16 Markets Scores



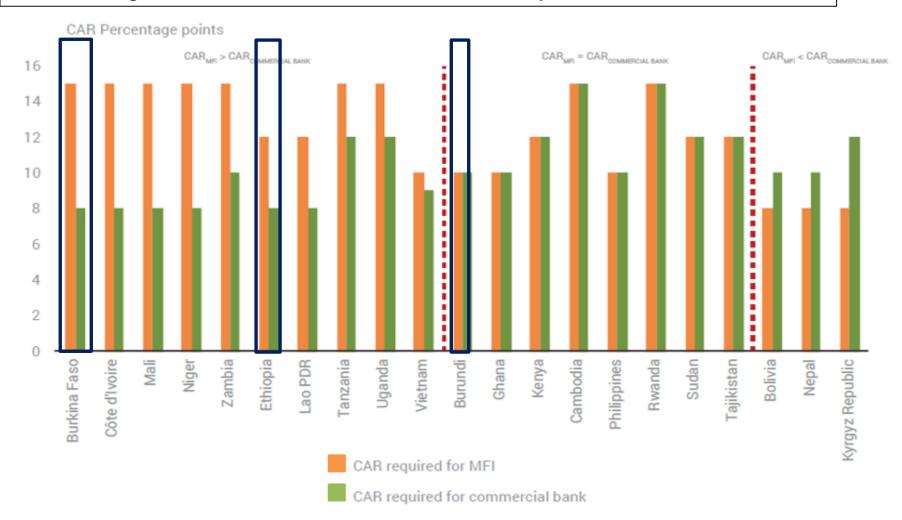


#### Time to obtain per-shipment export documents

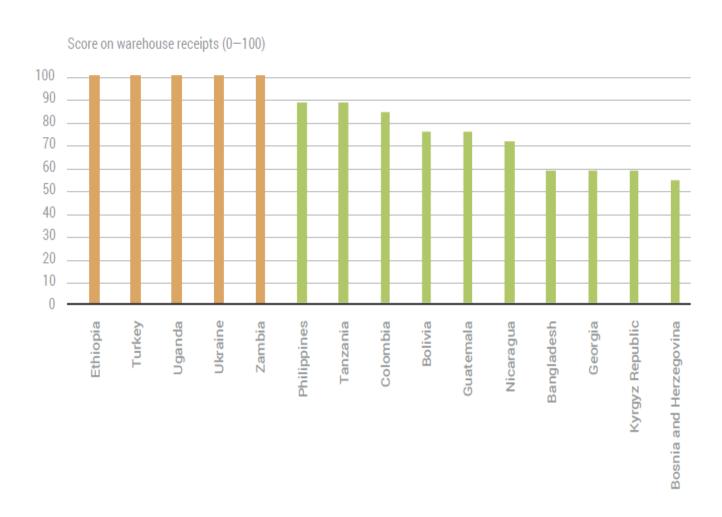


### Deposit taking MFIs regulations

Many countries impose overly strict regulations on microfinance institutions and lack regulations to ensure the financial stability of credit unions



#### Few countries regulate Warehouse Receipts

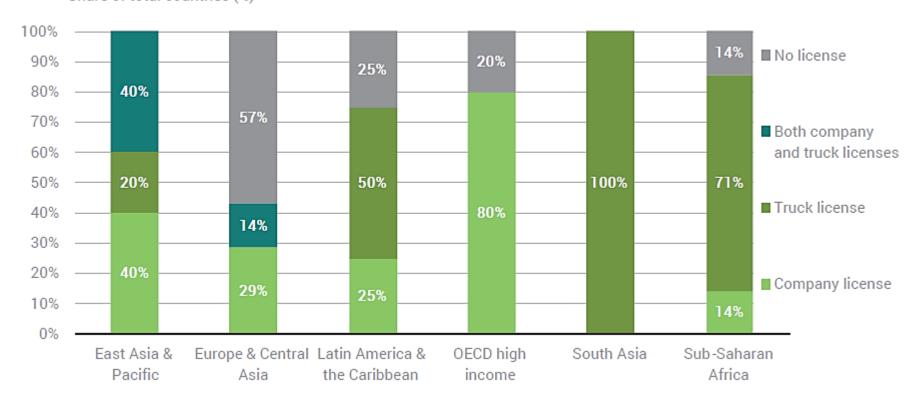


	No legal	
Burundi	framework	
	No legal	
Burkina Faso	framework	
	No legal	
Côte d'Ivoire	framework	
	No legal	
Ghana	framework	
	No legal	
Kenya	framework	
	No legal	
Mali	framework	
	No legal	
Mozambique	framework	
	No legal	
Rwanda	framework	
	No legal	
Sudan	framework	

### Transport license systems

#### Company road transport licensing promotes better transport operations

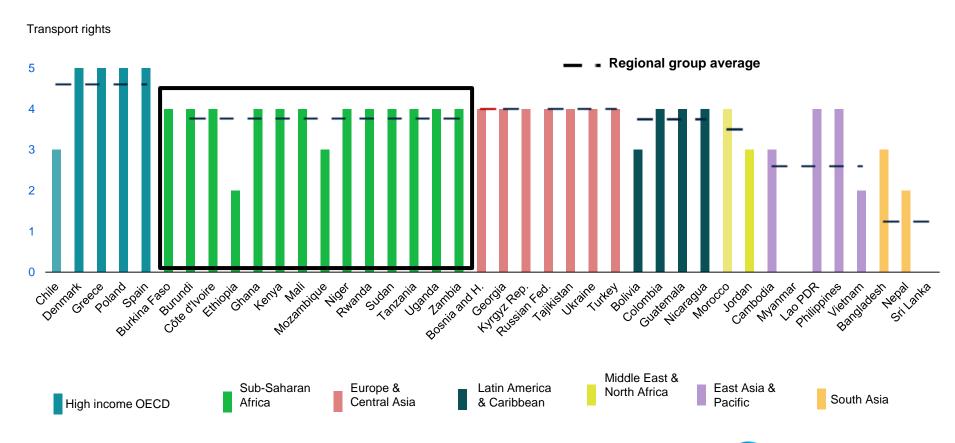
Share of total countries (%)





#### Transport rights for foreign companies

Few countries are truly open to international competition coming from their largest trading partner. Only a few countries allow cabotage









### Enabling the Business of Agriculture



# EBA METHODOLOGY: SEED, FERTILIZER MACHINERY, FINANCE, TRANSPORT, AND MARKETS



### Seed indicators

Seed cycle

Seed development

Registration

**Quality** control

Seed indicators

Encouragement of plant breeding

Evaluation and registration of new varieties

[New in EBA17 Survey]

Seed quality control and assurance



### Seed indicators

# sood Practices

- Protection of plant breeders' rights
- Availability of initial classes (breeder/pre-basic seed and foundation/basic seed) of seeds and conserved germplasm to the private sector
- Variety release committees should also include nongovernmental representatives
- Existence of an up to date national variety catalog
- Self-accreditation and third-party accreditation for the performance of certification activities
- Availability of official fee detailing costs of certification performed by the public authority



### Seed indicators

Respondent types

**Seed companies** 

**Seed associations** 

Government authorities (Ministry of Agriculture, National agricultural research institute)



### Markets indicators

Phytosanitary Protection

Producers Organizations [New in EBA17 Survey]

Domestic licenses and food safety

[New in EBA17
Survey]

Contract Farming

Dispute Resolution

Export



### Markets indicators

### S 0 0 6 a 1 7

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- Pest surveillance, reporting and risk analysis; pest database and pest list publicly available.
- Non-discriminatory and commercially driven producers organizations.
- Low time and cost to obtain domestic licenses to produce, sell and purchase agricultural products.
- Contract farming rules that balance the interests of farmers and buyers.
- Dispute resolution mechanisms tailored to enforce agricultural production contracts.
- Transparent, efficient, and low cost procedures to export major agricultural products.

### Markets indicators

Respondent types

**Agribusinesses** 

**Producers organizations** 

**Chambers of Commerce** 

Lawyers

**Plant Protection Agencies** 



### Fertilizer indicators

Registering products

Importing fertilizer

**Quality** control

(New in EBA17 Survey)

Distributing fertilizer

(New in EBA17 Survey)

Subsidies

(New in EBA17 Survey)

Extension services



### Fertilizer indicators

# Good Practices

- Efficient & affordable fertilizer product registration.
- Official catalog accessible online.
- Private companies allowed to import.
- Import permit without time limitation.
- Import permit affordable.
- Labeling of fertilizer required.
- Sale of mislabeled fertilizers prohibited.



### Fertilizer indicators

Respondent types

**Fertilizer companies** 

**NGOs** 

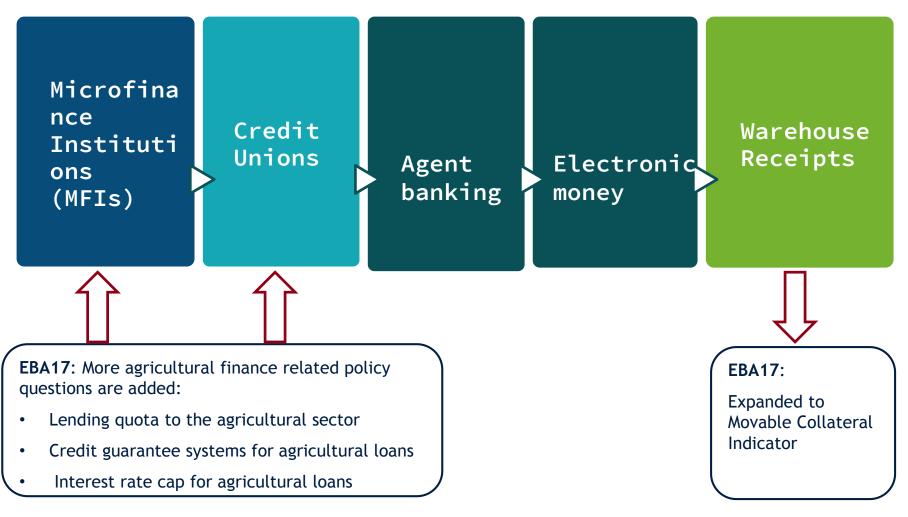
**Industry associations** 

**Government authorities** 



### Finance indicators

53





### Finance indicators

# Good Practices

- Require financial institutions to disclose the full cost of credit to loan applicants
- Establish prudential requirements that are appropriate to MFIs' risk and characteristics
- Allow both banks and non-banks to issue emoney
- Require e-money issuers to safeguard customer funds
- Require warehouse receipt operators to file a bond with the regulator or pay into an indemnity fund to secure performance of obligations



### Finance indicators

Respondent types

**Commercial banks** 

**Microfinance Institutions (MFIs)** 

**Financial cooperatives** 

Lawyers specializing in finance

**Central Banks/Financial supervisory authorities** 



### Agricultural Machinery indicators

Tractor
Import
Requirements

Tractor
Registration
and
Operation

Tractor
Testing and
Standards

[New in EBA17 Survey]

Tractor Hire Services and Financing

[New in EBA17 Survey]

Increasing
Women's Use
of Tractors



### Agricultural Machinery indicators

### Good ractices

- Streamlined import procedures to facilitate timely availability and delivery of agricultural tractors.
- Affordable and process efficient tractor registration.
- Availability of after-sales services and statutory provision of warranties to improve tractor durability,
- Appropriate testing and streamlined type-approval procedures of agricultural tractors to ensure imported tractors suit country conditions.
- Enforcement of safety standards such as roll-over protective structures and seatbelts.
- Availability of hiring (contracting) services, and access to special financing arrangements for the purchase of agricultural tractors



### Agricultural Machinery indicators

Respondent types

**Tractor manufacturers** 

**Tractor importers and dealers** 

**NGOs** 

**Government authorities** 



### Transport indicators

Domestic truck licensing

Pricing and freight allocation

Access to information

Cross border transport

[New in EBA17 Survey]

Productspecific transport regulations [New in EBA17 Survey]

Cross border licensing



### Transport indicators

### Good ractices

- Require licenses to access the sector and provide truck services
- Remove discriminatory requirements for licenses
- Establish quality criteria to obtain a transport license, preferably by implementing a company-level license
- Make licensing requirements transparent and accessible.
- Promote market-based price-setting mechanisms and freight allocation systems
- Promote cross-border competition by granting additional transport rights to trading partners



### Transport indicators

Respondent types

**Truck companies** 

**Truck associations** 

**Transport lawyers** 

**Government authorities** 



# EBA METHODOLOGY: GENDER, ENVIRONMENTAL SUSTAINABILITY, WATER, ICT, LIVESTOCK



### How can EBA indicators be used to regulate agribusiness inclusively?



**Land**: Improving regulations on tenure security and easing restrictions on land right transfers would lead towards more inclusive and efficient land markets.



**Finance**: Strengthening laws which enable microfinance institutions, credit unions, branchless banking and alternative sources for movable collateral, such as warehouse receipts can increase the access women have to financial resources.



**Water**: Legal frameworks that enable water user associations to make decisions can affect all users of water and irrigation in the country.



**Transport:** Removing or reducing the constraints on transport operators could benefit women by reducing costs of transport and increasing the availability of transport services in a country.





regulatory burden on importers and dealers of agricultural inputs can make their products more readily available and affordable in remote regions, and thus more accessible to women farmers. Improving the quality control of fertilizer, seeds and machinery is also key to ensuring that increased input use boosts women's productivity.

Seed, fertilizer and tractors: Easing the



Markets: Reducing the transaction costs of obtaining the documents required for export can help resource-constrained producers, especially female farmers. Lowering the fees to join professional organizations can also facilitate female producers' access to social capital and marketing opportunities. And enabling regulations for cooperative creation and growth can help women leverage collective action in agricultural production and marketing.





### EBA 2017 Gender agenda

Collect new data on constraints faced by women across the EBA topic areas:



Availability of sex-disaggregated data



Restrictions on women's employment and activity



Women's participation and leadership in collective groups



Government and private sector initiatives to include and empower women



### Access to Water indicators

Water
Abstraction
and Use
Permits

Water User Organizations (WUOs) [New in EBA17 Survey]

Water Resources Management



### Access to Water indicators

## Good Practices

- Permit system for allocating water.
- Public notice for water permit applications.
- Permit duration to promote investment security.
- Promoting water conservation and efficiency through measures such as resource pricing.
- Clearly defined functions and powers for water user organizations (WUOs).

### Access to Water indicators

Respondent types

**Lawyers** 

**Government authorities** 

**Academic experts** 

Water users (farms)

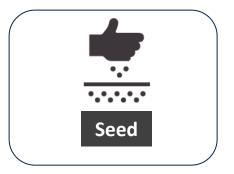
**Irrigation services providers** 



### **Environment indicators**

Diversity of Plant Genetic Resources

Sustainable water resources management





[New in EBA17 Survey]

Soil health + Economic incentives for sustainable practices



### Environment indicators

### Good Practices

- Promote sustainable use of plant genetic diversity
- Systematic monitoring and conservation *in situ* and *ex situ* of landraces and crop wild relatives through national agrobiodiversity inventories and genebanks
- Facilitation of fair and greater access to germplasm through transparent and streamlined procedures
- Management of water resources in an integrated approach through watershed-level institutions and plans, underpinned by robust monitoring systems [moved to the water topic]
- Creation and enforcement of surface and groundwater quality standards
- Development of land use plan and monitoring of agricultural soil
- Creation of reward or compensation-based system/economic incentives to support sustainable practices
- Institutionalization of good agricultural practices that limit water resource deterioration



### **Environment indicators**

Respondent types **NGOs** 

**Water Basin authorities** 

Lawyers in water/environmental law

Government authorities (Ministry of Agriculture, Ministry of Environment, Ministry of Water)

Data
collection
Remote



# Land indicators

#### **EFFECTIVENESS**

Cost of conducting a survey

Freedom and security of contracting

#### **TRANSPARENCY**

Procedural safeguards in case of expropriation

Relevance of land records

Public/state land management

#### **INCLUSION**

Registration of group rights

Gender
disaggregation
of land records



## Land indicators

# Good Practices

- Low-cost "fit for purpose" approaches to registering land with a legally valid description of its location area available.
- Short/Long term leasing of agricultural land is possible without restrictions
- Expropriation limited to provision of true public goods and ensure a fair process of compensation (at market value even if land is not registered)
- Mortgages, private court cases, and public encumbrances (e.g. acquisition orders) relating to a specific parcel of land are reflected in the record and automatically updated in case of any change
- All public land that is suitable for agricultural use is mapped and information on its location is publicly accessible
- A process to monitor and deal with encroachment on public land is available.
- Common land for cultivation of crops is legally recognized and can be registered
- The group of owners/users or its representatives can transfer use rights to outsiders or engage in joint ventures without a restrictions
- Registry information on land ownership and transfers is genderdisaggregated

## Land indicators

Respondent types

**Land Governance and Administration Experts** 

**Registry and Cadaster Directors** 

**Surveyors** 

**National Remote Sensing Centre** 

#### Data collection

**International Steering Committee** 

Expert investigators & link to admin. data

Reform case studies

Link to household survey data



# ICT indicators

Licensing regimes

Government strategies

[dropped in EBA2017]

Agricult ural e- extension services



## ICT indicators

# d Practices

**(** 

- · General authorization regime for licenses.
- Transparent licensing costs.
- Infrastructure sharing between operators.
- Voluntary spectrum trading to efficiently use spectrum resources.
- Operational and transparent universal access funds.
- Government strategy/policy to promote ICT access and use in rural areas.

# ICT indicators

Respondent types

**Mobile operators** 

**Telecommunications lawyers** 

Government authorities
(Telecommunications Regulatory
Authorities, Ministries of
Telecommunications)

Data
collection
Remote



#### Livestock Medicinal Products indicators

[New in EBA17 Survey] Registering Livestock Labelling & **Importing** Medicinal Sale **Products** 



#### Livestock Medicinal Products indicators

# Good Practices

- Clearly defined institutional structure.
- Efficient product registration system.
- Quality control testing laboratories accredited under international standards.
- No discriminations against private importers and distributors.
- Border checks of imported products required.
- Appropriate labeling required.



#### Livestock Medicinal Products indicators

Respondent types

Companies dealing with livestock medicinal products, including manufacturers, importers, wholesalers, distributors, etc.

**Government authorities** 

**Lawyers** 

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collection
Remote



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and Answers

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