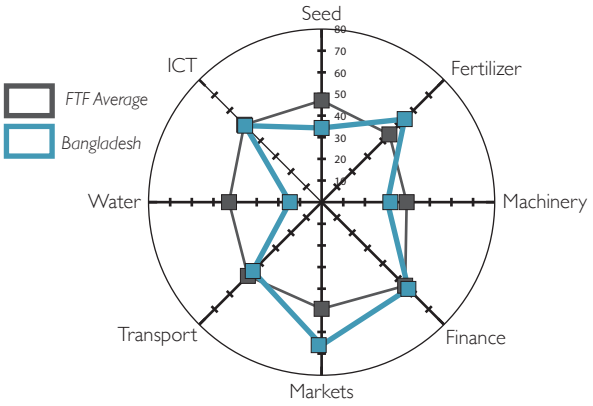
FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

Feed the Future Enabling Environment for Food Security Project

Enabling the Business of Agriculture Data Snapshot: Bangladesh

2017 EBA Scores

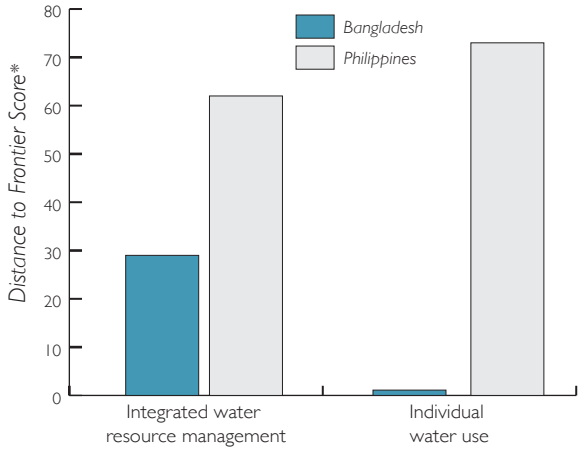


The World Bank's Enabling the Business of Agriculture Index (EBA) is a unique tool for measuring the ease of doing agribusiness. EBA data, coupled with contextual analysis and consultations with key stakeholders, can inform priority reforms and allow for transparent result tracking over time and across countries. The index scores, on a scale of 0-100*, the strength of the legal and institutional environment for agribusinesses across eight topics: seed, fertilizer, machinery, finance, markets, transport, water, and ICT. Scores and detailed topical data can be used to inform design and monitoring of Feed the Future's (FTF) agricultural reform efforts. As seen in the graphic, Bangladesh performs relatively well in facilitating access to fertilizer, financial services, and markets. Areas with the greatest room for improvement include access to seed, machinery, transport services, and water management. Overall, scores highlight burdensome import regulations, poor quality control systems and consumer protections, and a deficient water management regime. The following sections take a deeper look at selected EBA data relevant to USAID/Bangladesh.

Water

Bangladesh does a poor job of managing and protecting its water resources. There is a legal framework that requires the creation of a national plan for water management and use and the creation of plans for individual basins/aquifers, but the legal framework does not account for the establishment of river/lake basin institutions, nor is there an authority legally mandated to manage groundwater. This gap forgoes a forum for stakeholders to meet, debate, and achieve consensus of opinion on basin/aquifer issues. Individual water abstraction for irrigation is completely devoid of a legal framework. There are no permit requirements or requests to comply with national plans. Unfortunately, South Asia does not have good examples of sound legal frameworks for water management. Instead, the Philippines is used for comparison in greater Asia. **Score: 15/100**

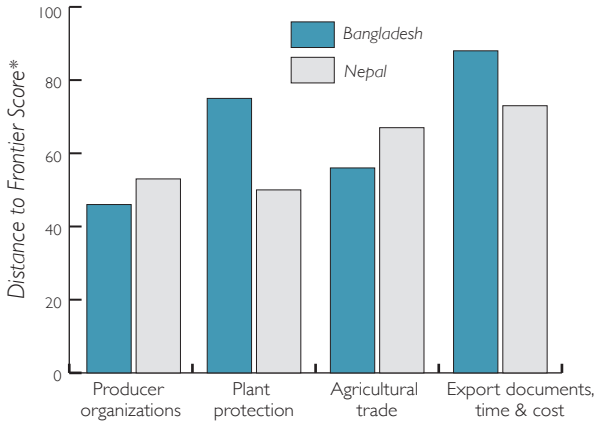
Distance to Frontier Score Comparison



Markets

Market indicators measure laws and regulations that impact access to agricultural markets for producers and agribusinesses. Bangladesh performs relatively well in this area, particularly in agricultural export regulations (88/100) and plant protection measures (75/100). There are no price regulations or other licensing requirements placed upon traders, making export efficient and affordable. However, agricultural trade scores (56/100) could be improved by introducing a phytosanitary certificate requirement with electronic processing. Finally, Bangladesh could raise its producer organization score (46/100) by incorporating women's empowerment tactics. Though women are not restricted from joining producer organizations, the law could establish quotas or other mechanisms to promote the participation of female members and nondiscrimination. **Score: 66/100**

Distance to Frontier Score Comparison

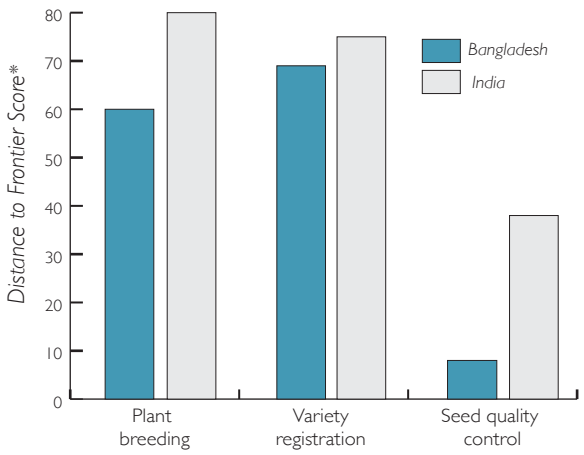


*The distance to frontier score compares a country's performance to the highest performing country ("frontier"). The higher the score, the more of a top performer the country is in a particular area.

Seed

The Bangladesh seed law grants and protects plant breeders' rights, but only up to 10 years. In practice, public research institutes license public varieties to companies for production and sale in the domestic market, but only for the production of foundation seed. Breeder seed is produced solely by public institutions. By contrast, India protects rights for 15 years for the production of both breeder and foundation seed. The variety registration process reflects six of eight best practices, but there was reportedly no new seed registered during the period evaluated. Once available to the market, Bangladesh has few quality controls in place to assure consumer confidence. Requirements such as traceability of plant reproductive material, expanded labeling criteria, and establishing penalties for mislabeled seed would bolster the country's quality control measures. **Score: 34/100**

Distance to Frontier Score Comparison



Fertilizer

Fertilizer Registration & Import Requirement Comparison

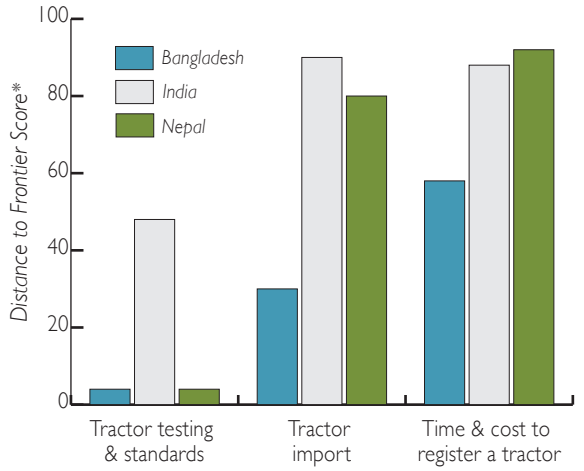
	Special import registration	Import permit	Time to obtain import permit	Time to register new product	Cost to register new product (income per capita)
Bangladesh	Yes (valid 2 yrs)	Y. volume restrictions	105 days	945 days	59%
India	No	No	N/A	804 days	17%
Sri Lanka	Yes (valid 1 yr)	Y. per shipment	3 days	365 days	4%

Restrictive import procedures pose bottlenecks to the import of fertilizer into Bangladesh. Companies must obtain a specific registration for the import of fertilizer products, valid for two years, and then obtain an import permit with volume restrictions, valid for one year, taking 105 days to obtain. This is in stark comparison to India who does not require any specific registration or permits for fertilizer imports. Once in Bangladesh, registration of new fertilizers is more time consuming and costly than India and Sri Lanka, as seen in the table. Quality control measures are sufficient, but could improve by expanding labeling requirements to include manufacturing date, expiration date, and safety and storage instructions. On the whole, inefficient and expensive import and registration requirements limit access to these important yield-boosting technologies. **Score: 54/100**

Machinery

This topic evaluates the regulatory framework for tractors as a proxy for all agricultural machinery. Sub-indicators measure access through import, registration requirements, and quality and safety standards. Bangladesh performs the most poorly in this area among the four countries evaluated in South Asia, suggesting many areas for improvement. For example, its import scores are low (30/100) due to legally-required special registration and permits for companies to import agricultural machinery, both limited to 12 months validity. Once imported, tractors must be registered and inspected on an annual basis. However, operational safety, performance and longevity of machinery is not legally safeguarded in any other way. That is, the country has adopted neither national nor international tractor standards, vendors are not required to provide ongoing maintenance service, and type approval requiring certain testing is not required of tractors before they enter the market. **Score: 30/100**

Distance to Frontier Score Comparison



The Feed the Future Enabling Environment for Food Security program is a global support mechanism for Feed the Future focused and aligned Missions to address policies, as well as legal, institutional, and regulatory factors that affect food security. To learn more, please contact Gloria Kessler (COR) at gkessler@usaid.gov or Nate Kline (Chief of Party) at nkline@fintrac.com.

Data source: World Bank, Enabling the Business of Agriculture 2017