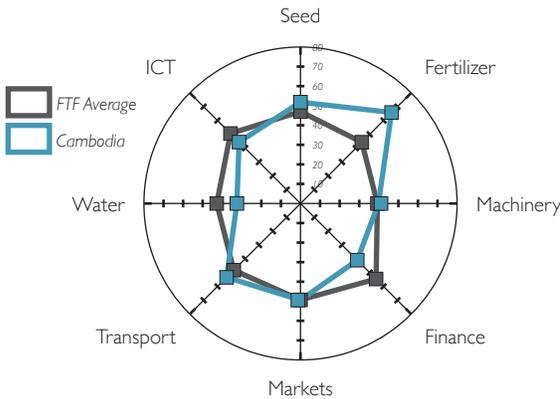




Feed the Future Enabling Environment for Food Security Project Enabling the Business of Agriculture Data Snapshot: Cambodia

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 the design and monitoring of Feed the Future's (FTF) agricultural reform efforts. As seen in the graphic on the left, Cambodia excels in the fertilizer topic area when compared to the average across the FTF countries surveyed. On the whole, Cambodia's scores show that licensing and licensing renewals are a common bottleneck. The scores also reveal clear areas for improvement, such as expanding the range of financial services available to the agricultural sector. The following sections take a deeper look at selected EBA data relevant to USAID/Cambodia.

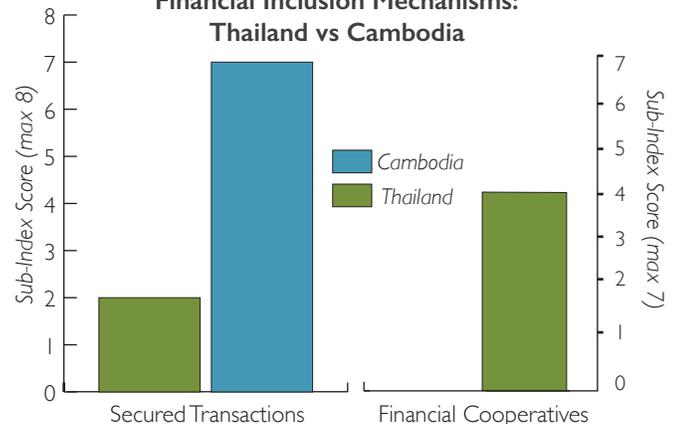


Finance

The breakdown of scores in the finance topic suggests that Cambodia has a reasonably good basic financial regulatory framework but that little has been done to adopt finance innovations that enable greater financial inclusion, particularly for the agricultural sector. The law on secured transactions is sound, and Cambodia scores highly in its treatment of microfinance institutions. However, Cambodia has no legal provisions for other forms of non-bank lending institutions such as financial cooperatives, nor for the use of e-money or secured warehouse receipts. By contrast, Thailand, which scores much more strongly in these areas of financial inclusion, is a poor performer in the more traditional areas of finance.

Score: 41/100

Financial Inclusion Mechanisms: Thailand vs Cambodia

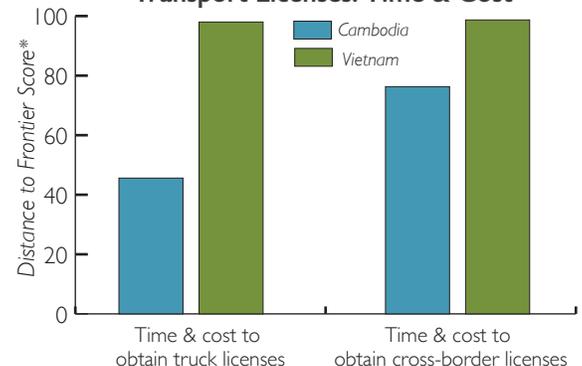


Transport

The regulatory regime for transport – covering both internal and cross-border travel – places undue restrictions on the operation of foreign-owned businesses and an overemphasis on expensive licensing procedures. Cross-border licenses last two years and are subject to a quota. Truck licenses must be renewed every two years at a cost of 37 percent of income per capita. Cambodia's scores are in striking opposition to Vietnam, which is a global best performer in this area.

Score: 53/100

Transport Licenses: Time & Cost



*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.

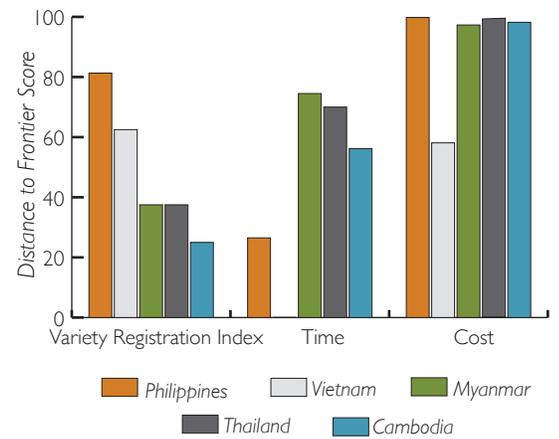


Seed

Cambodia's scores on seed reflect weak performance in variety registration and seed quality control. While the legal framework mandates the existence of a variety release committee, it does not meet in practice, nor does the country maintain a variety catalog listing registered varieties according to agro-ecological zone. The country lacks a strong system of post-control testing and does not allow third-party accreditation, thus limiting the efficiency and effectiveness of seed certification. By contrast, Cambodia meets 8 of 10 good practices in the area of plant breeders' rights. The country's performance could be strengthened by making the list of protected varieties publicly available and applying equal procedures and protections to foreign and domestic applicants.

Score: 52/100

ASEAN Region: Variety Registration



Fertilizer

Despite the above average score, Cambodia places costly, duplicative, and time-limited restrictions on the import and registration of fertilizer products. New fertilizer products must undergo field testing prior to registration, and registrations must be renewed every three years. These rules apply regardless of whether the product has been previously registered elsewhere. Import permits are required on a per shipment basis, but it takes 90 days to obtain the permit and costs 44.9 percent of gross national income per capita. By contrast, Thailand, which ranks 16 out of 62 countries in this topic, maintains registration validity for five years. These requirements significantly increase the time and cost of fertilizer trade and limit the free flow of fertilizer into and within Cambodia. Cambodia has a comparatively strong legal framework for fertilizer quality control, which is based on clear labeling guidelines and penalties for mislabeled products.

Score: 66/100

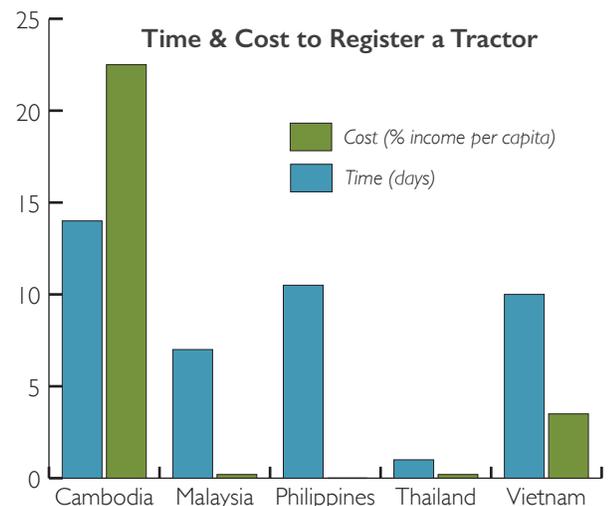
	Product registration validity	Import permit time to acquire (days)	Import permit cost to acquire (% of GNI per capita)
Cambodia	3 years	90	44.9%
Philippines	3 years	10	0.4%
Thailand	5 years	101	0.0%
Malaysia	n/a	n/a	n/a



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. Cambodia's import procedures for tractors pose few barriers to accessing these technologies. There are no import permits and importers are not required to register. Once imported, however, tractors must undergo a lengthy and costly registration process. Cambodia ranks last in the ASEAN region on the time and cost of registration. After registration, Cambodia does little to ensure the safety of these machines. There are no established safety standards, and road-worthiness inspections, while required by law, do not take place in practice. On the whole, the system creates a costly bottleneck around machinery registration while providing few additional benefits to those who register.

Score: 40/100



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.