

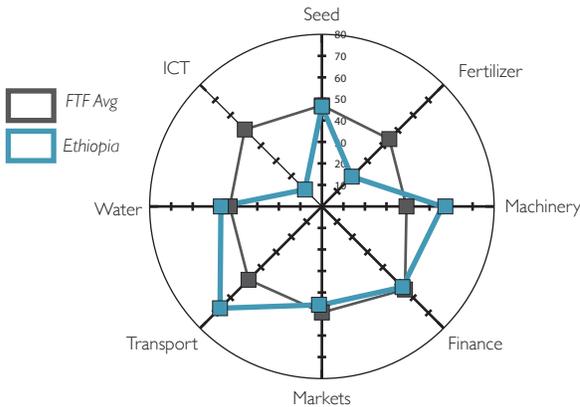


# FEED THE FUTURE

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: Ethiopia

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, Ethiopia performs strongly in enabling access to machinery and transport services. It has the greatest room for improvement in enabling access to fertilizer technologies and reliable ICT services. Overall, the scores reflect efficiencies in obtaining licenses as measured by time and expenses, but also various weaknesses in the laws governing agribusiness activities. The following sections take a deeper look at selected EBA data relevant to USAID/Ethiopia.

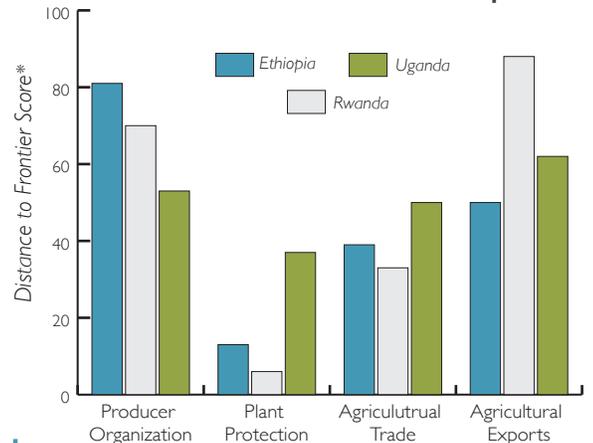


### Markets

Market indicators measure laws and regulations that impact access to agricultural markets for producers and agribusinesses. Most sub-Saharan African countries struggle with this topic area, including Ethiopia. Scores highlight Ethiopia's strength in the establishment and operation of producer organizations (81/100), and weakness in plant protection practices (13/100). Strong plant protection regulations are necessary for commercially-oriented agriculture to consistently meet phytosanitary standards in destination markets. Ethiopia could improve this score by conducting routine pest inspections for imports of plant products and raising awareness of regulated quarantine pests. Ethiopia could also work toward amending onerous regulations governing agricultural trade.

**Score: 46/100**

Distance to Frontier Score Comparison

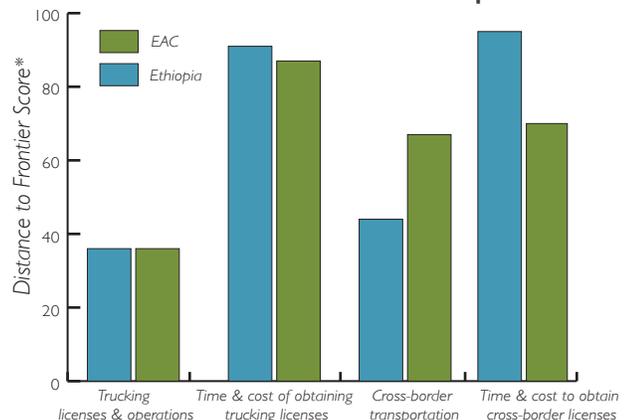


### Transport

Ethiopia performs strongly in enabling transport services for movement of agricultural goods. Scores reflect remarkable efficiencies in obtaining trucking licenses for domestic and cross-border transportation. However, the validity of licenses could be extended past the one-year mark and license applications and renewals could be available online. Ethiopia could also move toward a licensing system open to foreign truck competition in which foreign truck operators have transport rights similar to domestic operators and are not limited by quotas or mandatory routes. Finally, Ethiopia does not provide guidelines related to transport of perishable agriculture products. Such clarifications aim to improve the reliability of food transport services to preserve the quality, traceability and shelf life of perishable products.

**Score: 67/100**

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

Ethiopia's seed score falls slightly behind the Common Market for Eastern and Southern Africa (COMESA) average. Plant breeding controls and variety registration guidelines reflect the highest scores, but still have much room to improve at 50/100 and 56/100, respectively. Small changes could improve these scores, such as adding non-governmental representatives to the variety release committee and increasing the online accessibility of protected varieties and the catalogue

of new varieties. Ethiopia's seed quality control process displays the weakest score of 25/100. For example, the law protecting plant breeders' rights does not require the traceability of plant reproductive material, the retention of records, or permit the accreditation of private seed company and/or third parties for the performance of certification activities in the country. It could look to Tanzania for ways to improve access to high quality seed, as seen in the table above. **Score: 47/100**

Seed Quality Control Measures

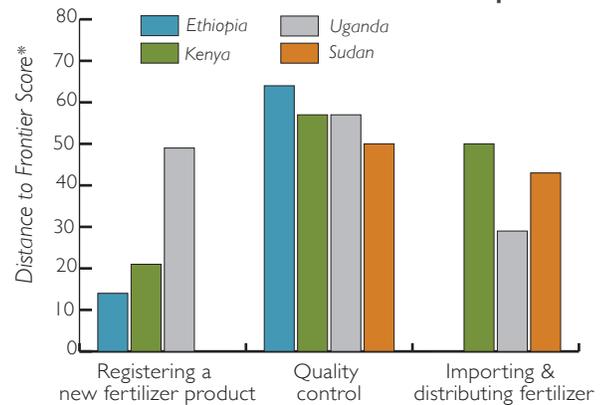
	Seed quality control score (DTF 0-100)	Requires traceability of plant reproductive material	Allows seed certification activities by third party	Requires post-control test
Ethiopia	25	No	No	No
Burundi	67	Yes	No	Yes
Tanzania	54	Yes	Yes	Yes



# Fertilizer

Ethiopia performs poorly in facilitating farmers' access to fertilizer. These scores reveal bottlenecks in importing and distributing fertilizer products, as well as constraints to registering new fertilizer products. For example, Ethiopian law does not permit private entities and non-governmental organizations to import or distribute fertilizer, placing unnecessary constraints on farmers' access to these important yield-boosting technologies. By contrast, Ethiopia has a comparatively strong legal framework for fertilizer quality control, based on clear labeling guidelines and penalties for mislabeled products. This could be further strengthened by prohibiting the sale of opened fertilizer containers. **Score: 20/100**

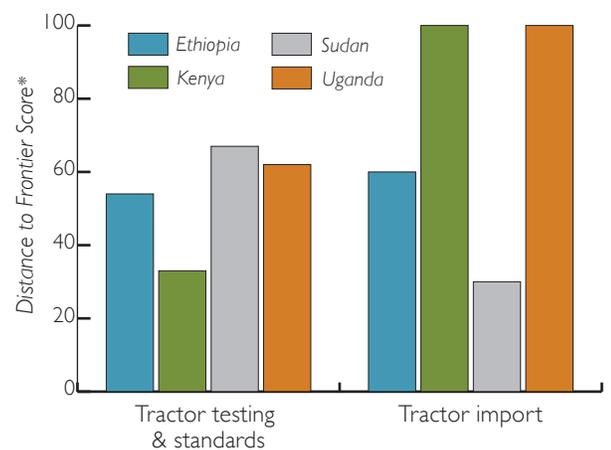
Distance to Frontier Score Comparison



# Machinery

This topic evaluates the regulatory framework for tractors as a proxy for all agricultural machinery. Ethiopia's machinery score exceeds the EAC and sub-Saharan African averages. Ethiopia exhibits best practices by making tractor after-market service and spare parts requirements for tractor vendors, ensuring the availability of important services that extend the life of agricultural machinery. The tractor registration process is also affordable and efficient, taking only 2 days to register at a cost of 1.9% income per capita. However, there is no law requiring tractors to obtain tractor type approval to ensure tractors conform to legal standards (such as safety, material, dimensional and performance standards) before they are marketed in the country. Best practices reflect that tractor type approvals and test reports issued by an authority in another country are recognized. If tractor tests are undertaken in a local testing center, the process is efficient and affordable. Ethiopia could also streamline its processes for tractor imports to be more in-line with those of its neighbors. **Score: 56/100**

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](mailto:gkessler@usaid.gov) or Nate Kline (Chief of Party) at [nkline@fintrac.com](mailto:nkline@fintrac.com).