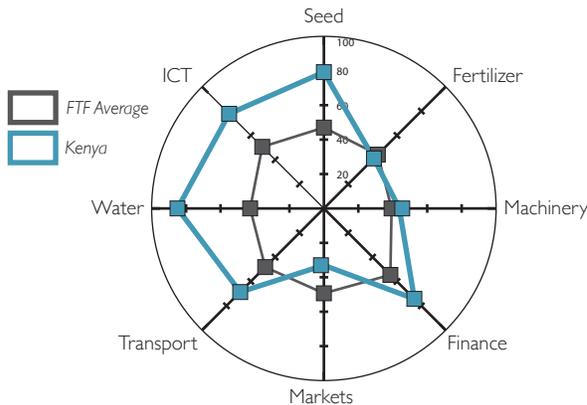




Feed the Future Enabling Environment for Food Security Project Enabling the Business of Agriculture Data Snapshot: Kenya

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, Kenya performs very well in enabling access to seed, financial services, and ICT. Its water management policy framework is also extremely strong. Kenya performs relatively well in the areas of transport and access to machinery, but its fertilizer and market scores suggest room for improvement. Overall, Kenya provides a business-friendly environment for importing agricultural technologies and products, but does little to ensure quality control once they enter the market. The following sections take a deeper look at selected EBA data relevant to USAID/Kenya.

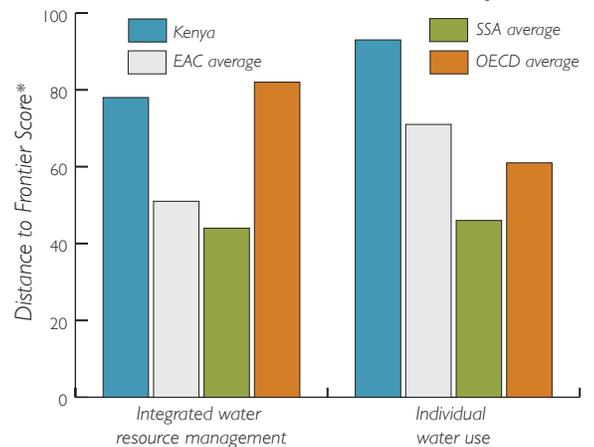


Water

Kenya scores well above its peers in water management. Its high score reflects a strong integrated water resource management framework that follows international best practices, including providing clear guidelines on the components legally required of basin/aquifer plans and ensuring wide representation and consultation of water basin/aquifer stakeholders. Irrigation is regulated through a water abstraction and use permit system that requires individual farms to comply with the applicable water basin plan. Permit renewal is streamlined. Furthermore, the legal framework specifies offenses for violations of permit-related obligations. Overall, Kenya has one of the best water management regimes globally, ranking fourth among the 62 countries included in the EBA study.

Score: 85/100

Distance to Frontier Score Comparison

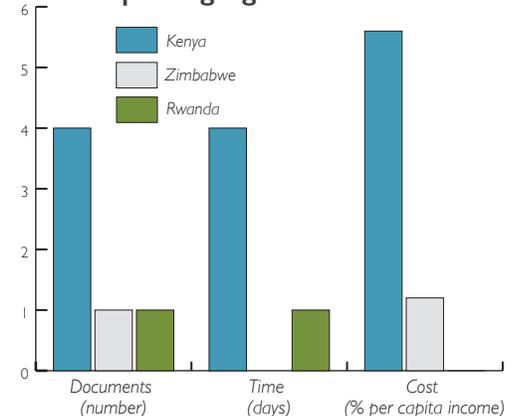


Markets

Market indicators measure laws and regulations that impact access to agricultural markets for producers and agribusinesses. Kenya scores the lowest in enabling access to markets across the eight factors. Weak plant protection practices could be improved through information dissemination on regulated quarantine pests and periodic phytosanitary import inspections. Kenya also has onerous regulations governing agricultural trade, such as requiring traders to obtain an export license and a trader-level license to buy/sell agricultural products in the domestic market. Furthermore, traders are required to be members of a specific association to obtain the right to export selected products. These restrictive government policies pose non-tariff barriers to traders and exporters of agricultural products.

Score: 33/100

Exporting Agricultural Goods



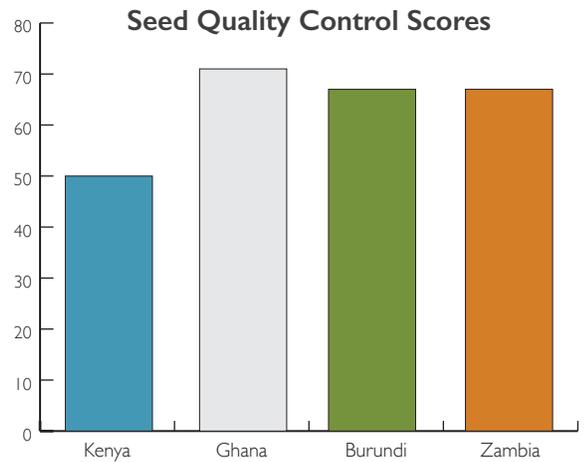
*The distance to frontier score compares a country's performance to the highest performing country ("frontier"). The higher the score, the more of a top performer the country is in a particular area.



Seed

Kenya has a perfect score for plant breeding, reflecting best practices such as allowing companies to access germplasms conserved in public genebanks and to produce breeder and foundation seed from local public varieties. Kenya's variety registration process is affordable and efficient. A legally established variety release committee meets regularly and balances public and private sector participation in the evaluation and registration of new varieties. Furthermore, an up-to-date variety catalogue is available online and includes agro-ecological zones suitable for each variety listed. By contrast, weaknesses in seed quality control highlight the need to modify the law to require plant breeders to ensure the traceability of their plant reproductive materials for at least two years, as in Burundi; or allow seed certification activities to be performed by an accredited third party, as in Ghana.

Score: 79/100

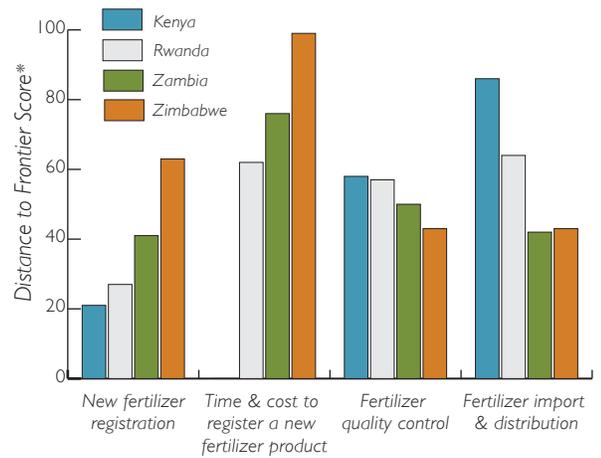


Fertilizer

There are few bottlenecks to importing and distributing fertilizer in Kenya. Regulations do not require companies to register as importers, nor to obtain specific permits. Private companies, non-governmental organizations, and farmer organizations are allowed to import and distribute fertilizers. However, some indicators could be improved. For example, the law mandates that private entities register new fertilizer products to sell them in the country, but the law is unclear about the time limitations of registration validity or requirements for field testing and lab sample analysis of fertilizer. Consequently, new fertilizer registration is not practiced. The legal framework for fertilizer quality control clearly defines labeling guidelines and penalties for mislabeled products, however, it could improve by prohibiting the sale of fertilizer products from opened bags and defining penalties accordingly.

Score: 41/100

Distance to Frontier Score Comparison

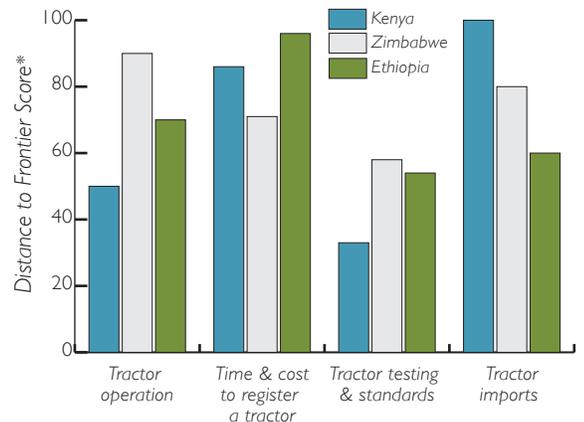


Machinery

This topic evaluates the regulatory framework for tractors as a proxy for all agricultural machinery. Kenya is a regional leader in this area, falling just behind Zimbabwe and Ethiopia. Kenya excels in its tractor import scores, reflecting few regulatory barriers to the private sector's ability to import and sell tractors. Once imported, tractors can be registered through an efficient and affordable process, requiring 7 days at a cost of 2% per capita income. Tractors must adhere to national and international standards for operator safety and tractor performance, but there is no law requiring tractors to obtain type approval before they are sold in country. Therefore, it is unclear how tractors are tested and evaluated for performance, quality, durability, and safety before they enter the market. Best practices suggest that tractor type approvals and test reports issued by an authority in another country should be recognized, reducing the cost to comply.

Score: 54/100

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.