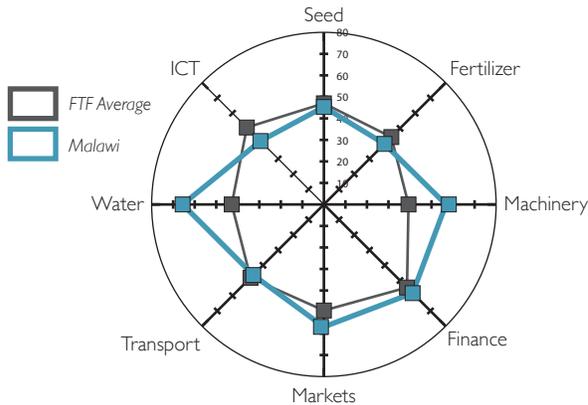




Feed the Future Enabling Environment for Food Security Project Enabling the Business of Agriculture Data Snapshot: Malawi

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, Malawi's scores fall very close to the FTF average in most topic areas, with stronger performances in accessing machinery, facilitating access to markets, and water management. Overall, Malawi's scores within sub-categories highlight burdensome time and cost associated with registration of seed, fertilizer, and machinery. The scores also reveal ICT as a clear area for improvement. The following sections take a deeper look at selected EBA data relevant to USAID/Malawi.

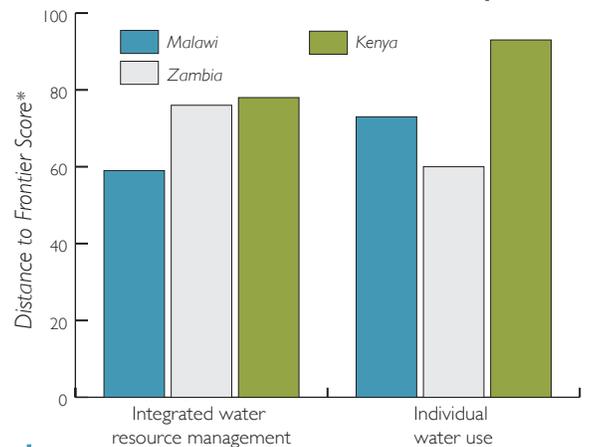


Water

Malawi's high score in water management reflects a strong integrated water resource management legal framework that follows international best practice, including providing clear guidelines on the components legally required of basin/aquifer plans and ensuring wide representation and consultation of water basin/aquifer stakeholders. However, these guidelines have never been tested, as no lake/basin institutions exist, nor are there any basin plans. Irrigation is regulated through a water abstraction and use permit system and permit renewal is streamlined. However, public notice of applications for individual water use permits is not required by law. Malawi could further improve its performance by mirroring best practices in Kenya.

Score: 66/100

Distance to Frontier Score Comparison

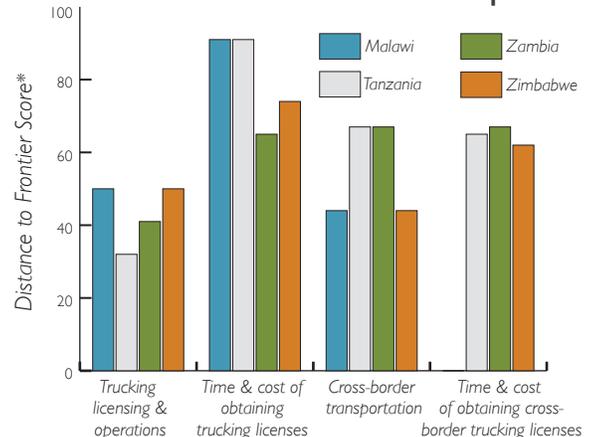


Transport

Malawi's transport scores reflect stronger performance in regulating domestic transport than cross-border transport of agricultural goods. The key to improving cross-border transport scores is requiring a cross-border road transport license for foreign trucks to transit within the country. Domestically, Malawi issues individual truck licenses, which allows for greater competition in the sector than a company-level system that requires more strict criteria. Transport quality could be improved, however, if the government provided guidelines related to the transport of perishable agriculture products and foodstuffs.

Score: 46/100

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

Malawi's scores in seed reflect weak performance in plant breeding, variety registration, and seed quality control. Although companies are not prevented from producing breeder and foundation seed of local public varieties in Malawi, the country lacks a law granting and protecting plant breeder's rights. This limits legal protections on intellectual property rights over plant materials, thereby discouraging private investment in seed systems. Malawi has a comparatively strong legal framework for seed variety registration, however, the time and expenses incurred to register a new variety are astronomically high compared to others in the region: 579 days at 2,038% per capita income. Finally, seed quality control weaknesses stem from a poor post-control testing system and no mandatory traceability or recordkeeping of plant reproductive material. On the whole, Malawi's seed system is arduous and expensive for seed producers, while providing few protections.

Seed Quality Control Distance to Frontier Scores

	Time to register a new seed variety	Cost to register a new seed variety (% income per capita)
Malawi	579 days	2,038%
Mozambique	582 days	86%
Tanzania	333 days	65%
Zambia	544 days	70%
Zimbabwe	607 days	41%



Fertilizer

Malawi's legal framework for fertilizer imposes burdensome regulatory requirements. Although fertilizer registration is comparatively strong in Malawi, the system is inefficient and costly. It takes 913 days to register new fertilizer products for a cost of 3,030% income per capita. Malawi's fertilizer import and distribution regulations require importers to obtain permits on a per-shipment basis, valid for three months.

Fertilizer Registration & Import Time & Cost Comparison

	Time to register a new fertilizer product	Cost to register a new fertilizer product (% income per capita)	Time to obtain import permit	Cost to obtain import permit
Malawi	913 days	3,030%	7 days	16.5%
Tanzania	578 days	983%	3 days	0%
Zambia	210 days	227%	1 day	75%
Zimbabwe	15 days	16%	5 days	12%

Each permit takes seven days to obtain at a cost of 16.5% income per capita. Once fertilizer enters the market, the government ensures quality control of fertilizer products through mandatory labeling guidelines and penalties for mislabeled products. However, it could improve by expanding labeling to include storage and safety instructions and prohibiting the sale of fertilizer products from opened bags.

Score: 40/100

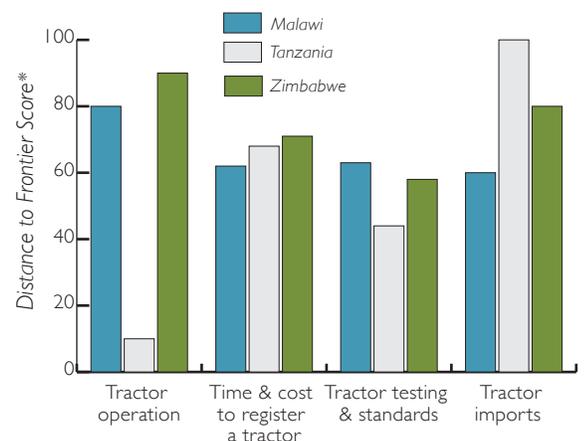


Machinery

This topic evaluates the regulatory framework for tractors as a proxy for all agricultural machinery. Malawi performs relatively well, especially in tractor operations where the government administers efficient registration, mandates inspections, and requires dealers to provide after-market service and parts. While Malawi is one of the few sub-Saharan African countries to require vendors to obtain type approval for the sale of tractors, it could significantly reduce associated time and costs if it recognized type approvals issued by other countries and test reports issued by manufacturers. Currently, it takes vendors 240 days at a cost of 429% per capita income to obtain tractor type approval. Finally, Malawi's import procedures for tractors pose few barriers to accessing these technologies. Though private sector companies are required by law to register as importers of agricultural tractors, no per-shipment permits are necessary.

Score: 57/100

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.