Presentation Outline

• Introduction of the Benchmarking the Business of Agriculture project

• Introduction of the Access to Markets topic

• Methodology and proposed indicators

• Discussion
1. Benchmarking the Business of Agriculture
Increasing food prices and expanding urban demand have heightened food security and agriculture as priorities for development.

World Bank’s Spring Meetings in 2012 solidified support for agribusiness indicators.

G8 called for the World Bank “to develop options for generating a Doing Business in Agriculture Index.”

World Bank Group’s Agriculture and Environmental Services (AES) and Global Indicators and Analysis Department (GIA) merge efforts to begin producing a “Benchmarking the Business of Agriculture” project.

Convening in Copenhagen:
First time that Doing Business focuses on a specific sector

Doing Business in Agriculture:
- Will provide policymakers with new benchmarks of the regulatory environment affecting the business of agriculture
- Comparable across many economies over time

Objective: Leverage positive policy change for a stronger commercial agricultural sector

Deep Dives:
- In-depth metrics of a broader range of factors that affect agricultural productivity
- Comparable across countries, but greater flexibility in reporting structure to analyze case studies of positive change

BBA’s integrated approach

Synergies enable more robust comparisons between countries
Theory of Change

Research findings: Better government policies can encourage transformative change to benefit agribusiness and informal smallholders

- Smarter business regulation promotes economic growth. Informal economies tend to be smaller in countries where rules and regulations are strong and efficient.
- Some areas of legislation have a critical impact on the productivity of small-scale agribusinesses. Rules and regulations that directly impact medium to large-scale businesses can also significantly affect the profitability of small and medium-scale farmers.

Doing Business
- Proven effectiveness in catalyzing change in regulatory frameworks that impact SMEs

ABI
- Proven utility in going beyond governments and including the private sector

Doing Business in Agriculture

Deep Dives

BBA
- Will leverage positive policy change for a stronger commercial agricultural sector

Research findings:

- Better government policies can encourage transformative change to benefit agribusiness and informal smallholders.
- Smarter business regulation promotes economic growth. Informal economies tend to be smaller in countries where rules and regulations are strong and efficient.
- Some areas of legislation have a critical impact on the productivity of small-scale agribusinesses. Rules and regulations that directly impact medium to large-scale businesses can also significantly affect the profitability of small and medium-scale farmers.
Thematic Coverage

• Areas that are most important for the productivity of agribusiness dealers and smallholder farmers;
• Areas where relatively simple regulatory reform can have short-term impact on the investment climate for agriculture

Benchmarking the Business of Agriculture
Implementation and Timeline

Preparatory stage: AES-GIA team is currently completing the main preparatory steps (research, advisory group, etc.)

First round of BBA
- Conducted in 2013
- Pilot indicator development and data collection in 10 countries.

Scaling up of BBA
- DBA indicators to be collected in about 80-100 countries
- Complemented by 8 to 10 in-depth multi-country Deep Dive studies

Agriculture Transformation Index

IFC
Country Selection

Need to generate a purposeful sample – distinct groupings based on economic importance of agriculture*

Illustrate Split of Countries, which will be divided across regions

<table>
<thead>
<tr>
<th>COUNTRIES</th>
<th>%</th>
<th>Nos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced</td>
<td>6%</td>
<td>5</td>
</tr>
<tr>
<td>Urbanising</td>
<td>20%</td>
<td>16</td>
</tr>
<tr>
<td>Transition</td>
<td>37%</td>
<td>30</td>
</tr>
<tr>
<td>Agricultural</td>
<td>37%</td>
<td>30</td>
</tr>
</tbody>
</table>

* % Rural Population could be replaced by % Labor Force in Agriculture
BBA will conduct pilot data collection in 10 countries during 2013. Pilot countries represent all regions and income levels to facilitate scaling up to 80 countries over 3 years.

Country Selection:

- Guatemala
- Spain
- Morocco
- Ukraine
- The Philippines
- Mozambique
- Nepal
- Rwanda
- Uganda
- Ethiopia
2. Access to Markets
Why does access to markets matter for agriculture?

- Market opportunities drive farm incomes
- Urban demand for food is growing rapidly
- Consumer demand for quality is changing
- Farmers need to be able to reach markets efficiently to remain competitive and meet growing demand
- Farmers need to ensure the quality of their supply
- Importance of regional harmonization of rules
Complementary DBA and DD Approach

Doing Business in Agriculture

- Regulatory environment
- Time and motion
- Legal indicators

Deep Dives

- Look into policy issues impacting access to markets
- Collect statistics that can be tracked over time
- Provide case study examples
3. Methodology and Proposed Indicators
Accessing Regional and International markets

**Issues:**

- **Regional/International:** License and approvals of agricultural export and procedures required at the border post or the port can be burdensome and costly, limiting exports and indirectly farmer marketing opportunities and prices.

**Doing Business in Agriculture Indicators**

- Procedures, time and costs of exporting agricultural products to a neighboring country through a border-post.

- Availability of trade facilitation services, such as:
  - Risk-based cargo inspection;
  - E-systems and one-stop shop;
  - Fast track customs services;
  - Laboratory; and
  - Storage.

- Consistency of agricultural export policies.
- Gender issues around agricultural export.
Accessing Regional and International markets
Time and Motion Component

<table>
<thead>
<tr>
<th>Before Border-Post</th>
<th>At Border-Post</th>
<th>After Border-Post</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time and costs of export document preparation</strong></td>
<td><strong>Country A Border-Post</strong></td>
<td><strong>Country B Border-Post</strong></td>
</tr>
<tr>
<td>Bill of Lading; Commercial Invoice; Customs Export Declaration; Packing List...</td>
<td>Time and costs at clearing agent, border agencies, customs, etc.</td>
<td>Cargo gets released and Vehicle departs</td>
</tr>
</tbody>
</table>

| Time and costs of inspection & certification | Plant testing; Phytosanitary certificate; Fumigation certificate... |

At Border-Post

Before Border-Post

After Border-Post

Vehicle arrives and joins queue to cross border

Time and costs of inspection & certification

Accessing Regional and International markets
Time and Motion Component
Complying with Sanitary and Phytosanitary Standards (SPS) requirements

**Issues:**

- Obtaining SPS certificate and testing can be complicated and time-consuming.
- Mismatch of sanitary and phytosanitary standards among trading partners might hinder regional and international agricultural trade.

**Doing Business in Agriculture Indicators**

- Procedures, time and costs of complying with SPS or other inspection requirements when importing from the neighboring country through the border-post.
- National legal and regulatory framework of SPS regulations.
- The degree of standards harmonization and integration with major regional trading partners. (equivalence agreement)
- Transparency of regulations.
- E-systems and one-stop shop.
Complying with SPS requirements
Time and Motion Component

- **Importing Country**

| Time and costs of testing, inspection & certification | Plant testing; Phytosanitary certificate; Fumigation certificate… |

- We **only** capture the procedures required by the importing country – our approach intends to measure how a country deals with SPS issues on export vs. import.

- Procedures that should be completed at any stage of the import are under consideration.
Standardized Case Study Assumptions

- AgriCo. is trading agricultural products with [Economy]'s main regional agricultural trading partner through the most utilized border-post. The products are transported by a truck with carrying capacity of 25 metric tons. The total value of the products is 10,000 USD. (For island countries, port will be targeted instead.)

- Case studies to be piloted for:
  - Staple cereal (SITC 04) - maize, rice, wheat
  - Fruits and Vegetables (SITC 05) - tomatoes, bananas
## Potential Contributors

<table>
<thead>
<tr>
<th>Cross-Border Export</th>
<th>SPS Requirement</th>
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<tbody>
<tr>
<td>• Agricultural traders/food trading companies</td>
<td>• Importing companies</td>
</tr>
<tr>
<td>• Freight forwarders</td>
<td>• Other trade/SPS related service providers (plant health inspectorate service,</td>
</tr>
<tr>
<td>• Professional associations (national federation of agricultural producers,</td>
<td>agribusiness consulting firms, etc.)</td>
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<tr>
<td>horticultural crops development org, etc.)</td>
<td>• Government agencies - especially those in charge of overseeing phytosanitary</td>
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<tr>
<td>• Trade promotion organizations (including Chamber of Commerce, but also local</td>
<td>inspections, certificates</td>
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<tr>
<td>trade promotion council, etc.)</td>
<td>• Professional associations</td>
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<tr>
<td>• Customs/border control agencies</td>
<td>• Academia/universities</td>
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<td>• Thinks tanks/NGO</td>
<td>• Thinks tanks/NGO</td>
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<tr>
<td>• Ag contact/specialist in the local office of donor/partner agencies (embassies,</td>
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<td>USAID, FAO, USDA, WBG, etc.)</td>
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(IFC)
Opportunities for smallholder farmers to profitably offload their goods in domestic urban markets

Deep Dives Areas

Availability of physical market structures

Farmers capacity and skills to profitably sell goods in the markets

Policies impacting the revenue from agriculture goods (ex. prices and standards)
Deep Dives Areas

- National trade policies (quotas and taxes)
- Implementation of regional trade agreements
- Availability of resources to adhere to domestic and regional food safety health grades and standards (testing labs in the country)
Building Partnerships with Data Users & Stakeholders

- A) Research phase: feedback on methodology and survey instrument
- B) Pilot phase: respondents; country experience/knowledge/presence
- C) Once published: dissemination and country buy-in
Thank you!

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