INTERNATIONAL COFFEE ORGANIZATION

Projects Committee
12th Meeting
19 September 2016
London, United Kingdom

**World Bank: Enabling the Business
of Agriculture – Background Paper and
Avenues for Collaboration**

Background

1.   The objective of this document is to provide background on the World Bank Group's Enabling the Business of Agriculture (EBA) project, present a summary of the EBA2016 data for certain coffee-producing countries, and set out the potential avenues for collaboration between the World Bank Group and the ICO for the EBA initiative.

2.   EBA identifies, measures and compares agribusiness regulations globally, in order to inform policy making and regulatory developments. It also monitors and analyses regulations and policies that affect the business of agriculture and its key players throughout the agricultural value chain. Accordingly, EBA contributes to reducing trade barriers for the agricultural sector.

3.   Specifically, the World Bank Group is seeking to engage with ICO's Members to generate EBA indicators and data that enable policy makers to make more informed policy choices and ultimately contribute to enabling the agribusiness environment. The key activities on which Members could collaborate are data collection and dissemination.

4.   The World Bank has requested that the data shown in the graph 'Coffee Export Documents (Per-shipment)' be treated as solely for ICO Members' information, and not for onward distribution.

Action

        The Projects Committee is requested <u>to note</u> the attached document entitled 'World Bank: Enabling the Business of Agriculture – Background Paper and Avenues for Collaboration'.
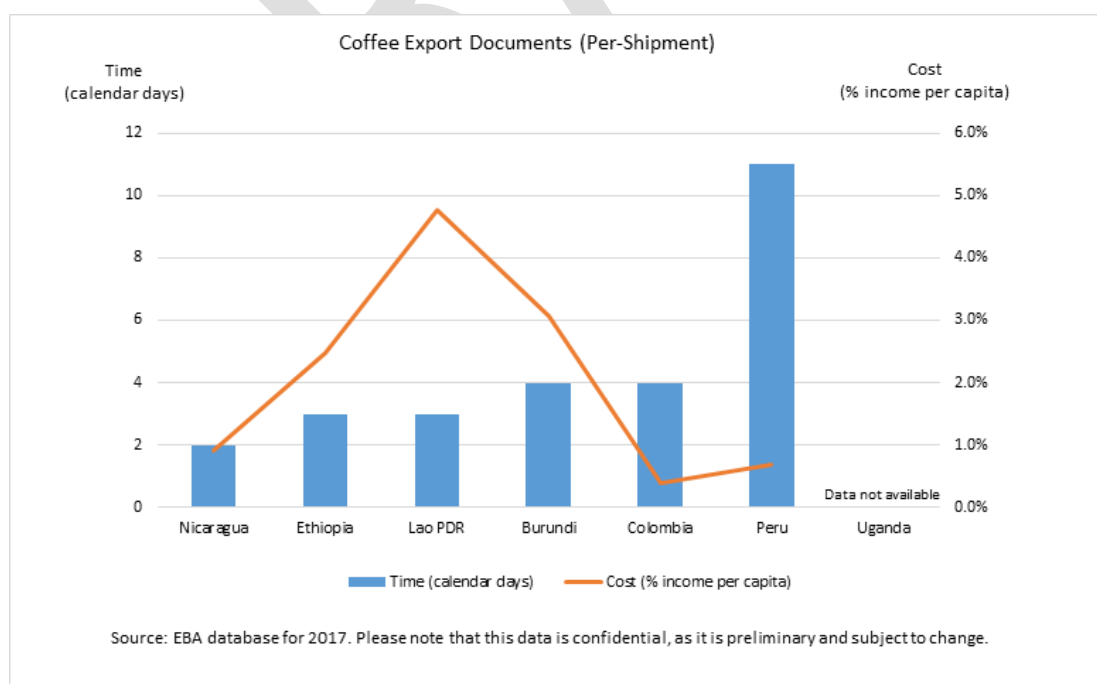
World Bank: *Enabling the Business of Agriculture*
Background Paper and Avenues for Collaboration
with Members of the International Coffee Organization (ICO)

Background on EBA:
EBA focuses on identifying, measuring and comparing agribusiness regulations globally, in order to inform policy making and regulatory developments. The project monitors and analyses regulations and policies that affect the business of agriculture and its key players throughout the agricultural value chain. By identifying and monitoring relevant regulations and policies, EBA seeks to provide policy makers with an evidence-backed tool that can be used to foster an enabling environment for local and regional agribusinesses to take root and thrive.

EBA has been designed to address the most critical regulatory issues relating to production inputs and market enablers that help farmers, firms and producers to sell their goods and services. The EBA2016 Report, launched in January 2016, covers 40 countries and provides scored indicators for six of these topic areas: seed, fertilizer, machinery, finance, markets and transport. The EBA2017 Report, to be published in January 2017, will expand to cover 22 additional countries (see Annex 1) and score other areas relevant for agricultural development, including livestock and water. Data is also collected in the areas of environmental sustainability, gender, information and communication technology and land.

The EBA markets topic specifically focuses on the regulatory requirements that apply to agribusinesses trading in a pre-selected agricultural product for both domestic and export markets, such as memberships, licenses, and per-shipment documents. Agricultural products are selected for each country based on official export data sourced from the UN Comtrade Database, using data from 2009–13. For EBA2017, coffee was selected in seven of the 62 countries studied (Burundi, Colombia, Ethiopia, Lao PDR, Nicaragua, Peru, and Uganda). Preliminary data[1] on the time and cost to obtain all agriculture- and coffee-specific documents to export a theoretical consignment of 10 MR of coffee is set out in the following table –

Source: EBA database for 2017. Please note that this data is confidential, as it is preliminary and subject to change.

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[1] Data validation and verification is ongoing.

As the table shows, the time to obtain the necessary documents ranges from two to four days in all countries except Peru, where it takes eleven days. Cost, on the other hand, varies more significantly, being highest in Lao PDR, at 4.8% of income per capita, and lowest in Colombia, at 0.4% of income per capita. Such information can allow governments to compare important aspects of the business environment in their country both within their region and also within a given product category across the world.

Avenues for collaboration between the EBA project and ICO Members:
Incorporating sector-specific expertise is central to the execution, dissemination, and development of EBA. To date, the EBA team has made special efforts to draw on findings in literature and the experience of relevant experts to target key issues within the different topic areas being studied. Feedback from a variety of stakeholders, including intergovernmental organizations, sector-specific organizations, academics, and private sector actors, is continually being collected and considered for the project's indicators and questionnaires.

EBA sees a benefit in liaising with ICO Members, as part of its effort to develop indicators that are relevant to the production, marketing and export of coffee beans, and to collect information on the regulatory obstacles faced by agribusinesses in these contexts. As the ICO brings together both exporting and importing Governments to tackle the challenges facing the world coffee sector through international cooperation, and represents 95% of world coffee production and 83% of world consumption, the EBA team sees great value in collaborating with ICO Members in this endeavour. Furthermore, EBA provides governments with information and analysis that can inform policymaking and trigger reforms based on the examples of other countries and the outcomes they wish to achieve. In this way, indicators can be a useful tool to assist ICO Members in strengthening the global coffee sector and promoting its sustainable expansion in a market-based environment for the betterment of all participants.

Several possible avenues of cooperation between the *World Bank Group* and ICO Members on the EBA initiative could be explored:

1. Topic and data analysis

- ICO Members and EBA could engage in technical collaboration on the project's approach to key issues in the coffee sector. Indicator areas, practice-related metrics, and questionnaires could be shared with ICO Members in advance of the next data collection cycle, and the ICO in turn could provide feedback on the EBA methodology and substantive focus.

- ICO Members and EBA could cooperate on outreach to coffee federations, corporate stakeholders, and other relevant actors for review of the questionnaires, methodology, and data collected.

2. Data collection:

- In the next data collection cycle, EBA could work together with ICO Members to obtain country-level data on regulatory frameworks and the associated costs of compliance. Specifically, ICO Members could connect EBA with national coffee associations and agribusinesses working in the coffee sector in relevant countries to help encourage participation by such actors in the project and improve questionnaire response rates.

- For in-country missions in relevant countries, EBA and ICO Members could work together to engage government officials and local private sector actors to collect data, by holding meetings and larger events to discuss the regulation of the coffee sector.

3. Dissemination

- EBA could co-host events to disseminate EBA reports amongst ICO Members and private sector actors in the coffee sector, to obtain their feedback on the data and prompt discussions regarding the potential for policy and regulatory reforms.

- EBA could explore with the ICO to the possibility of co-publishing a short report in early 2017 using EBA data for the seven coffee-producing countries. This report could highlight the particular challenges faced in the coffee sector and compare regulatory frameworks in a more in depth manner.

The team appreciates your consideration of the above elements and looks forward to continuing the dialogue to establish a framework for future collaboration.

ANNEX 1: EBA 2017 COUNTRIES SURVEYED

Armenia	**Côte d'Ivoire**	Jordan	Morocco	**Romania**	Turkey
Bangladesh	Denmark	Kazakhstan	Mozambique	**Russian Federation**	**Uganda**
Benin	Egypt	**Kenya**	Myanmar	**Rwanda**	Ukraine
Bolivia	**Ethiopia**	Korea	Nepal	Senegal	Uruguay
Bosnia and Herzegovina	Georgia	Kyrgyz Republic	**Netherlands**	Serbia	**Vietnam**
Burkina Faso	**Ghana**	Lao PDR	**Nicaragua**	**Spain**	**Zambia**
Burundi	**Greece**	**Liberia**	Niger	Sri Lanka	**Zimbabwe**
Cambodia	**Guatemala**	**Malawi**	Nigeria	Sudan	
Cameroon	Haiti	Malaysia	**The Philippines**	Tajikistan	
Chile	**India** (Bihar, Maharashtra, Odisha and Uttar Pradesh)	Mali	**Peru**	**Tanzania**	
Colombia	**Italy**	**Mexico**	**Poland**	**Thailand**	

Bold indicates ICO Member countries