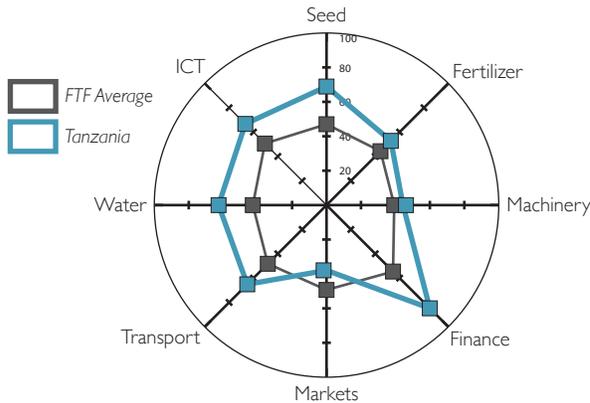




## Feed the Future Enabling Environment for Food Security Project Enabling the Business of Agriculture Data Snapshot: Tanzania

### 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 agricultural reform efforts. As seen in the graphic, Tanzania performs relatively well across all topic areas, with the exception of markets. It is a regional leader in facilitating access to financial services and seed. Overall, Tanzania places an emphasis on consumer protections through quality control measures; however, sub-categories often reveal trade bottlenecks that make imports of agricultural inputs and exports of agricultural products inefficient and expensive. The following sections take a deeper look at selected EBA data relevant to USAID/Tanzania.



## Finance

Tanzania is the sub-Saharan African leader in fostering access to financial services. Scores are high in all sub-categories of branchless banking, including agent banking and e-banking, suggesting a comprehensive legal framework that is tailored to different types of financial services. Its weakest score is in moveable collateral (83/100), which reveals a strong warehouse receipts law but gaps in secured transactions. Although businesses are allowed by law to grant non-possessory security rights for moveable assets, there is not a collateral registry for movable assets or a unified legal framework for secured transactions. Collateral registries should be unified by geography and by asset type with an electronic database indexed by debtor's name. By comparison, Rwanda meets all best practices for secured transactions, including the creation of a collateral registry.

**Score: 85/100**

### Moveable Collateral Index Score Comparison



## Fertilizer

Tanzania has strong fertilizer quality control measures in place, following best practices in package labeling and enforcement, including prohibiting the sale of fertilizer products from opened bags. By contrast, cumbersome regulations constrain the ease by which fertilizer is registered, imported, and distributed in the country. For example, new product registration requires field testing *and* lab testing, raising the total time (578 days) and cost (983% income per capita) to register new products. Subsequently, importer registration is specific to fertilizer products, limited to two years, and requires a per-shipment import permit valid for only one month. Streamlining registration and import requirements will facilitate greater farmer access to these important yield-boosting technologies.

**Score: 53/100**

### Time & Cost to Register



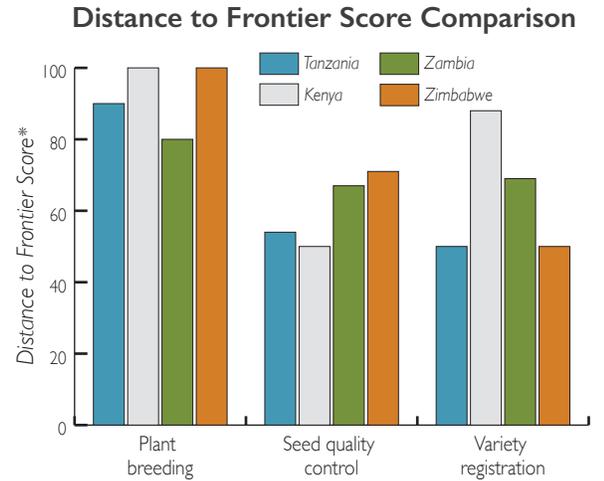
\*The distance to frontier score compares a country's performance to the highest performing country ("frontier"). The higher the score, the more of a top performer the country is in a particular area.



# Seed

Strong plant breeding scores and efficient and affordable seed variety registration process make Tanzania a sub-Saharan African leader in seed policy, falling just behind Zimbabwe and Kenya. Plant breeder's rights are granted and protected for 25 years. Companies access germplasms conserved in public gene banks to produce breeder and foundation seed from local public varieties. Variety registration procedures could earn even higher scores by removing bottlenecks (i.e. accept testing data from other countries' authorities) and allowing newly registered varieties to be commercialized immediately after approval. By contrast, weaknesses in seed quality control highlight the need to expand labeling requirements to include production date, certificate number, and chemical treatment. Establishing and enforcing penalties for mislabeled bags can also improve quality controls and consumer confidence.

**Score: 69/100**



# Markets

Market indicators measure laws and regulations that impact access to agricultural markets for producers and agribusinesses. Tanzania has a strong legal framework for the creation and operation of producer organizations, an important mechanism for farmers' collaboration in achieving economies of scale and meeting market demand. However, restrictive agricultural trade procedures and poor plant protection measures diminish agribusiness competitiveness. Tanzania's onerous regulations governing agricultural trade impose bottlenecks that increase export time and costs, such as such as establishing price regulations in selected products, requiring sale in fixed markets, and submitting four trade documents per shipment. Furthermore, plant protections that offer benefits throughout value chains are currently minimal in Tanzania. Boosting plant protections requires a specific government agency to conduct phytosanitary inspections on plants and maintain a list of regulated quarantine pests.

## Documents, Time, Cost to Export Agricultural Goods

	Documents (number)	Time (days)	Cost (% income per capita)
Tanzania	4	16	4.3%
Kenya	4	4	5.6%
Rwanda	1	1	0%
Zimbabwe	1	N/A	1.2%

**Score: 38/100**

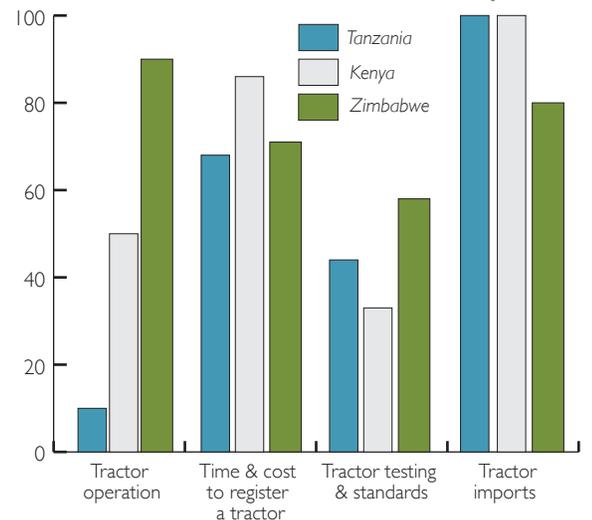


# Machinery

This topic evaluates the regulatory framework for tractors as a proxy for all agricultural machinery. Tanzania poses few regulatory barriers to the private sector's ability to import and sell tractors. Once imported, however, tractors must be registered for all uses, yet the law establishes very few obligations or benefits to registration. For example, in-use tractors are not inspected for road-worthiness and vendors are not required to provide after-market service or ongoing maintenance. Similarly, the law requires importers to obtain type approval confirming tractors have been tested and evaluated for performance, quality, durability, and safety to conform to national standards before they enter the market, but there is little guidance on what would be considered acceptable evidence. Indeed, type approval data does not exist in Tanzania. On the whole, the regulatory framework for machinery registration, standards, and testing is inconsistent and would benefit from improved consumer services.

**Score: 44/100**

## 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).