Feed the Future Enabling Environment for Food Security Project
Policy Data Snapshot: Niger

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, Niger underperforms in most categories with the exception of market access and transport regulation. Common across these areas are weaknesses in establishing registration and licensing procedures such as registration for new seed varieties and fertilizer products, as well as machinery imports and water use permits. Weak quality control measures are also evident. The following sections take a deeper look at selected EBA data relevant to USAID/Niger.

**Finance**

Niger underperforms in providing agribusinesses access to financial services. Despite its well-crafted law regulating e-money activities, Niger has no legal framework regulating agent banking activities, preventing branchless banking agents from providing services such as cash deposits and withdrawals, bill payment, or loan processing. There are, however, sound laws governing microfinance institutions and financial cooperatives that can service less urbanized and rural areas. Niger’s moveable collateral law supports an integrated framework for secured transactions, but does not call for a collateral registry for moveable assets with borrowers’ rights to access their data. Ghana has an effective collateral registry that is unified geographically and by asset type, with an electronic database indexed by debtor’s name. Niger could further improve its moveable collateral score by introducing a law regulating warehouse receipt systems such as in Cote d’Ivoire.

**Fertilizer**

Niger’s legal framework for fertilizer has many gaps that weaken quality controls and diminish consumer confidence. To begin, the law does not require new fertilizer products to be registered. Usually, a qualification for registration is evidence of product lab testing to confirm product efficacy. Niger does not require product testing before entering the market. Furthermore, relaxed labeling guidelines omit important information such as expiration date and safety instructions. The law is also silent on the sale of fertilizer from opened bags, exposing consumers to potential adulteration of fertilizer. Niger could look to Mali’s sound and efficient registration regime or Cote d’Ivoire’s quality control measures to improve its fertilizer system.
Vegetable seeds were used as a proxy for all seed in Niger. Scores reflect a seed system heavily influenced by the public sector. For example, private companies are prohibited from producing breeder seed of local public varieties, but they can and do access germplasm from public research institutions for production and sale of foundation seed. However, there is no law granting and protecting plant breeder’s rights, which limits legal protections on intellectual property rights over plant materials, thereby discouraging private investment and innovation in Niger’s seed systems. Consequently, the country has no practice registering new seed varieties. Seed quality control could also be improved by requiring post-control tests on certified seed, as in Ghana whose national seed authority administers post-control tests on a percentage of certified seed yearly.

Market indicators measure laws and regulations that impact access to agricultural markets for producers and agribusinesses. Niger performs above the Economic Community of West African States (ECOWAS) average in all market indicators with the exception of plant protections. Here, Niger lacks risk-management inspection practices and information dissemination. The law does not designate a government agency to conduct pest risk analysis for imports of plant products; nor does it maintain an accessible list of regulated quarantined pests. Niger performs better in enabling agricultural trade by following five of nine best practices in this area and administering an efficient (1 document) and affordable (2.4% income per capita) export process. Niger has a sound framework to establish producer organizations, though provisions to promote women’s participation could be strengthened.

This topic evaluates the regulatory framework for tractors as a proxy for all agricultural machinery. Niger’s score falls far below the sub-Saharan regional average (42/100). Although Niger excels in tractor import scores, reflecting few regulatory barriers to the private sector’s ability to import and sell tractors, the overall low score reflects an absence of machinery registration requirements and weak safety safeguards. Without legal registration, there are few road, safety, ownership, or tax regulations. Tractor vendors are not required to obtain type approval before they are sold, bypassing consumer protections that ensure tractors are tested and evaluated for performance, quality, durability, and safety. There is also no mandatory requirement for vendors to provide after-market services and spare parts for the ongoing maintenance of these machines. By contrast, Nigeria has a much better legal framework for managing agricultural machinery.

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 Lourdes Martinez Romero (COR) at lmartinezromero@usaid.gov or Nate Kline (Chief of Party) at nkline@fintrac.com.

Data source: World Bank, Enabling the Business of Agriculture 2017