



Regulatory Efficiency Assessments - Agribusiness

Unlocking the potential of agribusiness to boost private sector growth and job creation

WHAT IS A REGULATORY EFFICIENCY ASSESSMENT OF THE AGRIBUSINESS SECTOR?

The Regulatory Efficiency unit (DECRE), part of the Policy Indicators Group (DECIG) at the World Bank, supports the development of a dynamic and resilient private sector through production of regulatory assessments.

Regulatory Efficiency assessments of the agricultural sector examine the procedures and practical challenges faced by agribusinesses across value chains.

These assessments provide targeted recommendations to improve the regulatory process and the business environment, helping countries optimize their natural endowments and sector-specific potential.

WHY ASSESS REGULATIONS IN THE AGRIBUSINESS SECTOR?

Agribusiness is a major driver of economic growth and job creation, particularly in low- and middle-income countries. Its performance critically depends on the quality and efficiency of the regulatory environment in which firms operate.

- **Jobs and Inclusive Growth:** The agriculture sector employs a large share of the workforce in developing countries, with significant participation by women, youth, and smallholder

farmers. Reducing the time and cost of regulatory compliance directly lowers barriers for small and medium enterprises (SMEs) to enter and grow in agrifood value chains.

- **Complex and Fragmented Regulatory Frameworks:** Often agribusiness firms must navigate overlapping mandates across multiple agencies — for seed certification, fertilizer registration, and land and water access. This fragmentation creates duplication, delays, and high transaction costs that discourage new entrants and private investment.
- **Implementation Challenges:** In most cases, implementation of laws and regulations differs significantly from what is stated on the books. Unpredictable inspections, opaque fee structures, and inconsistent procedures create uncertainty, particularly for smaller formal firms and agribusinesses seeking to meet international market standards.
- **Attracting Private Investment:** A predictable, transparent, and efficient regulatory environment is essential for mobilizing domestic and foreign investment. Regulatory efficiency assessments provide governments with the evidence needed to design targeted reforms, while signaling confidence to private investors to commit capital.

WHAT DO AGRI ASSESSMENTS MEASURE?

The standard assessment applies a methodology adapted from the World Bank's Business Ready (B-READY) framework, structured around three pillars that capture both the regulatory framework and the practical experience of firms:

Pillar I — Regulatory Framework: This pillar examines the legal and institutional framework governing agribusiness activities, including the clarity and coherence of laws, required licenses and permits, mandated timelines and fees, and alignment with international best practices.

Pillar II — Public Services and Transparency: This pillar assesses how public services function in practice — including the quality, accessibility, and digitalization of administrative processes such as seed variety registration and fertilizer testing and approval. It evaluates the extent to which procedures are transparent, standardized, and supported by digital tools such as e-registries, online portals, and electronic certificates.

Pillar III — Operational Efficiency: This pillar maps the end-to-end process that agribusiness operators experience in practice, including the number of steps required, the time and cost involved, the agencies and officials that are engaged, and the points where duplication and discretion create bottlenecks. It documents differences between regulatory requirements as defined in laws and how processes are implemented in practice.

Data Collection: Evidence is gathered through structured expert surveys with public- and private-sector stakeholders, complemented by desk research on legal and regulatory frameworks and validated through follow-up consultations and workshops.

The methodology and parameters can be adopted to the country-specific context to provide relevant, actionable data and recommendations to support targeted reforms.

VALUE CHAIN FOCUS AREAS

The assessment can be applied across multiple segments of the agrifood value chain, focusing on areas where governments have the most direct influence on agribusiness outcomes:

- **Seeds:** Varietal release procedures, registration requirements, and certification systems that determine farmers' access to improved, climate-resilient varieties.
- **Fertilizers:** Import licensing, testing protocols, and distribution regulations that affect input quality, availability, and cost.
- **Water:** Irrigation permitting and water access regulations that influence farm-level productivity.
- **Land:** Tenure security frameworks and land-use regulations that shape access to land and investment decision.

Specific Value Chains - Upon request and subject to country priorities, the assessment can be extended to provide deep-dive diagnostics of specific agricultural commodities, covering the full value chain from input supply to aggregation and processing.

WHAT IS THE OUTPUT?

- ✓ **Micro-level, comparable data** on regulatory procedures across agribusiness value chains, measurable over time to track reform progress
- ✓ **Sectoral profiles** with process maps identifying bottlenecks and providing actionable reform recommendations for governments
- ✓ **In-depth analysis** of administrative constraints at both national and local levels
- ✓ **Identification of good practices** that can be replicated to improve the business environment
- ✓ **Enhanced visibility with donors and investors** by demonstrating commitment to regulatory improvement
- ✓ **Peer-to-peer learning** through cross-country comparisons and knowledge exchange

COLLABORATION WITH DEVELOPMENT PARTNERS

Assessments by the Regulatory Efficiency unit are designed to meet the needs of client governments, with funding provided both by the governments and through strategic partnerships with key development agencies. These partnerships have been instrumental in supporting regulatory assessments at the subnational level around the world, including in Kenya, Mozambique, Nigeria, South Africa, Afghanistan, Kazakhstan, Brazil, Colombia, Mexico, Peru, and several Member States across the European Union.

With the support of our development partners, sectoral assessments have driven tangible outcomes for client countries such as:

- ✓ Streamlined regulatory processes.
- ✓ Cost savings for entrepreneurs.
- ✓ Strengthened private sector development agendas.
- ✓ Effective delivery of technical assistance and lending operations to improve investment climate.
- ✓ Enhanced policy dialogue and greater engagement between national and local governments.

CONNECT WITH US

For more information on the Regulatory Efficiency assessments in the agribusiness sector and collaboration opportunities, please contact:

Valentina Saltane, Manager, DECRE – vsaltane@worldbank.org
Lilla Fordos, Supervisor, DECRE – lfordos@worldbank.org
Razvan Antonescu, Supervisor, DECRE - rantonescu@worldbank.org

Further details are available on our website: www.worldbank.org/regulatoryefficiency

