

# ASFG

## African Smallholder Farmers Group

International NGOs working together with Africa's smallholder farmers  
[www.asfg.org.uk](http://www.asfg.org.uk)

### **ADVOCACY BRIEFING: ENABLING THE BUSINESS OF SUSTAINABLE SMALLHOLDER FARMING: OUR RESPONSE TO THE WORLD BANK EBA PROGRESS REPORT**

Compiled by the ASFG Farmers as Entrepreneurs Working Group

London, April 2015

#### **Key points**

- i. **The Enabling the Business of Agriculture (EBA) needs a clear theory of change that captures how regulatory and policy reforms, across all the thematic areas, will benefit smallholder farmers.**
- ii. **To benefit smallholder producers, EBA data and analysis need to go beyond the existing focus on regulation to look at policy content and implementation.**
- iii. **The methodology and methods used to collect data for the EBA need to capture the priorities and perspectives of smallholders.**
- iv. **To address the constraints faced by smallholder farmers, gender and environmental sustainability need to be mainstreamed throughout the EBA.**
- v. **Consultation and communication around the EBA need to improve to ensure a broader range of stakeholders are fully engaged with the process.**

#### **Introduction**

1. The African Smallholder Farmers Group (ASFG) believes that the EBA initiative could play a significant role in influencing government policies and regulations on agriculture and related investments. This could have a positive impact on market-oriented smallholders' efforts to turn their farming into a sustainable business but **only if** the EBA addresses the specific production, environmental, socio-cultural and marketing constraints experienced by both women and men smallholder farmers.

2. This updated advocacy briefing outlines our assessment of the first EBA progress report. Our previous advocacy briefing, focused on the need for the EBA to address on-

farm constraints for smallholders, recognise the importance of collective action and promote sustainability. We will continue to promote those issues in our discussions with the World Bank and project donors.

## **Enabling the Business of Agriculture progress report – our response**

### ***i. The EBA needs a clear theory of change that captures how policy and regulatory reforms, across all the thematic areas, will benefit smallholder farmers.***

3. We value the report's focus on 'inclusive participation' and smallholder farmers. However, the EBA has yet to articulate how the changes it promotes will benefit smallholder farmers.

4. Smallholders are the primary food producers but they are also the most vulnerable actors in food systems and value chains. They are the most risk averse, have the least land tenure security and are most in need of advisory and support services. The report focuses on regulation but is not clear on how easing regulations will help smallholders, who are in a weak position to take advantage of improvements to regulations unless they are given other forms of support. For example, speeding up individual land titling will only help producers if they also have access to legal recourse when their land rights are threatened. There is no measurement of the state's capacity to reach farmers who need to register their land yet in rural areas, distance and poor infrastructure present a huge challenge to farmers who wish to register their land. Similarly seed companies' ability to trade across borders and register their varieties faster does not help producers afford those seeds or access seeds that are appropriate to their farming systems and agro-ecological conditions.

### ***ii. To benefit smallholder producers, EBA data and analysis need to go beyond the existing focus on regulation to look at policy content and implementation.***

5. We understand that the EBA is a challenging undertaking and that it may be more difficult to measure the content or existence of a specific policy, than, for example, the time and number of transactions needed to comply with a particular regulation. However, the value of the EBA overall and to smallholder farmers in particular will be limited if it only focuses on collecting data on regulations, and does not also collect data on policies, their implementation and impact as illustrated by the case of land explained above. Similarly, measuring the presence of legislation on cooperative enterprise does not capture actual support for producer organisations. Looking at seed regulation alone does not account for the fact that competition law and policy have a huge impact on seed prices and market concentration.

6. It is therefore important to capture the reality of how policies are ***implemented in practice***. This requires data on the implementation and impact of laws and policies, not just their existence and much greater attention to context. The recent World Bank

evaluation of DBI has shown that without this contextual analysis, it is not a very useful tool.

7. For example, the progress report uses the example of seed regulation in Peru. It is true that regulatory reform resulted in a big increase in the numbers of seed companies. However, a report produced by IDRC in 2012<sup>1</sup> indicates that 99 per cent of farmers in Peru do not use certified seed for key food crops. One of the positive aspects of the new regulation is that it recognises traditional seed systems and legalises other cooperative and participatory systems that supply quality seeds to farmers. This is hugely important in Peru which has fragile eco-systems, is vulnerable to climate change and holds a wealth of important genetic material. However, the research shows that although these systems can exist legally, there has been little public or private investment in them, undermining the use and conservation of locally important seeds.

8. Such information on the *realities* affecting the implementation of laws and policies could be captured in the **Deep Dives**, and we would like to see them revived.

9. The ASFG has developed its own framework which sets out the key areas where decision-makers need the deeper analysis which the Deep Dives could provide.

***iii. The methodology and methods used to collect data for the EBA need to capture the priorities and perspectives of smallholders.***

10. EBA questionnaires are populated with a set of data points on time, distance, number of transactions and other measurable indicators of particular 'best' practice regulations or policy measures. However, the choice of what to measure and compare has not been made transparent. Unless the data points capture information that is relevant to smallholder farmers and their commercial organisations, the regulations and policies benchmarked by the EBA will not really matter to them, and may even prevent their active participation in markets. Ensuring that all relevant stakeholders can shape the data points/indicators will require new, more participatory methods of consultation and analysis, which reach out beyond academic and legal experts.

11. Data collection is an innovative area that is evolving rapidly. Cost-effective methods for gathering perspectives from many disparate actors are increasingly available. We recommend that EBA prioritises a partnership with a leading player in this field to find ways of achieving inclusive data collection.

***iv. To address the constraints faced by smallholder farmers, gender and environmental sustainability need to be integrated into all thematic areas of the EBA.***

12. The World Bank has stated that during 2015, it plans to expand the list of indicator topics to include issues related to, amongst others, environmental sustainability and

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<sup>1</sup> Peru seed systems IDRC Report 2012

gender. Despite the fundamental impact of both these cross-cutting issues on all aspects of agricultural markets and agri-business, they receive scant coverage in the progress report, apart from an acknowledgement that women, who make up the majority of smallholder farmers, are vital to agricultural systems, and that agriculture is highly vulnerable to climate change.

13. The EBA cannot address the deep-seated social and cultural gender norms that underpin the constraints faced by female farmers and entrepreneurs, but it can 'benchmark' public policies and regulations that aim to give women in general, and women farmers and agri-business entrepreneurs in particular, equal voice, legal status, support and rights to men, and also address their practical gender needs. Specific measures, such as simplified rules for business registration, extension services that are gender sensitive, land tenure and inheritance rights, and household and transport infrastructure that address women's security concerns and ease their household labour burden, have all been shown to improve the participation of women smallholders in markets.

14. Natural resource degradation and climate change are major threats to future agriculture and food systems, and are already impacting on all agricultural value chain participants, including smallholder farmers. Most of the topic areas selected by the EBA will need to benchmark regulations and policies that promote environmental sustainability. In the topic on improving fertiliser supply, for example, the EBA should use evidence of the environmental and soil fertility benefits of organic fertilisers to benchmark regulations and policies that facilitate the development of organic fertiliser markets, either through easing regulations, providing incentives, or removing disincentives such as synthetic fertiliser subsidies. In the topic on improving seed systems, the EBA should analyse evidence showing that informal seed systems, where farmers save, exchange, use and breed seeds, are the basis of genetic diversity, are vital for the development of improved seeds, by public and private breeders, that are resilient to the impacts of climate change. It should benchmark and collect data on the safeguard clauses in existing Plant Variety Protection and seed registration laws that safeguard the rights of informal seed breeders and farmers who exchange farm-saved seeds.

***v. Consultation and communication around the EBA need to improve to ensure a broader range of stakeholders are fully engaged with the process.***

15. The World Bank should improve the way in which it develops the 'best' practices the EBA is piloting. The EBA team needs to consult with a far wider group of stakeholders, including smallholder farmers and small agri-businesses, who can directly articulate their experiences and needs, to arrive at the selection of regulations, laws or policies to benchmark, and the indicators to measure through data collection and comparison.

16. To test the indicators during the pilot phase, the team should reach out beyond academic, government, and legal experts, to consult directly with market actors,

including smallholder farmers. This will contribute to a deeper analysis of the specific context in each country and to reformulating the benchmarks and indicators. Relying on the website and electronic communications alone will severely limit the reach of the project; instead a pro-active stakeholder engagement plan is required.