



Global Donor Platform  
for Rural Development

## Draft Concept Note

### Trade for Agriculture and Rural Development

#### Introduction

Until recently, trade and Agriculture and Rural Development (ARD) were two worlds apart. With a switch from aid dependency to independent trade for development, a common understanding of the changing roles of institutions and actors in donor countries, developing countries and regional/international institutions is needed.

The Platform's trade for ARD work stream kicked off in April 2015, when the Platform drafted a discussion note on "Trade and ARD" which continues to serve as a collection of possible issues to be tackled by the trade working group. Soon afterwards, by invitation of MFA The Netherlands, the Platform held informal consultations to discuss new directions in donor support and policy coherence in trade for ARD. It emerged that what is most needed is for donors to enhance the positive synergies across policies to support development; pursue win-win situations and mutual benefits as well as increase governments' capacities to balance divergent policy objectives; help countries reconcile their domestic policy objectives with broader international or global objectives and avoid or minimize the negative side effects and impacts of policies on development.

*In April 2015, FAO, MFA Netherlands, WTO, DFAT Australia, DFATD Canada, USAID, ECDPM, ICTSD and the Platform secretariat drafted a discussion note: ["Trade for Agricultural development and food security."](#) This paper is a collection of issues for the Trade for ARD work stream to possibly consider.*

In January 2016, the Platform's flagship event, the Annual General Assembly, took on the issue of Trade and agriculture. The following three objectives framed the debate, and will equally frame the work plan for the 'trade for ARD' work in 2016:

1. Identify potentials and limitations in policy coherence between the national/ regional/ global trade regimes and rural development priorities – how can the two communities grow closer together for food security, sustainable and inclusive economic growth and job creation in the rural space?
2. Critically review trade-related instruments, programmes and policies for their potential to develop sustainable food systems/improved agriculture and to foster inclusive rural development



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3. In order to make policy coherence between trade and ARD work for agriculture and the rural space, explore what priority support by ARD-related instruments, programmes and policies is already provided or should be offered by the donor community, international organisations and the private sector to enhance trade for food security, agricultural and rural development (ARD).

## **Background**

Agricultural trade is a key economic factor that can both underlie inclusive growth in rural areas and ensure global food security. It will therefore be a key driver to achieve the Sustainable Development Goals (SDGs). The outcomes of the UN process “Financing for Development (Quadruple A)” encourage all UN member states to focus on facilitated trade and market access for development. In reaction to the potential of trade for development and the opportunities offered by the national, regional and global trade regimes, a number of donor agencies have chosen enhanced trade as a priority for supporting economic growth, job creation and sustainable livelihoods, including food and nutrition security.

The trade community is increasingly aware that agricultural trade might have the most direct impact on poverty reduction and food security, the two priorities of the international community in support of agriculture and rural development. While the Global Donor Platform is supporting significant increases in investments into the rural space, the debate on coherent ARD and trade policies, enhanced governance structures and the use of the full potential of trade-related instruments in support of ARD has experienced profound difficulties in communication and setting joint targets. For instance, the global trade regime, as well as the many bilateral and regional trade agreements and ongoing negotiations, are not yet sufficiently focused on the broad development agenda of the SDGs.

The opportunities offered by the national, regional and global trade regimes convinced a number of donor agencies to enhance trade as a priority policy to support economic growth, job creation and sustainable livelihoods. This shift in development support is timely to expand the debate on: how to better align the trade with the agriculture and rural development policies; the related appropriate government structures; and the use of the full potential of trade-related instruments in support of Agenda 2030.

### ***Recent trade for ARD***

#### ***Platform events***

- [\*Trade for ARD informal consultations at MFA NL\*](#)  
*(May 2015)*
- [\*WTO's 5th Global Review of Aid for Trade\*](#)  
*(July 2015)*
- [\*CFS 42\*](#) *(October 2015)*
- [\*Platform Annual General Assembly\*](#)  
*(Geneva)(January 2016)*



## **Purpose**

The work of the Platform 'Trade for ARD' group will have a broad participation consisting of farmers' associations, the private sector and governments at all levels. The impacts of enhanced agricultural trade on small-scale farmers and small and medium sized enterprises (SME) will specifically be considered.

In line with the Annual General Assembly of January 2016, the work stream will address as its core objectives:

### **1. Policy coherence – Mutually supportive actions in trade and agriculture**

Promote the potentials of policy coherence at national, regional and global levels by increasing the shared understanding of issues, options and opportunities , therefore also driving the trade and ARD communities to grow closer together and ultimately improve policy coherence for development.

### **2. Trade instruments - Institutional and legal opportunities**

Explore how the trade and ARD communities can jointly use the existing opportunities that have been developed to enhance positive impacts of trade on Agriculture and Rural Development. Such opportunities include the Aid for Trade initiative, Enhanced Integrated Framework, Trade facilitation agreements (including on Sanitary and Phyto-sanitary measures and Technical Barriers to Trade) and others.

### **3. Market place – initiatives at the interface of ARD and trade**

Offer operational examples of initiatives that CSO, the private sector, the donor and international community have to offer to effectively create synergies between ARD and trade. Engaging existing initiatives, particularly those with multiple stakeholders and local ownership, can allow for the identification of priority support areas and potential to upscale.