



Global Donor Platform
for Rural Development

Trade for ARD Work stream
2nd Physical meeting at FAO Rome

Thursday, 16 June 2016

Minutes

Participants

Platform members and partners:

Anouk Baron, MFA NL
Christine Wieck, GIZ
Eleonora Canigiani, FAO
Jamie Morrison, FAO
Melvin Spreij, WTO
Simon Hess, WTO
Francesco Rampa, ECDPM
Jonathan Hepburn, ICTSD
Hernan Manson, ITC
Christian Mersmann, Platform secretariat

Welcome and adoption of agenda

This meeting of the Platform's work stream "Trade and Agriculture and Rural development (ARD)" was hosted by FAO (Eleonora Canigiani and Jamie Morrison) at FAO HQ in Rome which is very much appreciated.

This was the 2nd physical meeting of the work stream. The meetings' objectives were to follow up on the Annual General Assembly of the Platform (AGA) in terms of discussing and agreeing to the proposed work plan 2016 and have a first substantive discussion on policy coherence of trade and agriculture and opportunities of the trade regimes for ARD.

After welcoming the participants, Christian Mersmann, Platform Secretariat, took note of the changes in the draft agenda – revised final version attached to the minutes.

Session 1: Policy Coherence for Development
priority issues around trade and ARD:
examples from Tanzania and options for donors and the Global Donor Platform

Francesco Rampa, ECDPM

ECDPM's experience on working on policy coherence for development (PCD) in the context of rural development and agricultural trade, is that problems and degree of (in)coherence depend strongly on the specific national context and the individual sectors. No generalization is really possible.

Therefore we suggest donors to think in terms of a more positive Coherence Agenda, maybe better called it "policy convergence" than policy coherence. This is also the spirit (not the wording) of the SDGs/2030 Agenda (i.e. Policy and Institutional Coherence – SDG 17, targets 17.13 – 15).

1/6, 16 June 2016



The origin of PCD debate is very much vested in the donor community (e.g. OECD/DAC) and therefore it was always restricted to a 'do no harm' discussion, i.e. ensuring that certain OECD policies such as the EU CAP would not contradict the development policies and interventions by OECD. It is rather more useful to use PCD as the possibility of using synergistically all policies of OECD (trade and development cooperation) to coherently support rural development in developing countries as well as better coordinate all such policies with the policies of national (eg African) governments.

ECDPM is trying to fill the knowledge gap on PCD by testing a participatory methodology to assess PC for food security in individual African countries. The key results of the first exercise in Tanzania - to be found [here](#) - were presented: e.g.

- (i) OECD countries' sugar and dairy sector policies have depressed international prices leading to suffering for the Tanzania industry (due to cheaper imports);
- (ii) (ii) OECD countries' biofuel policies had mixed effects (including some positive e.g. bringing investments in biofuel production in Tanzania);
- (iii) (iii) in the horticultural sector, OECD product market regulations and private standards act as non-tariff barriers that make it difficult for many Tanzanian producers, especially smallholder farmers to access OECD markets (with declining exports from Tanzania).

Opportunities to improve coherence between trade and rural development policies at global, regional and national level include:

- (i) structured dialogue between the CFS and the WTO on PC(S)D, to gradually build stronger synergies between the respective processes and regulations;
- (ii) (ii) support by DPs for the capacity of farmers to monitor PCD themselves (in Tanzania e.g.);
- (iii) (iii) the adoption of Compacts like for Regional CAADP in Africa RECs as the framework for stronger and operational synergies between trade and ARD policies, as well as better donor-coordination and alignment therein (start with few priority regional value chains if you want to be concrete);
- (iv) (iv) support a knowledge agenda on informal trade and formalization of value chains, since more trade requires formalization, and trade agreements are important part of the enabling environment but more for large companies/traders using borders, while smallholders/informal traders do not use border posts (they go around them!) so don't care about trade agreements (and will unlikely benefit from trade facilitation/border improvements).

Specifically, the GDPRD could facilitate:

- (i) Mapping what each member does on the synergies of trade-ARD;
- (ii) use one REC and two countries to boost such synergies via the Regional and National CAADP Plans (under revision now) and connecting it to EIF, TMEA and other trade facilitation/financial instruments;
- (iii) select a sub-topic of the trade-ARD nexus and discuss in more detail among members what can be done for better synergies/alignment, e.g. SPS support (given a lot already done under EIF there)
- (iv) Feed all of the above into the CAADP DPCG processes.



Session 2: Institutional challenges in the cooperation on trade and ARD – examples from Mozambique and options for donors and GDPRD

Eleonora Canigiani, FAO, and Simon Hess, WTO

The presentation underlined that trade-related priorities in agriculture continue to be identified by different processes than the identification of ARD priorities. Different perceptions of those often diverging priorities, fragmented or inefficient allocation of resources mirror the lack of sufficient capacity to coordinate agricultural trade and ARD. Deadlocks in international trade negotiations of agricultural produce are based on the same policy issues as in regional trade negotiations.

Bridging the gap would mean to:

- (i) Increase dialogue and cooperation between trade and ARD community, including capacity building
- (ii) joint projects in terms of connecting Diagnostic Trade Integration Studies (DTIS) and National Agriculture Investment Plans (NAIP) as under CAADP and
- (iii) link directly to Enhanced Integrated Frameworks (EIF).

The interesting lessons from Mozambique with regard to institutional challenges and governance are outlined in the attached presentation.

Options for the way forward include:

- (i) Bringing together ARD and trade departments of donor agencies to discuss linkages, coordination and joint support to development partners
- (ii) Induce closer coordination of donors at country level to improve the use of trade instruments and establish better governance structure with regard to linking ARD and trade (2 – 3 countries)
- (iii) Analyse trends in trade and ARD programming and establish a toolkit for inclusion of trade issues into ARD programming
- (iv) Establish the envisaged “market place” of successful actions, initiatives, publications etc.

Session 3: What can donors do to ensure that African integration supports rural development?

Jonathan Hepburn, ICTSD

The presentation gave an excellent overview of what African countries are currently doing to promote closer economic integration being excluded from major regional free trade agreements (FTA). The “Continental Free Trade Area” (CFTA) is underway while the Economic Partnership Agreements between ACP countries and the EU (EPAs) are concluded without integrating trade in agricultural produce. Building on the Regional Economic Communities (REC) and tripartite FTAs of the continent, the harmonization of the degree of integration across the RECs still needs to be addressed. The CFTA is to be concluded by 2017 – see UNECA option paper [here](#).

The inclusion of agriculture and rural development in CFTA modalities and agreements need to be seen in the context of the evolving global markets for food, market volatility (climate impacts etc.) and the



increasing imports of agricultural produce into Africa. The short analysis of intra-regional trade in agricultural produce can be taken from the attached presentation.

Donor agencies could step up their support in terms of:

- (i) Assist in improving the functioning of domestic and regional markets as well as access to global markets
- (ii) Trade facilitation in close cooperation with WTO provisions like Trade Mark East Africa (NL-cooperation)
- (iii) Support to governments to identify and address areas of policy coherence (reduce taxes on food grains, increase supply using food grain stocks, reduce export restrictions, price control/consumer subsidies etc.)
- (iv) Initiate dialogue between developing partners and emerging economies/emerging donors
- (v) Shift food aid from in-kind to cash-based assistance to minimize disruption of local markets etc.

In conclusion:

- (i) African economic integration will need to address new trends in global markets
- (ii) Rising food demand from urban areas and climate-induced volatility are likely to affect rural development in years ahead
- (iii) Donors can usefully focus on areas of market failures and the under-provision of public goods

Discussion on work stream Trade for ARD of the Platform

In general, the Global Donor Platform for Rural Development (GDPRD) is working on donor coordination and increased investments into ARD by national governments, regional and international finance institutions and bilateral donors. Networking, outreach and knowledge creation/exchange are the functions of the Platform. All basic structural issues can be taken from the new Strategic Plan 2016 – 2020 to be found [here](#)

All relevant documents on the work stream Trade for ARD can be found [here](#) on the Platform website. The working group discussion note underpinning the establishment of the work stream Trade for ARD can be found [here](#).

Interesting material on the Platform's Annual General Assembly 2016 in Geneva entitled **Agricultural Trade and Rural Development: Duet or solo playing?** can be found [here](#).

In case there are more basic questions and need to discuss the questions put forward, the working group could organise a tele-conference to clarify the way ahead and to exchange views on the directions of the basic documents, including the work plan 2016 of the group.

Many Platform members are also engaged in CAADP and in the Development Partners Coordination Group (DPCG) – formerly Task Team (DPTT). The Platform secretariat is working close with the DPCG and its secretariat. Linking the work of the working group Trade for ARD is already a request by DPCG. Details need to be discussed.



The Platform initiative on Inclusive Agribusiness is being consolidated with a webinar on the process and its achievements so far are being organised Tuesday, 5 July – all members of the working group Trade for ARD were invited. The Platform secretariat will evaluate the results of the webinar and make a proposal how to establish an effective interface between the two working groups.

Resourcing the work plan is normally achieved through the regular contributions of the membership and makes available 50 – 80.000 Euro annually per work stream as well as supplementary funding by interested members for specific activities. The services of the secretariat are additional to these contributions.

Action Points

The meeting discussed the work plan 2016 of the work stream and made a number of suggestions. The work plan will be adjusted accordingly.

As an immediate measure, the meeting agreed on a number of action points to be carried out as soon as possible:

- (i) List of most controversial policy priorities of ARD and trade and analysis – source FAO SOKO and ECDPM Tanzania study (Anouk Baron, NL MFA/Francesco Rampa, ECDPM supported by Eleonora Canigiani, FAO)
- (ii) infoNote on donor engagement and institutional setting in view of better coordination of ARD and trade is organised on AG and trade – how do donors work and where and on what do donors work? Secretariat
- (iii) Inventory of knowledge gaps – all members
- (iv) Sharing studies, policy papers, approaches and best practices – all members
- (v) Work on web appearance according to structure of the work plan (i) policy coherence/convergence, (ii) opportunities of the trade regime for ARD and (iii) market place of successful initiatives, programmes, instruments etc.. All members and secretariat
- (vi) Country or countries – work at national level? Engagement of the Platform members and the role of the Platform as a network



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| AGENDA 2nd physical meeting of the GDPRD "Trade for ARD" work stream | | |
|--|---|---|
| 16 June 2016, India room A327 FAO | | |
| 9:00 - 10:00 | - Briefing of new comers on the process | Christian Mersmann (Secretariat) |
| 10:00 - 10:15 | - Welcome and adoption of the agenda | Christian Mersmann Secretariat |
| 10:15 - 11:15 | - Policy coherence for development - priority issues around trade and ARD: examples from Tanzania and options for donors and the Global Donor Platform | Francesco Rampa (ECDPM) |
| 11:15 – 12:00 | - Institutional challenges in the cooperation on trade and ARD - examples from Mozambique and options for donors and the global Donor Platform | Eleonora Canigiani (FAO) and Simon Hess (EIF/WTO) |
| 12:00 - 14 :00 | Lunch | Lunch |
| 14:00 - 15:00 | - What can donors do to ensure that African integration supports rural development? | Jonathan Hepburn (ICTSD) |
| 15:00 - 16:00 | - discussion on work stream "trade and ARD" | Christian Mersmann Secretariat |