TRADE-RELATED CAPACITY DEVELOPMENT FOR FOOD SECURITY AND NUTRITION

Speaker

Georgios Mermigkas
_Economist at the Trade and Markets Division (EST) of Food and Agriculture Organization (FAO)_

Georgios joined the FAO Trade and Markets Division in May 2016 as a member of the trade team, dealing with issues related to trade and food security and trade agreements. He previously worked for the FAO Geneva Office as a trade and food security officer. He has also served the Greek administration both in Athens, working for the Ministry of Rural Development and Food, and in Geneva, working for the Greek Permanent Mission. Additionally, he has supported the Cyprus Presidency of the EU as a trade officer at the Permanent Mission of Cyprus in Geneva. He is involved in the implementation of FAO capacity development activities in Africa, focusing on efforts to align policy making processes related to trade and agriculture.

Ishrat Kaur Gadhok
_Trade Policy Consultant, Trade and Markets Division (EST) of Food and Agriculture Organization (FAO)_

Ishrat has been a member of the Trade Policy team at FAO for four years, where she supports both regional and country-level analytical and capacity development activities on trade and food security, value chain development and employment. Prior to joining FAO, she worked as a management consultant at KPMG in the Strategy and Operations practice, where she worked with both private and public sector clients to address issues of industrial performance, competitiveness, and development of small and medium enterprises. She has also worked as an economist in the research and analysis directorate of Canada’s Ministry of Agriculture.
Presentation highlights

In this webinar our presenters provided insights into FAO’s Multipartner Programme Support Mechanism (FMM) project on Trade-related capacity development for food security and nutrition, the objective of which was to improve food security in Eastern and Southern Africa (ESA).

Georgios Mermigkas began the presentation by outlining the context and objectives of the project before both presenters summarized the project outputs. Ishrat Gadhok then discussed lessons learned from the project and Georgios concluded the presentation with a discussion of future directions and FAO’s ongoing work on trade, food security and nutrition, particularly in Africa.

Project context

Given that agriculture accounts for 27% of GDP and 60% of employment in African LDCs, improving agricultural productivity is a key component of economic growth. Increasing agricultural productivity depends on improvements in productive capacity – typically supported through agricultural policy instruments – and efficient market access - affected by trade policy instruments). As such, countries need to ensure that agriculture and trade policies are mutually reinforcing the effective use of scarce public resources. However, in reality there are many cases of policy incoherence, e.g. an agriculture policy that provides market price support –with the objective of obtaining a higher market price for producers - alongside trade policy that restricts exports -with the objective of reducing prices).

In 2015, a regional workshop was held in Harare, Zimbabwe with trade and agriculture policy officers from various Eastern and South African (ESA) countries as well as FAO country offices to discuss policy incoherence between trade and agriculture. The workshop revealed a strong interest from countries in this topic as well as a clear focus on policy-making processes. Several countries requested a stronger role for FAO to implement projects at the national level focusing on harmonization and alignment of agriculture and trade policymaking processes.

Project overview

The intended impact of the project was to facilitate more inclusive and efficient agricultural development and food systems that enhance the level and value of intra-regional trade. This included both a regional and national component. At the regional level, the intended outcome was improved capacities of policymakers in ESA countries to design and implement evidence-based agriculture and trade policies. To achieve this, FAO implemented e-learning courses on agricultural trade in ESA and established a regional network of trade policy experts. The intended outcome of the national component was enhanced cross-sectoral coordination in the design and implementation of agricultural trade policies, strategies and agreements. To this end, FAO conducted diagnostic assessment of policy coherence and developed jointly prioritized projects and programmes. The national component focused on three priority countries: Mozambique, Tanzania and Zambia.
Project outputs – regional

FAO delivered global but regionally tailored e-learning courses on:

1. Trade, food security and nutrition; and
2. Agriculture in international trade agreements.

The facilitated courses were designed to increase the capacities of policy makers in ESA. A key focus of the first course was to ensure that the expansion of trade works for and not against the eradication of hunger and food insecurity. The second course focused on the global rules that govern international trade because these rules define the space within which agriculture and trade policies are developed at the national level. The courses were developed and delivered in partnership with the Trade Policy Training Centre in Africa (TRAPCA) and the United Nations Institute for Training and Research (UNITAR). Initially engaging 60–70 participants, the courses were shown in an impact study to have been highly successful and their delivery has since been expanded into Central and West Africa.

A second project output at the regional level was the creation of an agricultural trade policy practitioners network (ATPPN). The objective of this network is to facilitate cross-sectoral and cross-country collaboration on emerging policy issues. Participants include representatives of ministries of agriculture, trade, finance, planning and others, and most English-speaking countries in Africa are represented. Three network meetings have been held to date and network members will contribute directly to project outputs on an ongoing basis. The FAO’s regional office will lead this effort into the future with technical support from FAO headquarters.

Project outputs – national

In each of the focus countries for the national component – Mozambique, Tanzania and Zambia – a consultative process and country teams were established. The first goal of this effort was to assess the gaps and synergies between agricultural and trade policies in the countries and to examine the policy making processes. To this end, a desk review of reference policy documents in agriculture and trade was conducted and bilateral consultations were held with ministries and other stakeholders to document and draw lessons from existing or past cross-sectoral institutional mechanisms.

Two types of findings emerged across the three countries. These related to:

1. Agriculture and trade policy agendas, i.e. what is the institutional architecture in place for agriculture and trade policy?
2. Institutional mechanisms, i.e. how are the policies being formulated?

Key findings relating to agriculture policy were:

• The Comprehensive Africa Agriculture Development Programme (CAADP) is a central feature of agriculture policy making in the three focus countries.
• Pillar II of CAADP and National Agriculture Investment Plans (NAIPs) serve as an entry point for agricultural trade issues; however, these only identify priority commodities, not specific interventions.

Key findings relating to trade policy were:

• There is no pan-African policy framework equivalent to CAADP in trade; thus, trade policy making tends to be a bit more fragmented.
• Diagnostic Trade Integration Studies (DTIS) – supported through the Enhanced Integrated Framework (EIF) – are one common mechanism across all LDCs but not a central feature of trade policy making.
• DTIS articulate agricultural trade-related constraints in more depth but focus commodities do not align with NAIPs.

In relation to processes underlying policy formulation and implementation, key findings were:

• Although the structure for cross-sectoral coordination exists in the form of dedicated committees constituted in each of the countries during the policy process, making these operational, effective and sustainable remains challenging. In the committees, there is sometimes limited engagement of technical officials from the various ministries. The committees also have limited links with national budgeting and programme implementation.
• Agricultural budgets are not aligned with NAIPs expenditure frameworks; trade budgets are generally smaller and do reflect DTIS priorities.

Taking these findings into consideration, the FAO project tried to identify common priorities between agriculture and trade in order to be able to support the design of projects in each of the focus countries:

• In Mozambique, the focus was on market information systems and agricultural data.
• In Zambia, there were three focus areas: data and market information systems; developing productive alliances in selected value chains; and enhancing small-scale trade facilitation.
• In Tanzania, the focus was on the policy process itself.

Lessons learned

• The following lessons were drawn from both regional and national activities: It is important to make policy priorities in each of the focus countries more concrete. One way to achieve this is to promote more inclusive consultations with local government officials and with the private sector in policy formulation.
• There is a need to better channel the limited resources that exist in the focus countries and this can be achieved through:
  o Strengthening the role and influence of NAIPs and trade policy frameworks (e.g. the African Continental Free Trade Agreement) as references in annual planning and budgeting.
Supporting policy implementation, for instance through maintaining cross-sectoral coordination, including between technical level officials from the formulation through to the development of joint programmes.

- It is important to improve coordination among donors and development partners by focusing on common priorities between agriculture and trade.

Key takeaways from the project are summarized in a joint synthesis report with the European Centre for Development Policy Management (ECDPM):


**Future directions**

The project has shown that there are some common priorities between agriculture and trade and the FAO has developed project proposals in response to each of these:

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<th>Common priority</th>
<th>FAO project proposal</th>
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| Strengthening farm-to-market segment of priority value chains | Establishment of an East Africa Dairy Platform, involving:  
  - Focused support through multi-stakeholder coordination mechanisms  
  - Attracting blended financing through public, private and development partner engagement and resource mobilization |
| Coordinated application of sanitary and phytosanitary (SPS) measures and trade facilitation (TF) instruments | Integrated implementation of SPS and TF measures in Africa through:  
  - South-South exchange  
  - Identification of procedural bottlenecks faced by the private sector in accessing regional markets in Africa  
  - Technical support provided to countries around selected border crossings to apply institutional innovations to SPS and TF |
| Market information systems, data and policy analysis | Expanded offering of capacity development service by:  
  - Developing practical training modules on the development and deployment of market information systems, trade data analysis and policy analysis  
  - Developing a rapid assessment tool to identify capacity gaps of policy makers in different ministries and at different levels  
  - Delivering adapted and targeted trainings |
Q&A highlights

Question from the audience: I am interested in what will follow on from the project learnings and in terms of the longevity of some of the projects you had. For example, I’m thinking of some of the work on the national level that you did in supporting the countries you worked with and supporting the design of projects, implementation, policy assessment, etc. Are you thinking of continuing this sort of work with other countries or following up and seeing how the countries have implemented the learnings from the first assessment?

Answer by Georgios: In terms of the e-learning courses, we are continuing this effort. These courses are global but have been adjusted to ESA, to other regions in Africa, and to the former Soviet countries. In the different regions, the circumstances and needs are also different, so the courses also vary significantly from region to region. With the limited resources that we have, we are trying to continue this effort because we have received extremely positive feedback from participants. We consider that the effort invested in capacity building through this vehicle is effective and that participants can readily apply lessons learned through the courses in their everyday work.

In terms of the national work and whether we will continue exactly that type of work in other countries, what I can say is that we think that we should try and direct our actions in the future towards the three main themes that emerged as lessons from the project (as presented in my last slide on FAO’s future work). So, we will not have the exact some approach in the countries but will stay within the same theme of capacity building and policy coherence between trade and agriculture.

Answer by Ishrat: As development partners, we can focus future effort on policy coherence on more concrete themes. So rather than focusing very broadly on what the issues of policy coherence or incoherence might be, to delve into specific thematic areas such as value addition or value chain development in specific commodities and on SPS and trade facilitation. These are areas where there is a clear need for greater coherence, and we could support that. That is actually what we are trying to do through the future work. In terms of e-learnings and the longevity of that, this is a very low-cost approach to training that is hopefully also effective and generates interest. So, this is a way for us to continue and we hope to continue this as long as there is demand for it and to respond to whatever country needs there might be.

Q: What do you see as the main challenges or the main obstacles to implementing projects that focus on common priorities between agriculture and trade such as those proposed by the FAO?

Answer by Georgios: What we learnt from all this work that we’re doing is that countries themselves have established some mechanisms to bring agriculture and trade policymakers together. They might have the committees, they might have the boards, they might have whatever would be needed for them to set up appropriate and coherent policies but, on the
other hand, these mechanisms that they have don’t work well. This creates difficulties both at the policy design level and also when you’re trying to work with the countries at the policy implementation level. The role of development partners and donors is very important, particularly when we get into the policy implementation because what we’ve noticed is that even if we manage to align policy and agriculture in the design stage, when we get into implementation, donor funding might be targeting one or another priority. As such, there may be a lack of coordination between all the stakeholders (including development partners and NGOs) at the country level.

Another issue relates to data and information. In many cases there is insufficient data to conduct the necessary analysis and to build the necessary evidence so that you have a platform upon which to build interventions. That’s why in Africa, this need for information systems came out very strongly in our project. Data is not only needed for policy design but also for interventions.

Please feel free to send questions or feedback to oliver.hanschke@donorplatform.org

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