

Global Food Security Strategy Agricultural Trade Technical Guidance

This is one of 18 technical guidance documents for implementing the U.S. Government's Global Food Security Strategy. The entire set of documents can be found at www.feedthefuture.gov and www.agrilinks.org.

Introduction

The U.S. Government's Global Food Security Strategy (GFSS) highlights the importance of increasing inclusive and sustainable agriculture-led economic growth and food security through access to markets and trade in developing countries. Feed the Future efforts under the GFSS aim to improve market access and expanded trade for small and medium sized farmers in domestic, regional, and international markets, which are key drivers of agriculture-led growth, food security, food availability, and poverty reduction.^{1,2} Trade related assistance supports increased flows of agricultural goods globally from surplus to deficit regions to reduce price volatility and manage risk associated with climatic variability.³ While a regional approach is critical to increasing food security and agricultural growth in developing country markets, country level actions are also necessary for stronger trading systems that are transparent, predictable, and meet consumer needs for safe and nutritious food. Since most countries rely to varying degrees on imports to achieve their food security and nutrition goals, we will also continue to promote countries' capacities for efficient markets and good governance to participate in international trade.

This document complements other GFSS guidance (market systems and value chain development, agricultural finance, and private sector engagement) and informs country teams that are designing trade-related activities in Feed the Future target countries and regions.⁴ It is intended to assist Posts with identifying what trade-related support can be integrated to achieve GFSS intermediate results and prioritize efforts among competing actions.⁵

Principles Guiding Program Design and U.S. Government Engagement

Strengthening and expanding access to markets and trade will require greater coordination across the U.S. Government (USG), strategic leveraging of investments, and a focus on capacity building and addressing enabling environment constraints.

Coordinate with other U.S. Government agencies in your country or region. Several USG agencies invest in expanding agricultural markets and trade, including U.S. Department of Agriculture (USDA), the Office of the U.S. Trade Representative (USTR), the Commerce Department, the State Department, the Overseas Private Investment Corporation (OPIC), and the U.S. Food and Drug Administration (FDA). Complementary interagency and country team actions create opportunities for maximizing collaboration, such as joint messaging and engagement of host country stakeholders. Where present, working with interagency representatives at country and regional posts strengthens USG development impact.

Leverage investments of partners, including the private sector, other donors, and regional organizations. A diverse group of stakeholders shares the goal of expanding markets and trade in target countries and regions. While incentives for facilitating improvement in the enabling environment for agricultural trade differ across actors, opportunities for leveraging support for capacity building, regulatory reform, and infrastructure improvements, including digital solutions, are numerous.

Address key enabling environment constraints that affect trade and investment at multiple levels.

Constraints within the agribusiness enabling environment have a disproportionate impact on the most vulnerable actors, such as smallholders and micro-, small-, and medium-sized enterprises (MSMEs), for whom the increased cost of doing business can be prohibitively expensive. Women face particular constraints related to both formal and informal cross border trade. Enabling environment reforms aim to level the playing field such that burdensome or inefficient government regulations do not impede economic activity.⁶ Multilateral and regional agreements play key roles, including the World Trade Organization (WTO) agreements on agriculture, sanitary and phytosanitary (SPS) standards; technical barriers to trade (TBT); and the Trade Facilitation Agreement, which commits WTO member countries to a comprehensive set of institutional and border reforms that could reduce worldwide trade costs by between 12.5 percent and 17.5 percent.⁷

Promote science and risk-based regulatory regimes and SPS standards. Sufficient capacity to comply with sanitary (human and animal) and phytosanitary (plant) measures is essential to the exchange of agricultural goods and particularly toward increasing food safety. SPS-oriented support for reforms and capacity building can encompass a range of actions, such as lab capacity building, regulatory systems changes, and international standards that, taken together, are critical for reaching new markets and improving nutritional outcomes. Use of international food safety guidance of Codex Alimentarius, the World Organisation for Animal Health (OIE) and the International Plant Protection Convention (IPPC) practices⁸ is essential to ensuring that food is safe for in-country consumption and that exports are not rejected and returned.

Designing Interventions

When designing trade programs, bilateral Posts should work with regional and neighboring missions to increase synergies, promote the adoption of regional and international trade protocols, and share best practices in technology adoption in similar climatic zones. Working with regional entities is an efficient way for country teams to deepen regional integration, facilitate trade, and increase competitiveness as well as promote two-way trade with the United States.

Strengthen and expand access to markets and trade

Country Actions

- Assess the extent to which policy and standards harmonization efforts are being ratified nationally to meet regional standards and regional-toward-international standards. What actions still need to be taken?
- Assess the institutional barriers to formulating and implementing evidence driven policies across ministries and agencies (See GFSS Technical Guidance for Policy Programming).
- Establish mutual accountability⁹ for government and domestic stakeholders, including private sector actors and civil society (See GFSS Technical Guidance for Policy Programming).¹⁰
- Build capacity of private sector to engage meaningfully in policy dialogue (See GFSS Technical Guidance for Private Sector Engagement).

Regional Actions

- Establish transparent, publicly available, and effective SPS systems based on international standards and scientific data that are predictable and consistent, yet adaptive.
- Strengthen the role of regional economic communities to implement and monitor regionally agreed-upon policies and standards and work with countries to adopt and implement agreements to facilitate trade.
- Identify ways to leverage regional and country platforms, creating opportunities to improve access to markets and implement common market/free trade protocols.

Trade for improved farm-level productivity

Country Actions

- Facilitate access to better quality agricultural inputs, particularly seeds.
- Address seed legislation in order to shorten the time it takes to certify, multiply, and import improved seed and establish standards and oversight to prevent counterfeit seed and input adulteration.
- Strengthen market information systems to inform investment decisions and improve risk management.
- Build capacity of government and private sector partners to understand international and regional trade agreements and overall trade negotiation capacity.
- Address tariff and unwarranted non-tariff trade barriers to expand trade, allowing competitive industries to grow and increasing the availability of and access to agricultural goods and services.

Regional Actions

- Build capacity of regional organizations to harmonize regulations that enable increased flows of quality agricultural inputs, such as seed.
- Assess what regional policies impact trade (e.g., agricultural input registration, intellectual property rights, sanitary and phyto-sanitary regulations) including regulations such as Quality Declared Seed, which may expand access for some beneficiaries and address those that will have the largest impact.¹¹

Trade for agribusiness firm-level investment and growth

Country Actions

- Strengthen the institutional capacity of local, regional, and national-level organizations to meet preventative safety measures and WTO Sanitary and Phytosanitary (SPS) Agreement compliant measures, such as Good Agricultural Practices (GAPs).
- Build capacity of local financial service providers to lend to small- and medium-sized enterprises (SME) leading to improved information and reduced risk and cost for agricultural investment.

Regional Actions

- Address trade facilitation measures, such as documentary requirements, customs procedures, port operations, and infrastructure to lower costs and reduce delays.¹²
- Strengthen the institutional capacity of local, regional, and national-level organizations to meet preventative safety measures and other internationally-accepted and science-based food safety standards.

Trade for enhanced nutrition

Country Actions

- Support strengthening of policy and food systems that conform to recognized regulatory standards that protect public health.¹³
- Strengthen technical capacity in labs to test and certify goods as safe for domestic consumption or to meet importing country requirements.^{14, 15}
- Incorporate evidence from farm level research as a basis for policy and regulatory formation as key drivers of reductions in stunting.¹⁶

Regional Actions

- Work with regional actors to build capacity for WTO-consistent food safety regulations, including packaging and labeling rules.
- Support regional organizations to establish regional standards and protocols.

- Work with national governments and regional economic and health communities to establish harmonized fortification standards and regulations, as well as compliance across borders.
- Support economic and health communities in building regional fortification initiatives, including developing regulatory and legal frameworks, surveillance, and enforcement.

Impacts of gender dynamics at borders

Country Actions

- Support outreach/training to customs and border agents to explicitly reduce, prevent, and respond to gender based violence (sexual coercion, harassment, and exploitation) in collaboration with regional missions or neighboring countries.¹⁷
- Conduct outreach on relevant trade policies to inform women traders of existing rules and regulations.¹⁸
- Improve hard infrastructure, such as adequate lighting and separate restrooms, to increase security.

Regional Actions

- Support women's representation on regional trade associations and bodies to better advocate directly for inclusive trade policies and activities, including establishing platforms for engagement.¹⁹
- Promote mainstreaming of gender related issues into regional policy efforts and agreements.²⁰

Additional Resources and Tools

- USAID's Trade Capacity Building "Project Starter" toolkit was created to craft trade related programming with overall monitoring, evaluation, and learning framework, guidance, and tools.²¹
- USAID's guide to implementing the WTO Trade Facilitation Agreement.²²
- USAID Toolkit for Integrating Gender-Based Violence (GBV) Prevention and Response provides background and practical guidance on addressing GBV in economic growth and trade projects.²³
- USAID Enabling Agricultural Trade (EAT) Project archive and Feed the Future Enabling Environment for Food Security project for diagnostic and capacity building support.²⁴
- A key resource for reviewing trade-related assistance is USAID's "Trade Capacity Building Database." The database contains reporting across the interagency on headquarters and field-based support.²⁵
- New analytical and research efforts are improving on existing trade performance measures and indicators²⁶ as well as potential sources of data.²⁷
- World Bank indicator sets:
 - Enabling the Business of Agriculture;²⁸ Logistics Performance Index;²⁹ and Doing Business.³⁰
- Standards Map and International Trade Centre Tools: voluntary sustainability standards³¹ and foreign direct investment flows.³²

For more information, please contact ftfguidance@usaid.gov.

References

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- ² (Anne Krueger 1997, 1998, 2010); (Dollar and Kraay, 2004); (Minh Son Le, Tarlok Singh, and Duc-Tho Nguyen 2016); (WTO WTR 2015)
- ³ Juliet Wanjiku et al., Exploiting opportunities in intra-regional trade in food staples in COMESA region, IFPRI, 2012. <http://ageconsearch.umn.edu/bitstream/126424/2/Exploiting%20opportunities%20in%20intra%20regional%20trade%20June%202012%20submitted.pdf>
- ⁴ This document does not provide guidance on U.S. agricultural export promotion.
- ⁵ Statement of Beth Dunford, PhD, Assistant to the Administrator for the Bureau for Food Security, Before the Senate Subcommittee on Africa, Global Health, Human Rights, and International Organizations. “U.S. agricultural exports to Feed the Future partner countries have already increased by \$1 billion in between 2009 and 2016”. July 2017, U.S. agricultural exports play a critical role in increasing food security in partner countries.
- ⁶ USAID EAT Project, Final Report, April 2015
- ⁷ World Trade Report 2015. Speeding up Trade: Benefits and Challenges of Implementing the WTO Trade Facilitation Agreement. https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf, see figure b2 on significant growth in trade facilitation components of regional agreements.
- ⁸ Marième Fall, Implementation of international standards: collaboration between the WTO and the three sisters (Codex, IPPC and OIE) https://www.oie.int/eng/session2016/sg84/03-Tuesday/WTO-Fall-OIE_84th_General_Session.pdf
- ⁹ What is mutual accountability? It is a process whereby two or more partners hold each other responsible for commitments that they have voluntarily made to each other. Our experience shows that a partnership, including between governments, is far more likely to deliver successful outcomes when there is an expectation of mutual accountability between partners. This reinforces the idea that inclusive, agriculture-led growth is a complex development process requiring both systemic and thematic change that works best when all stakeholders are aligned, contributing, and benefiting.
- ¹⁰ 2014-2015 FTF policy matrix reporting suggests that inclusivity- consultation by government with other stakeholders- is the success factor most often cited for policy reform.
- ¹¹ Oehmke, James. Mutual Accountability Opens Private Sector Opportunities in African Agriculture, 4th Quarter 2016. http://www.choicesmagazine.org/UserFiles/file/cmsarticle_561.pdf.
- ¹² State of the Evidence: Cross Border Agricultural Trade, USAID EAT, 2015. Prepared by Fintrac Inc. http://eatproject.org/docs/State_of_the_Evidence_Cross_Border_Trade.pdf
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- ¹⁴ Barbara Szonyi et al., Aflatoxin contamination of milk and feeds in the greater Addis Ababa milk shed in Ethiopia. Volume 59, January 2016, Pages 773-779 <http://www.sciencedirect.com/science/article/pii/S0956713515300888#>
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- ²⁴ Enabling Agricultural Trade (EAT) project, <http://eatproject.org>, and Feed the Future Enabling Environment for Food Security Project, <https://agrilinks.org/activity/feed-future-enabling-environment-food-security-project-eefs-0>
- ²⁵ Trade Capacity Building Database, <https://tcb.usaid.gov>

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