

Policy Coherence for Development: Issues in Agriculture

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Policy coherence and agriculture

- **What are the issues?**
- **How do we address them?**

Introduction

Policy coherence and agriculture: the context

The context

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Issues

Checklist

Indicator	1986-88	1993-95	2001-03
PSE			
Billion \$	241	277	230
Percentage PSE	37	34	31
TSE			
Billion \$	304	372	324
Percentage TSE in GDP	2.3	1.7	1.2

Introduction

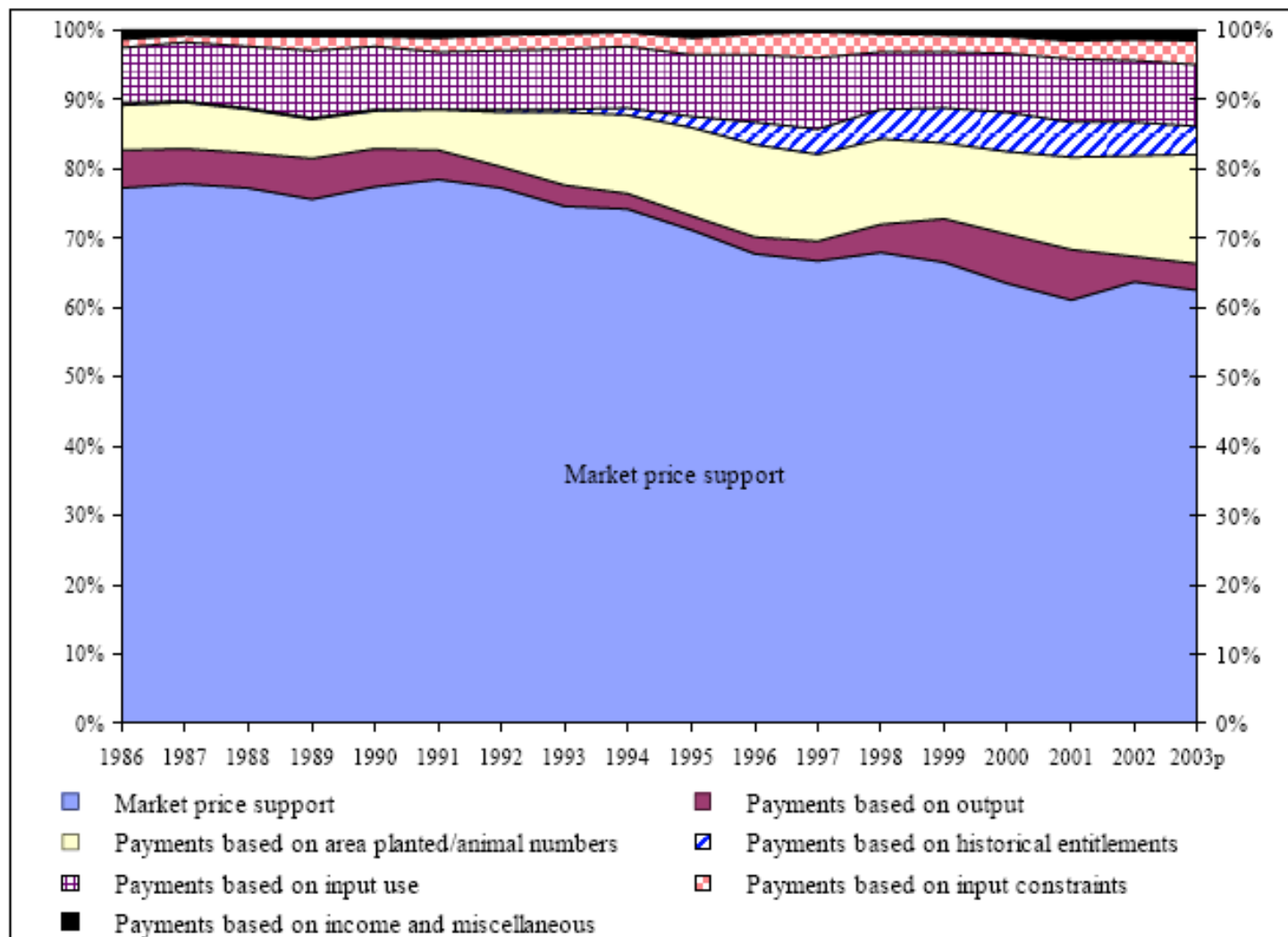
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Policy coherence and agriculture: the context



Source: OECD, PSE/CSE data base, Paris, 2004.

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Introduction	<h1 style="color: #000080;">Policy coherence and agriculture: a broad agenda</h1> <hr style="border: 0.5px solid #000080;"/>												
Context													
Agenda	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Policy actor</th> <th>Policy domain</th> </tr> </thead> <tbody> <tr> <td>OECD countries</td> <td>Domestic agricultural policy</td> </tr> <tr> <td>OECD countries</td> <td>Agricultural trade policy</td> </tr> <tr> <td>OECD countries</td> <td>Regulatory policies affecting agricultural production and trade</td> </tr> <tr> <td>OECD countries</td> <td>Development co-operation policy</td> </tr> <tr> <td>Developing countries</td> <td>Developing country policies concerning trade and agriculture</td> </tr> </tbody> </table>	Policy actor	Policy domain	OECD countries	Domestic agricultural policy	OECD countries	Agricultural trade policy	OECD countries	Regulatory policies affecting agricultural production and trade	OECD countries	Development co-operation policy	Developing countries	Developing country policies concerning trade and agriculture
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Policy coherence and agriculture: a nuanced agenda

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- **Gainers and losers among developing countries**
 - **Competitive agricultural exporters**
 - **Net importers**
 - **Exporters under preferences**
- **Gainers and losers within developing countries**
 - **Rural food producers vs. urban food consumers – who are the poor?**
- **OECD agricultural policy reform – are the benefits to developing countries oversold?**

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Policy coherence & agriculture: a sequenced agenda?

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- **Are there particular policy measures or commodities where the development pay-off is highest and where reform should be accelerated?**

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- **Tropical commodities and products important for the diversification from narcotic crops**
- **Cotton**
- **Others?**

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Policy coherence & agriculture: the regulatory agenda

- **Food safety measures (driven by public and private actors)**
 - **Public measures regulated by SPS Agreement**
 - **Developing country concerns**
 - **Assisting developing countries to meet higher standards**
- **Supply chain changes**
 - **Chain transparency, including tracking and tracing systems**
 - **Preferred suppliers**
 - **Crowding out new entrants and less advantaged developing countries?**

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Policy coherence and agriculture: issues for development cooperation

- **The role for development assistance**
 - **Helping to turn trade opportunities into trade flows**
 - **Addressing the adverse fall-out from reform**
- **The growing emphasis on trade-related development assistance (TRA), but...**
 - **...assistance to agriculture falling**
 - **...SPS assistance not well focused?**
 - **...how to compensate for preference erosion?**

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Policy coherence: the role of developing countries

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- **Developing countries also have responsibilities to ensure policy coherence**
- **Domestic policies need to be aligned to take advantage of more open world markets**
- **Need for higher priority for government investment in agriculture**

Checklist

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Policy coherence and agriculture: a checklist

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- 1. Create institutional mechanisms to ensure that the development perspective is taken into account when agricultural policy or policy reform is being formulated**
- 2. Undertake empirical assessment of the impacts of reform on developing country partners.**
- 3. With imperfect price transmission, trace the likely impact of border price changes on the distribution rents within developing country partners.**

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Policy coherence and agriculture: a checklist

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- 4. Examine the feasibility of potential export increases in the light of known SPS barriers.**

The issues

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- 5. Undertake a poverty profile to identify the households likely to be affected by modified agricultural prices.**
- 6. Prepare a trade-proofing of development assistance activities in relation to the impacts of agricultural policy reform.**