



# FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative



## Why Trade Policy Matters for Agricultural Development – Links to EBA

### SESSION 1

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## SESSION I: LEARNING OBJECTIVES



*Photo: Fintrac Inc.*

- Define terms
- Describe importance of trade to economic growth and poverty reduction
- Describe how laws and regulations influence trade
- Cite how EBA data supports the GFSS objectives around trade





## KEY TERMS

### Trade

the act of buying and selling goods either within a country or between countries.

### Trade policy

the laws and regulations governing the exchange of goods and services.

### Market access

the ability of a person or company to sell products to a market.

### Competitiveness

having qualities that make for successful competition such as productivity levels or unique attributes.

*World Economic Forum: "Competitiveness is the set of institutions, policies and factors that determine the level of productivity of a country."*

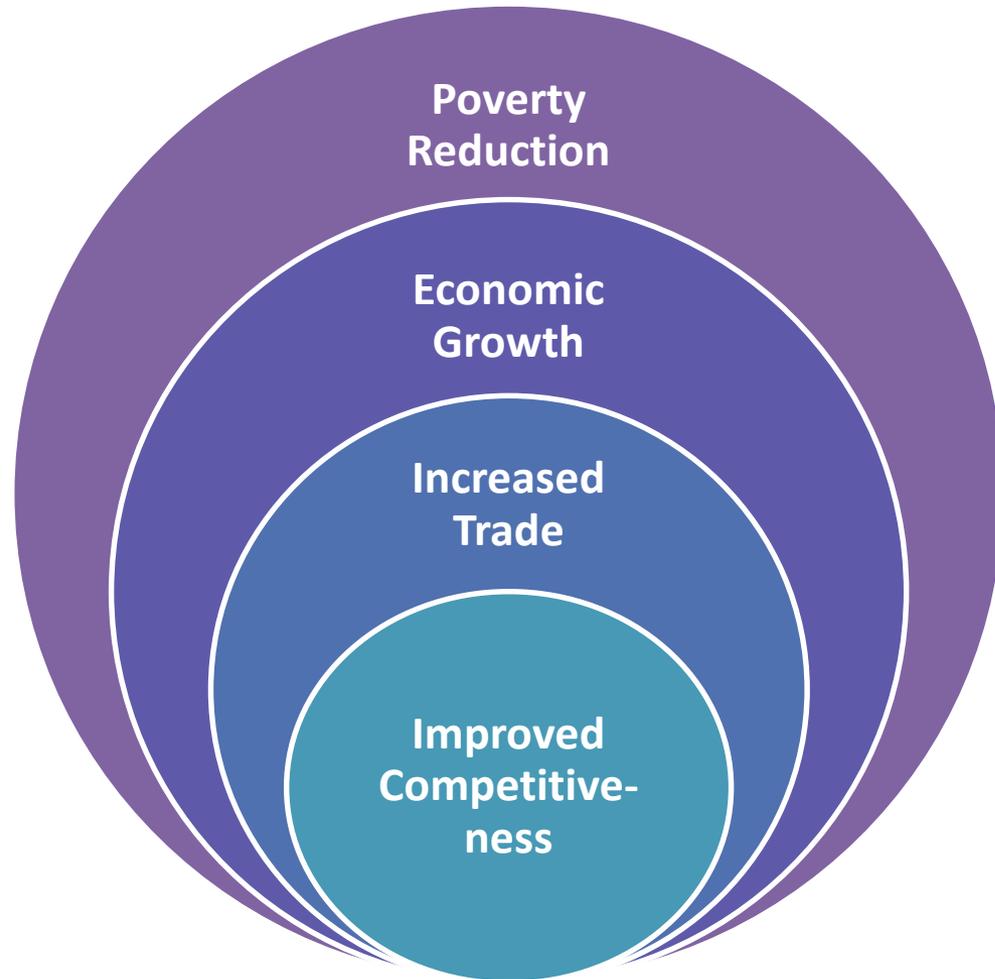




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## TRADE MATTERS TO ECONOMIC GROWTH AND POVERTY REDUCTION

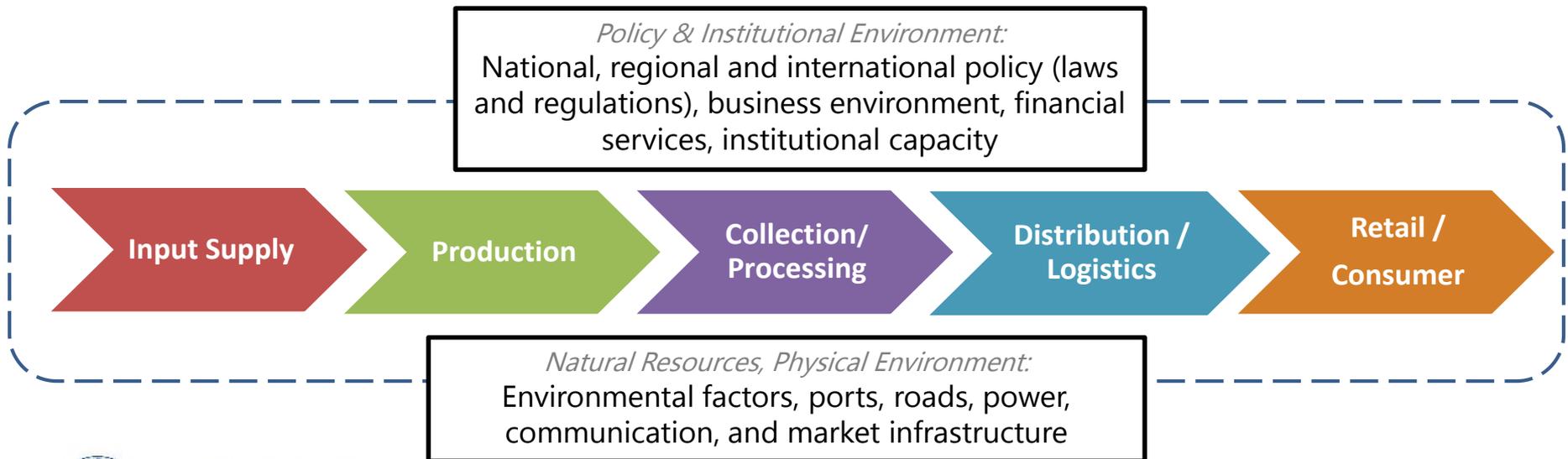


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## REGULATIONS INFLUENCE VALUE CHAIN EFFICIENCY

- Burdensome policies and regulations raise the cost of doing business
- Efficient value chains are more productive and competitive
- Access to quality inputs and machinery improves agricultural productivity
- More and stronger producer organizations can make value chains more inclusive and extend the benefits of economic growth





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## U.S. GLOBAL FOOD SECURITY RESULTS FRAMEWORK

**Goal:** Sustainably reduce global hunger, malnutrition, and poverty

### Objective 1

Inclusive and sustainable agricultural-led economic growth

### Objective 2

Strengthened resilience among people and systems

### Objective 3

A well-nourished population, especially among women and children

#### IR 1

Strengthened inclusive agriculture systems that are productive and profitable

#### IR 2

Strengthened and expanded access to markets and trade

#### IR 3

Increased employment and entrepreneurship

#### IR 4

Increased sustainable productivity, particularly through climate-smart approaches

#### IR 5

Improved proactive risk reduction, mitigation, and management

#### IR 6

Improved adaptation to and recovery from shocks and stresses

#### IR 7

Increased consumption of nutritious and safe diets

#### IR 8

Increased use of direct nutrition interventions and services

#### IR 9

More hygienic household and community environments

### Cross-Cutting Intermediate Results (IR)

- CC IR 1** Strengthened global commitment to investing in food security
- CC IR 2** Improved climate risk, land, marine, and other natural resource management
- CC IR 3** Increased gender equality and female empowerment

- CC IR 4** Increased youth empowerment and livelihoods
- CC IR 5** More effective governance, policy, and institutions
- CC IR 6** Improved human, organizational, and system performance



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## MARKET ACCESS IS A TOP MISSION PRIORITY

**Table 2. Ranking EBA topics from 1 to 12 in terms of relation to key priorities**

Overall Rank	Item	Score (to inform ranking)	Total Respondents
1	Markets (e.g. producer organizers, plant protection, agricultural trade)	104	10
2	Finance	90	10
3	Seed	84	9
4	Land	73	9
5	Water	70	10
6	Gender	60	10
7	Fertilizer	55	9
8	Livestock	54	9
9	Environmental sustainability	51	10
10	Transport	51	10
11	Machinery	33	8
12	Information Communication Technology (ICT)	33	9





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## EBA EXPLORES 8 CORE TOPICS



SEED



FERTILIZER



MACHINERY



FINANCE



MARKETS



TRANSPORT



WATER



ICT

8 core topics

2 topics under development:

- land
- livestock

2 cross-cutting themes:

- gender
- environmental sustainability



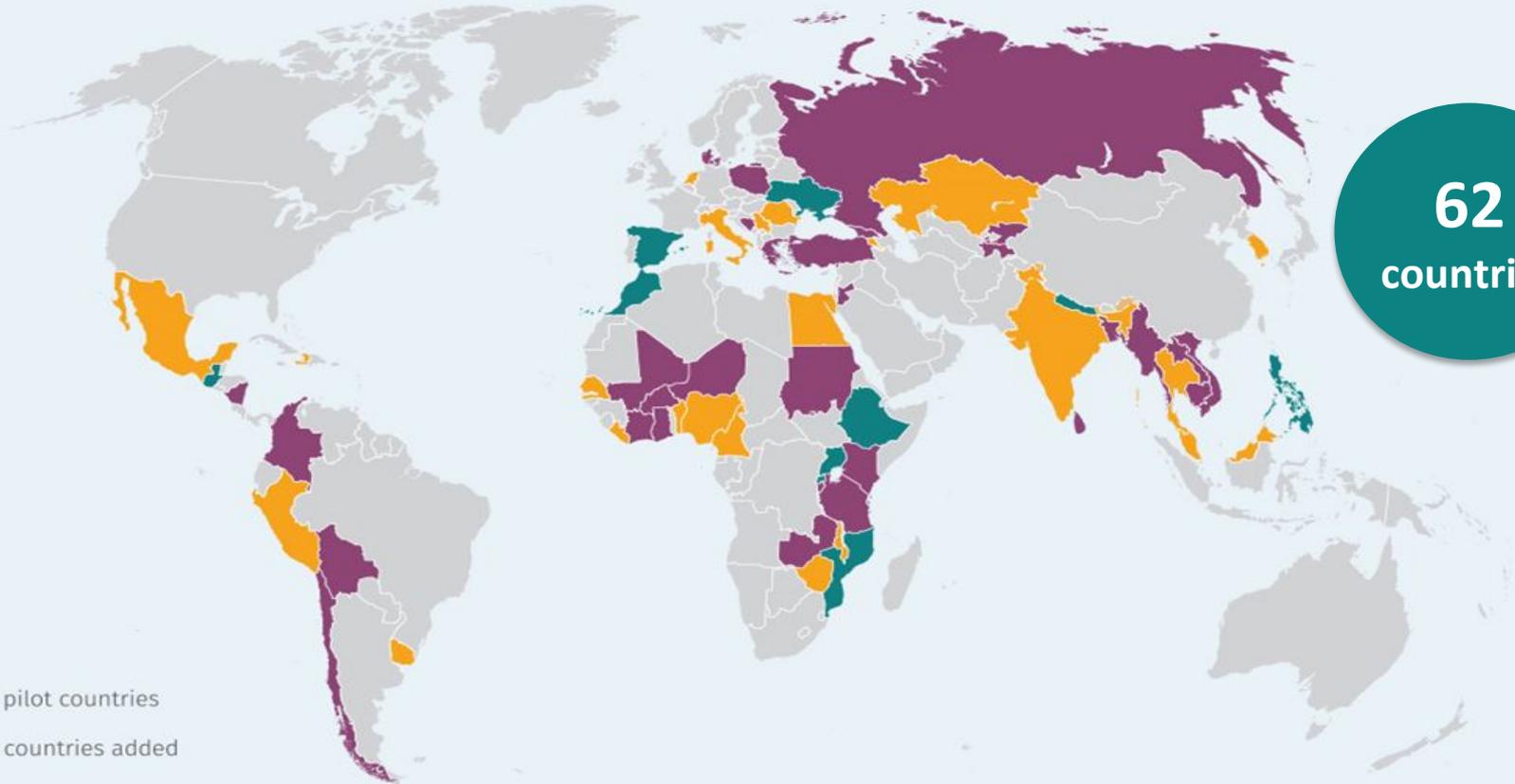
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## Geographical coverage of *Enabling the Business of Agriculture* 2017



62  
countries

- EBA15 pilot countries
- EBA16 countries added
- EBA17 countries added

IBRD 42732 | FEBRUARY 2017

*Note:* The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgement on the legal status of any territory, or any endorsement or acceptance of such boundaries. Going forward, in the second phase of the EBA program, it is envisaged that the criteria for selecting countries and determining whether to deepen the analysis at a sub-national level for select countries will build on the current process and be refined appropriately in consultation with experts.



## EBA MARKETS INDICATOR



Focus on areas laws and regulations that can impact smallholder producers and agribusinesses when accessing domestic and foreign agricultural markets for their products. Areas examined:

- Agricultural trade
- Plant protection
- Producer organizations





## EBA FOREIGN TRADE INDICATORS



Measure trade restrictions of:

- The import of fertilizer and tractors
- Cross-border transport rights
- Efficiency (time and cost) of related processes





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## EBA COMPETITIVENESS INDICATORS

Seed 

Fertilizer 

Machinery 

Finance 

Markets 

Transport 

Water   
ICT 

Measure ability of farmers and agribusinesses to:

- Access high quality seed
- Access finance
- Sustainably access water
- Access information and communication technologies



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## CROSS-CUTTING THEMES: ENVIRONMENTAL SUSTAINABILITY

- Plant genetic resources
- Water quality management
- Soil health management



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Inc.*



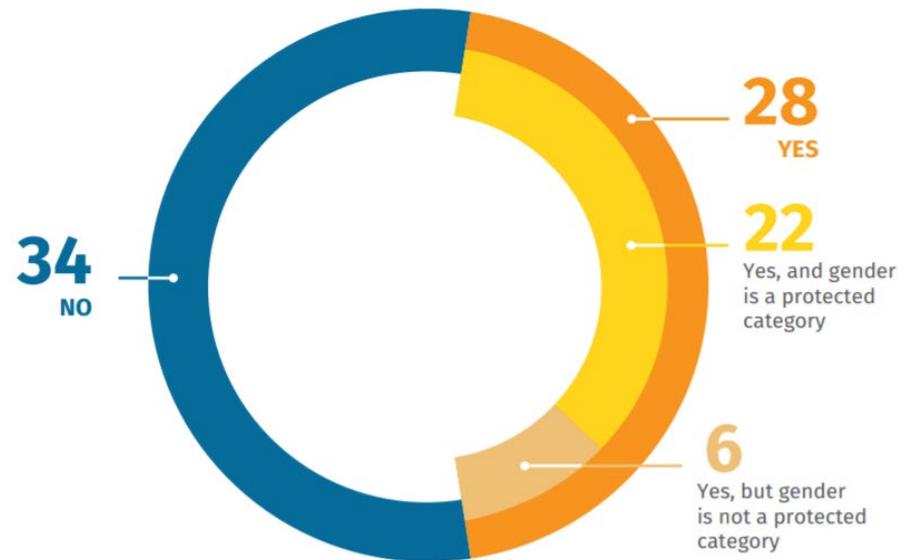
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## CROSS-CUTTING THEMES: GENDER

Figure 11.3 | Do producer organizations have to comply with the principle of nondiscrimination?

- Gender-disaggregated data
- Restrictions on employment, activity
- Participation in organizations
- Nondiscrimination



Source: EBA database.





## RECAP WHAT WE HAVE LEARNED

Key trade terms

Importance of trade to economic growth and poverty reduction

How laws and regulations influence trade

How EBA data supports the GFSS objectives around trade





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## LET'S CHECK WHAT WE'VE LEARNED



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## QUESTION 1

1. What does "Trade Policy" refer to?

- a. The ability of a person or company to sell products to a market
- b. The act of buying and selling goods either within a market or between countries
- c. The laws and regulations which govern the exchange of goods and services
- d. The factors that make for successful competition such as unique attributes or productivity levels





## QUESTION 1 - ANSWER

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## QUESTION 2

2. How can governments foster an enabling environment in the absence of strong producer organizations?

- a. By compromising pest management and control
- b. By adopting and amending relevant laws that foster open markets
- c. By requiring burdensome marketing requirements
- d. By promoting simplified and cost-effective regulatory requirements
- e. A and C
- f. B and D





## QUESTION 2 - ANSWER

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- a. By compromising pest management and control
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- e. A and C
- f. B and D**





## QUESTION 3

3. The EBA Markets indicator, which is the EBA indicator most closely aligned with trade, does not examine:
- a. Ease of obtaining trucking licenses for transport within country borders
  - b. Producer organizations
  - c. Agricultural trade
  - d. Plant protection





## QUESTION 3 - ANSWER

3. The EBA Markets indicator, which is the EBA indicator most closely aligned with trade, does not examine:
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  - b. Producer organizations
  - c. Agricultural trade
  - d. Plant protection





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## YOUR FEEDBACK IS WELCOME!

- ✓ Was this learning resource helpful?
- ✓ Do you have questions or suggestions for improvements on the EBA methodology?
- ✓ Other feedback?

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**Proceed to the next session in the Trade Module**



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