STRATEGY AND ACTION PLAN FOR PROMOTING SAFE AND ENVIRONMENT FRIENDLY AGRO-BASED VALUE CHAINS IN THE GMS

GMS WORKING GROUP ON ENVIRONMENT (WGE)

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OUTLINE

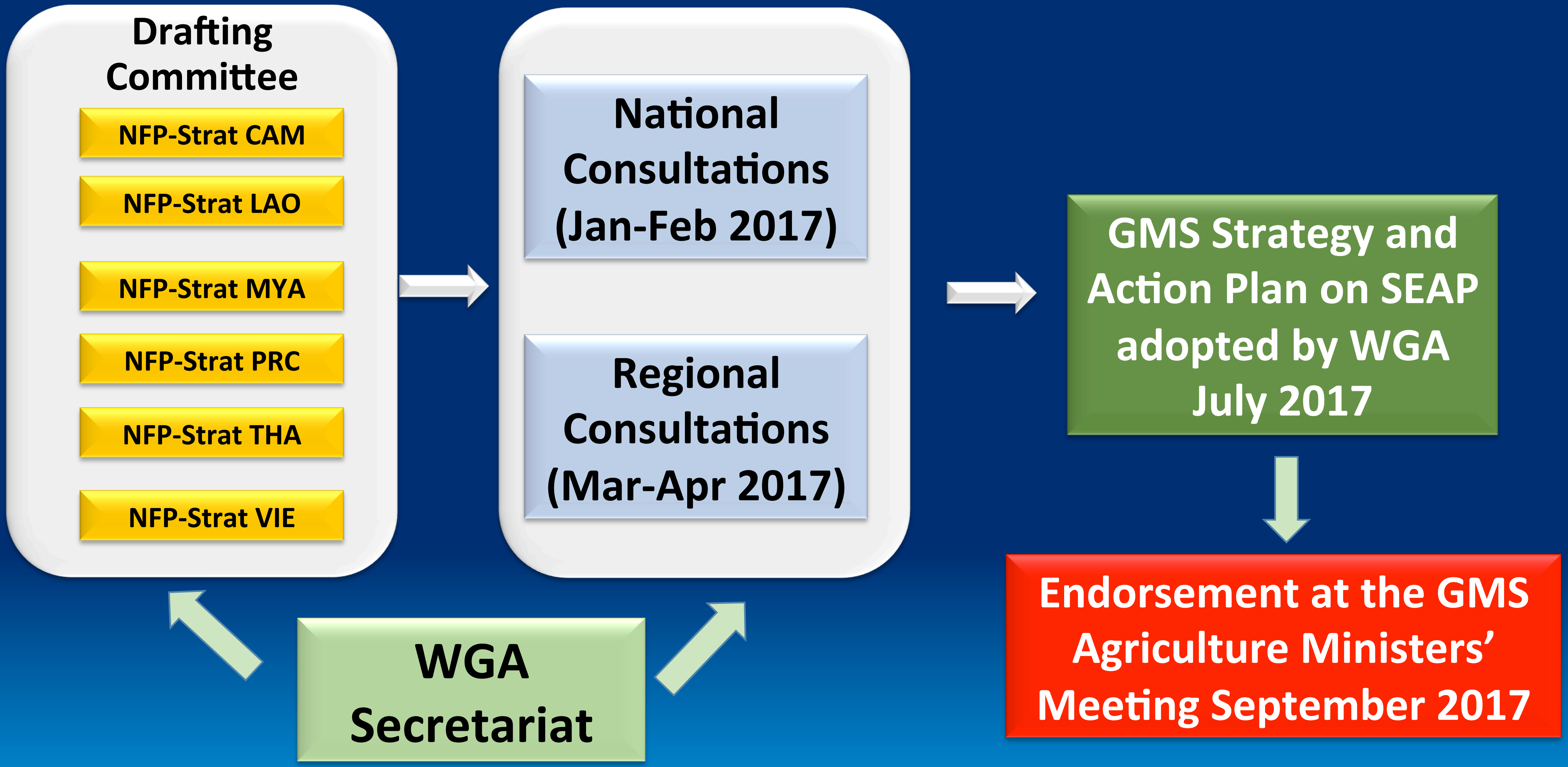
1. BACKGROUND TO THE STRATEGY
2. SUMMARY OF THE STRATEGY
3. INVESTMENT
4. POLICY AND INSTITUTIONS ACTION PLAN
5. DESIGN AND MONITORING FRAMEWORK

BACKGROUND TO THE STRATEGY

CASP 2

CASP2 **Vision** is for GMS to be recognized as a leading producer of safe food, using climate friendly agricultural practices and integrated into global markets through the regional corridors

Process for Development of GMS Strategy on SEAP



SUMMARY OF THE STRATEGY

Opportunities for SEAP in GMS

- **Evolving food demand wih more demanding consumers**. GMS economies rapidly growing with a population approaching 340 million, increasingly urbanized and demanding higher food standards

- **Growing investment and trade**. Increasingly attractive to FDI. In 2014, intra-trade amounted to $413 billion with growth at 16%.

- GMS has **natural and comparative advantage** in a number of agrifood products. Already exporting about $90 billion of agrifood products and growing.

- **Ongoing consolidation in the agrifood sector.** Big companies are upscaling and consolidating operations through the region. E.g. feed, poultry, seefood, sugar; supermarkets.

- Emergence of **Geographical Indications** in the GMS.

THE CHALLENGES FOR SEAP IN THE GMS

1. Developing inclusive value chains

2. Harmonizing food safety systems

3. Promoting Sustainable and Climate-friendly Agriculture

1. Developing inclusive value chains

- **Smallholders** are the backbone of agriculture in the GMS
- **SMEs** are the main types of enterprises.
- **Integration** of smallholders, farmer organizations (e.g. cooperatives) and SMEs in global value chains is possible, but requires a determined effort to move from traditional to modern food systems
- Many measures are needed to **move from comparative advantage to competitive advantage** : enabling environment, governance of value chain, effective farmer organizations, infrastructure, and regulatory framework.
- Meeting the challenge of **different growth stages** of GMS members

2. Harmonizing food safety systems

Although awareness of food safety is increasing …

- **Food safety scares and foodborne diseases and pathogens** remain a major problem in the region
- Zoonoses are the main factors of infectious diseases. Their control requires a joint approach, but this is difficult due to **different standards** within the region

3. Promoting Sustainable and Climate-friendly Agriculture

- **Impact** of current agricultural practices on climate change and the environment is documented …
- Pointing to the need of more **sustainable** production systems, with more efficient and effective use of water and soil nutrients.
- In response to this need, **GAP** are being developed throughout the GMS …
- And agroecological approaches (eg, organic, reduced chemical, IPM, SRI, AWD, conservation agriculture), are gaining momentum

WHY A SUBREGIONAL STRATEGY?

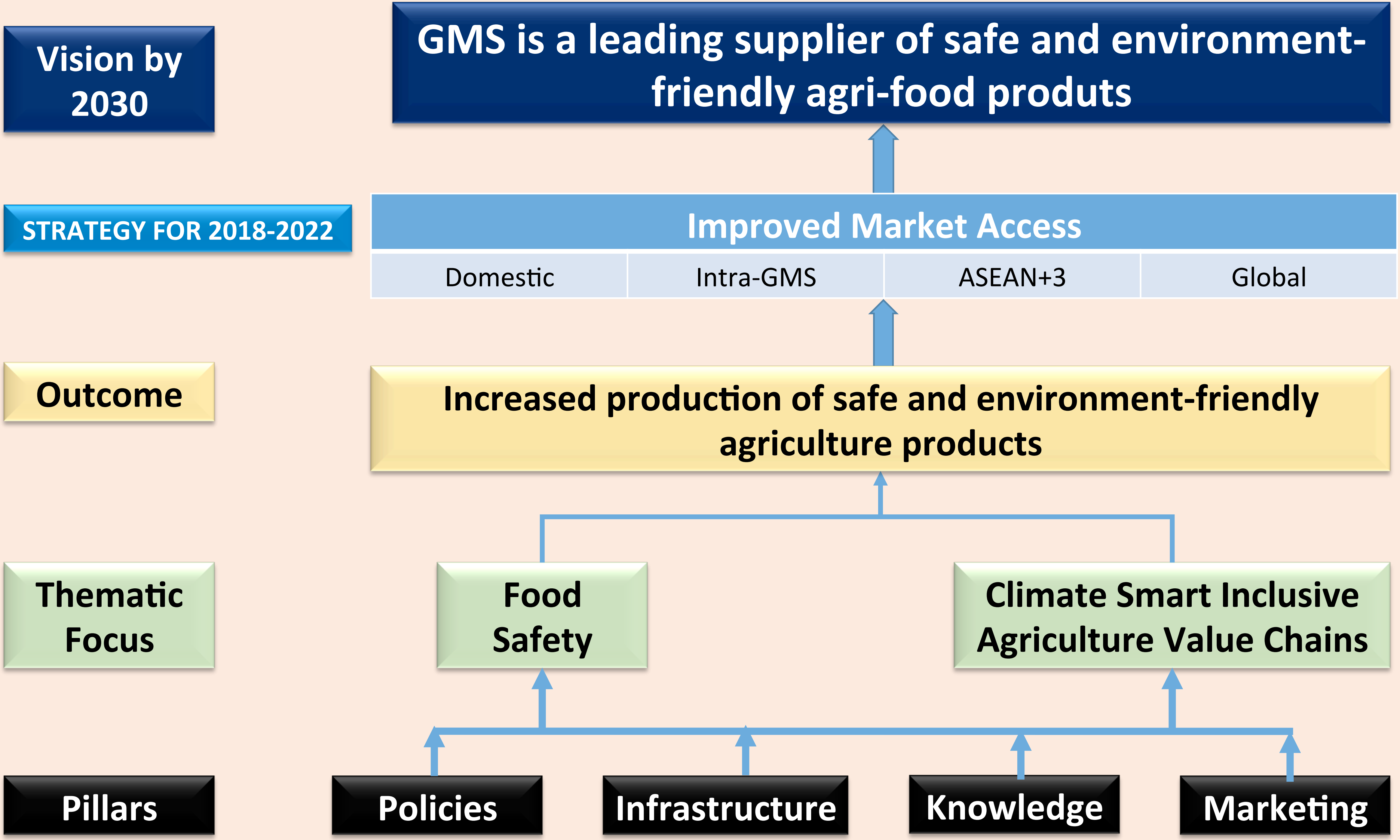
Countries in the subregion are at different levels of development. However, GMS as a whole has common concerns and similar strategies regarding food safety and climate change agriculture.

3 reasons for a subregional strategy

1. Greater trade
2. Economies of scale
3. Inclusive food safety

Principles of the GMS Strategy for SEAP

1. Food safety for all
2. Sustainability and climate friendly agriculture
3. Inclusiveness of smallholder farmers and SME
4. Gender empowerment
5. Corporate social responsibility
6. Good governance
7. Benefits of the Strategy for all GMS Members
8. Bridging the GAP within ASEAN
9. Compliance with ASEAN Economic Blueprint 2015


Vision by 2030
GMS is a leading supplier of safe and environment-friendly agri-food produts
STRATEGY FOR 2018-2022
Improved Market Access
Domestic
Intra-GMS
ASEAN+3
Global
Outcome
Increased production of safe and environment-friendly agriculture products
Thematic Focus
Food Safety
Climate Smart Inclusive Agriculture Value Chains
Pillars
Policies
Infrastructure
Knowledge
Marketing

Output 1 - Harmonized policies and regulations

1. **Harmonize standards** related to: (i) GAP; (ii) Food Safety and Quality Assurance; (iii) Certification and Accreditation Agencies (including PGS for organic agro-products); (iv) Custom Procedures: (v) Quarantine Procedures; and (vi) Surveillance Systems and Laboratories
2. Identify and disseminate **guidelines and best practices** related to FDI in food and agriculture, contract farming, and **code of conduct** for responsible agro-food investment in SEAP across GMS borders.
3. Formulate and adopt **policies** for safe and quality assured agriculture products (e.g., nitrogen use efficiency, green water management, PGS)

Output 2 – Strengthened Infrastructure

1. Establish **agro-industrial zones and agro-demonstration parks** in the GMS that facilitate the production, processing, and trading of SEAP

2. Establish border **livestock disease control zones (DCZ)**

3. Establish appropriate **SPS facilities** including GMS reference labs and surveillance laboratories

Output 3 – Sharing and Disseminating Innovation

1. Develop agribusiness **incubators** in the GMS that are focused on growing start-up and innovative small and medium enterprises for SEAP

2. Develop and strengthen **research and extension network** focused on improved agronomic and value chain practices and reduce wastes and losses of SEAP

3. Develop and strengthen **regional training and demonstration centers**

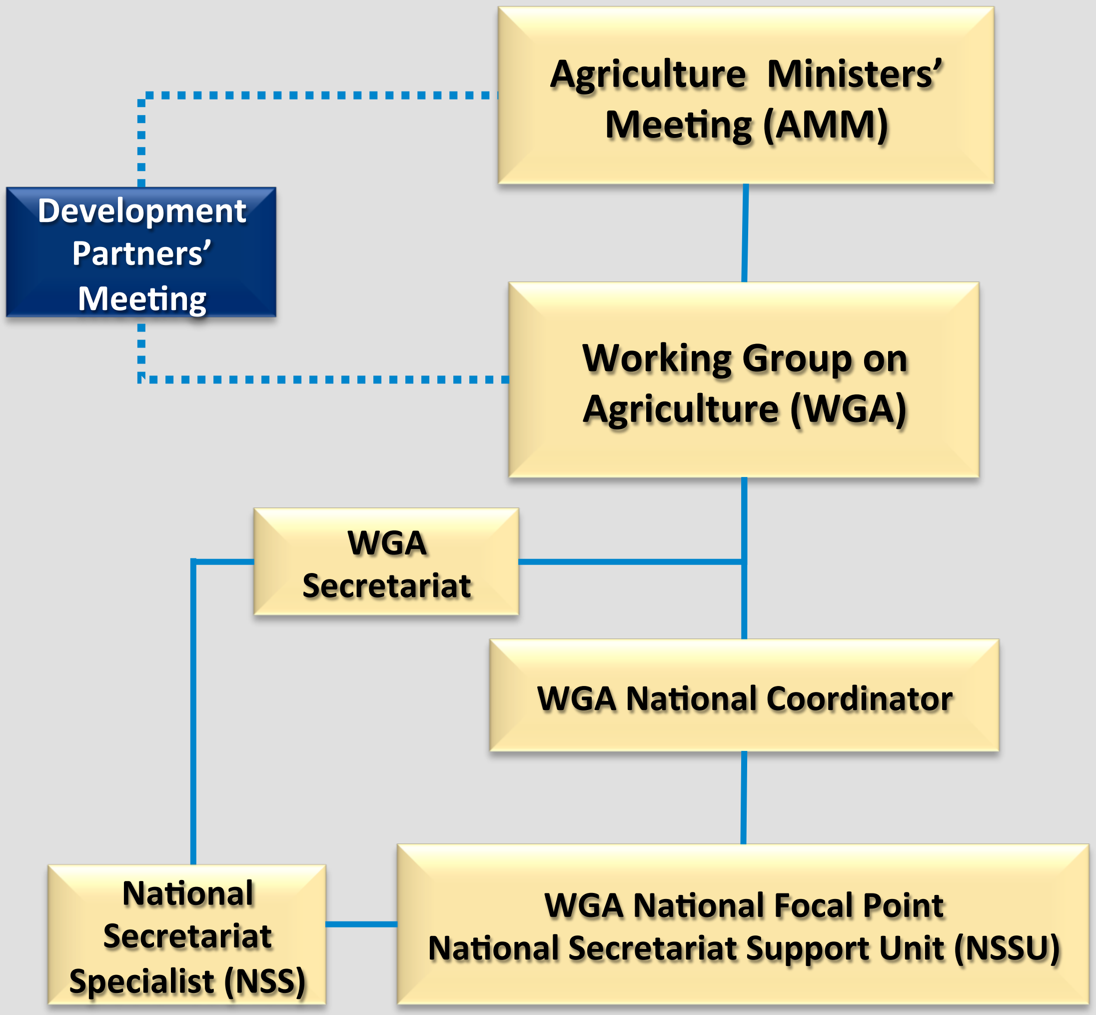
4. Develop and strengthen **regional education and capacity building network** on value chain and logistics management in partnership with agribusiness

5. Develop **information sharing platform** to facilitate identification of investment

Output 4 –Marketing

1. Undertake **marketing activities** to promote GMS as a global supplier of SEAP
2. Promote the development of food **geographical indications**
3. Develop a **communication plan** for raising public awareness on food safety and SEAP

IMPLEMENTATION ARRANGEMENTS


Agriculture Ministers' Meeting (AMM)
Development Partners' Meeting
Working Group on Agriculture (WGA)
WGA Secretariat
WGA National Coordinator
National Secretariat Specialist (NSS)
WGA National Focal Point
National Secretariat Support Unit (NSSU)

INVESTMENT

INDICATIVE INVESTMENTS AND TA OUTLINED BY WGA (USD million)

Output	CAM	PRC	LAO	MYA	THA	VIE	Total	%
1. Policies	59.00	1.00	76.00	19.00	5.00	10.40	170.40	12
2. Infrastructure	172.00	100.00	108.00	60.00	0.00	50.00	490.00	35
3. Knowledge	39.00	101.00	91.00	58.00	52.50	0.40	341.90	25
4. Marketing	10.00	325.00	18.00	35.00	0.00	2.55	390.55	28
TOTAL	280.00	527.00	293.00	172.00	57.50	63.35	1,392.85	100
%	20	38	21	12	4	5	100	

No.	CONSOLIDATED PIPELINE - INVESTMENT	Cost Estimate ($ million)
1.	Climate Friendly Agri-Business Value Chains in the GMS	253
2.	Agroindustrial Zones (AIZ) to support promotion of Safe and Environment-friendly agro-based value chains	191
3.	Animal Disease Control Zone	133
4.	Cluster and Value Chain Development for Geographic indications	325
	Subtotal Investment	**902**

No.	CONSOLIDATED PIPELINE – TECHNICAL ASSISTANCE	Cost Estimate ($ million)
1.	Climate-Friendly Agri-Business Value Chains in the GMS	2.5
2.	SEAP Strategy Implementation Support	10
3.	Supporting infrastructure development of Agroindustrial Zones	25
4	Animal Disease Control Zone	20
5	GI Value Chain Development and Brand Building	13
6	Agribusiness Incubator Development	37
	Subtotal Technical Assistance	**107.5**

Together, Investments + TA > USD 1 billion

DESIGN AND MONITORING FRAMEWORK

Results Chain	Indicators and targets by 2022	Baseline
Impact: GMS is a leading global supplier of SEAP.	- At least 1% of agricultural and food trade is in organic products	• 0.01% of agricultural and food trade is organic
Outcome: GMS farmers and their organizations, and small and medium agro-enterprises benefit from access to higher value markets and GMS consumers benefit from access to safer food products.	By 2022: • At least 1% of agricultural production in the GMS is organic. • Income of SEAP smallholder farmers increased by 30%. • 40% of SEAP smallholders are female farmers. • Income of SEAP SMEs increased by 30%. • Consumer preference for SEAP increased by 30%.	• 0.2% of agricultural production is organic. • Income of SEAP farmers (xx) and SEAP SMEs (yy) determined by survey ○ Cambodia: xx1 and yy1 ○ PRC: xx4 and yy4 ○ Lao PDR: xx2 and yy2 ○ Myanmar: xx3 and yy3 ○ Thailand: xx5 and yy5 ○ Viet Nam: xx6 and yy6

THANK YOU