GMS Core Agriculture Sector Program (GMS CASP)

Accomplishments and Lessons Learned
Outline

• CASP Overview
• What have been achieved
• Case in point: GMS Strategy on *Promoting Safe and Environment Friendly Agro-Based Value Chains in the GMS: 2018-2022*
• Strengths, Opportunities
• Weaknesses/gaps and threats: potential agenda for next TA
• Unfinished agenda
GMS CASP: an overview

GMS CASP1 endorsed in the first GMS Agriculture Ministers’ Meeting in April 2007:

◆ Framework for regional cooperation in agriculture among the six GMS countries—Cambodia, the People’s Republic of China (PRC – Yunnan & Guangxi), the Lao People’s Democratic Republic (Lao PDR), Myanmar, Thailand, and Viet Nam

◆ Part of the wider GMS regional cooperation program (1992) with ADB assistance focusing on Connectivity, Competitiveness, and Community.

◆ 3 Cs are building blocks for regional cooperation → boosting intra-GMS agricultural & ASEAN agriculture trade

◆ CASP Phase I, 2006–2010: regional initiatives on biosafety, trade facilitation, & GMS Agricultural Information Network Service (AINS) initiated by the PRC
**CASP 2 (2011-2020) & ADB’s Regional Technical Assistance**

**VISION:** The GMS being recognized as the leading regional producer of safe food, using climate friendly agriculture practices

- Pillar 1: Global competitiveness
- Pillar 2: Climate friendly agriculture
- Pillar 3: Clean renewable energy & food security

<table>
<thead>
<tr>
<th>Technical Assistance</th>
<th>Pillar 1</th>
<th>Pillar 2</th>
<th>Pillar 3</th>
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<tr>
<td>TA 8163: Implementing the CASP 2 of the GMS</td>
<td>✔✔</td>
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<td>TA 833: Capacity building for the efficient utilization of biomass for bioenergy &amp; food security in GMS</td>
<td>✔</td>
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<td>TA 6521: Accelerating the Implementation of the CASP satellite-based monitoring and early warning system for drought, flood and crop outlook forecast</td>
<td>✔</td>
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<td>TA 6390: Transboundary Animal Disease Control for Poverty Reduction in GMS</td>
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CASP 2 & RDTA 8163

- **VISION**: The GMS being recognized as the leading regional producer of safe food, using climate friendly agriculture practices

- **IMPACT**: A more integrated, climate-friendly agricultural sector in the GMS

- **OUTCOME**: Enhanced market access for environmentally-friendly agricultural products using reduced agrochemicals.
CASP2

• OUTPUTS:
  ✓ 1. Strengthened regional policy framework and capacity for agri-food quality management
  ✓ 2. Established trade of environmentally-friendly agri-food production of smallholders
  ✓ 3. Increased adoption of gender-responsive and climate-friendly agriculture
  ✓ 4. Facilitated knowledge management and dissemination
  ✓ 5. Strengthened regional cooperation on agriculture in the GMS

• Implementing GMS CASP2: GMS Agriculture Ministers <---- Working Group of Agriculture (WGA) at country levels

• RDTA 8163: Implementing the GMS CASP2 (ADB TA Special Fund, Swedish International Development Fund, Nordic Development Fund, Water Finance Partnership Facility)
Structural transformation is happening: GVA share to GDP is declining – demise of agriculture?
Achievements of CASP

1. An invigorated & dynamic Working Group of Agriculture (WGA): positive institutional development for catalyzing climate-friendly agriculture

✓ Innovators for change: market intermediary schemes thru enhancement of market access, novel land consolidation schemes in PRC, direct link of R&D & extension (Viet Nam), R&D & policy advocacy (PRC livestock study), policy making (GWM, PGS, NUE)

Achievements of CASP

3. **LOA schemes- a smart subsidy (societal benefits outweigh the costs):** About 13,000 farmers benefitted from pilots: net income of SEAP farmers increased over 30% for 5 countries; in Thailand estimate income increase between 15% and 50%.

4. **Array of climate smart agriculture practices:** Outcomes of PGS, GWM, NUE, & other climate smart agriculture practices for SEAP resulted to lower production costs, premium prices, higher yields, diversified income sources, climate change adaptation and mitigation measures, good health, sustainable environment, and gender empowerment.

5. **PGS – a novel way of cooperativism based on value chains**

6. **Multi-partnerships, networking:**
   - **WGA-Food Industry Asia collaboration:** promoting traceability and enhancing laboratory capacities on mycotoxin at sub-regional level
Achievements of CASP

7. **Collaboration with the Mekong Business Initiative** on the Mekong Agri-Tech Challenge (MATCH): incentivize SEAP innovators

8. **Linkages with other sectors**: environment & tourism

9. **Aggressive GMS marketing**: Promotion of SEAP through GMS-themed pavilion and policy forum at the THAIFEX 2017

10. **Responsive Knowledge Products**: (i) *Policies for high quality, safe & sustainable food supply in the GMS*, (ii) *value chain studies (low input rice, fruits & vegetables, livestock)*, (iii) *GMS’ food consumers study (Lao PDR, Myanmar, Viet Nam, Thailand)*, (iv) *Gender dimensions in low-input agriculture value chains*
GMS Pavilion
Agriculture-Environment Link through Tourism. For the first time, a huge map was prepared showcasing some 17 agro-tourist spots across the sub-region. A smaller scale agro-tourism map was also done for Siem Reap. Both maps highlighted the potentials of the sub-region to package SEAP and environmental attractions for the fast growing tourism sector of the GMS economies.
Promoting Safe & Environment Friendly Agro-Based Value Chains & the Siem Reap Action for the GMS: 2018-2022

- Endorsed by the GMS Agriculture Ministers last September 2017
- Provides policy, investment, & institutional measures as well as knowledge solutions for innovations, marketing & branding
GMS 2ND AGRICULTURE MINISTERS’ MEETING
GMS STRATEGY FRAMEWORK

GMS is a leading global supplier of safe and Environment-frienfly agrifood products

GMS stakeholders benefit from access to market and safer food products

Expanded Market

- Domestic
- Intra-GMS
- ASEAN+3
- Global

Thematic Focus

Food Safety

Climate-Smart Inclusive Agriculture Value Chains

Pillars

- Policies
- Infrastructure
- Knowledge
- Marketing
<table>
<thead>
<tr>
<th>Investments</th>
<th>US$ M</th>
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<tr>
<td>GMS Climate-friendly agribusiness value chains</td>
<td>253</td>
</tr>
<tr>
<td>Agro-industrial zones for SEAP value chains</td>
<td>191</td>
</tr>
<tr>
<td>Animal disease control zone</td>
<td>133</td>
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<tr>
<td>Cluster &amp; value chain development for geographical indications</td>
<td>325</td>
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<tr>
<td>Technical Assistance</td>
<td>US$ M</td>
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<tr>
<td>SASRAP implementation support</td>
<td>10</td>
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<tr>
<td>Support infra dev’t of agro-industrial zones</td>
<td>25</td>
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<tr>
<td>Animal disease control zone</td>
<td>20</td>
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<tr>
<td>GI value chain dev’t &amp; brand building</td>
<td>13</td>
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<tr>
<td>Agribusiness incubator deve’t</td>
<td>37</td>
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<td><strong>Total</strong></td>
<td><strong>1,007</strong></td>
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SWOT

Strengths

• Suitable agro conditions: porous borders, contiguous landmass, skilled labor force, diverse agro-ecological environments
• Economic corridors
• RCAs in SEAP
• Supportive government: evolving policies on PGS, GWM, NUE,
• Multi-Partnerships
• GMS SASRAP (2018-2022)

Opportunities

• Growing middle income class → growing domestic & external market
• Rising cross border intra-GMS trade & investments
• Inter-sector links (tourism, food services, environment)
• Links with the Ayyawady-Chao Phraya-Mekong Economic Cooperation & Lanchang Mekong Cooperation
• Philippine rice market
Rising intra-trade is an opportunity for value chain links.
Agriculture has links with other sectors: agriculture ++

Vertical Specialization by Sector

- Agriculture, Hunting, Forestry and Fishing
- Food, Beverages and Tobacco
- Hotels and Restaurants
- Travel Agencies
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<th>Weaknesses</th>
<th>Threats</th>
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<td>Agriculture productivity is plateauing</td>
<td>Climate change</td>
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<td>Inadequate investments on value chain &amp; food safety logistics; input value chain support for SEAP</td>
<td>Environmental risks</td>
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<td>Lack of advisory support &amp; R&amp;D on food safety &amp; quality assurance</td>
<td>Different levels of development</td>
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<td>Scattered supply, weak links</td>
<td>Global rise in protectionism &amp; volatile oil prices</td>
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<td>Need for green economy framework</td>
<td>Lowering of Tariffs, but rising nontariff barriers (NTBs)</td>
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“Society pays a high price for not dealing with chemicals on food and other toxic chemicals”

- EU banned some vegetables from Laos due to pesticide residues (May 2016)
- Pesticide residues on blood tests found in children in Viet Nam, Laos, Phils
- High pesticide residues in fruits and vegetables (even organic) in Thailand

Unfinished agenda

• *Up-scaling good experiences in GWM, NUE, PGS*: policy measures at national level; potentials for cross-country

• *From country to subregion level*
  • cross-country advisory services (e.g., voluntary soil doctors from Lao PDR being trained in Thailand, GWM workshops by PRC)
  • identify food safety standards that can be harmonized expeditiously (e.g., GAP)
  • effective use of GMS AINS as regional platform for knowledge sharing and consumer awareness

• *Address climate change effects on SEAP value chains.*
  • LOAs may need to focus on pilots, demonstrations, and start ups of potential green technologies that enhance climate resilience of small-scale farmers and SMAEs
  • prevent food waste, e.g., solar powered storage, super bags of IRRI, anti-ripening tech, low cost packaging (e.g., banana leaves)
Unfinished agenda

• *Start ups of inter-sector linkages.* Agriculture-tourism (with the exception of Lao PDR, tourism arrivals in GMS countries rose by 18-20% in 2017)→e.g., street food strategy focused on food safety

• *Research and innovations for SEAP.*
  • innovations that will make farmers less reliant on energy and water and also more climate resilient
  • innovations for mass-scale production of biofertilizers, biochar, composting materials, etc.
  • new technologies that will tackle the increasing labor shortage in and feminization of agriculture
  • financing mechanisms that address delayed payments to farmers engaged in contract farming arrangements
  • schemes like MATCH to SEAP innovators
Toward Safe and Environment-Friendly Agriculture Products for All

THANK YOU