

STRATEGY FOR PROMOTING SAFE AND ENVIRONMENT-FRIENDLY AGRO-BASED VALUE CHAINS IN THE GREATER MEKONG SUBREGION AND SIEM REAP ACTION PLAN

2018–2022



Opportunities. The Greater Mekong Subregion (GMS) has a great opportunity to be a major supplier of safe and environment-friendly agriculture products (SEAP). The GMS economies are growing rapidly, and their population of over 330 million is becoming larger, richer, and more urbanized. Increasingly, GMS consumers look for food characteristics such as safety, healthiness, and environment-friendliness. GMS farmers generate huge surplus of agrifood products,

and agribusiness companies are more sophisticated and better able to develop regional and global reach. Agricultural and food trade is growing rapidly. Trade integration is accelerating thanks to policy initiatives and development of transport corridors and logistics systems. The improved infrastructure and the opportunity to move further along the value-added path are great incentives for the increasing flow of foreign direct investment.

Challenges. The challenges to establish GMS as a global leader in SEAP are due to the (i) millions of fragmented small-scale farmers and small and medium-sized enterprises;



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(ii) development disparity of GMS economies, particularly with respect to food safety systems; and (iii) difficulty of adopting sustainable climate-smart agriculture practices. Meeting these challenges requires developing inclusive value chains; harmonizing food safety standards; controlling transboundary pests and diseases; and recognizing the interdependence of food, water, soil, and energy.

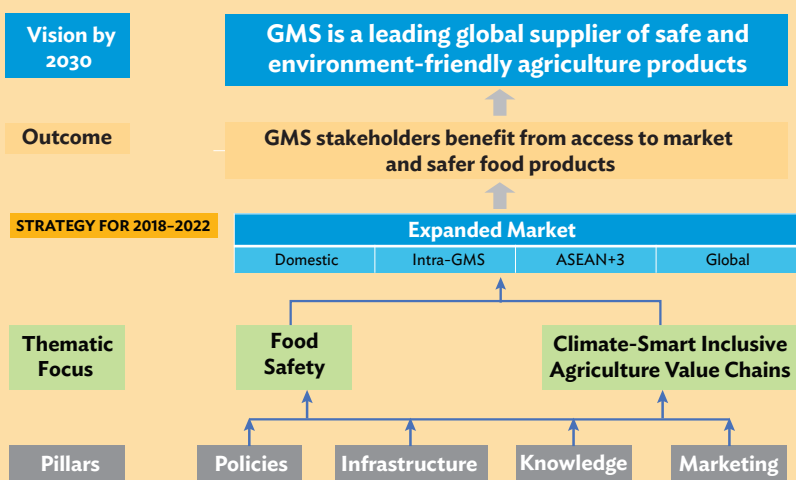
Rationale. A subregional approach toward safe and environment-friendly agrifood value chains is expected to achieve three main outcomes: greater trade, economies of scale, and inclusive food safety. The GMS is strategically located next to the larger Chinese market (all of the People's Republic of China [PRC], not just Yunnan Province and Guangxi Zhuang Autonomous Region), the Indian subcontinent, and the major transport corridors

linking the Association of Southeast Asian Nations (ASEAN) to Central Asia and South Asia, in addition to the Pacific Ocean and the Indian Ocean. The continuity of its landmass, the rapid development of its economic corridors, and the diversity of its agroecological environment make it uniquely placed within ASEAN, Japan, the PRC, and the Republic of Korea (ASEAN+3) to accelerate the path toward food safety and environment-friendly practices.

The common features in the GMS—the sharing of the Mekong River, a large landmass with porous borders, dynamic growing economies, trade openness, and connectivity—suggest that a subregional strategy could be enhancing the success of the strategies pursued independently by each nation. The GMS countries are at different levels of development, but the less developed



Conceptual Framework of the GMS SEAP Strategy



ASEAN + 3 = Association of Southeast Asian Nations, Japan, the People's Republic of China, and the Republic of Korea; GMS = Greater Mekong Subregion; SEAP = safe and environment-friendly agriculture products.

Source: GMS Working Group on Agriculture Secretariat.

GMS economies are catching up with the subregion. Becoming a more prosperous subregion with sustainable growth is highly desirable. The subregional strategy will also contribute to enhance the synergies of independent national strategies. For example, the attainment of food safety goals in one country is partly dependent on ensuring rigorous quarantine control along the border with the neighboring countries.

Strategic Approach. In pursuit of the vision of the GMS as a leading global supplier of SEAP, the strategy and action plan for 2018–2022 will focus on expanding the markets for SEAP of GMS farmers and small and medium-sized agro-enterprises, while enabling GMS consumers to access safer food products (see figure above). Underpinning this vision is the access of safe food for all, irrespective of a

person's demographic, income status, and gender. The overriding theme of the GMS strategy for 2018–2022 will be about establishing a food safety regime in the GMS that aligns with regional and international standards. Embedded in the food safety focus is the adoption of environment- and climate-friendly agriculture technologies and practices. The attainment of the vision for the SEAP value chains strategy rests upon four outputs: (i) harmonized standards, practices, and policies to facilitate production, trade, and investment in SEAP value chains; (ii) strengthened infrastructure for regionally integrated SEAP value chains; (iii) improved systems for sharing and disseminating knowledge and innovations related to SEAP value chains; and (iv) developed marketing approaches to promote GMS's reputation as a SEAP global leader.

Implementation Framework.

The GMS agriculture ministers will guide the overall formulation and implementation of the five-year strategy and action plan. The GMS Working Group on Agriculture (WGA) and the WGA secretariat will assist in the supervision of the lending and non-lending investments; resource mobilization; coordination with other agencies, donor partners, and multi-stakeholder partnerships in the value chains; monitoring and evaluation of the strategy and action plan; and periodic review and preparation of action plans. The core of the work on the implementation of the GMS Strategy and Action Plan falls on the WGA national coordinator and the WGA secretariat; both backstop the GMS WGA in overseeing the implementation. In tandem they are responsible for supervising the implementation of the strategy and action plan, and for reporting regularly to their respective

agriculture ministers on the status of the GMS Strategy and Action Plan.

Policy and Institutional Action

Plan. GMS members will collaborate toward the achievement of the outcome and outputs of the GMS strategy for SEAP. This collaboration will include the following:

- Working together with other members toward harmonization of standards, mutual recognition of food safety quality assurance system, and reference labs
- Strengthening coordination among different agencies involved in SEAP value chains
- Promoting compliance with food safety standards in regional trade
- Promoting responsible investment in agribusiness related to SEAP in the region
- Developing infrastructure for SEAP value chains such as agro-industrial zones, market and value infrastructure, livestock disease



control areas, and sanitary and phytosanitary (SPS) facilities

- Facilitating knowledge sharing through training, capacity building, demonstrations, and promoting dialogue about SEAP
- Providing a platform for trade facilitation of SEAP
- Exchanging information about geographical indications (GIs) and enhancing the subregional and global reputation of GIs from the GMS
- Developing joint marketing and communication strategies to enhance GMS's reputation as a supplier of SEAP

Investment Plan. The outputs and activities of the strategy require the combined resources of GMS members, development partners, and, where feasible, the private sector. The time frame for the implementation of the strategy and action plan is 2018–2022 to align with the GMS Economic Cooperation Program Strategic Framework 2012–2022. The GMS members have already identified and prioritized several investments and technical assistance (TA) to support the implementation of the action plan. The number and size of these investments may change during the

Initial Consolidated Pipeline of Investments and Technical Assistance Related to the Strategy for Promoting Safe and Environment-Friendly Agro-based Value Chains in the Greater Mekong Subregion and Siem Reap Action Plan, 2018–2022 (\$ million)

ID	Project	Cost Estimate
Investments		
I1	Climate Friendly Agri-Business Value Chains in the GMS	253.0
I2	Agro-industrial Zones to Support Promotion of SEAP Value Chains	191.0
I3	Animal Disease Control Zone	133.0
I4	Cluster and Value Chain Development for Geographical Indications	325.0
Subtotal Investments		902.0
Technical Assistance		
T1	SEAP Strategy Implementation Support	10.0
T2	Supporting Infrastructure Development of Agroindustrial Zones	25.0
T3	Animal Disease Control Zone	20.0
T4	Geographical Indications Value Chain Development and Brand Building	13.0
T5	Agribusiness Incubator Development	37.0
Subtotal Technical Assistance		105.0
Total Investments and Technical Assistance		1,007.0

GMS = Greater Mekong Subregion, SEAP = safe and environment-friendly agriculture products.
Source: GMS Working Group on Agriculture Secretariat.



implementation period. However, it provides a preliminary indication of the commitment of the WGA members in the SEAP strategy.

The total investment over 5 years is about \$1,581 million, of which 11% is TA. The outlined investments indicate Output 2 on infrastructure (at 41%) and Output 4 on markets (at 26%) absorb most of the investment. In the case of infrastructure, GMS countries are interested in improving their agro-industrial zones, SPS facilities, and disease control areas, especially in the border areas where transboundary livestock disease movements are a source of major concern. GMS members are also interested in promoting GIs and policies related to traceability and green water management.

In addition to the investment requirements indicated by the GMS

members, there are also the pipelines of development partners who are interested in supporting the GMS strategy for SEAP. For example, the consolidation of pipelines for GMS investments and TA prioritized by WGA members and ADB amounts to over \$ 1 billion (see table on previous page). Consultations between WGA and development partners will aim at firming up the investment commitments in line with the GMS Strategy and Action Plan for SEAP.

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