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



ASEAN RATE THE ASEAN REGIONAL AGRICULTURAL TRADE ENVIRONMENT ASSESSMENT

This document presents an introduction to the Regional Agricultural Trade Environment (RATE) assessment conducted in the ASEAN region in 2012.



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ASEAN REGIONAL AGRICULTURAL TRADE ENVIRONMENT (RATE) ASSESSMENT

INTRODUCTION

Implemented by the USAID Maximizing Agricultural Revenue
through
Knowledge, Enterprise Development and Trade (MARKET) Project

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On the cover: The evening harvest in Laos

Sponsored by USAID's Regional Development Mission Asia, (RDMA) and implemented by Nathan Associates Inc. as part of the USAID Maximizing Agricultural Revenue through Knowledge, Enterprise Development and Trade (MARKET) Project, the Regional Agricultural Trade Environment (RATE) Assessment helps the Association of Southeast Asian Nations (ASEAN) and the ASEAN Member States determine the types of national and regional reforms that will lead to growth in agricultural trade that will ultimately result in better food security. This document is made possible by the support of the American people through the United States Agency for International Development (USAID). Its contents are the sole responsibility of the author or authors and do not necessarily reflect the views of USAID or the United States government.

INTRODUCTION TO THE REGIONAL AGRICULTURAL TRADE ENVIRONMENT (RATE) ASSESSMENT

The RATE assessment: A cross-cutting analysis of ASEAN Member States' enabling environments for agricultural trade and food security.

The USAID-sponsored Regional Agricultural Trade Environment (RATE) activity, implemented by the Maximizing Agricultural Revenue through Knowledge, Enterprise Development and Trade (MARKET) Project, is a tool for examining the agricultural trade enabling environments of participating countries in regional organizations, for the purpose of helping regions streamline and strengthen their approaches to cross-border trade and food security. RATE is grounded in USAID's commitment, through its Feed the Future initiative, to facilitate the integration of farmers and rural industries into the full chain of



A proud farmer showing off a new export crop.

production, from “farm to fork,” enabling them to better connect with agricultural trade and market opportunities.¹ Launched in April 2012, this RATE assessment covers the ten member states of the Association of Southeast Asian Nations (ASEAN). It examines a range of agriculture and trade-related policies, laws, institutions, and social dynamics that impact the environment for trade, both with respect to international markets, and, critically, among ASEAN Member States themselves.

The RATE methodology is drawn from USAID's well-established Agribusiness Climate Legal and Institutional Reform (AgCLIR) diagnostic tool, a comprehensive approach to examining many country-specific aspects of starting and running an agribusiness, including in farming, processing, exporting, and other agriculture-related enterprises.² RATE has been adapted from AgCLIR as an efficient – but still detailed – method for examining regional legal and institutional environments for trading in agricultural goods. Drawing qualitative and quantitative information across each ASEAN Member State, RATE identifies specific policies and practices on a comparative basis, highlighting how certain efforts at legal and regulatory harmonization or strengthened institutional performance can

improve conditions for food security and growth.

Mindful of comprehensive efforts to bring together ASEAN's Member States as one economic, political and socio-economic community by 2015, the RATE assessment has devoted special attention to opportunities for legal harmonization and institutional collaboration across the region. In addition to summarizing the state of key laws and institutions involved with agricultural trade within ASEAN's

¹ See USAID, “Expanding and Enhancing Agricultural Markets and Trade,” available at <http://www.usaid.gov/what-we-do/agriculture-and-food-security/expanding-and-enhancing-agricultural-markets-and-trade>.

² More information about AgCLIR can be found at <http://eatproject.org/agclir.aspx>.

Member States, RATE proposes a number of Opportunities for Action that can be considered by various stakeholders for integration and implementation.

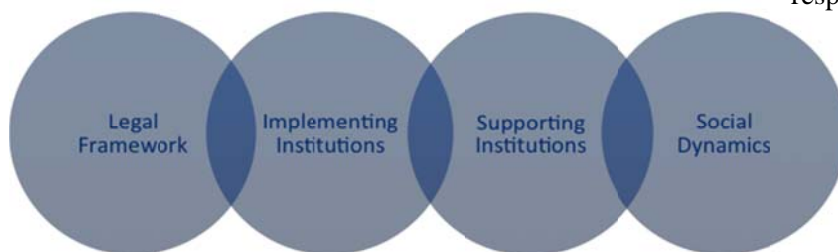
Shared Platform for Analysis: RATE Topics

RATE reviewed the enabling environment for regional trade among ASEAN Member States by specifically examining 10 topics, each of which directly or indirectly relates to the conditions under which producers, processors, and traders of agricultural products—chiefly, but not exclusively, food products – are positioned to take advantage of the opportunities presented by trade. Through detailed research followed by stakeholder interviews in seven of the ten member states, the RATE analysis emphasized the impact of laws and institutions across value chains – that is, the succession of stakeholders involved in production, exchange, and consumption of key agricultural products and services, beginning at the farm and reaching through informal and formal domestic markets and enterprises and on to large-scale activities in trade across borders, in ASEAN and beyond.³ RATE also incorporated the perspectives of supporting institutions associated with trade in agriculture, including research institutes, farmer organizations, trader groups, business associations, universities, think tanks, and others. In light of the critical role played by women across the region both in agricultural production and trade and in supporting food security, RATE examined issues of gender as a standalone topic and as an element of each of the topics it reviewed.⁴

RATE’s Analytical Dimensions

With respect to each of the topics, RATE engaged a four-part analysis that has long been used by USAID’s Commercial Legal and Institutional Reform activities to gain a multi-dimensional understanding of business enabling environments across the world.⁵ First, RATE examined the **Legal Framework** for each topic in each ASEAN Member State, including the laws and regulations (along with their underlying policies) that serve as the structural basis for their respective abilities to achieve and sustain market-based development.

Second, RATE reviewed key **Implementing Institutions**, including those agencies holding primary responsibility for implementation and enforcement of the legal



framework and subsidiary laws, regulations, and policies that are a critical component of enterprise participation in the agricultural economy. These institutions typically included national and local

³ Between April and November 2012, RATE assessment teams visited seven out of ASEAN’s eight USAID assistance-eligible countries: Cambodia, Indonesia, Lao P.D.R., Malaysia, the Philippines, Thailand, and Vietnam. Additional desk research was dedicated to analyzing the enabling environments of Brunei, Burma, and Singapore.

⁴ See USAID/MARKET, “Gender and Food Security: Best Practice Guidelines” (February 2012).

⁵ Since 1999, USAID’s Business Climate Legal and Institutional Reform (BizCLIR) activity, complemented with its Agribusiness Climate Legal and Institutional Reform (AgCLIR), has been implemented in at least 40 countries.

government ministries, authorities, and registries, or, in certain cases, private institutions such as banks and credit bureaus.

From “farm to fork”: examining how legal and institutional conditions impact stakeholders across ASEAN’s agricultural value chains

RATE Topics	Impact on Agricultural Trade
Informal Economy	When producers, processors, and traders enter the formal economy, their businesses can grow and their goods can circulate freely, enhancing food security.
Access to Finance	Providing rural economy actors’ access to credit helps them to cope with the supply & demand risks they face, strengthening their businesses and contributing to greater food market stability.
Infrastructure.	Strong markets need public facilities that support agribusiness, such as roads, rail, & ports, domestic markets, storage facilities, and access to information
Intellectual Property Rights	Investment in a vibrant food economy is enhanced by systems for the recognition and protection of new plant varieties, and of patents, trademarks, and copyrights used in connection with equipment, products, and services.
Competition	Markets function better and consumers are better served when open access to markets, consumer choice, private-sector participation, and fair and efficient trade are promoted.
Non-Tariff Barriers	Markets function better when trade is managed through transparent tariffs and legitimate health and safety measures, rather than more opaque quotas, licenses, & other barriers
Trade Facilitation	Markets function better when procedures and controls governing the movement of goods and services across borders, by customs agencies and other key border agencies (ports, health agencies, quarantine services, immigration) are efficient
Gender	Empowering women to make key decisions about production, livelihoods, resource use, incomes, and time and to enjoy equal access to technology & markets strengthens rural economies.
Transparency & Accountability	Markets function better, the more transparency and accountability prevail in all legal and regulatory aspects of trade and agriculture.
Food Security	When all people, at all times, have physical and economic access to sufficient, safe, and nutritious food to meet food preferences and dietary needs for active and healthy lives.

Third, and most extensively through interviews and validating workshops, RATE reviewed **Supporting Institutions**, including private sector and professional associations, research institutes, farmer associations, banks, women’s groups, business support organizations, transporters, laboratories, universities, think tanks, and many others that have the potential to contribute to a well-functioning trade environment.

Finally, RATE examined **Social Dynamics**, the less tangible, but often enormously important social, political or even environmental issues that are relevant to a certain topic. Without considering these more nuanced dimensions, a full understanding of legal and institutional issues cannot be achieved.

The information compiled by RATE was both quantitative – that is, informed by the many reputable sources of comparative statistics available on the issues it examined – and qualitative – namely, inclusive of the perspectives, priorities and challenges experienced by the region’s many stakeholders in agricultural trade. Ultimately, RATE sought to record the important contextual similarities and differences among ASEAN Member States and identify individual and shared opportunities for long-term development of agricultural markets.



New factories producing agricultural goods for the international market a growing stronger and smarter with every step forward in regulatory reform and capacity building.

Implementation of RATE: An Abundance of Voices

Between April and November 2012, small RATE teams, comprised of local and expatriate professionals, visited seven of the 10 ASEAN Member States. An underlying premise of RATE is that, behind the wealth of statistics that routinely report on the productivity, value, efficiency, and penetration of activities in ASEAN’s agricultural markets, is a mosaic of perspectives—individuals, associations, institutions and others that each have a role in the value chains that form an economy, and thus an important view of how things work. Thus, the RATE assessments aimed to seek out

representative perspectives—regional and domestic; government and private sector; urban, suburban and rural; micro, small, medium and large; producer, processor and trader; authorities on inputs, staple foods, cash crops, services, and non-food agricultural products; and more. The RATE teams met with hundreds of stakeholders across the region, tracking the number and types of interviews, observations, and visits, while also assuring the anonymity of the viewpoints offered in the interests of ensuring candor. Throughout the process, the RATE teams reviewed and integrated the published research of a variety of international, regional, and local institutions that have themselves performed extensive qualitative and quantitative research on the topics covered by RATE.

In October 2012, RATE representatives returned to five ASEAN Member States—Indonesia, Thailand, Malaysia, Lao P.D.R. and Vietnam—to share preliminary findings with stakeholders and integrate additional perspectives on the details and emphasis of the findings. RATE conducted “Validating Workshops” in several cities attended, again, by a cross-section of stakeholders across key agricultural value chains. Following these workshops, RATE also consulted a variety of professionals who offered deep experience working with ASEAN and other key regional and Member State institutions. Among these professionals were experts in ASEAN regional integration, agricultural productivity, trade economics, trade facilitation, intellectual property, gender, and law.

Deliverables and Next Steps

Ultimately, the goal of RATE is to contribute to a fuller understanding of the legal and institutional conditions that impact continued growth of trade in agricultural products and strengthening of food security among ASEAN Member States. In addition to maintaining an organized set of Research Notes drawn from its information-gathering process, RATE has produced one set of country summaries (for all aid-eligible ASEAN Member States) and a detailed, cross-cutting analysis of the 10 topics it examined.⁶ Within each topic report is a list of Opportunities for Action, directed at both the regional and member state levels.

Critically, the RATE Opportunities for Action are grounded in an awareness there are many pathways to change. Within the ASEAN region, important reforms can be moved forward by a single, visionary champion or a by groundswell of stakeholders. Some reforms may take a number of years to take root, while others are a matter of the empowered acting quickly and decisively in a way that reflects both public demand and international best practice. In most cases, a “big idea” —including the type that is often promoted by regional or international organizations such as ASEAN, the World Bank, the Asian Development Bank, the World Economic Forum, and others—can be broken down into many smaller tasks, which, again, can be



It is often in the many ASEAN markets where trade related reforms can be most easily recognized.

⁶ This note reserved for citation to a link to online publication of RATE deliverables.

seized by a variety of public and private actors. Accordingly, the Opportunities for Action found in the topic reports are intended to be multifaceted. They may be accessed as a foundation for regional or domestic policy development, as a resource for private-sector initiatives, as a benchmark for tracking change, as a reference for academic instruction, and, most immediately, as a “jumping off point” for stakeholder discussion and consensus-building.

What is next for RATE? Most likely, each topic report will assume different trajectories in informing and promoting change. Both the country summaries and topic reports are “stand-alone” documents, so that stakeholders who are most concerned with certain Member States or certain issues can draw from analysis that is not so broad as to feel overwhelming. The RATE reports can be disseminated, reviewed, and acted upon by a variety of government, private-sector, and donor projects and organizations. Against a backdrop of dramatic change across ASEAN in recent years, the RATE deliverables are intended to serve as useful inputs to an environment of informed and inclusive long-term growth.

APPENDIX A: RATE QUESTIONS

Informal Economy

Legal Framework

- Does national law and policy unequivocally support entrepreneurship and private-sector activity in agriculture and trade?
- Does national and local law encourage business formalization through low capital requirements, accessible registration procedures, and minimal costs?
- Does the legal framework adequately support farmer organizations or cooperatives as viable participants in private-sector-based agricultural trade?

Implementing Institutions

- Do public institutions promote the benefits of formalization in a way that is persuasive and easily understood?
- Are institutions charged with the formalization of new enterprises accessible, affordable, and efficient?
- Are institutions charged with formalization of new enterprises transparent in their practices and free from petty corruption?
- Do newly formed agricultural enterprises have ready access to the guidance they need with respect to licenses and permitting requirements?

Supporting Institutions

- Is there wide availability of business development services that support the formalization of agricultural enterprises?
- Do existing private sector associations support in policy and in practice the entry of new businesses into the agriculture and/or trade sectors?
- Do faculties of agriculture and economics offer a foundation of knowledge to university students about modern systems of production, transformation, agricultural entrepreneurship, and marketing?
- Do public and private extension services reach informal actors, and do they teach the benefits of formalization?

Social Dynamics

- Do entrepreneurs in agriculture perceive any meaningful benefits to formalization?
- Does the economy promote and support a “culture of contracts,” preparing new enterprises for the implications and benefits of engaging in formal contracting?
- Are efforts to promote the formalization of enterprises sufficiently responsive to women who are active in the informal economy?

Access to Finance

Legal Framework

- Does the legal framework foster a financial sector supportive of the agriculture sector, including trade in agricultural goods?
- Is there a law on secured transactions that enables the quick, inexpensive, and simple creation of a proprietary security right in movable, intellectual, and intangible property, including agricultural property?
- Does the legal framework permit the use of microcredit and other innovative financing arrangements?
- Does the legal framework support a clear and effective structure for credit reporting?

Implementing Institutions

- Are regulating authorities appropriately responsive to the needs of agricultural lenders

and borrowers?

- Does a collateral registry for real, movable and intangible property enable the creation and security of secured transactions contracts and provides easy access to reliable information?
- Do credit bureaus support the efficient dissemination of credit information and cost-effective due diligence by financial institutions?

Supporting Institutions

- Is a range of appropriate financial services available to agricultural enterprises doing business at all junctures along key value chains?
- Are academic and training programs in finance and credit sufficient to meet the needs of the agriculture sector?
- Is insurance for crop production and shipment widely available at a reasonable price?

Social Dynamics

- Is broad-based access to finance a priority for policy-makers?
- Are stakeholders representing all interests pertaining to credit in the agriculture sector, including borrowers, lenders, and government authorities, committed to sustaining a fair and efficient credit regime that is free of corruption?

Infrastructure

Legal Framework

- Is there a long-range plan in place that incorporates the infrastructure needs of key agricultural value chains and aims to continuously fulfill those needs in the future?
- Does the legal framework underpinning the transport sector support effective planning, development and management of the domestic infrastructure network?
- Does law and policy pertaining to land administration and land use support fair and efficient development of domestic infrastructure?
- Is the legal framework underpinning irrigation and other agriculture-specific infrastructure needs up-to-date and responsive to the needs of the sector?

Implementing Institutions

- Do national and local institutions with licensing authority over transport and storage exercise their authority with transparency, predictability, timeliness and fairness?
- Are institutions charged with developing and administering irrigation resources and facilities effective in meeting the needs of the agriculture sector?
- Do national and local institutions implement national transport and storage policies with an eye toward minimizing post-harvest loss?

Supporting Institutions

- Are there sufficient and accessible resources for commodity storage?
- Does an active community of agricultural commodity and trade associations actively communicate with the regulating agencies about critical issues in infrastructure?
- Are there sufficient human resources available to support complex, infrastructure-related policy-making and implementation, including engineers, land surveyors, planners, and architects?
- Are there sufficient financial institutions, including commercial banks, and bond-issuing authorities, available to finance key infrastructure projects?

Social Dynamics

- Is there public confidence that major infrastructure projects in the agriculture sector can be undertaken with transparency and public and private accountability?
- Are infrastructure needs at the early stages of value chains, including rural communities and feeder roads, considered a national priority?

Intellectual Property

Legal Framework

- Does the legal framework provide IPR protection for plant varieties, and is the scope of protection commensurate with international norms?
- Does the legal framework adequately protect the trademarks of international and domestic companies participating in the agriculture sector?

Implementing Institutions

- Do one or more government agencies handle registration functions concerning agriculture-related IPR in a transparent, competent, and nondiscriminatory fashion?
- Do one or more government agencies handle enforcement functions concerning agriculture-related IPR in a transparent, competent, and nondiscriminatory fashion?
- Are the national courts knowledgeable about IPR issues and capable of adjudicating and enforcing IPR law?

Supporting Institutions

- Are chambers of commerce and other business associations active in the promotion and enforcement of a fair and efficient regulatory environment for IPR?
- Does the legal profession support the efficient navigation of the environment for IPR, not only for large companies, but also for SMEs?
- Do universities, including faculties of economics, agriculture, and law, teach the fundamental principles of IPR?

Social Dynamics

- Within the agriculture sector, is there a consensus over the value of intellectual property rights?
- Are stakeholders representing all interests pertaining to IPR in the agriculture sector – including producers, processors, importers, exporters, and business support services – committed to sustaining a fair, transparent, and efficient IPR regime?

Competition

Legal Framework

- Does the legal framework support a commercial environment where private-sector access to agricultural markets is as open and competitive as possible?
- Is there a competition law that promotes economic efficiency and consumer welfare in the agriculture sector, with any exemptions having a sound economic or social justification?
- Does the legal framework applicable to the production, sale, and distribution of agricultural inputs foster competition, efficiency and consumer welfare?

Implementing Institutions

- Do key ministries – including agriculture, trade, and industry or commerce -- strive to implement core principles of fair competition in the agriculture sector, including the objectives of innovation, efficient allocation of resources, and consumer welfare?
- Is there a competition agency that is endowed with sufficient resources to fulfill its mandate with respect to the agriculture sector?
- Do crop-specific agencies and local institutions support competitive processes in domestic trade?
- Do national and local institutions adequately support systems that can supply farmers and traders with adequate marketing information?

Supporting Institutions

- Does the private sector, inclusive of farmers' organizations and agricultural cooperatives,

as well as traders, processors, and marketers and their associations, support the economic efficiency and consumer welfare goals of competition in the agricultural sector?

- Are domestic marketing and distribution channels for agricultural goods competitive?
- Do research and educational institutions support the economic efficiency and consumer welfare goals of competition in the agricultural sector?
- Do systems for workforce development support a skilled and competitive labor environment?

Social Dynamics

- Within the government, the private sector, and society at large, is there confidence that free-market principles will lead to more sustainable economic results than prolonged state interference in the economy?
- Do all ethnic, religious, or cultural groups enjoy free and fair access to private-sector opportunities?

Non-Tariff Barriers

Legal Framework

- Does the legal framework pertaining to imports provide sufficient access to critical agricultural inputs, including seed, fertilizer, pesticides, equipment, and packaging materials?
- Is the legal framework pertaining to food standards and product quality consistent with international best practice, good scientific practice generally, and general goals of efficiency?
- Does the legal framework specifically address the use of genetically modified seed, and, if so, how?
- Does the domestic legal framework support free trade in services among ASEAN member states?

Implementing Institutions

- Do agencies charged with ensuring the health and safety of agricultural products adhere to principles of efficiency and international best practice?
- Are ministry(ies) charged with promoting commerce and trade exercise their licensing authority with transparency, predictability, timeliness, and fairness?
- Are regional and local agencies charged with issuing business licenses exercise their authority in a manner consistent with the principles of free trade?

Supporting Institutions

- Does an active community of agricultural commodity and trade associations communicate with the regulating agencies about critical issues in NTBs?
- Is there a full range of testing and certification services to ensure the safety of imported agricultural products and the marketability of domestic agricultural products?
- Are professional licensing requirements narrowly tailored to protect the quality of services and efficiently and fairly administered?
- Does the legal profession support the efficient navigation of the environment of licensing and permits, not only for large companies, but also for SMEs?

Social Dynamics

- Are national and local licensing authorities committed to administering a fair and efficient licensing regime that is free of corruption?
- Do government and a wide range of stakeholders in the agriculture sector work together to reduce the regulatory burden caused by agriculture-related licenses?

Trade Facilitation

Legal Framework

- Do the law and regulations governing customs and all other border-inspection functions promote and support efficient, competitive trade in agricultural products?
- Does the legal framework empower the customs authority and other border agencies to implement trade facilitation measures efficiently and in compliance with international best practice?
- Does the legal framework incorporate international standards and best practices pertaining to trade in foodstuffs?
- Does the legal framework incorporate international standards and best practices pertaining to plant protection, animals, and animal products?

Implementing Institutions

- Does the customs authority have a risk-management unit dedicated to implementing risk- management processes based on WTO provisions and international best practices?
- Do the border agencies work together to facilitate cross-border trade of agricultural products?
- Do port authorities operate efficiently and employ practices consistent with international best practices?

Supporting Institutions

- Is the private sector active in the promotion of a fair and efficient environment for agricultural trade?
- Are public and private educational institutions responsive to the needs of the country's stakeholders in agricultural trade?
- Does the legal profession have both expertise and practical experience in international trade law, and exercise a positive influence on the environment for agricultural trade generally?
- Do agribusiness associations of importers and exporters actively communicate with customs and other trade-related authorities, provide training to the private sector, and comment on laws and regulations?

Social Dynamics

- Are the key border agencies effective in setting, communicating and maintaining standards of integrity?
- Is the rule of law is respected by all private actors in the international trade regime, including across key value chains?

Gender

Legal Framework

- Is non-discrimination enshrined in key instruments of policy and law, particularly those pertaining to economic development?
- Does the law specifically ensure equal property rights for men and women, including with respect to the right of inheritance?
- Does the law provide for equal access to all types of finance?
- Does the law supply a level playing field for both men and women participating in the agriculture sector?

Implementing Institutions

- Do national and local governments include women in their efforts to promote crop productivity and quality, including through extension services?
- Does national food security policy include a gender component?
- Do public institutions maintain gender-disaggregated statistics, particularly for agriculture and trade?
- Are women significantly represented in government jobs pertaining to agriculture and trade, including in leadership positions?

Supporting Institutions

- Do women have equal access to public and private education at all levels – primary, secondary, vocational/technical, and tertiary?
 - Are women and women-owned enterprises significantly represented in major trade and agriculture-related associations?
 - Are there active associations dedicated to networking and business development for women entrepreneurs in the agriculture and trade sectors?
 - Are women significantly represented in professions related to agriculture and trade, including academia, research, banking, and the law?

Social Dynamics

- Do women have equal access to appropriate technologies, inputs, and tools to farm productively?
- Do social norms support the full participation of women at all junctures of agricultural value chains, such as wholesale trade or trade in services?
- In families where both men and women work outside the home, is there an equal division of household labor?

Transparency and Accountability

Legal Framework

- Does the legal framework provide for transparent systems of public financial management, including at the national and local levels?
- Does the legal framework include measures against the bribery of public officials?
- Does national policy and law adequately establish a framework for corporate governance that is in step with international best practices?
- Does the law protect whistleblowers, who report in good faith suspected acts of corruption, from discriminatory and retaliatory actions?

Implementing Institutions

- Do anti-corruption bodies and enforcement authorities engage in the prevention and fight against corruption, and can they carry out their functions free from undue influence?
- Are judges and courts independent and impartial?
- Are systems of municipal administration transparent and free from petty corruption?
- Are official statistics pertaining to agricultural production and trade unbiased and reliable?

Supporting Institutions

- Is there an adequate supply of professionals capable of supporting transparent practices in government and enterprise, including auditors, accountants, and sources of reliable statistics?
- Do business associations advocate and promote transparent business practices among their members?
- Does the banking sector observe high standards of corporate governance, consistent with international standards?
- Is the media free to report on matters of agriculture and trade, including issues unflattering to the government or powerful private-sector interests?

Social Dynamics

- Does the national government value and promote issues of integrity, transparency, accountability and the prevention of corruption, including in the management of public finances?
- Is the independent authority of courts respected throughout the private sector?

Food Security

Legal Framework

- Is there a clear and accessible legal framework pertaining to food security?
- Does the legal framework for food security align with the country's actual food security needs?
- Does the legal framework for food security, as found in law and policy, align with national commitments to free trade in goods and services?
- Does the legal framework clearly identify the roles and responsibilities of the primary agencies addressing the issue of food security?

Implementing Institutions

- Does the national agency charged with overseeing food security report directly to the head of the government?
- Is there significant policy coordination among government ministries concerned with food security, including agriculture, trade, infrastructure, women's affairs, and others?
- Do the institutions engaged in supporting food security adhere to the intentions of the legal framework, including national commitments to regional and international free trade?
- Are there rapid-response institutions in place at the national and local levels that are prepared and able to respond to food security crisis?

Supporting Institutions

- Are key private-sector organizations of producers and traders in food products engaged in national discussion and policy-making pertaining to food security?
- Do universities and national think-tanks participate in the national dialogue and initiatives pertaining to food security?
- Do farmers' organizations and cooperatives contribute to national food-security discussions and public dialogue about the issue?
- Does the national media cover trade-related issues of food security, including issues of access, logistics, or corruption?

Social Dynamics

- Are attitudes and approaches toward food security consistent with regional and international free-trade commitments?
- Is there a national consensus over whether and to what extent corruption may play a part in food security?
- Does national food security policy incorporate the promotion of women's access to flexible, efficient, and fair rural markets?

APPENDIX B: OPPORTUNITIES FOR ACTION

Informal Economy

Opportunities at the ASEAN Regional Level

- Strengthen information-gathering
- Promote flexibility in farmer group organizational structures

Opportunities for Member States

- Strengthen the conditions for doing business in the formal economy
- Offer tax incentives for formalization
- Strengthen the legal and institutional conditions for doing business in the formal economy.
- Expand the scope of business registration one-stop-shops to include services to informal participants
- Encourage a “culture of contracts”

Access to Finance

Opportunities at the ASEAN Regional Level

- Develop regional guidelines on the legal and institutional framework for collateral lending
- Develop regional guidelines on the role of state-funded agricultural development banks
- Encourage a regional discussion of agricultural insurance

Opportunities for Member States

- Streamline secured transactions laws so finance is more accessible to individuals who lack ownership rights in real property
- Create or strengthen collateral registries to reduce lenders’ risk in accepting movable or intangible forms of collateral
- Create or improve the effectiveness of credit reporting systems in order to reduce lenders’ risk
and expand credit access to more borrowers
- Expand access to microfinance services for small and medium-sized agribusinesses
- Improve collection of statistics on access to finance in rural areas
- Improve women’s access to finance

Infrastructure

Opportunities at the ASEAN Regional Level

- Within the ASEAN Infrastructure Fund, as well as other funding sources, explore opportunities for funding infrastructure activities that connect agricultural products to markets
- Establish an ASEAN-wide institute on post-harvest loss
- Formulate a regional transport policy, incorporating the establishment of transnational corridors passing through locations that are centers of agricultural and industrial production
- Encourage regional initiatives to strengthen cold storage opportunities
- Establish a shared definition of PPPs in the region along with a network for sharing standards and guidelines for protecting investors’ rights

Opportunities for Member States

- Create “Infrastructure Accountability Websites” to track public expenditures on

physical infrastructure projects

- Incentivize infrastructure development for agricultural trade
- Improve coordination among units of government, including national and local-level institutions

Intellectual Property Rights

Opportunities at the ASEAN Regional Level

- Strengthen regional participation in global IP systems in the international IP community
- Continue to commit public outreach on enforcement and compliance issues.
- Promote a regional network of university IPR programs to share information, curriculum, and ideas for supporting the private sector.

Opportunities for Member States

- Join major IP conventions
- Take serious action against IPR violations at the borders
- Actively advocate for entrepreneurs to development brands through trademark and trade dress protection through outreach and facilitation.

Competition

Opportunities at the ASEAN Regional Level

- Recommit to region-wide adherence to international best practices in competition policy and law
- Integrate private-sector perspectives into policy dialogue pertaining to competition in the agriculture sector
- Provide conditions and resources for harmonization of existing and draft competition laws
- Support exchange of information among Member State competition authorities, particularly as it pertains to advocacy

Opportunities for Member States

- Undertake comprehensive assessments of domestic competition in agriculture
- Promote domestic understanding and expertise in competition policy and law

Non-Tariff Barriers

Opportunities at the ASEAN Regional Level

- Strengthen cooperation and transparency across institutions with respect to identifying and addressing NTBs.
- Streamline and accelerate efforts to harmonize food standards
- Coordinate efforts to harmonize food standards with implementation of the ASEAN Single

Window initiative

- Promote public dialogue and local research pertaining to GMOs
- Continue efforts to promote trade in services, including with respect to agriculture-related services

Opportunities for Member States

- Participate in the ASEAN NTB database
- Continue efforts to streamline business licensing processes

Trade Facilitation

Opportunities at the ASEAN Regional Level

- Coordinate efforts to streamline regional trade facilitation with closely related efforts to harmonize food safety standards throughout the ASEAN region
- Continue region-wide harmonization of Customs laws, particularly insofar as they address risk-management in the facilitation of agricultural products
- Develop and implement an anti-corruption plan specifically applying to cross-border trade of agricultural products

Opportunities for Member States

- Join the Revised Kyoto Convention
- Promote risk-management in border processes
- Strengthen efforts to address border fraud and informal trade
- Take serious action against corruption at the border
- Strengthen National Single Windows and exchange of electronic data through ASW, including health certificates, phytosanitary and veterinary certificates, lab analysis certificates

Gender

Opportunities at the ASEAN Regional Level

- Improve and encourage collection and analysis of sex-disaggregated statistics
- Integrate gender into implementation of all pillars of the ASEAN Community
- Harness science, technology, and innovations to reduce gender gaps and empower women and girls
- Create opportunities for regional women's organizations to share lessons learned
- Integrate women and women-run small and medium-sized businesses into private sector management and regional supply chains

Opportunities for Member States

- Make sex-disaggregated statistics collection a national priority
- Integrate gender considerations into national budgets and other matters of public finance
- Improve access to land titles for women in practice, as well as in theory
- Encourage women participating in the informal economy to formalize their enterprises
- Strengthen women's access to finance at all levels of commerce

Transparency & Accountability

Opportunities at the ASEAN Regional Level

- Set strong examples of transparency in governance of regional institutions
- Encourage full participation of all Member States in key regional anti-corruption initiatives
- Strive for harmonization of Member State anti-corruption laws
- Integrate principles of anti-corruption into future editions of AEC Handbook for Business
- Encourage robust use of the Corporate Governance Scorecard along with the integration of good governance lessons into best practices for governance of all ASEAN enterprises

Opportunities for Member States

- Strengthen domestic systems for transparency and accountability
- Encourage public dialogue and inquiry into issues of transparency and accountability

Food Security

Opportunities at the ASEAN Regional Level

- Through a variety of approaches, continue to address food availability, affordability, and quality
- Create an ASEAN farmer's association to engage in regional dialogue on food security issues and promote national policy advocacy
- Integrate consideration of gender issues into regional food-security planning

Opportunities for Member States

- Redefine national food security policies to focus equally on improving access, affordability, and distribution, rather than solely on food self-sufficiency
- Coordinate food security policy-making through appointment of lead agencies to further high-level, inter-ministerial coordination of food security approaches
- Create national institutions for responding to food-security crises

APPENDIX C: REPRESENTATIVE SOURCES THAT INFORMED THE DEVELOPMENT OF THE RATE METHODOLOGY (APRIL 2012)

The preparation of the RATE methodology in April 2012 was based on a variety of resources. The following is a representative list of resources and materials that informed the RATE methodology.

Informal Economy

ASEAN.org resources on the promotion of self-employment and entrepreneurship

World Bank data on agriculture and rural development

World Bank *Doing Business* initiative (“Starting a Business”) OECD resources on entrepreneurship, SMEs, and agriculture USAID/AgCLIR: Starting a Business (2011)

USAID, The Entrepreneurship Toolkit (2011)

U.S. Chamber of Commerce, domestic and international resources pertaining to business start-up

Access to Finance

ASEAN.org resources on access to finance

World Bank *Doing Business* initiative (“Getting Credit”) World Bank resources on access to finance

OECD resources on finance and agriculture

USAID/AgCLIR: Getting Credit (2011)

RAM Consulting, SME Access to Financing [in ASEAN]: Addressing the Supply Side of SME Financing (2005)

Infrastructure

ASEAN.org resources on infrastructure (including transport and energy) World Bank *Doing Business* initiative (“Protecting Investors”) USAID/AgCLIR: Accessing Marketing Infrastructure (2011)

OECD resources on infrastructure and agriculture, including “Infrastructure to 2030,” which presents the results of “Global Infrastructure Needs: Prospects and Implications for Public and Private Actors.”

U.N. Food and Agriculture Organization (FAO) Knowledge Forum

United States Department of Agriculture Foreign Agricultural Service

Intellectual Property

ASEAN.org resources on intellectual property

OECD Investment Policy Reviews

USAID/AgCLIR: Registering Property (2011)

AgriLinks discussion on Intellectual Property

Office of the U.S. Trade Representative, Special 301 Priority Watch List (2012)

Nathan Associates, Briefing Paper: Intellectual Property and Developing Countries (2003)

Competition

ASEAN.org resources, including Regional Guidelines on Competition Policy (2010) OECD resources on trade, agriculture, and competition

USAID/AgCLIR: Competing Fairly (2011)

USAID/EAT, Enabling a Private Sector-Led Seed Industry: Policy Perspectives (2011)

Economist, “The Rise of State Capitalism” (January 12, 2012) Foreign Affairs, “State Capitalism Comes of Age” (May/June 2009)

Non-tariff Barriers to Trade

ASEAN.org resources on NTBs

World Bank *Doing Business* initiative

USAID/AgCLIR: “Dealing with Licenses” score sheet (2011)

U.S. Department of Agriculture, Trade Support Team of the Animal & Plant Health Inspection Service, Agricultural Marketing Service, Agricultural Research Service

U.S. Chamber of Commerce -- domestic and international resources pertaining to regulatory environments and private-sector priorities

IFPRI, Revisiting the Palm Oil Boom in Southeast Asia: The Role of Fuel versus Food Demand Drivers (March 2012)

Jacobs and Associates research and tools pertaining to regulatory reform in developing environments

Trade Facilitation

ASEAN.org resources on trade facilitation

World Bank *Doing Business* initiative (“Trading Across Borders”) World Bank Trade facilitation resources -

World Trade Organization World Customs Organization International Trade Center

USAID/AgCLIR: Trading Across Borders (2011) Office of the U.S. Trade Representative

U.S. Trade and Development Agency

Transparency And Accountability

ASEAN.org resources on transparency and accountability

Transparency International, Corruption Perception Index and other supporting materials

G20 Anti-Corruption Action Plan (2012) USAID/AgCLIR score sheets 2011)

World Economic Forum, Global Competitiveness Reports

David Hedgewood, *The Multilateral Dimension of Food Security* (USAID, 2010)

Gender

ASEAN.org, including Third Report on Advancement of Women in ASEAN and related documents (2007)

USAID/IFPRI, *Women's Empowerment in Agriculture Index* (2012)

USAID/MARKET, *Gender & Food Security: Best Practice Guidelines (Preliminary Roadmap – ASEAN)– Background Paper* (February 2012)

USAID Factsheet on Food Security and Gender (2009)

USAID/MEAS Technical Note, *Applying Gender-Responsive Value-Chain Analysis in Extension and Advisory Services* (2012)

Women Thrive Worldwide, *Gender in Agriculture Bibliography* (and documents cited therein) (2011)

USAID/Office of Gender Equality and Women's Empowerment -- resources in gender, entrepreneurship, and agriculture

Food Security

ASEAN.org, including Integrated Food Security framework strategic plan and accompanying documents (2009-13)

World Bank Global Agriculture and Food Security Program USAID/Feed the Future Implementation Plans (2010) USAID/Food Security Fact Sheet (2010)

USAID/AgriLinks (website dedicated to supporting Feed the Future initiative)

USAID/MARKET, *Gender & Food Security: Best Practice Guidelines (Preliminary Roadmap – ASEAN) – Background Paper* (February 2012)

IFPRI, 2011 Global Food Policy Report (Preview) (April 23, 2012)

CSIS, *Private-Sector Engagement in Food Security and Agricultural Development* (March 2012)