Enabling Policy Environment for Functional Markets and Transformative Institutions

Why Policies and Markets

Agricultural policies are a powerful tool for enhancing sustainable agricultural transformation and development as they provide incentives to make choices for agricultural production and, at the same time, address the need for functioning markets and institutions to handle increased production. In majority of the Eastern and Central Africa (ECA) member countries, policies for agriculture consist of government decisions that influence the level and stability of input and output prices, public and private sector investments, costs, revenues and allocation of resources. These policies affect agriculture either directly or indirectly and are all aimed at improving agricultural production.

Major Focus

The focus for this thematic area is to support and advocate for the creation of enabling environment, establishment of functional and structured regional input and output markets and strengthening of regional institutions and institutional arrangements. Under the thematic area therefore, ASARECA supports the identification of critical regional policy, markets and institutional gaps and advocates for convening of specific processes for addressing them. Work in this area builds on experiences from the former Eastern and Central Africa Programme for Agricultural Policy Analysis (ECAPAPA) and Policy Analysis and Advocacy Programme (PAAP) of ASARECA. ASARECA continues to engage the Regional Economic Communities as well as the African Union Commission to leverage appropriate convening power for facilitating adoption of harmonized policies, establishment of functional and structured regional markets.

The 3 strategic result areas required to deliver this thematic area include:

1. Support and advocate for establishment of transformative enabling policy and regulatory environment.
2. Support and advocate for establishment of functional and structured regional input and output markets.
3. Support and advocate for establishment of transformative regional institutions and institutional arrangements.

Challenges and Opportunities

Some of the major challenges, stated in the opportunity format, that this thematic area shall address include the following:

- Harmonizing the national and regional policies on division of labour between research and extension systems.
- Strengthening partnerships among relevant organizations and agencies involved in advocacy and formulation of agriculture related policies.
- Strengthening policy research and analysis to generate data and information for use in formulating
evidence based policies and regulatory frameworks.

- Improving communication between policymakers and researchers and packaging of information in forms that can be easily understood by policymakers.
- Enhancing market research and market development to improve efficiency of market systems and achieve competitive advantage.
- Improving market facilities, institutions and institutional arrangements to enhance market access.
- Enhancing agricultural product diversification and value addition to capture export markets and reduce vulnerability of incomes.
- Advocating for establishment of enabling environment for exploitation of the regional market potential created by regional integration and globalization.
- Strengthening farmer and producer organizations to improve their participation in policymaking, trade negotiations and access to inputs and outputs markets.
- Strengthening capacity of national systems for implementation and enforcement of national laws and standards to improve quality control and facilitate trade.
- Improving wide variations in regional policy implementation practice among ECA member States.
- Addressing weaknesses in harmonization and implementation of intellectual property rights.

**Key achievements**

- **Establishment of enabling policy environments**: ASARECA has contributed to the establishment of enabling policy environment through participation in the review of existing policies. A total of 89 policies, laws, regulations and procedures were analyzed, 39 presented for dialogue and legislation, while 37 were approved by the East African Community and the Common Market for Eastern and Southern Africa.

- **Capacity in policy analysis**: The capacities of 18 research scientists were strengthened in various thematic areas. Another 14 organizations were supported through a training in Policy formulation and Policy Analysis. A total of 95 policy auctioneers from the NARS (NARIs, Universities, Extension, Private Sector, Ministries of Agriculture, Ministries of Environment) were trained in the use of Agricultural Policy Practice Index (APPI) and their capacities in policy analysis and formulation strengthened.

- **Functional and structured regional input and output markets**: ASARECA organized a regional policy dialogue on enhancing cross border trade and food security through data and information sharing on domestic market disruption and trans-border trade; and role of data and information sharing in cross border trade and food security. A roadmap for implementation of jointly agreed actions is underway.

- **Transformative regional institutions and institutional arrangements**: ASARECA convened a consultative dialogue on the engagement of member states on the regional-level accountability mechanisms for biennial reviews. A Case Study on the success of Rwanda in this regards was presented and recommended for adoption by other countries.

- **Enhancing negotiation skills for climate scientists and country UNFCCC focal points**: ASARECA convened a workshop to enhance the negotiation abilities of Climate Scientists, Agriculture Experts and UNFCCC Focal Points in international climate change meetings. Among other things, the workshop covered views of member states on KJWA negotiations elements; improvement of analytical skills on international climate decision making processes; and (iii) experience sharing on engagements in the UNFCCC processes. The workshop was attended by 41 participants from the 12 ASARECA member countries.
Africa: ASARECA convened this meeting to enhance the capacity of member states to comply with quality standards for cross border trade in agricultural inputs and commodities. It targeted the private sector; farmers’ organizations; youth groups and policy makers from the Ministries of Agriculture; National Agricultural Research Institutes; Ministries of Trade; National Revenue Authorities; National Bureau of Standards; the African Union Commission; and the Regional Economic Communities. They discussed recent agriculture related policy reforms; recent trade policy reforms in ECA; and mechanisms to address barriers to cross border trade in agricultural commodities and inputs. Overall, it was noted that political instability; overlapping memberships to Regional Economic blocs; uncoordinated macro-economic policies; poor compliance to international standards for agricultural products cut across member states. The meeting agreed to resolve this through review and harmonization of regional trade policies and standards; adoption of harmonized certification and regulations for seed by all member states; strengthening customs administration procedures; and establishing measures to eliminate trade barriers.

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