REGULATION AS ENABLING AND DISABLING ENVIRONMENT

Hotel Radisson, Guatemala City, Guatemala
8 November 2018

UNCTAD/DITC
Rodrigo Saavedra
Regulation is key

- Smallholder farmers
  - are the biggest investment in agriculture
  - are the most scattered policy recipient
- To integrate them into the production chains
  - Common policy message should come from different policy-making institutions
    - At the high level
    - At the implementation level
  - Resource-constraint of farmers (knowledge, skills, production volumes) can be addressed through resource pooling
    - Farmers’ groups and associations formation
    - Farmers’ groups and associations as policy-recipients
Voluntary Sustainability Standards are costly.
Local domestic “adaptations” can exist through international platforms or national efforts.

Regulation support:
- Economic Policy
- Agriculture Policy
- Health and Sanitary Policy
- Certification Lab Support
- Environmental protection rules
Domestic Brand

- Creates coherent marketing message nationally and internationally
- Enhances domestic market (recognition and preferences)
- Can directly promote smallholders’ produce
- Regulation support
  - Economic Policy
  - Agriculture Policy
  - PRONACOM
  - Certification Lab Support
  - Environmental protection rules
“Responsible” investment

• Social impact consideration is on a rise in agriculture
• Foreign investors are looking for lower monetary return on the expense of higher “social return”
• Global rules do not exist, and so far it is anecdotal evidence
• Potential to introduce national regulation that enables “responsible” agricultural investment
Importance of FGA

• Farmers’ groups and associations can pull enough resources (skills, knowledge) to comply with regulations
  – Gender and youth inclusion considerations

• To move FGA from coordination unit to business unit, they need to be “targeted” by the appropriate policies

• FGAs that have access to integration will graduate to cooperatives – MSMEs