



REGULATION AS ENABLING AND DISABLING ENVIRONMENT

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- 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

Example: Sustainable Standards



- 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



- 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



- 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