

Technical Cooperation Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Supporting Food Security in CARICOM through Trade and Integration
▪ TC Number:	RG-T4429
▪ Team Leader/Members:	Lucenti, Krista (INT/TIN) Team Leader; Umana, Mario Alberto (INT/TIN) Alternate Team Leader; Centeno Lappas, Monica Clara Angelica (LEG/SGO); Chaitram Samantha Selina Sobrina (INT/TIN); Vasco Henao Oscar Dario (INT/TIN); Persaud, Christopher (INE/TSP); Elmont Chantal Daniela (INT/TIN); Guerrero, Pablo (INE/TSP); Salazar, Lina Piedad (CSD/RND); Diaz Gill Virginia Maria (LEG/SGO); Esteves, Yasmin (INT/INT)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A.
▪ Date of TC Abstract authorization:	March 09, 2024.
▪ Beneficiary:	Barbados, Suriname, Guyana, Trinidad and Tobago
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Integration(W2D)
▪ IDB Funding Requested:	US\$400,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	July 25, 2024
▪ Types of consultants:	Individual Consultants, Firms
▪ Prepared by Unit:	INT-Integration and Trade Sector
▪ Unit of Disbursement Responsibility:	INT/TIN-Trade & Investment
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Economic integration; Productivity and innovation

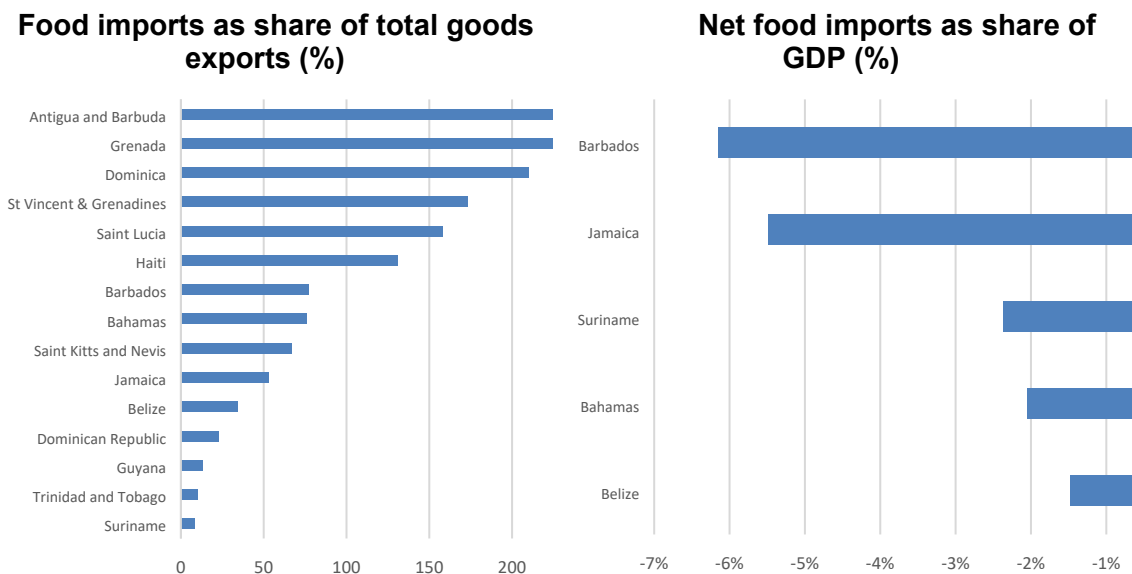
II. Objectives and Justification of the TC

- 2.1 **Objective:** To increase knowledge on the specific trade-related challenges to increasing food security in select CARICOM countries. The specific objectives are to undertake a national diagnostic and to provide recommendations to countries for optimizing trade policy, reducing non-tariff barriers and improving trade facilitation; and to disseminate these in a workshop designed to increase regional collaboration and cooperation.
- 2.2 **Justification:** The Caribbean region is substantially heterogeneous in terms of population size, GDP structure, net food trade position, and exposure to food insecurity. In terms of production and trade structure, some smaller island states like Barbados and The Bahamas are net food importers. Some medium-size countries like Jamaica and Trinidad and Tobago have some agricultural base and food production

but are still net food importers. Others, such as Guyana and Suriname, feature a more balanced food net trade position, but have ample land available and an opportunity to boost agricultural production and export capacity. The agriculture, fisheries, and forestry sector in most Caribbean countries, except for Guyana at this time, contributed less than 10% of the value added to the country's GDP in 2021.¹

2.3 At the same time, food insecurity has risen in the Caribbean since 2015.² Higher frequency of external shocks, food and energy inflation, and the pandemic – in a context of structural trade slowdown and growing fragmentation³ - have increased hunger in the Caribbean with over 16% of the population affected.⁴ Field studies reveal that 64% of the surveyed population experienced moderate or severe food insecurity in 2021, before food prices skyrocketed.⁵ A recent report from the World Bank found that at least four Caribbean countries – Dominican Republic, Guyana, Haiti, and Suriname – have experienced food price increases higher than 5 percent every month between March 2021-2022. Suriname is one of the worst affected countries globally, having witnessed food price increases of over 30 percent in this period.⁶ This is a major setback for the goal of achieving a region without hunger by 2030, as set forward in Sustainable Development Goal 2.

Figure 1 – The food bill in selected Caribbean economies (2018-2020)



Source: IDB Integration and Trade Sector with data from FAO, World Bank and WITS.

¹ World Bank WITS data (2021). The contribution of agriculture, fisheries and forestry sectors to GDP is 13.5% in Guyana, 9.2% in Suriname, 8.3% in Jamaica, 1.5% in Barbados, 1% in Trinidad and Tobago, and 0.5% in The Bahamas. All countries, except for Jamaica, have seen a significant drop in the value added of the sector to GDP in the last 50 years. In 1993, the first year available, Jamaica's value added from the sector was 7.6%.

² [FAO \(2023\)](#).

³ [Giordano et al., \(2022\)](#).

⁴ [FAO \(2023\)](#). The data includes Haiti, where nearly 50% of the population is undernourished. Countries from Caribbean IDB member states range from 3-7.5% undernourished.

⁵ Ibid.

⁶ [World Bank \(2022\)](#)

- 2.4 As shown in Figure 1, before the pandemic, the food import bill already accounted for a large share of total goods exports receipts in most of the economies of the region. In countries such as Barbados, net food imports represented over 5% of GDP. The war in the Ukraine, and the ensuing food and energy inflation, thus exposed a major structural weakness of Caribbean economies.⁷ This suggests that exposure to trade is not only part of the food insecurity problem, but a necessary part of the solution. To leverage external markets for food security at home, it is important to act on the short-and long-term determinants of the cost of the food import bill.
- 2.5 As a response, the Heads of Government of CARICOM committed to a reduction of the regional food import bill by 25% in 2025.⁸ For many countries in the region, whose food import bills account for over 50% of the total goods exports' receipts, this will be a challenging structural economic change. Part of the solution is to increase intra-regional food trade where possible, given the low to zero tariffs applied on goods from CARICOM members. CARICOM intraregional goods trade has grown from about 2% of GDP in the mid-1980s to about 4% in recent years but is well below.
- 2.6 **Challenges in meeting its goal to reduce food insecurity.** Though previous work has identified challenges to intra- and extra-regional trade, none of these diagnostics has focused specifically on challenges at the national level in the import and export of agricultural goods and foodstuffs key to reducing food insecurity.
- 2.7 First, and perhaps most importantly, the region is challenged by limited air and maritime transport connectivity, port infrastructure that is neither smart nor sustainable, and high domestic and regional logistics costs. Few ports have direct shipping calls to and from major markets,⁹ thereby increasing costs through transshipment services and reducing opportunities for growing intra-regional trade.¹⁰ Logistics costs are as high as 16% to 26% of GDP, compared to 9% of GDP for the OECD¹¹ - primarily driven by the lack of investment in technology solutions and inefficient maritime and port operations. Initiatives to automate and optimize ship arrivals are incipient, and measures to green operations are scarce.
- 2.8 Second, though there have been some advances in improving the security and resilience of supply chains,¹² most Customs' agencies lean more heavily to control than to facilitation (driven by mandates of revenue collection). In Jamaica and Trinidad

⁷ [Giordano and Michalczewsky \(2022\)](#).

⁸ [CARICOM \(2022\)](#). The implementation of the CARICOM Agri-Food Systems Strategy prioritizes crops such as poultry, corn, soya, meat (goat, sheep, beef), rice and niche vegetables which are imported extra-regionally.

⁹ According to the [Liner Shipping Connectivity Index](#), Caribbean countries range from poorly connected (Barbados 7.44 of 100; Suriname 9.06; Guyana 9.23, Trinidad and Tobago 15.43) to moderately connected (Bahamas 31.36; Jamaica 33.19)) to global shipping networks and therefore, global markets.

¹⁰ Intra-regional trade has hovered at less than 15% for more than 20 years, with 80% of this trade being petroleum and its derivatives. Recent estimates would need to be calculated.

¹¹ [ACS \(2017\)](#). In the agricultural sector, trade costs in the Caribbean are between two and six times higher than in North America. See [FAO \(2022\)](#). Overall, import processing costs can have a tariff equivalent of 18%, decreasing to 13% with the implementation of the Trade Facilitation Agreement. See [IDB \(2023\)](#).

¹² The IMPACS Project in the Eastern Caribbean has been working towards improving its advance cargo information system and implementing a region-wide maritime single window to facilitate the entry of ships.

and Tobago, border clearance processes remain inefficient, despite the dependence these countries have on trade and food imports.¹³

- 2.9 Third, CARICOM countries rank as some of the lowest globally in the development of Quality Infrastructure readiness to support the SDGs.¹⁴ Sanitary and phytosanitary infrastructure, governance, institutional capacity and enforcement, is not yet at the level needed to increase significantly agricultural food exports.¹⁵
- 2.10 Regional collaboration and collective action in reducing trade and transport costs, facilitating trade, and eliminating regional non-tariff barriers can go a long way to improving food security and shifting the region closer to the SDG goal to end hunger.
- 2.11 CARICOM Heads of Government have identified priority actions to support the reduction in food insecurity. Those related to trade and integration include policy development and implementation to facilitate agri-food trade; improvements to regional and national transportation and logistics; and strengthening trade and private sector investment/involvement in the sector. Accordingly, this TC will work closely with beneficiary countries to identify technical inputs that align with the priority actions set out by the Heads of Government, as well as with the Bank's institutional, regional, and national commitments to reduce food insecurity.
- 2.12 **Gender.** In the Caribbean region in general, women labor participation is strong with a higher rate of female labor force participation of 55%, compared to the world average of 49%.¹⁶ Women also outnumber men as tertiary graduates in the Caribbean. However, despite increasing labor force participation of women, a gender gap of 19.1% remains between women and men in the Caribbean, with gender gaps ranging from 8% in Barbados to 35% in Guyana.¹⁷ Worldwide, the gender gap in food insecurity continued to rise in 2021 -31.9% of women in the world were moderately or severely food insecure, compared to 27.6 %of men.¹⁸ The growing gap is most evident in Latin America and the Caribbean, where the difference between men and women was 11.3% in 2021 compared to 9.4% in 2020.¹⁹ In the Caribbean, the gap in the prevalence of food insecurity between men and women in 2022 was 3.9%.²⁰ In Latin America and the Caribbean, 57% of the gender gap may be explained by disparities in education, full-time employment and participation in the labor force.²¹
- 2.13 This TC complements a Regional Public Good, ATN/OC-18376-RG (Strengthening the Resilience of Agri-food Logistics Chains and Response Mechanisms to Sanitary

¹³ [WEF \(2018\)](#). Jamaica ranked 101 of 140 countries in terms of the efficiency of their border clearance processes, while Trinidad and Tobago ranked 98th.

¹⁴ [UNIDO \(2018\)](#). Bahamas was 136th of 137 countries in the sample, followed closely by Suriname (135th) and Barbados (111th). Jamaica (100th) and Trinidad and Tobago (86th) are relatively better prepared.

¹⁵ [Why most Caribbean seafood can't leave the region | Antillean Media Group. Experts investigating food handling policies for the Caribbean Regional Fisheries Mechanism pointed out that, in the case of seafood and fish exports,](#) there were no legally binding or transparent protocols for managing food safety in the region, nor had many countries included SPS standards in their national regulatory system. Unfortunately, no recent update of this information dating from 2014 was found and would need to be reviewed in the next iteration of this note.

¹⁶ [Women in Business & Management: Gaining momentum in the Caribbean \(ILO 2018\)](#)

¹⁷ Idem

¹⁸ [FAO \(2022\)](#)

¹⁹ [UN Caribbean \(2022\)](#)

²⁰ [Latin America & the Caribbean Regional Overview of Food Security and Nutrition \(2023\)](#)

²¹ Idem

Crises in COVID-19 Times), as well as other regional TCs led by RND (ATN/OC-20522-RG, ATN/OC-20116-RG) where the beneficiaries are not in Caribbean (CCB) countries. This TC proposes to complement other Bank interventions to address food security given that a multisectoral strategy is required to address the four dimensions of food security: food availability, food access, food use and food stability.

- 2.14 **Strategic alignment.** This TC is consistent with the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631), aligned with the operational focus areas of: (i) Regional Integration, by enhancing existing trade agreements and crafting a trade policy that contributes positively to food security; it will also seek to lower trade costs through trade facilitation; (ii) Productive development and innovation through the private sector, by facilitating trade and removing obstacles to increased exports and increased competitiveness. It is also consistent with: (i) Gender Equality and Diversity, by considering gender and diversity approach in the assessments, given the evident gender gap. This TC also aligns with trade facilitation and export promotion priorities in the Integration and Trade Sector Framework Document (GN-2715-11), as well as the Sector Framework documents of: (a) Agriculture (GN-2709-10), by fostering investments that assist in boosting the productivity of the agriculture sector in line with a sustainable management of natural resources; and (b) Food Security (GN-2825-8), by encouraging intersectoral and interagency coordination, to ensure the complementarity of food security-related interventions and by ensuring food availability by boosting productivity without putting pressure on natural resources, facilitating trade, and improving rural infrastructure. Additionally, the program is aligned with the ONE Caribbean (Partnering for Caribbean Development Framework) (GN-3201-2) fourth priority on food security, by lowering trade costs for food imports. This TC is aligned with priority area 4: Global and regional competitive integration of the Strategic Program for Development Financed with Ordinary Capital (GN-2819-14) in: (i) support LAC's participation in regional and global value chains, (ii) support the harmonization of policies and procedures for greater productive integration; (iii) strengthen the Bank's borrowing member countries' capacities to engage in regional initiatives; (iv) promote trade and investment facilitation and physical integration and connectivity in LAC; (v) promote collective action and cooperation in LAC to address shared development challenges and opportunities; and (v) deepen knowledge in global and regional integration.
- 2.15 There is further alignment with the IDB Group Country Strategies with Barbados, Suriname, Guyana and Trinidad and Tobago. This TC is consistent with the areas of intervention identified by the IDB Group Strategy for Barbados 2019-2023 (GN-2953-1), particularly boosting productivity and competitiveness. There is also alignment with the IDB Group Strategy for Suriname 2021-2025 (GN-3065) as this TC supports the strategic areas of engagement identified, specifically, promoting private sector competitiveness. There is further alignment with the IDB Group Country Strategy with Guyana 2023-2026 (GN-3187) as it is building resilient infrastructure and strengthening institutional capacity. This TC is also consistent with the areas of intervention identified in the IDB Group Country Strategy with Trinidad and Tobago 2021-2025 (GN-3071), developing a digital friendly trade and investment climate to improve the business environment and private sector's performance.

III. Description of components and budget

- 3.1 **Component I: Diagnostic studies at a national level to determine challenges related to food security (US\$300.000).** Given that each country’s food system is unique, the aim of this component is to provide recommendations at a country level, based on specific diagnostics on the challenges related to the import and export of agricultural products and foodstuffs. Recommendations will be related to sustainable trade policy, trade barriers (tariff and non-tariff), trade facilitation, sustainable investment facilitation, quality infrastructure (sanitary and phytosanitary, technical standards), smart technology adoption, and regulatory and institutional reform. These inputs can be included in the preparation of National Trade Policies. The diagnostics will also pay special attention to gender and diversity disparities related to food insecurity.
- 3.2 **Component II: Dissemination workshops (US\$50.000).** This component will provide resources for a regional workshop on food security, focusing on the outputs and recommendations of the national diagnostics. It will also include resources for 3 national workshops.²² The goal of these workshops will be to disseminate the results of the studies and provide an opportunity for policy coherence between countries.
- 3.3 **Component III. Technical coordination (US\$50.000).** The main purpose of the technical coordination component is to provide resources for a consultancy to monitor activities in this TC. In this context, the technical coordinator will coordinate the production of status reports, communication with all relevant stakeholders, logistical and content-related organization for any necessary meetings and supporting research for Components I and II.
- 3.4 **Beneficiaries:** The beneficiaries of this technical cooperation are government agencies involved in trade in agricultural goods, including Ministries of Agriculture, Ministries of Trade, Customs, Ports, and any other border agencies. Ultimately, with the lowering of costs for imported agricultural goods and food stuffs, consumers benefit from cheaper, healthier diets.
- 3.5 **Budget.** The total estimated cost of the technical cooperation is US\$400,000 financed by OC SDP, Window 2 – Integration (W2D). The execution and disbursement period will be 36 months. There is no counterpart financing for this technical cooperation.

Indicative Budget (US\$)

Activity/Component	Description	Financing (IDB/W2D)
Component I: Diagnostic studies	Diagnostic studies at a national level to determine trade and integration related challenges to food security	\$300,000
Component II: Regional workshop	Regional and national workshops to support dissemination and consensus-building	\$50,000

²² At the time of approval of this TC, letters of request have been received by Suriname, Trinidad and Tobago, and Guyana. The letter from Barbados is forthcoming. No work will be undertaken until that letter is received. Resources will be identified for an additional national workshop for Barbados once they are a beneficiary.

Component III: Technical Coordination	Management of activities and coordination with the various counterparts.	\$50,000
Total		\$400,000

IV. Executing agency and execution structure

- 4.1 At the request of the beneficiary countries, and in accordance with Annex II of the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4), the Bank shall be the Executing Agency (EA), through the Trade and Investment Division (INT/TIN) of the Integration and Trade Sector (INT/INT). The justification for this execution structure is: (i) the Bank has the technical specialized experience and technical, operational and institutional capacity to duly and timely design, coordinate and execute the activities included in the TC; (ii) the TC will need an extensive coordination with different ministries, institutions and organizations within the beneficiary countries; and (iii) the beneficiaries requested the Bank to be the executor given the coordination required for the project. Furthermore, the Bank is experienced in working with international entities and networks to execute activities of this nature and can ensure the sustainability of the implementation of the project in line with the Operational Guidelines for Technical Cooperation Products (GN-2629-1) and Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4 Annex II, C 2.2).
- 4.2 The execution and disbursement period will be 36 months. All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan ([Annex IV](#)) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines.

V. Major issues

- 5.1 There are no identified risks to this execution of this TC since there is political and institutional will to improve food security in the region.
- 5.2 **Intellectual Property Rights.** Any Knowledge products generated within the framework of this technical cooperation will be the property of the Bank and may be made available to the public under a creative common licensed. However, upon request of the beneficiaries, the intellectual property of said products may also be licensed and/or transferred to the beneficiaries through specific agreements.

VI. Exceptions to Bank policy

- 6.1 There are no exceptions to Bank policy in this TC.

VII. Environmental and Social Aspects

- 7.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client_59264.pdf](#)

[Results Matrix_96630.pdf](#)

[Terms of Reference_72712.pdf](#)

[Procurement Plan_12922.pdf](#)