

# Reducing Food Insecurity through Trade and Integration in the Caribbean (D2417)

## Description:

Caribbean countries experience food insecurity heterogeneously - some island states are net food importers, while others feature a more balanced food net trade position. With the exception of Guyana, the agriculture, fisheries, and forestry sectors contribute less than 10% of the value added to the country's GDP. At the same time, food insecurity has risen in the Caribbean since 2015. Higher frequency of external shocks, food and energy inflation, and the pandemic – in a context of structural trade slowdown and growing fragmentation - have increased hunger in the Caribbean with over 16% of the population affected. Field studies reveal that 64% of the surveyed population experienced moderate or severe food insecurity in 2021, before food prices skyrocketed. As a response, the Heads of Government of CARICOM committed to a reduction of the regional food import bill by 25% in 2025. 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. 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 better integrated blocs such as EU where intraregional trade is 13-20% of GDP.

The objective of this regional TC is to support governments in developing public policy and improving trade facilitation that reduces the cost of food imports and increases food security. The specific objectives are: 1) to make recommendations for improvements in trade, competition and industrial public policy in CARICOM and in bilateral agreements; 2) to identify trade facilitation reforms that can reduce the time and cost of food imports.

## Submitted by:

Krista Lucenti

## Submitted on:

11/29/2023

## Status:

Submitted

## Category:

Client Support

## Tags:

## Linked Ideas:

## Whiteboard:

## Team Leader Name

Krista Lucenti

## Alternate Team Leader Name

Mario Umana

## Has the proposal been discussed and authorized by the responsible sector or country department/division, as applicable?

Yes

## Team Leader Responsible Department

INT

## Are there specific countries that will directly benefit from your proposal?

Yes

## Mark the specific countries that will be directly benefited from your proposal?

Barbados

Guyana

Jamaica

Trinidad y Tobago

## Where applicable, describe how the proposal aligns with the respective country strategy (for each country selected)

Barbados: Under the 2019–2023 CS, the TC is aligned with the priority of: (iii) promoting higher productivity and competitiveness to enhance the country's growth potential. Specifically, the TC will target the reduction of trade barriers, trade costs and inefficiencies at the port which are increasing the cost of imports and constraining business activity.

Guyana: Under the 2023-2026 CS, the TC is aligned with the priority of: (i) supporting sustainable, resilient infrastructure development. Specifically, support the government's agenda to strengthen food security and regional integration.

Jamaica: Under the 2022-2026 CS, the TC is aligned the priority of: (i) reactivating the productive sector for sustainable growth. Specifically, through enhancing food security in the country and by improving value chains.

Trinidad and Tobago: Under the 2021-2025 CS, the TC is aligned with the priority of: (i) Improving the business environment to enable digital transformation. Specifically with supporting actions to accelerate implementation of the country's digital trade facilitation agenda.

**Does the proposal align to one or more sector frameworks?**

Yes, the proposal aligns with at least one sector framework

**Identify and describe how the proposal aligns to the sector framework(s)**

This TC is aligned with the Sectoral Strategy to Support Regional and Global Competitive Integration (GN-2565-4); with the Concept Note on Strengthening Regional Value Chains (GN-3038); and with the Sectoral Framework for Integration and Trade (GN-2715-11) by promoting the reduction of logistics costs, through the use of emerging technologies.

**Select the regional challenges and cross-cutting issues to which the proposal aligns to**

Productivity and Innovation

Economic Integration

**Justify the alignment to each selection above**

This TC is consistent with the Bank's Second Institutional Strategy Update (AB-3190-2) and is aligned with the challenges of (i) Productivity and Innovation by contributing to the optimization of trade facilitation procedures for the benefit of exporters and importers; and (ii) Economic Integration by promoting the strengthening of regional trade in agriculture and food goods.

**What is the estimated funding that you need in order to implement this proposal?**

400000

**Select the expected outputs of this proposal**

Reform Deliverables (Legislation/Multi-country Agreements, Governance Models, Regulatory Frameworks, diagnostics, etc.)

Upstream strategies, action plans, etc.)

Policy Dialogues

Knowledge Products

**Are outputs strictly Knowledge Products?**

**Describe the motivation and main question(s) this TC intends to answer.**

**Describe the methodological approach to be used and the type of data (when applicable) which will be used**

**Please specify the type(s) of Knowledge Product (s) this TC encompasses:**

Technical and Policy Notes

**Please provide a brief description of the output(s) selected above (The number of units planned, and the estimated cost). If you selected others, please specify.**

Component 1: (1) Review and optimization of regional and bilateral trade agreements; (2) Policy dialogue to create consensus on reforms to promote food security; (3) Review and optimization of competition and industrial policies; (4) Support for the drafting of implementing legislation and regulations. (\$200,000)

Component 2: (1) Review and optimization of trade facilitation and logistics measures at ports, airports and border crossings. (\$200,000)

**Outcomes: If the outputs are delivered successfully, what is the change expected (in capacity, knowledge, behavior, etc.)**

(1) Improved capacity to develop sustainable public policies that support food security.

(2) Reduced time and cost of imports at ports of entry.

(0) Attachments

---

0 Comments