



The Issue

Trade integration has been a central topic in Caribbean policy discussions for many years. The region, primarily composed of Small Island Developing States (SIDS), faces unique trade challenges due to its geographical isolation. These challenges include high costs for importing and exporting goods and unpredictable international traffic volumes.

Despite progress in economic integration with the establishment of the Caribbean Community and Common Market (CARICOM) and the Caribbean Single Market and Economy (CSME), there remains a pressing need to enhance transport logistics and foster interregional trade to drive inclusive growth across the Caribbean.

The impact of the COVID-19 pandemic on the Caribbean was profound, particularly affecting the export sectors of its service-oriented economies. This situation highlighted the critical need for strengthening inter-regional connections to mitigate such vulnerabilities. Regional integration is essential for these countries to overcome various challenges, such as small local markets, limited domestic competition, and a constrained labor force with restricted skill sets, which in turn diminishes their negotiating power in trade agreements.

The Caribbean Development Bank (CDB), which includes 19 borrowing member countries, plays a key role in addressing these issues.

The SDF-Backed Projects

The Special Development Fund (SDF), managed by the CDB, plays a significant role in this sector. In its eighth cycle, the SDF allocated USD 10 million in grants for Regional Integration and Cooperation (RCI) and Regional Public Goods (RPG) projects. The ninth cycle saw a further USD 4 million in grants, alongside an additional USD 5 million in loans to spur multi-country or regional projects providing RPGs. RCIR initiatives aim to dismantle barriers to intra-regional trade, ensuring that small and medium-sized enterprises gain access to regional markets.

**PROMOTING
EXPORT READINESS,
IMPROVED LOGISTICS
AND REGIONAL TRADE**



In a case study developed as part of the multicycle evaluation of the SDF 8&9, two projects were analysed in greater detail to illustrate SDF contributions to promoting export readiness, improved logistics and regional trade. The studied SDF-backed projects are:

- The Cassava Industry Market Assessment: it aimed to evaluate the potential of cassava industry in Dominica, Suriname and Trinidad and Tobago. The grant for this project was USD 1.2 million.
- Strengthening of RQI Programme - Caribbean Regional Organisation for Standards and Quality: it focused on enhancing national and regional quality infrastructure (QI) in Barbados, Dominica and St. Kitts and Nevis, with a grant of USD 753,000.

The Cassava project, initiated in October 2016 and initially slated for a three-year duration, faced multiple challenges that extended its completion to 2023. These challenges included complex coordination with other programs, political and personnel changes in participating countries, and the long growth cycle of the cassava crop. Additionally, the project was severely disrupted by the COVID-19 pandemic starting in March 2020, necessitating extensions and adaptations in project management, such as hybrid training methods due to lockdowns.

Similarly, the CROSQ project also experienced setbacks due to the pandemic and the Ukraine war, which impacted international supply chains critical for equipment procurement needed for the project

The impacts

Despite the challenges, the cassava project achieved notable results through its two main components: technology validation and dissemination, and market assessment. In the technology component, the project successfully introduced and tested improved cassava varieties and conducted capacity-building workshops in Dominica, Suriname, and Trinidad and Tobago, resulting in the dissemination of certified in-vitro plantlets across these countries. Additionally, the project trained over 220 farmers and facilitators, delivered mechanical planters and harvesters and established frameworks for national seed banks.

The market assessment phase of the project provided a detailed analysis of the cassava market, identifying the existing and potential markets for cassava and its by-products. This involved conducting market assessments and grower-buyer workshops in each country. The assessments aimed to improve marketing efficiencies and explore the potential of cassava to substitute for imports like barley, wheat, and corn. The project's impact was further augmented by the preparation of investment profiles for prioritized cassava products.

Likewise, The CROSQ project achieved significant improvements in quality infrastructure across St. Kitts, Dominica, and Barbados. Key achievements include an increased demand for laboratory services, indicating a successful uptake of the project's initiatives. Notable results include the increase in calibration requests for weights in St. Kitts and Dominica, accreditation of a food lab in St. Kitts, and the provision of calibration services by the metrology laboratory in Barbados for the BNS sector. These outcomes reflect the project's effectiveness in enhancing the operational capabilities of these labs.

Furthermore, the development of National Quality Policies (NQPs) using the Regional Quality Policy (RQP) for St. Kitts and Nevis, along with associated implementation roadmaps, strengthened the policy and regulatory frameworks essential for National Quality Infrastructure (NQI) development. Technical assistance to metrology calibration laboratories to meet ISO/IEC 17025 standards was a significant contributor to the region's compliance with international standards

The success of these SDF-Backed regional projects can be attributed to their strong alignment with regional priorities, stakeholder buy-in, established collaborations, continuous dialogue with implementing partners, and adaptability in the face of the pandemic. The integration of sustainability features in project designs, such as robust dissemination strategies and exit plans, further ensured their long-term impact and effectiveness.