

Key Aid for Trade (AfT) Priorities of the Caribbean: An overview

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Presentation by

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The Objectives of the Caribbean AfT Strategy

- Identify priority areas for AfT interventions
- Present a holistic approach to AfT resource mobilization, monitoring and evaluation
- Increase coherence between regional/national AfT priorities and that of its IDPs



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Methodology

Elements of the Methodological Approach:

- The IDB's 'Guidelines for Developing National Aid for Trade Strategies'
- Desk Research
- Designation of national AfT Focal Points
- Caribbean AfT Strategy Questionnaire
- Conduct of broad-based National consultations
- Matrix of Aid for Trade Priorities
- Benchmarking using cross-country indicators
- Virtual Coordination Mechanism
<http://aftstrategy.inbintegrationandtrade.wikispace.net/>
- Regional Policy Dialogue and Video Conference



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Caribbean AfT goals and priorities

Goal 1: Upgrading Key Economic Infrastructure

Maritime Transport

Information and Communication Technology

Energy

Goal 2: Enhancing Competitiveness and Facilitating Trade Expansion and Diversification

Trade Facilitation

SPS

Quality Infrastructure

Services

Private Sector

Goal 3: Regional Integration and External Trade Agreements

Regional Integration

External Trade Agreements



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Goal 1

Upgrading key economic infrastructure: Maritime Transport

Regional Maritime Transport Aft Priorities

- Establishment of a Pan-Caribbean Maritime Corridor
- Establishment of the fast-ferry service in the Southern Caribbean region
- Modernization of port infrastructure
- Regional strategy on freight logistics, maritime transport and trade facilitation
- Development of common shipping policy and fleet modernization in the OECS

Benefits of Enhancing Maritime Transport

- Regionalization of CARICOM's production and exports
- Increased port productivity and generation of cost savings
- Increased intra-regional trade



Goal 1

Upgrading key economic infrastructure: ICT

Objectives

- Strengthening national and regional e-Governance mechanisms
- Creation of an enabling environment for conducting business electronically
- Increasing competition in broadband delivery
- Increasing broadband penetration rate

Regional ICT AfT Priorities

- Creation of a single ICT space
- Develop a mechanism for private-public sector partners in the telecom sector (e-government)
- Develop and commission a regional pilot project on E/M Commerce (hardware, software)



Goal 1

Upgrading key economic infrastructure: Energy

Objectives

- Accelerating the development and use of renewable and alternative energy sources
- Clarifying issues relating to relative competitiveness as natural gas as an energy source
- Strengthening the legislative and regulatory framework to support lower cost energy

Regional Energy-related AfT Priorities

- Develop renewable and alternative energy sources
- Develop and implement a regional bio-energy strategy
- Assess Renewable Energy Resources in areas of wind and solar energy
- Establish a Mechanism for Financing of Small and Micro Renewable Energy and Energy Efficiency (EE) Projects for MSMEs
- Harmonize mechanism for feeding renewable energy sources to grid
- Establish a regulatory framework to support cross-border trade in electricity and natural gas



Goal 2

Enhancing Competitiveness and Facilitating Trade Expansion and Diversification

Regional Trade Facilitation Aft Priorities

- Inter-operability of national Electronic Single Windows
- Regional work plan for implementing preferred trader schemes (Authorized Economic Operator)
- Design and implementation of a goods in transit system (e.g. IDB TIM Programme) for cargo transported by sea

TBT and SPS Aft Priorities

- Build institutional capacity of Regional Institutions
- Build regional and national SPS and quality infrastructure

Services Aft Priorities

- Develop production and export capacity in the 24 industries identified in the Regional Development Strategy for the Services Sector in CARICOM
- Establish a mechanism for Services data collection, analysis and dissemination
- Building capacity of national and regional Coalition of Services Industries
- Implement major projects emanating from the Regional Development Strategy and Action Plan for the Cultural Industries in CARICOM

Private Sector Development Aft Priorities

- Establish mechanism for investment for investment in innovative productive activities
- Establish a trade financing mechanism for pre and post shipment financing



Five Aid for Trade projects for early harvest

- **Maritime Transport**
 - Modernization of Caribbean freight logistics, maritime transport and trade facilitation
 - Modernization of maritime cargo and passenger services in the OECS
- **Information and Communication Technologies**
 - Caribbean Broadband Transformation Strategy
- **Energy**
 - Caribbean renewable and alternative energy Roadmap
- **Private Sector Development**
 - Private sector innovation in the Caribbean



Five Aid for Trade projects for early harvest

	Outcomes	Projects/Activities	Type of Assistance
1.	MARITIME TRANSPORT		
1.1	Improved efficiency & reduced cost of maritime transport	<u>Modernisation of Caribbean Freight Logistics, Maritime Transport and Trade Facilitation</u> <ul style="list-style-type: none"> ▪ Upgrade Caribbean port infrastructure and services ▪ Establish innovative maritime transport networks ▪ Implement customs and trade facilitation reforms 	<ul style="list-style-type: none"> • Infrastructure investment • Advisory services • Workshops for developing policy consensus
1.2		<u>Modernisation of Maritime Cargo and Passenger Services in the OECS</u> <ul style="list-style-type: none"> ▪ Establish a Fast ferry Service in the Southern Caribbean ▪ Develop a Common Shipping Policy ▪ Modernise fleet 	<ul style="list-style-type: none"> • Technical and financing advisory services • Legal drafting • PPP investment • Web development
2.	INFORMATION AND COMMUNICATION TECHNOLOGIES		
2.1	Increased competition in delivery of broadband services to promote increased access	<u>Caribbean Broadband Transformation Strategy</u> <ul style="list-style-type: none"> ▪ Complete GAP analysis between quality of telecom infrastructure [including infrastructure of other utilities capable of providing broadband services] and demand ▪ Review the regulatory framework on spectrum management ▪ Create a single ICT space ▪ Develop of a Broadband Strategy ▪ Create roadmap to address analog switchover ▪ Strengthen regional public good (CKLN/C@ribNET) ▪ Detail mechanism/ framework for PPPs in the telecom sector ○ Collect and analyse data on Broadband usage and uptake 	<ul style="list-style-type: none"> • Technical advisory services expertise • ICT software investment • Legal advisory services • Seed investment
3.	ENERGY		
3.1	Accelerated development and use of renewable and alternative energy sources	<u>Caribbean renewable and alternative energy Roadmap</u> <ul style="list-style-type: none"> ▪ Develop and implement a regional bio-energy strategy ▪ Complete an assessment of Renewable Energy Resources in areas of wind and solar energy to provide high quality information to potential RE investors ▪ Develop and implement a strategy for promotion of solar cooling technology inclusive of demonstration installation, given potential to reduce energy cost of buildings ▪ Establish a Mechanism for Financing of Small and Micro Renewable energy and Energy Efficiency Projects for MSMEs, based on pilot and subsequent replication across Community 	<ul style="list-style-type: none"> • Technical and legal advisory services • Financing
8.	PRIVATE SECTOR DEVELOPMENT		
8.1	Strengthened production and export capacity of the private sector	<u>Private Sector innovation in the Caribbean</u> <ul style="list-style-type: none"> ▪ Promote investment in productive activities ▪ Establish a mechanism for promoting and financing innovation within the private sector ▪ Establish a trade financing mechanism for pre and post shipment support 	<ul style="list-style-type: none"> • Technical advisory services • Private-public partnerships • FDI and Joint Ventures



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The way forward

- Converting projects in the Strategy into concrete project proposals
- Developing three to four large early harvest transformational projects for financing
- Donor Conference
- Continuous engagement of the donor community



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THANK YOU!

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