

DRAFT REPORT OF THE CHAIRMAN OF SPECIAL COMMITTEE ON TRADE DEVELOPMENT AND EXTERNAL ECONOMIC RELATIONS

ASSOCIATION OF CARIBBEAN STATES (ACS)

**25th INTERSESSIONAL PREPARATORY MEETING FOR THE 28TH ORDINARY
MEETING OF THE ACS MINISTERIAL COUNCIL**

ACS Secretariat, Port of Spain, Republic of Trinidad and Tobago

(Virtual Meeting)

18th January, 2023

REPORT OF THE CHAIRMAN OF THE SPECIAL COMMITTEE ON TRADE DEVELOPMENT AND EXTERNAL ECONOMIC RELATIONS

The present report provides a summary of key activities implemented in the focal area of Trade Development and External Economic Relations of the ACS Directorate for Trade and Sustainable Development during the period from April 2022 through December 2022. These activities were executed with the end of fulfilling the objectives defined in the 2022-2028 Plan of Action approved at the 27th Ordinary Meeting of the ACS Ministerial Council.

The reporting period falls within a pivotal context related to the post-pandemic recovery of countries in the Greater Caribbean. Trade has been a significant driver of growth and poverty reduction throughout the developing world for decades. The pandemic, however, has not only drastically changed the way in which cross-border trade is conducted, but has also disrupted its distributional impact as many businesses and communities have been disproportionately affected. Business models have had to be reimagined and restructured to ensure greater resilience and sustainability in the face of looming exogenous shocks. Against this backdrop characterized by high consumer demand, inflationary pressures and the acceleration of digitalization, the Directorate for Trade and Sustainable Development continues to address the needs of member countries through trade development activities and projects that harness regional competitive advantages to build strong, resilient economies.

1. MEMBERSHIP ENGAGEMENT, CONSULTATION AND ENDORSEMENT

1.1 2nd Meeting of the Executive Board of the Special Committee on Transport

The 2nd Meeting of the Executive Board of the ACS Special Committee on Trade Development and External Economic Relations took place virtually on 8th June, 2022 and was presided over by H.E Ambassador Gerardo Torres Zelaya, Undersecretary of State for Foreign Policy Affairs of the Republic of Honduras in his capacity as Chair of the Executive Board. Also in attendance were the Vice-Chairs, the Republic of Cuba and the Cooperative Republic of Guyana. The Republic of Suriname also attended in its capacity as Rapporteur.

The Directorate briefed the Executive Board members on their role and functions in executing the Work Programme for Trade Development and External Economic Relations, as well as on the key duties of the Special Committee and the Coordination Mechanism. The meeting also presented the structure of the Directorate of Trade and Sustainable Development (DTSD), the status of the work being undertaken for the year 2022, the trade-related goals emanating from the recently approved ACS Plan of Action 2022-2028

and planning for work to be implemented in 2023. The Chair of the Executive Board highlighted the priority actions to be undertaken during his chairmanship and confirmed that its priorities were in alignment with the Trade Work Programme.

1.2 37th Special Committee on Trade Development and External Economic Relations

The 37th iteration of the Special Committee on Trade Development and External Economic Relations was held virtually on August 25th, 2022. The event was presided over by H.E. Ambassador Gerardo Torres Zelaya, Undersecretary of State for Foreign Policy Affairs of the Republic of Honduras in his capacity as Chair of the Executive Board of the Special Committee. Also attending virtually were the Vice-Chairs of the Executive Board of the Special Committee on Trade Development and External Economic Relations: the Republic of Cuba and the Cooperative Republic of Guyana. The Republic of Suriname in its capacity as Rapporteur was also present. Additionally, the meeting was attended by eighteen (18) Member States, four (4) Associate Members and three (3) Observers.

During the first session of the meeting, a stakeholder session was organized so that trade experts would have the opportunity to share valuable insights on the current state of the industry and its impact on the Greater Caribbean. More particularly, the objective of this session was to facilitate discussions and the exchange of perspectives on the best tools and approaches needed to address supply-side constraints, incentivize regional trade and build back stronger economies. Experts from the following organizations made interventions during this session: United Nations Economic Commission for Latin America and the Caribbean (UNECLAC), Global Alliance for Trade Facilitation, Digital Trade Network (DTN) and the United Nations Conference on Trade and Development (UNCTAD).

The closed working session held during the second half of the meeting focused on reporting achievements and initiatives executed in the 2021-2022 period and a presentation of the Trade Work Programme and ACS Implementation Plan developed to meet the trade development objectives outlined in the ACS Plan of Action for 2022-2028. The 2022-2023 Work Programme and the accompanying Implementation Plan for Trade Development and External Economic Relations were endorsed and approved by the membership.

1.3 7th Meeting of the Coordination Mechanism

The 7th Meeting of the Coordination Mechanism was held on August 2nd, 2022 via videoconference at the ACS Secretariat, Republic of Trinidad and Tobago. The Meeting was presided by the Chair of the ACS Ministerial Council, the Republic of Guatemala, H.E. Minister Mario Adolfo Búcaro Flores, Minister of Foreign Affairs. The general objective of the meeting was to synergize the work of the Special Committees and Caribbean Sea Commission and to facilitate coherence between the work programmes in each respective focal area, the ACS Action Plan and Summit mandates. In this regard, in his capacity as

Chair of the Special Committee on Trade Development and External Economic Relations, H.E Gerardo Torres Zelaya delivered a presentation on the strategic actions in trade emanating from the ACS Plan of Action that govern the projects and initiatives proposed in the Implementation Plan for trade. He added that much of the priority programs and projects were focusing on developing a robust private sector and enabling business environment including trade facilitation reform, an increased focus on digitization, capacity building for MSMEs and the exploration of opportunities in emerging sectors such as ocean and creative economies. He also provided an overview of the projects and activities that will be prioritized during his chairmanship, namely the organisation of the 15th Business Forum of the ACS in Guatemala, digitalization, trade research, MSME development, trade facilitation and capacity building initiatives.

1.4 Inputs for Trade Development and External Economic Relations in the ACS Implementation Plan 2022-2028

Following the approval of ACS Plan of Action 2022-2028, the Directorate continued its work on contributions for the Implementation Plan 2022-2028. Within the Implementation Plan, major activities through which the related strategic actions would be realized were defined. The corresponding outputs, resources, partners, success indicators and timelines were articulated. For the period, a total of five (5) major projects and two (2) ongoing programmes are envisaged to enhance the trade competitiveness of the Greater Caribbean. These activities include the following:

- MSME Development Project
- Investment Facilitation and Promotion Strategy
- Regional Growth Strategy for the Ocean Economy of the Greater Caribbean
- Strategic Framework to support the Sustainable and Inclusive Development of the Regional Creative Economy
- Trade Facilitation

Moreover, trade drives business activity in general and cross-sectoral collaboration has been emphasised to capitalize on synergies across the focal areas of sustainable tourism, transport and trade. These transversal programmes include the following:

- Data-driven decision making
- Digital Transformation
- Capacity Building programme
- Continuous programme of trade research

The Implementation Plan for Trade Development and External Economic Relations was formally approved by the Membership in August 2022 during the 37th Special Committee Meeting on this focal area.

2. STRENGTHEN MSME COMPETITIVENESS TO FACILITATE ECONOMIC GROWTH, RESILIENCE AND DEVELOPMENT

2.1 Promote the Development and Competitiveness of Micro, Small and Medium-sized Enterprises (MSMEs) in the Greater Caribbean

The Project Concept Document (PCD) on MSME Development and Competitiveness approved at the 35th Meeting of the Special Committee on Trade Development and External Economic Relations formed the basis of a project proposal developed and submitted to Inter-American Development Bank (IDB) Regional Public Goods (RPG) Call for Proposals in May 2022. The overall project objective is to promote the development of value chains and MSMEs in the Greater Caribbean, particularly in the sectors of community-based tourism, the creative industry and agribusiness sector. Given the broad social and economic base these sectors represent in Greater Caribbean countries, they were selected with the aim of supporting inclusive regional economic growth and job generation.

ACS member countries who are also Borrowing Member Countries (BMCs) of the IDB were engaged and as such, the ACS received letters of commitment from Barbados, Belize, Jamaica, Honduras, Nicaragua and Trinidad and Tobago. In August 2022, the ACS received conditional approval for the project and was awarded USD\$720,000 for project development and implementation. After meeting with the IDB RPG team in October 2022, the Directorate liaised with the relevant representatives from the line ministries with direct involvement in the implementation of the project in order to meet the necessary administrative requirements. In accordance with IDB RPG process, this included requesting non-objection letters from the Ministries of Finance in Honduras, Jamaica and Nicaragua. Thereafter, subsequent meetings were held to discuss and finalize the project proposal, project indicator matrix, procurement plan and related terms of reference. Work by the Directorate and the IDB RPG team is currently underway to complete these project documents.

3. INVESTMENT FACILITATION AND PROMOTION

3.1 15th Business Forum of the Greater Caribbean

In February 2022, the ACS Secretariat received official communication from the Republic of Guatemala confirming its interest and commitment to host the 15th ACS Business Forum of the Greater Caribbean. Since then, the Directorate conducted several working sessions with the relevant focal points in Guatemala to agree on tentative dates and activities, exchange initial ideas and expectations for the event and start preparations for the event. Consequently, a draft concept note was developed and is currently being finalized with the host country. The agreed theme "*Unlocking Untapped Regional Investment and Business Potential*" is intended to centre discussions on regional competitive advantages

in trade and investment that can be leveraged to drive the economic development of the Greater Caribbean. Following numerous consultations between the ACS Secretariat and organizers in Guatemala, it was agreed that the 15th Business Forum would be hosted on 9th – 10th May, 2023 as a pre-event to the ACS Summit and Cooperation Conference. Organizing the Business Forum parallel to these other high-level meetings will help enhance the value proposition of the event by taking advantage of the presence of high-level officials in Guatemala, ensure better regional participation and increase visibility. The Directorate continues to work with Guatemala to start promoting and marketing the event and will partner with other regional investment and trade promotion agencies to ensure the participation of companies across the region.

4. STRENGTHENING OF TRADE CAPACITIES AND OTHER RELEVANT MATTERS

4.1 World MSME Day 2022

Celebrated yearly on June 27th, World MSME Day encourages the awareness of the vital contribution MSMEs make to the global economy. For World MSME Day 2022, the ACS through the Directorate for Trade and Sustainable Development collaborated with the Shridath Ramphal Centre (SRC) of the University of the West Indies (UWI) and the Caribbean Export Development Agency to host a week-long social media campaign that culminated in a Lunch Time Chat held under the theme, *"The Power of Small: The Important Role of MSMEs in Economic Performance"*. The Lunch Time Chat in particular enabled robust and thought-provoking discussions on MSMEs as the backbone of economic activity in the region. The following regional partners participated in the discussion: Jamaica's Promotion Cooperation (JAMPRO), Baron Foods Ltd and UWI Cave Hill Campus. Over 150 participants connected and actively engaged in this webinar.

4.2 6th ACS International Cooperation Conference

Planning meetings within the Directorate to identify and prepare presentations on prioritized projects within the focal area of trade development and external economic relations culminated in the Directorate's intervention at the 6th ACS International Cooperation Conference on 10th-11th November, 2022 in Cuba. Considering that the projects within the ACS programming constitute the main means through which sustainable development goals are operationalized, this event is an important occasion for the ACS to present its work to potential partners in order to attract funding and technical cooperation for its projects. The Directorate for Trade and Sustainable Development developed presentations and content for marketing material that was displayed during the ACS Cooperation Conference. Regarding the Trade Development and External Economic Relations Work Programme, the projects that were presented are the ACS Observatory and the Digital Transformation Project.

4.3 Enhanced Trade Relations and External Economic Relations within the Greater Caribbean

The Directorate continues to engage Member States and Partners in order to promote cooperation and build synergies for enhancing trade and external economic relations. In this regard the Directorate has held exploratory meetings and participated in initiatives with the following partners:

i. **United Nations Conference on Trade and Development (UNCTAD):**

The ACS continues to collaborate with the UNCTAD on developing a programme of trade capacity courses in similar areas, namely digital trade, trade data analysis, trade negotiations, trade facilitation and investment facilitation. The UNCTAD recently participated in the 37th Special Committee on Trade Development and External Economic Relations as a panellist to speak on the TrainforTrade platform and their work on digital economy development for Small Island Developing States (SIDS). As this fully aligns with the Directorate's Trade Capacity Building Project, the Directorate assisted UNCTAD to disseminate surveys to the membership to conduct a needs assessment. The results will be shared with the Secretariat and this will assist the Directorate to plan capacity building initiatives in accordance with the needs of member countries. Additionally, the Directorate encouraged countries to participate in a "Course for National Trade Facilitation Coordinators" which is being organised by the United Nations Conference on Trade and Development (UNCTAD) and the International Chamber of the Transport Industry (CIT) in Brazil for customs and border control professionals.

The continuous collaboration between the ACS and UNCTAD culminated in the conclusion of a Memorandum of Understanding to support trade development in areas related to communication, information exchange and analysis; promotion of the development of Small and Medium-sized Enterprises; digital transformation and connectivity, among others. Discussion with UNCTAD and the Directorate is on-going to finalise the MOU.

ii. **University of the West Indies (UWI) Arthur Lok Jack Global School of Business (ALJGSB):**

The Directorate met with representatives of the UWI Arthur Lok Jack Global School of Business to discuss possible areas of collaboration related to MSME development. During the discussions, both parties shared information about their respective MSME-related projects. In the case of the ALJGSB, the Programme Director for the Master of Small and Medium Enterprise Management shared information about some of the practical training and research programmes developed for students. On the part of the ACS, the Directorate presented information about the MSME Development Project as well as the upcoming 15th Business Forum. Both parties agreed to explore these areas further to confirm concrete collaboration.

iii. **Shridath Ramphal Centre, UWI Cave Hill:**

The Directorate participated in a short course on *Trade and the Blue Economy*, a joint collaboration between the Centre and the University of Newcastle, exploring

the origins of the blue economy and its regulation under international, regional and national governance frameworks. During the session, participants received informative presentations based on the pillars that comprises the blue economy from leading regional and international scientist who demonstrated the importance of marine conservation for blue economy prosperity. The Directorate was also exposed to the existing treaties and conventions that governs the blue economy with a view to demonstrating multiple opportunities and benefits of transitioning to a blue economy for region focusing on food security, job creation, diversification, productivity and climate mitigation. The insights and knowledge gained will be useful in the development and implementation of the recently approved project brief on the Ocean Economy Project.

iv. **Caribbean Women in International Trade – Caribbean 2022 Trade Event**

The Caribbean Women in International Trade (CWIT) extended an invitation to the ACS to participate in the “Caribbean 2022 Trade Review” in November, 2022. The event focused on notable trade developments in 2022 for the Caribbean and perspectives on what lay ahead in 2023. In this regard, the Directorate for Trade and Sustainable Development provided support to the Office of the Political Advisor that was nominated to represent the ACS at this forum by preparing research and information on the evolution of trade in the ACS region and ideas on how to advance post pandemic recovery in the Greater Caribbean.