



University of West Indies  
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Institute for the Integration of Latin America  
and the Caribbean  
Integration and Regional Programs Department  
Inter-American Development Bank

# **The CSME: Status, Issues and Priorities Regional Seminar: 40 years since the creation of INTAL**

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**Priorities for the Rationalisation of Regional Agricultural  
Production and Trade in the CSME**

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# Agriculture in the CARICOM Single Market and Economy (CSME)

- Agriculture: important economic sector in CARICOM Member States: food and national security; exchange earnings; rural employment & development.
- Agriculture covered under Article 56 of the Revised Treaty which spells out goal of the common agricultural policy.
- Several regional initiatives including the Regional Transformation Programme (RTP) and the Jagdeo Initiative embarked upon in pursuit of Community goal.

# Paradigm Shift in Agriculture

- Driven by Trade/Economic Liberalisation.
- Characterised by need for enhanced efficiency/competitiveness.
- Mainly private sector driven.

# External Trade Influences

- Trade liberalisation; reciprocity in market access commitments, loss of/marginalisation of preferences.
- World Trade Organization (WTO) – special concerns of CARICOM – Development aspects of Doha Round.
- Common Agricultural Policy (CAP) Reform – Effects on Prices.
- Economic Partnership Agreement (EPA) –reciprocity, WTO compatibility; scope for aid/Technical Assistance.

# Priorities for Rationalisation: Policy Coherence

- Defined as “systematic promotion of mutually reinforcing policy actions across government departments and agencies creating synergies towards agreed objectives”
- Reallocation of resources from agriculture due to biases in general and sector specific policies.

# Productivity Enhancement

- Strong connection to jobs, incomes, prices, long-term food security, health and nutrition.
- Productivity growth dependent on investments in R&D, infrastructure, technology, human capital.
- Relation to 1st Millennium Development Goal.

# Conducive Legislative and Regulatory Framework

- Complements Policy Environment.
- Increases certainty/stability.
- Common standards, technical regulations, SPS measures.
- Increasing importance of IP, GMO and GI.

# Supportive Investment and Entrepreneurial Environment

- Agriculture must be attractive to investors.
- Must be perceived as viable, remunerative; need to improve profile of sector.
- Exogenous factors contributing to high variability in income and high level of risks.
- Risks reflected in high borrowing costs.
- Need for public sector support: development financing/banks.

# Infrastructural and Institutional Framework

- Important to productivity growth.
- CARICOM as lead policy coordinating body; need for capacity building.
- Adequate funding and efficient operation of research organisations (CARDI), training institutions (University of West Indies - UWI), agri-business Organisations.

# Good Governance

- Stability in government and predictability in policies important.
- Government as facilitator to private sector Government's role in creating the suitable policy, legislative, regulatory framework.
- Protection of interest of civil society.
- Good governance in providing public goods; environmental protection.