



CARICOM COVID-19 AGRI-FOOD RISK MANAGEMENT FRAMEWORK

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1. BACKGROUND

The “Coronavirus disease 2019 (COVID-19) is part of a large family of viruses that cause illness ranging from the common cold to more severe diseases such as Middle East Respiratory Syndrome (MERS-CoV) and Severe Acute Respiratory Syndrome (SARS-CoV). Coronaviruses are zoonotic, meaning they are transmitted between animals and people. Detailed investigations found that SARS-CoV was transmitted from civet cats to humans and MERS-CoV from dromedary camels to humans. Several known coronaviruses are circulating in animals that have not yet infected humans.”¹

The infection which is spread from one person to another *via* respiratory droplets produced from the airways, often during coughing, first emerged in Wuhan China, and is the cause of the 2019–20 coronavirus pandemic. Evidence of COVID-19 has been found in over one hundred and fifty countries including CARICOM Member States and has accounted for over 15,500 deaths (23 March 2020).

The global economic impact of the pandemic is expected to have a longer and larger impact on trade at major US retail container ports than previously estimated, as factory shutdowns and international travel restrictions continue to affect production and trade.²

Already, large supermarket chains in Europe have begun stockpiling food,³ and concomitantly, consumers across Europe, North America and some CARICOM Member States are engaged in panic shopping. If unabated, this can influence both price and availability of food in the short term and present a contagion risk to CARICOM Member States including their food and nutrition security.

¹ <https://www.who.int/health-topics/coronavirus>

² Maritime-executive.com

³ <https://www.freshplaza.com/article/9198822/large-retailers-in-spain-increase-their-fruit-and-vegetable-orders-due-to-fear-of-the-coronavirus/>

CARICOM Member States, whose economies are characterized as open, fragile, reliant on international trade and vulnerable to exogenous shocks, stand in the path for major disruption in both goods and services, given that COVID-19 is expected to become more protracted and globally widespread.

The Framework for CARICOM Covid-19 Agri-Food Risk Management seeks to provide Member States with a tool to effectively manage food supply and availability during the imminent crisis confronting Member States. The Framework advocates the preparation of **national operational plans** that prioritize the food and nutrition security needs of Member States from a short, medium and long-term perspective.

2. THE NEED TO EMPHASIZE RISK MANAGEMENT

The Community currently has an Agri-Food Import Bill of US \$3.7 billion (2018), which translates to an annual agri-food trade deficit of just above US \$2.2 billion,⁴ portraying it as food import dependent or net food importing. Additionally, having the United States, Canada and Mexico accounting for an average of 47% of CARICOM's total agri-food imports, any disruption in that trading corridor emanating from declining production levels, travel and logistics interruptions including port closures and changes in schedules of carriers among others on the back of COVID-19, can *inter alia* -

- (i) Have a deleterious effect on CARICOM's overall food and nutrition security in the short to medium-term;
- (ii) Cause increases in food price volatility for intermediate and final products;
- (iii) Stretch CARICOM Member States' fiscal deficits; and

⁴ Statistics Unit, CARICOM Secretariat

- (iv) Add further pressure on foreign currency reserves due to declining exports, foreign direct investment, tourism receipts and remittances as well as disruption to economic activities across all sectors.

It should be noted, that the impact of the above will disproportionately affect the poor and vulnerable groups within CARICOM Member States, further increasing food security challenges in terms of availability, access, stability and utilization, in addition to the nutritional deficiencies which they currently experience.

3. FOUNDATION FOR THE FRAMEWORK

The COVID-19 Agri-Food Risk Management Framework is consistent with Articles 56 and 57 of the Revised Treaty of Chaguaramas (RTC), which articulate the Region’s agricultural and agribusiness policy and a strategic framework for policy implementation. The guiding principle for the elaboration of the COVID-19 Agri-Food Risk Management Framework is therefore the Caribbean Community Agricultural Policy (CAP), which is further supported by the Regional Food and Nutrition Security Policy and Action Plan (RFNSAP) and the Caribbean Community Common Fisheries Policy (CFP).

The objectives of the CAP for the sustainable development of food and agriculture in the CARICOM Region are:

- (i) *“To ensure that the regional food production, processing, distribution, marketing, trade, food safety, and agricultural public health systems can provide safe, adequate, nutritious, and affordable food for the region’s inhabitants at all times, thereby achieving sustainable food and nutrition security;*

- (ii) *To promote inclusionary processes that provide opportunities especially for poor and rural residents who depend on natural resources⁵ and rural economies for their income and livelihoods;*
- (iii) *To establish policies and institutional frameworks that provide incentives for, and result in the generation and transfer of, appropriate technologies along the entire food and agriculture value chains while ensuring the efficient and sustainable use of resources and maximizing the economic, social and environmental well-being of Caribbean people; and*
- (iv) *To improve the enabling environment for commercially viable food and agri-business products linked with promotion of healthy and “special” local Caribbean foods in tourism and retail markets”.*

The CAP along with the policies on CARICOM food and nutrition security as well as fisheries establish the broad parameters for the design and implementation of the COVID-19 Agri-Food Risk Management Framework.

4. OBJECTIVES OF THE CARICOM COVID-19 AGRI-FOOD RISK MANAGEMENT FRAMEWORK

The development and rapid implementation of **national operational plans** is an imperative to lessen the gravity of the potential negative impact that COVID-19 can have on CARICOM’s agri-food sector⁶ with an emphasis on food and nutrition security.

The COVID-19 Agri-Food Risk Management Framework seeks therefore to provide a menu of recommendations and important policy considerations that CARICOM Member States

⁵ Natural resources in this context includes forestry and fisheries

⁶ Agri-food sector covers primary production of fish, crop, livestock, intermediate production and production of final products for consumption.

can utilize to create timely country level agri-food security operational plans or guidelines in response to COVID-19.

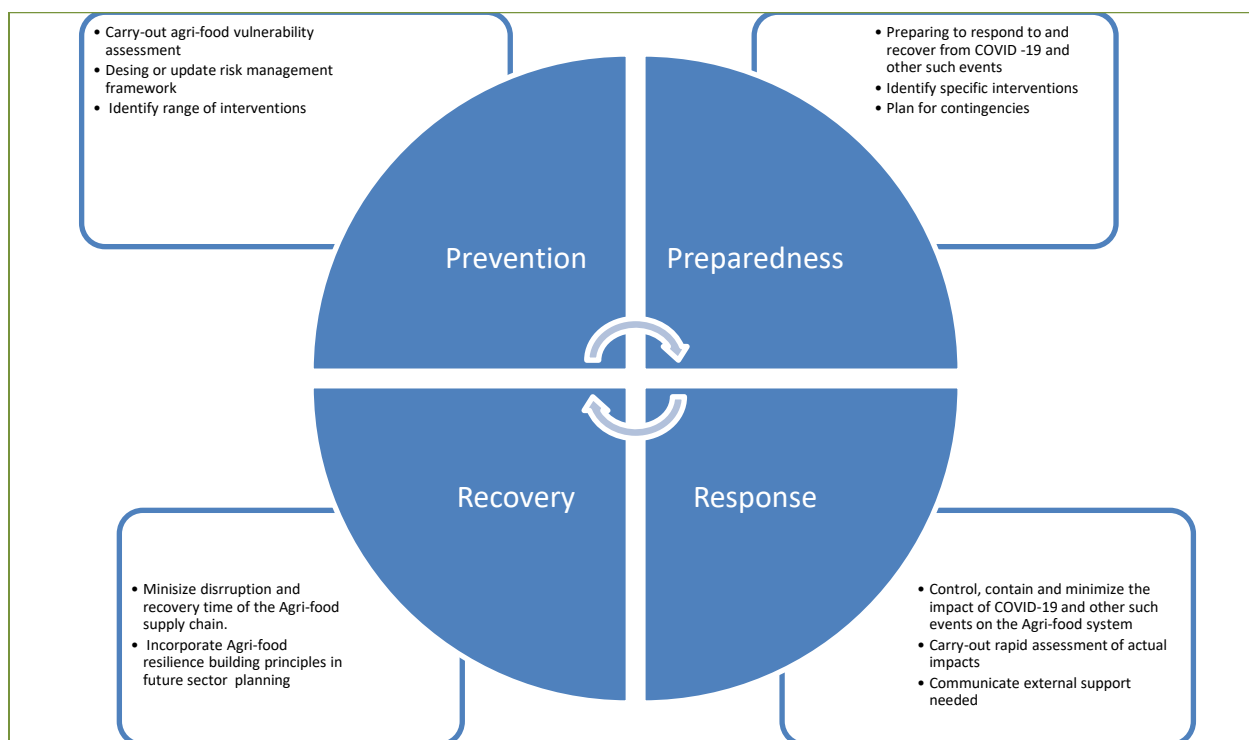
CARICOM Member States are expected to benefit from improved capacity to mitigate and prepare for an effective and timely response to the threats of COVID-19 thereby ensuring the safeguarding food and nutrition security, promoting intra-regional trade and ensuring the protection of agricultural livelihoods.

5. RISK MANAGEMENT FRAMEWORK

The Risk Management Framework follows a four-step process of prevention (including mitigation), preparedness, response and recovery (**figure 1**). The process emphasizes an integrated planning approach for organizing and taking control of the situation in order to minimize the disruption and/or negative impacts likely to be visited on food supply, availability and access in the Community. The broad range of considerations which should inform the risk management framework are **set out in Annex I**.

The Framework is cognisant that the local realities and agri-food risk profile for each Member State might be different, thus requiring flexibility and dynamism in implementation. Additionally, the Framework is based on the understanding that some cross-cutting issues will be more suitably addressed at a Regional level with the CARICOM Secretariat acting as a coordinating body.

Figure 1 - Risk Management Process to inform preparations of national operational plans or guidelines



The risk management process is further broken down into five components namely - objective and stakeholder identification; risk assessment; risk management strategy; cross-cutting institutional arrangements; and the operational plan triggering mechanism. These components are described below and are recommended for adoption by Member States.

5.2 Component 1 – Identification

At the country level, the creation of **national operational plans or guidelines** for the agri-food sector should commence with a determination of the overall objectives of the operational plan. In general, the broad objective should be to lessen the gravity of the potential negative impact that COVID-19 can have on food and nutrition security which will be informed by the peculiar circumstances in the respective Member State.

CARICOM Member States will also be expected to identify the targeted stakeholders or beneficiaries to ensure the efficacy of interventions. These beneficiaries can include consumers, vulnerable population, subsistence farmers to large commercial operators within the agri-food sector.

5.3 Component 2 – Risk Assessment

The Framework advocates that the development of national operational plans must be preceded by a rapid risk assessment that essentially covers:

- (i) Risk identification – the process of determining risks that could potentially affect the agri-food system;
- (ii) Risk quantification – the process of evaluating the risks that have been identified and gathering of data to support evidence-based decision-making;
- (iii) Sector vulnerability analysis – assessment of the weaknesses or gaps in the agri-food supply chain; and
- (iv) Risk prioritization – allocating resources to address the risks to agri-food security based on rank or severity.

5.4 Component 3 – Risk Management Strategy

The risk management strategy of the Framework follows the assumption that CARICOM Member States, in the absence of any existing risk management mechanism, can accommodate some level of risk. The risk management strategy is therefore premised on five (5) pillars (**figure 2**) which represent a set of recommended actions that Member States can adopt to prevent, mitigate and prepare for an effective and timely response to the threats of COVID-19 on their agri-food system.

Figure 2



5.4.1 Increase in Local Product Supply Stream

Fundamental to regional and national food and nutrition security is the availability of food grown and manufactured within the Community. In the preparation of national operational plans, Member States through a collaborative approach (Inter-ministerial and inter-sectoral including the Private Sector) should:

- (i) Determine the key food items that are important to national food security and which therefore comprise their Food Basket;
- (ii) Identify the items in the Food Basket which are currently imported from extra-regional sources but can be produced nationally;
- (iii) In consultation with the private sector (importers and distributors), ascertain the market requirements (price, quantities, quality and delivery frequencies) for the selected items and further seek an agreement for these items to be procured domestically in the medium-term;

- (iv) Engage in strategic partnerships with farmers, fisherfolks, producer groups, input suppliers etc. to maintain the national supply chain for agri-food products;
- (v) Review supply chain logistics and market connectivity arrangements to identify and address bottlenecks or impediments impacting efficiency and productivity; and
- (vi) Identify existing and needed storage capacity (dry and cold) to ensure appropriate storage of food in the short to medium term.

5.4.2 Intra-Regional Trade and Protection of Exports

Embedded within the Community's Food and Nutrition Security Action Plan⁷ is the desire to promote increased availability of regionally produced quality nutritious food; healthy Caribbean diets and optimal nutrition thereby reducing the burden of Non-Communicable Diseases arising from obesity and malnutrition. The removal of non-tariff barriers (SPS-TBT and administrative barriers) is a major priority towards achieving this objective.

The COVID-19 Agri-Food Risk Management Framework advocates that Member States in developing their **national operational plan** should:

- (i) Identify local agricultural entities with the capacity to supply agri-food products to the regional market;
- (ii) Identify and create a list of '**produce of importance**' that Member States may wish to import from within the Region, cognizant of the priority commodities already identified in the RFNSAP;⁸

⁷ Regional Food and Nutrition Security Strategy and Action Plan 2012 – 2026 (RFNSAP), October 2011

⁸ The initial priority commodities within the RFNSAP include: rice, maize, dried coconuts, wheat flour substitutes (cassava flour etc.), starchy roots and tubers, legume grains (cowpeas, red kidney beans) sugar, fish, poultry and small ruminants, spices, condiments and fruits and vegetables (salad vegetables, onions, carrots, pumpkins squash, bora beans, bananas, plantains etc).

- (iii) Adopt the sanitary and phyto-sanitary (SPS) standards and food safety protocols as developed by the Caribbean Agricultural Health and Food Safety Agency (CAHFSA) to facilitate intra-regional trade for '**produce of importance**' as identified by Member States;
- (iv) Identify products whose exports may be affected and rapidly develop alternative distribution arrangements; and
- (v) Flag new or emerging food chain risks (plant and animal health diseases) that may affect the Region's agri-food sector.

5.4.3 Private Sector Participation

The Framework recognises the important role of the Private Sector and advocates that meaningful private sector participation both at the national and regional levels is critical for any success in bolstering economic activities.

Recognizing the risk to the tourism sector which is beyond the control of Member States to a large degree and the potential contagion effect on other sectors and indeed the entire economic system, agri-food investment can be argued as an immediate priority to be promoted to prevent a collapse of the rural economies within Member States.

The Framework, therefore, recognises the private sector as an active partner in the drive to increase production of agri-food products and the creation of urgently needed employment in the agri-food sector. In this regard, the Framework anticipates that Member States will:

- (i) Conduct a mapping of the key private sector supply chain actors;
- (ii) Pursue Public-Private Partnership initiatives to achieve food supply stability and commitment for local and regional sourcing as the first option;
- (iii) Institute a policy that all public institutions (Hospitals, Prisons etc.) will immediately amend their menus to incorporate no less than 50% of

ingredients sourced locally and regionally and advise all suppliers accordingly; and

- (iv) Pursue activating the “7th Freedom of the Air only for cargo services” so as to increase availability of air cargo services to Member States for the transportation of agri-food products.

5.4.4 Public Policy

Achievement of resilience in the agri-food economy as encapsulated in the “COVID-19 Agri-food Risk Management Framework” is predominantly policy-related and hinged on an institutional framework that supports an integrated approach to driving the development of the agricultural sector. This approach combines different sections of the agricultural economy and private economic agents in the formation of an agricultural economic architecture capable to withstand or bounce-back from the negative effects of external shocks.

Member States are encouraged to:

- (i) Implement or intensify production incentive programmes to increase national domestic food crop production;
- (ii) Consider targeted Public Policy Incentives to support smoothing the supply of items in the Food Basket and food stocks through measures, such as, but not limited to:
 - a) allowing delayed payment of duties at ports of entry and temporary relief of terminal and other handling fees, where appropriate;
 - b) monitoring the supply of key produce or food items and, in the event of price gouging, inflation etc., take actions such as price controls and subsidies to protect access to food for the most vulnerable;

- (iii) Ensure the adequacy of social safety-net programmes such as cash transfers, food access initiatives and other in-kind transfers to respond to the needs of the most vulnerable, and that such policies account for gender imbalances;
- (iv) Scale-up nutritional support programmes to protect the nutritional needs of the most vulnerable; and
- (v) Urgently craft public policy interventions that support vital Micro, Small and Medium-Sized Enterprises (MSMEs) involved in the agri-food supply chains that are most at risk. Such interventions can involve -
 - (a) Loan guarantees to MSME Agri-business enterprises; and
 - (b) Encouraging financial intermediaries to provide additional funding to MSME Agri-businesses to support production expansion.

5.4.5 Communications Strategy

An effective communication strategy will be the cornerstone towards achieving the objectives as outlined in this Framework. Member States in developing their **national operational plan** should:

- (i) Familiarize themselves with and use aspects of the COVID-19 Communication Guidelines (**Annex II**) to be made available through the CARICOM Secretariat;
- (ii) Develop and implement a communication strategy to keep citizens informed on the vision of the **national operational plan** and implementation progress utilizing a variety of media. The Strategy should consider the needs of the varying stakeholder groupings;
- (iii) As a matter of course, implement programmes for promoting the consumption of locally and regionally produced foods.

5.5 Component 4 – Cross-Cutting Institutional Arrangements

5.5.1 Institutional Coordination Mechanism

5.5.1.1 Regional Coordination

The CARICOM Secretariat will support the work of the Ministerial Focal Point who will be responsible for the Regional Coordinating Mechanism. Additionally, the CARICOM Secretariat, acting in concert with the Agriculture Food and Nutrition Cluster (AFNC), will perform the function of the central coordinating body to unify the input from development partners and regional partners⁹ on specific areas of intervention relative to operational plans development and its implementation. Specifically, the CARICOM Secretariat will seek to lead on:

- (i) Coordination of a Rapid Response Assistance (technical and financial) Facility including securing germplasm and planting material. Where planting materials are provided, all protocols (packaging, labelling and certification) is expected to be followed;
- (ii) Engagement with other agencies such as the Food and Agriculture Organisation of the United Nations (FAO), Inter-American Institute for Cooperation on Agriculture (IICA), Caribbean Development Bank (CDB), World Food Programme (WFP), Pan-American Health Organisation (PAHO) among others;
- (iii) The development of a Public-Private Partnership mechanism as an accelerated modality to secure sustainable private sector investment in the agri-food system to support food and nutrition security in the Community; and
- (iv) Data collection and analysis of trends in the regional and global economy that can affect regional food and nutrition security.

⁹ FAO, IICA, CARDI, CAHNSA, CARPHA, CDEMA

5.5.1.2 National Coordination

Nationally, Member States will be encouraged to develop their operational plans utilizing

the framework outlined in this document and will be expected to:

- (i) Urgently identify and communicate to the CARICOM Secretariat a national focal point. The foremost responsibilities of the national focal point would be as follows -
 - (a) to be the central liaison between the CARICOM Secretariat and the respective Member State;
 - (b) provide information on developments in the national food supply situation that are a direct result of the pandemic;
 - (c) to assist with dissemination of a food vulnerability assessment and mapping;
 - (d) provide information on strategies adopted or actions taken by Member States to address any problems that have arisen;
 - (e) participate in meetings of the Regional Coordinating Mechanism.
- (ii) assemble a coordinating team fashioned after their multi-sectoral Disaster Management Agency Mechanism (that is, Inter-ministerial and inter-sectoral) or as part of a subset of Agriculture Disaster Risk Management Committee. Where such coordinating mechanism already exists, its role should be strengthened as a matter of urgency.

This national food security coordinating committee would be responsible for developing and leading the implementation of national operational plans.¹⁰

5.5 Component 5 – Triggering Mechanism

The colour-coded Triggering Mechanism for the COVID-19 Agri-Food Risk Management System is **set out in Table 1 below.**

Table 1: COVID-19 Agri-food Risk Management Triggering Mechanism		
Risk - none to minimal	Risk - minimal to moderate	Risk - Substantial
<p><u>Description</u> Little evidence that existing supply chains will affect food and nutrition security.</p> <p><u>Indicator</u> To be determined by Member States.</p> <ul style="list-style-type: none"> - Convene National Agri-food Risk Management Committee - Review National Operational Plans and update where necessary - Continue to monitor the global environment - Intensify promotion of consumption of immune boosting foods. - review the supply chain 	<p><u>Description</u> Evidence emerge that supply chains will be disrupted for a period between one to three months.</p> <p><u>Indicator</u> <u>To be determined by Member States.</u></p> <ul style="list-style-type: none"> -Commence implementation of National Operational Plan. -More frequent messaging to key stakeholders -Review of Food Basket and take urgent steps to ensure local food availability -Review export arrangements and begin to diversify as warranted -Active promotion of import 	<p><u>Description</u> Automatically triggered once the triggering event goes beyond 3 months.</p> <p><u>Indicator</u> To be determined by Member States.</p> <ul style="list-style-type: none"> -full-fledged implementation of the National Operational Plan. -Intense management of agri-food exports.

¹⁰ CARICOM Secretariat can work with Member States in developing the structure, roles and responsibilities of the Internal Food Security Committee.

including management.	inventory	substitution items.	
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6. REQUIRED IMMEDIATE TO SHORT-TERM ACTIONS BY MEMBER STATES

In recognition of the imminent threat posed to the stability of Community food supplies as a result of the National responses to curbing the widespread transmission of COVID-19, Member States should undertake the following actions as a matter of priority –

- (i) Identify and communicate to the CARICOM Secretariat quantities (along with contact information of suppliers) of agri-food products that may be available over and above short-term national demand;
- (ii) Identify and communicate to the CARICOM Secretariat quantities (along with contact information of importers) of agri-food products that may be required to satisfy short-term national demand;
- (iii) Notify the CARICOM Secretariat of policies governing the emergency operation of ports in the event of the closure of national borders;
- (iv) Promote widely the completion of the food vulnerability analysis and mapping¹¹.

¹¹ The Food Vulnerability Assessment and Mapping is being promoted jointly by the WFP, FAO, CDEMA and CARICOM Secretariat.

The CARICOM Secretariat will utilize its existing institutional modalities to collate and analyse data gathered and will use various media platforms to disseminate information to stakeholders.

7. CONCLUSION

The CARICOM COVID-19 Agri-Food Risk Management Framework recognizes that COVID-19 is evolving and as such the ability to predict the trends and impacts at this stage is not without challenges. Notwithstanding, the Framework provides an operational tool and a mechanism for an effective and timely response to the threats of COVID-19 by Member States.

The Framework is intended to serve as a guide to iterative risk planning and management using COVID-19 as the immediate or primary threat but with the understanding that COVID-19 can have secondary and even tertiary impacts that could be felt later on and could even be exacerbated by other risks or hazards such as hurricanes or new pests and diseases.

Moreover, it should be acknowledged that the Community has other threats ranging from climate change and the potential emergence of other pandemics. It is therefore important to ensure that the ensuing COVID-19 agri-food operational plans or guidelines can be easily and dynamically updated or enhanced as risk contexts change or implementation lessons are learned.



A FOUR-STEP APPROACH TO RISK MANAGEMENT

I. Prevention (including mitigation)

- (i) Carry-out agri-food risk and vulnerability assessments;
- (ii) Design or update risk management framework or similar instruments based on the results of the risk and vulnerability assessments; and
- (iii) Identify a range of interventions that can prevent or mitigate negative impacts on the agri-food system.

II. Preparedness

- (i) Preparing to respond to and recover from COVID-19;
- (ii) Based on the results of the risk and vulnerability assessments, identify specific interventions needed that will address the anticipated risks and negative impacts;
- (iii) Identify Low-regrets or No-regrets options (if any) that can cushion against unexpected or residual impacts;
- (iv) Plan for contingencies;
- (v) List the steps to be carried out during the response commencing with the most critical; and
- (vi) Outline coordination protocol (external and internal) and responsibilities.

III. Response

- (i) Control, contain and minimize the impact of COVID-19 and other such events on the Agri-food system;
- (ii) Carry-out rapid assessment of actual impacts (including if the impacts are only short term or medium term);

- (iii) Identify beneficiaries (farmers, fishers, agro-processors, traders, households, communities, businesses, institutions etc.);
- (iv) Implement relevant interventions based on assessed actual impacts; and
- (v) Communicate external support needed.

IV. Recovery

- (i) Minimize disruptions and recovery time of the agri-food supply chain;
- (ii) Throughout implementation of response and recovery activities, look out for secondary impacts or risk (e.g. sudden or unexpected market related shocks);
- (iii) Document lessons learned (positive and negative) for use in future programming, planning and policy; and
- (iv) Incorporate 'Building Back Better' principles, where applicable.