



Caribbean Green Economy Action Learning Group

The Green Economy Factory
by Yociel Marrero Baez ¹

June 2013

Discussion paper

#1

Green Economy

This diagram emerges as a schematic and summarized way to explain the elements that are involved in generating and ensuring the development of our countries towards a green economy. The green economy factory “Technological diagram”, shows the levels, the sequences and the moments of participation of each one of the topics and actions necessary to generate “Green Economy”.

Operational Manual

This factory has the following stages and procedures, and each of them have as well its own operational specifications.

1-The tanks 1, 2, 3 are the ones that contain the raw materials for the process. These raw materials are determined by the individual relevance that these elements have (investments, Urban Planning and Capacity Building) in the integral and harmonious development of the economies of our countries. Furthermore, the raw materials content can be regulated by public policies, laws and regulations.

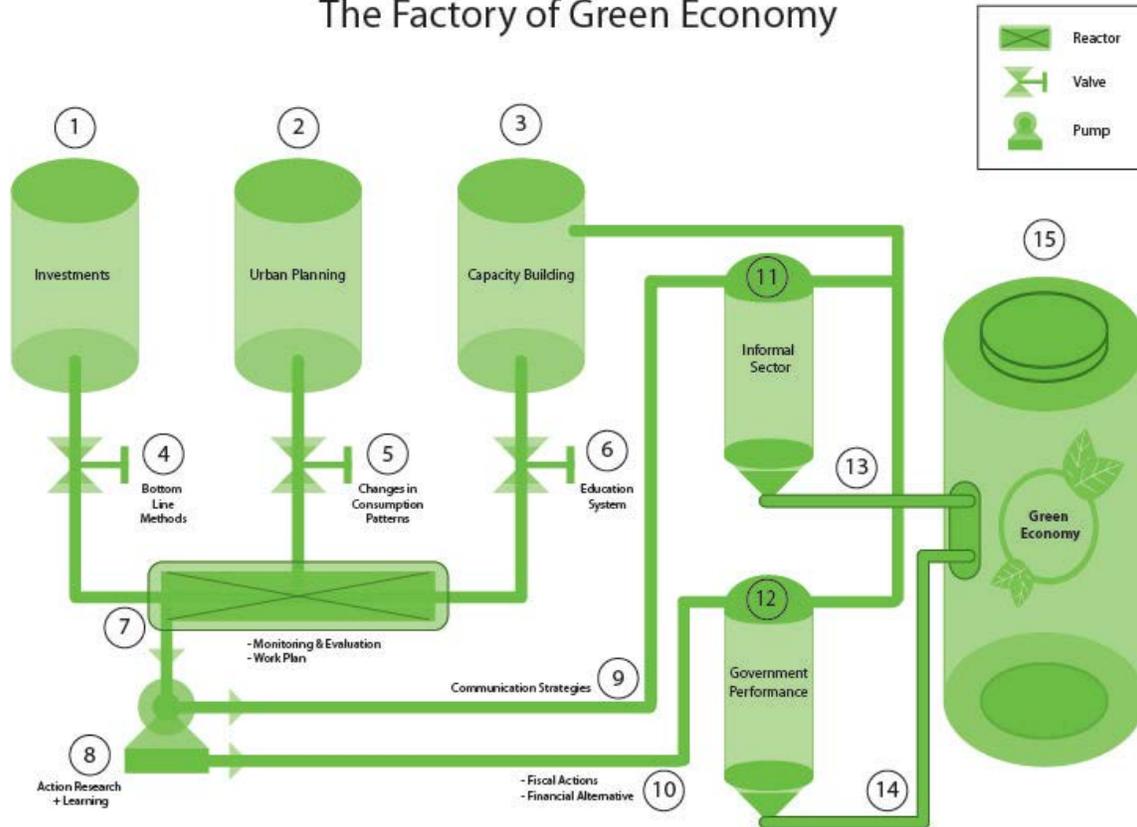
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The Factory of Green Economy



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Promoting participatory natural resource management in the Caribbean

Figure 1 The Green Economy Factory

2-The valves 4, 5, 6 are the ones that controls the flow and volume of participation of each one of the raw materials in the processes that will take place in the Reactor. The good operation of these conceptual valves (Bottom lines methods, changes in consumptions patterns, education system) are what guaranties the continuation of the production process of a “green economy” under stable and secure conditions.

3-The Reactor (7), is the fundamental element in the production of Green Economy, since there is where all the components are mix, and strategies are establish for the future work and work plans of each of the participating social groups, research and development subgroups. The process of “continuous reactions” that takes place in element “7” is determined by the monitoring and evaluations of what should by occurring in the process itself.

4- “The Pump” as element 8 of the process, is which pumps “the resulting substances” to the other stages. “Actions, research + learning” it is where the emission’s power of the results starts varying towards the main sectors from the implementation of the strategies.

5-“The pipe lines” 9 and 10, are the ways and/or conducting lines were the interim results are pumped by “the pump” 8 to the decanters 11 and 12. The conducting lines (communication strategies, fiscal actions) are the ones that prepare and strengthen the results from the

REACTOR, directed to the two sectors and main structures of the society that take part in the production of a green economy: "Informal sector" and "Government performance".

6-In the decanters 11 and 12, the separation between the concrete results obtained take place and sediments to its conical bottom, to then, be directed by the conductors 13 and 14 to the storage tanks of "Green Economy" (15). The supernatant substance of the decanters 11 and 12, those are the part of the processes that were not possible to concretize and become results in a first production, after the "reactions" which took place in the reactor, and conducted by 9 and 10, will be pass back to the beginning of the "Green economy" process, specifically to tank 3 (Capacity Building) as part of the action "lessons learned" to be part of other cycles and productions stages, with new characteristics and conditions.

7-If the Green Economy factory's operation is maintained as the way described before, controlling each one of its stages and cycles, giving each part of the process the necessary time and securing the quality of the raw materials, we will obtain in tank 15 a well implemented Green Economy in our Caribbean countries and a high level of consistent happiness among it habitants.

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For more information please contact:

Caribbean Natural Resources Institute (CANARI) Fernandes
Business Centre

Building 7, Eastern Main Road, Laventille, Trinidad. W.I.

Tel: (868) 626-6062 • Fax: (868) 626-1788

Email: info@canari.org • Website: www.canari.org



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Caribbean Green Economy Action Learning Group

Triple bottom line methods for assessing public investment:
the case of Invest Saint Lucia
by McHale Andrew¹

June 2013

Discussion paper
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Green Economy

Introduction

Foreign investment, particularly foreign direct investment (FDI), is an important driver of economic growth and development in any country. In addition to the inflows of capital, other potential benefits include employment generation, the stimulation of competition and the transfer of technology, know-how and managerial skills. These benefits can result in research and development spillovers, the growth of export trade, and the enhancement of a country's overall international competitiveness.

However, the many examples in Saint Lucia and the Caribbean region of the deleterious effects of uncontrolled FDI make it imperative that traditional approaches to assessing the successes of FDI inflows be reviewed if a more sustainable green economy (GE) approach to development is to be realised. Indeed what is now at stake is the need to urgently repair, through effective action learning and other complementary methods, the long held, if extremely myopic, general view of development as one-dimensional economic advancement.

This paper provides a quick scan of Invest Saint Lucia's new approach to investment attraction, facilitation and promotion, which could possibly provide a basis for action learning, not only

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¹ McHale Andrew is a Saint Lucian economist and the Chief Executive Officer of Invest Saint Lucia. He is a member of the Caribbean Green Economy Action Learning Group.

by the Green Economy Action Learning Group but within the region's investment assessment and monitoring discipline, including for infrastructure projects.

The paper also posits that one of the key lessons from the lethargic economic performance of tourism dependent Caribbean economies since the global economic recession in late 2008 is the need to embrace a more holistic development approach that places equal emphasis on the economic, social and ecological aspects of development. Thus, a green economy approach would be predicated on greater regard for social welfare, by putting people at the centre of development. Of course, such a thrust must necessarily be based on a steadfast adherence to the principles of enlightened sustainable development including ecological conservation and preservation of a pristine environment for future generations. The economic imperatives of efficiency, value for money propositions and providing a framework conducive for facilitating a reasonable rate of return on investment are also recognised.

Invest Saint Lucia's approach

Invest Saint Lucia is the official investment arm of the Government of Saint Lucia and lead agency to promote and facilitate inward investment in order to spur sustained economic growth and development. In functioning as a fully fledged investment promotion agency (IPA), Invest Saint Lucia's primary focus is on offering guidance and direction to potential investors, and on identifying, targeting, promoting and facilitating foreign direct investments that contribute to the sustainable development of Saint Lucia while enhancing the wellbeing of its people.

Notwithstanding the institution's investment facilitation efforts over the past thirty years, which witnessed an estimated direct

investment (both local and foreign investment) of EC\$ 990 million (US\$ 400 million) and an estimated 10,000 jobs created in the process; much of the effort, time and resources of the corporation have been inefficiently expended on physical asset management. Further, investment facilitation thus far has mostly been conducted in a passive mode, characterised by simply waiting for investors to turn up, rather than actively and purposefully pursuing investments that match the country's development imperatives and assist in enhancing its overall welfare and competitiveness.

This is not to say that inward investments over the period have not assisted in economic transformation. Indeed, throughout the four decades of facilitation an estimated 215 investors (local and foreign) from as many as three continents and 25 countries have contributed and continue to contribute to the sustainable development of Saint Lucia. What is missing, however, is a focused effort at realising specific investments that promote the economic, technological, social and environmental pillars that are critical to the island's growth as a nation.

The Saint Lucian economy is defined by innovative small and medium-sized enterprises along with dynamic developments in key economic sectors, which are invariably marked by increasing levels of professionalism, productivity and corporate social responsibility. In keeping with the national quest towards excellence, Invest Saint Lucia aims to uphold the values of integrity, efficiency and transparency, which are vital in burnishing "Brand Saint Lucia". To this end, Invest Saint Lucia has adopted a new strategic approach that moves from a passive to more proactive mode, seeking out good, or "green", investments rather than being at the mercy of economic speculators and irresponsible developers. All new investments facilitated by Invest Saint Lucia must

therefore contribute to the economic, technological, social and environmental pillars of national development.

Targeted investment sectors

Invest Saint Lucia has focused on three key sectors for investment promotion:

- **Tourism**, including high-end branded hotels and resorts; health and wellness facilities; specialty restaurants; art galleries; chic boutiques and shopping establishments; eco-lodges, environmental and leisure parks; animation centres; cruise ports and marinas;
- **Manufacturing**, such as agro-processing; dairy production; ‘smart technology’ manufacturing; high-end furniture; high fashion; processed foods; pharmaceutical products; processing of industrial and household wastes; production of household products and light industrial tools and materials; production of packing materials; and electronic assembly;
- **Sustainable natural products**, such as herbal medicines, spices and condiments;
- **Other services**, including call centre operations; business and knowledge process outsourcing operations; healthcare and medical tourism niche products; offshore financial services; reputable offshore universities; technology and hospitality training institutions; and alternative energy products.

In promoting these sectors, factors that need to be considered include access to finance, quality of infrastructure (roads, transportation, telecommunications, water, power, etc.), the correlation between the skills taught and the market demands, labour productivity and ever important

environmental concerns. These have implications for the cost of doing business in Saint Lucia given the high operating cost in



Photo 1 The iconic Pitons attract tourism investment that needs to also bring socio-economic benefits to the town of Soufriere and wider Saint Lucia while ensuring that the ecological integrity of the World Heritage Site is maintained. Credit: CANARI

relation to other competing locations. The efficiency of these factors is important in making an investment decision when it comes to the traditional bottom line, but is even more crucial to satisfying triple bottom line criteria.

Key strategic issues

The following key considerations informed Invest Saint in developing its new approach that seeks to embrace the principles of sustainable development and green economy while remaining relevant to the urgent contemporary economic imperatives:

- The understanding that investment, as one of the main vehicles for implementing the national development strategy, must maintain a proactive investment identification, promotion and facilitation outlook and approach.
- The realisation that ultimately, it is the business environment and attractiveness of the destination to potential investors

that will dictate the quantum and quality of investments.

- The need to maintain the flow of investments to assist in the quest for genuine economic transformation with its resultant employment generation, technical and technology transfer and advancement in the country's wealth and overall welfare.
- The need to always maintain a professional, transparent and responsible approach that upholds the values of integrity, efficiency and transparency and assists in burnishing the image of Brand Saint Lucia, promoting her best attributes and adding to her overall wealth and responsible job creation, social equity and environmental integrity mandates.
- Positioning Invest Saint Lucia as the gateway linking Saint Lucia to the global business world and the agency for facilitating domestic, regional and international entrepreneurs' access to business development and investment opportunities on the island.
- The need to acknowledge the importance to any investment strategy, of its natural beauty, and the warmth, friendliness and enterprise of its people as Saint Lucia's most important resources.
- The limiting of wastage and resource conservation at all levels of operations through efficient practice and the use of the new and existing technologies.
- The necessity of some core competencies within the IPA, including an appetite for action learning and openness to accepting that there is a more sustainable way to realising genuine development.

A possible way forward

There are a number of additional steps that Saint Lucia can take to move towards a green

economy, such as investment in renewable energy initiatives and exploration of energy efficient business opportunities. However, it is perhaps at the national policy level that the greatest impact can be made. This must begin with an acknowledgement by Government of the prudence of developing a green economy and society. This broader vision of development must permeate all aspects of development programming and would hopefully be embraced by the society as a whole.

At the outset, the Development Control Authority should be mandated to insist on efficient energy and water-use fixtures and installations, adequate water storage facilities, ample reserved green spaces and clear evidence of a net contribution to the greening of Saint Lucia in all new building applications, particularly for large projects in the tourism sector. Priority should be given to fiscal incentives and legislative reforms to facilitate the retrofitting of energy and water-use efficient installations in existing structures and to encourage an organised linking of renewable energy sources to the national power grid.

The media has a crucial role to play in the sensitisation process and this could begin with every media establishment in Saint Lucia, whether print or electronic, donating a weekly slot for highlighting good environmental practices and cementing the thrust towards greening the island in the minds of all and sundry.

Additionally, appropriate partnerships with investors, donors and the international community could see the development of a green economy predicated on re-using waste for generating energy, and introducing efficient recycling businesses that can propel a new manufacturing thrust to meet the demands of both the domestic and export markets. A green economy would be

supported by targeted development of the cultural industries, a focus on responsible agriculture for food security, agro-processing and expansion of indigenous culinary businesses that can meet the demands of the expanded local population of citizens, residents and visitors.

Invest Saint Lucia determined from the outset of its new mandate in 2012 that the triple bottom line of economic efficiency, social equity and environmental sustainability would be used as a major yardstick in advising Government on the efficacy of unsolicited investments while also being employed as an assessor of planned investments. The above suggestions are not at all exhaustive but simply a few possible small steps towards realisation of the much-desired goal of greening Saint Lucia. It is not at all a stretch to imagine that we could one day eat, breathe and live green. As, the famous English Poet William Blake, once said, "*What is now proved was once only imagined.*"

Opportunities for action learning

Analysis of the effect of Invest Saint Lucia's adoption of a triple bottom line approach on the overall success of the country's national sustainable development strategy offers a major opportunity for action learning on green economy. It could also be expanded to include an assessment of regional and international best practices in responsible investment attraction, monitoring, assessment and facilitation.

The most salient lesson of the recent international economic crisis is that a uni-dimensional focus on development through a narrow profit-oriented "bottom line" has not

worked. What we do not yet know is precisely how to spur Governments and key development partners within the public and private sectors, NGOs and regional and international institutions to embrace the relatively untested triple bottom line approach. Conducting more detailed research through action learning and sharing of best practices could possibly provide a sound basis for more effective and successful action towards the goal of achieving a truly green economy in the region.

However, there is an urgent imperative to do it efficiently and simply if one expects this new way to be widely and popularly embraced. There are action learning opportunities within enterprises, countries and regions. Action learning and targeted research could possibly result in mainstreaming of those ideas and approaches. However, a Caribbean response cannot be a reaction to externally imposed concepts or models – the new economy needs to be based on the region's reality, innate attributes, indigenous talents and specific conditions. There is already consensus that a new approach is needed, but no one seems to know what to do. The need now is for some consistent, enlightened leadership that can help pull together a coherent vision.

Governments are unlikely to drive that initiative, but governments must step up with more strategic implementation of policies and strategies aimed at making a transition. So far, change has only come out of adversity; if change is to be proactive, there is a need for more creative thinking and purposeful, knowledge driven action learning.

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Caribbean Green Economy Action Learning Group

From a “doorstep economy” to a green economy: a case study of Cuba
by Yociel Marrero Baez¹

June 2013

Discussion paper
#3

Green Economy

The context: an economic model in transition

Cuba’s centralized economic model is exhausted, and the economy is in crisis. The average annual growth rate has fallen from 9% from 2004-2007 to 2.5% from 2008-2010; the fiscal deficit reached US\$ 10 billion in 2008; the terms of trade deficit increased by 35% in 2008 and another 15% in 2009; and real salary levels have been falling since 1990, and are now only 27% of its 1989 level, with major impacts on family living standards.

The Government has introduced some measures over the last two years to address the situation, mainly through a shift from state to private enterprise. It aims to reduce inflated state payrolls by 20-25% over five years, eliminating 1.5 million state jobs by 2015. It is implementing a public sector reform process and new tax system, strengthening the role of local government and restructuring the system of subsidies to support persons rather than products. To transform the agricultural sector, it is distributing idle state lands to individuals and cooperatives (3.4 million acres were granted to 170,000 new farmers by January 2012). A culture of entrepreneurship

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is growing rapidly: from 100,000 self-employed workers in 2008, there are now around 340,000, and 62,747 new licences have been granted to private enterprises.

Approximately 85% of the total population of Cuba is concentrated in urban areas. In spite of all the efforts over the last three years to revitalise the agricultural sector and improve conditions in rural areas, rural population growth is still slow. This situation has subjected Cuba's major cities to all the negative effects of rapid growth, without the economic basis to support the transformation of infrastructure and services such growth requires. The resulting unplanned occupation of open spaces and green areas is having a major impact on the urban environment, reducing the space available for social communication.

This problem has increased sharply in recent years with the official re-sanctioning of self-employment and the possibility of establishing small private enterprises. Motivated by the opportunity to engage in potentially profitable legal commercial activity, thousands of citizens have taken possession of the most unlikely urban spaces. Doorways, lobbies, gardens, flowerbeds, garages, entranceways, shaded areas, sidewalks, communal passageways and neighbourhood green spaces have been transformed into "commercial areas", degrading the urban environment through the intensive occupation of open and communal spaces in neighbourhoods, communities and residential areas. This commercial occupation of public spaces also affects the structure of the cities by the indiscriminate consumption of finite resources such as water, energy and food supplies, without any plan for increasing their production. Neither the new commercial laws nor the tax system make provisions for investment in the environment or the evolution towards a green economy. In

addition, there is little financing available to start up "green enterprises" because they are not seen as a good credit risk.

Green economy vs "doorstep economy"

The structural consequences of the creation in Cuba of what I have called the "door step economy" will be enormous if no efforts are made to move in the direction of a green economy or similar strategy. Currently, the doorstep economy is seen as a positive outcome of the revitalisation of the sense of private property so long forgotten in Cuban society and of the illusion of prosperity it has momentarily created in the population. The reality that is emerging, however, is that this "emergency solution" is not delivering large flows of income, nor bringing in tax revenues, and there has been no consideration to developing the business and financial capacities of these new entrepreneurs or business associations to support them.

However, Cuba has a number of good experiences to learn from and build on. A favourable policy environment along with a good framework of environmental laws and regulations has encouraged a number of local initiatives in urban and rural areas around the country, which have been implemented with varying degrees of success. These experiences have contributed to increasing levels of socio-economic participation to address the "governance gaps" that spontaneously arise in the Cuban context. The projects, most of which are implemented by local governments together with civil society organisations and research and academic institutions, provide potential pathways to sustainable development through the development of a green economy. They have also demonstrated that we can put in practice in our local context the concept of "sustainable livelihoods" and generate employment and income by converting the protection of the environment, the care of public health and

urban infrastructure, and small-scale urban and peri-urban agricultural production, into well-remunerated economic activities.

Many of these initiatives provide examples of the social and environmental benefits that



Photo 1. Entrepreneurs in downtown Havana tourist areas.
Credit: CANARI

socially responsible enterprises can provide as basic elements of a green economy. By revitalising their neighbourhoods, these projects are creating potential enterprise zones that demand new kinds of private sector associations to sustain them.

Current and future challenges

It will be a challenge to ensure that the new economic transformations in Cuban do not simple result in an uncontrolled expansion of the commercial sector, but rather draw on other experiences and instruments. Among the fundamental actions that could be taken and that have been used in some of the initiatives mentioned earlier are these:

- promote local exchange systems to increase the amount of goods and services consumed by self-employed households;

- create financial mechanisms that support community-based structures of production and consumption;
- promote energy independence and other actions that can spur the growth of “eco-neighbourhoods” in Havana and other cities and support local green economic development;
- support an orderly transition from self-employment to small and medium enterprise: diversify the types of legal ownership and build capacities in green economy;
- transform production processes and working cultures;
- reform energy policies;
- expand the scope of the tax system to ensure a sustainable development pathway rather than simply maintain the operations of the State.

The moment to introduce elements of a green economy into public policies is now, while Cuba is in the process of transforming its economic model. Every problem can now become an opportunity. Cuba’s transition is being closely watched by the big economies, and its emigrant communities in the North and we have the need and the responsibility to do things right.

Uncontrolled capitalism does not bring equitable distribution of benefits, social development or a sustainable future. Cuba today is at a crossroads, and must find its own direction. The solutions for our problems cannot be found in Nash or Stiglitz. That is our challenge. We can only achieve economic growth while protecting the environment by investing in the future. That will require putting in place mechanisms that, while changing the patterns of socio-economic and socio-political inclusion, also train people in responsible patterns of consumption. The aim should be to achieve a society that strengthens and valorises, through inclusion in national accounts, social services as well as

ecosystem services, and protects nature and biodiversity through an integrated socio-

economic approach.

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Catalysing and supporting sustainable small, medium and micro enterprise development
by Sarah McIntosh¹

June 2013

Discussion paper

#4

Green Economy

Rationale for research on small, medium and micro enterprises for green economies

Small, medium and micro enterprises (SMMEs) are already significant contributors to Gross Domestic Product and employment in the Caribbean, with CARICOM estimating that up to 70% of jobs are in this sector [1]. They are also expected to be the main engine for future job creation and growth, and particularly 'green' growth. Reliable data on SMMEs are limited, in part because of the extent of the 'informal' (i.e. unregistered, cash economy, non-tax paying) element of the sector. However, documented 'success stories' and case studies indicate that many SMMEs, and particularly the smallest (micro) ones, rely heavily on the use of natural assets. Such businesses include those involved in agriculture, craft and other non-timber forest products, food and beverage processing and ecotourism. SMMEs therefore have considerable potential to contribute to or detract from healthy ecosystems and provision of ecosystem services, depending on the practices they use.

There are many analyses of national and regional SMME policy gaps, as well as proposals and programmes to address them. However, most of these consider only areas that directly affect SMMEs, such as tax, incentive

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and trade regimes. In order to stimulate and sustain SMMEs' contribution to green economies there is also a need to analyse the gaps in the wider policy environment, with a view to catalysing change across the spectrum of policies that affect SMME operations.

While most countries have programmes designed to expand the SMME sector and the capacity of individual entrepreneurs and companies, the medium or long-term outcomes of these programmes are rarely documented. Most just feature a few individual 'success stories', with success measured mainly in terms of profitability, length of time in business, job creation and increase in household income and assets. More analysis is therefore needed on what catalyses and sustains SMMEs that also contribute social, cultural and environmental co-benefits; whether and how these benefits can be distributed equitably; and what forms of collaborative or community SMME are most effective in delivering such benefits.

Regional and national trends

a. Policy

Most national SMME policies are focused on removing barriers to competitiveness and growth, notably through:

- improved access to finance, particularly for those with no or little collateral, including provision of better interest rates than commercial banks;
- reduction in high levels of bureaucracy in the administrative and regulatory system, for example when registering a business or paying taxes; and
- building SMME capacity in core business management competencies.

These barriers are clearly real and need addressing urgently. New policies in these areas also offer potential for introducing incentives for 'green' SMMEs or 'green' behaviour, such as improved energy or waste management. However, changes are also needed in policies affecting land use planning, land tenure, access to state lands, and education for SMMEs to contribute optimally to green economies.

There is some evidence throughout the region of a shift towards development based on a green economy model, for example in the Vision 2030 Jamaica National Development Plan, Barbados's Green Economy Scoping Study and Guyana's Low Carbon Development Strategy. SMME policies are also starting to emerge at both the regional and national levels to support such a shift, for example:

- Jamaica's Micro, Small and Medium Sized Enterprise (MSME) and Entrepreneurship Policy, which suggests provision of incentives to MSMEs that procure and install energy-efficient technology;
- the Caribbean Development Bank's (CDB's) Private Sector Strategy and Policy, which seeks to *"take a balanced approach to improving the welfare of [the bank member countries'] citizens and ensuring that growth is inclusive, explicitly focused on reducing income and gender disparities, economic and social vulnerabilities and on other inequities and that it is environmentally sustainable [2]."*

There is also some evidence of a trend towards more participatory policy development (e.g. Jamaica MSME and Entrepreneurship Policy) and effective SMME policy advocacy (e.g. Jamaica MSME Alliance).

There are still few, if any, examples of comprehensive, coherent national programmes to incentivise SMME practices that contribute to environmental, social and cultural benefits or increased equity. Conversely, programmes remain, particularly in the agricultural sector, that provide perverse incentives, such as tax and duty exemptions on agricultural chemicals, including persistent organic pollutants, and energy inefficient vehicles and equipment.

Capacity building – what, how and by whom?

There is broad consensus across the region that SMMEs need to build their capacity in areas of business planning, cash flow projections, management, book-keeping, marketing, communication skills, customer service and information and communication technology (ICT). There is also an emerging consensus that capacity building for community businesses and collectives (e.g. cooperatives and small or micro business associations), should also focus on ‘softer’ skills like leadership and conflict management. Additionally, to support an expansion of the role of SMMEs in green economies, most traditional SMMEs (i.e. those that are not collective enterprises) would need a shift in world view and culture to encompass the idea of co-benefits, and to a lesser extent, environmental sustainability.

The extent to which entrepreneurial attitudes are developed through formal capacity building is unclear. However, the formal education system in most Caribbean countries does little to nurture (and may even suppress) entrepreneurial characteristics such as vision, risk-taking, opportunism and adaptability.

There is anecdotal evidence (i.e. feedback from those that have been trained) that much capacity building has been ineffective because it is delivered by trainers selected on

the basis of their academic or theoretical knowledge rather than their ability to tailor the intervention to participants’ life experience and level of education and literacy.

Similarly, there is often an over-emphasis on helping SMMEs to develop complex, one-off marketing or business plans at the expense of developing the entrepreneur’s capacity to plan and adapt effectively on a continuous, long-term basis. As such, there is growing recognition that mentoring and coaching could be effective tools, either as a substitute for or complement to training, using entrepreneurs and business executives as the mentors. However, such recommendations rarely mention the need to train prospective mentors and coaches in mentoring and coaching skills, though this would seem desirable. For community businesses (including non-profit organisations with an entrepreneurial component), there is also a growing trend towards peer coaching and peer exchange, sometimes catalysed by support agencies such as the Caribbean Natural Resources Institute (CANARI) and the Global Environment Fund’s Small Grants Programme, which have sponsored respectively a Community Expo and a Knowledge Fair for this purpose in Trinidad and Tobago.

Institutional support for small business

In the past decade or so, there has been a proliferation of agencies (government and non-profit) to support small business development, including some operating at regional level and some specialising in specific populations, such as youth business trusts. Most focus on capacity building, while some also offer loans (e.g. the National Enterprise Development Company in Trinidad and Tobago). The non-profit support agencies, such as the MSME Alliance in Jamaica, often have a strong advocacy component.

However, as noted above, there is little readily available documentation of the outcomes of these initiatives.

There is a range of government and private financing mechanisms for SMMEs but few that address the challenge of no or low collateral; so in effect they are often not accessible to start-up micro-entrepreneurs.



Photo 1 Community member tests the cocoa before harvesting for the small business that the group is involved in. Credit Aripo Youth Development Organization

None of the identified financing schemes incentivises 'green' behaviour, except some short-term, one-off competitions or grants (e.g. IDEAS Energy Enterprise Innovation Contest for the Caribbean or the GEF Small Grant Programme). However, the CDB Private Sector Policy suggests that funding for building resilience to climate change could be used to develop and sustain 'green' business. The role of credit unions in catalysing SMMEs and community businesses is under-documented, though the need for effective credit union regulation is widely acknowledged and starting to be addressed².

² A 2007 project in OECS East Caribbean: *Strengthening Credit Union Regulation and*

Government marketing of the products and services of small enterprises and collectives is currently perceived to be weak, particularly in the tourism and agriculture sectors. To stimulate SMME contributions to green economies, government support of this kind could be linked to adherence to standards that support environmental sustainability. Government programmes could also potentially incentivise some form of small business corporate social responsibility (CSR) that provides community co-benefits. Many large companies' CSR programmes already have a strong environmental component but their role in catalysing sustainable individual or community businesses based on natural resources is not well documented, although a number of examples of this exist.

Achieving scale (and other benefits) through collaboration

Policy statements acknowledge the benefits of collaboration to achieve scale, with the current buzzword being 'clusters', which can range from just forms of association to locating similar businesses in specifically designated areas, such as the proposed high-tech industrial park in Wallerfield, Trinidad. However, there appears to be little policy focus yet on clusters specifically to support micro businesses or green economies, although some private collaborative initiatives, like the Green Market in Santa Cruz, Trinidad are emerging to promote local produce, craft and culture and enhance the relationship between producer and consumer³.

Supervision sought to address this. Outputs and lessons learnt are outlined at <http://www.firstinitiative.org/content/index.cfm?ctID=142>.

³ See <http://www.sanantoniogreenmarket.com> for more information.

Although the benefits of collaborating to achieve scale seem obvious, many collaborative SMME or community ventures break down or are weak. Reasons include preference for short-term individual gain over potential long-term benefits (e.g. by-passing collective marketing agreements and selling direct); interpersonal conflict; and business hours that conflict with association meetings. Cooperatives are the most well-known and established type of collaborative organisation for product development, marketing and collective branding. CANARI's case study of the Dominica Essential Oils and Spices Cooperative Society⁴ provides a good example of this working effectively and delivering co-benefits. However, in some countries, the past history of failed and even fraudulent cooperatives (also often linked to credit union failure and personal loss of funds) means people will not countenance this model and are wary of collaborative ventures in general. For example, when Turtle Village Trust recently attempted to form a collaborative entity of this kind for the craft enterprises it catalysed in north-east Trinidad and south-west Tobago, none of the enterprises were prepared to countenance this. Other variants of collectives include small business associations and development foundations. Some have SMME membership only; others include partners such as government, non-governmental organisations and large business representatives.

Overall, strong leadership appears to be the critical determinant of sustained operation of collectives, but this does not necessarily

⁴ This case study is included in CANARI. 2012. Community Forestry in the Caribbean: A Regional Synthesis. Laventille: CANARI, available at http://www.canari.org/documents/CaribCBFRregionalSynthesisfinal_2_.pdf.

result in equitable distribution of benefits. In the case of the Heritage Tourism Association of Saint Lucia (Heritas), for example, powerful private business interests seem at times to have dominated at the expense of organisations that place greater emphasis on wider community benefits.

Possible areas of focus for action research and learning

a. Research Questions

Based on the findings above, the following could be of interest:

- How does the current policy environment facilitate development and oversight of a sustainable and equitable SMME sector? What policy gaps still exist at regional, national and sub-national level and how can these best be addressed?
- To what extent can a critical mass of 'green' SMMEs influence national sectoral policies and the policies/practices of larger businesses?
- What financing mechanisms (loans, grants, CSR programmes) can best stimulate development and growth of SMMEs that contribute to green economies?
- What forms of collective organisation are best suited to Caribbean culture and world view? Are different forms of collective organisation needed for different purposes (e.g. mutual learning; collaborative product development, marketing and branding; advocacy) or can one organisation address all these needs? How can individual and collective interest best be balanced? Are formal organisations always necessary or can informal collaboration on an as-

needed basis serve equally well, e.g. for advocacy?

- Is mentoring and coaching an effective strategy for SMME development? What institutions and approaches best facilitate this? How can mentor and coach capacity be built to facilitate the development of SMMEs that contribute to green economies?
- How can ICT act as a catalyst for the development of 'green' SMMEs?

Potential case studies

Listed below are a few case studies that could support action learning:

a) *The process of developing the Jamaica Micro, Small and Medium Sized Enterprise and Entrepreneurship Policy* to support Vision 2030 Jamaica and the role that collective SMME advocacy contributed to outcomes.

b) *The Saint Lucia Heritage Tourism Programme (SLHTP), Heritas, and the subsequent European Union Special Framework of Assistance (SFA) 2007 Community-Based Eco-Agro Tourism Project* that focused more narrowly on Dennery/Mabouya, to include analysis of:

- the respective roles of formal policy, party politics and the collective (Heritas) in driving heritage tourism policy and process;
- the differing approaches of SLHTP and SFA to SMME development (locally-driven versus use of external technical assistance);
- the role and effectiveness of intermediary institutions (e.g. SLHTP, Ministry of Tourism, Saint Lucia National Trust);
- the role and effectiveness of SMME partnerships (Heritas,

Dennery/Mabouya Development Foundation);

- the outcomes in terms of SMME capacities built and the most effective approaches for achieving these (training, mentoring, coaching);
- the strategies for post-project sustainability and their outcomes;
- the triple bottom line contribution of Heritas and Dennery/Mabouya SMMEs.

c) *Community enterprises based on sustainable use of forest resources.*

Several of these have already documented by CANARI, including useful lessons on policy, power relations, institutions (both at community and partner level) and benefit equity. The International Institute for Environment and Development has also done extensive work on small and medium forest enterprises, which may provide useful lessons for the Caribbean even though the work has not focused on the region.

d) *Turtle Village Trust (TVT)* as an example of a community-initiated, multi-sectoral (business, government, community) non-profit organisation with the stated objective of contributing to sustainable community development, in part through the growth of community/collective entrepreneurial activity, e.g. with analysis of:

- board structure (corporate, community, government) and its impact on power relations;
- benefits to partner community groups and the wider community (including communities in the TVT focal area that are not represented on its board);

- dynamics between the member community groups and structures for supporting collective decision-making;
- other factors that are contributing to development of SMMEs and green economies in TVT's focal areas.



Photo 2 Turtle watching and conservation support small businesses in some rural communities.
Credit: CANARI

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[2] CDB. 2012. Caribbean Development Bank's Draft Private Sector Strategy. http://www.caribank.org/uploads/2012/05/SDF8_2_NM_6_CDB_DraftPrivateSectorStrategy.pdf.

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For more information please contact:

Caribbean Natural Resources Institute (CANARI) Fernandes
Business Centre

Building 7, Eastern Main Road, Laventille, Trinidad. W.I.

Tel: (868) 626-6062 • Fax: (868) 626-1788

Email: info@canari.org • Website: www.canari.org



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Caribbean Green Economy Action Learning Group

Green economy in practice:
The Barbadian perspective
by Winston Moore¹

June 2013

Discussion paper

#5

Green Economy

Introduction

Over the past four decades, there has been a growing need to highlight the issues impacting on our world, particularly those relating to the environment. Concerns regarding environmental protection have been documented in the 1972 Stockholm Conference on the Human Environment, the 1987 Brundtland Report and the 1992 Rio Earth Summit. The Green Economy has attained global significance at the recently concluded Rio +20 United Nations Conference on Sustainable Development. While there have been many definitions proposed for green economy (see Box 1), it is best to think about it as a family of many different ideas; these include ideas such as a low carbon economy, sustainable consumption and production, green growth, sustainable development and the 'global green New Deal'.

Building momentum for the transition to a resource efficient economy calls for international cooperation, partnerships, and communication. In March 2011, the United Nations Environment Programme, the Government of Barbados and the University of the West Indies, Cave Hill Campus (UWI-Cave Hill) embarked upon a joint initiative: the Green Economy Scoping Study

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¹ Winston Moore is a Senior Lecturer in Economics at the University of the West Indies, Cave Hill Campus, Barbados. He is also a member of the Caribbean Green Economy Action Learning Group.

(GESS)². The study embraced an ecosystem-based approach³ in which sectors such as construction, transportation; tourism and agriculture along with the cross cutting issues of water, energy, waste, and land are taken into consideration. The pursuit of such an initiative was grounded in the Former

Box 1: What is the green economy?

‘An economy that results in improved human well-being and reduced inequalities over the long term, while not exposing future generations to significant environmental risks and ecological scarcities.’ (UNEP, 2010a).

‘A system of economic activities related to the production, distribution and consumption of goods and services that results in improved human well-being over the long term, whilst not exposing future generations to significant environmental risks and ecological scarcities.’ (UNEP, 2010b).

Prime Minister, the Late Honourable David J. Thompson’s presentation of Estimates in March 2009 where he announced his vision for Barbados to become “the most environmentally advanced green country in Latin America and the Caribbean”.

This background paper seeks to highlight the green economy policy framework in Barbados by outlining the methodological approach used in the GESS and identifying enabling conditions necessary to make the transition to a green economy.

The study utilized a methodological approach that combined qualitative and limited quantitative analyses, stakeholder consultations and engagement, and strengths-challenges-options-responses-effectiveness (SCORE) analysis. The approach is graphically illustrated in Figure 1. Data collection for the study involved meetings with key government agencies and stakeholders in the sectors. This was done in three types of fora: stakeholder consultations for each industry and cross cutting issue, and a series of technical seminars to facilitate the articulation of the enabling environment for the country’s transformation to a green economy.

At an even deeper level, stakeholder consultations were held for each industry and crosscutting issue, as well as on the topic of enabling conditions to foster the green economy transition. Holding these consultations and fully reflecting the views of participants ensured that the document would have life after publication. The time needed to ensure adequate stakeholder consultation should not be under-estimated. The administrative team for the GESS spent numerous hours thinking, planning, and ensuring that key individuals were present at stakeholder meetings. While this process delayed the completion of the project somewhat, the legacy benefits more than outweighed the potential costs.

The methodological approach utilised in this study, while quite useful for data scarce countries, also requires coordination and planning. Ideally, the strengths, opportunities, challenges, responses, and effectiveness analysis should be undertaken in a symbiotic way by the technical team in consultation with the stakeholders. The stakeholder consultation process provides verification of the technical analysis and ensures that all views are fully captured in the report.

² The Barbados Green Economy Scoping Study can be downloaded at http://www.unep.org/greeneconomy/Portals/88/documents/SYNTHESIS%20REPORT_Barbados.pdf.

³The ecosystem approach is a strategy for the integrated management of land, water, and living resources that promotes conservation and sustainable use in an equitable way.

Enabling Conditions

The study highlighted numerous opportunities in relation to agriculture, fisheries, building, transportation and tourism. The green economy transition can therefore be seen not only as a way to encourage environmental sustainability, but also an opportunity to diversify the economy, generate new jobs and business opportunities and support poverty alleviation. In many industries, this transition has already begun with positive results. Since the 1970s, solar water heaters largely supported by tax incentives for consumers have dominated Barbados' water heating industry, while in the tourism sector many hotels have sought to achieve green certification as a means of enhancing demand and increasing profitability. It is expected that as these and other initiatives penetrate the economy both firms and the island will benefit.

To exploit these potential opportunities, the country will have to address various sector specific challenges, such as the lack of research and development in agriculture, standards legislation in fisheries, lack of training programmes and regional experts in building/housing, public attitudes to green initiatives in transportation and the heavy dependence on imports as well as low occupancy rates in tourism. It will also be necessary to develop the enabling conditions to facilitate the transition in the areas of financing, development, access and transfer of clean technology; trade tariffs and investment; taxation, incentives and fiscal

reform; education, training and capacity enhancement; standards and regulation, and government procurement.

One of the most important components of the emergence of the green economy will be the development and adoption of new approaches to financing green investments, i.e. green finance. Usually, governments have two ways of financing green economy-related programmes: either with tax-exempt bonds (government-owned approach), or by entering into turnkey relationships with private developers. The study highlights several grant facilities at the national and extra-national levels available to support the green economy policy initiative, including the Global Environment Fund (GEF), the GEF Small Grants Programme and the Inter-American Development Bank Regional Public Goods Initiative. Experts did note, however, that institutional limitations in terms of skill sets and scale are major challenges in accessing available grant facilities. In addition to the above recommendations, consideration should also be given to alternative funding mechanisms such as resource use fees, which attempt to capture some of the willingness-to-pay of the users of protected areas.

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For more information please contact:

Caribbean Natural Resources Institute (CANARI)
Fernandes Business Centre

Building 7, Eastern Main Road, Laventille, Trinidad.

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Caribbean Green Economy Action Learning Group

Discussion paper

#6

The policy flux:

Current green economy policy initiatives in the Caribbean

by Shawn Carter¹

June 2013

Green Economy

Scope and scale of green economy initiatives in the region

There has been much discussion at the national, regional and international levels about the applicability and relevance of transitioning to a green economy in Caribbean states. At the Caribbean Community Council on Trade and Economic Development (CARICOM COTED) special meeting on the environment in 2011, Caribbean Environment Ministers recognised green economy efforts in Barbados, Dominica and Guyana. Since then, Grenada has produced a green economy roadmap for Carriacou and Petit Martinique.

These four have taken different approaches to transitioning to a green economy:

- The *Green Economy Scoping Study for Barbados - Building a Resource-Efficient Green Economy (GESS)* focuses on four sectors (tourism, agriculture, housing/building and transport) and four resource use and management issues (water, waste, energy and land). The study makes policy, programme and project recommendations and indicates

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¹ Shawn Carter is an Attorney-at-Law and environment and sustainable livelihoods consultant based in Barbados. She is a member of the Caribbean Green Economy Action Learning Group.

- the requisite enabling environment for the transition to a green economy as it relates to these sectors [1].
- *Dominica's Organic Island Initiative* focuses on development and implementation of a 10-year programme of action to establish the country as an "Organic Island" and wellness tourism destination. The initiative aims to "coalesce the food, the activities, the eco-tourism and agro-tourism opportunities into a high end unspoilt image of the country" [2]. The approach is based on developing organic production and marketing systems that are sustainable and do not require an excessive amount of natural resources. This will require setting and implementing standards for primary food production through all stages of operations. It will also involve accelerated and sustainable use of national resources including socio-cultural and indigenous community knowledge-based assets, forest products, non-timber forest products, food and agriculture, water and renewable energy, to transform the social and economic development of the country.
- *Guyana's Low Carbon Development Strategy: Transforming Guyana's Economy While Combating Climate Change (LCDS)* [3] is designed to transform Guyana's economy to deliver greater economic and social development for the people of Guyana by following a low carbon development path; and to provide a model for the world of how climate change can be addressed through low carbon development in developing countries, if the international community takes the necessary collective actions, especially relating to Reducing Emissions from Deforestation and forest Degradation and avoided deforestation (REDD+). The LCDS identifies conditions

under which Guyana would pursue green growth by protecting its rainforest in the long term once acceptable economic incentives are created; and using the payments received for forest climate services (carbon credits) to re-orient the country's economy to a low carbon, environmentally sound path.

- *The Carriacou and Petite Martinique Roadmap on Building a Green Economy for Sustainable Development* of 2012 focuses on energy resources and technology; water resources; education and jobs; transport; agriculture, fisheries, and food security; ecotourism; and environmental sustainability. The Roadmap is an initial study for the "development of a more in-depth, systematic assessment for designing green economies in [small island developing states]" [4].

There have also been several regional and national dialogues on green economy, for example:

- The Caribbean Natural Resources Institute (CANARI) facilitated a regional dialogue between December 2009 and February 2012 to elicit ideas from a wide cross-section of Caribbean stakeholders on what green economy means in the Caribbean context. The results [5] were widely disseminated and have formed the basis for the establishment of a Caribbean Green Economy Action Learning Group coordinated by CANARI [6].
- The Caribbean Green Economy Forum in 2012 showcased the Barbados GESS and facilitated a regional green economy discussion.
- St. Lucia held its Second National Environment Forum on the theme *Walking the Path towards a Green*

Economy in 2011, as part of the Rio+20 preparatory process.

- The Caribbean Green Economy Initiative (CGEI) was recently launched under the auspices of the United Nations Environment Programme (UNEP) and CARICOM and with the financial support of the European Union. The CGEI will include four main components: assessing green economy investment potential in three countries (Haiti, Jamaica and St. Lucia), developing a regional network on green economy, establishing a regional green economy centre of excellence and preparing a regional capacity building portfolio.

Vision and objectives

Of the four national initiatives, only the Barbados GESS study was guided by an explicit definition of a green economy². However, these initiatives draw on a common set of concepts in defining the transition towards a green economy. These include environmental mainstreaming; resource use efficiency (water, energy, waste); sustainable consumption and production; sustainable agriculture, tourism, fisheries and forestry; and low carbon development. They also address longstanding sustainable development priorities as articulated in the 1994 Barbados Programme of Action for the Sustainable Development of Small Island Developing States (BPOA) and the follow-up (2004) Mauritius Strategy for the Further Implementation of the BPOA. These priorities

² The Government of Barbados has defined a green economy as: *an integrated production, distribution, consumption, and waste assimilation system that, at its core, reflects the fragility of our small island ecosystems as the basis for natural resource protection policy intervention, business and investment choice, human development programming, and for the facilitation of export market development strategies.* [1]

include economic diversification, enhanced competitiveness, resource efficiency, environment and natural resource management, poverty reduction, climate resilient development, technology transfer to support energy reform, and sustainable utilisation of ocean resources.

Key actors

Caribbean governments are not alone in these endeavours. Universities and other academic institutions; regional institutions such as CARICOM and CANARI; regional development agencies like the Inter-American Development Bank; international organisations such as UNEP, the United Nations Economic Commission for Latin America and the Caribbean and the Commonwealth Secretariat; and development partners including the European Union and Norway, have made significant contributions in the development of green economy policy initiatives.

Transitioning to a green economy requires the inclusive engagement of stakeholders in the social, economic, environmental and governance aspects of development, including:

- public sector agencies such as regulatory bodies and those responsible for environment, housing, economic affairs, agriculture, energy, water, waste, planning and investment;
- non-governmental organisations; in the case of the GESS, these included trade unions, Chambers of Commerce and Industry, economic societies, and special interest groups in areas such as environment, transport, agriculture;
- business organisations in sectors such as banking and hotels; and

- community-based organisations, including representatives of indigenous communities.

Opportunities for learning and scaling up

Partnerships with international agencies provide numerous opportunities for learning and scaling up. For instance the Barbados GESS was undertaken through a partnership among three institutions: the Government of Barbados, the University of the West Indies (UWI) and UNEP. Resource persons from all institutions were engaged in client meetings, stakeholder meetings and technical seminars – thereby creating a series of fora where concepts, problems and solutions were discussed. Events such as these can be continued at the national and regional level to share both best and bad practices, lessons learnt, and regional problem solving.

Opportunities for scaling up include utilising existing fiscal frameworks; financing mechanisms such as the Global Environment Facility’s Small Grants Programme, the Clean Development Mechanism, the Rio+20 approved 10 Year Framework of Programmes on Sustainable Consumption and Production; and mechanisms to support education in areas relevant to the green economy.

Barriers and constraints

The main public policy-related barriers and constraints to shifting to a green economy include:

- weak cycles of policy development > implementation > evaluation > refinement;
- the lack of fiscal space and high debt levels that constrain new investments in “green” areas;
- the relative high costs of doing business in many Caribbean countries that can impact competitiveness;
- weak systems of data collection and management to support effective evaluation;
- the impact of social problems such as poverty, crime and unemployment have on the investment climate;
- despite the fact that the Revised Treaty of Chaguaramas lays the foundation for building a Sustainable Caribbean Community, there remains the need for a synergized approaches to the transition to a Caribbean Single Market Economy and the pursuit of Green Economy in CARICOM countries,.

With respect to the business sector, although some incentives are in place, their target audiences are often not aware of their existence or cannot access them. In addition:

- there is no legal regime for Caribbean companies regarding the undertaking environmental and social initiatives;
- environmental and social risk issues need to be mainstreamed into the decision models of Caribbean businesses; and
- the impact of “greening” needs to be understood in the context of global supply chains within consumption and production sectors of the Caribbean. For example, what will be the impact of carbon pricing on the value of commodities produced in the Caribbean.

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Caribbean Green Economy Action Learning Group

Community-based development through arts and culture:
Case study from Laborie, Saint Lucia
by Augustine Dominique¹ and Yves Renard²

June 2013

Discussion paper
#7

Green Economy

Background to the case

Laborie, on the southwest coast of Saint Lucia, was selected as the site of a field exercise for the first meeting of the Caribbean Green Economy Action Learning Group (GE ALG). The exercise coincided with one of the activities of Jazz in the South, an annual cultural event coordinated by a local organisation in Laborie. The location and activity were selected for the field exercise because they offered the opportunity to identify and test the types of issues and processes that should be examined when exploring the relevance and meaning of the green economy concept to the Caribbean. This case study is derived from a background note prepared for the field exercise and from the GE ALG's collective analysis that followed it.

a. The place

The community of Laborie has 6,500 inhabitants, with a little less than half living in the main coastal village. The general features of, and development challenges faced by, this community are similar to those of many small coastal communities in the insular Caribbean:

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¹ Augustine Dominique is a founding member of the Laborie Development Foundation and current President of the Board of Directors. He is a member of the Caribbean Green Economy Action Learning Group.

² Yves Renard is an independent consultant and one of the founding members of Labowi Promotions. He is also a member of the Caribbean Green Economy Action Learning Group.

1. Mixed economy (agriculture, fishing, commercial sector), with farming and fishing continuing to be the primary economic activities of the inhabitants.
2. A natural resource base that supports traditional economic sectors (agriculture, fishing), offers potential for diversification (creative goods based on biodiversity, tourism), and is under threat (coastal pollution).
3. Vulnerability to disasters, increased by climate change and degradation of the coastal environment (loss of coastal protection).
4. Negative impacts of trade liberalisation on farming with economic and social consequences (poverty, migration, security issues). The main cash crop (bananas) has declined greatly in recent years as a result of the loss of preferential access to European markets, causing drastic reductions in production and export.
5. Unfulfilled tourism promises such as hotel developments that have not materialised.
6. Geographic marginalisation: although Saint Lucia is small, much of the economic activity centres on the north of the island, and current development initiatives and trends tend to exacerbate geographic disparities.

Perhaps one of the distinctive features of this community is that it has significant social capital, with strong community institutions, including a vibrant Co-operative Credit Union that has been in existence since 1976. With 1200 members and assets of around US\$30 million, it is currently the leading community financial institution in Saint Lucia. It provides employment and all main banking services, including education, housing and business loans.

b. Community-based development planning

In 1999 a small group of local residents and organisations with an interest in sustainable development and dissatisfied with conventional

development approaches, took the initiative to facilitate the participatory formulation of a Strategic Development Plan for Laborie. The decision was made in response to a government programme, known as Comfort 2000, which aimed at supporting community-based projects in all towns and villages in the country. Financial and technical assistance was sought and received from the Saint Lucia Heritage Tourism Programme for a process that involved two years of consultations and studies aimed at identifying issues and opportunities for the integrated development of the Laborie village and surrounding communities. An *ad hoc* Laborie Development Planning Committee (approximately 25 people, representative of all main sectors and social groups) coordinated this participatory planning process. The plan was finalised and published in December 2001.

The plan offered the vision of “a culturally vibrant community where there is continuous improvement in the quality of life and where people are able to enjoy all the basic necessities and to participate fully in the process of development”. The plan is structured along several strategic directions, including: participation; uniqueness and competitiveness; economic linkages and integration; encouragement of self-help, autonomy and initiative; strengthening of community organisations; and cultural development, and it includes five sectoral plans (education and human resources; health care and social services; agriculture and fishing; tourism; and youth and sports).

At the end of this process and in accordance with the provisions of the strategic plan, a new institution, the Laborie Development Foundation, was established, building on the experience of the Laborie Development Planning Committee, as the primary institutional arrangement for the coordination of the implementation of the strategic plan. The Foundation was formally registered in December 2002 as a not-for-profit company. Its members are community organisations that have a primary focus on Laborie. At present,

there are 10 organisational members. The Foundation aims to serve three roles in the community:

- as an organisation that promotes and supports the social and economic development of the community, while facilitating the participation of all groups in the development process;
- as a research-based planning agency that works with but independently from government to achieve sustainable development of the community and improve quality of life for the people of Laborie;
- as a federation of community organisations.

The Foundation defines its vision as *Yon konmin, Yon katjil, Yon mouvman pou divèlòpman* (one community, collective thought and action, for [sustainable] development). Since it was established, it has achieved a strong track record for its ability to mobilise and bring together the community and to provide a neutral arena for political dialogue on development challenges. It has also influenced national policy, secured funding for social, environmental and economic projects, and networked effectively with other organisations both locally and regionally (for example, LDF was the main driver behind the twinning of Laborie and Anses d'Arlets, Martinique).

c. Labowi Promotions

One of the members of the Foundation is Labowi Promotions, a not-for-profit community-based cultural organisation created in 1991. Its mission is “to enhance social togetherness and harmony and to promote economic development in Laborie, in surrounding communities and in Saint Lucia as a whole, through cultural and artistic events and expression”. It is a volunteer organisation, run by a small group of cultural activists, with minimal administrative and coordination costs, and with funding coming from private and

public sector grants to sponsor events and activities, and from the rental of equipment.

Labowi Promotions’ work is based on the assumption that arts and culture can and should be: (a) vehicles of economic development and social cohesion as well as cultural integrity and identity at community level, (b) instruments of economic growth, livelihood enhancement and job creation at local and national levels, and (c) avenues for mutual understanding, collaboration and shared identity at the regional level. The organisation also believes that there are forms of cultural and artistic expression, such as Creole Jazz, that have a particularly important role to play in realising this vision, because they are accessible to all social groups, they link tradition and modernity, and they are at the heart of Caribbean identity.

Since its creation, Labowi Promotions has organised more than 300 events and activities, in music, education, dance, drama and visual arts. Its main production is a festival known as Jazz in the South, an autonomous component of the Saint Lucia Jazz and Arts Festival. Other regular events include the celebration of Emancipation and participation in Nobel Laureate Week. Among the group’s ongoing activities is the facilitation of the Laborie Pan Project, started in 2006 with support from two national organisations, the Cultural Development Foundation and the Poverty Reduction Fund. It is a community steel band directed primarily at children and young adults, with a vision to provide a range of social, economic and cultural benefits to its participants.

d. Jazz in the South

Jazz in the South started in 1997, and it has established itself as a Festival in its own right, with the objectives of promoting Caribbean music and musicians and supporting economic activity, business opportunities and social cohesion in host communities. Since its creation, it has featured over 150 bands from all over the Caribbean, with performers from many countries in the region, including Antigua and

Barbuda, Barbados, Cuba, Dominica, the Dominican Republic, Guadeloupe, French Guiana, Haiti, Jamaica, Martinique, Saint Lucia, and Trinidad and Tobago, and with guests from Africa.

While the Festival is indeed above all a cultural event, it is also an instrument of community development, as community festivals are also good for the local economy. In the past few years, for example, two surveys of local vendors have been carried out in the South of the island, and they have both indicated that vendors from Laborie place Jazz in the South as their most important activity in terms of revenue. And it is not only the vendors who benefit, especially since Labowi Promotions ensures that all the services needed are provided locally when available. An event like Jazz in the South therefore means business opportunities for vendors, but it also means additional income for taxi drivers, restaurants, caterers and hotels in the area, and many others.

At a broader level, Jazz in the South contributes to the community's efforts to promote itself as a heritage tourism destination by creating opportunities for relaxed interaction between local people and visitors; promoting local cuisine, food products and crafts; and showcasing traditional Saint Lucian village life and culture.

Other features of Jazz in the South that may be relevant to a green economy agenda include:

- efforts to minimise environmental impacts;
- the facilitation of original collaborations and projects between musicians from different parts of the Caribbean region and the diasporas;
- the provision of public relations and marketing support to musicians;
- support in 2013 to an original Jazz and Enacted Word project on the topic of environment and climate change;
- dissemination of environmental messages at mass events.

Development issues in Laborie

Despite this picture of a culturally and socially vibrant community supported by strong local institutions, Laborie has been affected badly by larger economic forces over the last few years, particularly the end of a preferential market for bananas and the enduring global recession. Employment opportunities are limited to a few small businesses and industries in the area. Many residents work in other towns, some commuting long distances to the north of the island. There is a general recognition amongst all residents that the local economy needs to be transformed, to create the conditions to attract and sustain more initiatives like Jazz in the South. The Foundation believes that tourism based on the uniqueness and quality of the community's cultural and natural assets can drive such a transformation. The key characteristics of the community's current development vision include:

- local ownership and use of local economic, environmental and cultural assets;
- local products that are authentic and vibrant, and that present a unique experience;
- benefits to the whole community;
- locally available (and largely locally owned) accommodation;
- competitiveness;
- attention to quality and standards.

In pursuit of this vision, the Foundation has worked to develop a calendar of local events and a community folk band. Work has also been ongoing on the development of a local bed and breakfast accommodation sector, a necessary component for increased benefits of the tourism product.

Challenges and questions for further action research

The Foundation's diagnostic of challenges identifies the following issues:

- developing an effective and credible

framework for participatory governance in which the roles of local and national government agencies and community institutions are complementary and mutually supportive;

- acceptance, both by the local population and national stakeholders, of the possibility of alternative models of community governance and local economic development;
- financing for implementation;
- managing and responding to social and economic changes in the community;
- sustainability of community institutions, especially given these changing contexts.

Some of the deeper challenges identified by the GE ALG during its Jazz in the South field exercise revolved around balancing the local social and cultural benefits of the community's approach to development with the imperative of economic viability, which requires attracting increased "spending power" into the community. Questions raised by the Group included:

- How can Laborie achieve its objective of local ownership while tapping into the larger, and largely vertically integrated, national tourism sector?
- How can an initiative like Jazz in the South successfully attract the sponsorship it needs to be viable while protecting the "intellectual property" of the activities from capture by sponsors? Does a non-profit cultural organisation like Labowi Promotions have the skills to negotiate with

sponsors on royalties for the use of that property?

- What are the advantages and disadvantages of government sponsorship of such initiatives? How far can such relationships go before local control is lost?
- What are the advantages and disadvantages of non-profit versus for-profit enterprises in delivering cultural, social and environmental co-benefits? What kinds of models can draw on the advantages, and minimise the disadvantages, of both types?

Other questions had to do with the role of locally led development in protecting and enhancing community assets, values and institutions, including:

- Physical planning: what is possible and sustainable in the context of a particular location and space such as Laborie?
- Building social capital: What role can cultural activities like Jazz in the South play in maintaining community cohesion and social values? How central is social capital to effective local development processes? How can a community like Laborie meet its economic development objectives while preserving its values?

Since the field exercise, the GE ALG and the Laborie Development Foundation have been exploring the possibility of developing and implementing a joint action research agenda based on questions such as these, using Laborie as a case study.

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For more information please contact:

Caribbean Natural Resources Institute (CANARI) Fernandes
Business Centre

Building 7, Eastern Main Road, Laventille, Trinidad. W.I.

Tel: (868) 626-6062 • Fax: (868) 626-1788

Email: info@canari.org • Website: www.canari.org



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Caribbean Green Economy Action Learning Group

Regional economic uncertainties and risk–
the next 10 years
by Michael Witter¹

June 2013

Discussion paper
#8

Green Economy

Existential threats

Professor Norman Girvan has raised the issue of the threat to the existence of many Caribbean societies as a result of the impact of natural hazards and climate change, the shocks and pressures of globalisation on their economies, and the high risk of social indiscipline and societal breakdown associated with both the environmental and economic shocks. The observation was triggered by the environmental and economic damage done to St. Vincent a few years ago by a tropical depression that lingered over the island.

Environmental risks

The Caribbean is exposed and vulnerable to *storms, floods, earthquakes and volcanoes*. Governments now recognise the necessity for disaster risk management and preparedness. In addition to the natural hazards, there are also *man-made hazards*, including fires that are deliberately or carelessly ignited, and deforestation. The risk of *fires* has to be addressed with public education to sensitise the population to the costs of fires and the dangers of actions that increase the risks of fires. In some countries, disgruntled unemployed persons in cane growing areas sabotage farms by setting illicit fires. On the other hand, employed workers are far less likely to engage in this kind of sabotage.

The Caribbean Green Economy Action Learning Group (GE ALG) is made up of development professionals and academics from the region, with a range of expertise including development economics, planning, tourism, agriculture, social development, public administration, rural development, environmental management, disaster management, gender and climate change.

The Caribbean Natural Resources Institute (CANARI) serves as convener for the Group. The purpose of the GE ALG is to identify and promote ways in which “green economy” can advance sustainable development in the Caribbean through shaping visions, perspectives, positions and actions. The GE ALG collectively plans research actions and draws lessons and recommendations for policy and practice.

The GE ALG produces Discussion Papers to inform reflection and analysis on key topics relevant to transforming economic development in the Caribbean. Please see <http://www.canari.org/greeneconomy.asp> for more information.

¹ Michael Witter is a senior research fellow at the Sir Arthur Lewis Institute of Social and Economic Studies, University of the West Indies, Mona campus, Jamaica. He is a member of the Caribbean Green Economy Action Learning Group.

Deforestation is a problem where individuals or businesses seek to pursue livelihoods on public forest lands. Public education around the importance of forest conservation and protection is one of the two essential responses. The other is engaging local communities with vested interests in protecting the forests and their sustainable livelihoods in local forest management committees.

The probable *climate change* impacts on the region are being documented in studies that indicate the potential *decline in food production*, including fisheries. Governments are being encouraged to allocate more resources to *research and development* for new technologies and new plant varieties that can cope with higher temperatures and long dry spells. Another major risk is the *pollution of aquifers* and changing precipitation patterns that are likely to bring flooding alternating with drought. Here, rainwater harvesting and water conservation suggest themselves as basic coping strategies.

Tourism is particularly vulnerable because of the exposure of coastal facilities to sea level rise, damage to reefs, disease outbreaks, and contaminated water. Governments will have to insist on moving tourism facilities back from the shores and promote the diversification of the tourism product away from total dependence on beach activities. The tourism sector will also depend on success in managing the impact of climate change on the water and health sectors.

Challenges to public *health* are expected from the increase in disease-bearing vectors with short life cycles and wider breeding areas. This is yet another reason for the authorities to encourage healthy lifestyles, environmental health and proper waste management.

Economic risks

The Caribbean is one of the most *indebted* regions, with three of the top ten indebted countries in the world². Figure 1 shows the high level of indebtedness of selected countries in 2010, and the projections for 2011.

Governments will have to employ all debt management strategies starting with write-offs and forgiveness, tailored to the specific national circumstances, to manage the burden and allow for economic growth and job creation.

Some *important resources are scarce*. Except for Trinidad and Tobago, the region is dependent on imported fossil fuels. There are now regional commitments to develop alternative *renewable energy sources* from the region's natural potential for solar, wind, geothermal and ocean energy.

The region loses *technical skills* through annual emigration flows. Information and communication technology infrastructure and capabilities now allow for Caribbean citizens in the Diaspora to continue to contribute to the region's economic development through *telecommuting*.

Traditional agricultural export markets have disappeared with the World Trade Organization-led wave of liberalization of the global economy. In their place is *access to European Union (EU) markets under the Economic Partnership Agreement* between EU and CARICOM countries. Caribbean business communities have to be educated to the opportunities and constraints of this agreement, so that they can re-position Figure 1.

² <http://www.youtube.com/watch?v=BlD-31otWQ>.

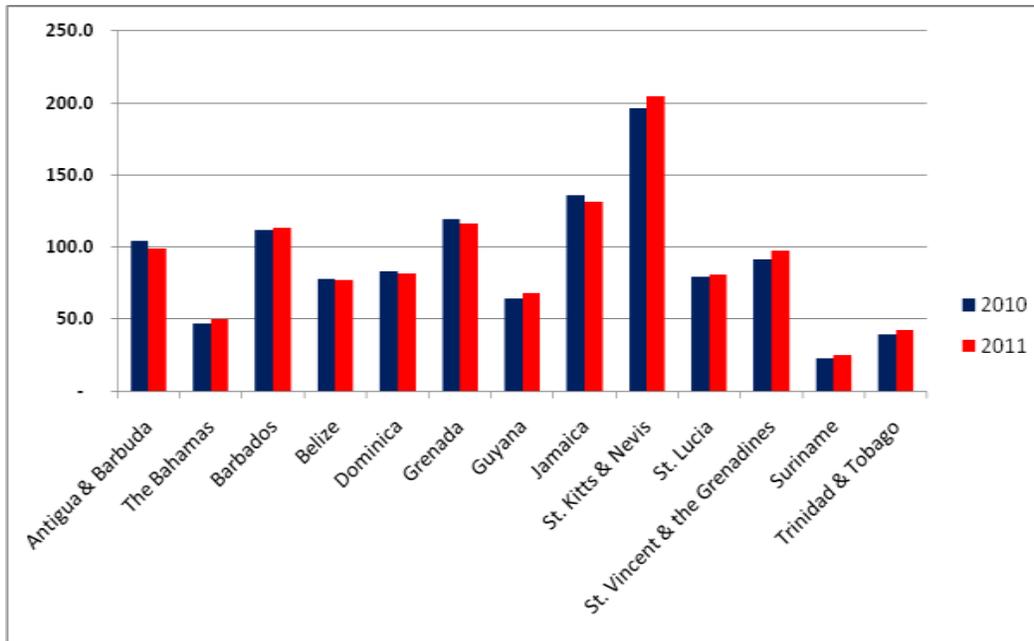


Figure 1 Levels of debt as percent of GDP, CARICOM countries

Source: Michele Robinson³, “Caribbean debt and the Jamaica Debt Exchange: A pause for thought”, presentation to the Caribbean Actuarial Association, December 2, 2010

Levels of debt as percent of GDP, CARICOM countries themselves in the global economy. This will certainly require enhanced productivity for competitiveness, and probably, meaningful public-private sector partnerships. In addition to the EU markets, the Caribbean must hasten the cultivation of *economic relations with the BRICS*⁴ and other countries in the South. It will be imperative to *strengthen, broaden and deepen the movement for regional cooperation* beyond the elusive Caribbean Single Market and Economy, and beyond the Organization of Eastern Caribbean States. Initiatives for sub-regional groupings, and for relationships with groupings in the wider Southern Hemisphere, have to be explored. In the last respect, the opportunities arising from trade through the *expanded Panama Canal* have to be tapped to boost the growth prospects of the region’s economies.

Almost every country in the Greater Caribbean has invested heavily in developing its *tourism* sector. Here again, regional cooperation and product enhancement seem to be self-evident strategies to broaden the market, as opposed to beggar-thy-neighbour competition among the various destinations.

To maximise the benefits from the region’s depleting *mineral resources*, new markets in the BRICS have to be cultivated. By diversifying export markets, the chances of increasing the returns from exports are greater, thus making it possible to reduce the extraction, and hence, depletion rate. Similarly, new markets are necessary for *agricultural exports*. The *regional tourism market* has

³ Michele Robinson runs a consultancy service on debt management. See <http://michelerobinson.net/home>.

⁴ Brazil, Russia, India, China, and South Africa

great potential both for traditional export commodities and new exotic foods and drinks. There are also *high income niches in the global economy* that will welcome healthy exotic food products.

Food and energy are the region's two most important imports. New markets have to be found to benefit from diversification. Particular attention has to be paid to the frequent price spikes within long-run increasing trends. *Energy conservation and the diversification into renewables* are the only sustainable long-term solutions for managing the impact of fossil fuel price rises. Similarly, the region must maximise its reliance on its own resources by *increasing the domestic and regional food supplies.*

Social risks

Social vulnerability is increased with each outflow of technical skills that diminishes regional technical capacity. Again, *skilled persons in the Diaspora can telecommute.*

There is an unequal exchange of human resources, with the outflow of young educated and skilled persons being matched by the return of deportees and retirees. These inflows present challenges to the government to *reform and enhance social security and safety nets.*

Crime and other forms of social indiscipline threaten the social fabric of the region. *Sustained education, employment and income generation opportunities, smart policy, reformed justice systems and community security constitute a menu of options that have to be customised according to the needs of each society.*

Green economy

The green economy (GE) is, in the first place, an approach to sustainable development that entails sustainable consumption and production, social equity and environmental conservation. This approach addresses the dependence on imported energy directly, through conservation and energy diversification for electricity and transport.

It promotes the potential shift to green technologies for food production, and more generally, economic activities that are environmentally friendly and enhance social equity. One implication for the tourism product is diversification of offerings to ones that are less energy intensive. There is the challenge to transform traditional mining and agricultural export activities using greener technologies. But these require research and development in, and adoption and adaptation of, green technologies.



Photo 1 The impacts of climate change are already evident across the Caribbean islands as rising sea levels and bigger storm waves mean that we are losing our beaches and seaside roads are under threat. Credit: CANARI

The GE approach to sustainable development promotes information and communication technology-based services and cultural services as economic drivers. In addition, it will be necessary to develop new industrial structures that network small and medium sized producers, so as to capture their maximum efficiency and productivity.

Debt management must be one of the main pillars of the region's GE macro-economic strategy. To cope with the risks outlined above, governments must adopt a risk management approach to public policy. Finally, human development requires social policy to be a priority in the policy agenda, especially by way of protection and empowerment of vulnerable groups.

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