



**Making the transition to inclusive green economies in the Caribbean:  
Collaborative Research Programme of the Caribbean Green Economy Action  
Learning Group**

**Concept Note**

Caribbean Natural Resources Institute in collaboration with IIED

August 2012

**Background**

Caribbean governments, regional and civil society institutions and many sectors and businesses have shown an interest in “green economy” approaches, given recent poor economic performance and the failure of current models to sustainably achieve desired social and environmental outcomes. In response to this interest, and to contribute to a better understanding of what green economy might mean to the countries of the Caribbean, the Caribbean Natural Resources Institute (CANARI) has been facilitating a regional dialogue in collaboration with interested partners, starting with a regional workshop held in Trinidad in early 2011. This process has produced a position paper<sup>1</sup> that has been disseminated widely and has formed the basis for presentations at green economy forums around the region and internationally. This work was supported by the International Institute for Environment and Development (IIED) and the Commonwealth Foundation.

With continuing support from IIED, CANARI and its partners are now embarking on a further phase of work, which will focus on:

- broadening and deepening the analysis on what green economy means in the Caribbean context;
- continuing the dialogue to raise awareness, engage stakeholders, and influence policy at national, regional and international levels;
- identifying specific actions that can be undertaken to demonstrate or to better understand what a green economy perspective might contribute to sectoral, national and local development.

Much of this work will be carried out through the Caribbean Green Economy Action Learning Group (GE ALG) of experts in a wide range of sectors and disciplines from around the region. A list of current GE ALG members is attached at Appendix 1.

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<sup>1</sup> Available at <http://www.canari.org/documents/CaribbeanGreenEconomyPositionPaper.pdf>.



## Rationale

The discussions around green economy, internationally and nationally, have emphasized the importance of *defining and framing it based on local contexts, opportunities and needs*. However, for most countries there is very little local experience and evidence on which to develop green economy policies and investments. Any serious national efforts to move towards a green economy will therefore require significant initial emphasis on research. The scope of this research will have to be broad, covering not only economic and financial policy, macroeconomic modelling and technology development but also the implications of green economy transitions on *social policy, equity, inclusiveness and the generation of social benefits*. All of these have been highlighted, particularly by developing countries, as key objectives of green economy transitions, yet they have received little attention in the current international agenda that emphasises the growth potential of markets and trade, low carbon technologies and economic instruments. This “green growth” approach, offered by institutions such as the Global Green Growth Institute, the World Bank and McKinsey and Company, will provide only partial answers to the fundamental development challenges that many countries are facing.

To move forward on the concept of green economy, countries will need to develop their own research agendas and generate learning to forge their own approaches. The Caribbean Green Economy Action Learning Group (GE ALG) has recently been set up to offer an avenue for undertaking some of the research and action learning that will be needed by Caribbean countries. It also provides a potential model for other countries and regions, of an approach to research and testing that is grounded in local contexts, driven by local needs and priorities, and focused on inclusiveness and maximization of the social returns from a green economy.

The Caribbean offers rich terrain for green economy research and testing. The countries of the region represent a diversity of economic models and levels of performance, from Cuba to Trinidad and Tobago, from Haiti to Barbados. There is excellent material for learning about green economy challenges particular to Small Island Developing States, including trade imbalances; heavy dependency on a few economic sectors; limitations to achieving economies of scale; and high vulnerability to natural disasters and climate change impacts. Despite generally positive economic trends in most countries over the years, the current global downturn has hit the region hard, high rates of poverty persist, the benefits of economic growth are inequitably distributed, and many households depend heavily on natural resources and other ecosystem services for their livelihoods. There is a wealth of local knowledge on managing multiple resources for multiple benefits within complex landscapes. Several of the region’s major economic sectors, including agriculture, tourism, and energy production, have great “greening” potential, offering opportunities to derive lessons that can be applied elsewhere.

The Caribbean is also an appropriate setting for green economy research because of the research capacity residing within it (some of which is already reflected in the membership of the GE ALG); the generally good relations and communication that exist between government, the private sector and civil society; and the large number of initiatives and experiences going on in the region that offer opportunities for learning.



### **Scope of the research and action learning agenda: an initial set of questions**

The Caribbean GE ALG is a regional initiative that is independent of the international institutions working on green growth. It is developing a research agenda around a set of questions about the character of a green economy, the conditions under which green economy objectives can be pursued, and the obstacles and threats that must be overcome to achieve those objectives.

The research and action learning will also contribute to addressing some fundamental, but until now largely unarticulated, questions about the structure of the global economy and the Caribbean's place within it. An initial consultation identified several of these, for example:

- *Is it possible for a capitalist economy to be a green economy?*
- *How is the issue of dependency dealt with by green economies?*

The questions that the GE ALG will tackle should help governments, businesses and other economic stakeholders to make decisions and formulate approaches and instruments that would support a shift to a more sustainable and equitable future. The main questions that have been identified by members of the GE ALG to date include these:

#### ***The structure and character of the economy:***

- Why is the current economy not green: what are the constraints in specific countries and sectors?
- What factors lock countries into current pathways?
- What are the drivers of and opportunities for change in different countries and sectors?

#### ***The potential benefits of a green economy:***

- In what ways and through what measures could a green economy overcome the problem of growing unemployment linked to the current economic paradigm?
- How can a green economy foster social inclusion? cultural resilience?

#### ***Roles in moving towards a green economy:***

- What is the role of the State? What kinds of leadership and incentives should it be offering?
- What policy process methods and skills (such as trade-off analysis and project cycle management) are needed to support a shift to a green economy? What are the opportunities for Caribbean countries to develop and refine these?
- Can triple bottom line methods be adapted for assessing public sector investment proposals (or business investments)? Where is there potential for uptake of such methods?
- How can governments, the private sector and civil society collaborate on building a green economy?



### ***Measuring progress***

- How can progress be best measured in a green economy? What alternatives to GDP would work for Caribbean countries?
- What sustainable development goals and indicators would support Caribbean progress towards green economies?

### ***The social dimension***

- What kind of social policy is required for a green economy?
- How does a green economy approach to social protection differ from approaches?

### ***Energy:***

- What are the constraints and obstacles countries face in switching to more sustainable and less import-dependent energy strategies?
- What is needed to stimulate renewable energy technology transfer in the region?
- What incentives should governments be offering consumers and producers to reduce dependency on unsustainable, imported energy sources?

### ***Local economies:***

- What kinds of policy measures, institutions and programmes are able catalyse, support and scale up sustainable micro, small and medium enterprises?
- What activities in the informal sector support the development of green economies and how can these activities be effectively supported to deliver environmental, social and economic benefits?

### ***Trade:***

- What are the implications of a shift to a green economy on trade? What new barriers and opportunities will it create?

This set of questions will be developed through further rounds of consultation, including an initial meeting of the GE ALG, in the coming months.

## **Implementation strategy**

### ***1. Who will do the research?***

The GE ALG intends to pursue this research agenda through its members and partners both within and outside the region. IIED, which has provided intellectual, technical and financial support to the process from the start, will remain a key partner in this upcoming research phase. The region's universities, technical and financial institutions are expected to be heavily involved. Discussions are underway with other potential partners with interest in aspects of the agenda, including the Commonwealth Secretariat and Foundation.



## **2. How will the research be done?**

An action learning approach to research involves structured engagement of stakeholders in “real” situations that offer opportunities for learning; shared analysis; and application of learning to advocacy processes aimed at changing policy, practice and behaviours. Stakeholders are engaged in a cycle of research and action that simultaneously: assists in practical problem-solving and effecting change; expands knowledge and understanding; and enhances the competencies of the actors involved. The cycle of critical reflection includes phases of planning, action, and critical review, leading again to planning. The group of peers works together to address a complex problem by bringing together their diverse experiences, asking reflective and “out of the box” questions, testing new approaches, reflecting on results and lessons, and developing new questions and approaches before finally analysing lessons and recommendations. It is therefore ideally suited to address the complex challenge of how to support green economy transitions and approaches in the Caribbean. The diversity of the GE ALG offers the potential for members to work on a wide range of aspects of green economy and pool knowledge from different disciplines.

To expand its capacity, the GE ALG will develop linkages with other relevant research and learning processes within the region (for example, other CANARI-organized Action Learning Groups, the SALISES 50/50 project), internationally (e.g., the World Bank’s Wealth Accounting and Valuation of Ecosystem Services – WAVES initiative), and potentially with processes in other SIDS regions, and draw on their results and lessons. As a first step in developing linkages in the region, a survey will be conducted of relevant research already underway by individual research institutes and researchers. The GE ALG will also encourage Caribbean researchers and research and academic institutions to engage with the issue. Students, from secondary to graduate level, offer a valuable potential pool of research capacity that might be tapped by working with faculty and curriculum development processes.

Therefore although the agenda identifies an initial set of questions to start, the process will be open to refinement of these questions and new questions being added by the GE ALG members and other partners.

Much of the research and action learning will be carried out through country or sector case studies, both individual and comparative, led by GE ALG members and other partners. This will make it possible to identify similarities and differences among countries, facilitate cross-country learning and exchange and support individual countries to set their own pathways. The GE ALG may decide to focus initially on a few countries where interesting learning opportunities exist and where conditions for uptake are favourable.

The GE ALG will collectively plan and analyse learning and identify lessons and recommendations for policy and practice. These will then be the basis for capacity building, awareness-building, and policy influencing initiatives. This way of working is graphically illustrated in Figure 1 below.

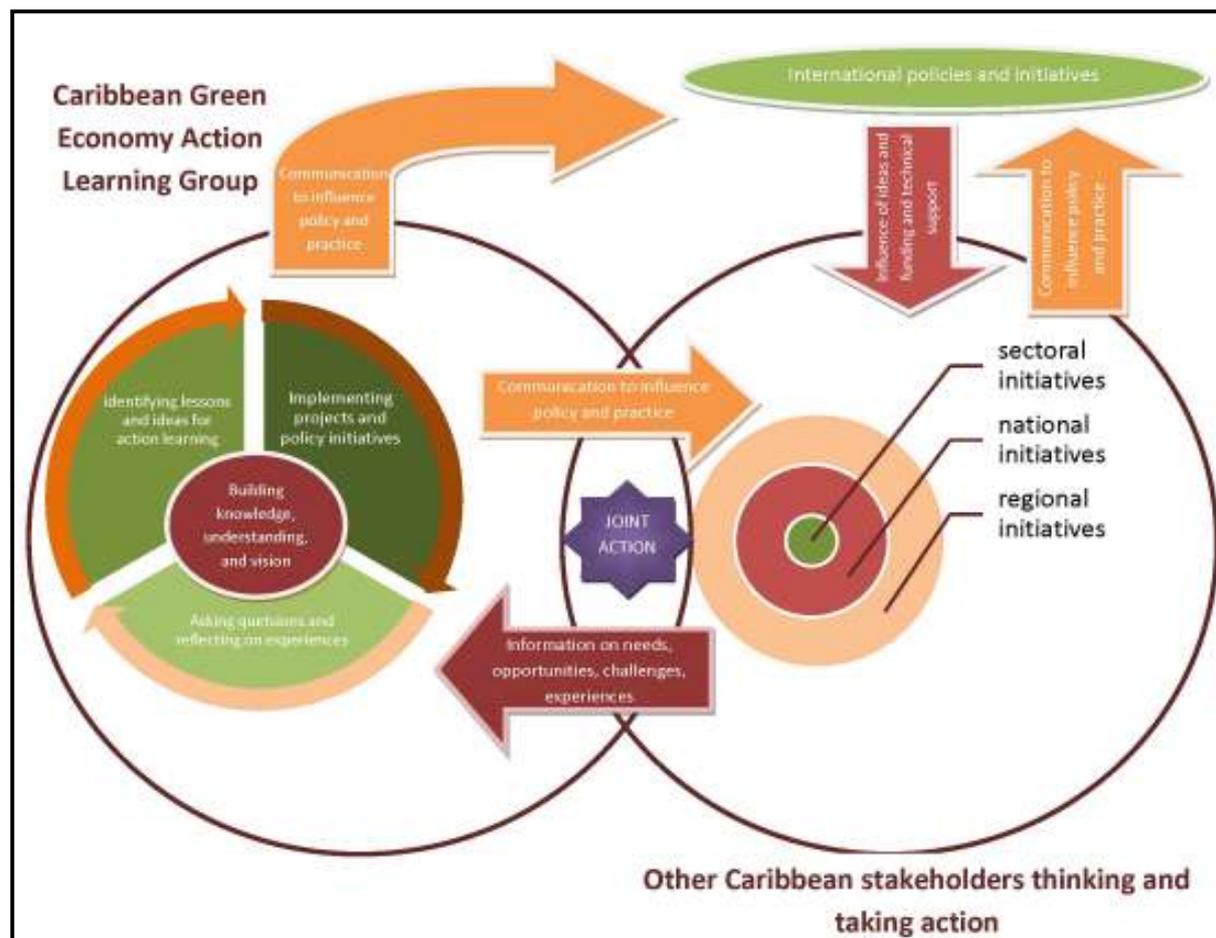


Figure 1. GE ALG operational strategy

### Priorities for Phase I

Material is available to begin work on many of the above questions; learning opportunities that have been identified to date are presented in the table in Appendix 2. Because of their central importance in defining a framework for moving forward, the following three questions have been prioritised for initial attention:

#### 1. How can governments, the private sector and civil society collaborate on building a green economy?

Virtually all green economy forums and debates, in the Caribbean and elsewhere, have concluded that progress will not be possible without the cooperation, engagement and commitment of all major economic actors. For the Caribbean, this implies a need for new, more participatory, processes of policy development and implementation, since with a few exceptions there is now little engagement of stakeholders, and particularly private sector stakeholders, in public policy formulation. This activity aims to understand the kinds of institutional arrangements and incentives that can result in effective multi-stakeholder



processes that result in transformative policy. It will draw on case studies from several countries, including Barbados and Grenada.

The Barbados Social Partnership, a framework for collaboration between Government, businesses and trade unions, was formed in 1993 “with a view to implement measures for the sustained economic development of Barbados” (<http://labour.gov.bb/social-partnership>) and has functioned since then under a series of Protocols. Under the current Protocol, the Social Partnership has responsibility for steering Barbados’s shift towards a green economy, in follow-up to the Green Economy scoping study undertaken in 2011.

The Grenada National Sustainable Development Council is another collaborative platform, with its origins in activities following up on Agenda 21, particularly the Barbados Programme of Action for Small Island Developing States and UNDP’s Capacity 21 programme. Since 1996, the SDC has provided a mechanism for government, NGO and private sector dialogue on national development. While its direct impact on public policy may be limited<sup>2</sup>, it has set a precedent for deep engagement of NGO and private sector actors in development debates, for example through the recent development of the Alternative Growth and Poverty Reduction Strategy by the Non-State Actors Panel (<http://voteforthelight.com/wp-content/uploads/2012/07/Printery-2012-MAR.-NSAP-ALTERNATIVE-GPRS.pdf>).

## **2. Can triple bottom line methods be adapted for assessing public sector investment proposals or business investments? Where is there potential for uptake of such methods?**

Much of the rationale for moving towards a green economy is based on the general failure of governments and businesses to consider potential environmental and social costs and benefits in making investment decisions, focusing instead largely, if not entirely, on projected economic rates of return. Taking a “triple bottom line” (TBL) approach could result in investments that generate a broader and more sustainable flow of benefits, to investors, society and the environment. There is however little practical experience with these approaches in the Caribbean, and certainly not at the level of large public or private sector investments. There is therefore a need to develop and test methods that could be demonstrated to, and potentially adopted by, governments and businesses. Invest Saint Lucia, the national investment promotion agency, is planning to develop tools for triple bottom line investment analysis, offering an opportunity for learning from an ongoing experience. The Trinidad and Tobago Project for Ecosystem Services, which is developing and testing new decision support tools aimed at introducing ecosystem services into the national planning framework, may also provide useful lessons. The collaboration with IIED will facilitate additional learning from experiences in other parts of the world with TBL and similar methods for investment decision-making.

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<sup>2</sup> Rosenberg, J. and L.S. Thomas. 2005. Participating or just talking? Sustainable Development Councils and the implementation of Agenda 21. *Global Environmental Politics* 5(2): 61-87.



### **3. What kinds of policy measures, institutions and programmes are able to catalyse and support sustainable micro, small and medium (SMME) enterprise development?**

A large portion of the Caribbean population is engaged in farming or other small-scale enterprises, many of which are dependent on natural resources and other environmental goods and services. Given their potential to generate social and environmental as well as economic benefits and to contribute to poverty reduction, these enterprises must be considered as a key element in the shift towards green economies. The proliferation of small-scale enterprises is however constrained by a number of factors that need to be better understood. These factors include:

- the role of government programmes supporting SMMEs: what kinds of support can such programmes effectively provide and what capacities do they need to provide them?
- the capacity of individual entrepreneurs and community enterprises: can the development of skills in business planning help these enterprises develop their ideas and find the resources required to develop them?
- the role of “mediating agents”: how can non-governmental development agencies and, potentially, businesses, support capacity development and market linkages of both government small business programmes and start-up SMMEs?
- lessons from success: what can be learned from the many successful sustainable SMMEs scattered around the region, and how can these enterprises support the further development of the sector?
- achieving scale through collaboration: can the constraints of small scale be overcome through platforms for collaboration among enterprises on product development, branding and marketing; and under what conditions can partnerships with corporations help?

The region offers a number of learning opportunities on these issues. In Trinidad and Tobago, CANARI is supporting participatory planning processes in four rural communities to identify and develop small and micro enterprise opportunities based on the sustainable use of natural resources, and to draw policy and practice lessons from the experience. The recently launched Caribbean Local Economic Development Program is a partnership between Caribbean and Canadian institutions to build the capacity of local governments “to encourage and support existing [small-scale] businesses, attract new ventures, and put in place services, plans and strategies that meet their needs”

(<http://www.fcm.ca/home/programs/international/caribbean-local-economic-development-program.htm>). Some relevant past initiatives, such as the Saint Lucia Heritage Tourism Programme, have been well documented<sup>3</sup> and so also offer material for learning. IIED’s global work on supporting small-scale producers will also contribute to this research.

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<sup>3</sup> e.g. Renard, Y. (2001) ‘Practical strategies for pro-poor tourism: a case study of the St. Lucia Heritage Tourism Programme’. *Pro-Poor Tourism Case Study 5*, Overseas Development Institute, International Institute for Environment and Development, and Centre for Responsible Tourism, University of Greenwich, London.



### Preliminary budget and next steps

CANARI and its partners are now seeking funding in the range of US\$60,000 to hold a working meeting of the GE ALG later this year, at which the research agenda, priority activities and implementation arrangements will be finalized. Once the agenda is in place and GE ALG members and partners have confirmed their involvement in the process, the GE ALG will begin implementation of a three year programme. Costs of programme implementation are estimated at around US\$ 660,000 over three years, broken down as follows:

	<b>US\$</b>
1. Priority research activities (2/year)	150000
2. Support to ALG members for action learning and documentation of relevant experiences (4/year)	60000
3. Annual meetings of the ALG	120000
4. Case studies and policy reports (3/year)	135000
5. Programme support (consultants and research partners)	75000
6. Coordination and ongoing programme development (CANARI)	75000
7. Travel and administrative costs	45000
<b>TOTAL</b>	<b>660000</b>

Funding will be sought from a range of sources. IIED, as a major partner in the programme, aims to contribute approximately \$50,000 per year for three years from funding it receives from an accountable grant with DFID. It is also expected that the institutions of some ALG members will be able to provide in-kind or cash support to research activities, publications and participation in meetings. Other potential sources will be approached in the coming months by CANARI, IIED and other major partners.



## Appendix 1: Members of the Caribbean Green Economy Action Learning Group (August 2012)

NAME	ORGANIZATION	GEOGRAPHY	ROLE/EXPERTISE
McHale Andrew	Invest Saint Lucia	Saint Lucia / OECS	Tourism, economics, development
Pat Aquing	Caribbean Environmental Health Institute (CEHI)	Caribbean	Sustainable consumption and production
Alwin Bully	Independent (retired from UNESCO)	Dominica	Cultural industries
Caroline Eugene	Department of Sustainable Development, Saint Lucia	Saint Lucia	Sustainable development; Saint Lucia green economy dialogue
Marcella Harris	WINFA	Dominica, OECS	Small farmer production, organic export markets+G29
Asha Kamban	Independent (retired from UN ECLAC)	Caribbean	Gender and poverty
Nicole Leotaud	Caribbean Natural Resources Institute (CANARI)	Caribbean	Coordinator/facilitator
Yociel Marrero	Fundación Antonio Núñez Jiménez de la Naturaleza y el Hombre	Cuba	Livelihoods, green development, alternative development
Winston Moore	University of the West Indies	Barbados	Economics, Barbados green economy scoping study lead
Arelys Moreno de Yáñez	Panos Caribbean	Caribbean	Communication and advocacy
Olu Obonyo	Dominica Organic Agriculture Movement	Dominica	Organic agriculture. "Organic Dominica" initiative
Perry Polar	Caribbean Network for Urban Land Management (CNULM)	Caribbean	Urban planning
Omar Ramirez	National Climate Change Council	Dominican Republic	Climate compatible development
David Smith	Institute for Sustainable Development, University of the West Indies (UWI)	Jamaica/Caribbean	Sustainable development
Cletus Springer	Organisation of American States (OAS) and CANARI Programme Advisor on Green Economy	Caribbean	Regional and international processes
Ernie Stapleton	P.S of the Ministry on Planning and Energy in the Nevis Island Administration	Nevis	Renewable energy (Nevis energy self-sufficiency initiative)
Judy Williams	Non State Actors Panel of Grenada; GRENCODA	Grenada	Livelihoods, community development, governance,
Michael Witter	University of the West Indies (UWI)	Jamaica / Caribbean	Development economics
Raphael Emilio Yunén	Centro León	Dominican Republic	Planning, sustainable development



## Appendix 2. Potential learning opportunities for the GE ALG research agenda

Research theme	Research question	Learning opportunities
The structure and character of the economy	Why is the current economy not green: what are the constraints in specific countries and sectors?	Studies on the requirements for moving towards a green economy in Jamaica and Barbados, commissioned by the Commonwealth Secretariat Dominican Republic Climate Compatible Development planning process
	What factors lock countries into current pathways?	
	What are the drivers of and opportunities for change in different countries and sectors?	
The potential benefits of a green economy	In what ways and through what measures could a green economy overcome the problem of growing unemployment linked to the current economic paradigm?	
	How can a green economy foster social inclusion? cultural resilience?	
Roles in moving towards a green economy	What is the role of the State? What kinds of leadership and incentives should it be offering?	Implementation of: Guyana Low-Carbon Development Strategy Jamaica Vision 2030 National Development Plan
	What policy process methods and skills (such as trade-off analysis and project cycle management) are needed to support a shift to a green economy? What are the opportunities for Caribbean countries to develop and refine these?	“Capacity building and mainstreaming of sustainable land management” (regional GEF-funded project) in Grenada and Saint Lucia British Virgin Islands environmental mainstreaming pilot project
	Can triple bottom line methods be adapted for assessing public sector investment proposals (or business investments)? Where is there potential for uptake of such methods?	Invest Saint Lucia’s plans to develop TBL methods for assessing investment proposals
	How can governments, the private sector and civil society collaborate on building a green economy?	Barbados Social Partnership and follow-up to the Green Economy Scoping Study Grenada Sustainable Development Council experience
Measuring progress	How can progress be best measured in a green economy? What alternatives to GDP would work for Caribbean countries?	Trinidad and Tobago’s Project for Ecosystem Services
	What sustainable development goals and indicators would support Caribbean progress towards green economies?	
The social dimension	What kind of social policy is required for a green economy?	Non-state Actors Panel’s Alternative Poverty Reduction and Development Strategy for Grenada
	How does a green economy approach to social protection differ from approaches?	
Local economic development	How can informal and small-scale enterprises in rural communities be catalysed, supported and scaled up to provide a meaningful contribution to rural economies?	CANARI Sustainable Rural Livelihoods Programme Caribbean Local Economic Development Program (CARILED)



Sustainable industry		Green Business Barbados Sustainable consumption and production project, St. Lucia, Dominica, Haiti
Energy	What are the constraints and obstacles countries face in switching to more sustainable and less import-dependent energy strategies?	Implementation of: Jamaica Renewable Energy Policy 2009-2030
	What is needed to stimulate renewable energy technology transfer in the region?	
	What incentives should governments be offering consumers and producers to reduce dependency on unsustainable, imported energy sources?	
Agriculture		
Tourism		Various national and local initiatives
Trade	What are the implications of a shift to a green economy on trade? What new barriers and opportunities will it create?	Organic Dominica policy initiative