



## **Walking the path towards a green economy**

### ***Developing a national position and strategy on green economy and sustainable consumption and production in Saint Lucia***

#### **Discussion paper**

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*Prepared by the Caribbean Natural Resources Institute (CANARI)*

#### **Background and introduction**

Saint Lucia is committed to achieving sustainable development, and the country has expressed this commitment in a wide range of national sectoral policies and programmes, as well as in its full and active participation in all relevant regional and international institutions and processes. The achievement of sustainable development is however made extremely and increasingly difficult by a number of external factors, including economic volatility and the impacts of the global financial crisis on the local economy, new trade barriers and the loss of preferential access to traditional markets for local production (especially bananas), reductions in foreign direct investment, damages caused by natural disasters, and the slow pace of regional economic integration.

Internally, there are a number of policy and institutional challenges and obstacles to sustainability, including:

- insufficient coordination between the various public sector agencies charged with designing and implementing environmental and natural resource policies and programmes;
- a multiplicity of laws, each dealing with different aspects of resource management, resulting in a compartmentalised approach to environmental management;
- pricing policies and development decisions that do not take into account the value of environmental services or the costs of mitigating the effects of environmental degradation; and

- weak processes and institutions for engaging civil society in sustainable development initiatives.

While these challenges are very significant, there are also a number of encouraging developments and trends that can be encouraged and built upon in efforts to improve policy and practice, including:

- strong technical capacity within the public sector agencies responsible for environment and development in the country, and active programmes in most sectors, including energy, waste management; fisheries and marine resource management, and forestry and watershed management;
- a growing awareness, at all levels of society, including in the private sector, of the relationship between environment and development, and of the economic and social benefits that can be gained from adopting more sustainable forms of consumption and production;
- clear public policy statements and directions, especially through the National Environmental Policy and the National Environmental Management Strategy;
- on-going strategic and programmatic collaboration with regional institutions with specialised capacity and support programmes, notably the Caribbean Environmental Health Institute (CEHI), the Environment and Sustainable Development Unit (ESDU) of the Organisation of Eastern Caribbean States (OECS), and the Caribbean Natural Resources Institute (CANARI).

It is in this context that the Sustainable Development and Environment Division (SDED) of the Ministry of Physical Development and the Environment is collaborating with the *Institut de l'Energie et de l'Environnement de la Francophonie* (IEPF), the United Nations Environment Programme (UNEP) and CANARI in the formulation of a national position and strategy on green economy and sustainable consumption and production (SCP). This position and strategy are informed by the existing policies relevant to sustainable development, by a study of the status of sustainable consumption and production in Saint Lucia (prepared by CANARI on June 2010 with support from IEPF and UNEP), by the outcomes of the Caribbean Dialogue on Green Economy (February 2011) and by the outcomes of the Second National Environment Development Forum (NEDF2) that was held on 9 June 2011.

The Forum focused on the theme of “Walking the path towards a green economy”, and provided the opportunity to explore the relevance and application of the concept of green economy to Saint Lucia. Building on the achievements of the Forum, the Sustainable Development and Environment Division (SDED) of the Ministry of Physical Development and the Environment is seeking additional inputs in order to develop a national position on green economy and to inform the national process for preparing for the United Nations Conference on Sustainable Development, known as Rio +20. With support from the United Nations Department of Economic and Social Affairs (UNDESA), Saint Lucia is presently preparing its report to the Rio

+20 Conference, and this will provide an additional contribution to this strategy on green economy and sustainable consumption and production.

### *The vision*

The vision of sustainable development in Saint Lucia has already been articulated in a variety of documents, but there remains a need for a clear and widely-communicated statement of that vision. In addition to the well-recognised dimension of environmental sustainability, the various processes named above have identified key characteristics, including the need:

- to build resilience and reduce vulnerability;
- to place discourse and action on green economy within the broader context of poverty reduction, social cohesion and access to essential services;
- for a consensus among all sectors of society on the main directions of development;
- for partnerships and shared responsibility between government, the private sector and civil society;
- for full participation by those sectors of society that have not been traditionally involved in debates around sustainable development, including young people, and with proper attention to equity issues;
- to enhance and promote regional cooperation as an indispensable requirement and pathway towards sustainability.

### *Strategic directions*

One of the reasons why progress towards sustainability may not have been as significant as one would wish, in Saint Lucia as indeed in most countries of the world, is that reforms and actions are needed in virtually every sector and every sphere of development. This is why this strategy proposes a focus on six strategic directions where it is felt that change could be achieved with significant positive impacts.

#### *Transforming the tourism sector*

The major opportunity for the promotion of SCP and for moving towards a green economy in Saint Lucia is in the hospitality sector, because of existing comparatively high levels of awareness and because of the immediate economic, social and environmental benefits that could be accrued from the introduction of more sustainable practices. Opportunities include providing incentives (including negative incentives such as taxes) for sustainable environmental practices and strengthening linkages with other sectors, especially agriculture.

#### *Modifying some of the unsustainable practices in agriculture, particularly with respect to pesticide use in banana production*

In Saint Lucia, bananas are cultivated under a mono-cultural production system which depletes the natural nutrients of the soil, necessitating the use of large amounts of fertiliser. Crops are also prone to pest infestations, which encourage high pesticide use contributing to environmental pollution. This is exacerbated by the following:

- illegal importation and repackaging of chemicals by unauthorised vendors, often without labels, which result in incorrect application;
- inadequate application equipment and failure to wear protective clothing;
- absence of systematic monitoring programmes and targeted research on the use and impact of pesticide and agro-chemical, including on bioaccumulation; and
- lack of scientific and public information on the effects of agrochemicals in the land-water interface and on human health.

Much work has already begun in this area and, given its prevalence and importance as well as its potential negative impact, it should be considered in any future programme of SCP in Saint Lucia.

#### *Transforming the energy sector*

The energy sector has a significant impact on economic and social development as well as on the environment, for example through:

- domestic consumption – energy directly or indirectly determines the cost of food and its affordability thus impacting choices which can result in impaired health and poor nutrition;
- lower levels of consumption of locally-produced goods as prices have risen due to increased energy costs, leading to loss of profitability, jobs and employment;
- all facets of economic production depend on access to reliable and affordable electricity the generation of which is totally dependent on the importation of diesel with annual price fluctuations; and
- a high and increasing amount of the nation's foreign exchange is used to purchase fuel and energy related products.

Key actions that need to be taken are to ensure that:

- there is minimum negative impact and pollution;
- the sector is regulated in terms of setting fair and competitive rates;
- the energy sources are diversified, especially by exploiting renewable energy sources; and
- energy consumption and conservation issues are fully integrated into the policies and practices of all main sectors of the economy, especially tourism and transport.

The energy sector also offers numerous opportunities for small-scale interventions at the household, farm and institution levels; public education on reducing consumption and saving; and public policy aimed at improving efficiencies in consumption in buildings and production activities.

#### *Developing and implementing a new transport policy*

A comprehensive and holistic transport policy is needed if current unsustainable patterns are to be reversed, and it should cover all components of the sector (public and private transport systems, infrastructure, waste management, etc.) as well as the linkages with physical planning, land use and other critical dimensions of sustainable development. There are two ongoing

activities in the sector that are relevant to the SCP agenda and deserve to be supported, namely the baseline study being undertaken by SDES of the transport sector and the UNEP-funded model of clean transport that is being replicated by CEHI.

#### *Building the cultural industries sector*

Cultural (or creative) industries, including musical productions and festivals, artistic performances, handicraft and associated activities occupy a central place in the national economy, but it is a place that is insufficiently recognised and supported. The potential of these activities in generating employment, revenue and economic linkages is tremendous, but it is a potential that will not be realised without a clear strategy and specific measures.

The main directions already identified including:

- reforming the institutional framework to enhance coordination among agencies involved (including the Cultural Development Foundation, the Saint Lucia Tourist Board and the Folk Research Centre, as well as community groups involved in cultural action);
- designing mechanisms for financing of cultural initiatives, including public-private partnerships and creation of a funding window within the Saint Lucia Social Development Fund (SSDF);
- building the knowledge base required for an effective management of the sector, including the monitoring of the performance of the sector and the inclusion of a chapter dedicated to it in the annual Social and Economic Review prepared by the Ministry of Finance.

#### *Adjusting fiscal policy*

In support of these and other strategic directions, there should be a systematic review of fiscal policies and their impact on all aspects of SCP, including:

- agricultural and tourism incentive regimes to ensure that they promote rather than discourage SCP practices;
- introducing VAT to replace many of the existing import taxes with a view to influencing the attitudes and behaviours of both policy makers and consumers.

Given the dominance of the Ministry of Finance in policy formulation, it needs to be sensitised to issues relating to other ministries, especially those charged with the responsibility for policies on sustainability and social development, and by extension advancing the SCP agenda.

#### *Seeking feedback and recommendations*

In order to develop the strategy outlined above, stakeholders will be asked to provide answers to the following questions:

1. What are the economic opportunities that Saint Lucia could and should explore more actively to create “green jobs” and encourage sustainable growth? Please give concrete suggestions and examples, in any sector of the economy, and indicate which organisation or sector should be involved.

2. What are some of the examples of existing businesses, investments, projects or actions in Saint Lucia that are consistent with the concept of “green economy” and “sustainable production and consumption”, and could be replicated or expanded?
3. What are the most important policies and policy measures (including public investments and incentives) that should be introduced in order to transform our economy into one that is more sustainable and equitable?
4. What are, in your view, the main principles that should guide economic development in Saint Lucia in the future? What are some of the fundamental changes needed in our economy and our society in order to achieve equity and environmental sustainability?