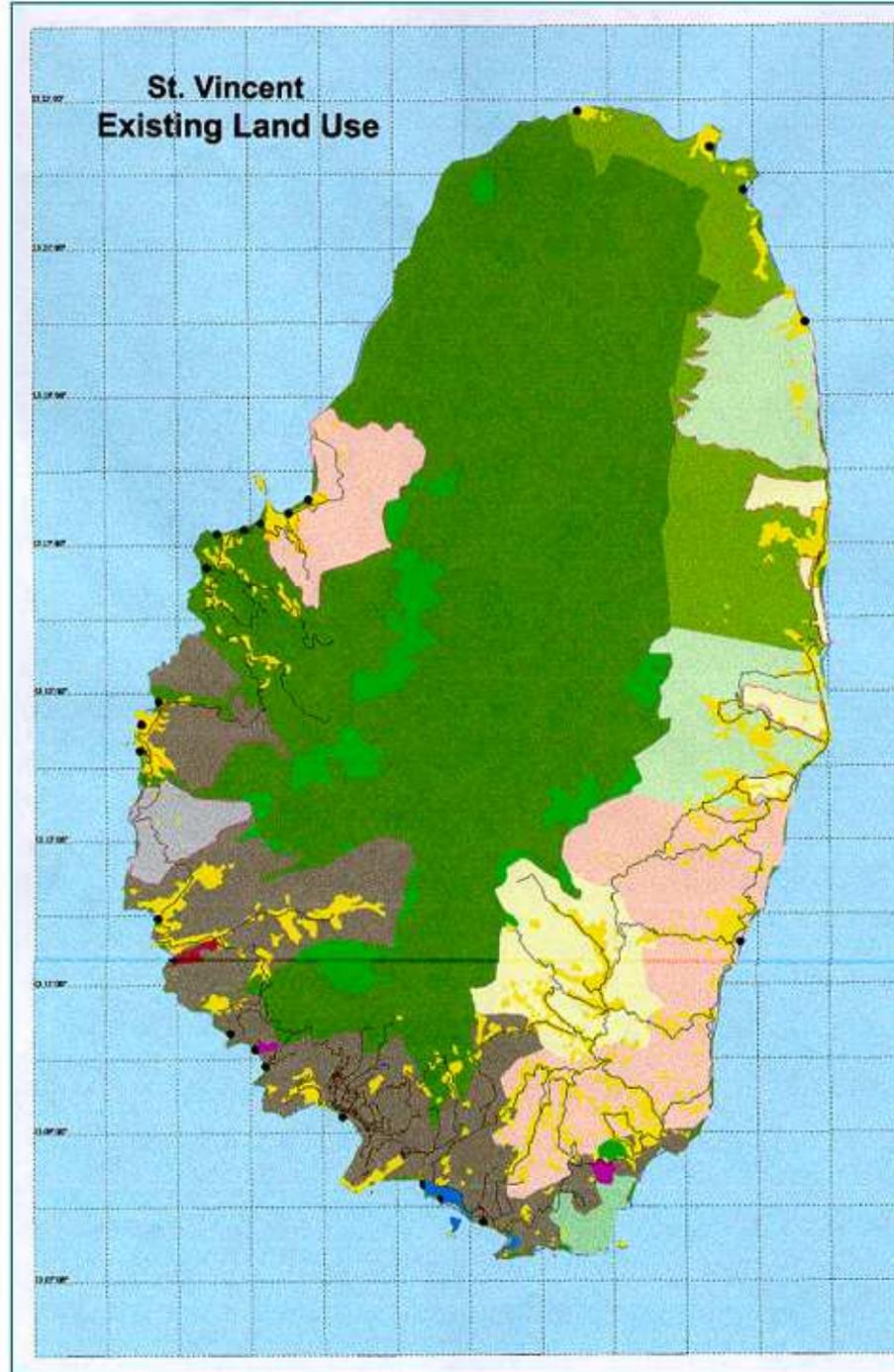

NATIONAL REPORT ST. VINCENT AND THE GRENADINES

*Third
International
Conference on
Small Island
Developing States -
National Report*

*Ministry of Health Wellness
and the Environment*

July 2013



ACRONYMS

ALBA	Bolivarian Alliance for the Americas
BPOA	Barbados Program of Action
CARICOM	Caribbean Community
CCCCC	Caribbean Community Climate Change Centre
CCI	Caribbean Challenge Initiative
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Agency
CFCs	Chlorofluorocarbon
CITES	Convention against International Trade in Endangered Species
CPA	Country Poverty Assessment
CRFM	Caribbean Regional Fisheries Management
CSO	Civil Society Organization
CWSA	Central Water and Sewerage Authority
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
ECCB	Eastern Caribbean Central Bank
EEZ	Exclusive Economic Zone
GEF	Global Environmental Facility
GDP	Gross Domestic Product
HLDC	Housing and Land Development Organization
MDGs	Millennium Development Goals
MIC	Middle Income Countries
MSE	Micro and Small Enterprise
MSI	Mauritius Strategy for Implementation
NCCP	National Commission on Crime Prevention
NEMO	National Emergency Management Organization
NESDEC	National Economic and Social Development Council
NESDEP	National Economic and Social Development Plan
NGO	Non-Government Organization
OAS	Organization of American States
ODA	Official Development Assistance
OECS	Organization of East Caribbean States
PAHO	Pan-American Health Organization
POPs	Persistent Organic Pollutants
PRSP	Poverty Reduction Strategy Paper
PSIP	Public Sector Investment Programme
SD	Sustainable Development
SGD	St. Georges Declaration
SIDS	Small Island Developing States
SPACC	Special Project on Adaptation to Climate Change
SVG	St. Vincent and the Grenadines
UN	United Nations
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification

UNFCCC
VINLEC

United Nations Convention on Climate Change
St. Vincent Electricity Services

1.0 Introduction

1.1 Summary of Preparation: St. Vincent and the Grenadines (SVG) as an active member of Caribbean Community (CARICOM) and the Organization of East Caribbean States (OECS), endeavors to fulfill all of the obligations and reporting requirements to these organization and the international community as it relates to conventions and treaties. This country also embraced the principles of Agenda 21 and the 14 point program of the Barbados Program of Action (BPOA). The preparation process leading to Rio+20 got off to a late start and consequently a national report was not prepared for that meeting.

This country embraced the call for a Small Island Developing States (SIDS) +20 meeting that is now scheduled for Samoa in 2014. In preparation for this meeting, St. Vincent and the Grenadines convened a stakeholder consultation on Wednesday June12th, 2013. Twenty persons participated in the consultation. They represented fifteen (15) public sector entities, two (2) private sector persons, one person represented youths and three (3) persons represented civil society and Non-government Organizations (NGO).

The facilitating consultant presented a historic overview from Rio 1992 to Rio+20 in 2012 highlighting the plight and path of SIDS and St. Vincent and the Grenadines in particular. Recurring themes such as Sustainable Development (SD), poverty alleviation, partnerships and financing were examined in more detail. Following the presentation, each participant was invited to speak on the role of their respective organization in the implementation of the BPOA and Agenda 21 as vehicles to achieving Sustainable Development. The meeting weighed in on the individual contributions to provide a more nationalistic flavor rather than the sectorial view presented.

Prior to the consultation, the invitees were presented with a list of questions to be addressed. The questions were fashioned to provide the answers to the main messages in this report, namely, progress on the implementation of the BPOA; sustainable development under the subheadings of economic, environmental, social and cultural; issues and barriers to SD; gaps and constraints; new and emerging challenges; recommendations for SD in SVG.

The draft report was then reviewed by the participants and other relevant personnel not present at the consultation. The following is the result of this effort.

1.2 THE DEVELOPMENT CONTEXT: THE ST. VINCENT AND THE GRENADINES NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT PLAN 2013 - 2025 has been elaborated around a specific set of strategic goals, objectives and targets so as to facilitate and guide the optimal improvement of the quality of life for all Vincentians.

The Development Plan is premised on the workings of an economy in which the private sector, the cooperative sector and the State have efficacious, complementary roles as part of a “mixed economy”. The practical policy signposts are determined by the sensible criteria

of efficiency, fairness, sustainability, and appropriateness in a small, vulnerable, multi-island economy. Accordingly, this Development Plan is conceived in a flexible, though focussed, way, but not possessed of the rigidities historically associated with such exercises in centrally-planned economies.

Underlying this Development Plan is a vision, philosophy, a strategic economic outlook, a good governance framework, and a quest to ennoble, further, in material and non-material respects, the Vincentian component of our Caribbean civilization¹.

Comparative social indicators show improvement in the living conditions of Vincentians. Poverty studies conducted under the Country Poverty Assessment 2008 (CPA) revealed that between 2007 and 2008 the Poverty Headcount Index was at 30.2% a reduction of 7.3% over the 1995/96 figure. Meanwhile a more favourable reduction was seen in the indigence level of 2.9% an impressive reduction of 22.8%.

Agriculture which for decades underpinned the economy has declined significantly over the last decade due to restrictive trade regimes. This has resulted in significant land use change. These changes are taking place amidst a conscious effort to protect biodiversity, reduce land degradation and greenhouse gas (GHG) emissions, obligations of the Rio conventions ratified by this country.

There is no formal sustainable development agenda in St. Vincent and the Grenadines but most of the elements spelt out in the Barbados Program of Action have been addressed to some measure in the country's development thrust in a sectorial manner as reflected by the Medium Term economic Strategy Paper (MESTP) and the National Economic and Social Development Plan (NESDP). The findings of one independent reviewer² show St. Vincent and the Grenadines as having achieved seven of the eight Millennium Development Goals (MDGs) being deficient only in Goal 8, Global Partnership for Development. However, the MDG monitoring unit based in the Statistical Department of the Government recorded only partial success for Goals 3, 4, 6 and 7. The challenge with goal number 7 is the weak data collection mechanism to facilitate tracking of the indicators. Tracking Goal number 8 has also proved challenging and there is often a big difference between partnership pronouncement and implementation.

1.3 Facing the future: St. Vincent and the Grenadines, like many other SIDS, has struggled to attract Foreign Direct Investment (FDI). The small size of the domestic markets, limited natural and human resources coupled with declining ODA, restrictive international markets and the vagaries of climate change have all contributed to a sluggish economic environment. Despite these challenges, the government of St. Vincent and the Grenadines

¹ Dr. *The Hon.* Ralph E. Gonsalves

Foreword - St. Vincent and the Grenadines National Economic and Social Development Plan 2013-2025

² Dr. Roslyn Ambrose; GHS Anniversary Lecture 2013.

maintains a proactive stance with an economy growing at an average of 0.8% per annum for the past three years. The government has rebalanced the state-market relationship in such a way that the private sector assumes a more pivotal role in national development. This development approach will be supported by the following broad principles:

- The implementation of prudent fiscal management;
- The pursuit of sustainable debt management strategies ;
- The improvement in public revenue measures;
- The strengthening of the legal and regulatory framework;
- The mobilization of resource and concessionary financing for social and economic development;
- The implementation of a targeted Public Sector Investment Program (PSIP) and the completion and implementation of the Poverty Reduction Strategy Paper (PRSP).

1.4 The Report: St. Vincent and the Grenadines did not prepare a specific Rio+20 report due to capacity constraints and the fact that the country was actively involved in the preparation of its 2013-2025 Development Plan which encapsulates the issues of Rio and the post 2015 UN Development Agenda. This report therefore reflects the philosophy and issues central to the 2013-2025 Development Plan with comments and iterations from the multi-stakeholder preparatory process that culminated with a consultation on June 12th 2013.

This report is divided into six sections. Section 1 is a snapshot of the country's current development standing while Section 2 takes a look at how the country got to this point. Section 3 speaks to the renewed commitment by government to achieve sustainable development through a Compaq with civil society and a continued search for reliable partnerships while Section 4 delineates the challenges to this effort [existing, new emerging]. The final two Sections highlight priorities for Sustainable Development (Section 5) and the main messages for the post 2015 period in Section 6.

2.0 Taking Stock

2.1 Implementation of BPOA and MSI: The fourteen (14) point Barbados Programme of Action and the additional elements outlined in the Mauritius Strategy for Implementation are reviewed in groups under the sustainable development pillars instead of as independent elements.

2.1.1 Economic Sustainability: During the period 2000 – 2010, the Government of St. Vincent and the Grenadines maintained a relatively prudent fiscal policy stance using *inter alia* the following policy instruments

- Economic stimuli in the form of tax reductions on the standard rate of company taxes from 40 percent in 2001 to 32.5 percent in 2009); reductions in similar number to the marginal rate of personal income tax; the increase in the personal tax threshold below which personal income tax is paid from \$12,000 in 2001 to \$18,000 in 2009; the reduction in taxes in the area of tourism to 30 percent;
- Economic stimuli through subsidies on agricultural inputs including fertiliser, to farmers. (Farmers also do not pay taxes on their farm incomes and receive subsidies on motor vehicles for use in relation to farming);
- Economic stimuli through subsidies and transfers of various kinds to the poor, the elderly, children, and expectant mothers;
- Economic stimuli through substantial wage and salary increases for various categories of workers and public employees;
- Economic stimuli through a focused public sector investment programme especially with grants, soft loans, and other affordable loans;
- Economic stimuli through the facilitation of private sector investment both domestic and foreign by way of fiscal incentives and other socio-economic policies

The continuous growth in revenue (in all of the years except 2009), accompanied by contained expenditure is a reflection of the success of these measures. For the 2011 fiscal year, the Central Government's fiscal position weakened compared to 2010. During the same period, the Financial Intermediation sector grew by an average annual rate of 2.4 percent while Tourism grew by 2.9 percent and Agriculture 0.5 percent despite the loss of the European market and the decline in banana sales. Overall, the economy remains stable with small fluctuations ending in a plus.

Agriculture continues to be critical to St. Vincent and the Grenadines as the country strives to ensure food security, maintain international trade and a sustainable livelihood for farmers. The Ministry sees an extension of the 'Education Revolution' into the farming community as a way to make Science and Technology work for farmers to manage and master the external trade standards that currently bedevils farmers. The decline in banana production significantly affected the economy although the number of persons earning a livelihood from agriculture has declined only marginally.

--Implementation of a EC\$33 million project funded by the EU under the Banana Accompanying Measures (BAM) is aimed at Modernizing the Agriculture Sector.

The **Fisheries** Division is using the Food and Agriculture Organization (FAO) code of conduct on responsible fishing in its work with fisher folks and civil society groups to enable compliance with fisheries regulations aimed at making fishing sustainable and adhering to the international agreed fishing practices.

The 2012 draft Fisheries and Aquaculture Policy and Action Plan takes on board all relevant obligations set by the Convention on Biological Diversity (CBD) and Convention on International Trade in Endangered Species (CITES). St. Vincent and the Grenadines partners with the Caribbean Regional Fisheries Management (CRFM) to manage regional fish stocks. Further protection and management of coastal and marine resources is provided under the 2012 National Parks, and Protected Area system Plan (2010-2014).

Illegal fishing still occurs in the national waters of St. Vincent and the Grenadines often calling the National Coast Guard into active duty.

Forest management continues to be a challenge in the face of increase demands for land for housing and agriculture. The Integrated Forest Management project with local funding from the Electricity and Water companies is showing the true value of forest. There is still more work to be done in valuing natural resources in SVG. To this end NGOs and civil society organizations have teamed up under the slogan “Everyone owns the Forest”.

The competitiveness of the **manufacturing** sector in St. Vincent and the Grenadines has been constrained by company size, finance, management and increased liberalization. Government’s response to this challenge is a constant review of the macroeconomic framework including the incentive regime in order to attract investment, improve the quality and expand the range of manufactured products in St. Vincent and the Grenadines.

The **Tourism** Sector declined by an average 2.9 percent per annum during the period 2001 - 2010. However, over the past five years there has been a small but steady increase in cruise ship arrivals but not a commensurate revenue increase. It is anticipated that the International Airport Development will contribute to the growth of the tourism sector.. Additional support is being provided by private sector investment like the Buccament Bay Hotel Development and the Canouan jet port and hotel Development.

St. Vincent and the Grenadines is fiscally dependent on international **trade** transactions for revenue. As a result, Public-Private Sector partnerships in Trade Policy Formulation, Negotiation and Implementation are encouraged.

Energy: The Vincentian economy continues to be affected by developments in the international petroleum market, primarily fluctuations in the world oil prices. In

response, the Government has fashioned a comprehensive National Energy Policy (NEP) under which efforts have been made to develop the non-oil energy resources. St. Vincent Electricity Services Limited (VINLEC), the sole producer of electricity is encouraging the move to renewable energy by continuing its data gathering exercise which is required for the establishment of a wind farm and providing grid connectivity for small energy producers. In addition, under the EU funded Energy Conservation Project, several energy saving initiatives were implemented including the installation photovoltaic systems on several government buildings. Approximately 20% of the island current electricity demand comes from hydroelectricity. However, over the last ten years, this amount has fluctuated significantly during the dry season causing an increase in the diesel consumption to meet the country's base demand. Works is also continuing on the geothermal energy exploration initiative.

2.1.1.1 Gaps in BPOA Implementation: Despite the high level of implementation of the principles of sustainable development detailed in the BPOA and the MSI, there are some implementation challenges for SVG. These include, *inter alia*:

- Need for improved science and technology skills to address quarantine and phyto-sanitary issues.
- Development of market standards (HASAP, EURO GAP,) to facilitate open trade.
- Valuing the forest and its resources so that adequate financing can be provided for forest management.
- Making renewable energy competitive with fossil based fuel.
- Significant shortfall in international financing for development; the Monterrey consensus seem mythical.
- The tourism industry needs to go green at a faster rate to attract clients.

2.1.2 Environmental Sustainability: Maintenance of healthy ecosystems and the sustainable use of natural resource is the goal of the Environmental Management Department within the Ministry of Health Wellness and the Environment. In pursuit of this goal, the government has signed the St. Georges Declaration (SGD) of Principles for Environmental Sustainability in the OECS, ratified the Convention on Biological Diversity (UNCBD) and met all of the obligations associated with these agreements. The government has also ratified the United Nations Framework Convention on Climate Change (UNFCCC), the Convention to Combat Desertification (UNCCD) [and fight land degradation], the Cartagena Protocol on land based sources of marine pollution, and the Stockholm Convention on persistent organic pollutants (POPs). St. Vincent and the Grenadines has also signed on to the Caribbean Challenge Initiative (CCI) with the pledge to protect 20% of its near shore marine and coastal resources by 2020. All of these efforts are designed to conserve the island's natural resources, manage its biodiversity resources and ensure a clean safe and healthy environment. Compliance with the obligations of the aforementioned agreements is indicative of St. Vincent and the Grenadines achievement of MDG 7.

In terms of **fresh water resources**, mainland St. Vincent has 100% coverage provided by the Central Water and Sewerage Authority (CWSA) while the Grenadines which have no surface water rely heavily on rainwater harvesting and few artesian wells. Working with the CCCCC the government has accessed resources from the GEF under the Special Project on Adaptation to Climate Change (SPACC) to install a Reverse Osmosis plant in Bequia. The plant is driven by solar energy in keeping the islands green agenda. It is the intention to reproduce this success on other Grenadine Islands in order to expand the provision of potable water to the Grenadines. In order to ensure optimal utilisation of the water resources, there is a concerted effort to promote conservation measures and best water use practices and to address quality and reliability of the water resource.

Over the last decade, **solid waste management** in St. Vincent and the Grenadines has shown marked improvement. Everywhere on the main island, St. Vincent, there is waste collection at least once per week. There is a draft policy on chemical waste management that covers all pesticides and toxic chemicals. St. Vincent and the Grenadines has attained its agreed target under the Montreal Protocol; CFCs have now been completely phased out. There is an active private sector lead scrap metal recycling export program in place but plastic waste is still a major concern.

St. Vincent is a member of the **Caribbean Disaster Emergency Management Agency (CDEMA)** an inter-regional supportive network of independent emergency units that responds to disasters wherever they occur in the region. Through this mechanism, St. Vincent has provided and received assistance in times of disasters. The national emergency management organization (NEMO) falls under the ambit of the Prime Minister's Office giving it a high profile commensurate with the national expectations.

Climate Change impacts can stunt the economic and social development efforts of Small Island Developing States like St. Vincent and the Grenadines. The increased coastal erosion, droughts, floods and landslides of the last decade have severely impacted livelihoods and government have neither the financial or technical resources to address these challenges.

St. Vincent and the Grenadines has submitted only one National Communication to the secretariat of the UNFCCC and the Technology Needs Assessment remains incomplete. On the ground there is no real indication that the country is able to handle the vagaries of climate change. Adaptation efforts seen are the natural response of the Vincentian people with little infusion of the lessons learnt from the global community. The CCCCC, OAS, OECS and the UN agencies need to coordinate their effort to deliver real impact at the grassroots level. -Currently, the Regional Disaster Vulnerability Reduction Project (RDVRP) estimated to cost US\$20.92 million is addressing policy, data management, infrastructure and capacity issues in the areas of Climate Change Adaptation and Disaster

Risk Management. A parallel project, the Pilot Project on Climate Resilience (PPCR) is addressing mainly infrastructural support in response to climate change and sea-level rise.

Land titling, property registry modernization, land tenure and the presence of the Possessory Titles Act 38 of 2004 requires some rationalization. The evolving OECS Land Policy (in progress 2013) is expected to help in this regard as the project addresses some of the more fundamental land issues facing SVG. The project goal is to achieve *“enhanced sustainability of development in the OECS - economic development, poverty reduction, social stability and the protection of environmentally sensitive areas - through the formulation, adoption and implementation of comprehensive land policies.”* Parallel efforts are under way through the evolving National Physical Development Plan to establish environmental zoning, promote eco-tourism, manage urban expansion, protect coastal zones and control deforestation. Strategic interventions in this regard include restricting settlement on critical agricultural lands to ensure food security and agro-trade; enforce land-use zoning legislation to protect the critical ecological balance and bio-diversity.

Managing the **marine environment** and its resources is also a challenge. The country has a territorial sea of 12 nautical miles and an Exclusive Economic Zone (EEZ) and continental shelf of 200 nautical miles. Policing and protecting this resource is beyond the capability of the local Coast Guard. Criminal activities in these water and Cays are a growing concern.

The country has ratified the Marpol convention on pollution of marine resources by ships and the Cartagena convention and its protocol on Land Base Sources of Pollution (LBS).

2.1.2.1 GAPS in BPOA Implementation: Continuing failure to reduce grave environmental risk threatens to slow and even destroy progress of the last decade. Top on the list of priority areas for action under the BPOA is Climate Change. St. Vincent and the Grenadines has not responded to a number of its obligation under the UNFCCC. Beach monitoring under the Sand Watch programme out of the University of Puerto Rico reported coastal erosion exceeding 3m per year (2000-2006) on the north eastern end of St. Vincent. Other gaps or challenges include:

- Affording the needed technology to address climate change
- Managing waste such as used tires (St. Vincent still imports used tires) and electronics.
- The cost of managing small forest areas is often too high to be sustainable.
- Protecting the oceans require more than just a Caribbean Challenge.
- Protecting the country’s marine resource.
- SVG does not have agencies with explicit responsibility for coastal zone management and climate change adaptation thus these areas (management of coastal and marine resources; CC and sea level rise) of the BPOA would be especially difficult to coordinate.
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2.1.3 Social Sustainability: The 'Education Revolution' of the last decade is a clear indication of Government's commitment to human resource development and ultimately, social sustainability. Between 2000 and 2010, education represented on average 16.8 percent of the total budget allocation of St. Vincent and the Grenadines. The commitment – 'No Child Left behind'- reflects the futuristic vision of a young democracy. Consistently high expenditure in Education has led to St. Vincent and the Grenadines surpassing the target of Millennium Development Goal number two (2) universal access to primary education. Not only has the country achieved universal access to primary education, but it has also achieved universal access to secondary education and now has its sight set on achieving universal access to early childhood education as a major thrust for social and economic development.

The Government of St. Vincent and the Grenadines has made a commitment towards achieving the **Millennium Development Goals** (MDGs) as a strategy to sharpen the increasingly challenging efforts of human advancement through poverty reduction. To this end, the following strategic interventions were enunciated:

- Formulate a National Poverty Reduction Strategy.
- Foster greater collaboration among public policymakers, civil society, private sector and academics to develop appropriate solutions to poverty.
- Strengthen the enabling environment for persons to become self-sufficient.
- Promote and facilitate the establishment of cooperatives as a mechanism for poverty reduction.

There is clear evidence that the government has pursued a pro-poor policy and strategy during the current decade in an effort to arrest and reduce poverty. The international economy which sets the parameter within which the country has to pursue its developmental objectives has not been auspicious to small primary producers seeking to diversify and transform. Yet in spite of the travail posed by the trading system to St. Vincent and the Grenadines, and its foreign exchange earning sector, there has been a reduction in abject poverty, and some improvement in living conditions measured on selected indicators like housing conditions, access to education and primary health care facilities³.

The **Housing** and Land Development Corporation (HLDC) has provided houses for a wide range of individuals based on their financial status: no- income houses for the underprivileged, low-income houses and recently middle income houses. Overall, HLDC has constructed over 350 homes for Vincentians since 2002. The latest CPA indicated that >82% of Vincentians housing structure are adequate and that the remaining are likely to be houses built before 1970 that need

³ SVG CPA Main Report 2007-2008

to be replaced. Eighty five per cent of all homes are served with electricity from the grid while 96 % have access to running water and solid waste collection services.

Primary Health care is available to all Vincentians through district hospitals, community clinics and roving Family Nurse Practitioners who are primarily responsible for school health and diabetic and hypertensive care. Through the work of PAHO, one rural hospital is now being remodelled and retrofitted to meet the standards of the Smart Hospital. Government continue to strive to strengthen administrative capacity in the health sector, re-orient the primary health care system to create a more positive impact on the health status of the nation and expand secondary and tertiary health care services to include new treatment modalities.

School Health Care is provided through district Medical Officers and Family Nurse Practitioners. In addition to medical health there is a school feeding programme that targets children from financially challenged families. This programme is now moving into secondary schools.

Inclusion and Access: The long term development plan for St. Vincent and the Grenadines is an inclusive one that emanate from a vision of re-engineered economic growth to improve the quality of life for all Vincentians by enabling increased human and social development, promoting good governance, preserving the environment, build resilience to climate change, building national pride, culture and identity. Successful implementation of this plan depends on the allocation of financial, human and other resources and a collaborative approach with the private sector, civil society organisations (CSOs) and the Government.

This inclusive approach comes with the underlying assumption that the OECS integration process will continue to be a vital component of St. Vincent and the Grenadines development agenda.

The **Participatory Process** is reflected in the social contract between the government and civil society and the reintroduction of local government empowering grassroots people as the architect and implementer of their future.

The broad base nature of the National Economic and Social Development Council is yet another opportunity for ordinary people to be involved in decision making at very high level.

In the workings of all departments of government, civil society participation is encouraged. The preamble to the fundamental principles of the National Parks, Rivers and Beaches Authority states that "Implementation of the St. Vincent and the Grenadines Policy on

Protected Areas Systems will be guided by the fundamental principle of participatory consultation and representation”⁴.

Equity and Social Justice is high on the development agenda of SVG. The government has established an office of Commerce and Intellectual Property Rights to safeguard producers and developers against illegal practices. Land titling is under scrutiny and anyone laying claim to lands without proper title must file a writ in the Court. The legal department is now studying the *Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (ABS)*. This is a supplementary agreement to the Convention on Biological Diversity already ratified by the country.

Human Resource Development is a critical element in the development equation of young democracies like St. Vincent and the Grenadines. It is vital to quality production required by a competitive marketplace; it promotes social cohesion and maintains cultural integrity. St. Vincent and the Grenadines therefore accords priority to the development of requisite skills and competencies for productivity and economic growth, and ultimately the enhancement of the quality of life of all Vincentians. The education system therefore encourages greater participation in Science, Technology, Engineering and Mathematics (STEM).

Transport and Communications: St. Vincent and the Grenadines has a number of small airports most on reclaimed lands. These two factors (size and location) make them extremely vulnerable to sea-level rise and storm surge associated with climate change. These airports are inadequate to meet the need of an evolving island state. The small but modern seaport is also inadequate. Government has embarked on the development of a modern international airport but there is still the need for supporting infrastructure – road network, hotel and conference facilities and an organized production and processing system for locally grown foods.

Saint Vincent and the Grenadines is an original member of the Eastern Caribbean Telecommunications Authority (ECTEL) which was established by the Governments of five Eastern Caribbean states (Commonwealth of Dominica, Grenada, Saint Christopher and Nevis, Saint Lucia,) to promote market liberalization and competition in telecommunications of the contracting states. A National Telecommunications Regulatory Commission (NTRC) has been established in SVG to complement the work of ECTEL.

Three telecommunications companies have agreement with the government of SVG; they are Kelcom International, Digicel (SVG) Limited and Cable & Wireless. All three companies provide modern high speed internet connection service across the island but Kelcom does

⁴ SVG National Parks and Protected Areas System Plan 2010-2014

not offer telephone service. Although the services are of acceptable standard and there is active competition among the providers, the cost of the service is still not attractive to entrepreneurs.

2.1.3.1 GAPS in BPOA Implementation: St. Vincent and the Grenadines affords access to primary and secondary education for all eligible Vincentian. However, there is not 100% enrollment of eligible students. The state must address this gap.

There is a mechanism in place for monitoring the progress and success of the MDGs, however, some targets do not lend themselves to the national monitoring mechanism. It is therefore possible that the country may lose grounds without being cognizant of the decline.

Private sector participation in state development initiatives is not very visible. Given the private sector contribution to economic growth and the claim that SVG is a participatory democracy this anomaly is worthy of closer examination.

3.0 Political Commitment

3.1 National and Local Level Commitment: The Government of St. Vincent and the Grenadines is committed to sustainable development in which private enterprise flourishes. Citizens are afforded the opportunity to realize their full potential and to achieve a good quality of life. The Government assumes the role as facilitator and regulator of economic and social development and sometimes as the owner and manager of economic services/enterprises in which equality of treatment is paramount.

Government remains committed to the further development of the International Financial Services Sector as a viable component of its economic diversification thrust.

Over the last ten years, the sector has been hampered by an inability to penetrate new frontiers, an impact emanating from globalization. Despite these challenges, Micro and Small Enterprises (MSEs) exhibited some levels of growth owing to easier access to credit and other business support services provided by government.

Government objective is to enhance private sector development and entrepreneurship, thereby stimulating economic growth and contributing to poverty alleviation. It recognizes that the development of the private sector is essential for building a good investment climate for sustainable wealth creation.

The government has created four vital institutions to facilitate business generally and in specific sectors, namely, the Centre for Enterprise Development (CED), Invest SVG (formerly National Investment Promotions Inc.), the Tourism Authority, and the Ministry of Agriculture. Government has also been investing considerable time and resources to ensure that the Customs Department and the St. Vincent and the Grenadines Port Authority deliver quality services at competitive prices.

One of the basic human needs is the ability to have appropriate shelter. The Government of St Vincent and the Grenadines has committed resources to provide adequate housing to the lower and middle-income earners and most recently, to no-income earners. In addition to constructing houses on lands owned by Government, persons with privately owned lands are able to have low-income houses constructed on these lands.

3.2 Regional and Sub-regional Commitment: St. Vincent and the Grenadines remains committed to the structure and function of the OECS. As stated in the treaty, the government is convinced that at this time it is necessary to deepen the level of integration and the pursuit of a common economic purpose which has obtained under the Treaty of Basseterre 1981 and the Agreement Establishing the East Caribbean Common Market. Further, the government is mindful of its obligations toward the wider grouping of the CARICOM Single Market and Economy to seek to achieve the fullest possible harmonization of foreign policy among the Member States, to seek to adopt wherever possible, common positions on international issues, and to establish and maintain, wherever possible, arrangements for joint overseas representation and common services. St. Vincent is committed to the establishment of the Economic Union as a single economic and financial space; to be an institutional forum to discuss and facilitate constitutional, political

and economic changes necessary for the successful development of Member States and their successful participation in the regional and global economies. To this end, St. Vincent and the Grenadines is committed to the Eastern Caribbean Supreme Court, the Eastern Caribbean Central Bank, and the Eastern Caribbean Civil Aviation Authority.

St. Vincent and the Grenadines continue to honour its obligation under the St. Georges Declaration of Principles for Environmental Sustainability.

In the wider region, SVG maintains its membership and commitment to CARICOM and its organs, the University of the West Indies, and the Caribbean Development Bank.

International Commitment: The Petrocaribe oil alliance, a commitment of some Caribbean states with Venezuela to purchase oil on conditions of preferential payment, expanded its association in 2013 forging links with the Bolivarian Alliance for the Americas (ALBA), to go beyond oil and promote economic cooperation. St. Vincent and the Grenadines is committed to this partnership.

The country's commitment to the Commonwealth, its obligations under the various multilateral agreements and its varied bilateral agreements remains strong as St. Vincent and the Grenadines continue to function as a global partner with countries that shares its developmental ideals.

4.0 New and Emerging Challenges

4.1 Trade: The global economic and political environment is increasingly characterized by emerging trading regimes, fierce trade competition and increased challenges to peace and stability. Together, with the increased uncertainties that the world faces, these can prove to be overwhelming especially for resource-deficient states such as St. Vincent and the Grenadines

St. Vincent and the Grenadines has a relatively open economy and therefore relies on export income to create jobs, buy imports, and maintain an overall healthy balance in external accounts. Furthermore, the country is fiscally dependent on international trade transactions for revenue to finance government operations and increase external debt payments. Trade is intertwined with development policy goals as one of the cogs in the engine for socio-economic growth and development.

4.2 Crime: During the last five years, reasonable progress was made in the policing of crime and improving national security. Government articulated a 14- point strategy in the fight against crime. A critical component is the establishment of the National Commission on Crime Prevention (NCCP).

4.3 Decline in Agriculture Production: The loss of the banana market in Europe forced many farmers out of agriculture. Consequently, some banana farms have been subdivided and converted to housing. The result is a decline in agriculture production that threatens food security, livelihoods and the economy. The demand for higher standards in the market place has not helped the farmers.

4.4 Dwindling ODAs and Soft Loans: Although St. Vincent and the Grenadines has not been declared a middle income country, ODAs and soft loans have diminished over the last five years. The government has therefore been forced to mobilize domestic resources to meet its development needs in keeping with commitment four of the Monterrey Consensus. However, the corresponding international financial flows, external debt relief and technology cooperation for development has not been forthcoming.

4.5 Attracting industry and managing industrial processes: The emerging investment policy setting poses some unique challenges for SVG in its search for low-carbon investment. The critical interface between investment and development – foreign investment and poverty – calls for a new investment development paradigm. The country now needs to match its human capital with needed skill sets and identifying appropriate technology to manage the new wave of chemical waste.

The high transaction cost including the high cost of energy is a deterrent to transnational corporations seeking tax havens to pioneer development. In this regard, the government of St. Vincent and the Grenadines is exploring geothermal energy and the expanding of its existing hydro electricity generation plants.

4.6 Understanding Sustainable Development: Sustainable development in St. Vincent and the Grenadines is a sectorial matter handled in a piece wise rather than a holistic manner. There is therefore a need to build a common understanding at the grass roots level that creates action around sustainable development issues like how can we help people move out of poverty and get good jobs while protecting the environment; or how can we build better transportation systems that allow us all to get where we want to go, without causing too much congestion and pollution.

4.7 Managing Information at the Regional and Local Level: Regional centres like CDEMA, CIMH, CARICOM and CCCCC all generate information for regional consumption, however, the data formats are not consistent nor the timing appropriate for effective action. Penetrating the Information overload often prove challenging.

5.0 Priorities for Sustainable Development: One of the main outcomes of the Rio+20 Conference was the agreement by member States to launch a process to develop a set of Sustainable Development Goals (SDGs), which will build upon the Millennium Development Goals and converge with the post 2015 development agenda. Given the varying levels of achievement of the MDGs and the BPOA among SIDS (Agenda 21 for the rest of the world) and the current development challenges facing many countries – climate change and economic instability, a significant amount of work is still needed on the various permeations of the post 2015 development agenda and the proposed SDGs. Any development agenda of this nature must retain and emphasize the special vulnerability (economic, physical, and social) of SIDS. Many SIDS have been ‘graduated’ from concessionary aid and are now considered middle income countries (MIC). Such designation of convenience does not change the reality of SIDS.

St. Vincent and the Grenadines has done better than average as it pertains to its commitment under the BPOA and MDG. However, there is still unfinished work, therefore, adding a completely new list of development strategies and targets without the appropriate analytical tools and financial mechanism to implement and monitor these new development goals will frustrate the development effort of SVG and SIDS in general. The proposed development goals therefore, must, as suggested,

- Be based on Agenda 21 and the Johannesburg Plan of Implementation.
- Fully respect all the Rio Principles.
- Build upon commitments already made.
- Contribute to the full implementation of the outcomes of all major summits in the economic, social and environmental fields.
- Focus on priority areas for the achievement of sustainable development, being guided by the outcome document.
- Address and incorporate in a balanced way all three dimensions of sustainable development and their inter-linkages.

5.1 SVG Post 2015: During the medium term (2010-2012) Government’s overarching objective was to stabilize the economy while at the same time addressing issues of poverty reduction and promoting social participation. Government sought to achieve this objective through the following:

- The maintenance of macro-economic fundamentals of a stable currency, low inflation, fiscal prudence, enhanced competitiveness and increased productivity.
- The placement of social equity at the center of consideration in the fashioning of economic policy, so that no group is excluded from the benefits of economic development.
- The consummation of the “single market” elements of the Caribbean Single Market and Economy (CSME).
- The pursuance of a policy of balanced growth which is sustainable and which reduces inequality and creates long-term employment.

Looking ahead, the development agenda for St. Vincent and the Grenadines as outlined in the draft National Economic and Social Development Plan (NESDP) 2010-2025, has been built around five (5) strategic goals:

- Re-engineering Economic Growth
- Enabling Human and Social Development
- Promoting Good Governance and Public Administration
- Improving physical Infrastructure and Preserving the Environment
- Building national Pride, Identity and Culture

5.1.1 Re-engineering Economic Growth: Since the decline of the banana industry due to trade regulations, the economy of SVG has struggled to maintain viability and growth. “Re-engineering” the economy is government’s approach to stabilizing and growing the economy. Some key components of the re-engineering process include agricultural diversification, debt management, modernization of public finance, tax incentives and improving the investment climate to attract foreign investment.

The Government of St. Vincent and the Grenadines is modernizing its Public Finance Management System (PFM) to include a new Finance and Administration Act and Regulations, an Audit Act, a Procurement and Contract Administration Act and Regulation and Government Asset Regulations Act. All capital projects will be fully appraised to determine their potential to contribute to government’s objectives of promoting economic growth and or reducing poverty.

Due diligence will be conducted on all private investors/financiers who are involved in partnership with the government on any project. The government aims to minimize financial risks by adopting appropriate policies and most importantly by controlling the size of the debt itself and the cost of servicing the debt. Over the medium-to-long-term Government aims to restrict the public debt to no more than 75% of GDP which is the level which it considers to be sustainable for St. Vincent and the Grenadines.

The Government is working in line with CARICOM energy policy to change the national energy mix to include a higher percentage of renewable energy thus saving on foreign exchange and investing in home grown initiatives that will buttress the economy.

5.1.2 Enabling Human and Social Development: The overarching view is that education and job creation are the catalyst for social development. Responding to this view, the government has piloted the education revolution with a high degree of success. What has not been so successful is the job creation component. Government has established a Small

Business Enterprise that provides micro financing to address this challenge. In addition, a not for profit, St. Vincent Youth Business Trust has been established that provide training and some degree of financing to young entrepreneurs.

Some partnerships in this area include the Chamber of Industry and Commerce support to small business development matching entrepreneurs with funding opportunities. The OECS Business Council, NESDEC and the non-state actors are also partners in this venture.

Although there is relatively high unemployment especially among school leavers, extreme poverty is more an anomaly than a Vincentian phenomenon. This is due in part to the social dynamics where people look out for their neighbors and there are several churches and voluntary organizations giving aid to indigent persons.

5.1.3 Promoting Good Governance and Public Administration: Participation and inclusivity, valuable in their own right, also improve the quality of policy and their implementation and reduce the probability of future upheaval⁵. The government of St. Vincent and the Grenadines have long recognized this as an essential prerequisite for growth, as it facilitates the adoption of sound development policies. The Development Plan promotes public sector reform, the strengthening of civil society, and greater public confidence in the judicial and legal system. In this context the plan calls for enhanced accountability, transparency, effectiveness and efficiency in the provision of public goods and services.

National Security is at the core of social stability and is therefore accorded high priority in SVG. Authorities are concerned with the global nature of terrorism and the consequences for SIDS.

5.1.4 Improving Physical Infrastructure and Preserving the Environment: There is a national building code that sets standards for infrastructure development and government often assist needy persons with building material in addition to construction of low-income homes. The emerging international airport is being built to the most rigorous standard since it must meet international standards to attract airlines.

⁵ Human Development Report 2013. The Rise of the South

In all of these construction efforts, the planning authorities have several tools at their disposal including the Environmental Impact Assessment geared at protecting both the environment and the investor. The country has ratified several Multilateral Environmental Agreements and is making concerted effort to adhere to the obligations.

Government recognises that in order to reduce the dependence on imported fuel, a multi-dimensional approach (political, regulatory, financial, technical and policy) is required. Given pricing volatility, environmental concerns and uncertainty surrounding supplies and the potential for causing economic shock to economies, this Plan proposes a partnership with the private sector in the implementation of the Energy Plan.

5.1.5 Building National Pride, Identity and Culture: Culture is essential for providing a sense of identity and belonging and is central to social and economic renewal. The strategy therefore is to encourage greater participation and involvement in nation building; encourage civic education in national development; and strengthen avenues for self-expression in culture.

6.0 Conclusion

The population of St. Vincent and the Grenadines is relatively young: in 2001 (latest official figures – 2010 population census not available) > 30 % of the population was under 15 years of age. The majority of those persons would now be part of the active work force.

The global economic situation continues to be unstable causing even greater challenges for small, open and vulnerable economies like SVG. As a result, economic and social sustainability continues to be problematic. The environment continues to be negatively impacted by climate change and population pressures.

Maintaining the current level of economic and social stability and responding positively to the growing young population call for a re-engineering of the economy and all-inclusive governance. Further efforts and stronger global partnership for development are needed to accelerate progress and reach the goals by 2015.

For St. Vincent and the Grenadines, sustainable development post 2015 call for:

- A new fiscal management plan based on market access and commitment to elements of the Monterrey consensus.
- Respect and supported for the OECS Economic Union and the ECCB by other regional and international financial institutions.
- Job creation that transforms the economy and encourage inclusive growth.
- A pragmatic and scientific focus on climate change and biodiversity management.
- A results based performance system supported by good governance with shared goals and targets.
- Stronger partnership to support movement of people, goods and finance.
- SGDs that build on the MDG and the gains made thus far.

In a globalized world, sustainable development is impossible without genuine partnerships at all levels. Government has initiated a social contract with civil society and has been proactive in their inclusion in decision making at the local level. There is need for more private sector partnerships with government to raise local capital in support of sustainable development.

At the regional and sub-regional level, there is a plethora of functional and necessary organizations (ACS, CARICOM, CARIFORUM, CDB, CDEMA, ECCB, CRFM, CCJ, CSME, OECS, OAS, and UWI) which are important to the sustainability of the region. Many of these institutions are underfunded rendering them less effective than intended but their value to SD has been proven.

On the wider hemispheric and global level, the following issues need to be thoroughly ventilated and amortized as appropriate.

- Partnerships between Latin America and the Caribbean (LAC) should be strengthened through South-South cooperation opening markets, bolstering trade and sharing development secrets in science and technology.
- The global partnerships are critical but more challenging. The United Nations, the World Trade Organizations and the World Bank all have a role to play in SD but these interventions need to be carefully managed.
- The Special case of SIDS and the Caribbean Sea needs to be reintroduced into the international debate.
- The call for Reparation should not be viewed as political desperation or as a call for sympathy but rather as a just measure of compensation to Caribbean peoples for the blood, sweat and tears contribution to the global development.