Green economies in the Caribbean
Perspectives, priorities and an action learning agenda

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The Sustainable Markets Group drives IIED’s efforts to ensure that markets contribute to positive social, environmental and economic outcomes. The group brings together IIED’s work on market governance, business models, market failure, consumption, investment and the economics of climate change.

About CANARI

CANARI is an independent regional technical institute with its head office in Trinidad. CANARI’s mission is “Promoting and facilitating equitable participation and effective collaboration in the management of natural resources critical to development in the Caribbean islands, so that people will have a better quality of life and natural resources will be conserved, through action learning and research, capacity building, communication and fostering partnerships.”

Although CANARI’s mandate is broadly facilitating participation of all stakeholders in decision-making and ensuring a better quality of life for all Caribbean people, CANARI’s primary focus is giving voice to the marginalised (especially civil society and local communities) and strengthening livelihoods of the rural poor whose livelihoods are largely dependent on natural resources.
Growing financial, climate and social challenges in the Caribbean have sparked the search for new economic pathways that would better serve the region. This paper summarises early explorations by the Green Economy Action Learning Group (GE ALG), an independent and Caribbean-driven initiative which aims to help governments and other stakeholders develop a practical Caribbean vision of an inclusive and resilient ‘green’ economy. It pulls together background papers from ALG members, revealing diverse regional, national, local and sector perspectives on green economy progress, needs and prospects. An ‘action learning’ agenda is proposed as a way to evolve green economy pathways in three areas: SMMEs; ‘triple bottom line’ reporting across public and private sectors; and multi-stakeholder mechanisms for developing green economy policy.

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Summary

A recently launched programme of dialogue and ‘action learning’ is beginning to help stakeholders across the Caribbean to shape resilient, self-reliant and sustainable economic pathways for the region.

A confluence of problems is preventing Caribbean nations from making steady progress on their development pathways. The last few years have been particularly rough for Caribbean economies, vulnerable as they are to global economic shifts, natural disasters, environmental hazards such as hurricanes, and ultimately climate change. The region has historically depended on natural resources, but its relatively small natural resource base is now often heavily depleted or degraded. Key economic sectors such as tourism are experiencing decreasing returns. Poverty rates, inequality and attendant social instability are all rising. This is all exacerbated by the small size of most national economies, limited capabilities of governments, and public indebtedness: this severely curtails abilities to evade problems or to tackle them with vigour.

This has sparked regional discussions towards changing the traditional economic development paradigm. The concept of ‘green economy’ that has been emerging internationally has entered these discussions in the Caribbean. While the ALG is networked with international green economy initiatives – the United Nations, development banks and other external parties increasingly have their own green economy programmes – it is concerned to balance them with regional information, propositions and activities. ‘Green economies’ in the Caribbean will need to be locally, nationally and regionally driven.

The Caribbean Green Economy Action Learning Group (GE ALG) is an independent Caribbean-driven initiative. It emerged out of a 2010 dialogue facilitated by the Caribbean Natural Resources Institute (CANARI) on what the concept of ‘green economy’ might mean for the region. Its multidisciplinary approach seeks ways to achieve synergies across the social, environmental and economic objectives of sustainable development. Moreover, it is identifying ways to shape transformative governance where such synergies are made impossible by current economic, financial and institutional rules.

The ‘action learning’ approach deployed by the Group is well-suited to multi-dimensional challenges that require pooling of knowledge, collective defining of research questions, experimental action and learning by doing, analysis of lessons, communication and scale-up. The Group’s regional composition enables it to draw on the rich history of innovation and resilience of Caribbean peoples across the region in the face of change. Indeed, the Group is particularly motivated by the prospect of drawing on the region’s strengths. But it is also concerned to minimise potentially unprecedented vulnerabilities in any green economy transition. The members of the ALG will combine their expertise and experience to explore, suggest and apply concrete solutions to specific issues at stake, and then review and analyse results and lessons learned, communicating them in ways which will inspire further action at scale.

Characteristics of a green economy in the Caribbean: Caribbean stakeholders identified that in their context, a ‘green economy’ is:

• equitable in its distribution of economic benefits and costs
• productive in its management of ecological resources
• investing in resilience to climate change and other external shocks
• pro-poor, generating decent jobs and working conditions for local people
• aiming to create a regional economy that is self-directed and self-reliant, resistant to foreign control
• rooted specifically in the rich local culture of the Caribbean.

Foundations of the vision: a sense of shared Caribbean identity and commitment to pan-Caribbean cooperation, human security, good governance, a strong information base for decision-making, and a well-educated and involved citizenry.

Progress and next steps: the GE ALG has mapped current and potential green economy initiatives across the region, with an emphasis on indigenous economic activities that might be scaled up at low cost, and policy changes that are politically attractive. The Group has
identified eight issues to be tackled to accelerate the transition towards green economies. They broadly cover governance: participatory governance for a green economy, with road map and indicators, and improvements to physical and land use planning; and business and investment, with an emphasis on small, medium and micro enterprises (SMMEs), creative industries, sustainable energy, and investment standards and reporting. This work has informed a three-part action learning programme, each of which builds on Caribbean progress to date:

1. Multi-stakeholder mechanisms for developing green economy policy. Caribbean countries have taken different approaches to transitioning to a green economy. To progress further, inclusive green economy planning platforms need to be developed, bridging the silos of social development, environmental management, business development and economic policy. The transition to a green economy will be a political process requiring strong commitments from governments – as well as inclusive dialogues and planning, if green economy strategies are to be robust and widely owned. The ALG will draw on lessons from the region, working out the best ways to involve a wide range of stakeholders, including government agencies, private sector, civil society and community groups, and to ensure transparency and accountability.

2. Catalysing, supporting and scaling up sustainable SMMEs, including in the informal economy. CARICOM estimates that up to 70 per cent of jobs are in this sector, and many – such as agriculture, craft and ecotourism – rely heavily on the use of natural assets. Yet they are getting far less attention than jobs in high-tech sectors like solar and wind energy. The fact that many of these enterprises are part of the informal economy makes it challenging for them to benefit from existing SMME support programmes. And such programmes and policies are usually not tailored to address SMME’s critical capacity needs in financial management, business planning, and marketing. The ALG’s overall learning question is, ‘How can we catalyse, support and empower SMMEs so that they bring co-benefits (economic, environmental sustainability, social equity) and address issues of the informal sector?’

3. ‘Triple bottom line’ green economy performance standards across public and private sector investment and reporting. A TBL approach assesses economic investments based on their potential environmental and social – as well as economic – benefits. Saint Lucia’s national investment promotion company, Invest Saint Lucia, has been pioneering TBL, ensuring that investments contribute to social equity, economic efficiency and environmental sustainability and integrity. Where foreign investment (FDI) is an important driver of economic growth and development in the region, there is an urgent need to review how it is assessed. Action learning will assess, develop, test and demonstrate TBL methods that are efficient and cost-effective. These methods could be integrated into national development processes as well as business.

Thus this paper offers eight regional, national or local perspectives from ALG members as the action learning process evolves. They cover national policy, business practice big and small, the informal sector, and regional activity. It also presents an overview of the ALG’s results so far in defining a new and inclusive model of economic development for the Caribbean that serves social and environmental as well as narrower economic objectives.

Conclusions

A paradigm shift is called for in approaches to economic development throughout the Caribbean – towards a robust, inclusive green economy.

- **Importance of evidence:** Good evidence is required to convince stakeholders of the need for a paradigm shift. Existing evidence of the successful adoption of inclusive, green approaches and their impacts is necessarily limited, since the economic framework has not aimed directly at inclusive and green objectives. There are some, but not many, examples of the transition to GE at scale. Where they exist, stories of change can be important in demonstrating ways forward. Where they do not, ‘policy experiments’ will be needed; and the ALG has a robust approach to offer countries and businesses.

- **Evolution of green economic governance:** We will need to evolve complex adaptive economies to achieve this shift in paradigm – making diverse connections, conducting trials, selecting successes, and deploying ways to ‘amplify’ success so as to both scale them up and speed them up.

- **Communication and mainstreaming:** The evidence in favour of a shift towards inclusive, green economic policy and practice will need to be compelling to mainstream stakeholders, not just niche players. The green economy agenda must primarily be a human agenda if it is to gain political support. To engage key Caribbean regional development institutions and private sector groups in the process, we need clear and focused communication on potential green economy strategies.
• **Catalytic resources and mechanisms:** For the concept of green economy to really take off, Caribbean governments and other actors will need to know which specific mechanisms, initiatives and funds they can use. The GE ALG is contributing to the identification of specific opportunities and ideas to explore policies and test practical actions. Promoting specific approaches such as the use of a triple bottom line approach to guide economic investment, piloting research on the use of renewable energy, and ways to tap into the potential for SMMEs to generate co-benefits will have valuable demonstration effects within the region. Links with international initiatives and resources can be used judiciously.

• **Solidarity with small island developing states and others:** Small Island Developing States (SIDS) are in the process of reviewing progress in sustainable development, and identifying priorities to address their development needs. These will be discussed at the upcoming Third International Conference of SIDS, to be held in September 2014 in Samoa. Caribbean and other governments are discussing priorities for economic growth, poverty reduction, job creation, and equity as part of the process to develop a global post-2015 sustainable development agenda. Perhaps it is timely to propose fundamental notions of economic transformation – green economy driven at the national and regional SIDS levels, but also green economy at the global level – if sustainable development is to be achieved.
Introduction
Growing financial, climate and social challenges have sparked discussions on new economic pathways for the Caribbean. This report describes how a recently launched programme of action learning is contributing to these discussions. Emerging out of a regional ‘dialogue’ on green economy, the Caribbean Green Economy Action Learning Group (GE ALG) aims to help governments and other stakeholders progress towards a Caribbean vision of a resilient and sustainable green economy. The GE ALG’s approach is multidisciplinary, emphasising the deeply intertwined relationship between the social, environmental and economic dimensions of development. As an independent Caribbean-driven initiative, it can link with and complement official governmental and intergovernmental processes. The members of the GE ALG have been selected both for their range of expertise and skills and for their ability to be change agents due to their positions, responsibilities and networks. By deriving learning from concrete actions, the research process itself contributes to change.

This report presents the work of the GE ALG, including the outcomes of its first regional workshop in Saint Lucia, and seven discussion papers. Section 1 introduces the GE ALG’s Caribbean context and its ‘action learning’ process. Section 2 provides some background and a summary of the St Lucia workshop, convened to map green economy initiatives and opportunities and the action learning agenda. Section 3 consists of discussion papers presented by GE ALG’s members at the regional workshop, offering broad views of a Caribbean green economy as well as case studies of specific countries such as Barbados, Cuba, Dominica, Guyana and Saint Lucia. These reveal a diversity of precedents and ideas in the Caribbean to marrying green development with social justice. We hope that the report will prove helpful both to Caribbean policy makers and to those involved in green economy initiatives further afield.

1.1 Exploring Caribbean development directions through a green lens

The last several years have been rough for Caribbean economies. Their reliance on natural resource-dependent export sectors such as tourism and agriculture makes them perpetually vulnerable to global economic shifts and environmental hazards like hurricanes and climate variability, and over the longer term, climate change. There is evidence of the breaching of some ecological limits due to over-exploitation of resources such as fisheries. Worldwide economic volatility and deepening recession have greatly increased vulnerability. Poverty rates, inequality and attendant social instability are all rising, threatening the progress of previous decades. Caribbean governments and other development actors, facing diminishing revenues, are struggling to respond.

Having known adversity throughout history, Caribbean people have learned to use it to innovate and explore new directions. Given the strong linkages between natural resources and the region’s history, political economy and culture, it is not surprising that some of the discussions on new economic pathways are drawing on or framed around ‘green economy’ ideas and concepts. For example, Barbados recently completed a national green economy scoping study (see Section 3.3), and many of its recommendations are being taken up by government. The Caribbean Community (CARICOM; an organisation of 15 Caribbean nations and dependencies) has launched a regional initiative to support green economy processes in member states, in collaboration with the United Nations Environment Programme (UNEP). And the Green Economy Action Learning Group has recently moved from dialogue to ‘action learning’. This section describes GE

BOX 1. CARIBBEAN GREEN ECONOMY ACTION LEARNING GROUP (GE ALG)

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

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

The GE ALG produces discussion papers to inform reflection and analysis on key topics relevant to transforming economic development in the Caribbean. Please see www.canari.org/greeneconomy.asp for more information.
ALG’s exploration of how green economy transitions can help achieve social as well as economic and environmental objectives.

1.2 Confronting the inclusive green economy challenge

‘Green economy’ has become a development buzzword, one that has different meanings to different audiences. For many, it is about the potential of low-carbon infrastructure, renewable energy, climate mitigation and adaptation, and eco-products to re-stimulate flagging economies. But this ‘green growth’ scenario – essentially expanding the environmental goods and services sector of the economy for its job-creation and income-earning potentials – has not been universally embraced. A lively international debate is going on between those who see green economy as a powerful mechanism for stimulating growth in the current economy, and those who want a whole new economy, balancing the social, environmental and economic aspects of development.

One outcome has been a shift in the rhetoric of international development agencies, with the word ‘inclusive’ – including stakeholders in decisions, and in sharing benefits, especially for the most vulnerable – now tucked neatly into the phrases ‘green economy’ or ‘green growth’. But there is little evidence-based knowledge on how to achieve the inclusive green economy vision, and most of the guidance being offered is focused on the growth side of the equation, apparently with the expectation that social benefits are sure to follow. International actors such as the Global Green Growth Institute, PriceWaterhouseCoopers and McKinsey and Company are developing analytical frameworks to screen for lowest-cost greenhouse gas abatement technologies, and ways to attract international climate finance. While these issues are important, they can provide only partial answers to the fundamental development challenges that Caribbean countries are facing, and do not offer much of what is needed for developing a national green economy strategy. By building its research agenda on Caribbean development experiences and visions, the GE ALG aims to generate knowledge from the Caribbean on how green economy pathways can integrate, balance and achieve social, environmental and economic objectives.

1.3 ‘Action learning’

The GE ALG uses an ‘action learning’ approach, which CANARI has employed effectively in other aspects of its work. Action learning involves structured engagement of change agents in a cycle of research, planning and action in ‘real’ situations, in order to simultaneously assist in practical problem solving and effecting change; expanding knowledge and understanding; and enhancing the competencies of the actors involved. Groups address complex problems by bringing together diverse disciplines and 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 (see Figure 1). Action learning can produce real change through the research itself, and is ideally suited to multi-dimensional challenges that require pooling of knowledge.

Starting with a core group of interested experts, the GE ALG membership has expanded to include around 20 people from throughout the region, with expertise ranging from macroeconomics to urban planning, tourism, agriculture, rural development, gender and climate change. All members are in positions to implement or influence change, and many are already engaged in work that can provide material for action learning. How this is working in practice is the subject of the next section.
Figure 1. GE ALG operational strategy

Source: CANARI
Shaping the Caribbean green economy agenda
2.1 The process

The GE ALG emerged out of a Caribbean green economy ‘dialogue’, one of several national and regional dialogues implemented by local organisations under the banner of the global Green Economy Coalition. The Caribbean dialogue was organised by the Caribbean Natural Resources Institute (CANARI) from 2010 in collaboration with the International Institute for Environment and Development (IIED) and several Caribbean partners. The dialogue brought together a diverse range of stakeholders, including economists, politicians, civil servants, environmentalists, social development actors, sectoral planners and community, private sector and labour leaders. The dialogue has taken place in four successive phases, each one supported by the IIED through aid from the UK government.

Phase 1: Position paper

The perspectives of the diverse stakeholders came together at a workshop held in Trinidad in February 2011, as a draft ‘position paper’, laying out a vision of a ‘green and resilient economy’ (CANARI, 2012a) and some opportunities for moving in that direction. The dialogue also noted the need for ‘a strong research and information base, for understanding the underlying causes of problems and developing effective and efficient solutions’. Over the months following the workshop, CANARI and its partners shared the results of the dialogue widely, through participation in national and sectoral consultations, high level conferences and discussions.

Phase 2: Policy brief

Plans were begun to establish the Caribbean Green Economy Action Learning Group (GE ALG) and a regional programme of work. The messages of the position paper were communicated more widely and further discussion took place to broaden and deepen the dialogue process in the Caribbean. Shaping an action learning agenda began and ideas were documented in a policy brief, Supporting Green Economic Pathways in the Caribbean through Action Learning (CANARI, 2013).

Phase 3: GE ALG launch and a tentative research agenda

The Caribbean GE ALG was established and launched. Members worked to develop a draft research agenda, identifying the most pressing knowledge gaps through interviews and electronic consultations with members.

Three priorities were judged to have the potential to set the foundation for green economy transitions in the Caribbean context, as well as to realise concrete change through action learning:

- Designing inclusive green economy planning platforms.
- Applying ‘triple bottom line’ (TBL) principles to public and private investment.
- Catalysing and supporting sustainable small, medium and micro enterprises (SMMEs).

Phase 4: The Saint Lucia workshop

This workshop in May 2013 convened members of the GE ALG for the first time. Facilitated by CANARI, it constituted part of the fourth phase of the GE dialogue – to deepen the analysis of needs and opportunities for change in policy and practice in the Caribbean, and to prepare for implementation of action research and learning in priority areas. The 20 participants came to Vieux Fort in Saint Lucia from all over the Caribbean, including Barbados, Cuba, Dominica, Grenada, Haiti, Jamaica, Saint Lucia, Trinidad and Tobago, as well as the UK and US. Several key partners were also there as observers, to help identify synergies and areas for collaboration.

The workshop aimed to:

1. confirm the broad new economy vision based on previous work in the Caribbean dialogue
2. analyse possible transition paths (including existing initiatives and emerging opportunities)
3. identify knowledge gaps in both policy and practice in order to refine and finalise the research agenda / programme of work

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1 See www.greeneconomycoalition.org.
2 See www.iied.org.
4. draft plans for action research and learning in selected priority areas, including shaping action, research questions, mapping key stakeholders to be involved and identifying target audiences and desired outcomes for policy influence.

Findings from each of these aims are outlined below.

2.2 The new economy vision

Previously, the regional dialogue had identified the following characteristics of a green economy in the Caribbean:

- equitable in its distribution of economic benefits and effective in its management of ecological resources
- economically viable and resilient to both external and internal shocks
- self-directed and self-reliant
- pro-poor and generating decent jobs and working conditions for local people.

Discussing these characteristics, several ALG participants argued that although increasing regional economic integration was important, the notion of ‘regional self-reliance’ is quite far from the reality of Caribbean economies; it should probably be seen as more of an ideal. GE ALG members agreed that the vision for a green economy should definitely be rooted specifically in the rich local culture and experiences of the region, rather than the global notion of a green economy.

Members agreed that it was critical to ‘brand’ the Caribbean green economy vision, and to communicate and disseminate it effectively. Members’ capacity should be strengthened, to allow each one to contribute to promoting this vision and putting it into action.

The differences between ‘green growth’ and ‘green economy’ were also discussed. The notion of green growth focuses on green gas abatement and clean technology investments, and does not usually include social issues. Green economy, however, emphasises the importance of natural assets valuation or investment, and the need to use these assets for human well-being while protecting ecological boundaries. This more inclusive approach considers improving livelihoods to be key, and takes into account the interests of a wider range of actors, including civil society organisations. It is considered the closest international construct of value for the Caribbean where social, environmental and economic issues are jointly at stake, and need resolution together.

2.3 Transition paths: mapping green economy initiatives and emerging opportunities

GE ALG members discussed papers on current green economy initiatives in the region and on several countries in the region, notably Barbados and Cuba. Initiatives for policy and practice were mapped to identify priority opportunities for the GE ALG.

Barbados: Country case study by Dr. Winston Moore

This case study appears in Section 3.3. Barbados has recently finalised a scoping study designed for government as a roadmap for moving towards a green economy. This roadmap identifies key operational principles such as advancing the well-being of society, particularly vulnerable groups; protection and/or restoration of ecosystem health; efficient resource use and management; and participatory governance. The study also identifies concrete green economy opportunities in some of the key sectors of the Barbados economy: agriculture, fisheries, transport, housing and tourism. Stakeholders from all these sectors were engaged in discussions.

Cuba: Country case study by Yociel Marrero

This presentation on Cuba’s current green economy initiatives (Section 3.4), highlighted social equity principles as an essential political component in enabling the country to transition to a green economy. The prevalence of the informal economy in Cuba was also outlined, and it was agreed that informal economy contributes significantly to the wider economy in most Caribbean countries. The presentation led to further discussion, summarised at the end of Section 3.4.

Regional economic uncertainties and risks by Dr. Michael Witter

This paper appears in Section 3.1. The Caribbean faces numerous challenges, and its vulnerability as a region has probably increased in light of the recent global economic shifts. Environmental threats also contribute to increasing the many challenges small Caribbean economies have to address. Sustainable development remains the principal policy discourse and aspiration, and a green economy must be viewed as a means to achieve it.
Members agreed that it has been challenging to link the many cross-cutting issues in sustainable development, such as gender and social equity, environmental sustainability. The application of green economy principles in routine decisions such as investment appraisal, budgeting, expenditure review and district planning, can offer a way forward that works for the mainstream government or business machinery. The promotion of environmentally friendly economic activities that also enhance social equity will have positive impacts on a range of key sectors, such as tourism for instance. Food production could also be increased with the use of the appropriate technologies, and more investment is needed in research and development to adapt these technologies.

Mapping green economy initiatives

Change is the ultimate objective of an action learning cycle, focusing on practical solutions for the real issues at stake. In order to better identify avenues for change, Steve Bass of IIeD facilitated a mapping exercise of current green economy related initiatives and opportunities that may be relevant to the GE ALG’s scope of work.

In addition to a number of countries in the region that are currently implementing national green economy initiatives, such as Jamaica, Barbados, Grenada and Saint Lucia, regional and global policy initiatives are also on the increase. For instance, the Caribbean Community (CARICOM) is spearheading several programmes falling under the scope of work of the GE ALG, such as the CARICOM Investment policy initiative, the CARICOM renewable energy policy, and the Council for Trade and Economic Development (COTeD) open-ended working group on GE initiatives with the United Nations Environment Programme (UNEP). Those initiatives, though they may not always be labelled as ‘green’, involve the main policy arenas where change will be required for the transition towards a green economy in the Caribbean, including sustainable development, economic diversification, and investment policy processes.

In addition to these national, regional and international ongoing initiatives, actual change will require communication, research and capacity initiatives. GE ALG members could become more involved in initiatives such as the Green Economy Coalition, the Green Growth Knowledge Platform, or the Caribbean Leadership project on public sector reform.

The GE ALG could find ways for its members to contribute more to influencing policy making at the regional (CARICOM) level (it was noted that the CARICOM position should have outlined priorities for the region much more clearly at the Rio +20 meeting held in 2012). The GE ALG should also make systematic links at national level with Permanent Secretaries. ALG policy papers and advice might assist them in feeding into their respective governments’ input to regional and global policy processes. Facilitating meeting and information sharing among Permanent Secretaries in the region may also increase coherence and create a sense of collective responsibility.

2.4 Knowledge gaps: refining the research agenda

Presentations were delivered by GE ALG members on the priority areas for research that had already been identified:

- **SMMEs:** What kinds of policy measures, institutions and programmes are able to catalyse, support and scale up sustainable micro, small and medium (SMME) development? This presentation by Nicole Leotaud outlined CANARI’s work with natural resource-based SMMEs, based on a paper by Sarah McIntosh (see Section 3.6). She noted that there is a need for more enabling policies to remove trade barriers to competitiveness and growth; capacity-building for entrepreneurs; government support for SMME marketing; and incentives for green businesses.

- **Multi-stakeholder processes:** How can governments, the private sector and civil society collaborate on building a green economy? Judy Williams argued that a truly multi-stakeholder platform is needed to build the foundation for a new economy. The old concept of economic growth that emphasised production – to meet consumer ‘needs’ driven by advertising – should be reorganised to be more people-focused, so that people’s real wellbeing is improved.

- **Sustainability standards and reporting:** Can triple bottom line methods be adapted for assessing public sector investment proposals? McHale Andrew presented this paper (see Section 3.5). Triple bottom line (TBL) methods could be used to assess foreign or public sector investment, as they allow the measurement of social, environmental and financial impacts. Even though the Caribbean region has limited experience in the use of these methods, the example of Invest Saint Lucia can be noted: the National Investment Promotion Agency of Saint Lucia has indeed integrated TBL methods in its approach to investments.

- **Urbanisation:** How can sustainable urban development be achieved in the Caribbean context? Perry Polar presented on the Caribbean region’s rapid urban growth along coastlines, where major cities are now located, and the increasing pressure placed on these hazard prone and sensitive areas. A ‘green urban economy’ may provide some...
of the answers, defined as the ‘transformation of key urban economic sectors to promote economic growth while ensuring environmental protection and socially responsible outcomes’.

### 2.5 The work programme: action research and learning in selected priority areas

Following discussion on these and other areas, GE ALG members collectively identified eight priorities for action to influence change. Together they cover governance, business and investment:

1. Inclusive governance models that best enable multi-stakeholder development of green economy strategy.
2. Developing a Caribbean roadmap towards GE including the identification of clear pathways.
3. Physical and land use planning for a green economy.
4. Suitable sustainability indicators for measuring a green economy in public and private bodies.
5. Defining the characteristics of quality green investments and translate in terms of contracts, foreign investments, and public spending.
6. Developing green economy approaches to cultural events, expanding to tourism and cultural industries.
7. Managing energy transitions and investments, notably renewable energy.
8. Enabling SMMEs and informal actors to achieve green, inclusive outcomes.

#### BOX 2. THE ACTION LEARNING APPROACH: JAZZ IN THE SOUTH FIELD STUDY

The overall goal of action learning is to eventually contribute to or induce change, empowering people to become change agents. Putting this into practice, the GE ALG workshop included a field study: an action learning case study on community-driven development in nearby Laborie, Saint Lucia. The local ‘Jazz in the South’ event was introduced (see Section 3.7) and its relevance to the agenda of the GE ALG, such as triple bottom line returns on investments, looking after local environmental assets, enabling environment for transitioning to a green economy and bottom-up sustainable development. Participants then attended the event, engaging vendors and members of the public on topics such as economic viability, environmental sustainability, and happiness.

### 2.6 Next steps

To take the GE ALG forward, members agreed to:

- **Communicate a clear message:** ‘branding’ and disseminating the GE ALG’s distinct, Caribbean vision of a new economy.
- **Recruit members:** gaps in GE ALG expertise and representation include environmental/developmental economics, environmental law, social sciences, the private sector and tourism.
- **Reach out to key stakeholders** who can influence policy and practice, particularly the Caribbean Local Economic Development Project (CARILED), perhaps through Action Learning Groups on small, medium and micro enterprises (SMMEs); the Caribbean Centre for Development Administration (CARICAD); Caribbean Electric Utility Services Corporation (CARILEC); Caribbean Tourism Organisation (CTO); and the Association of Caribbean Economists (ACE). UNEP’s plans with the University of the West Indies for a Green Economy Centre of Excellence clearly need to embrace the ALG and its work.
- **Engage young professionals in the work:** engage university graduates, or young professionals in the region who specialise in environmental or development economics, in specific GE ALG activities.
- **Engage the private sector:** approach private ‘green’ businesses in the region, with a view to helping them to assess their contribution to environmental, human and social capital and their externalities; and make the case for change with mainstream business.
- **Develop a communication plan:** all individual members will need to communicate the vision and work of the GE ALG, acting as champions of the transition towards a green and inclusive economy.

Participants agreed that the workshop had met its objectives, identifying opportunities for GE ALG members to influence thinking – and eventually contribute to meaningful policy change – under CANARI’s leadership. It had been a turning point in a powerful process, demonstrating a good balance between research and action. The many issues identified as requiring priority actions demonstrated members’ enthusiasm and commitment to contribute to change.
Discussion papers
The diverse experiences of the members Green Economy Action Learning Group in the Caribbean help to underpin an indigenous approach to the transition to a green economy. This section brings together seven of the discussion papers produced by GE ALG members for the Saint Lucia regional workshop. It includes country case studies from Cuba and Barbados, as well as papers with a Caribbean-wide perspective. Other papers focus on some of the GE ALG’s specific research priorities, such as applying ‘triple bottom line’ principles to public and private investment, and catalysing and supporting sustainable SMMEs:

3.1 Regional economic uncertainties and risk – the next 10 years

3.2 The policy flux: current green economy policy initiatives in the Caribbean

3.3 Green economy in practice: the Barbadian perspective

3.4 From a ‘doorstep economy’ to a green economy: a case study of Cuba

3.5 Triple bottom line methods for assessing public investment: the case of Invest Saint Lucia

3.6 Catalysing and supporting sustainable small, medium and micro enterprise development

3.7 Community-based development through arts and culture: case study from Laborie, Saint Lucia

3.1 Regional economic uncertainties and risk – the next 10 years

by Michael Witter

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

Existential threats

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

Environmental risks

The Caribbean is exposed and vulnerable to storms, floods, earthquakes and volcanoes. Governments now recognise the necessity for disaster risk management and preparedness. In addition to the natural hazards, there are also man-made hazards, including fires that are deliberately or carelessly ignited, and deforestation. The risk of fires has to be addressed with public education to sensitisise the population to the costs of fires and the dangers of actions that increase the risks of fires. In some countries, disgruntled unemployed persons in cane growing areas sabotage farms by setting illicit fires. On the other hand, employed workers are far less likely to engage in this kind of sabotage. Deforestation is a problem where individuals or businesses seek to pursue livelihoods on public forest lands. Public education around the importance of forest conservation and protection is one of the two essential responses. The other is engaging local communities with vested interests in protecting the forests and their sustainable livelihoods in local forest management committees.

The probable climate change impacts on the region are being documented in studies that indicate the potential decline in food production, including fisheries. Governments are being encouraged to allocate more resources to research and development for new technologies and new plant varieties that can cope with higher temperatures and long dry spells. Another major risk is the pollution of aquifers and changing precipitation patterns that are likely to bring flooding alternating with drought. Here, rainwater harvesting and water conservation suggest themselves as basic coping strategies. Tourism is particularly vulnerable because of the exposure of coastal facilities to sea level rise, damage to reefs, disease outbreaks, and contaminated water. Governments will have to insist on moving tourism facilities back from the shores and promote the diversification of the tourism product away from total dependence on beach activities. The tourism sector will also depend on success in managing the impact of climate change on the water and health sectors.

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

The Caribbean is one of the most indebted regions, with three of the top ten indebted countries in the world. Figure 2 shows the high level of indebtedness of selected countries in 2010, and the projections for 2011.

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

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

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

Traditional agricultural export markets have disappeared with the World Trade Organization-led wave of liberalisation of the global economy. In their place is access to European Union (EU) markets under the Economic Partnership Agreement between EU and CARICOM countries. Caribbean business communities have to be educated to the opportunities and constraints of this agreement, so that they can re-position themselves in the global economy. This will certainly require enhanced productivity for competitiveness, and probably meaningful public-private sector partnerships. In addition to the EU markets, the Caribbean must hasten the cultivation of economic

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

4 See www.youtube.com/watch?v=BI6D-31tWO for a visual presentation on these ten countries, based on information from the International Monetary Fund (IMF).
relations with the BRICS\(^5\) and other countries in the South. It will be imperative to strengthen, broaden and deepen the movement for regional cooperation beyond the elusive Caribbean Single Market and Economy, and beyond the Organization of Eastern Caribbean States. Initiatives for sub-regional groupings, and for relationships with groupings in the wider Southern Hemisphere, have to be explored. In the last respect, the opportunities arising from trade through the expanded Panama Canal have to be tapped to boost the growth prospects of the region’s economies.

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

To maximise the benefits from the region’s depleting mineral resources, new markets in the BRICs have to be cultivated. By diversifying export markets, the chances of increasing the returns from exports are greater, thus making it possible to reduce the extraction, and hence, depletion rate. Similarly, new markets are necessary for agricultural exports. The regional tourism market has great potential both for traditional export commodities and new exotic foods and drinks. There are also high income niches in the global economy that will welcome healthy exotic food products.

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

**Social risks**

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

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

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

**Green economy**

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

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

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

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

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\(^5\) Brazil, Russia, India, China, and South Africa
3.2 The policy flux: current green economy policy initiatives in the Caribbean

by Shawn Carter

Shawn Carter is an attorney-at-law and environment and sustainable livelihoods consultant based in Barbados.

Scope and scale of green economy initiatives in the region

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

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

- The Green Economy Scoping Study for Barbados - Building a Resource-Efficient Green Economy (GESS; see also Section 3.3) focuses on four sectors (tourism, agriculture, housing/building and transport) and four resource use and management issues (water, waste, energy and land). The study makes policy, programme and project recommendations and indicates the requisite enabling environment for the transition to a green economy as it relates to these sectors (Government of Barbados et al., 2012).

- Dominica’s Organic Island Initiative focuses on development and implementation of a 10-year programme of action to establish the country as an ‘Organic Island’ and wellness tourism destination. The initiative aims to ‘coalesce the food, the activities, the eco-tourism and agro-tourism opportunities into a high end unspoilt image of the country’ (Government of the Commonwealth of Dominica et al., 2006).

- The approach is based on developing organic production and marketing systems that are sustainable and do not require an excessive amount of natural resources. This will require setting and implementing standards for primary food production through all stages of operations. It will also involve accelerated and sustainable use of national resources including socio-cultural and indigenous community knowledge-based assets, forest products, non-timber forest products, food and agriculture, water and renewable energy, to transform the social and economic development of the country.

- Guyana’s Low Carbon Development Strategy: Transforming Guyana’s Economy While Combating Climate Change (LCDS) is designed to transform Guyana’s economy to deliver greater economic and social development for the people of Guyana by following a low carbon development path. It also aims to provide a model for the world of how climate change can be addressed through low carbon development in developing countries, if the international community takes the necessary collective actions, especially relating to Reducing Emissions from Deforestation and forest Degradation and avoided deforestation (REDD+). The LCDS identifies conditions under which Guyana would pursue green growth by protecting its rainforest in the long term once acceptable economic incentives are created; and using the payments received for forest climate services (carbon credits) to re-orient the country’s economy to a low carbon, environmentally sound path (Republic of Guyana, 2013).

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

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

- CANARI facilitated a regional dialogue between December 2009 and February 2012 to elicit ideas from a wide cross-section of Caribbean stakeholders on what green economy means in the Caribbean context. The widely disseminated results have formed the basis for establishing this Caribbean GE ALG, which continues to be coordinated by CANARI (see Section 2).

- The Caribbean Green Economy Forum in 2012 showcased the Barbados GESS and facilitated a regional green economy discussion.

- St. Lucia held its Second National Environment Forum on the theme Walking the Path towards a Green Economy in 2011, as part of the Rio+20 preparatory process.

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

Vision and objectives
Of the four national initiatives, only the Barbados GESS study was guided by an explicit definition of a green economy. However, these initiatives draw on a common set of concepts in defining the transition towards a green economy. These include environmental mainstreaming; resource use efficiency (water, energy, waste); sustainable consumption and production; sustainable agriculture, tourism, fisheries and forestry; and low carbon development. They also address longstanding sustainable development priorities as articulated in the 1994 Barbados Programme of Action for the Sustainable Development of Small Island Developing States (BPOA) and the follow-up (in 2004) Mauritius Strategy for the Further Implementation of the BPOA. These priorities include economic diversification, enhanced competitiveness, resource efficiency, environment and natural resource management, poverty reduction, climate resilient development, technology transfer to support energy reform, and sustainable utilisation of ocean resources.

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

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

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

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

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

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

- weak cycles of policy development > implementation > evaluation > refinement
- the lack of fiscal space and high debt levels that constrain new investments in ‘green’ areas
- the relative high costs of doing business in many Caribbean countries that can impact competitiveness
- weak systems of data collection and management to support effective evaluation
- the impact of social problems such as poverty, crime and unemployment on the investment climate

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6 The Government of Barbados has defined a green economy as: ‘an integrated production, distribution, consumption, and waste assimilation system that, at its core, reflects the fragility of our small island ecosystems as the basis for natural resource protection policy intervention, business and investment choice, human development programming, and for the facilitation of export market development strategies’ (Government of Barbados, 2012).
• despite the fact that the Revised Treaty of Chaguaramas\(^7\) lays the foundation for building a Sustainable Caribbean Community, there remains the need for a synergised approach to the transition to a Caribbean Single Market Economy and the pursuit of a green economy in CARICOM countries.

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

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

3.3 Green economy in practice: the Barbadian perspective

by Winston Moore

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

Introduction

Over the past four decades, there has been a growing need to highlight the issues impacting on our world, particularly those relating to the environment. Concerns regarding environmental protection have been documented in the 1972 Stockholm Conference on the Human Environment, the 1987 Brundtland Report and the 1992 Rio Earth Summit. The Green Economy has attained global significance at the recently concluded Rio +20 United Nations Conference on Sustainable Development. While there have been many definitions proposed for green economy (see Box 3), it is best to think about it as a family of many different ideas; these include ideas such as a low carbon economy, sustainable consumption and production, green growth, sustainable development and the ‘global green New Deal’.

Building momentum for the transition to a resource efficient economy calls for international cooperation, partnerships, and communication. In March 2011, the United Nations Environment Programme (UNEP), the Government of Barbados and the University of the West Indies, Cave Hill Campus (UWI-Cave Hill) embarked on a joint initiative: the Green Economy Scoping Study (GESS; Government of Barbados et al., 2012).\(^8\) The study embraced an ecosystem-based approach\(^9\) in which sectors such as construction, transportation, tourism and agriculture are taken into consideration, along with the cross-cutting issues of water, energy, waste, and land. This initiative was grounded in the presentation of budget proposals to parliament by the former Prime Minister, the late Honourable David J. Thompson, in March 2009, when he announced his vision for Barbados to become ‘the most environmentally advanced green country in Latin America and the Caribbean’ (Government of Barbados, 2009).

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**Box 3: WHAT IS A GREEN ECONOMY?**

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

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

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7 The 2001 treaty establishing the Caribbean Community, including the CARICOM single market and economy.
9 The ecosystem approach is a strategy for the integrated management of land, water, and living resources that promotes conservation and sustainable use in an equitable way.
This background paper seeks to highlight the green economy policy framework in Barbados by outlining the methodological approach used in the GESS and identifying enabling conditions necessary to make the transition to a green economy.

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

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

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

Enabling conditions

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

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

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

by Yociel Marrero Baez

Yociel Marrero Baez is an environmental engineer and specialist in ecotechnologies for wastewater treatment in urban areas. He is on the staff of the Fundación Antonio Núñez Jiménez de la Naturaleza y el Hombre in Cuba10 and is a member of the Caribbean Green Economy Action Learning Group.

The context: an economic model in transition

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

The government has introduced some measures over the last two years to address the situation, mainly through a shift from state to private enterprise. It aims to reduce inflated state payrolls by 20 to 25 per cent over five years, eliminating 1.5 million state jobs by 2015. It is implementing a public sector reform process and new tax system, strengthening the role of local government and restructuring the system of subsidies to support people rather than products. To transform the agricultural sector, it is distributing idle state lands to individuals and cooperatives (3.4 million acres were granted to 170,000 new farmers by January 2012). A culture of entrepreneurship is growing rapidly: from motivation by the opportunity to engage in potentially profitable legal commercial activity, thousands of citizens have taken possession of the most unlikely urban spaces. Doorways, lobbies, gardens, flowerbeds, garages, entranceways, shaded areas, sidewalks, communal passageways and neighbourhood green spaces have been transformed into ‘commercial areas’, degrading the urban environment through the intensive occupation of open and communal spaces in neighbourhoods, communities and residential areas. This commercial occupation of public spaces also affects the structure of the cities by the indiscriminate consumption of finite resources such as water, energy and food supplies, without any plan for increasing their production. Neither the new commercial laws nor the tax system make provisions for investment in the environment or the evolution towards a green economy. In addition, there is little financing available to start up ‘green enterprises’ because they are not seen as a good credit risk.

Green economy vs ‘doorstep economy’

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

However, Cuba has a number of good experiences to learn from and build on. A favourable policy environment along with a good framework of environmental laws and regulations has encouraged a number of local initiatives in urban and rural areas around the country which have been implemented with varying degrees of success. These experiences have contributed to increasing levels of socio-economic participation to address the ‘governance gaps’ that spontaneously arise in the Cuban context. The projects, most of which

10 Antonio Núñez Jiménez Foundation for Nature and Mankind
are implemented by local governments together with civil society organisations and research and academic institutions, provide potential pathways to sustainable development through the development of a green economy. They have also demonstrated that we can put into practice in our local context the concept of 'sustainable livelihoods' and generate employment and income by converting the protection of the environment, the care of public health and urban infrastructure, and small-scale urban and peri-urban agricultural production, into well-remunerated economic activities.

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

Current and future challenges

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

• promote local exchange systems to increase the amount of goods and services consumed by self-employed households
• create financial mechanisms that support community-based structures of production and consumption
• promote energy independence and other actions that can spur the growth of 'eco-neighbourhoods' in Havana and other cities and support local green economic development
• support an orderly transition from self-employment to small and medium enterprise

• diversify the types of legal ownership and build capacities in green economy
• transform production processes and working cultures
• reform energy policies
• expand the scope of the tax system to ensure a sustainable development pathway rather than simply maintain the operations of the state.

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

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

Opportunities for action learning

This paper prompted discussion at the St Lucia workshop (see Section 2). Participants thought that the informal economy in the Caribbean merited further analysis, asking in particular:

• Who is involved and benefits the most from entrepreneurship initiatives that are part of the informal economy? In Trinidad and Tobago, for instance, there seems to be a majority of women involved in such initiatives.
• What is the actual contribution of the informal economy to the wider economy? This would allow us to have a better appreciation of the role played by informal economy at the national and regional levels.
• What is the nature of the products being traded? In most cases, it seems that indigenous products are not the main drivers of informal economy initiatives.
• What characteristics would provide the conducive environment needed for this type of entrepreneurship to become green?
3.5 Triple bottom line methods for assessing public investment: the case of Invest Saint Lucia

by McHale Andrew

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

Introduction

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

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

This paper provides a quick scan of Invest Saint Lucia's new approach to investment attraction, facilitation and promotion, which could possibly provide a basis for action learning, not only by the Green Economy Action Learning Group but within the region's investment assessment and monitoring discipline, including for infrastructure projects.

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

Invest Saint Lucia’s approach

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

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

The iconic Pitons attract tourism investment that needs to also bring socio-economic benefits to the town of Soufriere and wider Saint Lucia while ensuring that the ecological integrity of the World Heritage Site is maintained. Credit: CANARI
This is not to say that inward investments over the period have not assisted in economic transformation. Indeed, throughout the four decades of facilitation an estimated 215 investors (local and foreign) from as many as three continents and 25 countries have contributed and continue to contribute to the sustainable development of Saint Lucia. What is missing, however, is a focused effort at realising specific investments that promote the economic, technological, social and environmental pillars that are critical to the island’s growth as a nation.

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

Targeted investment sectors

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

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

In promoting these sectors, factors that need to be considered include access to finance, quality of infrastructure (roads, transport, telecommunications, water, power, and so on), the correlation between the skills taught and market demands, labour productivity and ever important environmental concerns. These have implications for the cost of doing business in Saint Lucia given the high operating cost in relation to other competing locations. The efficiency of these factors is important in making an investment decision when it comes to the traditional bottom line, but is even more crucial to satisfying triple bottom line criteria.

Key strategic issues

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

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

A possible way forward

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

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

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

Additionally, appropriate partnerships with investors, donors and the international community could see the development of a green economy predicated on re-using waste for generating energy, and introducing efficient recycling businesses that can propel a new manufacturing thrust to meet the demands of both the domestic and export markets. A green economy would be supported by targeted development of the cultural industries, a focus on responsible agriculture for food security, agro-processing and expansion of indigenous culinary businesses that can meet the demands of the expanded local population of citizens, residents and visitors.

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

Opportunities for action learning

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

The most salient lesson of the recent international economic crisis is that a uni-dimensional focus on development through a narrow profit-oriented ‘bottom line’ has not worked. What we do not yet know is precisely how to spur governments and key development partners within the public and private sectors, NGOs and regional and international institutions to embrace the relatively untested triple bottom line approach. Conducting more detailed research through action learning and sharing of best practices could possibly provide a sound basis for more effective and successful action towards the goal of achieving a truly green economy in the region.

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

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

by Sarah McIntosh

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

Small, medium and micro enterprises (SMMEs) are already significant contributors to gross domestic product and employment in the Caribbean, with CARICOM estimating that up to 70 per cent of jobs are in this sector (Hendrickson, 2009). They are also expected to be the main engine for future job creation and growth, and particularly ‘green’ growth. Reliable data on SMMEs are limited, in part because of the extent of the ‘informal’ (unregistered, cash economy, non-tax paying) element of the sector. However, documented ‘success stories’ and case studies indicate that many SMMEs, and particularly micro enterprises, rely heavily on the use of natural assets. Such businesses include those involved in agriculture, craft and other non-timber forest products, food and beverage processing and ecotourism. SMMEs therefore have considerable potential to contribute to or detract from healthy ecosystems and provision of ecosystem services,11 depending on the practices they use. While they can generate social and environmental co-benefits, they are getting far less attention than high tech sectors like solar and wind energy.

There are many analyses of national and regional SMME policy gaps, as well as proposals and programmes to address them. However, most of these consider only areas that directly affect SMMEs, such as tax incentives and trade regimes. In order to stimulate and sustain SMMEs’ contribution to green economies there is also a need to analyse the gaps in the wider policy environment, with a view to catalysing change across the spectrum of policies that affect SMME operations.

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

Regional and national trends

Policy

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

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

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

There is some evidence throughout the region of a shift towards development based on a green economy model, for example in the Vision 2030 Jamaica National Development Plan, Barbados’s Green Economy Scoping Study (see Section 3.3) and Guyana’s Low Carbon Development Strategy. SMME policies are also starting to emerge at both the regional and national levels to support such a shift, for example:

• Jamaica’s Micro, Small and Medium Sized Enterprise (MSME) and Entrepreneurship Policy, which suggests provision of incentives to MSMEs that procure and install energy-efficient technology
• the Caribbean Development Bank’s (CDB’s) private sector strategy and policy, which seeks to ‘take a balanced approach to improving the welfare of [the bank member countries’] citizens and ensuring that

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11 Ecosystem services are the benefits people obtain from ecosystems. These include provisioning services such as food and water; regulating services such as flood and disease control; cultural services such as spiritual, recreational, and cultural benefits; and supporting services, such as nutrient cycling, that maintain the conditions for life on Earth.
growth is inclusive, explicitly focused on reducing income and gender disparities, economic and social vulnerabilities and on other inequities … and that it is environmentally sustainable’ (CDB, 2012).

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

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

Capacity building – what, how and by whom?

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

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

There is anecdotal evidence (in the form of feedback from those that have been trained) that much capacity building has been ineffective because it is delivered by trainers selected on the basis of their academic or theoretical knowledge rather than their ability to tailor the intervention to participants’ life experience and level of education and literacy.

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

Institutional support for small business

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

There is a range of government and private financing mechanisms for SMMEs but few that address the challenge of no or low collateral; so in effect they are often not accessible to start-up micro-entrepreneurs. None of the identified financing schemes incentivises ‘green’ behaviour, except some short-term, one-off competitions or grants (like IDEAS Energy Enterprise Innovation Contest for the Caribbean or the GEF Small Grant Programme). However, the CDB Private Sector Community member tests the cocoa before harvesting for the small business that the group is involved in. Credit: Aripo Youth Development Organization.
Policy suggests that funding for building resilience to climate change could be used to develop and sustain ‘green’ business. The role of credit unions in catalysing SMMEs and community businesses is under-documented, though the need for effective credit union regulation is widely acknowledged and starting to be addressed.12

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

Achieving scale (and other benefits) through collaboration

Policy statements acknowledge the benefits of collaboration to achieve scale, with the current buzzword being ‘clusters’, which can range from just forms of association to locating similar businesses in specifically designated areas, such as the proposed high-tech industrial park in Wallerfield, Trinidad. However, there appears to be little policy focus yet on clusters specifically to support micro businesses or green economies, although some private collaborative initiatives are emerging, like the Green Market in Santa Cruz, Trinidad to promote local produce, craft and culture and enhance the relationship between producer and consumer.13

Although the benefits of collaborating to achieve scale seem obvious, many collaborative SMME or community ventures break down or are weak. Reasons include preference for short-term individual gain over potential long-term benefits (such as by bypassing collective marketing agreements and selling direct); interpersonal conflict; and business hours that conflict with association meetings. Cooperatives are the most well-known and established type of collaborative organisation for product development, marketing and collective branding. CANARI’s case study of the Dominica Essential Oils and Spices Cooperative Society (CANARI, 2012b) provides a good example of this working effectively and delivering co-benefits.

However, in some countries, the past history of failed and even fraudulent cooperatives (also often linked to credit union failure and personal loss of funds) means people will not countenance this model and are wary of collaborative ventures in general. For example, when Turtle Village Trust recently attempted to form a collaborative entity of this kind for the craft enterprises it catalysed in north-east Trinidad and south-west Tobago, none of the enterprises were prepared to consider it. Other variants of collectives include small business associations and development foundations. Some have SMME membership only; others include partners such as government, non-governmental organisations and large business representatives.

Overall, strong leadership appears to be the critical determinant of sustained operation of collectives, but this does not necessarily result in equitable distribution of benefits. In the case of the Heritage Tourism Association of Saint Lucia (Heritas), for example, powerful private business interests seem at times to have dominated at the expense of organisations that place greater emphasis on wider community benefits.

Opportunities for action learning

Research questions

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

• How does the current policy environment facilitate development and oversight of a sustainable and equitable SMME sector? What policy gaps still exist at regional, national and sub-national level and how can these best be addressed?

• To what extent can a critical mass of ‘green’ SMMEs influence national sectoral policies and the policies/practices of larger businesses?

• What financing mechanisms (loans, grants, CSR programmes) can best stimulate development and growth of SMMEs that contribute to green economies?

• What forms of collective organisation are best suited to Caribbean culture and worldview? Are different forms of collective organisation needed for different purposes (such as mutual learning; collaborative product development, marketing and branding; advocacy) or can one organisation address all these needs? How can individual and collective interest best be balanced? Are formal organisations always necessary or can informal collaboration on an as-needed basis serve equally well, such as for advocacy?

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12 A 2007 project in OECS East Caribbean, Strengthening Credit Union Regulation and Supervision, sought to address this. Outputs and lessons learnt are outlined at www.firstinitiative.org/content/index.cfm?ctID=142.

13 See www.sanantoniogreenmarket.com for more information.
• Is mentoring and coaching an effective strategy for SMME development? What institutions and approaches best facilitate this? How can mentoring and coaching capacity be built to facilitate the development of SMMEs that contribute to green economies?

• How can ICT act as a catalyst for the development of ‘green’ SMMEs?

Potential case studies

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

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

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

- the respective roles of formal policy, party politics and the collective (Heritas) in driving heritage tourism policy and process
- the differing approaches of SLHTP and SFA to SMME development (locally-driven versus use of external technical assistance)
- the role and effectiveness of intermediary institutions (such as SLHTP, Ministry of Tourism, Saint Lucia National Trust)
- the role and effectiveness of SMME partnerships (Heritas, Dennery/Mabouya Development Foundation)
- the outcomes in terms of SMME capacities built and the most effective approaches for achieving these (training, mentoring, coaching)
- the strategies for post-project sustainability and their outcomes
- the triple bottom line contribution of Heritas and Dennery/Mabouya SMMEs.

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

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

- board structure (corporate, community, government) and its impact on power relations
- benefits to partner community groups and the wider community (including communities in the TVT focal area that are not represented on its board)
- dynamics between the member community groups and structures for supporting collective decision-making
- other factors that are contributing to development of SMMEs and green economies in TVT’s focal areas.

Turtle watching and conservation support small businesses in some rural communities. Credit: CANARI
3.7 Community-based development through arts and culture: case study from Laborie, Saint Lucia

by Augustine Dominique and Yves Renard

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Background

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

The place

The community of Laborie has 6500 inhabitants, with a little fewer than half living in the main coastal village. The general features of, and development challenges faced by, this community are fairly typical of many small coastal communities in the insular Caribbean:

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

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

Community-based development planning

In 1999 a small group of local residents and organisations with an interest in sustainable development, and dissatisfied with conventional development approaches, took the initiative to facilitate the participatory formulation of a Strategic Development Plan for Laborie. The decision was made in response to a government programme known as Comfort 2000, which aimed to support community-based projects in all towns and villages in the country. Financial and technical assistance was sought and received from the Saint Lucia Heritage Tourism Programme for a process that involved two years of consultations and studies to identify issues and opportunities for the integrated development of the Laborie village and surrounding communities. An ad hoc Laborie Development Planning Committee (approximately 25 people, representative of all main sectors and social groups) coordinated this participatory planning process. The plan was finalised and published in December 2001.

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

At the end of this process and in accordance with the provisions of the strategic plan, a new institution was established: the Laborie Development Foundation (LDF). It was built on the experience of the Laborie Development Planning Committee as the primary institutional arrangement to coordinate the strategic plan’s implementation. The Foundation was formally registered in December 2002 as a not-for-profit company. Its members are community organisations that have a primary focus on Laborie. At present, there are 10 organisational members. The Foundation aims to serve three roles in the community:

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

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

**Labowi Promotions**

One of the members of the Foundation is Labowi Promotions, a not-for-profit community-based cultural organisation created in 1991. Its mission is ‘to enhance social togetherness and harmony and to promote economic development in Laborie, in surrounding communities and in Saint Lucia as a whole, through cultural and artistic events and expression’. It is a volunteer organisation, run by a small group of cultural activists, with minimal administrative and coordination costs. Funding comes from private and public sector grants to sponsor events and activities, and from the rental of equipment.

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

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

**Jazz in the South**

Jazz in the South started in 1997, and it has established itself as a festival in its own right, with the objectives of promoting Caribbean music and musicians and supporting economic activity, business opportunities and social cohesion in host communities. Since its creation, it has featured over 150 bands from all over the Caribbean, with performers from many countries in the region, including Antigua and Barbuda, Barbados, Cuba, Dominica, the Dominican Republic, French Guiana, Guadeloupe, Haiti, Jamaica, Martinique, Saint Lucia, and Trinidad and Tobago, and with guests from Africa.

While the Festival is indeed above all a cultural event, it is also an instrument of community development, as community festivals are also good for the local economy. In the past few years, for example, two surveys of local vendors have been carried out in the South of the island, and they have both indicated that vendors from Laborie consider Jazz in the South as their most important activity in terms of revenue. And it is not only the vendors who benefit, especially since Labowi Promotions ensures that all the services needed are provided locally when available. An event like Jazz in the South therefore means business opportunities for vendors, but it also means additional income for taxi drivers, restaurants, caterers and hotels in the area, and many others.
At a broader level, Jazz in the South contributes to the community’s efforts to promote itself as a heritage tourism destination by creating opportunities for relaxed interaction between local people and visitors; promoting local cuisine, food products and crafts; and showcasing traditional Saint Lucian village life and culture.

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

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

Development issues in Laborie

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

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

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

Opportunities for action learning: challenges and questions

The Foundation’s diagnosis of challenges identifies the following:

• developing an effective and credible framework for participatory governance in which the roles of local and national government agencies and community institutions are complementary and mutually supportive
• acceptance, both by the local population and national stakeholders, of the possibility of alternative models of community governance and local economic development
• financing for implementation
• managing and responding to social and economic changes in the community
• sustainability of community institutions, especially given these changing contexts.

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

• How can Laborie achieve its objective of local ownership while tapping into the larger, and largely vertically integrated, national tourism sector?
• How can an initiative like Jazz in the South successfully attract the sponsorship it needs to be viable while protecting the ‘intellectual property’ of the activities from capture by sponsors? Does a non-profit cultural organisation like Labowi Promotions have the skills to negotiate with sponsors on royalties for the use of that property?
• What are the advantages and disadvantages of government sponsorship of such initiatives? How far can such relationships go before local control is lost?
• What are the advantages and disadvantages of non-profit versus for-profit enterprises in delivering cultural, social and environmental co-benefits? What kinds of models can draw on the advantages, and minimise the disadvantages, of both types?
Other questions had to do with the role of locally led development in protecting and enhancing community assets, values and institutions, including:

- Physical planning: what is possible and sustainable in the context of a particular location and space such as Laborie?

- Building social capital: What role can cultural activities like Jazz in the South play in maintaining community cohesion and social values? How central is social capital to effective local development processes? How can a community like Laborie meet its economic development objectives while preserving its values?

Since the field exercise, the GE ALG and the Laborie Development Foundation have been exploring the possibility of developing and implementing a joint action research agenda based on questions such as these, using Laborie as a case study.
Conclusions and recommendations
The challenge: Despite two decades of work on sustainable development, guided by the Barbados Programme of Action,14 the Caribbean region is still facing serious development challenges. Severe degradation of ecosystems, rising inequality and social tensions, and stagnation of economies have given rise to real concern. The heavy dependence of Caribbean states on natural resources, coupled with the small size of their economies, have made this confluence of crises even more worrisome. The vulnerability of the region to global economic shifts and natural disasters, coupled with weak government bodies and public indebtedness, are leading to calls for a paradigm shift in approaches to economic development.

Importance of evidence: That shift will require good evidence in order to compel stakeholders to change. The ALG, with the support and input from its members and other key Caribbean partners and stakeholders, has begun to bring together some evidence, but much more is needed. Key questions need answering if policy makers are to act. Questions such as: under what conditions will greener approaches to development achieve policy goals such as reducing poverty and inequality, and creating decent jobs? Existing evidence of the successful adoption of inclusive, green approaches and their impacts is necessarily limited, since the economic framework has not aimed directly at inclusive and green objectives. There are some, but not many, examples of the transition to GE at scale. Where they exist, stories of change can be important in demonstrating ways forward. Where they do not, ‘policy experiments’ will be needed and the ALG has a robust approach to offer countries and businesses.

Evolution of green economic governance: Indeed, the shift in paradigm will have the characteristics of evolution – we will need to evolve complex adaptive economies. Our approach can learn from what has enabled biological evolution over the millennia in the natural world – making diverse connections, conducting trials, selecting successes, and deploying ways to ‘amplify’ success so as to both scale them up and speed them up. Hence the action learning agenda: the ALG’s three priorities, described in Box 4.

Communication and mainstreaming: The shift towards inclusive, green economic policy and practice will not take place if it continues to appeal to niche players only. It will need to be mainstream, and compelling to stakeholders. The evidence and ideas will therefore need to be well communicated. This demands that they should connect directly to people – the ‘green economy’ agenda must primarily be a human agenda if it is to gain political support. There are signs of interest from some key Caribbean regional development institutions and private sector groups. Clear and focused communication on potential green economy strategies is needed so that they can become fully engaged in the process.

Catalytic resources and mechanisms: As the concept of green economy becomes increasingly understood and generally supported, for it to really take off, Caribbean governments and other actors will need to know which specific mechanisms, initiatives and funds they can use. The GE ALG is contributing to the identification of specific opportunities and ideas to explore policies and test practical actions. Promoting specific approaches such as the use of a triple bottom line approach to guide economic investment, piloting research on the use of renewable energy,15 and ways to tap into the potential for SMMEs to generate co-benefits will have valuable demonstration effects within the region. Links with international initiatives and resources can be used judiciously.

Solidarity with small island developing states and others: Small island developing states (SIDS) are in the process of reviewing progress in sustainable development, and identifying new and outstanding priorities to address their development needs. These will be discussed at the upcoming Third International Conference of SIDS, to be held in September 2014 in Samoa. Caribbean and other governments are discussing priorities for economic growth, poverty reduction, job creation, and equity as part of the process to develop a global post-2015 sustainable development agenda. Perhaps it is timely to propose fundamental notions of economic transformation – green economy driven at the national and regional SIDS levels, but also green economy at the global level – if sustainable development is to be achieved.

14 The UN Global Conference on the sustainable development of SIDS, held in Barbados in 1994, adopted the Barbados Programme of Action on the Sustainable Development of SIDS (BPDA), a 14-point programme that identifies priority areas and indicates specific actions necessary for addressing the special challenges faced by SIDS.

15 The Caribbean Development Bank (CDB) approached CANARI and the GE ALG to undertake a detailed study, A New Paradigm for Caribbean Development: Transitioning to a Green Economy. The study focuses on the potential of renewable energy as a driver of green economy in the Caribbean and the attendant implications for policy and institutional arrangements. It assesses the net socioeconomic and environmental impacts of moving to renewable energy strategies. This study will be presented to the Board of Governors of the CDB in May 2014.
1. **Multi-stakeholder mechanisms for developing green economy policy.** Caribbean countries have taken different approaches to transitioning to a green economy. The government of Barbados, for instance, partnered with the University of the West Indies and UNEP in assessing broad enabling conditions across the economic sectors. Dominica is focusing on establishing the country as an ‘Organic Island’ and wellness tourism destination. Other national initiatives include the adoption by Jamaica of a National Renewable Energy Policy, the Grenada Alternative Growth and Poverty Reduction Strategy, and Trinidad and Tobago’s ecosystem services accounts. To progress further, inclusive green economy planning platforms need to be developed – involving a much wider range of stakeholders than governments and experts alone, bridging the silos of social development, environmental management, business development and economic policy. The transition to a green economy is and will continue to be an intensely political process: clear and strong commitments from governments will certainly contribute, but inclusive dialogues and planning will be needed if green economy strategies are to be robust and widely owned. The ALG will draw on lessons from the region, working out the best ways to involve a wide range of stakeholders, including government agencies, private sector, civil society and community groups, and to ensure transparency and accountability.

3. **‘Triple bottom line’ green economy performance standards across public and private sector investment and reporting.** A TBL approach entails an assessment of economic investments based on the environmental, social and economic benefits they could generate. Saint Lucia’s national investment promotion company, Invest Saint Lucia, has been pioneering TBL, ensuring that investments contribute to social equity, economic efficiency and environmental sustainability and integrity. Where foreign investment (FDI) is an important driver of economic growth and development in the region, there is an urgent need to review how FDI is assessed. Action learning will assess, develop, test and demonstrate TBL methods that are efficient and cost-effective. Ultimately there is real potential for TBL to be integrated into national development processes – indeed, to inform reporting of public and civil society organisations, as well as business.

2. **Catalysing, supporting and scaling up sustainable micro, small and medium enterprises (SMMEs), including in the informal economy.** CARICOM estimates that up to 70 per cent of jobs are in this sector, and many – such as agriculture, craft and ecotourism – rely heavily on the use of natural assets. While they can generate social and environmental co-benefits, and there are some superb examples of Caribbean green entrepreneurship, this is getting far less attention than jobs in high-tech sectors like solar and wind energy. The fact that many of these enterprises are part of the informal economy makes it challenging for them to benefit from existing SMME support programmes. And such programmes and national SMME policies are usually not tailored to address SMME’s critical capacity needs in financial management, business planning, and marketing. The ALG’s overall learning question, which it will address with specialists and representatives in the field, is ‘How can we catalyse, support and empower SMMEs so that they bring co-benefits (economic, environmental sustainability, social equity) and address issues of the informal sector?’
References


UNEP (2010b), General Information that can be used by the Ministers and Heads of Delegation for the Dialogue on Green Economy, prepared for the XVII Meeting of the Forum of Ministers of Environment of Latin America and the Caribbean, Panama City, Panama.
Related Reading


Acronyms

ACE  Association of Caribbean Economists
CANARI  Caribbean Natural Resources Institute
CARICAD  Caribbean Centre for Development Administration
CARICOM  Caribbean Community
CARILEC  Caribbean Electric Utility Services Corporation
CARILED  Caribbean Local Economic Development Project
CDB  Caribbean Development Bank
COTED  Council for Trade and Economic Development
CSR  corporate social responsibility
CTO  Caribbean Tourism Organisation
FDI  Foreign direct investment
GE  green economy
GE ALG  Green Economy Action Learning Group
SIDS  Small island developing states
SMMEs  Small, medium and micro enterprises
TBL  Triple bottom line
UNEP  United Nations Environment Programme
Growing financial, climate and social challenges in the Caribbean have sparked the search for new economic pathways that would better serve the region. This paper summarises early explorations by the Green Economy Action Learning Group (GE ALG), an independent and Caribbean-driven initiative which aims to help governments and other stakeholders develop a practical Caribbean vision of an inclusive and resilient ‘green’ economy. It pulls together background papers from ALG members, revealing diverse regional, national, local and sector perspectives on green economy progress, needs and prospects. An ‘action learning’ agenda is proposed as a way to evolve green economy pathways in three areas: SMMEs; ‘triple bottom line’ reporting across public and private sectors; and multi-stakeholder mechanisms for developing green economy policy.