

**Report of the Alliance of Small Island States Meeting of Experts on the
Vulnerability of Small Island Developing States: Enhancing Resilience, the role of
the Private Sector, Civil Society and Trade in the Sustainable Development of SIDS**

Held at Fort Young, Roseau, Dominica, 29 September to 3 October 2003.

BUILDING RESILIENCE IN SIDS

1. INTRODUCTION

The expert meeting on the vulnerability of Small Island Developing States (SIDS) was held at Fort Young, Roseau. It brought together experts from all SIDS regions, from a variety of backgrounds such as Government trade officials, from educational institutions, tourism, private business, non-governmental organizations and other community based organizations. A large contingent of local participants also attended the sessions. Substantial financial and technical support was provided by the UNDP.

The opening ceremony was chaired by Davis Letang, Permanent Secretary, Ministry of Agriculture and Environment and Chairman of the Organizing Committee. He made a few introductory remarks and welcomed the arrival of His Excellency The Honorable Pierre Charles, Prime Minister of the Commonwealth of Dominica, and Their Excellencies President Vernon Shaw and Mrs. Shaw. An opening prayer was delivered by Monsignor Eustace Thomas.

The keynote address was delivered by Professor Al Binger, Director, University of the West Indies Center for Environment and Development. He noted that the issues on the agenda were of great importance to all SIDS. There were high expectations from the review process for the International Meeting, and there is a growing need for detailed information on resilience building, and that negotiators from SIDS had expressed concern that they did not have sufficient background information for all negotiations.

The meeting then heard an address by His Excellency The Honorable Vince Henderson, Minister for Agriculture and Environment. He was followed by a musical rendition by Ms. Michele Henderson.

The meeting was officially opened by His Excellency The Honorable Pierre Charles, Prime Minister, who urged the participants not to lose sight of the larger picture of sustainable development for SIDS, and to seek solutions for island countries such as Dominica, in particular in relation to the economic well being of the country. Lloyd Pascal, Head of the Environment Coordinating Unit, offered the vote of thanks.

The closing ceremony was chaired by His Excellency Ambassador Crispin Gregoire, who thanked the participants for their efforts. He noted that the meeting had been successful in elaborating on complex information regarding vulnerability and resilience building. The meeting report and the case studies would provide valuable information for negotiators. The meeting requested the Government of Dominica to submit this report for circulation as a UN document.

Presentation were made by Dr. Carol James, Dr. Michael Witter, Dr. Leonard Nurse, Dr. Kassiap Deepchand, Mr. Assad Buglah, Chief Vaasiliifiti Moelagi Jackson, Ms. Jocelyn Dow, Mr. David Smith, Professor Lino Briguglio, Mr. Adeneau Douglas, Mr. Cletus Springer, Mr. Eisenhower Douglas. Mr. Bernard Mark John, Ms. Ruth Pune, Mr. Andrew Stanton, Ms. Rosemary Taufatofua,

II. VULNERABILITY

The context for the discussions was outlined in a series of presentations on the three aspects of the vulnerability of SIDS and the state of knowledge on indices used to measure the economic and ecological/environmental vulnerability. It is now generally accepted that the vulnerability of SIDS refers to their proneness to risk from external shocks. While the meeting focused on vulnerability to shocks arising from international trade, a range of risks were identified to form the basis of a common understanding among the participants. Specifically, there was a brief description of:

1. risks to the environment, arising from:
 - a. climate change, and particularly sea-level rise
 - b. natural disasters (more precisely, natural forces)
2. risks to the social structure, particularly disruption of the livelihoods of the poor and decline of social services provided by the state
3. risks to the economy

In addition, the various methods used to develop indices of the different kinds of vulnerability and the current state of knowledge for each type of index was reviewed¹.

II.1 *Economic Vulnerability: Case study of Caribbean SIDS*

Against this background, case studies were presented and discussed. A version² of the Briguglio index of economic vulnerability for six (6) Caribbean SIDS was computed for the period, 1992 - 2000. The results showed a decline in economic vulnerability for three (3) countries – Jamaica, St.Lucia and Dominica – and an increase in the vulnerability of the other three (3) countries in the sample – Trinidad and Tobago, Barbados and Antigua.

From the perspective of economic growth, these results appeared to be counter-intuitive but were explained as examples of the “Singapore paradox” noted by Briguglio³: “There are a number of Small Island Developing States (SIDS) - Singapore, Cyprus and Malta are prime examples – that are very economically vulnerable, but have managed to generate high income per capita in spite of this. --- Indices of economic backwardness should be clearly distinguished from those purporting to measure vulnerability.” Specifically, the openness and/or dependence on imported energy increased for the economies that grew during the 1990s, which made them more prone to external shocks, while the economies with weak or no growth became less exposed to shocks from the international economy.

It was proposed that the lesson of the Caribbean case study for SIDS was to develop a diversified basket of high value-added goods and services targeted at niche markets as a

¹ See Briguglio, 2003

² The version was an equally weighted average of indicators of openness, concentration of the export basket, dependence on imported energy and external indebtedness. Exports were interpreted to include tourism, the major foreign exchange earner for many Caribbean SIDS. Remoteness was excluded as inapplicable to the case of Caribbean SIDS. See Witter, 2003.

³ See Briguglio, 2002

principal element in the strategy for building economic resilience, and to redouble efforts to invest in renewable sources of energy.

II.2 Environmental Vulnerability

Leonard Nurse pointed out that “Environmental vulnerability speaks to the *risk of damage* to a country’s natural capital, and by extension threatens the likelihood that it can achieve sustainable development.”⁴ The examples used to illustrate the risks to the “suite of environmental vulnerabilities”⁵ were the fragility of beach systems on which Caribbean tourism depends and freshwater scarcity which is a key limiting factor to social and economic development.

In addition, the threat of sea-level rise to beaches and to freshwater aquifers (from salinity caused by sea water intrusion) pose major management challenges for Caribbean and other SIDS.

Building resilience to cope with these risks requires:

1. knowledge of the dynamics of these systems to facilitate the appropriate types and timing of interventions. Here, given the resource constraints of official specialized institutions, local indigenous and traditional knowledge is a key resource that must be tapped in any strategy of building resilience
2. restricting human activity within the *carrying capacity* and *sustainable yields* ;
3. reduction of pollution loading;
4. maintenance of *endemism* in the system, *diversity, uniqueness* and *abundance* of *species*
5. development of technical capacity to manage the natural systems by way of enhanced pool of technical skills and the strengthening of the relevant institutions
6. productive use of international assistance and partnerships

II.3 Social Vulnerability

To formulate strategies for building resilience to social vulnerability, the discussions of the meeting were guided by the UNDP’s definition, “...the degree to which societies or socio-economic groups are affected by stresses and hazards, whether brought about by external forces or intrinsic factors – internal and external – that negatively impacts the social cohesion of a country” (UNDP 2000)⁶. Springer noted that:

“ [The] Definition [is] useful because it:

- Establishes the link between the economy and the society;
- Stresses that hazards can be external/ internal; avoidable/unavoidable;
- Calls for a determination of the factors which promote cohesion and/or disunity;

⁴ L. Nurse, 2003

⁵ The suite consists of natural hazards (e.g. hurricanes, earthquakes, tsunamis, volcanic eruptions), internal, low-intensity, extensive anthropogenic hazards (e.g deforestation), externally-driven, high intensity, anthropogenic hazards (e.g. transport of toxic waste), Global climate change, and acquired vulnerabilities.

⁶ Cited by C. Springer, 2003

- suggests that even those actions that seek to build resilience, can also have an opposite effect.”⁷

Some examples of the list of indicators of social vulnerability in Caribbean SIDS introduced into the discussion were:

- High rates of unemployment/under-employment;
- High dependency ratios;
- High poverty rates (absolute, endemic and relative 5%-60%);
- Marginalisation of women, children and the elderly;
- Dilution of local culture and values and their replacement with foreign cultures and values
- Increased levels of crime/drug addiction
- Insecure food situation/high food import bill with negative dietary/health implications
- Poor access to land/ links to food insecurity
- Aging populations with implications for viability of social security/ health service delivery systems and transmission of values

The principal recommendation on building resilience was integrated planning at both the regional and national levels with the integral participation of civil society. It followed that capacity building of both the public sector and civil society organizations are imperatives, and that a re-orientation and strengthening of both formal and informal education was a key pre-requisite.

A recurring theme in the discussions on vulnerability was the need for relevant data on a timely basis and a broadening of research and policy perspectives beyond the traditional disciplinary and sectoral boundaries. Apart from the lack of data collection by the official statistical agencies, there is the need to overcome a culture of secrecy in both the public and private sectors. For example, proprietary approaches to data among public institutions accounts in large part for the fragmentation of data sets, and the unnecessarily high cost of collection and collation. Similarly, reports of poor water quality at beaches are often suppressed for fear of harming the tourist industry.

A broader, more holistic perspective by researchers and policy-makers is especially important to maintain a focus on the interaction between economic development, poverty reduction and sustainable management of the natural environment.

A clear consensus emerged in the meeting for a more informed civil society acting responsibly in the use of the natural environment within an enlightened framework of public policies in pursuit of sustainable development.

III. TRADE AND VULNERABILITY

While the discussion of the three main aspects of vulnerability framed the discussion, the focus of the meeting was on trade and vulnerability and the role of civil society in building resilience. It was coincidental, but timely, that the meeting occurred shortly

⁷ ibid

after the collapse of the WTO Ministerial meeting in Cancun, and this became a necessary backdrop for the discussions.

Several participants reported on their experiences in Cancun and their impressions of what happened and the possible, even likely, consequences for SIDS. On the one hand, there was the positive achievement in the coordination of SIDS, particularly the strong and coherent leadership provided by Caricom. The obvious lesson was the need to strengthen this coordination for future international negotiations. In the case of the Caribbean, the region's negotiators are under severe pressure from the almost simultaneous ongoing negotiations with the establishment of the Caribbean Single Market and Economy (CSME), the FTAA, the WTO and the Cotonou Agreement.

In the opening session of the meeting, His Excellency The Honorable Vince Henderson, Minister for Agriculture and Environment had noted "There is a growing concern that the overall impact of globalization and free trade will not be positive for the SIDS. This concern has particularly voiced by the NGOs, but also by some governments. Part of the problem arises from a lack of capacity to engage in the trade negotiations, as well as the capacity to implement the numerous mandatory agreements under the WTO. As well as the limited representation in Geneva of the Alliance of Small Island States (AOSIS). The issue of trade should therefore be given its due consideration in our deliberations, so that we can come to common agreement with our AOSIS colleagues early next year on some trade related initiatives for the International Meeting. That is where this meeting of experts is so very important and why it is so timely coming after the debacle at Cancun."

The vulnerability of SIDS to sudden shifts in international trade regimes is most dramatically expressed in the current adjustments to the loss of preferential access to the EU market for banana exports, and the imminent loss of preferential access to the EU market for sugar. Further, the liberalization of the trade regimes of SIDS has grave consequences for the fiscal viability of those states that have traditionally depended on import duties to finance public, and in particular, social and development expenditure. The collapse of the Cancun WTO Ministerial meeting has boosted the spirit of sections of civil society in many countries who sense that there is an opening to pressure the WTO and the wider international community to shape the new agenda for the international economy in ways that are at least less detrimental to SIDS.

The meeting recognized that SIDS have been marginalized in the WTO negotiations partly because of their lack of recognition as a group by the WTO and partly because of their lack of capacity in terms of their:

- Limited technical human resources and financial resources that make it very difficult to utilize the dispute settlement mechanism of the WTO. Accordingly, there is an urgent need to strengthen capacity building in small economies in order to enable them to participate effectively in the WTO.
- Absence of critical mass in WTO membership, partly a result of cumbersome and costly accession process, and
- Limitation in permanent representation in Geneva where negotiations are ongoing.

Based on the discussions and information exchanges the meeting formulated a SIDS approach to Based on discussions the Meeting proposed that instead of always responding to the agenda of the WTO and the major countries in the international community, SIDS needed to formulate and actively lobby their own agenda. SIDS need to recognize that an agenda driven totally by OECD will be unlikely to take into consideration issues of critical importance to them. And further that many WTO agreements and proposed agreements are not consistent with the need for sustainable development by SIDS. Under the UNCED meeting of 1992 developed countries committed at Rio to provide international assistance of the order of 0.7% of their GDP. However very few have honoured this commitment, and much of that commitment is being diverted to issues that are global public goods and not development assistance. Consequently there is very limited international financial assistance to help SIDS invest in the transition to sustainable development.

With limited hope of additional donor assistance SIDS cannot afford to sign agreements that will make the transition even more difficult, for unlike the sustainable development agenda adopted in Rio in 1992 that is not legally binding. The agreements with the WTO and the international financial institutions, are legally binding. In order to make sure that Trade Policies remove barrier rather than construct them, SIDS trade policies should focus on the promotion of a vision of sustainable development facilitated through trade that -

- Maximizes opportunities for traditional and informal sectors to participate in the international economy
- Develops South-South and SIDS-SIDS trading partnerships
- Creates diversified trade baskets of high quality goods and services for niche markets
- Educates consumers on their roles within the new international trading environment in order to encourage consumption of more local and regional products
- Builds resilience to cultural domination by strengthening the cultural integrity of the countries. For example, programmes should be designed and implemented to promote the appreciation of cultural patrimony in school curricula, and broadcast policies should be developed that will be more selective of the entry of foreign programs within the context of the GATS
- Harnesses the skills and resources of the Diaspora in the context of trade in services

IV. SUSTAINABLE TOURISM

While trade has traditionally referred to the movement of goods across international borders, increasingly international transactions entail the provision of services across borders, or the movement of people across borders to receive services, as is the case with tourism. Indeed, the trade dependent SIDS economies are uniformly turning to services where they have some competitive advantages in the international economy, with tourism being the chief of these productive activities.

Two presentations on sustainable tourism in Caribbean and Pacific SIDS set the basis for a wide-ranging discussion on the kinds of interventions that are required to address the vulnerabilities that have accompanied the development of this industry. Both presentations outlined the importance of the industry to the economies of the SIDS, and the environmental, economic, cultural and social risks associated with the high and growing level of dependence on the employment generated and the foreign exchange earned from the industry. By way of a broad summary, the major challenges to be addressed by the sector in order to be sustainable in the longer terms are:

1. Environmental
 - a. Damage to coastal and marine ecosystems
 - b. High demand for fresh water
 - c. High energy intensity
 - d. Poor waste disposal practices
2. Economic
 - a. Excessive economic dependence, exposing the economy to sharp and sudden down-turns in the international market
 - b. Inequity in ownership distribution between nationals and foreign investors, particularly with regard to land ownership issues
3. Cultural
 - a. Growing negative impact on traditional value systems, including public morals
 - b. Undermine local institutions, such as the family
 - c. Build and reinforce preferences for foreign consumption goods and lifestyles
4. Social
 - a. Potential for crime, prostitution and the spread of communicable diseases
 - b. Perpetuate and in some cases increase historic social disparities based on ethnicity, race, and class
 - c. Foster and promote social alienation
 - d. Risk of reinforcing negative self-images of colonialism in deference to foreign standards of beauty

Sustainable tourism seeks to mitigate these risks so as not to compromise the benefits of the natural and cultural endowments and services to future tourists as well as to the citizens of the host communities. The characteristic of any sustainable development approach is that it is holistic and inclusive, with civil society participating fully in partnership with the public and private sectors as well as international partners. The presentation on the Caribbean acknowledged achievements in the preparation of strategic plans for the development of the industry at the regional level, such as the Caribbean Tourism Organization's (CTO) strategic Plan for 2002-2012, and at the national level, such as the Tourism Master Plan prepared for Jamaica. There was a particularly firm recommendation to "increase and sustain local participation in planning [the] development and ownership of tourism"⁸ at the national level.

⁸ C. Springer, "Overcoming ---", 2003

In the Pacific presentation, it was noted “Tourism development in some Pacific island has been largely piecemeal and incremental, with few major initiatives comprehensively undertaken to encourage and assist investment in sustainable tourism development.”⁹ Accordingly, it was recommended that in conjunction with the “chiefly system and untitled community members”, strategies for sustainable tourism be developed that take account of:

- special cultural concerns,
- the provision of formal and non-formal training especially for women,
- issues of land tenure
- the development of local production for the tourism market
- maintaining local involvement in all phases of development. In the case of Samoa, traditional governance structures are strong and local control has been maintained.

In the discussion that followed, various approaches to developing a sustainable tourism industry were highlighted. Samoa in the Pacific, which emphasizes its culture, and Cuba in the Caribbean, which emphasizes its revolutionary history, were flagged as examples. Guyana, Suriname and Belize are developing approaches based in eco, nature and adventure tourism. What these countries have in common is an approach based on an explicit commitment to conserving and promoting their own culture and way of life as the central strategy for developing tourism, and in this way protecting the natural resource base, upon which their survival depends. Such a strategy is different from that the generic model of international tourism characterized by the typical high consumption, highly commodified, low cost packages of “all inclusive tourism.” That is practiced in larger countries, where the integral linkages between sensitive ecosystems and survival, is much different that in the case of SIDS.

In this generic model success is measured in terms of quantity rather than quality, and not much concern for sustainability only for economic life, for example, in terms of cruise ship calls and arrivals, headcounts, instead of net revenue, is the basis for assessment, which subsequently results in national government creating perverse incentives. Experiences in Samoa have shown that sustainable growth in tourism numbers can be achieved by tapping into the hospitality of local communities.

Another major issue discussed was on the costs and benefits of cruise shipping tourism to the Caribbean¹⁰ and on the high costs of obtaining and maintaining international certifications for hotels, such as the Green Globe. With respect to cruise shipping in the Caribbean, the meeting recommended a regional approach to optimising returns from servicing cruise ships and their passengers. To address the high costs of international certification, it was proposed that SIDS explore the possibility of developing their own certification protocol, which would in addition to reflecting regional standards for the environment, would also indicate labour standards and local culture.

⁹ R. Taufatofua, 2003

¹⁰ Cruise shipping does not present the same kinds of problems for the SIDS in the Pacific because there are less options for travel from North America to the Pacific than to the Caribbean.

Several ideas were discussed that resulted in the formulation of the following recommendations

1. Sustainable development as outlined in Agenda 21 requires that communities be involved in all phases of planning, management and development of the industry. Decisions on the use of local resources should be informed by local knowledge of the carrying capacity and the pattern of use by the local communities. Appropriate mechanisms of consultation should be used to establish shared access to natural resources, such as beaches, between tourists and local users, such as fishermen
2. The national tourism development policy framework should encourage investment in environmentally sustainable activities and facilitate the small entrepreneur to help meet key goals of the MDGs. In addition, socio-economic sustainability requires the involvement of the small entrepreneur as key players in the local community. Through the small entrepreneur, linkages with other local economic activities can be established and the circulation of the initial expenditure by the tourist will be enhanced
3. The imposition and effective collection of appropriate user fees and tariffs should be applied to relevant resources to encourage environmentally friendly use and proper management.
4. Capacity development --training needs at the community level -- business skills, nature of the tourism market, the development of the tourism product – must be addressed by both formal and non-formal means
5. National government need to invest in appropriate information management, sustainable development requires data and information – indices of development, estimates of carrying capacity, and so on - at both the local and national levels system in order to effectively monitor and support.
6. Governments should adopt integrated development planning at the national level in order to avoid negative unintended consequences of other projects on tourism assets and vice versa. To do this, it will be necessary for Governments to:
 - a. take an inventory of assets (quantity, health status etc.) on which the success of tourism depends;
 - b. develop carrying capacity studies on existing and potential tourism sites;
 - c. pursue strategic environmental impact assessment of tourism plans and projects
7. In particular, governments should adopt Integrated coastal area management to protect and conserve fragile marine and land-based ecosystems

Implications for International Trade Policy

The importance of tourism for SIDS will require a well-grounded and coordinated position in international trade negotiations, which are increasingly touching on trade in services and on investment issues. It was pointed out that many of the examples of sustainable tourism involve policies and rules that favor local ownership, that promote local rather than global standards, that promote the use of local materials, products and suppliers, and that tap into subsidies, tax incentives and other domestic support to achieve these goals. All of these policies have the potential to clash with existing or evolving

rules in the General Agreement on Trade in Services (GATS) and other trade and investment liberalization rules.

Nearly all of the SIDS that have joined the WTO thus far have made commitments under the General Agreement on Trade in Services, perhaps without fully comprehending the extent of the damning implications, and the tourism sector is likely to fall within these schedules of commitments. Tourism in the GATS is raising three main issues for negotiators: 1) Definitional issues, 2) proposals for the development of an Annex on Tourism 3) links between tourism and new rules designed to deal with anti-competitive behavior. SIDS need to assess what the potential benefits and risks are of each of these initiatives might be. Due to the highly linked nature of the tourism industry, opening in this sector could lead to openings in other sensitive sectors, such as the health, food distribution, water and energy sectors¹¹.

SIDS-SIDS Cooperation

The meeting recommended that current SIDS Members of WTO provide technical assistance to countries in the process of or considering accession to the WTO, due to the nature of the current negotiations. These are slated to be concluded in the first decade of the new millennium, which leaves very little time for SIDS to develop the negotiating capabilities.

The recent experience in WTO accession by Cambodia provides many lessons in this regard. Cambodia has had to adopt a maximum agricultural tariff of 60% even though the US sometimes charges as much as 121% and the EU 232%. Cambodia was also required to accept 2007 as the cut-off date for the importation of generic drugs rather than 2016. Thus, SIDS in the process of accession are in urgent need of technical support and strength in numbers to avoid similar experiences and damaging precedents set by others such as Cambodia.

The meeting was of the view that the international trade negotiations would be more beneficial to SIDS, and SIDS would be more effective in protecting their interests if they were to develop a collective negotiating position and put in place collaborative mechanisms that allow for the pooling of resources and a more structured and organized approach. This would include:

- Developing “South-South” and “SIDS-SIDS” trading partnerships
- Developing SIDS-SIDS training and capacity building mechanisms
- Examining the feasibility of developing central marketing arrangements for SIDS products, including the exploration of new markets
- Integrating tourism into the marketing of national products
- Recognizing that the brand of naturalness is a comparative advantage of SIDS
- Seeking special and differential treatment for SIDS, and in this regard it is worthwhile to note that negotiations in trade have been totally divorced from negotiations in climate change. The existing body of knowledge on the pending

¹¹ A recent paper by Dunlop, commissioned by CARICOM and the CRNM makes recommendations that SIDS from all regions may find useful. [more detail]

negative impacts of climate change on SIDS, as documented by the IPCC, should also form part of the SIDS negotiating strategy for special and differentiated treatment

- Undertaking an economic impact assessment of trade in skilled services – including the potential for a new service provider driven export
- Undertaking an assessment of the UNV program on doctors in Trinidad and Tobago, as a mechanism for building local capacity
- Adopting a structured approach to the brain drain problem including through developing relevant national training skills (surplus to current demand) and establishing arrangements that would ensure that the region captures adequate returns on recruitment of trained persons
- Developing a formalized approach/mechanism for trade in professional services
- Developing trade regulatory frameworks including through Fair Trading Commissions/Public Utilities Commissions

V. STRENGTHENING RESILIENCE: THE ROLE OF CIVIL SOCIETY

Presentation of a case study of land management in Trinidad by a community based organization provide example of the historical resilience of the Caribbean people throughout long periods of oppression and exploitation, frequent episodes of violent victimization, and the periodic struggles with natural forces endemic to the region. Central to the Caribbean experience has been the unequal distribution of ownership and/or access to land.

The case study was a microcosm exhibiting the main historical themes for the island as a whole --- “Fondes Amandes is a hillside community [on the outskirts of Port of Spain] that developed around a former cocoa estate. The families of the community are descendants of the former estate labourers.” [CJ, 2003] The Fondes Amandes Community Reforestation Project (FACRP) has multiple objectives:

- A. Ecological: to protect the Fondes Amandes watershed by preventing further deforestation through bush fires and other types of uncontrolled clearing and by alleviating the threats posed by flooding to the community. The approach is community-based reforestation and co-management.
- B. Social: to bring employment to the community through the establishment of a nursery and corresponding cottage industries, and to improve the quality of life by bringing to the community much needed services and facilities, e.g. pipe-borne water supply, shelter to be used by the community for meeting and other community activities.

Project outcomes -- Since its beginning in 1982, the project has succeeded in transforming a fire climax grassland into a viable, fruit-bearing agro-forestry project. Over 1500 trees have been planted and approximately 1000 have survived the annual onslaught of bush fires and insects. A wide variety of trees was planted so that the re-established forest cover could also provide the materials needed to support a range of cottage craft industries in which the community has plans to embark; involved school groups, educating both members of the community children about the importance of

watershed protection and the benefits of organic agricultural practices. Those educational efforts, combined with the annual fire trace-cutting gayaps have resulted in drastic reduction in the incidence of bush fires, and have made the area fire-free since 1997.; Several of the FACRP modules (community ecotourism, organic tree nursery, craft and cottage industries) have been designed to establish self-sustaining activities that can also help to support some of the Project's non-revenue earning activities (reforestation and forest fire prevention, music and culture and community outreach).

Many lessons were drawn in the presentation and in the discussion that followed:

- The critical role that civil society had played through an integrated approach that tackled environmental, economic and social problems in a holistic fashion in partnership with NGOs, residents of adjacent communities and eventually public sector bodies.
- The areas of capacity development that are needed by the community based organization were also highlighted by way of the remarkable creativity and initiative shown by the community members and especially its leaders.
- Building resilience from the bottom up with the appropriate partnerships and a holistic approach to the sustainable managing the environment to obtain livelihoods for the community members.

Youth

A major highlight of the meeting was the active participation of a delegation of youth from the Pacific. Their presentation recalled the commitment of Chapter 25 of Agenda 21, "which talks about the critical role of young people in SD and recognises that young people are:

- Major stakeholders in the future,
- Are able to mobilise critical levels of support.
- Have unique and valuable perspectives that need to be taken into account.
- Are creative, enthusiastic and energetic."¹² Similar references were made in the BPOA to the importance of youth in sustainable development.

The presentation began by noting that the share of youth in the population of the Pacific was greater than the 30% estimate for the world population, and that many of these youth had little or no access to education and health services. Indeed, while there was evidence of economic development in some states, such as Fiji, poverty rates were also reported to be increasing. The two cases that were highlighted were Youth Initiatives in Palau and in Papua New Guinea. In Palau, the youth have:

- Contributed to policy making and implementation of sustainable development
- Promotion in fights for HIV/AIDS
- Promotion for wild life conservation

In PNG, a National Student Leadership Forum, a Capacity Building Programme, and a Personal Viability Programme have been established. So far the benefits derived are an "exchange programme and economic empowerment."

¹² R. Pune et al, 2003

At the regional level, UNEP assisted in the formation of a Pacific Youth Environment Network (PYEN) in 1999, and two years later PYEN organized a Pacific Youth Caucus on the Environment “to develop a cohesive advocacy position with climate change and sea level rise”. Some of the important outcomes of the PYCE were:

- Increased regional youth solidarity and representation in the PYEN
- Greater understanding and appreciation for regional challenges
- Increased recognition of the role and importance of youth in SD
- Youth partnerships with governments, NGOs, Trade Unions and the private sector

Since the PYCE, the PYEN has facilitated:

- Youth exchange programs, waste management, climate change and human rights campaigns
- Intervention in the Rio + 10 process, Whale Convention and the regional preparatory process for the review of the Barbados Plan of Action
- South – south and North – south youth partnerships and cooperation

The presentation argued that the PYEN could no longer rely on voluntarism to carry out its work, and that this work was essential to implementing the BPOA and building resilience in the Pacific SIDS. Accordingly, the principal recommendations were:

- To renew and enhance the commitment to youth participation in sustainable development in SIDS, and
- To consider supporting the organisation of an inter-regional SIDS youth summit
- To create a youth officer position to be located in the SIDS Unit of the UN Department of Economic and Social Affairs (UNDESA).

In the ensuing discussion, the advances made by the PYEN in fostering youth participation were underscored by Chief Jackson from Samoa who pointed out that traditionally youth in the Pacific “were to be seen and not heard”. However, in both the Samoan and PNG experience, the University had helped the youth to express their views in a ways that made it difficult for the governing bodies to ignore them. The governing bodies were beginning to understand that the youth are the future and to delegate responsibilities to the youth. The major constraint to the participation of the youth in governance was increasingly the lack of financial resources.

While there was no official youth delegation from the Caribbean, there were extensive informal contacts between the Pacific youth delegation and the Caribbean youth who were in attendance in various capacities in the meeting as well as young Dominicans who were providing support services to the meeting. The meeting strongly endorsed the inclusion of youth in all aspects of the implementation of the BPOA, and supported the request of the youth delegation for institutionalised representation with the requisite financial resources for effective participation.

The IMF and the adjustment process in Dominica

A panel discussion led by the Director-General (DG) in the Ministry of Finance and Planning outlined the current attempts of the government to manage the economy. The immediate trigger for the economic crisis was the rapid decline in banana exports following the loss of preferential access to the EU market. The severe economic impact typifies SIDS because of their very open economies with exports that are highly concentrated among few (in this case, one) commodities and markets.

The DG painted a picture of weak public sector management capabilities, severe cash flow problems for the government, insufficient consensus around the austerity measures of the IMF agreement, and binding constraints on growth possibilities due to the shortage of skills, high costs of energy and high infrastructure costs.

In the discussion, it was acknowledged that Dominica had reduced its dependence on imported petroleum energy with the successful development of hydroelectric projects. Further, Dominica has great potential for energy from geothermal sources to supply both the domestic and export markets. This is one area in which Dominica has increased its resilience with the potential for much more progress.

There was also consensus on the need for capacity building in the public sector in the context of improving the level of skills in the population and the retention of skilled persons. These pointed directly to:

- the importance of education, especially with a focus on building resilience
- the collaboration with other SIDS (especially in the Caribbean) to identify and source projects for institutional strengthening and capacity building in the public and private sectors as well as civil society.

For sustainable development, Dominica must adopt growth strategies that enhance its competitiveness in the global economy while reducing its vulnerabilities and building its resilience. First, the challenges of developing the infrastructure to provide the tourism services appropriate to a “Nature Isle” were discussed, and it was agreed that much more study was needed. Second, Dominica’s locational advantages with respect to the markets of the French overseas territories, Guadeloupe and Martinique, were noted, especially for the export of water and energy. Third, Dominica has a well-established food trade with its regional neighbours that can be developed especially to service the expanding tourism demand.

VI. STRENGTHENING RESILIENCE: STRATEGIC DIRECTIONS

Two of the strategies that came up repeatedly in the discussions were the reduction of energy dependence and the targeting of niche markets for high value-added products. Both of these were explored in the context of presentations of case studies of cogeneration in the Mauritius sugar industry and the experience of Barbados' famous Cockspur rum with niche marketing.

Co-generation in Mauritius

Mauritius is a small island (1,865 sq.km) in the Indian Ocean lying to the south east of Africa, with a population of 1.1 million people. Sugar cane occupies 90% of cultivated land, and the sugar produced from the cane accounts for 40% of export earnings, slightly less than textiles (44%). Approximately 80% of the sugar exports are sold in the EU as a part of the ACP quota.

Following a decline in sugar prices in the late 1970s and damage to the industry from cyclones, a sugar sector plan was formulated which had among its objectives the improvement of the industry's efficiency, and the development of high value-added products. Because the island has no naturally occurring hydrocarbon sources of energy, and about 8% of imports is petroleum, one of the main new products targeted was electricity from bagasse

The plan called for active collaboration between government and the private sector. The government provided appropriate incentives in the context of a Sugar Industry Efficiency Act (1988) that facilitated a large programme of private investment. Today "Mauritius has acquired an indigenous experience on bagasse energy - 10 power plants of which 3 export firm power (coal and bagasse) and 7 export continuous power (bagasse only)".¹³ In 1989, the sugar industry was supplying 21% of national electricity. In 2002, this had risen to 43.5%.

Dr. Kassip Deepchand, Technical Manager of the Mauritius Sugar Authority concluded his presentation on the case study as follows:

"Mauritius [has] successfully implemented bagasse energy cogeneration on a commercial basis. [This is] attributable to be the various entrepreneurs operating in an environment with clearly defined Government policy. But this success could have been jeopardised were it not the participation and involvement of all the stakeholders in the sugar industry especially the most vulnerable partners like the employees and the small cane growers. Government, through legislation and establishment of the [Sugar] Investment Trust coupled with the collaboration of the entrepreneurs has created the necessary environment which has led to the success of bagasse energy cogeneration."

The Mauritian experience is relevant and applicable to other SIDS with a similar export specialization in sugar and energy dependence. It demonstrates the feasibility of cooperation among stakeholders to obtain more benefits from national resources while reducing the risks of exposure to imported energy supplies. It epitomizes the approach of

¹³ K. Deepchand, 2003

building resilience at the level of production and engagement in the international economy.

Niche marketing

David Smith, the marketing manager of Cockspur rum, a Barbadian product with a strong brand name, shared the experiences of partnering with a large international distribution company to market Cockspur. Within a few years, the large distributor lost interest in the small brands like Cockspur in favour of larger brands, and the partnership collapsed.

The principal lessons presented were:

- Know the market for the product well
- Know the interests of the business partner well and ensure that there is mutual trust.
- Ensure that the brand has a unique product benefit and therefore a core reason for existing. For example, Cockspur has a strong support in the Barbados overseas community.

In the discussion that followed, several persons raised the issue of the necessary dynamism entailed in niche marketing so as to stay ahead of imitative competitors and to keep consumer interest in the product.

VII. SUMMARY

The meeting concluded with a strong sense of urgency that SIDS prepare properly to maximize the benefits from the upcoming Mauritius meeting. Following one of the major themes of the meeting, civil society was to be encouraged and supported to participate integrally in the Mauritius review of the implementation of the BPOA and in the ongoing processes of building resilience.

Critical elements of an approach to trade negotiations that would provide benefits consistent with SIDS desire for sustainable development were identified as::

- SIDS-SIDS cooperation in a range of educational, training, research and other capacity development endeavours and projects, and in international negotiations
- Government-private sector-civil society cooperation in integrated economic, social and environmental planning for sustainable development and the role of trade.
- Re-positioning SIDS in the global economy to enhance resilience by diversifying export industries and markets, reducing critical import dependencies, such as energy
- Intensifying efforts to secure international funding and partnerships for strengthening resilience in SIDS as part of the trade and other integration negotiations addressing sustainable development of SIDS.

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