



Charting Caribbean Sustainable Development

Conference Brief

REGIONAL POLICY MEETING

OCTOBER 8-10, 2024



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About the Caribbean Policy Development Centre (CPDC)

The Caribbean Policy Development Centre (CPDC) is a non-profit organisation headquartered in Barbados. The CPDC has been at the forefront of regional development advocacy since its establishment in 1991. As a regional umbrella non-governmental organisation (NGO), CPDC represents a diverse coalition of organisations across CARICOM, including small farmers, migrant communities, women's groups, youth organisations, Indigenous peoples' associations, rural populations, and faith-based organisations. The CPDC's service delivery includes partnerships with organisations representing persons with disabilities, artisans, micro-entrepreneurs, human rights advocates, and the LGBTQ+ community.

CPDC's mission is to amplify the voices of ordinary Caribbean citizens, particularly those from marginalized communities. Through grassroots engagement and advocacy at regional and international levels, CPDC works to ensure that the perspectives of these communities are heard in policy-making arenas. The organisation has made significant impacts by providing small-scale financing to NGOs and community-based organisations (CBOs), supporting initiatives that enhance representation and promote rights-based approaches to development.

CPDC focuses on empowering civil society, improving policy understanding, and advocating for beneficial policies. Its activities include research, training, advocacy, the development of educational resources as well as institutional strengthening. CPDC is recognized as a key representative of Caribbean NGOs and collaborates with CARICOM/CARIFORUM, the Commonwealth Foundation, and United Nations and other agencies and donors to bridge grassroots concerns with global policy discussions.

The Importance of the Regional Policy Meeting

This Regional Policy Meeting convenes as Caribbean nations confront issues threatening to deter sustainable development and the well-being of its citizens. The region is currently at a critical juncture, grappling with complex and interconnected challenges that demand urgent action and attention.

Caribbean Small Island Developing States (SIDS) bear the legacy of underdevelopment, with small economies and historical dependence on single crops, which proliferated through exploitative colonial extractive practices. Today, **persistent poverty** affects an average of 30% of the regional population¹, with inequality on the rise. **Food insecurity** is a major concern, as dependence on imported food leaves Caribbean countries vulnerable to global price fluctuations and supply disruptions. For Barbados, St. Vincent and the Grenadines, and Guyana, over 50% of food export earnings are concentrated in one product.²

Climate change poses an existential threat to Caribbean nations. Increasingly frequent and severe disasters, such as hurricanes and storm surges, can devastate entire economies, in particular, those heavily reliant on fisheries and coastal tourism operations. Rising sea levels endanger both coastal communities and infrastructure. They also threaten biodiversity loss and ecosystem degradation which create further negative impacts to key economic sectors of fisheries and tourism. The International Monetary Fund states that the Caribbean loses 3% of its GDP annually due to the impact of natural hazards³ with the agriculture and tourism sectors being the most impacted as both rely on the natural environment and its resources.

1 Rambarran, J., & Mutota, F. (2024). How The G20 Can Help Caribbean SIDS Escape from their Debt-Climate Change Trap. T20 Policy Brief. Task Force 03: Reforming the International Financial Architecture, G20 Brasil 2024.

2 Henry, F., & Ballayram, T. (2023). A sustainable food systems and policy framework for small and medium scale food producers in selected CARICOM countries. CPDC.

3 MF. 2023. Caribbean Climate Crisis Demands Urgent Action by Governments and Investors.

External factors further complicate the region’s development. Global economic uncertainties can significantly impact these small, open economies. International financial regulations, though aimed at global stability, can have unintended negative consequences for Caribbean economies, particularly in offshore financial services and cross-border transactions.

This financial burden severely limits the capacity of governments to invest in crucial climate adaptation measures and social programmes and to maintain hard-won progress and milestones. **The COVID-19 pandemic** further exposed and intensified these vulnerabilities, underscoring the urgent need for transformative approaches to development in the Caribbean. As the region navigates these multifaceted challenges, it must also contend with shifting global dynamics and the limitations of existing international financial structures. **Unsustainable sovereign debt** restricts governments’ ability to invest in key sectors, while many economies remain vulnerable to external shocks. Balancing national sovereignty with regional cooperation demands careful consideration in addressing these complex issues.



The meeting will also build upon a number of projects being implemented by the CPDC in the region with support from both the Open Society Foundation (OSF) and the 11th European development Fund. These projects focus on:



Increasing awareness toward the impact of unsustainable sovereign debt in the Caribbean region,



Supporting regional sustainable development by advocating for the reform of International Financial Institutions (IFIs),



Supporting future analysis of non-traditional financial mechanisms aimed at building sustainable and resilient livelihoods,



Leveraging existing financial and economic models as tools in enabling social and economic development efforts, and



Strengthening the capacity of CSOs to advocate for/against policies/laws/regulations in the region.

Funded by OSF, CPDC is implementing a project called “Building a Regional and Global Advocacy Campaign for Sovereign Debt and Climate Justice in Caribbean SIDS”. The project aims to raise awareness about the origin and impacts of the sovereign debt crisis in the Caribbean and promote financial reform/solutions to address climate crisis and high indebtedness. CPDC seeks inclusive and rights-based sovereign debt reforms, which free up resources for building more resilient and sustainable Caribbean economies. Additionally, CPDC is partnering with the European Union to develop a framework addressing the implementation of

Financial Action Task Force's Recommendation 8, which impacts CSO structures and functions by requiring countries to review and regulate the non-profit sector.

The Regional Policy Meeting will spotlight critical issues and initiatives at local, regional, and international levels. It will provide a forum to address pressing concerns and propose solutions. The meeting aims to facilitate strategic dialogue on promoting sustainable development and navigating financial and operational challenges, while advocating for vulnerable populations. Across the 3-day conference, six sessions were organised to address key issues being faced by Caribbean countries as they navigate changing contexts and priorities in the face of climate change. Figure 1 shows sessions and the associated issue that the session will seek to address.

Figure 1 - Regional Policy Meeting sessions and associated issues



Session 5: Exploring Alternative Financing Models for Caribbean Development

Sovereign Debt and Financial Limitations

Session 6: Creating an Enabling Environment for Caribbean CSO Operations

Limited Support for - CSO led Action

The Regional Policy Meeting is expected to:

- Achieve consensus on modes and systems of governance that adapt and respond to emerging and future sustainable development needs in the region,
- Generate momentum for collaborative action on regional socially inclusive and climate just food and nutrition security,
- Create a foundation for future analysis of non-traditional financial mechanisms for sustainable and resilient livelihoods,
- Explore current financial and economic models as effective tools for supporting necessary social and economic development efforts.



Key Issues and Development Challenges Shaping the work of CPDC and other CSOs

The Caribbean region faces a complex web of interconnected challenges that threaten its sustainable development and well-being of its citizens. At the core of these issues lie three critical factors: food security, sovereign debt, and climate change. These primary concerns are further compounded by challenges in governance, economic diversification, human development, and social inclusion.

The intricate relationship between these issues creates a self-reinforcing cycle of vulnerability. Caribbean countries rely heavily on food imports to meet domestic needs, contributing to high import bills and unsustainable national debt levels. This financial burden constrains the fiscal resources available to invest in critical areas such as climate change adaptations, leaving countries more susceptible, given the example, to extreme weather events. When these disasters strike, they cause significant damage to productive sectors (e.g. local food production). This increases reliance on food imports and necessitates additional financial resources for recovery. The result is a cyclical pattern that further erodes the region's resilience, as illustrated in Figure 2.

Figure 2 - Summary of key issues affecting the Caribbean within the climate change context



Food and nutrition security

- ▶ The Caribbean region faces significant challenges in achieving comprehensive food and nutrition security, despite some progress in overall food availability. CPDC studies⁴ reveal a complex picture, highlighting critical issues across most Caribbean countries. A primary concern is the heavy reliance on food imports, with domestic production typically meeting only 20–40% of food demands in most nations, except Guyana. The health implications of current food consumption patterns in the Caribbean are equally alarming. The region faces a growing prevalence of chronic non-communicable diseases, primarily driven by unhealthy diets often based on readily available imported foods.
- ▶ This dependence on imported food also raises serious questions about the sustainability of the region's economic models, with high public debt-to-GDP ratios⁵ (again, with the exception of Guyana), and likewise high ratios of food imports to total merchandise exports. These compounding issues threaten economic growth and, by extension, food security.⁶

Sovereign Debt and Economic Challenges

- ▶ Caribbean SIDS are also currently grappling with high levels of sovereign debt and increasing borrowing costs. The total external debt stock for Caribbean SIDS has now surpassed US\$30 billion, with nearly half owed to private creditors.⁷ The severity of the debt situation is underscored by the

⁴ Henry, F., & Ballayram, T. (2023).

⁵ Over the 2010–2021 period, average debt-to-GDP ratios were as follows: Barbados: 133%; Jamaica: 112%; Grenada: 84%; St. Vincent and the Grenadines: 72%; Guyana: 45%.

⁶ Ibid.

⁷ Rambarran, J. (2022). Caribbean emancipation 2030: A sovereign debt and climate justice initiative for Caribbean SIDS. Caribbean Policy Development Centre.

fact that six Caribbean SIDS rank among the top 10 most heavily indebted SIDS worldwide, with public debt stocks exceeding 80% of their respective GDPs.⁸ This high debt burden severely hinders these economies, limiting their ability to invest in critical areas such as climate resilience, education, and healthcare. Social protection expenditure is also generally low, sitting at less than 5% of GDP in most countries.⁹

- This substantial financial requirement emphasizes the heavy burden these nations face in building climate resilience. There is a growing call for climate justice, including demands for reparations from former colonial powers, linking the climate crisis to historical exploitation. CPDC recommends that governments “develop negotiating strategies and advocate, in regional and international policy spaces, for changes to unsustainable sovereign debt levels that constrain their fiscal space and hinder the ability to provide social services.”¹⁰ SIDS are struggling with huge debt burdens from repeatedly rebuilding after climate-related disasters, despite not being responsible for climate change.



8 V20.

9 Cornwall, G.-A., Allison, S., & Hippolyte, M. (2024). Debt, climate change and vulnerable groups in the Caribbean: Investigating the impacts of sovereign debt and climate-related events on vulnerable groups in the Caribbean. Caribbean Policy Development Centre.

10 Cornwall, G.-A., Allison, S., & Hippolyte, M. (2024).

Climate change

- ▶ Caribbean SIDS are grappling with severe climate change impacts, marked by a rise in the frequency and intensity of extreme weather events. Countries in the Caribbean suffer yearly losses due to storm damages equivalent to 17% of their GDP in years they are hit by storms.¹¹ A stark example is Dominica, where Hurricane Maria in 2017 caused damage exceeding 225% of the country's GDP, highlighting the vulnerability of small island economies.¹² This event is part of a broader trend: from 1998 to 2017, six of the top 10 climate extreme events in the Caribbean occurred between 2015 and 2017, driven by more intense tropical storms and hurricanes.¹³
- ▶ Over the past 70 years, hurricanes in the region have resulted in over 13,000 deaths and affected nearly 10 million people, with damages exceeding US\$30 billion.¹⁴ To illustrate the historical impact of hurricanes, Hurricane Ivan's damage to Grenada in 2004 was worth about 200% of its GDP and a long-term recovery effort of 20 years for the country to reduce its debt to around 70% of GDP.¹⁵ In more recent times (July 2024), Hurricane Beryl struck St. Vincent and the Grenadines and resulted in economic damages estimated at US\$ 230.6 million, equivalent to 22% of the country's 2023 GDP.¹⁶ These events have led to significant economic damage, underscoring the urgent need for stronger adaptation strategies and international support. Caribbean

¹¹ Henry, F., & Ballayram, T. (2023).

¹² Rambarran, J., & Mutota, F. (2024).

¹³ Ibid.

¹⁴ Rambarran, J. (2022).

¹⁵ Bishop, M., Wilkinson, E., Hurley, G., & Lindsay, C. (2024, July 26). The UK's response to Hurricane Beryl could help turn the tide for small islands. Expert comment.

¹⁶ ReliefWeb. 2024. Global Rapid Post-Disaster Damage Estimation (GRADE) Report: Hurricane Beryl 2024 - Saint Vincent and the Grenadines.

SIDS require roughly US\$35 billion in investments between 2015 to 2030 to implement the required adaptation and mitigation measures in the region.¹⁷

This table provides a snapshot of the key issues facing the Caribbean region. The trends are inferred from the context provided in the reviewed documents. Some figures are generalized across the region and may vary by country. The table aims to show the interconnectedness of these issues and their overall negative trajectory, highlighting the urgent need for comprehensive solutions.

Table 1: Challenges Facing Caribbean Small Island Developing States

| ISSUE | KEY FACT/FIGURE | TREND |
|------------------------|---|--------------|
| Poverty | 30% of regional population affected | Increasing |
| Food Security | 20–40% of food demands met by domestic production in most nations | Worsening |
| Climate Change Impact | 3% of GDP lost annually due to natural hazards | Intensifying |
| Sovereign Debt | Total external debt stock for Caribbean SIDS exceeds US\$30 billion | Growing |
| Economic Vulnerability | 17% of GDP lost yearly due to storm damages in affected countries | Worsening |
| Social Protection | Less than 5% of GDP spent on social protection in most countries | Stagnant |

¹⁷ Henry, F., & Ballayram, T. (2023).

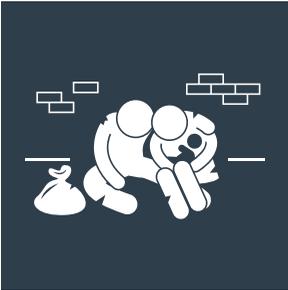
To address these pressing issues, there is a growing call for comprehensive debt relief measures and innovative financing mechanisms to support Caribbean economies that acknowledge the disproportionate impact of climate change on these vulnerable island nations. According to the Vulnerable 20 Group¹⁸ for every \$10 paid in interest by developing countries, an additional dollar will be spent due to climate vulnerability. This burden is expected to at least double over the next decade. There is also growing advocacy for supporting substantial reforms in international financial institutions.

The complex interplay of these challenges, all trending in concerning directions and exacerbating one another, underscores the urgent need for transformative solutions. This situation demands alternative financial models, intensified advocacy for reforming global financial architecture, and innovative approaches to development financing. Moreover, it highlights the necessity of improving access to finance and capital within countries, enabling sectors, households, and individuals to contribute to long-term resilience building. To achieve this, the Caribbean must transcend pilot programs and minor instrument reforms, embracing new financial instruments and partnerships.

Furthermore, the meeting will explore the critical issue of reparations and its potential impact on finance flows in the Caribbean. The legacy of colonialism and slavery continues to shape the economic landscape of the region, and there

¹⁸ The Vulnerable Twenty (V20) Group, established in 2015, is a cooperation initiative of 68 climate-vulnerable nations from Africa, Asia, the Caribbean, Latin America, and the Pacific. Representing 1.74 billion people and \$3.8 trillion in GDP, it includes seven Caribbean SIDS. The V20 aims to facilitate low-carbon, resilient economies in the Global South through collective action on climate finance, best practices, and advocacy.

is growing recognition of the need for historical redress. Reparations could potentially transform the financial outlook for Caribbean nations, providing much-needed resources for development, climate resilience, and debt relief. This discussion will examine how reparations might be structured, the legal and diplomatic pathways to achieve them, and the potential economic and social impacts on Caribbean societies.



The Importance of Civil Society in the Caribbean Context

Civil Society Organizations (CSOs) are indispensable partners in addressing the complex challenges facing the Caribbean region. These non-governmental, non-profit groups operate at local, national, and international levels, often focusing on empowering marginalized or underrepresented communities. In areas where government services are limited, CSOs fill critical gaps in healthcare, education, and social services.

The Caribbean is home to thousands of registered CSOs,¹⁹ whose work span gender equality, poverty eradication, HIV awareness and support, gender-based violence, food security and more.²⁰ They serve as a crucial bridge between governments, international institutions, and local communities, fostering skill development, community empowerment, leadership, and civic engagement, particularly among youth and vulnerable populations.

In the context of the Regional Policy Meeting, the active participation of civil society is crucial for several reasons:

- 1. Diverse Perspectives:** CSOs bring varied viewpoints to policy discussions, ensuring comprehensive consideration of needs across all segments of society.

¹⁹ There is no definitive number on the amount of registered CSOs in the region but based on numbers presented in the following links for just two Caribbean countries, it can be speculated that the number of CSOs are in the thousands. <https://monitor.civicus.org/explore/barbados-overview-of-civic-space-situation/> and <https://uwtt.com/csos>.

²⁰ There is no definitive number on the amount of registered CSOs in the region but based on numbers presented in the following links for just two Caribbean countries, it can be speculated that the number of CSOs are in the thousands. <https://monitor.civicus.org/explore/barbados-overview-of-civic-space-situation/> and <https://uwtt.com/csos>.

2. **Advocacy:** They amplify the voices of marginalized groups and provide evidence-based insights for informed policy-making that address the daily realities of its intended beneficiaries.
3. **Knowledge Exchange:** CSOs facilitate the flow of information between communities, experts, and policymakers, bringing Caribbean perspectives to global forums and vice versa.
4. **Community Engagement:** With deep local connections, CSOs mobilize community participation in development initiatives, fostering ownership and sustainability.
5. **Innovation:** As incubators for new approaches, CSOs develop creative solutions to development challenges.
6. **Accountability:** Civil society presence ensures follow-through on commitments and monitors progress in policy implementation.

The 2023 CPDC Policy Framework for Sustainable Food Systems exemplifies the critical role of CSOs. It highlights their importance in creating access to profitable markets for small and medium-scale food producers, building alliances for fair pricing and community development, and advocating for farmers' rights in policy-making processes.

Yet for all the significant efforts of CSOs in the region, the Caribbean still seems to lack sufficient impetus to bring these critical issues and agendas together into a home-grown and locally relevant development as well as governance agenda that builds on and transcends the SDGs. By leveraging the strengths of civil society, the meeting aims to create more effective, inclusive, and sustainable strategies for addressing the Caribbean's pressing development challenges, ultimately working towards breaking the cycle of vulnerability and fostering long-term

regional resilience.

The outcomes of the meeting are expected to augur in commitments to more standardized processes that deliver a bottom-up approach to the development of policies. The meeting also capitalizes on CSO knowledge and good practice in meeting this challenge.



The Way Forward

Addressing the Caribbean's complex challenges, in the current geopolitical and politico-economic environment, requires a collaborative all-of-society approach involving governments, civil society, the private sector, and international partners that advocates for and empowers the voices and input of the regions' most vulnerable groups.

A regional strategy would include improving coordination in policymaking and implementation across various ministries and levels of government and includes input at the local level from NGOs working most closely with local communities.

Strategic financial measures are also required to support climate resilient sustainable development. Regional integration and governance efforts should focus on enhancing CARICOM and the Caribbean Single Market and Economy (CSME) and also focus on building fiscal resilience and improving public financial management across the sector while responding to pressing issues such as climate justice and debt relief. A key example of critical work in this area is climate and disaster risk finance & insurance (CRDFI) which seeks to increase resilience and provide protection against climate and disaster risks. CPDC has been working on CRDFI through the development of a risk resilience library to cover knowledge and tool while serving as a central hub for actors and governments in the region to utilise.

It will be important to address and strategically consider how the region operates within the larger global context, balancing national sovereignty with regional cooperation needs. This includes prioritizing resource mobilization necessary for development initiatives. It will also involve regional efforts, working with the international community on building resilience, and implementing strategies at

the local scale while focusing on cross-sectoral approaches to climate adaptation and disaster risk reduction.

These critical challenges for the region will require swift and inclusive, cross-collaborative effort as well as non-mainstream and innovative approaches (noting the need to diversify in this changing environment) to move forward toward preparing the region for the coming challenges ahead. These efforts will be imperative in order to collectively support a more adaptive, resilient, and economically strong Caribbean society in the year ahead.

To advance on the above, the following outcomes are expected from this seminal meeting that can and should lay the foundation for further work by CPDC and its partners and collaborations at national, regional and global levels.

- Consensus on modes and systems of governance that adapt and respond to emerging and future sustainable development needs in the region.
- Momentum for collaborative action on regional socially inclusive and climate just food and nutrition security.
- Creating a foundation for future analysis of non-traditional financial mechanisms for sustainable and resilient livelihoods.
- Exploring current financial and economic models as effective tools for supporting necessary social and economic development efforts.



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