**The Sustainable Development Goals and**

**Caribbean Development**

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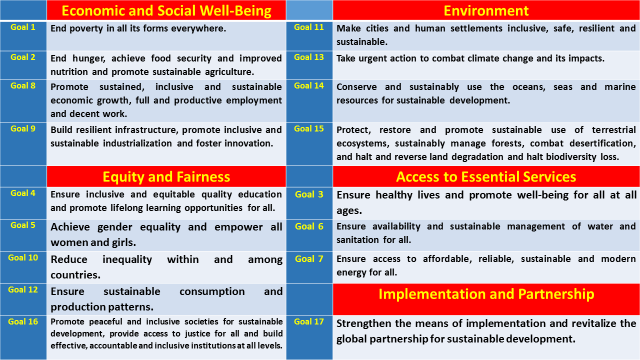
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The aim of this opinion-piece is to engage policy makers in CARICOM countries to embrace the Sustainable Development Goals (SDGs), as national priorities and to begin a process of national mobilization and sensitization on the benefits to, and roles and responsibilities of all stakeholders. The SDGs provide a good opportunity for these countries to transform their economies towards sustainable development. Despite this promise, and the fact that they have been in the making for the past four years, the SDGs have not been elevated at the levels of national dialogues and community awareness that their importance deserves.

The Sustainable Development Goals (SDGs), which came into effect in January 2016, now define the development agenda for developing countries over the next fifteen years. They were developed by the international community in close consultation with national stakeholders. The 17 goals of the SDGs are ambitious and comprehensive, and cover social, economic development, and environmental outcomes (Figure 1).

**Figure 1: The Sustainable Development Goals, 2016-30.**



Source: [www.un.org/sustainabledevelopment/sustainable-development-goals](http://www.un.org/sustainabledevelopment/sustainable-development-goals) (Accessed December, 2015)

*Inter alia*, these outcomes include: ending poverty and hunger; achieving food security and sustained agricultural development; promoting inclusive (pro-poor) economic growth, sustainable development, and full employment; building resilience against natural and external shocks; ensuring greater equity and fairness in education, income distribution, and among women and girls; making cities and communities inclusive, safe, reliant and sustainable; combating the effects of climate change; protecting and conserving natural resources and ecosystems; ensuring access to essential services such as health, water, sanitation and energy; and revitalizing and strengthening global partnerships for sustainable development. These are outcomes that Caribbean countries have been seeking since independence. Moreover, the SDGs promise a truly transformative development agenda that is both universal and adaptable to country-specific conditions. So programs to achieve the SDGs can be designed to address the root or structural causes that have constrained development in the region. These SDGs therefore provide a good opportunity for Caribbean countries to improve on their development trajectories. Moreover, established national development plans, agricultural and food systems and other development-oriented plans, will provide the framework and platform to attract SDGs-resources to implement specific actions for sustainable development.

CARICOM countries have made much social and economic progress since independence. But they still face severe developmental challenges, including low economic growth; high unemployment, especially among youths; a national debt that is a drag on the economy; a high food import bill; high income inequality; significant threats to food security and traditional export-agriculture; and high rates of poverty (FAO, 2015). These are compelling reasons to embrace the SDGs. But most important, despite the economic progress, sustainable development (i.e., good governance, inclusive economic growth, building a resilient environment, and promoting social inclusion), and economic transformation have eluded these countries in the post-independence era. The SDGs therefore present a timely opportunity for these countries to successfully advance along this sustainable and transformative developmental path, and to effectively address their current developmental challenges.

But the region’s leaders, policy makers and the private sector will have to act now, and aggressively. Moreover, they will need a particular mindset if they want to reap the full benefits of these SDGs. This mindset has to vision developmental outcomes that build upon, but transcend what these countries have achieved since independence. It must countenance where countries such as the “Asian Tigers” are today compared to where they were in the 1960s when most developing countries, including those in CARICOM, were at similar levels of development, and be guided by the actions and omissions from that development experience. There should be no compelling reasons for poverty, high income inequality, food insecurity, high unemployment, and non-inclusive economic growth, to be the enduring characteristics of these countries. Leaders and policy makers must envision a society that is prosperous, politically stable, and provides the citizenry with a sense of inclusiveness and ownership to the process and fruits of development.

The SDGs were framed within the context of commitments by the international community to provide much needed resources for countries to achieve these goals. But 50-80 % of financing the SDGs will have to come from domestic resource mobilization (DRM), which can be achieved through several ways (World Bank, 2013; World Bank/IMF, 2015; Development Initiatives, 2015):

* Increase tax compliance (*not tax increases*), and strengthen tax administration
  + Ensure small and medium size businesses, property owners, and professionals pay their taxes
  + Reduce illicit financial flows (IFFs), currently taking place through invoice-manipulation, under-payment of royalties, and other vulture-accounting practices
* More efficient ways of public expenditures
  + Transparent public procurement processes
  + Greater accountability of public-sector contracts
* Crowd-in private investments—every dollar invested by the public sector should have a private-sector crowd-in multiplier of 4 to 10 additional dollars in public investments through:
  + Blended financing approach—mixing public and private sector returns on investments
  + Aggressively engage in public-private-partnerships (PPP) to finance development projects
  + Segment risks—allocate components of projects to companies according to their ability and willingness for risk-taking
* Tap into the capital markets where large pools of funds can be raised and mobilized for long-term investments:
  + Pension funds, Trust funds, etc.
  + Engage/establish bond markets such as:
    - Infrastructure bonds
    - Green bonds—for building resilience , reducing carbon-foot-prints and sustainable development
    - Thematic bonds for health, education, youth development, employment generation, etc.
    - Catastrophic bonds—to address natural disasters, etc.
    - Diaspora bonds
* Cross-border financing
  + Establish alliances with other CARICOM countries to integrate capital markets as is the case of the Pacific Alliance (Columbia with Mexico, Peru, and Chile)

Among other things, two pre-conditions are absolutely necessary to support investments for the SDGs. First, an economic, regulatory and predictable investment environment must be engendered for the private sector to become engaged with the SDGs. Second, the creation of a dedicated Unit/Agency with a cadre of persons with the technical competences in public and private sector investment finance and management, and the ability to capture the financial and technical dispensations that would be available from the international community to support the SDGs at the national level.

In summary, the SDGs present a good opportunity for CARICOM countries to reactivate their economy along a development trajectory that will appreciably enhance the general living standards of the population. But financing of the SDGs will require large and sustained amounts of investment funds *(the literature refers to this as “from billions to trillions of dollars”!*). The government cannot, and should not do this alone. Much of this financing will have to be sourced from domestic resource mobilization and public-private-partnerships, in addition to traditional Overseas Development Assistance (ODAs), and Foreign Direct Investments (FDIs). Finally, the process of development must involve a paradigm change, by both the public and private sectors, on the type of transformation that is required to transition CARICOM countries to sustainable development.

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