10.0 Introduction

St Lucia has a land area of 616 square kilometres and is of volcanic origin. It has a rugged and mountainous topography, especially at its centre. There are flat areas near the northern and southern tips of the island and broad flat valleys run between offshoots of the main central valleys to the sea. The island contains fertile valleys which have been a stronghold of the banana industry. The country is prone to natural disasters, in particular, hurricanes, with important implications for its GDP. Indeed, it is regarded as being among the “most vulnerable” countries.

The economy is very open with the value of trade as a percentage of GDP calculated at 113.3 per cent. The economy is becoming increasingly diversified, due to the expansion of the tourism sector, which has also transformed the country from being, primarily an exporter of agricultural commodities, to a more service-based economy. The island’s population is just over 150,000, with a growth rate that has been decreasing since 1996.

10.1 Social Policy Issues

10.1.1 Institutional Issues

A Draft Social Policy has been recently developed. Local Government reform is being debated with the emphasis on increased popular participation. In this context, a Green Paper on Local Government Reform has been approved by Cabinet as the basis for national consultations.

10.1.2 Poverty Issues

Poverty continues to be an intractable problem and has worsened due to the continuing decline in banana production over the past eight years. Social assistance programmes include the Poverty Reduction Fund, which was established in 1998 and receives contributions from, inter alia, the World Bank, the European Union; the Government of St Lucia; the James Belgrave Fund; and the Basic Needs Trust Fund. The Poverty Reduction Fund continues to focus on the consolidation of an efficient and effective operational structure towards facilitating continuous community participation in the implementation of sub-projects.

Since 1998, the Fund has implemented over 100 sub-projects in poor communities, with expenditure in excess of ECS$6.3 million. Due to the emphasis on local participation, there has been a large increase in the number of projects that have been approved and implemented: from 18, in 1998/1999, to 62, in 2001-2002 and a subsequent increase in expenditure and financial commitments. In addition, there has been a greater diversity of sub-projects, spanning economic infrastructure; social infrastructure; income generation; and capacity-building. Under the Poverty Reduction Fund, NGOs and communities may submit proposals for the improvement of
community facilities and services. While the focus has tended to be on infrastructural projects, this is now shifting to skills-training for the unemployed.

The James Belgrave Fund (JBEF) is an offshoot of the Poverty Reduction Fund and, under its terms, seed money is made available for micro-enterprise development to individuals in deprived communities. To date, loans totalling just over ECS 1 million have been disbursed to 60 females and 56 males within the areas of Manufacturing and Industry; Retail and Distribution; Fishing and Farming/Animal Husbandry and Agriculture. The Small Enterprise Development Unit assists small entrepreneurs to develop business plans and financing strategies.

The Basic Needs Trust Fund (BNTF) has tended to handle the larger social infrastructural projects such as road-construction and water production and distribution. Its Fourth Programme has been completed with the implementation of some 58 sub-projects between 1996-2000, with funding, mainly from the CDB. Under the new funding arrangements, BNTF sub-projects will require and EIA and gender analysis. Also scrutinised, is the extent to which sub-projects take into consideration the plight of persons living with HIV/AIDS while promoting education and prevention in relation to the disease.

The National Skills Development Centre has been mandated to assist with "social transformation" and has launched courses in life skills to help persons, especially those in rural communities, to develop a skill that is capable of generating income. The Centre became operational in February 2001 and provides services related to skills assessment and development; employment; work experience and apprenticeship; as well as labour market information. During the first year of its operation, 213 young persons received training in such areas as bartending, cake-decorating, catering, dress-making and fashion design, electrical installation, secretarial skills and paper making.

Activities in the sphere of poverty-reduction have also resulted in the consolidation of rural development programmes such as the St Lucia Rural Enterprise Project (SLREP), which seeks to offer opportunities for alternative sources of employment through the provision of technical assistance and micro-finance to individuals and groups of producers of non-traditional commodities.

Further poverty-reduction initiatives include the establishment of three Human Resource Development Centres in Belair, Entrepot and Vieux Fort. In addition, a Government-sponsored welfare programme provides for the payment of a stipend of $40-$80, subject to the satisfaction of eligibility criteria, in cases where two or more persons share the same dwelling. Free health care is available at clinics and hospitals. While the elderly may not necessarily qualify for financial assistance, health care is available free of cost. It is recognised that greater effort is needed to provide appropriate care for the elderly, since many of the institutions offering such care are under-resourced.

In an attempt to address issues relating to squatters who fall within the low income groups, a Programme for the Rationalisation of Unplanned Development (PROUD) has been introduced whereby Government-owned lands are transferred to long-term squatters after rationalisation and improvements of these lands by the PROUD Unit. The squatters are then
presented with deeds of title to the property after agreement is reached on the selling price and repayment terms, both of which are set at concessionary levels.

Over the medium term, the focus on poverty reduction will be driven by, inter alia, the following: the finalization of a comprehensive poverty-eradication strategy; the consolidation of community-driven development initiatives; the social transformation of communities through the placing of greater emphasis on the implementation of capacity-building initiatives at the community and national levels to complement physical interventions; the formulation and implementation of a comprehensive social safety-net programme for vulnerable/marginal groups; the conduct of relevant research to inform policy-formulation, with a focus on the development of indicators; and the strengthening of such existing institutions as the PRF and other relevant governmental and non-governmental agencies, through the provision of the required resources.

10.1.3 Crime and Youth

A National Youth Policy prepared in 2000 addresses the major concerns and issues that are critical to the wholesome development of youth and constitutes the official policy document for youth development.

Programmes targeting young male offenders are offered at the Massade Boys Training Centre, while the Upton Gardens Centre caters for girls. Within these centres, the focus is on training, skills provision and rehabilitation. The Bordelais Correctional Facility was recently commissioned with an emphasis on rehabilitation. There remains the need to provide counselling services to the families of offenders, with a view to facilitating their re-assimilation into society.

Among the major impediments to more effective action, in this regard are the lack of follow-up and also inadequate inter-agency co-ordination in dealing with family life situations and other causes of crime. The deportation of criminals from the United States of America, among other countries, has presented a new dimension to criminal activity, since such persons tend to be more proficient in crime. The emphasis on youth behaviour is justified since persons aged 10-35 years account for 54 per cent of the population. Moreover, some 60 per cent of individuals in prison are under 25 years of age.

10.1.4 Drug Interdiction

St. Lucia has concluded a Ship-Rider Agreement with the United States of America and, in that context, has received patrol vessels and other forms of crime management support. St. Lucia is also a member of the Regional Security System (RSS), which is based in Barbados. Senior officers are assigned to the RSS on a rotation basis and a training school in Antigua has been established in Antigua and Barbuda.

A Proceeds of Crime Act has been promulgated and provides for the confiscation of assets acquired as a result of criminal activity. Enforcement, however, presents a problem, due to the resource deficit.
10.1.5 HIV/AIDS

At the end of 2000, there were 265 reported HIV/AIDS-positive cases in St. Lucia. Very little HIV/AIDS testing is done nationally, so that only 2 per cent of the population have been tested. As a consequence, the spread of HIV/AIDS cannot be accurately determined and monitored. Heterosexual transmission is now reported to be the main source of infection. Also, reportedly, some 10 per cent of children of parents living with HIV/AIDS are infected through peri-natal transmission. The need is recognised for comprehensive and timely reporting and follow-up; identification of high risk groups; and behavioural surveillance; an increased reporting of cases from the private sector; and improved reporting with respect to clinical status and deaths. Indeed, a Government-sponsored report published in 2000, recommended, inter alia, that:

- systems be put in place for early detection and diagnosis;
- Health education programmes be expanded, especially among young women;
- Information and training programmes be developed for health professionals;
- Contact tracing be improved to identify high risk populations or those involved in risky behaviour;
- Enhanced efforts be made to make known and increasingly accessible, the facilities that are available for the psychological and medical counselling of persons living with HIV/AIDS.

The Clinton Foundation which is working to contain the spread of the HIV virus in Africa and the Caribbean, renders assistance to the OECS. While the actual content of in-country work may vary, the Foundation pursues (a) upgraded facilities including district hospitals, health centres and laboratories; (b) increased numbers of HIV/AIDS medical personnel; (c) expanded and coordinate training of health providers in HIV/AIDS care and treatment; (d) modified distribution systems for drugs and consumables; (e) provision of targetted Information, Communications and Technology (ICT) development, including a patient information system; and (f) provision of enhanced management systems at the local and national levels.

10.2 The Environment

10.2.1 Institutional Aspects

The lead agency responsible for environmental management in St. Lucia is the Sustainable Development and Environment Unit (SD&EU) of the Ministry of Planning, Development, Environment and Housing. The Unit was created in April 2000 and covers four broad areas: Environment; Energy; Sustainable Development; including Land Policy and the SIDS Programme of Action; and Science and Technology, including Public Awareness. Together with other members of the OECS, St. Lucia participates in the development and implementation of the OECS Environmental Strategy which, as mentioned in an earlier section of this Report, is informed by “The St. George’s Declaration of Principles for Environmental Sustainability in the OECS” which was adopted in 2001.
10.2.2 Priorities, Challenges and Achievements

In St. Lucia’s National Report to the World Summit on Sustainable Development (July 2001), three categories of issues were identified for priority attention, namely Climate Change and Sea Level Rise; the Use of Natural Resources; and Natural and Environmental Disasters. The SD&EU in 2001 was also instrumental in securing a project to undertake a legal and institutional review of Environmental Management in St. Lucia. The main findings of the review, to a large extent, mirror the situation that exists in other Caribbean SIDS. Among the findings were:

- Lack of legislation that specifically addresses environmental management or sustainable development;
- A need for inter-agency collaboration in the administration of environmental management functions and responsibilities to avoid duplication of effort;
- The absence of shared perspectives with respect to the precise manner in which environmental initiatives should be incorporated into the integrated development planning process;
- The need for greater public access to environmental information;
- Problems of implementation arising from the vast number of Multilateral Environmental Agreements and the shortage of human, technical and financial resources.

Notwithstanding these constraints, many significant achievements have been recorded. For example, St Lucian’s First National Communications Report under the United Nations Framework Convention on Climate Change (UNFCCC), was successfully completed. Further, St. Lucia was used as a pilot study under component 7 (Economic Valuation of Coastal and Marine Resources) of the Caribbean Project for Adaptation to Climate Change (CPACC). In addition, a National Climate Change Policy has been completed and approved.

In the sphere of Coastal and Marine Resources, a New Fisheries Management Plan has been designed, and marine reserves are being designated. These reserves are to function under local co-operation and community-based management schemes. A project for the Integration of Watershed Management and Coastal Area Management is currently being prepared. This project is based at the Water Resources Management Unit of the Ministry of Agriculture.

Among the major issues to be addressed are:

- The promulgation and updating, as necessary, of legislation (e.g. Beach Protection Act and the Oil in Navigable Waters Act);
- The compilation of a comprehensive inventory of coastal and marine resources;
- The need for co-ordination in approval process in respect of coastal developmental activities;
- Determination of the carrying capacities of various coastal resources.

Currently, the Government is engaged in the upgrading of fish landing-facilities. In this context, the waterfront of the rural southern village of Choiseul has been transformed by virtue
of the reclamation of some 40,000 square feet of land. The new facility boasts, *inter alia*, a new administrative building, an ice-making plant with storage capacity of 2.2 tons; an engine repair room; washrooms; and locker rooms. It also includes a fuel station, postal facilities and a fish market. In addition, the Government has secured some 20 fibre-glass pirogues which marks a major step in the transition from the traditionally canoes.

In addition, the Government of St. Lucia has embarked upon an initiative, the Coastal Zone Management Project, through the Ministry of Agriculture, Forestry and Fisheries, “… aimed at establishing institutional arrangements to facilitate the sustainable development and management of the island’s coastal zone.” A comprehensive document “Coastal Zone Management in St. Lucia: Policy, Guidelines and Selected Projects” (September 2002) details the approach to be pursued towards the sustainable management and use of the island’s coastal zone and its resources. The resulting policy is guided by the principles of equity, stewardship, Collaboration and participation, multiple use, enforcement, capacity-building, co-ordination and integration and public awareness.

To ensure a co-ordinated approach to Coastal Zone Management (CZM), it was suggested that the CZM framework comprise both a Coastal Zone Management Committee (CZMC) which would be an inter-agency co-ordinating both and a Coastal Zone Management Program (CZMP). It is envisioned that this approach would serve as a mechanism for:

- Co-ordination among agencies involved in CZM;
- Integration of coastal issues into the national planning and development framework;
- Assist in the prevention of duplication of functions among agencies; and
- Provide a forum for conflict resolution, and conduct specific programmes and activities that do not currently fall within the mandate of existing organisations.

Specifically the CZMC would have among its functions, the identification of coastal zone management and development issues; proposal and formulation of policies; facilitation of communication and co-ordination among bodies or agencies; and guiding and supervising various Programme outputs. The CZM would comprise representatives from the public/private sectors, local government agencies and CBOs. It would be assigned the task of developing a medium-to-long-term strategy and action plan geared towards full implementation of the CZM policy.

The CZM Programme is to serve as the Secretariat of the Committee, provide relevant technical and planning input on matters related to coastal development and management; collect, manage and disseminate data and information; create and enhance public awareness; and conduct selected programmes and activities directly related to coastal zone management and development.

The corresponding Policy objectives are to:

- Maintain the integrity and productivity of the coastal zone and resources therein;
- Optimise the contribution of the coastal zone to social and economic developing through the sustainable use of resources and the equitable sharing of benefits; and
- Harmonise uses of the coastal zone and provide a framework for the management and resolution of these resource conflicts.

The Policy recognised as fundamental issues, the responsibility of the State to establish and manage a policy framework for CZM; the need for fairness, transparency and accountability in policy implementation; the rights associated with public property; the need to adopt the Precautionary Principle; and respect for regional and international obligations.

The Island Systems Management (ISM) approach was the preferred option for the planning of strategies and in this context the island was divided into four regions, namely the Northwest Coastal region; the Central West Coastal Region; the Northeast Coastal Region; and the South to Southeast Coastal region. The regions were determined on the basis of a combination of watershed boundaries, resources issues and development and management trends.

Strategies and actions for each region were placed into the following categories: (I) Restoration/rehabilitation (ii) Conservation/protection (iii) Enhancement (iv) Physical and Spatial Planning (v) Empowerment and Capacity-Building (vi) Socio-Economic benefits and (vii) Policy and/or Legislation.

Programme areas were then selected and related projects were devised for each. The programme areas include (a) education, awareness and sensitisation (b) coastal ecosystem management and (c) waste management.

The major obstacles to effective coastal zone management to be addressed include the lack of comprehensive environmental guidelines and standards for the coastal and marine environment; the proper management of marine protected areas; the lack of programmes that allow for restoration and or rehabilitation of coastal/marine ecosystems; the confusion of roles and responsibilities among the agencies involved in coastal and marine activities; lack of research and scientific information on local coastal ecosystems; and the paucity of sufficient contingency measures to mitigate the effects of natural disasters that affect coastlines.

10.2.3 Freshwater Resources

The Government of St. Lucia, with support form the European Union, has embarked on the formulation of a National Water Policy. The need for such a Policy is justified by the findings of a Situational Analysis of the Water Sector according to which the country is facing a situation of water stress that will worsen if present trends continue. The Analysis also reveals the following:

- the average annual per capita availability of renewable water resources is expected to decline;
- given the already unequal distribution of these resources, marginal groups especially in the rural areas, will experience water stress;
• the supply of water for health and sanitation, especially in the rural areas, is inadequate and demands priority attention;
• indiscriminate use of forest resources and encroachment upon protected areas are severely threatening the sustainability of water resources;
• notwithstanding recent increases in the price of water services, current prices continue to be heavily subsidised by Government, with unintended negative consequences;
• users still do not value water;
• water-conservation technologies are still rudimentary and incentives for innovation are weak;
• poor land-use planning and soil management, especially in and around watersheds, are severely reducing freshwater capturing-capacity, while also affecting coastal water quality and aquatic biodiversity;
• sedimentation and over-utilisation of chemicals for agricultural and industrial use, are leading to the deterioration of water quality, thus posing significant risks to public health;
• decision-support arrangements for water resources management, especially in areas such as monitoring, collection, research and evaluation of water-related data and associated environmental conditions, are poor and threaten the emergence of a sound and effective Integrated Water Resources Management (IWRM) programme;
• human resource capacity in the water sector is weak, especially in critical areas such as water and wastewater management; pollution control; finance; integrated water resource planning; and the operation and maintenance of water-related infrastructure and services;
• the absence of environmentally-sound and cost-effective sewerage collection and treatment facilities is threatening the integrity of the water supply and the sustainability of water resources and supporting ecosystems;
• increasing the productivity of agriculture through expanded irrigation could exacerbate water stress, unless buttressed by effective and timely measures to improve the productivity of irrigated water;
• considerable fragmentation exists among the several institutions whose mandates and activities relate to the water resource;
• by itself, a system of licenses is insufficient to permit the National Water and Sewerage Commission (NWSC) to effectively allocate available water resources among competing uses;
• in the interest of transparency and objectivity, the responsibility for allocation of water resources should be divorced from the responsibility for monitoring, enforcement and compliance in water-related issues.

The policy development process was driven by Government’s philosophy according to which there must be joint ownership of the process of change. Consequently, the process was underpinned by dialogue and consultation among the social partners, to:

(a) generate awareness of the major issues and challenges facing the water sector;
(b) develop a consensus on key cost-effective and efficient approaches to overcoming these challenges; and
(c) establish the basis for sustainable water resource use and development.
The need for a comprehensive management strategy to support the policy has also been recognised. Accordingly, the Water and Sewerage Company (WASCO) is participating in a technical assistance programme with the World Bank and the Caribbean Development Bank, for the reorganisation of the water sector. The Ministry of Agriculture, Forestry and Fisheries (MAFF) has established a 3-year Water Resource Management Project that is jointly funded by the European Union and the Government of the St. Lucia. The objective of this project is to "...assure the viability of all forms of agricultural production on Saint Lucia through the sustainable management of its water resources".

10.2.4 Energy

In order to promote improved energy efficiency and conservation and the use of newable energy resources and also to reduce the reliance on expensive, imported fossil fuels, St. Lucia has developed and implemented a range of measures. Two of the more significant of these have been the formulation of a Sustainable Energy Plan and the development of a Green Paper on Energy, which will form the basis for developing a sustainable energy policy. The effective implementation of a policy on sustainable energy will require changes in the regulatory framework, since it calls for a deregulation of the Energy Sector. Energy costs are usually the second highest operational cost. Even so, they seem likely to increase.

10.3 Integrated Development Planning

Notwithstanding the structures that have been established for Physical Planning, planning as a holistic process involving the integration of social, cultural, environmental, economic and other dimensions, is a relatively new phenomena within the planning process in St. Lucia. Traditionally, National Development Planning has focused mainly on economic planning in a situation in which several sectoral development planning functions are undertaken in satellite planning units in separate agencies acting in isolation. Within this context 24 September 1998, the government introduced the concept of Integrated Development Planning (IDP). The IDP approach involves the following:

- Involvement of the widest possible cross-section of the society in the definition of the long-term development goals;
- Use of short-term goals and policies direction as the basis for developing short-to-medium-term plans;
- An integrated approach to programme budgeting under the Programme and Performance Budgeting system;
- A formal system for priority setting at the programme, policy and project development levels;
- The development and use of performance/development indicators;
- An institutional framework for ISP; and
- The Integration of population demographic issues into the planning process.

Institutionally, the Ministry of Planning is the agency charged with the development and implementation of the Integrated Development Planning Process. In 1998, the Development Cooperation and Programme Planning Division (DCPP) was established within the Ministry of
Planning, Development, Environment and Housing, with a mission “to foster sustainable improvement in the quality of life of all St. Lucians, through effective integrated planning co-ordination, implementation and monitoring of physical/spatial, technological, economic, environmental and social development activities.” The Division was also entrusted with the preparation of the Medium-Term Development Strategy Paper in collaboration with the SD&EU and the Research Development and Policy Division of the Ministry of Finance and Economic Affairs. The strategy is broad and covers areas as diverse as poverty; tax structures; human resource development; infrastructural development; social services; and amenities, among others.

While there is a commitment to the IDP process as evidenced by the commitment of approximately EC$1 M to carry the IDP programme until the end of 2003, there remains the inadequacy of the required manpower resources. In addition, the mandates of certain agencies, overlap, resulting in conflicts in implementation. Moreover, there remains the inertia that has been retained from planning within a project context, as distinct from a programme milieu.

To improve the planning process and to facilitate the effective implementation of the IDP process, the following have been recommended:

(a) Establishment of an institutional and legal framework for IDP and Sustainable Development; inclusive of a national co-ordinating mechanism and linked to local Government;
(b) Strengthening of the environmental management institutional, policy and legislative frameworks, especially towards the harmonisation of the institutional, policy, management and legislative frameworks concerned with environmental management;
(c) Establishment of a Sustainable Development Management and auditing System for Public and Private Operations, towards the implementation of Environmental Management Systems (EMS) and international standards such as ISO 14000;
(d) Establishment of a legal requirement for the promulgation of a National Sustainable Development Education Policy and Implementation Plan, through broad based consultation. A Social, Economic and Environmental database for public access and information should also be part of the entire strategy.

10.4 Waste Disposal

The St. Lucia Solid Waste Management Authority (SSWMA) was established in 1996, following the passage of the Solid Waste Management Authority Act. The Mission Statement developed for the Authority charges it with the responsibility “to enhance St. Lucia’s environmental integrity and the health of her people through the provision and management of an integrated system for public education and awareness and for the collection, treatment, recycling and disposal of solid and hazardous waste.”

Under the 1996 Act, the Authority operates under the direction of a Board, which has, as its Chairperson, the Permanent Secretary of the Ministry of Planning.
The SSWMA has established a Hazardous Waste Sub-committee to address issues related to the handling, treatment and disposal of hazardous materials. To date, the Committee has established procedures and guidelines for its operations and has formulated its Work Programme.

The St. Lucia Air and Seaports Authority (SLASPA) has identified the need to specifically address issues related to the handling of dangerous goods at the country’s ports and a decision has been taken to establish a committee to develop policies and procedures for the handling of dangerous goods at the ports, as well as to recommend and deliver training in this area.

Under the OECS Solid and Ship-Generated Waste Management Project, a number of “model” policies, laws and regulations were developed for the OECS countries to separately address issues related to the management of shore-generated waste and ship-generated waste. In St. Lucia, these “model” policies, laws and regulations have been revised after extensive consultations undertaken by the SSWMA. The Cabinet of Ministers has approved both policy documents and the laws and regulations arising from these documents are currently being prepared for submission to Parliament.

As part of its programme of developing appropriate systems for the collection, treatment and disposal of ship-generated waste, in fulfilment of the obligations under the International Convention on the Prevention of Pollution from Ships, as amended (MARPOL 73/78 Convention), the SSWMA has entered into a Memorandum of Understanding (MOU) with SLASPA. This MOU defines the relationship between the two parties in handling of waste from ships entering the ports and outlines their respective roles and responsibilities.

Under the provisions of the Public Health Act and the Litter Act, the Environmental Health Department (EHD) of the Ministry of Health has the responsibility of exercising regulatory oversight for the solid waste and sewerage sector. Over the past years, however, the EHD has been unable to adequately fulfill its responsibilities as a regulatory agency, largely because of manpower and financial constraints. In the particular case of the solid waste sector, the EHD has not been able to adequately respond to the changes brought about by the establishment of the SSWMA; the privatisation of collection services; and upgrading of waste disposal facilities. The SSWMA has, therefore, to a certain extent, been engaged in self-regulation, in order to maintain certain minimum standards in its operations. In a similar manner, the EHD has exercised minimal oversight over the sewerage sector and WASCO has, in turn, found it necessary to undertake a certain amount of self-regulation in respect of its sewerage operations.

Wastewater management has to date received much less attention than solid waste management. As a result, several rivers and streams, as well as coastal waters in certain areas have become polluted because of the inadequate handling and treatment of sanitary sewage or industrial effluents. Studies conducted by the Caribbean Environmental Health Institute (CEHI) in the mid- to late 1980s identified areas of pollution of coastal waters, and more recent studies undertaken under the North-west Coastal Conservation Project, indicate that pollution problems continue along certain parts of the north-west coast. It has also been determined that several
privately owned package sewage treatment plants, most of which serve hotels, have not met specified standards.

Faced by severe manpower, jurisdictional and financial constraints, the EHD has been unable to fulfill its responsibility of monitoring water quality and pollution of rivers, streams and coastal areas. Further, no significant efforts are being undertaken to address the known problems of water pollution or to introduce municipal sanitary sewerage systems wherever these have been deemed necessary.

The Water and Sewerage Company (WASCO) is responsible for the operations of the Castries Sewerage System and the Rodney Bay Sewerage System. WASCO, like its predecessor (WASA), has, to a large extent, focussed on supplying potable water. The Sewerage Unit of the Company is relatively small and is concerned mainly with the operations of the systems owned by the company.

Since the commissioning of the Rodney Bay Sewerage System in the early 1990s, there have been no significant developments in the sewerage sector. A number of studies have been conducted on that sector, with the expansion of the Castries Sewerage System being among the more significant studies undertaken thus far.

The Pesticides Control Board, is chaired by the Director of Agricultural Services, and includes representatives of the Ministry of Agriculture; The Ministry of Health; the Chamber of Commerce, Industry and Agriculture; the Occupational Health and Safety Unit of the Department of Labour; and, the Inter-American Institute on Agriculture (IICA). The Board has prepared a list of prohibited agro-chemicals and regulations and procedures have been developed for the licensing for the importation of pesticides and of premises to be used for storing, handling and distributing pesticides; and for controlling the labelling of these substances. A close working relationship exists between the Ministries of Agriculture and Health and this has been particularly effective in the development of promotional material on pesticide use. The Inter-American Institute for Cooperation on Agriculture (IICA) also works closely with the Board and has provided funding for several of its initiatives.

Solid waste collection and disposal in St. Lucia are carried out primarily by contracted private companies. There are two landfill sites which engage in the covering and compaction of waste. The practice of depositing waste materials into gullies and other waterways, a tradition from the era where waste collection was rare, has decreased dramatically in recent years. There are areas which continue to be inaccessible to the waste collection vehicles and the practice of indiscriminate dumping continues, especially in low income communities.

There is a facility where tyres are shredded and used to make bund walls. Crushed glass is mixed with other substances and used in the construction of secondary or tertiary roads in the Vieux Fort area. There is proper management of asbestos at both landfills and waste oil is put into storage containers and used as a secondary fuel source.

St. Lucia is currently developing a Waste Management Strategy and legislation for the enforcement of The United Nations Convention on the Law of the Sea; the Protocol on Land-
Based Sources of Pollution to the Cartagena Convention (the LBS Protocol); the BASEL Convention; and MARPOL is also included under this comprehensive plan. A Waste Management Bill is shortly to be considered by the Cabinet. Consideration is also being given to the enactment of a Returnable Containers Act, wherein a fee would be charged to the producers of aluminium, plastic and glass items and a refund paid to those who collect them for recycling. Attempts are also being made to recycle and reprocess plastic and lead batteries on the basis of a private sector initiative.

Under the Environmental Levy Act of 1999, all goods, except food products and pharmaceuticals, are subject to an environmental levy. However, should the materials be recycled and sent out of the country, the tax is rebated. There is also a Public Education Project which reaches schools, the private sector and the community at large. This project receives significant support from the private sector. A Hazardous Waste Advisory Committee guides the waste authorities in the management of hazardous materials. Currently, agro-industrial chemical residues are stored pending the development of an appropriate methodology for their disposal. The last dump site has been decommissioned and ways are being explored to utilise the gas from former dump sites.

10.5 Disaster Management

The National Emergency Management Organisation (NEMO) is charged with the responsibility for developing, testing and implementing measures to ensure efficient preparedness, mitigation and response actions in respect of both natural and manmade disasters. The NEMO falls under the purview of the Office of the Prime Minister. However, in the event of a disaster, it is able to draw on an extensive network of individuals and agencies at the national and community levels. It is worth noting that only one sub-committee of the National Committee has been specifically mandated to address issues associated with a particular type of environmental disaster, namely the Oil Spills Committee. This Committee is headed by the St. Lucia Air and Sea Ports Authority (SLASPA), which is represented by its Director Designate-Marine Affairs.

The NEMO has responsibility for hazard management. It is also responsible for soliciting donations; providing shelter during a natural event; and policy formulation and direction. The National Emergency Management Advisory Council (NEMAC) is empowered by law to create sub-committees whose membership normally includes private sector individuals and persons from key sectors in the Government ministries. There are capacity for 18 District Committees, though 16 are currently functioning. These Committees provide outreach support throughout the island and are operated mainly by volunteers.

The implementation of the NEMO work programme is being assisted by the World Bank-funded OECS Emergency Recovery and Disaster Management Project, the local component of which is coordinated by the Ministry of Planning. Under that project, the NEMO is to receive technical assistance in the areas of disaster planning and mitigation, including specialist assistance in planning responses to natural and environmental disasters in the business and industrial sectors. The OECS project is also expected to provide community-based disaster
preparedness training, as well as a quantity of telecommunications equipment and training in the use and maintenance of such equipment.

The Caribbean Disaster Emergency Response Agency (CDERA) together with Canadian International Development Agency (CIDA) and Organisation of American States/Unit of Sustainable Development and Environment are conducting the Caribbean Hazard Mitigation Capacity-Building Programme (CHAMP) in St. Lucia and three other CDERA States. The objective is to develop comprehensive natural hazard vulnerability reduction initiatives through the development of national hazard mitigation policies, creation of appropriate policy implementation programmes through comprehensive hazard mitigation frameworks and the development and implementation of safer building training and certification programmes.

St. Lucia has a National Emergency Response Plan which deals with specific hazards, such as hurricanes, earthquakes, volcanic eruptions and other phenomena such as landslides and Oil Spills. An Oil Spill Contingency Plan is due to be completed and approved by the end of 2003.

The Meteorological Office provides an early warning system on developments pertaining to severe weather systems. However, the transmission of information to communities with respect to preparations and readiness for disasters is addressed at a community level.

10.6 Tourism

The Ministry of Tourism in St. Lucia has formulated a Medium Term Development Strategy Paper 2002-2006 which outlines the promise, problems and challenges in the industry, as well as the initiatives that will be taken to ensure that tourism makes a major contribution to the foreign exchange earnings of the country.

The Strategy Paper indicates that 2001 was a difficult year for the industry, with occupancy rates dropping from 63.6 per cent in 2000 to 57 per cent; small properties averaged 43.1 per cent, down from 63.1 per cent in 2000. Closure of hotels "...resulted in the loss of hundreds of jobs and significant decreases in revenue recorded by surrounding restaurants and support service providers".

The slowdown was attributed to the weakening of the economies of some of the world's major tourist generating countries and the terrorist attacks in the United States of America in September 2001. Some worrying trends were, however, apparent before the onset of the present decade. For example since the 1990s, while tourist arrivals were on the increase, average expenditure per tourist has been declining.

Nevertheless, tourism, is still regarded as one of the most viable segments of the St. Lucian economy and, remains one of the most important. At the end of 2001, 60 per cent of foreign exchange earned was derived from tourism and service charges and taxes applied directly to tourism accounted for 10 per cent of government revenue. In addition, some 21 per cent of the work force was employed directly in tourism or in a related service sector.
In spite of the downturn investor confidence in St. Lucia as a tourist destination has remained, with no fewer than 6 hotel/condominium developments in progress. As regards stay over visitors, St. Lucia needs to continue to differentiate itself from other competing tourism destinations. There is also an urgent need for increased airlift into the country.

While overstay visitor arrivals decreased in 2001, the cruise sector remains buoyant. This is due mainly the cutting of prices by cruise lines to extend their target markets to include lower income travellers. This, however, is likely to result in a lower level of expenditure per passenger. Yet, prospects for the cruise ship sector remain positive, with some 50 new ships being put into service by 2005, according to the Cruise Lines International Association. It is noteworthy that the Caribbean subregion accounted for over 44 per cent of total cruise capacity in 2001. There remains however, keen competition among ports of call and St. Lucia needs to position itself appropriately to obtain its desired market share, as well as investigate other options.

In the last two-year Medium Term Strategic Plan for the Tourism Sector (2000-2002), focus was directed to three areas, namely public awareness; human resource development; and the repositioning of the island's marketing image.

In the marketing area, the St. Lucia Tourist Board Office/Headquarters in New York was closed and Sales/marketing Officers were assigned to specific regions, including New York, to build strong links with the travel trade in the assigned area. This directed more financial resources to direct marketing. The introduction of a website provided detailed information on the destination and is designed to compete aggressively with other cyber-sites in destination marketing, allowing for the booking of hotel rooms or purchase of tickets to events.

A *Res-Res system* has also been launched through an initiative of the St. Lucia Hotel and Tourism Association to provide information about various properties, and to facilitate direct bookings with the hotel concerned. The system is all Internet-based and emphasises the eco-tourism aspect of the destination. Other programmes undertaken include the promotion of conference tourism and increased visibility of the yachting sector. With regard to the latter, the Cabinet of Ministers approved recommendations from the Ministry of Tourism to make St. Lucia more "yachting friendly." Such recommendation related to, *inter alia*, extension of the permitted stay of yacht persons; amendment of the Tourism Incentives Act (1996) to include yachting as an approved tourism product; amendment of the Merchant Shipping Legislation to allow vessels to be registered in St. Lucia; and reduction of consumption taxes for the importation of yachts.

Tourism awareness has been targeted especially at young persons through initiatives in schools which foster sensitivity and appreciation for the tourism industry by means of lectures, competitions and media campaigns in addition to the inclusion of tourism in the school curriculum. Tourism awareness in the wider community was placed on those persons who came into direct contact with visitors such as vendors and taxi drivers.

The St. Lucia Nature Heritage Tourism Programme (SLHTP) has been focusing on enhancing revenue-generating capacity of small community based businesses catering to the nature heritage seeking visitors. The programme provides technical assistance to site operators
to "...strengthen their ability to manage the natural and cultural resources, with environment and product sustainability as key aspects in the process." The OECS/NRMU has been providing assistance in the development of Environmental Management Systems for tourism sites and attractions to meet global environmental standards with a view to obtaining as many "Green Globe" certifications as possible.

The Ministry of Agriculture also has a programme whereby seminars and workshops are conducted to make farmers aware of the effects of indiscriminate farming practices on the environment and consequently on tourism.

A number of shortfalls in the implementation of strategies from the Medium Term Development Strategy Paper 2000-2002 have been identified, among them:

- The need to reach still untapped niche markets such as Health Tourism;
- The creation of an entertainment activity schedule at the cruise ship berth at Pt. Seraphine for those passengers who remain on board. The idea is to foster a greater link between culture and tourism;
- The fragmentation of the various information channels for potential investors and the need to make them more user friendly;
- The need for the early establishment of a Hospitality Training Institute;
- The non payment of the hotel accommodation tax by the small businesses, resulting in the inability of small properties to undertake joint initiatives, especially in marketing;
- The need for an amendment to the Hotel Incentives Act (1996) to allow more support to small properties and non-traditional accommodation venues.

In light of the above, the 2002-2006 Plan has identified the following areas of focus:

(a) Investment facilitation;
(b) Standardization of tourism sub-sectors;
(c) Education and Training;
(d) Nice marketing; and
(e) Decentralization of tourism investments

The contemplated activities and programmes under the various headings are the follows:

**Investment Facilitation**

(a) The upgrade and updating of the Tourism Incentives Act 1996;
(b) The creation of a hospitality Investment Fund to mobilise capital from venture capitalists, government and international donors;
(c) Encouragement of plant retrofitting and the use of appropriate technologies through the provision of fiscal incentives;
(d) Creation of an equity funding facility to provide assistance to the small locally owned hotel sector;
(e) Establishment of a Product Development agency for the purpose of securing finance to invest, develop and manage new tourism products.

**Standardization of the Tourism Sub-Sectors**

(a) The introduction of standards and codes of practice in all aspects of the tourism industry;
(b) A review and restructuring of the tourism taxi certification programme;
(c) The adoption of internationally recognised environmental standards such as ISO 14000.

**Education and Training**

(a) The completion of the Hospitality Training Institute; and
(b) A Tourism Public Education Unit to produce and disseminate information on all aspects of the tourism industry.

**Niche marketing**

(a) Development of niche markets such as weddings and honeymoons; yachting tourism; and sports tourism;
(b) Expanding yachting marinas to rural communities that have the potential for year round yacht traffic;
(c) Enhancement of offerings in shopping, entertainment and dining to cruise passengers, in order to maximise returns.

**Decentralization of Tourism Investments** (a) the provision of special incentives on new hotel investments in Vieux Fort, the South West, the East and North-east regions of St. Lucia.

**10.7 Trade, Finance and Globalisation**

In an effort to widen its income base and diversify its economic activities, St. Lucia has entered the International Financial Services sector. A Finances Services Supervision Unit has been created and is headed by a Director who is responsible for regulating and supervising the sector. The Government of St. Lucia has brought the private sector into the promotion and marketing of the sector by means of the establishment of a statutory corporation, the International Financial and World Investment Centre (IFWIC), headed by a Registrar for International Business Companies. In addition, St. Lucia has developed the world’s only public on-line International Business Companies’ registry (Pinnacle St. Lucia).

St. Lucia has been delisted from the OECD’s “black list” of countries and its continued commitment to the OECD’s Harmful Tax Competition Initiative ensures its continued viability in the area of Internal Financial Services St. Lucia has never been included on the FATF list of un-cooperative jurisdictions with respect to money-laundering.
Since its entry into financial services St. Lucia has passed no fewer than seven significant pieces of legislation related to the sector. The medium-term outlook towards developing the sector includes:

- The establishment of strong prudential regulations;
- The establishment of a strong supervision and regulation environment; and
- The development of a cadre of specialists within the various offshore areas.

To attract direct foreign investment with a view towards stimulating economic growth, a strategic plan has been developed for the National Development Corporation, to be targetted in the agency charged with overseeing foreign investment. Areas include agro-processing; information technology; furniture manufacturing; and handicrafts. To further assist in this effort, Government proposes to:

- Repeal the “Exchange Control Ordinance and Exchange Control (Securities) Order of 1994”, allowing any foreign investor to purchase shares in any local company without prior permission of the government;
- Establish an Office of Investment Co-ordination to facilitate all the technical and other information services to accelerate the investment process;
- Reform the Work Permit Legislation to facilitate the hiring of the required skill level of labour by the foreign investor;
- Review the Alien Landholding Legislation to facilitate investors, especially those from the CARICOM region, in line with the requirements of the CSME.

The Government of St. Lucia has committed to the OECS decision to participate in the FTAA as well as in the Caricom Single Market and Economy (CSME). Further, in a wider international context, St. Lucia will collaborate even more closely with CARICOM to ensure that the goals of DOHA 2001 Ministerial Meeting of the WTO materialise especially those pertaining to the grant of Special and Differential Treatment to the Small Economies. In working towards the full implementation of the Caricom Single Market and Economy, St. Lucia also seeks to optimise existing and potential opportunities to develop extraregional markets through the OECS Single Market; through the CSME itself; through membership in the FTAA; and also through bilateral agreements.

To ensure that appropriate legislation is in place to facilitate these proposed initiatives, the government has passed the Protection Against Unfair Trade Act in 2001. There are also moves to establish the National Competition Authority to deal with domestic competition issues.