

PROJECT SUMMARY

ST. LUCIA

SUPPORTING CLIMATE RESILIENT INVESTMENTS IN THE AGRICULTURAL SECTOR IN

ST. LUCIA

RG-T2935, RG-L1119

The island of St. Lucia, located in the Windward island chain of the Caribbean, has traditionally depended heavily on bananas production as a driver of exports and GDP. However, the combination of loss of access to preferential EU markets and an accelerated impact of climate change, specifically increased temperatures and changes in rainfall patterns¹, has resulted in a significant decline in the island's agricultural sector and fish catch, negatively impacting both livelihoods of rural populations and heightening exposure to food security issues. To enhance the productivity and sustainability of livelihoods in local agro production, particularly in the context of climate change, two parallel but inter-related changes are needed in the sector. First, as illustrated by a recent study², there is a need for training and technical support for producers in the adoption of more climate resilient technologies and practices to increase both productivity and quality of output. Second, as demonstrated in the Caribbean region, small scale producers that dominate the regional agricultural sector require an incentive in the form of greater access to higher value markets if they are to invest time and finances in the adoption of new ways of farming.

The main objective of the project is to strengthen the viability of agri-business operators in the southern region of St. Lucia within the context of climate change. The proposed project is highly innovative as it will deliver financial support for the adoption of climate resilient practices and improved livelihoods for small producers in St. Lucia. It has potential to be replicable and scalable with support of the public and private sector. The model that has been developed to achieve this objective includes three inter-related elements, specifically: (i) support for capacity building and financing of climate resilient practices by small producers in the targeted region; (ii) development and leverage of new, more sustainable and profitable market channels in the island's tourism and retail sectors; and (iii) strengthening of cooperative structures to organize independent small producers and ensure that quality, pricing and quantities required for transactions with larger scale buyers are achieved and maintained. This model explicitly addresses the fact that changes in traditional practices must be accompanied by new market opportunities, and such market opportunities are most efficiently and effectively accessed through participation in a producer centered, reliable organization that can effectively function as an intermediary between large numbers of independent small scale producers and commercial buyers. Expected results of the intervention include: (i) 154 producers access financing to implement climate resilient technologies and practices; (ii) sales volume of farmers output increase of 100%; and (iii) 85 hectares of farmlands are cultivated using sustainable practices. In addition, a reduction in GHG emissions is expected, although specific targets will be set based on the types of technologies implemented.

The proposed project is directly aligned with IDBG objectives in the context of the emphasis on climate adaptation, improving productivity and improving livelihoods of small and vulnerable populations. The program is consistent with the Update to the Institutional Strategy 2010-2020 (GN-2788-5) which identifies climate change and adaptation and mitigation as one of the two cross-cutting issues. According to the joint MDB approach on climate finance tracking, 100% of total IDB funding for this project will be invested in climate change adaptation activities. This contributes to the IDBG's climate finance goal of 30% of combined IDB and IIC operational approvals by year's

¹ UN ECLAC, 2011. An assessment of the economic impact of climate change on the agricultural sector in St. Lucia October 2011.

² Ibid

end 2020. To ensure technical and strategic alignment the project team includes members from the IDBG's Climate Change and Sustainability Division.