

Integrated Assessment of Trade-Related Policies and Biological Diversity in the Agricultural Sector in Jamaica:

Brief Summary

Transition strategies for the sugar industry following the reform of the EU Sugar Protocol

The integrated assessment study focused on the impact of changes in trade regimes on the sugar industry resulting from the reform of the EU Sugar Protocol, possible future scenarios and policy options, and the associated implications for the environment and biodiversity. Over the last decades, the sugar industry has affected biodiversity primarily through its general operations, and most importantly agricultural run-off, which affects Jamaica's ecosystems and the region's maritime ecosystem.

The sugar industry was chosen as the subject for the integrated assessment as it represents a high percentage of Jamaica's agricultural sector in terms of land use and employment. The reform of the EU Sugar Protocol, which phased out trade preferences (including import quotas and guaranteed prices), revealed that Jamaica's sugar industry is not competitive on world markets. The assessment study specifically examined the strategy of the Government of Jamaica to re-focus the sugar industry to produce ethanol, potentially leading to an increase in land under cane production, but also to a reduction of the volume sugar produced.

The study revealed several findings related to the Government's strategy, including the following:

- The success of the Government's strategy depends on two external trade policies (Caribbean Basin Initiative and the tariff applied to Brazilian ethanol), profound restructuring of the industry and the future price of oil;
- If the Government's strategy fails, the unprofitable sugar sector could disappear leading to potential positive impacts on fresh water biodiversity due reduced run-off, but presenting environmental and social risks if the transition to other land-uses is not well-managed;
- There are a number of underlying weaknesses in governance, the national planning system, and decisions related to the sector are influenced by several vested interests.

The study presented an alternative development scenario for the sector, which included partial diversification of sugar cane lands into a combination of higher land-use values (including production of staple foods, high-value agricultural products and plant extracts, third generation bio-fuels and tourism).

Main recommendations:

- Address data gaps and develop a more extensive set of bio-indicators to inform future policies.
- Strengthen regulatory and legislative measures to support a managed transition in the sugar industry, including land-use planning and environmental impact assessment.
- Further promote alternative solutions to address the crisis in the sugar and energy sectors in a coherent way.
- Improve the Government of Jamaica's ability to make strategic decisions to support sustainable development.

In response to the findings, a comprehensive training programme on integrated policymaking was established and over 100 government officials have been trained to-date.

The project was led by the National Environmental and Planning Agency (NEPA) and was implemented by the Institute for Sustainable Development (ISD) at the University of the West Indies.