

Speeches Delivered by Senator The Hon. Keisal M. Peters, Minister of State with Responsibility for Foreign Affairs and Foreign Trade at the Tenth Italy-Latin America and Caribbean Conference on 26th October, 2021

The 10th Italy-Latin America and the Caribbean Conference entitled “**People, Planet, Prosperity. The future of an ancient partnership**” was held on Tuesday, October 26 2021 in Rome. The event was attended by several Ministers and Vice Ministers of the Latin American and Caribbean countries. Senator The Hon. Keisal M. Peters, Minister of State with responsibility for Foreign Affairs and Foreign Trade, represented St. Vincent and the Grenadines at the Conference. It was a historic occasion at the Conference in that three (3) thematic panels were chaired by three (3) female Ministers respectively and Minister Peters was one of them.

Senator Peters chaired the panel on "Prosperity. Starting anew from sustainability: the circular economy and energy transition at the heart of the recovery." The Ministry of Foreign Affairs and Foreign Trade is pleased to share the Hon. Minister’s Opening Statement as President of the Panel and her Intervention as Representative of St. Vincent and the Grenadines.

A. Opening Statement as President of the Panel



Excellencies, Ministers, Vice-Ministers and Undersecretaries, ladies and gentlemen, let me welcome you after a very intense opening session to our panel which will focus on the third of the three topics of our Conference – Prosperity. It is an honour for me and indeed a great pleasure to be your Chair this morning. Let me also recognise Minister Maita from Bolivia who will serve as our rapporteur and will inform the Plenary in the afternoon about the outcome of our discussion. We both look forward to hearing your contributions on a theme which is at the heart of the much-needed

economic recovery from the pandemic.

It is an honour for me to preside over the panel – Prosperity, under the theme “Starting anew from sustainability, the circular economy and energy transition at the heart of the recovery”. Even more so, to be one of three women performing the role of President at this year’s Conference.

Research has shown that the energy sector is responsible for around 80% of man-made CO₂ emissions. Changes to this sector play a pivotal role in global efforts towards achieving the

decarbonisation required to reach net zero by the year 2050. Latin America is home to over 400 million people with a GDP per capita of USD 7800 in 2019, and hosts some of the world's most dynamic renewable markets with more than a quarter of its total primary energy supply coming from renewables – twice the global average.

The COVID-19 pandemic has caused and continues to significantly impact Latin-American and Caribbean countries, both socially and economically. Furthermore, fluctuations of oil prices have once again demonstrated the deep effect that the unpredictability of this commodity has on exporters from the region. The pandemic has highlighted the region's difficulty to obtain external financing from major credit facilities due to an already existing high debt in many of these countries.

Embracing a transition towards an energy industry based on renewable energy could embody a long-term solution for a more diverse economy and, at the same time, contribute to national and regional energy security. Driven by innovation and economies of scale, renewable power generation sources become more economically attractive, highlighting the need to foster the expansion of emerging technologies such as green hydrogen.

The Sustainable Development Goals are aimed at addressing many of these issues – Goal No. 7 – Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities and SDG 12 Ensure Sustainable Consumption and Production Partners all contribute to the development of the circular economy and energy transitions which require firm and dedicated partnerships.

How do we establish these partnerships at the various levels? How can the renewable energy sector be leveraged to ensure our regions and economies develop decarbonisation plans and energy agendas? Considering the growing public and private interest in allocating financing towards the adoption of existing technologies, can clean energy corridors contribute to regional integration? What is our current state of readiness to adopt carbon-neutral pathways? What policies will nations and multinational organisations need to develop in order to enable faster development of renewable energies? How much attention should these same actors devote to promoting innovation? These are some of the questions we must seek to answer as we move forward to achieve Prosperity.

B. Intervention as the Representative of St. Vincent and the Grenadines



As a small island developing state, St Vincent and the Grenadines has a relatively low demand for energy due primarily to its small size and the lack of large industrial activities, with the peak demand on St. Vincent being 21.5 MW and approximately 2 MW collectively in the Grenadines. Currently the country is almost completely dependent on imported petroleum products like gasoline for transport, diesel for transport and electricity generation, kerosene for cooking and butane and LPG for cooking, water, heating and industry.

This heavy reliance on imported fossil fuels puts SVG at risk from fluctuations in global oil prices and intermittent disruptions to the energy supply which have been observed during extreme weather events that occurred throughout the past years. The energy sector accounted for approximately 68% of SVG's

greenhouse gas emissions in 2010. Within the sector, approximately 50% of emissions can be attributed to electricity generation while 50% is due to transportation.

Though, globally, Saint Vincent and the Grenadines is a minor contributor to GHG emissions, the government of Saint Vincent and the Grenadines is a signatory to the Paris Agreement - COP 2015. And it is striving to reduce its carbon footprint within the energy sector through the following initiatives:

- 1) to achieve a 15% reduction in the national energy consumption compared to a business as usual scenario by 2025; planned measures include retrofitting of street lights nationwide, the creation and adoption of a new building code geared towards sustainable building designs, as well as the adoption of an energy labelling scheme;
- 2) to create and adopt new policies that will encourage the use of low-emission vehicles through the reduction in import duties paid; this has been estimated to result in avoided emissions of approximately 10% by 2025; although further analysis needs to be completed, the transport sector has been identified as the fastest-growing source of emissions and reductions from this sector will be largely dependent on international financial support and technology transfer;

3) to achieve a renewable energy target of 80% electricity generation by 2025; in 2015 only about 20% of electricity generated was done through renewable energy.

As it relates to energy transition, Saint Vincent and the Grenadines has long utilised its indigenous hydro resources for electricity transition with a total capacity of 5.7 MW generated by the 3 hydroelectricity plants. The impact of climate change on our hydroelectricity energy production is, however, a cause for concern. Over the years rainfall variability and dry spells have created greater fluctuations in river levels which has drastically reduced the ability of these plants to supply electricity, particularly in the dry season.

As it relates to geothermal energy, the possibility of utilising geothermal energy for electricity production in Saint Vincent and the Grenadines has been explored since the 1990s. In 2012, the government of Saint Vincent and the Grenadines entered into a partnership with Emera Inc. and Reykjavik Geothermal to develop its indigenous geothermal resource. It was estimated that once successful geothermal energy would add 10 to 15 MW to the existing electricity grid, accounting for almost 50% of the peak demand. Three production sites' directionally drilled exploration wells were completed between 2019 and 2020 and although temperatures obtained were in excess of 150 to 200 degrees Celsius, well simulation revealed poor permeability in all three wells. The Saint Vincent and the Grenadines geothermal company is currently looking into alternate solutions for electricity production.

The energy unit has since been considering a variety of direct heating projects geared particularly towards the diversification of the agricultural sector, and is actively seeking international funding for this endeavour.

As it relates to solar energy, in recent years, several decentralised solar PV plants have been developed through the entire country to both reduce the reliance on imported energy and strengthen energy security. With a total installed capacity of almost 1.5 MW, an estimated 6% of the country's peak demand, the Argyle International Airport is currently the home of the largest solar farm on mainland St Vincent given its annual energy consumption, with an installed capacity of 597 KW of solar PV. Through the SCSEEC project an additional 600 KW of solar PV would be added to the existing solar farm at AIA during the next year.

Excellencies, this year's Conference coincides with the 26th Conference of the Parties of the United Nations Framework Convention on Climate Change in Glasgow for which the Caribbean region is hopeful that agreement can be reached with major emitters of carbon as climate change poses an existential threat to humanity, especially Small Island Developing States (SIDS). This is needed in addition to serious discussion and agreement on access to adequate and predictable climate financing, for negotiations and adoption action, for support to respond to damage and loss. The fight against climate change is not just a matter for public officials, but requires strategy and partnership from both public and private officials, non-governmental and community-based organisations in order to ensure biodiversity and that the environment is protected from future demise.

The Caribbean remains one of the most vulnerable regions in the world on many fronts. Our small size and low-coastal areas increases our level of exposure to a multitude of hazards. Through a

modelled prediction, we are already facing increasingly intensifying hurricanes, and their associated storm surges, coastal inundation and flooding. Conversely, rainfall variability, lower zonal temperature variations and deepening drought conditions are also being observed. The region is also seismically active and experiences volcanic eruptions and frequent earthquakes. The eruption of the La Soufrière Volcano in April of this year has dovetailed disastrously with these existing vulnerabilities and has further derailed projections for economic growth in Saint Vincent and the Grenadines.

Each of our economically productive areas, tourism, labour markets, agriculture and our housing and infrastructure have been indelibly impacted. The previous projections for a 4% economic growth in 2021 has been downgraded to an expected contraction of 6.1%, according to the IMF. To this end, we must express our appreciation to Italy for its assistance provided to support humanitarian and rehabilitation efforts. Given the vulnerability of the Caribbean region, I must reiterate the need for an adequately-financed climate regime where developed countries are encouraged to deliver on their pledge to contribute 100 billion dollars annually towards climate mitigation and adaptation measures. Furthermore international financial institutions and global political economic groups need to adopt and include a vulnerability index as a criterion for access to concessional financing.

We must salute Italy for its support to the region with specific reference to the Memorandum of Understanding signed between the Ministry for the Environment, Land and Sea of the Italian Republic and the Ministries of the Environment of the CARICOM Member States. This MOU aims to strengthen cooperation for sustainable development within the CARICOM region where funds have been provided by the Italian government for climate-related projects in an effort to improve water resource management to promote sustainable use of the oceans, seas and marine resources, always addressing global climate change and its adverse effects. In an effort to start anew, in an effort to achieve prosperity, it is important that we admit that there are problems. And we have all identified the various problems. The increase in CO₂ emissions is a problem, climate change is a problem, and having identified the problems, let us now work to build back better and to achieve the prosperity as desired. I thank you.