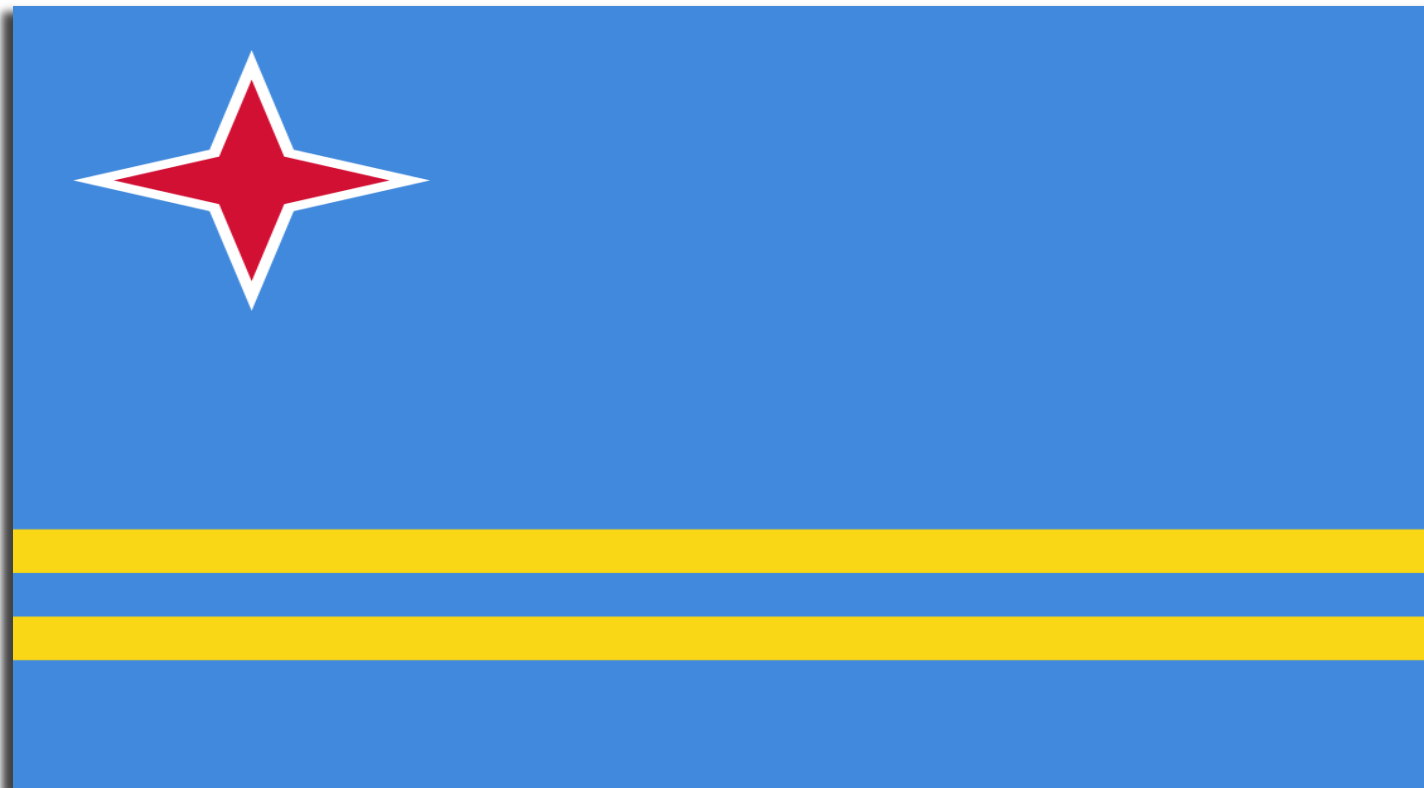


# A ROADMAP FOR SDG IMPLEMENTATION IN ARUBA

2<sup>ND</sup> VERSION

DECEMBER 2017



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## I. Introduction

Aruba is a constituent country of the Kingdom of the Netherlands, is one of the Leeward Antilles in the southern Caribbean Sea, and is just off the Northern coast of Venezuela. It has a land area of 179 km<sup>2</sup> (69.1 sq. mi) and is the third most densely populated Caribbean island, with a total population of 110,309 in 2016. Citizens of Aruba generally share the Dutch nationality, and Dutch and Papiamentu are the official languages. In addition, Spanish and English are widely spoken.

Aruba is considered to have a high-income economy. The country has an estimated GDP per capita PPP of \$36,015 in 2011, the fourth highest in the Caribbean<sup>1</sup>. Aruba's economy is highly dependent on tourism, which accounts for up to 85% of the GDP, making it the second most tourism-dependent country in the world<sup>2</sup>. Diversifying the economy and reducing the country's reliance on a single sector is integral to the country's long-term vision of sustainable development.

Aruba is bringing greater diversification, economic stability, growth and sustainability to its economy. With its tremendous potential for sustainable energy generation, the Government is aggressively promoting the use of renewable energy, most notably solar and wind energy, to successfully transition its economy off fossil fuels. With its innovative ideas and ambitious projects, Aruba hopes to become a model for other small island nations around the world in their quest to becoming sustainable societies.

At the request of the Government of Aruba, represented by the SDG Commission, the UN Country Team (UNCT) fielded a mission to Aruba during the week of 15-19 May 2017. The objective of the mission was to develop a Roadmap for SDG implementation in the country. The Roadmap draws from insights gained during a series of consultations with key stakeholders over the course of the mission. Stakeholders consulted include ministries of government, civil society organizations, private sector organizations, academia, youth groups, and the media.

The Roadmap follows the elements identified by the United Nations Development Group (UNDG). This is critical for effective and coherent support in the implementation of the 2030 Agenda for Sustainable Development, under the acronym MAPS (mainstreaming, acceleration and policy support). Mainstreaming refers to landing the SDGs into national, sub-national and local plans for development and shaping budget allocations. Acceleration focuses on targeting resources and interventions to areas that can have maximum impacts across various SDG goals and targets. Policy support refers to ensuring that the skills and expertise of the UN development system are rendered available in an efficient and timely way. MAPS frames the UN development system's support in the implementation of the 2030 Agenda and seeks to make available a set of tools, guidance and expertise to governments, civil society and other partners.

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<sup>1</sup> World Development Indicators, World Bank.

<sup>2</sup> The Ministry of Economic Affairs, Social Affairs and Culture. Estimation is 70% of GDP, published in The Green Gateway: A knowledge-driven entrepreneurial economy.

## II. Overview of Aruba's Development Context

### 2.1 Economic Overview

Aruba is a small, open, high-income economy with an estimated GDP per capita PPP of \$36,015 in 2011, the fourth highest in the Caribbean<sup>3</sup>. With an economy heavily dependent on tourism, which accounts for up to 85% of GDP<sup>4</sup>, the country is recovering from a double-dip recession caused by the 2008 global economic downturn and the temporary halting of the operations of the oil refinery and closure of two important cruise companies. These events resulted in an economic contraction of 11.3% of GDP and an increase in unemployment, which rose to 10.3% in 2009. The subsequent shutdown of the Valero refinery in 2012 contributed further to the recession, shrinking the country's GDP by 1.4% with unemployment reaching 9.6%.<sup>5</sup>

Oil refinery had accounted for 12% of Aruba's GDP<sup>6</sup> and its rehabilitation is considered to be the most critical infrastructural investment. With Citgo as operator, refurbishment of the oil refinery is scheduled to start gradually in July 2017 and will require about USD \$700 million phased over 48 months. The refinery is expected to be fully operational in 2021.<sup>7</sup>

The Aruban economy grew 0.8% in 2014, but contracted by 0.5% in the following year. The 2016 figure was revised from positive 0.4% to negative 0.2% mainly due to the postponement of the oil refinery refurbishing work, originally scheduled for the end of 2016. Private consumption also contracted 3.7% in 2016, mainly caused by consumer pessimism as shown by lower consumer and car loans and an increase in bank savings during the year. However, housing mortgages increased 4.5% apparently by the shift in the accommodation industry towards private properties to host visitors (e.g. Airbnb).

In 2017, the Central Bank of Aruba forecasted the economy to grow by 3.4%, primarily due to the oil refinery refurbishment investment, which is expected to lead to an increase in foreign investment by 28.6%. However, the IMF estimated a more conservative 1.9% growth in 2017 and 2.3% in 2018, to then converge to the medium-term potential output of 1.75%, under the assumption of the oil refurbishment investment. In the alternative scenario, without the oil refinery, the potential growth is even lower and in both cases, the output gap is narrow.

Investment, the main driver of economic growth, is also driven by infrastructure development. Examples are the relocation of the multi-cargo container terminal to Barcadera, the construction of a large-scale

<sup>3</sup> World Development Indicators, World Bank.

<sup>4</sup> The Ministry of Economic Affairs, Social Affairs and Culture. Estimation is 70% of GDP, published in The Green Gateway: A knowledge-driven entrepreneurial economy.

<sup>5</sup> Annual Statistical Digest 2015. Central Bank of Aruba.

<sup>6</sup> Opportunities Ahead. Government Initiatives, Investment Opportunities and Economic Prospects. Government of Aruba. March 2013.

<sup>7</sup> Economic Outlook, May 2017.

commercial development in Oranjestad port, the expansion of the airport with an estimated investment of USD \$200 million, the transformation of the airport parking lot into a solar energy farm, the construction of the Green Corridor and Watty Vos Boulevard and the expansion of the Dr. Horacio Oduber Hospital.

Consumption is expected to increase 2.8% in 2017. Tourism receipts is expected to increase by 1.3% in nominal terms, although it is expected to decline slightly in real terms due to the contraction of the economy in Venezuela.

The two fastest growing markets for Aruban tourism are Venezuela and Canada, growing at an annual average rate of 11.7% and 10.3% respectively. In 2015, Venezuela represented 28.6% of total stayover visitors, the second largest number of visitors, only below the United States whose own market share accounted for 50.7%. However, the economic and political instability in Venezuela represents an important risk for the sustained growth of Aruba's tourism industry.

To diversify its economy from tourism and oil refinery, Aruba is making efforts to expand its potential economic growth in an inclusive and sustainable way, taking advantage of its political and economic stability, educated and skilled work force, strategic geographic location, transport/cargo infrastructure, and a reliable judicial system. The former Cabinet focused on "knowledge economy" with four components: green technology, maritime and logistics, creative industries and value added tourism (which is a further elaboration on the first pillar).

The green technology component departs from the renewable energy strategy to promote innovation in partnership with institutions like the Centre of Excellence for Sustainable Development of Small Island Developing States, established in Aruba by the United Nations Development Programme in 2015, the SISTEM / Green Faculty at University of Aruba and the TNO Caribbean branch office.

During the Rio+20 conference in 2012, Aruba announced its commitment to transition to 100% renewable energy by 2020 in order to become the first island nation to produce its energy without fossil fuels. In 2015, wind and solar energy accounted for 18.8% and 1% respectively. The expectation was set that 44% of Aruba's energy would be from wind, while solar energy was set at 2.7% and biogas at 4.6%. Furthermore, EcoGas is scheduled to start delivering biogas to the Water en Energiebedrijf Aruba (W.E.B), the water and energy company.

The second component of the knowledge economy plan is to turn Aruba into a well-established maritime logistics hub, making the most of the new multi-cargo terminal in Barcadera. Pertaining to the creative industries, the third component, Aruba is embracing the cultural services, from festivals to arts and crafts, as well as innovation initiatives.

Finally, the fourth component of the knowledge economy is value added tourism. The relocation of the cargo terminal, expansion of the airport, the repurposing of the port, and urban renovations in the main cities are all part of the strategy to improve tourism services in the island. In addition to these initiatives,

Aruba is also expanding the linear park, improving taxi stands and providing adequate public toilet facilities. Aruba is also incentivizing green investments through tax incentives for the hotel and accommodations industry. The government has implemented a reformed Aruban IPC law. This incentive will support the growing up-take (due to cost-saving) of Voluntary Sustainability Standards (VSS). Besides incentivizing the uptake of sustainable certifications (VSS), the law also requires other sustainable investments in the Aruban community to be able to receive the tax break.

In 2014 Aruba broke the one million mark for stayover visitors. Since 1986, the number of stayover visitors has been growing at an average rate of 8.6% annually to reach more than 1.2 million in 2015. Occupancy rates and Revenue per Available Room (RevPAR) in Aruba are above the average for the Caribbean.<sup>8</sup> Total hotel revenue was estimated at US\$ 266.55 million dollars for 2013 and the number of rooms was estimated at 11,075 in 2015. However, there is still room for improvement in the tourism industry. Recently the Aruba Tourism Authority finalized a tourism Destination Development Plan (DDP), which is a strategic multi-year plan to develop our tourism product. The DDP included the SDGs as an integral part of the process.

Aruba has a relative small share of 3% of cruise visitors in the Caribbean since the geographical location of Aruba within the Caribbean region is not optimal to expect large volumes of cruise activities compared to the northern Caribbean islands. The cruise industry is one of the fastest growing segments in the region--almost 24 million passengers arrived in the Caribbean in 2014. Destinations like Martinique, Belize, and Trinidad and Tobago reported double-digit growth rates in the number of cruise visitors. Only four destinations account for almost half of the cruise market in the area: Bahamas (18%), Cozumel (14%), US Virgin Islands (9%) and St. Maarten (8%). The relocation of the multi-cargo terminal, and the repurposing of the Oranjestad terminal, is an opportunity to revitalize the cruise industry.

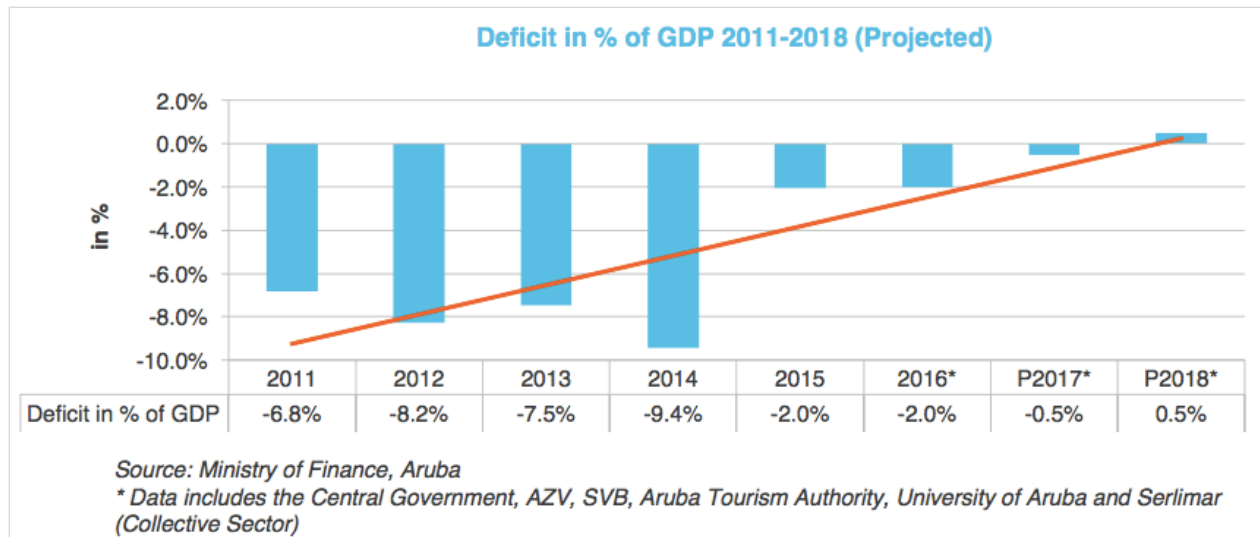
In addition to economic diversification, the most important challenge in the Aruban economy is to keep the budget in balance. Public debt gradually increased from 38.6% of GDP in 2000 to 87.3% estimated for September 2016. In the years after the crisis, the budget deficit kept growing to reach 447.5 million Aruban Florins, or USD \$250 million at 1.79 fixed exchange rate, equivalent to 9.4% of GDP in 2014 (see graph).

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<sup>8</sup> The Central Bureau of Statistics (CBS) reports for 2013 an occupancy rate of 76.2%, an Average Daily Rate (ADR) of US\$ 214.14 and a RevPAR of US\$ 163.12, excluding timeshares. According to the Caribbean Tourism Organization (CTO) based on data from Smith Travel Research (STR) reports an occupancy rate of 67.1%, ADR of US\$ 186.55 and RevPAR in US\$ 116.40. See:

<http://cbs.aw/wp/index.php/category/tourism/general-visitors-statistics/>

<http://www.onecaribbean.org/wp-content/uploads/2014TourismReviewDocumentAmendedFEB11.pdf>



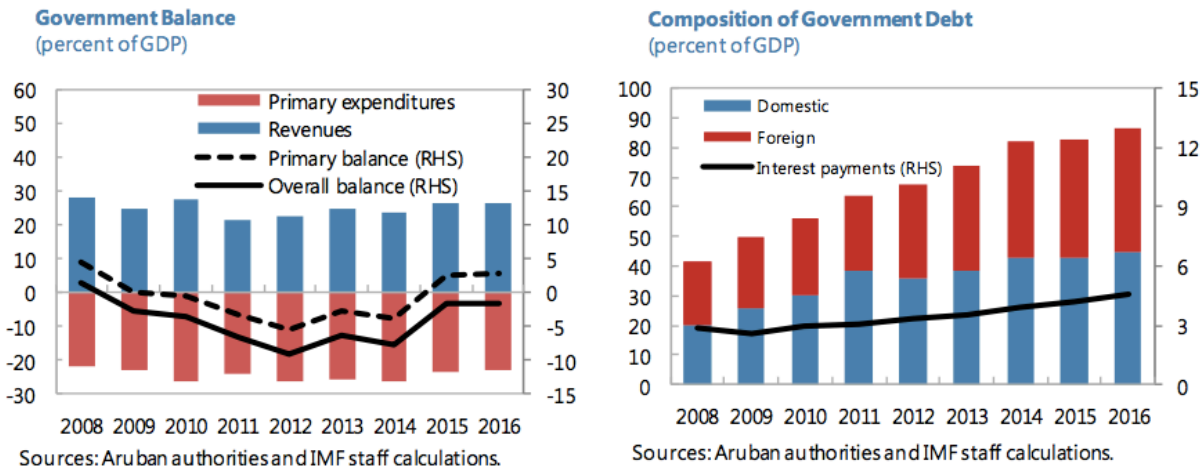
Interest payment obligations on debt reached 4.5% of GDP in 2016, crowding out public spending in other key areas. Despite reducing the fiscal deficit to 0.5% in 2017, the budget included 1.2% of GDP of transfers to universal healthcare and 1.3% of GDP in cash transfers to low-income families and single mothers, as well as to various social programs. In 2018, the goal is to achieve a balanced budget but additional pressure on social spending could be expected.

To meet the budget goal, the pension system was reformed, which included the individualization of the Old Age Pension (AOV). Additionally, a mandatory General Pension was introduced to complement the AOV. The retirement age was increased in general and as a consequence therefore The Civil Servants Pension System APFA adjusted its retirement age accordingly from 55 to 65. Finally, the health care cost (AZV) was contained by making yearly contracts for providers, lowering drug costs, and negotiating the price of medical treatments abroad.

The revenues resulted from the introduction of the indirect tax BAZV of 2% are also used to cover for the health care costs. These reforms have been welcomed by the international financial authorities. However, the International Monetary Fund (IMF) recommends sustained fiscal effort at least until 2020 to durably set debt on a downward path. A formal medium-term fiscal framework to rebuild the fiscal policy space would enhance the credibility of these plans. The government of Aruba is addressing its efforts to reduce the public debt.

Among IMF's recommendations are additional revenue efforts, especially indirect tax collection, reduction of wage-related expenses given the large size of the wage bill and measures to make the health care system self-financed. Based on their Article IV consultation, the IMF is also recommending a labor market reform, skill-based immigration policies to increase productivity, improvement in the business environment, and drawing in tourists from a broader group of countries.





The exchange rate has remained fixed at 1.79 Aruban Florins per US Dollar since 1986 and monetary policy seems adequate given the economic context. The Central Bank of Aruba has kept the reserve requirement ratio at 11 percent since 2010. Gross reserves surpass 4.5% of GDP, which is almost six months of imports. Confidence in the banking system remains high. Banks are profitable and keep elevated capital buffers. Credit grew 1.8% in 2016.

The main economic foreseeable risks are those related to the inability to achieve the fiscal adjustment, which depends broadly on the rehabilitation of the oil refinery to boost growth. Delays in refinery-related investments would prevent Aruba from reaching its revenue objectives and, thus, from putting debt on a downward path. Other risks involve the emergence of additional tourism competitors (like Cuba) for the US market.

## 2.2 Social Overview

### Welfare system

Aruba has an extensive social protection system, including non-contributory and universal old-age/widow(er) and orphan pension schemes, a health-care insurance program, and a compulsory contributory insurance program that covers most employees in cases of wage loss due to workplace accidents, illness and bankruptcy of the employer.<sup>9</sup> The pension system was recently reformed to ease the fiscal pressure.

Aruba also offers public assistance in times of financial and legal adversities, as well as social support services to overcome crises and to meet basic needs. Access to education is facilitated by the government and some utilities are subsidized. Other than education and transportation services, most of the social assistance and social welfare programs are administered by the Department of Social

<sup>9</sup> Directie Sociale Zaken, Social Development: A Situational Analysis of Aruba Case, February, 2017.



Affairs (DSA) and delivered both by public departments and by subsidized civil society organizations in the social and healthcare sectors.

The DSA objective population are people in need and low income. The typical DSA beneficiary is a single mother with dependent children having no or low income. A key observation is that in 2016 over one-third of heads of households receiving family transfers never had a job and more than half of the registered welfare recipients aged 17-24 did not have any job experience.

### **Income poverty and inequality**

Income inequality, measured by the Gini coefficient, increased in Aruba from 0.40 to 0.41 between 1991 and 2006 to 0.44 in 2010. While this level of inequality is below the figure observed for other countries in the region like Haiti (0.59) and Mexico (0.46), it is above that of European countries like Norway and Denmark where the Gini coefficients are around 0.25. On the other hand, wage dispersion ratio, measured by the coefficient between the income of the richest 10% over the income of the poorest 10% slightly decreased from 4.39 in 1993 to 4.34 in 2010.

In terms of income poverty, the Central Bureau of Statistics (upon the request of DSA) DSA has estimated it following the OECD standard of 60% of the equivalised median household income as a measure of relative poverty. With the 2010 Census data 20.7% of the households fell below the 60% of the equivalised median household income threshold, equivalent to Afl. 1,380 per month, which was lower than the minimum wage at the time (Afl. 1,543). With a 50% threshold, 15.7% of the households are indigent. The 60% equivalised median household income threshold would be equivalent to approximately US\$770 at an exchange rate of 1.79 Aruban florins per US dollar, which is also equivalent to more than US\$ 25 per day.

### **Health**

Life expectancy is estimated at 76.9 years, which is higher than some countries in the region like Trinidad and Tobago and the Bahamas, but lower than the Dominican Republic, Panama and the Cayman Islands. The infant mortality rate in 2016 was 4.4 per 1,000 live births.

Among the main challenges in terms of health is obesity among children and adolescents, which affects 35% of this group. The high cost of imported fresh vegetables and fruits has encouraged consumption of cheaper high-calorie foods. Low rates of breastfeeding and lack of physical activity are also contributing factors. Reproductive health also requires special attention, particularly among adolescents given that adolescent girls account for over 10% of births in Aruba.<sup>10</sup> While the fertility rate for women between 15 and 19 years old has declined from 57 per 1,000 in 1991 to 36.3 per 1,000 in 2016, it is almost three times higher than that of the 20 years old and above age group.

Regardless of the population growth, the number of beds in the Dr. Horacio Oduber Hospital has remained at 288 although the occupancy rate has also remained stable at around 80%. In 2014 only

<sup>10</sup> UNICEF, The Situation of Children and Adolescents in Aruba: key findings and recommendations (2013).

1.2% of the population above 60 lived in geriatric homes, although geriatric homes in Aruba are not only populated by persons 60 years and older, but also by persons who are not able to take care of themselves because of various (medical) reasons.

## Education

Per the 2010 population census, the literacy rate is 96.5% among people 14 years of age and older, while in the 65+ age group the literacy rate falls to 88.5%. This rate is higher among women 14-64 years of age, but lower among women 65+. School attendance is 98.5% for children 5-14 years of age and good gender equality is observed. In fact, school attendance is higher for women in the age group 15-24. Basic education is public and almost free in Aruba. Public spending in education is 6% (pending National Accounts) of GDP, one of the highest in the Caribbean, only below Cuba and Jamaica. In the LAC region, only Venezuela, Bolivia, Argentina and Costa Rica show greater education expenditure rates.

Aruba has made important achievements in education with 97% of students transitioning from primary to secondary education. However, challenges remain. One of the main problems is that the Aruban education system generally replicates the Dutch model and fails to adequately adapt it to the local needs. For instance, it does not reflect the fact that most people in Aruba speak Papiamentu, and not Dutch. Whilst not forgetting Aruba being a multilingual society, Spanish and English are also widely spoken.

In terms of tertiary education, the DSA claims that According to the 2010 Census, the highest level of education attained by 12.1 percent of the population of Aruba 14 years and older not attending school, was a bachelor's degree. This is significantly below the target of 30% required for a knowledge economy. The country faces the challenge of a limited number of local professionals with college degrees.

Due to a lack of consensus about the definition of dropout, there is no data to substantiate any claims about dropout. When a consensus on a definition of dropout is reached, an assessment can be made of the situation of dropout in Aruba.

The Aruban government is working towards education of quality with the aim to improve the learning outcomes.

In order to achieve this the government is developing for the coming ten years a new Strategic National Education Plan 2018-2028. To achieve the objective of an education system of quality actions are made for the educational system to respond to the needs of the country, the labor market, external global development and individual needs. In addition, attention is given to inclusiveness and equity. This all in harmony with nature and life. Sustainable development issues are being integrated into the teaching and learning. The competencies the students achieve must be relevant, improve their ability to be a lifelong learner and enhance their commitment to improve their quality of life and the society.

Planning for effective learning and teaching is being made to ensure that students are successful learners. The learning environment will be improved to support the students to achieve their goals. The

supporting mechanisms are being improved to help enhance the quality of education. A quality culture with respect for the human being is being promoted.

Core areas are:

**1. Multilingual education.**

*This is being introduced in all primary schools, where Papiamentu will be the language of instruction in the majority of schools.*

**2. Education directed on the labor market and global needs.**

*New developments taking place in Vocational and Professional Education are directed to labor market, global and individual (the Learner) needs. The focus is as follows:*

- *to enable the Learner to be well prepared for a successful entrance in the labor market and integration in the Aruban and global community;*
- *to ensure a clearly defined route, which properly connects educational programs with continuing education thus promoting lifelong learning;*
- *to serve as a means to meet the individual needs of the Learner by promoting self-growth through personal and professional development.*

*The vocational and professional education curricula and programs are in the process of revision and adaptation in close collaboration with educational, governmental, trade and industry partners. Current themes that among others are receiving attention are entrepreneurship and citizenship. Furthermore, nature, environment and technology are currently integrated in educational programs (example botanical garden).*

*Similar reforms are also occurring in Non-formal Education, which through its courses targets issues related to skills improvement, literacy, healthy lifestyle etc.*

**3. Flexible higher education**

*Opportunities are created for more students to study by offering flexible degree programs of excellent quality. The programs that give access to higher education will be improved for an easy transition between high school and college.*

**4. Digitalization and new learning environment**

*By end September 2018 all schools will have wifi. Planning of digital learning environment is being made. As well as policy for students to learn in other location with the help of digital technology. This to increase access to education for all students.*

**5. Strengthen the educational care structure.**

*The structure of educational care is being strengthen by allocating professionals closer to schools. Early detection of and intervention are key. Attention is given to learning and social emotional problems in all levels of education (daycare till higher education). Also attention is given to healthy, safe schools and after school programs (Club Escolar).*

**6. Culture of quality and respect**

*A culture of shared accountability and responsibility is being created among all stakeholders from teachers, principal, parents to schoolboards, departments of education, inspection, community etc. A culture where stakeholders give their best performance or contribution and are role models by treating everyone with respect to give the students the best learning experience and support and enhance quality of education.*

To achieve all the goals a strong support mechanism must also be in place.

## Employment

The labor participation rate in Aruba was 63.6% in 2010, showing a remarkable reduction in the participation rate gap between men and women in the last 50 years. Women's representation in Parliament has increased recently accounting for 7 out of 21 seats. There is, however, room for improvement. In the Cabinet only two in eight ministries is led by a woman, including a female Prime Minister.

The unemployment rate in 2014 was estimated at 7.5%. In terms of labor force participation in industries, most employment is in hotels and restaurants (22.4%). Public administration, education and health services account for 18.1%, while construction and real estate account for 8.7%. Trade and transport account for 16.6% and 5.9% respectively. The rehabilitation of the oil refinery and the new multi-cargo terminal is envisioned to increase the number of jobs in these industries.

## Housing and services

In Aruba, the financially disadvantaged segment of the population receive support in securing a suitable and affordable home. The Stichting Fundacion Cas pa Comunidad Arubano (FCCA), a foundation established in Aruba in 1979, offers affordable housing to inhabitants of Aruba. By the end of 2016, FCCA has provided 1,464 social rental houses (this excludes 1 Halfway house, 3 homes for the Elderly, 13 facilities for the neighbourhood police, the neighbourhood social worker and such, plus 5 recreation facilities in its housing project). Many dwellings have also been adapted for tenants with disabilities. The Government of Aruba provides the rent-subsidy for the financially disadvantaged tenant. FCCA has also provided more than 10,600 home mortgage loans.

Pertaining to the upkeep of housing units, the 2010 Census notes that 2.1% of housing units are reported to be in poor or very poor condition. 1.2% of households units lack a refrigerator, 1.7% do not have a stove, and 2.8% have no sink. With respect to sanitary facilities, 1.3% of households have no own toilet, 6.4% of households do not have an electricity connection of their own, and 6.7% lack a water meter of their own.

In terms of access to other services, 17.3% have no cable television, and 19.8% of households have no air conditioning.

A number of challenges are related to neighborhood/environment indicators. The 2010 census reports floods after heavy rain as an inconvenience for 31.8% of households, while the presence of dust is reported as an annoyance for 28.8%. Crime is a key concern for 20.5% of households.

## 2.3 Environmental Overview

The island of Aruba is located in the tropics, and has a tropical steppe, semi-arid hot climate. The wind over Aruba blows for more than 95 % of the time from the northeast and the southeast direction, at an average speed of 7.3 m/s at 10 meters distance (1981-2010). The minimum wind-speed is observed in

October and November and the strongest winds are recorded in May-July. The average temperature in Aruba is 28.1o C, varying from 20.6o C to 36.5o C. The coolest months are January and February and the warmest months are August and September. The average yearly rainfall in Aruba for the period (1981-2010) was 471.7 mm. The wettest months are from October through December, and the driest months are March through May. The potential for thunderstorms on Aruba is relatively low, as compared with the rest of the Tropics. There were on average only 17.9 days per year when thunderstorms passed over the observation site in Aruba (1981-2010). The average relative humidity for that period was 77.4%, while the average cloud coverage on the island was 47.3%, with the lowest average in January and the highest in May. On a daily basis, the average cloudiness of the sky was highest in the morning hours and lowest in the late evening 11.

### **Clean Water and Sanitation**

The proportion of the Aruban population using safely managed drinking water services and safely managed sanitation services, are prerequisites in our legislative system for acquiring house permits. All of Aruba's drinking water services are piped and are connected through water tanks, which are being provided by the desalination of seawater from the Water and Energy Company. Aruba has three wastewater treatment plants that currently treat 8000 cubic meters of wastewater per day. Most of the other wastewater is being collected in wastewater tanks in situ. Water quality is being monitored since 2006 mainly on fecal coliform, *Escherichia Coli* (E.coli) and intestinal enterococci. It began with the monitoring of water harvested from rainfall then seawater and effluent from wastewater treatment plants. In 2015 the water monitoring program was amplified with a portable handheld water meter that measured amongst other pH, Dissolved Oxygen, Water Temperature, Total Dissolved Solids and Conductivity of seawater, harvested rainwater and water wells.

### **Oil refinery and its environmental impact**

At the peak of the oil refinery, in the 1950's, it was running at full capacity and employed almost 10,000 people--16% of the work force. This dramatically increased the standard of living on the island. By 2012, as refining margins contracted, the refinery only employed 800 people. An agreement has been signed of the Algae Bio-Refinery Project, which is intended to capture co2 and is carried out by the TNO. This is in line with the government ambitions to integrate innovation in the island's development.

The environmental impacts of the oil refinery, the transshipment station, and the many storage tanks brought devastating changes to the environment and coastal landscape. Contamination near the coast has led to severe consequences for the marine environment (Bak, 1987). Barrel leakage and dump sites above and below ground, destruction of coral reefs of the San Nicolaas Bay due to providing large tankers with access to oil terminals, and intense exploitation of fresh water from local wells to meet the requirements of the oil industry have resulted in some damage to the environment.

Furthermore, there is also the issue of asbestos and chemical solid and liquid waste dumping in numerous locations on the island.

### **Fisheries**

Aruba's fisheries are mainly small-scale and recreational, i.e. there are no commercial fisheries, as this has been prohibited under policy since 1990.<sup>11</sup> Both types of fisheries are confined to the territorial waters of Aruba. There is currently overfishing in all three major small-scale fisheries identified (Wahoo, Grouper and Snapper). This is supported by the fact that a constant or decreasing CPUE (catch per unit effort) has been observed in these fisheries. Recreational overfishing is contended, but is believed to target to a certain extent wahoo, dolphinfish and barracuda. Some catch sales occur at the landing sites, and some recreational fishers have contacts with local restaurants and hotels to deliver incidental catch.

The legislation identifies a single authority with the responsibility for marine capture fisheries management at the national, regional/international and local levels: The Department of Agriculture, Animal Husbandry and Fisheries. Furthermore, fisheries management activities at the regional/international level are carried out under the supervision of the Dutch Government. Issues are therefore handled through Aruba's Office of Foreign Affairs and the Dutch representation in Aruba. There is no separate fisheries science agency or institution to share the scientific responsibilities of management. A separate fisheries enforcement agency/authority, the Coastguard of the Dutch Caribbean Region and Police, is responsible for all fisheries enforcement matters concerning Aruba's fishing operations.

Aruba is not a party to any major international marine fisheries management conventions. Aruba has made some efforts to implement the United Nations Food and Agriculture Organization (FAO) Code of Conduct for Responsible Fisheries (CCRF) (1995), such as establishment of legislative provisions for the preservation of fisheries and fish populations, promoting participatory management practices and monitoring of fish stock status. Furthermore, the population of lionfish is also being monitored by NGOs.

Small-scale fishery does not provide the sole source of income or the sole source of food security for the majority of participants. Recreational fishery, however, provide the sole source of income for 25 percent of the vessel owners. This is presumably linked to the fact that the recreational subsector is providing a service for the tourism industry. The recreational fishery also provides an important source of food for the participants.

### **Ecosystem Services and Biodiversity**

Aruba houses unique flora and fauna. 249 species of birds have so far been recorded, two of which are endemic sub species; the Shoko (Aruban burrowing owl) and the Prikichi (Aruban parakeet). Shoko (*Athene cunicularia arubensis*) was declared a National Symbol in 2012, and now the Prikichi (*Aratinga pertinax arubensis*) has become the National Bird of Aruba. The Cascabel (Aruba Rattlesnake) is also endemic. Other rare species exist of flora that can be found on the island are Mata Combles (*Schoepfia schrebi*), the Gulf Graytwig, Palisia Cora (*Bursera simaruba*), the West-indian Birch or Gumbo Limbo),

<sup>11</sup> Country Review, Aruba, Byron G. Boekhoudt, December 2012, Review of current fisheries management performance and conservation measures in the WECAFC area, FAO, 2015



Zeekraal, Wayaca Shimaron (*Guaiacum sanctum*, Holywood), and Huliba Macho (*Capparis indica*, Druce). The Cododo (*Cnemidophorus arubensis*, Aruban Whiptail Lizard) is a common endemic lizard species. (Ref. Nature Policy, Structural Note Nature, 1996).

The flora of Aruba differs from the typical tropical island vegetation. Xeric scrublands are common, with various forms of cacti, thorny shrubs and evergreens, with the Aloe vera being the most famous, which has a place on the Coat of Arms of Aruba.

Aruba contains two classified natural sites: a terrestrial Protected Area and a Ramsar site. Additionally, it has a variety of bird habitats identified by Birdlife as potential Bird Sanctuaries. No coastal and marine protected areas are currently in place. The Protected Area of Parke Nacional Arikok covers 18% of the total land area of Aruba and contains the island's highest hill, Jamanota. Located on the island's windward shore, the park gives access to the rough lava hills and limestone rock formations typical of this arid island. With its fragile dry cactus forest and extensive scrublands, the park is home to over 50 species of native trees and is the last protected refuge for Aruba's endemic rattlesnake and the burrowing owl. Although some species are individually protected, many are still severely threatened because their habitats have no protection status.

The Spanish Lagoon (Het Spaans Lagoen) is Aruba's only Ramsar site. This wetland was designated in 1980 for its importance as a feeding and breeding area for water birds and as a nursery area for a variety of fish species and crustaceans. It covers an area of 70 hectares and borders the most southern tip of Parke Nacional Arikok. March of 2017 Spanish Lagoon was added to the National Park. It is the island's most significant coastal lagoon and one of the largest natural lagoons in the Caribbean. It is fringed by tidal mudflats, well developed mangroves, and has a narrow coastal inlet.

Aruba has a range of coastal and marine ecosystems including beaches, rocky shores, coral reefs, sea grass beds, inland bays, wetlands and salinas, mangroves, and open sea; and terrestrial ecosystems, which include dry scrub-forest, dry riverbeds, and agricultural lands. Our beaches are one of the main natural drivers for the hospitality industry. The natural depth along our coastlines are used and further developed as harbors. Aruba considers "life below water" as coverage of protected areas in relation to marine areas. Currently data is not being produced, but can be produced by using existing data sources. Aruba is receiving support from EU BEST for a Marine Park project, which will lead to better protection of marine areas.

The many ecosystem services provided both to nature and to people range from drinking water and irrigation water, fisheries/seafood, food crops and meat, building materials and gravel, medicinal plants (provisioning); coastal protection, erosion prevention, air purification (regulating); and cultural heritage, landscape beauty, social cohesion, tourism, recreation (cultural).

### **Climate change**

According to the Meteorological Department of Aruba, the effects of global warming are predicted to have a significant impact on the island. Aruba is among the 100 countries most vulnerable to the effects



of climate change (IIED, 2007). Some examples according to the Meteorological Department include an increase in flash floodings, an increase in coastal floodings, an increase in severe weather, an increase in heat indices, and an increase in droughts. Furthermore, as sea levels rise due to thermal expansion, melting of glaciers, polar ice caps, and ice loss from Greenland and West Antarctica will have devastating effects on coastal habitats. As seawater reaches farther inland, it can cause destructive erosion, flooding of wetlands, contamination of aquifers and agricultural soils, and lost habitat for fish, birds, and plants. When large storms hit land, higher sea levels mean bigger, more powerful storm surges that can strip away everything in their path. In addition, a great part of Aruba's population, floating population and infrastructures lies in areas that will become increasingly vulnerable sea-level rise. Pertaining to the ocean, the Meteorological Department indicates that the ocean absorbs approximately 26% of the CO<sub>2</sub> added to the atmosphere from human activities each year and leads to ocean acidification. Ocean acidity has increased by 30% since the beginning of the Industrial Revolution. Increasing ocean acidification and thermal stress affects our coral reefs and leads to coral bleaching. Aruba has little impact on global greenhouse gas emissions in absolute amounts, although the country has recently provided an extraordinarily high contribution.

### **Energy**

Aruba has made considerable advancements in developing its renewable energy sources while simultaneously moving away from a reliance on heavy fuel oil to generate power, by harnessing its natural resources. Aruba is already producing around 20 per cent of its energy needs from renewable sources and needs to generate around 100MW to meet its electricity demands. The island is currently looking at other renewable energy options, such as waste to energy initiatives, in addition to wind, solar and energy storage technologies to ensure grid stability.

### **Threats to the natural environment**

Aruba faces similar challenges as other Small Island Developing States (SIDS), including remoteness from markets, geographical isolation, vulnerability to external shocks, an inability to rely on economies of scale and potential susceptibility to the impacts of climate change.

The principal threats presented to Aruba's ecosystems are urban development and habitat fragmentation, solid waste, and coastal developments. Additionally, water pollution by chemicals, water sports, invasive species, climate change, overfishing, and sewage pollution are also putting ecosystems at peril.

A growing population and the influx of mass tourism beyond the social and ecological carrying capacity of the island can lead to the devastation of ecosystems and the loss of the natural environment. An example is the loss of sea grass beds in Palm Beach as a result of hotel construction and improper solid waste management by these tourism endeavors. Sea grass beds are ecologically functional for, amongst others things, food provision for turtle species and maintaining water quality. Consequently, the damage to this ecosystem leads to loss of other species which are in turn key attractions for tourism and to the destruction of essential services that are central to human health. Additionally, large nature

areas continue to be damaged by destruction of remaining flora<sup>12</sup> for economic growth and related urbanization, threatening the habitats of flora and fauna. Habitat loss results primarily from housing developments, particularly those carried out on "abandoned" or "cleaned" terrain, by means of the construction work, through building docks (piers) without proper permits, and due to illegal construction, such as ranches and artificial beaches on the coastal areas.

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<sup>12</sup> In the early 20th century, agricultural activities already covered nearly the whole central part in Aruba. After the continuing harvest of wood for export, construction, and to fuel the furnaces of the lime kilns and phosphate ovens, most of the local trees have disappeared with only sparse patches beside the agriculturally developed land (locally called Cunucu).

### III. A Roadmap toward SDG implementation in Aruba

The following section identifies key steps towards SDG implementation in Aruba. It starts by analyzing the extent to which Aruba's national planning documents are aligned with the specific goals and targets of the SDGs. It then dives into some of the potential areas for acceleration within the identified national priorities. It follows with a discussion on potential and innovative sources of financing and on the data required for monitoring and implementation. It then examines current institutional structures within the Government of Aruba that have been established for SDG implementation and suggests ways in which these could be broadened to include other relevant actors. It concludes with a discussion about engaging non-governmental actors and citizens and promoting broad ownership of the agenda.



### 3.1 Alignment: Assessing national priorities and the SDGs

Localizing the 2030 Agenda at the country level requires aligning development plans and relevant sector strategies with SDG targets and making choices on actions to meet the SDGs. UNDP conducted a Rapid Integrated Assessment of 36 planning documents.<sup>13</sup>

Overall, the assessment found an 82% alignment of Aruba's national planning documents with the SDG targets. Table 1 presents a summary of the results of the analysis. There are 104 SDG targets considered as relevant for the country.<sup>14</sup> Figure 1 illustrates the alignment level for all the development plans.<sup>15</sup>

The main gaps identified were in the Planet category. This category is noticeable because even considering partial alignments it falls below the 80% threshold, and less than half of the targets in the Planet category have national indicators to monitor their progress.

As presented in the resolution adopting the Agenda 2030,<sup>16</sup> the SDGs are grouped into coherent areas or themes (5 Ps). When considering the level of alignment and the level of aggregation of all the planning documents, the following percentages (Tables 1 and 2 and Figure 1) are observed:

<sup>13</sup> The green gateway – Economic vision and policy; Opportunities Ahead – Government Initiatives, Investment Opportunities and Economic Prospects; The creation of sustainable prosperity in Aruba – Aruba and the vision of Prime Minister Mike Eman; Education Vision & Policy; Attaining Social Economic Progress – Based on smart sustainable growth; Aruba Welfare Survey 2009 – Working Paper; Integraal Jeugdbeleid: Generation of Leaders; Healthy and Active Lifestyle: Windows on a Vision in Motion; A Strategic National Education Plan; NOP Roadmap to Education Vision 2017; Natuur en Milieubeleidsnota; Nos Aruba 2025 – National Integrated Strategic Plan. Action Plan 2010-2013; Draft Plan Sport and Nutrition; Culture Commission Draft Report; Sustainable Environment Commission; Lifelong Learning and Personal Development Draft Commission Plan; First steps to Aruba's Food Security; Governance Commission Plan; The International Finance Center Committee- Opportunity Plan (Draft); Energy Management Commission – The journey to a Strategic, Integral Energy-Management Plan (Draft); Innovation Strategy for Sustainable and Shared Prosperity; Commission – Nation of Innovation – Opportunity Plan; Sustainable Community-based Initiatives: The Power of the People; National Sustainable Tourism Commission Aruba 2025 Master Plan; Aruba Island of Sustainable Solutions; 2020 Vision Green Deck; Draft Policy Document on Sustainable Prosperity; National Security Plan; Binden, Bouwen en Bestendigen – Regeerprogramma; Regeerprogramma; Smart Growth Pathways – Building a Green Platform for Sustainable Aruba; Aruba Delivers – Sovereign Deck; A-39 Iv – Aruba financieel toezicht; Memorie van Toelichting begroting Land 2017; ondergetekend DEF NvW Land 2017 alle ministeries; National Plan Aruba 2009-2018 - For the fight against overweight, obesity and related health issues

<sup>14</sup> Out of 126 targets considered for the RIA analysis, in the case of Aruba, 22 targets are not applicable. Non-applicable targets are 1.1, 2.2, 3.1, 3.2, 4.6, 5.3, 10.5, 10.6, 15.4, 16.8, 17.2, 17.3, 17.4, 17.5, 17.7, 17.8, 17.10, 17.11, 17.12, 17.13, 17.15 and 17.18.

<sup>15</sup> Annex 1 presents the "SDG Scorecard" in detail. The SDG Scorecard identifies the target or closest equivalent text from the corresponding planning document that reflects the issues addressed in the related SDGs target.

<sup>16</sup> UN, 2015.

TABLE 1- PERCENTAGE OF ALIGNMENT TO SDGS OF ALL PLANNING DOCUMENTS

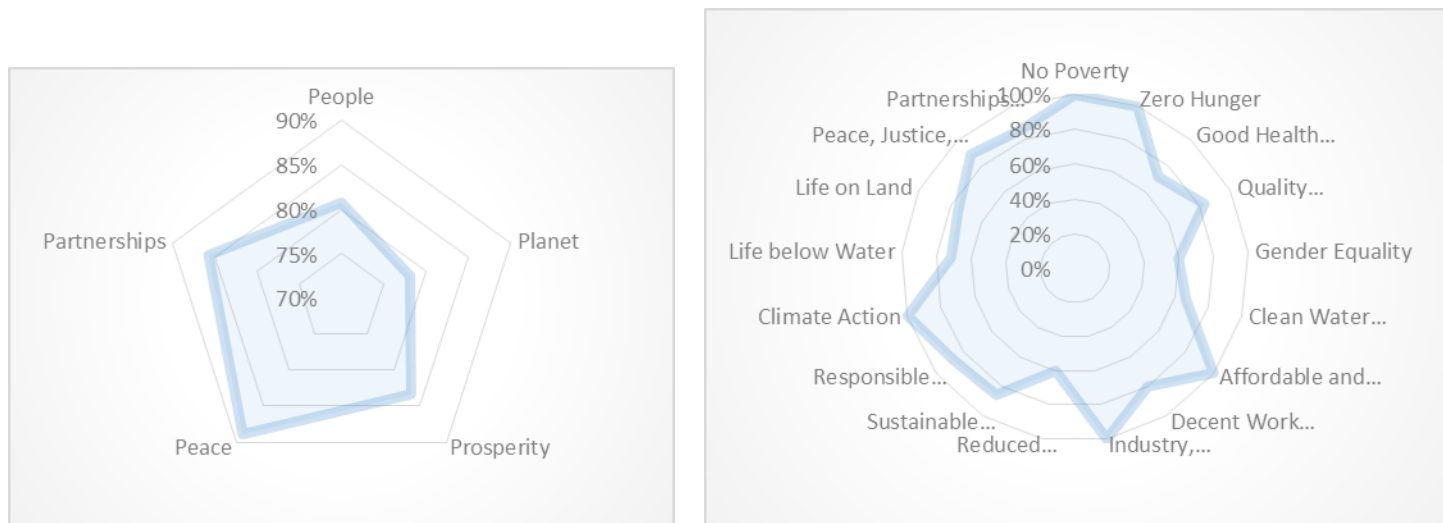
SDG	# Targets considered	# targets aligned	# aligned targets with indicators	% Alignment
a. 1. No Poverty	4	4	2	100%
a. 2. Zero Hunger	4	4	0	100%
a. 3. Good Health and Well-being	7	5	3	71%
a. 4. Quality Education	6	5	3	83%
a. 5. Gender Equality	5	3	2	60%
a. 6. Clean Water and Sanitation	6	4	0	67%
a. 7. Affordable and Clean Energy	3	3	1	100%
a. 8. Decent Work and Economic Development	10	8	2	80%
a. 9. Industry, Innovation, and Infrastructure	5	5	1	100%
a. 10. Reduced Inequalities	5	3	3	60%
a. 11. Sustainable Cities and Communities	7	6	1	86%
a. 12. Responsible Consumption and Production	8	7	3	88%
a. 13. Climate Action	3	3	1	100%
a. 14. Life below Water	7	5	3	71%
a. 15. Life on Land	8	6	3	75%
a. 16. Peace, Justice, and Strong Institutions	9	8	2	89%
a. 17. Partnerships for the Goals	7	6	0	86%
<b>TOTAL</b>	<b>104</b>	<b>85</b>	<b>30</b>	<b>82%</b>

TABLE 2- PERCENTAGE OF ALIGNMENT TO SDG THEMATIC AREA OF ALL PLANNING DOCUMENTS

Area	Total targets considered	targets aligned	% Alignment
<b>People</b>	26	21	81.0
<b>Planet</b>	32	25	78.0
<b>Prosperity</b>	30	25	83.0
<b>Peace</b>	9	8	89.0

Partnership	7	6	86.0
<b>TOTAL</b>	<b>104</b>	<b>85</b>	<b>82%</b>

Figure 1: Alignment of all planning documents analyzed with the SDGs



### Main Gaps Identified

A review of the alignment of the goals and targets within the national planning documents with the SDG targets identifies two types of gaps: 1) SDG targets not aligned and 2) SDG targets that are partially aligned

**SDG targets not aligned: targets that do not have a corresponding goal or strategy within the planning documents**

The assessment found 17 SDG targets that are not aligned in the national planning documents:

#### People

- **3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases**  
While NCD's pose a significant challenge in Aruba, the threat of communicable diseases is a concern. In 2014, Aruba had 25 registered HIV cases.<sup>17</sup> In 2016, there were several reported

<sup>17</sup> Statistical Yearbook 2014, Central Bureau of Statistics, Government of Aruba

cases of the Zika virus in Aruba.<sup>18</sup> While control measures have been implemented by local public health authorities in accordance with WHO guidelines and mosquito control programs have been intensified, planning documents need to address the issue of communicable diseases.

- **3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes**

Sexual and reproductive health and rights remain at the very center of development. At the global level women suffer disproportionately from unintended pregnancies, unsafe abortion, maternal death and disability, and sexually transmitted infections. Young girls are also extremely vulnerable as unintended pregnancies expose them to risks during childbirth or unsafe abortions and interfere with their ability to go to school. In Aruba, teen pregnancy is an issue that requires continued attention, with adolescent girls accounting for just over 1 in 10 births.<sup>19</sup> This limits their ability to achieve their goals and may put them at risk of ongoing poverty. With limited sexual education programmes in schools, this target needs to be implemented as it is integrated in the national Integral Youth Policy 2015-2020 (Generation of Leader).

- **4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations**

Aruba has achieved gender parity in primary, secondary and tertiary education with more women than men in high school and college.<sup>20</sup> However, in terms of providing equal access to the vulnerable, including persons with disabilities, the education plans do not include any relevant targets. The demand for special needs education has shown an upward trend, with growing complexities in special educational needs of children. An advisory commission established by the Ministry of Education recommended the introduction of some form of Cluster 4 education and was expected to research the possibilities with implementation of a pilot for school year 2015-2016. Aruba's national plans must consider this target to guarantee equal and accessible education for persons with disabilities and other vulnerable populations.

- **5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate**

Unpaid care work is a critical—yet largely unseen—dimension of human well-being that provides essential domestic services within households, for other households and to community

<sup>18</sup> WHO 2016

<sup>19</sup> UNICEF 2013. The Situation of Children and Adolescents in Aruba: Key findings and recommendations

<sup>20</sup> UN Statistics Division. MDG Country Progress Snapshot: Aruba. Accessed May 2017; UNICEF 2013. The Situation of Children and Adolescents in Aruba: Key findings and recommendations



members. Time spent by women and girls on domestic chores limits their opportunities to participate in the labor force or to engage in economic activity, and entails missed opportunities to attend school. Placing unpaid care work at the core of poverty reduction efforts and synergistically working across all three dimensions of sustainable development will make a substantial difference to human welfare.

- **5.6 Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences**

As mentioned above in relation to SDG target 3.7, Aruba's national plans need to integrate universal access to sexual and reproductive health and reproductive rights to ensure the health and wellbeing of citizens.

#### *Planet*

- **6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations**

In 2015, 97.7% of the population in Aruba had access to improved sanitation facilities.<sup>21</sup> However, to ensure access to all, this target needs to be considered in national planning.

- **6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity**

The demand for water is increasing due to population growth, economic development and urbanization trends. In Aruba, the impact of these developments will be compounded by climate change, increasing relative water scarcity. While Aruba has a desalination plant to provide water for its population, huge amounts of power are required to operate commercial-scale desalination – power that is often produced by importing expensive fossil fuels. Aruba also has mechanisms in place to reuse purified effluent / rinse water for irrigation purposes. However, the national plans do not include relevant targets to substantially increase water-use efficiency across all sectors.

- **12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities**

Sustainable procurement will enable the government to reduce negative environmental impacts and improve energy and water efficiency. From an economic perspective, sustainable public procurement can generate income, reduce costs and support the transfer of skills and technology. Positive social impacts include poverty reduction. Aruba's national plans may need to consider this target.

<sup>21</sup> World Bank Indicator Database. Accessed May 2017.

- **14.4** *By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics*

Although fisheries is not a primary industry in Aruba contributing to less than 1% of its GDP, the country's thriving marine-based tourism industry (based on scuba diving and game fishing), makes it important to maintain the biodiversity of both the pelagic ecosystem and the coral reefs surrounding the island.<sup>22</sup>

- **14.6** *By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation*

This target needs to be addressed if subsidies that contribute to overfishing or the overcapacity of fishing fleets exist. In the case of Aruba subsidies do not exist.

- **15.6** *Promote fair and equitable sharing of the benefits arising from the utilization of genetic resources and promote appropriate access to such resources, as internationally agreed*

Providing users of genetic resources with international access to genetic resources for use in research and development, including commercialization, and sharing the benefits of such utilization has the potential to be beneficial for economic and social development. Furthermore, it offers both a concrete example for valuing biodiversity and its ecosystem services in practice and an economic tool to take proper account of this value. Aruba's national plans would need to consider this target.

#### *Prosperity*

- **8.7** *Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms*

The Coordinating Committee Against Trafficking in Persons suggest that Aruba is a destination country for sex trafficking and forced labor.<sup>23</sup> While the Government of Aruba is making significant efforts to address this problem by identifying labour trafficking victims, formalizing a

<sup>22</sup> The University of British Columbia, Fisheries Centre. Working Paper #2015 – 10. Reconstruction of total marine catches for Aruba, southern Caribbean, 1950-2010

<sup>23</sup> UNICEF 2013. The Situation of Children and Adolescents in Aruba: Key findings and recommendations

checklist of common signs of trafficking for officials, and expanding public awareness-raising efforts, national plans need to reflect this issue.

- 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all**

There is need for more financial inclusion, including delivering social payments to the unbanked and underserved, and making it easier for the underserved to pay for basic necessities.
- 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average**

Income inequality can be a serious threat to social and political stability, and it can also threaten sustained growth. Greater equality of income has shown to increase the duration of countries' economic growth spells more than free trade, low government corruption, foreign investment, or low foreign debt.<sup>24</sup> Reducing country inequalities will require increased policy and fiscal space at the national level to enact the country-specific mix of policies needed to increase the income of those at the bottom. If income inequality is an issue, the Government needs to integrate this target into its planning.
- 10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies**

With a continuous inflow of migrant workers from neighboring countries and the recent inflow of migrants from Venezuela due to the political crisis, it is important to include this target in national planning documents.

#### *Peace*

- 16.9 By 2030, provide legal identity for all, including birth registration**

The national plans reviewed do not address this target. Of note is that while civil registration provides the basis for legal identity, it is not sufficient. For instance, a birth certificate is not always the core document necessary to establish citizenship, claim rights, and access various services. In many countries, a national identity card, rather than a birth certificate, is the required document to access many services and exercise rights. Furthermore, a birth registration measure will exclude children and adults who are past the point for birth registration but may still lack legal identity and/or legal documentation. Only people who poses an ID card, passport and / or driver's License can identify themselves, and have access to services to exercise their rights.

#### *Partnerships*

- 17.14 Enhance policy coherence for sustainable development**

The documents reviewed do not include information on capacity of governments to implement coherent policies to achieve its national development goals in ways that balance economic,

<sup>24</sup> International Monetary Fund, 2011. Inequality and Unsustainable Growth: Two sides of the same coin?

social and environmental dimensions.

**SDG targets which are partially aligned: targets from planning documents can be mapped, but their scope and ambition are less than those presented in the SDGs**

The 7 SDG targets listed below are **only partially reflected** in the national planning documents.

- **1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions**

While the national planning documents include targets on universal access to primary education and universal healthcare, the documents (reviewed by the UN expert team) do not include any targets on providing the poor with access to housing and basic services, including access to clean water and sanitation.
- **2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round**

Aruba's national planning documents include a target on increasing the country's food security by reducing its dependency on food imports. However, the documents do not mention ensuring access by the poor and people in vulnerable situations to safe, nutritious and sufficient food.
- **4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes**

The Education Vision and Policy document 2013-2017 does not mention access to free primary and secondary education. However, education is free in Aruba, but limits can be set by national ordinance. In public schools for example contributions are required for extra-curricular school activities. Furthermore, most secondary schools and post-secondary schools require a parent contribution and payment for books through a book fund.
- **6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all**

The national plans mention providing excellent quality drinking water to Aruba's citizenry and its visitors but does not mention universal and equitable access to affordable drinking water.
- **11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries**

Aruba embarked on an urban renewal project that has the potential to contribute significantly towards the reduction of dependence on fossil fuel.
- **14.7 By 2030, increase the economic benefits to Small Island Developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism**

The national planning documents include an objective on applying and enforcing existing environmental laws and introducing strict environmental policies and regulations to comply with International Environmental Standards, which is applicable for all sectors, including Tourism. However, the documents do not make specific reference to the sustainable management of fisheries and aquaculture.

- **17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries**

Based on the information provided by the Government of Aruba, the availability of indicators to measure progress appears to be a key challenge. The national planning documents reviewed include an objective on introducing environmental sustainability indicators to measure progress. However, development of indicators in other areas is also needed.

### 3.2 From Planning to Action: Prioritizing SDG Accelerators

Given the ambition and breadth of the 2030 Agenda for Sustainable Development, and the implementation constraints facing government and other partners, prioritization is essential. This means that not all SDGs can be pursued in tandem with the same emphasis. Priority should be given to a set of catalytic measures to accelerate progress across goals and targets, considering the integrated nature of the 2030 Agenda, the specific national context, and the need to balance the economic, social and environmental dimensions of sustainable development. Such catalytic measures are defined as accelerators. Accelerators refer to priority areas that, when tackled, can directly address multiple development priorities and have a multiplier effect across the SDGs. Accelerators are identified through consultations and review of empirical evidence, building a theory of change that determines the pathway through which an accelerator can have maximum impact across SDGs. An analysis of challenges – and interventions to overcome them – for every accelerator is also conducted, resulting in a COMBO of interventions for SDG acceleration.

Based on the development context in Aruba and its national priorities, six accelerators were proposed by the United Nations to catalyze progress towards the SDGs (see Figure 2 below). These accelerators are: (i) empowered youth; (ii) natural resources management; (iii) energy efficiency and energy diversification; (iv) entrepreneurship and enabling business environment; (v) strengthen institutional quality and capacity; and (vi) Aruba as a model for sustainable development.

Based on feedback received from the participants of the May 2017 UNDP MAPS mission, two additional accelerators are being proposed. For the pillar People, quality of life and wellbeing and for Peace, strong National Statistical System is being suggested.

In light of the formulated and finished Tourism Destination Development Plan (DDP) the Aruba Tourism Authority (ATA) remains a partner in communication to create further awareness on sustainability including SDGs for the local population and visitors. The ultimate goal is to create a more sustainable mind-set and behavior.

Each of these accelerators is directly associated with one of the five themes of the 2030 Agenda – People, Planet, Prosperity, Peace, and Partnership, and are intended to impact the entire development agenda.

Figure 2: Identified Accelerators for Aruba



### Accelerator: Empowered Youth

Young people (15-24 years) are critical to achieving Aruba's objective of inclusive and sustainable development as well as for the successful implementation of the SDGs. The stakeholder consultations and a desk review of various policy documents revealed key challenges affecting youth in Aruba. These are discussed below:

#### Challenges

1. *Dropout rates* (Due to a lack of consensus about the definition of dropout, there is no data to substantiate any claims about dropout. When a consensus on a definition of dropout is reached, an



assessment can be made of the situation of dropout in Aruba) *and repetition at school*. Despite having universal coverage for primary education, repetition at school in Aruba is relatively high. Grade repetition creates extra costs for public finances and stigma among those who fail to advance. Young people without secondary education cannot aspire to get good jobs and the lack of motivation increases the problem of youth not in education, employment or training.

*2. Inadequate training.* Plans to diversify the economy propose a *knowledge economy* strategy, this will require a minimum of 30% (according to international standards?) (which international standards?) of the population having a bachelor degree or higher to transform Aruba into a knowledge economy. In general, it has been observed that the country has a limited number of local professionals with a college degree and, at the same time, a possible ongoing brain drain. Apparently, there is a mismatch between what the labor market has to offer and young professionals looking for jobs:

- Experience is often required for higher job positions;
- The decisions on a higher pension age keeps well qualified youngster from entering the labor market on positions matching their education (positions being occupied longer);
- The labor market has a greater demand for lower skilled jobs.

Training has to align with the skills needed on the labor market. Collaboration with different NGOs is recommended since they might know the necessities better, combined with after school programs, part time job possibilities and educational television programs. Teachers also need training, specifically training to support them with innovation, in order to deliver better performance and results.

*3. Adolescent pregnancy.* Teen pregnancy is a challenge given that adolescent girls account for over 10% of births in Aruba.<sup>25</sup> While the DSA reports that the teen fertility rate has declined from 57 per 1,000 in 1991, to 36.3 per 1,000 in 2013, the fertility rate for women between 15 and 19 years of age is almost three times higher than the fertility rate in the 20 years old and above age group. Aruban citizens have access to health care, but reproductive health policies targeting youth, specifically the adolescent population, need to be improved. Since 2004, there is a collaboration between AZV and Famia Planea Aruba (NGO) to provide free contraception methods to youth up to twenty-one years of age, and to create awareness on reproductive and sexual health.

*4. Youth unemployment.* Youth unemployment is not clearly defined. However according to the DSA, unemployment is affecting Aruban youth disproportionately. In 2010 unemployment among the 15-24 age group was tallied at 28.9%. More recent numbers according to the Department of Labor point out to youth unemployment rate of 18.2% for 2015. There are indications that lack of employment opportunities for the youth in Aruba is the result of misalignment within the education system and with the labor market, including tailored social protection policies. For instance, young mothers with no access to daycare facilities have reduced chances of finding a job.

Experience is often asked for higher skilled jobs. The labor market has a greater demand for lower

<sup>25</sup> The Situation of Children and Adolescents in Aruba: key findings and recommendations.

skilled jobs. The recent decision to increase pension age keeps well-qualified youngsters from entering the labor market on positions matching their education (positions being occupied longer). There is a lack of youth entrepreneurship.

5. *Limited options for youth.* In addition to better education, training, health and employment policies for youth, there is a need for expanding their options, for example, public spaces. The WHO has recommended at least 9m<sup>2</sup> per person in public spaces and there are indications that in Aruba is at about double that figure (18m<sup>2</sup> not including green areas). However, it is possible that these public spaces have not been appropriated by Aruban youth and, thus, they have not been using them to improve social cohesion. Collaboration with different NGO should be promoted to tackle this challenge. Funding (investment) needs to be found to reinforce programs that offer more possibilities for the youth and proper allocation is necessary to guarantee continuity of these programs.

6. *Behavior problems.* The Health Monitor, published in 2013 by the Ministry of Public Health and Sports, reported that 70.2% of youth between 12-19 years of age stated that they had consumed alcohol. The Health Monitor also reports that 27.9% of youth attending secondary school have smoked a cigarette; 15.5% of the 2012 Youth health survey respondents stated that they smoke marijuana. The document “The Future of Crime Statistics in Aruba” published in 2014 by the Central Bureau of Statistics, acknowledged that more and better juvenile justice statistics are needed. Possible causes of behavioral issues that need to be identified include drug problems, alcohol problems, child abuse, mental issues and social problems.

7. *Right of the child.* Child policy falls under the mandate of several departments and four ministers. Different documents are available regarding children’s rights (f.e. Integral Youth Policy, UNICEF report on the status of children in Aruba, Commission for the right of the child that gives advice . In addition, a roadmap for the Kingdom was made and will be discussed during the Kingdom conference for implementation). There are gaps in the integrated care.

## **Interventions towards acceleration**

Among the interventions that could be considered to address these challenges are:

### *1. Strengthen education policies*

The government of Aruba has made significant efforts to reform the education system. Recent education policies aim to improve student achievement and assist students to succeed in their individual academic goals. These policies include reducing grade retention and dropout rates, together with other actions such as early intervention for underachievers, promoting reading at all grades, and stimulating family involvement. The educational policy must be based on a holistic approach.

In the context of high repetition and dropout rates, these policies are plausible. However, it is advisable to increase the education options for youth, in particular for those who have been expelled from school or those who have abandoned their studies. Some of the possible interventions include open education programs, and online, technical and vocational training, dropouts’ definition and causes of dropouts.

Special attention has to be given to young women who have dropped out of school due to pregnancy and/or care duties at home. The objective is not only to ensure some minimal compulsory schooling years, but also to avoid having idle young people at home who will struggle to secure jobs. Compulsory education needs to be enforced and a strong collaboration between various institutions is essential to solve the problem of dropouts.

Reorganization of the educational system might be necessary to introduce a lifelong learning approach in order for students to reach their full potential.

#### Match market needs with training

In June 2015, the FDA approved the project “Renewing curricula EPI, EPB, OAA in relation to the development of the Vocational Qualification”. One of the goals of this project is to educate more persons in the community on the intermediate and higher level of education, and to have the necessary skills required to fulfill labor market function on the desired level and with success. The project was executed in 2016 with the participation of major stakeholders in the educational field as well as labor market representatives and other relevant governmental agencies. As a result, further work is in progress for the renewal of the curricula.

An investigation should be made whether “the areas of knowledge and skills needed in Aruba” should be considered as a requisite when providing government support to students going abroad to receive training at tertiary level. Based on the private sector survey of needs, open education, online, technical and vocational training should also be promoted more actively. Finally, as has been conveyed by educational and non-educational participants in the 2016 FDA project curricula at high school and university level should be adapted to prepare more students for innovation, entrepreneurship and self-employment.

At college level, this is intended to reduce professional mismatch and brain drain. Areas of knowledge and skills needed in Aruba should be considered when providing government support to students going abroad to receive training at tertiary level. Based on the private sector survey of needs, open education, online, technical and vocational training should also be promoted. Finally, curricula at high school and university level should be adapted to prepare more students for innovation, entrepreneurship and self-employment.

A holistic policy might include training in art, music, dance, sports, or other recreational activity as a safe net. In doing so students match their passion with the probable job opportunities. In addition, attention needs to be given to skills and interpersonal abilities. Training can also be given on Social Emotional Learning in schools. This will help the youth to be better prepared when entering the labor market, increasing labor productivity. Furthermore, teachers need to be trained to teach from the heart.

#### *II. Expand reproductive health and care policies*

As adolescent pregnancy is high in Aruba, extra attention needs to be placed to address it. Contraceptive methods, especially the use of condoms, should be widespread among youth in Aruba. The use of condoms is not only an effective contraceptive method; it also prevents the transmission of HIV and other sexually transmitted diseases. Planned Parenthood policies may also be a viable option

and could be taken into account.

Care policies and programs are important complements of reproductive health policies. Young mothers need access to affordable daycare facilities to continue their education, attend training or to join the Aruban work force. Daycare and other care policies have proven to be important in Latin America and the Caribbean to prevent people from falling into poverty and these serve as critical gender equalizers since women are usually the ones providing care in the absence of such policies.<sup>26</sup>

A broader approach is necessary for the youth to work on their self-esteem and self-worth. An integral approach is needed to avoid that every institute (for example NGOs) is working on their own as separate "islands". To increase the confidence level of the youth, some of the suggested programs could be "I Love my Body" (program), contraceptives and involvement of the parents. It is recommended to use best practices from abroad.

#### Enforce Children's Rights

Better coordination mechanism is needed to ensure proper execution of the rights of the child. Adequate human and financial resources are allocated to ensure implementation of required services to this end.

### *III. Create job opportunities for youth*

The Government of Aruba is aware of the importance of supporting small and medium enterprises (SMEs) and is working on policies to realize this aim. To address unemployment in Aruba, it is important to promote youth skills, knowledge and entrepreneurship, including social enterprises, reduce red tape for new businesses, provide support to finance their ideas and create a culture of innovation. SME policies - business incubators, for example, should consider the youth audience. Therefore, a definition for youth unemployment should be in place.

Incentives for hiring young employees and recent graduates to enter the labor force could also work in already established companies to have a fair job opportunity. In some places, trainings and early recruitment programs are good complements of tax incentives. Partnerships to create jobs and retain talent are also ways to introduce youth, especially young professionals, to the labor market. Summer internships and apprenticeships are good examples of strategies benefiting both youth and the companies.

These actions, together with improvements to education and training as well as care policies, are intended to reduce youth unemployment but also to increase productivity, economic diversification through innovation and, thus, economic performance.

### *IV. Improve community services*

To promote social cohesion, youth in Aruba need to engage in extra-curricular and extra-work activities.

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<sup>26</sup> See the Regional Human Development Report 2016 available here: <http://hdr.undp.org/en/content/human-development-report-latin-america-and-caribbean-2016> and <http://hdr.undp.org/en/content/regional-human-development-report-2016-caribbean>.

They need healthy entertainment options, such as friendly public spaces. Aruba is investing heavily in public spaces but it is important that these spaces are not considered solely as tourist attractions. Social cohesion requires youth to develop a sense of belonging. Sports facilities like basketball, soccer and baseball fields are good examples of spaces targeted to youth.

Libraries, among other public facilities, could be turned into youth-friendly multipurpose facilities. For example, public libraries could have an inconspicuous private space to denounce domestic violence or get information on reproductive health. Other community facilities could provide off-school activities like dance lessons, promote excursions or support groups.

More professionals in community centers and after schools programs are needed. Investment is needed in more youth programs at the "Centro di Barrios" (neighborhood centers) where service/training can be offered. Seeking of additional funding can guarantee continuity for youth community service, better return on investments and more systematic implementation of projects.

#### *V. Attend behavior problems*

Friendly multipurpose facilities can offer counseling services for troubled youth on topics like addiction to drugs, alcohol or gambling, domestic violence, depression and more. Additionally, building the capacity of hotlines and chats could help youth seeking counsel. Families and community groups are usually protective factors that serve as risk reducers. There is an Orthopedagogical Centre and Multi-disciplinary Centre in Aruba that deals with some of these issues.

Teaching assistants in the classrooms should be further promoted to help identify and attend students with learning deficiencies or behavioral problems on time (deviant behavior).

#### **SDG Impact**

A healthy, educated and productive youth population is essential for a prosperous society and a sustainable economy, as aspired by Aruba and described in its planning documents. Empowering youth will help drive progress across multiple SDGs, including SDGs 3, 4, and 8 related to health, education and employment, and to goals 1, 10, 11 and 16.



### Accelerator: Improved Quality of life and Wellbeing

Another important focus for the Aruban community is the empowerment of all citizens to achieve their maximum development potential. Vulnerable groups in our society must strengthen their ability to control their life. This will lead to greater autonomy, which will result in an increased chance of success in society or on the labor market.

#### Challenges

1. *Lack of empowerment of different groups of the population.* The quality and dignity of the people of Aruba need to be addressed. Signaling and covering the vulnerable groups in our society, f.e. elderly, youth, teenage mothers, disabled persons and migrants, need attention too. (Leave no one behind).
2. *The need for increasing community health and wellbeing.* There is much concern for the wellbeing of the Aruban community. Lifestyle mindset (behavior change) and the non-learning attitude are topics of concern. These topics are also a priority for our youth, which are the future in 2030. Loneliness and lack of social cohesion are challenges that must be addressed. The youth and elderly feel lonely and excluded. In terms of health, there a high prevalence of non-communicable diseases (NCDs) among the Aruban population.

Census data of 2010 reveals that in the last decade the percentage of the population perceiving their health as good or very good declined in comparison to previous censuses. Unhealthy lifestyles as well as population ageing could explain this decline. Our mortality rates are mostly attributed to chronic diseases such as cardiovascular diseases, cancer and diabetes. Risk factors leading to chronic diseases due to unhealthy lifestyle include: Obesity (77.0% of the adult population between 25 and 64 yrs.); raised total cholesterol (42.2%); raised blood pressure (39.2%); raised blood glucose (7.2%). Preliminary data from the



National Health survey 2016 shows even higher prevalence of some of the above mentioned chronic conditions. Furthermore, population ageing is accompanied by a higher probability of developing a chronic disease and/or disability. Mental illnesses are also on the rise.

For many older adults, good health ensures independence, security, and productivity as they age. Yet millions struggle every day with health and safety challenges such as chronic disease, falls, and mental health issues—all of which can severely impact quality of life.

3. *Lack of professional capacity and a monolithic health care system.* The healthcare system on Aruba has major challenges. There is a shortage in professionals in the healthcare system with specialization in mental and social emotional wellbeing. There is a lack of proper care for our people.
4. *Single-Parents (of Dependent Children) with Impaired Self-Sufficiency.* Almost four in ten (38.6%) mothers born in Aruba and 25.6 percent of foreign-born mothers were single-parents in 2010. A large minority (46%) of the single mothers was never married and four in ten (40%) were divorced. Forty-two percent of the single mothers and 25% of the single fathers reported a monthly income of less than Afl. 2,000. Approximately one in six (15.4%) nuclear households and circa 7% of all non-collective households was one-parent households with dependent children under age 18 (N=2,420) at the time the 2010 Census was administered. Per December 2015, two third (circa 66%) of the recipients of the normative welfare entitlement/cash transfer program (“Gezinsuitkering/norm uitkering”) is female. Half of the population receiving the “gezinsuitkering” was comprised of one-parent (mostly female) households with children. The number dependents under the age of 18 totaled 1,448 per December 2015. The majority of the dependents (71%) were younger than 12 years old. One in five (22%) single mothers with child (children) on the welfare roll was younger than 25 years old, and 36 percent is between 25 thru 34 years old. Over one-third (N=757) of the heads of households recorded in 2016 as receiving family transfers (“Gezinsuitkering”), and therefore considered part of the labor reserve, does not have any work experience. Under especially the youth population (age 17-24) is this percentage noticeably high (54.4%). Moreover, the 20-29 age-groups (n=157) accounts for a third (33.3%) of the female recipients without work experience. In comparison, this age-group accounts for 28.8% of the total male welfare recipients with no job history. Four in ten registered cases in the Social Work Division of the Department of Social Affairs (“Seccion Guia Social”) throughout 2016 were single-parent households, of which the vast majority was female-headed. The family structure of one-third of the aforementioned division’s (“Guia Social’s”) clientele in the year 2016 was a single- parent household. It was the most prominent, followed by married with child(ren) – 18.5% - and divorced with child(ren) – 6.5% -.
5. *Lack of integration of Immigrants.* In the last years Aruba had a lot of immigrants. These immigrants are still not fully integrated in the society. Lack of integration can result in low educated citizens and low paid jobs and potentially result in criminality. Immigrants are still often seen as outsiders and not part of the Aruban community.

## **Interventions towards acceleration**



### *I. Integrated approach on vulnerable groups:*

**a) Identify vulnerable groups in the Aruban society.** Vulnerable groups are considered the elderly, immigrants, poor as well as disabled groups. More in depth knowledge of the structural reason for their vulnerability as well as creating social & employment opportunities, develop skills & capacities and improve their livelihood will help empower them and stimulate their participation in community.

**b) Empower other vulnerable groups.** Introduction of programs where all vulnerable groups have access to education, health care, decent work, social activities and where entrepreneurship & business start-up are stimulated, are important to stimulate their integration into society. In addition, focusing on the stimulation of a healthy lifestyle also contributes to their empowerment and better integration into society.

**c) Enforce participation of different stakeholders to partner with vulnerable groups.**

Partnerships and collaboration with civil society, private sector, government and NGOs are important to improve livelihood of vulnerable families and must be strengthened to stimulate integration.

**d) More cohesion in government programs to assist vulnerable groups.** More collaboration between Government departments when assisting vulnerable groups is of essence. Introducing a national policy that targets vulnerable groups and a plan of action will be beneficial in strengthening the collaboration between different government and NGOs.

### *II. Programs with focus on Non-communicable Diseases (NCD)*

A multi-sectoral and people centered approach tackling NCDs and promoting healthy ageing including programs such as "Healthy Schools", "Healthy Community" and "Healthy workplaces".

### *III. National activities with focus on mental well-being and social, emotional interventions.*

It is necessary to implement policies that promote activities that focus on the mental health, and social emotional wellbeing of the community.

### *IV. Expand the Welfare to Workfare Program*

Long (uninterrupted) periods on welfare and or lack of work experience, and de-motivation and skills deterioration, hinder the progression from welfare to workfare. Reentry of longtime welfare recipients into the labor market is also a great challenge, highlighting the need for prompt formulation and implementation of coordinated policies designed to improve access of the reference group to the labor market.

In the ongoing efforts between the Department of Social Affairs and “Departamento pa Progreso di Labor” (DPL) to place welfare recipients in the labor force, the single-parent household with dependent children are specifically targeted and need to further be strengthened.

### *V. Programs with focus on single-Parents (of Dependent Children) with Impaired Self-Sufficiency.*

**a) Transforming lives.**

Applying a developmental approach, single-parent households are supported through coordinated and integrated interventions between relevant agencies and voluntary services based on their

ascertained level of self-sufficiency across different life-domains. Troubled families are deemed to have the highest priority. Domestic violence, substance abuse, no or little work experience, low skills and subpar educational attainment are all factors that make it difficult for troubled families' members to attain and maintain productive employments. Helping single-parents back to work, getting children back to school, provide stimulating and safe environment to youngsters of troubled families, in particularly for those (whose siblings) are involved in criminal activities are some of the challenges that will be addressed. This entails shaping a culture of work and employability under the troubled families.

***b) Implementing a local approach in working with identified troubled families.***

A community-based approach is essential in contextualizing the support of troubled families in an effective manner. An asset-based method is applied when promoting citizens involvement and tapping underutilized resoc)

***c) Targeting single-parents with dependent children with subsidized national programs of vocational training and adult education.***

*VI. Improve physical and mental health system.*

Whereas Arubans have access to universal health care coverage, different specializations on mental and social emotional wellbeing is needed to improve the quality of life of for our citizens especially those in great need.

*VII. Integration programs of migrants.*

Promote successful integration to build communities that are stronger economically and more inclusive.



## Accelerator: Improved natural resource management

Aruba is a small island that is densely populated and the population is expected to grow further in the future. Over the last two decades, the island has seen significant development of its tourism sector. This has come at a cost to the natural environment, in particular the coastal areas where most of the new hotels and associated infrastructure is located. As a result, the natural environment, characterized by a semi-arid vegetation, has been under threat of encroachment of human settlement. The coastal ecosystem is under even greater threat and there is currently no Marine Park. There is a clear link between the health of the natural environment and tourism. Many of the tourists are attracted by the quality of the beaches and marine resources. A greater focus on improved natural resource management would therefore underpin a vibrant long-term sustainable development model, based for a large part on the tourism sector.

### Challenges

#### 1. *Behavior that is unfriendly to the environment*

This concerns both regular citizens, the private and public sector, as well as the large number of tourists visiting Aruba. It also applies to businesses and the commercial sector. The concept of responsible behavior, respecting the environment, controlling waste, keeping the beaches and urban areas clean, is insufficiently accepted and adopted. The link between a clean and healthy environment and the tourism sector is inadequately understood. Our community is missing the (1) knowledge and awareness on preservation of our environment. Subsequently, the population suffers from the lack of a (2) balanced mindset amongst e.g. social, economic, and environmental issues.

#### 2. *Urban-coastal development that leads to habitat fragmentation*

The emphasis placed on increased infrastructure development to accommodate a growing tourism sector has led to overdevelopment of the coastal areas in parts of the island (e.g. the area north of Oranjestad). As a result, the natural habitat has increasingly become fragmented, and there are very few areas left that still have natural vegetation. Because the island is so small, the terrestrial ecosystems have similarly suffered from fragmentation because of the urban sprawl that is observed at the periphery of the main towns. In addition, the beaches are under pressure of urban development, more resorts and hospitality facilities are being constructed on the beaches, with little to no consideration harmonizing all of this with nature. Currently we have a zoning policy document (ROP), which is not legally binding. For this purpose we need an ROPV (zoning regulations) to protect areas more areas.

#### 3. *The island, in particular its coastal areas, is very vulnerable to climate change*

The island's natural climate is semi-arid with low annual rainfall. Due to climate change, this is expected to change: the climate will become warmer and rainfall will become less predictable and likely fall in fewer but larger bursts, according to simulations done by the Meteorological Department. The fragile semi-arid environment is very vulnerable to these changes. It is expected that floods and coastal flooding will increase (in number and size). This will affect urban areas as they are often in lower lying parts of the islands. The coastal zone will be affected by sea-level rise (threatening current urban infrastructure), ocean acidification, and increased runoff from the land to the sea (increased pollution

and eutrophication), threatening the coral reefs (also threatened by increase in seawater temperature and acidification). Aruba is particularly vulnerable to rising sea-levels. Preservation of our beaches should be a top concern for both environmental and economic reasons. It is still allowed to build in the lower/climate vulnerable areas.

*4. Current natural resource management is characterized by fragmented, insufficiently coordinated, interventions by government and NGO's*

In 2002, it was decided to “mainstream” nature and environmental policy in the various government ministries and directorates. This led to serious fragmentation in Natural Resource Management policy formulation. As a result, in 2012, it was decided to create a new Directorate (DNM – Directorate for Nature and Environment – under the Ministry of Transport, Energy, and Environment) to integrate policy formulation. However, when it comes to implementation, there is still a lot of fragmentation, as this continues to be spread across various government departments, and the involvement of NGOs (e.g. for research and monitoring).

*5. Water is a scarce resource on the island and water pollution is a threat*

Aruba has a tropical steppe, semi-arid hot climate, with limited rainfall and very limited water reserves. Drinking water needs are now covered through desalination of seawater, a very energy intensive process. Water pollution is also an issue, and the surrounding sea is vulnerable to oil spills that occur from time to time. There is not enough attention given to water saving measures (technologies like low flow faucets, showerheads and toilets) and incentives to encourage water saving behavior. Agriculture is not a major factor, but consumes considerable amounts of irrigation water, mostly using the desalinated water. Aruba has no natural sources of potable water, this creates a high dependency on water desalinization companies (of which Aruba has only one).

*6. There is limited effectiveness and enforcement of the current legislation*

The current legislation, while not fully comprehensive, is not adequately enforced. In particular, the proposed Environmental Impact Assessment (EIA) legislation can be more forcefully implemented, given the active urban renewal program and continuing expansion of infrastructure related to the tourism sector. Implementation of NRM policy and its enforcement would also benefit from closer coordination and integration of the actions of the many different actors involved.

Finalizing the Environmental management law has to be prioritized. Furthermore, legislation that is in place should be enforced by authorities.

## **Interventions towards acceleration**

*1. Promote environmentally friendly behavior and mindset.*

Stimulate Corporate Social Responsibility and Environmental Responsibility for the whole population and visitors (special attention given to the private and the public sector). This can be achieved by directing our community's economic behavior in a harmonizing way through studies of environmental-carrying capacity. Education of our citizens on tourism and its social impact should also be considered. For example start a UNESCO MAB program on Aruba. Provide the relevant departments with the necessary resources to run an awareness campaign on the adopted policies and foster environmentally

conscious behavior. Introduce f.e. ‘statie geld’ to incentivize recycling. Promote the transfer of knowledge on environmental issues and solutions between stakeholders.

### *I. Establish a marine and land protected area system*

This seems currently a big gap, as the Parke Nacional Arikok already exists and protects a significant part of the terrestrial ecosystems. Being an island, surrounded by the sea, the marine environment possibly represents its strongest asset for continuing to attract tourists. The establishment of additional land and marine protected areas are needed to increase awareness of Aruba’s biodiversity. The best location of a marine protected area needs to be decided. The zoning policy document (ROP, 2009) gives an outline of marine protected areas, specifying grades of protection among other nature reserves and mangrove areas. The northern coast has so far been spared the tourism development seen in the south, and may present good potential. The presence of the richest reef areas, as well as parts of the coast itself, including mangrove areas, to cover the full ecological cline should be considered. The emerging threats to the conservation of coral reef ecosystems should be addressed. e.g. by incentivizing sustainable harvesting of coastal resources. The creation of artificial reefs could help protect coastal areas. When establishing a marine protected area, adequate attention should be given to ensuring its financial sustainability (i.e. allocation of environmental tax receipts). Special programs, focused on eradication or exploitation of invasive species (like lionfish) could be integrated in marine park management.

### *II. Enhance regulatory effectiveness and enforcement*

The enforcement ability, including the judicial system and prosecution, needs to be improved. Further streamlining of environmental regulation is needed, given the fragmentation that currently exists. Since 2012 a draft Lv Milieubeheer / a bill on Environment Management has been proposed, which can be revised and extended if needed. The spatial plan (ROPV) needs to be fully established and systematically enforced. The EIA legislation needs to be strengthened (formalized) and consistently applied and enforced. Enforcement requires authorization of City inspectors with surveillance and investigative powers. For effective enforcement, the DNM and the Office of City inspectors should be adequately equipped.

### *III. Incentivize sustainable use of oceans and coastal natural assets*

Nature-based, other alternative tourism products, should be expanded. A re-branding of the Aruba image towards a more nature-based, ecological type of tourism (Ecotourism), targeting the higher-end part of the tourism spectrum could complement the established tourism product. The hospitality branch could receive the duty to care (zorgplicht, mandatory care) on among other different environmental aspects. This duty to care could be regulated, where the hospitality service providers are part of an environmental certification program. To do this, Aruba could consider implementing innovative schemes for environmental protection: e.g. those based on concessions, offsetting and/or incentive schemes. In doing so, community based action should be fostered, enhancing the long-term sustainability and acceptability. Furthermore, enhance monitoring and modeling of coastal regions in order to mitigate and adapt to the effects of climate change.

### *IV. Promote environmentally conscious behavior in business and consumers*

Consumer-focused campaigns to raise environmental awareness should be designed and implemented. Being a semi-arid island, it becomes important to substantially increase water-use

efficiency. Voluntary (initially) and mandatory standards should be introduced. Aruba should introduce natural capital accounting and economic valuation of its ecosystem services. Finally, targeted sustainable tourism programs should be developed targeting both the suppliers (businesses) as the consumers (tourists).

#### *V. Strengthen institutional capacity for ecological data and mainstreaming with national accounts*

There is a strong need for ecological data to be able to monitor the quality of the environment. Aruba has an outdated vegetation map and no map of the marine environment, thus no map on coral reefs (a key asset for the tourism sector and related income and jobs this generates). Additionally, it would be important for an island state to link this to its national accounts by developing the SEEA (which has been mentioned by CBS Aruba as a vision for environmental monitoring) (see here: <http://cbs.aw/wp/wp-content/uploads/2015/11/Opportunities-and-Challenges-Environmental-Stats-2014.pdf>)

#### *VI. Impact of climate change*

It is necessary to identify climate risk areas and prohibit home-building in these areas. Followed by the introduction a Multi-Hazard Early-Warning system, to mitigate the effects of climate change. Consequently, assess preparedness to respond to warnings. The environmental hazards ought to be detected, monitored and analyzed. Risk knowledge is increased by data collection and periodic risk assessment. Dissemination and communication of timely actionable warnings is essential.

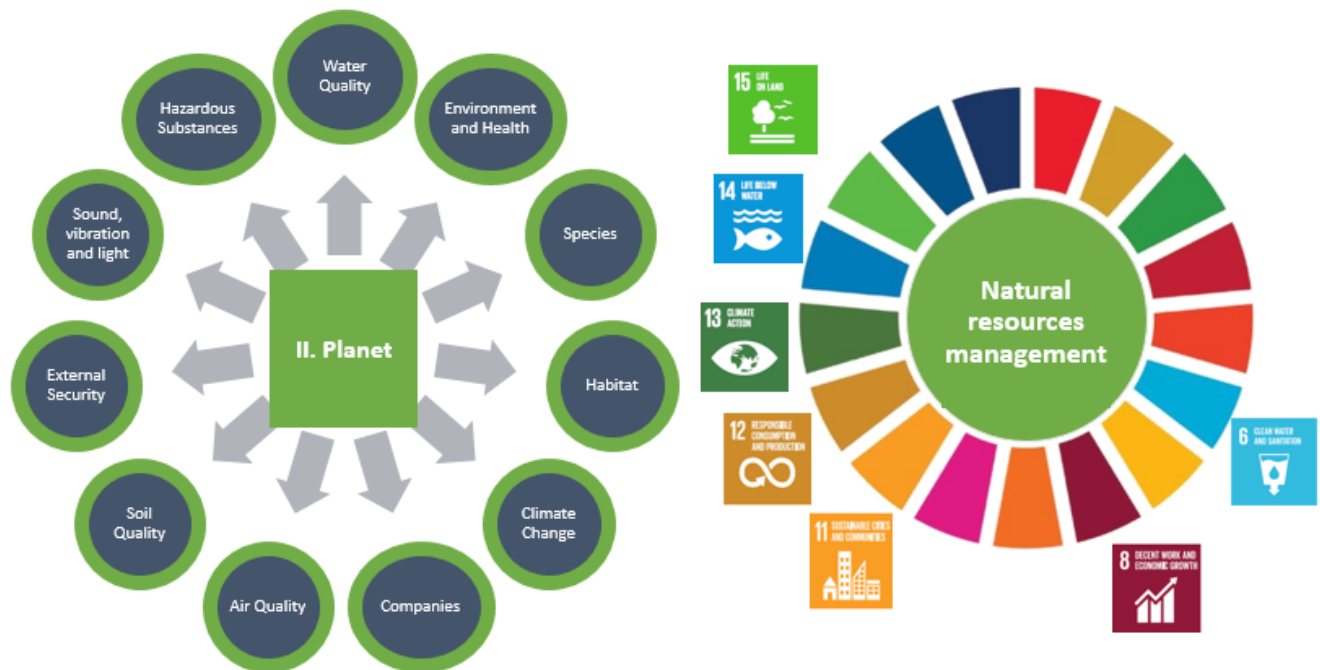
Research needs to be conducted on sea-currents and morphology, sea-level risk and ocean acidification.

#### *VII. Pollution*

Implement a water-cycle management policy. Also Introduce a closed-loop water system to re-use or re-purpose water for agriculture is necessary, including waste management.

### **SDG Impact**

Improved natural resource management, both terrestrial and especially marine, will have important positive impacts on the most important economic sector, tourism. It also links to many aspects of sustainable development and if pursued, this accelerator has the potential to impact SDGs 6, 8, 11, 12, 13, 14 and 15.



### Accelerator: Achieving the energy transition

As many SIDS, Aruba is heavily dependent on fossil fuels for its energy needs. Continued dependency has serious economic, social and environmental costs and is unsustainable in the long-term. Aruba has shown leadership, by making the commitment to transition the island's energy sector to 100% renewable energy by 2020, as part of a more comprehensive strategy, including an increase in housing choices, improving neighborhood quality, strengthening social cohesion, reducing traffic congestion and improving mobility, reducing obesity and improving public health, improving water conservation and diversifying an expanding island economy.

Despite rapid early progress towards this goal, e.g. the Vader Piet wind farm (installed capacity of 30 MW) and an Airport Solar Park (installed capacity of 3.4 MW), further expansion of renewable energy capacity has slowed down more recently.

Transitioning electricity supply to renewable energy is one of the three action areas for changing the economy to a sustainable growth path; the other two concern reducing demand for energy in the built environment and in transportation, two sectors that represent almost all of Aruba's petroleum-based fuel consumption. To fully achieve its ambition to transition its energy sector to a full renewable energy based system, Aruba faces a number of challenges, as presented below.

### Challenges

- 1) Available land limits the expansion of wind energy (most cost-effective renewable energy option).



To expand renewable energy capacity most cost-effectively, the best option is wind farms. However, these require substantial land, which is in short supply in a small, already densely populated island like Aruba. The island's second wind farm, Urirama, is stalled due to legal challenges, related to a disputed environmental and social impact assessment. Alternatives to wind need to be explored, like offshore wind (which presents challenges), solar PV and accelerating demand management option (energy efficiency, smart grids, wave power etc.).

*2) With increasing share of renewable energy in the grid, the need for storage capacity to deal with variability of solar and wind resources increases, but this will increase the cost.*

Current installed renewable energy capacity covers about around 20 percent of Aruba's average power needs. This could go up to about 30% if the currently planned expansion materializes. Almost all of this is from intermittent sources, like solar and wind, that only produce electricity at certain times of the day, and may not always be aligned with the needs for power. To manage this, an increase is needed in the storage capacity, as this will become critical to go for higher penetration of renewable energy in the grid. There is a need to look for other alternatives on the supply side of energy..

*3) Inadequate policies and regulatory framework*

The focus so far has been on increasing the supply of renewable energy based electricity. There is a need for the right policies to promote alternatives to wind (like distributed solar) and to encourage energy efficiency to reduce demand, particularly in the built environment and in the major electricity consuming sectors (like hotels). In addition, the transition to a renewable energy based grid will increase complexity of the system and its management, calling for adjustments in policy and regulatory framework to allow for smart grid measures, grid access, etc. At this moment, there is a lack of regulations on construction that promotes the preservation of energy. To stimulate the economy, policy must be focused on and create environmental legislation on the stimulation of green energy by enterprises, by private acquisition of green energy and by utilities companies that promote green energy.

*4) Limited skills and capacity, barriers to innovation and new business models*

The transition to a renewable energy based system calls for new skills and capacity to manage this higher level of complexity. Allowing for new business models will drive the transition, but the local business community, which could seize this opportunity, needs to be capacitated. The transition will also benefit greater innovation, the conditions which need to be created. Developments are very diverse and there is still traditional thinking and acting in Aruba. Education on construction skills that is relevant for the use & management of modern & renewable energy facilities is needed.

*5) Market and institutional constraints*

Moving from a single utility run system to one with multiple operators creates market constraints. Economies of scale, already hard to reach on a small island, will be even harder to achieve in such an environment. In addition, the complexity of managing the grid, with many different suppliers of variable sources of electricity, different storage solutions, and continuously having to balance supply with

demand, increases dramatically. In the long run, some sort of consolidation under common management may need to be envisaged.

#### *6) Limited access to affordable sources of finance*

To accelerate the transition, increased participation is needed from different actors. The renewable energy based solutions are typically capital intensive to put in place, therefore access to affordable sources of finance is critical. Aruba is constrained in its ability to access concessional and climate finance. The domestic financial system is not familiar and comfortable to provide finance at reasonable terms. There is a need to identify appropriate risk transfer instruments. Third party ownership structures could be introduced, with their ability to access finance.

### **Interventions toward acceleration**

#### *I. Alternatives to wind are promoted*

Because the expansion of renewable energy supply with wind is constrained, it is important to accelerate alternatives, in particular solar PV and solar water heating. Both lend themselves for distributed applications, like on rooftops, and be grid-connected. In terms of supply, the potential for waste to energy solutions needs to be fully realized, as it can provide firmer supply to cover base load needs, as compared to the variable sources of solar and wind. Only a very small share is currently coming from a waste to energy plant (Ecogas Freezone) and its expansion seems to incur delays. The reasons for this need to be fully understood. Perhaps the most urgent is a greater focus on promoting energy efficiency in the built environment in order to reduce electricity demand. A particular focus could be put on Air Conditioning, a major consumer of electricity, introducing Minimum Energy Performance Standards (MEPS). This could be done with a focus on the tourism/hotel sector. This would require the necessary policy and regulatory measures to allow for this (see below). Water desalination is another major consumer of electricity and should therefore be a focus of energy efficiency improvements. This should be accompanied by introducing policies and incentives for water saving throughout the economy (households, hotels, etc., like low flow faucets and showerheads and toilets).

Other alternatives includes raising awareness on alternative energy sources, like the promotion of these sources such as solar thermal energy, deep-sea cooling and biogas. Also the Stimulation of energy preservation best-practices in the construction industry. The collaboration with WEB Aruba to conduct a renewable-energy capability study is essential.

#### *II. Short- and medium-term storage solutions for improved grid management are increasingly made available*

With the increasing share of mostly variable sources of renewable energy from solar and wind being injected in the grid, there is an increasing need to manage this complexity. Storage solutions will therefore be necessary, initially focusing on providing the buffering capacity to deal with short-term changes in supply and demand (seconds to minutes) and medium-term changes (hours). Some research into this and the expected costs has already been done. A gradual introduction of solutions to manage short-term fluctuations is necessary, particularly in flywheels and batteries. Flow batteries

could be considered for medium term fluctuations, in particular for the utility scale solar farms. Currently there is more short-term storage solutions available. The government needs to provide incentives to evenly distribute energy-consumption during the day. Other alternative sources of energy such as, hydro storage, thermal buffers and deep-sea balloons need to be considered. Reconstruct the energy grid to meet future demand.

### *III. A favorable policy and regulatory framework is in place to fully support the transition*

As already referred to above, the need for a favorable and conducive policy and regulatory environment is critical in many respects. First, a detailed risk analysis should be undertaken to understand the drivers of risk. The current grid access policy needs to be reviewed and adjusted to allow for net metering. There is also a need for more sophisticated PPA's to allow for more complexity on renewable energy informed tariffs when share of variable renewables increases. Aruba should create more favorable conditions for distributed solutions like rooftop solar (to complement wind and other sources. Very important is to prioritize the promotion of increased use of energy efficiency measures (MEPS), targeting large consumers like hotels, and with a particular focus on AC. Smart grid measures to allow more efficient management of the grid should be gradually introduced. Finally, reduce red tape involved in the permitting process and on the production of renewable energy for individuals. The government should give incentives to invest in renewable energy and also introduce regulation for construction methods that save energy.

### *IV. Businesses have the required capacity*

New business models, like third party ownership structures, should be explored and introduced to stimulate entrepreneurship in the field of renewable energy. These can be suitable to scale up the deployment of distributed solutions, like roof-top solar PV, making it more affordable for households to access and benefit from this technology. The government should create the necessary conditions to promote innovation, encourage trading between individuals and utility companies and stimulate collaboration between local energy experts and other countries. There may be a need for dedicated/targeted business development support and incubation services.

### *V. Access to the grid is improved and made easier*

To further support the deployment of increased distributed solar capacity, there is a need to facilitate access to the grid by small operators and individual households (rooftop solar). Net-metering policies and improved PPA's (already mentioned above) will be needed. The utility (WEB) needs to be open to this and will be a key stakeholder in this process, being ultimately accountable for the management of the overall grid and guarantee its stability and performance, balancing supply and demand.

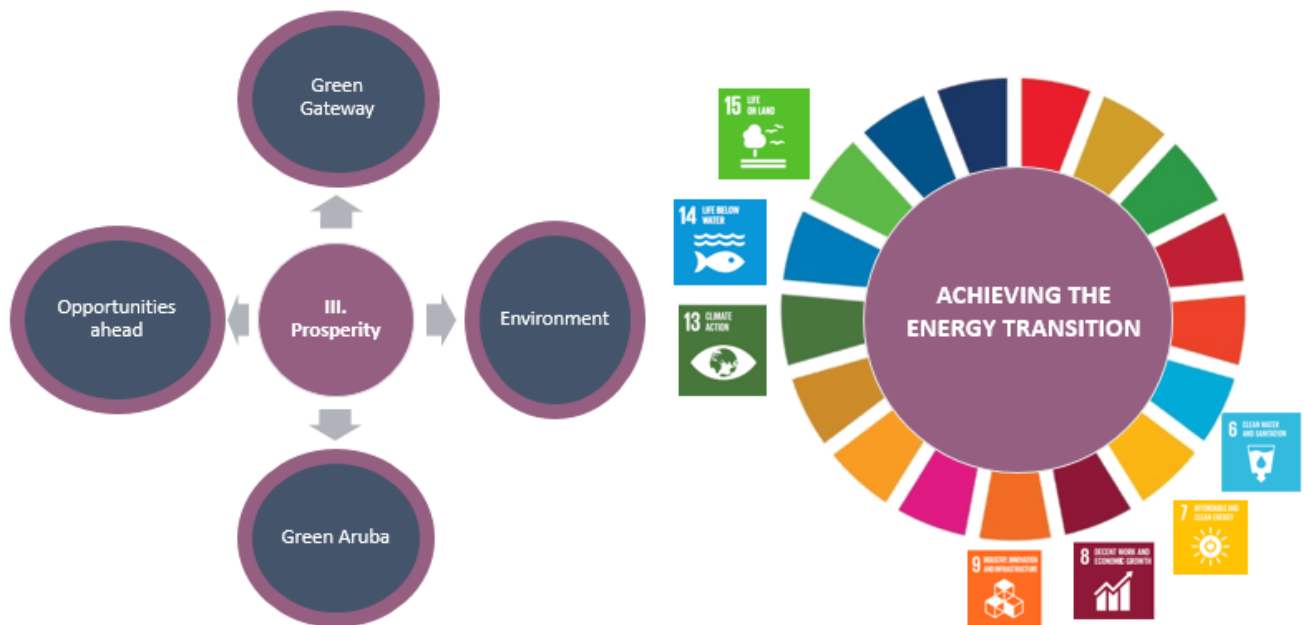
### *VI. Finance is available at an affordable cost*

A better and more complete understanding of the financing environment is needed. Both the cost and availability of finance are of concern. A detailed risk analysis should be undertaken, highlighting the drivers of risk. Any reluctance of banks to finance renewable energy solutions could be addressed through awareness raising and training. Third party ownership models and their financing (e.g. leasing) should be explored, given their potential to scale up the deployment of the technology and to lower the

cost for consumers. A review of available risk transfer instruments should be done (e.g. guarantees) as a potential way of lowering financial cost and increasing access. The government should incentivize and facilitate financial institutions to finance renewable energy projects.

### SDG Impact

Sustainable energy is one of the key enablers for sustainable development and has the potential to lift the level of prosperity of the population. It allows for a vibrant and competitive economy to develop. There are obvious links to employment (jobs), water and industry. Making the energy system will also have direct impacts on the environmental SDGs, like 13, 14 and 15. In summary, this accelerator has the potential to impact SDGs 6, 7, 8, 9, 13, 14 and 15.



### Accelerator: Entrepreneurship and enabling business environment

Product and services diversification is necessary to reduce Aruba's vulnerability to external shocks and to improve the quality of employment opportunities. The first step towards diversification is probably within the tourism dominant sector, looking at the variety of services offered (e.g. high-end, nature-based, etc.) and countries of origin. However, the space for reducing the economic leakage in the sector and for strengthening backward supply chains is limited due to the size and capacity of the island. Innovative strategies are required to promote the "jobs of the future" and increase labor productivity. For example, the innovation strategy of Estonia aims to increase productivity per employed person to 80% of the EU average and to raise the employment rate in the age group 20–64 to 76%. To do so, it focuses on raising the ambition of entrepreneurs as well as on enhancing research and development activities, innovation and investments.

The tourism sector will continue to be at the center of the country's growth trajectory. However, the identification of an accelerator that could spur innovation and entrepreneurship horizontally was deemed necessary. Pivotal will be the creation of an enabling business environment and support ecosystem for small enterprises and start-ups. Without the private sector's own spin and drive, Aruba's aspirations are likely to fail. Leaders and forerunners need to be educated, awarded, and prized.

## Challenges

During consultations with stakeholders, there was a general view that the country was blighted by its own success. Similar to the Dutch disease phenomenon, well known in oil-dominant economies, incentives to invest beyond the tourism sector remain limited. This has had social and economic impacts leading to the prevalence of low paying jobs for Arubans (or immigrants), high youth unemployment and a possible ongoing brain drain for the most specialized. These challenges and aspirations are well documented in *Opportunities, the Innovation Strategy for Sustainable and Shared Prosperity*, the upcoming entrepreneurship policy and various other Government statements.

The key challenges that emerged from the desk review and consultations include:

- 1) Low levels of economic diversification. The government should lower barriers for doing business. Both public and private sector should identify focal sectors to diversify economy and give incentives;
- 2) Fragmentation in public support, limited information and data on enterprises and markets. Extra focus should be placed on this challenge. The lack of a business ecosystem that supports new and innovative enterprises;
- 3) Restrained access to capital. Extra focus should be placed on this challenge;
- 4) Risk aversion of entrepreneurs and financial institutions;
- 5) Education system that does not connect to the labor market need. Extra focus should be placed on this challenge;
- 6) High levels of bureaucracy and red tape.

While the Government focused on broad economic and investment agenda targeting key sectors and investment, the roadmap considers the pursuit of a four-pronged approach (entrepreneurship, enabling business environment, energy efficiency, and energy diversification) to entrepreneurship, innovation and the enabling environment as a horizontal accelerator for the achievement of the SDGs.

Entrepreneurship and innovation are key drivers for a diversification strategy that need to address a number of areas simultaneously, and could include a focus on attracting better and more affordable investment; promoting research; and incentivizing innovation and technology in all sectors. There is untapped potential in service sectors with particular reference to 'green and blue economy'. Notwithstanding, the existence of numerous policies and strategies, there are challenges that companies experience which could be addressed through a more joined-up business development ecosystem. Additional research on entrepreneurship and innovation in Aruba-including of existing programs-would be required to promote an evidence based agenda.

## Interventions towards acceleration

Among the interventions that could be considered are:

### *I. Investment in research, innovation and clustering*

- Improving access to financing for firms and entrepreneurs operating outside the tourism sector is an urgent priority. Activities would aim at improving the credit-worthiness of proponents and project sponsors, preparing a pipeline of investment-ready proposals, and identifying innovative financial products to reduce risks. The objective is to shift lending and insurance propensity of financial institutions without damaging prudential requirements. Loan guarantees, reduced collateral requirements, flexible loan and mezzanine financing are all priorities which need to be addressed and can generate significant ripple effects. Suitable schemes and, if required, public private partnerships need to be explored. Exemplary actions are listed below

De-risking measures to facilitate access to capital.

The priority is to address funding proposals between AWG. 100,000 and AWG. 1 million from start-up and innovative enterprises, through particular risk mitigation programs, micro credit, and mezzanine finance. After reviewing existing programs, the opportunity of introducing innovative insurance and risk-sharing schemes targeted to SMEs should be considered. To overcome market failures faced by small and early-stage firms in Aruba, angel and venture capitalists can also be offered some special tax breaks and/or other benefits such as partial guarantees.

- Selected public investment in priority projects and incentives

Public support and investment in research and development is at the backbone of innovation. Aruba can take advantage from the innovation ecosystem and investment of the Netherlands and invest in high priority sectors.<sup>27</sup> The expansion of investment agreement with scientific organizations such as TNO could be considered as a lever for entrepreneurship. Specific incentive schemes, including tax breaks, can be introduced to promote private investment.

- Innovation awards linked to prizes and matchmaking events

Innovation and/or entrepreneurship awards can be created by entrepreneurs' associations, business leaders and academic organizations to both support entrepreneurs and contribute to change mind-sets on innovation. Their role is to prize innovators and promote/broadcast positive experiences and model behaviors. They can also help to create a peer system of support for start-ups. The winners can be awarded with monetary prizes or financing deals (e.g. loans) or be invited to matchmaking events with investors. Similar initiatives are intrinsically linked to the support ecosystem for enterprises described below (see Impact Hub).

There is a need on experts on new technologies. Aruba lacks knowhow, knowledge and experience in this area. Without these it is difficult to compete. Aruba should keep in touch with new technology.

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<sup>27</sup> The innovation strategy of Aruba identifies four sectors: 1. Sustainable technology; 2. Creative industry; 3. Intelligent distribution and 4. Medical tourism.



Aruba needs to explore other areas for development. More research is needed to explore areas of diversification and sectoral clusters will also foster diversification. The government should lower barriers for doing business to attract investors. The public and the private sector should determine focal sectors to diversify and grow the economy and give special incentives to promote investment in these sectors.

## *II. Support ecosystem for SMEs*

A results-oriented support ecosystem for enterprises and particular SMEs is critical. Despite acknowledging the number of services provided by many departments, there is an acknowledgement that the results the system is delivering are not up to speed. Few elements of concern have been highlighted: inadequacy of applications from entrepreneurs, lack of awareness of existing incentives, flexibility of incentives, limited accessibility of services by the most disadvantaged groups, need for more extensive consultations with the private sector, and the opportunity to promote cooperatives and social enterprises. Exemplary actions are listed below:

- Consolidation of public support services to enterprises

An initial mapping of public support services for entrepreneurship and innovation should be conducted, including all forms of subsidies (implicit/explicit) granted by public authorities. Ideally a performance review of past experiences can lead to consolidation of the support provided as well as to better targeted assistance for start-ups and entrepreneurs outside of the tourism sector. An incentive regime could be useful for stimulating the SMEs. Similar support shall be based for example on mapping technology and market trends, supporting the prototyping of ideas and testing of business concepts. Given Aruba's open and interlinked economy, a link with investment promotion services and private sector entities, also in the form of public-private partnerships in delivery, may be considered.

- Single access e-window for service and procurement

The reduction of the transaction costs related to the access to public support can benefit from new technologies that reduce transaction costs. These include the creation of on-line access platforms. Further modernization, including clear and open procurement systems accessible online can also indirectly favor smaller enterprises. Public procurement notices itself can promote innovation.

- Establishment of innovation labs, business incubators and a centre for the social enterprise community.

Promotion of innovation from an economic perspective should be fostered. Developing business incubators to help growth-oriented and innovative SMEs to access the business advisory services they need, when they need them, is a well-known strategy. Among these, programs targeting impact enterprises or benefit corporations (see examples in box 3.1) should be prioritized as they directly contribute to the SDG agenda. While there is abundance of available impact capital in international markets, bottlenecks remain with the identification of enterprises and projects that can deliver both a return on investment as well as social or environmental benefits. Impact enterprises can benefit from legal recognition, tax benefits and a supporting ecosystem. The experience of the impact hubs in the US and in Amsterdam should be studied for possible replication and adaptation along with other planned activities such as the Mobile Tech Lab.



**BOX 3.1: Example: Impact Hub Network**

Over 80 impact hubs are open worldwide from Africa, to Europe and the US. They are innovation labs, business Incubators and a centre for the social enterprise community. An Impact Hub can offer a supportive ecosystem of resources, inspiration, and collaboration opportunities to grow the positive impact of socially and environmentally oriented enterprises. Partnerships with the Amsterdam Impact Hub and/or US based hubs can be explored to establish a centre for impact enterprises in Aruba.

Impact or benefit corporation: for-profit organizations that create a material positive impact on society and the environment in addition to generating a profit. Over 30 countries have introduced legal provisions and/or certification schemes to recognize these companies. Other terms encompassing similar characteristics may be used, such as social enterprises or inclusive businesses.

Impact investment: investments made into companies, organizations, and funds with the intention to generate a measurable social and environmental impact alongside a financial return (GIIN).

- Equipped institutions and awareness about the importance of data sharing.

Equip institutions and create awareness of the benefits of cooperation and data sharing. Legislation needs to be upgraded or renewed to reflect cooperation and information sharing. There is a need for checks and balances to protect the willingness of the institutions and stakeholders to share data and learn. Education of our institutions on the importance of data/ indicators should be fostered

- The ultimate goal is to get to a Dashboard data aggregator where everybody can track changes and add data.

*III. Entrepreneurship integrated in education / Enabling business environment: Business climate and fiscal climate*

Entrepreneurship education is not connected to a specific school, degree or a person's age. It is a lifelong process, starting from elementary school and progressing in all levels of education. Participants are encouraged to develop the insight needed to take advantage of entrepreneurial opportunities. While entrepreneurship training is not specific to any sector, it is strongly influenced by labor market dynamics. The quality of the education system in Aruba and the need for better aligning it with the labor market were raised during consultations. Options for sector specific investment in upgrading the current educational effort should be considered--the Green Faculty project is an important milestone already. Exemplary actions are listed below:

- Entrepreneurship programs established at all formal levels of education

A review of international experience, including from the Netherlands (see Box 3.2), in integrating entrepreneurship in education can inform the introduction of specific support programs.

**BOX 3.2: Entrepreneurship Module in the Netherlands**

The module provides educational institutions that offer upper secondary vocational education the option to

add entrepreneurship to existing vocational training courses. The module sets out the basis for what people should know and be able to do in order to start their own business, and how to ensure that the business survives during the first few crucial years and goes on to flourish. The Entrepreneurship Module consists of 7 work processes, elaborated in competences, knowledge and skills. Since 2011-2012, the Entrepreneurship Module is embedded in the national qualification structure in upper secondary vocational education.

Source: <http://ec.europa.eu/DocsRoom/documents/10380/attachments/1/translations/en/renditions/pdf>  
<http://www.ce-ondernemerschap.nl/docenten/toolkit/toolkit-en>

- Vocational schools and graduate programs for the jobs of the future (e.g. green, ITC, etc.). A sub-set of issue or technology specific courses and curricula could be identified for introduction in the education system, learning from the experience of the Green Faculty. The integration of entrepreneurship in the education system should be a component of a wider reform of public education in Aruba.

- Improvement of the business environment and fiscal climate. Multi-sectoral committees should work on the various topics/ challenges in support of the ecosystem. A leveled playing field for all players should be developed and fostered

- Public Private Platforms. It is Important to assign responsibility to achieve main goals. The ATA platform can be used as an example of PPP cooperation. This example can be applied to other sectors on the island.

#### *IV. Ease-of-doing business reforms to avoid system evasion*

The Chamber of Commerce of Aruba has sponsored a review of the ease of doing businesses following the World Bank methodology. The following indicators were reviewed: starting a business, getting credit, paying taxes, trading across borders, enforcing contracts, resolving insolvency, labor market regulation and getting on the grid (utilities). The simplification and standardization of commercial registration, tax compliance and other requirements is a necessary condition to promote Aruba's competitiveness. The recommendations of the report should be discussed, as they constitute an initial list of actions for prioritization and validation. Exemplary actions are listed below:

- Simplification of tax procedures

Aruba has not completed its tax reform. A continued review programme on taxes and subsidies will be necessary, which tests the economic and social rationale for the tax, subsidy or transfer, and its efficacy in delivering on the stated objective. The same reforms should be guided by the principles of simplification and modernization of tax administration. Such reforms do not only reduce administrative costs but may also support the entry into the formal economy of informal ventures and businesses-thus expanding the tax base. More importantly, they can create a competitive business environment, particularly for SMEs.

- Administrative and legislative reforms for e-business

The advancement in technology and the emergence of online platforms has already affected the

Aruban market. However, it remains difficult for local companies to benefit from the same opportunities. Administrative and legislative reforms for e-business would be required to level the playing field and assure there is a fair tax treatment for all trading activities.

- Reduce the level of bureaucracy and red tape: to help business/ stimulate entrepreneurship. Creative ways of financing: cooperation funding, funding through friends & family, Crowdfunding and others should be stimulated. Credits offers SMEs a maximum of AWG 35.000, - in financing in order to start-up their business.

- Legislation should be in place in order to foster E-commerce. A guarantee fund should be instituted.

It is recommended that the Government institutes a SME guarantee fund that:

- a) Gives a certain amount of funds to the entrepreneur to start
  - b) Is sectoral
  - c) Pays 50-60 to 100% of the enterprise (with this in hand, SME's can go to the bank) for a loan.
- Promotion of creative business in agriculture. Example of Trinidad & Guyana. Lease land for example in a neighboring country.
  - Stimulate technological innovation in all sectors.

#### *V. Life-long learning: of areas for expansion*

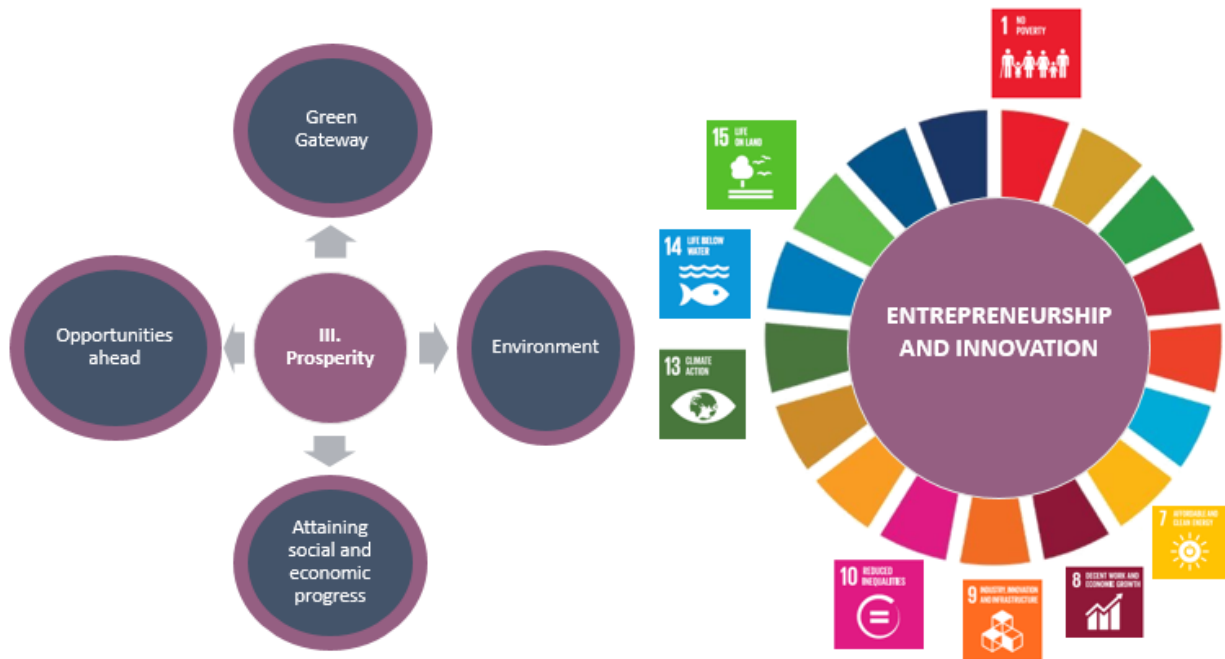
Education is a continuous process. It is not only for the youth, but also for the seniors / elderly, who want to stay active in the process. Lifelong learning should be an integral part of the education system. Aruba needs education on how to manage finances. The education institution needs to be flexible and have the necessary political will to institute entrepreneurship programs at school like: Kids-/Youth entrepreneurship should be introduced to develop skills in curriculum at schools at an early stage (primary and secondary schools).

#### *VI. Fiscal framework to ease the way of doing business*

Technology and virtual "one stop shop" for all permits and licenses should be introduced. There should be alignment of processes within and between different public institutions. Also legislation should be modernized.

### **SDG Impact**

Entrepreneurship and innovation are key enablers for economic growth, essential for sustainable development. These are not only critical to achieving the government's objectives of *sustainable development*, but can also drive progress across multiple SDGs, including SDGs 1, 8, 9, 10, and the environmental SDGs 7, 13, 14 and 15, due to the focus on green sectors.



### Accelerator: Sustainable Tourism

Even though tourism is the most important pillar of our economy, its rapid growth over the years has greatly impacted the sustainability of our environment, economy and social-cultural landscape. This rapid development poses a great challenge in terms of reaching the SDG targets relevant to sustainable tourism. The Aruba Tourism Authority (ATA) developed a Destination Development Plan (DDP) with the objective of further developing our tourism in a more sustainable manner. Hence Sustainable Tourism has also been selected as an accelerator in the Roadmap, for the general purpose of the attention and importance that it merits within our national development and its impact on our livelihoods. The tourism sector will also receive the necessary attention in the National Strategic Plan using the relevant information of the DDP.

### Challenges

- 1) Balanced development
- 2) Lack of increase community engagement
- 3) Quality / Value of tourism
- 4) Amplify sense of place
- 5) Develop an innovation mindset

### Intervention towards acceleration

#### I. *Balanced Development.*

Ensure a balanced capacity, enforcement of tourism development plans and standards, maintain

socio-economic balance, bring awareness to sustainable tourism, protect and enhance cultural and natural assets. Enhance safety and security.

## II. *Awareness to sustainable tourism and increasing community engagement.*

Increase awareness of sustainable tourism and product, strengthen alignment between communication and visitor expectation, activate local and international ambassadors, enhance on-island communication (B2C), Facilitate learning about tourism product and aspiration.

## III. *Increase the Economic Value of Tourism.*

Enhance quality on-island experience, develop niche markets, remove bottlenecks on path to purchase, safeguard and enhance hospitality and enhance quality of product.

## IV. *Amplify Sense of Place.*

Increase presence and visibility of DNA in destination, beautify physical surroundings, Increase awareness of culture and heritage.

## V. *Develop an Innovation Mindset.*

Foster innovation and entrepreneurship, become a data intelligence-driven island, enhance digital communication and facilitate knowledge sharing.



## Accelerator: Innovate and strengthen Institutional Quality and capacity

Effective, accountable, and inclusive institutions is key to promoting sustainable and equitable development. Aruba, like many small island states will need to rapidly transform its domestic institutions into high performing institutions to drive the government's ambitions to achieve sustainable development and reduced inequality.

### Challenges

While Aruba has many strong and well-functioning institutions, the sheer scale of its ambition as reflected in the many policy instruments of its domestic policy agenda and the efforts to implement Agenda 2030 will require substantially improving the quality of public services. To achieve this, government will need to address three primary institutional challenges:

- 1) Public servants lack the skills to drive institutional change and meet the demands of citizens; (The SDG agenda focuses on data and the public servants need to have the relevant skills to deal with data. Upgrading public servants will need to tackle institutional planning in order to allocate the right people for the right job. To achieve this, the requirements to become a public servant need to be strengthened and enforced to select personnel based on their skills and experience and not because of politics. Aruba is still a top down/passive culture. The work culture should be dealt with to empower capable minds/skillful servants to also think outside the box and to encourage high performance. There is a lack of transparency and accountability on all levels on government sectors to ensure the public is well informed of the need for policy changes and the rationale behind these changes. This will facilitate greater access by improved citizens' participation in policy formulation and evaluation, but also access to policy documents; the lack of accountability is on all levels of the government sector. Transparency and Accountability will make public aware of policy changes. Data is a tool for transparency and needs to be published. The public can then be informed and hold the policy makers accountable. In terms of information, publication should not take place at the end. It should be an inclusive process. However it is difficult to involve the public in the early stages of policymaking. . The relevant government department should begin to educate the public on the information that is published and teach them what the information means. This will facilitate greater access by improved citizens' participation in policy formulation and evaluation. There is a lack of proper legislation, transparency and uncritical media and citizens.
- 2) There is no coalition of partners to drive the implementation of critical policy changes. These partners should be working more closely with civil society, private sector, academia and other relevant actors to ensure that multi-sectoral approaches are enabled for policy implementation and efficacy.
- 3) Interdepartmental collaboration on expenditures; for the continuity of SDGs projects in different departments there should be interdepartmental cooperation. It is a priority for departments to work together on the financial execution of SDGs projects. There has to be a coherent policy and the collaboration on funding between departments. Regarding safety and

security there is a feeling that they have decreased in the last years. While there are no official figures published to substantiate the feeling, the population is complaining about more crime on the island. Reasons for the increase in crime should be studied and measures should be taken, to attend this challenge. Social cohesion also needs to be attended on this topic.

To address the foregoing challenges, several underlying drivers of institutional quality and effectiveness will need to be addressed. These drivers were identified based on analysis of existing efforts such as the ambition to transition to 100% Renewable Energy and the government efforts to incentivize private sector involvement in infrastructure development with little uptake.

## Interventions towards acceleration

### *I. Introduce performance management system*

Performance management speaks to the alignment of public officials' work objectives with the greater overall government goals and initiatives. In this context, a key driver of individual effectiveness is having the right skills and an enabling environment to translate performance goals into measurable results. To achieve ambition, a review of skills needs vis-à-vis the ambitions of public service agencies is needed. This can be a useful entry point for identifying human capacity needs in public service and developing the accompanying public sector training and incentives. A modern and efficient public service in Aruba will be driven by public servants that bring evidence into policy advice, manage responsibilities in a more inter-connected, collaborative way, use technology to drive innovation and efficiency and manage effectively for measurable results. Public servants will need the skills for working collaboratively across sectors, developing multi-dimensional policies and robust performance monitoring systems. These skills must be enabled through a stronger performance management system across government that ensures policy implementation and efficacy. Improving the skills and accountability of some public servants to drive institutional change and meet the demand of citizens. In order to achieve this goal the public servants need to have the necessary skills to conduct research and to formulate policy. In that the decision makers in the government, are held highly accountable for their actions or, in some cases, their failure to act. Performance management system should be in place, including multitasking requirement for the government personnel. Due to our small size, we do not have access to as many experts as larger countries and therefore, the multitasking is a requirement. At the end the public servants are more encouraged to drive the cultural change in the government.

### *II. Strengthen transparency and accountability to ensure the public is well informed of the need for policy changes and the rationale behind these changes.*

Aruba already has in place a Freedom of Information Act (1999).<sup>28</sup> Notwithstanding, stakeholders in and out of government pointed out during MAPS consultations that there is no central repository of policies and other records that was easily accessible and widely known to the public. Open access to government departments and increased citizen engagement improves the ability of public officials to more effectively tailor and deliver services to meet the needs of citizens. Galvanizing public support for

<sup>28</sup> LOB: Landsverordening openbaarheid van bestuur



the implementation of Agenda 2030 will therefore require examining modalities, mechanisms and technology for making public plans and policies more accessible and usable within and outside of government. This will become even more important as the government move to develop more innovative partnerships with civil society and private sector to address specific SDG goals and targets. Specific solutions to this problem include the integration and coordination of national data collection efforts. Centralized and open data systems increase both government transparency and concurrently government accountability and centralization specifically increases government coordination and data-informed public policy formulation.

Evidence based policy should be promoted. The government should implement decisions and follow processes that make the best use of the available people, resources and time to ensure the best possible results for our community. Re-introduction and reinforcement of a communications department for the institutions. The government should begin to educate the public on the information being published. The public ought to be educated what the information means. There is a need for a communication and outreach programs to involve public. The process of decision-making and the process by which decisions are implemented is very important in a community.

Public access to government data should be strengthened to support transparency and accountability to make the public aware of policy change. A tool for transparency which is data needs to be published. The public is then informed and will hold the policy makers accountable.

III. There ought to be a coalition of partners to drive the implementation of critical policy changes and that is working more closely with civil society, private sector, academia and other relevant actors to ensure that multi-sectoral approaches are enabled for policy implementation and efficacy. Timely and accurate information is essential for the stakeholders to exchange their viewpoints on the challenges and possible solutions.

### III. *Develop integrated planning instruments and processes*

Integrated planning instruments and processes are a significant factor leading to the development of integrated public policy solutions that cross cut government organizations in terms of design, implementation and effectiveness. Furthermore, while integration may refer to the horizontal “‘joining up’ of different public policy domains and their associated actors within a given territorial area” (Kidd, 2007, p. 164)<sup>29</sup>, it may also apply to other dimensions, such as the vertical relationship between territorial units, e.g. local and national administrative levels, or the organizational relationship between different parts of a strategy-making process, e.g. “the alignment of related delivery mechanisms” (Kidd, 2007, p. 166) in different initiatives or programmes. In essence, adopting tools and mechanisms that allow for better coming together of planning efforts is needed in Aruba.

There are many examples of tools from areas such as spatial planning, GIS modelling, and approaches such as integrated strategic planning which may be relevant to Aruba at this juncture to address issues around land use planning, marine ecosystem management and sustainable natural resources management, social service delivery targeted to the most vulnerable, inter alia. Deliberate choices in

<sup>29</sup> Kidd S, Fischer T, 2007, “Towards sustainability: is integrated appraisal a step in the right direction?” Environment and Planning C: Government and Policy

the planning process such as choosing cross-cutting and multi-stakeholder designed projects will also allow governments to avoid duplication of services and pool valuable resources resulting in the increased efficiency and applicability of public services. Cross-agency dialogue, common strategic planning and document sharing across agencies will also increase public policy coherence, enhance effectiveness and in the long term reduce pressure on public coffers.

#### *IV. Strengthen legislation, regulation, monitoring and compliance*

It was pointed out consistently in MAPS consultations, that many laws exist in Aruba but the key challenge for the government is implementation. In this construct, an issue that lies at the core of institutional effectiveness is to what extent are institutions capable of enforcing existing laws and policies. This will require a review of institutional mandates and existing mechanisms for implementing and enforcing these mandates. The link between laws, regulations and enforcement mechanism needs to be assessed and streamline so that public policy institutions can carry out their mandated responsibilities. The development of a national monitoring and evaluation policy could be a useful step in streamlining monitoring at a central level that can help reinforce government's capacity for driving compliance but also for performance management and coordination among institutions. It may be useful to consider the development of a national performance dashboard that provides a snapshot on the performance of key national/sectoral/institutional indicators that supports that supports monitoring at the level of the Council of Ministers.

Legislations must be responsive to the future and present the needs of our society. It is recommended to implement UN convention against corruption, update legislation on statistical act, "landsverordening" FATF and change LMA.

Introduction of the "Ombudsman". There must be an entity that receives and investigate complaints made by individuals against acts of public officials. With workshop on norms and values you promote more public awareness to become critical citizens. Public register of projects awarded (vergunning) should be available.

Furthermore sanctions against corruption (changing of old laws) ought to be promoted. Including more sanctions and punishments on corruption. There should be punishment of public (civil) servants on all levels (LMA, must therefore be updated). In addition more autonomy for governmental departments should be encouraged for the continuity of policies that are made because of the needs and developments in community and as the advisory entity of the government. Getting the approval and funding of the Parliament is necessary. Regulatory effectiveness and enforcement f.e. 'Ruimtelijke Ordening en Planning Voorschriften' and additional environmental legislation should be enhanced.

#### *V. Improve Coordination and collaboration among institutions*

Institutional coordination is a significant driver of efficient and cost-effective governance and a lack of institutional coordination affects all levels of a country's productivity. Aruba has established a SDG Commission by a decree of the Prime Minister which has brought together representatives from several government departments. This is an important first step in improving coordination around SDG

implementation. However, it was observed from a review of the many planning documents seen by the mission that national priorities appear disjointed, with no measurable results and not well coordinated across government departments. Aruba appears hamstrung by many of the same institutional vulnerabilities as many Caribbean SIDS. Primary amongst these vulnerabilities are the diseconomies of scale resulting in the limited size of public administration. Thus, insufficient staff are attached to multiple and wide ranging portfolios, personnel are overextended.<sup>30</sup> Increased institutional coordination will address several of these issues, particularly sharing portfolios more effectively amongst overburdened public officials. The result will be overall increased institutional quality and increased effectiveness in the provision of public services.

#### VI. *Mainstreaming SDGs in government institutions*

Having one vision and agreeing on the incorporation of the SDGs in the different departments will facilitate working together as a community on policies, projects, funding and governmental budgets. Collaboration is essential to be a role model.

#### VII. *Safety and Security*

All government departments ought to be strengthened according to their tasks to minimize irregularities that are currently taking place and are not being tackled, f.e. fair share, cheap labor, informal market, safe workplace, social problems regarding the youth and immigrants and criminal cases that are not solved

#### **SDG Impact**

Institutional quality and effectiveness is critical for sustainable development. Building strong and effective



<sup>30</sup> <http://www.cepal.org/publicaciones/xml/8/8118/G0588.html>

### Accelerator: Strengthen Statistical Capacity

Another accelerator that came out as priority is the concern for the statistical capacity on the island. The key challenges are:

1. Funding;
2. Lack of data sharing and data exchange among government departments in Aruba, a weak position of the CBS in data collection and the lack of a standard protocol for data sharing among government departments
3. Lack of awareness of official statistics and the data culture in the society
4. The lack of a functioning NSS in Aruba

### Interventions towards acceleration

- I. *Formalization of a NSS in Aruban legislation based on document drafted by the CBS with assistance of UN and CBS NL.* The finalization of the NSS document will take place in cooperation with all the suppliers of administrative data.
- II. *Implementation of the NSS* (and the appointment of a coordinator resorting under the Ministry of General Affairs to implement the NSS). The implementation consists of: National and international classification standards and automation.
- III. *Training to non-statisticians.*
- IV. *Assessment of statistical capacity to produce data.*
- V. *Bilateral technical assistance.*
- VI. *Budget for implementation of the NSS including SDGs VII. Additional budget for CBS for SDGs purposes such as capacity building and automation to also enable it to carry out the additional tasks of monitoring and reporting on the SDGs.*
- VII. *Legislation.*  
  
The statistics ordinance of Aruba needs revision and updates to adequately reflect the functions of the CBS as the national statistical office and to enable it to perform the duties of the NSO according to the United Nations Fundamental Principles of Official Statistics.
- VIII. *The introduction of a data sharing policy for immediate implementation by government departments and other government agencies.* Since the process of revising the statistics ordinance may take some time, it is pertinent to introduce a data sharing policy. This policy should authorize government departments to share data with the CBS (which is by law obliged to guard the privacy of individuals and companies) when these data are deemed to be of value in the production of official statistics, and by extension if such data could be used in producing the SDG indicators.
- IX. *Partner. Mobilizing stakeholders for a data ecosystem partnership to produce data for the*

*SDG indicators.* Despite the many data challenges in Aruba, an encouraging factor is the enthusiasm shown by all groups of stakeholders – consisting of representatives of government departments, the private sector, academia, and civil society – to address these obstacles. The private sector and the NGOs offered to contribute their data to support SDG reporting. The Central Bank of Aruba had already taken steps to introduce the SDG framework to its Board, and the University of Aruba plans to create a working committee on the SDGs. Considering the fact that many government departments like the Department of Labor, the Department of Public Health, and the Justice Departments already have rich administrative databases. Aruba stands to benefit in no small measure, by mobilizing these stakeholders for a data ecosystem partnership to produce data for the SDG indicators.

- X. *Educate.* A public data literacy campaign is needed to raise awareness of the general public about official statistics and to sensitize them of the value of data in public policies and program, including internationally agreed development goals such as the SDGs. This public education campaign should address those factors that contribute to the lack of a data culture and should employ infographics in making official statistics more meaningful to the general public.



## Aruba as a Model of Sustainability for Small Island Developing States

Small Island Developing States (SIDS) face distinct economic, social and environmental challenges. SIDS are even more vulnerable than other countries to challenges related to “external shocks” ranging from debt and unemployment to climate change and sea level rise.

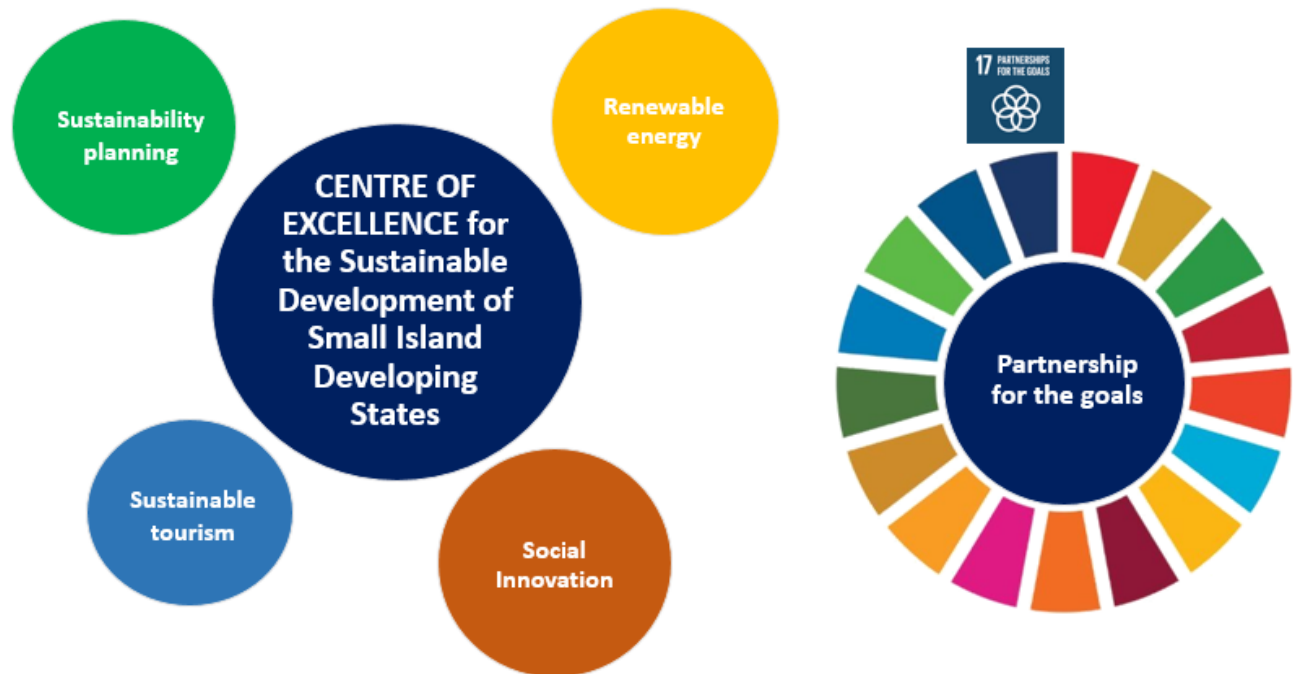
In pursuing its vision of sustainable development, Aruba has built “know how” in many areas to help achieve its goal. Aruba has, over the years, developed a reputation of tackling these issues with innovative ideas and ambitious projects, like the aim to rely solely on renewable energy by 2020. Building on its technical expertise and experience, and as an early starter in implementation of the SDGs, Aruba can collaborate and share its knowledge with fellow SIDS in order to drive their sustainable development priorities. Aruba will thereby strengthen its role as a model of sustainability for SIDS. Solidifying this role can be done by the Aruba Centre of Excellence for Sustainable Development of SIDS (COE), which was established by the Government of Aruba, the Kingdom of the Netherlands, and the UNDP in 2015. The COE aims to strengthen innovation and resilience of SIDS by offering a platform for South-South cooperation and exchange of knowledge in a range of areas, including sustainability planning, renewable energy, sustainable tourism, and social innovation (new ideas that work in meeting social goals).

The COE’s current implementing partners – notably TNO Caribbean, the University of Aruba, and UNDP - have played an important role in supporting the COE as a global knowledge hub for SIDS. Since its inception, the COE has hosted and trained policy-makers from 30 SIDS from around the world, created the most comprehensive online database for knowledge on SDGs and SIDS, written a number of in-depth case studies, launched a monthly newsletter for SIDS policy-makers, and is currently planning in-country missions to seven SIDS to support in their planning for sustainable development.

As such, the COE is well positioned to be a knowledge broker in sourcing relevant global insights to accelerate Aruba’s sustainability agenda, as well as to be a channel for outreach regarding Aruba’s experiences to the rest of the world. More specifically, the COE can accelerate Aruba’s ambition to be a model for a sustainable small island by way of: 1) capturing and sharing Aruba’s best practices in sustainability, 2) documenting and disseminating Aruba’s SDG implementation process, 3) connecting policy-makers from SIDS by orchestrating their online community of practice and 4) offer learning sessions both online and face to face in relevant sustainability topics.

The role of the COE as an accelerator for Aruba’s sustainable development will be further advanced as it migrates into the soon-to-be-established, EU-funded SISTEM (Green Faculty) of the University of Aruba. As a core entity within this initiative, the COE will be even better positioned to leverage the knowledge from Aruba’s sustainability experiences.

Mainstreaming SDGs in government institutions. Having one vision and agreeing on the incorporation of the SDGs in the different departments will facilitate working together as a community on policies, projects, funding and governmental budgets. Collaboration is essential if we want to be a role model.



### 3.3 Financing the SDG Agenda

Achieving Aruba's national priorities and realizing the SDGs will require making choices with higher returns, setting priorities and mutual cooperation to achieve goals and a higher level of well-being. Public finance alone may not be sufficient to drive the island's aspirations. Despite challenges, financial austerity might create opportunities to re-orient public spending, introduce smart taxation (e.g. taxation on tobacco, gaming and environmental externalities) and spur innovation and more effective public-private partnerships. A multifaceted financing strategy may accompany the identification of SDGs accelerators and reduce the likelihood of public resource constraints that would have a major impact on the country's social and environmental standing. Innovative solutions may be considered along with measures geared towards attracting private investment and increased effectiveness in public spending. This section presents a financial outlook of Aruba followed by initial considerations and suggestions for financing the 2030 Agenda.

Priority areas resulting from the MAPS assessment are:

1. Optimization of expenditures linked to the SDGs; to measure progress on SDGs and execute evidence-based policy, it is essential to have indicators. This requires funding to allocate manpower and provide the software tools for the creation of databank in different governmental institutions. To implement the SDGs and the policy long-term investments have to be made. A budget must be allocated specifically for the execution of the SDGs. Smart taxation and revenue optimization for SDG-investments;
2. Green financing for Aruba's commitment to become fossil fuel free and innovative financial



instruments to support economic diversification and entrepreneurship. Becoming a self-sustaining entity helps to generate funds from other resources through which our reliance on the government's budget and investments is decreased.

3. Reporting system is missing on SDG progress at the national and interdepartmental level at this moment. SDG implementation cannot take place without a reporting system that is needed since we want to be a role model to other nations. Interdepartmental reporting also ensures more accountability for the execution of the SDGs in the different departments. As the national and department targets changes, there is a need also for the annual report to change and reflect the efforts, integration and mainstreaming of the SDG's.

4. Interdepartmental collaboration on expenditures. For the continuity of SDGs projects in different departments, it is a priority for departments to work together on the financial execution of SDGs projects. There has to be a coherence of policy and the collaboration on funding between departments.

5. Model of Awareness. Changing the local mind-set and creating ownership of the SDGs at minister's level helps to place the SDGs on the political agenda and its fundament in the policies of different departments.

### BOX 3.3: Financing the SDGs-unpacking the agenda

A major task for policy-makers in financing the 2030 Agenda will be to devise financing solutions to attract and direct investments to areas where greater co-benefits and multiplier effects can be achieved. UNDP has identified four broad financing strategies/objectives that should be considered in the development of financing strategies for the 2030 Agenda or single accelerators and initiatives connected to the implementation of the SDGs:

- **Generate revenues**, i.e. any existing or innovative mechanism or instrument that can generate and/or leverage financial resources to allocate to biodiversity. Examples include attracting impact investment, the introduction of green taxes, the issuance of debt instruments, etc.
- **Realign current expenditures**, i.e. any measure that can reorient existing financial flows towards the SDGs. This result can be achieved by phasing out and reforming fossil fuel subsidies and using these freed resources to invest in renewable energy or green infrastructure instead. Another example is lobbying for changes in budget allocations towards poverty eradication programmes.
- **Avoid the need for future expenditures**, thus freeing up future resources for investment in other areas, i.e. any measure that can prevent or reduce future investment by eliminating or amending existing counter-productive policies and expenditures. This can be achieved by taxes that can generate a double dividend such as sugar or tobacco taxation or fines for stopping alien invasive species.
- **Deliver financial resources more effectively and efficiently**, i.e. any measure or instrument that can enhance cost-effectiveness and efficiency in budget execution, achieve synergies and/or favor a more equitable distribution of resources. Examples include the establishment of enterprise challenge funds, the establishment of central procurement units or staff incentives to increase delivery of resources.

Source: [www.undp.org/content/sdfinance](http://www.undp.org/content/sdfinance)

## Comments on the box.

### Generate revenues

It is important to allocate money for monitoring. There is a need for monitoring capabilities and equipment for the creation of indicators. For policy implementation based on SDGs it is essential to incorporate new ways of doing business, for example think on circular economy and waste management.

The budget of the different departments have to be constructed in a way that leads to the execution of the SDGs corresponding to each department.

Re-align expenditure It is not only about re-allocating revenues, it is about for example the introduction of a smart sustainability tax.

### Avoid the need for future expenditures / Consolidating toward Sustainability

Self-sustaining expenditures and investments are important to become a self-sustaining entity. There are worldwide examples of self-sustaining investments to generate funds, such as waste to energy or the promotion of tax incentives, the introduction of green loans, green mortgages and the use of green energy for taxi's and public transportation for long term investments. Investing in these projects will help generate money from sources other than the government's budget.

### Deliver financial resources more effectively and efficiently

The integration of a SDG framework into (annual) reports. It is important to consider the integration of SDGs in the multi annual budget of different departments so that each department is committed to execute its policies regarding the SDGs. In addition, the department of Finance must agree on the integration so they do not cut on budget that relates to the execution of policies regarding SDGs.

Pillar: Peace, Innovate and strengthen institutional quality and capacity has a link with Aruba as a model for sustainable development: Priority, Inter departmentally collaboration on expenditures among institution is necessary to achieve the SDG agenda. Mainstreaming SDGs in government institutions is a must and by creating ownership mentality we will achieve/ comply with the SDG agenda.

### Create ownership mentality

Fostering accountability and a clear understanding of the objectives of the SDGs and bringing the governmental departments, NGOs, the private sector, ministers and parliament along in the process helps creating the ownership mentality. Create together with the different stakeholders a NSP plan and look at the roles of each stakeholder in the broader goal and commit. It is important that the different stakeholders fit in the SDGs picture.

## Financial outlook

Aruba faced two major financial shocks--the global financial crisis and the cessation of the Valero oil refinery--that produced severe repercussions on the country's fiscal space. Despite difficulties, the long-

standing trade deficit has always been balanced by capital inflows from aid and foreign direct investment (FDI). The balance of payments is forecasted by the Central Bank to return positive in 2016, thanks to the positive balance in the capital and financial account and reduced imports. The largest inflow of foreign funds comes from tourism receipts, FDI, and foreign borrowings. The country's reserves remain above the international benchmark.

The policy mix of continued public investment in infrastructure and socially-wary austerity measures has produced a steep rise in public borrowing, with the public debt to GDP ratio projected to rise to nearly 90 percent of GDP. While a similar level would be considered unsustainable in the region, the sovereign risk in Aruba is mitigated by multiple factors, including open access to non-commercial funding thanks to the Dutch government's theoretical capacity to issue bonds on behalf of Aruba and the country's historical good record on debt service. The Government has taken the decision to mitigate the impact of austerity during the crisis. Nevertheless, while alleviated by gradual implementation and special provisions for most vulnerable groups, the projected social impact of austerity has not been studied. Reforms included a hiring freeze in the public sector and new provisions for pension and healthcare. These reforms have brought back Aruba on a virtuous track, reducing the deficit to an estimated 2.4 percent of GDP and with expectations of reaching a positive balance in 2018. Weak tax revenues, the election in 2017, and resistance to the healthcare and pension reform continue to represent risks.

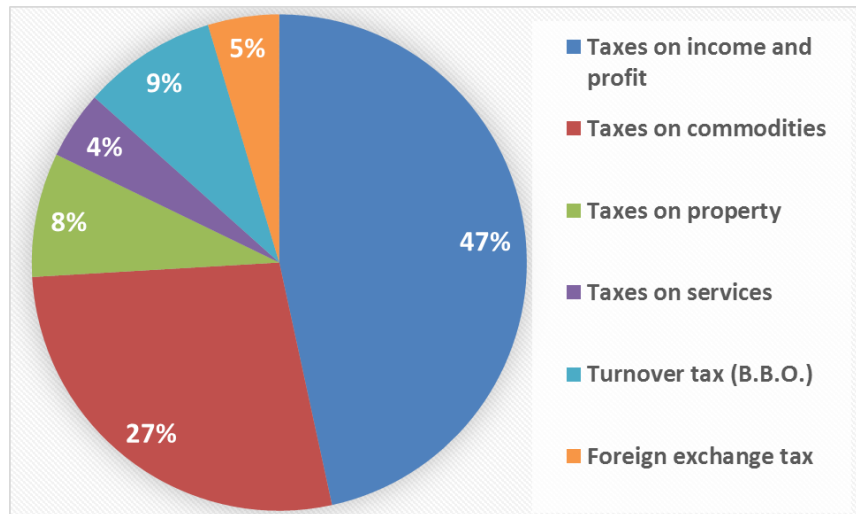
Figure 3.1 provides a snapshot of Aruba's public finance. The tax envelope is largely made of income and profit taxes while a lower than usual amount is generated by taxing consumption. With regard to expenditures, the IMF has suggested to focus on the reduction of wage-related expenses and the introduction of a value added tax. The re-balancing of the tax system may be required, with possible revision and/or introduction of smart taxes, e.g. fuel, tobacco, gambling, etc. The country's dependency on trade taxes is higher than average for high-income countries, largely explained by the volumes of imports. The country's public debt is half domestic (46 percent) and half international (54 percent). The foreign debt is largely owned by US companies, financial institutions and individual investors. The debt with the Netherlands was estimated at AFL38 million in 2016, 36 million of which is classified as development cooperation. The debt structure is balanced between short and long term maturities.

Aruba is not eligible for Official Development Assistance (ODA). The country borrows on market terms in domestic and foreign capital markets. While falling under the financial supervision of the Kingdom of the Netherlands, Aruba has not benefited from financial support, investment or formal guarantees from the Netherlands and European institutions. The current status of Aruba impedes opportunities of cooperation with multilateral and regional development banks and results in zero access to financing from these institutions.

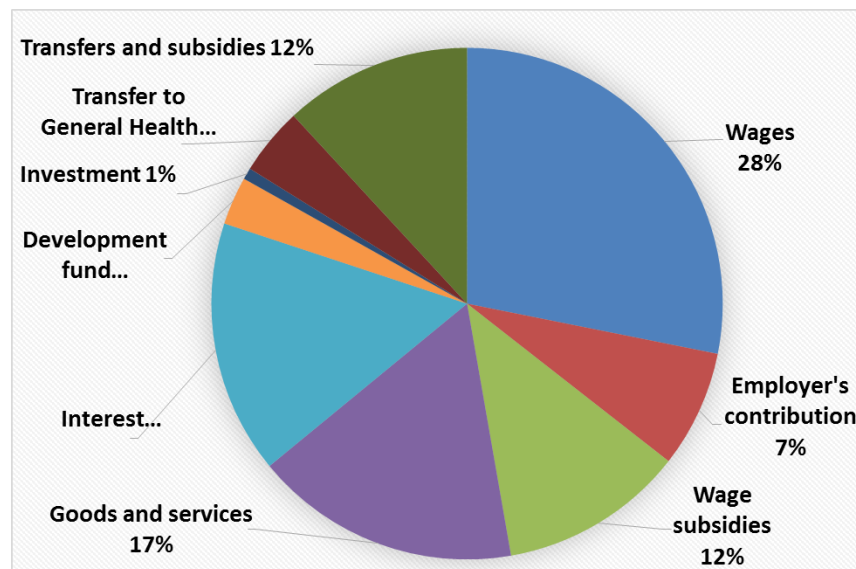
Aruba has a relatively advanced financial system that has surpassed the financial crisis without the need for large public interventions. The financial system, while viable, is characterized by a low level of competition, with some allegations of oligopolistic and cartel-like behaviors. Non-banking financial intuitions seem to play a rather marginal role, contributing to over-conservative credit and investment

policies that discriminate against innovation and small enterprises. Aruba is not competing with other countries in the region to become a regional-offshore financial center.

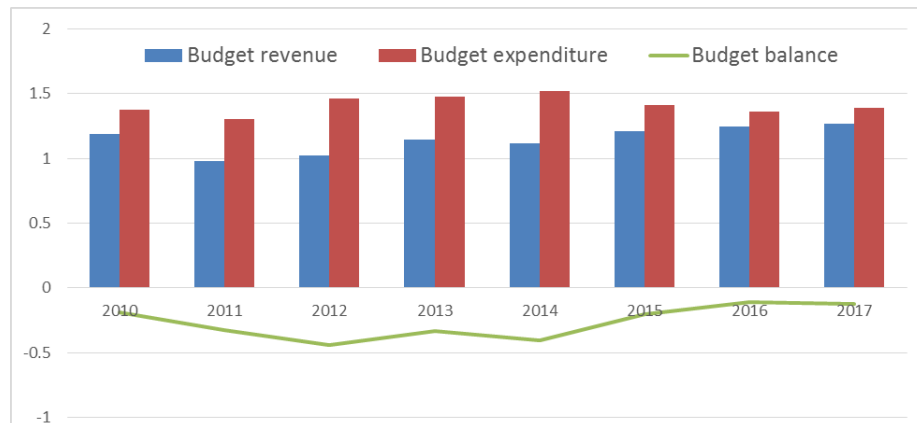
**Figure 3.1: Budget revenues, expenditure and balance in AWG billion**



#### REVENUES



#### EXPENDITURES



BUDGET BALANCE

Sources: IMF, Government Financial Statistics and EIU estimate

### Way forward

In recent years, Aruba has framed an interesting policy mix of public investment accompanied by long-term reforms in the pension and health systems. These latter actions were aimed at resolving critical shortfalls in health and pension systems' viability. The Government has successfully balanced the need to support capital formation, while protecting the most vulnerable and expand the economy. The modest economic upswing expected in 2017 will continue to be accompanied by fiscal austerity with a progressive easing of budget constraints in 2018-2019. Even if the state of affairs has eased in 2017, Aruba remains highly vulnerable to external shocks.

While Aruba does not currently have a comprehensive National Development Strategy or an established Public Investment Plan, the prioritization of infrastructure investments has emerged clearly: green technology, maritime and logistics, creative industries and value-added tourism are the priority sectors. BOX 3.4 highlights selected investment projects, some already financed while others open for sponsors. Beyond the identification of priority investments, the flexibility of the budget remains low. Public resources are for the large part committed according to legal provisions and recurrent expenditures. As a result, public strategies and plans appear not to be realistically costed or linked to allocations as a result of rules set out in the Compatibility Regulation. These financial constraints have led to the emergence of public-private partnerships (over 2 percent of GDP) to finance the infrastructure agenda. While the move turned out to be critical for maintaining investment in the aftermath of the global financial crisis, the model has reached its limits and may require a review of the contracting modalities.

#### BOX 3.4: Selected Investment projects

- **TRANSPORT-The Watty Vos Boulevard Project:** new arterial road 2x2 around Oranjestad connecting the Multi Cargo Terminal in Barcadera and the hotel area;
- **TRANSPORT-Airport Expansion:** major redevelopment project designed to address the airport's

capacity constraints;

- **INDUSTRIAL-Reactivation of the refinery operated by Citgo:** US\$700 million investment for a processing capacity 209,000 barrels per day;
- **INDUSTRIAL-Barcadera Multi-Cargo Container Terminal and Industrial Park:** new Multi Cargo Sea Terminal adjacent to 1m. square feet of area for logistics, industrial and marine services;
- **ENERGY-Urirama Wind Park:** installed capacity of 26.4 MWs potentially producing on average 18% of Aruba's electricity needs;
- **ENERGY- Waste to Energy Plant and Expansion:** expansion of the first waste to energy plant in Aruba (4MW), adding up to an additional 8MW of capacity;
- **COMMERCIAL-Repurposing of the Port of Oranjestad:** large-scale commercial development (over 2 million square foot site);
- **SOCIAL-Dr. Horacio Oduber Hospital expansion:** construction of a new six story polyclinic plus a three-story building for consultations and outpatient services;
- **SOCIAL-Smart Community Aruba:** 20 unit residential neighborhood-living laboratory to research, test, demonstrate and certify the latest sustainable technologies for communities.
- **Natural Resource Management**

*Source: Opportunities Ahead / Aruba 2017*

The Government is expected to modernize the budget process, strengthen accountability in spending, strengthen medium-term fiscal planning and make the tax administration more efficient. Drafts reforms are being considered. A new software that links budgets with results is being introduced with support from the Netherlands. Despite challenges, major opportunities to finance the 2030 Agenda and this Roadmap lie ahead with regard to the optimization of expenditures, the re-balancing of the tax system, an effective tax administration and green and innovative finance. Further analysis and public engagement is required to validate the propositions below.

### 1. Optimization of expenditures linked to the SDGs

Public expenditures totaled AFL1,373 million or AFL13,163 per person (circa US\$7,400) in 2016. Considering the relatively high spending per-capita, there could be scope for identifying synergies and introducing effectiveness measures. Reforms are required to shift the agenda: public expenditures are assigned and managed by sector ministries and departments mostly based on historical allocations and mandatory provisions providing limited space for result based budgeting and spending. Recommendations follow:

#### *I. Review options for introducing result-based budgeting and derive Return on Investment measures for public investment*

Public expenditure reviews premiered accountability and financial authorities' performance--the PEFA framework for improving public finance management and gaining certification--but have largely overlooked quality of spending considerations. Audit, timely completion of the budgetary cycle, purchasing and tendering have emerged as areas for improvement. Concerns over the returns on investment, for example in education, have also emerged due to lack of evidence. The introduction of a new public finance software with the capability to link resources with performance is a formidable



opportunity.<sup>31</sup> Better connecting policy, budget and performance should enable policy makers to make better ex-ante decisions on allocations and identify areas where more efficient spending should be promoted. Along with expenditure reviews, more rigid costing of public policies and priority programmes should be promoted.

## *II. Better targeting and monitoring of investment-expenditures towards the SDGs/SDG accelerators*

The rolling out of the new software and the conduction of issue-specific expenditure reviews (e.g. climate change, biodiversity, and youth employment) can lead to achieving greater outcomes, synergies and cost-savings in areas critical to the SDGs. Where possible, measures to calculate the return on public investment should be introduced. It is recommended that the initiative promoted by the SDG Commission to track budget expenditures with the SDGs is linked to the above. This information should be used to define more target resource mobilization strategies for the SDG accelerators.

### **BOX 3.5: Budgeting for the SDGs in Mexico**

Budget decisions are based on their own set of processes and parameters. Some reports suggest that the UN's functional classification system could be used to bridge budget allocations with the SDGs, but the system was never designed for that purpose. International organizations and civil society organizations have started to consistently monitor public expenditures and development finance towards social and environmental goals. Despite interesting results, in most cases, finance ministries have continued their routine budget planning and execution processes. Countries with a relatively developed program-based budgeting systems can introduce a budget classification that groups and then bridges programs with the SDGs. Mexico is a forerunner: The President has announced that for the first time the 2018 budget will take the SDGs into consideration. The President's Office and the Ministry of Finance have established a joint unit working along with spending agencies to link their budget programmes to the 17 SDGs. Early evidence of the programmatic and budget links is being studied after the one-year pilot accounting project.

## *III. Review options to refinance foreign debt through a SDG-compact with the Netherlands*

There is currently limited engagement of the Netherlands in helping Aruba refinance its foreign debt. The recommendation is to actively engage the Government of the Netherlands on new non-grant forms of collaboration that can help reduce the service debt ratio, which is at 16 percent of export. A new refinancing or debt-swap facility connected to Aruba's commitment towards the SDGs can be negotiated. The feasibility of different options aimed at reducing the debt burden while financing priority projects related to SDG implementation should be promoted. The "facility" could, for example, borrow resources under explicit or implicit guarantee by the Netherlands-benefiting from the surplus liquidity in the EU and expansive monetary policy of the European Central Bank. Technical details and provisions for risks (e.g. currency denomination) would need to be studied further.

## *IV. Invest in precautionary measures for reducing future costs in health and climate/environment*

The aspirations for developing excellent healthcare facilities and the maintenance of high standards in

<sup>31</sup> The strategy is adapted from the Dutch performance-oriented budget (Van Beleidsbegroting tot Beleidsverantwoording).



quality of life (pure air/water, green zones, etc.) cannot be met only through cost-savings or mobilizing new resources. Future costs of policies and public services need to be kept under control. While it was impossible for the mission to undertake detailed assessments, the promotion of precautionary measures to reduce the future bills of the health system, environmental degradation, and mitigate and adapt the risks of natural disaster and climate change require particular attention.

A much overlooked source of revenue is enforcement of existing legislation which allows third parties that contaminate or pollute the terrestrial or marine and coastal environment to be subjected to stiff penalties and high fines. These include but are not limited to fines for littering and illegal waste dumping on land, coast and sea, discharges of liquid sewage on open water on land, sea and coast, discharges of liquid industrial wastes into dry riverbeds resulting in runoff to coastal and marine areas. Coastal and marine pollution by industrial activities (land based sources of pollution), as well as pollution on sea by ballast water dumping, bilge water and oil spills can be made subject to very high fines. Another area of revenue generation is through stiff fining of biodiversity resources and habitat destruction

## 2. Smart taxation and revenue optimization for SDG-investments

The country is in the aftermath of austerity. However, the measures are only marginally affecting the overall tax composition or weight as well as efforts in reducing tax arrears and fighting tax avoidance and evasion. Tax revenues are approximately 23 percent of the GDP, circa 10 percentage points lower than the OECD average. Opportunities exist with the new Administration to review the tax mix in order to support employment growth and balance negative externalities. Recommendations follow:

- I. *Re-consider opportunities to review and introduce smart taxation, including environmental taxes, sugar taxes, sin taxes and other economic incentives to shift behaviors*

The Government should consider revising its tax regime on smart taxes, i.e. taxes that can both generate revenues, address market failures and incentivize sustainable business and consumer practices. These include taxation on tobacco, alcohol and gambling (referred to as sin taxes) and on environmental negative externalities (e.g. fuel, water consumption). Additional research is required to compare Aruba's level of taxation with best practices in high-income countries. The tax authorities reportedly collect excises on gasoline (AFL 72.8 million), tobacco (AFL 9 million), beer (AFL 27.2 million) and liquor (AFL 22.8). A motor vehicle tax is also charged, amounting to AFL 23.1 million. In total, they account to about 14 percent of revenues. Aruba also receives income from gambling licenses for a total of AFL24 million.<sup>32</sup> The amount of public subsidies granted to enterprises is comparatively small.

### BOX 3.6: Financing Solutions for Sustainable Development Platform – Smart taxes

The online platform provides guidance to review and operationalize financing solutions needed to implement

<sup>32</sup> Source: Central Bank, 2016-estimates.

SDG-oriented strategies - a national development plan, the country's biodiversity strategy or Nationally Appropriate Mitigation Actions. It is a compass to navigate across different options or financing solutions, and describes their potential, advantages, disadvantages, risks and characteristics. The platform profiles case studies and refers to external sources, including e-learning and advanced guidance material. Examples of solutions reviewed in fiscal policies follow:

- *Taxes on Fuel*: sales tax any individual or firm who purchases fuel for his/her automobile or home heating pays. Fuel taxes can reduce the consumption of fossil fuels and greenhouse gas emissions while generating public revenues.
- *Taxes on Renewable Natural Capital* (water; timber): Any fee, charge or tax charged on the extraction and/or use of renewable natural capital (e.g. timber or water).
- *Taxes on Tobacco*: Excise taxes on tobacco products can raise fiscal revenues, improve health and well-being, and address market failures.

## *II. Completion of the fiscal reform programme with the aim to rebalance the system out of labor and capital taxation to consumption*

Linked to the recommendation above, it is suggested to revamp tax reforms to reduce the fiscal weight from labor towards consumption. The introduction/review of value added taxation should be considered as a means to promote employment. The tax reform maybe tax neutral but it could shift incentives towards the SDGs. Similar reforms may reduce the informal economy and allow for a progressive reduction in the profit tax, particularly for SMEs.

## *III. Increased efforts in expanding the tax base with further modernization of the tax administration and reduction of tax avoidance/evasion and tax arrears to increase the fiscal space for the SDGs*

Initiatives aimed at expanding the tax base and reducing tax avoidance and evasion are important in a context where fiscal space remains constrained. The presence of a comparatively large (to OECD) informal economy suggests a step by step approach that balances the need of a fair playing field with the challenges confronted by small enterprises. Opportunities in the modernization of the tax administration emerged during the mission, with particular reference to the simplification of the tax system and the use of new technologies.

### **BOX 3.7: Tax Inspectors Without Borders (TIWB) (website: [www.tiwb.org](http://www.tiwb.org))**

TIWB is a joint initiative of the OECD and UNDP designed to support developing countries to build tax audit capacity. Tax administrations are on the frontline in the battle against tax avoidance. Tackling complex international tax arrangements that divert profits otherwise liable for corporate tax, calls for skilled tax auditors. A well-trained tax team can identify high-risk cases and uncover the arrangements that strip much-needed tax revenue from governments. TIWB facilitates well-targeted, specialized tax audit assistance around the world. TIWB programmes can include: pre-audit risk assessment and case selection, investigatory techniques, audit cases involving transfer pricing issues, anti-avoidance rules, or sector-specific issues, relating for example to natural resources, e-commerce, financial services or telecommunications.

## *IV. New parameters to be included in the reviews conducted by the financial supervision*

*authority that go beyond GDP/finance and include SDG dimensions*

Sovereign debt stress is a regular feature of international finance. Despite a wealth of experiences, each episode often naively emerges as if actors are confronting these problems for the first time. Some causes are structural and can be addressed structurally with new instruments and positions. A new consensus is emerging on new forms of risk-informed development finance that can contribute to reducing the risk of abrupt austerity measures and costly and socially taxing sovereign debt restructuring and defaults. State-contingent forms of financing can also make fiscal policy less procyclical. Thus, by reducing debt payments in times of economic slowdown or opening new channels of financing, the pressure to cut back vital expenditures is reduced. Aruba has surpassed the lowest point but remains vulnerable to external shocks and to new crisis. A renegotiation of the parameters used by the financial supervisory authority can be re-negotiated as part of a new SDG-compact that substitute's previous forms of cooperation (see Box 3.8).

**BOX 3.8: A proposal for a SDG-compact with the Netherlands**

Due to its autonomous status within the Kingdom of the Netherlands, Aruba is blessed and burdened at the same time. The impossibility to access traditional development finance by multilateral and regional institutions is counterbalanced by the opportunity to leverage the financial powerhouse of Europe. The old model of tied aid, which has been recently discontinued with the decommissioning of the Aruba Development Fund, can be substituted by a new SDG compact negotiated with the Netherlands. The Compact, strongly connected to the SDG agenda, could provide greater autonomy to Aruba while contributing to financial sustainability, cost-savings and new investments in the SDGs. This new Compact could be negotiated on the basis of Aruba's commitment for the achievement of the SDGs. It may be initially focused on two recommendations included in this report: 1. the set-up of a refinancing facility targeted at buying back foreign debt and 2. Suggest new parameters to be included in the reviews conducted by the financial supervision authority that go beyond the GDP/finance and include SDG dimensions. The result of this engagement is additional policy and fiscal space for the implementation of the SDGs. Moreover, the Compact itself is not meant to compromise financial due diligence but to contribute to long term financial sustainability. Further research based on global best practices as well as the identification of the most suitable options for the financing facility would be required [if Government agrees UNDP can prepare a position paper].

### 3. Green and innovative finance

Aruba is a relatively small economy, with a small population, land mass and tax base. As a high-income country, it has virtually no access to concessional finance. In this context, it is important for the country to explore a menu of innovative finance mechanisms. The following solutions may be considered:

- Green and blue bonds (e.g. transport, waste and water) to finance Aruba's green/blue agenda;
- Regulatory provisions promote a competitive and modern financial sector;
- Impact investment to expand available financing options for the knowledge economy and green markets.

#### *1. Green and blue bonds to finance Aruba's green/blue agenda*

The Seychelles has recently capitalized on the emerging concept of the 'blue economy' to leverage finance from international capital markets at a discount with its 'blue bond' initiative. Such a path may

be appealing to countries with a sovereign credit rating such as Aruba. The “blue or green economy” is broadly understood as economic activities that are in balance with the long-term capacity of terrestrial and ocean ecosystems to support this activity and to remain healthy and resilient. Such activities can include renewable energy, sustainable aquaculture, deep seabed mining, marine biotechnology and ocean monitoring and surveillance. Green bonds have been issued by multilateral financial institutions, sovereign states and municipalities chiefly to fund investments in sustainable energy and clean transportation. Sometimes, an interest discount can be obtained from investors. Future bond issuances could explore whether to market a share of them as ‘blue’ or ‘green’ bonds so as to, on the one hand, obtain an interest discount, and on the other, support conservation efforts and a transition to more sustainable models of economic development. A pipeline of ‘green’ or ‘blue’ investable projects would be needed to support such an effort.

### **BOX 3.9: The blue/green bonds market**

Blue/green bonds are financial instruments similar to conventional bonds but with the characteristic of committing the issuer to invest the proceeds exclusively in green projects. The market (to which blue bonds can be considered a sub-category) was estimated in 2016 at US\$118 billion. If non-certified green bonds are included, issuances are estimated at US\$694 billion. Both the potential investor demand as well as the portfolio of unfunded projects are significant. Green bonds can be issued by both public and private financial institutions in Aruba and or in foreign capital markets. An in-depth analysis of the financial and other conditions required for the development of such instruments may be required to inform concrete action in this area, for instance, for the promotion of renewable energy and other sectors with potential economic and employment generation such as the ocean economy. On the latter Grenada is one of the world’s first countries to develop a forward-looking vision on “blue growth.” Grenada’s vision is to optimize coastal, marine and ocean resources to become a world leader and an international prototype for “blue growth” and sustainability. Grenada’s ocean space is 75 times larger than its land area, presenting opportunities to diversify its economy in fisheries and aquaculture, aquaponics, blue biotechnology, research and innovation. The proposed “Blue Innovation Institute” is one key component. The Center will seek to develop innovative new “blue” financing instruments such as debt-for-nature swaps, blue bonds, blue insurance and blue impact investment schemes. UNDP is collaborating with Grenada on the development of these new instruments.

For more information: [www.undp.org/content/sdfinance/en/home/solutions/green-bonds.html](http://www.undp.org/content/sdfinance/en/home/solutions/green-bonds.html)

## **II. *Regulatory provisions promote a competitive and modern financial sector***

The Aruba financial system is relatively small and dominated by four traditional banks. The sector is still sizeable in comparison to the GDP with assets valued at over 210 percent of GDP. Along with the banking sector, the system is composed of pension funds and insurance companies. Pension funds’ assets are largely comprised within the civil service pension fund, which has assets of over 50 percent of GDP (Source: IMF). The four commercial banks are subsidiaries of banks headquartered in Curacao. They are largely funded by deposits, which account for over 80 percent of liabilities. The sector invests in both government securities and private sector loans (60 percent of banks’ assets). Aruba has introduced strict regulations on off-shore financing and is currently not competing with other neighboring islands. Two off shore banks are engaged in banking activities with non-residents.

Aruban banks have resisted well to the crisis; they remain considerably more profitable than peers in the Caribbean. Prudential credit policies have resulted in sustainable non-performing loans ratios and limited financial leveraging. However, the same conservative policies have restricted the financing of SMEs. Concerns over the oligopolistic nature of the market and cartel-like behaviors were raised during the mission, particularly from the private sector. The banking services are reported to be costly and not in line with most competitive economies, e.g. timing for opening a bank account, etc. High interest rates and risk-averse behaviors on one hand have shielded Aruba from the financial crisis but on the other hand they have limited the growth of innovative and creative enterprises. With no alternatives beyond the banking sector (e.g. venture capital, mezzanine financing, microfinance, credit unions, virtual banks, etc.) and lack of capacity for acceding foreign capital markets, local firms suffer the most. The proposals to relax some regulations and allow the entry into the market of non-banking institutions and the introduction of innovative finance advancements (e-commerce/e-payments/crowd-investing) should be considered.

The Aruban banking sector and financial services regulatory system prevent the access to capital through crowd and peer funding, exclude the use of e-commerce and online payment platforms like ApplePay, GooglePay, PayPal, Bitcoin and mobile banking (e.g. Monzo Bank (see [www.monzo.com](http://www.monzo.com)).

Access to ATM, debit and credit cards is severely restricted for individuals, SMEs, startups and non-profit foundations

### *III. Impact investment to expand the available financial envelope and spur innovation*

Given the limited opportunities offered by the traditional Aruban financial system, both the private and the public sector could look at alternative forms of financing. This would be necessary to support the development of the non-tourism economy. The impact investment and venture philanthropy markets are growing fast, particularly in the US, and offer interesting opportunities for the development of innovative and creative enterprises. Moreover, impact-driven resources can spur the internalization of the SDGs in business practices.

Impact investment<sup>33</sup> refers to investments that seek a social and/or environmental return alongside financial returns. Impact investments may be made in companies, organizations, and funds and may involve different asset classes such as fixed income, venture capital, private equity and social and development impact bonds. Private equity and debt are the most common instruments. In terms of the investees or receivers of capital, these can be for or non-for profit entities as long as a financial return to investment is produced. Intermediaries can help connect impact investors to impact driven enterprises through the provision of a range of services such as research, impact measurement, etc. The Government and financial development institutions can play a role by creating an enabling environment for impact investment to flourish and in certain cases, provide incentives and co-financing. The global market for impact investment has been estimated at USD 77.4 billion in assets with expected

<sup>33</sup> For more information: [www.undp.org/content/sdfinance/en/home/solutions/impact-investment.html](http://www.undp.org/content/sdfinance/en/home/solutions/impact-investment.html)

growth of 17.7 per cent in 2016.<sup>34</sup> Impact investment includes venture capital, crowd-investing and social and development impact bonds.

The Government can create an enabling environment for impact investment and in certain cases, provide incentives and co-financing. Feasibility studies can help identify the viability of impact investment as an enabler for the entrepreneurship and innovation SDG accelerator. The study may assess the existence of a financial market for these products; identify the feasibility of the establishment of a local impact hub, etc.

#### **BOX 3.10: SDG Foundation**

Additional research is required to identify and measure the volume of private donations and other philanthropic initiatives within Aruba. The mission findings highlight numerous engagements of private individuals and entrepreneurs in local philanthropic initiatives. However, no large intermediaries, institutions and endowments/foundations seem to exist. The possibility of establishing a private foundation to support selected activities in the SDG Roadmap might be considered, including in the area of business entrepreneurship and impact investment. The SDG [Funders Platform](#) and the [Foundation Center](#) provide best practices and guidance material.

<sup>34</sup> <http://www.undp.org/content/sdfinance/en/home/solutions/impact-investment.html>.

### 3.4 Data, monitoring and reporting

#### The National Statistical System

##### ***Legal framework***

The National Statistical System (NSS) in Aruba, although not formally established, consists of the Central Bureau of Statistics (CBS), the Central Bank of Aruba (CBA), and several Departments of the Government of Aruba. The Statistics Ordinance<sup>35</sup> of 1991 empowers the Minister of Economic Affairs, through the Director of the CBS, to gather statistical data. The ordinance also specifies that such data gathering, when related to the banking industry, should be done after consultation with and through the Central Bank of Aruba. While no other entity is charged with the collection of data for official Statistics in this Ordinance, government entities such as the Social Security Bank, the Registry (CENSO), the Department of Labor, the Department of Agriculture, the Department of Social Affairs, the Department of Public Health, the Department of Education, the Department of the Environment, the Department of Meteorology, the Police, and the Penitentiary do routinely collect data for official statistics. The General Administrative Orders for the implementation of Article 6 of the Statistics Ordinance stipulate the type of information that may be collected for the compilation of socio-economic statistics in Aruba. This includes, among other things: sales and production; purchases and acquisition of land; stocks, building materials; depreciations; personnel records, personnel expenses; other expenses of the business operations; investments; project under preparation; retained profits and additions to the reserves; consumer spending; and income and prices.

##### ***The Central Bureau of Statistics***

The Central Bureau of Statistics is the National Statistical Office (NSO) of Aruba. Created in 1986 as a separate entity from the Statistics Office of the Netherlands Antilles, the CBS is a Department under the Ministry of Economy, Communication, Energy and Environment and is headed by the Director. The organizational chart that specifies the division of operations of the Bureau is currently unknown.

The CBS conducts the Population and Housing Census every decade, the last being in 2010. It also conducts or provides technical assistance in the conduct of annual or periodic surveys in Aruba. These surveys include, but not limited to the Labor Force Survey (conducted annually since 2011), Income and Expenditure Survey, and the Wellbeing Survey. Detailed analytical reports of these surveys are produced by the CBS. Table 2 provides a list of statistical publications by the CBS.

<sup>35</sup> State Decree of June 14, 1991, No. 7.



**Table 2: Statistical publications produced by the CBS<sup>36</sup>**

Survey/Publication	Frequency	Date last conducted/published
Population and Housing Census	Decennial	2010
Statistical Yearbook	Annual	2014
Statistical Orientation	Annual	2014
Social Atlas of Aruba	Decennial	2010
National Accounts of Aruba	Decadal	2000-2009
Economic Profile	Quarterly	Third Quarter, 2010
Labour Force Survey	Annual	2016
Gross Domestic Product	Annual	2011
Consumer Price Index	Monthly	May 2017
Foreign Trade Reports	Quarterly	First Quarter, 2017
Quarterly demographic bulletin	Quarterly	First Quarter, 2017
Income and Expenditure Survey		
ICT in Aruba 2010	Ad-hoc	2010

### ***Statistical capacity***

Aruba is currently not assessed by the World Bank in its Statistical Capacity Indicator (SCI) index. The CBS, the CBA and the Ministry of Public Health are some of the public institutions with statistical capacity. Although several departments of the government conduct surveys and maintain administrative records, they do so without a statistician on their staff. Notwithstanding the fact that the bulk of statistical capacity resides in the CBS, the Bureau is challenged in attracting and retaining statisticians and econometricians. The CBS does not have a dedicated Human Resources (HR) department and relies on the Civil Service recruitment process to fill vacancies. The CBA on the other hand has some flexibility in its HR management but, by the virtue of its size, has only a limited number of statisticians. These situations result in statistical capacity constraint in Aruba with implications for national statistical literacy.

### ***Data dissemination***

The CBS disseminates data through paper and web publications and strives to have these publications produced in a timely fashion. Certain surveys and publications produced by the CBS have established release dates and these include the Statistical Yearbook. The CBS provides a menu of economic and social indicators on its website and employs technology in disseminating census data through REDATAM, a web-based application developed by the Economic Commission of Latin America and

<sup>36</sup> Note that list is not exhaustive.

the Caribbean (ECLAC). REDATAM enables users to query census databases remotely to generate tables and cross tabulations.

### ***Budget***

The CBS and other departments of the Government of Aruba involved in data collection for official statistics go through yearly budget review to justify data collection activities. While this practice in itself encourages financial prudence, the annual budget approval process implies that resources for data collection activities that extend beyond a financial year are not always guaranteed ahead of time and the lack of budgetary approval has led to the cancellation or postponement of key data collection activities in the past. The lack of assurance in funds allocation for periodic data collection exercises such as the census threatens the consistency required in the production of official statistics.

### ***Open Data***

The government of Aruba does not currently operate an open data portal. However, the CBS and other departments of the government actively disseminate reports and statistics on their websites.

## **SDG Monitoring**

### ***The Role of the CBS***

Given its status as the national statistical office of Aruba, the CBS has a critical role to play in the SDG follow-up and review processes, particularly in providing data for the SDG indicators. There are ongoing regional efforts in the Caribbean to enhance the statistical capacity of countries to implement the global SDG indicator framework but the CBS has not actively participated in these initiatives.

Aruba is an Associate Member Country of the Caribbean Development and Cooperation Committee (CDCC) of ECLAC and hence an associate member of the Statistical Conference of the Americas (SCA) of ECLAC. Although not an Associate Member of the Caribbean Community (CARICOM), Aruba, represented by the CBS, participates in the meetings of the Standing Committee of Caribbean Statisticians (SCCS). However, the CBS did not take part in a workshop jointly organized by the CARICOM Secretariat, ECLAC, and the Small Island Developing States Unit of the United Nations Department of Economic and Social Affairs (UN DESA) in December 2016 in Port of Spain, Trinidad and Tobago, to define a minimum core set of indicators, from among the global SDG indicators, to monitor the SDGs and SAMOA Pathway in the Caribbean.

With respect to the institutional framework for SDG implementation, Aruba has taken a proactive approach. The SDG Commission has played a very active role in ensuring that Aruba is well-positioned to implement and report on the SDGs. The Commission participated in the Caribbean symposium on mainstreaming the SDGs in national development planning held in Kingston, Jamaica in February 2017 and the workshop to accelerate SDG implementation in the Caribbean held in Port of Spain, Trinidad and Tobago in May 2017. Although the CBS is represented on the Commission's Working Group on SDG Indicators, the CBS should be more integrated in the Working Group to enable it to lend technical expertise to the group and to ensure that activities of the Working Group are well-informed by the state

of official statistics in Aruba.

### ***Gap analysis***

The CBS is currently conducting a self-assessment of its capacity to report on the SDG indicators as part of a regional programme under SCA to determine the technical assistance that NSO would require or could offer in support of the SDG indicators. Preliminary assessment contained in the RIA suggests that Aruba will be challenged in producing data for indicators in the “People” and “Planet” spheres. When completed, the self-assessment exercise will enable the CBS to identify critical areas of data gaps for which efforts would need to be dedicated to enhance Aruba’s ability to report on its achievement of the SDGs.

As a complement to the ongoing self-assessment, a review of the data ecosystem of Aruba is needed. In particular, the country does not have a National Strategy for the Development of Statistics (NSDS) and the NSS is not formally established.

## **Challenges**

### ***Data Culture***

The outcome of the MAPS mission data sessions indicated that there is a low level of awareness of official statistics in Aruba and that this may not be unconnected with a low data culture in the society. Data is collected through surveys and is also captured in administrative records of several departments but these processes yield little value in the production of official statistics. The practical relevance of official statistics that are produced and disseminated was called to question by some stakeholders since publications that convey official statistics are mostly in a language (English or Dutch) different from what is generally spoken in Aruban homes (Papiamentu). This is further compounded by reports of the general perception among the public that data collection for official statistics is a burden.

### ***Data sharing***

There is a major obstacle to data sharing and data exchange among government departments in Aruba. Many departments that collect sector-specific data are tasked with the security and privacy of the data that they collect. In cases where authority to collect data has legal backing, the legislation that authorizes these departments succeed the statistics ordinance. To this end, government departments do not routinely share their data with the CBS. In cases where data sharing exists, this is achieved through bilateral agreement with individual departments or office. The position of the CBS in data collection is also weakened as the statistics ordinance does not explicitly authorize the Bureau to collaborate with other government departments (with the exception of the CBA) in the collection of data for official statistics or to collect or “demand” data from other government entities or institutions. As such, the CBS may not be regarded as the “de jure” publisher of official statistics in certain areas under the current legislation. Under the current circumstances in which a standard protocol for data sharing among government departments does not exist, collecting, collating, analyzing and disseminating data for the SDG indicators will be a daunting and unorganized task in Aruba.

### ***Coordination***

The difficulty in sharing data seamlessly across government departments is a reflection of the lack of a functioning NSS in Aruba. There are other challenges resulting from the absence of a well-functioning NSS. Although a national identification system exists in Aruba, there are at least three unique identification numbers used for official businesses in the country. This makes the task of matching and merging data from different records particularly challenging and inefficient. Also, definition of terms is not uniform across the public sector making data analysis difficult. For example, poverty is defined differently across government departments and therefore a universally acceptable national poverty line is difficult to establish. By formalization of the NSS, these challenges, which result mainly from the vacuum in national coordination of official statistics, could be resolved and the task of monitoring and reporting on the SDGs would be more efficiently executed in the country.

### ***Statistical capacity***

Limited statistical capacity across the public sector in Aruba will constitute a challenge to SDG monitoring and reporting. As was discussed earlier in this report, several departments of the government conduct surveys and have custody of rich administrative data but these departments do not have statisticians on staff. The limited technical knowledge in statistics among other data producers who provide data to the CBS has had implications on the quality of data received by the Bureau. This necessitated that the CBS dedicates time and resources to data cleaning and quality checks, further adding time and cost to what would customarily be budgeted for such activities by the CBS. Furthermore, the CBS itself has capacity constraints, especially in the area of economics research and environmental statistics, which has impacted on CBS' ability to consistently produce data in these areas.

### ***Gender statistics***

The CBS does not produce a separate set of statistics on gender. However, the data is available via the Labor Force Survey (LFS) of 2011 to 2016. Bureau CBS adequately provides for gender disaggregation in labor, social, and demographic statistics.

### ***Funding***

The government of Aruba funds the CBS through budgetary allocation to the Ministry of the Economy, Communication, Energy and Environment. During the MAPS mission, the private sector stakeholders expressed concerns that the CBS is not adequately resourced, which has impacted on its ability to meet their demands for data in a timely fashion. At the special session with non-governmental organizations (NGOs), civil society stakeholders expressed frustration in their inability to receive response to requests for data from the CBS. It should be noted that while the CBS, as an NSO, is not best-suited to respond to customized request for data from individuals, capacity limitation will dictate that the CBS prioritize its primary functions; meaning that citizens' requests for data may inadvertently go unanswered. Thus, it would be practical to anticipate an increased work load for the CBS in relation to the collection of data for the SDG indicators. Given the current conditions under which the CBS operates, not only does the budget for the organization need to be guaranteed to ensure that it carries out its designated tasks of producing official statistics, it also needs to be provided with additional

resources to enable it carry out the additional tasks of monitoring and reporting on the SDGs.

## Recommendations

### ***Define***

What is not defined cannot be measured and national statistics should convey uniform information to all stakeholders. The lack of a uniform definition for terms such as “poverty” or “school drop-out” constitutes a hindrance to measurement and could have negative implications for SDG monitoring and reporting. Pending the formalization of a NSS, it is critical that the Working Group for SDG Indicators provides working definitions for terms used in the global SDG indicator framework that may be open to different interpretations among stakeholders in Aruba.

### ***Standardize***

Data collected by government departments for the purpose of official statistics must follow the relevant international classification standards for quality control, consistency and efficiency. To achieve this, training should be provided to non-statisticians involved in data collection in various government departments on the classification code(s) relevant to their area of operation. Maintaining uniformity in the way data is stored and categorized will facilitate the CBS in timely disseminating official statistics and reporting on Aruba’s progress in the achievement of the SDGs.

### ***Legislate***

The statistics ordinance of Aruba needs revision and updates to adequately reflect the functions of the CBS as the national statistical office and to enable it to perform the duties of the NSO according to the United Nations Fundamental Principles of Official Statistics. Since the process of revising the statistics ordinance may take some time, it is pertinent that the Government of Aruba introduces a data sharing policy for immediate implementation by government departments and other government agencies. This policy should authorize government departments to share data with the CBS (which is by law obliged to guard the privacy of individuals and companies) when these data are deemed to be of value in the production of official statistics, and by extension if such data could be used in producing the SDG indicators.

### ***Prioritize***

The CBS should prioritize the completion of the ongoing assessment of its capacity to produce data for the SDG indicators. The outcome of the assessment will be useful to international development partners in identifying areas of technical assistance to Aruba with respect to its SDG follow-up and review commitments. Additionally, this assessment could provide the basis for soliciting bilateral technical assistance with the Central Bureau of Statistics of The Netherlands and other NSOs that may be in a position to provide such assistance.

Based on the preliminary assessment done as part of the Rapid Integrated Assessment for Aruba ahead of the MAPS mission and the information gathered during the MAPS mission, Aruba should enhance its capacity to produce data on those targets and indicators that fall under the “People” and

“Planet” spheres.

### **Educate**

A public data literacy campaign is needed to raise awareness of the general public about official statistics and to sensitize them to the value of data in public policies and programme, including internationally agreed development goals such as the SDGs. Such public education campaign should address those factors that contribute to the lack of a data culture and should employ infographics in making official statistics more meaningful to the general public.

### **Partner**

Despite the many data challenges in Aruba, one encouraging factor is the enthusiasm shown by all groups of stakeholders – consisting of representatives of government departments, the private sector, academia, and civil society – to address these obstacles. The private sector and the NGOs offered to contribute their data to support SDG reporting, the Central Bank of Aruba had already taken steps to introduce the SDG framework to its Board, and the University of Aruba plans to create a working committee on the SDGs. Considering the fact that many government departments like the Department of Labour, the Department of Public Health, and the Justice system already have rich administrative databases, Aruba stands to benefit in no small measure by mobilizing these stakeholders for a data ecosystem partnership to produce data for the SDG indicators.

Build on the Geo-data base and cooperation of the five leading government departments (CBS, DIP, DOW, DLV, Elmar. DNM is in the process of joining the GIS-platform.

The role of big data, linked data and open data for sustainable development has led to many international initiatives ranging in scope from libraries and the academic world to university, corporate and non-profit research initiatives focusing on open access to data portals for statistical and research data and publications, services, tool kits and applications.

Digital infrastructures for collaboration, data and information collection, sharing and exchange based on open source platforms and software tools like digital dashboards allow the creation of a virtual environment for SDG implementation through stakeholder collaboration.

The proposed iAruba Project calls for a (big) data driven digital overlay infrastructure for current existing industrial sectors in Aruba, knowledge and data driven technology sectors and the implementation of the SDGs.

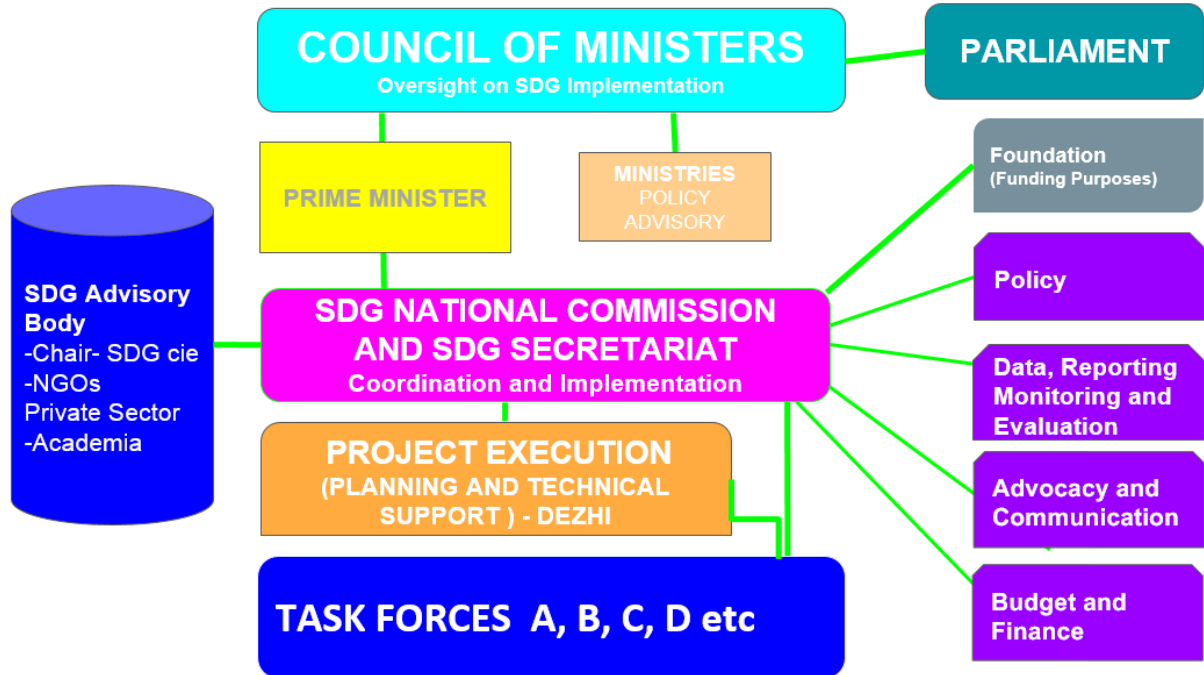
### 3.5 Coordination: Institutional mechanisms

The government of Aruba is committed to the implementation of the SDGs and is determined to ensure that the agenda is well integrated into the national development process. For Aruba, the 2030 Agenda represents a major opportunity and a challenge. The principles of “leaving no one behind” and “integration” which are at the heart of the transformative nature of the SDGs will require a new public policy coordination architecture to translate these principles into action in pursuit of sustainable development. Aruba will need to take a closer look at three fundamental issues in its efforts to implement the SDGs. The first challenge is related to ensuring that government planning is reorganized to more seamlessly, design multi-dimensional, interconnected public policies that manages tradeoffs and targets the most vulnerable. The second challenge is ensuring that government has well accepted mechanisms for multi-stakeholder (private sector, civil society) engagement, which is necessary for building effective partnerships for SDG implementation. Thirdly, ensuring that the policy and implementation gap is closed so that decisions made at the policy level are effectively translated into actions. Fourthly, data alignment for evidence-based policy and align accelerators with goals, targets and indicators.

Aruba has taken some steps in the right direction to address these issues, but more is needed. In January 2017, the SDG Commission was officially established to lead the process of coordinating the implementation of the SDG goals and targets. It is, however, very clear that there are gaps in institutional coordination and that the work of the Commission alone will not lead to the far reaching institutional and public policy coordination changes that are necessary for more joined up policy making, coordination and implementation.

Taking the foregoing into account, the SDG MAPS mission proposes the following adjustments to the institutional coordination mechanism aimed at: 1) achieving improved policy coordination; 2) strengthening partnerships for SDG implementation, 3) better policy integration, and 4) more effective implementation. With feedback from the Aruban stakeholders, but still taking the UN recommendations into consideration, the institutional framework proposed by the UN was further redesigned institutional mechanism as reflected in Figure 2 below is proposed.



**Figure 2: Proposed Institutional and Policy Coordination Mechanism**

The initial discussion about the institutional infrastructure for the implementation of sustainable development in Aruba has been marked by the omission of some key conceptual frameworks, tools and guidelines as agreed upon in international treaty commitments. The implementation of sustainable development is more than SDGs which are voluntary, whereas nearly all mandatory commitments dictated by treaties are overlooked in Aruba. Even though the implementation of SDG would entail that the treaties are adhered to. In order to implement sustainable development a *National Sustainable Development Strategy can be created as a central policy document, which in the case of SIDS can be made to be equivalent to a National Strategic Plan for Development*, incorporating all sustainable development commitments under applicable treaties and in full compliance with the SDGs.

The UN suggest that it would be more appropriate to have a single umbrella infrastructure with a national strategic planning unit which would incorporate a Sustainable Development Framework Work Group, Data and Indicators for Sustainable Development Work Group and an SDG Implementation Work Group. Paramount in achieving sustainable development is adherence to the principles of general multi-stakeholder participation in the decision-making for sustainable development as laid down in the Rio UNCED 1992 outcome document Agenda 21. The participation of the so-called Major Groups stakeholders is essential in the collaboration between government, civil society, the private sector to achieve the SDGs and sustainable development and in the case of the SDGs is reflected in the guidelines for stakeholder participation in the creation of Voluntary National Reviews (VNRs),, and any national documents to be discusses at HLPF level at the UN regarding the SDGs. The UN

recommendations were incorporated in the adjusted figure 2.

Key features of this reorganized institutional mechanism are as follows:

- a. 1. Redesign of the Institutional Coordination framework to bring closer alignment between the political and technical levels of government. As it currently stands, the SDG commission is comprised of technocrats, which while necessary, is an insufficient condition for directing policy changes and driving policy implementation. In this regard,
  - I) A high-level cabinet committee comprised of the Prime Minister's Office and the Ministries of Finance, Economic Affairs and Social Affairs is recommended to provide policy guidance and oversight. This high-level cabinet committee can ideally be chaired by the Prime Minister with other members at the Ministerial level). The Council of Ministers will have the role to provide policy guidance and oversight.
  - II) Inclusion of ministers or a senior public servant *tier* made up of heads of departments to provide policy advice to the *high-level cabinet committee* the Council of Ministers and the SDG Commission on issues of integration, policy-programme linkages, strategic planning and budgeting. This group can also advise of the redesign of planning and operational procedures in areas where change may be needed. The Prime Minister / Minister of General Affairs, Integrity, Energy and Innovation; shall be represented at this level for policy alignment and government wide integration and implementation. The Prime Minister will be the liaison between the Council of Ministers and the SDG Commission, where the SDG Commission will supply the necessary information to be discussed and decided upon by the Council of Ministers.
  - III) Alternatively, the Ministries of General Affairs, Integrity, Energy and Innovation; Finance, Economic Affairs and Culture; and Education, Science and Sustainable Development shall be represented at this level for policy alignment and integration. This triad will be the liaison between the Council of Ministers and the SDG Commission, where the SDG Commission will supply the necessary information to be discussed and decided upon by the Triad before presenting this to the Council of Ministers.
  - IV) Revisit the mandate of the SDG commission and fully empower it to serve as a secretariat for SDG working groups and coordinate the implementation of the SDGs across government, civil society and private sector - policy implementation of the SDG roadmap. The SDG commission can act as the main coordinator for national monitoring and reporting including policy integration and coordination on the SDGs. Data monitoring and reporting can be done in collaboration with CBS.
  - V) Facilitate joined-up implementation through SDG Working groups that work on integrated policy implementation that is translating policies into programmes and projects with budgets. This incentivizes policy integration and SDG implementation by creating working groups that can carry out the policy decisions of the cabinet. In this regard, *instead* in addition to *of* thematic (e.g. social, economic and environmental) working groups on SDGs, the creation of strategic working groups on issues such as: i) budget and finance, ii) monitoring, evaluation and data, iii) *accelerator implementation* and iv) advocacy and communications can represent a new way of working beyond thematic boundaries by focusing on transversal

issues relevant to all sectors.

VI) Advisory Board will provide advice to the SDG Commission on important strategic developments and function as a sounding board to the SDG Commission and be a means to involve key stakeholders within the community in a structured manner.

vii) The Task Forces will help create ownership of the SDGs by including different stakeholders to keep the SDGs under national review and by integrating the three dimensions of Sustainable Development (economic, social and environmental) into national development policies, including the principle of “leaving no one behind”; reviewing the progress and status of all SDG goals and targets on policies and plans and incorporating SDGs in national frameworks by adapting the SDGs and targets to our national circumstances, including localizing the SDGs. ‘Localization’ is the process of taking into account national contexts in the achievement of the 2030 Agenda, from the setting of goals and targets, to determining the means of implementation and using indicators to measure and monitor progress. Localization relates both to how the government can support the achievement of the SDGs through action from the bottom up and to how the SDGs can provide a framework for national development policy.

Another salient feature of the reorganized institutional mechanism proposed is its ability to strengthen and facilitate private sector and civil society involvement in the national planning and implementation process. In this regard, it is proposed that civil society organizations and private sector groups be included in SDG working groups. This not only brings other critical societal actors into the planning and decision making process but also improves government transparency and accountability. Their participation will be imbedded by their [participation in advisory committee and in task forces

### 3.6 Advocacy, resources and partnerships

Realization of the ambitious and transformative 2030 Agenda will require the participation and collaboration of all members of Aruban society. The Government, civil society organizations, the private sector, the media, and the public at large will need to foment strong and inclusive partnerships for achievement of the SDGs. Advocacy efforts to sensitize these actors is a critical step towards building ownership of the goals as well as to support its successful planning and implementation; with the core aim of creating a sustainable mindset.

A foundation for any effort in raising public awareness of the SDGs is its universal and integrated nature — connecting the global and local, leaving no one behind, promoting human rights and gender equality, and addressing the economic, social and environmental dimensions of sustainable development. Awareness raising is not only about letting citizens know about the existence of the SDGs. It is also about empowering them to participate in the achievement of the SDGs in their daily lives.

In Aruba, there is strong commitment to ensure the participation of all segments of society, particularly the marginalized and the vulnerable, in the implementation of the SDGs. Youth groups, women’s groups, community houses/centers, churches, academic institutions, and the media are avenues to

reach out to the marginalized and the vulnerable and spur action on the SDGs. Sensitization of the Government to recognize the 2030 Agenda as a framework for action is important to set up mechanisms that enable citizen participation and institutional accountability. Parliamentarians--an important link between the Government and stakeholders--also need to be sensitized to support the SDGs given their legislative, budgetary and oversight powers.

A well-thought-out **communication and advocacy strategy** is critical for raising awareness around the SDGs. An initial step for Aruba would be to develop an advocacy and communications strategy that would outline the following elements of the communications “mix”:

- The overall objective of the advocacy effort
- The target audiences
- Actors responsible for advocacy efforts
- Key messages to convey around the SDGs and the expected results
- Tools and products to convey the messages

Consultations with key stakeholders in Aruba on raising broad awareness and encouraging public participation in the 2030 Agenda suggests the following actions be taken:

- **Public awareness campaigns** focusing on the message that the SDGs are directly relevant to citizens’ daily lives and cover issues including poverty, gender inequality, climate change, the degradation of natural resources, governance, as well as access to public goods like education, health, water, energy, and housing. Activities that can be undertaken to raise awareness among the population should make the SDGs engaging and harness the power of local culture. Such activities could include concerts, fairs, bike rides, campaign buses, events showcasing success stories, exhibitions, and award ceremonies. The planning of activities should ensure that the marginalized and vulnerable segments of the population are not excluded from participating in the activities.
- **Engage well-known figures** (business and political leaders, actors, musicians, sportspeople, writers, and photographers) and foundations that can act as *ambassadors for the SDGs*. These SDG Advocates can work with partners from the government, civil society, academia, parliament and the private sector to develop ground-breaking ideas and ways to promote SDG implementation. It is important to engage youth as SDG advocates. Youth ambassadors can electrify campaigns, lobby decision makers and politicians, work with the media to raise the profile of campaigns, raise awareness in their communities about key issues, hold local activities and events, and encourage new members to get involved in implementing the SDGs.
- **Engage with the media** through training and activities for journalists to develop their holistic understanding of the 2030 Agenda, thereby enabling them to influence key decision-makers and the public through effective reporting on the SDGs. Mass media (press, television and radio) can be an effective tool in reaching out to target audiences and in this regard, identify opportunities to air and feature TV programs, radio shows, and news and magazine articles that

focus on the SDGs. Securing these opportunities will require focusing on newsworthy stories that are interesting and relevant to the specific audience. See Box XX below.

Box XX

Rebuilding sustainable family businesses is a potentially dry subject. To engage with this subject the Guardian used the example of Rwanda's first ice-cream parlour that gives a group of women a livelihood and the locals a taste for the frozen dessert.

Read the Guardian article: <https://www.theguardian.com/global-development/2014/apr/26/rwanda-women-ice-cream-business-sweet-dreams>

- **Build critical understanding of the SDGs among young people** through education, which is an important means of communicating the SDGs. Education initiatives should focus on both formal and informal education. Examples of possible actions in formal education include curriculum development, teacher training, SDG education programmes in schools, and direct work with parent teacher associations. Actions in informal education could include activities in museums and libraries.

- **Work with the private sector** to raise their awareness on the SDGs, expand their role in development, and enable them to align their core business with the strategic objectives of the 2030 Agenda. The private sector's participation in the development process has often been viewed through the lens of its contributions to economic growth, job creation, and tax revenue. That must change, with the private sector taking on a broader, more integrated role as an implementer, translating profits into sustained economic growth, social inclusion, and environmental protection. They can assist with advocacy around the SDGs through their product and service distribution channels. The development of a public-private partnership platform for sustainable development can be key to developing innovative ideas and actions for implementation of the SDGs. In this regard, the Roadmap suggests having a dedicated working group on communications and advocacy within the institutional mechanisms for SDG implementation. This working group is to be comprised of government departments, the private sector, civil society, and the UN.

- **Engage civil society organizations** in raising awareness of and implementation of the 2030 Agenda. In this regard, create opportunities for dialogue with local CSOs and other stakeholders on the implementation of the 2030 Agenda, especially with marginalized and excluded groups, by institutionalizing dialogue structures, such as inclusive debates – at parliamentary and government level, and within communities. The working groups on communications and advocacy suggested in this roadmap is one possible avenue to foster this dialogue. Another avenue is the use of the MY World (or My Aruba) platform, which could create a space for citizens to connect and engage with decisions makers and generate an open dialogue.

- **Raise awareness of the 2030 Agenda among the different Government Ministries and departments** to help localize the agenda, including its integration into national plans, strategies and budget allocations. This could be done through a series of workshops on the structure and content of the 2030 Agenda and SDGs, and how this relates to the national agenda. These workshops can be complemented by in-depth technical sessions on specific areas of the SDGs.

An array of **tools and products** can be used to communicate the SDG agenda to all stakeholders. Some of these include:

- Social media platforms like Facebook and twitter
- Traditional media (TV, radio, and print)
- Blogs and podcasts
- Webinars and Webcasts
- Brochures, newsletters, and knowledge products

To reach a broad audience, the tools and products used *must convey the messages using the national language – Papiamentu*.

Awareness raising efforts represents a space for considerable creativity and innovation. A number of initiatives for outreach can be implemented in the context of Aruba. Some of these are outlined below:

- **Host a Data Playground**—An interactive display of citizen-generated data and storytelling initiatives installed at key high-level events to influence decisions makers and to communicate results. These, for example, can be used during outreach campaigns. Visitors to the playground would be able to interact with data visualizations using large touch screens, view virtual reality films and enjoy photo exhibits with testimonials from the project Humans of MY World on SDGs and much more. More than 20 Data Playgrounds have been exhibited worldwide since early 2015, including the “We the Peoples Interactive Hub” at the heart of the 70th UNGA session and the European Development Day in Brussels in July 2016. A local version of the Data Playground could be adapted to take advantage of the local opportunities in Aruba and to foster civil society engagement to promote substantive dialogue and engagement of stakeholders with the government.
- **Establish a ‘Goals Day’** to mobilize, engage, vote and advocate for the SDGs. This ‘Goals Day’ would enable public engagement in iconic settings, social media campaigns, lessons in schools, radio campaigns and citizen feedback on progress around the SDGs through the MY World survey.
- **Convene a Peoples’ Voices Challenge:** The Peoples Voices’ Challenge is an annual competition that seeks to reward the best advocacy and communications initiatives around the SDGs.
- **Organize talks** on areas related to the SDGs, engaging inspirational speakers to share ideas and elicit a conversation around the SDGs.

