

## TC ABSTRACT

### I. Basic information

▪ Country/Region:	Caribbean Region (CCB/CCB)	
▪ TC Name:	Encouraging the Deployment of Sustainable Energy in the Caribbean	
▪ TC Number:	RG-T2260	
▪ Team Leader/Members:	Christiaan Gischler (INE/ENE) Team Leader; Shohei Tada (INE/ENE) Co-Team Leader; Adriana Valencia (INE/ENE); Camila González (INE/ENE); and Haydemar Cova León (INE/ENE).	
▪ TC Taxonomy:	Client Support (CS)	
▪ Reference to Request:	<a href="#">IDBDOCS-#39601062</a>	
▪ Date of TC Abstract:	May 2015	
▪ Beneficiary:	Caribbean Region (CCB/CCB)	
▪ Executing Agency and contact name:	Inter-American Development Bank (IDB) through the Energy Division (INE/ENE)	
▪ Donors providing funding:	IDB:	US\$1,300,000
	German Agency for International Cooperation(GIZ):	US\$550,000
	Japan International Cooperation Agency (JICA):	US\$716,000
▪ IDB Funding Requested:	IDB:	US\$1,300,000
▪ Local counterpart funding:	CARICOM countries	US\$325,000
▪ Disbursement period (includes execution period):	24 months	
▪ Required start date:	August 2015	
▪ Types of consultants (firm or individual consultants):	International consulting firm and individual consultants	
▪ Prepared by Unit:	INE/ENE	
▪ Unit of Disbursement Responsibility:	INE/INE	
▪ Included in Country Strategy (y/n):	No	
▪ TC included in CPD (y/n):	No	
▪ GCI-9 Sector Priority:	(i) assisting borrowers in dealing with climate change; (ii) regional integration; and (iii) supporting development in small and vulnerable countries	

### II. Objective and Justification

2.1 **Regional Sustainable Energy (SE) Targets:** Pursuing Renewable Energy (RE) and Energy Efficiency (EE) in the Caribbean has the potential to reduce the price of electricity which is among the highest in the world due to the region's high dependency on fossil fuels such as diesel and fuel oil for power generation. In 2013, in the framework of the Forty-First Special Meeting of the Council for Trade and Economic Development (COTED) on Energy, the

Caribbean Community (CARICOM) nations<sup>1</sup> took the important step of setting regional targets for RE penetration in their energy systems<sup>2</sup>. It is expected that member state-specific targets for both RE and EE penetration will be further assessed, discussed and adopted within CARICOM.

- 2.2 **RE potential in the Caribbean:** RE has significant potential to diversify the energy matrix in the CARICOM region, including biomass, geothermal, hydropower, ocean energy, solar, and wind. Most technologies are already being used throughout the region, although far from their full potential.
- 2.3 **Regional Center for Renewable Energy and Energy Efficiency:** In 2014, COTED approved the creation of the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE). The CCREEE will strengthen CARICOM's ability to coordinate and implement regional sustainable energy initiatives as well as a co-financing mechanism supported by the IDB<sup>3</sup>, acting as a hub for the Caribbean and facilitating the establishment of Regional SE Targets. The CCREEE will require strong technical assistance in order to be fully operational in the short term (2015-2016).
- 2.4 The general objective of this TC is to contribute to the reduction of dependency on fossil-fuels in the CARICOM countries. Specific objectives are: (i) supporting the dialogue and coordination efforts required to define and adopt remaining regional SE Targets within CARICOM; (ii) identifying gaps between current situation and regional SE Targets and action plans to bridge them; and (iii) strengthening planning and implementing capacity of the countries along with regional coordination capabilities.
- 2.5 The IDB will collaborate for the purpose of this TC with the German Government, through its Society for International Cooperation (GIZ), and with Japan International Cooperation Agency (JICA). Both agencies have ongoing programs aimed at promoting RE and EE in the Caribbean.
- 2.6 The TC is aligned with **IDB's institutional priorities**, as outlined in the Ninth General Capital Increase in Resources for the IDB Report (GCI-9, AB-2764) as it contributes to the goals of: (i) assisting borrowers in dealing with climate change; (ii) regional integration; and (iii) supporting development in small and vulnerable countries. In addition, the TC is in line with the Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy (GN-2609-1) and the Caribbean Strategic Agenda on Integration.

### III. Description of activities and outputs

- 3.1 **Component I. Capacity Building and Institutional Strengthening.** This component will finance strengthening of capacity and institutional framework of CARICOM/CCREEE and the CARICOM countries including training and advisory services as needed for the CARICOM countries to improve policies and regulations as well as for CARICOM/CCREEE to promote

---

<sup>1</sup> CARICOM represents 15 member states: Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

<sup>2</sup> The regional RE targets that have been set for the contribution of RE to total electricity generation are: 20%, 28% and 47% for years 2017, 2022 and 2027 respectively, with respect to 8% in base year 2012.

<sup>3</sup> The IDB is developing the Energy Cofinancing Fund for Caribbean Sustainability with seed-funding from the Government of Trinidad & Tobago.

establishment and implementation of roadmaps/programs. **Component II. RE and EE Roadmap.** This component will finance consultancy services to confirm RE and EE potential where needed, and prepare EE and RE projects that could be undertaken. **Component III. Dissemination and Public Awareness.** This component will finance dissemination and public outreach activities, including workshops and information dissemination campaigns, among other activities.

#### IV. Indicative budget

- 4.1 The total amount of the program is US\$2,891,000; US\$1,300,000 (45%) financed by IDB, US\$550,000 (19%) financed by GIZ-REETA, US\$716,000 (25%) financed by JICA and the remaining US\$325,000 (11%) by the government of the beneficiary countries.

Activity/ Component	Description	IDB	GIZ- REETA	JICA	CARICOM (in-kind)	Total Funding
Component I	Capacity building	480,000	90,000	196,000		<b>766,000</b>
Component II	RE and EE Roadmap	740,000	300,000	500,000		<b>1,540,000</b>
Component III	Dissemination and public awareness	40,000	120,000	20,000	20,000	<b>200,000</b>
Project Management					305,000	<b>305,000</b>
Audit		20,000	20,000	-	-	<b>40,000</b>
Contingencies		20,000	20,000	-	-	<b>40,000</b>
<b>Total</b>		<b>1,300,000</b>	<b>550,000</b>	<b>716,000</b>	<b>325,000</b>	<b>2,891,000</b>

#### V. Executing agency and execution structure

- 5.1 The Executing Agency of the TC will be the IDB, through the Energy Division (INE/ENE) in coordination with IDB Country Office in Barbados, CARICOM, GIZ and JICA. GIZ REETA will hire a “Sustainable Energy Project Officer”, who will be working at CARICOM’s Energy Unit and can serve as a Project Manager (PM) of the TC. The PM will provide technical oversight and administrative supervision to the project.

#### VI. Project risks and issues

- 6.1 Coordination risk due to multiple stakeholders and donors active in the region will be mitigated by the hiring of a project manager.

#### VII. Environmental and Social Classification

- 7.1 There are no envisioned environmental or social risks associated with the TC. A “C classification” expected.

Approved by:

Original Signed

June 3, 2015

\_\_\_\_\_  
R. Ariel Yépez-García INE/ENE/CHF

\_\_\_\_\_  
Date