Early Warning System

GCF-FP020

Sustainable Energy Facility for the Eastern Caribbean

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Quick Facts

Financial Institutions	Green Climate Fund (GCF)
Status	Approved
Bank Risk Rating	A
Voting Date	2017-10-01
Borrower	Caribbean Development Bank (CDB)
Sectors	Energy
Investment Type(s)	Grant, Loan
Investment Amount (USD)	$ 80.00 million
Loan Amount (USD)	$ 60.00 million
Grant Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 190.47 million

Project Description

Financing commercial Geothermal Energy (GE) projects whilst strengthening legal and regulatory frameworks to underpin the development of GE potential in the East Caribbean region.

According to the Green Climate Fund, five East Caribbean states (Dominica, Grenada, Saint Kitts & Nevis, Saint Lucia and Saint Vincent & Grenadines) have small and isolated electricity markets that depend heavily on imported liquid fossil fuels for electricity generation. In pursuit of United Nations Sustainable Development Goal number 7 (affordable and clean energy), the Green Climate Fund says Geothermal Energy (GE) presents the largest available renewable energy resource, with the potential to provide low cost, reliable electricity generation.

The main barriers to GE development are the high investment cost, high uncertainty during early development stages, lack of access to capital and ability to finance through public debt, inadequate regulatory and policy frameworks, and other factors such as lack of technical skills and economies of scale.

The Green Climate Fund says that the Sustainable Energy Facility for the Eastern Caribbean will address these financial, technical and institutional barriers by providing institutional strengthening and capacity building, and provide a financing package. This financial package may include concessional loans and reimbursable grants to mitigate exploration and other underlying risks and unlock investments in GE by the private sector, critical to develop GE projects in the region. The end result will be to deliver GHG Emission Reductions of 9.4 million TCO2e during the lifetime of the programme.

Investment Description

- Green Climate Fund (GCF)

The following groups will provide co-financing:

Inter-American Development Bank Loan : US$20.0 million

Clean Technology Fund Grant: US$ 19.1 million

Japan International Cooperation Agency Loan:

CDB Loan: US$10.0 million

Global Environment Facility Grant: US$1.9 million

Inter-American Development Bank Grant: US$500.0 thousand

Japan International Cooperation Agency Grant: US$1.0 million

Department for International Development Grant: US$18.0 million

Contact Information

Inter-American Development Bank (IDB)

Matias Bendersky

+1 (202) 623-1723

mbendersky@iadb.org

Amal-Lee Amin

+1 (202) 623-1924

amalleea@iadb.org

Dominica: Ministry of Planning, Economic Development and Investment

Samuel Carrette

+1 767 226 3561

+1 767 266 4289

Grenada: Ministry of Economic Development

Fitzroy James

+1 473 435 8880 ext. 31125

Titus Antoine

+1 473 435 8889 ext 31130

Saint Kitts and Nevis: Department of Economic Affairs and Public Sector Investment Planning

Lavern Queeley

+869 467 1255

Saint Lucia: Department of Economic Development, Transport, and Civil Aviation

Philip Dalsou

7584685825

Saint Vincent and the Grenadines: Government

Laura Anthony-Browne

+1 784 457 1746

ACCESS TO INFORMATION

Requests for project information may be submitted using the IDP Request for Information by email to: disclosure@gcfund.org.

You can also submit an information request using this online form: https://www.greenclimate.fund/about/disclosure/form. Additionally, if information requested is denied, an appeal can be filed to the Information Appeals Panel: iap@gcfund.org. You can learn more about the Information Appeals Panel at: https://www.greenclimate.fund/about/disclosure/appeals.

Bank Documents

- ESS report [Original Source]
- Funding proposal [Original Source]
- Gender action plan [Original Source]
- Gender assessment [Original Source]