

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	HAITI/CID - Isthmus & DR
▪ TC Name:	Support to the Sustainable Development of the Electricity Sector in Haiti
▪ TC Number:	HA-T1275
▪ Team Leader/Members:	VANEGAS RICO, WILKFERG (INE/ENE) Team Leader; TEJEDA RICARDEZ, JESUS ALBERTO (INE/ENE) Alternate Team Leader; SLADDEN, PASCALINE JEANNE H. (INE/ENE); GONZALEZ VIDALES, ANA (VPC/FMP); RODRIGUEZ PEREZ, ARIEL ENRIQUE (VPC/FMP); DORMEUS, JEAN SMITH (CID/CHA); SUBER, STEPHANIE ANNE (INE/ENE); MARQUEZ BARROETA, FIDEL (INE/ENE); CENTENO LAPPAS, MONICA CLARA ANGELICA (LEG/SGO); BALDODANO CARRASQUILLA, FABIOLA (INE/ENE)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	03 Aug 2020
▪ Beneficiary:	MTPTC and Autorité Nationale de Régulation du Secteur Énergétique (ANARSE)
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$200,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INE/ENE - Energy
▪ Unit of Disbursement Responsibility:	CID/CHA - Country Office Haiti
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Productivity and innovation ; Institutional capacity and rule of law

### II. Objective and Justification

- 2.1 The general objective of this Technical Cooperation (TC) is to support the Government of Haiti (GoH) in collecting and assessing information on consumption and productive uses of electricity in vulnerable communities.
- 2.2 This TC will provide relevant information for the identification, design and execution of new sustainable energy projects aiming at closing the electricity access gap in the country. The activities of this TC will focus on remote areas where extension of the Electricité d'Haïti (EDH) T&D grid is economically and financially not feasible.
- 2.3 Around 38% of Haitians have access to electricity, with an annual average consumption of 21 kilowatts-hour (kWh) per capita. Providing access to the remaining population and fostering renewable energies (RE) as a long-term sustainable solution is a huge challenge, which is further aggravated by the fact that most underserved and unconnected vulnerable communities are geographically distant from the nine national grids, resulting in a significant increase of the connection costs.

- 2.4 The current COVID-19 crisis increases the vulnerability of the Haitian population by jeopardizing the provision of electricity to critical infrastructure such as hospitals and health centers, as well as the efficient management of medicine and medical equipment. Therefore, in the identification of any new energy access projects, it becomes essential to consider the provision of sustainable energy to critical infrastructure located in vulnerable communities.
- 2.5 To close the access gaps, the GoH has been working in areas such as: (i) the development of decentralized off-grid RE solutions, like mini-grids; (ii) the installation of household solar panel system for remote areas; (iii) the development of RE for electricity generation in the Industrial Park of Caracol (PIC) located in the North East of the country; (iv) completing the rehabilitation of the Péligré Hydropower Plant (PHP) which constitutes the second largest source of electricity in Haiti and the first from renewable resources; and (v) strengthening of the planning and management capacities of the main sector institutions such as the Autorité Nationale de Régulation du Secteur Énergétique (ANARSE) and the Ministère des Travaux Publics, Transports et Communications (MTPTC). However, the preparation of new energy projects faces an important challenge due to limited information for project design (tariff structure, consumption profiles, etc.). Availability of reliable sector information is challenging in Haiti. Technical and socioeconomic data underpinning EDH's mini-grids are not made public, nor the expenditures for these grids, which could serve for benchmarking and cost analysis. The tariff is set by the municipality. The operational performance of these grids is notoriously poor, although systematic monitoring (data logging) has not been done. By consequence, input information for the design of mini-grids in Haiti must essentially be built from scratch. Generation and sharing data will be critical for a fast uptake the development of energy access projects.
- 2.6 This TC contributes to the objectives of the IDB's Country Strategy (CS) with Haiti 2017-2021 (GN-2904). Concretely, it supports the technical dialogue in the energy area to foster sustainability of the energy sector by generating information that will enhanced access to basic public services (¶3.1 of the CS).

### III. Description of Activities and Outputs

- 3.1 **Component I: Energy Demand and Sustainability Profiles..** Finance consultancies to support the GOH to identifying and dimensioning new potential energy access projects. The consultancies considered under this component are: (i) assessment of energy demand profiles in vulnerable areas; and (ii) analysis of the development of technical and financial solutions for the sustainability of energy access projects in vulnerable communities.
- 3.2 **Component II: Productive Uses of Electricity.** Financing consultancies to support the design of innovative and inclusive solutions for development of productive electricity usage in vulnerable communities where energy access projects are being developed. The main output will be the design of a plan for productive electricity usage in vulnerable communities following a multisectoral approach considering aspects such as the induction cook-tops/ranges, water pumping stations, energy efficiency and development of local-community businesses.

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Energy Demand and Sustainability Profiles.	US\$150,000.00	US\$0.00	US\$150,000.00
Productive Uses of Electricity.	US\$50,000.00	US\$0.00	US\$50,000.00

Total	US\$200,000.00	US\$0.00	US\$200,000.00
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## **V. Executing Agency and Execution Structure**

- 5.1 The Energy Division (INE/ENE) will act as Executing Agency for this TC, in coordination with the IDB Country Office in Haiti (CHA). All the activities to be carried out under this TC will be coordinated with the Energy Cell of the MTPTC and ANARSE as the beneficiary institutions of this TC. Such close coordination will be reported in Aide-Memoires.
- 5.2 The IDB will be responsible for the selection and contracting of consulting firms and individual consultants, which will be carried out in close coordination with the beneficiary. The Bank will contract individual consultants, and consulting firms in accordance with the Bank's current procurement policies and procedures: (i) the individual consultants will be hired in accordance with the guidelines set out in the AM-650; (ii) the procurement process for consulting firms will follow the Bank Policy for the Selection and Contracting of Consulting Firms for Bank-executed Operational Work (GN-2765-1) and the related Operational Guidelines (OP-1155-4); and (iii) the procurement of non-consultant services will follow the Bank Corporate Procurement Policy (GN-2303-20).
- 5.3 The IDB will act as Executing Agency for this TC due to complexity of the activities proposed by the program and the Bank's experience in the energy sector in Haiti, as well as its capacity to coordinate several stakeholders such as the World Bank (WB), UNEP-UNOPS and IDB Invest. The Bank is currently executing the TC "Support to Improving Electricity Access in Haiti" (ATN/OC-17428-HA) which includes several activities related to the development of mini-grids. The scope of this TC will imply a multisectoral approach including coordination with WAS, SPH, IDB Lab or IDB Invest. The focal point designated and sector specialist responsible for executing this TC will be Wilkferg Vanegas, Energy Sector Specialist (INE/ENE) with the support from Jesus Tejada, Sector Lead Specialist (INE/ENE), Pascaline Sladden (INE/ENE), Consultant based in Haiti, and Jean Smith Dormeus, Operation Analyst based in Haiti.

## **VI. Project Risks and Issues**

- 6.1 The main risk identified during the execution of this TC is the following: Delays in execution and changes of GoH's priorities due to the global crisis resulting from the COVID-19 pandemic in 2020. To mitigate this risk, the IDB will maintain a constant dialogue with the GoH and its institutions to update the TC's activities according to the needs of the country; and (ii) duplicity of efforts with other partner executing energy access projects in Haiti. This risk is considered low since the IDB has been working very closely with the WB in the development of mini-grids in Haiti. The IDB and the WB are the main Multilateral Development Banks working on mini-grids in the country.

## **VII. Environmental and Social Classification**

- 7.1 The ESG classification for this operation is "C".