

## TC Document

### I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Supporting Energy Dialogues in the Caribbean
▪ TC Number:	RG-T4091
▪ Team Leader/Members:	Aiello, Roberto Gabriel (INE/ENE) Team Leader; Masson, Malaika Ebony Anietia (INE/ENE) Alternate Team Leader; Acevedo Calle, Daniela (LEG/SGO); Ballon Lopez, Sergio Enrique (INE/ENE); Bonzi Teixeira, Augusto Cesar (INE/ENE); Centeno Lappas, Monica Clara Angelica (LEG/SGO); Echeverria, Carlos Bladimir (INE/ENE); Elizalde Baltierra, Alberto (INE/ENE); Emilio Angulo (INE/ENE); Hibbert, Chevelle (CCB/CJA); Loana Vega (INE/ENE); Rochelle Johnson (INE/ENE); Samuels, Rochelle Kaye (CCB/CJA); Suber, Stephanie Anne (INE/ENE); Williams, Lerone Dellano (INE/ENE) Anietia (INE/ENE) Alternate Team Leader; Ballon Lopez, Sergio Enrique (INE/ENE); Bonzi Teixeira, Augusto Cesar (INE/ENE); Centeno Lappas, Monica Clara Angelica (LEG/SGO); Echeverria, Carlos Bladimir (INE/ENE); Elizalde Baltierra, Alberto (INE/ENE); Emilio Angulo (INE/ENE); Hibbert, Chevelle (CCB/CJA); Loana Vega (INE/ENE); Rochelle Johnson (INE/ENE); Samuels, Rochelle Kaye (CCB/CJA); Suber, Stephanie Anne (INE/ENE); Williams, Lerone Dellano (INE/ENE).
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	08 Mar 2022.
▪ Beneficiary:	Barbados, the Bahamas, Guyana, Jamaica, Suriname and Trinidad and Tobago
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Infrastructure(W2B)
▪ IDB Funding Requested:	US\$200,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	30 June 2022
▪ Types of consultants:	Firms and independent consultants
▪ Prepared by Unit:	INE/ENE-Energy
▪ Unit of Disbursement Responsibility:	CCB/CJA-Country Office Jamaica
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2020-2023:	Institutional capacity and rule of law; Environmental sustainability

### II. Objectives and Justification of the TC

- 2.1 The objective of this Technical Cooperation (TC) is to support the Energy Division (ENE) counterparts in the IDB Caribbean beneficiary countries, namely, the Bahamas, Barbados, Guyana, Jamaica, Suriname and Trinidad and Tobago, by providing analytical and technical assessments, execution support, and strengthening capacity to advance in their energy agendas. The proposed support includes analytical and

diagnostic assessments, expedited implementation assistances, and support for knowledge exchange/dissemination events.

- 2.2 The Caribbean Countries (CCB) included in this TC proposal face several common energy sector challenges. Most of the targeted countries rely heavily on imported liquid fossil fuels for power generation, thus impacting their macroeconomic balances and increasing exposure to oil price volatility. Their geographic location and market size contribute to higher costs of alternative energy solutions such as wind, solar and geothermal on a country-by-country basis. In addition, the Caribbean is highly exposed and vulnerable to natural hazards, such as hurricanes and other extreme weather events, that are expected to increase in frequency and intensity due to climate change. These events can cause severe damage to infrastructure affecting energy services with substantial financial impacts on the economies.
- 2.3 Most CCB lack adequate integrated planning capacities, evidence-based policy, regulations, and effective governance frameworks, limiting the enabling environments for renewable energy investments. These factors also constrain private sector investments and impact the expansion and diversification of the energy matrix.
- 2.4 In addition, technological innovation enables the participation of consumers from all demand sectors in the energy systems, leading to the democratization of the grid and its resources and the breakdown of boundaries between energy sub-sectors. Digitalization in the energy sector is increasing fast and has the potential to increase the flexibility of electricity grids, enable integration across entire systems, reduce operation and maintenance costs, improve power plant and network efficiency, reduce unplanned outages and downtime, extend the operational lifetime of assets, contribute to reducing Greenhouse Gas Emissions (GHGs), and increase the resilience of power systems to climate change and other natural hazards.
- 2.5 This TC seeks to improve the dialogue with CCB countries' governments with quick technical assessments and energy advisory support that can close the knowledge gap and increase the lessons learned across the region. This will support decision making processes on policies, regulations, and targets to advance the decarbonization and resiliency of the energy sector. The TC will also finance a Caribbean Energy Dialogue that seeks to bring together key representatives of the energy ecosystem in the Caribbean. The direct beneficiaries of this TC are public energy entities, which includes utilities, regulators, and ministries.
- 2.6 **Strategic Alignment.** The TC is aligned with the IDB Group's Vision 2025 as it contributes to the Bank's commitment to regional integration by improving the knowledge sharing and lessons learned across the region that will improve CCB beneficiary countries' dialogue. Also, the TC is aligned with the IDB's Updated Institutional Strategy 2020-2023 (AB-3190-2) through the cross-cutting issues of Climate Change and Environmental Sustainability, as it will develop technical assessments focused on sustainable energy policies and regulations as well as promote resilient infrastructure aligned with climate change adaptation goals. Likewise, this TC is consistent with the Energy Sector Framework (GN-2830-8) by incorporating discussion and assessments on access to energy, sustainability, and energy security. It is also aligned with core commitment of Regional Policy Dialogue under the OC-SDP Window 2 Infrastructure (W2B) (GN-2819-14) as it seeks to promote knowledge sharing on strategic topics among high-level CCB government officials and experts in key development areas within the region. prioritizing policy dialogue in the region. Finally, the TC is aligned with the Operational Guidelines of the

Infrastructure Fund (INF) (GN-2404-7) since it will focus, among other things, on improving the capacity and dialogue of the IDB's CCB beneficiary countries within the sector.

### III. Description of Activities/Components and Budget

- 3.1 **Component I. Dialogue support.** This component will finance analytical and diagnostic assessments as well as expedited implementation assistances to enhance ENE's dialogues with government counterparts and relevant entities in the energy sector in CCB. Examples include, inter alia, engaging an energy expert to provide advice to a CCB government on a specific subject; mobilizing a consultant to provide implementation support to government on a critical execution task; and contracting a technical assessment on an important topic of interest. Such assistance would contribute to enhancing the dialogues with government counterparts by evidencing the relevance to the Bank for assisting our clients.
- 3.2 **Component II. Communication and knowledge dissemination.** This component will finance a 2-day Caribbean Energy Dialogue event that seeks to bring together key representatives of the energy ecosystem in the Caribbean to network and present to the market the ongoing developments. The expected output of this component is a workshop and a technical briefing on the Caribbean Energy Dialogue. Since the Bank is the Executing Agency (EA) (¶4.1) and considering this is a Research & Dissemination (R&D) TC, the knowledge will be disseminated via each CCB Energy Specialist.
- 3.3 The TC is financed by OC-SDP Window 2 Infrastructure (W2B). The total budget of this TC is US\$200,000, and supervision will be the responsibility of the Energy Division (INE/ENE), in coordination with the Bank's Country Office in Jamaica (CCB/CJA).

#### Indicative Budget

Activity/Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1. Dialogue Support	Technical assessment and energy advisory support	US\$100,000.00	US\$0.00	US\$100,000.00
Component 2. Communication and knowledge dissemination	Knowledge exchanges, communications, and technical notes.	US\$100,000.00	US\$0.00	US\$100,000.00
<b>Total</b>		<b>US\$200,000.00</b>	<b>US\$0.00</b>	<b>US\$200,000.00</b>

### IV. Executing Agency and Execution Structure

- 4.1 To facilitate the development of the TC, the execution will be carried out by the Bank's Energy Division (INE/ENE), given its experience with the design and development of this type of initiative. Specifically, INE/ENE will have the technical responsibility and will supervise the execution of this operation. The designated focal point and the sector specialist responsible for this TC will be Roberto Aiello (INE/ENE) along with support from each CCB Energy Specialists.
- 4.2 The Bank will have the autonomy to approve documents, such as technical assessments, and act as the EA of the TC. This dynamic will: (i) facilitate proper articulation between the various actors within the technical dialogue framework of this

TC; (ii) improve the dialogue in the CCB beneficiary countries; and (iii) avoid fiduciary management risks eliminating the need of a financial audit. However, if any activity takes place in the beneficiary countries, the Bank will obtain a non-objection letter from the corresponding entity in the country before starting such activity.

- 4.3 The Bank will execute this TC to: (i) facilitate the replicability of various initiatives, considering the specificities of each country; (ii) avoid lengthy procedures that may jeopardize the achievement of its objectives by delaying the start of TC execution and consultant payments; (iii) facilitate coordination between the different parts of the Bank and foster knowledge sharing between the countries of the region; and (iv) promote coordination across multiple stakeholders in the different countries. All knowledge products derived from this Technical Cooperation will be the intellectual property of the Bank. Since the TC resources will be managed by the Bank, these resources will be allocated according to the needs determined by the project team.
- 4.4 **Procurement Policies.** All activities to be executed under this TC have been included in the Procurement Plan (see Annex IV) and will be contracted in accordance with Bank policies as follows: (i) hiring of individual consultants, as established in the AM-650 standards; (ii) contracting of consulting firms for services of an intellectual nature according to GN-2765-4 and its associated Operational Guidelines (OP-1155-4); and (iii) contracting logistics and other related services, in accordance with policy GN-2303-28.
- 4.5 The execution and disbursement period for this TC is estimated to be 36 months.

## **V. Major Issues**

- 5.1 The expected risk is lack of coordination due to multiple stakeholders and donors' active presence in the region. This will be mitigated through continued dialogue with IDB country-based specialists. Also, restrictions related to the COVID-19 pandemic can have a negative impact on some activities of the TC, including some of the dissemination activities. This risk will be mitigated using digital communication tools and adapting the activities to these restrictions.

## **VI. Environmental and Social Strategy**

- 6.1 This TC will not finance feasibility or pre-feasibility studies of investment projects associated with environmental and social studies; therefore, it falls outside the scope of the Bank's Environmental and Social Policy Framework (ESPF).

### **Required Annexes:**

[Results Matrix - RG-T4091](#)

[Terms of Reference - RG-T4091](#)

[Procurement Plan - RG-T4091](#)