



## MEMORANDUM

File Classification: PO-RG-T2480

IDBDocs # 39363881

**Date:** 10 de febrero de 2015

**To:** Santiago Levy  
Vice-President for Sectors and Knowledge

**From:** Néstor Roa **ORIGINAL SIGNED**  
Manager a. i. INE/INE

**Subject:** REGIONAL. Support for Cofinancing for Renewable Energy and Energy Efficiency (CORE) (RG-T2480). Nonreimbursable financing up to the amount of US\$1,150,000. Fund for the Financing of Technical Cooperation for initiatives for Regional Infrastructure Integration (FIR). Approval.

We are attaching for your consideration and approval, the document describing the Technical Cooperation REGIONAL. Support for Cofinancing for Renewable Energy and Energy Efficiency (CORE) (RG-T2480). This document has been prepared by the Project Team pursuant to the guidelines and procedures established for the preparation and processing of nonreimbursable technical cooperation operations.

Pursuant to Resolutions DE-44/08 and DE-103/14, and in accordance with the delegation of authority granted by the President to the Vice-Presidents pursuant to the provisions set forth in the Bank's Operations Processing Manual (PR-501), the Vice-President for Sectors and Knowledge has the authority to approve nonreimbursable technical cooperation operations up to the amount of US\$1,500,000.

Therefore, taking into consideration that the amount of this operation does not exceed the amount of US\$1,500,000, it is hereby recommended that the above-referenced operation be approved.

Mr. Christiaan Gischler ([Christiaan@iadb.org](mailto:Christiaan@iadb.org), \*003411), Project Team Leader, will be available to answer any questions.

Approved: ORIGINAL SIGNED  
Santiago Levy, Vice-President

Date: April 30<sup>th</sup>, 2015



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VoBo:

Date:

**ORIGINAL SIGNED**

Diego Sebastián Buchara, LEG/SGO

**Feb 12th, 15**

**Subject:** REGIONAL. Support for Cofinancing for Renewable Energy and Energy Efficiency (CORE) (RG-T2480). Nonreimbursable financing up to the amount of US\$1,150,000. Fund for the Financing of Technical Cooperation for initiatives for Regional Infrastructure Integration (FIR). Approval.

VoBo:

Date:

**ORIGINAL SIGNED**

R. Ariel Yépez-García, INE/ENE/CHF

**Feb 6th, 15**

**ORIGINAL SIGNED**

Gina Montiel, CID/CID/MGR

**Feb 13th, 15**

**ORIGINAL SIGNED**

Gerard S. Johnson, CCB/CCB/MGR

**March, 15**

**ORIGINAL SIGNED**

VPS/ADV

**April 30<sup>th</sup>, 15**

**SUPPORT FOR COFINANCING FOR RENEWABLE ENERGY AND ENERGY AND  
EFFICIENCY (CORE)**

**RG-T2480**

**CERTIFICATION**

I hereby certify that this operation was approved for financing under Fund for the Financing of Technical Cooperation for Initiatives for Regional Infrastructure Integration (FIR) through a communication dated April 22, 2015 and signed by Felipe Caicedo, ORP/GCM. Also, I certify that resources from said fund are available for up to **US\$1,150,000** in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of four (4) calendar months counted from the date of eligibility from the funding source. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

**ORIGINAL FIRMADO**

**04/29/2015**

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Sonia M. Rivera  
Chief  
Grants and Cofinancing Management Unit  
ORP/GCM

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Date

## TC DOCUMENT

### I. BASIC INFORMATION

▪ <b>Country/Region:</b>	Central America and the Caribbean Region
▪ <b>TC Name:</b>	Support for Cofinancing of Renewable Energy and Energy Efficiency
▪ <b>TC Number:</b>	RG-T2480
▪ <b>Team Leader/Members:</b>	Christiaan Gischler (INE/ENE) Team Leader; Shohei Tada (INE/ENE) Co-Team Leader; Adriana M. Valencia (INE/ENE); Carlos Echeverria (ENE/CGY); Héctor Baldivieso (ENE/CNI); Carlos Echevarria (ENE/CCR); Lumas Kendrick (ENE/CJA); Carlos Jacome (ENE/CHO); Camila González (INE/ENE); Haydemar Cova León (INE/ENE); Emiliano Detta (INE/CCS); and Escarlata Baza (LEG/SGO)
▪ <b>Taxonomy:</b>	Research and Dissemination
▪ <b>Date of TC Abstract authorization:</b>	September 19, 2014
▪ <b>Beneficiary:</b>	Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Dominican Republic, Belize, The Bahamas, Barbados, Jamaica, Guyana, Trinidad & Tobago, Suriname, Antigua and Barbuda, Dominica, Saint Lucia, St. Kitts and Nevis, St. Vincent and The Grenadines, and Grenada
▪ <b>Executing Agency:</b>	The Inter-American Development Bank (IDB) through the Energy Division (INE/ENE)
▪ <b>Donors providing funding:</b>	Fund for the Financing of Technical Cooperation for initiatives for Regional Infrastructure Integration (FIRII)
▪ <b>IDB Funding Requested:</b>	US\$1,150,000
▪ <b>Local counterpart funding:</b>	US\$287,500
▪ <b>Disbursement period:</b>	48 months
▪ <b>Required start date:</b>	May 15 <sup>th</sup> , 2015
▪ <b>Types of consultants:</b>	International consulting firm and individual consultants
▪ <b>Prepared by Unit:</b>	INE/ENE
▪ <b>Unit of Disbursement Responsibility:</b>	INE/INE
▪ <b>TC Included in Country Strategy:</b>	No
▪ <b>TC included in CPD:</b>	No
▪ <b>GCI-9 Sector Priority:</b>	Protect the environment, respond to climate change, promote renewable energy, and ensure food security

## II. OBJECTIVES AND JUSTIFICATION

- 2.1 Electricity generation in most countries in Central America (CA) and the Caribbean (CB) depends on imported liquid fossil fuels (diesel and fuel oil), and is vulnerable to high and volatile international oil prices. In CA, the power sector has contributed to the increase in oil consumption in the region due to a substantial increase in the participation of fossil fuels in the generation mix during the last decades (from 18% in 1990 to 42% in 2010), resulting in high generation costs. In the CB, the cost of electricity generation is even higher because of the cost of imported fuels and system inefficiencies. Due to the limited size of these isolated markets, this region has one of the highest electricity tariffs in the world. In 2012, the average electricity tariff in the CB was US\$0.33 per kWh, while in Florida, USA, the average tariff was US\$0.11 per kWh.<sup>1</sup> In CA, average regulated electricity rates were of US\$0.18/kWh in 2011.<sup>2</sup>
- 2.2 Integration can play a key role in reducing dependency on fossil fuels, and mitigating the negative impact of climate change in CA and the CB. On one hand, the lack of economies of scale and relative isolation of CB countries forces dependency on fossil fuels. On the other hand, CA has shown progress in addressing energy challenges within a framework of regional dialogue and cooperation through, for example, the Interconnection System for Central American countries (SIEPAC).
- 2.3 To support the transformation of the energy sector in CA and CB, the Inter-American Development Bank (IDB) has established partnerships with multiple donor countries to set up financing facilities and make resources available to CA and CB for the financing of private and public sector projects in the areas of renewable energy (RE), energy efficiency (EE), and low carbon technologies.
- 2.4 On February 19<sup>th</sup>, 2015 the IDB and the Government of the Republic of Trinidad and Tobago signed a Memorandum of Understanding (MOU) for the creation of the Energy Co-financing Facility for Caribbean Sustainability (ECFCS). The goal of the Multi-donor Facility is to support the transformation of the energy sector in the Caribbean to increase energy security, reduce vulnerability, increase competitiveness and foster economic growth and social wellbeing.
- 2.5 The Bank has also signed an MOU with Japan on January 14, 2011, and a Framework Agreement (FA) (GN-2656) on March 16, 2012, where the Cofinancing for Renewable Energy and Energy Efficiency (CORE) was established. CORE is a cofinancing mechanism between the Japan International Cooperation Agency (JICA) and the IDB to support CA and the CB countries in addressing high dependency on fossil fuels, and the negative impact of climate change, by promoting RE and EE. As of March 2014, cumulative JICA commitments under the CORE exceeded US\$600 million; a US\$17 million JICA and a US\$35 million IDB loans were approved in 2013 and 2012 respectively for Nicaragua's National Sustainable Electrification and Renewable Energy Program (PNESER) III (NI-L1063); and a US\$645 million JICA loan was approved in 2013 for Costa Rica's Guanacaste Geothermal Program (CR-1070), establishing the CORE as an effective scheme for providing financing for the promotion of RE and EE.
- 2.6 In March 2014, both parties agreed on an amendment to the MOU and its FA to increase the amount of JICA cofinancing up to US\$1 billion, as well as to extend eligible countries to

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<sup>1</sup> Castalia (2014). "Caribbean Regional Energy Integration Assessment: Scenarios and Opportunities." Report to IDB.

<sup>2</sup> CEPAL (2012) *Centroamérica: Estadísticas del Subsector Eléctrico* 2011.

uppermost middle income countries. As of the date of this TC Document, countries and institutions eligible for funding under the CORE are: Guatemala, El Salvador, Honduras, Nicaragua, Dominican Republic, Belize, Jamaica and Guyana, Costa Rica, Panama, Suriname, Dominica, St. Lucia, St. Vincent and Grenadines, Grenada, and the Caribbean Development Bank (CDB). Under such renewed MOU and FA, both parties will continue promoting RE and EE in CA and the CB regions meeting the need for support as is the case with geothermal development in Eastern Caribbean countries, EE programs for the public sector, RE and regional interconnection in Belize, RE and EE programs in El Salvador, strengthening of hydropower in Honduras, among others.

- 2.7 The general objective of this TC is to reduce dependency on fossil fuels in CA and the CB regions by facilitating countries' decision making and regional coordination regarding investments in RE and EE, and supporting the identification and preparation of RE and EE projects that could access co-financing through the ECFCS and CORE mechanisms, and other IDB funds that support energy projects in CA and CB.
- 2.8 This TC will build over existing Bank interventions in the area of EE and RE. When analyzing national and regional contexts and potential integration infrastructure investments, it will make use of the information developed for the SIEPAC, which involved the construction of a 1,788 km transmission line from Mexico to Panama, and the establishment of the *Mercado Eléctrico Regional* (MER). It will also make use of information generated by the "Natural Gas in the Caribbean - Feasibility Studies" (RG-T2243) and "Updating of the Strategy for the Introduction of Natural Gas in Central America" (RG-T2385), which are exploring the possibility of introducing Natural Gas to CA and the CB regions. Finally, this TC will coordinate efforts with the regional TC "Substitution of Fossil based Electricity Generation with Renewable Energy in Central America and the Caribbean" (RG-T2376), which focuses on fossil fuel substitution projects and performs analyses to determine the technical and financial feasibility of potential projects for RE substitution in eligible countries in CA and the CB regions. While RG-T2376 has a focus on subsidizing pre-investment studies for private firms interested in transitioning from fossil fuel based to renewable generation, this TC will target both, EE and RE, and provide support for governments to bridge gaps in resource potential assessments and develop pre-investment studies for selected projects.
- 2.9 Either by developing regional infrastructure or interconnecting countries' electricity grids in some places, bundling carbon emissions reductions and purchases of RE and EE equipment, or sharing expertise and best practices across the region, integration efforts are well suited to address the dual challenge of climate change mitigation and the energy sector's overdependence on fossil fuels. Thus, this operation is consistent with the scope of the FIRII (GN-2344-8) as expressed in paragraph 3.13 of the Fund's bylaws<sup>3</sup>.
- 2.10 The operation is also aligned with the IDB's lending program priorities as outlined in the Report on the Ninth General Increase in the Resources of the IDB (GCI-9) (AB-2764) as it contributes to the goals of supporting: (i) small and vulnerable countries; (ii) regional cooperation and integration (through assessing potential investments in energy infrastructure in the region); and (iii) climate change sustainable energy including, renewable energy, and the environmental sustainability, which includes the 'need to increase the knowledge base, strengthen frameworks and build capacity.' In addition, this TC is in line with the Integrated Strategy for Climate Change Adaptation and Mitigation, and

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<sup>3</sup> "The expected outcome [...] is to help the countries in the preparation of good integration projects including the economic, social and environmental perspectives."

Sustainable and Renewable Energy (GN-2609-1), and the Caribbean Strategic Agenda on Integration (SAI)<sup>4</sup>.

### III. DESCRIPTION OF ACTIVITIES/COMPONENTS AND BUDGET

- 3.1 **Component I. Baseline and RE and EE potential survey.** This component will finance studies to determine the potential for RE and EE programs in selected countries in the CA and CB regions, by determining the relevant baselines and identifying potential projects that could be undertaken. The countries considered in both regions vary in the degree to which they have already developed a baseline and identified their EE and RE potential. Belize, for instance, has finished in 2014 its EE and RE baseline with IDB's support (RG-T1886 - Assessment of the potential for Distributed Generation using Renewable Energy and Energy Efficiency). Other countries like Guatemala, Honduras, El Salvador, Guyana, Suriname and some Eastern Caribbean countries, have not yet developed such baseline, which this component intends to help countries build. Therefore, this component will: (i) identify the level of progress towards completing EE and RE resource assessments in the beneficiary countries; (ii) complete resource assessments<sup>5</sup> provided the activity is requested by the governments of the respective countries, and (iii) identify potential EE and RE projects in the beneficiary countries ensuring the information required to conduct the pre-investment studies financed by Component II of this TC. This information includes but is not limited to: (i) size (MW) of RE added or EE savings; (ii) estimated CAPEX and OPEX; (iii) type of technology; (iv) whether it is to be implemented by the public or the private sector for this component, at a minimum, the beneficiaries will be three beneficiary countries, having at least one CA and one CB country. Priority will be given to countries with a higher percentage of fossil fuel contribution to the energy matrix and those that have policies already in place to promote EE and RE.
- 3.2 The component's output is a list of potential projects with an estimation of the potential cost savings that using EE and RE could generate. In identifying the potential projects, consideration will be given to regional or integration as well as national EE and RE projects, both in the private and public sectors. A cost benefit and a readiness analysis will be used to assign priorities among the potential projects.
- 3.3 Resource assessment studies developed will include the following activities: (i) developing baseline information for the existing energy matrices (identifying sources, uses and users, generation costs and key players), for electricity consumption, distribution and generation, as well as for CO<sub>2</sub> emissions; (ii) identifying local and regional stakeholders involved, and developing a baseline for institutional capabilities and current regional cooperation efforts around energy and climate change; (iii) identifying existing financial mechanisms to promote EE and RE; (iv) identifying technical, financial, legal, and institutional bottlenecks for the promotion of RE and EE; (v) assessing the potential of EE and RE financial savings by conducting energy audits to evaluate energy savings by user group<sup>6</sup> due the implementation of EE practices, standards and technologies; (vi) assessing the potential for RE<sup>7</sup> (solar, wind, geothermal, hydro and other possible RE sources) for electricity generation, estimating in

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<sup>4</sup> SAI provides the framework for identifying Sectors and Action Lines in which Caribbean countries and the Bank can increase operational collaboration to meet the goals of the GCI-9 mandate on global and regional integration.

<sup>5</sup> The team will make use of information developed under TC RG-T2376 to avoid overlap regarding RE potential assessments

<sup>6</sup> Residential, commercial, industrial, public sector

<sup>7</sup> Close coordination is required with TC RG-T2376 so as to avoid overlap in doing RE baseline studies, pre-investment studies, and analyses in general regarding RE potential and projects.



each case generation cost (US\$/MWh of energy delivered, and US\$/MWh of installed capacity) for potential RE generation and comparing it to current generation costs; and (vii) identifying a set of potential projects prioritized by doing a cost benefit analysis and a readiness assessment.

- 3.4 **Component II. Pre-investment studies.** This component will finance the studies required to determine the feasibility of the EE and RE projects identified in Component I. Building on [potential projects already identified](#) and the results obtained from Component I, the Bank will lead the dialogue with beneficiary countries to determine which of the potential projects identified will be eligible to receive resources to finance pre-investment studies. Pre-investment studies financed by this component will serve as input for identifying and preparing future Bank operations in both regions as long as the activity is requested by the governments of the respective countries. The outputs of this component are pre-investment studies for a set of Prioritized Projects. The component comprises the following activities to be developed for all EE and RE Prioritized Projects: (i) perform a technical viability assessment; (ii) conduct a complete financial and economic analysis including, for integration projects, an evaluation of the benefits and synergies obtained through a regional integration approach rather than a country-based one; (iii) estimate the impact on key macroeconomic parameters such as public debt to GDP ratio, fiscal balance, public deficit as a percentage of GDP, current account balance, level of foreign reserves, among others; and (iv) perform social and environmental studies.
- 3.5 The Prioritized Projects will include: (i) at least two of the projects identified in Component I; (ii) only projects that would be implemented by the public sector or through Public-Private Partnerships (PPPs); and (iii) at least one CA project and one CB project. Priority will be given to projects with a better Economic Rate of Return (ERR) as determined in the studies performed by Component I.
- 3.6 **Component III. Development of action plans for capacity building, institutional strengthening and regional coordination.** This component will provide resources to design action plans aimed at achieving an adequate institutional setting at the national and regional levels, for the development of identified EE and RE potential in CA and CB. Its outputs are action plans for capacity building, institutional strengthening and coordination for those Prioritized Projects as defined in Component II. The component comprises the following activities: (i) assess the human resources, legal and institutional framework, and budget required to develop the Prioritized Projects selected in Component II; (ii) assess the training and capacity building requirements at a national level to enable participation in cross-border and regional programs; (iii) identify other donors or stakeholders involved in providing support for capacity building, institutional strengthening, and coordination for the development of EE and RE projects and recommend ways in which to collaborate and/or leverage those efforts; (iv) design a set of institutional strengthening activities in EE and RE to implement at a national and regional level; (v) design and prepare capacity building and institutional strengthening plans; (vi) identify national and regional level actions needed to tap into the identified EE and RE potential; and (vii) design and prepare regional coordination protocols, if required, to develop the identified EE and RE potential.
- 3.7 **Component IV. Dissemination of findings and stakeholder engagement.** This component will finance outreach activities required to ensure the necessary stakeholder engagement, awareness and participation for the execution of this TC. The outputs of this component are: (i) a stakeholder communications plan; and (ii) national and regional workshops. The

component comprises the following activities: (i) design a stakeholder communications plan for CA and the CB; and (ii) hold workshops with relevant stakeholders to present, discuss and disseminate the findings and results obtained during and from the execution of this TC as defined in the stakeholder communications plan.

**Table 1: Indicative Results Matrix**

Result Indicators	Units	Base Line	Goal	Means of Verification
1a. EE and RE assessment studies developed	# studies	0	At least 3	Study's Final report(s) and TC semi-annual progress report (SAR)
1b. Project identification list developed	# lists	0	1	
2. Pre-investment studies developed	# studies	0	At least 1 in CA and 1 in CB	Study's Final report(s) and SAR
3. Capacity building, institutional strengthening and coordination action plans	# documents	0	2	Action Plan Document and SAR
4. Regional Stakeholder Communications Plan designed	# plans	0	1	Communications Plan Document and SAR
5. Number of national and regional institutions to be strengthened	# institutions	0	At least 5	Action plan document and SAR

- 3.8 The total cost of this TC is US\$1,150,000, to be financed by the Fund for the Financing of Technical Cooperation for Initiatives for Regional Infrastructure Integration (FIRII), including in-kind local counterpart resources amounting to US\$287,500<sup>8</sup>.

**Table 2: Indicative Budget (US\$)**

Component	IDB Funding		
	IDB Funding (FIRII)	Local counterpart (in kind)*	Total TC Funding
I. Baseline and potential survey	440,000	110,000	550,000
II. Pre-investment studies	440,000	110,000	550,000
III. Development of action plans for capacity building, strengthening and coordination	100,000	25,000	125,000
IV. Dissemination of findings and stakeholder engagement	55,000	42,500	97,500
Project management	115,000		115,000
<b>TOTAL</b>	<b>1,150,000</b>	<b>287,500</b>	<b>1,437,500</b>

- 3.9 To complement the objective of the TC and increase the number of beneficiaries, JICA will provide parallel funding to countries eligible under CORE in the amount of US\$1,150,000<sup>9</sup>. These resources, administered by JICA directly, will finance consulting services that are similar in scope but additional to those that the IDB will perform under Components I, II, and IV to support the preparation of RE and EE projects that could access financing through the CORE mechanism. This TC will accomplish its desired outcomes independently of whether the JICA executes its resources as planned.

<sup>8</sup> Local Contribution: The beneficiaries will share the financial costs of the implementation of the TC by an amount to be decided on a case-by-case basis. Such contributions may be provided in kind and shall not be lower than twenty percent (20%) of the total cost of the TC.

<sup>9</sup> See [JICA funding budget](#)

#### **IV. EXECUTING AGENCY AND EXECUTION STRUCTURE**

- 4.1 The IDB, through the Energy Division (INE/ENE) will be responsible for the execution of this TC. The IDB and JICA will coordinate closely, discussing and sharing the terms of reference used to hire firms and consultants, as the case may be, and any additional information necessary to generate complementarities and avoid duplication of work. A part-time Program Manager (PM), to be based in one of the participating countries, will be hired under this TC to facilitate its execution, coordinate activities and provide semi-annual progress reports to the IDB.
- 4.2 Prior to the execution of the project activities in the selected beneficiary countries, the Bank shall obtain the corresponding no-objection as well as in-kind commitments from the respective authorities in each country.
- 4.3 The IDB's statutes require the Bank to work with and through the CDB in cases where the OECS countries, which are not IDB-members, are direct beneficiaries of Bank funds. In this operation, however, the bulk of the proposed financing is directed toward activities that will provide common benefits to all beneficiary countries, including both IDB members and non-members. The portion of the funds that is directed exclusively toward non-member countries represents a small ("de-minimis") amount, which will not be greater than 10 percent of the total cost of this TC. In such cases, a direct technical or financial CDB role in the Project is not foreseen under existing Bank rules.
- 4.4 The Bank will contract individual consultants, consulting firms, and non-consulting services in accordance with Bank's current procurement policies and procedures.

#### **V. MAJOR ISSUES**

- 5.1 The coordination risk due to the project having multiple beneficiaries will be mitigated by hiring a PM, who will manage the execution of the components and activities, and centralize the communication among different stakeholders. The risk of duplication of work given the number of different IDB and other donor initiatives for the promotion of EE and RE in CA and CB will be mitigated by researching (Component I) current work being done by the IDB and other donors in EE and RE for each of the beneficiary countries.

#### **VI. EXCEPTIONS TO BANK POLICY**

- 6.1 This project does not call for any exception to Bank policy.

#### **VII. ENVIRONMENTAL AND SOCIAL CLASSIFICATION**

- 7.1 There are no envisioned environmental or social risks associated with this operation. According to the Environment and Safeguards Compliance Policy (OP-703), this TC has been classified as category C. No environmental assessment studies or consultations are required for Category "C" operations (see: [Safeguard Policy Filter Report \(SPF\)](#) and [Safeguard Screening Form \(SSF\)](#)).

#### **Required Annexes:**

- Annex I: [Terms of Reference](#)
- Annex II: [Procurement Plan](#)

Regional  
Support for Cofinancing for Renewable Energy and Energy Efficiency (CORE)  
RG-T2480

**TERMS OF REFERENCE**  
SIEPAC Integration Study

## **1. Background**

Electricity generation in most countries in CA and CB depends on imported fuels (residual and diesel oil) and is vulnerable to high and volatile international oil prices. In CA, the power sector has contributed to the increase in oil consumption in the region due to a substantial increase in the participation of fossil fuels in the generation mix during the last decades (from 18% in 1990 to 42% in 2010), resulting in high generation costs. In CB, the cost of electricity generation is even higher because of imported fuels and system inefficiency due to the limited size of these isolated markets, making the region one of the regions with the highest electricity tariffs in the world (over US\$0.40/kWh).

To support the transformation of the energy sector in CA and CB, the Inter-American Development Bank (IDB) has established partnerships with multiple donor countries to set up financing facilities and make resources available to CA and CB for the financing of private and public sector projects in the areas of renewable energy (RE), energy efficiency (EE), and low carbon technologies.

On January 26th, at the Caribbean Energy Security Summit in Washington, D.C., the Prime Minister of the Republic of Trinidad and Tobago (GORTT), Kamla Persad-Bissessar, proposed the creation of a US\$ 1 billion dollar Caribbean Energy Fund for CARICOM Member States in partnership with the IDB and on February 19th, the IDB and the GORTT signed a Memorandum of Understanding (MOU) for the creation of the Energy Co-financing Facility for Caribbean Sustainability (ECFCS). The goal of the Multi-donor Facility is to support the transformation of the energy sector in the Caribbean to increase energy security, reduce vulnerability, increase competitiveness and foster economic growth and social wellbeing.

The Bank has also signed an MOU with Japan on January 14, 2011, and a Framework Agreement (FA) (GN-2656) on March 16, 2012, where the Cofinancing for Renewable Energy and Energy Efficiency (CORE) is established. CORE is a cofinancing mechanism between the Japan International Cooperation Agency (JICA) and the IDB to support CA and the CB countries in addressing high dependency on fossil fuels and the negative impact of climate change, by promoting RE and EE. As of March 2014, cumulative JICA commitments under the CORE exceeded US\$600 million; a US\$17 million JICA and a US\$35 million IDB loans were approved in 2013 and 2012 respectively for Nicaragua's National Sustainable Electrification and Renewable Energy Program (PNESER) III (NI-L1063); and a US\$645 million JICA loan was approved in 2013 for Costa Rica's Guanacaste Geothermal Program (CR-1070), establishing the CORE as an effective scheme for providing financing for the promotion of RE and EE.

As of the date of this document, countries and institutions eligible for funding under CORE are: Guatemala, El Salvador, Honduras, Nicaragua, Dominican Republic, Belize, Jamaica and Guyana,

Costa Rica, Panama, Suriname, Dominica, St. Lucia, St. Vincent and Grenadines, Grenada and the Caribbean Development Bank (CDB).

Countries in the two regions considered vary in the degree to which they have already developed a baseline and identified their EE and RE potential. Belize, for instance, has finished in 2014 its EE and RE baseline with IDB's support through the regional cooperation RG-T1886 (Assessment of the potential for Distributed Generation using Renewable Energy and Energy Efficiency).

Either by developing regional infrastructure or interconnecting countries' electricity grids in some places, bundling carbon emissions reductions and purchases of RE and EE equipment, or sharing expertise and best practices across the region, integration efforts are well suited to address the dual challenge of climate change mitigation and the energy sector's overdependence on fossil fuels.

For Belize in particular, interconnection with SIEPAC (the Central American electricity transmission system) would create another market with which Belize could buy and sell power. This would diversify supply options, and potentially improve power supply and reliability while lowering costs. Studying this opportunity would clarify the costs and benefits and indicate if Belize should proceed with SIEPAC integration.

The **general objective** of the TC is to support the development of mechanisms to reduce dependency on fossil-fuels and to mitigate the negative impact of climate change in Central America (CA) and the Caribbean (CB) regions by promoting Cofinancing for Renewable Energy and Energy Efficiency (CORE) and facilitating countries' decision making and regional coordination regarding investments in energy efficiency and renewable energy.

## **2. Consultancy objective(s)**

The consulting services will be responsible for developing a pre-feasibility study for Belize's interconnection with SIEPAC addressing the relevant technical, financial, social, environmental, and political issues.

## **3. Main activities**

Under the supervision of the Team Leader, the Consultancy's activities include, but are not limited to, the following:

- Estimate transmission capital and maintenance costs for likely interconnection routes between Belize and SIEPAC system
- Estimate net economic costs and benefits of power trade with SIEPAC under different scenarios
- Estimate value of system stability benefits from SIEPAC interconnection.
- Examine the possible transmission line routes, and for each of them the technical characteristics of the proposed interconnections, the impact of interconnection on power supply, and additional grid strengthening required for BEL's existing assets.
- Develop a cost-benefit analysis to determine if and when interconnection with SIEPAC is justified.
- Identify the economically optimal interconnection scenario and forecast future power prices in Belize and SIEPAC and their impact on Belize's power supply.

- Identify social and environmental aspects to take into consideration in each scenario
- Identify potential key actors including role of government and role of specific government institutions and private sector actors

Make recommendations regarding the feasibility of Belize's interconnection with SIEPAC

#### **4. Reports / outputs**

- First deliverable: Inception Report; a report including the work plan for the consultancy
- Second deliverable: Interconnection Scenario Analysis Report; a report describing in detail the interconnection scenarios analyzed
- Third deliverable: Pre-feasibility Report – Draft; a draft report explaining whether interconnection with SIEPAC is justified, and if not, under what conditions it would be justified.
- Fourth deliverable: Pre-feasibility Report – Final; a final report explaining whether interconnection with SIEPAC is justified, and if not, under what conditions it would be justified.

[Every report must be submitted to the Bank in one electronic file. Report should include cover, main document, and all annexes. (Zip files won't be accepted as final reports, due to regulations from the Records Management Section)]

#### **5. Supervision and Coordination**

- The supervision and coordination will be carried out by the Program Team Leader in the Energy Division of the IDB.

#### **6. Characteristics of the consultancy**

- Consultancy Category & Modality: Firm Consultancy; Lump Sum
- Contract Duration: 9 months;
- Place(s) of work: external consultancy (consultant's place of work)

#### **7. Schedule of payment**

Payments will be made as detailed below:

- 10% at the delivery and approval by the Bank of the Inception Report
- 30% at the delivery and approval by the Bank of the Interconnection Scenario Analysis Report
- 30% at the delivery and approval by the Bank of the Pre-feasibility Report – Draft
- 30% at the delivery and approval by the Bank of the Pre-feasibility Report – Draft

#### **8. Qualifications**

The work is expected to be carried out by an international consulting firm or association of international firms with, at least, 6 years of specific experience in: (i) energy infrastructure project development (particularly as it relates to electric interconnection, and the development of power transmission and distribution projects), (ii) transmission planning and transmission cost estimation and, (iii) regulatory framework design and review.

The consultants comprising the team may be international or national and should include at least (i) one Financial Expert; and (ii) one Engineering Expert. Familiarity with SIEPAC and with

Belize's electricity sector and renewable energy resources is required from all members of the team.

It is expected that all members of the team or consortium of firms should have a post graduate level degree (Masters or Ph.D.) in fields related to their area of expertise with a minimum of 10 years of experience in the field and, at least, 5 years of internationally recognized professional experience in electric interconnection project development, energy contracts, energy regulation and laws including environmental regulations, energy systems and infrastructure planning. Highly relevant and proved sector experience could in cases stand for in lieu of a post graduate degree.

#### **9. Payment and Conditions of Employment**

The work will be carried out in the consultant's place of employment with at least three visits to Belize.

Regional  
Support for Cofinancing for Renewable Energy and Energy Efficiency (CORE)  
RG-T2480

**TERMS OF REFERENCE**

Baseline and RE and EE potential survey

**1. Background**

Electricity generation in most countries in CA and CB depends on imported fuels (residual and diesel oil) and is vulnerable to high and volatile international oil prices. In CA, the power sector has contributed to the increase in oil consumption in the region due to a substantial increase in the participation of fossil fuels in the generation mix during the last decades (from 18% in 1990 to 42% in 2010), resulting in high generation costs. In CB, the cost of electricity generation is even higher because of imported fuels and system inefficiency due to the limited size of these isolated markets, making the region one of the regions with the highest electricity tariffs in the world (over US\$0.40/kWh).

To support the transformation of the energy sector in CA and CB, the Inter-American Development Bank (IDB) has established partnerships with multiple donor countries to set up financing facilities and make resources available to CA and CB for the financing of private and public sector projects in the areas of renewable energy (RE), energy efficiency (EE), and low carbon technologies.

On January 26th, at the Caribbean Energy Security Summit in Washington, D.C., the Prime Minister of the Republic of Trinidad and Tobago (GORTT), Kamla Persad-Bissessar, proposed the creation of a US\$ 1 billion dollar Caribbean Energy Fund for CARICOM Member States in partnership with the IDB and on February 19th, the IDB and the GORTT signed a Memorandum of Understanding (MOU) for the creation of the Energy Co-financing Facility for Caribbean Sustainability (ECFCS). The goal of the Multi-donor Facility is to support the transformation of the energy sector in the Caribbean to increase energy security, reduce vulnerability, increase competitiveness and foster economic growth and social wellbeing.

The Bank has also signed an MOU with Japan on January 14, 2011, and a Framework Agreement (FA) (GN-2656) on March 16, 2012, where the Cofinancing for Renewable Energy and Energy Efficiency (CORE) is established. CORE is a cofinancing mechanism between the Japan International Cooperation Agency (JICA) and the IDB to support CA and the CB countries in addressing high dependency on fossil fuels and the negative impact of climate change, by promoting RE and EE. As of March 2014, cumulative JICA commitments under the CORE exceeded US\$600 million; a US\$17 million JICA and a US\$35 million IDB loans were approved in 2013 and 2012 respectively for Nicaragua's National Sustainable Electrification and Renewable Energy Program (PNESER) III (NI-L1063); and a US\$645 million JICA loan was approved in 2013 for Costa Rica's Guanacaste Geothermal Program (CR-1070), establishing the CORE as an effective scheme for providing financing for the promotion of RE and EE.

As of the date of this document, countries and institutions eligible for funding under CORE are: Guatemala, El Salvador, Honduras, Nicaragua, Dominican Republic, Belize, Jamaica and Guyana,



Costa Rica, Panama, Suriname, Dominica, St. Lucia, St. Vincent and Grenadines, Grenada and the Caribbean Development Bank (CDB).

Either by developing regional infrastructure or interconnecting countries' electricity grids in some places, bundling carbon emissions reductions and purchases of RE and EE equipment, or sharing expertise and best practices across the region, integration efforts are well suited to address the dual challenge of climate change mitigation and the energy sector's overdependence on fossil fuels.

The **general objective** of the TC is to support the development of mechanisms to reduce dependency on fossil-fuels and to mitigate the negative impact of climate change in Central America (CA) and the Caribbean (CB) regions by promoting Cofinancing for Renewable Energy and Energy Efficiency (CORE) and facilitating countries' decision making and regional coordination regarding investments in energy efficiency and renewable energy.

## **2. Consultancy objective(s)**

The consulting services aim at identifying progress made in assessing EE and RE potential and baselines, proposing a list of countries that have yet to develop those studies, and identifying Energy Efficiency (EE) and Renewable Energy (RE) potential projects in a subset of at least 3 of the beneficiary countries by (i) developing relevant baselines, (ii) identifying incentives and barriers for EE and RE development, (iv) assessing EE and RE potential, and (v) preparing a list of potential EE and RE projects to be developed in each of them.

## **3. Main activities**

Under the supervision of the Team Leader, the Consultancy's activities include, but are not limited to, the following:

- Research current work being done by IDB and other donors in EE and RE for each of the beneficiary countries and clearly identify the different initiatives in place and their scope
- Ascertain the areas of possible overlap between different initiatives and how these overlaps are to be addressed and avoided
- Identify progress made in assessing EE and RE potential and baselines and propose a list of countries that have yet to develop those and a list of tasks to move forward;
- For the list provided, develop baseline information for the existing energy matrices, identifying sources, uses and users, generation costs and key players;
- Develop a baseline for electricity consumption, distribution and generation as well as for CO2 emissions;
- Identify local and regional stakeholders involved and develop a baseline for institutional capabilities and current regional cooperation efforts around energy and climate change goals;
- Identify existing financial mechanisms to promote EE and RE investments;
- Identify technical, financial, legal and institutional bottlenecks for the promotion of RE and EE;
- Assess the potential of EE, by conducting energy audits to evaluate energy savings by user group (residential, commercial, industrial, public sector) derived from the implementation of EE practices, standards and technologies, estimating also financial savings;
- Assess the potential for RE, such as solar, wind, geothermal, hydro and other possible RE sources for electricity generation, estimating generation cost (US\$/MWh of energy delivered

and US\$/MWh of installed capacity) for potential RE generation and compare to current generation costs;

- Identify a list of potential projects prioritized by doing a cost - benefit analysis and a project readiness assessment.

#### **4. Reports / outputs**

- First deliverable: Inception Report; a report including the work plan for the consultancy
- Second deliverable: RE Potential Assessment
- Third deliverable: EE Potential Assessment
- Fourth deliverable: Potential Projects Prioritization Report; a final report explaining which are the potential projects to be developed in each country, prioritized according to cost-effectiveness and project readiness.

[Every report must be submitted to the Bank in one electronic file. Report should include cover, main document, and all annexes. (Zip files won't be accepted as final reports, due to regulations from the Records Management Section)]

#### **5. Supervision and Coordination**

- The supervision and coordination will be carried out by the Program Team Leader in the Energy Division of the IDB.

#### **6. Characteristics of the consultancy**

- Consultancy Category & Modality: Firm Consultancy; Lump Sum
- Contract Duration: 12 months;
- Place(s) of work: external consultancy (consultant's place of work)

#### **7. Schedule of payment**

Payments will be made as detailed below:

- 10% at the delivery and approval by the Bank of the Inception Report
- 30% at the delivery and approval by the Bank of the RE Potential Assessment
- 30% at the delivery and approval by the Bank of the EE Potential Assessment
- 30% at the delivery and approval by the Bank of the Potential Projects Prioritization Report

#### **8. Qualifications**

The work is expected to be carried out by an international consulting firm or association of international firms with, at least, 6 years of specific experience in: (i) energy infrastructure project development (particularly as it relates to energy efficiency and renewable energy), (ii) transmission planning and transmission cost estimation and, (iii) regulatory framework design and review.

The consultants comprising the team may be international or national and should include at least (i) one Financial Expert; (ii) one Energy Efficiency expert; and (iii) Renewable energy expert.

It is expected that all members of the team or consortium of firms should have a post graduate level degree (Masters or Ph.D.) in fields related to their area of expertise with a minimum of 10

years of experience in the field and, at least, 5 years of internationally recognized professional experience in renewable energy and energy efficiency projects, energy contracts, energy regulation and laws including environmental regulations, energy systems and infrastructure planning. Highly relevant and proved sector experience could in cases stand for in lieu of a post graduate degree.

#### **9. Payment and Conditions of Employment**

The work will be carried out in the consultant's place of employment with at least three visits to selected countries.

Regional  
Support for Cofinancing for Renewable Energy and Energy Efficiency (CORE)  
RG-T2480

**TERMS OF REFERENCE**

Pre-investment studies for Prioritized Projects

**1. Background**

Electricity generation in most countries in CA and CB depends on imported fuels (residual and diesel oil) and is vulnerable to high and volatile international oil prices. In CA, the power sector has contributed to the increase in oil consumption in the region due to a substantial increase in the participation of fossil fuels in the generation mix during the last decades (from 18% in 1990 to 42% in 2010), resulting in high generation costs. In CB, the cost of electricity generation is even higher because of imported fuels and system inefficiency due to the limited size of these isolated markets, making the region one of the regions with the highest electricity tariffs in the world (over US\$0.40/kWh).

To support the transformation of the energy sector in CA and CB, the Inter-American Development Bank (IDB) has established partnerships with multiple donor countries to set up financing facilities and make resources available to CA and CB for the financing of private and public sector projects in the areas of renewable energy (RE), energy efficiency (EE), and low carbon technologies.

On January 26th, at the Caribbean Energy Security Summit in Washington, D.C., the Prime Minister of the Republic of Trinidad and Tobago (GORTT), Kamla Persad-Bissessar, proposed the creation of a US\$ 1 billion dollar Caribbean Energy Fund for CARICOM Member States in partnership with the IDB and on February 19th, the IDB and the GORTT signed a Memorandum of Understanding (MOU) for the creation of the Energy Co-financing Facility for Caribbean Sustainability (ECFCS). The goal of the Multi-donor Facility is to support the transformation of the energy sector in the Caribbean to increase energy security, reduce vulnerability, increase competitiveness and foster economic growth and social wellbeing.

The Bank has also signed an MOU with Japan on January 14, 2011, and a Framework Agreement (FA) (GN-2656) on March 16, 2012, where the Cofinancing for Renewable Energy and Energy Efficiency (CORE) is established. CORE is a cofinancing mechanism between the Japan International Cooperation Agency (JICA) and the IDB to support CA and the CB countries in addressing high dependency on fossil fuels and the negative impact of climate change, by promoting RE and EE. As of March 2014, cumulative JICA commitments under the CORE exceeded US\$600 million; a US\$17 million JICA and a US\$35 million IDB loans were approved in 2013 and 2012 respectively for Nicaragua's National Sustainable Electrification and Renewable Energy Program (PNESER) III (NI-L1063); and a US\$645 million JICA loan was approved in 2013 for Costa Rica's Guanacaste Geothermal Program (CR-1070), establishing the CORE as an effective scheme for providing financing for the promotion of RE and EE.

As of the date of this document, countries and institutions eligible for funding under CORE are: Guatemala, El Salvador, Honduras, Nicaragua, Dominican Republic, Belize, Jamaica and Guyana,

Costa Rica, Panama, Suriname, Dominica, St. Lucia, St. Vincent and Grenadines, Grenada and the Caribbean Development Bank (CDB).

Either by developing regional infrastructure or interconnecting countries' electricity grids in some places, bundling carbon emissions reductions and purchases of RE and EE equipment, or sharing expertise and best practices across the region, integration efforts are well suited to address the dual challenge of climate change mitigation and the energy sector's overdependence on fossil fuels.

The **general objective** of the TC is to support the development of mechanisms to reduce dependency on fossil-fuels and to mitigate the negative impact of climate change in Central America (CA) and the Caribbean (CB) regions by promoting Cofinancing for Renewable Energy and Energy Efficiency (CORE) and facilitating countries' decision making and regional coordination regarding investments in energy efficiency and renewable energy.

## **2. Consultancy objective(s)**

The consulting services aim at developing pre-investment studies for all EE and RE prioritized projects as defined during TC execution evaluating technical, economic, social and environmental feasibility.

## **3. Main activities**

Under the supervision of the Team Leader, the Consultancy's activities include, but are not limited to, the following:

- Perform a technical, social and environmental viability assessment for prioritized project(s)
- Conduct a complete financial and economic analysis for prioritized project(s) including, for those that involve physical integration between countries, an evaluation of the benefits and synergies obtained through a regional integration approach rather than a country-based one;
- Estimate the impact of each of the prioritized project(s) on key macroeconomic parameters such as public debt to GDP ratio, fiscal balance, public deficit as a percentage of GDP, current account balance, level of foreign reserves, among others that might be of current importance to each country;

## **4. Reports / outputs**

- First deliverable: Inception Report; a report including the work plan for the consultancy
- Second deliverable: Viability Assessment
- Third deliverable: Financial and Economic Analysis Report
- Fourth deliverable: Final Report; a final report with recommendations regarding investment opportunities and their impact on the countries' economies

[Every report must be submitted to the Bank in one electronic file. Report should include cover, main document, and all annexes. (Zip files won't be accepted as final reports, due to regulations from the Records Management Section)]

## **5. Supervision and Coordination**

- The supervision and coordination will be carried out by the Program Team Leader in the Energy Division of the IDB.

## **6. Characteristics of the consultancy**

- Consultancy Category & Modality: Firm Consultancy; Lump Sum
- Contract Duration: 12 months;
- Place(s) of work: external consultancy (consultant's place of work)

## **7. Schedule of payment**

Payments will be made as detailed below:

- 10% at the delivery and approval by the Bank of the Inception Report
- 30% at the delivery and approval by the Bank of the Viability Assessment
- 30% at the delivery and approval by the Bank of the Financial and Economic Analysis Report
- 30% at the delivery and approval by the Bank of the Final Report

## **8. Qualifications**

The work is expected to be carried out by an international consulting firm or association of international firms with, at least, 6 years of specific experience in: (i) energy infrastructure project development (particularly as it relates to energy efficiency and renewable energy), (ii) energy transmission and distribution planning and, (iii) regulatory framework design and review.

The consultants comprising the team may be international or national and should include at least (i) one Financial Expert; (ii) one Energy Efficiency expert; and (iii) Renewable energy expert.

It is expected that all members of the team or consortium of firms should have a post graduate level degree (Masters or Ph.D.) in fields related to their area of expertise with a minimum of 10 years of experience in the field and, at least, 5 years of internationally recognized professional experience in renewable energy and energy efficiency projects, energy contracts, energy regulation and laws including environmental regulations, energy systems and infrastructure planning. Highly relevant and proved sector experience could in cases stand for in lieu of a post graduate degree.

## **9. Payment and Conditions of Employment**

The work will be carried out in the consultant's place of employment with at least three visits to selected countries.

Regional  
Support for Cofinancing for Renewable Energy and Energy Efficiency (CORE)  
RG-T2480

**TERMS OF REFERENCE**

Capacity building, institutional strengthening and regional coordination

**1. Background**

Electricity generation in most countries in CA and CB depends on imported fuels (residual and diesel oil) and is vulnerable to high and volatile international oil prices. In CA, the power sector has contributed to the increase in oil consumption in the region due to a substantial increase in the participation of fossil fuels in the generation mix during the last decades (from 18% in 1990 to 42% in 2010), resulting in high generation costs. In CB, the cost of electricity generation is even higher because of imported fuels and system inefficiency due to the limited size of these isolated markets, making the region one of the regions with the highest electricity tariffs in the world (over US\$0.40/kWh).

To support the transformation of the energy sector in CA and CB, the Inter-American Development Bank (IDB) has established partnerships with multiple donor countries to set up financing facilities and make resources available to CA and CB for the financing of private and public sector projects in the areas of renewable energy (RE), energy efficiency (EE), and low carbon technologies.

On January 26th, at the Caribbean Energy Security Summit in Washington, D.C., the Prime Minister of the Republic of Trinidad and Tobago (GORTT), Kamla Persad-Bissessar, proposed the creation of a US\$ 1 billion dollar Caribbean Energy Fund for CARICOM Member States in partnership with the IDB and on February 19th, the IDB and the GORTT signed a Memorandum of Understanding (MOU) for the creation of the Energy Co-financing Facility for Caribbean Sustainability (ECFCS). The goal of the Multi-donor Facility is to support the transformation of the energy sector in the Caribbean to increase energy security, reduce vulnerability, increase competitiveness and foster economic growth and social wellbeing.

The Bank has also signed an MOU with Japan on January 14, 2011, and a Framework Agreement (FA) (GN-2656) on March 16, 2012, where the Cofinancing for Renewable Energy and Energy Efficiency (CORE) is established. CORE is a cofinancing mechanism between the Japan International Cooperation Agency (JICA) and the IDB to support CA and the CB countries in addressing high dependency on fossil fuels and the negative impact of climate change, by promoting RE and EE. As of March 2014, cumulative JICA commitments under the CORE exceeded US\$600 million; a US\$17 million JICA and a US\$35 million IDB loans were approved in 2013 and 2012 respectively for Nicaragua's National Sustainable Electrification and Renewable Energy Program (PNESER) III (NI-L1063); and a US\$645 million JICA loan was approved in 2013 for Costa Rica's Guanacaste Geothermal Program (CR-1070), establishing the CORE as an effective scheme for providing financing for the promotion of RE and EE.

As of the date of this document, countries and institutions eligible for funding under CORE are: Guatemala, El Salvador, Honduras, Nicaragua, Dominican Republic, Belize, Jamaica and Guyana,

Costa Rica, Panama, Suriname, Dominica, St. Lucia, St. Vincent and Grenadines, Grenada and the Caribbean Development Bank (CDB).

Either by developing regional infrastructure or interconnecting countries' electricity grids in some places, bundling carbon emissions reductions and purchases of RE and EE equipment, or sharing expertise and best practices across the region, integration efforts are well suited to address the dual challenge of climate change mitigation and the energy sector's overdependence on fossil fuels.

The **general objective** of the TC is to support the development of mechanisms to reduce dependency on fossil-fuels and to mitigate the negative impact of climate change in Central America (CA) and the Caribbean (CB) regions by promoting Cofinancing for Renewable Energy and Energy Efficiency (CORE) and facilitating countries' decision making and regional coordination regarding investments in energy efficiency and renewable energy.

## **2. Consultancy objective(s)**

The consulting services aim at developing a regional capacity building, institutional strengthening and regional coordination action plan that will include actions both at the national and regional levels to promote EE and RE deployment.

## **3. Main activities**

Under the supervision of the Team Leader, the Consultancy's activities include, but are not limited to, the following:

- Initial assessment:
  - Assess the human resources, legal and institutional framework and budget required to develop the Prioritized Projects identified in Component II and which will be provided to the Consultant;
  - Assess the training and capacity building requirements both at a national level and to enable participation in cross-border and regional programs;
  - Identify other donors or actors involved in providing support for capacity building, institutional strengthening and regional coordination for the development of EE and RE projects in both regions and recommend ways in which to collaborate and/or leverage those efforts;
- Design a set of institutional strengthening activities in EE and RE to implement both at a national and regional level;
- Design and prepare capacity building and institutional strengthening education plans;
- Identify national and regional level actions needed to tap into the identified EE and RE potential;
- Design and prepare regional coordination protocols, if required, to develop the identified EE and RE potential in the region.

## **4. Reports / outputs**

- First deliverable: Inception Report; a report including the work plan for the consultancy
- Second deliverable: Initial Assessment Report
- Third deliverable: Draft - Regional capacity building, institutional strengthening and regional coordination action plan



- Fourth deliverable: Final Report- Regional capacity building, institutional strengthening and regional coordination action plan; a final report with recommendations regarding investment opportunities and their impact on the countries' economies

[Every report must be submitted to the Bank in one electronic file. Report should include cover, main document, and all annexes. (Zip files won't be accepted as final reports, due to regulations from the Records Management Section)]

## **5. Supervision and Coordination**

- The supervision and coordination will be carried out by the Program Team Leader in the Energy Division of the IDB.

## **6. Characteristics of the consultancy**

- Consultancy Category & Modality: Firm Consultancy; Lump Sum
- Contract Duration: 12 months;
- Place(s) of work: external consultancy (consultant's place of work)

## **7. Schedule of payment**

Payments will be made as detailed below:

- 10% at the delivery and approval by the Bank of the Inception Report
- 30% at the delivery and approval by the Bank of the Initial Assessment Report
- 30% at the delivery and approval by the Bank of the Draft - Regional capacity building, institutional strengthening and regional coordination action plan
- 30% at the delivery and approval by the Bank of the Final – Report Regional capacity building, institutional strengthening and regional coordination action plan

## **8. Qualifications**

The work is expected to be carried out by an international consulting firm or association of international firms with, at least, 6 years of specific experience in: (i) capacity building for energy infrastructure project development (particularly as it relates to capacity building initiatives for institutions deploying energy efficiency and renewable energy), (ii) processes of international negotiation around energy issues and, (iii) consensus building and collective action in the energy sector.

The consultants comprising the team may be international or national and should include at least (i) one Communications Expert; and (ii) one Energy expert.

It is expected that all members of the team or consortium of firms should have a post graduate level degree (Masters or Ph.D.) in fields related to their area of expertise with a minimum of 10 years of experience in the field and, at least, 5 years of internationally recognized professional experience in renewable energy and energy efficiency projects, energy contracts, energy regulation and laws including environmental regulations, energy systems and infrastructure planning. Highly relevant and proved sector experience could in cases stand for in lieu of a post graduate degree.

## **9. Payment and Conditions of Employment**

The work will be carried out in the consultant's place of employment with at least three visits to selected countries.

Regional  
Support for Cofinancing for Renewable Energy and Energy Efficiency (CORE)  
RG-T2480

**TERMS OF REFERENCE**

Dissemination and stakeholder engagement - Communication Plan

**1. Background**

Electricity generation in most countries in CA and CB depends on imported fuels (residual and diesel oil) and is vulnerable to high and volatile international oil prices. In CA, the power sector has contributed to the increase in oil consumption in the region due to a substantial increase in the participation of fossil fuels in the generation mix during the last decades (from 18% in 1990 to 42% in 2010), resulting in high generation costs. In CB, the cost of electricity generation is even higher because of imported fuels and system inefficiency due to the limited size of these isolated markets, making the region one of the regions with the highest electricity tariffs in the world (over US\$0.40/kWh).

To support the transformation of the energy sector in CA and CB, the Inter-American Development Bank (IDB) has established partnerships with multiple donor countries to set up financing facilities and make resources available to CA and CB for the financing of private and public sector projects in the areas of renewable energy (RE), energy efficiency (EE), and low carbon technologies.

On January 26th, at the Caribbean Energy Security Summit in Washington, D.C., the Prime Minister of the Republic of Trinidad and Tobago (GORTT), Kamla Persad-Bissessar, proposed the creation of a US\$ 1 billion dollar Caribbean Energy Fund for CARICOM Member States in partnership with the IDB and on February 19th, the IDB and the GORTT signed a Memorandum of Understanding (MOU) for the creation of the Energy Co-financing Facility for Caribbean Sustainability (ECFCS). The goal of the Multi-donor Facility is to support the transformation of the energy sector in the Caribbean to increase energy security, reduce vulnerability, increase competitiveness and foster economic growth and social wellbeing.

The Bank has also signed an MOU with Japan on January 14, 2011, and a Framework Agreement (FA) (GN-2656) on March 16, 2012, where the Cofinancing for Renewable Energy and Energy Efficiency (CORE) is established. CORE is a cofinancing mechanism between the Japan International Cooperation Agency (JICA) and the IDB to support CA and the CB countries in addressing high dependency on fossil fuels and the negative impact of climate change, by promoting RE and EE. As of March 2014, cumulative JICA commitments under the CORE exceeded US\$600 million; a US\$17 million JICA and a US\$35 million IDB loans were approved in 2013 and 2012 respectively for Nicaragua's National Sustainable Electrification and Renewable Energy Program (PNESER) III (NI-L1063); and a US\$645 million JICA loan was approved in 2013 for Costa Rica's Guanacaste Geothermal Program (CR-1070), establishing the CORE as an effective scheme for providing financing for the promotion of RE and EE.

As of the date of this document, countries and institutions eligible for funding under CORE are: Guatemala, El Salvador, Honduras, Nicaragua, Dominican Republic, Belize, Jamaica and Guyana,

Costa Rica, Panama, Suriname, Dominica, St. Lucia, St. Vincent and Grenadines, Grenada and the Caribbean Development Bank (CDB).

Either by developing regional infrastructure or interconnecting countries' electricity grids in some places, bundling carbon emissions reductions and purchases of RE and EE equipment, or sharing expertise and best practices across the region, integration efforts are well suited to address the dual challenge of climate change mitigation and the energy sector's overdependence on fossil fuels.

The **general objective** of the TC is to support the development of mechanisms to reduce dependency on fossil-fuels and to mitigate the negative impact of climate change in Central America (CA) and the Caribbean (CB) regions by promoting Cofinancing for Renewable Energy and Energy Efficiency (CORE) and facilitating countries' decision making and regional coordination regarding investments in energy efficiency and renewable energy.

## **2. Consultancy objective(s)**

The consulting services aim at designing and implementing a Stakeholder Communications Plan as well as advice governments in implementing the communications campaigns.

## **3. Main activities**

Under the supervision of the Team Leader, the Consultancy's activities include, but are not limited to, the following:

- Design a Stakeholder Communications Plan for CA and CB to engage multiple stakeholders and ensure their participation during the execution of the consultancies and activities that this TC entails; stakeholders include but are not limited to, energy ministries, energy regulators, utilities, the private sector, non-governmental organizations, and other donors
- Develop materials for Stakeholder outreach according to the Stakeholder Communications Plan
- Hold workshops with relevant stakeholders to present, discuss and disseminate the findings and results obtained during and from the execution of this TC;
- Develop a summary report with relevant Stakeholder feedback obtained in each of the stakeholder workshops and throughout the execution of the consultancy
- Liaise with and provide advice to governments in order to be able to implement the Stakeholder Communications Plan.

## **4. Reports / outputs**

- First deliverable: Inception Report; a report including the work plan for the consultancy
- Second deliverable: Stakeholder Communications Plan
- Third deliverable: Stakeholder Outreach Materials
- Fourth deliverable: Final Report – Stakeholder Feedback Report

[Every report must be submitted to the Bank in one electronic file. Report should include cover, main document, and all annexes. (Zip files won't be accepted as final reports, due to regulations from the Records Management Section)]

## **5. Supervision and Coordination**

- The supervision and coordination will be carried out by the Program Team Leader in the Energy Division of the IDB.

## **6. Characteristics of the consultancy**

- Consultancy Category & Modality: Firm Consultancy; Lump Sum
- Contract Duration: 12 months;
- Place(s) of work: external consultancy (consultant's place of work)

## **7. Schedule of payment**

Payments will be made as detailed below:

- 10% at the delivery and approval by the Bank of the Inception Report
- 30% at the delivery and approval by the Bank of the Stakeholder Communications Plan
- 30% at the delivery and approval by the Bank of the Stakeholder Outreach Materials
- 30% at the delivery and approval by the Bank of the Final Report – Stakeholder Feedback Report

## **8. Qualifications**

The work is expected to be carried out by an international consulting firm or association of international firms with, at least, 6 years of specific experience in: (i) communications and public outreach (particularly as it relates to the energy sector including energy efficiency and renewable energy), and (ii) public sector consulting.

The consultants comprising the team may be international or national and should include at least (i) one Communications Expert; (ii) one Energy Efficiency expert; and (iii) Renewable energy expert.

It is expected that all members of the team or consortium of firms should have a post graduate level degree (Masters or Ph.D.) in fields related to their area of expertise with a minimum of 10 years of experience in the field and, at least, 5 years of internationally recognized professional experience in communications regarding cutting edge technologies in general and renewable energy and energy efficiency in particular. Highly relevant and proved sector experience could in cases stand for in lieu of a post graduate degree.

## **9. Payment and Conditions of Employment**

The work will be carried out in the consultant's place of employment with at least three visits to selected countries.

Regional  
Support for Cofinancing for Renewable Energy and Energy Efficiency (CORE)  
RG-T2480

**TERMS OF REFERENCE**

Project Manager

1. Background

Electricity generation in most countries in CA and CB depends on imported fuels (residual and diesel oil) and is vulnerable to high and volatile international oil prices. In CA, the power sector has contributed to the increase in oil consumption in the region due to a substantial increase in the participation of fossil fuels in the generation mix during the last decades (from 18% in 1990 to 42% in 2010), resulting in high generation costs. In CB, the cost of electricity generation is even higher because of imported fuels and system inefficiency due to the limited size of these isolated markets, making the region one of the regions with the highest electricity tariffs in the world (over US\$0.40/kWh).

To support the transformation of the energy sector in CA and CB, the Inter-American Development Bank (IDB) has established partnerships with multiple donor countries to set up financing facilities and make resources available to CA and CB for the financing of private and public sector projects in the areas of renewable energy (RE), energy efficiency (EE), and low carbon technologies.

On January 26th, at the Caribbean Energy Security Summit in Washington, D.C., the Prime Minister of the Republic of Trinidad and Tobago (GORTT), Kamla Persad-Bissessar, proposed the creation of a US\$ 1 billion dollar Caribbean Energy Fund for CARICOM Member States in partnership with the IDB and on February 19th, the IDB and the GORTT signed a Memorandum of Understanding (MOU) for the creation of the Energy Co-financing Facility for Caribbean Sustainability (ECFCS). The goal of the Multi-donor Facility is to support the transformation of the energy sector in the Caribbean to increase energy security, reduce vulnerability, increase competitiveness and foster economic growth and social wellbeing.

The Bank has also signed an MOU with Japan on January 14, 2011, and a Framework Agreement (FA) (GN-2656) on March 16, 2012, where the Cofinancing for Renewable Energy and Energy Efficiency (CORE) is established. CORE is a cofinancing mechanism between the Japan International Cooperation Agency (JICA) and the IDB to support CA and the CB countries in addressing high dependency on fossil fuels and the negative impact of climate change, by promoting RE and EE. As of March 2014, cumulative JICA commitments under the CORE exceeded US\$600 million; a US\$17 million JICA and a US\$35 million IDB loans were approved in 2013 and 2012 respectively for Nicaragua's National Sustainable Electrification and Renewable Energy Program (PNESER) III (NI-L1063); and a US\$645 million JICA loan was approved in 2013 for Costa Rica's Guanacaste Geothermal Program (CR-1070), establishing the CORE as an effective scheme for providing financing for the promotion of RE and EE.

As of the date of this document, countries and institutions eligible for funding under CORE are: Guatemala, El Salvador, Honduras, Nicaragua, Dominican Republic, Belize, Jamaica and Guyana,

Costa Rica, Panama, Suriname, Dominica, St. Lucia, St. Vincent and Grenadines, Grenada and the Caribbean Development Bank (CDB).

Either by developing regional infrastructure or interconnecting countries' electricity grids in some places, bundling carbon emissions reductions and purchases of RE and EE equipment, or sharing expertise and best practices across the region, integration efforts are well suited to address the dual challenge of climate change mitigation and the energy sector's overdependence on fossil fuels.

The **general objective** of the TC is to support the development of mechanisms to reduce dependency on fossil-fuels and to mitigate the negative impact of climate change in Central America (CA) and the Caribbean (CB) regions by promoting Cofinancing for Renewable Energy and Energy Efficiency (CORE) and facilitating countries' decision making and regional coordination regarding investments in energy efficiency and renewable energy.

These Terms of Reference are for the Project Manager, in charge of the overall management, supervision and timely execution of the TC.

## 2. Consultancy objective(s)

The main objective of this consultancy is the effective implementation of the activities financed by the Technical Cooperation RG-T2480. To this end, the Project Manager will work under the supervision of the IDB Program Team Leader to ensure that the 3 components of the TC are implemented in a timely and effective way.

The specific objectives of this consultancy are the overall facilitation and coordination of the work of the external consultants (firms and individuals), the outreach and engagement of all relevant stakeholders (the various participating countries and their institutions, academia, the private sector, among others), and the dissemination of the activities and the results.

## 3. Main activities

Under the supervision of the Team Leader, the Project Manager activities include, but are not limited to, the following:

- Manage the execution of the components and activities
- Manage communication among different government agencies and stakeholders
- Manage communication with IDB and other donors involved in initiatives for promoting EE and RE in order to avoid duplication of work
- Develop, review and obtain approval as required for the Terms of Reference to implement the four components of this TC
- Share lessons learned with relevant stakeholders as well as the IDB;
- Any other specific task assigned by the Team Leader and pertinent to the implementation of this technical cooperation;

## 4. Reports / outputs

Guided by the scope of this consultancy and the general requirements of the program, the consultant will produce an indeterminate number of reports, reviews and other documents as they become necessary for the effective running of the initiatives. [Every report must be submitted to the Bank in one electronic file. Report should include cover, main document, and

all annexes. (Zip files won't be accepted as final reports, due to regulations from the Records Management Section))

#### 5. Supervision and Coordination

- The supervision and coordination will be carried out by the Program Team Leader in the Energy Division of the IDB.

#### 6. Characteristics of the consultancy

- Consultancy Category & Modality: Individual Consultant; part-time
- Contract Duration: 12 months, to be extended once for another 12 months based on performance.
- Place(s) of work: Participating Caribbean or Central American country (To be Defined)
- Language: The consultant must be fluent in English and Spanish.

#### 7. Qualifications:

- The consultant must have an advanced degree in Energy, Science, Education, Political Science, Economics, Public Policy, Management or a related discipline.
- The consultant must have relevant experience in program program/project management including project analysis and design, implementation, monitoring, evaluation and reporting; the consultant's experience should include work in areas that are relevant to the technical cooperation.
- Additionally, the following areas of experience will strengthen the application:
  - i. Program/project management and execution of regional Technical Cooperations;
  - ii. Experience leading teams;
  - iii. Experience working with the public sector on issues such as renewable energy and energy efficiency;
  - iv. Experience coordinating regional infrastructure development projects;
  - v. Knowledge and experience implementing projects funded by multilateral institutions.
- Technical and other skills:
  - i. Excellent communication skills are essential for this position. These should include skills in public speaking, face-to-face interaction, and the writing of material relevant for public-private events as well as publications;
  - ii. Strong planning, organization and time management skills to function in a team and contribute towards a common goal;
  - iii. Ability to manage multiple tasks;
  - iv. Capacity to explain unfamiliar concepts in easily understandable terms to mid- and high-level government officials as well as other stakeholders;
  - v. Ample familiarity with Microsoft Office and software tools for the management of projects;
  - vi. Proven track record in the definition, discussion, supervision and implementation of technical cooperation projects involving a diversity of stakeholders; and
  - vii. Familiarity with the Inter-American Development Bank (IDB) and knowledge of the IDB organization as well as instruments and procedures for approval and administration of projects.

#### 8. Expected deliverables and Payment:

The Consultant will be paid in equal monthly installments based on his/her delivering of a monthly progress report.



9. Payment and Conditions of Employment: The work will be carried out in the Caribbean or Central America, exact location to be determined. Candidate will be responsible for employment visa requirements of the country in which work is to be performed.

Consanguinity: Individuals with relatives working for the IDB within, and including the fourth degree of consanguinity and the second degree of affinity are not eligible for employment as staff, consultants, or contractors through firms or agencies. Candidates must be citizens of a member country of the Inter-American Development Bank

Regional

PROCUREMENT PLAN FOR NON-REIMBURSABLE TECHNICAL COOPERATIONS										
Countries: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Dominican Republic, Belize, Jamaica, Guyana, Suriname						Executing agency: IDB		Public or private sector: Public		
Project number: RG-T2480						Title of Project: Support for Cofinancing for Renewable Energy and Energy Efficiency (CORE)				
Period covered by the plan: From March 2015 to February 2017										
Threshold for ex-post review of procurements: n/a						Goods and services (in US\$)		Consulting services(in US\$): 875,000		
Item Nº	Ref. AWP	Description (1)	Estimated contract cost (US\$)	Procurement Method (2)	Review of procurement (ex-ante or ex-post) (3)	Source of financing and percentage		Estimated date of the procurement notice or start of the contract	Technical review by the PTL (4)	Comments
						IDB/FIRII %	Local/other %			
<b>1. Consultancies with firms</b>										
1.1		<b>Component 1 Baseline and RE and EE potential survey</b> Consulting services from a firm/entity/consortium to carry out activities related with researching current work being done by IDB and other donors in EE and RE for each of the beneficiary countries, identifying progress made in assessing EE and RE potential and baselines, proposing a list of countries that have yet to develop those studies and identifying an Energy Efficiency (EE) and Renewable Energy (RE) list of potential projects in the beneficiary countries	440,000	QBS	Ex-post	100%	0%	Q3 2015	N/A	
1.2		<b>Component 2 Pre-investment studies for Prioritized Projects</b> Consulting services from a firm/entity/consortium to develop pre-investment studies for all EE and RE Prioritized Projects evaluating technical, economic, social and environmental feasibility.	330,000	QBS	Ex-post	100%	0%	Q2 2017	N/A	
1.3		<b>Component 2 SIEPAC Integration feasibility study</b> An individual with qualifications to develop pre-investment studies for projects in the pipeline involving physical integration between countries; activities include an evaluation of the benefits and synergies obtained through a regional integration approach rather than a country-based one in addition to evaluating technical, economic, social and environmental feasibility.	110,000	QBS	Ex-post	100%	0%	Q2 2015	N/A	
1.4		<b>Component 3 Development of action plans for capacity building, institutional strengthening and coordination</b> Consulting services from a firm/entity/consortium to develop a capacity building, institutional strengthening and coordination action plans that will include actions both at the national and regional levels.	100,000	QBS	Ex-post	100%	0%	Q2 2017	N/A	
1.5		<b>Component 4 Dissemination of findings and stakeholder engagement</b> Consulting services from a firm/entity/consortium to design a stakeholder engagement plan and the communications campaigns necessary to deploy it	55,000	QBS	Ex-post	100%	0%	Q3 2016	N/A	
<b>2. Individual consultancies</b>										
2.1		<b>Project Manager</b> An individual with qualifications to perform as the Project Manager for the program during its four years of implementation.	115,000	IICQ	Ex-post	100%	0%	Q2 2015	N/A	
Total			\$1,150,000	Prepared by: H. Cova/C.Gonzalez Torres			Date: December 14, 2014			
(1) Grouping together of similar procurement is recommended, such as computer hardware, publications, travel, etc. If there are a number of similar individual contracts to be executed at different times, they can be grouped together under a single heading, with an explanation in the comments column indicating the average individual amount and the period during which the contract would be executed. For example: an export promotion project that includes travel to participate in fairs would have an item called "airfare for fairs", an estimated total value od US\$5,000, and an explanation in the Comments column: "This is for approximately four different airfares to participate in fairs in the region in years X and X1".										
(2) <b>Goods and works:</b> CB: Competitive bidding; PC: Price comparison; DC: Direct contracting.										
(2) <b>Consulting firms:</b> CQS: Selection Based on the Consultants' Qualifications; QCBS: Quality and cost-based selection; LCS: Least Cost Selection; FBS: Selection nder a Fixed Budget; SSS: Single Source Selection; QBS: Quality Based selection.										
(2) <b>Individual consultants:</b> IICQ: International Individual Consultant Selection Based on Qualifications; SSS: Single Source Selection.										
(3) <b>Ex-ante/ex-post review:</b> In general, depending on the institutional capacity and level of risk associated with the procurement, ex-post review is the standard modality. Ex-ante review can be specified for critical or complex process.										
(4) <b>Technical review:</b> The PTL will use this column to define those procurement he/she considers "critical"or "complex"that require ex ante review of the terms of reference, technical specifications, reports, outputs, or other items.										