

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	Bahamas/CCB
▪ TC Name:	Supporting the Implementation of the Electricity Act in The Bahamas
▪ TC Number:	BH-T1064
▪ Team Leader/Members:	Masson, Malaika Ebony Anietia (INE/ENE) Team Leader; Paredes, Juan Roberto (INE/ENE) Alternate Team Leader; Castaneda, Mario Ricardo (VPC/FMP); Roberts, Syreta (CCB/CBH); Small, Charlene Marie (INO/SMC); Correa Poseiro, Cecilia (INE/ENE); Pavon, Fernando Yitzack (SCL/LMK); Seminario, Ana Cecilia (ITE/ITE); Hennig, Betina Tirelli (LEG/LEG); Bethel, Natalie Ariel (CCB/CBH); Bonifaz Urquizu, Jeanette (INE/ENE)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	May 03, 2018
▪ Beneficiary:	The Bahamas Ministry of Works
▪ Executing Agency:	Inter-American Development Bank
▪ IDB funding requested:	US\$450,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	30 months
▪ Types of consultants:	Individual consultants; Consulting Firms
▪ Prepared by Unit:	Energy Division (INE/ENE)
▪ Unit of Disbursement Responsibility:	Country Office Bahamas
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation; Institutional capacity and rule of law; Climate change

II. Objective and Justification

- 2.1 The general objective of this Technical Cooperation (TC) is to support the Government of the Bahamas (GoBH) to strengthen its capacity to achieve a transition to the implementation of safe, least costly, reliable and environmentally sustainable electricity that will positively impact on the economy and social welfare as stated on the Electricity Act (EA) and National Energy Policy (NEP). The support package will provide the GoBH with a centralized unit that will review and coordinate with energy stakeholders (BPL, URCA, MOW, MOE), consolidate decisions to improve planning, develop and implement managerial tools, engage with other energy sector actors and apply policy actions aiming at implementing the EA.
- 2.2 The Bahamas ranks lowest in the region for RE penetration, suffers from a high fuel import bill (7% of GDP), high and volatile electricity prices, as well as a large and financially challenged utility, Bahamas Power and Light (BPL), which experiences frequent power outages and elevated system losses. Additionally, in recent years, The Bahamas has suffered of strong natural disasters that impacted its GDP and energy sector underlining the need to plan for more resilient energy infrastructure. To begin to address these challenges and opportunities, in March 2015, the Electricity Act of 1956 was amended to allow for renewable energy self-generation (RESG), which allows for individuals to supply to the national grid, though the option of Grid-Tied RE systems remains pending. In January 2016, the Utilities Regulation and Competition Authority (URCA) effectively became the new independent regulator of the electricity sector.

However, the sustainable energy landscape within Bahamas continues to be constrained by policy and data gaps, and lacks the resources (financial and human) that are necessary for implementing the robust administrative and governance arrangements that are necessary for effective implementation and coordination of efforts. The overarching vision has set ambitious targets for the use of RE, but there is a lack of concrete mechanisms to achieve these targets, including integrated energy planning to assist GOBH achieve its goals as articulated in the EA and NEP. This TC is aligned with the Country's priority areas established in the Country Strategy 2018-2022. It aims to increase the contribution of clean energy sources such as photovoltaics and LNG by strengthening the institutional capacity to regulate and modernize the energy sector will contribute to resilient infrastructure by enhancing the capacity for coordination between public and private sectors.

III. Description of Activities and Outputs

- 3.1 **Component I: Energy Forum and Action Plan.** Although the Electricity Act lays out the roles and responsibilities of selected actors, its implementation has been delayed due to poor coordination and lack of adequate definition of roles and tasks. This component will support the delivery of an Energy Forum facilitated by an independent mediator to strengthen coordination, trust-building and consensus among key energy stakeholders and to outline an Action Plan in line with key policy goals articulated in the NEP/EA. The Action Plan will bring GOBH closer to achieving its RE targets, clarifying the processes and roles and responsibilities of key stakeholders.
- 3.2 **Component II: Building Capacity for Energy Planning.** This component will support the contracting of technical experts to coordinate policy priorities, ensure plans are aligned with government policies, monitor and control the development of certification, codes, guidance and regulations for the introduction of RE, LNG and Energy Efficiency (EE) to support the NEP/EA implementation. The Action Plan will serve as the basis for activities to be prioritized by the Energy Planning Unit (EPU). The output of this component will be the submission of (i) report on alignment of the Integrated Resource Plan (IRP), to be executed by BPL, with the government policies; (ii) report on the results of monitoring of technical standards and building codes elaboration for renewable energy integration; (iii) report on the results of monitoring and controlling the regulation development for the efficient electrical integration. In collaboration with the Universities, the EPU under the guidance of the Ministry of Public Works, will incorporate a shadow management/apprenticeship with University engineering students to ensure that energy planning skills and experience are retained locally.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component I: Energy Forum and Action Plan	\$ 60,000.00	\$ 0.00	\$ 60,000.00
Component II: Building Capacity for Energy Planning	\$ 390,000.00	\$ 0.00	\$ 390,000.00
TOTAL	\$ 450,000.00	\$ 0.00	\$ 450,000.00

V. Executing Agency and Execution Structure

- 5.1 The Inter-American Development Bank (IDB), through The Bahamas country office will carry out the execution of the TC. Malaika Masson (ENE/CJA), based in Jamaica, will be the Team Leader and will be supported by the Energy Division (INE/ENE) team based in Washington D.C.

- 5.2 The Ministry of Works has expressed its interests in IDB being the executing agency considering the Bank's experience on the topic and weak coordination currently between public and private energy institutions.

VI. Project Risks and Issues

- 6.1 The main risks associated with this TC are the sustainability of the unit after its complete disbursement as resources considered are time limited. To mitigate this risk, the TC will establish a university apprenticeship program. Apprentices will shadow the Planning Unit experts gaining expertise on energy planning that will increase the country's knowledge. Additionally, the contracted consultants will have in their TOR activities related to supporting the sustainability of the unit from a governance perspective. Other risk is linked to possible problems on contents and delays on the elaboration of the products that will be supervised and guided by the Energy Planning Unit but executed and managed by a third party. These risks can be mitigated by involving the Energy Planning specialists from the beginning of the process, by considering their participation in the development of the Terms of Reference for the projects' execution and in the monitor and control of the products' preparation. The specialists should hold regular meetings and develop situation evaluations to discuss the progress of the products. Another identified risk is related to potential delays and problems during the elaboration of the Action Plan, as it requires the involvement and coordination of multiple actors (URCA, BPL, MoE, MoW). The proposed mitigation action encompasses the selection of a third-party experienced consultant for the organization of the forum, coordination with the different stakeholders and elaboration of the Action Plan. Furthermore, the Energy Planning Unit specialists will participate on the elaboration of the Terms of Reference for selecting the third-party consultant and monitor and control its development.

VII. Environmental and Social Classification

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