

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	JAMAICA/CCB - Caribbean Group
▪ TC Name:	Sustainable Transport and Renewable Energy-Powered Electromobility Support to Jamaica
▪ TC Number:	JA-T1172
▪ Team Leader/Members:	MASSON, MALAIKA EBONY ANIETIA (INE/ENE) Team Leader; FOOK, ALANA KIMLIN (SRE/YPP) Alternate Team Leader; PERSAUD, CHRISTOPHER (INE/TSP) Alternate Team Leader; MADRIGAL MARTÍNEZ, MARCELINO (INE/ENE) Alternate Team Leader; TAYLOR, ALICIA (INO/IEN); SEGREE, TERRY-ANN SHARLENE; SEMINARIO, ANA CECILIA (ITE/ITE); BONZI TEIXEIRA, AUGUSTO CESAR (INE/ENE); LEFEVRE, BENOIT JEAN MARIE (CSD/CCS); PAREDES, JUAN ROBERTO (INE/ENE); ROBBERECHTS, ELIZABETH M. (INO/IEN); BLAIR, SUDANEY (CCB/CJA); HERRERA, RENE (VPC/FMP); JAINAUTH-UMRAO, NAVEEN (VPC/FMP); PEREZ JARAMILLO, DANIEL (INE/TSP); CENTENO LAPPAS, MONICA CLARA ANGELICA (LEG/SGO); SUBER, STEPHANIE ANNE (INE/ENE)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	17 May 2019
▪ Beneficiary:	Government of Jamaica
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$500,000.00
▪ Local counterpart funding:	US\$65,000.00 (In Kind)
▪ Disbursement period:	30 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	Energy
▪ Unit of Disbursement Responsibility:	Country Office Jamaica
▪ 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

II. Objective and Justification

- 2.1 The general objective of this TC is to provide support to the Government of Jamaica (GoJ) as it takes concrete steps to encourage early adoption of electric vehicles and promote renewable energy (RE) investments that reduce the cost of electricity and curtail carbon emissions in the transport sector. The specific objectives of this TC are to: (i) establish an Electromobility Strategic Framework for Jamaica; (ii) recommend a fiscal regime to support Electromobility; (iii) recommend appropriate standards, regulation and tariff structure for electric charging infrastructure; (iv) provide inputs towards a National Emissions Policy; (v) provide recommendations for the electrification of public sector fleet; (vi) support training and communications; (vii) support Electromobility coordination with other donors and the private sector; and (viii) support international and regional dialogue and visibility of Jamaica's efforts on Electromobility and other energy and climate change initiatives

- 2.2 Over the past decade, Jamaica has made significant progress in diversifying its energy matrix, installing more than 145 MW of Renewable Energy (RE) capacity and increasing RE penetration from 5% of installed capacity in 2009 to around 17% by the end of 2019 for a total of nearly 190 MW. However, the country needs to act quickly to stem the growing demand for fossil fuels from the transport sector. In 2016, Jamaica imported approximately 20m barrels of oil equivalent (BOE) of fossil fuels, with nearly half of those imports consumed by the transport and electricity sectors (Road and Rail 6.4m BOE/Electricity 5.6m BOE). New and used internal combustion engine (ICE) vehicle purchases contribute significantly to the growing demand for fossil fuels in Jamaica, while the trade deficit threatens to undermine the country's socioeconomic and environmental objectives. With every new batch of imported ICE vehicle, Jamaica's reliance on fuel imports is reinforced, ensuring a growing demand for petroleum products throughout the vehicle lifecycle. Though global trends in Electric Vehicles (EV) sales suggest a market-driven transition away from ICE vehicles and towards battery electric vehicles (BEVs) is inevitable and already well underway in many countries, the electric mobility ecosystem is incipient in Jamaica and no stakeholder has a clear incentive to be the first to act and confront high up-front costs without certainty about how soon those investments can be recovered. Every year the crossover point, when EVs become cheaper than ICE vehicles gets closer and it is now estimated that price parity on certain models will be in 2022. Notwithstanding these projections, the up-front cost of BEV ownership is still high relative to ICE vehicles which represents an opportunity to implement innovative financing arrangements that make BEVs more accessible to larger share of the driving public. The development of an electromobility framework and ecosystem creates a path to decarbonize transport and requires coordinated actions and investment by stakeholders in the public and private sectors to overcome these obstacles. The enabling environment - that includes a clear strategic framework, fiscal incentive system, standards and a regulatory/tariff framework for charging infrastructure, together with fleet assessments and awareness raising and outreach to domestic and international stakeholders - can help position Jamaica to respond to the opportunities offered by electromobility, preventing the country becoming more of dumping ground for dated and inefficient ICE vehicles.

III. Description of Activities and Outputs

3.1

- 3.2 **Component I: Development of an Electromobility Strategic Framework and Regulatory Support.** This component will support a National Electromobility Strategic Framework, a fiscal regime, standards and regulatory/tariff structure for electric charging infrastructure and inputs to a National Emissions Policy, Consultations and knowledge exchange with innovative charging-technology suppliers

- 3.3 **Component II: Public Sector Fleet Assessments.** This component will provide public fleet assessments and procurement strategy for the electrification of at least 3 public agency fleets and associated charging infrastructure

- 3.4 **Component III: Training and Communications.** This component will support at least one communications campaign and at least one training event to sensitize stakeholders and the general public to the Jamaica Electromobility Programme and the benefits of replacing internal combustion engine vehicles with EVs powered by renewable energy

- 3.5 **Component IV: Programme Coordination, Monitoring and Evaluation.** This component will support a project coordinator to ensure seamless project implementation between government agencies, private sector and donor entities on Electromobility in Jamaica

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component I: Development of an Electromobility Strategic Framework and Regulatory Support	US\$220,000.00	US\$30,000.00	US\$250,000.00
Component II: Public Sector Fleet Assessments	US\$150,000.00	US\$0.00	US\$150,000.00
Component III: Training and Communications	US\$50,000.00	US\$0.00	US\$50,000.00
Component IV: Programme Coordination, Monitoring and Evaluation	US\$80,000.00	US\$35,000.00	US\$115,000.00
Total	US\$500,000.00	US\$65,000.00	US\$565,000.00

V. Executing Agency and Execution Structure

- 5.1 This Technical Cooperation will be executed jointly by the IDB's Energy (ENE) and Transport (TSP) divisions by hiring individual consultants and consulting firms that will support the GoJ (Ministry of Science, Energy and Technology [MSET] the Ministry of Transport and Mining [MTM] and the Ministry of Economic Growth and Job Creation [MEGJC]) in developing a Strategic Framework for Electromobility in Jamaica and enabling environment support including raising awareness activities to catalyze private sector investments and further work on Electromobility in Jamaica.
- 5.2 The Energy Division and the Transport Division will execute this Technical Cooperation in concert given it has been designed to benefit multiple GoJ agencies under various ministries, donor as well as private sector entities involved in the development of the electromobility ecosystem in Jamaica. The participation of private sector entities will encourage the sustainability of the interventions by virtue of their economic merit and ensure these interventions are market-driven, easily replicated and sustainable.

VI. Project Risks and Issues

- 6.1 Risks relate to capacity within government agencies to coordinate energy, transport and fiscal objectives/incentives with potentially disparate timetables and coordination capacity as well as limited coordination with the private sector who will provide the underlying infrastructure. Other risks relate to supply chain constraints of the rapidly developing EV market and unforeseen issues related to EV battery and charging technology applied for the first time in the Jamaican context.

VII. Environmental and Social Classification

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