



LEG/SGO/CCB-40113373

The Honorable Michael Halkitis, M.P.  
Minister of State for Finance  
Ministry of Finance  
Cecil Wallace Whitfield Centre  
Nassau, The Bahamas

Re: ATN/OC-15218-RG. Non-reimbursable  
Technical Cooperation for the Encouraging the  
Deployment of Sustainable Energy in the  
Caribbean Program

Dear Honourable Minister Halkitis:

This letter of agreement (the “Agreement”) between the Commonwealth of The Bahamas (the “Beneficiary”) and the Inter-American Development Bank (the “Bank”), acting in its capacity as Administrator of the Sustainable Energy and Climate Change Initiative Fund, is to formalize the granting of resources from a non-reimbursable technical cooperation (the “Technical Cooperation”) to the Beneficiary for support in the preparation of the Encouraging the Deployment of Sustainable Energy in the Caribbean Program (the “Program”). The terms of this Technical Cooperation are included in the Plan of Operations, which is attached as the Annex and which forms an integral part of this Agreement. The principal aspects of this operation are the following:

ATN/OC-15218-RG

1. The Bank shall expend from the resources of the Technical Cooperation an amount of one hundred thousand dollars of the United States of America (US\$100,000), or its equivalent in other convertible currencies, (the "Contribution") to directly pay suppliers of goods, on behalf of the Beneficiary, to provide and install inverters for photovoltaic systems in The Bahamas, in support of pilot programs using Renewable Energy, as described in Component II of the Annex. The Contribution is granted on a non-reimbursable basis. Unless otherwise stated in this Agreement, the term "dollars" shall hereinafter refer to the currency of legal tender of the United States of America.
2. The Beneficiary, through the Ministry of Environment, undertakes to carry out the procurement of the goods part of the pilot programs using Renewable Energy technology included in Component 2, in accordance with the Bank's procurement policies and procurement plan approved by the Bank, and to supervise the installation and operation of the systems, as described in the Annex. The Beneficiary represents that it is aware of the Bank's procurement policies. The procurement and execution of the remaining activities pertaining to the Program will be carried out by the Bank.
3. The execution and disbursement period of the Program shall be eight (8) months, from the effective date of this Agreement. Any part of the Contribution which has not been utilized within this period shall be canceled. The aforementioned deadlines and any others that may be stipulated in this Agreement may be extended, when duly justified, with the written consent of the Bank.
4. During the execution of the Program, the goods referred to in paragraph one above shall be used exclusively for the execution of the Program. Following the completion of the execution of the Program, such goods may be used for other purposes. The goods included in the Program shall be adequately maintained according to generally accepted technical standards, at a level compatible with the services that they should provide.
5. The Bank may suspend disbursements if, in accordance with the Bank's sanctions procedures, it is determined at any stage that an employee, agent or representative of the Beneficiary has committed a prohibited practice during the procurement process or during the execution of a contract; and cancel the undisbursed portion of the Contribution pertaining unequivocally to the procurement of goods, if it determines at any time that the procurement was carried out without following the procedures set forth in this Agreement; or in accordance with the Bank's sanctions procedures, it is determined that any firm, entity or individual bidding for or participating in a Bank-financed activity has committed a Prohibited Practice during any stage of procurement or during the execution of a contract, when there is evidence that the representative of the Beneficiary has not taken the appropriate corrective action (including, among other things, adequate notice to the Bank upon learning of the Prohibited Practice) within a time period which the Bank considers reasonable.

6. For the purposes of this Agreement, a Prohibited Practice shall be understood to include the following practices: (i) a “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party; (ii) a “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation; (iii) a “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; (iv) a “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party; and (v) an “obstructive practice” is: (aa) deliberately destroying, falsifying, altering or concealing evidence material to the investigation or making false statements to investigators in order to materially impede a Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided in this Agreement.
7. If it is demonstrated that in accordance with the sanctions procedures of the Bank any firm, entity or individual bidding for or participating in a Bank-financed activity has engaged in a Prohibited Practice, during any stage of the procurement process or during the execution of a contract, the Bank may:
  - (i) decline to finance any proposal to award a contract for the procurement of goods, related services;
  - (ii) declare a procurement ineligible for Bank financing, when there is evidence that the representative of the Beneficiary has not taken the adequate remedial measures (including, among other things, adequate notice to the Bank upon learning of the Prohibited Practice) within a time period which the Bank considers reasonable;
  - (iii) issue a reprimand in the form of a formal letter of censure of the firm’s, entity’s or individual’s behavior;
  - (iv) declare that a firm, entity, or individual is ineligible, either permanently or for a stated period of time, to (aa) be awarded or participate in Bank-financed activities, and (bb) be designated sub-consultant, sub-contractor, or goods and services supplier of an otherwise eligible firm being awarded a contract to execute Bank-financed activities;
  - (v) refer the matter to appropriate law enforcement authorities; and/or
  - (vi) impose other sanctions that it deems to be appropriate under the circumstances,

including the imposition of fines representing reimbursement of the Bank for costs associated with investigations and proceedings.

8. The provisions shall be applicable in cases where the parties have been declared temporarily ineligible for the award of new contracts pending a final decision of a sanction proceeding, or otherwise.
9. The imposition of any measure to be taken by the Bank pursuant to the provisions referred to above may be public.
10. Any firm, entity or individual bidding for or participating in a Bank-financed activity may be subject to sanctions pursuant to agreements that the Bank may have with other international financing institutions regarding the mutual enforcement of debarment decisions. For purposes of this paragraph the term "sanction" shall mean any debarment, conditions on future contracting or any publicly-disclosed action taken in response to a violation of an international financing institution applicable framework for addressing allegations of Prohibited Practices.
11. For the solution of any controversy which may arise hereunder and which is not resolved by agreement of the parties, said parties shall unconditionally and irrevocably submit to the following arbitration procedure and award:
  - (a) **Composition of the Tribunal.** The Arbitration Tribunal shall be composed of three (3) members, to be appointed in the following manner: one by the Bank, another by the Beneficiary, and a third, hereinafter called the "Referee", by direct agreement between the parties or through their respective arbitrators. If the parties or the arbitrators fail to agree on who shall be the Referee, or if one of the parties fails to appoint the arbitrator, the Referee shall be appointed, at the request of either party, by the Secretary General of the Organization of American States. If either of the parties fails to appoint an arbitrator, he or she shall be appointed by the Referee. If either of the appointed arbitrators or the Referee is unwilling or unable to act or to continue to act, his or her successor shall be appointed in the same manner as for the original appointment. The successor shall perform the same functions and shall have the same powers as his or her predecessor.
  - (b) **Initiation of the Procedure.** In order to submit the controversy to arbitration, the claimant shall address to the other party a written communication setting forth the nature of the claim, the satisfaction or compensation sought, and the name of the arbitrator it has appointed. The party receiving such communication shall, within forty-five (45) days, notify the adverse party of the name of the person it has appointed as arbitrator. If, within thirty (30) days after delivery of such notification to the claimant, the parties have not agreed upon the person who is to

act as Referee, either party may request the Secretary General of the Organization of American States to make the appointment.

- (c) **Convening of the Tribunal.** The Arbitration Tribunal shall be convened in Washington, District of Columbia, on the date designated by the Referee and, once convened, the Tribunal itself shall decide when it shall meet.
- (d) **Procedure.**
  - (i) The Tribunal shall be competent only to hear the matter in controversy. It shall adopt its own procedures and may on its own initiative designate whatever experts it considers necessary. In any case, it shall give the parties the opportunity to make oral presentations.
  - (ii) The Tribunal shall proceed ex aequo et bono, basing itself on the terms of this Agreement, and shall issue an award even if either party should fail to appear or to present its case.
  - (iii) The award shall be in writing and shall be adopted with the concurrent vote of at least two of the members of the Tribunal. It shall be handed down within sixty (60) days from the date on which the Referee has been appointed, unless the Tribunal determines that, due to special and unforeseen circumstances, such period should be extended. The parties shall be notified of the award by means of a communication signed by at least two members of the Tribunal. The parties agree that any award of the Tribunal shall be complied with within thirty (30) days from the date of notification and it shall be final and not be subject to any appeal.
- (e) **Costs.** The fees of each arbitrator shall be paid by the party which appointed him or her and the fees of the Referee shall be paid by both parties in equal proportion. Prior to the convening of the Tribunal, the parties shall agree on the remuneration of any other person who by mutual agreement, they deem should participate in the arbitration proceedings. If such agreement is not reached in a timely manner, the Tribunal itself may determine the compensation that is reasonable for such person under the circumstances. Each party shall defray its own expenses in the arbitration proceedings but the expenses of the Tribunal shall be divided and borne equally by both parties. Any doubt regarding the division of expenses or the manner in which they are to be paid shall be determined, without appeal, by the Tribunal.
- (f) **Notification.** All notifications regarding the arbitration proceeding or the award shall be made in the manner provided in this Article. The parties expressly waive any other form of notification.

12. The Beneficiary undertakes to notify the Bank, in writing, within a maximum period of ten (10) working days from the date of signature of this Agreement, whether it considers this Agreement to contain information that may qualify as an exception to the principle of disclosure of information under the Access to Information Policy of the Bank, in which case the Beneficiary undertakes to identify such information in the relevant provisions of the Agreement. In accordance with the aforementioned policy, the Bank will make available on its “Web” page the text of this Agreement once it has entered into effect and the aforementioned period has expired, excluding only that information which the Beneficiary has identified as an exception to the principle of disclosure of information under this policy.

Please confirm your acceptance of the terms and conditions of this Agreement, in representation of the Beneficiary, by signing and returning one original to the Bank’s Country Office in The Bahamas.

This Agreement shall be signed in two (2) originals of equal tenor by duly authorized representatives, and will enter into force on the date of its signature by the Beneficiary.

/s/

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Maria Florencia Attademo-Hirt  
Representative of the Bank in The Bahamas

AGREED:

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The Honourable Michael Halkitis  
Minister of State for Finance

Date: 9 March 2016

## ANNEX

### TC Document

#### I. Basic Information for Technical Cooperation

▪ <b>Country/Region:</b>	Regional	
▪ <b>TC Name:</b>	Encouraging the Deployment of Sustainable Energy in the Caribbean	
▪ <b>TC Number:</b>	RG-T2260	
▪ <b>Team Leader/Members:</b>	Christiaan Gischler (INE/ENE) Team Leader; Shohei Tada (INE/ENE) Co-Team Leader; Adriana Valencia (INE/ENE); Camila Gonzalez (INE/ENE); Sara Valero Freitag (INE/CCS); Betina Hennig (LEG/SGO); and Stephanie Suber (INE/ENE)	
▪ <b>Indicate if: Operational Support, Client Support, or Research &amp; Dissemination.</b>	Client Support (CS)	
▪ <b>Date of TC Abstract authorization:</b>	June 03, 2015	
▪ <b>Beneficiary (countries or entities which are the recipient of the technical assistance):</b>	CARICOM Secretariat, Caribbean Development Bank, Barbados, The Bahamas, Jamaica, Trinidad and Tobago, Suriname, Guyana, Belize and Haiti	
▪ <b>Executing Agency</b>	Inter-American Development Bank (IDB), through the Energy Division (INE/ENE) and Ministry of Environment of The Bahamas	
▪ <b>IDB Funding Requested:</b>	IDB (Sustainable Energy and Climate Change Initiative(SCI) Fund):	US\$1,000,000
▪ <b>Other donors providing parallel funding:</b>	German Government, through its Agency for International Cooperation <sup>1</sup> (GIZ):	US\$550,000
	Japan International Cooperation Agency (JICA):	US\$716,000
▪ <b>Local counterpart funding, if any:</b>	CARICOM Secretariat:	US\$325,000
▪ <b>Disbursement period (which includes execution period):</b>	48 months	
▪ <b>Required start date:</b>	September 2015	
▪ <b>Types of consultants (firm or individual consultants):</b>	International consulting firm and individual consultants	
▪ <b>Prepared by Unit:</b>	Energy Division (INE/ENE)	
▪ <b>Unit of Disbursement Responsibility:</b>	Energy Division (INE/ENE)	
▪ <b>Included in Country Strategy (y/n);</b>	n/a.	
▪ <b>TC included in CPD (y/n):</b>	n/a.	
▪ <b>GCI-9 Sector Priority:</b>	The project will contribute to the goals of: (i) assisting borrowers in dealing with climate change; (ii) regional integration; and (iii) supporting development in small and vulnerable countries	

#### II. Justification and Objectives of the TC

- 2.1 The Caribbean region, except for Trinidad and Tobago, depends heavily on expensive imported liquid fossil fuels for electricity generation. With the highest electricity tariffs in the world, the region faces a difficult macro-fiscal situation (an environment of stagnant growth, high public debt and no fiscal space). Lowering energy costs would have an impact on growth, directly through fiscal accounts and lower fuel import bills, but also indirectly through lower production costs (lower electricity bills) for the private sector. The Caribbean Community (CARICOM) nations<sup>2</sup> have the opportunity to do this by developing the potential for Energy Efficiency (EE) measures and Renewable Energy (RE) generation.

<sup>1</sup> Deutsche Gesellschaft für Internationale Zusammenarbeit.

<sup>2</sup> Information on the energy sector of CARICOM member states can be found in the following links by country ([Barbados](#), [The Bahamas](#), [Jamaica](#), [Trinidad and Tobago](#), [Suriname](#), [Guyana](#), [Belize](#), [Haiti](#), [Antigua & Barbuda](#), [Dominica](#), [Grenada](#), [Saint Kitts and Nevis](#), [Saint Lucia](#), and [Saint Vincent and the Grenadines](#))

- 2.2 In 2013, the CARICOM nations approved CARICOM's Energy Policy<sup>3</sup> (CEP) and established regional targets for RE penetration in their energy systems<sup>4</sup>. These targets were set as part of the broader IDB supported Caribbean Sustainable Energy Roadmap and Strategy (C-SERMS)<sup>5</sup>, which provides a strategic framework for the implementation of the Sustainable Energy (SE)<sup>6</sup> dimensions of CEP. Additionally, Caribbean countries recently took a united position on climate change when the "Appel de Fort-de-France" was released on behalf of all Caribbean nations<sup>6</sup>. Finally, CARICOM countries are currently preparing their Intended Nationally Determined Contributions (INDC) under the United Nations Framework Convention on Climate Change (UNFCCC) identifying future actions they would like to implement towards reducing Greenhouse Gas (GHG) emissions in various sectors, including energy and transport, and defining nationally agreed targets in terms of emissions reductions.
- 2.3 While C-SERMS studies also recommended setting a target for a long term energy intensity reduction of 33% by 2027 to be accomplished through EE improvements, this target has not yet been officially agreed upon and adopted by member countries. It is expected however, that regional EE targets and member state-specific targets for both RE and EE penetration will be further assessed, discussed and adopted within CARICOM Secretariat.
- 2.4 The passage of the CEP demonstrates the region's understanding that a coordinated effort to addressing regional energy challenges offers significant advantages. In this regard the CEP states that "the economies and energy markets of most CARICOM Member States are too small for common problems and issues to be addressed on 'country-alone' basis. Therefore, the focus of this CEP is based on the principle of 'Collective Approach and Cooperation' particularly where synergies could be attained to achieve a radical transformation of the regional energy sector consistent with the Goal and Vision of this Policy."<sup>7</sup>
- 2.5 **RE potential in the Caribbean:** RE plays a relatively minor role in the region despite the significant potential that exists in many of the Caribbean countries to develop it. Existing RE assessments demonstrate significant potential for development and deployment of renewables in the CARICOM region, including base-load technologies such as biomass<sup>8</sup>, waste to energy, geothermal<sup>9</sup>, hydropower<sup>10</sup>, and ocean energy, and intermittent technologies such as solar, and wind. Most technologies are already being used throughout the region, although far from their full potential. A [summary of RE potential](#) in the region is part of the document [C-SERMS Phase 1 Summary and Recommendations for Policymakers](#) produced by Worldwatch Institute.
- 2.6 **EE potential in the Caribbean.** EE measures can be deployed across main economic sectors in the Caribbean to reduce energy demand and in doing so reduce the economic, social, and environmental costs of energy. By reducing electricity demand by one unit because of efficiency measures, the system typically saves more than one unit of produced energy because of avoided losses during generation, transmission, and distribution. Given the latter, it is desirable to promote and implement EE measures in tandem with the deployment of RE so as to optimize demand and avoid planning and undertaking investments in new RE generation capacity that would not be required had economically viable EE measures been planned or implemented too.

<sup>3</sup> The policy promotes a shift towards sustainable energy through increased use of RE and increased EE in response to the region's high electricity cost and overdependence on imported fossil fuels.

<sup>4</sup> The targets that have been set for the contribution of RE to total electricity generation are: 20%, 28% and 47% for years 2017, 2022 and 2027 respectively, with respect to 8% in base year 2012.

<sup>5</sup> Sustainable Energy includes energy efficiency, energy conservation, and renewable energy.

<sup>6</sup> This can be accessed at <http://www.elysee.fr/assets/Uploads>.

<sup>7</sup> Caribbean Community Energy Policy; available from <http://www.caricom.org>; last accessed June 25, 2014

<sup>8</sup> There is potential for using biomass for cogeneration with sugarcane bagasse in Guyana and Belize or with rice husks in Suriname.

<sup>9</sup> Dominica, Grenada, St Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines, have GE potential that could be harnessed and used to meet all base-load demand for electricity.

<sup>10</sup> Mainly in Guyana, Suriname and Belize.



- 2.7 **Regional institutional framework.** It is expected that CARICOM Secretariat will play a crucial role in coordinating these national efforts and providing critical support to member states. However, a needs assessment<sup>11</sup> developed suggests that the existing regional institutional framework is not capable of doing this effectively to achieve national and regional Sustainable Energy (SE) targets. The main gaps identified were in the areas of capacity development, knowledge and data management, awareness-raising and investment and business promotion in the SE sector. Hence, the creation of the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE)<sup>12</sup> was recommended and its creation approved by CARICOM in 2014. The CCREEE, a regional RE and EE promotion agency under the umbrella of CARICOM Secretariat, is envisaged to support and coordinate the execution of CARICOM's sub-regional and regional SE programs, projects and activities. Given the capacity gaps identified, this TC will provide support to the CCREEE in order to facilitate its role and strengthen its technical capacity.
- 2.8 The Caribbean Development Bank (CDB) together with the IDB is also expected to play a fundamental role providing access to capital and technical assistance to countries in the region. In particular, the CDB will be executing agency for the Sustainable Energy Facility (SEF) for the Eastern Caribbean (RG-L1071).<sup>13</sup> The SEF will contribute to the diversification of the energy matrix in the Eastern Caribbean countries by promoting the implementation of EE and RE technologies to reduce the region's dependency on liquid fossil fuels. This TC will provide support to CDB in order to strengthen its capacity as required to implement the SEF as well as coordinate with the CDB's Renewable Energy and Energy Efficiency Unit (REEEU) when conducting analyses on the Eastern Caribbean countries so that the results of this TC inform REEU's work with the Eastern Caribbean.
- 2.9 **IDB ongoing activities in SE in the Caribbean.** The IDB has: (i) prepared Energy Dossiers for IDB Caribbean members as well as the Eastern Caribbean countries; (ii) developed the SEF (RG-L1071); (iii) structured the Cofinancing for Renewable Energy and Energy Efficiency (CORE)<sup>14</sup> which is a cofinancing mechanism between JICA and IDB to address dependency on fossil-fuels and possible negative impact of climate change in the Caribbean and Central American regions; (iv) executed the BRIDGE program to enhance technical skills in SE in universities, technical and vocational centers in Barbados, Jamaica and Trinidad and Tobago; and finally (v) promoted the Multi-donor Energy Co-financing Facility for Caribbean Sustainability<sup>15</sup>, which would be a fund that will enhance the deployment of RE, EE and low carbon technologies. The Bank is also currently executing the technical cooperation projects (i) Support for CARILEC's Climate Change Adaptation & Sustainable Energy Programming (RG-T2382) with the objective of strengthening CARILEC's capacity to promote EE and RE use and also to adopt climate change adaption strategies throughout the Caribbean Small Island Development States (SIDS); (ii) the Caribbean Hotel Renewable Energy and Energy Efficiency Action advanced program (CHENACT-AP) (RG-T2015); and (iii) Caribbean Climate Smart Islands Program (RG-T2543) which will examine priority sectors in which low carbon and climate resilient measures can be implemented in key sectors, utilizing pilot islands in Belize and the Bahamas. Both these programs present synergies with the proposed operation.

<sup>11</sup> The consultancy firm AETS was contracted by UNIDO to conduct stakeholder consultations and a needs assessment for updating the technical and institutional design options for the CCREEE.

<sup>12</sup> The CCREEE is being established with assistance of the United Nations Industrial Development Organisation (UNIDO), the Austrian Government, and the Small Island Developing States (SIDS) DOCK initiative.

<sup>13</sup> The SEF has been recently submitted for consideration of IDB's Executive Board. This TC will also provide support to the CDB, as executing agency of the SEF, in aspects of capacity building and institutional strengthening in geothermal transactions and development.

<sup>14</sup> The CORE is structured and formalized through the signing of a Memorandum of Understanding on January 14, 2011 and a Framework Agreement on March 2014 to increase the amount of JICA cofinancing up to US\$1,000 million, and extend eligible countries to uppermost middle income countries.

<sup>15</sup> The IDB is developing the Energy Cofinancing Fund for Caribbean Sustainability with seed-funding from the Government of Trinidad & Tobago.

- 2.10 **Renewable Energy and Energy Efficiency Technical Assistance (REETA) Project.** The German Government, through Agency for International Cooperation (GIZ), has committed 5.02 million euros to support the institutional structure for the promotion of RE and EE in the Caribbean, more specifically, in CARICOM member states and Dominican Republic. Through the REETA Project, GIZ will build on the achievements of the Caribbean Renewable Energy Development Programme (CREDP), which was implemented in two phases during the period 2003 to 2013. Some of the activities supported by CREDP were (i) Institutional strengthening; (ii) Policy Advice to Governments; (iii) Public and Private Sector investment; (iv) Public Awareness and Capacity building of key players; (v) Networking, donor cooperation, and information exchange. The REETA project however, has a stronger focus on capacity development, EE and sectorial programmes.
- 2.11 The TC is aligned with IDB's institutional priorities, as outlined in the Ninth General Capital Increase in Resources for the IDB Report (GCI-9, AB-2764) as it contributes to the goals of: (i) assisting borrowers in dealing with climate change; (ii) regional integration; and (iii) supporting development in small and vulnerable countries. In addition, the TC is in line with the individual country strategies for Barbados, The Bahamas, Jamaica, Trinidad and Tobago, Suriname, Guyana, Belize and Haiti, as well as with IDB's Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy (GN-2609-1). Finally, the TC is aligned with the objectives of the Sustainable Energy and Climate Change Initiative (SECCI) (GN-2435-1) which are to mainstream RE, EE, biofuels, carbon financing, and the insertion of climate change adaptation into policies and programs across sectors in Latin America and the Caribbean.

### III. Objectives

- 3.1 The general objective of this TC is to contribute to the reduction of dependency on fossil-fuels in the CARICOM countries, by supporting their efforts in setting and achieving the Regional SE Targets, developing adequate regulatory framework<sup>16</sup> to support SE and identify and address the knowledge and technical gaps to successfully deploy SE.
- 3.2 IDB will collaborate for the purpose of this TC with the German Government, through its GIZ, and with Japan International Cooperation Agency (JICA). Both agencies have ongoing programs aimed at promoting RE and EE in the Caribbean through the following initiatives.

### IV. Description of Activities/Components and Outputs

- 4.1 **Component I. Capacity Building and Institutional Strengthening.** This Component will finance capacity building and institutional strengthening for CARICOM countries, the CCREEE and the CDB including: (i) design and implementation of local and regional workshops and training seminars and participation in international specialized training courses to develop technical and managerial skills; (ii) investment promotion activities and events<sup>17</sup>; (iii) specialized advisory services (technical, financial, environmental, and legal & regulatory) needed for the countries to improve policies and regulations to enable RE and EE development; (iv) specialized advisory services (technical, financial, environmental, and legal & regulatory) needed for the CDB to implement the Sustainable Energy Facility (SEF) for the Eastern Caribbean; (v) support for project management; and (vi) training on data collection and data analytics to produce relevant energy statistics and information<sup>18</sup>.

<sup>16</sup> In terms of regulatory frameworks studies and assessments, CARICOM will coordinate with all other donors to avoid duplication of efforts.

<sup>17</sup> It is expected that the CCREEE could assist with investment and promotional activities for the most promising initiatives identified by the Caribbean Climate Innovation Centre (CCIC). The CCIC has the objective of establishing regional institutional capacity to support Caribbean entrepreneurs and new ventures to develop locally-appropriate solutions to climate change adaptation and mitigation.

<sup>18</sup> Focus will be on strengthening and supporting the existing Caribbean Energy Information System (CEIS) which is the region's energy information service for planning and decision-making in the energy sector.

- 4.2 **Component II. RE and EE Roadmap.** This Component will finance consultancy services to develop RE and EE Roadmaps for the beneficiary countries; these roadmaps are plans delineating how a country will attain its SE and INDC targets<sup>19</sup> and contribute to regional targets through policy and regulatory changes, institutional strengthening and investments in EE and RE<sup>20</sup>. As such, resources from this component may be required to: (i) assess the need to fill any gaps in resource potential information (for selected countries and as required); (ii) perform technical, legal, regulatory, economic, social and environmental studies as required for identified RE, EE and low carbon projects or programs; (iii) conduct energy modeling and establish harmonized energy information / energy balance and planning frameworks; (iv) identify and explore options for private sector investments in RE, EE and low carbon projects; and (v) implementation of pilot programs using RE technology. **Component III. Dissemination and Public Awareness.** This Component will finance dissemination and public outreach activities, including workshops and information dissemination campaigns, among other activities.

**Indicative Results Matrix**

Component	Output	Units	Target	Target year	Source of Verification/ Comments
<b>Component 1. Capacity Building and Institutional Strengthening</b>	Regional training workshops conducted	#	1	2017	Workshop attendance log and materials
	Policy and regulatory studies developed	#	2	2017	Final policy and regulatory studies reports
	Technical, financial or environmental studies developed	#	2	2017	Final technical, financial or environmental studies reports
	Institutional and capacity building studies or programs	#	1	2017	Institutional and capacity building reports
<b>Component 2. RE and EE Roadmap</b>	Renewable Energy resource assessments for a base-load technology	#	1	2017	Final RE assessment reports
	Renewable Energy resource assessments for an intermittent technology	#	1	2018	Final RE assessment reports
	Energy Efficiency potential assessments	#	2	2018	Final EE assessment reports
	Energy Efficiency and Renewable Energy roadmaps	#	4	2018	Final regional or national roadmap document
<b>Component 3. Dissemination and Public Awareness</b>	Regional events to discuss and agree on Roadmaps	#	1	2018	Event attendance log and materials
	Technical note or policy document	#	1	2019	Final document

<sup>19</sup> Sustainable Energy (SE) targets set forth under the CEP and C-SERMS will have to be synchronized where applicable with the targets in the INDCs for the purpose of developing the EE and RE roadmaps.

<sup>20</sup> Including the use of energy storage to increase RE penetration.

Indicative Budget (US\$)							
Component	TC Financing			Parallel Financing			Total Funding
	IDB (SCI)	Local counterpart (in-kind)*	Total TC Financing	GIZ-REETA (in-kind)	JICA (in-kind)	Total Parallel Financing	
I. Capacity building and Institutional Strengthening.	380,000	-	380,000	150,000	196,000	346,000	<b>726,000</b>
Ila. RE and EE Roadmap	500,000	-	500,000	340,000	500,000	840,000	<b>1,440,000</b>
IIb. RE pilot projects	100,000	-	100,000	-	-	-	
III. Dissemination and public awareness	20,000	20,000	40,000	60,000	20,000	80,000	<b>120,000</b>
Project Management	-	305,000	305,000	-	-	-	<b>305,000</b>
<b>Total</b>	<b>1,000,000</b>	<b>325,000</b>	1,325,000	<b>550,000</b>	<b>716,000</b>	1,266,000	<b>2,591,000</b>

- 4.3 The total cost of this TC is US\$1,325,000, to be financed by Sustainable Energy and Climate Change Initiative Fund (SCI), including in-kind local counterpart resources amounting to US\$325,000<sup>21</sup>.
- 4.4 To complement the objective of the TC and increase the number of beneficiaries, JICA and GIZ will provide parallel funding in the amount of US\$716,000 and US\$550,000 respectively. These resources, administered directly by JICA and GIZ respectively, will finance consulting services that are similar in scope but additional to those that the IDB will perform under Components I, II, and III. The additional support provided by GIZ and JICA will increase the number of the beneficiaries and depth of the analysis performed. This TC will accomplish its desired outcomes independently of whether the JICA and GIZ execute their resources as planned.

## V. Executing Agency and Execution Structure

- 5.1 The IDB, through the Energy Division (INE/ENE) and in coordination with IDB Country Office in Barbados, will be responsible for the execution of this TC, except for the implementation of pilot programs using RE technology, part of Component II, for which the Ministry of Environment will be responsible for the procurement (selection and contracting of suppliers of goods), following the Bank's procurement policies, as well as for the supervision of the installation and operation of the entire system. For this purpose, the Bank will enter into an agreement for the co-execution of the activities with The Bahamas. The IDB, nevertheless, will make direct payments to the selected suppliers with the funds of this Technical Cooperation. The IDB, CARICOM Secretariat, GIZ and JICA will coordinate closely discussing and sharing the terms of reference used to hire firms and consultants and any additional information necessary to generate complementarities and avoid duplication of work. The project team will be in constant coordination with the rest of IDB country offices where there is any kind of deployment of activities funded by this TC or by parallel funding.
- 5.2 GIZ will have its own team working directly in CARICOM's Energy Unit. GIZ's REETA project will hire a "Sustainable Energy Project Officer", who will be working at CARICOM Secretariat's Energy Unit and can serve as a project manager (PM) of the TC. The PM will provide technical oversight and administrative supervision to the project and will provide the Bank with monthly progress reports.

<sup>21</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.

- 5.3 Prior to the execution of the project activities in the selected beneficiary institutions and countries specified in section I, the Bank shall obtain the corresponding no-objection as well as in-kind commitments from CARICOM Secretariat.
- 5.4 The IDB's statutes require the Bank to work with and through the CDB in cases where the Organization of Eastern Caribbean States (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 nonmembers. The portion of the TC funds, excluding parallel financing resources, that is directed exclusively toward non-member countries represents a small ("de-minimis") amount, which will not be greater than 10% 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. Because the "de-minimis" limit does not apply to parallel financing, these resources could be used for OECS countries.
- 5.5 The Bank will contract individual consultants, consulting firms, and non-consulting services in accordance with Bank's current procurement policies and procedures. Procurement for all services will be done separately for each of the donor.

## **VI. Major Issues**

- 6.1 Coordination risk due to multiple stakeholders and donors active in the region will be mitigated by having a PM who will work directly in CARICOM's Energy Unit and engage existing mechanisms for donor coordination in the Caribbean (e.g. the Eastern Caribbean Donor Partner Group (ECDPG)<sup>22</sup>, CCREEE) as well as coordinate activities with CDB's REEEU.

## **VII. Exceptions To Bank Policy**

- 7.1 No exceptions to Bank's policies are requested.

## **VIII. Environmental And Social Strategy**

- 8.1 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**

Client Request Letter: [IDBDOCS-#39601062](#)

Indicative Terms of Reference: [IDBDOCS-#39747032](#)

Procurement Plan: [IDBDOCS-#39746823](#)

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<sup>22</sup> Coordinated by the Delegation of the EU to Barbados, the Eastern Caribbean and OECS