



October 3, 2018

Mr. Juan Carlos De la Hoz Vinas
Representative
Inter-American Development Bank
"Hythe", Welches
Maxwell Main Road
Christ Church
BARBADOS

Dear Mr. De la Hoz Vinas:

Request for Technical Assistance to Support Sustainable Energy and Resilient Projects

The Caribbean Development Bank (CDB) acknowledges the energy challenges of the Caribbean, which include high oil import dependency, high electricity prices, high vulnerability to extreme weather events and lack of diversification of the energy matrix. CDB has been seeking to contribute to addressing these challenges through the implementation of its Energy Sector Policy and Strategy, and Climate Resilience Strategy.

CDB also recognises that the Inter-American Development Bank (IDB) has been working on these issues for some years, and both CDB and IDB have sought to collaborate on the promotion of renewable energy (RE), energy efficiency (EE) and clean energy, as a means of addressing the challenges. The strong cooperation has been reflected in various Memoranda of Understanding (MOUs) concluded between the organisations, around sustainable energy development since 2014, as well as a collaborative partnership under the Sustainable Energy Facility for the Eastern Caribbean Programme, which promotes geothermal energy and other sustainable energy technologies in the Eastern Caribbean.

Against this background, and within the framework of the MOUs, CDB is desirous of continuing its collaboration with the IDB towards reducing high oil import dependency. This can be facilitated by increased penetration of RE, EE, low carbon fuels and electric mobility, while ensuring that these new technologies can withstand extreme weather events, through the inclusion of the climate resilience features.

CDB's RE/EE Unit and IDB's Energy Division have shared a concept of a technical cooperation (TC) project for the Caribbean, to provide support for sustainable energy and resilient projects with components to:

- (a) fund studies to support expansion of resilient sustainable energy technologies; and
- (b) design sustainable and resilient pilot projects based on innovative financing.

CDB considers that such a TC project, executed by IDB, would serve to fulfil the aforementioned objectives and would be complementary to its own efforts around the promotion of resilient sustainable energy options.



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To this end, CDB is desirous of partnering with IDB on a TC project in line with the aforementioned concept, to be fully executed by IDB, in an amount of USD700,000, from non-reimbursable resources to be identified by IDB. IDB, in collaboration with CDB, would elaborate on the activities as necessary, and interventions pursued on a demand basis, with IDB being responsible for all the relevant reporting on the progress under the TC project.

We look forward to a favourable response to our proposal.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Daniel Best", written over a horizontal line.

Daniel Best
Director, Projects Department

JW:DB:jdc