

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	Regional/CCB - Caribbean Group
▪ TC Name:	Sustainable Island Initiative - Power Caribbean
▪ TC Number:	RG-T3108
▪ Team Leader/Members:	Christiaan Gischler, (INE/ENE) Team Leader; Jose Jorge Saavedra, (CCB/CCB) Alternate Team Leader; Javier Cuervo, Virginia Snyder, Malaika Masson, Veronica Rodrigues Do Prado, Stephanie Suber, Natacha Marzolf, Jaime Sologuren, Cecilia Seminario, Jeanette Bonifaz, and Cecilia Correa (INE/ENE); Betina Hennig (LEG/LEG)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	Feb 08, 2018
▪ Beneficiary:	Barbados, The Bahamas, Guyana, Suriname, Trinidad and Tobago, Jamaica
▪ Executing Agency:	Inter-American Development Bank (IDB)
▪ IDB funding requested:	US\$700,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Consulting firms
▪ Prepared by Unit:	Energy Division (INE/ENE)
▪ Unit of Disbursement Responsibility:	Infrastructure and Energy Sector (INE/INE)
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Climate change

### II. Objective and Justification

- 2.1 The general objective of this TC is to help Caribbean countries to reduce their dependency on fossil fuels by accelerating the diversification of the countries' energy matrices with Renewable Energy (RE), Energy Efficiency (EE), and cleaner fuels. The Technical Cooperation (TC) will have the following specific objectives: (i) support the necessary regulatory framework adaptation for SE and adoption of innovative technologies; (ii) accelerate the deployment of SE innovative technology approaches by expanding Sustainable Energy Plans (SEP) for each country; and (iii) create mechanisms for the exchange and dissemination of data, information and knowledge.
- 2.2 The Caribbean must improve their productivity, and this is tied to the high costs of operating in the Caribbean, including the cost of electricity. On average, Caribbean countries have one of the highest energy costs in the world, in some cases up to five times higher than some parts of North America. Important technological changes and competition that have taken place in the recent years have lowered the costs of RE technologies such as wind technology, solar Photovoltaic (PV) panels and energy storage to the point that they are competitive with fossil fuels. These advances include the merge of information technologies with electricity networks, resulting in smart grids and buildings that optimize the management of resources. The Caribbean can benefit greatly from this trend, which will cause countries to reduce oil import bills. These trends could dramatically change the structure of the sector in the region but will require large and long-term investments from both the public and private sectors and will present challenges on the operations, financial, regulatory and commercial areas.

- 2.3 Public-Private Partnerships (PPP) in the Caribbean energy sector for example in clean energy like natural gas, energy storage with batteries, electric mobility, solar energy and EE may be a very important tool to combine not only public efforts and private know how and experience in cutting edge technology, but also, contribute to alleviate the Caribbean region from a macroeconomic point of view.

### III. Description of Activities and Outputs

- 3.1 **Component 1. Support and Expansion for SE (US\$150,000).** Clean energy projects (from the identification to the implementation stage), and Expansion of the Sustainable Energy Plans (SEP) to implementation readiness: (i) assessment for the best applicable clean energy technologies and EE; and (ii) technical advice to develop policy and regulatory measures.
- 3.2 **Component 2. Design of pilot projects based on innovative financing (US\$350,000).** Energy knowledge repository for the Caribbean, and cutting-edge technology showcases: (i) transform the projects identified in Component 1 with the highest potential for developing projects based on innovative financing, including PPPs, into feasibility studies of at least three pilot projects for the region in the topics mentioned before; and (ii) the identified projects will also include a diagnosis the regulatory frameworks and other enabling regulatory and policy requirement in order for the pilot projects to operate.
- 3.3 **Component 3. Knowledge dissemination and awareness (US\$200,000).** Dissemination and training activities and media campaigns (audiovisual material, blogs, webinars) to facilitate communication and dissemination of energy products. This component will finance: (i) workshops and training on innovative financing, clean energy technologies and EE projects; (ii) seminars on identified pilot projects in Component 2; and (iii) the development of an energy knowledge repository (website and knowledge center) for the Caribbean.

### IV. Budget

Indicative Budget (in U.S. Dollars)

Activities/Components	Total IDB/Fund Funding
Component 1. Support and Expansion for SE	150,000.00
Component 2. Design of pilot projects based on innovative financing	350,000.00
Component 3. Knowledge dissemination and awareness	200,000.00
<b>Total</b>	<b>700,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 The IDB, through the Energy Division (INE/ENE) and in coordination with the IDB Country Offices in the Country Department Caribbean Group will be responsible for the execution of this TC.
- 5.2 Given that the proposed TC is Regional, it would make sense for the IDB to be the executing agency and coordinate with the multiple stakeholders and donors in the region.

### VI. Project Risks and Issues

- 6.1 Coordination risk due to multiple stakeholders and donor's active presence in the region will be mitigated by close work of the Bank in coordination with CARICOM's Energy Unit to engage existing mechanisms for donor coordination in the Caribbean.

## **VII. Environmental and Social Classification**

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