



Recommendations for Programmes in Energy Efficiency and Renewable Energy in the Caribbean

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Objectives of This Paper

1. The economic context for sustainable energy in CARICOM
2. Overview of the Caribbean Renewable Energy Development Programme, CREDP review
 - a) Overview of the Caribbean Renewable Energy Technical Assistance Facility (CRETAF), a Financing Mechanism
3. Recommendations
4. Strengthening of the CARICOM Secretariat

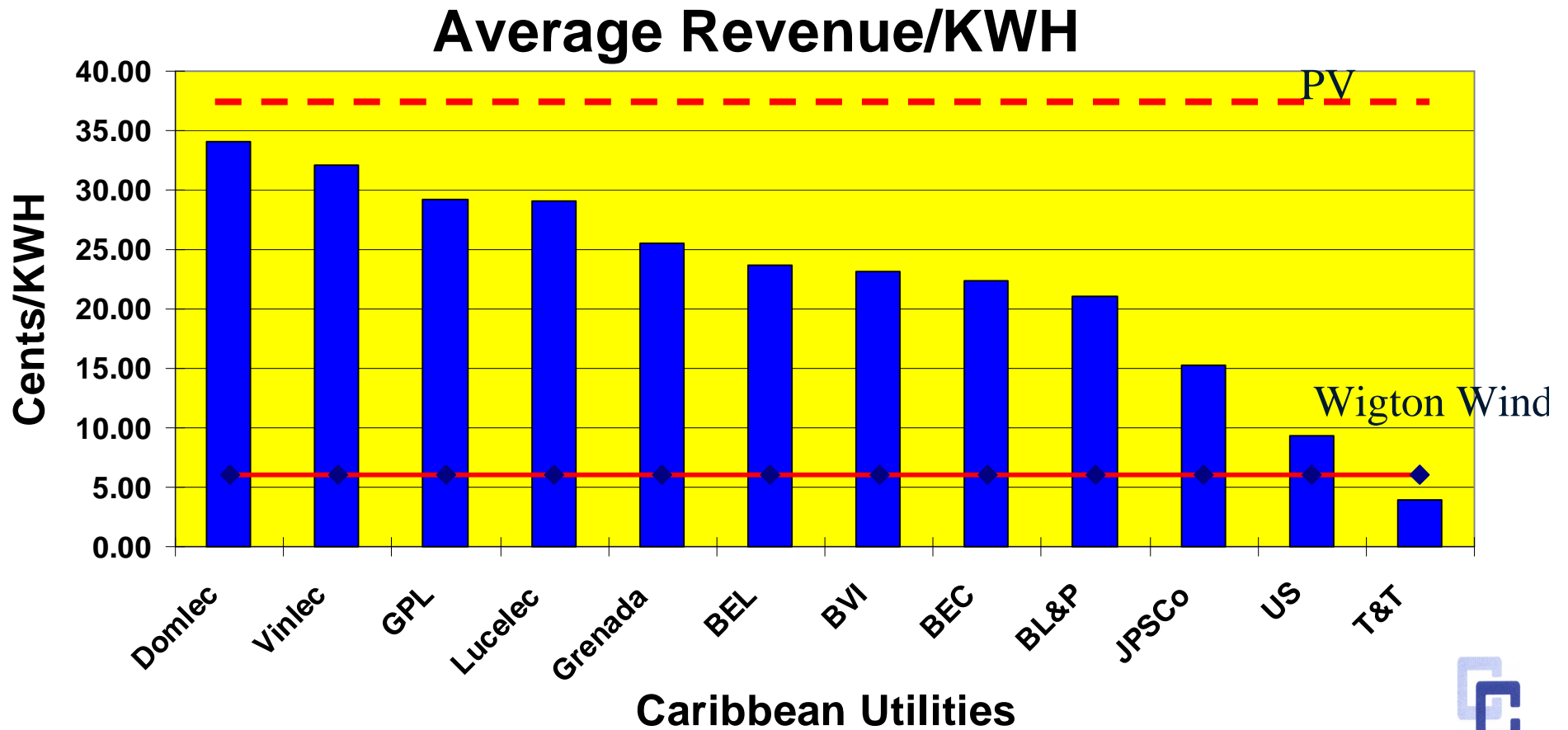
What is CARICOM?

- ⌚ Treaty on trade and economic cooperation
- ⌚ Similar in concept to the European Union
- ⌚ Comprises of most former colonies of England + Suriname and Haiti. 15 Members + 5 Associates
- ⌚ Special funding arrangement with EU called CARIFORUM = CARICOM + DR
- ⌚ The CARICOM Secretariat is similar in concept to the European Commission, however no Commissioners

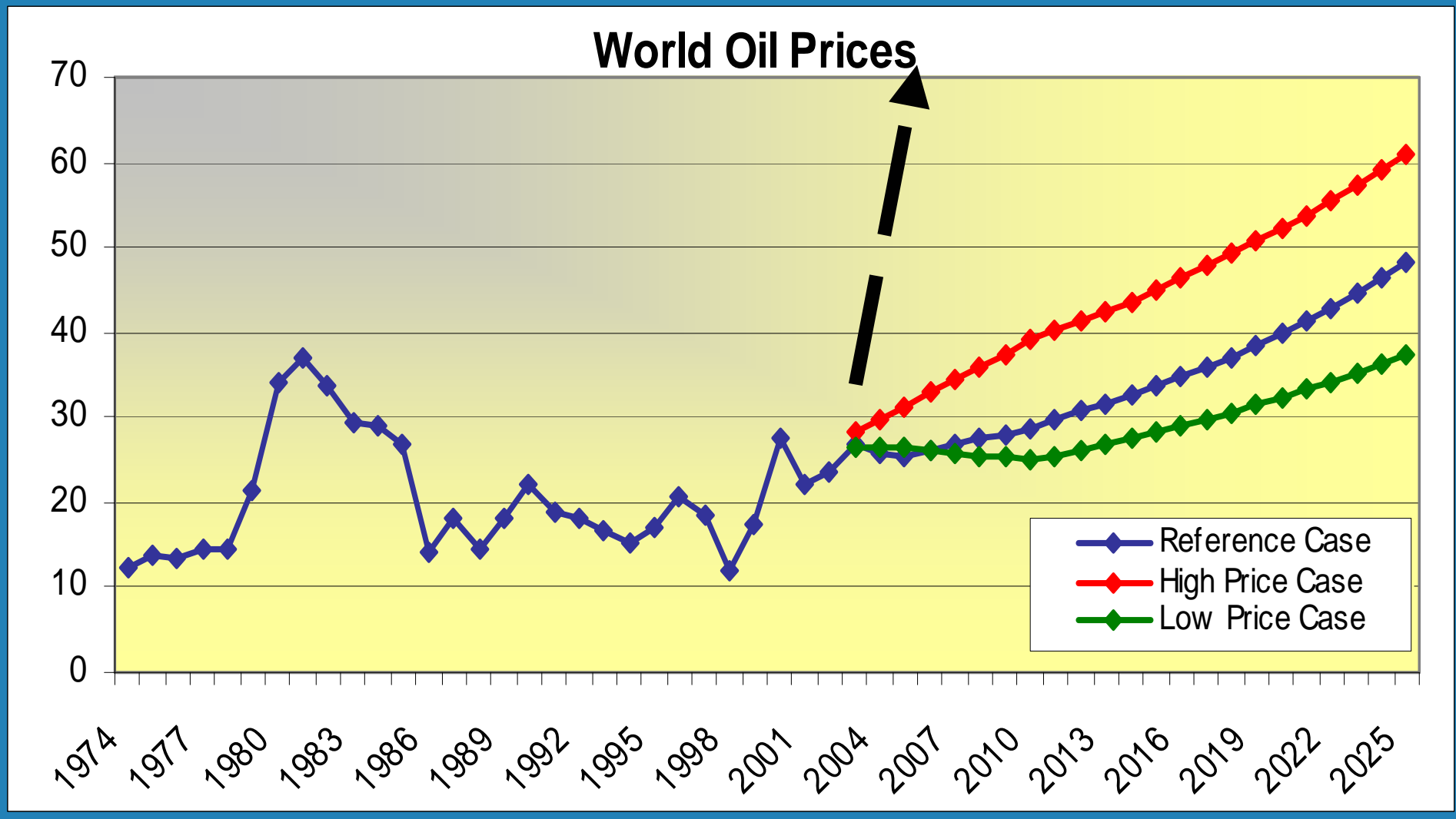
Caribbean & Central America



Economic Environment- Average Electricity Prices (2005)



Economic Environment - EIA 2003 Forecast of Oil Prices





COUNTRIES (13) in CREDP

- ∩ The Bahamas
- ∩ Barbados
- ∩ Belize
- ∩ Cuba*
- ∩ Dominica
- ∩ Grenada
- ∩ Guyana
- ∩ Jamaica
- ∩ St. Kitts & Nevis
- ∩ Saint Lucia
- ∩ St. Vincent & The Grenadines
- ∩ Suriname
- ∩ Trinidad & Tobago

* **Not a member of CARICOM**

The Caribbean Renewable Energy Development Programme, CREDP

∞ Purpose: To remove barriers to the use of renewable energy and thereby foster its development and commercialisation

- Policy (including legislative and regulatory reform)
- Financing (i.e. origination, technical assistance for project preparation under CRETAF)
- Capacity Building (institutional, individual)
- Information (internet portal and online data base)

Funding Sources (to late 2008)

- Ω GEF/UNDP (US \$4.426 million)
- Ω GTZ (US \$2.2 million)
- Ω Others
 - CARICOM Secretariat
 - UNDP Guyana
 - In-kind from Governments
 - In-kind from GSEII – i.e. OAS et al

A Financing Mechanism - CRETAF

- ∞ Caribbean Renewable Energy Technical Assistance Facility, CRETAF
- ∞ A sub-component of CREDP
- ∞ Designed as a contingently recoverable loan
 - i.e full conversion to grant if project does not receive equity or debt financing
- ∞ Approx. \$200,000 per country (higher?)
- ∞ Projects Pre-Screened by CREDP
- ∞ Negotiation ongoing with a regional FI for Fund Management (i.e. banking issues)

A Financing Mechanism - CRETAF

- ∞ Power Purchase Agreement, PPA
- ∞ Construction Loan
- ∞ Term Sheet
- ∞ Permanent Loan
- ∞ Interconnection Agreement
- ∞ Equipment, Procurement & Construction (EPC) Contract
- ∞ O&M Contract/Specifications
- ∞ Information Memorandum

Recommendations - Policy

- ∞ Institutional strengthening - Assign short and long specialist to individual countries and regional institutions
- ∞ Legislative and Regulatory Reform
 - Reform electricity supply act to introduce competition in generation
 - Introduce incentive based regulation and feed-in tariffs
 - Facilitate independent power producers (IPP)
 - Maximise renewable energy
 - Maximise energy conservation and efficiency

Recommendations - Finance

- ∞ Support for CRETAF after CREDP is concluded, e.g. additional grants, experts
- ∞ Grants for demonstration projects
- ∞ Develop financing schemes
 - Customer micro finance for solar water heaters
 - Project financing schemes for photovoltaics and other small scale technologies
 - Vendor finance schemes for energy efficiency e.g. shared savings

Recommendations - Finance

- Develop carbon trade mechanisms
 - Clean Development Mechanism, CDM
 - Planning for Post CDM

Recommendations - Information

- ∞ Develop an awareness programme aimed at the general public
- ∞ Continued development of on-line database

Recommendations - Capacity Building and Training

- ∞ Support Caribbean professionals to attend select seminars aimed at:
 - wide spread technology deployments; and
 - technology transfer
- ∞ Institutional strengthening of educational establishments
 - Universities
 - Community Colleges
 - Polytechnics
 - Schools (e.g. teacher training and curriculum)

CARICOM Sustainable Energy Programme

Ω “Sustainable Energy” comprises of

- Renewable Energy
- Energy Efficiency
- Energy Conservation
- Sustainable Fuel (e.g. bio-fuels)
- Cleaner production
- Carbon Finance

Regional Institutional Needs

- ∞ Coordination of the Task Force on Regional Energy Policy
 - Implementation and follow-up is necessary
- ∞ To fill the gaps not covered by CREDP
 - to sustain RE efforts after close of CREDP in 2008
- ∞ Institutional support for CRETAF after 2008
- ∞ To leverage international initiatives, partners and donor interest

Thank you

Ω Further Information, see

<http://www.caricom.org>

Ω Click on “Projects”