**Sustainable Energy Facility (SEF) for the Eastern Caribbean**

**(RG-L1071)**

**Donor Coordination Annex**

There are other donors supporting the Eastern Caribbean region’s energy development. The SEF will provide financing, according to demand by beneficiaries, that is complementary to efforts currently undertaken by other donors aiming to create synergies among donors and facilitate coordination, which could make current programs more effective. The CDB and IDB communicate with these donors on a regular basis and have conversations to collaborate and avoid duplication of efforts. Donor programs are presented here in two sections: **I.** Overall Sustainable Energy Support, and **II.** Geothermal Specific Support

1. **Sustainable Energy Support**
2. **DFID Caribbean’s (DFIDC)** current operations are focused on three areas: Wealth Creation, Governance and Security and Climate Change, and Disaster Risk Reduction (CCDRR). Under the CCDRR activities have been approved that will seek to improve regional and national energy security through the development of renewable energy and energy efficiency.

The UK government has approved and allocated £17.4 million to support two activities (i) support to the Sustainable Energy for the Eastern Caribbean (SEEC) program (£2.5 million) and; (ii) support for geothermal development (£14.9 million) –see below.

DFIDC will provide support to the SEEC in collaboration with the Caribbean Development Bank (CDB) and the Caribbean Investment Facility of the European Commission. UK funds will be used towards institutional strengthening and capacity building; provision of technical assistance in support of the development of RE and EE programs; and contribution to the CDB’s concessional financing to facilitate greater investment in RE and EE. DFID’s target countries under this activity are Dominica, Grenada, St. Lucia and St. Vincent & the Grenadines.

1. **The 11TH EUROPEAN DEVELOPMENT FUND (EDF)** Caribbean Regional Indicative Program (CRIP) has as one of three focal areas Climate Change, Environment, Disaster Management and Sustainable Energy, with an indicative allocation of EUR 61.5 million, with three overall objectives: 1) to improve regional resilience to impacts of climate change and natural disasters affecting sustained economic and social development; 2) to support regional capacity for the sustainable use of natural resources; and 3) **to promote Energy Efficiency (EE) and development and use of renewable energy**. Under this last objective, the **indicative intervention program includes de following two envisioned programs and results**:

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| **Results** | **Possible operations** |
| Clean energy security and RES investment framework enhanced | * Measures to enhance CARIFORUM energy sector governance management and capacity
* Strengthening of Energy Information Systems and Statistics
* Development of Sustainable Investment Framework
* Deployment of Renewable Energy Resource Assessments and EE potential assessments
* Actions aimed at involvement of and reporting to civil society organisations on regional RE/EE targets
* Measures to optimize use of Renewable Energy resources and mitigate risks and encourage investments developed
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| Policy, legislative and regulatory framework for energy sector management (EE and RES) and transition towards renewable energies improved | * Development of regional policies, model legislation and regulation for energy sector management and transition towards renewable energies
* Capacity support for mobilizing investments in EE, renewable energy, interconnectivity.
* Enhancing regional energy sector governance framework and capacity
* Development of regulations/favorable fiscal regime/subsidies aimed at promoting private sector investments and innovative financing mechanisms for RE & EE potential.
* Supporting smart grid pilot projects and RES/EE investments
* Measures for EE improvements in generation, transmission and improved consumption
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1. **CARICOM**
* The Caribbean Sustainable Energy Roadmap and Strategy (C-SERMS) is a regional energy planning and management and implementation framework being developed by CARICOM for expediting the implementation renewable energy and energy efficiency dimensions of the Caricom Energy Policy. CARICOM is proposing to have the following five working groups: financing, technical assistance, capacity building & research, information & knowledge management and policy and regulations. In addition, CARICOM is organizing to have four Caribbean communities of practice: electric utilities, buildings, education, and sustainable transport.
* The Caribbean Renewable Energy Development Programme (CREDP)’s overall goal is the reduction of the Caribbean Region’s dependence on fossil fuels and contributing to reducing GHG-Emissions. The specific aim of the project is “Improved political, regulatory and institutional framework conditions, and the development of specialist technological and economic competencies are favourable to investment in RE/EE within the Caribbean region”. The Programme has the following cooperation partners:
	+ Energy Unit of the CCS, Guyana
	+ OECS Commission, St. Lucia
	+ CARILEC, St. Lucia
	+ CDB, Barbados
	+ Other regional energy projects and initiatives, e.g. REETA, CSEP, ECPA etc.
	+ International Organizations and Donors, e.g. EU, UKAid, USAid, OAS, WB, IDB, EIB, KfW, UNDP, IRENA, NGOs etc

CREDP will be completed in March 2016 and the following are the a**ctivities in its final phase:**

- Complete project activities and projects and provide project pipeline to Banks (e.g. CDB) and other partners for implementation;

- Document results, achievements and lessons learned and make them available for similar projects and initiatives;

- Provide TA to the CDB and their Partner Banks (Development Banks in Member States) to increase their knowledge about RE and EE.

1. **OLADE -** OLADE and CARICOM have been working together under the Caribbean Energy Agenda Memorandum of Understanding agreed on March 03, 2010, that includes the promotion of sub-regional plans for energy integration, cooperation and follow-up for designing, structuring and implementing sub-regional energy policies, technical assistance in energy matters, information exchange, energy planning and capacity building.

In 2013 the Ministers of Energy, in addition to the approval of the CARICOM Energy Policy, also approved and agreed on OLADE’s Energy Information Systems and methodologies to be adopted for use across CARICOM Member States, to provide a harmonized approach to energy sector statistical data management and energy planning in CARICOM. In 2014 CARICOM member countries formally requested the support of OLADE in terms of energy statistics management training and agreed in following OLADE´s Energy Balance Methodology as standard.

In order to streamline the efforts to harmonize Caribbean energy statistics with the rules, procedures and an applicable methodology, OLADE has offered to carry out the following activities: 1. Institutionalization: Human Resources Management, Energy Statistics & Planning Awareness; 2. Training in Energy Information Management to six OLADE’s nonmember countries; 3. Training in Energy Information Management to CARICOM Officials; 4. Implementation and capacity building in the Regional Energy Information System for the Eastern Caribbean Countries and The Bahamas; and 5. Additional technical support of the Regional Energy Information System

1. The **German International Cooperation (GIZ)** –REETA program has committed EUR 5 million until 2017. The general objective of the REETA program is for regional and national stakeholders in the field of Renewable Energy and Energy Efficiency to be increasingly able to meet the political, organizational and technical challenges of a growing market in the Caribbean region. The program has the following 5 components and related activities:

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| **Component** | **Activities** |
| Regional Strategy (C-SERMS) | * Update of C-SERMS (C-SERMS 2),
* Internet Site of the CARICOM Energy Unit,
* Energy Information System with OLADE,
* 100 % RE Strategy CARICOM,
* Bioenergy resource assessment, Energy Efficiency Building Code, Energy Policy Montserrat, Caribbean Energy Week
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| Capacity Building | * Cooperation with IDB in the BRIDGE program, PV Mobile Training Kits, RE Curriculum UTECH Jamaica
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| Private Sector | * Development of feasibility studies and business concepts in various sectors and countries; Cooperation with selected European companies to develop the Caribbean market
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| Model Projects | * E-Mobility in Saint Lucia, Integration of RE and EE in the Caribbean, fisheries sector, Energy Management at the CARICOM,
* Secretariat and other public buildings in the Caribbean using ESCO models,
* Hydropower project in Guyana, Utility scale PV integration into the grid, Waste to Energy
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| Financial Sector | * Investment calculation training with CDB; Development of bankable projects in various sectors and countries; Promotion of community based financing of utility solar systems
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1. **Organization of American States** (OAS), with Energy and Climate Partnership of the Americas and the United States Government, under the Sustainable Energy Capacity Building Initiative (SECBI), has assigned funding for Antigua and Barbuda Capacity building to support the Sustainable Island Resource Framework Fund (SIRF Fund). Specific objectives: a) Structuring project finance strategy and business model for the SIRF (led by Clean Energy Solutions Center); b) Training and Resource Development for Project Negotiation and Close; and c) Manual and Training to support the Sustainable Island Resource Framework Fund (SIRF Fund).

1. **Caribbean Development Bank (CDB)**
* Sustainable Energy For the Eastern Caribbean (SEEC) program

·         Approved in March 2015

·         Regional Program Manager is being recruited

·         Soft roll out being done in countries whilst formalities of Agreement sign off being done

·         A visit to the participating countries has been carried out

* CDB is boosting its internal capacity to support SE - with support from GIZ (REETA Project), specifically, with support for mainstreaming RE/EE.
* CDB has also intensified cooperation with some Partners – OECS Commission; CARICOM Secretariat; Engagement with CANADA for potential TA support.
1. The **Clinton Climate Initiative (CCI)**, an initiative of the Clinton Foundation, has been providing some EC countries with transaction advisory services to negotiate with current or potential GE developers. CCI announced in May 2015 its partnership with Rocky Mountain Institute (RMI) and Carbon War Room (CWR) to promote a transition to RE and EE solutions in the Caribbean region.
2. **Geothermal Specific Support**

In terms of GE interventions, the following are the main actors engaged and the way the SEF is and will be coordinating with them:

* + 1. **The World Bank (WB)** is currently providing technical cooperation support to DOM and SL. Further support in the form of concessional lending using CTF resources is being considered by the WB. Thus, the possibility that the SEF could finance elements that are complementary to those the WB would finance in these two countries will be explored (i.e. the transmission line from the GE Plant to the main center of consumption in DOM and regulatory framework and capacity building in SL).
		2. **International Renewable Energy Agency (IRENA)** and the Abu Dhabi Fund for Development (ADFD) have approved a loan to SVG for US$ 15 million for GE development. The SEF could provide financing to SVG for exploration as it is better suited to mitigate exploration risk.
		3. The **Government of New Zealand (GNZ)** has provided technical assistance to EC countries with GE potential, such as surface exploration studies in GRE and SL, completion of an update on a feasibility study for a small geothermal power plant in Dominica, and, along with the US State Department, GNZ conducted a high level study on the environmental impacts of an inter-island electricity connection in St Kitts and Nevis. GNZ envisions another phase of support, with possible technical advice for St Vincent & the Grenadines. GNZ’s support may be coordinated through the project execution unit of the GeoSmart facility based at the CDB headquarters.
		4. **UK DFID** is supporting SL with exploratory drilling. The support to geothermal development will also be focused on countries in the OECS. Activities will vary by country as the countries are in different stages of development regarding the potential geothermal resource. Further scoping work will be undertaken to determine the type and level of activity to be undertaken in each country. Overall, funds will be used to assist in the identification of the actual resource, thus reducing some of the resource and technology risk. Reducing some of these risks will serve to increase the likelihood of commercial investment of this technology for these islands. CDB and IDB are in discussions with UK DFID to support early stage exploration in GRE and SVG.
		5. The **Regional Council of Guadeloupe in cooperation with the Regional Council of Martinique, the Government of the Commonwealth of Dominica, ADEME, BRGM, AFD, CDC and the ES Groupe, with the support of the European Union** through the INTERREG IV, Espace Caraïbe, are leading the Geothermal in the Caribbean Phase II project, which is meant to support the industrial development of the sector in the area.

The project led to the production of several studies and achievements related to the exploitation of geothermal in volcanic islands, with a prominent attention paid to the respect of communities, the protection of our environment and biodiversity. The outputs of the project will be shared and presented in September 2015 in a Geothermal International Seminar in Guadeloupe. The CDB and IDB will pay attention to results of this projects and lessons learned that may be applicable to the SEF.