

PROJECT PROFILE

(Updated: January 2015)

Name of Project:	Caribbean Renewable Energy Development Programme (CREDP)
Project No.	2008.2063.9
Starting date & duration:	02/2003
1 st project phase:	5 years 2 months (02/2003 – 03/2008)
2 nd project phase:	8 years (04/2008 – 03/2016)
Project Financing:	
1. German Ministry for Economic Cooperation and Development (BMZ)	
First Phase:	EUR 2.200.000
Second Phase:	EUR 9.000.000
2. Austrian Development Cooperation (ADC)	
Co-Financing for Second Phase:	EUR 700.000
3. European Union (ACP Energy Facility)	
Co-Financing for Second Phase:	EUR 1.500.000
Implementing Agency:	GIZ (German International Cooperation)
Executing Agency:	Consortium: Projekt-Consult GmbH, Germany (Lead Consultant) Entec AG, Switzerland
Counterpart Organisation:	Energy Programme of the CARICOM Secretariat (CSEU), Georgetown, Guyana
Project Implementation Office:	Hosted by the Caribbean Public Health Agency (CARPHA), Environmental Health and Sustainable Development Department, Saint Lucia (Formerly Caribbean Environmental Health Institute - CEHI)
Other partner agencies:	Caribbean Development Bank (CDB), Barbados OECS Commission, St. Lucia CARILEC, St. Lucia CEIS, Jamaica
Project Countries:	All CARICOM Member States and the Dominican Republic
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Context

The Caribbean region is heavily dependent on fossil fuels, with petroleum products accounting for more than 90% of commercial energy consumption. Despite the substantial wind, solar, hydropower, geothermal and biomass resources, renewable energy (RE) provides less than 5% of the region's commercial energy. In 1998, 14 Caribbean countries and 2 British dependencies agreed to work together to prepare a regional project to remove barriers to the use of renewable energy and thereby foster its development and commercialization.

Findings of a region-wide study carried out in 1999 pointed to a number of barriers and issues related to:

- Lack of adequate RE policy,
- Lack of access to financing for RE investments,
- Lack of capacity of governments and utilities to promote RE,
- Lack of Awareness and Information about RE.

Based on these findings, the Caribbean Renewable Energy Development Programme (CREDP) was launched with the major objective of demonstrating and strengthening the ability of Caribbean countries to mobilise investors within the energy sector to shift from conventional energy investment towards renewable energy investment.

This shift will contribute to changing the national energy mix of Caribbean countries towards the increased utilisation of renewable energy sources and is expected to result in:

- an increase in the percentage of RE based electricity generation,
- reduction in GHG emissions,
- reduced dependence on imported fossil fuels,
- job creation in the energy sector (manufacturing, supply, installation and after sale services),
- financing mobilisation from local commercial, regional and international development banks.

CREDP concentrates on mature and commercially available renewable energy technologies (RET) that have the greatest possibility of duplication and a strong potential for reducing GHG emissions. These are expected to comprise some or all of the following RET:

- grid-connected renewable power, mainly wind power, mini and small hydro power, biomass, geothermal and solar power/photovoltaic,
- off-grid rural electrification based on renewable energy (e.g. photovoltaic, micro hydro, small scale wind power),
- solar thermal applications (e.g. solar water heating, solar water cooling).

The initial project proposal with an estimated volume of US\$ 17,776 million over a period of five (5) years was approved by the Global Environment Facility (GEF) Council, including an anticipated investment fund of US\$ 10 million to be provided by the private and financial sectors, US\$ 4.426 million provided by UNDP/GEF, Euro 2.20 million by Germany and US\$ 1.15 million by the Governments and regional/national institutions. The UNDP/GEF part by CREDP was completed end of 2009.

The total duration of the CREDP/GIZ is from February 2003 to March 2016 at an estimated total cost of EUR 9.7 million. The duration of the second phase of the project is 8 years (from April 2008 to March 2016). The total cost for the second phase amounts to EUR 8.95 million. With the co-financing from the ADA and the EU, the total amount is EUR 11.15 million.

Additional to renewable energies (RE), CREDP/GIZ has been mandated in its second phase to include energy efficiency (EE) in its portfolio which includes a component to introduce EE standards and labels for household appliances which is co-financed by the EU and executed in co-operation with the OECS Secretariat.

Overall objective of the programme

The overall goal of the CREDP is the reduction of the Caribbean Region's dependence on fossil fuels and contributing to reducing GHG-Emissions.

The aim of the project reads as: "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".

Approach

CREDP/GIZ is closely co-ordinated with and seeks to strengthen the Energy Programme of the CARICOM Secretariat Georgetown, Guyana through the Energy Unit of the CARICOM Secretariat which was established

in April 2008. For that purpose, amongst others, CREDP/GIZ has seconded a long term Regional Policy Advisor to the Energy Programme at the CARICOM Secretariat in Guyana.

The project methodology centres on initializing and accompanying processes to change within political and institutional procedure and in providing technical and financial expertise so as to stimulate the investment climate in RE/EE in the Caribbean.

On behalf of the CARICOM Secretariat (CCS) Energy Unit, the project offers

- Technical Assistance to the national governments, regional and sub regional organizations in the formulation of national and regional energy policies and the required legal framework conditions for RE and EE;
- Support to the electrical utilities and other investors with regard to the preparation and implementation of tangible RE and EE projects, thus strengthening the CCS Energy Unit in its coordinating role of the Caribbean energy sector.

In order to increase the outreach of the project and to take advantages of synergy effects between different players active in the Caribbean energy sector, the project cooperates with organisations like OECS Commission (St. Lucia), CDB (Barbados), CARILEC (St. Lucia) and CEIS (Jamaica). These organisations do have either a mandate in the energy sector imposed by their status (CARILEC and CEIS) or by participating Governments (OECS).

The outputs of the CREDP/GIZ are:

- Output 1:** Proposals for improving the political, legal, regulatory and financial framework conditions to support RET have been forwarded to decision makers for approval in selected countries.
- Output 2:** RET-investment projects in selected countries are presented and negotiated for funding.
- Output 3:** Selected senior staff/decision makers are trained in specific issues.
- Output 4:** Experiences are contributed to regional information network.

These outputs are valid in principle, for the second phase and extended by the mandate for Energy Efficiency and the regional expansion.

CREDP/GIZ has its project office in St. Lucia at the Caribbean Public Health Agency, Environmental Health and Environmental Management Department (formerly Caribbean Environmental Health Institute (CEHI), St. Lucia.

Activities, impact and duration

From 2009, a co-financing of EUR 0.7 million from the Austrian Government through its Austrian Development Agency (ADA) supported the implementation of demonstration- and pilot projects in the area of renewable energy and energy efficiency. Beside the provision of Technical Assistance a project pipeline was identified and established for later implementation. A total of 7 (seven) projects from this pipeline were selected and implemented in the areas of solar energy, energy efficiency and capacity building of students at Community colleges. The contribution of the Austrian Government to CREDP was successfully completed in March 2013.

In 2012, co-financing of a new project component called Eastern Caribbean Energy Labeling Project (ECEL) was granted by the European Union ACP Energy Facility amounting to EUR 1.5 million. ECEL seeks to increase the energy efficiency in the six independent OECS countries by introducing energy efficiency labels and standards for electrical household appliances and lighting equipment. ECEL works with the Bureau of Standards, policy makers, importers and retailers of electrical equipment, with the objective to increase the knowledge on energy efficiency of domestic appliances, develop the necessary standards, policies and legislation and equip the relevant institutions with the capacities to implement the standards. It also aims at raising the awareness for energy efficiency among the general public and educating consumers about energy efficiency labels and their implications. In March 2014, the initial phase of ECEL was successfully completed. Currently, CREDP-GIZ assists the OECS Commission to identify the monetary means to continue the ECEL as an OECS activity.

As of 2014, CREDP supports the newly established RE/EE Unit of the Caribbean Development (CDB) in Barbados as well as its Partner Financial Institutions (FI) like the national Development Bank in the Borrowing Member Countries of the CDB (BMC). The main objective of that new area of intervention is to assist these FIs to increase their in-house knowledge of RE and EE technologies, to identify bankable investment projects and to assess properly the involved risks of RE and EE technologies.

Based on a project progress evaluation in August/September 2013 the current second phase of CREDP/GIZ was extended until March 2016.