



**European Commission**

**ACP-EC ENERGY FACILITY  
ACTIONS IN ACP COUNTRIES**

**Annex A1 – Full Application**

**Grant Application Form  
for non-state actors (ACP and EU), EU State actors and international organisations**

**Open Call for Proposals**

**Reference: EuropeAid/123607/C/ACT/ACP**

**9<sup>th</sup> European Development Fund**

Deadline for receipt of applications: 6 October 2006

Name of applicant:	<b>General Secretariat of the Organization of American States (GS/OAS)</b>
Title of the project:	Increasing the Sustainability of the Energy Sector in the Caribbean through Improved Governance and Management

Application No At the Opening	
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## I. THE ACTION

### 1. Description of the action

1.1 *Title* **Increasing the Sustainability of the Energy Sector in the Caribbean through Improved Governance and Management**

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1.2 *Location(s)* **St. Lucia, Dominica, Grenada, St. Kitts & Nevis, St. Vincent & the Grenadines, Antigua and Barbuda, and The Bahamas**

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1.3 *Amount requested from the European Commission*

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Total eligible cost of the action	Amount requested from the European Commission	% of total eligible cost of action
<b>1,970,457€</b>	<b>1,400,000€</b>	<b>71 %</b>

## 1.4 Summary

Duration of the action	36 months
Objectives of the action	<p>Overall objective(s): Project actions will accelerate the transition toward cleaner, more sustainable energy use in seven countries of the Caribbean.</p> <p>Specific objectives: The Project will specifically address market conditions for the development and use of renewable energy and energy efficiency systems by mitigating the barriers to their implementation and use. In particular, actions will focus on improving energy sector governance and management in the Project countries. As market conditions are improved, sustainable energy projects will be identified and their development will be catalyzed by the Project team, in cooperation with the countries and private sector investors/developers.</p>
Partner(s)	<ul style="list-style-type: none"> <li>• Renewable Energy and Energy Efficiency Partnership (REEEP) [International Secretariat—Vienna, Austria]</li> <li>• Caribbean Energy Utility Services Corporation (CARILEC) [Castries, St. Lucia]</li> <li>• The Caribbean Community (CARICOM) Secretariat, Caribbean Renewable Energy Development Programme (CREDP) [CARICOM/CREDP—Georgetown, Guyana]</li> </ul>
Target group(s) <sup>1</sup>	Policymakers, electric utilities, and large energy consumers (i.e. tourism industry) in St. Lucia, Dominica, Grenada, St. Kitts & Nevis, St. Vincent and the Grenadines, Antigua and Barbuda, and The Bahamas.
Final beneficiaries <sup>2</sup>	Citizens of St. Lucia, Dominica, Grenada, St. Kitts & Nevis, St. Vincent and the Grenadines, Antigua and Barbuda, and The Bahamas (858,429 citizens). The general population of each of the Project countries will benefit through reduced electricity prices, increased reliability of electricity supplies, reductions in electricity demand, and enhanced economic development through growing opportunities for sustainable energy investments to contribute to poverty eradication. Local wildlife and the local and global environment will also benefit as a result of reduced consumption of fossil fuels for electricity generation.
Estimated results	As a result of Project actions, it is expected that in each Project country renewable energy and energy efficiency systems and practices will be increasingly deployed. It is estimated that at least 200 MW of renewable energy projects among the Project countries will be installed within ten years of the conclusion of this Project. Further, it is estimated that energy demand will be reduced by 15% versus the projected baseline during the same period and significant reductions in greenhouse gas emissions (GHG) are anticipated.
Main activities	<p>The Project proposes a comprehensive approach to mitigating the governance and management obstacles that currently impede the development and use of sustainable energy (renewable energy and energy efficiency). In each of the countries the Project will pursue a strategy that includes: (1) the establishment of national sustainable energy goals/targets through the adoption of Sustainable Energy Plans (SEPs), and (2) targeted support for the implementation of activities (as outlined in each national SEP) that address specific challenges or barriers. The main activities will include:</p> <ul style="list-style-type: none"> <li>• Energy sector policy/regulatory reforms that favour sustainable energy</li> <li>• Capacity building for public officials, electric utility personnel, and large consumers</li> <li>• Institutional strengthening including the establishment of national sustainable energy offices in the appropriate energy ministries, and the creation of a regional coordination unit (RCU) office</li> <li>• Technical assistance for the identification, preparation, and commercialization of project opportunities</li> <li>• Facilitation of sustainable energy project finance, including the delivery of project preparation (feasibility study) finance.</li> </ul>

<sup>1</sup> “Target groups” are the groups/entities who will be directly positively affected by the project at the Project Purpose level

<sup>2</sup> “Final beneficiaries” are those who will benefit from the project in the long term at the level of the society or sector at large

## 1.5 Objectives

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The Project seeks to improve the sustainability of the energy sector in the Caribbean by catalyzing a transition away from energy consumption and supply patterns based on conventional fossil fuels and toward systems based on sustainable renewable energy technologies and more efficient use of energy in order to create socio-economic benefits (e.g. job creation and reduction in electricity rates) that contribute to poverty alleviation. The Project defines renewable energy as biomass, geothermal, small hydropower, photovoltaic, solar thermal and wind technologies. This Project will primarily seek to achieve this objective in the seven participating countries—St. Lucia, Dominica, Grenada, St. Kitts & Nevis, The Bahamas, Antigua & Barbuda, and St. Vincent & the Grenadines. Further, it will seek to replicate the results achieved in other Small Island Developing States (SIDS) in the Caribbean and elsewhere around the world.

The Caribbean SIDS in general and the seven Project countries in particular face critical challenges with regard to the generation, delivery, and consumption of energy. These countries are highly dependent on imported fossil fuels for the generation of electricity and for transportation. At the same time, these countries are blessed with an abundance of renewable natural resources. Likewise there exists tremendous untapped potential to reduce the amount of energy consumed through more efficient practices.

Yet, the development and use of renewable energy and energy efficiency projects, systems, and services in this region is very limited. The limitations exist as a result of market, legal, and technological barriers inherent in each of the countries. While a number of these barriers exist, the main ones—which this Project will address—are limitations associated with energy sector governance and management.

The primary aim of the Project is to accelerate the transition toward cleaner, more sustainable energy use in seven countries of the Caribbean. The specific objective is to address market conditions for the development and use of renewable energy and energy efficiency systems by mitigating the barriers to their use. Particular actions will focus on improving energy sector governance and management in the Project countries. The Project proposes to overcome institutional barriers by working with the countries to (1) establish sustainable energy goals/targets through the adoption of national Sustainable Energy Plans; and (2) support the implementation of activities, as outlined in each national SEP, that address specific challenges or barriers, including catalyzing private investment in renewable energy and energy efficiency projects. This means collaborating with partner countries on the development and implementation of Sustainable Energy Plans that identify policy, financial, technical, and institutional barriers hindering project development, and outlining solutions to overcome these barriers.

The proposed actions to address market barriers will have many specific objectives including:

- Adoption of appropriate energy policies and regulations that facilitate sustainable energy development;
- Building the technical, legal, financial, and management capabilities of public officials, electric utility personnel, and large consumers within each Project country;
- Ensuring the existence of capable institutions that will participate in the energy sector including establishment of national sustainable energy offices in the appropriate energy ministries, and the creation of a regional sustainable energy project office;
- Identifying commercially viable sustainable energy projects and ensuring that the technical assistance critical for their implementation is in place.

As the Project improves energy sector governance and management practices in the sustainable energy arena, it is expected that numerous project opportunities will be identified. The Project team will work closely with the host government, electric utility, local communities, project developers, and other stakeholders to ensure that such opportunities are properly prepared. By providing support through all phases of market conditioning and project preparation, including the delivery of project preparation financing, the Project will ensure that the deployment of renewable energy and energy efficiency technologies and systems is successful and sustainable. As a result, the long-term goal of this initiative is to catalyze a real and substantial transition away from a dependency on imported fossil fuels and toward the use of sustainable energy technologies as a means of achieving poverty alleviation and security for the Caribbean.

## 1.6 Justification

The provision of modern energy services in Small Island Developing States (SIDS) plays a critical role in fostering their economic growth and improving the welfare of all people. Most SIDS face unique challenges associated with the generation and use of energy due to their heavy reliance on imported fossil fuels.

### **Relevance of the Actions and Identification of Perceived Needs and Constraints**

In the Caribbean, the seven Project countries rely almost exclusively on imported fossil fuels for electricity and transportation. Only Dominica and St. Vincent & the Grenadines produce any significant quantity of electricity from an alternative source—hydropower. The table below illustrates key demographic information, and the sources of energy supplies in these countries, clearly demonstrating the predominance of petroleum use—all of which is imported (see table 1).

**Table 1. Key Energy Sector indicators of the 7 Project countries**

Country	Population	GDP (EUR) per cap.	Utility	Ownership	Gen. Capacity (MW)	Primary Energy consumption for electricity production (TJ)			Average Elec. Cost (EUR/kWh)
						Petroleum	Hydro	Total	
Dominica	78,000	2,875	DOMLEC	private	22.0	429	135	564	0.25
St. Kitts & Nevis	45,000	6,080	St. Kitts Electr. Dept./ NEVLEC	State/private	34.5	1082	.	1082	0.20
St. Lucia	155,000	3,237	LUCELEC	private	56.8	2612	.	2612	0.19
Grenada	89,703	3,925	GRENLEC	private	38.8	100	.	160*	0.18
St. Vincent & the Grenadines	117,848	2,276	VINLEC	state	33.1	78	22	95*	0.24
Bahamas	303,770	15,856	GBP†	private	140.0	100	.	1,810*	0.14
Antigua & Barbuda	69,108	8,634	APUA^	state	61.4	100	.	100*	0.22

\*Measured in Millions of kWh

†Grand Bahama Island only ^Antigua Island only

The proposed Project seeks to catalyze the development and use of renewable energy and energy efficiency technologies and services as alternatives for the supply and delivery of energy in the target countries. Such a project is justified, in as much as it seeks to change the current electricity and transportation systems in the region which are not conducive to sustainable economic development as they have multiple adverse affects, including:

- Dependency on imported fuels results in vulnerability to the volatility of international oil prices and uncertain supplies;
- Dependency on imported fuels causes a heavy drain on foreign exchange earnings, with subsequent constraints on national investment plans;
- Dependency on diesel gen-sets results in unreliable electricity services as these small-scale units require considerable operation and maintenance inputs;
- The combined effect of expensive fuels and costly generation systems slows down the pace of economic and social development, including severely limiting the region's potential to attract investment for industrial and other commercial opportunities (due to electricity prices that are among the highest in the world);
- Local and global environmental effects associated with fossil fuel generation are long-lasting and considerable;
- Local tourism is adversely affected by the negative environmental image caused by fossil fuelled generation.

Alternatively, most SIDS have significant renewable energy resources that can be utilized on a cost competitive basis for power, heat, and cooling applications. Data available on resource assessments and explorations in each of the seven countries have shown good potential for a range of applications based on solar, wind, geothermal, hydro, and biomass resources.

Several studies conducted on different scales (sector, national, and sub-regional) have shown that the estimated economic potential for reducing energy use in SIDS varies between 10% and 30% (missing references). In particular, a recent study<sup>3</sup> commissioned by the Organization of Eastern Caribbean States (OECS) has shown that the estimated economic potential for Dominica, Grenada, and St. Lucia ranges between 10 and 20 percent.

Nonetheless, the development and utilization of renewable technologies in the Project countries has been limited to date and restricted to international assistance programmes. This is due to a number of barriers, including:

- Lack of understanding of the costs, benefits, and applications of these technologies;
- Lack of adequate expertise to assess and validate technology options;
- Policy and regulatory climates that favour environmentally damaging fossil fuels and hinder development of renewable options;
- Lack of in-country institutions able to coordinate and monitor all aspects of renewable energy project design, development, implementation, and operation;
- A power utility structure that resists transitioning away from conventional fossil fuel generation to renewable energy options;
- Lack of available, affordable financing for renewable energy projects, coupled with limited project identification and development expertise.

Further, energy efficiency improvements offer important opportunities to reduce the consumption of imported fossil fuels in the short term. While most SIDS are unable to make radical shifts in their energy mix over the short term, there are large inefficiencies in the current systems that may be addressed with minimal investment. Thus the Project will seek to address both renewables and efficiency, over the short, medium, and long terms to achieve the expected results.

### ***Description of the Target Groups and the Relevance of Actions***

The leadership in each of the Project countries has acknowledged both (1) the opportunities afforded by renewable energy sources to displace expensive imported fossil fuel for the provision of modern energy services, in particular electricity; and (2) the benefits of adopting energy efficiency improvements and the importance of this short-term measure. The Project will capitalize on this growing and deepening awareness in order to realize the above outlined objectives.

Throughout the Project the target groups that will benefit from its activities include a wide range of stakeholders active in this sector. A description of the primary target groups follows:

- *Government agencies responsible for the energy sector:* may include Ministries of Energy, Public Utilities, Public Works, Infrastructure, etc.—varies by country. The government agencies are responsible for the establishment and enforcement of the policies and regulations that govern the energy sector. Essentially they set the rules of the game and define the nature of the marketplace. It is estimated that in each of the seven partner countries there are 15 key government staff that will be targeted by the Project (100 people total).
- *Electric utilities.* In most of the Project countries, there is a single monopolistic electric utility. These tend to be vertical monopolies where one company controls generation, transmission, and distribution. Thus, the plans and commitments of these companies are essential to the success of the Project. Key staff—President, Directors, Managers, engineers, planners—will be targeted by this Project. It is estimated that in each of the seven partner countries there are 20 essential staff that will be targeted by the Project (140 people total).
- *Large energy users.* The large energy users in the Project countries vary, but primarily include hotels and other tourism facilities, light industry, commercial buildings, and agricultural processing facilities. These key energy consumers will be targeted both as beneficiaries of information/services related to energy savings, and as important advocates to influence policy at a national level. It is estimated that 100 key energy users will be targeted through the Project.
- *Clean Energy Project Developers and Financial Institutions.* As policies/regulations are reformed and people and institutions develop the necessary capacities to engage in clean energy projects, it will be essential for project developers and financial institutions to pursue the development of those opportunities that become viable for investment. The Project will

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<sup>3</sup> "Identification of Policy framework options and elements for enhanced efficiency of energy use in the OECS states," Lewis Engineering Inc. & Marbek Resource Consultants Ltd., January 2001.

therefore target the developers and financiers, bringing such institutions together and ensuring that key projects are able to move past the initial concept phase through feasibility and on to the investment phases. It is expected that the Project will target up to seven potential investment opportunities with the delivery of project preparation financing through CARICOM/CREDP (CRETAF and CREF) as an essential component.

The key target groups identified above are essential not only as they will benefit from the Project actions, but also as they are the principal actors in the development of energy technologies, projects, and services, and therefore critical to achieving the key Project goals. As the use of sustainable energy technologies and services grows, the true beneficiaries of the Project are all of the citizens—a total population of 858,429—and visitors of these islands, who stand to benefit from cleaner, cheaper, and more sustainable energy sources.

### ***Elements of Added Value***

The conditions necessary for the widespread commercial development of renewable and energy efficiency technologies in Caribbean SIDS are not yet in place. External support from donors and international development agencies is still required in most cases, despite the efforts that many countries have been making to orient their future energy development toward sustainable options. This Project seeks to accelerate the transition and ensures added value in the following ways:

- Convenes senior authorities from the seven countries to secure adoption of Sustainable Energy Plans (SEPs). Through the regional coordination unit (RCU), the Project will facilitate leveraging of related activities in the region. Along with the collaboration of REEEP, CARILEC, and CARICOM/CREDP this regional coordination unit will support efforts of multiple institutions in effective exchange, benchmarking, cross-fertilization with best practices, cross-learning, and regional capacity building.
- Energy governance has to date happened haphazardly, and a lack of coordination has hindered nations' ability to plan despite their political will. The Project will ensure that a coordinated approach to energy sector governance is promoted.
- Brings financial resources to secure implementation of SEPs. In many cases, "plans" end up as documents on the shelf. This Project will not end with the establishment of plans; rather it will continue to work with relevant stakeholders, including project developers and financial institutions, to ensure that tangible projects are implemented.
- Enables reliable back-up power sources in the case of natural disasters, which afflict Caribbean nations inordinately. For instance, promoting the use of renewable energy through solar photovoltaic systems, many of which are located in schools or other public buildings, will provide back-up power for hurricane shelters and schools, as well as demonstration units at gasoline service stations and government buildings. Such systems are not vulnerable to interruptible supply chains of fuel for sustained operation.
- Creating indigenous, renewable sources of energy is essential to any poverty reduction plan of these islands. The extremely high cost of electricity significantly takes away from users' disposable income (especially the poor), and if these nations do not diversify their energy sources, rising petroleum prices could potentially claim an even larger percentage of citizens' income. Promoting renewable energy resources will fight poverty further through job creation.

The design of this Project is based on the experience of the applicant and key partners. Together, they have accumulated considerable experience in the Caribbean and throughout the world on related activities supporting sustainable energy development. Further, the objectives outlined for this Project have been selected in close consultation with the Project countries and relevant stakeholders.

**Background**

The Project proposes to overcome market barriers to renewable energy and energy efficiency by working with the countries to:

1. Establish sustainable energy goals/targets through the adoption of national Sustainable Energy Plans (SEPs);
2. Support the implementation of activities as outlined in each national SEP that addresses specific challenges or barriers.

Activities to be implemented by this Project will be organized sequentially according to these categories. As a result of the prior work of the Project applicant and/or its partners, four of the seven countries targeted have already begun or have completed the adoption phase of the Sustainable Energy Plans.

The first Sustainable Energy Plan in the region resulted from the commitment made by the Prime Minister of St. Lucia in the year 2000 to become a clean energy demonstration nation. In response to this commitment, the Project applicant and a consortium of partners formed an initiative entitled the Global Sustainable Energy Islands Initiative (GSEII). The GSEII assisted St. Lucia in the preparation of a national SEP, which was formally adopted in 2003 by its Cabinet. The SEP outlines specific targets for increasing the use of renewables and efficiency in the energy sector. The SEP calls for the development and use of at least 20% renewables (7 MW) and a 15% reduction in energy consumption by the year 2010. In addition to setting firm targets, the SEP outlines specific activities designed to facilitate the achievement of these objectives.

Dominica, Grenada, and St. Kitts & Nevis approached the GS/OAS and GSEII for the purposes of preparing national SEPs. The GSEII project team undertook efforts to prepare similar targets and actions, but the resulting SEPs have not yet been formally adopted by their cabinets. Further, three additional countries—St. Vincent & the Grenadines, Antigua & Barbuda, and The Bahamas—have expressed their interest in pursuing this approach through the development of National SEPs. Therefore, dependent on the level of development of the country’s SEP, the Project will initiate activities toward its development, adoption, and/or implementation, according to the table 2 below:

**Table 2 Level of Development of Project Countries’ SEPs**

Country	Preparation of National SEP	Formal Adoption (Cabinet Approval of SEP)	Implementation of SEP Proposed Actions
St. Lucia			√
Dominica		√	√
Grenada		√	√
St. Kitts & Nevis		√	√
St. Vincent & the Grenadines	√	√	√
Antigua and Barbuda	√	√	√
The Bahamas	√	√	√

The execution of the activities outlined below will be facilitated by the establishment of a Regional Coordination Unit (RCU). To effectively mount a large-scale, multi-island, multi-year initiative, it will be necessary to set up a regional office. This office will be responsible for coordinating activities in the region, tracking and monitoring local activities, working with island nation governments and stakeholder organizations, facilitating linkages with the international financial communities and private sector, and coordinating activities with the broader partner base. It is anticipated that the office will be set up in conjunction with CARILEC (based in the Project country, St. Lucia). The purpose of this type of arrangement would be to build on and enhance capacity already available in the region. Staffing for the RCU will come from the Applicant, CARILEC, and may include new and/or regional hires.

## **1. Develop National Sustainable Energy Plans (SEP)**

This first activity phase is designed to establish Sustainable Energy Plans for each of the Project countries. In this pursuit, the Project team will review national energy laws and regulations to consolidate current policies and regulations into national Sustainable Energy Plans. This will be conducted in cooperation with national governments. The goal of the SEPs is to give national institutions the mandate to coordinate and monitor all aspects of clean energy project design, development, implementation, and operation. Firm goals (such as a Renewable Energy Portfolio Standard) or targets (as with St. Lucia's SEP), will modernize a power utility structure resistance to transitioning away from conventional fossil fuel generation to cleaner energy options. Innovative financial mechanisms, such as the Caribbean Renewable Energy Development Programme (CREDP) and the Caribbean Sustainable Energy Fund (begun by Project applicant), will provide affordable financing for clean energy projects that has been previously lacking.

### **a. Drafting of National Sustainable Energy Plans**

For those countries that do not have draft SEPs—St. Vincent & the Grenadines, Antigua & Barbuda, and The Bahamas—the Project team will execute the following activities in each of the countries:

*Organize and manage national consultations with principal government stakeholders* (i.e. Energy Ministry, Finance Ministry, Prime Minister, Social and Economic Development Agencies); identify a local “champion” within the government; outline key concerns from the government perspective. The project manager and senior project staff will travel to project countries to initiate these consultations.

*Convene one or more multi-sector consultations*; include representatives from key business sectors (i.e. tourism), the electric utility, non-governmental organizations (e.g. environmental, developmental, faith-based), and government; seek input regarding concerns, priorities, opportunities, and proposed implementation actions, etc.

*Prepare drafts of the SEP.* Engage local stakeholders in SEP drafting, reviewing, and editing. On the technical front, the SEP outlines specific targets for increasing the sector sustainability. On the political front, the SEP outlines public policy modifications that will lead to necessary market reforms to increase energy sector competitiveness. The Project team will bring this wealth of experience into the SEP drafting process, which will take place promptly after the initial key stakeholder consultations. These consultations will flesh out comments and recommendations to further improve the SEPs.

*Present final SEP at stakeholder workshop.* The regional coordination unit will arrange this workshop in each of the three countries that have yet to formally prepare a SEP. Local media will be invited to this event. This workshop will both explain what the SEP recommends and will work to garner initial support for formal SEP adoption in the national cabinet.

*Role of Applicant/Partners/Stakeholders:* This set of actions will be led by the Applicant, in consultation with the RCU. It is expected that the Partners, CARILEC and CARICOM/CREDP, will also participate actively in the design and execution of this process. The resulting SEPs are intended to be national plans, thus stakeholder consultation is essential. The most critical level of input from national stakeholders will come from the most senior energy ministerial officials and the senior staff of the electric utility.

*Risks and Risk Mitigation Strategy Pertaining to Actions:* Minimal risks are expected with regard to the preparation of the draft SEPs. If a country decides not to pursue the approach, the Project team will evaluate the potential to secure a new country (-ies) for this objective.

### **b. Adoption of National SEPs**

The three countries that require new SEP development—St. Vincent & the Grenadines, Antigua & Barbuda, and The Bahamas—and the two countries that have draft SEPs that have not yet been formally adopted—Dominica and Grenada—will participate in activities designed to secure their adoption. It is expected that the SEPs will be formally adopted by at least four of the seven project countries. This will involve political decisions on the part of each country's cabinet and Prime Ministers. The Project Team will work closely with these governments to ensure that information is provided to all relevant decision makers such that a decision regarding adoption of the plans may be made.

*Role of Applicant/Partners:* The Project manager (applicant) and regional coordination unit staff will work

with the government “champion” and other officials to encourage formal adoption of the SEP by the Prime Minister’s/President’s Cabinet. Here, the RCU in the Caribbean will be at the forefront of this encouragement. It will engage these government stakeholders in the implementation of Project actions, drawing on the local expertise of national office staff to achieve these goals. Further, it will facilitate leveraging of related activities in the region, toward the goal of adopting the SEP.

*Risks and Risk Mitigation Strategy Pertaining to Actions:* (1) Securing adoption of the Plans in a formal manner by each country’s cabinet does represent moderate risk. Given political turnover and bureaucracy it is possible that delays may result. This risk will be mitigated as the Project expects to proceed with efforts to implement SEP *activities* regardless of Plan adoption. It is also possible that SEPs may be adopted by the relevant energy ministry and used as their operational plan while not proceeding to formal cabinet adoption. However, this final alternative is not preferred. (2) In case of a natural disaster the cabinet’s priorities may change and cause delays in the adoption of the SEP, but the calamity may simultaneously highlight the importance of having a sound and distributed energy production mix as well as secure energy services. (3) In 2005 the Project countries signed the PetroCaribe treaty whereby costs for fuel imports are reduced. This treaty may be perceived as a solution to high electricity generation costs in the countries where some politicians or ministries may be(come) hesitant to pursue renewable energy development.

Once developed, SEPs will have outlined the second phase of the project—implementation.

## **2. Implement Sustainable Energy Plans**

Activities in the second phase will focus on the implementation of the SEPs. All seven Project countries will participate in a series of regional and national activities during this phase. The ultimate goal of this phase (and the Project in general) is to expand the development and use of renewable energy and energy efficiency technologies and services in the Project countries and throughout the wider Caribbean. Thus, efforts will focus on:

- 1) helping countries to establish appropriate and transparent “rules of the game” (i.e. preparing policies and regulations for the energy sector);
- 2) building appropriate human and institutional capacity for stakeholders in the region to support sustainable energy projects (this will focus on training in management and technical areas among existing institutions), including conducting a sustainable energy study tour to Europe;
- 3) developing strong local institutions responsible for the promotion, selection, and management of sustainable energy programs and projects (include creating new offices within key institutions such as an office/person responsible for sustainable energy within the Ministry of Energy or its equivalent);
- 4) building awareness within countries at multiple levels of society, regarding the benefits and challenges associated with sustainable energy systems;
- 5) working with the national energy sector stakeholders (management) to identify and/or catalyze new renewable energy and energy efficiency project opportunities;
- 6) establishing linkages between new project opportunities as identified (above) and project financing alternatives.

### **a. Adopt Sustainable Energy Policy and Regulatory Reforms**

The adoption of the SEPs is critical as it sets concrete targets for sustainable energy development and use. Further, the plans include action items to be completed in each country including outlining the key policy and regulatory reforms necessary to create the market conditions for such systems. Preparing these reforms will benefit from the organization of local working groups to coordinate implementation of the prioritized SEP actions, in conjunction with the Project team. The same team used to convene public consultations will organize these local working groups.

There does not exist in any of the Project countries a consistent energy policy integrated with the country development strategies. However, with the support of Project partners, governments of these islands will be engaged in transitioning the country’s energy development policy toward sustainability. An example of such reforms that may be prepared includes the St. Lucian government’s adoption of a policy to

eliminate all import duties and consumption taxes on renewable energy equipment and materials (May 1999), and in April 2001 it decided to allow the purchase of solar water heaters as an allowance against taxable income. In 2003 the government also waived import duties on some energy efficiency technologies and started working on the introduction of energy efficiency standards. However, in St. Lucia and the other countries there remains much work to be done.

The Project will work with local and international lawyers/policy drafters to develop key policies and regulations. Among the measures that may be identified by the SEPs as critical reform elements to be addressed by the Project are:

- Economic and social development impacts of proposed reforms;
- Development of a national energy policy;
- Revision of the Electricity Supply Acts to include such provisions as:
- Rights for auto- or self-generation;
- Inclusion of access for independent power producers (IPPs);
- Right-of-way guidelines;
- Renewable tariff provisions;
- Take-or-pay provisions;
- Performance or energy efficiency requirements for existing utilities;
- Natural resource laws that govern the rights for the exploration, development and exploitation of geothermal, wind, hydro, biomass, and other renewable natural resources;
- Energy efficiency standards and labels requirements for appliances and other electrical equipment;
- Renewable portfolio standard (as a law) that sets binding requirements for the generation or use of renewables;
- Feed-in-tariff provisions;
- Fuel efficiency standards/requirements for transportation vehicles;
- Environmental standards governing the energy sector;
- Fiscal incentives for the exploration, commercialization, development, and/or use of renewables and efficiency technologies;
- Removal of import duties for renewable energy and energy efficiency equipment;
- Electricity sector regulations (may be implemented on a national or regional basis).

Prioritization and sequencing of those policy measures that will be taken up by the Project will occur in consultation with the energy sector governing bodies and other national stakeholders, including public entities in charge of economic and social development. Given the limited resources of the Project, and the multitude of policy reforms that may be appropriate, it is expected that one to three priority policy actions will be selected per country.

Further, the Project will carry out a series of regional sustainable energy policy events (at least three such events during the Project). The regional events will include:

- Regional Renewable Energy and Energy Efficiency Policies Workshop (organized by CARILEC and CARICOM);
- Sustainable Energy Study Tour to Europe—to include visits with key policy makers/government officials to learn about the approach/alternatives used there (more information regarding this study tour is below);
- CARILEC, the association of energy service providers in the Caribbean, will organize at least one additional consultation among utility members (through its annual CEOs' meeting for example) regarding policy and regulatory actions.

The objective of these actions is to stimulate the reform of energy markets to be more accommodating to renewable energy and energy efficiency technologies and services. Despite the high price of petroleum, the current policy and regulatory regime favours existing generation practices (fossil fuel-based and inefficient) such that the reforms outlined herein are critical to the overall goals of the Project.

*Role of Applicant/Partners/Stakeholders:* The tasks in this section will be implemented by the applicant and partners. Further, the many national stakeholders will participate in these actions as their role is critical to the proposed adoption of reforms.

*Risks and Risk Mitigation Strategy Pertaining to Actions:* The risks associated with the proposed policy and regulatory reforms are moderate. This is due to uncertainty regarding the willingness and ability of

governments to secure approval of proposed reforms. Many reforms take a long time to secure passage and therefore consistency and patience are required in order to secure approval. This risk will be mitigated by efforts to identify the policies and regulations that are most likely to be approved and focusing efforts on these.

***b. Improve capacity of energy sector stakeholders in areas of sustainable energy deployment, development, and use***

The Project team will provide training (via workshops, courses, and seminars) to energy sector stakeholders (utility managers, commercial sector energy managers, and government personnel) related to sustainable energy applications. Private sector and NGOs, including religious, women or environmental NGO's, government personnel, and electric utility personnel will be trained in sustainable energy development. Also, a sustainable energy development/best practices manual will be created and then distributed through national sustainable energy offices and the regional coordination unit.

Electric Utility Staff Training: Electric utility officials, managers, and engineers in the Project countries often lack the information necessary to select, develop, and use renewables and efficiency technologies and services within their systems. Gaining technical capacity in the operation and maintenance of renewable technologies would make it much more likely that the systems installed would achieve their full potential. Likewise, it is critical for utilities to gain capacity in the use and promotion of energy efficiency measures.

Actions:

- a. One training seminar/workshop to be held for engineers and utility staff in one or more selected island states (a total of 3 multi or bi-national seminars will be delivered). This training process will develop a sustainable energy curriculum for electric utility managers. A specific outreach will be made to address the needs/interests of professional women. The curriculum will be easily replicated among other CARILEC members—in the form of a sustainable energy development/best practices manual that will be prepared. These capacity-building activities match ideally with CARILEC's mission—to offer technical training, technical studies, and management reform advice to its members. CARILEC will lead, with the support of REEEP, the RCU and other partners in this activity.
- b. Establishment of a renewable energy and energy efficiency information hotline. This hotline will be established at the RCU, and will draw on the expertise of CARILEC, CARICOM/CREDP, and other partners to provide real time support.

***Financial Institutions Training***

Regional (the Caribbean Development Bank) and national bank managers and lending officers will be offered a training seminar on the particulars of project finance requirements for renewable energy and energy efficiency projects. Given the critical barrier in the area of sustainable energy finance it is expected that this element of capacity building will increase the willingness and capacity of the financial community to invest and lend in this area.

Action:

- a. Conduct one regional sustainable energy financing seminar. The seminar will take place in one of the Project countries or at the offices of the Caribbean Development Bank (Barbados). This action will be led by the GS/OAS and will draw on the support of REEEP (especially its financing advisers).

***Sustainable Energy Study Tour***

Educational study tours are powerful instruments of capacity building and knowledge exchange as they facilitate networking and cooperation and/or partnership building between energy stakeholders who share one common goal but come from different locations, engagement strategies, and backgrounds. For this Project, a study tour to Europe is proposed for up to 14 Project country stakeholders (two from each island). EU experts will be leveraged to offer insight into the situation within the various countries. In addition, an introduction to the EU sustainable energy markets and Europe's application of renewables and efficiency will provide a sound starting point for a general understanding of technologies, applications, financing, and policy incentives.

During the study tour the participants will establish intensive contact with leading experts in Europe, primarily in order to facilitate knowledge transfer towards supporting the formulation of sound national energy policies and improving the institutional and regulatory frameworks in the energy sector. These objectives are prerequisite to attracting financial resources for sustainable energy related projects in the Project countries.

The study tour will consist mainly of three types of sessions: (1) theoretical short courses on sustainable energy and related issues; (2) site visits to examine technology applications; and (3) workshops on policy and institutional issues.

Actions consist of:

- a. Organization of study tour from the Project countries (7 Caribbean countries, 2 participants per country). This includes airfare, lodging, per diem, and travel within Europe, etc. The expected duration of the study tour is two weeks. The tour is expected to begin and end at REEEP headquarters (VIC, Vienna, Austria).
- b. Conducting Sustainable Energy Short Courses in Europe. Such short courses are characterized by presentations and group discussions on the following topics: CDM applications—requirements, opportunities and bottlenecks; wind energy, biomass, photovoltaic and solar thermal energy, geothermal energy, and biofuels; stand alone systems, hybrid systems, and grid integration; and renewable energy and energy efficiency financing (Prototype Carbon Fund [PCF], official development assistance [ODA], micro-finance, development banks, grants, loans, and multi-shareholder structures, etc.).
- c. Conducting site visits to study and acquire first-hand experience in representative state-of-the-art renewable energy and energy efficiency projects within the EU, and to meet with senior energy sector policy makers to learn about innovative policies to encourage sustainable energy use.
- d. Convening roundtable discussion in Europe to be attended by the Project country representatives, the Project management team, and as many as possible of the lecturers and experts met during the two weeks of the tour.

*Role of Applicant/Partners/Stakeholders:* This component will be organized by the GS/OAS and REEEP. Each Project country will send two key stakeholders. Considerable support from EU-related organizations, governments, private companies, and others will be sought.

Risks and Risk Mitigation Strategy Pertaining to Actions: Minimal risks for this component are anticipated.

***c. Develop strong local institutions responsible for the promotion, selection, and management of sustainable energy programs and project.***

National governments will receive support in the establishment of 3 or more sustainable energy offices within the appropriate ministries, with the goal of developing in each country the institutional capacity to promote, select, and manage sustainable energy development procurement and regulatory functions.

Strengthening local institutions starts with establishment of the regional coordination unit (RCU) to coordinate the sustainable energy program in the region. The CARILEC headquarters in the St. Lucian capital of Castries is the proposed location for the RCU, and it would benefit from the support of the national office of the GS/OAS.

The RCU will serve to better coordinate the on-going work of the Project partners in this area, and will facilitate leveraging of related activities in the region toward achieving the overall Project goals. This unit/office, a dependent of the Project applicant, will be responsible for coordinating activities in the region, tracking and monitoring local activities, working with island nation governments and stakeholder organizations, facilitating linkages with the international financial communities and private sector, and coordinating activities with the broader partner base. These units/desks will be encouraged to establish linkages with local social and economic development agencies to help ensure that the benefits of this initiative are realized by all segments of the population, including those that are most vulnerable.

In three or more of the countries, it will be necessary to establish a national office or “desk” for sustainable energy in the ministry most closely related to energy matters. The St. Lucian government

has already created such an office: The Sustainable Energy Office is located within its Ministry of Planning, Development, Environment and Housing. This office will support the implementation of the SEP, from relations with electricity providers to public awareness campaigns to energy efficiency measures. The office will act as the SEP “champion” to promote necessary reforms for successful SEP compliance.

Actions include:

- a. Establishment of the Regional Coordination Unit (RCU). This action includes launching the actual office (space, telephone, and other services), identification of staff/manager (1), training staff, and development of a Web site.
- b. Creation of Sustainable Energy Offices in at least three countries. This includes identifying the appropriate location/ministry, identifying appropriate staff (staff will not be paid by the Project, rather by the host country), training, etc.

*Role of Applicant/Partners/Stakeholders:* The Applicant and all partners will participate in the execution of the above actions. National stakeholders will be consulted in the design of these actions and will be the primary beneficiaries of support.

*Risks and Risk Mitigation Strategy Pertaining to Actions:* The principal area of risk related to this task set includes the possibility that the national governments do not accept the proposal to form a national sustainable energy office. This also includes the risk that such offices will not be financed by the national governments. These risks are considered moderate. The Project proposes that if national offices are not launched in one or more of the countries, the Project work in that country(ies) will continue without the presence of such an office by focusing efforts on the existing offices of the Ministry of Energy.

#### ***d. Build Public Awareness Regarding Sustainable Energy Alternatives***

Project success requires civil society involvement—limiting target groups to government and electricity officials will result in limited success. Thus, a well-designed awareness campaign will be implemented to stimulate a population that will demand the introduction of cleaner energy systems and that will be more receptive to assuming the initial risks of these energy alternatives. This campaign will communicate the overall goals of the Project, the advantages of renewable energy and energy efficiency strategies, and how energy reforms will better protect the environment and the country's security.

The Project applicant will work with island governments, helping the governments by coordinating and financing simultaneous renewable energy and energy efficiency awareness campaigns. A principal component of these campaigns is sponsoring an Energy Awareness Week in 5 or more project countries. With the assistance of the GS/OAS, St. Lucia has undertaken successful Energy Awareness Weeks for the past three years, and its experience will serve as a model for replication in the other countries. These weeks bring energy issues to the populations' consciousness through well-designed events: town hall meetings, public workshops on energy conservation, radio publicity, and other engaging activities. The marquee event for the St. Lucian Energy Awareness Week was an Energy Exhibition and an inter-secondary school science competition based on energy technology. An energy supplement was also placed in the local newspaper, which focused on interagency, local, and regional energy initiatives, as well as opportunities for energy management in the electricity and transportation sectors, and safety.

Consequently, the renewable energy campaign will raise awareness of renewable energy benefits—it goes without saying that current knowledge about such benefits among civil society is lacking. The energy efficiency campaigns will focus on Demand Side Management (DSM) and other energy efficiency activities. This program will communicate the need for and potential benefits to be gained from reducing energy consumption.

Awareness-building meetings will take place between the ninth and twelfth quarters of the project; the timing coincides with the implementation of the Sustainable Energy Plans. Partnerships with regional organizations will provide people to work on these activities. Regional partners will work alongside governments to engage Project country civil society.

*Role of Applicant/Partners/Stakeholders:* Partnerships with local civil society organizations will provide for logistical support for these awareness-building meetings on all seven islands, including meeting space, publicity, and contact lists. Potential local civil society partners include The Aldet Centre (St.

Lucia), the Carriacou Environmental Committee (Grenada), the Dominica Conservation Association (Dominica), the St. Christopher Heritage Society (St. Kitts & Nevis), the Environmental Awareness Group (Antigua), Civil Society Bahamas (The Bahamas), and The Bahamas National Trust (Bahamas). The campaign will also include printing materials that describe successful applications of energy efficiency measures and economic savings achieved (through newspaper advertisements, articles, and posters).

*Risks and Risk Mitigation Strategy Pertaining to Actions:* The risks associated with implementing SEPs will be more easily mitigated when an informed public is aware of the advantages of renewable energy and energy efficiency. Project staff will invest many hours to prepare engaging and informative events during Energy Week to promote as much participation as possible. An engaged population and stimulated civil society should also be expected to press their respective government for further reform in the energy sector after project completion.

#### ***e. Identify new sustainable energy project opportunities***

Project team members will monitor and support (as feasible) efforts in the areas of project identification, project preparation, resource assessments, energy sector audits, and energy efficiency program development (DSM, building audits). The Project team will work to identify one or more new commercial renewable energy development opportunities in each Project country (at least 7 projects total). The team will work with an array of stakeholders: local electric utility representatives, private power developers, landowners, and technology consultants. For instance, the GS/OAS has undertaken an initiative—the “Geo-Caraïbes Project”—to address the key barriers that have heretofore inhibited the development of geothermal power in the region. Given the potential to utilize geothermal resources that exist underneath a number of the Caribbean islands, the Geo-Caraïbes Project is assessing the potential for the development of a 50-to-100-megawatt geothermal project designed to supply electric power to the French islands of Guadeloupe and Martinique via an undersea transmission cable from Dominica and/or St. Lucia, as well as to provide domestic power in Dominica and St. Lucia. The Geo-Caraïbes Project is also assessing the development of a domestic geothermal project to power both islands of St. Kitts and Nevis.

New projects will include electricity system efficiency opportunities (i.e. transmission grid improvements), residential customer efficiency programs (i.e. Demand Side Management [DSM]), and/or commercial efficiency improvements (i.e. hotel energy management improvements). Effective residential customer efficiency programs will require targeted campaigns that communicate to the public the need for and potential benefits to be gained from reducing consumption. Such programs will include printed materials describing successful applications of energy efficiency measures and the economic savings realized. Newspaper advertisements or articles, brochures, and Project-sponsored seminars will accomplish this task.

*Role of Applicant/Partners:* To survey and support the renewable energy options available to Caribbean nations, the Project Applicant will work through the expert base offered by CARICOM/CREDP and CARILEC and in close consultation with national stakeholders.

*Risks and Risk Mitigation Strategy Pertaining to Actions:* Potential obstacles to these identification and assessment tasks include a lack of local knowledge pertaining to renewable energy resources. To overcome this obstacle, the Project will bring together experts on the Caribbean energy field along with international experts.

#### ***f. Facilitate sustainable energy project financing***

The Project actions described above are designed to (1) reform governance and management (i.e. market) conditions to make possible commercial investments in sustainable energy, and (2) to identify viable project opportunities made possible from such reforms. This Project further proposes to take those project opportunities and facilitate the preparation of pre-feasibility financing applications for at least five new projects. This result will be realized through the provision of a financing manual (described below) combined with the collective results (ad-hoc) of the technical, financial, and capacity building services provided by the overall project.

To facilitate the financing of these energy project components, the team will assess the availability of financing for each component. The Project team will prepare a sustainable energy finance guide for the region/Project countries. This manual will outline available funding mechanisms for sustainable energy financing. It will include an array of funding sources, ranging from international sources to

national funds. It will include types of funds covering a full range of project development stages, from the pre-feasibility stage through the project execution stage. For renewable energy opportunities, the Project team will work with partner CREDP to access the Caribbean Renewable Energy Technical Assistance Facility (CRETAF). CRETAF has made available US\$1.6 million for project preparation funding in the Caribbean. Another fund is under development, the Caribbean Renewable Energy Fund (CREF), for debt and equity financing. These funds will be linked to the Project and will help to facilitate the development of new projects that are made possible by Project actions and those of its partners. The Project team will also continue working with the Caribbean Development Bank, the Global Environment Facility (GEF), the local and regional cooperative associations, and others to secure project-specific funding. The overall result of the outputs delivered under this task will be the commitment and/or leverage of at least €15 million in investment in renewable energy and energy efficiency projects and enterprises.

*Role of Applicant/Partners:* The Applicant, Partners, and many stakeholders will participate actively in this task set.

*Risks and Risk Mitigation Strategy Pertaining to Actions:* Strenuous efforts will attempt to overcome the risks of allowing energy sector reform and physical projects to wither without financing. The €15 million investment proposal is not guaranteed but is reachable under the planned approach. The CREDP funds referred to herein have already accelerated efforts to catalyze private investment in renewable energy and thereby facilitate sustainable energy project execution. Also, there is increased interest by organizations such as the Inter-American Development Bank – the largest lender in the region – in clean energy project development, financing, and policy support.

**(a) Method of implementation and reasons for the proposed methodology (in particular in relation to the analysis of problems and to the options assessment)**

As suggested in the Project Justification, a number of barriers inhibit renewable energy implementation. This Project aims to tackle these barriers head on. The GS/OAS, REEEP, CARICOM/CREDP, and CARILEC will bring to these seven nations a wealth of expertise, training, and financing that have to date been lacking. Close consultation with principal government stakeholders and the public will confront the lack of understanding of the costs, benefits, and applications of these technologies. Key energy specialists will confront a lack of adequate expertise to assess and validate technology options. National SEPs will establish the plan and timetable to overcome current policy and regulatory climates that favour environmentally damaging fossil fuels and hinder development of clean options. SEPs will give national institutions the mandate to coordinate and monitor all aspects of clean energy project design, development, implementation, and operation. Firm goals, such as a Renewable Energy Portfolio Standard, if included, would help to modernize a power utility structure resistant to transitioning away from conventional fossil fuel generation to cleaner energy options. Innovative financial mechanisms, such as the Caribbean Renewable Energy Development Project and the Caribbean Sustainable Energy Fund (begun by Project applicant) will provide affordable financing for clean energy projects that has been previously lacking.

An example of the methodological process for creating each of the SEPs follows:

- Consult with principal government stakeholders (i.e. Energy Ministry, Finance Ministry, Prime Minister); identify a local “champion” within the government; outline key concerns from the government perspective.
- Convene one or more multi-sector consultations; include representatives from key business sectors (e.g. tourism), the electric utility, non-governmental organizations (environmental, developmental, faith-based, public entities in charge of social and development policies), and government; seek input regarding concerns, priorities, opportunities, and proposed implementation actions, etc.
- Prepare drafts of the SEP. Engage local stakeholders in SEP drafting, reviewing, and editing.
- Convene public consultation to present final SEP draft.
- Work with government “champion” and other officials to encourage formal adoption of the SEP by the Prime Minister’s Cabinet.
- Organize local working groups to coordinate implementation of the SEP actions, in conjunction with the Project team.

Current documentation regarding the SEP development process in St. Kitts & Nevis offers an example of how this methodology would be deployed. For additional information regarding this example and the various elements of its processes are available at [www.oas.org/dsd/reia](http://www.oas.org/dsd/reia).

Relevant to the objectives and priorities of the program are elements of the Project that depend on local engagement. In at least four of the six components of the preparation methodology for the National SEPs, the Project team will seek and incorporate input from civil society through multi-sector consultations, local working groups, SEP draft preparation, public consultation to present the final SEP draft, and organization of local working groups to coordinate implementation of the SEP actions. This civil society interaction will facilitate educational programs that allow people to understand the importance of proper energy use and the benefits of renewable energy resources.

**(b) Where the action is the prolongation of a previous action, explain how the action is intended to build on the results of this previous action (where applicable)**

The Project will expand upon the prior experience of the Applicant (GS/OAS) in cooperation with its GSEII team (including UNIDO, the United Nations Foundation (UNF), REEEP, the Energy and Security Group, and the Climate Institute) in the countries of St. Lucia, Dominica, St. Kitts & Nevis, and Grenada. In response to the year 2000 commitment of St. Lucia, the GSEII assisted in the preparation of its national SEP, which St. Lucia’s ministerial Cabinet formally adopted in 2003. The SEP outlines specific targets for increasing the energy sector’s sustainability, such as the development and use of at least 20% renewables (17 MW) and a 15% reduction in energy consumption by 2010. The SEP also outlines specific activities designed to achieve these objectives. Most of these activities have yet to be implemented, and are poised for execution as a result of this current Project. In the case of the

second group of countries—Dominica, Grenada, St. Kitts & Nevis—the Project will build upon the draft SEPs prepared and will proceed to implementation. For the remaining three nations—St. Vincent & the Grenadines, The Bahamas, and Antigua & Barbuda—the Project will build on the current dialogue with key stakeholders pertaining to their commitments to engage in a SEP development and implementation process.

Additionally, the Project will build on the sustainable energy programs previously or currently being executed by Partners, particularly including:

- Caribbean Renewable Energy Development Programme (CREDP) activities, such as the renewable energy financing mechanisms (CRETAF and CREF). CARICOM/CREDP linkages are referenced above (<http://www.caricom.org/jsp/projects/credp.jsp>).
- CARILEC activities including utility member training services. See [www.carilec.com](http://www.carilec.com).
- REEEP activities including linkages to the information/expert networks and the sustainable energy policy support through the Sustainable Energy Regulatory Network (SERN). See [www.reeep.org](http://www.reeep.org).

**(c) Where the action is part of a larger programme, explain how it fits or is coordinated with this programme. Please specify the potential synergies with other initiatives, in particular from the EC.**

At regional and global levels, the General Secretariat of the OAS works with an array of associated organizations and networks. The GS/OAS serves as the Regional Secretariat for Latin America and the Caribbean of the Renewable Energy and Energy Efficiency Partnership (REEEP). REEEP represents the global response to the Johannesburg World Summit on Sustainable Development in August 2002, actively structuring policy initiatives for clean energy markets and facilitating financing mechanisms for sustainable energy projects. REEEP is funded by several EU governments, with the primary resources coming from the United Kingdom. REEEP is hosted by UNIDO in its headquarters in Vienna, Austria. REEEP aims to accelerate the marketplace for renewable energy and energy efficiency—exactly what this Project is planning to accomplish in the Caribbean. As a partner in the Project, REEEP will contribute significantly throughout Project execution by providing a platform for communication/networking among stakeholders in the sustainable energy field.

The GS/OAS manages the Caribbean component of the GSEII, a program that has been working to support increased use of renewable energy and energy efficiency alternatives in several member states. The GSEII is a consortia program on developing sustainable energy approaches. The EUEI grant would enable expansion and further development of GSEII under direct supervision of the applicant.

The project actions would further invigorate the project launched by the Caribbean Renewable Energy Development Program CARICOM/CREDP. CARICOM/CREDP is financed by the Global Environmental Facility, through the UNDP, and is working to reduce the financial barriers to renewable energy systems among its member states. Where the Project helps to identify investment opportunities in renewable energy, CARICOM/CREDP resources may be used to support financing for these opportunities. CARICOM/CREDP has established the Caribbean Renewable Energy Technical Assistance Facility (CRETAF), which to makes available up to US\$1.6 million for project preparation funding in the region.

CARILEC, as the association of electric utilities and energy service providers in all project countries, will play an essential role in project execution. Because island nation utility employees lack training in renewable energy technologies, CARILEC will train these workers. Therefore, CARILEC programs are considered particularly valuable: they will improve management and strengthen institutional capacity, along with organizing consultations among utility members regarding Project actions. These consultations will include obtaining utility comments on proposed government/policy reforms.

**(d) Procedures for follow up, internal monitoring and evaluation**

The Project staff at the GS/OAS headquarters and the Regional Coordination Unit will closely monitor the project using evaluation criteria. The Project staff will monitor the design and the implementation of national SEPs in all seven countries.

The assessment of the Project's success is based on the following principals:

- Transparency
- Equity
- Effectiveness

Transparency signifies the public's accessibility to information about decisions made by the energy stakeholders and the government, the proposed reforms in the energy policy framework, and other aspects of the Project that have an impact at a national level.

Monitoring of publication activities:

- Articles and official reports from Project country governments need to be published in the national press to allow for monitoring specifics of SEP legislation and legislation related to the energy production systems and efficiency, such as the renewable energy infrastructure, fuel emission standards, and building codes that will influence project implementation.
- Publication of utility annual reports can promote the transparency of the operation and management of government or semi-government owned entities, including where the government can perform a better financial control of the utility. Further, technical information (e.g. electricity prices, fuel costs, generated power) is thereby provided for renewable energy project developers who require such consistent basic information to perform feasibility studies and increase the successfulness of renewable energy projects.

The participation of all relevant stakeholders in the development of the SEPs is an important indication of the level of equity within the project. This is an essential component for good governance.

Monitoring involvement of Government, Private Sector and Civil Society:

- During the energy stakeholder consultations, along with government officials, relevant stakeholders from the national private sector (such as the hotel or tourism associations) and the civil society should be represented. Capable civil society representatives can be organized into environmental, health, or social-oriented NGOs.

The effectiveness of this strategy can be monitored by investigating the effect of implemented renewable energy projects and energy policy reforms on the final price of electricity, the reliability of electricity generation, and accessibility to energy services.

Monitoring impacts on community:

- The foreseen reductions in electricity price and socio-environmental benefits inherent to renewable energy technologies can be used to assess the Project's socio-economic impact on the community as a mean for poverty alleviation.

**(e) Level of involvement and activity of other organisations (different stakeholder groups and partners or others) in the action; Description of the role and participation in the action of the various actors (local partner, target groups, local authorities, etc.), and the reasons for which these roles have been assigned to them.**

The methodology for the preparation and/or adoption of the National SEPs will follow an approach that draws on considerable local engagement. The level of engagement for the various actions has been described above. In sum, at each step in the process, multi-stakeholder consultations form the basis for discussion regarding priorities, challenges, and alternatives in each country. Local participation is essential for fostering local ownership of the SEPs. Selection of a "local champion" within the host country governments will ensure that leadership comes from within governments, in addition to the Project team working alongside governments. The national SEPs will provide the institutional basis for activities to proceed.

The organization of responsibilities between the applicants, partners, and consultants is described below.

The OAS will perform the central role of overall project management and assigning of specific tasks. It will also play a key technical/policy role through the direct execution of tasks as outlined in the Table 1.9. The OAS lead role will be managed from its offices in Washington, DC, USA but will rely heavily on the support of its local offices in each of the project countries and in the Regional Coordination Unit (consultant/staff to be hired by OAS).

The key partners were selected based on their unique qualifications in this sector. They will be assigned resources (and will compliment with their own co funding) to implement critical tasks of this work plan.

REEEP: European-based sustainable energy NGO will take the lead on organization and implementation of the study tour to Europe. For this task they will utilize specific project resources and will report to OAS for management purposes. REEEP will also be active throughout the project providing technical and policy advisory support based on their co funding commitment to this project

CARILEC: Caribbean-based electric utility association will be responsible for several key tasks, particularly those related to engagements with utilities. This will include training seminars and workshops. CARILEC will receive project funding, passed through from OAS, and will report on results through the OAS which will have management responsibility.

CARICOM/CREDP: Caribbean-based political/project implementation office will be responsible for several key tasks including training of local stakeholders and several tasks related to the identification of financial resources. Project funds will be provided to CARICOM/CREDP for use, together with their co-funding contribution.

Consultants: Various consultants will be utilized for the implementation of legal, technical and financial studies. The management responsibility for the implementation of these consultancy agreements will be with the OAS.

Each of the Project partners—REEEP, CARICOM/CREDP, and CARILEC—will continue to promote Project goals long after the Project itself ends; each partner has tangible incentives to build upon Project results. For instance, as the association of energy service providers in the Caribbean, CARILEC must endeavour to deliver utility-based training programs and improve institutional capacity. CARILEC thus has a vested interest in training and capacitating its members to better manage the new renewable energy and energy efficiency technologies.

#### **(f) Team proposed for implementation of the action**

The key staff that will manage the execution of this Project by the applicant and its partners are described below. Additional information including the curriculum vitae of each is included in Attachment 1.

Principal Project Manager (Applicant – GS/OAS)

##### **Mark Lambrides**

**Mr. Lambrides** has fifteen years of experience in sustainable energy project management, promotion, and development in Latin America and the Caribbean. As the Division Chief for Climate Change, Energy and Natural Hazards at the Organization of American States (OAS), Mr. Lambrides provides guidance to senior government officials as well as international project developers in Latin American and Caribbean on the electricity sector and climate change matters. He manages programs designed to expand opportunities for the commercial development and use of renewable energy and energy efficiency technologies and services throughout the region. Mr. Lambrides received his M.A. in International Relations from The Johns Hopkins University - The Paul H. Nitze School of Advanced International Studies (SAIS), and his B.A. in Political Science and Spanish from Kalamazoo College.

Assistant Project Manager (Partner – REEEP)

##### **Marianne Osterkorn, PhD.**

**Dr. Moscoso-Osterkorn** obtained her PhD in Business Administration at the University of Economics in Vienna, and received a Masters of Arts in Industrial Psychology from the University of Michigan. She started her career in the banking sector as a project manager for organizational projects at several Austrian banks. From 1981-2004, Dr. Moscoso-Osterkorn was employed by Verbund, the largest Austrian utility company. During her 23-year stay at this

company she held various management positions. For more than 10 years she was the International Relations Manager of the group and was responsible for international lobbying and market development; she followed closely the liberalisation process of the European Energy Market. During these years she was strongly involved in the development of the European Green certificate market and was for several years President of RECS International, a European green certificate organisation. In 2004 Dr. Marianne Moscoso-Osterkorn became the International Director of REEEP, the Renewable Energy and Energy Efficiency Partnership.

Assistant Project Manager (Partner – CARICOM/CREDP)

**Roland Clarke, PhD.**

**Dr. Clarke** is a seasoned energy engineering and economic analyst with over 24 years of experience in renewable energy, electric utilities, energy efficiency and demand side management (DSM). Currently Project Manager for the Caribbean Renewable Energy Development Programme (CREDP), at the Caribbean Community (CARICOM) Secretariat, a multilateral inter-government agency serving the development needs of 15 members states in the Caribbean. Dr. Clarke recently developed a technical assistance facility and a private equity facility for funding renewable energy projects in the Caribbean. Engaged in policy, legislative regulatory reform of the electric utility sector, he directed the development of a ToolKit of template transactional documents to aid developers, including a power purchase agreement and other transactional/bankable documents. Dr. Clarke has considerable economic supply side expertise in forecasting electricity prices and forward curves, electric utility production cost and energy avoided cost. He has demand side expertise in benefit cost analysis, program evaluation, market research, and energy auditing for energy efficiency and demand side management (DSM) programs. Dr. Clarke earned his PhD. in energy management and policy, University of Pennsylvania, USA, 1995 and a M.Sc. in Alternative Energy for Developing Countries, Mechanical Engineering Department, University of Reading, UK, 1985, and a B.Sc. (Gen) in Physics, Mathematics and Chemistry from the University of the West Indies, Barbados, 1981.

Assistant Project Manager (Partner – CARILEC)

**Nigel Hosein**

Nigel Hosein is the Executive Director of the Caribbean Electric Utilities Association (CARILEC). At the association he is responsible for the management of key activities including support to the 85 member utilities and service providers in the electric utility industry of the Caribbean. Mr. Hosein is a qualified Mechanical Engineer, having received his B.Sc. from the University of the West Indies, and his MBA from Andrews University (Michigan, USA). Mr. Hosein has extensive experience in business and engineering management, project management, and training. He has worked in several key sectors throughout the Caribbean region, including electric utilities, engineering, telecommunications, and energy management.

Project Specialist (Applicant – GS/OAS)

**Kevin De Cuba**

**Mr. de Cuba** joined the Department for Sustainable Development of the Organization of American States in March 2006. He is born on the island of Aruba and lived for many years in the Netherlands and a year in Portugal. In 2003 he received his Bc. (Honours) degree in Environmental Technology from the Van Hall Institute, the Netherlands and in 2006 he obtained his MSc. degree Sustainable Development with specialization in Energy & Resources from the Copernicus Institute at the Utrecht University in the Netherlands. Mr. de Cuba is fluent in English, Dutch, Spanish, Portuguese and Papiamentu, and has working knowledge in German. Kevin is involved with several energy related projects within the Department of Sustainable Development at the GS/OAS, as the Global Sustainable Energy

Islands Initiative (GSEII) in the Caribbean, Eastern Caribbean Geothermal Energy Project (Geo-Caraïbes) and the Renewable Energy in the Americas Initiative (REIA).

Project Specialist (Partner – REEEP)

**Robert Klump**

**Mr. Klump** holds a law degree from the Karl-Franzens University of Graz and has completed a postgraduate course focused on the law of the European Union at the Danube University of Krems. Additionally he has completed a three month internship at the European Parliament in Brussels. In 2000 Mr. Klump began working in the department for international relations of VERBUND-Austrian Power Trading (APT). Then, in May, 2005 he began working at the International Secretariat of REEEP where he currently serves as a project specialist. Among his responsibilities at REEEP is managing a project called "reegle.info". This "Information Gateway for renewable energy and energy efficiency" is designed to be both a repository for high quality up-to-date data as well as a portal to other relevant data sources.

Project Administrative Manager (Applicant – GS/OAS)

**Charlene Solozano**

**Ms. Solozano** is the Project Coordinator for the Energy, Climate Change and Natural Hazards Division of the Department for Sustainable Development and Environment. She has worked on projects such as the Caribbean Disaster Mitigation Project (CDMP), the Post Georges Disaster Mitigation (PGDM) project, the Renewable Energy in the Americas Initiative (REIA), the Eastern Caribbean Geothermal Development (Geo-Caraïbes) project and the Caribbean Hazard Mitigation Capacity Building Program (CHAMP). Ms Solozano has a Bachelor of Arts from Howard University in Washington, DC.

In addition to the management team outlined above, the full executing team proposed for Project implementation will include a broad range of actors to ensure acceptance and sustainability. Core actors include:

- GS/OAS, through the Department of Sustainable Development, with its staff in Washington, DC, USA. Project team members to include:
  1. Division Chief, Climate Change, Energy and Natural Hazards Division
  2. Project Specialists (4)
- GS/OAS Representative Offices in each of the Project countries (with permanent staff and local charter). Team members to include:
  1. Resident Representative in each country (7)
  2. Administrative assistant in each country (7)
- CARILEC Energy Specialists include:
  1. CARILEC President
  2. CARILEC Training Coordinator
  3. CARILEC member utilities staff (as needed)
- CARICOM Secretariat/Caribbean Renewable Energy Development Programme (CARICOMCREDP). Team members include:
  1. Program Manager
  2. Project Specialists (3)
- REEEP International Secretariat (Vienna, Austria). Team members include:
  1. Project Manager
  2. Project Specialist
  3. Policy Specialist
  4. Finance Specialist
  5. Communications Manager
- Principal Government Stakeholders (Energy Ministry, Finance Ministry, Prime Minister).
- Key Private Sector Representatives (Electricity Service Providers, Electricity Plant Employees)
- Key Energy Sector Experts (Legal, Policy, Technical, Finance, Administrative)
- Key non-governmental organizations (Environmental, health, faith-based, etc.)

Also, these team members will help establish seven National Working Groups (NWG) comprised of key stakeholders including representatives of government ministries, electricity utilities, industrial and commercial organizations, educational institutions, and the civil society. The NWG will push ahead the policy and technical consultative work on sustainable energy planning and implementation. The NWG will also facilitate stakeholder and public participation in the development and implementation phases of the national Sustainable Energy Plans, and will ensure local ownership of the project through information dissemination on a regular basis.

**(g) Main means proposed for implementation of the action (equipment, tools ...)**

The Regional Coordination Unit office and employees, in conjunction with the GS/OAS Representative Offices in each Project country, will serve as the main means for action implementation. This Regional Coordination Unit will serve to better coordinate the on-going work of the project partners in this area and will facilitate leveraging of related activities in the region, toward the overall goals of the Project. This unit/office will be a dependent of the Project applicant and will be responsible for coordinating activities in the region, tracking and monitoring local activities, working with island nation governments and stakeholder organizations, facilitating linkages with the international financial communities and private sector, and coordinating activities with the broader partner base.







Intervention logic	Year 1												Year 2												Year 3												Implementing body	
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12		
<b>Activity</b>																																						OAS
2.c.3 Prepare terms of reference for national offices in 3 of 7 Project countries																																						
2.c.4 Assist in identification/recruitment of necessary staff in 3 of 7 Project countries																																						CARILEC
2.c.5 Train national staff in 3 of 7 Project countries																																						CARICOM/ CREDP
<b>2.d. Mitigate technical risks and uncertainties within sustainable energy project development</b>																																						
2.d.1 Execute project identification missions in each of the 7 Project countries																																						RCU and OAS
2.d.2 Execute renewable natural resource assessments and prefeasibility studies in 3 of the 7 Project countries																																						CARICOM/ CREDP
2.d.3 Conduct energy audits in 3 of the Project countries																																						CARILEC
2.d.4 Monitoring and Evaluation of the Project																																						External Auditing Firm
<b>2.e Improved access to financing for sustainable energy project preparation and development</b>																																						
2.e.1 Assess availability of project preparation financing in the region																																						CARICOM/ CREDP
2.e.2 Assess availability of project development financing in the region																																						CARICOM/ CREDP
2.e.3 Assess availability of energy efficiency project financing in the region																																						CARICOM/ CREDP

Intervention logic	Year 1												Year 2												Implementing body
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	
<b>Activity</b>																									
2.e.4 Prepare sustainable energy finance guide for the Caribbean																									OAS and CARICOM/ CREDP
2.e.5 Link projects identified/in preparation to financing resources available through CREDP																									CARICOM/ CREDP

## 2. Expected results of the action

### 2.1 Expected impact on target groups and final beneficiaries

The action will improve:

#### (a) The situation of target groups and final beneficiaries

The Project activities will benefit groups on several levels of the Project islands' societies. On the governmental level, there will be capacity building activities such as training of government staff and utility managers. Further, by organizing a study tour to Europe and other renewable energy and/or energy efficiency (RE/EE) awareness raising campaigns, energy sector government officials can benefit from European Union experience on a first-hand basis through knowledge transfer regarding RE/EE technology and equipment, and shared experience on RE/EE project development and policy formulation. In addition, the private sector is targeted by Project activities through tasks such as the establishment of local sustainable energy institutions—the presence of local offices and a Regional Coordination Unit (RCU) will contribute to the creation of a renewable energy market and capacity building among local companies. Project activities are further directed toward increasing the awareness and participation of civil society, and this will come partly through the transparent development of energy policies and projects. The combination of increased RE/EE awareness and capacity among government officials, the private sector, and civil society will serve to facilitate local and foreign investment in local RE/EE project opportunities. As a result of increased investment in long-term sustainable RE/EE development, the ultimate beneficiaries—being the general economy of each country and in particular the 858,429 citizens of the Project countries—will profit from lower electricity tariffs, increased energy reliability and quality of service, new employment opportunities, increased potential to attract investment in the energy sectors, and enhancements to other segments of the economy (e.g. tourism, service/light industry). All of these investments, together with the involvement of key stakeholders, will lead to the sustainable development of the Project countries, where the socio-economic benefits mentioned above contribute ultimately to poverty alleviation.

#### (b) The technical and management responsibilities and capacities of different stakeholder groups or partners (where applicable)

The Applicant together with its project partners will help provide technical and management capabilities in the region and will work with target groups and final beneficiaries, including:

- 1) *Electricity Providers.* Providers will be responsible for acting on efforts to shift toward broader use of renewables and energy efficiency. Electricity providers have shown strong interest in these transitions. As the association of energy service providers in the Caribbean, CARILEC will deliver utility-based training programs to utility employees and improve institutional capacity.
- 2) *Government Ministries/Staff.* Consultations will take place with principal government stakeholders (Energy Ministry, Finance Ministry, Prime Minister and other governmental bodies), NGOs representing the civil society, and representatives of the national private sector. The Project will identify a local “champion” within the government and outline key concerns from the perspective of the government. The energy sector stakeholders will draft, review, and edit the national Sustainable Energy Plan. This plan will facilitate restructuring of the energy policy framework to promote renewable energy technologies and energy efficiency across sectors.
- 3) *Energy Consumers.* The Project team will help the island governments coordinate and finance renewable energy and energy efficiency awareness campaigns. Focus will be set on Demand Side Management (DSM) activities and on reducing energy consumption while not decreasing the quality of electric service.
- 4) *Regional Coordination Unit.* In addition to the above mentioned activities, the Applicant will create a Regional Coordination Unit (RCU), a dependency of the Applicant, that will help to coordinate activities in the region through tracking and monitoring local activities, working with island nation governments and stakeholder organizations, facilitating linkages with the international financial communities and private sector, and coordinating with the broader partner base. In addition, it will engage in energy efficiency awareness campaigns. These campaigns will facilitate the implementation of SEPs by informing the public about the advantages of renewable energy and conservation strategies. Once awareness is raised, the general public and stimulated civil societies

can organize themselves and push their respective governments for further reform in the energy sector.

**(c) Describe the situation WITH ACTION versus situation WITHOUT ACTION.**

The Project actions will overcome the barriers to the development and use of renewable energy and energy efficiency in the seven Project countries of the Caribbean. The following results are anticipated as a result of these actions:

**Table 3: Situation with and without the Project Actions<sup>4</sup>**

<b>Without action</b>	<b>With action</b>
Energy planning focused on Gross National Production growth	Energy planning focused on long-term economic and environmental viability
Fossil Fuel sources dominate	Greater reliance on renewable energy
Production-focused energy policy	Energy efficiency-focused energy policy
Centralized energy services	Distributed energy services
Large-scale energy systems	Increased reliance on moderate scale systems
Economic/Financial goals dominate	Balance of Economic, Social and Environmental goals sought
Utility monopoly on production and distribution of electricity	Increased competitiveness in the energy sector
No incentives for efficiency improvements or demand side management (DSM)	Creation and penetration of IPPs into the energy sector and increase the DSM activities
No incentive for generation cost reduction	Electricity cost reductions facilitated by competition and use of local natural resources
No poverty alleviation	Increase financial stability of citizens
Increased dependency on foreign fossil fuel and its volatile international price	Decrease the vulnerability to geo-politically influenced fossil fuels and high prices
Continued fossil fuel based emissions that contribute to Climate Change	Reduction of fossil fuel based emissions and improvement of air quality at national level
No potential for application to Clean Development Funds	RE alternatives eligible for Clean Development Funds (e.g. CDMs, as well as other emission trading schemes)

**(d) Describe the detailed monitoring plan that the project intends to establish to monitor the indicators.**

Project staff at the GS/OAS headquarters and the Regional Coordination Unit will closely monitor indicators of Project actions through annual qualitative evaluations that will track and evaluate the Project's progress. Direct evaluation of results will be performed.

Additionally these evaluations will draw on various external data, including:

- Official reports/statistics from Project country governments;
- Articles published in national press;
- Annual reports of electricity companies;
- Information provided by private sector power developers;
- Environmental data provided by local or international institutions.

The Project will be evaluated against the baseline established by this proposal. Further, it will include criteria such as:

- The number of people trained within commercial and non-profit (non-governmental) organizations;
- The number of people trained in each electric utility;
- The number of people trained within each relevant government agency;
- Electricity prices (changes resulting from Project if possible);
- Economic factors such as wages and GDP;
- The overall investment in renewable energy and energy efficiency;
- The projected reductions in pollutants including carbon emissions.

<sup>4</sup> Partly extracted from: [www.nrel.gov/international/china/pdfs/toward\\_a\\_sustainable\\_energy\\_policy\\_framework.pdf](http://www.nrel.gov/international/china/pdfs/toward_a_sustainable_energy_policy_framework.pdf)

The Project will also sponsor a mid-term and final evaluation by an external organization. In sum, the evaluations will assess the success of the Project in achieving the goals of the EU Energy Facility, particularly those for small island states.

## 2.2 Outputs

1. National Sustainable Energy Plans (SEP) developed in seven Caribbean nations. The SEPs will outline solutions and actions to mitigate barriers to the development and use of sustainable energy—renewable energy and energy efficiency—technologies and systems. The SEP development creates a common set of energy data and project incentives—discussed and formally adopted at the national level under review of key national energy stakeholders. This methodology guarantees the high quality of resultant energy projects as well as clear deadlines, lucid management requirements, and transparency in monitoring the progress of these projects.

2. Actions implemented as outlined in each of the national Sustainable Energy Plans. Each SEP shall identify policy, financial, and institutional barriers hindering sustainable energy project development. The actions supported will be designed to mitigate these barriers to the development and use of renewable energy and energy efficiency alternatives and will achieve the following results: (1) existing energy policies reviewed; (2) alternatives for energy policy reforms assessed; (3) energy policies/legislation assessed; (4) energy sector stakeholder consultations conducted to review draft policies/legislation; (5) policies/legislation presented to government; and (6) policy/technical assistance delivered to government in considering adoption of policies/legislation. In effect, each Sustainable Energy Plan will catalyze change among energy sector stakeholders. Further, several government departments and other key electricity stakeholders will orient themselves toward Project objectives. They will understand how alternative energy sources can lower the current, high costs of electricity. They will gain experience in analyzing, managing, and organizing the new strategy of utilizing renewable energy sources. By reforming the energy sector to allow independent power producers (IPPs)—or the combination of the established utilities with an IPP—to deliver electricity to the national grid, there will be incentives for alternative ways of electricity production. These alternatives will likely result in reduction of the electricity price to the consumers, and create an increased level of security of energy supply to the country.

3. Capacity improved of energy sector stakeholders in the areas of sustainable energy deployment, development, and use. Private sector/NGOs, government personnel, and electric utility personnel will be trained in sustainable energy development. Further, through training of electric utility managers, a sustainable energy curriculum will be developed, which can be replicated for all CARILEC members. This curriculum will result in the creation of a sustainable energy development/best practices manual, which will be distributed through national sustainable energy offices and the regional coordination unit.

4. Energy expenditures of consumers reduced as a direct impact of the clean energy projects. As a result of the increased use of renewable energy generation technologies (at a lower cost of electricity than current fossil fuelled systems) and through reduced energy consumption (from energy efficiency measures), it is projected that electricity customers in each of the seven Project countries will save approximately 15% in their overall electricity bills.

5. Reduced fossil fuel use and greenhouse gas emissions. The actions outlined in the Project (and as described in each national SEP) will aim for a 15% reduction (approximate) in carbon emissions.

6. Introduction of renewable energy infrastructure. Renewable energy will, depending on the available renewable energy sources (wind, geothermal, solar, small hydro, biomass), account for 10% or more of the installed capacity on-grid within five years.

7. Energy efficiency improvements made to existing conventional technologies. Project countries will strive toward a 10% or more energy efficiency improvement over current baseline projections within five years. Toward this end, the SEPs first will initiate energy efficiency projects in government facilities and the hotel and tourism sector.

### *2.3 Multiplier effects and added value*

The Applicant, along with its network of national offices, will lead efforts to further promote Project replication and extension. Each of the key Project partners has global or regional constituencies and is well positioned to contribute to multiplier effects in the Caribbean and around the world. A summary of the projected value-added impacts follows:

#### *Multiplier effects/added value in the Project Countries*

The Project will generate substantial benefits for the populations of the seven Project countries. The direct effect of the Project is likely to result in the near- to medium-term development of at least 15 MW of renewable energy investments and improvements of approximately 10% in terms of energy efficiency savings. Over a longer term—due to the improved management and governance in these countries—it is expected that over 200 MW of renewable energy projects and overall energy savings of up to 15% will be achieved in the Project countries (over 10 years).

As a result of the increased use of renewables and efficiency measures, the overall “energy bill” of the Project countries will decrease and a large amount of foreign reserves will be saved as imports of petroleum products are reduced. This reduction in expenditures for energy will free up resources for government programs aimed at poverty reduction and other services.

Further, as the Project countries begin to attract more investment and utilize more sustainable energy systems, it is expected that other sectors of the economy will benefit. In particular, there will be substantial benefits for the tourism sector and with regard to light industries. In both areas, these countries often fail to attract new investments and/or developments due to the high cost and poor reliability of the electricity services available on the islands. Given the projected reductions in electricity prices and the increased reliability of power services, the Project is expected to generate considerable new investments in these areas. This will have the additional multiplier effect of 1000s of new jobs and overall poverty reduction.

#### *Multiplier effects/added value in other Caribbean SIDS*

Small Island Developing State (SIDS) governments in the Caribbean have become some of the most progressive governments in seeking sustainable energy solutions, given their acute dependence on imported petroleum and their significant potential to harvest natural resources of non-fuel energy. Outside of the seven Project countries in the Caribbean, up to nine additional SIDS in the region will benefit from the Project through the examples and capacity generated, all of which may be shared regionally through the Project partners, CARICOM/CREDP and CARILEC.

During the final year of the Project, as results are collected and a series of best practices are compiled, the Project team will present these results through the CARILEC CEOs’ meeting. This meeting reaches many of the utilities of the Caribbean and includes key energy service and product providers.

#### *Multiplier effects/added value in other SIDS (Pacific and Indian Oceans)*

Substantial added value will be achieved as a result of the direct relationship between the GS/OAS and REEEP. REEEP will facilitate replication of the information, experience, and best practices developed through this Project, to the island nations in the Pacific and Indian Oceans. REEEP will utilize its Regional Secretariat offices in the Pacific (Australia) and India to affect such impacts. Further, Ambassador Julian R. Hunte of St. Lucia has become chairman of the Alliance of Small Island States, representing all SIDS worldwide. The Ambassador has been briefed on current/previous efforts of the GSEII and is fully supportive of efforts to encourage replication to other SIDS in the Pacific and Indian Oceans.

**(a) The short and long-term impact on target groups (including final beneficiaries)**

The project aims to prioritize renewable energy development via national Sustainable Energy Plans, leading to public policy that will set the base for a long-term continuous sustainable energy development strategy after project activities cease. The SEPs will catalyze renewable energy efforts and impact a broad range of groups in the Project countries' societies (see table 4 below for a brief summary of project impacts). Further, the Project will lead to sustained local ownership of Project outcomes. Many environmental, social, and economic benefits will result from Project activities.

**TABLE 4: TARGET GROUPS**

I. Group	II. Short-term Impacts	III. Long-term Impacts
Energy-Sector Ministries	Reformed laws and development plans for renewable energy	<ul style="list-style-type: none"> <li>Increased awareness of RE economic, social, and environmental implications.</li> <li>Good governance.</li> </ul>
Electric Utilities	Creation of Plans for construction of renewable energy production plants	<ul style="list-style-type: none"> <li>Increased awareness and capacity to implement RE projects</li> </ul>
Private Sector Corporations	Lower energy intensity in provided services or production process and creation of new RE-related market	<ul style="list-style-type: none"> <li>Increased awareness of RE economic, social, and environmental implications.</li> <li>Lower electricity costs, higher productivity and growth rates.</li> </ul>
Environmental Groups, NGOs	Increase accessibility to and representation in development of SEPs.	<ul style="list-style-type: none"> <li>Increased capacity and awareness of RE economic, social, environmental implications.</li> </ul>
Electricity Customers	Create or increase awareness of renewable energies and energy efficiency alternatives	<ul style="list-style-type: none"> <li>Increased participation in or control of decision making processes.</li> <li>Lower electricity costs, more disposable income</li> </ul>

**(b) The financial aspect (how will activities be financed when the grant ends?)**

Ongoing linkages of Project countries with CARILEC, CREDP, and REEEP will facilitate sharing of the Project's gained experiences, know-how, and technical capacity to create a base for fresh sources of future financing of RE/EE activities. CREDP receives reliable financing from the GEF for projects in the same Project countries. Continuing investments made by CREDP will ensure that RE/EE activities progress. Due to reforms in the energy legislation and increased RE/EE awareness and capacity, local electric utilities and energy service companies will also have incentives to invest in RE/EE projects. In addition, private sector and NGO partnerships can be created to generate Voluntary Agreements (VA) to perform research and/or develop RE/EE projects. There are many other international multilateral renewable energy initiatives that can financially contribute to the continuance of RE/EE activities and SEP implementation after the grant ends.

**(c) At the Social and Institutional level (Will structures allow the activities to continue to be in place at the end of the action? Will there be local "ownership" of action outcomes?)**

The national SEPs will provide the institutional base for activities to proceed and will become codified in local law; this will enhance the energy sector ministries' commitment to further facilitate activities to reach the Project goals.

Each of the Project partners—REEEP, CARICOM/CREDP, and CARILEC—will push Project goals forward long after the Project itself ends; each partner has tangible incentives to build upon Project results. For instance, as the association of energy service providers in the Caribbean, CARILEC must endeavour to deliver utility-based training programs and improve institutional capacity. CARILEC thus has a vested interest in training and capacitating its members to better manage the new renewable energy technology.

**(d) Policy level (What structural impact will the action have—e.g. will it lead to improved legislation, codes of conduct, methods, etc?)**

By focusing on improving energy sector governance, the Project will change current legislation/regulations that favour traditional fossil-fuel based power systems, reforming them to promote the use of sustainable energy alternatives. This will occur by creating legislation that allows independent power producers to penetrate the energy market.

Project actions will culminate in adopted SEPs, which commit Project nations to set targets for developing and using renewable energies, along with firm energy efficiency goals. The selection of a local “champion” for the SEP development within the government, who will organize local working groups to coordinate implementation of SEP actions, will give strong local oversight to the adopted legislation and regulations.

Through setting energy efficiency targets, the government can function as the leading actor by applying energy efficiency practices in all government buildings, thereby contributing to the decrease in energy intensity and serving as an example for other sectors in the economy. Governments can implement a wide variety of energy efficiency practices: using energy efficient lighting and appliances, providing training in and implementing energy conservation practices, and designing efficient buildings for all new construction projects. Promotion of an alternative-fuelled government demonstration fleet will also accomplish these objectives.

Re-structuring the energy policies will promote local educational outreach. This can contribute to changed codes of conduct regarding energy production and consumption. As a result, residents of the seven island nations will give more thought to the source and consumption rate of their appliances or daily activities.

**(e) The environmental level (predicted impacts on environmental issues)**

As the Project aims to develop local renewable energy use and lead to energy efficiency improvements, this will result in cleaner air (due to less fossil fuel-based emissions), less ground contamination (due to reduced acidification or eutrophication), and less risk for oil spills offshore (less frequency of incoming oil tankers).

By promoting the use of renewable energy sources, globally the Project will lead to a reduction in greenhouse gases that contribute to climate change. Additionally, island nations are particularly well suited to become global showcases for renewable energy given their small size and isolated locations, the dominance of the tourism sector for economic development, and their locally available resources.

Each renewable energy system (wind, solar, biomass, etc.), has its own environmental benefits and drawbacks depending on the context, dimension, and operation. Therefore it is important to perform objective socio-environmental impact assessments to highlight the positive and negative impacts of each technology option on the community and environment. In addition, it is relevant to perform a comparative analysis between RE alternatives and fossil-fuel based power systems, to highlight the techno-economic and socio-environmental aspects of each option and to ensure a sound conclusion and a sustainable energy development plan.

**(f) The economic level (positive and negative impacts on the local and national economy)**

These island nations’ economies stand only to benefit from Project results. Dismantling energy monopolies will lead to increased competitiveness of the energy sector. More investments in renewable energy facilities will contribute to economic growth. Increased reliance on local natural resources and labour will promote job creation and thereby reduce the unemployment rate. Moreover, lower electricity costs, through an increased share of renewable energies in the energy production portfolio, will prevent high energy bills from dragging down economic growth.

On the whole, this Project is designed with the future in mind. Interaction with a broad range of target groups, robust partnerships that continue to attract financing, national laws and institutions oriented to implement the plan, local ownership of action outcomes through the national SEPs, a cleaner environment, and beneficial economic impacts will all contribute to strong project sustainability. Chances for project success are higher because of considerable local engagement in the national SEP preparation processes; in addition, local input will boost local acceptance and commitment to a locally-owned plan written in local law. This Project will remain true to its donor's wishes, for the Project is merely a catalyst for a deep reform in the energy sector in seven countries.

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2.5 *Logical framework*

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**Annex C Logical Framework - Attached**

### 3. Budget for the action and Procurement Plan

Annex B1 (worksheet 1) outlines the budget for the action.

Annex D1 (procurement plan) outlines the plans for procurement of services pertaining to the action.

### 4. Expected sources of funding for the action

Annex B1 (worksheet 2) provides information on the expected sources of direct funding for the action.

#### In kind contributions

Considerable in-kind contributions will be applied to the Project by the applicant and each of the Partners. The following in-kind contributions are estimates:

#### GS/OAS:

- Project applicant currently serves as the executing agent for the Global Environment Facility (GEF) funded Eastern Caribbean Development Project (Geo-Caraïbes). The pre-feasibility phase of this project (PDF-B) has been completed. The Full Project seeks US\$7.5 million from the GEF plus additional cost share from multiple donors. If the GEF awards the grant for the Project, the applicant and Geo-Caraïbes partners including AfD and FFEM will execute this effort to catalyze geothermal development in Dominica, St. Kitts and Nevis, and St. Lucia. The results of these efforts will further leverage the impact of the proposed action.

#### CARICOM/CREDP:

- The on-going Caribbean Renewable Energy Development Programme (CREDP) is currently financed by a grant from the GEF (approximately US\$4.5 million) and other donors. Among the specific activities in the CREDP plan of action are the Caribbean Renewable Energy Technical Assistance Facility (CRETAF). This US\$1.6 million fund is intended to support the preparation of feasibility studies for viable renewable energy projects in the region. Projects identified through this proposed action will be eligible for CRETAF assistance. Further, CARICOM/CREDP is raising fund for the Caribbean Renewable Energy Fund (CREF). This debt and equity fund for project investments will offer projects that are identified and which meet the fund's criteria will be eligible for CREF consideration.

### 5. Financial and Economic Analysis

The Project will make optimal use of the resources allocated to it by the European Commission and other donors. The strategy for maximizing the economic efficiency of the Project is based on the following principals:

- 1) The Project actions are targeted at key obstacles that are common to each of the countries. By deploying a *regional strategy across the seven countries*, the return on the Project's investments will be maximized. The following elements of the approach are highlighted below:
  - A single Regional Coordination Unit (RCU) will be established to serve as a "one-stop-shop" where sustainable energy information will be distributed and where the stakeholders in the countries may make inquiries;
  - Many of the informative materials produced, such as the financing guide will be regional in nature;
  - The individual country interventions (such as preparing sustainable energy plans) will make use of experts in the region who may undertake multi-country missions thereby limiting the amount of travel to and from the region;

- The countries selected for the Project have similar energy sector policies, so that the proposed solutions for each may be similar and the background materials (policies, regulations, laws, etc.) will be similar;
- The study tour and many training elements proposed will be held on a regional basis.

2) The Project *brings together three key regional policy/sustainable development institutions – the GS/OAS, CARILEC, and the CARICOM Secretariat*. These organizations, each having a well established presence in the region will share responsibilities for deploying resources in the most efficient manner.

3) The Applicant and the Partners have *extensive experience in the deployment of governance and management activities in the region and around the world*, making them the ideal consortium to deploy resources effectively.

4) The resources sought for the Project are necessary and will *address challenges in the Caribbean region that are critical in nature*. As demonstrated in this application, the Project countries suffer in terms of economic development and environmental management from their dependency on high cost imported fossil fuels for which they are dependent for electricity and transportation sectors. The resources to be deployed by the Project will generate economic benefit by means of lowering electricity prices, increasing employment, maximizing the use of domestic natural resources, and reducing inefficiencies in energy use.

Ensuring that present opportunities move ahead is a central goal of the Project. This EUEI project will efficiently channel these opportunities into available financial resources. The proposed Project will strive to achieve synergies with these and other ongoing programmes/projects by exchanging information. Lessons learned from other important climate change projects will be taken into account while implementing the Project activities to avoid duplication, save resources, and establish close linkages with ongoing initiatives to make full use of their results.

## II. THE APPLICANT

### 1. Identity

Full legal name:	General Secretariat of the Organization of American States
Acronym (where applicable):	GS/OAS
Legal status: <sup>5</sup>	International Organization
Legal Entity Sheet number <sup>6</sup>	
Nationality:	USA
Official address <sup>7</sup>	1889 F Street NW, Washington, DC 20006; USA
<b>Telephone number:</b> Country code + city code + number	+1-202-458-6261
<b>Fax number:</b> Country code + city code + number	+1-202-458-3560
<b>E-mail of the Organisation:</b>	<a href="mailto:mlambrides@oas.org">mlambrides@oas.org</a>
<b>Website of the Organisation:</b>	<a href="http://www.oas.org">www.oas.org</a>
<b>Contact person for this action :</b>	Mr. Mark Lambrides
<b>Contact person's email address :</b>	<a href="mailto:mlambrides@oas.org">mlambrides@oas.org</a>

**Any change in the addresses, phone numbers, fax numbers and in particular e-mail, must be notified in writing to the European Commission. The European Commission will not be held responsible in case it cannot contact an applicant.**

### 2. Bank details

Annex J is provided, including a financial identification sheet, certified by the bank where the payments would be made.

<sup>5</sup> e.g. state whether the applicant is a for-profit or not-for-profit organisation

<sup>6</sup> If the applicant has already signed a contract with the European Commission

<sup>7</sup> If not in one of the countries listed in section 2.1.1(1) of the Guidelines, please justify its location.

### 3. Description of applicant (one page maximum)

#### 3.1 When was your organisation founded and when did it start its activities?

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The Organization of American States is the premier forum for multilateral dialogue and concerted action in Latin America and the Caribbean. The OAS was chartered in 1949 in Bogotá, Colombia. The Department of Sustainable Development (DSD) has formed part of the OAS since 1963. Translating sustainable development and environmental protection goals into concrete actions, DSD has supported the execution of multiple-country projects like the one currently being proposed.

#### 3.2. What are the main activities of your organisation at present?

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The OAS is the region's premier forum for concerted action, bringing together the countries of the Western Hemisphere to strengthen cooperation and advance common interests. The OAS serves 34 member states of the hemisphere including all of the countries participating in this Project. At a regional level, the General Secretariat of the OAS (GS/OAS) supports member states through technical cooperation. Through its Department of Sustainable Development, the General Secretariat of the OAS fulfils member States' mandates by promoting the implementation of policies, technical cooperation projects and partnerships that translate sustainable development and environmental protection goals into concrete action. A key objective entails integrating environmental priorities set by OAS member States with mainstream development, poverty alleviation, and good governance-related policies.

In the energy sector, the DSD works through its Renewable Energy in the Americas (REIA) initiative. The GS/OAS serves as the Regional Secretariat for Latin America and the Caribbean of the Renewable Energy and Energy Efficiency Partnership (REEEP). The GS/OAS manages the Caribbean component of the Global Sustainable Energy Islands Initiative (GSEII), a program that has been working to support increased use of renewable energy and energy efficiency alternatives in several member states. The REIA initiative has extensive experience in the design of sustainable energy policies and legislation (examples include: Sustainable Energy Plan, St. Lucia; Geothermal Resource Law, Dominica, St. Kitts & Nevis, and St. Lucia; Renewable Energy Incentives Law, Guatemala), in the delivery of capacity building/infrastructure strengthening programs, and in the management of technical assessment activities for renewable energy and energy efficiency projects. For more information on the Department of Sustainable Development, see [www.oas.org/dsd](http://www.oas.org/dsd). For more information on the REIA initiative at the GS/OAS, see <http://www.oas.org/dsd/reia/default.htm>.

#### 3.3. List of the management board / committee of your organisation.

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The Organization of American States (OAS) brings together the countries of the Western Hemisphere to strengthen cooperation and advance common interest. It is the region's premier forum for concerted action. Through decisions made by its programs carried out by its General Secretariat, the OAS promotes greater inter-American cooperation and understanding. The OAS has 35 member states, the independent nations of North, Central and South America and the Caribbean. Countries from around the world are permanent observers, closely following the issues that are critical to the Americas and often providing key financial support for OAS programs. The member states set major policies and goals through the General Assembly, which gathers the hemisphere's foreign ministers once a year in regular session. The Permanent Council, made up of ambassadors appointed by the member states, meets regularly at OAS headquarters in Washington to guide ongoing policies and actions. Each member state has an equal voice, and most decisions are forged through consensus. The OAS General Secretariat (GS/OAS) carries out the programs and policies set by the political bodies. It is led by the Secretary General (Jose Miguel Insulza) and the Assistant Secretary General (Albert Ramdin), who are elected by the member states to five-year terms. Specialized units in the GS/OAS focus on such areas such as sustainable development, democracy, trade, tourism, and social development.

## 4. Capacity to manage and implement actions

### 4.1. Experience of similar actions

#### Action 1: Eastern Caribbean Geothermal Development (Geo-Caraïbes) Project

Countries of the Eastern Caribbean depend heavily on imported fossil fuels to meet their electricity generation requirements (with the exception of Trinidad and Tobago which produces significant quantities of fossil fuel). As a result, these nations face serious challenges, including vulnerability to volatile international oil prices, significant drain on foreign exchange, and susceptibility to environmental impacts associated with fossil fuel consumption. Further, the use of diesel fuel for electricity generation, results in carbon emissions, contributing to global climate change.

The Eastern Caribbean Geothermal Development (Geo-Caraïbes) Project started in March 2003 and was designed and executed as a partnership involving national governments, bi-lateral and multi-lateral development organizations, and non-governmental organizations to meet these challenges. The General Secretariat of the Organization of American States (GS/OAS) served as the executing agency for the project. The project was funded by the Global Environment Facility (GEF) through the United Nations Environment Programme (UNEP) at a total cost of \$725,000.

The objective(s) of the project are to overcome the barriers to the development of geothermal power, and to implement a regional strategy that will create the conditions for successful deployment of one or more commercially viable geothermal power plants in the region. The resulting electricity from geothermal power generation in Dominica, St. Lucia, and/or St. Kitts and Nevis will supply the host countries, and, through project replication, will offer the opportunity to supply power to the neighboring French islands – Guadeloupe and Martinique – via submarine cable. As a consequence, benefits will accrue to multiple countries, including delivery of cost-effective, reliable, environmentally benign power, while off-setting greenhouse gas emissions (GHGs) for the benefit of the global climate.

Toward this pursuit, the project consisted of three principal categories of work designed to address the geothermal market barriers in the Eastern Caribbean:

- Capacity building, Institutional Strengthening for Policy/Regulatory/Development Reform
- Geothermal Project Technical Assistance, Capacity Development and Feasibility Studies
- Drilling Risk Fund Preparation and Project Financing Strategies

For further information please contact:

Name	Title	Organization	Address, Telephone, Email
Bernard Jamet	Programme Officer	UNEP	Tour Mirabeau 39-41 Quai Andre-Citroen 75739 Paris Cedex 15 France  Tel: 011-33-1-44-18-58 Email: <a href="mailto:bjamet@unep.fr">bjamet@unep.fr</a>
Mark Lambrides	Program Manager	GS/OAS	1889 F. St., NW Office 714 Washington, DC 20006  Tel: 202-458-6261 Email: <a href="mailto:mlambrides@oas.org">mlambrides@oas.org</a>

## Action 2: Renewable Energy Initiative in the Americas (REIA)

The Renewable Energy in the Americas (REIA) Initiative began in 1998. It is managed by the General Secretariat of the Organization of American States within its Department for Sustainable Development and is currently in its 8<sup>th</sup> year of activities. REIA is funded by the United States Agency for International Development (USAID) with a total cost of \$1,097,500. It is a program that was created to help accelerate the development and use of renewable energy and energy efficiency as solutions for improving access to modern energy services and meeting the growing energy needs of countries in Latin America and the Caribbean (LAC). The OAS serves the interests of all democratically elected governments of the hemisphere and as such was well positioned to guide REIA in achieving its goals for sustainable energy development.

REIA works to meet its primary objective – promotion of sustainable energy for improving access to energy services in LAC – by helping countries of the region overcome key obstacles to the development and use of these systems. The many REIA activities fall broadly within four categories, including:

- Policy and regulatory support – assisting in the preparation of policies and regulations that improve the market conditions for renewable energy and energy efficiency projects
- Project management and technical assistance – cooperating in the identification, preparation, development and implementation of sustainable energy project opportunities, including supporting links to other multilateral development organizations
- Hemispheric energy integration – supporting partnerships and dialogue among energy stakeholders through the Global Village Energy Partnership (GVEP), Renewable Energy and Energy Efficiency Partnership (REEEP) and the Summit of the Americas
- Technical and trade promotion – increasing human and technical capacity for local participation in sustainable energy projects.

### Contact information

Name	Title	Organization	Address Tel/Email
Sharon Hsu	Program Manager	USAID	1300 Pennsylvania Ave., NW RRB 3-08-026B Washington, DC 20523-3800  Tel: 202-712-0889 Email: <a href="mailto:shsu@usaid.gov">shsu@usaid.gov</a>
Mark Lambrides	Program Manager	GS/OAS	1889 F. St., NW Office 714 Washington, DC 20006  Tel: 202-458-6261 Email: <a href="mailto:mlambrides@oas.org">mlambrides@oas.org</a>

### Action 3: Global Sustainable Energy Islands Initiative (GSEII)

Most Small Island Developing States (SIDS) in the Caribbean face unique challenges associated with the generation and use of energy. These Caribbean island nations depend almost exclusively on imported petroleum for their energy; including both electricity generation and transportation. This high level of dependence leaves these countries vulnerable to the volatility of international oil prices and results in tremendous drain on capital for imports. Likewise, Caribbean islands are vulnerable to environmental impacts associated with fossil fuel consumption. This includes local environmental impacts as well as the global affects of climate change, such as sea level rise and increased strength and frequency of hurricanes.

Most SIDS have significant renewable natural resources, including solar, wind, geothermal, hydro and biomass resources that can be used on a cost competitive basis for power, heat and cooling applications. Island nations are particularly well suited to become global showcases for renewable energy given their small size and isolated locations, the dominance of the tourism sector for economic development, their locally available resources, and their positive and progressive political attitudes.

The Global Sustainable Energy Islands Initiative (GSEII) was created in (year) to help promote and support the efforts of Caribbean SIDS in transitioning away from energy consumption and supply patterns based on conventional fossil fuels towards more sustainable energy development based on environmentally sound renewable energy technologies and more efficient use of energy. The GS/OAS serves as the executing agency for the project with a total cost of \$67,000 for the current contract.

A principal focus of the Project is to support the consolidation of the efforts of the Caribbean island States of Dominica, Grenada, St Kitts and Nevis and St. Lucia in orienting their national energy policy and development towards renewable energy and energy efficient technologies. In line with their respective national priorities, the Project aims to help these islands to lay the foundations of improved energy security, reduced electricity tariffs and improved allocation of resources.

#### Contact Information:

Name	Title	Organization	Address Tel/Email
Nasir Khattak	Program Manager	The Climate Institute	1785 Massachusetts Ave., NW, Washington, DC 20036 Tel: 202-547-0104 Email: <a href="mailto:nkhattak@climate.org">nkhattak@climate.org</a>
Mark Lambrides	Program Manager	GS/OAS	1889 F. St., NW Office 714 Washington, DC 20006 Tel: 202-458-6261 Email: <a href="mailto:mlambrides@oas.org">mlambrides@oas.org</a>

### 4.2.1 Annual income over the last three years, mentioning where applicable for each year, the names of the main financial backers and the proportion of annual income each has contributed

The OAS receives its funding from a variety of sources. It is primarily supported by annual contributions from its member states. Additionally it draws revenue from multiple external donors, including: observer nations (there are 45 observer nations to the OAS), other multilateral development organizations, private non-governmental organizations, and international financing institutions. The annual budget of the full organization (OAS) over the past three years for the organization has been:

2004: US\$84,700,000

2005: US\$84,400,000

2006: US\$84,100,000

The Project will be managed by the Department of Sustainable Development, which has a multi-year portfolio included 59 projects for a total grant amount of US\$70.4 million. These projects have life spans from three months to six years; currently the DSD has commitments in place through 2008. Of these, 51 projects are externally-funded and 8 are regular-funded. Of the 59 ongoing projects, 29 new successfully negotiated agreements were completed totalling approximately US\$4 million. The DSD financial execution level for the period was at US\$8.7 million, directed toward promoting the implementation of policies, technical cooperation projects and partnerships that translate sustainable development into concrete action.

Of the budget, 37% of funding came from World Bank (GEF) sources. A further 30% came from UNEP (GEF) sources, and bilateral funds accounted for 33% of funding. The DSD department began the 2005 year with a cash balance of \$5,565,395.

### 4.2.2 Financial data. Please provide the following information on the basis of the profit and loss account and balance sheet of your organisation

The OAS is an International Organization and is managed as a non-profit institution. Attached to this application is a copy of the 2005 Program Budget as adopted by the Member States and the Permanent Council. (See Attachment 1: Program-Budget of the Organization, 2005). Additional information regarding the financial viability of the organization may be found at: <http://www.oas.org/budget>.

Furthermore, where the grant requested exceeds EUR 300 000, please provide the references of the external audit report established by an approved auditor<sup>8</sup>. This obligation does not apply to international organisations<sup>9</sup> nor to EU public bodies<sup>10</sup>:

### 4.2.3 The number of full-time and part-time staff by category (e.g. number of project managers, engineers, other development specialists, accountants, etc), indicating their place of employment

- The total number of Core Staff employees at the OAS is approximately 528 (in year 2005).
- Of the 528 employees, 315 are “Professionals” while 213 are “General Services” or administrative.

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<sup>8</sup> Insert only where applicable, in the light of the grant amounts to be awarded under the call for proposals.

<sup>9</sup> Insert where international organisations are eligible for the call for proposals.

<sup>10</sup> Insert this mention where public bodies are eligible for the call for proposals, and if the Contracting Authority, depending on its analysis of the management risks, decides to exempt them from this obligation.

- Approximately 450 of the Core Staff are employed at the OAS Headquarters in Washington DC, USA. The remainder are employed in the OAS Country Offices, for which there are one in each of the seven countries involved with this Project.
- Contained within the Program-Budget of the Organization, 2005 (Attachment 1) is an outline of the core staff professional allocations. Approximately 190 staff are managers or executive staff. The remainder are specialists and/or administrative.

#### 4.2.4 Equipment and offices

The headquarters of the Applicant will be utilized to manage the overall Project. The GS/OAS headquarters are located in Washington DC, USA and comprise three large buildings. The offices of the Department of Sustainable Development are located in the General Services Building at 1889 F Street, NW, Washington DC 20006. This building includes all necessary furniture, computers, telecommunications equipment, etc. for standard business operations. The OAS also has representative offices in each of the Project countries. Each of these offices is housed in a building or office space owned or leased by the OAS and is fully equipped for business operations.

To effectively implement this Project it will be necessary to set up a Regional Coordination Unit (RCU) in the office of CARILEC in St. Lucia under the auspices of the Project Applicant. This unit will be supported by staff selected by the GS/OAS who will be responsible for the day to day operations of the projects activities. The Unit's premises shall be furnished with 2-3 computers, a printer, fax machine, 2-3 telephones, furniture and other office supplies to facilitate the establishment of the RCU.

The RCU will draw on the local expertise of its partners, including CARICOM/CREDP (based in Guyana, with experts available throughout the region). Further, it will serve to better coordinate the on-going work of the project partners in this area, and will facilitate leveraging of related activities in the region, toward the overall goal(s) of the Project. This unit will be primarily responsible for coordinating activities in the region, tracking and monitoring local activities, working with island nation governments and stakeholder organizations, facilitating linkages with the international financial communities and private sector, and coordinating activities with the broader partner base.

#### 4.2.5 Other relevant resources (e.g. volunteers, associated organisations, networks that might also contribute to implementation).

The GS/OAS collaborates with many organization, community groups, and companies. In the case of this Project, the most relevant association is its affiliation with the Global Sustainable Energy Islands Initiative (GSEII), a program that has been working to support increased use of renewable energy and energy efficiency alternatives in several member states of the Caribbean. The partners participating in the GSEII may be consulted and/or used to contribute to the successful implementation of the Project. The organizations that are affiliated with this effort include:

- Alliance of Small Island States (AOSIS) <http://www.sidsnet.org/aosis/>
- The Climate Institute <http://www.climate.org/>
- UNIDO <http://www.unido.org/>
- United Nations Foundation [www.unfoundation.org](http://www.unfoundation.org)
- International Network for Sustainable Energy (INFORSE) <http://www.sidsnet.org/aosis/>
- Energy and Security Group [www.energyandsecurity.com](http://www.energyandsecurity.com)

For more information on the GSEII, see: [www.gseii.org](http://www.gseii.org)

## 5. Other applications made to European Institutions, the European Development Fund (EDF) and EU Member States

5.1. Grants, contracts and loans obtained over the last three years from European Institutions, the EDF and EU Member States. The applicant may list only actions in the same field as this proposal.

The following table offers a selected list of project grants from the EC and/or European Union Member States to the OAS over the past three years (only grants exceeding 45,000€ are included here):

Table 5:

Country of intervention	EC budget line, EDF and other source(s)	Amount (EUR)	Year obtained
Argentina, Costa Rica (OAS Department of Sustainable Development)	European Commission, Directorate-General for Trade	89,980	2005
Uruguay, Argentina, Brazil, Paraguay (OAS Department of Sustainable Development)	Italy	47,820	2004
Colombia (OAS Dept. for the Prevention and Resolution of Conflicts)	Netherlands	1,938,484	2005
Guatemala (OAS Dept. for the Prevention and Resolution of Conflicts)	Norway	354,342	2005
Ecuador, Peru, Bolivia (OAS Dept. for Promotion of Democracy)	Italy	164,904	2005
Various OAS Member States (OAS Inter-American Commission on Human Rights)	Italy	164,689	2005
Ecuador, Nicaragua (Office of Humanitarian Mine Action)	Italy	159,077	2005
Colombia (OAS Inter-American Commission on Human Rights)	Sweden	154,787	2005
Colombia (OAS Dept. for the Prevention and Resolution of Conflicts)	Ireland	123,236	2005
Colombia (OAS Inter-American Commission on Human Rights)	Ireland	123,220	2005
Bolivia (OAS Dept. for Promotion of Democracy)	Denmark	120,735	2005
Venezuela (OAS Dept. for Promotion of Democracy)	Norway	105,792	2005
El Salvador (OAS Inter-American Commission of Women)	Netherlands	79,000	2005
Guatemala (OAS Dept. for Promotion of Democracy)	Sweden	572,647	2004
Mexico (OAS Inter-American	Finland	309,751	2004

Commission on Human Rights)			
Guatemala (OAS Dept. for Promotion of Democracy)	Netherlands	97,138	2004
Bolivia (OAS Dept. for Promotion of Democracy)	Spain	79,000	2004
Dominican Republic (OAS Inter-American Commission on Human Rights)	Spain	69,306	2004
Nicaragua (OAS Dept. of Democratic and Political Affairs)	Sweden	67,679	2004
Various Countries (OAS Inter-American Commission on Human Rights)	France	63,867	2004
Venezuela	European Commission	600,000	2003

5.2 Grant and loan applications submitted (or about to be submitted) to European Institutions, the EDF and EU Member States in the current year. The applicant may list only actions in the same field as this proposal.

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There are currently no other applications currently pending before European Institutions, the EDF, and EU Member States in the same field as this proposal (Sustainable Energy).

**Nota Bene:** The applicant is required to inform without delay the Commission department to which this application is submitted if the same application for funding made to other Commission departments or Community institutions has been approved by them AFTER submission of this grant application

### III. PARTNERS/CO-DONORS OF THE APPLICANT PARTICIPATING IN THE ACTION

#### 1. Description of the partners

	Partner 1	Partner 2
Full legal name	Renewable Energy and Energy Efficiency Partnership (REEEP)	The Caribbean Community (CARICOM) Secretariat, Caribbean Renewable Energy Development Programme (CREDP), [CARICOM/CREDP]
Nationality	Austria	Guyana
Legal status	International NGO	Caribbean Regional Organization
Official address	REEEP Secretariat Vienna International Centre Room D1732, Wagramerstrasse 5 A – 1400 Vienna, Austria	P.O. Box 10827 Georgetown, GUYANA
Contact person	Dr. Marianne Osterkorn	Roland R. Clarke, PhD
Telephone number	+43 (1) 26026 3247	(592) 222 0079
Fax number	+43 (1) 21346 3247	(592) 222 0079
E-mail	marianne.osterkorn@reeep.org	rclarke@caricom.org
Number of employees	16	5
History of cooperation with the applicant	GS/OAS staff supported the launch of REEEP; GS/OAS has served as the Regional Secretariat for REEEP since 2003; REEEP has provided seed funding to GS/OAS for the launch of the GSEII program in the Caribbean.	GS/OAS is a close cooperater with CARICOM/CREDP; GS/OAS serves on the Project Steering Committee of the CREDP Project; GS/OAS staff have worked closely with CREDP staff in the Caribbean in the execution of renewable energy activities over the past five years.
Experience of similar actions, in relation to the role in the implementation of the proposed action	REEEP is an active, global public-private partnership that structures policy and regulatory initiatives for clean energy, and facilitates financing for energy projects. Backed by more than 200 national governments, businesses, development banks and NGOs, its accelerates the integration of renewables into the energy mix and advocates energy efficiency as a path to improved energy security and reduced carbon emissions, ensuring socio-economic benefits. REEEP has funded more than 50 high quality projects in 44 countries that address market barriers to clean energy in the developing world. These projects are beginning to deliver new business models,	CARICOM/CREDP is working with national governments to reform the regional policy environment to support investments in renewable energy projects.  CARICOM/CREDP seeks to reduce greenhouse gas emissions by removing barriers to renewable energy development. It does this by establishing the foundation for a sustainable renewable energy industry, and creating a framework under which regional and national renewable energy projects are mutually supportive.

	<p>policy recommendations, risk mitigation instruments, handbooks and databases.</p> <p>REEEP facilitates the collection and distribution of best practices, while coordinating regional dialogues through working groups including the technical areas of grid-tied, off-grid, and energy efficiency systems, policy, regulation and financing.</p>	
Role and involvement in preparing the proposed action	Review, edited and wrote sections	Reviewed and edited
Role and involvement in implementing the proposed action	Partner – to implement multiple actions	Partner – to implement multiple actions

	Partner 3
Full legal name	Caribbean Energy Utility Services Corporation (CARILEC)
Nationality	St. Lucia
Legal status	Caribbean Private Sector Association of Electric Utilities
Official address	P O Box CP 5907 Sans Souci Castries Saint Lucia
Contact person	Nigel Hosein, Executive Director
Telephone number	(758) 452-0140
Fax number	(758) 452-0142
E-mail	<a href="mailto:nhosein@carilec.org">nhosein@carilec.org</a>
Number of employees	12
History of cooperation with the applicant	GS/OAS and CARILEC have cooperated in the design and implementation of several programs and projects over the past seven years. This has included two important clean energy conferences for the Caribbean region; multiple project specific initiatives in CARILEC member states; and in the development and exchange of information sources in the region.
Experience of similar actions, in relation to the	CARILEC serves as the focal point for general and technical information

role in the implementation of the proposed action	among its members. CARILEC advocates for change in the electric utility industry in the Caribbean and in this regard produces a number of information products and provides a range of services.
Role and involvement in preparing the proposed action	Reviewed and edited
Role and involvement in implementing the proposed action	Partner – to implement multiple actions

## 2. Partnership statements<sup>11</sup>

Partnership statements are included herein for the original and photocopies. They are included as separate documents in the digital format because they are saved as .jpg and .pdf formats.

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<sup>11</sup> To be provided by each partner in all cases where there is a partner in addition to the applicant.

### 3. Description of the co-donors

	Co-Donor 1	Co-Donor 2
Full legal name	Renewable Energy and Energy Efficiency Partnership (REEEP)	The Caribbean Community (CARICOM) Secretariat, Caribbean Renewable Energy Development Programme (CREDP), [CARICOM/CREDP]
Nationality	Austria	Guyana
Legal status	International NGO	Caribbean Regional Organization
Official address	REEEP Secretariat Vienna International Centre Room D1732, Wagramerstrasse 5 A – 1400 Vienna, Austria	P.O. Box 10827 Georgetown, GUYANA
Contact person	Dr. Marianne Osterkorn	Roland R. Clarke, PhD
Telephone number	+43 (1) 26026 3247	(592) 222 0079
Fax number	+43 (1) 21346 3247	(592) 222 0079
E-mail	marianne.osterkorn@reeep.org	rclarke@caricom.org
Number of employees	16	5
History of cooperation with the applicant	GS/OAS staff supported the launch of REEEP; GS/OAS has served as the Regional Secretariat for REEEP since 2003; REEEP has provided seed funding to GS/OAS for the launch of the GSEII program in the Caribbean.	GS/OAS is a close cooperater with CARICOM/CREDP; GS/OAS serves on the Project Steering Committee of the CREDP Project; GS/OAS staff have worked closely with CREDP staff in the Caribbean in the execution of renewable energy activities over the past five years.
Experience of similar actions, in relation to the role in the implementation of the proposed action	REEEP is an active, global public-private partnership that structures policy and regulatory initiatives for clean energy, and facilitates financing for energy projects. Backed by more than 200 national governments, businesses, development banks and NGOs, its accelerates the integration of renewables into the energy mix and advocates energy efficiency as a path to improved energy security and reduced carbon emissions, ensuring socio-economic benefits. REEEP has funded more than 50 high quality projects in 44 countries that address market barriers to clean energy in the developing world. These projects are beginning to deliver new business models, policy recommendations, risk	CARICOM/CREDP is working with national governments to reform the regional policy environment to support investments in renewable energy projects.  CARICOM/CREDP seeks to reduce greenhouse gas emissions by removing barriers to renewable energy development. It does this by establishing the foundation for a sustainable renewable energy industry, and creating a framework under which regional and national renewable energy projects are mutually supportive.

	mitigation instruments, handbooks and databases.  REEEP facilitates the collection and distribution of best practices, while coordinating regional dialogues through working groups including the technical areas of grid-tied, off-grid, and energy efficiency systems, policy, regulation and financing.	
Role and involvement in preparing the proposed action	Review, edited and wrote sections	Reviewed and edited
Role and involvement in implementing the proposed action	Partner – to implement multiple actions	Partner – to implement multiple actions

	Co-Donor 3
Full legal name	Caribbean Energy Utility Services Corporation (CARILEC)
Nationality	St. Lucia
Legal status	Caribbean Private Sector Association of Electric Utilities
Official address	P O Box CP 5907 Sans Souci Castries Saint Lucia
Contact person	Nigel Hosein, Executive Director
Telephone number	(758) 452-0140
Fax number	(758) 452-0142
E-mail	<a href="mailto:nhosein@carilec.org">nhosein@carilec.org</a>
Number of employees	12
History of cooperation with the applicant	GS/OAS and CARILEC have cooperated in the design and implementation of several programs and projects over the past seven years. This has included two important clean energy conferences for the Caribbean region; multiple project specific initiatives in CARILEC member states; and in the development and exchange of information sources in the region.
Experience of similar actions, in relation to the role in the implementation	CARILEC serves as the focal point for general and technical information among its members. CARILEC

of the proposed action	advocates for change in the electric utility industry in the Caribbean and in this regard produces a number of information products and provides a range of services.
Role and involvement in preparing the proposed action	Reviewed and edited
Role and involvement in implementing the proposed action	Partner – to implement multiple actions

#### 4. Co-donor statement<sup>12</sup>

Co-Donor statements were provided to the EU at the time of application. Originals on file with the EU.

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<sup>12</sup> To be provided by each co-donor in all cases where there is a co-donor in addition to the applicant.

**IV. DECLARATION BY THE APPLICANT:**

The Declaration was provided to the EU at the time of application. Originals on file with the EU.

**V. CHECKLIST:**

The Checklist is included as a separate attachment per the application guidelines.