



Project	Reducing the carbon footprint in the Caribbean through the promotion of energy efficiency and the use of renewable energy technologies
Themes	Renewable energy, energy efficiency, climate change
Region/Countries	Caribbean
Duration	11/2012 – 12/2013

Relevance of the project

The recent international economic crisis has posed a series of additional challenges for Caribbean countries; among them, the enormous debt burden and a drop in their exporting competitiveness, especially in the services sector. In general, economies in the region have very limited fiscal scope and are extremely vulnerable to external shocks. In addition to these problems it is recognized that high energy costs are a significant proportion of their import costs. Due to the extreme openness of these economies, significant energy savings in the medium term not only create greater economic efficiency but improve international competitiveness.

As a measure to tackle high energy costs, several countries in the region have subsidized fuel consumption in order to mitigate the impact on the poor and reduce production costs. However, there are also some Caribbean countries that evidence significant development and use of renewable energy, thus helping to mitigate the effects of climate change.

At present, the Caribbean Community (CARICOM) is the only entity in the sub-region that has designed a regional energy policy strategy, yet to be completed. It is worth highlighting that despite the fact that the sub-region only contributes to less than 1% of worldwide carbon emissions, it will be the first to be impacted by the effects of climate change, especially the increase in sea levels which threatens the coastal population and resources. In consequence, it is necessary to develop a programme that supports the Caribbean in its efforts to reduce carbon emissions via the sustainable use of energy.

Objectives

The project seeks to strengthen the capacities of government entities to review and reformulate policies, strategies and regulations in the field of fiscal policy, in coherence with a vision on sustainable energy. We look for public policies that strike a balance between promoting a greater use of renewable energy, whilst responding to the challenge of reducing poverty. The assumption is that significant energy savings can be achieved via energy efficiency, and that energy costs can be considerably reduced with the use of renewable energy. The aim is that in the mid-term national governments review their existing fiscal and regulatory systems for the promotion of energy efficiency and introduce measures to improve them or provide alternative systems.

Strategy

In order to reach the previously-mentioned goals, the programme focuses, on the one hand, on fiscal policies, and on the other, on improving energy policies in the Caribbean subregion.

The project involves countries in the sub-region, but concentrates especially on countries selected in accordance with different criteria, such as the size of the challenge they face to develop energy policies, and their ability to implement the recommendations of the output. In the past, ECLAC has worked with CARICOM supporting the development of a regional energy policy, and we foresee further cooperation with that entity. We also want to create links with other German cooperation projects in the region, especially with CREDP (*Caribbean Renewable Energy Programme*), a joint GIZ – CARICOM programme.



Activities

The main activity of the project is the technical assistance provided to six Caribbean countries. The first step involves the evaluation of the existing fiscal and regulatory systems related to energy efficiency and renewable energy. The objective of the technical assistance is to identify the gaps and barriers that hinder the implementation of measures to promote energy efficiency and renewable energy, and to provide alternatives to overcome such barriers. A second step involves technical assistance to design innovating fiscal and regulatory incentives which promote energy efficiency and renewable energy.

In addition, two sub-regional training workshops will be held. They will refer to the best practices to strengthen fiscal and regulatory mechanisms that promote the use of renewable energy and improve energy efficiency. The workshops are aimed at ministries and members of academic institutions working in relevant areas, as well as civil society and the private sector. At the end of the project, it is expected that national energy policy proposals may be designed, incorporating strategies to promote energy efficiency and the use of renewable energy technologies for the three countries selected. The proposals may be used as examples by other Caribbean countries.

ECLAC-BMZ/GIZ Programme

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