



### HERE'S THE PROBLEM WE'RE SEEKING TO SOLVE...

The Caribbean region is endowed with an abundance of renewable energy resources which are currently underexploited. Investment in sustainable energy infrastructure and technologies has not progressed at the rate required to meet national and regional targets. In order for CARICOM Member States to meet their targets, renewable energy (RE) and energy efficiency (EE) projects need to be successfully developed and implemented. The CCREEE Project Preparation Facility (PPF) aims to bridge the gap between uncertain projects and practical investments via sustainable energy project development support to the public and private sector in CARICOM Member States. The service offerings of the PPF, alongside financial innovations, capacity building, business promotion activities and ensuring a strong enabling environment will help accelerate investment in sustainable energy in the CARICOM region.

### OPPORTUNITIES WITHIN THE MARKET:

In the region, high electricity prices, a need for increased energy independence, and commitments to environmental responsibilities, signal a market opportunity for both the public and private sectors to increase the penetration of RE and EE. Despite the appetite for RE and EE implementation, successful sustainable energy project preparation is fraught with challenges across the region. The CCREEE's Project Preparation Needs Assessment revealed the following major needs:

- Increased financing mechanisms to match RE and EE project needs
- Expertise to prepare project development documentation
- Technical human capacity
- Legal and enabling environment
- Mobilization of the private sector
- Development of pilot projects

### THE PPF AS A SOLUTION:

The CCREEE Project Preparation Facility (PPF) aims to accelerate the development and deployment of high-quality sustainable energy infrastructure projects in the region through:

- Advisory services and technical assistance to move projects towards bankability
- Investor-financier match-making
- Capacity building of regional and local financial institutions
- Cooperation with global and regional initiatives

### PPF ADVANTAGES:

- CARICOM-specific sustainable energy development expertise
- Assistance to both the private and public sector
- Broad service offering to cover renewable energy, energy efficiency, hybrid and nexus applications
- Support across the project development cycle from pre-feasibility to financial close
- Connections with project developers and financiers

### WHAT VALUE DOES THE PPF ADD TO THE MARKET?

- Increased speed and scale of RE and EE development
- Increased energy access
- Improved energy security
- Carbon emissions reduction
- Increase climate and economic resilience
- Socio-economic development
- Advancement of gender equality

### ABOUT THE CCREEE:

The Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE) - an institution of CARICOM - is the designated implementation hub for sustainable energy activities and projects within the CARICOM region.

CCREEE's technical portfolio is composed of seven strategic programmes which together address hindrances to maximum sustainable energy uptake in the Caribbean region. In 2020 CCREEE identified three critical programmes: the Project Preparation Facility (PPF), the Caribbean Energy Knowledge Hub (CEKH) and the Integrated Resource and Resilience Plan (IRRP). These three programmes reinforce each other and collectively advance the objectives and vision of the CCREEE.

### HIGHLIGHTS

#### STATUS

Nov 2020: Soft Launch to include only private sector stream

Nov 2020- April 2021: Validation Period

April 2021: Full Operationalisation to include both private and public sector streams

#### LOCATION

• Caribbean Community (CARICOM) Members

#### TECHNOLOGY FOCUS

• Renewable Energy • Energy Efficiency

#### NEXUS AREAS

• Water • Health • Food & Agriculture • eMobility

#### KEY ELEMENTS

• Technical Assistance • Advisory Services  
• Investor Matchmaking

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For more information on the application process:

SCAN ME



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## OVERVIEW

CARICOM Member States, in delivering on their climate change priorities, must engage the private sector and more so SMEs. One critical challenge facing SMEs in the thrust to invest in renewable energy (RE) technologies and energy efficiency (EE) measures is the lack of access to financing. There needs to be a strengthening of access to finance for SMEs by encouraging the financial sector to become a significant player in providing different financing options. To this end, CRAF seeks to provide an incentive for financial institutions to provide additional lending to SMEs for RE/EE initiatives in CARICOM.

## MARKET OPPORTUNITY

Stakeholders in the CARICOM region are seeking to:

- Enhance competitiveness;
- Reduce greenhouse gas emissions;
- Decrease dependence on costly fossil fuels, as fossil fuel importation accounts for a large percentage of GDP expenditure;
- Increase adoption of renewable energy technologies for power generation, where costs are becoming more attractive compared to existing fossil fuel infrastructure; and
- Overcome barriers including access to finance and a lack of technical capacity to assess RE and EE projects, which currently limit the uptake of these technologies in the region.

## CRAF SOLUTION

- A targeted Technical Assistance Programme (TAP) to assist in building capacity amongst all stakeholders (financiers, SMEs, and service providers) and an eco-system for RE and EE in the Caribbean;
- The provision of a Credit Risk Instrument (CRI) to stimulate additional lending; and
- A robust Monitoring and Evaluation (M&E) framework.

## CRAF ADVANTAGES

- Reduction in onerous collateral requirements for the Borrower;
- Assist in the development of a pipeline of RE and EE projects in the region;
- Provision of targeted technical support to all stakeholders; and
- A sustainable model to address the financing challenges for RE and EE in the region.

## VALUE PROPOSITION

- Unlock liquidity in the financial sector
- Building an energy market through stimulating demand, building capacity and improving access to finance
- Increased social and economic development
- Climate change mitigation and increased resilience

## ABOUT CDF

The CARICOM Development Fund (CDF) established in 2008 is a key developmental mechanism in the architecture of the CSME and is committed to achieving its vision to lead in providing effective, efficient and sustainable solutions that address the challenges faced by disadvantaged countries, regions and sectors participating in the CSME. In so doing its mission is to assist its Member States (namely Antigua & Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts & Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago).

## KEY FACTS

### STATUS

- Structuring/seeding
- Launch Q4 2020

### GUARANTEE SIZE

- Up to 80% of the value of the loan

### LOCATION

- Caribbean Community (CARICOM) sub-region
- Initial target markets: Barbados, Belize, Guyana, Saint Lucia, Suriname

### CONTACT INFORMATION

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### FUND SIZE

- USD 13m (pilot)

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### TECHNOLOGY FOCUS

- Renewable Energy
- Energy Efficiency

### SECTOR FOCUS

- Agriculture, Tourism, Manufacturing;
- Specific focus on SMEs

For more information on the application process:



### KEY ELEMENTS

- Credit Risk Instrument
- Technical Assistance Program

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