

AS PREPARED FOR DELIVERY



REMARKS

by

Dr. Warren Smith

President

Caribbean Development Bank

at the

4th Caribbean Sustainable Energy Forum

Conference Centre

Caribbean Development Bank

Wilkey, Barbados

November 13, 2014

Senator, the Hon. Darcy Boyce, Minister (Energy) in the Office of the Prime Minister, Barbados

Her Excellency Ambassador Gail Mathurin, Director General in the Office of Trade Negotiations, CARICOM Secretariat

His Excellency Ambassador, Dr. Lutz Görgens, Ambassador of the Federal Republic of Germany to Trinidad, Barbados and the OECS

His Excellency Ambassador Mikael Barfod, Head of the EU Delegation to Barbados & the OECS

Honourable Ministers of Government

Heads of Institutions

Ladies and Gentlemen

Welcome to the Caribbean Development Bank. We are proud to co-sponsor and to host the *Fourth Caribbean Sustainable Energy Forum* at our Headquarters.

This Forum has established its credentials as an important platform for advancing policy dialogue on sustainable energy in the Caribbean. We are pleased to be collaborating with the CARICOM Secretariat, the Government of Germany and other partners to make this event possible.

The Region continues to grapple with a multi-dimensional energy challenge. Over the past eight months and in various fora, I have called repeatedly on our Region to

be resolute in its efforts to exploit its abundant renewable energy resources and to become more energy efficient.

CDB is fully committed to bringing about this shift towards sustainable energy usage.

We have provided financing to the energy sector, mainly for power generation, transmission and distribution, for more than 40 years, and have funded alternate energy projects, such as a co-generation plant in Belize. Some of you may recall CDB's involvement in alternative energy during the early 1980s, with technical support from the German Government. And we have funded some very small interventions, using renewable energy solutions to bring electricity to remote and low population density areas.

The context for CDB's involvement in sustainable energy, this time around, is somewhat different. Although energy security remains urgent for the borrowing member countries, climate change is a reality; and a commitment to sustainable development dictates a low-carbon path.

Increased energy security is, therefore, a proposed key objective in the Bank's new Strategic Plan for 2015-2019; and renewable energy and energy efficiency are taking center-stage.

In preparation for this new thrust, we created a Renewable Energy and Energy Efficiency Unit in early 2014; a draft Energy Sector Policy and Strategy has been prepared and is currently being discussed internally; and we are in the process of mainstreaming renewable energy and energy efficiency interventions in our operations.

In partnership with IDB and the EU Delegation of the Eastern Caribbean and Barbados, we have been leading efforts to establish a regional Geothermal Energy Facility.

And, along with EU-CIF and DFID, we are supporting the establishment of the Sustainable Energy for the Eastern Caribbean (SEEC) Programme. CDB is also currently looking at opportunities to finance utility-scale renewable energy projects for solar PV in the first instance. Additionally, we are in discussions with BMC governments and the utilities to advance an energy efficiency programme in street lighting.

CDB serves as a catalyst to bring appropriate financial resources to meet our Region's sustainable energy objectives. Sister institutions, like the CARICOM Secretariat, OECS Secretariat, and 5Cs, have offered valuable support to CDB in this endeavour. The Governments of Germany and Japan, DFID and the EU Delegation have also been unwavering in their support of our efforts to advance sustainable energy development.

At the CDB, we are not afraid to “walk the talk”. We are in the process of conducting a comprehensive internal energy audit with assistance from GIZ-CREDP. By mid-2015, we anticipate that a solar PV system will be fully installed and operational on our campus.

Energy prices are currently declining. The international oil market has seen a four-year record reduction in prices for benchmark crudes; and Brent crude is averaging around USD82 per barrel.

This downward trend in prices is welcomed by net energy importing countries. According to the experts, every USD10 decrease in the price of oil can lead to, at least, a 0.5% increase in GDP.

But the Caribbean should not allow this wave of price declines to become a distraction. We must remain focused on our goal to fully exploit our indigenous sustainable energy sources and become energy secure.

Over the past six years, the Region has made noteworthy strides in transforming the energy sector. Trinidad and Tobago, our major oil producer and net hydrocarbon exporter, has prepared draft policies for renewable energy and energy efficiency, and also developed incentives for renewable energy and energy efficiency interventions. All BMCs have now drafted national energy policies and developed supporting strategies. And we also now have a regional energy policy with set renewable energy targets.

The Bank continues to stress the importance of appropriate regulatory reform for creating an enabling environment for increased energy investments. Barbados and Jamaica have been leading the charge to introduce renewable energy in the energy matrix. Not surprisingly, a recent steep jump in the “ease of doing business” index for Jamaica was, among other things, credited to changes in that country’s regulatory framework as it relates to the energy sector.

In closing, ladies and gentlemen, let me just say that my wish is for a successful CSEF4 Forum. Make this an opportunity to engage in frank, open, constructive and value-adding dialogue. We have all made commitments to work towards significantly reducing poverty and effecting permanent improvements in the lives of every Caribbean citizen. Utilize this time well and remain focused on preparing the energy sector to play its part to the fullest.

I thank you.