



KEYNOTE ADDRESS

***‘Establishing an Enabling Framework for Expedited and Scaled-Up Renewable Energy Investments
in the Caribbean’***

by

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at the

Regional Regulatory ASERT Dialogue

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Salutations

It gives me great pleasure to address you this morning as we commence the first Accelerated Sustainable Energy and Resilience Transition Dialogue (ASERT) 2030. Consider this address a call to arms, as we are at a significant yet turbulent period of the development of the Region's energy sector, and urgent and critical key decisions must be made.

We meet against the backdrop of the regionally agreed CARICOM Energy Policy which promotes a shift to sustainable energy, through the increased use of renewable energy (RE) sources and improvements in energy efficiency. At the core of this policy is the requirement for country level harmonisation of policies and actions in several key areas:

- Strengthening regulatory frameworks to include an Interconnection Policy that caters for the sale of excess power to the grid.
- Facilitating renewable energy integration into national grids, and upgrading transmission and distribution grids with modern elements.
- Increasing intersectoral coordination and public-private sector cooperation in sectors related to energy, including, tourism, manufacturing, waste management, agriculture, water, climate change, and transport.

As you are aware, the objectives of achieving energy security and energy sovereignty, mile posted as 47% renewable energy contribution to total electricity generation 2027, remain elusive. Indeed, the pace and scale of implementation of RE in Caribbean has been unacceptably slow, with an annual investment in RE capacity averaging USD75 million compared to the approximate USD1.3 billion per annum which is needed to achieve the target.

At CDB, we start on the premise that there can be no sustainable development without sustainable energy. We are well aware that none of our efforts to build resilience and sustainability in the critical sectors of our economies and societies will yield success without an affordable, reliable supply of energy. However, with our mandate to facilitate development in its broadest sense, we must ensure that the sustainable energy transition is fair and equitable and, importantly, yield measurable benefits for the citizens of our Region.

I suggest to you that good energy governance is the only way to ensure that no one is left behind. When we consider the current challenges that are retarding our progress, whether it be the need to balance the political, technical, and economic objectives; having to treat with legacy issues such as the exclusivity of integrated monopoly utility, and potential stranded assets; or ensuring that risks are allocated appropriately between public and private sectors – the solutions to these and other challenges are a function of governance. Indeed, a mutually agreed approach for an appropriate governance framework will undoubtedly set the scene for an accelerated penetration of RE and ultimately achievement of the regional target.

We therefore see this Regional Regulatory ASERT Dialogue as an important opportunity to create the necessary elements of a transformative regulatory framework to enhance energy governance regionally and lay the foundation for the evolution of an inclusive RE sector.

A central issue to be considered during this workshop is the definition of the role of the regulator, whose mandate must now go beyond designing and managing electricity tariffs, maintaining system reliability, and meeting demand growth, to embracing the responsibility for reducing health and environmental impacts of power system operations. The regulator must also facilitate consumer participation in power markets and manage the increased interactions with other sectors. This must be done while abiding by the regulatory principles of: independence, accountability, predictability, clarity of roles, completeness and clarity in rules, proportionality, requisite powers, appropriate institutional characteristics, integrity, and public participation.

Now turning to the matter of *a just transition*, this is an area of emphasis because there is a risk that well-capitalised private institutions could profit disproportionately in meeting the scale of investment required, given limitations of fiscal space in the public sector. If inappropriately regulated, vulnerable communities and groups could also benefit less than proportionately from the energy transition.

A transition that is fair and ensures those most in-need are able to benefit would not only avoid backlash, but could create pro-climate constituencies – for example, business associations that actively support the energy transition because it creates local jobs. In short, a response to the climate crisis that is fair and inclusive can help accelerate momentum for broader sector transitions in areas such as electricity, transport, agriculture, and infrastructure, vital shifts that we so urgently need to make.

Source of Solutions

Successfully addressing these complex issues, often underpinned by incomplete data and knowledge gaps, calls for a holistic and strategic approach anchored on boldness and fortitude. In addition, we must recognise and seize opportunities for regional cooperation and integration to make whole greater than the sum of the parts.

The scope and complexity of the challenges require multi-dimensional support over extended periods -- this means pursuing strategic partnerships to bolster our resources. This is why *Strategic ASERT Partnerships* form a key element of our overall strategy. We are pleased to have some of our longstanding funding partners join us on this journey. To our colleague partners in the Government of Canada, the United Kingdom Foreign Commonwealth and Development Office, the European Union, the United States Agency for International Development, and the Inter-American Development Bank, we say thank you for your support in another noble endeavour.

Charge

Ladies and gentlemen, when we consider our collective challenges compounded by the fact that time is against us, it is clear, we must be decisive. The people of the Region are depending on us. We cannot afford to be timid, we must have confidence in our individual and collective capacities. CDB is determined to make a difference in collaboration with our strategic ASERT partners. We will endeavor to provide tools, strengthen individual and institutional capacities, support analyses and diagnostics, and also to convene dialogues among all stakeholders. We are committed to working with all Borrowing Member Countries in this venture as all countries need to advance and learn from each other. We support cooperation and integration, and aim to mobilise the requisite financing for the needed investments.

During this workshop, I ask that you keep an eye on designing both long-term solutions for sustainability and near-term ones that can make a difference today. Be bold and frank in your deliberations and in prioritising interventions to address our challenges. Together, we can march resolutely toward a just energy transition.

Thank you.