

**Remarks  
BY THE  
SECRETARY-GENERAL  
CARIBBEAN COMMUNITY (CARICOM)  
Ambassador Irwin LaRocque**

**on the Occasion  
of the**

**EU-CARIBBEAN SUSTAINABLE  
ENERGY CONFERENCE**

**Bridgetown, Barbados  
10 October 2016**

- ❖ . Hon. Freundel Stuart, Prime Minister of Barbados;
- ❖ Hon. William Marlin, Prime Minister of Sint Maarten;
- ❖ Hon. Ministers of Government;
- ❖ Mr Christopher Jones, Deputy Director- General for Energy at the European Commission;
- ❖ Mr Pim van Ballekom, Vice President, European Investment Bank
- ❖ Mr Li Yong, Director- General of UNIDO;
- ❖ Mr. Didacus Jules, Director-General of the Organisation of Eastern Caribbean States;
- ❖ Members of the Diplomatic Corps;
- ❖ Members of the Private Sector;
- ❖ Other Distinguished Delegates;
- ❖ Members of the Media;
- ❖ Ladies and Gentlemen.

We meet here today in the shadow of a great tragedy that has befallen our Region. Matthew, both as Tropical Storm and Hurricane, has had fatal consequences with deaths in Haiti, St Vincent and the Grenadines and the Dominican Republic while causing severe damage in The Bahamas and affecting Barbados, Saint Lucia, Dominica and Cuba. However, it is Haiti that has borne the brunt of the carnage with hundreds losing their lives; and along with The Bahamas, thousands lost their homes and their livelihoods and infrastructure was destroyed in the wake of this devastating force of nature.

I am sure I am speaking on behalf of all here, in expressing condolences to the families of the deceased and to the Government and People of the affected countries. We also sympathise with those who have lost their property and livelihood, or have been affected in one way or another in the wake of the storm.

Our Region will do everything we possibly can, as we have always done, to assist. In this regard, the Caribbean Disaster Emergency Management Agency (CDEMA), in co-ordination with Member States of the Community, immediately after the passage of the Hurricane, deployed emergency response teams to Haiti and The Bahamas.

The erratic nature and prolonged intensity of this storm demonstrate starkly the reality of the effects of climate change. It also highlights the vulnerability of our Region, both in terms of the climatic events and the social, economic and environmental consequences of their aftermath.

This emphasises the importance of what we are engaged in here, over the next two days. Renewable energy is a critical component of the effort to reduce greenhouse gas emissions, a key factor in the battle to limit global warming, one of the more harmful effects of climate change. Renewable energy also contributes to our climate adaptation efforts.

The theme of this forum, ***Challenges and Opportunities For Energy Transformation***, conveys clearly the task that is before us in this sector. For this forum to be deemed a success, the discussions should lead to further solutions, particularly as we seek to harness the resources, to maximise our undoubted potential in renewable energy. An important feature of this Conference is the Business Dialogue, and the presence of the private sector from Europe and the Caribbean, which I hope will bring positive action to unlock investment opportunities in the sector.

Once again, the European Union (EU) is demonstrating its commitment to co-operate with us, in support of our efforts at sustainable development. The partnership between the EU and the Caribbean has been very beneficial and will be even further strengthened, later this morning, with the signing of a Joint Declaration, along with the European Investment Bank, on reinforced co-operation in the field of sustainable energy.

The significance which we are placing on this sector can be gleaned from the fact that this is the second time for the year that we are meeting with key international partners, to focus on making the transition to a sustainable energy future.

Energy access is indispensable to economic transformation. A majority of our countries are threatened by an energy situation that compromises efforts to stimulate economic growth in the productive sectors. It is understandable, therefore, that access to energy resources that are predictable in supply and pricing, has been very high on the regional agenda for more than a decade.

The fundamentals of the global oil market are continuously changing. Price volatility has increased and will continue to do so for the foreseeable future. This is a major challenge for our Region.

Recent oil price declines do not, therefore, obviate the need for energy sector reform. Rather, the availability of “cheap oil” provides an opportunity for governments to more

aggressively pursue energy security, and increase the resilience of our respective national economies against the vagaries of oil prices.

But progress, thus far, has been limited to mostly the integration of variable renewable energy sources, solar and wind, into the regional energy matrix. There must be an intensification of efforts to assess and develop, other renewable energy sources such as geothermal, hydro and marine options. These can also have a transformative long-term impact on the energy landscape.

Innovative policies and strategies are required. From as far back as 2002, CARICOM recognised the need to develop a coordinated approach to addressing regional energy challenges. We have adopted a Regional Energy Policy. We have approved the Caribbean Sustainable Energy Roadmap and Strategy (C-SERMS) which is intended to guide, encourage and expedite implementation of the CARICOM Energy Policy. This provides our Member States with joint regional targets, and a common, coherent strategy for transitioning to sustainable energy systems. The Government of Germany has been particularly helpful throughout this process.

In implementing the Regional Energy Policy, there is a requirement for country-level harmonization of policies and actions in a number of key areas of commonality. For example, Member States agreed to seek to achieve 48 per cent renewable power generation within CARICOM by 2027<sup>1</sup>. A target that is quite achievable.

A key fact is that attainment of these targets and objectives, can only be achieved by actions that open regional markets and planning processes to renewable energy options and energy efficiency opportunities, through a transparent and data-driven approach. Such an approach would promote public-private partnerships for financing the options and opportunities, and build the requisite human and institutional capacities to exploit them effectively.

As part of the enhancement in institutional capacity, the CARICOM Secretariat partnered with the United Nations Industrial Development Organization (UNIDO) and the Sustainable Island Energy and Climate Initiative (SIDS DOCK) to establish the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE), here in Barbados. The Centre will, among other things, co-ordinate donor activities and act as the regional implementation hub for sustainable energy issues and activities in CARICOM, including project implementation, investment and business promotion. Technical and financial contributions, particularly from the Government of Austria and other key partners, assisted in this initiative.

The EU is also providing 135 million Euros for the Caribbean Investment Facility which encourages private sector involvement in renewable energy projects, among other areas.

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<sup>1</sup> Currently, around there is approximately 10% of renewable power generation within CARICOM.

The Caribbean Development Bank (CDB) has also been a key source of funds. A recent initiative is a partnership with the CARICOM Secretariat, the Inter-American Development Bank (IDB), the United States Department of Energy and the CDB, through a Memorandum of Understanding that creates a framework for cooperation in the sector. The partners will work together to identify financing and investment opportunities for pilot and commercial scale projects.

There must be co-ordination among all these various initiatives. The role of (CCREEE) will be critical in this regard.

Mr. Chairman, there is recognition of the need for Governments to play a very active role in promoting and guiding the energy transition. The Region's economic challenges limit the ability to mobilise the domestic resources that are necessary for sustainable energy investments. A significant number of our countries are plagued by the burden of high debt. Private investors sometimes require excessive collateral, high interest terms for loan capital, when available, and high rates of return. This typically weakens the business case of many potentially beneficial projects.

Another hindrance is the classification of many of our Member States as middle income countries due to the international community using GDP per capita as the primary criterion. That classification denies them access to concessional development financing which could be put to use in this sector. The GDP per capita criterion does not take into account the high vulnerability that these "middle income countries", which are SIDS, face on account of their susceptibility to the impacts of natural disasters, such as Hurricane Matthew, and other external shocks. The twin burdens of high debt and limited access to development assistance condemn many countries to a "vicious cycle".

That vulnerability has been recognised by Japan and the United States, who have begun to move away from the rigid GDP per capita criterion in assessing eligibility for development financing.

Global experience has shown that an availability of public capital is critical to the stimulation of private investments within the sustainable energy sector. We are of the view that global development assistance and climate financing systems should acknowledge and target the specificities and vulnerabilities of SIDS, given their limited domestic fiscal space.

The Green Climate Fund should provide reliable access to development financing and concessionary loans to support investments for climate adaptation and mitigation, including sustainable energy actions. Further, "Debt for Climate Swaps", which focuses on clean energy investments, has the potential to be transformative and deserve consideration. Taken together, these actions have the potential to provide significant amounts of the public capital needed.

Distinguished delegates, Honourable Prime Minister, as the theme for the Conference states, there are challenges and opportunities as we seek to transform the energy landscape in our Region. Together, the EU and other partners will help us to lay a platform, from which we can further an agenda that will allow energy to play its role as an enabler in sustainable regional development. Together, we can make significant advances in providing secure, efficient and cost-effective supplies of energy that can power the future of this Region and its people.

I thank you.