

Request for Expression of Interest

Caribbean RE Financing: Consulting services for innovative financing to scale up RE development in the Eastern Caribbean Currency Union

The World Bank and ECCB recently launched a call for Expression of Interest (EOI) for firms to provide consulting services for the design of the **regional RE financing facility in the Eastern Caribbean** (EOI summary included below).

Request for EOI can be accessed at this **link**:

[https://wbgeconsult2.worldbank.org/wbgec/index.html#\\$h=1632754005675](https://wbgeconsult2.worldbank.org/wbgec/index.html#$h=1632754005675)

Selection number: 1276857

Launch date: Sep 27

Closing date: Oct 13, 2021

Context

The Eastern Caribbean Currency Union (ECCU) encompasses eight countries and overseas territories^[1], all of which are small island developing nations extremely vulnerable to climate change and natural disaster risks. The region is highly dependent on imported expensive fossil fuel to meet its energy requirements despite being endowed with enormous renewable energy (RE) generation potential. The ECCU countries experience major economic and fiscal vulnerability to climate and natural disaster risks and a range of other shocks, such as: financial market crisis, COVID-19 pandemic due to tourism dependency and oil price fluctuations given rise to annual fuel import bills averaging 6.0 per cent of regional ECCU GDP (2016-2020). The persistently high-energy supply cost also gives rise to electricity tariffs that are among the highest in the world and directly impacts affordability of energy for poorer households and competitiveness of the economies in the region.

Several initiatives have been undertaken to accelerate/promote RE development and investments to achieve a viable RE generation mix but the progress has been slow, owing to several barriers. The region currently has a total RE generation installed capacity of 34 MW (15.0 per cent of ECCU 2030 NDCs). Given the fiscal constraints faced by countries in the region, limited amounts of concessional finance available, and scale of investments needed across the region, it is critical to remove barriers and strengthen the investment climate to attract private sector finance in clean energy. Based on the request from the Eastern Caribbean Central Bank (ECCB),

^[1] Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines.

the World Bank (WB) is providing technical assistance (TA) to design the Regional RE Infrastructure Financing Facility (Facility) for the ECCU member states.

Objective

The main objective of this TA is to develop the structure of a Facility that will help attract private sector investments to accelerate RE development in the ECCU region for affordable, clean, and resilient energy. This work would build on ongoing work in the region on RE financing, TA for RE development, and Integrated Resilient Resource Planning (IRRP) that lays out investment plans for the power sector in individual countries. This work will be carried out in close collaboration with regional partners.

The assignment will entail a two-phase approach. The *first phase* will entail consulting services to conduct RE market barrier diagnostics and assess RE investment readiness in the ECCU, and ultimately enhance the understanding through real project-based evidence about hurdles faced for RE development in the region by various stakeholders. This market study will complement work already undertaken by the World Bank and other national and regional initiatives. The *second phase* will focus on developing the final design and structure of the Facility. This call for EOI covers both phases.