

Draft Concept Note, March 2014

Establishment and First Operational Phase of the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE)

1. Country/ Region

Caribbean Countries and Territories (CCTs)¹

2. Introduction

The United Nations Industrial Development Organization (UNIDO) in cooperation with SIDS DOCK (represented by the Caribbean Community Climate Change Centre) and the Austrian Development Agency (ADA) are assisting the Caribbean Countries and Territories (CCTs) in the **establishment of the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE)**. The process is closely coordinated with the Secretariat of the Caribbean Community (CARICOM).

During the consultative preparatory process a detailed needs assessment and the project document on the institutional set-up and technical program of the centre will be developed. The following **concept note provides a draft guideline for the potential institutional set-up and technical program of the Centre**. The concept serves as a basis for discussion and might change considerably during the consultative preparatory phase. The concept note was presented and discussed at the CARICOM-GIZ workshop on the Renewable Energy and Energy Efficiency Technical Assistance (REETA) Project, which was held from 11 to 12 February 2014 in Georgetown, Guyana. The results of the needs assessment will be incorporated in the final design of the centre.

The draft project document on the centre will be **validated by the Caribbean Ministries of Energy during a regional workshop to be held in the beginning of July 2014**. It is envisaged that the start-up phase of the centre will be launched end of 2014. The phase will include the selection of the headquarters, the recruitment of key staff, the establishment of the office and the internal procedures. It will also include the official inauguration of the centre and the organization of the first Technical Committee and Executive Board meetings.

3. Background

The creation of the regional centre responds to the difficult energy situation in many of the Caribbean islands. The countries are facing the challenges of affordable energy services, energy security and climate change mitigation and adaptation simultaneously. The challenges can be summarized as follows:

- High electricity tariffs and generation costs represent a high cost for the economy, private households and local companies
- The financial status of some utilities is weak due to high diesel generation costs and technical and commercial efficiency losses
- Low energy efficiency in buildings, appliances, industrial processes and technical and commercial grid losses cause power cuts and load shedding

¹ The geographic scope will be defined during the preparatory phase: e.g. Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, St. Kitts and Nevis St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Turks and Caicos Islands, Cuba, Dominican Republic, Puerto Rico. To have impact it would be essential to cover also the Spanish speaking islands.

- Frequent power cuts have led to the installation private diesel generator capacity
- National access rate to modern energy services remains at low levels on some islands
- The available RE&EE potentials remain unused
- Increasing extreme weather events impact infrastructure and energy planning

By developing their renewable energy sources and putting in place energy efficiency measures, many of the islands have **significant opportunities to reduce their overall fossil fuel consumption and thus improve their energy security**, while at the same time promoting clean economic growth and lessening dependence on costly, imported petroleum fuels. The development of the sustainable energy potentials is interrelated with a broad range of positive socio-economic impacts (e.g. reduction of fossil fuel imports, increased affordability for low-income groups through the reduction of electricity consumer prices, improved financial situation of utilities, increase competitiveness of companies and industry, reduction of stand-by diesel generators, creation of green jobs).

There is a common understanding that a coordinated regional approach is a cost-effective way to **boost positive trends and address existing barriers** for sustainable energy investments and markets in the Caribbean. The proposal for creating CCREEE takes place at the background of promising developments in the renewable energy and energy efficiency sector in the Caribbean on regional and national levels. Some islands have adopted national renewable energy/electricity targets and investments in renewable energy power stations, mini-grids and stand-alone systems are growing. Simultaneously, various initiatives for the introduction of energy efficiency standards for appliances and buildings, phasing out of inefficient lamps and reduction of technical and commercial transmission and distribution losses are underway. However, on the other hand **the region is not taking full advantage of its sustainable energy potentials due to various barriers**. They can be summarized as follows:

- a. Weak execution of sustainable energy policy commitments (e.g. laws, standards, incentives, investments)
- b. Standard procedures (e.g. Power Purchase Agreements) to guide the involvement of Independent Power Producers (IPPs) or Public Private Partnerships (PPPs) are weakly implemented
- c. Lack of capacities of local energy training institutions and other RE&EE market enablers (e.g. utility experts, project developers, banks, installers);
- d. Lack of local RE&EE consultants and hardware and service companies
- e. Weak experience of utilities with RE grid integration and management of grid losses and energy management standards
- f. Lack of coordination and strategic steering of ongoing RE off-grid activities
- g. Due to small island markets and high transaction costs investors are hesitant to invest
- h. Lack of awareness on the economics and technical feasibility of RE technologies and EE measures (e.g. standards for buildings and appliances, demand side management)

In this context, the center **will create the needed regional capacity** to support the coordination and implementation of regional sustainable energy policy commitments and activities. It will position itself as regional coordinative hub and think-tank for sustainable energy issues and activities in the Caribbean.

The proposal concerning the regional centre is **fully aligned with the CARICOM energy policy adopted in 2013 and the Caribbean Sustainable Energy Roadmap and Strategy (C-SERMS)** under development. The centre will contribute to the achievement of the SIDS DOCK objectives to improve energy efficiency by 25 percent (2005 baseline), to increase the renewable energy share in power generation to a minimum of 50 percent and to reduce fuel use in conventional transportation by 20-30 percent by 2033. Moreover, the centre will contribute to the global 2030 objectives of the UN Sustainable Energy for All Initiative (SE4ALL): universal access to modern, affordable and reliable energy services; doubling the rate of improvement in energy efficiency; doubling the share of renewable energy in the global energy mix. The centre will create strong links and synergies with other ongoing regional projects/initiatives:

- GIZ-CARICOM Renewable Energy and Energy Efficiency Technical Assistance (REETA) Project
- Caribbean Renewable Energy Development Program (CREDP), GIZ
- SIDS DOCK Initiative
- Caribbean Hotel Energy Efficiency and Renewable Energy Action, IADB

- Caribbean Renewable Energy Capacity Support Project (CRECS)
- Energy for Sustainable Development (ESD) in Caribbean Buildings, UNEP and 5Cs
- Eastern Caribbean Energy Labelling Project (ECEL), OECS, BMZ
- Global Renewable Energy Island Initiative (GREIN), IRENA
- Caribbean Information Portal on Renewable Energy (CIPORE)
- Caribbean Sustainable Energy Programme (C-SEP)
- Energy and Climate Partnership of the Americas (ECPA)
- Energy and Environment Partnership for Central America (incl. Belize and Dominican Republic)

It is expected that the lessons learned and knowledge base of the closing Caribbean Renewable Energy Development Programme (CREDP) are of high value for the new regional centre. The CCREEE process is closely coordinated with the creation of other regional sustainable energy centers promoted by regional economic communities and UNIDO under the umbrella of the **Global Network of Regional Sustainable Energy Centers**. Lessons learned from the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE), the Southern African Centre for Renewable Energy and Energy Efficiency (SACREEE) and the East African Centre for Renewable Energy and Energy Efficiency (CCREEE) will be considered in the design process of CCREEE. UNIDO is currently assisting the Pacific islands in the creation of the Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE).

4. Target groups and final beneficiaries

The following **target groups** will benefit directly from the activities and services of the centre:

- CARICOM Energy Programme and Organisation of Eastern Caribbean States
- Caribbean Electric Utility Services Corporation (CARILEC)
- Eastern Caribbean Energy Regulatory Authority (ECERA)
- Policy makers in the Caribbean Ministries of Energy and Environment and bodies for rural energy and electrification
- National utilities, regulators and IPPs
- Local companies and industry in the sustainable energy sector (e.g. equipment manufacturers, installation and maintenance, project developers, energy auditors)
- National and regional financing institutions and banks
- National training and applied research institutes and academia

Ultimately, the greater population in the Caribbean, the **final beneficiaries**, will benefit from through increased market penetration of renewable energy and energy efficiency technologies and services.

5. Scope of mandate

The **geographic scope** of intervention of the Centre is defined as follows:

- The Centre supports and executes RE&EE activities and projects which cover one or more Caribbean islands.²
- The Centre focuses primarily on activities and projects with regional impact or national projects which demonstrate high potential for scaling-up or regional replication.
- The Centre works in urban as well as peri-urban and rural areas. Due to the high relevance of decentralized RE&EE technologies and services for rural areas the Centre will run a special rural energy program (e.g. rural electrification).

The Centre **promotes the following sustainable energy solutions**:

- addresses renewable energy and energy efficiency equally and holistically;

²geographic scope to be defined in the preparatory process

- All appropriate and sustainable renewable energy and energy efficiency technologies, including also partly renewable energy based hybrid systems and mini-grids.
- Small-scale and medium-scale hydro power projects³.
- Biofuel projects which prove to be sustainable and complying with the following minimum criteria: lifecycle GHG reductions, including direct and indirect emissions, land use change, local added value, ecological and social standards.
- Liquid Petroleum Gas (LPG) cooking projects are eligible due to their high relevance for low-income population groups.

6. Objectives and outcomes

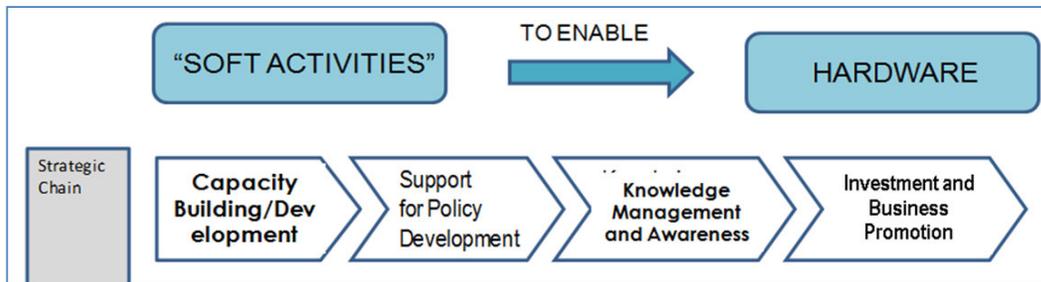
The regional centre aims at the following **overall objective**:

Contribute towards increased access to modern, affordable and reliable energy services, energy security and mitigation of negative externalities of the energy system (e.g. local pollution and GHG emissions) by creating an enabling environment for renewable energy and energy efficiency markets and investments.

The centre will act as regional hub and think-tank for sustainable energy issues in the Caribbean and will execute programs, projects and activities in **five outcome areas (specific objectives)**:

1. Effective regional RE&EE promotion agency created and efficiently managed
2. Policy, legal and incentive frameworks to promote RE&EE investments and markets are developed and implemented
3. Capacities of the local industry and business sector on various RE&EE aspects are strengthened and applied
4. Availability of investment and market data, awareness and advocacy on RE&EE are strengthened
5. Investments in RE&EE infrastructure, services and businesses are mobilised and implemented

Figure 1: Intervention logic of the Centre



7. Outputs and activities

The logical framework of the project document, to be developed during the preparatory phase, will provide a **comprehensive planning, implementation and monitoring framework** for the envisaged key objectives, outcomes and outputs for the start-up and first operational phase of the centre. At this initial stage the activity matrix will be more indicative. The prioritisation and detailed budgeting of the activities will be done once the centre and its governance structure is fully operational. **The Centre will apply an interrelated short-term and long-term planning, implementation and monitoring framework.** The Executive Director will develop the business plan of the centre and the annual work plans in cooperation with the National Focal Institutions (NFIs) and under the guidance of the Technical Committee and Executive Board:

- The **CCREEE Business Plan** will be based on the project document and provide a long-term strategic framework for the first and second operational phase of the centre.
- In the **annual work plans** the partners will agree on the priority activities to be implemented by the centre in the given year and in accordance with the available budget. The work plans are subject to

³ usually with a maximum capacity of 30 MW

review and approval by the Technical Committee and Executive Board. The annual work plans shall **include a matrix of proposed activities, their estimated costs, as well as the indication from which partner contribution the costs will be covered.** For transparency purposes the matrix shall include all received donor contributions by CCREEE. The annual status reports to be prepared by the Executive Director will monitor the implementation of the work plans and report on the achievements in the different project components.

8. Provided services of the Centre

The centre will provide the following services to different local and international clients. The centre will (...)

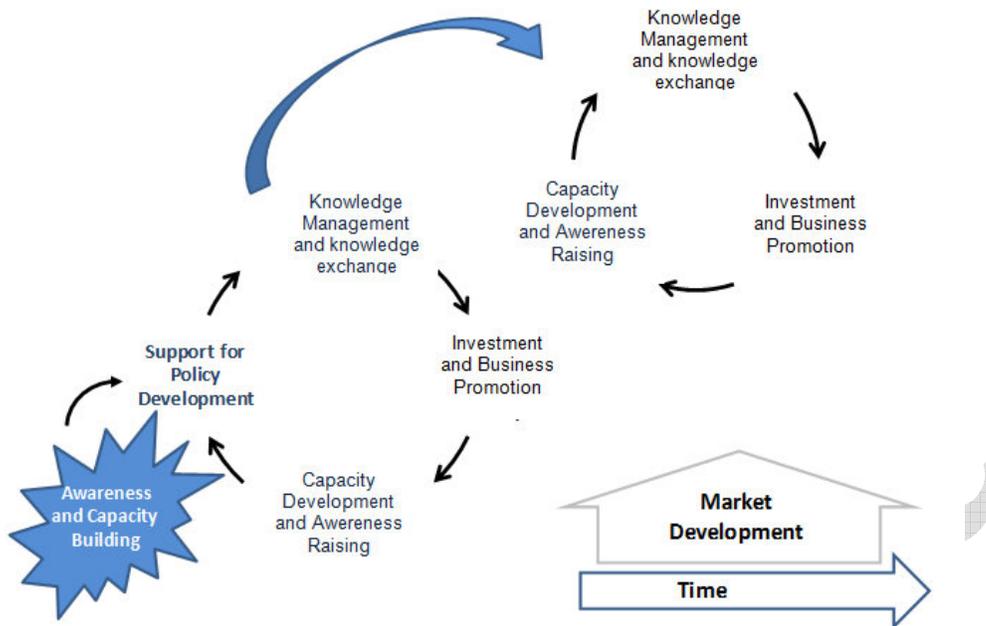
- strengthen the CARICOM Energy Unit in coordinating and implementing sustainable energy activities
- act as regional hub for the coordination of the Sustainable Energy For All Initiative (SE4ALL), SIDS DOCK and other donor activities
- act as facilitator to implement established regional sustainable energy targets of CARICOM/SIDS DOCK on national levels
- act as service provider to assist the Caribbean islands to implement their sustainable energy policy commitments in practice (e.g. laws, standards, incentive schemes)
- work closely with and strengthen already existing national energy institutions
- be a strong link between international climate finance and implementation on the ground
- act as think tank for sustainable energy issues in the Caribbean small islands
- act as editor of policy statements for CARICOM and the AOSIS
- act as provider of reliable RE&EE investment and market data
- promote the Caribbean region as attractive place to invest in sustainable energy
- act as implementer of regional awareness raising campaigns
- act as manager of call for proposals for sustainable energy projects and businesses
- support local businesses to take advantage of sustainable energy investment opportunities
- act as coordinator of regional train the trainer networks and applied research networks and projects
- act as executor of regional RE&EE programs, projects and activities in cooperation with international partners (e.g. UN, EU, donors, IRENA, GEF)
- participate in the Global Network of Sustainable Energy Centers (GNSEC) and coordinate closely with the other regional centers (e.g. ECREEE, SACREEE, EACREEE, CCREEE, PCREEE, RCREEE)
- act as promoter of south-south and north-south knowledge and technology transfer

9. Strategic Positioning of the Centre

The centre will **focus on activities which demonstrate high relevance for leveraging investments in RE&EE infrastructure, services, local businesses and industry.** Investment and business promotion will be an important activity component of the centre but also a cross-cutting issue across the other result areas (e.g. capacity development, policy). The figure below shows expected spill-over effects of the different interventions; for example awareness raising and capacity building can lead to positive developments in the area of policy formulation and investment promotion. To create a regional RE&EE market, it is crucial for CCREEE to stimulate as much as possible such spill-over effects across result areas and national borders.

CCREEE will position itself more as a regional RE&EE promotion agency rather than an implementer on micro- and grass-root levels. The centre will work action and service oriented rather than political. It will work closely with the energy units of regional organizations (e.g. CARICOM, CDB). The execution of specific assignments or services is in many cases delegated by the Secretariat to third parties or implemented in cooperation with the National Focal Institutions (NFIs). Usually, the Centre performs only up to the level of program/project development, fund raising, oversight, quality assurance as well as coordination, monitoring and evaluation of project/program implementation. **Cooperation with a wide range of public/private and local/international stakeholders during implementation** will maximize the local added value, north-south and south-south technology and know-how transfer to the Caribbean region. It also avoids duplication of effort and competition with already existing national energy institutions and companies. Finally, the approach maximizes the impact and visibility of the small Centre in the region.

Figure 2: CCREEE Market Creation Strategy



10. Institutional Set-Up of the Centre

10.1. Legal Status of the CCREEE

The regional sustainable energy centre **will be well incorporated in the existing regional institutional framework in the Caribbean**. It is proposed that the Centre acts an independent body but within the legal, administrative and financial rules and regulations of the host organization and/or framework. It will have its own legal identity. The host organization will delegate the day-to-day management and decision-making authorities to the bodies and the Centre’s Executive Director (e.g. procurement, authority to sign contracts and recruitment). The formal relationship between CCREEE and the host country/organization would be outlined by a formal legal agreement to be finalized during the start-up phase. This agreement would detail among other things, the relationship among all parties, contributions of all parties as well as privileges of the staff of the Centre.

10.2. Location of the Secretariat of the Centre

The location of the Secretariat of the Centre will be defined during the preparatory phase. It will be hosted by a national/regional institution with sustainable energy mandate/experience and regional outreach. The project document of the centre will include selection criteria for the host country/organization. Institutions could be invited to put forward offers in a bidding process. It is expected that the host country/institution provides at least some in-kind support to the centre (e.g. office space, coverage of running costs).

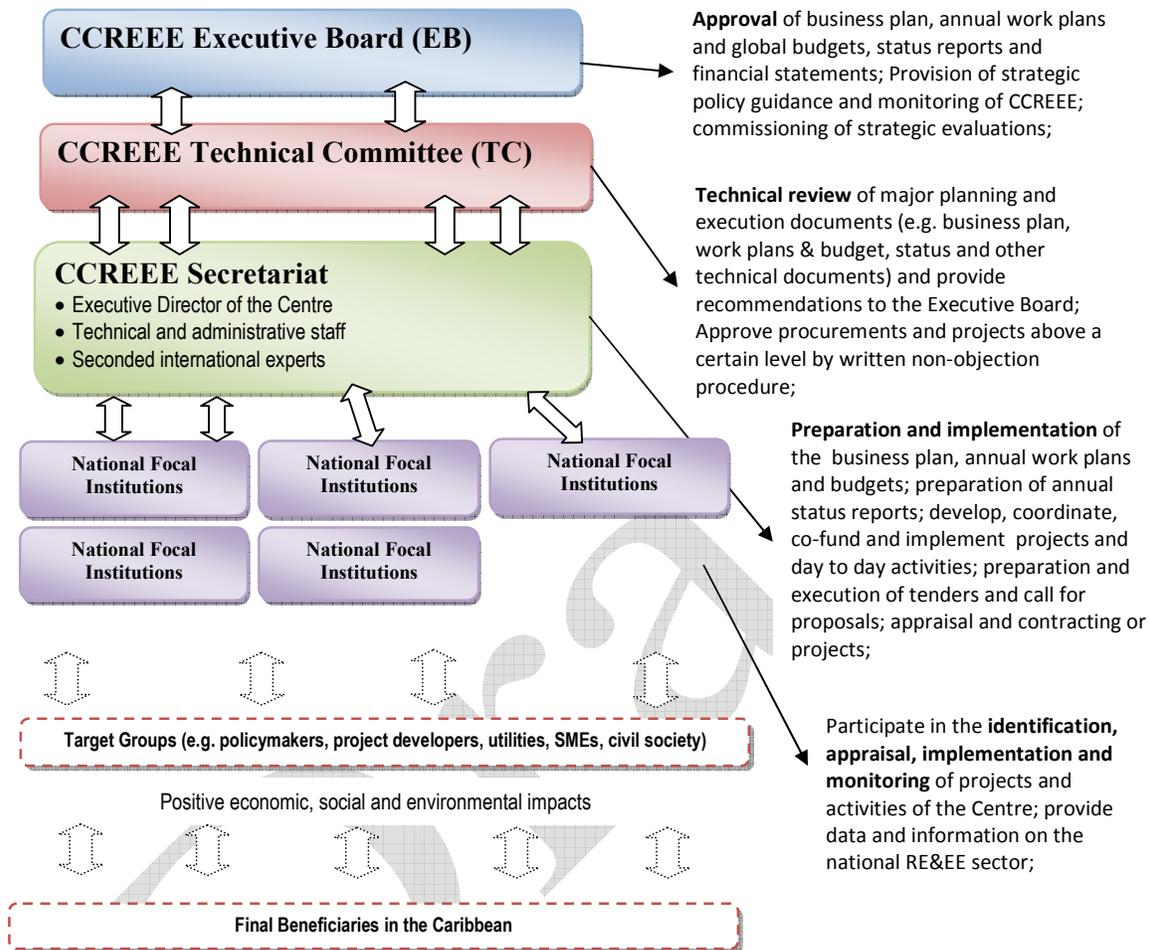
10.3. Institutional Structure of the CCREEE

The institutional structure of the Centre includes:

- the Secretariat based in one of the Caribbean islands
- the Executive Board (EB)
- the Technical Committee (TC)
- the National Focal Institutions (NFIs) among the Caribbean countries

The Centre is governed by an Executive Board (EB) and a Technical Committee (TC) which will meet at least once and maximum twice a year. Usually the EB and TC meetings will be held back to back and coordinated with the meetings of the Caribbean Ministers of Energy.

Figure 3: Draft CCREEE Institutional Structure



The compositions of the EB and TC will be determined during the preparatory process. Representatives appointed to the CCREEE’s EB will serve for a fixed period of term of two (2) years which can be renewed for a maximum of one more additional term. The benefit of the proposed membership of the EB is that it provides avenues for harnessing the strengths of regional and international actors with broad experience in the energy sector. The EB decides in consensus. It can decide to take certain decisions also by e-mail and according to the non-objection principle.

10.4. The Executive Board

The functions of the EB are as follows:

- decides in consensus and by written procedure if necessary;
- offers strategic guidance to CCREEE secretariat to meet its objectives;
- proposes strategic flag-ship programs;
- approves CCREEE’s annual work plan and budgets after review by the TC;
- approves CCREEE’s Business Plan upon recommendation of the TC;
- monitors the progress and performance of the Secretariat and the Director; successful fund raising will be an important performance criteria;

- approves the annual status reports, audited financial statements and evaluations;
- approves and updates the procurement, staff, contracting and financial rules of CACREEE in line with local regulations and rules;
- approves CCREEE's organizational chart, staff recruitments and related job descriptions; appoint the Executive Director;
- appoints external auditors and approve external audit reports;
- appoints external evaluators and approve evaluations and management responses;
- approves procurements can co-funding for projects exceeding a certain amount;
- reviews the composition and membership of the Board and the TC; and
- contributes to CCREEE's visibility in the Caribbean region and internationally.

10.5. The Technical Committee

The technical guidance to the EB is provided by the Technical Committee (TC). The TC has the role to review all documents which are subject for approval by the EB. The review by the TC is mandatory and includes also the financial statements and audits of the centre. If necessary the TC reviews projects to be funded by CCREEE resources and is recommending their approval by the EB. The TC decides in consensus. The core donor partners have one vote and have to harmonise their positions before or during the meetings. The TC functions are as follows:

- meets back to back with the EB;
- technical advice to the CCREEE Executive Board (EB) and Secretariat;
- reviews the annual work plans, status reports, financial statements and other technical documents submitted to the EB by the Secretariat;
- reviews the CCREEE Business Plan and suggest priority activities;
- reviews the CCREEE progress on the basis of the indicators in the Business Plan and annual work plans;
- suggests improvements in the organizational, administrative, quality and technical appraisal framework of the Centre;
- reviews appraisal results of procurements and co-funded projects exceeding a certain level;
- reviews major CCREEE program documents, policy documents and reports and give comments; and
- assists CCREEE in fund raising activities for its technical program and raise visibility on the Centre on regional and international levels.

10.6. The National Focal Institutions

CCREEE will establish a strong network of National Focal Institutions (NFIs) which interlinks the Secretariat with the Caribbean islands. The activities of the Centre are executed in cooperation with the NFIs or other entities of the public and private sector. The NFIs will be nominated by the Ministries of Energy. The NFI duties would include:

- participate actively in the identification, appraisal, implementation and monitoring of projects and activities of CCREEE;
- timely consultations with private sector and civil society experts to review the annual CCREEE work plans and suggest priority activities
- provide data and information on the national RE&EE sector;
- coordinate centre activities in their countries.

10.7. The CCREEE Secretariat

The Secretariat will operate in English, French and Spanish. The host country and organization will be determined during the preparatory/start-up phase. It will employ a small multinational team of Caribbean and international full-time staff. The Secretariat implements the activities and elaborates the annual work plans and status reports and presents the documents for review and approval to the TC and EB. The day to day activities of the Centre will be under the direction of the CCREEE Director who will be primarily responsible for the implementation of the mandate of the Centre and the work plan as approved by the Executive Board. The Director will also lead the funds mobilization efforts of the Centre. He will be accountable to the EB. The internal structure of the CCREEE Secretariat will be composed by a **Department of Management and Organizational Development (DMOD)**; a **Technical Energy Department (TD)**; and a **Department for**

Administration and Finance (DAF) figure below. **The figure below shows also the possible staff structure of the Centre by 2018.** The general responsibilities of the Secretariat are:

- develops and updates the CCREEE Business Plan;
- develops the annual work plans, status reports and financial reports in cooperation with CARICOM and National Focal Institutions (NFIs);
- cooperates with external auditors and evaluators assigned by the EB;
- pro-active fund raising;
- implements activities approved in the annual work plan in cooperation with the EAC Secretariat and the National Focal Institutions (NFIs);
- implements the decisions of the Executive Board (EB)
- monitors the progress of the implementation of the annual work plans;
- Organizes the meetings of the TC and EB;
- elaborates periodical reports on the progress and achievements of the Centre in relation to the indicators in the CREEE Business Plan;
- keeps an overview on relevance, effectiveness, efficiency and sustainability of the CCREEE program;
- compiles regularly information and data provided by the National Focal Institutions (NFIs)

Regarding technical support, the Secretariat's role will be to:

- strengthens the regional network of National Focal Institutions (NFIs)
- recruits qualified administrative and technical staff; strengthen the capacities of staff and select international seconded experts;
- coordinates regularly with the core partners of the Centre;
- meets back to back with the EB;
- develops, appraises, implements and monitors CCREEE projects;
- undertakes fund raising activities and contributes to proposal preparation;
- develops the quality, appraisal and project cycle management framework for activities to be co-funded and implemented;
- assures quality of approved projects according to donor requirements and ensures that pro-poor, environmental, and gender issues are addressed;
- ensures that projects are in line with national policies and legislation;
- participates actively in the evaluation of tender bids and proposals;
- prepares and executes procurements and call for proposals; and
- signs contracts and monitors projects and assignments;

The Secretariat will also be responsible for CCREEE's communication as follows:

- partnerships with other local and international technical institutions;
- contribute to the Global Network of Regional Sustainable Energy Centres coordinated by UNIDO;
- ensure harmonization of CCREEE activities with other donor initiatives and alignment with local initiatives and support systems;
- establish strategic links to loan and equity finance institutions;
- establish policy dialogue with CARICOM, CARILEC and national institutions on regional renewable energy and energy efficiency policy aspects;
- network with national and regional chambers of commerce;
- engage relevant stakeholders in renewable energy policy dialogue including public institutions, civil society and private sector;
- ensure effective public relations and publication of information; and
- ensure awareness rising on RE&EE in the Caribbean region.

11. CCREEE integration into the regional institutional structure

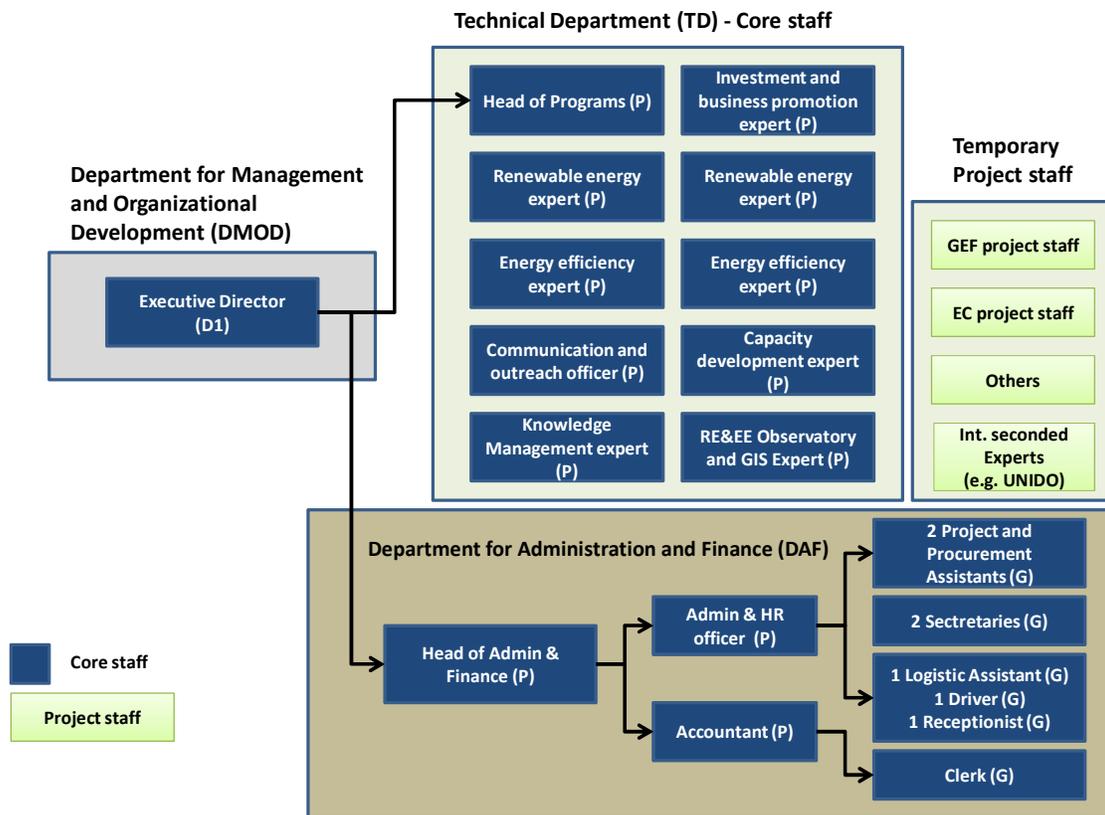
The integration of CCREEE in the existing regional institutional structure will be determined during the preparatory process. The centre **will be created in the existing regional Caribbean framework and work according to local rules and decision-making procedures.** The activities of the Centre are fully integrated in the

regional energy structure, rules and proceedings. The establishment of the centre will be aligned with the comprehensive review and reform process of CARICOM and its institutions. The decisions and approved reports of the Executive Board of the Centre will be presented by the Executive Director to the relevant regional bodies. The relationship will be formalised during the start-up phase of the centre. The Centre will assist the CARICOM Secretariat in the implementation of the CARICOM energy policy and the Caribbean Sustainable Energy Roadmap and Strategy (C-SERMS) on national levels.

11.1. The CCREEE Staff

In the beginning the Centre will start with a very small staff base and will expand depending on the mobilized funding and developed programs and projects (**form follows function**). In future it is expected that the Centre will employ permanent core staff and temporary financed project staff. All **core staff shall have nationality of one of the Caribbean countries and are employed and recruited according to local rules, regulations and guidelines**. The recruitments will be undertaken by public tenders. It is envisaged that at least 30% of the technical and administrative professional core staff is female. The Centre will establish a special focal point for gender issues. The focal point will be responsible to mainstream gender throughout the CCREEE structure, as well as throughout the technical program portfolio. The performance of the Director will be reviewed by the Technical Committee and Executive Board. Successful fund raising will be an important performance criteria. In the beginning the Director and the cores staff will have yearly contracts.

Figure 4: CCREEE Organizational Chart (2015 to 2019)



The CCREEE will **engage experts/consultants** to assist with specific assignments on a short-term basis. For all projects for which funding is secured, requisite staff will have to be hired to work on such projects as part of the overhead costs to the project. While international recruitment would be employed in recruiting such staff, different development partners will be welcome to specify additional conditions as appropriate. Besides project staff, development partners would be welcome to provide technical assistants to work on projects they sponsor. The Director of the Centre will also be responsible for coordinating the activities of project linked staff

and technical experts so as to ensure synergy between the core activities of the CCREEE and that of specialized projects and programmes. The core staff of the Centre will also provide assistance as needed by special projects and programmes and at cost to the programmes.

12. Indicative budget requirements

The total budget requirement for the first operational phase of the Centre will be determined during the preparatory phase and specified in the final project document. To have an significant impact and from the experience of other regional sustainable energy centres it is estimated that **for the first 42 months a budget of around 12 million Euro would be required** (best case scenario). The estimate covers the 6 months start-up phase and the 36 months first operational phase. The running costs would require around 25% of the overall budget. The running costs would include staff costs, office costs and costs of Executive and Technical Committee meetings. The activities to be implemented under the different technical components (e.g. capacity building, policy development, investment promotion and knowledge management) will be described in the logical framework of the project document. The **indicated budget represents the best case scenario** and it is expected that the centre will be able to start its core operations with a significant lower budget level. The required minimum budget will be determined during the preparatory phase. The centre will expand gradually in accordance with the mobilized funding for the centre.

Figure 2: Indicative budget for the CCREEE start-up and first operational phase (in EUR)

Indicative Budget Requirements	Start-Up Phase (6 months)	1 Year	2 Year	3 Year	Total (€)	% of total budget
1: Effective regional RE&EE promotion agency created and efficiently managed	400,000	800,000	850,000	1,000,000	3,050,000	25%
2: Policy, legal and incentive frameworks to promote RE&EE investments and markets developed created and implemented	25,693	400,000	500,000	600,000	1,525,693	13%
3: Capacities of the local industry and business sector on various RE&EE aspects are strengthened and applied	30,000	150,000	400,000	750,000	1,330,000	11%
4. Availability of investment and market data, awareness and advocacy on RE&EE are strengthened	100,000	300,000	450,000	450,000	1,300,000	11%
5: Investments in RE&EE infrastructure, services and businesses are mobilized and implemented	60,000	500,000	1,800,000	2,500,000	4,860,000	40%
Total	615,693	2,150,000	4,000,000	5,300,000	12,065,693	100%

12.1. Funding commitments and fund mobilization

During the preparatory phase like-minded donor partners will be approached concerning their possible financial contributions to the core budget and/or technical program of the centre. So far the **Austrian Development Agency (ADA) has committed at least one million Euro** for the first operational phase of the centre. UNIDO and SIDS DOCK will determine their contributions at a later stage. To ensure the ownership and sustainability of the centre it is expected that **parts of the running costs and technical program will be covered by the Caribbean States, regional organizations and the host country/organization.**

Fund mobilization shall be a core activity of the Executive Director and the staff. Based on experiences and lessons learned of other regional centres, the indicative budget shall be kept ambitious rather than limited to actual commitments in the beginning. It should be an important performance criteria for the staff and the Director. The expansion of the project portfolio shall be a requirement for the expansion of staff and administrative costs. A **fund raising strategy** will be implemented from the very beginning. In the case of the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE) the mixture of co-funding from ECOWAS, international support and active fund raising of the centre has been the basis for its financial sustainability. There are numerous examples of closed centres after the first phase due to the dependence on only one financing source and very limited budget scope.

It shall be noted that significant parts of the indicated funding might not be handled by the centre directly as it will be provided in form of services or equipment to specific activities of the centre by different donor partners or institutions. The structure of fund flows from the various partners will depend on the different agreements entered into with the respective partners. **The earmarking of the partner contributions on specific budget items will be done on an annual basis through the work plans.** The work plans are subject to review and approval by the Technical Committee and Executive Board. The annual work plans shall include a matrix of proposed activities and their estimated costs, as well as the indication from which partner contribution the costs will be covered.

13. CCREEE Preparatory Contacts



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14. Further information

- <http://www.cc-energyprogramme.org>
- <http://www.unido.org>
- <http://www.sidsdock.org>
- <http://www.credp.org>
- <http://www.ecreee.org>
- <http://www.ecowrex.org>