



# ESRR Report

## Operation Information

Operation		
RG-G1004 Global Environment Facility (GEF) Grant for the Sustainable Energy Facility (SEF) for the Eastern Caribbean		
Environmental and Social Impact Category	ESRR	
B13	Substantial	
Country	Executing Agency	
REGIONAL	BA-CDB - CARIBBEAN DEVELOPMENT BANK	
Organizational Unit	IDB Sector/Subsector	
Infrastructure and Energy Sector	ENERGY INTEGRATION	
Team Leader	ESG Primary Team Member	
VERONICA PRADO	LUCIANO BORNHOLDT	
Type of Operation	Original IDB Amount	% Disbursed
Investment Grants	\$3,013,698	11.481 %
Assessment Date	Author	
3 Nov 2020	LUCIANOCA ESG Primary Team Member	
Operation Cycle Stage	Completion Date	
ERM (Estimated)	7 Apr 2015	
QRR (Estimated)	20 Jul 2015	
Board Approval (Estimated)	13 Oct 2015	
Current Last Disbursement Expiration (Estimated)	20 Oct 2022	
Safeguard Performance Rating		
Partially Satisfactory		
Rationale		
While CDB staff are experienced in environmental and social risk management, there is limited geothermal experience and furthermore, physical supervision of works is slow and shows areas that are not being fully identified and/or corrected. In the case of St. Vincent (subproject in execution), the social aspects of the program have been well implemented (if not a little slowly) however environmental monitoring by the executing agency had not been fully implemented despite the fact that drilling began 6 months ago. This was not flagged previously by CDB. Furthermore, CDB E&S specialists are unable to maintain the pace required for some of the projects, for example the ESIA for Nevis (project in preparation) was not reviewed by E&S specialists for 5 months, who according to the ROP should take the lead and submit to IDB, rather than vice versa.		



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### Risk Assessment

Cause	Value
Largely related to direct impacts of project footprint, and inherent sector risk, including contribution to cumulative risks.	High
<b>Comments:</b> Associated with the inherent risks of geothermal drilling such as water table contamination, freeing of hazardous gases and others. It is necessary however to keep in perspective the relatively small scale of the projects considered for financing so far, and the fact that there are impact management measures embedded in the design of the projects.	
Contribution	Value
Largely related to indirect and induced impacts, third party actions, associated facilities, supply chain aspects, and indirect contribution to cumulative impacts.	Moderate
<b>Comments:</b> Due to the scale of the projects considered for financing, the risk of contribution to existing impacts or issues is considered to be moderate. Most of the impacts are expected to be localized, but contribution could occur in some cases related to certain receptors, such as protected species. Please see context.	
Context	Value
Largely related to influence and impacts from external operating environment on project setting, including legal framework and practice, vulnerability risks, political and social conflict, cultural context, legacy issues, etc.	Substantial
<b>Comments:</b> Most of the projects are and will be developed in small islands which faces challenges relating to access to fresh water, weather, and vulnerable ecological context. In some cases protected and endemic species, common in the caribbean islands, could be more susceptible to cumulative impacts; nevertheless, due to the relatively small scale of geothermal project footprints, mitigation measures are usually expected to be effective. Local capacity is also often limited, as well as the regulatory frameworks, further increasing the contextual risk. The risk of Covid-19 has already caused delays in consultation processes and project implementation, and remains a risk for workers'health and safety.	
Performance	Value
Directly related to borrower capacity and organization, commitment, resources and overall performance during project.	Substantial
<b>Comments:</b> Lack of experience in implementing geothermal projects, associated with lack of overall E&S management experience in some cases, combine to represent a substantial risk. This risk however is not high, due to the fact that the projects considered for finance have all included an agreement between the government with a company experienced in this type of project.	
Overall Environmental and Social Risk Rating	Value
Please indicate the overall ESRR of the project according to your professional judgement at this point in time.	Substantial
<b>Comments:</b> The overall operation is rated for risk, and not the specific subprojects. The EA is the CDB, and IDB resources for E&S supervision are allocated for the whole operation and not for subprojects, and many of the contextual risks are the same or similar for all or most subprojects. The overall risk remains substantial due to the relative inexperience of CDB and local executing agencies to manage ESHS issues of geothermal subprojects. While some subprojects may be located in or near protected areas, the ESMS for the Program is well crafted to manage these risks. There are potential risks represented by the combination of geothermal drilling in vulnerable ecological and social contexts in a scenario of lack of experience in managing its impacts, but partially mitigated by the small footprint and scale of projects considered for financing so far, combined with the participation of firms experienced in geothermal projects as co-proponents.	



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