

## PROJECT IMPLEMENTATION REPORT (PIR) FY 2022

**GEF - IDB**

**IMPORTANT:** The reporting period is GEF Fiscal Year 2022 (July 1<sup>st</sup>, 2021 to June 30<sup>th</sup>, 2022)

**# of PIR:** 6<sup>TH</sup>

### PROJECT GENERAL INFORMATION

<b>Project Name:</b>	Sustainable Energy Facility (SEF) for the Eastern Caribbean		
<b>Project's GEF ID:</b>	5312	<b>Project's IDB ID:</b>	RG-G1004; GRT/FM-15208-RG;
<b>Country/ies</b>	Regional		
<b>GEF Focal Area</b>	Climate Change		
<b>Executing Agency</b>	CARIBBEAN DEVELOPMENT BANK (CDB)		
<b>Project Finance and Disbursements:</b>	GEF Trust Fund	\$ 3,013,698	
	Co-finance at CEO Endors. / Approv.	\$ 49,435,000	
	TOTAL Project Cost (GEF Grant + co-finance)	\$ 52,448,698	
	Total disbursements of GEF Grant resources as of the end of June 30 <sup>th</sup> , 2022 (cumulative)	\$ 1,855,705.99	
<b>Project Dates:</b>	Date of First Disbursement	12/27/2017	
	Agency Approval Date	10/13/2015	
	Effectiveness (Start) Date	10/20/2015	
	Original Last Disbursement Expiration Date <sup>1</sup> (OED)	10/20/2020	
	Current OED	10/20/2022	
	Estimated Operational Close Date <sup>2</sup> (EOC)	01/18/2023	
	Actual Date of EOC, if applicable	NA	

<sup>1</sup> For the GEF, this is equivalent to the project's "Expected Completion Date".

<sup>2</sup> For the GEF, this is equivalent to the project's "Expected Financial Closure Date".

<b>Project Evaluation:</b>	Mid-term Date (Expected or Actual)	10/02/2020
	Terminal evaluation Date (Expected)	04/30/2024

## **DEVELOPMENT OBJECTIVE RATING (DO) & ASSESSMENT**

The objective of the SEF Programme is to address the financial and capacity barriers that geothermal energy encounters in the five Eastern Caribbean Countries (SECC): Dominica (DOM), Grenada (GRE), Saint Kitts & Nevis (SKN), Saint Lucia (SLU), and Saint Vincent & Grenadines (SVG). In this Programme the Caribbean Development Bank (CDB) acts as a borrower, beneficiary, executing agency, and co-financier.

***Make an overall assessment and provide a rating<sup>3</sup> of "likelihood of achieving project objective" during the period (2021-2022). Describe any significant environmental or other changes attributable to project implementation.***

OVERALL (DO) ASSESSMENT					PREVIO US RATING	NEW RATIN G	
The SEF-Programme was approved in two tranches. The first, referred to as "SEF-2015," was approved on 13th October 2015, bringing together the IDB, CDB, GEF, and CTF funds. The second tranche is referred to as "SEF-Expanded," <sup>4</sup> and brings together funds from the GCF and the Republic of Italy. The SEF-Expanded was approved by the Board of Executive Directors of the IDB on the 12 <sup>th</sup> of December, 2018. Also, since 2016, the Programme has benefitted from an additional US\$16 million co-financing from the CDB to support energy efficiency sub-projects further, plus US\$47.30 million of parallel financing from the European Union, DFID, and the Abu Dhabi Fund for Development. By the end of 2020, the SEF Programme accounted for a total of US\$220.8 million, including co-financing and parallel financing.					S	S	
Table 1:Funds of the SEF Programme organized by source and type of financial instrument.							
US\$ million							
SEF FUNDS per FIN.INSTRUMENT		TOTAL	LOAN	CRG <sup>5</sup>	GRANT		
SEF PROGAMME	TOTAL SEF	\$ 220.86	\$ 123.30	\$ 35.05	\$ 62.50		
	TOTAL SEF (w/o parallel fin.)	\$ 173.56	\$ 123.30	\$ 35.05	\$ 15.20		
	SEF-2015	TOTAL	\$ 87.94	\$ 63.30	\$ 19.05	\$ 5.58	
		IDB	\$ 20.50	\$ 20.00	\$ -	\$ 0.50	
		CTF	\$ 19.05	\$ -	\$ 19.05	\$ -	
		GEF	\$ 3.01	\$ -	\$ -	\$ 3.01	

<sup>3</sup> See Annex 1: Definition of Ratings.

<sup>4</sup> "Sustainable Energy Facility for the Eastern Caribbean Expanded", IDB project codes RG-L1112, RG-G1013, and RG-T3603

<sup>5</sup> Contingent Recovery Grant

		CDB	\$ 45.37	\$ 43.30	\$ -	\$ 2.07
	SEF-Expanded	TOTAL	\$ 85.62	\$ 60.00	\$ 16.00	\$ 9.62
		GCF	\$ 80.00	\$ 60.00	\$ 16.00	\$ 4.00
		REI	\$ 5.62	\$ -	\$ -	\$ 5.62
	Parallel Financing	TOTAL	\$ 47.30	\$ -	\$ -	\$ 47.30
		EU	\$ 14.00	\$ -	\$ -	\$ 14.00
		DFID	\$ 18.30	\$ -	\$ -	\$ 18.30
		Abu Dhabi	\$ 15.00	\$ -	\$ -	\$ 15.00

Regarding the GEF contribution, by June 2022, the CDB has approved sub-projects accounting for US\$2.3 million to be financed by GEF funds (83% of total funds, US\$3 million). Of these resources, approximately 74%<sup>6</sup> have been spent at the end of June 2022.

## IMPLEMENTATION PROGRESS RATING (IP) & ASSESSMENT

***Make an assessment and provide ratings<sup>7</sup> of overall Implementation Progress, including information on progress, challenges and outcomes on project implementation activities from July 1<sup>st</sup> 2021 until June 30<sup>th</sup>, 2022. As applicable, please include **information on issues and solutions related to COVID-19**.***

OVERALL (IP) ASSESSMENT	PREVIOUS RATING	NEW RATING
<p>For the period 2021-2022, the implementation progress of the SEF Programme was rated as Satisfactory (S), considering the following reasons:</p> <p>By June 2022, the CDB had 91 sub-projects in the portfolio of the SEF Programme, having already approved 30 of them. These latter account for an amount of US\$71.77 million, out of which US\$51.35 million had already been expended by the end of June 2022. The SEF-Programme has made special progress in financing activities related to geothermal energy developments, which account for 58% of the current expended amount.</p>	S	S

<sup>6</sup> Due to a typographical error, the PIR for 2021 reported 81% instead of 71%.

<sup>7</sup> See Annex 1: Definition of Ratings.

<p>Regarding the contribution from the GEF, the executing agency (CDB) has approved sub-projects for a total of US\$2,310,000 and reported actual expenditures at the end of June 2022 of US\$1,703,000 (74%).</p> <p>The project was projected to be complete by the end of 2021, however, further delays were introduced due to a matter arising with one of the main sub-contractors resulting in the need to change it. The project is making progress once again with the installation of the final tranche of equipment, and associated final payment is expected by Q3 2022. It is considered that the project retains a satisfactory grade even though it has not yet attained its completion under the original schedule, as the budget will be exercised in its entirety and completing all the original goals of the SEF Programme.</p>		
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### **RISK RATING & ASSESSMENT**

***For fiscal year 2022, make any adjustments necessary to the assessment ratings<sup>8</sup> of overall Project Risk<sup>9</sup> that you provided in the last PIR (2010-2021). Please include details and remedial measures for High and Substantial Risks, specifying who will be responsible for these measures.***

OVERALL RATING FOR PROJECT RISK	PREVIOUS RATING	NEW RATING
<p>Overall, the project risk during the period 2021-2022 remains rated as: Moderate (M).</p> <p>It is assessed that the risk is Moderate since the delay in the execution of the project objectives does not imply a breach or impossibility for a fully completion thereof and the project is on track to meeting all the goals initially set out.</p>	M	M

### **STAKEHOLDER ENGAGEMENT**

***Please add information on any progress, challenges and outcomes with regards to stakeholder engagement, based on the project's activities during its implementation through the 2010-2022 GEF Fiscal Year. As applicable, please include **information on issues and solutions related to COVID-19.*****

<p>The IDB and the CDB, the executing agency, hold weekly meetings to follow up on the progress of the project.</p> <p>Also, the governments of Grenada, Saint Kitts, and Nevis, and public officials from the 5 Eastern Caribbean countries have been involved in training and meetings for a better understanding of the opportunities of geothermal energy, its contractual particularities, and technological characteristics.</p>
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<sup>8</sup> See Annex 1: Definition of Ratings.

<sup>9</sup> These should include risks identified at CEO Endorsement AND any new risks identified during implementation.

The CDB is currently in the process of approving funding from other SEF resources to support the Organization of Eastern Caribbean States (OECS) with a capacity strengthening programme for Eastern Caribbean countries which includes the engagement of a Public Information and Communication Consultant (PICC) firm.

The overall objectives of the consultancy are to design, implement and monitor a public relations and communications programme that:

- Effectively delivers factual and persuasive messaging across all relevant media about the GE project within a particular BMC.
- Deliver factual information on regional GE development including the role of CDB and regional institutions (OECS, CCREEE, Geothermal Centre of Excellence) in financing and building capacity in the region.
- General information on GE development, drawing on international examples, and including power generation and direct use applications of GE.

Procurement for the project coordinator, as well as other consultancies required to implement this programme are ongoing and it is expected that all services under this assignment will be available by Q4-2022.

## **GENDER**

***Please add information on any progress, challenges and outcomes with regards to any and all gender-responsive measures that were undertaken in the project's activities during the 2021-2022 GEF Fiscal Year. Also: Were indicators on gender equality and women's empowerment incorporated in the project's results framework? (Yes/No). If applicable, include the indicator with its baseline, target and current value (2021-2022).***

No progress is reported for fiscal year 2022 since the gender-related activities have been concluded.

## **KNOWLEDGE**

***Please add information on knowledge activities and products developed in relation to the project (with GEF or non-GEF resources), with special emphasis on activities carried out during the 2021-2022 GEF Fiscal Year. As applicable, please include **information on issues and solutions related to COVID-19**.***

In order to ensure a strategic approach adopted in establishing the capacity needs and ensuring that the appropriate training solutions are developed and implemented, a GE capacity-strengthening expert will be engaged to support the OECS.

Also, the capacity of the OECS will be strengthened to effectively procure and manage the consultancies and to generally deliver on the programme. In this regard, a GEOBUILD Project Management Unit (PMU) will be

established consisting of a project coordinator (PC), procurement specialist (PS), and project assistant (PA). The consultants will report to the PC. The PC with support from the PA will secure requests from countries and coordinate the work of the consultants in responding to the countries.

As mentioned, procurement for the project coordinator, as well as other consultancies required to implement this programme are ongoing and it is expected that all services under this assignment will be available by Q4-2022.

### **CHANGES TO PROJECT DESIGN AND IMPLEMENTATION**

IDB's policies apply throughout the execution of GEF projects. Most changes considered "minor amendments" by GEF would, according to IDB's regulations, norms, and policies, require EITHER no contractual adjustment at all [e.g., small changes in outputs or parallel co-financing] OR a contractual adjustment that does not require Board approval [e.g., extension of date of last disbursement]. These changes should be reported in the PIR for the Fiscal Year during which the changes took effect.

***Please indicate in the table below (with an 'x' under Yes or No) which aspects of the project were affected by the changes and provide a short description, as well as a reference to any supporting material uploaded into the Bank's systems:***

In the Reporting Year, were any changes made that affected:	YES	NO	If YES, please briefly describe changes made:	Link to supporting material
Results Matrix/ Outputs: P(a) EOP values, wording of outputs, or addition of outputs?		x		
Component Cost: funding allocated per component (vs. originally approved)?		x		
GEF Co-financing: changes in sources and/or amounts expected?		x		
Dates reported to GEF (e.g., effectiveness, first/extension of last disbursement, midterm evaluation)?		x		
Executing mechanism (e.g., change of Executing Agency or function of advisory committee)?		x		
Other implementation arrangements (e.g., coordination with other GEF projects)?		x		
Financial [risk] management (e.g., waiver for annual audit or change in % to be justified)?		x		

Management of E&S risks and impacts (e.g., changes to ESMP)?

Management of other risks (e.g., changes due to health/ Covid-19 or security concerns)?

	x
	x

**Please note:** Should the request or need for any changes arise that, by IDB's regulations, norms and policies, require authorization at the Manager level or above [see OA-420, OA-421, OA-430 and OA-431], project teams should invariably get in touch with the IDB-GEF Coordination team, preferably prior to discussing such changes with counterparts to ensure proper coordination with and reporting to the GEF.

Examples include, but are not limited to: (i) All substantial and fundamental changes covered by the OA-430; (ii) Changes to the general or specific project objective(s) or to the project's area of intervention; (iii) Results Matrix/ Outcomes & Impacts: P(a) value, wording of existing or addition of Outcomes, Outcome Indicators, Impacts and/or Impact Indicators; (iv) Components: changes in types of activities that may be financed with project funding (eligibility of expenses); (v) Total Amount of Project Financing (above originally approved amount).

## **LESSONS LEARNED / BEST PRACTICES**

*If the project generated any lessons learned or best practices during the 2021-2022 GEF Fiscal Year, please provide a short description. **As applicable, please include information on issues and solutions related to COVID-19.***

TOPIC/THEME	LESSONS
COVID-19	Significant delays to project implementation were introduced due to the protracted (in some cases, still ongoing) impacts of the Covid-19 pandemic. Where possible many activities were re-oriented towards virtual/remote means. However, certain activities could not proceed effectively, or at all, such as certain ESIA activity or stakeholder/community engagement due to restrictions on travel/gatherings/or movement during certain periods. Further, significant delays across all projects were also experienced due to the competing priorities of key decision makers. Despite efforts to ensure that renewable energy (including geothermal energy) projects were included as priority projects in recovery plans and strategies, it was seen that these types of projects continue to be delayed.



## ANNEX 1. DEFINITION OF RATINGS

### Development Objective Ratings

1. **Highly Satisfactory (HS):** Project is expected to achieve or exceed **all** its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as "good practice".
2. **Satisfactory (S):** Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
3. **Marginally Satisfactory (MS):** Project is expected to achieve **most** of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits.
4. **Marginally Unsatisfactory (MU):** Project is expected to achieve **some** of its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives.
5. **Unsatisfactory (U):** Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.
6. **Highly Unsatisfactory (HU):** The project has failed to achieve, and is not expected to achieve, **any** of its major global environment objectives with no worthwhile benefits.

### Implementation Progress Ratings

1. **Highly Satisfactory (HS):** Implementation of **all** components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as "good practice".
2. **Satisfactory (S):** Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action.
3. **Marginally Satisfactory (MS):** Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.
4. **Marginally Unsatisfactory (MU):** Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action.
5. **Unsatisfactory (U):** Implementation of **most** components is not in substantial compliance with the original/formally revised plan.
6. **Highly Unsatisfactory (HU):** Implementation of **none** of the components is in substantial compliance with the original/formally revised plan.

### Risk ratings

Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:

1. **High Risk (H):** There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.

2. **Substantial Risk (S):** There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.
3. **Modest Risk (M):** There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.
4. **Low Risk (L):** There is a probability of up to 25% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.