



CREF IRAC 2022:
Strengthening
Electricity Infrastructure
for Climate Change

INTRODUCTION

- Caribbean countries must find ways to reduce their inherent vulnerabilities and risks to global climate change including in the electricity sector. This will require comprehensive partnerships involving local communities, private sectors, national governments, and the international community.
- Developing the modalities for furthering these partnerships will be essential if success is to be achieved in minimizing the projected adverse impacts of climate change.



GENERAL PROBLEM

- Global climate change will present severe challenges to all countries at all levels but especially SIDS due to their special ecological, geographical, economic, and institutional vulnerabilities of SIDS.
- While much lip service has been extended to address the special needs of SIDS their vulnerability continues to increase and promised financial resources to deal with current and future vulnerabilities fail to be delivered.
- Recent regional experiences (Dominica, Barbuda, The Bahamas, Puerto Rico, USVI, BVI etc) spotlight high levels of vulnerability and the devastating socio-economic effects this can have.

KEY OBSTACLE

- Electricity infrastructure, including renewable energy, is extremely vulnerable to climate change as much is directly exposed to weather and to climate extremes. Failure to strengthen these critical assets has substantial negative implications for Caribbean economies and societies.
- COVID19 has underlined the importance of maintaining reliable electricity infrastructure.
- Caribbean countries must arrive at coordinated positions incorporating governments, electric utilities, financial institutions, private sector and community organizations to emphasize resilience of electricity infrastructure as an immediate priority for climate action.

BENEFITS

- A key challenge is raising concessional resources to reduce climate vulnerability. In particular COP27, The World Bank, and the IMF must be the focus by the Caribbean to identify funding to reduce the vulnerability of the electricity sub-sector, including renewable energy, as a priority for financing.
- Borrowing by Caribbean countries for COVID relief measures means that most are already at the limit of their borrowing. Traditionally the electricity sector is not viewed as a high priority for concessional financing despite its central role in sustainable socio-economic development.
- The benefit is to obtain concessional financing required for climate smart electricity infrastructure. This should include extending financing to private sector financial institutions.

FINAL STATEMENT

- A critical obstacle to collectively overcome in 12 months to drive greater resilience and private sector engagement is building national and regional consensus to focus on reducing vulnerability in the electricity sub-sector, including through renewable energy, to the adverse impacts of climate change as a primary agenda item for financing at COP27 and the annual World Bank and IMF meetings.

