

SCF – SREP (Scaling Up Renewable Energy Program)

**PROJECT TITLE: ADDITIONAL SOLAR PHOTOVOLTAIC CAPACITY TO FURTHER
REPLACE FOSSIL FUEL IN THE CARACOL INDUSTRIAL PARK OF HAITI AND
NEIGHBORING COMMUNITIES
COUNTRY: HAITI
MDB: IADB**

**Cover Page for Project/Program Approval Request^[a]
Scaling Up Renewable Energy Program in Low Income Countries**

Country/Region	HAITI/CID	CIF Project ID#	Auto Generated by CCH
Type of CIF Investment:	<input checked="" type="checkbox"/> Public <input type="checkbox"/> Private		
Project/Program Title (same as in CCH)	Additional solar photovoltaic capacity to further replace fossil fuel in the Caracol Industrial Park of Haiti and neighboring communities		
Sector/Pillar (Please select all that apply)	<input checked="" type="checkbox"/> Renewable Energy <input type="checkbox"/> Agriculture and Landscape Management <input type="checkbox"/> Climate Information Systems and Disaster Risk Management <input type="checkbox"/> Coastal Zone Management <input type="checkbox"/> Enabling Environment <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Urban Development <input type="checkbox"/> Water Resources Management <input type="checkbox"/> Agriculture and Food Security <input type="checkbox"/> Agroforestry <input checked="" type="checkbox"/> Capacity Building / Institutional Strengthening and Governance Reform <input type="checkbox"/> Forest Monitoring / MRV <input checked="" type="checkbox"/> Indigenous Peoples / Local Communities <input type="checkbox"/> Landscape Approaches <input type="checkbox"/> Sustainable Forest Management <input type="checkbox"/> Other (_____)		
Technology/Area (Please select all that apply)	<input type="checkbox"/> Bioenergy <input checked="" type="checkbox"/> Capacity Building <input type="checkbox"/> Cookstoves <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydropower <input type="checkbox"/> Mixed RE <input type="checkbox"/> Multiple <input checked="" type="checkbox"/> Solar <input type="checkbox"/> Waste to Energy <input type="checkbox"/> Wind <input type="checkbox"/> Other (_____)		
Project Lifetime (MDB Board/Management) approval to project closure)	Approval: June 30, 2024. Project lifetime of 36 months.		
Is this a private sector program composed of sub-projects?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Financial Products, Terms and Amounts (same as CCH)			
	USD (million)	EUR (million)^[b]	
PPG (Project Preparation Grant)			

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Grant	2.5	
MDB Project Implementation and Supervision Services (MPIS) ¹	0.12	
Public sector loan – Senior loan		
First loss guarantee		
Second loss guarantee		
Equity		
Senior loan		
Senior loan in local currency hedged		
Senior loan in local currency unhedged (EXCEPTIONAL REQUEST)		
Subordinated debt/loan/ mezzanine instrument with income participation		
Subordinated debt/loan / mezzanine instrument with income participation local currency unhedged (EXCEPTIONAL REQUEST)		
Subordinated debt/loan /mezzanine instrument with convertible features		
'Convertible/contingent recovery' grant/loan/guarantee (loans convertible to grants or vice versa)		
Convertible Loans (convertible to equity only)		
For loans and guarantees – is this a revolving structure? ^[2] <input type="checkbox"/>		
Yes <input type="checkbox"/> No		
Specify local currency type here		
Other (please specify)		
Total		
Co-financing		
	Please specify as appropriate	Amount (in million USD)
MDB 1	Inter-American Development Bank	MUS\$31.5 (Grant Facility for Haiti-GRF – HA-L1140) MUS\$2.65 (Clean Technology Fund – HA-G1048)

¹ MPIS - CIF Operational Modalities For New Strategic Programs [here](#)

² With a revolving structure, after the loan or guarantee matures, instead of returning the funds to the Trustee, the funds are redeployed as a new loan or guarantee.

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MDB 2 (if any)		
Government	United States Agency for International Development (USAID)	MUS\$6.5 (HA-G1045)
Private Sector		
Bilateral		
Others (please specify)		
Total Co-financing		MUS\$40.65
CIF Funding		
Total Financing (Co-financing + CIF Funding)		
Proportion of Total Financing for Adaptation		
Proportion of Total Financing for Mitigation^[e]		
CIF Financial Terms and Conditions Policy	Link Is this request in accordance with the CIF Financial Terms and Conditions Policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (if no, please specify detailed information under the justification section)	
Justification (exceptional request) ^{[c][d]}		
N/A		
Implementing MDB(s) (please enter full name, job title and email address)		
MDB Headquarters-Focal Point:	Gloria Visconti (gloriav@iadb.org) Mariel Juarez (marielj@iadb.org)	
MDB Task Team Leader (TTL)	Jesús Tejada (jesust@iadb.org)	
National Implementing Agency (please enter full name, job title and email address)		
Country Focal Point/s	Jean-Mary M. GEORGES Junior Directeur Exécutif Unité Technique d'Exécution jmgeorges@ute.gouv.ht	
Brief Description of Project/Program (including objectives and expected outcomes) ^{[c][d]}		

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I. Description

This Investment Grant (IGR) operation (“the Project”) builds upon [4900/GR-HA](#) (HA-L1140) and [GRT/CF-17708-HA](#) (HA-G1045) (“the Program”) (“Improving Electricity Access in Haiti”) which is still in execution. The general objective of the Program is to increase reliable electricity access in Haiti for economic development and to strengthen electricity sector governance. On November 13th, 2019, it was approved by the Bank with a total amount of up to US\$38,000,000, of which US\$31,500,000 was provided by the IDB Grant Facility (GRF) (4900/GR-HA; HA-L1140) and US\$6,500,000 by the United States Agency for International Development (USAID) (GRT/CF-17708-HA; HA-G1045) as a Project Specific Grant (PSG). Also, thanks to the contribution of the Clean Technology Fund (CTF), on December 16th, 2021, the Bank approved an additional budget of US\$2,650,000 to provide storage capacity up to 10MWh (IGR, [GRT/TC-19125-HA](#), HA-G1048), for a total amount of US\$40,650,000. The Project focuses on Component II of the Program, which fosters the supply of electricity with Renewable Energy (RE) in the *Parc Industriel* de Caracol (PIC) and the communities in the surrounding area.

The PIC is a mixed-use light manufacturing park and industrial free zone in the northeast, which employs more than 14,000 people. The PIC electrical system is the backbone of the northeast electrical network. Its electricity supply depends on a 10MW heavy-fuel oil Thermal Power Plant (TEP) operated since 2012 by the National Rural Electric Cooperative Association (NRECA) on behalf of USAID. However, between 2019 and 2023, rising fuel costs and inflation³ have driven the cost of subsidized electricity up by 58%, undermining the competitiveness of the PIC and the provision of service to communities of the northeast.⁴ Thus, the rationale behind Component II is to ensure an uninterrupted, cleaner, and sustainable electricity supply at a competitive tariff to the PIC tenants and residential users outside the park.

The Program is expected to replace up to 55% of fossil fuel consumption with RE in the first year of operation and to achieve a lower and more stable industrial tariff of 26.2 cents/kWh, and a residential tariff of about 31.5 cents/kWh on average. This is done by installing and commissioning a Solar Photovoltaic Plant (SPP) of 12MWp and 5MW/10MWh of Battery Energy Storage System (BESS) for grid frequency regulation. The SPP will create a hybrid power grid in combination with the existing TEP and will be operated by an international firm selected through an international competitive process. In April 2023, the Program launched a new international competitive process for the construction of the SPP, following IDB procurement policies. The process was successful, and the awarded firm signed the contract in April 2024. Considering this advance, the opportunity opens for the Project to increase the solar generation capacity in the PIC from 12MWp to 13.67MWp.

The Project will support the approved Program by financing the design, installation, and commissioning of an additional 1.67MWp solar photovoltaic capacity for the SPP project of the program.

II. The Project

Considering this advance and SREP contribution, the opportunity opens to increase the solar generation capacity in the PIC from 12MWp to 13.67MWp. The net present value of this new investment grows by an additional US\$2.0 M. The RE participation increases from 55% to 58.6% in the first year (+1,061.6 MWh), further reducing CO₂ emissions by approximately 9% over the first 12 months (821 tons). Over 20 years, the additional capacity supported by SREP is expected to generate an extra 24,630.1 MWh of solar electricity and prevent 19,058 tons of CO₂ emissions. The medium voltage electricity rate is also favored during the first year, going from an estimated 26.2 to 25.1 cents/kWh, while the residential rate decreases from 31.5 to 30.4 cents/kWh.

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<p>The incremental capacity of 1.67MWp financed by the Project will require approximately 1.38ha of land for its installation using 615W panels, as indicated in the SPP proposal. This area is available in the PIC and the Project's construction may be part of the SPP construction work expected to begin in 2024.</p>	
<p>Consistency with Investment Criteria (please refer to design document)^{5[c][d]}</p>	
<p>The Project will be consistent with investment criteria because it increases the renewable energy capacity in the northeast of Haiti, providing access to cleaner, affordable, and competitive tariffs through the Caracol Industrial Park.</p>	
<p>Social Inclusion and Stakeholder Engagement^{[c][d]}</p>	
<p>Social Inclusion</p> <p>The Project is aligned with the IDB operational focus area of gender equality and inclusion of diverse population groups, by empowering women on O&M of solar plants and developing inclusive guidelines for the sector. It is also consistent with the IDB's Gender and Diversity Sector Framework (GN 2800-13).</p> <p>Specifically, the program will contribute to greater social inclusion of the populations near the PIC. The effective provision of electricity to the communities and industrial tenants connected to the PIC, is currently subject to variation and availability of fuel in the country. The proposed solar plant will ensure a more reliable, cheaper, and sustainable supply of electricity service to more than 13,000 households connected to the PIC, and it will benefit job creation by ensuring the availability of energy in a similar fuel crisis.</p>	
<p>Stakeholder Engagement</p> <p>The National Implementing Agency will be the Ministry of Economy and Finance (MEF) through its <i>Unité Technique d'Exécution</i> (UTE), with technical support from the Sector Regulatory Authority (ANARSE). The Program Operation Manual (POM) establishes the terms and conditions that apply during the execution of the Project and the institutional arrangement for the coordination of main stakeholders.</p>	
<p>Gender Considerations^{[c][d]}</p>	
<p>Gender Analysis (Please insert the text from the project document on the analysis of gaps in access to services, markets, and jobs by women in relation to the project sectors)</p>	<p>While data is scarce for the energy sector, the apparel industry, which employs 68% of women in its workforce, has only 20% women in managerial positions.⁶ The PIC will have a new utility operator with a target to engage women in managerial position.</p>

³ [IMF, 2024](#)

⁴ Without a subsidy, the average cost of electricity in this area would reach more than 50 cents/kWh.

⁵ Link to SREP Design Document [here](#)

⁶ [Understanding Gender-Based Violence through the Lens of Haitian Garment Workers](#), World Bank, 2019

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Gender Activities (Please insert the text describing gender-specific activities included in the project)	The Project is anticipated to support gender equality by empowering women through employment opportunities in solar PV operations. The Project is aligned with the grant operation HA-L1140 which contributes to the inclusion of women in managerial position in the Operation and Maintenance (O&M) of the new PIC's power system. By reducing the risk of fuel shortages, the Project will increase the attractiveness of the PIC for more investment, generating new employment for men and women.
Gender Indicators (Please insert the text on selected gender specific indicators, including annual targets. from the Project Log Frame that the project is committing to report on)	Outcome indicator: Number of women in managerial positions in the operation of PIC's electricity system. EOP Target: 10% of women
Just Transition ^{[c][d]}	
Just Transition Analysis	N/A
Just Transition Activities	N/A
Just Transition Indicators	N/A
Expected Results (M&R)	
Project/Program Timeline	
Expected MDB Board Approval date ^[d]	June 30, 2024
Expected project closure date ^[d]	June 2027
Expected lifetime of results in years (including beyond project closure)	36 months
SREP Core Indicators	Project-Defined Indicators/Targets
<i>Please identify which of the indicators below are relevant to the project proposal, list the corresponding project-defined indicator(s), and report all targets, including disaggregated targets. (See the SREP Monitoring and Reporting Toolkit for additional guidance.)</i>	
SREP 1: Annual electricity output from renewable energy, as a result of SREP interventions (MWh)	Additional electricity consumption derived from RE in the PIC's network during the first year (%)
<i>Wind</i>	
<i>Solar</i>	3.6% (This corresponds to 1,061.6 MWh in the first year and to about 24,630 MWh over 20 years)
<i>Hydro</i>	
<i>Geothermal</i>	
<i>Other/Mixed</i>	
<i>TOTAL</i>	

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SREP 2: Number of women, men, businesses and community services benefitting from improved access to electricity and/or other modern energy services, as a result of SREP interventions	Number of beneficiaries with improved access to electricity and/or other modern energy services in the PIC network
<i>Male</i>	
<i>Female</i>	
<i>Businesses</i>	
<i>Women-Owned Businesses (if feasible)</i>	
<i>Community Services</i>	
<i>TOTAL (i.e., in persons)</i>	13,000 (including industrial tenants and residential customers)
SREP 3: Increased public and private investments in targeted subsectors, as a result of SREP interventions (\$)	N/A
SREP 4: Installed capacity from renewable energy, as a result of SREP interventions (MW)	Additional solar PV Installed capacity commissioned in the PIC
<i>Direct</i>	1.67MWp
<i>Indirect</i>	12MWp
<i>TOTAL</i>	13.67MWp

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SREP Co-Benefit Indicators	Project-Defined Indicators/Targets
<i>Please identify one or more co-benefit indicators that the project will track and report. Add lines as needed.</i>	
SREP Co-Benefit 1: Increased/strengthened regulatory, institutional, and policy frameworks to support the use of renewable energy	Design and implementation of a concession contract for the O&M of the largest hybrid solar PV system with storage in Haiti
SREP Co-Benefit 2: Gender	10% of women in managerial or technical positions in the operation of PIC's electricity system
SREP Co-Benefit 3: GHG emissions avoided (mt CO ₂ eq)	19,058 over the life of Project
Other SREP Co-Benefit: <i>(Please specify)</i>	
<i>Please also submit the full project results framework to the CIF Secretariat upon MDB Board approval of the project.</i>	
Expected Date of MDB Approval	August 2024
Additional Details (to Members)	

Version: February 2024

Link to Documents Management – [here](#)

CCH – [here](#)

CIF Website – [here](#)

CIF Pipeline Management and Cancellation Policy - [here](#)

CIF Financial Terms and Conditions Policy updated for FY24 - [here](#)

CIF Operational Modalities For New Strategic Programs - [here](#)

SREP Programming Modalities and Operational Guidelines - [here](#)

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