



The Joint Summit Working Group

Collaborating to Implement the Inter-American and Summits Agendas

Promoting Energy Security

As a follow up to the commitments made at the Fifth Summit by **OAS** Members States and an announcement from US President Obama, an Energy and Climate Partnership for the Americas (ECPA) has been established. The Partnership is being developed as a voluntary option for both OAS Member States and international organizations to put forward innovative clean energy initiatives. For the past six months, the OAS has been working on the creation of a website, focal points and dialogue mechanisms for this partnership, and diverse projects are being developed among the Member States. The members of the JSWG are contributing to the expansion of the Partnership by contributing to a clearinghouse of information of best practices and providing technical assistance and financial support to regional initiatives.

The Energy and Climate Ministerial of the Americas was held in Washington, DC, at the **Inter-American Development Bank (IDB)** on April 15, 2010, and at the Organization of American States the following day. The first day enabled meetings among representatives from government, civil society, industry, academia, and international financial institutions. On the second day, energy ministers met in private, closed-door sessions. Both days served to explore possible initiatives in energy efficiency, renewable energy, cleaner fossil fuels, and energy infrastructure and energy poverty.

IICA has created the Hemispheric Program in Agroenergy and Biofuels within the institution to:

- Act as a platform for disseminating knowledge, information and experiences.
- Act as a specialized forum for countries to share, discuss and analyze these concerns.
- Facilitate horizontal technical cooperation

IICA is also the Secretariat of the Technical Committee of the Inter American Commission on Ethanol and published an Agroenergy and biofuels Atlas¹, compiling and systematizing the information presently available in the countries.

IICA actively collaborates on these issues with diverse international (OAS, UN, FAO, IDB) and regional organizations (OLADE¹, PROCIANDINO², PROCITROPICOS³, CREBA⁴) in the

¹Organización Latinoamericana de Energía

²Programa Cooperativo de Innovación Tecnológica Agropecuaria para la Región Andina



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realization of Conferences, Round Tables, Workshops and other activities in pursue of the overall objective of energy security. IICA is also the coordinator of the Red Jatropha LACⁱⁱ and a member of the “Red Mesoamericana de Investigación y Desarrollo en Biocombustibles”

CABEI’s Board of Directors approved “CABEI’s Strategy to Support the Energy Sector in Central America”. This Strategy presents, as its main objective, the providing of financial solutions to encourage energy efficiency, promoting the development of renewable energy sources and reducing the dependency of non renewable energy sources in Central America.

CABEI’s Energy Strategy focuses on three main action branches:

1. Promote energy efficiency.
2. Promote renewable energy projects, and
3. Promote the development of the infrastructure needed to access and manage energy.

In accordance with the Energy Strategy, CABEI has developed a series of Products and Programs for the support of the energy sector in the region.

1. Program for the Support of Small and Medium Sized Enterprises (SMSE) directed to renewable energy and energy efficiency projects. Some of the benefits that this Program provides include:
 - Social and Gender oriented: The benefits will be more significant for low income families; they will utilize less of their income in paying for their energy. This has special relevance for the high percentage of Central American households lead by women.
 - Environmental: Relief of pressure on natural resources. This includes relief of local and global pressures, such as CO2 emissions, which lead to global warming.
 - Economical: Expense reduction when the amount of consumed energy by final consumers and industries is reduced in such services such as lighting, air conditioning and transportation.

³ Programa Cooperativo de Investigación, Desarrollo e Innovación para los Trópicos Suramericanos

⁴ Caribbean Renewable Energy, Energy Efficiency and Bioenergy Action Programme



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2. Energy Efficiency Program. This Program has as its main objective the promoting of energy efficiency projects in order to reduce the dependency of fossil fuels in the region and the reduction of the emission of toxic gases into the environment.

Likewise, the Program has, as specific objectives, the following strategic actions:

- To promote the implementation of energy efficiency in all the uses of energy.
- To promote the development of renewable energy projects.
- To promote the development of the necessary infrastructure to convert, transport, and store energy.

3. Renewable Energy Program. This Program has as its main objective the promoting of renewable energy projects in order to reduce the dependency of fossil fuels in the region and the reduction of the emission of toxic gases into the environment.

Likewise, the Program has, as specific objectives, the following strategic actions:

- To contribute to the development of renewable energy projects in CABEL's founding and beneficiary countries.
- To promote the diversification of the country's energy matrix by introducing an alternative source of energy.
- To increase the productivity, efficiency and competitiveness of the industries through the savings perceived in their operating costs.
- To promote energy projects that grant access to electricity to remote areas those have no current access to the energy grid.

The ARECA Project is a tripartite initiative funded by the Global Environment Facility (GEF), supervised by the **United Nations Development Program (UNDP)** and implemented by CABEL. Our objective is to increase the development of renewable



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energy in Central America and to contribute in reducing the existing financial barriers that hinder the large scale development of small and medium size projects.

ARECA is offering a Partial Credit Guarantee Program for Small Renewable Energy Projects. This mechanism supplements the guarantees provided by the developer to Intermediary Financial Institutions (IFIs) up to 35% of the credit amount granted by the financial institution, with a maximum of one million dollars (US\$1,000,000) per project.

The eligible projects are all small and medium size renewable energy generating projects such as hydroelectric, wind, biomass, geothermal, and solar energy. The generating capacity of these projects should not exceed 10 megawatts (10MW) and should be located in any of the Central American countries and Panamá.

Through the South American Regional Infrastructure Integration Initiative (IIRSA), **CAF** supports a thorough review of the project portfolio agreed on by the 12 countries, which is structured into ten axes for integration and development and 47 project groups. In this review, notice was taken of progress with project implementation – more than 140 priority projects are under execution.

CAF's participation in the IIRSA Initiative has continued to emphasize support for the implementation of the regional integration portfolio's priority projects; in this, a particularly valuable role has been played by the allocations of the Sustainable Infrastructure Projects Promotion Fund (Proinfra), which has supported studies and pre-investment work for more than 30 projects in a total non-reimbursable contribution amount of almost US\$10 million.

The First-Class Ports Program is geared toward improving the quality of port services as a strategic element in supporting regional integration and the increased competitiveness of exporting productive sectors; it is founded on three basic pillars: (i) **CAF's** previous work on logistics, competitiveness, and transportation; (ii) the zoning work of the IIRSA Initiative; and (iii) the Guarantee Mark port management model that was successfully applied in Spain at the port of Valencia.

Through the BioCAF Biodiversity Program, the Corporation successfully concluded the design of the regional project "Facilitating funding for biodiversity businesses and



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support for the development of market activities in the Andean region.” This project will be submitted to the GEF in pursuit of grant funding worth US\$6.3 million, which will receive national, bilateral, and other matching funds to reach a total value of US\$14.5 million.

Through the Latin American Program for Carbon and Clean Alternative Energy (PLAC+e), CAF makes important contributions to the development of the carbon market with the registration and issuing of certified reductions in the transportation sector. An agreement was recently signed for a forestry project, which will yield social benefits for small producers in rural areas. Ten new contracts for carbon emission sales have also been signed: seven under the CAF-Netherlands program, and two with Spain’s Ibero-American Carbon Initiative. The Corporation signed an agreement to present projects to sellers, thus launching an open sales model with the participation of buyers of all kinds, public and private agencies, and funds. The portfolio included projects in various productive sectors, such as energy generation using renewable sources (hydro, wind, and geothermal), biofuels, transportation, gas and oil, and forestry activities.