

ADDRESS
By Prime Minister Dr the Honourable Keith Rowley
Lead CARICOM Head of Government Responsible for Energy

U.S.-CCA Energy Security Summit
Opening Caribbean Session

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Protocols

We are here today out of a common commitment to build sustainable societies within our respective countries. The current environment of “low oil prices” has raised questions, from time to time, about whether the availability of cheap crude could derail the movement toward renewable energy sources and energy efficiency applications. That movement has been gathering momentum in the last decade and is essential to energy security within the Caribbean Community.

On the surface, it appears as if there has been very little change in the price of oil – approximately US\$ 46 per barrel – since the Caribbean Energy Security Summit was held just over a year ago (on January 26, 2015). The details, however, tell a different story. Wide price swings have been a constant feature of the oil market.

This is a time, therefore, for continuing to enhance energy security through the delivery of clean, efficient, cost-effective energy that is predictable in pricing and supply. Emerging risks, changing market designs, evolving business models and shifting geopolitical conditions, have resulted in a new global energy landscape in which energy price volatility has become the new normal.

This Meeting provides an opportunity, therefore, for the Caribbean Community to advance its position on clean energy by setting new goals and leveraging existing

achievements and opportunities. Many of these are enunciated within the CARICOM Energy Policy which was adopted in 2013. The recommendations of the U.S.–Caribbean Task Force for Energy Security, which we will receive today, has taken into account the leadership role of CARICOM in setting the regional sustainable energy agenda.

The Report of the Task Force points to new possibilities for the investment necessary to support the existing goals and targets of the Caribbean Community. These goals and targets were established under the Caribbean Sustainable Energy Roadmap and Strategy (C-SERMS) in 2013. The Report points also to the emergence of a strengthened coordination framework for energy cooperation that was born out of the C-SERMS arrangements. These are the C-SERMS Platform – which will be presented by Secretary-General LaRocque – and the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE). I use the opportunity, afforded by this Meeting, to thank the partners – particularly the Governments of Austria and Spain – for contributing to the CCREEE and to urge other partners to provide greater support for the Centre.

The energy challenges of the Caribbean are well known. It is in recognition of the issues associated with our dependence on fossil fuels and our vulnerability to the impacts of climate change that brought us to this point. A shift, in which there is greater reliance on indigenous energy sources, would allow greater flexibility and increase levels of energy security to be sustainably integrated into the collective energy systems of the Region. This will not only allow the countries to play their part in global climate mitigation efforts – recognizing that collectively, CARICOM contributes less than 0.2 % of global greenhouse gas emissions – but also facilitate an ability to implement some of the measures that are necessary for climate adaptation.

Within the next few years, a large wave of energy infrastructure investment is required within the power sector to simultaneously replace aging, inefficient power plants with more modern, efficient alternative energy options whilst increasing the available generation capacity. The ongoing energy infrastructure expansion, renewal, and transformation require every single country to mobilize large amounts of capital with an

estimated total of US\$ 20 – 30 billion required to meet the C SERMS target for 47% renewable contribution to power generation over the next decade.

Our countries will continue to advance the governance reforms that are necessary for the energy transitions to which our leaders have committed. But, simultaneously, we are dependent on our international partners to reform the global rules for financial assistance. These rules, do not sufficiently take into account the vulnerabilities of CARICOM SIDS, particularly to the effects of climate change and to exogenous economic shocks. Many have been graduated on the basis of GDP per capita, which limit their ability to access grants and other concessionary financing.

You will recall Vice President of the undertaking made last year January by the United States to leverage its good offices to facilitate concessional development financing for climate change, disaster management and energy security in all CARICOM countries. We look forward to your continued efforts and attendant positive outcomes in this regard.

Some of our countries are engaged in structural adjustment programmes as they seek to improve their debt and macroeconomic circumstances. This limits the available fiscal space for incentivizing clean energy investments. Public financing is necessary for reducing investment risks and attracting investment capital that is “affordable” within the small economies and context of the Caribbean.

Global climate funds too, if suitably designed and targeted, can provide a portion of the public financing that is required to stimulate private investments in the sustainable energy sector. But the optimisation of climate financing for sustainable energy requires consensus on the importance of cost-effective, clean energy systems, which are predictable in pricing and supply, to climate adaptation. Transformation of our energy systems is necessary for the resilience building that is necessary for our countries to “manage” the impacts of climate change and achieve sustainable development.

Access to energy is a fundamental enabler for social and economic development, as well as prosperity. In a majority of CARICOM countries, energy access is related to affordability rather than availability. But this must be addressed simultaneously with the task of increasing availability within the unserved areas.

Within the context of the latter, the situation in Haiti – a Member State that constitutes two thirds of the Caribbean Community by population – is one to which closer attention should be paid. The limited penetration of electricity in Haiti translates into 50% of CARICOM citizens without access to clean, modern energy services. This Meeting would not have served its purpose if the energy circumstance of the most vulnerable citizens of our Region is not suitably addressed.

Regional and sub regional interconnection, for instance, can unlock the opportunities for energy supply to expand and travel more readily from countries where there is a potential surplus to countries where there is excess demand and provides the opportunity to simultaneously address access through availability and affordability. This requires however, strong public-private partnerships, the kinds that require global public funds.

Globally, there is an emerging movement that recognises “the fundamental principle of energy security as a common responsibility”. This regional approach to energy matters is the focus of this Summit. One principal result of this engagement may be a paradigm shift in which national energy security relies on co-ordinated solutions among neighbours. In that regard, we look forward to the support of the United States to assist us in achieving our targeted goals and objectives as we seek to enhance our energy security.

Let us therefore work together to ensure that, today’s event will be recognized as one of those hallmark moments when our collective commitment towards regional energy security and stronger energy cooperation set us on the path for the sustainable growth and prosperity that is necessary for us to provide greater social and economic benefits to our people.

Thank you!