

This project is led by Ms. Keisha Reid.

Website: www.smartenergybarbados.com

Summary

The Government of Barbados (GOB) has established a Energy Smart Fund to provide financial and technical support to renewable energy (RE) and energy efficiency (EE) projects in Barbados. To capitalize the fund, the Government has obtained a loan of US\$10 million (approximately BDS\$20 million) from the Inter-American Development Bank (IADB), under an agreement for the Sustainable Energy Investment Program known as the 'Energy Smart Fund'. It is being implemented in partnership with the [Enterprise Growth Fund Limited \(EGFL\)](#) through the signing of Management and Deed of Trust Agreements for the establishment and management of the Energy Smart Fund.

The Energy Smart Fund consists of a package of financial instruments and technical assistance to address the main market failures that prevent the country from adopting renewable energy and energy efficient technologies on a large scale. The Fund will not only facilitate subsidized loans for the implementation of viable renewable energy and energy efficient projects but it will also provide grants to businesses for funding pre-investment studies, assessing the technical and financial viability of these projects. Small entrepreneurs in this emerging industry will be able to partner with the Enterprise Growth Fund Ltd as "**Smart Fund Partners**" to provide technical expertise, by conducting energy audits and other studies necessary for businesses wishing to assess the fund.

Objective of Energy SMART Fund

The objective of the Fund is to increase the use of viable RE and EE technologies in Barbados, in order to decrease energy costs of the population; increase the country's energy security by reducing its dependency on imported fossil fuels; and increase local and global environmental sustainability by reducing emissions of polluting substances, particulate matter, and carbon dioxide (CO₂) and other greenhouse gases (GHG).

The Energy Smart Fund is comprised of six facilities:-

- **Technical Assistance (TA) Facility** (BDS\$1 million)—this facility provides grants to businesses for funding pre-investment studies of RE and EE projects, to assess their technical and financial viability and support their implementation.

- **EE Retrofit and RE Finance Facility** (BDS\$12 million)—this facility provides subsidized loans to businesses for financing the implementation of viable RE and EE projects.

- **Pilot Consumer Finance Facility** (BDS\$1 million)—this facility provides interest rate rebates or rebates on retail prices (subsidies) to selected retailers that have experience in the 'hire-purchase' consumer finance scheme, and and who will in turn offer better hire-purchase terms to their customers for purchasing RE and EE equipment.

- **CFL Distribution Facility** (BDS\$1 million)—this grant facility provides free compact fluorescent lamps ('CFLs') to a limited number of residential customers of Barbados Light and Power ('BL&P'), through the issuance of vouchers

- **A/C Rebate Trade-In Facility** (BDS\$3 million)—this grant facility provides a 50 percent instant rebate for households and businesses to replace older air-conditioning models with more energy efficient and ozone- depleting-substance (ODS) free systems.

- **Discretionary Grant Facility** (BDS\$2 million)—this grant facility provides funds for institutional support to execute the Energy Smart Fund. This will facilitate public awareness and education programmes to promote the importance of renewable energy and energy efficient technologies; as well as data collection and monitoring of the programme.

Additional Information on SMART Fund Partners

Role of Smart Fund Partners (SFPs)

SFPs are qualified experts in RE and EE projects who assist eligible businesses in:

- Obtaining funding by the Smart Fund through the TA Facility and the EE Retrofit and RE Finance Facility, helping eligible businesses apply for support from these facilities
- Performing audits or feasibility studies, paid by businesses that obtain funding under the TA Facility
- Implementing EE and RE projects, paid by businesses that obtain funding obtained under the EE Retrofit and RE Finance Facility.