Implementation Status & Results
OECS Countries
Eastern Caribbean Energy Regulatory Authority (ECERA) (P101414)

Operation Name: Eastern Caribbean Energy Regulatory Authority (ECERA) (P101414)  Project Stage: Implementation  Seq.No: 4  Status: ARCHIVED  Archive Date: 30-Oct-2013

Country: OECS Countries  Approval FY: 2011
Product Line: IBRD/IDA  Region: LATIN AMERICA AND CARIBBEAN  Lending Instrument: Adaptable Program Loan
Implementing Agency(ies): OECS Secretariat

Key Dates
Board Approval Date 16-Jun-2011  Original Closing Date 31-Dec-2016  Planned Mid Term Review Date 09-Jun-2014  Last Archived ISR Date 16-Dec-2012
Effectiveness Date 21-Jun-2012  Revised Closing Date 31-Dec-2016  Actual Mid Term Review Date

Project Development Objectives
Project Development Objective (from Project Appraisal Document)
The objective of the Project is to establish and operationalize a regional approach to the development of the electricity sector in Participating Countries by supporting the establishment of the ECERA.

Has the Project Development Objective been changed since Board Approval of the Project?
○ Yes  ○ No

Component(s)
Component Name  Component Cost
Setting up the ECERA  2.61
Operationalizing ECERA

Overall Ratings

<table>
<thead>
<tr>
<th>Rating</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

Implementation Status Overview
The Project was approved by the Board on June 16, 2011 and became effective on June 21, 2012. Since effectiveness, OECS Secretariat completed the hiring of the staff for the Project Implementation Unit and the Regional Energy Committee (governing body) of the ECERA project has met 3 times, the last being May 7, 2013. In addition to Grenada and St Lucia, the following countries attended as observers: Antigua and Barbuda, St Kitts, Nevis, and St Vincent and the Grenadines. CARILEC and ECTEL also attended the meeting as observers. Consultancies for preparing the key design features of ECERA were bid out and evaluation process was completed in September 2013.
While good progress has been made, it should be noted that (1) the delay in project effectiveness creates pressure to complete activities designed for a 5 year period within a 4 year period and (2) the success of ECERA will depend on additional countries joining the ECERA process. Grant resources (US$1.5 million) from SIDS DOCK (managed by ESMAP in the World Bank) has been approved to promote ECERA to all eligible OECS countries.

**Locations**

No Location data has been entered

**Results**

**Project Development Objective Indicators**

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry into force of the ECERA as the regulator of Participating Countries electricity markets, materialized by ratification in Participating countries of the ECERA Treaty (corresponding to Part A).</td>
<td>☐</td>
<td>Text</td>
<td>No regional regulation or regulator for the electricity sector</td>
<td>PIU issued RfP, evaluated bids and is in the process of awarding consulting contracts to winning bidders</td>
<td>ECERA Treaty prepared and ratified by member states and 18-Aug-2014</td>
</tr>
<tr>
<td>Date</td>
<td>30-Jun-2011</td>
<td>14-Oct-2013</td>
<td>18-Aug-2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td>See the detailed description of the First Meeting of the REC.</td>
<td></td>
</tr>
<tr>
<td>Adoption of new licensing recommendations by the Council of Ministers (corresponding to Part B).</td>
<td>☐</td>
<td>Text</td>
<td>Existing licences with inadequate provisions for promoting energy efficiency, renewables, IPPs and other recent best practices</td>
<td>Draft licencing agreements being prepared as a part of design consulting contract.</td>
<td>Provisions for incorporating best practices in the licencing process</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td>Combined Evaluation Report has been submitted to the World Bank for approval.</td>
<td></td>
</tr>
<tr>
<td>Design and adoption of cost reflective and performance based tariffs in Participating Countries (corresponding to Part B).</td>
<td>☐</td>
<td>Text</td>
<td>Tariff setting process depends on countries and provisions in existing licences and policies adopted from time to time</td>
<td>Being prepared as a part of design consulting contract.</td>
<td>Independent tariff setting process reflecting costs and performance</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td>Combined Evaluation Report has been submitted to the World Bank for approval.</td>
<td></td>
</tr>
</tbody>
</table>

**Intermediate Results Indicators**
### Indicator Name

- **Draft treaty establishing the ECERA prepared, for approval of the Heads.**
  - **Core:** Text
  - **Value:** No agreement or institution in place for regulation of the electricity sector
  - **Baseline:** ECERA treaty establishing a regional regulator is prepared for approval
  - **Date:** 30-Jun-2011
  - **Current:** 30-Nov-2012
  - **End Target:** 27-Jan-2014
  - **Comments:** See the detailed description of the First Meeting of the REC.

- **Treaty establishing the ECERA ratified, by Participating Countries.**
  - **Core:** Text
  - **Value:** No ECERA Treaty
  - **Baseline:** ECERA Treaty ratified
  - **Date:** 30-Jun-2011
  - **Current:** 30-Nov-2012
  - **End Target:** 18-Aug-2014
  - **Comments:** Legislation operationalizing ECERA adopted in member countries

- **Amendments to domestic legislation to operationalize the ECERA at a national level prepared, for review by the respective Attorneys General.**
  - **Core:** Text
  - **Value:** No legislative basis to operationalize ECERA at the national level
  - **Baseline:** Being prepared as a part of design consulting contract.
  - **Date:** 30-Jun-2011
  - **Current:** 14-Oct-2013
  - **End Target:** 15-Dec-2014
  - **Comments:** Combined Evaluation Report has been submitted to the World Bank for approval.

- **Full complement of staff for the ECERA hired.**
  - **Core:** Text
  - **Value:** No staff for the ECERA
  - **Baseline:** Hiring for Phase I staff for ECERA completed
  - **Date:** 30-Jun-2011
  - **Current:** 07-Jan-2013
  - **End Target:** 07-Jan-2013
  - **Comments:** Staff hired.

- **Commissioners appointed.**
  - **Core:** Text
  - **Value:** No Commissioners.
  - **Baseline:** Commissioners to ECERA appointed.
  - **Date:** 30-Jun-2011
  - **Current:** 09-May-2012
  - **End Target:** 30-May-2014

### Data on Financial Performance (as of 27-Aug-2013)

#### Financial Agreement(s) Key Dates

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Original Closing Date</th>
<th>Revised Closing Date</th>
</tr>
</thead>
</table>

#### Disbursements (in Millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P101414</td>
<td>IDA-49350</td>
<td>Effective</td>
<td>XDR</td>
<td>1.80</td>
<td>1.80</td>
<td>0.00</td>
<td>0.33</td>
<td>1.47</td>
<td>18.00</td>
</tr>
<tr>
<td>P101414</td>
<td>IDA-49360</td>
<td>Effective</td>
<td>XDR</td>
<td>1.80</td>
<td>1.80</td>
<td>0.00</td>
<td>0.33</td>
<td>1.47</td>
<td>18.00</td>
</tr>
</tbody>
</table>
Key Decisions Regarding Implementation

The Regional Energy Committee (REC) - the governing body for the ECERA process in phase 1 - had met on 4 occasions. Some of the key outcomes and decisions of include:

Mandate. ECERA’s immediate scope and jurisdiction will focus on the core regulatory functions in the electricity sector. However, the aim is to leave the flexibility for the authority’s jurisdiction to be expanded in the future to cover broader energy sector regulatory functions.

Decisions of the REC. It was also decided that the Summary of Key Decisions will be made publicly available (at the website of the OECS Secretariat till the ECERA website is established) so as to promote greater transparency in the discussions of the ECERA.

Participation and role of Observers. It was agreed that non-Participating OECS Member States will be invited to participate as Observers at REC meetings along with CARILEC and ECTEL. In addition to the membership of Grenada and St Lucia, Antigua and Barbuda, St Kitts, Nevis, and St Vincent and the Grenadines have participated the REC meetings as observers. Since the participation of these observers was important to ensure the wider participation in the ECERA, the REC requested World Bank to meet the cost of these Observers though the SIDS DOCK grant. Other stakeholders should be invited to participate in REC meetings at their own cost.

Use of Project Resources. The PMU was given the mandate use the project resources to proceed with the following initial set of core activities for which terms of reference will be prepared: (i) Design Self Financing Mechanism for ECERA and Design Tariff Setting Mechanism; (ii) Options and parameters for ECERA Treaty (including regulatory mechanism, structure, jurisdiction and scope) and draft treaty; and (iii) Review Participating Countries Electricity Supply Acts and the entire existing legislative framework to identify conflicts and make modifications thereto or draft new laws where relevant.

Use of grant resources. The REC agreed with the World Bank’s proposal to use the SIDS DOCK resources allocated for the ECERA project in consultation with and based on the endorsement of the REC. In addition to the REC endorsing the use of SIDS DOCK grant for funding the participation of OECS Observers, the REC endorsed the World Bank proposal to prepare terms of reference for the following policy work through SIDS DOCK:

a. Grid Feed-in Mechanisms for promoting renewable energy, including Renewable Energy Portfolio Standards and Feed-in Tariff across technologies for the Eastern Caribbean;
b. Operating and Technical Standards and Grid Code for RE Independent Power Producers to access the grid; and

c. Model Licensing Agreement and/or Power Purchase Agreements for geothermal energy for the Eastern Caribbean.

Restructuring History
There has been no restructuring to date.

Related Projects
There are no related projects.