

Sustainable Island Resource Management Framework

1. LEGISLATION FRAMEWORK
2. SIRF FUND
3. PROJECTS

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Environmental Legislation

OECS Model Environmental Legislation

- Air Quality
- Protection and Management of Watersheds and Waterways;
- Flooding and Hurricane Risk Reduction Strategies
(this is very important for adaptation and insurance issues)
- Protected Areas Management;
- Chemicals Management;
- Environmental Pollution Control and Monitoring;
- Energy Conservation
- GHG (*Green House Gas*) Emission Reduction
- Sewage Management;
- CITES (*Convention on the International Trade of Endangered Species*) and General Wildlife Management;
- Reporting to International Environmental Agreements;
- Sustainable Financing Mechanism



The Sustainable Financing Mechanism

Sustainable Island Resource Framework Fund (SIRF)

Key Features of the Fund:

- Fund the work that the Legislation governs ;
 - Provide NGOs and the Private sector with the means necessary to implement the legislation.
 - It is a revolving fund;
 - Will establish the mechanism for carbon emission accounting;
- The Division has secured over USD 9M for the establishment of the SIRF
 - The structure of the SIRF will exclude Antigua and Barbuda from traditional per/capita income requirement;



SIRF – History of Mechanism

- Output of the SIRMM Project and its components;
- All of the actions needed for environmental management & adaption are well above the Governments capacity to fund;
- Lack of adaptation and mitigation is impacting on the economy;
- It needs a new approach; URGENTLY !



Impact of the Fund

- *Can receive grants to purchase the technology ;*
- *Can receive concessionary loans;*
- *Reduce administrative cost;*
- *Reduce the fuel Bill of APUA,*
- *Improve management of watershed areas;*
- *Macro Economic benefits;*
- *Social benefits – can provide direct reduction in electricity bills to persons who just cannot afford it.*
- *APUA can eventually develop this model approach to its restructuring program;*



Elements of the Fund

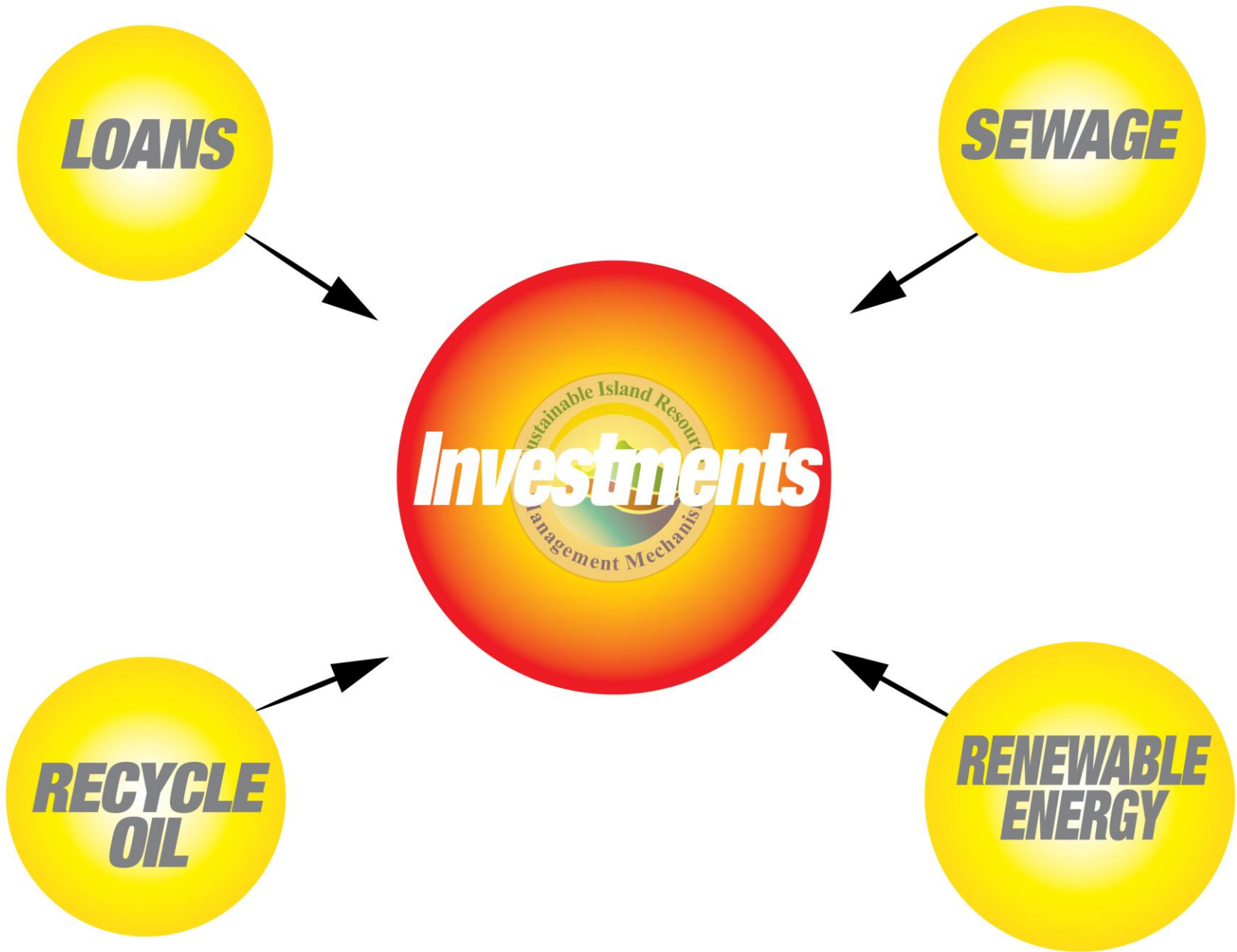
- ***Investments Arm;***
- ***Revolving fund;***
- ***Small Loans;***
- ***NGO facility***
- ***Insurance for the Slow Onset effects on Climate change***
- ***Dept for nature (protected areas as well as Climate) swaps;***

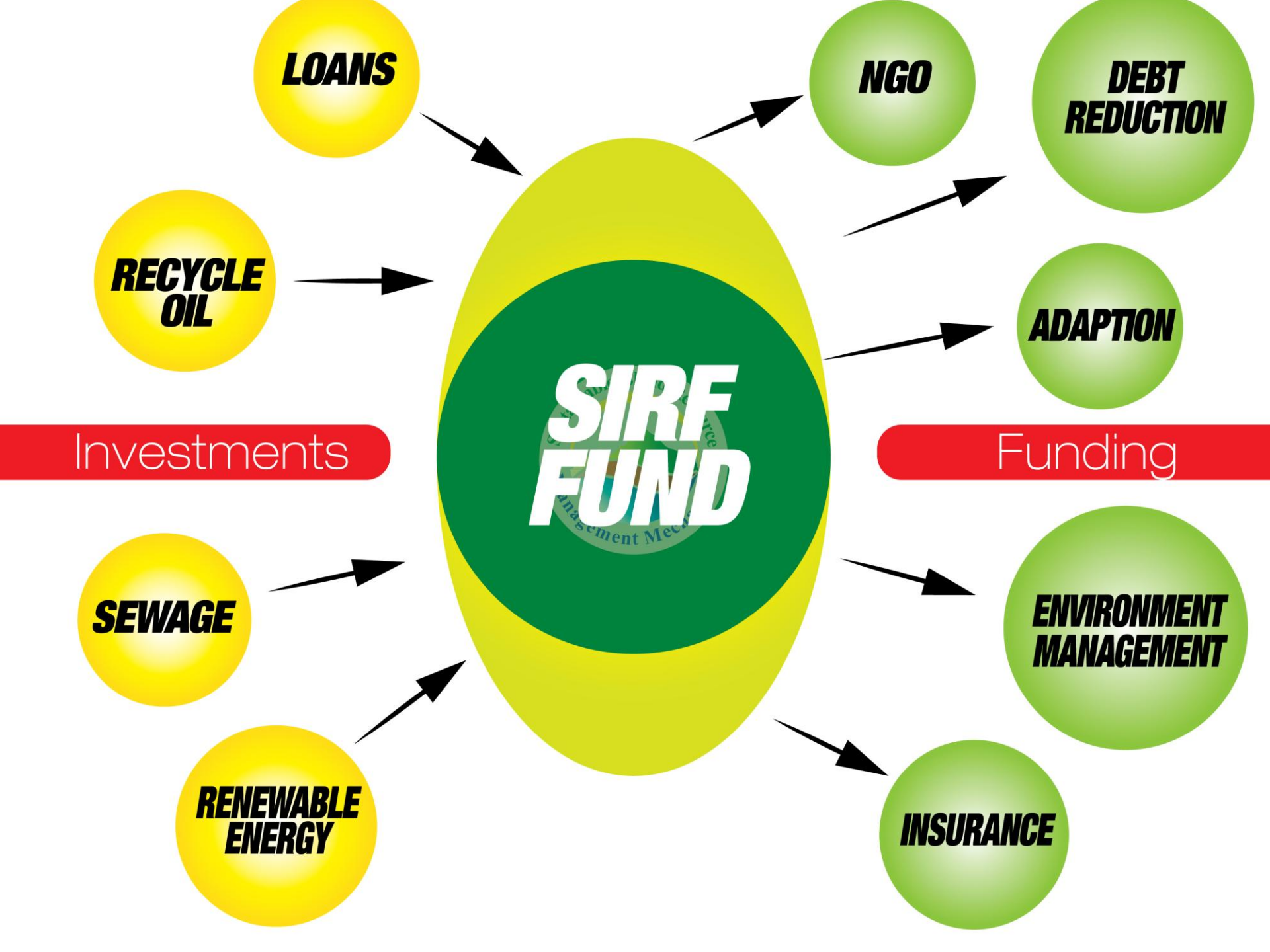


Investments

- Renewable Energy – Solar and wind;
(SIRF and IADB Projects, ESD)
- Processing of Sewage (IWEco);
- Biofuel and recycled fuel (natural gas) (IWEco)
- Watershed Management;
(SCCF, SIRF and future Adaptation Fund project (10M))
- Micro-Financing and Micro and Loans (AF and SCCF)







LOANS

NGO

**DEBT
REDUCTION**

**RECYCLE
OIL**

ADAPTION

Investments

Funding

SEWAGE

**ENVIRONMENT
MANAGEMENT**

**RENEWABLE
ENERGY**

INSURANCE

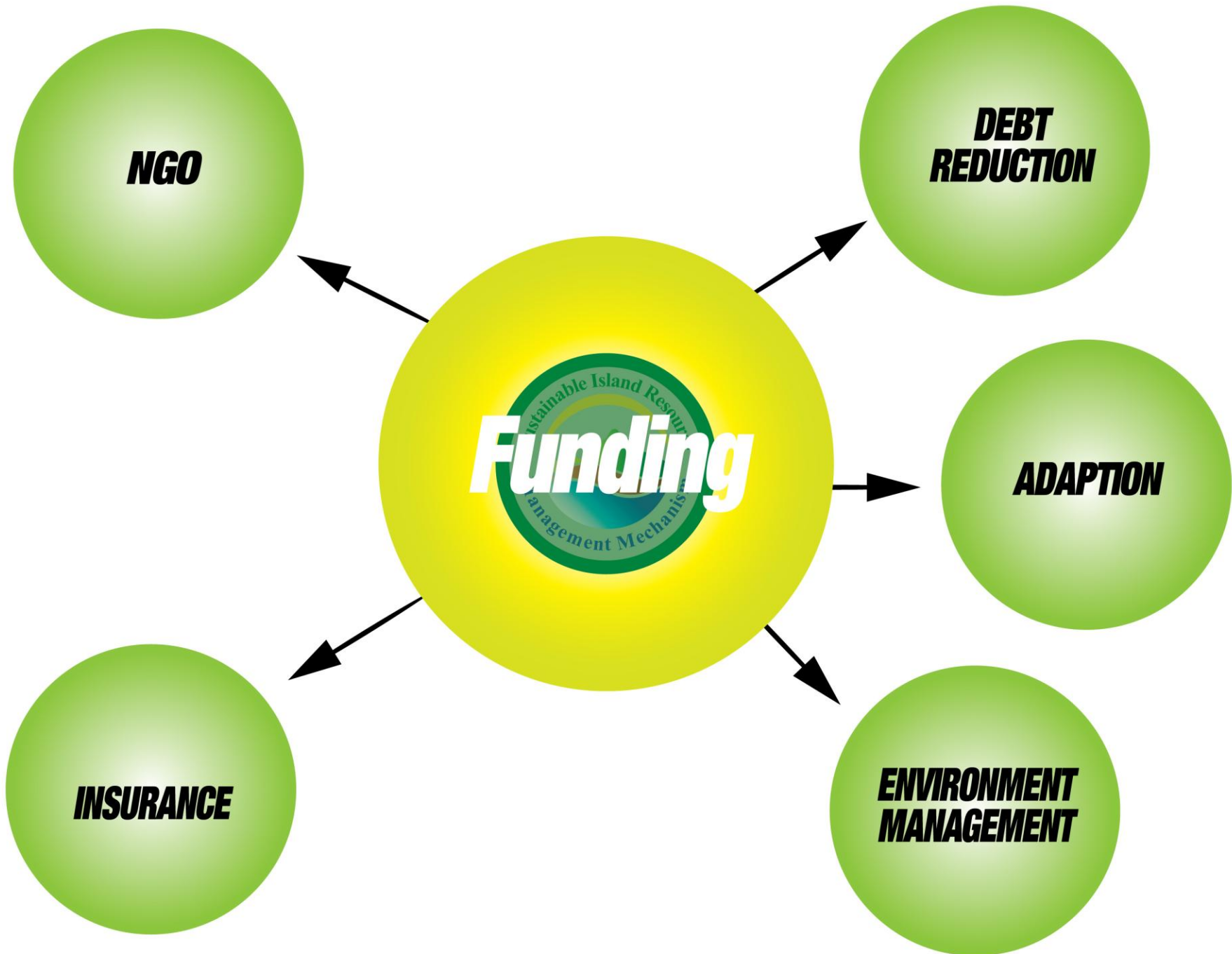
**SIRF
FUND**



What will be granted under the SIRF Fund

- Funds for general environmental management (the SIRF Legislation);
 - *Adaptation projects – coastal reconstruction and Protection; strengthening of dams, back up energy for schools, hospitals and Shelters; etc;*
 - *Funding protected areas – both Marine and terrestrial;*
- Small Loans and grants;
- Insurance for Farmers and Low income housing;





NGO

**DEBT
REDUCTION**

Sustainable Island Resource
Funding
Management Mechanism

ADAPTION

INSURANCE

**ENVIRONMENT
MANAGEMENT**

Small Loans

- *Small loans to key sectors to become more energy efficient and installation of renewable energy;*
- *Small loans to reduce the risk to farms and small businesses;*
- *Home owners to reduce the risks to their properties;*

These loans will be channeled via credit unions and where possible commercial banks. These loans will be provided at a rate of 5% and below.



NGO Facility

- *15% of the profits of the Fund will be channeled to the NGO community. The community will have a board comprising 100% NGOs and the Department as the Secretariat.*
- *Projects will be developed and consistent with the National legislation and the GEF criteria's (most of the donations will be from the GEF and the conventions).*



Insurance against Climate Change

- *Slow onset from climate change has cause numerous damage to farms, coastal areas and watersheds. Insurance policies are hard to come by. In 2012, the Climate change conventions made a commitment to develop a facility for this type of insurance.*
- *There are also possibilities for the Fund to provide other types of insurance (via regular insurance agencies for certain properties especially lower income families). But this feature will be developed much later in the fund.*



Structure of the Fund

- *Will use the current structure of the Government funds for Environmental Issues and will be embedded within the Environmental Management Bill;*
- *Will have one fund, with various windows for the products and outputs of the fund;*
- *The fund will have a board of permanent secretaries of the relevant agencies that will receive funding. Members of the Board will not be paid a stipend. The board will meet once each quarter;*
- *A director will be appointed, with a secretary. Additional staff can be seconded from the relevant Ministries as the Fund grows;*
- *Have technical Advisory Committee to review the impacts of the spending from the Fund;*



Source of Capital for the Fund:

- ***Green Climate Fund;***
- ***Adaptation Fund;***
- ***GEF;***
- ***Bilateral Sources***
- ***The Caribbean Biodiversity Fund;***
- ***Water Levy (cofinancing);***
- ***Proceeds from Investment;***
- ***Soft Loans***
- ***Donation of technology***
- ***SIDS Dock;***



SIRF FUND STRUCTURE

SIRF FUND
Board of 5 P.S. and REP. from
FINANCE

GENERAL
WINDOW

NGO
WINDOW

SIRM
WINDOW
Environmental
Legislation



Features of the Fund

- *Fund will have minimal administrative cost (Donor Requirements);*
- *Be able to own assets;*
- *Negotiate “ Debt for Nature Swaps” particularly debt for Climate Swaps;*
- *Will take care of low income persons as much as possible;*
- *Will Not be a statutory Body;*
- *Will disburse funds to government agencies, including Fisheries, agriculture, State Insurance (purchase insurance), NODs, DCA, National parks Authority, Obama Park, Codrington Lagoon, etc.*
- *Will Reforest Watershed to assist with water production and dam construction and protection;*



Process to Form the Fund

- ***Pass Legislation – September 2014;***
- ***Final Approval of 2.6 Million Dollars in Grants from the GEF.***
- ***Final approval of the SCCF;***
- ***Initiate the project;***
- ***Capitalize the fund at 200K USD (from the GEF);***
- ***Reservations of lands for Wind Power Generation;***



Decision from the Cabinet

- *Agreement up to to generate 10 - 20MW of Electricity from renewable technology;*
- *APUA should enter into an agreement with the SIRF Fund for a price of electricity – initial price estimate is 8 USD cents plus 3 cents for operation and management;*
- *A 5 ECD levy on each water account in the country (to provide cofinancing and reforestation of watersheds);*
- *Legislation to be passed;*
- *The merger of the Forestry and the Environment Division's.*
- *All lands suitable for Wind power generation should be reserved for this purpose;*



Decision from the Cabinet

If Cabinet Agrees:

- *The legislation will be passed and the fund established;*
- *The project will be initiated in January 2015;*
- *Business plan will be developed and approved by the Board and then presented for the consideration of the Cabinet;*
- *Appoint an interim Director of the Fund with administrative officer (latter seconded from the Government);*
- *Negotiations will intensify with Japan, Germany and the US for renewable energy technology;*



Impact of The Fund

- *Reduce the Fuel Cost of APUA by 20%;*
- *Contribute to the reduce national Debt;*
- *Provide new sources of funding for the Environmental Management;*
- *Backup power for key government agencies;*
- *Eventually reduce the cost of fuel for transportation for the Government (later phase of the fund in conjunction with the SIDS DOCK);*
- *Government purchase electricity for central government and statutory bodies at 15 US cents.*
- *Some reduction in the cost of electricity to the Consumer (Fuel cost only) ;*
- *Eventually - Reduce water bill for farmers*



Fund Targets

- *The fund will be designed to generate between 10 – 15 million USD per year.*
- *The administrative cost cannot exceed 10% as stipulated by international standards.*
- *Fund will provide operational budget (cannot fund administration over 10%) for the Environment, Fisheries and Obama and future parks.*
- *Farmers and small businesses will have access to insurance and water etc;*
- *Fund the entire SIRF Legislation;*
- *Provide over 4M USD per year for low interest rate loans and in special circumstances grants;*

