

Power Utility Transaction Support in Haiti

From March 2015 to March 2018, as part of ongoing USAID support to the Government of Haiti's (GOH) development of the Caracol Industrial Park (CIP), SRUC provided transaction advisory services to assess the feasibility for and facilitate the establishment of a Public-Private Partnership (PPP) for the sustainable management of CIP Power Utility (CPU).

M&E Indicators

- 81 people (33F, 48M) trained in technical energy fields
- 2 policies developed and implemented to enhance energy sector governance

Goal was to ensure 24/7 supply of electricity to the CIP and connected communes beyond the end of the USAID operation, through a possible PPP arrangement such as a concession with a private entity.

- ✓ Met with over 25 potential CIP investors
- ✓ Expanded grid access to over 13,000 Haitian customers

- ✓ Led 12 workshops / training sessions for GoH staff
- ✓ Facilitated the creation of essential tender documentation

Cooperating Partners

Worked closely with **USAID Pilot Project for Sustainable Electricity Distribution (PPSELD)**.



THE CHALLENGE

USAID needs to **transition the operation of the power plant to a private sector partner to ensure a sustainable future** for the 10 MW generation plant and the customers it serves.

If the GOH cannot fairly and transparently transition the plant to a private sector operator, it will be absorbed by Electricite d'Haiti (EDH), Haiti's state-owned utility, which faces entrenched operational, financial, and capacity issues and aggregate technical and commercial losses of close to 50%.

The GOH ministries responsible for structuring PPPs **have never undertaken a successful private sector transaction or PPP**. Additionally, the Haitian operating environment is made challenging by political turmoil and deeply rooted public sector corruption.



APPROACH

SRUC carried out **two components of work** in support of CPU:

- **Analysis of CPU Operations and Feasibility Assessments:**
 - Developed an updated financial model and cost of service study for CPU.
 - Conducted a PPP feasibility study with recommendations on PPP models.
- **PPP Design and Procurement Support:**
 - Developed analysis of the mechanics and implications of various PPP models, and leading practices for procurement.
 - Trained GOH staff on implementation of competitive procurement.



RESULTS & FOLLOW-ON

SRUC's work with CIP and CPU resulted in the following key impacts :

- Acceptance by the Ministry of Finance and Ministry of Public Works of the **30-year concession as the preferred PPP model**.
- **GOH acceptance of commercially-viable electricity tariffs** for the communes served by the CPU.
- Parliament made imports related to **renewable energy generation exempt from customs duties**.
- **Received funding and guarantee interest** from MIGA, IFC, CIFI, IIC, CABEF fund, FMO Entrepreneurial Development Bank, and Citibank.



OUR WORK