Overcoming Obstacles and Seizing Opportunities for Implementing Carbon Market and Non-Market Mechanisms

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Background

431 km²
271,000 people
16,661 GDP/capita
Introduction

Government’s commitment to clean energy technologies and energy conservation

Sustainable energy practices

⇒ **SUPPLY SIDE**
  → renewable energy (RE) sources

⇒ **DEMAND SIDE**
  → encouraging energy efficiency (EE)
  → energy conservation
Why?

High dependency on fossil fuels
⇒ approximately 90% electricity is generated from fuel oil
⇒ Reduce dependence on fossil fuels

Enhance security and stability

Achieve sustainability
⇒ environmental and economic

Improve economic competitiveness
Goals

22% reduction in electricity consumption by 2029

65% of electricity generation from renewable energy by 2030
Incentives

To companies and homeowners in the RE and EE sectors to reduce the tax payable and related cost

• Via
  • Reduction or exemption of import duties and Value Added Tax (VAT) on inputs
  • Reduction in income tax and corporation tax

• Comprehensive study of the sector with the applicable incentives
  • Incentives are subdivided by agencies
Customs & Excise Incentives

Categories

• Home energy incentives
• Renewable energy systems
• Energy conservation
• Lighting

VAT Free Incentives

• Building materials – generation & sale of electricity from a renewable source
• Zero VAT rating on all renewable energy and energy efficient systems & products produced in Barbados.
Customs & Excise Incentives

Vehicles (rates based on engine capacity)

20% ⇒ natural gas
    ⇒ solar powered

up to 47% ⇒ electric powered

up to 120% ⇒ diesel powered
    ⇒ hybrid - electricity & diesel/gasoline

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Barbados Revenue Authority Incentives

Environmentally Preferred Products
⇒ $5,000.00 deductible

Energy Audits/Electrical Retrofitting
⇒ Deductibles in respect of conducting energy audits and retrofitting

Corporate Tax Holidays
⇒ 10 year holiday
⇒ Granted to developer, manufacturer, installer of renewable energy systems and energy efficient products
⇒ Granted by the Minister with responsibility for energy
⇒ Deductions on interest paid for loans
⇒ Construction of a new facility for the generation of renewable energy
Barbados Revenue Authority Incentives

- Staff training
- Individual training
- Marketing of products and services
- Product development/research
- Dividends earned by shareholders
- Interest earned by financial institutions
Additional Information

Government of Barbados fiscal incentives
Thank you