

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



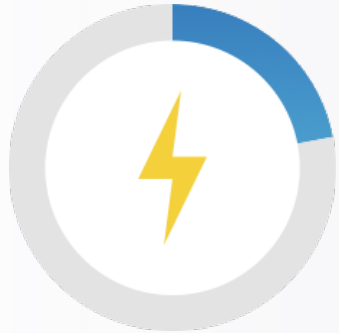
Achieve sustainability

- ⇒ 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

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

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