



TERMS OF REFERENCE

JOINT MISSION

SCALING-UP RENEWABLE ENERGY PROGRAM IN NICARAGUA (SREP-NICARAGUA)

FEBRUARY 12-13, 2015

MANAGUA, NICARAGUA



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a) BACKGROUND

1.1 The objective of the SREP is to pilot and demonstrate the economic, social and environmental viability of low carbon development pathways in the energy sector by creating new economic opportunities and increasing energy access through the use of renewable energy. **In June 2014, the SREP Sub-Committee approved the selection of 14 new SREP pilot countries, including Nicaragua, expanding to 27 the number of countries participating in the program.** Furthermore, the Sub-Committee recognized that at present there is not sufficient funding under SREP to finance the projects and programs that may be proposed in the investment plans, but notes its expectation that climate finance will become available (from CIF and others sources of climate finance) for well-developed investment plans and high-quality projects.

1.2 In September 2014, the Government of Nicaragua was invited to take a leadership role in working with the Multilateral Development Banks (MDBs) to develop a full investment plan. Nicaragua is eligible to receive grant funding of up to USD300,000 for the preparation of the country's investment plan.

1.3 The Inter-American Development Bank and the World Bank Group, including the International Finance Corporation, will be supporting the Government of Nicaragua and other relevant stakeholders - United Nations Organizations, bilateral partners, private sector companies, non-governmental organizations and civil society organizations - in the development of the SREP investment plan. The Inter-American Development Bank will be the "lead MDB" and would therefore coordinate the joint effort of the MDBs in the country.

1.4 In November 2014, the IDB, WB and IFC carried out the Scoping Mission. As a result from the mission both IDB and WB hired consultants in November 2014 to start work in the IP together with the Government of Nicaragua.

1.5 The Government represented by the Ministry of Energy and Mines (MEM), the national transmission company (ENATREL) and national electricity company (ENEL) made a presentation of its priorities for the IP, which included the following areas of intervention:

- a) Geothermal Energy
- b) Rural Electrification
- c) Small-scale hydro projects
- d) Access to modern energy services for cooking
- e) Productive uses of solar energy

b) JOINT MISSION OBJECTIVES

2.1 The objectives of the Joint Mission's are the following:

- a) Discuss Draft Investment Plan including potential renewable energy investment types, business plans and their scale up potential and prioritization criteria.
- b) Advance in preparation and submission of the Investment Plan to the SREP; identifying remaining gaps and the process to fill them in the coming weeks.
- c) Discuss potential investment concept briefs of the projects that will enable the implementation of the IP.
- d) Consultation with stakeholders including national institutions/authorities, development partners, private sector entities and civil society groups.

c) JOINT MISSION ACTIVITIES

3.1 **Discuss of Draft Investment Plan.** The mission will discuss a draft version of the Investment Plan with the government and the consultants hired to support them to have an agreement on the general outline and scope of the Investment Plan. It is anticipated that discussions will focus on the prioritization criteria of potential renewable energy investments. The mission should conclude with an agreement on key elements of the investment plan such as the general outline and topics to be covered and prioritization criteria to be included in the Investment Plan.

3.2 **Advance in preparation and submission of the Investment Plan to the SREP.** The submission of the Investment Plan involves the completion of several activities prior to the submission of the document to the SREP Sub-Committee. The mission will review and reschedule, if necessary, the activities agreed during the scoping mission.

3.3 **Discuss potential investment concept briefs of the projects that will enable the implementation of the Investment Plan.** The MDB team will discuss potential concept briefs with the government of Nicaragua to be included in the Investment Plan.

3.4 **Consultation with stakeholders.** The mission will present a brief draft version of the investment plan with institutions/authorities, development partners, private sector entities and civil society groups in order to have their feedback and comments.

3.5 During the mission the MDB team will define with the government the scope and entities responsible for executing the Preparatory Grant to support the preparation and implementation of the Investment Plan.

3.6 At the completion of the Joint mission, the MDB team will jointly prepare an aide-memoire that describes the key issues discussed, agreements reached, and next steps.

d) DATES

4.1 The proposed dates for the Scoping Mission are **February 12-13, 2015.**

e) PARTICIPANTS AND PROPOSED AGENDA

5.1 The mission will be coordinated by the Government through the the focal point for SREP in Nicaragua, Salvador Mansell, Minister of Energy and Mines and CEO of ENATREL (Nicaragua's transmission company), and the Interinstitutional Working Group (IWG) defined by the Government of Nicaragua which includes technical experts from the Ministry of Energy and Mines (MEM), the National Transmission Company (ENATREL), and the National Electricity Company (ENEL). See Annex II for more details.

5.2 The mission will consist of experts from the WB, IFC and the IADB supported by a few consultants supporting the Phase 1 activities (see Annex II for more details). The areas of expertise include:

- Renewable Energy Expert
- Regulatory Economist
- Energy Economist
- CIF/SREP coordinator
- Climate Change specialist
- Environmental specialist
- Social/gender Specialist
- Financial specialist
- Private Sector Blended Finance specialist

5.3 The MDBs focal points for the SREP program are:

- IDB: Claudio Alatorre (calatorre@iadb.org)
- WB: Gevorg Sargsyan (gsargsyan@worldbank.org)
- IFC: Joyita M. Mukherjee (jmukherjee1@ifc.org)

5.4 Table I presents a tentative agenda and timetable for the activities for the Scoping Mission.

Table I: Tentative Agenda and Timetable

ACTIVITY	TIME
Wednesday - February 11, 2015	
Arrival of MDB team	9:00 a.m. – 7:00 p.m.
Coordination Meeting between MDBs	8:00 p.m.
Thursday - February 12, 2015	
Working session with SREP Focal Point	9:00 a.m.- 10:30 a.m.
Working session with IWG to discuss and advance in the preparation of the IP and potential investment concept briefs.	10:30 a.m. – 6:00 p.m.
Friday - February 13, 2015	
Meeting to summarize the agreements and next steps.	8:00 a.m. – 10:00 a.m.
Closing mission with Government.	10:00 a.m. – 12:00 p.m.
Stakeholder consultation with Civil Society and Private Sector.	2:00 p.m. – 4:00 p.m.
Stakeholder consultation with Development Partners.	4:00 p.m. – 6:00 p.m.

f) CRITICAL PATH FOR IP DEVELOPMENT AND APPROVAL

Tasks	Dates	Responsible
First draft of SREP investment plan submitted to the Banks	Jan-8-2014	MHCP, MEM, ENATREL, ENEL
Joint mission and stakeholder consultation	February 12-13 2015	MHCP, MEM, IDB & WBG.
Final Draft SREP Investment Plan	27-Feb-2015	MHCP, MEM, ENATREL, ENEL
Independent review and English translation of the SREP investment plan.	10-Mar-2015 to 20- Mar-2015	MHCP, MEM, ENATREL, ENEL
Internal due date for MDBs and government clearances	31-Mar-2015	MHCP, MEM, IDB & WBG.
Submit the final version of the SREP investment plan to the CIF Administrative Unit	13-April-2015	MHCP, MEM
Adoption of SREP Investment Plan	May-2015	CIF

Annex 1. DRAFT IP OUTLINE

- a. ACRONYMS AND ABBREVIATIONS
- b. INTRODUCTION
- c. EXECUTIVE SUMMARY
 1. COUNTRY CONTEXT
 2. ENERGY SECTOR IN NICARAGUA
 3. STATE OF RENEWABLE ENERGY IN NICARAGUA
 4. SELECTION AND PRITORIZATION OF INVESTMENT AREAS IN RENEWABLE ENERGY
 5. PROGRAM DESCRIPTION
 6. INVESTMENT PLAN AND FINANCIAL INSTRUMENTS
 7. PROGRAMMATIC COHERENCE
 8. IMPLEMENTATION POTENTIAL AND RISK ANALYSIS
 9. MONITORING, TRAINING AND EVALUATION
 10. ANNEXES

Annex 2. SREP Government Core Team and Joint-Mission MDB Team

Note: Not all MDB experts will attend the mission at the same time – and some will contribute from HQ through video-conference; areas of expertise will be used at best to complement each other. It is understood that the Government is leading the mission and that the MDBs and other development partners will provide support.

Government		
SREP Focal Point		
Mr. Salvador Mansell	Minister of Energy and Mines and CEO of ENATREL	smansell@enatrel.gob.ni
Energy Technical Team		
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Multilateral Development Banks (MDBs)		
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