

SREP Pilot Countries Meeting COUNTRY UPDATE HONDURAS



Ministry of Finance

October 30, 2012 – Istanbul, Turkey

Key Components of the IP

- 1. Component 1 - Strengthening the RE Policy and Regulatory Framework (FOMPIER)**
- 2. Component 2 - Grid-Connected RE Development Support (ADERC)**
- 3. Component 3: Sustainable Rural Energization (ERUS)**

Advances

1. FOMPIER Project with IDB formulated and funding approved.
2. ADERC Project is under formulation, working on the definition of the terms of reference of the market survey and social-environmental study. Submission to SREP SC expected for May 2013.
3. ERUS is under formulation; preparation grant formalized with WB; TORs of preparation studies finalized; consultants being mobilized; IDB implementation agency selected. Submission to SREP SC expected for June 2013.

Lessons, factors contributing to progress:

- Appropriation of the program by all stakeholders.
- Coordination between all parties involved.
- Team members' experience in CIF processes.
- Multilateral bank support
- SREP support through preparation grant

Challenges

1. Maintaining continued coordination among domestic institutions and MDBs for the preparation of the projects in terms of time and activities.
2. Defining the scope of the terms of reference for key studies.
3. Consolidating input from stakeholders as a result of consultation processes or workshops.
4. Ensuring continuity during the government transition (new administration takes office in January 2014)

Lessons, improvements needed:

- Strengthen PIU as project preparation advances

Impact of SREP

FOMPIER

- Strengthened policy and regulatory framework for RE through:
 - Long-term energy policy to promote a higher contribution of RE
 - Adequate regulation of RE legislation.
 - Appropriate standards and specifications for each renewable technology.
 - Incentives model (including tariffs) for the effective development of each renewable technology to be promoted.
 - Guidelines for obtaining environmental, construction, operation and supply permits; and defined responsibilities for the inter-agencies.
 - Development of capacities of governmental and non-governmental agencies to allow for future expansion of mitigation activities, including renewable energy.

Impact of SREP

ADERC

- Reduced dependence on oil imports, contributing to the improvement of the balance of payments.
- Strengthened capability of banking sector to provide project financing for RE
- Improved energy infrastructure to support economic growth.
- Increased mobilization and leverage of private sector finance
- Environmental benefits due to increase utilization of RE

Impact of SREP

ERUS

- Contribution to reducing poverty and improving quality of life of the rural poor, through increased access to modern energy services
- Increased access to electricity services using RE
 - improve lighting, access to information/communication, strengthen education systems, facilitate recreational and community activities.
- Increased access to efficient cookstoves
 - Economic, health, environmental and gender benefits
- Increased productivity and access to new productive activities
- Reduced degradation of natural resources and GHG emissions

Major Tasks Ahead

1. Start implementation of FOMPIER program
2. Mobilize specialists to help GoH develop appropriate business models for scaling up access to modern rural energy services for ERUS
3. Design investment program for ADERC based on financing market assessment and analysis of RE project pipeline