

Comments on Nicaragua IP : Answers to Subcommittee Member Questions and Comments by SREP Nicaragua team

| Subcommittee Member | Questions & Comments by Subcommittee Members | Answers by the SREP Nicaragua team |
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| <p>Switzerland</p> | <p>1.Co-financing: It is noted that the SREP investment plan for Nicaragua relies to a significant extent on contributions from the GCF, already in phase I.</p> <p>i) (Q) What efforts are planned or under way by the Government of Nicaragua to tap GCF resources for the programs proposed in the SREP investment plan?</p> <p>ii) (Q) To what extent are the executing agencies foreseen for the implementation of these programs already in the accreditation process with the GCF?</p> | <p>i) The Ministry of Energy, focal point for SREP, has expressed the interest to consider geothermal power as a technology to be promoted also in the context of GCF. Further national consultations will take place involving the National Designated Authority (NDA) of Nicaragua.</p> <p>ii) The Government of Nicaragua has already appointed its NDA to the GCF—the Ministry of Environment (MARENA). The executing agency will be defined at a later stage, following consultation with the government.</p> |
| | <p>2.Private sector contribution: The projected private sector contribution for the geothermal component seems rather high in particular the expected readiness of private sector investors to share in the risk of resource confirmation.</p> <p>i) (Q) How realistic do the MDBs consider this projection?</p> <p>ii) (Q) Have interested private sector operators who are ready to take these risks been identified?</p> | <p>i) The geothermal development component of the Investment Plan was designed to unlock investments in this sector through PPPs. Two approaches are being explored: the first one considers supporting geothermal sites where preparation is advanced and the second considers supporting the advancement of sites with limited information. The first approach aims to develop the site through some sort of co-financing scheme with the private sector at all the stages of development, in the latter the public sector would undertake the initial exploratory studies with the hope of confirming geothermal resources that would attract private sector investments. We think that this combination of approaches will at least lead to the development of two sites which would unlock the private investments presented in the table.</p> <p>ii) Yes. The WBG has carried out a survey of multiple private sector actors which reflected interest in case further studies were undertaken on the sites. Moreover, one of the sites proposed for potential intervention (Casita-San Cristobal) has already a private operator who has indicated some willingness to develop the site through a PPP</p> |

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| | | scheme. |
| | <p>3. Results:</p> <p>i) (C) The results listed under “transformative impact” seem far more ambitious than what may be reasonably expected from the SREP intervention.</p> <p>ii) (Q) What is the expected additional installed capacity of geothermal power until 2022?</p> <p>iii) (Q) What are the expectations or targets regarding reduced or avoided CO₂ emissions until 2022?</p> | <p>i) The results presented are in line with the GoN targets for the sector. The GoN has been working in the development of RE and access for more than eight years and has already achieved significant advancements in these areas. SREP resources will leverage current efforts such as PNER and help the GoN continue working towards this path.</p> <p>ii) 35 MW by 2022.</p> <p>iii) At least 0.200 MtCO₂ per year by 2022.</p> |
| | <p>4. Component II: The proposed split of a \$7.5 million SREP all grant contribution on 4 subcomponents and (at least) 13 individual measures/activities seems very fragmented:</p> <p>i) (C) We recommend to concentrate the SREP contribution under component II on subcomponent II C (renewable energy for productive uses).</p> | <p>i) Thank you for the recommendation the SREP team will analyze the final distribution of resources at the project design stage. However, the SREP team thinks that II A and B (which foster energy access for residential users) are crucial for the IP to be aligned with the GoN's National Human Development Plan which aims of fighting poverty and at attending the needs of the groups that have been historically excluded.</p> |