

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	EL SALVADOR/CID - Isthmus & DR
▪ TC Name:	Support for the preparation of the Universal Access Program in El Salvador
▪ TC Number:	ES-T1358
▪ Team Leader/Members:	JACOME MONTENEGRO, CARLOS ALBERTO (INE/ENE) Team Leader; CUERVO, JAVIER (INE/ENE) Alternate Team Leader; EDWIN MEJIA (INE/ENE); LOANA VEGA (INE/ENE); HOFFMAN, NATHALIE ALEXANDRA (SEC/TRD); BARRAGAN CRESPO, ENRIQUE IGNACIO (LEG/SGO); LAURA HINESTROZA OLASCUAGA (INE/ENE)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Program to Support Fiscal Sustainability - ES-L1153
▪ Date of TC Abstract:	14 Nov 2022
▪ Beneficiary:	Government of El Salvador
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$300,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	30 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INE/ENE - Energy
▪ Unit of Disbursement Responsibility:	CID/CES - Country Office El Salvador
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2020-2023:	Social inclusion and equality; Environmental sustainability

### II. Objective and Justification

- 2.1 The objective of this Technical Cooperation (TC) is to support the preparation of the investment loan to reach universal energy access in El Salvador. The resources will be used to carry out more detailed environmental, social, inclusion, productivity, technical and economic studies, at the department level.
- 2.2 The Government of El Salvador (GES), through the Hydroelectric Commission for the Lempa River (CEL), plans to implement the Universal Energy Access Program for El Salvador. CEL has made the decision to strengthen its distribution company in order to carry out this objective, which seeks to supply electrical service to residential customers who, due to their location, cannot access the electrical network. The IDB, through the technical assistance “Strengthening the Electricity Sector of El Salvador” (ES-T1287), financed the studies of the Universal Access Plan. Information is available on investment planning at the national level, including the investments required for providing electricity access for all, by implementing three potential electrification modes (i.e. grid extension, mini-grids, or standalone solar photovoltaic (PV) systems). Now it is essential to carry out the technical, economic, financial and environmental studies of the operation. But it is also important to provide support to the new entity responsible for the operation and maintenance of the new electrification projects, the new distribution company of the CEL Group. Finally, support is required

during the execution of the investment operation, considering that it will be the executing agency's first opportunity to carry out these activities.

### III. Description of Activities and Outputs

- 3.1 **Component I: Assessments for loan preparation (US\$180,000).** Technical, economic, financial, environmental, social inclusion, productivity and legal studies will be carried out to support the project document. Aspects of number of beneficiaries, budget of the operation will be verified based on field studies.
- 3.2 **Component II: Support the CEL Group and the distribution company to guarantee the program sustainability. Support to the regulatory agency in defining the regulations that enable the universal electrification program (US\$120,000).** Design and implement an institutional capacity program to support the CEL Group in the implementation of energy access programs including the design, build, operation and maintenance of rural electrification projects. Support the design of regulations for rural electrification programs including subsidies, tariffs, and quality of service.

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Assessments for loan preparation	US\$180,000.00	US\$0.00	US\$180,000.00
Support to the CEL Group and the distribution company to guarantee the program sustainability. Support to the regulatory agency in defining the regulations that enable the universal electrification program	US\$120,000.00	US\$0.00	US\$120,000.00
<b>Total</b>	<b>US\$300,000.00</b>	<b>US\$0.00</b>	<b>US\$300,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 Upon the request of the Government of El Salvador and in accordance with the guidelines established in the Operational Guidelines for Technical Cooperation Products (GN-2629-2), the IDB through the Energy Division (ENE/CHO) will act as the Executing Agency.
- 5.2 The Bank acting as the Executing Agency will allow a better coordination with the preparation of the loan "Universal access to electricity in El Salvador" (ES-L1158). Given the importance of addressing technical, economic, financial, environmental, social inclusion issues in a timely manner. In addition, it will allow to guarantee the technical quality of the products and the compliance with the standards necessary for execution of the aforementioned TC. The activities to be executed under this operation will be included in the procurement plan and will be carried out in accordance with the Bank's established procurement methods, namely: (i) Hiring of individual consultants, as established in the regulations AM-650; (ii) Policy for the Selection and Contracting of Consulting Firms for Bank-executed Operational Work according to GN-2765-4 and its associated operational guides (OP-1155-4); and (iii) Contracting of logistics services and other services other than consulting, according to the policy GN-2303-20.

## **VI. Project Risks and Issues**

- 6.1 Coordination with the different entities of the energy sector, including those of the CEL Group. This will be mitigated with the direction and participation of the Bank.

## **VII. Environmental and Social Classification**

- 7.1 This TC will finance investment project feasibility studies and associated environmental and social studies, whose terms of reference and deliverables will be consistent with the applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF). Environmental and Social Impact Classification for the TC does not apply. The environmental and social risk for this program is substantial.