

CLIMATE INVESTMENT FUNDS

July 22, 2016

**[APPROVE BY MAIL]: NICARAGUA: GEOTHERMAL EXPLORATION AND TRANSMISSION
IMPROVEMENT PROGRAM UNDER THE PINIC (SREP) (IDBG)**

COMMENTS RECEIVED FROM THE NETHERLANDS

Dear Mafalda,

Thank you for these replies.

We remain concerned about the possible impact of the proposed shift in budget between the rural energy component and the geothermal component. We feel that this shift cannot be seen as a minor shift. In particular, we are concerned that the rural energy component would become too marginal to have a meaningful impact on energy access in Nicaragua. We note that the discussions around accepting new pilot countries incl. Nicaragua prioritized targeting energy access gaps in particular.

To better assess this concern, we have asked for updates to the detailed financing plan tables in the IP (chapter 6 tables 11 and 12). Unfortunately these updates were not included in the IDBG responses. With the information and replies available, we are reluctant to endorse the proposed change to the IP.

In view of the holiday season, and the urgent need of IDB to get a clear decision on the project proposal, we would therefore like to make the following proposal:

1. We endorse the project proposal, with the condition that the funding is taken from the budget allocation to the geothermal component. This implies (for this approval) a shift between IDB and WB reservations for geothermal.
2. We postpone the discussion about the budget shift between components of the IP (from the rural energy component to the geothermal component) to the next meeting of the subcommittee or another suitable occasion.

We would appreciate feedback from other subcommittee members, if you share the mentioned concern and feel this is a good way forward.

Best regards, Frank

PS. I will be on leave from tomorrow until August 15th. For any urgent follow-up discussion next week, you may contact colleague Ronald Goldberg (address in CC).

Frank van der Vleuten



Ministry of Foreign Affairs of the Netherlands
Inclusive Green Growth department (IGG)
Climate team

T +31 88 602 1295 M +31 6 5074 6534

Frank-vander.Vleuten@minbuza.nl or Frank.vanderVleuten@rvo.nl

[f](#) NL Global Issues | [t](#) Fvleuten | [in](#) Frank van der Vleuten |