

**Project Title:** Central America Regional Energy Trade

**Project ID** (if available):

**Region/Country:**

Central America

**Task Manager:**

Fernando Lecaros

**ESMAP Thematic Area** (M – Main; S – Secondary (if applicable)):

Energy Security	S
Energy Markets	M
Energy Poverty	
Renewable Energy	
Energy Efficiency	

**Brief Description:**

The proposed study will conduct an overview of (a) the existing agreements and energy trade among Central American countries who are parties to the Regional Market—and who are soon to be joined with significant transfer capacity through the SIEPAC interconnection project—and (b) prospects for future energy trade among the countries and between the region and Mexico and Colombia. Although the Central American interconnection has been analyzed previously, there has been no recent updating, which is required (a) given its expected commissioning by late 2008/early 2009, and (b) because of energy security concerns in several of the countries (e.g. Nicaragua, El Salvador, Honduras) which makes it a central consideration in terms of energy strategy. The primary audience will consist of energy sector authorities in the Central American countries, including the Energy Strategy Taskforce of the Plan Puebla Panamá (PPP) initiative which includes representatives from IDB, ECLAC and BCIE, among others; dissemination is expected to be accomplished through a workshop with representatives from the authorities and the latter organizations. The analysis will center upon: (a) Market agreements in place and/or under consideration for the export and import of energy—how they are expected to operate, issues that still require being addressed; (b) Expected volumes of energy trade among countries given a medium term expansion scenario and the supply/demand balance for the region and for individual countries; (c) Arrangements for importing energy from Mexico and their integration into the Regional Market framework, as well as, within a longer term perspective, possibilities for importing energy from Colombia, (d) Capacity for the Regional Market to integrate demands in order to facilitate the development of new power plants in the region using indigenous resources; and (e) Improvements in service coverage—an issue closely linked with poverty concerns—through new substations associated with, or facilitated by, the power interconnection.

**Delivery Schedule:**

PCN Review	January 15, 2007
Completion draft final/formal review meeting	May 20, 2007
Final delivery to client	July, 2007

**Outputs expected:**

	Yes?	Delivery date (Quarter, FY)
Formal AAA Report	Yes	III,07
Informal AAA product (e.g., policy note) – indicate:		



## Project Summary Form

Workshop/Conference	Yes	II,07
Training course/materials/knowledge products		
Others (indicate)		