

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	PERU/CAN - Andean Group
▪ TC Name:	Support the Sustainable and Productive Rural Electrification Program in the Peruvian Amazon
▪ TC Number:	PE-T1598
▪ Team Leader/Members:	ESCOBAR RANGEL, LINA PATRICIA (INE/ENE) Team Leader; CUERVO, JAVIER (INE/ENE) Alternate Team Leader; JORGE LUIS MALPARTIDA (INE/ENE); PATRICIA ELLIOT (INE/ENE); HINESTROZA OLASCUAGA LAURA MARCELA (INE/ENE); JIMENEZ MOSQUERA, JAVIER I. (LEG/SGO)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Sustainable and Productive Rural Electrification Program in the Peruvian Amazon - PE-L1298
▪ Date of TC Abstract:	11 Sep 2024
▪ Beneficiary:	Ministerio de Energía y Minas
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$75,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	40 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INE/ENE - Energy
▪ Unit of Disbursement Responsibility:	CAN/CPE - Country Office Peru
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the New IDB Group Institutional Strategy: Transformation for Scale and Impact (CA-631):	Social inclusion and equality

### II. Objective and Justification

- 2.1 The general objective of this Technical Cooperation (TC) is to support the preparation and implementation of the Sustainable and Productive Rural Electrification Program in the Peruvian Amazon (PE-L1298). The specific objectives are (i) to finance the financial, technical, institutional, and environmental analyses required to prepare the program and ii) to fund the studies needed to define the program's investment portfolio.
- 2.2 The Peruvian Amazon is the region with the most significant gaps in access to energy in Peru. According to INEI, in 2021, the four departments with the lowest energy access rates in the rural sector were Ucayali 51.9%, Loreto 54.4%, Madre de Dios 73.6%, and Amazonas 76.8%. This situation means that residents must resort to inefficient, costly, and polluting energy sources such as diesel engines, candles, and kerosene. Additionally, this situation limits access to health and education services and inhibits the formation of value chains that generate employment and economic growth in the region. Given the situation described above, the Rural Electrification Directorate of the Ministry of Energy and Mines of Peru has requested a loan operation of US\$70 million to design the Sustainable and Productive Rural Electrification Program in the Peruvian Amazon. This program aims to provide

adequate access to reliable and efficient electricity services and strengthen the management of isolated electrical systems in communities of the Peruvian Amazon.

- 2.3 In that context, the technical cooperation for the Peruvian Amazon's Sustainable and Productive Rural Electrification Program aims to finance the studies needed to prepare the operation and identify the investments needed to improve the sustainability of the management of isolated electrical systems.

### III. Description of Activities and Outputs

- 3.1 **Component I: Technical Studies for the Preparation of Operation PE-L1298.** This component aims to develop the technical studies necessary for the preparation of Operation PE-L1298.
- 3.2 **Component II: Complementary Studies to Define an Investment Portfolio.** This component will finance the engineering and technical support studies required to make projects viable within the Peruvian investment system, support the investment program, and advance rural electrification.

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Technical Studies for the Preparation of Operation PE-L1298	US\$10,000.00	US\$0.00	US\$10,000.00
Complementary Studies to Define an Investment Portfolio	US\$65,000.00	US\$0.00	US\$65,000.00
<b>Total</b>	<b>US\$75,000.00</b>	<b>US\$0.00</b>	<b>US\$75,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 The Technical Cooperation (TC) will be executed by the Bank at the request of the government, through the Energy Division (INE/ENE). The IDB representation in Peru (CAN/CPE) will act as the Responsibility Unit (UDR). The disbursement period (which includes the execution period) is forty (40) months.
- 5.2 The Bank will carry out the execution of the TC at the request of the government through INE/ENE because it has greater agility in carrying out contracting processes and extensive experience in the execution of TCs. The Client's Request contains the express request for the Bank to execute this TC. The TC team leader will be responsible for (i) coordinating the implementation of the TC, (ii) conducting the contracting processes for consultancy services, (iii) monitoring the progress of activities and deliverables, and (iv) supervising the activities to be carried out by consulting firms and individual consultants. The Bank will own the deliverables generated within the framework of this TC

### VI. Project Risks and Issues

- 6.1 The operation faces a risk associated with the lengthy decision-making times by officials, as well as potential changes in the individuals assigned to the project within the Ministry of Energy and Mines. These circumstances could increase the execution times of activities and affect the delivery times of the technical work to be carried out. To mitigate this risk, an initial contracting schedule will be proposed to ensure that decision-making occurs within a single timeframe and is not affected by changes in personnel.

## **VII. Environmental and Social Aspects**

- 7.1 This Technical Cooperation is intended to finance pre-feasibility or feasibility studies of specific investment projects and the environmental and social studies associated with them; therefore, the terms of reference and products of this TC will be consistent with the applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).