

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	HONDURAS/CID - Isthmus & DR
▪ TC Name:	Comprehensive management plan of Yojoa Lake
▪ TC Number:	HO-T1297
▪ Team Leader/Members:	Jacome Montenegro, Carlos Alberto (INE/ENE) Team Leader; Del Puerto Correa, Maria Cecilia (VPC/FMP); Morales Vasquez, Nalda Orfilia (VPC/FMP); Aguiluz Boquin, Alejandro Enrique (CID/CHO); Mejia Martinez, Astrid Yasmine (INE/ENE); Correa Poseiro, Cecilia (INE/ENE); Sanmartin Baez, Alvaro Luis (LEG/SGO)
▪ Taxonomy:	Operational Support
▪ name Number and of operation supported by the TC:	Cañaveral-Río Lindo Hydropower Complex Rehabilitation and Uprating Project - HO-L1102
▪ Date of TC Abstract:	May 31, 2018
▪ Beneficiary:	Empresa Nacional de Energía Eléctrica (ENEE)
▪ Executing Agency:	Inter-American Development Bank
▪ IDB funding requested:	US\$450,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	30 months
▪ Types of consultants:	Consulting firms
▪ Prepared by Unit:	Energy Division
▪ Unit of Disbursement Responsibility:	Country Office Honduras
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Environmental sustainability

### II. Objective and Justification

- 2.1 Strengthen the integral management of the Yojoa Lake sub-basin based on technical and environmental studies, and agroforestry awareness and extension strategies, to contribute to the conservation of water resources and environmental conditions for the generation of hydroelectric power for the benefit of the population. The specific objectives of this TC are: (i) Determination of the baseline through the development of technical studies: water balance, bathymetry, and water quality and sources of contamination; (ii) Development of a Community Awareness Strategy Plan and Agroforestry Extension; and (iii) Comprehensive strengthening of the Watershed Management Unit of the ENEE generation company.
- 2.2 The Canaveral - Rio Lindo hydroelectric complex is the second largest in the nation but at the operational level it is the most important because it ensures the operation of the entire electrical system as it is the easiest starting system. It is the system that produces the lowest unit cost of energy. It contributes with 35% of the state hydroelectric supply and 7% nationally. There is a particular concern about the reduction of lake water levels that the lake has experienced in recent years and the water level is key to ensure the hydroelectric power's energy production and therefore the interest to conserve it. On the other hand, the Government has declared protected Yojoa Lake and attractive destination for tourism. There is a participation of co-managers of the lake basin to ensure their environmental protection.

### III. Description of Activities and Outputs

- 3.1 Specialized studies will be carried out, reports will be prepared, diagnoses will be presented, and workshops and presentations of the different studies carried out will be carried out in order to design an action plan to ensure the conservation of the level of Yojoa Lake.
- 3.2 **Component I: Technical studies.** Development of specialized technical studies of the baseline. This component will finance the realization of specialized technical studies on water balance, bathymetry, water quality, identification of sources of pollution and environmental deterioration, which will serve as inputs to develop a comprehensive management plan for the sub-basin; also to establish a monitoring system for water quality and environmental and social conditions of Yojoa Lake.
- 3.3 **Component II: Community engagement.** Strategic Plan of Awareness and Community Extension. With this component, a consultancy will be hired to formulate a diagnosis and strategic plan to support the ENEE Basins Unit to define comprehensive community awareness and extension actions that promote/guarantee the conservation of the water and environmental resources of the sub-basin of the Yojoa Lake and its surroundings
- 3.4 **Component III: Capacity building.** Strengthening technical and operational capacities of the Watershed Management Unit of the ENEE generation company.

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Technical studies	\$ 270,000.00	\$ 0.00	\$ 270,000.00
Community engagement	\$ 80,000.00	\$ 0.00	\$ 80,000.00
Capacity building	\$ 100,000.00	\$ 0.00	\$ 100,000.00
<b>Total</b>	<b>\$450,000.00</b>	<b>\$0.00</b>	<b>\$450,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 The National Power Utility-ENEE will be the executing agency. The executing agency has different unit business responsible for generation, transmission and distribution of electricity. It has a structure of 2,100 employees with specialized technical staff but also administrative staff. The executing agency created a Project Management Unit (PMU) for IDB operations in 2008. The PMU has the technical and fiduciary competences to execute the project. The PMU has consultants specialized in fiduciary issues and staff from the national utility responsible for technical issues. The combination of skilled consultant and experimented staff it has been a key element for a good project execution.
- 5.2 The National Power Utility-ENEE has been responsible for executing loan and technical cooperation operations for the energy sector in Honduras. It has been responsible for executing the operation that funded the largest hydro project in the country and in the last years IDB funds have allocated basically into transmission projects. ENEE is the executing agency for the rehabilitation and uprating project for Canaveral and Rio Lindo project which is the second largest hydro facility in the country. This loan is a co-financed project with JICA. All the operations executed by ENEE has been successfully implemented. Therefore, the PMU and the executing agency has proven experience working with IDB operations.

### VI. Project Risks and Issues

- 6.1 Climate change vulnerability and prolonged draughts in the countries.

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

7.1 The ESG classification for this operation is "undefined".