



QPR/QOR (Oct- Dec 2011)

Description (QOR):

ARECA participated, with a stand and presentation, at the XVIII AEA Regional Forum "Financing Renewable Energy Projects in Central America," (17 and October 18 - El Salvador)

On November 29th, the Project Executive Committee decided: a) To establish a fund for technical assistance to develop final designs of eligible projects (US\$ 500,000.00); and b) Funds to supplement the project management budget of 2012 (U.S.\$300,000.00) and also increase technical capacity at financial institutions.

During this quarter, several proposals for the modification of the Integrated DI 137/2008 and appendices were made: a) adjustment of the guaranteed maximum amount for projects: i) Loans less than or equal to US\$ 500,000.00, 75% guarantee of the loan amount granted by financial institution. ii) Credits in excess of US\$ 500,000.00, 35% guarantee of the loan amount plus a base amount of US\$ 200,000.00. iii) In no event shall the amount of coverage will exceed US\$1,000,000.00 for credit. iv) IFI's may request the approval of BCIE guarantees eligibility prior to approval of funding (requirement of issuance of a certification). First test was enabled for IFI's to submit their applications for partial credit guarantee in print version or through the ARECA Project website which provides a tool for this purpose.

The official presentation of the studies "Analysis of Technical Regulations of the Electricity Markets in Central America and Panama" and "Comparative Analysis of Regulatory Framework, Incentives and Tariff System of Existing Prices" was held on November 29th. The results of these studies were distributed by interactive CD and published on the ARECA Project Webpage (www.proyectoareca.com). The Website features a new modern design with quick and updated information and a registration system to subscribe to electronic newsletters. The consultancy "Socialization Based on Water Sources, Case: Honduras" is progressing as scheduled (it is expected to be concluded in February 2012, in accordance with the provisions in the contract). The financial matrix was reviewed and approved by the ARECA Project Coordination, this tool for renewable energy projects will be available for those interested in the Website.

A Technical and Financial Facilitator for the region was hired to provide technical assistance and support to developers of renewable energy projects. These projects will be eligible to apply to the Partial Guarantees of Credit Program (PGCP). Also, the Facilitator of El Salvador and Guatemala will be transferred to Guatemala, where a greater potential for renewable energy projects was identified.

A follow-up was made to reestablish CABEI's Global Line of Credit with Banco Agromercantil of Guatemala, which is fulfilling preconditions. Currently, Banco Agromercantil is interested in allocating a Partial Guarantee of Credit (US\$1,000,000.00) to the hydro-electric project Coralito Los Andes-Panama, if successful; it will be issued on January, once the application form for the partial guarantee is submitted. Another Partial Guarantee is in process with Banco Agricola of El Salvador, for the hydro-electric project Río Sapo. This project is being analyzed, and the bank is waiting for the power purchase agreement for the loan pre-approval and will require a US\$1,000,000.00 guarantee. GIZ Costa Rica was making the updates to the American Swine Biomass Project, which may benefit from ARECA's support for the final engineering and financial project design (ARECA / BCIE) and the partial credit guarantee. Zingüizapa Hydroelectric Project is expected to receive funding through Banco Atlántida and ARECA guarantee which may be signed in January 2012.

Delivery rate:

Annual Budget for current calendar year.	US\$ 673,766.75
Budget expenditures to date.	US\$ 600,887.23
Delivery rate (budget expenditure / annual).	89.18%

