

# ENERGY COMPACT

 EC7 ENABLING THE SDGS THROUGH JUST AND INCLUSIVE ENERGY  
TRANSITIONS: Reduction of energy deficiency in Honduras.



HIGH-LEVEL DIALOGUE ON  
**ENERGY**  
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**SECTION 1: AMBITION**

**1.1. Ambitions to achieve SDG 7 by 2030. [Select all appropriate options]**

(Member States' targets could be based on their NDCs, energy policies, five-year national plans, etc. Goals for companies/organizations could be based on their corporate strategy)

<p><input type="checkbox"/> <b>7.1.</b> By 2030, ensure universal access to affordable, reliable, and modern energy services.</p>	<p>Target(s):  <b>1. Definition of national indicators for the calculation and monitoring of energy deficiency.</b></p> <p>Timeframe: 2030</p> <p>Context of the ambition(s):</p> <p>Currently, Honduras bases the analysis on 3 measurement indicators, according to the statistics of the RISE initiative. According to this statistic, Honduras has an affordability rate of 94%. However, when comparing this indicator with the other countries of the Central American region, Honduras is the next to last country with affordability ratings, being above only to Nicaragua (82%); the other countries, has an affordability value equal to 100%. These statistics indicate that, despite country-led efforts to improve energy affordability, there are still opportunities for improvement that need to be identified and harnessed to develop a more competitive and quality energy sector. As well as developing indicators that are more attached to the Honduran reality with the participation of the communities. This information is not currently available. There is no monitoring of community development indicators and no monitoring of the impact of the energy sector on these indicators.</p>
<p><input type="checkbox"/> <b>7.a.</b> By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency, and advanced and cleaner fossil fuel technology, and promote investment in energy infrastructure and clean energy technology.</p>	<p>Target(s):  <b>2. Structuring and implementation of a National Energy deficiency Reduction Plan.</b></p> <p>Timeframe: 2030</p> <p>Context of the ambition(s):</p> <p>In Honduras there are high rates of poverty and low per capita income levels, the classic lag in electricity coverage and high consumption of firewood in the residential sector is observed. The country's energy consumption is covered by 42% by firewood, 46% by fossil fuels and 12% by electricity and other energy sources. The electrification rate in 2008 was 76%. According to 2020 information (SIE), the electrification rate is 86.97%. While there has been significant progress, a national plan to ensure that the indices continue to advance still needs to be encouraged.</p>
<p><input type="checkbox"/> <b>7.b.</b> By 2030, expand infrastructure and improve technology for the provision of modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States and landlocked developing countries, in accordance with their respective programs of support.</p>	<p>Target(s):  <b>3. Implement an energy rehabilitation program for homes and schools with high climate vulnerability.</b></p> <p>Timeframe: 2030</p> <p>Context of the ambition(s):</p> <p>In Honduras, high rates of inefficient energy use are observed. Usually, energy efficiency standards are not implemented, there is no mandatory labeling, there are no incentives for the efficient use of energy and, in general, private initiative and the population consider energy efficiency to be an expense, not an investment. There are unmet energy needs in the Honduran population, mainly in rural areas where 30% of the population does not have access to electricity and 44% of educational centers do not have access to electricity.</p>

## SECTION 2: ACTIONS TO ACHIEVE AMBITION

### 2.1. Please Add at least one key action for each of the elaborated ambitions in Section 1. [Add rows as needed].

<p><b>7.1.</b> By 2030, ensure universal access to affordable, reliable, and modern energy services.</p> <p><b>1. Definition of national indicators for the calculation and monitoring of energy deficiency.</b></p> <ul style="list-style-type: none"><li>• Formation of a multidisciplinary committee with the participation of key players (public, private, and civil society sectors) to determine the concept of energy deficiency in Honduras.</li><li>• Definition of the methodology for calculating energy deficiency thresholds in conjunction with government institutions, community, and indigenous peoples.</li><li>• Definition of indicators on energy deficiency that are attached to the Honduran reality, established in family surveys coordinated with the National Institute of Statistics (INE), the Central Bank of Honduras (BCH) and the National Information Center for the Social Sector (CENISS) through a methodology approved by the multidisciplinary committee.</li><li>• Identify the population that falls below the energy deficiency line.</li><li>• Identify the needs of housing and productive uses that can be used with modern sources such as electricity. Considering local realities, climatic, social, and economic zones.</li><li>• Quantify baseline of households in energy deficiency and the income they allocate to cover basic electricity needs.</li></ul>	<p><i>January 2022- December 2023</i></p>
<p><b>7.a.</b> By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency, and advanced and cleaner fossil fuel technology, and promote investment in energy infrastructure and clean energy technology.</p> <p><b>2. Structuring and implementation of a National Energy deficiency Reduction Plan.</b></p> <ul style="list-style-type: none"><li>• Fund management.</li><li>• Analysis of energy deficiency indicators.</li><li>• Consultancy to support the creation of the National Energy deficiency Reduction Plan.</li><li>• Establish an annual operational planning for the development of strategies for the reduction of energy deficiency.</li><li>• Plan Execution.</li><li>• Develop a financing plan for energy deficiency reduction measures.</li></ul>	<p><i>January 2024-January 2030</i></p>
<p><b>7.b.</b> By 2030, expand infrastructure and improve technology for the provision of modern and sustainable energy services for all in developing countries, the least developed countries, small island developing States and landlocked developing countries, in accordance with their respective support programs.</p> <p><b>3. Implement an energy rehabilitation program for homes and schools with high climate vulnerability.</b></p> <ul style="list-style-type: none"><li>• Management of funds through own means, service providers, foundations, or non-profit entities.</li><li>• Identify climate-vulnerable zones that are without access to electricity.</li><li>• Implement low-cost actions that can benefit homes and schools.</li><li>• Subsidize vulnerable consumers, at risk of severe exclusion.</li></ul>	<p><i>January 2023-January 2030</i></p>

### SECTION 3: OUTCOME

3.1. Please add at least one measurable, time-based result for each of the actions in section 2. [Add rows as needed].

Outcome 1.1 Developed Energy deficiency Indicators
Outcome 1.2 Methodology for defining energy deficiency thresholds in Honduras
Outcome 2.1 Developed the National Plan for Energy deficiency Reduction
Outcome 2.2 Financing plan for energy deficiency reduction measures
Outcome 3.1 Rehabilitation of homes and schools with high climate vulnerability.

### SECTION 4: RESOURCES AND SUPPORT REQUIRED

4.1 Specify the financing and investments required for each of the actions in section 2.

Activity	Input	Value (USD)
Establish a methodological and conceptual framework that establishes indicators for the calculation and monitoring of energy deficiency.	<ul style="list-style-type: none"> <li>Professional Consulting Services</li> </ul>	USD \$ 50,000.00
Structuring and implementation of a National Energy deficiency Reduction Plan.	<ul style="list-style-type: none"> <li>Organization of an annual operational planning</li> <li>Food and Beverages</li> <li>Consultants</li> <li>Financing of energy deficiency reduction measures</li> </ul>	USD \$ 90,000.00
Implement an energy rehabilitation program for homes and schools with high climate vulnerability.	<ul style="list-style-type: none"> <li>Study of homes and schools with high climate vulnerability.</li> <li>Low-cost rehabilitation.</li> </ul>	USD \$ 40,000.00
<b>TOTAL</b>		US\$180,000.00

4.2 [Country only] If assistance is required for section 2 actions, select below, describe the assistance required, and specify for which action.

[Examples of support to Member States could include access to affordable low-cost debt through strategic risk-elimination instruments, capacity-building in data collection, development of integrated energy plans and energy transition pathways, technical assistance, etc.]

<input type="checkbox"/> Financing	
<input type="checkbox"/> Payment-in-Kind (PIK)	Technical capacities of the Secretariat of State in the Office of Energy (SEN), National Institute of Statistics (INE), National Electric Energy Company (ENEE) Academy, COHEP, among others.
<input type="checkbox"/> Technical Assistance	Consultants for plans, methodologies, and program
<input type="checkbox"/> Other/please specify	Non-reimbursable cooperation for the execution of the activities. It is established a budget of \$180,000.00 (one hundred and eighty thousand dollars)

## SECTION 5: IMPACT

5.1 Countries planned for implementation, including the number of people potentially affected.

The Honduran population will have a better availability of reliable data on energy deficiency.

The population of Honduras suffering from poverty will be directly benefited by the resources generated by promoting the best use of the country's energy resources and the proper positioning of government resources. Additionally, this would reduce conflicts in the installation of generation and T&D plants, which results in lower electricity costs.

**5.2 Alignment with the 2030 Agenda for Sustainable Development - Describe how each of the actions in section 2 impacts the advancement of the SDGs by 2030.**

[up to 500 words, upload strategy supporting documents if necessary].

The objectives that allow to create strategic alliances with key actors, to raise a baseline of vulnerable families and the percentage of income they allocate to cover basic energy needs, as well as to identify the energy needs of housing and productive uses, also consider local realities and climatic zones of a social and economic nature. Thus, framed in the universal access to modern sources of energy, the increase in the participation of renewable energies and the expansion of investment and research on renewable energies. It is notable that the search to favor equity and justice for all parties directly and indirectly involved in the planning, construction, and operation of energy projects, to contribute to the reduction of energy deficiency. This is related to universal access to modern sources of energy, increased share of renewables and doubling of improvements in energy efficiency.

**5.1. Alignment with the Paris Agreement and net zero emissions by 2050 – Describe how each of the actions in section 2 aligns with the Paris Agreement and national NDCs (if applicable) and supports net-zero emissions by 2050.** [ up to 500 words, upload the necessary strategy supporting documents].

Aligned with objective 10 of the NDC, actions to achieve the objectives, which will allow to meet the needs of the Honduran population, increasing social welfare, which at the same time promotes responsible consumption and production, through the implementation of a strong, robust, reliable, and transparent financial system.

In addition, it contributes to the Paris Agreement in terms of integrating financial flows at a level compatible with a trajectory that leads to climate-*resilient* development with low greenhouse gas emissions, through the rehabilitation of climate-vulnerable schools and homes.

## SECTION 6: MONITORING AND REPORTING

**6.1. Describe how you plan to track the progress of the results proposed in section 3. Also describe whether you plan to use other existing reporting frameworks to track progress on proposed outcomes**

**Monitoring 1:** Indicators of energy deficiency.

**Monitoring 2:** Annual planification for national energy deficiency reduction.

**Monitoring 3:** Financial measures implemented.

**Monitoring 4:** Follow-up meetings.

## SECTION 7: GUIDING PRINCIPLES CHECK LIST

Please use the checklist below to validate that the proposed Energy Compact is aligned with the guiding principles.

Stepping up ambition and **accelerating action** - Increase contribution of and accelerate the implementation of the SDG7 targets in support of the 2030 Agenda for Sustainable Development for Paris Agreement

*I.1 Does the Energy Compact strengthen and/or add a target, commitment, policy, action related to SDG7 and its linkages to the other SDGs that results in a higher cumulative impact compared to existing frameworks? X Yes No*

*I.2 Does the Energy Compact increase the geographical and/or sectoral coverage of SDG7 related efforts? X Yes No*

*I.3 Does the Energy Compact consider inclusion of key priority issues towards achieving SDG7 by 2030 and the net-zero emission goal of the Paris Agreement by 2050 - as defined by latest global analysis and data including the outcome of the Technical Working Groups? X Yes No*

**II. Alignment with the 2030 agenda on Sustainable Development Goals** – Ensure coherence and alignment with SDG implementation plans and strategies by 2030 as well as national development plans and priorities.

*II.1 Has the Energy Compact considered enabling actions of SDG7 to reach the other sustainable development goals by 2030? X Yes No*

*II.2 Does the Energy Compact align with national, sectoral, and/or sub-national sustainable development strategies/plans, including SDG implementation plans/roadmaps? X Yes No*

*II.3 Has the Energy Compact considered a timeframe in line with the Decade of Action? X Yes No*

**III. Alignment with Paris Agreement and net-zero by 2050** - Ensure coherence and alignment with the Nationally Determined Contributions, long term net zero emission strategies.

*III.1 Has the Energy Compact considered a timeframe in line with the net-zero goal of the Paris Agreement by 2050? X Yes No*

*III.2 Has the Energy Compact considered energy-related targets and information in the updated/enhanced NDCs? X Yes No*

*III.3 Has the Energy Compact considered alignment with reaching the net-zero emissions goal set by many countries by 2050? X Yes No*

**IV. Leaving no one behind, strengthening inclusion, interlinkages, and synergies** - Enabling the achievement of SDGs and just transition by reflecting interlinkages with other SDGs.

*IV.1 Does the Energy Compact include socio-economic impacts of measures being considered? X Yes No*

*IV.2 Does the Energy Compact identify steps towards an inclusive, just energy transition? X Yes No*

*IV.3 Does the Energy Compact consider measures that address the needs of the most vulnerable groups (e.g. those impacted the most by energy transitions, lack of energy access)? X Yes No*

**V. Feasibility and Robustness** - Commitments and measures are technically sound, feasible, and verifiable based a set of objectives with specific performance indicators, baselines, targets and data sources as needed.

*V.1 Is the information included in the Energy Compact based on updated quality data and sectoral assessments, with clear and transparent methodologies related to the proposed measures? X Yes No*

*V.2 Has the Energy Compact considered inclusion of a set of SMART (specific, measurable, achievable, resource-based and time based) objectives? X Yes No*

*V.3 Has the Energy Compact considered issues related to means of implementation to ensure feasibility of measures proposed (e.g. cost and financing strategy, technical assistant needs and partnerships, policy and regulatory gaps, data, and technology)? X Yes No*

## SECTION 8: ENERGY COMPACT GENERAL INFORMATION

8.1. Title/name of the Energy Compact:

### **Reduction of Energy Deficiency in Honduras.**

8.2. Name of the principal entity (for joint energy pacts, list all parties and include, in parentheses, their entity type, using the entity type below)

*As a leading entity is the Secretariat of State in the Office of Energy (SEN), the organizations and entities to assist in the process of compliance with the pact are the following:*

- *Government: National Institute of Statistics (INE), National Electric Power Company (ENEE), SEDH Secretariat of Human Rights, SEDIS Secretariat of Development and Social Inclusion, CANCELLERIA - Secretariat of Foreign Affairs and International Cooperation.*
- *Local Government: Municipalities.*
- *Private Sector: COHEP*
- *Multilateral Organization: Central American Bank for Economic Integration (CABEI)*

8.3 Leading entity type

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> Government                 | <input type="checkbox"/> Local/Regional Government        | <input type="checkbox"/> Multilateral Agency/Intergovernmental Organization |
| <input type="checkbox"/> Non-Governmental Organizations (NGOs) | <input type="checkbox"/> Civil Society Organization/Youth | <input type="checkbox"/> Academic Institution/Scientific Community          |
| <input type="checkbox"/> Private Sector                        | <input type="checkbox"/> Philanthropic Organization       | <input type="checkbox"/> Other relevant actor                               |

8.4. Contact Information: Secretariat of State in the Office of Energy (SEN).

8.5. Select the geographical coverage of the Energy Pact

- Africa  Asia and the Pacific  Europe  Latin America and the Caribbean  North America  West Asia  Global

8.6. Please select the Energy Compact thematic focus area(s)

- Energy Access  Energy Transition  Enabling SDGs through inclusive Energy Transitions  Innovation, technology and data  Finance and investments.