



POLICY FRAMEWORK FOR THE TRANSITION TO A LOW-EMISSION ENERGY MATRIX IN THE ECONOMIC AND SOCIAL DEVELOPMENT OF NICARAGUA

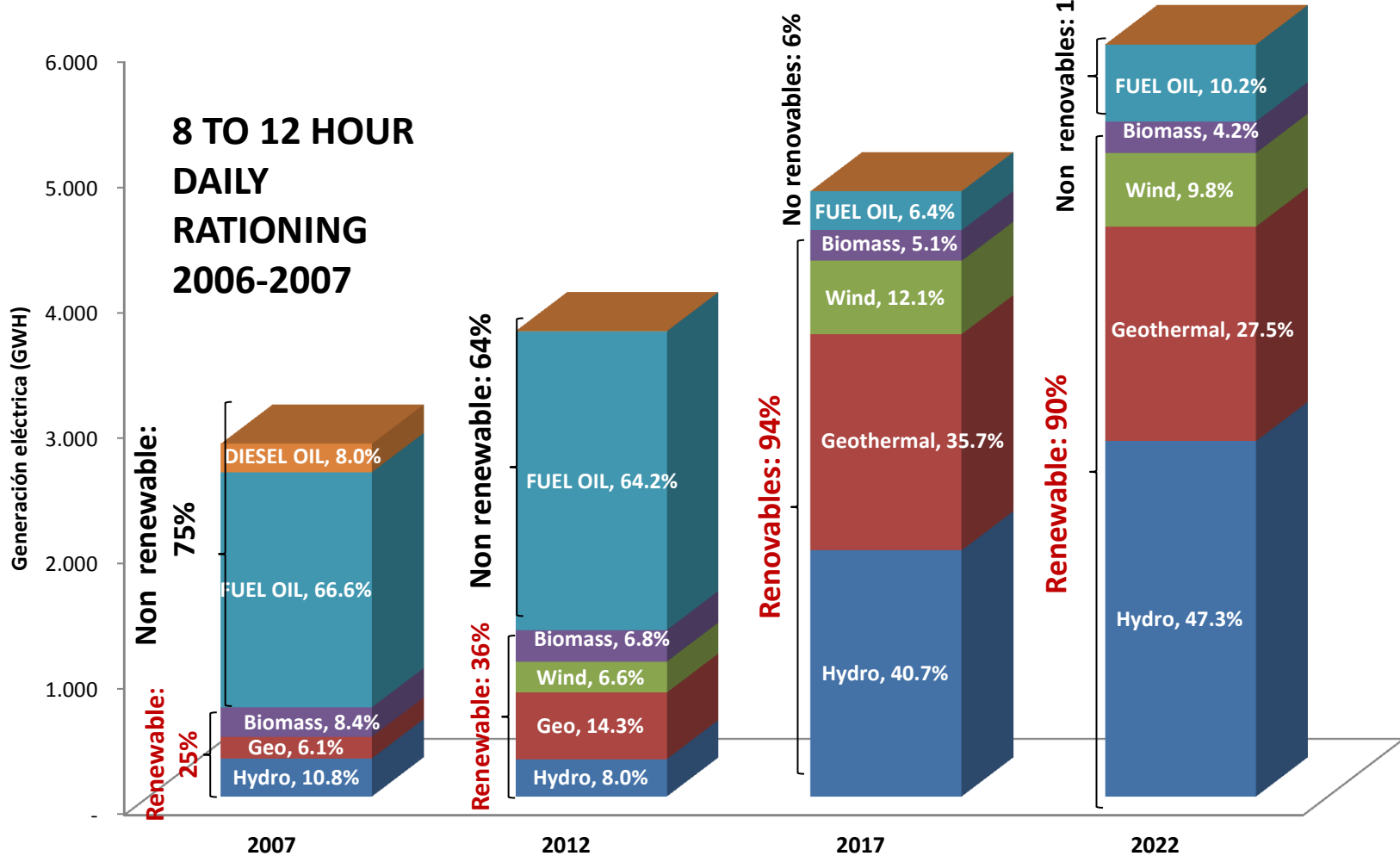
Dr. Paul Oquist

Member of the Standing Committee of Climate Finance
for Latin America and the Caribbean (Nicaragua)

*Minister-Private Secretary for National Policy,
Presidency of the Republic of Nicaragua*

Brussels, Belgium, 16 October 2013

EXPANSION AND TRANSFORMATION OF THE ENERGY MATRIX: 25% RENEWABLE IN 2007 TO 90% IN 2020 (US\$2.9 Mil Millones DFI)



NICARAGUA'S ENERGY PROJECTS



GEOHERMAL
 San Jacinto-Tizate (72MW)
 Casita-San Cristóbal (35MW)
(107MW; US\$ 585.59 mill)



San Jacinto-Tizate



Solar Project in La Trinidad, Diriamba



Eolo (Rivas) (44MW, US\$105.9 mill)
Blue Power (Rivas) (40MW, US\$110mill)
ALBA Rivas (Rivas) (40MW, US\$87 mill)
(124 MW; US\$ 302.9 million)

**SOLAR PANELS
 MICRO AND SMALL
 HYDROELECTRIC
 PROJECTS FOR
 ISOLATED AREAS**

**TUMARÍN HYDROELECTRIC
 PLANT, RAAS
 253 MW; US\$ 1,100 Billion
 (2018)**



Other Hydroelectric Projects:

Larreynaga(17.2 MW, US\$67.9 mill)
 Hydropantasma (12MW, US\$37.4 mill)
 El Diamante (5MW, US\$13.4 mill)
(34MW, US\$118.7 million)

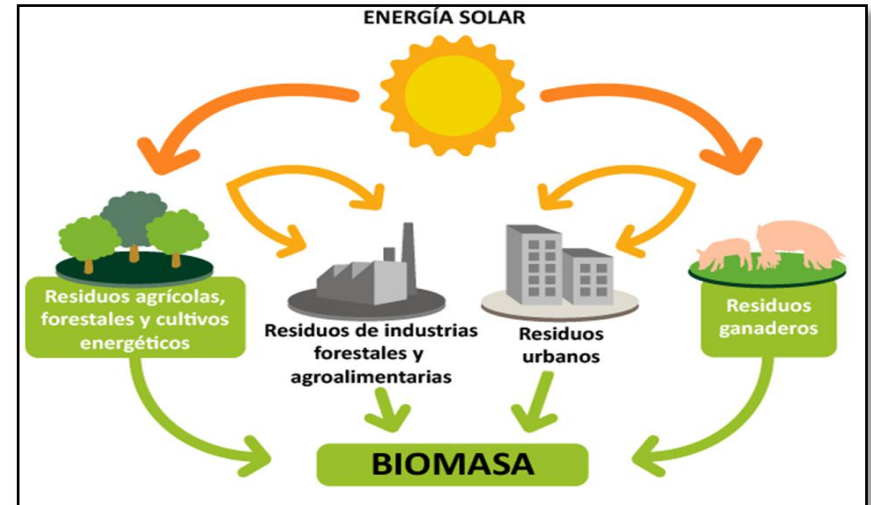


MINISTERIO DE ENERGÍA Y MINAS
 DIRECCIÓN DE ELECTRICIDAD Y RECURSOS RENOVABLES
 DIRECCIÓN DE LICENCIAS Y NORMATIVA
 MANAGUA, NICARAGUA

ROTULOS DE REFERENCIA
 PLANTAS TERMICAS (ID)
 LICENCIAS Y NORMATIVA
 DIRECCIÓN DE ELECTRICIDAD Y RECURSOS RENOVABLES

BIOMASS

- Projects based on agribusiness residue and urban waste:
ELECTRICITY GENERATION
 - Sugarcane by products
 - Urban waste for energy , including diesel from plastic



*in season

- **Ingenio Nicaragua Sugar Estates** (Current): 30 MW
 - **Ingenio Monterrosa** (Current): 30MW
 - **CASUR –Benjamín Zeledón Sugarmill** (2015): 24MW; US\$24.8 millions
 - **Montelimar Sugarmill** (2016): 30MW; US\$27.8 millions
- 2012-2016: 54MW* y US\$52.6 Millones**
TOTAL: 114 MW

NICARAGUA CONTINUE TAKING ADVANTAGE OF RENEWABLE ENERGY POTENTIAL



HYDRO - 2,000 MW



GEO - 1,500 MW



WIND - 800 MW



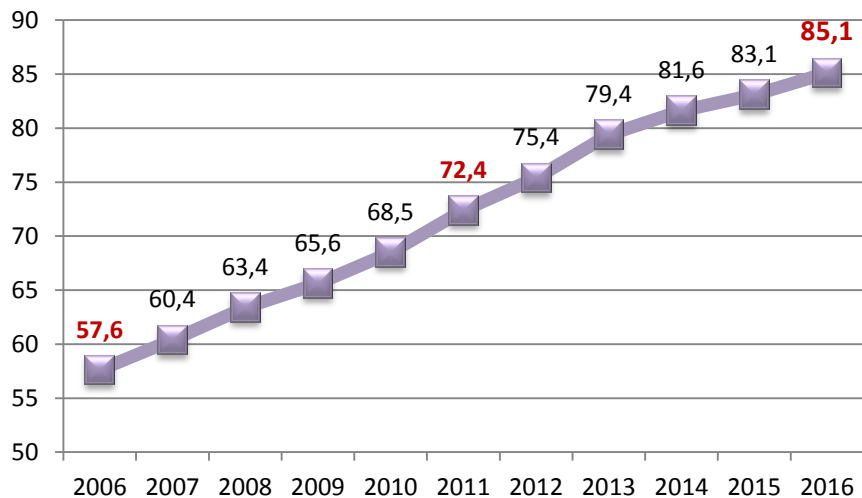
BIO - 200 MW



TYPE OF GENERATION	ESTIMATED POTENTIAL (MW)	INSTALLED CAPACITY (MW)	EFFECTIVE INSTALLED CAPACITY (MW)	EXPLOITATION PCT (%)
Hydro	2,000	104.8	100	5.24%
Geothermal	1,500	153.54	99.3	10.24%
Wind	800	141.60	70.8	17.7%
Biomass	200	115.80	60	57.9%
TOTAL	4,500	515.74	330.1	11.46%

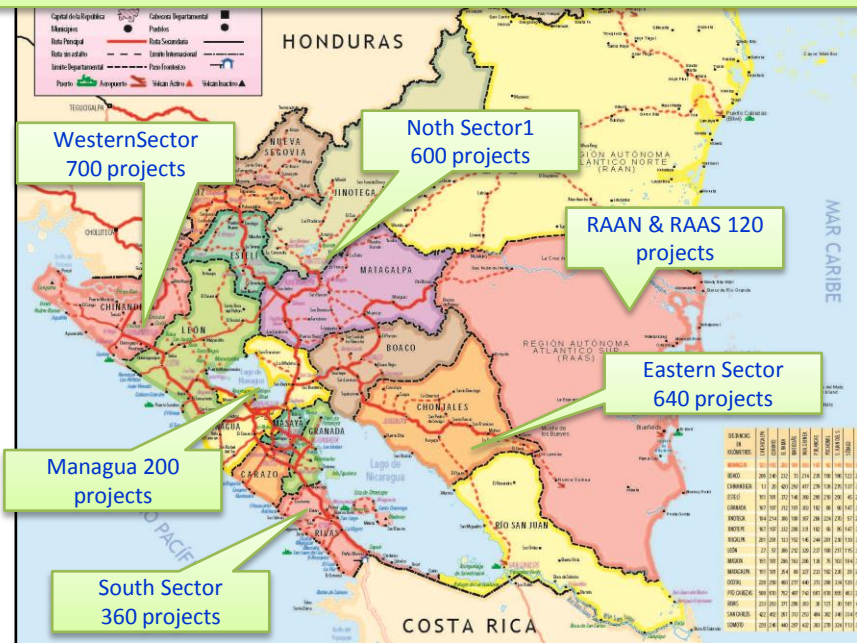
Source: Ministry of Energy and Mining.

PENESER: Increase in the coverage of electricity service in Nicaragua (%)

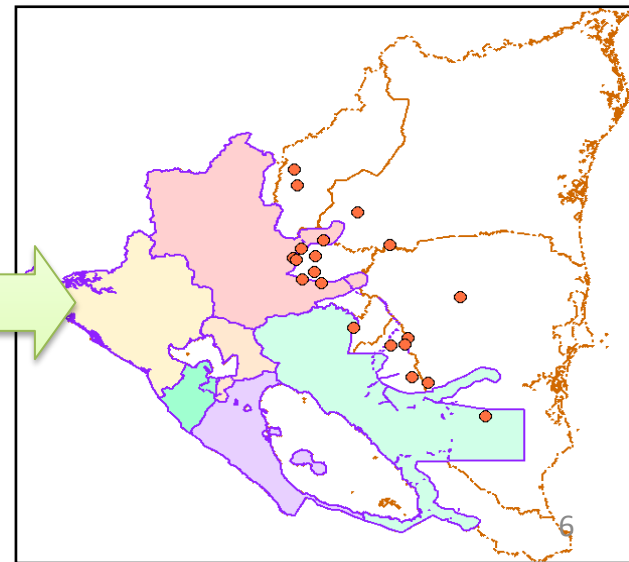


NATIONAL PRIORITIZED RESEARCH PROJECT ON LOW COST RENEWABLE ENERGY FOR ISOLATED COMMUNITIES AND TOWNS

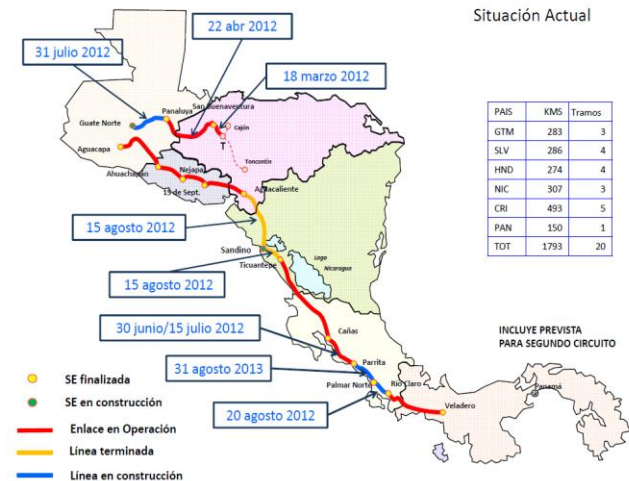
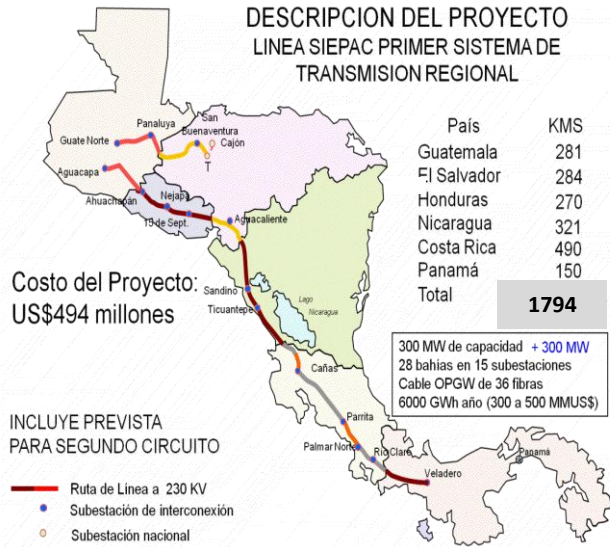
Rural Electrification by Extension of Networks



Sites in studies for **Small Hydroelectric Plants (SHP)**



PROYECTO SIEPAC



COMPLEJO INDUSTRIAL "EL SUPREMO SUEÑO DE BOLÍVAR"



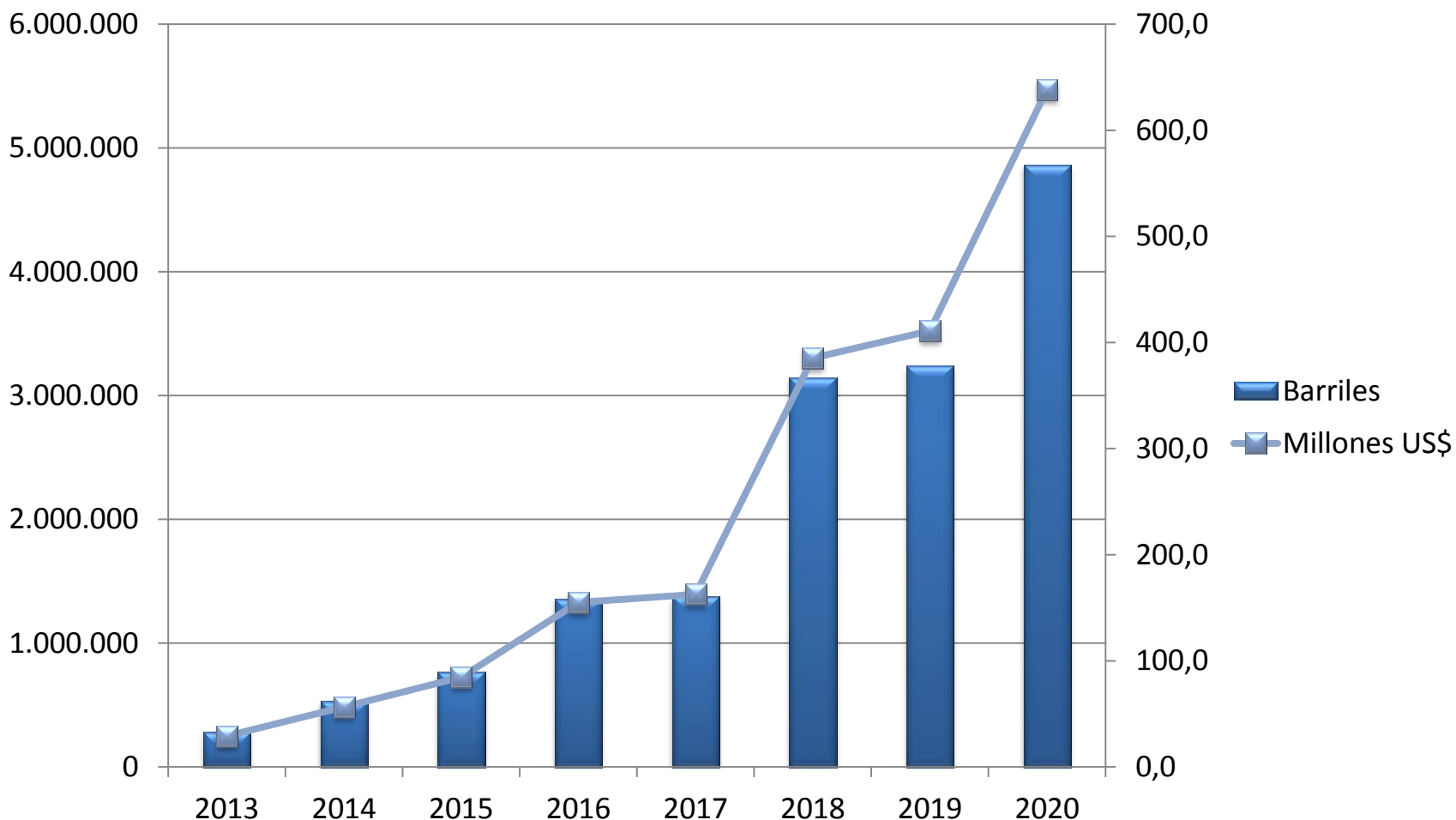
- Refinería con capacidad de procesamiento de 140,000 b/d; US\$3.6 mil millones
- Industria Petroquímica: US\$2.8 mil millones

Inversión Total
Complejo Industrial: US\$6,700 millones

- Oleoducto Monkey Point-Puerto Sandino: US\$270 millones
- Proyecto GLP: US\$25.9 millones



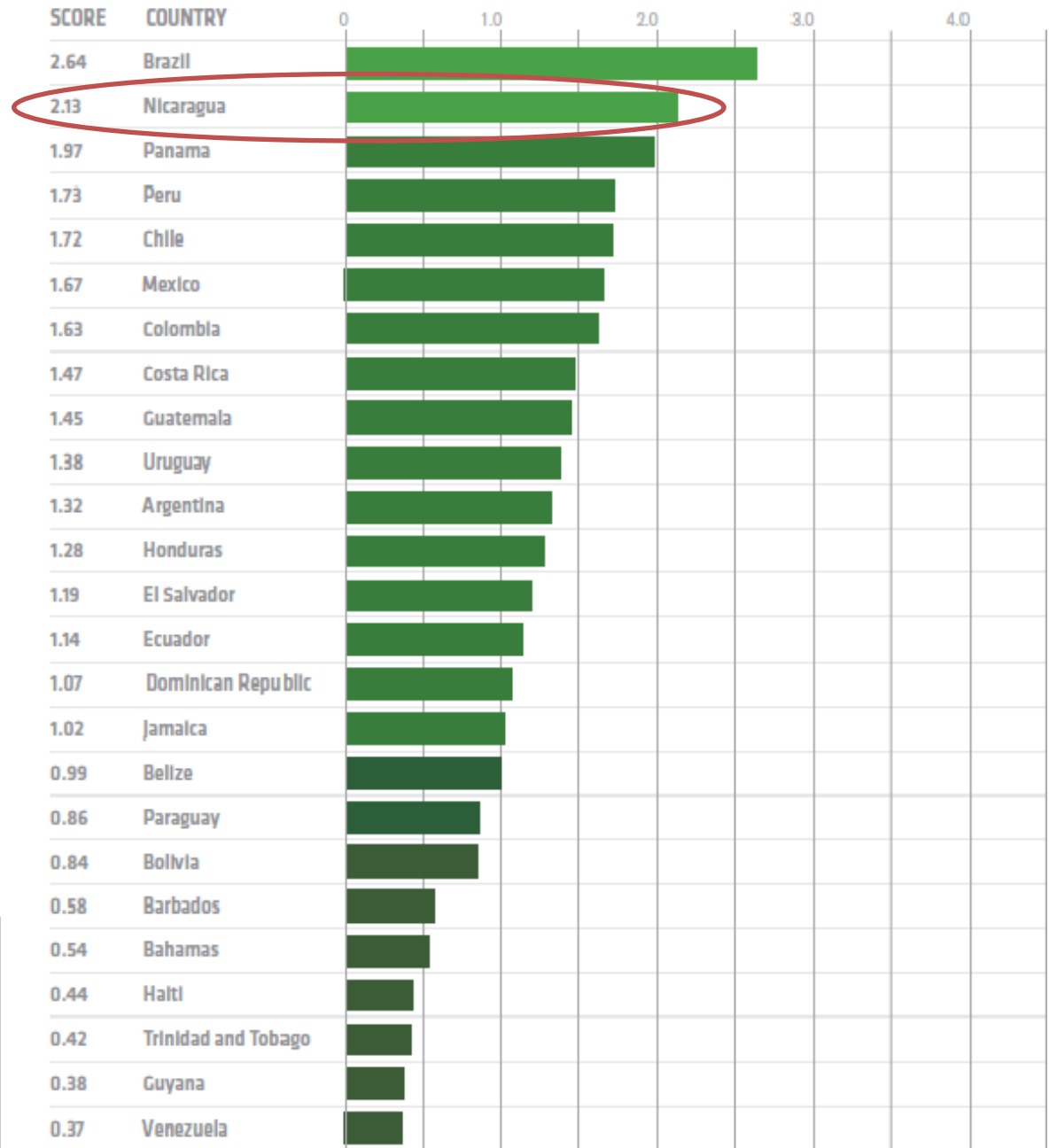
SAVING BY REDUCING OIL IMPORTS DUE TO RENEWABLE ENERGY PROJECTS 2013-2020



OVERALL CLIMATESCOPE SCORES

Ranking and Scores by Country

- Brasil presenta la puntuación más alta con 2.64.
- Nicaragua ocupa el segundo lugar con una puntuación total 2.13, en gran medida debido a que encabezó la lista en términos de inversiones en energía limpia y disponibilidad de microcréditos verdes.
- Panamá fue tercero con una marca de 1,97, gracias a un importante esfuerzo en la gestión de las emisiones de gases de efecto invernadero y por tener un marco facilitador acogedor.



Colors show range for overall score

0.0-1.00 1.01-2.00 2.01-3.00 3.01-4.00 4.01-5.00

POLICY FRAMEWORK:

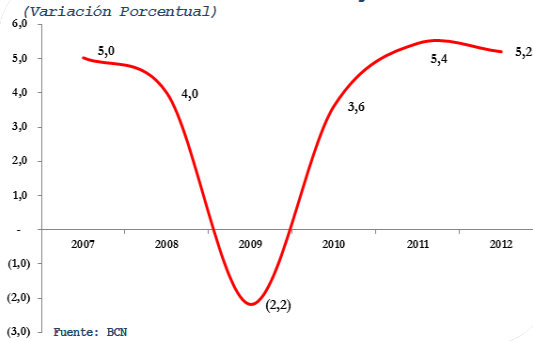
NATIONAL HUMAN DEVELOPMENT PLAN 2007/2016

OBJECTIVE:

**ECONOMIC GROWTH WITH
MACROECONOMIC STABILITY,
JOB CREATION,
POVERTY AND INEQUALITY REDUCTION,
BOTH ECONOMIC AND GENDER**

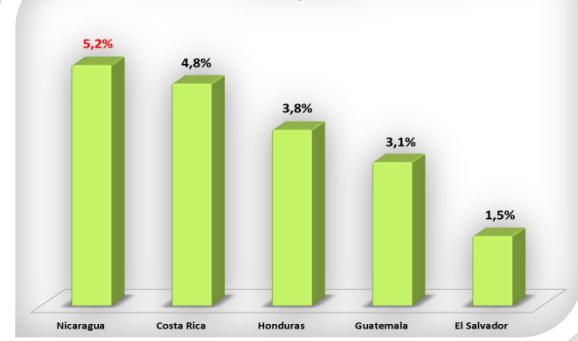
Economic growth and macroeconomic stability

Crecimiento Económico en Nicaragua 2007-2012



• Economic growth above 5% in 2011 and 2012

Crecimiento Económico 2012 en Centroamérica



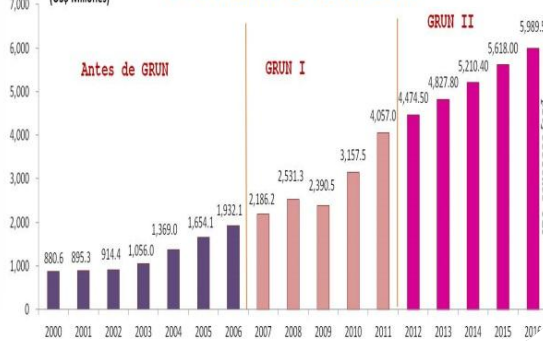
Nicaragua leading economic growth in Central America

IPC Nacional Enero 2010- diciembre 2012



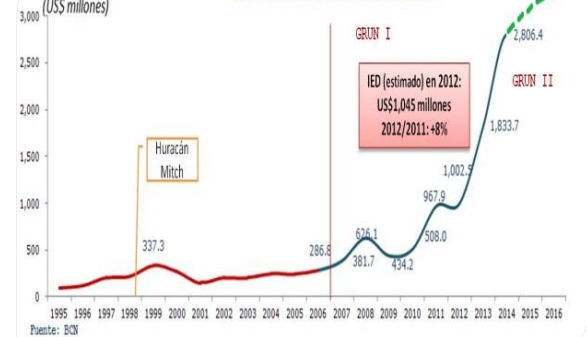
1 digit inflation

Exportaciones Totales (US\$ Millones) DINAMISMO EXPORTADOR



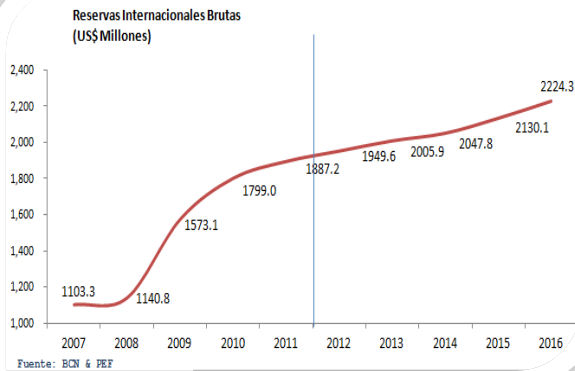
High export growth: +19% in 2012/2011 Exports doubled between 2012 and 2006

Inversión Extranjera Directa (US\$ millones) AUJE INVERSIONISTA

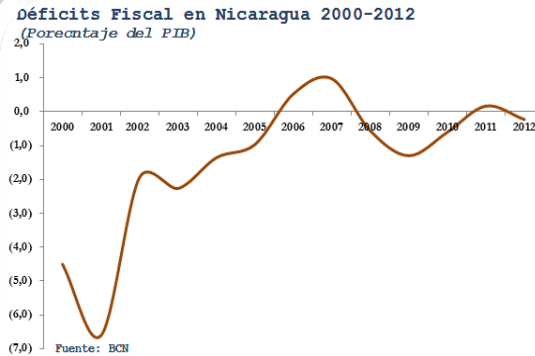


Investment record: More than 3 times that in 2006

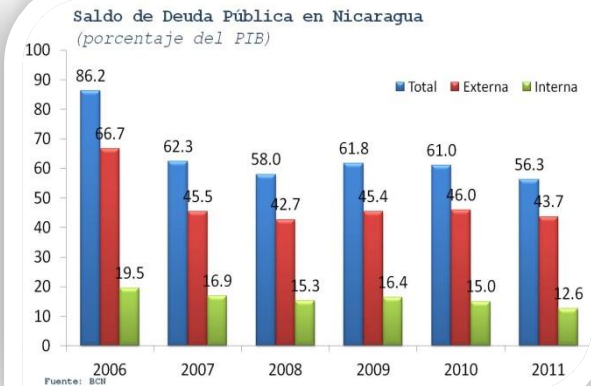
Fiscal stability Increased work



High International Reserves: 2.4 times the monetary base, allows free exchange and currency stability



Sustainable fiscal deficit



Constant reduction of national debt



More work: 48.2% more than in 2006



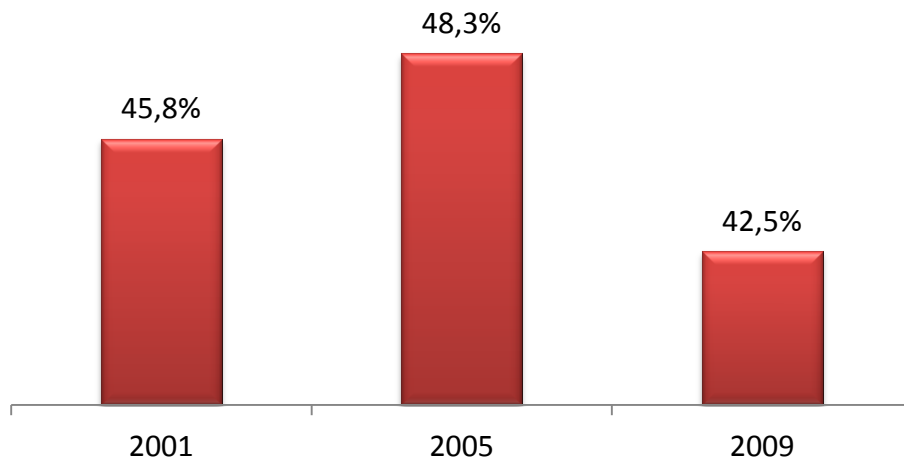
Formal employment growth: 52.8% more people registered than in 2006



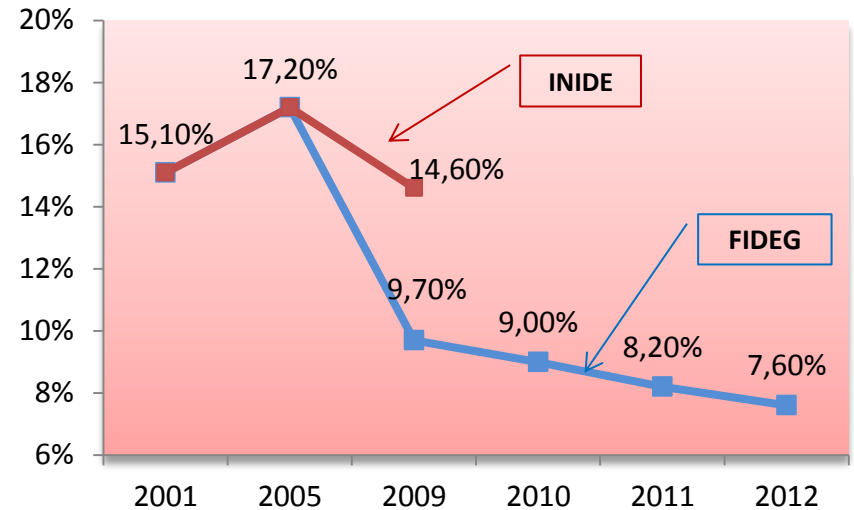
Fewer unemployment

POVERTY REDUCTION

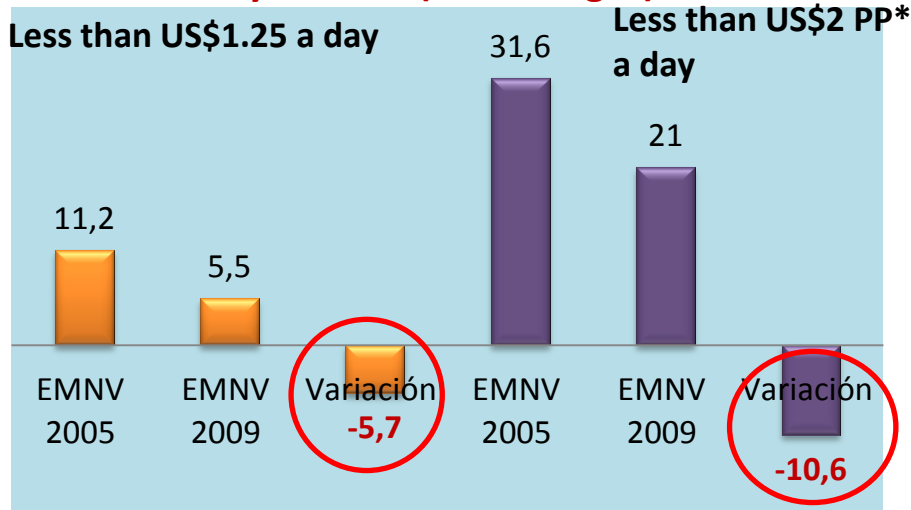
General poverty measured by consumption



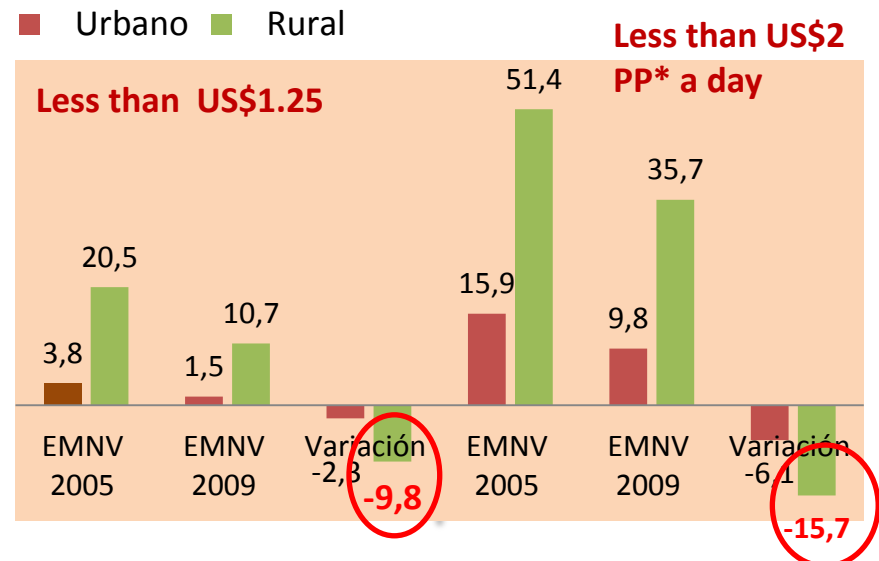
Extreme poverty measured by consumption



General and extreme poverty measured by income (Percentages)

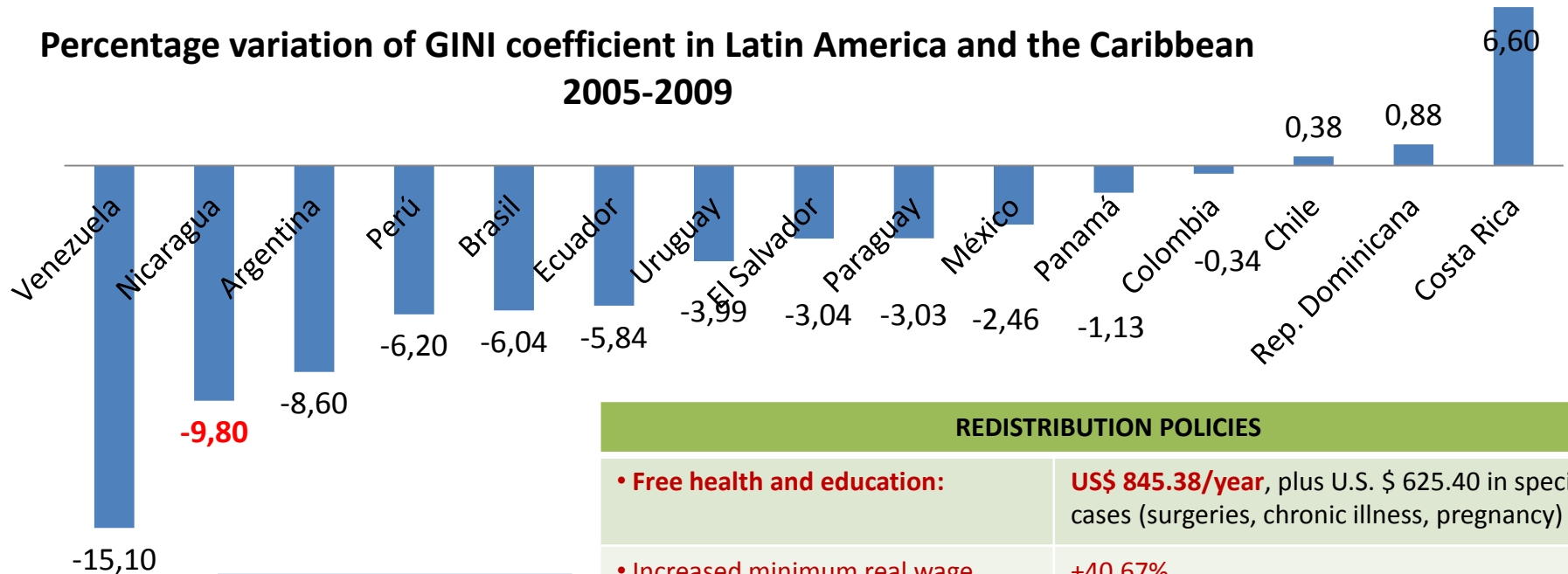


Greater reduction in rural zones



INEQUALITY REDUCTION IN NICARAGUA AND LAC

Percentage variation of GINI coefficient in Latin America and the Caribbean
2005-2009



Source: ECLAC

GINI income in Nicaragua	
2005	0.51
2009	0.46

GINI consumption	
2005	0.41*
2009	0.37*
2010	0.35**
2011	0.34**

*INIDE; **FIDEG

REDISTRIBUTION POLICIES

• Free health and education:	US\$ 845.38/year , plus U.S. \$ 625.40 in special cases (surgeries, chronic illness, pregnancy)
• Increased minimum real wage	+40.67%
• Subsidies:	US\$ 1,110.40/year
▪ Public Transportation:	US\$ 321.08/year
▪ Drinking water:	US\$ 53.51/year
▪ House electricity:	US\$ 160.54/year
▪ ENABAS Food:	US\$ 200.68/year
▪ Christian Socialist and Solidarity Bonus:	US\$ 374.59/year
• Capitalization of poor families:	
▪ Zero Hunger:	Until US\$ 1,500.00, average: US\$710.00
▪ Zero Usury :	US\$ 250.00

MAYOR EQUIDAD DE GÉNERO

Unión Interparlamentaria sobre el porcentaje de mujeres en los Parlamentos del mundo

Cuba y Nicaragua son los únicos países latinoamericanos entre los 10 primeros del mundo con mayor participación de mujeres en sus parlamentos nacionales.

Nicaragua pasó del 18.5% en 2006 al 42.3% en 2012

LOS 10 PRIMEROS PAÍSES

RWANDA	(56.3%)
ANDORRA	(50.0%)
CUBA	(45.2%)
SUECIA	(44.7%)
SEYCHELLES	(43.8%)
FINLANDIA	(42.5%)
NICARAGUA	(42.3%)
SUDÁFRICA	(42.3%)
HOLANDA	(40.7%)
ISLANDIA	(39.7%)

Nueva Ley: 50%-50% en Asamblea Nacional (llevará a Nicaragua al segundo lugar mundial) y para alcaldes, vice alcaldes y concejales

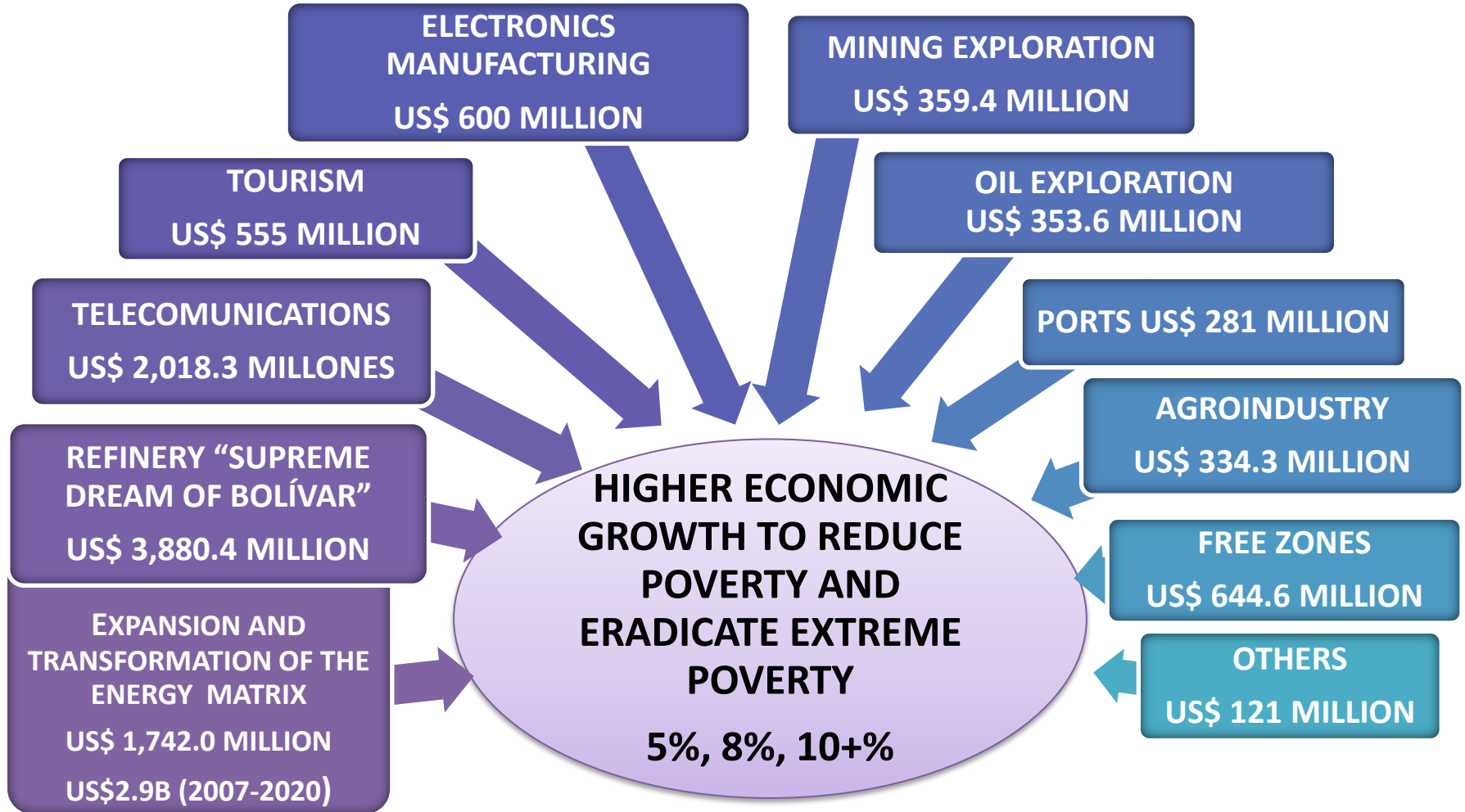
Índice Mundial de Brecha de Género 2012
-Foro Económico Mundial-

Puesto	País
1	Islandia
2	Finlandia
3	Noruega
4	Suecia
5	Irlanda
6	Nueva Zelanda
7	Dinamarca
8	Filipinas
9	Nicaragua
10	Suiza
11	Holanda
12	Bélgica
13	Alemania
14	Lesoto
15	Letonia
16	Sudáfrica
17	Luxemburgo
18	Reino Unido
19	Cuba
20	Austria

Nicaragua sube del lugar 90 en 2007, al número 9 en 2012

INVESTMENT PORTAFOLIO

US\$ 10.9 BILLION IN 2012-2016



THE GRAND INTEROCEANIC CANAL OF NICARAGUA US\$ 40 BILLION



THE INTEROCEANIC GRAND CANAL OF NICARAGUA: MULTIMODAL LOGISTIC CENTER FOR REGIONAL AND GLOBAL TRADE



1. A Ship Canal joining the Caribbean Sea and the Pacific Ocean



2. A Port on the Caribbean coast



3. A port on the Pacific coast



4. A Dry Canal that is a railway between the two ports



5. A Pipeline to connect the Caribbean and the Pacific



6. A Free Trade Zone on the Caribbean coast



7. A Free Trade Zone on the Pacific coast



8. An International Airport (or two...)



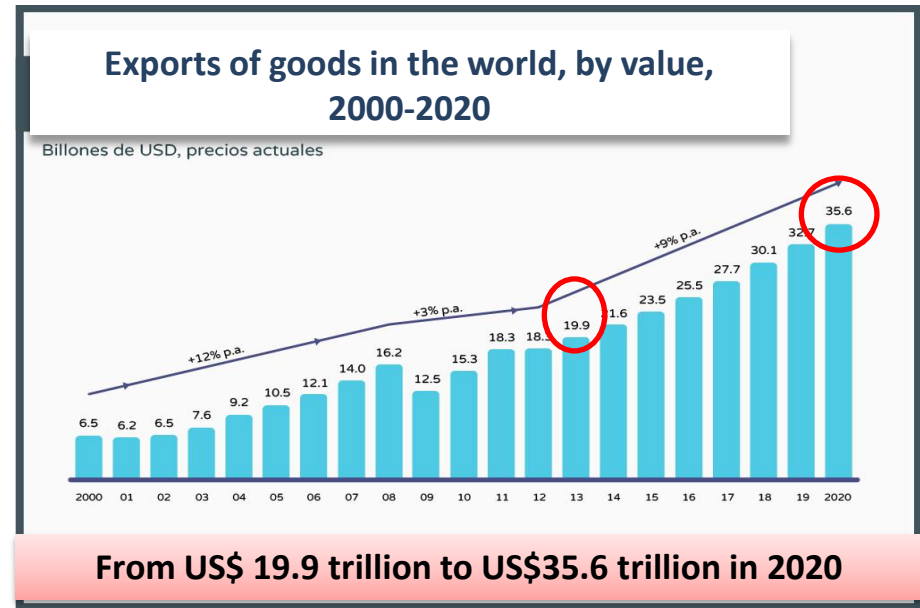
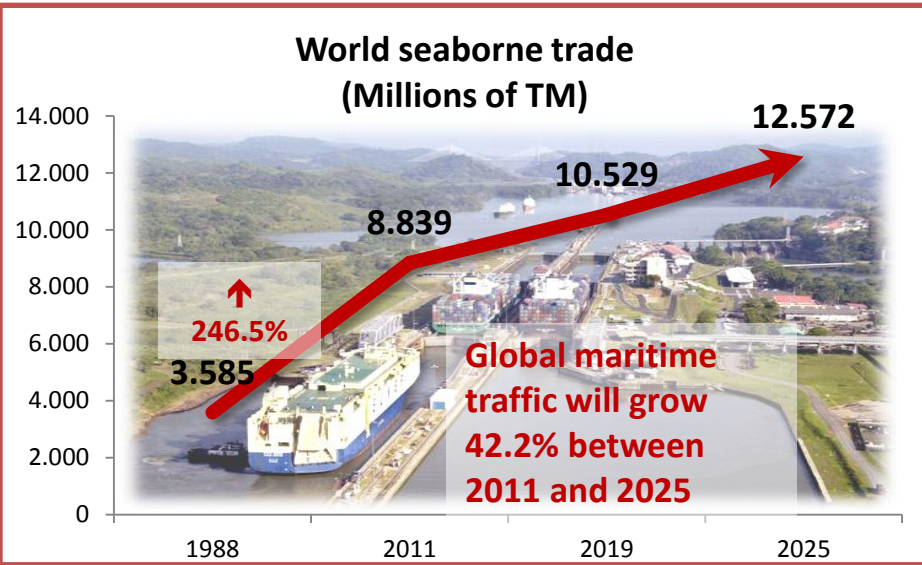
9. Additional infrastructure required by the others Projects



10. A global project to ensure integration and coordination of all subprojects

THE WORLD NEEDS A LARGER CANAL

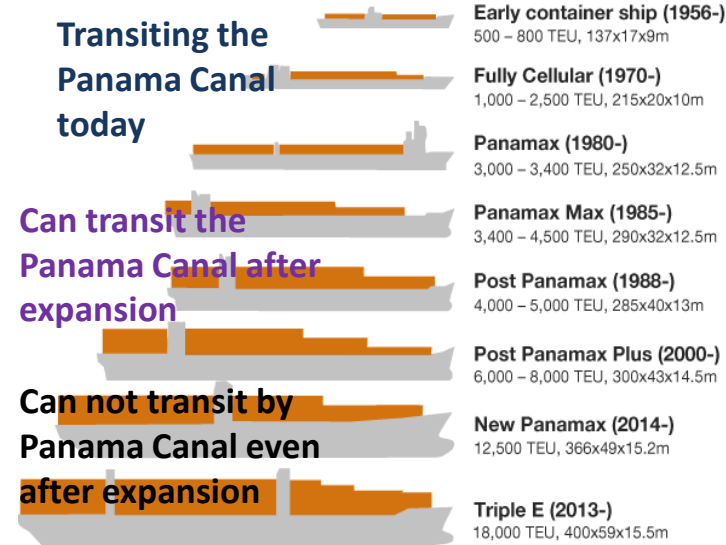
TRIPLE E TYPE SHIPS DOMINATE WORLD SEABORNE TRADE



Source: HKND-Group.com

Evolution of container ships

TEU: twenty-foot equivalent units, length x width x depth below water in metres



Transiting the Panama Canal today

Can transit the Panama Canal after expansion

Can not transit by Panama Canal even after expansion



By 2030 post-Panamax vessels could represent 60-70% of world trade

large ships are displacing smaller ships in all trade routes due to cost efficiencies of larger ships

US Army Corps of Engineers, 2012

BUQUES DE CONTENEDORES DEL TIPO MAERSK TRIPLE E

- 400 metros de largo , 59 metros de manga, 73 metros de altura, 12.6 metros de calado
- Demasiado grande para canal de Panamá

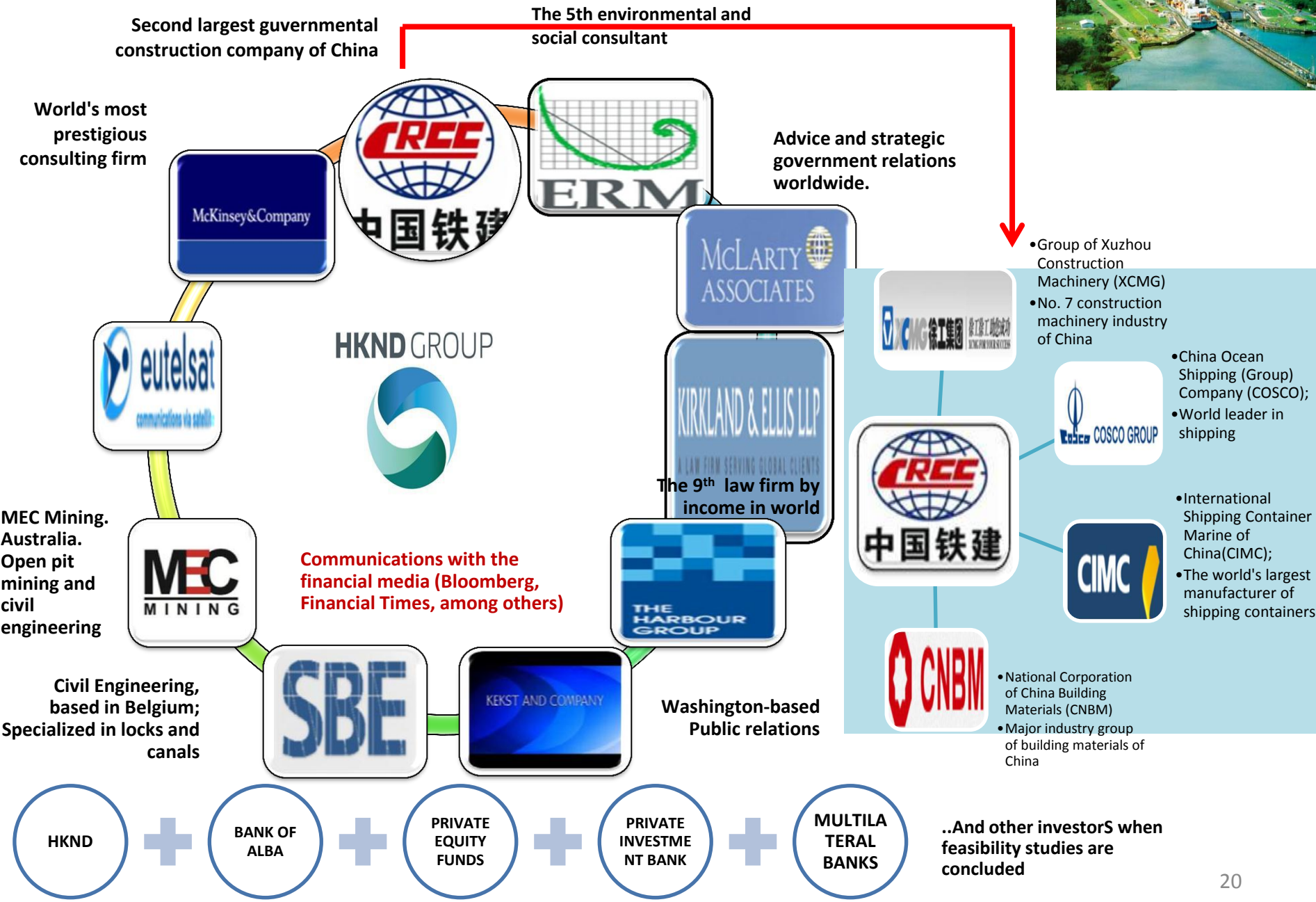
**20-30% REDUCTION IN
COST OF METRIC
TONNE SHIPPED**

**50% REDUCTION
IN GREEN HOUSE
GAS EMISSIONS
PER TONNE**



DISEÑO DE BUQUE MAERSK TRIPLE E

Firms contracted by HKND



From *Financial Times* article:

“The public face of the U.S. \$ 40 billion to boost relations between China and Latin America”

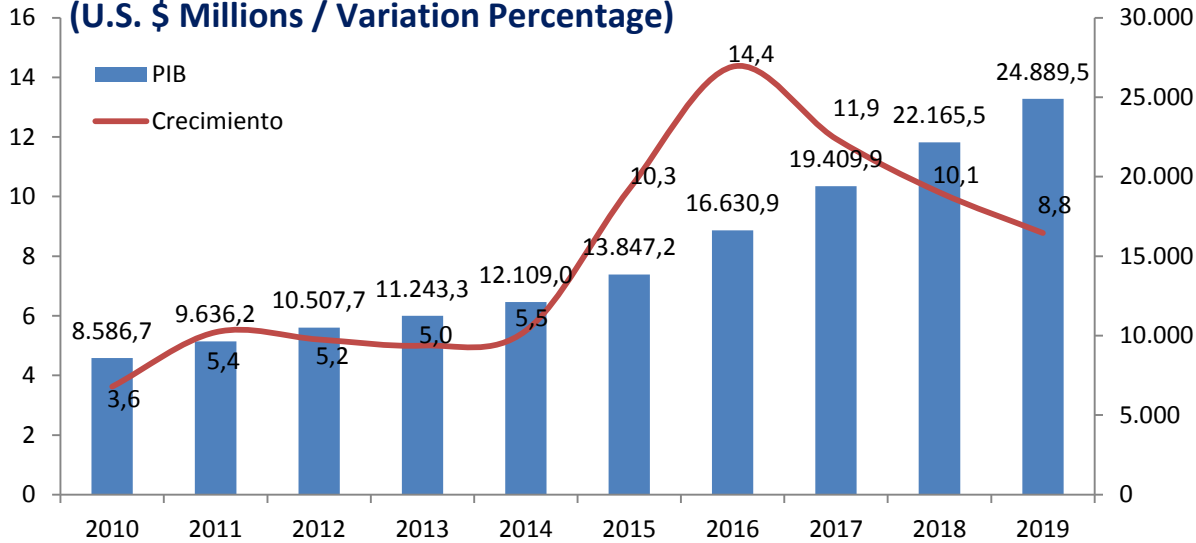
The screenshot shows the Financial Times website interface. At the top, it says 'FINANCIAL TIMES' and 'ft.com > world > asia-pacific >'. The main heading is 'China'. Below that, there are navigation tabs for 'Home', 'World', 'Companies', 'Markets', 'Global Economy', 'Lex', 'Comment', 'Management', and 'Life & Arts'. A search bar is visible. The article title is 'Public face of \$40bn project to boost China-Latin America links', dated July 1, 2013, 12:29 pm. The author is 'By Kathrin Hille in Beijing and John Paul Rathbone in London'. The main image is a portrait of Wang Jing, a man in a dark suit and tie, speaking at a microphone. Below the image, the text reads: 'It is one of the largest proposed infrastructure projects in the world. The feasibility study alone is set to cost \$900m. And when complete, the Nicaragua Canal, should lower transport costs for shipping oil from Latin America to China.' Another paragraph follows: 'The \$40bn project certainly does not lack for ambition. Neither, it seems, does Wang Jing, the public face of the newly-registered Hong Kong company, HKND Group, which this month won approval from Nicaragua's Congress to build and operate the 50-year concession to link the country's Atlantic and Pacific coasts.' A video player is embedded on the right side of the article, showing a man holding a flag. Below the video are three small news snippets: 'Army ousts Egypt's Islamist president', 'Beijing tries to contain ethnic unrest', and 'Malaysia PM rejects election claims'. At the bottom of the article, there is a Bank of China advertisement with the text: 'RMB: New Choice Bank of China, Your Premier Bank of RMB Services.'

“It is one of the largest proposed infrastructure projects in the world. Only the feasibility study would cost \$ 900 million. And when finished, the Nicaragua Canal should reduce transportation costs for shipping oil from Latin America to China.

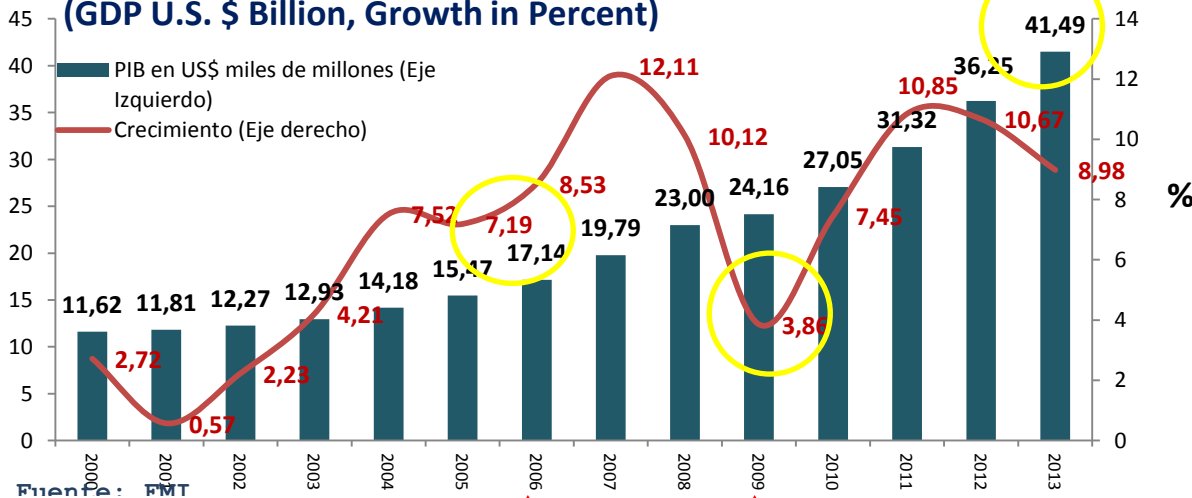
“At this time, 4,000 people, including McKinsey staff, British environmental consultancy ERC, the U.S. firm Kirkland, and research institutes belonging to the CRC, who are working on the feasibility study. Mr. Wang said that HKND could cover with its own funds, the operating cost up before the start of the works, scheduled for late 2014”

GDP GROWTH: NICARAGUA AND PANAMA

Nicaragua's economic growth with Grand Canal (U.S. \$ Millions / Variation Percentage)



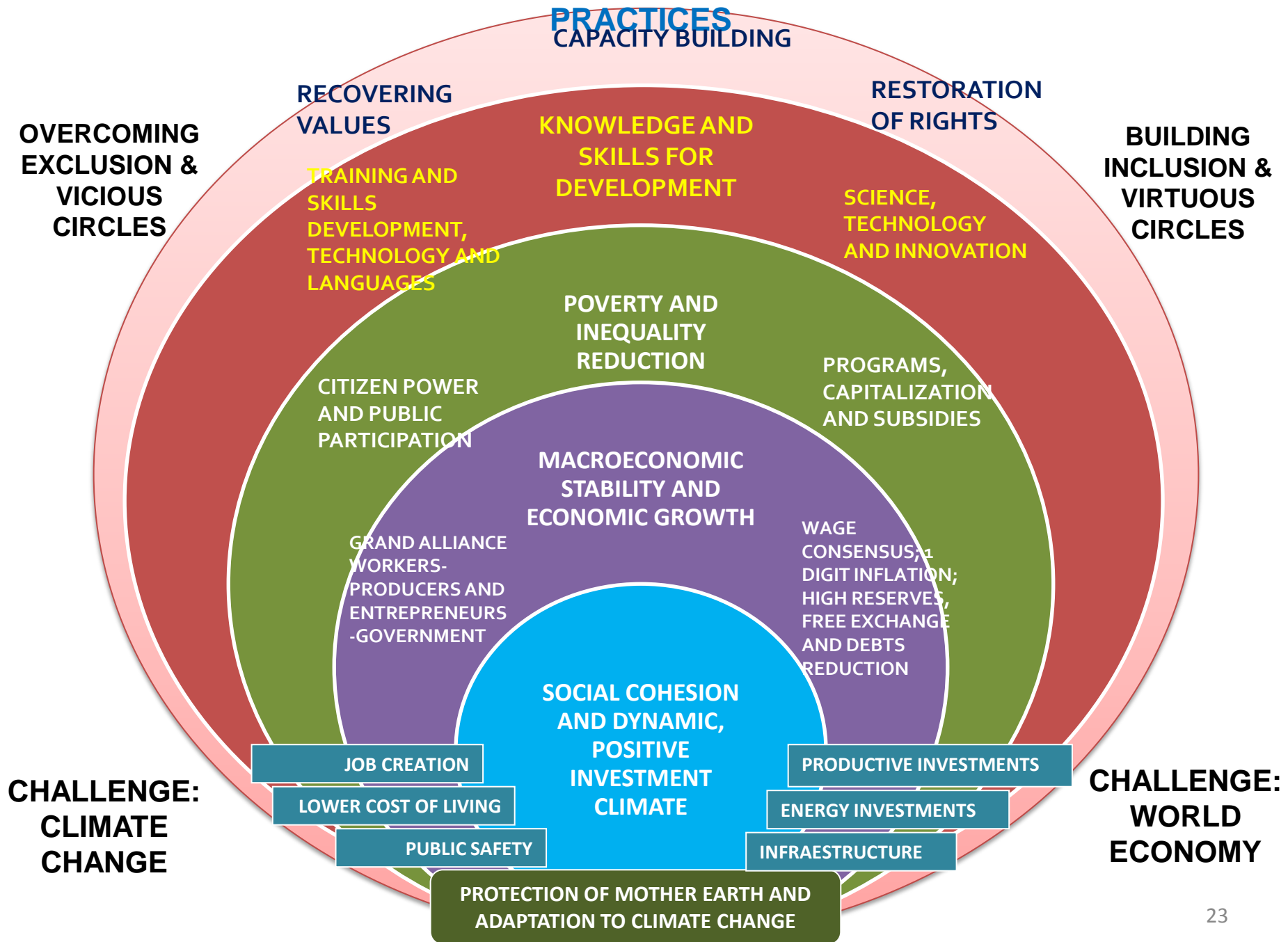
Economic Growth in Panama Canal expansion (GDP U.S. \$ Billion, Growth in Percent)



Notice of the extension

The economic crisis

MODEL BASED ON CHRISTIAN VALUES, SOCIALIST IDEALS AND SOLIDARITY



SURVEY OF COST OF LIVING IN LATIN AMERICA: MANAGUA IN NICARAGUA (POSITION 213) ONE OF THE CITIES WITH LOW COST OF LIVING

Posición Mundial entre 214 ciudades

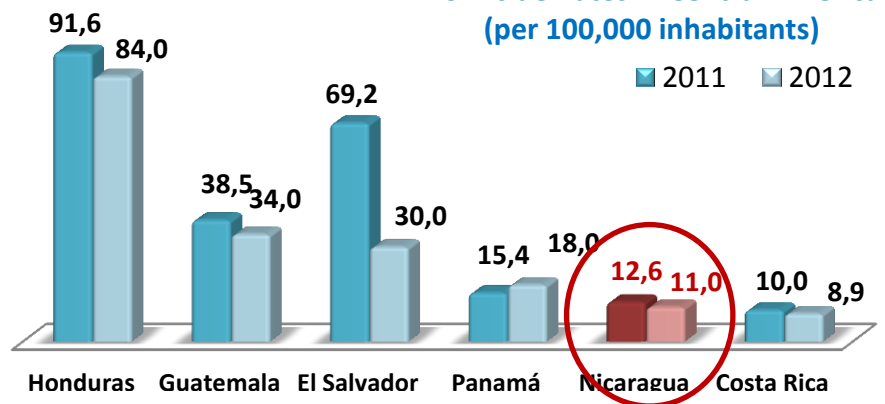
2011	2010	CIUDAD	PAÍS
10	21	Sao Paulo	Brasil
12	29	Rio de Janeiro	Brasil
33	70	Brasilia	Brasil
51	100	Caracas	Venezuela
53	45	La Habana	Cuba
63	66	Bogotá	Colombia
75	123	Santiago	Chile
127	129	Montevideo	Uruguay
138	135	Lima	Perú
146	129	San Juan	Puerto Rico
148	166	Ciudad de México	México
159	161	Buenos Aires	Argentina
165	183	San José	Costa Rica
168	169	Ciudad de Guatemala	Guatemala
183	193	Monterrey	México
196	194	Quito	Ecuador
199	201	San Salvador	El Salvador
204	204	Asunción	Paraguay
208	204	Tegucigalpa	Honduras
212	211	La Paz	Bolivia
213	212	Managua	Nicaragua

FUENTE: MERCER

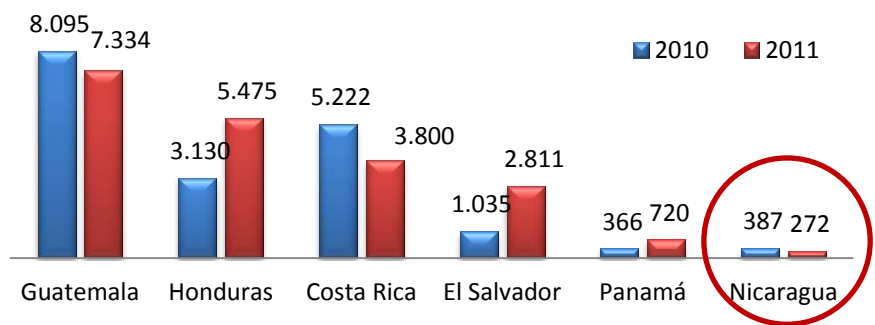


THE BEST PUBLIC SAFETY IN CENTRAL AMERICA

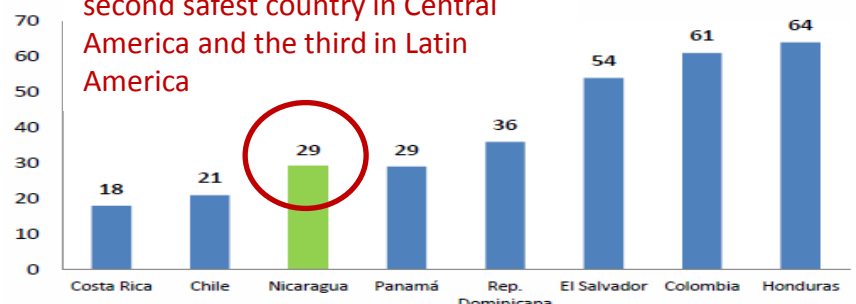
Homicide Rates in Central America (per 100,000 inhabitants)



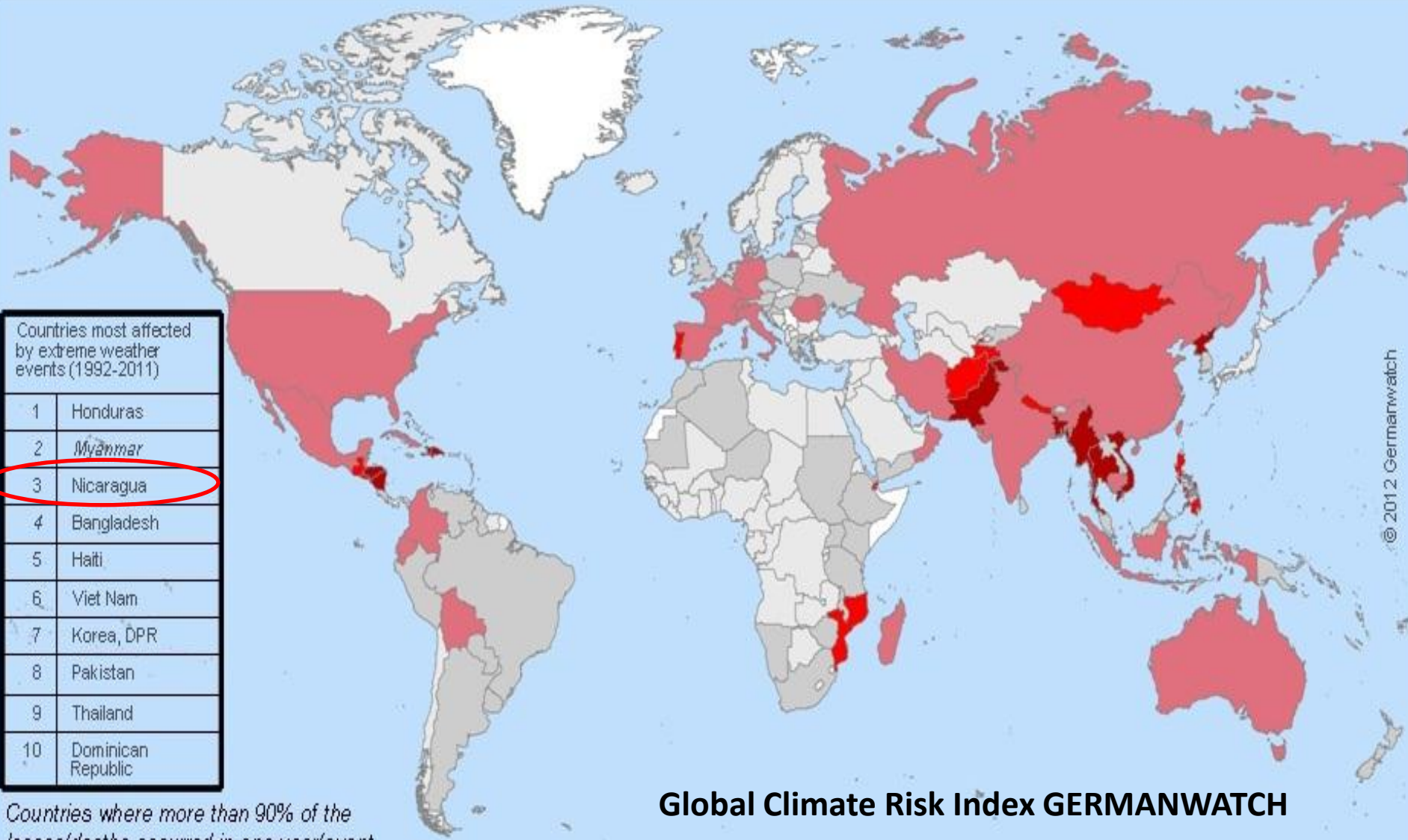
Vehicular theft in Central America



Safety Index 2012: Nicaragua is the second safest country in Central America and the third in Latin America



Source: Economist Intelligence Unit (EIU), 2012 Security Risk Report



Climate Risk Index: Ranking 1992 – 2011



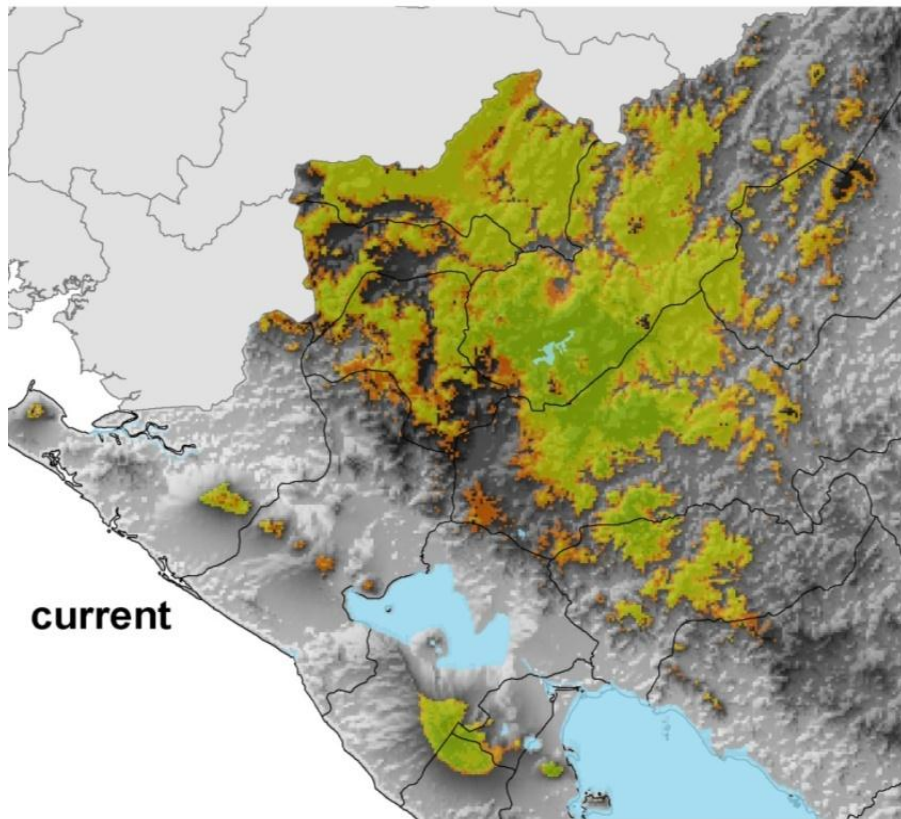
Suitability (%)



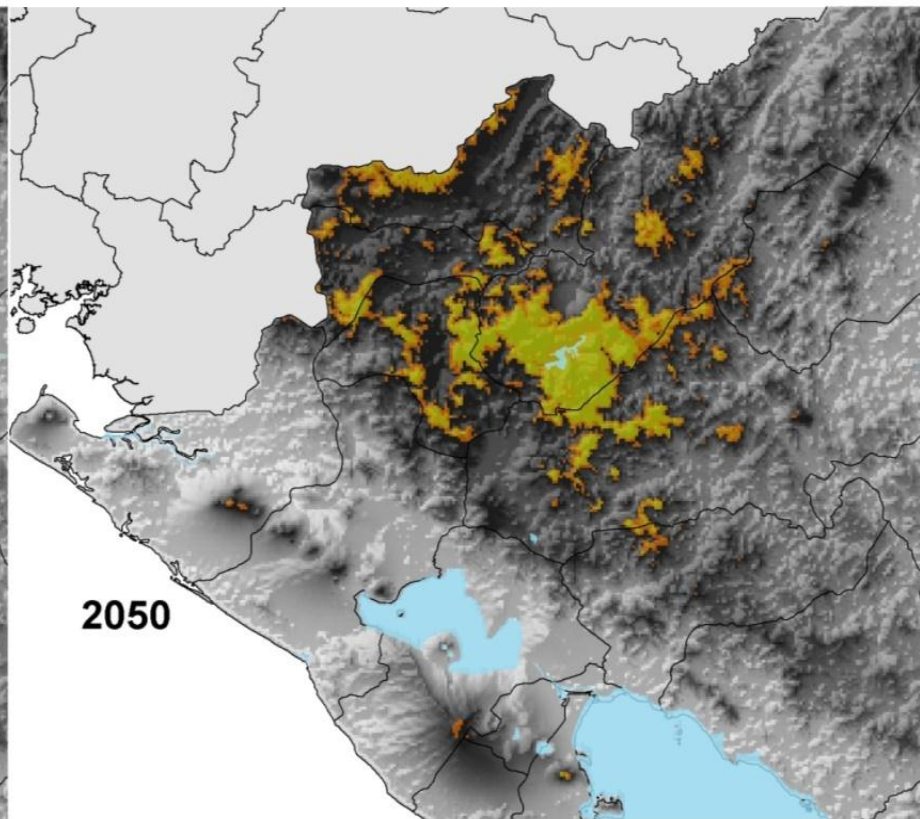
20 30 40 50 60 70 80 90

0 10 20 40 60 Kilometers

N



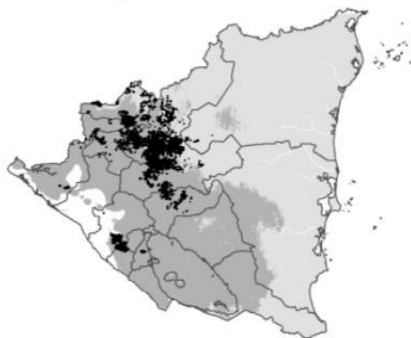
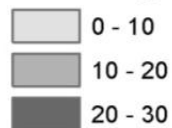
current



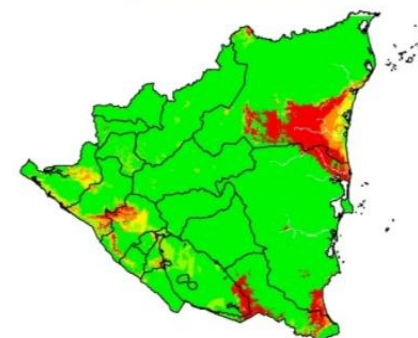
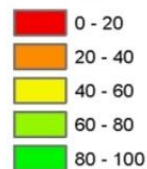
2050

● Sites - Coffea Arabica

cv average 2050 (%)



Measure of agreement (%)



CLIMATE CHANGE REFUGEES



ADAPTATION

- New human settlements
- New infrastructure
- Reconversion of agricultural economy
- Dry zone transformation

**Villa Dignidad: 935 families (5,600 persons) in risk situations due to floods in 2011, left refuges for new homes in Villa Dignidad.
FINANCED WITH NATIONAL BUDGET AND ALBA FUNDS**

ENVIRONMENTAL ADAPTATION AGENDA

Stopping deforestation (between 50 and 70 thousand hectares per year), and strengthen reforestation (15 000 ha per year).



Stop the advance of the agricultural frontier (cutting of forest for agriculture)



Stop sedimentation on present and future of Lake Nicaragua

Integrated watershed management (massive reforestation, reinjection of water, biodiversity protection)

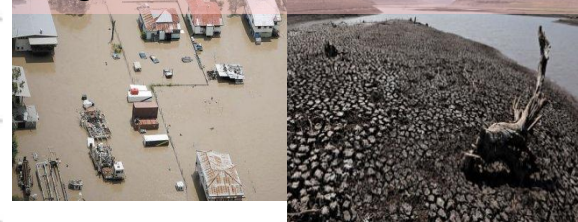


Reforzamiento de áreas protegidas

Strengthening of protected areas— 20% territory



Protection of local populations from flood or drought. Environmental monitoring, climate and integrated health.



ECLAC estimates that in 2011 Nicaragua had adaptation needs over USD 1,900 Million.

The Canal is a water project whose viability depends on water, massive reforestation and watershed management.

THANK YOU



ENABLING ENVIRONMENT

MODEL BASED ON CHRISTIAN VALUES, SOCIALIST IDEALS AND SOLIDARITY PRACTICES

OVERCOMING EXCLUSION AND THE VISCIOUS CIRCLES THAT TRAP FAMILIES IN POVERTY AND COUNTRIES IN UNDERDEVELOPMENT BY CONSTRUCTING INCLUSION AND VIRTUOUS, SYNERGYSTIC CIRCLES THAT GENERATE **SOCIAL COHESION**

Major Challenge: Always human development

INVESTMENT OPPORTUNITIES IN HYDROPOWER



Centrales en Operación

- Santa Bárbara
- Centroamérica
- Las Cañas
- El Sardinal
- El Wawule
- Siempre Vivas
- Salto Grande



Proyectos en Construcción

- Pantasma
- Larreynaga
- Tumarín



Proyectos con Licencia

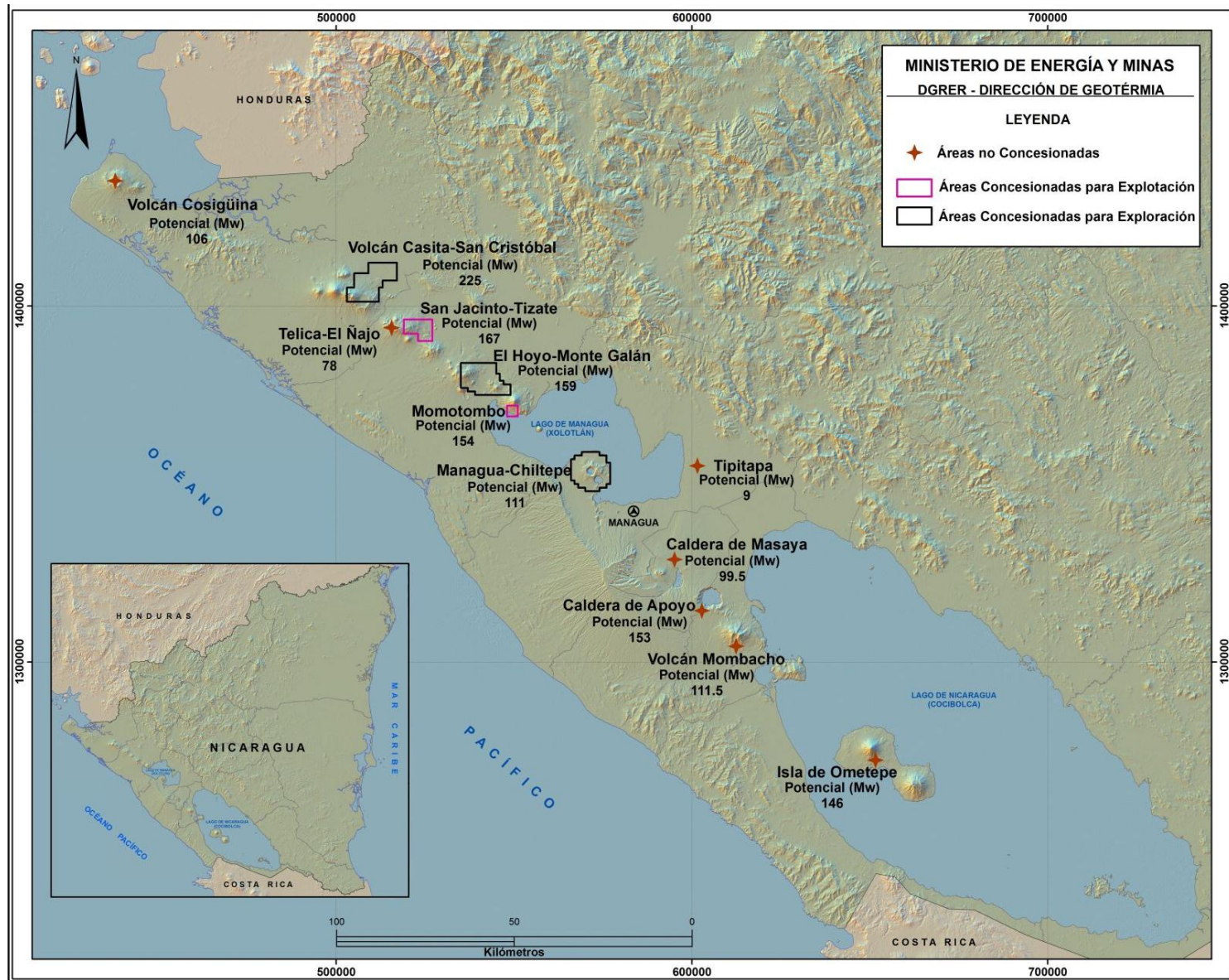
- Salto Y-Y
- Piedra Puntuda
- El Diamante



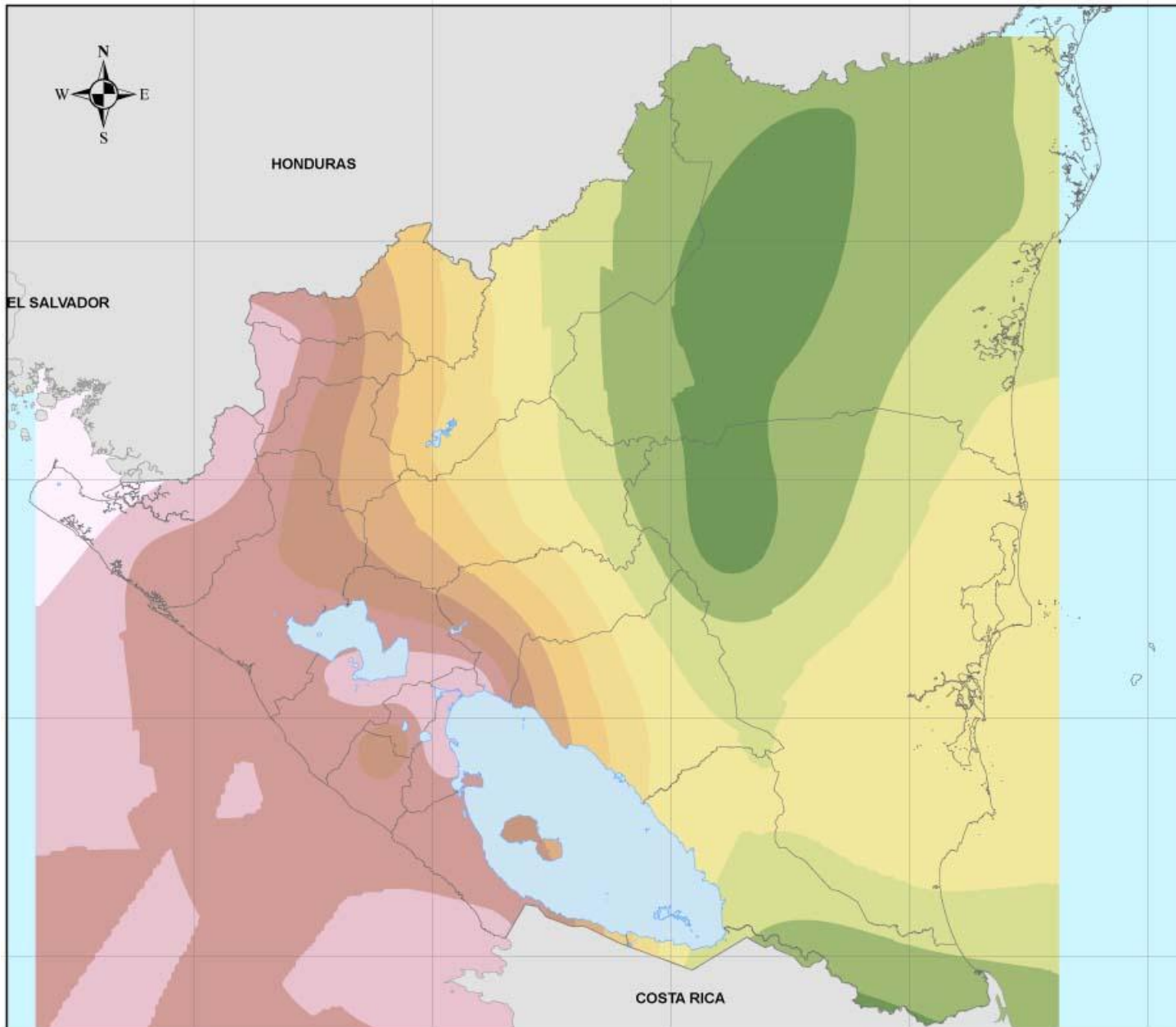
Proyectos Candidatos

- Boboké
- Copalar Bajo
- Consuelo
- Pajaritos
- La Estrella
- Valentín
- Piedra Fina
- Brito
- Corriente Lira

GEOHERMAL POTENTIAL ESTIMATED AT 1,500 TO 2,000 MW



MAP OF SOLAR RADIATION IN NICARAGUA



MINISTERIO DE ENERGIA Y MINAS

RADIACION GLOBAL (Wh/m² día) Año de Referencia

Radiación Global

	4,098.382813 - 4,278.580519
	4,278.58052 - 4,396.641085
	4,396.641086 - 4,527.129079
	4,527.12908 - 4,663.830787
	4,663.830788 - 4,819.173637
	4,819.173638 - 4,980.730201
	4,980.730202 - 5,129.859337
	5,129.859338 - 5,254.133617
	5,254.133618 - 5,347.339327
	5,347.339328 - 5,490.254749
	5,490.25475 - 5,682.879883

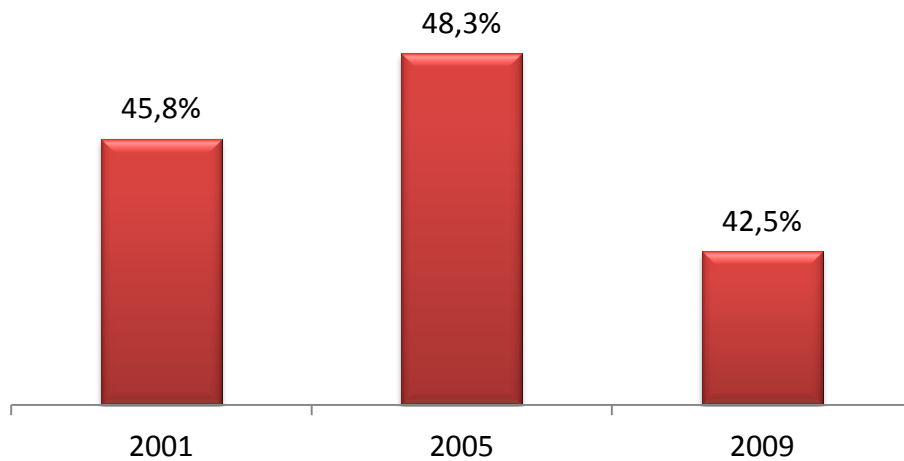
UBICACION DE ESTACIONES ACTINOMETRICAS DE MEDICION



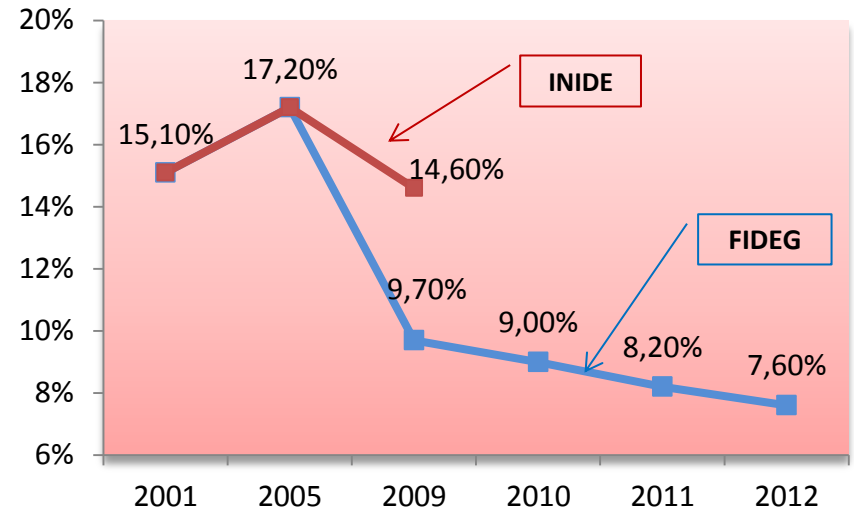
Fuente: Mapas Solares de Nicaragua
Estación Actinometrica: Vadstena
Universidad Centroamericana (U.C.A)
Julio López de La Fuente SJ

POVERTY REDUCTION

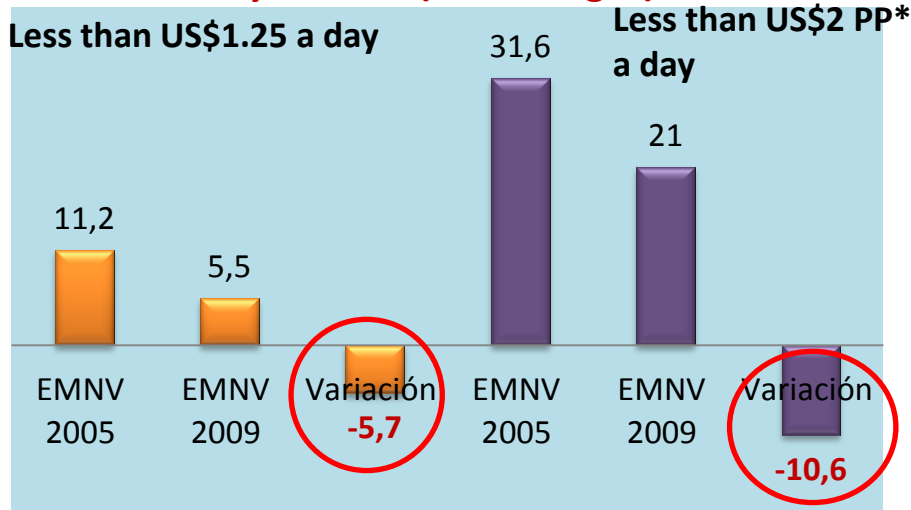
General poverty measured by consumption



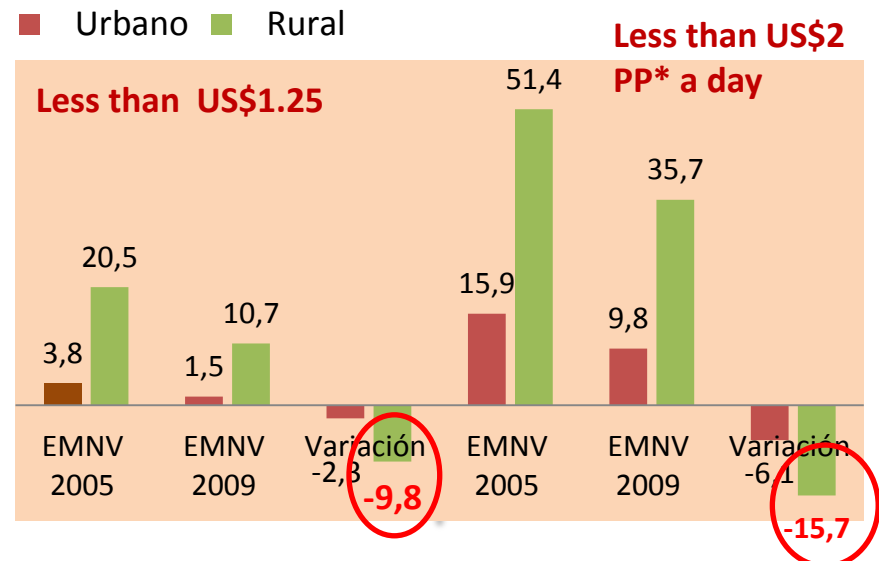
Extreme poverty measured by consumption



General and extreme poverty measured by income (Percentages)

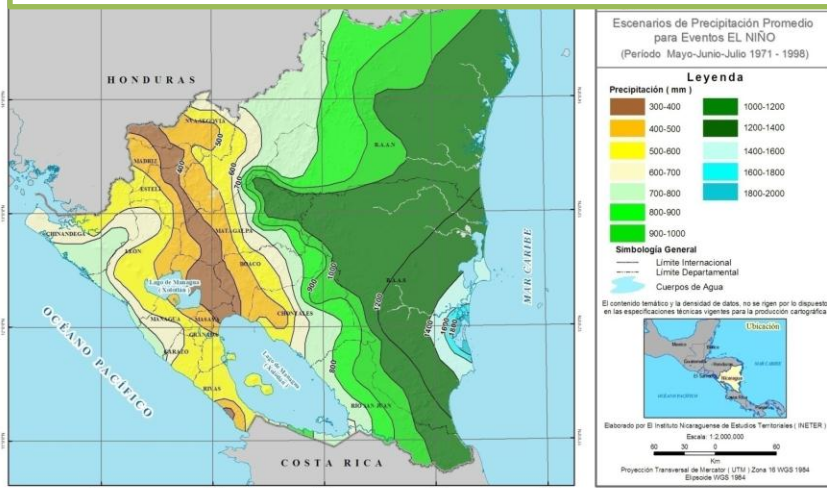


Greater reduction in rural zones



CLIMATE CHANGE EFFECTS

EL NIÑO: AVERAGE PRECIPITATION (May-July)



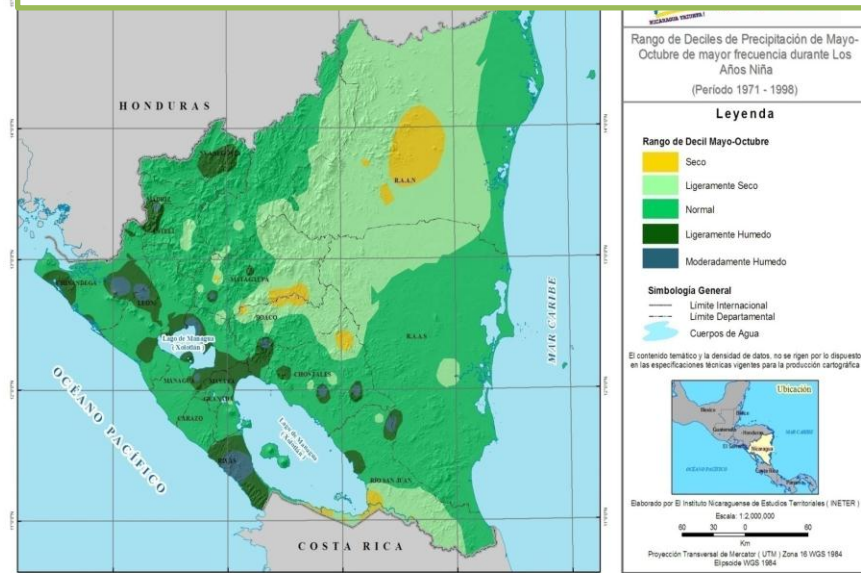
LOSSES 2005-2012

- 560,000 Mz. of basic grains
- 9% of the area planted
- US\$ 206.3 million average annual loss
- 3.52 percentage points of GDP

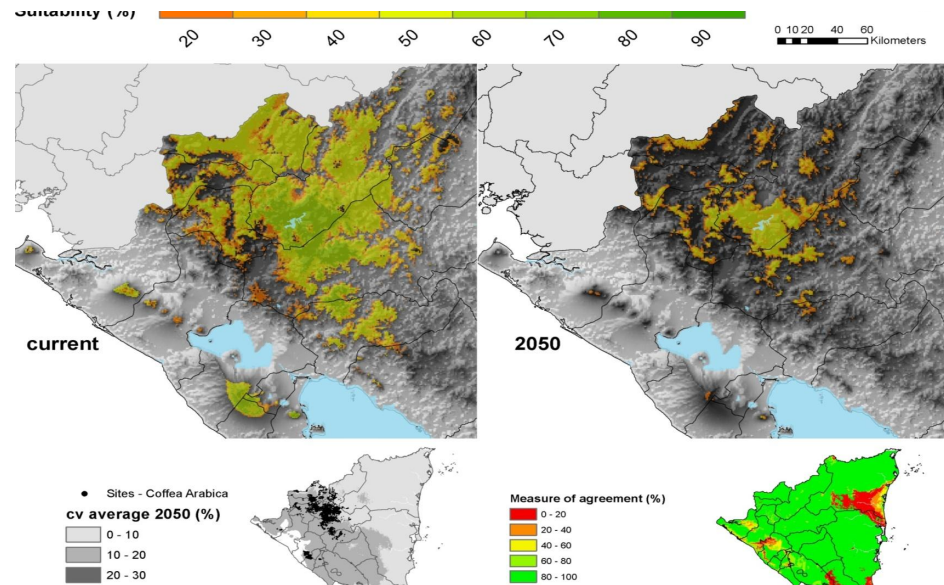
HURRICANES



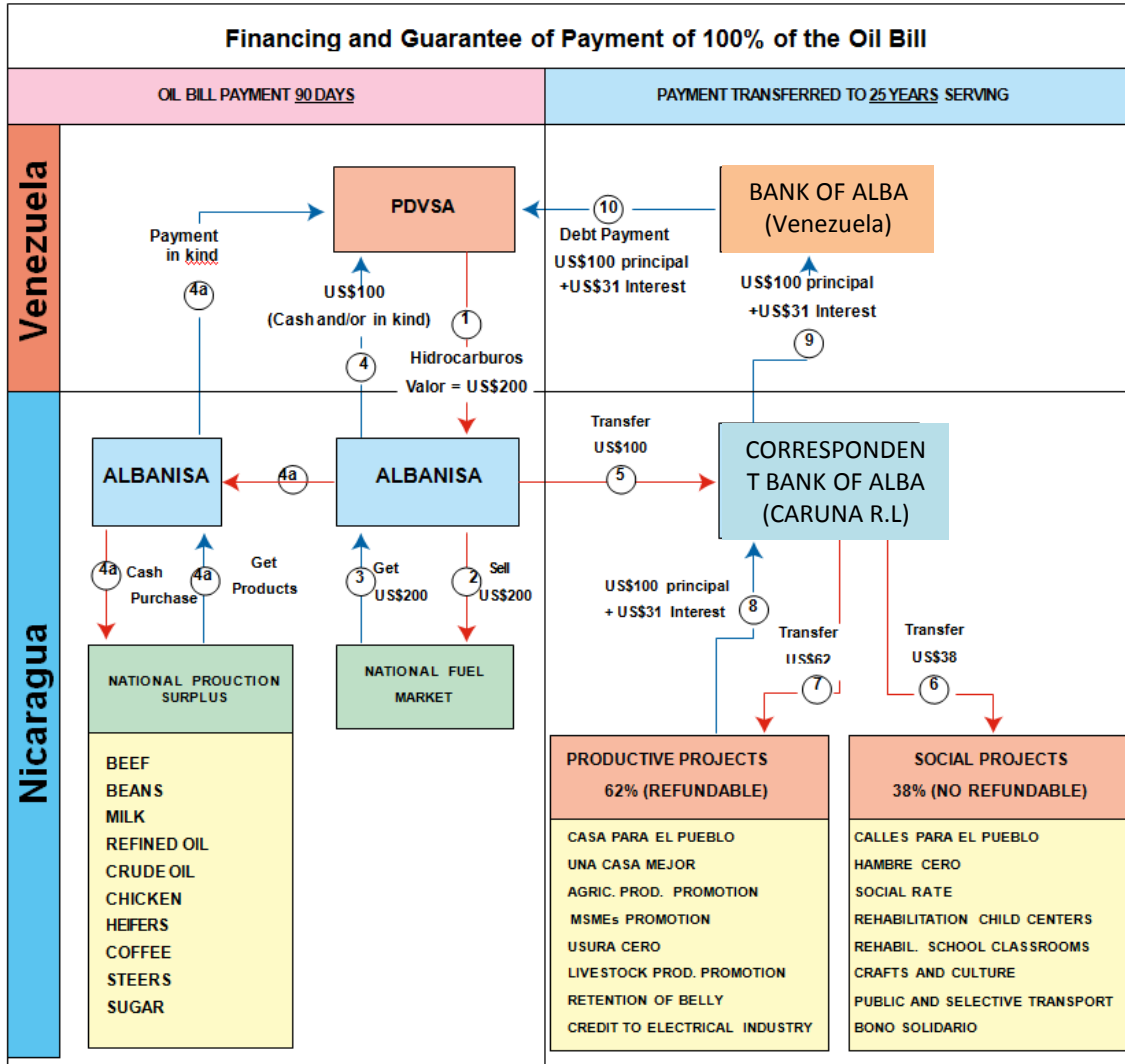
LA NIÑA: RANGE OF PRECIPITATION DECILE (May-October)



CHANGE IN THE SUITABILITY OF COFFEE FOR THE YEAR 2050



PETROCARIBE MECHANISM



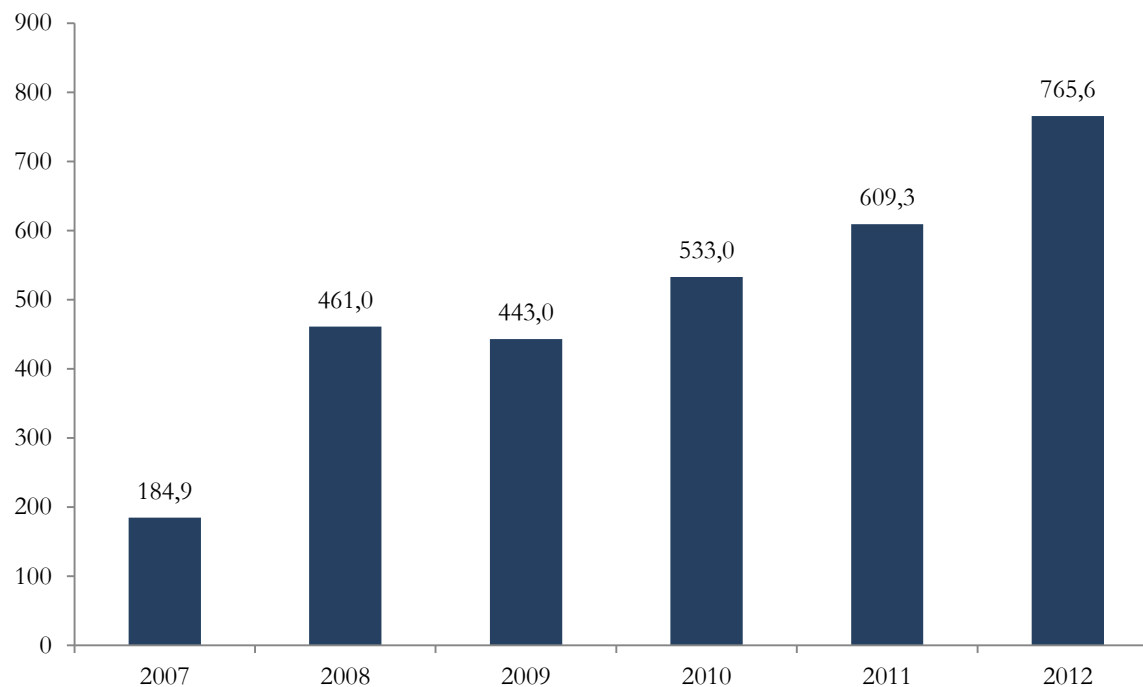
- ✓ Nicaragua has a guaranteed supply 100% of its oil needs, with 25 years deferred payment with two-year grace period and 2% interest than half of the oil bill.
- ✓ With half deferred funds invested 62% in socio-productive projects that stimulate the economy and allow the returns to amortize payments in the form and time.
- ✓ The other 38% is used to fund social projects not returnable, fully or partially.

PETROCARIBE ACCORD FINANCING

PETROCARIBE/ALBA-TCP (millions de dollars)

	2007	2008	2009	2010	2011	2012
Annual	184.9	461.0	443.0	533.0	609.3	765.6
Acumulated	184.9	645.9	1,088.9	1,621.9	2,231.2	2,996.8

PETROCARIBE/ALBA-TCP OIL ACCORDS (millions USD)



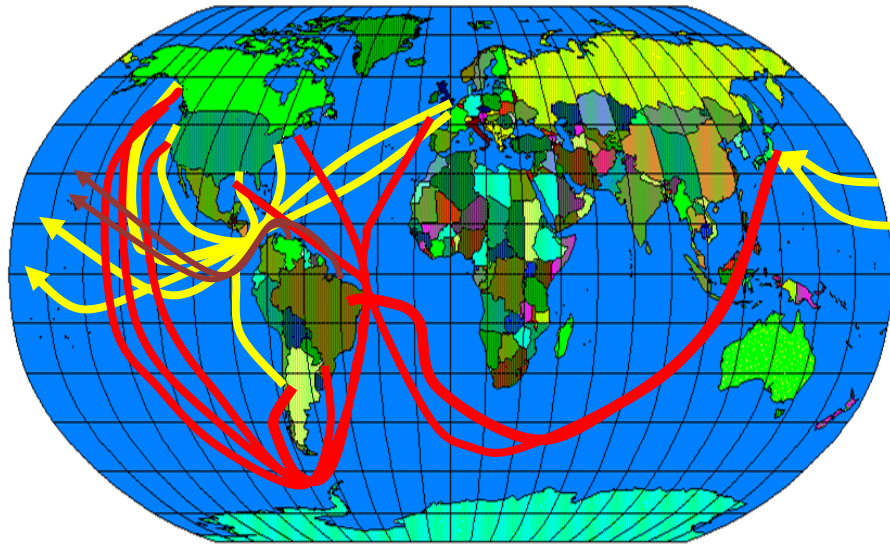
Fuente: BCN

CANAL ROUTES



Wet and dry Canal, Airport, Railway, Free Zones in the Caribbean and Pacific, and Pipeline

WORLD SEABORNE TRADE



Time saving by the Nicaraguan Canal: Up to 12 trips instead of 9

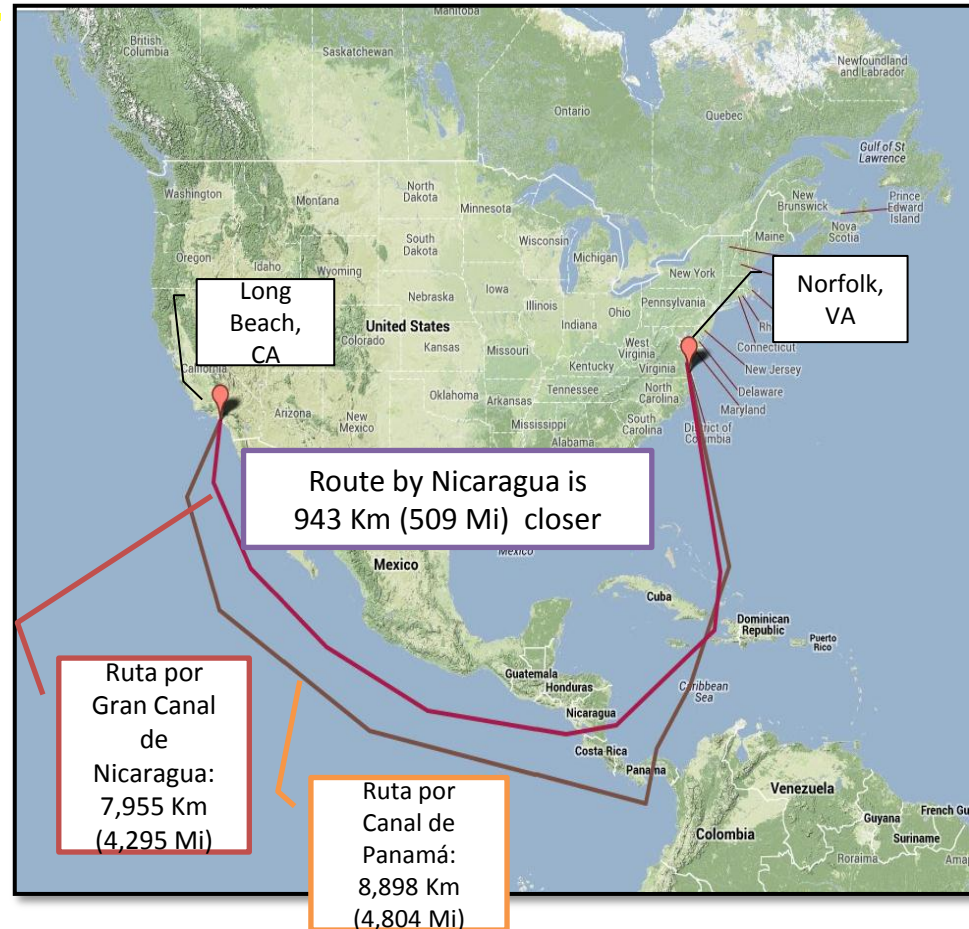
- Venezuela-Japan: 14.4 days
- New York-Japan: 10.9 days
- Chile-Netherlands: 11.4 days
- Chile-New York: 11.1 days
- Brazil-California: 4 days

Monetary saving by the Nicaraguan Canal: Up to US\$ 2 million per round trip

GEOGRAPHICAL PROXIMITY

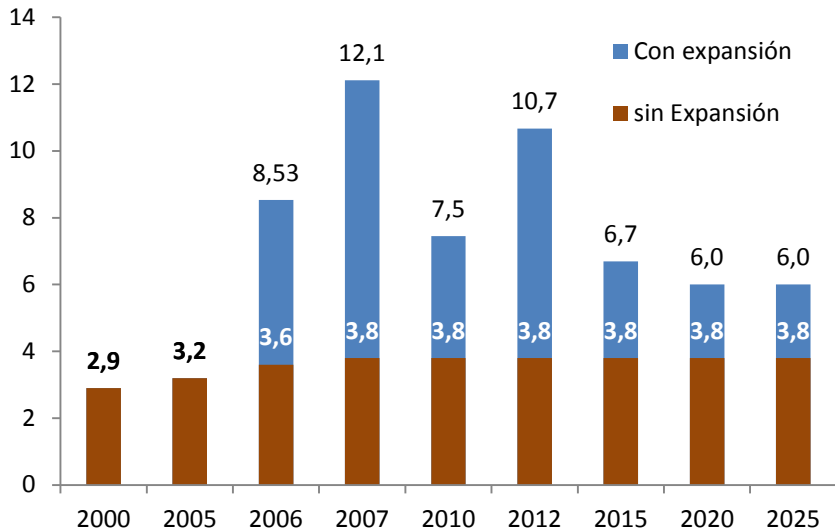
Norfolk – Long Beach route

(Distances between Panama Canal and Grand Canal of Nicaragua)



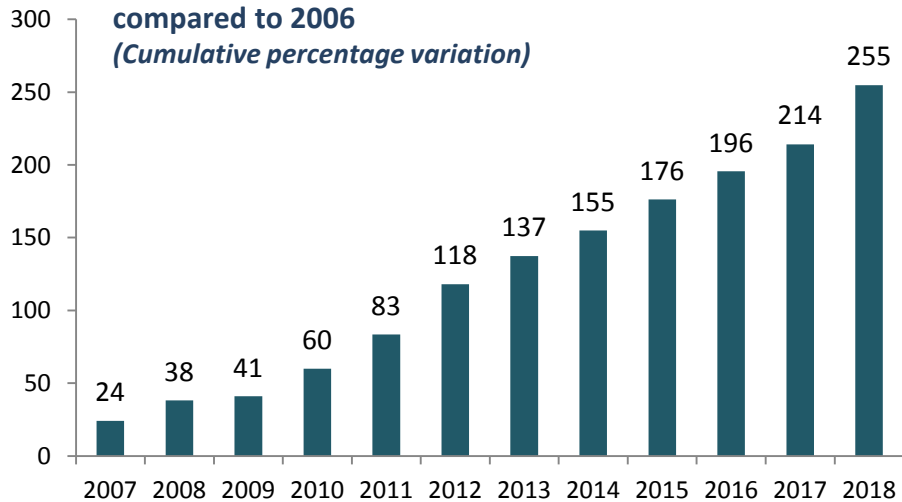
PANAMA CANAL EXPANSION: MAIN IMPACTS ON ECONOMY

GDP Panama: Actual data and projections with and without Expansion (Percentage Points)



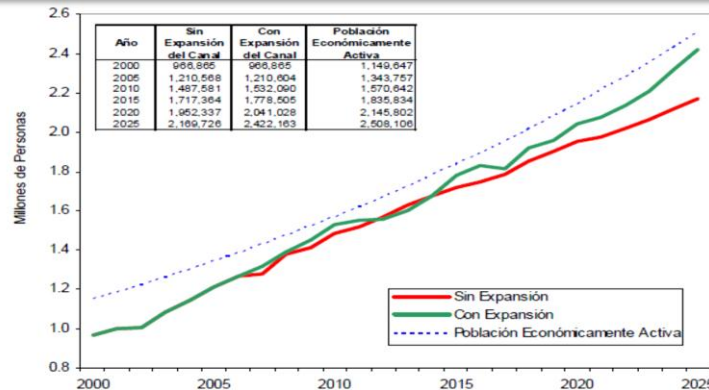
Source: PCA, ECLAC & IMF

Panama: Government income increase compared to 2006 (Cumulative percentage variation)



Source: Ministry of Economy of Panamá & IMF

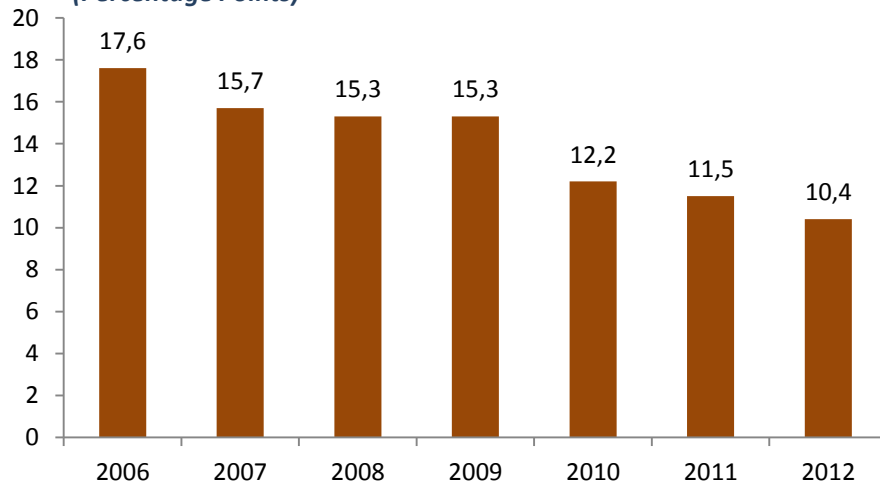
Employment trends with and without expansion of the Canal



Fuente: Preparado por Intracorp con base en información proporcionada por la Autoridad del Canal de Panamá y la construcción de un

2025: 252,437 new additional employments

Extreme Poverty in Panama (Percentage Points)

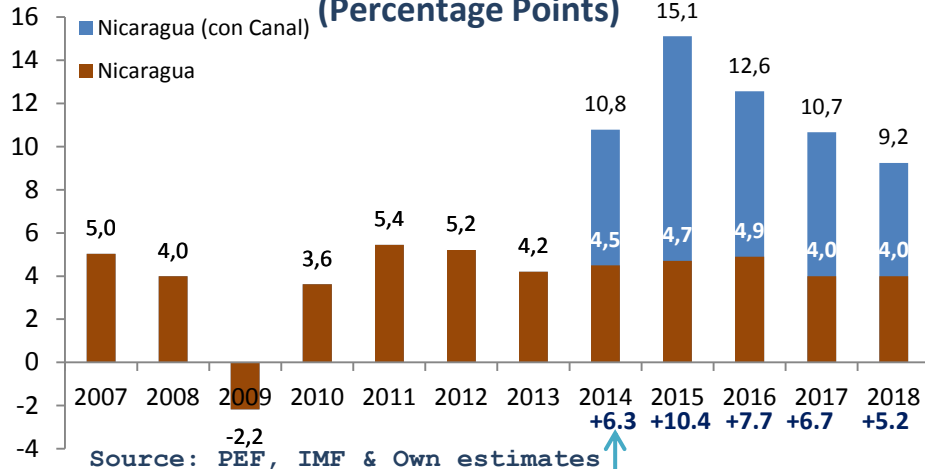


General poverty was reduced from 38.3% in 2006 to 25.8% in 2012

INTEROCEANIC GRAND CANAL OF NICARAGUA: MAIN ECONOMIC IMPACTS EXPECTED IN NICARAGUA

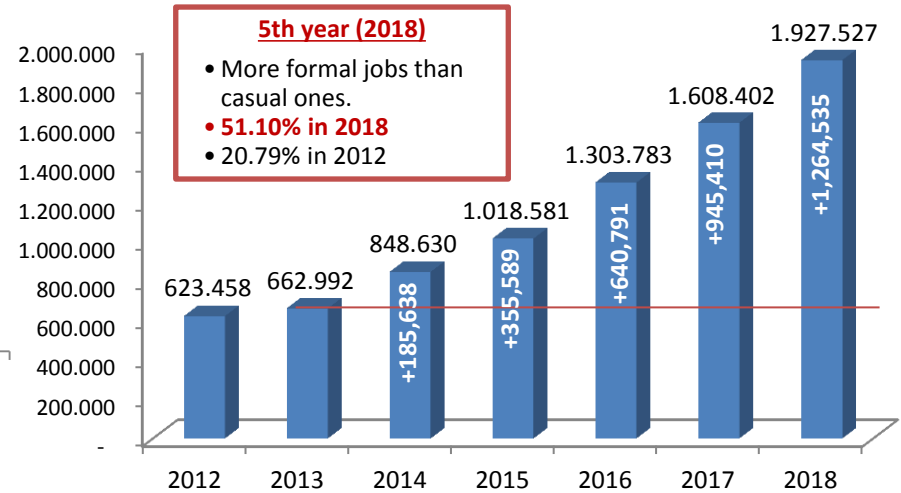
Nicaragua's Economic Growth with and without Canal

(Percentage Points)



Begins construction

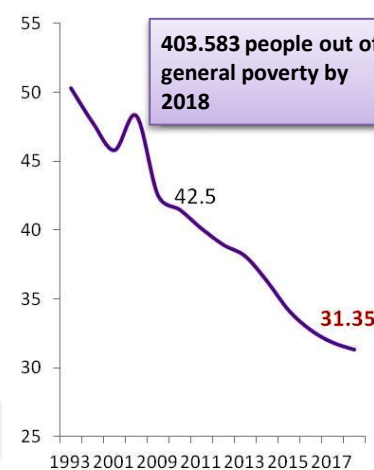
FORMAL EMPLOYMENT IN NICARAGUA 2012-2018



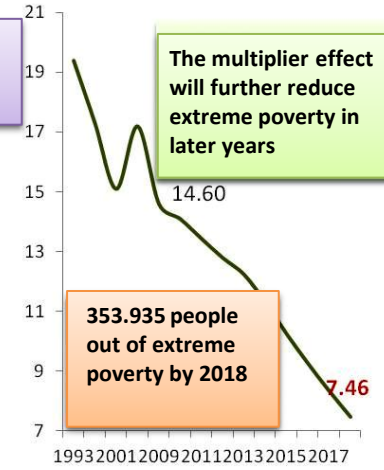
The increase in revenue, would be a source of funding to fight poverty.



General Poverty in Nicaragua (Percentage points)



Extreme Poverty in Nicaragua (Percentage points)

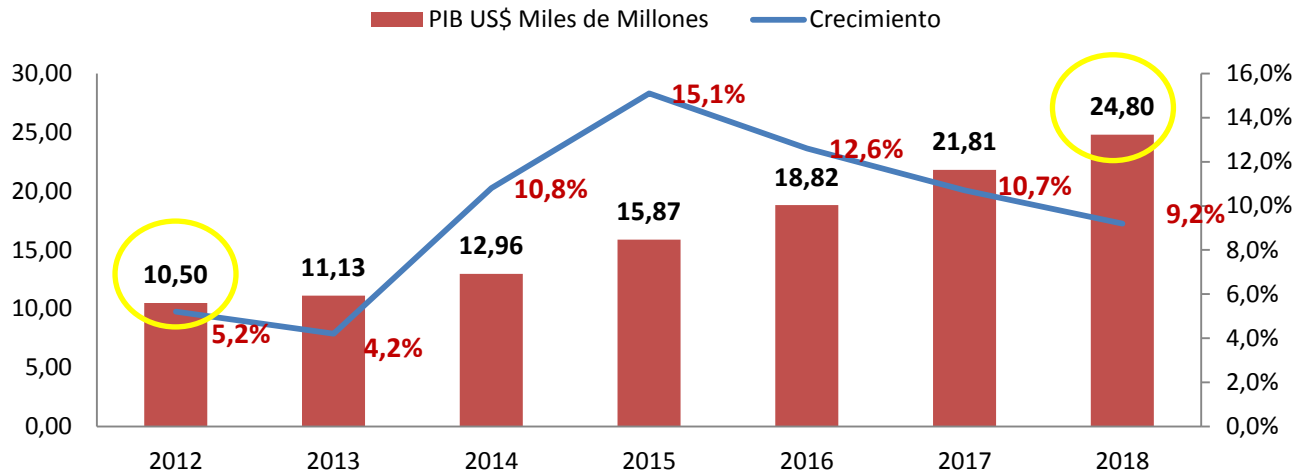


Fuente: INIDE (1993-2009) & Estimaciones Propias

We are working with **ECLAC** to estimate the effects of the Grand Interoceanic Canal on all sectors of the Nicaraguan economy, on Central America and South America.

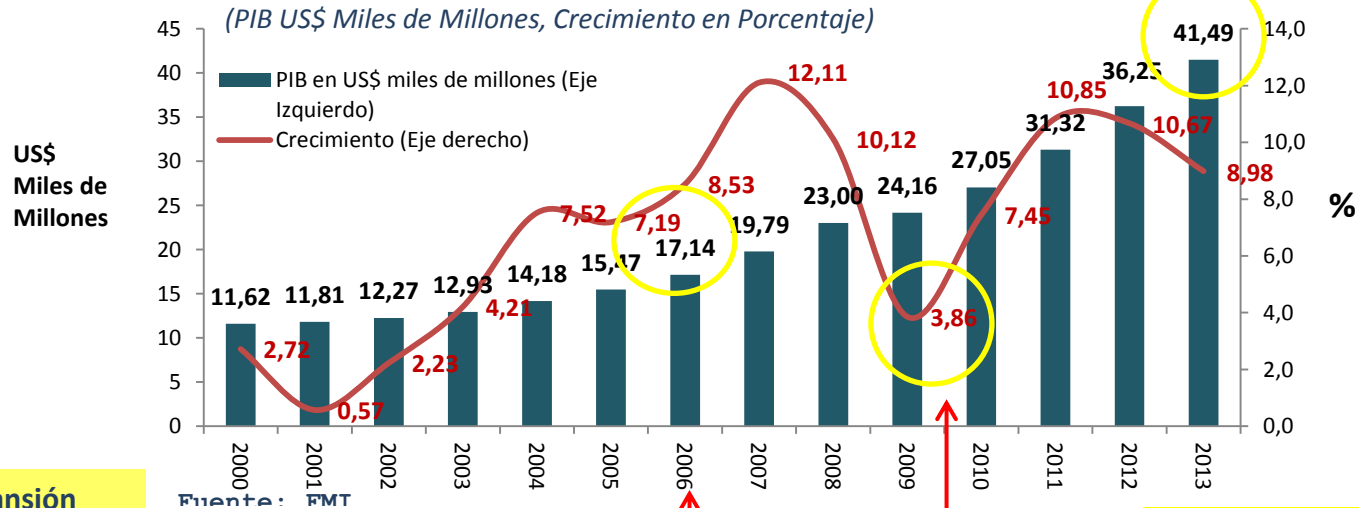
GDP GROWTH: PANAMÁ AND NICARAGUA

GDP growth of Nicaragua with Canal



GDP growth of Panamá with Canal Expansion

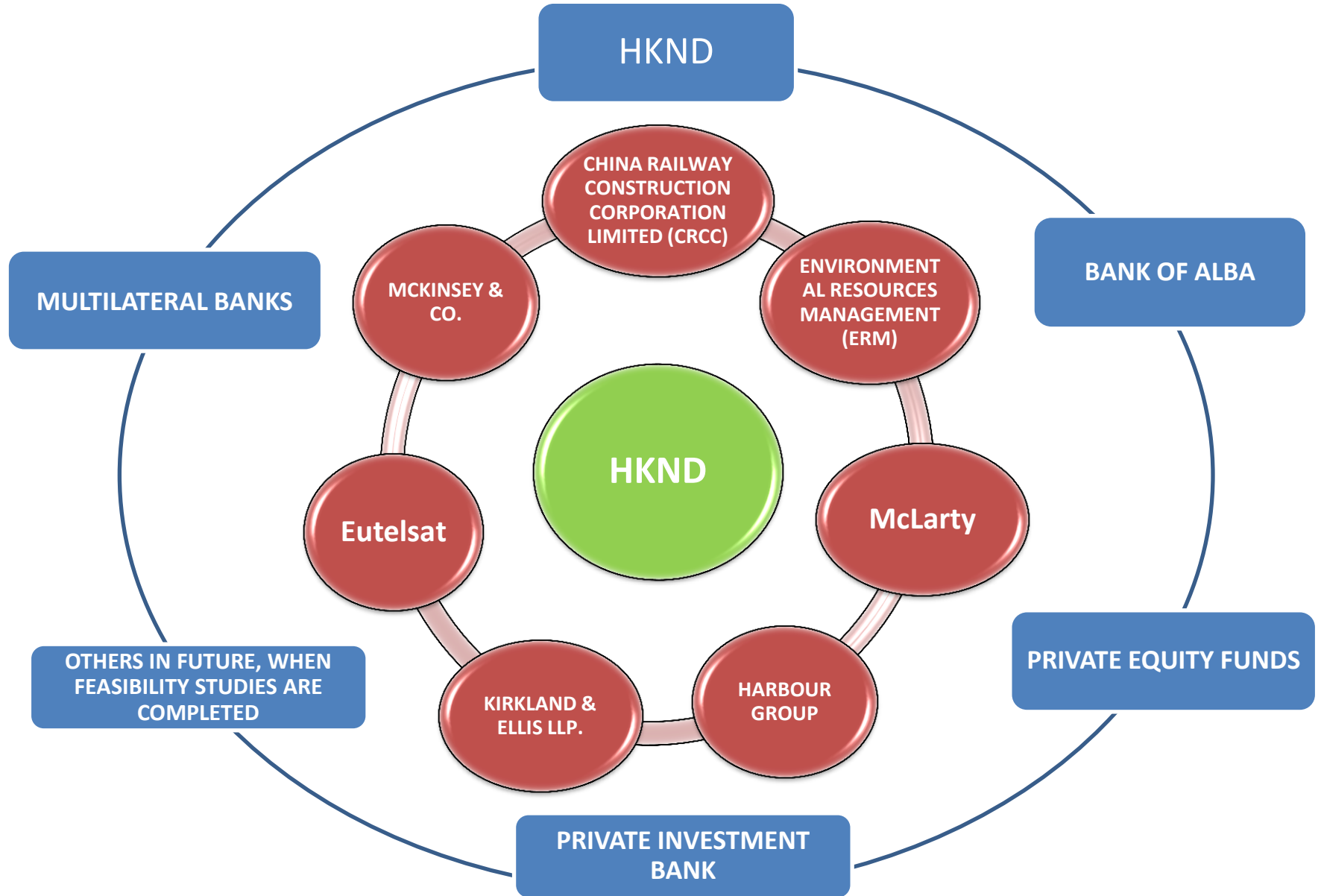
(PIB US\$ Miles de Millones, Crecimiento en Porcentaje)



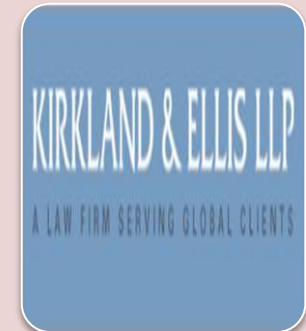
Expansión announcement

Economic crisis

COMPANIES CONTRACTED BY HKND



FIRMS CONTRACTED BY HKND



Second largest state-owned construction company in China;

Sixth construction contractor in the world;

Railways, highways, buildings, municipal utilities, water services, electricity, bridges, tunnels and airports, etc.

Most prestigious consulting firm in the world.

100 offices in 50 countries and 17,000 employees worldwide;

Clients: AT & T, BBC, General Electric, Johnson & Johnson, Siemens, Home Depot, Bank of England, Mitsubishi, the city of Chicago, the UK Government, the Government of Mexico and Taiwan.

Fifth global environmental and social consulting firm, ranked by EHS Journal.

More than 140 offices in 39 countries, and more than 5,000 workers.

It has worked with more than 50% of the Fortune Global 500.

High-level intervention;

Advice on government relations around the world.

Founded in 1998. Its President and CEO is Thomas "Mack" McLarty, former Chief of the White House Staff during the Clinton Administration.

Most prestigious firm in Chicago.
Fifth most prestigious law firm in USA.
Ninth largest firm by revenue in the world.
Offices in Chicago, Hong Kong, London, LA, NY, Munich, Shanghai and Washington, DC.
Clients: General Motors, Motorola, Apple, Intel, Samsung Electronics, Siemens.

FIRMS CONTRACTED BY HKND



Public relations firm based in Washington DC.

Management, critical public relations and communications consultancies.

Clients: Biotechnology Industry, Pfizer, Shure, Revolution Health Group.

Founded in 2001 by Joel Johnson.

Public Relations with economic media (Blommborg, Financial Times, others).

104 countries on five continents.

Access to resources of the best public relations firms in the world.

Eutelsat based in Paris, founded in 1977.

31 communications satellites.

4,500 television channels and 1,000 radio stations.

Other services: fixed and mobile telecommunications, TV share markets, corporate networks, and broadband markets for Internet service

CEO is Michel de Rosen.

Civil Engineering, based in Belgium;

It specializes in hydraulic locks and canals, including feasibility assessment and conceptual design.

Worked locks for the Panama Canal expansion; Antwerp, Belgium; Seville, Spain.

MEC Mining, Australia.

Open pit mining and civil engineering.

Design of excavations, disposal area, assistance in equipment selection, cost estimation and planning.

From *Financial Times* article:

“The public face of the U.S. \$ 40 billion to boost relations between China and Latin America”

The screenshot shows the Financial Times website interface. At the top, it says 'FINANCIAL TIMES' and 'ft.com > world > asia-pacific >'. The main navigation bar includes 'Home', 'World', 'Companies', 'Markets', 'Global Economy', 'Lex', 'Comment', 'Management', and 'Life & Arts'. Below this is a sub-navigation bar with regional categories like 'Africa', 'Asia-Pacific', 'Europe', 'Latin America & Caribbean', 'Middle East & North Africa', 'UK', 'US & Canada', and 'The World Blog'. The article title is 'Public face of \$40bn project to boost China-Latin America links', dated July 1, 2013, 12:29 pm, by Kathrin Hille and John Paul Rathbone. A video player shows a man speaking at a podium. A sidebar contains a video titled 'Army ousts Egypt's Islamist president' and a list of other news items. At the bottom, there is an advertisement for Bank of China.

Public face of \$40bn project to boost China-Latin America links

By Kathrin Hille in Beijing and John Paul Rathbone in London

It is one of the largest proposed infrastructure projects in the world. The feasibility study alone is set to cost \$900m. And when complete, the Nicaragua Canal, should lower transport costs for shipping oil from Latin America to China.

The \$40bn project certainly does not lack for ambition. Neither, it seems, does Wang Jing, the public face of the newly-registered Hong Kong company, HKND Group, which this month won approval from Nicaragua's Congress to build and operate the 50-year concession to link the country's Atlantic and Pacific coasts.

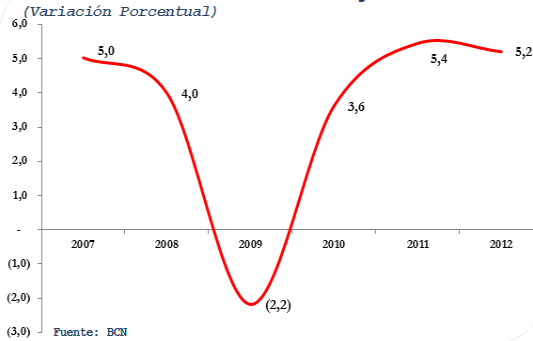
The approval came despite environmentalist opposition

“It is one of the largest proposed infrastructure projects in the world. Only the feasibility study would cost \$ 900 million. And when finished, the Nicaragua Canal should reduce transportation costs for shipping oil from Latin America to China.

“At this time, 4,000 people, including McKinsey staff, British environmental consultancy ERC, the U.S. firm Kirkland, and research institutes belonging to the CRC, who are working on the feasibility study. Mr. Wang said that HKND could cover with its own funds, the operating cost up before the start of the works, scheduled for late 2014”

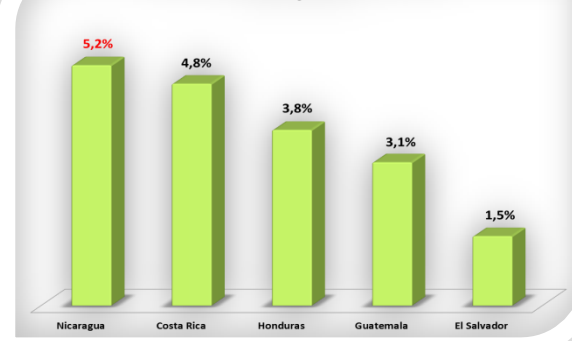
Economic growth and macroeconomic stability

Crecimiento Económico en Nicaragua 2007-2012



• Economic growth above 5% in 2011 and 2012

Crecimiento Económico 2012 en Centroamérica



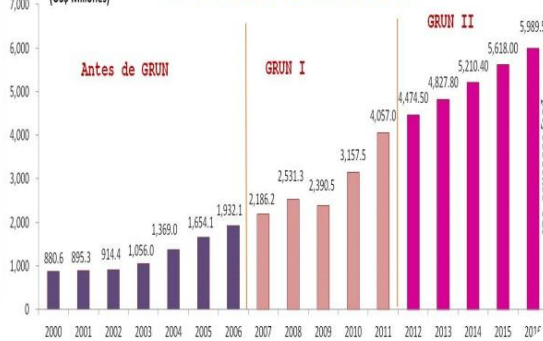
Nicaragua leading economic growth in Central America

IPC Nacional Enero 2010- diciembre 2012



1 digit inflation

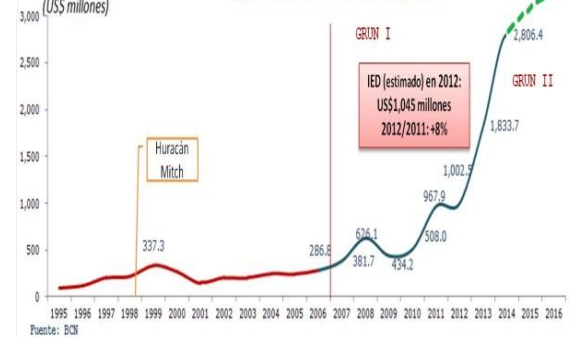
Exportaciones Totales (US\$ Millones) DINAMISMO EXPORTADOR



High export growth: +19% in 2012/2011
Exports doubled between 2012 and 2006

Inversión Extranjera Directa (US\$ millones)

AUGE INVERSIONISTA



Investment record: More than 3 times that in 2006

POLICY FRAMEWORK:

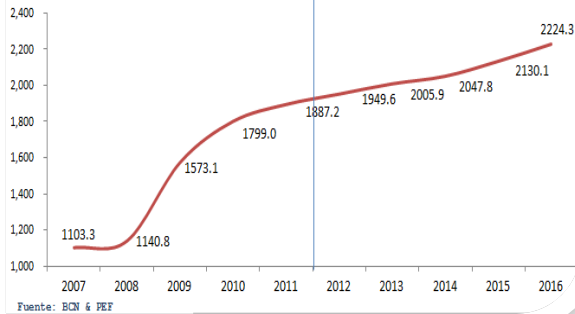
NATIONAL HUMAN DEVELOPMENT PLAN 2007/2016

OBJECTIVE:

**ECONOMIC GROWTH WITH
MACROECONOMIC STABILITY,
JOB CREATION,
POVERTY AND INEQUALITY REDUCTION**

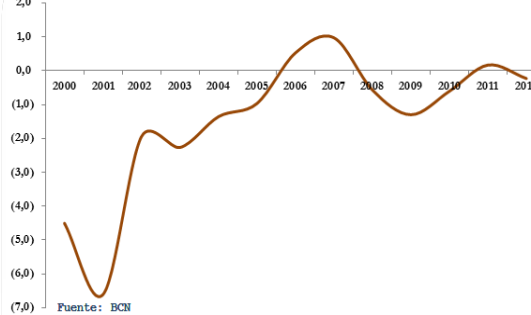
Fiscal stability Increased work

Reservas Internacionales Brutas
(US\$ Millones)



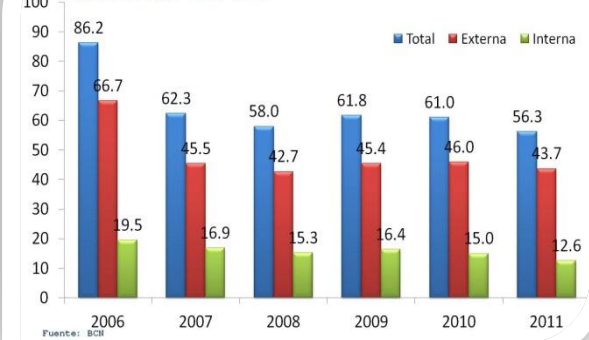
High International Reserves: 2.4 times the monetary base, allows free exchange and currency stability

Déficits Fiscales en Nicaragua 2000-2012
(Porcentaje del PIB)



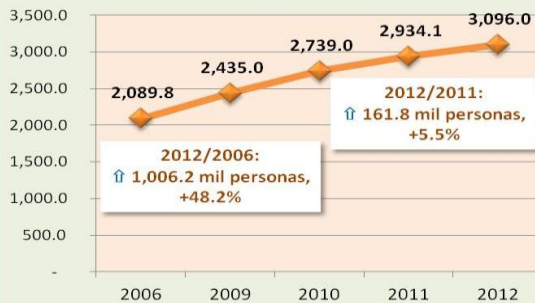
Sustainable fiscal deficit

Saldo de Deuda Pública en Nicaragua
(porcentaje del PIB)



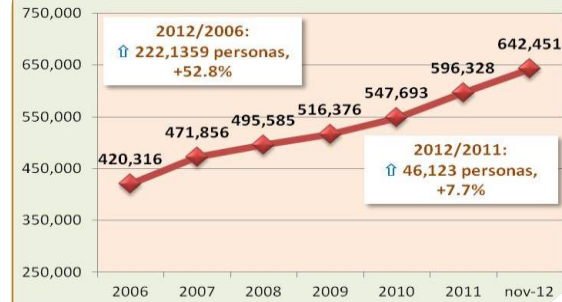
Constant reduction of national debt

Población ocupada
(miles de personas)



More work: 48.2% more than in 2006

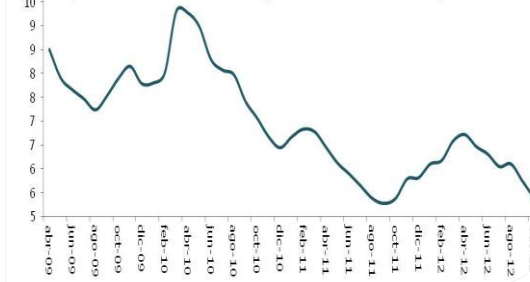
Asegurados inscritos en el INSS



Formal employment growth: 52.8% more people registered than in 2006

Tasa de Desempleo Abierto

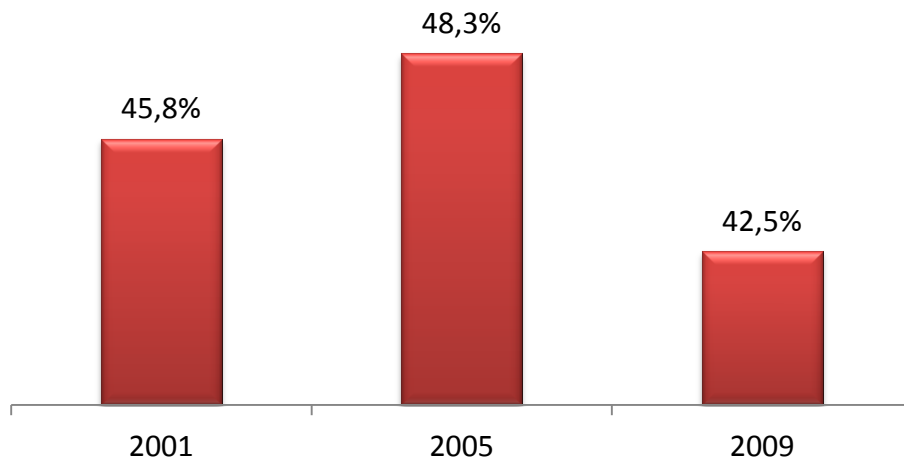
(variación Porcentual por Trimestre móvil)



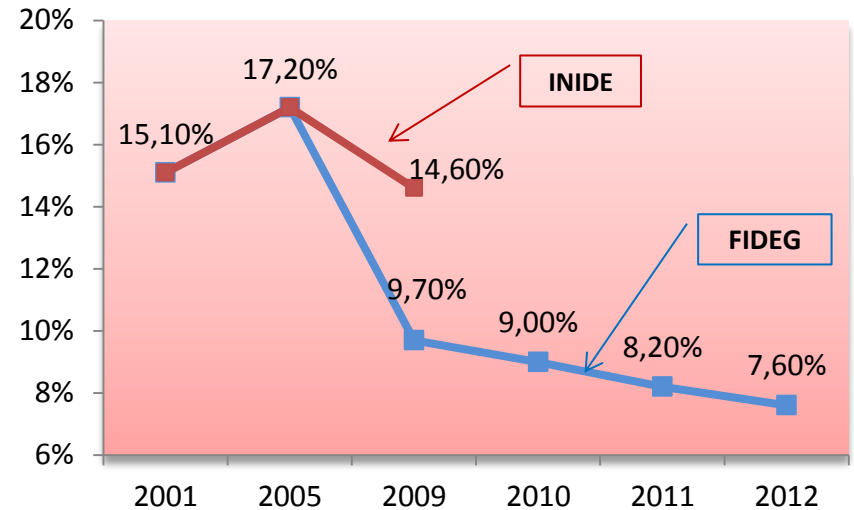
Fewer unemployment

POVERTY REDUCTION

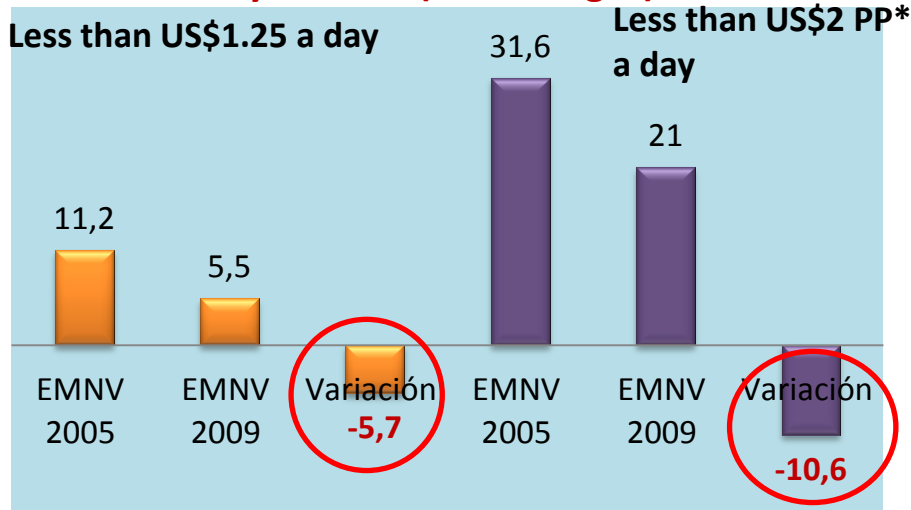
General poverty measured by consumption



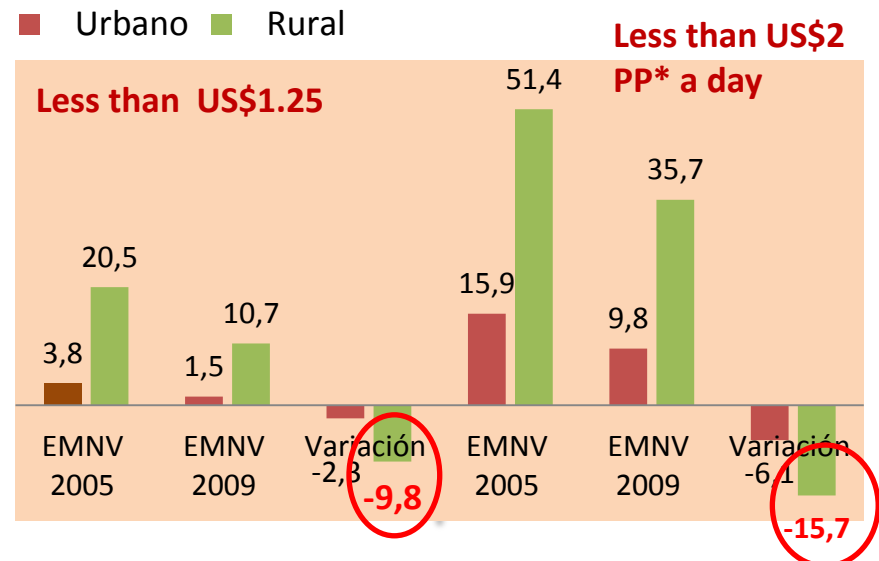
Extreme poverty measured by consumption



General and extreme poverty measured by income (Percentages)

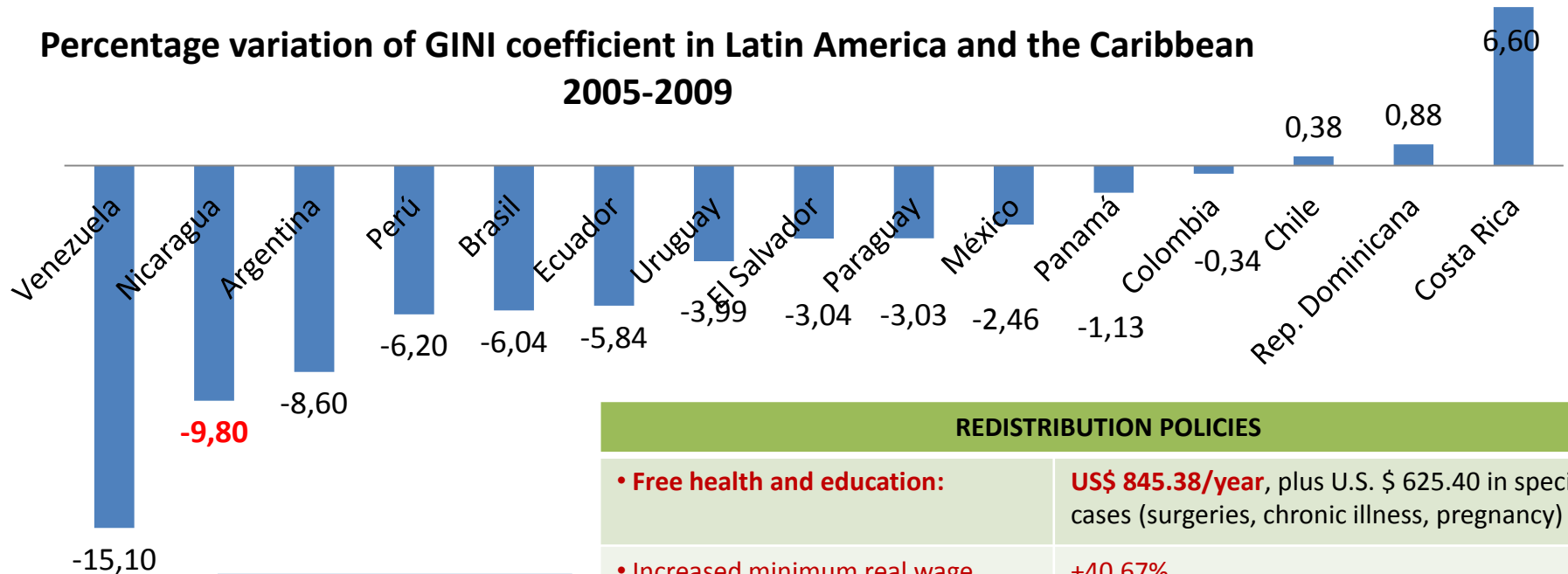


Greater reduction in rural zones



INEQUALITY REDUCTION IN NICARAGUA AND LAC

Percentage variation of GINI coefficient in Latin America and the Caribbean
2005-2009



Source: ECLAC

GINI income in Nicaragua	
2005	0.51
2009	0.46

GINI consumption	
2005	0.41*
2009	0.37*
2010	0.35**
2011	0.34**

*INIDE; **FIDEG

REDISTRIBUTION POLICIES

• Free health and education:	US\$ 845.38/year , plus U.S. \$ 625.40 in special cases (surgeries, chronic illness, pregnancy)
• Increased minimum real wage	+40.67%
• Subsidies:	US\$ 1,110.40/year
▪ Public Transportation:	US\$ 321.08/year
▪ Drinking water:	US\$ 53.51/year
▪ House electricity:	US\$ 160.54/year
▪ ENABAS Food:	US\$ 200.68/year
▪ Christian Socialist and Solidarity Bonus:	US\$ 374.59/year
• Capitalization of poor families:	
▪ Zero Hunger:	Until US\$ 1,500.00, average: US\$710.00
▪ Zero Usury :	US\$ 250.00

MAYOR EQUIDAD DE GÉNERO

Unión Interparlamentaria sobre el porcentaje de mujeres en los Parlamentos del mundo

Cuba y Nicaragua son los únicos países latinoamericanos entre los 10 primeros del mundo con mayor participación de mujeres en sus parlamentos nacionales.

Nicaragua pasó del 18.5% en 2006 al 42.3% en 2012

LOS 10 PRIMEROS PAÍSES

RWANDA	(56.3%)
ANDORRA	(50.0%)
CUBA	(45.2%)
SUECIA	(44.7%)
SEYCHELLES	(43.8%)
FINLANDIA	(42.5%)
NICARAGUA	(42.3%)
SUDÁFRICA	(42.3%)
HOLANDA	(40.7%)
ISLANDIA	(39.7%)

Nueva Ley: 50%-50% en Asamblea Nacional (llevará a Nicaragua al segundo lugar mundial) y para alcaldes, vice alcaldes y concejales

Índice Mundial de Brecha de Género 2012
-Foro Económico Mundial-

Puesto	País
1	Islandia
2	Finlandia
3	Noruega
4	Suecia
5	Irlanda
6	Nueva Zelanda
7	Dinamarca
8	Filipinas
9	Nicaragua
10	Suiza
11	Holanda
12	Bélgica
13	Alemania
14	Lesoto
15	Letonia
16	Sudáfrica
17	Luxemburgo
18	Reino Unido
19	Cuba
20	Austria

Nicaragua sube del lugar 90 en 2007, al número 9 en 2012

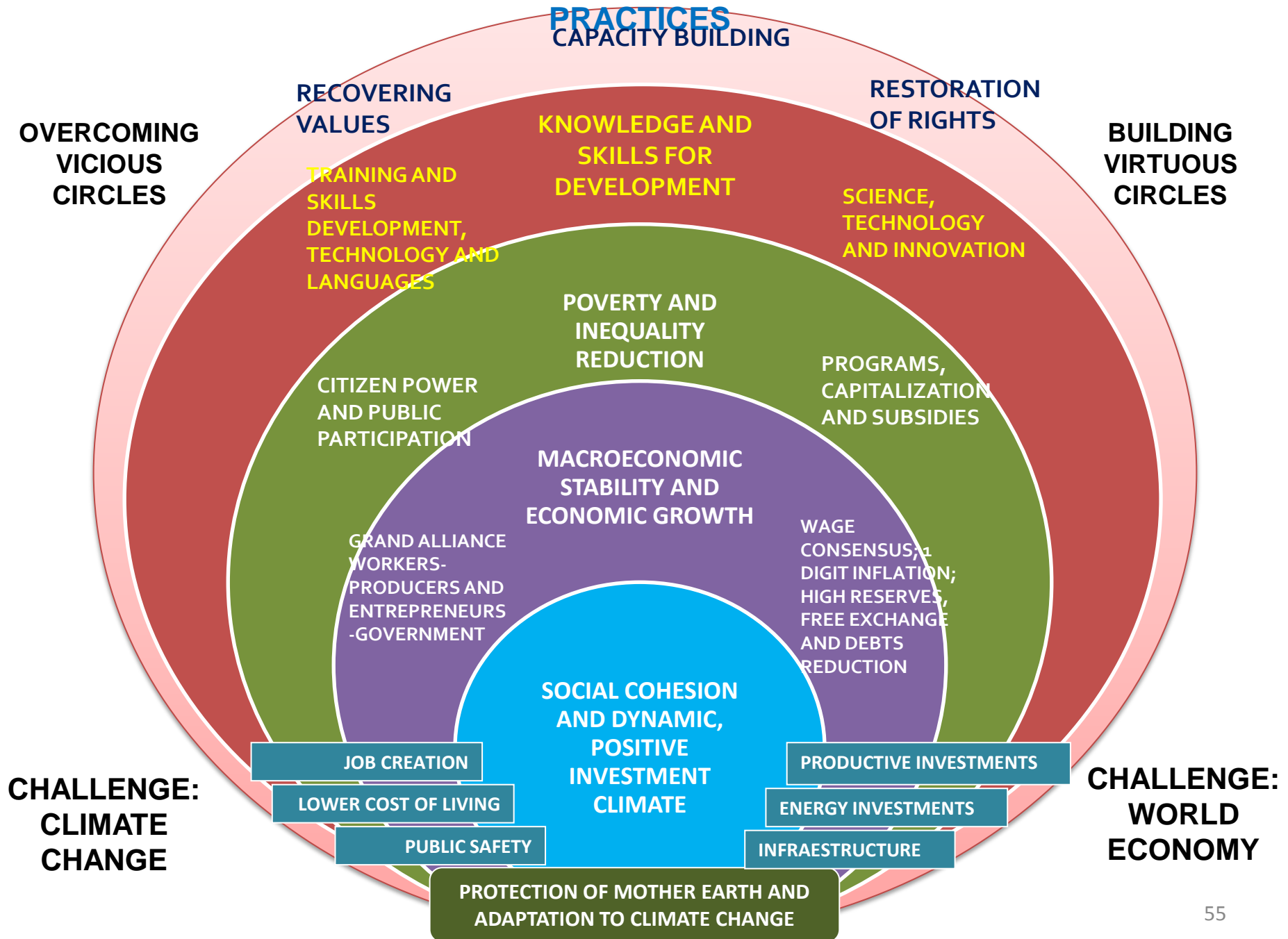
ENABLING ENVIRONMENT

MODEL BASED ON CHRISTIAN VALUES, SOCIALIST IDEALS AND SOLIDARITY PRACTICES

OVERCOMING EXCLUSION AND THE VISCIOUS CIRCLES THAT TRAP FAMILIES IN POVERTY AND COUNTRIES IN UNDERDEVELOPMENT BY CONSTRUCTING INCLUSION AND VIRTUOUS, SYNERGYSTIC CIRCLES THAT GENERATE **SOCIAL COHESION**

Major Challenge: Always human development

MODEL BASED ON CHRISTIAN VALUES, SOCIALIST IDEALS AND SOLIDARITY



SURVEY OF COST OF LIVING IN LATIN AMERICA: MANAGUA IN NICARAGUA (POSITION 213) ONE OF THE CITIES WITH LOW COST OF LIVING

Posición Mundial entre 214 ciudades

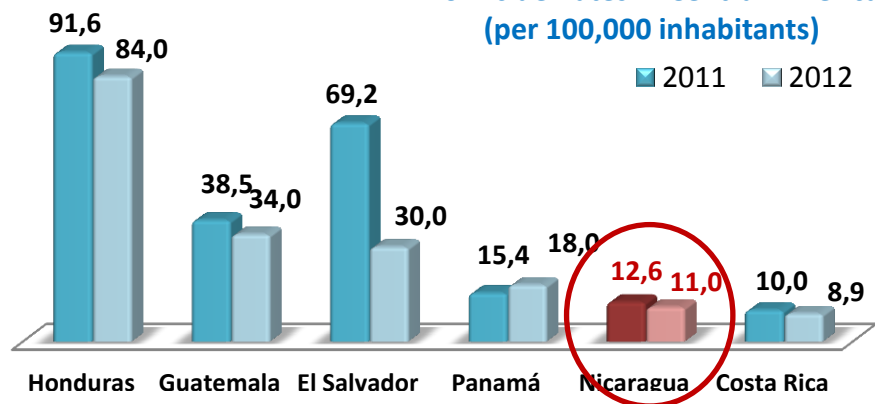
2011	2010	CIUDAD	PAÍS
10	21	Sao Paulo	Brasil
12	29	Rio de Janeiro	Brasil
33	70	Brasilia	Brasil
51	100	Caracas	Venezuela
53	45	La Habana	Cuba
63	66	Bogotá	Colombia
75	123	Santiago	Chile
127	129	Montevideo	Uruguay
138	135	Lima	Perú
146	129	San Juan	Puerto Rico
148	166	Ciudad de México	México
159	161	Buenos Aires	Argentina
165	183	San José	Costa Rica
168	169	Ciudad de Guatemala	Guatemala
183	193	Monterrey	México
196	194	Quito	Ecuador
199	201	San Salvador	El Salvador
204	204	Asunción	Paraguay
208	204	Tegucigalpa	Honduras
212	211	La Paz	Bolivia
213	212	Managua	Nicaragua

FUENTE: MERCER

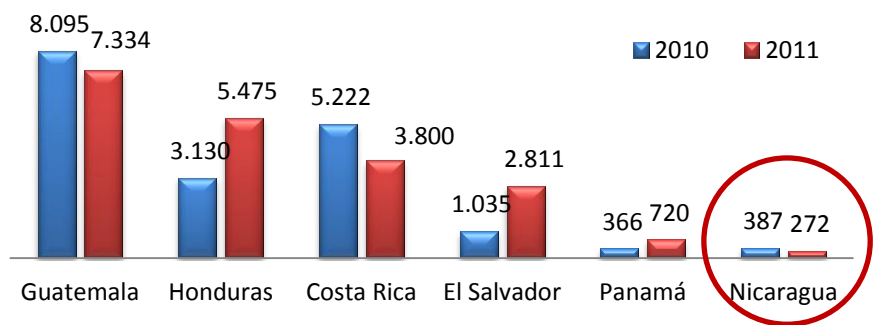


THE BEST PUBLIC SAFETY IN CENTRAL AMERICA

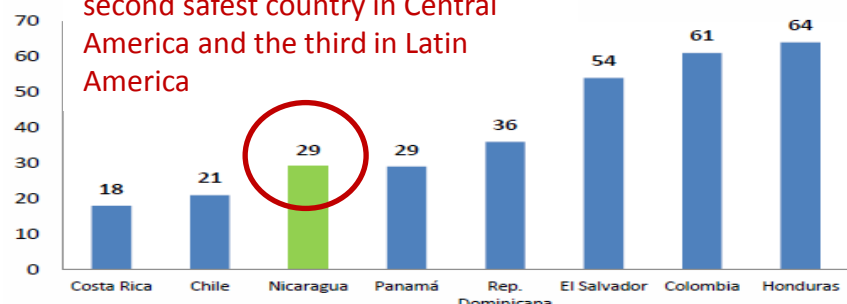
Homicide Rates in Central America (per 100,000 inhabitants)



Vehicular theft in Central America



Safety Index 2012: Nicaragua is the second safest country in Central America and the third in Latin America



Source: Economist Intelligence Unit (EIU), 2012 Security Risk Report