



SHCP

SECRETARÍA DE HACIENDA  
Y CRÉDITO PÚBLICO

# MEXICO CLEAN TECHNOLOGY FUND INVESTMENT PLAN II

CTF TFC Meeting,  
Washington DC  
October 28th, 2013

1. Overview
2. Financing Plan and Results Framework
3. Proposed Projects



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# 1. Overview



## MEXICO INVESTMENT PLAN PHASE II

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- **Very successful First Phase** of the CTF Investment Plan
- Mexico confirmed the interest in submitting a **Second Phase:**

Sustainable transport, energy efficiency and renewable energy

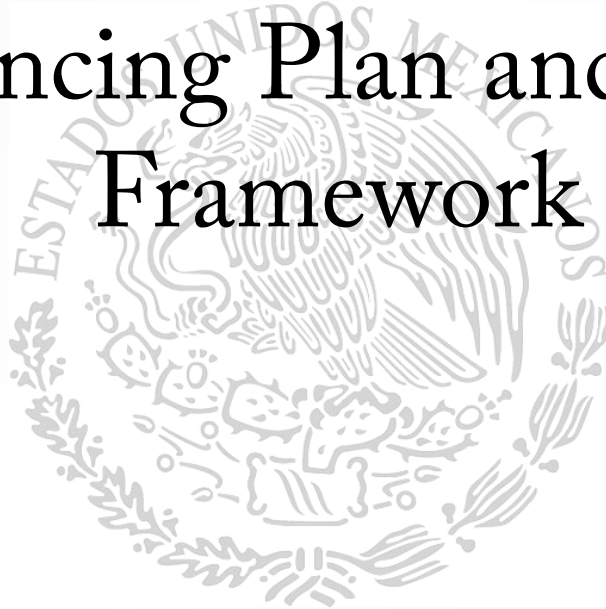
Amount proposed USD300 million

IDB and IBRD

National development banks» » » » **support to private sector**

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## 2. Financing Plan and Results Framework



## FINANCING PLAN AND INSTRUMENTS

Program	MDB	CTF	GoM	IBRD loans	IDB loans	Other; private sector	TOTAL
Green Freight Transport	IBRD	50	40	50			140
Sustainable Urban Transport	IBRD	50	400	50		240	740
Clean Energy Financing and Risk Mitigation Facility	IDB	80	140		80	70	370
Electricity Generation from Forest Residues	IDB	40	10		30	10	90
Energy Efficiency in the Residential Sector	IBRD	50	50	100		100	300
Energy Efficiency in the Agriculture Sector	IDB	30	10		20	10	70
<b>TOTAL</b>		300	650	200	130	430	1,710

# CTF IP II RESULTS FRAMEWORK

Results	Results Indicator	Baseline	Expected Results in the CTF IP Phase II	Means of verification
<b>GHG emissions reductions</b>	Tons of GHG emissions reduced or avoided	National GHG emissions in 2010: 748 MtCO <sub>2</sub> e	60.89 MtCO <sub>2</sub> e Cumulative reductions at the end of project's lifetime	National M&E System and M&E framework of the implementing agency
<b>Financial resources leveraged</b>	Volume of direct finance leveraged through CTF funding	None	USD 1,410 million (USD 980 million public sector and USD 430 million private sector)	National M&E System and M&E framework of the implementing agency
<b>Renewable energy capacity</b>	Installed capacity (MW) as a result of CTF interventions	1304.5 MW (2012)	330 MW	National M&E System and M&E framework of the implementing agency
<b>Additional passengers</b>	Number of additional passengers using low carbon public transport as a result of CTF interventions	None	4,400,000 Passengers/day	National M&E System and M&E framework of the implementing agency
<b>Energy savings</b>	Energy savings as a result of CTF interventions (GWh)	None	10,172 Cumulative GWh at the end of project's lifetime	National M&E System and M&E framework of the implementing agency

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## 3. Proposed Projects





# 1. GREEN FREIGHT TRANSPORT

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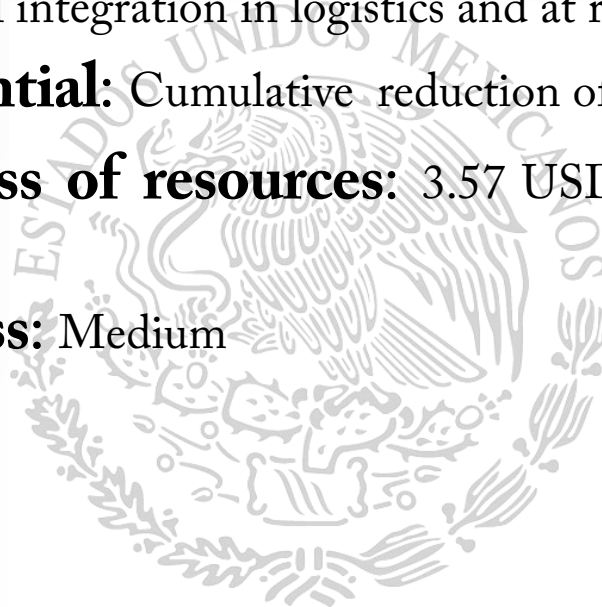
- **Description:**

- ✓ Scale-up and expand the scope of government programs and maximize the GHG reduction benefits of current schemes of modernizing/renovating freight fleets. Focus on small and medium logistics companies.
- ✓ Foster multimodal integration in logistics and at reducing empty blackhauls.

- **Mitigation potential:** Cumulative reduction of 14 MtCO<sub>2</sub>e after 4 years.

- **Cost effectiveness of resources:** 3.57 USD CTF / tCO<sub>2</sub>e (for USD 50 million CTF)

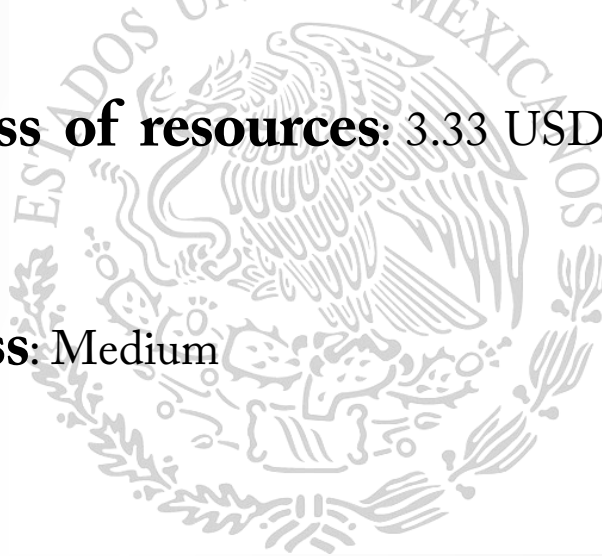
- **Level of readiness:** Medium



## 2. SUSTAINABLE URBAN TRANSPORT

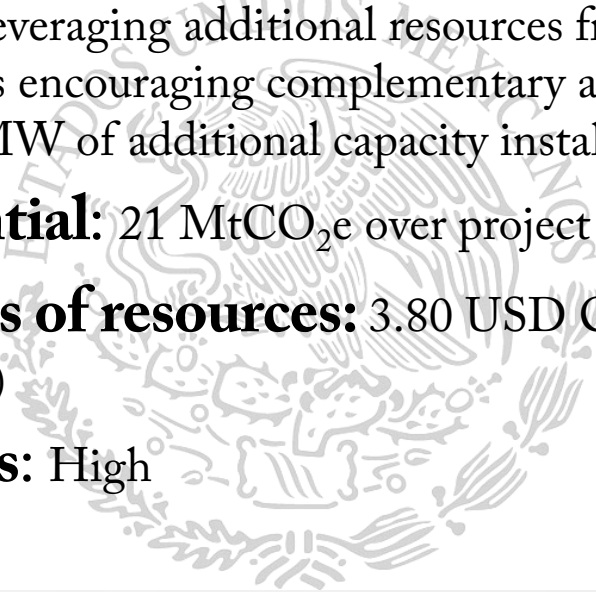
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- **Description:** This project aims at i) creating high-quality public transport networks, and ii) promoting additional interventions to achieve mode shift towards non-automobile modes.
- **Mitigation potential:** Cumulative reduction of 15 Mt CO<sub>2</sub>e after 20 years.
- **Cost effectiveness of resources:** 3.33 USD CTF / tCO<sub>2</sub>eq (for USD 50 million CTF)
- **Level of readiness:** Medium



### 3. CLEAN ENERGY FINANCING AND RISK MITIGATION FACILITY

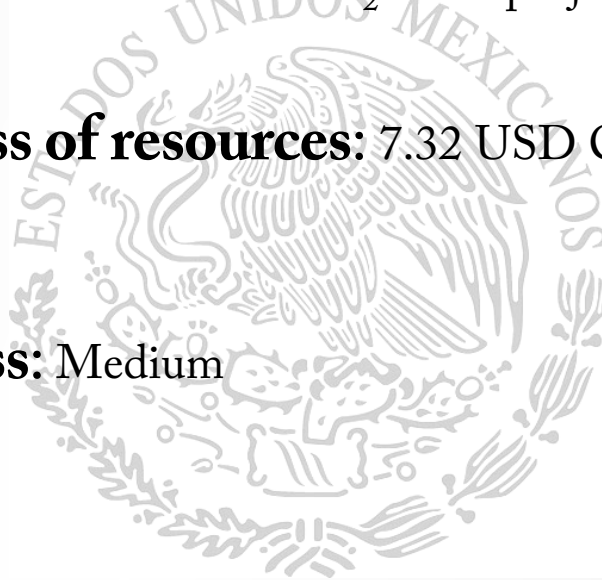
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- **Description:** Second Phase of the Renewable Energy Financing Facility focused solar photovoltaic, small scale hydropower, geothermal power, and cogeneration (also open to other technologies such as biogas): **i)** Facilitate the structuring of a risk sharing mechanism for geothermal projects, to mitigate exploration and regulatory risks; **ii)** Improve the financing conditions for solar photovoltaic projects, leveraging additional resources from both the public and the private sector, as well as encouraging complementary activities to address regulatory barriers. Results: 300 MW of additional capacity installed
  - **Mitigation potential:** 21 MtCO<sub>2</sub>e over project lifetime
  - **Cost effectiveness of resources:** 3.80 USD CTF / tCO<sub>2</sub>e (with USD 80 million CTF resources)
  - **Level of readiness:** High
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## 4. ELECTRICITY GENERATION FROM FOREST RESIDUES

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- **Description:** Utilization of logging residues for generating sustainable electricity through small power plants with significant reductions in GHG emissions. Construction of six pilot plants of 5 MW each. High potential for replication.
- **Mitigation Potential:** 5.46 MtCO<sub>2</sub>e over project lifetime
- **Cost effectiveness of resources:** 7.32 USD CTF / tCO<sub>2</sub>e (for USD 40 million CTF)
- **Level of readiness:** Medium



## 5. ENERGY EFFICIENCY IN THE RESIDENTIAL SECTOR

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- **Description:** Support for the replacement of old and inefficient refrigerators, expanding the exchange of incandescent bulbs, and publication of a new Mexican standard for energy efficiency in appliances.
- **Mitigation potential:** Cumulative reduction of approximately 3 MtCO<sub>2</sub>e after 10 years.
- **Cost effectiveness of resources:** Approximately 16 USD CTF / tCO<sub>2</sub>e (for USD 50 million CTF)
- **Level of readiness :** Medium

## 6. ENERGY EFFICIENCY IN THE AGRICULTURE SECTOR

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- **Description:** Financing line to promote investments on energy efficiency and other low-carbon technologies such as biogas and off-grid renewable energy in rural areas.
- **Mitigation Potential:** 2.43 MtCO<sub>2</sub>e over project lifetime
- **Cost effectiveness of resources:** 12.34 USD CTF / tCO<sub>2</sub>e (for USD 30 million CTF)
- **Level of readiness:** Medium-High



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Muchas Gracias

