Energy Efficiency in Public Facilities Project (PRESEMEH) (P149872)


Implementing Agencies: United Mexican States, Secretaría de Energía (SENER)

Key Dates

Key Project Dates

Bank Approval Date: 08-Mar-2016
Planned Mid Term Review Date: 15-Jul-2019
Original Closing Date: 31-Oct-2021

Effectiveness Date: 23-Sep-2016
Actual Mid-Term Review Date: --
Revised Closing Date: 31-Oct-2021

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The objective of the project is to promote the efficient use of energy in the Borrower's municipalities by carrying out energy efficiency investments in selected municipal sectors and contribute to strengthening the enabling environment.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
Yes

Board Approved Revised Project Development Objective (If project is formally restructured)

The objective is to promote the efficient use of energy in the Borrower's municipalities and other eligible public facilities by carrying out energy efficiency investments in selected public sectors and to contribute to strengthening the enabling environment.

Components

<table>
<thead>
<tr>
<th>Name</th>
<th>Cost (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy development and institutional strengthening</td>
<td>$7.00</td>
</tr>
<tr>
<td>Municipal energy efficiency investments</td>
<td>$133.82</td>
</tr>
<tr>
<td>Public Facility Energy Efficiency Investments</td>
<td>$70.70</td>
</tr>
<tr>
<td>Municipal Energy Efficiency Contingency Facility</td>
<td>$6.08</td>
</tr>
</tbody>
</table>

Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
</tbody>
</table>
Implementation Status and Key Decisions

The operation was approved by the World Bank’s Executive Board on March 8, 2016 and became effective on September 23, 2016. The Project received an Additional Finance of US$55.79 million (including US$5.79 million GEF resources) to support EE investments in public schools and hospitals, along with a Contingency Facility (financed by the GEF grant) which was approved by the Board on March 8, 2018 and became effective October 26, 2018. The project is being implemented by SENER over a five-year period with a closing date of October 31, 2021.

The July 2018 federal elections ushered in a new Administration, which officially took office in December 2018, following a transition period. During the May 2019 World Bank energy mission to Mexico, SENER’s new authorities confirmed their interest to continue with Project implementation as it is aligned with the new government’s priorities, but some modifications may be needed. Project implementation has slowed down in recent months.

Risks

Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>Low</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>Moderate</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Other</td>
<td>Moderate</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Overall</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

Results

PDO Indicators by Objectives / Outcomes

Projected lifetime energy savings (Megawatt hour(MWh))

<table>
<thead>
<tr>
<th>Projected lifetime energy savings (Megawatt hour(MWh)) (Megawatt hour(MWh), Custom)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Value</td>
</tr>
<tr>
<td>Date</td>
</tr>
<tr>
<td>Comments</td>
</tr>
</tbody>
</table>
### Number of ESAs signed (number)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
<td>0.00</td>
<td>--</td>
<td>7.00</td>
<td>40.00</td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td>31-Jul-2016</td>
<td>--</td>
<td>04-Jun-2019</td>
<td>31-Oct-2021</td>
</tr>
<tr>
<td><strong>Comments</strong></td>
<td>ESAs signed with the municipalities of: Leon, Huamantla, Miguel Hidalgo, Huajuapan de Leon, Puebla, Cozumel and Oaxaca.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Framework to scale-up municipal energy efficiency in the country

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
<td>No framework</td>
<td>--</td>
<td>No framework</td>
<td>Framework accepted by SENER</td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td>31-Jul-2016</td>
<td>--</td>
<td>04-Jun-2019</td>
<td>31-Oct-2021</td>
</tr>
</tbody>
</table>

### Projected Lifetime GHG emission reductions (tCO2)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
<td>0.00</td>
<td>--</td>
<td>32,600.00</td>
<td>810,000.00</td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td>31-Jul-2016</td>
<td>--</td>
<td>04-Jun-2019</td>
<td>31-Oct-2021</td>
</tr>
<tr>
<td><strong>Comments</strong></td>
<td>The street lighting subproject of Huajuapan de Leon is under construction and should be completed by the end of the first semester 2019. The estimated lifetime GHG emission reductions of this subproject (according to ESA) amount to 5,004 tCO2, which would be accounted once the subproject is completed. The Mexican power grid emission factor was updated in 2018 by the Energy Regulation Commission: 0.527 tCO2/MWh</td>
<td></td>
<td></td>
<td></td>
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</table>

### Intermediate Results Indicators by Components

#### Policy development and institutional strengthening

<table>
<thead>
<tr>
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<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
<td>0.00</td>
<td>213.00</td>
<td>250.00</td>
<td>1,000.00</td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td>01-Feb-2016</td>
<td>12-Dec-2018</td>
<td>15-May-2019</td>
<td>31-Oct-2021</td>
</tr>
<tr>
<td><strong>Comments</strong></td>
<td>Capacity building activities include CURB training and the Diplomados on EE in Municipalities.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Participants in consultation activities during project implementation - female (Number, Custom Breakdown)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>65.00</td>
<td>75.00</td>
<td>400.00</td>
</tr>
</tbody>
</table>

| Date             | 01-Feb-2016 | 12-Dec-2018 | 15-May-2019 | 31-Oct-2021 |

### Design of energy management systems (EnMS) for street lighting, water and wastewater, municipal buildings, and public facilities (number) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

| Date             | 01-Feb-2016 | 12-Dec-2018 | 15-May-2019 | 31-Oct-2021 |

**Comments:** Several meetings were held with SENER, CONUEE and GIZ in 2018 to define a list of cities where the Project could start the work to design an EMS. The new authorities at SENER need to clarify how to move forward with the EMS consultancy and start preparation of ToRs.

### Municipal energy efficiency investments

#### Default rate of municipalities (%: average rate of non-payment over total outstanding loan balance) (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>10.00</td>
</tr>
</tbody>
</table>

| Date             | 01-Feb-2016 | 12-Dec-2018 | 15-May-2019 | 31-Oct-2021 |

#### Street light interventions (number) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>3.00</td>
<td>3.00</td>
<td>16.00</td>
</tr>
</tbody>
</table>

| Date             | 01-Feb-2016 | 12-Dec-2018 | 15-May-2019 | 31-Oct-2021 |

**Comments:** Street light interventions include: Leon, Miguel Hidalgo and Huajapan de Leon

#### Water and wastewater interventions (number) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>8.00</td>
</tr>
</tbody>
</table>

| Date             | 01-Feb-2016 | 12-Dec-2018 | 15-May-2019 | 31-Oct-2021 |

**Comments:** Procurement process is underway for Huamantla water pumping project. The tender documents have been updated since February 2019, but SENER did not clarify how to move forward with the project, and the PIU is now taking a long time to review the tender docs, since the technical specialist and technical coordinator have not been hired.
### Municipal building interventions (number) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>8.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Feb-2016</td>
<td>12-Dec-2018</td>
<td>15-May-2019</td>
<td>31-Oct-2021</td>
</tr>
<tr>
<td>Comments</td>
<td>Sub-projects under preparation as discussions had to restart with new municipal administrations, now discussions have to be held with new authorities in SENER to define which projects to move forward with (limited budget at FOTEASE).</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Public Facility Energy Efficiency Investments

#### Capacity-building, outreach and women in STEM activities implemented (number) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>6.00</td>
<td>10.00</td>
<td>30.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Feb-2016</td>
<td>12-Dec-2018</td>
<td>15-May-2019</td>
<td>31-Oct-2021</td>
</tr>
</tbody>
</table>

#### Sub-projects designed (number) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>8.00</td>
<td>9.00</td>
<td>44.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Feb-2016</td>
<td>12-Dec-2018</td>
<td>15-May-2019</td>
<td>31-Oct-2021</td>
</tr>
<tr>
<td>Comments</td>
<td>Sub-projects designed: Leon, Huamantla, Miguel Hidalgo, Huajuapan de Leon, Puebla, Cozumel, Oaxaca, Culiacan and Mérida.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Public facility interventions (number) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>8.00</td>
</tr>
<tr>
<td>Comments</td>
<td>First hospital audit completed. First audit for schools is expected to start in June. SENER needs to reach out to the new authorities of the Secretary of Public Education (SEP) and the Secretary of Public Health (SSA) to build a coordinated pipeline of subprojects.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Data on Financial Performance

#### Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
</tr>
</thead>
</table>

6/12/2019
Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

Cumulative Disbursements

Restructuring History

There has been no restructuring to date.

Related Project(s)

P160778-Additional Finance for Energy Efficiency in Public Facilities Project (PRESEMEH), P165585-Additional Financing for Energy Efficiency in Public Facilities Project (PRESEMEH)