

IMPORTANT: The reporting period is GEF Fiscal Year (July 1st, 2021, to June 30th, 2022)

PROJECT GENERAL INFORMATION

Project Name	Transparency under the Paris Agreement: National and Sub-National contribution tracking towards Mexico's NDC (CBIT Mexico)				
Project's GEF ID	10031	Project's IDB ID:	ME-T1390	Overall Stage:	Disbursing (from eligibility until all operations are closed)
Country/ies	Mexico				
GEF Focal Area	Transparency CBIT				
Executing Agency	INSTITUTO NACIONAL DE ECOLOGIA Y CAMBIO CLIMATICO				
Project Finance	GEF Trust Fund	\$1,826,485			
	Co-finance at CEO Endors./Approv.	\$1,250,000			
	TOTAL Project Cost (GEF Grant + co-finance)	\$3,076,485			
Disbursements	GEF Grant disbursed as of end of previous fiscal year	Not Applicable			
	GEF Grant disbursed as of end of this fiscal year	\$593,665			
Project Dates	Agency Approval Date	12/17/2020			
	Effectiveness (Start) Date	6/15/2021			
	First Disbursement Date	4/8/2022			
	Expected Completion Date (in Convergence: OED)	10/15/2024			
	Current Closing Date (in Convergence: CED)	10/15/2024			
	Expected Financial Closure Date (in Convergence: EOC)	1/13/2025			
	Actual Date of Closure (in Convergence: CO)				
Project Evaluation	Mid-term Date (Planned)	7/31/2023			
	Mid-term Date (Actual)	N/A			
	Terminal evaluation Date (Planned)	10/15/2024			
	Terminal evaluation Date (Actual)				

Development Objective

Develop a platform for tracking and reporting Mexico's NDC implementation.

Development Objective Rating (DO) & Assessment

During the first year of implementation, the project has had a few delays for completing its first disbursement and hiring a Project Coordination Unit (PCU). Because of these delays, the project is experiencing a setback of a few months.

Nevertheless, the project is expected to achieve most of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings. Therefore, the project's development objective for fiscal year 2022 was rated as Satisfactory (S).

PREVIOUS RATING

N/A

NEW RATING

S

Project Status Update

The Technical Cooperation Agreement was signed on June 15, 2021. The kick-off meeting was held on July 22, 2021. The executing agency complied with the three conditions prior to the first disbursement established in the Technical Cooperation Agreement during the month of October 2021, with which the eligibility of the operation was confirmed.

In October 2021, both the executing agency (INECC) and the technical beneficiary (SEMARNAT) were trained on procurement and financial management. During the last months of 2021, an update of the procurement plan was prepared along with the counterpart, as well as the first disbursement request, and the terms of reference for hiring PCU. It was agreed that the request for the first disbursement would be sent along with the procurement processes for the PCU, in January 2022. But the request for disbursement was delayed until April 2022.

INECC and SEMARNAT started the evaluation of resúms to hire the PCU in July 2022, and they expect to hire them by September 2022 (fiscal year 2023). The unit will be in charge of managing the project and hiring the consultancies to achieve the different components of the operation.

Implementation Progress

Implementation Progress Rating (IP) & Assessment

For fiscal year 2022, the project's implementation progress was rated as Marginally Satisfactory (MS) as there were a few delays related to the signature of the project's agreement (June 15, 2021), which led to delays in the project's first disbursement completion only until April 2022.

On a positive note, the executing agency (INECC) and the technical beneficiary (SEMARNAT) were trained on procurement and financial management processes during this time. These two agencies have started the evaluation of resúms to hire the Project Coordination Unit (PCU) in July 2022, and they expect to hire them by September 2022. This unit will oversee managing the project and hiring the consultancies to achieve the different components of the operation. Because the PCU has not been hired yet, project progress as of June 30, 2022, has been delayed. Thus, the implementation of some

PREVIOUS RATING

N/A

NEW RATING

MS

components will require remedial action for the implementation of the project to reach compliance on time. However, most of the components are in substantial compliance with the original formally revised plan.

Project Risks

Risk Rating (RISK) & Assessment

So far, the project risk was rated as Low (L).

The Project's progress as of June 30, 2022, has been delayed thus, the implementation of some components will require remedial action for the implementation of the project to reach compliance on time. On the other hand, some of the components are in substantial compliance with the original/formally revised plan. Because of this, there is low risk of less of 25% of completion of components, but as soon as the UCP is hired and the implementation of the project starts, we expect that the overall project risk lowers to less than 25%.

Previous Rating

N/A

New Rating

L

Stakeholder Engagement

The project's kick-off meeting amongst main stakeholders was held on July 22, 2021.

In October 2021, both the executing agency (INECC) and the technical beneficiary (SEMARNAT) were trained on procurement and financial management. In December 2021, an update of the procurement plan was prepared along with the counterpart, as well as the first disbursement request, and the terms of reference for hiring the Project Coordination Unit (PCU).

There has been close communication with the key stakeholders in this project (INECC and SEMARNAT), offering them advise, training and support when needed to ensure successful implementation of the project. Nevertheless, the hiring of the UCP has been delayed a few months.

Recommendation:

Stakeholder engagement and support to SEMARNAT and INECC will continue and will be fundamental for new stakeholder identification as follows:

Component 1. Stakeholder identification and consultation for the transparency of climate action at the national and subnational levels and Component 4. Knowledge exchange and dissemination of information on climate action transparency.

Gender

A gender analysis is expected to be developed as part of Component 1. Stakeholder identification and consultation for the transparency of climate action at the national and subnational levels.

This component intends to research, compile, and analyze the different existing practices of climate action transparency at the national and subnational levels in Mexico, to assess the capacity levels of stakeholders that could potentially contribute to the NDC. This includes mapping local regulatory requirements on transparency and climate transparency practices among different stakeholders, including subnational authorities and international cooperation agencies.

Along with this assessment, a gender analysis will be developed at the start of the project to identify: (i) gender issues such as inequalities and gaps in current climate action transparency practices; (ii) the level of involvement of women in these practices; and (iii) climate actions which involve gender criteria. Also, a gender plan will be developed

outlining specific actions to be considered as a crosscutting element in each project's component, if applicable (such as gender-responsive actions, gender performance indicators and sex-disaggregated targets). This component must provide a deeper characterization of the status of transparency in Mexico.

Recommendation:

As the project has been delayed, gender analysis and specific actions to include to the project have not been identified. When the individual consultancies start, it will be fundamental that the UCP develops strong terms of reference (ToRs) to hire an expert on gender issues to support the project's implementation.

Knowledge

Component 4 of the Project is the dissemination of information regarding the development of the platform and the broader transparency framework will enhance transparency practices from the government, stakeholders, and partners. This component is expected to promote project activities among a diverse range of audiences, contribute to information access in the country, and disseminate publications and outreach materials.

The Early Warning System-National Determined Contribution (SIAT-NDC) is expected to feed a section of the national climate change webpage. The project will also identify and systematize results, lessons learned and opportunity areas, to develop knowledge products and increase the data on transparency at all levels. This includes work with climate change institutions and relevant stakeholders.

Events on transparency and the use and functionalities of the SIAT-NDC and its implications for NDC transparency will be carried out. It is expected that the Government of Mexico participates in international events regarding climate action transparency, to share experiences and identify best practices on climate action transparency in the Latin American and the Caribbean region.

This component intends to: (i) develop and disseminate material for different audiences (e.g. factsheets, infographics, videos, articles, etc.) about the SIAT-NDC, NDC compliance and transparency practices; (ii) develop a section in the country climate webpage to disseminate relevant information; (iii) carry out an event to launch the SIAT-NDC platform; (iv) generate knowledge products on best practices and lessons learned identified during the project's implementation; (v) host and participate in regional workshops to exchange knowledge on climate action transparency; and (vi) organize a side event at the UNFCCC Conference of the Parties (COP) to present the SIAT-NDC and showcase Mexico's compliance with its transparency commitments.

Recommendations:

Outputs for component 4 are expected to start developing in 2023. Close stakeholder engagement will be fundamental for the success of all components.

Lessons Learned

Challenges

Lack of skills or capacities of sectoral institutions

The current administration decided to cut expenses and reduce the size of government specifically in sectoral institutions, such as climate change and environment agencies. The decrease in personnel has resulted in a work overload. In terms of the project, the lack of human resources impacted the project's deadlines which resulted in a delay of the hiring of the PCU.

The IDB team attempted to mitigate the impacts of this challenge by training the execution agency and beneficiary on procurement and financial management.

Successes

Training on procurement and financial management

The IDB team organized a procurement and financial management training for the execution agency and beneficiary. The training helped the agencies to work on the acquisitions plan, and to understand the needs for the consultancies for the project. The training will also come in handy when the PCU is hired and will contribute to expedite the hiring process for the different consultancies in the project.

Project Results Framework Modifications

Category	Fiscal Year	YES NO	APPROVED BY	DESCRIPTION OF CHANGE AND EXPLANATION
Outcome	2022	NO	IDB	NONE
Output/Activities	2022	NO	IDB	NONE

Project Extension or Other Modifications

During its first year of implementation, the project has not processed any project extensions or other minor modifications.

ANNEX 1. DEFINITION OF RATINGS

Development Objective Ratings

1. Highly Satisfactory (HS): Project is expected to achieve or exceed all its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.
2. Satisfactory (S): Project is expected to achieve most of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
3. Marginally Satisfactory (MS): Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environment benefits.
4. Marginally Unsatisfactory (MU): Project is expected to achieve some of its major global environmental objectives with major shortcomings or is expected to achieve only some of its major global environmental objectives.
5. Unsatisfactory (U): Project is expected not to achieve most of its major global environment objectives or to yield any satisfactory global environmental benefits.
6. Highly Unsatisfactory (HU): The project has failed to achieve, and is not expected to achieve, any of its major global environment objectives with no worthwhile benefits.

Implementation Progress Ratings

1. Highly Satisfactory (HS): Implementation of all components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.
2. Satisfactory (S): Implementation of most components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action.
3. Marginally Satisfactory (MS): Implementation of some components is in substantial compliance with the original/formally revised plan with some components requiring remedial action.

4. Marginally Unsatisfactory (MU): Implementation of some components is not in substantial compliance with the original/formally revised plan with most components requiring remedial action.
5. Unsatisfactory (U): Implementation of most components is not in substantial compliance with the original/formally revised plan.
6. Highly Unsatisfactory (HU): Implementation of none of the components is in substantial compliance with the original/formally revised plan.

Risk ratings

Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:

1. High Risk (H): There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.
2. Substantial Risk (S): There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.
3. Modest Risk (M): There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.
4. Low Risk (L): There is a probability of up to 25% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.