

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: LATIN AMERICA AND THE CARIBBEAN
COUNTRY: MEXICO

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: Latin America and the Caribbean
Country: Mexico

Introduction

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart¹ showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

Country: Mexico

Project Name (ID): Second Community Forestry (P035751)

Country: Mexico

Board Approval Date: 12/09/2003

Closing Date: 06/30/2008

Loan/Credit/Grant Number: IBRD-72070

Sector(s): Forestry (60%), Sub-national government administration (23%), Other social services (17%)

Theme(s): Other environment and natural resources management (P), Other rural development (P), Indigenous peoples (P), Participation and civic engagement (S), Land administration and management (S)

Project Development Objectives:

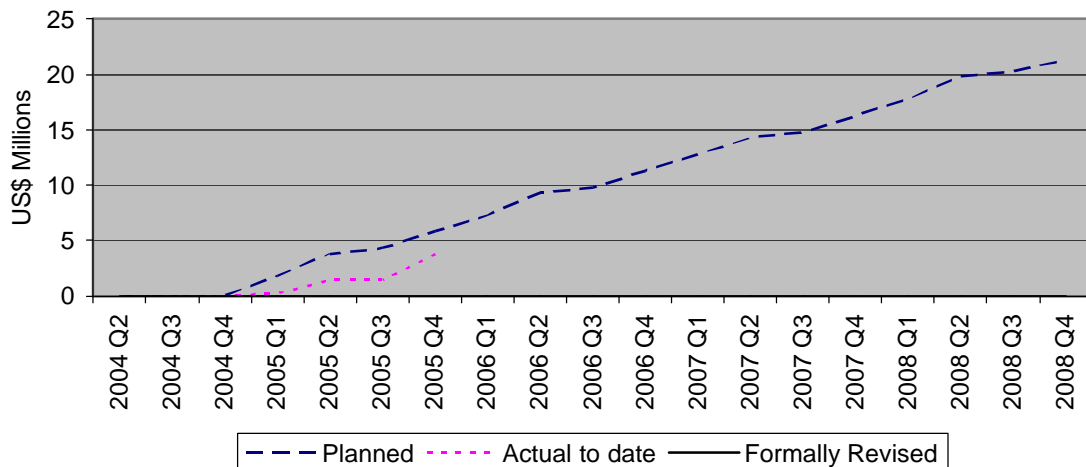
The objective is to assist indigenous communities and ejidos, (indigenous or non-indigenous land holdings, allocated to individuals or families by communal decision), which own forests in priority regions to improve the management and conservation of their forest resources, and to generate alternative sources of income in a sustainable manner.

Progress toward achieving development objective(s):

The project was launched in early fiscal year 2005 and in September 2004, its budget was increased by 100 percent. Due to the extremely effective organization that the project management had put in place, it was possible to absorb and execute the additional budget effectively. Very significant advances were made in achieving project targets in the last six months of 2004. In the first half of 2005, the project successfully carried out its participatory planning and prioritization processes with indigenous communities and ejidos so that the 2005 budget was 100 percent committed. The project will have achieved more than 50 percent of its design targets by the end of calendar year 2005.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72070	Effective	21.30	3.73	17.57	0.00



Project Name (ID): Integrated Irrigation Modernization (P035752)

Country: Mexico

Board Approval Date: 12/09/2003

Closing Date: 09/30/2009

Loan/Credit/Grant Number: IBRD-72060

Sector(s): Irrigation and drainage (87%), Crops (7%), Central government administration (4%), Other social services (2%)

Theme(s): Export development and competitiveness (P), Water resources management (P), Other rural development (P), Rural services and infrastructure (S), Decentralization (S)

Project Development Objectives:

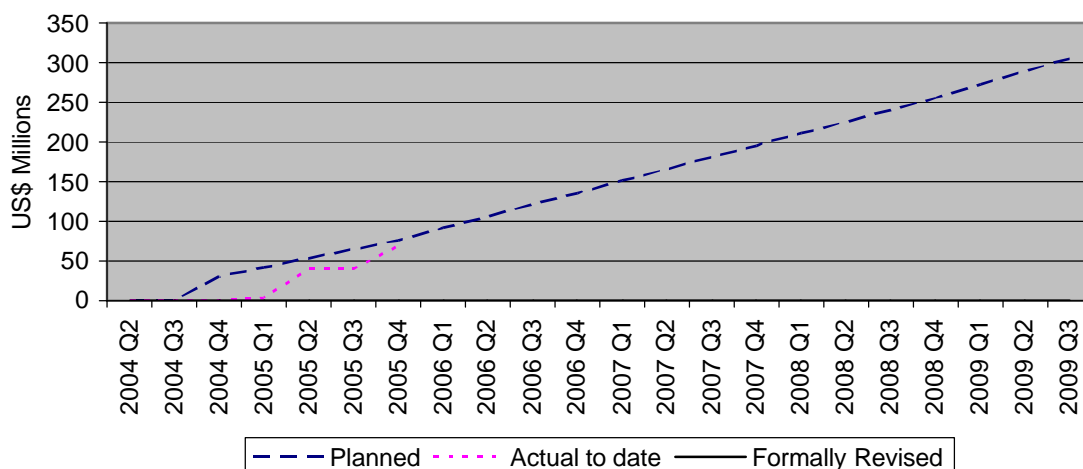
The objective is to adopt a new model to improve the competitiveness of irrigated agriculture and the efficiency of irrigation water use, in both Irrigation Districts and Irrigation Units.

Progress toward achieving development objective(s):

The project launched during fiscal year 2005 and is making good progress, mainly due to the substantial amount of retroactive financing; the preparation of master plans in Districts and Units; and the initiation of activities in all project components, including monitoring and evaluation, training, and institutional strengthening of Water User Associations. It is too early to assess progress towards achieving the development objective.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72060	Effective	303.03	82.57	220.46	0.00



Project Name (ID): Knowledge and Innovation (P044531)

Country: Mexico

Board Approval Date: 06/16/1998

Midterm Review Date: 06/11/2001

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IBRD-43490

Sector(s): Central government administration (53%), Tertiary education (22%), Micro and SME finance (13%), General industry and trade (12%)

Theme(s): Technology diffusion (P), Small and medium enterprise support (P), Education for the knowledge economy (P), Other financial and private sector development (P)

Project Development Objectives:

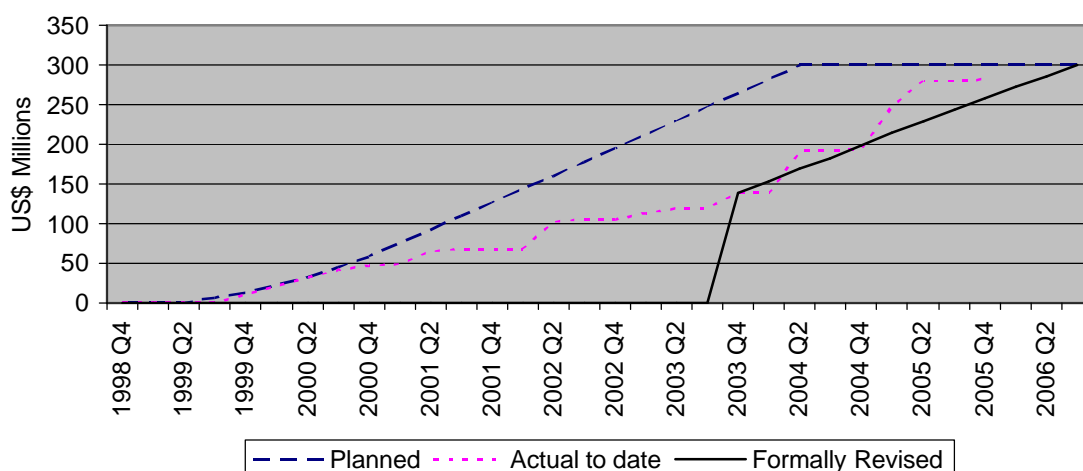
The objectives are to: (a) support excellence in science and technological research and increase the availability of scientific and technological human capital; (b) support increased firm-level productivity; and (c) facilitate links between private firms, universities and research institutions.

Progress toward achieving development objective(s):

The National Council of Science and Technology (CONACYT) has considerably accelerated implementation during fiscal year 2005, particularly related to the scholarship program. This program finances 45 percent of all Mexican doctoral graduates in Science and Technology, of which 90 percent report that they would not have studied without this assistance. The program has significantly increased the availability of science and technology trained advanced human capital. The technology upgrading component and academia-private sector linkages component have both succeeded in broadening the mission and policies of CONACYT. CONACYT now embraces science, technology and innovation services for the private sector. The venture capital fund is now under successful implementation with demand for venture capital rising.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-43490	Effective	300.00	282.06	17.94	0.00



Project Name (ID): Higher Education Financing (P049895)
Country: Mexico
Board Approval Date: 06/04/1998
Midterm Review Date: 03/12/2002
Closing Date: 08/31/2005
Loan/Credit/Grant Number: IBRD-43320
Sector(s): Tertiary education (98%), Sub-national government administration (2%)
Theme(s): Education for the knowledge economy (P), Education for all (P)

Project Development Objectives:

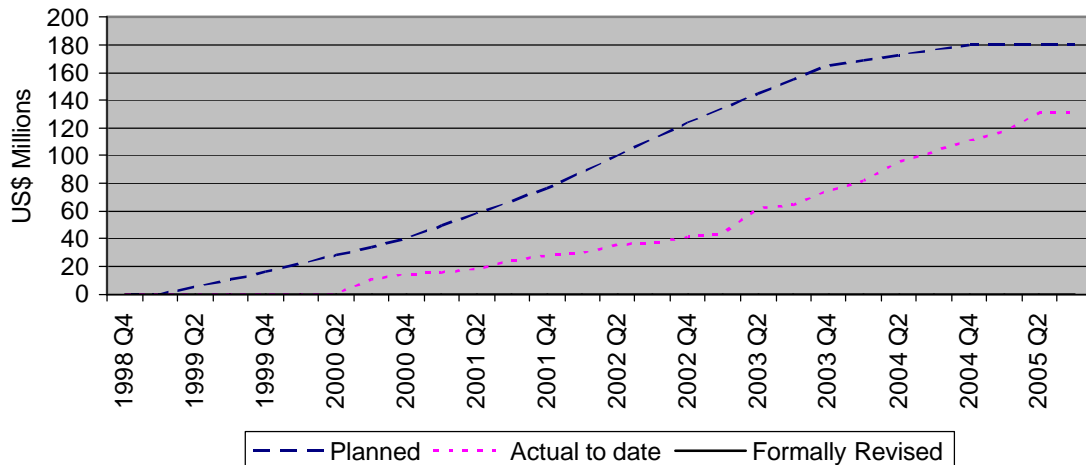
The objective is to improve access to higher education with the development of more effective and financially sustainable student loan institutions.

Progress toward achieving development objective(s):

The project has made considerable progress towards its objective. The project has had a clear impact on accessibility to tertiary education: a rigorous impact study found that financial aid improves the probability of attending tertiary education by 24 percent. Further, beneficiaries of loans come from lower-income families compared to non-beneficiaries. The Sociedad de Fomento de Educacion Superior, which receives the majority of the project financing, expanded the number of student loan beneficiaries by 10 percent in 2004, from 22,000 in 2003 to 25,000 in 2004. Default rates remained low at 6.5 percent, which is an exceptionally low default rate for a student loan organization in a middle-income country. Additionally, operational costs remained very low at one percent of the value of the portfolio. The other supported student loan institution, Instituto de Credito Educativo del Estado de Sonora, equally improved performance.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-43320	Effective	180.20	131.31	48.89	0.00



Project Name (ID): Third Ozone Depleting Substances Phaseout (P050429)

Country: Mexico

Board Approval Date: 11/08/1997

Midterm Review Date: 05/07/2001

Closing Date: 06/30/2006

Loan/Credit/Grant Number: MULT-22018

Sector(s): General industry and trade (97%), Banking (3%)

Theme(s): Pollution management and environmental health (P), Climate change (P)

Project Development Objectives:

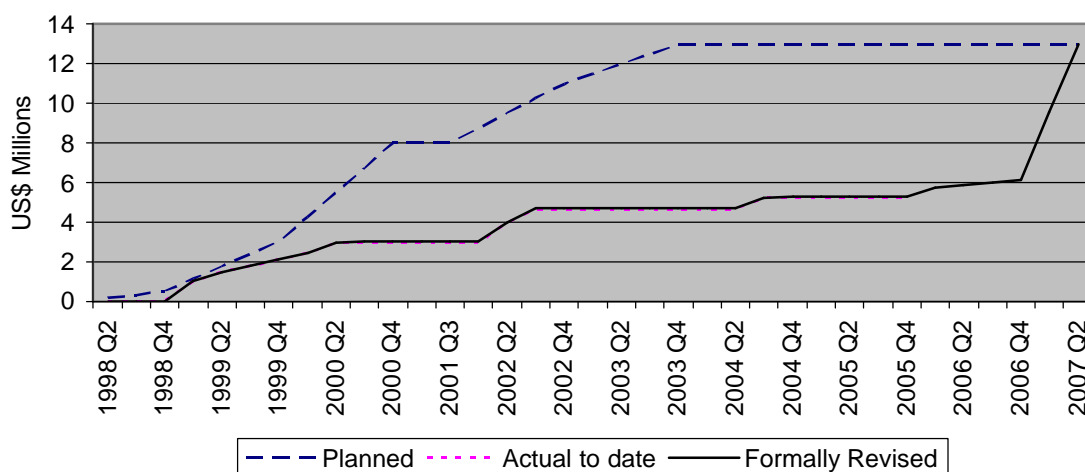
The objective is to: (a) support Mexico's program to phase out Ozone Depleting Substances consumption through the provision of technical and technological assistance; and (b) strengthen the institutional framework to better identify, prepare, evaluate, and administer subprojects.

Progress toward achieving development objective(s):

The three ongoing subprojects in the industrial aerosols, sterilization and chillers sectors began implementation during fiscal year 2005. One of the two firms in the aerosols subproject has almost completed its phase-out schedule; reductions of Chloro-Fluoro Carbon (CFC) use in both companies will be verified by an independent auditor hired by the Bank. Resources under the sterilization subproject were reallocated as per the verification of the eligible CFC consumption at each institution involved, and the subproject is expected to be completed before the end of 2006. In the beginning of 2005, the Executive Committee (EXCOM) of the Multilateral Fund approved the funds for the second phase of the chillers replacement program; the Trust Fund of Energy Savings (FIDE) has already initiated implementation according to the work plan submitted to EXCOM.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-22018	Effective	13.00	5.20	7.80	0.00



Project Name (ID): Introduction of Climate-Friendly Measures in Transport (P059161)

Country: Mexico

Board Approval Date: 10/29/2002

Closing Date: 06/30/2008

Loan/Credit/Grant Number: MULT-51612

Sector(s): General transportation (60%), Central government administration (20%), Sub-national government administration (20%)

Theme(s): Climate change (P), Environmental policies and institutions (P), Pollution management and environmental health (P), Other urban development (S)

Project Development Objectives:

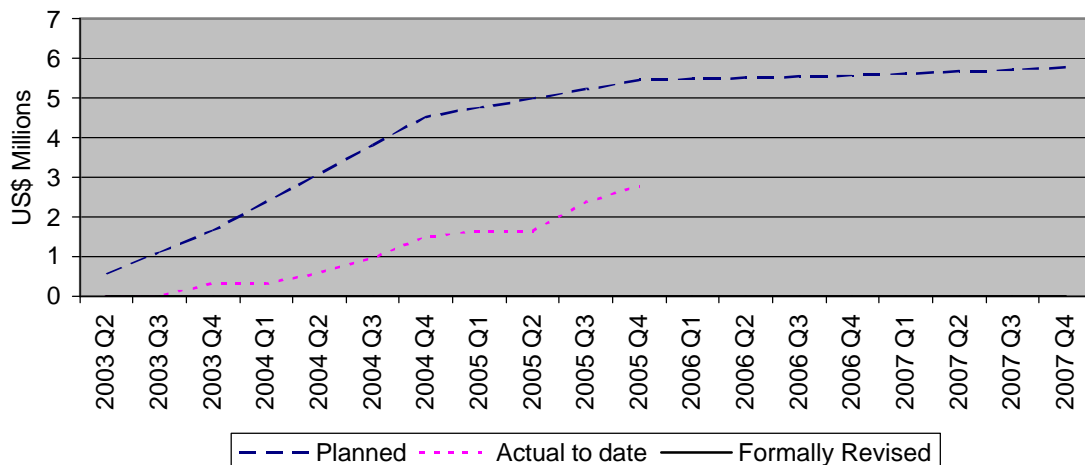
The objective is to contribute to the development of policies and measures that will assist in a long-term modal shift toward climate-friendly, more efficient and less polluting, less carbon intensive transport in the Mexico City metropolitan area.

Progress toward achieving development objective(s):

The most significant achievements include: (a) the definition and application of a modern institutional and incentive structure for the operation of the transport corridors, which includes the adoption of a professional structure for transport companies that will use the corridor; and (b) the formulation of a carbon finance operation that will purchase the anticipated carbon emission reductions from the operation of the corridor. The field test has now undertaken both dynamic and static measurements of different drives, engines and fuels under field conditions in Mexico City. The last of the technological option (hybrid series bus) has been leased from the manufacturer in Brazil and will be tested during the second half of 2005. The climate change action program for the city has now been drafted and will be officially presented later in 2005.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-51612	Effective	5.80	2.76	3.04	0.00



Project Name (ID): Renewable Energy for Agriculture (P060718)

Country: Mexico

Board Approval Date: 12/21/1999

Midterm Review Date: 06/03/2004

Closing Date: 03/31/2006

Loan/Credit/Grant Number: MULT-23251

Sector(s): Renewable energy (50%), Central government administration (45%), Animal production (5%)

Theme(s): Other rural development (P), Rural services and infrastructure (P), Environmental policies and institutions (S), Climate change (S)

Project Development Objectives:

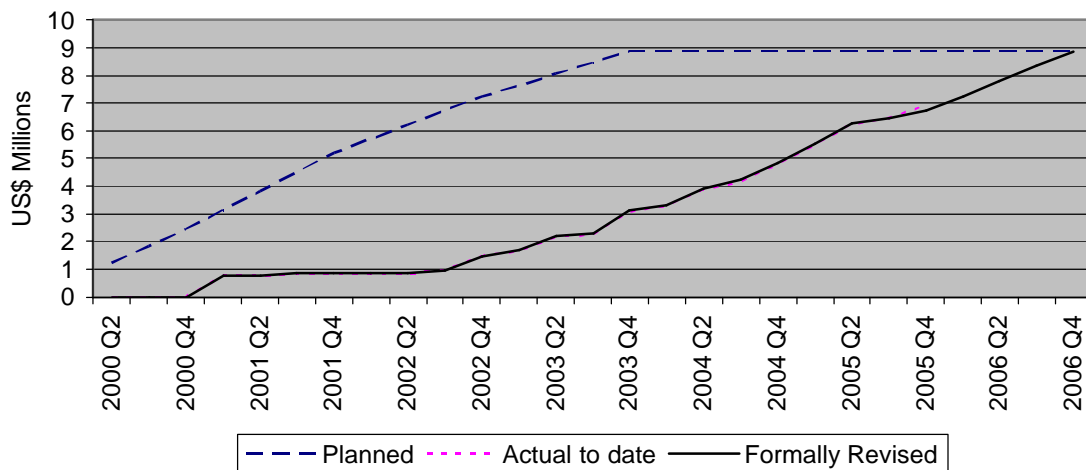
The objectives are to: (a) provide unelectrified farmers with reliable electricity supply for productive purposes; (b) increase the productivity and income of these farmers; and (c) improve the Trust Fund for Shared Risk's (FIRCO) ability to catalyze the penetration of renewable energy technologies in the agriculture sector.

Progress toward achieving development objective(s):

Project implementation continues to proceed well and the project is on target to meet its physical and financial objectives. The project has now trained 3,482 people in installing and using equipment, installed 1,795 systems and disseminated its knowledge to 52,839 participants during 686 workshops and 2,106 demonstration days.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-23251	Effective	8.90	6.92	1.98	0.00



Project Name (ID): Mesoamerican Biological Corridor (P060908)

Country: Mexico

Board Approval Date: 11/28/2000

Midterm Review Date: 01/18/2005

Closing Date: 06/30/2008

Loan/Credit/Grant Number: MULT-24371

Sector(s): Central government administration (64%), General agriculture, fishing, and forestry (27%), Sub-national government administration (9%)

Theme(s): Biodiversity (P), Environmental policies and institutions (P), Participation and civic engagement (P), Other rural development (P), Export development and competitiveness (S)

Project Development Objectives:

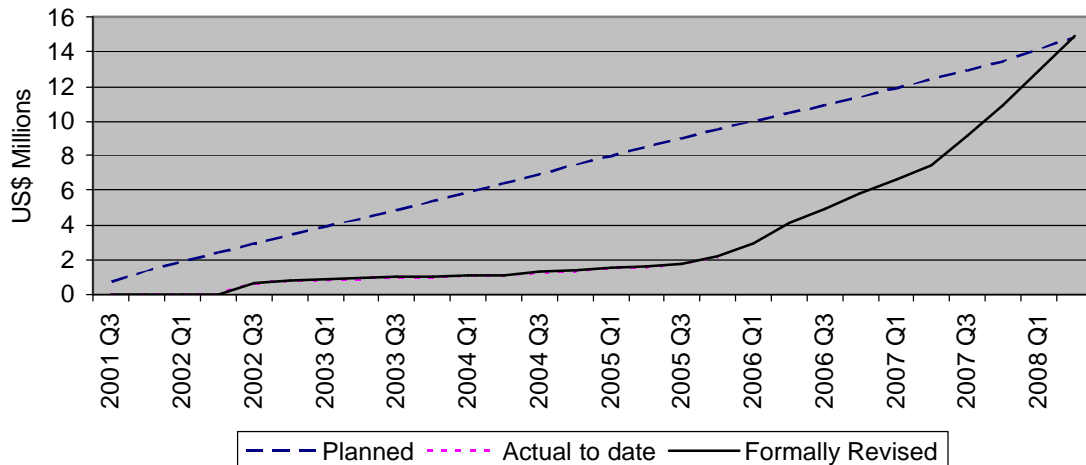
The objective is the conservation and sustainable use of globally significant biodiversity in six biological corridors in southeast Mexico.

Progress toward achieving development objective(s):

Significant advances were made this year to overcome past delays in implementation. An external evaluation was completed and a series of adjustments to the project were agreed and are under implementation. The adjustments were made in consensus with the project's National and State-level Councils, and with the approval of Nacional Financiera (NAFIN), the Ministry of Finance, and the Bank. Progress is now clearly being achieved in meeting the project objective, with strategies and priorities developed with the State Councils and participating communities for sustainable development and conservation of their biological corridor and implementation and concrete advances made toward the reorientation of public expenditures within the Mesoamerican Biological Corridor.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-24371	Effective	14.84	2.12	12.72	0.00



Project Name (ID): Methane Gas Capture and Use at a Landfill - Demonstration (P063463)

Country: Mexico

Board Approval Date: 05/15/2001

Midterm Review Date: 08/13/2004

Closing Date: 06/30/2006

Loan/Credit/Grant Number: MULT-28268

Sector(s): Renewable energy (78%), Central government administration (18%), Sub-national government administration (4%)

Theme(s): Other urban development (P), Pollution management and environmental health (P), Municipal governance and institution building (S), Law reform (S), Climate change (S)

Project Development Objectives:

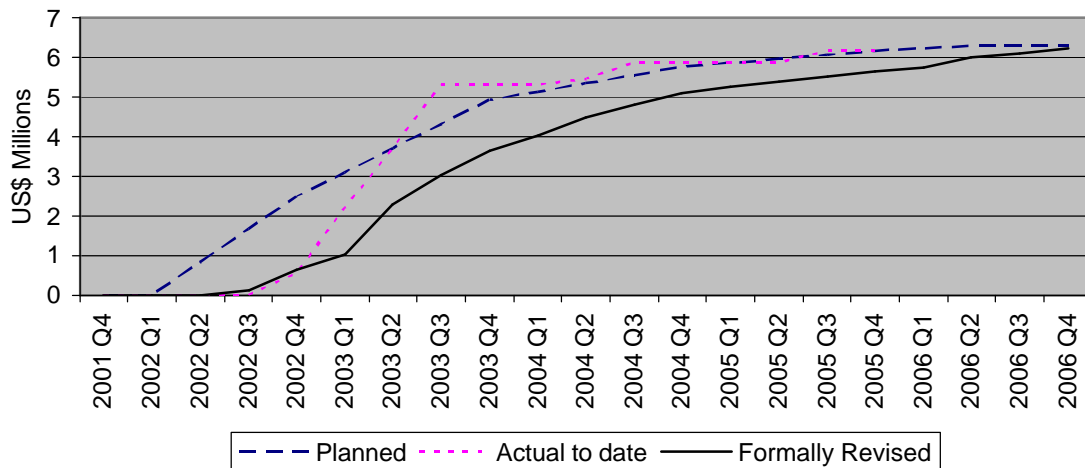
The objective is to demonstrate a proven technology for landfill gas (LFG) capture, and use, and reduce barriers to development of future LFG projects.

Progress toward achieving development objective(s):

As a result of this project, a follow-up carbon-finance operation was developed and approved in March 2005, which will support the development of three additional LFG plants, further contributing to reduction of greenhouse gases. The plant continues to operate in a satisfactory manner providing a working example for replication throughout the region. The feasibility studies now include a composting and LFG site, which is expected to represent a solid alternative to stand-alone LFG plants.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-28268	Effective	6.27	6.19	0.08	0.00



Project Name (ID): Federal Highway Maintenance (P065779)

Country: Mexico

Board Approval Date: 12/14/2000

Midterm Review Date: 11/20/2003

Closing Date: 11/30/2006

Loan/Credit/Grant Number: IBRD-70420

Sector(s): Roads and highways (98%), Central government administration (2%)

Theme(s): Regional integration (P), Export development and competitiveness (P), Other financial and private sector development (S)

Project Development Objectives:

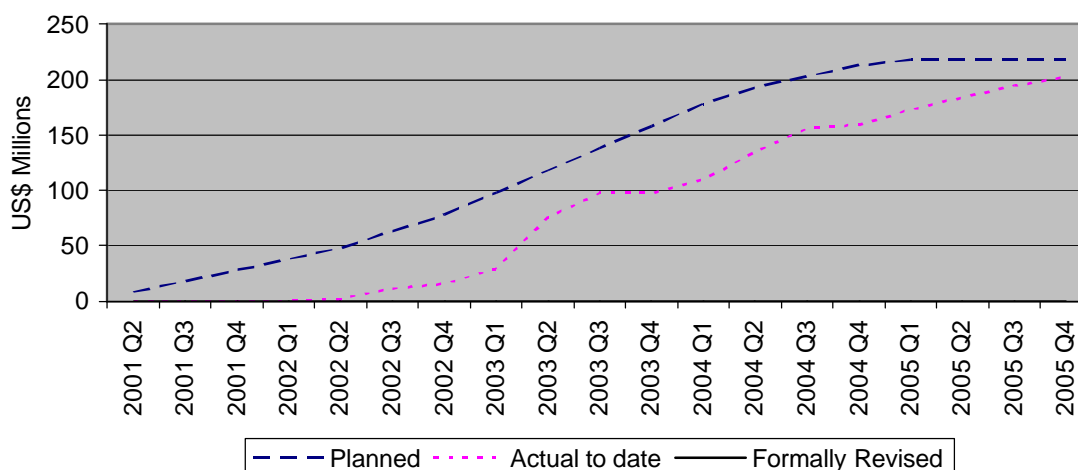
The objectives are to: (a) improve transport efficiency of the road network;(b) improve the Secretariat of Communications and Transport's rehabilitation and maintenance planning performance; and (c) enhance private sector participation in road maintenance.

Progress toward achieving development objective(s):

To improve transport efficiency of the road network, the project financed the annual road maintenance program. The main achievements to date include: (a) the reconstruction of 1,105 km; (b) the reconstruction of 464 bridges; (c) periodic maintenance of 27,775 km; (d) routine maintenance of 45,605 km; and (e) comprehensive maintenance of 432.9 km. The contracts for the Pilot Program of Comprehensive Maintenance are currently under implementation with important results in terms of improvement of quality of service, road condition and safety. Progress was also achieved in the implementation of the Highway Development and Management Model, which is another key instrument to improve the Secretariat of Communications and Transport's rehabilitation and maintenance planning performance.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70420	Effective	218.00	202.58	15.42	0.00



Project Name (ID): Consolidation of the Protected Areas System (P065988)

Country: Mexico

Board Approval Date: 02/07/2002

Closing Date: 06/30/2010

Loan/Credit/Grant Number: MULT-23379, MULT-50311

Sector(s): Forestry (58%), Central government administration (22%), Other social services (20%)

Theme(s): Biodiversity (P), Rural non-farm income generation (P), Environmental policies and institutions (P), Participation and civic engagement (P), Law reform (S)

Project Development Objectives:

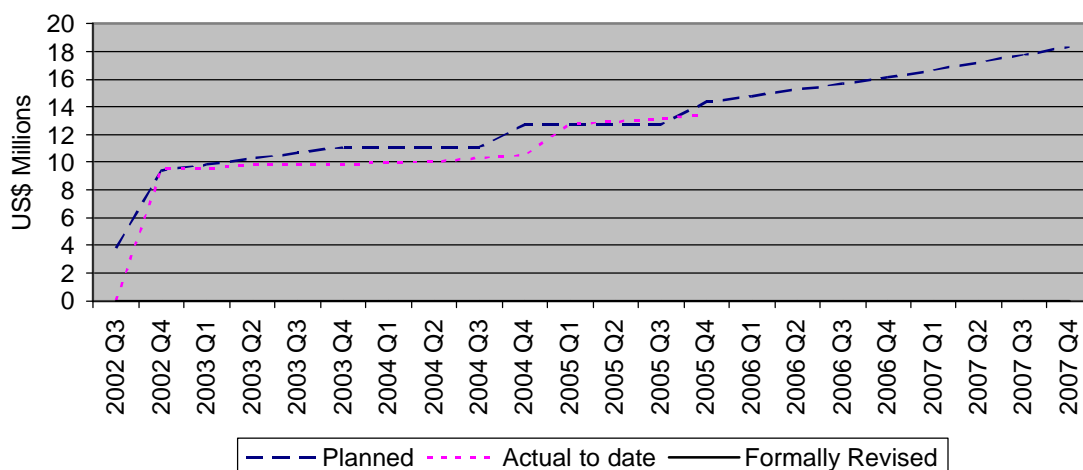
The objectives are to:(a)conserve globally important biodiversity in selected areas of the Mexican National Protected Areas System (SINAP); (b) promote the economic, social, and environmental sustainability of productive activities in selected protected areas (PA); (c) promote social co-responsibility for conservation; and (d) promote the inclusion of biodiversity conservation and sustainable use criteria in activities affecting selected PAs.

Progress toward achieving development objective(s):

Implementation progress continued to be strong with further maturation and consolidation of activities in the four original protected areas (PA). The main trends include: (a) all PAs included in the Mexican National Protected Areas System (SINAP) show a significant degree of community participation in conservation initiatives; (b) the number of people applying sustainable use techniques has increased and other development projects are beginning to incorporate biodiversity-friendly criteria; and (c) financial support for the PAs, from institutions other than Mexican National Council for Natural Protected Areas also increased. While advanced data on biodiversity and habitat indicators is not yet available, it is expected to show that project activities have begun to mitigate declines in indicator species and natural habitat. These activities contributed directly to a strengthening of SINAP, which will be sustainable in the long run. A second tranche of the project was approved in 2004, adding \$2.21 million to cover the costs of a fifth protected area, Sierra de Alamos.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-23379	Closed	0.35	0.35	0.00	0.00
MULT-50311	Effective	18.31	13.43	4.88	0.00



Project Name (ID): Third Basic Health Care (P066321)

Country: Mexico

Board Approval Date: 06/21/2001

Closing Date: 12/31/2008

Loan/Credit/Grant Number: IBRD-70610

Sector(s): Health (98%), Central government administration (2%)

Theme(s): Health system performance (P), Indigenous peoples (P), Rural services and infrastructure (P), Decentralization (S), Access to urban services and housing (S)

Project Development Objectives:

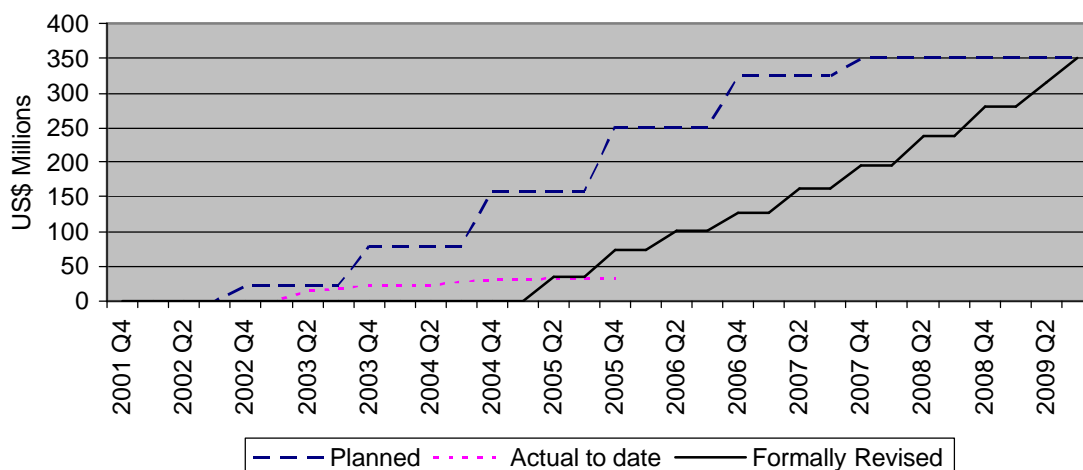
The objectives are to: (a) Achieve equity in health services; (b) Increase access, quality, and equity of health services provided to indigenous populations, and quality of health services provided to people living in municipalities with the lowest national welfare indexes; (c) Support institutional development of government health agencies and service providers; and (d) Develop innovative health prevention and care models.

Progress toward achieving development objective(s):

Amendments to the project in 2004 and 2005 including: (a) the improved alignment with the Government's new health reform agenda that ensures access to high quality health services for the poor; and (b) the introduction of a sector wide approach, are now effective and substantial work is being done to expedite implementation. Project implementation is expected to pick up to allow further progress towards achieving development objectives.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70610	Effective	350.00	32.91	317.09	0.00



Project Name (ID): Indigenous and Community Biodiversity Conservation (P066674)

Country: Mexico

Board Approval Date: 11/28/2000

Closing Date: 06/30/2008

Loan/Credit/Grant Number: MULT-24372

Sector(s): Forestry (58%), Sub-national government administration (23%), Central government administration (11%), Other social services (8%)

Theme(s): Biodiversity (P), Administrative and civil service reform (P), Participation and civic engagement (P), Rural non-farm income generation (S), Decentralization (S)

Project Development Objectives:

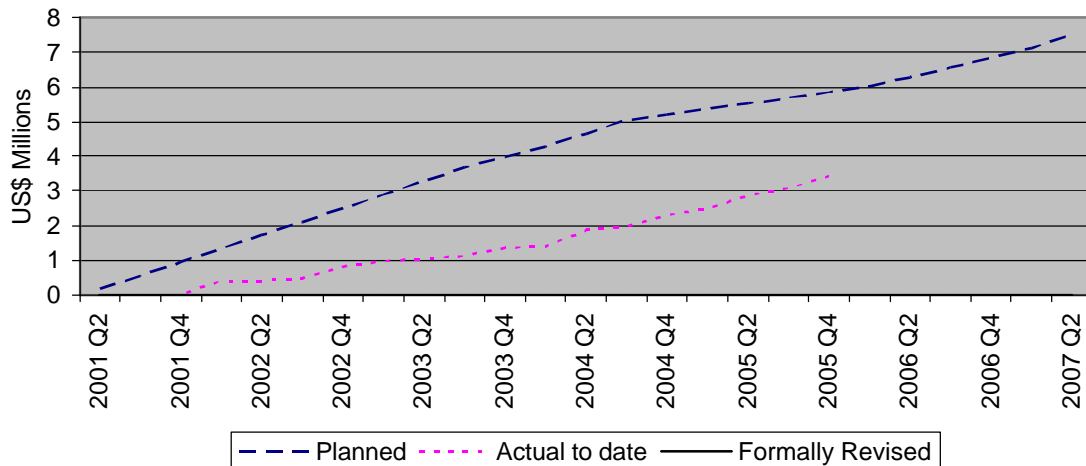
The objective is to achieve more effective biodiversity conservation in the states of Oaxaca, Michoacan and Guerrero.

Progress toward achieving development objective(s):

This GEF project is linked to the Mexico Second Community Forestry Project. During fiscal year 2005, the community grants program for community conservation activities was implemented in all participating states and currently, a third round of grant making is being initiated. Good progress is being made in establishing community conservation areas and placing associated production areas under sustainable use regimes. Institutional frameworks at the state levels are in place and resources are being channeled to communities with greater efficiency. A total of 193 community demand-driven subprojects have been financed and in the second round, over 530 eligible projects were identified in the participating states.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-24372	Effective	8.46	3.41	4.90	0.00



Project Name (ID): Gender Equity (P066938)

Country: Mexico

Board Approval Date: 06/16/2000

Midterm Review Date: 01/30/2004

Closing Date: 12/30/2005

Loan/Credit/Grant Number: IBRD-70220

Sector(s): Central government administration (64%), Other social services (24%), Micro and SME finance (12%)

Theme(s): Gender (P), Participation and civic engagement (P), Rural non-farm income generation (S)

Project Development Objectives:

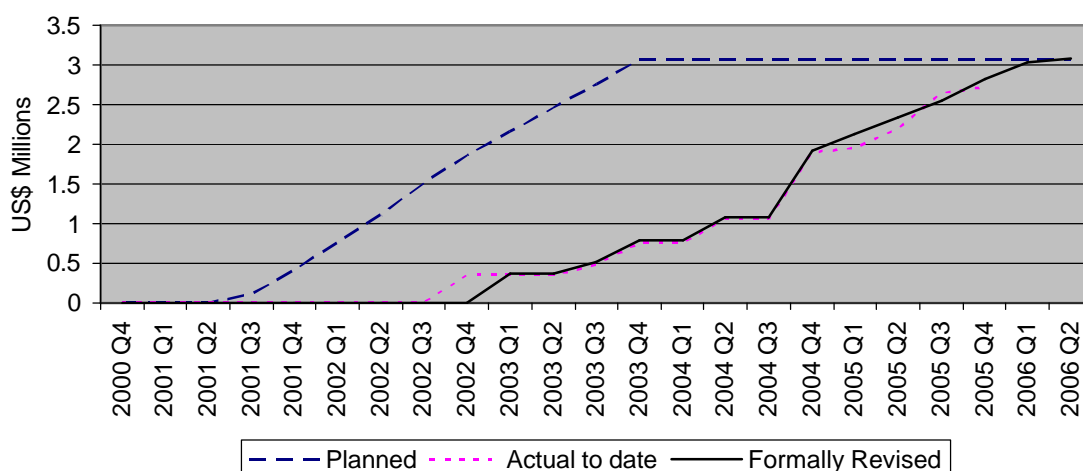
The objective is to facilitate the mutual learning and piloting of community-based initiatives to promote gender equity and improved access to Government supported income generation programs.

Progress toward achieving development objective(s):

The project has met all its goals and achieved its development objective by testing and developing the community-based Convive Program and the Gender Equity Model (GEM) intended to promote gender equity in private and public sector organizations. Under Convive, 69 community-based subprojects were successfully executed in 34 small cities nationwide; 300 leaders, men and women, were trained to incorporate a gender perspective; 117 productive women groups received technical assistance facilitating preparation of 53 new productive projects, of which, 22 have already received financing. The GEM was implemented in 60 firms and public organizations benefiting about 170,000 employees. The project was implemented in a participatory approach, which has helped to promote social awareness about gender equity among community organizations and women networks in the private sector. Moreover, the learning process has helped to consolidate the executing agency (Inmujeres) as the leader in promoting gender equity in Mexico and in supporting other countries, namely in Central America, in this endeavor.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70220	Effective	3.07	2.72	0.35	0.00



Project Name (ID): Savings and Credit Sector Strengthening and Rural Microfinance Capacity Building (P070108)

Country: Mexico

Board Approval Date: 07/02/2002

Closing Date: 12/01/2007

Loan/Credit/Grant Number: IBRD-71320

Sector(s): Banking (45%), Micro and SME finance (45%), Other social services (10%)

Theme(s): Small and medium enterprise support (P), Rural markets (P), Regulation and competition policy (P), Rural non-farm income generation (S), Indigenous peoples (S)

Project Development Objectives:

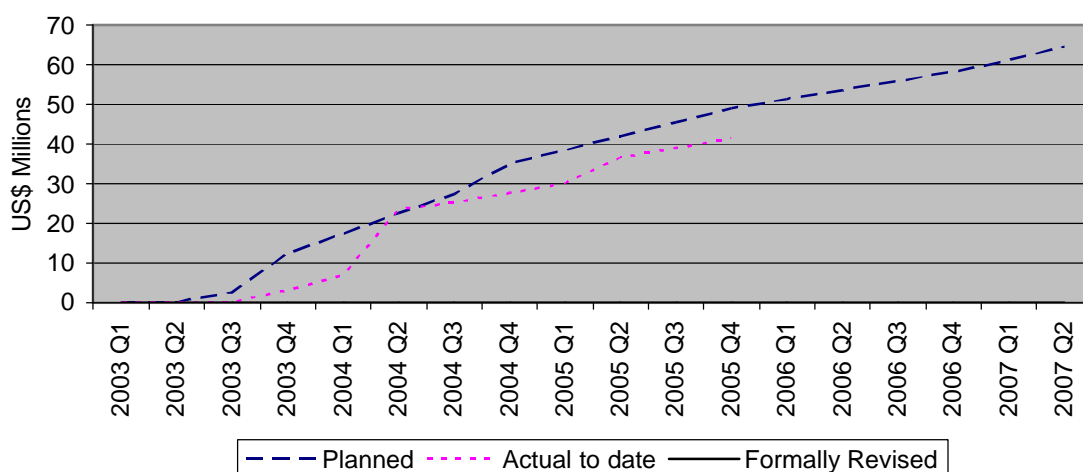
The objective is to contribute to the integration of low-income people into the national economy, and to the realization of their income generating potential by improving their access to financial services.

Progress toward achieving development objective(s):

After just over two years of implementation, the progress in the key components is as follows: (a) of the 400 savings and credit entities participating in the project, 95 are expected to be certified under the new Law by December 2005, and an additional 110-125 could be certified during the extended period allowed by the law (December 2008); (b) the quality of regulation has improved with training of agency staff and the quality of entity management has been upgraded with the financial management and governance training; (c) the technology pilot is under implementation, and the national rollout of this package is expected to reduce transaction costs (entity and client), improve access, and broaden the range of financial services offered; (d) in the marginal areas, entities are being strengthened through mergers, enhanced access (new branches), and improved client awareness; about 45,000 incremental members now have access to financial services (generating US\$8.0 million in deposits and with 50-80 percent women and indigenous population membership); and (e) monitoring and evaluation studies produced a baseline and information from the subsequent rounds of surveys will inform policy decisions in this sector.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71320	Effective	64.60	41.59	23.01	0.00



Project Name (ID): Rural Finance Development Structural Adjustment (P074655)

Country: Mexico

Board Approval Date: 06/12/2003

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IBRD-71800

Sector(s): Micro and SME finance (80%), Banking (20%)

Theme(s): State enterprise/bank restructuring and privatization (P), Small and medium enterprise support (P), Rural markets (P), Regulation and competition policy (S)

Project Development Objectives:

The objective is to help close Banrural (a troubled development bank) and establish Financiera Rural (FR) as a well managed and financially viable financial institution, geared to the development of rural financial markets.

Progress toward achieving development objective(s):

Financiera Rural (FR) continues making progress in meeting its objectives of becoming a financially sound non-banking financial institution, promoting the development of rural financial markets, and providing credit for rural activities. Since its inception, the FR has followed a prudent lending strategy, with non-performing loans of less than three percent of its lending portfolio. As a result, the FR has not required any subsidies from the Government. The FR is dedicating efforts to develop a network of financial intermediaries with the objective of moving progressively towards second-tier lending.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71800	Effective	505.06	355.05	150.01	0.00

Project Name (ID): State Judicial Modernization (P074755)

Country: Mexico

Board Approval Date: 07/01/2004

Closing Date: 09/30/2009

Loan/Credit/Grant Number: IBRD-72500, JPN-52797

Sector(s): Law and justice (100%)

Theme(s): Other public sector governance (P), Judicial and other dispute resolution mechanisms (P), Access to law and justice (S), Law reform (S)

Project Development Objectives:

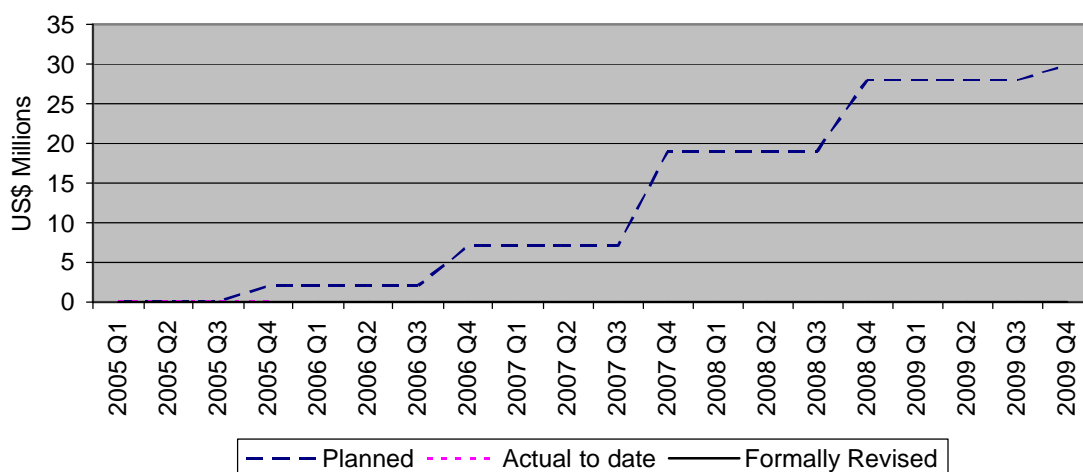
The objective is to strengthen institutional capabilities, organizational culture and knowledge, efficiency and effectiveness of judicial services and to improve transparency and access to justice.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72500	Not Effective	30.00	0.00	30.00	0.00
JPN-52797	Effective	0.48	0.05	0.43	0.00



Project Name (ID): Tax Administration Institutional Development (P077602)

Country: Mexico

Board Approval Date: 06/18/2002

Closing Date: 06/30/2007

Loan/Credit/Grant Number: IBRD-71270

Sector(s): Central government administration (100%)

Theme(s): Tax policy and administration (P), Administrative and civil service reform (S), Public expenditure, financial management, and procurement (S)

Project Development Objectives:

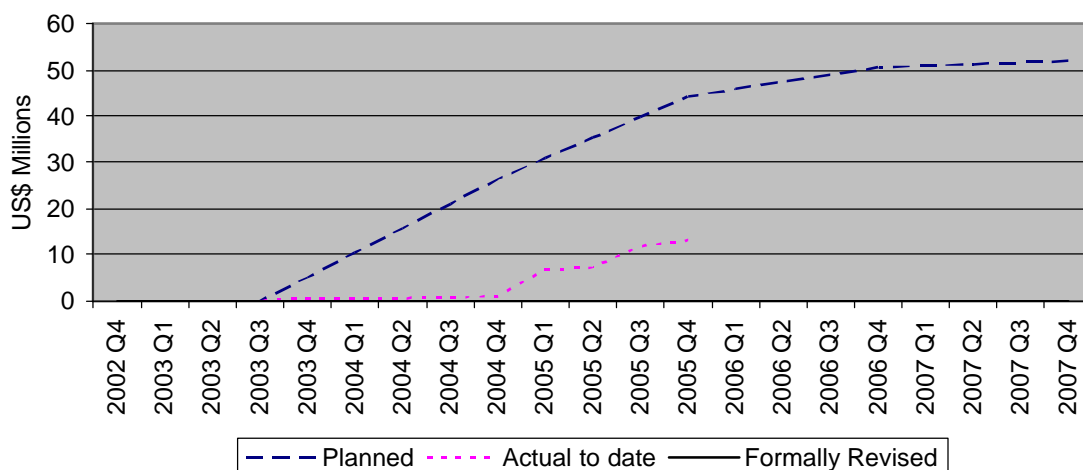
The objective is to increase government revenues by improving tax compliance and reducing tax evasion by improving the efficiency and effectiveness of the Tax Administration Service.

Progress toward achieving development objective(s):

Planned activities are showing impact, and tax collection results of 2004 improved slightly, although in some cases they were lower than those observed in the previous year. Effective project coordination and committed leadership continues to be in place and therefore the likelihood of achieving the project objective remains high.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71270	Effective	52.00	13.04	38.96	0.00



Project Name (ID): Decentralized Infrastructure Reform and Development (P080149)

Country: Mexico

Board Approval Date: 06/08/2004

Closing Date: 12/31/2008

Loan/Credit/Grant Number: IBRD-72300

Sector(s): Roads and highways (40%), Water supply (30%), Housing finance and real estate markets (10%), Housing construction (10%), Sanitation (10%)

Theme(s): Decentralization (P), Rural services and infrastructure (P), Access to urban services and housing (P), Municipal governance and institution building (S), Other financial and private sector development (S)

Project Development Objectives:

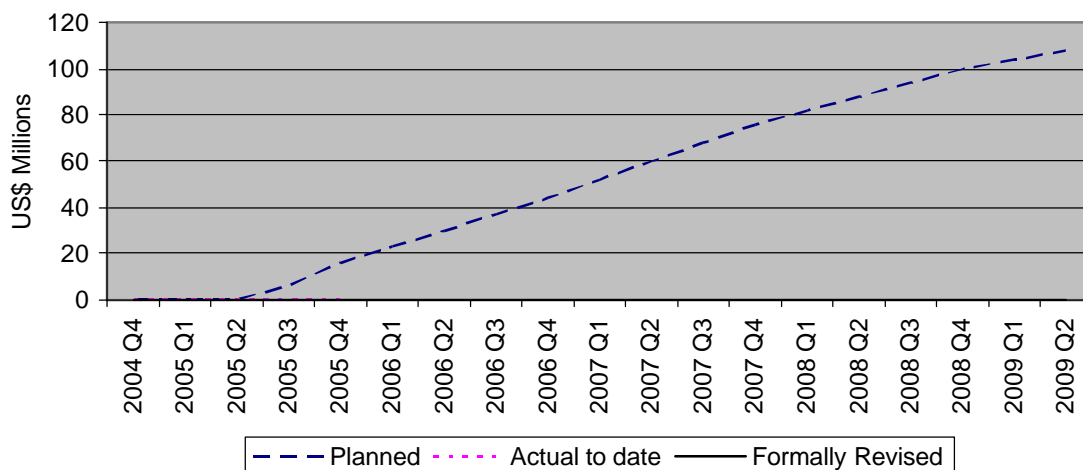
The objective is to improve the provision and performance of the transport, water and sanitation, and housing sectors in the State of Guanajuato.

Progress toward achieving development objective(s):

The project had just become effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72300	Effective	108.00	0.00	108.00	0.00



Project Name (ID): Basic Education Development Phase 3 (P085851)

Country: Mexico

Board Approval Date: 07/01/2004

Closing Date: 12/31/2007

Loan/Credit/Grant Number: IBRD-72490

Sector(s): Primary education (50%), Secondary education (20%), Pre-primary education (20%), Central government administration (5%), Sub-national government administration (5%)

Theme(s): Education for all (P), Indigenous peoples (S), Participation and civic engagement (S), Rural services and infrastructure (S)

Project Development Objectives:

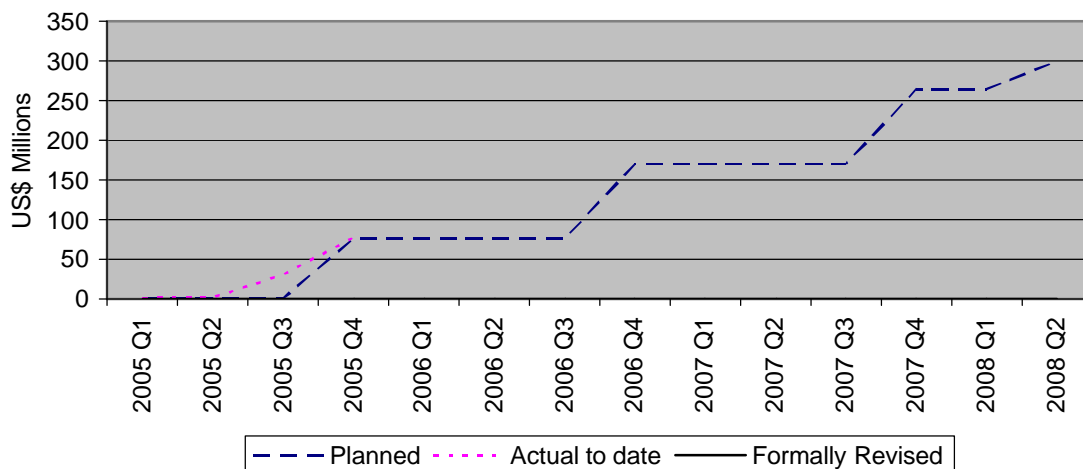
The objectives are to: (a) consolidate and expand quality improvements in initial and basic education (preschool, primary and lower secondary); (b) strengthen management of the education system; and (c) continue strengthening states for the delivery of basic education services.

Progress toward achieving development objective(s):

Phase III of this project became effective in the latter part of the reporting period. Most of the project activities are not only being implemented as expected, but have surpassed targets for 2004. Yet, it is still too early to report on progress toward achieving the development objectives.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72490	Effective	300.00	76.54	221.96	1.50



Project Name (ID): Savings and Rural Finance - Phase 2 (P087152)

Country: Mexico

Board Approval Date: 06/29/2004

Closing Date: 07/31/2009

Loan/Credit/Grant Number: IBRD-72400

Sector(s): Banking (100%)

Theme(s): Rural markets (P), Regulation and competition policy (P), State enterprise/bank restructuring and privatization (S), Other financial and private sector development (S), Infrastructure services for private sector development (S)

Project Development Objectives:

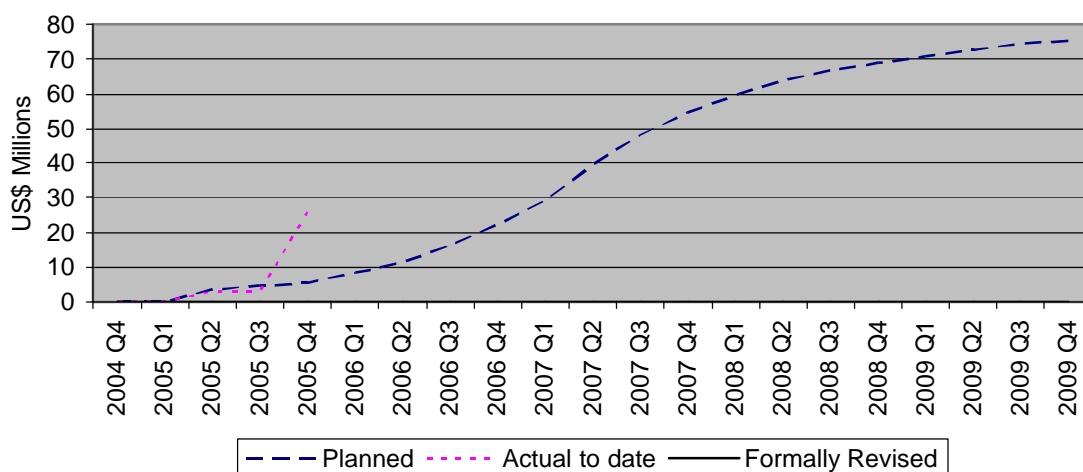
The objective is to strengthen the Savings and Credit Institutions sector with entities that are compliant with the Popular Savings and Credit Law, financially viable, operationally effective, managerially sound, technologically upgraded, and which provide an enhanced level of outreach and access to financial services for the underserved Mexican population.

Progress toward achieving development objective(s):

The project became effective in the latter part of the reporting period and was still in too early a stage for meaningful progress.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72400	Effective	75.50	25.76	49.36	0.38



Project Name (ID): Housing and Urban Technical Assistance (P088080)

Country: Mexico

Board Approval Date: 11/09/2004

Closing Date: 06/30/2008

Loan/Credit/Grant Number: IBRD-72610

Sector(s): Sub-national government administration (50%), Central government administration (35%), Housing finance and real estate markets (15%)

Theme(s): Access to urban services and housing (P), Personal and property rights (P), Natural disaster management (S), Other urban development (S)

Project Development Objectives:

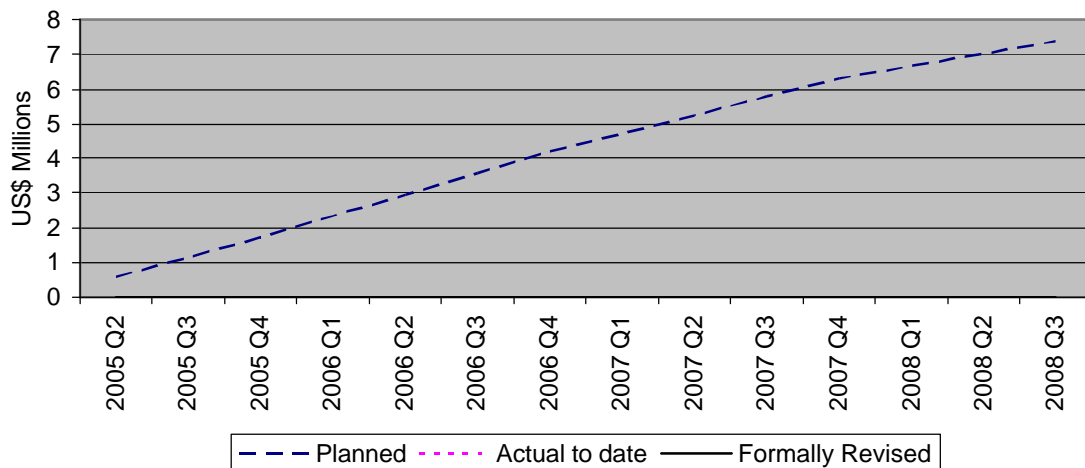
The objectives are to: (a) develop sound national housing and urban policies and institutional frameworks; (b) strengthen urban real property registries and rights and increase the supply of urban land and access by the poor and improving this market's function; and (c) coordinate and support physical and social investments to upgrade poor neighborhoods systematically.

Progress toward achieving development objective(s):

The project had just become effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72610	Effective	7.77	0.00	7.77	0.00



Project Name (ID): Innovation for Competitiveness APL (P089865)

Country: Mexico

Board Approval Date: 05/19/2005

Closing Date: 12/31/2009

Loan/Credit/Grant Number: IBRD-72960

Sector(s): Tertiary education (70%), General industry and trade (21%), Central government administration (5%), General information and communications (4%)

Theme(s): Education for the knowledge economy (P), Technology diffusion (P), Export development and competitiveness (P), Small and medium enterprise support (S), Other financial and private sector development (S)

Project Development Objectives:

The objective is to improve the competitiveness of the Mexican economy by strengthening the innovative capacity of the private sector, accelerating advanced human capital formation, and increasing the international integration of the innovation system.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72960	Not Effective	250.00	0.00	250.00	0.00