

**STATUS OF PROJECTS IN EXECUTION – FY07**  
**SOPE**  
**MEXICO**

**Operations Policy and Country Services**  
**OCTOBER 10, 2007**



## **Introduction**

The Status of Projects in Execution (SOPE) Report for FY07 provides information on all IBRD/IDA projects that were active as of June 30, 2007. The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank's revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge the gap in information available to the public between the Project Appraisal Document or Program Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

In addition to the project progress description, the FY07 SOPE report<sup>1</sup> contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date.

---

<sup>1</sup> Notes:

- Amounts and Graphs for loans/credits/grants 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 Operations, which provide quick-disbursing financing to support policy and institutional reforms. For these operations, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed prior actions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus will not include a graph.



**Country: Mexico**

**Project Name (ID):** Community Forestry II (PROCYMAF II) ( P035751 )

**Country:** Mexico

**Board Approval Date :** 12/09/2003

**Midterm Review Date :** 10/02/2006

**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 that own forests in the priority regions of Durango, Guerrero, Jalisco, Michoacan, Oaxaca and Quintana Roo 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):**

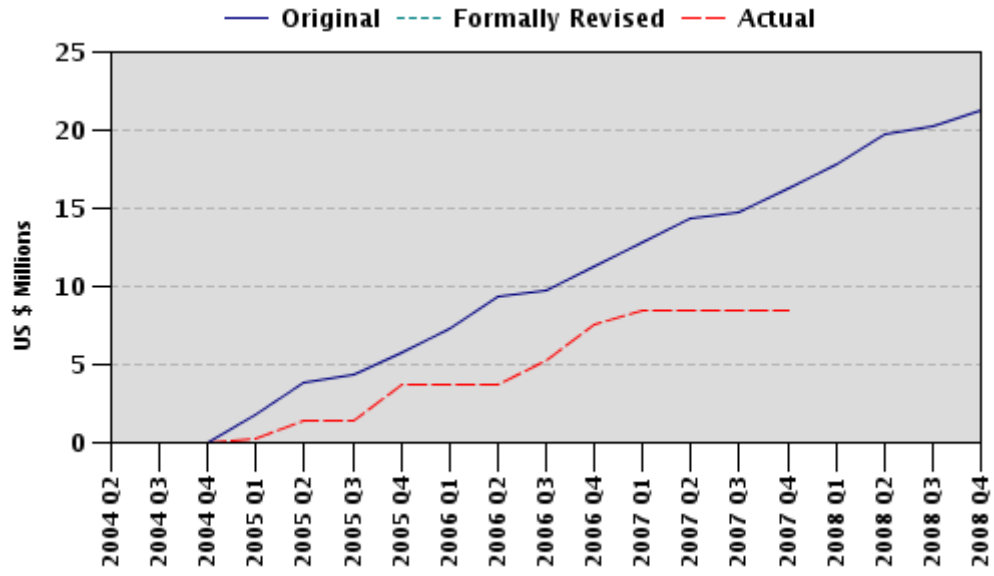
Good progress is being achieved towards meeting project goals and to date the project has reached 206 ejidos and 180 communities, and is working with seven producer's unions to develop investment programs. Out of 14 indicators, all but two have clearly surpassed the benchmarks. The project has obtained recognition as an effective model by various actors, including governments, academic institutions, NGOs, and WB colleagues. The project foresees substantial counterpart funding from the beneficiaries, which demonstrates their commitment and confidence in the intervention. The project has generated solid results that encourage institutionalization and thus promote sustainability of the activities initiated by the project as well as of the prospective impacts.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-72070	Effective	21.30	8.43	12.87	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** Irrigation and Drainage Modernization ( P035752 )

**Country:** Mexico

**Board Approval Date :** 12/09/2003

**Midterm Review Date :** 11/24/2006

**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 resource 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, both in Irrigation Districts and Irrigation Units.

**Progress toward achieving development objective(s):**

The project is making good progress toward achieving its development objective. For the mid-term review that was carried out in 2007, sample information was collected from representative irrigation districts and irrigation units that clearly indicates that there have been significant water use efficiency improvements and water savings, as well as increases in land and water productivities. The analysis indicates significant increases in value of production and family incomes. The samples also show an increase in area of high-value crops. The process of preparation of Master Plans (MP) for the irrigation districts and irrigation units with water user participation has significantly improved investment planning and has also resulted in major improvements in operation and maintenance. The MPs include the development of databases and GIS systems that will bring long-lasting benefits to both technical specialists and water users in their investment planning and operation and maintenance activities.

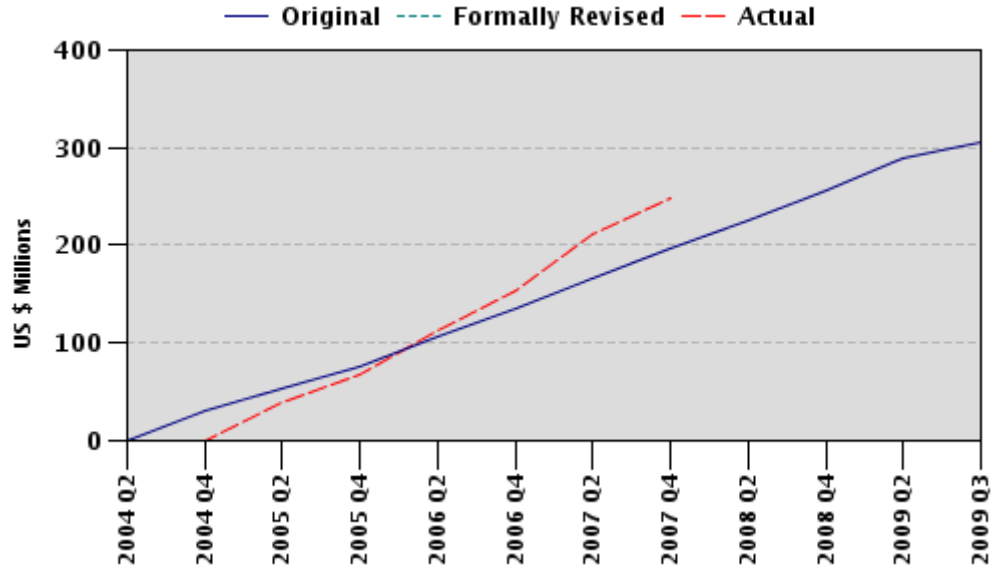
Irrigation systems providing service to 270,000 hectares have been rehabilitated and modernized. Approximately 49,000 hectares have benefited from on-farm irrigation improvements. A total of 62 master plans have been prepared for irrigation districts and irrigation units. About 27,000 water users and Comision Nacional del Agua (CONAGUA) functionaries have received training on different aspects of irrigation modernization and intensification.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72060	Effective	303.03	247.22	55.81	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** GEF Climate Measures in Transport ( P059161 )

**Country:** Mexico

**Board Approval Date :** 10/29/2002

**Midterm Review Date :** 07/18/2006

**Closing Date :** 06/30/2008

**Loan/Credit/Grant Number :** MULT-51612

**Sector(s):** General transportation sector(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 develop 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):**

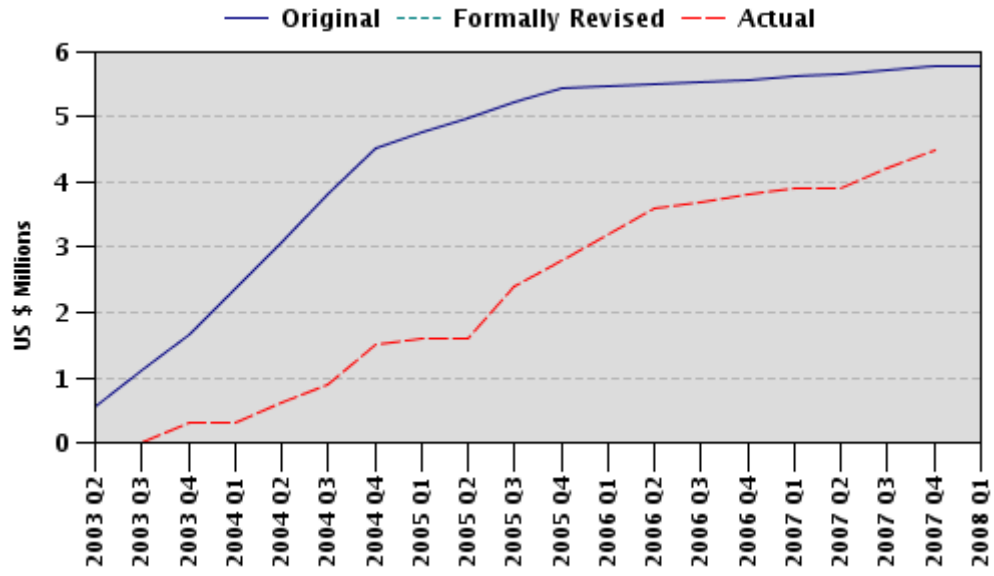
To date, the main results include: (a) finalization of the field test of alternative bus technologies and final report (including completion of online and dynamometer testing for hybrid electric buses, low sulfur diesel buses, natural gas buses); and (b) support in the institutional and regulatory development of METROBUS. This included reformulation of the regulatory structure, creation of the institutional framework, development of the technical and financial analysis for the Insurgentes Corridor, and training of METROBUS staff. As a result of the project, METROBUS was created and organized, the route was designed and consequently built and the system is now in operation. The Bank is also supporting the operation of METROBUS through a companion Kyoto protocol project, under which emission reductions of greenhouse gases are being purchased.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
MULT-51612	Effective	5.80	4.51	1.29	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** GEF Meso American 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 sector(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 through mainstreaming of biodiversity criteria: (a) in public expenditure; (b) in selected local planning and development practices; and (c) through community-level, demand-driven subprojects.

**Progress toward achieving development objective(s):**

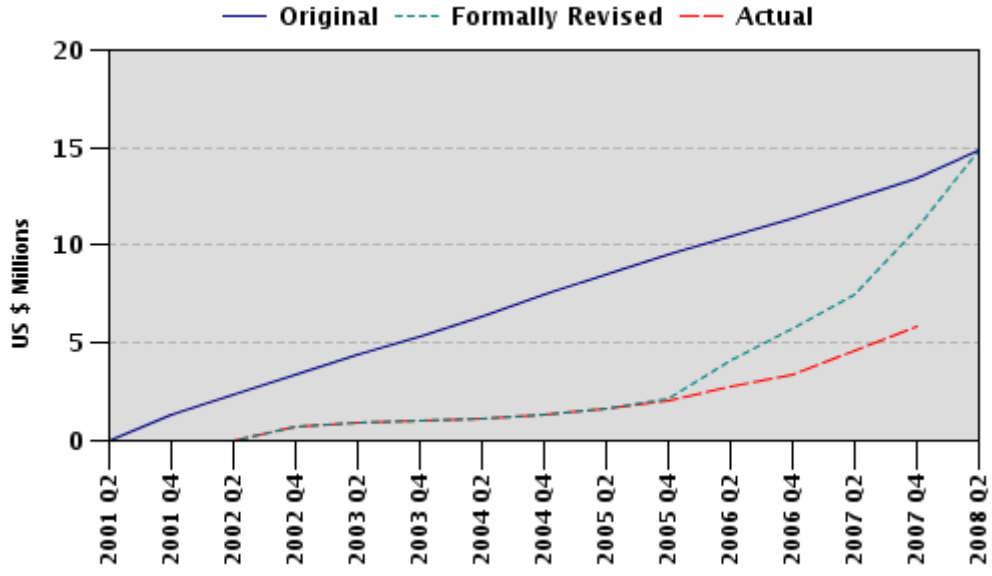
Project implementation is satisfactory and on track to meet its development objectives. The project has made significant impact in the field and has positioned the concept that biodiversity can best be preserved through mainstreaming biodiversity criteria in public expenditure by demonstrating that: (a) biological corridors play a significant role as connectors for genetic exchange between populations otherwise condemned to isolation in National Protected Areas (NPAs); (b) reorienting development of Government spending is possible; (c) local planning developed awareness and local capacities of local governments and land owners; and (d) Demonstration subprojects drive demand for reoriented programs and provide economic, social and conservation benefits. Key species monitoring (fish, birds, big mammals: tapir and jaguar) has demonstrated actual corridors and connectivity between NPAs (i.e., helping redesign electric lines to avoid jaguar territory). A cross-sector participatory mapping exercise using Strabo methodology led federal government agencies contributing large amounts of investment in corridor areas to reach agreement on reorienting public investment, concentrating their more biodiversity-friendly programs in corridor areas. MBC has produced digital maps including one on perception of the population of main issues: values and threats to biodiversity in the Yucatan peninsula. Demonstration subprojects identified in collaboration with landowners and development agencies on 12 strategic sectors are contributing to natural resource management between protected areas.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
MULT-24371	Effective	14.84	6.68	8.16	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** GEF Consolidated Protected Areas (SINAP II) ( P065988 )

**Country:** Mexico

**Board Approval Date :** 02/07/2002

**Midterm Review Date :** 09/19/2005

**Closing Date :** 06/30/2010

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

**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):**

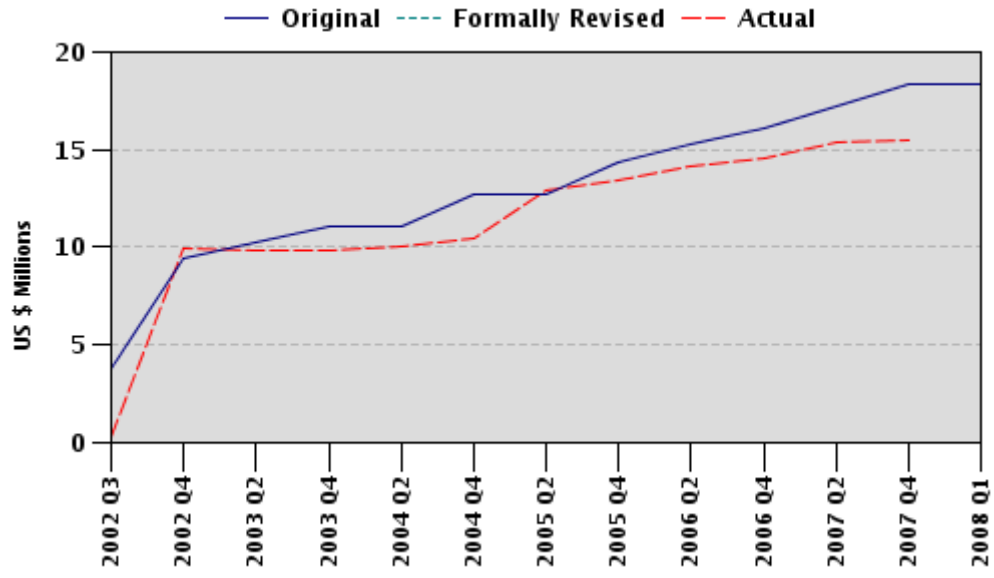
Substantial progress towards achieving the development objectives continues. The social participation and sustainable use programs implemented in the five protected areas currently included in the project are improving the degree of conservation of some of the most important examples of Mexican ecosystems. The addition of four new protected areas under the third tranche approved by the Board on June 28, 2007 promises to increase the impact even more. Protected areas enjoy strong ownership by local populations, which is a good foundation for conservation success. Additional progress in monitoring and in institutional strengthening, as well as the project's success in attracting cofinancing from private foundations, also point to the likelihood of achieving the development objectives. On a broader scale, all protected areas included in the Mexican National Protected Areas System (SINAP) have shown an increasing degree of community participation in conservation activities, and in the use of sustainable production techniques. Other development projects are beginning to incorporate biodiversity-friendly criteria as well. Funding for protected areas from institutions other than Mexican National Council for Natural Protected Areas is also increasing. (Some of this financing is cofinancing for GEF SINAP II funds.) These activities have contributed directly to a strengthening of SINAP, which will have an important impact on all Mexican protected areas in the long run.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-50311	Effective	18.31	15.54	2.77	0.00
MULT-23379	Closed	0.35	0.35	0.00	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



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

**Country:** Mexico

**Board Approval Date :** 06/21/2001

**Midterm Review Date :** 05/18/2006

**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 objective is to support the Borrower in the implementation of the Social Protection System in Health (SPSS) through improving, specifically, to improve access of poor people eligible for enrollment or enrolled in the subsidized regime of the Seguro Popular to the insurance's benefit package, restructure and develop State Health Systems and strengthen the Federal Ministry of Health in its role as the steward of the SPSS.

**Progress toward achieving development objective(s):**

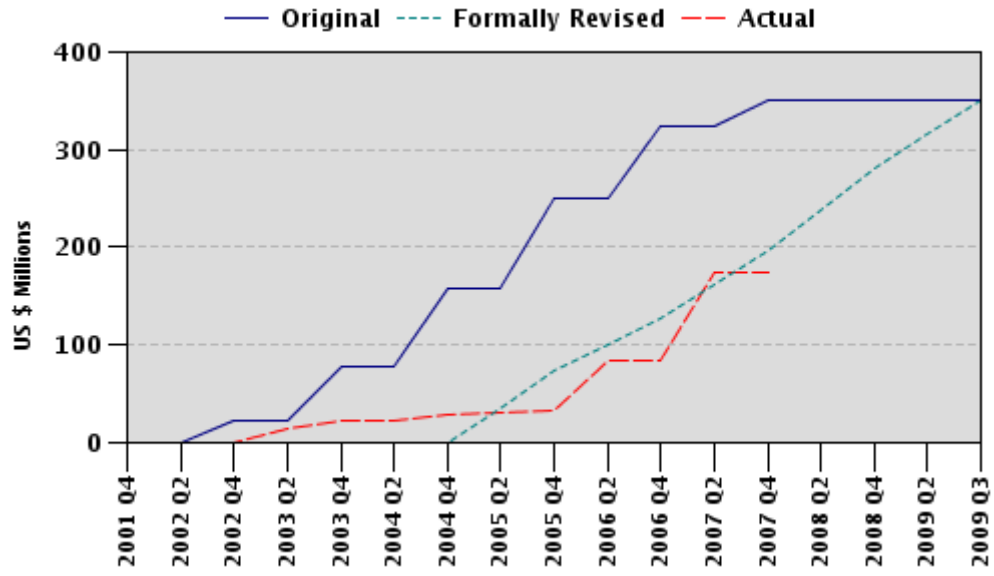
The Project was restructured during the FY06 in order to align it with the new and ambitious reform agenda in the health sector. A formal assessment of progress towards the new development objective will be carried out during the Mid-term Review planned for October 2007. The restructuring proposal was successfully negotiated and became effective in August 2006. The project development objectives and components of the restructured project are consistent with the sector priorities defined by the administration that assumed office in December 2006. An ambitious procurement plan is under implementation and disbursement targets for calendar year 2007 are likely to be exceeded. Nevertheless, progress towards the objective of restructuring the State Health Systems has been slower than expected to the effect that the Federal Ministry of Health launched a major initiative to advance this agenda.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-70610	Effective	350.00	173.83	176.17	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** Hybrid Solar Thermal Integrated Cycle ( P066426 )

**Country:** Mexico

**Board Approval Date :** 10/05/2006

**Closing Date :** 10/31/2009

**Loan/Credit/Grant Number :** MULT-57033, MULT-23346

**Sector(s):** Renewable energy(100%)

**Theme(s):** Infrastructure services for private sector development(P), Climate change(P),  
Pollution management and environmental health(S)

**Project Development Objectives:**

The project development objective is to demonstrate and encourage replication of Integrated Solar Combined Cycle Systems (ISCCS) power generation technology in Mexico and elsewhere, thereby contributing to the reduction of global greenhouse gas emissions.

**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 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
MULT-57033	Not Effective	49.35	0.00	49.35	0.00
MULT-23346	Closed	0.05	0.00	0.00	0.05



**Project Name (ID):** GEF Indigenous and Community Biodiversity ( P066674 )

**Country:** Mexico

**Board Approval Date :** 11/28/2000

**Midterm Review Date :** 01/23/2006

**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 conserve areas of high biodiversity by strengthening and promoting community conservation initiatives on communally owned lands in a priority set of ecological zones in the states of Oaxaca, Michoacan and Guerrero, building on the positive cultural values and traditional management practices that these communities have developed in relation to the resources in these zones.

**Progress toward achieving development objective(s):**

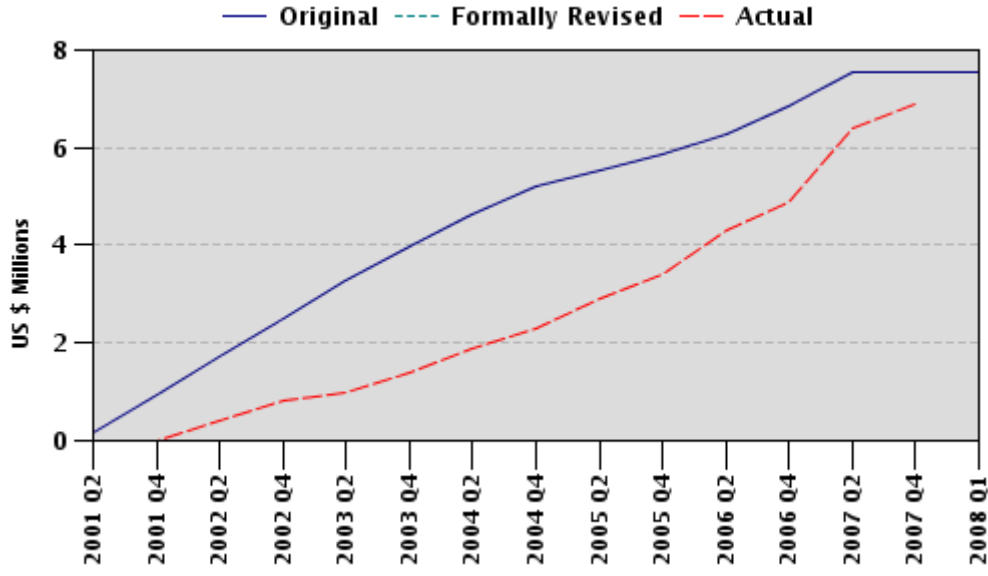
A high value project output is the development, validation and adaptation of programmatic instruments for the decentralized implementation of Mexico's biodiversity conservation strategy. The degree of appropriation of the COINBIO model at the state-levels is high and there is real potential for COINBIO to be sustained in Michoacan and Guerrero. Currently 100,000 plus hectares are covered by formal community conservation agreements and, by the end of 2007, it is expected that the project will have exceeded its target by having more than 150,000 hectares in Community Protected Areas that have been formalized by the National Protected Areas Commission (CONANP). About 132 communities are participating at this time (the goal is 140). The project has generated successful appropriation of COINBIO model at community, municipal, and state levels to different degrees, validating the underlying design assumption that communities are capable and interested in conserving their biodiversity resources. Project implementation remains positive and the project is on-track to meet its development objectives.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
MULT-24372	Effective	7.50	6.94	0.56	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** Savings and Credit Sector Strengthening ( P070108 )

**Country:** Mexico

**Board Approval Date :** 07/02/2002

**Midterm Review Date :** 01/30/2006

**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 integrate the poor into the national economy, and to raise their income generating potential by improving their access to financial services.

**Progress toward achieving development objective(s):**

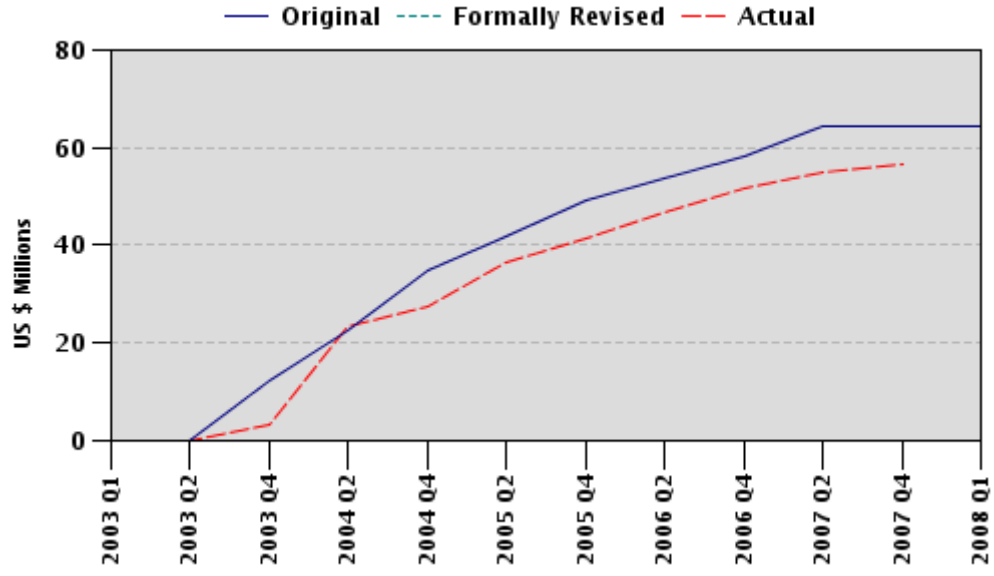
During the four years of implementation the project has made good progress. Of the 370 savings and credit entities participating in the project, 24 have been certified, request for another seven entities is with the regulatory agency, and 292 are near-ready for certification. The quality of regulation has improved with training of regulatory agency staff, and the quality of entity management has been upgraded with financial management and governance training. All 12 federations have certified supervision committees, and the institutional capacity for certification has now been transferred to a national institution in Mexico. The technology pilot is under implementation in 11 entities, and the national rollout of this package under the complementary Loan IBRD-72400 during FY07-08 is expected to cover some 100 entities and reduce transaction costs, improve access, and broaden the range of financial services offered. In the marginal areas, entities are being strengthened through mergers, enhanced access (new branches), and improved client awareness. About 150,000 new members now have access to financial services; over half are women and/or members of indigenous populations.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-71320	Effective	64.60	56.71	7.89	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



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

**Country:** Mexico

**Board Approval Date :** 07/01/2004

**Closing Date :** 09/30/2010

**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 objectives are 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):**

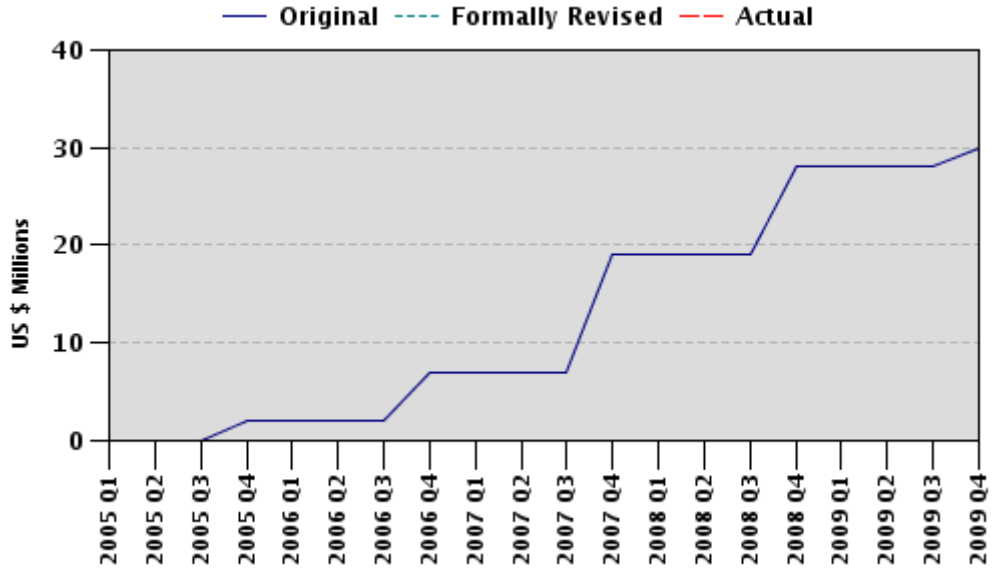
The project has not started implementation due to the need to fulfill a new internal requirement by the Borrower (BANOBAS) and the Guarantor (United Mexican States). BANOBAS staff and Tribunal Superior de Justicia del Distrito Federal have been working with the Ministry of Finance and Public Credit (SHCP) to finalize a cost-benefit analysis required as part of the new regulations on federal spending. Meanwhile, BANOBAS will conduct a survey of their representatives in those states that have already prepared a state judicial modernization plan to get feedback on the extent to which there is demand by states to participate in the project.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-72500	Effective	30.00	0.00	30.00	0.00
JPN-52797	Closed	0.48	0.16	0.32	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



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

**Country:** Mexico

**Board Approval Date :** 06/18/2002

**Closing Date :** 12/31/2007

**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:**

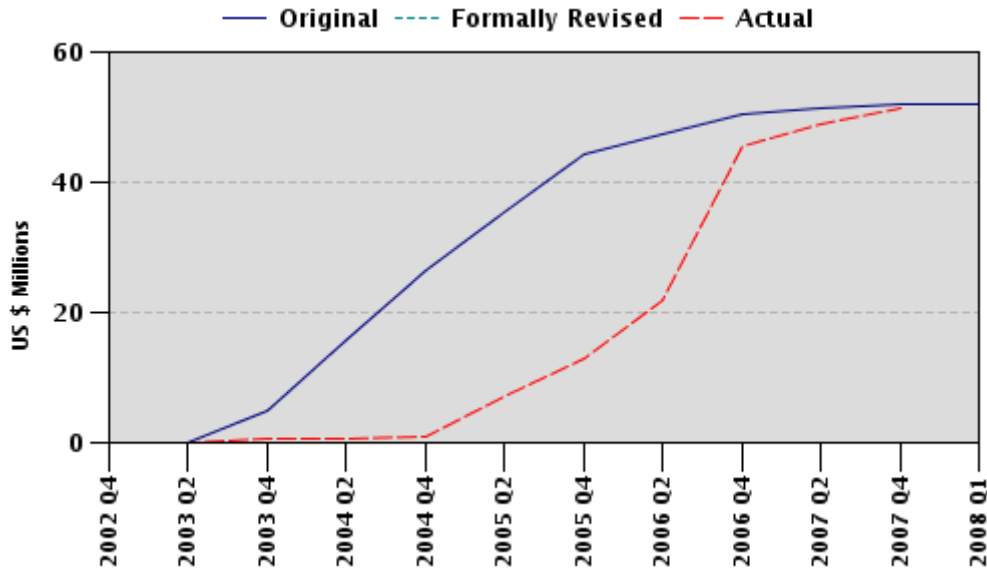
The objective is to increase government revenues by facilitating tax compliance and reducing tax evasion by improving the efficiency and effectiveness of the Tax Administration Service.

**Progress toward achieving development objective(s):**

Implementation of new internal management systems in the Tax Administration Service (SAT) is already operating and facilitating SAT's internal operations in all units. In addition, a new integrated system to support core collection and control functions in SAT was launched covering core tax collection functions.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71270	Effective	52.00	51.46	0.54	0.00



**Project Name (ID):** GEF Large-Scale Renewable Energy Development. ( P077717 )

**Country:** Mexico

**Board Approval Date :** 06/29/2006

**Closing Date :** 06/30/2014

**Loan/Credit/Grant Number :** MULT-56781

**Sector(s):** Renewable energy(60%), General finance sector(25%), Central government administration(15%)

**Theme(s):** Technology diffusion(P), Environmental policies and institutions(S), Infrastructure services for private sector development(S), Climate change(S), Regulation and competition policy(S)

**Project Development Objectives:**

The objective is to develop commercial, grid-connected renewable energy and markets as a significant source of economically least-cost electricity, thereby reducing greenhouse gas (GHG) and other emissions while responding to increasing energy demand and energy diversification imperatives necessary for sustainable economic growth.

**Progress toward achieving development objective(s):**

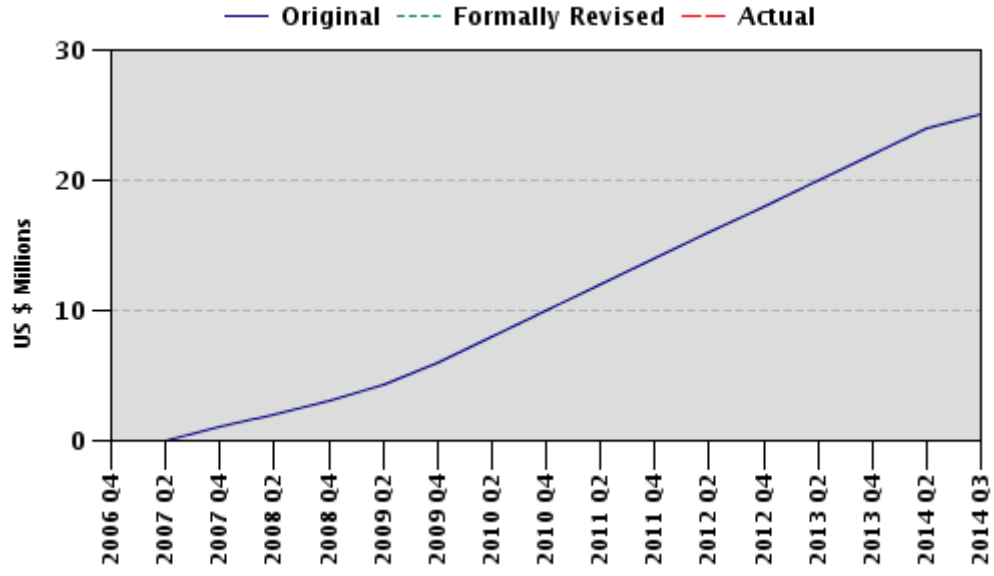
The project became effective in April 2007. The project has two components: Component 1 consists of a subsidy support for Independent Power Production to build and run a 101MW wind farm to sell electricity to Federal Commission of Electricity (CFE). CFE is currently undertaking the bidding process, and the contract is due to be signed in November 2007. Funds will start disbursing once the wind farm enters into operation, in May 2009. Component 2 consists of technical assistance for renewable energy in Mexico, to be implemented by the Ministry of Energy (SENER) and CFE, under SENER's direction. SENER has yet to appoint the project management team, but it is hoped that these activities can be launched within the next quarter.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
MULT-56781	Effective	25.00	0.00	25.00	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** Decentralized Infrastructure Development ( P080149 )

**Country:** Mexico

**Board Approval Date :** 06/08/2004

**Midterm Review Date :** 10/23/2006

**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):**

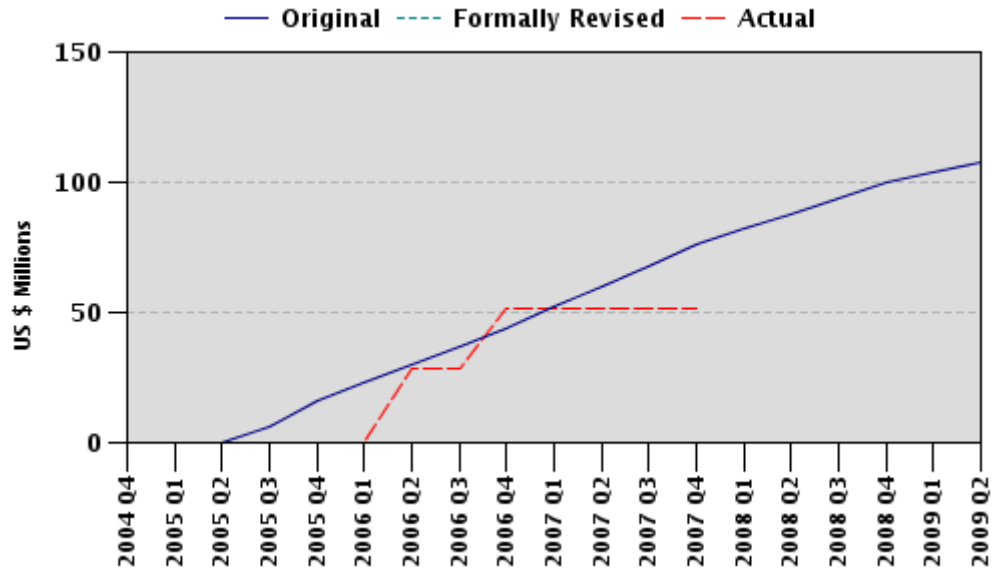
The state continues to make good progress overall toward achieving the development objectives. In September 2006 a new State administration took office and has confirmed their support to the project and in particular to the housing sector. In order to respond to the new state priorities the State has requested adjustments to the institutional strengthening and housing components which are currently being discussed between the Bank and the State. These changes aim to improve the pro-poor focus of the housing component and the State's ability to plan and prioritize investments. In the roads sector, a new investment planning system (the HDM-4 model) is in place and currently being used for programming part of the new investments. In the water sector the project is supporting efficiency improvements in the water operators. In the case of safeguards, progress has been achieved in creating or strengthening the social and environmental units in charge or oversight of environmental issues within the sector implementing agencies.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-72300	Effective	108.00	51.87	56.13	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** APL1 Tertiary Education Student Assistance ( P085593 )

**Country:** Mexico

**Board Approval Date :** 12/13/2005

**Closing Date :** 03/01/2010

**Loan/Credit/Grant Number :** JPN-53339, IBRD-73490, IBRD-73460

**Sector(s):** Tertiary education(80%), Sub-national government administration(10%),  
Secondary education(5%), Central government administration(5%)

**Theme(s):** Education for the knowledge economy(P), Administrative and civil service reform(S), Export development and competitiveness(S), Indigenous peoples(S), Poverty strategy, analysis and monitoring(S)

**Project Development Objectives:**

The objective is to strengthen the student assistance program to foster sustainable, equitable and efficient expansion of tertiary education. The first phase of the APL supports: (a) strengthening of PRONABES national scholarship program together with the development of a regulatory framework that coordinates tertiary education student assistance; (b) policy studies; (c) assistance to disadvantaged students; and (d) state-level student loan program of BANOBRAS.

**Progress toward achieving development objective(s):**

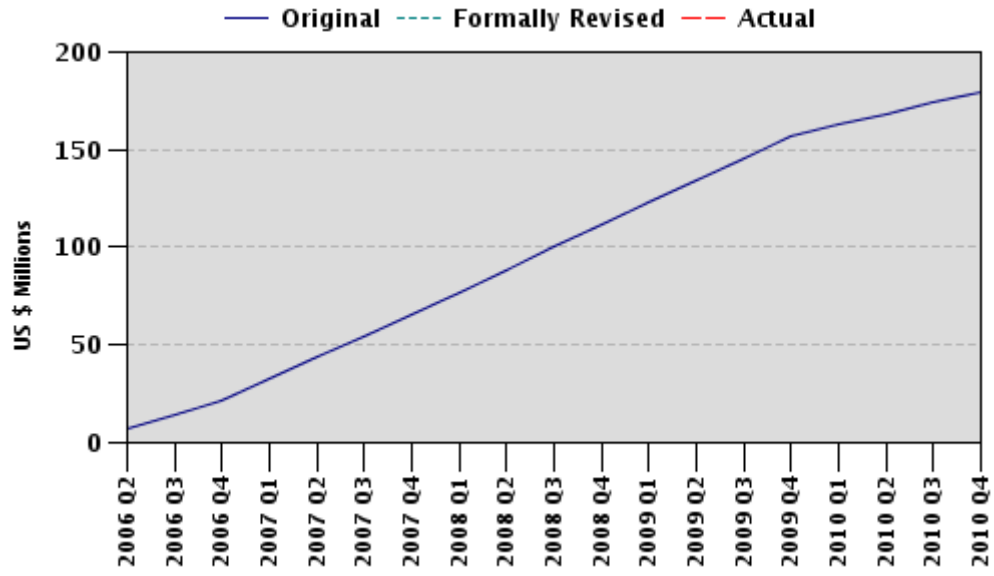
Financial support to the federal scholarship program PRONABES has begun. The Bank is working closely with the government to improve technical aspects of the program. After 18 months, the second loan to BANOBRAS (\$ 9 million) was withdrawn as it was not possible to reach agreement with potential states due to the financial terms of BANOBRAS on lending. Other components of the project are beginning to be implemented, including support for policy studies and indigenous students.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
JPN-53339	Closed	0.64	0.26	0.00	0.38
IBRD-73490	Not Effective	9.00	0.00	9.00	0.00
IBRD-73460	Effective	171.00	0.43	170.57	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** Basic Education Development Phase III ( P085851 )

**Country:** Mexico

**Board Approval Date :** 07/01/2004

**Midterm Review Date :** 01/09/2006

**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' capacity for delivery of basic education services.

**Progress toward achieving development objective(s):**

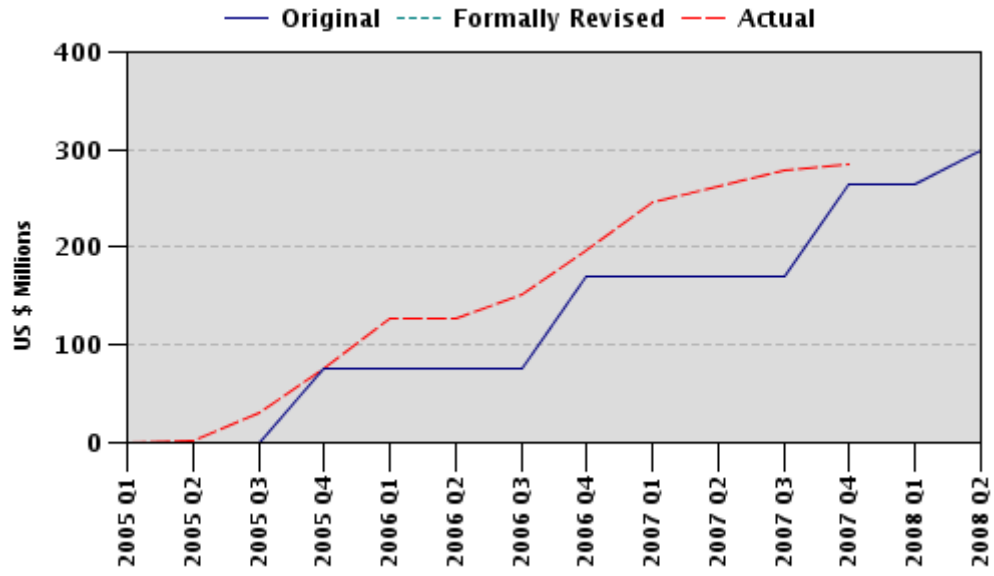
Project indicators show that nearly all goals for 2006 were accomplished and in some cases surpassed. Intermediate indicators show improvement in the following rates: failure, repetition, dropout and completion. Completion rates for primary education have reached 88.1 percent (target was 86 percent); completion rates for telesecundaria have reached 81.9 percent (target is 82.1 percent); and completion rates for indigenous students have reached 86.9 percent (target was 83.9 percent).

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-72490	Effective	300.00	285.42	12.97	1.61



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** Environmental Services Project ( P087038 )

**Country:** Mexico

**Board Approval Date :** 03/29/2006

**Closing Date :** 06/30/2011

**Loan/Credit/Grant Number :** JPN-53337, IBRD-73750

**Sector(s):** General agriculture, fishing and forestry sector(100%)

**Theme(s):** Biodiversity(P), Environmental policies and institutions(P), Other environment and natural resources management(S), Land administration and management(S), Climate change(S)

**Project Development Objectives:**

The project development objective is to enhance the provision of environmental services of national and global significance and secure their long-term sustainability. This would be done by strengthening and expanding the national PSAH and CABSAs programs and supporting the establishment of local payments for environmental services (PES) mechanisms in selected pilot areas.

**Progress toward achieving development objective(s):**

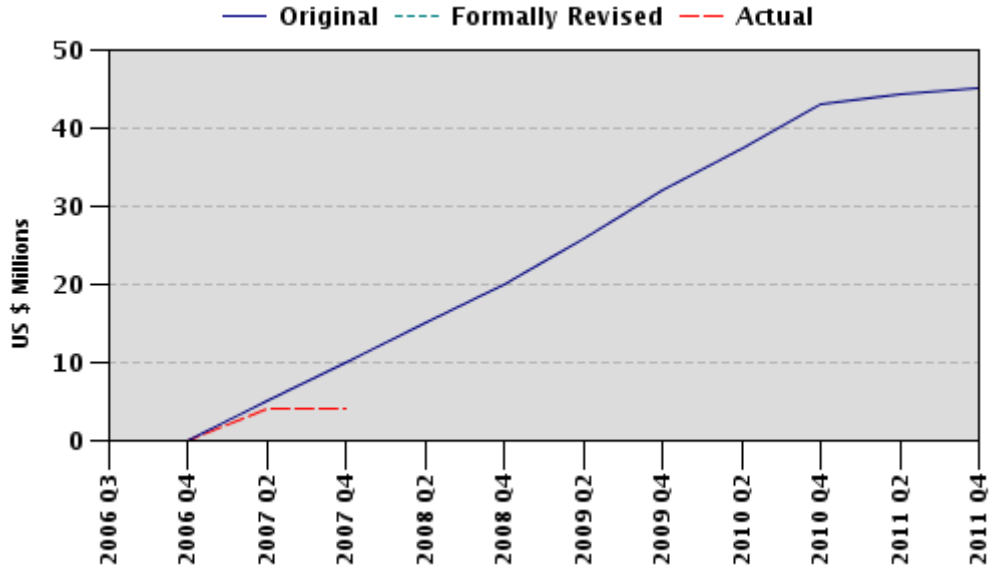
The project started with some delays in effectiveness and others due to presidential elections and change of leadership at National Forestry Commission (CONAFOR); nonetheless, implementation is advancing well. All project personnel for CONAFOR have been hired including 18 specialist and over 100 field promoters. The 2007 Operational Rules (Reglas Unicas) for Programs of Environmental Services have been reviewed and approved by the Bank and modifications to the 2008 Rules are being made. Advances have been made with regard to the Biodiversity Endowment Fund in terms of defining priorities, implementation strategies, rules, monitoring plans, biological corridor analysis, etc. Several actions are being taken to initiate the study of the impact of Mexico's PES programs on deforestation. Work continues with regard to establishing interinstitutional agreements between the National Water Commission (CNA) and two technical assistance agencies for the development of environmental services of water and biodiversity.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
JPN-53337	Closed	0.52	0.38	0.00	0.14
IBRD-73750	Effective	45.00	4.00	41.00	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** Savings and Rurl Finance(BANSEFI) ( P087152 )

**Country:** Mexico

**Board Approval Date :** 06/29/2004

**Midterm Review Date :** 05/11/2007

**Closing Date :** 07/31/2009

**Loan/Credit/Grant Number :** IBRD-74380, 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):**

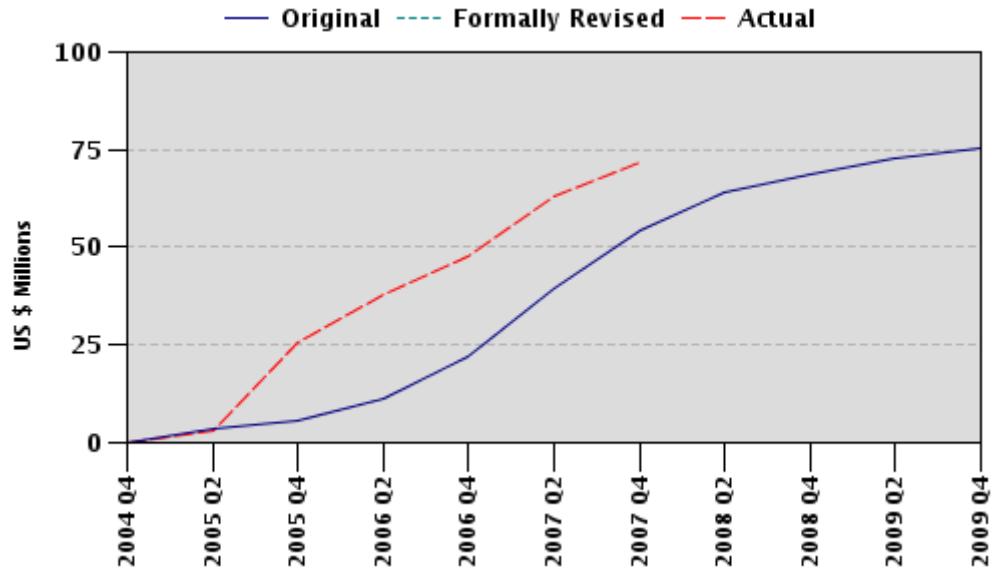
After close to three years of implementation, progress in the key components is as follows. For the 370 savings and credit entities participating in the complementary Loan IBRD-71320, technical assistance consultancies have been extended under this project; 24 have been certified, a request for another seven entities is with the regulatory agency, and 292 are near-ready for certification. Of the 20 entities expected to be liquidated, three have already been merged, and agreements reached with another five for merger; one entity is being liquidated with project assistance. Two deposit protection funds have been established. The technology pilot has been tested, with 11 entities and all 524 BANSEFI branches operating the platform; another 12 entities are in a transitional mode. This is expected to reduce transaction costs, improve access, and broaden the range of financial services offered by the entities. The membership of the sector has increased from about 4.0 million to about 6.5 million individual clients.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-74380	Effective	29.00	0.00	29.00	0.00
IBRD-72400	Effective	75.50	71.97	3.15	0.38



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**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 objective is to support the policy reforms of the Affordable Housing and Urban Poverty Programmatic Sectoral Adjustment and Development Policy Loans (HUSAL/HUDPL). HUTAL supports reforms in seven key areas of affordable housing and urban poverty alleviation, which are the specific objectives, including: (a) developing sound national housing and urban policies and institutional frameworks; (b) designing and putting in place a unified housing subsidy policy that facilitates access of low/moderate income families to housing and leverages household savings and private credit finance; (c) strengthening the housing credit and household savings systems, and moving these systems down market; (d) strengthening urban real property registries and rights; (e) Increasing the supply of urban land and access by the poor and improving this market's function; (f) coordinating and supporting physical and social investments to systematically upgrade poor neighborhoods; and (g) preventing and managing the impacts of natural disasters.

**Progress toward achieving development objective(s):**

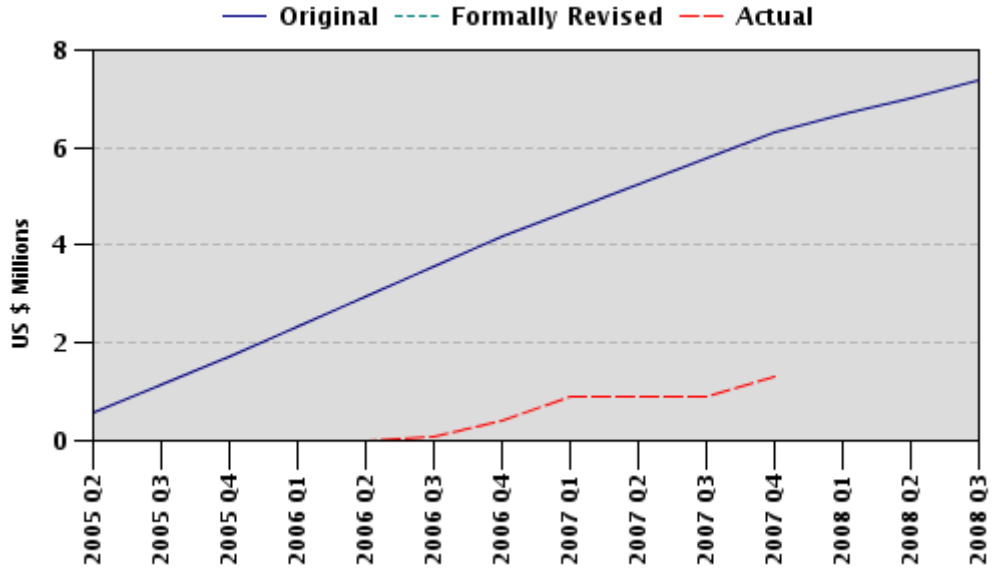
The executing agencies are making progress towards achieving the development objectives. Two main studies (on subsidy reform and urban land use) and a pilot scheme which are key for the project and part of the agreements linked to the third and last DPL have been contracted and preliminary results are expected in early September 2007. Disbursements have been slower than expected due to the election process and change in administration in December 2006 and also because project expenditures have been paid with government funds instead of the Bank loan. For this reason a cancellation of approximately \$5.0 million is expected in August 2007.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72610	Effective	7.77	1.26	6.51	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** School-Based Management Program ( P088728 )

**Country:** Mexico

**Board Approval Date :** 12/13/2005

**Closing Date :** 07/31/2009

**Loan/Credit/Grant Number :** JPN-53769, IBRD-73470

**Sector(s):** Primary education(40%), Secondary education(40%), Pre-primary education(18%), Central government administration(2%)

**Theme(s):** Education for all(P), Access to urban services and housing(S), Participation and civic engagement(S), Managing for development results(S)

**Project Development Objectives:**

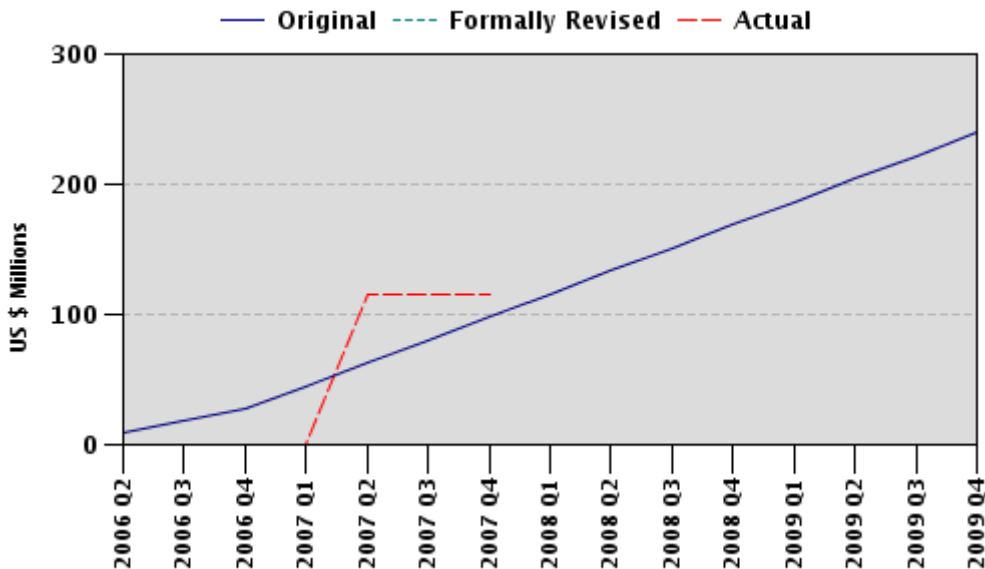
The objective is to improve the quality of education as measured by coverage, social participation and educational outcomes.

**Progress toward achieving development objective(s):**

Despite some delays in effectiveness, the project is now being implemented at the originally planned pace (as measured by disbursements). Presently, the information provided on project implementation is insufficient to allow a complete assessment of the feasibility of attaining all project development objectives and intermediate outcomes (although the coverage objective has already been reached). An action plan for improving the quality of information is being prepared by the government and will be ready by mid-September, 2007.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-53769	Closed	0.64	0.26	0.00	0.38
IBRD-73470	Effective	240.00	115.16	124.84	0.00



**Project Name (ID):** Access to Land for Young Farmers ( P088732 )

**Country:** Mexico

**Board Approval Date :** 07/26/2005

**Closing Date :** 06/30/2010

**Loan/Credit/Grant Number :** IBRD-73230, JPN-53770

**Sector(s):** General agriculture, fishing and forestry sector(94%), Central government administration(5%), Other social services(1%)

**Theme(s):** Rural markets(P), Land administration and management(P), Social safety nets(P), Personal and property rights(S), Indigenous peoples(S)

**Project Development Objectives:**

The objective is to support the access of young rural populations from the social sector with entrepreneurial potential to land and other productive assets within selected states, through the establishment of a beneficiary-driven, efficient land transaction model, while at the same time facilitating the access of senior landholders to social welfare schemes.

**Progress toward achieving development objective(s):**

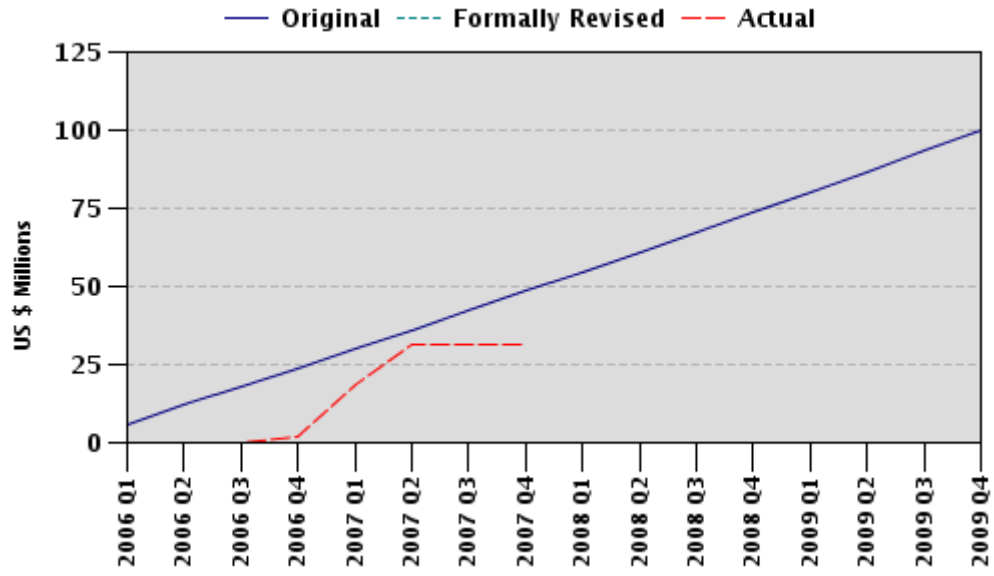
The project objectives continue to be achievable though the project is facing key challenges. The recent inclusion of the program as a strategic axis in the Government's National Strategy and an appropriate 2007 budget allocation show the strong commitment of the new administration to implement the project. More than 5,000 young entrepreneurs have benefited from training and 2,000 from the land fund component. The 2007 Operational rules have been satisfactorily modified including in particular a guarantee fund. The loan has had fast disbursements; it is expected that 50 percent of the loan will be disbursed by the end of calendar year 2007. The project unit must now focus on: (a) recovering loan repayments from the first beneficiaries; and (b) improving three key aspects of implementation: weak financial management and procurement capacity of the Agrarian Reform Ministry (SRA), and delays in signing the new guarantee fund mechanism with Financiera Rural.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-73230	Effective	100.00	31.49	67.76	0.75
JPN-53770	Closed	0.65	0.57	0.00	0.08



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** Innovation for Competitiveness ( 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 sector(21%), Central government administration(5%), General information and communications sector(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):**

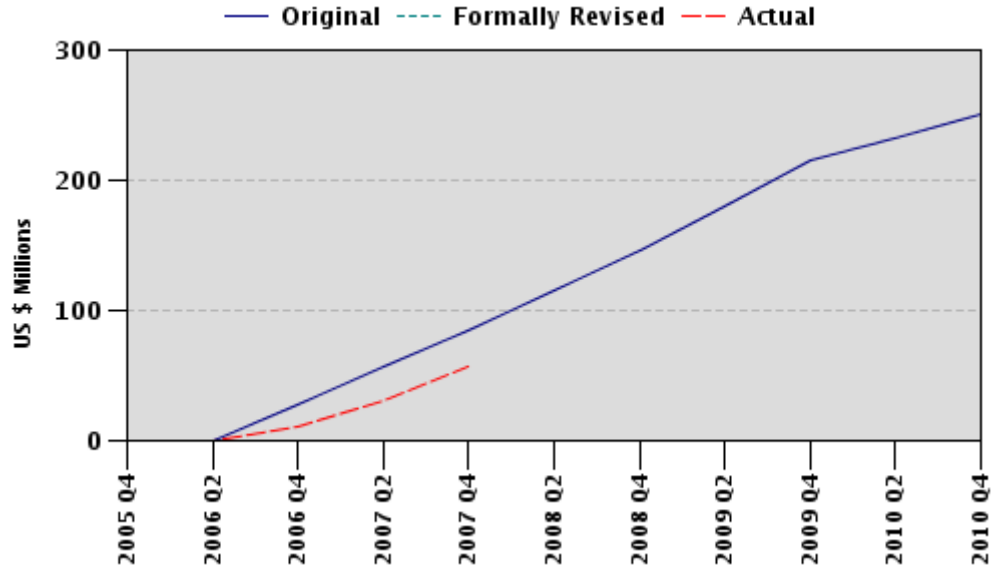
Sufficient advances toward the development objectives have been observed during FY 2007 and the project has not been affected by the change in administration in December 2006. CONACYT (Consejo Nacional de Ciencia y Tecnologia, National Knowledge and Innovation Council) has made progress in strengthening evaluation capacity (Component C) agreeing to conduct evaluations of three key programs, including the Sectoral Fund for Economic Development, the Pre-Competitive Fund and the Graduate scholarship program. The terms of reference for the evaluation of these programs are already under analysis. Component A has made only moderate progress due to delays in the launch of the consortia program, a limited number of researchers in the industry, and a decline in commitments for the program in 2006. CONACYT and the Secretary of Economy plan to expand the program and have substantially increased the financial commitments for the 2007 call.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-72960	Effective	250.00	57.04	192.96	0.00



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION



**Project Name (ID):** Modernization Water and Sanitation Sector TA ( P091695 )

**Country:** Mexico

**Board Approval Date :** 08/04/2005

**Closing Date :** 06/30/2009

**Loan/Credit/Grant Number :** IBRD-73250

**Sector(s):** Water supply(38%), Sewerage(38%), Sub-national government administration(12%), Central government administration(12%)

**Theme(s):** Regulation and competition policy(P), Infrastructure services for private sector development(P), Corporate governance(S), Access to urban services and housing(S)

**Project Development Objectives:**

The objectives are: (a) to improve the efficiency of Mexico's water supply and sanitation sector through strengthening the sector policies at the federal and state level; and (b) to develop and demonstrate replicable models of successful and sustainable provision of water and sanitation services, by supporting selected service providers and the municipalities of which they are a part in improving operational and financial performance.

**Progress toward achieving development objective(s):**

During 2006, the Government did not allocate budget resources to start the project, which is reflected in delays in implementation. However, the client has informed the Bank during the recent Country Portfolio Performance Review that a \$7 million budget has been approved for 2007, which will allow the implementing agency CONAGUA to make progress on project components.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-73250	Effective	25.00	0.06	24.75	0.19



Status of Projects in Execution - FY07  
LATIN AMERICA AND THE CARIBBEAN REGION

