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QUARTERLY REPORT OCTOBER - DECEMBER 2011

USAID/MEXICO COMPETITIVENESS PROGRAM

Contract: EEM-I-00-07-00004-00

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[Per COR instructions, reports submitted to the DEC include only those sections deemed to be of value for ongoing development consideration. This report therefore excludes administrative sections.]

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DISCLAIMER

The author’s views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

ACRONYMS

AMSDE:	Asociación Mexicana de Secretarios de Desarrollo Económico A.C. (Mexican Association of Secretaries of Economic Development)
ANEAS:	Asociación Nacional de Empresas de Agua y saneamiento de México AC (National Association of Water and Sanitation of Mexico)
ANMIF	Asociación Nacional de Microfinancieras e Intermediarios Financieros
BNDES:	Banco Nacional de Desenvolvimento Econômico e Social (National Development Bank of Brazil)
C1:	Component 1
CASFA:	Centro Agroecológico San Francisco de Asís (Agroecological Center San Francisco de Asis)
CCMSS:	Consejo Civil Mexicano Para la Silvicultura Sostenible (Mexican Civil Council for Sustainable Forestry)
CEIBA:	Centro interdisciplinario de Biodiversidad y Ambiente (Biodiversity and Environmental Interdisciplinary Center)
CFC:	Comisión Federal de Competencia (Federal Competition Commission)
CFE:	Comisión Federal de Electricidad (Federal Electricity Commission)
CIDAC:	Centro de Investigación para el Desarrollo, A.C. (Centre for Development Research)
CNA:	Comisión Nacional del Agua (National Water Commission)
CNBV:	Comisión nacional bancaria y de valores (National Banking Securities Commission)
CO2:	Carbon dioxide
COFECO:	Comisión Federal de Competencia (Federal Competition Commission)
COFEMER:	Comisión Federal de Mejora Regulatoria (Federal Commission on Regulatory Improvement)
COFETEL:	Comisión Federal de Telecomunicaciones (Federal Telecommunications Commission)
COLCAMI:	Consortio Latinoamericano para Capacitación en Microfinanciamiento (Latin American Consortium for Training in Microfinance)
COLEF:	Colegio de la Frontera Norte (Northern Border College)
CONABIO:	Comisión Nacional para el Conocimiento y Uso de la Biodiversidad (National Commission for Investigation in and Usage of Biodiversity)
CONAFOR:	Comisión Nacional Forestal (National Forestry Commission)
CONANP:	Comisión Nacional de Áreas Naturales Protegidas (National Commission on Natural Protected Areas)
COP:	Chief of Party
COP 16:	Conference of the Parties to the United Nations Framework Convention on Climate Change, Cancún Quintana Roo November 29 th – December 10 th 2010
COTR:	Contracting Officer's Technical Representative
CRE:	Comisión Reguladora de Energía (Energy Regulatory Commission)
ECOSUR:	El Colegio de la Frontera Sur (Southern Border College)
EG:	Economic Growth
EMG:	Energy Markets Group
EMS:	Environmental Management System
ESIDET:	Encuesta sobre Investigación y Desarrollo Tecnológico (Survey Research and Technological Development)

FIDE:	Trust Fund for Electric Energy Savings
FINEP:	Financiera de Estudios e Proyectos (Financier of Studies and Projects)
FONCET:	Fondo de Conservación El Triunfo (El Triunfo Conservation Fund)
GDF:	Gobierno del Distrito Federal (Mexico City Government)
GDP:	Gross Domestic Product
GEF:	Global Environment Facility
GHG:	Greenhouse gas
GIS:	Geographic Information System
GOM:	Government of Mexico
HR:	Human Resources
IDEA:	Implementación, Diseño, Evaluación y Análisis de Políticas Públicas (Implementation, Design, Evaluation and Public Policy Analysis)
IMCO:	Instituto Mexicano para la Competitividad (Mexican Institute for Competitiveness)
IMIP:	Instituto Municipal de Investigación y Planeación (Municipal Planning Institute)
INFONAVIT:	Instituto del Fondo Nacional de la Vivienda para los Trabajadores (Institute of the National Fund for Workers' Housing)
INSME:	International Network for Small and Medium Sized Enterprises
IOA:	Institute of the Americas
IT:	Information Technology
ITAM:	Instituto Tecnológico Autónomo de México (Autonomous Technological Institute of Mexico)
LAC:	Latin America and the Caribbean
LAWEA:	Latin American Wind Energy Association
LG:	Lieutenant Governors
MBA:	Master in Business Administration
MBC:	Mesoamerican Biological Corridor
MEO:	Mission Environmental Officer
MFI:	Micro Finance Institutions
MRV:	Measuring, Reporting and Verification
MX:	Mexican Peso
NAICOM:	North American Index of Economic Competition and Consumer Rights
NAMA:	Nationally Appropriate Mitigation Actions
NGO:	Non-governmental organization
NLGA:	National Lieutenant Governors Association
OCDE:	Organización para la Cooperación y el Desarrollo Económico (Organization for Economic Cooperation and Development)
PA:	Protected Areas
PECC:	Programa Especial de Cambio Climático (Special Climate Change Program)
PEMEX:	Petroleos Mexicanos (Mexico's National Oil Company)
PES:	Payment for Environmental Services
PIN:	Project Identification Note
PMP:	Performance Monitoring Plan
PUP:	Public Use Plan
PyME:	Pequeña y Mediana Empresa (Small and Medium Enterprise)
RE:	Renewable Energy

REDD:	Reducing Emissions from Deforestation and Forest Degradation
SEDECO:	Secretaría de Desarrollo Económico (State level Secretariat of Economic Development)
SEMARNAT:	Secretaría de Medio Ambiente y Recursos Naturales (Ministry for Environment and Natural Resources)
SENDAS:	Senderos y Encuentros para un Desarrollo Autónomo Sustentable (Paths and Meetings for Sustainable Self-Development)
SENER:	Secretaría de Energía (Energy Ministry)
SIEM:	Sistema de Información Empresarial Mexicano (Mexican Business Information System)
SME:	Small and Medium Sized Enterprise
SOW:	Scope of Work
TDA:	Trade Development Agency
UCAI:	Unidad Coordinadora de Asuntos Internacionales (International Affairs Coordination Unit)
UNDP:	United Nations Development Programme
US:	United States
USAID:	United States Agency for International Development
USG:	United States Government

OVERVIEW OF PROGRAM

The USAID/Mexico Competitiveness Program seeks to improve environmental management and promote private sector innovation through the implementation of substantive changes in governance. The Program integrates several objectives: 1) sustainable environmental governance and management, including biodiversity conservation, forest conservation and the advancement of Mexico's climate change agenda; 2) increased private sector competitiveness through programs that foster business innovation and efforts to strengthen competition among firms; 3) more efficient factor and precursor markets through promotion of capital available to small businesses and financially sustainable urban water service; and 4) increased use of and investment in clean energy by promoting sub-national renewable and efficient energy projects, a cross-border market for renewable electricity, and programs for sustainable buildings and housing. The Program builds on prior USAID efforts in Mexico to achieve sustainable reforms by improving transparency, strengthening civil society participation, and promoting accountability. This report highlights achievements during the first quarter of Program FY2012, October 1 – December 31, 2011, with a focus on technical activities, administrative issues that affect implementation, and grants management. The Program's four governance areas address:

1. Environmental management

Public policy: Strengthen institutional capacity to develop and implement public policies addressing biodiversity, Reduced Emissions from Deforestation and Degradation (REDD+) and climate change; support citizen-based evaluation of Mexico's forests and forestry policies; promote "green" government; support land use planning to protect forests and biodiversity.

Alternative income generation: Promote sustainable value chains in high biodiversity areas; provide technical assistance and support for payment for hydrological services in key watersheds; promote ecotourism through sector planning, training and capacity-building for community members; and improve commercialization of low-impact goods produced in high biodiversity areas.

Sustainable landscapes: Provide technical assistance for REDD+ pilot projects and governance mechanisms to scale up REDD; support forest carbon monitoring.

2. Effective economic governance

Public policies for competitiveness and innovation: Support implementation of SME development programs; disseminate innovation policies; strengthen institutional capacity of Ministry of Economy.

Strengthening Competition Policy: Provide technical assistance to Federal Competition Commission (CFC) and Federal Judiciary.

3. Efficient factor and precursor markets

Capital for micro and small enterprises: Increase access to capital for productive investment by improving microfinance regulation and strengthening the capacity of microfinance institutions.

Water service: Improve the quality and sustainability of urban water service through technical assistance and dissemination of best practices; support public campaign on the value of water.

4. Clean Energy

Subnational assistance: Promote state and municipal clean energy projects, including local supplier value chains, self-supply and public-private partnerships (PPPs).

Sustainable structures: Support NAFIN (national public sector development bank) and the Trust Fund for Electric Energy Savings (FIDE) in the development of an online tool that enables small business owners to calculate savings from purchasing efficient electrical equipment.

SUMMARY OF ACCOMPLISHMENTS

Component 1

- Mexico Competitiveness Program subcontractor MGM Innova presented to SEMARNAT a draft final report on the carbon market readiness workshops carried out to develop Project Identification Notes (PINs) for governmental activities that would be eligible to access carbon finance through voluntary and compliance markets. SEMARNAT provided comments which MGM Innova will incorporate in the final report.
- The Competitiveness Program delivered to SEMARNAT the draft white paper “Market Readiness Legal Assessment.” The paper will be further developed and discussed with Mexican and US legal experts during the coming months.
- Mexico Competitiveness Program consultants presented to SEMARNAT a draft final report on: 1) Mexico’s long- term economic growth and its effects on energy demand and associated greenhouse gas (GHG) emissions; and 2) distributional effects of a hypothetical tax on fossil fuels to reduce GHG emissions. An important finding was that price increases had relatively little impact on fuel use or emissions reductions. SEMARNAT provided comments that the consultants will incorporate to complete the report (November 4).
- The Mexico Competitiveness Program and the Mexico City Government (GDF) agreed on the scope of an electronic system to be developed to monitor progress on the implementation of the city’s Environmental Management System (EMS), which the Competitiveness Program has supported for several years. In December, staff from Abt’s Environment and Natural Resources Division (ERD) traveled to Mexico City to meet with GDF officials to discuss the features and functionality of the EMS online monitoring system. During the meeting, City officials explained their needs and current monitoring procedures, which consist mostly of ad hoc Excel spreadsheets. The GDF will send Abt a model of the report they need the system to generate, based on which the Mexico Competitiveness Program will develop specific proposals for the online system.
- Abt Associates ERD and Competitiveness Program staff also met with SEMARNAT officials to discuss key improvements that will be made to the PECC online monitoring system (SIAT-PECC) during FY 2012. The system will include reports on adaptation measures (previously it focused primarily on mitigation) and expand its functionality in several ways. In addition, all data and software for the system will be transferred to SEMARNAT’s server before the end of January 2012.

Component 2

- At a meeting of the Juarez Citizen Council on Employment Promotion, USAID Senior Deputy Assistant Administrator Amb. Liliana Ayalde delivered a speech highlighting the role of international assistance in supporting government and civil society efforts to promote employment for youth. At the same meeting the Juarez city council and Mexican Minister of Labor Javier Lozano requested additional USAID assistance to strengthen a national employment program targeting young people who neither work nor study (NiNis). Competitiveness Program staff worked throughout October to

prepare the Ambassador's involvement in the event and provide content for her speech. (October 26).

- Mexico Competitiveness Program subcontractor C230 presented main findings from the USAID-financed evaluation of a youth employment program in Juarez. The findings will be used in recommendations for modifying a national employment program with similar goals (mentioned in previous bullet). The event was the 33rd Annual Meeting of the National Employment Service, held in Mazatlán, Sinaloa (November 30).
- Competitiveness Program consultants from Fundacion IDEA, the National Business Incubation Association (NBIA) and Paso del Norte Group presented their research on entrepreneurship, innovation and business development practices during Entrepreneurship and Incubation Day at *Juarez Competitiva*, a high profile two-week event to improve the public image of Ciudad Juarez and strengthen social and economic ties within the city. The event was attended by approximately 500 students from CONALEP, a public high school system whose students prepare for either college or a technical profession (October 24).
- Mexico Competitiveness Program subcontractor Paso del Norte Group delivered the first draft on the export manual that will be used in the small business clearinghouse which is starting up in Ciudad Juarez with Mexico Competitiveness Program support.

Component 3

- Under Component 3, sub-component Access to Capital has been discontinued in FY 2012. Activities under that sub-component have been completed and results have been achieved and reported. Further impact from previous activities may be reported in FY 2012. The sub-component on urban water will continue with two activities in FY 2012. There are no major achievements in water to report in the first quarter.

Component 4

- The Competitiveness Program's Clean Energy Component Lead gave a presentation on the potential growth of the wind energy sector in Baja California linked to the cross-border electricity market and supply chain opportunities for local businesses at a forum on self-supply and cogeneration for the industrial sector in Baja California. A Competitiveness Program consultant also showed a demo of the www.bajaeolico.net webtool developed by the Mexico Competitiveness Program and invited companies to register as a means to continue the ongoing assessment of industrial capabilities in the state (October 5).
- Mexico Competitiveness Program subcontractor Colegio de la Frontera Norte (COLEF), coordinator of the Ciudad Juarez Clean Energy Network, co-chaired the Environment and Sustainability Day at *Juárez Competitiva* (see Component 2 section above for description). Activities included an energy and sustainability fair where Network members presented their products and services in the region, including residential solar photovoltaic solutions, energy efficiency management services for the industrial sector and research and development in local universities in areas such as sustainable buildings and solar thermal water heating. Conference topics included climate change, renewable energy and entrepreneurship. A Cleantech Challenge representative invited attendees

to submit projects for the 2012 competition to be launched in January. During the final session, the Mexico Competitiveness Program Chief of Party (COP), Component 4 (C4) Lead and a Program consultant provided feedback to three projects selected by the organizing committee of *Juarez Competitiva* (October 26).

- The COP and C4 Lead participated in the Border Energy Forum in El Paso, Texas. The annual symposium brings together energy stakeholders from the US and Mexico each year, alternating between Mexican and US venues. Through the Mexico Competitiveness Program, USAID supported agenda development and conference planning from an early stage. During the Forum, the Program distributed 150 digital copies of the book *Energias Renovables: Impulso politico y tecnologico para un Mexico sustentable*. Several Mexico Competitiveness implementing partners participated in panels, including: Doing Business in Border States, Energy Entrepreneurship, and Municipal Energy Solutions (October 27-28).
- The Mexico Competitiveness Program supported Institute of the Americas in hosting a California-Baja California conference on political and technological realities of clean energy in the region. The forum, which took place in La Jolla, CA, underscored the positive role of clean energy to strengthen competitiveness on both sides of the border. Conference attendees included clean technology companies, energy generation developers, state government policy makers, university faculty and students, and U.S. and Mexican diplomats. (November 7).
- USAID/Mexico was invited to participate in a panel on clean technology start-up financing during the Green Solutions 2011 Expo organized by ProMéxico, the government agency in charge of investment and exports promotion. The presentation highlighted some of the Mexico Competitiveness Program's work on small and medium enterprise policy research and promoted the Development Innovation Ventures program to an audience of Mexican entrepreneurs and innovators. (November 24)

A more detailed description of technical activities carried out in the fourth quarter of FY2011 is provided in Annex 1.

TRAINING AND CAPACITY-BUILDING (OCTOBER-DECEMBER 2011)

From October through December 2011 the Program held one training event in which 114 people were trained. Of these, 83 were men and 31 were women. See Annex 2 for a list of the events.

GRANTS

The Mexico Competitiveness Program received COTR authorization to renew two grants:

- U'yo'olché will carry out the third phase of its project on Carbon Capture and REDD+ in the Yucatan Peninsula.
- AMBIO will carry out the fourth phase of its project on REDD+ in the El Ocote Biosphere Reserve, in Chiapas.

Deliverables

- In September, Mexico Competitiveness Program grantee AMBIO requested an extension to submit its partial and final reports for the third phase of the Ocote REDD+ pilot for FY2011. The request was authorized by USAID. In October AMBIO submitted those reports, which include: (1) Updates on “Plan Vivos” for two communities; (2) an evaluation of the function of abandoned crop land (*acahual*) at a community level; (3) a report on strengthening community capacities for technicians and individuals who live in the Ocote Biosphere Reserve with a best practices exchange in Nueva San Juan Chamula.

Dissemination and others

- Grantees AMBIO and U'yool'che made presentations during the meeting of the REDD+ Consultative Technical Council (CTC), held on October 13. They addressed the processes that Chiapas and Quintana Roo are undergoing to create their state-level advisory councils for REDD+. AMBIO also made a presentation on key messages from an international workshop on community monitoring, where the NGO presented on experiences from USAID-funded work in El Ocote.
- The Mexico Competitiveness Program established communication between grantee CASFA, the Electric Energy Savings Trust Fund (FIDE) and the Federal Electricity Commission (CFE) to explore the possibility of assisting communities in La Encrucijada to repair the ice-making machines and refrigerators that have stopped working for unknown technical reasons. The organizations will also assess the potential of using renewable sources to power these machines (fully or partially), as a way to reduce energy costs. Refrigeration is a major constraint on the ability of local fishermen to obtain optimal prices for their catch.

Field Visits

- Former Mexico Competitiveness Program grantee Fondo Comunitario Oaxaca (FCO) celebrated its 15th anniversary with a two-day event that included presentations on the organization's key achievements. Among these, FCO highlighted the activities carried out with USAID Mexico Competitiveness Program's support to protect the wetlands of the coast of Oaxaca, including through the strengthening of ecotourism activities. During the event, FCO presented the “Illustrated Guide of Marine Turtles”, prepared with Mexico Competitiveness Program support to provide information for local ecotourism guides.

CONCLUSION

As the Mexico Competitiveness Program ends the first quarter of its final year, we are focusing on the implementation of ongoing projects that were launched in previous years. Our efforts during FY 2012 will concentrate on helping our local partners maximize the potential of governance reforms, ensure institutional sustainability after Competitiveness Program participation ends (e.g., through capacity-building of staff and production of materials), and expand the scope of long-term activities. Key activities include:

Component 1: Environmental Management

- Adding functionality to the environment ministry's electronic climate change monitoring and reporting system (SIAT-PECC) which was financed through the Mexico Competitiveness Program and built by Abt Associates staff.
- Developing an electronic tool for Mexico's City's environment secretariat to track progress of its Environmental Management System, which the Competitiveness Program has supported for several years through training, development of guidelines and production of technical manuals.
- Producing recommendations on regulations to promote market-readiness for climate change projects, building on previous Competitiveness Program work to mainstream legal aspects of climate change throughout Mexico's public administration.
- Documenting best practices on payment for environmental services (PES) for the National Forestry Commission, building on previous Mexico Competitiveness Program work developing PES mechanisms in three different regions in Mexico through research and stakeholder consultations.
- Deepening implementation in three different REDD+ projects, focusing on community-based monitoring of forest conditions (Chiapas), developing third-party approval of technical specifications for carbon capture (Quintana Roo), and carrying out research on local drivers of deforestation and degradation (Yucatan Peninsula).

Component 2: Economic Governance

- Institutionalizing a small business promotion center serving the El Paso/Ciudad Juarez region, focusing on export promotion and linkages to a local network of incubators, building on the Mexico Competitiveness Program's FY 2011 support to launch the center.
- Producing recommendations for the modification of rules of operation to a federal employment promotion program, building on the Competitiveness Program's FY 2011 evaluation of a youth employment program in Ciudad Juarez.

Component 4: Clean Energy

- Promoting local government participation in clean energy projects by developing a website on public-private partnerships and identifying specific investment opportunities (including business plan development).

- Deepening implementation of Baja California wind energy supply chain program by carrying out a diagnostic of the metal-mechanic sector and adding functionality to the B2B website developed through the Competitiveness Program in FY 2011.

The Mexico Competitiveness Program's continuing focus on these multi-year activities will ensure that USAID resources lead not only to the formal adoption of policies, rules and practices that improve competitiveness and environmental management, but more importantly that USAID's Mexican counterparts and partners carry out and sustain these measures in practice. Accordingly, we will invest FY 2012 resources primarily to build on and deepen substantive results in activities that were initiated between FY 2009-2011 with the goal of ongoing sustainability.

In a few cases, as a result of special requests from USAID and counterpart agencies, the Program will also begin and complete new activities during the remainder of the fiscal year. These include:

- Design and operationalization of web portal for the US-Mexico Foundation, to publicize high-impact social investment projects being carried out by Mexican NGOs and to expand the Foundation's donor base.
- Development of e-government tools for the Federal Competition Commission (CFC), including a hacking diagnostic to protect private information stored on the agency's servers, as well as an automated notification system to inform litigants about agency rulings in a timely manner.
- Development of policy recommendations for aviation sector reform, including airline and airport services.
- Drafting a model law for state governments to regulate public procurement, which supports CFC's goal of reducing bid-rigging and the use of sole-source contracts at the state level.
- Training young entrepreneurs (members of the business association COPARMEX) in scenario planning vis-à-vis the global sustainability agenda, as part of a broader effort to help young business leaders make informed decisions about emerging opportunities and risks.

While these activities are modest in scope, the Mexico Competitiveness Program selected (and USAID approved) them because of (1) explicit demand from important counterparts and from USAID; (2) high probability of short-term impact; (3) feasibility of carrying out and completing each project during a short time-frame; and (4) relatively small funding needs.

ANNEX I: DESCRIPTION OF TECHNICAL ACTIVITIES CARRIED OUT DURING THE FIRST QUARTER

Color legend

Blue:	Completed
Green:	On Track
Yellow:	Behind schedule
Red:	Encountering difficulties

COMPONENT I. ENVIRONMENTAL MANAGEMENT

C1 Subcomponent 1: Public policy

Program Goal

Mexico achieves a low-emissions development (LED) path and protects biodiversity

Year 4 Goals

1. Adopt improvements in public policies that mitigate GHG emissions.
2. Adopt improvements in public policies that protect biodiversity

Environmental Regulation Compliance

All activities carried out by the USAID/Mexico Competitiveness Program conform to US environmental regulations (22 CFR 216) requiring evaluation to ensure that no adverse environmental impacts that cannot be mitigated result from the activities. All activities included in Component 1, Subcomponent 1, were subject to an Environmental Screening (using the Environmental Screening Form included in the *Guidelines for implementing partners on the USAID LAC Environmental Mitigation Plan*) and determined to hold “No Risk.” Documentation of this process is available upon request

Status: **GREEN**

Results narrative

During the first quarter of FY 2012, the Mexico Competitiveness Program continued its efforts to strengthen environmental governance by providing targeted technical assistance to develop public policies and carry out reforms identified as priorities by federal, state, and local governments. Key achievements for this subcomponent include:

Development of a PECC Monitoring System.

The Special Program on Climate Change (PECC) describes actions that the Federal Public Administration will carry out between 2009 and 2012 to mitigate emissions of greenhouse gases, facilitate adaptation to climate change, and support cross-sectoral coordination for climate change responses. The Program completed a web-based system that will enable SEMARNAT and other agencies to track progress in PECC implementation, take corrective actions where appropriate, and improve decision-making about policies and public investment. During this quarter, SEMARNAT and the Program discussed additional improvements that SEMARNAT would like the system to have, including reports on adaptation measures.

Support for a Low Emissions Development Strategy (LEDS). The Program is developing a series of studies that assess the economic and legal implications of different actions that the Government of Mexico could include under its medium-term LEDS. These studies build on efforts undertaken to develop and implement the PECC, but aim to improve the information and tools available to the Government of Mexico to plan its mitigation goals, identifying those that should be supported by national resources and those that would require additional funds from international partners or the private sector.

(a) Program consultants presented to SEMARNAT a draft final report on: 1) Mexico's long-term economic growth and its effects on energy demand and associated GHG emissions; and 2) distributional effects of a hypothetical tax on fossil fuels to reduce GHG emissions. An important finding was that price increases had relatively little impact on fuel use (or emissions reductions). SEMARNAT provided comments that the consultants will incorporate to complete the report.

(b) SEMARNAT and MGM Innova, a Program subcontractor, worked during FY 2011 to identify potential greenhouse gas emission mitigation opportunities in the forestry, agriculture, and solid waste sectors. During this quarter, MGM Innova presented to SEMARNAT a draft final report on the carbon market readiness workshops carried out to develop Project Identification Notes (PINs) for governmental activities that would be eligible to access carbon finance through voluntary and compliance markets.

Legal Aspects of Climate Change. The Program is working with the Federal Government, particularly SEMARNAT, to build capacity in climate change-related legal analysis, design and implementation of legal and regulatory initiatives, or drafting bills and regulatory changes. In particular, the Program's technical assistance is focusing on identifying best legal and/or regulatory options of a legal framework for "market readiness. During this quarter, the Program discussed with SEMARNAT a first draft of the white paper "Market Readiness Legal Assessment." The paper will be further developed and discussed during the coming months with a network of Mexican and US legal experts. The network is being established with Competitiveness Program support.

Greening Government.

The Program has been supporting the Government of Mexico City (GDF) in the development and implementation of its Environmental Management System (EMS), which aims to reduce greenhouse gas emissions and save money by using water, energy and supplies more efficiently, as well as through better waste management. The Mexico City Government and Mexico Competitiveness Program staff agreed on activities for the next phase of the Environmental Management System, as well as on the scope of an electronic system that would be developed to monitor progress on the implementation of the city's Environmental Management System.

- **Changes in PMP**None.

PMP Indicators:

	Target FY2012	Achieved Q1	Cumulative FY 2012
USAID Indicator: Number of policies, regulations, administrative procedures proposed or adopted.	6		
Activity: Increased functionality for PECC monitoring and reporting System Deliverable(s): Operational website transferred to SEMARNAT	1		
Activity: LEDS: Economic studies of climate change Deliverable(s): Studies on economic growth and energy demand, distributional impacts of energy pricing policy, and effects of subsidies on GHG emissions in the agricultural/forestry sector	1	1	1
Activity: LEDS: Legal aspects of climate change Deliverable(s): White papers on: (1) analysis of legislative proposals and (2) regulatory options for national compulsory GHG registry	1		
Activity: Implementation of GDF environmental management system (1) water, procurement, energy, waste management actions; (2) development of electronic monitoring system Deliverable(s): Reports on the implementation of the EMS in at least 15 GDF agencies; operational monitoring system	1		
Activity: Natural Protected Area legal reforms: Deliverable(s): Reform proposal to strengthen property rights and land use management in protected areas	1		
Activity: Chihuahua State Climate Change Action Plan: Deliverable(s): Draft report of priority policy options for reducing GHG emissions and associated investments and reforms	1		

C1 Subcomponent 2: Alternative Incomes**Program Goal**

Sustainable practices protect ecosystems and improve rural livelihoods
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Year 4 Goals

Develop and implement mechanisms for payment for environment services.
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Environmental Regulation Compliance

All activities carried out by the USAID/Mexico Competitiveness Program conform to US environmental regulations (22 CFR 216) requiring evaluation to ensure that no adverse environmental impacts that cannot be mitigated result from the activities. All activities included in Component 1, Subcomponent 2, were subject to an Environmental Screening (using the Environmental Screening Form included in the *Guidelines for implementing partners on the USAID LAC Environmental Mitigation Plan*) and determined to hold “No Risk.” Documentation of this process is available upon request

Status: **GREEN**

Results narrative

The Government of Mexico acknowledges that the conservation and sustainable use of the country’s natural resources require that rural communities develop the capacity to sustainably produce goods and services taking advantage of such resources. During this quarter, the Program received from CONAFOR a formal request for technical assistance to develop a database of local payment for environmental services (PES) mechanisms and extract lessons learned and best practices to inform replication.

Changes in PMP

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Events

- None.

Publications:

- None.

PMP Indicators

	Target FY2012	Achieved Q1	Cumulative FY 2012
USAID Indicator: Number of policies, regulations, administrative procedures proposed or adopted.	1		
Activity: Best practices and lessons learned from PES mechanisms throughout Mexico Deliverable(s): Report on dissemination of best practices and lessons learned among key stakeholders	1		
Activity: CCMSS Amanalco hydro PES Deliverable(s): Report on pilot implementation of the PES mechanism and its monitoring and evaluation system	1		
Activity: Competitiveness analysis of 10 forestry enterprises.	1		

Deliverable(s): Draft report with recommendations to enhance competitiveness of forestry enterprises, including 10 case studies			
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C1 Subcomponent 3: Sustainable Landscapes

Program Goal

Greenhouse gas emissions mitigated through implementation of REDD+ mechanisms

Year 4 Goals

1. Pilot REDD+ projects lay the ground for GHG mitigation and inform policy development

Environmental Regulation Compliance

All activities carried out by the USAID/Mexico Competitiveness Program conform to US environmental regulations (22 CFR 216) requiring evaluation to ensure that no adverse environmental impacts that cannot be mitigated result from the activities. All activities included in Component 1, Subcomponent 3, were subject to an Environmental Screening (using the Environmental Screening Form included in the *Guidelines for implementing partners on the USAID LAC Environmental Mitigation Plan*) and determined to hold “No Risk.” Documentation of this process is available upon request

Status: GREEN

Results narrative

Roughly 10 percent of Mexico’s greenhouse gas emissions stem from deforestation and forest degradation. In addition to contributing to global climate change, these processes cause the loss of biodiversity and valuable resources that sustain the livelihoods of millions of people, most of whom are poor or vulnerable to poverty. The Government of Mexico is committed to developing a National Strategy to Reduce Emissions from Deforestation and Degradation (REDD+), which will be informed by analytical work and pilot projects. The Program is working with CONAFOR, NGOs and other stakeholders to implement REDD+ pilots and provide technical inputs for the development of the National REDD+ Strategy.

During this quarter, grantee AMBIO presented its partial and final report for the third phase of the Ocote REDD+ pilot for FY2011. AMBIO’s reports include: (1) updates on “Plan Vivos” for two communities; (2) an evaluation of the function of abandoned crop land (acahual) at a community level; (3) a report on strengthening community capacities for , technicians and individuals who live in the Ocote Biosphere Reserve, with a best practices exchange in Nueva San Juan Chamula.

Changes in PMP

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Events

- None.

Publications:

- None.

PMP Indicators

	Target FY2012	Achieved Q1	Cumulative FY 2012
USAID Indicator: Number of policies, regulations, administrative procedures proposed or adopted.	4		
Activity: Ambio REDD pilot in El Ocote. Deliverable(s): Report on implementation of safeguards, adoption of best practices for livelihoods, community-based monitoring	1		
Activity: U'yolchee carbon capture in Ejido Felipe Carrillo Puerto. Deliverable(s): Third party approval of technical specifications for carbon capture, replication of methodologies in the Calakmul – Sian- Kaan corridor	1		
Activity: TNC Yucatan Peninsula Regional REDD+ program. Deliverable(s): Report on the drivers of deforestation and degradation in the Peninsula and report on the establishment of a regional advisory council on REDD+.	1		
Activity: CCMSS Analysis of drivers of deforestation and degradation. Deliverable(s): Report on the drivers of deforestation and degradation in priority areas of Chiapas, Oaxaca and Quintana Roo	1		

COMPONENT 2. ECONOMIC GOVERNANCE

C2 Sub-Component 1: Public Policies and Programs for Competitiveness and Innovation

Program Goal:

Mexican businesses have greater access to best international practices that foster their development and competitiveness.

Year 4 Goals.

- Innovative and traditional small businesses in Cd. Juárez region have access to high quality development, finance and commercialization services through a network of incubators.
- Young entrepreneurs in Mexico receive training on scenario analysis to explore new market opportunities and global trends toward “sustainability.”
- National or regional employment programs are crafted following best international practices.

Environmental Regulation Compliance

All activities carried out by the USAID/Mexico Competitiveness Program conform to US environmental regulations (22 CFR 216) requiring evaluation to ensure that no adverse environmental impacts that cannot be mitigated result from the activities. All activities included in Component 2, Subcomponent 1, were subject to an Environmental Screening (using the Environmental Screening Form included in the *Guidelines for implementing partners on the USAID LAC Environmental Mitigation Plan*) and determined to hold “No Risk.” Documentation of this process is available upon request

Status: **GREEN**

Results narrative

Employment Promotion

On October 26, at a meeting of the Juarez Citizen Council on Employment Promotion, USAID Senior Deputy Assistant Administrator Amb. Liliana Ayalde delivered a speech highlighting the role of international assistance in supporting government and civil society efforts promote employment for youth. During her speech Amb. Ayalde acknowledged the important effort that are being made by the City Council for the promotion of employment and the importance of sharing Juarez’s experience with other parts of Mexico and with other countries. After her speech, Marco López, a researcher from Competitiveness Program subcontractor C-230, presented a Strengths, Weaknesses Opportunities and Threats (SWOT) analysis of the Juarez employment program. An important finding was that the program should focus more on development of labor

skills and establishing linkages between employers and job searchers. In particular, the consultant suggested that the employment program could become more effective with additional components such as practical or on-site training, direct communication with local employers, and certification for specialized skills.

At the same meeting, Minister of Labor Javier Lozano requested additional USAID assistance to strengthen the Juarez employment program. Competitiveness Program staff and partners held preliminary discussions on possible USAID technical assistance to modify rules of an expanded national program. However, in December Secretary Lozano and Undersecretary Jaime Domingo López resigned from their posts. Consultations with the Ministry's new leadership have already begun and it is expected that USAID participation will proceed as originally planned.

At the request of the Ministry of Labor and Social Protection (STPS), Competitiveness Program consultant Marco López made a presentation on main findings from the USAID-financed evaluation of a youth employment program in Juarez. The event was the 33rd Annual Meeting of the National Employment Service, which was held in Mazatlán, Sinaloa on November 30. The findings are expected to become the point of departure for subsequent recommendations that could be used for a national employment program.

Small business development in the Juarez region

Paso del Norte Group (PDN) delivered its fourth, fifth and last reports on the development of a clearinghouse to improve the competitiveness of traditional and innovative SMEs located in the Juarez / El Paso region. PDN delivered the final version of its Export Manual. It also created a network of incubators formed by the "Tec" de Monterrey (ITESM), the Autonomous University of Ciudad Juárez (UACJ), Ciudad Juárez Technical Institute (ITCJ), and Ciudad Juárez Technical University (UTCJ). The network seeks to share knowledge and best practices on incubation, facilitate service to entrepreneurs, optimize use of facilities where incubators are located to test prototypes, consolidate administrative tasks and increase fundraising.

PDN participated in Incubation Day at Juarez Competitiva, as well as a strategic planning session of Centro de Desarrollo de Proveedores de Ciudad Juárez, a supplier development organization for the local maquila industry, and worked with an NGO called Desarrollo Económico de Ciudad Juárez A.C to generate a system of economic indicators for the city. PDN also performed some "shadow training" for consultants that simulated interested clients wanting to create a business plan. PDN also submitted a proposal to MCP aimed at operating and consolidating the network of incubator through FY 2012. This activity will take place next quarter.

Scenario planning for young entrepreneurs

On October 20, the Competitiveness Program received a request from president of Ejecutivos Jovenes, a branch of the Mexican Business Confederation (COPARMEX) that includes young entrepreneurs, requesting technical assistance for scenario-based

planning to exploring market opportunities related to global “sustainability”. Scenario planning is a methodology that helps professionals foresee and consider the impact of distinct events or trends in the near future. The training will service to develop firm-level and sectoral strategies that address constraints and opportunities resulting the global movement toward sustainability. The training would also result in the development of specific proposals for improved public sector interventions (e.g., policies or financing mechanisms) that support private sector competitiveness, especially for small firms. Main findings and recommendations would be published in a major Mexican newspaper and presented at a high profile event from the G-20 Young Entrepreneurs summit to be carried out in Mexico in June 2012.

As part of the competitive bidding process the Competitiveness Program advertised a call for proposals in a national Mexican newspaper. The Lexington Group presented a sound technical and financial proposal and a contract was signed on December 19, 2011. Scenario based training will be carried out in Merida and Mexico City in January 2012.

Changes in PMP

None

Events

- October 26, Juarez Competitiva, Incubation Day: Presentation of USAID funded research by Fundación IDEA (Innovative entrepreneurs), National Business Incubation Association (Assessment of incubation Program in Northern Mexico: their readiness for clean technology) and Paso del Norte Group: model to establish a clearinghouse for SMEs in the Juarez el Paso area.

Publications:

- Paso Del Norte Group: Manual of best practices for export.

PMP Indicators:

	Target FY2012	Achieved Q1	Cumulative FY 2012
USAID Indicator: Number of policies, regulations, administrative procedures proposed or adopted.	3	0	0
Activity: PDN Small Business promotion center Deliverable(s). Report on companies served and manual on best practices for exports	1	0	0
Activity: National/regional Employment Program Deliverable(s): Draft report and recommendations on modifications for rules of operation	1	0	0
Activity: Scenario based training for young entrepreneurs at COPARMEX Deliverable(s): training sessions performed and article	1	0	0

C2 Subcomponent 2: Competition Policy

Program Goal:

Mexico effectively curbs monopolies and anticompetitive practices.

Year 4 Goals.

- CFC has greater capacity to investigate and litigate competition cases.

Environmental Regulation Compliance

All activities carried out by the USAID/Mexico Competitiveness Program conform to US environmental regulations (22 CFR 216) requiring evaluation to ensure that no adverse environmental impacts that cannot be mitigated result from the activities. All activities included in Component 2, Subcomponent 2, were subject to an Environmental Screening (using the Environmental Screening Form included in the *Guidelines for implementing partners on the USAID LAC Environmental Mitigation Plan*) and determined to hold “No Risk.” Documentation of this process is available upon request

Status: GREEN

Results narrative

This narrative includes activities under the Programs assistance to Federal Competition Commission (CFC) and the judiciary.

Fighting bid-rigging

Mexico’s Federal Law of Economic Competition prohibits bid-rigging and subjects violators to sanctions. In the past year, CFC has worked with OECD to support Mexican agencies such as the Mexican Social Security Institute (IMSS) in adopting and implementing anti- bid rigging guidelines.

On December 30, VESA IT, a firm that constructs databases based on large quantities of records) completed a database that will support ongoing investigations by the Federal Competition Commission (CFC) on bid-rigging against five Mexican government agencies that, combined, account for about 70% of public procurement. The database will allow the CFC to perform a more rigorous analysis to detect bid-rigging.

Bid-rigging in state government procurement still occurs frequently because local procurement laws are not well designed. CFC requested technical assistance from the USAID/Mexican Competitiveness Program to develop a “model law” on public procurement for state governments, based on adapting international best practice. The Competitiveness Program advertised a call for proposals in a national Mexican newspaper in November 2011. The Mexican Institute for Competitiveness (IMCO) was selected, having submitted a high quality proposal that follows the methodology adopted by CFC and OECD.

E-Government for the Competition Commission

In October the Mexico Competitiveness Program received two requests for assistance that modify the FY 2012 Work Plan. CFC requested that the Program replace an activity to produce a technical guideline for bidding public works with support for two e-government initiatives: (1) an electronic information security check (hacking diagnostic) to prevent illicit access to personal or corporate data that is stored on CFC servers; (2) an electronic notification system to advise litigants about CFC rulings. The notification system will provide numerous benefits that increase CFC's effectiveness: speeding up litigation procedures, ensuring that all rulings remain legally valid, and freeing up time for CFC staff to work on technical aspects of promoting competitiveness. Both projects are expected to be completed before the end of the third quarter.

Mexican aviation and air transport sector paper

Mexican airline and airport services, as well as the regulatory framework governing those services, demonstrate significant weaknesses. In 2010 Mexico was downgraded by the United States Federal Aviation Administration due to the lack of suitable airplane inspectors. In terms of efficiency and competition, the bankruptcy of Mexicana de Aviación (the second largest carrier and the one with the most flights to the US) has worsened a sector already characterized by high prices.

Growing concern about the sector's performance has led the Mexican Chamber of Aeronautical Transportation (CANAERO) to seek a third-party expert review of aviation policy in Mexico. CANAERO has requested USAID assistance to carry out research and propose independent recommendations for reforms in aviation/airline policy that improve transparency and establish a level playing field (i.e., reduce barriers to entry), and ensure the highest standards for safety and security. The Program prepared a scope of work for a qualified consultant to carry out the research and will select the consultant in January.

Changes in PMP

CFC requested that the Program replace an activity to produce a technical guideline for bidding public works with support to carry out an Ethical Hacking Diagnostic to prevent illicit access to personal or corporate data and an electronic notification system.

Events

- NAFTA competition authorities' annual meeting.

Publications:

- None

PMP Indicators:

	Target FY2012	Achieved Q1	Cumulative FY 2012
USAID Indicator: Number of policies, regulations, administrative procedures proposed or adopted.	3	0	0
Activity: IMCO Model Law on bid rigging Deliverable(s): Model law draft	1	0	0
Activity: E-Government for CFC Deliverable(s): (a) Hacking diagnostic; (c) Electronic notification system	1	0	0
Activity: Aviation sector research Deliverable: Policy recommendations to increase competition in aviation industry and airport services	1	0	0

COMPONENT 3. EFFICIENT PRECURSOR AND FACTOR MARKETS

C3 SUBCOMPONENT 2: Improved Urban Water management

Program Goal:

Municipal water utilities become more competitive, as measured through efficient operation and cost-effectiveness.

Year 4 Goals:

- Provide easy access to technical information about efficiency and financial sustainability of water utilities.
- Strengthen legal authority of municipal water utilities.

Environmental Regulation Compliance

All activities carried out by the USAID/Mexico Competitiveness Program conform to US environmental regulations (22 CFR 216) requiring evaluation to ensure that no adverse environmental impacts that cannot be mitigated result from the activities. All activities included in Component 3, Subcomponent 2, were subject to an Environmental Screening (using the Environmental Screening Form included in the *Guidelines for implementing partners on the USAID LAC Environmental Mitigation Plan*) and determined to hold “No Risk.” Documentation of this process is available upon request

Status: **GREEN**

Results narrative

There are no significant results to report from the first quarter.

Changes in PMP

Events

- None

Publications:

- None

PMP Indicators:

	Target FY2012	Achieved Q1	Cumulative FY 2012
USAID Indicator: Number of policies, regulations, administrative procedures proposed or adopted.	3	0	0
Activity: Content of technical course for ANEAS/Utility workers Deliverable: Course content (diplomado)	1		
Activity: Inputs to modify water laws (rights to water.). Deliverable(s) <ul style="list-style-type: none"> • Recommendations and modifications to the law • Assessment of water operators' competitiveness • Management strategy 	1		
Activity: Strategic support for Ciudad Juarez water utility master plan Deliverable: Draft needs assessment and strategic plan	1		

COMPONENT 4. CLEAN ENERGY

C4 SUBCOMPONENT 1: Subnational

Program Goal:

Increased use of clean energy technology contributes to GHG mitigation and achievement of a low carbon development strategy.

Year 4 Goals:

- Subnational governments have information that facilitates entering into PPPs for clean energy.
- Subnational governments adopt programs and policies that foster clean energy projects.
- Greater participation of local businesses in the renewable energy value chain.

Environmental Regulation Compliance

All activities carried out by the USAID/Mexico Competitiveness Program conform to US environmental regulations (22 CFR 216) requiring evaluation to ensure that no adverse environmental impacts that cannot be mitigated result from the activities. All activities included in Component 4, Subcomponent 1, were subject to an Environmental Screening (using the Environmental Screening Form included in the *Guidelines for implementing partners on the USAID LAC Environmental Mitigation Plan*) and determined to hold “No Risk.” Documentation of this process is available upon request.

Status: **GREEN**

Results narrative

Promoting local suppliers in wind energy
On October 5, the Mexico Competitiveness Program participated in a Mexicali workshop on “Co-generation and Renewable Energy Self-Supply for the Industrial Sector,” which was organized by the Baja California Energy Commission and the BC chapter of the National Chamber of Transformative Industry (CANACINTRA). Presenters included the deputy director general of the Mexican Energy Regulatory Commission (CRE), who spoke about the regulatory framework for electricity generation and imports; the deputy director general of investment banking at NAFIN, Mexico’s main development bank, and a local representative from Mexico’s Trust Fund for Electric Energy Savings (FIDE). The Clean Energy Technical Lead of the Competitiveness Program gave a presentation on the potential growth of wind energy installed capacity in the state, as well as cross-border electricity market and supply chain opportunities for local industries. A Program consultant then described the web tool www.bajaeolico.net and invited participants to register in order to deepen the assessment of local capabilities to supply the wind energy sector. The Program’s participant in the forum was part of a multi-year initiative to link

local suppliers of goods and services to the state's growing opportunities in wind turbine manufacture, installation and maintenance. Over 40 individuals from Baja California's private sector attended the workshop.

Clean Energy in Ciudad Juárez

On October 26, Mexico Competitiveness Program partner Colegio de la Frontera Norte (COLEF), coordinator of the Ciudad Juarez Clean Energy Network, co-chaired the "Environment and Sustainability Day" at *Juárez Competitiva*. Activities included an energy and sustainability fair where Network members presented their products and services in the region, including residential solar photovoltaic solutions, energy efficiency management services for the industrial sector and research and development in local universities in areas such as sustainable buildings and solar thermal water heating. Conference topics included climate change, renewable energy and entrepreneurship. A Cleantech Challenge representative invited attendees to submit projects for the 2012 CleanTech competition to be launched in January. During the final session, Mexico Competitiveness Program Chief of Party and Clean Energy Technical Lead offered feedback to three projects selected by the organizing committee of *Juárez Competitiva*.

Border Energy Forum

The Competitiveness Program made USAID a major sponsor and organizer of the 2011 Border Energy Forum, held on October 27-28 in El Paso, Texas. The annual symposium brings together energy stakeholders from the US and Mexico each year, alternating between border states from both countries. Through the Competitiveness Program, USAID supported the development of the forum's agenda and conference planning from an early stage. During the Forum itself, the Competitiveness Program distributed 150 digital copies of the book *Energías Renovables: Impulso político y tecnológico para un México sustentable*. Competitiveness Program implementing partners participated in panels on Doing Business in Border States, Energy Entrepreneurship, and Municipal Energy Solutions. On October 28, Forum participants were treated to the unveiling of a new solar project just outside El Paso, in which concentrated photo-voltaic panels will be used to power a local electricity utility.

Clean Energy in the Californias

On November 7, the Institute of the Americas, with the support of Competitiveness Program, hosted a regional conference on the political and technological challenges of clean energy. The event highlighted the important role of wind and solar energy in strengthening the competitiveness of the California-Baja California region. During a keynote address, David Muñoz, Director of the Baja California State Energy Commission, showcased current and planned clean energy generation projects in the state and stressed that the wealth of natural energy resources (solar, wind and geothermal) create enormous opportunities for in-state and export markets, particularly to California. Muñoz emphasized the issue of regional competitiveness and the impact on jobs and business, noting as an example the 10 MW La Rumorosa wind farm built by the Baja California government. The project used steel towers manufactured in Fontana,

California, blades manufactured in Grand Forks ND, and generators assembled in Langhorne PA, and was finally installed by a Mexican company. Two panels at the conference, the first on policy and politics, and the second on technology manufacturing and deployment, gathered eight experts from companies and institutions contributing to clean energy in the region, including solar manufacturer Kyocera, the Silicon Border science park, the California Energy Commission, wind developer Mexico Power Group, GE Energy and the University of California, San Diego. By showcasing their projects, the private sector representatives demonstrated economic gains and “positive sum” outcomes on both sides of the border. Conference attendees included clean technology companies, energy generation developers, state government policy makers, UCSD faculty and students, and US and Mexican diplomats. (To view a video the keynote presentation and conference pictures, see <http://www.iamericas.org/en/events/past-events/1775-clean-energy-in-the-californias>.)

SME clean technology innovation in Mexico

On November 24, USAID/Mexico was invited to participate in a panel on clean technology start-up financing during the Green Solutions 2011 Expo organized by ProMéxico, the government agency in charge of investment and exports promotion. The presentation highlighted some of the Mexico Competitiveness Program’s work on small and medium enterprise policy (including research and promoted the Development Innovation Ventures program to an audience of Mexican entrepreneurs and innovators.

Changes in PMP

None.

Events

- Co-generation and Renewable Energy Self-Supply for the Industrial Sector, October 5, Mexicali, Baja California
- Environment and Sustainability Day, Juárez Competitiva, October 26, Ciudad Juárez, Chihuahua.
- Border Energy Forum, October 27-28, El Paso, Texas
- Clean Energy in the Californias, November 7, San Diego, California

Publications:

- None

PMP Indicators:

	Target FY2012	Achieved Q1	Cumulative FY 2012
USAID Indicator: Number of policies, regulations, administrative procedures proposed or adopted.	5		
Activity: Local government energy projects Deliverable(s): PPP website on muni and state energy projects	1		
Activity: Baja California Energy Profile Deliverable(s): Report on 2010-2020 scenarios	1		
Activity: Energy Strategy for Subnational Government Deliverable(s): Recommendations for energy activities and investments at state and local levels.	1		
Activity: Renewable Energy Value Chains Program in Baja California Deliverable(s): Diagnostics of metal-mechanic sector and business to supply wind energy OEMs	1		
Activity: Renewable Energy Supplier Development Web Portal Deliverable(s): Additional functionality for B2B website	1		

C4 SUBCOMPONENT 3: Sustainable Buildings

Program Goals:

Homes and buildings increase use energy efficiency and renewable energy

Year 4 Goals:

- Small businesses have access to information about economic savings from purchasing new electrical equipment and access to financing.

Environmental Regulation Compliance

All activities carried out by the USAID/Mexico Competitiveness Program conform to US environmental regulations (22 CFR 216) requiring evaluation to ensure that no adverse environmental impacts that cannot be mitigated result from the activities. All activities included in Component 4, Subcomponent 3, were subject to an Environmental Screening (using the Environmental Screening Form included in the *Guidelines for implementing partners on the USAID LAC Environmental Mitigation Plan*) and determined to hold “No Risk.” Documentation of this process is available upon request

Status: GREEN

Results narrative

Mexico Competitiveness Program Chief of Party (COP) and Component 4 (C4) Lead met with officials from the National Electricity Savings Trust Fund (FIDE) and NAFIN to discuss next steps in uploading an electricity savings calculator (developed with USAID funding) to FIDE’s website, as well as planning for a public event on the national launch of a NAFIN credit program to finance purchases of efficient equipment by small businesses. The calculator is expected to go live on the FIDE site by February 2012, after internal review and testing.

Changes in PMP: None

Events: None

Publications: None

PMP Indicators

	Target FY2012	Achieved Q1	Cumulative FY 2012
USAID Indicator: Number of policies, regulations, administrative procedures proposed or adopted.	1		
Activity: Cost/efficiency calculator for energy efficient equipment for NAFIN’s credit program Deliverable: Operational website/calculator	1		

ANNEX 2: TRAINING

DATES	LOCATION	COURSE / EVENT	AUDIENCE SIZE	MALE	FEMALE
November 7, 2011	San Diego, CA	Conference: Clean Energy in the California	114	83	31