

Approach Paper

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# Mexico 2013-2018

Country Program Evaluation

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## ACRONYMS AND ABBREVIATIONS

CPD	Country Program Document
CPE	Country Program Evaluation
CS	Country Strategy
FFS	Fee for service
GDP	Gross domestic product
IDB(G)	Inter-American Development Bank (Group)
ILO	International Labour Organization
IMF	International Monetary Fund
IMSS	Mexican Social Security Institute
INEGI	National Institute for Statistics and Geography
LAC	Latin America and the Caribbean
NAFTA	North American Free Trade Agreement
NSG	Non-sovereign-guaranteed
OECD	Organisation for Economic Co-operation and Development
OVE	Office of Evaluation and Oversight
PCR	Project Completion Report
PMR	Progress Monitoring Report
PND	National Development Plan
PPP	Purchasing power parity
SG	Sovereign-guaranteed
TC	Technical cooperation
TFFP	Trade Finance Facilitation Program
TFP	Total factor productivity
UN	United Nations
UNDP	United Nations Development Programme
WDI	World Development Indicators
XSR	Expanded Supervision Report

## I. INTRODUCTION

- 1.1 **As part of its 2019 annual work plan, the Office of Evaluation and Oversight (OVE) is preparing the evaluation of the country program of the Inter-American Development Bank Group (IDBG)<sup>1</sup> with Mexico during 2013-2018.** The planned Country Program Evaluation (CPE) will focus on evaluating the results of the Bank's assistance to the country. According to the Bank's Protocol for CPEs ([RE-348-3](#)), the main goal of this evaluation is "to provide information on Bank performance at the country level that is credible and useful, and that enables the incorporation of lessons and recommendations that can be used to improve the development effectiveness of the Bank's overall strategy and program of country assistance." This CPE is being prepared during 2018 and the first half of 2019 in time to inform the process of elaborating the new Country Strategy (CS), which is expected to be finalized during the second half of 2019. This approach paper defines the approach and sets out the main evaluation parameters for the CPE. It focuses on the financial and non-financial relevance of the CS and country program as well as the implementation and effectiveness of the program and its efficiency and sustainability.
- 1.2 **This is the fourth independent evaluation of the Bank's country program with Mexico.** Each of the first three CPEs covered periods of economic crisis and subsequent recovery. The first ([RE-259](#)) spanned 1990-2000, a transformational period for Mexico during which the North American Free Trade Agreement (NAFTA) entered into force, followed by the "tequila" currency and economic crisis; the second ([RE-339](#)) covered the period of 2001-2006, at the start of which the U.S. "dot-com" crisis spilled over to Mexico; and the third ([RE-424](#)) covered 2007-2011, a period marked by a deep recession originating in the U.S. subprime mortgage crisis. The present evaluation period (2013-2018) is the first with positive economic growth throughout all years and saw the introduction of broad structural reforms. This CPE is also the first for Mexico that covers operations of the former Inter-American Development Corporation (IIC), because OVE's oversight mandate has been extended to IIC (now IDB Invest) since the 2016 consolidation of IDBG's non-sovereign-guaranteed (NSG) windows ([AG-9/15](#)).
- 1.3 **The previous CPE for Mexico ([RE-424-1](#)), covering the 2007-2011 period,<sup>2</sup> made five recommendations:** (i) Strengthen the relevance of the future program to the country's structural challenges (including the fiscal challenges presented by an aging population); (ii) redefine and specify the criteria for the Bank's private sector work and monitor investments in the sector to guarantee results and the Bank's value-added; (iii) reduce transaction costs (by making more use of country systems and exploring ways to provide local currency without swaps); (iv) explore effective ways of working with the subnational governments (either directly or through Mexico's state-owned development bank Banobras, but reducing transaction costs); and (v) adopt a more strategic focus in developing the technical cooperation (TC) program. Bank Management agreed with recommendations 2, 3, and 5, and partially agreed with recommendations 1 and 4. This evaluation will

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<sup>1</sup> In this document, IDBG refers to the IDB and IDB Invest. The Multilateral Investment Fund (MIF) will be addressed as relevant.

<sup>2</sup> During the first four years of this period, there was no new CS but rather four updates of the 2001-2006 CS ([GN-2181-1](#)). In late 2010, a new CS ([GN-2595-1](#)) was approved to cover the end of the evaluation period.

assess the extent to which the Bank's CS and program addressed these recommendations.

## II. CONTEXT OF THE COUNTRY PROGRAM

### A. The economy and recent trends

2.1 **With a population of 122 million, Mexico is the second-largest economy in Latin America and the Caribbean (LAC) and the fifteenth-largest in the world.**<sup>3</sup> Its per capita gross domestic product (GDP) of US\$17,336<sup>4</sup> places it among the upper-middle-income countries,<sup>5</sup> is higher than the LAC average (US\$14,412), and ranks seventh among IDB's borrowing member countries.<sup>6</sup> The economy is dominated by services (61% of GDP), followed by industry, including energy (29.9% of GDP), and agriculture (3.4%).<sup>7</sup> With exports accounting for 36% of GDP, and 81% of exports going to the United States, Mexico's economy is highly reliant on the country's main trading partner. Mexico is one of the few LAC countries to have successfully diversified away from primary exports, with manufactured goods representing 89% of exports in 2017, followed by oil (7% of exports in 2017).

2.2 **The evaluation period was marked by the introduction of wide-ranging structural reforms.** In a historic agreement (*Pacto por México*) signed in December 2012,<sup>8</sup> Mexico's main political parties joined forces to pass 85 major reform initiatives during the president's first 18 months in office.<sup>9</sup> An energy reform created new regulatory agencies and eliminated the state's monopoly in the oil industry and on electricity generation. A fiscal reform increased consumption taxes, eliminated loopholes, and limited corporate deductions. A labor reform included changes in contract modalities and reduced hiring and firing costs. An economic competition reform created agencies in charge of monitoring new market rules. A financial sector reform sought to decrease transaction costs in the recovery of outstanding debt, encourage competition, and boost access to finance through development banks. A telecommunications reform allowed foreign companies to invest in the sector and ordered the creation of an optic fiber network and a new television network. An education reform aimed to improve teacher training, introduce teacher evaluations, and expand parent and community involvement in basic education. Other initiatives approved during the period

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<sup>3</sup> Based on 2017 GDP (US\$ current prices). In purchasing power parity (PPP) terms, Mexico's economy is the 11<sup>th</sup> largest (IMF, 2018).

<sup>4</sup> 2017, in constant 2011 PPP terms. In nominal US\$, Mexico's 2017 GDP/capita was US\$18,149 (World Bank Group, 2018a).

<sup>5</sup> According to the World Bank's classification based on GDP per capita.

<sup>6</sup> IDB borrowing member countries with a higher GDP per capita are Trinidad and Tobago (US\$28,763), The Bahamas (US\$27,718), Chile (US\$22,767), Panamá (US\$22,267), Uruguay (US\$22,551), and Argentina (US\$18,934).

<sup>7</sup> World Bank 2017 data in gross value added (GVA) by economic activity. Percentages do not sum to 100% because of the effect of taxes and subsidies (GDP = GVA + taxes – subsidies).

<sup>8</sup> *Pacto por México* was signed by the governing Institutional Revolutionary Party, the National Action Party, and the Party of the Democratic Revolution just one day after the president's inauguration. The *Pacto* ended in August 2014 as political support among the opposition faltered ahead of the midterm elections.

<sup>9</sup> In addition, the president himself approved another 32 initiatives based on his authority to do so.

included a political-electoral reform, a transparency reform, a social security reform, and the reform of the National Code for Criminal Proceedings.

**2.3 While Mexico has avoided recessions in recent years, economic growth has not only been lower than what was expected at the outset of the reforms, but also too modest for meaningful rises in per capita incomes.**<sup>10</sup> At 2.48%, the country's average annual growth during 2013-2017 was higher than average growth in LAC (1.2%) and in its major trading partners<sup>11</sup> (1.74-2.17%) during the same period. Economists suggest that Mexico achieved this relatively positive result because its sound macroeconomic policies and policy frameworks<sup>12</sup> counteracted disappointing total factor productivity (TFP)<sup>13</sup> and levels of investment that were falling<sup>14</sup> because of uncertainty about the future of NAFTA, a recent interest rate hike,<sup>15</sup> and public spending cuts triggered by collapsing oil revenue.<sup>16</sup> However, 2018 growth, projected at 2.3% by the IMF, is well below the rates above 5% projected by the Government at the outset of the reforms. Challenges to reform implementation also remain at the local level and in institutional weaknesses around the rule of law and corruption.<sup>17</sup> The change in government brought about by the 2018 general elections has introduced further uncertainty about whether reforms will be fully implemented.<sup>18</sup>

**2.4 Improved tax collection and other fiscal reforms have helped stop the rise in fiscal deficits and public sector debt, but structural challenges remain.** During the evaluation period, the federal deficit averaged 2.5% of GDP, compared to 2% during 2007-2012. After the federal deficit reached a high of 3.4% of GDP in 2015, improved tax collection, fiscal consolidation, and one-off factors contributed to the first primary surplus since 2008 and thus to lowering the deficit to 1.1% of GDP in

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<sup>10</sup> Mexico's economy grew at rapid pace (an average of 6.5% real GDP growth/year) from 1950 until the crisis of 1982, and it has grown much more slowly (2.3%/year on average) since. The country's real GDP per capita grew only 1.1% per year on average during 2013-2017 (WDI).

<sup>11</sup> USA (2.17%), Canada (2.16%), and the EU (1.74%).

<sup>12</sup> See, for example, IMF, 2017b.

<sup>13</sup> TFP fell almost 1% in 2013 and then remained almost flat in subsequent years, with growth rates of only 0.06% (2014), 0.12% (2015), and 0% (2016).

<sup>14</sup> While the *Pacto por Mexico* promised to increase investment to over 25% of GDP, gross fixed capital formation fell from 22.3% of GDP in 2012 to 20.5% of GDP during the period.

<sup>15</sup> A recent rise in inflationary pressures (due to the peso's strong depreciation and fuel price liberalization) prompted Mexico's Central Bank to raise the reference rate by 475 basis points to 7.75% between December 2015 and June 2018.

<sup>16</sup> Oil production has fallen sharply during the evaluation period and before, from 3.9 million barrels/day in 2003-2005 to 2.9 million in 2012-2013 and to 2.1 million in May 2018. Gas production has also fallen, from around 7,000 million cubic feet/day in 2008-2011 to 4,827 million in May 2018 (Source: National Institute for Statistics and Geography - INEGI). The Government's oil revenue fell from 1,386 billion pesos in 2012 to only 827 billion pesos in 2017, a fall from 8.8% to 3.8% of GDP (Weisbrot et al., 2018).

<sup>17</sup> Rios, 2017.

<sup>18</sup> In the general election of July 1, 2018, Andrés Manuel López Obrador was elected president of Mexico, and his party (MORENA), in a coalition with the smaller PT and PES, will command a solid majority in Congress. López Obrador, who took office on December 1, 2018, had been a vocal critic of some of the reforms, and has already announced a reversal of at least parts of the education reform, as well as an audit of some international contracts awarded in the context of the energy reform.

2017.<sup>19</sup> Following fiscal reforms and improved tax collection, non-oil tax revenues have risen to 11.8% of GDP on average during the evaluation period (compared to 8.8% on average during 2007-2012), but this ratio remains the lowest among OECD countries,<sup>20</sup> largely because of the limited tax base combined with high levels of economic informality.<sup>21</sup> After reaching a high of 50.1% in 2016, outstanding total public sector debt has fallen to 44.5% of GDP by June 2018 but remains considerably higher than the 35% average during the six years preceding the evaluation period.

## **B. Main development issues<sup>22</sup>**

### **1. Inequality and poverty**

**2.5 Mexico is still a very unequal country, with extreme wealth for the top earners contrasted by widespread poverty among the population.** While Mexico's Gini coefficient has fallen from its peaks above 0.5 in the mid-1990s and early 2000s, it is still the highest among OECD countries, and among the highest in LAC.<sup>23</sup> Low and falling real wages over the last 15 years have prevented the vast majority of the population from improving their living standards,<sup>24</sup> and Mexico's tax and transfer system is relatively ineffective at redistributing wealth.<sup>25</sup> In 2015, Mexico ranked 77<sup>th</sup> on the United Nations Human Development Index, below nine other IDB member countries.<sup>26</sup> Poverty levels are above LAC averages,<sup>27</sup> and have fallen only slightly during the evaluation period (the national poverty rate fell from 45.5% to 43.6%, and extreme poverty from 9.8% to 7.6%<sup>28</sup>). Rural poverty is almost 15 percentage points higher, and extreme rural poverty 10 percentage points higher, than the national average.

**2.6 Within Mexico there are significant regional disparities in socioeconomic conditions and indicators.** Mexico's southernmost states consistently record the

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<sup>19</sup> Measures to strengthen tax collection and advance fiscal consolidation were introduced in 2014, in part to compensate for decreased fiscal income from the oil and gas sectors due to falling prices and output. One-off factors include unusually high transfers from Mexico's Central Bank's operating surplus.

<sup>20</sup> IMF, 2017a.

<sup>21</sup> During the second quarter of 2018, the labor informality rate was estimated at 56.6% of the working population (down from 58.9% in 2013). (Source: National Occupation and Employment Survey).

<sup>22</sup> This section focuses on some of the most important symptoms (inequality and poverty, stagnating productivity growth, lack of citizen security, etc.) of several common underlying causes (weak institutions/law enforcement, distortions embedded in the social security and tax and transfer system and other laws and regulations, etc.), which the evaluation may discuss in more detail wherever relevant.

<sup>23</sup> With a Gini coefficient of 0.487 in 2014, Mexico has a level of inequality that is lower than that of only Brazil, Colombia, Honduras, Panama, and Paraguay (World Bank Group, 2018b).

<sup>24</sup> Mexico's average salary is below that of countries with a similar GDP per capita and productivity levels (Merino and Elton, 2018). The country, together with El Salvador and Honduras, is also among the three in the region that showed a decrease in real wages over 2005-2015 (ILO, 2018).

<sup>25</sup> OECD, 2017b, page 27, figure 8E.

<sup>26</sup> Chile, Argentina, Barbados, Uruguay, Bahamas, Panama, Trinidad and Tobago, Costa Rica, and Venezuela ranked higher than Mexico.

<sup>27</sup> While Mexico's extreme poverty measured against the US\$1.90/day PPP line (3.8%) was about in line with the LAC average (3.7%) in 2017, the share of the population living on less than US\$5.50/day (PPP) was much higher in Mexico (33.6%) than in LAC on average (24.60%) (World Bank Group, 2018b).

<sup>28</sup> Source: National Council for the Evaluation of Social Development Policy.



highest population shares living under the multidimensional poverty line.<sup>29</sup> Large differences in formal employment opportunities between states<sup>30</sup> and, therefore, in affiliation to Mexico's social security institutes, perpetuate wide disparities in health and wealth through unequal access to and quality of health care,<sup>31</sup> as well as through differences in access to contributory pensions in old age.<sup>32</sup> Opportunities for escaping poverty are also affected by disparities in the length and quality of education across states. While in Mexico City or Nuevo Leon 89% of the students finish secondary school, in Chiapas and Oaxaca only 71% do, and the average years of schooling in Mexico City (11.12) and Nuevo Leon (10.27) is about 50% higher than in Oaxaca (7.52) and Chiapas (7.29). Mexican students overall fare poorly on international standardized tests,<sup>33</sup> and state-by-state comparisons show worse education conditions and outcomes in Mexico's south.<sup>34</sup>

**2.7 In terms of gender equality, Mexico has made progress on some fronts but still faces serious challenges.** Women have closed the gender gap in years of schooling and university enrollment, and women have also recently held a much higher share (42.4% in 2017) of seats in Congress than the OECD average (28.7%), in part as a result of quotas.<sup>35</sup> Nevertheless, gross national income per capita (PPP) for males (US\$22,873) is still estimated to be more than double that of females (US\$11,065), and the female labor force participation rate has seen almost no change during the evaluation period (compared to an upward trend in 2003-2012). At 44.1% (compared to men's 79%), it remains considerably lower than both the LAC average (51.6%) and the rate in of peer countries such as Brazil (53.2%) and Colombia (58.8%).<sup>36</sup>

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<sup>29</sup> The states with the highest poverty levels are Chiapas, Guerrero, Oaxaca, Puebla, and Michoacán (IDB, 2018).

<sup>30</sup> As of Q1 2017, the states with the highest rates of labor informality were Oaxaca (81.9%), Chiapas (79.8%), and Guerrero (77.6%), and those with the lowest rates were the northern states of Chihuahua (35.7%), Baja California (37.9%), and Baja California Sur (39.3%). Source: INEGI.

<sup>31</sup> The social security institutes cover only about 45% of Mexico's population, and the Seguro Popular (which does not cover all health issues), financed mainly through federal and state subsidies, accounts for another 41%; thus 14% of the Mexican population have no health insurance. Large differences in affiliation with a social security institute between states translate into stark differences in health outcomes. For example, in Nuevo Leon 73% of the population is affiliated with the IMSS, and the state's life expectancy is four years higher than that in Chiapas (which also records the country's highest rate of maternal mortality), where only 23% of the population is part of the IMSS. (Source: INEGI).

<sup>32</sup> The monthly average contributory pension is roughly 10 times the amount of the average non-contributory pension. All states with more than 40% of people covered by contributory pensions are in the center and north of the country (Mexico City, Nuevo Leon, Coahuila, Sonora, Baja California, Sinaloa), whereas all states where less than 20% of the population is covered are in the south (Michoacán, Guerrero, Tabasco, Oaxaca, Chiapas).

<sup>33</sup> On the 2015 PISA test, Mexico's education system ranked 55<sup>th</sup>-58<sup>th</sup> of 70 (scores in reading, science, and math). Source: The Program for International Student Assessment, 2013.

<sup>34</sup> See, for example state-level analysis and rankings of the 2013 Índice de Desempeño Educativo and the 2016 Índice de Cumplimiento de la Responsabilidad Educativa of the organization Mexicanos Primero.

<sup>35</sup> Since 2003, Mexico has incrementally refined its affirmative action rules that compel political parties to nominate women for public office. In 2014, Mexico approved a constitutional reform that requires gender parity for candidacies for the federal and state legislatures. After the general elections in 2018, women make up 49 percent of the lower house and 51 percent of the senate. At the start of the evaluation period, women held 37% of the seats in Congress.

<sup>36</sup> UNDP, 2018.

## 2. Productivity and access to finance

- 2.8 **One of Mexico's major structural challenges has been disappointing productivity growth.**<sup>37</sup> While structural reforms implemented during the evaluation period are estimated to have had a slight positive effect,<sup>38</sup> Mexico's TFP performance compares unfavorably with that of the OECD and other LAC countries.<sup>39</sup> Productivity is much lower for Mexican small companies than for large ones,<sup>40</sup> yet small companies make up the vast majority of Mexico's productive sector and there are economic disincentives to enterprise growth and formality.<sup>41</sup> Studies suggest that TFP stagnation is caused in large part by this inefficient allocation of productive resources, which is due to distortions in the tax system, labor market regulations, and the social security system, as well as to an environment of weak contract enforcement and a lack of free and fair competition in many markets.<sup>42</sup> Low labor productivity is also thought to be a function of insufficient human capital resulting from the failure of the education system to equip students with the skills needed by the market,<sup>43</sup> as well as the increasing prevalence of preventable chronic diseases. Over the evaluation period, Mexico's overall global competitiveness ranking stayed about the same,<sup>44</sup> whereas the sub-ranking on the quality of its institutions worsened from 96 to 123 and the ranking on labor market efficiency fell from 96 to 105, illustrating the ongoing challenges in these areas.<sup>45</sup>
- 2.9 **Mexico's financial sector is solid and well-capitalized, but at the same time does not provide sufficient access to finance for most smaller companies.** The banking sector shows high levels of capitalization, profitability,<sup>46</sup> and adequate liquidity to face shocks.<sup>47</sup> At the same time, it is highly concentrated, with the five major financial groups accounting for around 70% of assets. Banking penetration

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<sup>37</sup> Depending on the source, falling or stagnating TFP reduced Mexico's GDP growth rate by an estimated annual average of 0.43 - 1.1 percentage points (0.2 – 0.7 since 2013). The lower ends of the ranges come from INEGI calculations, whereas the higher ends of the ranges are data from The Conference Board.

<sup>38</sup> OECD, 2017b.

<sup>39</sup> According to data from The Conference Board, TFP has subtracted 0.5 percentage points from LAC GDP growth during the last two decades (0.7 during 2013-2016) and has had a neutral effect (0 percentage points reduction) on OECD growth.

<sup>40</sup> Large companies are defined as having 251 employees or more, medium-sized as 51-250, small as 11-50, and micro as up to 10. Micro and small enterprises, generally informal and of relatively low productivity, represent 99% of all establishments (formal and informal) captured in the economic census of 2014 and account for 57% of employment but only 19% of production. Labor productivity is much higher among medium-sized and large companies, which produce 81% of output despite forming only 1% of all companies and employing 43% of workers.

<sup>41</sup> See, for example, Bolio et al., 2014.

<sup>42</sup> See, for example, Levy, 2018, and Busso, Fazio, and Levy, 2012.

<sup>43</sup> Mexico ranks 69<sup>th</sup> (of 130) in the human capital index of the World Economic Forum, above the LAC average (77) but below comparable countries such as Argentina (52), Chile (53), Peru (66), and Colombia (68), and far below the OECD average (24). While primary school attendance is high (98% in 2015), secondary school graduation rates are low (57% in 2016). Sources: OECD and Instituto Nacional para la Evaluación de la Educación.

<sup>44</sup> Mexico's global competitiveness ranking changed from 55<sup>th</sup> (of 148 countries) to 51<sup>st</sup> (of 137 countries), implying little movement.

<sup>45</sup> Schwab, 2017.

<sup>46</sup> The average return on equity for universal banks was 14% during the evaluation period.

<sup>47</sup> Bank of Mexico, 2017.

has been growing but is still very limited, with credit to the private sector at only 19% of GDP in 2017<sup>48</sup>—much lower than not only the OECD average (58%), but also than levels in other countries of similar GDP per capita, such as Brazil (58%), Chile (80%), and Colombia (47%). Of companies captured by Mexico’s 2014 economic census, only 7% reported having obtained bank financing.<sup>49</sup> The stock market is similarly underdeveloped: in 2017 only 141 companies were listed in Mexico, fewer than in Chile (212), Peru (278), and Brazil (335). Thanks to reforms aimed at promoting financial inclusion, an increasing part of the population 15 years or older now has a bank account (37% in 2017 compared to 27% in 2011); however, this share is still well below the OECD (95%) and overall LAC (55%) averages.<sup>50</sup>

### 3. Security and corruption

2.10 **High levels of violence and corruption also continue to present challenges for Mexico.** Crime and a lack of public safety were seen as the most important problems facing the country throughout all years of the evaluation period.<sup>51</sup> Last year—2017—was the year with the most murders since the Government began keeping records in 1997, with large regional disparities but an overall rise in the homicide rate during the evaluation period.<sup>52</sup> Several Mexican states saw sharp increases in homicide rates during the evaluation period.<sup>53</sup> High levels of extortion and kidnappings in some regions of the country also affect the Mexican population’s perception of security.<sup>54</sup> Another important issue is corruption – Mexico ranks 135<sup>th</sup> of 180 countries on Transparency International’s Corruption Perception Index, with only Guatemala (143), Nicaragua (151), Haiti (157), and Venezuela (169) faring worse among LAC countries.

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<sup>48</sup> After credit to the private sector expanded quickly to 34% of GDP by 1994, the banking crisis of 1994/1995 led to a sharp contraction in it. Since the early 2000s it has been growing again, from 8.6% in 2003 to 16.7% in 2013 and 19.4% in 2017.

<sup>49</sup> Disaggregated by size, only 6% of microenterprises (which constitute 95% of all companies), 22% of small, 31% of medium-sized, and 27% of large enterprises had received bank financing. Only 3% of companies had obtained financing from credit cooperatives and 0.01% of companies through debt issuance in capital markets. A total of 17% had obtained financing from any sources.

<sup>50</sup> World Bank Group, 2018b.

<sup>51</sup> About a third of survey respondents mentioned these issues as the most important problem facing the country, more than any other issue ([Latinobarometro](#), 2013, 2015, 2016, 2017 - none available for 2014).

<sup>52</sup> The national homicide rate has risen from 15.29 per 100,000 in 2013 to 20.52 in 2017, with a further upward trend so far in 2018. States such as Colima (93.61), Baja California Sur (69.15), and Guerrero (64.26) register homicide rates of 3-4.5 times the national average, whereas states such as Yucatán (2.12), Aguascalientes (6.21), and Hidalgo (6.79) are safer than, or almost as safe as the U.S. on average (5.3 murders per 100,000 inhabitants in 2016).

<sup>53</sup> For example, from 2013 to 2017, Baja California’s homicide rate/100,000 inhabitants rose from 17.73 to 58.36, Baja California Sur’s from 5.03 to 69.15, and Colima’s from 41.87 to 93.61 (Centro Nacional de Información, 2018).

<sup>54</sup> OECD, 2017a.

### III. COUNTRY DEVELOPMENT PLANNING AND THE IDBG PROGRAM

#### A. Mexico's development priorities

3.1 **Mexico's 2013-2018 National Development Plan (PND)<sup>55</sup> is aligned with the *Pacto por México* and its general objective is to “achieve Mexico's maximum potential.”** The PND's goals are grouped into five areas: (i) Mexico at peace; (ii) inclusive Mexico; (iii) Mexico with quality education; (iv) prosperous Mexico; and (v) Mexico with global responsibility.<sup>56</sup> It also includes cross-cutting strategies to grow productivity, modernize Government and bring it closer to the people, and introduce a gender perspective.

#### B. The Bank's Country Strategy, 2013-2018

3.2 **In line with parts of the PND, the 2013-2018 CS proposed to work towards nine strategic objectives under three main pillars: productivity, social development, and territorial development** (Table 3.1). Additionally, the CS established various areas of cross-cutting action, including gender, diversity, and integration, as well as the dialogue areas of energy, education, and citizen security. NSG operations would complement sovereign-guaranteed (SG) interventions in the CS priority areas. Given the soundness of Mexico's public procurement and financial administration and control systems, the strategy included various activities to enable IDBG to make more use of country systems to reduce transaction costs and increase efficiency. The strategy also mentioned the necessity to provide technical support through TC and potentially through the new “fee-for-services” (FFS) model, and it expressed IDBG's commitment to coordinate with other multilateral and bilateral agencies to exchange views and ideas, as well as to explore opportunities for joint work.

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<sup>55</sup> Government of Mexico, 2013-2018.

<sup>56</sup> “Mexico at peace” comprises the areas of governance, citizen security and rights, and judicial reform. “Inclusive Mexico” covers social cohesion, inclusiveness, reduced inequality, access to health services, and social security. “Mexico with quality education” includes human capital development, teacher evaluations and merit-based promotions, inclusiveness and equity in education, and incorporation of culture, sports, technology, and innovation in curriculums. “Prosperous Mexico” spans eliminating barriers to productivity, promoting formal employment, reforms of the telecom and energy sectors, increasing competition and competitiveness, improving transport infrastructure, ensuring food safety through a productive agriculture sector, and exploiting the tourism potential. “Mexico with global responsibility” consists of strengthening Mexico's global presence, reaffirming commitment to free trade and the movement of capital, and protecting the rights of Mexicans abroad and of foreigners in Mexico.

**Table 3.1. Strategic objectives of country strategy results matrix 2013-2018**

Priority area	Sectors	IDBG strategic objectives
Productivity	Public management	Support the strengthening of public management at the federal and subnational levels.
	Financial system	Increase the level of finance to the real economy.
	Labor markets	Promote better job placement.
	Business competitiveness	Support the development of logistics and telecommunications systems and promote innovation and entrepreneurship.
Social development	Social protection	Help break the intergenerational cycle of poverty by fostering the building of capacities associated with nutrition, health, and education.
	Health	Strengthen and integrate health promotion and prevention, and disease control actions, and make universal access to health services a reality.
Territorial development	Urban development	Promote the orderly, safe, and sustainable growth of cities.
	Rural development	Raise productivity in the agriculture sector and improve the coverage of water services for people living in rural areas.
	Climate change	Support the implementation of national climate change policy mechanisms fostering adaptation measures taking a long-term approach.

Source: [GN-2749](#) IDB Country Strategy with Mexico, 2013-2018.

3.3 **The CS estimated that approvals would total US\$10.44 billion during the period (US\$1.74 billion/year on average), and disbursements US\$9 billion (US\$1.5 billion/year on average).**<sup>57</sup> The ratio of Mexico's SG debt (with IDB) to GDP was projected to be at 0.7%, and the ratio of IDB debt to external public debt at 8.5% over the period. The strategy mentioned the possibility of exceeding approval amounts, especially if any reforms to the financing options of subnational entities created additional demand for IDB lending at that level. It proposed a close dialogue with the Government on this issue and announced that IDBG would develop financial instruments for states and municipalities and for development and commercial banks, with or without sovereign guarantee. Furthermore, approval and disbursement amounts would depend on the competitiveness of IDBG financing, the availability of local cash balances, and the IDB's alignment with country systems. The country strategy listed macroeconomic, political, institutional management, and natural disaster risks as the main factors that could impede reaching the strategy's goals.

### C. The Bank's operational portfolio, 2013-2018

3.4 **Since January 2013, the IDBG has approved a total of US\$13 billion through 217 new SG and NSG financing and TC operations.**<sup>58</sup> On the SG side, 31 loans for US\$10.9 billion and 5 investment grants for US\$43 million were approved, complemented by 96 TC operations totaling US\$35 million, and 3 FFS operations. The NSG operations consisted of 57 loans for US\$1.9 billion,<sup>59</sup> 4 equity investments for US\$44 million, and 12 guarantees<sup>60</sup> for US\$300 million,<sup>61</sup> in addition to 15 TCs amounting to US\$1.4 million.

<sup>57</sup> Not including approvals and disbursements by the Inter-American Investment Corporation (IIC).

<sup>58</sup> See Annex I for a summary table and detailed list.

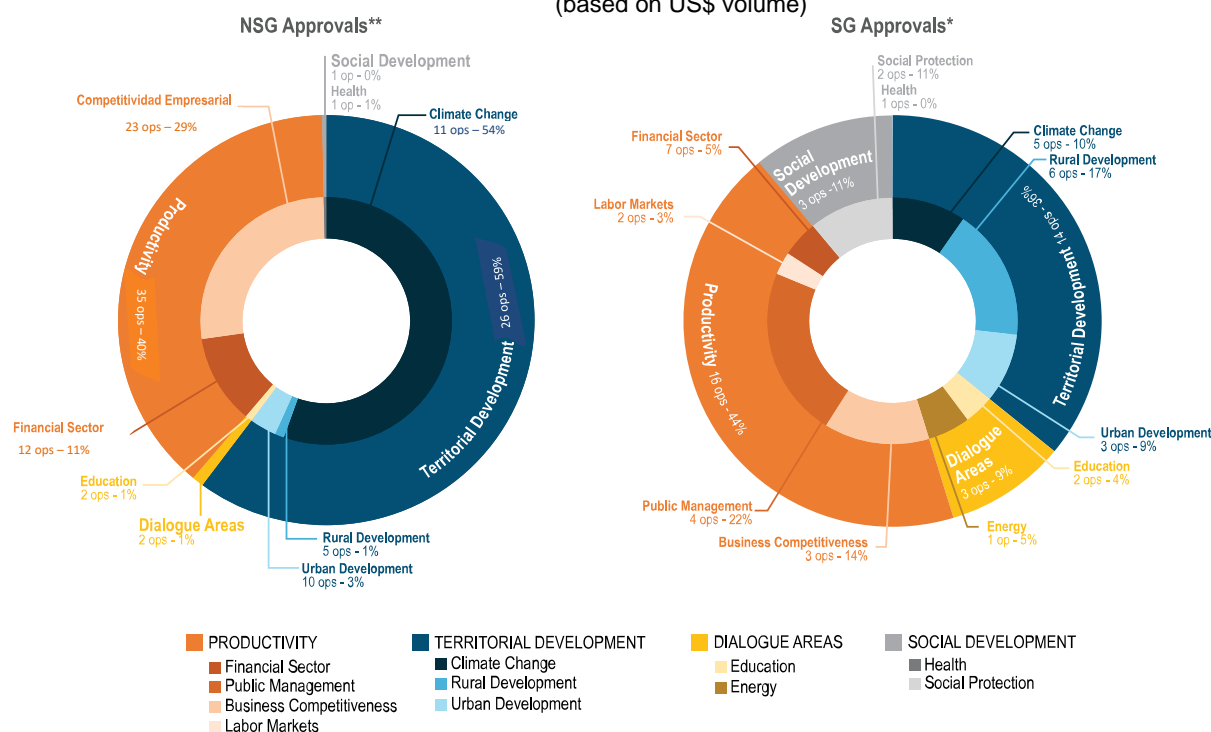
<sup>59</sup> These include one Trade Finance Facilitation Program (TFFP) operation for \$100 million.

<sup>60</sup> 6 of these are part of larger operations that also include loans. When several lending instruments are part of the same operation, the operation is counted only once.

<sup>61</sup> Two of the guarantees, for US\$4.7 million total, were issued under the TFFP program.

3.5 **Of the three CS pillars, productivity and territorial development received considerably more funding than social development.**<sup>62</sup> Of SG financing, 44% (through 16 operations) went to productivity areas, and NSG funds mostly supported territorial development (59% through 26 operations).<sup>63</sup> Social development (that is, social protection and health) obtained only 11% of SG financing through 3 operations, and less than 1% of NSG financing (1 operation). By priority area (see Figure 3.1), public management obtained the most SG financing (22%), followed by rural development (17%). For NSG, most approved funds supported climate change projects (54% through 11 operations), followed by business competitiveness (29% through 23 operations). SG TC funds went mostly to the areas of urban development (24% of approved amounts), public management (19%), and climate change (13%), whereas NSG TCs focused on business competitiveness (68%). The Bank also provided technical support through one FFS operation in urban development and housing and approved two more FFS to work with the states of Jalisco and Puebla in the areas of public management and social development, respectively.

**Figure 3.1. 2013-2018 Loan and guarantee approvals by priority area**  
(based on US\$ volume)



Note: Does not include TCs.

\*Based on CPDs (in all but 2 cases), whenever classification was available. 5 double-classified operations were included in the main segment only.

\*\* Based on CPDs whenever classification was available (OVE classified all others based on project nature).

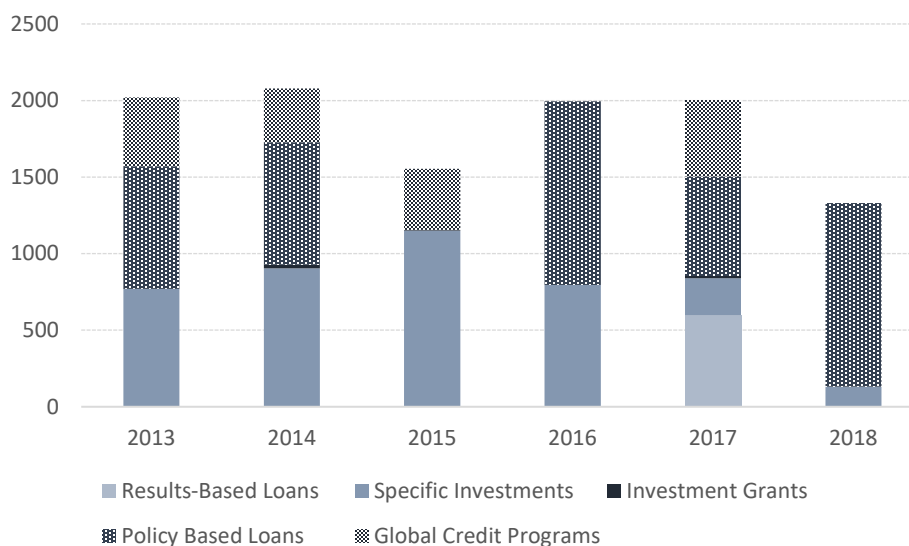
Source: OVE, based on internal databases.

62 Classification according to Country Program Documents (CPDs). Five SG operations through financial intermediaries had been classified in two different priority areas in CPDs: Financial system (all) and public management (1), climate change (2) and rural development (2). For the statistics presented in this section, OVE included these operations under the sector ultimately supported via the financial intermediary. Using project descriptions, OVE also reclassified 2 operations in a different priority sector than what was listed in CPDs and classified 69 operations for which no CPD classification was available. Annex I shows the number and amount of operations in each area, including double classifications.

63 NSG percentages based on the total excluding TFFP.

3.6 **The evaluation period is characterized by the use of loans to support policy reforms and large-scale lending through national development banks.** Of the total amount of SG loans approved between 2013 and 2018 (Figure 3.2), 42% corresponded to 7 policy-based loans for US\$4.65 billion in the areas of public management (3), business competitiveness (2), financial sector, and energy. Investment loans represented 57% of total approved resources (24 operations for US\$6.3 billion): specific investment operations (18 operations for US\$4.0 billion), 5 global credit programs (US\$1.7 billion), and one results-based loan (US\$600 million). Lending through national development banks<sup>64</sup> accounted for US\$2.7 billion or 25% of the total approved amount (43% of investment lending). The 12 loan operations<sup>65</sup> of this type had an average size of US\$225 million.

**Figure 3.2. 2013-2018 SG loan approvals by instrument (US\$ million)**



Source: OVE, based on internal databases.

3.7 **To learn from operations that were substantially implemented during the evaluation period, OVE will also analyze a number of older operations (the “legacy portfolio”).**<sup>66</sup> As a proxy for substantial implementation, the legacy portfolio will include SG operations that were approved before 2013 but had disbursements during this CPE period, as well as NSG operations that had, or should have had, an expanded supervision report (XSR) during the evaluation period.<sup>67</sup> The legacy portfolio is composed of 97 operations for \$5.4 billion that were active or evaluated during the CPE period. On the SG side (\$4.7 billion), this covers 20 loans, 3 investment grants, and 41 TCs. SG loans in the legacy portfolio are all investment

<sup>64</sup> Including BANCOMEXT, BANOBRAS, BANSEFI, FND, NAFIN, and Sociedad Hipotecaria Federal.

<sup>65</sup> In addition, there are three investment grants of this type.

<sup>66</sup> See Annex I for a summary table and detailed list.

<sup>67</sup> Given that NSG operations, unlike SG operations, are often fully disbursed up front and implementation follows, OVE considers the XSR—prepared at early operating maturity—an appropriate milestone that caps substantial implementation. Because during the evaluation period there was a gap in the production of XSRs around the merge-out, OVE also considers non-TFFP NSG operations with disbursements in the two years preceding the evaluation period as part of the legacy portfolio to ensure that all relevant operations that were substantially implemented during the evaluation period are covered.

loans—specific investments (80% of the volume), multi-phase program loans (12%), and global credit programs (7%). On the NSG side, the legacy portfolio includes 25 loans (US\$602 million), 4<sup>68</sup> guarantees (US\$31 million), 3 equity investments (US\$12 million), and 3 TCs (US\$2 million).

#### IV. EVALUATION QUESTIONS AND METHODOLOGY

- 4.1 The CPE will assess the relevance of the Bank CS and its implemented program. It will also examine the extent to which the program made progress in achieving the strategy's objectives or in contributing to the country's development needs more generally, the factors that affected the program's implementation, and the sustainability of what was achieved.

##### A. Relevance

- 4.2 *Relevance* measures the alignment of the Bank's program with the country's development needs and the Government's development strategies. For this dimension, the CPE will seek to answer the following questions:

- i. To what extent were the IDBG's CS and the implemented program aligned with the country's development needs, the 2013-2018 PND, and IDBG's mandate?
- ii. What have been IDBG's role and financial and non-financial added value in Mexico, and how have they evolved over time?
- iii. To what extent were the program and individual operations designed in a manner consistent with the Government's institutional capacity for implementation, the fiscal situation, market conditions, and the country's development priorities?
  - a. Was the mix of instruments appropriate?
  - b. To what extent has IDBG made progress on the goal of finding financial solutions for supporting Mexico at the subnational level?
- iv. To what extent did IDBG engage with other development partners?

##### B. Implementation and efficiency

- 4.3 In assessing the *implementation and efficiency* of the Bank's program, the CPE will seek to answer the following questions:
- i. What were the principal factors affecting program implementation and the achievement of the proposed outputs and outcomes?
  - ii. To what extent did IDBG appropriately assess implementation risks, and how did it respond to implementation challenges that may have occurred?
  - iii. How did program implementation compare to IDB-wide averages and averages across other similar LAC upper-middle-income countries, and

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<sup>68</sup> Two of these are part of larger operations that also include loans. When several lending instruments are part of the same operation, the operation is counted only once.



how have the times and costs associated with the preparation and execution of IDB projects evolved since the last period?

- iv. To what extent did IDB use national systems?

### **C. Effectiveness and sustainability**

4.4 *Effectiveness* measures the extent to which the program met the objectives set in the CS. *Sustainability* measures the likelihood that the program's results will be maintained over time. For these dimensions, the CPE will seek to answer the following questions:

- i. To what extent did IDBG's interventions help generate progress toward the strategic objectives set out in the CS? To what extent did the program achieve its objectives?
- ii. Did the program have positive or negative effects beyond those proposed?
- iii. What is the likelihood that program results will be sustainable? What are the main risks to sustainability (including to financial and environmental/social performance)?
- iv. What measures have been taken to mitigate these risks?

### **D. Methodology**

4.5 **To answer the evaluation questions, OVE will gather evidence from a variety of sources.** The evaluation will follow the methodologies outlined in the Protocol for Country Evaluations ([RE-348-3](#)). OVE will conduct a literature review of the official development strategy documents of the Government of Mexico, IDB, and other multilateral institutions, as well as a review of relevant reports from other reputable sources. Further, OVE will analyze economic and social indicators provided by the Government and multilateral institutions. OVE will also conduct a desk review of all relevant Bank Group documents related to its CS and operational program in Mexico: annual country programming documents, loan and TC documents, Progress Monitoring Reports (PMRs) and Project Completion Reports (PCRs) for SG operations, annual supervision reports and Expanded Supervision Reports (XSRs) for NSG operations, as well as other relevant IDB Invest<sup>69</sup> or former Inter-American Investment Corporation (IIC) documents. The desk review will also include analysis of data on portfolio implementation and results available from the Bank's information systems. OVE will supplement these analyses with interviews with relevant internal and external stakeholders, including Government officials, executing agency and client staff, IDBG specialists, and members of other institutions that are familiar with IDBG's work in relevant sectors. Finally, to gather further information related to program implementation and results as well as to verify the information provided by the Bank and executing agencies, OVE will also visit some project sites.

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<sup>69</sup> Such as, for example, the Strategic Selectivity Presentation for Mexico.

## V. TEAM AND TIMELINE

- 5.1 The evaluation team includes Ulrike Haarsager (team leader), Pablo Alonso, César Bouillon, Verónica González Díez, Monika Huppi, Regina Legarreta, Rasec Niembro, Astrid Piñeda, Joaquín Rey Hernandez, and Melanie Putic. The team is also hiring external consultants to support the evaluation in selected sectors.

<b>Activity</b>	<b>Date</b>
<b>Evaluation mission</b>	January 2019
<b>Draft for Government and Management review</b>	April 2019
<b>Delivery of CPE to the Board of Executive Directors</b>	June 2019

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## ANNEX I – PORTFOLIO UNDER REVIEW

Table I.1. Approvals during the CPE period (2013-2018)

Line of action	Area <sup>1/</sup>	SG						NSG						Total				
		Loans		Investment Grants		TCs		Loans		Guarantees		Equity		TCs		#	Original approved amount (\$M)	% of total approved
		#	Original approved amount (\$M)	#	Original approved amount (\$M)	#	Original approved amount (\$M)	#	Original approved amount (\$M)	#	Original approved amount (\$M)	#	Original approved amount (\$M)	#	Original approved amount (\$M)			
Productivity	Public Management	4	2450.0			24	7.6								28	2457.6	19%	
	Financial System	12	3604.3	2	23.8	3	1.2	11	240.4			1	2.5		29	3872.2	29%	
	Labor Markets	2	330.0			7	2.8								9	332.8	3%	
	Business Competitiveness	3	1500.0			4	1.6	20	522.9	1	65.0	2	33.2	7	1.0	37	2123.6	16%
	TFFP							1	100.0	2	4.7				3	104.7	1%	
Social development	Social Protection	2	1200.0			5	1.5								7	1201.5	9%	
	Health			1	4.5	5	1.4	1	6.2						7	12.2	0%	
Regional development	Urban Development	3	1000.0			15	8.1	7	42.5	2	21.0	1	8.8	4	296.4	32	1376.8	10%
	Rural Development	5	1895.0	1	1.0	2	1.2	5	24.7				2	0.1	15	1921.9	14%	
	Climate Change	4	1034.3	1	13.8	11	4.4	11	969.5	6	201.9			1	0.0	34	2223.9	17%
Dialogue areas	Energy	1	600.0												1	600.0	5%	
	Education	2	430.0			5	1.9	1	10.0	1	7.7			1	0.1	10	449.7	3%
Other	Other					14	3.3								14	3.3	0%	
<b>Total<sup>2/</sup></b>		<b>31</b>	<b>10939.3</b>	<b>5</b>	<b>43.1</b>	<b>96</b>	<b>34.5</b>	<b>57</b>	<b>1916.1</b>	<b>12</b>	<b>300.3</b>	<b>4</b>	<b>44.5</b>	<b>15</b>	<b>1.4</b>	<b>214<sup>3/</sup></b>	<b>13279.2</b>	

<sup>1/</sup> OVE classified the portfolio operations according to the priority areas to which they contributed based on CPDs' alignment and results matrices, and its own criteria.

<sup>2/</sup> Totals do not add up because some loans are classified under two or more areas but are not double counted in the "Total" row.

<sup>3/</sup> 6 guarantees are part of a loan/guarantee operation and hence not double counted in the total. Does not include 3 FFS operations approved during the evaluation period.

Source: OVE

**Table I.2. Legacy portfolio**

Line of action	Area <sup>1/</sup>	SG						NSG						Total				
		Loans		Investment Grants		TCs		Loans		Guarantees		Equity					TCs	
		#	Original approved amount (\$M)	#	Original approved amount (\$M)	#	Original approved amount (\$M)	#	Original approved amount (\$M)	#	Original approved amount (\$M)	#	Original approved amount (\$M)	#	Original approved amount (\$M)	#	Original approved amount (\$M)	% of total approved
Productivity	Public Management	1	45.00			9	7.09								10	52.09	1%	
	Financial System	5	510.00	1	5.00	3	2.08	1	1.80			1	3.00		11	521.88	10%	
	Labor Markets	2	379.51			2	0.64								4	380.15	7%	
	Business Competitiveness					2	0.85	10	356.90	2	14.51	2	9.00	1	1.42	17	382.68	7%
Social development	Social Protection	1	800.00	1	2.59	2	0.98								4	803.57	15%	
	Health	1	350.00			1	0.69						1	0.25	3	350.94	7%	
Regional development	Urban Development	3	608.51			6	3.43	3	42.50	1	14.84				13	669.28	13%	
	Rural Development	5	1,231.00			3	1.25	4	20.3						12	1,252.55	23%	
	Climate Change	2	311.00	2	10.00	11	7.14	2	150.99						17	479.13	9%	
Dialogue areas	Energy														0	0	0%	
	Education	2	450.00			4	2.55	5	18.09	1	1.55			1	0.27	13	472.46	9%
Other	Other														0	0	0%	
<b>Total<sup>2/</sup></b>		<b>20</b>	<b>4,675.51</b>	<b>3</b>	<b>12.59</b>	<b>41</b>	<b>24.95</b>	<b>25</b>	<b>590.58</b>	<b>4</b>	<b>30.90</b>	<b>3</b>	<b>12.00</b>	<b>3</b>	<b>1.94</b>	<b>97<sup>3/</sup></b>	<b>5348.47</b>	

<sup>1/</sup>OVE classified the portfolio operations according to the priority areas to which they contributed based on CPDs' alignment and results matrices, and its own criteria.

<sup>2/</sup>Totals do not add up because some loans are classified under two or more areas but are not double counted in the "Total" row.

<sup>3/</sup> One guarantee is part of a loan/guarantee operation and hence not double counted in the total.

Source: OVE

Table I.3. List of operations: SG approvals during the CPE period (2013-2018)

Number	Project Name	Approval Year	Original Approved Amount
Financing operations			
ME-L1091	Apoyo al Programa de Desarrollo Humano "Oportunidades"	2013	600,000,000
ME-G1003	Modelo de Intervención para Provisión de AyS en Comunidades Rurales Dispersas	2013	1,000,000
ME-L1142	Programa de Formación de Recursos Humanos (Proforhcom)	2013	170,000,000
ME-L1141	Programa para impulsar la productividad en México	2013	800,000,000
ME-L1147	Sostenibilidad Servicios de Agua Potable Comunidades Rurales	2013	450,000,000
ME-G1006	Apoyo a FIRA para la Implementación de una Estrategia de Financiación de Eficiencia Energética para el Sector Agroindustrial	2014	1,000,000
ME-G1005	Financiamiento no reembolsable para el Programa de Financiamiento y Transferencia de Riesgos para Geotermia	2014	22,800,000
ME-L1161	Primer programa bajo la línea CCLIP de financiamiento al desarrollo Productivo	2014	400,000,000
ME-L1145	Primer Programa para el Financiamiento de Proyectos de Inversión y Reconversión	2014	50,000,000
ME-L1111	Programa de Crédito Subnacional para Infraestructura Pública, Servicios Públicos	2014	400,000,000
ME-L1151	Programa de financiamiento para el impulso de la cogeneración	2014	350,000,000
ME-L1148	Programa de Financiamiento y Transferencia de Riesgos para Geotermia	2014	54,300,000
ME-L1144	Programa de Fortalecimiento de las Finanzas Públicas	2014	800,000,000
ME-G1004	Iniciativa Salud Mesoamérica 2015 - México - Segunda Operación	2015	4,525,333
ME-L1158	Primer programa bajo la CCLIP: Programa financiero para el impulso del mercado de gas, cogeneración y energía renovable	2015	100,000,000
ME-L1172	Programa Financiero para la Inversión y Gestión de Riesgos en Proyectos de Gas y Energía limpia	2015	200,000,000
ME-L1167	Proyecto de Atención a Áreas Urbanas con Rezago Social y de Servicios Básicos	2015	200,000,000
ME-L1171	Proyecto de la Infraestructura Física Educativa (PIFE)	2015	350,000,000
ME-L1176	Proyecto para el Desarrollo Integral de Organismos Operadores de Agua y Saneamiento (PRODI)	2015	200,000,000
ME-L1170	Segundo programa bajo la línea CCLIP Financiamiento al desarrollo productivo	2015	400,000,000
ME-L1163	Sexto Programa Global de Crédito para el Desarrollo de Mercados Hipotecarios	2015	100,000,000
ME-L1257	Apoyo al Fortalecimiento de PROSPERA, Programa de Inclusión Social	2016	600,000,000
ME-L1256	Fortalecimiento de Sanidad Animal	2016	145,000,000
ME-L1189	Programa de Fortalecimiento de las Finanzas Públicas II	2016	600,000,000
ME-L1186	Programa para Impulsar la Productividad en México II	2016	600,000,000
ME-L1190	Segundo Programa para el Financiamiento de Proyectos de Inversión y Reconversión Productiva en el Sector Rural	2016	50,000,000
ME-L1258	Fortalecimiento de la gestión de las políticas de promoción al empleo	2017	160,000,000
ME-L1268	Gestión Territorial para el Logro de Resultados de la Agenda de Cambio Climático	2017	600,000,000

Number	Project Name	Approval Year	Original Approved Amount
ME-L1253	Programa de Fortalecimiento de la Gestión Hacendaria de Entidades Federativas y Municipios	2017	650,000,000
ME-G1012	Programa del FMAM para Implementar Proyectos Prioritarios en Tres Ciudades Mexicanas en el Marco de la ICES	2017	13,761,468
ME-L1162	Proyecto de Aprendizaje Basado en la Colaboración y el Diálogo (ABCD)	2017	80,000,000
ME-L1259	Tercer Programa para el Financiamiento Rural Productivo e Inclusivo	2017	500,000,000
ME-L1264	Programa de Apoyo a la Implementación y Fortalecimiento de la Reforma Energética	2018	600,000,000
ME-L1266	Programa de Fortalecimiento para la Reforma del Desarrollo Urbano y el Ordenamiento Territorial	2018	600,000,000
ME-L1267	Proyecto de Eficiencia Energética en Edificios de Oficinas de la Administración Pública Federal	2018	30,000,000
ME-L1284	Primera operación bajo la línea CCLIP de Financiamiento de la Red Compartida de Telecomunicaciones	2018	100,000,000
Technical Cooperation and Fee for Service Operations			
ME-T1178	Apoyo a la Elaboración de Planes Estatales de Acción ante el Cambio Climático	2013	600,000
ME-T1235	Apoyo al Rediseño de Oportunidades	2013	500,000
ME-T1242	Apoyo para Damnificados de la Tormenta Tropical Ingrid	2013	200,000
ME-T1241	Apoyo para Damnificados de la Tormenta Tropical Manuel	2013	200,000
ME-T1222	Diseño Implementación y Evaluación Reformas Alcanzar Seguridad Social Universal	2013	600,000
ME-T1224	Educación Técnica: una Nueva Generación de Políticas	2013	500,000
ME-T1256	Experiencia y conocimiento de los Centros Ciudad Mujer en El Salvador	2013	13,700
ME-T1234	Implementación de la Iniciativa ICES en una Ciudad Regular en Mexico	2013	900,000
ME-T1237	Implementación de la Iniciativa ICES en una Ciudad Regular en Mexico	2013	200,000
ME-T1232	La promoción del desarrollo la juventud a través de un programa integral en las	2013	500,000
ME-T1238	Metodología de Evaluación de Impacto de Programas de Crédito con Bancoldex	2013	9,632
ME-T1236	Plan Nacional de Banda Ancha de Mexico	2013	550,000
ME-T1204	Programa de Gestión del Conocimiento para Energías Renovables	2013	260,000
ME-T1231	Visita de aprendizaje al programa Bolsa Familia, Brasil	2013	20,000
ME-T1258	Visita de BANOBRAS a FINDETER en Colombia	2013	13,000
ME-T1265	Apoyo a FIRA para el Diseño de una Estrategia de Financiación de Eficiencia Energética para el Sector de Procesamiento de Alimentos	2014	430,000
ME-T1266	Apoyo a FIRA para la Implementación de una Estrategia de Financiación de Eficiencia Energética para el Sector Agroindustrial	2014	570,000
ME-T1244	Apoyo a la Ejecución del PROSSAPYS IV	2014	750,000
ME-T1245	Apoyo a la Implementación y Evaluación del Programa Piloto de Inclusión Digital	2014	300,000
ME-T1267	Apoyo a la modernización estratégica y regulatoria del IFT	2014	400,000
ME-T1251	Apoyo a las Energías Renovables en la Reforma Energética Mexicana	2014	207,423
ME-T1254	Apoyo al Desarrollo de la Ciudad Creativa Digital - Guadalajara	2014	500,000



Number	Project Name	Approval Year	Original Approved Amount
ME-T1259	Apoyo al Diseño e Implementación de un Centro Ciudad Mujer en Tlapa de Comonfort	2014	450,000
ME-T1272	Apoyo para Damnificados de la Tormenta Tropical Odile	2014	200,000
ME-T1247	Apoyo para la Gestión Integral de Residuos Sólidos en México	2014	250,000
ME-T1260	Capacidades Institucionales para Políticas Estatales para la Productividad	2014	400,000
ME-T1253	Comprensión y Prevención de la Violencia Juvenil en Centros Juveniles de México	2014	500,000
ME-T1268	Desarrollo de una Metodología para la Valoración Económica de las Bandas de Espe	2014	190,000
ME-T1261	Diagnóstico del Servicio Civil de los Estados Mexicanos	2014	260,000
ME-T1240	Dimensionamiento del plan de fortalecimiento del sistema de registro civil	2014	210,000
ME-T1264	Fortalecimiento de la Rectoría en la Calidad de la Atención de los Servicios	2014	350,000
ME-T1262	Institutional Strengthening of Capacity for SEDATU to support regulate Urban De	2014	400,000
ME-T1248	Mejora de la Calidad Educativa en Educación Inicial y Básica	2014	500,000
ME-T1270	Promoción del Cambio Social a través de los Medios de Comunicación en México	2014	400,000
ME-T1250	Reorientación de la Inversión en Salud y Fortalecimiento de la Rectoría en la Calidad de los Servicios de Salud	2014	200,000
ME-X1025	Seguros Mitigación/Riesgo para el Ahorro de Energía - piloto del BID en México	2014	418,192
ME-T1288	Visita a Experiencias Exitosas de Regulación de Agua y Saneamiento en AL	2014	10,000
ME-T1274	Visita BANXICO a Chile	2014	14,000
ME-T1273	Visita para conocer experiencias educativas en Colombia	2014	20,000
ME-T1276	Visita SHCP a Ministerio de Hacienda de Colombia	2014	16,000
ME-T1289	Apoyo a la Política de Fomento a la Gastronomía Nacional	2015	300,000
ME-T1278	Apoyo a las Iniciativas de Formalización del Empleo	2015	350,000
ME-T1292	Apoyo al Nuevo Modelo Pedagógico del CONAFE	2015	250,000
ME-T1226	Apoyo al Programa de Movilidad Urbana Sustentable	2015	300,000
ME-T1298	Apoyo al Programa de Movilidad Urbana Sustentable	2015	600,000
ME-T1299	Apoyo al Saneamiento Integral de la Bahía de Campeche , ICES	2015	475,000
ME-T1303	Apoyo para Damnificados del Huracán Patricia	2015	200,000
ME-T1279	Apoyo técnico para fortalecer el sistema de desarrollo de habilidades en México	2015	600,000
ME-T1291	Fortalecimiento de la capacidad planificadora de SENER	2015	500,000
ME-T1280	Fortalecimiento de las Políticas de Evaluación Educativa en México	2015	415,000
ME-T1300	Fortalecimiento de Organismos Operadores de Agua y Saneamiento	2015	300,000
ME-T1290	m-Salud para la prevención, diagnóstico oportuno y control de sobrepeso/obesidad y diabetes	2015	400,000
ME-T1275	Plataforma Analítica para la Prevención de la Violencia en Mexico	2015	300,000

Number	Project Name	Approval Year	Original Approved Amount
ME-T1301	Reduciendo la segregación ocupacional por género en México	2015	200,000
ME-T1252	Reservas Potenciales de Agua como Instrumentos de Adaptación Basada en Ecosistem	2015	500,000
ME-T1297	The effect of violence prevention programs in youth at risk in Mexico	2015	417,000
ME-T1324	Apoyo para Damnificados de la Tormenta Tropical Earl	2016	200,000
ME-T1325	Conservación, Reforestación y Desarrollo Comunitario del Corredor Biológico de la Sierra de Ahuiculco-Bosque La Primavera	2016	150,000
ME-T1302	Fortalecimiento capacidad planificadora de SENER mediante centro toma decisiones	2016	250,000
ME-T1293	Fortalecimiento del Registro Civil del Estado de Coahuila de Zaragoza	2016	510,000
ME-T1295	Fortalecimiento del Registro Civil del Estado de Colima	2016	400,000
ME-T1318	Fortalecimiento Institucional de Banobras en el Desarrollo de una Estrategia Ambiental y Social Estructurada	2016	15,492
ME-T1310	Fortalecimiento Institucional para Disciplina Financiera de Estados y Municipios	2016	375,000
ME-T1308	Fortalecimiento Institucional para Implementacion de la Reforma Energetica	2016	1,000,000
ME-T1313	Integrando actores en evaluaciones para la gestion sostenible de los manglares	2016	300,000
ME-T1326	Tratamiento de Aguas Residuales y Gestión de Agua no Contabilizada	2016	800,000
ME-T1335	Apoyo a la agenda de estudios y evaluaciones de PROSPERA, Programa de Inclusión Social	2017	340,000
ME-T1352	Apoyo a la Comisión Nacional de Seguridad para el Fortalecimiento de la Gestión de Seguridad	2017	300,000
ME-T1374	Apoyo a la gestión territorial y sector forestal para contribuir a la agenda de cambio climático de México	2017	500,000
ME-T1333	Apoyo a la Gestión y Evaluación de las Políticas Activas de Mercados Laborales	2017	300,000
ME-T1356	Apoyo a la Implementación de la Ley General de Asentamientos Humanos, Ordenamiento Territorial y Desarrollo Urbano (LGAHOTDU)	2017	1,000,000
ME-T1337	Apoyo a la Secretaria Ejecutiva del Sistema Nacional de Protección Integral de Niñas, Niños y Adolescentes	2017	250,000
ME-T1334	Apoyo a las Zonas Económicas Especiales de México	2017	500,000
ME-T1355	Apoyo a los Servicios de Procuración de Justicia Bajo el Sistema Justicia Penal Acusatorio	2017	100,000
ME-T1354	Apoyo al Programa de Mejora Regulatoria	2017	200,000
ME-T1365	Apoyo para Damnificados por el Sismo Ocurrido el 19 de septiembre de 2017.	2017	200,000
ME-T1364	Apoyo para Damnificados por el Sismo Ocurrido el 7 de septiembre de 2017	2017	200,000
ME-T1357	Apoyo para Desarrollo e Implementación del Sistemas de Información Territorial y Urbano	2017	750,000
ME-T1336	Cooperación técnica para el Programa Ecocasa	2017	400,000
ME-T1307	Efecto del Seguro Médico Siglo XXI en el Estado de Salud de los Menores de Cinco Años y Gasto de Bolsillo de los Hogares	2017	180,180
ME-T1366	Evaluación de Daños Inmediatos a la Infraestructura Post-Terremoto	2017	500,000
ME-T1332	Fortalecimiento de la Incidencia de la Política Fiscal en la Equidad Social en México	2017	200,000
ME-T1361	Fortalecimiento Institucional para la Implementación de los arreglos de transparencia de la Contribución Nacional Determinada (NDC) de México	2017	1,000,000

Number	Project Name	Approval Year	Original Approved Amount
ME-T1346	Herramientas y Aplicaciones Tecnológicas para el Fortalecimiento de la Intermediación de FND	2017	200,000
ME-T1351	Innovación abierta para combatir la corrupción	2017	200,000
ME-T1312	Proyecto de Eficiencia Energetica en Ciudades - Programa Ciudades Emergentes y Sostenibles (CES)	2017	475,000
ME-T1340	Soluciones Fintech para la Inclusión Financiera	2017	180,000
ME-T1327	Apoyo a las capacidades institucionales de competitividad de área estratégicas	2018	325,000
ME-T1347	Estudios de Gasto Público Rural para la Mejora de la Eficiencia y Efectividad de los Programas de Gasto Agrícola y Sustentabilidad Ambiental	2018	400,000
ME-T1372	Fortalecimiento Institucional para la Responsabilidad Fiscal de Estados y Municipios	2018	250,000
ME-T1383	Intercambio de Conocimiento sobre Iniciativas de Apoyo a Migrantes entre el Triángulo Norte y México	2018	8,511
ME-T1360	Mejora Continua de Organismos Operadores de Agua y Saneamiento en México -- Aplicación de AquaRating como la herramienta de monitoreo para la mejora continua y	2018	1,250,000
ME-T1362	Apoyo a la evaluación de la Estrategia Salud en Tu Escuela	2018	300,000
ME-T1381	Apoyo a la Procuraduría General de la República para Fortalecer sus Capacidades en Investigación Criminal	2018	250,000
ME-T1384	Desarrollo Infantil Temprano en Centros Públicos de Cuidado Infantiles in México	2018	400,000
ME-T1386	Implicaciones de la Economía de Plataformas Digitales en los Mercados Laborales y la Seguridad Social. El Caso de una Aplicación de Transporte	2018	250,000
ME-R1001	Support to subnational development	2015	n/a
ME-R1002	Support to the implementation of ESCI's methodology in 6 Mexican cities	2016	n/a
ME-R1003	Implementation of the Delivery Unit of the Government of Jalisco	2016	n/a

Source: OVE using data from the Data Warehouse of the Bank

**Table I.4. List of operations: NSG approvals during the CPE period (2013-2018)**

Number	Project Name	Approval Year	Original Approved Amount IIC/IDB OC (USD)	Orig. Ap. Third Party Funds (USD) <sup>1</sup>	Total Approved Amount (USD)
Financing Operations					
ME4016A-01	Adobe Capital	2013	1,250,000	1,250,000	2,500,000
ME-L1136	Balam Fund I, L.P.	2013	50,000,000		50,000,000
ME3886A-03	Edilar III	2013	5,400,000		5,400,000
ME-L1138	FOMEPADE - Increasing Access to Housing for the BoP Public Employees in Mexico	2013	6,638,742		6,638,742
ME4024A-01	GCP	2013	14,000,000		14,000,000
ME-L1137	Laudex - Expanding Availability of Student Loans in Mexico	2013	10,000,000		10,000,000
ME4022A-01	PROCSA	2013	3,100,000		3,100,000
ME4053A-01	SANTANDER MX	2013	25,000,000		25,000,000
ME4047A-01	SOMIN	2013	5,647,945.21		5,647,945.21
ME4032A-01	Stendhal	2013	6,193,000		6,193,000
TFG/OC/ME-X1014-4	TFFP-CG-NEW-1017 - Inter Banco S.A., Institucion de Banca Multiple	2013	1,658,197		1,658,197
TFG/OC/ME-X1014-6	TFFP-CG-NEW-1046 - Inter Banco S.A., Institucion de Banca Multiple	2013	3,000,000		3,000,000
ME4019A-01	Unifin	2013	3,900,000		3,900,000
ME3966A-02	Vinte II	2013	4,400,000	4,400,000	8,800,000
ME-L1153	VINTE, Viviendas Integrales S.A.P.I. de C.V. II	2013	7,485,870		7,485,870
ME4055A-01	Berries Paradise	2014	3,000,000		3,000,000
ME-L1150	Capital Markets solution for energy efficiency financing	2014	108,152,157	19,000,000	127,152,157
ME-U0002	Capital Markets solution for energy efficiency financing	2014	-	77,152,157	77,152,157
ME3740A-04	Compartamos Renewal	2014	32,000,000		32,000,000
ME-L1152	Contecon Manzanillo Container Port and Logistics Facility	2014	65,000,000	25,000,000	90,000,000
ME3998A-01	DINA	2014	2,300,000		2,300,000
ME-L1173	FINAE II Increase: Student Loans Securitization Program	2014	7,726,310		7,726,310
ME3783A-02	IGP / Melones II	2014	6,000,000		6,000,000

<sup>1</sup> Disaggregation of IDBG and third-party funds is only shown for NSG because, as opposed to the SG case, NSG systems do not record third-party tranches under separate project numbers. SG records of third-party funds are Apoyo a FIRA para la Implementación de una Estrategia de Financiación de Eficiencia Energética para el Sector Agroindustrial (ME-G1006), CTF-BID Programa "ECOCASA" (ME-L1121), Facilidat de Financiamiento Energía Renovable CTF para México (ME-L1109), Financiamiento de estrategias de bajo carbono en áreas forestales (ME-L1120), Financiamiento no reembolsable para el Programa de Financiamiento y Transferencia de Riesgos para Geotermia (ME-G1005), Programa de Financiamiento y Transferencia de Riesgos para Geotermia (ME-L1148), and Programa de Fortalecimiento de la Gestión Hacendaria de Entidades Federativas y Municipios (ME-L1253).

Number	Project Name	Approval Year	Original Approved Amount IIC/IDB OC (USD)	Orig. Ap. Third Party Funds (USD) <sup>1</sup>	Total Approved Amount (USD)
ME4073A-01	KUA	2014	5,000,000	4,000,000	9,000,000
ME4056A-01	Mazazul	2014	1,650,000		1,650,000
ME4058A-01	Orben	2014	2,000,000		2,000,000
ME-L1155	Te Creemos Microfinance Securitization	2014	65,000,000		65,000,000
3377A/OC-ME	TFFP-LN-NEW-74 - BANCO SANTANDER (MEXICO), S.A.	2014	100,000,000		100,000,000
ME-L1185	Bright Distributed Generation Solar Projects	2015	10,000,000	10,000,000	20,000,000
ME-U0006	Bright Distributed Generation Solar Projects	2015	-	5,000,000	5,000,000
ME4065A-01	CAMESA	2015	4,000,000		4,000,000
ME4080A-01	Casas Atlas	2015	3,700,000		3,700,000
ME-L1177	Contigo: Supporting BoP Women Entrepreneurs in Mexico	2015	4,838,661		4,838,661
ME3745A-03	Docuformas III	2015	3,000,000		3,000,000
ME4091A-01	Echale	2015	913,800		913,800
ME-L1181	ECON-Pemex Green Bond Securitization Program	2015	202,455,312	50,000,000	252,455,312
ME-U0005	ECON-Pemex Green Bond Securitization Program	2015	-	102,455,312	102,455,312
ME-L1192	Ejido Verde Reforestation	2015	500,000	1,500,000	2,000,000
ME4106A-01	Grupo ARG	2015	2,000,000		2,000,000
ME-L1179	Mexican Capital Markets Mortgage Financing	2015	75,000,000		75,000,000
ME-L1174	Mexico Ventures SME Mezzanine Fund	2015	30,000,000	15,000,000	45,000,000
ME4087A-01	Milenium	2015	3,900,000		3,900,000
ME-L1166	Optima Energia Energy Efficient Roadway Lighting	2015	9,261,000	8,815,000	18,076,000
ME-U0003	Optima Energia Energy Efficient Roadway Lighting	2015	-	2,315,000	2,315,000
ME4100A-01	Progresemos	2015	3,000,000		3,000,000
ME3980A-02	SEFIA	2015	2,500,000		2,500,000
ME4108A-01	Value Arrendadora	2015	5,000,000		5,000,000
ME4116A-01	Equipa-T	2016	969,396		969,396
11818-02	Mezzanine Mexico Uno	2016	20,781,431		20,781,431
ME4101A-01	Nixte	2016	3,500,000		3,500,000
ME4111A-01	Novelda	2016	3,365,304		3,365,304
11946-04	SolarCity (Mexico) Green Securitization Facility	2016	74,219,397		74,219,397
ME-L1265	SolarCity (Mexico) Green Securitization Facility	2016	-	15,000,000	15,000,000

Number	Project Name	Approval Year	Original Approved Amount IIC/IDB OC (USD)	Orig. Ap. Third Party Funds (USD) <sup>1</sup>	Total Approved Amount (USD)
ME4104A-01	Supply Chain Financing E Factor Diez-Nemak	2016	40,000,000		40,000,000
11307-04	VINTE III	2016	16,162,269		16,162,269
12181-01	Capital Indigo Private Debt	2017	24,173,079		24,173,079
11599-01	CIMARRON	2017	12,000,000		12,000,000
12134-01	EFactor/Axtel Approved Payables Financing	2017	40,000,000		40,000,000
12083-01	Proyecto Cubico Alten Solar PV	2017	90,500,000		90,500,000
ME-L1271	Proyecto Cubico Alten Solar PV	2017	-	20,000,000	20,000,000
ME-L1272	Proyecto Cubico Alten Solar PV	2017	-	10,000,000	10,000,000
ME-L1281	Proyecto de Energía Solar Fotovoltaica X-Elio	2017			-
11894-02	Guanajuato Solar PV	2017	20,430,000	14,960,000	35,390,000
11894-04	Conejos Solar PV	2018	22,970,000	16,800,000	39,770,000
11894-03	Xoxocotla Solar PV	2018	21,320,000	15,600,000	36,920,000
ME-U0007	Solar Rooftop 4 All	2017	-	15,000,000	15,000,000
12224-01	Solar Rooftop 4All	2017	104,971,172		104,971,172
12197-01	Villanueva I & III and Don José Solar Projects	2017	125,000,000		125,000,000
12088-01	ALTAN	2018	50,000,000		50,000,000
ME-L1285	Red Compartida/Altán	2018	-	25,000,000	25,000,000
12120-01	CEMEX	2018	52,018,175		52,018,175
12121-01	Genomma Lab	2018	65,663,037		65,663,037
12200-01	Procsa II	2018	8,048,765		8,048,765
11307-05	Vinte IV PCG	2018	13,525,138		13,525,138
12124-02	Xignux	2018	21,419,479		21,419,479
12199-01	Credito Real Women-Owned/ Led SMEs Financing Partnership	2018	50,000,000		50,000,000
12135-01	Prolec	2018	16,000,000		16,000,000

Source: OVE using data from the Data Warehouse of the Bank

**Table I.5. List of operations: SG legacy portfolio**

Number	Project Name	Approval Year	Original Approved Amount
<b>Financing Operations</b>			
ME-L1128	Creciendo sanos: fortaleciendo la atención a la salud de la niñez mexicana	2012	350,000,000
ME-L1121	CTF-BID Programa "ECOCASA"	2012	99,514,000
ME-X1011	Desarrollo de Tecnología Eólica Local	2012	5,000,000
ME-L1109	Facilidad de Financiamiento Energía Renovable CTF para México	2011	70,000,000
ME-L1120	Financiamiento de estrategias de bajo carbono en áreas forestales	2012	10,000,000
ME-G1002	Financiamiento de estrategias de bajo carbono en áreas forestales	2012	5,000,000
ME-L1055	Financiamiento Rural en México	2011	20,000,000
ME-L1115	Fortalecimiento de la Gestión e Inversiones Programa 3x1 para Migrantes, Fase II	2012	21,000,000
ME-L1080	Fortalecimiento del Programa de Desarrollo Humano Oportunidades III	2010	800,000,000
ME-L1103	Global Credit Program for Development of Mortgage Markets IV	2012	229,000,000
ME-L1059	Infraestructura, Servicios Públicos y Fortalecimiento Institucional II	2011	310,000,000
ME-G1001	Iniciativa Salud Mesoamérica 2015 - México	2012	2,585,905
ME-L1047	Programa de Apoyo al Presupuesto Basado en Resultados - Fase I	2008	45,000,000
ME-L1041	Programa de Apoyos Directos al Campo	2009	750,000,000
ME-L1033	Programa de Educación Comunitaria-Fase II: Constructores de Equidad	2010	100,000,000
ME-L1039	Programa de Formación de Recursos Humanos Basada en Competencias (PROFORHCOM) II	2009	100,000,000
ME-L1045	Programa de Fortalecimiento de Bienes Públicos Rurales	2011	190,000,000
ME-L1086	Programa Escuelas Dignas (PED)	2011	350,000,000
ME-L1098	Programa Integral de Atención a la Pobreza Urbana	2011	280,000,000
ME-L1114	Programa Multifase de Apoyo a la Capacitación y el Empleo PACE Fase III	2012	300,000,000
ME-L1051	Promover el Desarrollo de PYME Proveedoras y Contratistas Industria Petrolera	2009	301,000,000
ME-L1050	Sostenibilidad Servicios de Agua Potable y Saneamiento Comunidades Rurales III	2011	250,000,000
ME-L1119	Tercera Operación Individual para el Apoyo al Desarrollo Empresarial de México	2012	100,000,000
<b>Technical Cooperation Operations</b>			
ME-T1021	Promoción de un Diálogo Informado de Políticas en Educación en México	2006	400,000
ME-T1025	Estudios de Factibilidad para Centros Urbanos y Metropolitanos	2007	1,500,000
ME-T1089	Apoyo para Estudios de Factibilidad de Proyectos Sustentables	2008	1,000,000
ME-T1114	Aligning Learning Incentives	2009	1,350,000
ME-T1115	Sistema de Manejo de Crisis del Sector Educativo	2009	500,000
ME-T1173	Apoyo al Desarrollo de un Plan Nacional de Parques Logísticos	2011	750,000

Number	Project Name	Approval Year	Original Approved Amount
ME-T1127	SHF DUIS - Evaluación de Desarrollos Urbanos Integrales Sustentables	2008	455,175
ME-T1133	Iniciativa de clearinghouse y fortalecimiento de capacidades para PTC	2009	749,991
ME-T1187	Innovación y productividad en México	2011	100,000
ME-T1144	Ident y desarrollo de mec. para la promoción de part. del sector privado en A&S	2010	400,000
ME-T1145	Comercialización de productos agrícolas y apoyos al campo	2009	1,000,000
ME-T1149	Apoyo al Desarrollo Urbano Municipal en México	2010	135,500
ME-T1153	Marco Metodologico para Medición de Riesgo Sistémico y de Pruebas de estrés fina	2010	337,500
ME-T1163	Integrando Ciudades: Cómo Prevenir Violencia e Impulsar Sosten. Barrios Pobres	2011	226,000
ME-T1168	Fortalecimiento Institucional de la Unidad de Proyectos Sust y Cambio Climatico	2011	300,000
ME-T1169	Apoyo a Estrategia Nacional de Cambio Climático	2010	1,000,000
ME-T1170	Elaboración Programa Estatal de Acción Cambio Climático en Yucatán	2010	200,000
ME-T1171	Apoyo a la elaboración de Programa de Acción ante el Cambio Climático de Tabasco	2010	200,000
ME-T1174	Apoyo sector público para el diálogo: políticas mercado laboral y segur. social	2011	144,676
ME-T1176	Acompañamiento de Escuelas Básicas Indígenas	2011	300,000
ME-T1182	Evaluación del programa de salud preventiva PREVENIMSS del IMSS	2011	690,000
ME-T1183	Desarrollos Urbanos Integrales Sustentables II	2011	675,312
ME-T1184	Programa Nacional de Reservas Potenciales de Agua en México como Medida de Gesti	2011	1,000,000
ME-T1185	Prmcion de Merc de CO2 en Mex: NAMAS, Acuerd Comercial y Regst Prycts Mitigacion	2012	800,000
ME-T1117	Apoyo a la Implementación de un Sistema de Presupuesto basado en Resultados	2008	1,000,000
ME-T1188	Sistema de Apoyo a la Toma de Decisiones para la Cuenca del Rio San Juan	2011	100,000
ME-T1190	Innovación del Análisis de Resultados de Programas de Empleo	2012	500,000
ME-T1192	Esquema de Sistema de Financiamiento Proyectos de Eficiencia Energética	2012	600,000
ME-T1199	Apoyo a FINRURAL con un Sistema de Gestión de Riesgo Ambiental y Social	2012	146,100
ME-T1201	Cooperación Técnica para el Programa CTF-BID ECOCASA ME-L1121	2012	1,600,000
ME-T1202	Preparación del Programa de Vivienda Ecocasa	2012	265,000
ME-T1203	Políticas Públicas para Maximizar Beneficios Locales de Proyectos Eólicos	2012	320,000
ME-T1210	PREPARACION DEL PROGRAMA DE INVERSION FORESTAL	2012	115,000
ME-T1123	PRODEV: Apoyo Implementación Sistema de Presupuesto por Resultado en Yucatá	2009	1,000,000
ME-T1124	Tabasco: Apoyo Implementación de Sistema de Gestión de Presupuesto por Resultado	2009	1,000,000
ME-T1135	Fondo de preinversion para estados y municipios	2010	1,500,000
ME-T1138	Baja California: Apoyo a la Implementación de un Sistema de Gestión por Resultado	2009	800,000
ME-T1139	Michoacán: Apoyo a la Implementación de un Sistema de Gestión por Resultados	2009	800,000



Number	Project Name	Approval Year	Original Approved Amount
ME-T1148	Apoyo para la Implementación de un Sistema de Gestión por Result	2011	400,000
ME-T1166	Apoyo Plan Nac'l Rendición de Cuentas, Transp y Combate a la Corrupcion Adm Mex	2010	341,600
ME-T1172	Estudios de soporte para el diálogo de políticas públicas con el nuevo gobierno	2011	250,000

Source: OVE using data from the Data Warehouse of the Bank

**Table I.6. List of operations: NSG legacy portfolio**

Number	Project Name	Approval Year	Original Approved Amount IIC/IDB OC (USD)	Orig. Ap. Third Party Funds (USD) <sup>2</sup>	Total Approved Amount (USD)
Financing Operations					
ME1137A-01	MULTINDFUND	2000	8,000,000		8,000,000
ME3783A-01	Melones	2008	10,000,000		10,000,000
ME-L1075	Mi Tienda: Rural Supply Network	2009	2,000,000		2,000,000
ME-L1094	Acceso a la Educación Universitaria para Estudiantes de la Base de la Pirámide	2010	2,000,000		2,000,000
ME3916A-01	CICASA/Los Portales	2010	3,500,000		3,500,000
ME3740A-03	Compartamos III	2010	32,000,000		32,000,000
ME3886A-01	Edilar	2010	2,500,000		2,500,000
ME3821A-02	Finterra II	2010	4,000,000		4,000,000
ME-L1087	Leasing Operations de Mexico, S. de R.L. de C.V.	2010	9,512,485		9,512,485
ME3898A-01	MIF II	2010	1,500,000	1,500,000	3,000,000
ME-L1095	Small Farmer Sunflower Supply Chain Program	2010	5,000,000		5,000,000
ME3817A-02	Agrofinanzas II	2011	2,500,000		2,500,000
ME3453A-04	Almer V	2011	5,000,000		5,000,000
ME3886A-02	Edilar II	2011	3,500,000		3,500,000
ME-L1107	Energía Eólica del Sur (EES)	2011	74,991,157		74,991,157
ME-L1112	First Disbursement - Infonavit Mezzanine Finance Facility	2011	35,000,000		35,000,000
ME3823A-02	Unión Crédito General II	2011	1,000,000		1,000,000

<sup>2</sup> Disaggregation of IDBG and third party funds is only presented for NSG as only 7 SG operations included funds from funds under IDBG's administration, namely, Apoyo a FIRA para la Implementación de una Estrategia de Financiación de Eficiencia Energética para el Sector Agroindustrial (ME-G1006), CTF-BID Programa "ECOCASA" (ME-L1121), Facilidad de Financiamiento Energía Renovable CTF para México (ME-L1109), Financiamiento de estrategias de bajo carbono en áreas forestales (ME-L1120), Financiamiento no reembolsable para el Programa de Financiamiento y Transferencia de Riesgos para Geotermia (ME-G1005), Programa de Financiamiento y Transferencia de Riesgos para Geotermia (ME-L1148), and Programa de Fortalecimiento de la Gestión Hacendaria de Entidades Federativas y Municipios (ME-L1253).

Number	Project Name	Approval Year	Original Approved Amount IIC/IDB OC (USD)	Orig. Ap. Third Party Funds (USD) <sup>2</sup>	Total Approved Amount (USD)
ME3817A-03	Agrofinanzas III	2012	3,800,000		3,800,000
ME3967A-01	American Textil	2012	3,800,000		3,800,000
ME3969A-01	Arendal	2012	8,500,000		8,500,000
ME-L1125	BNS2 Wind Power Corporate Loan	2012	76,000,000		76,000,000
ME3745A-02	Docuformas	2012	2,300,000		2,300,000
ME-L1110	Etileno XXI	2012	300,000,000		300,000,000
ME-L1132	FINAE II- Student Loans Securitization Program	2012	9,740,424		9,740,424
ME3876A-03	FINEM	2012	1,900,000		1,900,000
ME3976A-01	Finox Equity	2012	500,000	500,000	1,000,000
ME3868A-02	MEGA II	2012	2,300,000		2,300,000
ME3980A-01	SEFIA	2012	1,800,000		1,800,000
ME3966A-01	VINTE	2012	4,000,000		4,000,000
ME-L1124	Vinte Viviendas Integrales SAPI de CV	2012	14,836,795		14,836,795

Source: OVE using data from the Data Warehouse of the Bank

**ANNEX II – EVALUATION DESIGN MATRIX**

<b>Table II.1. Relevance</b>			
<b>Researchable question(s)</b>	<b>Information required and source(s)</b>	<b>Scope and methodology</b>	<b>Limitations</b>
<p>1. To what extent were the IDBG's CS and the implemented program aligned with the country's development needs, the 2013-2018 PND, and IDBG's mandate?</p>	<ul style="list-style-type: none"> <li>• Government strategy documents, IDBG country strategy documents (including annual Country Programming Documents), sector framework documents and policies, economic analysis from IDBG and other institutions, Government economic and social data, data from other institutions.</li> <li>• Interviews with Government and IDBG staff and other experts.</li> <li>• IDBG project databases</li> <li>• Operation documents</li> <li>• CS and sector notes</li> <li>• Stakeholder perceptions</li> </ul>	<ul style="list-style-type: none"> <li>• Context note and document review to compile a complete list of Government development priorities, country development needs, IDBG country strategy priorities.</li> <li>• Use all relevant evidence to determine the alignment of the Bank's CS priorities with the Government development priorities and country's development needs.</li> <li>• Portfolio review</li> <li>• Project and TC desk review</li> <li>• Use all relevant evidence to determine the alignment of the IDBG operational program with the CS and the country's development needs</li> <li>• Interviews with Government and IDBG staff and other experts.</li> </ul>	<ul style="list-style-type: none"> <li>• The analysis will be based on information provided by Government and IDBG documents. It is possible that the program and operations deviate from the priorities written in these documents.</li> <li>• Economic and social data may not be complete and updated.</li> <li>• Information on development needs may not be uniformly available for all sectors.</li> </ul>
<p>2. What have been IDBG's role and financial and non-financial added value in Mexico, and how have they evolved over time?</p>	<ul style="list-style-type: none"> <li>• The Bank's Enterprise Data Warehouse</li> <li>• National statistics</li> <li>• Approval data from other multilateral institutions</li> <li>• IDB Invest approval and disbursement data</li> <li>• Approval data from other multilateral private sector windows</li> <li>• GPS</li> <li>• Stakeholder perceptions</li> <li>• Operation documents</li> <li>• Market information (Bloomberg or similar)</li> <li>• TC, FFS documents</li> </ul>	<ul style="list-style-type: none"> <li>• For the last two evaluation periods, analyze the trends of IDB disbursements and approvals and IDB financing as share of total external financing, and as a share of sector programs/budgets</li> <li>• For the two last evaluation periods, compare the trends of IDB disbursements and approvals to those of other multilateral institutions</li> <li>• For the last two evaluation periods, analyze the trends of IDB Invest approvals</li> <li>• For the last two evaluation periods, compare the trends of IDB Invest approvals with those of other multilateral private sectors</li> <li>• Analysis of GPS results</li> <li>• Analysis of operation documents</li> <li>• Interviews with stakeholders</li> <li>• Analysis of IDBG financial terms vs. the terms of other capital markets financing</li> </ul>	<ul style="list-style-type: none"> <li>• Patterns and trends of approvals and disbursements may be difficult to explain with certainty, given that OVE will rely on stakeholder perceptions from surveys and interviews and focus groups.</li> <li>• There is not necessarily a positive correlation between lending and disbursement volume and IDBG relevance.</li> <li>• Perceptions of delivered knowledge may be subjective and TC results or knowledge transfer not well documented.</li> </ul>

Researchable question(s)	Information required and source(s)	Scope and methodology	Limitations
<p>3. To what extent were the program and individual operations designed in a manner consistent with the government's institutional capacity for implementation, the fiscal situation, and the country's development priorities?</p> <ul style="list-style-type: none"> <li>- Was the mix of financial and technical assistance instruments appropriate?</li> <li>- Has IDBG made progress on the goal of finding financial solutions for supporting Mexico at the subnational level?</li> </ul>	<ul style="list-style-type: none"> <li>• Program and operational documents (including Country Programming Documents, operation approvals, PCRs, PMRs, XSRs)</li> <li>• PEFA and other assessments of institutional capacity</li> <li>• IDBG portfolio data</li> <li>• Government data on debt profile</li> <li>• Stakeholder perceptions</li> </ul>	<ul style="list-style-type: none"> <li>• Document and indicator review to determine institutional capacity in financial management, procurement, and project management. Complement the review with stakeholder interviews</li> <li>• Interviews with executing agency and other Government staff and IDB country representative, chief of operations, country economist, country coordinator, procurement specialist, financial management specialist, and project team leaders</li> <li>• Review of the Bank's use of financial instruments (financing and grants) in the context of the Government's fiscal needs and priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Indicators for institutional capacity may not be very reliable. Therefore, we must look at trends over time and triangulate with other information (interviews and PMR, PCR, PSR and XSR reports)</li> <li>• Some of the Bank's support for institutional capacity may be difficult to substantiate</li> <li>• Poor documentation of some instruments (especially TCs)</li> </ul>
<p>4. To what extent did IDBG engage with other development partners?</p>	<ul style="list-style-type: none"> <li>• Program and operational documents</li> <li>• Program and operational documents of other development partners</li> <li>• Interviews with implementing agencies, other donors, IDBG country representative, chief of operations, country coordinator, and project team leaders</li> <li>• Approval data from other multilateral institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Use evidence available to determine the level of complementarity or duplication of IDBG support</li> <li>• Document review supplemented with interviews with IDBG staff, government officials, other development partners</li> </ul>	<ul style="list-style-type: none"> <li>• The Government, IDBG, and other development partners may not be forthcoming with information about coordination, given their own differing incentives</li> <li>• Some more informal coordination mechanisms may not be well documented and may hinge on recall by individuals who may or may not still be around, and/or remember.</li> </ul>

Source: OVE.

Table II.2. Implementation, efficiency, and effectiveness			
Researchable question(s)	Information required and source(s)	Scope and methodology	Limitations
1. What were the principal factors affecting program implementation and the achievement of proposed outputs and outcomes?	<ul style="list-style-type: none"> <li>• Program and operational documents.</li> <li>• Data gathered from executing agencies and IDB team leaders.</li> <li>• Information collected during site visits.</li> <li>• Interviews with team leaders, IDB country representative, chief of operations, procurement officer, financial management officer, and executing agency staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review: Desk review templates for operation analysis. For this sub-question we will tally the different factors affecting project implementation.</li> </ul>	<ul style="list-style-type: none"> <li>• The interviews will give us different perspectives on implementation challenges. Therefore, our desk review will include as much documentary evidence collection as possible related to implementation challenges (especially from the Bank's procurement databases). This evidence may be difficult to gather and may not be complete.</li> </ul>
2. (a) To what extent did IDBG appropriately assess implementation risks? (b) How did IDBG respond to implementation challenges that may have occurred?	<ul style="list-style-type: none"> <li>• Program and operational documents.</li> <li>• Data gathered from executing agencies and IDB team leaders.</li> <li>• Information collected during site visits.</li> <li>• Interviews with IDB country representative, chief of operations, procurement officer, financial management officer, and executing agency staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review: Desk review templates for operation analysis.</li> </ul>	<ul style="list-style-type: none"> <li>• Linking the Bank's actions to anticipating and responding to challenges may be difficult. We will need to rely on interviews and then confirm through project or TC documentation any actions taken to anticipate, mitigate, and address implementation challenges.</li> </ul>
3. How did program implementation compare to IDB-wide and averages across other similar LAC upper-middle-income countries, and how have the times and costs associated with the preparation and execution of IDB projects evolved since the last period?	<ul style="list-style-type: none"> <li>• IDBG databases.</li> <li>• Program and operational documents.</li> <li>• Data gathered from executing agencies and IDB team leaders.</li> <li>• Information collected during site visits.</li> <li>• IDB country representative, chief of operations, procurement officer, financial management officer, and executing agency staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Based on available data from databases, analysis of the evolution of (i) cost of SG investment loan preparation and implementation (nominal and %); and (ii) execution time.</li> <li>• Document desk review.</li> <li>• Interviews.</li> </ul>	<ul style="list-style-type: none"> <li>• The comparisons will be dependent on comparable Bankwide implementation data. Therefore, to facilitate comparison, we will likely focus primarily on the length of the project cycle.</li> </ul>
4. To what extent did IDB use national systems?	<ul style="list-style-type: none"> <li>• Operations documents.</li> <li>• Interviews with team leaders, representative, chief of operations and executing agency counterparts.</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review: check all operations for use of country systems, in what areas, what track record, lessons learned.</li> </ul>	<ul style="list-style-type: none"> <li>• The use of country systems may not be clearly flagged in all operations, and a decision not to use country systems may not be documented.</li> </ul>
5. (a) To what extent did IDBG's interventions help generate progress toward the strategic objectives set out in the CS? (b) To what extent did the program achieve its objectives? (c) Did the program have positive or negative effects beyond those proposed?	<ul style="list-style-type: none"> <li>• Program and operational documents.</li> <li>• Data gathered from executing agencies and IDB team leaders.</li> <li>• Information collected during site visits.</li> </ul>	<ul style="list-style-type: none"> <li>• Compilation, verification, and assessment of CS results matrix indicators to determine the level of achievement of proposed targets.</li> <li>• Desk review:<sup>1</sup> Detailed methodology for operation review.</li> <li>• Site visits to verify and gather further data on project implementation.</li> </ul>	<ul style="list-style-type: none"> <li>• Many projects will not be fully disbursed or closed, so we will not be able to report on final outputs and outcomes.</li> <li>• Data availability and reliability may limit our ability to rigorously determine the achievement of targets.</li> <li>• Achievement of outcomes may be affected by external factors and may thus be difficult to attribute to IDBG's interventions.</li> </ul>

Source: OVE

<sup>1</sup> For policy-based loans we will use structural depth analysis, consistent with OVE's 2015 Annual Report.

Table II.3. Sustainability			
Researchable question(s)	Information required and source(s)	Scope and methodology	Limitations
<p>1. What is the likelihood that program results will be sustainable?</p> <p>2. What are the main risks to sustainability (including to financial and environmental/social performance)?</p> <p>3. What measures have been taken to mitigate these risks?</p>	<ul style="list-style-type: none"> <li>• Program and operational documents.</li> <li>• Environmental and social project documents, MICI information.</li> <li>• Stakeholder perceptions of sustainability.</li> <li>• Country context note.</li> </ul>	<ul style="list-style-type: none"> <li>• Document review.</li> <li>• Interviews with stakeholders.</li> <li>• Review of information gathered to develop a list of principals (e.g. institutional, financial, political, operational) risks to the sustainability of program results and measures taken to mitigate these risks.</li> <li>• Analysis of identified risks and mitigation measures to determine which, if any, risks remain unmitigated.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability will depend in part on factors that are out of the IDBG's control, and OVE may not have full access to information on such factors.</li> <li>• Factors affecting sustainability may not be visible yet.</li> </ul>

Source: OVE