Early Warning System

WB-P145618

MEXICO Sustainable Energy Technologies Development for Climate Change

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Quick Facts

Countries	Mexico
Financial Institutions	World Bank (WB)
Status	Active
Bank Risk Rating	B
Voting Date	2015-03-06
Borrower	Government of Mexico - Secretaria de Energia
Sectors	Climate and Environment, Energy
Potential Rights Impacts	Healthy Environment, Housing & Property, Right to Health

Project Description

The project seeks to “improve the institutional capacity of advanced clean energy (ACE) technology institutions (both public and private) in Mexico, foster the commercialization of ACE technologies by providing financial incentives to the private sector, and in the process reduce Greenhouse gas (GHG) emissions.” The project is made up of three components as follows:

Component 1:

Create Regional Needs Assessments (RNA) and Clean Energy Regional Investment Plans (CERIPs) which will “assess and improve the capacity and means of public and private stakeholders to identify and commercialize ACE technologies that can lead to reductions” in emissions. This component will be funded by SENER (90 Million USD) and by the World Bank's Global Environment Facility (GEF) (5 Million USD) to improve the effectiveness of the public and private stakeholders to identify and “commercialize ACE technologies that lead to a reduction of GHG emissions.”

Component 2:

Consists of “grants and technological assistance for private enterprises in the ACE sector” which targets finance grants to develop technologies with “strong commercialization potential.” This component will be funded by the GEF (11.05 Million USD) and the private sector (3.23 Million USD). GEF will contribute 1 Million USD for Technical Assistance with 180,000 USD from the Private sector. The remaining, 10.05 Million USD from GEF and 3.05 Million USD from Private sector enterprises, will finance Matching Grants.

Component 3:

The GEF will cover the cost of hiring personnel for financial management procurement, project management, and operating costs. This component will use World Bank PIU to “increase overall program efficiency.” This project management component will be funded by the GEF (0.83 Million USD) and SENER (1.5 Million USD).

The total contribution of each institution will be: SENER - 91.5 Million USD; GEF – 16.88 Million USD; and Private sector enterprises – 3.23 Million USD.

Early Warning System Project Analysis

Risk Assessment: Category B.

The World Bank classifies proposed projects based on the type, location, sensitivity, and scale of the project and the nature and severity of its potential environmental impacts. Category B is assigned to a project if it has “potential adverse environmental impacts on human populations or environmentally important areas - including wetlands, forests, grasslands, and other natural habitats.”

APPLICABLE SOCIAL & ENVIRONMENTAL STANDARDS

Environmental Assessment OP/BP 4.01

Is triggered due to possible impacts on the environment from small-scale technologies, handling of hazardous waste, and the changing of forest soil through the development of bioenergy. Project documents state that "the early stage of commercial development and the small scale of the technologies supported are not expected to result in significant negative environmental impacts, but minor impacts will be avoided or minimized with the use of an Environmental and Social Management Framework (ESMF)". Additionally, Bank documents state that "it is important to note that since there will be an exclusion list of subprojects and no category A subprojects will be supported, the potential subprojects will fall into either B or C categories."

As stated by the Bank: "The Project will not finance any sub-projects that impact the rights of indigenous peoples, including their territorial and intellectual property rights. Sub-projects to be financed will be technologies related to energy efficiency and renewable energy that will not use indigenous intellectual property. Rather, the intellectual property is expected to derive from R&D activities in inter alia, the life sciences, industrial and mechanical engineering, thermodynamics, and geology. In addition, sub-projects will not be financed in the territories of indigenous peoples. As such, the risk that sub-projects financed by the ACE Fund infringe upon the territorial and intellectual property rights of indigenous peoples are expected to be minimal."

People Affected By This Project

OUR RISK ASSESSMENT

Based on the World Bank's project documents, this project poses potential risks to the following human rights:

Right to Property & Adequate Housing

Although bank documents mention the possibility of project areas being located in populated areas, the location of these sites has not been identified. Monitoring of project development and implementation will be necessary for communities to identify possible impacts to property and land. Compensation is mentioned in project documents but details will arise once an evaluation is completed, for this reason it is important to identify if the project requires the use of any privately owned land or property.

Right to a Healthy Environment

World Bank documents mention the fact that small scale of the technologies supported are not expected to result in significant negative environmental impacts. Even so, forest, soil and vegetation, will be impacted due to the fact that they will be used for the development of bioenergy as proposed in the project description. Handling of toxic chemicals and waste is also a danger in the industrial sector of the project when developing prototypes. Details about the potential hazards posed by chemical use are provided in the Social and Environmental Assessment. High-risk chemicals may potentially involve: flammable, explosive, toxic, reactive, radioactive or corrosive chemicals that can be damaging in a spill. World Bank documents indicate that this project, though it has not defined its locations, will be beneficial to the environment in general, but it is weary of the use of toxic chemicals in the industry that would impact not only the environment but the health of the population.

Right to Health

The potential to affect the right to health will depend on the proximity of project sites to populated areas, therefore it is important for community members to monitor implementation of the project to understand the scope of the project in their regions.

Investment Description

- World Bank (WB)

Contact Information

*No contact available at time of writing.

Consultation

World Bank documents note that its policy requires consultation with the stakeholders. According to the Integrated Safeguards, “consultation and disclosure of the safeguard policies that apply in the Project will take place during the provision of technical assistance services at the beginning of grant implementation.” The Environmental and Social Management Framework (ESMF) will be disclosed on both the World Bank’s and the SENER’s websites “after consultation and before appraisal.”

Project-level grievance mechanism

Currently no grievance mechanism is included in the project documents, nor is there any mention about the requirement of a grievance mechanism to implement the project. Potentially, once the locations of the project areas are released, the Bank may require a grievance mechanism to be developed and implemented due to the potential for project impacts on communities.

ACCOUNTABILITY MECHANISM OF WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. You can learn more about the Inspection Panel and how to file a complaint at: http://ewebapps.worldbank.org/apps/ip/Pages/Home.aspx.

Bank Documents

- Integrated Safeguards Data Sheet (Appraisal Stage) - MEXICO Sustainable Energy Technologies Developm [Original Source]
- Integrated Safeguards Data Sheet (Concept Stage) - MEXICO Sustainable Energy Technologies Developmen [Original Source]
- Mexico - MEXICO Sustainable Energy Technologies Development for Climate Change : P145618 - Implement [Original Source]
- Mexico - MEXICO Sustainable Energy Technologies Development for Climate Change : P145618 - Implement [Original Source]
- Mexico - Sustainable Energy Technologies Development for Climate Change Project : environmental asse [Original Source]
- Mexico - Sustainable Energy Technologies Development Project (English) [Original Source]
- Project Information Document (Appraisal Stage) - MEXICO Sustainable Energy Technologies Development [Original Source]
- Project Information Document (Concept Stage) - MEXICO Sustainable Energy Technologies Development fo [Original Source]