



Program Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 19-Nov-2020 | Report No: PIDA30995



BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Mexico	P174000	Environmental Sustainability and Urban Resilience DPF (P174000)	
Region	Estimated Board Date	Practice Area (Lead)	Financing Instrument
LATIN AMERICA AND CARIBBEAN	17-Dec-2020	Environment, Natural Resources & the Blue Economy	Development Policy Financing
Borrower(s)	Implementing Agency		
UNITED MEXICAN STATES	SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO		

Proposed Development Objective(s)

Support (i) strengthening environmental sustainability and resilience, and (ii) expanding access to resilient urban infrastructure and social housing.

Financing (in US\$, Millions)

SUMMARY

Total Financing	750.00
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DETAILS

Total World Bank Group Financing	750.00
World Bank Lending	750.00

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

Country Context

1. The country has been experiencing supply and demand shocks to the economy, generating negative impacts on firms,



employment, and households. As in other emerging economies, the recovery path is likely to be complex and it will need to be supported by critical economic reforms. At the same, the current juncture presents an opportunity to complement those efforts with reforms to enable more resilience to the shocks arising from climate change while still contributing to a stronger and better medium-term recovery

Relationship to CPF

2. The proposed operation is fully aligned with the CPF. Specifically, the authorities' policies supported by this operation will contribute to reach the CPF's objectives 6 and 7.

C. Proposed Development Objective(s)

3. The Program Development Objectives of this operation are to support the authorities' program of: (i) strengthening environmental sustainability and resilience, and (ii) expanding access to resilient urban infrastructure and social housing.

Key Results

4. The policies are expected to enable more resilience to the shocks arising from climate change while still contributing to a stronger and better medium-term recovery by fostering the reduction of air pollution (which also leads to significant health gains), reducing deforestation, strengthening mechanisms to help mitigate emissions of greenhouse gases and short-lived climate pollutants, and improve urban and social housing resilience.

D. Project Description

5. This operation supports specifically the authorities' program of strengthening environmental, urban and social housing resilience, as part of a broader aim of building better and with more climate change sustainability over the recovery and the medium term.

E. Implementation

Institutional and Implementation Arrangements

6. The SHCP, in close coordination with SEMARNAT and SEDATU, and other authorities, will take the lead in monitoring progress and implementation of this operation, with ongoing support from the WB. The results indicators selected to monitor and evaluate implementation progress and the achievement of program outcomes will be monitored by the institution that takes the coordination lead for the respective prior actions.

F. Poverty and Social Impacts, and Environmental, Forests, and Other Natural Resource Aspects

Poverty and Social Impacts

7. The policy actions supported by the DPF are expected to contribute to poverty reduction and have positive social impacts in short, medium and long terms. Policy measures related to support environmental sustainability and resilience would have positive impacts on the poor and vulnerable over the medium to long term. Policy measures



aimed at supporting a more climate and disaster resilient housing and local infrastructure are expected to have a monetary impact on the poor and vulnerable in the short-term.

Environmental, Forests, and Other Natural Resource Aspects

8. The policy measures supported by this operation would have significant positive effects on Mexico's climate change and environmental health priorities.

G. Risks and Mitigation

9. **The overall level of risk for the proposed operation is assessed as substantial.** The rating derives from the multiple shocks the country is experiencing and the high degree of uncertainty as to the length and depth of the global economic fallout in the current context.

CONTACT POINT

World Bank

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UNITED MEXICAN STATES

Implementing Agencies

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APPROVAL

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Approved By

Country Director:	Pablo Saavedra	26-Oct-2020
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