



Operation Number: **ME-L1120**  
Year- PMR Cycle: **Second period Jan-Dec 2013**  
Last Update: **7/9/2014**  
PMR Validation Stage: **Validated by Country Representative**

Chief of Operations validation date: **07/09/2014**  
Division Chief validation date: **07/09/2014**  
Country Representative validation date: **07/09/2014**

Inter-American Development Bank - IDB  
Office of Strategic Planning and Development Effectiveness

## Operation Profile

### Basic Data

|                        |  |                                   |   |
|------------------------|--|-----------------------------------|---|
| Operation name:        | Financing Low Carbon Strategies in Forest Landscapes | Loan Number:                      | 2838/SX-ME  |
| Executing Agency (EA): | FINANCIERA RURAL                                     |                                   |   |
| Team Leader:           | De Olloqui,Fernando                                  | Sector/Subsector:                 | CLIMATE CHANGE FINANCING                                      |
| Operation Type:        | Loan Operation                                       | Overall Stage:                    | Disbursing (From eligibility until all the loans are closed). |
| Operation Subtype:     | Global Credit Operation                              | Country:                          | MEXICO  |
| Lending Instrument:    | Investment Loan                                      | Convergence related Operation(s): | ME-G1002  |
| Borrower:              | FINANCIERA RURAL                                     |                                   |   |

### Total Cost and Source

|            | Original IDB    | Current Active IDB | Local Counterpart | Co-Financing/Country | Total operation cost - Original Estimate |
|------------|-----------------|--------------------|-------------------|----------------------|--|
| Aggregated | \$15,000,000.00 | \$15,000,000.00    | \$0.00            | \$0.00               | \$15,000,000.00                          |
| ME-G1002   | \$5,000,000.00  | \$5,000,000.00     | \$0.00            | \$0.00               | \$5,000,000.00                           |
| ME-L1120   | \$10,000,000.00 | \$10,000,000.00    | \$0.00            | \$0.00               | \$10,000,000.00                          |

### Available Funds (US\$)

|            | Current IDB     | Disb. Amount to Date | % Disbursed | Undisbursed Balance |
|------------|-----------------|----------------------|-------------|---------------------|
| Aggregated | \$10000000.00   | 0.00                 | 0.00%       | \$10000000.00       |
| ME-L1120   | \$10,000,000.00 | \$0.00               | 0.00%       | \$10,000,000.00     |
| ME-G1002   | \$0.00          | \$0.00               |             | \$0.00              |

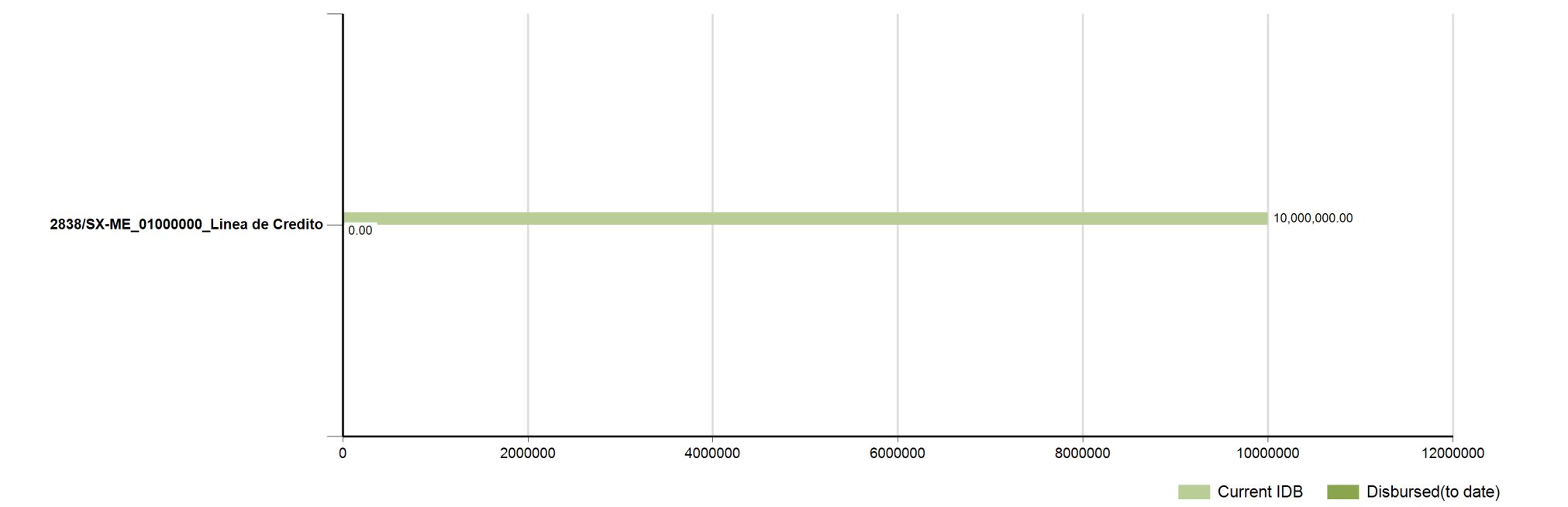
### Environmental and Social Safeguards

|   |     |
|---|-----|
| Main Operation                            |     |
| Impacts Category:                         | B13 |
| Safeguard Performance Rating:             |     |
| Safeguard Performance Rating - Rationale: |     |

### Reformulation Information

|   | Main Operation | Oper. ME-G1002 |
|---|----------------|----------------|
| Was/Were the objective(s) of this operation reformulated? | NO             | NO             |
| Date of approval:   |                |                |

Expense Categories by Loan Contract (cumulative values)




Results Matrix

Impacts

| Impact:   | 1 Climate change mitigated. |                                  |                          |          |               |  |   |      |           |
|---|-----------------------------|----------------------------------|--------------------------|----------|---------------|--|---|------|-----------|
| Observation:  |                             |                                  |                          |          |               |  |   |      |           |
| Indicators  |                             | Flags*                           | Unit of Measure          | Baseline | Baseline Year | Means of verification  | Observations  | EOP  |           |
| 1.1 Net carbon captured by the project and emissions reduced by avoided deforestation                         |                             |                                  | tC                       | 0.00     | 2012          | CONAFOR  | Ultimate carbon results will be based on the National MRV system.   | P    | 54,000.00 |
|   |                             |                                  |                          |          |               |  |   | P(a) | 54,000.00 |
|   |                             |                                  |                          |          |               |  |   | A    |           |
| Impact:   |                             | 2 Beneficiaries income increased |                          |          |               |  |   |      |           |
| Observation:  |                             |                                  |                          |          |               |  |   |      |           |
| Indicators  |                             | Flags*                           | Unit of Measure          | Baseline | Baseline Year | Means of verification  | Observations  | EOP  |           |
| 2.1 Increase in profit derived from beneficiaries activities after implementing silvo-pastoral system.        |                             |                                  | USD per hectare per year | 331.00   | 2012          | National survey of CONAFOR's beneficiaries and survey by TA Facility for ME-L1120 beneficiaries. | The additional income is that which is generated in cash flow from having implemented the silvo-pastoral system. Exchange rate: 12.75 MXP/USD. Baseline obtained from the average yearly income from traditional livestock activity, based on the Economic Anal | P    | 225.00    |
|   |                             |                                  |                          |          |               |  |   | P(a) | 225.00    |
|   |                             |                                  |                          |          |               |  |   | A    |           |
| 2.2 Increase in profit derived from beneficiaries? activities after implementing a forest management program. |                             |                                  | USD per hectare per year | 0.00     | 2012          | National survey of CONAFOR's beneficiaries and survey by TA Facility for ME-L1120 beneficiaries. | The additional income is that which is generated in cash flow from having implemented the forest management program.The baseline is zero as the assumption is that there is no income derived from forest management previous to the elaboration of a Forest Ma | P    | 10.00     |
|   |                             |                                  |                          |          |               |  |   | P(a) | 10.00     |
|   |                             |                                  |                          |          |               |  |   | A    |           |

Outcomes

| Outcome:  | 1 Land under low carbon strategies increased in EARA |                       |          |               |  |  |       |       |       |       |        |        |
|---|--|-----------------------|----------|---------------|--|--|-------|-------|-------|-------|--------|--------|
| Observation:  |  |                       |          |               |  |  |       |       |       |       |        |        |
| Indicators  | Flags*   | Unit of Measure       | Baseline | Baseline Year | Means of verification                          | Observations   | 2014  | 2015  | 2016  | 2017  | EOP    |        |
| 1.1 Coverage of land where a low carbon strategy is implemented in order to avoid deforestation or capture carbon |  | Thousands of Hectares | 0.00     | 2012          | Financiera Rural, with TA Facility information | el cual supone que el número de proyectos por tipo de actividad y el número de hectáreas estimadas por proyecto : 14 proyectos de maíz intensificado de 100 ha cada uno, afectando 400 ha; 6 de aserraderos de 9,000 ha cada uno, 3 de producción, comercializac | P     | 36.30 | 64.40 | 64.40 | 19.00  | 184.20 |
|   |  |                       |          |               |  | P(a)   | 36.30 | 64.40 | 64.40 | 19.00 | 184.20 |        |
|   |  |                       |          |               |  | A  |       |       |       |       |        |        |
|   |  |                       |          |               |  |  |       |       |       |       |        |        |

| Outcome:  | 2 Participation of indigenous groups and women is increased                               |                 |          |               |  |              |      |      |       |      |       |       |
|---|---|-----------------|----------|---------------|--|--------------|------|------|-------|------|-------|-------|
| Observation:  |   |                 |          |               |  |              |      |      |       |      |       |       |
| Indicators  | Flags*  | Unit of Measure | Baseline | Baseline Year | Means of verification                          | Observations | 2014 | 2015 | 2016  | 2017 | EOP   |       |
| 2.1 Projects financed that are managed by indigenous groups or women in each of the EARA states | <br>RF | Farmers         | 0.00     | 2012          | Financiera Rural with support from TA Facility |              | P    |      | 10.00 |      | 10.00 | 20.00 |
|   |   |                 |          |               |  |              | P(a) |      | 10.00 |      | 10.00 | 20.00 |
|   |   |                 |          |               |  |              | A    |      |       |      |       |       |
|   |   |                 |          |               |  |              |      |      |       |      |       |       |

Outputs: Annual Physical and Financial Progress

| Financing line   |  | Physical Progress |      |          | Financial Progress |      |               |
|--|--|-------------------|------|----------|--------------------|------|---------------|
| Outputs  | Unit of Measure  | 2013              |      | EOP      | 2013               |      | EOP           |
| Low carbon projects in forest landscapes in EARA financed            | Projects   | P                 |      | 37.00    | P                  |      | 10,000,000.00 |
|  |  | P(a)              | 0.00 | 37.00    | P(a)               |      | 10,000,000.00 |
|  |  | A                 | 0.00 | 0.00     | A                  | 0.00 | 0.00          |
| Financial and Technical Assistance                                   |  | Physical Progress |      |          | Financial Progress |      |               |
| Outputs  | Unit of Measure  | 2013              |      | EOP      | 2013               |      | EOP           |
| Projects provided with technical assistance.                         | number of projects   | P                 |      | 97.00    | P                  |      | 2,211,000.00  |
|  |  | P(a)              | 0.00 | 37.00    | P(a)               |      | 2,211,000.00  |
|  |  | A                 | 0.00 | 0.00     | A                  | 0.00 | 0.00          |
| Ejidos and communities visited by FR agents utilized for the Program | Number of ejidos and communities visited by FR agents per year | P                 |      | 300.00   | P                  |      | 864,000.00    |
|  |  | P(a)              | 0.00 | 300.00   | P(a)               |      | 864,000.00    |
|  |  | A                 | 0.00 | 0.00     | A                  | 0.00 | 0.00          |
| Liquid guarantees applied to projects                                | Thousands of USD   | P                 |      | 1,825.00 | P                  |      | 1,825,000.00  |
|  |  | P(a)              | 0.00 | 1,825.00 | P(a)               |      | 1,825,000.00  |
|  |  | A                 | 0.00 | 0.00     | A                  | 0.00 | 0.00          |
| monitoring and evaluation  |  |                   |      |          |                    |      |               |

| Other Cost                |      | 2013   | Cost            |
|---------------------------|------|--------|-----------------|
| Monitoring and evaluation | P    |        | \$100,000.00    |
|                           | P(a) |        | \$100,000.00    |
|                           | A    | \$0.00 | \$0.00          |
| Total Cost                |      | 2013   | Total Cost      |
|                           | P    |        | \$15,000,000.00 |
|                           | P(a) |        | \$15,000,000.00 |
|                           | A    |        |                 |

Changes to the Matrix

No information related to this operation.