

May 23, 2013

Comments from Germany on the Revised CTF Investment Plan for Mexico

Dear Patricia,

as discussed during the CTF meeting, pls find attached detailed comments to the rev
IPs of Mexico

Kind regards
Annette

Division for Climate Policy and Climate Financing
senior political advisor
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General comments

Even though the overall leverage and cofunding totals have not changed much, the planned changes in cofunding from IBRD (- USD 600mio) and IDB (- USD 300mio) add up to almost one billion USD. According to the revised financing plan (Table 7, page 22), these will be compensated by a USD 1.4 billion increase in private co-financing. Given the very significant amounts of these changes, we would appreciate a detailed explanation regarding the underlying rationale and assumptions;

With Mexico being among the world's leading producers of geothermal energy and already operating almost 1,000 MW of geothermal generating capacity, the transformational impact of the proposed reallocation of USD 34 mio is questionable and might be limited to innovative pilot schemes for the scale-up of the still marginal private sector investment and development activities in the sector. Given this context, the initiative should be configured in a way so that (i) the planned facility exclusively supports private sector developers and investors, and (ii) neighboring countries can benefit from the lessons learnt and capacities developed through the proposed exploration risk mitigation scheme through a knowledge sharing mechanism.