

Mid-term Evaluation and Learning Exercise of the Project Mexico SME Energy Efficiency Management Response

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Mitigation Action
Facility

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Management Response Content

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1 Evaluation and Learning Exercise (ELE) of the Mexico SME Energy Efficiency Project – Management Response

1.1 Background

In 2023, the Mitigation Action Facility project Mexico SME Energy Efficiency was subject to an independent mid-term ELE conducted by an evaluation team led by AMBERO Consulting.

The project and Technical Support Unit (TSU) provided responses to the recommendations made by the evaluation team as follows:

1.2 Recommendations to the to the project team to achieve the goal of the project

Recommendations	Activities	Responsible Entity	Timeline
<p>Recommendation 1: Continue and deepen the process of partnering with state governments.</p>	<p>Recommendation partially accepted.</p> <p>A new strategy to collaborate with subnational governments is being developed, aiming at mobilising public funds, capacity building and enhancing the reaching to SMEs. Elections in 2024 will definitely limit the potential impacts of these collaborations, therefore year 2025 would be better to implement this strategy.</p> <p>Showcasing the benefits of these collaborations require a large amount of time owing to the long processes the EE projects entail.</p>	GIZ / Nafin	2025
<p>Recommendation 2: Explore the possibility of partnering with larger companies to encourage their SME suppliers to adopt energy efficiency (EE).</p>	<p>Recommendation accepted.</p> <p>A new strategy to partner with large companies is being developed and will be tested in the second half of 2024, potentially in the state of Nuevo Leon, which has a large industrial activity.</p>	GIZ / Nafin	2024
<p>Recommendation 3: Consider using pilot or other project</p>	<p>Recommendation accepted.</p>	Steering Committee	2024-2025

Recommendations	Activities	Responsible Entity	Timeline
<p>beneficiaries regularly as “peer ambassadors” to showcase the opportunities and benefits of EE to other SMEs.</p>	<p>This approach is already considered within the communications strategy, both in communication materials and participation in events. The documentation of success cases will emphasize the stories from the perspective of the beneficiaries (the SME owner). In addition, this approach will be used with sectorial chambers and associations and peer-to-peer interactions.</p> <p>The challenge is to produce tangible results in the short-term, in contrast to the long time every EE project requires until benefits are being drawn upon.</p>		
<p>Recommendation 4: Consider reviewing the capacity building strategy to include a substantial component of ‘training of trainers’, which will improve the efficiency and sustainability of the training activities.</p>	<p>Recommendation partially accepted.</p> <p>Capacity building activities aimed at SMEs were not initially considered in the design of the project as raising awareness was deemed a more suitable approach. However, the project has planned developing capacities in SMEs to monitor energy consumption and ensure its continuity (maintenance) as these activities were identified as the most relevant for the time being. Once the market reaches a higher level of maturity, further capacity building measures could be defined either through a ToT approach or via asynchronous e-learning methods that improve its efficiency and sustainability.</p> <p>For project developers, the project focuses of strengthening rather than building capacities. For this purpose, an e-learning offer was developed focusing on energy audits and the main technologies found in SMEs which improve the efficiency and sustainability of the trainings. The project is developing a Mentoring Programme to strengthen</p>	<p>GIZ, Semarnat, Nafin</p>	<p>2025</p>

Recommendations	Activities	Responsible Entity	Timeline
	<p>women in the sector, particularly those who develop EE projects.</p> <p>Moreover, the training of other stakeholders was also considered to improve efficiency and sustainability, the project has already supported the development of the International Energy Efficiency Financing Protocol (IEEFP) for training of financial institutions.</p>		
<p>Recommendation 5: Consider different solutions and approaches to engage and commit SMEs to EE</p>	<p>Recommendation partially accepted.</p> <p>Different approaches have been already identified as successful in engaging SME, regardless of their sector, such as emphasizing economic savings, increasing their competitiveness and climate sustainability. These approaches and tailored key messages will be used in the promotion of the project.</p> <p>It is worth noting that bespoke messages stem from implementing EE projects which take up to 8 months to be implemented, therefore this recommendation is deemed rather unfeasible within the constraints of the timeframe of the project. The project will however strive to produce them as long as the information becomes available.</p> <p>Support from chambers and associations of SMEs will again prove essential to produce cost-effective messages and actions to each sector, based on the general activities that the project is executing.</p> <p>Finally, a quick tool for energy audits for micro companies will be tested in 2024. This approach could ease reaching out to these companies and accelerate their participation, further supporting this recommendation.</p>	<p>GIZ</p>	<p>2024</p>

Recommendations	Activities	Responsible Entity	Timeline
<p>Recommendation 6:</p> <p>Review and strengthen the communications strategy</p>	<p>Recommendation partially accepted.</p> <p>Previous communication actions were limited in terms of enhancing the participation of stakeholders, as the project was not officially public until October 2023. Irrespective of this, the project will review a follow-up mechanism with participating SMEs (as in an inbound marketing approach), that could include mailing list, newsletter or similar activities. In addition, Nafin has a strong call-centre that could assist in this endeavour and ensure a proper relationship management.</p>	<p>GIZ, Nafin</p>	<p>2025</p>
<p>Recommendation 7:</p> <p>Reinvigorate the project's Steering Committee, particularly its coordination role.</p>	<p>Recommendation partially accepted.</p> <p>Elections in 2024 will make this recommendation particularly difficult to apply, since the new officers will not necessarily follow up on the dynamic and role of the current ones.</p> <p>It is however mandatory for the project to engage with new officials and ensure their ownership, still it cannot be granted now as it is prohibitively early to visualise their position towards the project.</p> <p>During the last change of Administration, Nafin did not undergo major changes in its personnel. In case this scenario occurs again, it will provide a major stability in the Steering Committee of the project.</p>	<p>GIZ</p>	<p>2024</p>
<p>Recommendation 8:</p> <p>New national (federal) and state elections will occur before the project ends. Plans should be formulated and prepared to respond to the inevitable influence the elections' results</p>	<p>Recommendation accepted.</p> <p>The project developed its planning for 2024-2025 considering the possible impact of the elections. For this, private sector is key to ensure its continuity and are the main drivers of change, in order to minimise the effects following the change of Administration.</p>	<p>Steering Committee</p>	<p>2024</p>

Recommendations	Activities	Responsible Entity	Timeline
will have on the project implementation.	<p>Chambers and associations of SMEs can support the demand-side and to keep the project in their agendas, whereas project developers, technical validation entities and banks do their part in maintaining the methodologies and protocols that the project requires.</p> <p>On the other hand, current officials of the Steering Committee play a major part in delivering their role to the new officials, including scenarios in which support is boosted or minimised.</p>		
<p>Recommendation 9: Develop and adopt a partner engagement policy that seeks an appropriate balance between the project’s objectives and the partner organisation’s goals to facilitate and speed up implementation and minimise controversies between these stakeholders.</p>	<p>Recommendation rejected.</p> <p>This recommendation is too broad to develop a suitable response. Different approaches can be developed to address different stakeholders or situations: it is unclear to which extent these should be formulated or whether a particular situation requires such recommendation.</p> <p>Moreover, it was also recommended to keep flexibility in the implementation of the project, therefore a policy in this sense could potentially contradict it and reduce the agility of the project.</p>	N/A	N/A

1.3 Recommendations to the Mitigation Action Facility for the review, approval and management of future interventions

Recommendations	Activities	Responsible Entity	Timeline
<p>Recommendation 1: Reinforce the knowledge-sharing resources (documents and spaces) between projects in similar sectors and with similar engagement challenges</p>	<p>Recommendation accepted.</p> <p>The knowledge exchange among projects is promoted by sectorial and thematic working groups, project workshops, learning events, and regular virtual meetings. Feedback from the projects is collected. Further exchange formats are under consideration to promote cross-project learning.</p>	TSU	Ongoing

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<p>Recommendation 2: Consider funding thematic evaluations of the Mitigation Action Facility portfolio</p>	<p>Recommendation accepted.</p> <p>Thematic evaluations are foreseen as a possibility as per M&E Framework of the Mitigation Action Facility, according to the needs and interests of the Board.</p>	<p>TSU</p>	<p>Ongoing</p>
<p>Recommendation 3: Consider either extending the project beyond March 2025 or starting a successor project</p>	<p>Recommendation accepted.</p> <p>The project is preparing a request for a cost-neutral extension of 12 months. This would provide additional time to roll-out the guarantee fund and start the mitigation through investments in EE technologies.</p>	<p>TSU</p>	<p>2024</p>

Donor Acknowledgement

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Disclaimer

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