

August 3, 2012

**Comments from the United Kingdom on Approval by mail: CTF-IDB "Ecocasa"
Program (Mexico Energy Efficiency Program Part II) (IDB)**

Dear Patricia

We would like to thank those involved for this project proposal and the inclusion of a comprehensive economic appraisal and M&E plan. We note the importance of the building sector in terms of avoiding lock-in to high energy usage. However we have several questions which we would be grateful if the IDB could clarify:

1. Since the ECOCASA scheme is for new housing developments, it is not clear why developing and enforcing building standards would not achieve the same impact (or a much larger impact if applied to all new housing developments). If the problem is the capacity of municipal governments to enforce standards, would it not be more effective to use funding to strengthen their capacity?

2. It was not very clear how this project would lead to larger-scale transformation. At the moment it appears to only impact about 1% of the expected housing demand. It is argued that the programme will lead to changes in policies, regulations and programmes at federal and local level. Could you please explain how it will lead to these changes, i.e. what is the theory of change?

3. We are keen to understand how the project will impact poor people and how this will be measured and monitored. Will the project create employment and entrepreneurial opportunities? How will these be measured and disaggregated?

Kind regards

Sam Balch

International Climate Fund (ICF)

International Climate Change