

Interview: Mayor Mancera of Mexico City

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Mexico City is going green. The metropolis, home to 21 million inhabitants, is taking decisive action against climate change through the launch of new sustainable infrastructure projects.

“Ciudad de Mexico”, or CDMX as it is now known (formerly Distrito Federal), has a mandate to power the entire metro system solely from clean energy sources. Taxis can now only obtain concessions if they use hybrid or electric cars. And there is a large-scale conversion underway of hospital generators from diesel to natural gas, among many other initiatives.

IJGlobal held an exclusive interview at the Mexican Embassy this week with the capital's mayor, Miguel Angel Mancera, a staunch advocate of sustainability in cities and the driving force behind CDMX's plan to combat climate change.

Mayor Mancera sits on the leadership body of C40, a global network of major cities taking action against climate change by implementing policies and programmes designed to reduce greenhouse gas emissions and climate risks.

Breaking ground

Mancera launched a plan against climate change during the fourth year of his term, in October 2016. The plan promised new investment into sustainable projects in the public transportation, hydraulic infrastructure and energy efficiency sectors within the densely populated capital city.

One month later in November 2016, Mexico City became the first sub-national government in Latin America to issue a green bond to help finance new infrastructure projects.

HSBC led the five-year, Ps1 billion (approximately \$50 million) green bond issuance which was placed on the Mexican Stock Exchange (BMV).

The placement serves as a new benchmark for regional governments to access funding to support environmentally-friendly projects.

“When we placed the bonds they were worth closer to \$100 million” explains Mancera “but then we had the devaluation (of the Peso)”.

“Take up was very quick, there are lots of funds in Mexico that are looking for these types of initiatives, funds that only come into play when there are green projects involved” he adds.

The bonds was primarily purchased by Mexico’s local pension funds (Afores).

“This is a very important financial tool for cities” says the Mayor “It’s a transparent, risk-free, rated investment” he says “we achieved a very good rate and, actually, it was snapped up by the Afores in seconds”.

Following the success of its debut issue, the government is now plotting a second green bond transaction for a larger amount of Ps1.5 billion later this year, and is strongly recommending the use of this financing mechanism to its C40 peers.

The new funding mechanism is poignant for cities in particular, as it has in some cases been more difficult for regional- or state-level projects to access funding from green-focused institutions such as the Green Climate Fund, according to Mancera.

“These institutions are focused on the national governments and it is a battle that we continue to fight, the local governments are very much on the back burner” argues the Mayor.

“This is incongruent, it shouldn’t be like this because essentially the people that have these projects in hand are the regional governments”.

Landmark projects

Specifically, the funding raised last year will benefit projects in the water supply, mobility, street-lighting sectors, as well helping to expand the metro bus services.

The government has already committed to using some of these funds for the construction of the Metrobus line 5 project, a 10-14km branch which runs along the south of the city.

But the project in the pipeline that Mayor Mancera is most proud of is the so-called Termovalorización 5,000 tonne waste-to-energy biomass project, to be built in the Bordo Poniente zone.

Mexico City urgently needs to implement new technologies to address the management of urban solid waste (MSW) in the capital city. It currently produces 13,000 tonnes of solid waste per day.

The future plant will use waste to produce 965,000MWh per year, which will supply the local collective transportation system (STC), while also minimising the use of landfills. The energy produced is understood to be enough to power the trains during all of the service hours of the 12 lines of the city's metro system.

The [government invited bids](#) for the design, build, start-up, operation and maintenance of the contract in December 2016. Termovalorización is expected to be developed under a provision of long-term services (PPS) model.

"When Mexico City showcases this plant to the world, it will be the largest in Latin America, and it will manage waste from the equivalent of various cities of Europe, I'm pretty sure that will be a significant announcement to make" Mancera says.

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