



SEMARNAT

SECRETARÍA DE MEDIO AMBIENTE
Y RECURSOS NATURALES

**COUNTRY CASE ON AMBITION LEVEL:
MEXICO**

**Partnership for Mitigation and MRV
Summer School**

Punta Cana -September 2014

ASPIRATIONAL GOALS

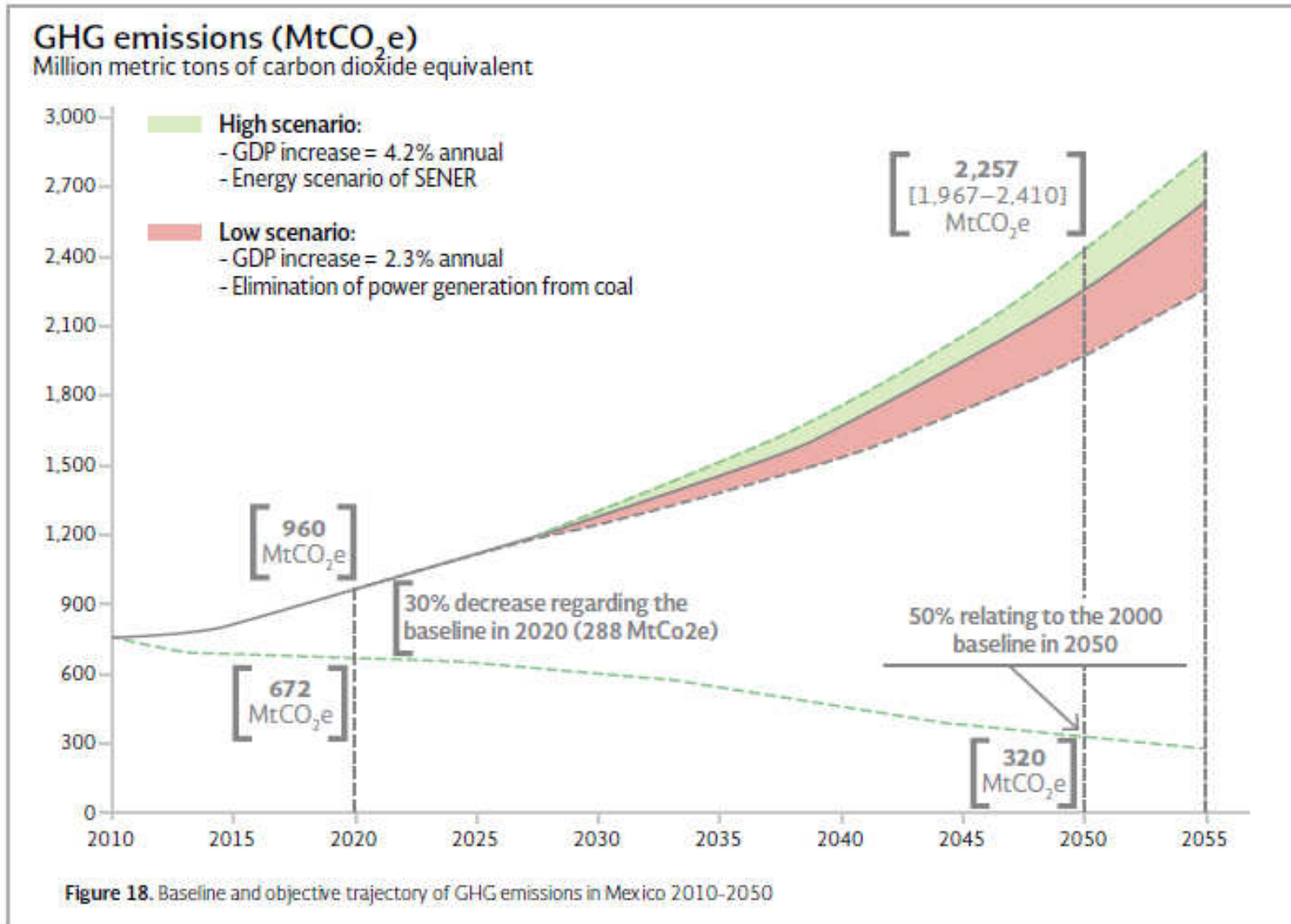
30% GHG emissions reduction in **2020** with respect to baseline

35% of electricity generation from clean energy sources in **2024**

50% GHG emissions reduction in **2050** with respect to 2000 emissions

**“THESE GOALS MAY BE
ACHIEVED IF AN
INTERNATIONAL REGIME IS
ESTABLISHED INCLUDING
FINANCIAL AND
TECHNOLOGICAL SUPPORT
MECHANISMS, PROVIDED**





GENERAL CLIMATE CHANGE LAW (LGCC) IMPLEMENTATION

National Climate Change Strategy (ENCC- Vision10-20-40)

- ❖ The National Strategy is the instrument that will guide Mexican action to tackle climate change during the next 40 years. Built upon sound scientific foundations, it poses feasible goals that go beyond reducing greenhouse gases. It sets a **long term route** to improve the health and quality of life of the population, while also turning Mexico into a more resilient society. Published on **June 3, 2013**.

Special Climate Change Program 2014-2018 (PECC)

- ❖ This program collects cross cutting efforts along Federal Administration Ministries and agencies in order to develop a number of budget assured specific actions. These actions are related to adaptation, mitigation and policies. Published on April 28, 2014.

National Climate Change System (SINACC)

- ❖ Six national relevant actors will join this ad hoc forum in order to contribute into national climate change policy building and execution. To be launched on September 5, 2014.

National Emissions Registry (RENE)

- ❖ LGCC orders to establish a GHG registry. Reporting sectors will be, for example: industry, energy, agriculture and services, etc. Bylaw on hold until approval from presidential legal council office.

Climate Change Information System (SICC) and Climate Change web portal

- ❖ LGCC demands to build a strong information system which contains relevant indicators to measure climate change impacts. Also a web portal will be created to host the system and other relevant contents regarding national climate change policy. Possible due date: december 2014.

NATIONAL CLIMATE CHANGE STRATEGY

June 3rd, 2013



The Strategy is the guiding instrument of the National Climate Change Policy both, in the medium and long term to face the impact of climate change and to promote a **competitive, sustainable and low carbon emissions economy.**

NATIONAL CLIMATE CHANGE POLICY PILLARS

PILLARS FOR THE CONSTRUCTION OF POLICY

P1

Have cross-cutting, articulated, coordinated and inclusive climate policies and actions

Develop climate specific fiscal policies and economic and financial instruments

P2

Implement a platform for research, innovation, development and adjustment of climate technologies, and strengthening of institutional capacities

Promote the development of a climate culture

P3

Implement mechanisms for Measurement, Reporting, and Verification (MRV) and Monitoring and Evaluation (M&E)

P5

Strengthen strategic cooperation and international leadership

P4

P6

NATIONAL CLIMATE CHANGE POLICY STRATEGIC AXES

A1

Reduce the vulnerability and increase the resilience of the social sector to the effects of climate change

A2

Reduce the vulnerability and increase the resilience of strategic infrastructure and production systems to the effects of climate change

A3

Conserve and use ecosystems sustainably and maintain the ecosystem services they provide

M1

Accelerate the energy transition towards clean energy sources

M2

Reduce energy intensity through efficiency and responsible consumption schemes

M3

Shift towards models of sustainable cities with mobility systems, integrated waste management, and low-carbon footprint buildings

M4


Promote best practices in agriculture and forestry to increase and preserve natural carbon sinks

M5

Reduce emissions of Short-Lived Climate Pollutants (SLCPs), and promote co-benefits in health and well-being



The Mexican Government has finished the six year Climate Change Program (PECC) for this Administration. It was published on April 28:

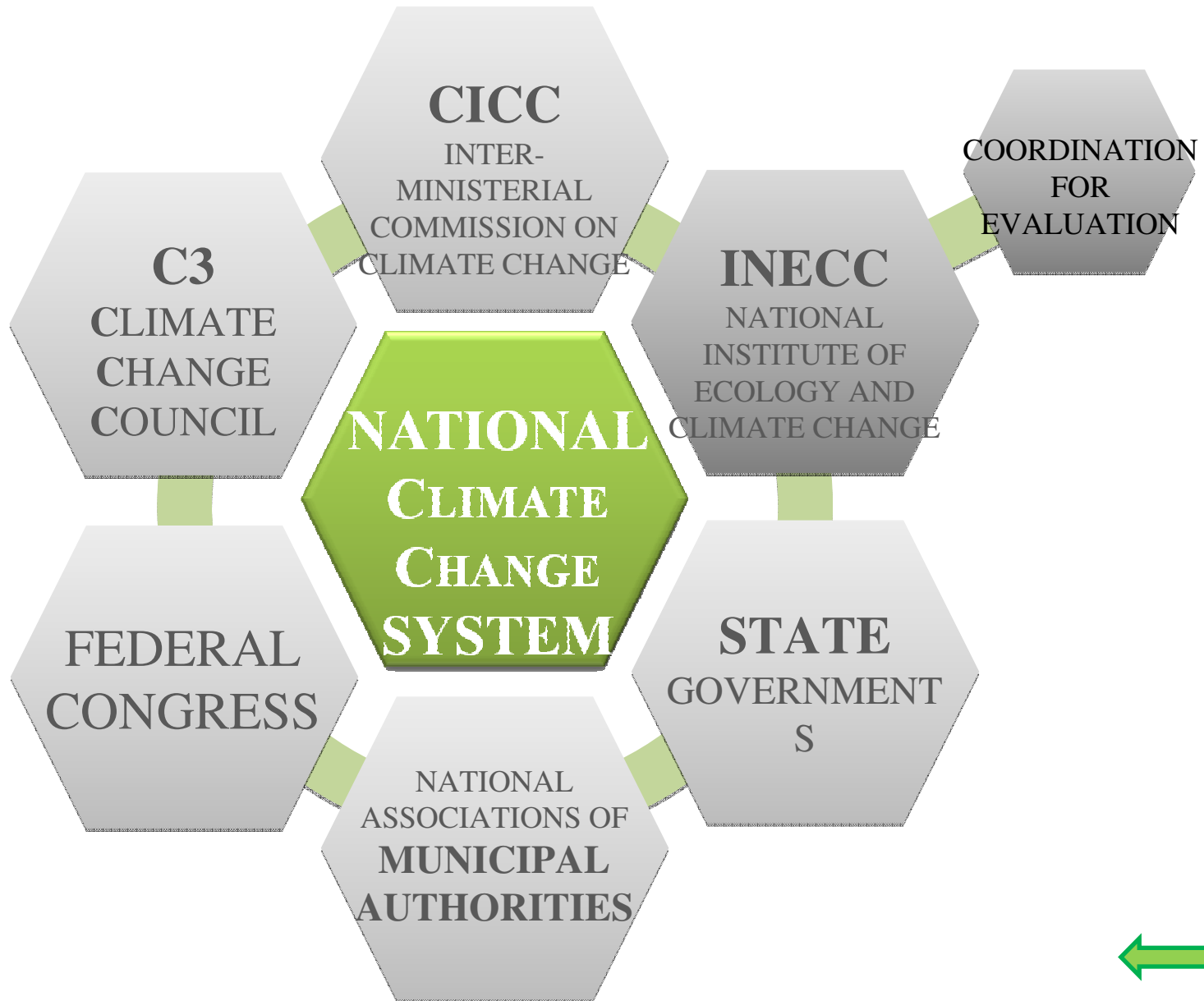
- Defines targets and **specific actions** public administration will carry out in order to achieve the 30% GHG reduction goal from GCCL
- 5 Objectives (**2 adaptation, 2 mitigation, 1 cross cutting**) 26 strategies and 199 lines of action
- Allocates **responsible agencies** for the fulfillment of each goal
- Contains **budget estimates** for each action line
- Has an **MRV** system
- Will be reviewed every two years by INECC
- Has been elaborated with gender perspective to ensure gender **equity** 

PECC's OBJECTIVES

- 1** To minimize vulnerability of society and productive sectors, increasing their resilience and the resistance of strategic infrastructure
- 2** To conserve, restore and manage ecosystems in a sustainable way to ensure their environmental services for climate change mitigation and adaptation
- 3** To reduce GHG emissions to transition to a competitive and sustainable low carbon emissions economy
- 4** To reduce short lived climate pollutants emissions, promoting health and welfare related benefits
- 5** To strengthen a national climate change policy through effective instruments and coordination with state and city governments, the Congress and society



NATIONAL CLIMATE CHANGE SYSTEM



National GHG registry by law.
Reporting will start in 2015 for 2014
emissions and will include:

SOURCES: Stationary and Mobile

TYPE: Direct and Indirect emissions

GREENHOUSE COMPOUNDS: CO₂,
CH₄, N₂O, SF₆, HFCs, PFCs, HCFCs, NF₃, and
Black Carbon

THRESHOLDS: > to 25,000 ton
CO₂e/year, (more than 95% of emitters covered)

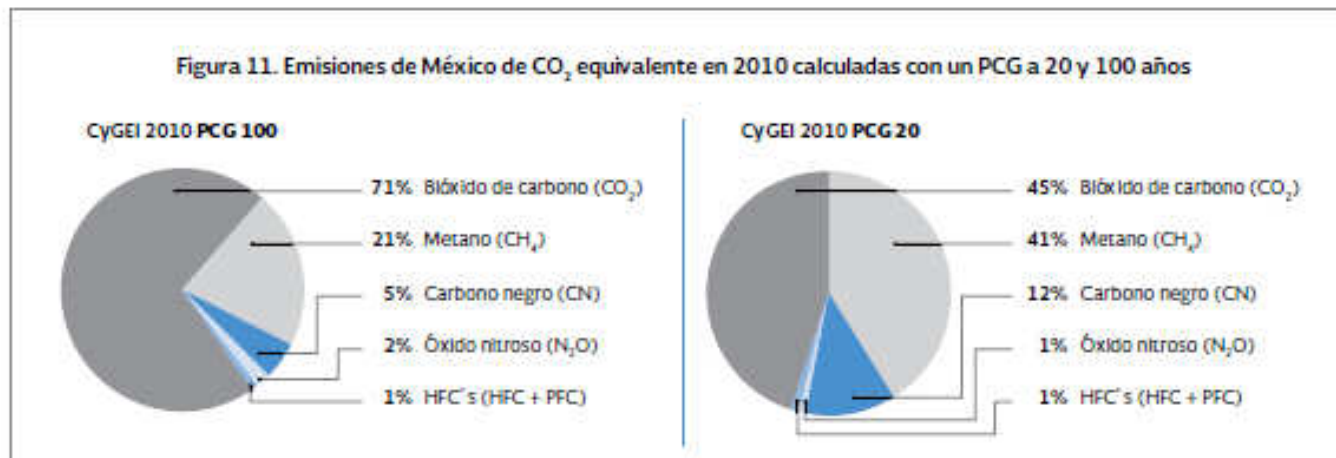
MRV: Verification every 3 years

SECTORS: Industry, Energy,
Transportation, Waste, Agriculture and Services



Mitigation of Short Lived Climate Pollutants (SLCP)

- Warming Potential in the short term and cobenefits such as in health



2010 GHG National Inventory update to 2013

- Bottom up approach

Carbon Tax

- ❖ Introduced January 2014.

Nationally Appropriate Mitigation Actions

- ❖ Currently: 2 on execution, 4 piloting, 12 design, 20 idea.
- ❖ Domestic Registry (23 Registered + 15 in the queue)

Carbon trading and other market instruments in a context of Mexican energy reform

❖ Energy reform approved a clean energy market for electricity producers, currently, specifications are under development. Carbon market will be discussed by the end of 2014 on Mexican Congress.

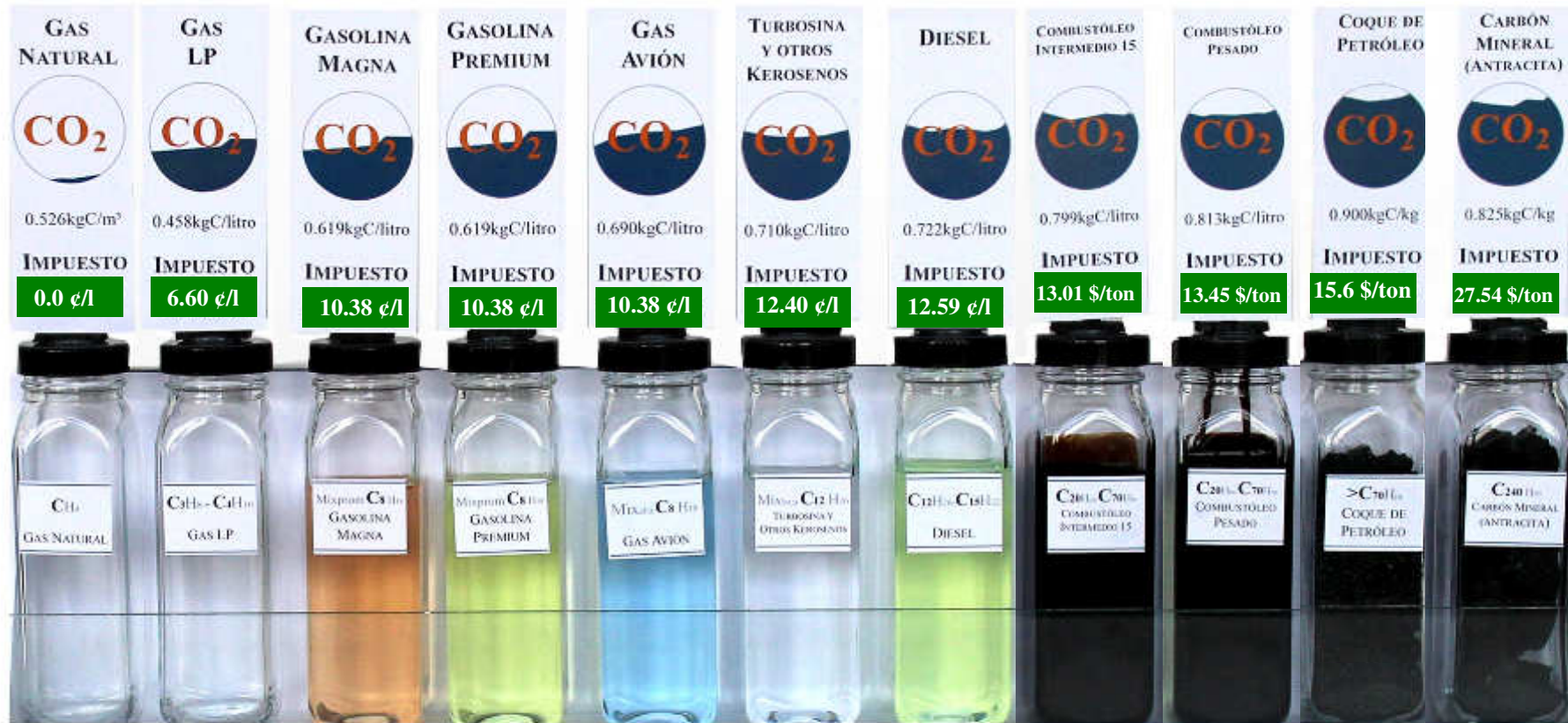
A Carbon Tax was introduced in Mexico in 2014

- It applies only for the use of fossil fuels
- The Tax is intended to create awareness of CO₂ Emissions, to put a price to carbon and to promote the use of cleaner fuels (initial price set at US\$ 5/tCO_{2e})
- It also allows for the use of offsets in the payment (only CDM)

However, modifications during its pass through Congress modified the initial proposal:

- Approx price of Carbon was set at \$US 3.5 / tCO_{2e}
- Natural gas was exempted
- Estimated revenue: approx \$US 1Bn
- Transferred to Finance Dept by first producers/importers

In following years, some changes could be introduced in the law to improve possible use of offsets



CARBON TRADING IN MEXICO

- In December 2013 the Mexican Congress modified the Constitution, thus allowing domestic and foreign private investment in the energy sector.
- **Power Sector.** Private parties will be allowed to participate in service contracts to assist CFE in the generation, transmission and distribution of electricity.
- **Cap and Trade to be developed.**
- **Special policies can be developed promoting the use of renewables**

Two market instruments described by law:

Certificados de Emisiones Contaminantes

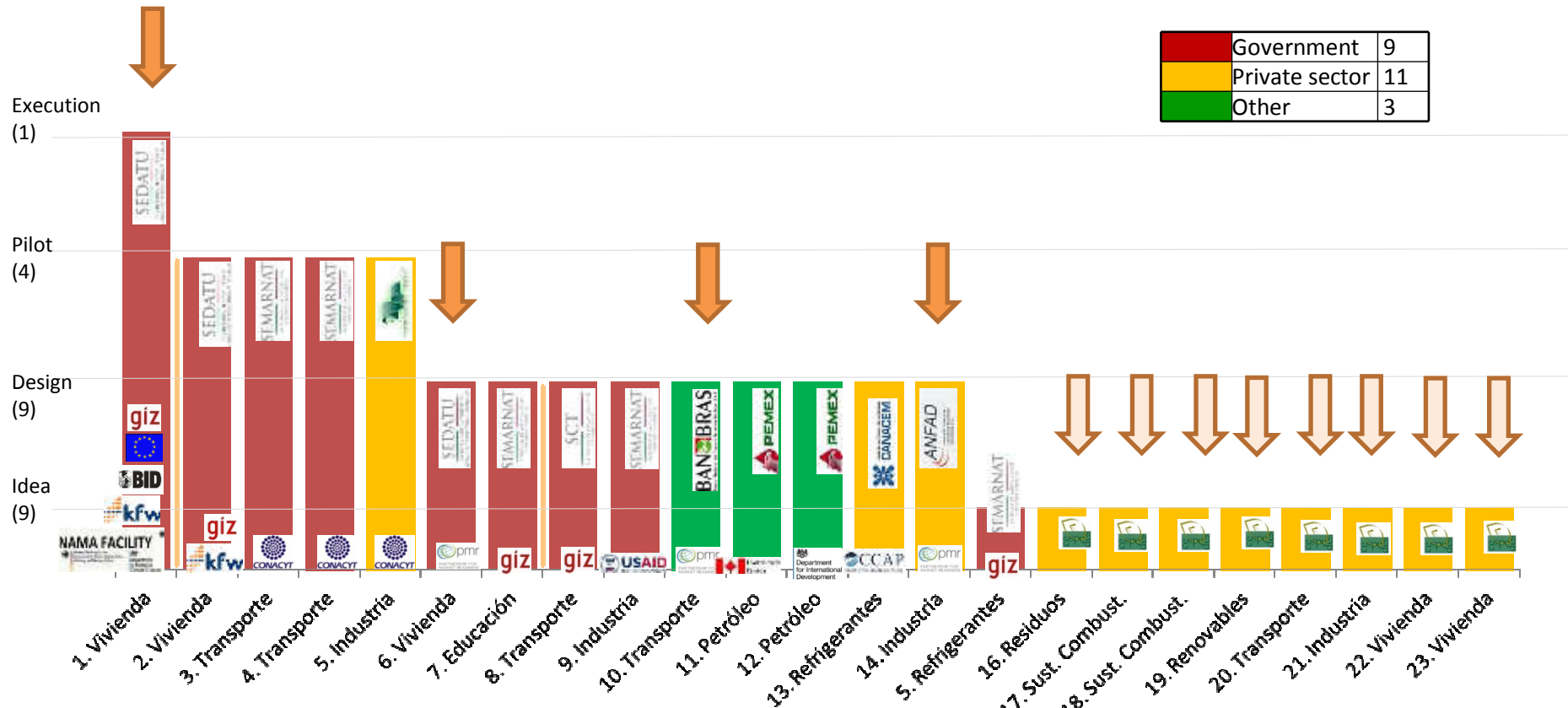
(Allowances) Discussion on this topic is delayed for next legislative term (september-december 2014)

Certificados de Energía Limpia (Clean Energy Certificates)



Use of both instruments to be determined soon

- ✓ **Use of Certificates**
- ✓ **Emission**
- ✓ **Caps**
- ✓ **Mode of allocation**
- ✓ **Modes of exchange**
- ✓ **Trade requirements**
- ✓ **Trade platform**
- ✓ **Time lines**



Government	9
Private sector	11
Other	3

- NAMA for sustainable new housing in Mexico
- NAMA for existing houses in Mexico
- Green Roads Program (replacement of diesel urban public transport units for units on natural gas)
- Energy efficiency in Federal Freight Transportation
- NAMA for the Pulp and Paper Industry
- Urban NAMA: Designing Sustainable Communities
- Low Emission Schools
- Federal Cargo NAMA for single unit owners and small companies
- Photovoltaic generation in the manufacture export industry
- Integrated Urban Mobility Systems

- Cogeneration in the Mexican Oil & Gas sector
- Fugitive Emissions Reduction in Natural Gas Processing, Transport and Distribution
- Domestic Refrigerators NAMA
- Cement Industry
- Reduction of fluorinated gases emissions in refrigeration, ACs and polyurethane foams
- Renewable energies
- Fuel replacement for thermic energy generation in the private industry
- Fuel replacement for electricity generation
- Solid waste and biomass
- Vehicle fleet renewal in Mexico
- Cogeneration in Mexico
- Solar heaters
- Concrete eco stoves

NAMA IN QUEUE FOR REGISTRATION (15 PROJECTS)

Government	8
Private sector	3
Other	4

Execution

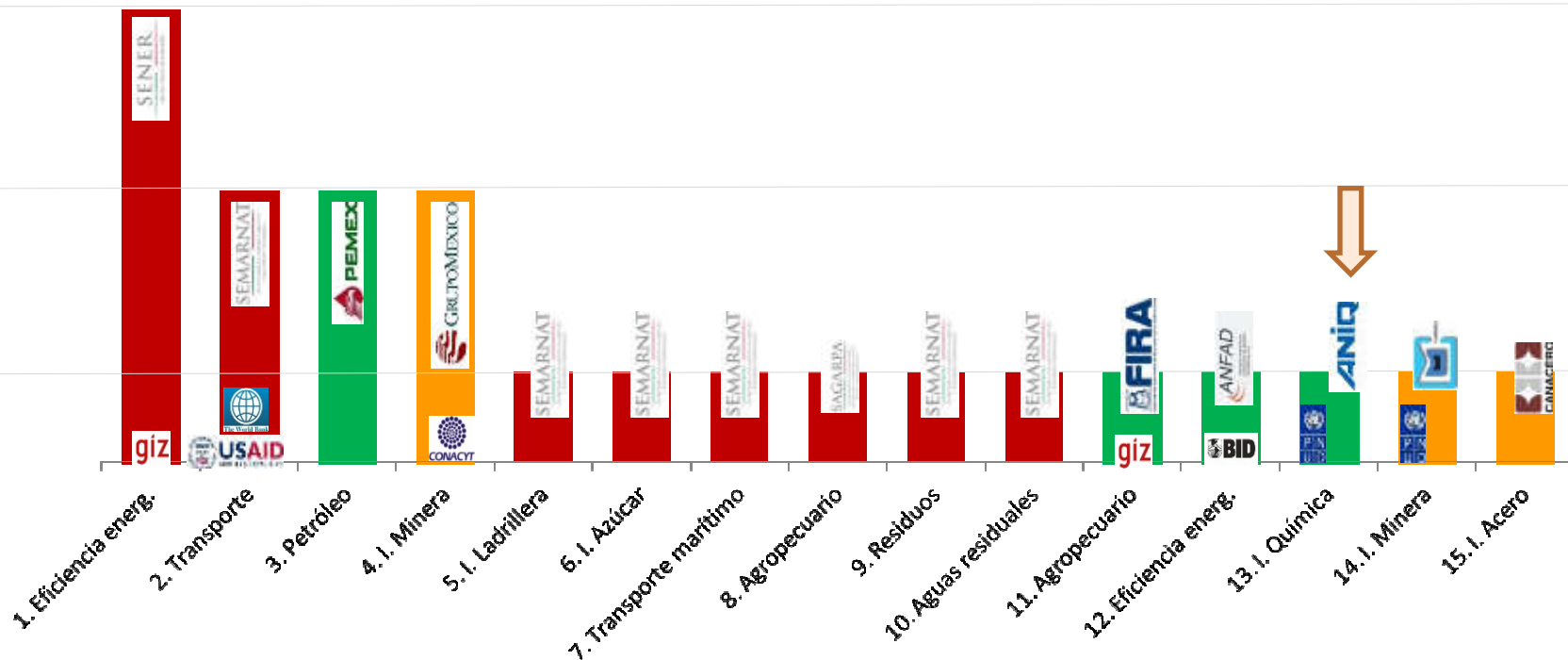
(1)

Design

(3)

Idea

(11)



1. Energy efficiency in small and medium companies (tourism sector)
2. Urban logistics for Freight Transport
3. Burners and steam systems in the Mexican Oil and Gas Industry
4. Mining industry
5. NAMA for the brick industry
6. NAMA project for sugar mills
7. NAMA for the marine sector
8. NAMA for the conservation and restoration of livestock and agricultural lands in Mexico

9. NAMA for rural waste energy recovery
10. Wastewater treatment NAMA
11. Water efficiency practices
12. Energy efficiency and water savings in home appliances
13. Chemical industry, detergents and synthetic resins subsector
14. Mining industry
15. Steel industry



Federal Government contribution only represent less than 1/3 of the 2020 mitigation goal (almost 90 mtons/CO₂e of 288 mtons/CO₂e)

NATIONAL SUM:

Collect and systematizes information from:

- ❖ Private Sector
- ❖ Local (states & municipalities)
- ❖ Non governmental organizations



SEMARNAT



Mónica Echegoyen López

Director of Global Environmental Policy

monica.echegoyen@semarnat.gob.mx