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## IKI Alliance Mexico Newsletter



### News from IKI projects in Mexico

A service provided by the “Mexican–German Climate Change Alliance”

#### Dear Reader:

The Conferences of the Parties (COPs) are the most important space for multilateral climate policy and for countries to make progress towards meeting the goals of the Paris Agreement. The aim of which is to limit global warming to well below 2°C, to take steps to limit temperature increases to 1.5°C above pre-industrial levels, to reduce vulnerability, and to strengthen resilience and adaptive capacities.

As part of its participation at COP27, the International Climate Initiative (IKI) organised the successful High Level-Event on [Paving the Way for Climate Action at Scale](#). The meeting was attended by representatives of the Federal Ministry for Economic Affairs and Climate Action (BMWK), the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) and the Federal Foreign Office (AA).

At the COP, Mexico promoted the inclusion of a human rights and gender perspective into climate policy, as well as intergenerational equity. In addition, the government presented the update to its Nationally Determined Contribution (NDC), increasing its ambition of greenhouse gas reduction from 22% to 35% by 2030. It also unveiled the [Sonora Plan](#), a comprehensive strategy to promote renewable energy and the semiconductor and automotive industries to strengthen sustainable development in the region.

The [IKI Alliance Mexico](#) quarterly newsletter highlights the activities and impacts of IKI projects and seeks to promote exchange and synergies between them. Please read more about recent milestones and achievements in the following pages.

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**We hope you enjoy this interesting read!**  
**The IKI Interface Mexico team**

## COP27 Moving Towards Climate Action Implementation



The 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27), held from November 6-18 in Sharm el-Sheikh, Egypt, once again brought together states, civil society, the private sector, academia, youth, and other stakeholders to follow up on the Paris Agreement climate negotiations.

Named the "implementation COP" by the Egyptian presidency, participants looked forward to following up on previous agreements, such as those mentioned in the [Glasgow Climate Pact](#) and emphasising loss and damage, as well as finance adaptation. Despite concerns that several of the areas under negotiation would remain unresolved, by Sunday, November 20, various agreements had been made.

The Cover Decision, the "[Sharm el-Sheikh Implementation Plan](#)", was adopted, which contains 17 key climate action themes, including science, mitigation, adaptation, loss and damage, finance and, for the first time, forests, oceans, and actions by non-party stakeholders such as youth, among others.

In addition, the multilateral negotiations made progress on several agreements in the following areas:

- **Loss and damage.** A [fund](#) was adopted to respond to these issues, and a Transitional Committee was established with the goal of operationalising it at COP28. In addition, a structure was agreed upon for the [Santiago Network](#), which aims to avert, minimise and address loss and damage under the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts.
- **Adaptation.** Under the Glasgow-Sharm el-Sheikh Work Programme on the [Global Goal on Adaptation](#) (GGA), parties decided to initiate the development of a GGA framework. This framework will provide structure to the GGA by including dimensions, themes, cross-cutting considerations, and sources of information.
- **Mitigation.** An update was given on the [work programme for urgently scaling up mitigation ambition and implementation](#). Discussions and global dialogues focused on how to increase mitigation ambition were also carried out. Article 6 decisions continued with a detailed technical level discussion for cooperative approaches (6.2), mitigation mechanisms (6.4) and non-market approaches (6.8).
- **Finance.** The [new collective quantified goal on climate finance](#) (NCQG) was discussed. It focused on establishing a work plan for 2023 to develop dialogues with technical experts and contribute to the discussion of progress on the target. In addition, participants acknowledged that the long-term climate finance target of mobilising USD 100 billion per year has not been met and that countries are encouraged to continue contributing. .
- **Inclusion.** Finally, the [Action Plan](#) under the Glasgow work programme on Action for Climate Empowerment (ACE) was adopted, focusing on immediate attention through activities that are

clear, short-term, time-bound, and focused on priority areas.

The meeting in Sharm el-Sheikh provided important advances as well as significant challenges for multilateral climate action. Following up on the outstanding items will be essential at the 58th session of the Subsidiary Bodies (SB58), to be held in Bonn in mid-2023. This will provide a clear pathway to COP28 in Dubai in the United Arab Emirates.

Learn more about the decisions taken at COP27 [here](#).

## Bilateral Projects

### Mexican-German Climate Change Alliance

02/2019 – 01/2023

Implemented by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

The [Mexican-German Climate Change Alliance](#), implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH presented the results of its cooperation with the Mexican government over the past four years, especially with the Ministry of Environment and Natural Resources ([SEMARNAT](#)).



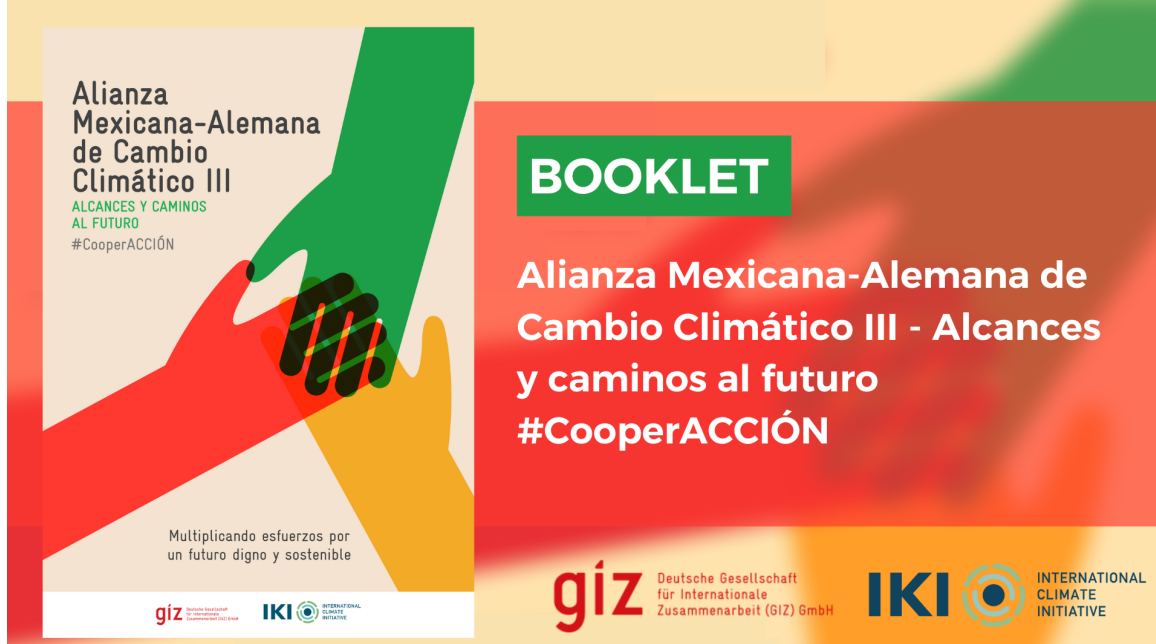
During the event, the milestones, and successes from its third phase of implementation were presented:

- Contribution to climate commitments
- Greening of the financial system
- Local climate action
- Dialogue in cooperation

Among the achievements mentioned are the strengthening of the adaptation component of Mexico's NDC; the support in the development of the sustainable financing taxonomy; cooperation with SEMARNAT in the development of the measuring, reporting and verification (MRV) system SIAT-Subnational; policy dialogue promotion between Mexico and Germany; and the boosting of knowledge among IKI projects in Mexico.

GIZ will continue to cooperate with Mexico and its partners to promote climate and biodiversity action in the country with an inclusive and bottom-up approach.

To learn more about the progress of the project's third phase, we invite you to read the publication (in Spanish) [Alcances y caminos al futuro de la Alianza Mexicana-Alemana de Cambio Climático III](#).  
[#CooperACCIÓN](#)



Read more:

- » [Scope and paths to the future of the Mexican-German Climate Change Alliance #CooperACCIÓN](#)
- » [Local Climate Action: Contributions from the German Mexican Climate Change Alliance #CooperACCIÓN](#)
- » [Guide for creating a green and sustainable finance taxonomy: lessons learned from Mexico's Government and banking sector](#)

## Adaptation to Climate Change Based on Ecosystems with the Tourism Sector (ADAPTUR)

09/2017 – 04/2023

Implemented by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



Project Implementation of an adaptation measure to climate change based on ecosystems in Cuenca La Esperanza, Guanajuato, within the framework of the Emblema project. © GIZ ADAPTUR / Mariana Rodríguez Aguilera

The Ecosystem-based Adaptation to Climate Change with the Tourism Sector (**ADAPTUR**) project is implemented by **GIZ**, in coordination with the Ministry of Tourism (**SECTUR**), the Ministry of Environment and Natural Resources (**SEMARNAT**), the National Institute of Ecology and Climate Change (**INECC**) and the National Commission of Natural Protected Areas (**CONANP**). ADAPTUR seeks to support the tourism sector in adapting to climate change.

In February this year, ADAPTUR provided technical advice to establish an alliance between the National Association of State Environmental Authorities (**ANAAE**) and the Association of Tourism Secretaries (**ASETUR**) of Mexico. As part of this partnership, representatives of the Ministry of Tourism (**SECTUR GTO**) and the Ministry of Environment and Territorial Planning (**SMAOT**) of Guanajuato presented the Emblema project's progress and results at an event organised by the World Tourism Organisation (**UNWTO**) during COP27.

The Emblema project's objective is to encourage both sectors—in collaboration with the private sector, and with technical advice from ADAPTUR and Reforestamos México A.C.—to work towards implementing Ecosystem-based Adaptation (EbA) measures in Natural Protected Areas (NPAs) in Guanajuato. The aim is to restore the soil, as the ecosystem services it provides are essential for the state's tourism activity.



This partnership—which has become a national and international benchmark—promotes green and inclusive economic recovery through activities that benefit both ecosystems and people.



María Isabel Ortiz Mantilla, head of the Guanajuato Secretary of the Environment and Territorial Planning, and Juan José Álvarez Brunel, head of the Guanajuato Secretary of Tourism at the presentation event of the World Tourism Organization at COP27 together with other participants © SMAOT

**Read more:**

» [Environment and tourism alliance presented at COP27](#)

## Preparation of an Emissions Trading System (ETS) in Mexico (SiCEM)

09/2017 – 02/2023

Implemented by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

During COP27, the usefulness of economic carbon pricing instruments, including Emissions Trading Systems (ETS), was widely discussed. Experts from various sectors and organisations such as the World Economic Forum (WEF), the European Roundtable on Climate Change and Sustainable Transition (ERCST) and the International Emissions Trading Association (IETA) met to address ETS issues.



The potential of carbon markets and ETSs to incentivise a just and inclusive transition to cleaner processes was recognized in these discussions. Their efficiency as instruments to reduce emissions and the positive social impacts they can bring were highlighted.

Mexico's role as the first Latin American country to design an ETS was also underlined. GIZ, through the SiCEM project, has accompanied the country in the development of the system. These are some of the milestones achieved between 2017 and 2022:

- The [creation of a regulation](#) for the ETS testing programme.
- The development of multiple technical and legal analyses to support SEMARNAT.
- Highly specialised training, including the [ETS 2022 Emissions Trading System Academy](#) and the second edition of the ETS Business Course.

Mexico seeks to move forward with the ETS in the next phase, which represents a set of technical and governance challenges and opportunities. The SiCEM project will continue to provide technical advice to Mexico's ETS to foster the necessary conditions for its implementation.

**Read more:**

- » [Presentation of the book "Towards an Emissions Trading System in Mexico: Rationale, Design and Connections with the Global Climate Agenda"](#)
- » [SCE book is presented at the PINCC UNAM 2022 Congress](#)



## Regional Projects

### Smart Coasts – Climate-Smarting Marine Protected Areas and Coastal Management in the Mesoamerican Reef Region

06/2018 – 05/2023

Implemented by: WWF



© Jaime Villarreal

The Costas Listas (Smart Coasts) project is implemented by the World Wildlife Fund ([WWF](#)), in coordination with partners. It aims to reduce the vulnerability of coastal populations to climate change in local communities.

Since 2022, the project has been implementing the conservation and restoration of coastal dunes. To carry out this EbA measure, the team provides awareness-raising and training workshops with the participation of the community's representatives of the Yucatan Peninsula, such as students and teachers, authorities, housewives and members of cooperatives, among others. These activities are carried out with the support of MarCost of Mexico and the National Autonomous University of Mexico.

In these workshops, information about the ecology and importance of coastal dunes, particularly in the face of the negative impacts of climate change, is disseminated. Furthermore, in a field practice, participants identify the native species of the coastal dunes of the Peninsula. The goal is to help communities in revaluing coastal ecosystems.

### Latin American Climate Assets Disclosure Initiative (LACADI)

02/2022 – 07/2023

Implemented by: Transforma – Iniciativa Climática de México (ICM)

In October, the Latin American Climate Assets Disclosure Initiative ([LACADI](#)) launched the [Diagnostic Questionnaire](#) in Mexico. This tool seeks to measure the progress or maturity degree of Mexican institutional investors in adopting climate disclosure practices.

The questionnaire—open until the end of December—will give a series of individual recommendations to help



participants during their transition for greening their operations and business models.

In parallel, LACADI prepared the policy brief on [Climate Scenarios for the Financial Sector](#). Also, to promote capacity building on this topic, LACADI held an in-person [workshop](#) on 5-6 December in Mexico City.

LACADI is a regional initiative that seeks to align financial flows in Mexico, Peru, and Colombia with national and international climate goals. Mexico Climate Initiative, Libélula and Transforma, from the aforementioned countries, respectively, work with institutional investors to promote the inclusion of climate risks and opportunities in investment decisions, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

**Read more:**

» [The LACADI 2022 questionnaire for institutional investors is open](#)

## Transformative Urban Coalitions (TUC)

01/2021 – 12/2026

Implemented by: UNU-EH -WRI



© UNFCCC / Kiara Worth

The Transformative Urban Coalitions ([TUC](#)) project, coordinated by the United Nations University and the World Resources Institute, uses film and art as tools to inspire new narratives about future cities that are more sustainable, resilient and have a better quality of life for all their inhabitants.

In its participation at COP27, the TUC led and organised various events that conveyed the project's vision and mission, bringing together different stakeholders. For example, a photographic exhibition showing different visions of what a desirable city is, was held. The film "*A True Paradise: Overcoming Paralysis*", directed by Oscar-winning directors Dirk Wilutzky and Mathilde Bonnenfoy, was premiered. Panels and workshops were also held to share and discuss the project's challenges and opportunities.

During the opening remarks of the event "The role of coalitions to foster long-term climate action in cities", Martha Delgado, Undersecretary for Multilateral Affairs and Human Rights of the Mexican Ministry of Foreign Affairs and President of the first UN-Habitat Assembly, mentioned that "only with a coordinated collective approach and action at the global, regional, national and local level can climate change be combated. This means that networks and coalitions are essential. The Transformative Urban Coalitions project is a great example of this."

The TUC project will continue working on creating new coalition building and governance models to manage more sustainable cities around the world.

We invite you to watch Delgado's video message by clicking [here](#) and the film "A True Paradise: Overcoming Paralysis" available on [YouTube](#).





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## Global Projects

### Climate Footprint 2.0

01/2022 – 10/2022

Implemented by: The Climate Group

We would like to take this edition of the newsletter to share with you the latest activities of the [Climate Footprint Project](#) in Mexico!

Since January, this project supported Monitoring, Reporting and Verification (MRV) capacity building in 10 sub-national governments in Brazil, Colombia, India, South Africa and Mexico. The project was led by Climate Group, in collaboration with Ricardo Energy & Environment, Edge Effects, and the Carbon Trust as local partner.



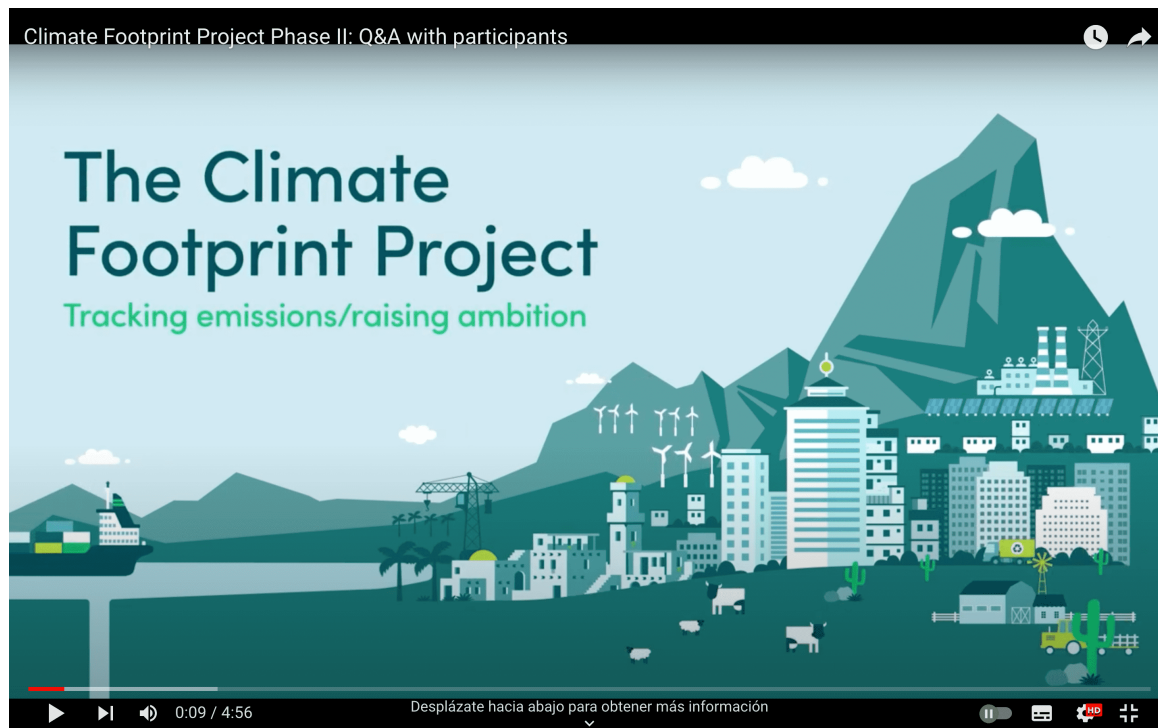
After a successful implementation, the project ended in October. Among its latest activities is the work carried out with the state of Guanajuato, through the SMAOT, to train the 46 municipal governments in MRV in their mitigation actions for the energy and transport sectors.

This training was carried out through two virtual workshops where the process of developing a mitigation action and the creation of indicators to monitor its impact were reviewed. A practical exercise on mitigation actions in the municipalities of León, Irapuato, San Luis de la Paz, and San Felipe was also carried out.

Guanajuato is actively working on its climate ambition. As an example of this, in COP27 the state was invited by the Under2 Coalition to [meet with representatives of EUROCLIMA+, AFD, GIZ and FMVD](#) to discuss cooperation opportunities. For Climate Group it is very important to be the bridge linking subnational governments and investors.



Thank you for following the development of the Climate Footprint Project! We have prepared a video with the testimonies of the participating governments; we invite you to watch it by clicking [here](#).



Video: Climate Footprint Project Phase II: Q&A with participants

## CitiesAdapt - Strengthening Adaptation to Climate Change in Cities

01/03/2022 – 31/08/2025

Implemented by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



Last workshop, day 2 © Cities Adapt

This project is implemented by [GIZ](#), in coordination with the Municipality of Merida.

It aims to improve resilience to climate change impacts in a deprived urban neighbourhood in Merida.

The project focuses on improving the local stakeholders' capacity for integrated climate-resilient urban development, considering the most vulnerable population. It also works on an innovative demonstration project in a targeted

neighbourhood. Moreover, it promotes the knowledge exchange at national and international level with a gender and age inclusive approach.

In October, a first workshop in the Plan de Ayala Sur neighbourhood was held. The workshop, which was attended by more than seventy residents of the area, showed them how climate change affects their community. Through a dynamic mapping exercise, participants identified their neighbourhood's areas where climate change impacts were most noticeable and produced the status quo study of the gender equity situation in the community.



Interactive mapping, day 1 © Cities Adapt



## Other news and events



### 4th IKI Small Grants: Call for Proposals open until 15 March 2023.

The **4th Call for Proposals** of the **IKI Small Grants programme** will remain open until **15 March 2023**.

As part of the IKI, the IKI Small Grants programme supports projects and organisations worldwide that address climate change, local adaptation, forest conservation and biodiversity.

Small regional, national, and local organisations, based in eligible countries for official development assistance (ODA), can apply for funding of their ambitious project ideas. IKI Small Grants offers financial funds between 60,000 and 200,000 euros.

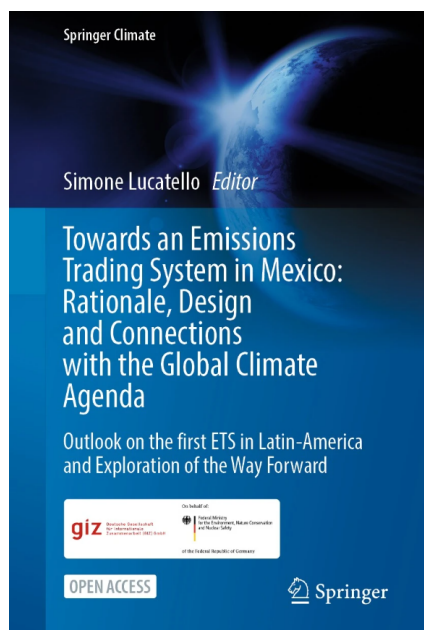
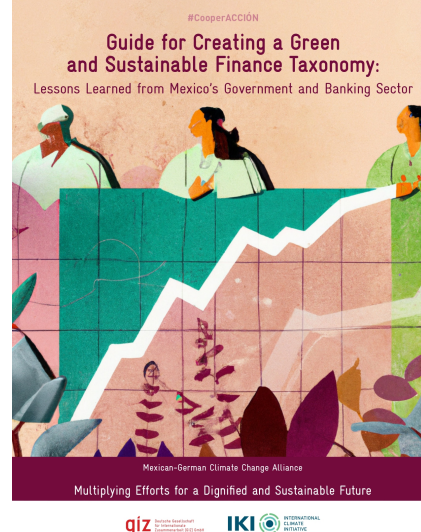
For more information, please visit: [iki-small-grants.de/application/](https://iki-small-grants.de/application/) (all documents must be submitted in English).

### Mexican-German Climate Change Alliance: Guide for Creating a Green and Sustainable Finance Taxonomy: Lessons Learned from Mexico's Government and Banking Sector

This guide draws on GIZ's experiences in developing two processes for the creation of taxonomic classification systems for finance, one with the Mexican Banking



Association (ABM) for a Green Taxonomy, and the other with the Ministry of Finance and Public Credit (SHCP) for the creation of a sustainable taxonomy. The guide shows steps and good practices to be replicated in other countries around the world. Available in [English](#) and [Spanish](#).



## SICEM: Book Towards an Emissions Trading System in Mexico: Rationale, Design and Connections with the Global Climate Agenda

This book, published in July 2022, strengthens the ETS knowledge by providing a range of perspectives and opinions on ETS fundamentals of design and implementation and its importance for Mexico's climate agenda. To learn more about this book, see the following publications:

[Book presentation. Towards an Emissions Trading System in Mexico: Rationale, Design and Connections with the Global Climate Agenda](#)

[SCE book presentation at the PINCC UNAM 2022 Congress](#)

## WaCCliM – Water and Wastewater Companies for Climate Mitigation: Support Guide for the Development of Climate Risk Management Plans for Water and Wastewater Utilities in Mexico

Due to the global challenges posed by climate change, most Water and Wastewater Operators (WBOs) have confirmed that planning is key to face the future challenges. Reducing vulnerability and contributing to the economic, social, and environmental sustainability of water supply and wastewater services are among these challenges. Therefore, climate risk plans are allies in helping OOs to cope with the contingencies that pose a risk for their infrastructure. GIZ, in partnership with the Climate Risk Institute (CRI), presents this guide to support OOs in developing their climate risk management plans.



## LACADI: Policy Brief on Climate Scenarios for the Financial Sector

Climate scenario analysis is a tool that has gained prominence in the financial world following the TCFD recommendations. This Policy Brief introduces the concept of climate scenarios in finance, explores the relationship between climate change and financial materiality, describes

some of the most used scenario analysis components, and provides examples of the information that some companies have obtained through its use.

### Initiative for Resource Efficiency and Climate Action (IREK II): Resource Efficiency and Circular Economy Roadmap of Guanajuato state

This document is the result of a cross-cutting and collaborative exchange between the Ministry of Sustainable Economic Development (SDES) and the SMAOT of Guanajuato, with support from the Initiative for Resource Efficiency and Climate Action (IREK) programme, implemented by GIZ. This resource aims to be a navigation chart that allows the state of Guanajuato to move towards a circular economy model by 2050, caring for and regenerating its ecosystems and enabling new sustainable growth alternatives.



### Cities Adapt: Project workshop

On 7 and 8 December, a workshop was held to define the objective, framework, and lines of action of the Cities Adapt project. The activities for the year 2023 were also determined in line with the Cities Adapt indicators and the priorities of the partners.

### LACADI: Workshop "Climate Scenarios and their application in Financial Risk Analysis"

LACADI and the United Nations Environment Programme (UNEP) held the workshop "Climate Scenarios and their application in Financial Risk Analysis." Among the participants, were national and international experts who guided the attendees in the use of scenarios in practice with emphasis on the most relevant climate risks for the financial sector in Mexico. The event took place on 5 and 6 December in Mexico City.



### Other IKI Newsletters!

Subscribe to these newsletters that inform about current activities and results of IKI projects in Brazil, as well as Central America and the Caribbean. Please also visit the IKI website of [Perú](#).



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