

#### On behalf of:





of the Federal Republic of Germany

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News from IKI projects in Mexico

A service provided by the "Mexican-German Climate Change Alliance"

### Dear readers:

Although the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow was postponed to the end of 2021 due to COVID-19, a large number of member countries have already reviewed and submitted their Nationally Determined Contributions (NDC).

Mexico was among the countries that submitted the update of its NDC at the end of 2020, in alignment with the Paris Agreement and its General Law on Climate Change. The update of the NDC is a first step in marking the country's path and the basis on which Mexico can unite the government's efforts with those of the diverse social sectors. The next step will be to implement the goals set in the NDC and examine possibilities to further increase ambition.

In this first newsletter of 2021, we want to share with you a brief overview of the state of Mexico's climate policy, looking at some of the challenges and opportunities the country faces. In this context, we will show you how the IKI projects are already contributing to the achievement of Mexico's climate objectives.

To learn more about the actions of the IKI projects in Mexico and our activities, visit our blog or Twitter account.

Do you have comments? We would love to hear from you! Write to our email iki.alliance.mexico@giz.de or via Twitter.

We hope you enjoy this interesting read!

Jasmin Fraatz and Mona vom Endt from the IKI interface team in Mexico



The update of Mexico's NDC took place in a challenging context due to the crisis caused by COVID-19 and the economic recession accompanying it. At the same time, the concept of green recovery - linking the economic recovery with climate action - presents a great opportunity. Integrating climate action into public policy could lead the country's economic development down a more sustainable and social

path.

While the integration of civil society in the NDC implementation process presents a challenge, it is also an opportunity to incorporate a more social approach to public policies in climate action. The Mexican Government recognizes this by emphasizing the importance of citizen participation in achieving the national commitments of the Paris Agreement.

Ensuring the participation of civil society and key public and private actors at the national and subnational levels in the implementation of the NDC, represents another opportunity for the country. Therefore, the Mexican Government is currently preparing roadmaps for the implementation of each NDC sub-action, clarifying responsibilities, time horizons and ambition levels.

In 2021, Mexico will also present the 2020-2024 Special Program on Climate Change 2020 (PECC), which seeks mainstreaming, commitment, and consensus among national level ministries to achieve cohesion to fulfill the country's commitments. In turn, the National Climate Change Strategy (ENCC), the instrument for medium- and long-term national policies, will be an important guideline in addressing the consequences of climate change and facilitating the transition towards a sustainable economic model with lower carbon emissions.

To integrate biodiversity issues into its climate actions, Mexico has the opportunity to link the implementation of the NDC with international agreements such as the Convention on Biological Diversity (CBD). By considering the Sustainable Development Goals (SDGs), the co-benefits of the implementation of climate actions can also contribute to the fulfillment of the 2030 Agenda.

The implementation of climate action is paramount, and on the eve of the climate conference, to be held in November this year in Glasgow, we would like to show you how the activities of IKI projects contribute to the fulfillment of this national process in line with global climate goals.

### **IKI Projects**

### **Bilateral Projects**

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

09/2017 - 02/2023



The project Preparation of an Emissions Trading System in Mexico (SiCEM) supports the Ministry of Environment and Natural Resources (SEMARNAT) in the design and implementation of an Emissions Trading System (ETS), an instrument incorporated into the latest update of the Mexican

NDC. Project activities support compliance with the Mexican Nationally Determined Contribution (NDC), as well as the provisions of the General Law on Climate Change (LGCC) and Article 4 of the

### Paris Agreement.

Mexico recognises its responsibility in the global effort of greenhouse gas (GHG) mitigation as well as the necessity for inclusive and sustainable economic growth. Achieving the objectives set in the NDC requires decoupling economic growth and GHG emissions; the ETS encourages these actions by creating incentives for private sector investment in low-carbon technologies.

In addition, the ETS facilitates compliance with the Sustainable Development Goals (SDGs) by promoting technological innovation. Similarly, the ETS is a multisector instrument whose implementation requires joint efforts. Therefore, in support of SEMARNAT and other key parties from the private sector, the SiCEM project strengthens capacities and provides tools and technical and legal studies.

#### Read more:

» The Emissions Trading System: Instrument to Face Transitional Climate Risks

### NAMA for Sustainable Housing in Mexico

01/2014 - 12/2021



Polonio, Finca Real Residencial, VNSC, Tapachula, Chiapas © Luis Ángel Escobar

This project, financed by the NAMA Facility, is implemented by the Federal Mortgage Society (SHF), while the German Development Bank (KfW) coordinates the financial component. The main objective is to remove investment barriers and improve access to financing for small and medium-sized developers for the construction of low-carbon houses. This contributes to the growth of a self-sufficient sustainable housing market and, in turn, to fulfilling the NDC.

Tapachula, Chiapas © Luis Angel Escobar Despite the various challenges posed by the COVID-19 pandemic, the program saw a 48% increase in requests for housing investment assistance in 2020 compared to the previous year. The 921 NAMA homes built in 2020 directly affect GHG data, as each home contributes to reducing emissions.

The project has encouraged developers to apply new energy efficiency technologies in their buildings. The construction of 5,106 homes in 15 Mexican states financed to date has resulted in the mitigation of 126,779 t of GHG emissions.

# Biodiversity and Sustainable Agrosilvopastoral Livestock Landscapes (BioPaSOS)

12/2016 - 12/2021

The Biodiversity and Sustainable Agrosilvopastoralist Livestock Landscapes (BioPaSOS) project is implemented by the Tropical Agricultural Research and Higher Education Center (CATIE) with the support of other institutions. Funded by the International Climate Initiative (IKI), its actions contribute to Mexico's NDC and the National Biodiversity Strategy (ENBioMex).

BioPaSOS contributes to reaching the NDC targets through actions focused on mitigation and adaptation in the agriculture and livestock sector. Some specific mitigation



Establishment of a forage species by livestock producers in Jalisco, Mexico © Project BioPaSOS, CATIE

actions are focused on reducing the negative impacts derived from changes in land use. BioPaSOS has strengthened the capacities of livestock families through Farmer Field Schools (FFS), to improve the productivity of existing areas used for livestock, without having to increase the number of spaces

for production. The FFS include training in good livestock practices, with an emphasis on increasing tree cover through silvopastoral systems. These interventions also contribute to the adaptation and resilience of these productive systems facing climate change.

Finally, BioPaSOS promotes sustainable livestock farming and focuses on the conservation of biodiversity, thus contributing to the objectives of the ENBioMex.



Video by Deutsche Welle about the BioPaSOS project

#### Read more:

» <u>Livestock Families in Mexico Contribute to Conserving Biodiversity by Implementing Sustainable Livestock</u>

# **Convergence of Energy Policy and Climate Change** (CONECC)

09/2017 - 09/2021



The concept of co-benefits was integrated into the update of Mexico's NDC, recognizing the synergies between mitigation and adaptation to climate change and the country's integral development. In this context, the Convergence of Energy and Climate Change Policy (CONECC) project has promoted an initiative to quantify the social, environmental

and economic co-benefits of sustainable energy.

The achievement of climate goals implies that climate actions have favourable effects on other development agendas such as social welfare, public health and economic growth.

Currently, a pilot program is being developed with the participation of six sustainable energy projects who contribute with a mitigation of around 150,000 tCO2e every year. These projects also contribute to the fight against economic and energy poverty through access to clean energy for socially impoverished communities. At the same time, they create jobs and promote the protection of natural areas.

With the results obtained from the pilot program, a tool will be developed to allow key stakeholders to quantify the benefits derived from the implementation of sustainable energy projects and thus contribute to the implementation of the NDC.

#### Read more:

- » The Activities of the Technological Innovation Hub in Querétaro Begin Successfully
- » Mexico presents the update of its 2020's NDC
- » The Government of Querétaro and GIZ Announce the Start of HUBIQ Activities: Energy and Technological Innovation
- » Start of Activities of the Pilot Program for the Quantification of Co-Benefits
- » Trends in the Energy Transition and Their Local Co-benefits in the Face of Climate Change
- » Analysis of the Budget Allocated to Environment and Climate Change in the PEF 2021
- » <u>Co-benefits Employment Opportunities and Local Benefits of Community Participation in Renewable Energy Projects in Yucatán</u>

# Mainstreaming Biodiversity into the Mexican Agricultural Sector (IKI-IBA)

12/2016 - 12/2021



Isidro Ramírez © IKI-IBA

Isidro Ramírez is a strawberry producer from Maravatío, Michoacán, where he is implementing sustainable practices in order to reverse some effects of intensive agriculture in the state and improve his harvests. In addition to the installation of a new irrigation system that makes the use of water in strawberry production more efficient, Isidro has placed green strips for the conservation of beehives, essential in the crop's pollination.

The Mother Earth project, an initiative implemented by Danone, Grupo Altex, TechnoServe, NUUP and GIZ, seeks to strengthen the strawberry value chain through the promotion of a regenerative agriculture that is friendly to the community, soil, climate and biodiversity. Among its actions, it supports local producers such as Isidro, offering them training and access to technology and capital.

This report from Deutsche Welle presents the work carried out by these actors in Maravatío, building a sustainable model that benefits productivity, protects nature and offers greater economic security to producers.



Deutsche Welle's video about Mexican strawberry producer



Cuencas Verdes seeks to promote the implementation of Ecosystem-based Adaptation (EbA) measures through a comprehensive model of conservation and resilience to climate change in priority basins of Mexico, Cuba, Guatemala and the Dominican Republic, led by OroVerde and funded by Germany's Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU).

Mexico ranks fifth among the countries with the greatest diversity, hosting about 12% of the planet's biodiversity. This means the country plays a fundamental role in complying with the NDC thanks to its role in regulating the global climate, through the implementation of ecosystem services and EbA measures in its localities.

CuencasVerdes is aligned with Axis C of the adaptation component of the NDC –"Conservation, restoration and sustainable use of biodiversity and ecosystem services"– by integrating priority issues for the country such as the conservation and restoration of ecosystems. Furthermore, the project seeks to strengthen the management and innovation of governance mechanisms, thus increasing their resilience and development, ensuring synergies for good adaptation.



Video about CuencasVerdes project

### **Mexican-German Climate Change Alliance**

02/2019 - 01/2023



The Mexican-German Climate Change Alliance, implemented by GIZ, aims to assist the Mexican Government in the implementation of concrete measures to achieve the NDC goals. The Alliance also supported the government in consultation and social participation processes in order to update the NDC.

In order to strengthen the implementation of climate actions,

the project has launched an initiative that seeks to support and strengthen socio-environmental enterprises whose main objective is the adaptation to climate change and the conservation of ecosystems in Mexico's Natural Protected Areas. At the same time, the project seeks to bring projects closer to potential private sources of financing that will allow them to scale and enhance their social and environmental impact.

Another key aspect in the implementation of NDC is the reporting, monitoring and verification (MRV) of climate actions. The Alliance supports the creation of an MRV system at a subnational level, allowing the 32 states to register their efforts in climate mitigation, adaptation and financing in order to measure the fulfilment of climate goals.

#### Read more:

- » <u>Definition of Priority Economic Activities for a Green Finance Taxonomy</u>
- » Green and Inclusive Financing Forum
- » Mexican Bank Conducts the First Joint Exercise to Identify Green Financing
- » Mexico presents the update of its 2020's NDC
- » A Green Financing Reporting Framework for Financial Institutions in Mexico
- » Why is it Important to Have a Green Financing Taxonomy in Mexico?
- » Analysis of the Budget Allocated to Environment and Climate Change in the PEF 2021
- » Finalizan con éxito las Sesiones de Apoyo a la Acción del Cambio Climático (In Spanish)
- » <u>Inicia colaboración entre el Tecnológico de Monterrey y GIZ México para hacer frente al Cambio Climático (In Sanish)</u>

### Regional projects

# **Promotion of Biodiversity and Climate Change Monitoring in the Selva Maya Region**

08/2016 - 07/2021

The project, implemented by GIZ, works in Mexico, Guatemala and Belize. The aim is to strengthen collaboration and to harmonize efforts between the countries on the monitoring of biological diversity and climate change in the Selva Maya. The goal is that the results of the monitoring have a greater influence in political decision-making.



© GIZ - Selva Maya

In this context, a technological update of the Climate
Information Platform (PIC) of the National Commission of Protected Natural Areas (CONANP) has been launched. The initiative seeks to automate processes that have so far been carried out manually.

This will allow for a timelier attainment of the annual synthesis of meteorological data, generated daily by 63 Automatic Weather Station (AWS). The AWS belong to the National Meteorological Service of the National Water Commission (CONAGUA) and are distributed in NPAs in the Selva Maya region, as well as in other areas of the country.

The Climate Information Platform will contribute to the fulfilment of Mexico's NDC objectives, by facilitating a focus on NPAs in the analysis of climatological data.

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

09/2018 - 11/2022

The Costas Listas project, implemented by the World Wide Fund for Nature (WWF) and its partners, aims to strengthen the capacities of adaptation to climate change for



communities that inhabit the interior of three Natural Protected Areas (NPA) in Yucatán and Quintana Roo. It contributes directly to Axis C of the NDC: "Conservation, restoration and sustainable use of biodiversity and ecosystem services".

In particular, Costas Listas focuses on promoting actions for the conservation and restoration of coastal ecosystems. The

project assists public policy makers and collaborates with local actors to promote its objectives. EbA measures are carried out for the conservation and restoration of ecosystems such as mangroves, seagrasses and coastal dunes. In addition to protecting the coasts from threats such as erosion and floods, these measures are key to maintaining the productive activities of tourism and fishing.

### **Global Projects**

# Water and Wastewater Companies for Climate Mitigation (WaCCliM)

12/2013 - 12/2022



The Water and Wastewater Companies for Climate Mitigation (WaCCliM) program is a joint initiative between GIZ and the International Water Association (IWA). Its main objective is to support water and sanitation companies in reducing their carbon footprint and adapting to the impacts of climate change.

ECAM 3.0 © WaCCliM

Developing a strategy to reduce GHG emissions in the urban water sector requires increasing awareness of the interrelation between water, energy and carbon. The tool for the Evaluation and Monitoring of Energy Performance and Carbon Emissions (ECAM) offers water and sanitation companies the possibility of highlighting these interrelations.

The urban water sector contributes to the NDC's objective by identifying and reducing indirect and direct emissions in all systems that make up the urban water cycle. ECAM V3.0, developed by the WaCCliM program, is the first tool of its kind (open and free) to allow a holistic approach to assess GHG emissions with precision, comparability and consistency, as well as monitoring, reporting and verifying the contribution of the urban water sector to the NDC.

### Morgenstadt Global Smart Cities Initiative: Global Approach - Local Solutions

12/2018 - 11/2021



The Global Initiative for Smart Cities, implemented by the Saltillo Municipal Planning Institute (IMPLAN Saltillo), the Fraunhofer Institute, the University of Stuttgart and the Tecnológico de Monterrey, aims to support a long-term sustainable urban development process in Saltillo that contributes to NDC compliance.

During its implementation, a reduction of 50,000 tCO2e is expected through the implementation of pilot projects, defined from dialogues between local and international strategic actors, including the city's energy, mobility and water sectors. Analysing key indicators, the sustainability profile of Saltillo was identified to implement future strategies that can contribute to the mitigation and adaptation of climate change. These results will be incorporated into the Municipal Climate Action Plan.

Currently, the initiative's challenges include identifying, developing, and implementing the most feasible pilot projects in the city, thus making Saltillo a benchmark for sustainability that can be replicated in other Mexican cities.

#### Read more:

» Remote Evaluation at City Lab Saltillo

### **FELICITY Mexico**

03/2017 - 12/2021



The global FELICITY program, implemented by GIZ, provides technical support to Mexico City (CDMX) in its Energy Efficiency in Public Buildings project and to the Naucalpan de Juárez municipality in their Organic Waste Management and Utilization project.

To achieve the NDC energy efficiency goals, CDMX estimates a necessary annual reduction of up to 3,741 tCO2e through the energy conversion of its public buildings into sustainable buildings.

On the other hand, the waste sector contributes 4.6% in total GHG emissions. Twenty eight percent of emissions in this sector would have to be reduced to achieve the objectives of the Mexican NDC. To achieve this, Naucalpan estimates an annual reduction of 77,000 tCO2e made possible with its project for the separation and treatment of the organic fraction of municipal solid waste (MSW).

Additionally, FELICITY is advising the National Bank of Public Works and Services (BANOBRAS) to enable the conditions for the preparation and implementation of low-carbon bankable projects at a subnational level that will contribute to the country's NDC.

### Read more:

- » FELICITY Mexico Invites You to Participate in the Free Online Course on Project Preparation
- » Analysis of the Budget Allocated to Environment and Climate Change in the PEF 2021

### **Gender into Urban Climate Change Initiative (GUCCI)**

10/2018 - 09/2021



This project is implemented in Mexico by Equidad de Género, Ciudadanía, Trabajo y Familia A.C and aims to integrate a gender perspective into local and national climate policies. It also strengthens capacities at a local level and develops policy recommendations with a gender perspective. Likewise, it encourages citizen participation in urban planning processes and their implementation by

improving the effectiveness, inclusion and acceptance of mitigation and adaptation policies.

As part of the project activities, the organization participated in the consultation for the integration of the human rights framework and the gender equality agenda in the NDC, as well as in the elaboration of key recommendations for their effective integration.

This year, the intention is to incorporate the differentiated impacts of COVID-19 on women and men and show how these are interrelated with the climate crisis. Due to sex-based division of labor, women are particularly affected by the pandemic. The project aims to put a focus on this aspect in the compliance, implementation, and monitoring of the NDC and its adaptation at the local level.

### ADAPTUR – Ecosystem-based Adaptation to Climate Change in cooperation with the private sector in Mexico

- » How Much Does Climate Change Cost the Tourism Sector?
- » Investments Adapted to Climate Change in the Tourism Sector

### 5th IKI Workshop

The annual IKI exchange workshop will take place this year on **April 13** with BMU, Mexican partners and IKI projects. The topic will be the implementation of the NDC as well as Mexico's agenda for biodiversity protection.

### Contact

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Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Registered offices Bonn and Eschborn, Germany

Friedrich-Ebert-Allee 32 + 36 53113 Bonn, Germany T +49 228 44 60-0 F +49 228 44 60-17 66

Dag-Hammarskjöld-Weg 1 - 5 65760 Eschborn, Germany T +49 61 96 79-0 F +49 61 96 79-11 15

E info@giz.de I www.giz.de

#### Registered at

Local court (Amtsgericht) Bonn, Germany: HRB 18384 Local court (Amtsgericht) Frankfurt am Main, Germany: HRB 12394

VAT no. DE 113891176 Tax no. 040 250 56973

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### In charge of this newsletter:

Jasmin Fraatz, jasmin.fraatz@giz.de

### Editor(s):

Mona vom Endt, mona.vomendt@giz.de

### With contributions from:

Lorena Mayela Quiroz Ayala

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