



IKI Alliance Mexico Newsletter



News from IKI projects in Mexico

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

Dear reader,

Including the private sector in the implementation of the Nationally Determined Contribution ([NDC](#)) and the Convention on Biological Diversity ([CDB](#)) is a strategic necessity if we are to develop actions that can contribute to climate change and the conservation of biodiversity.

In this newsletter, we want to show you why cooperation with the private sector in climate and biodiversity action is so important and how IKI projects are working together with businesses and financial institutions, thus making an important contribution.

We would also like to once again thank everybody who participated in making our Fifth IKI Networking Workshop a success. We invite you to download the [documents](#) where you will find the event summary, as well as the results of the panel discussions and thematic groups.

This "IKI Alliance Mexico" quarterly newsletter highlights the activities and impacts of IKI projects in Mexico and aims to promote exchange and synergies between them. Share it with your colleagues and counterparts and visit our [blog](#) or [Twitter](#) account!

Do you have any comments? We would love to hear from you! Write to us at 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 in Mexico



According to the United Nations Framework Convention on Climate Change ([UNFCCC](#)), the current cost of achieving a realistic contribution to the Sustainable Development Goals ([SDGs](#)) exceeds 130 billion dollars per year. The private sector and financial markets will have to play a key role in order to reach this figure.

Incorporating the private sector's perspectives, needs, and capacities for innovation into the formulation of climate policies and strategies, allows for feasible and ambitious goals to be set. These goals will over time materialize into economic and social benefits for both private companies and the wider public. According to the secretariat of the [Global Network of the National Adaptation Plan](#) (PNAD: 2019), the private sector should play an active role in the design, planning, financing, implementation, and monitoring of climate change adaptation actions.

The post-pandemic economic recovery presents a great opportunity to incorporate climate friendly approaches into the private sector. Investments can become greener by, for example, incorporating unconventional renewable energies, circular economy perspectives, or recycling. Similarly, as businesses expand or rebuild, they can include measures to adapt to climate change and minimize the economic damage from extreme weather events, to name just one example.

The fifth edition of the Adaptation Gap Report of the United Nations Environment Programme ([UNEP](#)) highlights three ways in which sustainable financing is having a significant impact on adaptation, both in the private and financial sectors: taxonomies, serving as indicators that help track ecological activities; financial regulations and transparency of investments in climate action issues; and sustainable financial systems that encourage the mainstreaming of climate-related risk management.

Coming back to the costs associated with climate action, in the case of Mexico, a report carried out by the National Institute of Ecology and Climate Change ([INECC](#)) in 2018 estimates that the [economic cost for complying with the NDC in Mexico](#) is 126 billion dollars during the period from 2014 to 2030. On the contrary, inaction, meaning continuing with business as usual, would require a cost of 143 billion dollars in the same time frame.

With the goal of promoting private sector participation in the update of the [NDC](#) in Mexico, a participatory process of dialogues and consultations was carried out nationally in 2020 to learn about the concerns and proposals of the private sector. This process highlighted that cooperation and climate finance are crucial tools in helping to accelerate the implementation of the updated NDC.

Bilateral Projects

Ecosystem-Based Adaptation to Climate Change in Cooperation with the Private Sector in Mexico – ADAPTUR

09/2017 – 08/2021



Hurricane in Los Cabos, Mexico © IMPLAN.

The project Ecosystem-based Adaptation to Climate Change in cooperation with the Private Sector in Mexico ([ADAPTUR](#)) is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit ([GIZ](#)) GmbH, 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 for Protected Natural Areas

(CONANP). One of its objectives is for the private tourism sector to adopt Ecosystem-based Adaptation (EbA) solutions in new investment projects.

Through cooperation with eleven leading investment and development companies in this sector, the [Guide for Investments Adapted to Climate Change](#) was published and piloted in various regions of the country. As a result, each company identified its risks associated with climate change in the areas of infrastructure, operation, social aspects, regulations, finance and the market, as well as the most appropriate adaptation solutions for their investment projects.

To cite one case of success, a hotel group with a presence in Mexico and Jamaica incorporated EbA into the business policy of its main resort in the Riviera Maya and began the rehabilitation of coral reefs and dunes.

Expert sector consultants also adopted the Guide through a series of trainings and exchanges, resulting in the process being replicated in other investment projects and in other regions, all thanks to collective leadership.

Download the Guide for Investments Adapted to Climate Change: [ADAPTUR](#)

Read more:

» [Quintana Roo Congress Proposes Environmental Actions](#)

Mexican-German Climate Change Alliance

02/2019 – 01/2023

The GIZ lead [Mexican-German Climate Change Alliance](#) is supporting [SEMARNAT](#) in the development of a governance framework to promote the mobilization of public and private resources towards the fulfilment of the Nationally Determined Contributions (NDC) in Mexico.



The Alliance, in coordination with the private sector, supported the creation of a regulatory framework and incentives for the development of a climate finance concept.

An example of this is the collaboration between the project and the Association of Mexican Banks (ABM). In 2016, GIZ and ABM created the Strategic Alliance for the Green Bond Market Development. Since then, different projects have been carried out to promote the creation of a sustainable financial system in the country. One of the most important achievements derived from this collaboration is the creation of the [Green Financing Taxonomy](#) (2020), which contains criteria and indicators that allow classifying various economic activities according to their contribution to mitigation and adaptation to climate change. Taxonomies are useful instruments for sustainable finance, as they provide certainty, clarity and transparency to different market investors and reduce the risk of bad practices such as greenwashing.

Although this is a significant advance, a lot remains to be done. The gap between national priorities on climate change and the sustainability and stability of the Mexican financial system must be bridged further. Likewise, there are areas of opportunity such as the development of a governance framework that fosters the conditions for the greening of the financial system.

Read more:

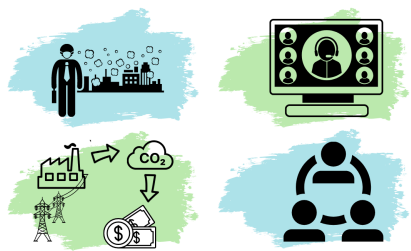
» [Fifth IKI Interface Workshop in Mexico](#)

» [Exchange of Experiences to Make the Financial System in Latin America Greener](#)

Preparation of an Emissions Trading System in Mexico

(SiCEM)

09/2017 – 02/2023



The project Preparation of an Emissions Trading System in Mexico (**SiCEM**) is implemented on behalf of the Federal Ministry of the Environment, Nature Protection and Nuclear Safety (**BMU**) of Germany. The SiCEM project seeks to create the institutional conditions and technical capacities of public and private actors for the design and implementation of the Emissions Trading System (ETS) in Mexico.

To achieve a successful implementation of the **ETS Trial Program**, capacity building and the exchange of experiences are essential. For example, the project works closely with the private sector, by training more than 400 representatives from different industrial sectors of the country.

As part of these activities, on June 2, 2020, the Federal Electricity Commission (CFE) and the SiCEM project signed a Memorandum of Understanding to carry out the first Learning Network (**RdA**) in the context of an ETS for the electricity sector. The RdA, which has 36 **CFE** participants and 27 independent producers, is made up of four technical webinars and will last until September 2021.

Read more:

» [Executive Dialogues on International Carbon Markets](#)

Climate Protection in the Mexican Urban Policy (CiClim)

08/2017 – 12/2022

The project Climate Protection in the Mexican Urban Policy (**CiClim**), implemented by GIZ, aims to improve sustainable urban planning in Mexican cities as a climate protection measure.

CiClim has collaborated with the private sector to improve road safety conditions, prioritize pedestrians and promote cyclist mobility. These actions contribute to the modal shift to reduce dependence on private cars, thus reducing CO2 emissions.



Mural interventions and tactical urbanism in Mérida © CiClim.

In the municipality of Mérida, in the south of the country, the **Comex** company collaborated with CiClim by donating paint for murals with themes that raise awareness about climate change. In addition, it provided funding for the expansion of pavements and road safety elements.

Meanwhile, in the municipality of San Nicolás de los Garza, in the north of the country, the **Cemex** company collaborated with CiClim by providing road elements to define a cycle lane, thus reducing road accidents, and strengthening cycling mobility projects.

These initiatives show that the foundations have been laid for future collaborations with the private sector to maximize the project's impacts. The challenge consists in mediating the interests of the different parties.

Read more:

» [Nature and City: An Effective Pairing Against Climate Change](#)

Biodiversity and Sustainable Agrosilvopastoralist Livestock Landscapes (BioPaSOS)

12/2016 – 12/2021



Cheese from Los Ángeles Cheese Factory in Chiapas, Mexico © BioPaSOS

The Biodiversity and Sustainable Agrosilvopastoralist Livestock Landscapes ([BioPaSOS](#)) project is implemented by the Tropical Agronomic Research and Higher Education Center (CATIE), with support from other institutions and funding from the International Climate Initiative (IKI). As part of its activities, BioPaSOS is working with the private sector.

The project generates relevant information for private sector decision-making, including studies that demonstrate the benefits of the implementation of silvopastoral systems and good livestock practices. The aim is to increase the income of livestock families and to promote the conservation of biodiversity and associated ecosystem services. These studies are complemented with the generation of capacities at different levels (for example in [Field Schools](#)) to improve business management. Subsequently, opportunities are sought to generate alliances between the actors in the production chain.

An example of a BioPaSOS collaboration is the linking of producers with [The Green Corner](#), a chain of stores which sells organic and or healthy products that are environmentally friendly and are offered in supermarkets and restaurants in Mexico City.

Cooperation with the private sector has a lot of expansion potential by seeking new strategies that incorporate sustainability principles into their business model. This is not only to respond to the needs of the market, but also to global commitments such as the Sustainable Development Goals (SDGs) and the post-COVID19 Green Recovery, to mention just two.



Producers of Los Ángeles Cheese Factory, in Chiapas, Mexico, receiving training on the standardization of recipes © BioPaSOS

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

12/2016 – 12/2021



Agricultural Sector ([IKI-IBA](#)) reinforces links with the private sector to promote sustainability among the different actors of the food system, through the implementation of the Economics of Ecosystems and Biodiversity for Agriculture and Food Program ([TEEB AgriFood](#)).

TEEB AgriFood—which is active in seven countries, including Mexico—is an initiative funded by the European Union and implemented by the United Nations Environment Program ([UNEP](#)) for the public sector, and by Capitals Coalition for the private sector. The program offers a framework designed to guide the evaluation of food systems and their complex linkages to the environment, society and human health.

In the field of business, TEEB AgriFood proposes a systemic evaluation with science, economics, and business specialists to integrate the value provided by nature, people, and society, thus transforming the way in which decisions are made in relation to the food system. [GIZ](#), through the IKI-IBA project, and together with the Mexican Biodiversity and Business Alliance ([AMEBIN](#)), was a key actor in the implementation of the TEEB AgriFood Program in the private sector.

Please see the infographics for more information on the implementation [process of TEEB AgriFood for companies in Mexico](#).

For more information about this project, write to alejandra.bolde@giz.de

Enhancing the Coherence of Climate and Energy Policies in Mexico (CONECC)

09/2017 – 09/2021



The project Enhancing the Coherence of Climate and Energy Policies in Mexico ([CONECC](#)), implemented by GIZ, has promoted the consolidation of [HUBIQ](#) in the state of Querétaro, a technological innovation hub in the field of sustainable energy.

Its main objective is to link different actors of the innovation ecosystem, including the private and public sector, Micro, Small & Medium Enterprises (MSMEs), start-ups and academia. The aim is to take advantage of the potential of technological innovation and to strengthen climate action at

local, regional, and national levels. The HUBIQ formation process has allowed a dialogue and approach between large companies such as Mabe, General Electric, SIEMENS and private equity funds with start-ups, entrepreneurs, and other technological innovation projects, so that innovative proposals can be created that are better aligned with local market needs.

In May 2021, HUBIQ managed to establish itself as a Civil Association (A.C.), representing a milestone for the project, the sectors and the people involved. This achievement will allow this model to continue consolidating alliances for technological innovation and sustainable development.

Currently, work is being done on the publication of a manual that facilitates the replicability of the hub in other states, strengthening other innovation ecosystems to promote this collaboration scheme with the private sector.

For more information about this project, write to Juan Carlos Mendoza: juan.mendoza@giz.de

Read more:

» [Innovation Projects Successfully Conclude the Technological Acceleration Program](#)

- » [GIZ, in Coordination with SEMARNAT, Promotes the Process of Quantification of Sustainable Energy Co-Benefits](#)
- » [Strengthening Capacities on Renewable Energy Co-benefits at a Subnational Level in Mexico](#)

Regional Projects

Mobilizing capital for EbA – the value of resilient forests for water management in the tropics

01/2018 – 12/2023

In the [CuencasVerdes](#) project, led by [OroVerde](#) and financed by the BMU, a crowdfunding campaign called Héroe Brigadista was launched, seeking to raise funds to equip three brigades to fight forest fires in Atlautla de Victoria, Santa Isabel Chalma and Sierra de Guadalupe.

In addition, the initiative received a donation from the German insurer Munich Re/ERGO, which made it possible to extend the duration of the project.



© PRONATURA MÉXICO

This has led to the execution of more fire prevention actions and the implementation of EbA measures in these areas. This cooperation illustrates how the intervention of the private sector increases the opportunity for visibility and impact by accessing more resources.

The CuencasVerdes project offers areas of opportunity for private companies to connect sustainability actions with social and ecological significance.



©Photo: Mexican Forest Brigade. Cuencas Verdes Project.

LAC Green Finance Facility

06/2016 – 12/2024

Within the framework of the Financial Innovation Laboratory ([LAB México](#)), an initiative supported by [IKI](#) that seeks to

promote a green financing agenda in Mexico, the [Roadmap for Distributed Generation](#) was presented.

Coordinated by [GIZ](#) and [BID](#), this roadmap seeks to promote an agenda encouraging the deployment of actions that accelerate and consolidate renewable energy on a small and medium scale.



Roadmaps are an effective instrument to convene critical actors in the development of sector initiatives related to combating climate change. On this occasion, technology providers, banking and non-banking financial institutions, national and international organizations linked to clean energy and other relevant public and private actors on the subject were invited.

Through workshops and round tables, the public and private sectors discussed and shared ideas about the creation of mechanisms for designing innovative tools that identify barriers and opportunities from the start.

As a result of this roadmap, schemes to develop financial mechanisms and to promote existing ones are being encouraged by the development bank and the associations that make up the finance sector.

Global Projects

Scaling up Ambitious Leadership: Learning by Doing

04/2020 – 09/2023



The project is implemented in Mexico by the Autonomous Technological Institute of Mexico ([ITAM](#)) and the [Mexican Climate Initiative](#) and aims to generate replicable knowledge to contribute to achieving the goal of a future of 1.5°/2°C, using the approach of “learning by doing” at the same time as disseminating knowledge.

The project in Mexico oversees analyzing the political economy of climate action that considers, among other actors, the private sector. One of the tasks of the initiative is summarized in the following question: How are “correct” incentives created, for companies in the energy sector to make investments that are profitable for both themselves and the communities in which they are located? Otherwise said, how to obtain results that sustainably benefit local development with communities and companies that have an interest in mitigation actions.

In addition, the project includes dialogues with companies in the energy sector and specific case studies that illustrate best practices, as well as failure cases that can be learned from.

Financing Energy for Low-Carbon Investment - Cities Advisory Facility (FELICITY)

03/2017 – 02/2022



The global program Financing Energy for Low-Carbon Investment - Cities Advisory Facility ([FELICITY](#)) has been accompanying the municipality of Naucalpan since 2019 in the technical optimization of the project “Management and Use of Organic Waste through the Evaluation of Energy Recovery” in order to turn it into a bankable project. With this, it is expected that the City Council will launch a tender

on the market under the public-private partnership (PPP) model to obtain the best technological and cost-benefit option for the municipality.

The purpose of this PPP scheme is to fulfil a public mission through private investment in order to guarantee access to affordable and non-polluting energy. Doing this, it will take advantage of the capacity for innovation and the means of financing and infrastructure development of the private sector. The idea is to distribute the risks inherent to the project among the sectors in a more efficient and balanced way for better control and to increase the efficiency and rationality of public spending.

The project seeks the separation and treatment of municipal solid waste (MSW) in an urban solid waste (USW) treatment plant. All recyclable materials will be separated and sent through existing recycling channels, while organic waste collected in green containers will be taken and treated in anaerobic digester facilities.

For updated information on the project, see: [Proyectos México](#).

Read more:

- » [Learn about the Challenges and Opportunities in the Development of Climate Projects at Subnational Level in Mexico](#)

Other news

■ **SPIPA – Strategic Partnership for the Implementation of the Paris Agreement**

- [Common Challenges Identified in the Mexico-European Union Forum on Climate Vulnerability](#)

[Contact](#)

[Disclaimer](#)

[Recommend this newsletter](#)

www.giz.de



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

Chairman of the Supervisory Board

Martin Jäger, State Secretary

Management Board

Tanja Gönner (Chair of the Management Board)
Ingrid-Gabriela Hoven
Thorsten Schäfer-Gümbel

In charge of this newsletter:
Jasmin Fraatz, jasmin.fraatz@giz.de

Editor(s):
Mona vom Endt

With the support of: Lorena Mayela Quiroz Ayala

Photo Credits:
GIZ, Shutterstock, CATIE, HUBIQ, CiClim, IMPLAN.

Details on the processing of your personal data by GIZ can be found in GIZ's privacy policy.

The IKI Alliance Mexico Newsletter is administered by the "Mexican–German Climate Change Alliance" and informs regularly about news of climate change and biodiversity projects in Mexico financed by the International Climate Initiative (IKI). The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) supports this initiative on the basis of a decision adopted by the German Bundestag.

If you no longer wish to receive this newsletter, please click [here](#).