



SEMARNAT

SECRETARÍA DE MEDIO AMBIENTE
Y RECURSOS NATURALES

MOU JAPAN MEXICO

**Partnership for Market Readiness
PA Meeting**

November 2014

Non binding instrument

Objective: To establish a sound base for investments, technology use, products, systems, services and infrastructure in order to help reaching a low carbon development in Mexico.

Joint Crediting Mechanism:

- Mexico identifies mitigation opportunities to apply JCM
- Japan will offer incentives and discounts for Japanese technology acquisition
 - Incentives could be: bank loans (better terms than commercial Banks)
 - Technical assistance

Both countries decide on how to calculate, certify and allocate emissions reductions. Each Project will be reviewed bilaterally.

JCM starts as a **non commercial crediting mechanism** and could evolve into a commercial mechanism.

A Joint Committee will decide on rules, procedures, methodologies and any other issue related to JCM implementation and managing. Joint Committee to be formed in the next weeks. Several feasibility studies undertaken by Japanese companies, banks, consultants in progress.