



SEMARNAT

SECRETARIAT OF ENVIRONMENT
AND NATURAL RESOURCES

Towards a Climate Market in Mexico

GENERAL CLIMATE CHANGE LAW (2012)

Low-carbon emissions economy

Resilient Mexico

Inclusive policy

NATIONAL CLIMATE CHANGE STRATEGY (2013)

10-20-40 years vision

Mitigation and Adaptation actions and policies

SPECIAL CLIMATE CHANGE PROGRAM * PECC 2013-2018 (2014)

Actions to be carried out by federal public entities in both mitigation and adaptation throughout the current administration

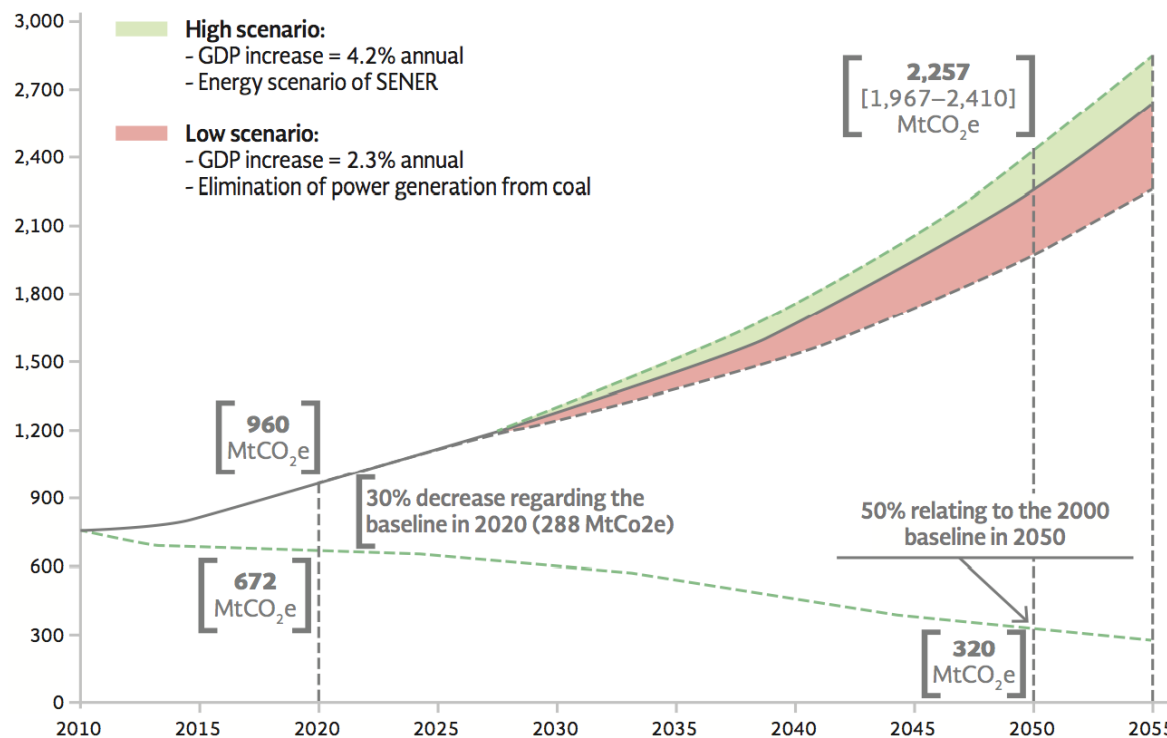
By 2020: 30% GHG emissions reduction with respect to baseline

By 2024: 35% of electricity generation from clean energy sources

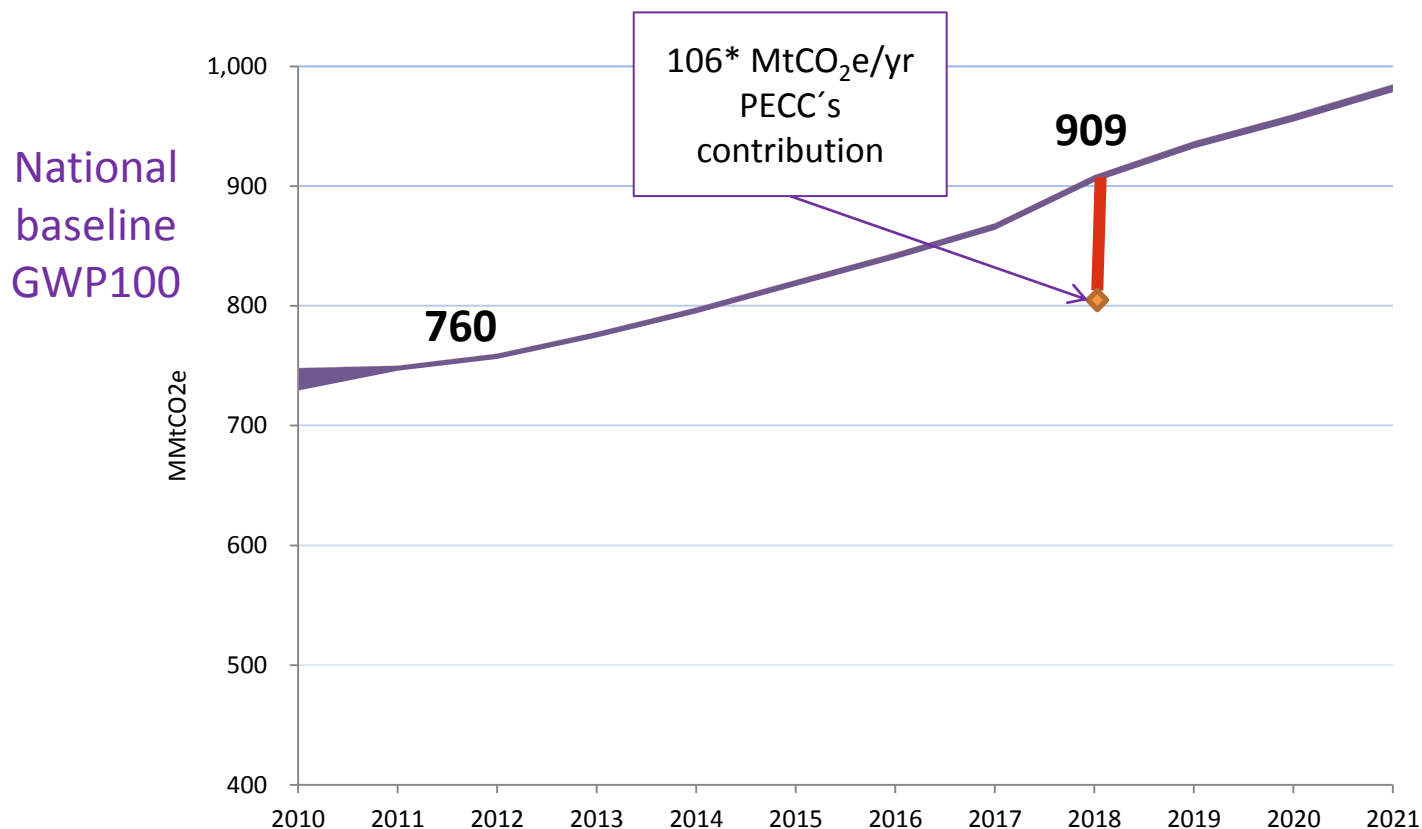
By 2050: 50% GHG emissions reduction with respect to 2000 emissions

GHG emissions (MtCO₂e)

Million metric tons of carbon dioxide equivalent

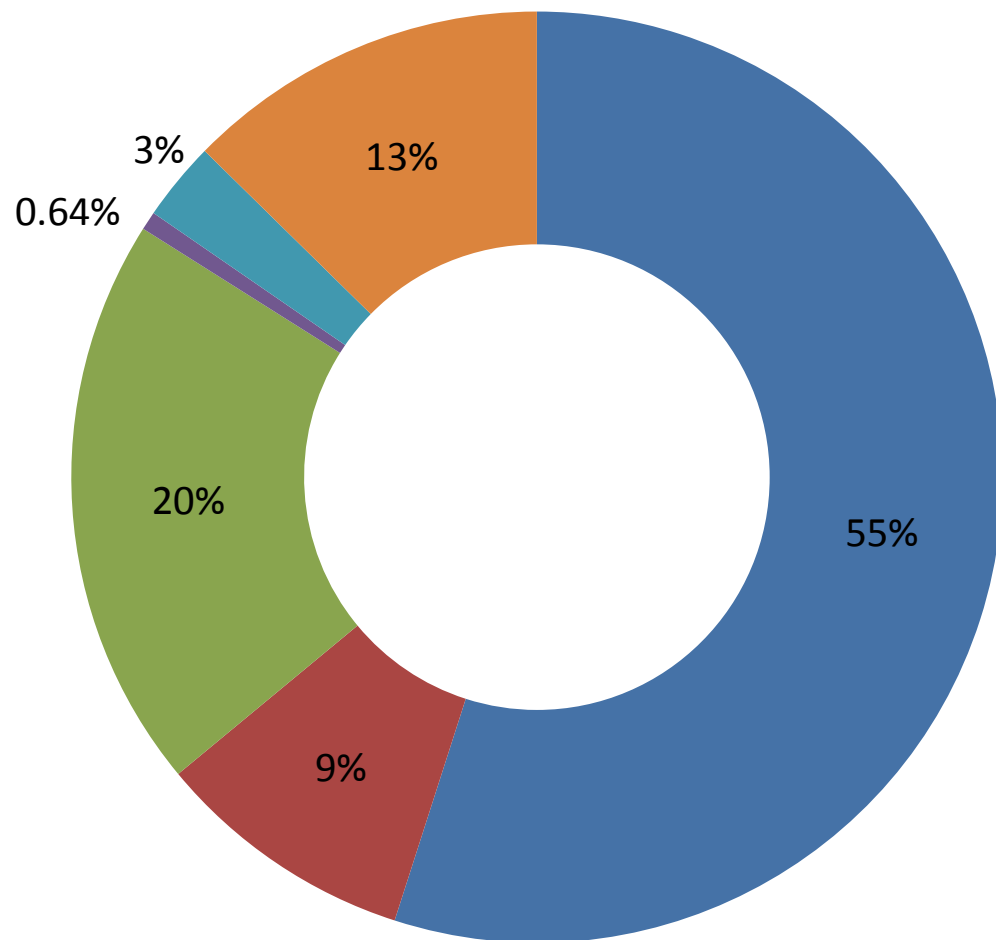


PECC's contribution to national mitigation efforts



*The amount of 106 MtCO₂e/year comprises: 75.1 MtCO₂e/year from PECC 2013-2018 mitigation action lines, and 31 MtCO₂e/year, from continuous methane reduction actions by PEMEX since 2012 (Preliminary data, under review for old and new PECCs)

Sectorial contribution to mitigation in PECC goals (MtCO₂e)



ENERGY	40.93
AGRICULTURE	6.74
ENVIRONMENT	14.87
TRANSPORT	0.48
SOCIAL DEVELOPMENT	2.05
NAMA	9.42

TOTAL = 75.1 MtCO₂e*

*preliminary data

WHAT IS NEEDED TO GET READY FOR A CLIMATE MARKET?

NATIONAL EMISSIONS REGISTRY

CARBON TAX

**INVESTMENT: INNOVATION AND
TECHNOLOGY**

ECONOMIC INCENTIVES

TRANSACTIONS PLATFORM

MRV

CAP-AND-TRADE MECHANISM

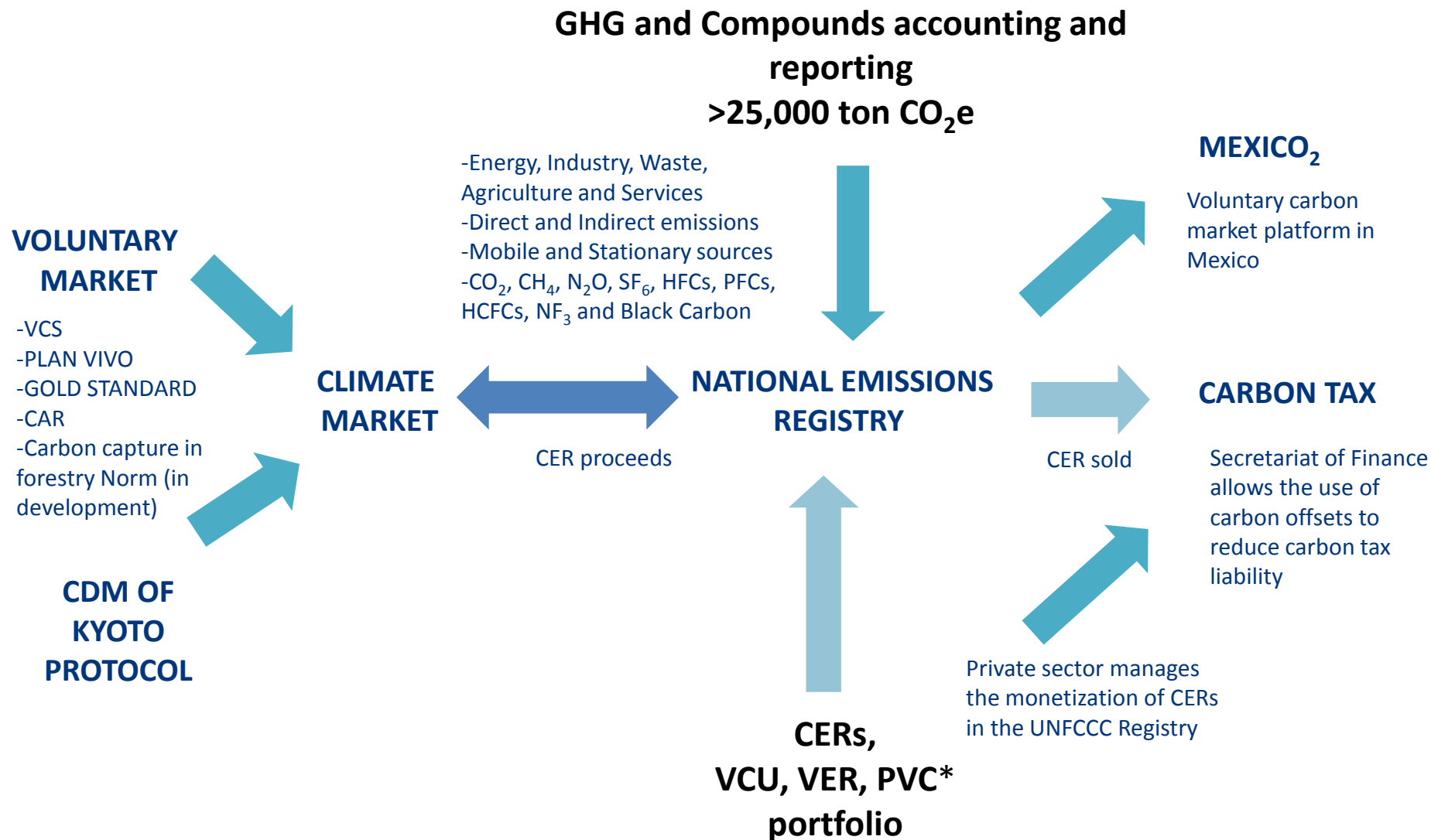


HOW IS MEXICO GETTING READY?

- **NATIONAL EMISSIONS REGISTRY** **Starting in 2015**
- **CARBON TAX** **Started in 2014**
- **INVESTMENT: INNOVATION AND TECHNOLOGY** **Energy Reform 2014**
- **ECONOMIC INCENTIVES** **Energy Reform 2014**
- **VOLUNTARY CARBON MARKET PLATFORM** **Started Nov. 2013**
- **MRV** **Development in process**
- **EMISSIONS REQUIREMENTS FOR POWER GENERATION** **Energy Reform 2014**



INDICATIVE STRUCTURE

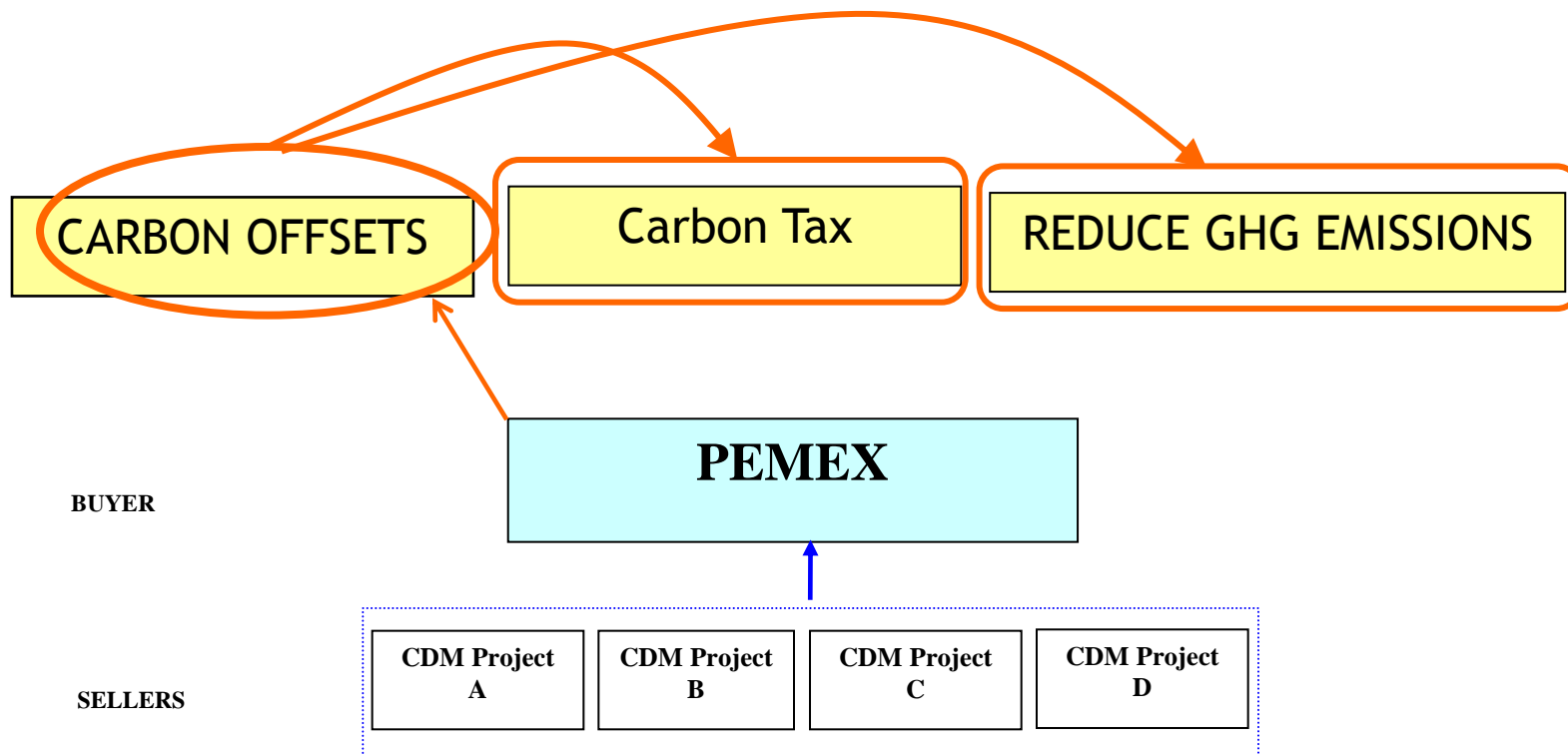


* After 2015



Example A

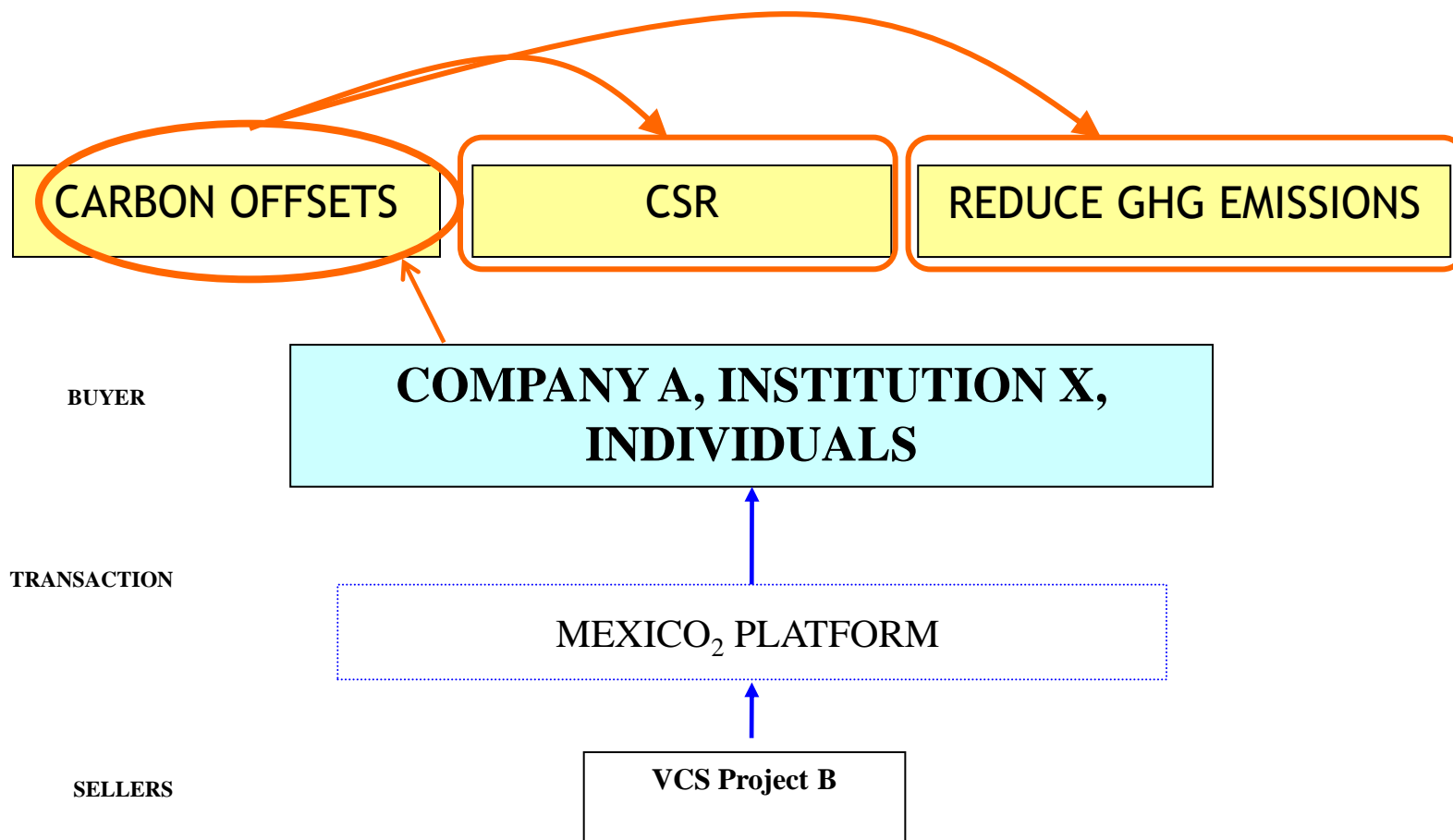
TO COMPLY WITH CARBON TAX





Example B

VOLUNTARY MARKET



DETERMINANTS OF SUCCESS

- **EXTERNAL ISSUES:**
 - Market terms: price, coupon, yield
 - Demand: buyer interest
 - Supply: availability of technology
 - Carbon market issues: regulations, prices
 - Competition: for buyers; for projects

- **OTHER ISSUES:**
 - Acceptable risk
 - Tenure, currency, etc.
 - Domestic policies
 - Capacity building



MÉXICO

GOBIERNO DE LA REPÚBLICA

**General Climate Change
Direction**

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