

General Law on Climate Change Mexico

This Project was developed by the Environmental Law Institute through funding by the US Agency for International Development through the USAID/Mexico Competitiveness Program.

GENERAL LAW ON CLIMATE CHANGE

Title One General Provisions

Sole Chapter

Article 1. The present Law is of public nature, of general interest and observance throughout the nation's territory and the areas over which the nation exercises its sovereignty and jurisdiction, and establishes provisions to combat the adverse effects of climate change. It is regulatory of the provisions of the Political Constitution of the United Mexican States in the areas of environmental protection, sustainable development, and preservation and restoration of the ecological equilibrium.

Article 2. The purpose of this Law is to:

I. Guarantee the right to a healthy environment and establish the concurrence of powers of the Federal Government, the States, and municipalities in the elaboration and implementation of public policies on climate change adaptation and mitigation of greenhouse gas emissions and compounds;

II. Regulate greenhouse gas and compounds emissions to achieve stabilization of their concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, considering, as appropriate, the provisions of Article 2 of the United Nations Framework Convention on Climate Change and other provisions deriving therefrom;

III. Regulate on actions for climate change mitigation and adaptation;

IV. Reduce the vulnerability of the country's population and ecosystems to the adverse effects of climate change, as well as create and strengthen national capacities to respond to such phenomenon;

V. Promote education, research, the development and transfer of technology, as well as innovation and dissemination, in the areas of climate change adaptation and mitigation;

VI. Establish the foundations for public participation; and

VII. Promote the transition to a competitive and sustainable low carbon emissions economy.

Article 3. For the purposes of this Law the following definitions are applicable:

I. Adaptation: Measures by and adjustments of, human and natural systems, as a response to projected or real climatic stimuli, or to their effects, which can limit the damages, or take advantage of its positive aspects.

II. Risk Atlas: A dynamic document whose evaluations of risk in vulnerable geographic regions or zones considers current and future climatic scenarios.

III. Climate Change: Variation in the climate that is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and is additional to the natural climate variability observed during comparable time periods.

IV. Commission: Inter-Ministerial Commission on Climate Change.

V. Greenhouse Gas Compounds: Greenhouse gases, their precursors, and particles that absorb and emit infrared radiation into the atmosphere.

VI. National Communication: National report drafted periodically in compliance with the commitments established in the United Nations Framework Convention on Climate Change.

VII. Council: Council on Climate Change.

VIII. Convention: United Nations Framework Convention on Climate Change.

IX. Biological Corridors: Geographic routes that allow the interaction between species of wildlife and their migration within one or more ecosystems, maintaining the connectivity of the biological processes to prevent the isolation of populations.

X. Degradation: Reduction in the content of carbon in the natural vegetation, ecosystems, or soil due to human intervention, compared to a non-intervention scenario.

XI. Emissions: Release into the atmosphere of greenhouse gases and/or their precursors and aerosols, including as applicable, greenhouse gas compounds, in an area and for a period of time.

XII. Baseline Emissions: Estimate of the emissions, absorption, or capture of greenhouse gases or compounds associated with a baseline scenario.

XIII. Baseline Scenario: Hypothetical description of what can occur with the variables causing emissions, absorption, and capture of greenhouse gases and compounds.

XV. National Strategy: National Strategy on Climate Change.

XV. Capacity Building: Process for the development of technical and institutional capacities, in order to participate in all aspects of climate change adaptation, mitigation, and research.

XVI. Fund: Climate Change Fund.

XVII. Emission Sources: Any process, activity, service, or mechanism that releases greenhouse gases or compounds into the atmosphere.

XVIII. Greenhouse Gases: The atmosphere gas components, both natural and anthropogenic, which absorb and emit infrared radiation.

XIX. INECC: National Institute of Ecology and Climate Change.

XX. Inventory: A document containing the estimate of anthropogenic emissions by source and the absorption by sinks.

XXI. Law: General Law on Climate Change.

XXII. Clean Development Mechanism: A mechanism established by Article 12 of the Kyoto Protocol.

XXIII. Mitigation: The application of policies and actions aimed at reducing emissions at the source or improving the sinks for greenhouse gases and compounds.

XXIV. Program: Special Climate Change Program.

XXV. Kyoto Protocol: Kyoto Protocol of the United Nations Framework Convention on Climate Change.

XXVI. Certified Emissions Reductions: Emissions reductions expressed in tons of equivalent carbon dioxide and achieved through activities or projects certified by an entity authorized for such a purpose.

XXVII. Registry: National Emissions Registry.

XXVIII. Resilience: The capacity of natural and social systems to recover from, or withstand the effects of climate change.

XXIX. Resistance: The capacity of natural and social systems to persist in the face of the effects of climate change.

XXX. Risk: The probability of damage to people in one or more ecosystems arising from a natural or anthropogenic phenomenon.

XXXI. Secretariat: Secretariat of Environment and Natural Resources.

XXXII. Sink: Any process, activity, or mechanism, which removes a greenhouse gas and/or its precursors and aerosols from the atmosphere, including, as applicable, greenhouse compounds.

XXXIII. Tons of Carbon Dioxide Equivalent: A unit of measurement of greenhouse gases expressed in tons of carbon dioxide that produce the equivalent greenhouse effect.

XXXIV. Vulnerability: The degree to which a system is susceptible or unable to withstand the adverse effects of climate change, including climate variability and extreme phenomena. Vulnerability depends on the nature, magnitude, and speed of the climatic variation to which a system is exposed and its sensitivity and capacity for adaptation.

Article 4. In all matters not provided by this Law, the provisions of other laws in the subject matters regulated by this legislation shall apply.

Title Two Distribution Of Powers

Sole Chapter

On the Federal Government, the States, and Municipalities

Article 5. The Federal Government, the States, the Federal District, and municipalities shall exercise their powers on climate change mitigation and adaptation in accordance with the distribution of powers set forth in this Law and in all other applicable Law.

Article 6. The functions established by this Law for the Federal Government will be exercised by the Executive Branch through the agencies and entities comprising the centralized and parastatal federal administration, in accordance with the powers established in this Law, la *Ley Organica de la Administracion Publica Federal* [the Organic Law for the Federal Public Administration], the *Ley Federal de Entidades Paraestatales* [Federal Law on Parastatal Entities], and all other applicable legal provisions.

Article 7. The Federal Government shall have the following powers:

- I.** Formulate and conduct the national climate change policy;
- II.** Design, coordinate, and implement the policy instruments provided for by this Law;
- III.** Propose, develop and publish, with the public's participation, the National Strategy and Program, as well as to implement, monitor and evaluate them;
- IV.** Develop, update, and publish the national risk atlas, and issue criteria to be considered in the developing of state-level risk atlases;
- V.** In order to develop the National Strategy and Program, establish procedures for holding public consultations with the public and private sectors, and society in general;
- VI.** Establish, regulate, and implement actions on climate change mitigation and adaptation, in accordance with this Law, ratified international treaties, and all other applicable legal provisions, within the following subject matters:
 - a)** The preservation, restoration, conservation, management, and sustainable use of natural resources, terrestrial and aquatic ecosystems, and water resources;
 - b)** Agriculture, cattle ranching, rural development, fishing, and aquaculture;
 - c)** Education;
 - d)** Energy;
 - e)** Planning of national development;
 - f)** Food sovereignty and security;
 - g)** Prevention of and attention to diseases resulting from the effects of climate change;
 - h)** Civil protection;
 - i)** Federal transportation and communications;

j) Regional and urban development;

k) Demography;

l) Others so established under different laws;

VII. Incorporate criteria for climate change mitigation and adaptation into environmental policy instruments;

VIII. The creation and regulation of the Fund;

IX. Create, authorize, and regulate emissions trading;

X. Encourage scientific and technological research, the development, transfer, and deployment of technologies, equipment, and processes for climate change mitigation and adaptation;

XI. Promote education and the dissemination of culture in the field of climate change at all educational levels, as well as carry out educational and informational campaigns in order to sensitize the population as to the effects of the changes in the climate;

XII. Promote the co-responsible participation of society in the areas provided for by this Law;

XIII. Integrate and update the Climate Change Information System and provide public access to it, pursuant to the this Law and all other applicable legal provisions;

XIV. Formulate and adopt methodologies and criteria, issue legal provisions required for the creation, updating, and publication of the Inventory and, where appropriate, the state inventories, and require the responsible parties, the necessary information from the following categories of emissions sources:

a) Energy generation and use;

b) Transportation;

c) Agriculture, cattle ranching, forests, and other land uses;

d) Waste;

e) Industrial processes; and

f) Others determined by international institutions or competent authorities.

XV. Regulate, integrate, administer, publish, and update the Registry;

XVI. Develop and share methodologies for the economic valuation of emissions;

XVII. Establish the foundations and instruments required to strengthen institutional and sectorial mitigation capacities;

XVIII. Establish the foundations and instruments required to promote and sustain the competitiveness of the productive sectors, by moving towards a sustainable and low-carbon emissions economy, improved energy efficiency, and participation in emissions trading and national and international financing mechanisms;

XIX. Establish effectiveness and performance indicators to facilitate the evaluation of the results of the implementation of this Law, and their incorporation into the Climate Change Information System;

XX. Design and promote before the competent agencies, the creation and implementation of economic, fiscal, financial, and market-based instruments linked to climate change actions;

XXI. Collaborate with the States in the implementation of their climate change programs, providing the technical assistance they request and establish regional actions among two or more States;

XXII. Convene state and municipal governments, in order to develop concurrent actions on climate change mitigation and adaptation pursuant to their own respective authority;

XXIII. Develop comprehensive strategies, programs, and projects on climate change mitigation and adaptation in the fields of hydrocarbons and electric power, to ensure the efficient and sustainable use of the country's fossil and renewable energy resources, as provided by the Law on the Sustainable Use of Energy, and the Law on the Use of Renewable Energy and Financing of the Energy Transition, as applicable;

XXIV. Draft and propose budget provisions for adaptation and mitigation, in order to reduce the country's vulnerability to the adverse effects of climate change;

XXV. Issue recommendations to the States and municipalities, in order to promote actions in the field of climate change;

XXVI. Oversee and promote, to the extent of its authority, compliance with this Law and any other provision deriving from it, as well as to punish its violations;

XXVII. Issue the regulations and Mexican official standards [*normas oficiales mexicanas*] in the subject matters provided for under the Law, as well as to oversee their compliance; and

XXVIII. Any other provided to the Federal government by this Law or any other Law. .

Article 8. The States shall have the following powers:

I. Develop, conduct, and evaluate the state-level climate change policy, in concordance with the national policy;

II. Develop, regulate, conduct, and implement climate change mitigation and adaptation actions in accordance with the National Strategy and Program in the following areas:

a) Preservation, restoration, management, and sustainable use of ecosystems and water resources within their own jurisdictions;

b) Food security;

c) Agriculture, cattle ranching, rural development, fishing, and aquaculture;

d) Education;

e) Efficient and sustainable infrastructure and transportation;

f) Land-use planning of human settlements and urban development of population centers, in coordination with their municipalities or municipal districts [*delegaciones*];

- g)** Natural resources and environmental protection within their own jurisdiction;
- h)** Wastes requiring special handling;
- i)** Civil protection; and
- j)** Prevention of and attention to diseases resulting from the effects of climate change;

III. Incorporate climate change mitigation and adaptation criteria into their environmental policy instruments;

IV. Develop and implement their own climate change programs, by promoting public participation, listening, and responding to the public and private sectors, and society in general;

V. Establish criteria and procedures for evaluating and overseeing compliance with the state program in this field, as well as goals and effectiveness and performance indicators for the mitigation and adaptation actions implemented;

VI. Establish and administer local funds to support and implement actions in this field;

VII. Subscribe coordination agreements with the Federal Government, States and municipalities to implement mitigation and adaptation actions;

VIII. Foster scientific and technological research and the development, transfer, and deployment of technologies, equipment, and processes for climate change mitigation and adaptation;

IX. Develop comprehensive strategies, programs, and projects on the mitigation of greenhouse gas emissions in order to promote efficient and sustainable public and private transportation;

X. Carry out educational and informational campaigns to sensitize the population regarding the adverse effects of climate change;

XI. Promote the co-responsible participation of society in adaptation and mitigation actions, in accordance with the provisions of the applicable local laws;

XII. Elaborate and integrate information, in collaboration with INECC, regarding the categories of emission sources originating within their jurisdiction, for its incorporation into the National Emissions Inventory and, where appropriate, develop the state emissions inventories in accordance with the criteria and indicators developed by the Federal Government in this field;

XIII. Elaborate, publish, and update the state risk atlas, in coordination with their municipalities or districts [*delegaciones*], in accordance with the criteria issued by the Federal Government;

XIV. Establish the foundations and instruments for promoting the strengthening of institutional and sectorial capacity for confronting climate change;

XV. Design, and promote the development and adoption of incentives that lead to the implementation of actions, to fulfill the purpose of this law;

XVI. To enter into agreements with the social and private sectors, for the development of activities and joint investments, in order to comply with the program;

XVII. Negotiate and administer state funds to support and implement actions in this field;

XVIII. Oversee and promote, to the extent of their authority, compliance with this Law and any other provision deriving from it, as well as to punish their violations; and

XIX. Any other established by this Law or any other applicable legal provision.

Article 9. The municipalities shall have the following powers:

I. Develop, conduct, and evaluate climate change municipal policy, in accordance with national and state policy;

II. Develop and implement policies and actions to combat climate change, consistent with the National Development Plan, the National Strategy, the Program, and the State Program on climate change, and with applicable laws, regarding the following subject matters:

a) Provision of potable water and sanitation services;

b) Local ecological planning and urban development;

c) Natural resource and environmental protection within their own jurisdiction;

d) Civil protection;

e) Management of municipal solid waste;

f) Efficient and sustainable public transport for passengers within their own jurisdictions;

III. Foster scientific and technological investigation and the development, transfer, and deployment of technologies, equipment, and processes for climate change mitigation and adaptation;

IV. Develop comprehensive strategies, programs, and projects on climate change mitigation in order to promote efficient and sustainable public and private transportation;

V. Carry out educational and informational campaigns in coordination with the state and federal governments to sensitize the population regarding the adverse effects of climate change;

VI. Promote the strengthening of institutional and sectorial capacity regarding mitigation and adaptation;

VII. Participate in the design and implementation of incentives to promote actions to fulfill the purpose of this Law;

VIII. Assist federal and state authorities in the implementation of the National Strategy, Program, and State Program in this field;

IX. Negotiate and administer resources for implementing actions on climate change adaptation and mitigation;

X. Elaborate and integrate information, in collaboration with INECC, on the categories of emissions sources originating within their jurisdictions, for its incorporation into the National Emissions Inventory and, where appropriate, for its

inclusion in the emission inventories of the states, in accordance with the criteria and indicators developed by the Federal Government in this field;

XI. Oversee and promote, within their own authority, compliance with this Law, its regulatory provisions, and all other laws deriving thereof; and

XII. Any other established by this Law or any other applicable legal provision.

Article 10. The Federal Government and the States, with the participation where appropriate of their municipalities, may subscribe coordination or public participation agreements with civil society, on climate change matters,, which would include, among other elements, the actions, location, goals, and financial contributions by each party.

Article 11. The States and the municipalities will issue the necessary legal provisions to regulate the subject matters under their authority pursuant to this Law.

Article 12. Where applicable, the Government of the Federal District will exercise the powers and fulfill the obligations established by this Law to States and municipalities.

Title Three **National Institute of Ecology and Climate Change**

Chapter I *General Provisions*

Article 13. The National Institute of Ecology and Climate Change is hereby created as a decentralized entity of the federal public administration, pertaining to the federal environmental sector coordinated by the Secretariat of Environment and Natural Resources, it has independent legal personality, its own assets, and autonomous operational authority, in accordance with the provisions of the *Ley Federal de Entidades Paraestatales* [Federal Law on Parastatal Entities].

Article 14. The INECC headquarters will be in Mexico City, and, as permitted by budget availability, regional or state offices could be established if they are necessary for realizing its objective.

Article 15. The objective of INECC is to:

I. Coordinate and carry out scientific and technological research and projects on climate change, environmental protection, and preservation and restoration of ecological balance, with public and private academic and research institutions, both national and international;

II. Provide technical and scientific assistance to the Secretariat in the development, implementation, and evaluation of national policy on ecological balance and environmental protection;

III. Promote and share criteria, methodologies, and technologies for the sustainable use and conservation of natural resources;

IV. Assist in the preparation of qualified human resources in order to address the national problems regarding the environment and climate change;

V. Carry out prospective sectorial analyses and collaborate in the elaboration of strategies, plans, programs, instruments, and actions related to sustainable development, the environment, and climate change, including estimates of future costs associated with climate change and the benefits derived from actions taken to confront it;

VI. Evaluate compliance with adaptation and mitigation objectives established under this Law, as well as with goals and actions contained in the National Strategy, the Program, and the programs of the States, as referred to under this Law; and

VII. Issue recommendations on climate change mitigation and adaptation policies and actions, as well as on evaluation assessments in the area, carried out by the agencies of the centralized and parastatal federal public administration, the States, and the municipalities.

Article 16. INECC's assets shall be comprised of:

I. Real estate and all other assets, as well as fiscal contributions transmitted to it by the Federal, State or Municipal Governments, or by any other public entity

II. The donations, inheritances, bequests, and contributions made by individuals or any public or private institution, whether national or international;

III. The acquisitions, credits, loans, and in-cash or in-kind technical cooperation that it obtains from any public agency or entity, private institution, or national or international organizations in accordance with applicable legal provisions;

IV. The personal and real property, shares, fiscal contributions, or products it acquires by means of any title;

V. The resources allocated, as appropriate, in the Federal government's Expenditure Budget of the corresponding fiscal year;

VI. The income it obtains from:

a) The resources provided by the States and municipalities;

b) The funds obtained to finance specific programs;

c) The revenues generated for the services rendered and activities implemented;

d) The resources obtained from the marketing of its literary works, royalties, and all others that correspond to it;

VII. All other assets and fiscal contributions set by the laws and regulations, or received from other funds or contributions.

Article 17. The Governing Board shall be the maximum authority of INECC and shall be presided over by the head of the Secretariat of Environment and Natural Resources and comprised of the heads of the Secretariats of Agriculture, Livestock, Rural Development, Fishing, and Alimentation; Government; Social Development; Finance and Public Credit; Energy; and Health, as well as the head of the National Council on Science and Technology.

Each member of the Governing Board shall appoint an alternate holding the hierarchical level of undersecretary.

The members of the Governing Board shall have the right to participate and vote in the sessions of the Board. Its decisions shall be made by majority vote.

The Governing Board shall have the powers established by the Federal Law on Parastatal Entities and those set forth in its Organic By-laws.

Article 18. INECC shall be led by a Director-General appointed by the head of the Federal Executive Branch, and shall be bound by the decisions made by the Governing Board.

Article 19. In order to be appointed Director-General of INECC it is necessary to demonstrate experience, academic, technical, and administrative knowledge, in connection with environment and climate change national and international research, policies, and programs, as well as to satisfy the requirements of the Federal Law on Parastatal Entities.

Article 20. The Director-General shall have the following powers:

- I.** Act as legal representative of INECC in the performance of its duties;
- II.** Administer INECC's divisions;
- III.** Administer its assets;
- IV.** Issue its manuals;
- V.** Sign agreements with the competent agencies on the implementation of programs and projects;
- VI.** Publish the results of their evaluation assessments, as well as suggestions and recommendations regarding the policies and actions on mitigation and adaption;
- VII.** Delegate powers within its authority; and
- VIII.** All other powers conferred to the Executive Director by legal provisions or regulations as well as by the INECC's Organic By-laws.

Article 21. The INECC's Organic By-laws will determine the divisions, organizational foundations, and powers and functions corresponding to its divisions, which must include an Executive Coordination for the Evaluation of Policies on Climate Change Mitigation and Adaptation, in accordance with the provisions established by Chapter Two of the present Title.

The Organic By-laws shall be elaborated by INECC's Governing Board.

Article 22. INECC shall have the following powers:

- I.** Coordinate, promote, and develop — with the participation of other agencies and entities as appropriate — scientific and technological research related to national policies on bio-security, sustainable development, environmental protection, preservation and restoration of the ecological balance, ecosystem conservation, and climate change, including the following issues:
 - a)** Environmental and climate change policy and economics;
 - b)** Mitigation of emissions;
 - c)** Vulnerability and adaptation to climate change in Mexico;
 - d)** Environmental clean-up;
 - e)** Conservation and sustainable use of ecosystems and natural resources;

f) Conservation and sustainable use of wildlife, priority species and ecosystems, and migratory species;

g) Ecological land-use planning of the territory;

h) Prevention and control of pollution, hazardous materials and waste management, contaminated sites, and evaluation of eco-toxicological risks;

i) Monitoring and sharing of information regarding the possible risks to the environment and biological diversity from activities involving genetically modified organisms;

j) Research on efficient and sustainable public and private transportation.

II. Provide technical and scientific support to the Secretariat in the development, implementation, and evaluation of national policy on ecological balance and environmental protection;

III. Participate in the design of economic, fiscal, financial, and market-based instruments in connection to national policy on environment and climate change;

IV. Contribute to the design of environmental, climate change, and conservation policy instruments, as well as instruments regarding to the use of natural resources;

V. Propose the definition of priorities, as well as the allocation and optimization of Federal Government resources for research on the environment and climate change;

VI. Integrate the information to elaborate national communications to be submitted by the United Mexican States to the Convention;

VII. Assist the Commission in the drafting of the National Strategy and Program;

VIII. Integrate, monitor, and update the Inventory;

IX. Participate in the development of the methodologies required to calculate and compile information on emissions and absorption by sinks, from the categories of sources determined by this Law;

X. Foster the development of capacities in States and municipalities to create their emissions programs and inventories;

XI. Issue opinions in response to consultations received from other agencies and entities, as well as those provided in other laws;

XII. Propose the educational content of books, textbooks, and didactic materials in the field of climate change to the National Education System, in accordance with the *Ley General de Educacion* [General Law on Education];

XIII. Foster scientific, technological, and innovation-related capacity building on sustainable development, environment, and climate change, in coordination with the Secretariat of Public Education and the country's research and higher learning institutions;

XIV. Promote and conduct, as appropriate, coordinated studies with other academic and research institutions in the subject matters under its authority ;

XV. Assist the administrative units of the Secretariat in quantifying the costs of pollution and of the depletion of natural resources as a consequence of economic activities, in order to calculate the ecological — net domestic product;

XVI. Contribute to assessing the state of the environment in connection with international commitments, and to the development of policies to comply with these commitments;

XVII. Participate in the design of funding mechanisms which permit the implementation of research projects for conservation, sustainable use of natural resources and pollution control;

XVIII. Participate in the composition and decision-making of the National Technical Consultative Council on Conservation and Sustainable Use of Wildlife, as well as carry out scientific studies to identify endangered species, determine priority species and populations for conservation, and promote the creation of critical habitats and refuge areas;

XIX. Provide technical assistance to studies that propose and justify the establishment and re-categorization of natural protected areas and restoration zones of federal jurisdiction, as well as their respective management programs;

XX. Propose, promote, and provide technical assistance for the elaboration of regulations in the fields of ecological land-use planning; ecosystem and wildlife conservation; pollution and environmental quality; specimen collection for scientific and research purposes, exploitation for use in biotechnology, access to genetic resources, confined use, management, and mobilization; and the experimental release of genetically modified organisms in pilot and commercial programs;

XXI. Provide technical assistance to programs implemented in wildlife research centers;

XXII. Participate in scientific and research-, education-, and training-focused initiatives, committees, and consortia, both at the national and international levels;

XXIII. Promote the exchange of scientists before national and international research and teaching higher education institutions ;

XXIV. Promote entering into agreements and collaboration projects with national and international academic and research agencies and institutions, as well as to share their results;

XXV. Organize, take part in, and present, at national and international conferences and workshops, research on the science or regulatory developments, in connection with the activities of the INECC;

XXVI. Publish books, periodical publications, catalogs, manuals, articles, and technical reports on work carried out in the areas under its authority;

XXVII. Participate in the dissemination of scientific environmental information among the productive, governmental, and social sectors;

XXVIII. Perform as a reference laboratory in the fields of analysis and calibration of equipment for measuring atmospheric contaminants, hazardous waste, and in the detection and identification of genetically modified organisms; and

XXIX. Exercise the powers expressly conferred upon it by other laws as a decentralized public body and those set forth in its Organic By-laws.

Chapter II

Of the Coordination for Evaluation

Article 23. The Coordination for Evaluation shall be comprised of the head of INECC and six civil society advisors — representatives of the scientific, academic, technical, and industrial sectors, with broad experience in the environmental field, particularly in issues related to climate change.

The civil society advisors shall remain in their positions four years and may only be reelected once. They will be appointed by the Commission, upon an open public process conducted by the head of INECC.

The work program, evaluation assessments, decisions, and recommendations of the Coordination for Evaluation shall be approved by a simple majority of its members.

Article 24. The Coordination for Evaluation will have a technical secretary in charge of implementing its decisions, who will be the head of the Climate Change Coordination at INECC — and who will not have a lower administrative level to that of Director General..

Article 25. The evaluation of climate change national policy can be carried out by the Coordination for Evaluation or by one or more independent organizations.

Participating independent evaluation organizations must be higher education, scientific research institutions, or non-profit organizations. When the evaluations are carried out by an organization other than the INECC's Coordination for Evaluation, the latter shall issue a public call for proposals, adjudicate the contract, and resolve any other pertinent matter to the extent of the applicable legal provisions.

The agencies and entities of the centralized and parastatal federal public administration, States, and municipalities that implement climate change mitigation or adaptation programs shall provide any information required by the Coordination for Evaluation, for the discharge of their duties, pursuant to transparency and access to information applicable provisions.

Title Four

National Policy on Climate Change

Chapter I

Principles

Article 26. The following principles shall be observed in the formulation of the national climate change policy:

I. Sustainability in the exploitation or use of ecosystems and of their natural elements;

II. Co-responsibility between the State and society in general in carrying out actions to mitigate and adapt to the adverse effects of climate change;

III. Precautionary Principle, when there is a grave or irreversible threat; the lack of absolute scientific certainty shall not be used as a reason for postponing mitigation and adaptation measures to confront the adverse effects of climate change;

IV. Preventive Principle, as the most effective way to avoid environmental damage and preserve the ecological equilibrium from the effects of climate change;

V. Adoption of production and consumption patterns by the public, social, and private sectors to transition to a low carbon emissions economy;

VI. Comprehensiveness and Cross-Sectoralism to ensure the implementation of the national climate change policy, focusing on coordination and cooperation among the different levels of government and the social and private sectors;

VII. Public participation in the development, implementation, monitoring, and evaluation of the National Strategy, plans, and programs on climate change mitigation and adaptation to the effects of climate change;

VIII. Environmental Liability, anyone carrying out actions or activities that affect or could affect the environment, must prevent, minimize, mitigate, repair, restore, and ultimately, compensate the damages;

IX. The use of economic instruments for climate change mitigation, adaptation, and the reduction of vulnerability, constitute incentives for the protection, preservation, and restoration of the environment; as well as the sustainable use of natural resources; in addition to generating economic benefits to those implementing them;

X. Transparency and access to information and to justice, taking into consideration that authorities from the different levels of government shall facilitate and promote public awareness, by making available climate change information, and providing effective access to adequate judicial and administrative remedies, in accordance with applicable legal provisions;

XI. Conservation of ecosystems and their biodiversity, giving priority to wetlands, mangrove swamps, reefs, dunes, and coastal zones and lagoons that provide environmental services which are fundamental for reducing vulnerability; and

XII. Commitment to the economy and national economic development, to achieve sustainability without undermining its competitiveness in international markets.

Chapter II *Adaptation*

Article 27. National policy on adaptation to climate change shall be based on analysis, planning, measuring, monitoring, reporting, verification, and evaluation instruments, and shall pursue the following objectives:

I. Reduce the vulnerability of society and ecosystems to the effects of climate change;

II. Strengthen the resilience and endurance of natural and human systems;

III. Minimize risks and damages, considering current and future climate change scenarios;

IV. Identify the vulnerability and capacity for adaptation and transformation of ecological, physical, and social systems, and take advantage of opportunities generated by new climatic conditions;

V. Establish mechanisms for immediate response to areas impacted by the effects of climate change- as a component civil protection plans and actions; and

VI. Facilitate and promote food security; productivity in the areas of agriculture, cattle ranching, fishing, and aquaculture; and the preservation of ecosystems and natural resources.

Article 28. Federal, State and municipal authorities, to the extent of their own powers, shall include adaptation actions in the design of public policies, the National Strategy, the Program and the State programs, in the following areas:

I. Comprehensive risk management;

II. Water resources;

III. Agriculture, cattle farming, forestry, fishing, and aquaculture;

IV. Ecosystems and biodiversity, especially in coastal, marine, high-mountain, semi-arid, and desert zones; forest resources; and soils;

V. Energy, industry, and services;

VI. Transportation and communication infrastructure;

VII. Ecological land-use planning of the territory, human settlements, and urban development;

VIII. General Health and public health infrastructure; and

IX. All others deemed to be priorities by the authorities.

Article 29. The following are considered to be adaptation actions:

I. Ascertaining the natural use of the soil;

II. The creation of urban population centers or human settlements, as well as actions taken for their development, improvement and conservation;

III. The management, protection, conservation, and restoration of ecosystems, forest resources, and soil;

IV. The conservation, sustainable use, and rehabilitation of beaches, coasts, federal terrestrial maritime zones, lands reclaimed from the sea, and any other reservoir formed by coastal waters; for touristic, industrial, agricultural, fishing, aquaculture, or conservation uses;

V. Water programs for watersheds;

VI. The construction and maintenance of infrastructure;

VII. The protection of flood zones and arid zones;

VIII. The use, rehabilitation, and establishment of irrigation districts;

- IX.** Sustainable use in rural development districts;
- X.** The establishment and conservation of natural protected areas and biological corridors;
- XI.** The development of risk atlases;
- XII.** The creation and implementation of the rules of operation for subsidy programs and investment projects;
- XIII.** Conservation and sustainable use of biodiversity programs;
- XIV.** The National Civil Protection System's programs;
- XV.** Programs regarding human settlements and urban development;
- XVI.** Programs in the field of touristic development;
- XVII.** Prevention programs targeting diseases resulting from the effects of climate change; and
- XVIII.** Strategic infrastructure related to water supply, healthcare, and the production and supply of energy sources;

Article 30. The agencies and entities of the centralized and parastatal federal public administration, States, and municipalities shall implement adaptation actions within their own authority, in accordance with the following provisions:

I. Elaborate and publish risk atlases, considering current and future vulnerability scenarios in the face of climate change, giving preferential attention to the most vulnerable populations and the zones with a higher risk level, such as islands, coastal zones, and river deltas;

II. Utilize the information contained in the risk atlases to draft urban development plans, construction regulations, and land-use planning, in the States and municipalities;

III. Propose and foster mechanisms to raise and obtain funds for use in the protection and relocation of human settlements that are most vulnerable to the effects of climate change;

IV. Establish environmental protection and contingency plans to respond to extreme meteorological events in high-vulnerability areas, natural protected areas, and biological corridors;

V. Establish protection and contingency plans for touristic destinations, as well as for sustainable tourism development zones;

VI. Develop and implement programs to strengthen capacities, including measures to promote training, education, access to information, and communication among the population;

VII. Train human resources specialized in extreme meteorological phenomena;

VIII. Strengthen programs on epidemiological prevention and risk;

IX. Improve early-warning systems and the capacity to predict current and future climatic scenarios;

X. Elaborate assessments to measure damage to water ecosystems, including the available volumes of water and their territorial distribution;

XI. Promote the sustainable use of superficial and underground water sources;

XII. Promote the recharge of aquifers; the mechanization of the country's irrigation surface; production under sustainable agriculture practices, as well as sustainable cattle ranching, forestry, fishing, and aquaculture practices; the development of resistant varieties, short-cycle replacement crops, and early-warning systems to predict precipitation and/or abnormal temperatures;

XIII. Promote the collection of fiscal contributions, and the establishment of tariffs for water usage, which shall include payment for the environmental hydrological services provided by the ecosystems and shall be invested in their conservation;

XIV. Elaborate and issue programs for sustainable land management;

XV. Operate the National System and the National Center of Genetic Resources, and identify management measures to ensure the adaptation of priority species and particularly the adaptation of those species vulnerable to climate change;

XVI. Identify management measures to ensure the adaptation of endangered and priority for conservation species that are particularly vulnerable to climate change;

XVII. Develop and implement a special program for the protection and sustainable management of biodiversity in the face of climate change within the framework of the National Biodiversity Strategy. The special program shall pursue the following goals:

a) Foster research, knowledge, and recording of climate change impacts in ecosystems and their biodiversity, both in the national territory, as well as in areas over which the nation exercises its sovereignty and jurisdiction;

b) Establish adaptation measures based on the preservation of ecosystems, their biodiversity, and the environmental services they provide to society;

XVIII. Strengthen the resistance and resilience of terrestrial ecosystems, beaches, coasts, federal terrestrial maritime zones, wetlands, mangrove swamps, reefs, and marine and freshwater ecosystems through actions to restore ecological integrity and connectivity;

XIX. Promote the adoption of sustainable management practices for agriculture, forestry, fishing and aquaculture resources;

XX. Address and control the effects of invasive species;

XXI. Generate and systematize information regarding climatic, biological, and physical parameters related to biodiversity to enable the evaluation of the impacts of and vulnerability to climate change;

XXII. Establish new natural protected areas, biological corridors, and other tools for conservation, as well as priority zones for ecological conservation, to facilitate genetic exchange and promote the natural adaptation of biodiversity

to climate change through the maintenance of, and increase in, native vegetative cover, wetlands, as well as other management measures; and

XXIII. Carry out vulnerability assessments in the energy sector and develop comprehensive adaptation programs and strategies.

Chapter Iii
Mitigation

Article 31. The national policy on climate change mitigation shall include, through the planning, policy, and economic instruments set forth in this Law, a diagnosis, planning, measuring, monitoring, reporting, verification, and evaluation of national emissions.

This policy should establish plans, programs, actions, and economic, policy, and regulatory instruments for gradually achieving reduction goals for specific emissions by sector and activity, taking as a reference point the baseline scenarios and baselines by sector that are established in the instruments under this Law, and considering the international treaties on climate change to which Mexico is a Party.

Article 32. The national mitigation policy shall be implemented, in accordance with Mexico's international commitments, on a gradual basis, starting with strengthening national capacities on mitigating emissions and adapting to the adverse effects of climate change, prioritizing the sectors with greatest potential for reduction, and ending with those sectors bearing the highest costs.

Policies and activities imposing or transferring costs to the private sector or to society in general can be implemented in two phases, provided there are no international funds or funding sources to cover for the implementation costs of such activities and policies, and provided the identification of areas of opportunity for the regulated sectors:

I. Strengthening of national capacities of the regulated sectors, in which the policies and activities to be developed shall be implemented on a voluntary basis, considering:

a) Analyses of the different tools and mechanisms available for reducing emissions in the sector-activity under study, including the cost of implementation of each one of them;

b) Analysis of the measurement, reporting and verifying tools and mechanisms to be used;

c) Analysis of the establishment of sector level baselines;

d) Study of the economic and social consequences of alternative tools and mechanisms, including the transfer of costs to other sectors of society or to the final consumer;

e) Analysis of the competitiveness of Mexican products in the international market, after having applied the emissions reduction tool or mechanism under study in the sector being analyzed, if applicable;

f) Determination of the emissions-reduction goals to be achieved in the sector under analysis, considering the costs of the emission reductions or capture, and its contribution to the country's total emissions reduction goals;

g) Analysis of the electricity generation sector, including the costs of social and environmental externalities, as well as the costs of emissions in the electric power generation target sources;

h) Analysis of the performance of the industrial sector subject to mitigation measures, as compared to production indicators in other countries and regions.

II. Establishment of specific emission reduction goals, considering the contribution of the respective sectors to the country's greenhouse gases or compounds emission, taking into consideration:

a) The availability of financial and technological resources for the sectors comprised under the specific reduction goals to be achieved through the instruments provided for in this Law;

b) The cost-efficiency analysis of the policies and actions adopted for reducing emissions by sector, prioritizing those actions that foster a larger reduction of emissions at a lower cost.

Article 33. The objectives of mitigation public policies are:

I. Promote environmental protection, sustainable development, and the right to a healthy environment through the mitigation of emissions;

II. Reduce national emissions by means of policies and programs that promote the transition to a sustainable, competitive, low carbon-emissions economy, including market-based instruments, incentives, and other alternatives that improve the cost-efficiency relationship of the specific mitigation measure, by reducing their economic costs and promoting competitiveness, technology transfer, and technological development;

III. Promote the gradual substitution of fossil fuels use and consumption with renewable energy sources, as well as the generation of electricity through the use of renewable energy;

IV. Promote energy efficiency practices, the development and use of renewable energy sources, and low carbon technology transfer and development, particularly in public buildings and equipment of the Federal centralized and parastatal public administration, the States, and the municipalities;

V. Promote — in a priority manner- mitigation technologies whose greenhouse gas emissions and compounds have low-carbon content throughout their lifecycle;

VI. Promote the alignment and coherence of the programs, budgets, policies, and actions of the three levels of government, so as to curb and revert the deforestation and degradation of forest ecosystems;

VII. Measure, report, and verify emissions;

VIII. Reduce the burning and venting of gas so as to reduce losses in the extraction processes and distribution systems and guarantee the extraction of maximum advantage from the gas in industrial, oil, gas, and refining facilities;

IX. Promote the use of gas associated to the exploitation of coal ore deposits;

X. Promote efficient cogeneration so as to prevent atmospheric emissions;

XI. Promote the exploitation of the energy potential contained in waste;

XII. Promote the development of mass public transportation with high efficiency standards, by favoring the substitution of fossil fuels and the development of sustainable urban and suburban transport systems, both public and private;

XIII. Develop economic and fiscal incentives to promote the development and consolidation of industries and companies that are socially responsible with the environment;

XIV. Promote the channeling of international funds and resources for financing greenhouse gases and compounds mitigation projects and programs to the public, social, and private sectors;

XV. Promote the participation of the social, public, and private sectors in the design, development, and implementation of national mitigation policies and actions; and

XVI. Promote competitiveness and growth, so that the national industry can satisfy the national demand for goods, preventing the entry of foreign products that generate emissions in their production, due to less-restrictive regulations than those imposed on the national industry.

Article 34. In order to reduce emissions, the agencies and entities of the federal public administration, the States, and the municipalities shall promote, within their own authority, the design and development of mitigation policies and actions in connection with the appropriate sectors, taking into consideration the following provisions:

I. Emissions reduction in the generation and use of energy:

a) Promote practices of energy efficiency and the use of renewable energy sources, as well as the transfer of low-carbon emissions technology, in accordance with the *Ley para el Aprovechamiento Sustentable de la Energía* and the *Ley General para el Aprovechamiento de Energías Renovables y el Financiamiento para la Transición Energética* [Law on Sustainable Use of Energy and the Law on the Use of Renewable Energy and Financing of the Energy Transition].

b) Develop and apply incentives for public and private investment in the generation of electrical energy from renewable resources and efficient cogeneration technologies. These incentives shall be included in the National Strategy, National Energy Strategy, Prospectus of the Electricity Sector, and Sector Energy Program.

c) Establish economic and technically feasible mechanisms to promote the use of better practices in the activities of extraction, transport, processing, and utilization of hydrocarbons, so as to prevent fugitive emissions of gas.

d) Include the cost of social and environmental externalities, as well as the cost of emissions, in the selection of the sources for electric power generation.

e) Promote the use of renewable energy for electricity generation in accordance with the applicable legislation in this area.

f) Promote the transfer of technology and funding to reduce the burning and venting of gas, so as to diminish the resulting losses in the extraction processes and distribution systems, and promote its sustainable exploitation.

g) Develop policies and programs aimed at implementing efficient cogeneration for reducing emissions.

h) Promote energy-efficient and low-carbon emissions technology-transfer practices.

i) Adopt legal provisions and develop policies for the construction of green buildings, including the use of ecological materials and of efficient and sustainable energy.

II. Emissions reduction in the transportation sector:

a) Promote investment in the construction of bike lanes or infrastructure for non-motorized transport, as well as implement transit regulations which promote the use of bicycles.

b) Design and implement comprehensive public transportation systems and sustainable mobility programs in urban or suburban areas, so as to reduce travel times, the use of personal vehicles, transportation costs, energy consumption, and the incidence of respiratory illnesses, as well as to increase regional economic competitiveness.

c) Elaborate and implement urban development plans and programs that include criteria related to energy efficiency and the mitigation of direct and indirect emissions generated by transport and the services required by the population, thereby preventing the dispersion of human settlements and attempting to take advantage of vacant urban spaces in the cities.

d) Create mechanisms to allow the mitigation of direct and indirect emissions related to the provision of public services, housing planning, and construction and operation of public and private buildings, commerce, and industries.

e) In order to reduce employees travel and services, establish programs that promote work from home, taking into consideration confidentiality issues.

f) Coordinate, promote, and implement transfer or housing rental programs to bring the population closer to its sources of employment and educational campuses.

g) Develop economic tools that enable companies to provide collective services for the transportation of employees to work centers, in order to reduce the use of automobiles.

III. Emissions reduction and carbon capture in the agricultural, forest, other land uses and preservation of ecosystems sectors:

a) Maintain and increase carbon sinks.

b) Curb and revert deforestation and degradation of forest ecosystems and expand the areas of vegetation and the organic carbon contained in the soil by applying sustainable practices in agricultural areas.

c) Reconvert degraded agricultural lands into productive lands by means of sustainable agricultural practices, or devote them to ecological conservation uses and aquifers recharge.

d) Strengthen the programs for sustainable management and restoration of forests, tropical rain forests, wetlands, and coastal-marine ecosystems, considering in particular mangrove swamps and coral reefs.

e) Include, gradually, more ecosystems into conservation plans, such as: payment for environmental services, natural protected areas, units of sustainable forest management, and reduction of emissions from avoided deforestation and degradation.

f) Strengthen the fight against forest fires and promote and provide incentives for gradual reduction of the burning of sugar cane and slash-and-burn practices.

g) Promote synergies among programs and subsidies for environmental and agricultural activities. in order to strengthen the fight against forest fires.

h) Design and provide economic incentives for carbon absorption and conservation in natural protected areas and ecological conservation zones.

i) Design policies and implement actions for the protection, conservation, and restoration of riparian vegetation in the use, and exploitation of riverbanks in federal zones, in accordance with the applicable provisions of the *Ley de Aguas Nacionales* [National Water Law].

IV. Emission reductions in the waste sector:

a) Promote the development and installation of infrastructure and conduct actions to minimize and value waste and reduce and prevent methane emissions from urban solid waste.

V. Emissions reduction in the industrial processes sector:

a) Develop programs to provide incentives for energy efficiency in the activities related to industrial processes.

b) Develop mechanisms and programs that provide incentives for the implementation of clean technologies in industrial processes, reducing energy consumption and greenhouse gases and compounds emissions.

c) Provide incentives, foster, and develop the use of alternatives to fossil fuels so as to reduce the use of fossil fuels.

VI. Education and behavior, consumption, and production patterns changes:

a) Implement programs that raise awareness regarding the impact of patterns of production and consumption in the generation of greenhouse gas emissions and compounds.

b) Develop programs that promote patterns of sustainable production and consumption in the public, social, and private sectors, through economic incentives, especially in areas such as energy generation and consumption, transportation, and comprehensive waste management.

c) Provide incentives to and acknowledge companies and institutions that seek that their employees live close to work , shops, education and entertainment centers, as well as those that establish uninterrupted working shifts.

d) Develop policies and instruments to promote the mitigation of direct and indirect emissions originating in the provision of public services, housing planning and construction, and the construction and operation of public and private buildings, businesses, and industries.

Article 35. In order to promote the transition from fossil fuels to lower emissions electric power technologies, the Secretariat of Energy shall establish policies and incentives to promote the use of low-carbon emissions technologies, taking into consideration the fuel to be used.

Article 36. In coordination with the Secretariat of Finance and Public Credit and the Secretariat of Energy, to the extent of their own powers and authority, the Secretariat will promote the establishment of programs to provide fiscal and financial incentives to parties interested in participating in a voluntary manner in the implementation of emissions-reduction projects.

Article 37. Mitigation programs and instruments developed under the Kyoto Protocol, and any other program duly certified by an internationally-recognized organization, shall be recognized under this Law.

The regulations to this Law shall establish the requirements to be met for the recognition and registration of the programs and instruments referred to in this article.

Title Five National Climate Change System

Chapter I General Provisions

Article 38. The Federal Government, States and municipalities shall establish the bases for coordination, for the establishment and operation of the National Climate Change System, whose purpose is:

I. To serve as a permanent communication, collaboration, coordination, and concurrence mechanism, regarding the national climate change policy;

II. To promote the cross-cutting implementation of the national climate change policy in the short-, medium-, and long-term, through the participation of the authorities from the three levels of government within their respective powers and authority;

III. Coordinate the efforts of the Federal Government, the States, and municipalities to carry out adaptation, mitigation, and reduction of vulnerability actions, so as to confront the adverse effects of climate change through the policy instruments set forth in this Law and in all others deriving thereof; and

IV. Promote the concurrence, relation, and coherence, of the programs, actions, and investments made by the federal government, the states, and the municipalities, with the National Strategy and the Program,.

Article 39. The meetings of the National Climate Change System and their follow-up shall be coordinated by the holder of the Federal Executive Branch, who may delegate this responsibility to the Secretariat of Environment and Natural Resources.

Article 40. The National Climate Change System shall be comprised of the Commission, the Council, the INECC, the governments of the States, one representative for each of the legally-recognized national associations of municipal authorities, and representatives of the federal Congress.

Article 41. The National Climate Change System shall analyze and promote the application of the policy instruments established in this Law.

Article 42. The National Climate Change System may make recommendations to the Commission regarding the strengthening of mitigation and adaptation policies and actions.

Article 43. The National Climate Change System Coordinator shall convene its members to at least two meetings annually, and in an extraordinary manner, when the nature of a particular issue within its purview so requires.

Article 44. The mechanisms regarding the functioning and operation of the National Climate Change System shall be established in regulations issued for such purpose.

Chapter II

Inter-Ministerial Commission on Climate Change

Article 45. The Commission shall have a permanent nature and will be chaired by the holder of the Federal Executive Branch, who may delegate this function to the Secretariat of Government or the Secretariat of Environment and Natural Resources.

It shall be composed of the heads of the Secretariats of Environment and Natural Resources; Agriculture, Livestock, Rural Development, Fishing, and Alimentation; Health; Communication and Transportation; Economy; Tourism; Social Development; Government; Navy; Energy; Public Education; Finance and Public Credit; and Foreign Affairs.

Each participating secretariat shall designate one of its administrative units, represented by an official holding at least the level of director general, to coordinate and permanently monitor the work of the Commission.

Article 46. The Commission shall convene other governmental agencies and entities, including among others, the National Council on Science and Technology, and will invite to participate in their work representatives of the Council, Legislative and Judicial Branches, autonomous bodies, States and as appropriate, municipalities, as well as representatives from the public, social, and private sectors, when addressing issues within their responsibilities.

Article 47. The Commission shall exercise the following powers:

I. Promote the coordination of the actions between the agencies and entities of the federal public administration, in the area of climate change.

II. Develop and implement national policies on climate change mitigation and adaptation, and incorporate them into the corresponding sectoral programs and actions;

III. Develop the criteria for public policies on climate change to be cross-cutting and comprehensive, so that they may be applied by the agencies and entities of the centralized and parastatal federal public administration;

IV. Approve the National Strategy;

V. Participate in the elaboration and implementation of the Program;

VI. Participate with INEGI in determining the information that shall be incorporated into the Climate Change Information System;

VII. Propose and support studies and projects on technology innovation, research, development, and technology transfer, with respect to climate change national issues, and publish their results;

VIII. Propose alternatives for regulating market-based instruments provided in the law, taking into consideration the participation of the sectors involved;

IX. Promote the necessary actions to meet the objectives and commitments under the Convention and other agreements deriving thereof;

X. Make proposals for determining the national position at international forums and organizations regarding climate change;

XI. Promote, disseminate, and, where appropriate, rule on, emissions reduction or carbon capture projects under the Clean Development Mechanism, as well as regarding other instruments aiming at the same objective, provided they are recognized by Mexico;

XII. Promote the strengthening of national capacities for emissions mitigation and absorption monitoring, reporting, and verification;

XIII. Disseminate its work and results, as well as publish an annual report of activities;

XIV. Invite the social and private sectors organizations, as well as the society at large, to express their opinions and make proposals on climate change;

XV. In accordance with the appropriate legislation, promote recognizing the most distinguished efforts of society and the private sector to combat climate change;

XVI. Request advice to the Council on climate change policies, strategies, actions, and goals for dealing with the effects of climate change, and to base in Law and reason appropriately the decisions it eventually adopts;

XVII. Issue its internal regulations; and

XVIII. All others conferred by this Law, its regulations, and other legal provisions deriving thereof.

Article 48. The President of the Commission shall have the following powers:

I. Coordinate, direct, and supervise the work of the Commission and represent it in events related to its activities;

II. Propose the development and adoption of policies, strategies, and actions necessary to meet the objectives of the Commission;

III. Chair and convene ordinary and extraordinary sessions of the Commission;

IV. Propose the annual work program and present the annual activity report of the Commission;

V. As the representative of the National Designated Authority regarding the Clean Development Mechanism, sign the approval letters stating that the respective projects contribute to the country's sustainable development;

VI. In accordance with its internal regulations, appoint the members of the Consultative Council on Climate Change from among the candidates proposed by the members of the Commission.

VII. Sign memoranda of understanding and all other documents that may contribute to the better functioning of the Commission;

VIII. Promote the development in the country of Clean Development Mechanism projects and funding sources, before its counterparts in other countries;

IX. All others determined by the Commission's Internal Regulations or conferred to the President by consensus.

Article 49. The Commission shall have at least the following working groups:

I. Working Group on the Special Climate Change Program;

II. Working group on adaptation policies;

III. Working group on the reduction of emissions from deforestation and degradation;

IV. Working group on mitigation;

V. Working group on international climate change negotiations;

VI. Mexican Committee for greenhouse gas emission reduction and capture projects; and

VII. Others determined by the Commission.

The Commission may determine which working groups to create or merge in accordance with the procedures established by its Regulations.

Members of the public, social, and private sectors may be invited to participate in a working group, without the right to vote, where there are issues related to their authority or expertise..

Article 50. The Commission shall have a technical secretariat with the following powers:

- I.** Issue invitations to sessions of the Commission, subject to previous agreement with the President;
- II.** Carry out the registration and control of the minutes, agreements, and all other documentation related to the operations of the Commission;
- III.** Follow-up and encourage observance of the agreements of the Commission, the Council, and the Fund, and periodically inform of the progress made to the President; and
- IV.** All others established in the applicable Regulations.

Chapter III *Climate Change Council*

Article 51. The Council is the permanent consultative body of the Commission, and shall be composed of a minimum of fifteen members from the social, private, and academic sectors, with recognized merits and experience in the field of climate change and whom shall be appointed by the President of the Commission, at the proposal of its members, in accordance with its applicable Internal Regulations, and ensuring parity among the respective sectors and interests.

Article 52. The Council shall have a President and a Secretary who shall be elected by a majority of its members. They shall remain in their posts for three years and may be reelected for one additional term; the renewal of its members shall be carried out in a staggered fashion.

Article 53. The members of the Council shall exercise their assignment in an honorary fashion and in a personal capacity, independently of the institution, company, or organization they belong to or to which they render services.

Article 54. In accordance with the procedures established in the applicable Internal Regulations and by proposal of the members of the Commission, its President shall designate the members of the Council, ensuring balance in the representation of the respective sectors and interests.

Article 55. The Council shall meet twice a year in ordinary sessions or at any time the Commission solicits its opinion.

The legal quorum for Council meetings shall be comprised of one-half plus one of its members. The Council agreements shall be adopted by the majority vote of the present members.

The advice or recommendations of the Council shall be voted by the majority of the members in attendance.

Article 56. The Internal Regulations of the Commission shall determine the organization, structure, and operation of the Climate Change Council.

Article 57. The Council shall have the following functions:

- I.** Provide advice to the Commission in matters within its sphere of responsibility;

II. Recommend the realization of studies and adoption of policies, actions, and goals aimed at confronting the adverse effects of climate change, to the Commission;

III. Promote the informed and responsible participation of the society through public consultations determined in coordination with the Commission;

IV. Follow-up on the policies, actions, and goals provided for by this Law, as well as on the evaluations of the National Strategy, Program, and state programs, and make proposals to the Commission, the Coordination for Evaluation at the INECC, and the members of the National Climate Change System;

V. Create specialized working groups to assist the Commission in its objectives and the Council in its functions;

VI. Elaborate, publicize, and present to the Commission, through its President, an annual activity report no later than the month of February of every year; and

VII. All others established by the Internal Regulations or those granted by the Commission.

Chapter IV *Planning Instruments*

Article 58. The following are planning instruments of the national climate change policy:

- I.** The National Strategy;
- II.** The Program; and
- III.** The programs of the States.

Article 59. The national climate change policy planning process will include two scenarios:

I. The projections based on the constitutional terms of the federal and state administrations; and

II. The medium- and long-term projections, with forecasts of ten, twenty and forty years, in accordance with the National Strategy.

Section I National Strategy

Article 60. The National Strategy constitutes the document governing national policy in the medium- and long-term to combat the effects of climate change and to transition to a competitive, sustainable low carbon emissions economy.

The Secretariat will prepare the National Strategy, with the participation of INECC and the advice of the Council; it shall be approved by the Commission and published in the Official Gazette of the Federation.

In the preparation of the National Strategy, the participation of and consultation with civil society and the private sector must be promoted, so that the public can share its opinions regarding the Strategy's drafting, updating, and implementa-

tion, as provided by the *Ley de Planeacion* [Planning Law] and all other applicable provisions.

Article 61. The Secretariat, with the participation of the Commission, shall review the National Strategy at least once every ten years in the area of mitigation, and once every six years in the area of adaptation; explanations shall be provided for deviations which, as the case may be, exist between the projected estimates and evaluated results. Likewise, the corresponding scenarios, projections, objectives, and goals shall be updated.

On the basis of this review, and the evaluations carried out by the Coordination of Evaluation, with the participation of the Council, the National Strategy can be updated. The Program and programs of the entities shall be adjusted to reflect such update.

Under no circumstance shall the reviews and updates undermine the goals, projections, and objectives previously proposed.

Article 62. The baseline scenarios, emissions projections, and goals of the National Strategy shall be set at ten, twenty and forty years.

Article 63. The Commission shall propose and approve adjustments or modifications to the scenarios, trajectories, actions, or goals contained in the National Strategy when:

- I. New international commitments in this field are adopted;
- II. New, relevant scientific knowledge or technologies are developed;
- III. It is required by environmental, natural resources, economy, energy, sustainable transport, health, and food security policies; and
- IV. They derive from the results of the evaluations carried out by the General Coordination for Evaluation .

Article 64. The National Strategy shall reflect the objectives of the climate change mitigation and adaptation policies established by this Law, and shall include, among other elements, the following:

- I. An assessment and evaluation of the actions and measures implemented in the country, as well as their assessment in the international context;
- II. Climatic scenarios;
- III. An evaluation and assessment of the vulnerability and capacity for adaptation to climate change of regions, ecosystems, population centers, urban equipment and infrastructure, productive sectors, and community groups;
- IV. Trends and proposals in the transformation of the territory and use of resources at the national, regional, and state levels, including land and water use changes;
- V. An assessment of the country's emissions and of actions that prioritize those sectors with the greatest potential for reduction while simultaneously providing environmental, social, and economic benefits;

VI. Opportunities for mitigating emissions from the generation and use of energy, burning and venting of natural gas, land use and land use changes, transport, industrial processes, waste management, and other sectors or activities;

VII. Baseline scenario;

VIII. Baseline emissions;

IX. Target trajectory of emissions;

X. Adaptation and mitigation goals;

XI. National requirements for research, technology transfer, studies, capacity-building, and dissemination;

XII. All other elements determined by the Commission.

Section II

Programs

Article 65. The mitigation and adaptation actions included in the sectoral programs, the Program, and programs of the States will be consistent with the National Strategy as established by this Law.

Article 66. The Program shall be elaborated by the Secretariat, with the participation and approval of the Commission. The Program will establish objectives, strategies, actions, and goals to combat climate change, through the definition of priorities on adaptation, mitigation, and research, as well as through the allocation of responsibilities, defining implementation timeframes, charging coordination of actions and of results, and identifying cost estimates, in accordance with the National Development Plan and the National Strategy.

Article 67. The Program shall include, among others, the following elements:

I. Sexennial planning, considering also a long-term perspective, consistent with the objectives of the National Strategy, international commitments, and the country's economic, environmental, and social situation;

II. Sexennial mitigation goals, prioritizing those related to the generation and use of energy, burning and venting of gas, transport, agriculture, forests, other land uses, industrial processes, and waste management;

III. Sexennial adaptation goals in connection with comprehensive risk-management; the use and conservation of water resources; agriculture; cattle-ranching; forestry; fishing and aquaculture; ecosystems and biodiversity; energy; industry and services; transportation and communication infrastructure; rural development; ecological land-use planning of the territory and urban development; human settlements; public health infrastructure and services; and all others that are relevant;

IV. The actions the public administration, both centralized and parastatal, must carry out to advance mitigation and adaptation, including setting objectives;

V. The budget estimates that are necessary for implementing its objectives and goals;

VI. Projects or research studies, technology transfer, capacity-building, dissemination, and their funding;

VII. The [authorities] responsible for its implementation, monitoring, and dissemination of the progress made;

VIII. Proposals for inter-institutional and cross-cutting coordination among areas with shared goals or those influencing other sectors;

IX. The measuring, reporting, and verifying of proposed adaptation and mitigation measures and actions; and

X. All other elements determined by the Commission.

Article 68. The Commission, in coordination with the Council, shall promote the participation of the public in the elaboration process of the Program in accordance with the applicable provisions of the Planning Law.

Article 69. Should the Program require modifications so as to adjust it to the National Strategy's reviews, such modifications shall be published in the Official Gazette of the Federation.

Article 70. The projects and all other actions to be implemented by the agencies and entities of the centralized and parastatal federal public administration according to the Program, shall be implemented depending on the resources approved in the *Ley de Ingresos de la Federacion* [Revenue Law of the Federation], the available budget approved for these purposes in the Expenditure Budget of the Federation for the corresponding fiscal year, and the provisions of the *Ley Federal de Presupuesto y Responsabilidad Hacendaria* [Federal Law on Budget and Fiscal Responsibility].

Article 71. The climate change programs of the States will establish the strategies, policies, directives, objectives, actions, goals, and indicators to be implemented and accomplished during the corresponding term of the administration, in accordance with the National Strategy, the Program, the provisions of this Law, and all other provisions deriving thereof.

The State programs will be developed at the start of each administration, and will always endeavor to maintain gender equity and representation from the most vulnerable populations to climate change, indigenous peoples, people with disabilities, academics, and researchers.

Article 72. The State programs will include, among others, the following elements:

I. Long-term planning of its objectives and actions, in a manner consistent with the National Strategy and Program;

II. Climate change scenarios and diagnosis of vulnerability and adaption capacity;

III. The goals and actions for mitigation and adaption within their own jurisdiction, pursuant to this Law and all other provisions deriving thereof;

IV. The measurement, reporting on, and verification of the adaptation and mitigation measures; and

V. All others established by their own legal provisions in this area.

Article 73. The National Strategy, Program, and programs of the states shall include directions for compliance with the objectives, principles, and provisions for mitigation and adaptation provided for in this Law.

Chapter V *Inventory*

Article 74. The Inventory shall be developed by INECC in accordance with the guidelines and methodologies established by the Convention, the Conference of the Parties, and the Intergovernmental Panel on Climate Change.

INECC will develop the Inventory's within the following timeframes:

I. The estimate of emissions from the burning of fossil fuels will be made annually;

II. The estimates of emissions different than those produced by the burning of fossil fuels, with the exception of those related to the changes in soil use, will be made every two years; and

III. The total estimate of emissions from the sources and the absorption by all categories of carbon sinks included in the Inventory will be made every four years.

Article 75. The competent authorities of the States and municipalities will provide to INECC, data, documents, and registries in connection with the information on categories of emissions sources established in Section XIII of Article 7 of this Law that originate in their respective jurisdictions, in accordance with the formats, methodologies, and procedures determined by the applicable legal provisions.

Chapter VI *Climate Change Information System*

Article 76. A Climate Change Information System shall be developed by the National Institute of Statistics and Geography, pursuant to the provisions of the *Ley del Sistema Nacional de Informacion, Estadistica y Geografia* (Law on the National System of Information, Statistics, and Geography).

Article 77. The Climate Change Information System shall generate, with the support of governmental agencies, a set of key indicators addressing at least the following:

I. The emissions in the national Inventory, state inventories, and Registry;

II. The emissions-reduction projects in the Registry or those participating in the agreements to which the United Mexican States is party;

III. The atmospheric conditions within the national territory, short-term climate predictions, long-term projections, and characterization of the climate variability;

IV. The vulnerability of human settlements, infrastructure, islands, coastal zones and river deltas, economic activities, and environmental effects, all attributable to climate change;

V. Average sea level;

VI. The estimate of costs attributable to climate change in a particular year, to be included in the calculation of the Environmentally-adjusted Net Domestic Product;

VII. Soil quality, including its carbon content; and

VIII. Protection, adaptation, and management of biodiversity.

Article 78. The Secretariat shall elaborate, publish, and disseminate reports on climate change adaptation and mitigation and on their repercussions, based on the Climate Change Information System, and taking into consideration their context within the National Strategy and Program.

Article 79. The data will be integrated into a geographic information system that stores, edits, analyzes, shares, and displays the key geographically-referenced indicators by utilizing electronic media.

Chapter VII

Climate Change Fund

Article 80. The Climate Change Fund is hereby established with the purpose of attracting and channeling public, and private, national, and international financial resources in order to support the implementation of actions to combat climate change. Adaptation actions shall have priority in the use of the Fund's resources.

Article 81. The Fund's assets shall be comprised of:

I. The annual resources which, as appropriate, are established in the Expenditure Budget of the Federation and the contributions from other public funds;

II. The contributions and payment of tax fees and fiscal gains established in the applicable laws;

III. Donations from national or international individuals or legal entities;

IV. Contributions made by governments of other countries and international organizations;

V. The value of certified emissions reductions from projects implemented in the United Mexican States and acquired voluntarily from the market by the Fund; and

VI. All other resources it obtains, as established in other legal provisions.

Article 82. The Fund's resources shall be destined to :

I. Adaptation to climate change actions, prioritizing attention to community groups located in the most vulnerable areas in the country;

II. Projects that simultaneously contribute to climate change mitigation and adaptation by increasing the natural capital through actions oriented towards, among others, reverting deforestation and degradation; conserving and restoring the lands in order to increase carbon capture; implementing sustainable agricul-

tural practices; recharging the aquifers; preserving the integrity of beaches, coasts, federal terrestrial maritime zones, territory gained from the sea, and any other reservoir formed by seaside waters, wetlands, or mangrove swamps; promoting the connectivity between ecosystems through biological corridors, conserving riparian vegetation, and to sustainably use biodiversity;

III. Development and implementation of actions to mitigate emissions in accordance with the climate change priorities of the National Strategy, the Program, and programs of the States, particularly in projects related to: energy efficiency; development of renewable energy and second-generation bioenergetics; elimination or exploitation of fugitive methane and gas emissions associated with the exploitation of coal ore deposits; and development of sustainable transportation systems;

IV. Programs to educate, sensitize, raise awareness, and disseminate information, in order to transition to a low carbon emissions economy and to climate change adaptation;

V. Studies and evaluations in the field of climate change required by the National Climate Change System;

VI. Research, innovation, technological development, and technology transfer projects in this field, in accordance with what is established by the National Strategy, the Program, and programs;

VII. Purchase of certified emissions reductions from projects reported to the Registry, or any other that has been approved by international agreements signed by the United Mexican States; and

VIII. Other projects and actions in the field of climate change, regarded as strategic by the Commission.

Article 83. The Fund shall operate through a public trust created by the Secretariat of Finance and Public Credit under the terms of the applicable legal provisions.

Article 84. The Fund shall have a Technical Committee presided over by the Secretariat of Environment and Natural Resources, and composed of representatives from the Secretariats of Finance and Public Credit; Economy; Government; Social Development; Communication and Transportation; Energy; and Agriculture, Livestock, Rural Development, Fishing, and Alimentation.

Article 85. The Technical Committee shall request the opinion of the Commission with regard to the Fund's operations regulations and operative budget, as well as any modification made to those instruments.

Article 86. The Fund shall be subject to the procedures of control, audit, transparency, evaluation, and accountability established by the applicable legal provisions.

Chapter VIII
Registry

Article 87. The Secretariat shall create the Registry of emissions generated by immovable and mobile point sources identified as subject to reporting.

The regulations of this Law shall identify the sources that will report to the Registry by sector, sub sector, and activity, as well as will establish the following elements for the integration of the Registry:

I. Reports on greenhouse gases or compounds to be reported for its inclusion in the Registry;

II. The thresholds beyond which the facilities subject to federal reporting shall report their direct and indirect emissions ;

III. The methodologies for calculating direct and indirect emissions to be reported;

IV. The system for monitoring, reporting, and verification, so as to guarantee the integrity, soundness, transparency, and accuracy of the reports; and

V. The linking, where applicable, to other federal or state emissions registries.

Article 88. The individuals and legal entities responsible for the sources subject to reporting shall provide the necessary information, data, and documents regarding their direct and indirect emissions for incorporation into the Registry.

Article 89. The individuals and legal entities carrying out projects or activities resulting in the mitigation or reduction of emissions may register such information with the Registry, in accordance with the regulatory provisions issued to that effect.

The information regarding such projects shall include, among other elements, the transactions of certified reductions or absorptions expressed in metric tons and in equivalent tons of carbon dioxide, that were carried out in national or international emissions trading systems, the dates on which the corresponding operations were verified, the resources obtained, and the corresponding sources of funding.

The regulatory provisions of this Law shall establish the measures for preventing the double accountability of emissions reductions verified within the national territory and in the zones within the nation's jurisdiction and over which it exercises sovereignty, taking into consideration available international systems and methodologies.

Article 90. The regulatory provisions of this Law shall establish the procedures and rules for monitoring, reporting, and verifying and, as applicable, certifying the emissions reductions obtained from projects registered with the Registry through accredited organizations, in accordance with the *Ley Federal de Metrología y Normalización* [Federal Law on Metrology and Normalization] and authorized by the Secretariat or international bodies of which the United Mexican States is a member.

The regulations of this Law shall establish the requirements for the validation before the Registry, of certifications issued by international registries for the reduction of projects carried out in the United Mexican States.

Chapter IX
Economic Instruments

Article 91. The Federal Government, the States, and the Federal District, within their respective authority, shall design, develop, and apply economic instruments that provide incentives for meeting the objectives of national climate change policy.

Article 92. The Law regards as economic instruments the regulatory and administrative mechanisms of a fiscal, financial, or market-based nature by which a person assumes the benefits and costs related to climate change mitigation and adaptation and has incentives to carry out actions that contribute to the objectives of national policy in this area.

Fiscal instruments are fiscal benefits that provide incentives to contribute to the objectives of national climate change policy. Under no circumstance shall these instruments be established for tax revenue purposes only.

Financial instruments are credits, bonds, civil liability insurance, funds, and trusts that their objectives seek climate change mitigation and adaptation; the funding of programs, projects, studies, scientific and technological research; or the development of low-carbon emissions and technology.

Market-based instruments are concessions, authorizations, licenses, and permits corresponding to pre-established volumes of emissions or providing incentives to implement actions to reduce emissions by providing alternatives that improve their cost-efficiency relationship.

The rights and interests deriving out of market-based economic instruments shall be transferable, non taxable, and subject to the public interest.

Article 93. The following activities are considered priorities for the purposes of granting the fiscal incentives established under the *Ley de Ingresos de la Federacion* [Federal Revenues Law]:

I. The research on, adoption, or use of mechanisms, equipment, or technologies whose objective is to prevent, reduce, or control emissions, as well as to promote energy-efficient practices.

II. The research on or adoption of energy efficiency systems; and the development of renewable energy and low-carbon emissions technologies;

III. In general, those activities related to climate change adaptation and emissions mitigation.

Article 94. The Secretariat, with the participation of the Commission and Council, may establish a voluntary emissions-trading system with the objective of promoting emissions reductions that can be achieved at the least possible cost and in a measurable, reportable, and verifiable form.

Article 95. Interested parties in participating voluntarily in emissions trading, may carry out operations and transactions that can relate to emissions trading in other countries, or that can be used in international carbon markets, in accordance with applicable legal provisions.

Chapter X

Mexican Official Standards [*Normas Oficiales Mexicanas*]

Article 96. The Secretariat— on its own and, where appropriate, with the participation of other agencies of the federal public administration — will issue Mexican official standards [*normas oficiales mexicanas*] aimed at establishing guidelines, criteria, technical specifications, and procedures for guaranteeing climate change adaptation and mitigation measures.

Article 97. The compliance with Mexican official standards [*normas oficiales mexicanas*] shall be evaluated by the certification bodies, verification units, and testing laboratories authorized by the Secretariat.

Title Six

Evaluation of the National Climate Change Policy

Sole Chapter

Article 98. National climate change policy will be subject to periodic and systematic evaluations carried out by the Coordination for Evaluation, in order to propose, as appropriate, full or partial amendments, additions, or redirectioning.

Based on the results of the evaluations, the Coordination for Evaluation may issue suggestions and recommendations to the Federal Executive Government and to the governments of the States and municipalities, and shall make them available to the public.

Article 99. Based on the results of the evaluations, the Coordination for Evaluation will issue recommendations to the members of the National Climate Change System. The results of the evaluations, as well as the recommendations, shall be made public.

Article 100. The Coordination for Evaluation, together with the Council, Commission, and National Institute of Statistics and Geography, shall jointly develop efficiency and impact guidelines, criteria, and indicators to guide or direct the evaluations of the National Climate Change Policy.

Article 101. With regards to adaptation, the evaluation will be based on the following objectives:

I. Reduce the vulnerability of society and ecosystems to the effects of climate change;

II. Strengthen the resilience and resistance of natural and human systems;

III. Minimize risks and damages, considering the current and future climate change scenarios;

IV. The development and effective implementation of the specific instruments for diagnosis, measuring, planning, and monitoring, that are necessary for confronting climate change;

V. Identify the vulnerability and the adaptation and transformation capacity of the ecological, physical, and social systems, and take advantage of opportunities generated by new climatic conditions;

VI. Establish — as a part of the plans and actions for civilian protection-mechanisms for immediate and expedient response in zones suffering impacts by the effects of climate change

VII. Facilitate and foster food security; agricultural, ranching, fishing, and aquaculture productivity; and the preservation of ecosystems and natural resources; and

VIII. All others determined by the Commission.

Article 102. With regards to climate change mitigation, the evaluations will be based on the following objectives:

I. Guarantee the health and security of the population by controlling and reducing atmospheric contamination;

II. Reduce greenhouse gases and compounds emissions and improve greenhouse gas sinks by promoting sustainable production and consumption patterns in the public, social, and private sectors, primarily in areas such as energy generation and consumption, transport, and comprehensive waste management;

III. Gradually substitute the use and consumption of fossil fuels with renewable energy sources;

IV. Measure energy efficiency, the development and use of sources of renewable energy, and the transfer and development of low-carbon technologies, particularly in public buildings of the centralized and parastatal federal public administration, States, and municipalities;

V. Raise the energy-efficiency standards for motor vehicles through the creation of regulations for efficiency in new vehicles and the control of emissions for imported vehicles;

VI. Align federal programs and policies to revert deforestation and degradation;

VII. The conservation, protection, creation and functioning of carbon sinks;

VIII. The conservation, protection and sustainable use of biodiversity;

IX. Establish methodologies for emissions measurement, reporting, and verification;

X. The development and use of massive public transportation meeting high efficiency standards, favoring the substitution of fossil fuels and the development of sustainable public and private urban and suburban transport systems;

XI. Reduce the burning and venting of gas to reduce losses in the extraction processes and in the distribution systems, and guarantee the maximum exploitation of gas in industrial, oil, gas, and refining facilities;

XII. Promote the use of gas associated with the exploitation of coal ore deposits;

XIII. The use of the energetic component of waste for the development of energy-generation projects;

XIV. Develop economic and fiscal incentives to promote the development and consolidation of industries and companies that are socially responsible with the environmental; and

XV. All others determined by the Commission.

Article 103. The results of the evaluations shall be considered in the formulation, review, or updating of the National Strategy and the Program, and the States and municipalities may incorporate them into their programs.

Article 104. The evaluations shall be carried out every two years and — in the cases determined by the Coordination for Evaluation — longer terms may be established.

Article 105. The results of the evaluations shall be published in the Official Gazette of the Federation and submitted to the Chambers of Deputies and Senators of the Federal Congress.

Title Seven Transparency and Access to Information

Sole Chapter

Article 106. Every person has the right have the climate change authorities, as well as the Commission, Council, and Climate Change Information System, make available the information they request in accordance with the applicable legislation.

Article 107. The Commission, in coordination with the National Institute of Geography and Statistic and INECC, shall elaborate and develop an Internet website which includes the detailed annual report on the general state of the country vis-à-vis climate change, as well as the results of the evaluations of the National Climate Change Policy. In that website, individuals may review the Inventory and Registry.

Article 108. The federal resources that are transferred to the States and municipalities through coordination agreements or projects approved by the Fund shall be bound by the federal provisions on transparency and evaluation of public resources.

Title Eight Regarding Participation of the Society

Sole Chapter

Article 109. The three levels of government shall promote the co-responsible participation of the society in the planning, implementation, and oversight of the National Climate Change Policy.

Article 110. To comply with the previous Article, the Commission shall:

I. Convene social and private-sector organizations to express their opinions and make proposals regarding climate change adaptation and mitigation;

II. Sign agreements with environmental social and private organizations to promote climate change adaptation and mitigation actions; the establishment, administration, and management of natural protected areas; to provide counseling in activities for the sustainable use of natural resources and the elaboration of studies and research in these fields; and to undertake joint actions;

III. Promote the recognition of the most distinguished efforts of the society to eradicate the adverse effects of climate change; and

IV. Coordinate actions and investments in the social and private sectors for implementing climate change adaptation and mitigation measures.

Title Nine

Inspection and Surveillance, Security Measures, and Sanctions

Chapter I

Inspection And Surveillance

Article 111. The Secretariat, through the Federal Prosecutor for Environmental Protection, will carry out actions of inspection and surveillance of individuals and legal entities that are subject to emissions reporting [obligations], in order to verify the information provided to the Secretariat, in accordance with the regulations deriving from this Law.

Article 112. The natural or legal persons responsible for sources of emissions required to provide reports, data, or documents by the Secretariat, under the emissions reports, shall do so within a period no greater than fifteen business days, accounted since the following day of that in which they receive the notification.

Chapter II

Security Measures

Article 113. Where, as a result of the inspection visits carried out to those natural or legal persons responsible for emissions sources subject to reporting, it is established that there exists an imminent risk resulting from the violation of the provisions of this Law and of the *Ley General del Equilibrio Ecológico y la Protección al Ambiente* [General Law on Ecological Balance and Environmental Protection], and where acts or omissions could lead to the imposition of sanctions, the Secretariat may order the imposition of the security measures provided under the General Law on Ecological Balance and Environmental Protection.

Chapter III

Sanctions

Article 114. In the case that individuals or legal entities responsible for emissions sources subject to reporting do not provide the information, data, or documents required by the Secretariat during the established period of time, the Federal Prosecutor for Environmental Protection may impose a fine of five hun-

dred to three thousand days of the minimum wage in force in the Federal District, without detriment to immediate compliance with such obligation.

Article 115. In the case of finding falsifications in the information provided, or non compliance with the time periods and terms in which the information must be provided, the Federal Prosecutor for Environmental Protection will apply a fine of three thousand to ten thousand days of the general minimum wage in force in the Federal District. The fine shall be independent of any other civil and criminal liability that could result.

The Federal Prosecutor for Environmental Protection shall have the obligation to inform of these acts to the competent authorities.

In case of recidivism, the amount of the fine may increase to as much as three times the amount that had originally been imposed.

Article 116. The public officials in charge of applying and overseeing compliance with this Law shall be liable to the applicable administrative sanctions in case of non compliance with its provisions, in accordance with the *Ley Federal de Responsabilidades Administrativas de los Servidores Publicos* [Federal Law on the Administrative Responsibilities of Public Servants] and other applicable laws, notwithstanding the civil and criminal liability that may arise.

Transitory Articles

Article One. This Law shall enter into force ninety business days after its publication in the Official Gazette of the Federation.

Article Two. The country adopts the indicative objective or aspirational goal of reducing its emissions by 30% by the year 2020 with respect to the baseline scenario, as well as a 50% reduction in emissions by 2050, as compared with the emissions in the year 2000. These goals may be achieved if an international regime is established including financial and technological support mechanisms, provided by developed countries for developing countries, including the United Mexican States. These goals will be reviewed for the publication of the next National Strategy.

Article Three. The agencies and entities of the centralized and parastatal federal public administration, States, and municipalities shall implement the necessary mitigation and adaptation actions, according to their powers and jurisdictions, in order to achieve the following aspirational goals and indicative time periods:

I. Adaptation:

a) With concern to civilian protection, the Federal Government, States, and municipalities shall establish a Program in order to develop and publish before the end of the year 2013, the national risk atlas and state and local risk atlases for those human settlements most vulnerable to climate change;

b) Prior to November 30, 2015, the municipalities most vulnerable to climate change, in coordination with the States and federal governments, shall have urban development programs that take into consideration climate change;

c) Before the end of 2013, the States shall elaborate and publish local programs to combat climate change.

d) Prior to November 30, 2012, the federal government shall have:

1. The General Environmental Land-Use Planning Program of the Territory, and

2. The Biodiversity Protection and Management Sub-program on climate change; and

II. Mitigation:

a) Conafor shall design strategies, policies, measures, and actions to transition to a rate of 0% carbon loss in original ecosystems, for their inclusion into the planning instruments of forests sustainable-development policy, taking into consideration sustainable development and community forest management,;

b) By 2018, the municipalities, in coordination with the States and all other administrative and financial institutions, and with the technical support of the Secretariat of Social Development, will develop and build infrastructure for the management of solid waste that does not emit methane into the atmosphere in urban centers having more than 50,000 inhabitants, and when viable, will implement the technology for the generation of electrical energy utilizing methane gas emissions;

c) By 2020, in accordance with the country's goal for emissions reductions, the Secretariat of Finance and Public Credit, in coordination with the Secretariat of Economy, the Secretariat of Energy, the Secretariat of Agriculture, Livestock, Rural Development, Fishing, and Alimentation, and the Secretariat of Communications and Transportation, shall have gradually developed a system of subsidies which promote the advantages of using non-fossil fuels, energy efficiency measures, and sustainable public transportation, with regard to the use of fossil fuels;

d) By 2020, in accordance to the country's goal for emissions reductions, the Secretariat of Finance and Public Credit, in coordination with the Secretariat of Energy and the Regulatory Energy Commission, shall have established an incentive-based system, which promotes and allows for profitable electricity generation through renewable energy ,such as wind, sun, and small hydro by the Federal Electricity Commission; and

e) The Secretariat of Energy, in coordination with the Federal Electricity Commission and the Regulatory Energy Commission, will promote that electricity generation from clean energy sources reach at least 35% by 2024.

Article Four. The Federal Executive will publish the provisions for operating and administering the Registry, or any other necessary for applying this Law, within the 12 months following its publication in the Official Gazette of the Federation.

Article Five. The resolution dated April 25, 2005, by which the Inter-Ministerial Commission on Climate Change was created, is hereby abrogated.

The working groups of the Inter-Ministerial Commission, along with their functions and procedures, will continue as long as those established by this Decree have not been implemented. The pending requests to obtain Clean Development Mechanism projects letters of approval shall continue to be processed under the rules existing prior to the publication of this Law.

The National Climate Change Strategy shall continue in force until a new one is published during the first half of 2013, pursuant to the minimum content and provisions established in this Law.

The Special Climate Change Program shall continue in force until November 30, 2012.

Article Six. As long as the Organic Statute, regulations, and all other administrative regulations regarding the functioning and operation of the National Institute of Ecology and Climate Change are not issued, those in force shall continue to be applied to the extent they are not in opposition to this Law. The status of the personnel of such agency shall be governed by the provisions related to Section B of Article 123 of the Political Constitution of the United Mexican States.

The Institute shall have a General Coordination for Climate Change with the level of at least director general.

The Organic Statute of the Institute shall be issued no later than five months after the entry into force of this Law, and should include the powers of the General Coordination for Evaluation.

The Internal Comptroller Unit of the Secretariat of Environment and Natural Resources shall continue exercising the powers as internal comptroller unit of the National Institute of Ecology and Climate Change.

Article Seven. The Secretariat of Environment and Natural Resources, within a period of two months after the entry into force of this Decree, shall transfer to the National Institute of Ecology and Climate Change the economic, material, and human resources assigned to it, to be assigned to it, as well as those currently under the National Institute of Ecology, in accordance to the functions it assumes, so that it can comply with the powers established by this Law.

The Secretariat of Environment and Natural Resources will observe the provisions and amounts established for the National Institute of Ecology and Climate Change under the Federal Expenditures Budget and the Federal Law on Budget and Revenue Responsibility.

The amounts not spent from the budget approved for the National Institute of Ecology in the current Federal Expenditure Budget shall be exercised by the National Institute of Ecology and Climate Change from the date of entry into force of this Decree.

Article Eight. The Executive Director of the National Institute of Ecology and Climate Change shall issue a public call for proposals for the selection of the the citizens advisors within six months after the adoption of the Organic Statute,

and once it has been made, the Commission will have three months to select the citizen advisors.

Article Nine. The Climate Change Fund shall be established by the Secretariat of Finance and Public Credit [and] its operating rules approved by its Technical Committee, within six months after the publication of this Law, in the Official Gazette of the Federation.

A National Society of Credit will be in charge of the operation of the Fund established under Article 83 of this Law, and will act as a fiduciary of the public trust fund, without an organic structure for this purpose, in accordance with the applicable provisions, and its responsible unit will be the Secretariat of Environment and Natural Resources.. This fiduciary institution shall carry out all acts that are necessary to operate the Fund and comply with its purpose in accordance with the law.

The Mexican Bank for Foreign Trade , SC shall dissolve the Mexican Carbon Fund (FOMECAR), in order to transfer its functions to the Climate Change Fund. The ongoing transactions shall be realized in accordance with the regulations, agreements, and contracts in force, providing they are not in opposition to this Law.

Article Ten. For the purpose of complying with this Law, the Federal government, States, and municipalities, shall promote the necessary legal and administrative amendments, in order to strengthen their respective public revenues by stimulating tax collection. This in order for such levels of government to have the resources that allow them to finance the actions resulting from the entry into force of this Law.

Mexico City, Federal District, on April 19, 2012. — Member of Congress **Guadalupe Acosta Naranjo**, President — Senator **José González Morfín**, President — Member of Congress **Mariano Quihuis Fragoso**, Secretary — Senator **Ludivina Menchaca Castellanos**, Secretary — Signatures with a flourish.”

In compliance with the provisions of Section I of Article 89 of the Political Constitution of the United Mexican States, and for its due publication and observance, I hereby issue this Secretariat Decree in the Residence of the Federal Executive Branch in Mexico City, Federal District, on June 4, 2012. — **Felipe de Jesús Calderón Hinojosa** — Signature with a flourish — Secretary of Government, **Alejandro Alfonso Poiré Romero** — Signature with a flourish.