



THE ROLE OF CARBON MARKETS

IN MEXICO'S CLIMATE POLICIES AND COMMITMENTS

MANUEL MEDINA

ONU 25 de septiembre 2015

2030 Agenda

17 Sustainable Development Objectives

"We are determined ... to guarantee a lasting protection for the planet and its natural resources."

MÉXICO
PRESIDENCIA DE LA REPÚBLICA



SUSTAINABLE DEVELOPMENT OBJECTIVES



85

Of the 169 goals in the 2030 Agenda for sustainable development come from the environmental sector

PARIS Agreement

KIRIBATI
IPACIFIC ISLAND COUNTRY
THREATENED BY SEA LEVEL RISE

MÉXICO
PRESIDENCIA DE LA REPÚBLICA



MEXICAN POSITION

...based in our

CLIMATE CHANGE LAW

México supported and pursued the inclusion of carbon markets in the Paris Agreement

COP 21



Mexique
Mexico

MÉXICO
PRESIDENCIA DE LA REPÚBLICA



G20 DECLARATION *endorsed by Mexico*

July, 2017

“The Leaders of the G20
stated that the Paris Agreement is*

IRREVERSIBLE.”

* without USA

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PRESIDENCIA DE LA REPÚBLICA



VOLUNTARY COOPERATIVE APPROACHES

PARIS AGREEMENT
Art. 6

...the use of
Internationally Transferred Mitigation Outcomes

ITMO_s

shall promote sustainable development,
environmental integrity and transparency



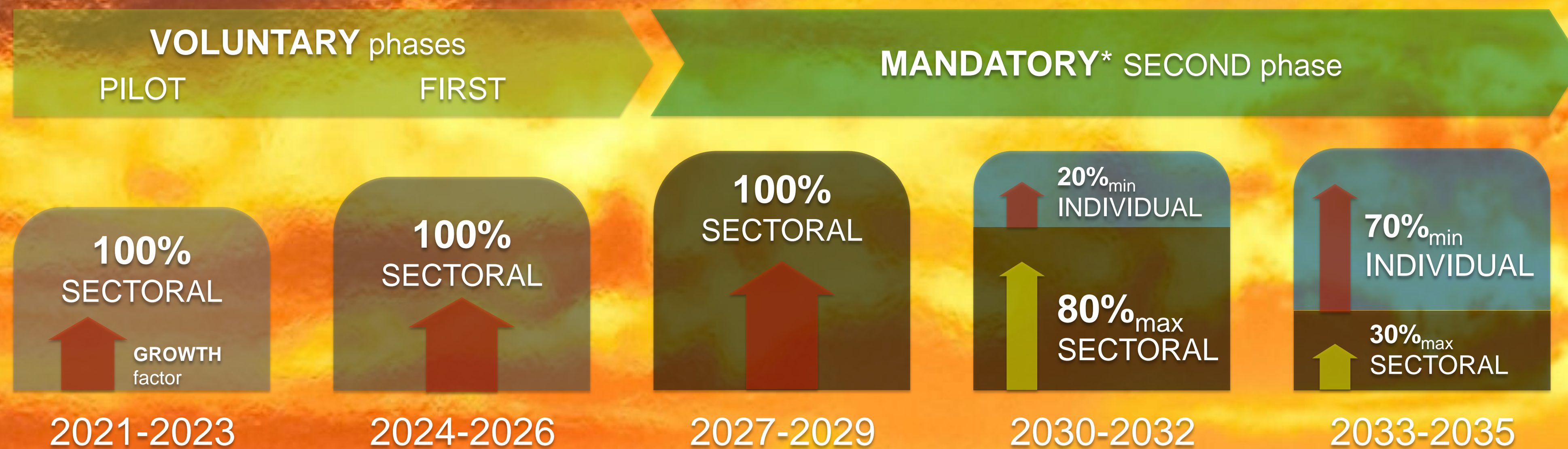
Mexico is part of the first ever global deal to curb international emissions

90% of international operations
will be covered by the **CORSIA** *
in 2021

CORSIA

ENGAGEMENT PROCESS AND PROGRESSIVE GOALS

PARIS AGREEMENT
Art. 6



* EXEMPTIONS: LDCs, SIDS, LLDC, Sates <0.5% RTKs, lowest States <90% RTKs, and new operators <3y or <0.1% 2020 emissions, and operators <10,000 tCO₂ and with <5,700 MTOM

OFFSETS prices*

2016

Based in
63.4 MtCO₂e transacted
in the voluntary carbon markets,
the average price paid
for offsets was

\$3 USd/11s/tCO₂e

RENEWABLES	\$1.4
FORESTRY AND LAND USE	\$5.1
METHANE	\$1.8
EFFICIENCY AND FUEL SWITCHING	\$2.9
HOUSEHOLD DEVICE	\$5.2
TRANSPORTATION	\$0.3
GASES	\$5.7
OTHER	\$4.0

SOURCE: EcosystemMarketplace
• *Unlocking Potential. State of The
Voluntary Carbon Markets 2017.*

FRANCE CARBON PRICING POLICY

ENERGY TRANSITION LAW

President Macron stick to
the carbon tax targets:

€56 in 2020

€100 in 2030

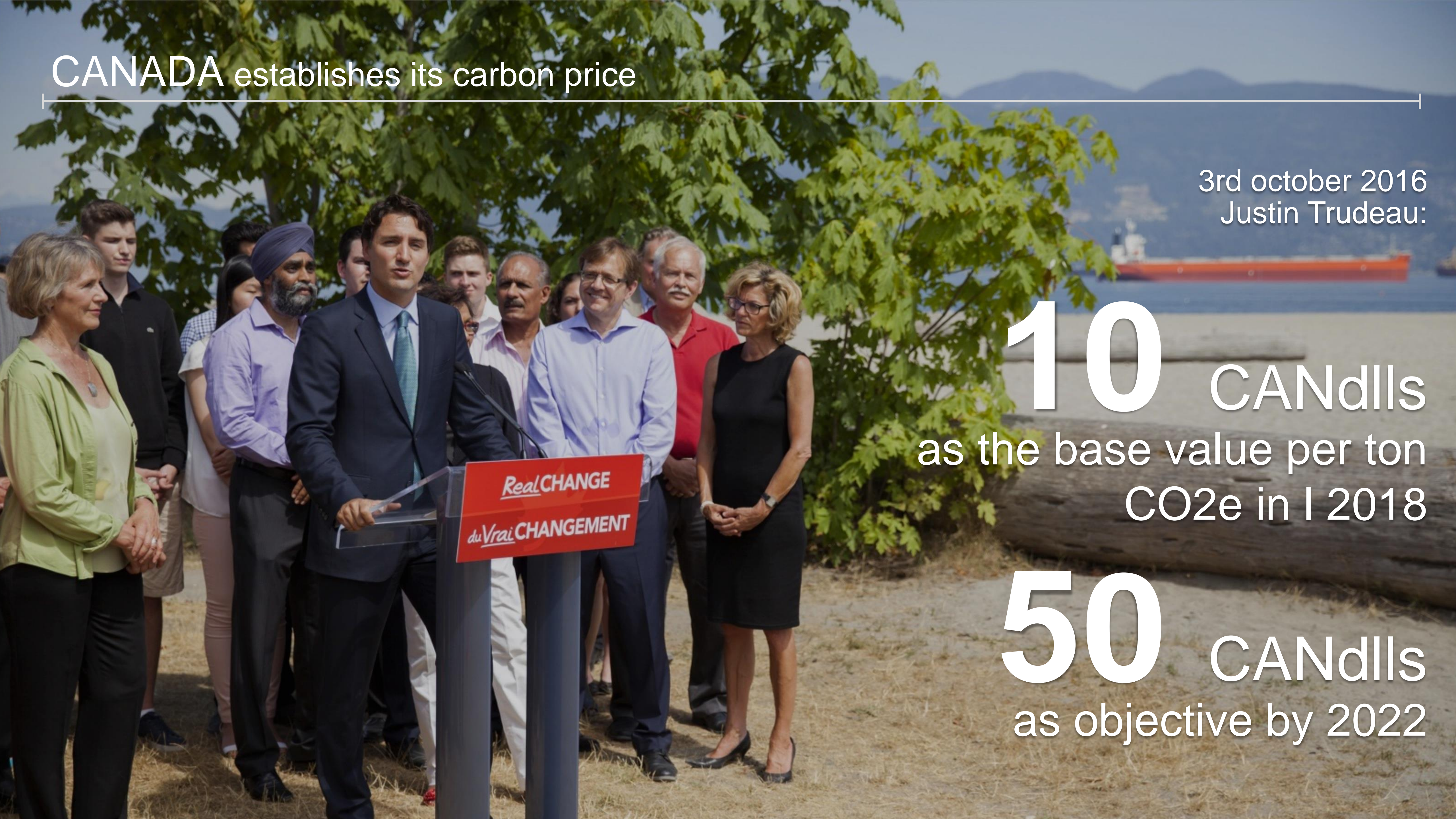
Victory Speech
May 7th
2017

CANADA establishes its carbon price

3rd october 2016
Justin Trudeau:

10 CANdls
as the base value per ton
CO₂e in 2018

50 CANdls
as objective by 2022



CALIFORNIA CARBON PRICING POLICY

AB 398 BILL

Governor Jerry Brown and
California bipartisan legislature
extended to 2030 the state's
CAP & TRADE
multi-sector program



2017 CARBON MARKET PRICES

US\$/tCO₂e



VOLUNTARY COOPERATIVE APPROACHES

PARIS AGREEMENT
Art. 6

This **MECHANISM** will be used by Parties on a voluntary basis, but must be authorized by participating Parties and supervised by a

BODY designated by the COP

serving as the meeting of the Parties to the Paris Agreement



CARBON NEUTRALITY

PARIS AGREEMENT
Art. 6

Parties aim to reach **global peaking** of GHG emissions as soon as possible...so to achieve a

BALANCE

between anthropogenic emissions by sources and removals by sinks and greenhouse gases
IN THE SECOND HALF OF THIS CENTURY

Artista **OLAFUR ELIASSON**
Artic Ice in Paris

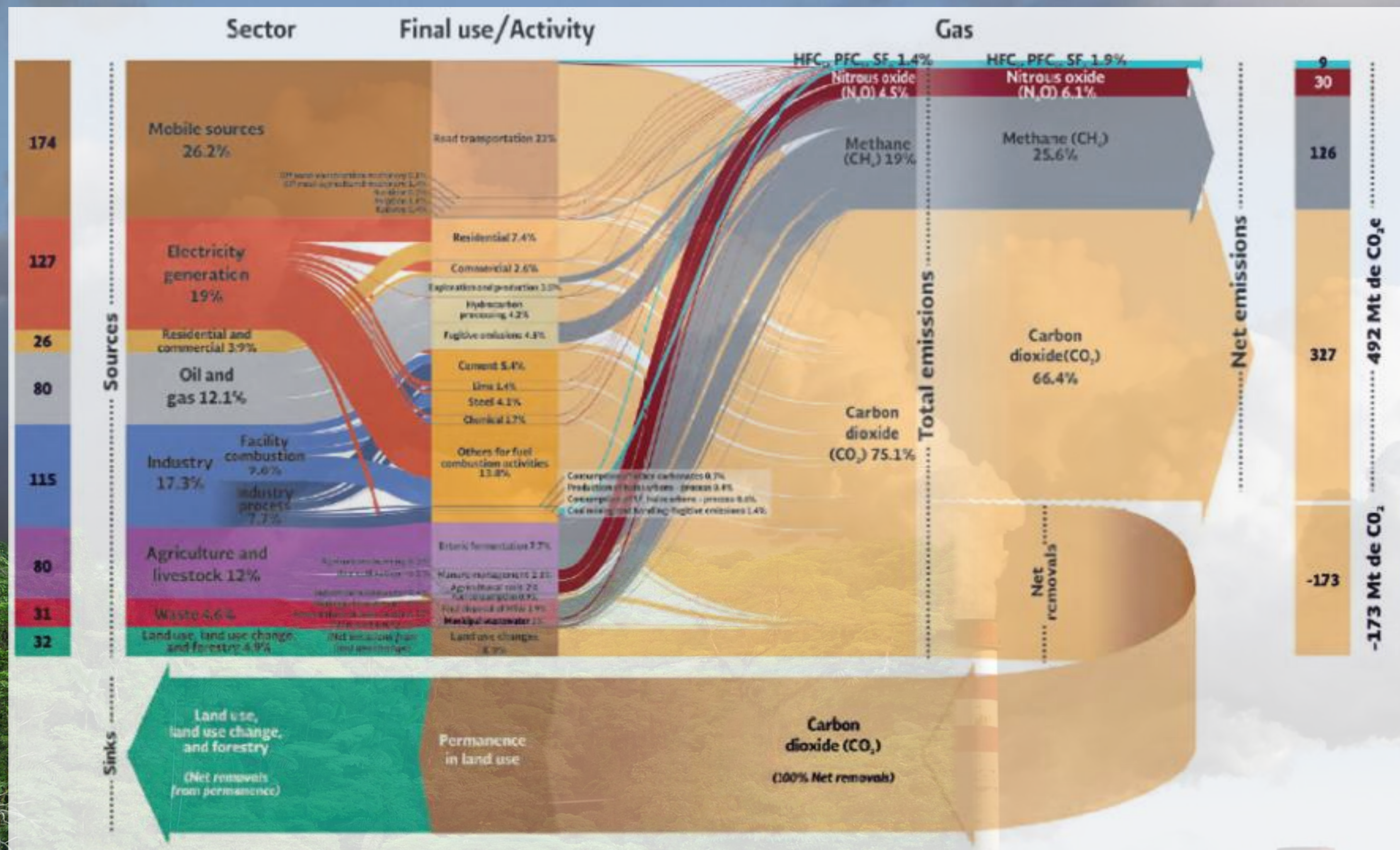
MÉXICO.
PRESIDENCIA DE LA REPÚBLICA



EMISSIONS INVENTORY 2013

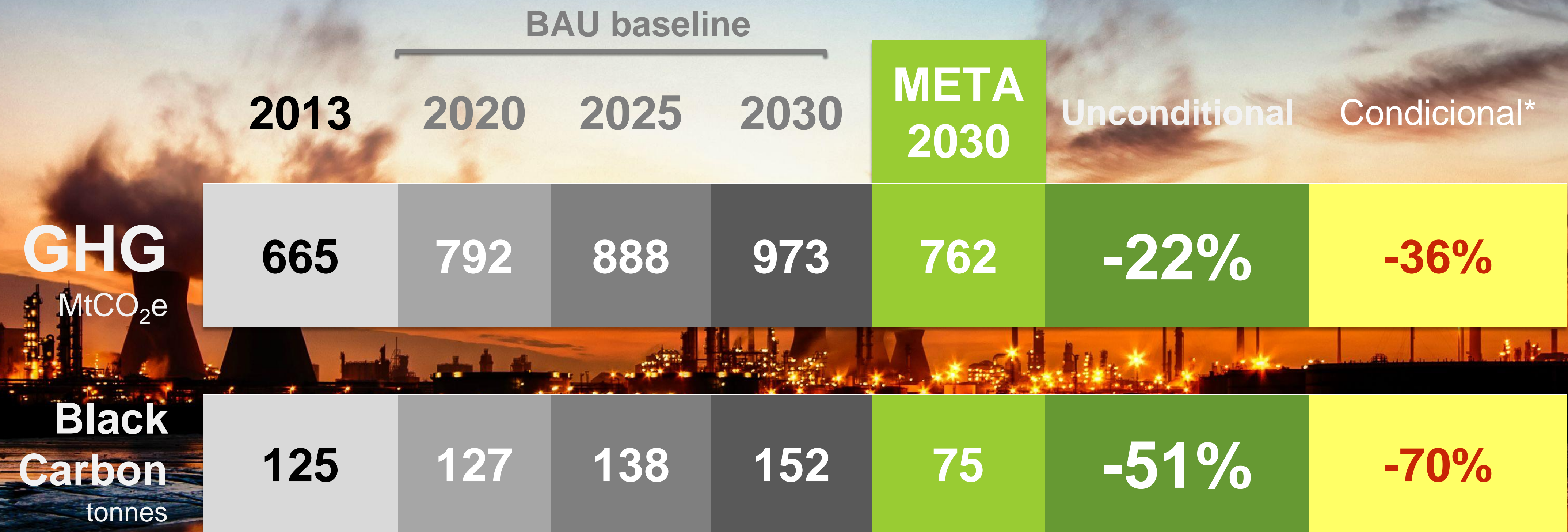
665
MtCO₂e

-173
MtCO₂e



MEXICO's NDC TARGETS

2020-2030

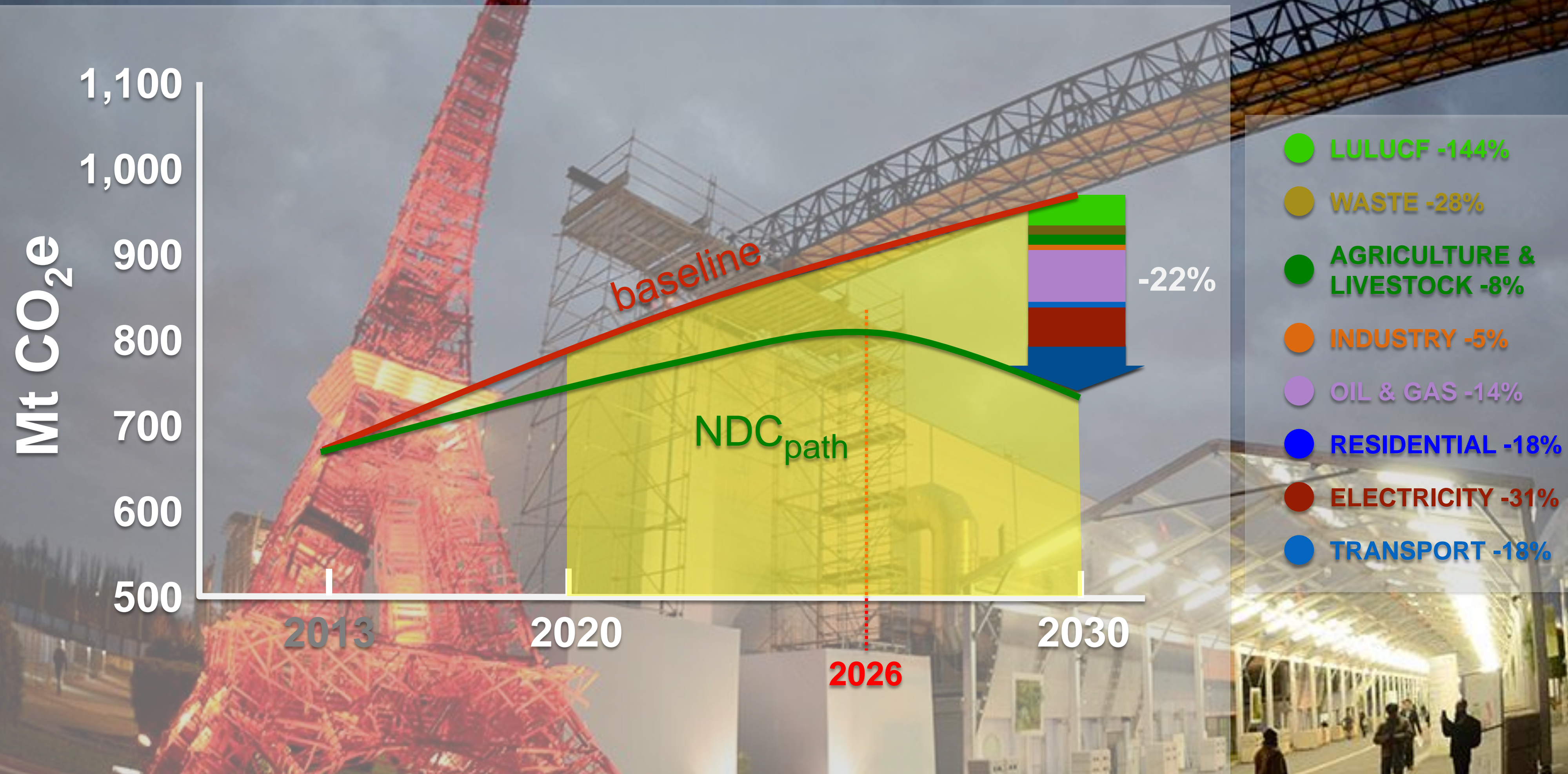


* Finance and Technology transfer conditionalities



NDC commitments

2020-2030

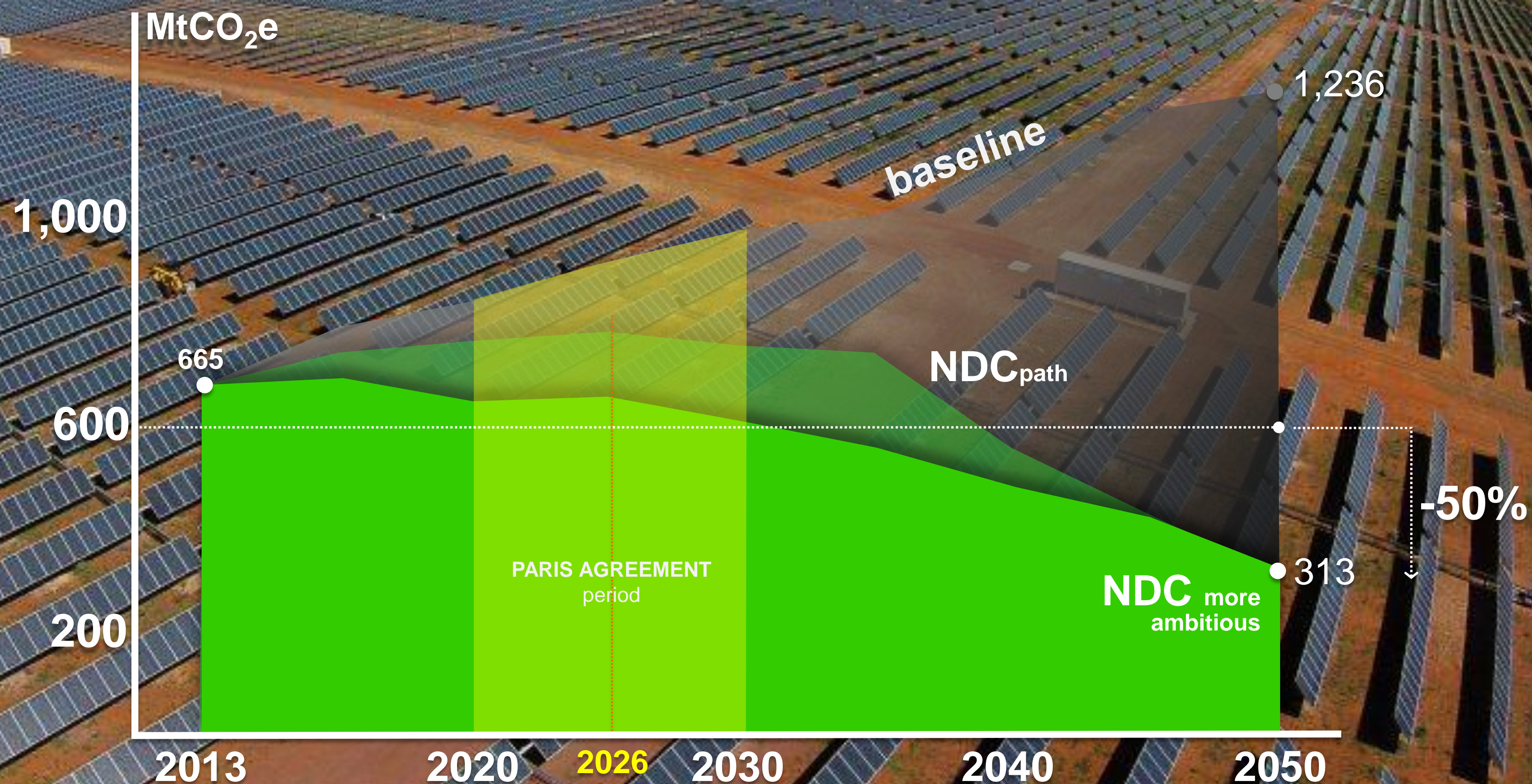


MEXICO's Mid-century mitigation scenarios

PARIS AGREEMENT
Art. 4



During the COP22, Mexico presented its MCS goal is to reduce 50% of national GHGs below our emissions in 2000



MITIGATION strategies

M1 Accelerate the energy transition towards **clean energy sources**

M2 Reduce energy intensity through efficiency and **responsible consumption** schemes

M3 Shift towards models of **sustainable cities** with mobility systems, integrated waste management, and low-carbon footprint buildings

MITIGATION strategies

M4 Promote best practices in agriculture and forestry to increase and preserve natural **carbon sinks**

M5 Reduce emissions of **Short-Lived Climate Pollutants** promoting co-benefits in health and well-being

Artist **ANDRECO**
Climate 01
École Communale de
Garçons
Ville de Paris

COMMITMENTS

COP 21

MEXICO supported the World Bank
and the International Monetary Fund
initiative on

CARBON PRICING LEADERSHIP COALITION

MEXICO CARBON TAX FOR ALL FOSSIL FUELS

Based in the amount of carbon atoms of each fossil fuel's molecule, excluding natural gas. Applied from coal to LPG.

The tax rate was capped at 3% of the sales price of fuel, and has collected

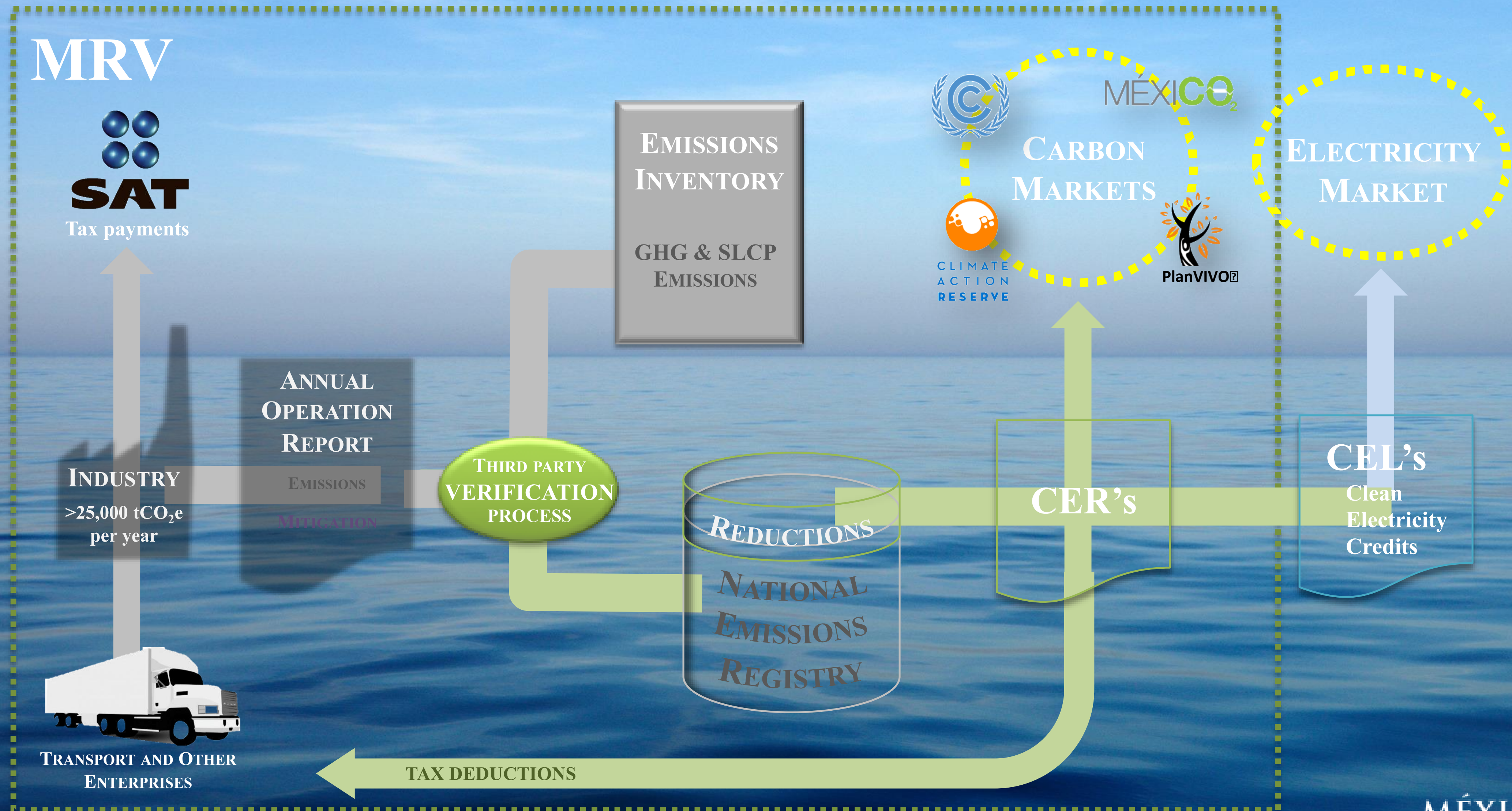
US\$1.7 billion

in three and a half years.

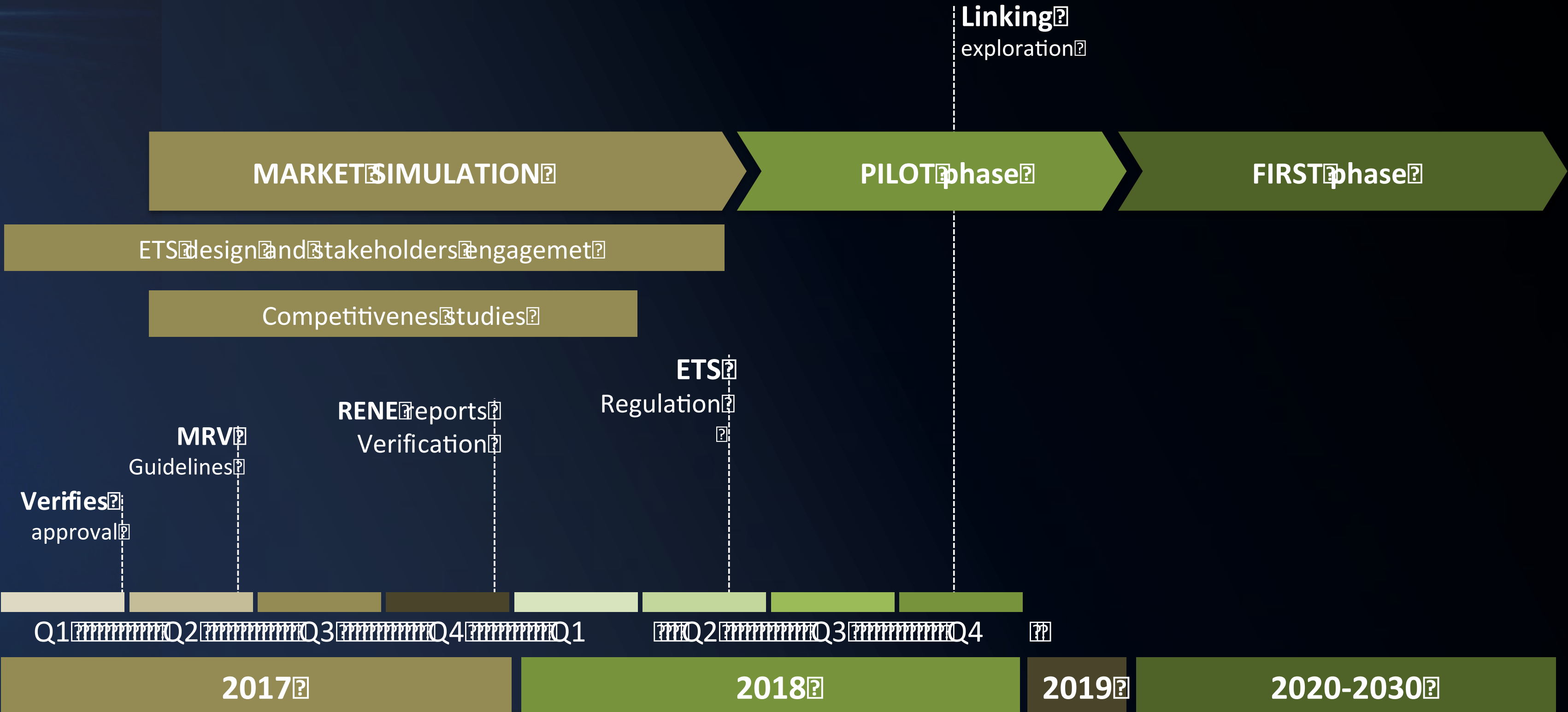
3.5

US dlIs per tCO₂e

MEXICO CARBON PRICING PROPOSAL



MEXICAN ROADMAP FOR THE CARBON MARKET



Artist **YANN TOMA**
Human Energy
Eiffel Antenna

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NORTH AMERICA

LINKING THE FUTURE OF LOW CARBON DEVELOPMENT

80

INDUSTRIES

23.2

MM tonnes CO₂

CAP₂₀₁₃

QUEBEC

350

INDUSTRIES

162.8

MM tonnes CO₂

CAP₂₀₁₃

CALIFORNIA

450

INDUSTRIES

350

M tonnes CO₂e

MÉXICO
PRESIDENCIA DE LA REPÚBLICA



THANKS

