

Transparency under the Paris Agreement: National and Subnational Contribution and Tracking towards Mexico's NDC

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10031

Countries

Mexico

Project Name

Transparency under the Paris Agreement: National and Subnational Contribution and Tracking towards Mexico's NDC

Agencies

IADB

Date received by PM

5/22/2019

Review completed by PM

10/22/2020

Program Manager

Milena Vasquez

Focal Area

Climate Change

Project Type

MSP

PIF

CEO Endorsement

Project Design and Financing

1. If there are any changes from that presented in the PIF, have justifications been provided?

Secretariat comment at CEO Endorsement Request

The CEO Endorsement request elaborated on what was presented at PIF. One major change is the choice for the IADB to execute the project in addition to implement it. This has not been sufficiently justified.

Per the GEF guidelines, the Fee Policy explicitly precludes the merging or crossing over of the implementing functions of the GEF Agencies and the execution functions undertaken by EAs. In exceptional cases and as per the request of the beneficiary country, GEF Agencies may carry out both functions. This request must be submitted in the form of a letter by the GEF OFP that outlines the request to IADB to carry out certain execution functions, specifying which functions, why and for how much.

The GEF Secretariat then assesses this request.

10/18/2019: Thank you for submitting the referenced letter. While we understand the challenges notes, we would like to avoid the potential conflict of interest arising from using the same agency to carry out implementing and execution functions and hope another solution can be found/ Have all potential third-party entities been considered? What is the timeline for the reorganization of the fund?

10/22/2020: We appreciate the efforts made to ensure the execution of this project is carried out by the Mexican government. This comment is cleared.

Response to Secretariat comments

An official letter dated August 29, 2019, signed by the Ministry of Public Finance and Public Credit (SHCP), as GEF Operational Focal Point, has been sent, in accordance with GEF guidelines and based on the specific comments received (Attached in RoadMap/Documents as "GEF OFP Letter- Request IDB execution functions").

In the letter, the reasoning of the decision for the IDB to perform the executing functions of the project is explained in detail. First, it explains the current limitations for SEMARNAT to carry out the execution functions of the project. Similarly, it mentions and assesses all possibilities allowed by the budgetary legislation, and the reasons for discarding them; along with the formal request of an exception to allow the IDB to perform the execution functions of the project.

10/21/2020: The Government of Mexico decided to carry out the execution of the project, through the National Institute of Ecology and Climate Change, in close technical coordination with the Ministry of Environment and Natural Resources. INECC has previous experience in the execution of an IDB GEF funded project, as it was one of the Executing Agency of the project Climate Technology Transfer Mechanisms and Networks in Latin America and the Caribbean (GEF project ID 4880). The project and its institutional arrangement were modified accordingly.

2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?

Secretariat comment at CEO Endorsement Request Yes. The project structure is appropriate.

Response to Secretariat comments

3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?

Secretariat comment at CEO Endorsement Request Yes, the financing is adequate and cost effective to achieve the project objective.

Response to Secretariat comments

4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)

Secretariat comment at CEO Endorsement Request Yes, risks are taken into account and updated from what was presented at PIF.

Response to Secretariat comments

5. Is co-financing confirmed and evidence provided?

Secretariat comment at CEO Endorsement Request

Co-financing letters for the sources listed in Table C has been provided; however, we note that the letter from the IADB mentions that the amount is in-kind while in table C is listed as grant. Please correct or clarify.

10/18/2019: Comment cleared. Please provide an English translation of the co-financing letter from the IADB. An unofficial translation will suffice.

Response to Secretariat comments

The GEF CEO Document includes US\$1,250,000 of parallel financing related to activities of the German Agency for International Cooperation, SEMARNAT and the IDB, to support the Government of Mexico with regards to transparency under the Paris Agreement. The 750,000 USD of parallel financing from the IDB will come from the technical cooperation (grant) "Institutional Strengthening for the implementation of the transparency arrangements required under Mexico's Nationally Determined Contribution (NDC)". Being a technical cooperation, this parallel financing consists of a grant. The co-financing letter describes it accordingly.

23/11/2020: A translation of the co-financing letter from the IADB was uploaded.

6. Are relevant tracking tools completed?

Secretariat comment at CEO Endorsement Request

The CBIT tracking tool is completed. Per the new results framework, please also consider also reporting on Core Indicator 11, a gender disaggregated indicator on number of expected beneficiaries.

10/18/2019: Comment cleared.

Response to Secretariat comments

Core Indicator 11 was added, based on the indicator included in the project results matrix “number of people trained disaggregated by gender”.

7. Only for Non-Grant Instrument: Has a reflow calendar been presented?

Secretariat comment at CEO Endorsement Request N/A

Response to Secretariat comments

8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?

Secretariat comment at CEO Endorsement Request Yes the project is coordinated with work the IADB is carrying out as well as with initiatives supported by ICAT and GIZ.

Response to Secretariat comments

9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat comment at CEO Endorsement Request Yes, the project includes a budgeted m&E plan.

Response to Secretariat comments

10. Does the project have descriptions of a knowledge management plan?

Secretariat comment at CEO Endorsement Request

Yes, there are knowledge management plans.

Response to Secretariat comments

Agency Responses

11. Has the Agency adequately responded to comments at the PIF stage from:

GEFSEC

Secretariat comment at CEO Endorsement Request N/A

Response to Secretariat comments

STAP

Secretariat comment at CEO Endorsement Request N/A

Response to Secretariat comments

GEF Council

Secretariat comment at CEO Endorsement Request N/A

Response to Secretariat comments

Convention Secretariat

Secretariat comment at CEO Endorsement Request N/A

Response to Secretariat comments

Recommendation

12. Is CEO endorsement recommended?

Secretariat comment at CEO Endorsement Request

No, please address comments above. In addition, please revise the selection of taxonomy values. There are additional labels that apply to this project. Further, please consider selecting a 1 for the Rio Marker on Adaptation considering that the project will also help track adaptation actions. Finally, if possible, please select CBIT in the portal submission.

Further, there is a note on the PPG funding that mentions no activities were implemented and that there was a decision to not use the PPG funds. Please clarify if these funds will be used within the next year for eligible expenditure items under PPG (which) or if the unused PPG funds will be returned to the respective Trust Fund following the Financial Procedures Agreement between the GEF Agency and the Trustee, per the GEF Guidelines.

10/18/2019: The comments above are cleared. Please address remaining comment regarding execution functions. Please also upload a Project Document, per policy, by the time of CEO Endorsement / Approval, *“the Agency prepares and submits to the Secretariat a MSP Approval Request and a Project Document that is in a form as submitted to the Agency’s internal approving authorities”*.

10/22/2020: All comments above have been addressed. Finally please provide an English translation of the co-financing letter from the IADB. An unofficial translation will suffice.

11/23/2020: Comment cleared.

Response to Secretariat comments

1. The taxonomy values were reviewed, selecting additional themes / keywords, including the Rio Marker on Adaptation.
2. CBIT was selected in the portal submission.
3. The project team hereby clarifies that there is no intention to use the PPG funds during the next year. The unused PPG funds will be duly returned to the CBIT Fund following the Financial Procedures Agreement between the GEF Agency and the Trustee, per the GEF Guidelines.

10/21/2020: The execution arrangement was modified. The Technical Cooperation Document was uploaded in Roadmap.

23/11/2020: A translation of the co-financing letter from the IADB was uploaded.

Review Dates

Secretariat comment at CEO Endorsement Request

Response to Secretariat comments

First Review

7/8/2019

Secretariat comment at CEO Endorsement Request**Response to Secretariat comments**

Additional Review (as necessary)	10/18/2019
Additional Review (as necessary)	10/22/2020
Additional Review (as necessary)	11/17/2020
Additional Review (as necessary)	

CEO Recommendation**Brief Reasoning for CEO Recommendations**

This project aims to build and strengthen institutional and technical capacities in Mexico to meet enhanced transparency requirements of the Paris Agreement. Mexico ratified the Paris Agreement on September 21, 2016. Its Nationally Determined Contribution (NDC) includes an unconditional reduction of 25% of greenhouse gas (GHG) emissions below business as usual by 2030, implying an emissions peak by 2026. Conditionally, this reduction could increase to 40%. Mexico's NDC also includes an adaptation component, which prioritizes the protection of communities from adverse impacts of climate change and increased resilience of key infrastructure and ecosystems.

The project is aligned with the CBIT programming priorities to support activities that strengthen national institutions for transparency-related activities, to provide relevant tools, training, and assistance for meeting the provisions stipulated in Article 13, and to assist in improving transparency over time. Current efforts in Mexico include the definition of measures for mitigation and adaptation under the NDC, including some progress with sub-national authorities, many of which have launched Climate Change Action Plans, incorporating mitigation or adaptation targets.

This CBIT project will build on and engage with ongoing efforts to develop a platform for the tracking and reporting of actions under the SIAT-PECC (Sistema de Informacion de la Agenda de Transversalidad del Cambio Climatico). Eventually, SIAT-PECC and the platform proposed under this project (SIAT-NDC) will be fully integrated and follow the same principles in terms of transparency and the same functionalities.

The project has the following components:

1. Stakeholder identification and consultation for the transparency of climate action at national and subnational level.
2. Development of an Information System (and subsystems) of Actions for Transparency on the Nationally Determined Contribution (SIAT-NDC)
3. Capacity building on climate action transparency.
4. Knowledge exchange and dissemination of information of climate action transparency.

The project will build on a results-based loan of \$600 million with the IDB, which is supporting Mexico in improving land management to reduce emissions and vulnerability to climate change. The loan includes a component on inter-agency coordination that will strengthen the institutional capabilities of government entities for monitoring and reporting on the PECC lines of action through the development of the SIAT-PECC. It will also coordinate with ICAT support that is helping Mexico review the state of the art on MRV of mitigation and adaptation action at the sub-national level, which will inform the SIAT-NDC on the way forward for requesting data and information from sub-national entities, and GIZ support that is working on ensuring coherence of climate policies at federal and sub-national levels.

Co-financing of \$1.25 million is provided by the national government (\$200,000), IADB (\$850,000), and GIZ (\$200,000).