



## **Mexico's Third Biennial Update Report (BUR3)**

### **Part I: Project Information**

#### **GEF ID**

#### **Project Type**

EA

#### **Type of Trust Fund**

GET

#### **CBIT**

☐ CBIT

#### **Project Title**

Mexico's Third Biennial Update Report (BUR3)

#### **Countries**

Mexico

#### **Agency(ies)**

UNDP

#### **Other Executing Partner(s):**

National Institute of Ecology and Climate Change (INECC)

**Executing Partner Type**

Government

**GEF Focal Area**

Climate Change

**Taxonomy**

Focal Areas, Climate Change Mitigation, Climate Change, United Nations Framework Convention on Climate Change, Enabling Activities, Capacity, Knowledge and Research

**Rio Markers****Climate Change Mitigation**

Climate Change Mitigation 2

**Climate Change Adaptation**

Climate Change Adaptation 1

| Type of Reports                     | Submission Date | Expected Implementation Start | Expected Completion Date | Expected Report Submission to Convention |
|-------------------------------------|-----------------|-------------------------------|--------------------------|--|
| UNFCCC Biennial Update Report (BUR) | 3/5/2020        | 6/30/2020                     | 12/31/2021               | 12/31/2020                               |

**Duration**

19In Months

**Agency Fee(\$)**

33,440

A. FOCAL/NON-FOCAL AREA ELEMENTS

| Objectives/Programs | Trust Fund | GEF Amount(\$)                | Co-Fin Amount(\$) |
|---------------------|------------|-------------------------------|-------------------|
| CCM-EA              | GET        | 352,000                       | 352,000           |
|                     |            | <b>Total Project Cost(\$)</b> | <b>352,000</b>    |

**B. Project description summary**

**Project Objective**

To assist Mexico in the preparation and submission of its Third Biennial Update Report (3BUR) for the fulfilment of the obligations under the United Nations Framework Convention on Climate Change (UNFCCC).

| Project Component | Expected Outcomes | Expected Outputs | GEF Project Financing(\$) | Confirmed Co-Financing(\$) |
|-------------------|-------------------|------------------|---------------------------|----------------------------|
|-------------------|-------------------|------------------|---------------------------|----------------------------|

| Project Component   | Expected Outcomes   | Expected Outputs   | GEF Project Financing(\$) | Confirmed Co-Financing(\$) |
|---|---|--|---------------------------|----------------------------|
| 1. Institutional arrangements and National Circumstances; Constraints and gaps, and related financial, technical and capacity needs, to enable gender analysis in the BUR; and Other information considered relevant. | 1.1 Updated description of national circumstances; financial, technology transfer and capacity building needs; support received; and other relevant issues on climate change. | <p>1.1.1 Description of the strengthened institutional arrangements put in place to enable Mexico to successfully prepares its biennial update reports continuously.</p> <p>1.1.2 Provision of updated information on Mexico's socio-economic, gender analysis and environmental profiles including geography, demography, natural resources, climate and land use amongst others.</p> <p>1.1.3 Description of Mexico's development priorities and specific needs and concerns at national and regional levels arising from the adverse effects of climate change.</p> <p>1.1.4 Review and update of the financial, technology transfer and capacity-building needs, and support received from various sources of international cooperation.</p> <p>1.1.5 Compilation, and description of Mexico's needs, barriers and support received.</p> <p>1.1.6 Provision of a data base lines</p> | 40,000                    | 120,000                    |

| Project Component         | Expected Outcomes  | Expected Outputs   | GEF Project Financing(\$) | Confirmed Co-Financing(\$) |
|---------------------------|--|--|---------------------------|----------------------------|
| 2. National GHG Inventory | 2.1 National GHG inventory for the year 2017 and update of the GHG inventories for the period 1990 to 2017, in the sectors: Energy, Industrial Process and Product Use (IPPU); Waste; in Agriculture, Forestry and Other Land Use (AFOLU); categories: Livestock and Manure Management | <p>Estimates of the national GHG inventory for the year 2017 of the following sectors: Energy, IPPU, Waste and AFOLU, categories: Livestock and Manure Management; using the 2006 IPCC Guidelines for National GHG Inventories, its 2019 refinement (as possible) and considering the GHG inventory's quality management system.</p> <p>2.1.2 Summary table of previous GHG inventories (1990-2017) presented and update, of these GHG emissions (if applicable).</p> <p>2.1.3 Technical team of Mexico's National Inventory supported to develop the capacity of using the CRF Reporter software with the aim of reporting tables consistent with those in the 2006 IPCC Guidelines, including the use of notation keys</p> <p>2.1.4 Capacity of applying the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories</p> <p>2.1.5 The incipient quality management system for the National</p> | 138,000                   | 104,000                    |

| Project Component  | Expected Outcomes   | Expected Outputs   | GEF Project Financing(\$) | Confirmed Co-Financing(\$) |
|--|---|--|---------------------------|----------------------------|
| 3. Mitigation actions and their effects; and information on domestic Measurement, Reporting & Verification | 3.1 Updated description of Mexico's mitigation actions and their effects. Including associated methodologies and assumptions; and the alignment with Mexico's NDC | 3.1.1 Consultation with key stakeholders to establish institutional arrangements to ensure for information flow on mitigation actions being implemented or planned by the key stakeholders.                                  | 120,000                   | 103,000                    |
|  |   | 3.1.2 Foster interinstitutional agreements to guarantee and improve data recollections and development of gender indicators, including the creation of a permanent work group with responsible units.                        |                           |                            |
|  |   | 3.1.3 Data collection and analysis of relevant information regarding the mitigation actions or group of actions being implemented and developed and how that contributes to the NDC, taking into account gender perspective. |                           |                            |
|  |   | 3.1.4 Updated description of Mexico's mitigation actions with gender focus done in the energy sector by key stakeholders (NGOs, cooperation agency, governments, etc.).  |                           |                            |
|  |   | 3.1.5 Updated description of the national policies, laws, programs, projects and actions on climate change   |                           |                            |

| Project Component  | Expected Outcomes  | Expected Outputs  | GEF Project Financing(\$) | Confirmed Co-Financing(\$) |
|--|--|---|---------------------------|----------------------------|
| 4. Preparation and submission of biennial update report; and monitoring and evaluation | 4.1 Third BUR compiled, endorsed and submitted to the UNFCCC by Dec 2020                                   | 4.1.1 Compilation, design layout, editing, publication, and submission to the United Nations Framework Convention on Climate Change (UNFCCC) of the third BUR.  | 22,000                    | 25,000                     |
|  | 4.2 Project monitoring and evaluation activities carried out and knowledge management activities conducted | 4.2.1 Inception workshop, project board meetings, stakeholder's consultations and validation workshops held;  |                           |                            |
|  |  | 4.2.2 Gender Analysis and Action Plan.  |                           |                            |
|  |  | 4.2.3 Project financial and progress reports prepared in line with M&E plan   |                           |                            |
|  |  | 4.2.4 End of project report. Including lessons learned, recommendations for future projects compiled and with a methodological document that guides standardization of data and how to develop gender indicators in the BURs. |                           |                            |



| Project Component             | Expected Outcomes | Expected Outputs | GEF Project Financing(\$) | Confirmed Co-Financing(\$) |
|-------------------------------|-------------------|------------------|---------------------------|----------------------------|
| Sub Total (\$)                |                   |                  | 320,000                   | 352,000                    |
| Project Management Cost (PMC) |                   |                  |                           |                            |
|                               |                   |                  | 32,000                    |                            |
| Sub Total(\$)                 |                   |                  | 32,000                    | 0                          |
| Total Project Cost(\$)        |                   |                  | 352,000                   | 352,000                    |

C. Source of Co-Financing for the Project by Name and by Type

| Sources of Co-financing | Name of Co-financier | Type of Co-financing | Investment Mobilized   | Amount(\$) |
|-------------------------|----------------------|----------------------|------------------------|------------|
| Government              | INECC                | In-kind              | Recurrent expenditures | 352,000    |
| Total Co-Financing(\$)  |                      |                      |                        | 352,000    |

Describe how any "Investment Mobilized" was identified

Not applicable

D. GEF Financing Resources Requested by Agency, Country and Programming of Funds

| Agency                  | Trust Fund | Country | Focal Area     | Programming of Funds | Amount(\$) | Fee(\$) |
|-------------------------|------------|---------|----------------|----------------------|------------|---------|
| UNDP                    | GET        | Mexico  | Climate Change | CC Set-Aside         | 352,000    | 33,440  |
| Total Gef Resources(\$) |            |         |                |                      | 352,000    | 33,440  |

## **Part II. Enabling Activity Justification**

### **A. ENABLING ACTIVITY BACKGROUND AND CONTEXT**

Provide brief information about projects implemented since a country became party to the convention and results achieved

Mexico signed the Convention on June 13, 1992, and ratified it before the UN, after the unanimous approval of the Mexican Senate, on March 11, 1993, with which it assumed the commitment before the international community to comply with the guidelines there established. Recently, Mexico also committed to the UNFCCC to meet its Nationally Determined Contributions (NDC) included in the Paris Agreement.

México was the first developing country to incorporate adaptation issues and the gender and human rights focus as transversal aspects for the implementation of measures; to recognize women as important actors of energy consumption, the decision making and, emphasizes that the measures shouldn't exacerbate gender inequalities.

Mexico was one of the first developing countries to present its First National Communication in 1997 and the first country in this category to present a Second National Communication in 2001. To date, Mexico has presented Six National Communications and two Biennial Reports (BUR), the most recent in 2018. The Sixth National Communication in the Adaptation chapter presents a section on Gender and Climate Change; an evaluation with gender perspective of the impact generated by three adaptation projects implemented by the National Ecology and Climate Change Institute that systemizes successful adaptation actions implemented by different civil society organizations with gender focus in the country.

Mexico's first and second BUR were prepared with the support of UNDP-GEF in partnership with the former National Institute of Ecology (INE) and current National Institute of Ecology and Climate Change (INECC). UNDP supports an extensive portfolio of climate change projects in the country. The information to be provided by this project would serve for initiatives that could contribute to further reduction of Mexico's GHG emissions and enhance its low emissions development path, and its resilience to the impacts of climate change.

Between the developing countries, Mexico was the first to present its Nationally Determined Contributions (NDC) and the Mid-Century Strategy (EMS). In the NDC, Mexico committed to a reduction of GHG emissions of 22% by 2030, and in the EMS a scenario of emission reduction of 50% for 2050 is presented, subject to international support to mobilize financial resources and technologies, and to facilitate capacity building in the country.

Mexico's key categories of GHG emissions are electricity generation; oil and gas; mobile sources (motor transport and non-roads); industry; agricultural; land-use, land-use change and forestry (USCUSS); Waste, residential and commercial.

High priority sectors for CC mitigation measures in Mexico are in the electricity generation sector, which contributed 49.6 percent of the emission reductions. Energy efficiency actions were responsible for 15.4 percent of the reductions, and transport sector actions for 10.0 percent. Actions reducing deforestation and forest degradation also are relevant, thus contributed to 12.4 percent of the emission reductions.

Other related projects and results achieved since Mexico signed the Convention are: instruments, programs and institutional arrangements that have been developed in the field of climate change mitigation: specific regulation for climate change, carbon tax design, subsidy reduction for fossil fuels, advances in the implementation of a carbon market and development of mitigation actions in local governments, more details are included in 3.1 Policies and mitigation actions of the Sixth Mexican national communication.

This project will build on findings and recommendations from previous NC and BUR work as well as recommendations resulting from the ICA process for BUR: Mexico submitted its first BUR on 23 October 2015, which was analyzed by a TTE in the first round of technical analysis of BURs from non-Annex I Parties, conducted from 29 February to 4 March 2016. After the publication of its summary report, Mexico participated in the first workshop for the facilitative sharing of views, convened in Marrakesh on 10 November 2016. Mexico submitted its second BUR on 28 November 2018 as a summary of parts of its NC6. The technical analysis of the 2nd BUR took place from 27 to 31 May 2019 in Bonn and was undertaken by the following TTE, drawn from the UNFCCC roster of experts.

Findings and recommendations resulting from the last ICA process for BUR are detailed on Technical analysis of the second biennial update report of Mexico submitted on 28 November 2018. The TTE noted improvements in reporting in the Party's second BUR compared with that in the first BUR. Information on GHG inventories and mitigation actions and their effects reported in the second BUR demonstrates that the Party has taken into consideration the areas for enhancing transparency noted by the previous TTE in the summary report on the technical analysis of the Party's first BUR. Regarding to GHG inventories, the main areas of improvement are the full transition to the use of the 2006 IPCC Guidelines for all categories reported, the reporting of a consistent time series, and the reporting of a key category analysis and an uncertainty analysis. Respecting to mitigation actions, the detailed reporting in tabular format of some mitigation actions and their effects is the main improvement in Mexico's second BUR.

In consultation with Mexico, the TTE identified the following capacity-building needs related to the facilitation of the preparation of subsequent BURs and participation in ICA: (a) Developing the most appropriate approach to designing a QA/QC plan for the national GHG inventory; (b) Enhancing the capacity of experts to migrate towards the implementation of the 2006 IPCC Guidelines to prepare their national GHG inventories. This is also needed to support subnational level inventories in Mexico; (c) Enhancing the national capacity for reporting on mitigation actions and their effects, in accordance with the relevant provisions of the UNFCCC reporting guidelines on BURs, including information resulting from the sharing of best practices and the exchange of good practices associated with reporting (especially on how to include large amounts of technical data in the BUR); (d) Enhancing the national capacity to design an MRV system for mitigation actions and their effects; (e) Improving the integration of the country's different MRV

subsystems and enhancing the synergies among them, including the consideration of obtaining and exchanging examples of good practices associated with reporting; (f) Enhancing the national capacity to design and implement a methodology for identifying gaps, constraints and needs; (g) Enhancing the national capacity to prepare a TNA, including identifying sources of funding for technology transfer purposes, taking into consideration the need for obtaining examples of best international practices for TNAs and cost-effective approaches to adopting new climate technologies.

The update of the national GHG inventory of Mexico, presented in the 2nd biennial update report, was developed applying the 2006 IPCC methodologies in all sectors, and this methodological migration was also applied in the 1990-2015 time series. For updating of the 3rd BUR, Mexico will apply, as far as possible, the 2019 Refinement to the 2006 IPCC Guidelines.

Mexico has the institutional arrangements relevant to the preparation of its National Inventory, such as legal status and roles and responsibilities of the National Institute of Ecology and Climate Change, as responsible entity, the involvement and roles of other institutions and experts, mechanisms for information and data exchange, QA/QC procedures, provisions for public and stakeholder consultation. A QA measure review was carried out by experts of Roster Expert of UNFCCC. Also, Mexico finalized its quality management system of National GHG Inventory, and it has been implemented.

The National Institute of Ecology and Climate Change trains to government servers of the states and municipalities on inventories of greenhouse gases, using the 2006 IPCC methodology. Mexico is in the process of developing and designing a domestic MRV system to enable the monitoring of the implementation of mitigation actions and emission's reductions from various sources and sectors, especially those related to the NDC. Also, it has been reported that recent changes to the General Law of Climate Change include the tracking of emission reductions by establishing the Inter-Secretariat Commission for Climate Change to revise and assess the progress of the National Climate Change Strategy 10-20-40 and the NDC. The Special Programme for Climate Change stipulates that the federal entities programmes should include the MRV of their mitigation actions; however, Mexico noted that the number of federal entities with an MRV system in place is limited. Mexico's information on financial resources, technology transfer, capacity-building and technical support received USD 3,636,364 from the GEF for the preparation of its NC6 and second BUR. Mexico supplemented this financial support with USD 4 million from national resources. The information reported also indicates support received from the United Nations Development Programme to prepare these reports. Information on financial support received from multilateral, regional, bilateral and national sources was reported.

In the second BUR, Mexico reported that the technology needs assessment was nationally determined. The assessment highlighted technology needs in renewable energy identified by the Ministry of Energy in collaboration with the Mexican Institute of Petroleum and the elaboration of road maps to develop initiatives for strengthening the technological capacities of the renewable energy industry. Mexico also reported that it did not undertake the technology needs assessment as recommended by the ICA process as it was advised by the GEF during informal consultations that it was not eligible for funding to undertake such an assessment.

## **B. ENABLING ACTIVITY GOALS, OBJECTIVES, AND ACTIVITIES**

The proposal should briefly justify and describe the project framework. Identify also key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable. Describe also how the gender equality and women's empowerment are considered in project design and implementation

The Third Biennial Update Report (3BUR) aims to provide the United Nations Framework Convention on Climate Change (UNFCCC) with an update of the National Greenhouse Gas and Compounds Emissions Inventory (INEGYCEI 1990-2017), and a national inventory report (NIR). It will contain detailed descriptive and numerical information of all greenhouse gas (GHG) emissions, implied emission factors and activity data in common reporting format (CRF) tables, as well as information on mitigation actions, including reference scenarios and MRV, and needs and support received.

National circumstances for mitigation and other relevant information on research and investment in clean and low emissions technologies will also be updated. The project will continue to strengthen institutional capacity of INECC, including gender mainstreaming into the BUR activities.

The long-term objective of the project is to assist Mexico in deepening the mainstreaming and integration of climate change into national and sectorial development goals by giving continuity to the institutional and technical capacity strengthening process, partly initiated and sustained by the National Communications and the second BUR (2BUR).

The immediate objective of the project is to assist Mexico in the preparation and submission of its third Biennial Update Report to the Conference of the Parties to the UNFCCC for the fulfillment of its obligations to the Convention under Dec. 1/CP. 16 par. 60 and Dec 2/CP. 17 par. 41 and its Annex III.

The project is prepared in line with GEF-7 strategic focal area on climate change mitigation, objective CCM3: fostering enabling conditions to mainstream mitigation concerns into sustainable development strategies.

The main project expected outcomes are:

- Updated description of national circumstances; financial, technology transfer and capacity-building needs; support received; and other relevant issues.
- National GHG inventory for year 2017 and update of the GHG inventories for the period 1990 to 2017, in the sectors: Energy, Industrial Process and Product Use (IPPU); Waste; in Agriculture, Forestry and Other Land Use (AFOLU); categories: Livestock and Manure Management Updated description of the Mexico's mitigation actions and their effects including associated methodologies and assumptions; and the alignment with Mexico's NDC

- Updated description of Mexico's mitigation actions and their effects. Including data collection and analysis regarding mitigation actions and associated methodologies and assumptions; and the alignment with Mexico's NDC
- Support to the establishment of the domestic MRV provided and the progress in the design and implementation reported
  - Third BUR compiled with gender perspective, endorsed and submitted to the UNFCCC.
- Project monitoring and evaluation activities carried out and knowledge management activities conducted.

The project outcomes will be achieved through a wide range of outputs and activities, including:

- Description of the strengthened institutional arrangements put in place to enable Mexico to successfully prepare its biennial update reports on a continuous basis.
- Provision of updated information about Mexico's socio-economic, gender gaps and environmental profiles including geography, demography, natural resources, climate and land use amongst others.
- Description of Mexico's development priorities and specific needs and concerns at national and regional levels arising from the adverse effects of climate change.
- Review and update of the financial, technology transfer and capacity-building needs and support received from various sources of international cooperation.
- Compilation, and description of the Mexico's needs, barriers and support received
- Provision of a data base lines that include gender disaggregated data analyzed, valued and integrated in a systematic manner to contribute to close gender gaps in the energy sector, improve the processes of decision making and identify the priorities of mitigation policies.
- Establish criteria and methodological elements to mainstream gender perspective in BUR and reported sectors.
- Estimates of the national GHG inventory for the year 2017 for the following sectors: Energy, IPPU, Waste and AFOLU, categories: Livestock and Manure Management; using the 2006 IPCC Guidelines for National GHG Inventories, its 2019 refinement (to the extent possible) and considering the GHG inventory's quality management system.
- Summary table of previous GHG inventories presented (1990-2017) and updated, if applicable, of these GHG emissions.
- The technical team of Mexico's National Inventory supported to develop the capacity to use the CRF Reporter software with the aim of reporting tables consistent with those in the 2006 IPCC Guidelines, including the use of notation keys
  - o To develop the capacity to apply the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
  - o To consolidate the incipient quality management system for the National Greenhouse gases Inventory including QA/QC plan.
- Consultation with key stakeholders to establish institutional arrangements to ensure information flow on mitigation actions being implemented or planned by the key stakeholders.



- Foster interinstitutional agreements to guarantee and improve data recollections and development of gender indicators, including the creation of a permanent work group with responsible units.
- Data collection and analysis of relevant information regarding the mitigation actions or group of actions being implemented and being developed and how that contributes to the NDC.
- Updated description of the national policies, laws, programs, projects and actions on climate change mitigation, including an updated description of the progresses in the implementation of the NAMAs and an updated description of Mexico's participation in the international carbon markets.
- Description of the progress in the implementation and achievement of the NDC and an updated description of the mitigation actions associated with the NDC.
- Updated description of the progresses in the design and implementation of the MRV system: mitigation, GHG inventory and financing.
- Compilation, design layout, editing, publication, and submission to the United Nations Framework Convention on Climate Change (UNFCCC) of the third BUR.
- Inception workshop, Project Board meetings, stakeholder's consultations and validation workshops held.
- Gender Analysis and Action Plan.
- Project financial and progress reports prepared in line with M&E plan.
- End of project report including lessons learned and recommendations for future projects compiled.

#### **Stakeholder involvement:**

Stakeholder involvement and consultation processes are critical to the success of the project. An effective engagement of key stakeholders is envisaged during project preparation, implementation, monitoring and evaluation to enhance ownership of the BUR processes and makes these reports more responsive to national needs. The project includes a general report on stakeholders engaged during the design and implementation phase: first on INECC's working groups and later among the key government actors, at the federal and local levels, agreements and communications are formally established within the Inter-secretarial Commission on Climate Change (CICC), in line with the provisions of the General Law on Climate Change. All CICC's communicated information and agreements taken are fully documented.

Engagement plan with the private sector, civil society, gender group and other stakeholders could be included, based on Sixth national communication (6thCN) and 2nd BUR integration experience, where sectoral experts' groups were integrated to communicate and compile main information, as described on corresponding reports. Both integrated information and final results meetings and agreements are documented and were communicated on open public events and are freely available.

The preliminary Stakeholder engagement plan envisages the following meetings and activities:

- Inception workshop focused on discussing the conceptual framework and design for each chapter; and to highlight any prevailing challenges to data acquisition and sharing, monitoring assessment and reporting
- Validation activities to discuss results and validate the accuracy of the analyses

- Individual meetings or communications with sector representatives
- Group discussions integration to identify ideas, create synergies and opportunities for networking, knowledge-sharing and joint actions
- Final dissemination workshop to discuss findings, raise awareness and reinforce collaboration and networking

The project proposal intends to strengthen stakeholder's participation to collectively participate in addressing climate change issues and challenges in Mexico. The stakeholders involved in second BUR are expected to continue working in 3BUR (See Table 1 for the list of stakeholders). They come from a wide range of backgrounds, including line ministries and agencies, local communities, local authorities and NGOs, mass-media, research institutions, private sector and international organizations, with emphasis on related sectors.

**Table 1. Mexican Stakeholders Involved on Climate Change Mitigation Stakeholder Role**

| Stakeholder  | Role   |
|--|--|
| Secretaría de Gobernación (Ministry of the Interior)   | Provide information on legal proposals   |
| Secretaría de Relaciones Exteriores<br>(Ministry of Foreign Relations Secretary)                               | Intermediary with international institutions and foreign governments                               |
| Secretaría de Marina (Ministry of Marine)  | Provides information on national marine and coastal waters   |
| Secretaría de Hacienda y Crédito Público<br>(Ministry of Finance and Public Credit)                            | Provides financial resources<br>GEF Political and Operational Focal Point                          |
| Secretaría de Bienestar<br>(Ministry of Welfare)   | Provides information about the state of the country's social development                           |
| Secretaría de Medio Ambiente y Recursos Naturales<br>(Ministry of Environment and Natural Resources)           | Provides information about the state of the environment nationwide                                 |
| Secretaría de Energía (Ministry of Energy)   | Provides information on energy   |
| Secretaría de Economía (Ministry of Economy)   | Provides information on the country's economic activities  |
| SADER Secretaría de Agricultura y Desarrollo Rural<br>(Ministry of Agriculture and Rural Development)          | Provide information on the subject   |
| Secretaría de Comunicaciones y Transportes<br>(Ministry of Communications and Transportation)                  | Provide information on the subject   |
| Secretaría de Educación Pública<br>(Ministry of Public Education)  | Provides support for the development of teaching materials and their dissemination at school level |
| Secretaría de Salud<br>(Ministry of Health)  | Provides information on the subject with focus on environmental issues                             |
| Secretaría de Turismo (Ministry of Tourism)  | Provide information on the subject   |
| Secretaría de Desarrollo Agrario Territorial y Urbano (Ministry of Territorial and Urban Agrarian Development) | Provide information on the subject   |
| Instituto Nacional de las Mujeres (INMUJERES)  | Provide gender data information  |

| Stakeholder  | Role   |
|--|--|
| Instituto Nacional de Estadística, Geografía e Informática (INEGI) | Provide information data on social, economics, demographics, etc.                |
| State Governments  | Implement national mitigation measures and provide information on their results. |
| Private sector   | Provide information  |
| Academia and NGOs  | Provide information  |

### **Gender dimension:**

The project will encourage the active participation of women and men in decision-making processes. Gender balance will be considered in project management structures and capacity building actions (trainings, workshops). The guidance on gender integration through the NCs and BURs developed by the Global Support Programme (GSP) through UNDP and in collaboration with UNEP and GEF will be applied. In addition in line with the GEF SEC's policy on gender equality and Guidance to advance gender equality in GEF projects and programs, project will prepare and finalize Gender analysis and Gender action plan during its inception phase.

Gender analysis will follow the structure of five priority areas of UNFCCC Gender Action:

- Capacity building, knowledge sharing and communications
- Gender balance, participation and women's leadership
- Coherence
- Gender responsive implementation and means of implementation
- Monitoring and reporting.

The BUR I and II don't incorporate the gender perspective. In this sense, the BUR III has a big opportunity to come out of a merely technic and gender-neutral vision and to visualize women and men's participation on the generation and reduction of emissions.

To achieve gender focus in the BUR it is fundamental to involve stakeholders including in a representative manner men and women from different sectors, interest groups and socio economical levels.

Under this project, emphasis will be placed on gender related issues in the working groups responsible for preparation of the 3BUR and/or for providing inputs to the different elements of the report, especially in the mitigation chapter. This will help to better understand the role of women, men and children in mitigating climate change while integrating them in the process.

The main actors whose voices and experiences will have to be incorporated in the works of the BUR to include gender perspective are: 1) At a governmental level: National Women's Institute (INMUJERES), Secretary of Energy, National Commission for the Efficient Use of Energy (CONUEE), National Institute of Statistics and Geography (INEGI), Inter-Secretariat Commission of Climate Change (CICC), Center of Studies for the Achievement of Gender Equality (CELIG) of the Chamber of Deputies; 2) Civil society organizations: Women and the environment, Gender Network and Environment, Society Network, Gender and Environment; Women and Renewable Energy Latin America (MERL), Women in Renewable Energies and Energetic Efficiency Network (REDMEREE), Mexican Association of Renewable Energy and the Environment; 3) Cooperation agencies that work gender and energy: GIZ, British Embassy; 4) Academics and researchers; 4) Private Sector: Patron Confederation of the Mexican Republic (COPARMEX); National Council of Ecologist Industrials A.C. (CONIECO); National Association of Solar Energy A.C. (ANES)

To strengthen these capacities of INECC two strategic lines will be developed; the first one, aiming to establish criteria and methodological elements to mainstream gender perspective in the BUR and reported sectors; and the second one, to foster interinstitutional agreements to guarantee, gather and improve data collection and development of gender indicators, including creation of a permanent work group within responsible units.

Actions by strategic line will be developed as follows:

**Strategic Line 1: Establish criteria and methodological elements to mainstream gender perspective in BUR and reported sectors.**

- Diagnosis on gender gaps in the country with disaggregated data by sex, education, health, employment, leadership of men and women on a national level and by sector.
- Mapping projects and programs in the energy sector that aim to strengthen and improve living conditions of women in their diversity and the ones that allow conditions to surpass poverty, vulnerability and promote equality.
- Standardize experiences on mitigation with a gender focus done in the last four years in the energy sector and different organizations from civil society.
- Prepare a guide and strengthen capacities to create plans to mainstream gender.
- Elaborate a methodological document that guides standardization of data and develop gender indicators to the submission of BURs.

**Strategic Line 2: Foster interinstitutional agreements to guarantee, gather and improve data recollection and development of the gender indicators, including creation of a permanent work group within responsible units.**

- Mapping organizations from civil society, employer associations that work in renewable energies and energy efficiency, cooperation agencies, organizational networks that implement actions within the energy sector with a gender perspective.
- Mapping dependencies and government institutions that work on gender in their sectorial programs within the energy sector and outside of it.
- Identify existing gaps to obtain disaggregated information by sex in the energy sector and develop a base line with information disaggregated by sex in the energy sector.
- Implement institutional agreements to share data and form a work group with the units in charge of generating information and gender indicators, as well as with civil society organizations.

**C. DESCRIBE THE ENABLING ACTIVITY AND INSTITUTIONAL FRAMEWORK FOR PROJECT IMPLEMENTATION**

Discuss the work intended to be undertaken and the output expected from each activity as outlined in Table A

**Institutional framework:**

The project will be implemented under the National Implementation Modality (NIM) modality. Like all the other previous NCs and BURs, the Ministry of Environment and Natural Resources (SEMARNAT) as Implementing Partner, will implement 3BUR, through the National Institute of Ecology and Climate Change (INECC). The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in the signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth.

The Implementing Partner is responsible for executing the project. Specific tasks include:

- Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.
- Risk management;
- Procurement of goods and services, including human resources;
- Financial management, including overseeing financial expenditures against project budgets;
- Approving and signing the multiyear workplan;
- Approving and signing the combined delivery report at the end of the year; and,

- Signing the financial report or the funding authorization and certificate of expenditures.

The role of INECC will be to provide strategic guidance to the project, facilitate smooth project implementation and to monitor project progress, with an external expert for capacity building and Quality Control (QC).

The national teams will be responsible for collecting data as outlined in the stakeholder's section, under the coordination and supervision of the project coordinator.

The following thematic working groups will be formed to assist with the preparation of various components of the BUR: (i) National Greenhouse Inventory (ii) Mitigation actions and domestic MRV; (iii) Information and Capacity-building. Each thematic working group will comprise of a number of experts drawing both from public and private sectors, communities, and NGOs, as appropriate.

The Project Steering Committee (PSC) will be the highest policy-level body, which will provide support and guidance to the implementation of the project and ensure that the project findings are disseminated to, and validated by, all relevant stakeholders in Mexico.

UNDP will act as GEF Implementing Agency and will be accountable to the GEF for the implementation of this project. This includes oversight of project execution to ensure that the project is being carried out in accordance with agreed standards and provisions. UNDP is responsible for delivering GEF project cycle management services comprising project approval and start-up, project supervision and oversight, and project completion and evaluation. UNDP is also responsible for the Project Assurance role of the Project Board/Steering Committee.

## **Narrative description of project activities:**

### **1. Mexico's National Circumstances, Institutional Arrangements, Constraints, Gaps, Needs and Other Information updated with respect to climate change issues**

This activity will update Mexico's national circumstances, including economic, social, gender issues, and environmental information related to climate, geography, natural resources, and other relevant issues.

The BUR III will present a gender analysis and social diagnosis; incorporating successful experiences developed at a local level by different organizations of civil society that work on mitigation projects with a gender focus; submitting a baseline with disaggregated information by sex in the energy sector that includes lessons learned, recommendations and gender guidelines.

Based on the information generated by consultancies, work meetings, interviews, and the available data gathering standardization realized from established commitments to socialize information with key governmental actors and civil society, the analysis will show how and why gender differences and inequalities are relevant in the energy sector.

It also will describe Mexico's national development objectives, priorities and circumstances, and the specific needs and concerns arising from the adverse effects of climate change, taking into consideration vulnerable population groups.

Methodologies will be designed to improve recollection, availability and data analysis disaggregated by sex from the energy sector and civil society organizations.

A baseline and disaggregated indicators by sex will be built on basis of information gathered from the energy sector, from mitigation projects with a gender approach that are realized on the country with dependencies and organizations from civil society that implement them.

The intersectoral coordination will be strengthened with civil society for the integration of gender in the planning processes for climate change and a working group with key actors will be established.

The main result of all these activities will be to acquire technical capacities and adequate resources to mainstream gender in energy politics.

The Institutional arrangements developed for the 2BUR will be reviewed and strengthened in light of shortcomings encountered and updated with new stakeholders as necessary. The roles of the various institutions will be reviewed to enhance their participation in the UNFCCC process and to improve the quality of the BUR and NC reports. Updated information on the Institutional Arrangements and the framework being improved, including the whole list of stakeholders, to enhance effective implementation of the Convention and to report thereon to the COP will be provided.

The TTE's main relevant points to Mexico's second BUR review will be taken in consideration to improve the quality of the BUR and NC reports focused on:

The constraints and gaps, related financial, technical and capacity needs and other relevant information reported in the Second BUR will be reviewed and updated and will further elaborate, on constraints, gaps and related technology, financial and capacity needs for mitigation actions identified under the 6th NC. Further on, the project will assess technology, financial and capacity needs for MRVs NAMAs system and propose alternatives to address constraints, gaps, technology, financial and capacity needs.

Particularly, related to enhancing the national capacity to prepare a TNA, in its 2nd BUR Mexico reported that the technology needs assessment was nationally determined. The assessment highlighted technology needs in renewable energy identified by the Ministry of Energy in collaboration with the Mexican Institute of Petroleum and the elaboration of road maps to develop initiatives for strengthening the technological capacities of the renewable energy industry. Mexico also reported that it did not undertake the technology needs assessment as recommended by the ICA process as it was advised by the GEF during informal consultations that it was not eligible for funding to undertake such an assessment. However, technology needs assessment will be analysed to identify financial options to advance on it.

## **2. GHG inventory**

In its second BUR, submitted in 2018, Mexico reported information on its national GHG inventory for the period 1990–2015, using a combination of tier 1 and tier 2 methodologies from the 2006 IPCC guidelines.

Under the Third BUR, Mexico will provide update of the GHG inventories for the period 1990 to 2017, in the sectors of Energy, Industrial Process and Product Use (IPPU); Waste; Agriculture, Forestry and Other Land Use (AFOLU); implying a strong participation of other public entities involved in GHG emissions. This entails a process of institutionalization and institutional coordination for producing GHG inventories following standardized criteria and methodologies, which will ensure the necessary coherence in GHG emission calculation and reporting. The 3BUR inventory component will provide a strong basis for strengthening the institutional framework and definition of roles during the inventory elaboration. For the 3BUR, the Quality management system for Mexican sectoral GHG inventories developed under the 2BUR project framework will be implemented, including improvements based on lessons learned.

Mexico will apply the 2006 IPCC Guidelines for 1990-2017 time series and, as far as possible, their 2019 Refinement. A consistent time series back to the years reported in previous NCs, as well as the summary information tables for previous submissions years will be presented.

The National Institute of Ecology and Climate Change, responsible for preparing the national inventory, will apply the National Inventory Quality Management System in order to establish QC controls in emissions estimates. The QA will be conducted with experts from the UNFCCC Roster Expert.

The team responsible for the national inventory identified the need to build capacity of the common report formats, in order to report the results of the inventory under this format.

The main gaps and capacity building needs identified are:



- Use of the CRF Reporter GHG inventory software with the aim to present reporting consistent with tables from the IPCC 2006 Guidance, including the use of notation keys; (high priority);
- Enhance capacity to generate activity data (e.g. in Categories [2E1] all gases from electronics industry (high priority); [2G2] SF6 from other product use (medium priority); [2G3] N2O from other product use (lower priority); [3C4] N2O from nitrogenous synthetic fertilizers in main crops and N2O from excreta from grazing livestock (medium priority); [4A1] CH4 from different types of landfill, climate and waste generation (high priority); [4A2] CH4 and N2O from sludge treated and deposited (high priority);
- Enhance capacity for the development of country-specific emission factors (e.g. in Category [3A1] CH4 for cattle productions systems by region (lower priority); [3C4] N2O by regions (medium priority); [4A1] CH4 from solid waste disposal by final disposal site (high priority); [4A2] CH4 and N2O from sludge treated and deposited (high priority);
- Enhance the ability to ensure time series consistency through gap-filling approaches (e.g. in Category [2A4] CO2); (lower priority).

Under this project to National GHG Inventory, the following activities will also be undertaken:

- Capacity building on CFR format and 2019 Refinement of 2006 IPCC Guidelines;
- Review of CO2 emission factors, as well as the search to increase the methodological level for CH4 and N2O by fossil fuel burning activities. For 2015 GHG inventory, on Energy sector, all emission sources derived from fossil fuel consumption were calculated with a T2 level when using own CO2 emission factors for the country, CH4 and N2O emissions were estimated with a T1; together they represent 63.91% of the total emissions of the country, within this sector, there are the key sources with the greatest contribution to the total of GHG inventory of transport (17.98%) and electric energy generation (14.32%);
- Improve the collection of activity data and emission factors for the treatment of municipal wastewater and in the manure management in livestock sector, in order to reduce the level of uncertainty associated with them. The total uncertainty of GHG inventory, without taking into account the absorptions, was 7.68 percent, while considering net emissions, it was 11.19 percent. Thus, the gas that contributed the greatest deviation was nitrous oxide (N2O), with  $\pm 123.55\%$ , generated mainly during the activities previously mentioned. Due to the lack of reliable information on the untreated volumes of ARM, it is unknown what the net emission of this gas could be, therefore, the updating of these parameters that can obtain a data more limited to the real situation;
- Activities to estimate of emissions by [4A1] enteric fermentation, as main category, to T2. Studies as characterization of cattle feed intake and nutritional conditions, technical parameter as weight, age, fertility and production. A characterization of manure management by productions systems for each climatic region in Mexico could be analyzed;

- In order to quantify mitigation in agriculture and livestock, México needs a catalogue of these actions developed at local, regional and national to homogenize estimation methodologies used in the GHG National Inventory.

### **3. Mitigation actions and domestic MRV**

Mexico frames its national mitigation planning and actions in the context of the General Law on Climate Change, which was passed in 2012 and updated in 2018 to align with the Paris Agreement. In the second BUR, Mexico reported actions that are planned, ongoing and completed, which occur within several sectors, including waste, energy and agriculture.

Mexican mitigation measures and institutional arrangements to reduce emissions presented in the 2BUR will be updated. Under the previous project, México had some advances for NDC identification for mitigation actions and they have been already included in the 6th NC at sectoral level, especially in section 3 “Políticas y medidas de mitigación” while mitigation quantification advances have been included in the 2BUR.

In order to establish a national monitoring system of emission reduction and to align methodologies, the INECC and SEMARNAT will focused on identifying the criteria and steps involved in ensuring the necessary linkage between NAMAs and other mitigation instruments, National GHG Inventories and the process to achieve the stated goals in NDCs.

The 3BUR will support the consolidation of these national measures, and will also support Monitoring, Reporting and Verification system design.

The idea for the design of an MRV system is to establish the minimum requisites or standards in order to have reliable monitoring reports. As the system for MRV goes beyond monitoring reports, it is also necessary to establish the procedure for verification as well as the design of the registry to record the emission reductions.

This effort will include a proposal to MRV system with National GHG Inventories in order to have better understanding on emission and mitigation data and results.

Support of NC/BUR, will be useful to generate data information and elements on Mexico`s tracking to NDC commitment, aligned to Paris Agreement on 2020-2030 period.

The main gaps and capacity building needs identified are reflected in the Mexico`s 2nd TTE report and are focusing country`s efforts on:

- Enhancing the national capacity for reporting on mitigation actions and their effects, in accordance with the relevant provisions of the UNFCCC reporting guidelines on BURs, including information resulting from the sharing of best practices and the exchange of good practices associated with reporting (especially on how to include large amounts of technical data in the BUR);
- Enhancing the national capacity to design an MRV system for mitigation actions and their effects;
- Improving the integration of the country's different MRV subsystems and enhancing the synergies among them, including the consideration of obtaining and exchanging examples of good practices associated with reporting;

Along these lines, under this project, the following activities will be undertaken:

- Consultation with key stakeholders to establish institutional arrangements to ensure for information flow on mitigation actions being implemented or planned by the key stakeholders;
- Foster interinstitutional agreements to guarantee and improve data recollections and development of gender indicators, including the creation of a permanent work group with responsible units;
- Enhance the capacity to develop and apply methodologies for estimating the impact of mitigation actions at all levels of government;
- Data collection and analysis of relevant information regarding the mitigation actions or group of actions being implemented and developed and how that contributes to the NDC, taking into account gender perspective;
- Analysis and description of the progresses in the implementation and achievement of the NDC and an updated description of the mitigation actions associated with the NDC;
- Enhance the capacity at all levels of government to develop new MRV systems and Enhance the capacity of key actors from various institutions to facilitate the exchange of information, calculation of results and development of progress indicators for mitigation actions;
- Update description of the progresses in the design and implementation of the MRV system: mitigation, GHG inventory and financing;
- Identify synergies and establish linkages among public policy instruments in order to incorporate climate change considerations in national regulations;
- Update description of the national policies, laws, programs, projects and actions on climate change mitigation, taking into account gender perspective. Including updated description of the progresses in the implementation of the NAMAs and an updated description of Mexico's participation in the international carbon markets.

#### **4. Compilation of the NC/BUR reports, Knowledge management, Monitoring and Evaluation**

When all of the above activities are completed, the Third Biennial Update Report will be compiled according to the UNFCCC guidelines and will be submitted to the Conference of Parties (COP 22) to the UNFCCC in December 2020.

Project progress reports will be prepared in line with the requirements and timeline of the M&E plan described under section E. During inception phase, Gender analysis and action plan will be developed to set the priorities and guide gender mainstreaming into project activities during implementation phase.

#### **D. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT**

It will contribute to better understanding and improved capacity for implementation of Mexico's climate policy in order to achieve NDC. 3BUR will use the already existing NCs/BURs to allow for synergies identification.

The project will focus on cost-effectiveness by leveraging existing institutions, experts, and data. It will identify synergies with other on-going projects, initiatives and laws to increase cost-effectiveness and enhance consistencies with various national development priorities and programs undertaken at national and local levels.

Project will identify synergies with other on-going projects to increase cost-effectiveness and enhance consistencies with various national development priorities and programmes undertaken at national and local levels such as:

“Sembrando vida” by Secretaría de Bienestar

“Programa de transición energética” by Secretaría de Energía

The coordination with the CBIT project: “Transparency under the Paris Agreement: national and subnational contribution and tracking towards Mexico's NDC”, when in implementation phase, will be prioritized. The objective of the project is to build and strengthen institutional and technical capacities to meet enhanced transparency requirements, as defined in article 13 of the Paris Agreement and in accordance to GEF's CBIT programming directions. The CBIT project, like NC/BUR, will be executed by Ministry of Environment and Natural Resources of Mexico and thus all activities will be coordinated to ensure synergies and avoid duplication, specifically, in the development of MRV capacities and practices in Mexico at the national and subnational level.

#### **E. DESCRIBE, DESCRIBE THE BUDGETED M & E PLAN**

The project monitoring and evaluation will be carried out according to UNDP and GEF programming policies and procedures.

**Inception Workshop and Report:** A project inception workshop will be held within two months after all the relevant parties signed the project document, amongst others:

- a) Re-orient project stakeholders to the project strategy and discuss any changes in the overall context that influence project strategy and implementation;
- b) Discuss the roles and responsibilities of the project team, including reporting and communication lines and conflict resolution mechanisms;
- c) Review the results framework and finalize the indicators, means of verification and monitoring plan;
- d) Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP in M&E;
- e) Update and review responsibilities for monitoring the various project plans and strategies, including the risk log; Environmental and Social Management Plan and other safeguard requirements; the gender strategy; the knowledge management strategy, and other relevant strategies;
- f) Review financial reporting procedures and mandatory requirements, and agree on the arrangements for the audit; and
- g) Plan and schedule Project Board meetings and finalize the first-year annual work plan.

The Project Manager will prepare the inception report no later than one month after the inception workshop. The inception report will be prepared in one of the official UN languages, duly signed by designated persons, cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Adviser, and will be approved by the Project Board.

**Annual progress:**

Status Survey Questionnaires to indicate progress and identify bottlenecks as well as technical support needs will be carried out once a year, in line with GEF and UNFCCC reporting requirements for NCs and BURs.

**Lessons learned and knowledge generation:** Results from the project will be disseminated within and beyond the project intervention area through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to the project. The project will identify, analyze and share lessons learned that might be beneficial to the design and implementation of similar projects and disseminate these lessons widely. There will be continuous information exchange between this project and other projects of similar focus in the same country, region and globally.

**End of Project:**

During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also layout recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results. The Project Terminal Report shall be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

**F. EXPLAIN THE DEVIATIONS FROM TYPICAL COST RANGES (WHERE APPLICABLE)**

N/A

**Part III: Approval/Endorsement By GEF Operational Focal Point(S) And Gef Agency(ies)**

**A. Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):**

| <b>Focal Point Name</b>     | <b>Focal Point Title</b> | <b>Ministry</b>                              | <b>Signed Date</b> |
|-----------------------------|--------------------------|--|--------------------|
| Maria Fernanda Montero Lara | Operational Focal Point  | MINISTRY OF FINANCE AND PUBLIC CREDIT (SHCP) | 2/26/2020          |

**B. Convention Participation**

| Convention           | Date of Ratification/Accession | National Focal Point   |
|----------------------|--------------------------------|--|
| UNCBD                | 3/11/1993                      | Ministry of Foreign Affairs (SRE)  |
| UNFCCC               | 3/11/1993                      | Ministry of Foreign Affairs (SRE)  |
| UNCCD                | 4/3/1995                       | Ministry of Environment and Natural Resources (SEMARNAT)                                       |
| STOCKHOLM CONVENTION | 2/10/2003                      | Ministry of Foreign Affairs (SRE)  |
| MINAMATA CONVENTION  | 9/29/2015                      | MINISTRY OF FOREIGN AFFAIRS (SRE) AND MINISTRY OF ENVIRONMENT AND NATURAL RESOURCES (SEMARNAT) |



# Submitted to GEF Secretariat Review

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