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The Mexican INDC: a conditional target that calls for collective climate action

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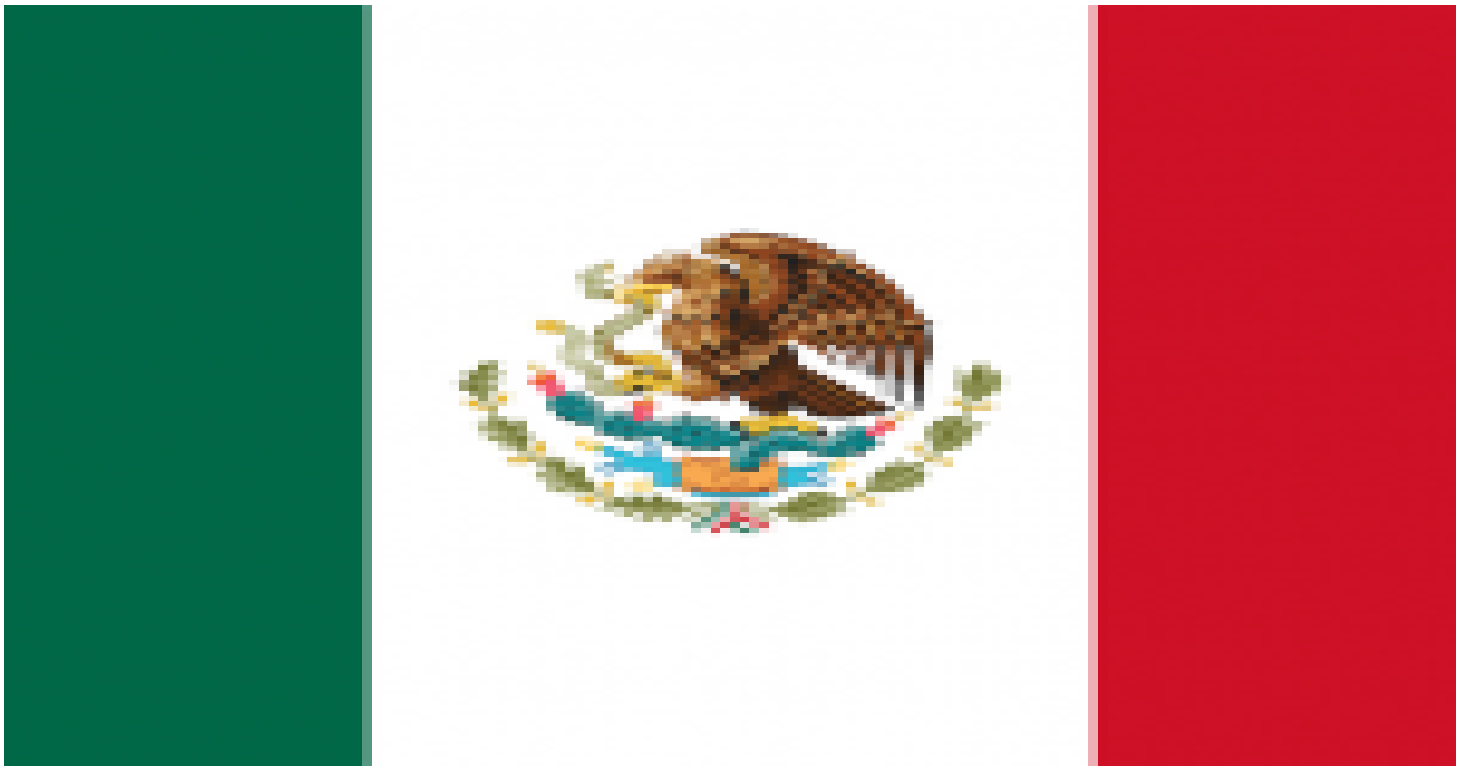

Mexico published its INDC on 30 March, the first middle-income country to do so. In publishing its INDC just ahead of the March 31 deadline, Mexico sent a strong signal. Major developed economies are yet to come forward with their proposals. The content of this INDC must, however, be evaluated based on the information it contains, both in terms of the level of ambition of the targets and the level of detail.

As previously on this blog, we propose to investigate four questions regarding the ambition and trajectory summarized and quantified in the INDC. It is important to understand that the INDCs themselves may not provide the answers to these questions; they must be interpreted within the broader context, including the policies and ambitions of each country.

1. Does the INDC represent a strengthening of the ambition of climate action in the country?

In its INDC, Mexico presents new targets:

- An unconditional target: reducing Greenhouse Gases (GHG) and Short Lived Climate Pollutants (SLCP) emissions by 25% (22% for GHG, 51% for black carbon[1]) below Business as Usual (BAU) by 2030. This target implies “a net emissions peak starting from 2026” and decoupling GHG emissions from economic growth by reducing emissions intensity per unit of GDP by around 40% from 2013 to 2030.
- A conditional target: emissions reductions could increase to 40% below BAU by 2030 (36% for GHG, 70% for black carbon) under certain conditions, i.e. a global agreement addressing “international carbon price, carbon border adjustments, technical cooperation, access to low cost financial resources and technology transfer”.

For the very first time, an emerging country sets an unconditional economy-wide goal. This is in itself quite an achievement. Previously, Mexico had set an "aspirational & conditional" target to reduce its GHG emissions by 30% below the BAU baseline by 2020, conditional upon provision of adequate financial and technological support. It is unclear how this target relates to the 22% reduction by 2030 recently announced, as the previous target appears to be more ambitious. Notably, the INDC announces a peak of emissions in 2026 but the 2020 pledge would require this to happen much earlier, because current emissions levels are already above this 2020 target. The comparison is also complicated by the use of different BAU levels for the 2020 and 2030 targets (the BAU level for 2020 emissions is 8.7% higher than the level used to build the Copenhaguen target).

Mexico had also indicated a goal of reducing emissions by 50% between 2000 and 2050, consistent with the global average needed to be compatible with a 2°C warming scenario. However it is also unclear how this relates to the targets set here for 2030. Based on our calculations,[2] this would mean an annual reduction of around 5% after 2030 in the unconditional target, which seems very ambitious. The consistency with 2050 target seems more realistic under the conditional target (which would mean a 4% annual reduction after 2030). Either way, no indication is given on the actions to be undertaken to prepare this transformation, in particular for infrastructure, which must be developed in advance to be operational at 2030 horizon.

2. How does the country plan to reach the objective of the INDC? Does it provide transparent information on policies and measures, useful to have shared discussions on the policy implementation, create trust, and reveal potential levers for increased ambition?

Overall, it is a rather transparent INDC, as it specifies the timeframe, scope, and coverage of reduction targets. It provides details on assumptions and methodological approaches used, including for the land sector and for the use of international market mechanisms. It also distinguishes black carbon, allowing to reveal its specific role in mitigation efforts (though the compatibility of these emission reductions with the 2°C target is hard to estimate given the uncertainties regarding its warming potential); however, details on other non-CO_2 GHG are not provided.

The Mexican INDC indicates several policies that it will use, including the General Law on Climate Change (2012), its national strategy on climate change, its carbon tax and its energy reform. However, these measures seem insufficient to achieve these objectives. Projections under the current policy framework estimate GHG emissions above 800 $MtCO_2$ in 2030, less than 20% below BAU. The INDC target would require rapid reversal of current

trends, as well as additional and scaled-up actions and policies to reach these levels. It would have been useful to explain these additional measures.

Indeed, the unconditional target envisions a decrease of emission intensity per unit of GDP by 40% from 2013 to 2030. To benchmark this estimate, we compare it with the results of the DDPP analysis,[3] which focuses on the energy sector. A multi-scenario analysis has investigated the socio-economic transformations that could be envisaged to decrease carbon emissions and has demonstrated the achievability of a 30% reduction with deployment of low-carbon technologies and efficiency measures. The proposed figure here shows the magnitude of the challenge in terms of domestic policies for energy, but also the importance of non-energy emission reductions.

3. How does the INDC relate to other national policy priorities? Is the INDC part of a coherent economic and social development strategy?

The Mexican INDC refers to many domestic laws and policies already in place, mostly in the climate and energy sectors. It would have been useful to get information on what additional measures Mexico plans to adopt in the future, and how they are coordinated across sectors.

Interestingly, the contribution mentions co-benefits of its climate action, whether it is for social, health or well-being effects. For example, Mexico plans to target black carbon emissions: policies to reduce biomass burning in rural areas and diesel emissions in the transport sector could effectively contribute to reducing global warming, while also improving air quality and avoiding major health effects. The country has already started to launch projects to monitor these emissions in a couple of cities, to help better target their sources and mitigate them.

Mexico's INDC also deals in greater detail with adaptation in an Annex. The approach taken requires synergies between mitigation and adaptation. First, Mexico explains its vulnerability and the main risks the country faces. Then it explains what actions the country is undertaking to protect its population, especially for food security, water access, and protection against extreme weather events. To this end, its adaptation strategy specifically targets strategic sectors and infrastructure (from agriculture and livestock to mining and tourism) to maintain their productivity and competitiveness. It describes both processes (adaptive and risk-reduction plans) and results (targets such as reducing by at least 50% the number of the most vulnerable municipalities). The contribution also insists on ecosystem-based adaptation, including both the preservation of biodiversity (for example it aims to eradicate deforestation by 2030) and the use of ecosystem services to restore and protect endangered areas.

Assessing its own risk and vulnerability, as well as explaining domestic strategies to face them is a key element to deal efficiently about adaptation. The Mexican INDC is a good example of how countries should explain how they are taking responsibility domestically, as a basis to share experiences and identify areas where more progress is needed and where bilateral/regional/international cooperation can help.

Mexico also insists on the need to ensure that implementation of these policies respects human rights and gender equality, which is particularly relevant, as evidence shows that women and the poor will be the most in need of adaptation measures.

Finally, Mexico followed an inclusive consultation process: "Multiple stakeholders were consulted during the preparation of the INDC, including non-governmental organizations, academia and representatives from private industry of all economic sectors, through workshops and consultations at the national level". However, this participative process lasted only 10 days.

4. What are the (national and international) blockages and opportunities to deeper emission reductions? Can we identify from the INDC areas of national policy and international cooperation that can help to

progressively increase the ambition of contributions [both now and in the future]?

The international community expects to develop a global agreement addressing “international carbon price, carbon border adjustments, technical cooperation, access to low cost financial resources and technology transfer”. However, this formulation remains vague, and a more explicit framing of the tools, instruments and processes to be implemented would be helpful. This concerns, in particular, two crucial areas of international cooperation: technological research, development and diffusion, for which coordinated efforts must be designed; and financial mechanisms that ensure adequate allocation of funds and enables the required investments to be made within the desired timeframe. The role that Mexico plans to play in these international processes is not mentioned.

Mexico and the United States announced that they were launching an interagency clean energy and climate policy task force, chaired by U.S. Secretary of Energy Ernest Moniz and Mexican Secretary of the Environment Juan Jose Guerra Abud, aimed at “further deepening policy and regulatory coordination in specific areas including clean electricity, grid modernization, appliance standards, and energy efficiency, as well as promoting more fuel efficient automobile fleets in both countries, global and regional climate modeling, weather forecasting and early alerts system”. This could constitute an interesting model for bilateral and concrete cooperation to further increase ambition.

[1] Black carbon is the most strongly light absorbing component of particulate matter, which affects climate by absorbing incoming light and by darkening the Earth surface. It is formed by the incomplete combustion of fossil fuels, biofuels, and biomass

[2] Simple estimates derived from the emission levels indicated in the INDC.

[3] The Deep Decarbonization Pathways Project (DDPP) is a research platform convened by IDDRI and the SDSN to analyze long-term national transition pathways to 2050 consistent with the 2°C target. The platform has been joined so far by 16 countries which represent 75% of global emissions.

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