

Mexico has potential to meet its ambitious climate targets, but more action needed: report

Mexico City, 3 May 2012 -- Mexico has made some of the most advanced efforts in the developing world to tackle climate change, including passing strong climate change law, however Mexico still has a long way to go to achieve its emissions reduction targets, according to a new report, released today.

The 120-page analysis is part of an ongoing investigation by the Climate Action Tracker (CAT) team from Climate Analytics and Ecofys as to whether current or pledged climate action will be enough limit the negative effects of climate change by holding global temperature increase below 2°C. It examines all sectors: electricity, industry, transport, agriculture, forestry and buildings and compares action against the CAT's own long term low-carbon vision.

"Mexico has performed well on the international stage, both in helping to get international agreements and showing a strong commitment to developing its own national institutional and strategic framework. "The latest success for Mexico is the passing of a climate change law", said Marion Vieweg, the Climate Action Tracker's project manager for the report.

"However, more action is needed to meet its current targets. With the adoption of the climate change law, Mexico now needs to put more effort into actually implementing specific policies that secure long term action."

"Unless warming can be limited well below 2degrees C, Mexico faces large risks from climate change ranging from intensifying drought, threatening agriculture and water resources - to the loss of its cloud forests containing the richest biodiversity in the country", she said.

Ms Vieweg was in Mexico City today to launch the report and conduct a workshop on the results with civil servants, NGO's and other interested parties. She was joined by Markus Hagemann from Ecofys as well as Dr. Niklas Höhne (Ecofys) and Dr. h.c. Bill Hare (Climate analytics) via video link.

Mexico scored an overall "D" for its overall climate strategy, on a scale from A to G based on the ambitious low carbon vision, and a D for energy efficiency in industry – with all other ratings below this, indicating much room for improvement, the CAT team said.

Mexico was the first developing country in the world to announce a long term target to 2050: a reduction of 50% below 2000 levels, and has now included this target in its climate law. Also Mexico's ambitious international "Cancún pledge" is now included in the law: to reduce emissions to 30% below business-as-usual (BAU) by 2020, conditional on international financial support. It also set a new target to provide 35% of Mexico's electricity to come from clean sources by 2024.

In a next step the government will need to develop and implement policies to achieve this, e.g. to phase out fossil fuel subsidies, to make renewable power fully competitive with oil, gas and coal.

The Climate Action Tracker's scientists have estimated a slightly lower projection of "Business as Usual" emissions to that of the Mexican Governments' climate change programme (PECC) estimates.

Key results:

- Business as usual would see an increase in greenhouse gas emissions of 50% by 2030 from today.
- Current policies would achieve just over a third of its Cancún pledge for 2020, a 12% reduction below the CAT BAU.
- Current policies would reduce emissions below BAU by 21% by 2030 - with the reductions coming from industry, land use and forest control and energy supply.
- The long term (2050) target of cutting emissions by 50% below 2002 levels is not yet fully supported by policies - but Mexico has not specified how much it will rely on international funding.
- Energy intensity (energy use per unit of GDP) is expected to decline faster with policies compared to business as usual (7% lower in 2030).
- Emissions intensity would see a reversal of the trend under Business as Usual, where emissions per unit of energy used have increased steadily over time. This reversal was motivated by the replacement of oil with gas in the industry and building sectors. Implementation of current measures improving this further by 10%.

"Mexico has done the institutional and strategic groundwork to be able to implement policies for an emissions reductions pathway to 2050. If Mexico fulfils the existing potential, this would make it an attractive target for international funding, which it could put to good use," said Dr. Niklas Höhne, Director Energy and Climate Policy at Ecofys.

Such efforts include long term planning of concrete measures to implement its 2020 and 2050 targets.

Other policy measures that could be taken could be the removal of the "least cost" requirement in the Mexican electricity utility that is currently enshrined in the constitution. The requirement constitutes a major barrier to renewable energy. This could be supported by a broad-based support mechanism for renewable electricity generation.

While Mexico has a long tradition of applying energy conservation, including schemes to allow people access to energy efficient appliances, it could still improve energy efficiency in industry. Fugitive emissions from oil and gas production are relevant for Mexico and could be avoided at relatively low cost as well as emissions from waste.

In the building sector, again, the government could focus more on efficiency of the buildings themselves, with a mandatory code for new buildings that was enforced and incentivized through loans for new buildings and for retrofitting of existing buildings.

The CAT identified the projected increase in air conditioning as the largest future electricity use for the country. But this potential increase could be avoided by intelligent building design, codes and efficiency standards.

A barrier to the implementation of energy efficient cars was the fuel price subsidy. Removing this subsidy in a social acceptable way, plus introducing mandatory standards for cars and an emissions-based vehicle taxation scheme would be a great step forward.

Mexico is among the countries most advanced in reducing emissions from deforestation and ensuring afforestation through payment for environmental services. But, again, improvements could be made, particularly in agricultural activities that cause deforestation and forest degradation. A strategy had been formed to address agricultural emissions – but not yet implemented. A long-term framework needed to be implemented to ensure that measures for afforestation and reforestation are continued and expanded.

The "Climate Action Tracker" is an independent, science-based assessment that tracks the emission commitments and actions of countries.

Climate Analytics

CLIMATE ANALYTICS GmbH is a non-profit organization based in Potsdam, Germany. It has been established to synthesize climate science and policy research that is relevant for international climate policy negotiations. It aims to provide scientific, policy and analytical support for Small Island States (SIDS) and the least developed country group (LDCs) negotiators, as well as non-governmental organisations and other stakeholders in the 'post-2012' negotiations. Furthermore, it assists in building in-house capacity within SIDS and LDCs.

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