

Side event to COP17/CMP7

Linking the development of transport Nationally Appropriate Mitigation Actions (NAMAs) with national climate change budgets

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Background

Mexico Special Program on Climate Change (PECC): - 50mn against BAU between 2009 – 2012

Long-Term 2050 : 2.8 tones per CO₂e/yr per capita (given international support)

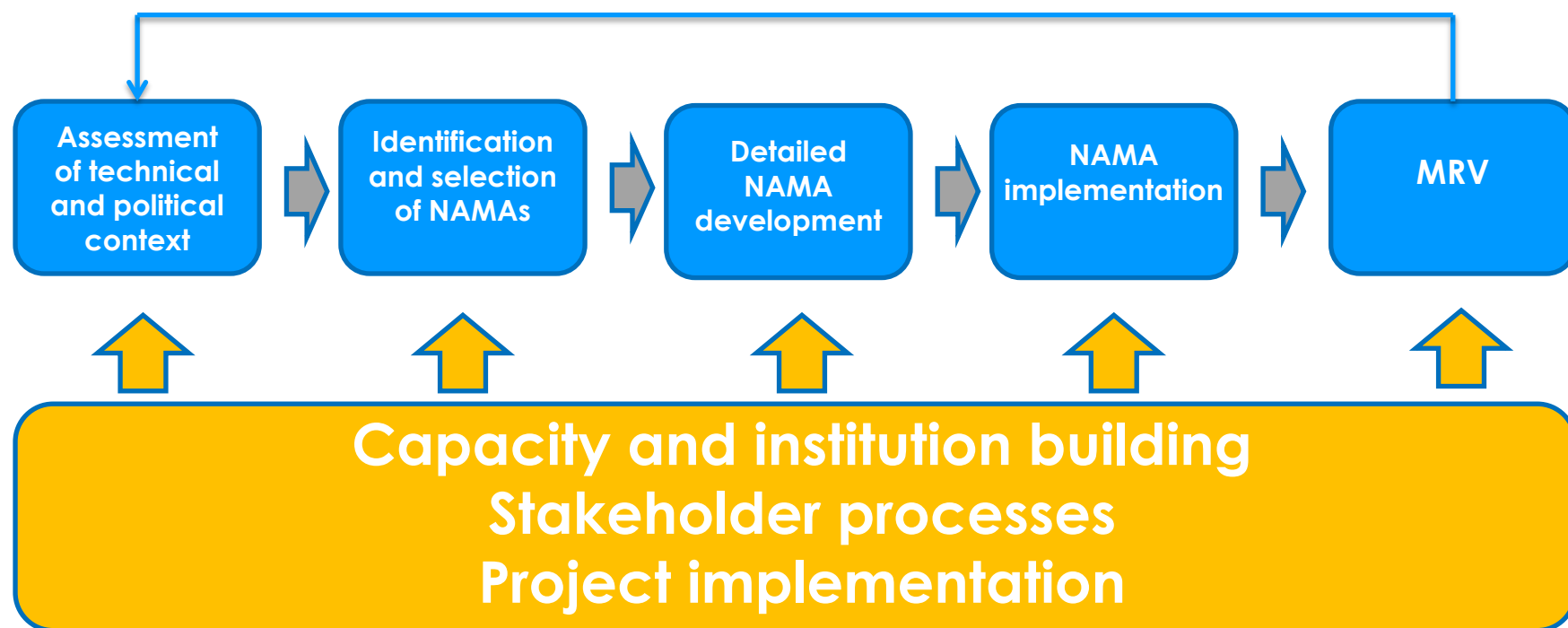
Program includes transport action

Facilitating the development of transport NAMAs in Mexico

Objective of the project:

Identify a suitable program or policy that mitigates greenhouse gas emissions and explore how the program could become a Nationally Appropriate Mitigation Action

Process of NAMA development



Source: Ecofys

Selection Criteria

- GHG emission potential
 - Transformative nature
 - Local ownership
 - MRV ability
 - Leverage of climate investments
 - Co-benefits
-
- Participatory approach: Roundtable

PROTRAM

PROGRAMA DE TRANSPORTE MASIVO DEL FONDO NACIONAL DE INFRAESTRUCTURA

- Created 2009
- Part of the National Infrastructure Fund (FONADIN)
 - All road and rail transport, including urban transport: MX\$336 billion (US\$25.6 billion), 2007-12
- Funded by toll highway concessions (Fideicomiso de Apoyo al Rescate de Autopistas Concesionadas – FARAC)
- Provides grants and loans for studies and project infrastructure
 - Studies: up to 100 percent of cost as grant
 - Infrastructure: up to 50 percent of cost as grant or 66 percent as loan



PROTRAM

PROGRAMA DE TRANSPORTE MASIVO DEL FONDO NACIONAL DE INFRAESTRUCTURA

➤ Project portfolio

- 40 projects in 23 cities
- Projects under implementation: MX\$7.8 billion (575 mn US\$) federal share
- All projects in development: MX\$42.2 billion (3.1 bn US\$) federal share

Proyectos del Protram			
Fuente: Pipe Line Protram, 2011			
40 Proyectos	14 Identificados		16 Corredores BRT
	14 en preparación		2 Trenes Suburbano
	6 en evaluación y autorizados		16 Planes Integral de Movilidad Urbana Sustentable
	4 en licitación y cierre		4 Sistemas Integrados de Transporte Público
	2 en construcción y operación		1 Trámite

NAMA Objectives

- Medium term objective: provide complementary support to PROTRAM/UTTP by financing capacity building and the development of assessment methodologies.
- Long term objective: ensure the continuity of the programs with long-term climate funds that go beyond the expiration period of UTTP in 2016.

Note:

PROTRAM: National Mass Transit Program

UTTP: National Urban Transport Transformational Program

Lessons learned

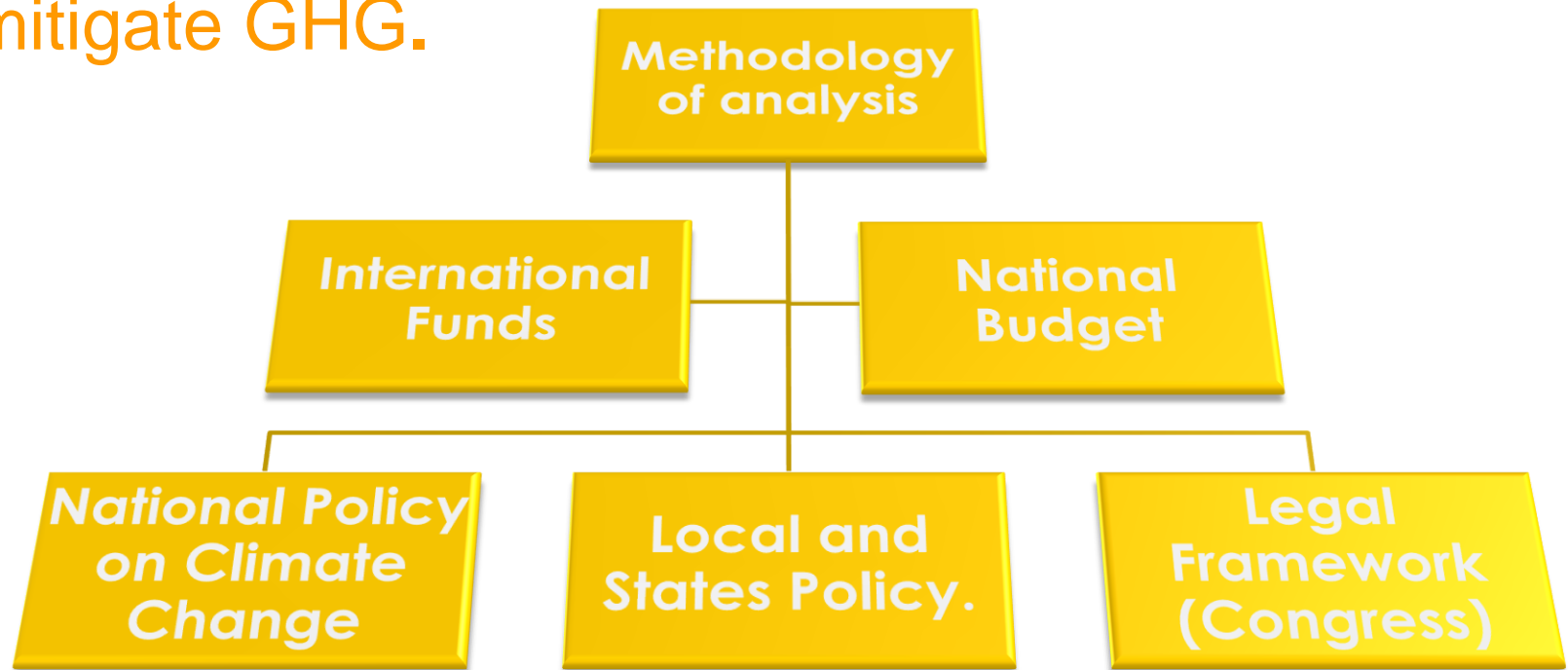
- Importance of the program/policy selection.
- Stakeholder engagement and ownership is crucial.
- Scope and boundary issues need to be establish clearly.
- MRV is related to the boundary and scope
- Need to make NAMA finance tangible.

Next steps

- PROTRAM and SEMARNAT makes a proposal for international financing based on input from this project.
- Key questions need to be address:
 - Financing
 - MRV

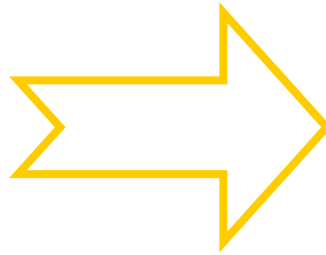
National Budget in the Transport Sector to Mitigate Climate Change

- Mexican Carbon Finance Group Initiative:
Tracking national and international flows to mitigate GHG.





**Mexican
Carbon
Finance
Group**



Develop accountability mechanisms for international and national flows to address climate change.

Analyzed the links between the National Policy on Climate Change and assigned federal budget.

Present recommendation to the Congress

Analysis of the federal Budget

- ▶ **Implementation of Mass Transit Systems are not the priority**
- ▶ **Non Motorized transport is the greatest absent**
- ▶ **The federal budget allocated to transport promotes the construction of urban roads (80%)**
- ▶ **Local Governments follow the same model as the federal one**
- ▶ **The National energy efficiency programs does not have budget assigned**

Mexican Carbon Finance Group proposal

- Promote mass transit systems projects
- Improve Energy efficiency standards
- Implement NMT and pedestrians infrastructure
- Develop better scrapping and Smartway programs



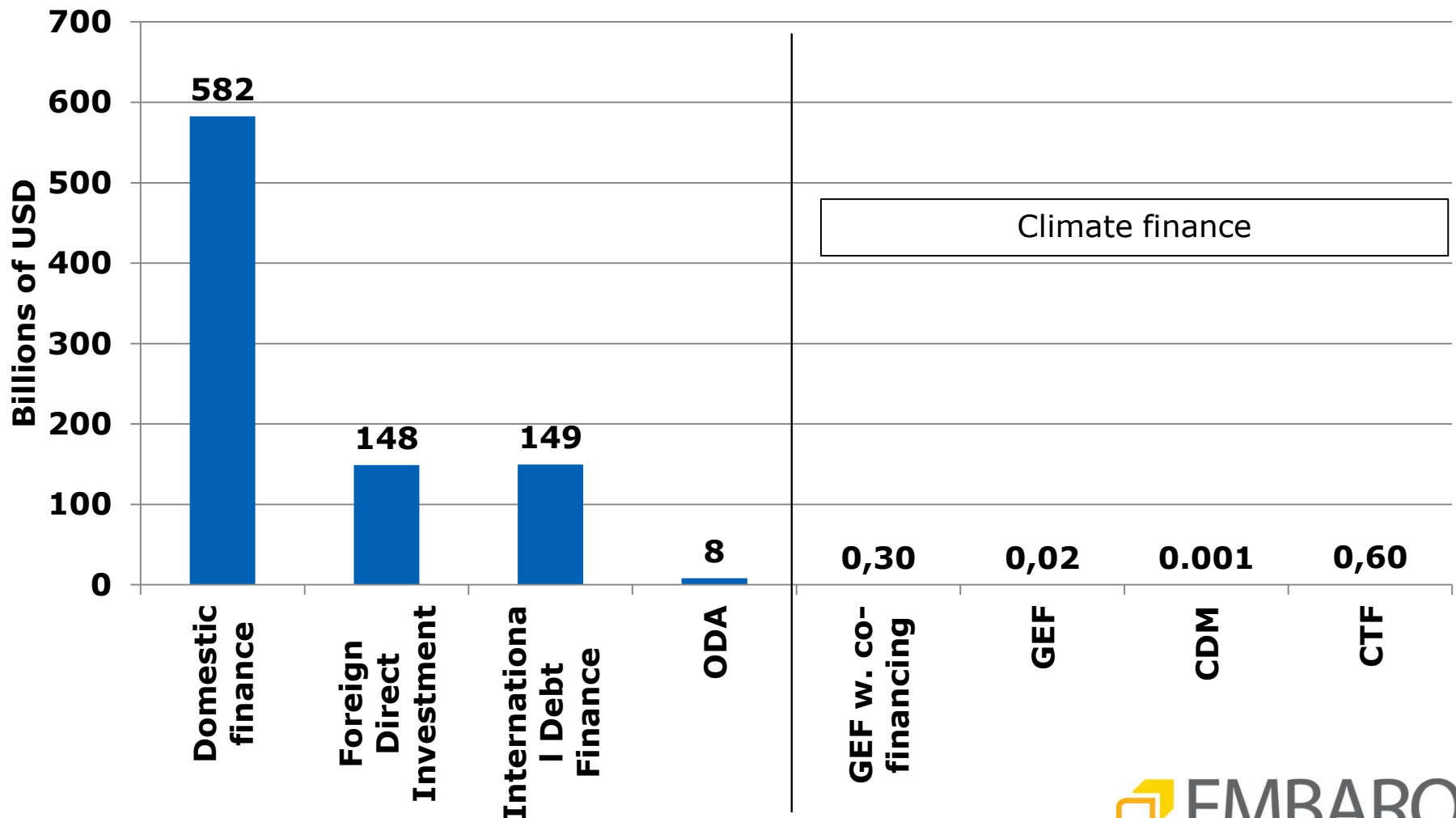
If 10 % of the investment assigned to the Ministry of Transport and Communication was relocated

Annual budget 6.4 bn US Dollar

BRT		Bicycle Paths	
10%	646 mn USD	5%	323 mn USD
Cost of km of BRT (Guadalajara`s BRT)	4.7 MUSD	Cost of km of cycle paths	96,000 USD
Km constructed with 10 % of the annual budget for infrastructure	144 km	km constructed with 5% of the annual budget for infrastructure	7.047 km

What finance is available for transport activities?

Global annual transport investments by source of finance



Sources: OECD, UNFCCC

Conclusions: NAMA and climate finance

- Domestic (local and national) finance is key towards the development of sustainable transport NAMAs
- Climate finance can be a growing opportunity for supporting low carbon transport but need to be tangible and accessible
- Stakeholder engagement and ownership is crucial for the development of NAMAs – create accountability and transparency
- National priorities have to be consistent with the international voluntary commitments of the countries
- Support of capacity building and institutional set-up is crucial for developing countries in order to mitigate GHG emissions



Thank you for your attention

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