



México

PROJECT DOCUMENT

Project Title: Fifth National Communication of México to the UNFCCC

UNDAF Outcome(s): #5: More efficient use of available resources is ensured to promote an equitable and environmentally sustainable economic development

CPD Expected Output(s): Strengthened national and local capacities for mitigation and adaptation to climate change

CPD Expected Outcome(s): Climate Action Strategies and National Communications to the UNFCCC

Expected CPAP Output (s): Motion analysis on the impacts of climate change on socio-economic sectors developed to promote multi-stakeholder dialogue.

UNDP Strategic Plan Environment and Sustainable Development Primary Outcome: Mainstreaming environment and energy

Implementing Partner: Ministry of Environment and Natural Resources (SEMARNAT) – National Institute of Ecology (INE)

Brief Description

This Enabling Activity project will assist Mexico to prepare its Fifth NC to the UNFCCC. The objective is to update the annual Mexican Inventory of anthropogenic greenhouse gases to period 1990-2009, including the implementation of an inventory's information System, as defined by the UNFCCC for Annex I countries. Adaptation measures and options that could be implemented in Mexico for relevant sectors will be identified, and Regionalized scenarios of climate change at a higher spatial resolution will be generated applying dynamic downscaling, to reduce uncertainties in V&A assessments. Current and future potential mitigation policies and measures for key sectors will be identified and reported. Description of national circumstances will be updated, including a report on the priorities, objectives and development implications to address CC. The project will continue to build institutional capacity, including undertaking activities related to research, education and awareness.

Programme Period: 2011-2013 Programme Component: Energy & Environment Award ID: 00061866 Project ID: 00078891 Project Title: GEF-PIMS4371 CC Fifth National Communication of México to the UNFCCC Starting Date: July 2011 End Date: December 2012 PAC Date: July 2011 Management Arrangements: NEX Implementing Modality: NIM	Total required budget: US\$ 7,147,536.00 Assigned Resources: <ul style="list-style-type: none"> • Regular _____ • Others: <ul style="list-style-type: none"> ○ GEF US\$ 2,707,536.00 ○ Government US\$ 4,440,000.00 (in-kind) Pending Resources: In kind contributions: _____
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Approved by:	Sign:	Date:	Name and Title:
National Institute of Ecology (INE)		05/08/11	Francisco Barnés President
Ministry of Foreign Affairs (SRE) Unit of Scientific and Technical Cooperation (DGCTC)			Octavio Tripp Unit Director
United Nations Development Programme (UNDP)			Magdy Martínez-Solimán Resident Representative

12-08-2011

18/08/2011

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Approved by	Signature	Date	Name and Title
United Nations Development Programme (UNDP)		18/08/2011	Mandy Martinez-Soliman Resident Representative
Ministry of Foreign Affairs (SRE) Unit of Scientific and Technical Cooperation (DCTC)		17-08-2011	Octavio Tripp Unit Director
National Institute of Ecology (INE)		15/08/2011	Francisco Gomez President

Project Title	Project ID	Starting Date	End Date	TRC Date	Management Arrangement	Implementing Partner
Commission of Mexico to the UNFCCC	00078891	July 2011	December 2011	July 2011	UNEP	Ministry of Environment and Natural Resources (SEMARNAT) - National Institute of Ecology (INE)

Programme Period	Assigned Resources	Total Budget
2011 - 2013	<ul style="list-style-type: none"> Regular Other 	US\$ 1,412,500
	<ul style="list-style-type: none"> Government In-kind 	US\$ 2,707,286.00
		US\$ 440,000.00
	Pending Resources	
	In-kind contributions	

Project Description

This Existing Activity project will assist Mexico to prepare its fifth NC to the UNFCCC. The objective is to update the annual Mexico Inventory of anthropogenic greenhouse gases to period 1990-2009, including the implementation of an inventory information system, as defined by the UNFCCC for Annex I countries. Additional measures and options that could be implemented in the relevant sector will be identified. and registered sectors of climate change as a higher spatial resolution will be generated applying dynamic downscaling to reduce uncertainties in WSA assessments. Current and future potential mitigation policies and measures for key sectors will be identified and reported. Description of national circumstances will be updated, including a report on the progress, objectives and development implications to address CC. The project will continue to build institutional capacity, including undertaking activities related to research, education and awareness.

LIST OF ACRONYMS

AI	Annex I
APR	Annual Project Report
AWP	Annual Work Plan
CCA	UNDP's Common Country Assessment
CCA-UNAM	Atmospheric Sciences Centre of UNAM
CCN	Cuarta Comunicación Nacional de México
CENAPRED	National Disaster Prevention Center
CICC	Inter-ministerial Commission on Climate Change
CONAFOR	National Forestry Commission
CO	Country Office
COP	Conference of the Parties to the UNFCCC
CPCC	Coordination of the Climate Change Program
CPD	Country Programme document
D.F.	Federal District
DGICURG	General Directorate of Research on Urban, Regional and Global Pollution
ENACC	National Climate Change Strategy
EF	Emission Factor
FNC	Fourth national Communication to the CMNUCC
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gas
GPG	Good Practice Guidelines, IPCC
HDI	Human Development Index
INC	Initial National Communication to the UNFCCC
INE	National Institute of Ecology
INEGI	National Institute of Statistics, Geography and Informatics
INEM	National Emissions Inventory
IPCC	Intergovernmental Panel on Climate change
LULUCF	Land Use, Land Use Change and Forestry
M&E	Monitoring and Evaluation

MDG	Millennium Development Goals
MRV	Monitoring, Reporting and Verification
MYFF	Multi-year Funding Framework
NAI	Non-Annex I Party to the UNFCCC
NAMA	National Appropriate Mitigation Actions
NC	National Communication
NCSP	National Communication Support Program
NGHGEI	National Greenhouse Gases Inventory
NGOs	Non-governmental Organizations
OECD	Organization for Economic Co-Operation and Development
PECC	Special Program on Climate Change 2009-2012
PEMEX	Mexican Petroleum Company
PIR	Project Implementation Report
PND	National Development Plan
PNUD	United Nations Development Programme (UNDP)
PNUMA	United Nations Environment Programme (UNEP)
PSA	Environmental Services Payment
PSAH	Payment for Environmental Hydrological Services
QA/QC	Quality Assurance and Quality Control
R&D	Research & Development
RCU	Regional Coordinating Unit
SAGARPA	Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food
SBAA	Standard Basic Assistance Agreement
SCT	Ministry of Communications and Transport
SEDESOL	Ministry of Social Development
SE	Ministry of Economy
SEGOB	Ministry of Interior
SEMARNAT	Ministry of the Environment and Natural Resources
SENER	Ministry of Energy
SHCP	Ministry of the Treasury and Public Credit
SNC	Second National Communication

SRE	Ministry of foreign Affairs
SRES	Low GHG emission scenarios
SRF	Strategic Results Framework
SS	Ministry of Health
TNC	Third National Communication
TOR	Terms of Reference
TPR	Tripartite Project Review
UNAM	National Autonomous University of Mexico
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
USEPA	United States Environmental Protection Agency
WB	World Bank

I. SITUATION ANALYSIS

Context and global significance: Environmental, policy and institutional

México is located in North America with an area of 1.96 million km² out of which 99.7% are continental and 0.3% insular. It is the fifth largest country in America and the fourteenth in the world.

Due to its geographical location Mexico is affected by meteorological systems from middle latitudes in winter and tropical systems in summer. The cold fronts, called "Nortes" affect mainly the northern part of the country and the Gulf of Mexico, causing low temperatures and rain. Hurricanes and tropical cyclones also affect the rain behavior. In period 1970-2008, the coast areas were impacted by 170 tropical cyclones out of which 62.4% came from the Pacific Ocean and 37.6% from the Atlantic Ocean. However, climate variations are mainly determined by the occurrence of the El Niño phenomenon. The great variety of meteorological phenomenon experienced by the country also includes: frosts, hot and cold waves, intense winds and radiation and humidity variations (Magaña, 1999)¹. Because of this and due to the orography, the national territory has a variety of climatic regions being the most important the zones of dry climate, which cover more than half of the total area (51%); the mild climate zones with an extension equivalent to 25.9%; the template climate zones (around 23%) while the cold climate zones are equivalent to less than 1% of the total area (INEGI, 2008a)². The influence of El Niño and La Niña phenomena, as well as extreme hydrometeorological conditions, has resulted in serious damage and disasters affecting different socioeconomic sectors of the country.

Mexico is among the countries with the greatest biological diversity in the world, not only because of its large number of species, but also because its diversity at other levels of biological variability; such as genetic and ecosystem levels. Between 10 and 12% of the species existing on Earth can be found in Mexico [PNUMA-SEMARNAT, 2004]³. It ranks in second place regarding ecosystem types and fourth in abundance of species worldwide. Mexico's extraordinary biodiversity can be explained by the complexity of its topography (more than 65% of the country is located 1000 meters above sea level, with mountains above 5000 meters contrasting with locations at 10 meters above sea level); the variety of climates; and the geographical location. However, the country is not exempt from degradation processes and loss of terrestrial and marine ecosystems, particularly serious during the last half century. Deforestation; overexploitation and ecosystem contamination; the introduction of invasive species; and climate change are direct causes of Mexico's biodiversity loss (Sarukhán et al., 2009)⁴. Due to its geographical location, topography and socioeconomic aspects, Mexico is especially vulnerable to the impacts of climate change and variability.

Recent research carried out in the country, and presented as part of Mexico's Fourth National Communication to the UNFCCC; indicate that there are critical situations in some Mexican States due to lack of water; increase in number and areas affected with dengue cases, as well as the gradual reduction of biodiversity in large areas of central and northern Mexico⁵.

Recognizing the importance of undertaking actions that contribute to the efforts of the international community in matters of GHG emissions mitigation, the Mexican Government established the Special Program on Climate Change 2009-2012 (PECC), through which it seeks to demonstrate that GHG emissions mitigation is possible without jeopardizing development. Compliance to PECC will result in a

¹ Magaña, 1999. Los impactos de El Niño en México. Centro de Ciencias de la Atmósfera UNAM, DG de Protección Civil, Secretaría de Gobernación, México. 229 pp.

² INEGI, 2008a. México de un vistazo 2008. México, DF. 55 pp. In: www.inegi.org.mx.

³ PNUMA-SEMARNAT, 2004. Perspectivas del medio ambiente en México (GEO México 2004), México.

⁴ Sarukhán et al., 2009. *Capital Natural de México. Síntesis: conocimiento actual, evaluación y perspectivas de sustentabilidad*. Comisión Nacional para el Conocimiento y Uso de la Biodiversidad, México.

⁵ CCN, 2009. Cuarta Comunicación Nacional de México ante la UNFCCC.

reduction of 50 million tonnes of CO₂ eq. in 2012 as a consequence of the implementation of a series of unilateral actions in sectors such as energy generation and use, agriculture, forestry and other land uses, and waste. In a long-term vision, PECC envisages, as an aspiration goal, the reduction of 50% of GHG emissions by 2050, as compared to 2000 levels, and a flexible convergence towards a global per capita emissions average of 2.8 tonnes of CO₂ eq. in 2050. The former, preconditioned by the availability of sufficient incentives and international support, as part of the new financial architecture recently put into practice.

During the 2007-2009 period, a budget of more than 1.3 billion US dollars was allocated to a Reforestation Program (Programa ProÁrbol); to support payment schemes for environmental services for the conservation and development of community forestry; the establishment of commercial forest plantations; protecting forests against fires, pests and diseases; ecosystem restoration; and to increase competitiveness in forestry activities. Also, the National Forestry Commission aims to mitigate GHG emissions; increase forest carbon sinks; stabilize the forest-agriculture border; and reduce the incidence of forest fires. In PECC, mitigation in the forestry sector is focused mainly on the incorporation of about 3 million hectares for sustainable forest management; the installation of 600,000 efficient wood stoves; to incorporate 2.5 million hectares of terrestrial ecosystems to the System of Wildlife Conservation and Management Units; to add 750,000 hectares of forest ecosystems to the status of Protected Natural Areas; and to introduce planned sustainable grazing practices in 5 million hectares.

In 2009, the National Institute of Ecology (INE) financed and coordinated the study "Impact of Renewable Energy Sources of GHG Emissions in Mexico in the Medium and Long Terms", carried out by the Electric Power Research Institute and the study "GHG Emissions Scenarios in the Medium and Long Terms, 2020, 2050 and 2070", prepared by the Mexican Institute of Petroleum. These studies will be useful to estimate the national baseline of GHG emissions for the medium (2020) and long (2050) terms. Other relevant studies on mitigation published in the last three years are: a) Study on the Economics of Climate Change in Mexico, coordinated by SEMARNAT and the Ministry of Finance, with financial support from the United Kingdom Government and the Inter-American Development Bank; b) Low-Carbon Growth, A potential Path for Mexico, conducted by the Mario Molina Center and the McKinsey consulting firms; c) Low Carbon Development for Mexico, developed with funding and technical assistance of the World Bank; and d) Climate Change in Mexico and Potential GHG Emission Reduction by Sectors, conducted by a private consultant.

Although the country has been engaged in addressing climate change, additional needs have been identified after several diagnostic exercises. For example, in order to improve the next inventories, it is necessary to continue conducting research to obtain national emission factors for key sources, and to analyze in-depth the differences between the reference and the sectorial approach. It is also necessary to continue building and refining models under different climate change scenarios; as well as to continue elaborating and publishing; for example, a National Atlas of Vulnerability to Climate Change and a mapping for morbidity and mortality associated with increased health risks due to climate change. For a more efficient management of mitigation options in the country, it is necessary to continue a more in-depth evaluation of mitigation potential for various technology options for key emitting sectors. Furthermore, it becomes necessary to develop emissions mitigation frameworks to be able to measure, report and verify (MRV) them in strategic sectors. The need for better estimates of the potential economic and financial costs of climate change impacts in key productive sectors has also become evident. Likewise, it is important to analyze the social, economic and environmental impacts derived from the fulfillment of Mexico's international responsibilities on climate change.

Country situation and development context

The country's population grew from 105.791 to 107.551 million inhabitants during 2007-2009. The country annual population growth rate for that period was 0.8%. Males made up 49.2% of the population and females 50.8%. In 2009, the population in urban zones represented 72.3% of total population and in rural areas it has diminished from 28.2% in 2007 to 27.7% in 2009. These changes are especially relevant

for agriculture and related changes in land use. It is predicted that the population will increase to 129.6 million by 2050. The population per age group evolution shows an increase in relative longevity which is one of the more transcendental consequences of the demographic transition in which Mexico is immerse.

During 2007, the Mexican economy presented less dynamism than the previous year. The annual real growth of the national GDP with respect to the previous year was 3.4%. In 2008, the economic world crisis influenced the GDP, which only rose at a rate of 1.3%. As the external crisis continued for the first semester of 2009, the GDP decreased at a rate of 8%. In the second semester of 2009, besides the external adverse situation, the sanitary measures implemented in Mexico to control the porcine influenza, led to a contraction of the economy of 10.4%. It was estimated by the Ministry of the Treasury and Public Credit (SHCP) that during the fiscal year 2010 the annual real growth of the GDP will be 1.3%.

In 2008, an estimated 47.4% of total population (50.6 million people) lived in patrimony poverty⁶, and 60.8% of all the poor lived in rural areas, while 39.2% lived in urban zones. So Mexico is still a country marked by deep social and regional inequalities, with large differences between rich and poor. In 2007, the mean rate of unemployment was 3.7% and from January to July of 2009 it was 5.1%. This increase in unemployment denotes that labour situations are a problem in the country. Mexico reported a Human Development Index (HDI) of 0.842 in 2006, which ranked the country in 51st place out of 179 countries (PNUD, 2009)⁷.

México, as many other countries in the world is highly dependent on fossil fuels. In 2009, the consumption of these fuels was above the media with respect to the consumption of the OECD countries. In 2008, the primary energy production of the country was 10,500 Petajoules (PJ), 0.26% less than in 2007. Hydrocarbons contribute 89.1%; hydro3.7%; firewood 2.3%; coal 2.2%; nuclear 1.0%; sugarcane bagasse 0.9%; geothermal 0.7%, and wind >0.2%.

National total energy consumption in 2008 was 8,555 PJ. The transport sector represented 47.6% of the final energy consumption and the industrial sector, 26.3%. The residential, commercial and public sub-sectors represented 17.7%, and the agricultural sector, 2.8%. Particularly noticeable was the growth in the consumption of the transport sector, mainly due to the consumption of gasoline and diesel. The distribution of the energy sources demanded was: gasoline, 32%; diesel, 16%; electricity, 13%; dry gas, 11%; liquefied gas 8.9% and firewood, 4.8%. In 2009, the sources of renewable energy as hydroelectricity, geothermal and wind farms represented 20.4% of the total install capacity to generate electricity in the country. Renewable energies are also use for pumping, lighting and water heating. It is worth mention that the Special Program for the Use of Renewable Energies 2009-2012 will be the basis for the utilization of renewable energies in Mexico in order to reduce the dependency of fossil fuels, reduce GHG emissions and address the impacts of climate change (SENER 2009b)⁸.

National Communications to the UNFCCC

Mexico presented its Initial National Communication (INC)⁹ to the UNFCCC in 1997. One of the most important components was the preparation of the first National Greenhouse Gases Emissions Inventory (NGHGEI) of sources and sinks for the base year 1990, and a preliminary assessment of the country's vulnerability to climate change. Information was also included on the mitigation programs and policies

⁶ Patrimony poverty: it refers to the population that has enough income to cover the main necessities of food, education and health but which not have access to acceptable living quarters, cloth, shoes and transportation for each member of the household.

⁷ PNUD, 2009. 2008 Statistical Update, Mexico: The Human Development Index- going beyond income. In: <http://www.pnud.org.mx>.

⁸ SENER, 2009b. Tercer informe de labores. México, D.F. 145 pp.

⁹ <http://www.ine.gob.mx/cpcc-lineas/634-cpcc-comnal-1>

taken by the country, in particular for the energy sector, and on the lack of information and difficulties to assess the carbon content from soil and vegetation, among others. Several Joint Implementation programs were described, most of them regarding carbon capture in several regions of the country. The ILUMEX project, related to the use of efficient lighting, and a project on the assessment of wind resources in Oaxaca, were also described. Several studies were of assistance to prepare this INC, in particular, the Mexican "Case-Study on Climate Change" (1994-1996) with funds from the US Country Study Program (USCSP) which included a national inventory of GHGs' sources and sinks and studies to assess the potential vulnerability to changes in climate, agriculture, forest, hydrology, coastal zones, desertification and drought, human settlements, and energy and industry sectors; the "Country Case Studies on Sources and Sinks of Greenhouse Gases", funded by UNDP/GEF; and the project "Development of GHG Emission Coefficients from Live Systems in Central Mexico and Development of Related Information Management System", funded by UNDP.

Four years later, in 2001, Mexico presented its Second National Communication (SNC)¹⁰ to the UNFCCC, where an updated version of the NGHGEI for period 1994-1998 was included; estimation of land use, land use change and forestry (LULUCF) emissions were reported for year 1996; and the first emissions scenarios for the country were presented. In addition, national emission factor from livestock sub-category was obtained. Some vulnerability assessment and adaptation options were also introduced. Several programs implemented in the country related to forest and biodiversity protection which will result in carbon sequestration, like the National Reforestation Program and the National Campaigns on Ecological Restoration and against Land Use Change in Areas affected by Forest Fires were reported. Programs for conservation of the captured carbon like the Programs of Forest Frontier Defense, Natural Protected Areas, National Forestry Inspection and Vigilance and Forestry Development, among others were described. Other projects like those related to carbon sequestration on the Purépecha Plateau, El Carricito, San Pedro Jarácuaro, and Michoacán; and on the Biosphere Reserves of Mariposa Monarca, Michoacán and Sierra Gorda, among others, were also reported. Mitigation programs or actions implemented for the energy sector included the increase in natural gas use as fuel for electricity generation; the entering into force of the Mexican Official Norms related to fuels for transport; the energy saving in relation to housing insulation and domestic lighting coordinated by the FIDE (Trusteeship for saving electric energy) and the CONAE (National Commission for Saving Energy) and the Saving Energy Summer Schedule coordinated jointly by them.

The Third National Communication (TNC) was presented to the UNFCCC in 2006¹¹. It contained an updated emissions inventory to year 2002, with recalculated figures for the years 1990, 1992, 1994, 1996, and 1998. The estimates of emissions for the LULUCF category were also updated to the period 1993-2002. Advances in vulnerability studies and the first steps related to adaptation actions were described. In particular, several studies were carried out which, beside improving the climate scenario modeling for Mexico, assist in a) the detailed identification of the vulnerability and possible impacts in specific sectors like agriculture, water, forest and energy; as well as in specific areas or regions like Tlaxcala, Sonora, and the Mexican Gulf; and b) set the baseline for the first adaptation policies and measures. Regarding the description on mitigation policies and measures for the energy sectors, the increase importance of the use of renewable energies has been reported, in particular the permissions necessary to use renewable sources for electricity generation, the interconnections Contracts for intermittent renewable sources and the Electricity Federal Commission wind sources projects. Information was also provided regarding the advances in the energy saving programs and in the increase use of natural gas for combined cycle electricity generation. In addition, activities related to research in scenarios and prospective of renewable sources introduction and other mitigation actions related to the sector, in particular for housing, transport and urban waste management uses are described. Regarding carbon sequestration, information on the continuity of the programs in place for the forestry and agriculture sectors and research work under development are reported. Other relevant mitigation activities reported included

¹⁰ <http://www.ine.gob.mx/cpcc-lineas/634-cpcc-comnal-2>

¹¹ <http://www.ine.gob.mx/cpcc-lineas/634-cpcc-comnal-3>

the establishment of FOMECAR, a Mexican Carbon Program's mechanism for technical and financial assistance; the Clean Development Mechanism (CDM)'s GHG emission reduction projects; and the increase local activities, in particular in Mexico F.D., that publishes its Climate Action Local Strategy and initiates the operation of the Bus Rapid Transport (Metrobus). In addition, educational materials on climate change topics were published and disseminated. This Communication was supported by a UNDP/GEF Enabling Activity project, the United States Environmental Protection Agency (USEPA), and the Mexican government. On this occasion, the process of planning and preparing the National Communication included consultations with representatives from government institutions, academia, private sector and non-governmental organizations, to assess their views on what should be improved on this communication with respect to the previous ones. A public consultation was also held for the same purpose. One of the recommendations of the consultation process was the establishment of a Climate Change Clearinghouse, which is available on the INE's website since June 2005.

The Fourth National Communication (FNC)¹², presented to the UNFCCC on 2009, reported the progress made by the country on climate change issues, after the publication of the TNC. The updating of the National Greenhouse Gas Emissions Inventory (INEGEI) was performed using the 2006 IPCC methodologies for LULUCF and the 1996 IPCC methodology and its 2000 and 2003 Good Practice Guidelines for the rest of the categories. Emissions were estimated for the period 1990 to 2006 on an annual basis for all sectors with the exception of agriculture and waste; and national Emission Factors were obtained for category agriculture and waste. In the Energy sector it was possible to estimate emission factors for non-CO₂ gases which made possible the use of Tier 2 for the inventory. Nevertheless, it was not possible to obtain sufficient disaggregated information to use Tier 2 for the estimation of CO₂ emissions from fossil fuel consumption.

During 2007-2009, studies on impacts, vulnerability and adaptation to climate change have been carried out. Special attention has been given to the downscaling of climate change scenarios that incorporate expected changes in temperature and precipitation and their impacts due to a decrease in water availability, agricultural productivity; and their effects on human health, biodiversity and forest ecosystems. The integration of vulnerability and adaptation into the governmental programs and plans has been reported in detail. Specifically, its integration into the National Climate Change Strategy (ENACC) that include actions to reduce vulnerability and adapt to climate change, which are the basis for the development of strategies and actions for adaptation with a preventive focus. Also, through the Inter-ministerial Commission on Climate Change's Working Group on Adaptation Policies and Strategies (GT-ADAPT), several adaptation actions to the main possible climate change impacts have been identified which constituted the inputs for the PECC 2009-2012 adaptation chapter in which 37 objectives and 142 adaptation goals are included. As mentioned in Section 1, several studies regarding mitigation were carried out in 2009. Several mitigation actions are also reported, such as public transport projects for Mexico F.D. and Guadalajara; the Federal Program to Support Massive Urban Transport; the Program for Massive Transport (PROTRAM); the program for Green Mortgage (INFONAVIT) for the housing sector; among others. Regarding conservation and carbon sequestration, several programs are reported such as Community Forestry Development and Early Detection of Heat Sources, and two strategies, the National Emissions Reduction from Deforestation and Land Degradation Strategy and the Strategy for Climate Change and Protected Areas. New studies were also carried out like the environmental restoration of Lacantún, Chiapas' micro river basins, the comparative analysis of deforestation at the Marqués de Comillas "ejidos", and determination of biological corridors who connect fragments of ejidos forest with the Biosphere Reserve Montes Azules.

During the preparation of these four NCs many specialists have been trained and institutional capacity has been built. In addition, the NC working groups have learned various lessons that will improve the Fifth NC, among them the need to: 1) a larger involvement of key stakeholders not only for the technical evaluations but also in the identification of policies and measures for climate change adaptation and

¹² <http://www.ine.gob.mx/cpcc-lineas/634-cpcc-comnal-3>

mitigation, 2) more disaggregated information, for example for the energy and transport sector, which will allow a more precise GHG inventory that will reduce uncertainties for policy-making decisions which in turn will assist in building capacity for future implementation of NAMAs, 3) carry out basic integration of information which would support both the quality of the inventories and the design of mitigation actions, for example information on the total energy use installed equipment, its use patterns, geographic location, age and its integration to higher systems.

The four NCs submitted reflect the importance of climate change research activities at national and sub-national level, in particular for vulnerability assessment and adaptation capacity; for the identification of mitigation potential and, recently, for the estimation of economic impact of climate change in regions and economic and social sectors. The need to strengthen capacity building at sub-national level was also emphasized. It is also important to follow-up on studies, such as those on carbon sequestration actions reported in earlier NCs which are not reflected in subsequent results or in the new NCs. Also, the impact that actions of energy saving and efficient use have had in the country's economy, for example the ILUMEX project that have served as a basis for successful programs implemented by the Mexican government, like the national program for switching to more efficient lighting, need to be reflected in future NCs. The evaluation or analysis of policies and institutional arrangements that have made possible these successful programs is deemed necessary, as they can serve to strengthen the programs and responsible institutions.

The FNC was prepared with funds from the Mexican government (around 32.7 million of Mexican pesos), which denotes the great importance the Government of Mexico gives to the preparation of National Communications as an instrument of great utility to set national policies and strategies to address climate change. However, much work remains to be done, due to Mexico's topography, socio-economic factors and its biodiversity, which represent an enormous challenge, among others, in data gathering. For example, there is still a need to strengthen capacities for, among others, the development and the refinement of methodologies to obtain national emission factors, in particular for the transport sector and for fugitive emissions from the petroleum industry, which are the national main key sources; to update the National GHG Inventory; to further deepen knowledge on vulnerability and climate change adaptation in priority sectors; and on the identification of cost-effective measures for mitigation and adaptation through the integration of interdisciplinary working groups composed of diverse sectors of the society such as decision-makers, NGOs, civil society organizations and academics, at national and local level.

With the FNC already presented to the UNFCCC, an Enabling Activity project is required to assist Mexico in the preparation of its Fifth National Communication and in reducing remaining uncertainties and barriers to address climate change. The proposed Fifth National Communication Project will assist the Government of Mexico in the understanding of the driving forces behind the GHG emissions related to, among others, the energy and LULUCF sectors which will contribute to the establishment of adequate policies and measures for mitigation and adaptation based on a more precise key sectors assessment, and with more precise studies to determine trends in emissions growth and to estimate reductions resulting from domestic action. Consequently, the Fifth National Communication will be a useful tool to internalize and harness environmental, social and economic policies and strategies, in particular to address climate change; as well as a powerful instrument of information diffusion and institutional and technical capacity building in line with national priorities and sustainable development. More importantly, the project has the potential to assist the country in moving towards a less carbon-intensive and more sustainable energy consumption path. In this context, and considering Mexico's condition as a developing country with limited economic resources, the country is applying for the additional financial resources needed to cover the cost of preparation of the Fifth National Communication, with the intention of continuing national capacity building and the fulfilment of its commitments under the UNFCCC.

As indicated, the FNC covered the inventory of anthropogenic GHG emissions by sources and sinks for 1990-2006. The proposed Fifth National Communication Enabling Activity Project envisages extending

coverage to the period 1990-2009 and improving the existing time-series from the previous NCs. Regarding vulnerability and adaptation, it further aims at the improvement of regional scenarios from 50 x 50 Km² resolution used in previous NCs to a higher resolution if conditions allowed it, through a better understanding of the physical processes that regulate the climate in different regions of the countries, which will reduce uncertainties in the basic climate change information used in vulnerability and adaptation assessments for various sectors. An update of information related to mitigation policies and measures; an analysis of measures with greater mitigation potential and most cost-effective through, among others, a macroeconomic evaluation of these initiatives; and development of GHG emissions scenarios for years 2020, 2030 and 2050 for different sectors will also be carried out. Mexico's description of national circumstances and important key additional information will also be updated. Finally, the project will further enhance the current institutional capacity and activities related to education and awareness in relation to addressing climate change in the country.

National Climate Change policy

The Government of Mexico recognizes that climate change represents the greatest environmental challenge of this century and is determined to strengthen its ability to respond to this global challenge, both in mitigation through the control and reduction of its GHG emissions, and adaptation, by reducing vulnerability and limiting the negative impacts of climate change. Mexico National Development Plan (PND) establishes the national objectives, strategies and priorities that should direct the Federal government actions. For the first time, the National Development Plan 2007-2012 explicitly incorporates climate change issues into its agenda. The Fifth National Communication is linked to the National Development Plan 2007-2012 through the Environmental Sustainability Development Policy which aims at the identification of mitigation policies and measures through the promotion of: (a) energy efficiency and clean technologies, including renewable, for energy generation, (b) efficient use of energy in the domestic, industrial, agricultural and transportation sectors, (c) the implementation of international standards in the transportation sector, and the implementation of adaptation measures to climate change through: a) the promotion of the inclusion of adaptation to climate change aspects into the planning and actions of the different sectors of society, b) the evaluation of impacts, vulnerability and adaptation to climate change for different socioeconomic sectors and ecological systems; and c) the promotion and diffusion of information on the impacts, vulnerability and measures to adapt to climate change. The Fifth National Communication is also linked to the Sectorial Program on Environment and Natural Resources 2007-2012.

The Inter-ministerial Commission on Climate Change (CICC), which is permanent in nature, was established on April 2005, as announced in the Official Gazette of the Mexican Federation, and is aimed at coordinating the actions of the offices and entities of the Federal Public Administration on issues related to the formulation and implementation of national policies for greenhouse gas mitigation and sequestration, climate change adaptation, and, in general, promoting the development of climate action programs and strategies as part of Mexico's commitments under the UNFCCC. The CICC is chaired by the Minister of SEMARNAT. Under SEMARNAT, the General Directorate of Climate Change Policies has been established¹³. The Working Group for the Special Program on Climate Change, one of the working groups of the CICC, coordinated the National Strategy for Climate Change (ENACC), published in 2007, which was the basis for the Special Program on Climate Change (PECC) 2009-2012. To strengthen international negotiations, the Ministry of Foreign Affairs (SRE), is working in coordination with several ministries and due to the importance of this issue, has appointed a Special Ambassador for Climate Change who actively participates in UNFCCC's negotiation meetings.

The coordinating work for the preparation of the GHG Inventories, the National Communications as well as climate change studies and research are the main responsibilities of the Climate Change Program Coordination (CPCC) at the National Institute of Ecology (INE-SEMARNAT), in order to fulfil commitments established in the National Development Plan 2007-2012, in the Sectorial and Institutional Programs

¹³ <http://www.semarnat.gob.mx/queesemarnat/Documents/organigrama/400%20ssppa.pdf>

2007-2012, and in the PECC 2009-2012, and of those acquired under the UNFCCC, as non-Annex I Party to the Convention.

The proposed Fifth NC Project will be designed and executed by CPCC/INE in coordination with the 11 Ministries of State that constitute the Inter-Ministerial Committee on Climate Change (CICC). This project will allow, among others, the integration of information regarding:

A) Policies and measures of SEMARNAT aimed at the conservation and sustainable management of forests and ecosystems towards maintaining and increasing forest cover as carbon sinks. Among the programs in SEMARNAT which contribute to mitigation of climate change, the program of Environmental Services Payment (PSA), implemented by the National Forestry Commission (CONAFOR) is particularly noteworthy. Since 2004, three options for Environmental Services Payment are being implemented: Carbon Capture, Biodiversity Conservation and Agroforestry Related Services. These options constitute an opportunity to combine efforts of sustainable water management, biodiversity protection, combat land degradation and mitigation strategies, with overall results on the conservation and carbon capture in forest ecosystems.

B) Policies and measures of the Ministry of Social Development (SEDESOL) focused on poverty reduction, economic development and growth of low-income populations, strengthening of adaptation measures to climate change, reduction of risk and vulnerability in exposed and marginalized zones.

C) Policies and measures of the Ministry of Energy (SENER) focused on the control and reduction of anthropogenic greenhouse gas emissions derived from the generation, distribution and rational use of energy in the country.

D) Policies and measures of the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) focused on food production, identification and reduction of vulnerability in agricultural systems, and incorporation of mitigation and adaptation strategies to reduce the impacts of climate change in agricultural zones.

E) Policies of the Ministry of Economy focused on sustainable economic development, including the creation of markets for efficient technologies and energy generation systems, and adoption of environmentally sound technologies in the sectors that generate most GHG emissions.

F) Policies and measures of the Ministry of Health on vulnerability assessment, focusing on the following aspects: a) strengthening of public health actions in quick disaster responses and in the monitoring and control of vector transmitted diseases; b) forecasting health impacts in terms of: increment and redistribution of vector transmitted diseases (malaria, dengue, etc), greater incidence of infectious diseases related to water quality (cholera, typhoid fever, etc) and increment of morbidity and mortality as a result of heat waves, respiratory diseases and dehydration, including the effects of GHG and climate change.

G) Policies of the Ministry of Interior (SEGOB) to strengthen the relationship between the Agendas of Disaster Reduction and Climate Change, through the design and implementation of preventing actions that will affect the reduction of vulnerabilities as well as for risk integrated management for variability and climate change.

Programatic Framework of UNDP

Millenium Development Goals

This project directly supports the progress of the 7th Millenium Development Goal: Ensure environmental sustainability.

Mexico has made progress in meeting environmental goals in the past few years and has created innovative policies and programs to address climate change.

In relation to target 9: "Integrate the principles of sustainable development into country policies and programs and reverse loss of environmental resources", during 2007-2009 México has developed studies on impacts, vulnerability and adaptation to climate change have been carried out. Special attention has been given to the downscaling of climate change scenarios that incorporate expected changes in temperature and precipitation and their impacts due to a decrease in water availability, agricultural productivity; and their effects on human health, biodiversity and forest ecosystems.

2008-2012 United Nations Development Assistance Framework

Through the 2008-2012 United Nations Development Assistance Framework (UNDAF), the United Nations System in Mexico completed the process of programmatic harmonization, in accordance to the United Nations reform agreement and presented the government a joint proposal for the years 2008-2012.

The Project is linked to Outcome 3.3 of the UNDAF, "Environmental governance based in principles of mainstreaming, transparency, access to information, communication and participation of society, in order to ensure a healthy and productive environment for all people, respecting collective rights within the framework of international agreements, particularly those of regional scope".

In addition, it has a direct effect on the following priority of "Institutional and individual capacities strengthened to stop and /or reverse environmental degradation, support natural resources conservation, encourage participatory management, natural resources governance and promote human development through policies and programmes for sustainable development".

UNDP's 2008-2012 Country Programme Document

The 2008-2012 Country Programme Document (CPD) of UNDP Mexico recognizes that climate change mitigation and adaptation is an urgent matter of economic survival and social development.

This project is related with the CPD expected Outcome "Strengthened national and local capacities for mitigation and adaptation to climate change"

For this reason UNDP offers technical assistance in the compliance of the international commitments of Mexico and to strengthen national and local capacities to improve its strategies of mitigation and adaptation to climate change.

II. STRATEGIES

Country eligibility

Mexico is a Party to the UNFCCC and signed the Convention document on June 13, 1992. The National Congress published the ratification of the Convention in Mexico's Official Gazette, on May 7th, 1993. The Convention entered into force for Mexico on March 21, 1994.

Project goal and objective

The project "Fifth National Communication to the UNFCCC" goal is to enable the Government of Mexico to design public policies and measures for mitigation and adaptation to address climate change, through the strengthening of technical capacity and institutions, and the evaluation of the environmental, social and economic impacts for their implementation. The project objective is to assist the Government of

Mexico to carry out all the necessary activities to prepare the Fifth National Communication to comply with its commitments to the UNFCCC, in agreement with Convention's Articles 4.1 and 12.1.

Project Outcomes and Outputs

The project "Fifth National Communication to the UNFCCC" goal is to enable the Government of Mexico to design public policies and measures for mitigation and adaptation to address climate change, through the strengthening of technical capacity and institutions, and the evaluation of the environmental, social and economic impacts for their implementation.

The project aims at assisting the Government of Mexico to carry out all the necessary activities to prepare the Fifth National Communication to comply with its commitments to the UNFCCC, in agreement with Convention's Articles 4.1 and 12.1.

The following **strategies** will be followed for the development of the Fifth NC:

- a. Conduct a Stocktaking Exercise and a Stakeholder Consultation process, including a Consultation workshop. These activities have already taken place, as described in the Stakeholders Analysis section above.
- b. Create and lay out foundations to ensure quality control and activity validation data for this and subsequent GHG inventories, by defining an institutional structure and identifying the basis for future cooperation and information exchange as well as cooperation with other national and international institutions preparing GHG inventories.
- c. Based on new studies and researches improve the knowledge and the understanding of the opportunities for Mexico to follow a low carbon path growth and strengthen resilience to the impacts of climate change.
- d. Perform expert's consultations on a continuous basis with all the institutions involved in the preparation of the Fifth NC, including those at State level, as well as pertinent stakeholders, which may also participate in reviewing the draft Fifth NC.
- e. Improve the involvement of the Mexican Ministries and States Governments in the process of preparation of the Fifth NC. SEMARNAT-INE will also ensure the plural representation and transparency by involving, on an Ad-Hoc basis, key stakeholders, including, among others, experts from different Ministries, academic institutions, NGO's and private sectors.
- f. Strengthen the technical working groups and the provision of resources needed for the preparation of NCs to support the continuity of the process.
- g. Ensure the integration of gender perspective into key relevant outputs.
- h. Assist decision makers in the development of policies and measures to address climate change and the research centers in the definition of research priorities.

The project comprises five main components with related outcomes, outputs and activities:

- I. National GHG inventory for 1990-2009;
- II. Assessment of the impacts, vulnerability and adaptation policies and measures to address climate change, variability and extreme events;
- III. GHG mitigation policies and measures to address climate change;
- IV. Description of national circumstances and other relevant information;
- V. Publication and dissemination of the Fifth National Communication.

Mexico's Fifth NC Project builds on the results of the First, Second, Third and Fourth National Communications and the human and institutional capacities constructed in the process of preparing these NCs. It will also benefit from recent studies, research and methodologies.

UNDP/GEF Fifth National Communication Enabling Activity in Mexico will have the following outcomes and outputs.

Outcome #1 The national GHG inventory for 1990-2009 has been produced.

Output #1.A *The national GHG inventory for the sectors: (i) energy; (ii) industrial processes; (iii) agriculture; (iv) land use, land-use change and forestry (LULUCF); and (v) waste has been updated for the period 1990-2009 on an annual basis.* This project component aims at updating and at producing a more accurate GHG inventories for the mentioned key emission sectors which account for a significant share of the national emissions of GHG gases. Each category has been analyzed in terms of its emission in relation to the six main greenhouse gasses (CO₂, CH₄, N₂O, HFC, PFC y SF₆), all of which are included in the IPCC methodologies and the 2003 IPCC GPG. Priority will be given to the energy and the waste sectors which has been the sectors with greater increase in GHG emissions during 2006. This component will extend data coverage to the period 1990-2009 based on annual time-series and will improve the consistency of existing data by applying updated methods and information. The results of the previous four GHG Inventories have been of great assistance in identifying the priority research studies to be carried out under the Fifth NC Project. In addition, this output will assist in strengthening national working structure and institutional arrangements established for the estimation of GHGs in Mexico.

Output #1.B *Guidelines for organizing activity data validation and quality control have been prepared and key source category analysis and uncertainty assessment have been carried out¹⁴.* Based on current procedures, this output will create and lay out foundations for rigorous quality control and activity validation data procedures (QA/QC) to improve this and subsequent inventories. It will also defined the current institutional structure and identified the basis for future cooperation and information exchange as well as cooperation with other national institutions preparing emission inventories. A key source category analysis will be conducted to identify other key sectors and/or activities that may contribute to GHG emissions in the country, following the IPCC GPG. An uncertainty assessment for all sources, following the methodology reported in the IPCC's Good Practice Guidelines, will also be carried out.

Output #1.C *National emission factor for key source have been obtained.* This output aims at carrying out studies to obtain the emission factor for fugitive emissions from the petroleum industry, which is deemed to be the sector with greater data uncertainties. So far, the uncertainty in the estimation of this sector's GHG emissions is high since the exact infrastructure of the Mexican petroleum company is unknown. For this inventory there will be coordination with this company to gather all the necessary data to calculate an emission factor relevant to the national conditions in order to reduce uncertainties. Emissions from this source occupied the sixth place of Mexican total emissions in 2006.

Output #1.D *A GHG Inventory Information System has been developed.* This output will establish procedures to ensure the sustainability of the inventories updates. Following some of the UNFCCC's requirements for Annex I countries, a GHG Inventory Information System is to be developed. In addition, indicators to measure the performance of Mexico over time and for comparison with other countries will also be established.

Output #1.E *Methodologies for estimating emissions in the transport sector have been developed.* This output includes the estimation of GHGs using a higher IPCC methodological level for the transport sector, for which more disaggregated information has been obtained. Statistics of the Mexican's

¹⁴ The key category analysis and uncertainty assessment have been included in response to STAP comments.

vehicular fleet will be gathered. This will allow the estimation of the emissions by transport mode. This was previously impossible because the only available data for vehicular transport was total consumption and an adjustment of the controlled and not controlled emission factor. The transport sector is among the firsts key sources of the national inventory (first or second depending on the year).

Output #1.F GHG emissions inventory for the LULUCF sector has been adapted to the 2006 IPCC methodology. This output aims at recalculate the LULUCF emissions estimated by using the latest 2006 IPCC methodology. An alignment with the work being carried out by the REED + group will also be performed so that both estimations of GHG emissions are consistent. In addition, this will allow the involvement of experts in the forest sector working in the REDD + group (CONAFOR) to participate in the development of the national inventory. After recalculated, using CONAFOR's data, the estimations of the LULUCF sector's GHG emissions will be taken into account in the national inventory (Output 1.A).

Output #1.G GHG emissions inventory is published and have been presented to stakeholders. This output includes consultations on a continuous basis among the experts participating in the preparation of the GHG inventory and presentation of the preliminary results to the institutions involved in order to seek their inputs and feedback to improve the inventory. These institutions will also review the inventory final draft. Through seminars and workshops, the results of the GHG inventory will be presented to relevant stakeholders. Finally, the GHG inventory for 1990-2009 will be published.

Output #1.H GHG inventory for 1990-2009 is available in a web query system. This output aims at disseminating the information provided in the GHG emissions inventory. Therefore, the teams in charge of the preparation of the inventory will participate in public events to disseminate information and present the results. In addition, the GHG emissions inventory will be posted in INE's website¹⁵ and in other relevant web query systems.

Outcome #2 Sector, local and national impacts, vulnerability and adaptation policies and measures to address climate change, variability and extreme events have been assessed and adaptation activities, measures and programs implemented between 2009 and 2012 to address climate change, variability and extreme events have been described.

Output #2.A Regional climate change scenarios at higher spatial resolution have been generated. This output aims at improving the understanding of the processes that regulate the climate in Northern and Central part of the country, the Gulf of Mexico, the Pacific area and the Yucatan Peninsula so that they are represented in dynamic models, which will be the basis for the generation of several regional scenarios with a higher resolution, applying dynamic downscaling. Institutional coordination with research centers in Mexico will be established as part of this component. These centers have the capacity to run numerical models that will be used in building the scenarios to be included in this Fifth NC. Potential partner research centers are: the Center for Atmospheric Sciences of the UNAM (CCA-UNAM), the Mexican Institute of Water Technology (IMTA) and the Center for Scientific Research and Higher Education of Ensenada (CICESE). Each center will generate several regional scenarios experiments for Mexico using a higher resolution spatial scale, considering different general circulation models (GCM) and different GHG emission scenarios (SRES), which will be selected in mutual agreement. From the experiments already carried out, regional scenarios will be assembled to assess the impacts, vulnerability and adaptation to climate change in Mexico.

Output #2.B Impacts, vulnerability and adaptation programs and strategies implemented during 2009 to 2012 have been assessed. This output aims at the in-depth evaluation of impacts, vulnerability and adaptation programs and measures implemented by the public, private and civil society sectors to address the current impacts of climate change, variability, and hydrometeorological extreme events.

¹⁵ INE's website is available in: www.ine.gob.mx

Output #2.C *Studies have been carried out and tools and methodologies have been developed for the assessment of impacts, vulnerability and adaptation options.* This output envisages the development of tools and methodologies and the preparation of detail technical studies to improve the assessment of current and projected impacts, vulnerability and adaptation options to address variability, climate change and extreme events, at national and local level, including the socioeconomic costs of adaptation measures proposed for some key sectors like water, agriculture and forestry. The studies will consider climatology information of thirty years, focusing on 2020, 2050 and 2080. Regional scenarios with a resolution of 50 x 50 km² will be used, while higher spatial resolution scenarios are obtained. Taking into consideration the results of the detailed studies conducted and the methodologies developed, Climate Change State Programs, prepared by technical university professors, to address climate change, variability and extreme events will be prepared.

Output #2.D *A Portfolio of adaptation options has been prepared.* This output envisage the preparation of a pool of adaptation options by sector and human and natural systems which will include the costs, feasibility, barriers and requirements for implementation, based on the results of technical studies that have been prepared and information on previous NCs.

Output #2.E *Analysis of financial schemes for adaptation projects has been performed.* This output envisages an analysis of the financial schemes for adaptation projects. The collaboration with experts in adaptation as well as from national and international financial institutions and bilateral and multilateral organizations will be pursued in order to analyze all the possibilities to finance Mexico's priority projects on adaptation.

Outcome #3 **GHG mitigation policies and measures implemented between 2009 and 2012 at national, State and local levels have been described and analyzed; GHG emissions scenarios from sources and sinks have been generated; and potential future GHG mitigation options have been assessed, including their economic impacts.**

Output #3.A *GHG mitigation policies and measures implemented between 2009 and 2012 at national, State and local levels have been described and analyzed.* This output aims to identified, analyze and described policies and measures adopted by the federal, local and municipal governments, the private sector and non-governmental organizations, and other entities that directly or indirectly reduce greenhouse gas emissions or increase carbon sinks or removals of all GHGs not controlled by the Montreal Protocol during 2009-2012.

Output #3.B *GHG emissions scenarios from sources and sinks have been generated.* This output aims at generating GHG mitigation scenarios for the short and medium terms (2020) which will provide information on key sectors that contribute to the emissions of GHG in the country, as well as technical information to decision makers to support efforts to mitigate future GHG emissions. For the construction of these mitigation scenarios, the analyzed sectors baseline will be established. In addition, the effects of future key mitigation policies and measures on relevant Mexican economy sectors will be assessed. These sectors include: energy (production, transformation, consumption); transport; industrial; residential; commercial; waste; LULUCF and agriculture. This exercise will be carried out at national level and it is envisaged that State level could be incorporated in future.

Output #3.C *Potential future GHG mitigation policies and measures for key sectors have been studied and analyzed.* This output envisages detail studies and analysis for the evaluation of sectorial mitigation policies and measures at national and government priority States levels. It will rely on the involvement of experts for each of the key sectors already mentioned. These experts will analyze the current situation of the sector (baseline), the mitigation potential, cost-benefits and barriers for implementation. In addition, a proposal for measures with greater mitigation potential by sector, as well as the most cost-effective will be developed, which will facilitate future potential implementation of mitigation policies and measures, strengthening not only the institutional and human capacity, but also the prioritization of economical and environmental programs.

Output #3.D Macroeconomic assessment of GHG mitigation measures has been carried out. This output seeks to assess the macroeconomic impact of proposed mitigation measures, including indicators. For this purpose, an analysis will be done based on international and national macroeconomics models and GHG mitigation technologies.

Output #3.E Technology roadmaps for key sectors and technologies have been developed. To develop a sectorial technology route, experts will evaluate the potential of technologies considered for the analyzed sectors; investigate its development and results of its application worldwide, based on macroeconomic indicators and GHGs emissions mitigation potential. This exercise will contribute to the Mexican government's efforts on the analysis of low carbon paths, prioritizing for key emitting sectors.

Output #3.F Methodologies for GHG mitigation action's Measurement, Reporting and Verification (MRV) have been developed. Under this output researches will be carried out on the development of methodological proposals for key emitting sectors, which will allow the support, in the short term, to Mexican government efforts in capacity building so that the mitigation measures proposed for Mexico could be measured, reported and verified.

Output #3.G Analysis of financial schemes for mitigation projects has been performed. This output envisages an analysis of the financial schemes for mitigation projects. The collaboration with experts in mitigation as well as from national and international financial institutions and bilateral and multilateral organizations will be pursued in order to analyze all the possibilities to finance Mexico's priority projects on mitigation.

Outcome #4 Update information for 2009-2012 regarding national circumstances and national and regional development priorities, as well as key additional information, and the needs identified during the preparation of the NC has been described.

Output #4.A A report on National circumstances and national and regional development priorities has been prepared. This project output envisages the preparation of a report on the national and regional development priorities, including environmental and economic indicators relevant to climate change, and on national circumstances. The report will also include the needs and concerns arising from the adverse impacts of climate change and the implementation of response measures to address them. The information to be provided refers to geographical features, including climate, forests, land use and others; population including growth rates, distribution, density, and other vital statistics; economy, including energy, transport, industry, mining, tourism, agriculture, fisheries, waste, health and service sectors; and education, including scientific research and technical institutions. The report will also include information on the institutional arrangements both planned and already established, to strengthen and expand efforts in implementing the Convention, including distribution of responsibilities within governmental Ministries, universities, research institutions, and the Climate Change National Committees, among others. The information contained in these reports will be relevant to the other project outcomes. Consequently, all sections of the NC will be conducted in accordance with Mexico's national circumstances and development priorities.

Output #4.B A report on key additional information relevant to the implementation of the Convention has been prepared. Under this output, and in agreement with Article 5 of the UNFCCC, a progress report to update the information from 2009 to 2012, will be prepared on: 1) research and systematic observations including participation and contribution in national and regional activities and programs, and global networks; status of national programs regarding weather, meteorological, atmospheric and oceanic monitoring; analysis of the level of participation of our country in global research and observation; 2) activities related to environmentally sound technology access and transfer; and 3) education, capacity building and public awareness.

Output #4.C A report on needs and constrains associated with the activities, measures and programs carried out to implement the Convention has been prepared. Under this output, and in

accordance with national circumstances and development priorities, a report will be prepared to describe the constraints and gaps, and related financial, technical, research and capacity needs, as well as proposed and/or implemented activities to overcome the gaps and deficiencies associated with the implementation of activities, measures and programs. Information on the improvement of National Communications on a continuous basis will also be provided as well as on the different ways to integrate climate change in Mexico's public policies.

Output #4.D *A report on financial resources and technical support for the preparation of national communications has been prepared.* This output envisage the preparation of a report on financial resources and technical support provided by the GEF, Annex II Parties or bilateral and multilateral institutions, for activities relating to climate change and for the preparation of the Fifth National Communication.

Outcome #5 The Mexican Fifth National Communication has been approved, published and the information contained have been disseminated.

Output #5.A *The information contained as part of the Fifth National Communication has been presented to the government and relevant stakeholders.* This output aims at the presentation of the GHG inventory 1990-2009 and reports on the studies and researches carried out as part of this project, as well as any other relevant information. The preliminary results will be also discussed at a series of workshops with relevant stakeholders and their inputs will be incorporated in the final version. Consultations with institutions involved in the preparation of the National Communication, including at the State level, will be carried out throughout the whole process. These institutions will review the final draft. The Inter-Ministerial Commission on Climate Change (CICC) will revise and approve the document.

Output #5.B *The Fifth National Communication has been published.* This output envisages the publication of the Fifth NC to be submitted to the UNFCCC. The NC will include all the information provided under outcomes # 1 to 4 already described, and will integrate the results from studies and researches supported by this project. The Executive summary will be translated into English. To disseminate technical information and present the results of the Fifth NC to stakeholders and national and international experts, workshops and seminars will be organized and for the same purpose, the working team will participate in public events and fora. Finally, the Fifth NC will be posted on the INE website¹⁶ and after submission, on the UNFCCC's website and on UNDP-UNEP/National Communication Support Program (NCSP). The final draft of the Fifth NC will be submitted to the GEF to finalize project activities.

Output #5.C *A Special National Communication document, accessible to the general public, has been prepared.* This output aims at the preparation of an easy to understand document, containing the information presented in the Fifth NC, in a form accessible to the general public. This has been one of the consultation process recommendations.

Output #5.D *Fifth National Communication has been translated into English.* This output envisages the translation of the whole National Communication so that the information can be useful for the majority of the countries.

Risks and assumptions

Mexico is considered a model amongst developing and developed countries in terms of climate change strategies. According to the Climate Change Performance Index, developed by the NGO Germanwatch, Mexico is ranked fourth worldwide, after Switzerland, Germany and Iceland, for its climate change policies and per capita emissions in energy, transport, residential and industrial sectors. This is evidence that the Mexican Government is strongly committed to its international commitments in terms of climate

¹⁶ INE website: <http://www.ine.gob.mx>

change, in particular, with the presentation of its NCs to the UNFCCC. In this context, there are no major risks identified for this project; however, the following points constitute possible risks:

a) Limited political support for climate change issues, including for the presentation of National Communications: (Low risk). This represents a low risk since climate change is an integrated part of the national and sectorial priorities and policies and also because the National Communication represents an instrument that influences climate change strategies. Also, the government is co-financing the project by 62%. In April 2005 the Inter-Ministerial Commission on Climate Change (CICC) was created with the permanent support of the Federal Government and it is still operative. The CICC's objective is to coordinate the actions of the Federal Public Administration's offices and entities on issues related to the formulation and implementation of national programs and policies for greenhouse gas mitigation and sequestration, climate change adaptation, and, in general, promoting the development of climate action programs and strategies as part of Mexico's commitments under the UNFCCC. It is integrated by the heads of the Ministries of Environment and Natural Resources (who presides the Commission and is in charge of the Technical Secretariat); Agriculture, Livestock, Rural Development, Fisheries and Food; Communications and Transport; Economy; Social Development; Energy; Finance and Public Credit; Health; Foreign Affairs; and the Secretary of Government. The Ministries of Tourism and of Marine Resources, as well as the National Institute of Statistics and Geography, are invited to the meetings of the Commission. Other Ministries and Federal Dependencies participate in some of the Working Groups.

b) Limited technical capacity to execute the project and guarantee success of coordination efforts between sectors and different government levels: (Low risk). Mexico is a non-Annex I leader at the UNFCCC, as it has already presented four NCs, including subsequent updates and improved GHG emission inventories. The preparation of these four NCs has allowed capacity building and strengthening towards the evaluation and analysis of activities related to addressing climate change. Despite these advances, Mexico's climate change strategy includes continuous efforts of research, capacity building and cooperation between different actors.

c) Possibility that coordination with stakeholders may cause delay since a large number of actors from different economic sectors of the society are involved: (low risk). Although the probability of this risk to occur is low, it will be minimized by building on the sectorial agreements and institutional collaboration established during the implementation of the previous four NCs. Commitments from stakeholders will be also maintained through an effective coordination and communication process.

d) Possibility that, in the context of the current economic crisis, the Mexican Government decides to stop actions related to climate change, including the preparation of the Fifth National Communication to the UNFCCC: (Low risk) This risk has been mitigated by the fact that climate change is an integrated part of the national and sectorial priorities and policies for Mexico. Climate change represents both a threat and an opportunity to promote human sustainable development. The mitigation and adaptation activities that Mexico intends to implement will result in multiple benefits: increasing energy security; cleaner, more efficient and competitive production processes; air quality improvement and natural resource conservation, among other. Thus the proposed measures imply and incentive even if there is no motivation to tackle climate change impacts, which makes this project economically, socially and environmentally beneficial.

e) Exchange rate risk: (Very low risk) Although the probability of this risk to occur is very low, the exchange rate between the US dollar and the Mexican Pesos may decrease and/or fluctuate, potentially leading to a reduced value of GEF resources. For the Fifth NC, careful financial planning will help anticipate such situation.

Beneficiaries

All the institutions involved in the preparation of the Fifth NC will benefit directly from the Project through the proposed Technical Assistance (TA) activities. Other indirect benefit from the Project is the institutional arrangements and coordination of new activities that will be either established or reinforced during the preparation of the Fifth NC. Being an Enabling Activity, beneficiaries within target groups are not directly addressed.

Environmental benefits

No direct environmental benefits are associated to the proposed Enabling Activity Project but the implementation of the project activities is expected to generate global environment benefits through the studies and information which will be the basis for efforts to mitigate Mexico's GHG emissions and enhancement of sinks, and to reduce its vulnerability to the impacts of climate change. The updated GHG emissions inventory to 1990-2009 will assist in the development of more efficient and effective policies and measures to address climate change in key sectors at the Federal and State levels. The expected outcomes of this project will improve Mexico's capacity to combat climate change, in conformity with sustainable development. The project development of the Fifth National Communication represents the fulfillment of Mexico's commitments as a non-Annex I Party to the UNFCCC and its Kyoto Protocol.

Financial modality

The total cost of this project is \$7,147,536 .00. The GEF will provide US\$ 2,707,536.00 and the Government of Mexico will provide US\$ 4,440,000 in kind as co-financing (not managed by UNDP).

The main source of co-financing to this project comes from the Federal Government and has already been approved in the Multi-annual Plan. It should be noted that the National Institute of Ecology (INE) is a subsidiary body of the Ministry of Environment and Natural Resources (SEMARNAT) and, therefore, is abide by the determination of such a Ministry.

Cost-effectiveness

Mexico is particularly vulnerable to the adverse effects of climate change, because of its geographic, economic and social conditions. A series of studies that have been compiled in previous National Communications have informed that the negative impacts of climate change will be increasingly affecting the water, agriculture, forestry, tourism and health sector, as it will have a definite impact on biodiversity.

The Study on the Economy of Climate Change in Mexico demonstrates that in absence of climate change actions the Mexican economy will suffer significantly. The economic cost of inaction in the next few years is three times higher than the cost of reducing greenhouse gas emissions. Despite a few short-term profits in a few activities and regions, there are net costs which will increase, particularly for the water and agriculture sectors. Moreover, there will be significant losses in the economic sectors and in market prices related to valuable items, such as biodiversity. In this context, it is better that the Mexican economy participate actively in the implementation of mitigation measures rather than only in financing adaptation to climate change.

The development of this project will contribute precisely to the identification of the best mitigation and adaptation measures, based on sound information and on the irrevocable fact that economic costs of efficient, timely and global action are lower than those of inaction. In the course of the coming years, the economic, social and environmental resilience, or capacity of recovery, to climate change impacts will depend on the initiatives that society and public policies and programs implement towards restoring the integrity of economic and ecological systems, reorienting development towards sustainability. To this end, the National Communications represent a valuable tool of updated and detailed information for decision makers and stakeholders.

Sustainability and replicability

The Government of Mexico is strongly committed to the reduction of GHG emissions as is indicated by the implementation of Mexico's 2007-2012 National Development Plan and the National Strategy on Climate Change (ENCC) that culminated in the adoption of the Special Program on Climate Change 2009-2012, which provides unilateral commitments for the reduction of GHG emissions in the short term. National Communications are very important instruments to support such policies. Due to the economic global crisis that is dramatically affecting Mexico's economy, UNDP/GEF resources, through the proposed Enabling Activity Project, are necessary for the elaboration of the Fifth National Communication which will allow increased public awareness and strengthening of national capacities that will be reflected by improved measures, strategies, programs, policies and plans to address climate change. It is particularly important to emphasize that these efforts will assist the government in the decision-making process that would lead to the implementation of mitigation policies and measures studied by the Special Program on Climate Change, already mentioned, based on the National Greenhouse Gas Inventory and the Study on the Economic Implications of Climate Change in Mexico .

The preparation of NCs in Mexico draws on more than 10 years of partnership between the Mexican Government and UNDP. Strategic partnerships among stakeholders are instrumental for implementing participatory planning and execution arrangements and create a platform to sustain a long-term climate change strategy. This successful partnership is based on consultation processes among government, academic institutions, private sector and civil society organizations. This ensure consensus on the policies and measures designed to address climate change that has been implemented by the government. In a "country-team" effort, coordinated by the INE-SEMARNAT, a very large group of experts and institutions has been involved in the preparation of the NCs at the national and state level. This effort will be maintained and enhanced under the proposed Project which will be designed and executed in coordination with eleven Ministries of State that constitute the Inter-Ministerial Committee on Climate Change (CICC). In this context, climate change can continue to be the central issue within sustainable development national policies.

From the point of view of replicability, the project will generate improved tools and methodologies, especially regarding mitigation and vulnerability and adaptation assessment, which will be useful to share with peer organizations at local, national and international level. The national emission factor that will be obtained for the fugitive emissions from the petroleum industry could be applied in countries with similar conditions to Mexico. The methodologies developed for mitigation and adaptation will support the technical groups at State level (sub national) which are involved in the development of State Programs on Climate Change. Also new information and inputs could be useful for the scientific assessment undertaken by the IPCC.

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III. LOGICAL FRAMEWORK

STRATEGIC RESULT FRAMEWORK

<p>This project will contribute to achieving the following Country Programme Outcomes as defined in CPAP or CPD: MYFF03 – Public policies with increased mainstreaming and crosscutting of the environmental dimension</p> <p>Country Programme Outcome Indicators: MYFF03 - Studies to implement public policy conducted on types of environmental impacts caused by economic activities</p> <p>Key Result Area: 1. Mainstreaming environment and energy</p>					
<p>Project Name (ATLAS Award ID): 00061866 "GEF-PIMS4371 CC Fifth National Communication of México to the UNFCCC"</p>					
Results	Indicator	Source of Verification	Baseline	Targets End of Project	Assumptions/risks
<p><i>Project Objective</i></p> <p>To assist the Government of Mexico in strengthening its capacity to design public policies, including mitigation and adaptation policies and measures, and to evaluate the environmental, social and economic impacts of their implementation, in order to fulfill its commitments to the UNFCCC, in particular by preparing its Fifth National</p>	<p>(A) Preparation of a National GHG inventory for the sectors: (i) energy, including transport and fugitive emissions; (ii) industrial processes; (iii) agriculture; (iv) LULUCF; and (v) waste, for 1990-2009;</p> <p>(B) Assessment of vulnerability and adaptation policies and measures to address climate change, variability and extreme events;</p> <p>(C) Assessment of policies and measures to mitigate climate change;</p> <p>(D) Description of national circumstances and additional key information;</p> <p>(E) Publication of Fifth National</p>	<p>Project evaluations, official reports to the UNFCCC.</p>	<p>(A) FNC;</p> <p>(B) FNC;</p> <p>(C) FNC;</p> <p>(D) FNC;</p> <p>(E) FNC.</p>	<p>(A) Fifth NC;</p> <p>(B) Fifth NC;</p> <p>(C) Fifth NC;</p> <p>(D) Fifth NC;</p> <p>(E) Fifth NC.</p>	<p>Risks:</p> <p>No major risks have been identified in the implementation of this project as the Government of Mexico is strongly committed to its compromises under the United Nations Framework Convention on Climate Change (UNFCCC); Nevertheless, the disbursement time of the Mexican government co-finance funds could be a cause of delays.</p> <p>Assumptions::</p> <p>The Government of Mexico maintains its support to implement</p>

<p>Communication.</p> <p>Outcome 1 National GHG inventory for 1990 - 2009 has been produced.</p>	<p>Communication.</p> <p>(A) Update of National GHG inventory for the sectors: (i) energy, (ii) industrial processes; (iii) agriculture; (iv) LULUCF; and (v) waste, for 1990-2009;</p> <p>(B) Preparation of Guidelines for organizing activity data validation and quality control, key source category analysis and uncertainty assessment;</p> <p>(C) Studies on emission factors for key sources</p> <p>(D) Development of a GHG Inventory's Information System;</p> <p>(E) Development of methodologies for estimating emissions in the transport sector;</p> <p>(F) GHG emissions inventory for the LULUCF sector adapted to the 2006 IPCC methodology and aligned with REED+ group's</p>	<p>Report on status of preparation of each inventory category; support documents on integration and analysis of the information; results included in Fifth NC.</p>	<p>(A) GHG inventory available for period 1990-2006 (FNC);</p> <p>(B) Preliminary exercises on QA/QC for TNC and FNC;</p> <p>(C) No previous experience;</p> <p>(D) No previous experience;</p> <p>(E) No previous experience;</p> <p>(F) No previous experience;</p> <p>(G) GHG Inventory for 1990-2006 published in FNC;</p>	<p>(A) GHG inventory updated and refined for period 1990-2009 on an annual basis;</p> <p>(B) Guidelines for QA/QC developed and key source category analysis and uncertainty assessment have been carried out;</p> <p>(C) National emission factor for fugitive emissions from the petroleum industry has been obtained;</p> <p>(D) A System to manage the GHG Inventory information has been developed;</p> <p>(E) Methodologies for estimating emissions in the transport sector</p>	<p>the UNFCCC; The funds are timely disbursed.</p> <p>Risks: (1) As there are many institutions involved in the preparation of the GHG inventory, coordination could be difficult and maybe cause of delays.</p> <p>Assumptions: (1) Fifth NC will benefit from experience gained in the preparation of Mexico's INC, SNC, TNC and FNC and from an effective coordination with various national institutions preparing emission inventories;</p> <p>(2) Project will draw on a pool of experts.</p>
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<p>Outcome 2 Sector, local and national impacts, vulnerability and adaptation policies and measures to address climate change, variability and extreme events have been assessed and adaptation activities, measures and programs implemented between 2009 and 2012 have been described.</p>	<p>work; (G) Publication and presentation of the GHG inventory; (H) Results disseminated in a web query system.</p>	<p>(H) Results for inventory 1990-2006 already in web.</p>	<p>have been developed; (F) GHG emissions inventory for LULUCF recalculated using the 2006 IPCC methodology and aligned with REED+ group's work is available; (G) GHG inventory is published and have been presented to stakeholders; (H) GHG inventory for 1990-2009 available in a web query system.</p>	<p>Risks: (1) Delay to generate the regionalized climate change scenarios with a higher spatial resolution; (2) Coordination with the several research centers for the scenarios generation and the many stakeholders involved in the evaluation of impacts, vulnerability and adaptation measures</p>
<p>Project reports, information contained in Fifth NC.</p>	<p>(A) Generation of regional climate change scenarios at higher spatial resolution, applying dynamic downscaling; (B) Assessment of impacts, vulnerability and adaptation programs and strategies implemented during 2009 to 2012; (C) Preparation of studies, and development of tools and methodologies, for the assessment of impacts, vulnerability and adaptation</p>	<p>(A) Regional climate change scenarios generated for 50 x 50 km² through statistic methods, and assessments conducted for FNC with data up to 2008; (B) Results from impacts assessments and programs</p>	<p>(A) Several regional scenarios with a higher spatial resolution have been generated; (B) In-depth evaluation of impacts, vulnerability and implemented adaptation programs and strategies to address climate change, variability, and hydrometeorological extreme events, at</p>	<p>Risks: (1) Delay to generate the regionalized climate change scenarios with a higher spatial resolution; (2) Coordination with the several research centers for the scenarios generation and the many stakeholders involved in the evaluation of impacts, vulnerability and adaptation measures</p>

<p>options, including its costs for some key sectors;</p> <p>(D) Preparation of a Portfolio of adaptation options by sector and human and natural systems, including the costs, feasibility and barriers for implementation.</p> <p>(E) Analysis of financial schemes for adaptation projects</p>	<p>reported in FNC and information at State level;</p> <p>(C) Results from impacts assessments reported in FNC and existing methodologies for impacts assessment. Mexico study of climate change economy;</p> <p>(D) No previous experience;</p> <p>(E) No previous experience.</p>	<p>national and local level have been carried out;</p> <p>(C) Improved assessment of impacts, vulnerability and adaptation options to address climate change, variability and extreme events for key sectors, tools and methodologies have been developed, which will also assist in the development of Climate Change State Programs;</p> <p>(D) Pool of adaptation options has been prepared;</p> <p>(E) Financial schemes for adaptation projects has been analyzed.</p>	<p>could be difficult and may be cause of delay;</p> <p>(3) The lack of data for the assessments could be a cause of delay.</p> <p>Assumptions:</p> <p>(1) Fifth NC will benefit from experience gained in the preparation of Mexico's INC, SNC, TNC and FNC and the coordination mechanisms already in place;</p> <p>(2) The Centers that run scenario models have sufficient computer capacity;</p> <p>(3) Project will draw on a pool of experts.</p>
<p>Outcome 3</p> <p>GHG mitigation policies and measures, implemented between 2009 and 2012 have been described and analyzed; GHG emission scenarios from sources</p>	<p>Project reports, information contained in Fifth NC.</p>	<p>(A) GHG mitigation policies and measures implemented has been reported;</p> <p>(B) An update of GHG emissions scenarios for various sectors in the short and medium</p>	<p>Risks:</p> <p>(1) Delay to generate the mitigation and carbon sequestration scenarios;</p> <p>(2) Delay in the assessment of mitigation measure, in the macroeconomic</p>

<p>and sinks have been generated; and potential future GHG mitigation options have been assessed, including their economic impacts.</p>	<p>potential future GHG mitigation policies and measures for key sectors;</p> <p>(D) Macroeconomic assessment of GHG mitigation measures;</p> <p>(E) Development of technology roadmaps for key sources and technologies;</p> <p>(F) Development of methodologies for GHG mitigation actions' Measurement, Reporting and Verification (MRV);</p> <p>(G) Analysis of financial schemes for adaptation and mitigation projects.</p>	<p>(C) GHG mitigation policies and measures assessed for 2007-2009 in FNC, national relevant studies on key sectors and official economic data;</p> <p>(D) Study on the Economy of Climate Change in Mexico and other relevant studies considering official economic data;</p> <p>(E) Preliminary study on technology roadmaps included in FNC and national relevant studies;</p> <p>(F) Not available in previous NCs;</p> <p>(G) No previous experience.</p>	<p>terms have been generated;</p> <p>(C) Studies and analysis for the evaluation of potential future sectorial mitigation policies and measures have been carried out, including cost-benefits and barriers;</p> <p>(D) Macroeconomic impact of proposed GHG mitigation measures has been assessed;</p> <p>(E) Improved technology roadmaps for key sources and technologies for the short and medium terms;</p> <p>(F) Researches on the development of methodological proposals have been carried out;</p> <p>(G) Financial schemes for mitigation projects have been analyzed.</p>	<p>analysis due to lack of data for the assessment;</p> <p>(3) Coordination with the many stakeholders involved in the assessment and analysis of GHG mitigation could be cause of delay. Also, availability of information due to confidentiality clauses.</p> <p>Assumptions:</p> <p>(1) Fifth NC will benefit from experience gained in the preparation of Mexico's INC, SNC, TNC and FNC;</p> <p>(2) Project will draw on a pool of experts;</p> <p>(3) Decision making elements at federal and State levels on pertinent public policies and measures will be provided;</p> <p>(4) Capacity will be built and strengthened at federal and State levels.</p>
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<p>Outcome 4</p> <p>National circumstances and national and regional development priorities as well as key additional information and the needs identified during the preparation of the NC updated from 2009 to 2012.</p>	<p>(A) Report on national circumstances and national and regional development priorities to address climate change;</p> <p>(B) Report on key additional information relevant to the implementation of the Convention;</p> <p>(C) Report on needs and constraints associated with the implementation of activities, measures and programs to implement the Convention;</p> <p>(G) Report on financial resources and technical support for the preparation of NCs.</p>	<p>Project reports, information contained in Fifth NC.</p>	<p>(A) FNC (data until July 2009);</p> <p>(B) FNC (data until July 2009);</p> <p>(C) FNC (data until July 2009);</p> <p>(D) FNC (data until July 2009);</p> <p>(E) FNC (data until July 2009);</p> <p>(F) FNC (data until July 2009);</p> <p>(G) TNC (data until 2007)</p>	<p>(A) Fifth NC (data until 2012);</p> <p>(B) Fifth NC (data until 2012);</p> <p>(C) Fifth NC (data until 2012);</p> <p>(D) Fifth NC (data until 2012);</p> <p>(E) Fifth NC (data until 2012);</p> <p>(F) Fifth NC (data until 2012);</p> <p>(G) Fifth NC (data until 2012).</p>	<p>Risks:</p> <p>No specific risks have been identified.</p> <p>Assumptions:</p> <p>(1) Fifth NC will benefit from experience gained in the preparation of Mexico's INC, SNC, TNC and FNC;</p> <p>(2) Project will draw on a pool of experts.</p>
<p>Outcome 5</p> <p>Fifth national communication approved by the Inter-Ministerial Commission on Climate Change (CICC), published and information disseminated.</p>	<p>(A) Presentation of information contained in Fifth NC;</p> <p>(B) Publication of Fifth National Communication;</p> <p>(C) Publication of a Special NC document accessible to the general public;</p> <p>(D) Translation of Fifth NC into English.</p>	<p>Project reports, Fifth National Communication, Special NC document, Fifth NC translated into English</p>	<p>(A) Technical studies and research results contained in fourth NC was made public in INE website;</p> <p>(B) Fourth NC was published in 2009;</p> <p>(C) No previous</p>	<p>(A) Project reports, GHG inventory 1990-2009 presented to government and relevant stakeholders;</p> <p>(B) Fifth National Communication has been finalized and published and website updated;</p> <p>(C) A special NC</p>	<p>Risks:</p> <p>No specific risks have been identified.</p> <p>Assumptions:</p> <p>(1) The Government maintains its support to implement the UNFCCC.</p>

English	document for the general public has been prepared;	experience; (D) TNC was translated into English.	document for the general public has been prepared;	document for the general public has been prepared;
<p>(D) Translation of EHP NC into English.</p> <p>Development of EHP NC into English.</p>	<p>(D) TNC was translated into English.</p>	<p>(D) TNC was translated into English.</p>	<p>(D) TNC was translated into English.</p>	<p>(D) Translation of EHP NC into English.</p> <p>Development of EHP NC into English.</p>
<p>Products: Fifth NC communication</p>	<p>Products: Fifth NC communication</p>	<p>Products: Fifth NC communication</p>	<p>Products: Fifth NC communication</p>	<p>Products: Fifth NC communication</p>
<p>Outcome 2</p>	<p>Outcome 2</p>	<p>Outcome 2</p>	<p>Outcome 2</p>	<p>Outcome 2</p>
<p>Outcome 3</p>	<p>Outcome 3</p>	<p>Outcome 3</p>	<p>Outcome 3</p>	<p>Outcome 3</p>
<p>Outcome 4</p>	<p>Outcome 4</p>	<p>Outcome 4</p>	<p>Outcome 4</p>	<p>Outcome 4</p>

IV. EXECUTION AGREEMENTS

The National Implementing Partner (NIP) of this project will be the National Institute of Ecology (INE)'s Climate Change Program Coordination (CPC). A National Implementation Management approach (NIM) will be used to run the project.

All activities relating to Project execution will be carried out in accordance with the guidelines and regulations of the United Nations Development Programme contained in the Management Guide for NIM-Mexico UNDP and its subsequent updates¹⁷.

The INE is a decentralized body of the Ministry of Environment and Natural Resources (SEMARNAT). To implement the project, the CPC will work in coordination with the Ministries of State (Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA); Communications and Transport (SCT); Economy (SE); Social Development (SEDESOL); Energy (SENER), Foreign Affairs (SRE), Treasury and Public Credit (SHCP) and Health (SS)), which constitute the Inter-Ministerial Committee on Climate Change (CICC), and among others the Ministry of Tourism, Ministry of Education, and the Ministry of the Interior through the Civil Protection Coordination and the National Disaster Prevention Center (CENAPRED).

The INE's CPC will be responsible for the coordination and technical implementation of the National GHG Inventory 1990-2009 as well as for the coordination and integration of results related to the preparation of the Fifth NC's project as a whole. INE has been performing for more than 20 years, activities acquired under the UNFCCC, as non-Annex I Party to the Convention and also, in order to fulfill commitments established in the National Development Plans 2001-2006 and 2009-2012, it is responsible for the planning and coordination of climate change research and projects in Mexico.

The Climate Change Program Coordination is composed of a Coordinator, two area directorates; and three deputy directorate: (a) Mitigation Method and Studies on Climate Change in the Energy Sector, (b) Studies on Vulnerability and Adaptation to Climate Change and Local and Global Co-benefits, and (c) Mitigation Method and Studies on Climate Change in the Agriculture and Forestry Sector, as well as of six head departments. Scientists and technicians from the country's public and private institutes and research centers; specialist from government agencies, the private sector and from NGO's will participate in the preparation of the National Communication. The SEMARNAT, as Chair of the CICC, holds the presidency of the Designated National Authority of Mexico's CDM.

Functions of the Participants

Ministry of Foreign Affairs (SRE)

The Government of the United Mexican States has designated the Technical and Scientific Cooperation Directorate of the SRE as the official counterpart of UNDP in Mexico. Its principal responsibilities are:

- As the entity responsible for technical cooperation in Mexico, to act as the Mexican government's official counterpart to UNDP; specifically, and in accordance with the National Development Plan, to formalize approval of the project cooperation documents presented to UNDP by federal, state and private entities.
- If necessary, to make a written request to UNDP for reports on the project
- To approve the annual audit plan for the project and, in accordance with UNDP norms and procedures, to convene an information and consultation meeting prior to the audit
- If considered expedient, to attend at least one meeting a year of the project's Project Board

¹⁷ Only UNDP may approve amendments, when necessary, to these norms. UNDP office in Mexico is responsible for promptly advising all Manual users about new dispositions and revisions to the norms and procedures resulting from improved practices authorized by New York Headquarters. UNDP-Mexico reserves the right to introduce improvement to the National Project Execution Manual to facilitate consultation by users. This procedure respects the integrity of UNDP corporate norms now in force.

- As required, to participate in tripartite meeting or in any follow-up or reorientation sessions.

The National Institute of Ecology (INE) is the National Implementing Partner responsible for the fulfillment of the project's results. Its principal responsibilities are to:

- Lead the project implementation with the support of the PMU.
- Participate together with UNDP, in selecting the Project Coordinator
- Designate a representative to act as a permanent liaison between UNDP, the Ministry of Foreign Affairs and the Project Coordinator, both in the Project Board and the Technical Committee, to ensure that the necessary inputs are available to execute the project
- Prove the technical and administrative capacity to develop the project
- Monitor the project's work plan and progress
- Provide by written, the name and describe the functions of the person or persons authorized to deal with UNDP concerning the project's matters;
- Clear ToR for technical personnel and consultancies for the project implementation.
- Participate in the selection process of the consultants and approve all hiring and payment request.
- Provide the name and describe the functions of the person or persons authorized to sign the project's budget and/or substantive revisions of the project

United Nations Development Programme (UNDP): UNDP is the world development network established by the United Nations with a mandate to promote development in countries and to connect them to the knowledge, experience and resources needed to help people achieve a better life. Its principal responsibilities are to:

- Designate a programme officer responsible for providing substantive and operational advice and to follow up and support the project's development activities.
- Administer the financial resources agreed in the revised work plan and approved by the project's Project Board, and inform the National Implementing Partner of its origin and destination
- As agreed with the Project Board, advise the project on management decision making.
- Be part of the project's Project Board
- Supervise and follow up every project activity requiring UNDP administrative support
- Use national and international contact networks to assist the project's activities and establish synergies between projects in common areas and/or in other areas that would be of assistance when discussing and analyzing the project.
- As deemed necessary, use the project's resources to prepare external evaluations and audits to monitor them.
- Provide technical advice to the project on including activities on transversal equality of gender and strengthening civil society participation. These specialized services will be provided on the condition that the costs will be totally recovered.
- Use national and international contact networks to assist the project's activities and establish synergies between projects in common areas and/or in other areas that would be of assistance when discussing and analyzing the project, if this is requested by INE.

Project Board (PB)

A Project Board (PB) will be established to provide oversight and strategic guidance to the Project. Members include Mexican government representatives of the National Implementing Partner (INE), representatives of UNDP. Other government representative could be invited whenever necessary.

The PB shall be responsible for providing oversight of the fund-supported activities, overall coordination of the project and be responsible for making arrangements for assurance function. The responsibilities of the PB shall include, but not be limited to:

- 1) Review, approve and amend this project document, including the Monitoring and Evaluation (M&E) framework, and the implementation plan;
- 2) Monitor compliance with the Project's objectives;
- 3) Clear ToRs and approve the contract of the Project Manager and Project Component Coordinators.
- 4) Discuss progress and identify solutions to problems facing any of the project's partners;
- 5) Review and approve the AWP and the consolidated financial and progress reports;
- 6) During the life of the project, review proposals for major budget re-allocation such as major savings or cost increases, or for use of funds for significantly different activities.
- 7) Review evaluation findings related to impact, effectiveness and the sustainability of the project.
- 8) Prepare, focus on, or redesign the project's strategy;
- 9) Monitor both the budget and the prompt delivery of financial, human and technical inputs to comply with the work plan;
- 10) Ensure the participation and ownership of stakeholders in achieving the objectives of the project.
- 11) Ensuring communication of the project and its objectives to stakeholders and the public;
- 12) Approving the project communication strategy and public information plans prepared by the PMU
- 13) Facilitating linkages with high-level decision making.
- 14) Convene ordinary meetings to consider the Technical Committee's proposals and recommendations, as well as the progress made by the project;
- 15) Convene, if necessary, extraordinary meetings;

The PB provides operational coordination to the project planning and implementation of activities. It is the mechanism for a more operative coordination, monitoring and decision making of the project.

The PB meets quarterly, but may have to meet more often depending on the need to address issues related directly to management and implementation of the project.

A National Project Director (NPD)

The NPD will be a senior staff member of the Government National Implementing Partner INE/CPCC, and will be responsible at the highest level for ensuring that the project implementation follows national policy and standards. He or she will be responsible for the overall coordination of the Project. He/she will represent the project at high-level national and international meetings and will keep the PSC updated on project advances and challenges as needed. When the INE President is not available, the NPD will chair the PSC and represent the project at annual tripartite meetings. The NPD will carry overall accountability on behalf of the GoM and will report to the PB on progress made and issues to be resolved.

The NPD will oversee the project and carries overall responsibility and accountability on behalf of the GoM for the project to the PB. She/he will establish and provide overall guidance to the Project Management Unit (PMU), and supervise directly to the Project Manager and organizational structure of the PMU.

The NPD is responsible for overseeing and approving the work undertaken by the team. The NPD will submit relevant documentation to the PB for endorsement.

Project Management Unit (PMU)

At the management level, a Project Management Unit (PMU) will be created. This entity will be responsible for the overall operational and financial management and reporting of the donor in accordance with the rule and regulations of UNDP.

The PMU will manage day-to-day operations of the Project, and will be based at INE. The PMU will be responsible for the overall day to day operational and financial activities, developing the AWP, progress reports, M&E framework in close coordination with the National Implementing Partner and key-stakeholders.

The PMU will also be responsible for preparing a work plan and covering activities and inputs under the project. The quarterly progress reports will be prepared on activities and detailed expenditures.

The AWP will be accompanied by a budget table that includes the identification of specific procurement and recruitment activities. The AWP and budget will be reviewed and agreed by the PB.

The PMU will be leaded by the NPD and supported by the required professional staff that may include an administrative assistant and the technical support unit.

The staff is the responsible to support INE to achieve the project goals on time by providing administrative and coordination inputs for project activities.

In close collaboration with the Environment and Energy Programme Officer of UNDP, the NPD will be responsible for preparing reports for the PB.

The main tasks are:

- ✓ Follow up on progress made on the tasks outlined in the work plan, as well as on a future mobilization of resources for the project's sustainability;
- ✓ Prepare, and monitor compliance with work plans (annual and quarterly);
- ✓ Prepare budgets (annual and quarterly);
- ✓ Prepare technical, financial and progress reports (quarterly, annual and final).
- ✓ Inform the PB of the project's progress, problems and possible solutions adopted and/or recommendations on how to achieve its objectives;
- ✓ Prepare and present a project situation report at any meeting or meetings about the project;
- ✓ Supervise and ensure compliance with the work of the personnel contracted through UNDP according to the contractual criteria contained in the Implementing Manual;
- ✓ Be the Executive Secretariat of the PB and TAC meetings.
- ✓ She/he will be overseeing a team consisting of an administrative assistant, the coordinator for each mid-term outcome, and the necessary staff required, and if needed, sub-contractors.

Technical Support Unit (TSU)

The TSU will be constituted by the three CPCC deputy directors plus one technical secretary, under the supervision of the NPD. They will be responsible for operational planning, supervision, administrative and financial management and the adjustment of the Project based on inputs from the Project M&E plan, upon project leader approval. They will be responsible for overseeing the day-to-day implementation of Project activities in their respective fields. This includes the direct supervision of project activities sub-contracted to specialists and other institutions as well as those that are to be implemented through the CPCC. The TSU will be responsible for acting as an executive department of the PSC, convening meetings, and acting as a secretary in these meetings.

The TSU will have responsibility for, among others: (i) managing and executing their respective activities of the project; (ii) providing inputs for the management of financial resources and procurement; (iii) reporting on the application of resources and results achieved; (iv) assist the project leader in the preparation of management reports for the PSC, the GEF, and UNDP; (v) promoting inter-institutional linkages; and (vi) monitoring and evaluation, and disseminating project results.

Technical Secretary, to be hired with GEF resources, will be responsible, under the supervision of the NPD, of the overall integration and follow-up of studies, researches and project technical activities. He/she will assist in the supervision of project implementation liaising directly with Technical leader.

He/she will undertake quarterly operational planning and provide guidance on its day-to-day implementation.

Project Administrator, to be hired with GEF resources, will be responsible for the overall project financial and administrative activities, including the development of contracts for the activities to be hired. He/she will be in close interaction with the NPD to manage the project

Technical Assistants

Three Technical Working Groups (GHG inventories, adaptation and mitigation) will be constituted with CPCC personnel and consultants. Three Technical assistants, one for each technical working group will be hired with GEF resources, to support the activities to be carried out by the three technical teams.

Several Ad Hoc Advisor Technical Committees will be constituted, involving key stakeholders, to provide feedbacks on the work of the technical teams.

Roles and commitments of project counterparts

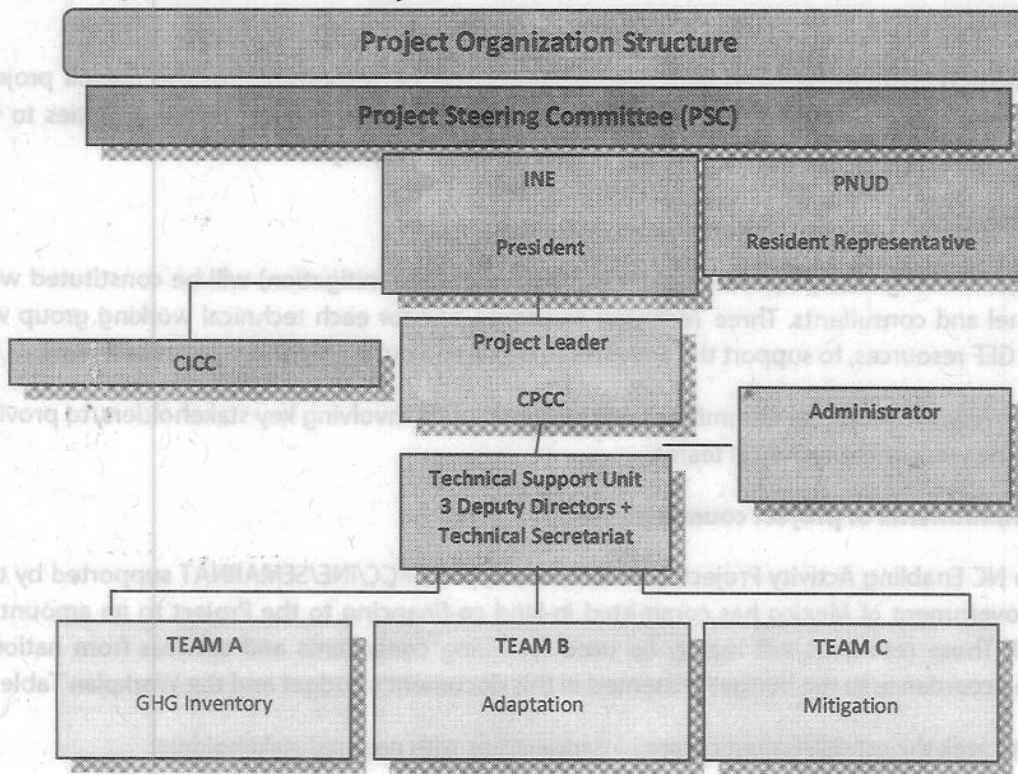
Mexico's Fifth NC Enabling Activity Project is an initiative of the CPCC/INE/SEMARNAT supported by the UNDP. The Government of Mexico has committed in-kind co-financing to the Project to an amount of US\$ 4,440,000. These resources will mainly be used for hiring consultants and services from national providers¹⁸, in accordance to the budget presented in this document's Budget and the Workplan Table.

The Project will seek the establishment of formal partnerships with national stakeholders.

The project partners will keep track of committed resources using acceptable accountancy standards, as per applicable rules and regulations.

¹⁸ UNDP ATLAS budget lines 71300 and 72100.

General Organization of the Project



Administrative arrangements

Mexico's Fifth NC is an initiative of the CPCC/INE/SEMARNAT supported by UNDP. The Government of Mexico has committed in-kind co-financing to the Project to an amount of US\$ 4,440,000. These resources will mainly be used for hiring consultants and services from national providers¹⁹, in accordance to the budget presented in this document's Budget and the Workplan Table.

The project will seek the establishment of formal partnerships with national stakeholders.

The project partners will keep track of committed resources using acceptable accountancy standards, as per applicable rules and regulations.

To manage the resources, UNDP will make its installed capacity available to the Project, guaranteeing that their use is both transparent and prompt. The budget and work plan are given in the annexes of this document. If modifications are made to this section, they must be considered and approved by the Project Board.

It should be mentioned that any services provided to the project by UNDP will be in accordance with its internal guidelines and regulations.

The project will be financed by the GEF with a total amount of **US\$ 2,707,536.00**

As an implementing agency, UNDP earns a fee from the GEF upon approval of the project. The fee is used to cover the costs incurred by UNDP, both at the Headquarters and in the Country Office, in supporting project development and implementation (7% Headquarters and 3% Country Office). The total fee that UNDP CO will receive is of US\$81,226.08 for this implementation phase.

¹⁹ UNDP ATLAS budget lines 71300 and 72100.

UNDP COST RECOVERY POLICY

As per Determination and Decision of UNDP's Executive Board on the Cost Recovery Policy over Regular and Other Resource-funded projects, the GEF contribution is subject to UNDP's cost recovery as follows:

(i) Direct Costs incurred in the provision of Implementation Support Services (ISS) by UNDP. These costs shall be unequivocally related to specific activities and transactional services clearly identified, charged as per standard service fees in practice. These costs are an integral part of the project's budget and shall be included in the activities' budget lines corresponding to the services rendered.

Exchange rates

If payment is made in a currency other than United States dollars, its value will be determined by applying the United Nations operational exchange rate in force on the date of payment. If, before UNDP has used the total amount deposited, there is a change in the United Nations operational exchange rate, it will be adjusted in line with the value of the balance of unused funds. If this leads to a loss in the value of the balance, UNDP shall inform the donor with a view to determining whether the donor must provide additional funds. If these additional funds are not available, UNDP may reduce, or cancel its assistance to the project.

On the other hand, activities will also have to be adjusted to the cash funds available; also in this case, if there is a deficit because of exchange rate, UNDP has the obligation to inform the National Implementing Partner to determine whether it is necessary to transfer additional funds or simply to make budget changes.

If the event the project is suspended, reduced or cancelled, UNDP will return the unused funds at the United Nations operational exchange rate in force on the date they are returned; if there is an exchange rate loss, the deficit will be charged to the project.

In case of a surplus, the Project Board will decide how it is to be spent and what results are expected and will make the necessary work plan adjustments.

Because the Project Board will supervise and monitor the project based on a satisfactory and detail work plan design, no unforeseen circumstances are expected that would imply administrative risks in its execution.

It is envisaged that, as the project proceeds, counterparts will be added as partner implement it or as donors, and they may be either state governments or federal executive entities.

It is important to mention that any services provided by UNDP to the project will be performed under its internal policies and rules, as stated on the NIX guidelines..

Commitments by UNDP and the Mexican government to provide support services

The support services required of UNDP will be provided in accordance with the conditions mentioned below.

UNDP Country Office can provide the necessary support services and assistance requested, whether to prepare reports or make direct payments. In providing these services, UNDP Mexico will check whether the capacity of the designated institution has been increases to enable it to directly carry out these activities.

UNDP, when asked to do so by the designated authority, may request support services for the programme of project, including:

- National and international technical support provided by the United Nations System

- Project design and strategic planning
- Project administration by making technical and financial follow-up available, with a results-based approach.
- Develop international, national and local international knowledge networks based on United Nations System experience.
- Select project personnel, assist in awarding contracts and suggest candidates (individuals or companies) for the project's substantive and administrative work
- Acquire goods and services, in accordance with its procedures and policies
- The acquisition of goods and services as well as contracting personnel for the project are both the responsibility of the National Implementing Partner. It is important to mention that the candidates for the posts of Technical Secretary and Administrative Assistant should be selected jointly by the National Implementing Partner and UNDP Mexico.

Should any demands or controversies arise concerning the provision of services by UNDP, they will be dealt with according to this document's basic assistance model.

If there are changes in the need for support services while the project is in force, the project document will have to be revised as mutually agreed by UNDP Resident Representative and the counterpart institution.

Audit Clause

The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The audit will be conducted by a legally recognized auditor by UNDP.

An audit to the Project is an integral part of UNDP financial and administrative management within the framework of UNDP'S accountability. The project will be audited to ensure that resources are administered in accordance with the financial regulations of the project document, workplan and budget.

The project's budget should contemplate the resources needed to carry out the audit. The firm selected by UNDP Mexico, through a bidding process and subjected to a rigorous evaluation within the principles of transparency, neutrality and cost benefit will take over this exercise in accountability.

Special Considerations

The publications, research and products that are generated as part of the project is owned jointly by the National Institute of Ecology and UNDP

All the material produced as a consequence of this Project should visibly, and in the same size, display UNDP logo, and should give the corresponding credit to the authors and support organisms.

In addition, all the publications produced as a consequence of this document must include the following inscription:

"The opinions, analyses and policy recommendations do not necessarily reflect the point of view of the United Nations Development Programme, of its Executive Board or of member states".

Security

It is UNDP's priority to ensure basic minimum conditions of security within the project operation, and the project offices must comply with security requirements and operational standards established by the United Nations Department of Safety and Security (UNDSS)

To achieve the above mentioned requirement, there will be regular meetings, workshops and training

for project team and contracted personnel under the project in order to familiarize them with the regulations, procedures and training necessary to ensure compliance with such standards.

In consultation with the UNDSS, held on March, 2011, UNDP provides the following support:

- a) Services to strengthen project team's security, through training courses via electronic means such as: 1) On-line basic security course, and b) advance security in the field course
- b) In addition, to complement this training, UNDP provides project staff an induction session on security measures, current Operational Procedures (POV's), and brochure containing recommendations concerning specific issues. It is the responsibility of the Coordinating Unit that the personnel working on the project receive information that UNDSS develops.
- c) UNDSS will review the facilities of the counterpart where project staff is based and issue recommendations to ensure compliance with MOSS
- d) UNDSS in Mexico will provide recommendations and, if necessary, assessment of venues in which events will be carried out under the project.

The staff recruited under the project will be working in the offices of the counterpart (SEMARNAT-INE). Access control and security of these facilities are responsibility of the counterpart. UNDP will request UNDSS to security-clear the INE's project facilities before project staff start working there.

The recommendations of the UNDSS review will be shared with the counterpart to guarantee the security of the personnel. Project Offices are expected to be MOSS compliance.

The resources necessary to implement these measures will be reviewed in the Project Board and will seek co financing from the counterpart for such purposes. The project envisages an initial budget of \$30,000 which could increase or decrease based on the assessment of UNDSS and the counterpart co-financing.

If the project requires renting offices spaces outside INE's facilities, the project offices shall be checked and cleared by DSS according with the security principles and requirements established by UNDP (MOSS compliance). MOSS will be included in the terms of reference for office rental and spaces for workshops and hotels

All project workshops and activities promoted by the project will be held with external static security, ensuring safety of staff and participants.

Finally, UNDP regularly circulates a memo to those geographic areas that are considered at greatest risk for project staff. Project staff that is intended to travel to, or be stationed in the areas that are in a high security phase (indicated by UNDSS), must complete the Advance Course on Security the Field course and must obtain the security clearance by DSS.

Learning and Knowledge Sharing and Communication Strategy

Being a knowledge network, UNDP promotes the sharing of experiences and lessons learned from the projects, so that they can be shared within countries as the rest of the international community to help its people to forge a better life.

Therefore, UNDP in coordination with the implementing agency will promote the systematization of experience and dissemination of products arising from the framework of this project as a cross in the results. These activities are covered in the annual work plan of the project and will be allocated resources of its budget for this purpose.

The Project Board will define the communication strategy and review it regularly to promote the visibility of lessons learned and best practices in the implementation of project activities. The committee will also determine the adjustments to the project budget to accomplish this goal.

As part of the communication strategy, a project launching event with key actors will publicize its scope and its linkages to other programs. Likewise, mid-term the project, there will be a series of outreach activities on the progress made at the time.

UNDP and INE will also be coordinated in promoting these results drawing spaces of dissemination of the United Nations (World Environmental Day) and other spaces of common interest that will be accorded in the Project Board in order to ensure the visibility of the project and its objectives.

The project will identify, analyze and share lessons learned that may benefit the design and implementation of similar future projects. Identifying and analyzing lessons learned is an ongoing process and the need to communicate such lessons not less frequently than 12 months is one of the project's central contributions.

Finally, UNDP will continue a policy of access to information related to the project, respecting information that SEMARNAT-INE considered confidential.

Use of Institutional Logos on Project Deliverables

In order to accord proper acknowledgement to GEF for providing funding, a GEF logo should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF.

Publications, research and products generated as part of the project, are jointly owned by the SEMARNAT-INE and UNDP Country Office. Additionally, all material from this project must carry a visible and similar sized logo from UNDP and SEMARNAT-INE, stating the complete name of the project and give credit to the authors and organizations that gave their support, according to the Project Board.

This project document will be translated into Spanish according to UNDP procedures. The budget will consider this activity to be carried out within the first month of the project's implementation.

V. MONITORING AND EVALUATION

The project will be subject to follow-up and evaluation to maintain and improve its performance to obtain results. For more effective management of how the project develops, its performance will be measured and analyzed. In this respect, UNDP practices are to:

- Prepare quarterly progress reports on planned activities
- Hold follow-up meetings
- Prepare annual progress reports
- Make follow-up visits; and hold tripartite meetings
- Provide the GEF with the reports requested

Project monitoring and evaluation (M&E) will be conducted in accordance with established UNDP and GEF procedures and be led by the project leader, the project team and UNDP CO with support from UNDP/GEF. The Project Results Framework (PRF, see Section 3) provides performance and impact indicators with their corresponding means of verification. The PRF will be the reference for monitoring the project's implementation and for independent evaluation of performance and impact. The Technical Secretariat will prepare a detailed M&E plan to be presented at the Inception Workshop. This Workshop (see below) provides a platform for reviewing and fine-tuning of indicators and means of verification, in a manner consistent with the expected outcomes for the project.

Monitoring and reporting

Project monitoring consists of a number of day-to-day and periodic activities, including: (i) day to day monitoring by the Technical Secretariat; (ii) periodic monitoring by UNDP-CO (Programme Officer) on a quarterly basis, (iii) quarterly Project Board meetings (INE, Technical Support Unit, UNDP); and (iv) once

during the lifetime of the project, monitoring through a Tripartite Review (INE, Ministry of Foreign Affairs and UNDP-CO). UNDP/GEF Regional Coordinating Unit will follow up on the project on a quarterly basis.

Project monitoring reporting consists of the periodical submission of standard report by the Technical Support Unit to UNDP-CO such as: (i) project Inception Workshop Report, to be prepared immediately after the Inception Workshop; (ii) Quarterly Progress Reports, outlining main updates in project progress; (iii) Project Implementation Review, which is used by UNDP-CO, and UNDP/GEF Regional Coordinating Unit (RCU) for review of project progress and as input for reporting at an aggregate level; (iv) project Terminal Report, to be prepared within three months before project finalization.

Inception Workshop and Report

The main objective of the Project Inception Workshop is to assist the working team to understand and take ownership of the Project's goals and objectives and to finalize the first year Annual Work Plan (AWP) by reviewing and agreeing on the indicators, targets and sources of verification, as well as risks and assumptions set forth in the Project Result Framework submitted as part of the Project proposal.

The Inception Workshop will be organized by the Project Leader within the first two months of project start, with the assistance of the INE as UNDP. Participants will include the full project team, relevant government counterparts, program advisors, UNDP-CO and UNDP/GEF RCU and other stakeholders, as appropriate. Representatives from UNDP-GEF headquarters can assist as feasible.

The Inception Workshop provides an excellent opportunity for all parties to understand their roles, functions, and responsibilities within the project's structures, including reporting and communication lines, and mechanisms for conflict resolution. The Terms of Reference for project staff will be discussed as needed.

The Workshop will also be useful to understand UNDP-GEF reporting, monitoring and evaluation (M&E) requirements as well as to agree on the M&E work plan and budget; to discuss financial reporting procedures and obligations, and arrangements for annual audits; and to obtain information on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), Tripartite Review Meetings, as well as the final evaluation.

The Inception Workshop report is a very important document that should be shared with all participants to formalize decisions on activities, agreements and plans taken during the workshop.

Quarterly Progress Reports (QPR)

Quarterly Progress Reports are short reports outlining updates on project progress. They will be provided quarterly to UNDP CO and UNDP-GEF regional office by the project team in a standard format that will be made available by UNDP.

Risk Assessment Reports

Based on the initial risk analysis, the TSU will prepare quarterly risk analysis reports that include identification of new risks, specification and proposed mitigation or prevention measured according to the available UNDP format.

Project Implementation Review (PIR)

The Project Implementation Review is a self-assessment report prepared by Technical Secretariat and approved by the Project Leader to UNDP CO, to monitor progress made since the start of the project in meeting the project's Annual Work Plan and assess project performance towards the objectives and projected outcomes set forth. The PIR provides input for UNDP CO reporting process and for the Project's Tripartite Review (TPR). It is prepared on an annual basis prior to the TPR. The PIR combines both UNDP

and GEF reporting requirements. The PIR should also report on project outputs delivered per project outcome; lesson learned/good practices; AWP and other expenditures reports, risk and adaptive management, ATLAS QPR and portfolio level indicators.

Mid-term Evaluation (MTE)

Due to the short timeframe and Mexico's extensive experience in preparing National Communications, no Mid-Term Evaluation is planned.

Final Evaluation (FEV) and Terminal Report

An independent final evaluation will take place three months prior to the final TPR meeting. The FEV will look at impact and sustainability of results, including the Project's contribution to capacity development and to the achievement of global environmental goals. The FEV will also present lessons learnt and will provide recommendations for follow-up activities. The TOR for this final evaluation will be prepared by UNDP CO based on guidance from the RCU and UNDP-GEF. The selection and contracting process will be assumed by UNDP CO and the associated expenses will be charged to the GEF resources allocated to the Fifth NC.

Learning and knowledge sharing

Results from the project will be disseminated 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 project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. There will be a two-way flow of information between this project and other projects of a similar focus.

Monitoring and Evaluation Plan

Indicative Monitoring and Evaluation Work plan and corresponding Budget

Type of M&E activity	Responsible Parties	Budget US\$ Excluding PCU and co-executants staff time	Time frame
Inception Workshop	<ul style="list-style-type: none"> ▪ PCU ▪ INE ▪ UNDP CO 	1,500	Within first two months of project start up
Inception Report	<ul style="list-style-type: none"> ▪ PCU ▪ UNDP CO 	None	Immediately following IW
Quarterly Progress Reports	<ul style="list-style-type: none"> ▪ PCU ▪ INE ▪ UNDP 	None	Brief reports for the Project Board meetings where highlights the main achievements, opportunities and barriers of the project implementation in the quarter
Annual Project Reports (PIR)	<ul style="list-style-type: none"> ▪ PCU ▪ INE ▪ UNDP 	None	Annually

Project Board Meetings	<ul style="list-style-type: none"> ▪ PCU ▪ INE ▪ PNUD 	None	Quarterly Extraordinary meetings can also be programmed
Final External Evaluation	<ul style="list-style-type: none"> ▪ PCU ▪ INE ▪ UNDP ▪ External Consultants (i.e. evaluation team) 	35,000	At the end of project implementation
Terminal Report	<ul style="list-style-type: none"> ▪ PCU ▪ INE ▪ UNDP ▪ External Consultant 	None	At least one month before the end of the project
Audit	<ul style="list-style-type: none"> ▪ UNDP ▪ PCU 	17,500	Yearly
TOTAL indicative COST			
Excluding PCU staff time, FAO and UNDP staff and travel expenses		US\$ 50,000 indicative	

I. LEGAL CONTEXT

The reference instrument for the agreement between the Special Fund and the Government of Mexico (signed on 23 February 1961), together with its two resolutions on assembly, is part of this document.

For the purposes of the agreement, the Government's executing organism is the same as that of the host country that appears in this agreement. The document governing its norms is the National Projects Execution Manual (Manual NEX).

By virtue of the Convention on Privileges and Immunities of the United Nations, signed by the government of the United Mexican States, nothing in this document or in its signed contractual documents shall be interpreted as an express or tacit renunciation of immunity of jurisdiction, privilege, exception or other immunity enjoyed by UNDP.

This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement (SBAA) between the Government of Mexico and the United Nations Development Programme, signed by the parties on 23 February 1961. The host country implementing agency shall, for the purpose of the SBAA, refer to the government co-operating agency described in that Agreement. UNDP Resident Representative in Mexico is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by UNDP-GEF Unit and is assured that the other signatories to the Project Document have no objection to the proposed changes:

- a) Revision of, or addition to, any of the annexes to the Project Document;
- b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- d) Inclusion of additional annexes and attachments only as set out here in this Project Document

Consistent with the Article III of the SBAA, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- e) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- f) Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document

II. ANNEXES

- Total Budget and Workplan
- Risk Analysis

II. ANALYSIS

○ Total Budget and Workplan

○ Risk Analysis

ANNEX A: TOTAL BUDGET AND WORKPLAN

GEF Outcome/Atlas Activity	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	TOTAL (USD)
Outcome #1 National GHG inventory for 1990 - 2009 have been produced.	GEF	71200	International Consultants	0	0	0
	GEF	71300	Local Consultants	52,753	80,150	132,903
	GEF	71600	Travel	26,377	25,075	51,452
	GEF	72100	Contractual Services	87,924	83,583	171,507
	GEF	72300	Material & Goods	0	11,000	11,000
	GEF	72800	Inform. Tech. Equipment	0	0	0
	GEF	74500	Miscellaneous	16,792	18,358	35,151
	GEF		sub-total GEF	183,846	218,165	402,012
	MEX	71300	Local Consultants	0	10,000	10,000
	MEX	72100	Contractual Services	370,000	0	370,000
MEX		sub-total MEX	370,000	10,000	380,000	
Outcome #2 Sector, local and national impacts, vulnerability and adaptation policies and measures to address climate change, variability and extreme events have been assessed and adaptation activities, measures and programs implemented between 2009 and 2012 have been described.	GEF	71200	International Consultants	0	0	0
	GEF	71300	Local Consultants	162,565	164,000	326,565
	GEF	71600	Travel	84,500	87,000	171,500
	GEF	72100	Contractual Services	255,000	250,000	505,000
	GEF	72300	Material & Goods	5,500	5,500	11,000
	GEF	72800	Inform. Tech. Equipment	25,500	500	26,000
	GEF	74500	Miscellaneous	32,750	36,940	69,690
	GEF		sub-total GEF	565,815	543,940	1,109,755
	MEX	71300	Local Consultants	12,500	12,500	25,000
	MEX	72100	Contractual Services	1,040,000	910,000	1,950,000
MEX		sub-total MEX	1,052,500	922,500	1,975,000	

	GEF	71200	International Consultants	0	0	0	0
	GEF	71300	Local Consultants	116,665	145,100	261,765	
	GEF	71600	Travel	53,550	65,550	119,100	
	GEF	72100	Contractual Services	178,500	218,500	397,000	
	GEF	72300	Material & Goods	12,000	12,000	24,000	
	GEF	72800	Inform. Tech. Equipment	12,000	12,000	24,000	
	GEF	74500	Miscellaneous	19,100	23,100	42,200	
	GEF		sub-total GEF	391,815	476,250	868,065	
	MEX	71300	Local Consultants	12,500	12,500	25,000	
	MEX	72100	Contractual Services	825,000	825,000	1,650,000	
	MEX		sub-total MEX	837,500	837,500	1,675,000	
	GEF	71200	International Consultants	0	0	0	
	GEF	71300	Local Consultants	13,500	13,501	27,001	
	GEF	71600	Travel	0	0	0	
	GEF	72100	Contractual Services	0	0	0	
	GEF	72300	Material & Goods	1,250	2,000	3,250	
	GEF	72800	Inform. Tech. Equipment	1,250	2,000	3,250	
	GEF	74500	Miscellaneous	0	0	0	
	GEF		sub-total GEF	16,000	17,501	33,501	
	MEX	71300	Local Consultants	40,000	40,000	80,000	
	MEX	72100	Contractual Services	0	0	0	
	MEX		sub-total MEX	40,000	40,000	80,000	
	GEF	71200	International Consultants	0	0	0	
	GEF	71300	Local Consultants	0	32,000	32,000	
	GEF	71600	Travel	0	0	0	
	GEF	72100	Contractual Services	0	20,403	20,403	
Outcome #3 GHG mitigation policies and measures, implemented between 2009 and 2012 have been described and analyzed; GHG emission scenarios from sources and sinks have been generated; and potential future GHG mitigation options have been assessed, including their economic impacts.							
Outcome #4 National circumstances and national and regional development priorities as well as key additional information and the needs identified during the preparation of the NC updated from 2009 to 2012.							
Outcome #5 Fifth national communication approved by the Inter-Ministerial Commission on Climate Change (CICC), published and information disseminated.							

preparation of the NC updated from 2009 to 2012.	GEF	72300	Material & Goods	0	28,000	28,000
	GEF	72800	Inform. Tech. Equipment	0	0	0
	GEF	74500	Miscellaneous	0	0	0
	GEF		sub-total GEF	0	80,403	80,403
	MEX	71300	Local Consultants	0	70,000	70,000
	MEX	72100	Contractual Services	0	110,000	110,000
	MEX		sub-total MEX	0	180,000	180,000
	GEF	61100	Salary Costs - NP Staff	63,300	105,500	168,800
	GEF	71200	International Consultants	0	20,000	20,000
	GEF	71300	Local Consultants	17,000	8,000	25,000
	GEF	71600	Travel	0	0	0
	GEF	72100	Contractual Services	0	0	0
	GEF	72300	Material & Goods	0	0	0
	GEF	72800	Inform. Tech. Equipment	0	0	0
	GEF	74500	Miscellaneous	0	0	0
	GEF		sub-total GEF	80,300	133,500	213,800
	MEX	71300	Local Consultants	56,250	93,750	150,000
	MEX	72100	Contractual Services	0	0	0
	MEX		sub-total MEX	56,250	93,750	150,000
Total						

6. Project Management, Monitoring and Evaluation

Total

Summary of Funds

	Year 1	Year 2	Total
PROJECT TOTAL GEF	1,237,777	1,469,759	2,707,536
PROJECT TOTAL MEX	2,356,250	2,083,750	4,440,000
PROJECT TOTAL	3,594,027	3,553,509	7,147,536

Project WorkPlan

CPAP Outcome: National and local capacities strengthened to address climatechange mitigation and adaptation

Outcome 1: National GHG inventory for 1990 - 2009 have been produced.

Outputs	Annual Goal	Activities	Quarter				Responsible
			Q1	Q2	Q3	Q4	
Output 1: Update of National GHG inventory for the sectors: (i) energy, (ii) industrial processes; (iii) agriculture; (iv) LULUCF; and (v) waste, for 1990-2009;	Goal 1: GHG inventory available for period 1990-2006 (FNC);	Activity: Studies on emission factors for key sources Activity: Development of a GHG Inventory's Information System Activity: Publication and presentation of the GHG inventory; Activity: Results disseminated in a web query system.		x	x	x	INE / Consultant hired by the project
	Goal 2: GHG emissions inventory for the LULUCF sector adapted to the 2006 IPCC methodology and aligned with REED+ group's work;	Activity: Studies on emission factors for key sources Activity: Publication and presentation of the GHG inventory; Activity: Results disseminated in a web query system.			x	x	INE / Consultant hired by the project

<p>Output 2: Preparation of Guidelines for organizing activity data validation and quality control, key source category analysis and uncertainty assessment;</p>	<p>Goal 3: Completed Guidelines for organizing activity data validation and quality control, key source category analysis and uncertainty assessment</p>	<p>Activity: Studies on emission factors for key sources</p> <p>Activity: Results disseminated in a web query system.</p>	<p>x</p>	<p>x</p>	<p>INE / Consultant hired by the project</p>		
<p>Outcome 2: Sector, local and national impacts, vulnerability and adaptation policies and measures to address climate change, variability and extreme events have been assessed and adaptation activities, measures and programs implemented between 2009 and 2012 have been described.</p>							
<p>Outputs</p>	<p>Annual Goal</p>	<p>Activities</p>	<p>Quarter Responsible</p>				
<p>Output 1: Regional climate change scenarios at higher spatial resolution, applying dynamic downscaling</p>	<p>Goal 1: Regional climate change scenarios generated for 50 x 50 km² through statistic methods, and assessments conducted for FNC with data up to 2008;</p>	<p>Activity: Studies on emission factors for key sources integrated in regional scenarios</p> <p>Activity: Develop a data base to support Regional climate change scenarios</p> <p>Activity: Results disseminated in a web query system.</p>	<p>Q1</p>	<p>Q2</p>	<p>Q3</p>	<p>Q4</p>	<p>INE / Consultant hired by the project</p>
<p>Output 2: Assessment of impacts, vulnerability and</p>	<p>Goal 1: Preparation of studies, and development of tools and</p>	<p>Activity: Results from impacts assessments and programs reported in FNC and information at State level;</p>	<p>x</p>	<p>x</p>	<p>x</p>	<p>x</p>	<p>INE / Consultant hired by the project</p>

adaptation programs and strategies implemented during 2009 to 2012;	methodologies, for the assessment of impacts, vulnerability and adaptation options, including its costs for some key sectors;	<p>Activity: Results from impacts assessments reported in FNC and existing methodologies for impacts assessment. Mexico study of climate change economy;</p> <p>Activity: Results disseminated in a web query system.</p>				
Outcome 3: GHG mitigation policies and measures, implemented between 2009 and 2012 have been described and analyzed; GHG emission scenarios from sources and sinks have been generated; and potential future GHG mitigation options have been assessed, including their economic impacts.	<p>Goal 2: Preparation of a Portfolio of adaptation options by sector and human and natural systems, including the costs, feasibility and barriers for implementation</p>	<p>Activity: Analysis of financial schemes for adaptation projects</p> <p>Activity: Results disseminated in a web query system.</p>	x	x	INE / Consultant hired by the project	
Outputs	Annual Goal	Activities	Quarter			Responsible
Output 1: GHG mitigation policies and measures	Goal 1: Assessment of GHG emissions scenarios from sources and sinks at	Activity: Studies on emission factors for key sources integrated in regional scenarios.	Q1	Q2	Q3	Q4
				x	x	INE / Consultant hired by the project

<p>implemented between 2009 and 2012 at national, State and local levels;</p>	<p>the State and local level</p>	<p>Activity: An update of GHG emissions scenarios for various sectors in the short and medium terms have been generated;</p> <p>Activity: Macroeconomic assessment of GHG mitigation measures;</p> <p>Activity: Development of technology roadmaps for key sources and technologies;</p> <p>Activity: Development of methodologies for GHG mitigation actions' Measurement, Reporting and Verification (MRV);</p> <p>Activity: Analysis of financial schemes for adaptation and mitigation projects.</p>	
<p>Output 2: Studies and analysis of potential future GHG mitigation policies and measures for key sectors;</p>	<p>Goal 1: Diagnosis of the potential future GHG mitigation policies and measures for key sectors</p>	<p>Activity: Assessment of GHG emissions scenarios from sources and sinks</p> <p>Activity: Results from impacts assessments reported in FNC and existing methodologies for impacts assessment. Mexico study of climate change economy;</p> <p>Activity: Studies and analysis for the evaluation of potential future sectorial mitigation policies and measures have</p>	<p>x</p> <p>x</p>

	<p>been carried out, including cost-benefits and barriers;</p> <p>Activity: An update of GHG emissions scenarios for various sectors in the short and medium terms have been generated;</p> <p>Activity: Results disseminated in a web query system.</p>									
<p>Outcome 4: National circumstances and national and regional development priorities as well as key additional information and the needs identified during the preparation of the NC updated from 2009 to 2012..</p>										
Outputs	Annual Goal	Activities	Quarter		Responsible					
Output 1:	Goal 1: Report on needs and constraints associated with the implementation of activities, measures and programs to implement the Convention;	Activity: Develop a report on financial resources and technical support for the preparation of NCs. Activity: Debelop a report on key additional information relevant to the implementation of the Convention;;	Q1	Q2	Q3	Q4	INE / Consultanst hired by the project			
Report on national circumstances and national and regional development priorities to address climate change;							x	x		
<p>Outcome 4: Fifth national communication approved by the Inter-Ministerial Commission on Climate Change (CICC), published and information disseminated.</p>										
Outputs	Annual Goal	Activities	Quarter		Responsible					
			Q1	Q2	Q3	Q4				

<p>Output 1: Fifth national communication integrated and presented</p>	<p>Goal 1: Integrate studies and chapters of the Fifth NC</p>	<p>Activity: Presentation of information contained in Fifth NC; Activity: Publication of Fifth National Communication; Activity: Publication of a Special NC document accessible to the general public; Activity: Translation of Fifth NC into English.</p>	<p>x</p>	<p>INE / UNDP</p>
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ANNEX B Risk Analysis

<p>Project Title: Fifth National Communication to the UNFCCC</p>	<p>Award ID:</p>	<p>Date:</p>
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#	Description	Date Identified	Type	Impact & Probability (both from 1 (low) to 5 (high))	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Limited political support to Climate Change issues, including for the presentation of National Communications.		Organizational, Strategic	P = 1 I = 4	This risk is deemed very low since Mexico is strongly committed to its compromises under the United Nations Framework Convention on Climate Change (UNFCCC) and, by Law, climate change is an integrated part of the national and sector priorities and policies.	National Project Leader	UNDP CO	Submitted on date	No change
2	Limited technical capacity to execute the project and guarantee success of coordination		Organizational, Operational	P = 2 I = 4	This risk is deemed low since Mexico has already submitted four NCs, which has allowed the building and strengthening of capacities towards the evaluation and analysis of all activities related to climate change. Despite	National Project Leader	UNDP CO	Submitted on date	No change

#	Description	Date identified	Type	Impact & Probability both from 1 (low) to 5 (high)	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
	efforts between sectors and different government levels.				these advances, Mexico's climate change strategy includes continuous efforts of research, capacity building and cooperation between different actors.				
3	Coordination with stakeholders may cause delay since a large number of actors from different economic sectors of the society are involved.		Organizational,	P = 2 I = 2	Although the probability of this risk to occur is low, it will be minimized by building on the sectorial agreements and institutional collaboration established during the implementation of the previous four NCs. Commitments from stakeholders will be also maintained through an effective coordination and communication process.	National Project Leader	UNDP CO	Submission on date	No change
4	Possibility that, in the		Implementation	P = 1	The probability of this risk to occur is low since the	National Project	UNDP CO	Submission	No

#	Description	Date Identified	Type	Impact & Probability both from 1 (low) to 5 (high)	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
	context of the current economic crisis, the Mexican Government decides to stop the preparation of the Fifth National Communication to the UNFCC.			I = 3	mitigation and adaptation activities that Mexico intends to implement will result in multiple benefits: increasing energy security; cleaner, more efficient and competitive production processes; air quality improvement and natural resource conservation, among other.	Leader		on date	change
5	Difficulty in hiring qualified people.		Organizational	P = 1 I = 3	The project can draw on a pool of national experts. Proper preparation of TORs and contracts should help minimizing delays.	National Project Leader	UNDP CO	Submitted on date	No change
6	Exchange rate		Implementation	P = 1	The exchange rate between	National	UNDP CO	Submitted	No

#	Description	Date Identified	Type	Impact & Probability both from 1 (low) to 5 (high)	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
	risk.			I = 3	the US dollar and the Mexican Pesos may decrease and/or fluctuate, potentially leading to a reduced value of GEF resources. For the Fifth NC, careful financial planning should help anticipate such situation.	Project Leader		on date	change

Date	Description	Amount	Balance	Interest	Total
1/1	Opening Balance				
	Interest on [illegible]				
	Interest on [illegible]				
	Interest on [illegible]				
	Interest on [illegible]				
	Interest on [illegible]				
	Interest on [illegible]				