



GEF-6 PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Medium-sized Project

TYPE OF TRUST FUND: Capacity Building Initiative for Transparency

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PART I: PROJECT INFORMATION

Project Title:	Transparency under the Paris Agreement: National and Subnational contribution and tracking towards Mexico's NDC		
Country(ies):	Mexico	GEF Project ID: ¹	
GEF Agency(ies):	IADB (select) (select)	GEF Agency Project ID:	
Other Executing Partner(s):	Ministry of Environment and Natural Resources	Submission Date:	09/03/2018
GEF Focal Area(s):	Climate Change	Project Duration (Months)	24
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/> Corporate Program: SGP <input type="checkbox"/>		
Name of parent program:	[if applicable]	Agency Fee (\$)	173,515

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
(select) (select) CBIT	CBIT	2,000,000	1,500,000
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
Total Project Cost		2,000,000	1,500,000

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective:						
Project Components	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Co-financing
Consultation / diagnostic on MRV at national and subnational level	TA	Understanding variety, commonalities and capabilities of current MRV practices in Mexico at national and subnational level	Report on MRV practices at national and subnational level as baseline for SIAT-NDC concept development	CBIT	200,713	250,000
SIAT-NDC Concept development	TA	SIAT-NDC Concept developed as foundation for transparency of action under the NDC	Report of SIAT-NDC Concept development	CBIT	182,466	150,000

¹ Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT guidelines](#).

³ Financing type can be either investment or technical assistance.

SIAT-NDC content definition	TA	Defined content for the SIAT-NDC in the form of variables or database fields to be incorporated	Proposal of SIAT-NDC Content and variables relationships	CBIT	136,850	250,000
SIAT-NDC validation and public consultation	TA	Public and government validation of SIAT-NDC concept and content for programming of electronic platform	Consultation reports	CBIT	319,316	250,000
SIAT-NDC Electronic Platform programming and testing	TA	Functional SIAT-NDC platform Trained users	SIAT-NDC electronic platform and test results reports Training sessions for potential users	CBIT	364,932	150,000
MRV Guidelines development	TA	Standardized guideline for MRV of actions relevant to the NDC	MRV Guidance document and training on its use	CBIT	136,850	150,000
SIAT-NDC Operations manual	TA	Full understanding on the operation of the SIAT-NDC	SIAT-NDC Operations manual	CBIT	91,233	150,000
Knowledge exchange workshops and activities	TA	Dissemination of SIAT-NDC operation and results; exchanged transparency practices with partners and other relevant institutions with whom Mexico collaborates on transparency issues	Dissemination materials and workshops	CBIT	228,081	150,000
	(select)			(select)		
	(select)			(select)		
Subtotal					1,660,441	1,500,000
Project Management Cost (PMC) ⁴				CBIT	166,044	0
Total Project Cost					1,826,485	1,500,000

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: ()

C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Donor Agency	GIZ	Grants	200,000
Recipient Government	SEMARNAT	In-kind	200,000
GEF Agency	IADB	Grants	850,000
Others	ICAT (UNEP-DTU)	Grants	250,000
(select)		(select)	
(select)		(select)	
Total Co-financing			1,500,000

D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS ^{a)}

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) ^{b)}	Total (c)=a+b
IADB	CBIT	Mexico	Climate Change	(select as applicable)	1,826,485	173,515	2,000,000
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
Total GEF Resources					1,826,485	173,515	2,000,000

a) Refer to the [Fee Policy for GEF Partner Agencies](#).

E. PROJECT PREPARATION GRANT (PPG)⁵

Is Project Preparation Grant requested? Yes ☒ No ☐ If no, skip item E.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

Project Preparation Grant amount requested: \$45,662					PPG Agency Fee: 4,338		
GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee ⁶ (b)	Total c = a + b
IADB	CBIT	Mexico	Climate Change	(select as applicable)	45,662	4,338	50,000
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
Total PPG Amount					45,662	4,338	50,000

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$2m (for MSP); up to \$100k for PF up to \$3m; \$150k for PF up to \$6m; \$200k for PF up to \$10m; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

⁶ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁷

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	<i>Hectares</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>Hectares</i>
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	<i>Number of freshwater basins</i>
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	<i>Percent of fisheries, by volume</i>
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	<i>metric tons</i>
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	<i>metric tons</i>
	Reduction of 1000 tons of Mercury	<i>metric tons</i>
	Phase-out of 303.44 tons of ODP (HCFC)	<i>ODP tons</i>
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	<i>Number of Countries: 1</i>
	Functional environmental information systems are established to support decision-making in at least 10 countries	<i>Number of Countries: 1</i>

PART II: PROJECT JUSTIFICATION

1. *Project Description.* Briefly describe: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area⁸ strategies, with a brief description of expected outcomes and components of the project, 4) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and co-financing; 5) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF); and 6) innovation, sustainability and potential for scaling up.

Background

The Paris Agreement aims to strengthen global response to the threat of climate change by reducing greenhouse emissions as soon as possible to hold the increase in “the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C”. To achieve these goals, the Agreement recognizes “the importance of engaging all levels of government and various actors” not just in the “preparation, communication, maintenance, adjustment and accounting of successive nationally determined contributions” (Article 4), but on “enhancing education, training, public awareness, public participation and public access to information” (Article 12).

⁷ Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the GEF-6 Programming Directions, will be aggregated and reported during mid-term and at the conclusion of the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF, SCCF or CBIT.

⁸ For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which Aichi Target(s) the project will directly contribute to achieving.

Tracking the progress towards the targets under a nationally determined contribution (NDC) is at the core of Paris Agreement, as Parties “shall account for their nationally determined contributions” (Article 4) and each Party “shall regularly provide... information necessary to track progress made in implementing and achieving its nationally determined contribution” (Article 13). In that process, the countries must take the necessary provisions to “promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensure the avoidance of double counting” (Article 4). As set in Article 13 of the Paris Agreement, transparency of action and of support provided, received, and needed must provide a clear understanding of climate change action and help build trust and mutual confidence among Parties in the new regime established under the Paris Agreement.

In this context, Mexico is of the view that the implementation of the Paris Agreement equally relies on Party and Non-Party stakeholders at the local, national, regional and global scales. Their action and results are expected to contribute to national targets and hence may be accounted for the NDC; however, clear modalities and procedures for monitoring, reporting and verification of mitigation, and monitoring and evaluation of adaptation is a necessary step towards transparency of action as conceived in the Paris Agreement. Equally important is adoption of provisions that avoid any double counting towards the NDC, and that the accounting is conducted in a way that promotes environmental integrity, transparency, accuracy, completeness comparability and consistency. All these elements are paramount in demonstrating progress on targets and their achievement under the NDC.

Global environmental problem.

Transparency of action and of support (received, provided, and needed) has become an important component of the climate change negotiations under the United Nations Framework Convention on Climate Change (UNFCCC). The topic becomes particularly relevant as in 2018 the Parties to the UNFCCC develop and agree on the Paris Agreement Work Programme, which must be adopted by COP-24. As signaled in the introductory remarks above, transparency must lead to facilitate or guide tracking of progress, and promote comparability of progress and of end results coming out of targets under the NDCs. It is through transparency of action, characterized by the features listed under articles 4 and 13 of the Paris Agreement, that Parties and the UNFCCC Secretariat may assess the collective progress towards the goals adopted in the Paris Agreement.

The input that will come out from Parties’ biennial transparency reports is expected to play a significant role in the first Global Stock take scheduled for 2024, where Parties will decide on how to further increase ambition beyond what has been pledged or submitted by 2020. Such decision is paramount in relation to the potential gap that may exist in between pledges under the NDCs and the required reduction as signaled by science to hold the increase in global mean temperature well below the 2°C. With limited comparability of data or with significant inconsistency of results there is a greater possibility of uncertainty when assessing the achievement of the Paris Agreement goals. If not correctly addressed, lack of transparency and bias on the assessment of progress may also lead to a lack of further ambition under subsequent NDCs.

So far, Parties have not agreed yet on any modalities, procedures or guidelines applicable to transparency of action. Nevertheless, countries would need to engage as soon as possible on the design of own systems, platforms, modalities or procedures as way of developing any national systems or frameworks for transparency, building on the experiences and practices already adopted for measuring, monitoring, reporting and verification (MRV) and for monitoring and evaluation (M&E) of climate change policies. It is through their own work that Parties may positively contribute to the international discussion on transparency.

Mexico considers that the Capacity Building Initiative for Transparency (CBIT) together with complementary initiatives such as the Initiative for Climate Action Transparency (ICAT), the International Partnership for Mitigation and MRV, or the NDC Partnership and the technical assistance from the Inter-American Development Bank (IDB) would enable Mexico’s work on transparency towards sound implementation of its NDC, and through its experience, would facilitate a positive and proactive contribution to the negotiations and implementation of the Paris Agreement Work Programme.

Baseline.

The baseline for the project comes from the definition and adoption of a Nationally Determined Contribution (NDC), the legal foundation for transparency and tracking progress under the NDC, and the current efforts or progress to date in enhancing transparency of climate change policy and results in Mexico.

(1) Mexico's NDC and the challenge of tracking progress

Mexico prepared and submitted an Intended Nationally Determined Contribution (INDC) in March 2015, ahead of the COP-21 negotiations. With Mexico's ratification of the Paris Agreement on 21 September 2016, and its entry into force on 04 November 2016, Mexico's INDC has become its first Nationally Determined Contribution (NDC).

The Nationally Determined Contribution (NDC) submitted by Mexico assumes an unconditional target of reducing national greenhouse gas (GHG) emissions by 22% and by 51% those of black carbon (short-lived climate pollutants), below the business as usual scenario by the year 2030. The targets may increase to 36% and 70% respectively subject to the existence of an international agreement that facilitates technology transfer and the provision of financial and capabilities support. Mexico's NDC also includes an adaptation component that aims to reduce the vulnerability and enhance the resilience of communities, strategic infrastructure and economic activities, and of natural resources, this latter via ecosystems-based adaptation.

Based on national estimates, Mexico considers that the unconditional target could be achieved by a set of 30 measures and actions in the main emitting sectors of transport, power generation, oil and gas, residential and commercial energy use, industrial processes, agriculture and livestock, waste management and wastewater treatment, and forestry and land use. Similarly, the adaptation component considers nearly 20 measures under the three axes of work in the NDC. Compliance with the conditional target or an increase in ambition would imply additional measures on both, mitigation and adaptation.

In principle, the implementation of mitigation and adaptation actions in Mexico would rely on plans, interventions, and investments made by public and private entities across the country. Any of these interventions and investments would need to be measurable, reportable and verifiable with regards to their projections, estimations or amounts, and their tracking of results should be made in a consistent, complete, and transparent manner. The implementation of these measures and actions would need to be monitored and its results be measured and reported so as to allow the Government of Mexico to assess progress towards the national targets under the NDC. Clear guidance on how to perform such tracking and reporting by different entities or at different levels of government, or on how to aggregate results becomes relevant to assess progress towards national targets. Equally relevant is the adoption of a system, tools and procedure that would facilitate, guide and manage the work on transparency and assessment of progress.

Nowadays, there is no system, platform or procedure in place around the monitoring, reporting or verification of the NDC. This situation is the baseline for the project. Nevertheless, work should start on that direction as the 2020-2030 period of NDCs is about to start and as discussions under the UNFCCC aim to agree by December 2018 on a Work Programme for the implementation of the Paris Agreement.

Current efforts in Mexico have gone into the definition of measures for mitigation and adaptation and for their costing, so as to indicate the potential portfolio of actions and projects to be undertaken under the NDC, and to indicate the magnitude of investment needed to achieve the national targets. Some progress has been reached with subnational authorities in enhancing their understanding on the content and targets of the NDC, and on the potential role they may have on achieving the targets. Also, there is progress on setting up the regulatory and institutional frameworks at subnational level for climate change policy to be developed and implemented consistently in relation to the provisions of the LGCC. In addition, many subnational authorities have launched Climate Change Action Plans which incorporate mitigation or adaptation targets; some of them include a clear definition of the MRV and M&E components for tracking progress of the plan.

Work remains to be done in the conceptualization, development and testing of the tools applicable to the financing, monitoring, reporting and verification of results under the NDC targets, and in the preparation of guidance for public and private entities that participate in actions related to the NDC. The development and adoption of a transparency framework, in the context of agreements reached under UNFCCC, will define how Mexico tracks progress and demonstrate compliance with national targets.

Legal foundation for transparency of climate change policies and actions in Mexico.

The General Law on Climate Change (LGCC) has transparency as one of the principles underpinning the provisions of the law. Under its Article 26, the LGCC defines that Mexico's climate policy must be formulated in a way that ensures equal access to information considering the joint responsibility of different levels of government. As expressed in articles 27, 31, 32 and 33, climate policy must include instruments for the timely and adequate measurement, monitoring, reporting, verification and evaluation of national emissions and reductions, as well as of adaptation measures, taking into consideration the provisions of multilateral agreements ratified by the country. The law also defines the responsibilities on policy development and action at the federal (Art. 7), state (Art. 8) and municipal (Art. 9) levels. In addition, as set in Article 25, national climate policy must be evaluated with the support of the National Institute of Ecology and Climate Change (INECC) and the participation of federal, state and municipal institutions responsible for the implementation of mitigation and adaptation programs or actions. Coordination must come through the National Climate Change System (SINACC) to ensure congruence, collaboration, and complementarity (Art. 38) across different sectors and levels of government, including the participation of the Executive and Legislative branches of government, and that of the Climate Change Council.

Progress on transparency of action in Mexico.

Progress on transparency comes from various sources, all of which have a foundation on the LGCC, but which have acted separately from each other.

One of the first steps towards transparency of emissions comes from the Regulation on the National Emissions Registry (RENE), which establishes that any economic activity with annual emissions above 25,000 tCO₂e must report emissions to SEMARNAT and must verify the reports according to a defined calendar and thresholds. Under the RENE, the government (through SEMARNAT) may produce and publish an emissions reports that would provide an overall view of emissions per sector, region or gas, based on data reported by the emission sources themselves (a bottom-up approach).

A second element of progress comes from the preparation and publication of national GHG emissions inventories, and the corresponding publications in the form of National Communications and Biennial Update Reports. These activities and reports provide a thorough description of progress made in the implementation of the Convention. However, so far these do not cover the potential elements of the NDC as some of the main features are under discussion under the UNFCCC, and the existing documents follow guidelines prepared before the existence of the Paris Agreement.

A third element on transparency emerges from the evaluation of national climate change policy conducted by the Social Advisors of INECC's Evaluation Coordination. So far, and based on the provisions of the LGCC, a first evaluation has been conducted and made publicly available. This first evaluation exercise reviewed the design and implementation features of the PECC and the coincidence or applicability and impact of the federal budget allocated to climate change actions. Among the issues identified by the evaluation is the limited match in between budget and actions, as the funding allocation does not correspond to the lines of action committed by different Secretariats in the PECC. Specific recommendations were provided and may be used as input to the project.

A fourth element on transparency is the Open Government Alliance (AGA) in which Mexico participates. One of the open government commitments adopted has to do with transparency and access to vulnerability and adaptation information in support of decision making in Mexico. The commitment is under the responsibility of the General

Directorate for Climate Change Policies (DGPCC) of SEMARNAT, a circumstance that allows to better integrate the activities and results from the initiative into the proposed project for CBIT.

A fifth element relates to the tracking of international support on climate change. The Mexican International Cooperation Agency (AMEXCID) is legally responsible for collecting and publishing this type of information. However, some of the cooperation agencies or project implementers may not have a direct contact with the agency, a limitation that prevents them from registering all the cooperation activities on climate change. A second registry within SEMARNAT exists, by the International Affairs Unit (UCAI), based on the signature of agreements, memorandums of understanding, or similar documents that indicate the type, value, objective, and activities or different cooperation projects. The information is already publicly available, but is mainly used for keep track of progress in the interaction with partners and countries.

Expected contribution from the CBIT project.

As established in the LGCC (Art. 7), the subnational entities should formulate, conduct and evaluate their mitigation and adaptation climate change policy and actions, in accordance with the National Strategy and National Policy for Climate Change, incorporating criteria in the environmental policy instruments. Subnational and municipal entities must (Article 8 and 9) also develop and implement their program on climate change, promote social participation from all sector stakeholders and strengthen strategies for:

- The establishment of criteria, indicators, procedures for monitoring and evaluation and of compliance with national policy goals and the impact of mitigation and adaptation implemented actions.
- Find and manage local funds to support and implement local actions.
- Celebrate coordination agreements with the Federal Government, federal entities and municipalities for the implementation of mitigation and adaptation actions.
- Promote scientific and technological research for development for technology transfer, equipment and processes for mitigation and adaptation of climate change strategies.
- Develop strategies, programs and comprehensive projects for GHG mitigation for efficient and sustainable transportation systems.
- Undertake educational and sensitization campaigns for information and prevention about climate change adverse impacts.

Subnational entities are responsible for the design and implementation of public policies with the greatest impact aligned with the National Strategies for Climate Change, related with LULUCF authorizations, reforestation, domestic waste management, ecosystems management, urban development, monitoring report and verification in the field, control of emissions in fixed and mobile sources of state competition (light or small industry, special handling waste and urban solids). They are also responsible for implementing comprehensive transportation improvement programs, promoting social participation, developing the state risk atlas, designing and promoting incentives.

Subnational entities represent an important laboratory for public policy innovation and their results can be adopted nationally and internationally. Local policies are the critical link in the vertical integration of climate policies and progress evaluation with national governments for NDC commitments.

Through this project Mexico will demonstrate that transparency goes beyond accounting and that it has a cross-cutting nature in technical, financial or political decisions in the Paris Agreement, but also in its implementation on a domestic level. The transparency system that will be developed (labelled as SIAT-NDC, Sistema de Informacion de lde Acciones para la Transparencia del NDC) is expected to provide a platform for:

- i) Common language in the country around tracking of progress of the NDC;
- ii) Future evaluation of mitigation and adaptation goals or policies as mandated by the LGCC;
- iii) Avoiding duplication of efforts in tracking progress; and

iv) Enhanced accountability of the country with regards its own NDC.

The SIAT-NDC will be built based on the experience and lessons learned from the SIAT-PECC system which is an on-line platform that allows government entities to report on their lines of action under the national Special Climate Change Program (Programa Especial de Cambio Climático-PECC). The proposed project components will comprise the following activities:

- 1) Consultation process on MRV practices for the development of the SIAT-NDC. The component aims to research, compile and process the different existing practices for monitoring, reporting and verification of climate change actions at subnational level. Some are based on local regulatory requirements whereas others may come from technical support by consultants or are just absent. The consultation will also look into the existing practices at federal level, in the form of the SIAT-PECC, the RENE, the commitments under the Alliance for Open Government, and similar actions. The consultation process must provide a deeper characterization of MRV in Mexico. The exercise will greatly enhance the Government understanding on the variety, commonalities and capabilities of MRV practices in Mexico both at the national and at the subnational level. This information will be used on the design of the platform, on the development of manual and guidelines and for setting-up training programs.
- 2) Concept development and content definition of the SIAT-NDC. Under these two components the critical attributes of the platform will be developed, defining priorities, activities, components, roles of each relevant actor, institutional arrangements needed, timelines, among others. This work will also define standardized data requirements, collection, sharing and gathering concepts, as well as the variables, database fields and their interactions that will be core elements of the system. These components must ensure that the NDC will be properly tracked and would also help define the additional functionalities that may be required for further processing the data collected, for generation of reports for different audiences, and for government officials to track progress on a regular basis and make decisions on that basis.
- 3) Validation and public consultation. A series of exchanges of information and consultations will be carried out with relevant public and governmental stakeholders on the SIAT-NDC proposed concept and content. The component considers that consultation will take place with a wide range of institutions, particularly with those that would become as the data providers and from whom the experiences in component one of the project were drawn from. The validation implies field visits to states, consultations with public and private entities, and a set of technical meetings and discussions that may potentially refine the SIAT-NDC concept and help further identify the documentation and training requirements.
- 4) SIAT-NDC programming, testing and training. The component is completely focused on transforming the validated concept and content into an electronic platform that will be used on a regular basis for tracking and reporting progress under the NDC. The programming of the platform will be based on open-source tools to allow for maximum flexibility at the lowest possible operating cost. The platform will need to draw elements and ensure smooth, consistent and secure communication with the SIAT-PECC platform under development, so data or information may be shared across platforms. The component also considers the testing of the platform to ensure that all the functionalities programmed in the platform are fully operational, are robust, and are error-free. As the testing takes place, the component will also develop and deliver training courses or sessions with the wide array of institutions that would provide data on a regular basis, and who may be located throughout the country. The training sessions are expected to take place in different parts of the country and, in the process, to test the usability of the platform, the robustness of communications, and the security aspect on data provision.
- 5) MRV guidelines development. As the SIAT-NDC is being developed, the component of MRV Guidelines development aims at ensuring that all the potential participants or data providers would have a standardized and common understanding on how to work with the platform and what data and data processing requirements may exist at the local level for the participating institutions to be able to provide data as envisioned. Hence consistent guidelines and templates will be produced to ensure the consistency and coherence of the data, as well as adequate coordination and procedures.

6) SIAT-NDC operational manual. The manual will be a comprehensive guide of the operation of the system and will be an invaluable instrument to reinforce the training of the users of the platform to ensure the reliability of the information provided through the SIAT-NDC.

7) Knowledge exchange, workshops and activities. The dissemination of information on the development and implementation of the platform and the wider transparency framework will enhance transparency practices within the Government and with stakeholders and partners, but also is expected to play a key role to promote project activities among a diverse range of audiences. The component will work with the existing climate change institutions (CICC; SINACC, and C3) as well as with other relevant stakeholders. It is assumed that an important part will be in the form of on-site meetings and workshops on transparency and on the use and functionalities of the SIAT-NDC and its implication for transparency under the NDC. It also assumes the development of a significant variety and number of publications or materials to be shared electronically or in printed format. It also considers the preparation and hosting of regional sessions with countries from the Latin America and the Caribbean region that have an interest on transparency work and who will also be in the process of developing their own systems or procedures; and the potential presentation of the transparency framework and platform in international meetings including as side-event at the Conference of the Parties of the UNFCCC.

Benefits and potential for scaling up.

The expected benefits from the implementation of the project include:

- Clear, common and solid base of trust, solidarity and collective work as essential element for objectives fulfillment
- Useful, ambitious and creative tracking mechanism that provides confidence and supports potential finance flow towards NDC implementation
- Institutional and sectoral capacity building and technology for the instrumentation of the NDC
- Robust and confident Monitoring, Reporting and Verification through a common platform for NDC goals contributions
- Consistent, comparable, no double counting and integrity elements for reporting.
- Effective participation of all sectors and subnational stakeholders.
- Clear indication of stakeholders contribution to the fulfillment of Mexico's NDC.

A reduction of transaction costs associated with the tracking is expected as a centralized, electronic platform, based on publicly available guidance and training may support an expedite reporting of progress.

At the international level, progress evaluation of the progress may be based on the results or reports generated by the SIAT-NDC, in a manner that is consistent with Art. 13 of the Paris Agreement. Mexico's SIAT-NDC may become a reference on tracking and reporting progress of NDCs.

Given the national context and the proposed actions, the project will significantly support the country in moving from limited state-level systems, to an interconnected network or platform that will allow to track progress towards the NDC.

2. Stakeholders. Will project design include the participation of relevant stakeholders from civil society organizations (yes ☒ /no ☐) and indigenous peoples (yes ☐ /no ☒)? If yes, identify key stakeholders and briefly describe how they will be engaged in project preparation.

The platform will aim at including inputs from different sectors, national and local actors. To this end and for the development and adoption of the SIAT-NDC system the following stakeholders and their role have been identified: (a) members of the Inter-Ministerial Commission on Climate Change (CICC), representing 14 different Secretariats from the Federal Government, who will participate in the consultations on the MRV practices at federal level, the SIAT-NDC Concept development, and the testing of the platform.

(b) members of the National System on Climate Change (SINACC) including CICC representatives, representation from each of the 32 state-level governments, and two associations of municipal governments, plus members of Congress (Deputies and Senate) and the Climate Change Council (C3): given the variety or breadth of its membership, the SINACC becomes the most relevant institution for the project components. The SINACC members at state and municipal level will be the main source of input to the consultation on MRV practices at subnational level; all the SINACC participants will participate in the SIAT-NDC Concept Development, through interviews, consultations or direct engagement by the team coordinating the component. The SINACC members will also participate in the SIAT-NDC validation and public consultation. In particular, the C3 brings together the opinion of academia, private sector and civil society, who advise the CICC on climate policy development. In this case, the C3 plays an important role on dissemination of the SIAT-NDC Concept and on providing feedback about it.

(c) civil society organizations who have previously participated on policy development, workshops organized in the preparation of the INDC, or on other similar activities, will be engaged for the SIAT-NDC Validation and public consultation component. They also have the potential to participate in the knowledge exchange workshops with similar organizations at subnational level or from other countries in the Latin America and the Caribbean region.

(d) multilateral and bilateral institutions have a role to play. Some of them, like GIZ, already work with federal or subnational entities on policy or regulatory development and on facilitating policy coherence across levels of government, having the LGCC as reference. Others, like the Inter-American Development Bank, maintain technical assistance activities that support some elements of the MRV aspect of climate policy. For instance, through a Technical assistance project, the IADB supports the preparation of the SIAT-PECC, an electronic platform that will allow all the Secretariats from the CICC to track and report on their actions and results, based on what is defined by the Special Program on Climate Change (PECC). The Mexican-Danish Cooperation Programme on Energy and Climate Change includes a component of support for the update of the National Strategy on Climate Change. In the past, the programme supported public consultation activities in the preparation of the INDC. Multilateral and bilateral institutions are also a potential partner for knowledge exchange workshops and activities, as these have been supported in the past in different technical cooperation activities or programs.

3. Gender Equality and Women's Empowerment. Are issues on gender equality and women's empowerment taken into account? (yes ☒ /no ☐). If yes, briefly describe how it will be mainstreamed into project preparation (e.g. gender analysis), taking into account the differences, needs, roles and priorities of women and men.

The development and adoption of the SIAT-NDC system including the electronic platform and accompanying documentation and operation is an opportunity for the incorporation of new staff or for bringing external support to the government. On this, an equal employment opportunity policy applies, based on merit, so as to create equal opportunities for men and women when applying as consultants or technical advisors of the project. Gender also becomes relevant in the preparation and in the participation in the validation and public consultation component of the project. As Mexico was one of the main supporters of the Gender Action Plan (GAP) adopted under the UNFCCC in November 2017, the project here represents an opportunity to channel activities as conceived under the GAP.

4 Risks. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable).

The following risks and their mitigation have been identified:

Risk 1: Change in government and of public officials.

- Likelihood: medium

- Impact: medium

- Description: Mexico will go through presidential elections on July 2018, and a new administration will take office on December 1, 2018. In the timeframe of the project, public officials serving as points of contact or participants of the project may change, threatening the continuity or outcomes envisaged for the project.

- Risk mitigation measure: The project relies on the public institutions that are created or that exist by law, and even though there may be changes, the likelihood of massive substitutions is relatively low. Through the engagement of a wider array of people, from the aforementioned institutions, plus the commitment made as country, reduces the potential impact arising from changes to personnel. Also, the participation and engagement of organizations or institutions outside of the sphere of the federal government reduces the possibility of a project cancellation that could come from changing officials.

Risk 2: delays in project implementation due to change in government

- Likelihood: high

- Impact: low

- Description: a change in government at federal level may delay the approval of some activities or may interrupt the continuity of the work plan.

- Risk mitigation measure: The workplan for the project may take the potential risk into consideration, during the planning phase, so as to minimize the potential impact. In addition, the project has a clear linkage with commitments made as Party to the UNFCCC and the Paris Agreement; such situation creates a sense of urgency and continuity based on the discussion and negotiations for the Paris Agreement Work Programme and the implementation.

Risk 3: delays on expenditure of project funds or on those from co-financing institutions.

- Likelihood: low

- Impact: medium

- Description: the regular administrative processes followed by the government or the multilateral institutions may delay expenditure with respect to an optimistic work plan.

- Risk mitigation measure: The project does not solely rely on a source of funding. The co-financing for the envisioned components of the project would reduce the potential impact of expenditure delays, as activities may be covered by different sources of funding that are complementary to each other.

5. *Coordination.* Outline the coordination with other relevant GEF-financed and other initiatives.

The project coordination will be implemented by SEMARNAT, through the DGPCC, with the support of the IADB. The DGPCC is responsible for the NDC implementation in Mexico and also act as Technical Secretariat to the CICC, point of contact to the C3, and substitute Technical Secretariat to the SINACC. The area also coordinates support to subnational entities on climate change issues, and maintains regular communication with subnational authorities. In addition, the DGPCC coordinates the work under the RENE and is responsible for designing climate policy that becomes applicable to different sector or levels of government.

The project will also make use of the established communication channels with different organizations in Mexico and with other relevant partners outside of Mexico with whom a South-South cooperation scheme may be applicable. On the latter, the International Affairs Unit of SEMARNAT coordinates exchanges with other countries in the Latin America region, and acts as point of contact for the Pacific Alliance, the NDC Partnership, and other international initiatives.

Lessons learned and experiences acquired in the project may become an important contribution to the Global Coordination Platform coordinated by CBIT / GEF.

The project will also use the results or outputs coming from existing transparency and reporting processes, such as the preparation of the 6th National Communication to the UNFCCC and the 2nd Biennial Update Report; the Accounting Rules project by GIZ/BMUB with Mexico, Colombia and Costa Rica; the Vertically Integrated Climate Protection Initiative (VICLIM), on coherence of climate policies at federal and subnational levels, by GIZ /BMUB; the development of the SIAT-PECC platform in collaboration and with the support from the IADB; or the MRV methodologies project and state-level support in progress by INECC.

The project will also coordinate itself with the activities on transparency launched with ICAT, and which are considered as part of the first component of the project.

Mexico's participation in the International Partnership for Mitigation and MRV is another opportunity to reach out to other Parties or countries under the UNFCCC, in relation to the impact of MRV on the tracking of progress towards an NDC, and on the adoption or sharing of practices around transparency.

6. Consistency with National Priorities. Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes ☒ /no ☐). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

The proposed project is fully aligned with the mandates established in the LGCC and the scope, coverage and expected outcomes from the NDC. It follows closely the decisions, modalities, procedures and guidelines approved under the UNFCCC negotiations on Article 13 and on Articles 4 and 6.

7. Knowledge Management. Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

As part of the Knowledge management of the project, the activities related to workshops, training, or interviews, and their results may become a contribution to the Global Coordination Platform. The engagement and potential exchange with existing projects and initiatives by various agencies in Mexico enhances the impact the project may have not just in Mexico but in the region as well. Dissemination materials commonly prepared under different projects, in the form of electronic blogs, factsheets or briefing documents, videos, or other may already support the knowledge management component of the project.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT⁹ OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):
(Please attach the Operational Focal Point endorsement letter(s) with this template. For SGP, use this SGP OFP endorsement letter).

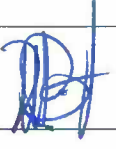
NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Camila Isabel Zepeda Lizama	Directora General de Organismos Financieros Internacionales	SECRETARIAT OF FINANCE AND	03/09/2018

⁹ For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

		PUBLIC CREDIT (SHCP)	

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies¹⁰ and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

Agency Coordinator, Agency name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email
Juan Pablo Bonilla, IDB GEF Executive Coordinator		03/05/2018	Gloria Visconti, Climate Change Lead Specialist	1 (202) 623-3360	gloriav@iadb.org

C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION (APPLICABLE ONLY TO NEWLY ACCREDITED GEF PROJECT AGENCIES)

For newly accredited GEF Project Agencies, please download and fill up the required [GEF Project Agency Certification of Ceiling Information Template](#) to be attached as an annex to the PIF.

¹⁰ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT