

Mexico Cap - and - Trade Pilot Program

Description

This is the first emissions trading scheme pilot in Latin America. Its main component consist of simulating the most important policy tool for Mexico to achieve its climate goals stated in the General Law of Climate Change and the Paris Agreement. Emissions trading schemes are the most cost-effective mechanism for reducing greenhouse gas emissions.

Objective

To stimulate capacity building among participating entities and provide a policy learning exercise to aid government agencies in the design of market regulation.

Benefits for participants

- Strengthen competitiveness of national companies in a changing global context, introducing them to state-of-the-art market mechanisms.
- Guarantee the access of Mexican products to international markets that are increasingly stringent on environmental regulation.
- Partake in the development of a domestic market that fosters technological development, innovation and low carbon business practices.

Duration

Total duration of one year, divided in 2-3 month cycles.

Sectors

Transportation, aviation, electricity generation and industry, including but not limited to: oil refineries, producers of iron, cement, paper, glass, ceramics and chemical industries.

Selection of participants

Voluntary participation of 70-120 entities from key sectors, selected on the basis of their importance and leadership in their respective industries.

Volume

70 million tons of carbon dioxide equivalent (tCO₂e).

Sponsors



Target - 22%

Year Sector	Base line in MtCO ₂ e				Target in MtCO ₂ e	
	2013	2020	2025	2030	2030	Δ
Transport	148	185	205	229	181	-21%
Electricity generation	126	143	181	202	139	-31%
Residential and commercial	26	27	27	28	23	-18%
Oil and gas	87	123	132	137	118	-14%
Industry	141	154	177	202	194	-4%
Agriculture	80	88	90	93	86	-8%
Waste	31	40	45	49	35	-28%
Land use and forestry	33	32	32	32	-14	-144%
Total direct emissions	627	792	888	973	726	-22%

GHG Pathway 2013-2030

