



PHOTO: RAFAEL FLORES / USFS

MEXICO

CLIMATE CHANGE COUNTRY PROFILE

USAID/Mexico promotes climate-sustainable growth by transforming key sectors to reduce greenhouse gas emissions, strengthening inclusive, sustainable market systems, and partnering to reduce the impacts of an extreme climate future.

USAID/Mexico partners closely with the Government of Mexico (GOM), particularly at the subnational level, and civil society to advance local climate priorities.

Mexico is the second-largest greenhouse gas (GHG) emitter in Latin America and the Caribbean. The energy sector is the most significant contributor to the country's GHG emissions, accounting for more than 70 percent of total emissions. The agriculture and livestock sectors account for an additional 14 percent of emissions. With nearly half of Mexico covered by forest, its forest sector is a "net carbon sink," removing more greenhouse gasses than it emits.

Mexico's geography makes it vulnerable to extreme weather events, such as tropical cyclones and floods, that threaten the country's aging transportation, power, and water infrastructure. Mexico's important coastal tourism hubs are at risk from the effects of climate change. In rural areas, where small-scale producers earn a large proportion of their income from agriculture, extreme temperatures and erratic rainfall drastically affect both crops and livestock.

Government of Mexico Climate Priorities

In December 2022, the Government of Mexico (GOM) submitted an updated Nationally Determined Contribution (NDC) to the Paris Agreement. Key goals under Mexico's NDC include:

- By 2030, reduce GHG emissions by 35 percent and black carbon emissions by 51 percent.
- Reach a net-zero deforestation rate by 2030.
- Promote sustainable and resilient food production systems.
- Conserve and restore biodiversity and ecosystem services.

USAID's Climate Change Program: Objectives and Results

USAID/Mexico promotes climate-sustainable growth by transforming key sectors to reduce greenhouse gas emissions. In alignment with USAID's climate strategy, USAID/Mexico achieves this by advancing nature-based climate solutions and climate-friendly energy actions and policies. USAID/Mexico's nature-based climate solutions portfolio addresses land use change and environmental degradation, strengthens inclusive productive markets, and increases the value of sustainable natural resource management and environmental services.

Under the climate-friendly energy portfolio, USAID/Mexico is enabling and scaling energy efficiency, strengthening climate-friendly transportation and building standards, reducing methane emissions, and expanding finance for green energy initiatives.

By strengthening stakeholder coordination and advancing inclusive approaches to improve environmental governance, USAID/Mexico is partnering for a climate-sustainable future. For example, USAID coordinates closely with the GOM, particularly at the subnational level, to advance their development and climate priorities through a series of programs and partnerships that promote energy efficiency and natural climate solutions.

Results

- USAID/Mexico's natural climate solutions programs reduced an estimated 1.6 million tons of CO₂ equivalent in Fiscal Year 2023; which is the equivalent of taking approximately 340,000 passenger cars off the road for a year.
- In FY23, USAID/Mexico leveraged over \$18 million in private sector investment to reduce GHG emissions in Mexico.
- Over 300,000 hectares, in priority areas such as the Selva Maya— North America's largest forest—were placed under improved management through USAID/Mexico programs.
- The newest USAID/Mexico environmental programs—Sustainable Landscape Ventures (SLV), Sustainable Prosperous Communities (SPC), and Southern Mexico Generating Employment and Sustainability (SURGES)—aim to unlock over \$300 million of additional mobilized funds for natural climate solutions in priority landscapes.
- The new Net Zero Cities program aims to mobilize \$550 million for energy efficiency projects and reduce GHG emissions equivalent to over 3.3 million gasoline-powered passenger vehicles driven for one year.

Key Programs

Partnership for Net Zero Cities

\$23.4 million (\$550 million mobilized funds), 2022–2027. Net Zero Cities' goal is to help put Mexico on a path to net-zero emissions after 2030 by increasing building energy efficiency and improving access to clean transportation. Expected results in target cities include: a 30 percent reduction in GHG emissions from transport; 15 percent reduction in short-lived climate pollutants; and GHG emissions reduced or avoided equivalent to over 3.3 million gasoline-powered passenger vehicles driven for one year. Partner cities and states include: Hermosillo, Sonora; Monterrey, Nuevo León; Guadalajara, Jalisco; Mérida, Yucatán; and Mexico City.

Southern Mexico – Generating Employment and Sustainability (SURGES)

\$29 million (\$250 million mobilized funds from private sector investment and new sales), 2022–2027. The goal of the project is to mobilize investment and sales to support sustainable growth in southern Mexico. SURGES will connect buyers and small-holder farmers committed to sustainable environmental practices with the goal of reducing emissions from land use change and increase income generation in key value chains (e.g., coffee, cacao, honey, and ecotourism). SURGES will also work with financial institutions to develop or strengthen financial products tailored to the needs of producer organizations and small and medium enterprises.

Sustainable Prosperous Communities

\$31 million (\$60 million mobilized funds), 2021–2026. This project seeks to increase the number of hectares under sustainable and profitable productive systems with access to markets, contributing to reducing deforestation and greenhouse gas emissions while improving livelihoods of smallholder producers. In addition, the project develops financial products tailored to smallholder producer needs and builds their capacity to access finance to drive sustainability, innovation, and scale to reach markets.

Sustainable Landscapes Ventures

\$9 million (\$2 million leveraged funds; \$25 million mobilized funds), 2020–2025. This project is developing sustainable and inclusive value chains at scale that are market driven and investors ready in target landscapes. Through the promotion of low-cost financial services and a pipeline of investable projects, the project will address financial barriers and catalyze commercial investments in sustainable supply chains that preserve forests and improve livelihoods.

Sustainable Management of Community Lands II

\$4.2 million (\$4.2 million leveraged funds), 2018–2023. This project supports improved management of community forests, increasing the economic viability of community-based forest enterprises, and reducing deforestation and forest degradation in the states of Campeche, Quintana Roo, and State of Mexico.

Co2munitario

\$4.1 million (\$4.1 million leveraged funds), 2019–2024. By applying the Climate Action Reserve’s forest carbon protocol, the activity will certify 202,000 hectares in different states, including in Aguascalientes, Oaxaca, State of Mexico, the Yucatan Peninsula and Veracruz. Work is divided into three components: (1) generation of carbon credits; (2) public policy and market strengthening; and (3) organizational capacity strengthening.

Sustainable Landscapes and Forest Transparency Activity

\$5.5 million, 2019–2023. USAID, in partnership with the U.S. Forest Service, supports the GOM in forest management and governance. The activity is putting in place with the GOM a national forest inventory and monitoring system to improve decision making and forest management, improving the transparency and legality of raw materials and forest products, improving sustainable land management, and improving sustainable natural resource management practices at the community level.

Sustainable Landscapes and Forest Transparency Activity Phase 2

\$5.0 million, 2023–2028. USAID, in partnership with the U.S. Forest Service, will strengthen Mexico’s forest and natural resource management practices at the national, subnational and community level. Through this work, USAID will contribute to reducing emissions from land use change, and increasing the participation of women, youth, and other underrepresented populations in the forest sector. Building on past work, at the national level USFS will advance the implementation of Mexico’s upgraded forest and information management systems to improve accessibility, transparency, and the legal commercialization of timber and non-timber forest products. At the subnational level, USFS will also provide technical assistance to government institutions and local communities to strengthen their capacity to mitigate wildfires and manage timber and non-timber forest products.