

# **Embedded Technical Assistant for the implementation of phase 1 of the Emissions Trading Scheme - Mexico**

## Terms of Reference

### **BACKGROUND**

#### **Context**

The NDC Partnership is a global coalition of countries and institutions collaborating to drive transformational climate action through sustainable development. In 2015, the world endorsed the Paris Agreement and the 2030 Agenda for Sustainable Development. Nations signal their commitments to the Paris Agreement through Nationally Determined Contributions (NDCs) - each country's strategy to cut its own greenhouse gas emissions and build resilience against the negative effects of a changing climate. The Partnership advances the goals of the Paris Agreement by bringing together nearly 200 countries and institutions in new ways to accelerate NDC implementation and enhance ambition over time. The Partnership is governed by a Steering Committee, co-chaired by two country representatives. The Partnership's work is facilitated by a Support Unit based at World Resources Institute in Washington DC and the UNFCCC Secretariat in Bonn, Germany.

Mexico has submitted an updated Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) in 2022. This NDC aligns with Mexico's General Law on Climate Change and Article 4 of the Paris Agreement. NDCs represent a country's efforts to reduce emissions and adapt to climate change impacts, as required by the Paris Agreement. Since 2000, Mexico has published three National Strategies on Climate Change and presented five National Communications with greenhouse gas inventories to the UNFCCC.

#### **About the role**

Mexico is committed to reducing its national Greenhouse Gas (GHG) emissions using carbon pricing mechanisms, including the implementation of an Emission Trading System (ETS), which has been regulating the industry and energy sector since 2020 through this mechanism.

To do this, Mexico updated its General Law on Climate Change in 2018 renewing Mexico's political commitment to ambitious climate action and setting the direction of national climate policy in greater consistency with the 2015 UN Paris Agreement. It introduced several significant provisions, including the incorporation of Mexico's Nationally Determined Contribution (NDC). LGCC mandates the establishment, phased development, and gradual implementation of an ETS in Mexico, beginning with a 3-year mandatory Pilot Program. The regulation for the pilot phase of the Mexican ETS was established in October 2019. The pilot phase started in January 2020 and lasted 36 months, followed by the full operative phase starting in 2023.

The support's objective evolved into the current priority, which is to support the design and implementation of the Operative Phase 1 of the Mexico's Emissions Trading System (ETS).

The Emission Trading System has a mitigation potential to reduce 79 MtCO<sub>2</sub>e. Those mitigation represents 37% of the Mexico´s NDC unconditional emission reduction targets, it means 8% of the 30% goal, according with the General Law on Climate Change. This is preliminary information, the mitigation potential is aligned with the NDC updated in 2022.

Mexico requires technical assistance for implementing the Emission Trading System in Mexico to mitigate GHG emissions generated in the energy and industry-regulated sectors in compliance with the General Law on Climate Change and Mexico´s NDC emission reduction targets as a part of the Federal Government priorities on climate change mitigation policy.

The assistant will be working at the SEMARNAT office responsible for the General Directorate of Climate Action Policy. The technical assistant will support the ongoing activities for the operation of the Emission Trading System and develop inputs and technical analysis for design and update its components to mitigate GHG emissions generated in the energy and industry-regulated sectors, according to the General Law on Climate Change and Mexico´s NDC emission reduction targets.

## **Deliverables and Outputs**

1. Documents for formalizing the allowance allocation.
2. Excel data sheets for Emissions Trading System databases updated.
3. Presentations and reports about the Emissions Trading System.
4. Summary report of the activities.

### **Activities:**

- 1.1 Develop at least four templates for formalizing the allowance allocation to participants in compliance, participants not compliance, new participants, adjust allocation for participants.
- 1.2 Develop draft documents for formalizing the allowance allocation for 295 participants.
- 1.3 Develop draft emails by participant for formalizing the allowance allocation.
- 2.1 Review production information and emissions verification report of Emissions Trading System Participants

2.2 Support in reviewing, updating, and monitoring information registered by participants into the electronic platform of the Emission Trading System

2.3 Analyze and identification of participants that did not compliance their obligations (report register and verified emissions, allowances surrender, etc.) through the review of the information submitted in the electronic platform of the Emission Trading System.

2.4 Update the database of the GHG emissions registered by participants into the electronic platform of the Emission Trading System

2.5 Review of documents of the emissions verified submitted by participants.

2.6 Develop the script/templates to carry out the allowances allocation through the electronic platform of the Emissions Trading System, according with the format established.

3.1 Develop at least two presentations which explain participant's obligations during the first three compliance years of the Phase 1 of the Emissions Trading System.

3.2 Analyze the participant's compliance and develop summary presentations about the status compliance by regulated sectors.

3.3 Develop draft presentations to carry out Emissions Trading System Consultative Committee meetings or with stakeholders.

3.4 Support activities to carry out hybrid meetings with the Emissions Trading System Consultative Committee

3.5 Develop agendas and directories of meetings with the private sector, the federal government, and subnational governments.

3.6 Analyze the carbon pricing instruments in México and their linking with the Mexico Emission Trading System.

4.1 Develop a report of the activities done.

## **Timeframe and Duty Station**

This is a full- time position based in Mexico City at the Mitigation Policy on Climate Change Directorate, Climate Action General Directorate, Ministry of Environment for 18 months. The expected start date is 29 July 2024.

## Requirements

- Advanced degree in economics, public policy, sustainable development, or a similar field regarding climate and environment;
- College intern in Mexico;
- Familiarity and knowledge of national climate change policies, strategies and plans of Mexico;
- Demonstrable experience working in climate change tasks in Mexico, including, but not limited to, Emission Trading System in México, carbon pricing instruments programs, government policy and legal frameworks.
- Demonstrated experience working with results-based management tools and systems;
- Excellent writing, editing, digital, and oral communication skills;
- Proficient in Spanish.

## How to Apply

To apply, please submit a complete application package that includes CV, cover letter and daily remuneration expectation to Fernando Mendez Monroy at [fernando.mendezmonroy.5@ndcpartnership.org](mailto:fernando.mendezmonroy.5@ndcpartnership.org) by **17 July 2024**, with the subject '**Mexico - Embedded Technical Assistant for Implementation of 1<sup>st</sup> Phase ETS**'.