

Joint Declaration
between
the Government of the Federal Republic of Germany
and the Government of the United Mexican States
on Climate Action and the Energy Transition and Biodiversity
Berlin, 12 April 2016

On the occasion of the "Mexico in Germany Dual Year" and the launch on 6 June 2016 of the "Germany in Mexico Dual Year", the Chancellor of the Federal Republic of Germany, Dr Angela Merkel and the President of the United Mexican States, Enrique Peña Nieto, reaffirm their cooperation on climate, energy and biodiversity policy:

Joint Commitment to COP 21 Regime and its Implementation, including Climate Finance

1. They welcome the Paris Agreement adopted at the 21st meeting of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) in Paris on 12 December 2015. They are aware that their two countries play an important role in the development of fair and effective global measures to combat climate change and strengthen resilience. They affirm that they will make every effort to hold the increase in global average temperature to well below 2°C above pre-industrial levels and will strive to limit this increase to 1.5°C. They underline their commitment to the goal agreed in Paris to reduce greenhouse gas emissions in order to achieve greenhouse gas neutrality of the global economy in the second half of this century – in particular through decarbonisation of the energy supply.
2. President Peña Nieto expresses his appreciation for Germany's long-standing strong commitment to multilateral governance in the framework of the UNFCCC and the Kyoto Protocol and Federal Chancellor Angela Merkel's active engagement in international climate policy during Germany's G7 Presidency. Federal Chancellor Merkel commends Mexico's role in revitalising the climate negotiations in 2010 in Cancun and its active and constructive participation during the negotiations of the Paris Agreement under the Durban Platform for Enhanced Action.
3. President Peña Nieto and Federal Chancellor Merkel celebrate that the Paris Agreement has integrated, with the same relevance, adaptation and mitigation as axes to deal with the challenges of climate change, as part of a comprehensive agenda of sustainable development in conjunction with the means of implementation (finance, technology and capacity-building) and the voluntary use of the cooperative approaches.
4. Federal Chancellor Merkel recognizes that Mexico was the first developing country to present its intended nationally determined contribution (INDC) with ambitious targets, in addition to integrated components of adaptation, gender and short lived climate forcers. Both countries will continue to work together for the successful implementation of their respective INDCs.

5. Nevertheless, both heads of government call attention to the fact that the intended nationally determined contributions (INDCs) submitted by all Parties will not be sufficient to limit global warming to the aimed for extent. They therefore confirm that the level of ambition of the nationally determined contributions of all Parties must be consistently raised further as part of the agreed five-yearly global stocktake. The two heads of government are committed to ambitiously implementing the Paris Agreement with decisive national climate measures and the prompt development of robust enforcement provisions on accounting for greenhouse gas reductions and on transparency. The two heads of government advocate clear guidance on the necessary information to be submitted in the future with the nationally determined contributions in order to ensure clarity, transparency and understanding. They also stress the importance of ambitious, pre-2020 action that strengthens sustainable economic development. Both countries strive to submit before 2020 long-term strategies for, resilience and low-carbon strategies, as agreed under the Paris Agreement.
6. Germany and Mexico underline the importance of international climate finance efforts by developed countries and highlight the pledge made by developed countries to jointly mobilise, from 2020 and beyond, 100 billion US dollars per year from public and private sources for mitigation and adaptation measures in developing countries. President Peña Nieto applauds Germany's goal of doubling its climate finance contributions by 2020 compared to 2014 and commends Germany's important role as the main bilateral climate finance donor. Federal Chancellor Merkel commends Mexico's exemplary contribution to the Green Climate Fund (GCF). Both heads of government intend to canvass other emerging economies for contributions to the GCF.
7. Both countries, in their efforts to support the paradigm shift towards low carbon and climate-resilient development pathways have made contributions to the Green Climate Fund (GCF) as a crucial global financing scheme to support the implementation of transformational projects and programmes for mitigation and adaptation to climate change.
8. Recognizing the important role of the private sector in the effort to move towards a green and sustainable economy, Mexico and Germany will continue to promote collaboration in public-private schemes to facilitate green investment that contributes to the decarbonisation of economies by investing in green infrastructure and clean technologies, to facilitate the transition to a zero-carbon economy and to increase climate resilience in their economies, communities and ecosystems.

Agenda 2030

9. Federal Chancellor Angela Merkel and President Enrique Peña Nieto underline the particular responsibility of their two countries for the goal of sustainable development in its economic, social and environmental dimensions, as adopted in the 2030 Agenda for Sustainable Development on 25 September 2015 by the heads of state and government in New York. The 2030 Agenda and the Sustainable Development Goals (SDGs) it sets out are aimed at a global transformation to more sustainable economic practices and lifestyles. The Agenda will therefore play an essential role in low-carbon and climate-

resilient development. The two heads of government intend to intensify the cooperation on sustainable development between their two countries.

10. Mexico and Germany are determined to strengthen their actions of joint cooperation with Latin America and the Caribbean, as an essential element to ensure that sustainable development recognizes the role of biodiversity as a transverse component in the implementation of the 2030 Agenda and the SDGs.

Energy Transition and Energy Cooperation

11. Mexico recognizes the technological leadership of Germany in the field of clean energy and its ambitious goal to achieve a consumption of 80% of electricity from renewable sources by 2050.
12. Federal Chancellor Merkel and President Peña Nieto commend the full and large-scale energy transition being implemented by both countries. They share the view that expanding renewable energy sources and enhancing energy efficiency are the most effective means of reducing greenhouse gas emissions in their two countries. Federal Chancellor Merkel welcomes Mexico's comprehensive decisions on liberalising its energy system and on raising the share of clean energy sources to 50% by 2050. President Peña Nieto commends the far-reaching transformation of Germany's energy supply towards a system based on greater energy efficiency and a high share of renewable energies, with the aim, of increasing the share of renewables in Germany's electricity consumption to 80% and halving total primary energy consumption by 2050.

Against the background of the far-reaching energy reforms of the two countries, Mexico and Germany wish to form an energy partnership which builds on their energy dialogue on such topics as the expansion of renewable energies and their system and market integration, the reform of power and gas markets, energy efficiency measures, as well as working towards the reduction of inefficient fossil fuels subsidies. The aim of this energy partnership is a high-level, strategic and intensive exchange of information and experience between the competent bodies of the two countries, regulatory authorities, grid operators and other relevant stakeholders. In particular, the partnership aims to closely involve economic players in the energy sector. Details are contained in the Joint Declaration of Intent on the Energy Partnership, signed by the energy ministers.

13. Federal Chancellor Merkel and President Peña Nieto aim to expand bilateral cooperation in the field of energy. Three contracts on low-interest loans are signed between German and Mexican development banks. These will promote energy-efficient housing construction (50 million euros), the market development of renewable energies, in particular on-grid photovoltaic systems (80 million euros) and refinancing for renewable energy projects (100 million US dollars). Federal Chancellor Merkel furthermore holds out the prospect of a further low-interest loan for Mexico of up to 100 million euros for expanding renewable energies and raising energy efficiency. In the future Mexico will also be supported by a project to promote coherence in climate and energy policies.
14. Germany and Mexico are aware of the huge global significance of transparent raw materials markets, both for global energy supply security and sustainable economic

development in the producing countries. Federal Chancellor Merkel and President Peña Nieto stress the key role of the Extractive Industries Transparency Initiative (EITI) in this context. On 23 February Germany became an official EITI candidate country and thus the fourth OECD country to implement the EITI principles. The Federal Chancellor assures the President of Germany's support in Mexico's application for EITI candidature.

Carbon Pricing

15. Germany and Mexico reiterate their conviction that the allocation of a carbon price is a concrete and cost-effective tool resulting in short-term emissions reductions as well as in long-term impacts such as enhancing innovations and low-carbon investments, which also guarantees the participation of all members of society to address the challenge of climate change. In this regard Germany and Mexico underline their strong interest to support jointly the further negotiations on the cooperative approaches of the Paris Agreement.
16. The allocation of a carbon price is globally necessary, to ensure that the goals of the Paris Agreement are met in a cost-efficient manner; therefore Mexico and Germany are members of the High Level Carbon Pricing Panel and the Carbon Pricing Leadership Coalition (CPLC) to join other governments and the business sector in developing concrete actions towards the establishment of a global carbon price in the near future. Germany and Mexico will also support carbon pricing and the further development of sustainable and robust carbon markets in other forums.
17. For the development of the Mexican carbon market including an emissions trading system, Germany provides assistance and share its experience with Mexico. Both countries will continue their cooperation in this regard and will promote alliances with other partners to strengthen capacities and to encourage the adoption of carbon pricing in different areas.

Mutual Recognition of National Commitment to Climate Action

18. President Peña Nieto commends Germany's ambitious reduction measures, including the goal of cutting greenhouse gas emissions by 80 to 95% by 2050 and to already begin developing a national Climate Action Plan 2050 with the broad participation of industry, the scientific community and civil society. Federal Chancellor Merkel stressed that, as the first emerging economy to communicate its INDC - ahead of schedule on 28 March 2015 - Mexico has set the standard for other countries. Besides unconditional reduction targets set at reductions of greenhouse gas emissions by 22% and of black carbon by 51%, Mexico's INDC contains the goal of reducing greenhouse gas emissions by up to 36% and black carbon by up to 70% by 2030, provided that additional funding and technology transfer are made available under international cooperation. In addition, Mexico set adaptation goals that highlight the relevance of increasing resilience and reducing vulnerability of ecosystems and societies, as well as the synergy with mitigation actions. The Special Programme of Climate Change (PECC 2014-2018) outlines the path to achieve the reduction of GHGs as well as short-lived climate pollutants in emitting sectors such as: Transport, Oil and Gas, Agriculture, Waste, Power Generation, Forest and Residential.

German-Mexican Climate Cooperation for Sustainable Development

19. Federal Chancellor Merkel and President Peña Nieto commend the positive results of bilateral cooperation on climate action arising from German – Mexican development cooperation as well as the International Climate Initiative (IKI). In this framework, climate projects totalling around 700 million euros have been agreed since 2008. Mexico's INDC is considered as the frame of reference for German-Mexican cooperation in the field of climate action and beyond. The Paris agreement aims at implementing NDCs, with the ultimate goal of reaching climate resilient and low carbon growth and closely links this to the Agenda 2030 as both processes should mutually reinforce themselves. With regard to greenhouse gas reduction, the focus of cooperation will be on the expansion of renewable energies and raising energy efficiency. With regard to adaptation to climate change, the heads of government consider the conservation of biodiversity as a priority for joint action. Federal Chancellor Merkel states that the climate projects approved by Germany for Mexico in 2015, representing a total value of 283.5 million euros, are aimed at advancing achievement of Mexico's conditional targets. One of the approved projects will support Mexico's preparations for emissions trading.
20. Mexico fully recognizes the contributions of the German development cooperation and the International Climate Initiative (IKI) to strengthen national actions on mitigation and adaptation to climate change and preserving biodiversity.
21. With great success, both countries have extended their collaboration to triangular cooperation towards Latin America and the Caribbean, sharing best practices that have already been applied in the bilateral relationship. Mexico and Germany, main co-operation partners, reiterate their commitment to intensify cooperation in the field of environment, natural resources, biodiversity, climate change and green growth.

Biological Diversity

22. Along with climate change, biodiversity loss represents one of the major global risks in the XXI Century. Both are challenges that have economic and social implications and demand urgent and ambitious action within the framework of sustainable development.
23. Mexico and Germany reaffirm their commitment to achieve successful decisions at the 13th Conference of the Parties of the Convention on Biological Diversity to be held in Cancun, Mexico, in December 2016 and aim at promoting the integration of biodiversity in productive sectors, such as in agriculture, forestry, fishing and tourism.
24. Mexico and Germany collaborate on initiatives and bilateral projects for mainstreaming biodiversity in productive sectors, and strengthen cooperation with the private sector.
25. Federal Chancellor Merkel and President Peña Nieto stress the great importance of the conservation and sustainable use of biological diversity in the context of climate change. Forests are not only habitats, they also act as greenhouse gas sinks, store water and alleviate the impacts of extreme weather events. Federal Chancellor Merkel and President Peña Nieto commit to work jointly towards the thirteenth meeting of the Conference of the Parties (CBD COP 13) to be hosted by Mexico, on 4-17 December

2016 and commend the close bilateral cooperation of their two countries in the field of conservation and sustainable use of biodiversity.

26. Both leaders will continue working in the follow-up to the commitments expressed in the 2030 Agenda and the SDGs. This will include German support for Mexico to achieve Goal 11 of Aichi in 2018, particularly through financial allocations to strengthening of protected areas in the region of the Sierra Madre Oriental and the Gulf of Mexico (Sierra y Mar).
27. Mexico recognizes the valuable contribution of Germany to the Biodiversity Finance Initiative (BIOFIN), which operates in 30 countries, to analyse, calculate and develop strategies and financial mechanisms that allow generating funds for the conservation of biodiversity.
28. Mexico and Germany reiterate the importance of promoting the resilience of ecosystems through conservation and restoration, which contributes to adaptation and mitigation to climate change, while also maintaining the provision of ecosystem's goods and services essential for human well-being.
29. In this same spirit, both leaders agree on the need for the international community to immediately implement, in a determined and innovative manner, instruments for the conservation and sustainable use of biodiversity within the framework of the Convention on Biological Diversity.

Sustainable Urban Development

30. Germany and Mexico are aware of the vital importance of cities for climate action and global sustainable development. President Peña Nieto and Federal Chancellor Merkel concur that the climate targets agreed on in Paris and the 2030 Agenda can only be achieved with sustainable approaches to the global urbanisation process. The United Nations Conference on Housing and Sustainable Urban Development (Habitat III) in Quito in October 2016 represents the opportunity to flesh out these targets in the context of sustainable urban development as a key element for development. Both countries intend to intensify their future cooperation on the development and implementation of strategies for climate action in urban development. They affirm that they will strengthen the role of cities and local stakeholders in their national policies and that they will also support this goal in a multilateral context.