



INSIDE STORIES

on climate compatible development

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Key messages

- The Yucatan Peninsula Accord is the first regional climate accord at the sub-national level in Mexico.
- It shows the need for sub-national governments to pool their resources to attract funding and support from national and international sources.
- Regional cooperation between sub-national governments can also generate valuable early lessons that can support policy-making and implementation efforts at the national level.
- Accords between sub-national governments are easier to negotiate and conclude when they are based on a shared assessment of common vulnerabilities and opportunities, and benefit from high-level political support.
- Strengthening the legal capacity and expertise of relevant officials can assist in the effective and expeditious negotiation of accords between sub-national governments.

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Climate compatible development at the regional level in Mexico: The Yucatan Peninsula Accord

In December 2010, the Mexican states of Campeche, Quintana Roo and Yucatan signed the Yucatan Peninsula Accord, Mexico's first climate accord at the sub-national level. The Accord addresses economic, social and environmental vulnerabilities to climate change in a coastal region where rural communities are highly susceptible to these effects. It involves three main lines of action: i) a regional adaptation strategy, ii) a REDD+ programme and iii) a climate fund. Mexico's experience with the Yucatan Peninsula Accord demonstrates that joint action at the sub-national level can serve as a catalyst for climate compatible development by generating international support, addressing common threats and opportunities, and ensuring complementarity between sub-national and national climate responses.

The Yucatan Peninsula is home to one of the largest indigenous populations in Mexico and comprises the south-eastern states of Campeche, Quintana Roo and Yucatan. Despite the presence of one of the most important rainforests in Central America – the natural corridor of Sian Kaan-Calakmul – the Yucatan Peninsula is mainly composed of limestone, rendering its soil unsuitable for agriculture. Instead, the Peninsula's economy relies on coast-dependant sectors such as tourism in Quintana Roo, and the development of oil and gas reservoirs in the waters of Campeche.

The impacts of climate change threaten to reverse socioeconomic gains from these sectors. Sea-level rise and increased extreme weather events could

gravely affect infrastructure, tourism and the safety of local coastal communities. Conversely, the conservation of the rainforest in Sian Kaan-Calakmul creates an opportunity to contribute to the livelihood of local and indigenous communities through REDD+ programmes.

Overview of the Yucatan Peninsula Accord

The purpose of the Accord is to reduce vulnerabilities of local and indigenous populations in the region through a joint low-carbon socioeconomic development scheme. The states have pledged to create a climate fund for the Peninsula, and to develop a regional adaptation strategy and a REDD+ programme in the Sian Kaan-Calakmul.

Sub-national responses to a changing climate in Mexico

Mexico's federal and sub-national governments share responsibility for dealing with environmental issues. Since 2007, sub-national governments in Mexico have supplemented the Federal National Climate Strategy with their own climate action plans. Several states have even used their constitutional jurisdiction to enact state climate laws before the enactment of a federal climate law. The states of Chiapas, Mexico City, Nuevo Leon, Puebla and Veracruz are in the implementation phase of their action plans, including the enactment of state climate legislation in Chiapas, Mexico City and Veracruz.

The Government of Yucatan tried to develop a climate change action plan for three years. However, financial restrictions and difficulties in coordinating with federal agencies made the state turn elsewhere for support. The Japan International Cooperation Agency (JICA) responded by facilitating dialogue with the neighbouring states of Campeche and Quintana Roo. With the support of JICA and the National Institute of Ecology (INE), the environmental department of each state sourced international funding to establish an Intersecretarial Climate Commission in each state. The Yucatan Peninsula Accord was negotiated during 2010, and it was signed during the UNFCCC COP 16 in Cancún.

The Accord's original intent was to exploit the mitigation potential of coasts and residues (such as agricultural waste products). For instance, the reduction of carbon emissions from small and medium-sized pig farms and the treatment of farm sewage waters to conserve aquifers were intended to be part of the Accord. However, budgetary restrictions limited these ambitions. The availability of international finance and support for REDD+ programming made this the only viable mitigation initiative that could be implemented in the short-term.

The Accord is designed to complement, rather than replace, climate policies and laws adopted by the states, which retain full regulatory discretion to undertake climate measures and actions not included in the Accord.

Regional climate fund

The Accord created a regional climate fund for research on the expected impacts of climate change in the Peninsula. Based on the experience of previous regional funds, it was agreed that the Yucatan Peninsula Climate

Fund would be a private trust fund operated by a technical committee. The committee would comprise key representatives from each state government, as well as several non-governmental organisations and stakeholder groups. The size of the fund is still to be determined.

Climate catastrophes that would require simultaneous access to fund resources could cause conflict and internal power struggles; the creation of the climate fund was, therefore, one of the most controversial issues at the negotiation stage. To avoid potential disputes, the climate fund does not include finance for adaptation and mitigation actions, but only for research through scientific studies. This compromise was integral to the conclusion of Accord negotiations.

Outside the aegis of the Accord, financial resources from the federal government and international organisations support the development of climate actions within each state. Campeche, Quintana Roo and Yucatan are expected to complete their own state climate action plans between 2011 and 2012, and will

proceed to implementation using these financial sources.

Adaptation strategy

Discussions about the adaptation and REDD+ initiatives are ongoing. In adherence to the Accord and the Mexican Constitution, these discussions should involve a range of stakeholders, including representatives of the refinery and tourism sectors as well as indigenous and rural communities. INE, JICA and the Federal Environmental and Natural Resources Secretary (SEMARNAT) will provide technical and financial assistance for the development and completion of regional vulnerability studies.

The REDD+ initiative

The REDD+ initiative seeks to generate additional financial resources for restoration and protection activities in the highly vulnerable Sian Kaan-Calakmul. This forest corridor is approximately 1.3 million acres in size and spans 120 kilometres from north to south. Although it hosts a number of existing community-led eco-forestry initiatives, further resources and reforms are required to preserve ecosystem services, biodiversity and local livelihoods. The REDD+ initiative will seek to analyse the drivers of deforestation and will implement institutional reforms, touching upon community planning and forest management; monitoring, reporting and verification (MRV); and benefit-sharing distribution mechanisms. In addition, the REDD+ initiative is also expected to contribute to the process of developing a Mexican REDD+ strategy at the national level. The publicity attracted by the Accord has made it a good candidate for REDD+ pilot programmes as recommended by the National Forestry Commission (CONAFOR). Its implementation will be developed through the support of The Nature Conservancy, and has also received support from a range of bilateral and multilateral donors.

Key lessons

The Yucatan Peninsula Accord is the first major sub-national initiative in an emerging economy, and adds to the experience of regional North American initiatives such as the Regional Greenhouse Gas Initiative, the Midwest Greenhouse Gas Reduction Accord, the West Coast Governor's Global Warming Initiative, the Southwest Climate Change Initiative and the Western Climate Initiative in Canada and the United States.

The Accord has been in effect since 2010 and its main components are still being implemented. Still, the complicated political process behind its design, negotiation, and approval yields important lessons about creating sub-national climate frameworks, and attracting the attention of national and international donors. In large countries like Mexico that are characterised by geographic, economic and social diversity, sub-national governments have an especially important role to play in addressing climate change, building knowledge and capacity, and generating opportunities for local populations.

Working effectively at the regional level

While its impacts are yet to be fully realised, the negotiation of the Yucatan Peninsula Accord demonstrates the importance of striking the right balance between regional cooperation and respect for the autonomy of sub-national governments. It allows for joint action at the regional level that complements, rather than replaces, the other measures and policies adopted by each state. Although respect for autonomy led the states to create a climate fund with a limited mandate, this proved necessary for its conclusion. The Accord was successfully negotiated because it enabled the states to address common challenges and opportunities at the regional level, while allowing

them to address specific vulnerabilities in their respective jurisdictions.

The Accord also shows that political commitment at the sub-national level is critical to inter-government cooperation on climate change issues. In particular, the ownership of the initiative by the governors of the three states was vital to the eventual conclusion of the Accord. Should the Accord be expanded to include other sub-national governments, the reasonable candidates would be the neighbouring states of Chiapas, Oaxaca, Tabasco and Veracruz. However, unlike the states that make up the Yucatan Peninsula, these states have dissimilar climate concerns and differing levels of commitment to climate change policy. Any expansion is unlikely unless there are significant changes in the engagement of these states in climate change policy-making.

Concluding an agreement

The establishment of cross-sectoral Intersecretarial Climate Commissions within each state streamlined the formalisation process by involving all state secretaries, who will be in charge of implementing the Accord. However, the lack of climate legal expertise among civil servants working in the sub-national governments slowed down the conclusion of the Accord. If the negotiations took place again, climate law capacity-building would enhance the ability of the legal officers in the states to expedite the negotiation process.

Attracting national and international support

The uniqueness of the Accord lies in its success in pooling the resources of three states, which, on their own, were not able to develop climate action plans at the desired speed. The decision to unite under a joint action plan attracted enough attention from the federal government and international partners to enable the states to obtain

the financial resources and technical support they had been seeking.

Implications

- By working together to establish regional climate accords, sub-national governments can enhance their capacity to address common vulnerabilities. They can also acquire valuable experience and generate lessons that can support policy-making and implementation at the national level.
- The Mexican experience suggests that by pooling resources and making joint commitments, sub-national collaboration can potentially increase the prospects of attracting funding and support from the national government and international partners.
- Regional cooperation between sub-national governments must consider the importance of respecting local autonomy in decision-making and implementation.
- Regional accords are easier to negotiate and conclude when they are based on common vulnerabilities and opportunities, and benefit from high-level political commitment.
- Limited technical capacity and expertise in the area of climate change among policy-makers and civil servants at the sub-national level must be addressed in the early stages of regional climate accord negotiations.

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Personal interviews

- Eduardo A. Batllori Sampedro, Secretary of Urban Development and Environment of the Government of Yucatan (SEDUMA).
- Dolores Barrientos, former Regional Specialist Climate and Sustainable Energy of the IADB and current Head of the UNEP Mexico.
- Julia Martínez, Coordinator of the Climate Change Program of INE.
- Roberto Illich Vallejo, Head of the Department of Evaluation of the SEDUMA.
- Sergio H Graff, General Coordinator of Production and Productivity of CONAFOR.

About CDKN

The Climate and Development Knowledge Network (CDKN) aims to help decision-makers in developing countries design and deliver climate compatible development. We do this by providing demand-led research and technical assistance, and channelling the best available knowledge on climate change and development to support policy processes at the country level.

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