



Federal Ministry
for Economic Cooperation
and Development

Mexico 2030

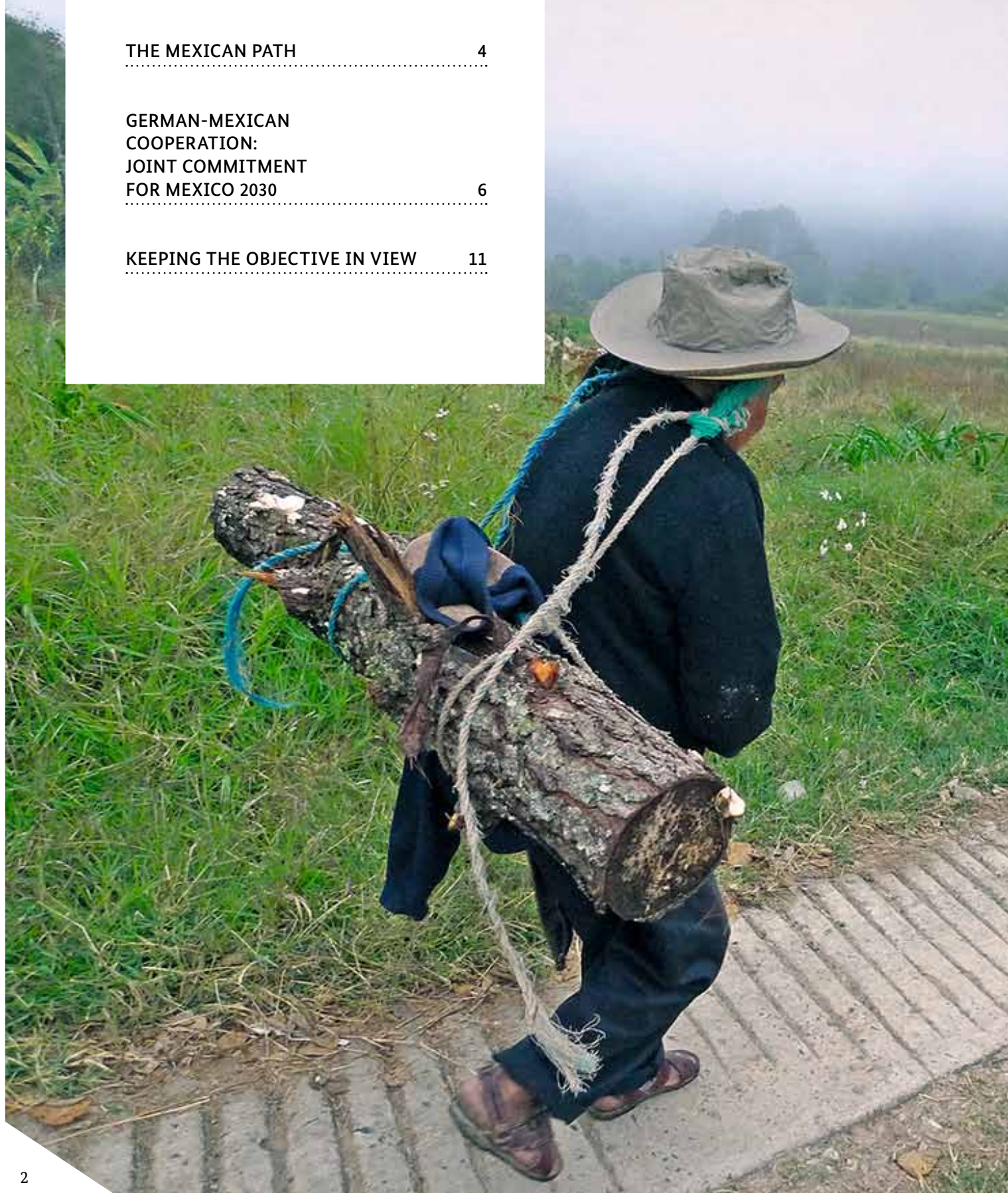
How German-Mexican development cooperation
is promoting the implementation of the 2030 Agenda

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With the implementation of the 2030 Agenda for Sustainable Development, the international community is expressing its conviction that global challenges can only be solved together in partnership and across borders. The Agenda lays the foundation for shaping worldwide economic growth in line with social justice and within the framework of the earth's ecological limits.

The German Federal Ministry for Economic Cooperation and Development (BMZ), together with the entire portfolio of German development cooperation (GDC), promotes the implementation of the 2030 Agenda and its Sustainable Development Goals (SDGs).

In particular, the 2030 Implementation Initiative specifically supports its partner countries in anchoring the objectives of the 2030 Agenda in national political processes, increasing revenue and mobilising investments and strengthening the monitoring and review of the Agenda. The BMZ has thus created a unique bilateral initiative that starts where the need of the partner countries is greatest and where interventions promise the best chance for success. With around 58 million euros in 2018, the BMZ supports measures in 26 partner countries and with three regional organisations in Africa, Asia, Latin America and Southeast Europe. In doing so, new paths for transformative approaches are paved in various sectors and key areas such as sustainable economic development, good governance, climate and energy.

Mexico is one of the countries supported by the German development cooperation in achieving the SDGs through various focal areas of its bilateral cooperation. So far, the

2030 Implementation Initiative has supported the improvement of the overarching, institutional framework for implementing the 2030 Agenda in Mexico. These measures did not only affect the national level, but also had a lasting effect at the state and communal level. The close technical and financial cooperation between Germany and Mexico has significantly contributed to the country's important steps towards a sustainable future.

MEXICO IS FACING NUMEROUS CHALLENGES

The starting conditions are, in this regard, very difficult. Large parts of the population live below the poverty line (44%) and without any form of social security (over 80%). Organised crime, corruption and high levels of violence and impunity characterise the everyday lives of many Mexican citizens. The effects of climate change are also playing an ever-greater role in Mexico. Around 79% of the electricity is still generated from fossil fuels. At the same time, the country's biodiversity is of enormous importance and must be safeguarded from the threats posed by overexploitation and environmental degradation.



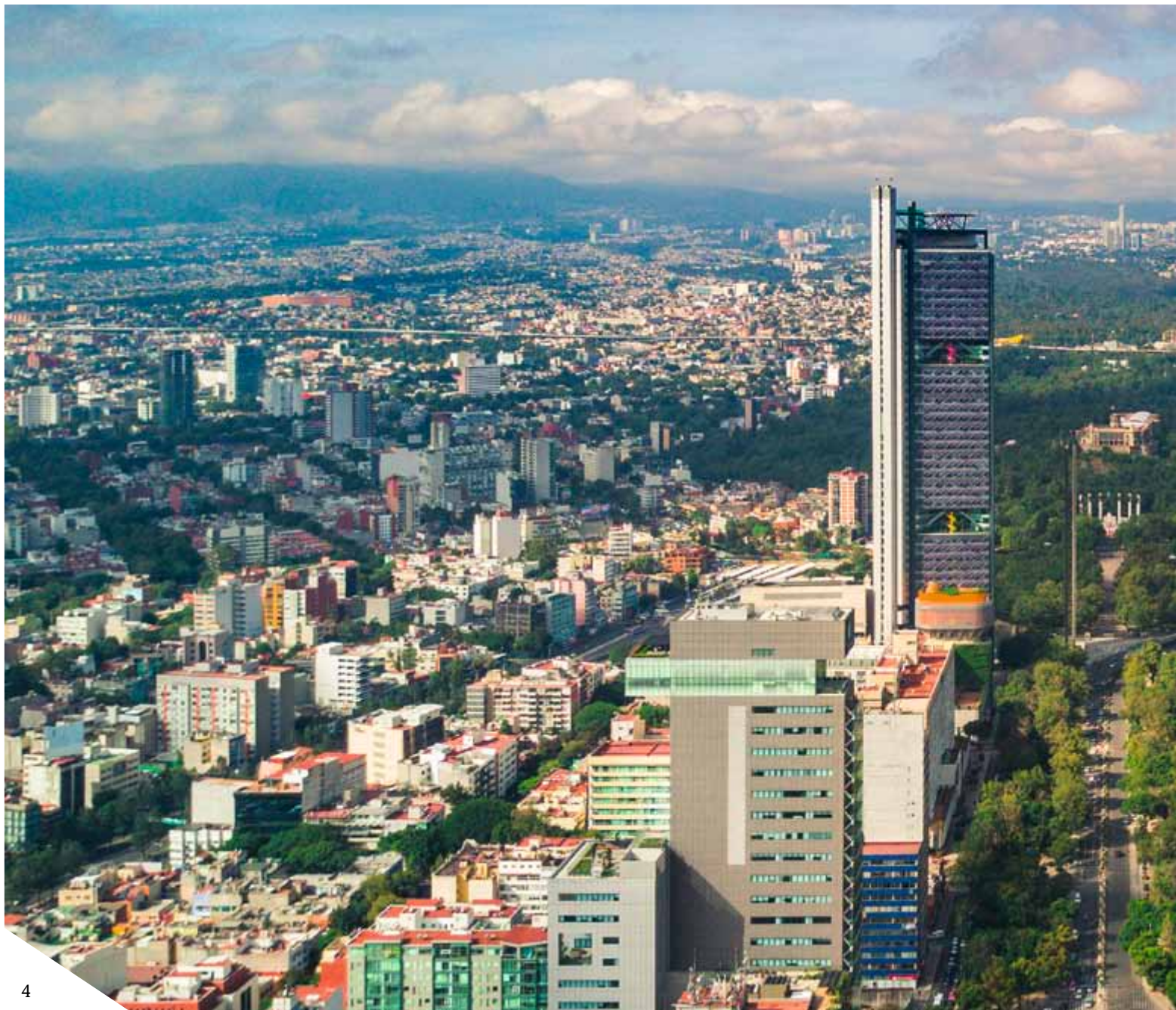
THE GLOBAL GOALS

The Mexican path

In order to meet these developmental challenges, the Mexican government has, with the support of Germany's EZ, launched important projects for implementing the 2030 Agenda. The office of the Mexican President has taken over the role as the central coordination office in charge of, among other things, implementing a national 2030 Agenda strategy. By initiating multi-actor partnerships, the government intends to underline the shared responsibility of all societal groups. This makes the 2030 Agenda the pioneering guideline for the country's politicians. The German

development cooperation (GDC) supports the development of the Mexican 2030 Agenda strategy in terms of technical assistance and other means of implementation.

The groundwork has already been laid. With the foundation of the National Council for Sustainable Development in 2017, a committee, where both public institutions and non-governmental organisations are represented, has now been entrusted to coordinate the implementation of the Agenda. A national strategy for implementing the 2030 Agenda is



currently being drafted with the involvement of over 1200 participants from the government, private sector and civil society alike. Since 2016, a working group has been in place in the Senate to monitor the achievement of the SDGs. Additionally, starting in spring 2019, the Mexican Sustainable Development Solutions Network (SDSN) is going to promote collaboration between science, the public and private sectors.

The Planning Act, which represents the core of Mexican development planning, was reformed. As a result, the national development plan now anchors even more deeply the social, economic and ecological dimensions of sustainability. Planning and budget planning processes must now be systematically prepared in accordance with the principles and objectives of the 2030 Agenda.



German-Mexican cooperation: *Joint commitment for Mexico 2030*

In order to support the implementation of the 2030 Agenda in a successful and coherent manner, German-Mexican collaboration is concentrating on the following *priority areas*:

➔ **Environmental policy and the protection of natural resources:** The objectives are to implement the international guidelines of the Convention on Biological Diversity (so-called Aichi Targets), by focusing for example on policy mainstreaming, sustainable use of biodiversity, improvement of protected areas and the financing thereof. In the field of urban-industrial environmental management, an important contribution to the 2030 Agenda will be made by promoting sustainable patterns of production and consumption, disseminating innovative approaches to urban environmental management (including sustainable mobility and infrastructure) as well as strengthening environmental institutions at the national, regional and local levels.

➔ **Sustainable and demand-based energy:** The aim is to work towards a sustainable and reliable energy system with a significantly increased share of renewable energies that meets the needs of the population and the economy. Activities include the further development and implementation of the legal and regulatory framework as well as securing grid stability while increasing the share of renewable energies. Moreover, the incentives for expanding decentralised renewable energy systems and energy efficiency measures are to be improved. Vocational training and environment-related skills also play an important role.

Furthermore, Mexico and Germany are working together to promote a dual vocational training system. Additional topics include strengthening the Mexican development agency AMEXCID as a “new donor”, promoting dialogue with civil society organisations as well as measures in the area of good governance.

The current portfolio with Mexico regarding **technical bilateral cooperation (TC)** comprises 22 bilateral and regional projects, plus 13 triangular cooperations and 19 components of global programmes in Mexico. The total budget for our technical cooperation with Mexico is over 90 million euros.

In our **financial bilateral cooperation (FC)** with Mexico, 20 bilateral projects with a total volume of roughly one billion euros are currently in the preparatory stage or are already being implemented.

The objective of our collaboration with Mexico is to make a significant contribution to the implementation of the 2030 Agenda and the SDGs. Examples of the contributions made toward implementing the 2030 Agenda are presented below.

ENVIRONMENTAL POLICY AND THE PROTECTION OF NATURAL RESOURCES



Mexico is classified as a “mega-diverse” country in terms of biodiversity and achieving the 2030 Agenda depends to a large extent on effective mechanisms of biodiversity protection. Promoting the achievement of **SDG 15 “Life on Land”** and **SDG 14 “Life below water”** is thus an important part of the GDC’s work. Due to the country’s increasing urbanisation – in 2030, around 80 percent of the Mexican population is expected to live in cities – the GDC is, for example, advising the Mexican government on its efforts to counter the growing pressure on protected areas and ecological corridors with the help of *integrated landscape planning*. Using this **integrated approach** will also contribute to ensuring that those who are particularly affected by poverty, i.e. the rural and indigenous population, continue to benefit from the direct use of natural resources.



Increasing urbanisation, in conjunction with economic development, is a burden on the environment in other areas as well. In order to realise **SDG 11 “Sustainable cities and communities”** and **SDG 9 “Industry, innovation and infrastructure”** in Mexico, urgent action is needed now in the respective sectors. With its *Urban-Industrial Environmental Management* project, the GDC is bolstering the environmental management of Mexican cities and companies. The objective is to promote the efficient use of residential areas, transport infrastructure and natural habitats, modern and sustainable transport systems and a more conscious use of water, energy and raw materials in the development of cities and industries.



Modifying Mexico’s water supply and wastewater treatment systems into an environmentally friendly and resource-friendly municipal water management system requires major investments. In order to contribute to **SDG 6 “Clean water and sanitation”**, the “*Municipal environmental protection*” programme, financed by national development banks (German Financial Cooperation), provides municipalities and utility companies with low-interest loans. This makes it possible to actively counteract the effects caused by climate change.



Germany and Mexico also play a leading role when it comes to climate protection. The *German-Mexican Climate Change Alliance* sponsored by the German Federal Ministry for the Environment, Nature conservation and Nuclear Safety (BMU), supports the Mexican Ministry of Environment and Natural Resources and the presidential administration in implementing the Mexican contribution to the Paris Agreement and thereby contributing to the attainment of **SDG 13 “Climate Action”**. In doing so, the aim is to establish a long-term strategy that incorporates all societal groups into the process. Additionally, the interlinkages between the SDGs and the Paris agreement will be strengthened.



The implementation of environmental and climate protection measures calls for environment-related skills and occupations – so-called “green skills” – that represent a core component of **SDG 4 “Quality education”**. In cooperation with the German Federal Institute for Vocational Education and Training (BIBB) and the German-Mexican Chamber of Industry and Commerce (CAMEXA), the German development cooperation is supporting its Mexican public and private sector partners in further developing the Mexican model of dual vocational training.



Example 1:

NATURE PROTECTION BELOW WATER AND ON LAND (SDG 14 AND 15)

It was possible to create five marine reserves in the Gulf of California with the support of the “*BioMar*” BMU programme. 750 miles of coastline and 1,140,000 acres of floodplain are now protected. Over 900 species of fish and over one third of the world’s marine mammals live here. BMZ’s financial assistance for climate change adaptation also goes to twelve nature reserves in the Sierra Madre and on the Gulf of Mexico (“*Sierra y Mar*” FC programme). Advice regarding *Protecting biodiversity in the Trans-Mexican Volcanic Belt* resulted in operational planning of 34 federal nature reserves in the region.

SUSTAINABLE AND DEMAND-BASED ENERGY



Progress towards achieving **SDG 7 “Affordable and clean energy”** is of great importance to Mexico: The country generates 79% of its energy from fossil fuels. The GDC is engaged in increasing the proportion of eco-friendly energy in the energy mix and in improving energy efficiency. It helps put the framework conditions into place and offers advice on laws, strategies, subsidies and feed-in tariffs. The programme for *Tapping the renewable energy market* promotes the introduction of yet unestablished technologies for global climate protection. A special programme of the “German Climate Technology Initiative” (DKTI) furthermore supports the *large-scale use of solar energy* and helps in establishing funding capacities, in technology transfers and in developing the market. So far, 10 wind farms have been co-financed by Germany's KfW Development Bank. These generate more than 5.7 TWh of electrical power per year. This corresponds to emission savings of 2.5 million metric tonnes of CO₂ equivalents. Under the FC programme, the KfW is also involved in financing four solar parks that are currently under construction. This will help to avoid emissions of 720,000 metric tonnes of CO₂ equivalents in the future.

The GDC in Mexico is ambitiously pursuing the **integrated approach**, or the consideration of the social, ecological and economic interactions of development policy initiatives. Synergies and positive spillover effects should not only be encouraged between the different programmes, but also between the different sectors. In the energy sector, for example, this means making use of waste to generate energy. Thus, the German DC supports waste management companies in introducing *the energetic utilisation of waste as a sustainable option for recycling urban waste*.

Funding programmes create incentives for implementing corresponding technologies. The *Solar energy programme*, which is likewise funded by the German Climate Technology Initiative (DKTI), is designed to help solar technology achieve its breakthrough. With its large-scale FC financing of investments in the grid-bound solar-photovoltaic and wind power sectors, DC is also making another important contribution towards implementing Mexico's energy transition.

This financial cooperation supports investments in small and medium-sized enterprises (SME) in the field of energy efficiency (the “Eco-Crédito Empresarial” programme of Mexico's NAFIN development bank) and in energy efficient housing construction (*EcoCasa programme* of Mexico's SHF development bank). Affordable energy-efficient housing and affordable energy-efficient electrical appliances in SMEs (especially refrigerators, air conditioners, lighting) will also raise the awareness for sustainability among those in the lower income brackets. The economies of scale generated by the increased use of energy-efficient solutions have already resulted in their growing distribution on the Mexican market. This will help contribute to the implementation of the Mexican government's CO₂ reduction targets.

In this regard, the BMU engages in complementary activities in Mexico. One of the projects focuses on the political level in order to *enhance policy coherence of energy and climate policies*: The Ministry of the Environment and the Ministry of Energy should coordinate their actions in a coherent manner and follow the path towards achieving Mexico's climate protection goals together. Another project focuses on *climate-friendly urban planning*. This will enable cities to better cope with the negative consequences of climate change. This will also contribute to reducing air pollution and strengthening ecosystems.





Example 2: USING ENERGY EFFICIENTLY

The “Eco-Crédito Empresarial” programme provides SMEs with low-interest loans to replace inefficient appliances with new, energy-efficient technologies. The loans are repaid via the respective electricity bills, whereby the individual borrower is not subject to any additional charges. By 2017, around 50,000 energy-efficient refrigeration units, air conditioners and lighting systems were financed in 22,500 SMEs. With loans amounting to around 65 million euros, more than 60,000 metric tonnes in CO₂ emissions will be saved annually, which is roughly equivalent to the average carbon emissions of 16,700 Mexicans per year (at 3.6 metric tonnes of CO₂ emissions per capita in 2016).

GOVERNMENT AND SOCIETY



Discrimination, gender inequality, corruption and weak governance pose challenges to the rapid development of Mexico’s social and economic sectors. They are an obstacle to achieving many SDGs. Therefore, an important contribution in these cooperative efforts focuses on achieving **SDG 16 “Peace, Justice and Strong Institutions”** in Mexico.

It is clear that trust in the government must be strengthened. Despite a ban in 2017, torture is still a common practice among Mexican security forces. A *German Federal Foreign Office (AA) project on the prevention of torture* promotes the application of new legislation. The project trains local police units in international legal standards and provides senior law enforcement officials with tools for preventing torture. German development cooperation is also active in criminal prosecution and education. More than 32,000 people in Mexico are considered missing and/or have “disappeared” under violent circumstances. The project *“Promoting the rule of law”* provides the Public Prosecutor’s Office with training and advice in order to increase the success rate and improve the way victims and their families are treated.

At the same time, a strong civil society is essential to ensure social participation in political decisions. The Mexican civil society is well developed and organised, but there is a lack of suitable dialogue formats in which these non-governmental organisations and state actors can engage. It is therefore important to strengthen the expertise of organisations and initiatives that promote peace, justice and strong institutions.

The *“Initiative in strengthening civil society”* provides civil rights organisations, human rights groups and socio-politically engaged associations and federations with advice on how to improve their effectiveness and increase their influence.

An important element of a just society is the active fight against exclusion and extreme inequality, in line with the Agenda’s principle **“Leave no one behind”**. Within the *Mexican model development programme training*, supported by technical cooperation (TC) consultations, about 3,000 schoolchildren from 26 states are already being trained under the dual system of vocational training. Most of them come from low-income and educationally disadvantaged households. The dual system of vocational education and training creates a sustainable basis for the long-term career prospects of these pupils, facilitates a better integration into the labour market and ultimately helps to reduce income disparities. Less young people drift into organised crime.

The *project of the Mexican-German “Fondo Conjunto” fund*, financed in equal parts by the AMEXCID development agency and the BMZ, supports measures for democratic governance, the rule of law, human rights, public safety and social inclusion for example. Within the framework of the fund, the German DC and Mexico are cooperating with “Save the Children Mexico” in communities in Guatemala, El Salvador and Honduras, from which a large number of disadvantaged children and young people migrate north. The objective is to create access to education and better living conditions in order to counteract the main causes of migration.



Example 3:

JOINTLY FINANCING SUSTAINABLE DEVELOPMENT (SDG 17)

As regards climate protection, the Mexican government was supported in defining key measures and their funding needs in order to achieve those climate targets for which Mexico has declared its need for international assistance. This lays the groundwork for mobilising additional funds by identifying private and public sources of funding and developing bankable projects. The Mexican government uses the results to develop a concrete plan for implementing these climate targets.

GLOBAL PARTNERSHIPS – LEARNING FROM AND WITH MEXICO

Mexico is one of the world's largest economies and plays an important mediating role between industrialised and emerging countries. As a member of the OECD (Organisation for Economic Co-operation and Development) and the G20 states, Mexico is a key player in international negotiations. Mexico and Germany are pioneers in advancing global climate protection and have considerable expertise in this regard.



This prominent position makes Mexico a competent partner in the region. The Mexican Agency for International Development Co-operation (AMEXCID) leads and coordinates important activities in building **global partnerships – and thus implementing SDG 17.**

On behalf of the G20 development group, AMEXCID played a key role in formulating a concept for voluntary mechanisms of mutual or “peer” learning. This concept promotes the exchange of best practices between countries in implementing the 2030 Agenda. Here, Mexico and Germany are acting in concert and at eye level in the interest of mutual learning.

How Agenda 2030 can be financed is another one of AMEXCID's areas of activity. As head of the “Friends of Monterrey” group – a body made up of over 100 representatives from governments, the private sector and civil society organisations – Mexico is discussing these issues and drafting proposals.

Moreover, since 2018 the German development cooperation has been supervising and AMEXCID has been implementing the expansion of a regional 2030 Agenda network of experts.

In accordance with the **principle of universality**, or the shared responsibility of all countries in implementing the 2030 Agenda, the BMZ is supporting efforts in complementing traditional North-South cooperation through middle-income countries of the global South. Germany and Mexico build on their complementary strengths in order to make a significant contribution within the framework of the manifold *triangular cooperation projects* towards sustainable development in other Central American countries and the Caribbean. Mexico is involved in numerous triangular cooperation projects, such as projects on ensuring the sustainability of production and consumption patterns (SDG12) or in the context of sustainable economic growth (SDG 8). As of 2018, the early-warning system for emergencies on the Dominican Republic is to be improved as a joint effort.

Keeping the objective in view

The German development cooperation supports Mexico with concerted initiatives and projects in implementing the 2030 Agenda. The country's commitment is exemplary, and the results and successes so far have been remarkable. Nevertheless, the country still faces major challenges. Further efforts are still needed to achieve the SDGs. Raising people's awareness about sustainable development and achieving the active involvement of all sections of the population in the transformation process remains a core task.

Cooperation at the federal, state and local levels must be continuously improved. State governments and municipalities, in particular, need more technical support. The 2030 Agenda Implementation Initiative will put a stronger focus on these aspects in the future.

Mexico and Germany will continue to successfully shape this path together.



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