

Media release

Launch: Financing Low-Carbon Transport in Mexico Briefing 2021

Initial Briefing Paper on low-carbon transport sector Developed with support from British Government's UK PACT Mexico

London/Mexico City: 08/03/2021: 03:00GMT 09:00CSTM: The Climate Bonds Initiative has today launched the *Financing Low-Carbon Transport in Mexico Briefing 2021*. The Briefing provides an overview of the low-carbon transport sector in Mexico, the Certification schemes available, and the opportunities for investing in a sector with growing local and international demand.

Supported by the UK PACT in Mexico and available in both [Spanish](#) & [English](#), the Briefing examines a range of green bond issuances from domestic issuers, using proceeds in the low-carbon transport sector. The Briefing analyses different mitigation actions related to transport which could be financed with green and sustainable bonds in Mexico.

Highlights:

- Transportation is the largest and fastest growing sector in Mexico in terms of energy consumption and GHG emissions. Around 90% of the sector's GHG emissions are generated by road transportation
- The reduction in GHG emissions directly improves air quality, which can prevent respiratory health problems, creating a safer and socially inclusive environment
- Mitigation in the transport sector, such as promoting efficient public transport, could be among those that contribute the most to helping achieve climate goals
- Mexico's green bond issuance reached USD3.07bn as of January 2021
- Green and sustainable bonds have a high potential to finance projects, assets or underlying accounts receivable related to low carbon emissions, circular economy or resilient infrastructure
- Low-carbon transportation projects are growing, still, the sector only represents 1.27% of green bond revenues collected by Mexico issuers compared to 18% at the LAC and global level
- The markets are increasingly strict in terms of GHG emissions in most countries, taking as a first measure, the electrification of transportation systems
- Within freight transportation, there is a particular opportunity to migrate to more efficient and cleaner units in the coming decades, given that there are more than 980 thousand freight vehicles in Mexico, each with an average life of 18 years
- The private sector, accounting for 40% of the country's total emissions, has the potential to implement cost-competitive measures that significantly reduce national emissions.

Justine Leigh-Bell, Deputy CEO, Climate Bonds Initiative:

“Low carbon transport infrastructure requires huge investments which have the potential to be financed through green bonds. Transport cuts across urbanisation and cities growth, planning for megacities, industry, resources and more. In Mexico there is a great potential to grow investment in the sector which favors society as a whole by mitigating emissions, preventing health risks and contributing to reach climate goals”.

Dominic Curran, Director of the International Climate Fund, British Embassy in Mexico:

“One of UK PACT's priority objectives is to support the mobilization of green finance to accelerate the transition to a low-carbon economy. The report carried out by CBI supports this objective and will contribute to continue promoting the participation of investors in the financing of sustainable transport projects and with it, the fight against climate change”.

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Download:

Financiando el transporte sustentable en México ([Spanish](#))

Financing low-carbon transport in Mexico ([English](#))

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Notes for Journalists

About Financing low-carbon transport in Mexico Briefing 2021: A special report developed for the “Building a foundation for a sustainable and scalable low-carbon future in Mexico – from Green Bonds to a Greener Ecosystem” project under UK PACT Mexico.

About Climate Bonds Initiative: The Climate Bonds Initiative is an investor-focused not-for-profit promoting large-scale investment towards climate action. It undertakes advocacy and outreach to inform and stimulate green bond markets, provides policy models and government advice, international development programs, market data, and analysis, and administers the Standard & Certification Scheme for best practice in green bonds issuance. For more information, please visit www.climatebonds.net.

About the Climate Bonds Standard: It is a science-based, multi-sector global standard overseen by the Climate Bonds Standards Board that enables investors and intermediaries to easily assess the climate credentials and environmental integrity of bonds and other green debt products.

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