

SUGAR SECTOR NAMA

Under the Climate Change component of the Mexican-Danish Climate Change Mitigation and Energy Program (CCMEP) a NAMA (Nationally Appropriate Mitigation Action) for the Mexican sugar mill sector was developed and subsequently approved by the NAMA Facility for Detailed Project Preparation (DPP).

The sugar cane industry in Mexico includes more than 50 sugar mills in 15 states and employ, directly and indirectly, 2 million people. Although the sugar enterprises are already using bagasse (the plant fibres left over from the milling) for their own energy consumption, energy efficiency measures in the sugar mills and implementation of efficient boilers may allow for generation of additional electricity from bagasse for export to the grid. Such improved technology may result in significant reductions in both GHG and black carbon emissions.

OUTPUTS:

- Visits to 11 sugar mills by teams of international and local experts;
- Development of a sugar sector baseline study identifying the potential;
- Outreach and partnership with sugar companies and the Mexican Sugar Chamber (CNIAA) resulting in a LoI signed between the CNIAA and Denmark;
- Development of feasibility studies and financial models for two pilot mills including energy efficiency measures and co-generation from bagasse for export of power to the grid;
- Development of a sugar sector NAMA concept according to Mexico's guideline;
- Sugar sector NAMA project formally presented to the Sugar Chamber (CNIAA) and other key stakeholders;
- Sugar sector NAMA registered in Mexico's NAMA registry;
- Submission of Sugar sector NAMA proposal to the NAMA Facility and approval of financing for the DPP phase.

CURRENT AND POTENTIAL OUTCOMES:

Coordinated work between SENER, CNIAA, SEMARNAT, INECC and DEA/CCMEP resulted in the sugar sector NAMA being approved for funding by the NAMA facility for a Detailed Preparation Phase.

If ultimately approved and implemented the NAMA may have substantial environmental and socio-economic benefits:

- The investments in energy efficiency and cogeneration from bagasse, will contribute to global climate change mitigation (initially assessed to reduce up to 710,000 tCO₂e annually) through a significant increase in the export of clean energy to the grid.
- Furthermore, efficient combustion of bagasse at the sugar mills will also reduce black carbon emissions. Co-benefits include increased rural jobs and income, improvement of local air quality as well as a more cost-efficient sugar industry.



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