

Implementation of the New Housing NAMA Mexico



The residential building sector is responsible for approximately 17% of Mexico's total energy consumption. As the population is growing by approximately 1.7 million per year and an increasing number of Mexicans aspire to better housing, an estimated 600,000 new residential units will need to be built every year over the next decade. In the absence of measures to increase energy efficiency, these new housing units alone would lead to additional greenhouse gas (GHG) emissions of approximately 25 MtCO₂e per year by 2020.¹

To address the problem, in 2012 the National Housing Commission CONAVI developed the world's first Nationally Appropriate Mitigation Action (NAMA) in the sector. The Mexican New Housing NAMA is based on the whole-house approach focusing on the total energy performance of a building and is a so-called 'Supported NAMA', meaning that it aims at acquiring international climate finance for its implementation. SEDATU and CONAVI intend to align the public housing policy to the New Housing NAMA in 2015 with the aim of coordinating the diverse actions and providing funding across Mexico's Housing NAMA initiatives.

¹ CONAVI. 'Supported NAMA for Sustainable Housing in Mexico – Mitigation Actions and Financing Packages', 2012, p. 2

Project goal

The overarching goal is to implement the New Housing NAMA, which promotes cost-effective, energy-efficient building concepts across the housing sector with a particular focus on low-income housing. There are two particular objectives:

1. To promote the penetration of basic efficiency standards in the entire new housing market in Mexico by means of: (a) technical assistance to large public housing financiers and small and medium-sized housing developers and; (b) financial incentives and project-related technical support for small and medium-sized developers and financial intermediaries.
2. To promote the upgrading of energy efficiency standards to more ambitious levels.

Methodological approach

The NAMA Support Project combines technical assistance to CONAVI (TC component) as well as financial incentives and project-related technical support in cooperation with the Mexican development bank SHF (FC component). It will focus on:

- improving the capacities of federal, state and local authorities to provide energy-efficient and sustainable



- housing, as well as building codes and the legislative framework conditions;
- developing a local market for environmentally friendly technologies;
- improving and applying existing Mexican promotion and incentive instruments with more ambitious energy efficiency standards at federal and state level;
- fostering the application of more ambitious energy efficiency standards through the provision of investment grants for incremental costs as well as the inclusion of cost-effective eco technologies.

Target groups are government institutions at the national and local level, public housing mortgage funds, the Mexican development bank, private small and medium-sized housing developers, private financial intermediaries as well as private households of the low and medium income sector as the main target and beneficiary group.

Aspects of technical and financial cooperation

The technical cooperation (TC) component in particular addresses

1. the political framework by aligning the Mexican housing policy to the Housing NAMA, by harmonizing the efficiency and eligibility criteria, by adjusting its housing funding programmes accordingly, and, by systemizing the Monitoring, Reporting and Verification system (MRV);

2. the supply side for energy-efficient houses with capacity building for small and medium-sized housing developers, technology transfer and development of environmentally friendly technologies in Mexico, which results in integrated application of the Housing NAMA.
3. the demand side for energy-efficient houses by raising awareness and by providing information for end users and local authorities.

The financial cooperation (FC) component in particular provides

1. guarantees for financial intermediaries at attractive premiums in order to facilitate developer's access to commercial financing, and
2. financial incentives for small and medium-sized project developers to partially offset the investment costs of eligible eco technologies, as well as specific advisory services to identify and prepare suitable projects and obtain funding.

To learn more about the New Housing NAMA, its ambition and transformational change potential please visit www.nama-facility.org/projects

Facts

NAMA Facility funding volume	€14 million
Project duration	2013 – 2019
Responsible ministries	Ministry of Environment and Natural Resources (SEMARNAT), Ministry of Agrarian, Territorial and Urban Development (SEDATU)
Delivery organisation	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Kreditanstalt für Wiederaufbau (KfW)
Implementing partners	National Housing Commission (CONAVI), Sociedad Hipotecaria Federal (SHF)
Status	under implementation

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For further information: www.conavi.gob.mx/viviendasustentable / www.nama-facility.org/projects

