

Practical experience from Mexico: Setting up a NAMA in the building sector

**Fraunhofer ISI / Tokyo Institute of Technology Side Event:
“A bigger bang for the buck: How to design efficient policies
under post-2012 institutions?”**



COP17/CMP7
UNITED NATIONS
CLIMATE CHANGE CONFERENCE 2011
DURBAN, SOUTH AFRICA

Axel Michaelowa, Perspectives GmbH

Durban 29 November 2011

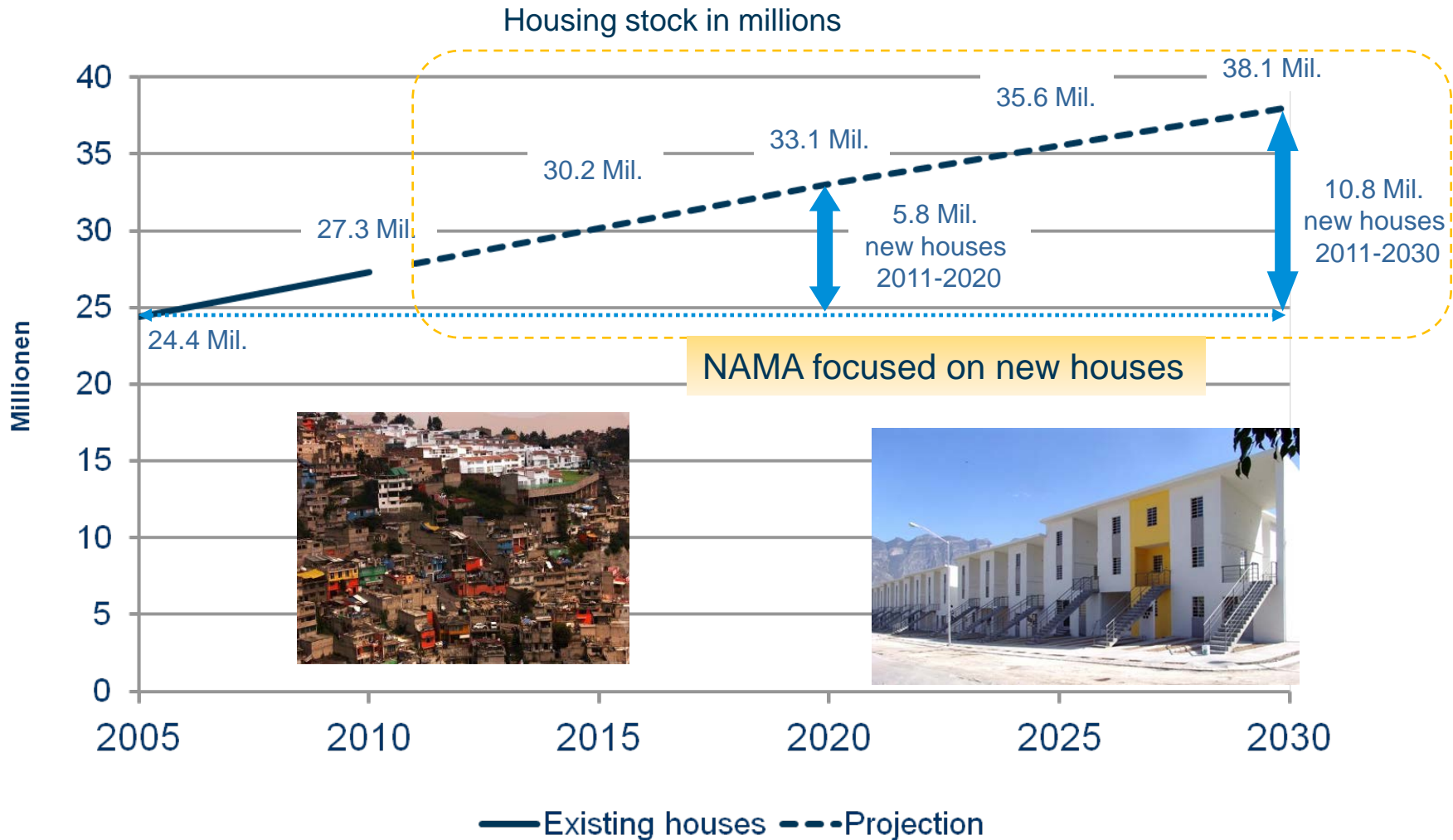
michaelowa@perspectives.cc



Topics

- **Background: The Mexican NAMA**
 - Why housing is important
 - The generic design of the NAMA
- **Key actors involved in shaping the NAMA**
 - Foreign consultants
 - Host country government
 - Donor country government
- **Conclusion**

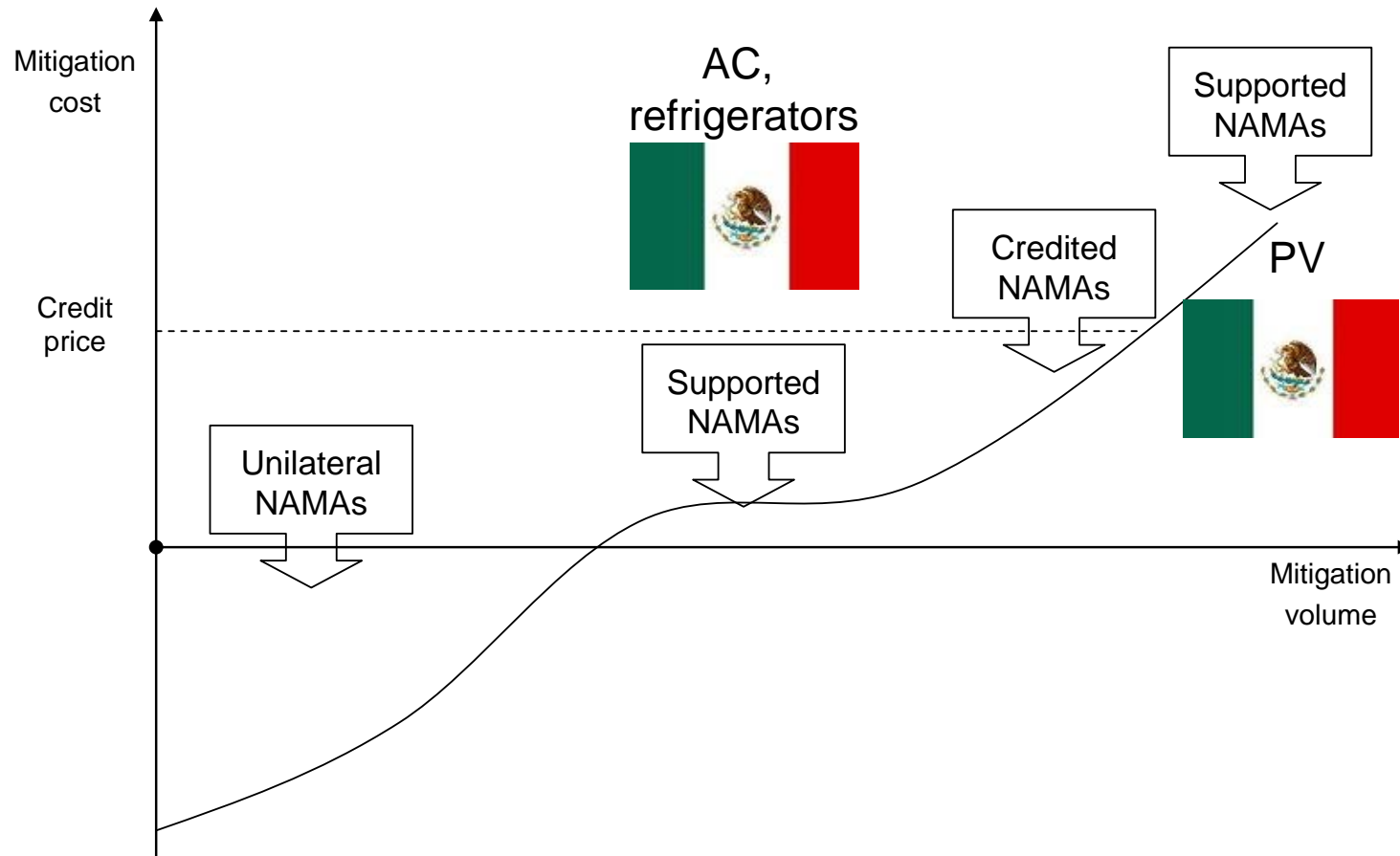
More than 500.000 new houses per year demanded until 2030 in Mexico due to demographic change



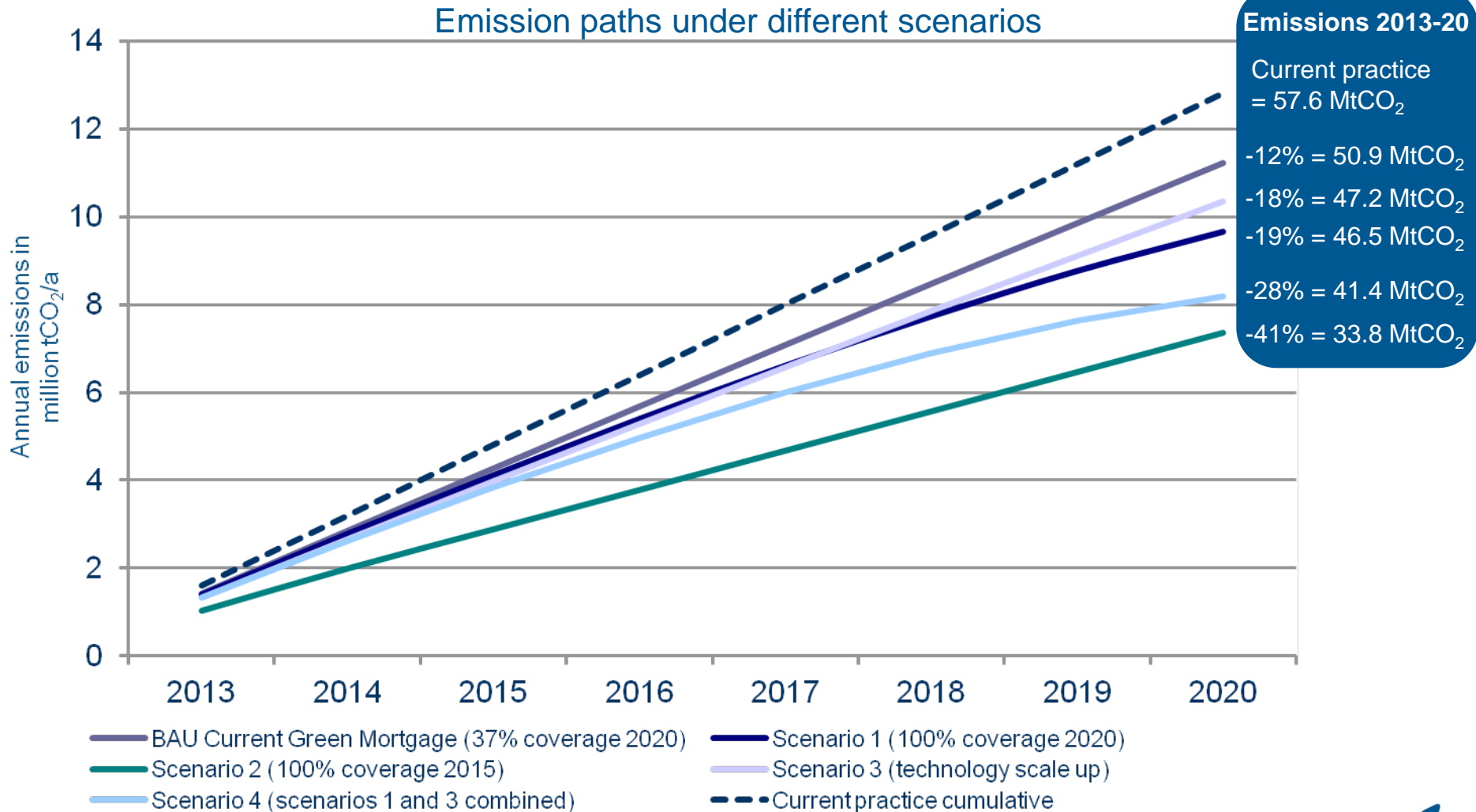
“Supported NAMA Design Concept for Energy-Efficiency Measures in the Mexican Residential Building Sector”

| Item | Description |
|---|--|
| Sub-sector | New residential houses (maximum 4 storeys and 8 units) |
| Measures and activities with direct impact on GHG emission reduction | Substantial up-scale of “Green mortgage” and “Ésta es tu casa” schemes through increased subsidies and more ambitious efficiency standards . |
| Measures and activities with indirect impact on GHG emission reduction | Supportive actions for transformation of the “Green Mortgage” and “Ésta es tu casa” programmes into a holistic urban planning process including building codes <ul style="list-style-type: none"> • Building code pilot in 1 federal state • Promotion and enforcement of building codes across federal states over time • Capacity building • Extension of urban planning criteria and inclusion in the framework |
| NAMA timeframe -Preparation -Implementation | 2011-2012 2012-2020 |
| NAMA implementation and operation costs | Full costs of substantial up-scaling of actions until 2020 |
| NAMA type | Supported NAMA (with the possibility of NAMA crediting for parts of the actions) |
| Type of support required under the NAMA | Financial, technical and capacity building |

Marginal cost curve and elements of NAMA in the Mexican building sector



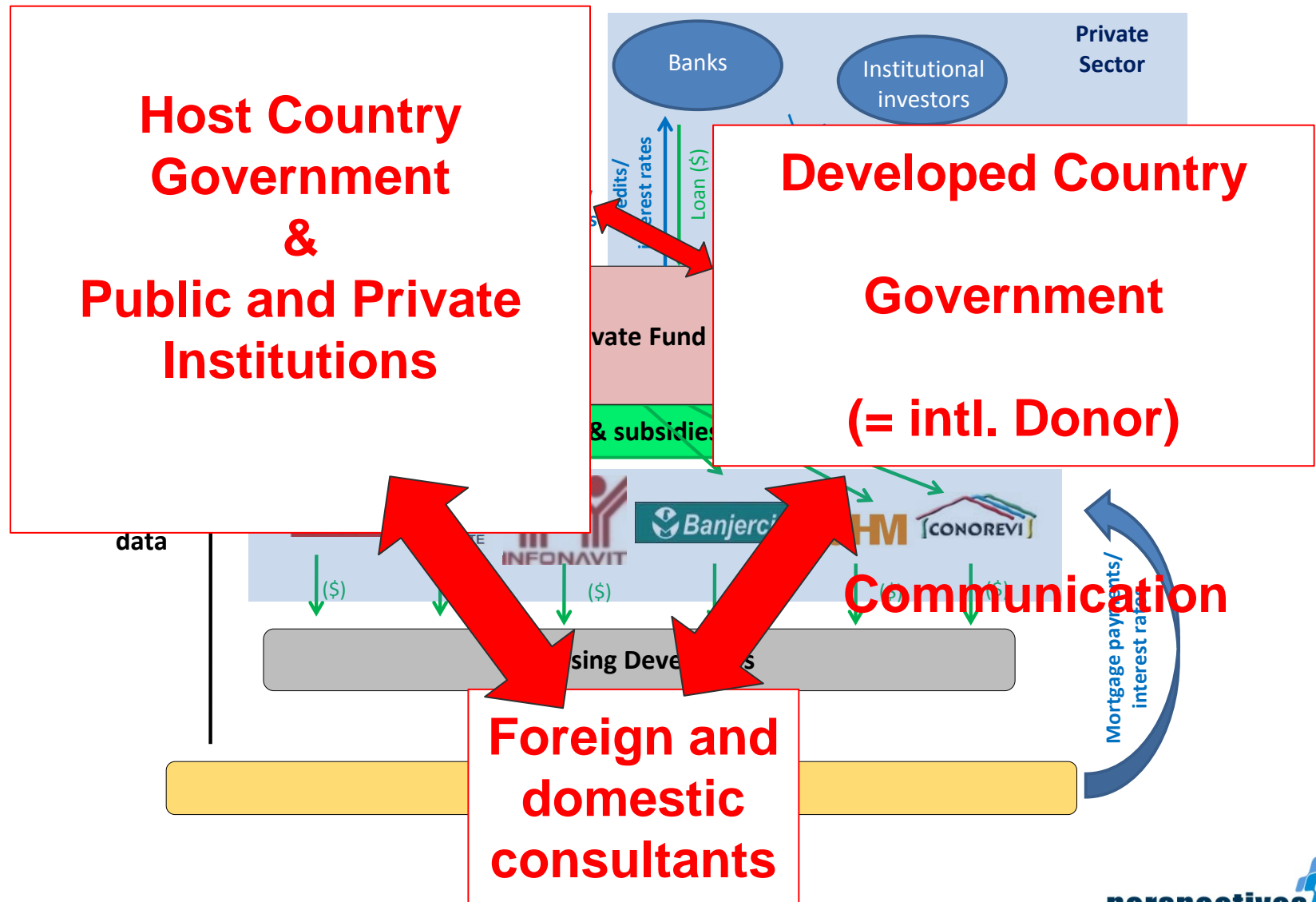
The NAMA could significantly reduce the BAU emissions





The role of policy and involved actors

Key Actors involved in shaping the NAMA



Key actors involved: External consultants

- **Role in shaping the NAMA:**
 - Initial push for the NAMA came from **foreign consultants**
 - Networking and lobbying for a NAMA **together with Mexicans**
 - **Scoping** of potential NAMA activities, together with domestic consultants and host country government
 - **Fund** raising
 - **Moderating** the process
 - Acting as **change agent** between host country and donor (developed country)

Key actors involved: External consultants

- **Lessons:**
 - Building relationships and **trust** with both sides is material
 - Parachuting consultants into a host country to set up a NAMA will not give sustainable results
 - **Long breath** required to get approval from all actors involved
 - Do not expect to have a full scale NAMA developed in detail within less than a year
 - **Competition** amongst consultants: Don't sell the fur before shooting the bear
 - Consultant – donor “symbiosis”

Key actors involved: Host country government

- **Role in shaping the NAMA:**
 - **Past introduction of policies** to serve as “seed” of NAMA
 - Green mortgage programme
 - Providing **information on existing activities**
 - Highly transparent
 - Coordinator to **integrate existing activities** under the NAMA
 - **National Housing Commission** key counterpart (very proactive)
 - Dealing with **national (emitter) lobbies**

Key actors involved: Host country government

- **Lessons:**

- Willingness of host country government to push the NAMA is **indispensable**
 - But there is an incentive to trade off design elements to get (more) donor money
- Challenge to cope with **different institutions and responsibilities**
 - Inter-institutional competition
- **COP 16 in Cancun** – public pressure to succeed (window of opportunity)
- The **natural attrition** linked to policy processes
 - Looming election

Key actors involved: Developed country government / Donor

- **Role in shaping the NAMA:**
 - **Willingness to **finance** (and to discuss)**
 - Wanting to showcase NAMA study, less interest to engage in financing of actual implementation
 - **Setting **conditions** for NAMA design**
 - Sound MRV, use of certain technology (here PV)
 - **Minor direct interactions** with host country, rather via consultants
 - **Several donor institutions** have interest to get involved
 - Financing, technical assistance, ...

Key actors involved: Developed country government / Donor

■ Lessons:

- Do not let the donor / developed country determine the NAMA design **alone!**
 - Specific institutional interests may not align with host country interests
 - **Inter-institutional conflicts** can distort the NAMA
 - Donor country institutions will want to get **control** over the NAMA to **access funding**
- Long breath required: Dealing with different institutions and responsibilities
- Beware of **bureaucratic processes...**



Conclusion

Setting up a NAMA – key lessons

- A good NAMA is **long term** and has a **broad scope**
- **Avoid smallish “project-based” NAMA**
- Integrate **all relevant actors** from the very beginning
- Assign **clear roles** and have **strong moderator**
- **Host country ownership** is a must
- Build the NAMA upon **existing activities** as far as possible
- Ensure **donor conditions do not choke off** the NAMA
- Ensure **relevant and sustainable donor contributions**
- Take **consultancy competition** into account

**Thank you for
your attention!**

**Fraunhofer ISI / Tokyo Institute of Technology Side Event:
“A bigger bang for the buck: How to design efficient policies under post-
2012 institutions?”**



Axel Michaelowa, Perspectives GmbH

michaelowa@perspectives.cc

www.perspectives.cc

