



criteria. Furthermore, GIZ supports designing and promoting new NAMAs and MRV capacity building through guidelines and national and international conferences and workshops to transfer knowledge and experience.

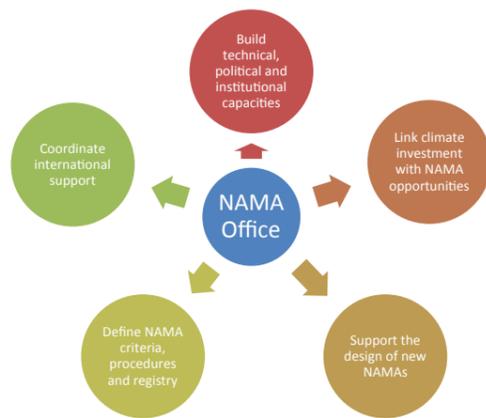


Figure 5: Potential Tasks in a NAMA Office. GIZ 2012

First results: The first housing NAMA in the world

During the 18th Conference of the Parties (COP) in Doha, Qatar, the Mexican government presented the latest version of a report titled “Supported NAMA for Sustainable Housing in Mexico – Mitigation Actions and Financial Packages.” This document reviews and expands on current federal housing programs like “*Ésta es tu casa*” and “*Hipoteca Verde*”, and its goal is to improve the environmental performance of housing units. This program currently targets low-income housing.

Today, the Mexican housing NAMA is one of the world’s most advanced programs in technical design, MRV system and institutional soundness. The NAMA is currently

undergoing its first phase of pilot testing. This NAMA also showcases the coordination mechanism led by CONAVI and supported by GIZ: the “Multilateral Committee for Sustainable Housing”. Different stakeholders from the housing sector meet regularly in a steering committee to coordinate their support for activities towards this NAMA and its future development. This mechanism also facilitates strategies for attracting new stakeholders, donors, and counterparts in this common effort to achieve climate-friendly housing and urban environments in Mexico.

Mexican Counterparts:

- Ministry of the Environment and Natural Resources (SEMARNAT)
- National Housing Commission (CONAVI)
- Ministry of Energy (SENER)
- Ministry of Communication and Transportation (SCT)

Commissioning agency:

German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)

Contribution from the German Government:

7 million Euros

Duration:

11/2011 – 10/2015

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The Mexican-German NAMA Programme

Current situation: NAMA - the key for mitigation in emerging countries

In 2010, the Mexican government submitted an aspirational goal to voluntarily reduce its greenhouse gas (GHG) emissions by 30% by the year 2020, and by 50% by 2050, relative to year 2000 emission levels. It further reaffirmed this commitment in October 2012 when the General Climate Change Act went into effect. This Act also states that the above goals could be achieved with the support of financial and technological mechanisms from developed and developing countries.

To support these objectives, the governments of Mexico and Germany initiated a voluntary mechanism known as NAMA (Nationally Appropriate Mitigation Action). A NAMA is a voluntary mitigation measure that provides assistance to help developing countries, not subject to mitigation commitments under the United Nations Framework Convention on Climate Change (UNFCCC), combat climate change effects. The NAMA framework offers the flexibility to adapt mitigation measures to their local context, with the possibility to receive external support in the form of financing, technology and/or capacity building. Although NAMA can be implemented as an institutional program, a regulatory change, a fiscal incentive, or any other way that targets GHG emission reduction, they must be executed within a sustainable development context with measurable, reportable and verifiable results.

The Project: To design four specific NAMAs and support NAMA coordination within Mexico

The governments of Mexico and Germany decided to jointly design four NAMAs in: nationally high GHG emission sectors; in new and existing housing; small and medium enterprises (SMEs); and road freight transport. Furthermore, the Project calls for the establishment of a NAMA office in Mexico. The Project is part of the German Government’s International Initiative on Climate Change (IKI, for its letters in German) and was commissioned by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU). The principal Mexican partners in this project are the Ministry of the Environment and Natural Resources (SEMARNAT); the Ministry of Energy (SENER); the National Housing Commission (CONAVI); and the Ministry of Communications and Transportation (SCT). The *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)* acts as technical advisor and promotes transference of knowledge nationally, regionally and internationally.

Focus: Developing a turn-key NAMA

NAMA designing follows the same methodology throughout its components. It includes the development of technical concepts; financial mechanisms; monitoring, reporting and verification (MRV) schemes; as well as concept testing through pilot projects. Each technical concept case is accompanied by the design of participative consultation and coordination platforms, to ensure that commitment and ample support for a NAMA in the corresponding sector are present. In addition to having a technical document, Mexico will also have a proven and ready-to-implement NAMA.

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On behalf of



of the Federal Republic of Germany



International cooperation for sustainable development in Mexico

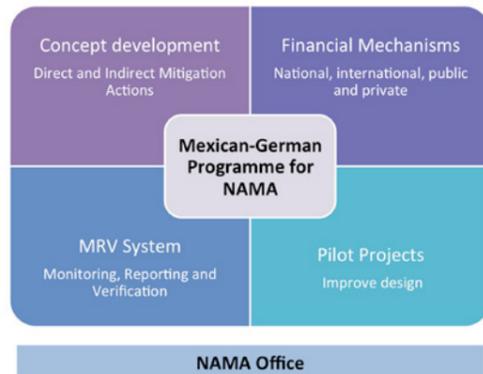


Figure 1: ProNAMA Methodology. Source: GIZ 2012

Owner-attractive and climate-friendly housing

Mexico has approximately 28 million inhabited dwellings and an average of 650,000 more will be built each year for the next 10 years. The potential environmental benefit from creating millions of energy and water efficient houses is significant both in mitigating GHG emissions and contributing to the country's sustainable development. Currently, GIZ is working with CONAVI on a NAMA to promote cost and energy efficient construction and best practice retrofitting concepts in new and existing housing. Emphasis is being placed on low-income housing.

Unlike the previous Mexican programs, which have focused on promoting and measuring the impact of specific eco-technologies, the NAMA approaches building efficiency from a 'whole house' approach. From this perspective, efficiency benchmarks are set for total primary energy demand based on building type and climate. Building developers and home-owners are then able to employ any combination of interventions that achieve the targeted efficiency level.

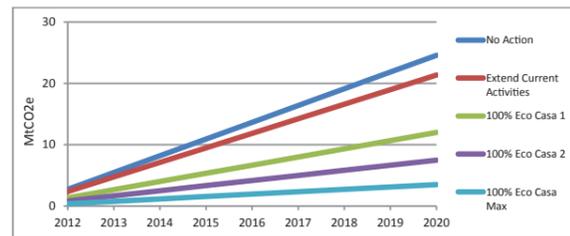


Figure 2: Housing Emission Mitigation Scenarios in Mexico. Source: Point Carbon, 2011

Raise the competitiveness of Small and Medium Enterprises by saving on energy and reducing emissions

Most of the labour force in Mexico works in the Small and Medium Enterprise (SME) sector. The potential to mitigate GHG emissions in this sector is high due to the large number of businesses involved. Yet the capacity to identify energy-efficient measures is limited precisely because of the sector's size, in spite of significant efficiency gains to be made. This sector is very diverse and complex, and any attempt to communicate the sector's potential becomes a challenge. That is why this NAMA is simultaneously advancing on two fronts: a technology cross-cutting approach, based on the massive substitution of electrical equipment; and a sector-by-sector approach starting in the hospitality sector to be transferred to other sectors afterwards.

Both approaches and their respective energy and GHG reducing mechanisms will be pilot tested. To reduce project implementation time and promote synergies, this NAMA will start by complementing and expanding SENER's Energy Efficiency and Savings Program for Business (Programa de Ahorro y Eficiencia Energética Empresarial, PAEEEM).

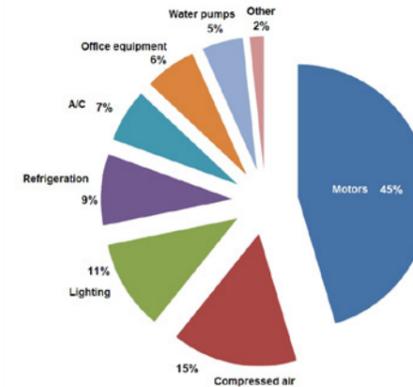


Figure 3: Typical electricity consumption of Small and Medium Sized Manufacturing Businesses, as per end usage. Source: GIZ 2012

Generating shared benefits in economy, health, and road safety: Climate-friendly road freight transportation

The road freight transportation sector in Mexico is also essentially formed by small companies. Many of these utilize older vehicles, which, by definition fall below current average efficiency levels. Additionally, poor vehicle maintenance and inadequate driving are factors that impact efficiency. These older and poorly maintained vehicles typically have inefficient combustion processes, which, increase GHG and other pollutant emissions. They also represent a bigger threat to road safety.

The objective of the road freight transportation NAMA is to reduce GHG and other pollutants generated by small transportation companies and owner-operated trucks. This can be achieved with instruments designed for this sector to modernize truck fleets and improve their operating efficiency. Another objective is to determine and recommend public policies to promote emission reduction through transportation regulation. To this end, GIZ supports SCT and SEMARNAT in designing this NAMA. Three working groups will jointly: evaluate current sector GHG emission reduction programs and schemes; identify new mitigation schemes and instruments; and analyse financing mechanisms for both.

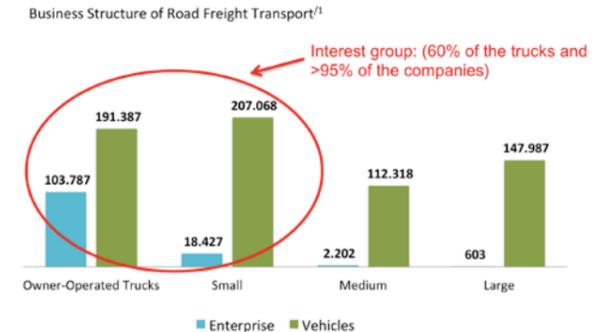


Figure 4: Road Freight Transportation Service Structure. Source: SCT-DGAF, 2012

Monitoring, Reporting and Verification (MRV), the foundation for sound NAMAs

The current UN international regime on climate change has expressed a strong desire for emerging countries to report their GHG emission reduction activities in a transparent and verifiable way. The development of a MRV system is a requirement for all NAMAs. The soundness of a NAMA's MRV system will be decisive in attracting international support to implement the NAMA through financing, technology or capacity building. This is why the cross-cutting component focuses on guaranteeing that NAMAs are transparent, comply with all necessary standards, that the implementation is monitored, the progress is reported and results are verified. The proposed strategies for this line of cooperation activities include: conceptual designing of MRV systems; database designing; pilot projects for MRV systems; model calibration; and field verification.

Guidance and coordination in a highly dynamic field

In August of 2012, GIZ began working with SEMARNAT on an institutional and operational design for a NAMA office in Mexico. This office will be in charge of coordinating and promoting NAMAs in Mexico. It will also standardize criteria, processes and management of NAMAs in the country, including: definitions, MRV schemes, registers, liaison with donors and sustainability