

Evaluation and Learning Exercise (ELE) of the Mexico Housing NAMA Support Project (NSP) - Management Response

1. Background

In 2021, the NSP Mexico Housing was subject to an independent final-project ELE conducted by an evaluation team led by AMBERO Consulting. The ELE report is published on the NAMA Facility's [website](#).

The NSP and Technical Support Unit (TSU) provided responses to the recommendations made by the evaluation team as follows:

2. Response to the recommendations to political implementing partners and the NSP Team for the continuation of the NAMA for Sustainable Housing in Mexico

Recommendations	Activities	Responsible Entity	Timeline
<p>Recommendation 1: To obtain or expand results, it is necessary to establish effective mechanisms for intergovernmental coordination and alignment of interests and actions.</p>	<p>Recommendation partially accepted.</p> <p>A Coordination Committee with several institutions in the housing sector was established at the beginning of the project and worked well. However, with the change in administration, this Committee was dissolved and there is not enough political will to restore it in the short term. SHF is trying to restore the coordination mechanism however there is not yet enough political will to make it happen.</p>	SHF	Ongoing
<p>Recommendation 2: Stakeholder consultations should be involved in developing new LCH projects so that they respond to the local and emerging needs and context.</p>	<p>Recommendation partially accepted.</p> <p>We agree that participatory processes are needed in the LCH sector. One idea is to develop a contest at a municipal level to consider the needs of local communities. SHF/KfW will search for funds to implement this recommendation soon. However, its implementation is dependent on having the availability of funds.</p>	KfW/SHF	2022
<p>Recommendation 3:</p>	<p>Recommendation partially accepted.</p>	KfW and SHF	2022

<p>Increase commitment and ownership by involving the most promising actors at the respective level of action.</p>	<p>We agree with the proposal. The idea presented above is to develop a contest at a municipal level to consider the needs of local communities. SHF/KfW will search for funds to implement this recommendation soon. However, its implementation is dependent on having the funds.</p>		
<p>Recommendation 4: Housing institutions in Mexico (SHF, INFONAVIT, FOVISSSTE, CONAVI, etc.) should continue to use the SISEVIVE tool, simplify the calculation method and evolve to a universal, efficient construction label that includes the application of the Mexican NOM-020-ENER standard.</p>	<p>Recommendation partially accepted.</p> <p>We agree with the recommendation and are in the process of simplifying the calculation method for the SISEVIVE tool together with GIZ and CEELA. However, we do not control what other institutions in the sector can do (INFONAVIT, CONAVI, FOVISSSTE).</p>	<p>SHF, GIZ, CEELA</p>	<p>2022/2023</p>
<p>Recommendation 5: Enhance participatory processes involving the homeowners and developers.</p>	<p>Recommendation accepted.</p> <p>We agree with the recommendation and are in the process of simplifying the calculation method for the SISEVIVE tool together with GIZ and CEELA.</p>	<p>SHF, GIZ, CEELA</p>	<p>2022/2023</p>
<p>Recommendation 6: Prioritise LCH applications according to the different climate zones.</p>	<p>Recommendation partially accepted.</p> <p>We agree that some prioritisation to foster increasing emission reduction would be welcome. However, the program is demand-driven, and our experience shows that incentives are needed and SHF is not in the position to offer them yet.</p>	<p>SHF</p>	<p>Ongoing</p>
<p>Recommendation 7: Focus on introducing eco-technologies with high carbon-saving potential and the massification of cheaper LCH measures.</p>	<p>Recommendation rejected.</p> <p>This is something the EcoCasa Program already does by letting developers choose from a variety of eco-technologies and having a minimum EE threshold. The market tends to choose the most cost-effective option.</p>		

<p>Recommendation 8: The cash flow needs of the developers should be adequately considered during the financial support design.</p>	<p>Recommendation accepted.</p> <p>To support developers' cash flow needs the level of construction requirement was decreased to 80% instead of 100%. In this sense, developers could request the subsidy sooner.</p>	<p>SHF, KfW</p>	<p>2022</p>
<p>Recommendation 9: Explore the participation of commercial banks in financing LCH.</p>	<p>Recommendation partially accepted.</p> <p>This is something that has been carried out since 2018 as part of the EcoCasa Program as this program offers lower interest rates and loans instead of subsidies. However, banks refinance themselves at very low-interest rates. We are exploring other financial instruments such as guarantees but it is not clear as of today if this can be implemented in the short term.</p>	<p>SHF</p>	<p>Ongoing</p>
<p>Recommendation 10: Grant procedures should be simplified.</p>	<p>Recommendation accepted.</p> <p>This was done towards the end of the NSP by requiring less documentation and procedures.</p>		<p>Already implemented.</p>
<p>Recommendation 11: SHF should work on financial training and promoting financial products in the SME sector.</p>	<p>Recommendation accepted.</p> <p>Agreed this will be the focus of SHF in the following years. Many SME developers are already passing to the EcoCasa Program as it is an ongoing activity.</p>	<p>SHF</p>	<p>Ongoing</p>
<p>Recommendation 12: A shift of the risk towards government institutions (SHF), for example through a guarantee fund, should be explored by the government of Mexico.</p>	<p>Recommendation partially accepted.</p> <p>SHF is exploring this option but has not established if it is feasible yet.</p>	<p>SHF</p>	<p>Ongoing</p>

3. Response to the recommendations to the NAMA Facility for the review, approval, and management of future interventions

Recommendations	Activities	Responsible Entity	Timeline
<p>Recommendation 1: Consider monitoring the level of engagement of the political implementing partners through the regular progress reporting.</p>	<p>Recommendation partially accepted.</p> <p>The engagement of the political partners and the broader political context of NSPs are already monitored through the regular reporting to the NAMA Facility through the Chapter 1 of the NSP Annual and Semi-Annual Reports, where the projects are asked to reflect on any political and/or institutional changes in the country and discuss their effects on the NSP. Additionally, this information is captured through the regular exchange between the TSU and the NSPs. A more explicit guiding question on the dynamics of the partner engagement is to be added as a clarification to the Annual and Semi-Annual report templates.</p>	<p>TSU</p>	<p>Ongoing</p>