

## Implementation of the New Housing NAMA Mexico



### 1. Facts

<b>Implementing partners</b> .....	<b>Technical component:</b> Comisión Nacional de Vivienda – CONAVI (National Housing Commission) Secretaría de Desarrollo Agrario, Territorial y Urbano – SEDATU (Ministry of Agrarian, Territorial and Urban Development)
	<b>Financial component:</b> Sociedad Hipotecaria Federal – SHF (State Housing Development Bank) Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH – GIZ (German Corporation for International Cooperation GmbH) KfW Development Bank
<b>NAMA Facility funding</b> .....	EUR 14 million
<b>Project duration</b> .....	<b>Technical component:</b> four years <b>Financial component:</b> six years
<b>Status</b> .....	<b>Technical component:</b> completion December 2017 <b>Financial component:</b> implementation

### 2. Toward More Sustainable and Affordable Housing

The New Housing NAMA Support Project (NSP) addresses specific barriers to sustainable housing in Mexico through a combination of technical and financial support. The project aims to transform the Mexican housing sector by enhancing and harmonising support mechanisms,

raising awareness among consumers and increasing the capacities of project developers.

The New Housing NSP promotes cost-effective energy-efficient building concepts and technologies as well as the use of renewable energies across the residential housing sector with a particular focus on low-income housing. International best practices provided to the Mexican Na-

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Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety



Department for Business, Energy & Industrial Strategy

tional Housing Commission (CONAVI) are supplemented by financial incentives and project-related technical support implemented in cooperation with the Mexican development bank SHF.

### 3. Catalysing Change in the Face of Challenge

At present, the residential sector in Mexico comprises around 7% of greenhouse gas (GHG) emissions. Urbanisation in Mexico is already high, with nearly 80% of the population living in cities. Coupled with an annual population increase of around 1.7 million, the number of urban inhabitants will continue to increase in the near future. Over the next decade, 500,000 dwellings will be built on average per year, primarily for low-income residents. In addition, one third of the current housing stock of 28 million units will require partial or complete renovation by 2030.

Throughout Mexico, insufficient urban planning has resulted in rampant urban sprawl and poor infrastructure at the periphery of most cities. To amend these past mistakes, the Mexican government has developed an ambitious new climate and urban development agenda which focuses on the re-densification of inner city districts as well as more compact, vertical building designs and an overall reduction of GHG emissions by 50% by 2050.

As for more comprehensive emissions targets, Mexico has already signed and ratified the Paris Agreement; its nationally determined contributions for energy-related emissions reductions are currently in the process of being defined.



Mexico faces numerous barriers to affordable large-scale, energy-efficient housing. These include limited knowledge and experience in the area of energy-efficient construction, subsidised energy prices which do not provide incentives to save money, costly technical equipment and building materials, and a weak regulatory environment. Originally launched at the COP17 in Durban, South Africa, in December 2011, the New Housing NAMA is a global first, designed to overcome precisely these barriers.

### 4. How to Achieve Transformational Change

The New Housing NAMA Support Project endeavours to boost investments in energy efficient housing. The NSP will tackle deficits in knowledge and experience in this area. Technical support and standardised efficiency criteria will trigger more private and institutional sector investments. The New Housing NSP seeks to address these shortcomings through enhancing the supply side of energy efficient houses, increasing demand for such houses through demonstrating economic benefits, as well as fostering a conducive legal framework and support mechanisms.



**In order to effect this transformational change, the New Housing NSP will:**

- Build the capacities of federal, state and local authorities in relation to energy-efficient and sustainable housing, as well as amend building codes and legislative framework conditions;
- Develop local markets for environmentally friendly technologies in the housing sector, introduce the “integrated whole house approach” to energy savings and new energy and water demand certification concepts in the Mexican housing sector across the different climatic zones and three different housing types;
- Improve existing promotion instruments and incentives with more ambitious energy efficiency standards at the federal and state level; and
- Promote the application of more ambitious energy efficiency standards by providing targeted investment grants to construction companies and loan guarantees to financial intermediaries to cover incremental costs such as additional eco-technologies.

The investments undertaken relate to household appliances, lighting, thermal insulation (walls, roofs and windows), solar water heaters and ventilation. Pilot housing programmes have been established in several locations, including the hot, arid climate of Monterrey in the north-eastern state of Nuevo León and in the dry, wet zone of Mérida in the state of Yucatán, near the Gulf of Mexico.

Pilot projects demonstrating the economic feasibility of energy efficient housing projects will increase demand and motivate further commercial banks to mobilise funding. Furthermore, increased demand from an end-user perspective will lead to greater investments in energy efficient housing.

## 5. Expected and Achieved Outcomes

At the commencement of the project, the minimum mitigation target was a 20% reduction in greenhouse gas emissions, an equivalent of 400,000 t CO<sub>2</sub>e by 2020. Based on monitoring results through June 2017, this target has been surpassed with reductions already exceeding 1,090,000 t CO<sub>2</sub>e.

**As of mid-2017, the New Housing NAMA has also outperformed additional benchmarks:**

- In terms of financing, initial targets to leverage EUR 120 million in public financing and EUR 80 million in private financing have been exceeded with EUR 143 million and EUR 153 million mobilised to date;
- In terms of beneficiaries, the initial target of 43,000 direct beneficiaries has been exceeded with demonstrated benefits to over 194,000 urban residents to date; and
- In terms of NAMA housing units, the initial target of 11,000 units subsidised or mobilised by NAMA Facility has surpassed with 43,600 units reached per date.





The New Housing NAMA has improved and will continue to improve quality of life for low-income groups thanks to a significant reduction in energy consumption and lower electricity and gas bills. Homeowners benefit from improved housing quality and comfort. Housing developers are able to offer a high-quality product at a competitive price and receive recognition as pioneers in the sustainable construction market.

Furthermore, the NSP has catalysed impact beyond its remit by enhancing local capacities to act on climate change (e.g. in the states of Jalisco and Yucatan), encouraging innovation and testing new approaches as well as developing synergies between programmes related to sustainable housing and development. The New Housing NAMA Support Project has provided key data to support the development of public policies for low-carbon housing in Mexico and globally.

## 6. Further Information and Updates

[www.ecocasa.gob.mx](http://www.ecocasa.gob.mx) and  
<http://www.nama-facility.org/projects/implementation-of-the-new-housing-nama-mexico/>

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