



SUSTAINABLE FINANCING & ALTERNATIVE MECHANISMS

NAMA and LEDS: The Way Forward

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First International Business Meeting

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AGENDA

- Who We Are
- What we did in Mexico?
- What are we doing now in Mexico?
- LEDS and NAMA: Essential Mechanisms and Successful Implementations

Appendix: The Mexican NAMA: An example

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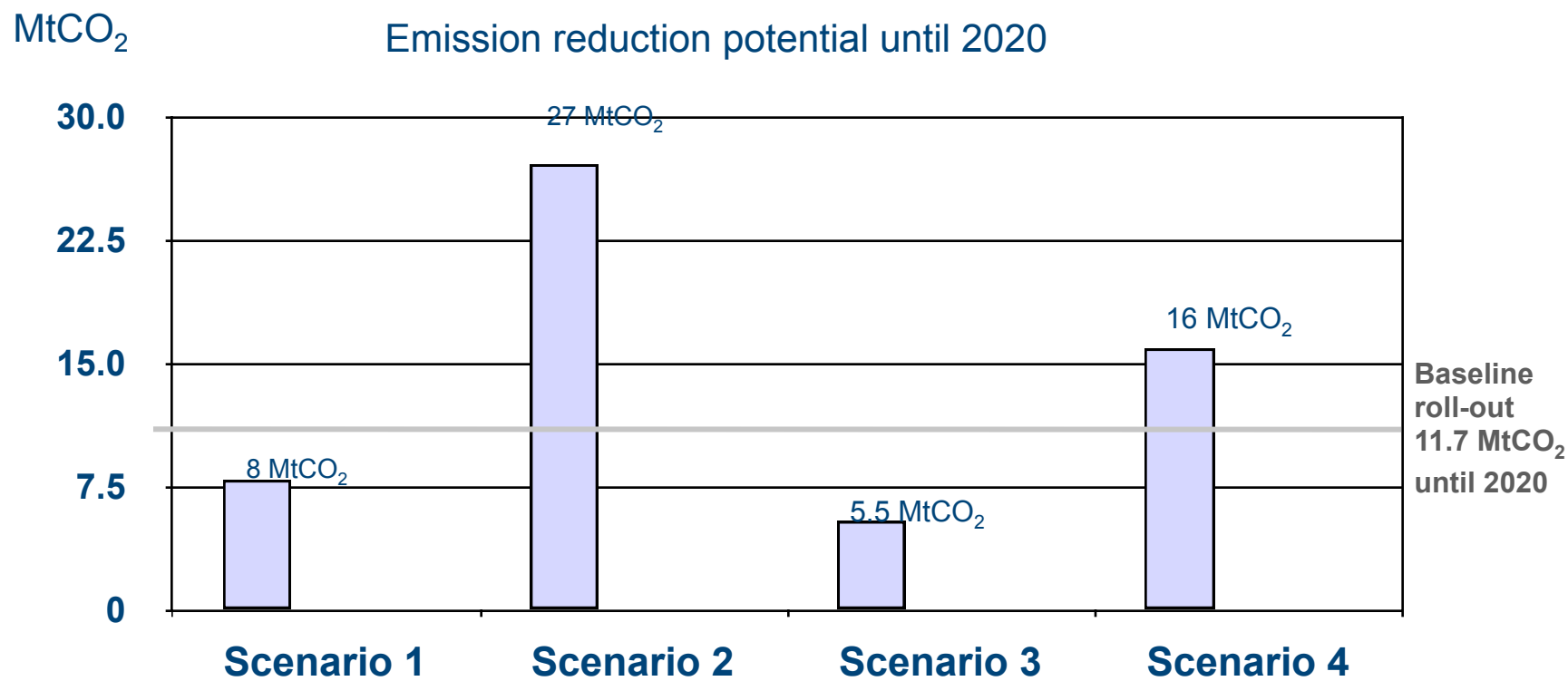
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What we did in Mexico?

- Developed the NAMA concept in collaboration with CONAVI and SEMARNAT for Housing (*rated the most advanced during Cancun last year*)



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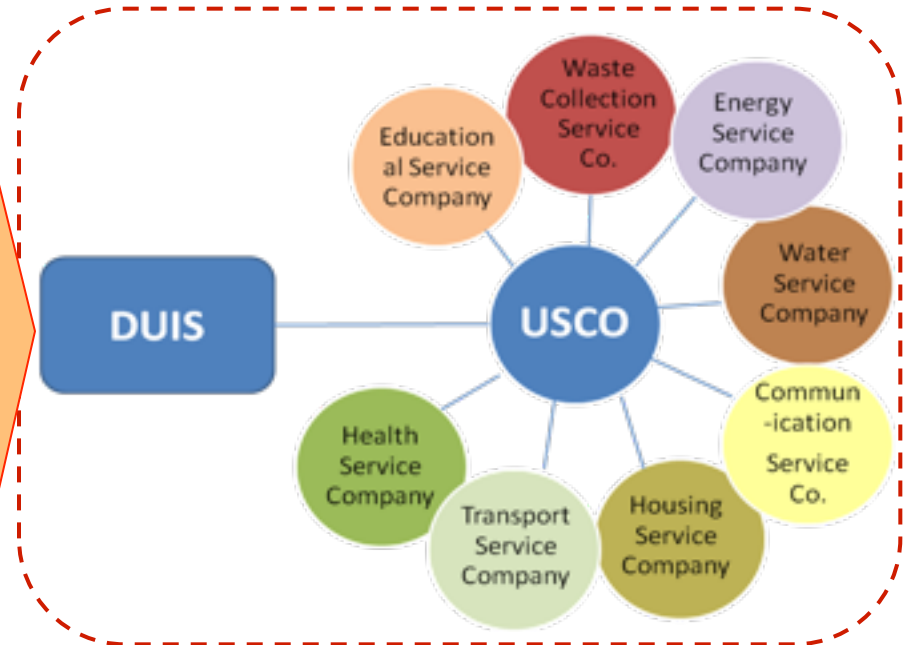
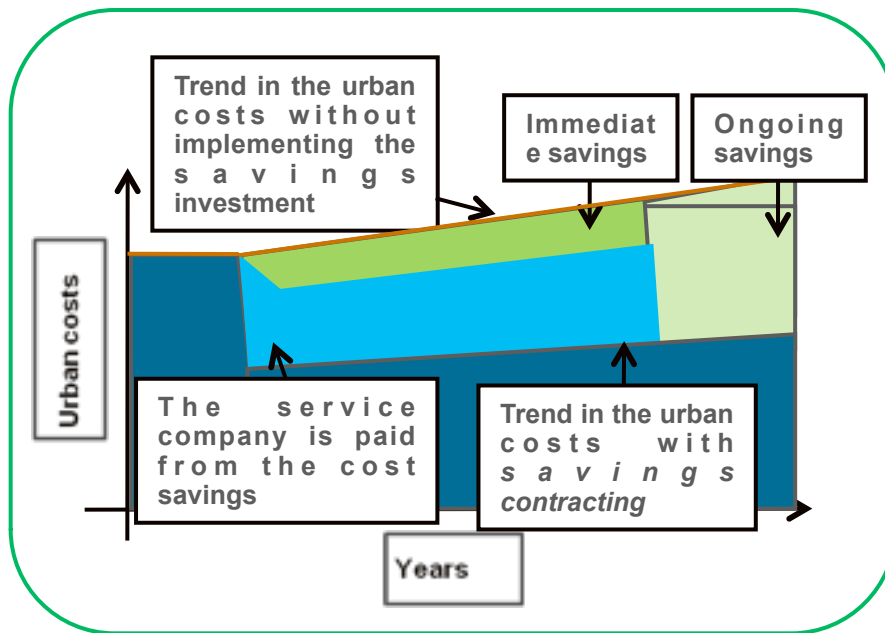
- Marginal cost curve and possible types of NAMA that can be tested within the Mexican building sector

Mitigation
cost

Credit
price

What we are doing now?

- I. Planning and preparing to start the implementation plan of the Housing NAMA in collaboration with CONAVI, SEMARNAT, INFONAVIT, GIZ and other developmental financing institutions.
- II. Designing the concept of Urban Service Company (USCo) in collaboration with CONAVI



LEDS and NAMA: The Essential Mechanism

LEDS

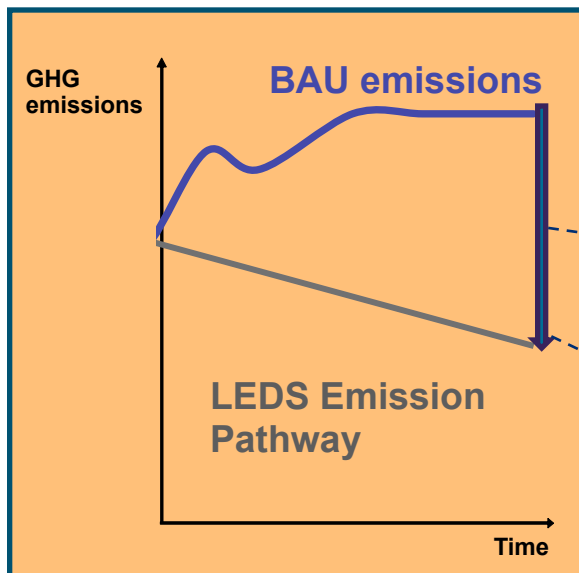
- National development goals and objectives
- Inventory of domestic greenhouse gas (GHG) emissions and economic activity
- Long-term projection(s) of business-as-usual GHG emissions and economic activity
- Assessment of alternative actions and development pathways
- Prioritized actions and implementation plans

NAMA

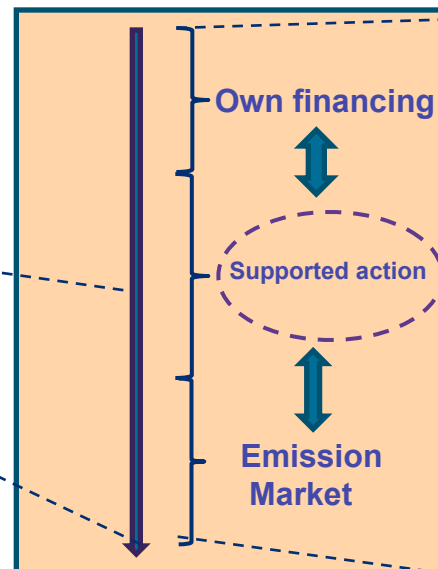
- *Copenhagen Accord says “**Nationally appropriate** mitigation actions’ by developing country Parties in the context of sustainable development, **supported** and enabled by technology, financing and capacity building, in a **measurable, reportable and verifiable** manner.”*
- Supported by technology, financing and capacity building
- Should be measurable, reportable and verifiable – MRV

Successful LEDS/NAMA Depends on...

1 LEDS Strategy



2 Financing Solutions



Requirements for support

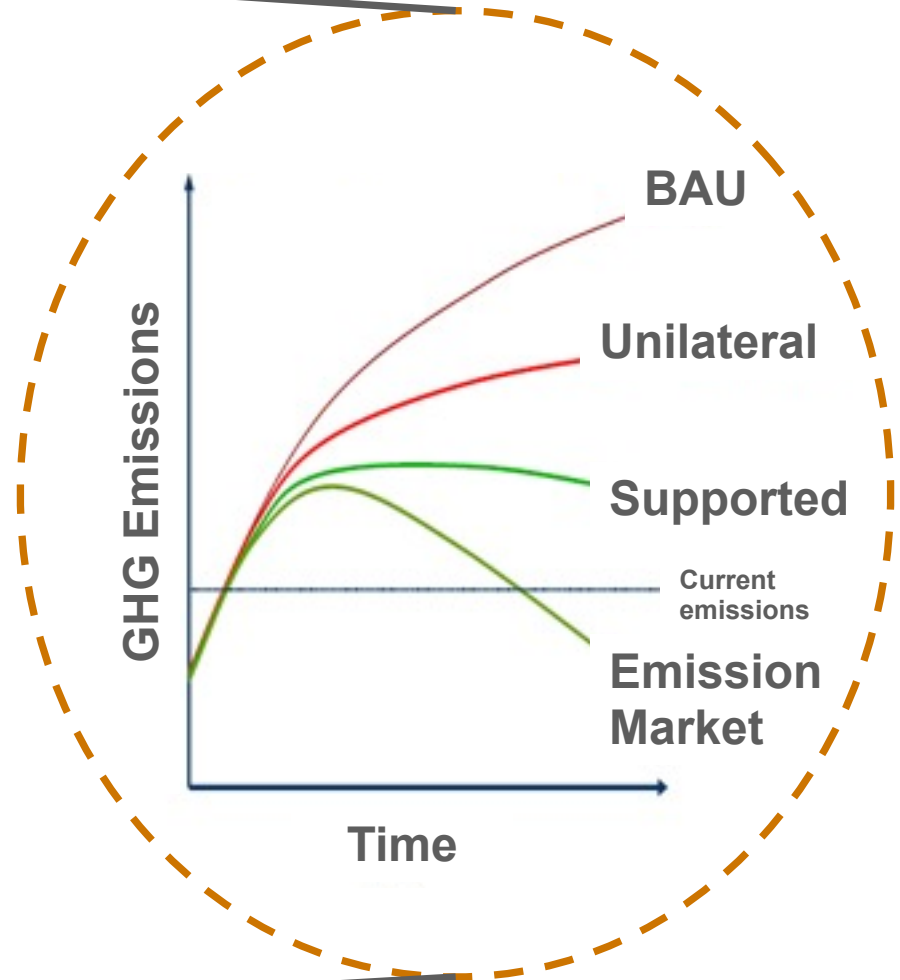
3 Defining LEDS/NAMA for Support

- What are the concrete sectors and scope?
- Whole sector or sub-sector?
- Which are the detailed measures to be implemented?
- What is the envisaged MRV approach?
- Plans for crediting?
- What are the detailed financial requirements and what is the external financial contribution sought?
- What is the delivery framework supporting LEDS/NAMA

Assessment of LEDS Fitment Across NAMA Categories

LEDS Objective

- **Unilateral NAMAs**
Mitigation actions undertaken by developing countries on their own;
- **(Directly) Supported NAMAs**
Mitigation actions in developing countries, supported by climate finance from Annex I countries
- **Credited NAMAs**
Mitigation actions in developing countries generating credits to be sold on the carbon market (e.g. sectoral crediting).

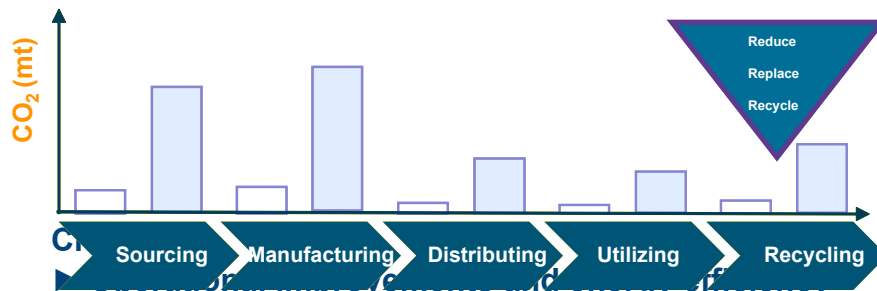


Four Steps to Successful Delivery of Emission Reduction Programmes

1. Substantiate Climate Change Strategy

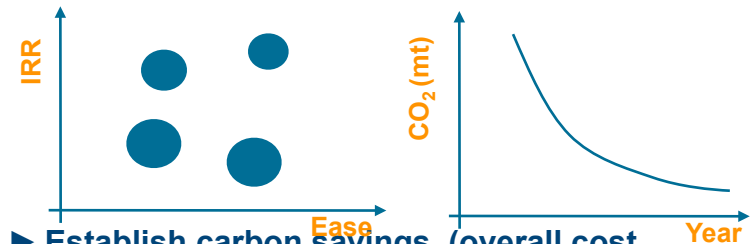
- ▶ categorize risks and opportunities
- ▶ map stakeholder positions
- ▶ re-examine regulatory scenarios
- ▶ validate customer benefits

2. Review Existing Low-Carbon Programmes



- programs should have reduce energy demand
- ▶ Is the renewables opportunity examined in an exhaustive way (e.g. land banks and waste)
 - ▶ Has there been any increase (both quality and volume) in carbon offsets and trading

3. Prioritise Carbon Reduction Portfolio



- ▶ Establish carbon savings (overall cost reductions) and ease of implementation
- ▶ Assess business case and funding mechanisms (alternative financing, grants, tax, CDM, ROCs)
- ▶ Regularly authenticate carbon reduction targets

4. Establish a Concrete Programme Delivery

- ▶ Review the existing Program Management Office (PMO), governance and reporting to identify successful and unsuccessful delivery mechanisms
- ▶ Mobilise / expedite public-private-partnerships
- ▶ Create an easy framework to attract customers and investors

Overview of the proposed NAMA fund



Thank You !

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