



Human Settlements Action Day Report

11 November 2017

From the content group to the Champions

1. Short-term (2018) and mid-term (2020) priority actions from the human settlements perspective that could have significant impact and deliver concrete results aligned with the long-term aims of the Paris Agreement and feed into the 2018 Facilitative Dialogue are:

Short-term actions:

The Paris Agreement goals imply transforming human settlements to effectively plan and reduce greenhouse gas emissions and adapt to climate change impacts. This transformation needs to occur at all scales – from individual buildings to districts to cities and regions, considering city and territorial planning and embedded in national urban, climate and energy policies. Initiatives and coalitions in the Marrakech Partnership for Global Climate Action are progressing on many fronts. Yet, without accelerated efforts emissions from human settlements will continue to grow and more and more human settlements will be vulnerable to the effects of climate change. To take the necessary climate action on mitigation and adaptation, local and regional (subnational) governments, along with other non-state actors and national governments, need the right mandate, knowledge, competence, capacity and finance.

- Short-term actions on mandate:
 - Create a platform or taskforce to facilitate vertical integration of the above issues, engaging all levels of government, to ensure that subnational climate actions are incorporated into Nationally Determined Contributions (NDCs) and National Adaptation Plan (NAPs) in a transparent and inclusive manner.
 - Embed integrated sustainable urban and territorial development and disaster risk reduction into NDC implementation.
 - Elevate the place given to the building and construction sector in the NDCs, particularly through dedicated policies and measures on energy efficiency and the use of renewable energy in buildings in the NDCs, with national and local targets clearly defined.
- Short-term actions on knowledge and capacity:
 - Facilitate knowledge and access to technology on climate change mitigation and adaptation, building on the NDC Partnership, the Nairobi Work Programme and other mechanisms to scale up subnational climate action.
 - Create regional and national alliances, which further understanding and cooperation among all players along the value chain.
 - Continue knowledge exchange and increase capacity to develop robust community-scale greenhouse gas inventories, assessing local climate vulnerabilities, and influence city planning with a climate lens;
 - Strengthen multi-partner initiatives for joint actions of all stakeholders.
 - Develop and promote science-based targets for cities and regions, as well as the private sector in all sectors, including buildings and construction - also building an evidence base to track progress.



- Short-term actions on finance:
 - Strengthen coordination and exchange among Project Preparation Facilities.
 - Request the UNFCCC Standing Committee on Finance to co-operate with non-Party stakeholders to provide recommendations on ways to foster ownership and empower subnational governments within existing strategies to increase their access to finance.
 - Strengthen the creation and mobilization of instruments such as guarantees and credit enhancements to develop domestic capital markets and the liquidity of assets.
 - Mainstream financing models from MDBs/DFIs on financing for local and regional governments and urban infrastructure, also via commercial banks and their management boards.
 - Establish a national price of carbon that reflects its true social and environmental cost.

Mid-term actions:

- Align policies across all levels of governance (vertical policy integration) - for buildings, cities, and human settlements in general.
- Financial institutions to expand their financial products and create more standardisation of project preparation.
- Strengthen institutions to enable enforcement of standards and policies - for buildings, cities, and human settlements in general.
- Increase capacity for accessing and using new finance instruments.

2. New initiatives or commitments on climate action announced at COP 23.

- The Cities Climate Finance Leadership Alliance (CCFLA) launched the first ever **Project Preparation Practitioners Forum** to support coordination and knowledge sharing on opportunities and the convergence of support activities. The CCFLA is also designing a partnership to highlight more integrative and multi-level cooperation opportunities with non-Party stakeholders in NDC investment plans.
- The West African Economic and Monetary Union launched a multi-year and multi-donor project to build a **Regional Agenda for Localizing Financing** with focus on climate resilience.
- The **City Climate Planner Program** is a training and certification program that aims to deliver capacity for city staff and their partners to develop the skills needed to advance local climate action in cities worldwide. The first certification addresses the development of robust GHG inventories at urban level using the Global Protocol for Community-scale GHG Emission Inventories.
- **Planners for Climate Action** is a new initiative that commits a number of global, regional and national planning associations and educators to: promote and advocate for the role of urban and regional planners in addressing climate change, support planning associations and educators to increase the capacities of national planning systems
- The **#CitiesIPCC coalition** aims at promoting and discussing science-based climate action for cities. It will bring together representatives from scientific bodies, local-, regional- and national governments, including urban and climate change practitioners and policy-makers to advance climate action based on science, practice and policy.
- Ignited by the GABC, a dedicated energy-efficient buildings facility, the **Programme for Energy Efficiency in Buildings (PEEB), was launched under a French-German co-operation (AFD-ADEME-GIZ).**



Annex

Details from sessions during the Human Settlements Action Day

Session MULTILEVEL GOVERNANCE

Short-term (2018) and mid-term (2020) priority.

"The Human Settlement Day is both the acknowledgement of the importance of territorial action and the commitment of those actors to contribute to the Climate Processes. It is a key space to question our current urban development model, which should respond to citizens' demands and rights. Sustainability is closely linked to the Right to the City: the right to create the city and empower citizenship. The Right to the City entails key principles for our work, such as the right to housing, the right to clean air and the right to health" - **Janet Sanz**, Deputy Mayor of Barcelona in charge of the Area of Ecology, Urban Planning and Mobility.

NDCs of many countries have a significant urban dimension^[1] and cannot be achieved without focusing on cities. Human Settlements are also where Climate Change impacts felt most deeply and extensively, both effective mitigation and adaptation require action in cities and human settlements. To take such action, Local Authorities need mandates, knowledge, competence and capacity.

Local and regional governments (LRGs) have long taken a global leadership role in monitoring and reducing our GHG emissions and adapting to climate change. They will need further support, especially from national governments to tackle GHG reduction, as well as embed adaptation efforts at the centre of their policy agendas. Solutions will only be effective when we integrate these at all levels of government. Cities and local governments are key in this regard, also with the integration and inter-connection of territories and regions to create rural-urban linkages and leave no one behind.

Local and regional leaders are committed to the Paris Agreement, strongly contributing to Climate Action through the initiatives of our regional and global initiatives: the Global Covenant of Mayors for Climate & Energy, the Cities Climate Finance Leadership Alliance, the Under2 Coalition, the Compact of States and Regions, RegionsAdapt and the local governments' climate roadmap. These initiatives and city / region networks, as well as other form of city-to-city and region-to-region cooperation are crucial to scale up climate action, as these enable cities and regions to learn from each other's best practices but also to avoid mistakes made.

One of the most important roles local and regional leaders can play is to involve our citizens in the climate agenda and strengthen partnerships with Civil Society. As the levels of government closest to the people, they are best placed to harness the huge citizen potential for engagement on this issue and work with them to produce concrete results. We also reach out to national governments as key partners. We must support them when they take bold steps to reduce emissions and adapt to climate change, and push them when they don't go far enough.



Finally, we need a new global governance architecture that allows local and regional governments to be represented in international talks and contribute to global implementation and monitoring of climate commitments beyond the margins of climate conferences.

New initiatives or commitments on climate action announced at COP 23.

- **RegionsAdapt**, launched at COP 21, celebrates the completion of its first two-year cycle, with related commitments, by their founding members and launch new commitments and plans for coming years

Sessions FINANCING

Short-term (2018) priority actions

- **Mobilizing resources**, both financial and technical, remains a challenge for LRGs. The priority is to intensify and scale up the work of the CCFLA and other existing multi-partner initiatives for joint action of all stakeholders. This includes engaging in dialogue with all relevant stakeholders in the field of subnational climate action and considering relevant infrastructure, especially with cities. Working with financing institutions and responding to finance barriers identified for subnational infrastructure should also include accessing private sector finance.
- **Recognize** the specific challenges that LRGs face in accessing innovative and public-private financial resources for climate action (including access to UNFCCC financial mechanisms, capital markets and endogenous domestic resources) → **Launch a Global Campaign on Localizing Climate Finance.**
- **Create an official multi-governance platform** to advance a structured discussion on how the LRGs can engage with national governments with the scale and speed necessary to deliver on the Paris Agreement. The UNFCCC Standing Committee on Finance could explore this aspect, and consult and cooperate with non-Party stakeholders in order to provide recommendations on how to foster ownership by and empower LRGs within a strategy for implementing a **2020 Global Action Framework for Localizing Climate Finance**. This should be operationalized to increase LRGs' access to finance and enhance the likelihood of meeting the combined NDCs goals.
- The 2020 Global Action Framework shall be implemented through a strong action plan based on the convergence of different international calls and roadmaps, especially the Marrakech Roadmap for Action (COP 22), the Mexico City Declaration on "Financing Inclusive Change" Habitat III, C40 Call, and building on FfD article 34 and New Urban Agenda recommendations on financing for LRGs.
- **Increase awareness and support of the role the local level can play** to support implementation and achievement of the NDCs. Explore options to use and build on the NDC Partnership.
- **Place a specific focus on Subnational Project Preparation:** The CCFLA with the support of GIZ has launched the first Project Preparation (PP) Practitioners Forum during COP23. Together with the 2017 Edition of the CCFLA Mapping on Initiatives for Localizing Climate Finance, which has a PP focus, these initiatives shall support more articulation, coordination and knowledge sharing on opportunities (including pipelines of projects) and convergence of support activities (focus on a region or a sector/specific player).



- **Launch a Subnational Climate Finance Fast Forward Initiative** as per results of consultation during the Practitioners Forum: this platform will bring together in a collaborative effort all volunteer institutions, stakeholders and practitioners for project preparation to deliver better knowledge, expand the range of services and coordination between existing PP initiatives and funds, identify and catalyze replication of successful models and operations, though accelerating closure of deals and investments at subnational level.
- **Financial institutions should increase standardization of project** preparation standards using and supporting the further development of existing tools and instruments. Project preparation support for subnational climate relevant infrastructure needs to increase. Strengthen coordination and exchange among project preparation facilities in order to fully explore synergies and increase efficiency and effectiveness.

Mid-term (2020) priority actions

- Launch of a **Global Partnership for Localizing Finance**: based on the previous activities (2020 Global Action Framework), the idea is to create an international space for framing real work streams and implementation of the localization/cascading of climate finance to territories.
- **Mainstreaming financing models** from MDBs/DFIs on financing local and regional governments and urban infrastructure **to commercial banks' management boards**.
- **Strengthen the creation and mobilization of instruments** such as guarantees and credit enhancement to develop domestic capital markets and the liquidity of assets, strengthen the local investment market niche.
- **Support National Urban Policies** as means to ensure that urban development is in line with the objectives of the Paris Agreement and contributing to the implementation of the NDCs. countries need to be supported in the necessary vertical integration, setting clear responsibilities and competences for the national and local level. For this, tailored capacity development for project identification, development and implementation is necessary.
- Financial institutions should expand their **financial products and support for urban infrastructure pipelines**. This should include an identification of ways to make the processes for application of funding easier.
- **Specifics on buildings and construction**: Create scale by connecting several buildings in a neighbourhood such as through district energy systems to leverage large scale investment in building (and neighbourhood) efficiency. This can simultaneously tackle supply and demand efficiency in the built environment and create new business models for building efficiency.

New initiatives or commitments on climate action announced at COP 23.

a) **Regional Partnership for Localizing Financing – West African Economic and Monetary Union FMDV**, the current CCFLA Secretariat co-host, and Global Alliance of local and regional governments on Financing and Local Economic Development, is supporting the West African Economic and Monetary Union' Local Governments Council in a multi-year and multi-donor project to build a *Regional Agenda for Localizing*



Finance with a special focus on climate resilience. On the donor side, this initiative is led by the Swiss Cooperation, relevant to eight countries, 3,000 local and regional governments, and 90 million people. The Partnership will strengthen the rules and regulations and enabling environment for fiscal decentralization and investments at local level; the initiative was part of the Bonn-Fiji Commitment resulting from the Local Leaders' Summit.

b) First Ever Subnational Project Preparation Practitioners Forum. CCFLA, FMDV and GIZ co-organized with CCFLA members the first ever Subnational Project Preparation Practitioner Forum. Its main objective was to invite project preparation practitioners to meet, exchange information on their activities to support subnational climate project preparation, impediments and barriers they face (e.g., lack of funding, lack of capacity, inadequate legal frameworks, lack of understanding of subnational needs and issues, etc.). These exchanges focused on identifying solutions and developing mechanisms that can enable continued dialogue among project preparation practitioners and the development of investable climate projects at the subnational level. Further, discussions on the launch of a specific global platform took place to ensure progress and pipelines of fundable infrastructure projects for multiplying the implementation of Paris Agreement and NDCs at local level.

c) 2017 Edition of the Global Mapping: “Localizing Climate Finance, Mapping Gaps and Opportunities, Designing Solutions”. The CCFLA published its new edition of the flagship report showing that initiatives from members (50 international referent organizations in the field of financing) have more than doubled since 2016 in supporting readiness, project preparation and catalysing funding and financing for subnational and urban infrastructure projects. 170 initiatives were identified, with 89 covered for this edition! Geographic scope, main modes of support, sectors addressed, and new initiatives: all information and analysis on trends are covered and will allow to build the case for more cooperation, articulation and scaling up and out solutions + channelling financing to subnational.

d) Subnational Climate Financing integration in NDCs. On the basis of its Mapping, the CCFLA is working on designing a partnership coupling source data from its *Global Mapping for Localizing Climate Finance* and NDC Partnership's instruments to highlight more integrative and multilevel cooperation opportunities with non-Party stakeholders in NDCs implementation, and deliver access to financing to subnational and local levels of action (NDCs investment plans)

Sessions BUILDINGS & CONSTRUCTION

Buildings and construction alone accounted for 36% of final energy use and 39% of energy-related CO₂ emissions in 2016. While a growing number of countries have put in place policies and programmes to improve buildings energy performance, and the rate of improvement of energy efficiency has progressed, this has been outweighed by increase in additional floor space. From 132 of the 193 NDCs submitted to date mention explicitly or implicitly the building sector. Among them, 101 point to energy-efficiency opportunities to meet mitigation targets. In total, 49 NDCs commit to use renewable sources of energy to improve access to clean energy and endorse adoption of low-carbon energy assets. However, nearly one-third of NDCs mentioning buildings do not actually indicate any specific actions on how they would achieve their ambitions. Without stepping up the efforts, emissions from the buildings sector are set to double. At the same time, we have a window of opportunity over the next 15 years, when 60-70% of new buildings will be constructed to satisfy housing needs of a growing and urbanising population.



Priority actions include:

Short-term:

1. Elevating the place given to the building and construction sector in the NDCs, particularly through dedicated policies and measures on energy efficiency in buildings in NDCs, and national and local targets.
2. Create regional or national alliances, which further understanding and cooperation of all players along the value chain.
3. Develop and promote science-based targets for the private sector in buildings and construction.

Long-term:

1. Align policies across all levels of governance (vertical policy integration).
2. Strengthen institutions to enable enforcement.
3. Increase capacity for accessing and using finance instruments.

New initiatives or commitments on climate action announced at COP 23.

The Global Alliance for Buildings and Construction (GABC), with UN Environment hosting the Secretariat, was launched at COP 23 and is supporting progress in the sector, through cooperation in five work areas. Its membership has grown to over 100 partners. The GABC issues a **yearly Global Status Report** tracking progress, highlighting evolution of public policies, good practices and finance, and new commitments. The Global ABC produced a shared **Global Roadmap for the decarbonisation of the building sector in 2050**. Specific implementation plans have also been developed by 30 globally active building efficiency organisations through the Sustainable Energy for All Building Efficiency Accelerator (BEA). The Sustainable Energy for All District Energy Accelerator connects buildings with the energy system, allowing for greater efficiencies as well as more renewables into the system, while harnessing important air quality benefits. Through such integrated business models, the Initiative, supported by the Global Environment Facility (GEF), is working with 33 cities across 10 countries such as China and India to leverage investment in building efficiency through. C40 Deadline 2020 research and program providing a roadmap for megacities to deliver on the Paris Agreement's most ambitious objective of 1.5°C warming. Roadmaps such as these are helping in setting the direction for implementation. **Private sector engagement** for sustainable buildings and construction has also increased in 2016 and 2017, with the World Green Building Council (WorldGBC) call to have all new buildings operate at net-zero carbon from 2030, and buildings meeting net-zero carbon by 2050.

Finance and investments are needed at different levels, and new mechanisms and initiatives are coming online. At the level of individual energy efficient buildings and is being facilitated by initiatives such as the Investor Confidence Project which has developed a **new procedure and certification with Green Buildings Certification Inc**. This Investor Ready Energy Efficiency certification enables investment through the use of industry best practices and standards for baselining energy usage, savings calculations, commissioning, operations and maintenance, and buildings measurement and verification. Ignited by the GABC, a dedicated energy-efficient buildings facility, the **Programme for Energy Efficiency in Buildings (PEEB), was launched under a French-German co-operation (AFD-ADEME-GIZ)**. At present, it addresses energy efficiency in buildings in six countries. In Europe, the **Energy-efficient Mortgages Action Plan (EeMAP) Initiative** aims to create a standardised “energy efficient mortgage” to improve the energy efficiency of buildings or to acquire



an already energy efficient property by way of preferential financing conditions linked to the mortgage. Lastly, **green bonds for sustainable buildings and construction have grown substantially in recent years.** Annual issuance of green bonds was over USD 80 billion in 2016 with the Climate Bonds Initiative expecting 2017 issuance to reach at least USD 130 billion.

Session PLANNING and TOOLS

Short-term (2018) and mid-term (2020) priority.

Urban planning has a role to play in both climate change mitigation and adaptation, as well as building adaptive resilience. In fact, climate change adaptation and mitigation are often synonymous with good planning. In order to complement sectoral climate action, long-term low-carbon and resilience informed city planning is necessary. Compact, connected, dense, multifunctional cities which focus on equitable development and the needs of the most vulnerable populations support climate action. These good planning practices tend to support, and are reinforced by local practices that have a vision, strategy, and plan for the future, encompassing of clean air and water, mobility, safety and a combination of mitigation and adaptation measures. The Intergovernmental Panel for Climate Change (IPCC) stated that "Well governed cities with universal provision of infrastructure and services have a strong base for building climate resilience if processes of planning, design, and allocation of human capital and material resources are responsive to emerging climate risks" (IPCC, 2015). Many cities embarking on integrated planning, many others are preparing climate action plans and a third tier is combining climate change plans or resilience plans with statutory plans. Efforts in this field need to be further combined with finance and appropriate legal instruments.

City and Town Planners' role is to bring these concepts and integrated approaches together and to 'connect-the-dots'. At the same time planners themselves need to be empowered - with knowledge, evidence, skills, and appropriate tools. Stronger collaboration, partnerships, within the planning community, with their peers and all relevant stakeholders.

In order to achieve better planning for better cities, UN-Habitat has launched the Planners for Climate Change Initiative, and brought this important group of stakeholders to the climate negotiation process, in order to amplify the voice of the planning community and build a two-way conversation between planning community and climate community.

Building capacity of qualified professionals is another dimension addressed in this session, with the City Climate Planner Program launched by ICLEI, WRI and GBCI, to build capacity on local climate action.

Short term actions (2018):

1. Mobilize and commit city staff to acquire new technical skills regarding GHG inventory development;
2. Establish an initial peer-to-peer collaborative exchange;
3. Deliver a minimum of five City Climate Planner trainings by 2018 to establish an initial cluster of certified professionals as Urban GHG Inventory Specialists.



Mid-term actions (2020):

1. Standardized a capacity building and certification program at international level with recognized professionals.
2. Consolidate methodologies for data aggregation based on quality reports of GHG inventories.
3. Define a course of action based on findings and data aggregation.

New initiatives or commitments on climate action announced at COP 23.

a) City Climate Planner Program is a training and certification program to build capacity in cities to take action on climate change. The first certification, for Urban GHG Inventory Specialists, is based on the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories (GPC), the most comprehensive global protocol for calculating and reporting greenhouse gas inventories. In addition to a rigorous certification exam that allows candidates to demonstrate mastery of the content, the program also launched a robust training and online professional network to support this work. Certified professionals will provide further levels of confidence and transparency of emissions value and reducing the uncertainty for aggregation actions (sub-national and national levels).

b) Planners for Climate Action is a new initiative that commits a number of global, regional and national planning associations and educators to: Promote and advocate for the role of urban and regional planners in addressing climate change, Support planning associations and educators to increase the capacities of national planning systems and individual planners to implement climate-compatible planning practices, and Provide a networking and advocacy platform for planners and planning educators to exchange ideas, good practice and research opportunities that promote climate-compatible planning practices. This new group aims to conduct training, identify joint research priorities, network and organise events to raise the profile of the vital role that planners can take in tackling climate change.

Session #CitiesIPCC

Short-term (2018) and mid-term (2020) priority.

The #CitiesIPCC coalition aims at promoting and discussing science-based climate action for cities. It will bring together representatives from scientific bodies, local, regional and national governments and urban and climate change practitioners and policy-makers to advance climate action based on science, practice and policy. One of the key opportunities to advance knowledge will be the 2018 Science Conference on Cities and Climate Change, offering the chance to discuss means to improve scientific knowledge and to stimulate research underpinning effective and efficient urban responses to climate change, as well as to provide suggestions to produce inputs to the products of the Intergovernmental Panel on Climate Change (IPCC). The overall objectives of the “Cities and Climate Change Science Conference: Fostering new scientific knowledge for cities based on science, practice and policy” are to:

1. Identify key research and knowledge gaps with regard to cities and climate change.
2. Inspire global and regional research that will lead to peer-reviewed publications and scientific reports, co-designed and co-produced knowledge leading to effective and inclusive urban practices.
3. Stimulate research on Cities and Climate Change during the next 'Assessment Report' (#6) cycle.

^[1] According to UN-Habitat review of NDCs, 113 out of 164 NDCs show urban content. Please see: <https://unhabitat.org/books/sustainable-urbanization-in-the-paris-agreement/>.