



**UNFCCC COP 24  
Katowice, Poland**

**Outcome Document  
Action Event: Human Settlements**

Marrakech Partnership for Global Climate Action

Friday, 7 December 2018  
10:00 – 13:00

Organised by the Human Settlements Thematic Group

## Section 1 – Outcomes of the Action Event at COP 24

### Key Messages

#### 1. Integrated climate action

- Climate action can be ‘integrated’ in several ways. On the one hand, ‘integrated’ refers to integrating climate goals with broader developmental or sustainability goals. The Chair of Shack/Slum Dwellers International (SDI) underscored this sense of the term by calling on donors “not to divide or segment actions into a number of different boxes”, i.e., to provide for integrated action, otherwise this complicates engagement with local stakeholders. She also emphasized that slums and ‘informal’ settlements are particularly vulnerable to climate-related impacts, and called for priority action in that area.
- Climate action can also be ‘integrated’ vertically, i.e., via multi-level governance. Three participants from the intermediary (i.e., regional, provincial, state) level of government discussed the sorts of actions that can best be taken at that intermediate scale. A Regional Councillor from Auvergne Rhone Alpes, France, spoke about that region’s plan to address the environment, energy and climate, with actions in a series of sectors. In particular, ecosystem-based approaches such as blue-green corridors call for regional-level action. A representative of the Technical Alliance for Development Assistance (TADA) in the Region of Centre Nord in Burkina Faso spoke about providing guidance to a dispersed rural community in that region on analysing vulnerabilities and adaptive capacities, as well as promoting actions in improved water management and irrigation. TADA also passes on information and raises awareness regarding flood vulnerabilities to the local community. And a representative of the Secretariat for Environment in the State of Sao Paulo, Brazil noted a recently passed state-level Climate Law -- again cross-sectorial.
- From the local level, a Council Member from the City of Hobart, Australia emphasized the importance of ‘good governance’ in climate action. He introduced the ‘Community Vision’ of his city as the outcome of a successful participatory process; elected officials have thoroughly bought into this consensus document and it effectively guides political decision-making. SDI strongly seconded the call for good governance, but noted that this is an uphill battle in many of their communities, requiring ongoing lobbying and effort.

#### 2. Buildings and Construction: Raising ambition: taking a deeper look in the building sector

- The goals regarding the building sector towards reaching the Paris Agreement include achieving a decrease in emissions in 2020 and carbon neutrality by 2050, by acting on construction materials, building envelope, energy efficiency and resilience.
- Switzerland gave an example of their action on building codes, regarding new and existing buildings, which allowed the oil consumption for heating to drop from 30 liters to 4 liters a day. Co2 emissions are mainly linked to the cement industry in the construction sector. A carbon tax code already exists for the industry and it could be applied to the refurbishment of buildings.
- The representative of France and co-chair of the Global Alliance for Buildings and Construction - GlobalABC- mentioned the regulations and subsidies which help people who do not have the means to address the energy efficiency questions in buildings. France has a local Alliance called

“Plan Bâtiment Durable” which works on how the regulations could be better applied. Energy efficiency and building envelopes are two main areas of improvement. In the world, most of the built solutions are low tech rather than high tech and innovation does not necessarily imply technology. A working group on Adaptation has been launched during the COP by the GlobalABC in order to shift the attention mainly focused on mitigation over the last years. France has also launched a design competition on how to build in flooded areas, calling on more resilience from buildings. Northern Europe is also faced with the challenge of renovation in heritage and old buildings in which the owners invest little for energy efficiency. The education of the people on these aspects is a key towards progress. The GlobalABC would need to help identifying best construction materials and call for local and sustainable practices. It is open to countries, NGOs and the private sector.

- Danfoss, which provides energy efficiency solutions in various sectors including buildings, explained the high potential of the building and construction sector as 40% of the energy use comes from buildings and one third of Co2 emissions are related to the construction sector. The three pillars of action are: the envelope, heat supply and heat regulation. Educating people towards an energy saving and responsible behavior is important. In order to untap the potential, it is necessary to make residents understand the costs related to misuse.
- The German Sustainable Building Council mentioned the progress made in the car sector in Germany and Italy with zero emission cars and questioned the parallel with buildings. She also suggested highlighting best experiences and sharing mistakes can help collective progress towards these goals..It is also necessary to engage the private sector in producing net zero buildings and targeting results beyond the regulations, convince the clients to take the risk of being more ambitious. The building industry also needs to scale up the efforts. Netherlands, for instance, has developed an interesting technology but other countries have doubts about the compatibility with their own regulations. The Global Alliance for Buildings and Construction has the potential to unveil action. Finally, there is the need to be less dependent on oil in the building sector and better design the buildings. Germany is now working on the life cycle of materials after having worked for years on insulation. Sometimes, deregulation is needed to allow for innovation. Germany has a certification system that encourages engineers to work on resilience, and it is now slowly taken also by the chamber of architects.

### 3. Financing multilevel action

- According the IFC, more than 29 trillion USD is needed for investment in cities, with multilevel finance processes, tools and systems to help enable the flow of finance to local and regional governments. The MPGCA process plays a key role in mobilising relevant stakeholders in this regard, and therefore Parties are strongly encouraged to ensure a continuation of the MPGCA process for the ambition of post-2020 action.
- Cities of all sizes around the globe need support to access finance. The Mayor of Guisser, Morocco, underlined the importance of scaling up climate finance also in Africa. Small steps can be taken to start, but scale is needed. Unlocking climate finance - by addressing challenges and exploring opportunities - is crucial governments at local and regional level. They are committed to mainstream climate action to achieve transformative transition towards low carbon climate resilient societies. A diversity of local actions in all sectors - from water to energy, from mobility to buildings and waste - are proof of concept. What is needed is embedding a climate lens, addressing climate change mitigation, adaptation and resilience in all projects. Project preparation at subnational level requires specific financial expertise that is not easily available in local administration: this is why Morocco has launched a innovative *Programme on Financial Expertise for Subnational Climate Finance (PEFCLI)* gathering central government (Ministry of Interior, Secretariat or Sustainable Development), local and regional governments



national associations (of Mayors and Governors) and FMDV-Global Fund for Cities Development. The PEFCLI will provide a team of financial engineers who will support the creation of a domestic pipeline of bankable local low carbon projects.

- The Global Urbis, an ambitious global initiative that will provide cities on a global scale with financing and technical assistance to mobilize significant private investment, is a unique partnership between the European Commission (EC), the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and the Global Covenant of Mayors (GCoM), the single coalition of more than 9,000 cities all over the world. The partnership aims to accelerate the implementation of the Paris Agreement in cities and local governments. The EIB looks forward to scaling up finance for sustainable urban infrastructure through this initiative.
- The Inter-American Development Bank (IDB) is addressing one of the most evident challenges in climate finance for cities, which lies on developing well-designed project proposals that are easily financed. At the subnational level, the lack of capacity to develop such projects that contain social and environmental costs, have a high chance of profitability and success, and can scale means that few projects are being financed. For the transition to low carbon economies, tackling these challenges is key. This is why the IDB developed an NDC investment platform, containing a comprehensive package of policy development, overall national planning and market development.
- The Gabon Caisse des Dépôts et Consignations is working on a new model of supporting public policies at the national, regional and local levels. The current focus is placed on providing specific support for local governments as a financial institution in the present context in order to enhance better targeting of action and its consistency. There are existing action areas that can be leveraged, through which financing for more ambitious climate action can be accomplished. The government of Gabon is climate-oriented and its NDC reflects this ambition at the national level. Local governments are undertaking more than the central government, which is why provision of finance for cities and regions should be a priority. The role of National Development Banks is key: donors, MDBs, DFIs, private investors and banks should better use these domestic players to source bankable investments and display their financing with lower transaction and opportunity costs. An African Network of Municipal Development Funds was created called RIAFCO in order to enhance professional knowledge transfer between the members and better advocate together on their specific and crucial role in Africa to ensure the localization of climate financing. The RIAFCO is supported by FMDV, AFD, GIZ and UNCDF.
- The Agence Française de Développement (AFD) provides EUR 10 billion per year for local level investment. This strong local focus makes the AFD different and it plans to finance more cities. The AFD has a mandate to directly finance local governments, providing specific tools for financing, such as donations, grant access to finance, and funds for cities. In Africa, Latin America and Asia, the AFD aims to enhance capacity building through facilities that are specifically oriented towards climate projects. The adaptation aspect needs to be stressed. The AFD African Facility is geared towards adaptation. EUR 20 million in donations have been made available for local projects with a focus on resilient infrastructure.

## Impacts and progress showcased

### 1. Integrated local action



- The short-term (by 2020), mid-term (2030) and/or long-term (2050) goals: The panel emphasized integrating *climate* action (with NDCs typically having a 2030 or 2035 time horizon) with implementation of the *SDGs* (mostly with a 2030 time horizon).
- Initiatives that achieved those goals above (e.e. new initiatives launched and commitments announced) and how progress towards these goals were made in 2018: Region or state-level participants referred to recently-passed climate plans or laws at the state level in their countries.

## 2. Raising ambition : taking a deeper look in the building sector

The GlobalABC has launched the Global Status Report 2018 during the COP which can be accessed through the GlobalABC website: <https://globalabc.org> (<https://globalabc.org/uploads/media/default/0001/01/f64f6de67d55037cd9984cc29308f3609829797a.pdf>).

key findings of the GSR2018 include:

**1 - Buildings play a dominant role in the clean energy transition.** Buildings construction and operations accounted for 36% of global final energy use and nearly 40% of energy- related carbon dioxide (CO<sub>2</sub>) emissions in 2017.

**2 - Global buildings sector energy use continues to grow, but not as quickly as population or floor area.** Heating, lighting and household cooking are the most improved building end uses. Continued increases in population and floor area are and will be the principal factors of rising energy demand in buildings.

**3 - Buildings and construction sector emissions appear to have levelled off since 2015** although they still represent the largest share of total global energy- related CO<sub>2</sub> emissions. A clean energy transition will enable a steady decrease in future emissions.

**4 - Global dialogue is supporting progress in developing policies for sustainable buildings.** Most countries have submitted nationally determined contributions (NDCs) that relate to buildings and some have improved them; however, many NDCs still lack specific actions.

**5 - Countries are continuing to implement and update building energy codes and certification policies.** However, most expected future buildings growth is in countries that do not have mandatory energy codes and policies in place today.

**6 - Investment in energy efficiency in buildings has slowed.** Incremental energy efficiency investment increased by 4.7% in 2017 (3% adjusted for inflation), which is the lowest rate of increase in recent years.

Some other findings, related to an off-site building symposium event on “Nationally Determined Contributions to unlock the potential of the building and construction sector” during the COP, can also relate to this event:

### Nationally Determined Contributions NDC and the building and construction sector

- NDC's are not ambitious or concrete enough – only cover 15% of emissions in addition to existing policies – raises the question of additionality
- An NDC guiding tool will be released by the end of 2018 to help incorporate mitigation actions in Nationally determined Contributions
- They most often cover policy, but miss important aspects, for instance the design of a building
- By far the most ambitious are cities – national governments would do well to integrate/collaborate more with them – see vertical integration

### Materials and construction

- Embodied carbon is responsible for a greater share in emissions compared to operational emissions. From a lifecycle perspective, operational emissions form a small part only.
- A powerful NDC should include a lifecycle perspective to account for embodied carbon – in particular regarding new buildings

## Resilience in the built environment

- Few countries have included buildings in their national adaptation plans; overall, the adaptation side looks at buildings in a more holistic way compared to mitigation.
- Motivations are mostly flooding and natural disasters.
- Countries approach resilience and buildings from a risk perspective, or subsume buildings under energy.
- Recommendation is for GlobalABC to have a group on resilience/adaptation to address this massively important but untapped issue.

## Energy Efficiency in buildings

- A few countries have both updated their NDCs to make them more ambitious. Some are struggling a lot with air pollution – the health perspective and buildings may be important. A challenge is also the transition from traditional to modern city living.
- Other countries include carbon pricing and an infrastructure bank to fund low-carbon projects.
- Green building is becoming mandatory in some countries and green building regulation is related to building permits.

## Finance and the building sector

- Need to activate money of the building stock - 25 percent of people's income used for their home. Buildings should be viewed as a health-care issue – could health care funds not be moved to housing funds, e.g. for social housing?
- The International Finance Corporation is trying to determine how to get developers and finance institution to go down a green path. Buildings are a huge investment opportunity with 24.7 trillion needed for climate transition out of the 30 trillion for buildings. But since developers are reluctant to absorb additional costs and savings go to owners, not developers, they focus on what does it cost today. With the right tools you can show that residential and social housing that are sustainable only cost the developer 2-3 percent more. But public awareness is needed to increase the pressure and the demand.
- Programme for Energy Efficiency in Buildings (PEEB) aims to improve environmental performance of buildings, both when they are built as well as when they are renovated. PEEB offers loans and grants as financial instruments.

### **3. Financing multilevel action**

A snapshot (non-exhaustive) of key publications is provided below to support further discussions and outlining proposals for vertically integrated NDCs and NDC investment plans:

- [Cities and Regions Talanoa Dialogues: Leveraging Subnational Action to Raise Climate Ambition](#)
  - 60 Cities and Regions Talanoa Dialogues in 40 countries were held in 2018. Drawing on the outcomes of these dialogues, a summary document is presented with guidance and context on how national governments can leverage subnational climate efforts in support of national goals.
- [Multilevel Climate Action: The Path to 1.5 Degrees](#)



- A synthesis report of data reported by local and regional governments to the carbonn Climate Registry, managed by ICLEI-Local Governments for Sustainability. It looks at subnational alignment with the 1.5-degree Celsius target, key climate hazards and how two-way dialogue and data-sharing can raise climate ambitions. A key focus is also on the importance of integrated Measuring, Reporting and Verification (MRV) systems and coordination.
- [Analysis: The demand for financing climate projects in cities](#)
  - Released by C40 Cities Finance Facility, CDP, and in collaboration with the GCoM, this provides an in-depth analysis of infrastructure projects around climate change in cities. It shows substantial demand for support on how to prepare and finance projects.
- [Summary of Good Practice of Successful Project Preparation Facilities](#)
  - Released by the CCFLA Project Preparation Working Group, with a focus on some subnational project preparation facilities (PPF) in Asia and Latin America, the document provides an analysis of project preparation tools, approaches, main bottlenecks and solutions.
- [IFC's publication Climate Investment Opportunities in Cities](#)
  - 29.4 trillion dollars are needed for investment in cities, in the sectors: waste, RE, public transportation, electric vehicles, climate-smart water, green buildings. This publication provides an overview of options supported by case studies.



## Section 2 – Outcomes of the work of The Thematic Area in 2018

### Overview of progress in 2018

#### 1. Call for integration of the Global Climate Action as an indispensable pillar of the Paris Agreement implementation to ensure strong momentum for climate action in the post-2020 period

- In general, and as a joint statement, the Human Settlements Thematic Group wishes to highlight the key role of the Marrakech Partnership for Global Climate Action (MPGCA) in supporting engagement and concrete new partnerships within and between the thematic areas' members.
- The Human Settlements Thematic Group also strongly reiterates and emphasises the urgent need for the high-level Champions, and the UNFCCC Secretariat, supported by the MPGCA member coalitions and organizations, to engage with Parties and all other relevant stakeholders to ensure the GCA Agenda is maintained and reinforced in the post-2020 implementation process of the Paris Agreement.

#### 2. Raising ambition: Taking a deeper look in the building sector

- Overview of events organized by the GlobalABC in 2018
  - GlobalABC Regional Roundtable for Local Governments of West Africa 'Sustainable Housing in West Africa June 2018
  - GABC Exhibition 'Zero-emission, efficient, and resilient buildings and construction: Key building blocks for sustainable cities and communities - July 2018
  - International Green Building Conference Singapore - Green financing tracks September 2018
  - Global Climate Action Summit San Francisco, Sustainable Building Codes day September 2018
  - GlobalABC Regional Round Tables: Latin America, Argentina in October 2018 and Northern Africa and the Mediterranean, Morocco, in November 2018.
  - Release of the Global Status Report 2018 - COP24 December 2018
  - Release of a guide on NDCs in the building sector - December 2018
  - Welcoming event for new PEEB and GlobalABC members- COP24 December 2018
  - Off site event Building Symposium - COP 24 December 2018

#### 3. Financing multilevel action

- Overview of progress in 2018 on the current landscape of climate finance for cities and regions
  - Increasing efforts towards prioritizing project preparation for integrated, sustainable urban and territorial development through greater mobilization of a wide variety of sources, instruments and channels, in line with the [Bonn-Fiji Commitment](#) and the [Marrakech Roadmap for Action on Localizing Climate Finance](#).
  - Announcement of the Global Climate City Challenge (GCCC) as a joint pilot initiative of the EIB and the Global Covenant of Mayors for Climate and Energy (GCoM) to help prepare and finance urban climate action projects (mitigation and adaptation).



## Impacts and progress showcased

### *Existing initiatives:*

- Cities Climate Leadership Alliance (CCFLA)
  - Cities Climate Leadership Alliance (CCFLA) is setting up a new governance structure and strategic action plan in order to upgrade its profile as an operational alliance of over forty leading organizations actively working to mobilize investment into low-carbon and climate-resilient infrastructure in local and regional governments internationally.
- Global Covenant of Mayors for Climate & Energy (GCoM)
  - Mayors and city networks part of the Global Covenant of Mayors for Climate & Energy (GCoM) are calling for Vertical Integration of NDC Investment Plans, including the investment needs of local governments in national climate investment plans. The importance of cities and towns as economic actors is relevant also to the climate change context and engaging in climate finance to support achieving the targets of the Paris Agreement.

### *New initiatives:*

- **Morocco's Programme on Financial Expertise for Subnational Climate Finance (PEFCLI):**
  - Supporting financial engineering for subnational project preparation, and creating a national pipeline of bankable projects; crowding in domestic and international, public and private investment for subnational low-carbon and resilient projects through a match-making platform
  - Progress 2018: First Mapping of domestic climate finance streams and players; adoption of a joint strategy at the national level, including a vertical and horizontal integration approach (between central and local and regional levels + between players of the subnational climate finance value chain); Commitment to disseminate the formula to other African Partner Countries of Morocco
  - Partners: Moroccan Direction general for Local Governments of the Ministry of Interior; National Associations of Mayors and Governors; FMDV-Global Fund for Cities Development; National Secretariat for Sustainable Development ; 4C
- **Transformative Actions Program (TAP)** called for a new batch of project proposals for 2018
  - Progress made in 2018: The [Transformative Actions Program \(TAP\)](#) actively sought transformative climate projects to become part of the TAP project preparation facility in 2018. Through the TAP, local and regional governments receive support to develop concepts into low risk, high feasibility, high impact sustainable infrastructure projects. The 2018 call for applications was announced at the Global Climate Action Summit on 13 September 2018 and was open until 10 November, 2018 and local and regional governments worldwide were invited to submit their climate projects.
  - Current gaps: Project preparation is a key instrument for closing the current gap between the financial investments needed to achieve the goals of the Paris Agreement and what is actually invested in local projects.
  - Key deliverables for 2019: The TAP therefore strives to help projects improve their financeability by increasing their visibility to potential investors, introducing them to project preparation facilities, or helping them connect with specific tools or services that can increase the maturity of their proposed project.