

Habitat for Humanity's policy priorities and recommendations for COP27

Habitat for Humanity is driven by the vision of a world where everyone has a decent place to live. Today we are faced with an unprecedented global housing challenge, which is made worse by both the COVID-19 pandemic and the intensifying impacts of the climate crisis.

Habitat for Humanity recognizes that while there is an urgent need to meaningfully address mitigation and adaptation efforts globally, the growing housing gap for millions of people around the world cannot be forgotten. The global housing deficit, which is related to both affordability and adequacy, has touch points with both mitigation and adaptation needs for all populations, especially vulnerable groups in the least-developed countries.

Per the 2022 report from the Intergovernmental Panel on Climate Change, or IPCC, climate change's impacts are becoming increasingly complex and more difficult to manage.¹ They will lead to numerous risks to natural and human systems, requiring substantial adaptation efforts to protect human life and economic stability. COP27, the United Nations' Climate Change Conference, therefore, represents a major opportunity to address the needs of vulnerable countries, especially related to adaptation, resilience, and loss and damage. Habitat for Humanity already sees how families living in informal settlements are often the most affected by the increasing frequency and intensity of climate disasters.

The U.N. projects that urban population growth in "less developed regions" will be over 2 billion people by 2050 and that close to 90% of this increase will be in South Asia and Sub-Saharan Africa.² Without immediate and appropriate solutions, growing numbers of climate-displaced populations will add to the complexity of the global need for adequate and affordable housing.

Notably, IPCC's 2022 report called out the opportunity of delivering crucial and urgent climate action through cities and human settlements. People, infrastructure and assets overlap in urbanizing settings, creating both risks and solutions in unique and opportune ways. But the world's cities are urbanizing in unequal ways, with the world's poorest people forced to reside in inadequate and often inhospitable conditions. The IPCC calls out that "concentrated inequalities in risk are broken through prioritizing affordable housing and upgrading of informal and precarious settlements, paying

1. https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_TechnicalSummary.pdf

2. Satterthwaite et al. "Building Resilience to Climate Change in Informal Settlements" (2020). Retrieved from <https://www.sciencedirect.com/science/article/pii/S2590332220300506#bib1>.

special attention to including marginalized groups and women.”³ Moreover, “continuing rapid growth in urban populations and unmet needs for healthy, decent, affordable and sustainable housing and infrastructure represent a global opportunity to integrate inclusive adaptation strategies into development.”⁴

Habitat for Humanity calls on governments and agencies to recognize the centrality of adequate and affordable housing in achieving both the carbon mitigation needs for a net-zero future and fulfilling the adaptation needs of human settlements. Habitat for Humanity is asking stakeholders to incorporate adequate and affordable housing into future responses to climate action and preparation **in three ways** to ensure that we put the people affected most by climate change at the center of our interventions:

1. **Adaptation for the most vulnerable:** Governments at all levels must ensure that adaptations that protect communities and natural habitats are inclusive of the needs of the most vulnerable.
2. **Ensuring housing affordability while addressing mitigation:** Mitigation must be prioritized, especially in rapidly urbanizing cities around the world. However, carbon mitigation efforts in the built environment and the housing sector must not drive up costs for households and further worsen the global deficit of adequate and affordable housing.
3. **Committing to and financing solutions for climate “loss and damage”:** Robust commitments to loss and damage must be an outcome at COP27, along with recognition of loss and damage from the perspectives of the economic, social and environmental impacts of disasters.

Habitat for Humanity calls on U.N. agencies, multilateral financing institutions, governments at all levels, and housing actors to act on these three priorities through the policy recommendations below.

1. Adaptation for the most vulnerable: Governments at all levels must ensure that adaptations that protect communities and natural habitats are inclusive of the needs of the most vulnerable.

Mitigation needs are urgent and ongoing, but so is the need to ensure communities are adapting to frequent and intensifying climate-change-induced events. At COP26, we saw recognition for the increasingly urgent need to improve our collective preparedness for the impacts of climate change. The Glasgow Climate Pact took significant steps to address the drastic financing need for adaptation and includes an unprecedented goal for developed countries to double funding provided to developing countries for adaptation by 2025, taking the annual figure to around \$40 billion. While this boost for adaptation funding was a significant outcome for COP26, those funds must be used in line with priorities for adaptation that protect human health and natural ecosystems.

The least-developed countries do not have the necessary resources to meet human settlement development needs and have the greatest proportion of individuals in vulnerable conditions, including millions of people living in inadequate housing in informal settlements within their borders. The global housing deficit is real, and it reflects a global deficit in the ability to bounce back from disaster. Of 38 national adaptation plans finalized by developing countries, 24 countries currently have mentioned housing as either being impacted by climate change or an area for adaptation, with only Brazil, Burkina Faso, Colombia and Fiji making more elaborate and thorough suggestions for adaptation of and through housing in the document.

3. Pörtner et al (2022). “IPCC Sixth Assessment Report Technical Summary” (2022). Retrieved from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_TechnicalSummary.pdf - TS.D.6.

4. Pörtner et al. “IPCC Sixth Assessment Report Technical Summary” (2022). Retrieved from https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_TechnicalSummary.pdf - TS.D.6.1.

Adaptation funds and plans must more radically identify the adaptation needs of housing and its supporting infrastructures to ensure that communities at greatest risk of flood, heat and rising seas can withstand the impacts of such disasters.

- **U.N. agencies and multilateral financing entities, including the Global Environment Facility, or GEF, should:**
 - » Encourage national governments to recognize the economic and social impact of losing housing for vulnerable populations, especially in the least-developed countries, and to integrate housing adaptation into their national adaptation plans, especially for those living in informal settlements and in areas of rapid urbanization.
 - » Support the mitigation of the built environment while ensuring that mitigation technologies do not increase the cost of affordable and social housing.
 - » Increase the percentage of funded projects that address the adaptation of affordable housing. While infrastructure remains a priority for the least-developed-countries fund within the GEF, housing must be adequately recognized as a priority for investment and adaptation financing.
 - » Recognize housing in loss and damage needs, especially for the world's most vulnerable and affected populations. Habitat for Humanity encourages the Executive Committee of the Warsaw International Mechanism for Loss and Damage and the Expert Group on Non-economic Losses to address the specific need for housing adaptation to ensure the resilience of communities to cope or adapt to disasters related to climate change.

- **Governments at all levels should:**
 - » Recognize the immense need to prepare human settlements for climate change's more frequent and intense impacts and recognize the value of preparing and adapting at the household level. This includes ensuring housing adaptation is explicitly included in national adaptation plans. Most national adaptation plans for the least-developed countries do not sufficiently address the sizable adaptation gap for adequate and affordable housing.
 - » Prioritize the needs of vulnerable populations in adaptation plans, especially those living in informal settlements. Housing inequity is most visible in the world's informal settlements, where unique hurdles and needs must be addressed to ensure residents are adequately prepared and housed in the face of intensifying environmental crises.

- **Housing actors should:**
 - » Prioritize adaptation of affordable housing, including properties across the land rights continuum, and increase adequacy while preparing households for the impacts of climate change.
 - » Recognize the important role that incremental, owner-driven construction plays in addressing the housing deficit, and support incremental construction with policies, products and services that enable climate-resilient housing to flourish.
 - » Facilitate adaptation at the household level by creating financial sector products such as savings, credit and other support services for housing improvement and energy-efficient retrofits that suit the needs of low-income and vulnerable populations.
 - » Work to influence and align with the process to develop national adaptation plans, ensuring government leadership understands the adaptation potential for and of the housing sector. This also includes having housing actors identify funding opportunities to implement adaptation through the development of national adaptation plans and subsequent grants to scale adaptation at the country level.

2. Ensuring housing affordability while addressing mitigation: Mitigation must be prioritized in our human settlements, especially in rapidly urbanizing contexts around the world. However, carbon mitigation efforts in the built environment and housing sector must not drive up costs for households and further worsen the global deficit of adequate and affordable housing.

Today, over a quarter of global energy-related greenhouse gas emissions come from operating buildings, including their heating and cooling systems and electricity use. An additional 23% of emissions come from the use of concrete, steel and aluminum, which are almost universally used in housing processes. While housing's specific contributions to greenhouse gas emissions are unclear, it is imperative to reduce emissions from both the use and development of adequate and affordable housing globally.

Moreover, climate change is effectively reducing the supply of affordable housing around the world. In many countries, affordable housing has been developed in hazard-prone areas, either formally or informally, putting those households at greater risk of floods and rising sea levels. Affordable housing in many locations was developed at a time when sustainability was not prioritized, leading to costly implications for residents.

According to the Global Alliance for Buildings and Construction, 136 countries have mentioned buildings in their nationally determined contributions to reducing emissions, but most are lacking in detailed commitments. Many countries also lack the building regulations to help guide adherence to sustainability standards, with fewer than one-third of countries around the world having mandatory building energy codes or certifications in place.⁵

Although innovation in materials and the building of new sustainable and adapted affordable housing is needed globally, there is urgent need to also encourage the incremental retrofitting of existing affordable housing to align to net-zero carbon standards and to meet the demand globally for housing. Incremental improvements must be encouraged throughout the housing value chain, from using sustainable materials in construction to ensuring that housing building codes encourage sufficient insulation to prevent heat loss during cold months and thus prevent overconsumption of fossil fuels.

- **U.N. agencies and multilateral financing entities, including the Global Environment Facility, should:**
 - » Encourage and invest in programs that focus on renovation, upgrading and retrofitting — in line with the whole life carbon approach where possible and appropriate — to support the creation of affordable and adequate housing that addresses the global housing gap while limiting carbon emissions created by new construction.
 - » Encourage local mitigation efforts within the built environment that incorporate the needs and capacities of the most vulnerable, especially those in informal settlements, who are least likely to contribute to carbon emissions but suffer the greatest consequences of climate change.
 - » Allocate additional funding for the agencies providing expertise in affordable mitigation efforts that can transform the climate impact of housing, including UN-HABITAT.
 - » Provide support to fill the research and data gap of the impact of housing on carbon emissions across socioeconomic settings for households and housing actors.
 - » Provide technical support on the development of building codes, implementation strategies, and access to finance to help national and local governments establish regulations that support improved building practices that reduce carbon emissions from the development and use of housing.

5. Global Climate Action, Marrakech Partnership. *Climate Action Pathway: Human Settlements: Vision and Summary* (2021). Retrieved from https://unfccc.int/sites/default/files/resource/HS_Vision%26Summary_2.1_0.pdf.

- **Governments at all levels should:**
 - » Recognize that housing adequacy, affordability and climate change are inextricably linked, most acutely impacting vulnerable populations. Without addressing the links between issues through integrated policies and systems, human health and well-being will not be adequately served.
 - » Encourage policies and systems that create or increase access to new and affordable technologies that improve sustainability and build climate resilience.
 - » Expand access to reliable, renewable and clean forms of energy for use at the household level.
 - » Ensure the empowered participation of all affected communities in plans to mitigate carbon emissions.
 - » Encourage sustainable innovation in housing markets and by housing actors through incentivizing uptake via smart subsidies or grants and by supporting regulations and standards that encourage the adoption of sustainable, green technologies that reduce carbon emissions in the housing development or retrofitting process. This also applies to the selection, use and disposal of construction demolition waste.
 - » Prioritize and commit to developing a green building code, support building regulations to guide sustainable housing development, and implement building standards across all market segments, from formal to informal housing.
 - » Support circular economy solutions by incentivizing policies, subsidies or grants that support new circular business models, and regulations that support systems and processes for new circular building material suppliers, thus reducing waste within housing construction, use and demolition.

- **Housing actors should:**
 - » Facilitate the expansion of adequate and affordable housing while reducing carbon emissions by renovating, upgrading and retrofitting where possible and appropriate, in line with the whole life carbon approach.
 - » Prioritize the use of innovations and technologies that improve reliable and cost-efficient access to energy sources through electrical grid networks or renewable energy sources.
 - » Create an enabling environment for circular economies to thrive through policies, subsidies, research, pilots and grants to accelerate new circular business models, systems and processes for building material suppliers, reducing waste within housing construction and use, and reusing construction materials at end of life.

3. **Committing to and financing solutions for climate “loss and damage”: Robust commitments to loss and damage must be an outcome at COP27, along with recognition of loss and damage from the perspectives of the economic, social and environmental impacts of disasters.**

Climate loss and damage are urgent concerns, driven by the increasingly harmful effects of climate change. The 2022 IPCC report has clearly set out that loss and damage are happening now and will continue to escalate because of the impacts of human-induced climate change occurring in all countries — poor as well as rich — and that all countries must now focus on adapting a whole-of-society manner. It also points out that even the most effective adaptation measures cannot prevent all losses and damage, which are a present-day reality for vulnerable people in certain regions. According to the World Resources Institute, more than 4 billion lives have been impacted and \$2.9 trillion has been lost to disasters since 2000, the bulk of which are attributable to extreme weather events.

Communities that are highly vulnerable to climate impacts are particularly prone to experiencing loss and damage. Although disasters affect both developed and developing countries, developing countries are less equipped to withstand the increasingly extreme shocks driven by climate change. They also lack the resources that developed countries have at their disposal to reduce and address loss and damage, making global solidarity on loss and damage critical to creating a resilient world. As global warming increases, losses and damage also will increase, and additional human and natural systems will exceed the adaptive capacity of countries, communities and ecosystems. Moreover, the greatest asset of any household is their home. Loss of or damage

to one's housing has economic, social, health and livelihood impacts and results in long recovery time or displacement, making such losses one of the greatest destabilizing factors from increasingly severe climate events. Addressing loss and damage effectively is a matter of climate justice and will require a range of tools that require funding but also go beyond financial priorities.

As we collectively prepare for COP27 and the Global Stocktake at COP28, it is essential that governments deliver support for the people at the front line of climate change by prioritizing the goals of equity and justice. Improving housing is an essential entry point for effectively preventing loss of and damage to non-economic assets and encouraging faster recovery when housing is not destroyed.

- **U.N. agencies and multilateral financing entities, including the Global Environment Facility, should:**
 - » Commit to ensuring that loss- and damage-related finance becomes a permanent discussion point in all future COPs.
 - » Establish a loss and damage finance facility at COP27 and secure adequate, accessible and fit-for-purpose financing by COP28.
 - » Ensure public participation in the work of the loss and damage mechanism, particularly by the communities most affected by loss and damage, along with their representatives.
 - » Fully operationalize the Santiago Network on Loss and Damage and allocate staff and funding so that the network can start connecting with national governments to provide technical support to address loss and damage, develop comprehensive frameworks of action, and support decision-makers in developing and implementing measures to reduce and address loss and damage.

- **Governments at all levels should:**
 - » Recognize the threats of loss and damage beyond economic loss, acknowledging that the loss and damage of economic assets has immense human and environmental impact and results in biodiversity loss, human displacement, social instability and loss of development gains.
 - » Reduce the incidence of loss and damage by massively increasing support for adaptation through improved access to adequate housing in at-risk communities that bear the brunt of climate change impacts, ensuring that efforts to build back better are prioritized and intentional.
 - » Commit to the development and financing of the Santiago Network on Loss and Damage with specific financial contributions from member states.

- **Housing actors should:**
 - » Engage in the dialogue on loss and damage, focusing on the way in which adequate and affordable housing and its residents are impacted by climate change, along with the urgent need to increase adaptation efforts across the sector.
 - » Engage with relevant stakeholders, including communities, governments, financial institutions and private-sector entities, to elevate the issue of loss and damage for vulnerable populations, along with how their recovery can be supported after a disaster by increasing equitable access to adequate housing.