

Habitat for Humanity's policy priorities and recommendations for COP29

Habitat for Humanity recognizes that addressing the growing adequate housing gap for billions of people around the world can and must be tackled in ways that meaningfully address climate change mitigation and adaptation efforts. In dealing with this challenge, priority must be given to people living in slums and informal settlements facing multiple vulnerabilities. Habitat for Humanity is committed to addressing these interconnected challenges because it sees how families living in informal settlements are often the most affected by the increasing frequency and intensity of climate events, despite contributing the least to carbon emissions.

Per the 2023 report from the Intergovernmental Panel on Climate Change, or IPCC, human-induced climate change is already affecting every region across the globe, leading to widespread adverse impacts and related loss and damage to nature and people. Recognizing this complexity, the IPCC calls for upscaling existing mitigation and adaptation options across systems “prioritizing finance to reduce climate risk for low-income and marginalized residents including people living in informal settlements.”¹ It also urges the acceleration of equitable mitigation and adaptation actions in ways that support sustainable development.

This year's Conference of Parties, the United Nations' Climate Change Conference, or COP29, focuses on the need to invest today to save tomorrow. The COP29 Presidency's plan is based on two mutually reinforcing parallel pillars- to “enhance ambition” — which combines key elements to ensure all parties commit to ambitious national plans and transparency, and to “enable action” — which reflects the critical role of finance, a key tool to turn ambition into action and reduce emissions, adapt to climate change and address loss and damage.²

Habitat for Humanity calls on U.N. agencies, multilateral financing institutions and governments, to recognize the centrality of adequate housing in achieving both carbon mitigation for a net-zero future and improved climate adaptation in human settlements to ensure meaningful resilience.

Habitat for Humanity is urging stakeholders to incorporate adequate housing into responses for climate action in three ways, ensuring people affected most by climate change are at the center of efforts and adequate financing is provided to ensure that adequate housing is addressed and achieved over the coming decade:

- 1. Integration of Housing and Informal Settlements into Nationally Determined Contributions (NDCs):** By integrating housing into climate change strategies, we can reduce carbon footprints, lower energy costs, and protect the world's most vulnerable populations, all while advancing climate goals
- 2. Adaptation for the most vulnerable:** Governments at all levels must prioritize and increase funding for adaptation actions that directly address the needs of the most vulnerable communities, especially those living in informal settlements, while protecting ecosystems.
- 3. Ensuring housing affordability while advancing mitigation efforts:** Mitigation must be prioritized, especially in rapidly urbanizing cities around the world. However, mitigation efforts in the built environment, especially in the housing sector must not drive-up costs for households and further worsen the global deficit in adequate and affordable housing: 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.

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

1. Integration of Housing and Informal Settlements into Nationally Determined Contributions (NDCs)

As global climate risks escalate, Nationally Determined Contributions (NDCs) remain underwhelming in both ambition and implementation, especially in the adaptation sector, which is trailing mitigation efforts in planning, financing, and

¹ IPCC-AR6 (2023) Synthesis Report: https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf

² COP29 Official website, 2024, [COP29 Azerbaijan - United Nations Climate Change Conference](#)

execution. A critical gap lies in the oversight of housing and informal settlements within climate adaptation actions. Recent analysis from Habitat for Humanity International indicates that over 60% of NDCs from 194 countries either neglect housing entirely or make only cursory references. Additionally, the absence of housing considerations in UNEP's 2023 Adaptation Gap Report highlights housing's persistently low priority, even though over 1.1 billion people—among those most vulnerable to climate impacts—reside in informal settlements exposed to hazards like flooding, extreme heat, and rising sea levels.

U.N. Agencies and development finance institutions should:

- Work with governments to standardize green housing-focused metrics within adaptation assessments and monitor progress in national reporting frameworks, making housing outcomes integral to the global climate agenda. Develop standardized indicators and assessment tools to help countries measure progress in housing resilience, track vulnerabilities in informal settlements, and report on housing-focused adaptation and mitigation outcomes.
- Facilitate cross-country knowledge exchange on climate-resilient housing strategies and integrate housing experts into climate conferences, workshops, and COP events to provide actionable insights and best practices.
- Advocate for integrating housing into adaptation frameworks and climate finance mechanisms by supporting governments in setting housing-related adaptation targets within NDCs.

Governments at all levels should:

- Explicitly incorporate green, resilient housing and informal settlements into upcoming NDCs, recognizing the specific climate risks faced by informal settlement communities, and outline targeted adaptation and mitigation strategies. This includes slum upgrading, securing land tenure to encourage home improvements, enhancing infrastructure, and ensuring access to basic services like water and sanitation.
- Develop “slum-aware” investment data and climate modeling frameworks to improve understanding of informal settlements' role in climate resilience and adaptation. Efforts should focus on estimating informal urbanization, assessing these areas' capacity for migrant flows, and collecting regular data using geospatial technology to map risks like flooding and heat. Community engagement will ensure policies are evidence-based and targeted, addressing climate vulnerabilities more effectively.
- Promote collaboration between housing, urban development, environmental, and finance sectors to develop integrated approaches to climate resilience in informal settlements. By fostering partnerships that align objectives and resources, diverse expertise can contribute to holistic solutions—such as combining environmental management practices with urban planning strategies and financial mechanisms. This will enable the development of sustainable, climate-resilient housing and infrastructure that address the unique challenges faced by informal settlements.

Housing actors should:

- Advocate for the integration of green, resilient housing and informal settlements into national climate strategies, prioritizing the unique vulnerabilities faced by these communities in climate action plans while amplifying the voices of residents to ensure their active participation in decision-making processes.
- Engage in policy advocacy to raise awareness about the critical role of green, resilient housing in adaptation, calling for stronger governmental commitments and sustainable financing mechanisms.
- Empower residents of informal settlements to actively participate in decision-making, planning and the implementation of climate-resilient housing and upgrading initiatives.

2. Adaptation for the most vulnerable: Governments at all levels must prioritize and increase funding for adaptation actions that directly address the needs of the most vulnerable communities, especially those living in informal settlements, while protecting ecosystems.

The adaptation agenda should be anchored to emerging frameworks, such as the New Collective Quantified Goal on Climate Finance (NCQG), the Global Goal on Adaptation, and the Sharm El Sheikh Adaptation Agenda, which all highlight the urgency of prioritizing resilience for communities on the frontlines of climate impacts. While global climate action has largely concentrated on mitigation, adaptation financing, planning, and implementation have lagged behind. However, adaptation is critical, particularly for the 1.1 billion people living in informal settlements who are acutely vulnerable to threats such as flooding, extreme heat, and rising sea levels. These communities, contributing least to global emissions, bear the brunt of climate impacts and need housing and infrastructure that can withstand escalating climate threats. Prioritizing adaptation finance for these vulnerable populations is essential to addressing climate inequities and fostering a fairer, more resilient future.

U.N. Agencies and development finance institutions should:

- Promote adaptation funding within the NCQG to enable countries to integrate resilient housing and infrastructure for vulnerable communities, especially informal settlement residents facing multiple climate and economic threats. Integrating green, resilient housing into national adaptation plans will better position national governments to meet adaptation objectives under the Global Goal on Adaptation, while achieving significant social and economic returns.
- Back transformative adaptation solutions as outlined in the Sharm El Sheikh Adaptation Agenda, especially through housing for informal settlement residents, whose incremental adaptation needs are often

underrecognized. Habitat for Humanity supports the agenda's inclusion of human settlements as one of five core impact areas, recognizing housing as a critical foundation for sustainable adaptation.

- Ensure climate finance access for upgrading informal settlements by creating partnerships between U.N. agencies, development organizations, and governments, thus expanding affordable financing options to enhance habitability standards. Financing climate-resilient housing for low-income populations through climate funds and the forthcoming "loss and damage" fund can drive investment in safe, resilient housing, creating a sustainable pathway to climate security.

Governments at all levels should:

- Reduce the cost burden of adaptation in housing by subsidizing locally led, nature-based adaptation solutions, supporting access to housing finance, and targeting areas with significant climate and economic vulnerabilities. These steps address both community and ecological needs in informal settlements and promote long-term resilience.
- Facilitate inclusive engagement with informal settlement residents to ensure their perspectives shape urban development policies and zoning adjustments, aligning them with both adaptation and mitigation goals. By incorporating residents' insights into resilience-building measures, policies can be more equitable and impactful.
- Integrate cross-sector partnerships in housing, urban development, environmental, and finance sectors, fostering solutions that blend financial mechanisms with urban planning and environmental practices. Collaboration across these areas is essential for building sustainable, climate-resilient housing and infrastructure that meet the unique challenges of informal settlements.

Housing actors should:

- Monitor government commitments to climate resilience in housing to ensure adaptation policies are realized effectively and benefit vulnerable populations, with an emphasis on transparency and accountability.
- Facilitate financial and technical support for low-income households by providing products like savings programs, credit, insurance, and nature-based solutions for resilient housing improvements. This would promote energy efficiency, support adaptation, and build resilience.
- Encourage government investment in green and resilient housing by advocating for new funding dedicated to adaptation, aligning with global climate goals and creating a strong, sustainable foundation for all, especially the most vulnerable.

3. Ensuring housing affordability while advancing mitigation efforts: Mitigation must be prioritized, especially in rapidly urbanizing cities around the world. However, mitigation efforts in the built environment, especially in the housing sector must not drive-up costs for households and further worsen the global deficit in adequate and affordable housing.

The world is off-track regarding its decarbonization goal, with the buildings and construction sector remaining as a major contributor to carbon emissions. While there are positive mitigation actions identified in the NDCs—79 countries approved building energy codes, and 158 countries referenced buildings in their NDCs—most actions are not mandatory nor are they reaching lower income populations, especially people living in informal settlements and rapidly urbanizing areas. Still, there is an increasing awareness in the sector that both new technological innovations and proper valuation of sustainable vernacular practices are needed to address the building surge in developing economies. There is also increasing awareness of the need to address embodied carbon across the whole lifecycle of building with a focus on bio-based and durable materials, waste generated and demolition at end of life and not just operational energy. Without including circular construction approaches into mitigation priorities, the building process can undermine the carbon reductions achieved from other improved energy efficiency tactics. Finally, there is urgent need to encourage the incremental retrofitting of existing affordable housing stock, using low carbon materials in construction and ensuring that housing building codes encourage sustainable building practices including passive design and nature-based solutions that prevent overconsumption of natural resources.

U.N. agencies and development finance institutions should:

- Encourage and invest in programs and projects that focus on housing renovation, upgrading and retrofitting that are climate positive, allowing to address the global adequate housing gap while limiting carbon emissions created by new construction.
- Provide support to fill data gaps of the climate contributions of affordable housing, to improve implementation of green building codes for social and incremental housing and invest in research and development of affordable building solutions.
- Incentivize investment in new, smarter financial vehicles and structures that can attract capital at scale for green housing solutions, for example, through de-risking and credit enhancements, particularly focused on low-income markets.

Governments at all levels should:

- Recognize the strategic synergies and trade-offs of addressing jointly the qualitative and quantitative housing deficit and climate change impacts moving forward. This can take the form of mandated green practices for government funded housing programs.

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- Scale up support for sustainable innovations by accelerating the approval and implementation of regulations and standards that support sustainable and inclusive green housing solutions across the housing value chain for both the building of new and the existing residential stock.
- Expand blended finance, subsidies and grants that support circular economy and climate positive solutions for buildings and the construction sector, with special emphasis on human and natural ecosystems.
- Develop mechanisms to test policies and regulations that promote innovations in green, adequate housing that serve as a mitigation strategy, for example, by establishing regulatory sandboxes and supporting the implementation of digital tools that improve the management of inclusive regulatory compliance processes, or “regtech.”

Housing actors should:

- Invest in innovative business models that provide adequate and affordable housing that contributes to mitigation targets, aiming for inclusive, carbon-positive approaches that observe impacts and co-benefits of housing construction, renovation, upgrading and retrofitting. Prioritize the use of innovations and technologies that improve reliable and cost-efficient access to adequate housing and reliable basic services using renewable energy sources, including decentralized grid networks.
- Promote technological innovations, social infrastructures, and sector systems that accelerate mitigation objectives by reducing its costs, doubling efforts that target the most vulnerable populations, especially those living in informal settlements.



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⁹ Frediani et al, 2023. *Home Equals Report*. Habitat for Humanity. <https://www.habitat.org/home-equals/research-report>