

Financing for climate change mitigation in cities

Statements made at the 2023 Ministerial Meeting of the Forum of Ministers and High-level Authorities on Housing and Urbanism in Latin America and the Caribbean (MINURVI)



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The document was coordinated by Estefanía Forero with the support of Julia Guimaraes, both of the Human Settlements Unit, and supervised by Diego Aulestia, Chief of the same Unit. This document is based on the statements made at the 2023 Ministerial Meeting of MINURVI, Financing for climate change mitigation in urban settlements, held on 10 and 11 April 2023 at the Kirchner Cultural Centre in Buenos Aires.

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Summary

This document is based on the contributions and presentations of the ministerial meeting of the Forum of Ministers and High-Level Authorities of Housing and Urbanism of Latin America and the Caribbean (MINURVI), organised by the Ministry of Territorial Development and Habitat of Argentina, which assumed the presidency of the Forum for the 2023 period. The meeting was held on 10 and 11 April 2023 at the Kirchner Cultural Centre, in the Autonomous City of Buenos Aires 28 member states attended the meeting along with representatives from ECLAC in its role as Technical Secretariat of MINURVI.

During this meeting, authorities, leaders, experts in housing and urbanism, and development banks convened with the aim of addressing the issue of financing for climate change mitigation in cities. Strategies and alternatives to address the housing deficit and promote the development of value chains related to construction and sustainable housing were also discussed.

The ministerial meeting provided an opportunity to discuss possible strategies for the creation of a green finance fund at the regional level. This fund would seek to expand the financing of projects and programmes with a significant impact on improving climate change resilience and/or reducing greenhouse gas emissions in urban areas.

I. Welcome

A. Opening remarks by Diego Aulestia¹

The meeting begins with the speaker congratulating the host country, Argentina, which chairs the Forum of Ministers and High-Level Authorities of Housing and Urbanism of Latin America and the Caribbean (MINURVI), for the initiative to discuss such a fundamental issue as is climate finance and cities. He acknowledges the support of several multilateral financial organisations, namely the Development Bank of Latin America (CAF), the Inter-American Development Bank (IDB) and the World Bank.

Referring to sustainable urban development and its financing requires contextualising the discussion and mentioning concrete areas of public policy. By 2030, 86% of the population of Latin America and the Caribbean will live in cities; almost half of this population will be located in the 74 cities with more than one million people within the region. It should also be noted that cities are responsible for 70% of global CO² emissions. The last 30 years have been the warmest in history, and the sharpest temperature rises have been recorded in the countries of higher northern and southern latitudes. The difference in average temperature between 1991 to 2020 and 1901 to 1930 is more than one degree Celsius. In recent years, there have been several high-impact weather events, including severe droughts in South America and intense and frequent hurricanes in the Caribbean and Central America. These events require ever more profound adaptation responses, especially in urban settings where human and economic losses are particularly acute. 13 of the 50 countries most impacted by climate change are in the LAC region.

In 2018, in 12 countries of the region approximately 21% of the population – roughly 116 million people – lived in slums or informal settlements, a population largely exposed to risks due to inadequate land location. The future outlook for adequate housing challenges and the Sustainable Development Goals (SDGs) is very complex. It is necessary to allocate greater resources for adaptation and to address the effects of climate change as the later puts the achievement of the 2030 agenda and particularly the

¹ Head of the Human Settlements Unit of the Economic Commission for Latin America and the Caribbean - ECLAC, United Nations.

Sustainable Development Goals referring to the elimination of poverty (SDG 1) and the reduction of inequality (SDG 10) at risk. However, there is a stagnation of investment in urban development and housing in relation to GDP, with countries in the region allocating just 0.6% of GDP to these sectors. This implies serious shortfalls in investment in infrastructure and housing.

There are also notable weaknesses in the design of urban public policies that are comprehensive, multidimensional, and multilevel. The concept of urban sustainability remains an ideal rather than a clear and concrete principle of action. A sectoral vision of public policy still prevails and there are few examples of different areas converging towards sustainability. Most commonly, for example, land use and land management plans only lightly consider mobility, its technological trends, and future scenarios. Similarly, climate action plans often do not consider in depth the opportunities that may arise in housing and urban infrastructure to support the implementation of the Paris Agreement and the New Urban Agenda.

Faced with these challenges, ECLAC proposes that public policy should be reoriented in the following directions. First, overcoming the investment lags requires a major boost that addresses the current financing restrictions arising from the countries' complex fiscal situations. 68% of the region's citizens see climate change as a very serious threat to their respective countries in the next 20 years, a higher level than in other regions. It is vital to promote industrial development policies, such as the *cluster* approach, to transform the economic structures of Latin America and the Caribbean and create more and better jobs.

Second, financing makes it possible to bring forward investments that would otherwise take many years to materialise. Yet, while it is necessary to significantly increase the amount of investment in green infrastructure and housing, it must not be forgotten that such financing usually involves repayment commitments over several years. It is therefore vital to strengthen the sources of repayment that allow access to larger amounts of financing: the investment required by the city must come from the resources generated by the city itself. According to the McKinsey Global Institute, two-thirds of global wealth is tied up in land and real estate. Public action, legislation, and investments increase the value of land, and the partial capture of these increases is still an unfinished task in the region. This could over several years significantly strengthen the resource flows required to access more financing today.

Third, combating climate change must also be seen as a potential source of economic activity and employment generation. Greening housing and habitat presents several challenges while offering great opportunities. It is essential to adopt regulatory tools that include standards and taxonomies for green or sustainability-linked bonds, a task the UN system is engaged in with multilateral financial institutions.

Fourth, the circular economy approach, which is increasingly important, must also be incorporated into city public policy not only with regard to construction materials but also in the management of the housing stock. It is alarming that there are cities in the region that have 12% of their housing stock unoccupied, while new materials continue to be used in the construction of new units, often on the urban fringes and with weak connectivity to the city. Upgrading and repairing the existing housing stock is essential, as it often provides great locational advantages, is economically and socially efficient, and has low environmental impacts. There is a need to reduce the high travel times of those using public transport systems and significantly slow the growth of motorisation rates. This would also contribute to a better use of resources and lower impact on the environment. While the growth of the urban sprawl in its central areas has slowed in recent years, from 2.8% between 1990 and 2000 to 1.1% between 2000 and 2015, there are still major advantages to be derived from higher urban densities that are properly planned.

United Nations Secretary-General António Guterres has stated that the battle for climate change will be won or lost in cities. Latin America and the Caribbean requires firm actions on the premise that the future begins today and that it is imperative to move towards the fulfilment of the 2030 agenda.

B. Opening remarks by Elkin Velásquez²

MINURVI is a regional public good, and UN-Habitat and ECLAC welcome the fact that this regional public good will continue to be strengthened in order to provide much more guidance and concrete results for advancing sustainable urban and territorial development in Latin America and the Caribbean.

Argentina has been a pillar and a leader in Latin America and the Caribbean in recent years in promoting the dream of regional integration. In this area, the region stands to gain a great deal from the strengthening of MINURVI, and it is possible to make further progress in advancing integration from the local level. Furthermore, two MINURVI ministerial meetings a year help to consolidate the existing mechanism and this generates a very important impact in terms of action plans and concrete results.

The Second United Nations Assembly for Habitat 2023 is an opportunity to continue these discussions. UN-Habitat facilitated an exchange with the presidency of the Group of Permanent Representatives of Latin American and Caribbean Countries - GRULAC, to the United Nations in Nairobi with the objective of strengthening the positioning of the countries of the region—low, middle and high— income countries, as many are not eligible according to international standards for some technical cooperation processes. The discussion arising from the housing, habitat and territorial development sector can also help to develop financing mechanisms and specific support for the needs of middle-income countries.

Habitat and housing are the territory and reality of families and human settlements. In this context, this MINURVI meeting is essential for the creation of a concrete roadmap towards creating the conditions for the development of a funding scheme to finance climate change mitigation in cities.

² UN-Habitat Regional Representative for Latin America and the Caribbean.

II. Opening

A. Remarks by Santiago Maggiotti³

This meeting implies starting to plan actions that will be carried out from MINURVI, while understanding that all countries have experiences that may be similar to the needs of others but that cannot be replicated. The purpose of this space is to address a specific issue that concerns and occupies everyone: financing for climate change mitigation and urban settlements.

The Latin American and Caribbean region is particularly impacted by climate change, despite being one of the regions with the lowest greenhouse gas emissions. The impact of climate change demonstrates the need to work together to create a green fund specifically for the region and to be able to work on sustainable improvement, housing construction, and habitat care.

In this sense, institutionalising MINURVI would be a step forward. This is important because it means that tomorrow, future authorities and decision-makers will know which actions have been taken and which ones still need to be carried out in the field of the environment and urban planning and housing development throughout the region. This institutionalisation is also important in order to replicate the different success stories across all countries that make up MINURVI.

B. Remarks by Santiago Cafiero⁴

The integration sought in these spaces has to do with finding the strength that one does not have individually. In the region, different mechanisms, forums, and meetings are used to connect us when it comes to designing common strategies, as naturally it is not possible for one to individually modify an agenda or impose one at a global level. Progress can be made via Mercosur, CELAC, CARICOM, and UNASUR as fundamental mechanisms to generate instances of regional integration.

³ Minister of Territorial Development and Habitat of the Republic of Argentina and President of MINURVI.

⁴ Minister of Foreign Affairs, International Trade and Worship of Argentina.

The commitments that have been made in the area of climate change or greenhouse gas emissions require thinking about concrete tools. Integration mechanisms should not be spaces of promises and commitments that are impossible to achieve, but rather of concrete ones. Talking about financing and budgets is a way of fulfilling commitments that have already been made and advancing agendas. Indebted countries such as those in the region have little capacity and fiscal space to implement policies. The support of multilateral lending agencies is needed to link these agendas to concrete funding for their implementation, this also helps to build policies that seek to establish roots and territorial equity in the region.

In many instances and forums, the issue of migration is discussed focusing on punitive policies and solutions, basically seeking to restrict the movement of people. Little is done to foster the necessary attachment in these countries, including territorial equity and development so that there is no ultimate need to leave one's country as the only alternative.

Argentina believes that generating areas of integration also means generating concrete tools to develop commitments and to carry out the commitments assumed. The key to this integration is to understand and start from a common diagnosis: what are the strengths the region has when countries come together and how weak are they when taking unilateral positions?

Before taking office, the president of Argentina, Alberto Fernández, proposed the creation of the Ministry of Territorial Development and Habitat as a strategic decision: a ministry that can carry out not only a policy of housing accessibility, but also think in strategic terms about territorial equity within the Argentinian territory. Argentina had the great honour of chairing the Community of Latin American and Caribbean States (CELAC) during 2022, a very challenging year. While the use of force and violence can be seen in other regions to solve problems, the Argentinian government seeks to highlight that the alternatives are dialogue, consensus, public policy, and a regional strategic vision.

Globalisation as it was seen in the 1990s is a globalisation that has come to an end; today there is a movement towards the globalisation of regions, and these must be strengthened. All integration mechanisms, fora, or trade mechanisms are necessary and stimulating in moving forward with a common agenda and to have more strength when it comes to taking a position to a global agenda.

C. Remarks by Juan Cabandie⁵

The search for cohesion as a region to achieve greater and effective funding can bring about real transformations in each of the region's countries and territories with regard to the environmental agenda, there has been a very long and historic process ongoing since 1972 with international meetings linked to the environmental agenda, climate change, water pollution, oceans, among other issues. However, these meetings do not always result in concrete achievements. In this context, meetings with a more specific focus can be more fruitful.

Undoubtedly, it is very difficult to address climate change in Latin America and the Caribbean, but comparing the Southern Hemisphere with the Northern Hemisphere, the Northern Hemisphere accounts for 85% of greenhouse gas emissions. The countries of Central America and the Caribbean are not the biggest contributors, yet are the ones that are harmed by the emissions of developed countries, such as China who is responsible for 27% of emissions, the United States for 15%, and Europe for 14%.

In the region there is a significant social problem and a challenge in solving asymmetries, while responding with the construction of housing and resolving complex situations linked to the quality of life of inhabitants of the region. The objective of resilient cities is the way forward, in terms of materials, land-use planning, and public transport emissions, among others. These social housing problems have to be solved by the region, but at the same time, developed countries are demanding greater

⁵ Minister of Environment and Sustainable Development of Argentina.

compliance with established goals. Countries of the region adhere to fulfil them, however it is necessary that developed countries do so first, as they are the ones most responsible for climate change. These countries have not thought about future generations, only about their development and economic power. Nothing is going to change if the productive scheme of the developed countries is not modified.

The environmental agenda has two components: adaptation and mitigation approaches. While there is consensus on meeting mitigation targets, there are still many challenges in securing resources and financing for adaptation measures. Without financing, it is impossible to settle these debts.

The region has two main problems: the problems of the 20th century —social problems left by such an inequitable world, where for example 100 companies produce 70% of emissions and decide where energy is produced and how it is used— and the problems of the 21st century, which must be solved simultaneously. The only way to solve this issue is with financing and with the world understanding that without nature and the Latin American and Caribbean ecosystems people cannot continue to exist in harmony and with the quality of life that they currently enjoy.

III. Contributions

A. Mitigation and adaptation to climate change in Cuba

Presentation by Marvelis Velázquez Reyes⁶

As a small island state, Cuba suffers the effects of climate change. Mitigating these effects requires initiatives to reduce the effects of polluting gases, under the principle of common but differentiated responsibilities. The fulfilment of the commitments made by countries in the context of United Nations framework for a fair and equitable distribution of income wealth and profits from economic growth, to achieve sustainable and equitable urban development and the collective well-being of the people is also necessary.

Cuba attaches great importance to the effective implementation of the New Urban Agenda and its connection to the 2030 Agenda for Sustainable Development, its contribution to multilevel governance, local capacities, access to technologies and innovation, and equity for the formulation of policies conducive to urban resilience. There is a State Plan for the implementation of the New Urban Agenda, aligned with the Tarea Vida State Plan, which intersects all public policies that are approved and implemented in the country. This State Plan responds to and monitors the fulfilment of the rights to a safe and healthy habitat, adequate housing, the city, and citizen participation, as recognised in the Constitution and addressed in Law 145 of 2021 on Territorial and Urban Planning and Land Management.

Within the scope of this plan and under the strategic axis of risks and climate change, studies of the expected effects of climate change (2050 and 2100 scenarios) have been developed. These have been incorporated in the planning instruments and the catalogue of actions to be taken in the 35 settlements located in the prioritised zones. Furthermore, actions have been initiated for the relocation or accommodation of exposed populations. This work has been carried out despite the US trade and economic blockade to which the country is subjected, which affects the availability of materials and technology for the specific construction sector.

⁶ Legal Director of the General Directorate of Housing of the Ministry of Construction of Cuba.

As part of the control of coastal areas and the reduction of exposed population density, the evaluation of the indicator relating to the reduction of the number of residences in threatened coastal settlements, according to the priority of the State Plan, shows significant progress. In the 2020-2022 period, 473 homes located in these coastal areas have been successfully relocated, bringing the total to 631 homes since 2018.

As part of the Housing Policy and in compliance with the housing strategic axis of the State Plan, work is being carried out in different dimensions to increase integral capacities and infrastructure, applying adaptation and resilience in buildings or developing construction material industries with high levels of productivity.

It is expected that this will result in (i) the mitigation of the environmental impacts produced by the materials industry, (ii) an improvement in the quality and useful life of constructions through the application of science and innovation, (iii) the establishment of a common regulatory framework to define the technical organisational principles applying the concept of resilience in constructions, (iv) the implementation of a housing policy involving all actors of the economy, government structures and the family using different financing alternatives.

To address the effects of climate change in the region and in particular in small island states, it is essential to integrate actions for capacity building at different scales—national, regional and local—and to promote actions for the exchange of international best practices, lessons learned in terms of adaptation, the dissemination of innovations in governance, planning, management and methods and tools to assess and enhance the adaptive capacity of cities in the region. An example of this are the international collaboration projects that are currently being developed in Cuba, such as the Mi Costa, Coastal Resilience, Resilient Havana and Natural4City programmes, and 5 others that have already concluded in recent years, which have contributed to the strengthening of local capacities for disaster risk reduction management.

Increasing cooperation among Latin American and Caribbean countries, in particular South-South collaboration, and accessing financing mechanisms to implement resilient housing in urban settlements through innovative solutions in the region is one of the ways to meet the SDG targets and the 2030 Agenda.

B. The challenges of the Sustainable Urban Agenda in Brazil

Presentation by Carlos Tomé Júnior⁷

Participation in this major forum is considered strategic for the Brazilian Ministry of Cities, given the urgency of discussions on issues such as energy transition, climate change, urban modernisation, the fight against poverty, disaster prevention, and the search for a better quality of life for the citizens living in the region's cities.

In the last six decades, Brazil's population, the seventh largest in the world, has grown from 70.2 million to approximately 215 million inhabitants and the urbanisation rate has jumped from 44% to 85%. Sensitive to the challenges posed by the concentration of population in urban areas, the new government has recreated the Ministry of Cities with the task of dealing with, among other issues, the National Policy of Urban and Metropolitan Development, land use planning, sectoral policies on housing, environmental sanitation, and urban mobility.

The National Secretariat for Urban and Metropolitan Development intends to act jointly and in coordination with the other secretariats to propose integrated and strategically planned solutions in the medium and long term. To this end, it includes the following actions:

⁷ National Secretary of Urban and Metropolitan Development of Brazil.

- Financing programmes with resources from the seniority guarantee fund, with the aim of providing Brazilian states and municipalities with the conditions to formulate and implement urban development policies for the improvement of urban perimeters, aimed at adaptation to climate change, reduction of carbon emissions and technological innovation.
- Capacity building of cities for institutional development oriented towards urban planning and management, proposing adequate instruments for territorial planning, support and implementation of administrative modernisation processes, articulated with the promotion of democratic management of the city, and enabling access to information for public administrations and the population.
- Allocation of government resources to support rehabilitation, accessibility, and technological modernisation projects and works in urban areas, such as squares, parks, public fairs, leisure areas, structures for physical activities, and other places of social coexistence.
- The important international technical cooperation as a way to support the Brazilian government in improving sustainable urban development policies. In other words, an urban occupation oriented on the tripod of environmental protection (ecological axis), reduction of inequalities (social axis), and economic prosperity (economic axis), as advocated in the Sustainable Development Goals and in light of the Paris Agreement.

Brazil wants to promote economically viable, socially just, and environmentally friendly cities. The Ministry highlights recent projects in the field of sanitation, which should benefit 30 million people and represent more than 120 billion reais (BRL) in investments. In addition, changes are announced in the *Minha Casa Minha Vida* programme, stipulating that new housing should be built in areas close to city centres and areas with basic infrastructure.

It is important to highlight the importance of exchanges with governments of other countries, especially in terms of progress in the implementation of Sustainable Development Goals (SDGs) 6 (drinking water and sanitation) and 11 (sustainable urban development) in Brazilian cities.

C. Housing and urban development in Mexico

Presentation by Román Meyer Falcón⁸

Mexico's Ministry of Agrarian, Territorial and Urban Development (Sedatu) is both the newest and the smallest within the entire federal government, comprising no more than 450 people. However, it has many tasks: overseeing urban development, guiding national housing policy, pursuing land-use planning, and agrarian policy. The latter is communal land use, a legacy of the Mexican Revolution at the beginning of the 20th century, where *ejidos* and communities hold 53% of the national territory. In other words, 53% of the national territory is collective, the communities are the owners of these territories, and fortunately not much ejido or communal land has been lost. These functions are of paramount importance, bearing in mind that:

- Mexico's population grew 2.4% annually between 1980 and 2017, while cities grew at a rate of 5.4% annually.
- In Mexico there are about 32 million homes, of which 28% have some deficiency.
- There are 2,471 municipalities in the country, 25% of which have planning instruments in place.

⁸ Secretary of Agrarian, Territorial and Urban Development of Mexico.

When Andrés Manuel López Obrador, the current president of Mexico, was still planning his campaign, he spent two years preparing public policies: this is a fundamental issue in a federal administration, to have time to think and then execute. There was a discord in the country between housing policy and housing needs: the lagging states in the south, Chiapas, Tabasco, and Veracruz, had the lowest amount of credit, while the northern states, less needy in terms of housing, had the highest one. This means that policy or needs were not in communication with financing instruments. This position was reversed and today there are 8.5 million homes in the housing backlog, 80% of which require home improvement or extensions. This means that 80% of the housing backlog in Mexico can be resolved by improving or expanding housing, and 20% with new housing. Understanding that this backlog is located in a very particular geographical area, namely the centre and south of the country, the public policy on self-built housing was created. All national policy, all national instruments and sources of financing have focused on self-building, on the freedom for the public and workers to use the resource in the best possible and autonomous way. 6 out of 10 houses in Mexico are self-built, representing 2.7% of the national GDP.

In terms of subsidies, these were concentrated in the northernmost states of the country. Subsidies have been redistributed, concentrating on the states of the Southeast for the period 2019-2022, where work is more informal and therefore access to housing credits is more difficult. The current targeting is carried out in the states with the greatest housing backlog and poverty.

The National Housing Policy follows the following strategic lines:

- Right to adequate housing.
- Coordination between National Housing Agencies (ONAVIS) and governments at different levels.
- Creation of communication platforms (decide and build platform).
- Linkage with land use planning (Municipal Urban Development Programmes). Including simplification of methodologies and regulatory instruments.
- Rescue of public spaces and abandoned housing.
- Cheaper credit and the option of acquiring land.
- Focus on self-building.

Housing cannot be seen as a mercantile mechanism, as a need to produce and place housing far from workplaces. When the current government came into office, it found 650,000 abandoned homes, entire metropolitan areas where organised crime operates, regions that are vandalised and create an issue of insecurity, especially in the northern part of the country.

Self-building is the policy, the conceptual part for all instances. In terms of financing, 25.8% of the policy are subsidies. This means that these are direct resources from the Mexican state to families, of which 70% are given to women and 74.2% are micro-credits. In the distribution by type of action, 94.9% are housing extensions and improvements and 5.1% are new housing constructions. The interest of the national policy is not to build more housing, but to improve and expand existing buildings. Attention to vulnerable groups is also highlighted, as 88% of the actions are concentrated in low-income populations.

Infonavit is the Mexican government's main financing mechanism and all Mexicans are obliged to give 5% of their income to the fund. Infonavit is considered the cheapest financing mechanism in the country: in housing credit, it lends at 2.5% to minimum wage earners and the mechanism keeps the lowest average rate in the market (8.23%). There is also a support programme for loan settlement, the "90 Diez", which grants a discount in the mortgage.

According to autonomous data from the National Council for the Evaluation of Social Development Policy (CONEVAL), the impact of urban development on housing is very important, with

more than 1.8 million people benefiting. The lack of quality in housing spaces has decreased from 11% in 2018 to 9.3% in 2020, and the lack of access to basic housing services from 19% to 17%. The housing backlog decreased from 9.4 to 8.5 million houses. The government hopes that by the end of the mandate it will be able to double these goals and have removed 2 million families or homes from the housing backlog.

Understanding that housing alone is not the only way to address the country's urban problems, the Ministry has focused on updating municipal urban development programmes. 130 municipal programmes, 4 at the state level, 5 regional and 8 metropolitan ones are being implemented. By 2023, the plan is to double the number of planning instruments in order to update the instruments that determine land use. However, municipal governments have the legal powers to grant land use and construction permits, but 80% of these municipalities do not have updated programmes. The objectives that by the end of next year, 20% of the national territory should be updated, and these urban development programmes should be linked to the property tax, the only mechanism for local governments to raise money to invest in water, paving, or basic services. In this context, the updating of municipal programmes is being linked to mechanisms that the municipalities themselves can update, their forms and their collection rates through the property tax.

The housing and planning policies, as well as the land-use policy in the communities with the greatest lags are being accompanied by support for large regional development projects of the Federal Government. Examples include a train and industrial development corridor between the state of Oaxaca and Veracruz in Tehuantepec, and the Mayan train, a 1,700 km long tourist train in the Yucatán peninsula. These examples illustrate a way of supporting these communities, not only in terms of housing planning, but also basic facilities.

In conclusion three important aspects of Mexican policy are highlighted:

- To be able to address housing policy under a logic of self-production, freeing up credit mechanisms and incentives for families to carry out their home improvements, without state supervision.
- Simplify the regulatory framework in the elaboration of planning instruments, with tangible documents that say what, where, and under what mechanism it is possible to build.
- Accompany interventions with basic infrastructure in deprived communities.

D. National climate change adaptation and mitigation plan to 2030

Presentation by Cecilia Nicolini⁹

The impact of the climate crisis exacerbates inequalities, especially in a region like Latin America and the Caribbean which is already the most unequal in the world, although it historically contributed the least to greenhouse gases and climate change. However, it is the countries in the region that are suffering the most from the impact in terms of economy, life, and health.

Argentina's Secretariat for Climate Change, Sustainable Development and Innovation has been monitoring the reports of the IPCC and the need and urgency of articulating the region's policies is becoming increasingly evident. More than 70% of greenhouse gases come from cities, which will become even more urbanised. However, a complex reality can be observed: in Buenos Aires, for example, the richest city in Argentina, almost 50% of its emissions come from residential or commercial buildings. It is important to address these challenges with a special focus on the most vulnerable populations. Not only does the

⁹ Climate Change, Sustainable Development and Innovation Secretariat of Argentina.

climate crisis exacerbate this climate variability or extremeness, but cities do too, even between rich and poor neighbourhoods.

Argentina has firmly committed to the fight against climate change and in 2022 presented the National Plan for Adaptation and Mitigation of Climate Change to the Year 2030. More than 75 organisations and government sectors participated in this project, where very ambitious goals were set, comparable to those of the developed countries that bear the greatest responsibility for the climate crisis. The mitigation target is very clear: 349 MtCO_{2e} by 2030 and to reach carbon neutrality by 2050. Historically, adaptation has been neglected in the climate discussion, often because the return on investment is not so clear, but it is extremely important to address this issue. In the Plan, the adaptation goals for 2030-2050 are: (i) to reduce vulnerabilities, (ii) to increase adaptive capacity and strengthen the resilience of the social, economic, productive, and environmental sectors, and (iii) to generate the necessary conditions to increase knowledge and improve the public's perception of the impacts of climate change.

The Plan's 250 measures were distributed across 6 strategic lines. 75 areas of government and 8,600 participants were involved during the process, allowing for collaboration between government, the private sector, the science and technological sector, trade unions, the opposition and environmental organisations. This is essential for a systemic response to problems of a multidimensional nature. The management of sustainable and resilient territories is one of the 6 strategic lines that stand out the most, where energy management, the conservation of natural ecosystems, the management of solid urban waste, and the habitability of working-class neighbourhoods are also involved. The Climate Change, Sustainable Development and Innovation Secretariat has worked hand in hand with the Ministry of Territorial Development and Habitat on prototypes of sustainable and popular housing with energy efficiency and renewable energy resources, as sustainability cannot be a luxury for a few. The Secretariat has also worked on the issue of drinking water, which is directly related to diseases and the appearance of pests.

In addition, work has been done with various ministries to clarify that the climate discussion is a profoundly economic discussion, which has to bring in the new parameters of sustainable development. It is important to value the contribution that the region makes to the world in terms of environmental creditors, where, in addition to the fact that the countries of Latin America and the Caribbean are generally large financial debtors and that after the pandemic the debts have become even heavier, it is necessary to continue thinking about common but differentiated responsibilities. There are great difficulties in carrying out the different transitions: energy, industrial, productive, and housing transitions. It is important to look at the need for financing, not only to reduce greenhouse gases, but also to improve investment in adaptation. This is essential to achieve more resilient and liveable territories, with greater social and environmental justice.

E. Sustainable housing improvement in Latin America and the Caribbean for Fair Housing and Climate Change mitigation

Presentation by Nicolás Maggio¹⁰

FOVISEE Fair Housing and Weatherizes Without Borders (WWB) function as platforms and mechanisms for the development and exchange of public policies between countries in the region, where collaboration agreements are signed with countries such as Mexico, Chile, Ecuador, and Peru, among others. The aim is to learn about the public policies for sustainable low-income housing that have been developed, aimed at low-income sectors.

¹⁰ President and Executive Director, FOVISEE-WWB.

According to IDB data, the main housing problem of the most vulnerable sectors is the qualitative deficit, although in general, states invest more in building new housing and attacking the quantitative problem. While 94% of the housing deficit in Latin America is qualitative, 90% of public investment in the region is allocated to the quantitative deficit.

It is interesting to see how the problem of the qualitative housing deficit has been solved in countries in other regions. For example, since 1976, the United States has had a public policy of sustainable housing improvement that shows interesting results, but above all a return on investment. It is estimated that, for the 1 billion dollars invested per year, there was a return of 4.5 dollars for every dollar invested. This return was distributed in different sectors such as health, security, quality of life, energy poverty reduction, job creation, activation of local economies, and environmental care. Similarly, in 2021, France invested more than 3 billion euros in sustainable housing improvements, reaching 750,000 homes, with a focus on combating climate change and energy savings (40% of energy savings achieved).

It should be emphasised that housing is a right that is in turn associated with several other rights, so when housing investment is made, there is also investment in many other dimensions at the same time. FOVISEE proposes to understand how the housing of low-income populations works, from the distribution of space to energy performance or the economic inclusion of these people, as well as their ideas, representations, perceptions, and feelings about their homes. A great effort has been made to incorporate housing science and technology in the best way possible into the diagnoses and thus achieve better results, without losing empathy and solidarity, and putting people at the centre of the housing issue. Investments make even more sense when they are associated with other rights close to housing and when they go hand in hand with public policy. The diagnoses measure 550 variables, half technical and half social, and in 4 dimensions: the impact of housing on health, safety, quality of life, and energy performance.

Knowledge is the key to more effective and efficient programmes, as shown by some results of environmental improvement programmes in Argentina: thermal insulation allowed annual energy savings of 46% and in the health sector most people reduced their respiratory diseases and heating-related problems.

F. Addressing the challenges of a continent in climate transition

Presentation by Luis Felipe Vera¹¹

A key question to ask is what can be done at the scale of micro-regions. It is important to think not only about those aspects of climate change that are experienced today, but also those that lie ahead. The region is going through a triple transition: (i) the unprecedented growth of urban flux and sprawl, (ii) the intensification of vulnerable and intra-regional migration, and (iii) the challenges of climate transition.

The world's population is between 7.5 and 8 billion people, and by 2050 this figure is expected to increase to 10 billion people. This means that 25% of the world's cities have yet to be built. Furthermore, this will occur in cities of the Global South, cities that have already had an extremely accelerated growth and are not able to respond to urban growth within the formal market, there is already an extremely high stock of housing and families living in informal settlements.

Globally, 1 in 3 people live in informal settlements however in Latin America and the Caribbean, 1 in 5 people live in such settlements. 17,500 people move daily from the formal city to the informal city, a number that is growing at a previously unseen rate. This represents a problem of scale, to which

¹¹ Specialist of the Housing and Urban Development Division – Inter-American Development Bank, IDB.

migration must be added. Today there are 250 million international migrants, and by 2050 there will be 350 million migrants. This implies cities absorbing more than 100 million additional people. Of these 350 million migrants, 200 million will be linked to the climate transition.

The challenge of adapting cities to climate change is that the stock problem is becoming a flow problem. Efforts will have to be redoubled to coordinate with other sectors and agencies involved in public management. Today, every second a new migrant is forced to move due to a natural disaster.

The region has gone through several phases in the improvement of neighbourhoods. In the past, the policy of eradication, then the policy of bringing services, and more recently the agenda of integration and improvement of the social fabric. But when looking into the future, it is necessary to think about a new paradigm, where the key is to think about the adaptation of these informal settlements, to generate not only financing vehicles but also instruments and techniques to reduce the exposure of these territories. Cities have been centres of prosperity, yet climate change agendas are often agreed between Ministries of Finance and Ministries of Environment and have been marked mainly by mitigation challenges. However, time is running out and the time has come to work on modulating change and advancing the challenges of adaptation.

Projections predict that the effects of climate change will be even greater. Informal settlements are particularly impacted by increased heavy rains and droughts. Today, 592 of the 727 cities in the region will experience profound bioclimatic changes by the end of the century. Cities will change their bioclimatic patterns along three main dimensions: aridification (becoming drier), tropicalisation (increased frequency of heavy rainfall) and savannisation (degradation of forest areas). These projections are more of a city problem than solely a climate one. The infrastructure that cities have today has been designed mainly for the formal city, and it is essential to face the great challenge of adapting it to new contexts and climates for which it was not necessarily designed.

The future of Latin American cities will be one of climate adaptation, marked by how migration and the growth of informality are absorbed. Habitat and decent housing cannot wait, there is a strong conviction that there is a political, technical and financial decision to be made, considering not only the mitigation of climate change, but also the power of a coordinated management between all ministers of housing, urbanism and territory.

G. Experiences and opportunities for financing green and resilient housing in Latin America and the Caribbean

Presentation by Juan Pablo Bonilla¹²

The Sustainable Development and Climate Change Department of the Inter-American Development Bank (IDB) was created in 2006, following the Paris Agreement, the SDGs, the Habitat III meeting in Quito, the COP13 in Mexico and all the follow-up to the Sendai agreements and natural disasters. The department has a first territorial focus, with the Urban Development and Cities Division and the Rural Development Division. In this sense, urban-rural synergies are increasing. An example is the growing focus on spatial development planning and the number of cities that are starting to address the issue of food security with climate change.

The department also has a climate change group, to which the issue of biodiversity has been added, with the aim of increasing synergies between nature-based solutions and the climate agenda. The importance of ecosystems for city planning is fundamental, and is linked to the issue of adaptation and disasters. Indeed, working with nature-based solutions helps to build resilience to natural disasters.

¹² Sector Manager for Climate Change and Sustainable Development (CSD) – Inter-American Development Bank, IDB.

Currently, work is being done on an integrated agenda between territorial issues, climate finance, biodiversity, and disasters. Recent changes include the creation of a unit for the development of the Amazon region. From a cross-cutting view of the department, work is usually done with infrastructure departments, but also social issues such as the issue of green jobs from the Department and the Division of Labour Markets.

The bank today has a mandate for climate finance of at least 30%, in 2022 climate finance reached 42%. These are not climate change credits, but the obligation to incorporate the climate variable into the different types of credits. This makes it possible to incorporate the issue of mitigation and adaptation into policy credits or investment credits. Innovative instruments have been developed, such as payment by results credits, which can be seen, for example, in the neighbourhood improvement programme in Argentina.

The IDB is the only development bank with a mandate for a very large technical cooperation fund to support not only project formulation, but also knowledge issues. There is a general call for multilateral development banks to think outside the box, into the future, on issues such as natural disaster clauses. The case of Barbados –a \$150 million debt conversion for marine life conservation between the IDB and The Nature Conservancy (TNC)– could be an example for similar instruments in the cities and housing sector. In addition, it is extremely important that the disaster clause developed with Barbados or other Caribbean countries can be transferred to city or housing loans in case of disasters, from fires to floods.

The risk rating agencies have a guarantee similar to the one that was observed in Barbados and a loan, so there is no incentive today to give more guarantees for debt refinancing at the national or sub-national level, so the system certainly needs to be reformed. It is therefore necessary to continue the process of debt restructuring with guarantees, as well as to support countries to issue more and more performance-linked bonds. Uruguay is the first developing country to have a performance bond linked to its Nationally Determined Contribution (NDC). This means that the country can have a premium or a "penalty", depending on its NDC achievements and progress. The Bank did not give Uruguay any credit, but rather \$1.5 million in technical cooperation to prepare the taxonomies and choose the indicators for measuring the bonus. It is possible to go down to the sub-national level with climate investment plans, or plans linked to the NDC.

Housing, urban development and cities can start to have taxonomies not only for mitigation but also for adaptation projects. The reform of the Washington sewerage aqueduct system mixed with reforestation work with local communities along the Potomac River is a good example of a climate change adaptation investment programme with debt reduction.

In terms of funds, the IDB has access to the Global Environment Facility (GEF), the Green Climate Fund (GCF), and the Climate Investment Funds (CIF). Entities are currently being strengthened so that countries have direct access to credit, but only for regional integration projects. In 2022, 400 million dollars were approved from the GCF for electromobility with about 11 or 12 countries in the region and the bioeconomy fund to carry out bioeconomy projects in the 8 countries of the Amazon. With the CIF, technological innovation projects are being carried out and 70 million dollars were approved for Colombia's energy transition. Finally, with the GEF, pilot projects are carried out that can later be scaled up.

The Bank has developed several financing and knowledge platforms linked to the climate issue. Among them, a platform for energy ministers to achieve the goal of 70% renewable energy by 2030 and one for finance ministers to strengthen decision-making for climate change and sustainability in the ministries. It would be very interesting to think of a financing and knowledge platform for the region, including at the sub-national level to share experiences of financing with own resources or international funds.

Remarks by Paul Procee¹³

From the World Bank, there is pressure to focus more and more on climate change, with the right instruments and mechanisms. There are non-repayable resources and financing options with a climate change focus, but there are still opportunities for new mechanisms and instruments, such as working with capital markets in *blended finance*.

The housing sector is very important for development, but also for addressing climate change. Housing provides direct benefits —such as shelter, job creation, savings, and financial inclusion— but also indirect ones, such as economic growth, gender inclusion, and improvements in health and education. However, it also impacts the environment and climate change. Despite its importance and the fact that 81% of the population lives in cities, Latin America and the Caribbean face a large housing deficit, especially in terms of quality. 1 in 5 urban residents live in informal settlements and LAC's urban population could grow by a further 10% by 2050, due to migration to cities driven by climate impacts.

Urban growth and housing construction have a major impact on CO² emissions.

- The construction sector emits 39% of global CO² emissions: 28% from building operations and 11% from materials and construction.
- In LAC the building sector accounts for 24% of energy consumption and 21% of emissions (excluding manufacturing).

However, there is potential for emissions reductions, from the use of new and better materials in construction or implementation of international energy efficiency regulations to the location of housing.

- Energy efficiency and decarbonisation of electricity in LAC buildings could reduce building emissions by 51%.
- A focus on compact urban development can reduce urban emissions by 25%, from design to infrastructure.

Latin America and the Caribbean would benefit from changes that improve housing markets. The main challenge in the region is the limited supply of housing on one hand, and the quality of housing on the other. While the region seeks to solve tomorrow's problems, it has yet to solve those of today, such as the high percentage of people living in informal neighbourhoods. Cities are growing very rapidly and haphazardly, with problems concentrated in the peri-urban areas. In many countries, urbanisation rates may lead to an even more rapid increase in urban informal housing.

The housing finance system is a major challenge in the region. In order to have a plan for decent and formal housing in the region by 2050, the problem of financing needs to be solved. In this area, efforts in energy efficiency or climate change can help create mechanisms to attract public or private financing for housing or reduce the cost to the private sector. For this reason, working with the whole system is necessary.

Another challenge is vulnerability to disasters, a constant in the region. From the earthquake in Haiti to hurricanes Maria & Irma or the volcanic eruption of La Soufrière, these events generate hundreds of thousands of damaged homes and millions of dollars in economic losses and reconstruction. The impacts of floods or landslides are seen every week in the region. It is extremely important to rethink how cities are planned and what kind of designs should be applied to reduce these impacts.

In this context, the World Bank is contributing towards access to resilient, low-carbon housing and habitats in the region. Of the \$29 billion invested in the housing sector by the Bank, the largest

¹³ Operations Manager for Argentina, Paraguay and Uruguay - IBRD World Bank.

share of urban lending is in the LAC region with 37% of lending. Since 1972, housing loans in the region have reached 20 countries through 87 projects. Globally, the largest amount is for housing finance (30%), followed by neighbourhood improvements (19%). In Latin America and the Caribbean, the amounts go mainly to housing policies (31%) and housing finance (29%). Increasingly, efforts are being made to work in an integrated and coordinated way with energy, mobility and transport, or water projects.

The Bank's support ranges from technical advice —consultancies working with commercial banks and central banks on the planning of housing credit lines— to investment and evaluation of specific projects, involving itself in all the different stages of a housing project. In climate finance, the Bank is involved from the development of policies, programmes, and investments, to implementation with various funds:

- Financing and assistance for project preparation: conventional climate finance via grants and preparation of operations.
- Financing with approval: activity-based climate finance with GHG attribution.
- Project implementation: results-based climate finance with access to carbon markets.

The World Bank has made efforts to think more systemically about how to better coordinate its action regionally and across the different funds it uses. There is increasing coordination in lending with climate funds and this could certainly be applied to the urban and/or housing sector.

Remarks by Emil Rodríguez²⁴

The Development Bank of Latin America (CAF), had a management change in 2021 where it achieved the largest capitalisation in the history of the institution, around 7 billion dollars. This capitalisation came with the mandate to renew the bank and turn CAF into the "green and blue" bank of Latin America. This carries implications on how to restructure the institution. In 2022, the Climate Action and Positive Biodiversity Management department was specifically created to directly address these pressing issues and comply with the corporate mandate given to us by the board of directors. A new Urban Development, Water and Creative Economies Division was also created, precisely in order to implement the Sustainable Development Goals and specifically SDG 11 on cities.

In this transformation process, over the next 5 years, resources in the magnitude of \$25 billion will be mobilised to drive climate action and biodiversity conservation. This will allow for an increase from 26% in 2022 to 40% in 2026 of green finance across all operations. USD 1.25 billion will be allocated to finance projects that contribute to preserving, energising, and boosting the region's marine and coastal ecosystems. The Bank's Green Agenda is based on supporting the just transition of shareholder countries towards a green, low-carbon, and resilient economy, effectively incorporating the environmental component into CAF's operations and strengthening the mobilisation of resources for green financing, under the principles of inclusion and equity. In this sense, CAF works in two main areas: (i) Supporting countries in fulfilling their environmental and climate commitments, (ii) Structuring projects with environmental and climate co-benefits (fostering a virtuous circle of financing).

Within the framework of this transformation to a green bank and since the creation of the Urban Development Management department, synergies have been sought between the internal teams when it comes to promoting new actions. It is important to emphasise that development banks do not compete, they are not commercial banks but seek the same objective, which is sustainable development. The Biodiverciudades Network, one of the most innovative initiatives in the bank and one that is generating interest at the regional level, is a concept that integrates "city" with "biodiversity",

²⁴ Director of Habitat and Sustainable Mobility - Development Bank of Latin America, CAF.

and promotes biodiversity conservation as a central part of planning, land use and socio-economic development of cities.

The first phase of transformation has been very successful in raising political awareness, with 119 mayors' offices committed to the network in 17 of the 21 CAF countries. The second phase has sought to improve and strengthen the capacities of local governments to mainstream this issue into urban planning. In the third phase, work has been carried out with various institutions to create shared funds to generate sustainable projects, create an accelerator for biodiversity projects and a project incubator, and make them available to all mayors' offices that want to work in the network.

The Biodiversidades initiative will help to meet the 40% green finance mandate. However, when it comes to housing, it is even more complex. Ensuring the sustainability of housing is not only about the architectural structure, but also about its location, the opportunities people can access, and social integration. Housing only provides half of the solutions, so it is necessary to think about the environment in which these dwellings are set. CAF wants to continue promoting interventions that address the quality of housing, but also the quality of the environment, how the environment favours the search for solutions in a comprehensive manner and its impact on climate change.

Examples of actions in the region include:

- In Argentina, support for socio-urban integration initiatives in the Rodrigo Bueno, 20 and Playón de Chacarita neighbourhoods.
- In Ecuador, financing of mortgage titles within the framework of the "Casa para Todos" (House for All) programme.
- In Uruguay, work on a trust fund for social housing in the department of Maldonado.
- In the Dominican Republic, financing of national social housing programmes for different municipalities in the country.

CAF has different financing instruments. It works with direct financing to subnational entities (with or without a national guarantee) or national programmes implemented at the subnational level. In addition, the bank acts as an implementing agency for many green funds, such as the GCF. It is also necessary to involve the private sector in this change and transformation towards more sustainable models, for which new business models must be generated, and this is part of the strategy that CAF wants to promote.

Land use and urban planning are the only effective tools for mitigating and adapting to the problems of climate change. These are within reach of all mayors and ministers, via land regulations. Normally, housing policies have been made autonomously, they are thought of to lower the quantitative deficit or the qualitative deficit, but they have traditionally been separated from land policy. It is important not to separate housing policy from land policy, which implies multilevel coordination and more budget.

To generate a different, sustainable model of urban development, it is necessary to think about a different and sustainable economic model, which is no small thing. This means consciously reflecting on the type of interventions that should be prioritised, i.e. why favour one type of construction and not others, why invest in a certain area of the city and not in others.

IV. Internal Working Groups

A. Group 1: Central American region and Mexico

Remarks by Román Meyer Falcón³⁵

The conclusion is drawn that Mexico and Central America face practically the same problems of informality, the state's capacity to respond to the problems of climate change, housing shortages or problems of adequate land planning or management. In particular, Mexican and Central American cities face the lack of accessibility to land with well-located services, the failure to update municipal urban development programmes, the problem of political will or political management capacity with local, state and federal government authorities, and the limited capacity to generate their own resources.

The lack of technological instruments that allow for basic geographic and statistical information for decision-making and the creation of municipal plans, in addition to the cost of updating these plans, which can reach up to 600,000 dollars, is noteworthy.

There is an opportunity to continue to work directly with the communities, with self-management or self-building of housing, as well as housing subsidies or credit. Additionally, the elaboration of joint instruments in Central America and Mexico is proposed, with the goal of creating a geographic or statistical information system that could provide the basic foundations for the creation of planning instruments. Finally, the need to simplify the regulatory framework in the Central American case is addressed.

³⁵ Secretary of Agrarian, Territorial and Urban Development of Mexico.

B. Group 2: South American region

Remarks by Tatiana Valeska Rojas Leiva¹⁶

The conclusions can be summarised in nine key points:

- The first is that you cannot continue to build in the same way and with the same materials. For the future, it is necessary to rethink new formats, standards, and look at updating the already-built stock.
- Second, the importance of addressing climate and urban challenges in an inter-ministerial and, above all, inter-sectoral manner. The impact that climate change has on communities that have to relocate is not only a question of housing, but a longer-term impact, where ministries of culture, social affairs, and labour, among others, must be involved. In addition, it is important that this challenge is addressed in a multi-level manner, between central and local governments and of course the communities, based on their different forms of organisation.
- Third, a project addressing climate change and sustainability must necessarily be legitimised by social work. Without working with communities, policies and projects will not have the expected reception and success.
- Fourth, sustainable infrastructures and facilities should also be prioritised, not just building housing.
- Fifth, it is necessary to develop new urban housing plans, such as the *ReNaBaP* project in Argentina or *Ciudad Justa* in Chile, allowing for a more integrated approach to climate change action in cities.
- Sixth, the potential of housing certification or incorporation of construction and technology seals.
- Seventh, the importance of rethinking the reconversion including its actors, such as including a gender approach in this process of change.
- Eighth, incorporating new materials, connected to long-term cultural and social work.
- Finally, to continue with the necessary multilateral regional cooperation, which allows us to share experiences, successes or failures, and to move forward together.

C. Group 3: Andean Countries region

Remarks by Catalina Velasco¹⁷

Venezuela, Bolivia, Ecuador, and Colombia have many common patterns and problems, with a strong focus on the issue of insufficient financial resources. However, the problem is not only a lack of money; although it is necessary to address the construction of infrastructure, it is also necessary to include social accompaniment in the communities; it is not the same to produce habitat in an industrial way as it is to produce it in a community way.

¹⁶ Housing and Urbanism Undersecretary of Chile.

¹⁷ Minister of Housing, City and Territory of Colombia.

In terms of climate change and emergencies, there is a time lag between urgency and reality, that is, between what is currently lived and what will be experienced. Reconstruction processes, especially when community processes are included, can take decades. In this sense, it is necessary to make adjustments not only in institutional processes and requirements, but also to overcome the inertia: actions such as transformations in land use management are indispensable to address these challenges with new perspectives. Likewise, it is extremely important to generate more and better communication in order to be able to transmit to the communities how and in what form resettlement should be carried out, with a reflection on traditional processes and customs.

Finally, the remarks conclude with the importance of seeing and addressing housing as a right and not as a commodity, without forgetting the voice of the communities and the effort to translate it into public policies.

D. Group 4: The Caribbean region

Remarks by Ricardo Marshall¹⁸

With regard to the effects of climate change on the housing sector, it is clear that it is necessary to address the issues of mitigation, adaptation, and loss and damage, and that these need to be addressed at national, regional, community, and individual levels.

Droughts, floods, winds, forest fires, and sea level rise are extreme challenges in the region. Elements such as relocation have to be considered, but when it comes to small islands, this is easier said than done. The options are scarce: for example, going inland has strong implications if one does not have enough space.

At the national level, there is a need for physical development programmes such as the Roof to Reefs programme in Barbados, and for these programmes to be aligned with Nationally Determined Contributions (NDCs) and economic and social policies. The need to have building codes was discussed, and to understand the need for services, for example, where water resources are and how they are threatened. Qualitative and quantitative information is needed, especially on housing and zoning data for policy structuring.

The importance of comprehensive policies and the collection and management of information is highlighted. From a structural point of view, it focuses on the need to have places for displaced people and plans to make displacement work, from water management to the presence of services. In terms of challenges, several countries need technology and assistance for soil and water modelling, but the most important remains funding. Finally, it is concluded that much can be achieved by sharing successful experiences between countries and enabling more lasting exchanges.

E. Group 5: The Caribbean region

Remarks by Shawn White¹⁹

It is recognised that housing is essential and that climate change affects the budgets of Caribbean countries. These countries use a significant share of GDP to mitigate the effects of climate change, where it is essential to work on adaptation of the territory. Data exists and research is done on a regular basis, but what is most needed now is access to finance, whether concessional or grant funding. Developed countries have to understand that, as Caribbean islands, countries are small and

¹⁸ Director of the Roofs to Reefs Programme in the Office of the Prime Minister of Barbados.

¹⁹ Chairman of the Board of the National Housing Corporation (NHC) of St. Kitts and Nevis.

there are fewer resources, and funding for the sustainable housing sector is particularly important even as a way of empowering people of the region.

A shift towards more resilient housing and living environments is key to improving the quality of life for the most vulnerable. Climate change does not only affect housing, but also renewable resources and all sectors of economies. Finally, remarks conclude by recalling that the political will exists to advance sustainable development agendas, but access to finance is still needed.

V. Closing act

A. Closing remarks by Santiago Maggiotti²⁰

MINURVI usually meets in an annual assembly to share experiences in housing and urban planning and to report on what has been developed during the year. This meeting marks the first time that MINURVI meets to plan the issues to be developed during the year, where not only the representatives of the countries, but also development banks and the technical secretariat of MINURVI formed by ECLAC and UN-Habitat are present.

Undoubtedly, the countries of the region are not the ones that do the most damage to the environment, but they are the ones that suffer the effects of climate change, be it floods, droughts, or tsunamis. Ultimately, the task is to see how the regional bloc can approach the rest of the world on how to raise funds to finance green and environmentally friendly housing, how to finance sustainable extensions, and how to mitigate climate change. In addition, work is being done on the possibility of strengthening and institutionalising MINURVI to protect the progress achieved from changes of government and thus perpetuate the achievements.

B. Closing remarks by Alberto Fernández²¹

It is important to remember that we live in the most unequal continent in the world, and that access to housing is a human right and should be treated as such. Housing cannot be thought of as a commodity, as a good that some can access and others cannot, naturalising homelessness. When we work to provide a roof over the heads of every inhabitant of our territories, we are talking about an act of justice, but above all of humanity.

Starting the year with a joint plan to tackle homelessness in the world's most unequal continent is a major step forward. In addition to understanding housing as what it objectively is, a human right,

²⁰ Minister of Territorial Development and Habitat of the Republic of Argentina.

²¹ President of the Republic of Argentina.

and working to ensure that no one is without a roof over their heads, all of this is happening at a unique time in the world. We are living in a time of deep crisis, where a pandemic has claimed between 6 and 10 million people, according to the United Nations. This critical situation was further complicated by Russia's invasion of Ukraine, which complicated the entire world economic scene and had tremendous consequences. It was believed that after the pandemic, after so much pain, suffering, death, and injustice, we were going to learn to show more solidarity and make a better world, but unfortunately that did not happen, and that is why we must continue to fight for that better world. The problems we face today are the result of the injustice and inequality in the world, and are not limited to the South, but are also seen in the North.

From CELAC, the Climate Adaptation and Integrated Response to Natural Disasters Fund for the Caribbean was set up with Argentina and Mexico. It is clear that all countries in the region are responsible for the climate crisis, Argentina for example is responsible for 0.7% of global greenhouse gas emissions, but the region is also a creditor, because it provides oxygen to the world with the Amazon and the native Andean forests.

A green fund for housing development that respects and contributes to the climate and the environment is a major step forward. International lending agencies should help to support the environmental issue, especially when it comes to middle-income countries, which are often trapped in limbo and account for 60% of the world's poverty.

The joint initiative to create the Fund, as well as the will to promote Mercosur, CELAC, and UNASUR, gives us the strength to claim our legitimate rights to the world. Our strength is that the international lending agencies listen to us with the unified voice of a great continent, not as isolated voices. The search for unity in the region is particularly important to give a voice to the Caribbean countries, which deserve the same attention as the others. We want the construction to be fruitful for all and not just for some. What unites us is not the dread of the present, but the future we can build.

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